



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



Board of Administration Agenda

REGULAR MEETING

TUESDAY, JANUARY 14, 2025

TIME: 10:00 A.M.

MEETING LOCATION:

LACERS Boardroom
977 N. Broadway
Los Angeles, California 90012

Important Message to the Public

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

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

Disclaimer to Participants

Please be advised that all LACERS Board meetings are recorded.

LACERS Website Address/link:

www.LACERS.org

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

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

Notice to Paid Representatives

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

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Si requiere servicios de traducción, llámenos tres días (72 horas) antes de la reunión o evento al (800) 779-8328.

For additional information, please contact: Board of Administration Office at (213) 855-9348 and/or email at lacers.board@lacers.org.

[**CLICK HERE TO ACCESS BOARD REPORTS**](#)

- I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA
- II. GENERAL MANAGER VERBAL REPORT
 - A. REPORT ON DEPARTMENT OPERATIONS
 - B. UPCOMING AGENDA ITEMS
- III. RECEIVE AND FILE ITEMS
 - A. [BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER](#)
 - B. [ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD](#)
 - C. [MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR NOVEMBER 2024](#)
- IV. COMMITTEE REPORT(S)
 - A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON DECEMBER 10, 2024
- V. CONSENT ITEM(S)
 - A. [APPROVAL OF MINUTES FOR THE MEETING OF DECEMBER 10, 2024 AND POSSIBLE BOARD ACTION](#)
 - B. [APPROVAL OF DISABILITY RETIREMENT APPLICATION OF JIN SHIN FOR SERVICE-CONNECTED DISABILITY RETIREMENT OF 72% AND POSSIBLE BOARD ACTION](#)
- VI. DIVISION SPOTLIGHT
 - A. [RETIREMENT SERVICES DIVISION – LEGAL PROCESSING UNIT](#)
- VII. BOARD/DEPARTMENT ADMINISTRATION
 - A. [ADOPTION OF 2025 RETIRED MEMBER OF THE BOARD ELECTION CALENDAR AND POSSIBLE BOARD ACTION](#)
 - B. [GENERAL MANAGER RECRUITMENT PROCESS AND POSSIBLE BOARD ACTION](#)
- VIII. INVESTMENTS
 - A. CHIEF INVESTMENT OFFICER VERBAL REPORT
 - B. [PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW FOR THE QUARTER ENDING SEPTEMBER 30, 2024](#)

- C. [PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PROGRAM 2025 STRATEGIC PLAN AND POSSIBLE BOARD ACTION](#)
- D. [CONSENT OF ASSIGNMENT OF GLP CAPITAL PARTNERS LIMITED CONTRACT AND POSSIBLE BOARD ACTION](#)
- E. [INVESTMENT POLICY AMENDMENTS AND POSSIBLE BOARD ACTION](#)
- F. [NOTIFICATION OF COMMITMENT OF UP TO \\$42,857,142.86 IN QUANTUM ENERGY PARTNERS VIII, LP AND \\$7,142,857.14 IN QUANTUM ENERGY PARTNERS VIII CO- INVESTMENT FUND, LP](#)
- G. [NOTIFICATION OF COMMITMENT OF UP TO \\$40 MILLION IN MILL POINT CAPITAL PARTNERS III, L.P.](#)
- H. [NOTIFICATION OF COMMITMENT OF UP TO \\$50 MILLION IN STELLEX CAPITAL PARTNERS III, LP](#)
- I. [NOTIFICATION OF COMMITMENT OF UP TO \\$50 MILLION IN QUANTUM CAPITAL SOLUTIONS, II, LP AND \\$10 MILLION IN QUANTUM CAPITAL SOLUTIONS II CO-INVESTMENT FUND, LP](#)
- J. [NOTIFICATION OF COMMITMENT OF UP TO \\$25 MILLION IN CENTRE LANE CREDIT PARTNERS III, L.P.](#)
- K. [NOTIFICATION OF COMMITMENT OF UP TO \\$100 MILLION IN ICG SENIOR DEBT PARTNERS FUND 5-C \(USD LEVERAGED\) SCSP](#)
- L. [NOTIFICATION OF COMMITMENT OF UP TO \\$35 MILLION IN PRINCIPAL DATA CENTER GROWTH & INCOME FUND, L.P.](#)
- M. [NOTIFICATION OF COMMITMENT OF UP TO \\$35 MILLION IN WCP NEWCOLD III, L.P.](#)

IX. LEGAL/LITIGATION

- A. **CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 18 v. CITY OF LOS ANGELES ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCP02171)**
- B. **CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: THOMAS CRAWLEY v. LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCV14282)**

- X. OTHER BUSINESS
- XI. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, January 28, 2025, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, CA 90012.
- XII. ADJOURNMENT

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-A

Benefit payments have been approved by the General Manager under the authority delegated by the Board of Administration (Board Rule GMA 1 adopted June 14, 2016):

SERVICE RETIREMENTS

<u>Member Name</u>	<u>Service</u>	<u>Department</u>	<u>Classification</u>
Farhang, Farsheed	45	PW - Sanitation	Environmental Engineer
Chavez, Victor H	36	PW - Sanitation	Ref Coll Truck Opr
Campbell, Daniel W	36	Dept. of Airports	Director Of Maintenance
Williams, Donna Lynn	36	Dept. of Airports	Executive Administrative
Silva, Rea P	36	Police Dept. - Civilian	Exec Admin Assistant
Genuth, Larry M	34	Dept. of Airports	Systems Administrator
Sosa, Valentin Z	34	PW - St. Lighting	Street Lighting Electrician
Young, Stephanie Y	33	Dept. of Airports	Management Analyst
Clark, Michael Joseph	32	Zoo Dept.	Animal Keeper
Meier, Daniel Thomas	30	Fire Dept.	Firefighter
Holland, Jeff S	27	Zoo Dept.	Zoo Curator
Rojas, Esther	26	Fire Dept. - Civilian	Accounting Clerk
Fuller, Wendy Elice	25	Police Dept. - Civilian	Fingerprint Identification
Farrow, Yevette L	24	Dept. of Transportation	Communications Info Rep
Mitchell, Aaron Craig	24	Dept. of Rec. & Parks	Recreation Coordinator
Dacumos, Giovanni O	23	Dept. of Bldg. & Safety	Deputy Supt Of Bldg
Tse, Chi Wing Dannis	23	Police Dept. - Civilian	Detention Officer
Macias Maldonado, Angel	23	PW - Sanitation	Ref Coll Truck Opr
Grimes, Eric L	22	Dept. of Airports	Security Officer
Hotchkiss, Margo B	21	Dept. of Airports	Custodian
Lucas, Joseph	21	Police Dept. - Civilian	Equipment Mechanic
Santiago, Nereida	21	PW - Sanitation	Administrative Clerk
Hassien, Diane Elaine	20	Police Dept. - Civilian	Sr Administrative Clerk
Murray, Alan E	20	PW - Sanitation	Maintenance Laborer
Blow, Dale L	19	Dept. of Airports	Custodian
Lorenzo, Vincent D	18	Dept. of Transportation	Trans Planning Assoc
Phillips, Carolyn N	18	City Attorney's Office	Deputy City Attorney
Maldonado, Noe M	16	GSD - Public Bldgs.	Parking Attendant
Palmer, Brian W	16	Library Dept.	Systems Analyst
Dalton, Renee	15	Dept. of Rec. & Parks	Recreation Coordinator
Regilski, Christophe	14	PW - Engineering	Geotechnical Engr
Malone Brown, Peggy Marie	12	City Planning Dept.	City Planning Assoc
Orozco, Eduviges R	11	Library Dept.	Messenger Clerk
Marquez, Lucia O	11	Dept. of Rec. & Parks	Special Program Assistant
Hernandez, Edward F	10	PW - Engineering	Survey Party Chief
Goodman, David	8	Dept. of Transportation	Crossing Guard
Ruiz Barrera, Florentina	8	Dept. of Rec. & Parks	Special Program Assistant

Lopez, George	7	Dept. of Transportation	Maint Laborer
Peters, Thomas H	5	City Attorney's Office	Ch Asst City Atty
Barber, Lesley M	3	Library Dept.	Librarian

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-A

Benefit payments have been approved by the General Manager under the authority delegated by the Board of Administration (Board Rule GMA 1 adopted June 14, 2016):

Approved Death Benefit Payments

Deceased

TIER 1

Almond, Robert G

Beneficiary/Payee

Clairene A Almond for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Baker, Roscoe

Thelma Baker for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Bell, Catherine

Vonsasta V Thomas for the payment of the
Accrued But Unpaid Continuance Allowance

Brown, Deborah J

Philemon Leon Young for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Danganan, Benjamin A

Norma Danganan for the payment of the
Accrued But Unpaid Vested Retirement Allowance
Burial Allowance

Enriquez, Steve P

Andrea Southam for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Ewbank, Phillip K	Canda Rae McCaulley for the payment of the Accrued But Unpaid Vested Retirement Allowance
Francis, Marilyn L	Victoria J Francis for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Gallegos, Theresa	Vincent P Gallegos for the payment of the Accrued But Unpaid Continuance Allowance
Galyon, John Allen	Oblate Missionary Society Assoc for the payment of the Accrued But Unpaid Larger Annuity Allowance Unused Contributions
Hoag, Michael D	Diane Hays-Hoag for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hugard, Jacques Joseph	Janice Beverly Hugard for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Jenkins, Paul E	Ollie Z Jenkins for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Jimenez, Jaime R Raymond Jimenez for the payment of the
Accrued But Unpaid Service Retirement Allowance

Johnson, Hollis L Brenda Ann Golden for the payment of the
Accrued But Unpaid Vested Retirement Allowance
Burial Allowance

Johnson, Steven F Jourdan Ballou for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance
Unused Contributions

Quinntona Johnson for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance
Unused Contributions

Kumagai, Sachiko Amy T Kumagai for the payment of the
Accrued But Unpaid Continuance Allowance

Lynn Y Kumagai for the payment of the
Accrued But Unpaid Continuance Allowance

Lane, John C Edward A Lane for the payment of the
Accrued But Unpaid Service Retirement Allowance

Leon, Fernando A Anita Ines Leon for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Long, Cheryl K	Dana Lynn Lozano for the payment of the Burial Allowance
Lopez, Guadalupe R	Gina N Garcia-Lopez for the payment of the Accrued But Unpaid Survivorship (Retirement) Allowance
	Maria Lopez for the payment of the Accrued But Unpaid Survivorship (Retirement) Allowance
Lotfalla, Wadie S	Marguerite K Lotfalla for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Lowe, Billy R	Maxine Lowe for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Lyons, Byrdia M	Bernadette Gladden Brooks for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mancuso, Robert G	Ericka M Mancuso for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Matsuoka, Akira	Matsuoka Living Trust Dated 3/24/2006 for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Miles, Barbara A	Latrease S Miles for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Moore, Herbert C	Robert Moore for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Nichols, Kenneth Ernest	Kenneth E Nichols And Gay C Nichols Living Trust for the payment of the Burial Allowance
Peck, Norman P	Mary Kay Peck for the payment of the Burial Allowance
Pye, Charles E	Clemmie L Pye for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Ramos, Romeo G	Maria Cynthia R Fernandez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Ramon Singson Hidalgo for the payment of the Accrued But Unpaid Service Retirement Allowance

Rogers, William M	<p>Catharine M Philip for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance</p> <p>Diane Cawthon for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance</p> <p>Valerie Ann Bolan for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance</p>
Saldana, Jose Alfredo	<p>Maria Gloria Saldana for the payment of the Accrued But Unpaid Service Retirement Allowance</p>
Shea, William Paul	<p>Douglas John Shea for the payment of the Accrued But Unpaid Service Retirement Allowance</p> <p>Elizabeth Ann Shea for the payment of the Accrued But Unpaid Service Retirement Allowance</p> <p>Jacquelynn Anne Shea for the payment of the Accrued But Unpaid Service Retirement Allowance</p>
Shukla, Mahesh	<p>Jagruti Shukla for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance</p>
Silvas, Frank M	<p>Alice M Silvas for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance</p>

Starks, Cynthia A Lorne T Starks for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Tejeda, Jesus R Gabriel Tejeda for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Trujillo, Venceslado L Adelina Lavoie for the payment of the
Burial Allowance

Uyemura, Raymond M Susan T Uyemura for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Yasunaga, Edward Yoshio Mary Ann Yasunaga for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

TIER 3
NONE

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-A

Benefit payments have been approved by the General Manager under the authority delegated by the Board of Administration (Board Rule GMA 1 adopted June 14, 2016):

Approved Death Benefit Payments

Deceased

Beneficiary/Payee

TIER 1

Active

Bodolai, Arpad
(Deceased Active)

Gabriella Jakab for the payment of the
Accumulated Contributions
Limited Pension

Godel, Ronald
(Deceased Active)

Melissa Martinez for the payment of the
Accumulated Contributions
Limited Pension

Olivia Martinez for the payment of the
Accumulated Contributions
Limited Pension

Hendricks, Nicholas T
(Deceased Active)

Rosalina Viloría Hendricks for the payment of the
Vested Retirement Survivorship Allowance

Piepers, Nicole Ursula
(Deceased Active)

Lori Lee for the payment of the
Service Retirement Survivorship Allowance

Ponce, Joe R
(Deceased Active)

Debra Linn Ferrari for the payment of the
Accumulated Contributions

TIER 3

NONE

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

**LACERS' ETHICAL CONTRACT COMPLIANCE REPORT
NOTIFICATION TO THE BOARD**

RESTRICTED SOURCES

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

Name	Description	Inception	Expiration	Division
Box, Inc.	Retirement Application Portal Custom Consulting Services - Phase 3 Development	N/A	N/A	Administration
Business Contingency Group	Tabletop Exercise Consulting Services	N/A	N/A	Administration
Chloeta	Tabletop Exercise Consulting Services	N/A	N/A	Administration
Constant Associates, Inc.	Tabletop Exercise Consulting Services	N/A	N/A	Administration
Kimble & Associates dba Kuma	Tabletop Exercise Consulting Services	N/A	N/A	Administration
LMG Security	Tabletop Exercise Consulting Services	N/A	N/A	Administration
Segal Select Insurance Services, Inc.	Insurance Broker Services	N/A	N/A	Administration
Foundation for Senior Services	Older Adult Education and Seminar Services	N/A	N/A	Health, Wellness, & Buyback
Mom's Computer, Inc.	Technology Education Services	N/A	N/A	Health, Wellness, & Buyback
Personal Wellness Corporation	Wellness Program Fitness Services	N/A	N/A	Health, Wellness, & Buyback

**LACERS' ETHICAL CONTRACT COMPLIANCE REPORT
NOTIFICATION TO THE BOARD**

Name	Description	Inception	Expiration	Division
St. Barnabas Senior Center of Los Angeles	Older Adult Education and Seminar Services	N/A	N/A	Health, Wellness, & Buyback
BlackRock Institutional Trust Company, N.A.	Multi Passive Index Portfolio Management	November 1, 2022	October 31, 2027	Investments
CEM Benchmarking	Investment Benchmarking Services	N/A	N/A	Investments
The Northern Trust Company	Compliance Analytics Services / Fair Value Reporting Services / Integrated Disbursements Services / Master Custody Services / Performance Reporting and Risk Analytics Services / Securities Lending Services	N/A	N/A	Investments

**LACERS' ETHICAL CONTRACT COMPLIANCE REPORT
NOTIFICATION TO THE BOARD**

ACTIVE RFPs

Description	Respondents	Inception	Expiration	Division
External Auditor	Bolton Partners, Inc. (dba Bolton), Brown Armstrong Accountancy Corporation, Cheiron Inc., Eide Bailly LLP, Gallagher Benefit Services, Inc., Insight Examinations Inc, Macias Gini & O'Connell LLP, Milliman, Inc., Moss Adams LLP, UHY LLP	November 5, 2024	December 9, 2024	Internal Audit

Agenda of: JAN. 14, 2024

Item No: III-C

**MONTHLY REPORT ON SEMINARS AND CONFERENCES
ATTENDED BY BOARD MEMBERS ON BEHALF OF LACERS
(FOR THE MONTH OF NOVEMBER 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 MEMBERS:

President Annie Chao
Vice President Janna Sidley

Commissioner Thuy Huynh
Commissioner Elizabeth Lee
Commissioner Gaylord "Rusty" Roten
Commissioner Sung Won Sohn
Commissioner Michael R. Wilkinson

DATE(S) OF EVENT	SEMINAR / CONFERENCE TITLE	EVENT SPONSOR (ORGANIZATION)	LOCATION (CITY, STATE)
	NOTHING TO REPORT		

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

December 10, 2024

10:06 a.m.

PRESENT:	President:	Annie Chao
	Vice President:	Janna Sidley
	Commissioners:	(arrived at 10:11 a.m.) Thuy Huynh Elizabeth Lee Gaylord "Rusty" Roten Sung Won Sohn Michael R. Wilkinson
	Legal Counselor:	Miguel Bahamon
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian

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

I

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

II

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) updates
 - Benefit Operations Update
 - General Manager announcement on upcoming retirement

III

RECEIVE AND FILE ITEMS

- A. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.
- B. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.
- C. EDUCATION AND TRAVEL EXPENDITURE REPORT FOR THE QUARTER ENDING SEPTEMBER 30, 2024 – This report was received by the Board and filed.
- D. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR OCTOBER 2024 – This report was received by the Board and filed.
- E. COMMISSIONER SUNG WON SOHN EDUCATION EVALUATION ON HARVARD BUSINESS SCHOOL – COMPETING IN THE AGE OF AI; OCTOBER 3 - NOVEMBER 21, 2024; VIRTUAL – This report was received by the Board and filed.

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

IV

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE REGULAR MEETINGS OF OCTOBER 22, 2024 AND NOVEMBER 12, 2024 AND POSSIBLE BOARD ACTION
- B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF JUDITH CARRETINO AND POSSIBLE BOARD ACTION

**APPROVAL OF DISABILITY RETIREMENT
BENEFIT FOR JUDITH CARRETINO**

RESOLUTION 241210-A

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

WHEREAS, Physicians 1, 2, and 3 examined and concluded Judith Carretino is unable to perform her usual and customary duties as a Gardner Caretaker 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 Judith Carretino is incapacitated pursuant to the definition in Los Angeles Administrative Code §4.1008(b) and not capable of performing her duties as a Gardner Caretaker;

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 Judith Carretino based upon her claimed disabling condition.

V

BOARD/DEPARTMENT ADMINISTRATION

- A. LACERS WELL EDUCATION PROGRAMS FOR OLDER ADULTS REQUEST FOR PROPOSAL CONTRACT AWARD RECOMMENDATIONS FOR MOM'S COMPUTER, PERSONAL WELLNESS CORPORATION, AND FOUNDATION FOR SENIOR SERVICES AND POSSIBLE BOARD ACTION – James Kawashima, Senior Benefits Analyst II, and Alejandra Zuniga, Benefits Analyst, presented and discussed this item with the Board for four minutes. Vice President Sidley moved approval of the following Resolution:

**LACERS WELL EDUCATION PROGRAMS FOR OLDER ADULTS
CONTRACT AWARDS AUTHORIZATION**

RESOLUTION 241210-B

WHEREAS, the Los Angeles Administrative Code establishes that the Los Angeles City Employees' Retirement System (LACERS) provide health and welfare programs for retired employees and their eligible dependents;

WHEREAS, on September 16, 2024, a Request for Proposal (RFP) was released to identify qualified vendors to provide education programs for older adults for fitness instruction, technology education and support services, and older adult education;

WHEREAS, on October 4, 2024, nine vendors responded to the RFP, with three vendors for each category;

WHEREAS, LACERS Health staff recommended, after reviewing and evaluating each proposal, to award contracts to Personal Wellness Corporation, Mom's Computer, and Foundation for Senior Services; and,

NOW, THEREFORE, BE IT RESOLVED, that the Board of Administration hereby awards three-year contracts, beginning on January 1, 2025, with an annual contract amount not to exceed \$25,000 for each category, to:

1. Personal Wellness Corporation for fitness instruction,
2. Mom's Computer for technology education and support services,
3. Foundation for Senior Services for older adult education; and

Delegate the authority to the General Manager to negotiate and execute these contracts, subject to City Attorney review.

Which motion was seconded by Commissioner Lee, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sohn, Wilkinson, Vice President Sidley, and President Chao -7; Nays, None.

- B. PRESENTATION OF LACERS AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2024 BY THE EXTERNAL AUDITOR MOSS ADAMS LLP AND POSSIBLE BOARD ACTION – Colin Tran, Internal Auditor III, and Aaron Hamilton, Senior Manager, with Moss Adams LLP, presented and discussed this item with the Board for 20 minutes. Commissioner Lee moved approval, seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sohn, Wilkinson, Vice President Sidley, and President Chao -7; Nays, None.
- C. APPROVAL FOR ENTERING INTO AN AGREEMENT WITH SEGAL SELECT INSURANCE SERVICES, INC. AS LACERS INSURANCE BROKER FOR THREE YEARS WITH TWO ONE-YEAR OPTIONS FOR RENEWAL AND POSSIBLE BOARD ACTION – Edwin Avanesian, Chief Management Analyst, presented and discussed this item with the Board for 6 minutes. Commissioner Lee moved approval of the following Resolution:

AUTHORIZATION TO CONTRACT WITH SEGAL SELECT INSURANCE SERVICES, INC. FOR INSURANCE BROKERAGE SERVICES

RESOLUTION 241210-C

WHEREAS, on August 27, 2024, LACERS issued Request for Information for Insurance Broker for Cyber Liability, Directors & Officers Liability, Commercial Property, Earthquake, and Other Similar Types Of Insurance to identify insurance brokerage services providers; and,

WHEREAS, on September 20, 2024, four firms responded to the Request for Information for Insurance Broker for Cyber Liability, Directors & Officers Liability, Commercial Property, Earthquake, and Other Similar Types of Insurance; and,

WHEREAS, on December 10, 2024, based on the staff's recommendation, after evaluating the submitted written proposals and interview responses, the Board approves entering into an Agreement with Segal Select Insurance Services, Inc. for insurance brokerage services;

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract, subject to satisfactory business and legal terms with Segal Select Insurance Services, Inc. for insurance brokerage services with an initial term of three years with two one-year options to renew the agreement.

Which motion was seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sohn, Wilkinson, Vice President Sidley, and President Chao -7; Nays, None.

VI

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$24.769 billion as of December 9, 2024; and Volatility Index at 13.9. Rod June discussed the following items:

POLICY:

- a. Real Estate Investment Policy
- b. Emerging Investment Manager Policy

GLOBAL ISSUES:

- a. Ukrainian equities are up 40% in the past two months
- b. No material changes in valuation for Russia, Israel, China, China Tech
- c. No exposure to Syria

ESG/EMERGING MANAGERS:

- a. On-going review of Responsible Investment Policy and EM Policy and Program

FUTURE AGENDA ITEMS:

- a. Private Equity Strategic Plan
- b. Consent of Ownership Change
- c. Investment Policy Amendments
- d. Several private equity, private credit, and private real state notifications

MISCELLANEOUS:

- a. Asset Allocation decision
- b. 2024 Productivity Review
- c. Staff Acknowledgements

ANNOUNCEMENTS:

- a. Retirement of Carolyn Smith, NEPC, LLC

Carolyn Smith, Partner with NEPC, LLC, discussed her retirement from NEPC, LLC.

President Chao recessed the meeting at 11:32 a.m. for a break. President Chao readjoined the meeting at 11:49 a.m.

- B. PRESENTATION BY NEPC, LLC REGARDING CONTINUED DISCUSSION OF ASSET ALLOCATION AND POSSIBLE BOARD ACTION – Carolyn Smith, Partner, Kevin Novak, Principal, and Rose Dean, Partner, with NEPC, LLC, presented and discussed this item with the Board for 24 minutes. Commissioner Roten moved approval of the blended mix, seconded by Commissioner Lee, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sohn, Wilkinson, Vice President Sidley, and President Chao -7; Nays, None.
- C. APPROVAL OF SIX-MONTH CONTRACT EXTENSION WITH THE NORTHERN TRUST COMPANY REGARDING MASTER CUSTODIAL SERVICES, SECURITIES LENDING, AND ANCILLARY SERVICES AND POSSIBLE BOARD ACTION – Vice President Sidley moved approval of the following Resolution:

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

RESOLUTION 241210-D

WHEREAS, LACERS' current contracts with The Northern Trust Company (Northern Trust) for the following services: master custody, securities lending, performance reporting and risk analytics, compliance analytics, integrated disbursements, and fair value reporting expire on January 31, 2025; and,

WHEREAS, the contracts awarded to Northern Trust under the Board-approved request for proposal (RFP) for the Master Trust/Custodial Services and Securities Lending competitive process are currently being negotiated; and,

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

WHEREAS, on December 10, 2024, the Board approved staff's recommendation for six-month contract extensions with Northern Trust; and,

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

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

Which motion was seconded by Commissioner Lee, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sohn, Wilkinson, Vice President Sidley, and President Chao -7; Nays, None.

D. CONSENT OF ASSIGNMENT OF NEPC, LLC CONTRACT AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, presented and discussed this item with the Board for six minutes. Commissioner Lee moved approval of the following Resolution:

**CONSENT TO ASSIGN CONTRACT WITH
NEPC, LLC**

RESOLUTION 241210-E

WHEREAS, LACERS has a contract with NEPC, LLC to provide general pension fund consulting services (NEPC); and,

WHEREAS, NEPC has entered into an acquisition agreement with Hightower Advisors, LLC (Hightower); and,

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

WHEREAS, staff has conducted initial discussions with NEPC representatives and staff proposes on-going monitoring and due diligence of NEPC through the end of 2025,

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

Which motion was seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sohn, Wilkinson, Vice President Sidley, and President Chao -7; Nays, None.

E. CONSENT OF ASSIGNMENT OF MONROE CAPITAL LLC CONTRACT AND POSSIBLE BOARD ACTION – Commissioner Lee moved approval of the following Resolution:

**CONSENT TO ASSIGN CONTRACT WITH
MONROE CAPITAL LLC**

RESOLUTION 241210-F

WHEREAS, LACERS has a private credit investment in Monroe Capital Private Credit Fund L LP, which is managed by Monroe Capital LLC (Monroe); and,

WHEREAS, Monroe has entered into an agreement to be acquired by Wendel, a Paris-based investment manager; and,

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

WHEREAS, staff has conducted appropriate due diligence on the acquisition of Monroe.

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

Which motion was seconded by Vice President Sidley, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sohn, Wilkinson, Vice President Sidley, and President Chao -7; Nays, None.

F. PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING JUNE 30, 2024 – Jeff Goldberger, Managing Director,

and Trevor Jackson, Managing Director, with Aksia LLC, presented and discussed this item with the Board for 25 minutes.

- G. DISCLOSURE REPORT OF FEES, EXPENSES, AND CARRIED INTEREST OF ALTERNATIVE INVESTMENT VEHICLES FOR THE FISCAL YEAR ENDING JUNE 30, 2024 PURSUANT TO GOVERNMENT CODE SECTION 7514.9 – This report was received by the Board and filed.

The Board did not discuss any Legal/Litigation items.

VII

LEGAL/LITIGATION

- A. **CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 18 v. CITY OF LOS ANGELES ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCP02171)**
- B. **CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: THOMAS CRAWLEY v. LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCV14282)**

VIII

OTHER BUSINESS – There was no other business.

IX

NEXT MEETING: The Regular meeting of the Board scheduled for December 24, 2024, is canceled. The next Regular meeting of the Board is scheduled for Tuesday, January 14, 2025, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012.

X

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the Meeting at 12:50 p.m.

Annie Chao
President

Neil M. Guglielmo
Manager-Secretary



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

MEETING: JANUARY 14, 2025
ITEM: V - B

SUBJECT: APPROVAL OF DISABILITY RETIREMENT APPLICATION OF JIN SHIN FOR SERVICE-CONNECTED DISABILITY RETIREMENT OF 72% AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That it be the finding of the Board that:

1. Jin Shin is incapable of performing the duties of an Airport Police Sergeant; and,
2. There is clear and convincing evidence that demonstrates the discharge of Jin Shin’s duties as an Airport Police Sergeant is the predominant cause of the incapacity; and,
3. Jin Shin be granted a Service-Connected Disability Retirement, with a rating of 72%, and permanently excluded from future re-examination 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

Jin Shin (Officer) is an Airport Police Sergeant in the Department of Airports (LAWA) with 17.25750 years of City Service. The Officer applied for Service-Connected Disability Retirement on August 9, 2023.

The Officer’s last day on active payroll was June 5, 2023. If approved, the Officer’s retirement effective date will be June 6, 2023.

Accommodation

Because Physicians 1 and 2 opined no accommodation would allow the Officer to return to work, no inquiries were made with the Officer’s employing department.

Basis for Disability Rating Recommendation

Disability Type: Service-Connected
Percentage: 72%
Limitations: Limitations fall within the "Severe" category

Fiscal Impact

Upon approval, the Officer will receive a Service-Connected Disability Retirement allowance of approximately \$8,500.00 per month, which is equal to 72% of his Final Compensation, and a retroactive payment covering 20 months of approximately \$170,000.00.

Prepared By: Carol Rembert, Benefits Analyst, Retirement Services Division
Susann Hernandez, Sr. Benefits Analyst I, Retirement Services Division

FS:IC:SH:cr

Attachment 1: Proposed Resolution

**APPROVAL OF SERVICE-CONNECTED DISABILITY RETIREMENT
BENEFIT FOR JIN SHIN**

PROPOSED RESOLUTION

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

WHEREAS, Physicians 1, 2, and 3 examined and concluded Jin Shin is unable to perform his usual and customary duties as an Airport Police Sergeant 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 the clear and convincing evidence demonstrates that the discharge of Jin Shin's duties as an Airport Police Sergeant is the predominant cause of the incapacity pursuant to the definition in Los Angeles Administrative Code § 4.1008.1(b) and he is not capable of performing his duties as an Airport Police Sergeant;

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 Officer's intemperance or willful misconduct;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the Service-Connected disability retirement benefit for Jin Shin of 72% of his Final Average Compensation based upon his claimed disabling condition.



LACERS

LA CITY EMPLOYEES'
RETIREMENT SYSTEM

BOARD Meeting: 01/14/25
Item: VI - A

LEGAL PROCESSING UNIT

LPU



LPU TEAM



**CLAUDIA
BATRES-FLORES**
SR BENEFITS ANALYST



**MARINA
CASTANEDA**
BENEFITS ANALYST



**LIAN
MACDONOUGH**
BENEFITS ANALYST



**MAGDA
RODRIGUEZ**
BENEFITS ANALYST



**SERENA
SO**
BENEFITS ANALYST



**JAIME
ALVAREZ**
ACCOUNTING CLERK
TRAINEE

LPU

Provide counseling and benefit information to Members, beneficiaries and parties of interest as it relates to legal issues that may affect a Member's LACERS benefits. LPU also acts as the Retirement Services Division (RSD) liaison to the Public Pension General Counsel Division of the Office of the City Attorney.



LPU MAJOR FUNCTIONS

**Review Dissolution/
Court Documents**

**Review/Process LACERS Domestic
Partnership Filings and Terminations**

**Process Subpoenas, Requests for
Information, Court Orders for
Appearances/Records**

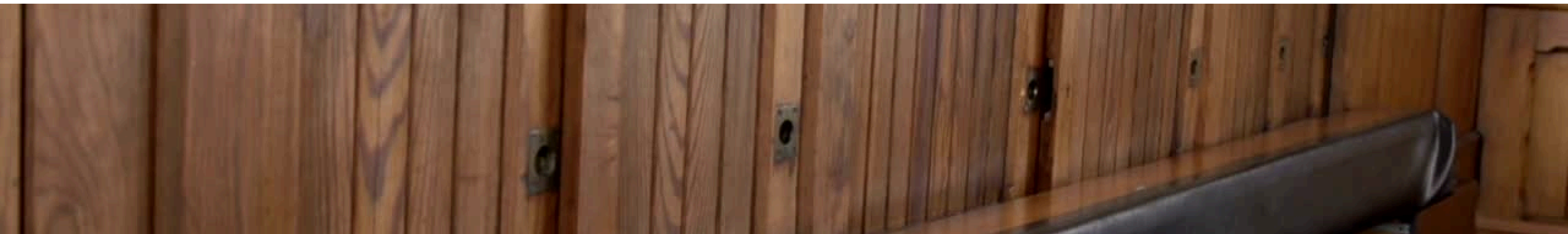
**Process Legal Authority Documents
Including Power of Attorney (POA),
Conservatorship, and Guardianships**

**Calculate/Process Wage Assignments &
Tax Levies**

**Calculate/Process Community Property
Estimates & Claims, Domestic Relations
Orders (DROs), and Joinders**

**RSD Liaison to the Office of the City
Attorney**

**Track/Assess/Archive City Attorney
Opinions**



LPU COLLABORATION



Works with all RSD units and with Health, Wellness, and Buyback (Health) processing:

- **Benefits Determination** - Community Property Calculations and Wage Reassignments
- **Disability Retirement** - Dissolution Reviews, Domestic Partnerships, Marital Status Changes, Legal Authority Documents, and City Attorney Memoranda
- **Member Processing** - DROs, and Other Community Property Set-ups, Legal Authority Documents, and City Attorney Memoranda
- **Performance Review** - Legal Authority Documents, and City Attorney Memoranda
- **Survivor Benefits** - Dissolution Reviews, Domestic Partnerships, Marital Status Changes, Community Property Calculations and Wage Reassignments, Legal Authority Documents, and City Attorney Memoranda
- **Service Retirement** - Dissolution Reviews, Domestic Partnerships, Marital Status Changes, Community Property Calculations and Wage Reassignments, Legal Authority Documents, and City Attorney Memoranda
- **Health** - Dissolution Reviews, Domestic Partnerships, Marital Status Changes, and Legal Authority Documents

FY 23/24 ACCOMPLISHMENTS

2,379



Contacts
Via email, phone, walk-ins,
and correspondences

489



Processed Requests
(Declarations, Affidavits,
Beneficiary)

334



Processed Legal Authority
Documents (POA,
Guardianship,
Conservatorship)

446



Processed
Dissolution Reviews,
Joinders, Draft DROs and
DROs

155



Processed Wage
Reassignments

47



Community Property
Calculations Performed

45



Community Property
Estimates Performed &
DRO Benefit Setup

33

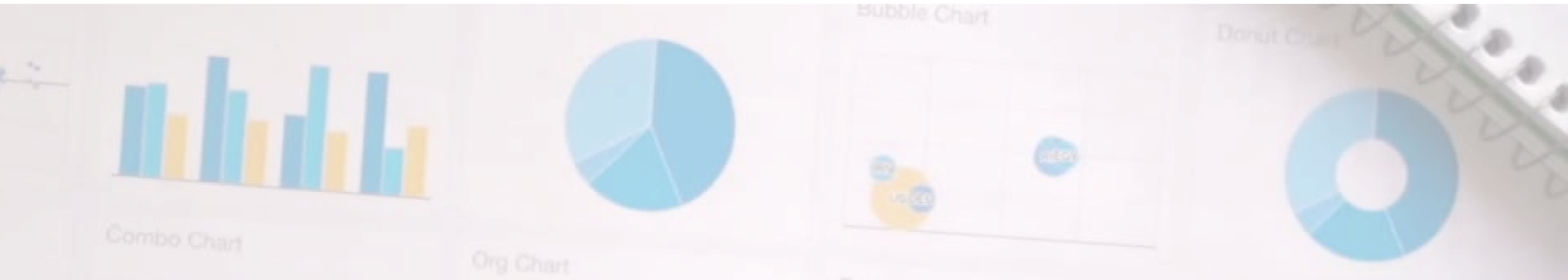


Subpoena/Request for
Information

830



Other/Misc - Case reviews
including DWP/Joinder/Refund
Reviews/Domestic Partnerships



INNOVATION

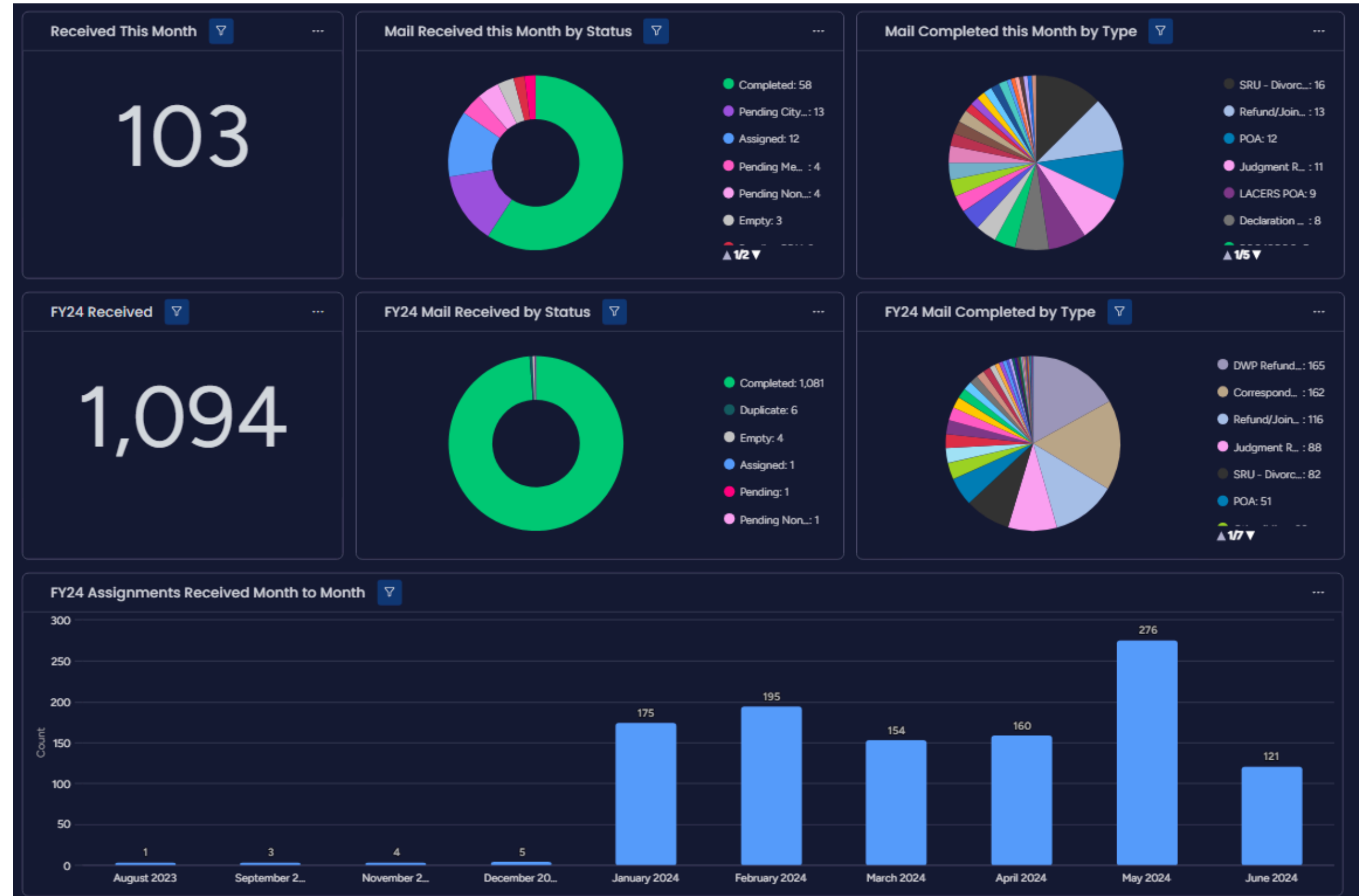


In March of 2024, LPU began the implementation of a case-tracking Monday.com board. This board serves as a centralized database for all incoming assignments, and documents received.

The database assists LPU in its effectiveness and efficiency by enabling staff to provide timely responses to Members, Divisions and units regarding the status of their requests, reducing the potential for delays, and producing a more consistent and cohesive workflow.

MONDAY.COM

Track Progress & Measure Success



*data compiled as of January 2024



LACERS

LA CITY EMPLOYEES'
RETIREMENT SYSTEM

QUESTIONS?

THANK YOU
FOR YOUR ATTENTION

LPU



LACERS
 LA CITY EMPLOYEES'
 RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION
From: Todd Bouey, Acting General Manager

MEETING: JANUARY 14, 2025
ITEM: VII-A

T. Bouey

SUBJECT: ADOPTION OF 2025 RETIRED MEMBER OF THE BOARD ELECTION CALENDAR AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board adopt the proposed calendar for the 2025 Election of the Retired Member of the Board for the term ending June 30, 2030, and direct the General Manager to proceed accordingly.

Executive Summary

Commissioner Wilkinson’s five-year term as an elected Retired Member of the Board is set to expire on June 30, 2025. The proposed calendar for the 2025 election of the Retired Member of the Board (Attachment 1) for a five-year term ending June 30, 2030 has been prepared in accordance with Ordinance 178442 Sections 23.41 – 23.43 (Attachment 2), which set forth the procedures for the City Clerk to administer and conduct elections for the position of Retired Member of the Board.

Upon adoption of the Election Calendar, the Commission Executive Assistant will initiate preparation of all required materials, such as formal notification to the City Clerk’s Office, prepare the Notice of Election, Notice of Intent to run including the Qualification Statement and Occupational Designation.

Discussion

The election process will commence on January 14, 2025, with a formal notification to the City Clerk of the upcoming election. The election results will be canvassed on April 15, 2025, at which time any candidate who receives at least 50% plus one of all votes cast shall be declared as the elected Retired member of the Board with a five-year term ending June 30, 2030. The City Clerk will transmit the official certified results to the Board by April 25, 2025. A run-off election will be scheduled for May 23, 2025 if no candidate receives a majority of all votes cast, or if two or more candidates are tied with the highest number of votes. The candidate who receives the majority of votes cast during the run-off election shall then be declared as the elected Retired Member of the Board with the certified official results of the run-off election expected by June 6, 2025.

Prepared By: Ani Ghoukassian, Commission Executive Assistant II

Attachments: 1. Proposed 2025 Retired Member of the Board Election Calendar
2. Ordinance 178442 Sections 23.41 – 23.43: Election Retired Member of the Board

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM (LACERS)

2025 ELECTION CALENDAR
Office of Retired Member of the Board of Administration

Term Ending June 30, 2030

January 14 (Tues.)	LACERS shall formally notify the Office of the City Clerk-Election Division (Election Division) of the 2025 Retired Member Election, and provide the Self-Nomination Packet to the Election Division.
January 15 (Wed.)	A Self Nomination Package including the Election Notification, Election Calendar, Notice of Intent Form, and Instructions for Preparation shall be mailed to the mailing address of each eligible voter.
January 31 (Fri.)	<p>The deadline to file a Notice of Intent Form will be at 5:00 p.m., at the Election Division, 555 Ramirez Street, Space 300, Los Angeles CA, 90012. Candidates may submit their candidate packet by U.S. Postal Mail or hand deliver it to the Election Division during regular office hours, Monday through Friday from 8:00 a.m. to 5:00 p.m.</p> <p>Interested candidates have the option to submit a typewritten Statement of Qualifications (not to exceed 250 words in length) to be enclosed with the official ballot and voting instructions, and an Occupational Ballot Designation to appear on the ballot under the candidate's name. Any candidate who does not submit a Statement of Qualifications or an Occupational Ballot Designation by the filing deadline shall be considered to have declined to file, and the sections for the Statement of Qualifications or Occupational Ballot Designation shall be left blank.</p>
February 4 (Tues.)	A public drawing of letters to determine the random alphabetical order of appearance of the candidates' last names on the ballot shall be conducted at 9:00 a.m. at the Election Division. The public may request access to observe the randomized drawing via livestream by emailing Clerk.ElectionAdmin@lacity.org .
March 12 (Wed.)	A Notice of Election with a sample ballot shall be posted at the Election Division, specifying the election date, names of each qualifying candidate, voting eligibility rules, and voting instructions.
March 19 (Wed.)	<p>An official ballot, voting instructions, and Statement of Qualifications will be mailed to the mailing address of each eligible voter. An identification envelope and return envelope will also be included in the ballot packet.</p> <p>Ballots may be deposited in any U.S. postal mailbox or at the Election Division and received no later than 5:00 p.m. on April 11, 2025, the day of the election. The voter shall enclose the voted ballot in the identification envelope provided with the voter's name, mailing address, last four digits of their Social Security Number, signature, and date of signature. The identification envelope containing the voted ballot and voter information shall be returned in the return envelope provided.</p>

April 4 (Fri.) through April 11 (Fri.)	<p>Newly Retired Members of the System, who have become eligible on or after March 10, 2025 may present themselves at the Election Division to obtain an official ballot no earlier than April 4, 2025, and no later than 5:00 p.m. on April 11, 2025. New Retired Members must present a LACERS issued Certificate verifying their eligibility to vote. The certificate can be obtained at the LACERS office – 977 N. Broadway, Los Angeles, CA 90012, Monday through Friday from 7:00 a.m. to 4:00 p.m.</p> <p>Any eligible voter who has inadvertently damaged, spoiled, lost, or did not receive an official ballot may obtain a replacement ballot upon filing an Affidavit of Loss/Non-Receipt with the Election Division no later than April 11, 2025. The replacement ballot can be requested in person at the Election Division or by contacting (213) 978-0444 or emailing Clerk.ElectionAdmin@lacity.org.</p>
April 8 (Tue.)	Each candidate, along with up to two (2) observers, may observe that ballots are properly cast, and votes are properly counted at the Election Division. The names of all designated observers and candidates who wish to attend shall be presented to the Election Division no later than 5:00 p.m. Candidates/designees will have the option to observe in-person or virtually via Zoom.
April 11 (Fri.) ELECTION DAY	The last day for any eligible voter who has not cast a ballot may do so in person at the Election Division during the regular office hours.
April 15 (Tue.)	The ballots will be counted and tallied at the Election Division starting at 9:00 a.m. The candidate who receives at least 50% plus one of all votes cast shall be declared elected to the position of Retired Member of the Board for the five-year term ending June 30, 2030. If no candidate receives a majority of all votes cast, a runoff election shall be conducted on May 23, 2025 for the two candidates receiving the highest number of votes.
April 18 (Fri.)	Any challenges to the election proceedings, acts, or omissions which may be material to the election shall be filed by written notice to the Election Division no later than 5:00 p.m. The Election Division will review the protests and submit a report of findings and recommendations to the LACERS Board of Administration within 14 calendar days after the date of election.
April 25 (Fri.)	Last day for the Election Division to furnish the official certified results of the election to the LACERS Board of Administration.

RUNOFF ELECTION (IF NECESSARY)

April 25 (Fri.)	A Notice of Runoff Election with a sample ballot shall be posted in the Election Division specifying the election date, names of each qualifying candidate, voting eligibility rules, and voting instructions.
May 5 (Mon.)	<p>An official ballot, voting instructions, and Statement of Qualifications will be mailed to the mailing address of each eligible voter. An identification envelope and return envelope will also be included in the ballot packet.</p> <p>Ballots may be deposited in any U.S. postal mailbox or at the Election Division and received no later than 5:00 p.m., on May 23, 2025, the day of the election. The voter shall enclose the voted ballot in the identification envelope provided with the voter's name, mailing address, last four digits of their Social Security Number, signature, and date of signature. The identification envelope containing the voted ballot and voter information shall be returned in the return envelope provided.</p>

<p>May 16 (Fri.) through May 23 (Fri.)</p>	<p>Newly Retired Members of the System, who have become eligible on or after April 28, 2025 may present themselves at the Election Division, to obtain an official ballot no earlier than May 16, 2025, and no later than 5:00 p.m., on May 23, 2025. New Retired Members must present a LACERS issued Certificate verifying their eligibility to vote. The certificate can be obtained at the LACERS office – 977 N. Broadway, Los Angeles, CA 90012, Monday through Friday from 7:00 a.m. to 4:00 p.m.</p> <p>Any eligible voter who has inadvertently damaged, spoiled, lost, or did not receive an official ballot may obtain a replacement ballot upon filing an Affidavit of Loss/Non-Receipt with the Election Division no later than May 23, 2025. The replacement ballot can be requested in person at the Election Division or by contacting (213) 978-0444 or emailing Clerk.ElectionAdmin@lacity.org.</p>
<p>May 20 (Tue.)</p>	<p>Each candidate, along with up to two (2) observers, may observe that ballots are properly cast and votes are properly counted at the Election Division. The names of all designated observers and candidates who wish to attend shall be presented to the Election Division no later than 5:00 p.m. Candidates/designees will have the option to observe in-person or virtually via Zoom.</p>
<p>May 23 (Fri.)</p> <p>RUNOFF ELECTION DAY</p>	<p>The last day for any eligible voter who has not cast a ballot may do so in person at the Election Division during the regular office hours.</p>
<p>May 28 (Wed.)</p>	<p>The runoff ballots will be counted and tallied at the Election Division starting at 9:00 a.m. The candidate who receives the majority of all votes cast shall be declared elected to the position of Retired Member of the Board ending June 30, 2030.</p>
<p>May 30 (Fri.)</p>	<p>Any challenges to the election proceedings, acts, or omissions which may be material to the election shall be filed by written notice to the Election Division no later than 5:00 p.m. The Election Division will review the protests and submit a report of findings and recommendations to the LACERS Board of Administration within 14 calendar days after the date of election.</p>
<p>June 6 (Fri.)</p>	<p>Last day for the Election Division to furnish the official certified results of the runoff election to the LACERS Board of Administration.</p>

Added by Ord. No. 178,442, Eff. 4-15-07.

Board Mtg: 01/14/25
Item: VII-A
Attachment 2

ARTICLE 3 ELECTED RETIRED MEMBER OF THE BOARD

(Title Amended by Ord. No. 178,442, Eff. 4-15-07.)

Section

- 23.41 Term of Office.
- 23.42 Elections: General.
 - 23.42.1 Nomination of Candidates.
 - 23.42.2 Notice of Election.
 - 23.42.3 Observers.
 - 23.42.4 Voting Procedures.
 - 23.42.5 Challenges.
 - 23.42.6 Ballot Tally.
 - 23.42.7 Regular Election Results.
 - 23.42.8 Special Election.
 - 23.42.9 Certification and Report of Results.
 - 23.42.10 Protests.
- 23.43 Rules and Regulations.

Sec. 23.41. Term of Office.

The term of the elected retired member of the Board of Administration shall be for five years beginning on the first day in July of the year of election.

SECTION HISTORY

Added by Ord. No. 178,442, Eff. 4-15-07.

Sec. 23.42. Elections: General.

All elections shall be by secret ballot and shall be conducted by the City Clerk. The Los Angeles City Employees' Retirement System (System) shall reimburse the City Clerk for all necessary expenses incurred in the administration of the retired member election.

The regular election shall be held in April of any year in which the term of office for the elected retired member of the Board expires.

Eligible voters shall be all retired members of the System. The General Manager of the System shall provide to the City Clerk a primary roster, in alphabetical order, of eligible voters as of 90 days prior to an election or a date closer to the election as determined by the City Clerk. The primary roster shall contain the name, address, and last four digits of the social security number

of each eligible voter. The General Manager of the System shall provide a supplemental roster to the City Clerk on the date of the election and, if so requested by the City Clerk, on an earlier date if the City Clerk so determines. A supplemental roster shall contain two lists. The first shall list, in alphabetical order, the names of all persons who, since the last roster was generated, have retired and qualified as eligible voters, together with the last four digits of their social security numbers and their addresses. The second shall list, in alphabetical order, the names and last four digits of the social security numbers of all persons who, since the last roster was generated, have died or otherwise lost their status as retired members. All rosters shall be certified and electronically transmitted in a format conducive to assisting the City Clerk with the mailing of election materials.

SECTION HISTORY

Added by Ord. No. 178,442, Eff. 4-15-07.

Sec. 23.42.1. Nomination of Candidates.

Only retired members of the System are eligible to be elected to the position of the retired member of the Board. Not more than 90 days nor fewer than 60 days prior to the election, the City Clerk shall mail to all retired members of the System notification that candidates are being sought to run for the position of retired member of the Board. Retired members interested in becoming a candidate must submit a Notice of Intent to run for office in writing to the City Clerk by the due date specified in the notification in order to have their names placed on the ballot.

Along with the submission of the Notice of Intent, interested candidates have the option to include an occupational ballot designation and a 250-word typewritten statement of qualifications for office for the provision of information to the electorate. The occupational ballot designation shall be printed on the ballot immediately under that candidate's name and shall consist of a three-word designation of either (a) the current principal profession, vocation or occupation of the candidate or (b) the principal profession, vocation or occupation of the candidate during the calendar year immediately preceding the filing of the candidate's Notice of Intent to become a candidate. The standards for occupational ballot designations contained in the City's Election Code are to be applied by the City Clerk as applicable, except that, if a candidate is retired from his or her principal profession, vocation or occupation, the candidate may choose, in addition, to have "(Retired)" printed on the ballot immediately after the occupational ballot designation and a candidate who is running for an elective office, which that person currently holds, shall also have "(Incumbent)" printed on the ballot immediately after that person's name. The statement of qualifications for office may include information on education, work experience, years of service, date of retirement, and other relevant qualifications and shall not exceed 250 words in length.

Interested candidates may submit their candidate package composed of the Notice of Intent to run for office, the optional occupational ballot designation and the optional statement of qualifications to the City Clerk by United States mail. Alternatively, interested candidates may personally deliver their candidate packet to the City Clerk during regular hours in the seven business days preceding the specified due date. In either case, the candidate packet must be received by the City Clerk no later than 5:00 p.m. of the specified due date. Qualification statements that are submitted by the due date will be printed by the City Clerk and mailed with

the ballot at no expense to the candidate. The Board shall provide a disclaimer stating that neither the Board nor the City Clerk has verified the accuracy of the information contained in the candidates' qualification statements. Should any candidate fail to submit an occupational ballot designation or a statement of qualifications by the specified due date, the appropriate sections for the occupational ballot designation and qualification statement will be blank.

Prior to the election, the City Clerk shall conduct a public drawing of the letters of the alphabet. The order in which the letters are drawn shall constitute the random alphabetical order by which the surnames of the candidates shall be arranged on the ballot. The term "surname" shall mean the name borne in common by members of a family for this purpose. Each ballot shall contain the names of all candidates who have qualified in accordance with this section. There shall be a blank space beneath these names in which the voter may write the name of any retired member of the System not printed on the ballot for whom the voter wishes to vote.

SECTION HISTORY

Added by Ord. No. 178,442, Eff. 4-15-07.

Sec. 23.42.2. Notice of Election.

Not more than 90 days nor less than 60 calendar days prior to the regular election, the Board shall notify the City Clerk of the fact of the election, and cause a nominating package, which includes an Election Information flyer and a Notice of Intent form, to be mailed by the City Clerk to all retired members. Not more than 30 nor less than 20 calendar days prior to the regular election, the Board shall cause to be prepared a Notice of Election specifying the election date, a sample ballot containing the name of each candidate who has qualified for a place on the election, rules concerning eligibility to vote, and any additional information and instructions as the City Clerk determines. A copy of the notice and sample ballot shall be posted in the Office of City Clerk.

SECTION HISTORY

Added by Ord. No. 178,442, Eff. 4-15-07.

Sec. 23.42.3. Observers.

Candidates whose names appear on the election ballot may each designate no more than two observers at the tally center to observe that ballots are properly cast and votes are properly counted. In addition to these designated observers, candidates may also observe. Names of all observers, including any candidates who desire to attend, shall be presented to the City Clerk no less than three calendar days prior to the election. Designated observers shall wear identification badges at all times and shall be subject to regulations the City Clerk shall prescribe.

SECTION HISTORY

Added by Ord. No. 178,442, Eff. 4-15-07.

Sec. 23.42.4. Voting Procedures.

The City Clerk shall mail a ballot packet for the election to each eligible voter listed on the roster provided by the System. The mailing shall be completed no less than ten calendar days prior to the date of election.

Persons who retire too late to be sent a ballot packet and who wish to vote in the election shall present themselves in the office of the City Clerk no earlier than seven calendar days prior to and no later than 5:00 p.m. of the day of the election with a certificate from the System on a form approved by the City Clerk verifying the fact of their eligibility to vote. The City Clerk shall allow these members to vote.

Each ballot packet mailed or provided to voters shall consist of the following items:

1. A mailing envelope,
2. A return envelope,
3. The official ballot,
4. An identification envelope for the official ballot with space for the vote to affix the voter's name, mailing address, last four digits of the social security number, signature, and date of signing,
5. A list of instructions to voter, and
6. The candidates' statements of qualifications, if any.

Upon voting the ballot, the voter shall enclose the ballot in the identification envelope. The voter shall then affix the voter's name, mailing address, last four digits of voter's social security number, signature and date of signing on the identification envelope containing the ballot and shall enclose it in the return envelope. The voter shall return the voted ballot to the City Clerk by United States mail or by personal deposit. During regular business hours in the seven calendar days preceding the election, but no later than 5:00 p.m. on election day, voters may personally deposit the return envelope containing their ballot in the ballot box in the Office of the City Clerk, Election Division. All ballots shall, in order to be counted, be received by the City Clerk no later than 5:00 p.m. on the date of the election.

Upon receipt of the identification envelope and its contents, the City Clerk shall date stamp the envelope, verify the name and last four digits of the social security number appearing on the envelope with the roster of eligible voters and shall cause the roster to be marked showing that the member has voted. No identification envelope shall be opened prior to the commencement of the tally.

If a voter inadvertently spoils a ballot, the voter may return the spoiled ballot to the City Clerk, who shall furnish the voter with a replacement ballot. No more than two replacement ballots may be issued to the same voter. Spoiled ballots will be clearly marked "SPOILED" by the City Clerk.

If a voter on the roster claims not to have received a ballot, the voter may receive a replacement ballot from the City Clerk upon filing a signed affidavit claiming non-receipt. The

identification envelope of the replacement ballot shall be prominently marked "REPLACEMENT BALLOT" and the original ballot issued to the voter shall be challenged, if received.

SECTION HISTORY

Added by Ord. No. 178,442, Eff. 4-15-07.

Sec. 23.42.5. Challenges.

The City Clerk may challenge a returned identification envelope on the following grounds:

1. The identification envelope is not properly completed according to the instructions and does not accurately identify the voter;
2. The voter did not include the correct last four digits of the social security number;
3. The voter did not properly sign the identification envelope;
4. The voter's name does not appear on the roster;
5. The identification envelope was received after the last date and time provided in Section 23.42.4;
6. The voter was reinstated as an active member, has died or otherwise lost status as an eligible voter based on information provided by the General Manager of the System;
7. The voter has already turned in an identification envelope.

An authorized observer or the City Clerk, prior to the time that the identification envelope is opened, may challenge the eligibility of any person to vote in the election. Challenges by observers may be made only on the following grounds:

1. The identification envelope was not signed by the person whose name appears on the roster; or
2. The person's status as an eligible voter has changed since the person was certified by the General Manager of the System.

Each identification envelope that is challenged shall have written on the envelope the word "Challenge", the reason for the challenge, and the signature of the person imposing the challenge.

The City Clerk shall, with substantiating evidence, sustain or overrule each challenge. Without substantiating evidence being produced within three business days of the election, the challenge shall be overruled and the ballot shall be tallied with the other ballots. Identification envelopes whose challenges have been sustained shall be retained unopened by the City Clerk for a minimum of 90 calendar days after the election results are certified.

SECTION HISTORY

Added by Ord. No. 178,442, Eff. 4-15-07.

Sec. 23.42.6. Ballot Tally.

The City Clerk shall count ballots in accordance with procedures used by the City Clerk to count ballots for other similar elections. Only the City Clerk may handle ballots. All ballots counted and uncounted shall be kept in view of the observers at all times during the tally and until the Ballot Statement is finally signed.

The identification envelope containing the sealed ballot envelope shall not be opened until the tally is commenced in order to preserve the secrecy of the ballot. At the commencement of the tally, the City Clerk shall audibly announce the name of each voter and shall then open the identification envelope, removing the official ballot. After all identification envelopes have been opened and set aside from the tally area, the City Clerk shall then proceed to count and tally the ballots cast for each choice, laying the ballots face up so that observers may inspect the marks. The count shall continue in this manner until all the ballots are opened and counted. When all ballots have been counted, the total number of votes cast for each candidate shall be entered on the unofficial Tally Results.

If a ballot is torn, defaced, marked in an ambiguous fashion, or is otherwise defective, the City Clerk shall determine whether the intent of the voter can be reasonably determined and, if so, determine it. If intent cannot be reasonably determined or if the ballot directly or indirectly identifies the voter, the ballot shall be declared void by the City Clerk and shall be preserved for a period of 90 calendar days.

After preparing the official Tally Results, the City Clerk shall place under seal all ballots, identification envelopes, and tally sheets, and shall retain the same in a sealed condition for no less than 90 calendar days.

SECTION HISTORY

Added by Ord. No. 178,442, Eff. 4-15-07.

Sec. 23.42.7. Regular Election Results.

The candidate who receives at least 50% plus one of all votes cast shall be elected to the position of retired member.

Should no candidate receive a majority of all votes cast in the initial election, the City Clerk shall cause the names of the two candidates receiving the highest number of votes to be placed on a ballot to be voted on in a run-off election, subject to all rules, regulations, and procedures governing the initial election. The run-off election shall be conducted within 30 calendar days after the date of certification of the initial election.

In the event that two or more candidates at the initial election receive an equal number of votes cast, and the number of votes is sufficient to entitle each of them to appear on the ballot of the run-off election, or in the event that both candidates at the run-off election receive an equal number of votes, then the following procedures shall be used.

In the initial election, if two candidates are tied for the most votes, then both shall be in the run-off election. If more than two candidates are tied for the most votes, then the candidates

receiving an equal number of votes shall appear before the City Clerk at the time and place designated by the Clerk and draw lots to determine the top two to be in the run-off election. The City Clerk shall determine the manner in which the lots shall be drawn and, in the event that any candidates involved do not appear, the City Clerk shall act for the absent person or persons in the drawing of the lot. If two or more candidates are tied for the second highest number of votes, then the City Clerk shall use the procedure set forth above to choose the second candidate for the run-off election. Should either or both of the two candidates receiving the highest number of votes at the initial election for any reason cease to be a member of the System prior to the printing of the ballots for a run-off election, the name or names of the candidate or candidates receiving the next highest number of votes shall be printed on the run-off election ballot.

In a run-off election, in the case of a tie, the City Clerk shall determine which person shall be declared elected from the tied candidates by using the procedure set forth above.

SECTION HISTORY

Added by Ord. No. 178,442, Eff. 4-15-07.

Sec. 23.42.8. Special Election.

In the event that the elected retired member of the Board has submitted a letter of resignation or the member's office becomes vacant by virtue of death or for any other reason, the City Clerk shall conduct a special election to fill the unexpired term. However, no special election shall be held where there is less than six months remaining before expiration of the term.

The Board shall designate the date of the election. The election shall be held no less than 60 calendar days nor more than 90 calendar days after the submission of the letter of resignation or the receipt of notification of the vacancy. The Board shall notify the City Clerk of the election and cause a nominating package, which includes an Election Information flyer and a Notice of Intent form, to be mailed by the City Clerk to all retired members no later than seven weeks before the date fixed for the election. Candidates to be voted on at any special election shall be nominated in the same manner provided above, but the Notice of Intent form shall clearly advise retired members that the election is for the balance of the unexpired term and specify the ending date of that term. The special election to fill the unexpired term shall be conducted in the same manner as a regular election, except as otherwise provided in this section.

If any candidate in a special election receives a plurality of all votes cast, the candidate shall be declared by the Board to be elected to the position of retired member for the unexpired term.

In the event that two or more candidates receive an equal number of votes, and no candidate receives more votes, then the candidates receiving an equal number of votes shall appear before the City Clerk at the time and place designated by the City Clerk in order to draw lots to determine which person shall be declared elected. The lots shall be drawn in the manner the City Clerk determines. In the event that any candidate involved does not appear, the City Clerk shall act for the absent person in the drawing of the lots. The candidate who is selected by lot shall be declared by the Board to be elected to the position of retired member for the unexpired term.

SECTION HISTORY

Added by Ord. No. 178,442, Eff. 4-15-07.

Sec. 23.42.9. Certification and Report of Results.

The City Clerk shall within 14 calendar days after the date of election furnish to the Board the official certified results of the election.

SECTION HISTORY

Added by Ord. No. 178,442, Eff. 4-15-07.

Sec. 23.42.10. Protests.

Any interested person may challenge any proceeding, act or omission, which may be material to the election, by written notice to the City Clerk no later than three business days after the count of the ballots. The City Clerk shall review the protests and submit a report of findings and recommendations to the Board with the official certified results within 14 calendar days after the election.

SECTION HISTORY

Added by Ord. No. 178,442, Eff. 4-15-07.

Sec. 23.43. Rules and Regulations.

The Board is authorized to adopt rules and regulations that are necessary to implement the provisions of this article.

SECTION HISTORY

Added by Ord. No. 178,442, Eff. 4-15-07.



REPORT TO BOARD OF ADMINISTRATION

From: Lin Lin, Personnel Director I *[Signature]* for
and Kevin Hirose, Senior Personnel Analyst II

MEETING: JANUARY 14, 2025

ITEM: VII-B

SUBJECT: GENERAL MANAGER RECRUITMENT PROCESS AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board:

- (1) Direct LACERS' Human Resources (HR) staff to work in conjunction with the City of Los Angeles' Personnel Department's Executive Recruitment Section (Personnel) on the executive recruitment process for a successor LACERS General Manager (GM); and
- (2) Authorize a supplemental budget allocation in the current Fiscal Year 2024-2025, in an amount to be determined at the Board meeting, for executive recruitment to fill the LACERS GM position.

Executive Summary

Los Angeles City Charter Article XI, Section 1108 (General Manager of Pension or Retirement Systems) designates the LACERS Board of Administration as the appointing authority to fill the LACERS GM position, subject to confirmation by the Mayor and City Council. The Board's appointment of a successor upon the LACERS GM's retirement requires a recruitment plan that ensures LACERS has sufficient direction and funding available for recruitment efforts to fill the LACERS GM position in a timely manner.

Discussion

At its meeting held on November 12, 2024, Neil Guglielmo, LACERS GM announced to the LACERS Board of Administration that he will be retiring from City Service in March 2025. On December 5, 2024, Mr. Guglielmo sent official correspondence to Honorable Mayor Karen Bass that he would be taking a leave of absence starting on December 18, 2024, through his planned retirement effective date of March 29, 2025, and indicated that Todd Bouey, LACERS Assistant General Manager, would be serving in an acting GM capacity in the interim. Section 3.2 of the Board Governance Manual delegates to the GM the responsibility for the administration and management of the System, which under broad authority grants the LACERS GM the ability to designate staff in an acting capacity.

Per Section 1108 of the City Charter, the Board is responsible for appointing the LACERS GM position,

subject to confirmation by the Mayor and City Council. Given Mr. Guglielmo's retirement announcement, on December 11, 2024, LACERS HR preemptively reached out to Personnel to start discussions on the executive recruitment process. Steve Rivera, Chief Personnel Analyst of Personnel's Selection Division responded that Recruitment Section staff would convene internally and contact LACERS HR on the executive recruitment process and discuss key factors to consider. LACERS HR has an upcoming meeting scheduled with Personnel's Recruitment Section on Thursday, January 9, 2025. In preparation for the meeting, Personnel provided the previous LACERS GM recruitment brochure from June 2017.

LACERS HR intends to verbally report to the Board any information gathered at the January 9, 2025 meeting and develop a proposed timeline for executive recruitment, the scope, activities, and process the Board would like to engage for the executive recruitment efforts. Staff would also like to obtain authorization for the necessary executive recruitment costs (professional service fees, search expenses, travel, etc.).

LACERS HR seeks the Board's direction on the executive recruitment process. Based on processes employed for previous GM vacancies, the following options are offered for discussion:

1. Breadth of Search
 - a. Internal Search - City of Los Angeles Employees only
 - b. Local Search - County of Los Angeles only
 - c. Statewide Search - Statewide of California only
 - d. Nationwide Search
2. Internal or External Administration - Other than a nationwide search, LACERS HR can work with Personnel's Recruitment Section to conduct the search. For a nationwide search, or if the Board prefers, an external executive recruitment firm may be used to conduct the search. This option will require funding. Firms are available from City Personnel department's approved vendor list. Alternatively, the Board may select its own executive recruitment firm by initiating a Request for Proposal (RFP). The RFP will add approximately two months to the recruitment timeline.
3. Recruitment Process Decision-Making – The executive recruitment process will involve review and approval of the position description, recruitment brochure, and selection of the executive search firm (if needed). The Board may consider retaining all decision-making or assigning the recruitment process to an Ad Hoc Committee of Board Members or other designee such as the LACERS Human Resources team. It is interesting to note that in the 2010 General Manager selection process, the Ad Hoc Committee selected an outside consultant, the former administrator for the California Association of Public Retirement Systems to present to the Board on factors to consider in selecting a General Manager (see attached agenda).

It is recommended that the full Board retain the authority to interview all candidates and determine at a future time how to handle salary negotiations. In accordance with Los Angeles City Charter Section 508(f), the Board shall set or adjust the compensation for the LACERS GM within the salary guidelines established by City Council. The LACERS GM salary range is set by City Ordinance with compensation between M-7 through M-13. Each M range identifies specific classifications entitled to compensation within the range. The LACERS GM – LACERS (Class Code 9150) is set at the M-9 salary range level.

Effective December 29, 2029, the LACERS GM yearly salary range is \$205,542 to \$364,335. Effective June 29, 2025, the LACERS GM yearly salary range increases to \$213,769 to \$378,909.

Interim Appointment

Should the executive recruitment process extend beyond Mr. Guglielmo's retirement date in March 2025, until the vacancy is filled, the Board may appoint an Interim LACERS GM for six months, and the Board may extend the temporary appointment for an additional six months with the consent of the Mayor and Council. This newly adopted subsection (d) to Charter Section 1108 was approved by the voters on November 5, 2024 through City of Los Angeles' Charter Amendment HH. The approved amendment is being routed through various governmental agencies for its inclusion in the City Charter. LACERS' General Counsel anticipates that subsection (d) to Section 1108 will be in place by March 2025.

Fiscal Impact

A budget allocation of \$10,000 for Executive Recruitment was authorized for Fiscal Year (FY) 2024-25. Executive recruitment efforts utilizing an executive recruitment firm was not anticipated or accounted for in the budget. Therefore, an additional supplemental budget appropriation for Fiscal Year 2024-25, in an amount to be determined at the Board meeting, to cover the costs associated with professional service fees, search expenses (advertising, consultant travel, background investigations, etc.), candidate travel, and relocation assistance, is necessary should surplus funds not be identified for transfer to cover this expense.

Prepared By: Lin Lin, Personnel Director I
Kevin Hirose, Senior Personnel Analyst II

LL:KH

- Attachments:
1. Proposed Resolution - Executive Recruitment for Successor LACERS General Manager
 2. Proposed Resolution – FY 2024-2025 Supplemental Budget Appropriation
 3. City of Los Angeles General Manager Recruitment Brochure - June 2017
 4. RW Goss Associates, Inc – Selecting a General Manager November 2010

EXECUTIVE RECRUITMENT FOR
SUCCESSOR LACERS GENERAL MANAGER

PROPOSED RESOLUTION

WHEREAS, Los Angeles City Charter Article XI, Section 1108 (General Manager of Pension or Retirement Systems), subsection (b) designates the LACERS Board of Administration as the appointing authority to appoint the LACERS General Manager position, subject to confirmation by the Mayor and City Council; and

WHEREAS, Neil M. Guglielmo, LACERS General Manager, announced his retirement at the November 12, 2024 LACERS Board meeting, effective March 2025; and

WHEREAS, Neil M. Guglielmo, LACERS General Manager, sent official correspondence to Honorable Mayor Karen Bass that he would be taking a leave of absence starting on December 18, 2024, through his planned retirement effective date of March 29, 2025; and

WHEREAS, the Board delegates to the General Manager the responsibility for the administration and management of the System, and starting the executive recruitment process will allow the department to fill the position expeditiously thereby preventing a long-term gap in the permanent General Manager position;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Administration direct LACERS Human Resources staff to work in conjunction with the City of Los Angeles' Personnel Department's Executive Recruitment Section (Personnel) on the executive search process for a successor LACERS General Manager.

JANUARY 14, 2025

**PROPOSED RESOLUTION
FISCAL YEAR 2024-25
SUPPLEMENTAL BUDGET APPROPRIATION**

PROPOSED RESOLUTION

WHEREAS, on May 28, 2024, the Board adopted LACERS' departmental budget for the fiscal year 2024-25 in the amount of \$46.7 million, which included an allocation of \$10,000 to the Office Expense account (APPR 6010) for use for a recruitment effort in the event of a vacancy on the Executive Management Team; and

WHEREAS, Neil M. Guglielmo, LACERS General Manager, announced his retirement at the November 12, 2024 LACERS Board meeting, with an effective date of March 29, 2025; and

WHEREAS, if the Board desires to conduct an executive search utilizing the City of Los Angeles Personnel Department's Recruitment Division (Personnel), and/or utilize an external executive recruitment firm from Personnel's approved vendor list, and/or direct staff to initiate a Request for Proposal for a qualified external executive recruitment firm to contract with LACERS for a nationwide search, an additional supplemental budget appropriation is required; and

WHEREAS, LACERS Human Resources Unit is requesting a budget appropriation for LACERS General Manager recruitment efforts in an amount not-to-exceed \$120,000 to cover the costs associated with professional service fees, search expenses (advertising, consultant travel, background investigations, etc.), candidate travel, and relocation assistance, as there are insufficient funds available to transfer and cover this expense;

NOW THEREFORE, BE IT RESOLVED, that the Board:

1. Approve a Supplemental Appropriation of \$120,000 to Fund 800, LACERS Administrative Budget, Contractual Services (APPR 163040) for Fiscal Year 2024-25, if determined necessary by the Acting General Manager; and
2. Authorize the Acting General Manager to correct any typographical or technical errors in this document.

Todd Bouey
Manager-Secretary



CITY OF LOS ANGELES

invites your interest in the position of

GENERAL MANAGER

**LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM**



LOS ANGELES – BUILDING A FUTURE OF OPPORTUNITY AND PROSPERITY FOR ALL

Los Angeles is the second-largest and most diverse city in the United States. The L.A. region is an economic engine powered by a broad array of industries from entertainment and technology to manufacturing and healthcare. Los Angeles is a global city, connected to the world by its municipally owned airport and port, which are America's primary travel and trade gateways to Asia and Latin America. From Hollywood to the San Fernando Valley, and from Downtown to the Pacific Ocean, Los Angeles is rich with natural beauty, iconic sights and urban attractions that make it one of the most desirable places to live and visit in the world.

Founded in 1781, Los Angeles is incorporated as a Charter City governed by a mayor-council system. The Mayor is Eric Garcetti, elected in 2013. There are 15 City Council districts. The City is comprised of 42 operating units and three proprietary departments. Total employment exceeds 50,000 with an annual budget in excess of \$17 billion.

GOALS AND PRIORITIES OF THE CITY OF LOS ANGELES

Fiscal Responsibility - The City is working to eliminate the structural deficit and building a strong reserve fund while protecting Angelenos from cuts to city services.

A Livable City - Los Angeles is taking aggressive steps to make L.A.'s resources more sustainable, its neighborhoods more beautiful, and its parks and open space more accessible.

Public Safety - The City is working to make neighborhoods safer for all Angelenos and establishing itself as a model for cities around the world.

Infrastructure - The way we invest in the City's infrastructure today will determine how prosperous, accessible, mobile, efficient and globally competitive our economy can be in the future. The City of Los Angeles is committed to growing and modernizing its port and airport, its public transportation system, its housing stock and its digital infrastructure.

Economic Development & Opportunity - Over the last four years, Los Angeles has created a historic number of jobs, raised

wages for workers, cut its unemployment rate in half and attracted record levels of investment. The City will continue working to grow the economy in ways that support the dreams and ambitions of all Angelenos by creating clearer and more accessible pathways to prosperity, helping students succeed, and making it easier for businesses to grow, thrive, and innovate.

Sustainability - Building a sustainable future is a top priority for the City of Los Angeles. The City is taking aggressive steps to grow the cleantech economy and create green jobs, cut carbon emissions, and use our natural resources more efficiently. The City will continue to focus on these goals in the coming years.

Innovation - Los Angeles is a global focal point for innovation. The City is committed to drawing on the innovative spirit that exists in L.A., collaborating with the private sector, and proactively embracing new ways to improve basic services and the quality of life for all Angelenos.

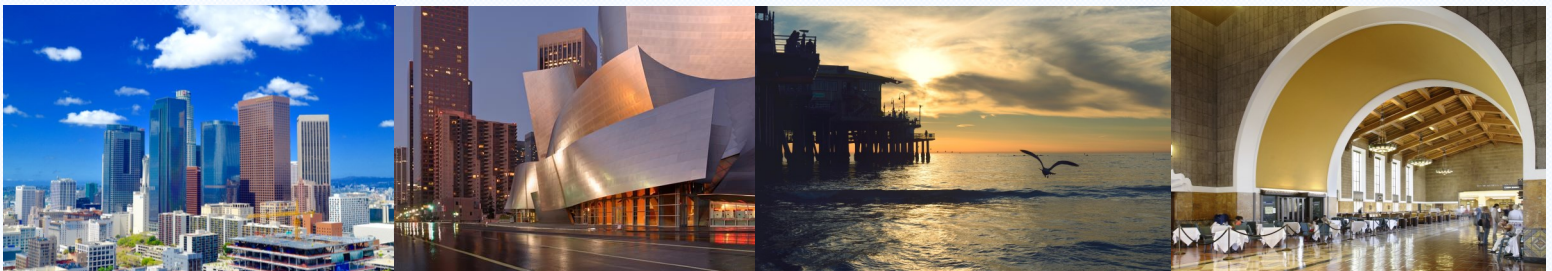
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM (LACERS)

The Los Angeles City Employees' Retirement System (LACERS) is a department of the City of Los Angeles, established by City Charter in 1937, to provide retirement benefits to the civilian employees of the City, representing three-fifths of the City's workforce. The remaining two-fifths of the City's workforce have retirement benefits through the Department of Water and Power Employees Retirement System, or the Los Angeles Fire and Police Pension System. Currently LACERS provides services to over 25,400 active employees, and provides benefits to 19,300 retirees and their beneficiaries. LACERS administers the benefits approved by the City (the "plan sponsor") which includes payment of approximately \$817 million in annual pension benefits, administration of retiree health care premiums of approximately \$122 million annually and management of the pension fund portfolio of \$15.77 billion to offset payment of these obligations.

Service to LACERS' members is first and foremost, not only because LACERS is bound by its fiduciary duty, but also because every Board member and staff at LACERS is committed to its mission to establish a trustworthy lifelong relationship with its members. LACERS meets this commitment to its members through the reliable and efficient delivery of benefits and ensuring that member benefits are funded by the prudent investment of plan assets.

Executive Opportunity

The Los Angeles City Employees' Retirement System (LACERS) seeks an experienced, knowledgeable, and hands-on managerial professional to oversee the daily internal operations and benefits administration of the City's retirement system under the direction of the Board of Administration. A strategic thinker and problem solver with strong leadership skills and initiative is highly desired. The General Manager will be responsible for the leadership, administration and management of LACERS with Board delegation of authority. This position is responsible for providing



service to over 44,700 active and retired LACERS members and achieving the long-term policies and strategic objectives established by the Board. This includes but is not limited to: formulating and ensuring the implementation of strategic plan initiatives, policies, procedures and management controls; ensuring continued compliance with applicable laws, regulations, the Los Angeles City Charter, and the Los Angeles City Administrative Code.

LACERS' GUIDING PRINCIPLES

Character

As a member of the LACERS team, we must continually seek to present a character that demonstrates honesty, integrity, prudence, superior judgment, and transparency. Character personifies who we are, what we represent, and defines our reputation. It shapes attitude, controls demeanor, and establishes commitment. It is individually personal and unique, and leaves a lasting impression upon people with whom we interact. Character provides the best assurance to LACERS members that their retirement benefits are secure -- today and tomorrow.

Professionalism

A successful LACERS employee strives to be a consummate professional who demonstrates commitment to his or her work, expert knowledge and skill, and the initiative to share and enhance that body of knowledge. Professionals act with integrity in all endeavors, remaining businesslike, rational, and polite no matter the situation. As our Members rely on us to be professional, we dedicate ourselves to seeking answers and solving problems with a positive attitude.

Respect

A successful LACERS team member treats our Members, co-workers, and others with respect. We appreciate and consider everyone's beliefs, experience, knowledge, opinions, and values without judgment, and respond in a manner that facilitates collaboration toward the common goal of an excellent Member experience.

Kindness

A successful LACERS team member performs their work guided by the principle of kindness and with it practices patience, listens carefully, and responds to our members, co-workers and others in a friendly, open, and considerate manner. How we treat each other will ultimately affect how we treat our Members.

Teamwork

At LACERS, teamwork is the foundation for effective communication, exchange of ideas, and success of the organization. We are committed to the collaborative efforts and trusting relationships we have within LACERS. Our partnership of professionalism and active participation makes us effective and efficient in achieving our common goal of service to our Members, and to each other.

THE IDEAL CANDIDATE

- Leaders who are not only effective managers, but also have the vision, discipline, tenacity and skills to set and achieve strategic goals and leave a lasting legacy.

- Team players who foster collaboration at all levels of the organization, with an understanding that problems and solutions routinely cross department lines and city borders.

- Team builders who make it a priority to empower, coach, mentor and recognize city staff members to increase their individual and shared capacity to achieve success.

- Change agents who use data and performance metrics to drive continuous improvements and achieve the results that matter most.

- Strategic thinkers who understand the necessity of taking the long view and the high road in order to realize outcomes that are environmentally, economically and socially sustainable.

- Role models who personally demonstrate the integrity, work ethic and genuine concern for their fellow Angelenos that inspires public confidence and motivates city workers to do their best.

- Active learners who seek best practices across the public, private, non-profit and academic sectors to apply them to the unique challenges and opportunities in Los Angeles.

- Public servants who are passionate about building a greater city in partnership with citizens and civic groups across Los Angeles.

Additionally, personal characteristics and attributes that are highly valued in the General Manager include:

- A strategic thinker with strong business expertise combined with excellent internal and external communication skills;

- Integrity and intellectual honesty;

- Creative entrepreneurship and strong, effective financial management skills;

- Outstanding interpersonal skills including compassion, cultural sensitivity, an ability to engage with a wide range of stakeholders and customers, and knowledge of industry practices;

- Ability to provide leadership to inspire, motivate, and empower staff to achieve established goals, ensure accountability, and deliver measurable outcomes; and

- Dedicated to fulfilling LACERS primary fiduciary responsibility to its members.

The LACERS General Manager will excel in providing ethical leadership in this competitive and fast-moving global economy and, at the same time, present an accurate assessment of all issues, financial implications, and impacts in order to be recognized as the consummate professional who is sincere, genuine, and honest in day-to-day dealings. Having the courage and fortitude to "speak truth to power" when appropriate will also be an important and vital attribute.



DESIRED EXPERIENCE AND EDUCATION

Graduation from a recognized four-year college or university with a Bachelor's degree in Business Administration, Public Administration, Economics, Public Policy, or other related fields and a desired minimum of five years of full-time paid professional experience in an executive-level position (at least at the level of Assistant General Manager, assistant CEO, or equivalent executive position) with experience in administering a public retirement plan, public pension fund benefits, and/or investment management of a major investment portfolio.

The most qualified candidates will have the professional and managerial background to perform effectively in all areas of directing health retirement operations and/or directing the operation and management of an institutional investment portfolio and will be knowledgeable of pension law, benefit law, trust law, and retirement tax law applicable to federal, state, and retirement association regulations and other related areas.

A Master's degree with course work in business or public administration, or related courses dealing with the pension fund industry, Certified Employee Benefits Specialist certification and/or Certified Financial Analyst certification is highly desirable.

EXECUTIVE COMPENSATION

Effective June 25, 2017, the salary range will be \$164,910 - \$292,299 per year. A highly competitive benefits package includes an independent retirement plan to which both the employee and the City contribute; a multi-option deferred compensation plan; generous vacation and sick leave; 13 paid holidays per year; a flexible benefits plan including multi-option health, dental, and vision coverage; and family and domestic partner leave.

The General Manager – LACERS is appointed by the LACERS Board of Administration, subject to confirmation by the Mayor and City Council. As such, this position is exempt and considered an at-will management position and will not accrue any civil service tenure, contractual employment rights, or due process rights.

TO BE CONSIDERED

This is a confidential process and will be handled accordingly throughout the various stages of the process. Candidates should be aware that references will not be contacted until mutual interest has been established. The final date for submission of resume packages is **Friday, July 14, 2017**, or until a sufficient candidate pool is achieved.

Electronic submittals are required. Interested candidates should immediately submit a resume, compelling cover letter of interest, salary history and professional references to:

City of Los Angeles Personnel Department

Attn: Leonard Torres – Executive Recruitment

Email: Per.ExecSearch@lacity.org

Questions may be referred to Leonard Torres at (213) 473-9394 or Janell Ishii Hata (213) 473-9393.

Only the top tier of candidates will be presented to the LACERS Board of Administration and later presented to the Mayor and City Council for confirmation.



The City of Los Angeles is an Equal Employment Opportunity Employer



RW GOSS ASSOCIATES, INC.

November 23, 2010

DISCUSSION: SELECTING A GENERAL MANAGER

1. WHAT HAVE YOU TOLD THE WORLD?

LACERS' Position Description:

- Experienced, knowledgeable and hands-on managerial professional
- Strategic thinker
- Problem solver
- Strong leadership skills
- Initiative

Requirements:

- Four-year college degree, and
- Minimum 2 Years at the level of Assistant General Manager
 - administering a public retirement plan,
 - pension fund benefits, or
 - investment management of major investment portfolios
- Masters Degree, CEBS and/or CFA highly desirable

2. WHAT IS THE ROLE OF THE GENERAL MANAGER IN A PENSION SYSTEM?

- To the Board
- To the Staff
- To the Consultants
- To the Members and Retirees
- To the City's Political Leadership
- To the Employee Unions
- To the Citizens
- To the Media
- To the public pension community
- The "Insider's" View

3. WHAT TRAITS MAKE A SUCCESSFUL GENERAL MANAGER?
 - Integrity
 - Communication
 - Judgment
 - Views Big Picture

4. HOW DO POLITICAL, INVESTMENT, AND ACTUARIAL ENVIRONMENTS INFLUENCE THE SUCCESS OF A GENERAL MANAGER?
 - Board Politics
 - City Politics
 - Investment Cycles
 - Funding Realities

5. WHAT FACTORS SHOULD THE BOARD CONSIDER WHEN SELECTING A GENERAL MANAGER?

[LINK TO RECORDING OF PRESENTATION](#)



PORTFOLIO PERFORMANCE REVIEW

LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM

QUARTER ENDING SEPTEMBER 30, 2024



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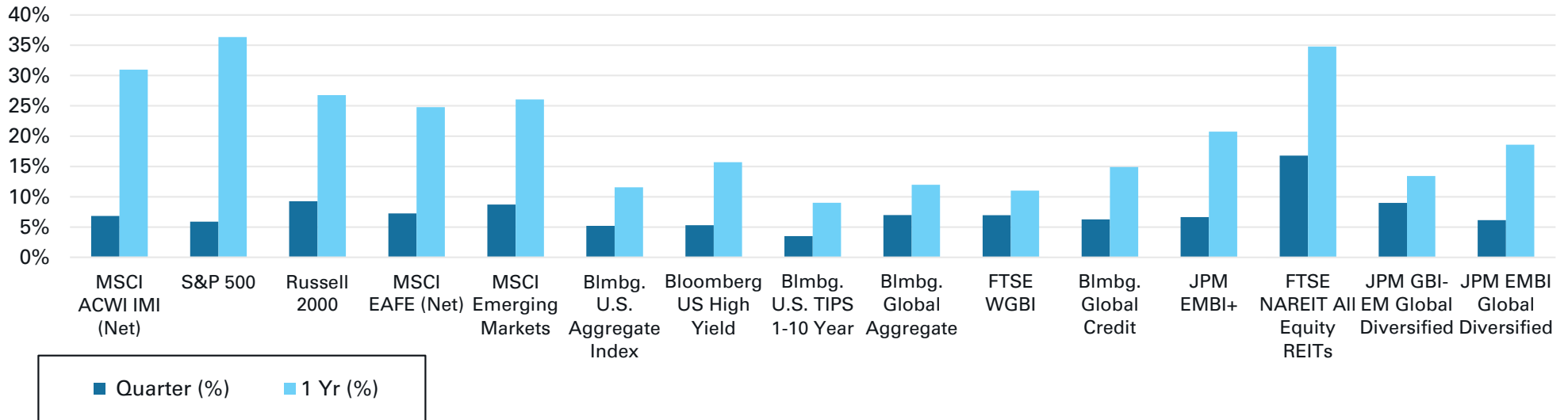
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EXECUTIVE SUMMARY



PERFORMANCE OVERVIEW

Market Summary – Q3



	Market Value (\$)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	15 Yrs (%)	Inception (%)	Inception Date
LACERS Master Trust	24,929,502,422	5.6 (10)	9.9 (33)	17.6 (36)	4.1 (68)	8.3 (50)	7.6 (49)	7.5 (42)	8.6 (25)	8.2 (31)	Nov-94
<i>Policy Index</i>		<i>5.2 (15)</i>	<i>10.3 (26)</i>	<i>17.7 (31)</i>	<i>3.6 (81)</i>	<i>7.9 (62)</i>	<i>7.3 (54)</i>	<i>7.3 (47)</i>	<i>8.4 (47)</i>	<i>8.1 (43)</i>	
<i>InvMetrics Public DB \$5-50B Gross Median</i>		<i>4.2</i>	<i>9.5</i>	<i>15.7</i>	<i>5.0</i>	<i>8.3</i>	<i>7.5</i>	<i>7.2</i>	<i>8.2</i>	<i>7.9</i>	

Note: Performance is gross of fees

Equities rallied in the third quarter as financials benefited from rising rates, and strong returns in industrials and healthcare.

The U.S. Equity composite outperformed its benchmark in the last quarter and underperformed for the one-year while the Non- US Equity composite underperformed its benchmark on the one-year and outperformed for the quarter.

Fixed-income markets continued to be volatile in the third quarter. The Fed Funds rate was cut by 50 basis points, treasury yields continued to be volatile, and credit spreads remained at the tight end of their ranges.

Core Fixed Income outperformed its respective benchmarks over the last quarter and one-year. Credit Opportunities outperformed its benchmark for the quarter and one-year.

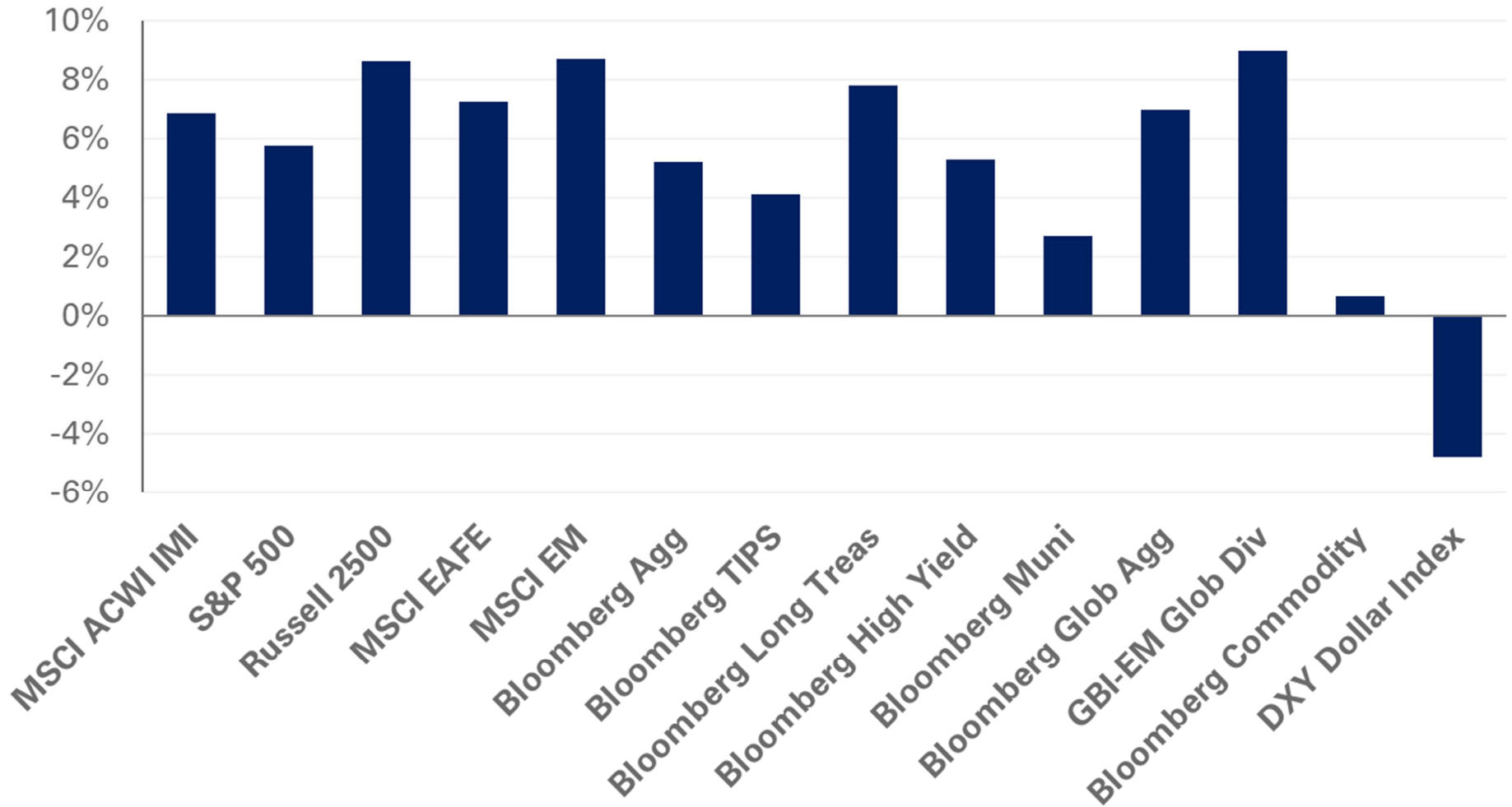


MARKET ENVIRONMENT



MARKETS BROADLY POSTED STRONG RETURNS

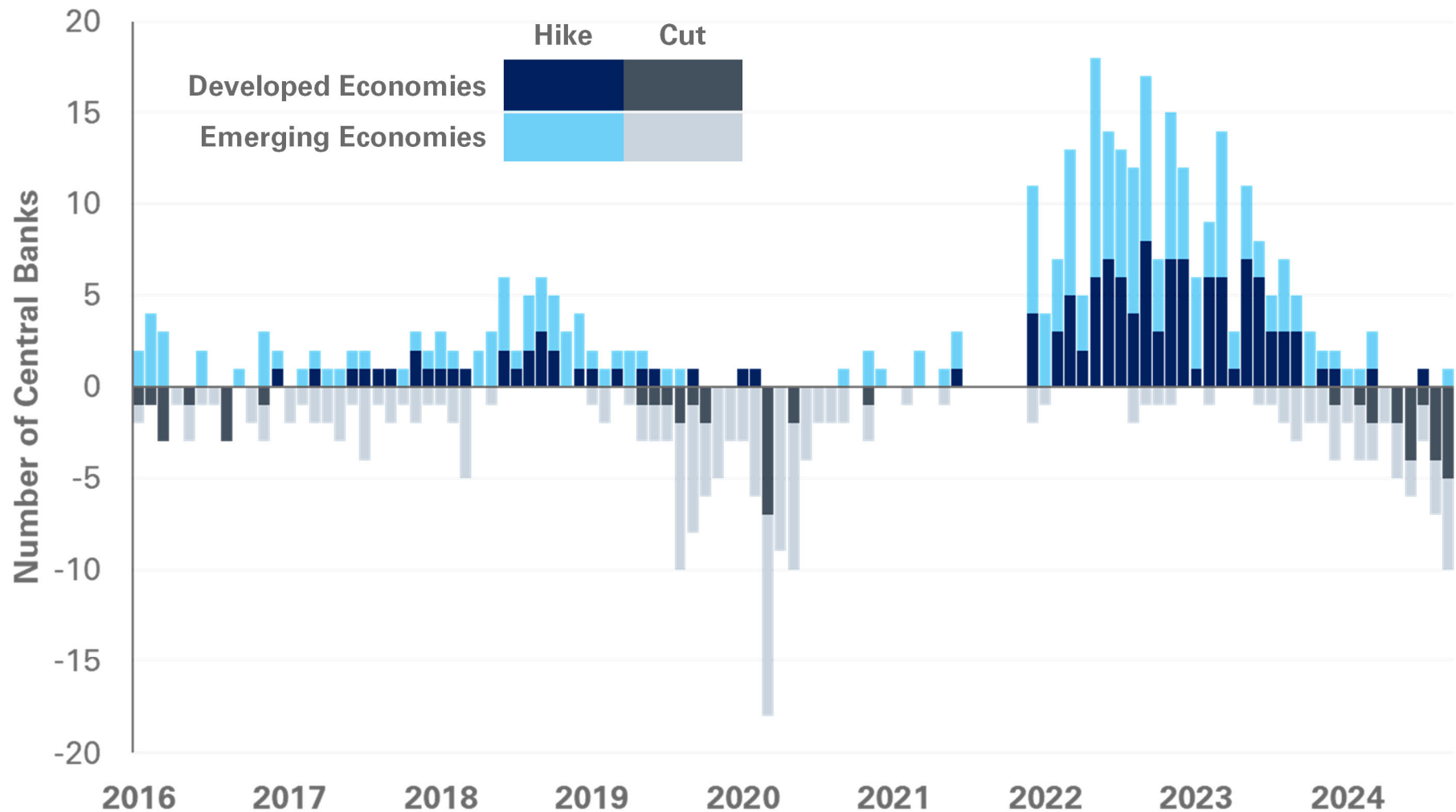
QUARTERLY TOTAL RETURNS



Sources: S&P, Russell, MSCI, JPM, Bloomberg, FactSet

THE MONETARY POLICY BACKDROP IS EASING

INTEREST RATE CHANGES BY GLOBAL CENTRAL BANKS

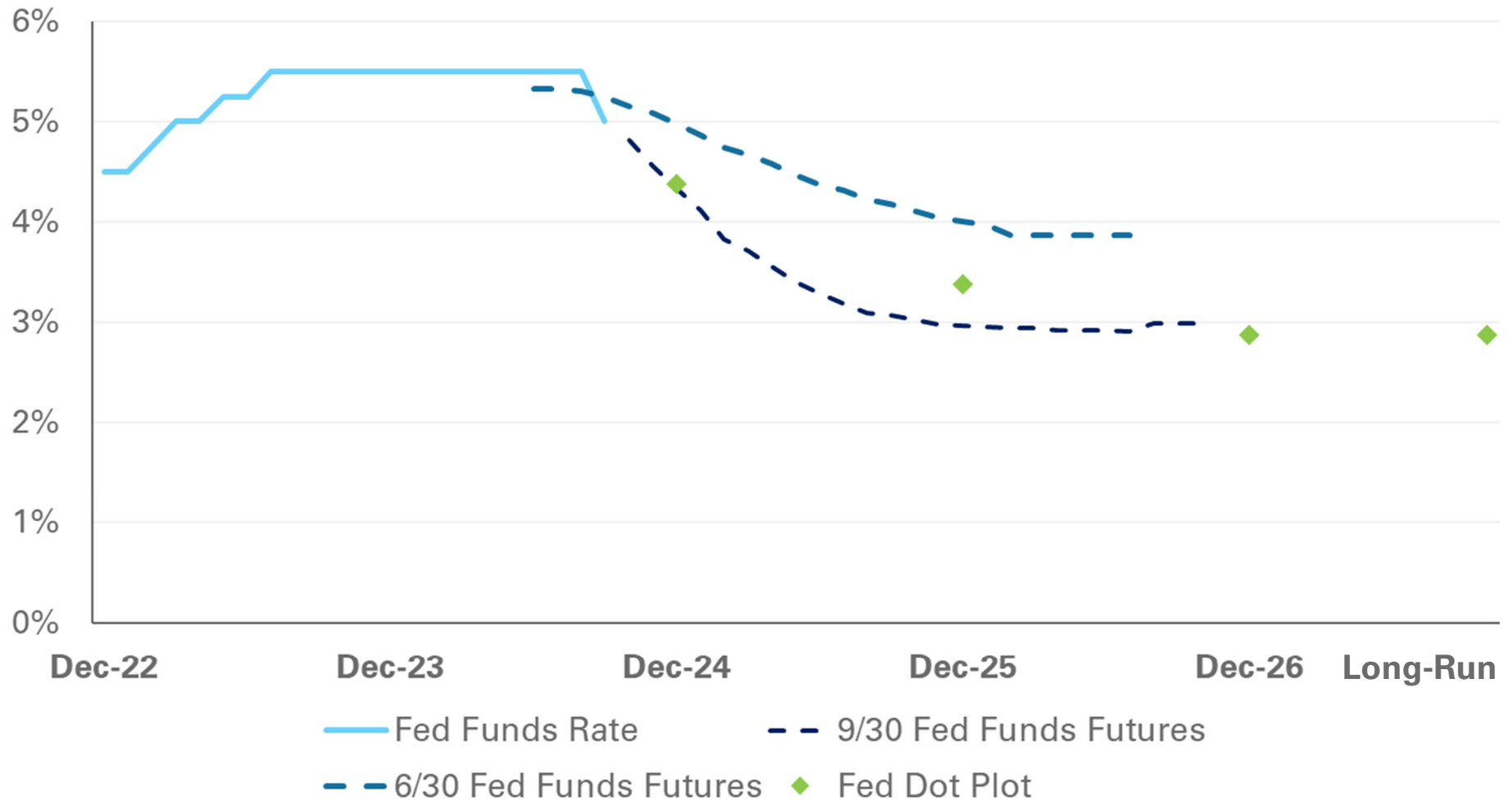


Notes: Developed Economies include Australia, Canada, countries governed by the European Central Bank, Japan, New Zealand, Norway, Sweden, Switzerland, United Kingdom, and the United States. Emerging Economies include Argentina, Brazil, Chile, China, Egypt, Ghana, India, Malaysia, Mexico, Pakistan, Peru, Philippines, South Africa, Thailand, and Turkey.
Source: FactSet



MARKETS EXPECT MORE CUTS TO COME

FED FUNDS RATE VERSUS MARKET RATE EXPECTATIONS



Source: FactSet

CONSUMERS REMAIN BIASED TO LOWER RATES

CONSUMERS EXPECTING RATES TO GO DOWN IN THE NEXT YEAR

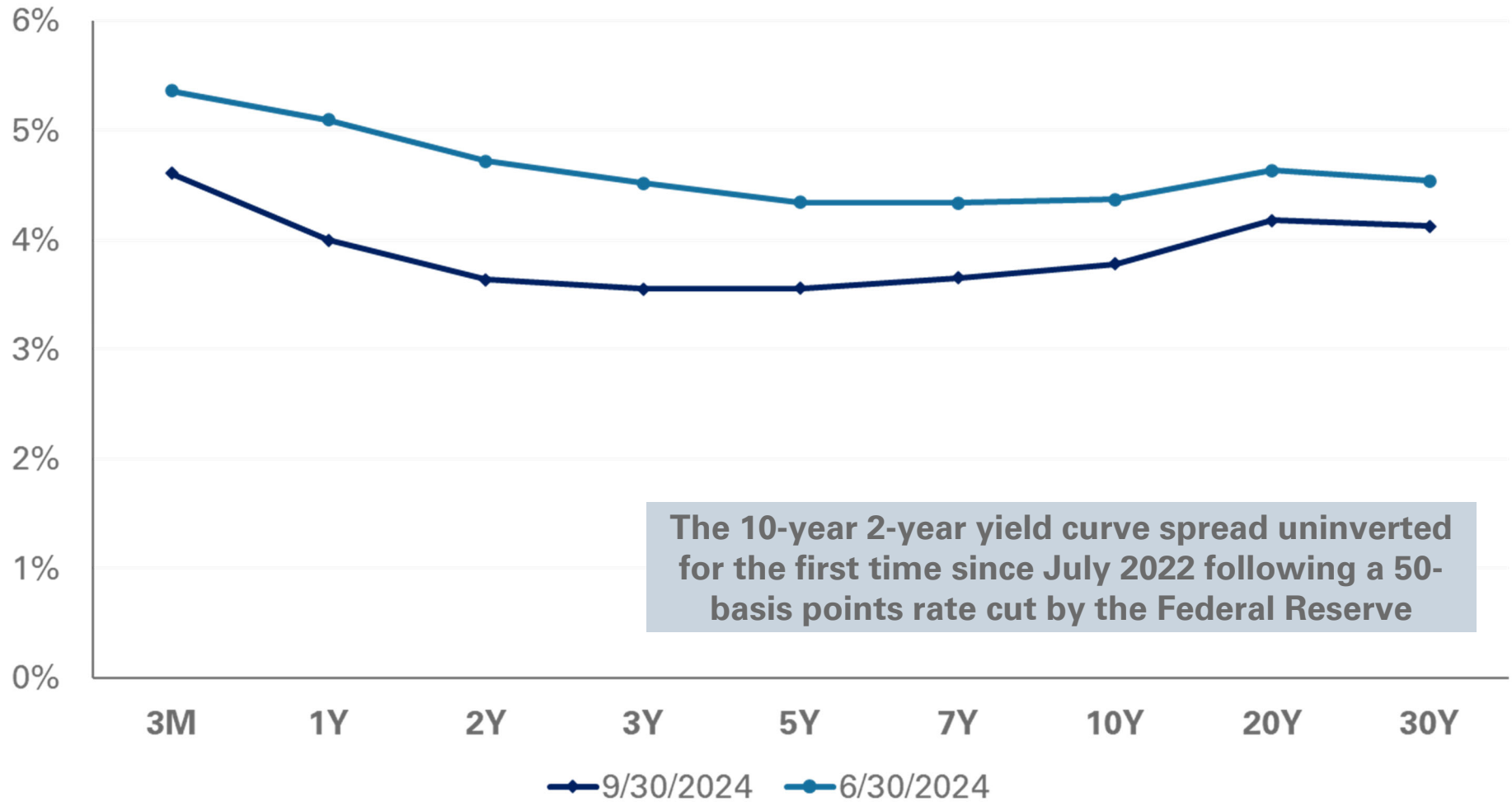
Survey Question: "No one can say for sure, but what do you think will happen to interest rates for borrowing money during the next 12 months, will they go up, stay the same, or go down?"



Sources: University of Michigan, FactSet

THE YIELD CURVE STEEPENED

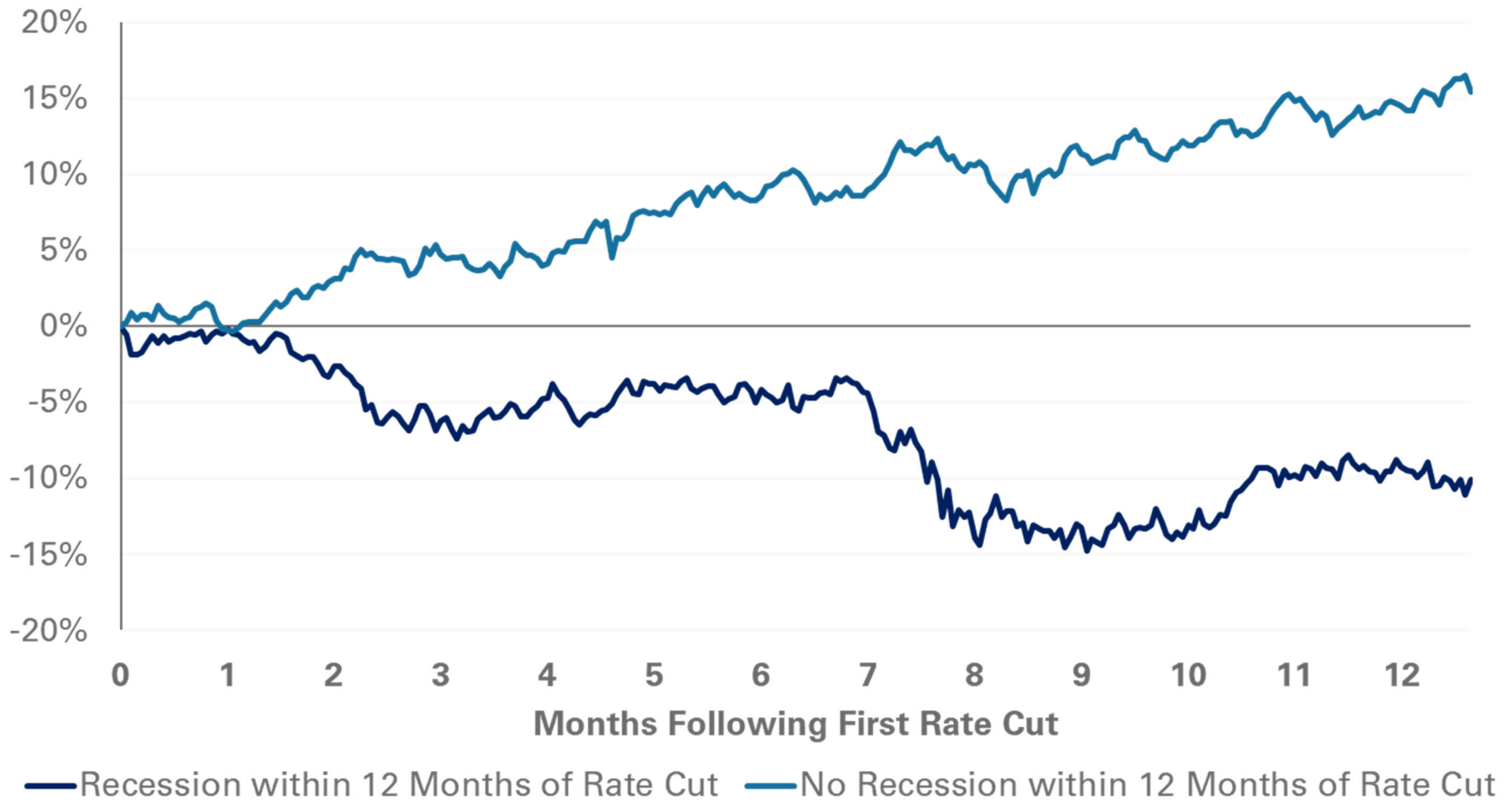
U.S. TREASURY CURVE



Source: FactSet

THE RESILIENT BACKDROP CAN SUPPORT EQUITIES

AVERAGE S&P 500 RETURNS FOLLOWING FIRST RATE CUT

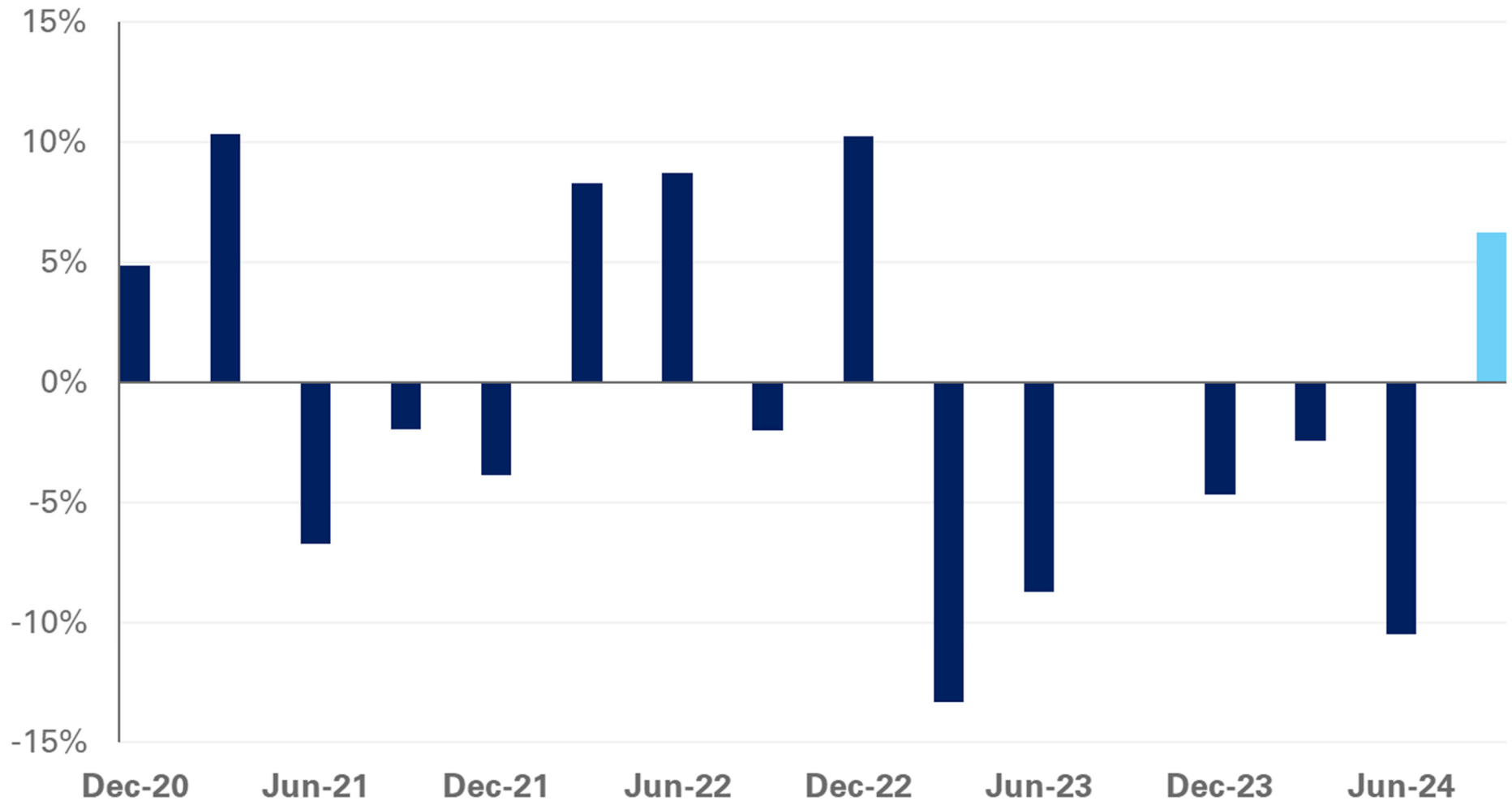


Note: Reflects first rate cut following a Fed pause. Fed pause reflects periods where the Fed funds rate remain unchanged following a series of rate hikes.
Sources: S&P, NBER, FactSet, NEPC



THE EQUITY RALLY EXTENDED BEYOND THE MAG-7

QUARTERLY RETURNS FOR R1000 VALUE VERSUS R1000 GROWTH



Notes: Reflects quarterly return differential between the Russell 1000 Value and Russell 1000 Growth.
Sources: Russell, FactSet



CHINA UNVEILED STIMULUS, LIKELY MORE TO COME

KEY COMPONENTS OF CHINA'S STIMULUS ANNOUNCEMENTS

Monetary Policy

- **0.50%** cut to the banks' reserve requirement ratios (RRR)
 - **0.20%** cut to the 7-day reverse repurchase rate
 - Reduction of the medium-term lending facility and loan prime rates
-

Real Estate

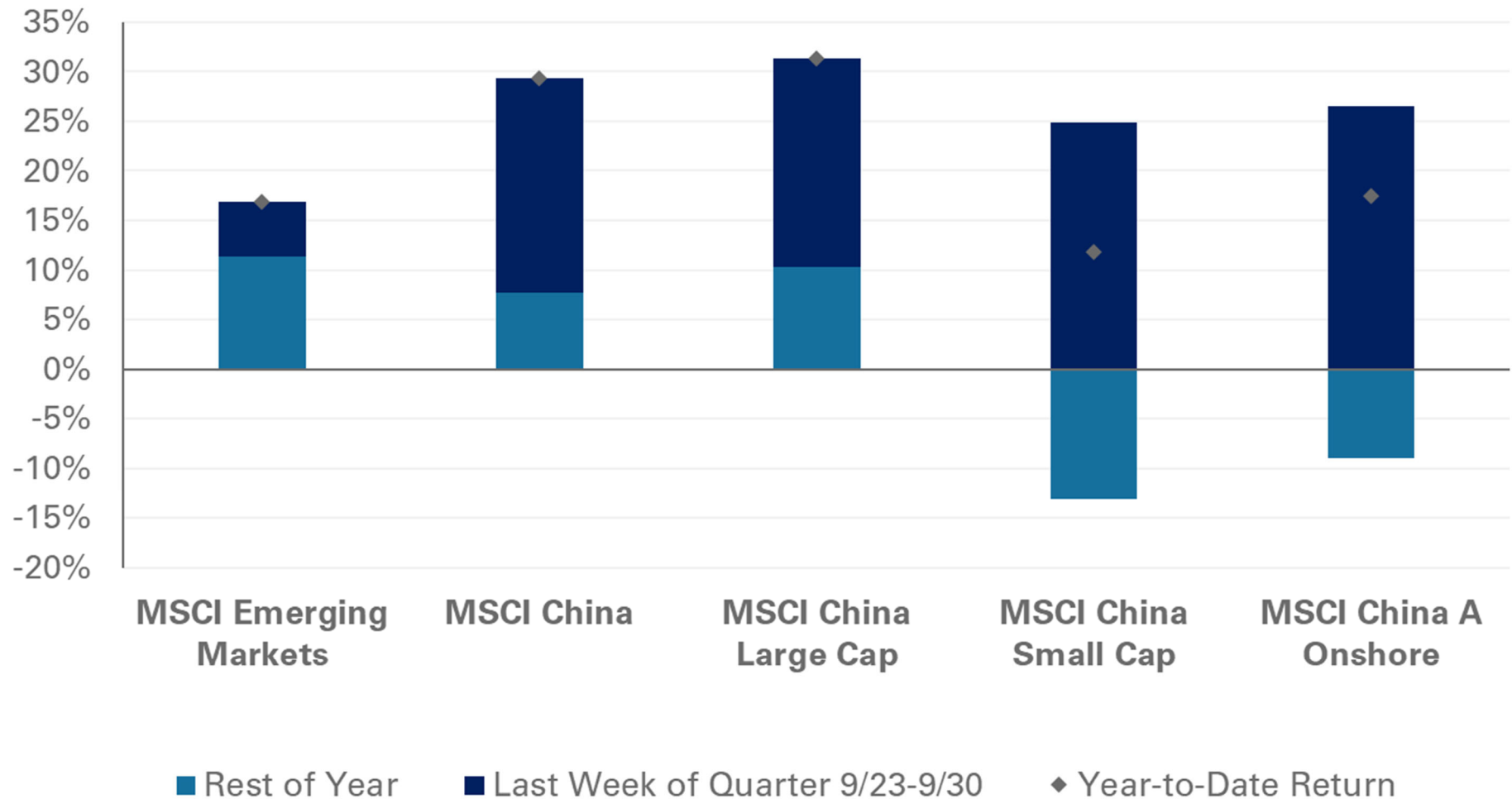
- **0.50%** cut to the interest rate on existing mortgages
 - Minimum down payment requirements on second home purchases reduced from **25% to 15%**
 - Additional support for the affordable housing program: re-lending loans can cover **100% (previously 60%)** of the loans issued by banks to purchase unsold homes from developers and convert into affordable housing
-

Capital Markets

- PBOC to inject liquidity for share buybacks
- Set up relending program for stock repurchases
- Institutional investors allowed to use stocks as collateral

MARKETS WELCOMED THE STIMULUS NEWS

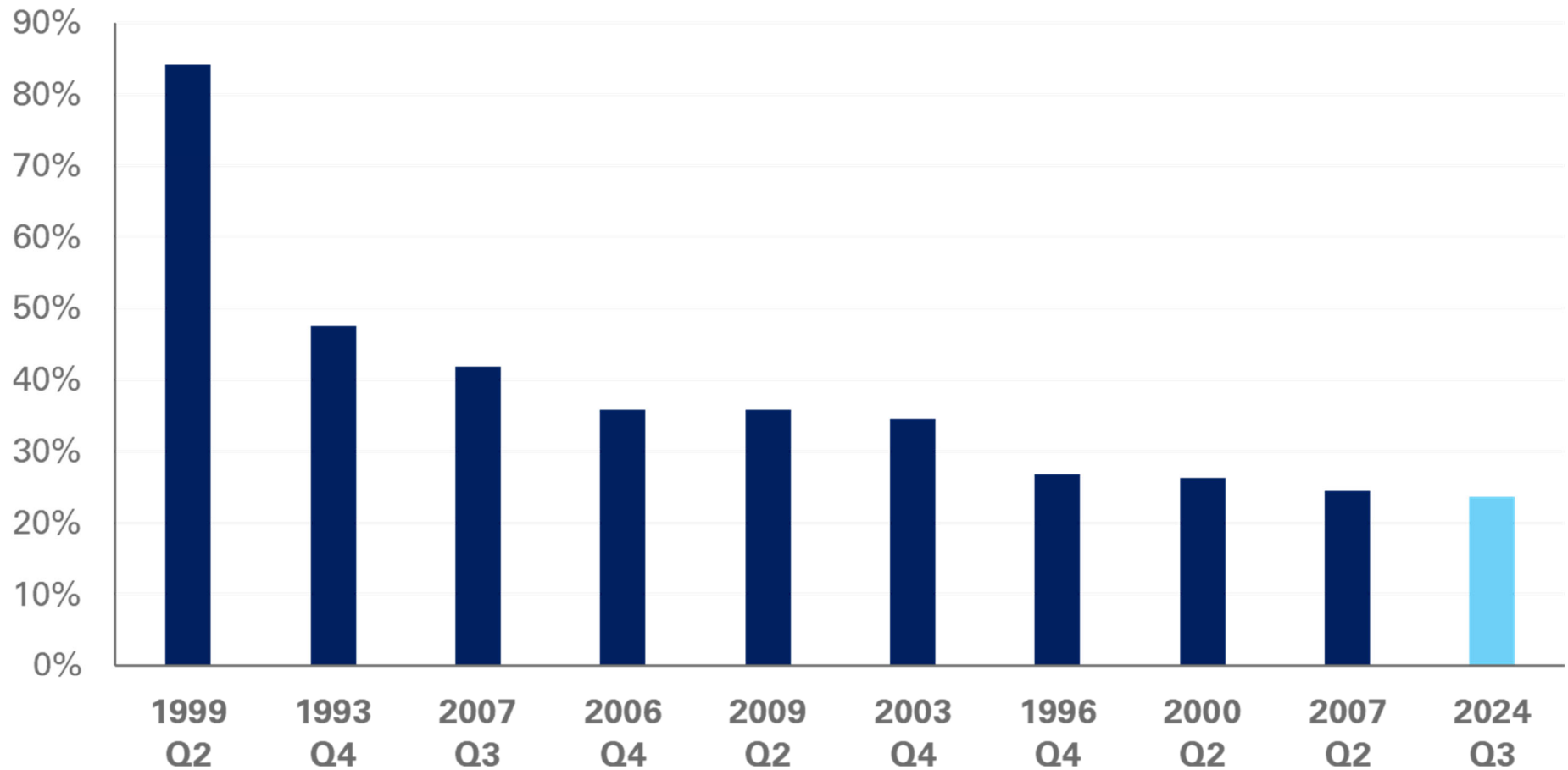
EM & CHINA EQUITY YEAR-TO-DATE TOTAL RETURNS



Sources: MSCI, FactSet, NEPC

CHINA EQUITIES POSTED OUTSIZED RETURNS

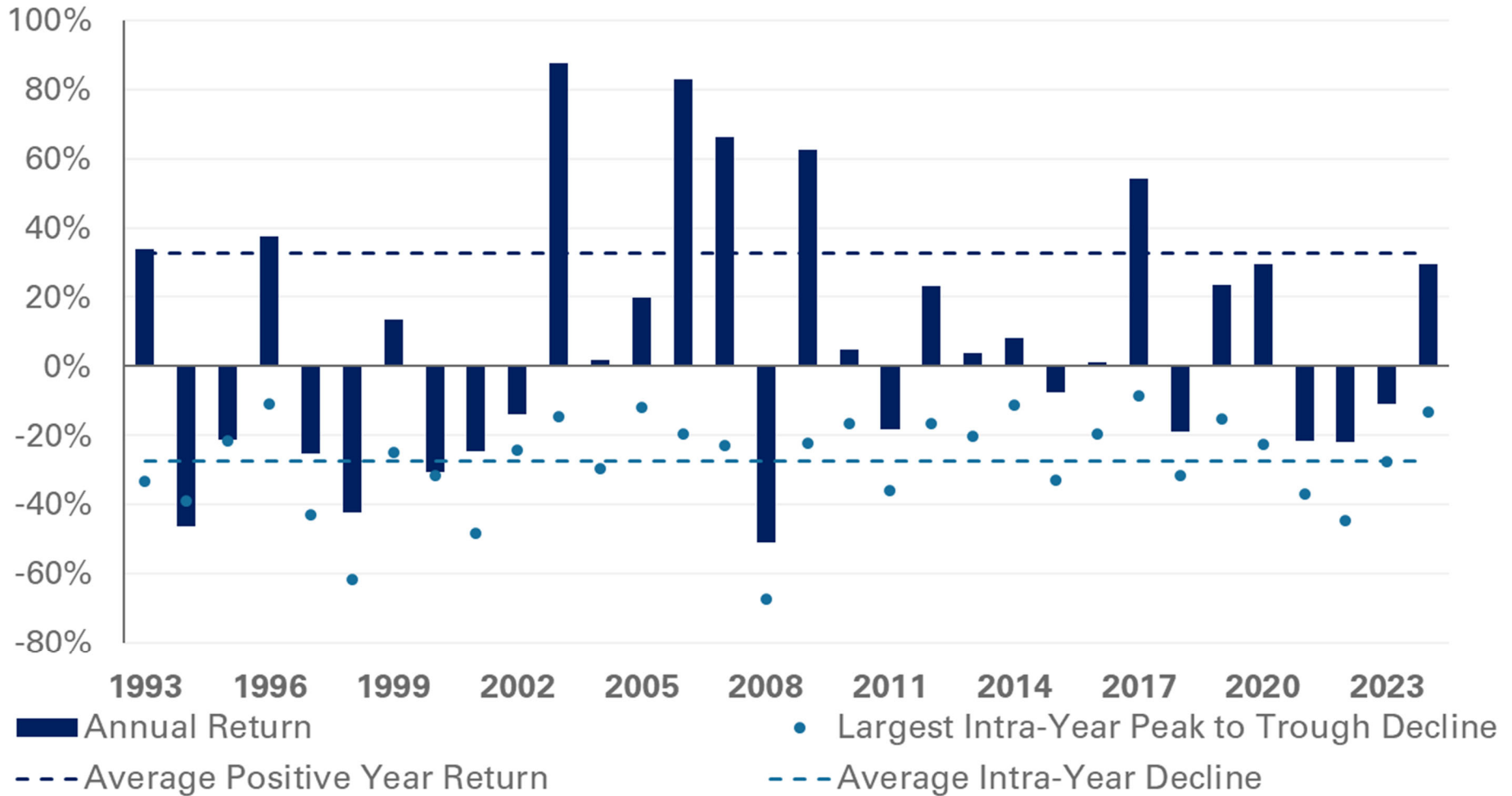
TOP 10 QUARTERLY RETURNS FOR THE MSCI CHINA INDEX



Sources: MSCI, FactSet

VOLATILITY STILL A HALLMARK OF CHINA EQUITIES

MSCI CHINA ANNUAL TOTAL RETURN HISTORY

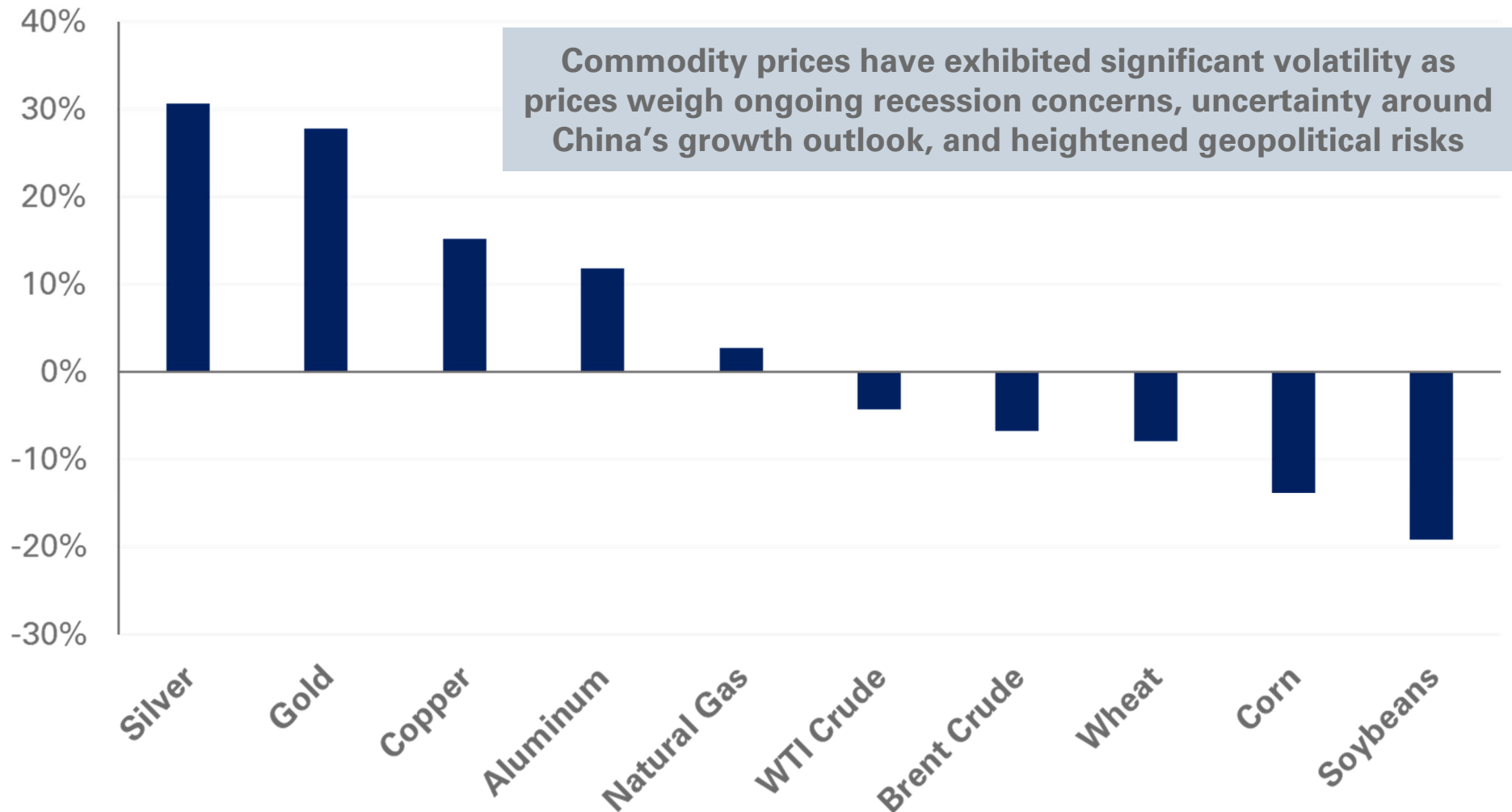


Note: 2024 reflects year-to-date total returns through September 30, 2024. Data reflects total returns in USD.
Sources: MSCI, FactSet, NEPC



COMMODITY RETURN DISPERSION IS SIGNIFICANT

YEAR-TO-DATE COMMODITY PRICE RETURNS



Sources: Bloomberg, FactSet

ASSET CLASS POLICY OVERVIEW

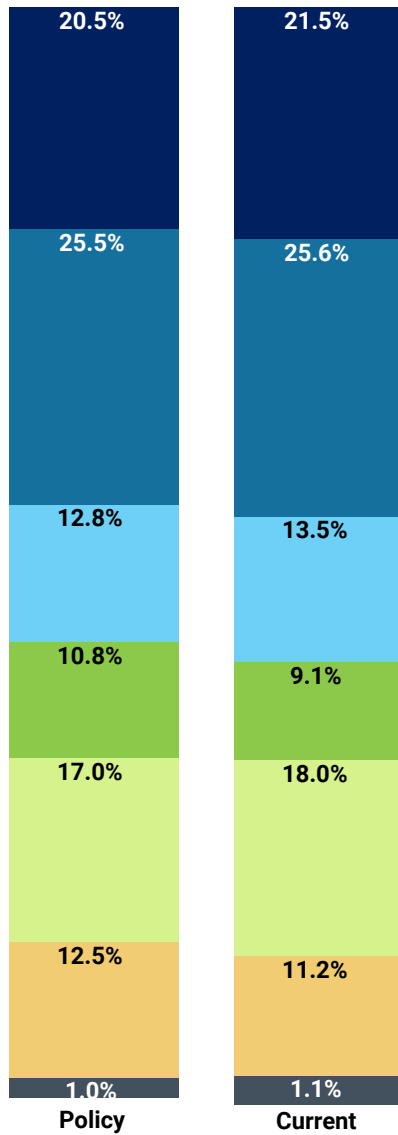


Los Angeles City Employees' Retirement System-LACERS Master Trust

ASSET ALLOCATION VS. POLICY

September 30, 2024

Asset Allocation vs. Target



	Current (\$)	Policy (%)	Current (%)	Differences* (%)	Policy Range (%)	Within Range
■ U.S. Equity	5,360,114,944	20.5	21.5	1.0	14.0 - 25.0	Yes
■ Non-US Equity	6,388,395,380	25.5	25.6	0.1	19.5 - 31.5	Yes
■ Core Fixed Income	3,362,791,137	12.8	13.5	0.7	11.8 - 18.3	Yes
■ Opportunistic Credit	2,259,844,265	10.8	9.1	-1.7	5.5 - 13.5	Yes
■ Private Equity	4,494,298,777	17.0	18.0	1.0	0.0 - 100.0	Yes
■ Real Assets	2,791,296,581	12.5	11.2	-1.3	5.5 - 16.5	Yes
■ Cash	272,761,338	1.0	1.1	0.1	0.0 - 2.0	Yes
Total	24,929,502,422	100.0	100.0	0.0		

*Difference between Policy and Current Allocation

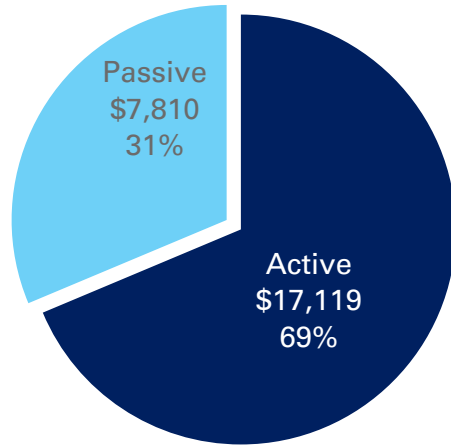
Note: Policy target asset allocation reflects interim asset allocation policy targets adopted July 2024.



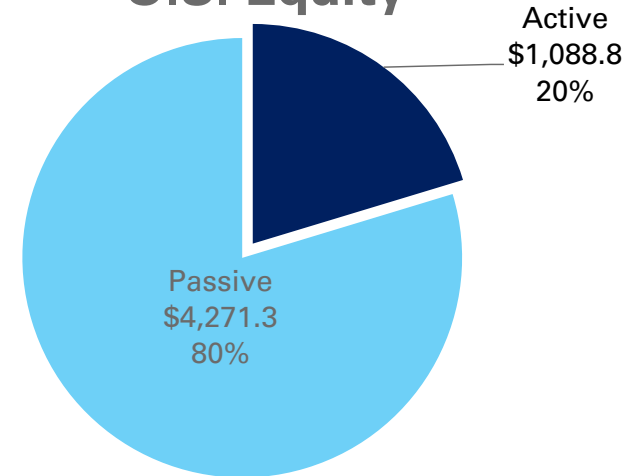
ACTIVE AND PASSIVE MANAGER BREAKDOWN

Note: Market values shown in millions \$(000).

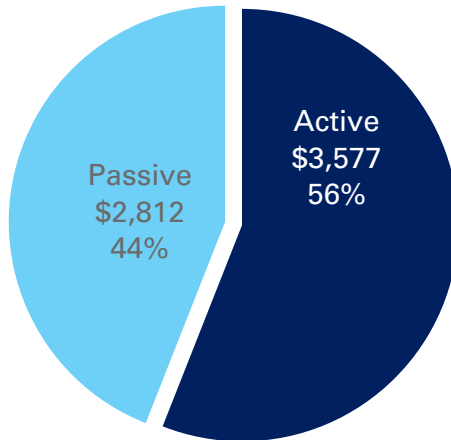
Total Fund



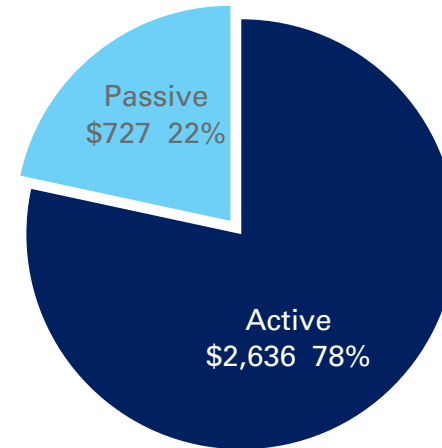
U.S. Equity



Non-U.S. Equity



Core Fixed Income



- LACERS allocated 69% to active managers and 31% to passive managers.
- Credit Opportunities, Private Equity, and Real Assets programs are active and therefore are not shown.

PERFORMANCE OVERVIEW



TOTAL FUND PERFORMANCE SUMMARY

GROSS OF FEES

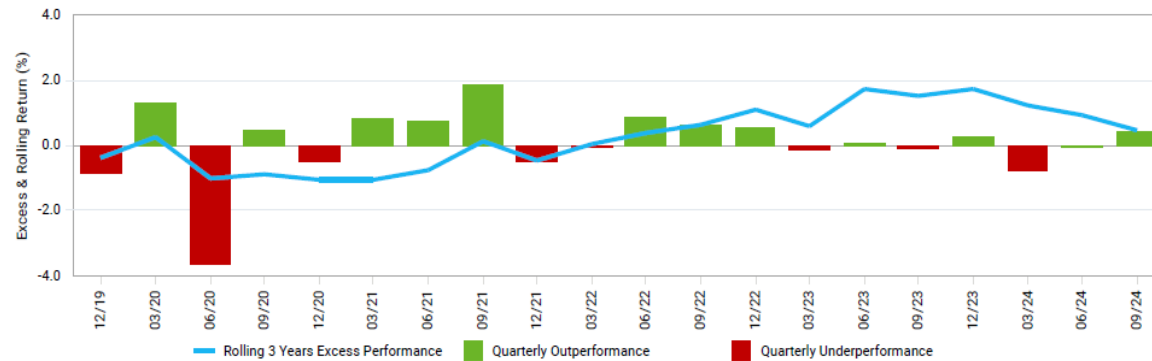
	Market Value (\$)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	15 Yrs (%)	Inception (%)	Inception Date
LACERS Master Trust	24,929,502,422	5.6 (10)	9.9 (33)	17.6 (36)	4.1 (68)	8.3 (50)	7.6 (49)	7.5 (42)	8.6 (25)	8.2 (31)	Nov-94
<i>Policy Index</i>		<i>5.2 (15)</i>	<i>10.3 (26)</i>	<i>17.7 (31)</i>	<i>3.6 (81)</i>	<i>7.9 (62)</i>	<i>7.3 (54)</i>	<i>7.3 (47)</i>	<i>8.4 (47)</i>	<i>8.1 (43)</i>	
<i>InvMetrics Public DB \$5-50B Gross Median</i>		<i>4.2</i>	<i>9.5</i>	<i>15.7</i>	<i>5.0</i>	<i>8.3</i>	<i>7.5</i>	<i>7.2</i>	<i>8.2</i>	<i>7.9</i>	

Over the past five years the Fund return of 8.3% outperformed the policy index by 0.3% and ranked in the 50th percentile within the Public Funds \$5 Billion- \$50 Billion universe. The Fund’s volatility of 10.5% ranked in the 79th percentile over this period. The Fund’s risk-adjusted performance, as measured by the Sharpe Ratio ranked in the 57th percentile and the Sortino Ratio ranked in the 57th percentile.

Over the past three years the Fund return of 4.1% outperformed the policy index by 0.5% and ranked in the 68th percentile in its peer group. The Fund’s volatility ranked in the 80th percentile and the Sharpe Ratio ranked in the 68th percentile. The Sortino Ratio ranked in the 68th percentile.

In the one-year ended September 30, 2024, the Fund returned 17.6% and underperformed the policy index by 0.1%. The Fund’s return ranked in the 36th percentile in its peer group.

Quarter Excess Return with a Rolling 3 Years Excess Return vs. Policy Index over 5 Years Ending September 30, 2024



5 Years Ending September 30, 2024				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
LACERS Master Trust	8.3 (50)	10.5 (79)	0.6 (57)	0.9 (57)
<i>Policy Index</i>	<i>7.9 (62)</i>	<i>11.5 (91)</i>	<i>0.5 (77)</i>	<i>0.8 (79)</i>
<i>InvMetrics Public DB \$5-50B Gross Median</i>	<i>8.3</i>	<i>9.5</i>	<i>0.6</i>	<i>1.0</i>

3 Years Ending September 30, 2024				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
LACERS Master Trust	4.1 (68)	9.8 (80)	0.1 (68)	0.1 (68)
<i>Policy Index</i>	<i>3.6 (81)</i>	<i>10.4 (90)</i>	<i>0.1 (77)</i>	<i>0.1 (77)</i>
<i>InvMetrics Public DB \$5-50B Gross Median</i>	<i>5.0</i>	<i>8.7</i>	<i>0.2</i>	<i>0.3</i>



Los Angeles City Employees' Retirement System-LACERS Master Trust

September 30, 2024

EXECUTIVE SUMMARY

	Market Value (\$)	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	15 Yrs (%)	Inception (%)	Inception Date
LACERS Master Trust	24,929,502,422	5.6 (15)	9.9 (52)	17.6 (50)	4.1 (76)	8.3 (45)	7.6 (41)	7.5 (39)	8.6 (28)	8.2 (33)	Nov-94
<i>Policy Index</i>		5.2 (32)	10.3 (38)	17.7 (49)	3.6 (87)	7.9 (63)	7.3 (55)	7.3 (44)	8.4 (41)	8.1 (42)	
<i>InvMetrics Public DB \$1-50B Gross Median</i>		4.7	10.0	17.6	4.8	8.2	7.4	7.2	8.2	7.9	

3 Years Ending September 30, 2024				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
LACERS Master Trust	4.1 (76)	9.8 (59)	0.1 (76)	0.1 (76)
<i>Policy Index</i>	3.6 (87)	10.4 (67)	0.1 (86)	0.1 (86)
InvMetrics Public DB \$1-50B Gross Median	4.8	9.6	0.2	0.2

5 Years Ending September 30, 2024				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
LACERS Master Trust	8.3 (45)	10.5 (53)	0.6 (46)	0.9 (41)
<i>Policy Index</i>	7.9 (63)	11.5 (79)	0.5 (81)	0.8 (81)
InvMetrics Public DB \$1-50B Gross Median	8.2	10.3	0.6	0.8

Los Angeles City Employees' Retirement System-LACERS Master Trust

September 30, 2024

COMPOSITE PERFORMANCE DETAIL GROSS

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	20 Yrs (%)	Inception (%)	Inception Date
LACERS Master Trust	24,929,502,422	100.00	5.59	9.92	17.57	4.10	8.32	7.50	7.59	8.19	Nov-94
Policy Index			5.15	10.26	17.66	3.63	7.86	7.29	7.37	8.07	
Over/Under			0.44	-0.34	-0.09	0.47	0.46	0.21	0.22	0.12	
U.S. Equity	5,360,114,944	21.50	6.96	19.42	33.71	9.77	14.66	12.50	10.45	11.12	Nov-94
U.S. Equity Blend			6.23	20.63	35.19	10.29	15.26	12.83	10.61	10.33	
Over/Under			0.73	-1.21	-1.48	-0.52	-0.60	-0.33	-0.16	0.79	
Non-U.S. Equity	6,388,395,380	25.63	8.25	13.37	24.64	3.27	8.58	6.38	7.05	5.67	Nov-94
MSCI AC World ex USA (Net)			8.06	14.21	25.35	4.14	7.59	5.22	6.14	-	
Over/Under			0.19	-0.84	-0.71	-0.87	0.99	1.16	0.91	-	
Core Fixed Income	3,362,791,137	13.49	5.27	4.77	12.10	-1.02	0.98	2.29	-	2.51	Jul-12
Core Fixed Income Blend			5.20	4.45	11.57	-1.39	0.33	1.84	-	1.89	
Over/Under			0.07	0.32	0.53	0.37	0.65	0.45	-	0.62	
Credit Opportunities	2,259,844,265	9.06	5.26	7.31	14.20	2.75	3.35	4.31	-	4.72	Jul-13
Credit Opportunities Blend			4.47	6.70	13.29	2.00	3.26	4.39	-	4.79	
Over/Under			0.79	0.61	0.91	0.75	0.09	-0.08	-	-0.07	
Real Assets	2,791,296,581	11.20	4.87	2.28	6.11	0.90	3.12	4.68	4.12	5.77	Dec-94
Real Assets Policy Benchmark			4.14	2.83	5.38	-0.19	3.41	4.99	5.32	7.17	
Over/Under			0.73	-0.55	0.73	1.09	-0.29	-0.31	-1.20	-1.40	
Public Real Assets	1,462,729,783	5.87	9.65	9.59	19.65	1.41	4.53	3.55	-	3.23	Jul-14
Public Real Assets Blend			8.25	7.98	18.19	1.07	4.28	2.34	-	1.91	
Over/Under			1.40	1.61	1.46	0.34	0.25	1.21	-	1.32	
Private Real Estate	1,308,922,089	5.25	0.05	-4.90	-6.67	2.14	2.31	5.64	4.63	6.11	Nov-94
Real Estate Blend			0.45	-1.98	-6.52	0.62	3.77	6.94	7.88	8.79	
Over/Under			-0.40	-2.92	-0.15	1.52	-1.46	-1.30	-3.25	-2.68	
Private Equity	4,494,298,777	18.03	1.63	5.77	6.52	7.06	14.87	12.65	13.16	11.27	Dec-95
Private Equity Blend			0.94	5.04	4.43	4.31	12.80	13.28	12.90	12.96	
Over/Under			0.69	0.73	2.09	2.75	2.07	-0.63	0.26	-1.69	
Cash	272,761,338	1.09									

Refer to appendix for blended benchmark definitions.



Los Angeles City Employees' Retirement System-LACERS Master Trust

September 30, 2024

COMPOSITE PERFORMANCE DETAIL NET

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	20 Yrs (%)	Inception (%)	Inception Date
LACERS Master Trust	24,929,502,422	100.00	5.55	9.79	17.39	3.94	8.15	7.32	7.40	7.02	Jul-01
Policy Index			5.15	10.26	17.66	3.63	7.86	7.29	7.37	6.96	
Over/Under			0.40	-0.47	-0.27	0.31	0.29	0.03	0.03	0.06	
U.S. Equity	5,360,114,944	21.50	6.93	19.33	33.58	9.66	14.56	12.41	10.30	9.40	Sep-01
U.S. Equity Blend			6.23	20.63	35.19	10.29	15.26	12.83	10.61	9.43	
Over/Under			0.70	-1.30	-1.61	-0.63	-0.70	-0.42	-0.31	-0.03	
Non-U.S. Equity	6,388,395,380	25.63	8.15	13.06	24.21	2.92	8.22	6.01	6.69	6.37	Jun-01
MSCI AC World ex USA (Net)			8.06	14.21	25.35	4.14	7.59	5.22	6.14	5.75	
Over/Under			0.09	-1.15	-1.14	-1.22	0.63	0.79	0.55	0.62	
Core Fixed Income	3,362,791,137	13.49	5.24	4.70	11.98	-1.12	0.89	2.19	-	2.40	Jul-12
Core Fixed Income Blend			5.20	4.45	11.57	-1.39	0.33	1.84	-	1.89	
Over/Under			0.04	0.25	0.41	0.27	0.56	0.35	-	0.51	
Credit Opportunities	2,259,844,265	9.06	5.18	7.06	13.85	2.41	3.03	3.97	-	4.39	Jul-13
Credit Opportunities Blend			4.47	6.70	13.29	2.00	3.26	4.39	-	4.79	
Over/Under			0.71	0.36	0.56	0.41	-0.23	-0.42	-	-0.40	
Real Assets	2,791,296,581	11.20	4.84	2.19	5.99	0.78	2.98	4.54	3.96	4.63	Jun-01
Real Assets Policy Benchmark			4.14	2.83	5.38	-0.19	3.41	4.99	5.32	5.72	
Over/Under			0.70	-0.64	0.61	0.97	-0.43	-0.45	-1.36	-1.09	
Public Real Assets	1,462,729,783	5.87	9.60	9.44	19.44	1.25	4.35	3.35	-	3.04	Jul-14
Public Real Assets Blend			8.25	7.98	18.19	1.07	4.28	2.34	-	1.91	
Over/Under			1.35	1.46	1.25	0.18	0.07	1.01	-	1.13	
Private Real Estate	1,308,922,089	5.25	0.03	-4.94	-6.72	2.07	2.23	5.56	4.49	5.11	Jul-01
Real Estate Blend			0.45	-1.98	-6.52	0.62	3.77	6.94	7.88	7.96	
Over/Under			-0.42	-2.96	-0.20	1.45	-1.54	-1.38	-3.39	-2.85	
Private Equity	4,494,298,777	18.03	1.63	5.80	6.56	7.09	14.89	12.66	13.10	11.31	Sep-01
Private Equity Blend			0.94	5.04	4.43	4.31	12.80	13.28	12.90	11.97	
Over/Under			0.69	0.76	2.13	2.78	2.09	-0.62	0.20	-0.66	
Cash	272,761,338	1.09									

Refer to appendix for blended benchmark definitions.



Los Angeles City Employees' Retirement System-LACERS Master Trust

September 30, 2024

RISK STATISTICS

3 Years Ending September 30, 2024						
	Return	Standard Deviation	Alpha	Information Ratio	Sortino Ratio	Tracking Error
LACERS Master Trust	4.10 (76)	9.82 (59)	0.66 (72)	0.26 (67)	0.15 (76)	1.53 (6)
InvMetrics Public DB \$1-50B Gross Median	4.77	9.57	1.25	0.40	0.24	2.32

5 Years Ending September 30, 2024						
	Return	Standard Deviation	Alpha	Information Ratio	Sortino Ratio	Tracking Error
LACERS Master Trust	8.32 (45)	10.52 (53)	1.10 (49)	0.16 (38)	0.88 (41)	1.96 (13)
InvMetrics Public DB \$1-50B Gross Median	8.18	10.34	1.07	0.05	0.85	2.73

3 Years Ending September 30, 2024						
	Return	Standard Deviation	Alpha	Information Ratio	Sortino Ratio	Tracking Error
LACERS Master Trust	4.10 (68)	9.82 (80)	0.66 (71)	0.26 (68)	0.15 (68)	1.53 (6)
InvMetrics Public DB \$5-50B Gross Median	5.00	8.72	1.75	0.38	0.30	2.77

5 Years Ending September 30, 2024						
	Return	Standard Deviation	Alpha	Information Ratio	Sortino Ratio	Tracking Error
LACERS Master Trust	8.32 (50)	10.52 (79)	1.10 (60)	0.16 (37)	0.88 (57)	1.96 (10)
InvMetrics Public DB \$5-50B Gross Median	8.32	9.51	1.66	0.05	0.97	3.30

ATTRIBUTION ANALYSIS

Attribution Effects 1 Quarter Ending September 30, 2024



Attribution Summary 1 Quarter Ending September 30, 2024

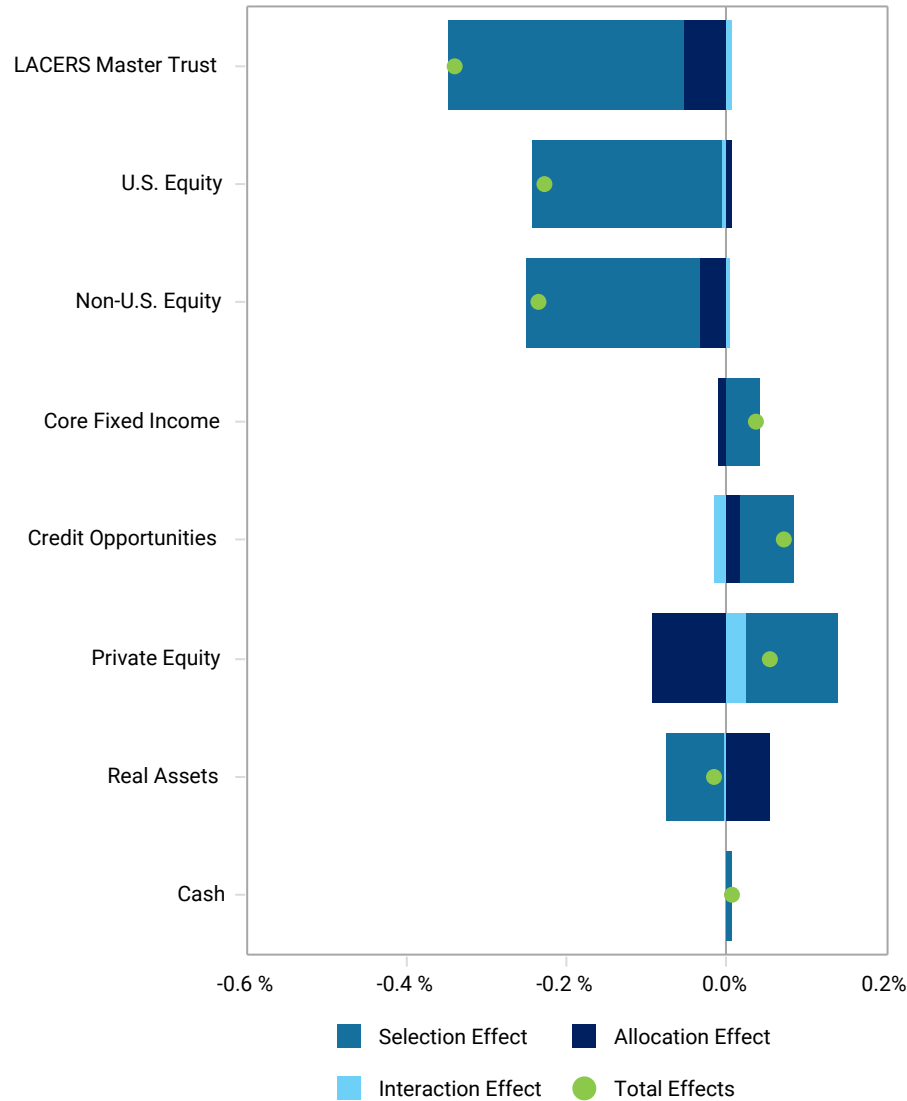
	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Total Effects (%)
U.S. Equity	7.0	6.2	0.7	0.1	0.0	0.0	0.2
Non-U.S. Equity	8.2	8.1	0.2	0.0	0.0	0.0	0.0
Core Fixed Income	5.3	5.2	0.1	0.0	0.0	0.0	0.0
Credit Opportunities	5.3	4.5	0.8	0.1	0.0	0.0	0.1
Private Equity	1.6	0.9	0.7	0.1	-0.1	0.0	0.1
Real Assets	4.9	4.1	0.7	0.1	0.0	0.0	0.1
Cash	1.9	1.4	0.5	0.0	0.0	0.0	0.0
LACERS Master Trust	5.6	5.2	0.4	0.5	0.0	0.0	0.4

*Total Actual and Index returns are weighted average calculations.



ATTRIBUTION ANALYSIS

Attribution Effects Year To Date Ending September 30, 2024



Attribution Summary Year To Date Ending September 30, 2024

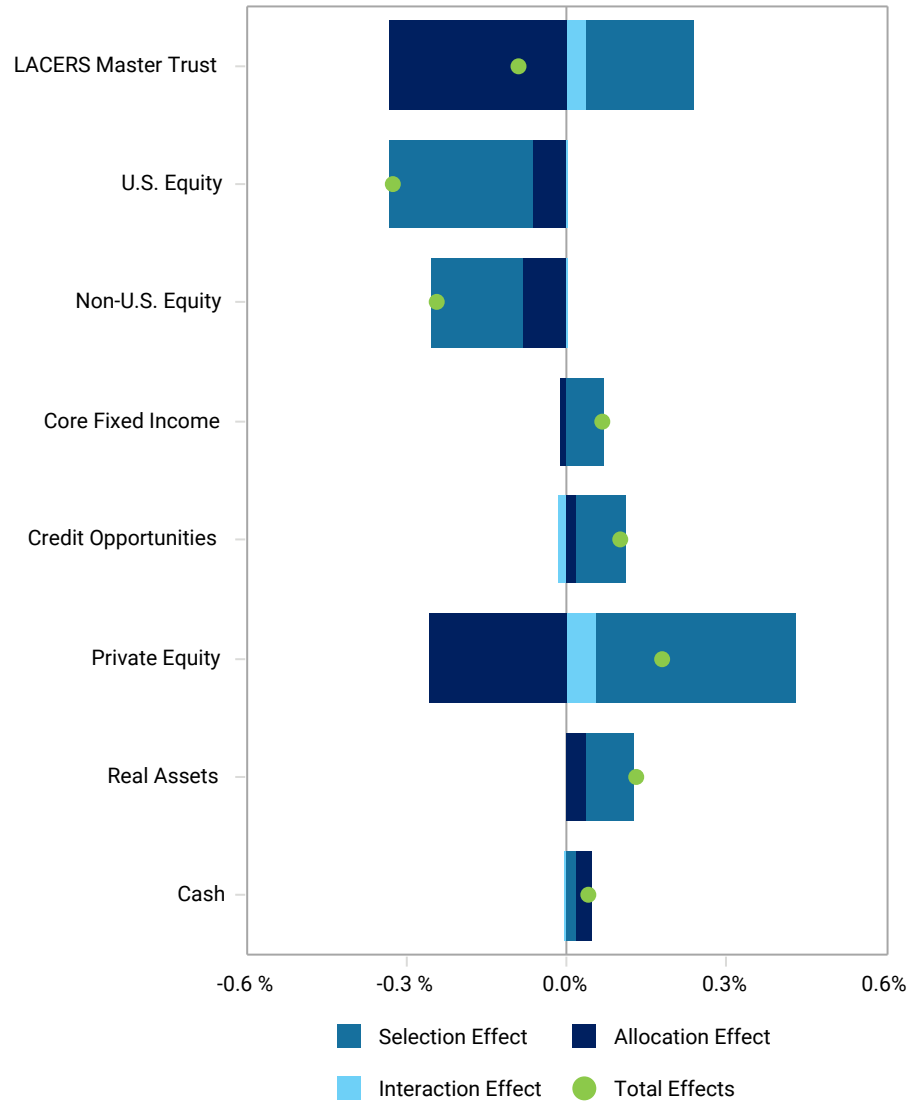
	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Total Effects (%)
U.S. Equity	19.4	20.6	-1.2	-0.2	0.0	0.0	-0.2
Non-U.S. Equity	13.4	14.2	-0.8	-0.2	0.0	0.0	-0.2
Core Fixed Income	4.8	4.4	0.3	0.0	0.0	0.0	0.0
Credit Opportunities	7.3	6.7	0.6	0.1	0.0	0.0	0.1
Private Equity	5.8	5.0	0.7	0.1	-0.1	0.0	0.1
Real Assets	2.3	2.8	-0.5	-0.1	0.1	0.0	0.0
Cash	4.7	4.0	0.7	0.0	0.0	0.0	0.0
LACERS Master Trust	9.9	10.3	-0.3	-0.3	-0.1	0.0	-0.3

*Total Actual and Index returns are weighted average calculations.



ATTRIBUTION ANALYSIS

Attribution Effects
1 Year Ending September 30, 2024



Attribution Summary
1 Year Ending September 30, 2024

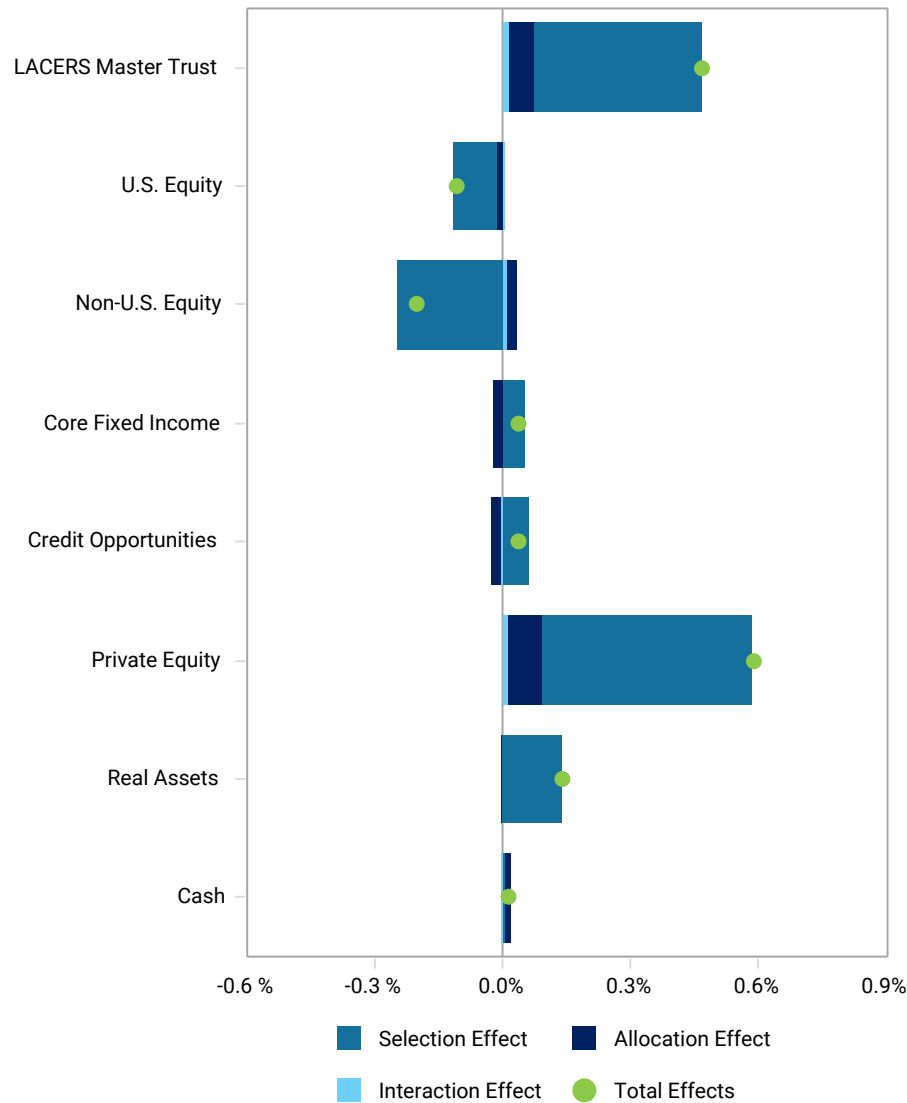
	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Total Effects (%)
U.S. Equity	33.7	35.2	-1.5	-0.3	-0.1	0.0	-0.3
Non-U.S. Equity	24.6	25.4	-0.7	-0.2	-0.1	0.0	-0.2
Core Fixed Income	12.1	11.6	0.5	0.1	0.0	0.0	0.1
Credit Opportunities	14.2	13.3	0.9	0.1	0.0	0.0	0.1
Private Equity	6.5	4.4	2.1	0.4	-0.3	0.1	0.2
Real Assets	6.1	5.4	0.7	0.1	0.0	0.0	0.1
Cash	7.4	5.5	2.0	0.0	0.0	0.0	0.0
LACERS Master Trust	17.6	17.7	-0.1	0.2	-0.3	0.0	-0.1

*Total Actual and Index returns are weighted average calculations.



ATTRIBUTION ANALYSIS

Attribution Effects
3 Years Ending September 30, 2024



Attribution Summary
3 Years Ending September 30, 2024

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Total Effects (%)
U.S. Equity	9.8	10.3	-0.5	-0.1	0.0	0.0	-0.1
Non-U.S. Equity	3.3	4.1	-0.9	-0.2	0.0	0.0	-0.2
Core Fixed Income	-1.0	-1.4	0.4	0.1	0.0	0.0	0.0
Credit Opportunities	2.7	2.0	0.7	0.1	0.0	0.0	0.0
Private Equity	7.1	4.3	2.8	0.5	0.1	0.0	0.6
Real Assets	0.9	-0.2	1.1	0.1	0.0	0.0	0.1
Cash	4.2	3.5	0.7	0.0	0.0	0.0	0.0
LACERS Master Trust	4.1	3.6	0.5	0.4	0.1	0.0	0.5

*Total Actual and Index returns are weighted average calculations.

ATTRIBUTION ANALYSIS

Attribution Effects
5 Years Ending September 30, 2024



Attribution Summary
5 Years Ending September 30, 2024

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Total Effects (%)
U.S. Equity	14.7	15.3	-0.6	-0.1	0.0	0.0	-0.1
Non-U.S. Equity	8.6	7.6	1.0	0.3	0.0	0.0	0.3
Core Fixed Income	1.0	0.3	0.7	0.1	0.1	0.0	0.2
Credit Opportunities	3.3	3.3	0.1	0.0	-0.1	0.0	-0.1
Private Equity	14.9	12.8	2.1	0.4	0.1	-0.1	0.4
Real Assets	3.1	3.4	-0.3	0.0	0.0	0.0	-0.1
Cash	2.9	2.3	0.6	0.0	-0.1	0.0	-0.1
LACERS Master Trust	8.3	7.9	0.5	0.6	-0.1	-0.1	0.5

*Total Actual and Index returns are weighted average calculations.



PRIVATE MARKETS PERFORMANCE

AS OF JUNE 30, 2024

Private Equity	10 Year IRR	Since Inception IRR	Since Inception Multiple
Aggregate Portfolio	12.7%	12.0%	1.63x
Core Portfolio	13.1%	12.4%	1.65x
Specialized Portfolio	-0.8%	1.7%	1.12x
PE Blended Benchmark	12.7%	12.8%	N/A

Source: Aksia

Real Estate	10 Year Return (Net)	Since Inception Return (Net)
Total Portfolio (TWR) ¹	5.6%	5.6%
NFI-ODCE + 80 basis points (TWR)	6.3%	6.5%

Source: The Townsend Group

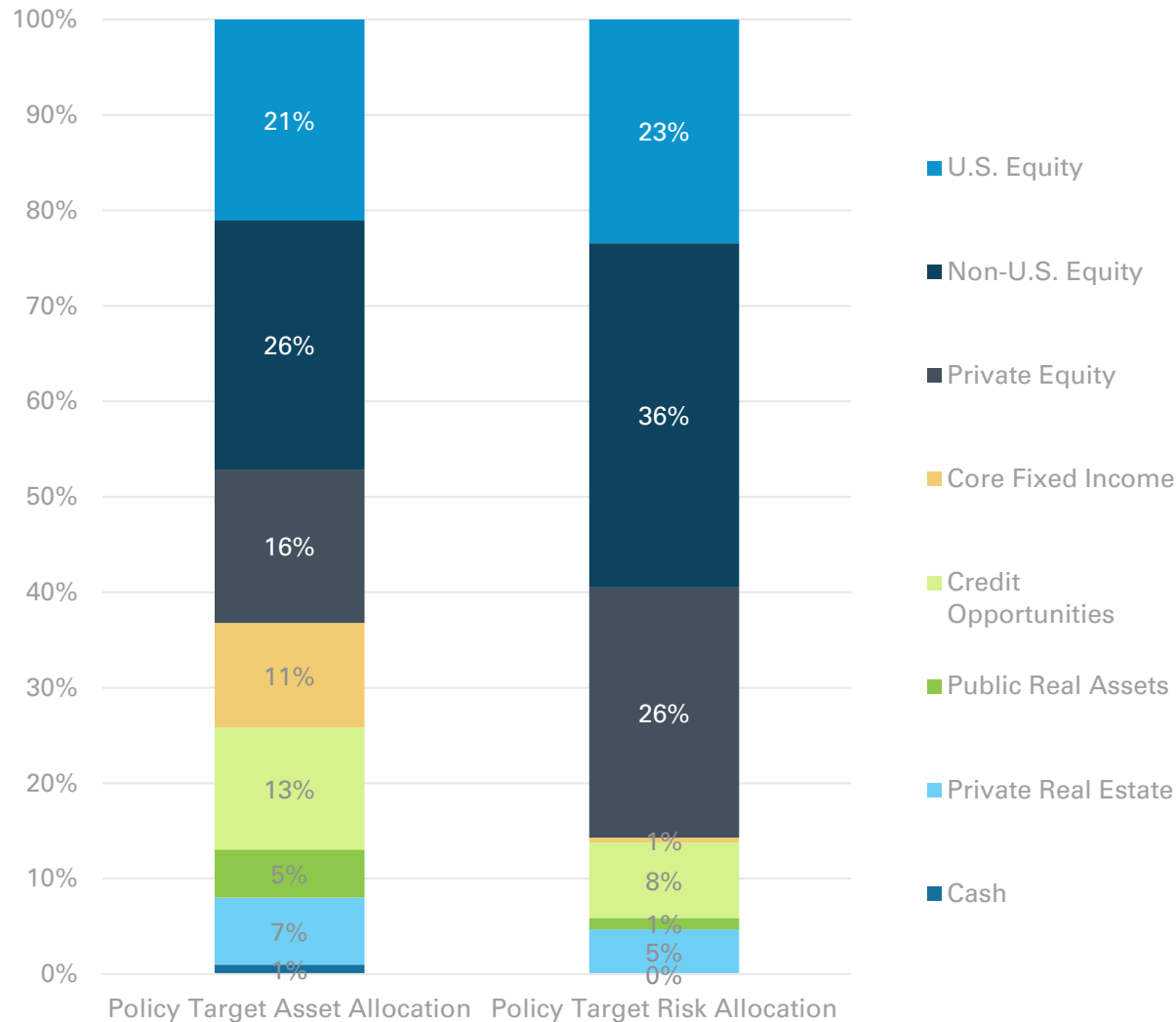
Note: The Total Value to Paid-In Ratio (TVPI) is a multiple that relates the current value of the private equity portfolio plus all distributions received to date with the total amount of capital contributed.

1 - IRR is not available for the Real Estate portfolio and therefore only time weighted returns (TWR) are reported.



TOTAL FUND RISK ALLOCATION

ASSET ALLOCATION VS. RISK ALLOCATION



- Public and Private Equity policy target asset allocation is 63%; accounts for 86% of the policy target portfolio risk.
 - Core Fixed Income and Credit Opportunities policy allocation is 24%, accounting for 8% of the policy target portfolio risk.
 - Real Assets (Private Real Estate and Public Real Assets) policy allocation is 12%, accounting for 5% of policy target portfolio risk.
- * Adopted May 11, 2021

PUBLIC MARKETS RISK BUDGET COMPARISON

AS OF SEPTEMBER 30, 2024

Public Markets Asset Class	Target Risk Budget	Actual 3 Yr Tracking Error
U.S. Equity	1.25%	1.46%
Non-U.S. Equity	1.75%	1.31%
Core Fixed Income	1.75%	0.30%
Credit Opportunities	3.50%	1.24%
Public Real Assets*	1.25%	1.47%

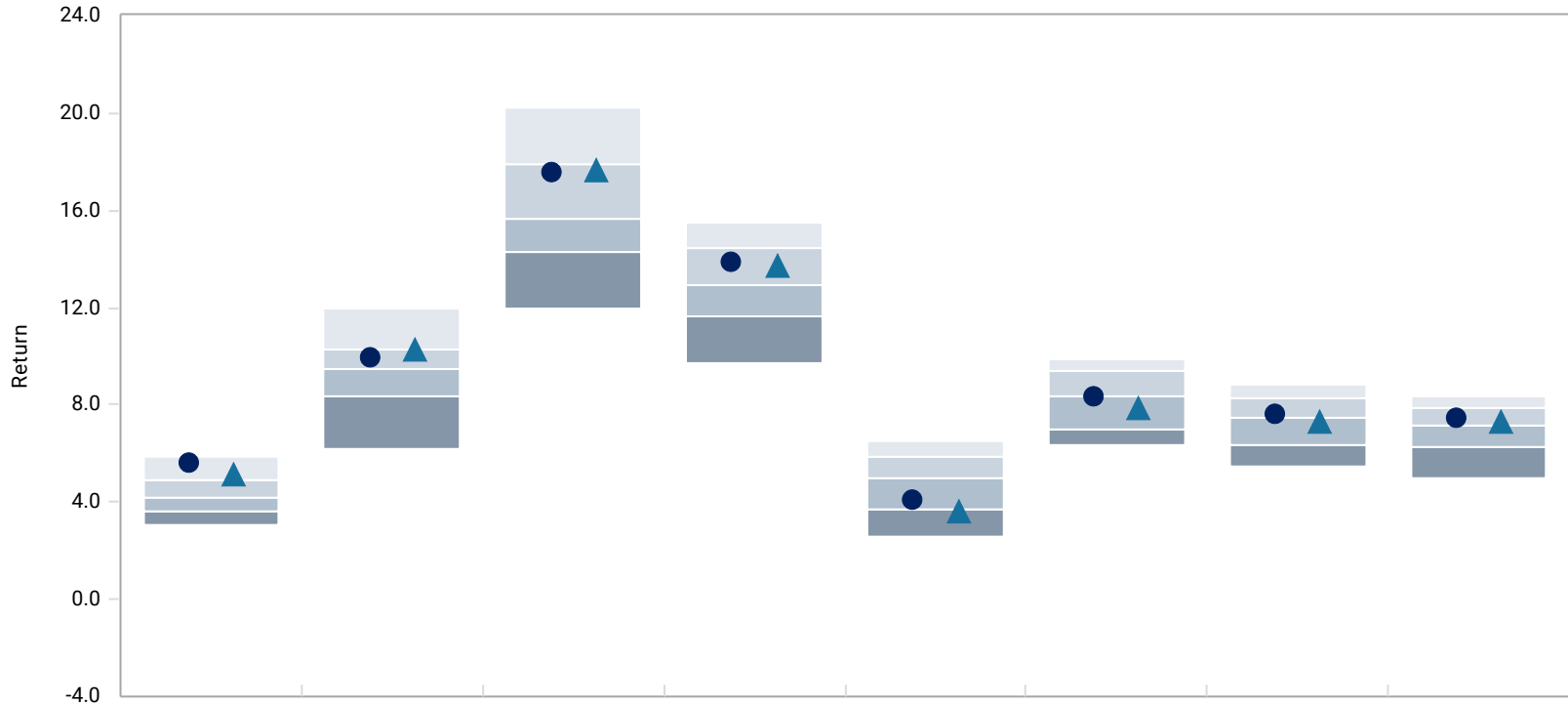
- Current public market asset class composite tracking error statistics are compared to asset class target risk budgets to ensure active risks are within expectations.
- Risk budgets are to be evaluated over three-year periods, at minimum, to reflect a full market cycle.
- Public Equity asset classes are within an appropriate range of their respective risk budgets.
- Both Core Fixed Income and Credit Opportunities have exhibited lower than expected active risk.
- The Public Real Assets benchmark includes prior historical composition.
- Note: The target Risk Budget was approved by the Board on June 22, 2021, and is reflected in the table above. Implementation of the new asset allocation is in progress.

* The benchmark for the Public Real Assets composite is a custom policy benchmark that is comprised of the target weights of the public real asset components: 66.7% Bloomberg Barclays US TIPS and 33.3% FTSE NAREIT All Equity REIT Index. Historical composition can be found in the investment policy statement.



RETURN SUMMARY VS. PEER UNIVERSE

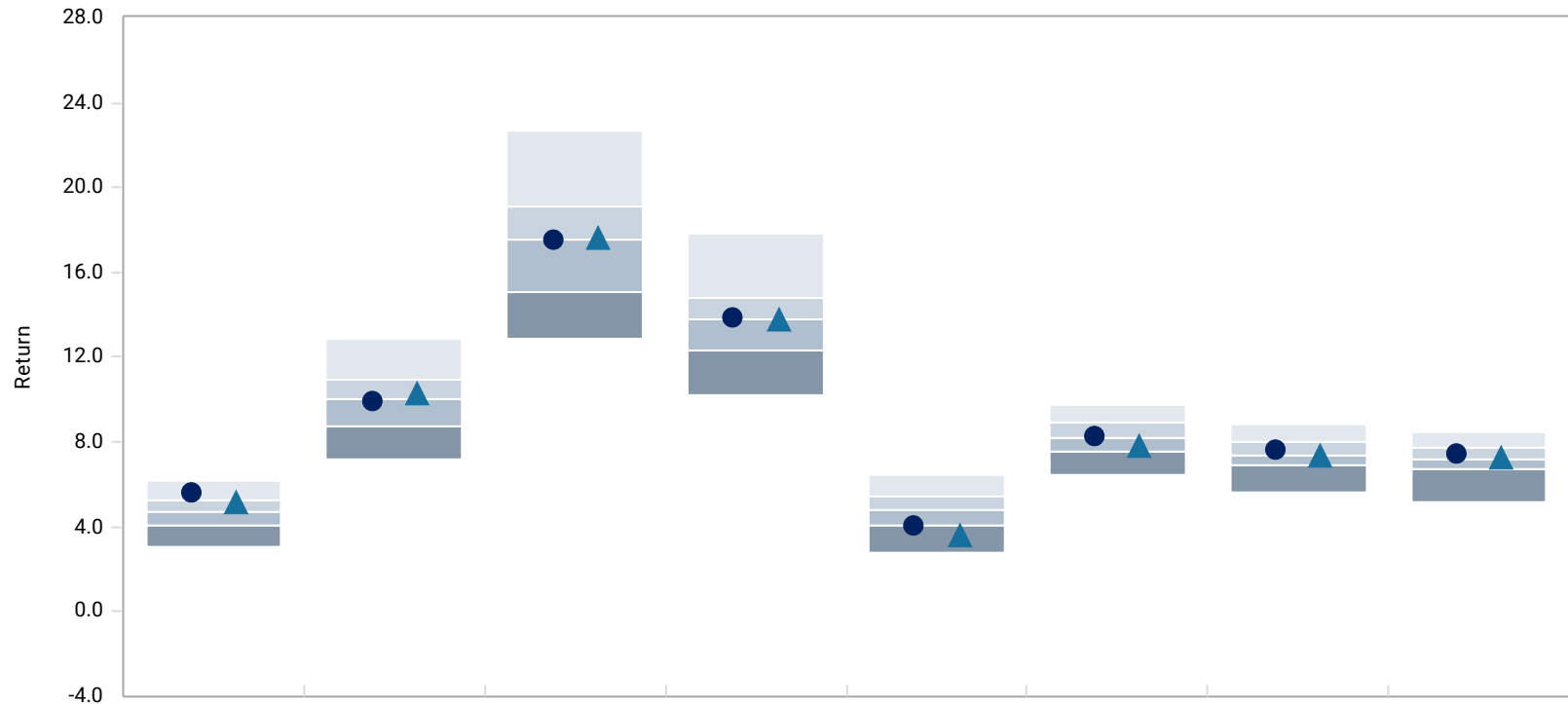
LACERS Master Trust vs. InvMetrics Public DB \$5-50B Gross



	3 Mo (%)	YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
● LACERS Master Trust	5.6 (10)	9.9 (33)	17.6 (36)	13.9 (33)	4.1 (68)	8.3 (50)	7.6 (49)	7.5 (42)
▲ Policy Index	5.2 (15)	10.3 (26)	17.7 (31)	13.8 (34)	3.6 (81)	7.9 (62)	7.3 (54)	7.3 (47)
5th Percentile	5.8	12.0	20.3	15.5	6.5	9.9	8.9	8.3
1st Quartile	4.9	10.3	17.9	14.4	5.8	9.4	8.3	7.9
Median	4.2	9.5	15.7	12.9	5.0	8.3	7.5	7.2
3rd Quartile	3.6	8.4	14.3	11.6	3.7	7.0	6.3	6.2
95th Percentile	3.0	6.2	12.0	9.7	2.6	6.4	5.5	5.0
Population	32	32	32	32	32	31	30	30

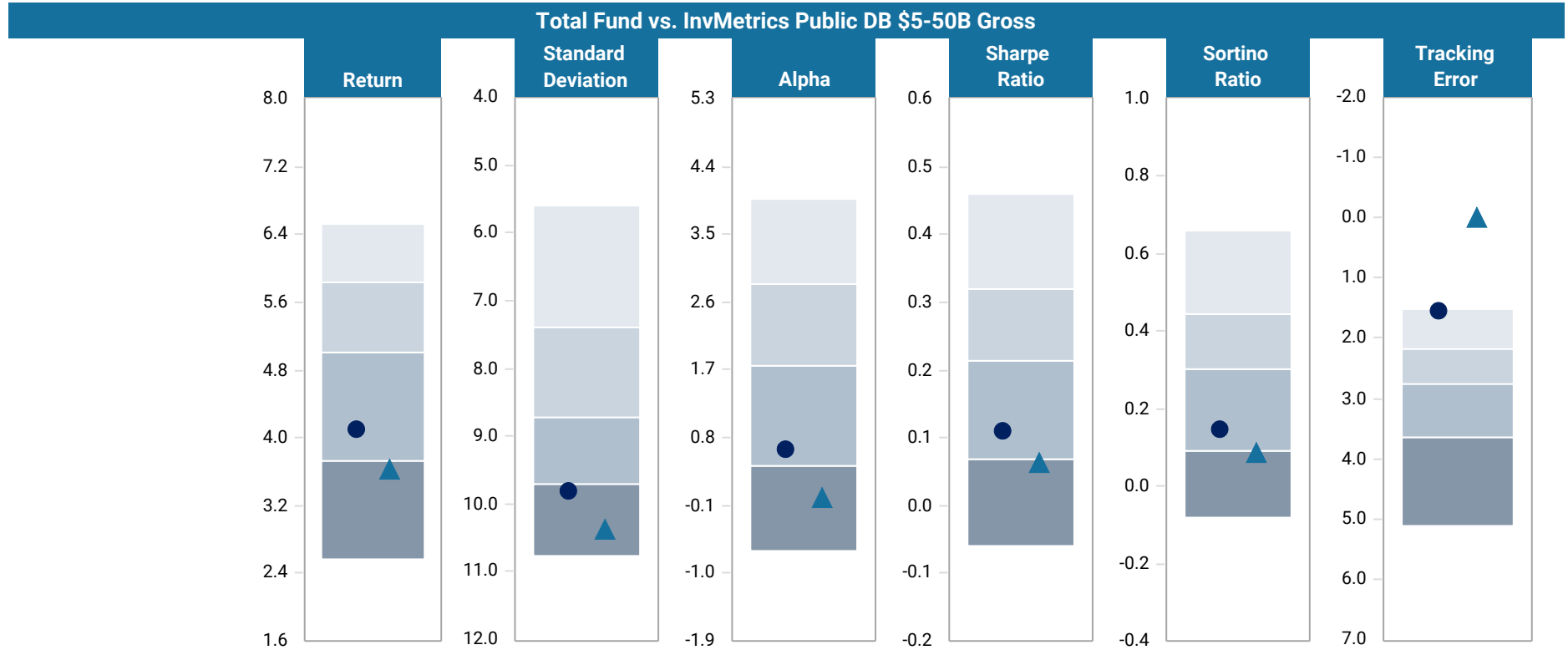
RETURN SUMMARY VS. PEER UNIVERSE

LACERS Master Trust vs. InvMetrics Public DB \$1-50B Gross



	3 Mo (%)	YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
● LACERS Master Trust	5.6 (15)	9.9 (52)	17.6 (50)	13.9 (47)	4.1 (76)	8.3 (45)	7.6 (41)	7.5 (39)
▲ Policy Index	5.2 (32)	10.3 (38)	17.7 (49)	13.8 (52)	3.6 (87)	7.9 (63)	7.3 (55)	7.3 (44)
5th Percentile	6.2	12.9	22.7	17.8	6.5	9.7	8.8	8.4
1st Quartile	5.3	11.0	19.1	14.8	5.4	8.9	8.0	7.8
Median	4.7	10.0	17.6	13.8	4.8	8.2	7.4	7.2
3rd Quartile	4.1	8.8	15.0	12.3	4.1	7.6	6.9	6.7
95th Percentile	3.0	7.2	12.8	10.2	2.8	6.4	5.7	5.2
Population	109	109	109	108	107	106	104	104

RISK STATISTICS VS. PEER UNIVERSE

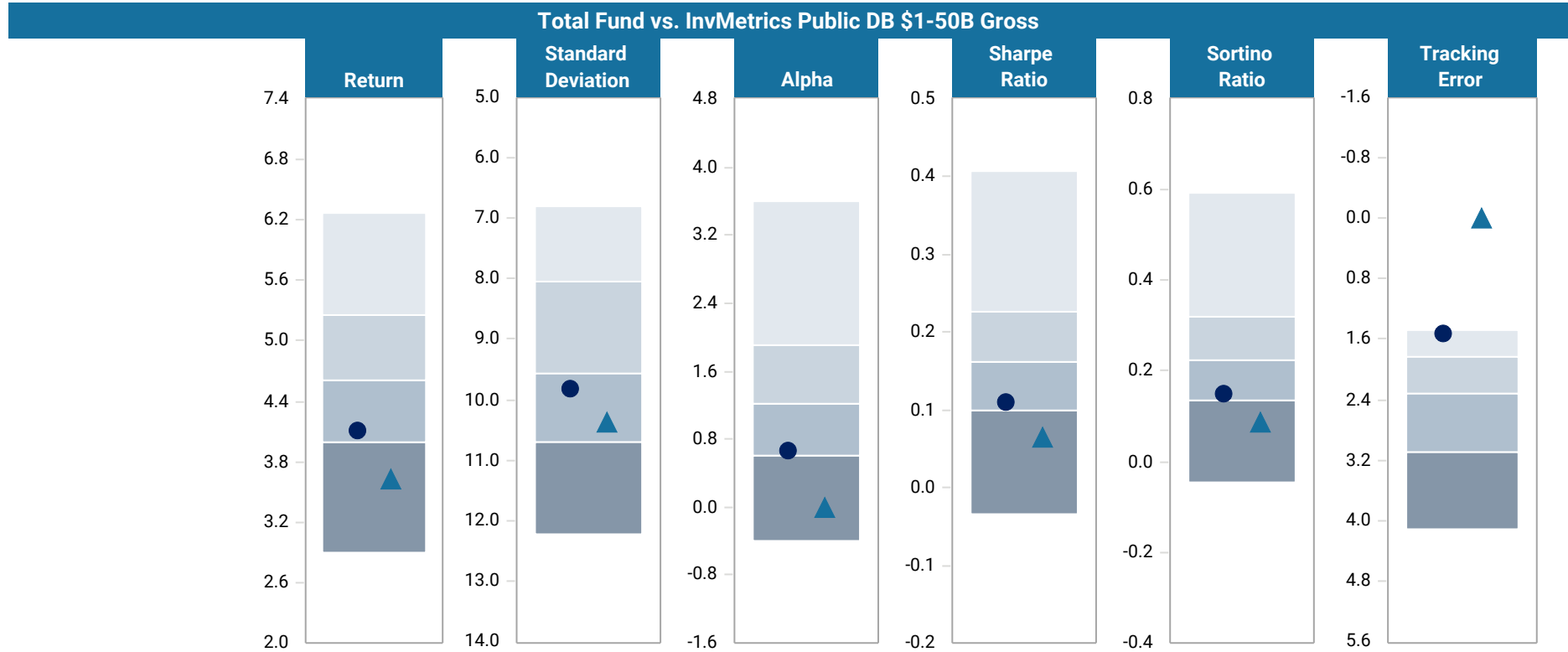


	3 Yrs (%)	3 Yrs (%)	3 Yrs (%)	3 Yrs (%)	3 Yrs (%)	3 Yrs (%)
● LACERS Master Trust	4.1 (68)	9.8 (80)	0.7 (71)	0.1 (68)	0.1 (68)	1.5 (6)
▲ Policy Index	3.6 (81)	10.4 (90)	0.0 (91)	0.1 (77)	0.1 (77)	0.0 (1)
5th Percentile	6.5	5.6	4.0	0.5	0.7	1.5
1st Quartile	5.8	7.4	2.8	0.3	0.4	2.2
Median	5.0	8.7	1.7	0.2	0.3	2.8
3rd Quartile	3.7	9.7	0.4	0.1	0.1	3.7
95th Percentile	2.6	10.8	-0.7	-0.1	-0.1	5.1

Population	32	32	32	32	32	32
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RISK STATISTICS VS. PEER UNIVERSE

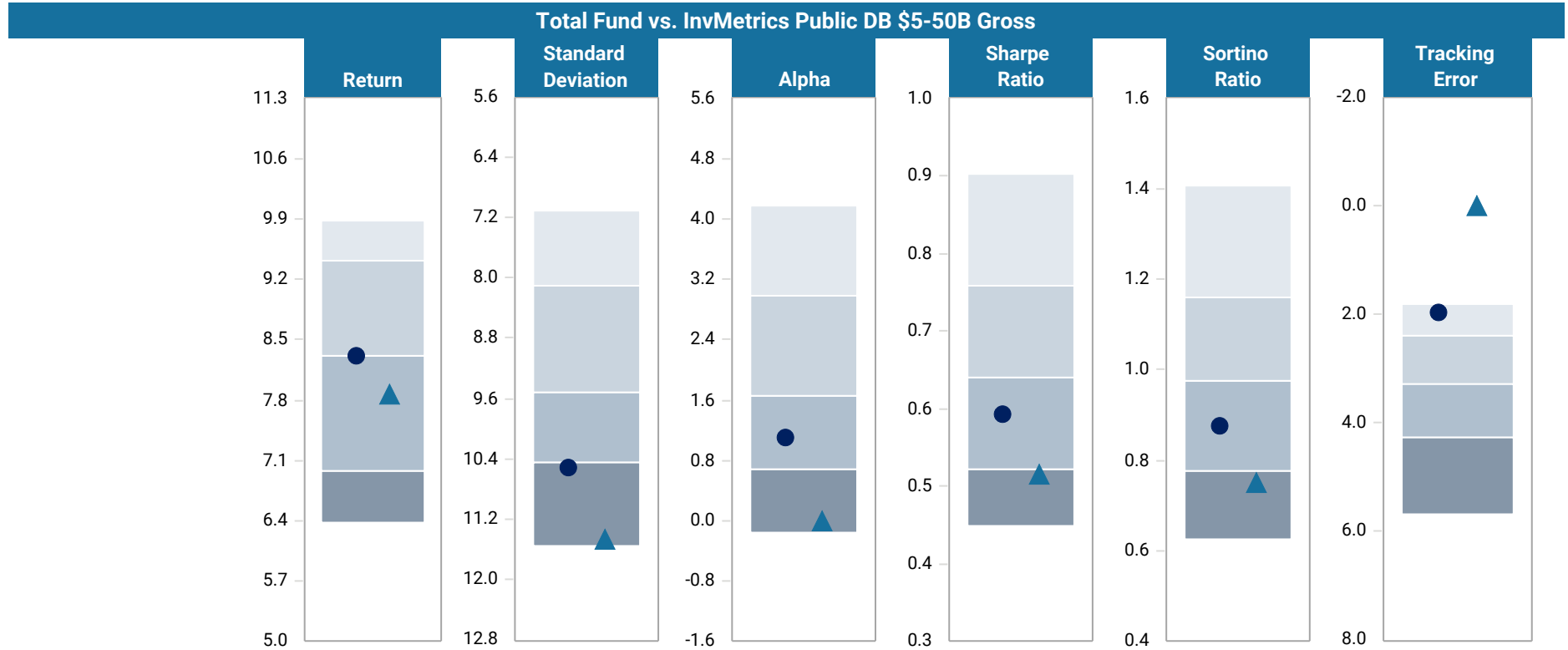


	3 Yrs (%)	3 Yrs (%)	3 Yrs (%)	3 Yrs (%)	3 Yrs (%)	3 Yrs (%)
● LACERS Master Trust	4.1 (71)	9.8 (61)	0.7 (74)	0.1 (72)	0.1 (72)	1.5 (8)
▲ Policy Index	3.6 (87)	10.4 (66)	0.0 (91)	0.1 (85)	0.1 (85)	0.0 (1)
5th Percentile	6.3	6.8	3.6	0.4	0.6	1.5
1st Quartile	5.3	8.0	1.9	0.2	0.3	1.8
Median	4.6	9.6	1.2	0.2	0.2	2.3
3rd Quartile	4.0	10.7	0.6	0.1	0.1	3.1
95th Percentile	2.9	12.2	-0.4	0.0	0.0	4.1

Population	93	93	93	93	93	93
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RISK STATISTICS VS. PEER UNIVERSE

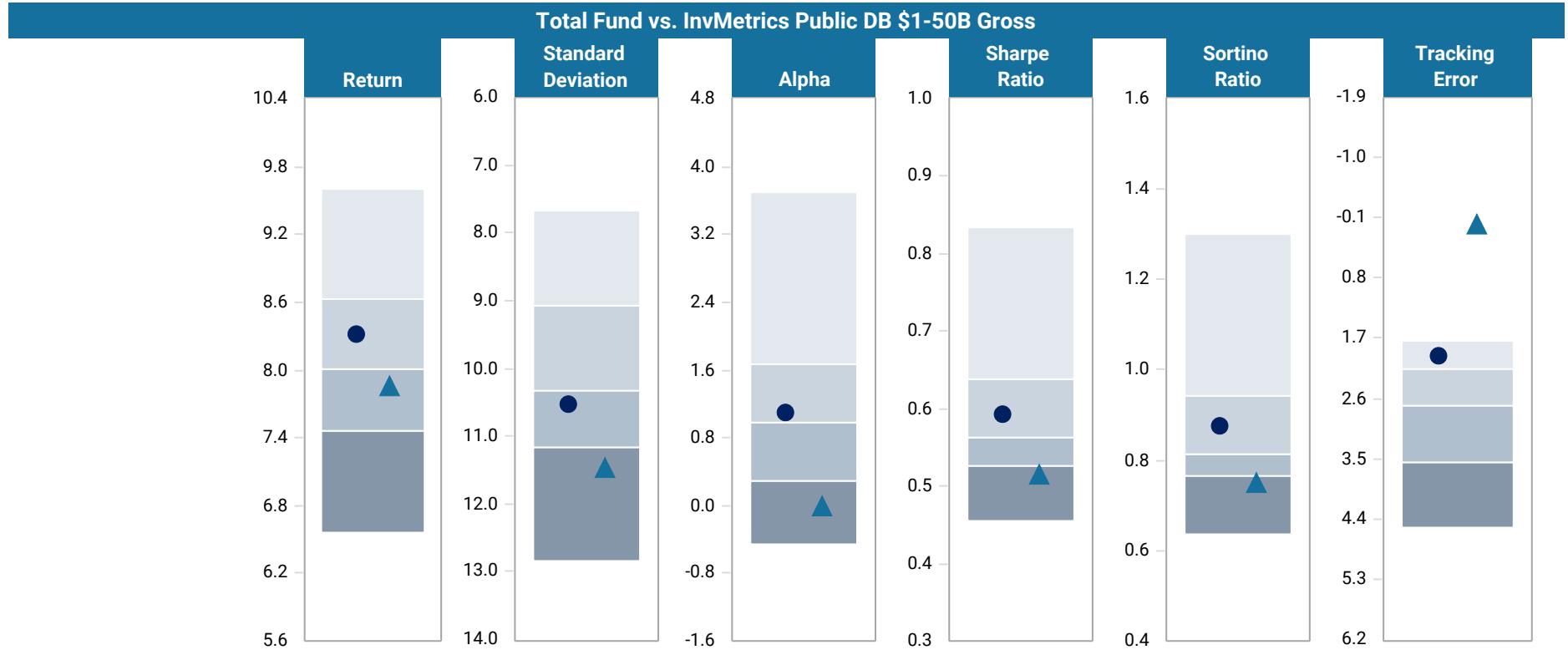


	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)
● LACERS Master Trust	8.3 (50)	10.5 (79)	1.1 (60)	0.6 (57)	0.9 (57)	2.0 (10)
▲ Policy Index	7.9 (62)	11.5 (91)	0.0 (89)	0.5 (77)	0.8 (79)	0.0 (1)
5th Percentile	9.9	7.1	4.2	0.9	1.4	1.8
1st Quartile	9.4	8.1	3.0	0.8	1.2	2.4
Median	8.3	9.5	1.7	0.6	1.0	3.3
3rd Quartile	7.0	10.5	0.7	0.5	0.8	4.3
95th Percentile	6.4	11.6	-0.2	0.4	0.6	5.7

Population	31	31	31	31	31	31
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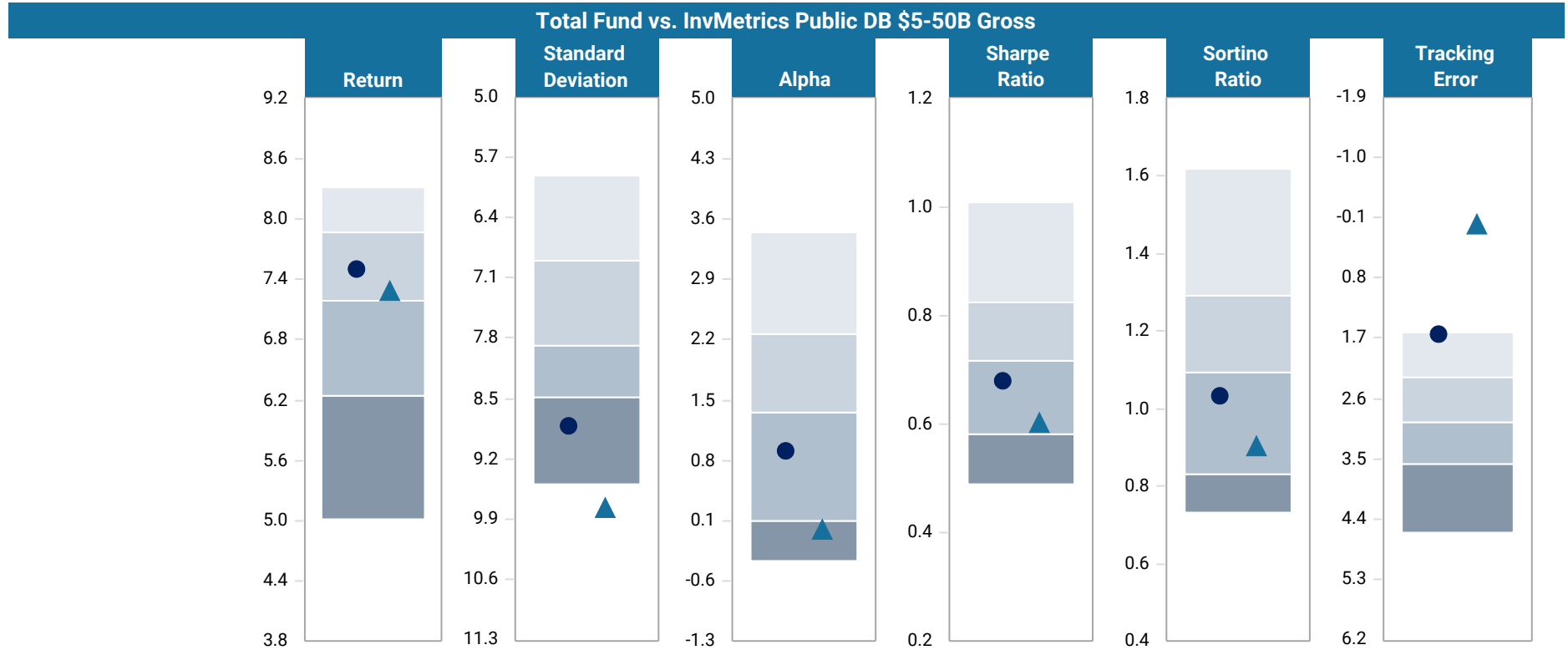
RISK STATISTICS VS. PEER UNIVERSE



	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)
● LACERS Master Trust	8.3 (33)	10.5 (52)	1.1 (43)	0.6 (36)	0.9 (37)	2.0 (13)
▲ Policy Index	7.9 (61)	11.5 (80)	0.0 (87)	0.5 (80)	0.8 (79)	0.0 (1)
5th Percentile	9.6	7.7	3.7	0.8	1.3	1.7
1st Quartile	8.6	9.1	1.7	0.6	0.9	2.2
Median	8.0	10.3	1.0	0.6	0.8	2.7
3rd Quartile	7.5	11.2	0.3	0.5	0.8	3.5
95th Percentile	6.6	12.8	-0.5	0.5	0.6	4.5
Population	92	92	92	92	92	92



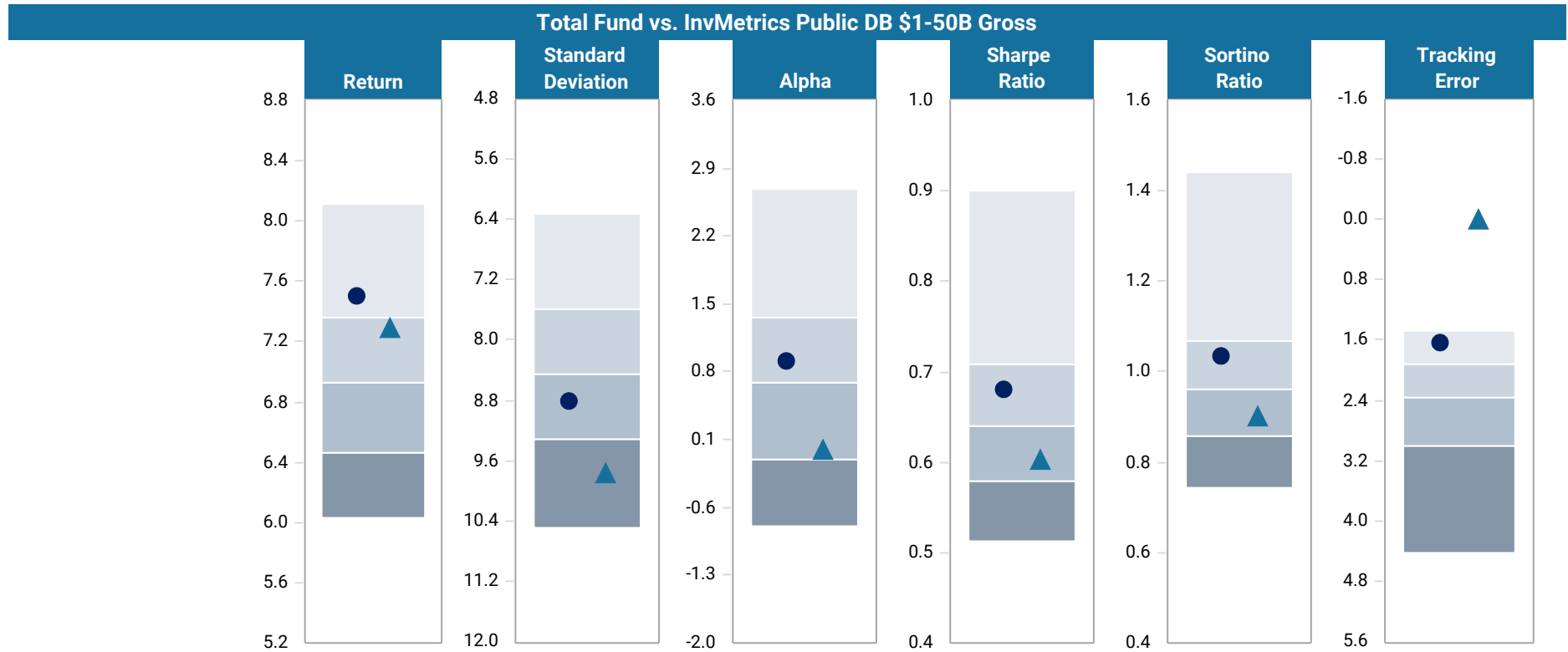
RISK STATISTICS VS. PEER UNIVERSE



	10 Yrs (%)	10 Yrs (%)	10 Yrs (%)	10 Yrs (%)	10 Yrs (%)	10 Yrs (%)
● LACERS Master Trust	7.5 (42)	8.8 (82)	0.9 (63)	0.7 (63)	1.0 (63)	1.6 (6)
▲ Policy Index	7.3 (47)	9.8 (97)	0.0 (79)	0.6 (70)	0.9 (67)	0.0 (1)
5th Percentile	8.3	5.9	3.4	1.0	1.6	1.6
1st Quartile	7.9	6.9	2.3	0.8	1.3	2.3
Median	7.2	7.9	1.4	0.7	1.1	2.9
3rd Quartile	6.2	8.5	0.1	0.6	0.8	3.6
95th Percentile	5.0	9.5	-0.4	0.5	0.7	4.6
Population	30	30	30	30	30	30



RISK STATISTICS VS. PEER UNIVERSE



	10 Yrs (%)	10 Yrs (%)	10 Yrs (%)	10 Yrs (%)	10 Yrs (%)	10 Yrs (%)
● LACERS Master Trust	7.5 (22)	8.8 (60)	0.9 (44)	0.7 (36)	1.0 (31)	1.6 (12)
▲ Policy Index	7.3 (30)	9.8 (83)	0.0 (72)	0.6 (66)	0.9 (65)	0.0 (1)
5th Percentile	8.1	6.3	2.7	0.9	1.4	1.5
1st Quartile	7.4	7.6	1.4	0.7	1.1	1.9
Median	6.9	8.5	0.7	0.6	1.0	2.4
3rd Quartile	6.5	9.3	-0.1	0.6	0.9	3.0
95th Percentile	6.0	10.5	-0.8	0.5	0.7	4.4
Population	88	88	88	88	88	88

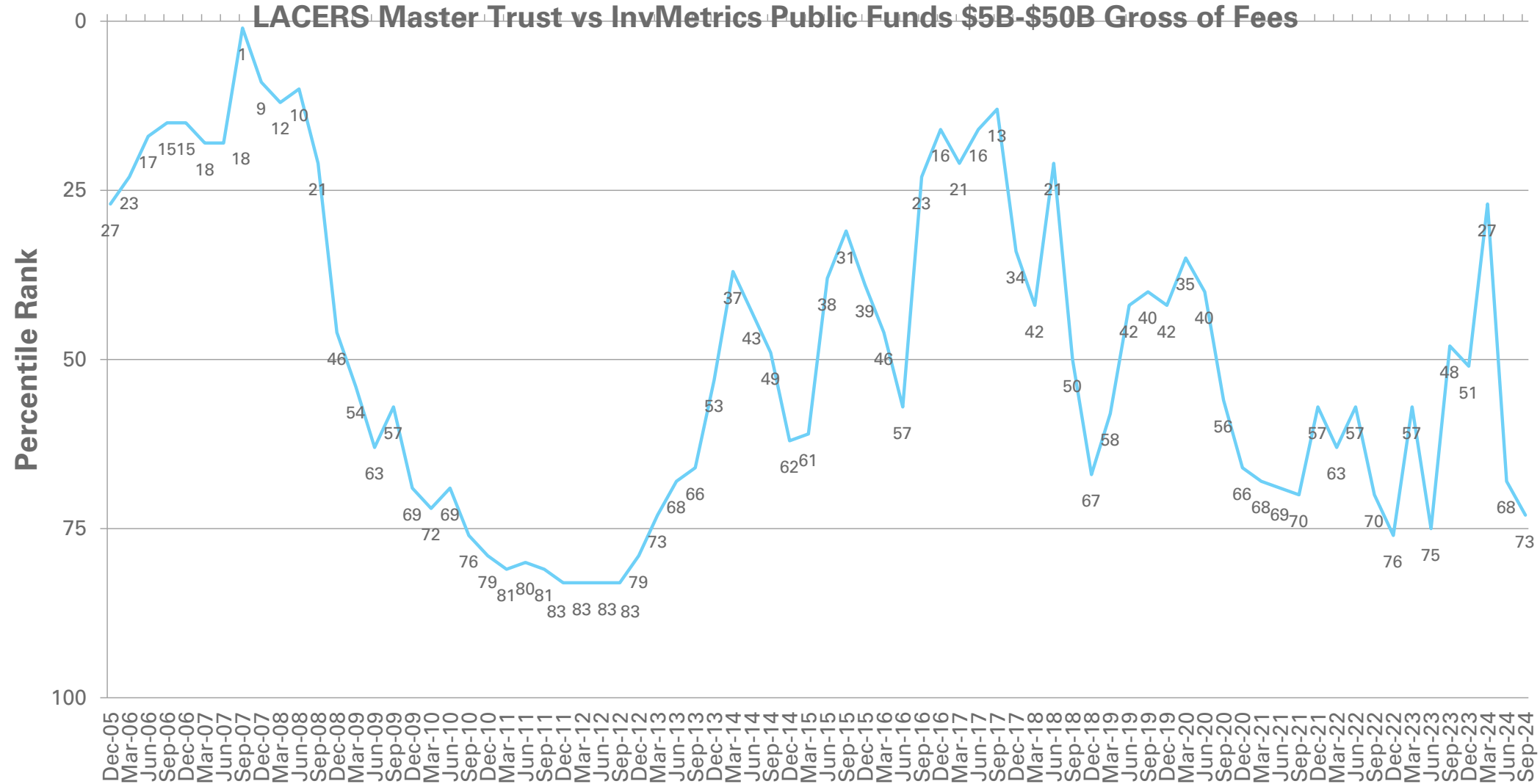


HISTORICAL RISK ADJUSTED RETURN

UNIVERSE COMPARISON (\$5-\$50 B GROSS OF FEES)

5 Yr Sharpe Ratio Percentile Rank

LACERS Master Trust vs InvMetrics Public Funds \$5B-\$50B Gross of Fees

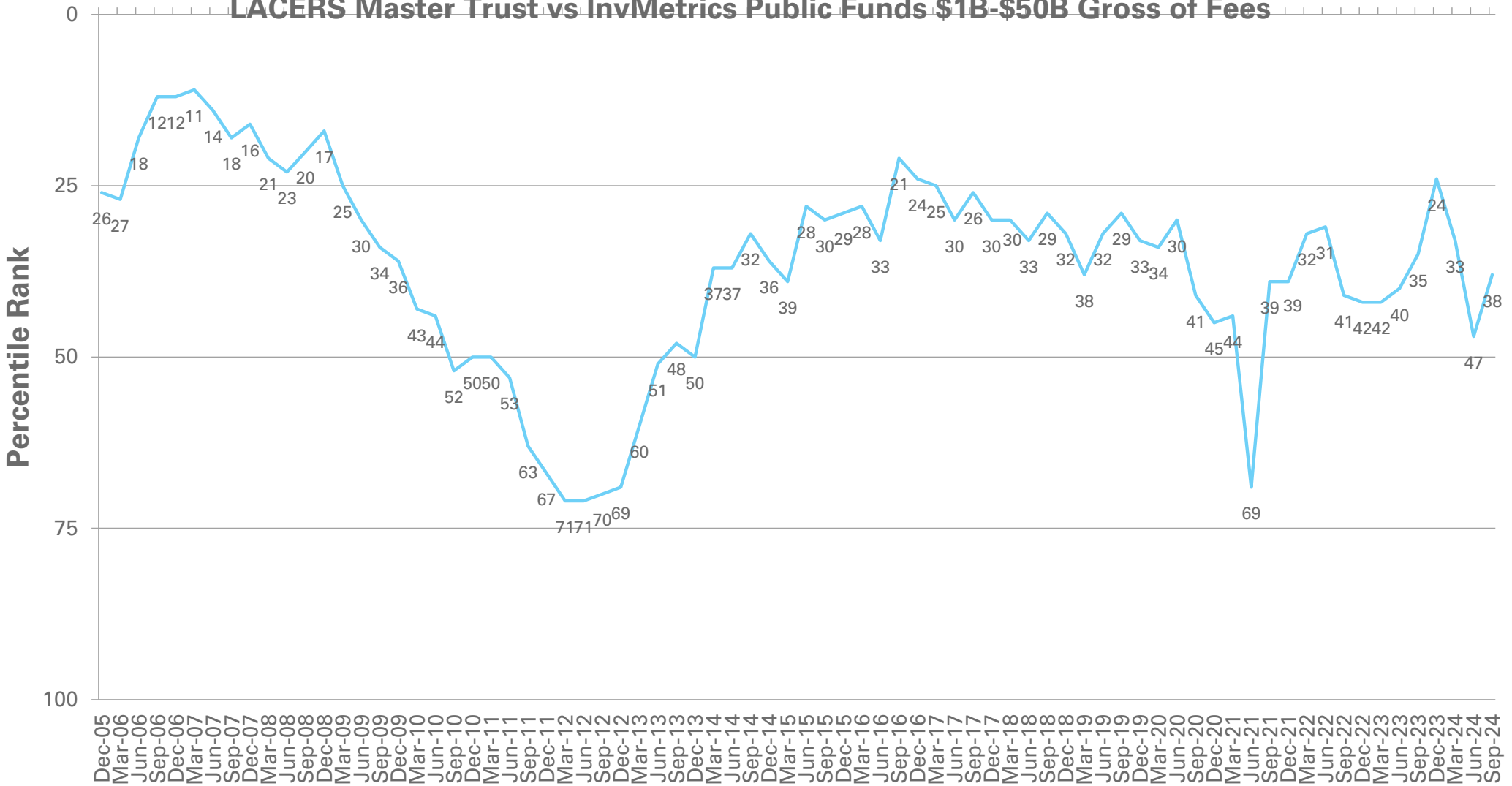


HISTORICAL RISK ADJUSTED RETURN

UNIVERSE COMPARISON (\$1-\$50 B GROSS OF FEES)

5 Yr Sharpe Ratio Percentile Rank

LACERS Master Trust vs InvMetrics Public Funds \$1B-\$50B Gross of Fees



U.S. EQUITY MANAGER PERFORMANCE

Los Angeles City Employees' Retirement System-LACERS Master Trust

September 30, 2024

U.S EQUITY (GROSS)

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
U.S. Equity	5,360,114,944	100.00	6.96	19.42	33.71	9.77	14.66	12.50	9.58	Sep-01
U.S. Equity Blend			6.23	20.63	35.19	10.29	15.26	12.83	9.43	
Over/Under			0.73	-1.21	-1.48	-0.52	-0.60	-0.33	0.15	
RhumbLine Advisers Russell 2000	436,671,791	8.15	9.21	11.21	26.78	1.93	9.44		7.71	Apr-15
Russell 2000 Index			9.27	11.17	26.76	1.84	9.39		7.73	
Over/Under			-0.06	0.04	0.02	0.09	0.05		-0.02	
Rhumblin Advisers Russell 2000 Value	133,582,894	2.49	10.08	9.26	25.90	3.90			8.91	Jan-21
Russell 2000 Value Index			10.15	9.22	25.88	3.77			8.83	
Over/Under			-0.07	0.04	0.02	0.13			0.08	
EAM Investors	105,444,070	1.97	8.17	20.18	28.90	-1.74	8.57		10.19	Oct-15
Russell 2000 Growth Index			8.41	13.22	27.66	-0.35	8.82		9.51	
Over/Under			-0.24	6.96	1.24	-1.39	-0.25		0.68	
Principal Global Investors	410,114,995	7.65	10.34	18.62	35.84	9.02	13.52	14.10	14.05	Aug-14
Russell Midcap Index			9.21	14.63	29.33	5.75	11.30	10.19	10.16	
Over/Under			1.13	3.99	6.51	3.27	2.22	3.91	3.89	
RhumbLine Advisers S&P 500	3,701,007,301	69.05	5.73	21.98	36.22	11.96	15.94	13.33	7.80	Sep-00
S&P 500 Index			5.89	22.08	36.35	11.91	15.98	13.38	7.72	
Over/Under			-0.16	-0.10	-0.13	0.05	-0.04	-0.05	0.08	
Copeland Capital Management	296,090,342	5.52	7.72	10.06	22.06	7.83			15.41	Oct-20
Russell 2000 Index			9.27	11.17	26.76	1.84			11.76	
Over/Under			-1.55	-1.11	-4.70	5.99			3.65	
Granahan Investment Management	142,682,405	2.66	17.86	14.63	28.94	-8.16			5.04	Oct-20
Russell 2000 Growth Index			8.41	13.22	27.66	-0.35			7.16	
Over/Under			9.45	1.41	1.28	-7.81			-2.12	
Segall, Bryant & Hamill	134,444,357	2.51	11.51	12.94	24.20	4.71			13.37	Oct-20
Russell 2000 Value Index			10.15	9.22	25.88	3.77			16.34	
Over/Under			1.36	3.72	-1.68	0.94			-2.97	

Note: All portfolios in U.S. Equity have mid-month inception dates. Since inception return is calculated from the first full month of performance. eA = eVestment

Refer to appendix for blended benchmark definitions.



Los Angeles City Employees' Retirement System-LACERS Master Trust

September 30, 2024

U.S. EQUITY (NET)

	Allocation		Performance (%)								Inception Date
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)		
U.S. Equity	5,360,114,944	100.00	6.93	19.33	33.58	9.66	14.56	12.41	9.40	Sep-01	
U.S. Equity Blend			6.23	20.63	35.19	10.29	15.26	12.83	9.43		
Over/Under			0.70	-1.30	-1.61	-0.63	-0.70	-0.42	-0.03		
<i>All Public Plans > \$1B-US Equity Segment Median</i>											
RhumbLine Advisers Russell 2000	436,671,791	8.15	9.21 (33)	11.21 (49)	26.78 (36)	1.92 (69)	9.43 (68)		7.71 (72)	Apr-15	
Russell 2000 Index			9.27 (32)	11.17 (50)	26.76 (36)	1.84 (69)	9.39 (68)		7.73 (71)		
Over/Under			-0.06	0.04	0.02	0.08	0.04		-0.02		
eV US Small Cap Equity Median			8.07	11.08	24.75	4.38	10.53		8.55		
Rhumbline Advisers Russell 2000 Value	133,582,894	2.49	10.08 (18)	9.26 (66)	25.89 (41)	3.89 (82)			8.90 (72)	Jan-21	
Russell 2000 Value Index			10.15 (18)	9.22 (67)	25.88 (41)	3.77 (82)			8.83 (75)		
Over/Under			-0.07	0.04	0.01	0.12			0.07		
eV US Small-Mid Cap Value Equity Median			8.47	11.50	24.84	7.03			10.36		
EAM Investors	105,444,070	1.97	8.04 (41)	19.68 (17)	28.12 (35)	-2.41 (60)	7.83 (85)		9.43 (87)	Oct-15	
Russell 2000 Growth Index			8.41 (35)	13.22 (47)	27.66 (38)	-0.35 (46)	8.82 (68)		9.51 (86)		
Over/Under			-0.37	6.46	0.46	-2.06	-0.99		-0.08		
eV US Small Cap Growth Equity Median			7.61	12.91	26.43	-1.17	9.97		11.36		
Principal Global Investors	410,114,995	7.65	10.25 (12)	18.31 (11)	35.36 (8)	8.63 (31)	13.12 (17)	13.69 (3)	13.64 (3)	Aug-14	
Russell Midcap Index			9.21 (26)	14.63 (34)	29.33 (29)	5.75 (52)	11.30 (46)	10.19 (47)	10.16 (46)		
Over/Under			1.04	3.68	6.03	2.88	1.82	3.50	3.48		
eV US Mid Cap Equity Median			7.86	12.49	25.81	6.01	11.10	10.08	9.98		
RhumbLine Advisers S&P 500	3,701,007,301	69.05	5.73 (54)	21.97 (28)	36.21 (31)	11.96 (21)	15.94 (28)	13.32 (26)	9.57 (10)	Sep-00	
S&P 500 Index			5.89 (52)	22.08 (27)	36.35 (31)	11.91 (21)	15.98 (27)	13.38 (25)	7.72 (66)		
Over/Under			-0.16	-0.11	-0.14	0.05	-0.04	-0.06	1.85		
eV US Large Cap Equity Median			5.94	18.75	31.85	9.81	13.74	11.70	8.13		

Note: All portfolios in U.S. Equity have mid-month inception dates. Since inception return is calculated from the first full month of performance. eA = eVestment

Refer to appendix for blended benchmark definitions.



Los Angeles City Employees' Retirement System-LACERS Master Trust

September 30, 2024

U.S. EQUITY (NET)

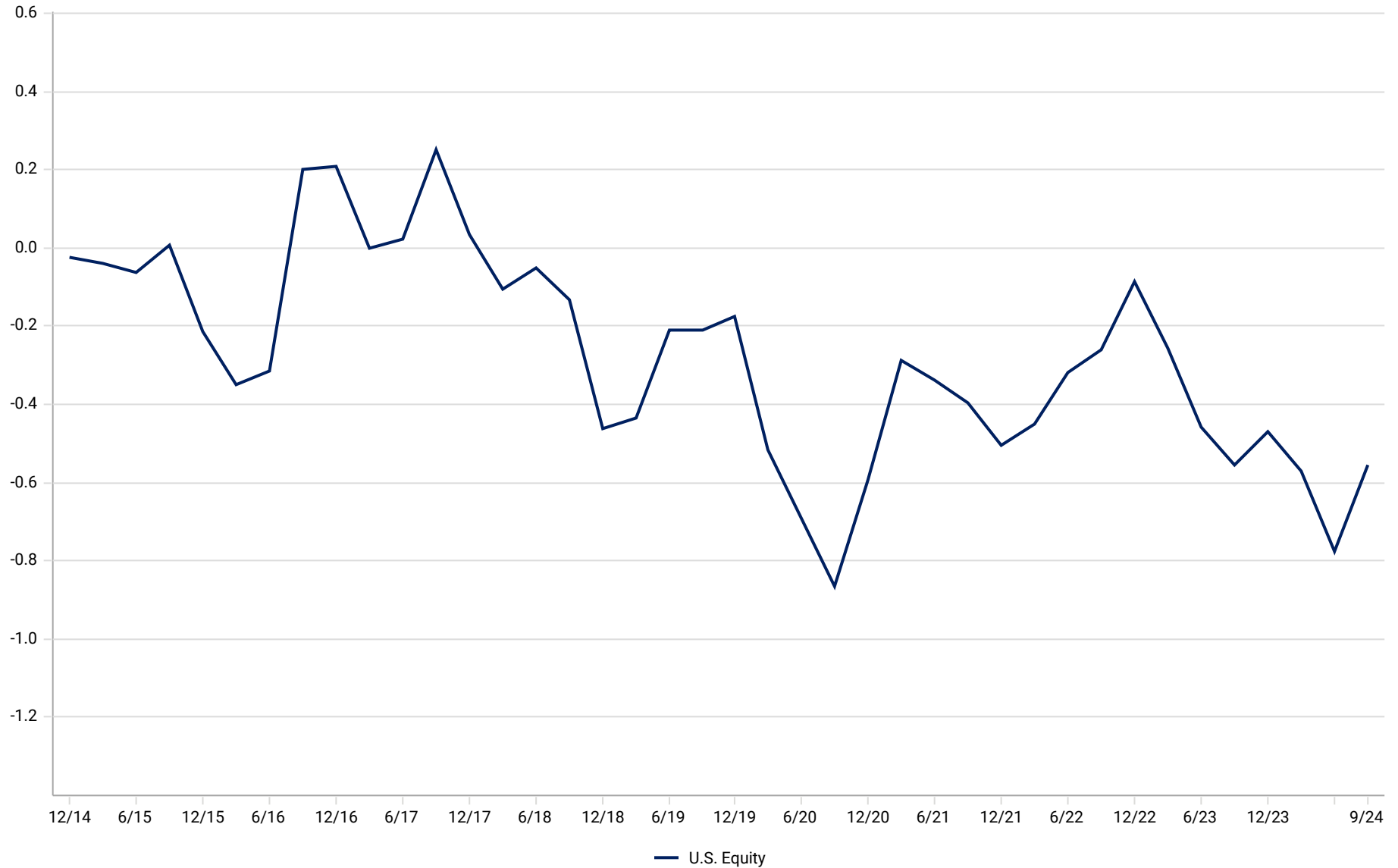
	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Copeland Capital Management	296,090,342	5.52	7.61 (61)	9.68 (63)	21.50 (73)	7.34 (22)			14.95 (47)	Oct-20
<i>Russell 2000 Index</i>			9.27 (32)	11.17 (50)	26.76 (36)	1.84 (69)			11.76 (67)	
Over/Under			-1.66	-1.49	-5.26	5.50			3.19	
<i>eV US Small Cap Equity Median</i>			8.07	11.08	24.75	4.38			14.40	
Granahan Investment Management	142,682,405	2.66	17.68 (1)	14.04 (39)	28.04 (35)	-8.81 (92)			4.33 (74)	Oct-20
<i>Russell 2000 Growth Index</i>			8.41 (35)	13.22 (47)	27.66 (38)	-0.35 (46)			7.16 (55)	
Over/Under			9.27	0.82	0.38	-8.46			-2.83	
<i>eV US Small Cap Growth Equity Median</i>			7.61	12.91	26.43	-1.17			7.72	
Segall, Bryant & Hamill	134,444,357	2.51	11.36 (9)	12.44 (26)	23.46 (58)	4.08 (79)			12.72 (92)	Oct-20
<i>Russell 2000 Value Index</i>			10.15 (20)	9.22 (60)	25.88 (32)	3.77 (80)			16.34 (60)	
Over/Under			1.21	3.22	-2.42	0.31			-3.62	
<i>eV US Small Cap Value Equity Median</i>			8.34	10.14	24.02	6.19			17.24	

Note: All portfolios in U.S. Equity have mid-month inception dates. Since inception return is calculated from the first full month of performance. eA = eVestment

Refer to appendix for blended benchmark definitions.

U.S. EQUITY ROLLING 5 YEAR INFORMATION RATIO

Information Ratio



INVESTMENT MANAGER REPORT CARD

U.S. EQUITY

U.S. Equity Managers	Inception Date	Mandate	Current Quarter (Net)		One Year (Net)		Three Years (Net)		Five Years (Net)		Since Inception (Net)	Annual Mgt Fee Paid \$ (000)	Comments
			Index	Universe	Index	Universe	Index	Universe	Index	Universe	Index		
Principal Global Investors	Jul-14	Mid Cap	✓	✓	✓	✓	✓	✓	✓	✓	✓	1,046.3	Performance compliant with LACERS' Manager Monitoring Policy
EAM Investors	Sep-15	Small Cap Growth	✗	✓	✓	✓	✗	✗	✗	✗	✗	614.2	Placed on Watch as of 5/28/23 due to performance.
Copeland	Oct-20	Small Cap Core	✗	✗	✗	✗	✓	✓	N/A	N/A	✓	1,083.3	Performance compliant with LACERS' Manager Monitoring Policy
Granahan	Oct-20	Small Cap Growth	✓	✓	✓	✓	✗	✗	N/A	N/A	✗	829.8	Performance compliant with LACERS' Manager Monitoring Policy
Segall Bryant & Hamill	Oct-20	Small Cap Value	✓	✓	✗	✗	✓	✗	N/A	N/A	✗	648	Placed on Watch as of 8/30/24 due to performance
RhumbLine (Passive)	Dec-20	R2000 Value	✗	✓	✓	✓	✓	✗	N/A	N/A	✓	6.5	Performance compliant with LACERS' Manager Monitoring Policy
RhumbLine (Passive)	Feb-93	S&P 500	✗	✗	✗	✓	✓	✓	✗	✓	✓✓	156.1	Performance compliant with LACERS' Manager Monitoring Policy
RhumbLine (Passive)	Jun-15	R2000	✗	✓	✓	✓	✓	✗	✓	✗	✗	14.8	Performance compliant with LACERS' Manager Monitoring Policy

Note: Managers are placed on Watch List for concerns with organization, process and performance. Managers are normally on the Watch List for 12 months though may be longer if manager issues remain but not severe enough to warrant termination recommendation.

- Annual Management Fee Paid as of fiscal year ending June 30, 2023.
- * Where net of fees performance is not available gross of fee returns are evaluated.

Legend	
✓	Outperformed
✗	Underperformed
=	Equal to
✓✓	Gross Return



NON-U.S. EQUITY MANAGER PERFORMANCE

Los Angeles City Employees' Retirement System-LACERS Master Trust

September 30, 2024

NON-U.S. EQUITY (GROSS)

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Non-U.S. Equity	6,388,395,380	100.00	8.25	13.37	24.64	3.27	8.58	6.38	5.67	Nov-94
<i>MSCI AC World ex USA (Net)</i>			<u>8.06</u>	<u>14.21</u>	<u>25.35</u>	<u>4.14</u>	<u>7.59</u>	<u>5.22</u>	-	
Over/Under			0.19	-0.84	-0.71	-0.87	0.99	1.16	-	
Developed ex-U.S.	4,425,117,472	69.27	9.07	12.39	24.11	4.21	8.79	6.56	8.22	Jul-12
<i>MSCI EAFE (Net)</i>			<u>7.26</u>	<u>12.99</u>	<u>24.77</u>	<u>5.48</u>	<u>8.20</u>	<u>5.71</u>	<u>7.42</u>	
Over/Under			1.81	-0.60	-0.66	-1.27	0.59	0.85	0.80	
Barrow Hanley	597,268,789	9.35	10.48	7.87	17.05	9.31	11.18	6.41	6.36	Dec-13
<i>MSCI EAFE Value Index (Net)</i>			<u>8.89</u>	<u>13.79</u>	<u>23.14</u>	<u>8.94</u>	<u>8.27</u>	<u>4.56</u>	<u>4.28</u>	
Over/Under			1.59	-5.92	-6.09	0.37	2.91	1.85	2.08	
Lazard Asset Management	600,028,560	9.39	5.91	8.69	21.28	2.19	6.74	5.59	5.47	Dec-13
<i>MSCI EAFE (Net)</i>			<u>7.26</u>	<u>12.99</u>	<u>24.77</u>	<u>5.48</u>	<u>8.20</u>	<u>5.71</u>	<u>5.27</u>	
Over/Under			-1.35	-4.30	-3.49	-3.29	-1.46	-0.12	0.20	
MFS Institutional Advisors	678,552,518	10.62	12.49	17.95	31.81	7.49	10.52	9.25	8.40	Nov-13
<i>MSCI World ex USA Growth NR USD</i>			<u>5.87</u>	<u>12.14</u>	<u>26.18</u>	<u>2.02</u>	<u>7.78</u>	<u>6.41</u>	<u>5.98</u>	
Over/Under			6.62	5.81	5.63	5.47	2.74	2.84	2.42	
Oberweis Asset Mgmt	374,111,113	5.86	9.93	15.88	25.53	-8.98	8.15	7.60	7.13	Feb-14
<i>MSCI EAFE Small Cap (Net)</i>			<u>10.54</u>	<u>11.11</u>	<u>23.48</u>	<u>-0.36</u>	<u>6.40</u>	<u>6.21</u>	<u>5.69</u>	
Over/Under			-0.61	4.77	2.05	-8.62	1.75	1.39	1.44	
SSgA World ex US IMI	1,850,861,760	28.97	8.16	13.24	25.17	5.25	8.71	6.22	5.26	Jul-98
<i>MSCI World ex U.S. IMI Index (Net)</i>			<u>8.13</u>	<u>12.89</u>	<u>24.77</u>	<u>4.81</u>	<u>8.14</u>	<u>5.71</u>	<u>5.27</u>	
Over/Under			0.03	0.35	0.40	0.44	0.57	0.51	-0.01	
State Street EAFE SC	324,294,733	5.08	10.48	10.99	23.28	-0.11	-	-	2.50	Jan-21
<i>MSCI EAFE Small Cap (Net)</i>			<u>10.54</u>	<u>11.11</u>	<u>23.48</u>	<u>-0.36</u>	-	-	<u>2.28</u>	
Over/Under			-0.06	-0.12	-0.20	0.25	-	-	0.22	

Note: The Barrow Hanley, Lazard, MFS, Oberweis, MSCI EAFE SC, Axiom Emerging Markets, DFA Emerging Markets, State Street Emerging Markets, Wasatch, portfolios have mid-month inception dates. Since inception return is calculated from the first full month of performance.

eA = eVestment

Refer to appendix for blended benchmark definitions.

Axiom Custom Blended BM consists of MSCI Emerging Markets Growth(Net) through August 2020. MSCI Emerging Markets(Net) from September 2020 to present.



Los Angeles City Employees' Retirement System-LACERS Master Trust

September 30, 2024

NON-U.S. EQUITY (GROSS)

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Emerging Markets	1,963,277,908	30.73	6.53	15.55	25.73	0.58	7.83	5.15	5.13	Jul-12
<i>MSCI Emerging Markets (Net)</i>			<u>8.72</u>	<u>16.86</u>	<u>26.05</u>	<u>0.40</u>	<u>5.75</u>	<u>4.02</u>	<u>4.34</u>	
Over/Under			-2.19	-1.31	-0.32	0.18	2.08	1.13	0.79	
Axiom Emerging Markets	333,752,266	5.22	3.71	17.24	25.54	-5.12	4.59	4.50	4.45	May-14
<i>MSCI Emerging Markets (Net)</i>			<u>8.72</u>	<u>16.86</u>	<u>26.05</u>	<u>0.40</u>	<u>5.75</u>	<u>4.02</u>	<u>4.11</u>	
Over/Under			-5.01	0.38	-0.51	-5.52	-1.16	0.48	0.34	
<i>MSCI Emerging Markets Growth (Net)</i>			<u>9.26</u>	<u>18.49</u>	<u>27.64</u>	<u>-2.26</u>	<u>5.45</u>	<u>4.81</u>	<u>4.85</u>	
Over/Under			-5.55	-1.25	-2.10	-2.86	-0.86	-0.31	-0.40	
<i>Axiom Custom Blended BM</i>			<u>8.72</u>	<u>16.86</u>	<u>26.05</u>	<u>0.40</u>	<u>8.45</u>	<u>6.29</u>	<u>6.27</u>	
Over/Under			-5.01	0.38	-0.51	-5.52	-3.86	-1.79	-1.82	
DFA Emerging Markets	630,704,038	9.87	7.48	16.39	25.49	7.10	9.82	5.46	4.55	Aug-14
<i>MSCI Emerging Markets Value (Net)</i>			<u>8.12</u>	<u>15.11</u>	<u>24.38</u>	<u>3.29</u>	<u>5.94</u>	<u>3.12</u>	<u>2.44</u>	
Over/Under			-0.64	1.28	1.11	3.81	3.88	2.34	2.11	
State Street Emerging Markets	636,421,561	9.96	8.11	15.87	24.90	0.08	-	-	-0.36	Jan-21
<i>MSCI Emerging Markets (Net)</i>			<u>8.72</u>	<u>16.86</u>	<u>26.05</u>	<u>0.40</u>	-	-	<u>-0.01</u>	
Over/Under			-0.61	-0.99	-1.15	-0.32	-	-	-0.35	
Wasatch Global Investors	362,242,463	5.67	4.85	12.12	27.78	-2.53	-	-	4.61	Jan-21
<i>MSCI Emerging Markets Small Cap (Net)</i>			<u>5.48</u>	<u>12.91</u>	<u>23.01</u>	<u>5.14</u>	-	-	<u>8.59</u>	
Over/Under			-0.63	-0.79	4.77	-7.67	-	-	-3.98	
Sanctioned Asset	157,580	0.00	0.00	0.00	0.00	-	-	-	0.00	Jun-22

Note: The Barrow Hanley, Lazard, MFS, Oberweis, MSCI EAFE SC, Axiom Emerging Markets, DFA Emerging Markets, State Street Emerging Markets, Wasatch, portfolios have mid-month inception dates. Since inception return is calculated from the first full month of performance.

eA = eVestment

Refer to appendix for blended benchmark definitions.

Axiom Custom Blended BM consists of MSCI Emerging Markets Growth(Net) through August 2020. MSCI Emerging Markets(Net) from September 2020 to present.



Los Angeles City Employees' Retirement System-LACERS Master Trust

September 30, 2024

NON-U.S. EQUITY (NET)

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
Non-U.S. Equity	6,388,395,380	100.00	8.15 (32)	13.06 (50)	24.21 (56)	2.92 (56)	8.22 (48)	6.01 (49)	6.37 (56)	Jun-01	
MSCI AC World ex USA (Net)			<u>8.06</u> (34)	<u>14.21</u> (34)	<u>25.35</u> (41)	<u>4.14</u> (40)	<u>7.59</u> (63)	<u>5.22</u> (76)	<u>5.75</u> (76)		
Over/Under			0.09	-1.15	-1.14	-1.22	0.63	0.79	0.62		
eV All ACWI ex-US Equity Median			7.16	13.00	24.65	3.50	8.02	5.94	6.53		
Developed ex-U.S.	4,425,117,472	69.27	9.00	12.17	23.79	3.95	8.50	6.25	7.93	Jul-12	
MSCI EAFE (Net)			<u>7.26</u>	<u>12.99</u>	<u>24.77</u>	<u>5.48</u>	<u>8.20</u>	<u>5.71</u>	<u>7.42</u>		
Over/Under			1.74	-0.82	-0.98	-1.53	0.30	0.54	0.51		
Barrow Hanley	597,268,789	9.35	10.36 (15)	7.51 (95)	16.54 (93)	8.83 (26)	10.69 (17)	5.90 (30)	5.86 (22)	Dec-13	
MSCI EAFE Value Index (Net)			<u>8.89</u> (51)	<u>13.79</u> (38)	<u>23.14</u> (42)	<u>8.94</u> (25)	<u>8.27</u> (48)	<u>4.56</u> (73)	<u>4.28</u> (70)		
Over/Under			1.47	-6.28	-6.60	-0.11	2.42	1.34	1.58		
eV EAFE Value Equity Median			8.91	13.04	22.31	6.90	8.21	5.22	4.92		
Lazard Asset Management	600,028,560	9.39	5.80 (81)	8.35 (88)	20.75 (82)	1.72 (77)	6.24 (84)	5.05 (79)	4.95 (71)	Dec-13	
MSCI EAFE (Net)			<u>7.26</u> (60)	<u>12.99</u> (47)	<u>24.77</u> (41)	<u>5.48</u> (39)	<u>8.20</u> (50)	<u>5.71</u> (61)	<u>5.27</u> (62)		
Over/Under			-1.46	-4.64	-4.02	-3.76	-1.96	-0.66	-0.32		
eV All EAFE Equity Median			7.68	12.80	24.05	4.57	8.20	5.95	5.49		
MFS Institutional Advisors	678,552,518	10.62	12.39 (1)	17.63 (16)	31.33 (21)	7.08 (1)	10.10 (14)	8.77 (1)	7.93 (1)	Nov-13	
MSCI World ex USA Growth NR USD			<u>5.87</u> (55)	<u>12.14</u> (61)	<u>26.18</u> (31)	<u>2.02</u> (37)	<u>7.78</u> (60)	<u>6.41</u> (39)	<u>5.98</u> (42)		
Over/Under			6.52	5.49	5.15	5.06	2.32	2.36	1.95		
eV EAFE All Cap Growth Median			6.06	12.66	25.52	1.82	8.09	5.86	5.49		
Oberweis Asset Mgmt	374,111,113	5.86	9.73 (41)	15.24 (18)	24.59 (40)	-9.69 (96)	7.30 (52)	6.72 (42)	6.26 (35)	Feb-14	
MSCI EAFE Small Cap (Net)			<u>10.54</u> (27)	<u>11.11</u> (56)	<u>23.48</u> (51)	<u>-0.36</u> (51)	<u>6.40</u> (65)	<u>6.21</u> (61)	<u>5.69</u> (61)		
Over/Under			-0.81	4.13	1.11	-9.33	0.90	0.51	0.57		
eV EAFE Small Cap Equity Median			9.31	11.80	23.69	-0.28	7.38	6.40	6.01		

Note: The Barrow Hanley, Lazard, MFS, Oberweis, MSCI EAFE SC, Axiom Emerging Markets, DFA Emerging Markets, State Street Emerging Markets, Wasatch, portfolios have mid-month inception dates. Since inception return is calculated from the first full month of performance.

eA = eVestment

Refer to appendix for blended benchmark definitions.

Axiom Custom Blended BM consists of MSCI Emerging Markets Growth(Net) through August 2020. MSCI Emerging Markets(Net) from September 2020 to present.



Los Angeles City Employees' Retirement System-LACERS Master Trust

September 30, 2024

NON-U.S. EQUITY (NET)

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
SSgA World ex US IMI	1,850,861,760	28.97	8.16 (41)	13.22 (44)	25.14 (40)	5.22 (35)	8.69 (39)	6.19 (40)	5.24 (85)	Jul-98	
MSCI World ex U.S. IMI Index (Net)			<u>8.13</u> (42)	<u>12.89</u> (49)	<u>24.77</u> (43)	<u>4.81</u> (43)	<u>8.14</u> (53)	<u>5.71</u> (64)	<u>5.27</u> (84)		
Over/Under			0.03	0.33	0.37	0.41	0.55	0.48	-0.03		
eV EAFE Core Equity Median			7.64	12.75	24.34	4.32	8.19	6.05	5.93		
State Street EAFE SC	324,294,733	5.08	10.47 (27)	10.96 (56)	23.23 (54)	-0.15 (50)	-	-	2.46 (56)	Jan-21	
MSCI EAFE Small Cap (Net)			<u>10.54</u> (27)	<u>11.11</u> (56)	<u>23.48</u> (51)	<u>-0.36</u> (51)	-	-	<u>2.28</u> (57)		
Over/Under			-0.07	-0.15	-0.25	0.21	-	-	0.18		
eV EAFE Small Cap Equity Median			9.31	11.80	23.69	-0.28	-	-	2.76		
Emerging Markets	1,963,277,908	30.73	6.34	15.03	25.03	0.04	7.29	4.60	4.54	Jul-12	
MSCI Emerging Markets (Net)			<u>8.72</u>	<u>16.86</u>	<u>26.05</u>	<u>0.40</u>	<u>5.75</u>	<u>4.02</u>	<u>4.34</u>		
Over/Under			-2.38	-1.83	-1.02	-0.36	1.54	0.58	0.20		
Axiom Emerging Markets	333,752,266	5.22	3.43 (90)	16.36 (36)	24.37 (48)	-5.93 (95)	3.79 (84)	3.74 (72)	3.70 (79)	May-14	
MSCI Emerging Markets (Net)			<u>8.72</u> (27)	<u>16.86</u> (31)	<u>26.05</u> (32)	<u>0.40</u> (55)	<u>5.75</u> (60)	<u>4.02</u> (65)	<u>4.11</u> (66)		
Over/Under			-5.29	-0.50	-1.68	-6.33	-1.96	-0.28	-0.41		
eV Emg Mkts Equity Median			7.07	15.03	24.17	1.17	6.50	4.61	4.67		
MSCI Emerging Markets Growth (Net)			<u>9.26</u> (19)	<u>18.49</u> (20)	<u>27.64</u> (22)	<u>-2.26</u> (77)	<u>5.45</u> (64)	<u>4.81</u> (43)	<u>4.85</u> (44)		
Over/Under			-5.83	-2.13	-3.27	-3.67	-1.66	-1.07	-1.15		
Axiom Custom Blended BM			<u>8.72</u> (27)	<u>16.86</u> (31)	<u>26.05</u> (32)	<u>0.40</u> (55)	<u>8.45</u> (27)	<u>6.29</u> (15)	<u>6.27</u> (17)		
Over/Under			-5.29	-0.50	-1.68	-6.33	-4.66	-2.55	-2.57		
DFA Emerging Markets	630,704,038	9.87	7.32 (47)	15.94 (39)	24.88 (43)	6.62 (12)	9.33 (21)	4.95 (38)	4.06 (49)	Aug-14	
MSCI Emerging Markets Value (Net)			<u>8.12</u> (34)	<u>15.11</u> (49)	<u>24.38</u> (48)	<u>3.29</u> (31)	<u>5.94</u> (57)	<u>3.12</u> (87)	<u>2.44</u> (88)		
Over/Under			-0.80	0.83	0.50	3.33	3.39	1.83	1.62		
eV Emg Mkts Equity Median			7.07	15.03	24.17	1.17	6.50	4.61	4.02		
State Street Emerging Markets	636,421,561	9.96	8.10 (35)	15.84 (41)	24.86 (43)	0.04 (57)	-	-	-0.40 (60)	Jan-21	
MSCI Emerging Markets (Net)			<u>8.72</u> (27)	<u>16.86</u> (31)	<u>26.05</u> (32)	<u>0.40</u> (55)	-	-	<u>-0.01</u> (59)		
Over/Under			-0.62	-1.02	-1.19	-0.36	-	-	-0.39		
eV Emg Mkts Equity Median			7.07	15.03	24.17	1.17	-	-	1.30		

Note: The Barrow Hanley, Lazard, MFS, Oberweis, MSCI EAFE SC, Axiom Emerging Markets, DFA Emerging Markets, State Street Emerging Markets, Wasatch, portfolios have mid-month inception dates. Since inception return is calculated from the first full month of performance.

eA = eVestment

Refer to appendix for blended benchmark definitions.

Axiom Custom Blended BM consists of MSCI Emerging Markets Growth(Net) through August 2020. MSCI Emerging Markets(Net) from September 2020 to present.



Los Angeles City Employees' Retirement System-LACERS Master Trust

September 30, 2024

NON-U.S. EQUITY (NET)

	Allocation		Performance (%)									
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date		
Wasatch Global Investors	362,242,463	5.67	4.42 (66)	10.97 (67)	26.24 (37)	-3.66 (99)	-	-	-	3.52 (87)	Jan-21	
<i>MSCI Emerging Markets Small Cap (Net)</i>			<u>5.48</u> (43)	<u>12.91</u> (51)	<u>23.01</u> (55)	<u>5.14</u> (47)	-	-	-	<u>8.59</u> (43)		
Over/Under			-1.06	-1.94	3.23	-8.80	-	-	-	-5.07		
<i>eV Emg Mkts Small Cap Equity Median</i>			4.85	12.92	23.84	4.66	-	-	-	7.78		
Sanctioned Asset	157,580	0.00	0.00	0.00	0.00	-	-	-	-	0.00	Jun-22	

Note: The Barrow Hanley, Lazard, MFS, Oberweis, MSCI EAFE SC, Axiom Emerging Markets, DFA Emerging Markets, State Street Emerging Markets, Wasatch, portfolios have mid-month inception dates. Since inception return is calculated from the first full month of performance.

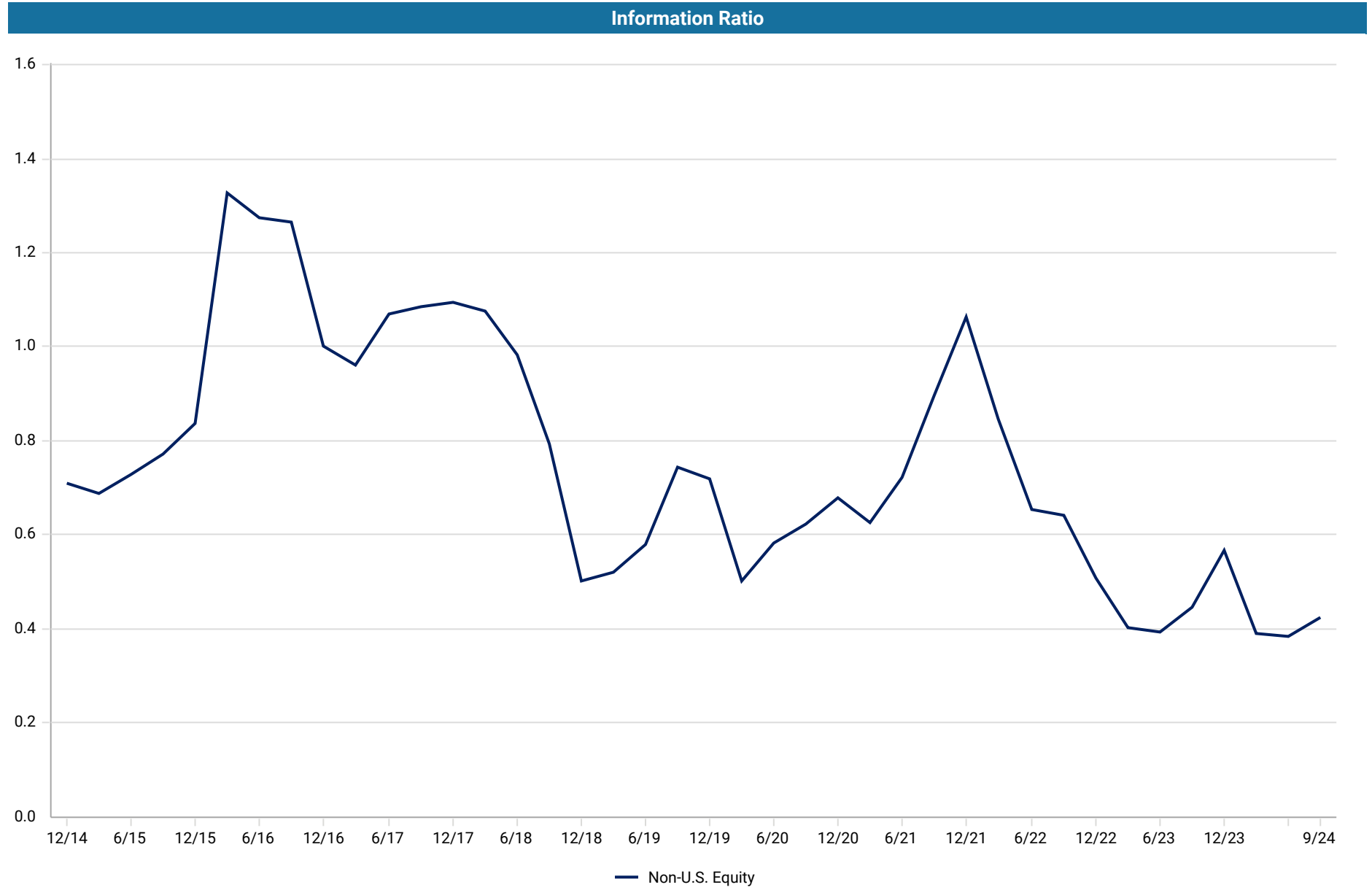
eA = eVestment

Refer to appendix for blended benchmark definitions.

Axiom Custom Blended BM consists of MSCI Emerging Markets Growth(Net) through August 2020. MSCI Emerging Markets(Net) from September 2020 to present.



NON-U.S. EQUITY ROLLING 5 YEAR INFORMATION RATIO



INVESTMENT MANAGER REPORT CARD

NON-U.S. EQUITY

Non-U.S. Equity Managers	Inception Date	Mandate	Current Quarter (Net)		One Year (Net)		Three Years (Net)		Five Years (Net)		Since Inception (Net)	Annual Mgt Fee Paid \$ (000)	Comments
			Index	Universe	Index	Universe	Index	Universe	Index	Universe			
SSgA (Passive)	Dec-20	Emerging Markets	✘	✓	✘	✓	✘	✘	N/A	N/A	✘	215.3	Performance compliant with LACERS' Manager Monitoring Policy
Axiom International	Mar-14	Emerging Markets	✘	✘	✘	✓	✘	✘	✘	✘	✘	1,631.8	Placed on Watch as of 4/4/23 due to performance.
DFA Emerging Markets	Jul-14	Emerging Markets	✘	✓	✓	✓	✓	✓	✓	✓	✓	1,758.5	Placed on Watch as of 8/30/24 due to performance
Wasatch	Dec-20	Emerging Markets Small Cap	✘	✘	✓	✓	✘	✘	N/A	N/A	✘	2,034.5	Performance compliant with LACERS' Manager Monitoring Policy
Oberweis Asset Mgt.	Jan-14	Non-U.S. Developed	✘	✓	✓	✓	✘	✘	✓	✘	✓	2,437.1	Placed on Watch as of 8/30/24 due to performance
Barrow, Hanley, Mewhinney & Strauss	Nov-13	Non-U.S. Developed	✓	✓	✘	✘	✘	✓	✓	✓	✓	2,348.3	Performance compliant with LACERS' Manager Monitoring Policy
Lazard Asset Mgt.	Nov-13	Non-U.S. Developed	✘	✘	✘	✘	✘	✘	✘	✘	✘	2,479.9	Placed on Watch as of 5/28/24 due to performance.
MFS Institutional Advisors	Oct-13	Non-U.S. Developed	✓	✓	✓	✓	✓	✓	✓	✓	✓	2,091.3	Performance compliant with LACERS' Manager Monitoring Policy
SsgA (Passive)	Dec-20	Non-U.S. Developed Small Cap	✘	✓	✘	✘	✓	✘	N/A	N/A	✓	121.8	Performance compliant with LACERS' Manager Monitoring Policy
SsgA (Passive)	Aug-93	Non-U.S. Developed	✓	✓	✓	✓	✓	✓	✓	✓	✘	271.4	Performance compliant with LACERS' Manager Monitoring Policy

Note: Managers are placed on Watch List for concerns with organization, process and performance. Managers are normally on the Watch List for 12 months though may be longer if manager issues remain but not severe enough to warrant termination recommendation.

- Annual Management Fee Paid as of fiscal year ending June 30, 2023.
- * Where net of fees performance is not available gross of fee returns are evaluated.

Legend	
✓	Outperformed
✘	Underperformed
=	Equal to
✓✓	Gross Return



CORE FIXED INCOME MANAGER PERFORMANCE

Los Angeles City Employees' Retirement System-LACERS Master Trust

September 30, 2024

CORE FIXED INCOME (GROSS)

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Core Fixed Income	3,362,791,137	100.00	5.27	4.77	12.10	-1.02	0.98	2.29	2.51	Jul-12
Core Fixed Income Blend			<u>5.20</u>	<u>4.45</u>	<u>11.57</u>	<u>-1.39</u>	<u>0.33</u>	<u>1.84</u>	<u>1.89</u>	
Over/Under			0.07	0.32	0.53	0.37	0.65	0.45	0.62	
Loomis Sayles & Co. Core Fixed Income	672,364,606	19.99	4.98	4.36	11.45	-1.12	1.15	2.63	8.09	Jul-80
Loomis Custom Benchmark			<u>5.20</u>	<u>4.45</u>	<u>11.57</u>	<u>-1.39</u>	<u>0.33</u>	<u>1.84</u>	<u>6.72</u>	
Over/Under			-0.22	-0.09	-0.12	0.27	0.82	0.79	1.37	
SSgA U.S. Aggregate Bond	727,170,384	21.62	5.21	4.58	11.62	-1.36	0.36	1.87	1.89	Aug-14
Blmbg. U.S. Aggregate Index			<u>5.20</u>	<u>4.45</u>	<u>11.57</u>	<u>-1.39</u>	<u>0.33</u>	<u>1.84</u>	<u>1.85</u>	
Over/Under			0.01	0.13	0.05	0.03	0.03	0.03	0.04	
Baird Advisors Core Fixed Income	656,627,676	19.53	5.33	5.27	12.77	-0.86	-	-	-0.72	Jul-21
Blmbg. U.S. Aggregate Index			<u>5.20</u>	<u>4.45</u>	<u>11.57</u>	<u>-1.39</u>	-	-	<u>-1.27</u>	
Over/Under			0.13	0.82	1.20	0.53	-	-	0.55	
Garcia Hamilton & Associates	382,717,298	11.38	6.18	4.62	13.02	-0.70	-	-	-0.65	Jul-21
Blmbg. U.S. Aggregate Index			<u>5.20</u>	<u>4.45</u>	<u>11.57</u>	<u>-1.39</u>	-	-	<u>-1.27</u>	
Over/Under			0.98	0.17	1.45	0.69	-	-	0.62	
JP Morgan Investment Management	449,797,213	13.38	5.20	5.17	12.18	-0.69	-	-	-0.59	Jul-21
Blmbg. U.S. Aggregate Index			<u>5.20</u>	<u>4.45</u>	<u>11.57</u>	<u>-1.39</u>	-	-	<u>-1.27</u>	
Over/Under			0.00	0.72	0.61	0.70	-	-	0.68	
Income Research & Management	474,091,752	14.10	5.21	4.96	12.26	-0.97	-	-	-0.84	Jul-21
Blmbg. U.S. Aggregate Index			<u>5.20</u>	<u>4.45</u>	<u>11.57</u>	<u>-1.39</u>	-	-	<u>-1.27</u>	
Over/Under			0.01	0.51	0.69	0.42	-	-	0.43	

Note: All portfolios in Core Fixed Income have mid-month inception dates. Since inception return is calculated from the first full month of performance.

- Core Fixed Income Blend = 100% Bloomberg U.S. Aggregate Index

Refer to appendix for blended benchmark definitions.



Los Angeles City Employees' Retirement System-LACERS Master Trust

September 30, 2024

CORE FIXED INCOME (NET)

	Allocation		Performance (%)								Inception Date
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)		
Core Fixed Income	3,362,791,137	100.00	5.24	4.70	11.98	-1.12	0.89	2.19	2.40	2.40	Jul-12
Core Fixed Income Blend			5.20	4.45	11.57	-1.39	0.33	1.84	1.89		
Over/Under			0.04	0.25	0.41	0.27	0.56	0.35	0.51		
Loomis Sayles & Co. Core Fixed Income	672,364,606	19.99	4.94 (78)	4.26 (92)	11.30 (81)	-1.26 (59)	1.02 (20)	2.50 (7)	8.02 (-)		Jul-80
Loomis Custom Benchmark			5.20 (42)	4.45 (85)	11.57 (71)	-1.39 (72)	0.33 (85)	1.84 (78)	6.72 (-)		
Over/Under			-0.26	-0.19	-0.27	0.13	0.69	0.66	1.30		
eV US Core Fixed Inc Median			5.15	4.78	11.94	-1.20	0.67	2.07	-		
SSgA U.S. Aggregate Bond	727,170,384	21.62	5.20 (41)	4.57 (77)	11.60 (70)	-1.39 (72)	0.34 (85)	1.84 (78)	1.85 (77)		Aug-14
Blmbg. U.S. Aggregate Index			5.20 (42)	4.45 (85)	11.57 (71)	-1.39 (72)	0.33 (85)	1.84 (78)	1.85 (77)		
Over/Under			0.00	0.12	0.03	0.00	0.01	0.00	0.00		
eV US Core Fixed Inc Median			5.15	4.78	11.94	-1.20	0.67	2.07	2.07		
Baird Advisors Core Fixed Income	656,627,676	19.53	5.30 (22)	5.18 (19)	12.65 (14)	-0.97 (25)	-	-	-0.82 (22)		Jul-21
Blmbg. U.S. Aggregate Index			5.20 (42)	4.45 (85)	11.57 (71)	-1.39 (72)	-	-	-1.27 (72)		
Over/Under			0.10	0.73	1.08	0.42	-	-	0.45		
eV US Core Fixed Inc Median			5.15	4.78	11.94	-1.20	-	-	-1.10		
Garcia Hamilton & Associates	382,717,298	11.38	6.15 (1)	4.52 (81)	12.87 (9)	-0.82 (17)	-	-	-0.77 (18)		Jul-21
Blmbg. U.S. Aggregate Index			5.20 (42)	4.45 (85)	11.57 (71)	-1.39 (72)	-	-	-1.27 (72)		
Over/Under			0.95	0.07	1.30	0.57	-	-	0.50		
eV US Core Fixed Inc Median			5.15	4.78	11.94	-1.20	-	-	-1.10		
JP Morgan Investment Management	449,797,213	13.38	5.17 (45)	5.07 (25)	12.04 (42)	-0.82 (17)	-	-	-0.70 (16)		Jul-21
Blmbg. U.S. Aggregate Index			5.20 (42)	4.45 (85)	11.57 (71)	-1.39 (72)	-	-	-1.27 (72)		
Over/Under			-0.03	0.62	0.47	0.57	-	-	0.57		
eV US Core Fixed Inc Median			5.15	4.78	11.94	-1.20	-	-	-1.10		
Income Research & Management	474,091,752	14.10	5.17 (45)	4.86 (41)	12.13 (36)	-1.10 (41)	-	-	-0.96 (35)		Jul-21
Blmbg. U.S. Aggregate Index			5.20 (42)	4.45 (85)	11.57 (71)	-1.39 (72)	-	-	-1.27 (72)		
Over/Under			-0.03	0.41	0.56	0.29	-	-	0.31		
eV US Core Fixed Inc Median			5.15	4.78	11.94	-1.20	-	-	-1.10		

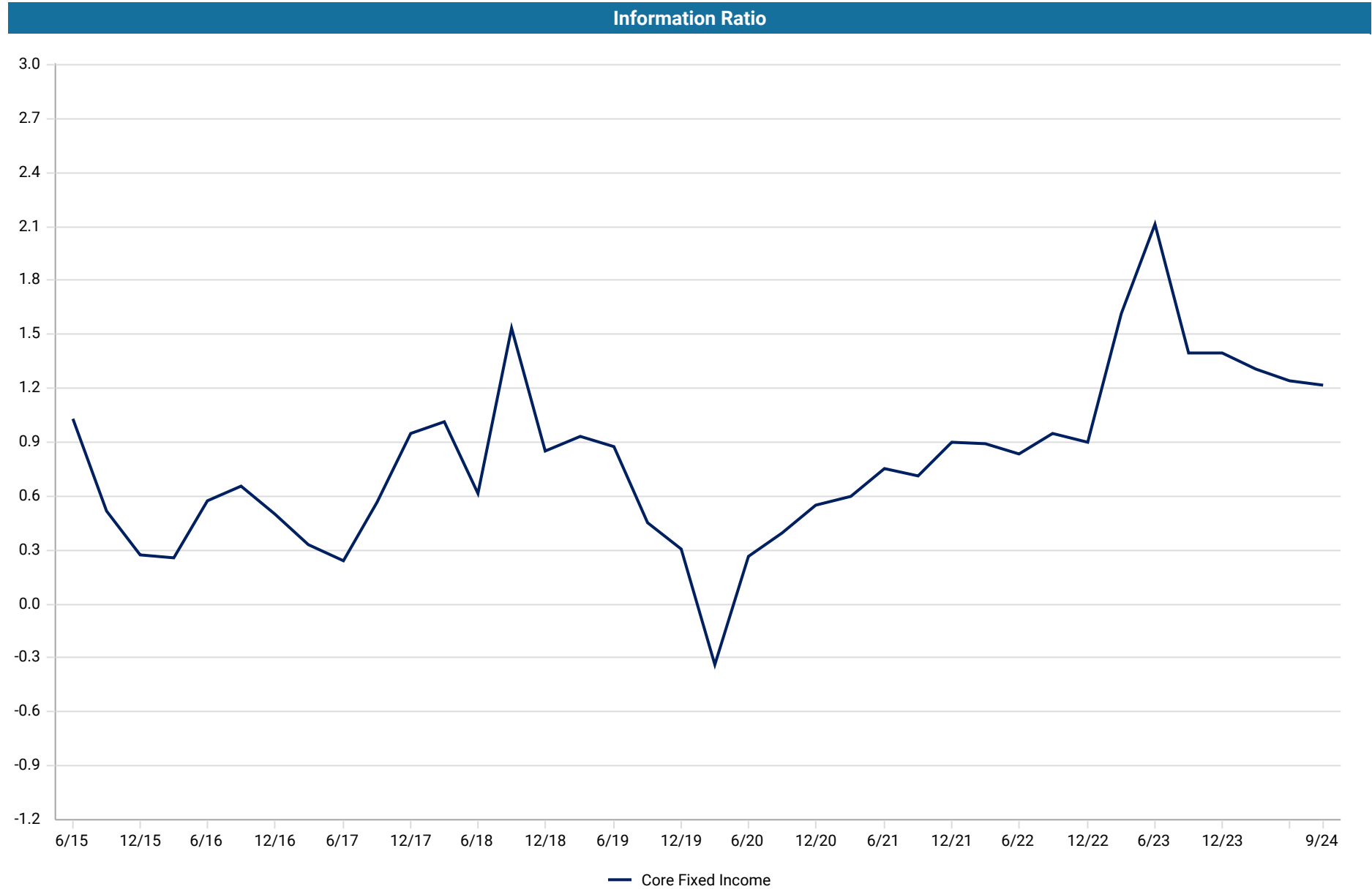
Note: All portfolios in Core Fixed Income have mid-month inception dates. Since inception return is calculated from the first full month of performance.

- Core Fixed Income Blend = 100% Bloomberg U.S. Aggregate Index

Refer to appendix for blended benchmark definitions.



CORE FIXED INCOME 3 YEAR INFORMATION RATIO



INVESTMENT MANAGER REPORT CARD

CORE FIXED INCOME

Core Fixed Income Managers	Inception Date	Mandate	Current Quarter (Net)		One Year (Net)		Three Years (Net)		Five Years (Net)		Since Inception (Net)	Annual Mgt Fee Paid \$ (000)	Comments
			Index	Universe	Index	Universe	Index	Universe	Index	Universe	Index		
			Loomis Sayles	Jul-80	Core	x	x	x	x	✓	x		
Baird Advisors	Jul-21	Core	✓	✓	✓	✓	✓	✓	N/A	N/A	✓	602.6	Performance compliant with LACERS' Manager Monitoring Policy
Garcia Hamilton	Jul-21	Core	✓	✓	✓	✓	✓	✓	N/A	N/A	✓	480.4	Performance compliant with LACERS' Manager Monitoring Policy
IR&M	Jul-21	Core	x	✓	✓	✓	✓	✓	N/A	N/A	✓	485.3	Performance compliant with LACERS' Manager Monitoring Policy
J.P. Morgan	Jul-21	Core	x	✓	✓	✓	✓	✓	N/A	N/A	✓	470.3	Performance compliant with LACERS' Manager Monitoring Policy
SSgA (Passive)	Aug-14	Core	✓	✓	✓	x	✓	x	✓	x	✓	193.3	Performance compliant with LACERS' Manager Monitoring Policy

Note: Managers are placed on Watch List for concerns with organization, process and performance. Managers are normally on the Watch List for 12 months though may be longer if manager issues remain but not severe enough to warrant termination recommendation.

- Annual Management Fee Paid as of fiscal year ending June 30, 2023.
- * Where net of fees performance is not available gross of fee returns are evaluated.

Legend	
✓	Outperformed
x	Underperformed
=	Equal to
✓✓	Gross Return



CREDIT OPPORTUNITIES MANAGER PERFORMANCE

Los Angeles City Employees' Retirement System-LACERS Master Trust
CREDIT OPPORTUNITIES (GROSS)

September 30, 2024

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Credit Opportunities	2,259,844,265	100.0	5.26	7.31	14.20	2.75	3.35	4.31	4.72	Jul-13
<i>Credit Opportunities Blend</i>			4.47	6.70	13.29	2.00	3.26	4.39	4.79	
Over/Under			0.79	0.61	0.91	0.75	0.09	-0.08	-0.07	
PGIM Blended	520,038,062	23.0	7.72	7.49	16.64	1.62			0.60	Feb-21
<i>50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified</i>			7.57	6.80	16.00	0.12			-0.68	
Over/Under			0.15	0.69	0.64	1.50			1.28	
Wellington	508,530,837	22.5	7.81	6.67	16.88	1.25			0.39	Feb-21
<i>50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified</i>			7.57	6.80	16.00	0.12			-0.68	
Over/Under			0.24	-0.13	0.88	1.13			1.07	
Bain Capital Senior Loan Fund, LP	287,869,062	12.7	2.23	6.90	9.81	5.85	6.00		5.08	Jul-15
<i>Credit Suisse Leveraged Loan Index</i>			2.05	6.58	9.62	6.28	5.60		4.98	
Over/Under			0.18	0.32	0.19	-0.43	0.40		0.10	
Polen Capital	273,341,355	12.1	2.70	8.56	13.08	4.20			5.79	Nov-20
<i>50% BBgBarc US High Yield 2% Issuer Cap / 50% Credit Suisse Leveraged Loan Index</i>			3.66	7.30	12.67	4.74			6.04	
Over/Under			-0.96	1.26	0.41	-0.54			-0.25	
Loomis Sayles & Co. High Yield	375,311,799	16.6	5.77	8.24	15.17	2.54			4.75	Nov-20
<i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>			5.28	8.00	15.73	3.09			5.06	
Over/Under			0.49	0.24	-0.56	-0.55			-0.31	
Private Credit	294,471,106	13.0	1.24	6.56	9.40	7.45			5.80	Dec-20
<i>Credit Suisse Leveraged Loan Qtr Lag</i>			1.87	7.42	11.04	5.97			6.76	
Over/Under			-0.63	-0.86	-1.64	1.48			-0.96	

Note: All portfolios within Credit Opportunities have mid-month inception dates. Since inception return is calculated from the first full month of performance.
eA = eVestment

Refer to appendix for blended benchmark definitions.



Los Angeles City Employees' Retirement System-LACERS Master Trust
CREDIT OPPORTUNITIES (NET)

September 30, 2024

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Credit Opportunities	2,259,844,265	100.0	5.18	7.06	13.85	2.41	3.03	3.97	4.39	Jul-13
<i>Credit Opportunities Blend</i>			4.47	6.70	13.29	2.00	3.26	4.39	4.79	
Over/Under			0.71	0.36	0.56	0.41	-0.23	-0.42	-0.40	
PGIM Blended	520,038,062	23.0	7.63 (21)	7.22 (59)	16.26 (48)	1.28 (40)			0.30 (53)	Feb-21
<i>50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified</i>			7.57 (22)	6.80 (65)	16.00 (51)	0.12 (71)			-0.68 (79)	
Over/Under			0.06	0.42	0.26	1.16			0.98	
<i>eV All Emg Mkts Fixed Inc Median</i>			6.12	8.08	16.02	0.91			0.35	
Wellington	508,530,837	22.5	7.69 (21)	6.30 (72)	16.34 (48)	0.76 (55)			-0.06 (63)	Feb-21
<i>50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified</i>			7.57 (22)	6.80 (65)	16.00 (51)	0.12 (71)			-0.68 (79)	
Over/Under			0.12	-0.50	0.34	0.64			0.62	
<i>eV All Emg Mkts Fixed Inc Median</i>			6.12	8.08	16.02	0.91			0.35	
Bain Capital Senior Loan Fund, LP	287,869,062	12.7	2.23 (17)	6.90 (26)	9.81 (41)	5.85 (40)	6.00 (7)		5.08 (10)	Jul-15
<i>Credit Suisse Leveraged Loan Index</i>			2.05 (44)	6.58 (37)	9.62 (42)	6.28 (18)	5.60 (19)		4.98 (17)	
Over/Under			0.18	0.32	0.19	-0.43	0.40		0.10	
<i>eV US Float-Rate Bank Loan Fixed Inc Median</i>			1.99	6.21	9.32	5.64	5.01		4.42	
Polen Capital	273,341,355	12.1	2.57 (98)	8.16 (22)	12.52 (83)	3.67 (30)			5.29 (33)	Nov-20
<i>50% BBgBarc US High Yield 2% Issuer Cap / 50% Credit Suisse Leveraged Loan Index</i>			3.66 (80)	7.30 (51)	12.67 (81)	4.74 (6)			6.04 (16)	
Over/Under			-1.09	0.86	-0.15	-1.07			-0.75	
<i>eV US High Yield Fixed Inc Median</i>			4.41	7.35	14.31	3.14			4.80	
Loomis Sayles & Co. High Yield	375,311,799	16.6	5.67 (4)	7.95 (27)	14.77 (39)	2.15 (87)			4.40 (70)	Nov-20
<i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>			5.28 (11)	8.00 (25)	15.73 (13)	3.09 (52)			5.06 (41)	
Over/Under			0.39	-0.05	-0.96	-0.94			-0.66	
<i>eV US High Yield Fixed Inc Median</i>			4.41	7.35	14.31	3.14			4.80	
Private Credit	294,471,106	13.0	1.24	6.56	9.40	7.45			5.80	Dec-20
<i>Credit Suisse Leveraged Loan Qtr Lag</i>			1.87	7.42	11.04	5.97			6.76	
Over/Under			-0.63	-0.86	-1.64	1.48			-0.96	

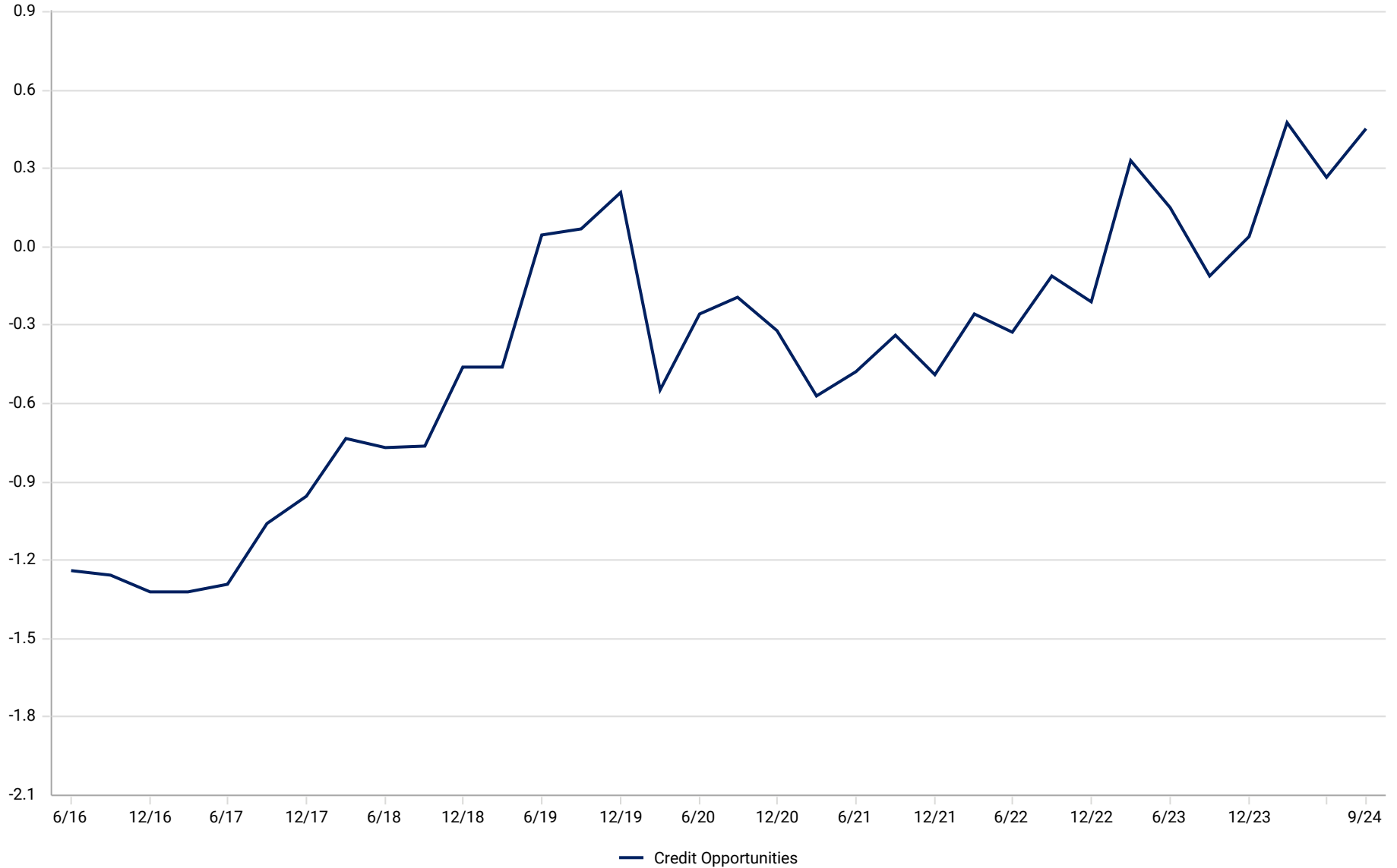
Note: All portfolios within Credit Opportunities have mid-month inception dates. Since inception return is calculated from the first full month of performance.
eA = eVestment

Refer to appendix for blended benchmark definitions.



CREDIT OPPORTUNITIES ROLLING 3 YEAR

Information Ratio



INVESTMENT MANAGER REPORT CARD

CREDIT OPPORTUNITIES

Credit Opportunities Managers	Inception Date	Mandate	Current Quarter (Net)		One Year (Net)		Three Years (Net)		Five Years (Net)		Since Inception (Net)	Annual Mgt Fee Paid \$ (000)	Comments
			Index	Universe	Index	Universe	Index	Universe	Index	Universe	Index		
PGIM	Feb-21	Emerging Market Debt Blended	✓	✓	✓	✓	✓	✓	N/A	N/A	✓	1,451.0	Performance compliant with LACERS' Manager Monitoring Policy
Wellington	Feb-21	Emerging Market Debt Blended	✓	✓	✓	✓	✓	✗	N/A	N/A	✓	2,075.0	Performance compliant with LACERS' Manager Monitoring Policy
Bain	Jun-15	Bank Loans	✓	✓	✓	✓	✗	✓	✓	✓	✓	N/A	Performance compliant with LACERS' Manager Monitoring Policy
Loomis Sayles	Nov-20	High Yield	✓	✓	✗	✓	✗	✗	N/A	N/A	✗	800.1	Placed on Watch as of 8/30/24 due to performance
Polen Capital	Nov-20	High Yield/Bank Loan	✗	✗	✗	✗	✗	✓	N/A	N/A	✗	1,150.2	Performance compliant with LACERS' Manager Monitoring Policy

Note: Managers are placed on Watch List for concerns with organization, process and performance. Managers are normally on the Watch List for 12 months though may be longer if manager issues remain but not severe enough to warrant termination recommendation.

- Annual Management Fee Paid as of fiscal year ending June 30, 2023.
- * Where net of fees performance is not available gross of fee returns are evaluated.

Legend	
✓	Outperformed
✗	Underperformed
=	Equal to
✓✓	Gross Return



REAL ASSETS MANAGER PERFORMANCE

Los Angeles City Employees' Retirement System-LACERS Master Trust

September 30, 2024

REAL ASSETS (GROSS)

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Real Assets	2,791,296,581	100.00	4.87	2.28	6.11	0.90	3.12	4.68	5.77	Dec-94
Real Assets Policy Benchmark			<u>4.14</u>	<u>2.83</u>	<u>5.38</u>	<u>-0.19</u>	<u>3.41</u>	<u>4.99</u>	<u>7.17</u>	
Over/Under			0.73	-0.55	0.73	1.09	-0.29	-0.31	-1.40	
Public Real Assets	1,462,729,783	52.40	9.65	9.59	19.65	1.41	4.53	3.55	3.23	Jul-14
Public Real Assets Blend			<u>8.25</u>	<u>7.98</u>	<u>18.19</u>	<u>1.07</u>	<u>4.28</u>	<u>2.34</u>	<u>1.91</u>	
Over/Under			1.40	1.61	1.46	0.34	0.25	1.21	1.32	
TIPS	844,119,712	30.24	4.27	5.08	9.70	-0.80	2.70	2.61	2.32	Aug-14
Blmbg. U.S. TIPS			<u>4.12</u>	<u>4.85</u>	<u>9.79</u>	<u>-0.57</u>	<u>2.62</u>	<u>2.54</u>	<u>2.28</u>	
Over/Under			0.15	0.23	-0.09	-0.23	0.08	0.07	0.04	
DFA US TIPS	844,119,712	30.24	4.27	5.08	9.70	-0.80	2.70	2.68	2.40	Aug-14
Blmbg. U.S. TIPS			<u>4.12</u>	<u>4.85</u>	<u>9.79</u>	<u>-0.57</u>	<u>2.62</u>	<u>2.54</u>	<u>2.28</u>	
Over/Under			0.15	0.23	-0.09	-0.23	0.08	0.14	0.12	
REITS	618,610,070	22.16	17.93	16.40	37.89	5.12	7.57	-	8.66	Apr-15
FTSE NAREIT All Equity REITs			<u>16.79</u>	<u>14.23</u>	<u>34.77</u>	<u>3.51</u>	<u>5.09</u>	<u>-</u>	<u>6.66</u>	
Over/Under			1.14	2.17	3.12	1.61	2.48	-	2.00	
CenterSquare US Real Estate	618,610,070	22.16	17.93	16.40	37.89	5.12	7.57	-	9.09	May-15
FTSE NAREIT All Equity REITs			<u>16.79</u>	<u>14.23</u>	<u>34.77</u>	<u>3.51</u>	<u>5.09</u>	<u>-</u>	<u>7.29</u>	
Over/Under			1.14	2.17	3.12	1.61	2.48	-	1.80	
Private Real Estate	1,308,922,089	46.89	0.05	-4.90	-6.67	2.14	2.31	5.64	6.11	Nov-94
Real Estate Blend			<u>0.45</u>	<u>-1.98</u>	<u>-6.52</u>	<u>0.62</u>	<u>3.77</u>	<u>6.94</u>	<u>8.79</u>	
Over/Under			-0.40	-2.92	-0.15	1.52	-1.46	-1.30	-2.68	
Timber	19,644,709	0.70	-0.21	5.42	5.33	7.07	5.26	4.07	8.45	Oct-99

Note: The DFA U.S. TIPS and CenterSquare US Real Estate portfolios have mid-month inception dates. Since inception return is calculated from the first full month of performance.

Refer to appendix for blended benchmark definitions.



Los Angeles City Employees' Retirement System-LACERS Master Trust

September 30, 2024

REAL ASSETS (NET)

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Real Assets	2,791,296,581	100.00	4.84	2.19	5.99	0.78	2.98	4.54	4.63	Jun-01
Real Assets Policy Benchmark			<u>4.14</u>	<u>2.83</u>	<u>5.38</u>	<u>-0.19</u>	<u>3.41</u>	<u>4.99</u>	<u>5.72</u>	
Over/Under			0.70	-0.64	0.61	0.97	-0.43	-0.45	-1.09	
Public Real Assets	1,462,729,783	52.40	9.60	9.44	19.44	1.25	4.35	3.35	3.04	Jul-14
Public Real Assets Blend			<u>8.25</u>	<u>7.98</u>	<u>18.19</u>	<u>1.07</u>	<u>4.28</u>	<u>2.34</u>	<u>1.91</u>	
Over/Under			1.35	1.46	1.25	0.18	0.07	1.01	1.13	
TIPS	844,119,712	30.24	4.26	5.04	9.65	-0.85	2.65	2.55	2.27	Aug-14
Blmbg. U.S. TIPS			<u>4.12</u>	<u>4.85</u>	<u>9.79</u>	<u>-0.57</u>	<u>2.62</u>	<u>2.54</u>	<u>2.28</u>	
Over/Under			0.14	0.19	-0.14	-0.28	0.03	0.01	-0.01	
DFA US TIPS	844,119,712	30.24	4.26 (17)	5.04 (31)	9.65 (47)	-0.85 (78)	2.65 (49)	2.63 (17)	2.34 (20)	Aug-14
Blmbg. U.S. TIPS			<u>4.12</u> (45)	<u>4.85</u> (70)	<u>9.79</u> (29)	<u>-0.57</u> (56)	<u>2.62</u> (52)	<u>2.54</u> (40)	<u>2.28</u> (35)	
Over/Under			0.14	0.19	-0.14	-0.28	0.03	0.09	0.06	
eV US TIPS / Inflation Fixed Inc Median			4.04	4.94	9.60	-0.44	2.64	2.50	2.25	
REITS	618,610,070	22.16	17.83	16.07	37.37	4.73	7.16	-	8.23	Apr-15
FTSE NAREIT All Equity REITs			<u>16.79</u>	<u>14.23</u>	<u>34.77</u>	<u>3.51</u>	<u>5.09</u>	<u>-</u>	<u>6.66</u>	
Over/Under			1.04	1.84	2.60	1.22	2.07	-	1.57	
CenterSquare US Real Estate	618,610,070	22.16	17.83 (10)	16.07 (25)	37.37 (9)	4.73 (21)	7.16 (14)	-	8.66 (5)	May-15
FTSE NAREIT All Equity REITs			<u>16.79</u> (33)	<u>14.23</u> (63)	<u>34.77</u> (33)	<u>3.51</u> (61)	<u>5.09</u> (62)	<u>-</u>	<u>7.29</u> (42)	
Over/Under			1.04	1.84	2.60	1.22	2.07	-	1.37	
eV US REIT Median			16.17	14.93	33.42	3.58	5.64	-	7.11	
Private Real Estate	1,308,922,089	46.89	0.03	-4.94	-6.72	2.07	2.23	5.56	5.11	Jul-01
Real Estate Blend			<u>0.45</u>	<u>-1.98</u>	<u>-6.52</u>	<u>0.62</u>	<u>3.77</u>	<u>6.94</u>	<u>7.96</u>	
Over/Under			-0.42	-2.96	-0.20	1.45	-1.54	-1.38	-2.85	
Timber	19,644,709	0.70	-0.21	5.42	5.33	7.07	5.26	4.07	7.57	Sep-01

Note: The DFA U.S. TIPS and CenterSquare US Real Estate portfolios have mid-month inception dates. Since inception return is calculated from the first full month of performance.

Refer to appendix for blended benchmark definitions.



INVESTMENT MANAGER REPORT CARD

REAL ASSETS

Real Assets Managers	Inception Date	Mandate	Current Quarter (Net)		One Year (Net)		Three Years (Net)		Five Years (Net)		Since Inception (Net)	Annual Mgt Fee Paid \$ (000)	Comments
			Index	Universe	Index	Universe	Index	Universe	Index	Universe			
DFA	Jul-14	U.S. TIPS	✓	✓	✘	✓	✘	✘	✓	✓	✓	492.4	Placed on Watch as of 8/30/24 due to performance
CenterSquare	Apr-15	REITS	✓	✓	✓	✓	✓	✓	✓	✓	✓	1,820.7	Performance compliant with LACERS' Manager Monitoring Policy

Note: Managers are placed on Watch List for concerns with organization, process and performance. Managers are normally on the Watch List for 12 months though may be longer if manager issues remain but not severe enough to warrant termination recommendation.

- Annual Management Fee Paid as of fiscal year ending June 30, 2023.
- * Where net of fees performance is not available gross of fee returns are evaluated.

Legend	
✓	Outperformed
✘	Underperformed
=	Equal to
✓✓	Gross Return





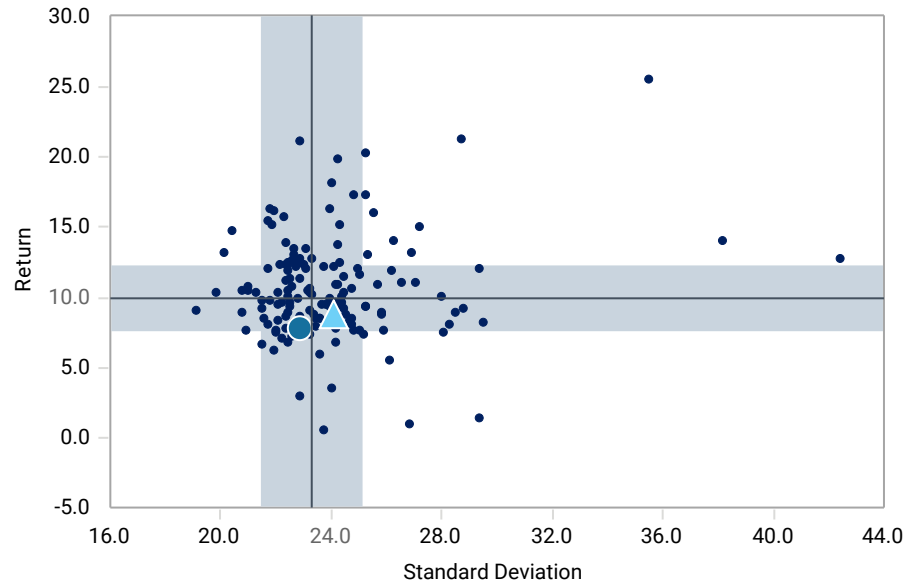
APPENDIX

U.S. EQUITY MANAGER PERFORMANCE



EAM INVESTORS

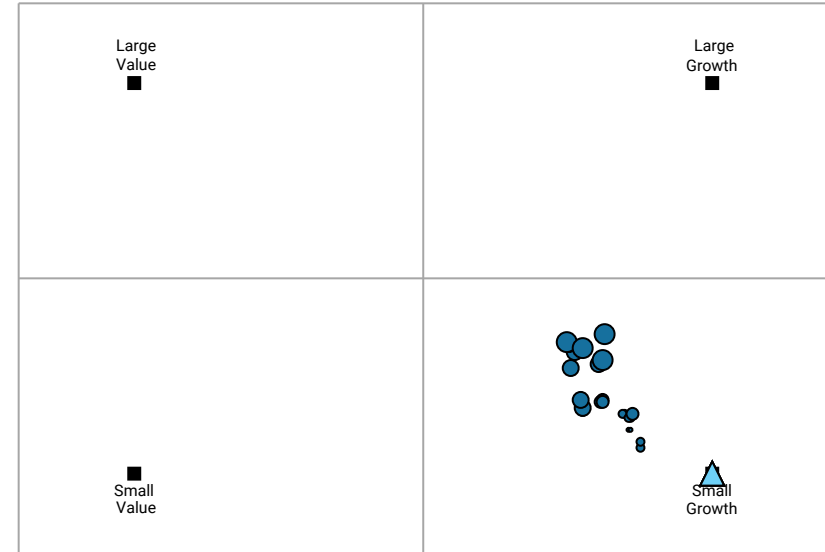
5 Years Return vs. Standard Deviation



● EAM Investors

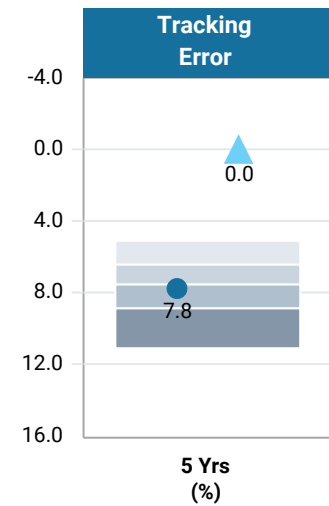
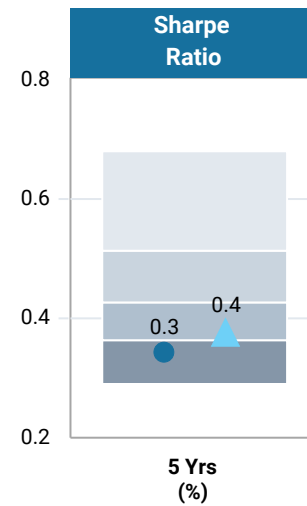
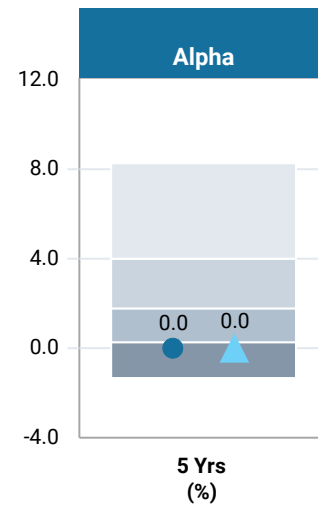
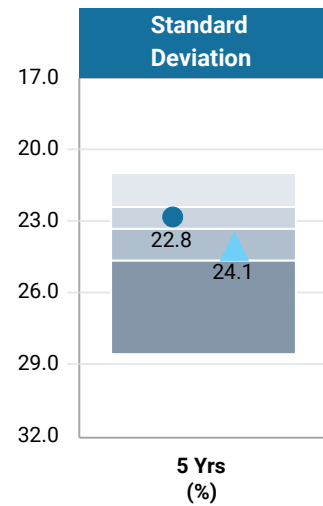
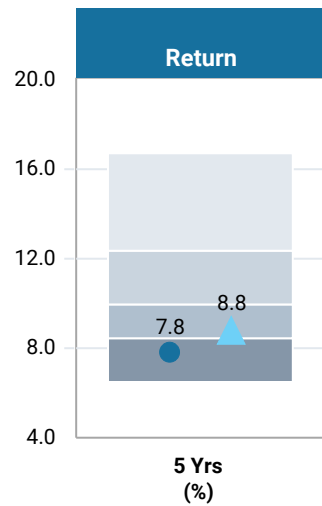
▲ Russell 2000 Growth Index

Rolling 3 Years Style Map



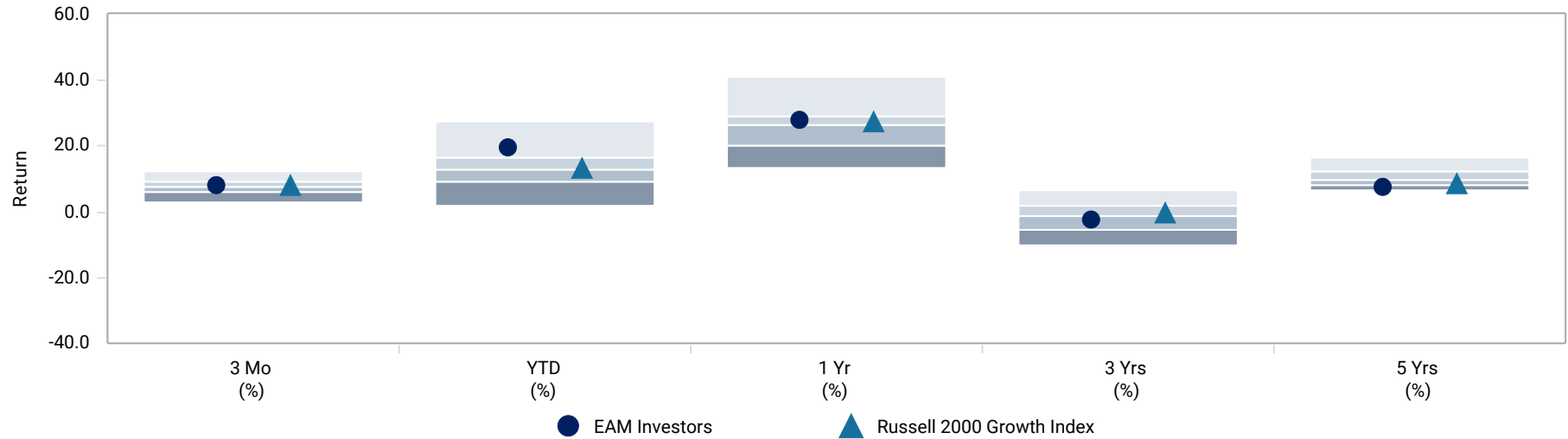
● EAM Investors

▲ Russell 2000 Growth Index

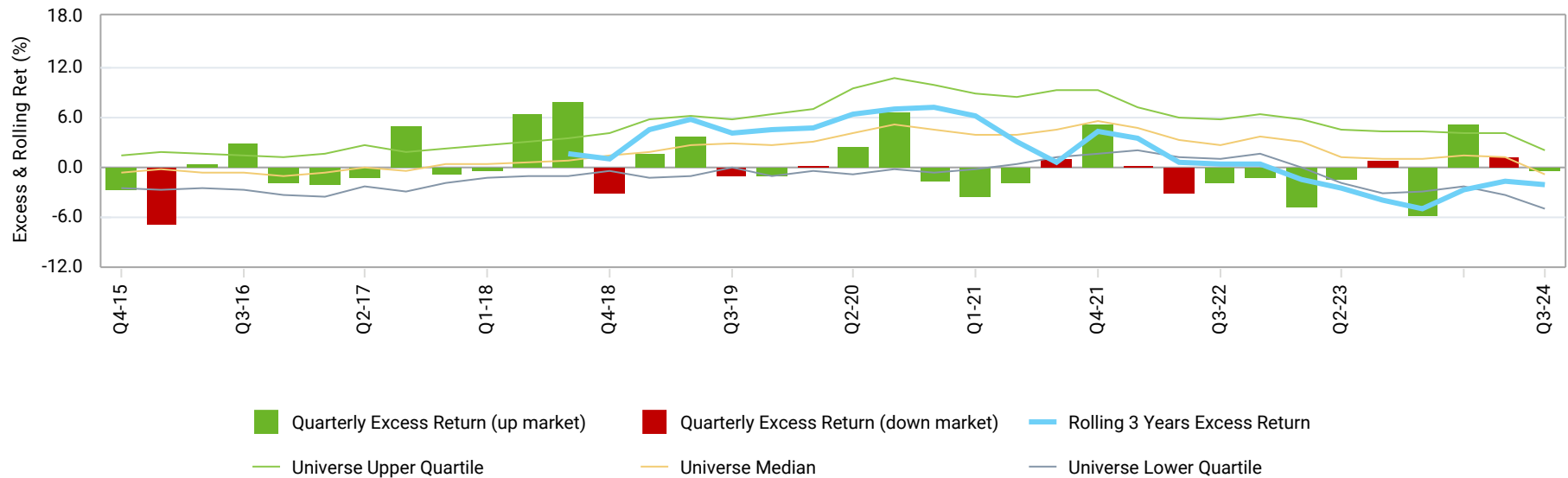


EAM INVESTORS

eV US Small Cap Growth Equity (net of fees)



Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending September 30, 2024

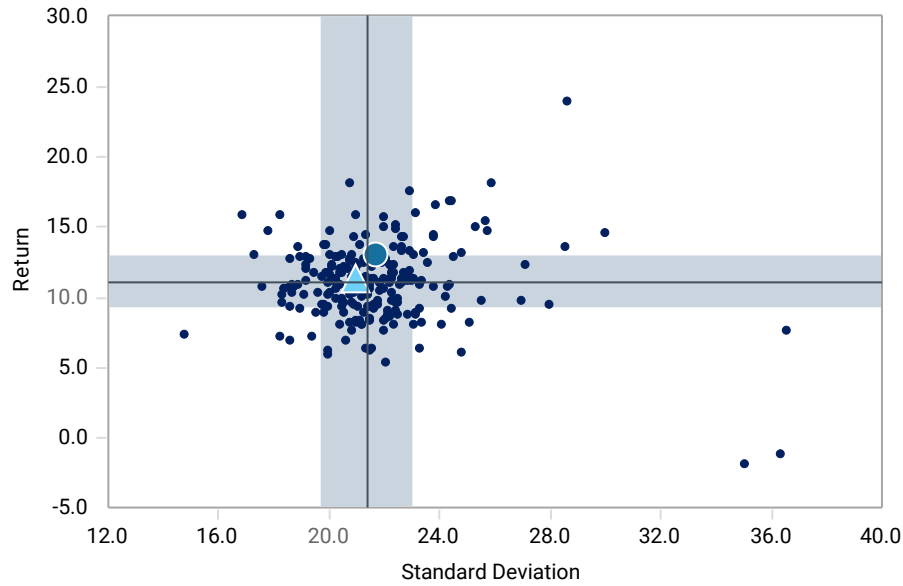


Los Angeles City Employees' Retirement System-LACERS Master Trust

PRINCIPAL GLOBAL INVESTORS

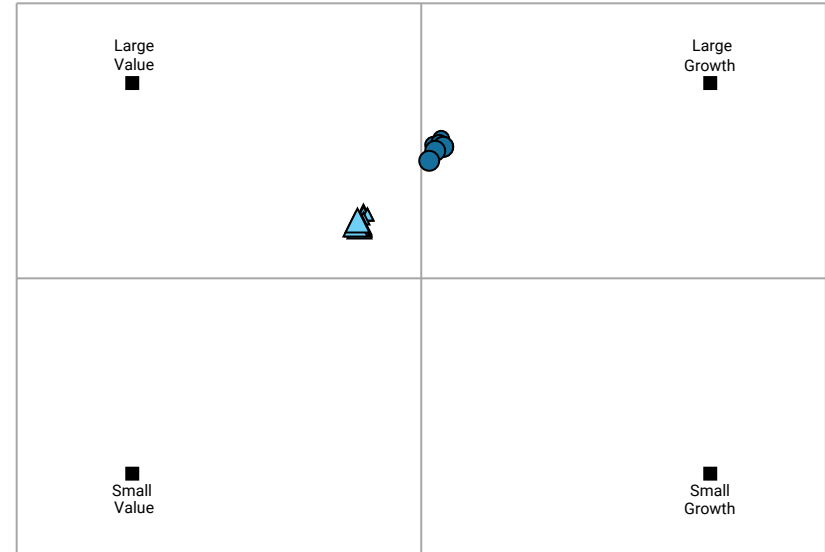
September 30, 2024

5 Years Return vs. Standard Deviation

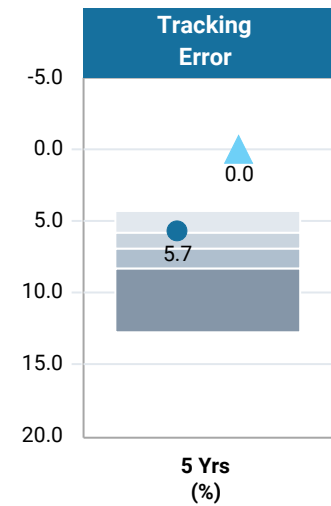
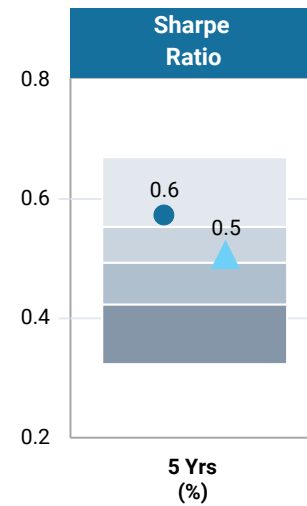
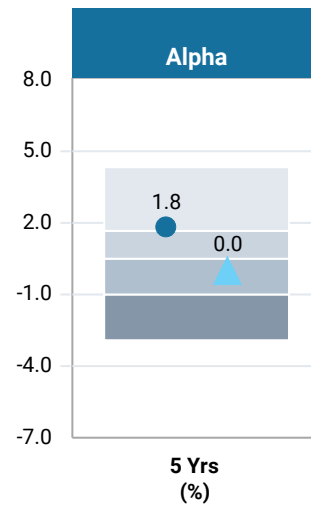
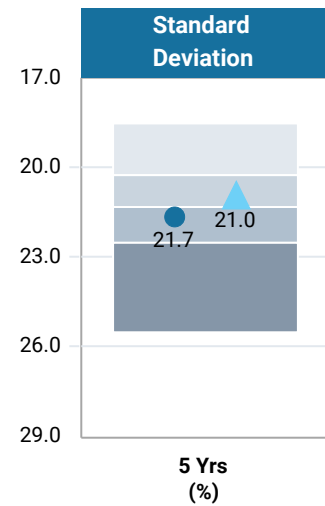
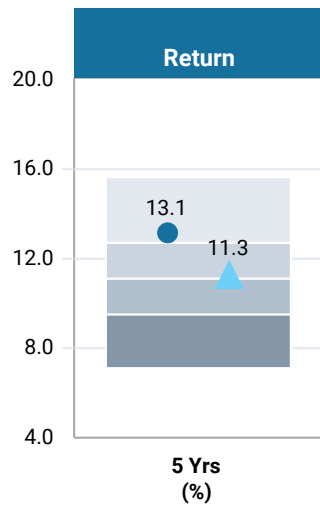


● Principal Global Investors ▲ Russell Midcap Index

Rolling 5 Years Style Map



● Principal Global Investors ▲ Russell Midcap Index

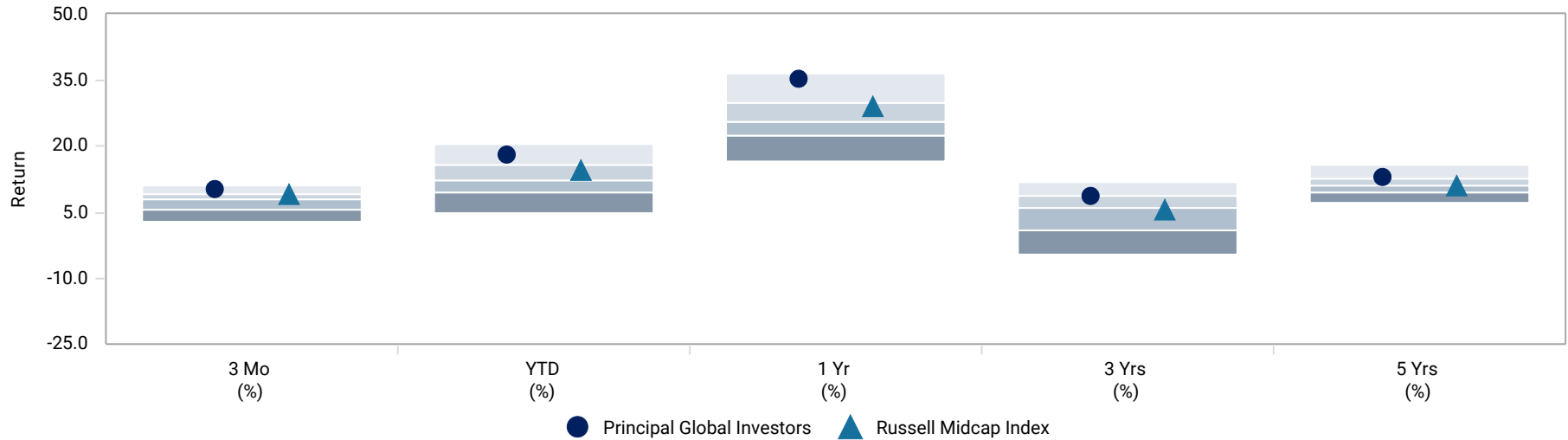


Los Angeles City Employees' Retirement System-LACERS Master Trust

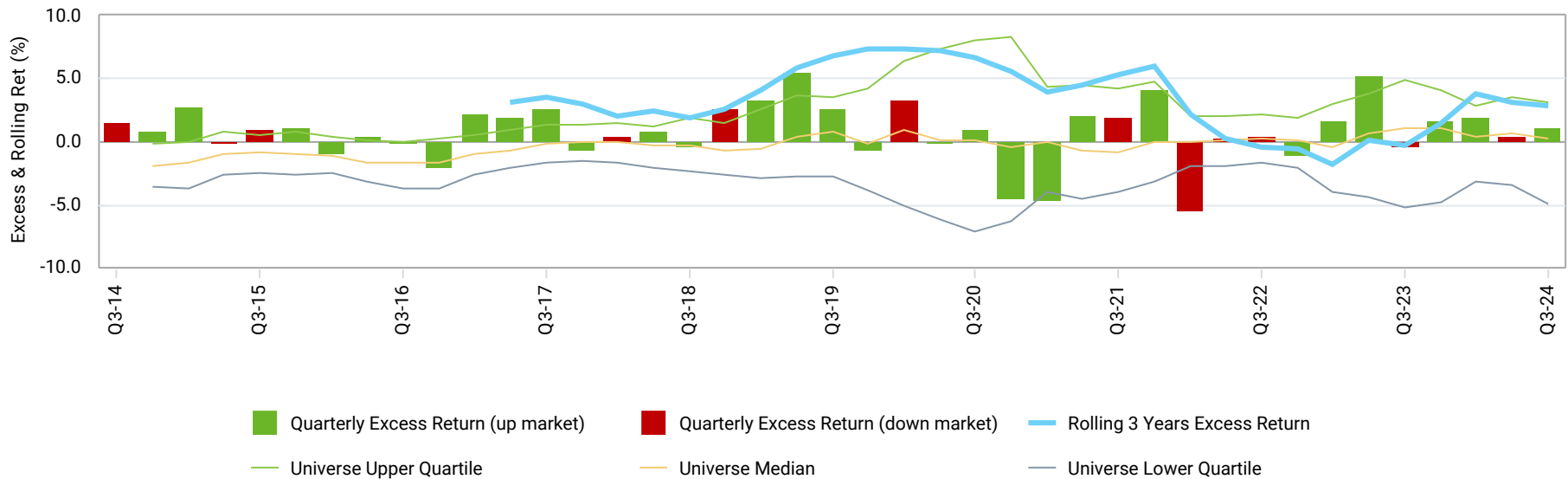
PRINCIPAL GLOBAL INVESTORS

September 30, 2024

eV US Mid Cap Equity (net of fees)



Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending September 30, 2024

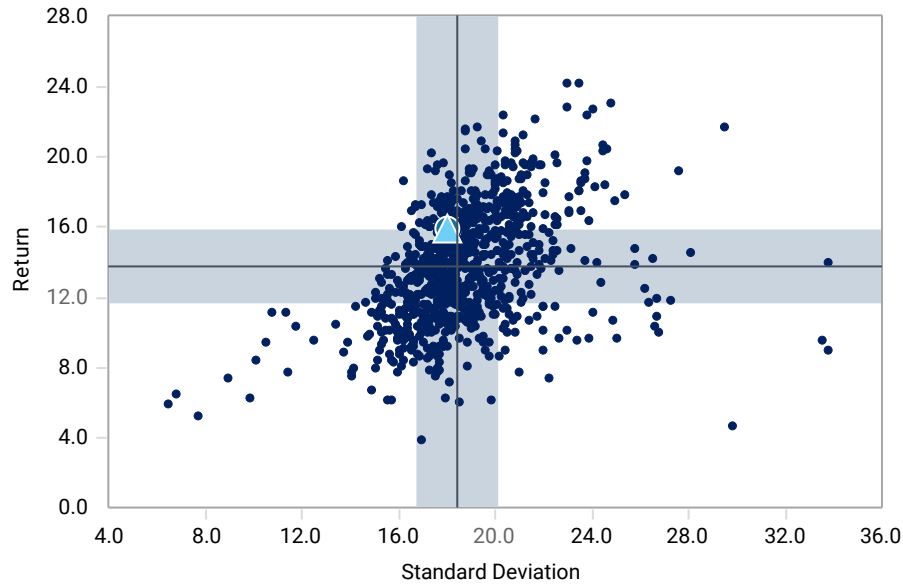


Los Angeles City Employees' Retirement System-LACERS Master Trust

RHUMBLINE ADVISORS S&P 500

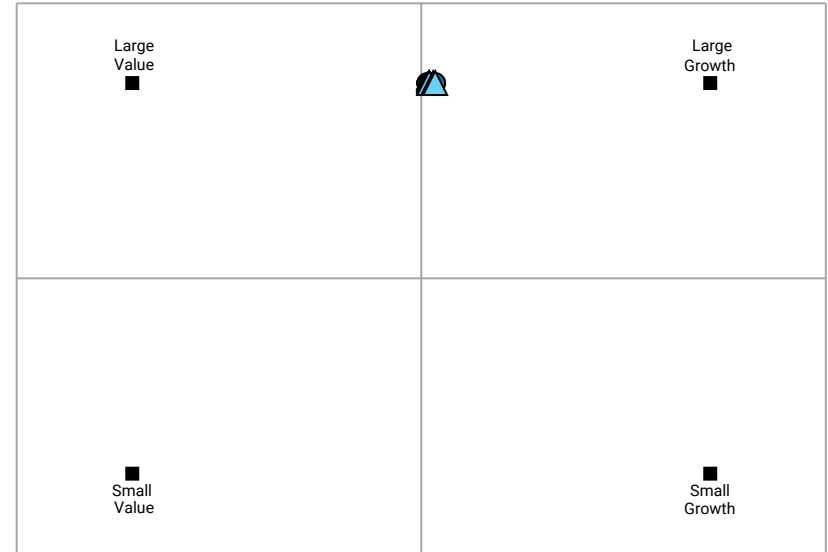
September 30, 2024

5 Years Return vs. Standard Deviation

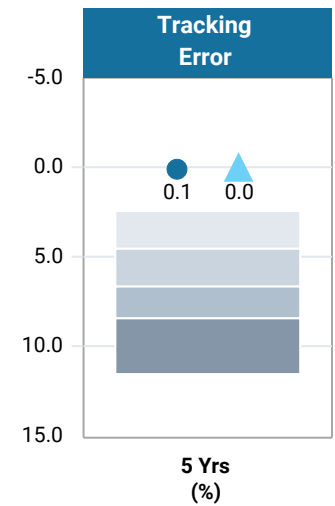
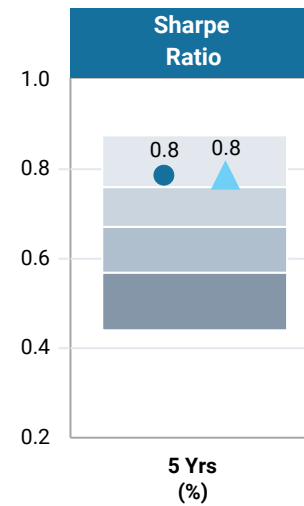
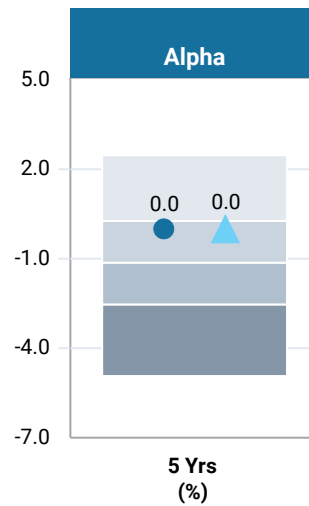
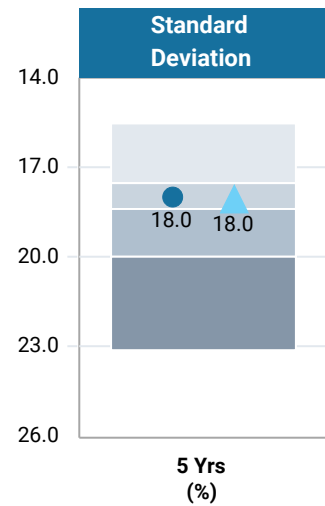
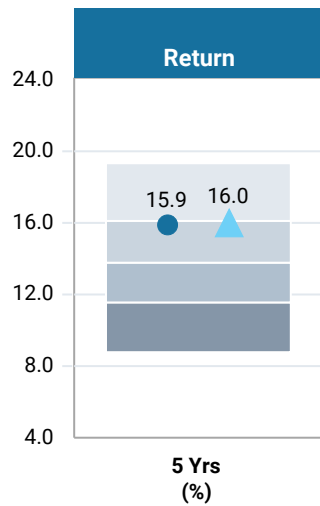


● RhumbLine Advisers S&P 500 ▲ S&P 500 Index

Rolling 5 Years Style Map



● RhumbLine Advisers S&P 500 ▲ S&P 500 Index

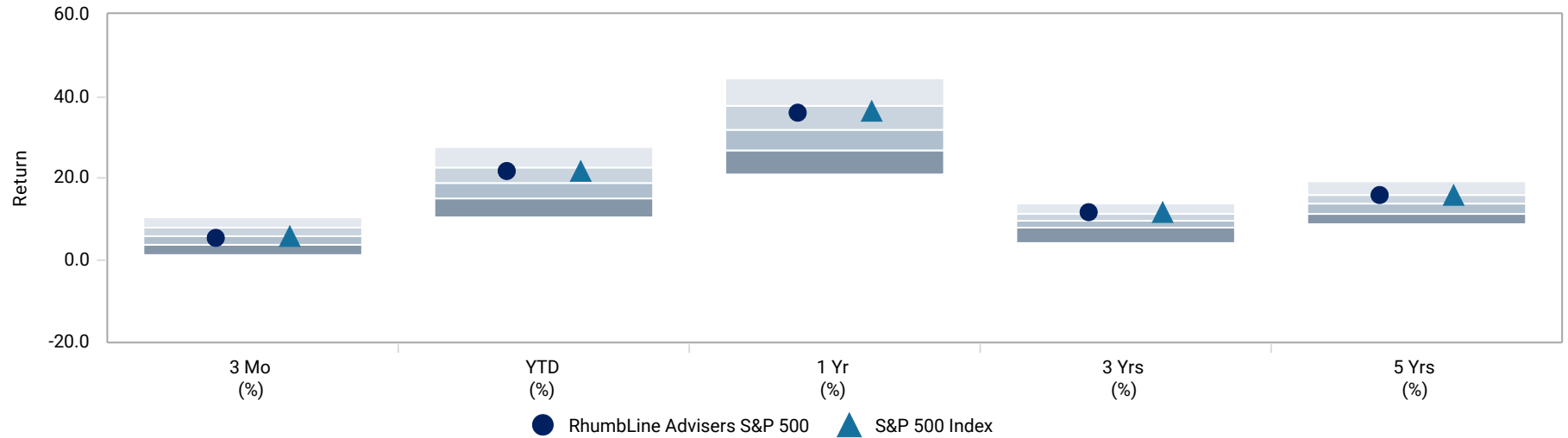


Los Angeles City Employees' Retirement System-LACERS Master Trust

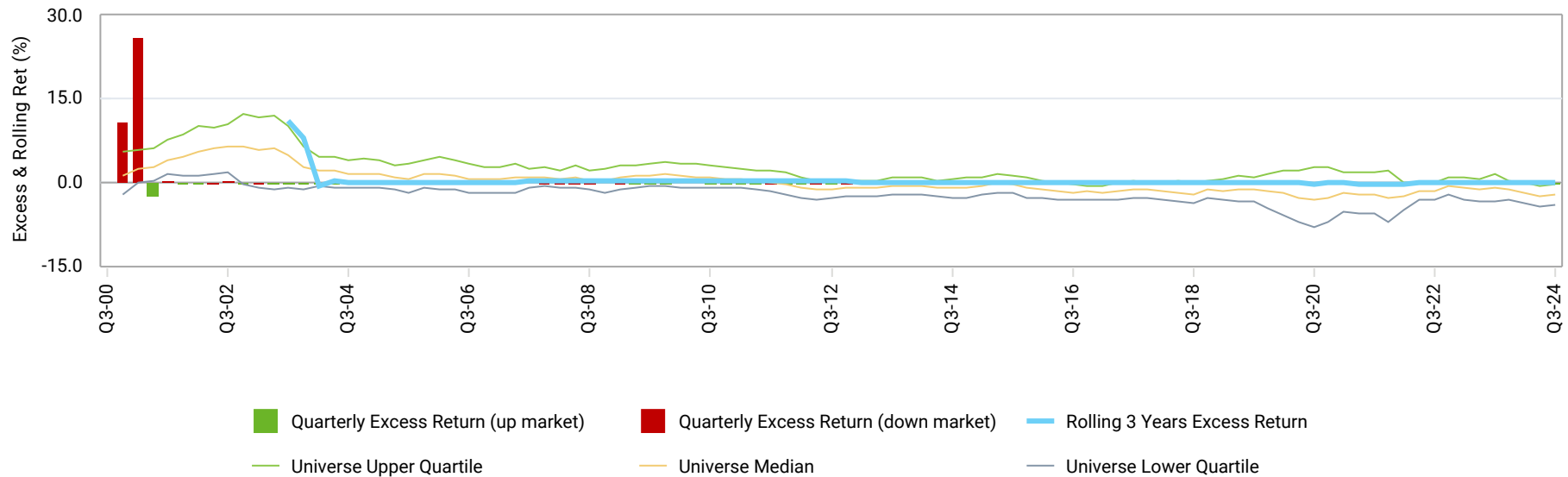
RHUMBLINE ADVISORS S&P 500

September 30, 2024

eV US Large Cap Equity (net of fees)

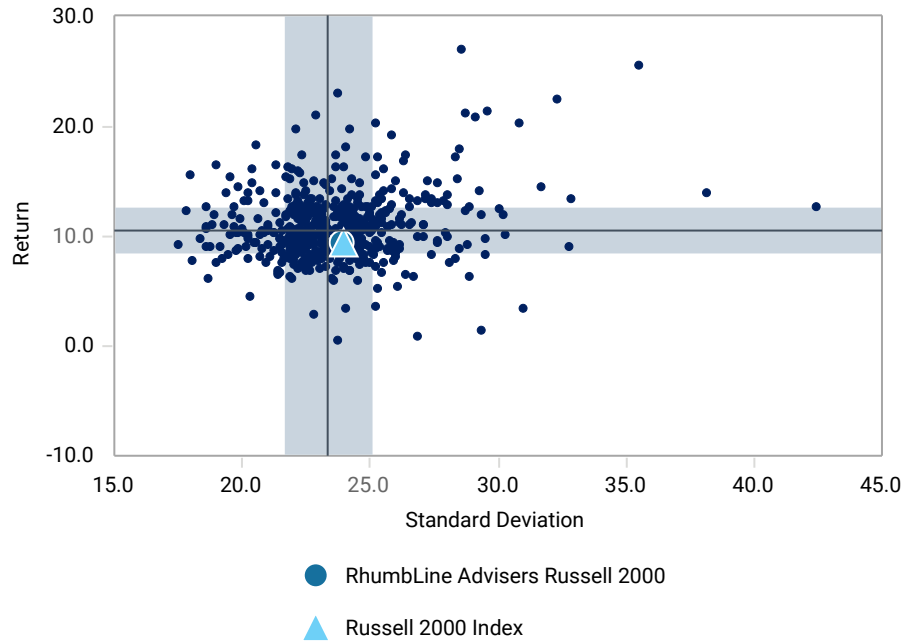


Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending September 30, 2024

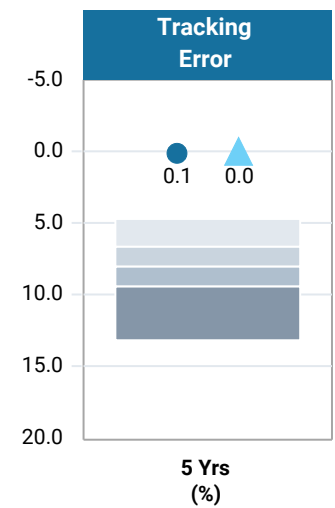
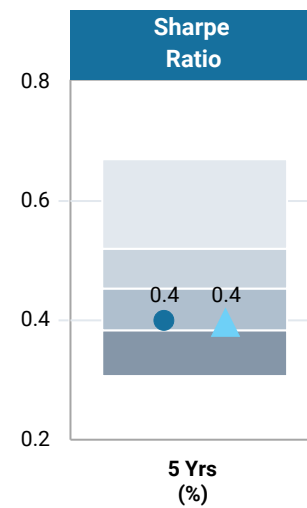
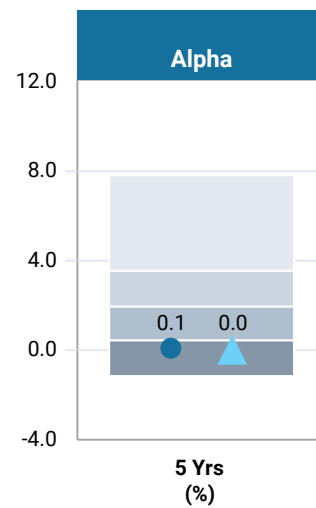
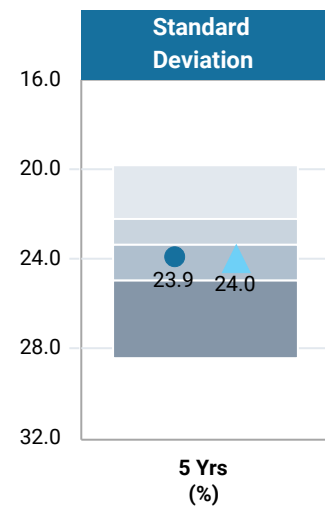
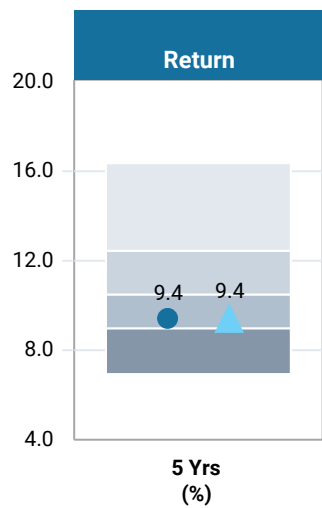
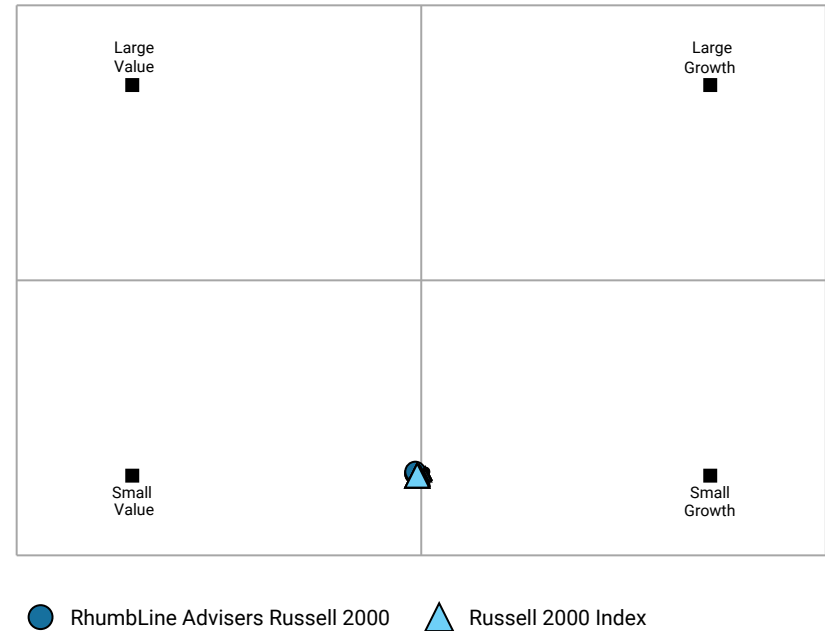


RHUMBLINE ADVISORS RUSSELL 2000

5 Years Return vs. Standard Deviation

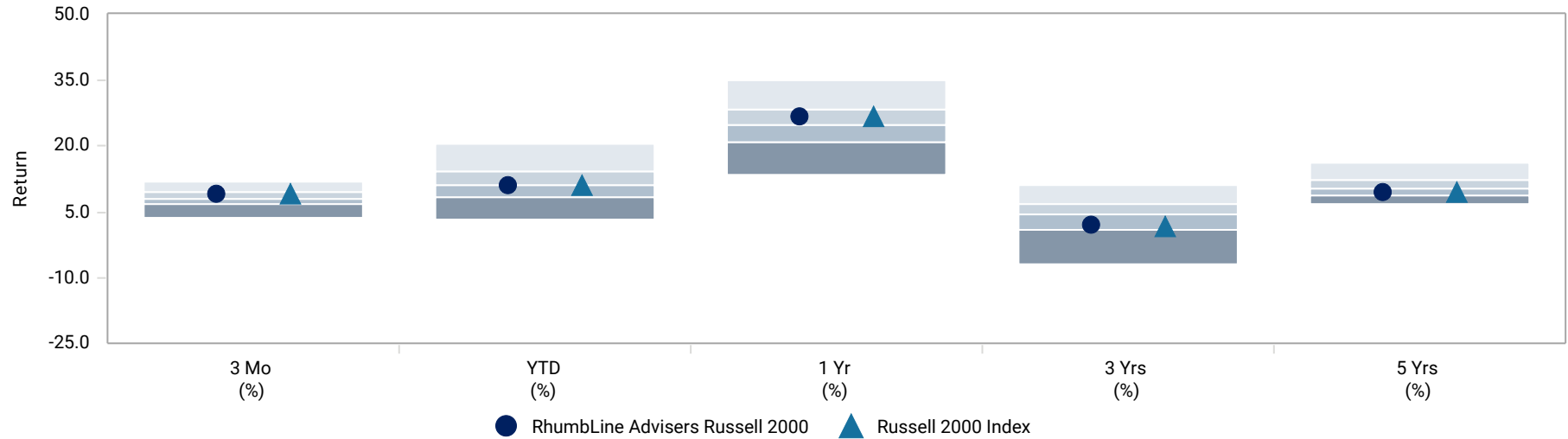


Rolling 3 Years Style Map

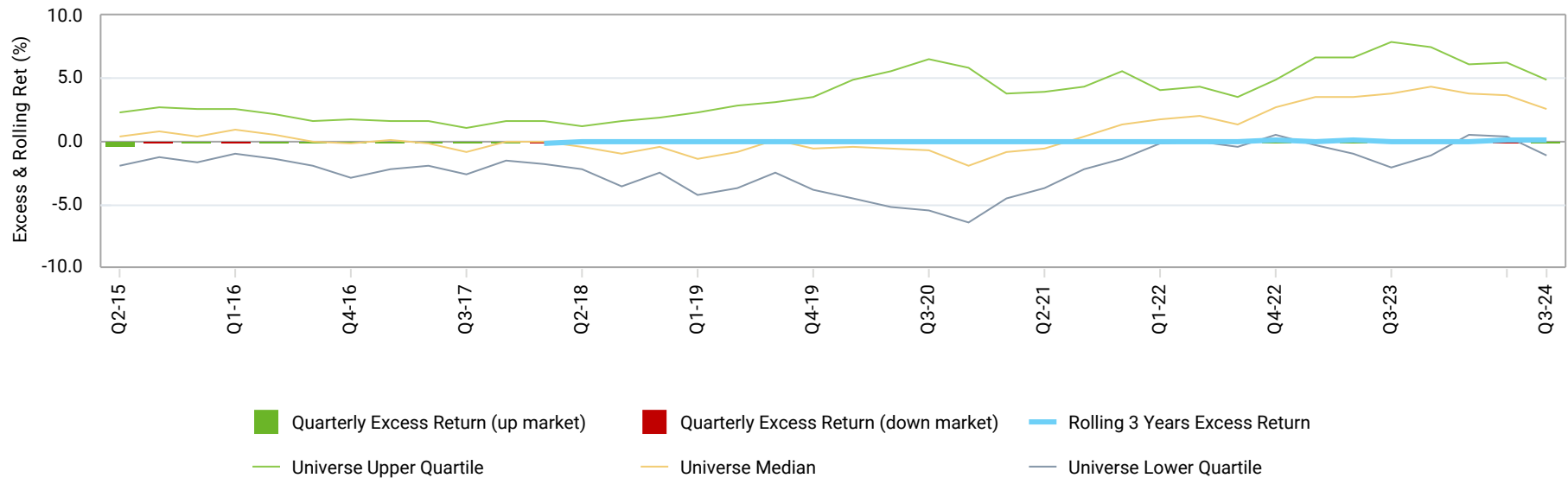


RHUMBLINE ADVISORS RUSSELL 2000

eV US Small Cap Equity (net of fees)

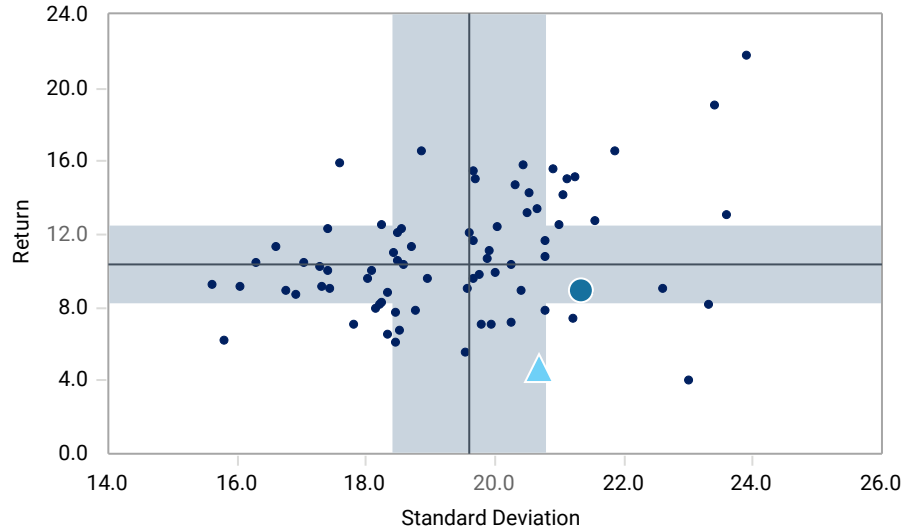


Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending September 30, 2024



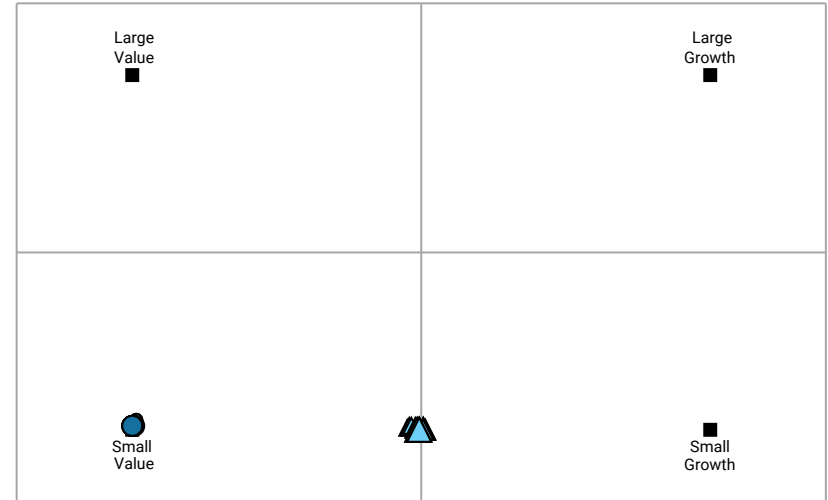
RHUMBLINE ADVISORS RUSSELL 2000 VALUE

Since Inception Return vs. Standard Deviation

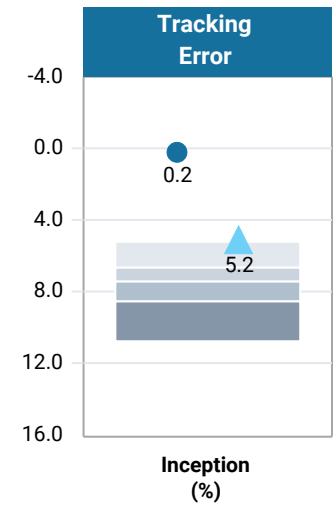
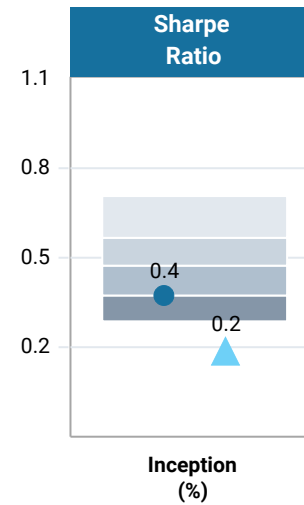
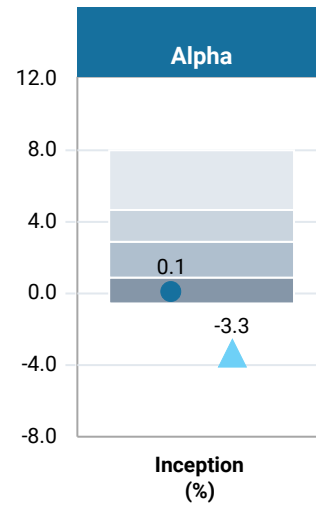
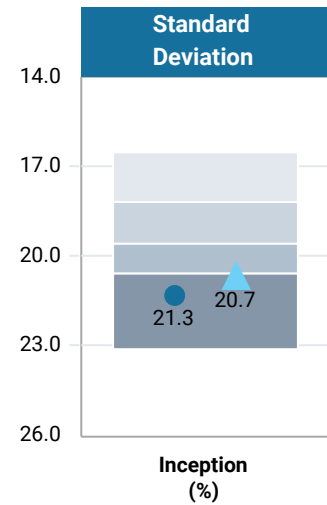
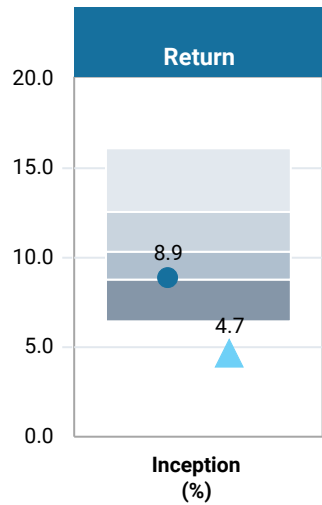


● Rhumbline Advisers Russell 2000 Value
▲ Russell 2000 Index

Rolling 1 Year Style Map

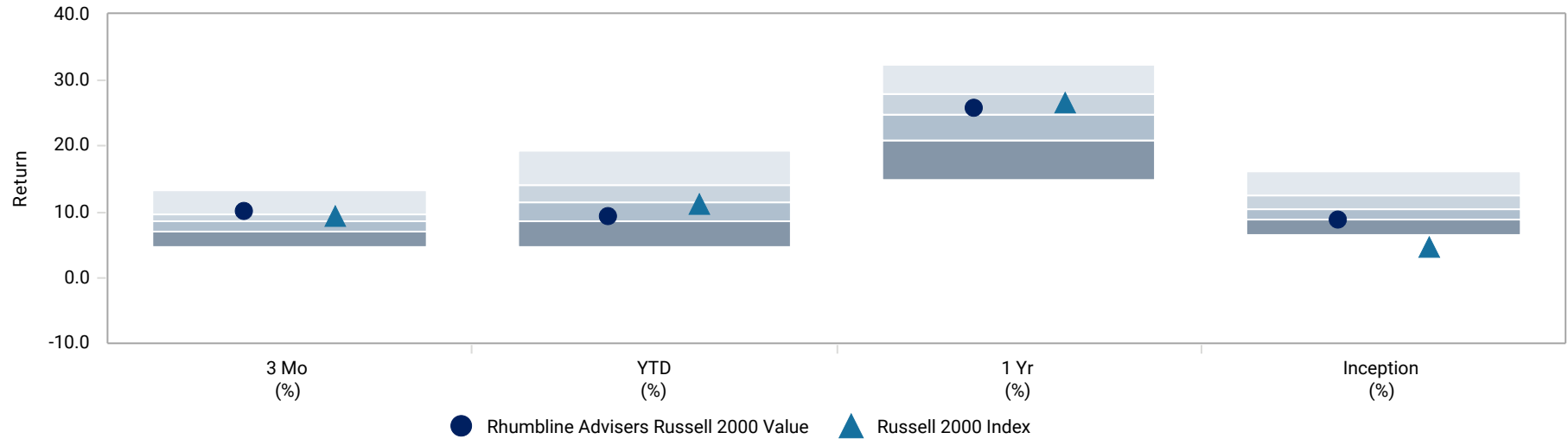


● Rhumbline Advisers Russell 2000 Value
▲ Russell 2000 Index

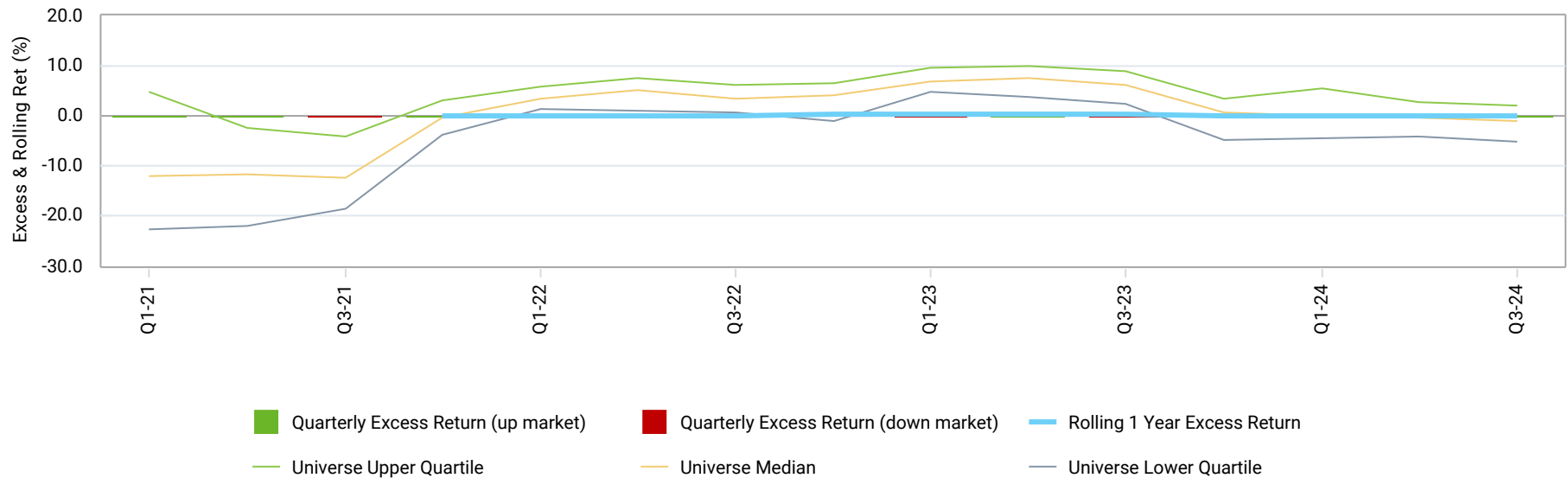


RHUMBLINE ADVISORS RUSSELL 2000 VALUE

eV US Small-Mid Cap Value Equity (net of fees)



Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending September 30, 2024

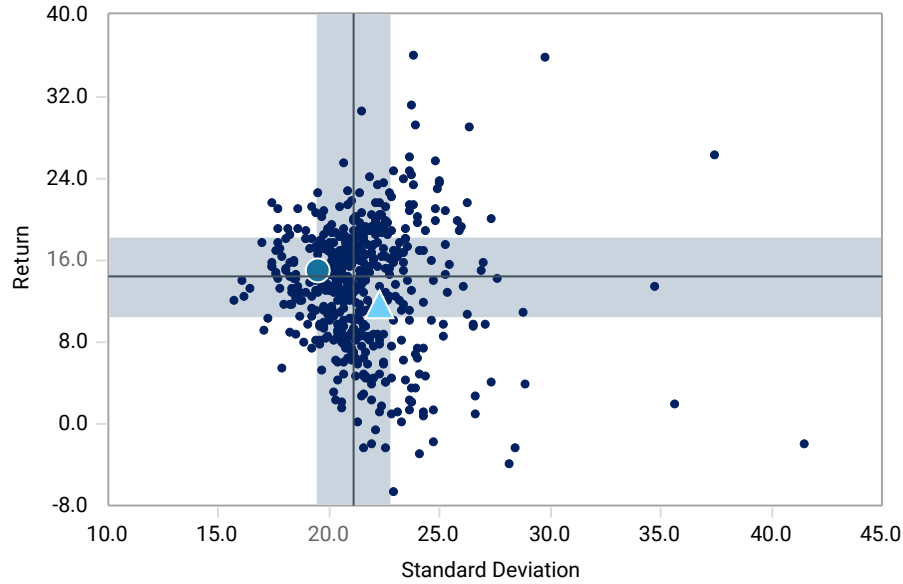


Los Angeles City Employees' Retirement System-LACERS Master Trust

COPELAND CAPITAL MANAGEMENT

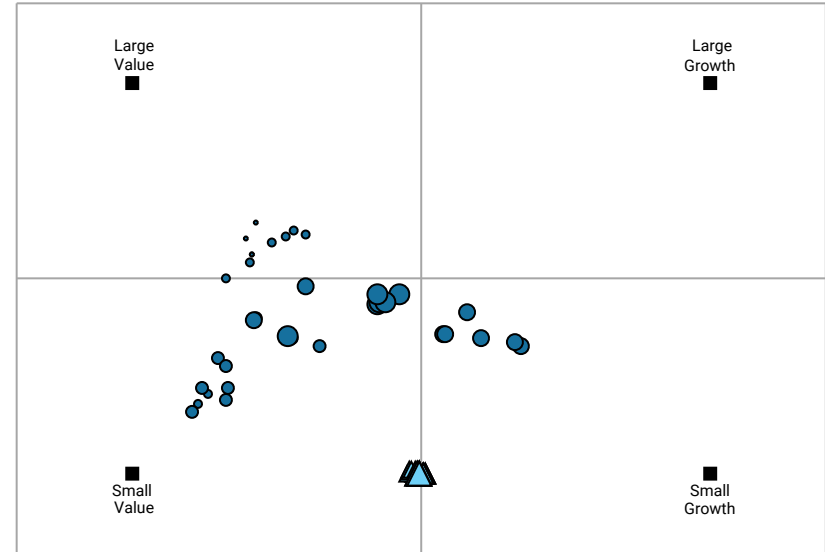
September 30, 2024

Since Inception Return vs. Standard Deviation

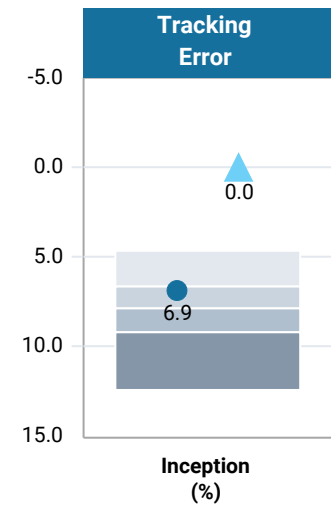
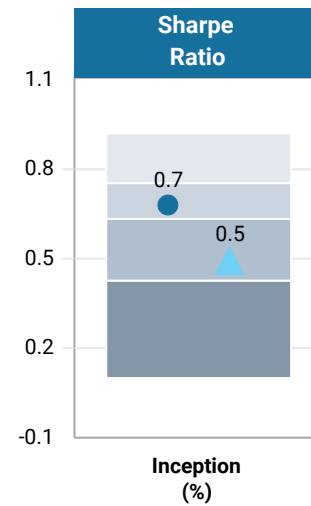
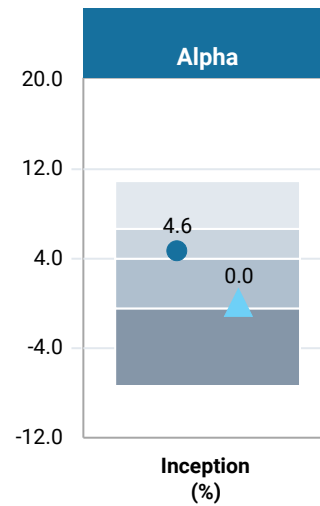
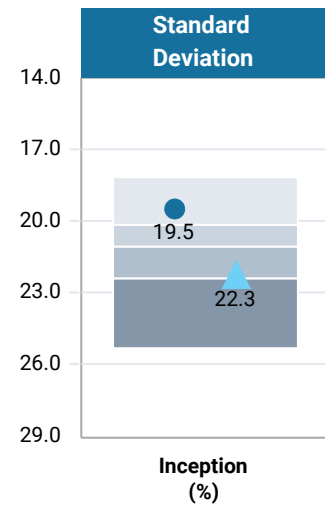
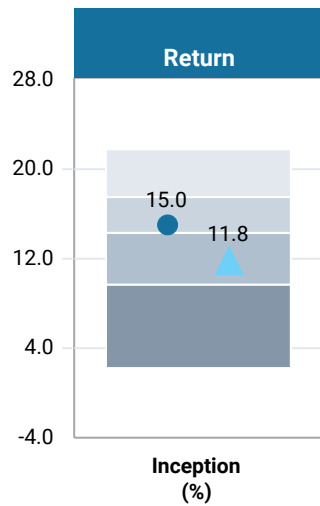


● Copeland Capital Management ▲ Russell 2000 Index

Rolling 1 Year Style Map

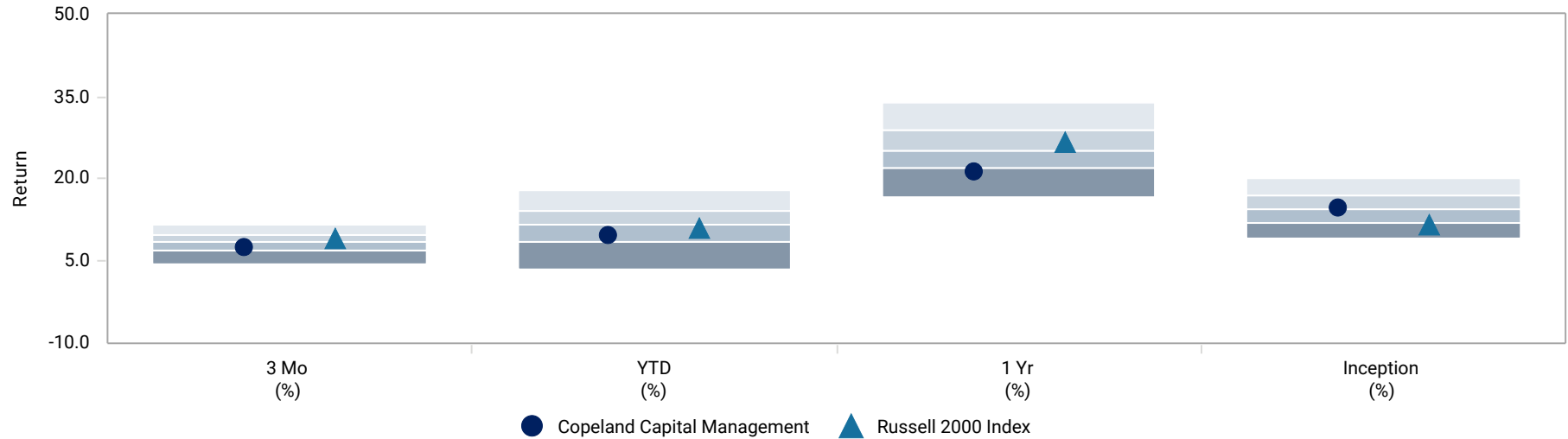


● Copeland Capital Management ▲ Russell 2000 Index

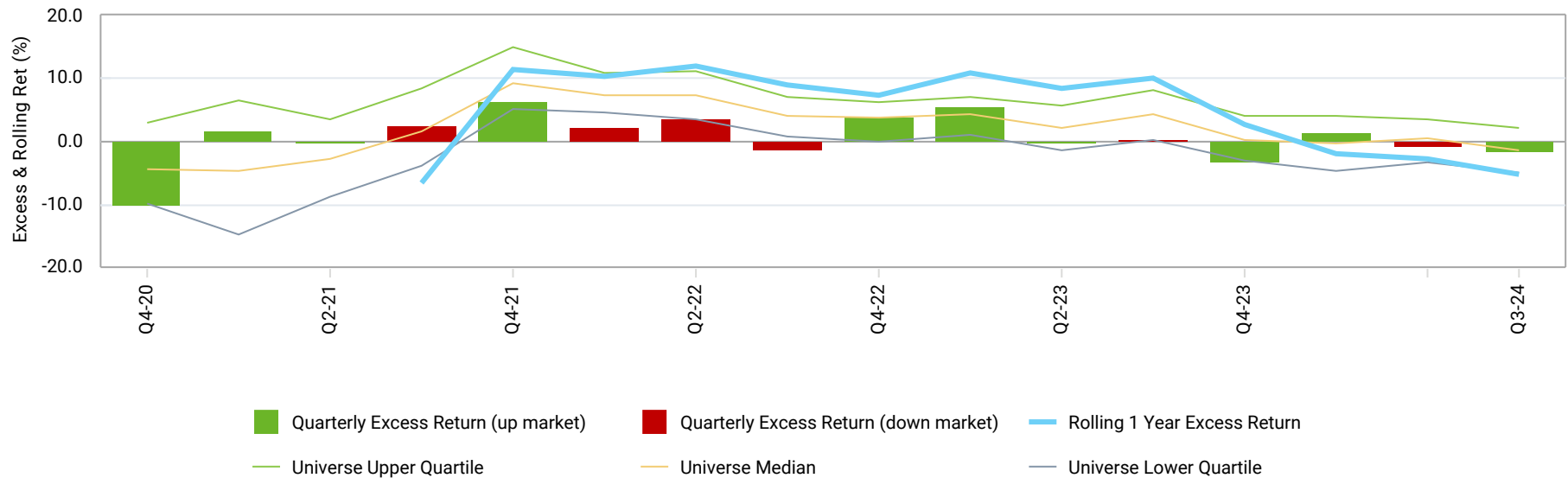


COPELAND CAPITAL MANAGEMENT

eV US Small Cap Core Equity (net of fees)

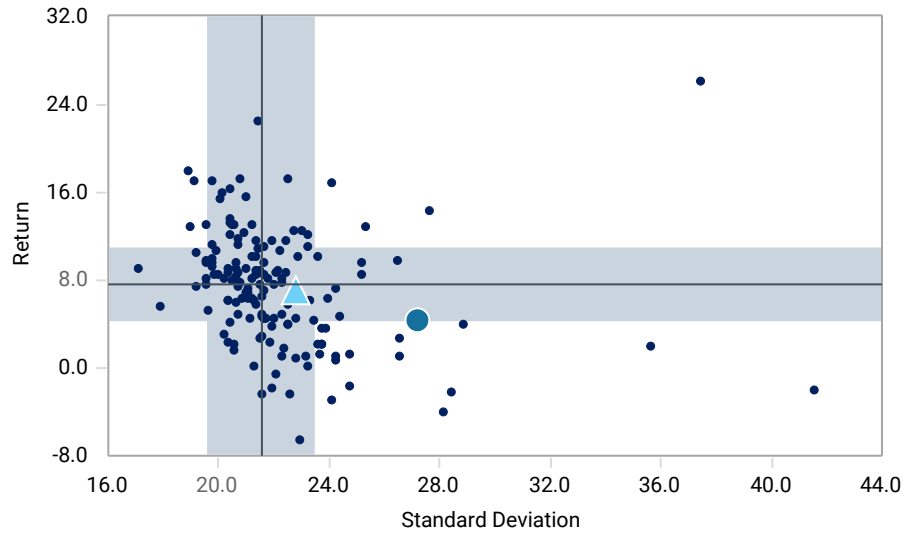


Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending September 30, 2024



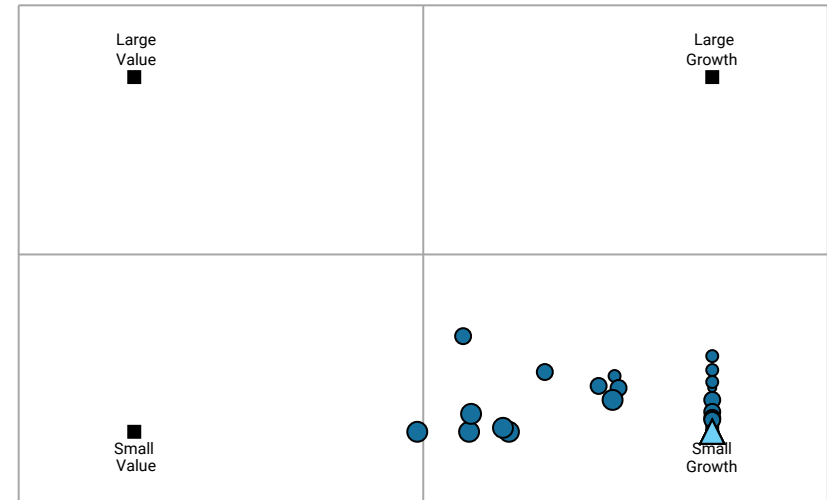
GRANAHAN INVESTMENT MANAGEMENT

Since Inception Return vs. Standard Deviation

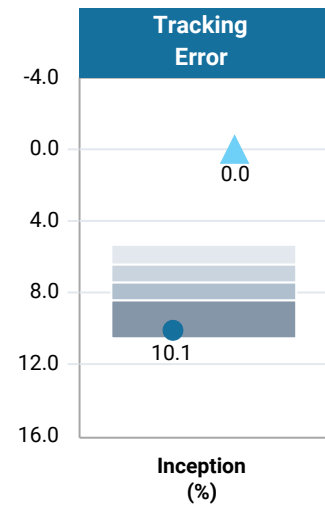
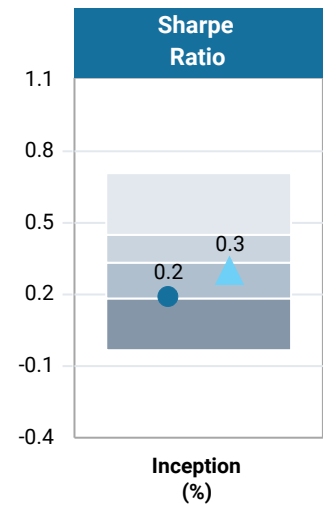
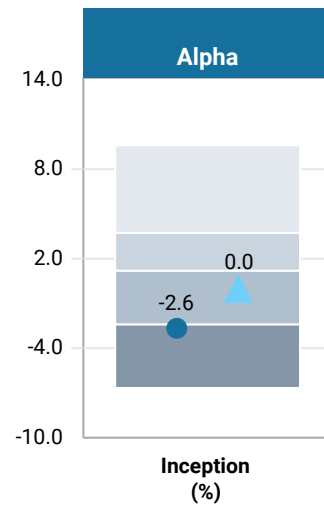
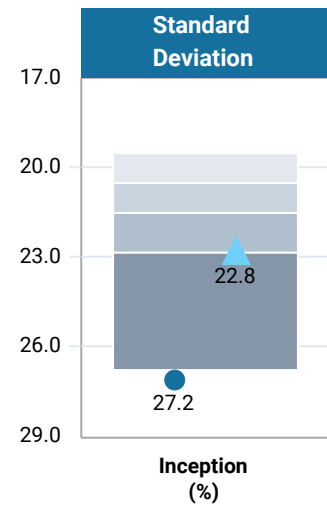
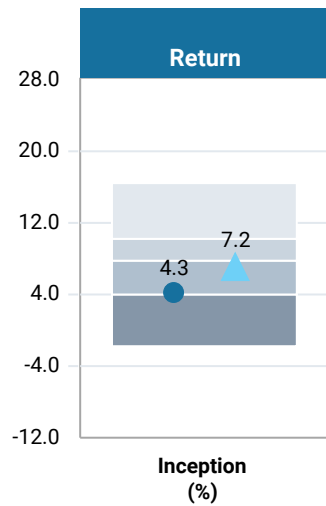


- Granahan Investment Management
- ▲ Russell 2000 Growth Index

Rolling 1 Year Style Map

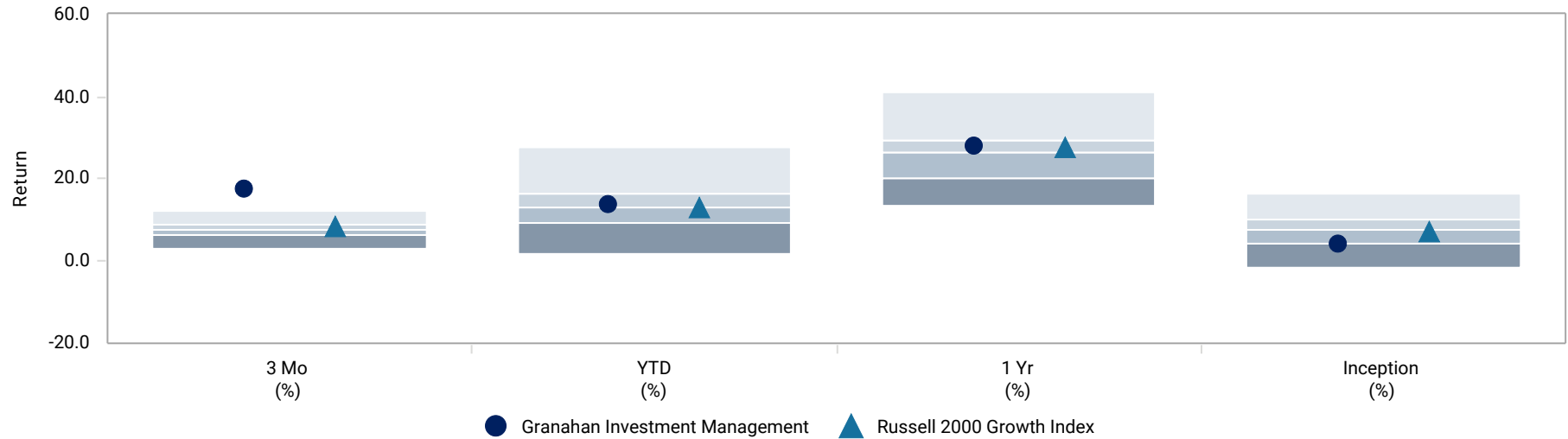


- Granahan Investment Management
- ▲ Russell 2000 Growth Index

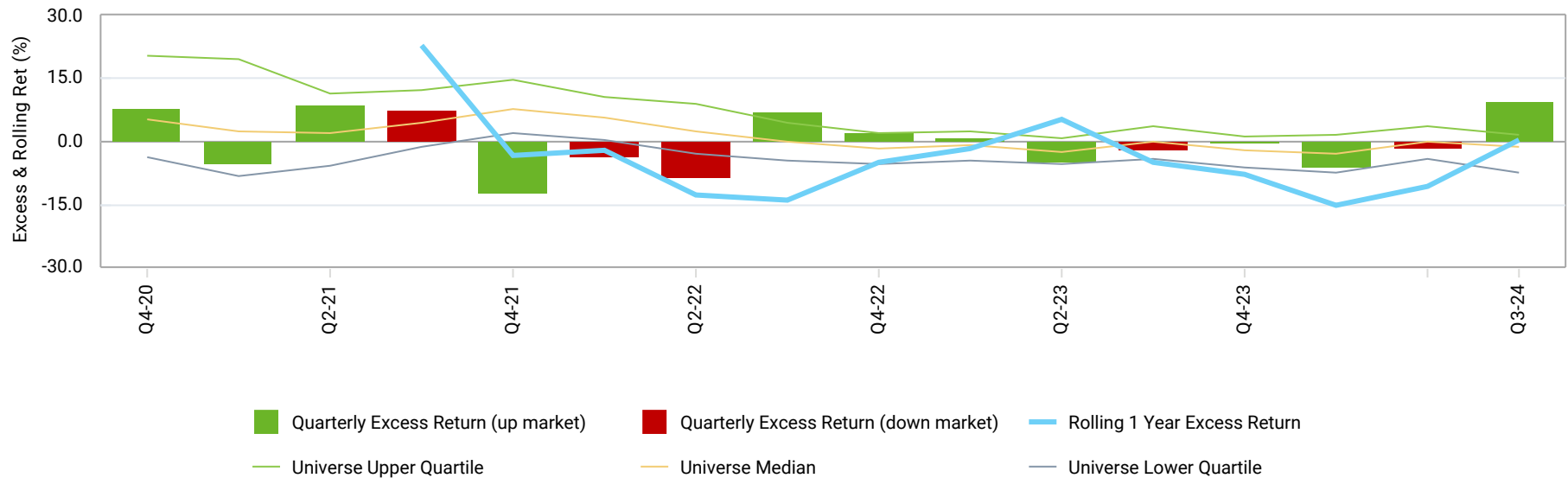


GRANAHAAN INVESTMENT MANAGEMENT

eV US Small Cap Growth Equity (net of fees)



Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending September 30, 2024

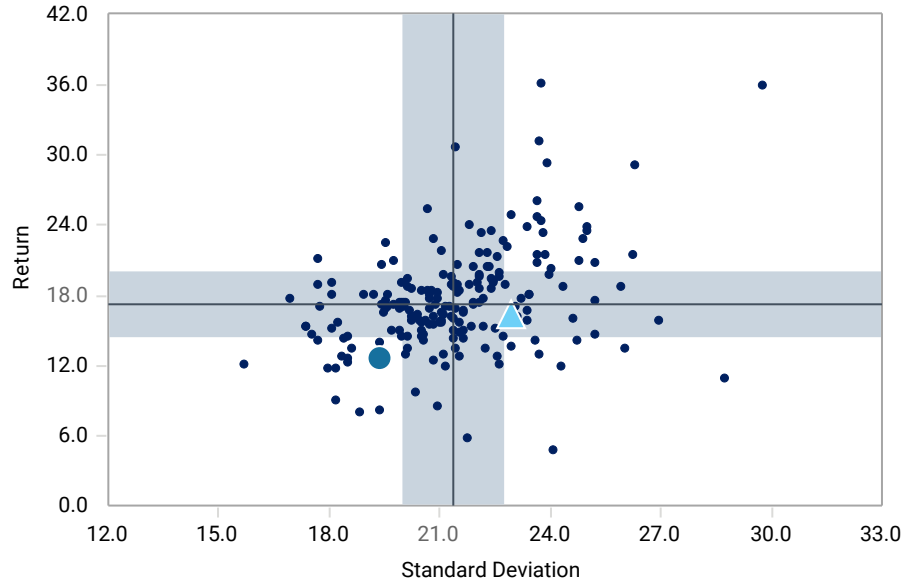


Los Angeles City Employees' Retirement System-LACERS Master Trust

SEGALL, BRYANT & HAMILL

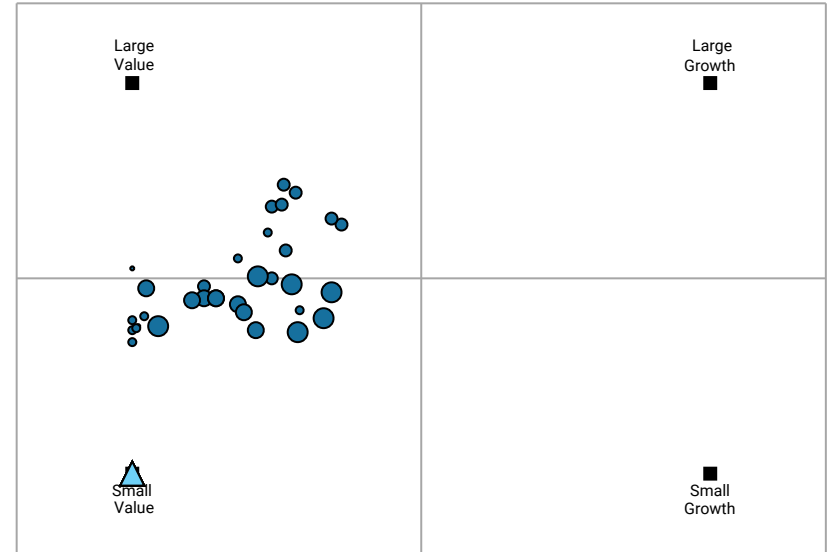
September 30, 2024

Since Inception Return vs. Standard Deviation

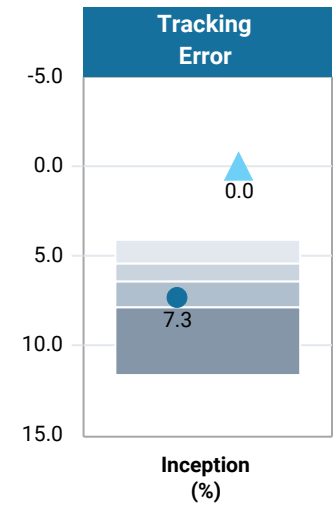
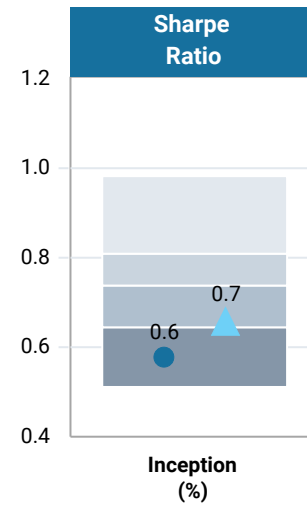
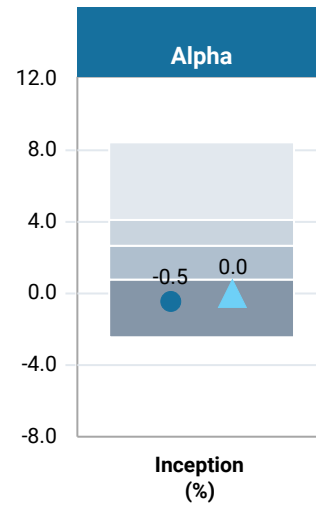
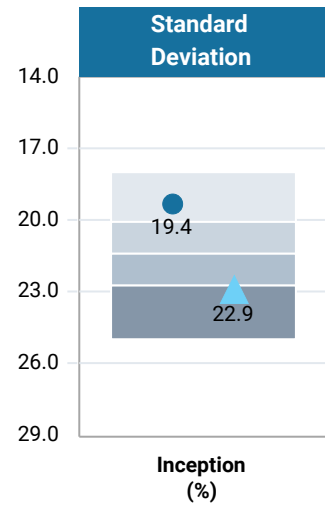
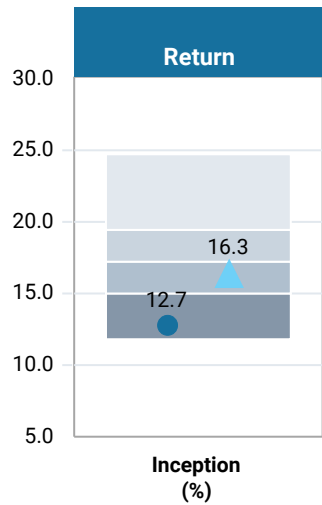


● Segall, Bryant & Hamill ▲ Russell 2000 Value Index

Rolling 1 Year Style Map



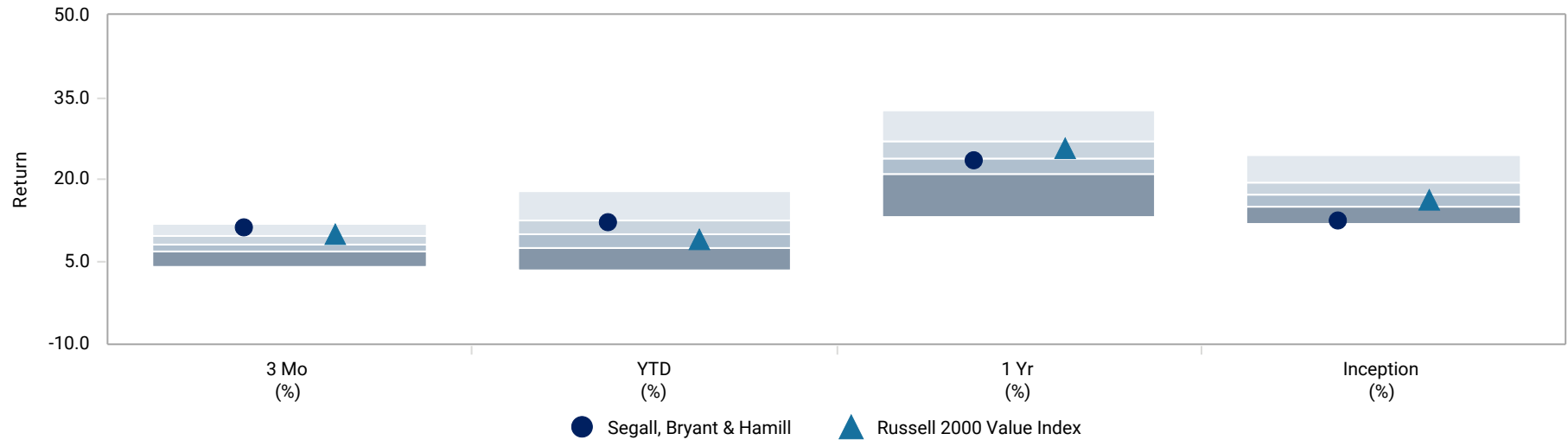
● Segall, Bryant & Hamill ▲ Russell 2000 Value Index



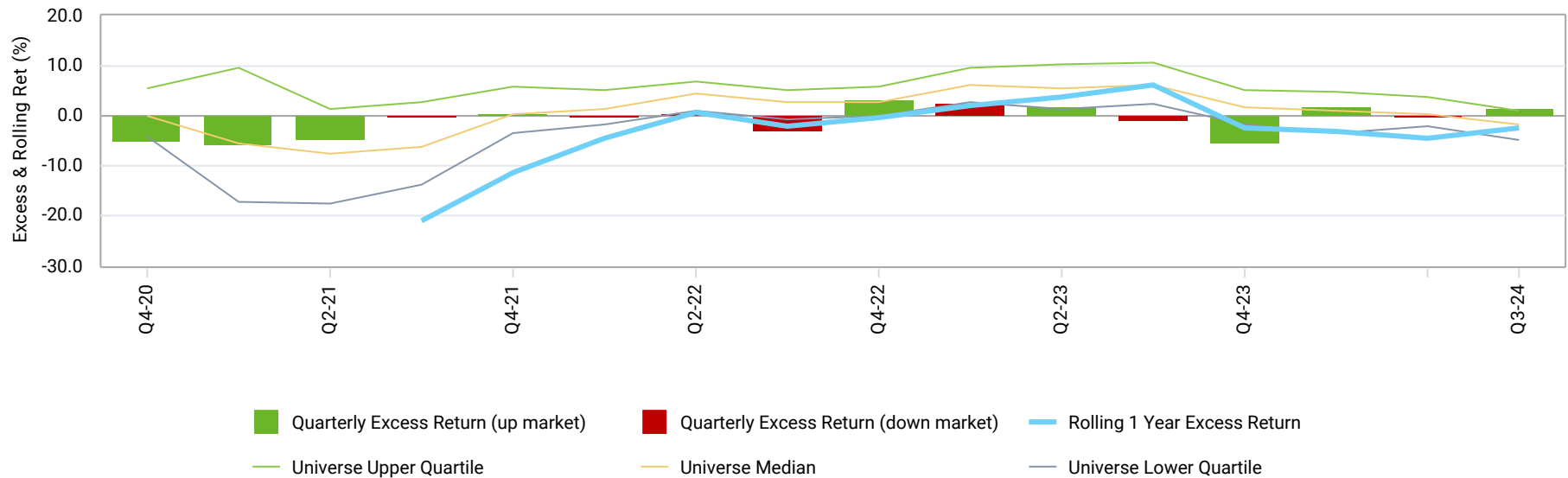
Los Angeles City Employees' Retirement System-LACERS Master Trust
SEGALL, BRYANT & HAMILL

September 30, 2024

eV US Small Cap Value Equity (net of fees)



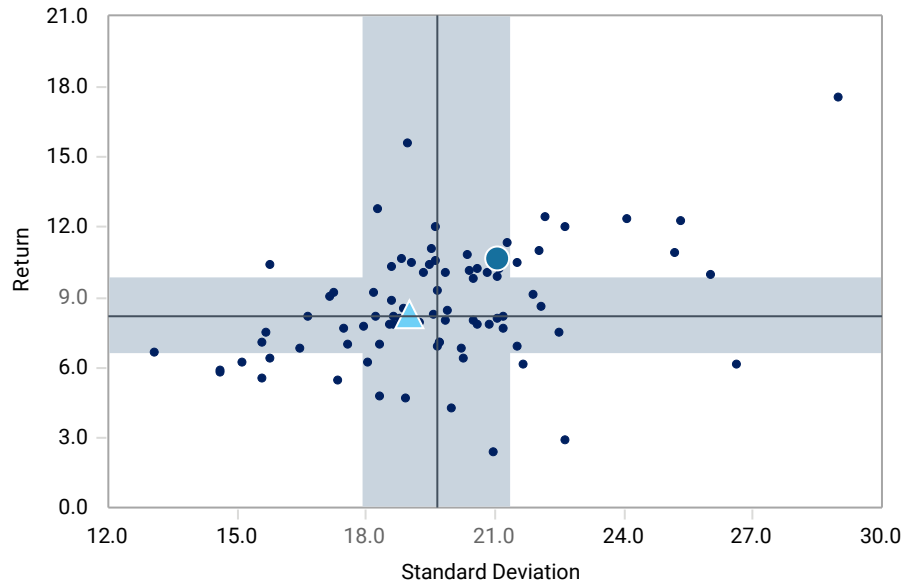
Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending September 30, 2024



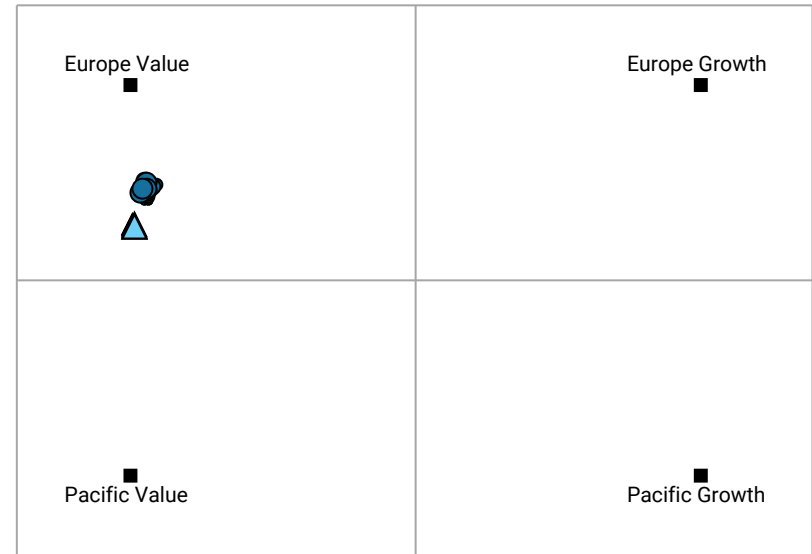
NON-U.S. EQUITY MANAGER PERFORMANCE

BARROW HANLEY

5 Years Return vs. Standard Deviation



Rolling 5 Years Style Map

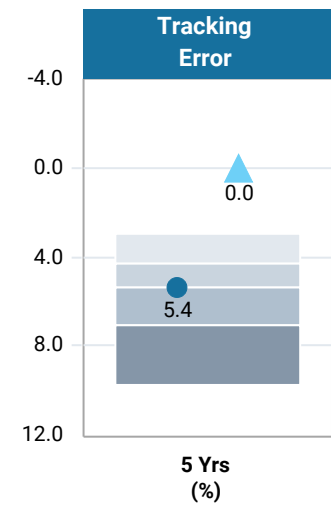
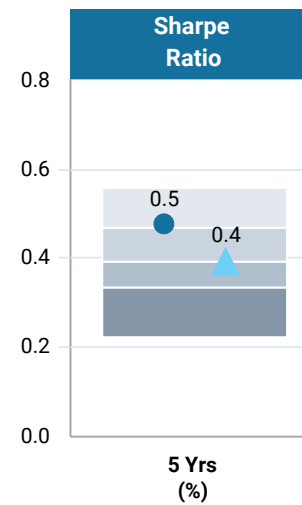
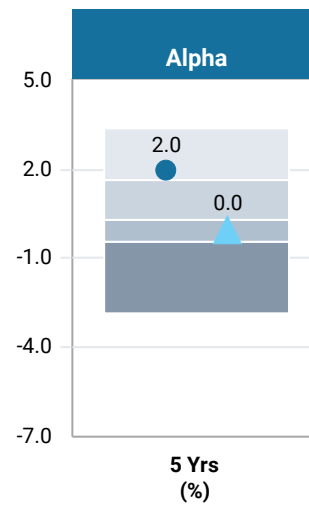
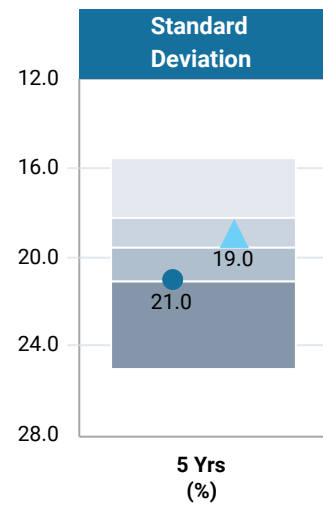
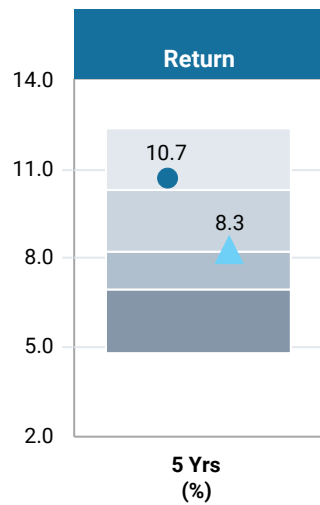


● Barrow Hanley

▲ MSCI EAFE Value Index (Net)

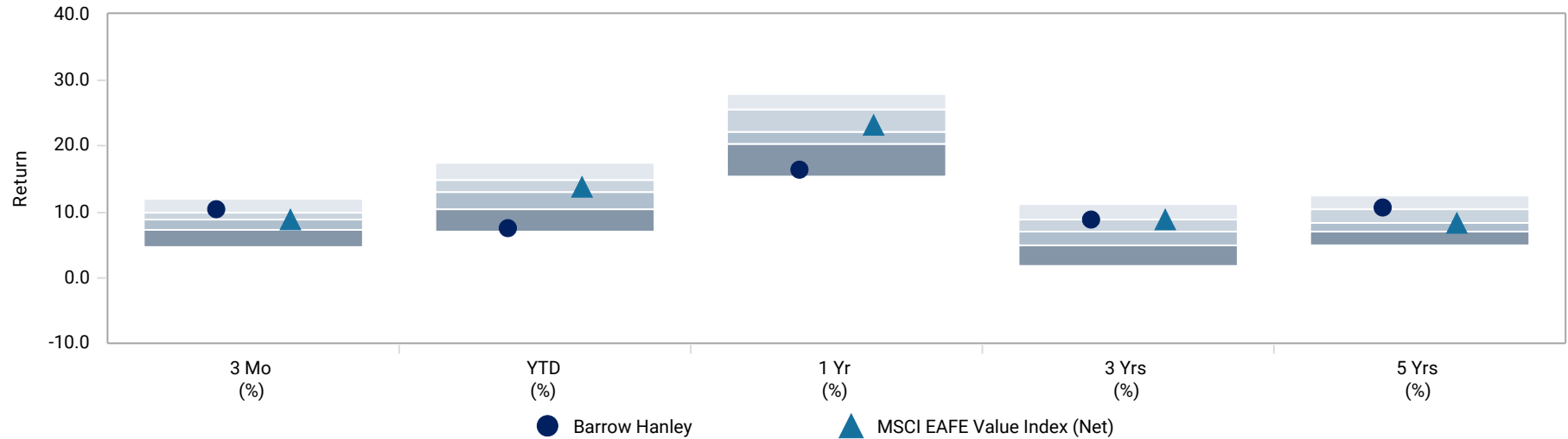
● Barrow Hanley

▲ MSCI EAFE Value Index (Net)

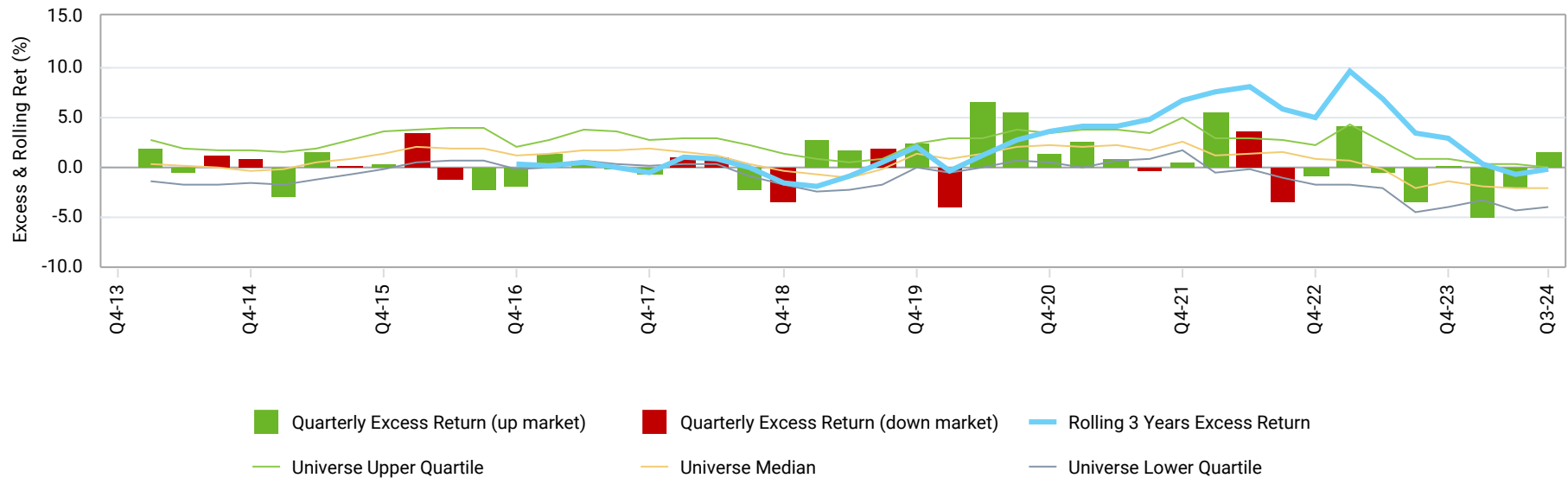


BARROW HANLEY

eV EAFE Value Equity (net of fees)



Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending September 30, 2024

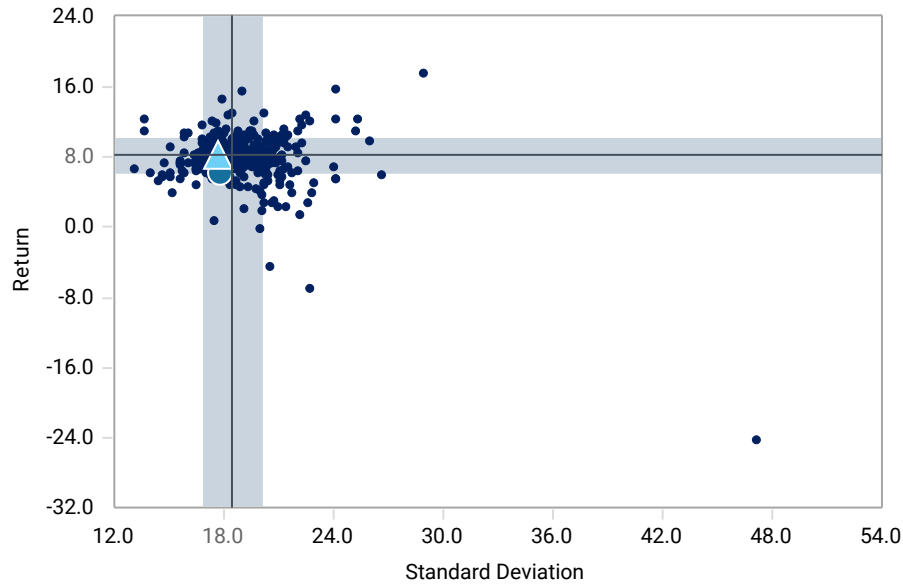


Los Angeles City Employees' Retirement System-LACERS Master Trust

LAZARD ASSET MANAGEMENT

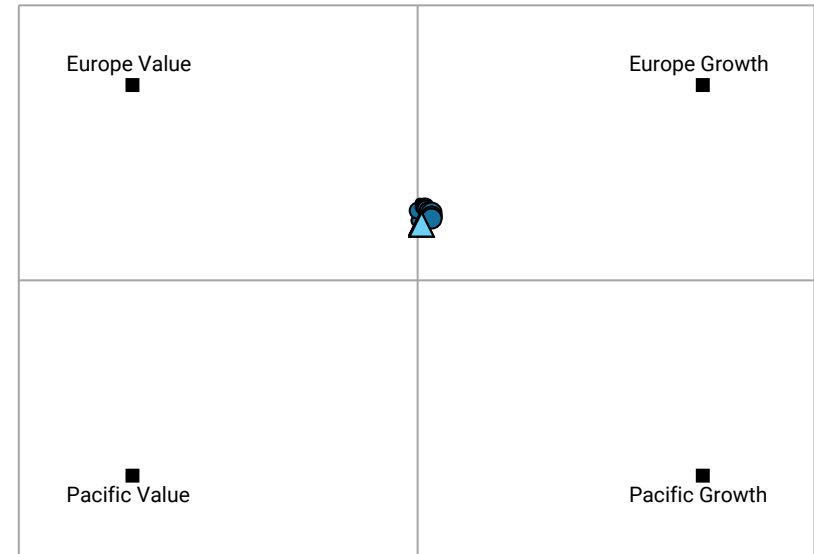
September 30, 2024

5 Years Return vs. Standard Deviation

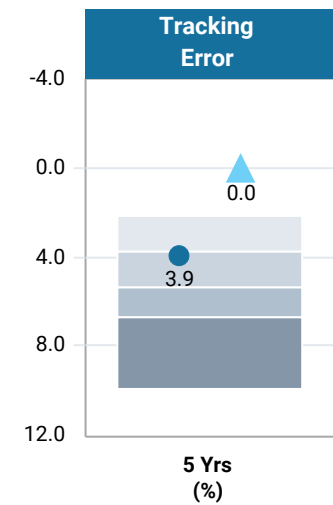
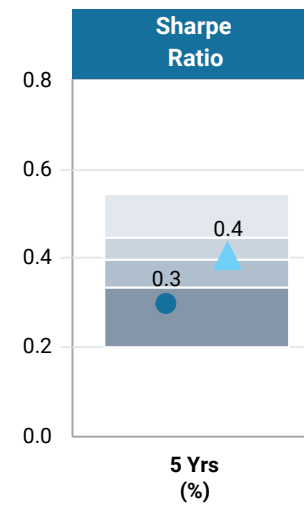
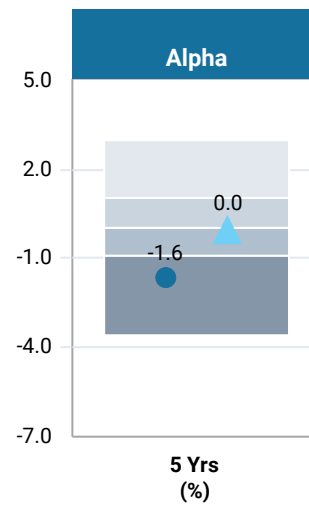
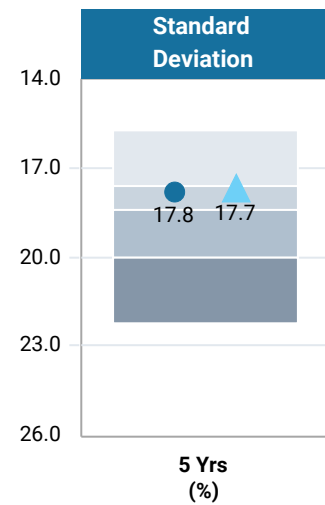
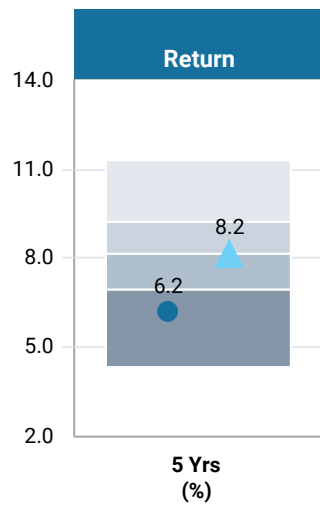


● Lazard Asset Management ▲ MSCI EAFE (Net)

Rolling 5 Years Style Map

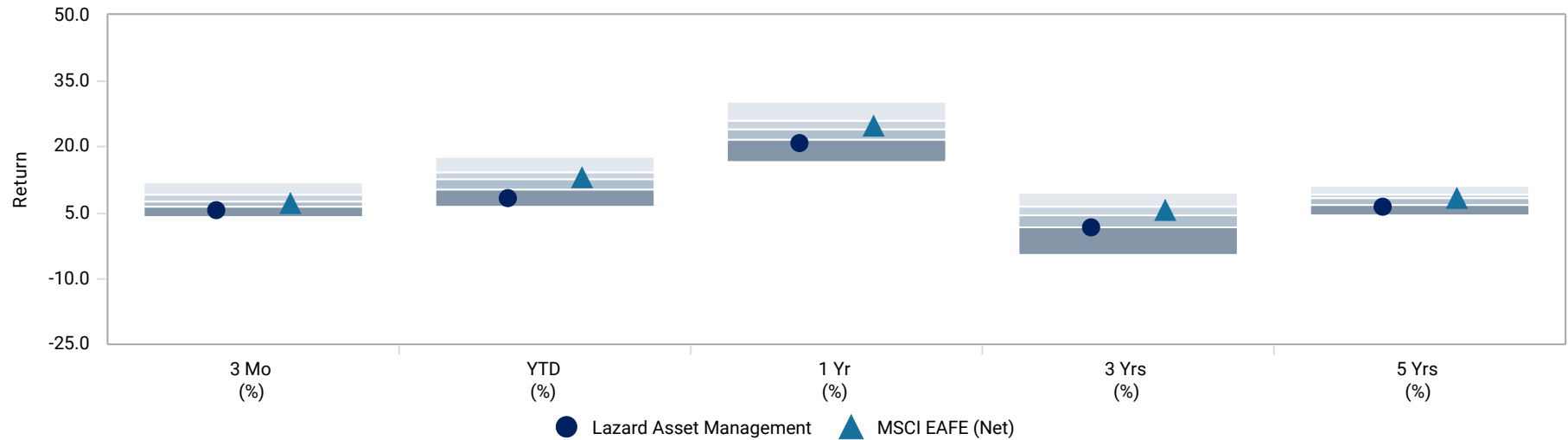


● Lazard Asset Management ▲ MSCI EAFE (Net)

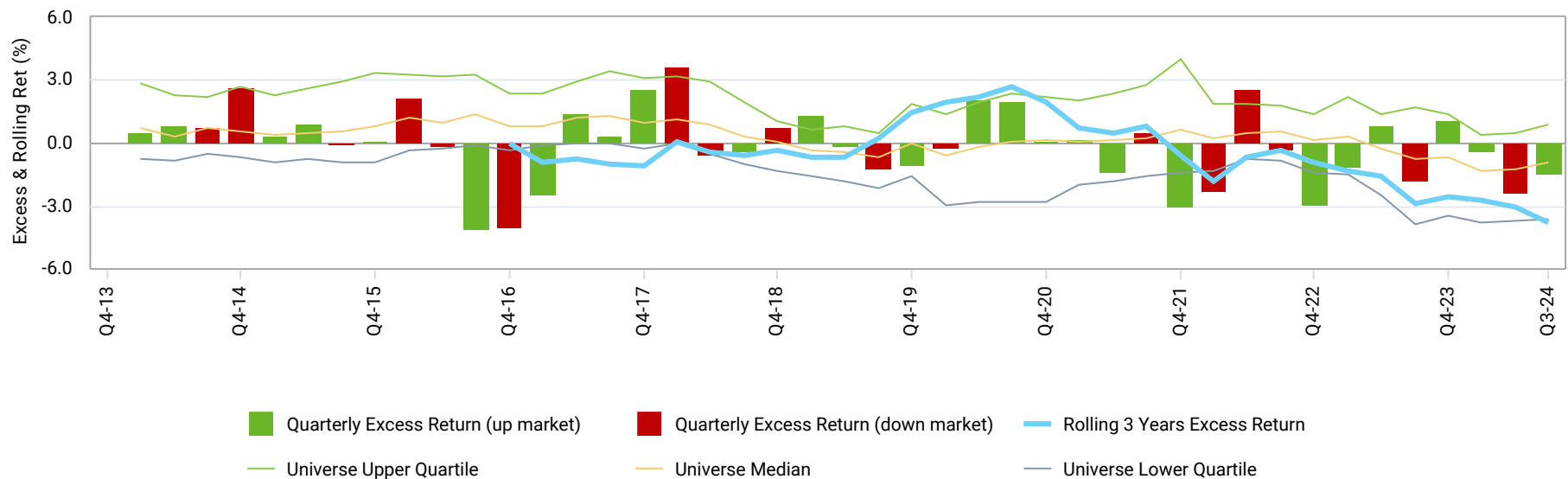


LAZARD ASSET MANAGEMENT

eV All EAFE Equity (net of fees)



Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending September 30, 2024

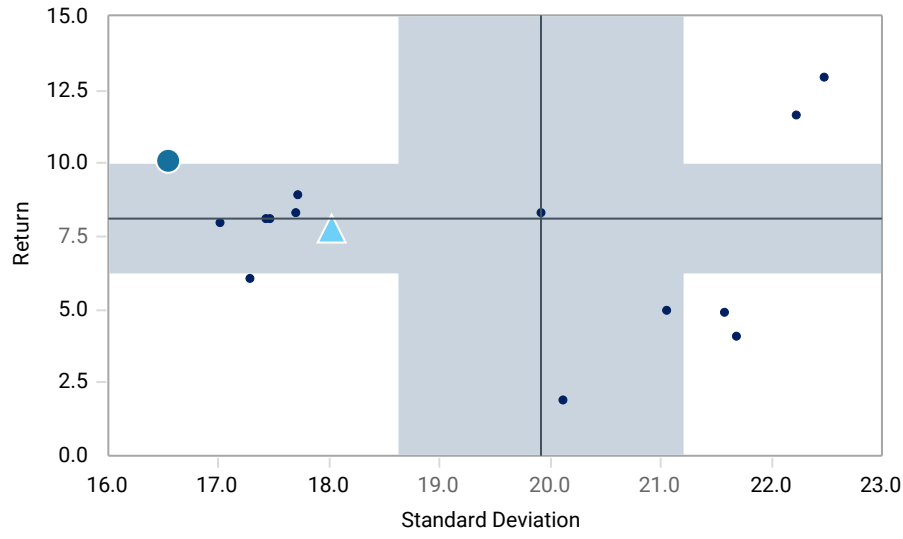


Los Angeles City Employees' Retirement System-LACERS Master Trust

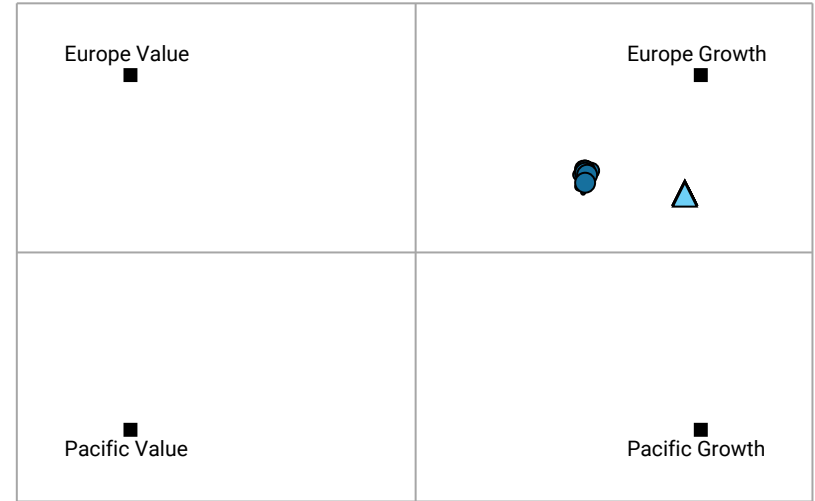
MFS INSTITUTIONAL ADVISORS

September 30, 2024

5 Years Return vs. Standard Deviation

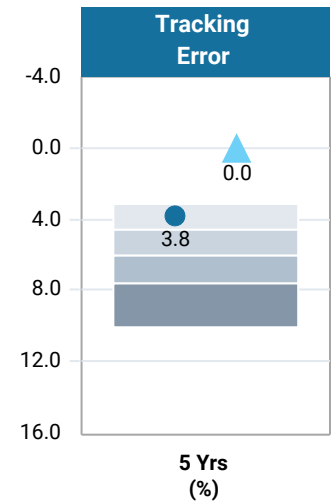
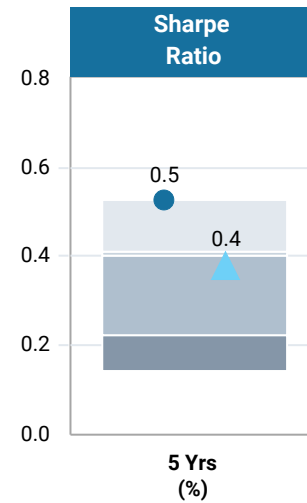
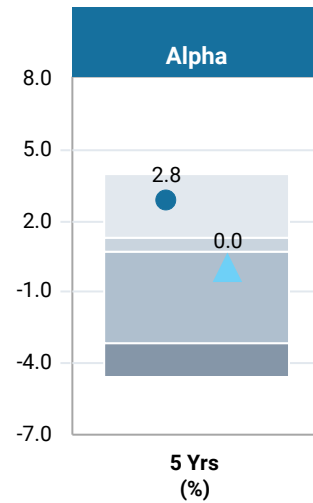
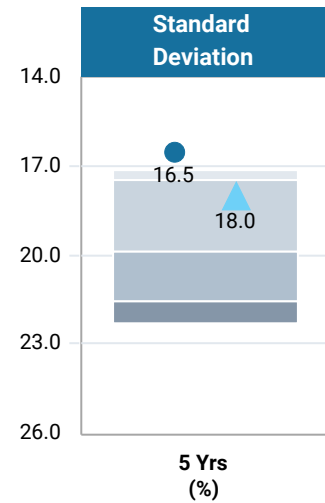
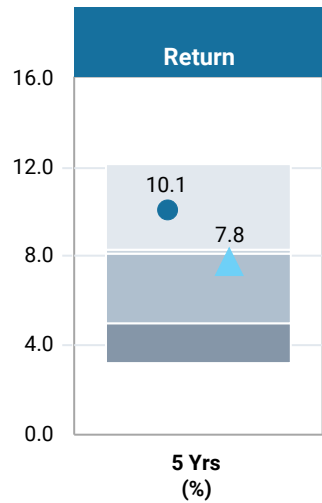


Rolling 5 Years Style Map



- MFS Institutional Advisors
- ▲ MSCI World ex USA Growth NR USD

- MFS Institutional Advisors
- ▲ MSCI World ex USA Growth NR USD

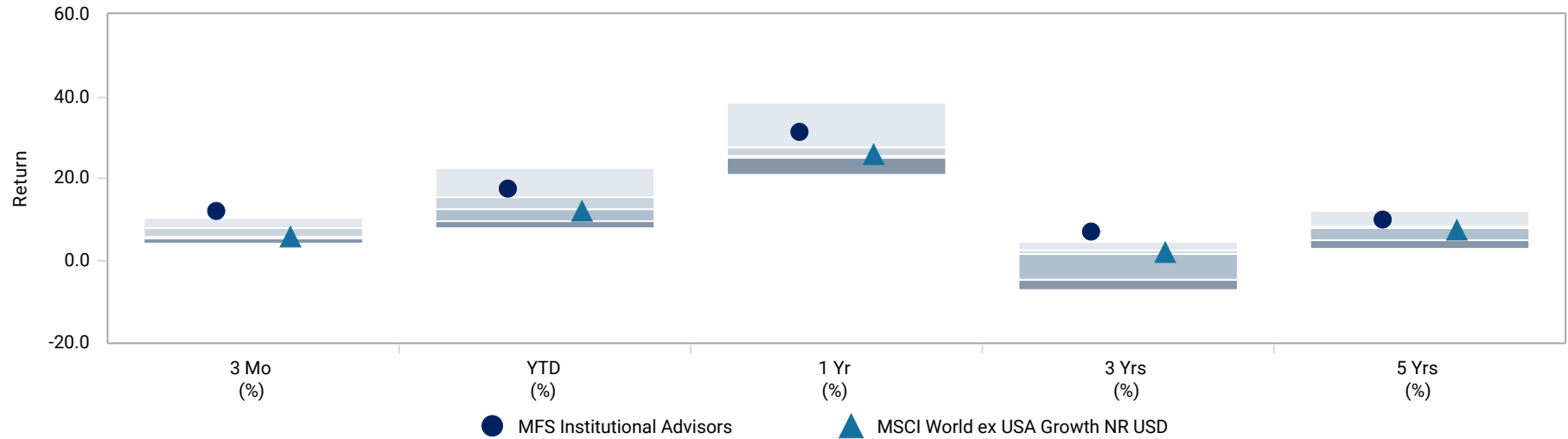


Los Angeles City Employees' Retirement System-LACERS Master Trust

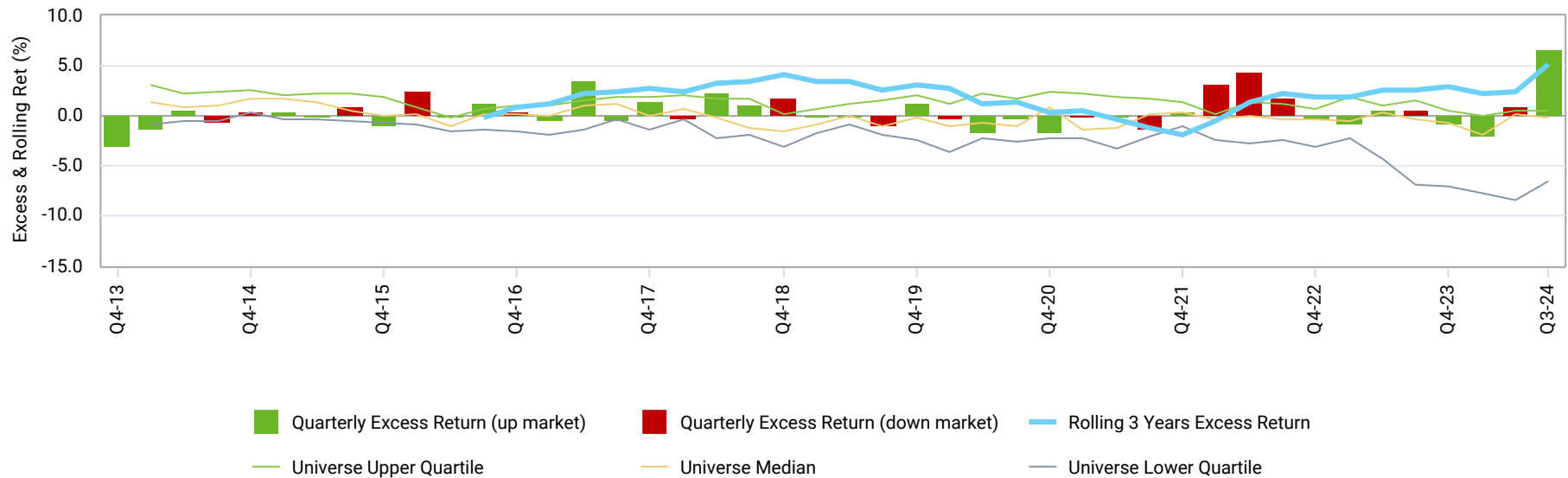
MFS INSTITUTIONAL ADVISORS

September 30, 2024

eV EAFE All Cap Growth (net of fees)



Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending September 30, 2024

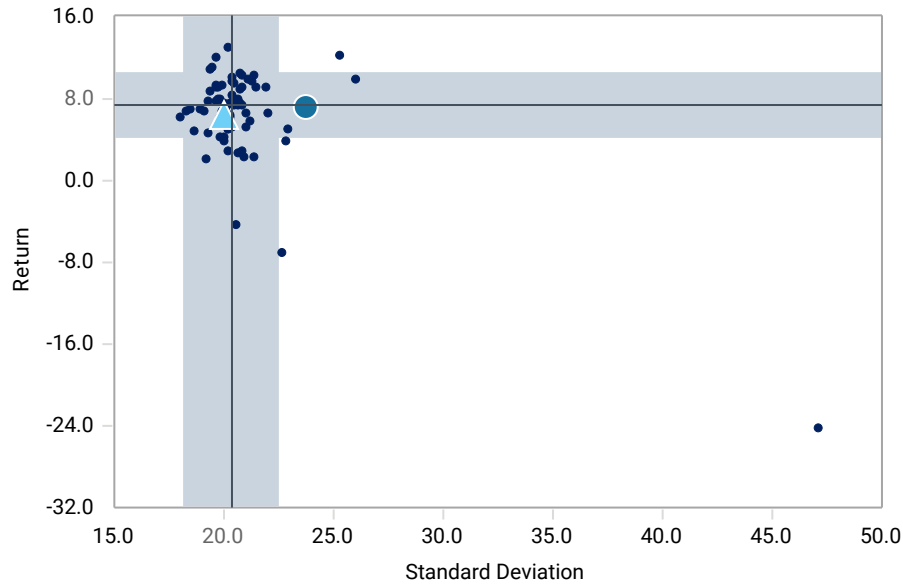


Los Angeles City Employees' Retirement System-LACERS Master Trust

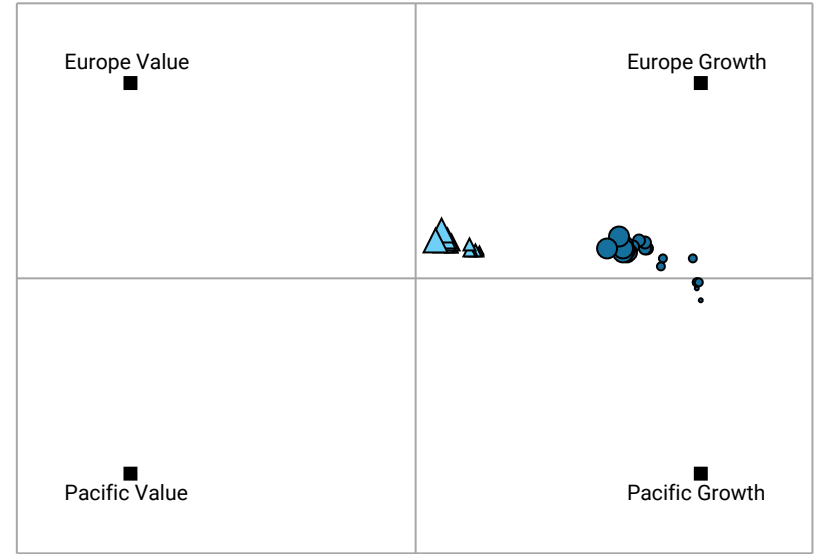
OBERWEIS ASSET MGMT

September 30, 2024

5 Years Return vs. Standard Deviation

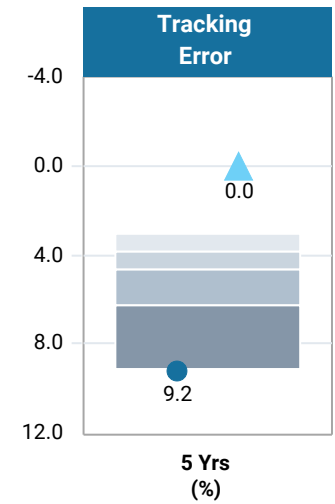
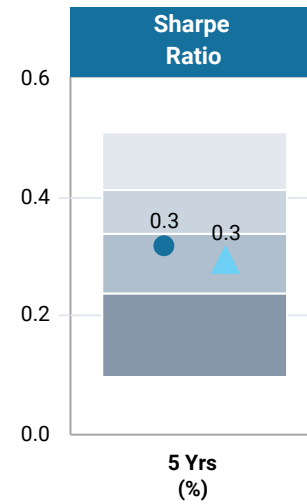
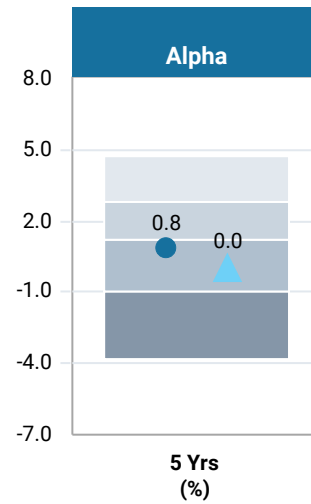
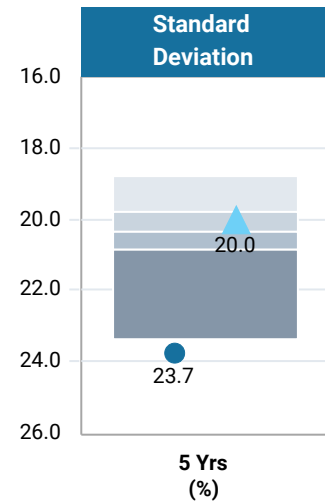
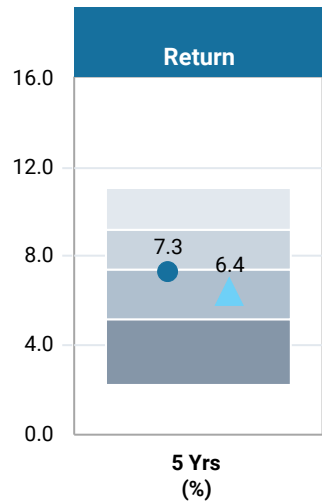


Rolling 5 Years Style Map



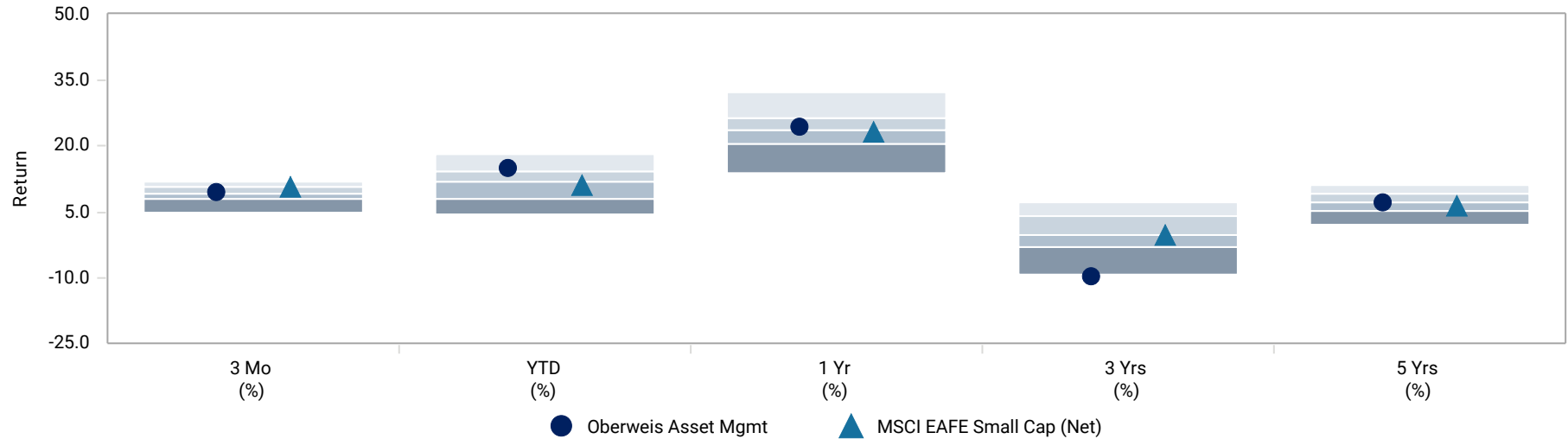
● Oberweis Asset Mgmt ▲ MSCI EAFE Small Cap (Net)

● Oberweis Asset Mgmt ▲ MSCI EAFE Small Cap (Net)

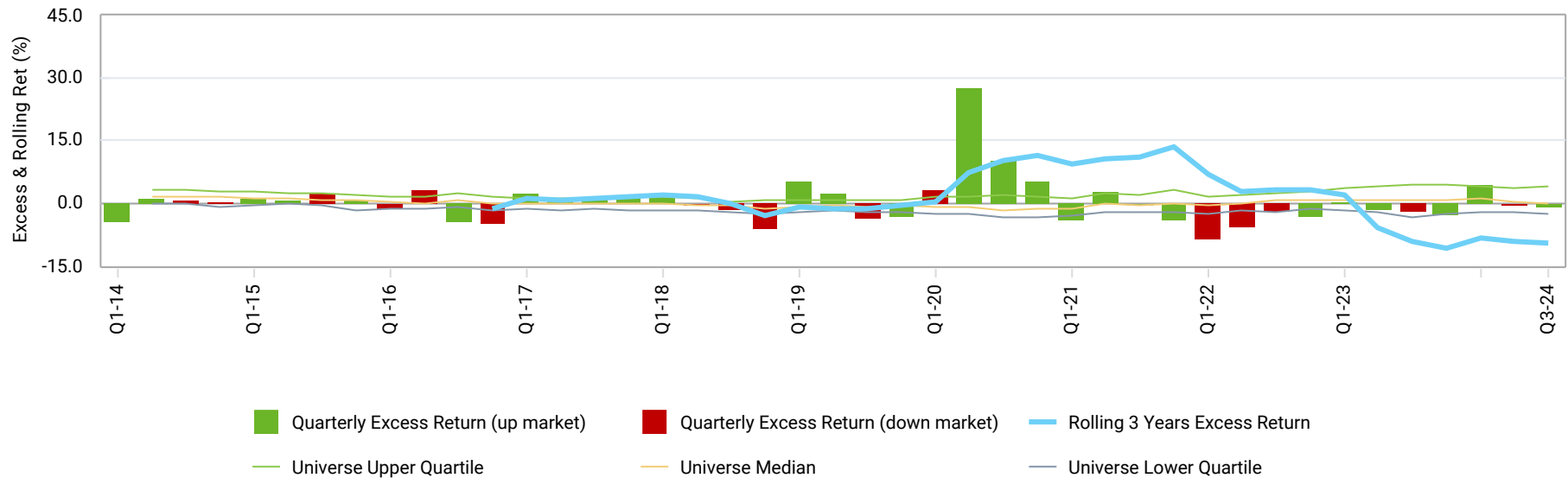


OBERWEIS ASSET MGMT

eV EAFE Small Cap Equity (net of fees)



Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending September 30, 2024

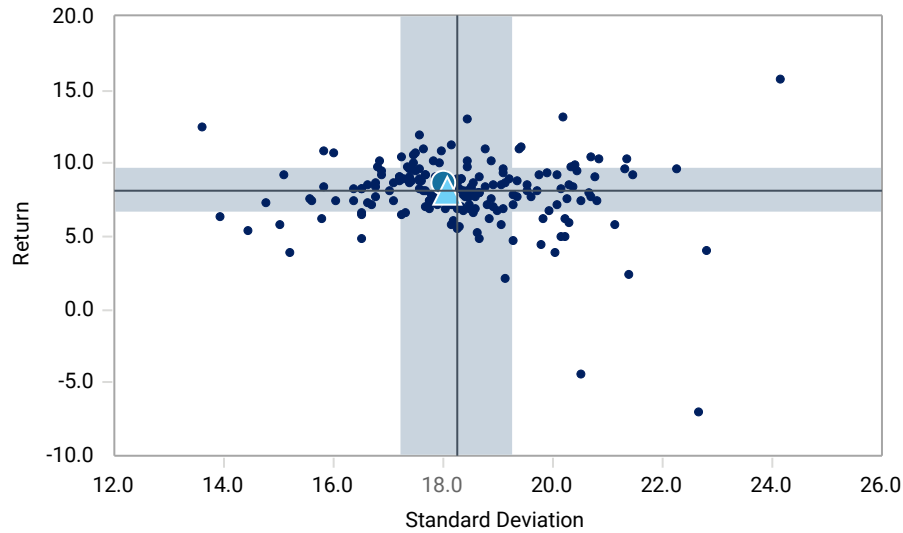


Los Angeles City Employees' Retirement System-LACERS Master Trust

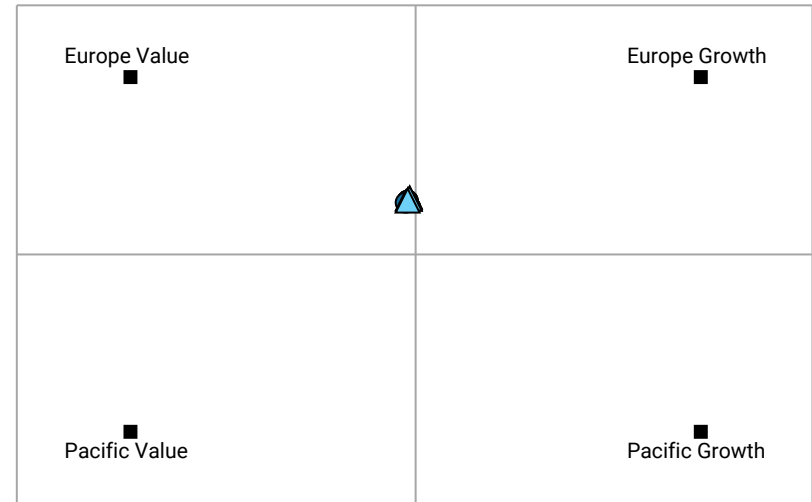
SSGA WORLD EX US IMI

September 30, 2024

5 Years Return vs. Standard Deviation

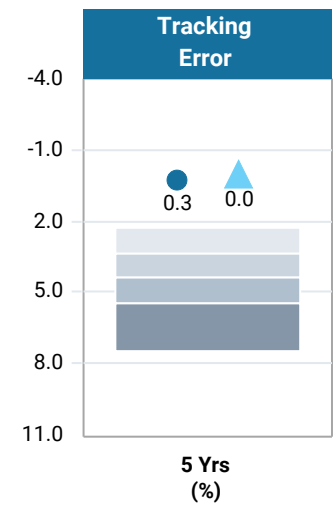
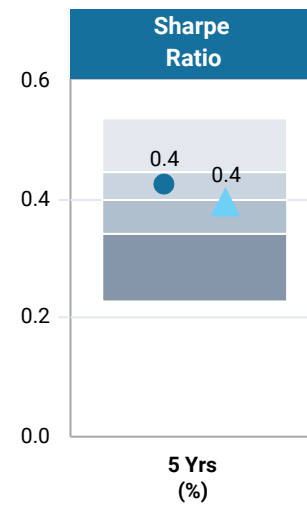
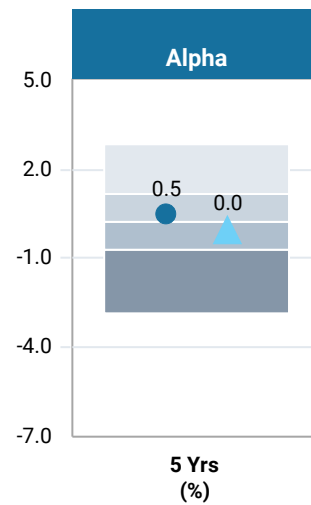
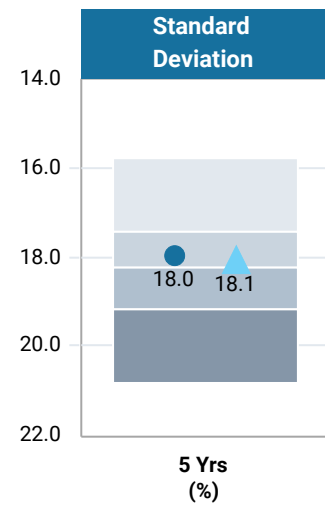
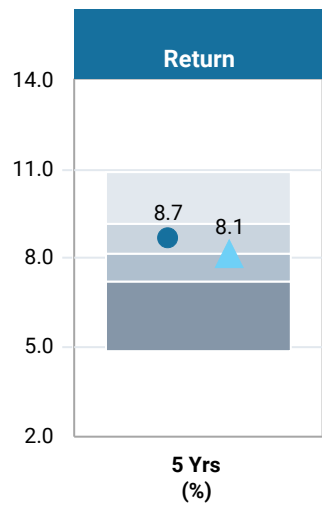


Rolling 5 Years Style Map



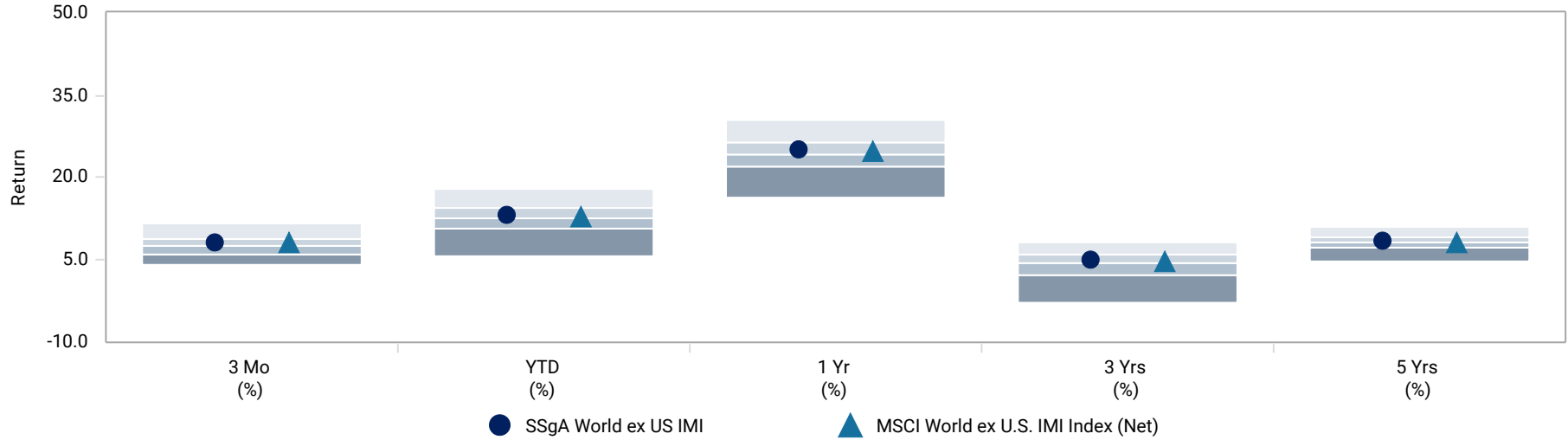
● SSGA World ex US IMI
▲ MSCI World ex U.S. IMI Index (Net)

● SSGA World ex US IMI
▲ MSCI World ex U.S. IMI Index (Net)

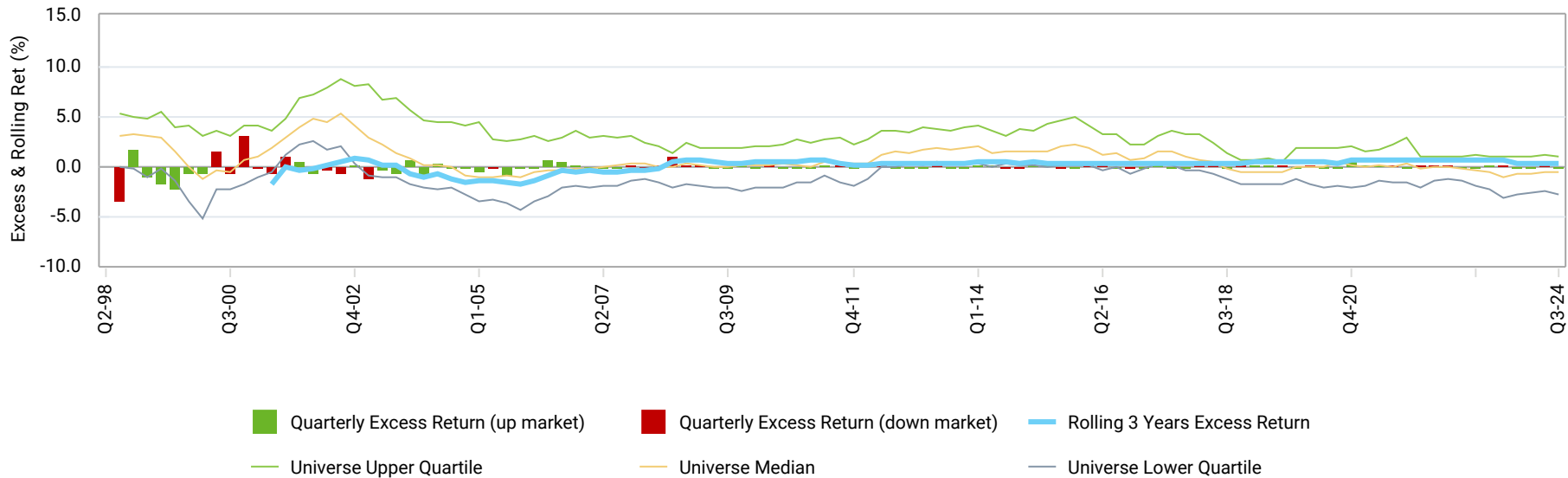


SSGA WORLD EX US IMI

eV EAFE Core Equity (net of fees)



Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending September 30, 2024

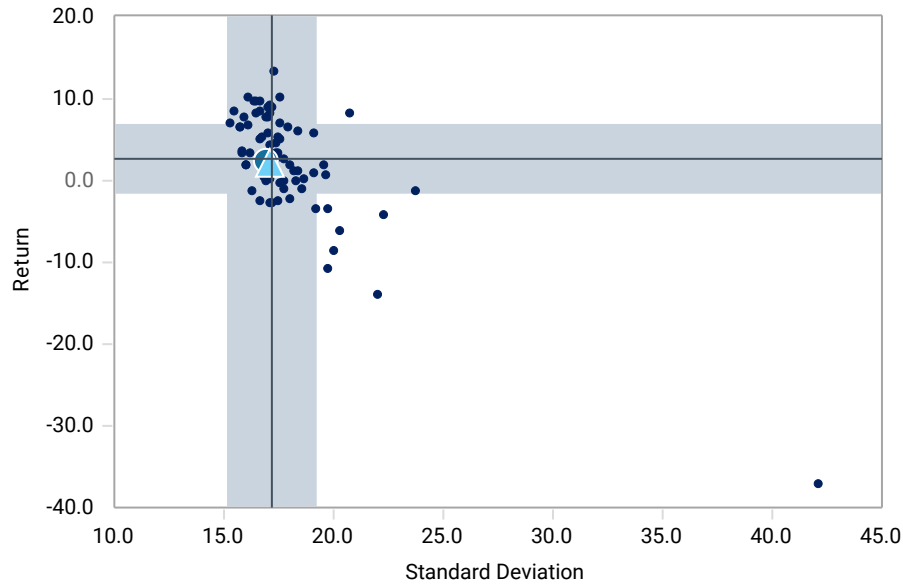


Los Angeles City Employees' Retirement System-LACERS Master Trust

SSGA EAFE SMALL CAP

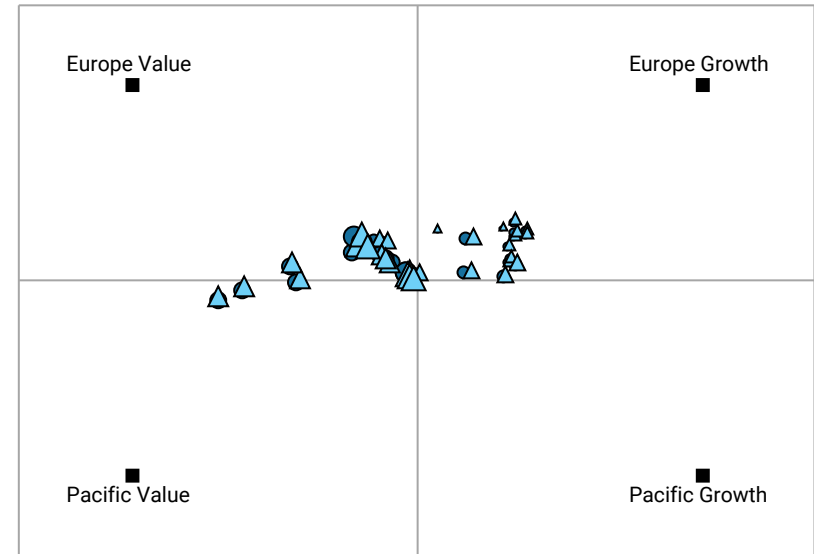
September 30, 2024

Since Inception Return vs. Standard Deviation

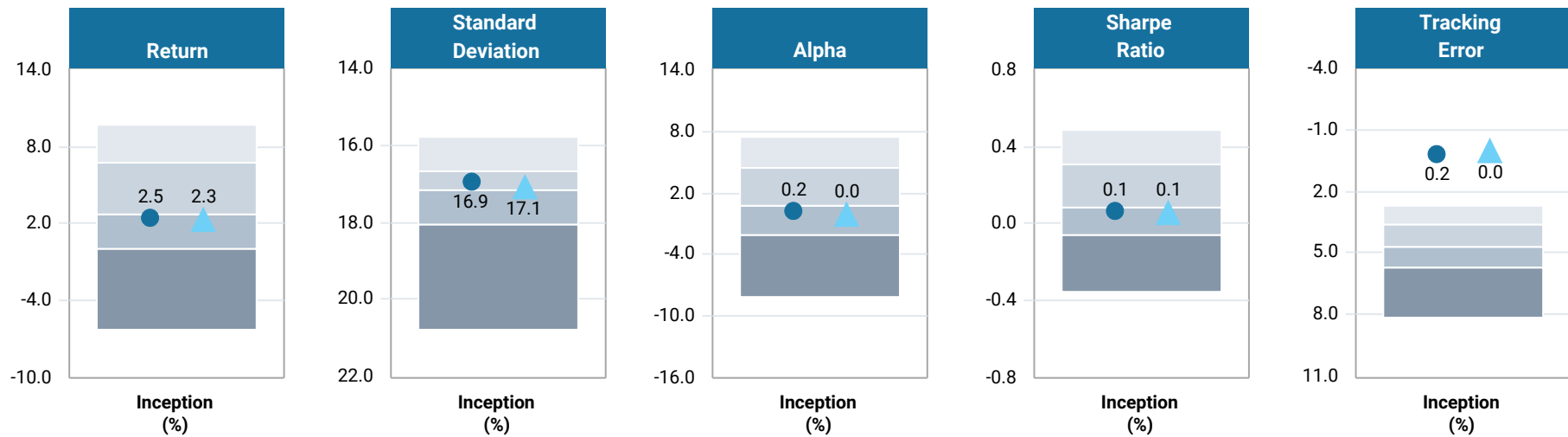


● State Street EAFE SC ▲ MSCI EAFE Small Cap (Net)

Rolling 1 Year Style Map

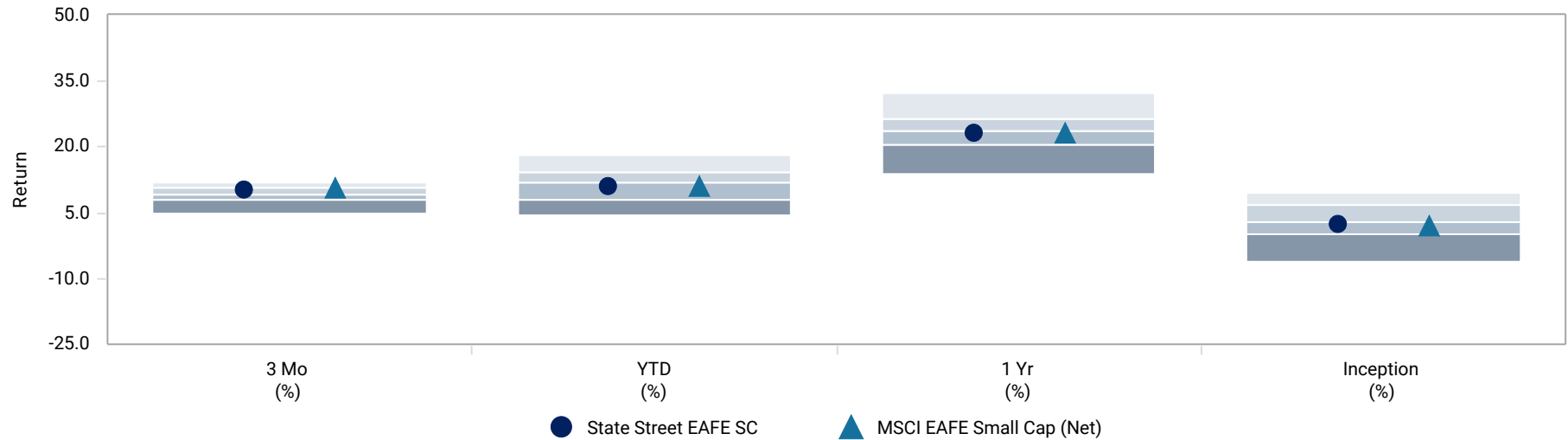


● State Street EAFE SC ▲ MSCI EAFE Small Cap (Net)

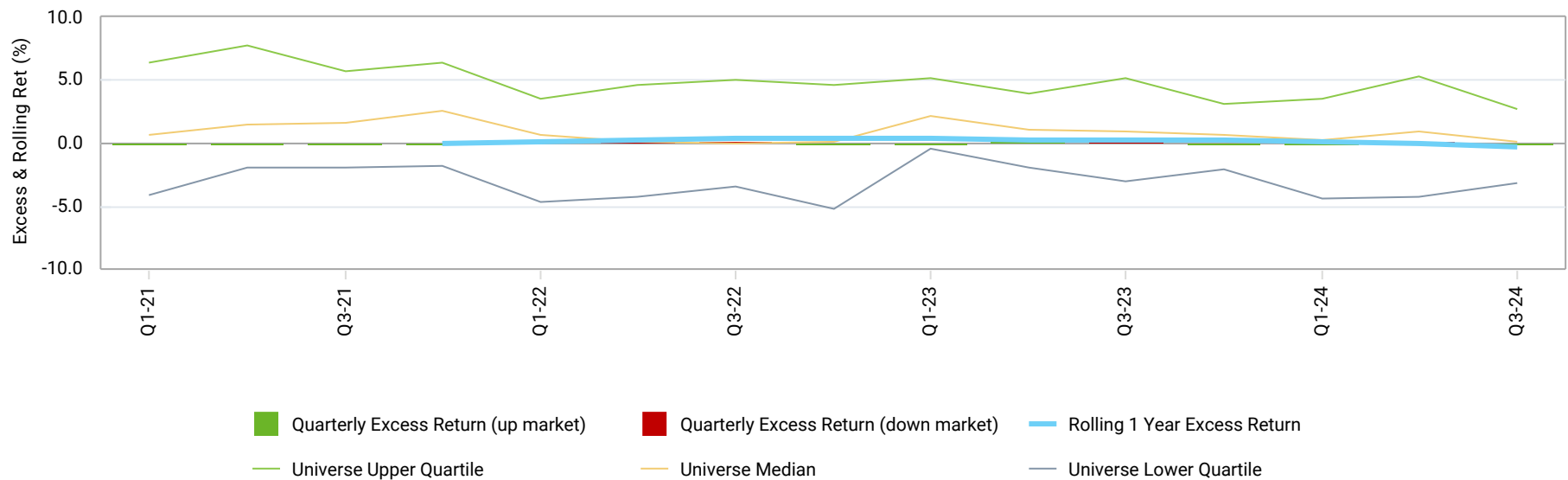


SSGA EAFE SMALL CAP

eV EAFE Small Cap Equity (net of fees)



Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending September 30, 2024

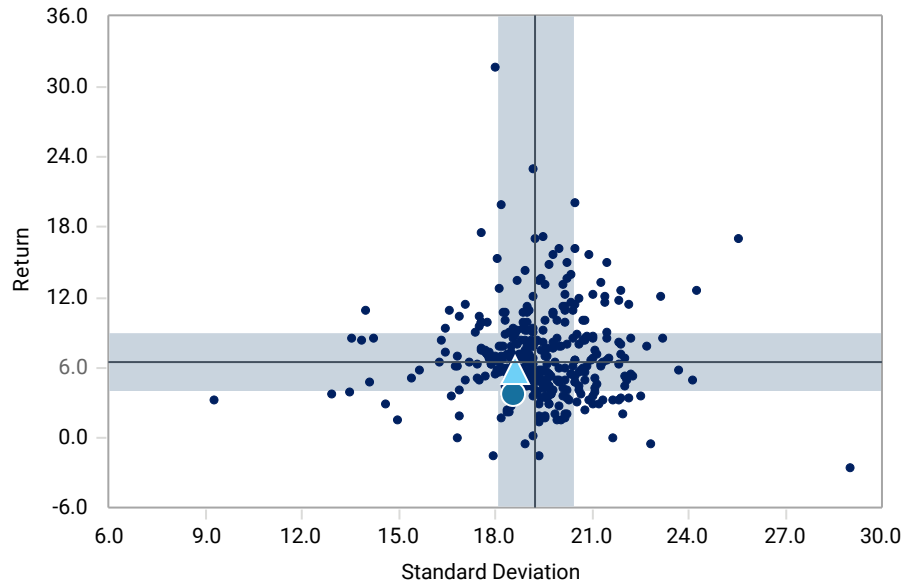


Los Angeles City Employees' Retirement System-LACERS Master Trust

AXIOM EMERGING MARKETS

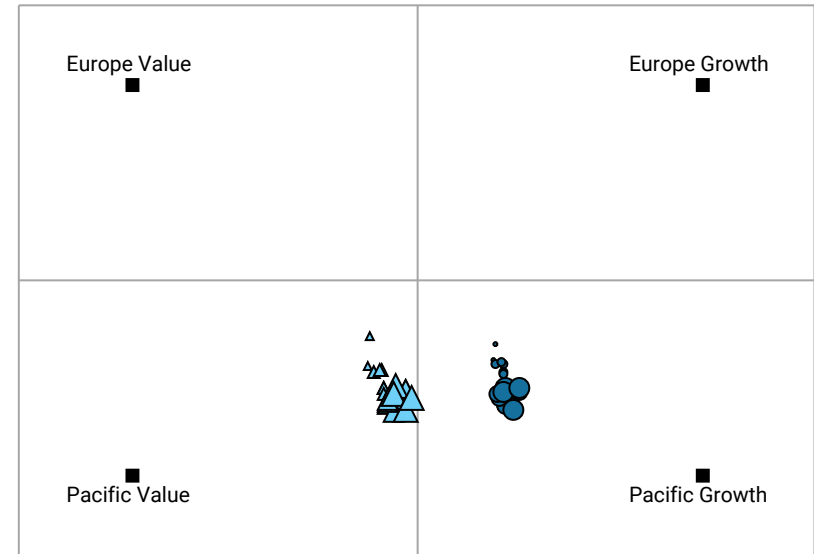
September 30, 2024

5 Years Return vs. Standard Deviation

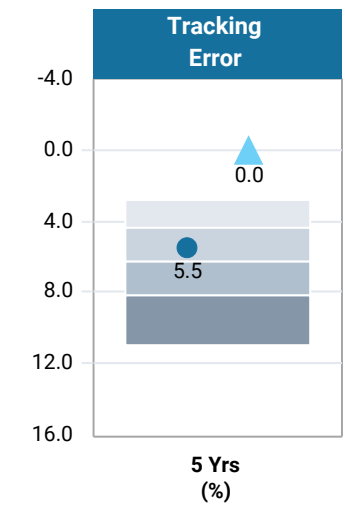
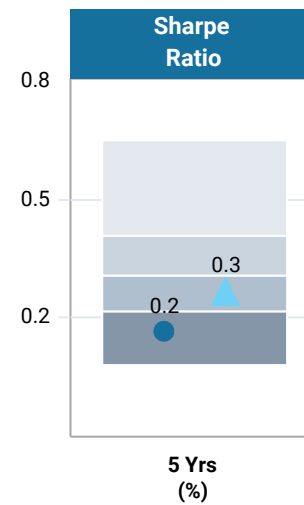
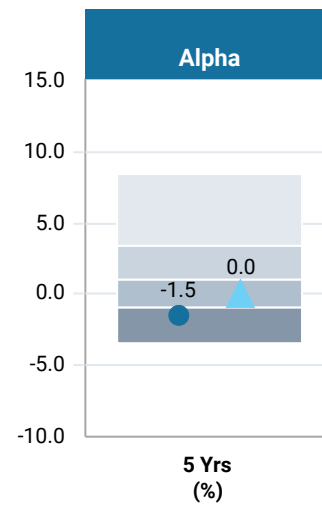
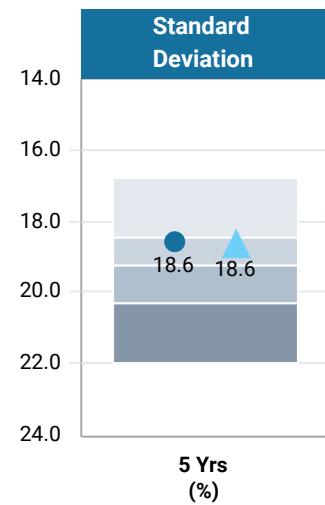
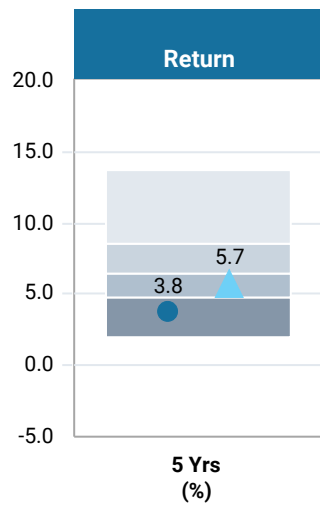


● Axiom Emerging Markets ▲ MSCI Emerging Markets (Net)

Rolling 5 Years Style Map

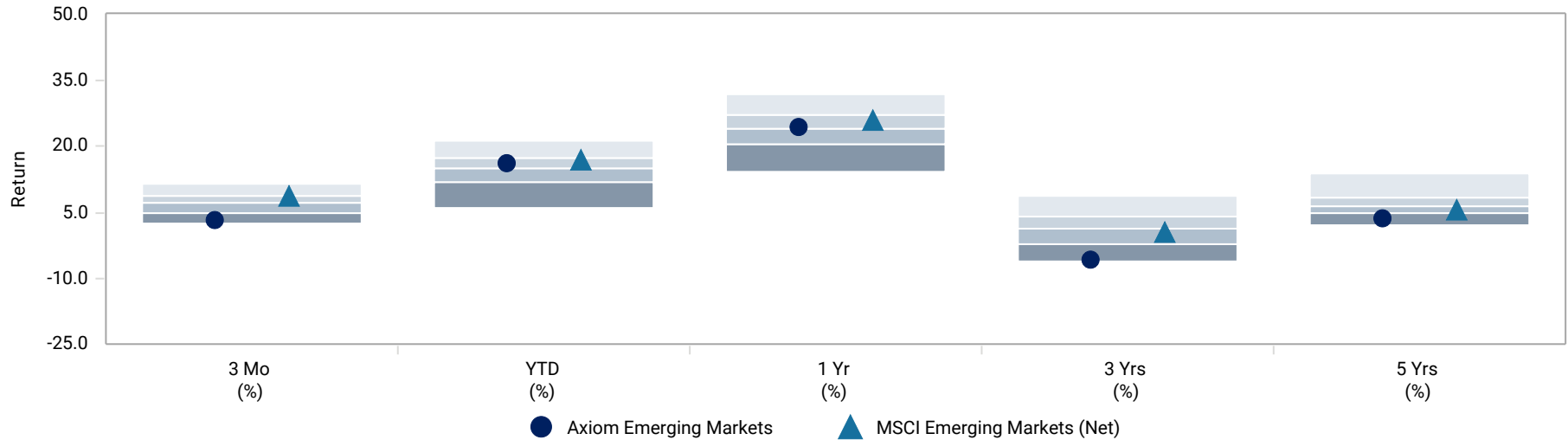


● Axiom Emerging Markets ▲ MSCI Emerging Markets (Net)

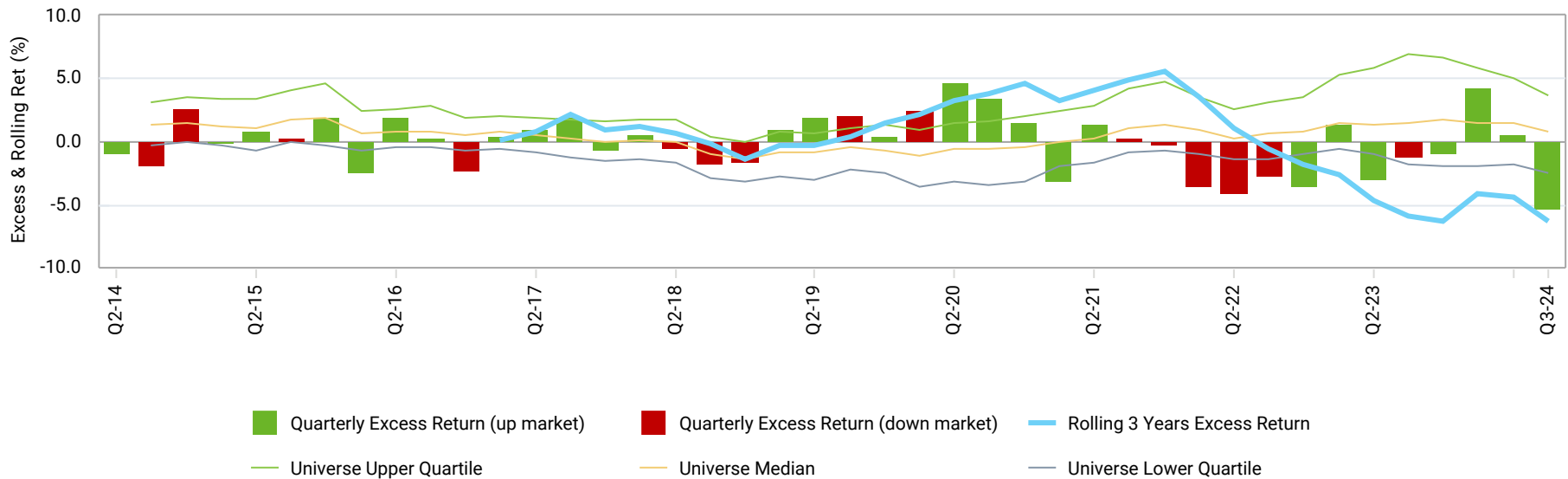


AXIOM EMERGING MARKETS

eV Emg Mkts Equity (net of fees)

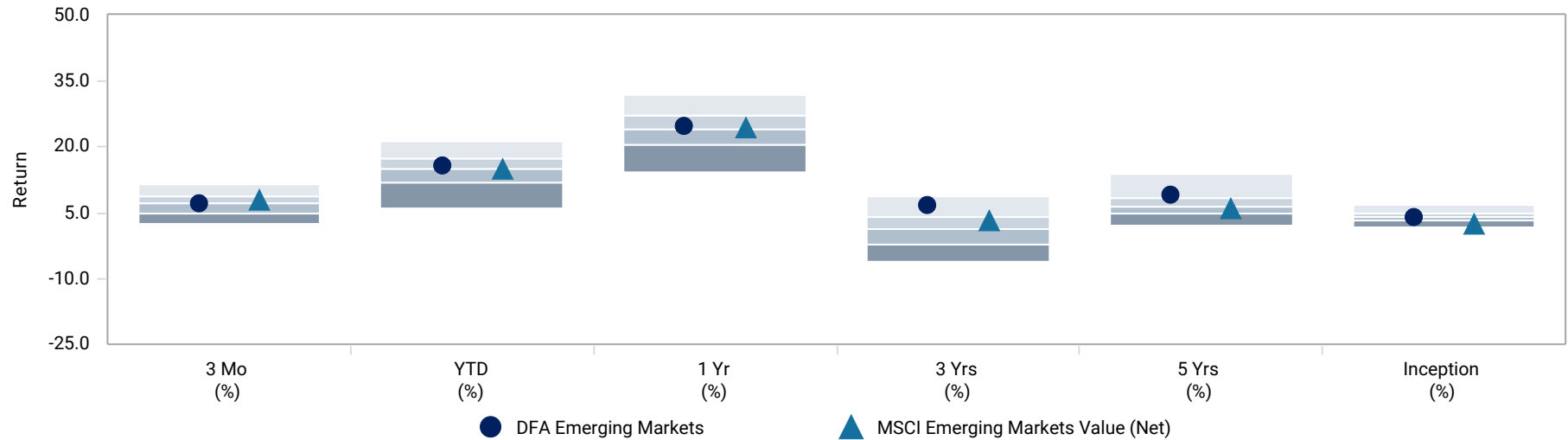


Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending September 30, 2024

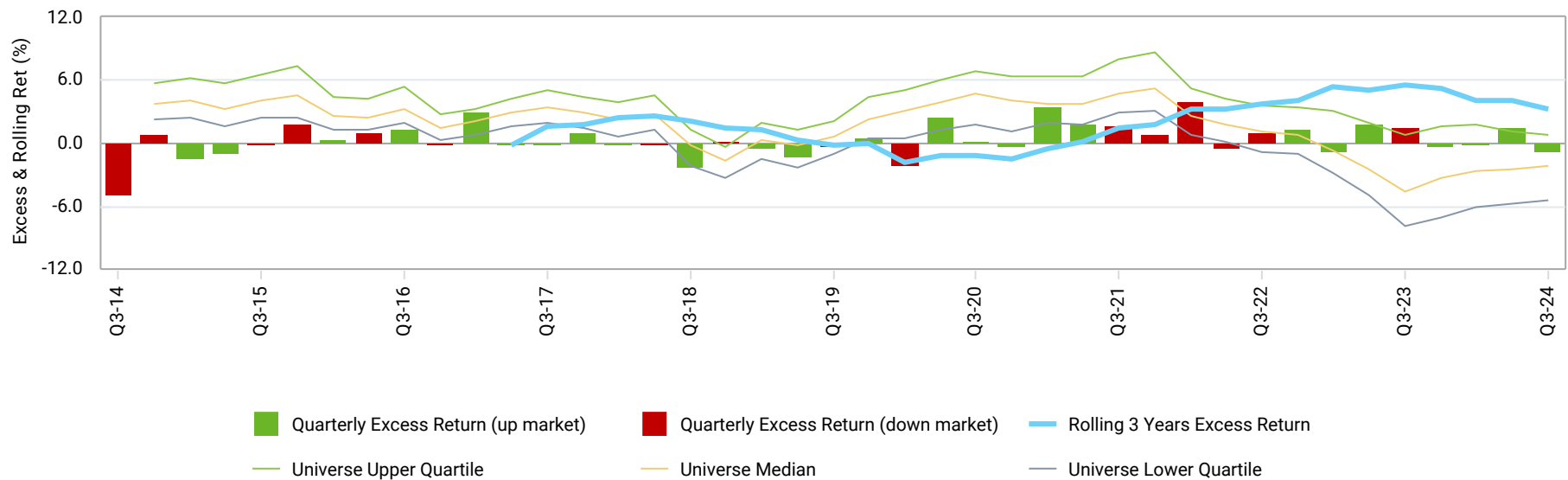


DFA EMERGING MARKETS

eV Emg Mkts Equity (net of fees)

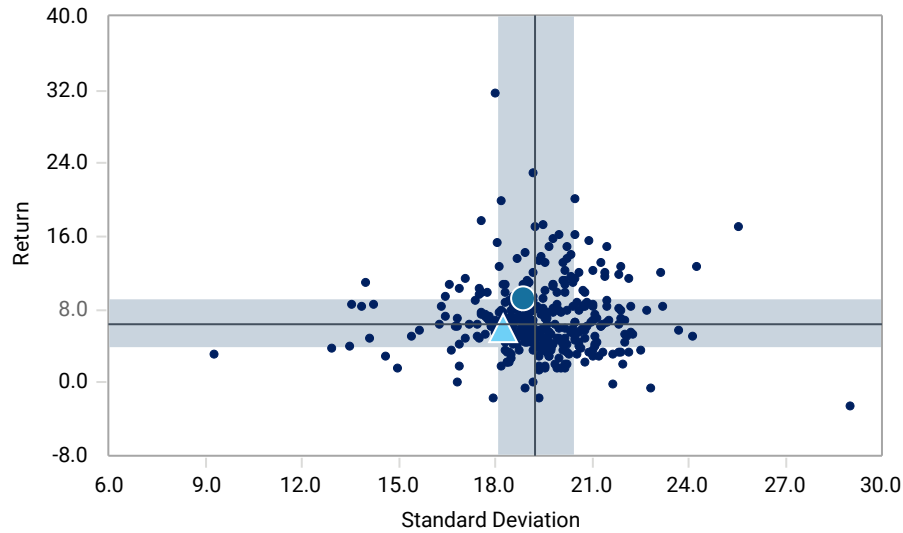


Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending September 30, 2024

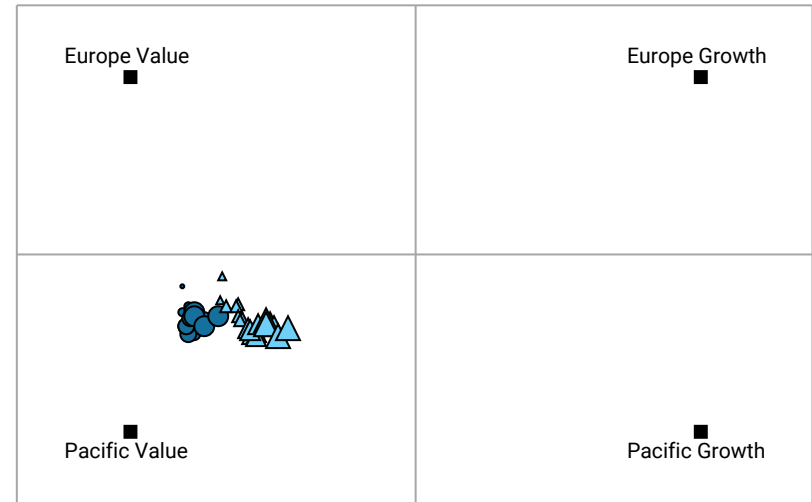


DFA EMERGING MARKETS

5 Years Return vs. Standard Deviation

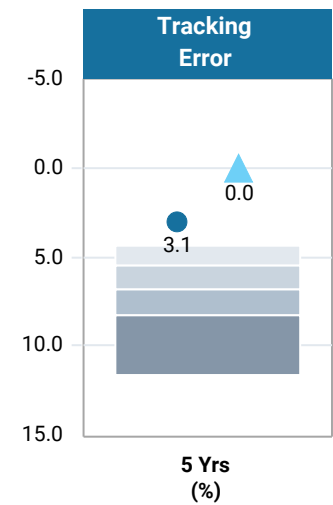
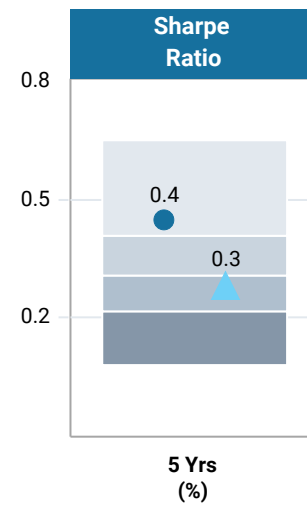
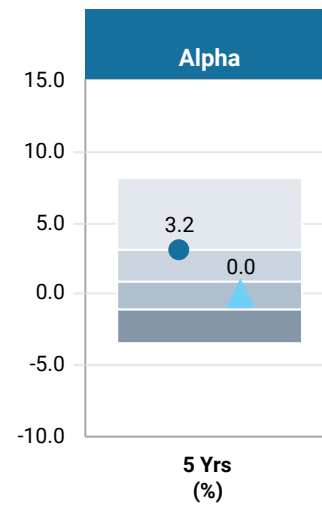
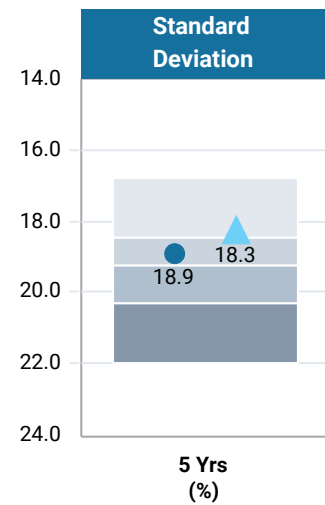
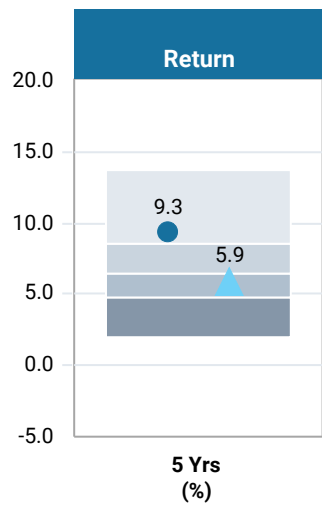


Rolling 5 Years Style Map



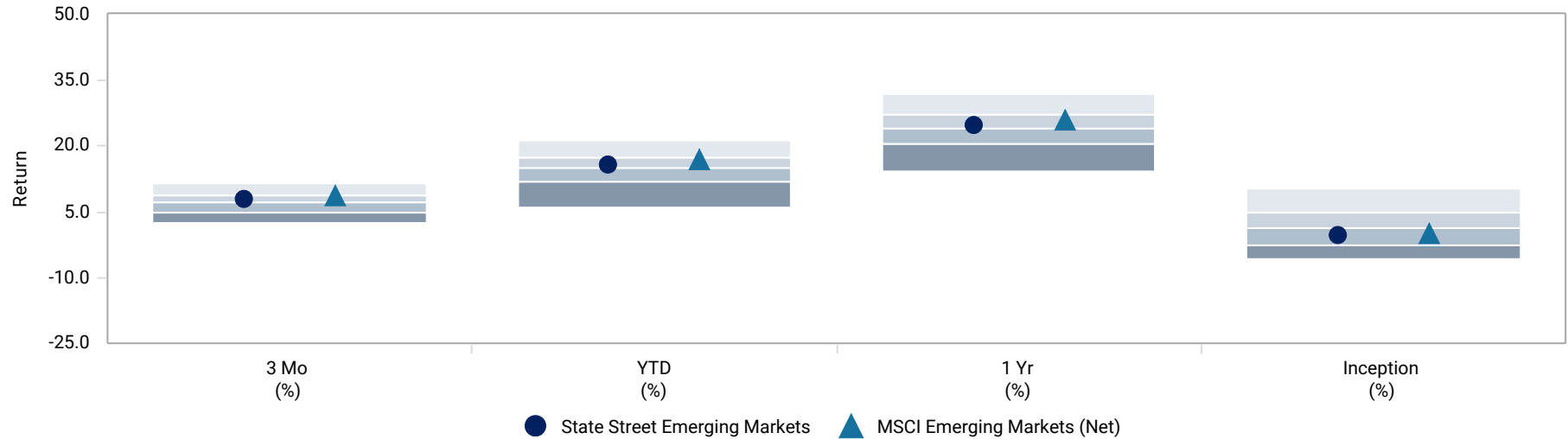
● DFA Emerging Markets
▲ MSCI Emerging Markets Value (Net)

● DFA Emerging Markets
▲ MSCI Emerging Markets Value (Net)

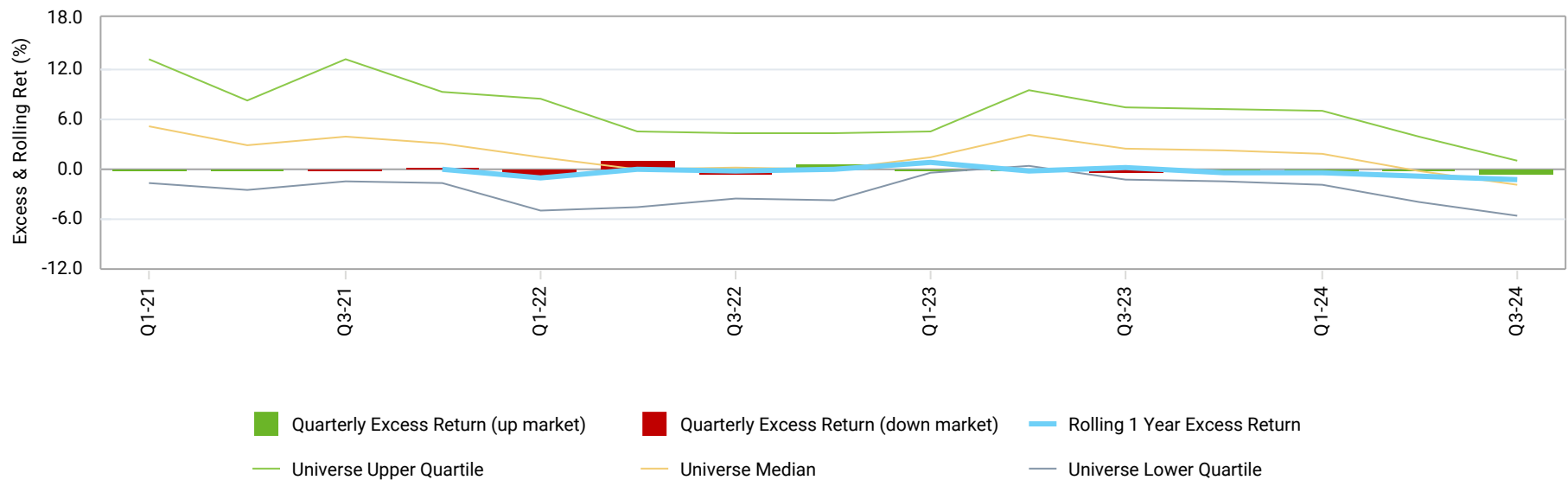


SSGA EMERGING MARKETS

eV Emg Mkts Equity (net of fees)



Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending September 30, 2024

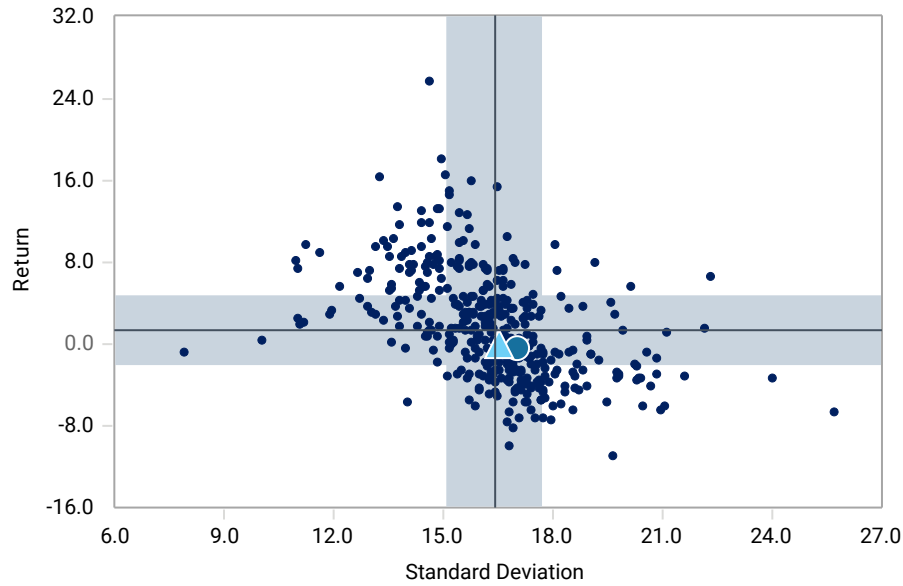


Los Angeles City Employees' Retirement System-LACERS Master Trust

SSGA EMERGING MARKETS

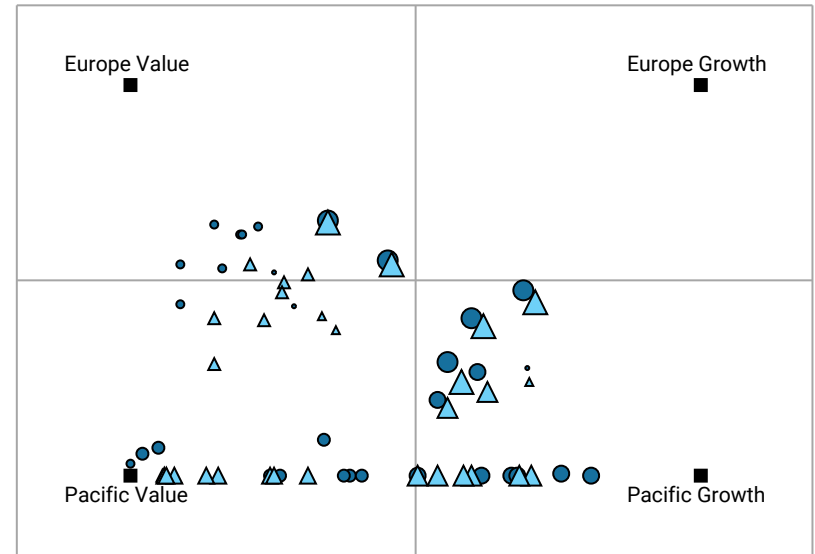
September 30, 2024

Since Inception Return vs. Standard Deviation

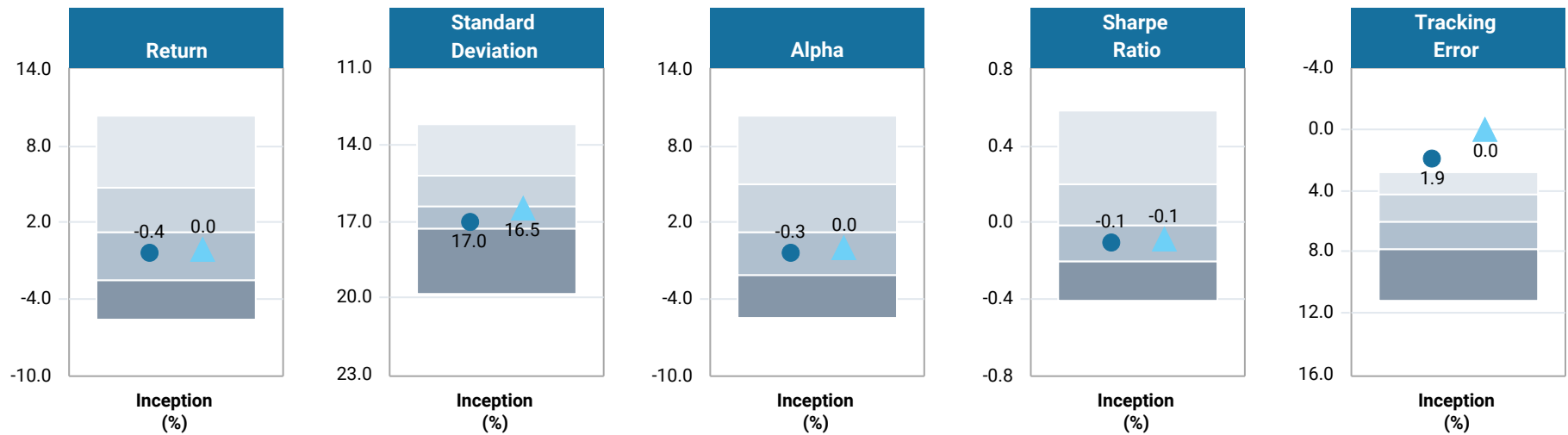


● State Street Emerging Markets ▲ MSCI Emerging Markets (Net)

Rolling 1 Year Style Map



● State Street Emerging Markets ▲ MSCI Emerging Markets (Net)

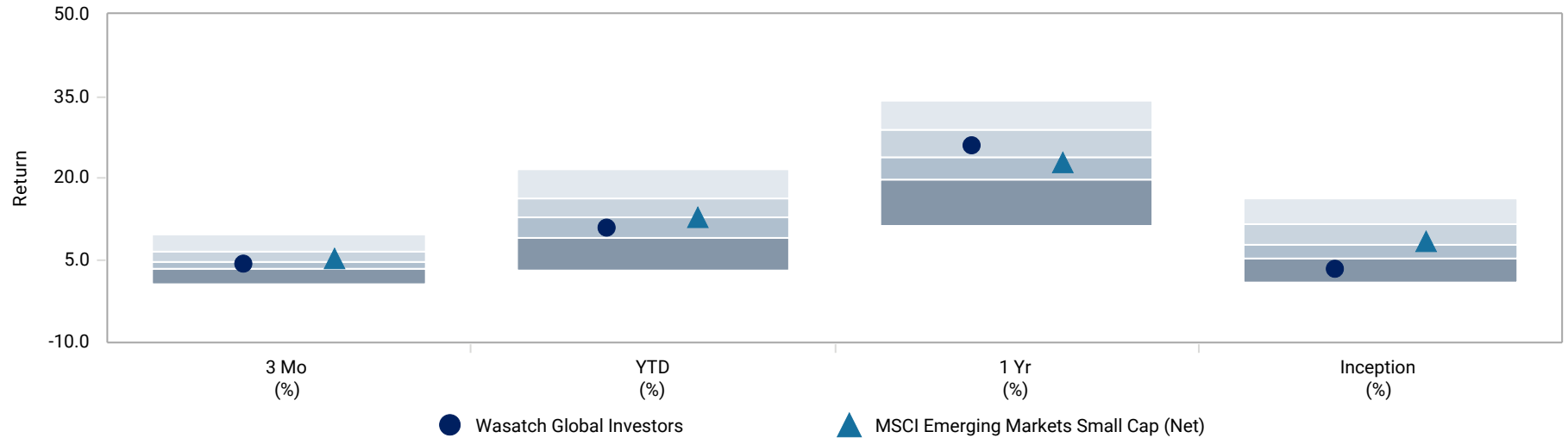


Los Angeles City Employees' Retirement System-LACERS Master Trust

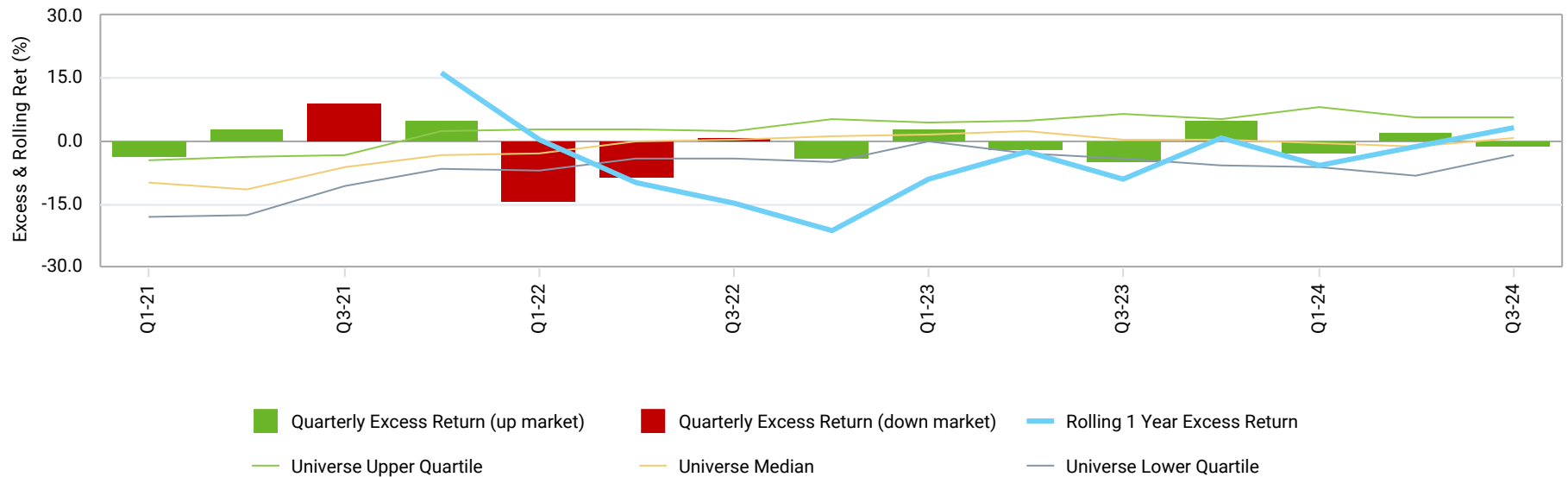
WASATCH GLOBAL INVESTORS

September 30, 2024

eV Emg Mkts Small Cap Equity (net of fees)



Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending September 30, 2024

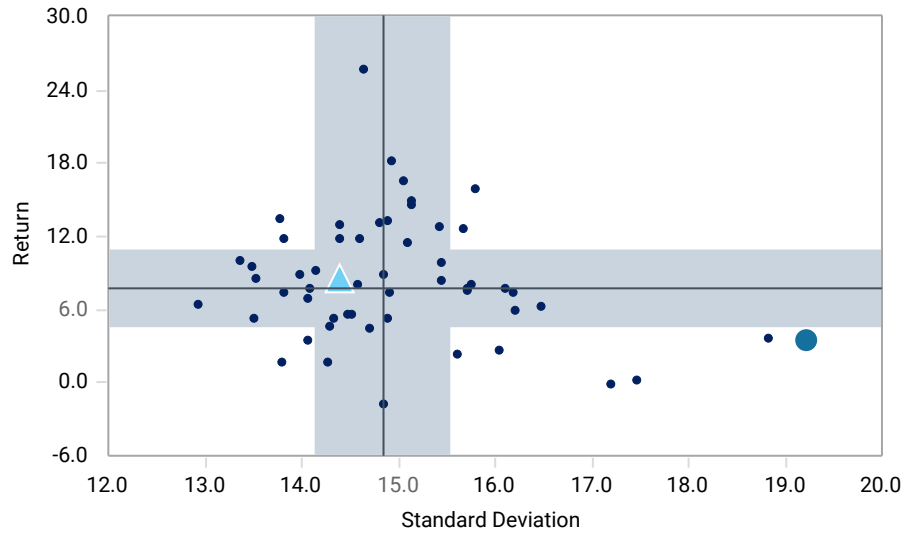


Los Angeles City Employees' Retirement System-LACERS Master Trust

WASATCH GLOBAL INVESTORS

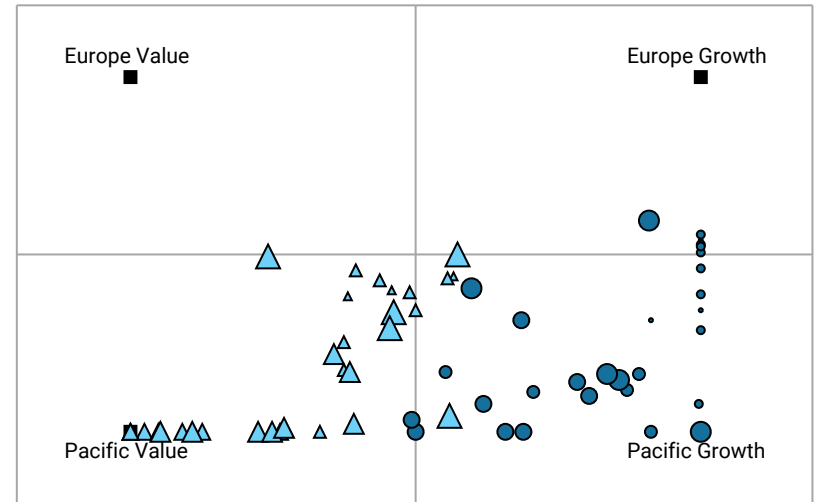
September 30, 2024

Since Inception Return vs. Standard Deviation

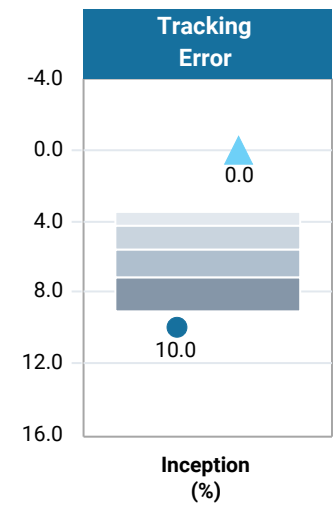
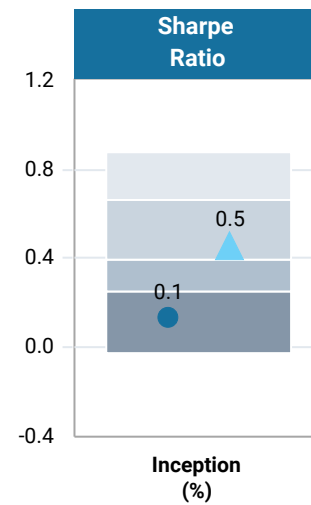
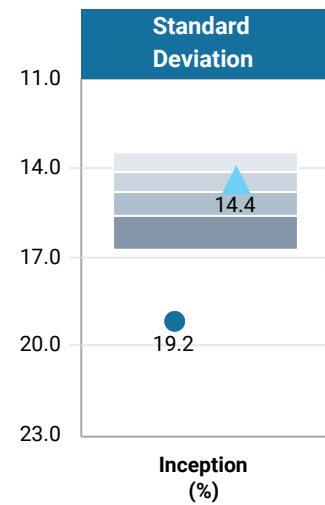
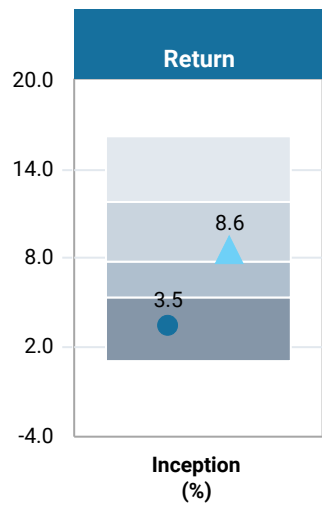


- Wasatch Global Investors
- ▲ MSCI Emerging Markets Small Cap (Net)

Rolling 1 Year Style Map



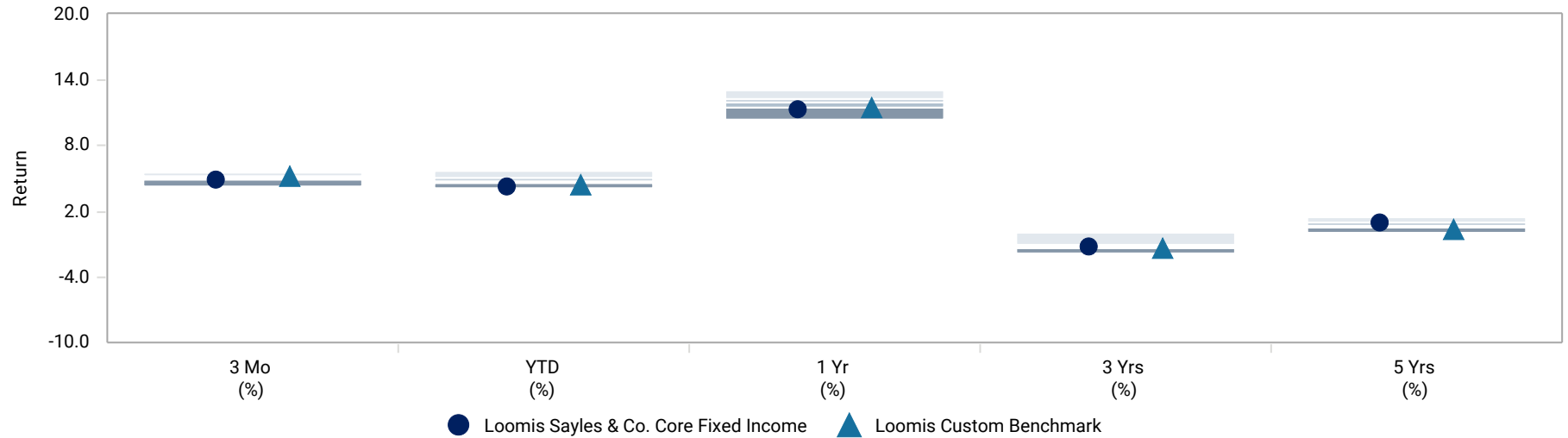
- Wasatch Global Investors
- ▲ MSCI Emerging Markets Small Cap (Net)



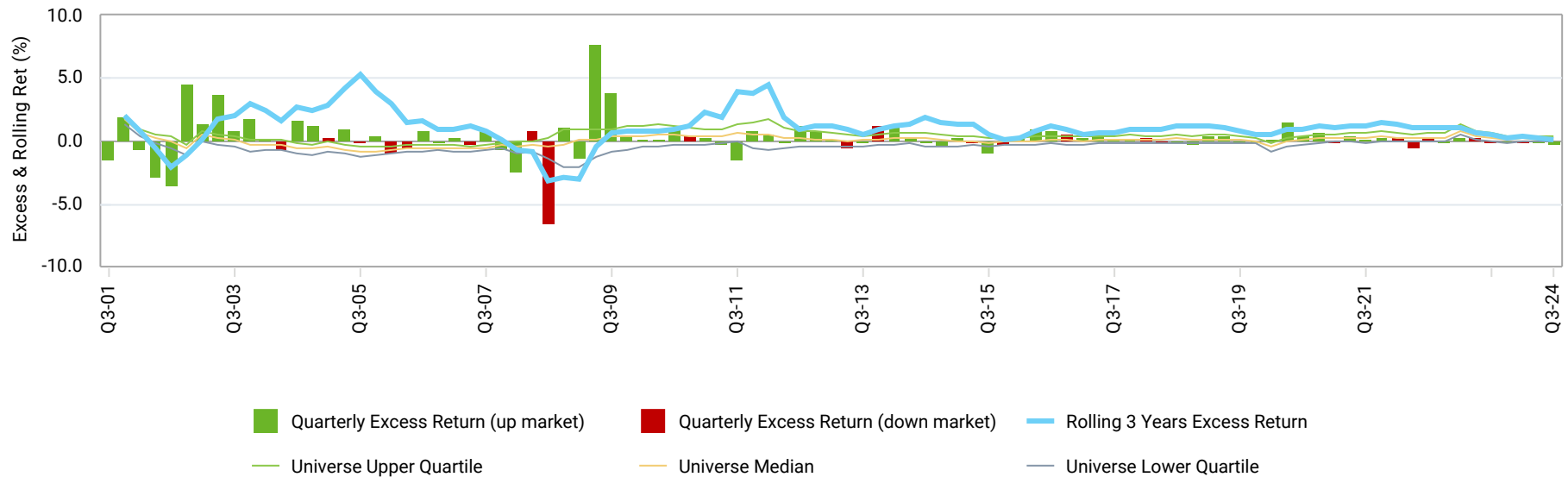
CORE FIXED INCOME MANAGER PERFORMANCE

LOOMIS SAYLES & CO. CORE FIXED INCOME

eV US Core Fixed Inc (net of fees)

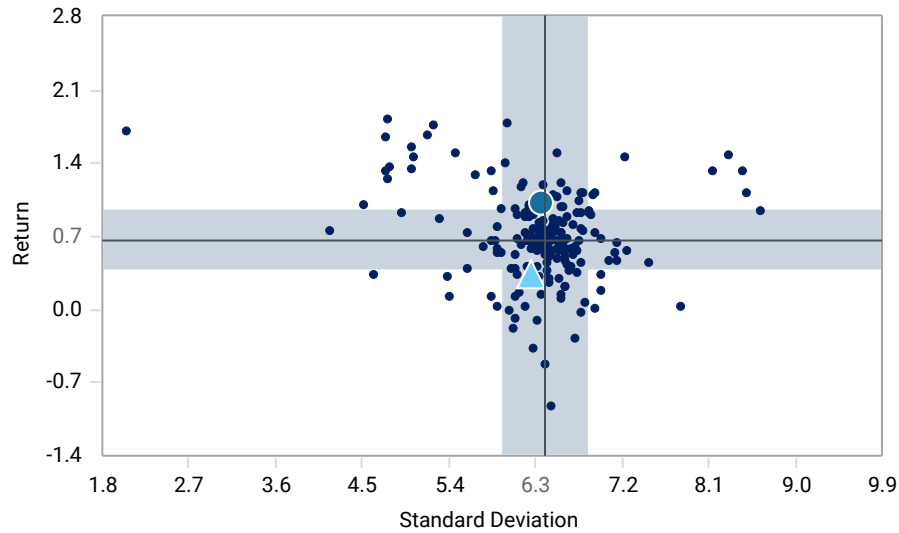


Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending September 30, 2024

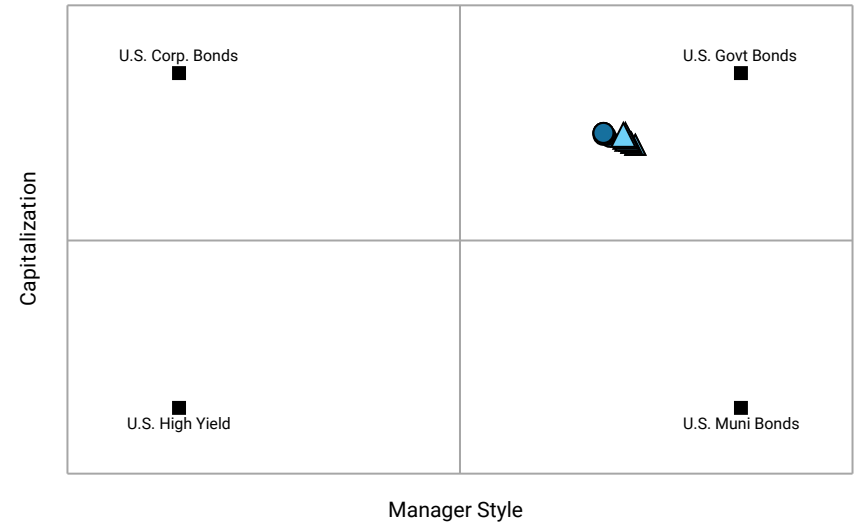


LOOMIS SAYLES & CO. CORE FIXED INCOME

5 Years Return vs. Standard Deviation

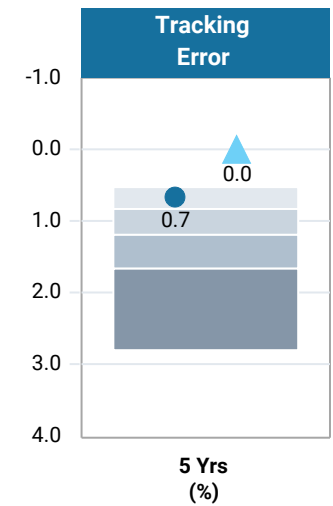
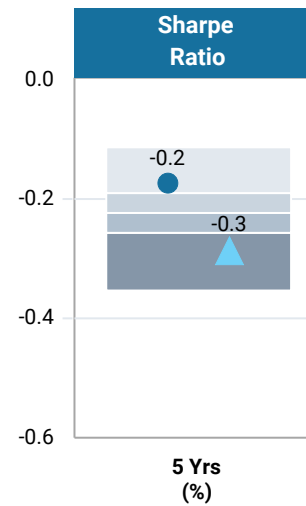
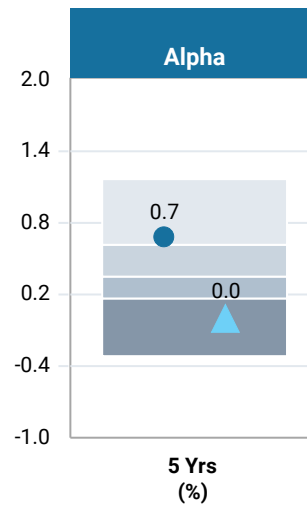
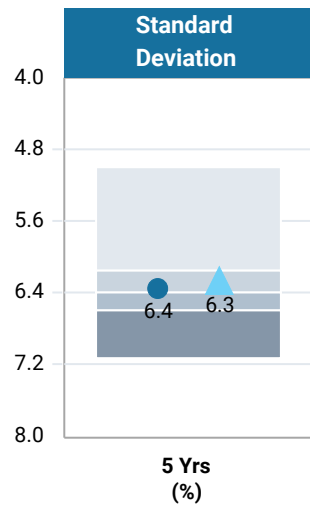
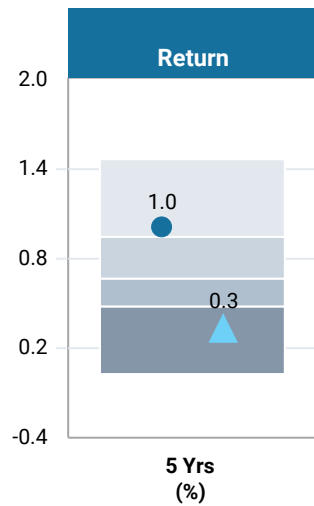


Style Map: (5 Years)



● Loomis Sayles & Co. Core Fixed Income
▲ Loomis Custom Benchmark

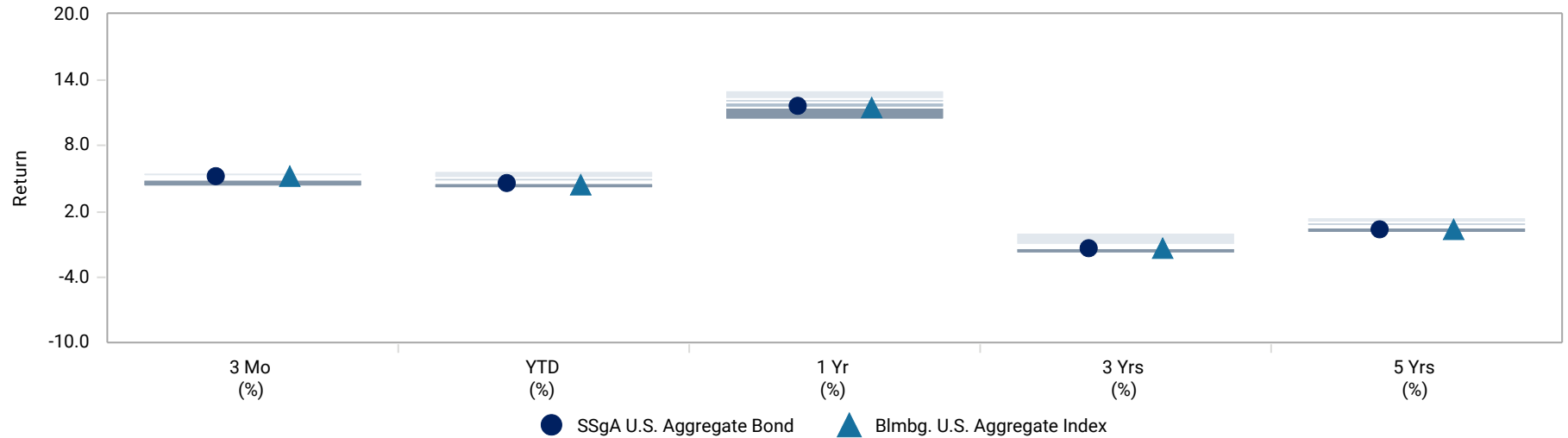
● Loomis Sayles & Co. Core Fixed Income
▲ Loomis Custom Benchmark



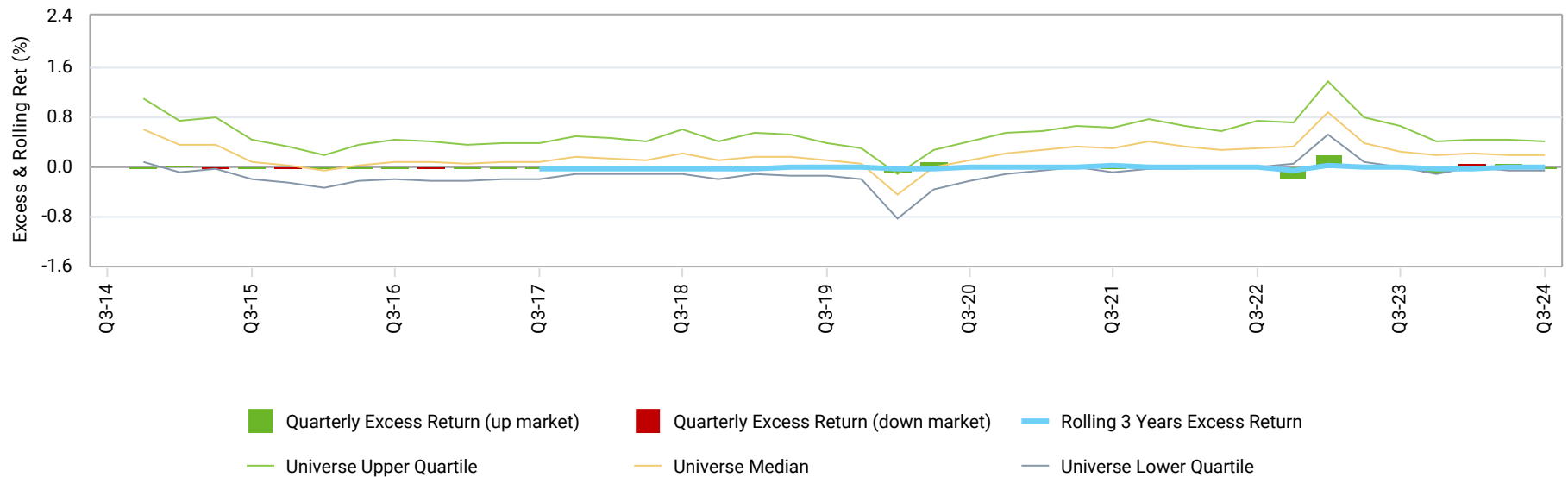
Los Angeles City Employees' Retirement System-LACERS Master Trust
SSGA U.S. AGGREGATE BOND

September 30, 2024

eV US Core Fixed Inc (net of fees)



Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending September 30, 2024

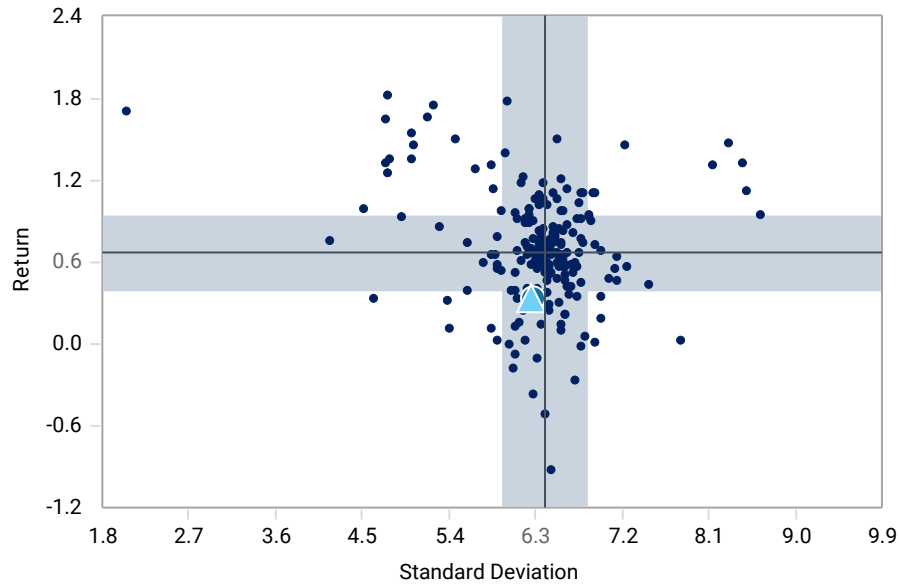


Los Angeles City Employees' Retirement System-LACERS Master Trust

SSGA U.S. AGGREGATE BOND

September 30, 2024

5 Years Return vs. Standard Deviation

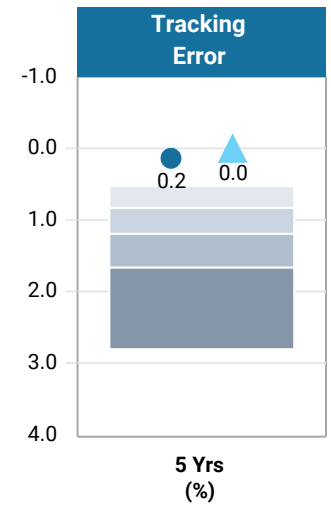
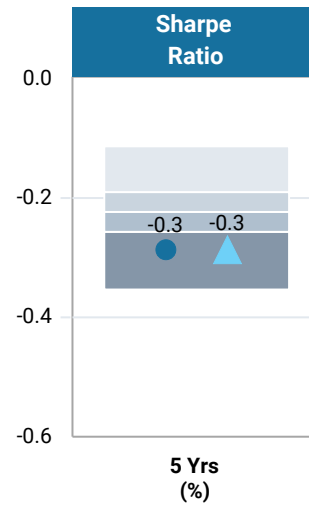
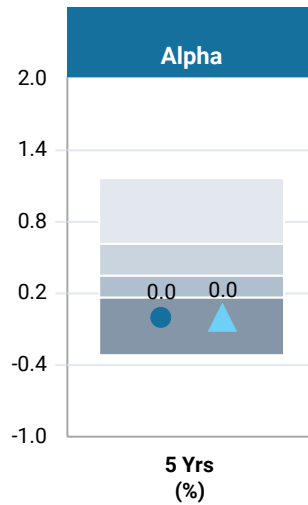
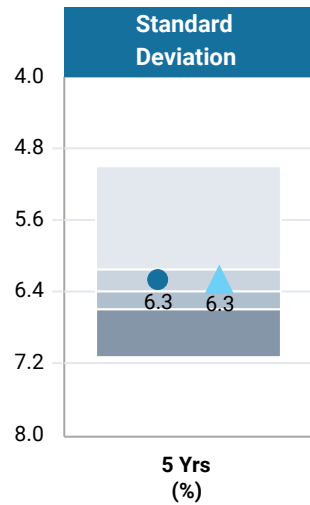
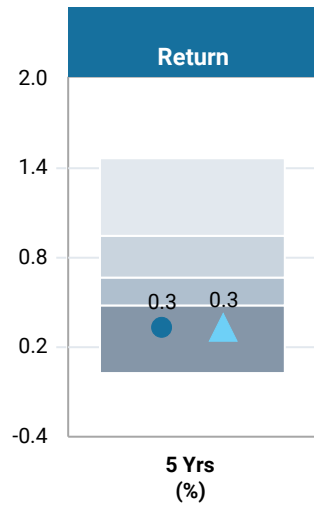


Style Map: (5 Years)



● SSGA U.S. Aggregate Bond ▲ Blmbg. U.S. Aggregate Index

● SSGA U.S. Aggregate Bond ▲ Blmbg. U.S. Aggregate Index

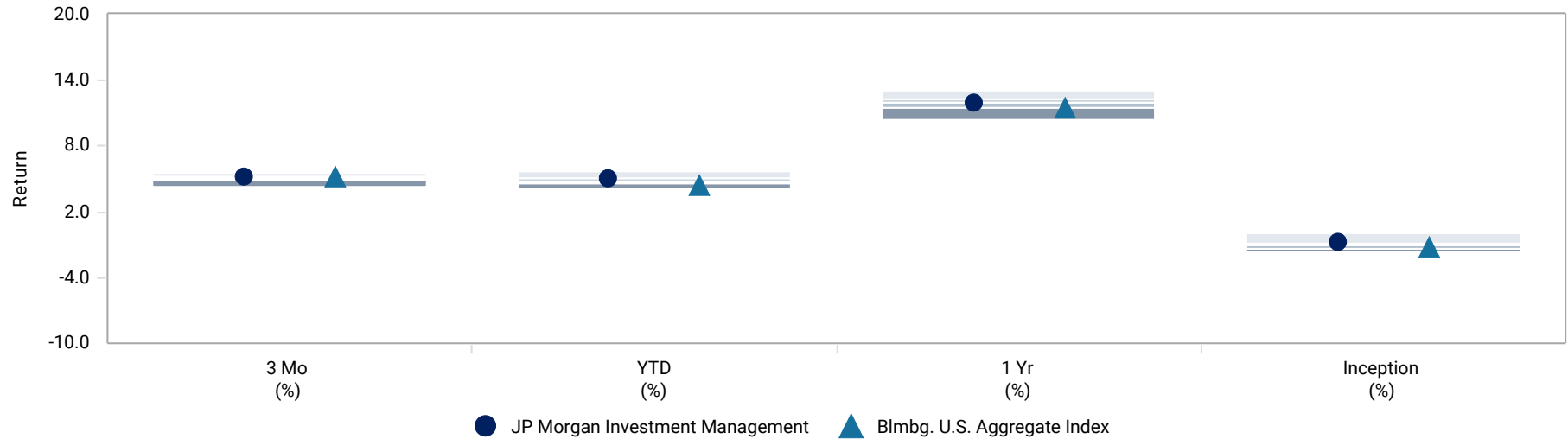


Los Angeles City Employees' Retirement System-LACERS Master Trust

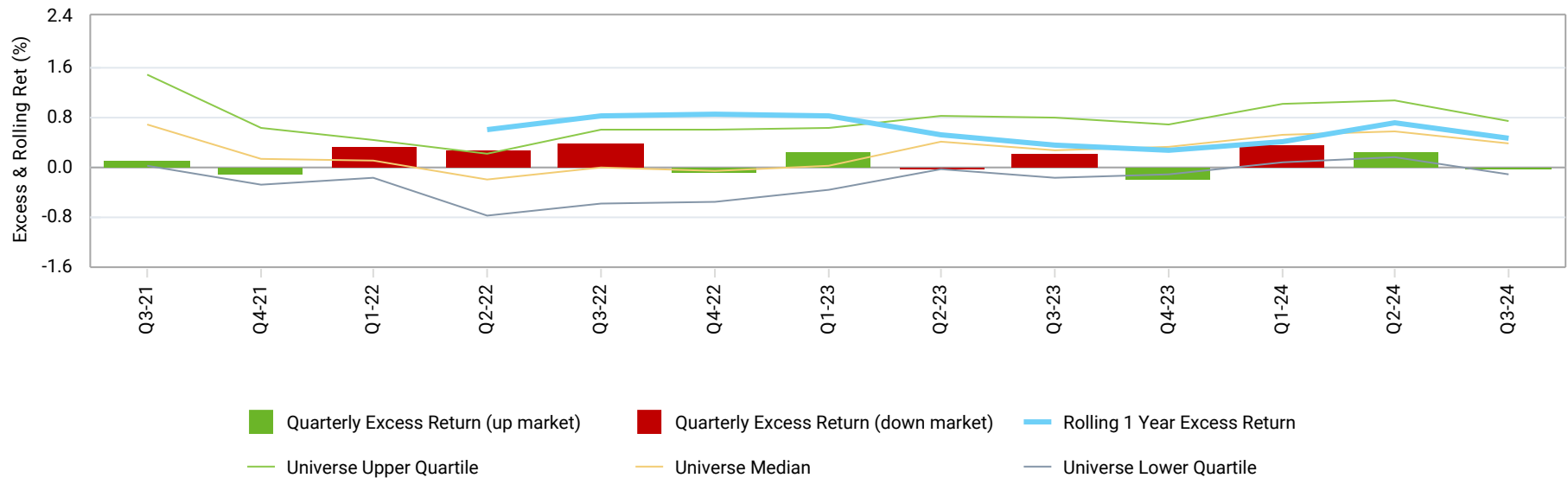
JP MORGAN INVESTMENT MGMT

September 30, 2024

eV US Core Fixed Inc (net of fees)

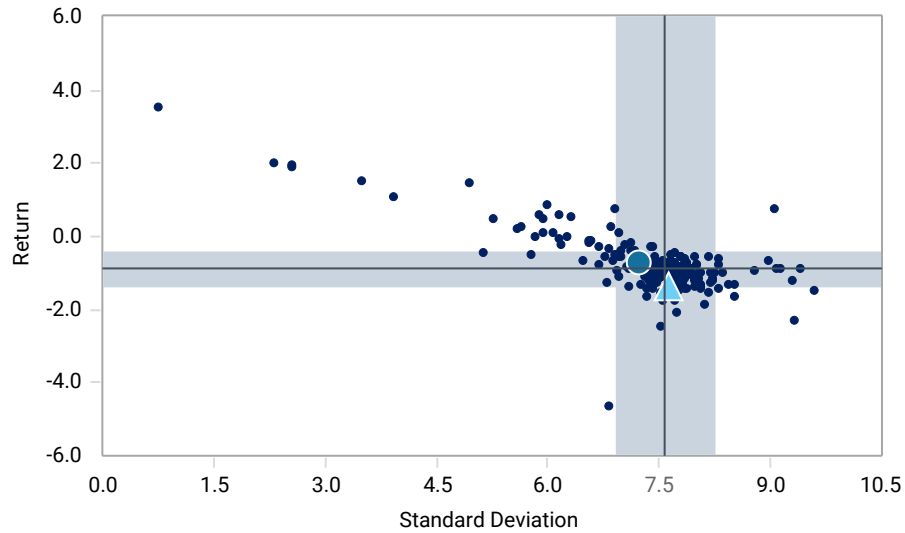


Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending September 30, 2024



JP MORGAN INVESTMENT MANAGEMENT

3 Years Return vs. Standard Deviation

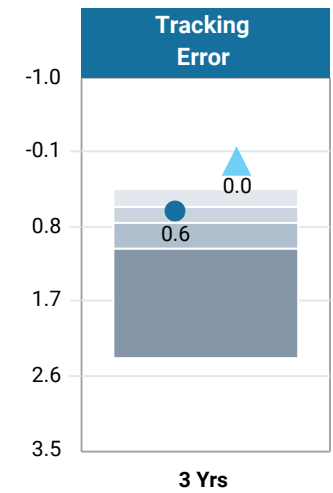
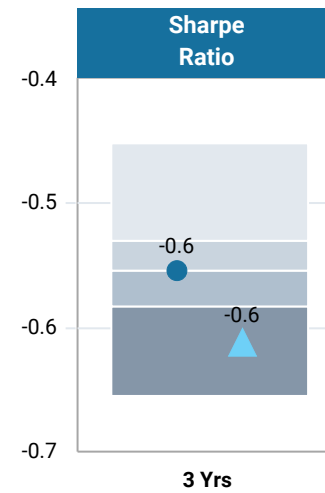
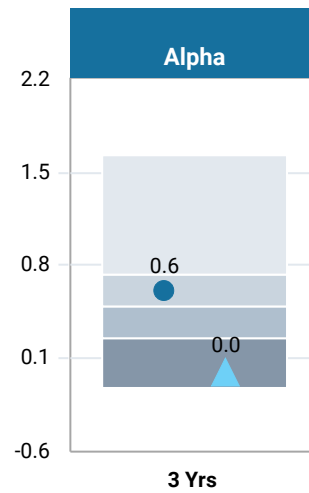
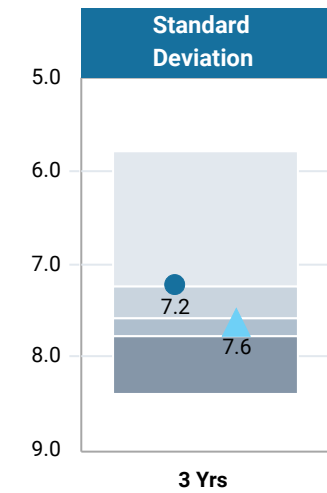
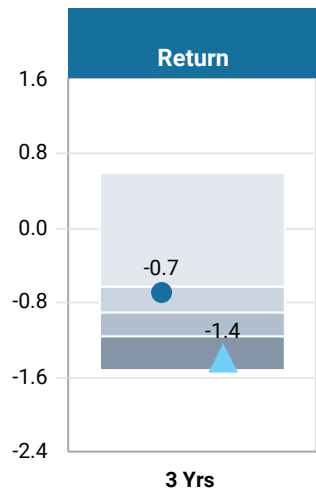


● JP Morgan Investment Management
▲ Blmbg. U.S. Aggregate Index

Style Map: (1 Year)



● JP Morgan Investment Management
▲ Blmbg. U.S. Aggregate Index

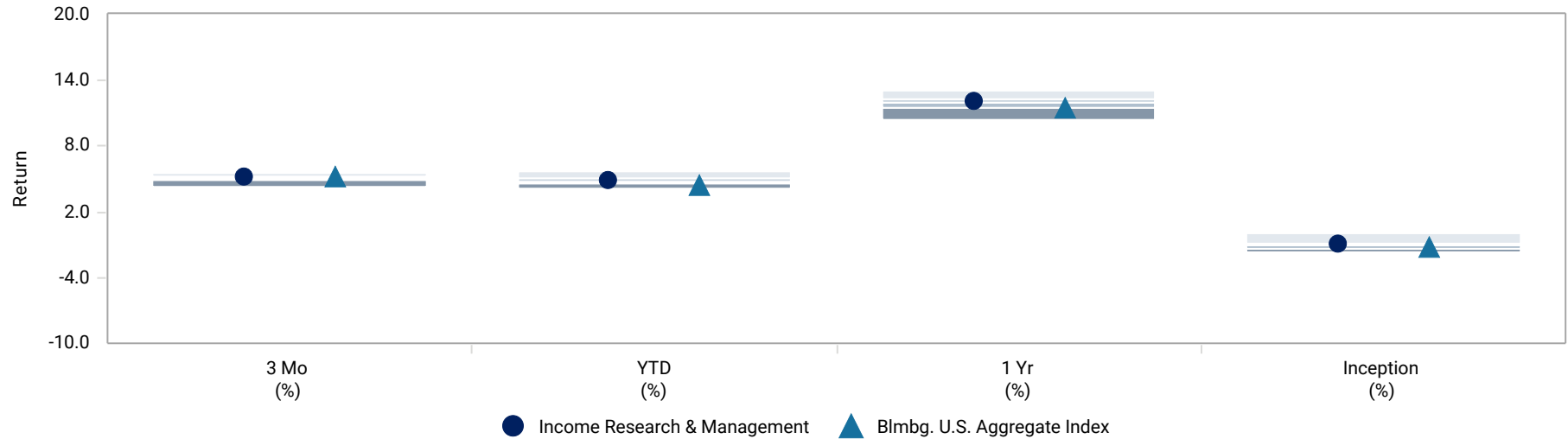


Los Angeles City Employees' Retirement System-LACERS Master Trust

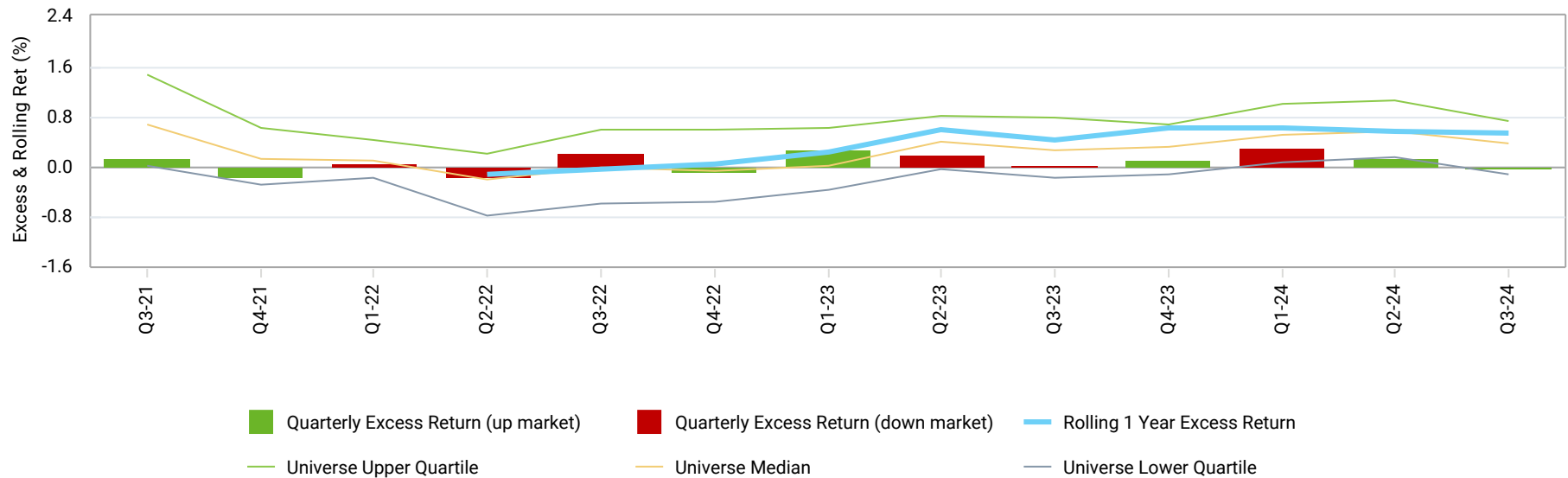
INCOME RESEARCH AND MGMT

September 30, 2024

eV US Core Fixed Inc (net of fees)

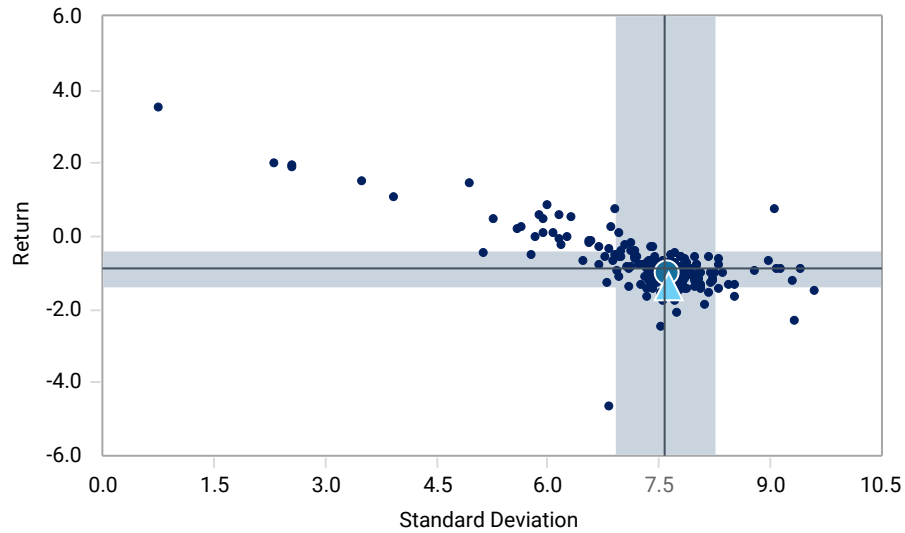


Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending September 30, 2024



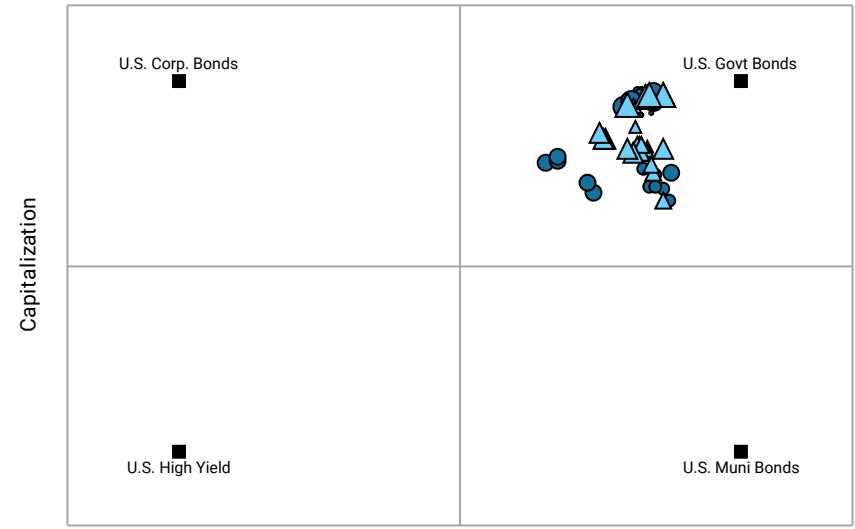
INCOME RESEARCH & MANAGEMENT

3 Years Return vs. Standard Deviation



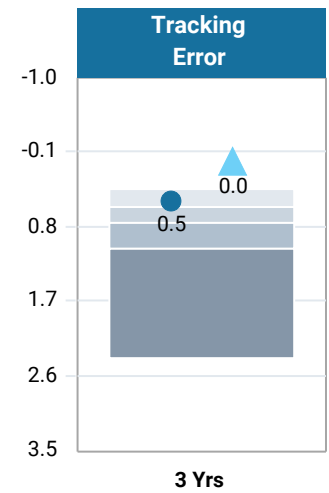
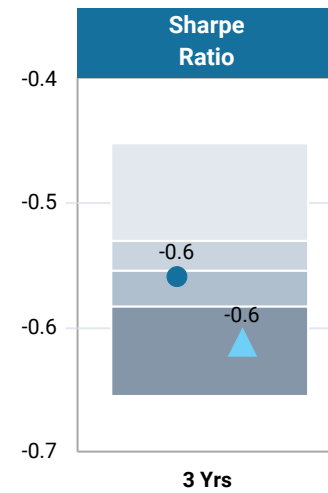
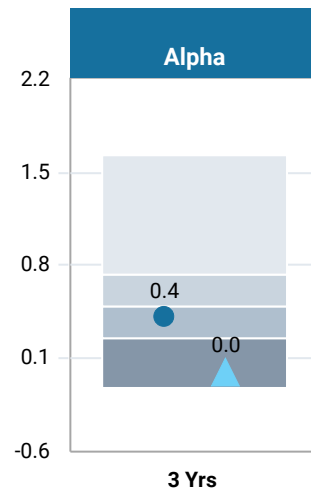
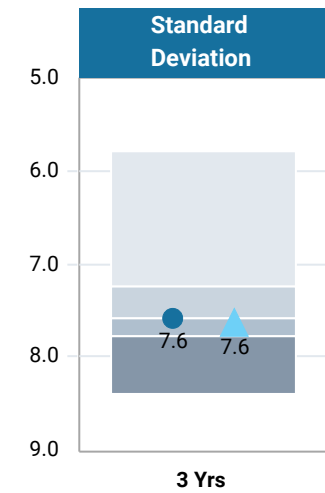
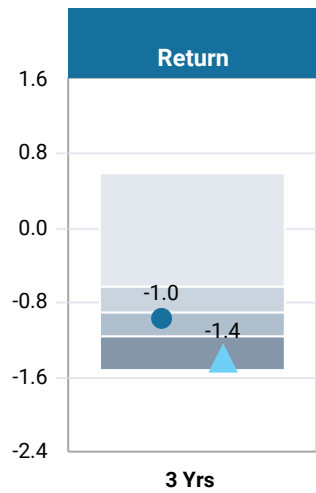
● Income Research & Management
▲ Blmbg. U.S. Aggregate Index

Style Map: (1 Year)



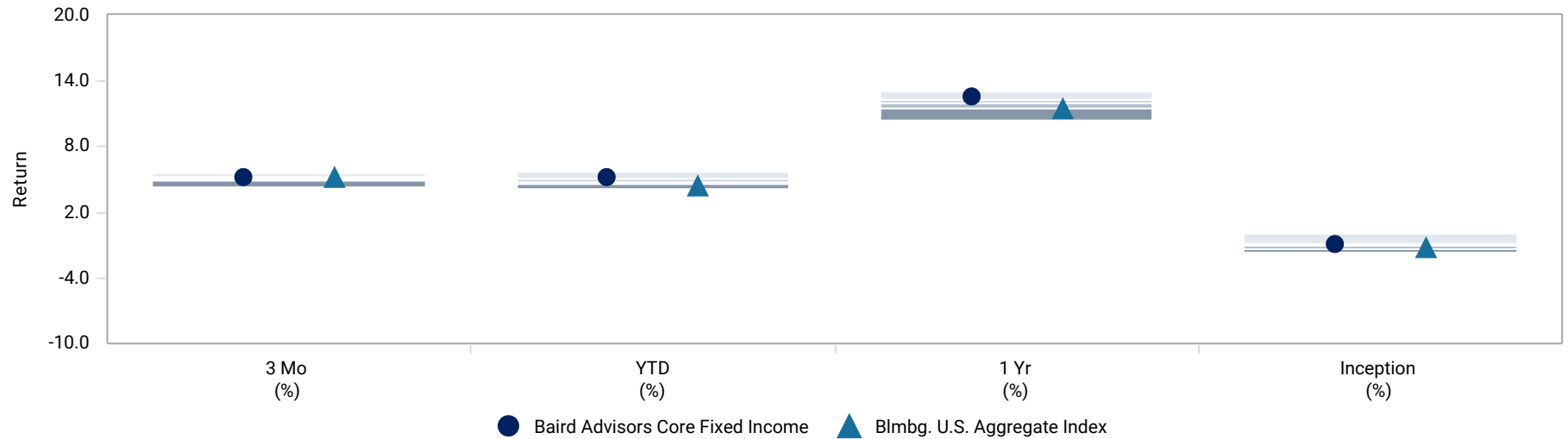
● Income Research & Management ▲ Blmbg. U.S. Aggregate Index

Manager Style

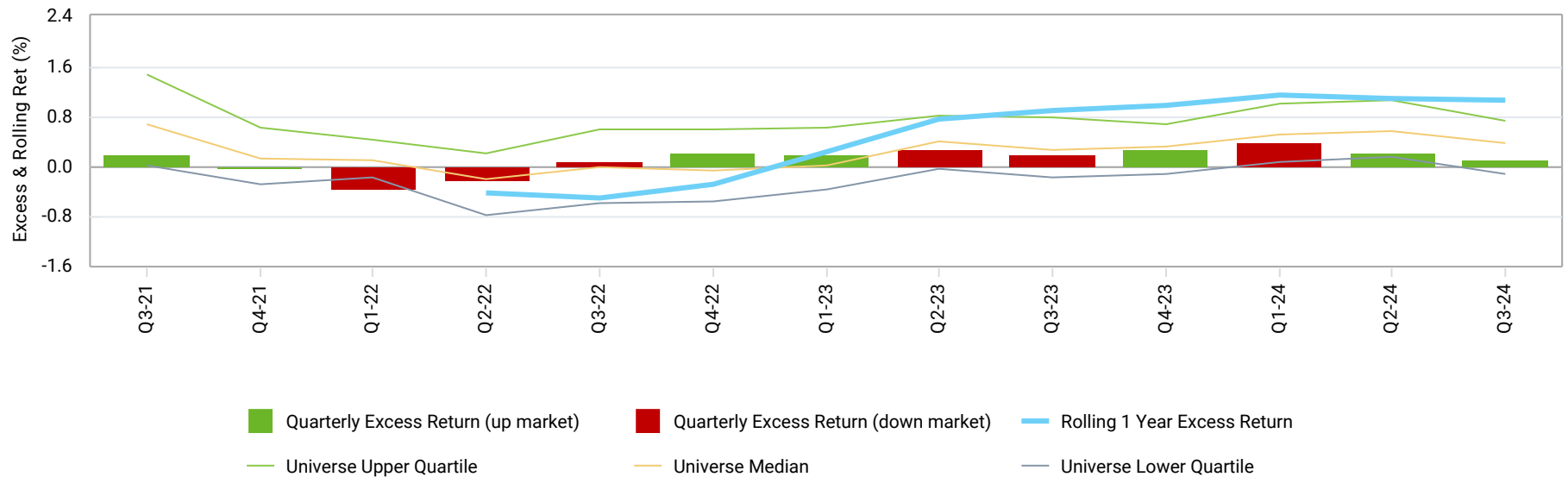


BAIRD ADVISORS CORE FIXED INCOME

eV US Core Fixed Inc (net of fees)

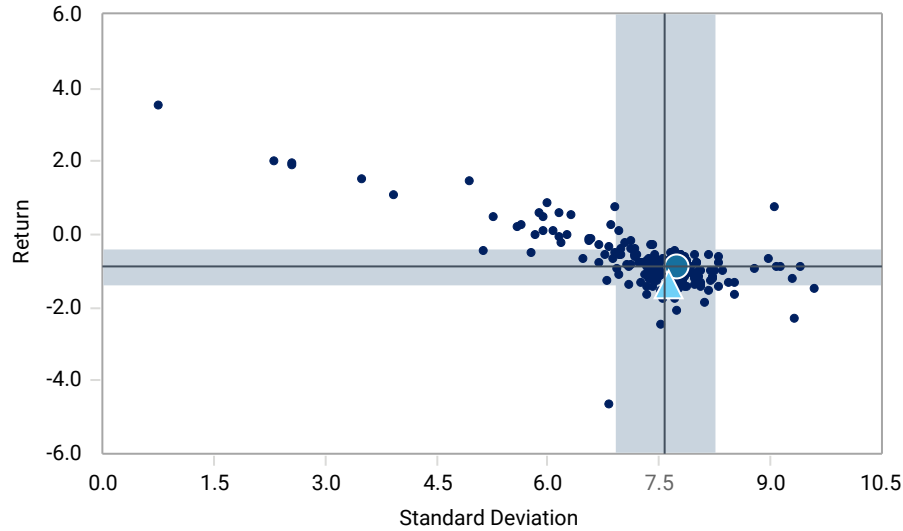


Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending September 30, 2024



BAIRD ADVISORS CORE FIXED INCOME

3 Years Return vs. Standard Deviation

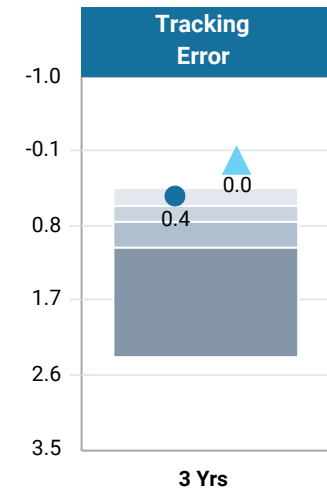
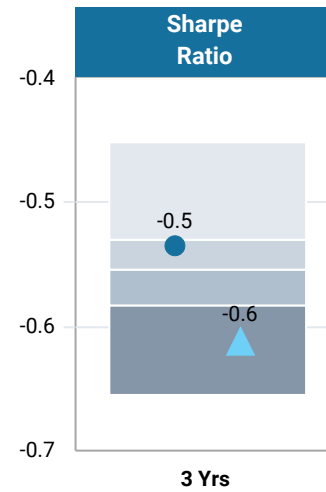
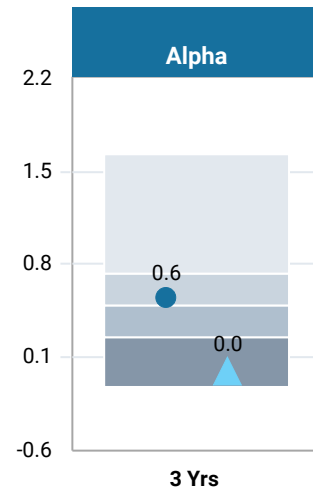
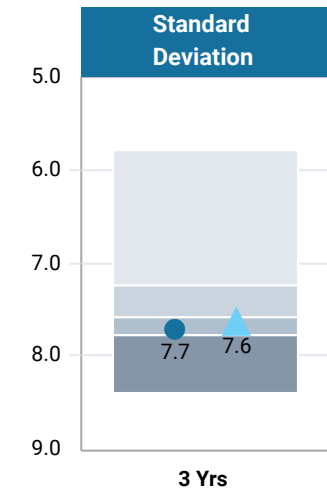
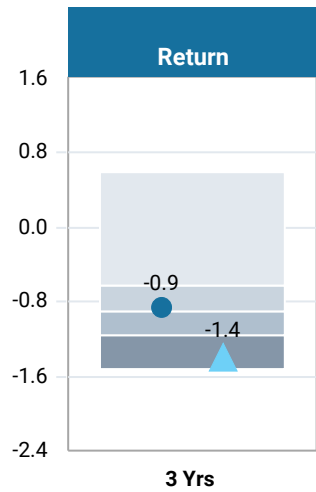


● Baird Advisors Core Fixed Income
▲ Blmbg. U.S. Aggregate Index

Style Map: (1 Year)



● Baird Advisors Core Fixed Income
▲ Blmbg. U.S. Aggregate Index

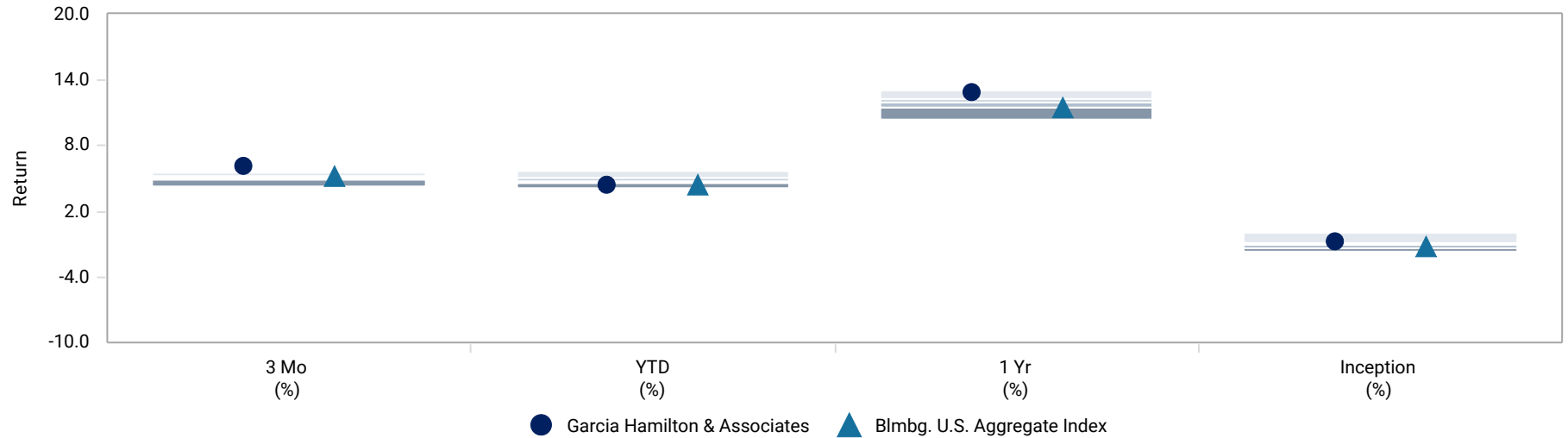


Los Angeles City Employees' Retirement System-LACERS Master Trust

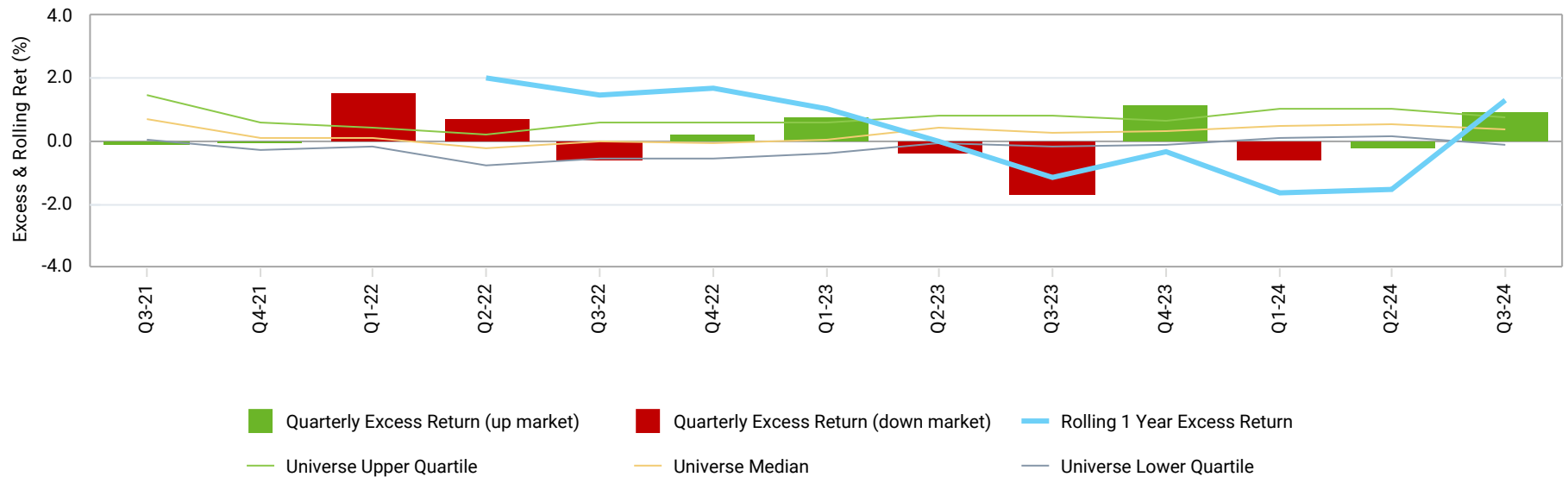
GARCIA HAMILTON & ASSOCIATES

September 30, 2024

eV US Core Fixed Inc (net of fees)



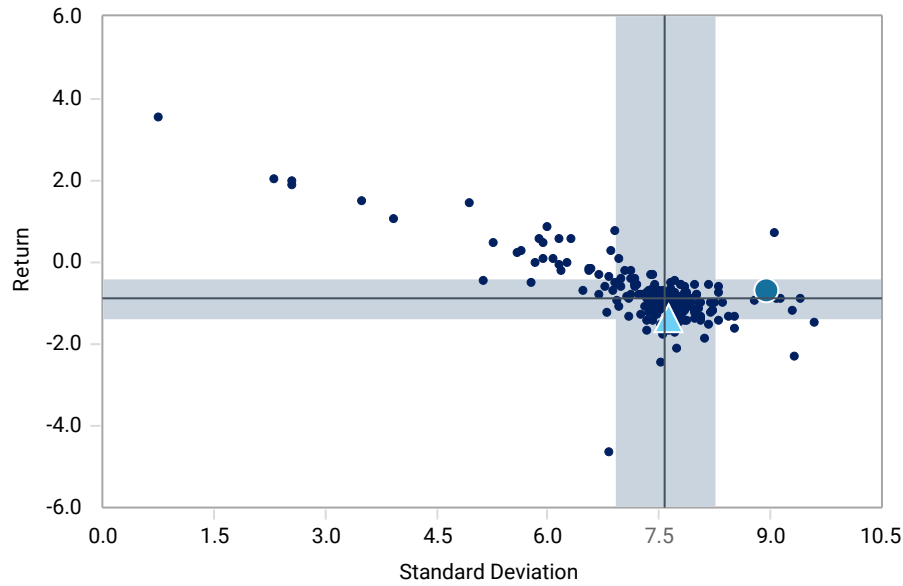
Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending September 30, 2024



Los Angeles City Employees' Retirement System-LACERS Master Trust

GARCIA HAMILTON & ASSOCIATES

3 Years Return vs. Standard Deviation

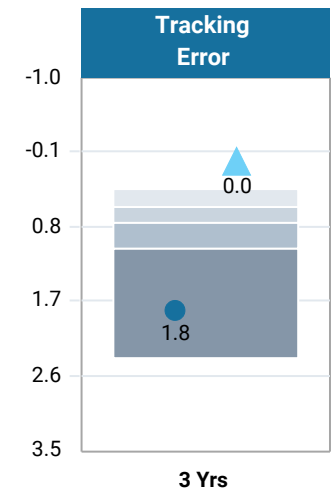
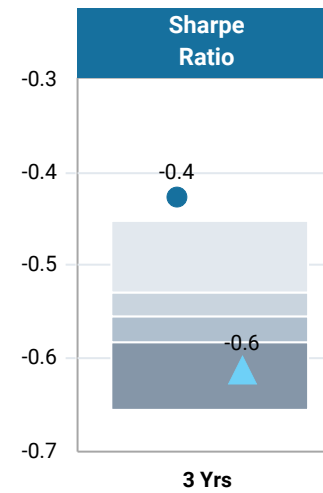
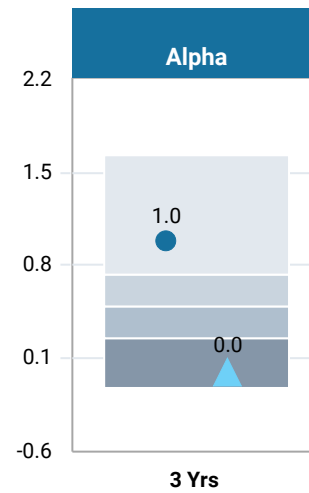
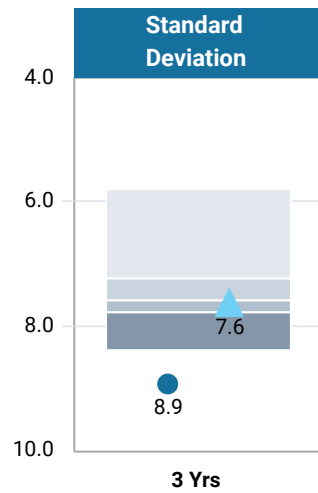
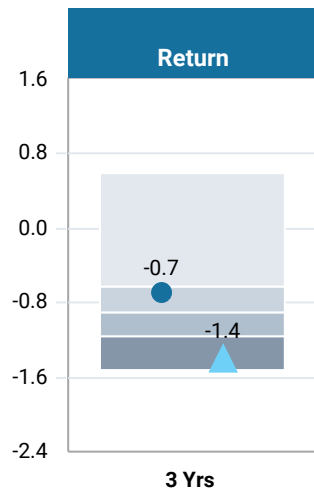


● Garcia Hamilton & Associates ▲ Blmbg. U.S. Aggregate Index

Style Map: (1 Year)



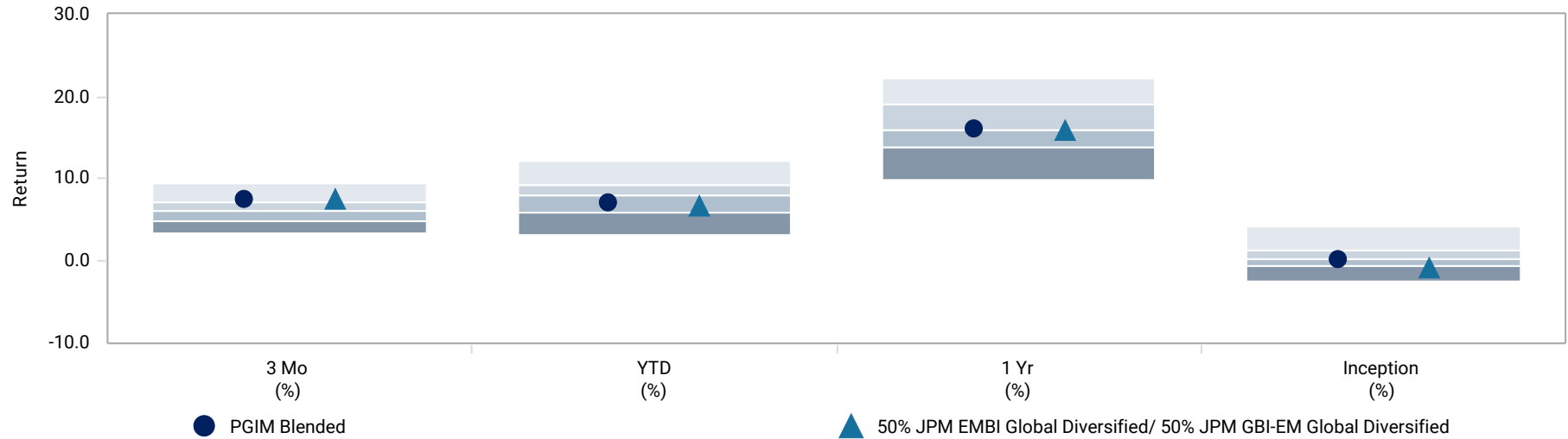
● Garcia Hamilton & Associates ▲ Blmbg. U.S. Aggregate Index



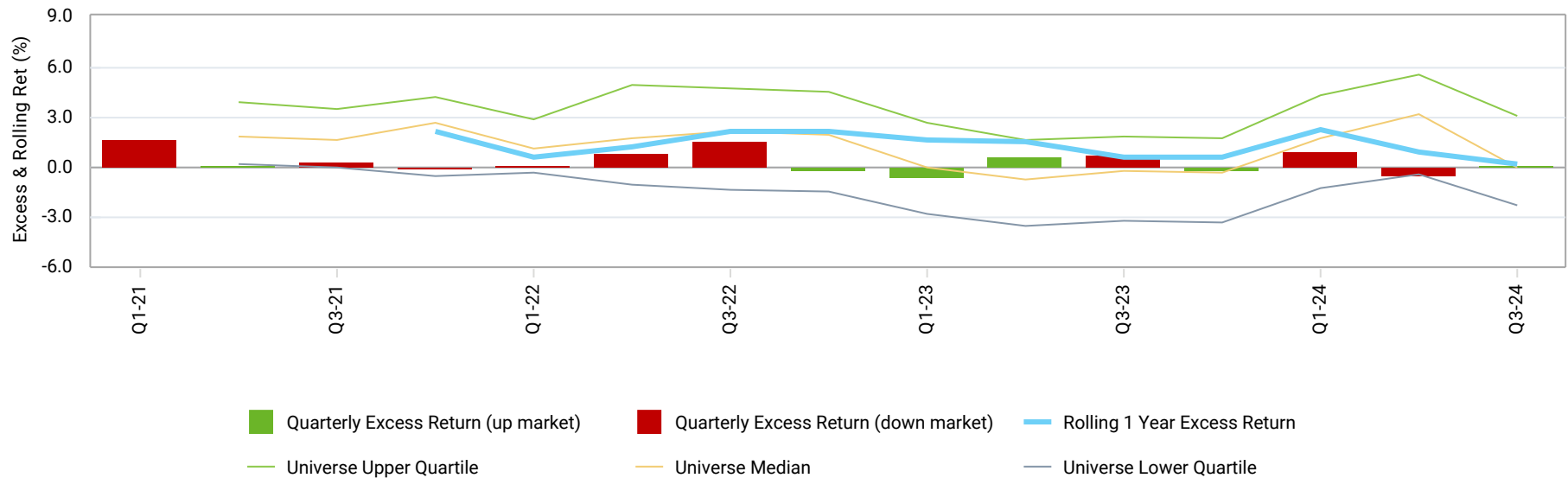
CREDIT OPPORTUNITIES MANAGER PERFORMANCE

PGIM BLENDED

eV All Emg Mkts Fixed Inc (net of fees)

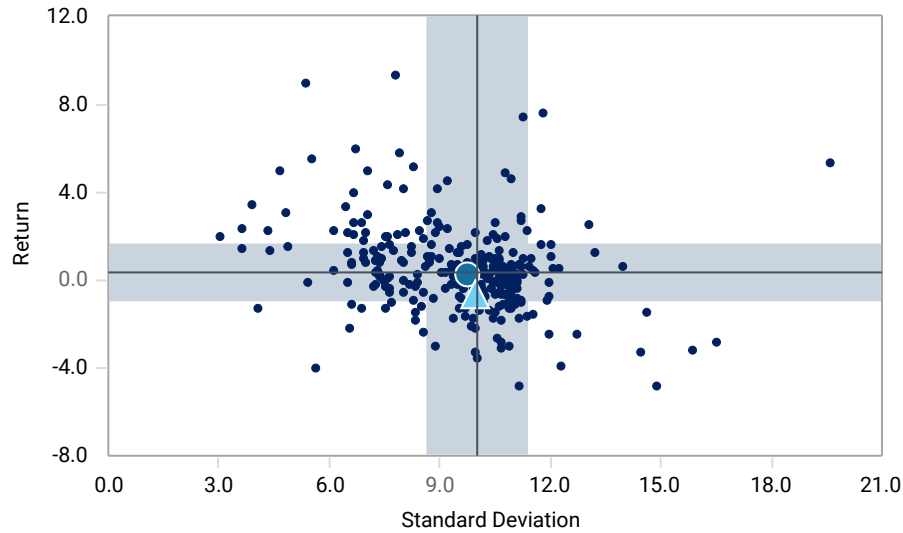


Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending September 30, 2024



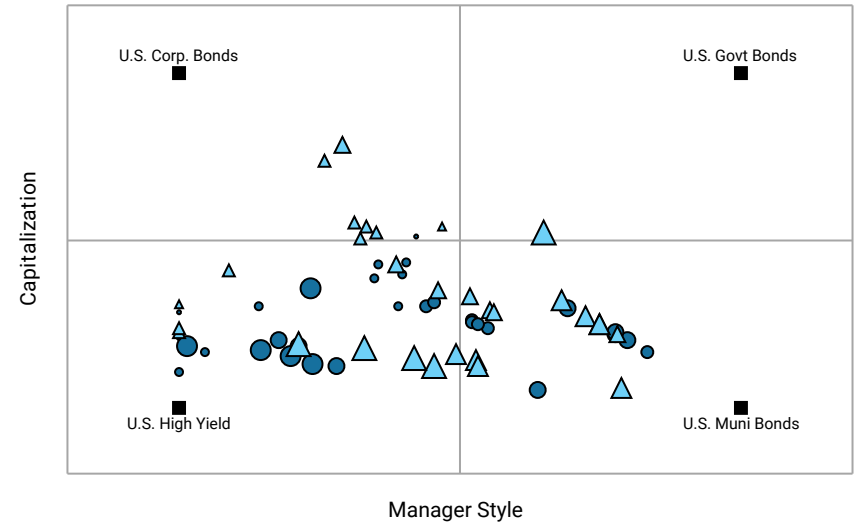
PGIM BLENDED

Since Inception Return vs. Standard Deviation

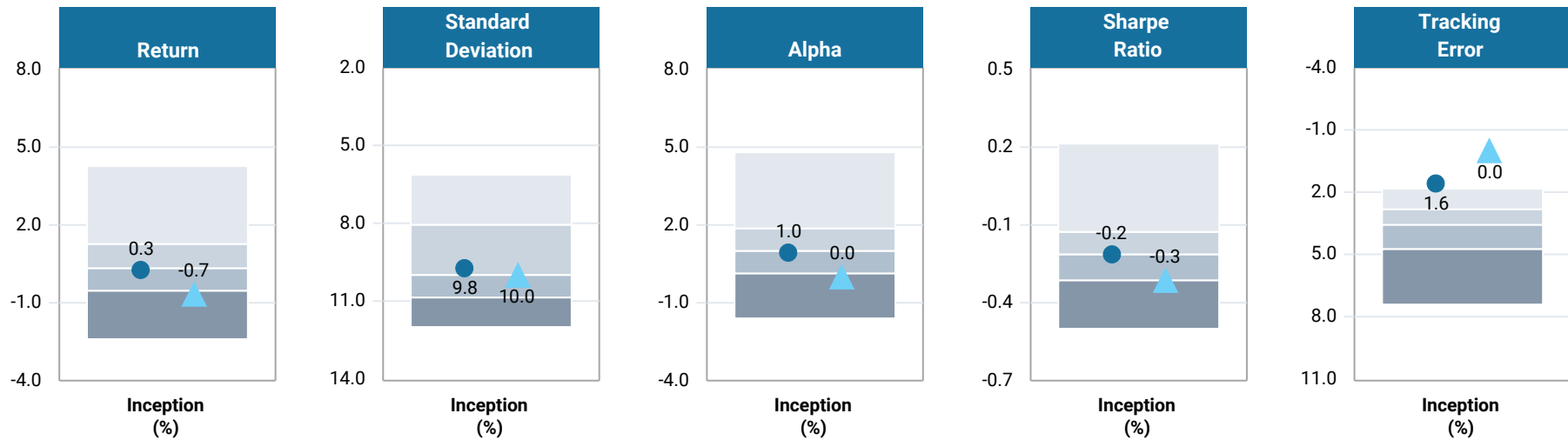


- PGIM Blended
- ▲ 50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified

Style Map: (1 Year)

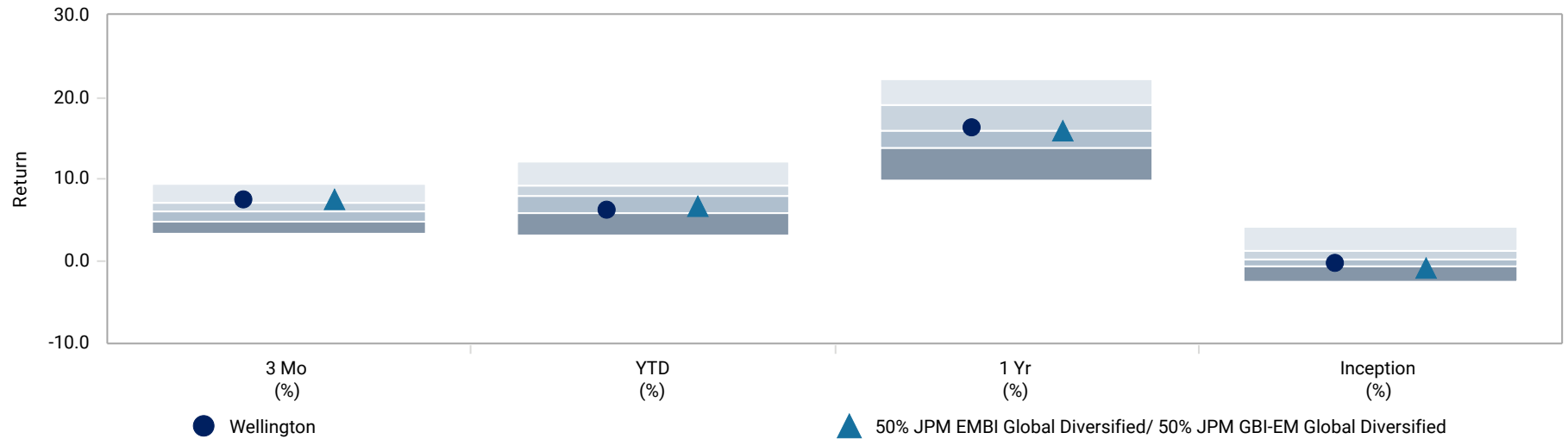


- PGIM Blended
- ▲ 50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified

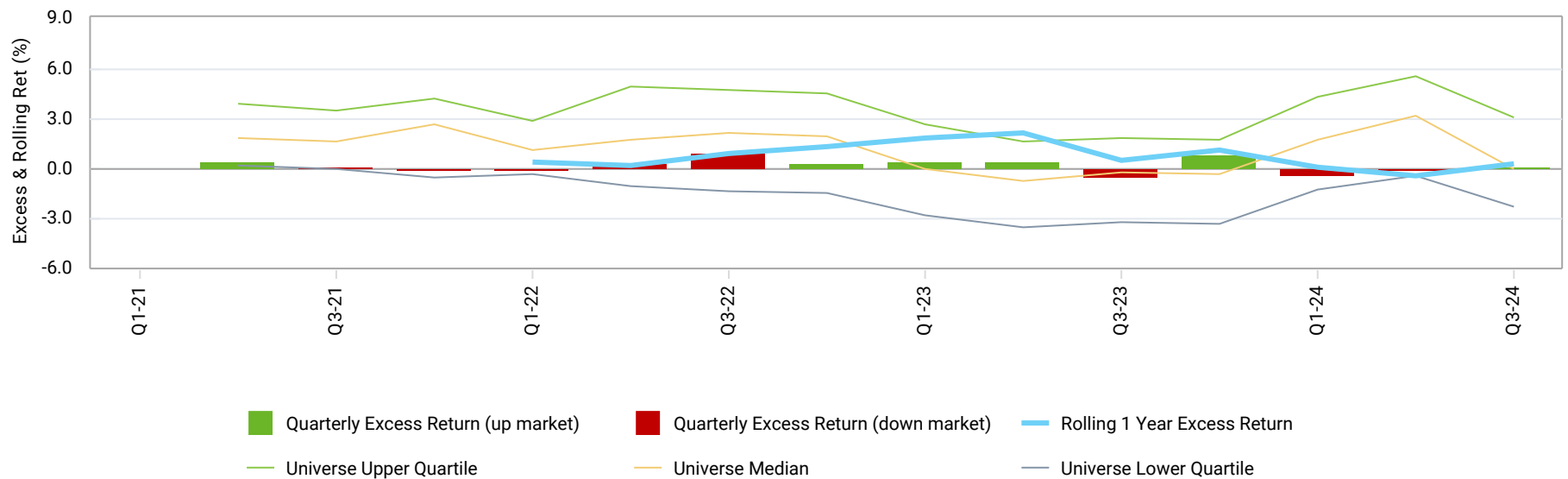


WELLINGTON

eV All Emg Mkts Fixed Inc (net of fees)



Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending September 30, 2024

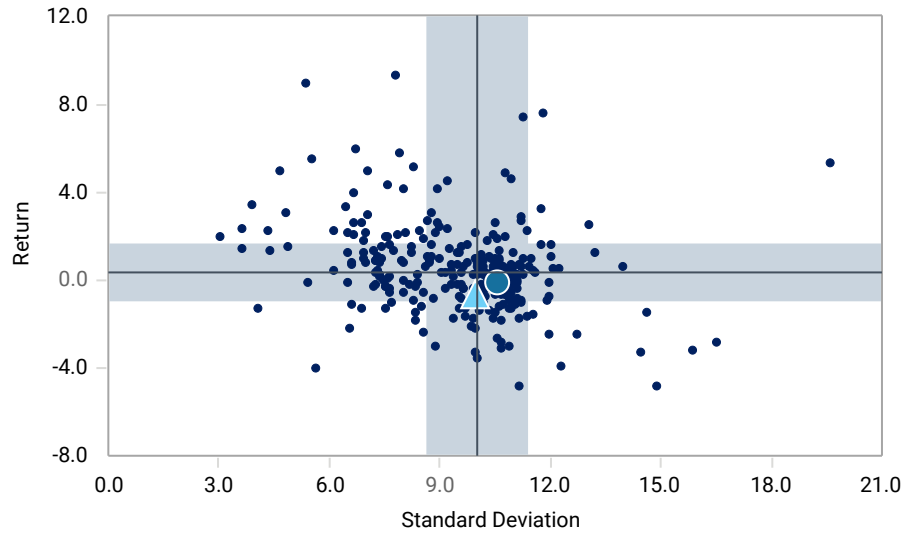


Los Angeles City Employees' Retirement System-LACERS Master Trust

WELLINGTON

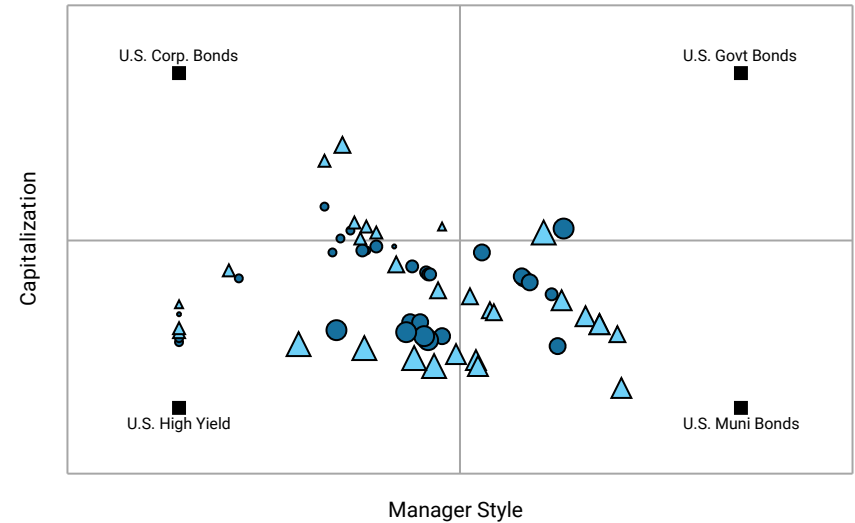
September 30, 2024

Since Inception Return vs. Standard Deviation

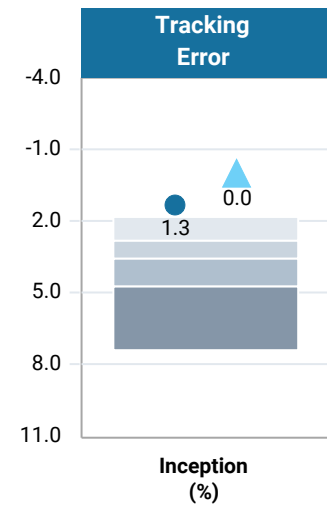
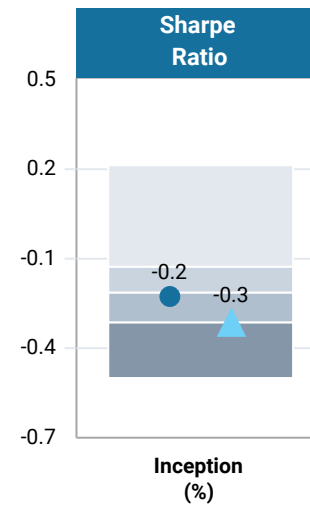
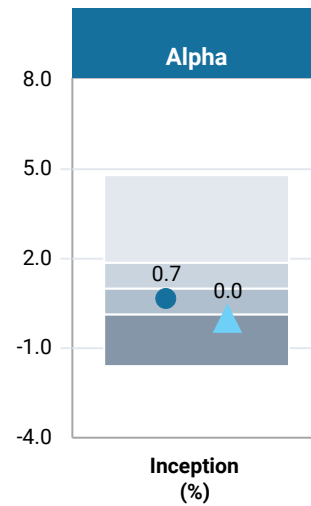
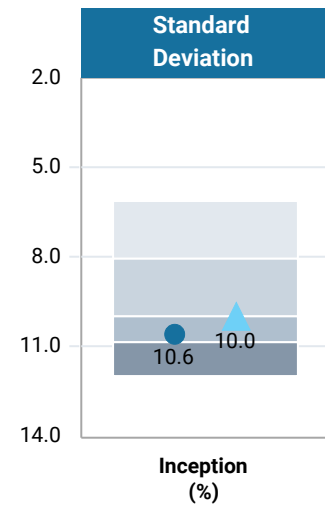
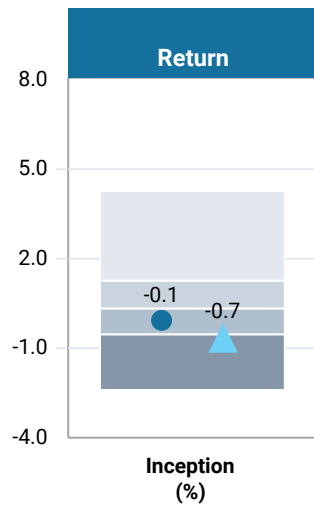


- Wellington
- ▲ 50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified

Style Map: (1 Year)

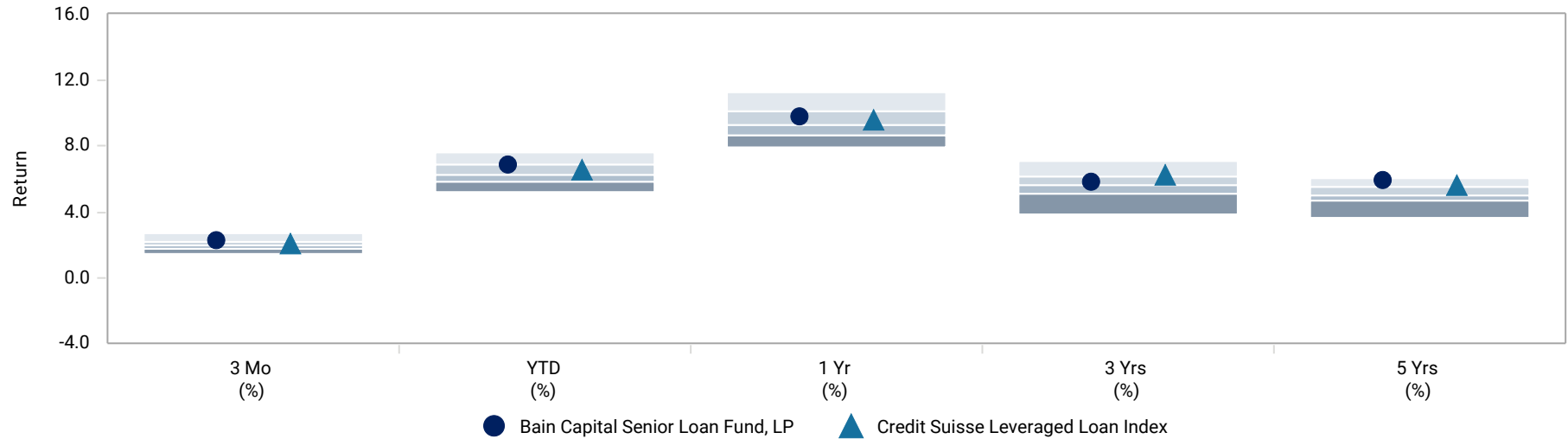


- Wellington
- ▲ 50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified

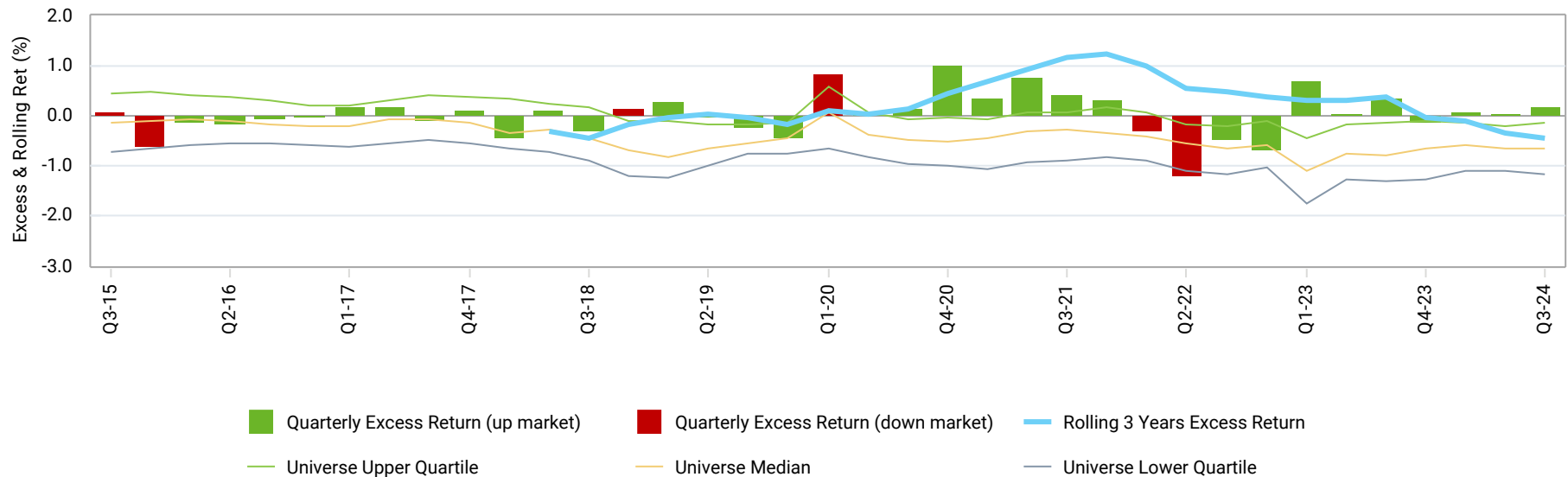


BAIN CAPITAL SENIOR LOAN FUND, LP

eV US Float-Rate Bank Loan Fixed Inc (net of fees)

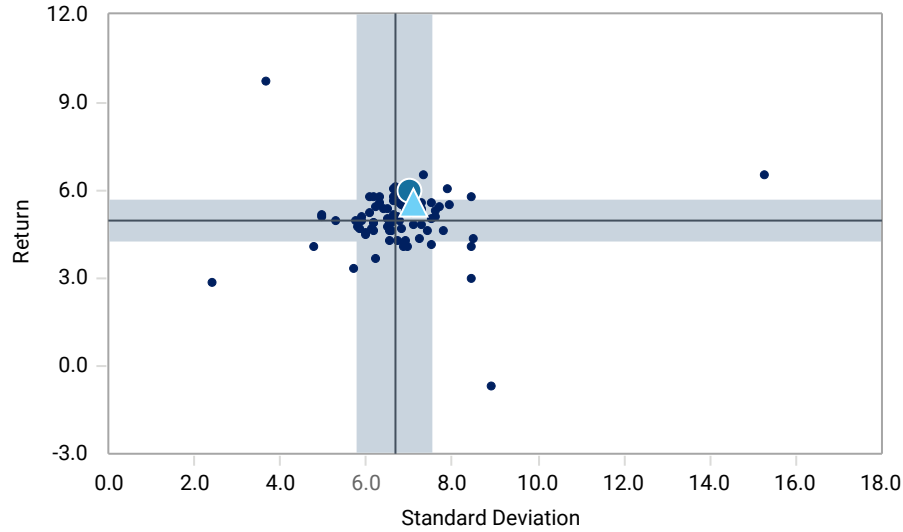


Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending September 30, 2024



BAIN CAPITAL SENIOR LOAN FUND, LP

5 Years Return vs. Standard Deviation

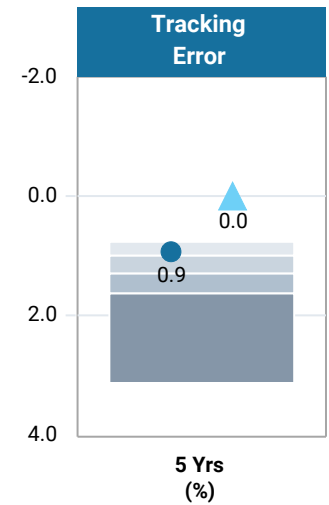
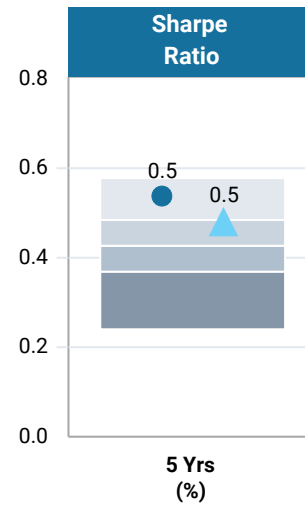
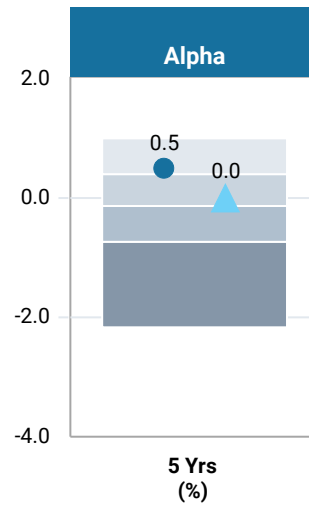
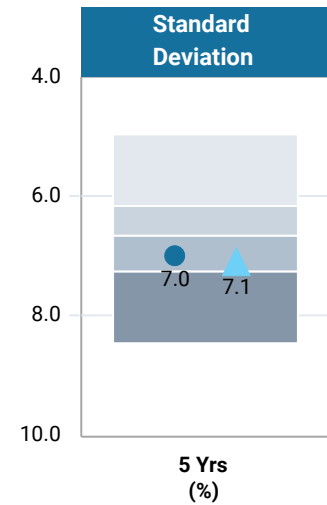
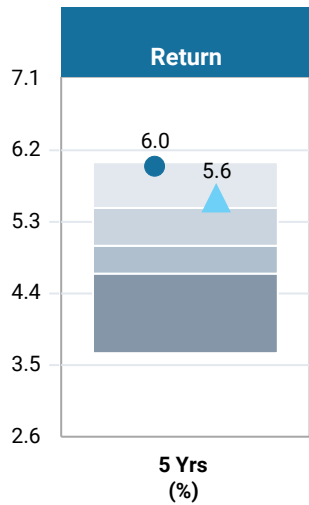


Style Map: (3 Years)



- Bain Capital Senior Loan Fund, LP
- ▲ Credit Suisse Leveraged Loan Index

- Bain Capital Senior Loan Fund, LP
- ▲ Credit Suisse Leveraged Loan Index

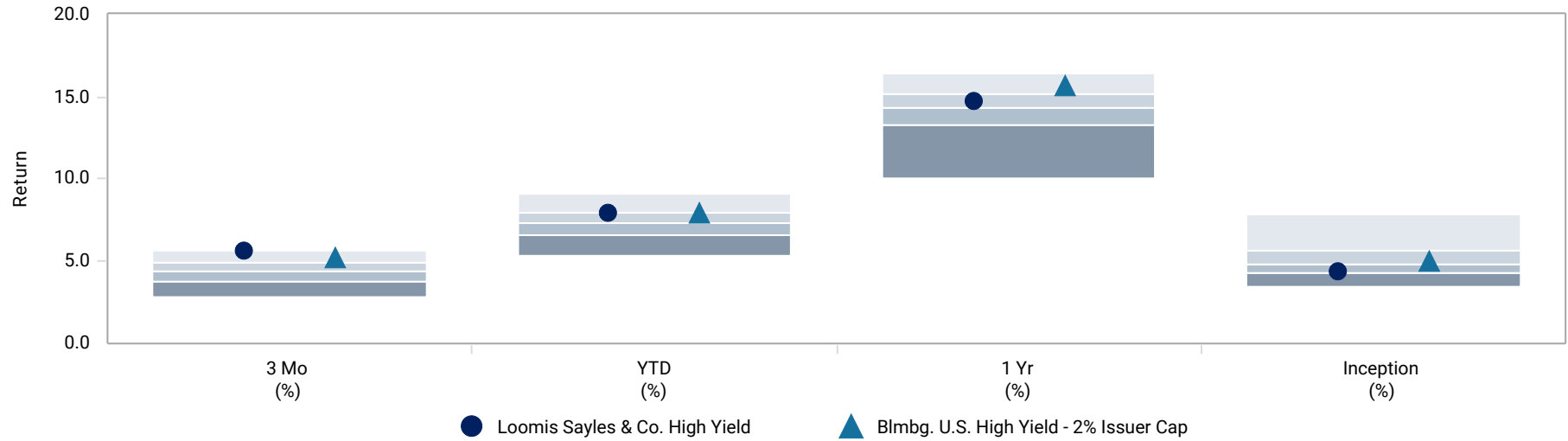


Los Angeles City Employees' Retirement System-LACERS Master Trust

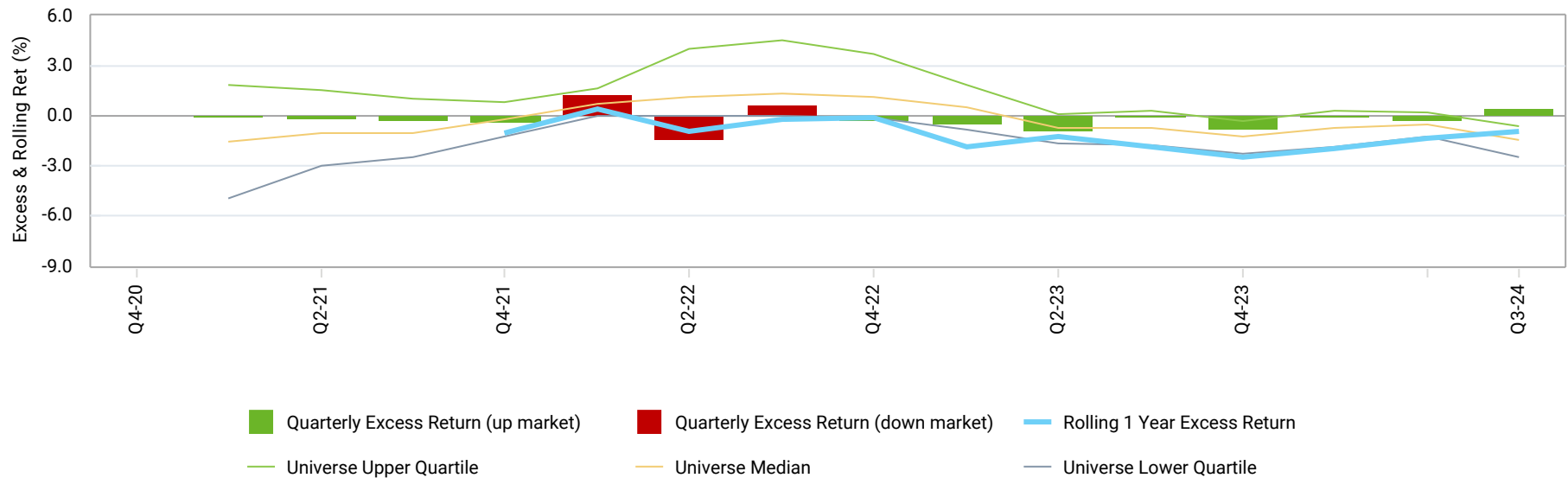
LOOMIS SAYLES & CO. HIGH YIELD

September 30, 2024

eV US High Yield Fixed Inc (net of fees)



Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending September 30, 2024

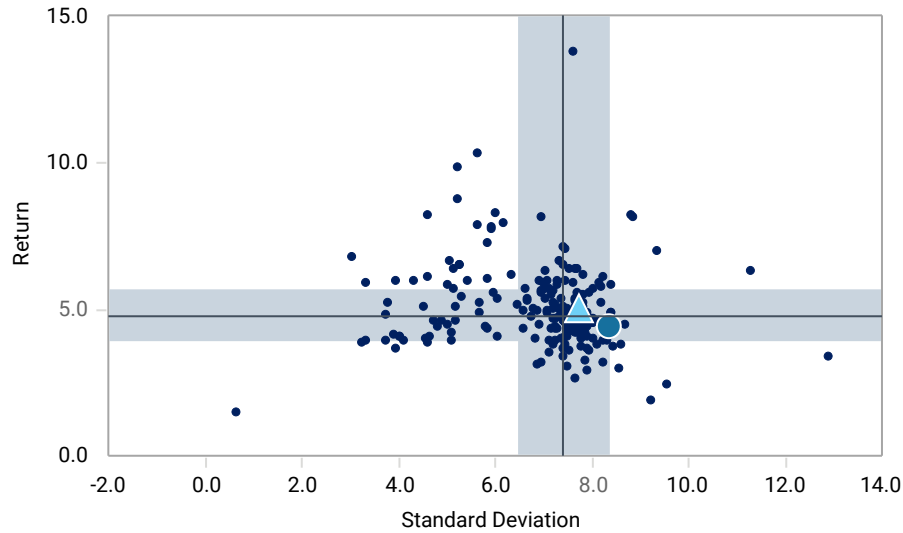


Los Angeles City Employees' Retirement System-LACERS Master Trust

LOOMIS SAYLES & CO. HIGH YIELD

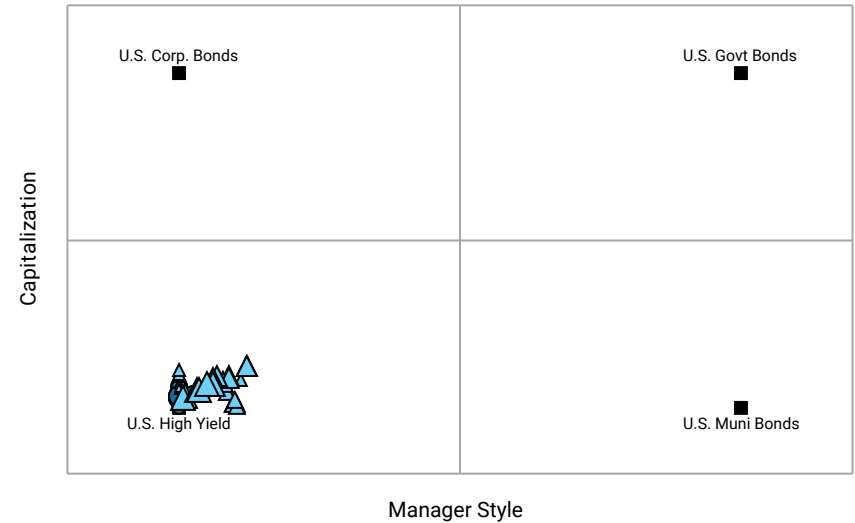
September 30, 2024

Since Inception Return vs. Standard Deviation

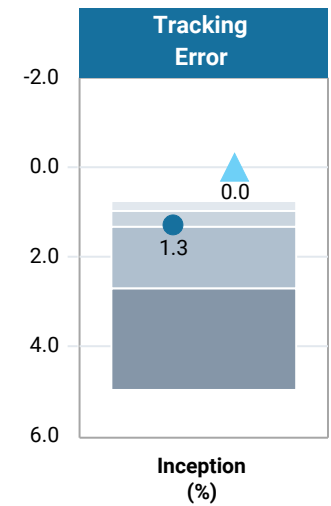
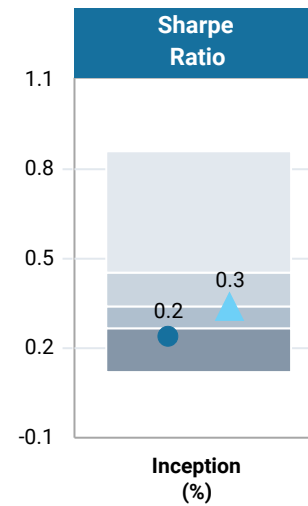
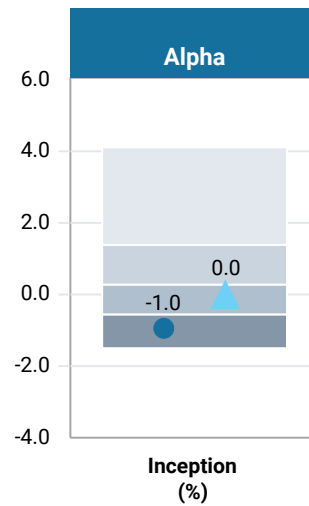
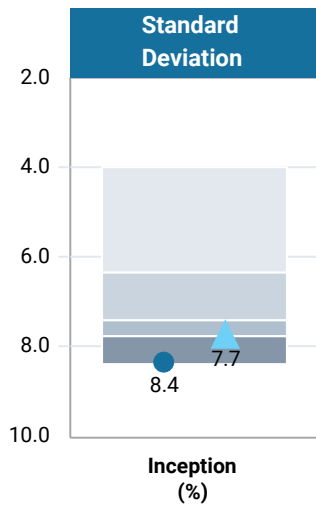
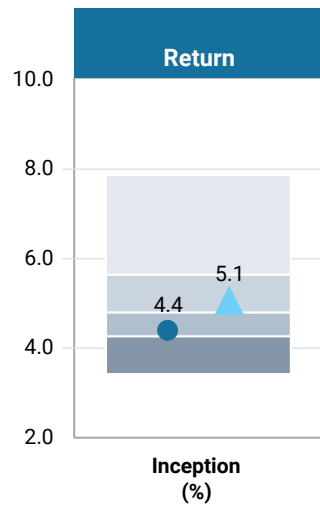


- Loomis Sayles & Co. High Yield
- ▲ Blmbg. U.S. High Yield - 2% Issuer Cap

Style Map: (1 Year)

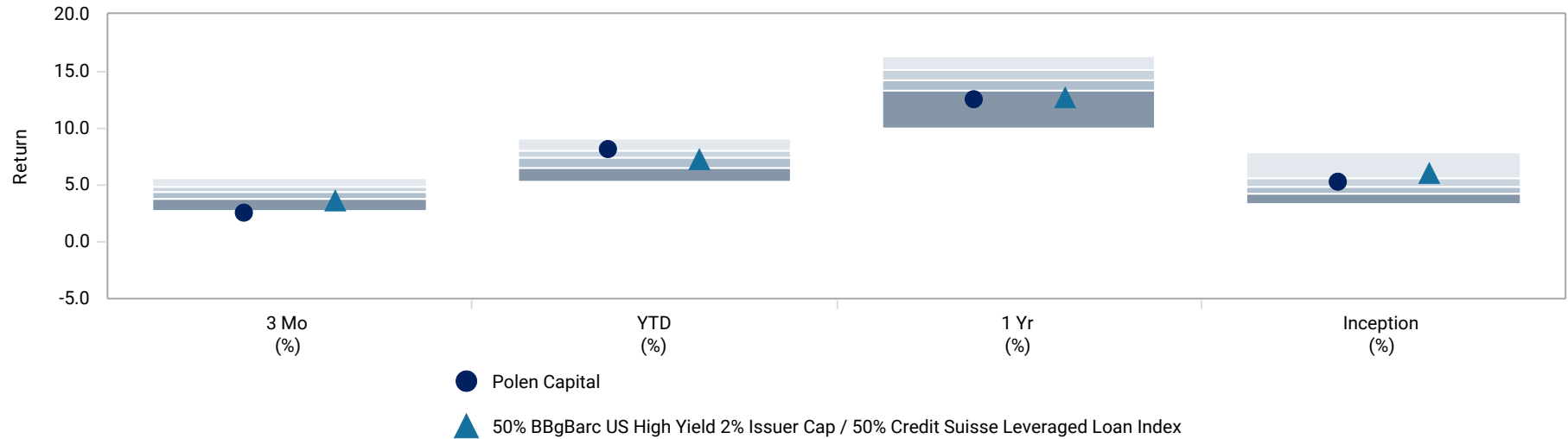


- Loomis Sayles & Co. High Yield
- ▲ Blmbg. U.S. High Yield - 2% Issuer Cap

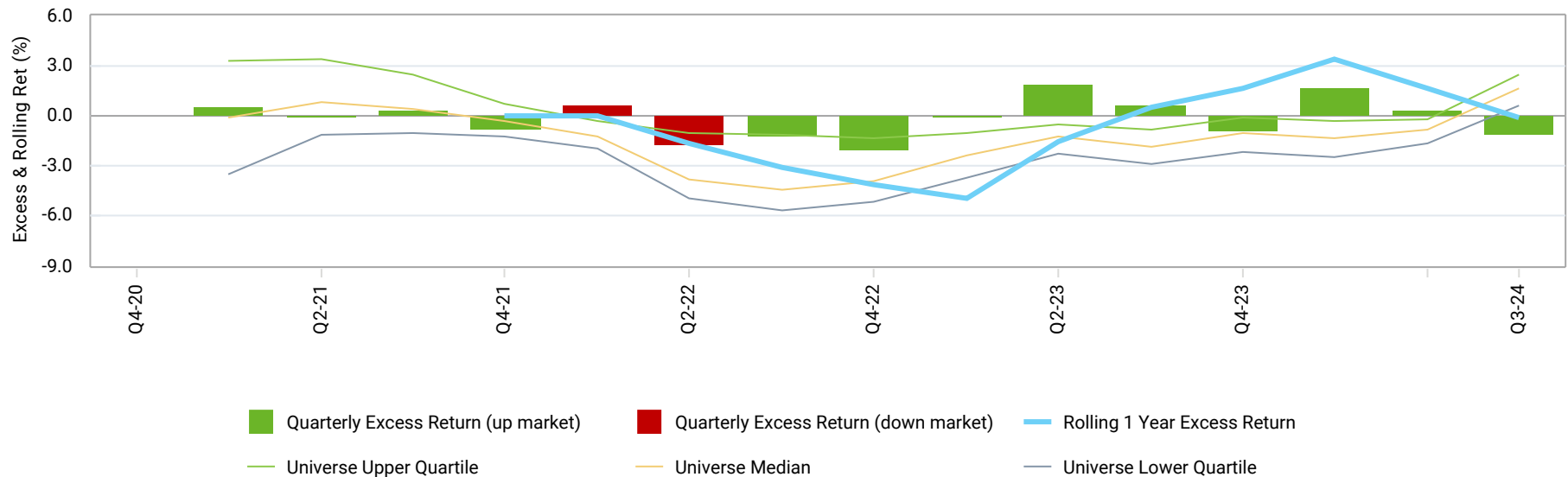


POLEN CAPITAL

eV US High Yield Fixed Inc (net of fees)

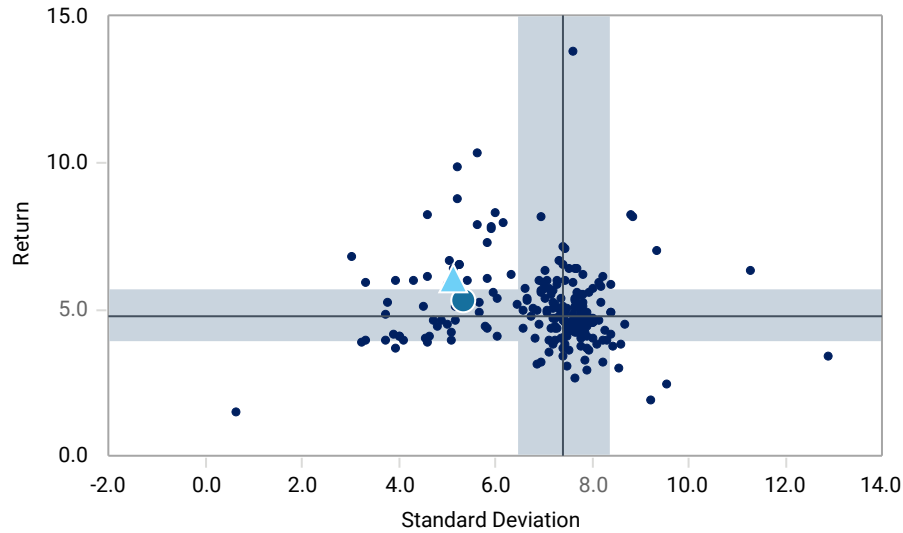


Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending September 30, 2024



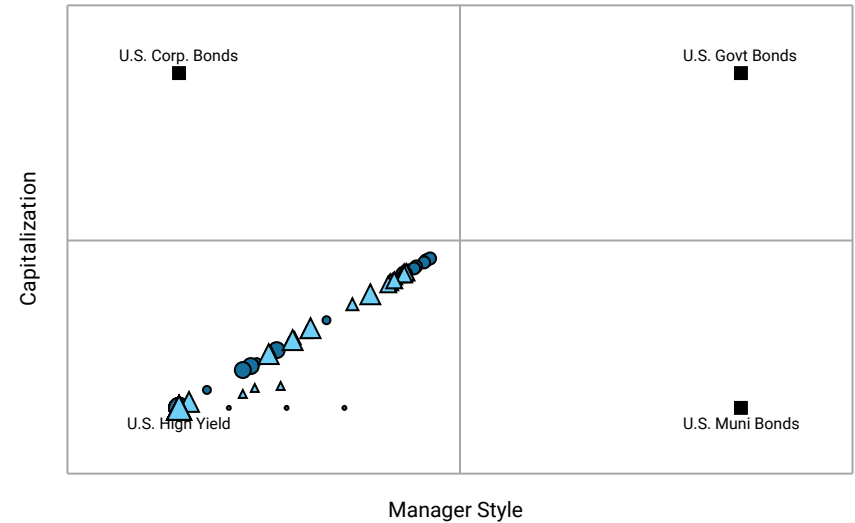
POLEN CAPITAL

Since Inception Return vs. Standard Deviation

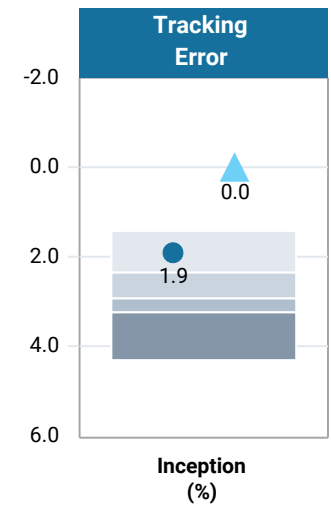
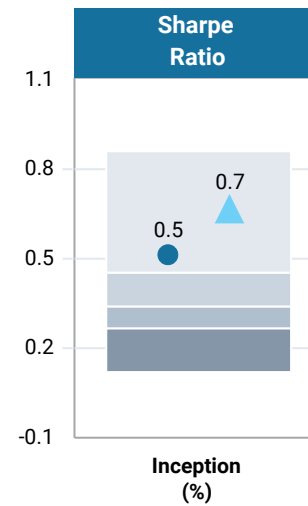
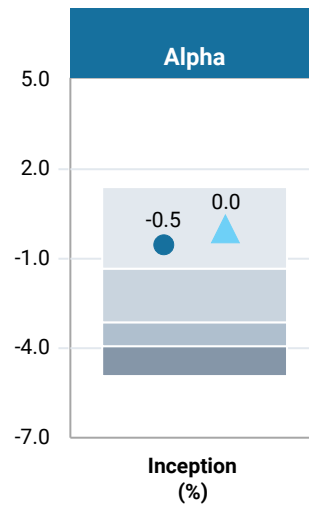
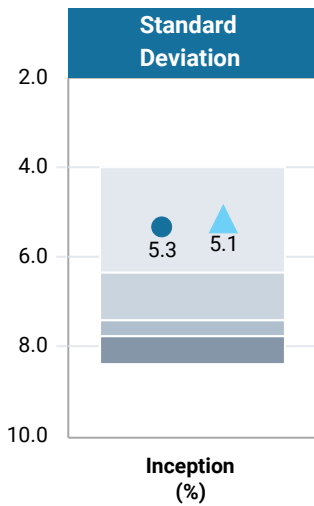
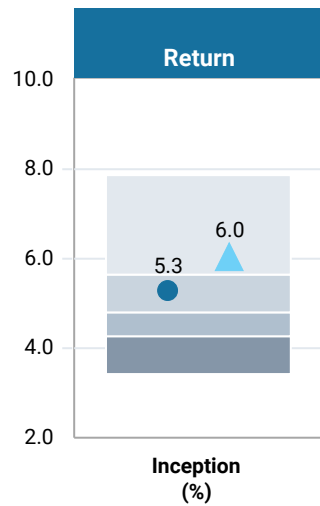


- Polen Capital
- ▲ 50% BBgBarc US High Yield 2% Issuer Cap / 50% Credit Suisse Leveraged Loa

Style Map: (1 Year)



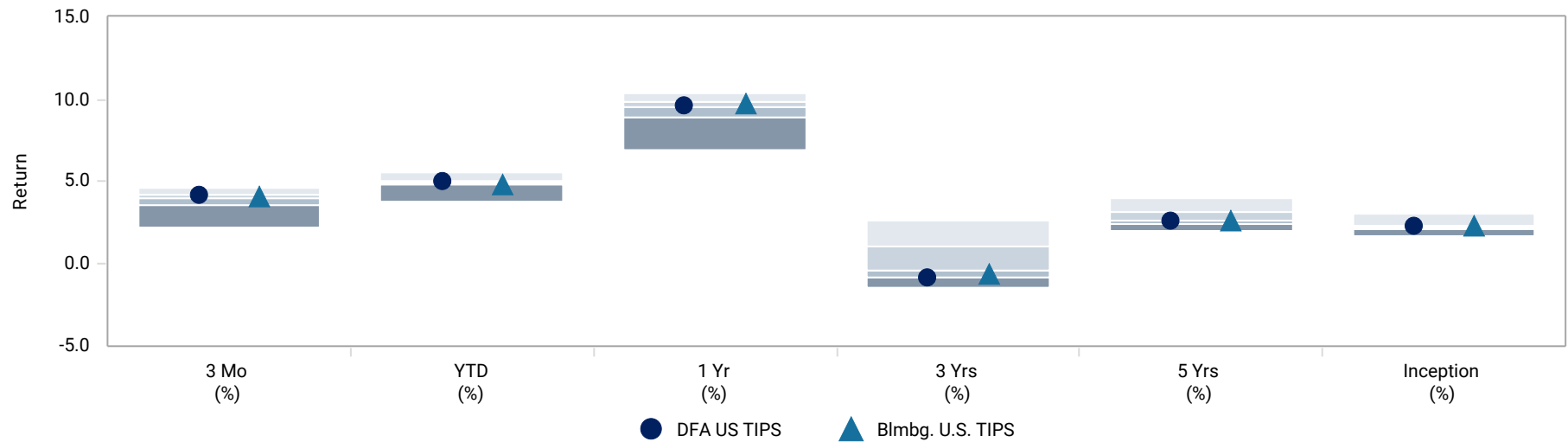
- Polen Capital
- ▲ 50% BBgBarc US High Yield 2% Issuer Cap / 50% Credit Suisse Leveraged Loan



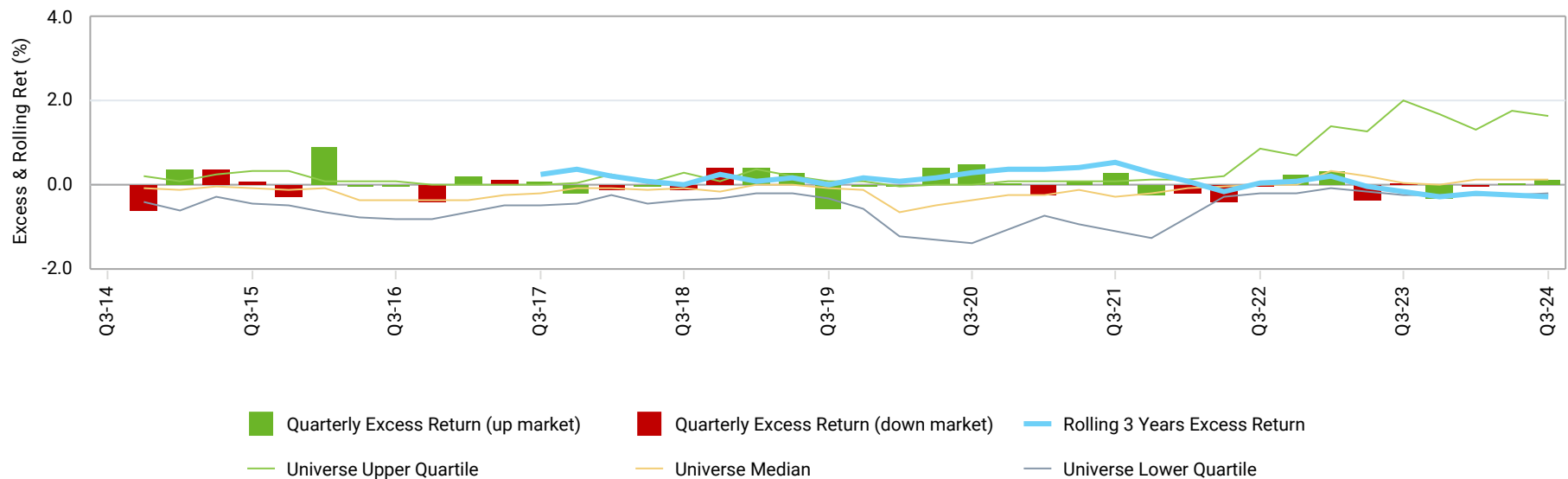
REAL ASSETS MANAGER PERFORMANCE

DFA US TIPS

eV US TIPS / Inflation Fixed Inc (net of fees)



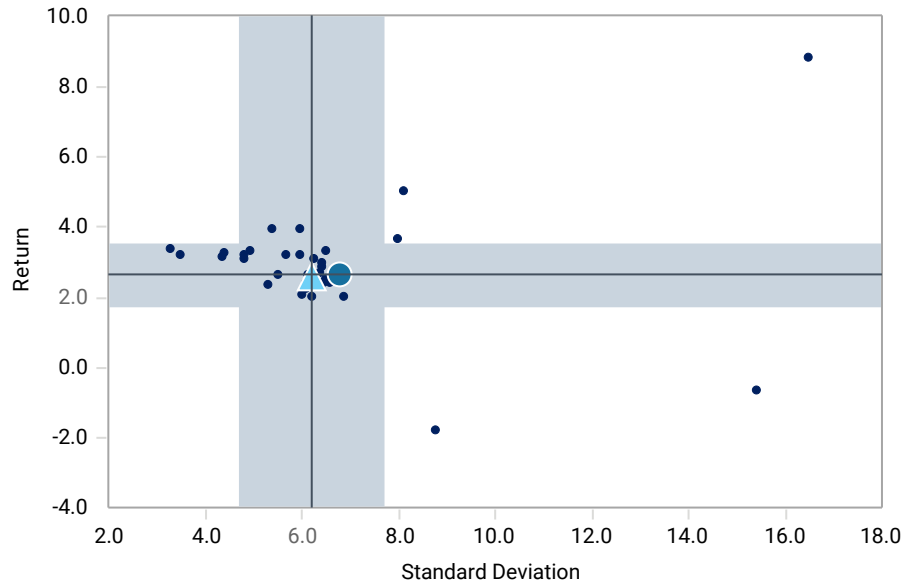
Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending September 30, 2024



Los Angeles City Employees' Retirement System-LACERS Master Trust
DFA US TIPS

September 30, 2024

5 Years Return vs. Standard Deviation

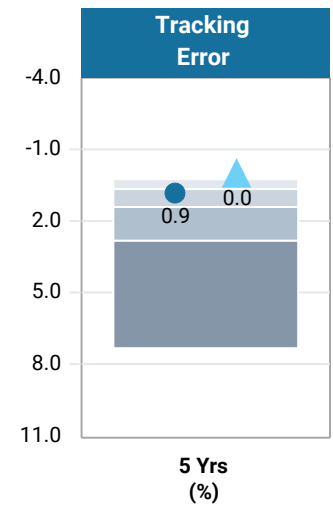
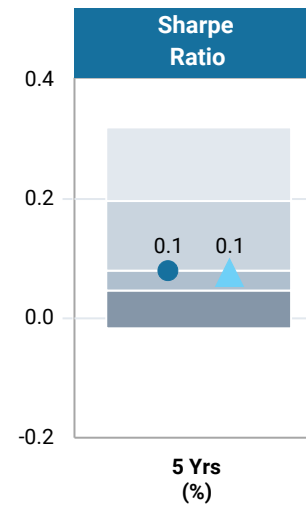
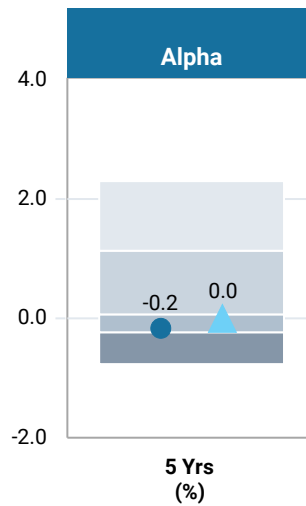
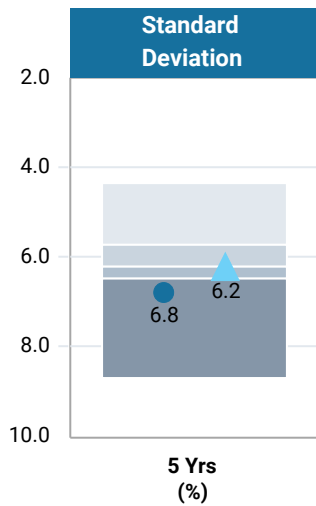
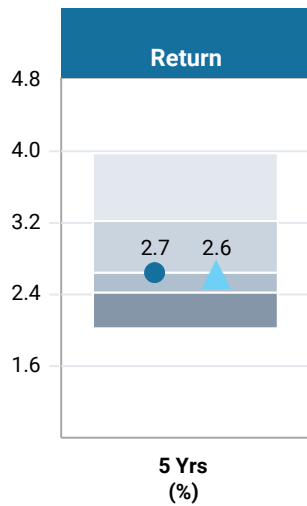


Style Map: (5 Years)



● DFA US TIPS ▲ Blmbg. U.S. TIPS

● DFA US TIPS ▲ Blmbg. U.S. TIPS

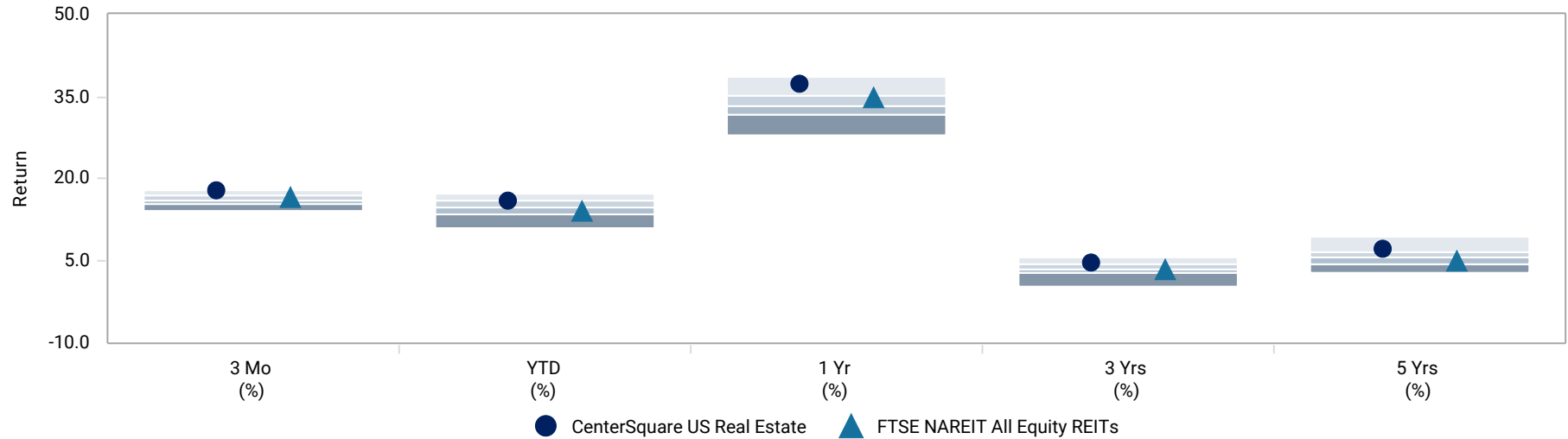


Los Angeles City Employees' Retirement System-LACERS Master Trust

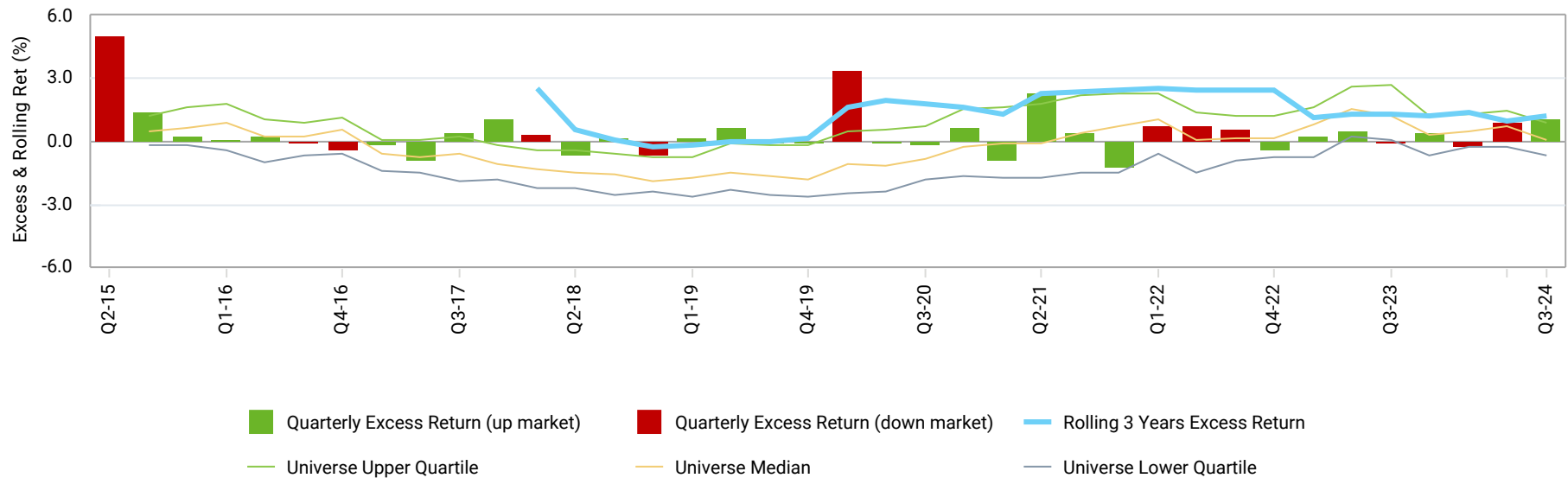
CENTERSQUARE US REAL ESTATE

September 30, 2024

eV US REIT (net of fees)



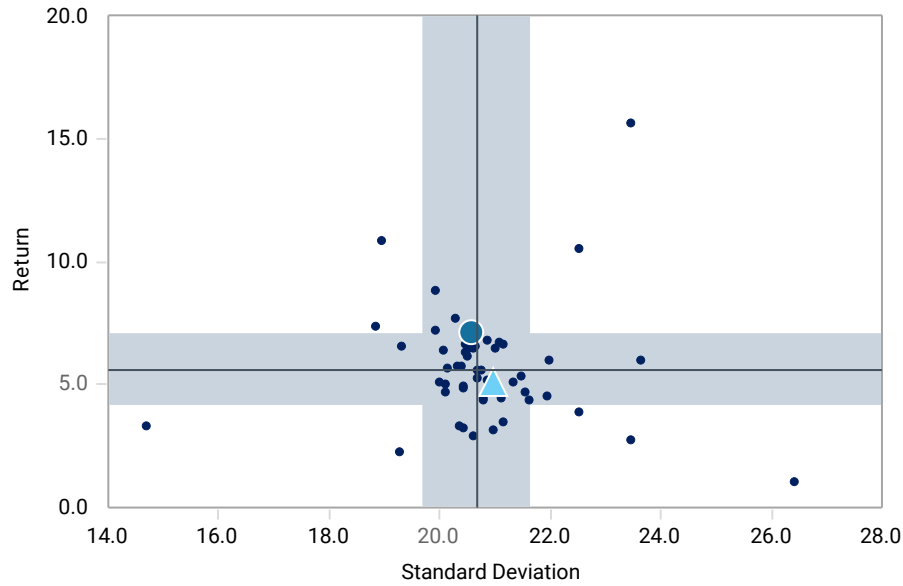
Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending September 30, 2024



Los Angeles City Employees' Retirement System-LACERS Master Trust

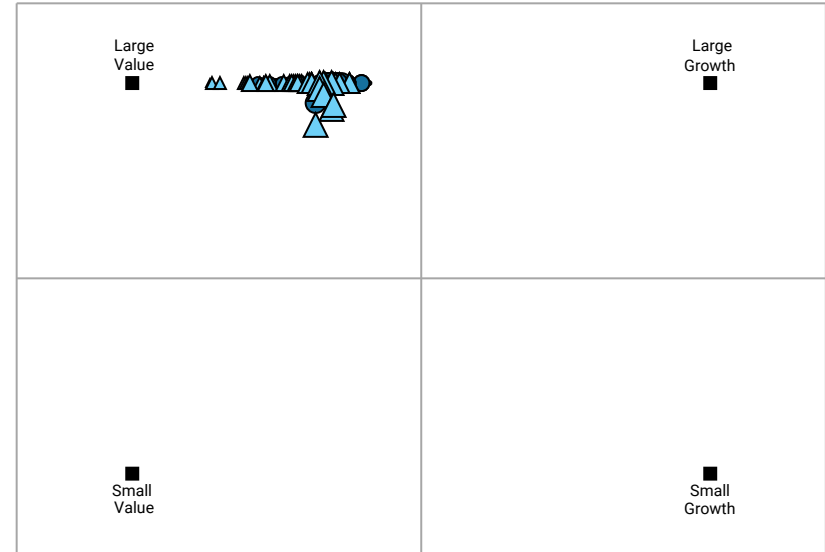
CENTERSQUARE US REAL ESTATE

5 Years Return vs. Standard Deviation

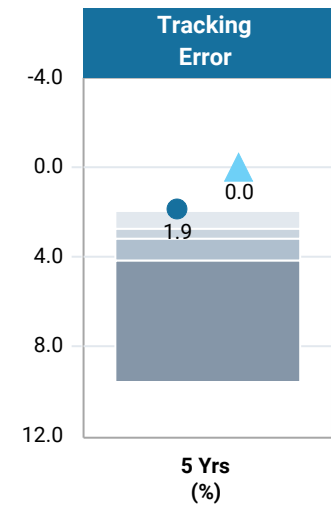
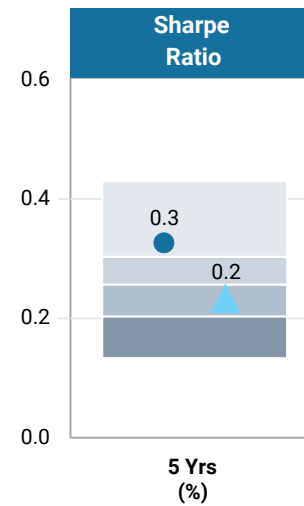
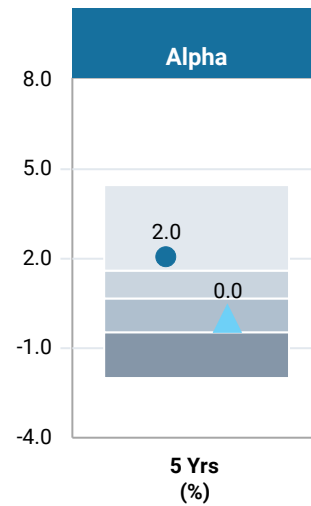
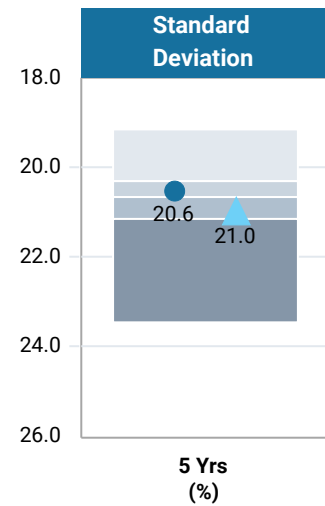
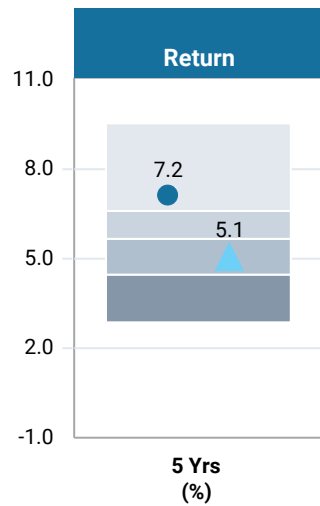


● CenterSquare US Real Estate ▲ FTSE NAREIT All Equity REITs

Rolling 5 Years Style Map



● CenterSquare US Real Estate ▲ FTSE NAREIT All Equity REITs



DEFINITIONS



POLICY INDEX DEFINITIONS

EFFECTIVE JULY 1, 2023

Policy Index: 20.5% Russell 3000 Index, 25.5% MSCI ACWI ex USA Net Index, 12.75% Bloomberg U.S. Aggregate Bond Index, 10.75% Credit Opportunities Blend, 6.00% Public Real Assets Blend, 6.5% Real Estate Blend, 17.0% Private Equity Blend, 1% Citi 3 Month T-Bill Index

U.S. Equity Blend: July 1, 2011 - Current: Russell 3000 Index; September 30, 1994 - December 31, 1999 S&P 500 Index 33.75, Russell 1000 Value Index 35%, Russell 1000 Growth 12.5%, Russell 2000 Value 12.5%, Russell 2000 Growth 6.25%

Core Fixed Income Blend: July 1, 2013 – Current: Bloomberg U.S. Aggregate Bond Index

Credit Opportunities Blend: 13.95% Bloomberg US High Yield 2% Issuer Capped Index, 13.95% Credit Suisse Leveraged Loan Index, 37.21% Blended Emerging Markets Debt Blend, 34.88% Credit Suisse Leveraged Loan Index One Quarter Lagged

Emerging Markets Debt Blend: 50% JPM EMBI Global Diversified, 50% JPM GBI-EM Global Diversified

Real Assets Policy Benchmark Blend: 32% Bloomberg US TIPS Index, 16% FTSE NAREIT All Equity Index, 52% Real Estate Blend

Public Real Assets Blend: 66.67% Bloomberg US TIPS Index, 33.33% FTSE NAREIT All Equity Index

Real Estate Blend: July 1, 2014 - Current NCREIF ODCE + 0.80%; July 1, 2012 - June 30, 2014 NCREIF Property Index Lagged +1%; October 1, 1994 - June 30, 2012 NCREIF Property Index Lagged

Private Equity Blend: January 1, 2022 Cambridge Global PE and VC Index; February 1, 2012 – December 31, 2021 Russell 3000 + 3%; Inception – January 31, 2012 Russell 3000 + 4%

Note: See Investment Policy for a full description of the indices listed.



POLICY INDEX DEFINITIONS

INTERIM POLICY TARGETS ADOPTED ON JULY 12, 2022

	Policy Target %
Total Portfolio	100.00%
U.S. Equity	21.00%
Large Cap	15.00%
Small/Mid Cap	6.00%
Non-U.S. Equity	26.00%
Developed	15.00%
Developed Small Cap	3.00%
Emerging Markets	6.67%
Emerging Markets Small Cap	1.33%
Private Equity	16.00%
Core Fixed Income	11.25%
Credit Opportunities	12.75%
Bank Loans/High Yield	3.00%
Emerging Market Debt	4.00%
Private Credit	5.75%
Public Real Assets	5.00%
TIPS	3.60%
REITS	1.40%
Real Estate	7.00%
Cash	1.00%

	2022	2023	2024	2025
Total Portfolio	100.00%	100.00%	100.00%	100.00%
U.S. Equity	19.50%	20.50%	20.50%	21.00%
Large Cap	14.00%	14.50%	14.50%	15.00%
Small/Mid Cap	5.50%	6.00%	6.00%	6.00%
Non-U.S. Equity	25.50%	25.50%	25.50%	26.00%
Developed	14.40%	14.40%	14.40%	15.00%
Developed Small Cap	3.00%	3.00%	3.00%	3.00%
Emerging Markets	6.75%	6.75%	6.75%	6.67%
Emerging Markets Small Cap	1.35%	1.35%	1.35%	1.33%
Private Equity	18.00%	17.50%	17.00%	16.00%
Core Fixed Income	15.00%	14.00%	12.75%	11.25%
Credit Opportunities	8.00%	9.25%	10.75%	12.75%
Bank Loans/High Yield	3.00%	3.00%	3.00%	3.00%
Emerging Market Debt	4.00%	4.00%	4.00%	4.00%
Private Credit	1.00%	2.25%	3.75%	5.75%
Public Real Assets	7.50%	6.25%	6.00%	5.00%
TIPS	4.50%	4.00%	4.00%	3.60%
REITS	3.00%	2.25%	2.00%	1.40%
Real Estate	5.50%	6.00%	6.50%	7.00%
Cash	1.00%	1.00%	1.00%	1.00%

Note: Policy target changes coincide with beginning of fiscal year.



DISCLOSURES



DISCLAIMERS & DISCLOSURES

Past performance is no guarantee of future results.

Returns for pooled funds, e.g. mutual funds and collective investment trusts, are collected from third parties; they are not generally calculated by NEPC. Returns for separate accounts, with some exceptions, are calculated by NEPC. Returns are reported net of manager fees unless otherwise noted.

A “since inception” return, if reported, begins with the first full month after funding, although actual inception dates (e.g. the middle of a month) and the timing of cash flows are taken into account in Composite return calculations.

NEPC’s preferred data source is the plan’s custodian bank or record-keeper. If data cannot be obtained from one of the preferred data sources, data provided by investment managers may be used. Information on market indices and security characteristics is received from additional providers. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within. In addition, some index returns displayed in this report or used in calculation of a policy index, allocation index or other custom benchmark may be preliminary and subject to change.

All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.

The opinions presented herein represent the good faith views of NEPC as of the date of this presentation and are subject to change at any time. Neither fund performance nor universe rankings contained in this report should be considered a recommendation by NEPC.

This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

Source of private fund performance benchmark data: Cambridge Associates, via Refinitiv



REPORT TO BOARD OF ADMINISTRATION

From: Investment Committee
Elizabeth Lee, Chair
Thuy T. Huynh
Gaylord "Rusty" Roten

MEETING: JANUARY 14, 2025
ITEM: VIII - C

SUBJECT: PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PROGRAM 2025 STRATEGIC PLAN AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board adopt the Private Equity Program 2025 Strategic Plan.

Discussion

On December 10, 2024, the Committee considered the attached report regarding the Private Equity Program 2025 Strategic Plan. The Committee heard a presentation from Jeffrey Goldberger and Trevor Jackson of Aksia LLC (Aksia), LACERS' Private Equity Consultant. The plan, developed by Aksia with input from staff, establishes strategic objectives and investment plan recommendations for the next calendar year. Aksia will be present at the Board meeting of January 14, 2025, should the Board desire to hear a presentation of the proposed plan.

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

TB/RJ/WL/EC/EP:rm

Attachment: 1. Report to Investment Committee Dated December 10, 2024



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



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

MEETING: DECEMBER 10, 2024
ITEM: IV

Neil M. Guglielmo

SUBJECT: PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PROGRAM 2025 STRATEGIC PLAN AND POSSIBLE COMMITTEE ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Committee recommend to the Board the adoption of the Private Equity Program 2025 Strategic Plan.

Discussion

Aksia LLC (Aksia), LACERS' Private Equity Consultant, with input from staff, has developed the proposed Private Equity Program 2025 Strategic Plan, which considers strategic objectives and investment plan recommendations for calendar year 2025. Staff has reviewed the plan and recommends its adoption. Aksia will present the proposed plan.

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

NMG/RJ/WL/EC/EP:rm

Attachment: 1. LACERS Private Equity Program 2025 Strategic Plan – Aksia LLC

Aksia LLC

LACERS Private Equity Program
2025 Strategic Plan
December 2024



www.aksia.com

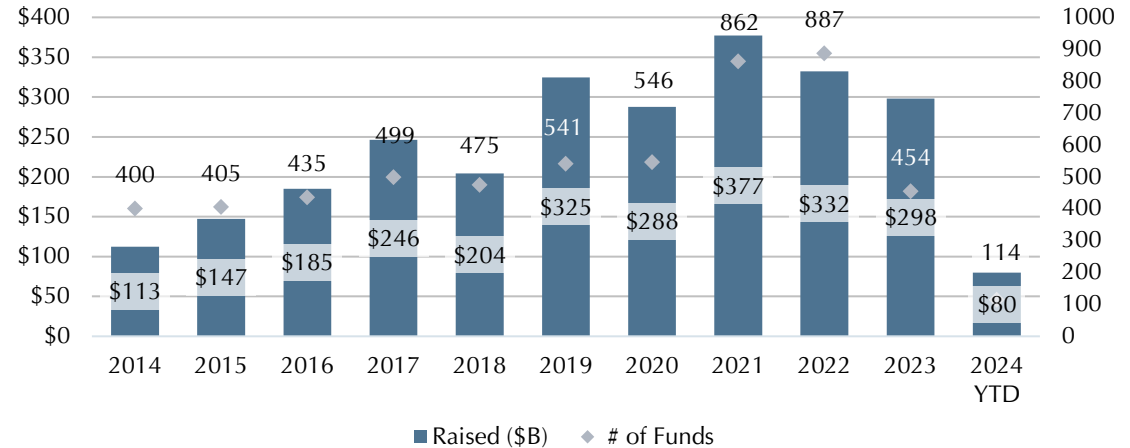
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- LACERS Portfolio Exposures 17
- 2025 Strategic Plan Recommendations 25

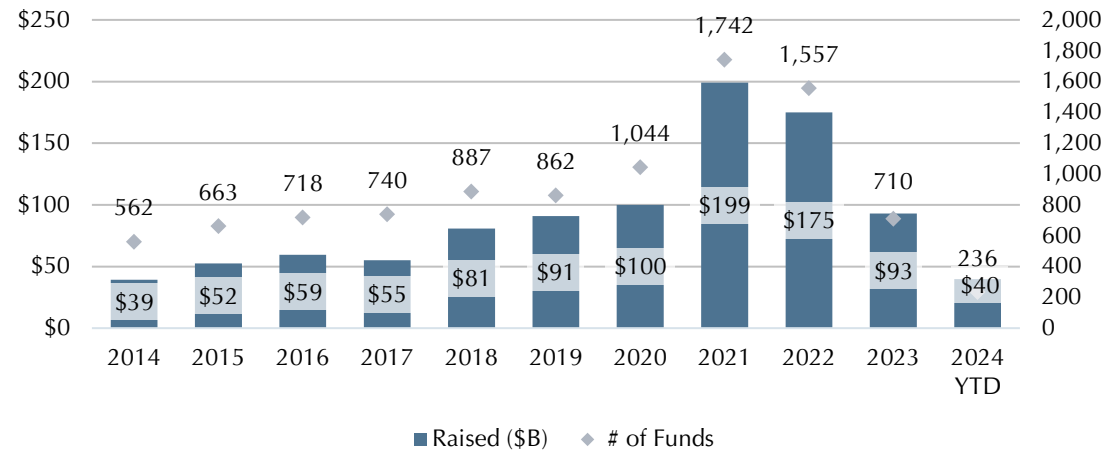
Fundraising Activity – North America

- While 2024 continues to be a tough fundraising environment, we have witnessed seeded portfolios with early mark-ups and co-investment staples help GPs with fundraising momentum.
- In contrast to middle or lower tier managers, top performing managers continue to move through the market quickly, generally hitting their target / hard caps in one or two closes.
- VC fundraising remained slow during the first half of 2024 and is on pace for another year-over-year decline.

Buyout Fundraising



Venture Capital Fundraising

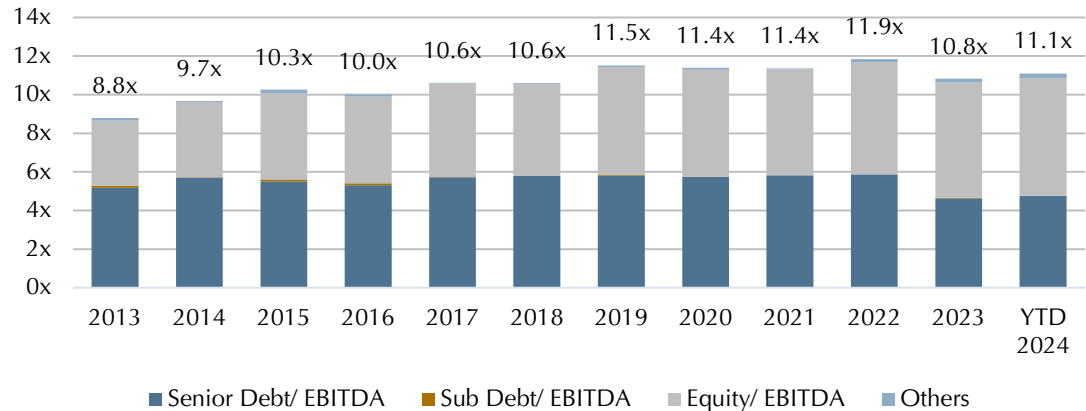


Source: Pitchbook, as of June 30, 2024. Data has not been reviewed by Pitchbook analysts. The above represents Aksia’s market observations. Observations are subject to change.

Investment Activity – North America

- The decline in private market valuation multiples appears to have bottomed out in 2023 as we have witnessed a slight increase in YTD 2024.
- Anecdotally, managers have indicated the bid-ask spread for assets is narrowing; however, high quality companies continue to trade at a premium.

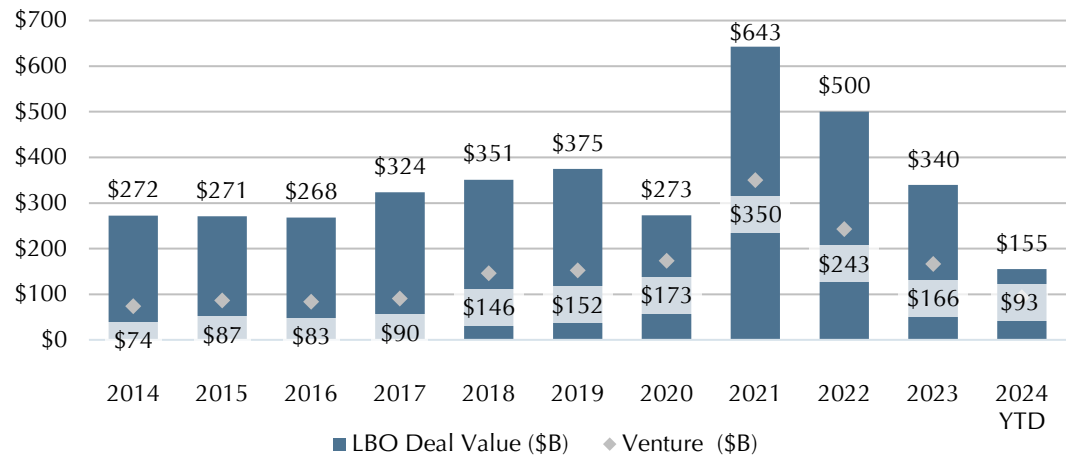
LBO Sources of Proceeds/EBITDA & Equity Contribution: All Loans



Source: Leveraged Commentary & Data (LCD), Pitchbook as of June 30, 2024

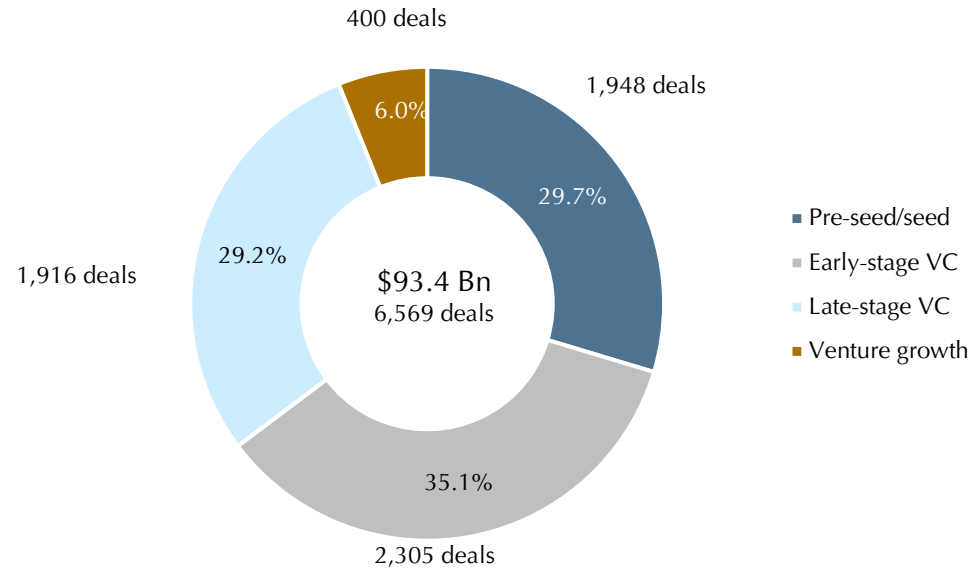
- While still muted compared to the past three years, VC investment activity has picked up in the second quarter. Managers remain optimistic that investment activity will continue to accelerate in 2024 and into 2025.

U.S. LBO & VC Investment Activity



Investment Activity – U.S.

U.S. 2024 Venture Investment by Stage

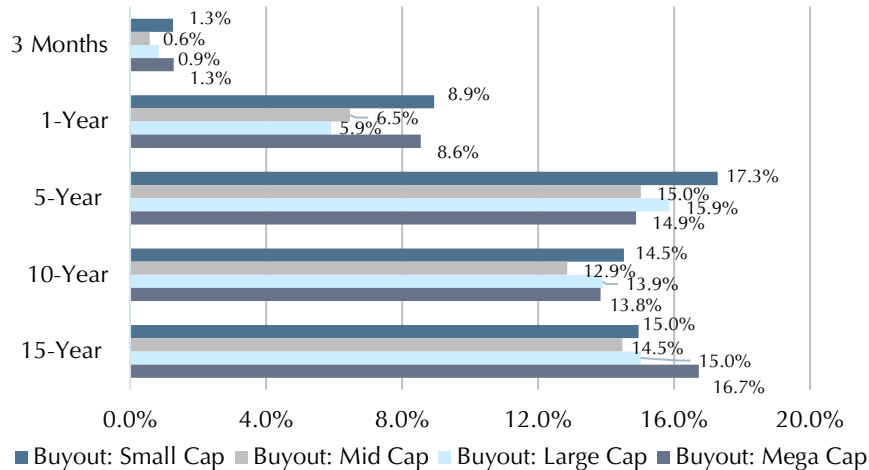


- VC deal activity during the first half of 2024 increased relative to the same time period in 2023 (\$85.6 bn invested into 6,514 deals). This indicates a partial rebound in the VC market despite the slower fundraising momentum.

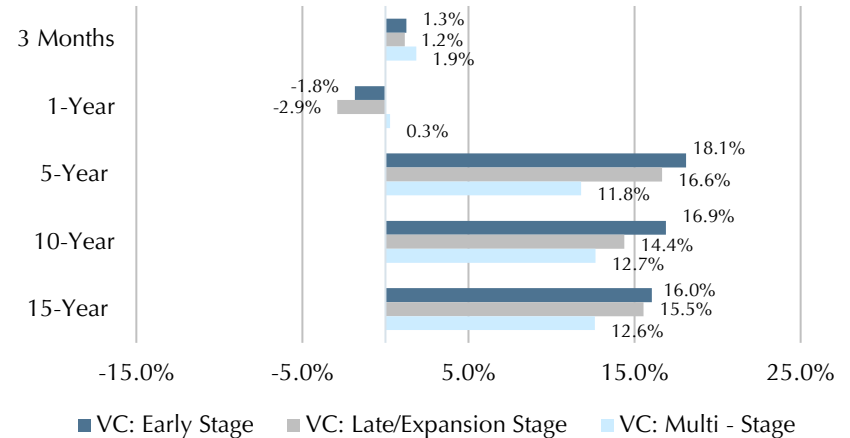
Source: Pitchbook & National Venture Capital Association, as of June 30, 2024. Data has not been reviewed by Pitchbook analysts. The above represents Aksia’s market observations. Observations are subject to change.

Global Market Performance

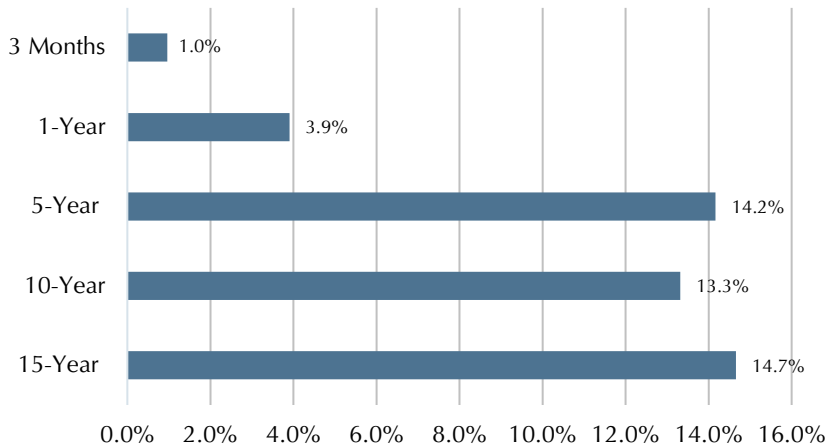
Buyout Returns



Venture Capital Returns



Growth Equity Returns



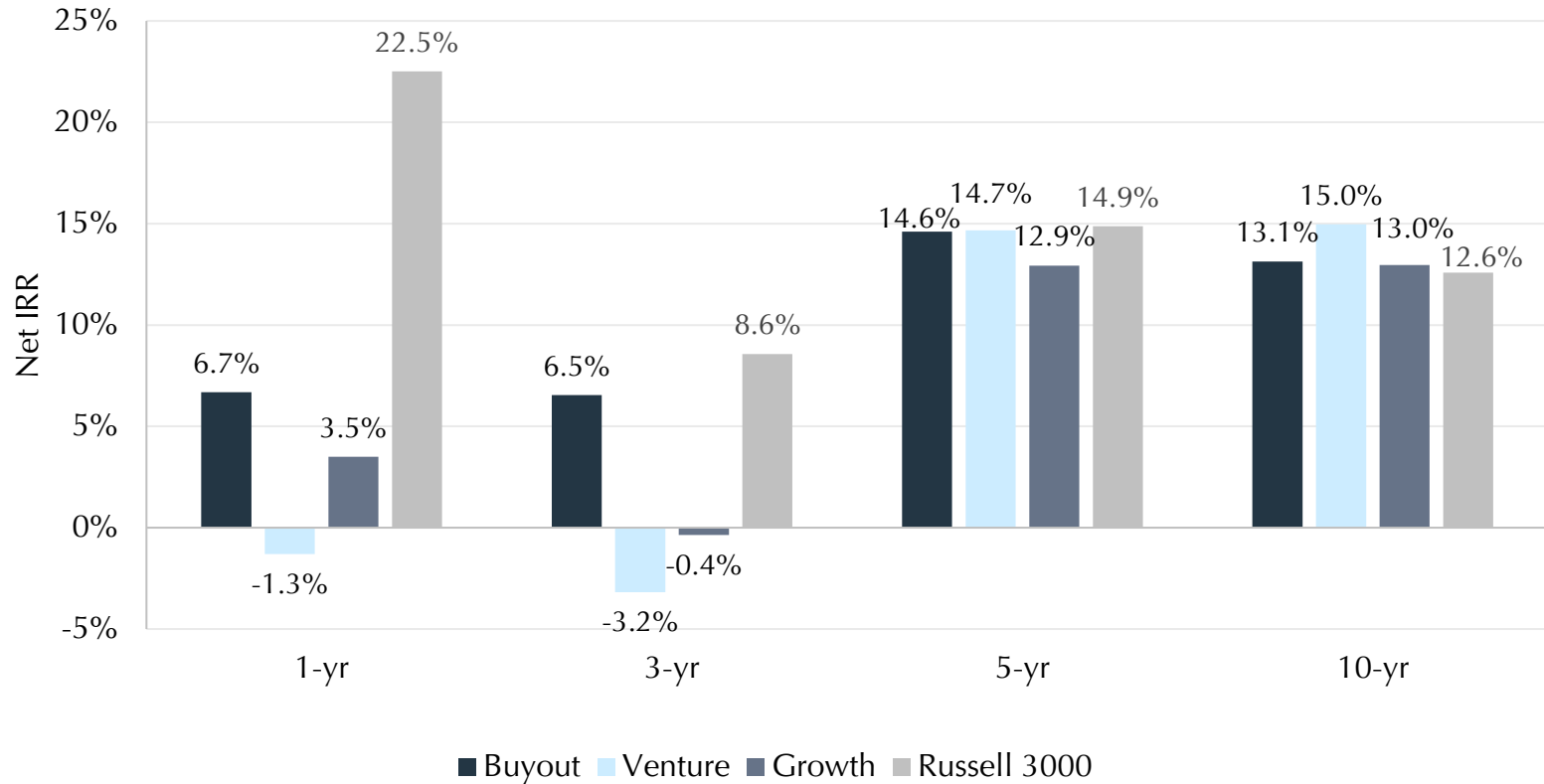
- Buyout returns continue to deliver positive performance across all time horizons and sizes, with small cap buyouts generating the strongest performance in most time periods.
- Despite broader macro headwinds and a “higher-for-longer” environment, buyouts have outperformed VC and growth equity returns over the last 12 months.
- VC performance was positive over the last quarter, with multi-stage funds outperforming both early- and late-stage VC managers on a relative basis.
- Recent growth equity returns have been positive and outperformed VC returns over the last 12 months.

Source: Cambridge Associates via Refinitiv, as of March 31, 2024. Past performance is not indicative of future results. The above represents Aksia’s market observations. Observations are subject to change.

Private Equity Industry Returns Relative to Public Markets

- Venture has outperformed buyouts and public equity in 5Y and 10Y periods
- All private equity strategies underperformed vs. the Russell 3000 over shorter time horizons

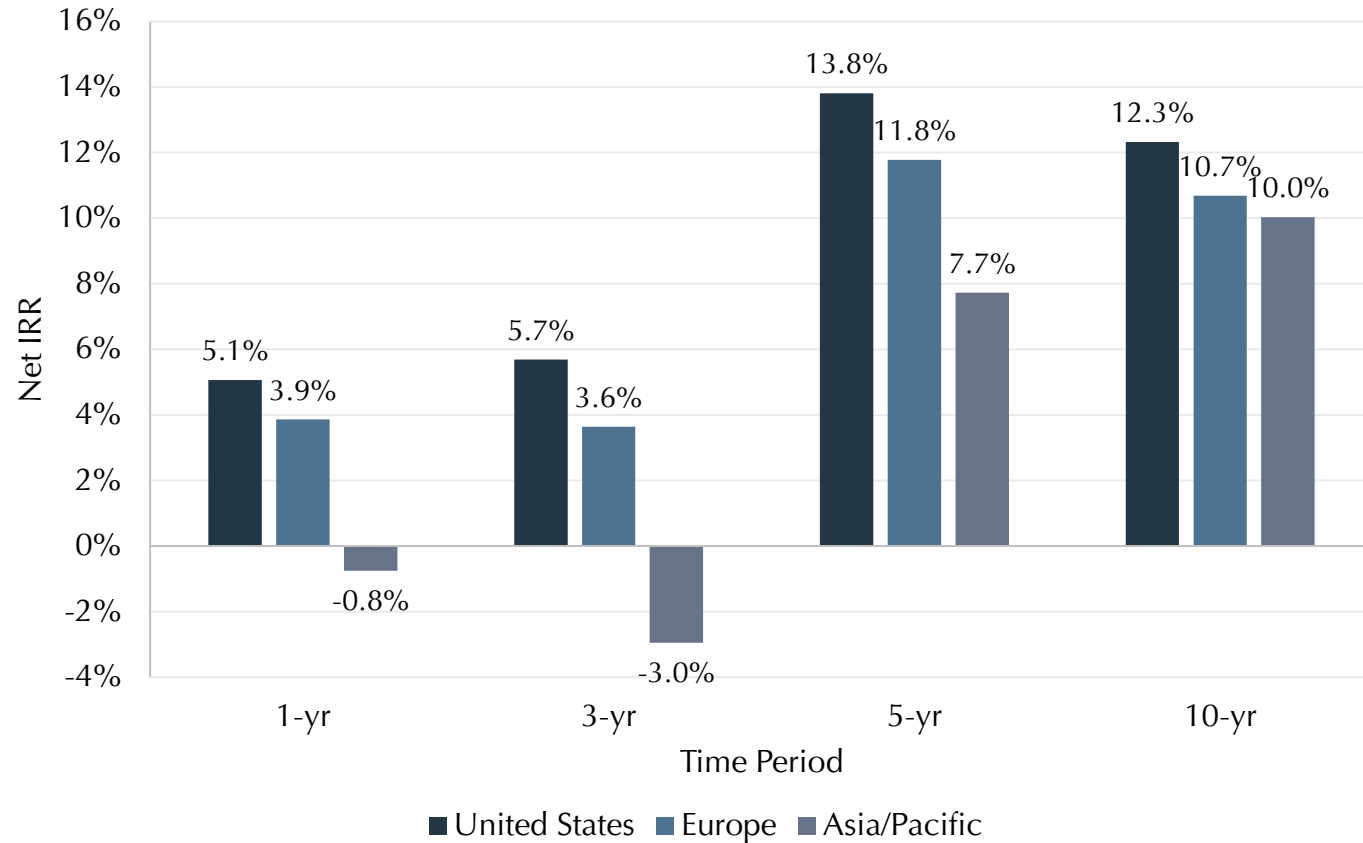
Time Horizon Returns (as of June 30, 2024)



Source: Cambridge Associates preliminary data as of June 2024.

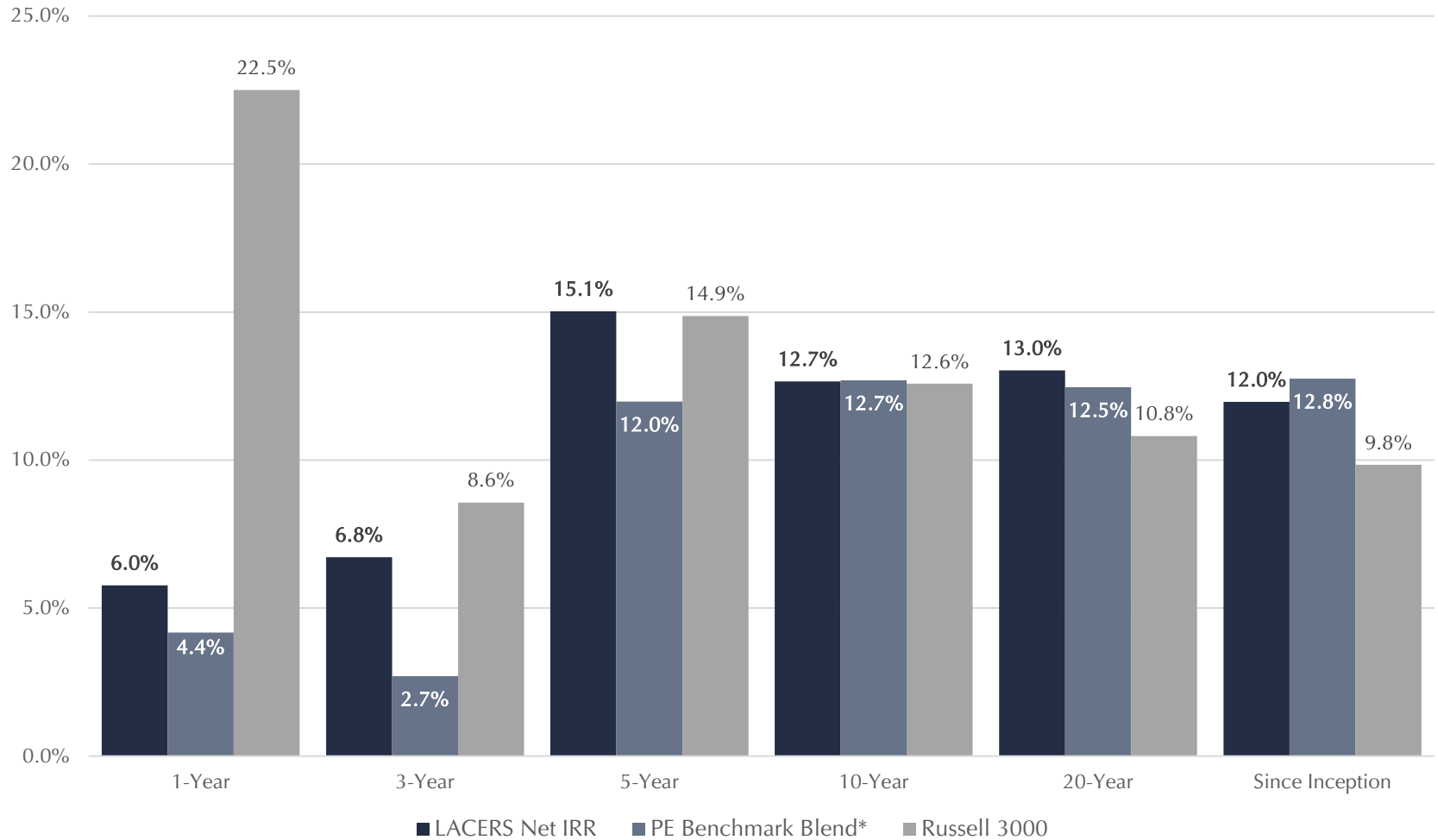
- U.S. Private Equity outperformed both Europe and Asia/Pacific private equity across all time periods as of June 30, 2024
- While risk varies by specific geography, broadly speaking, Europe and Asia/Pacific appear to offer commensurate returns with the U.S. when looking at longer-term returns (i.e. 10-year)
- International exposure can improve diversity in LACERS' PE portfolio without sacrificing risk adjusted returns

Horizon Returns By Geography (As of June 30, 2024)



Source: Cambridge Associates preliminary data as of June 2024.

Horizon Returns as of June 30, 2024



* PE Benchmark Blend includes the Russell 3000 Index + 400bps (inception – January 31, 2012), the Russell 3000 Index + 300bps (February 1, 2012 – December 31, 2021), and the Cambridge Associates Global PE and VC Index beginning January 1, 2022.

2024 Strategic Plan - Refresher

▪ Initial Pacing Recommendations

- Commitment plan of up to \$750 - \$850 million proposed for 2024
- Commitments in 10-15 firms with a target size of \$40-\$75 million per commitment / relationship
 - Includes 3-5 investments to various Emerging Managers, achieving no less than 10% of the total commitments, subject to the LACERS Emerging Investment Manager Policy.

▪ Long-Term Investment Recommendations

- Implementation of a co-investment program – both from an investment and policy perspective
- Develop a framework for a potential secondary sale – both from an investment and policy perspective

▪ Tactical Investment Recommendations

- Selectively add exposure internationally – primarily to Europe and Developed Asia
- Increase exposure to Buyouts relative to other sub-asset classes
- Consolidate commitments with top performing managers
- Continue to manage underlying sector exposures
- Add exposure to strategies designed to outperform in down markets – i.e. Value-Oriented Managers, Turnaround Managers, Distressed Managers

Commitment Statistics

2024 Summary Statistics

- \$662.2 million in total commitments through September 30, 2024
- Annual target is \$750 million - \$850 million per 2024 Strategic Plan

Geographic Breakdown of ITD Commitments

- 74.9% to North American-focused funds
- 12.0% to European-focused funds
- 10.1% to Globally-focused funds
- 3.0% to Asia Pacific-focused funds

Data as of June 2024

Sector Breakdown of ITD Commitments

- 58.2% to Buyout funds
- 24.2% to Venture and Growth Equity funds
- 17.6% to Credit/Distressed funds, Real Asset funds, Secondaries, and Fund of Funds

Data as of June 2024

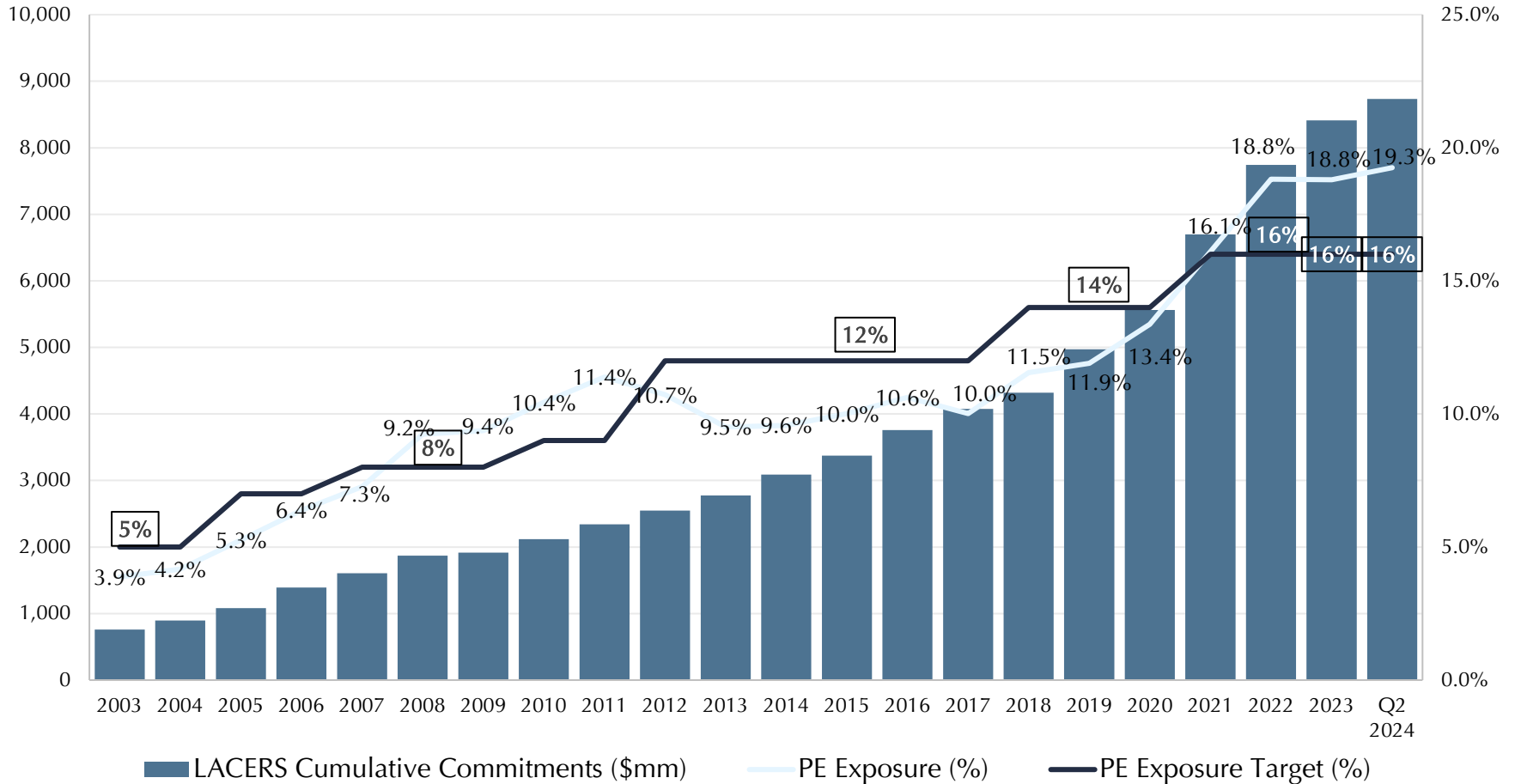
Aggregate Portfolio Summary As Of June 30, 2024

- As of June 30, 2024 the aggregate portfolio's fair market value of \$4.5 billion represents 19.3% of Total Plan Assets

Aggregate Portfolio Private Equity Exposure Summary	
Total Plan Market Value	\$23.1bn
Private Equity Exposure Target (%)	16.0%
Private Equity Exposure Target (\$)	\$3.7bn
Private Equity Exposure (%)	19.3%
Fair Market Value ("FMV")	\$4.5bn

- As of June 30, 2024, total plan assets increased year-over-year by ~6.9% to ~\$23.1 billion. This translates to private equity exposure of ~19.3% (based on private equity fair market value as of 06/30/24)
- Public equity markets and total plan assets continued to rise in 2024. However, there have been slower exits and capital distributions in private markets, leading to private equity exposure being above the target allocation. 2025 commitment pacing is targeting between \$600mm and \$700mm.

- Since inception (1995), LACERS has committed approximately \$8.7 billion to private equity
- Target exposure to private equity is 16.0%

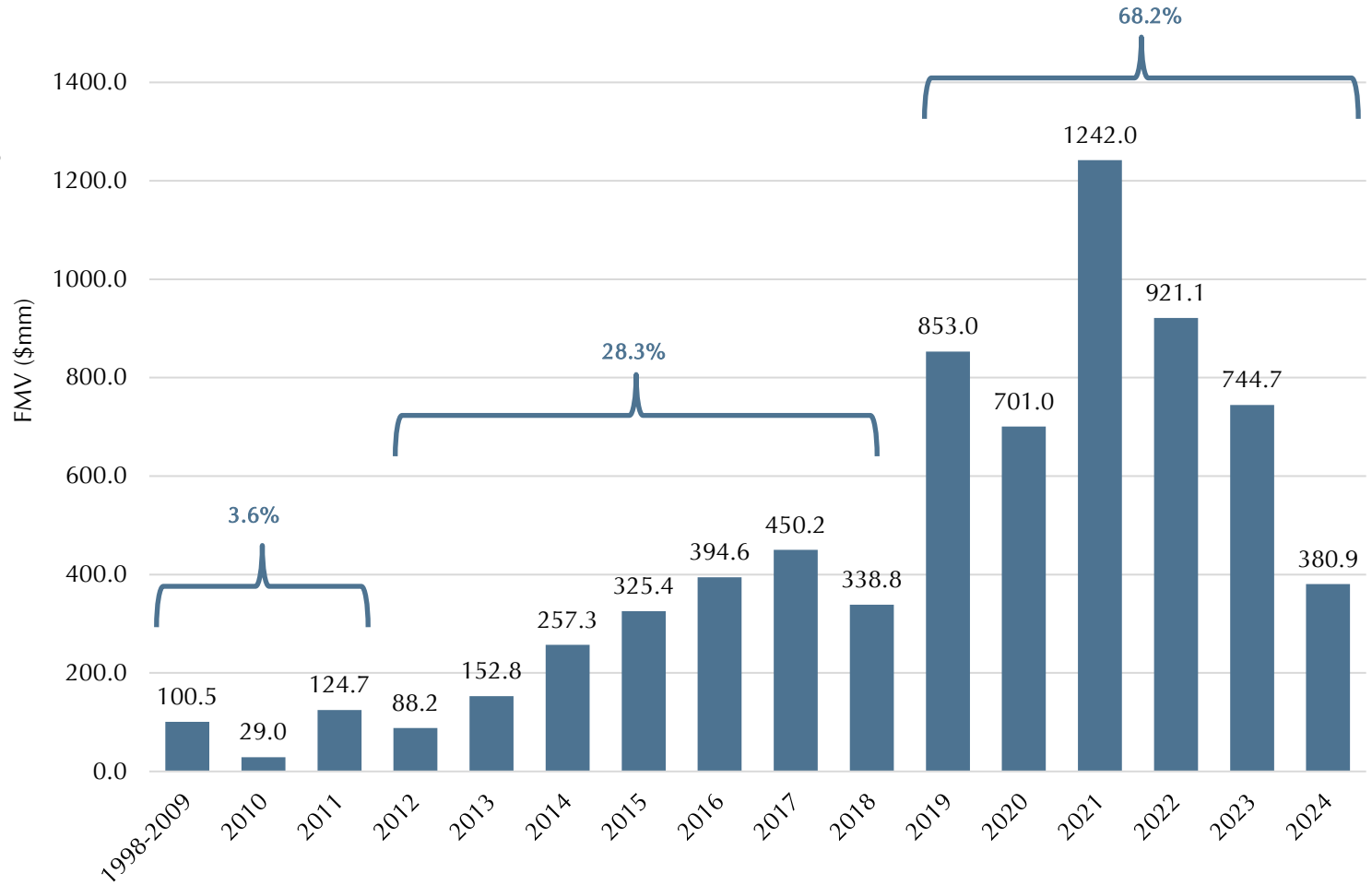


(Left-Hand Axis)

(Right-Hand Axis)

LACERS Private Equity Program - Fair Market Value By Vintage Year

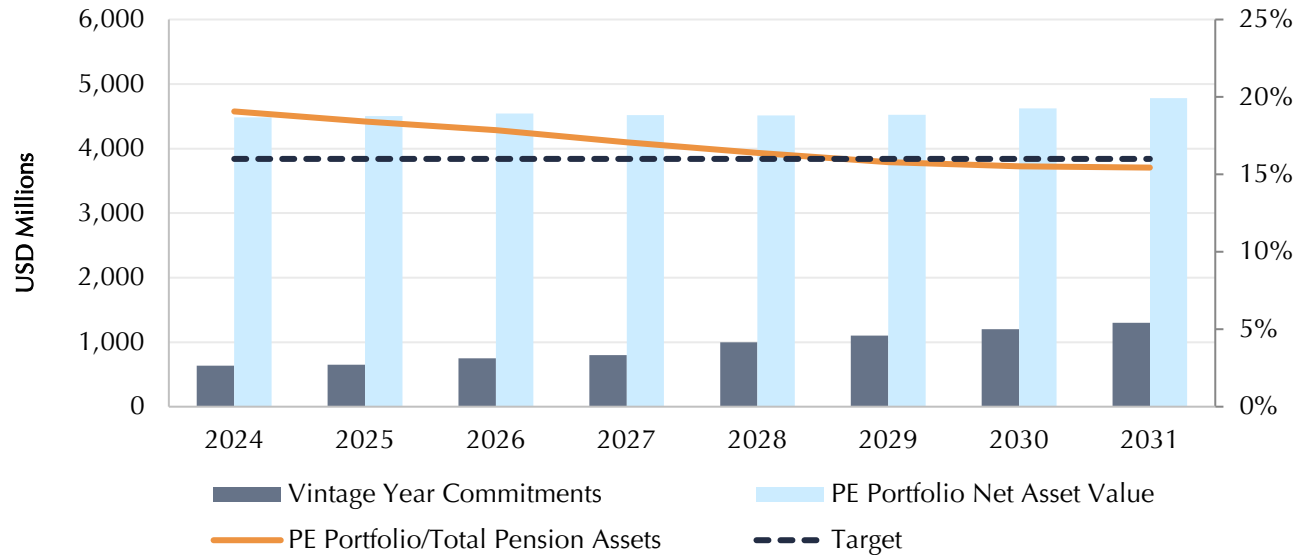
- Legacy exposure (1998 – 2011) accounts for ~3.6% of LACERS total private equity exposure
- The bulk of LACERS current private equity exposure (68.2%) is from funds with vintage years from 2019 – 2024



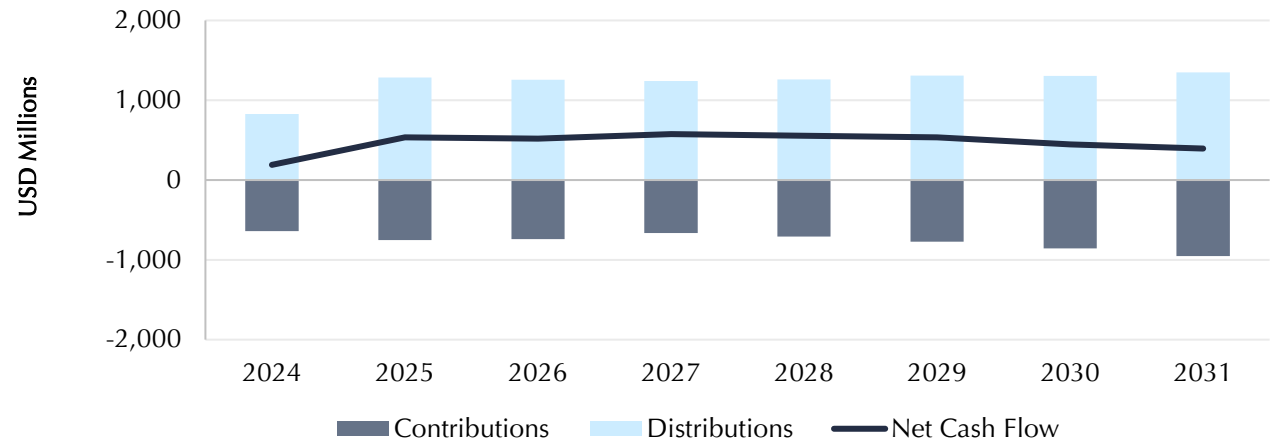
Updated Pacing Model (Base Case) – As of June 30, 2024

- Assumes 4% long-term pension growth
- Includes a \$150mm commitment to a co-investment SMA in April 2024
- Slowdown in exits and distribution activity has contributed to LACERS being overweight in PE
- Maintaining vintage year diversification is a key component of a successful long-term program

Pacing Plan



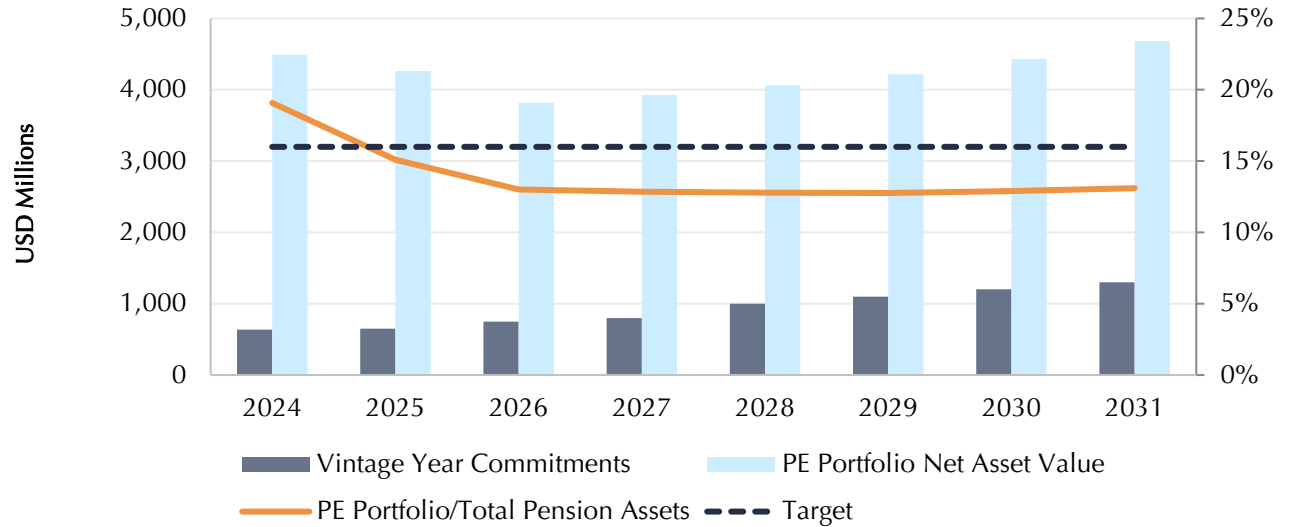
Cash Flow Profile



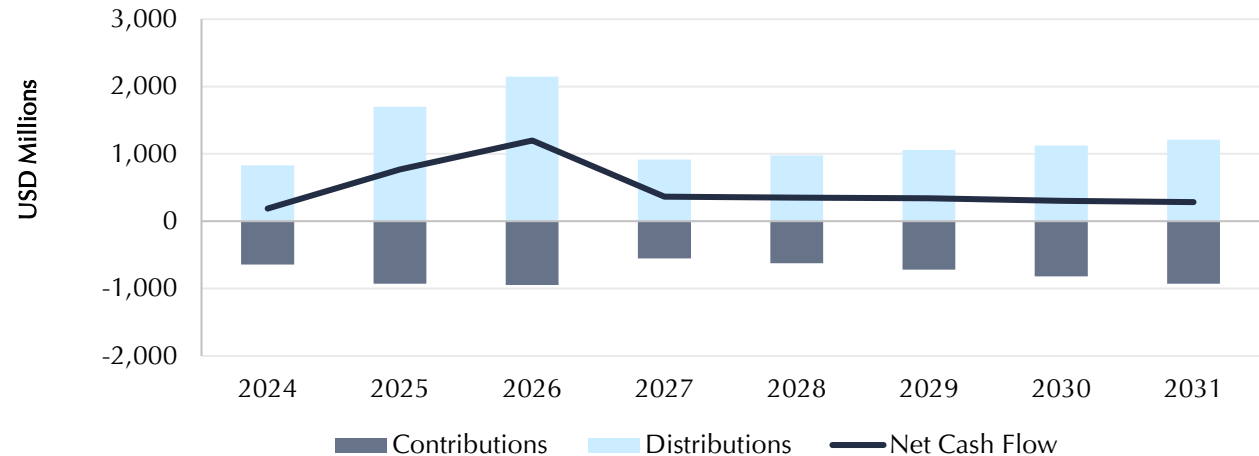
Updated Pacing Model (Upside Scenario) – As of June 30, 2024

Pacing Plan

- Assumes 4% long-term pension growth
- Assumes an increase in distribution activity in 2025/2026 and recovery in pension value in 2025



Cash Flow Profile



LACERS Private Equity Long-Term Targets

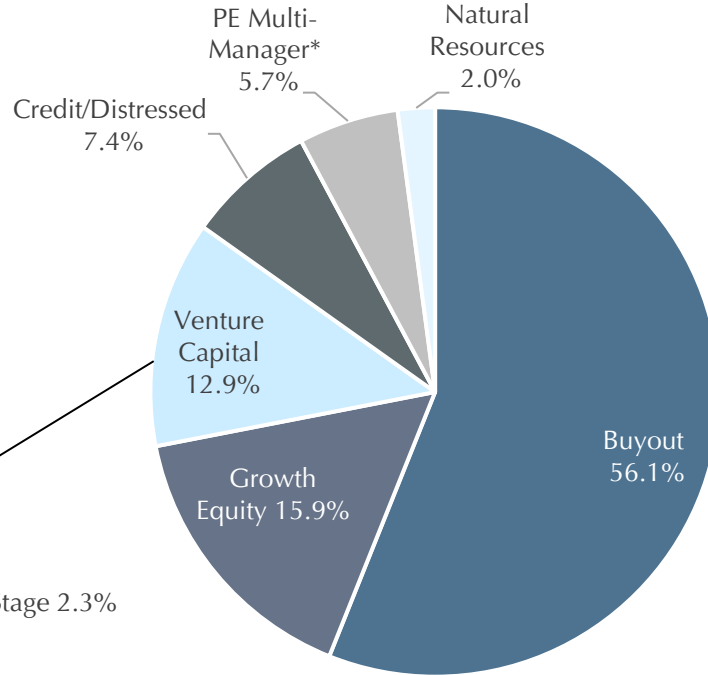
Private Equity Asset and Sub-Asset Classes	LACERS Exposure ¹ (%)	Aksia’s Suggested Long-Term Target
Buyouts	56.1%	60% – 80%
Large Buyouts	26.7%	
Medium Buyouts	25.6%	
Small Buyouts	3.8%	
Venture Capital / Growth Equity	28.7%	20% – 40%
Venture Capital	12.9%	
Growth Equity	15.9%	
Credit / Distressed	7.4%	0% - 10%
Natural Resources / PE Multi-Manager*	7.8%	0% – 10%
	100%	
<i>Emerging Managers</i>	<i>9.4%</i>	<i>0% – 10%</i>

*PE Multi-Manager includes Secondary funds and Fund of Funds

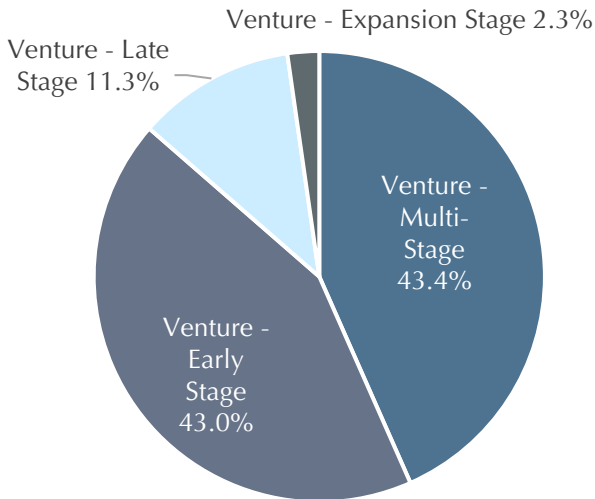
¹Exposure = Fair Market Value + Unfunded

LACERS Exposure by Asset Class

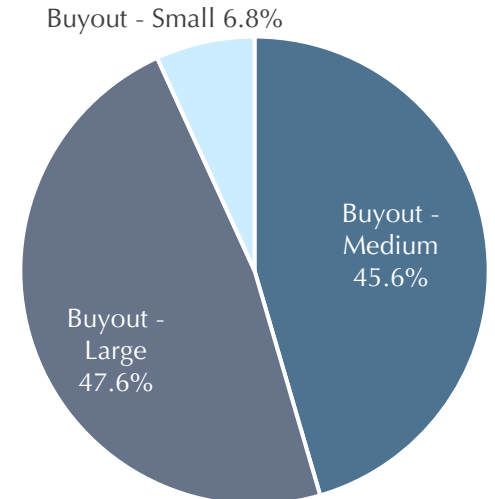
Current Exposure



Venture Exposure



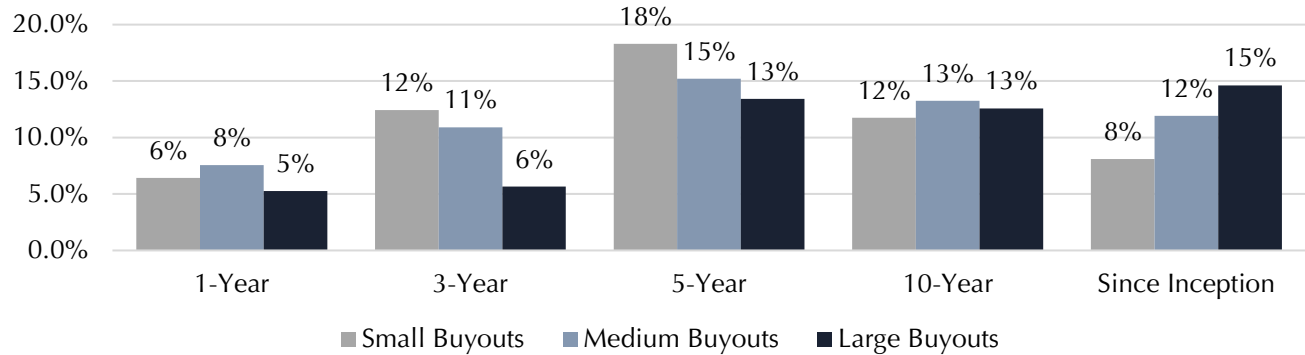
Buyout Exposure



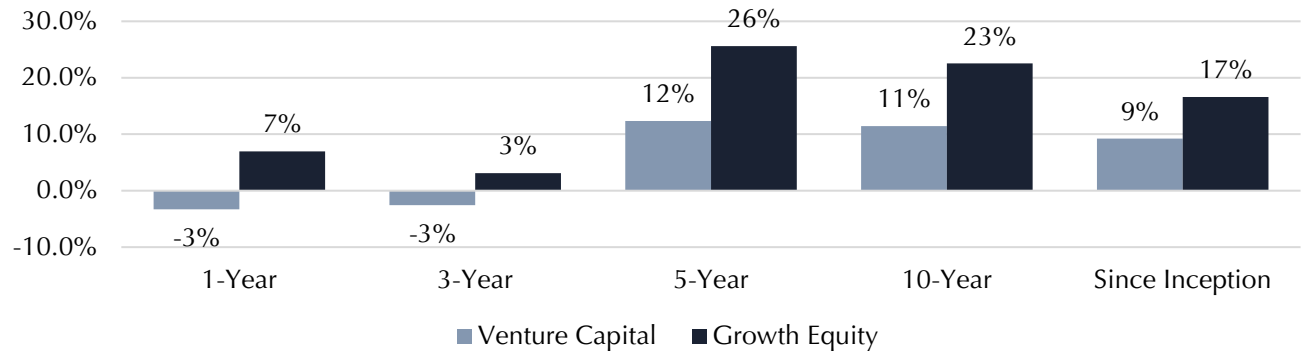
All percentages rounded to first decimal. *PE Multi-Manager includes Secondary funds and Fund of Funds.

LACERS Horizon Returns by Sub-Strategy

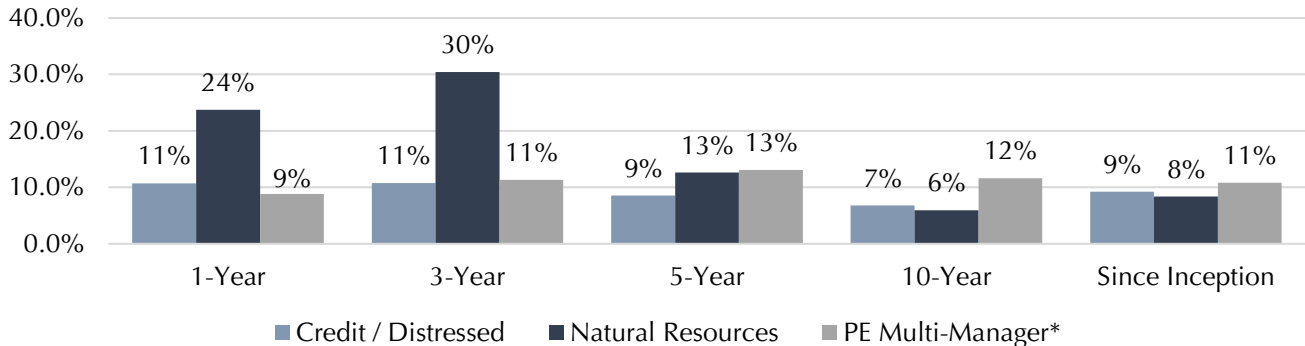
- LACERS' Large Buyout funds underperformed Small and Medium Buyout funds in the short term (1-Year, 3-Year, and 5-Year)



- LACERS' Growth Equity investments have continued to outperform Venture Capital over various time horizons

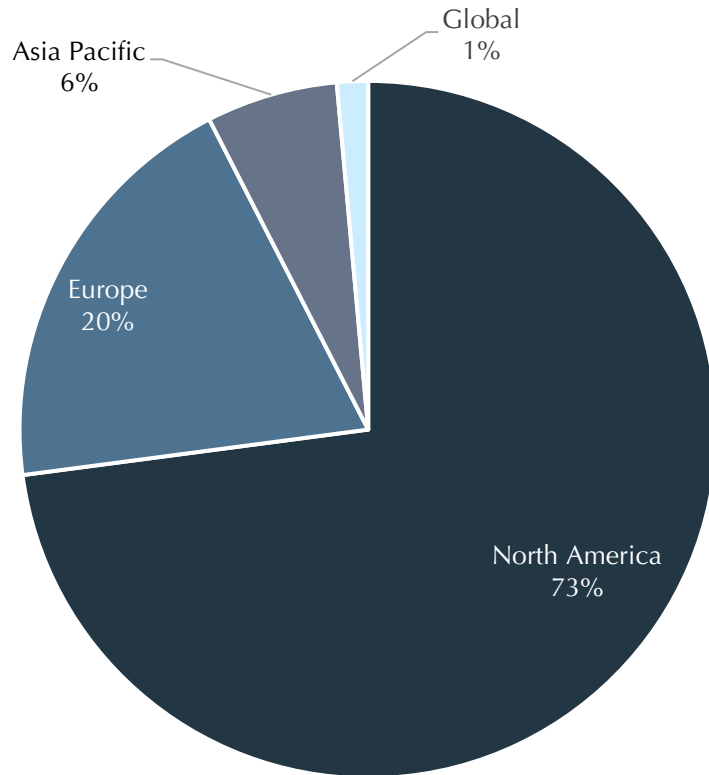


- LACERS' Credit and Natural Resources have delivered strong performance in the near term (1-Year and 3-Year)

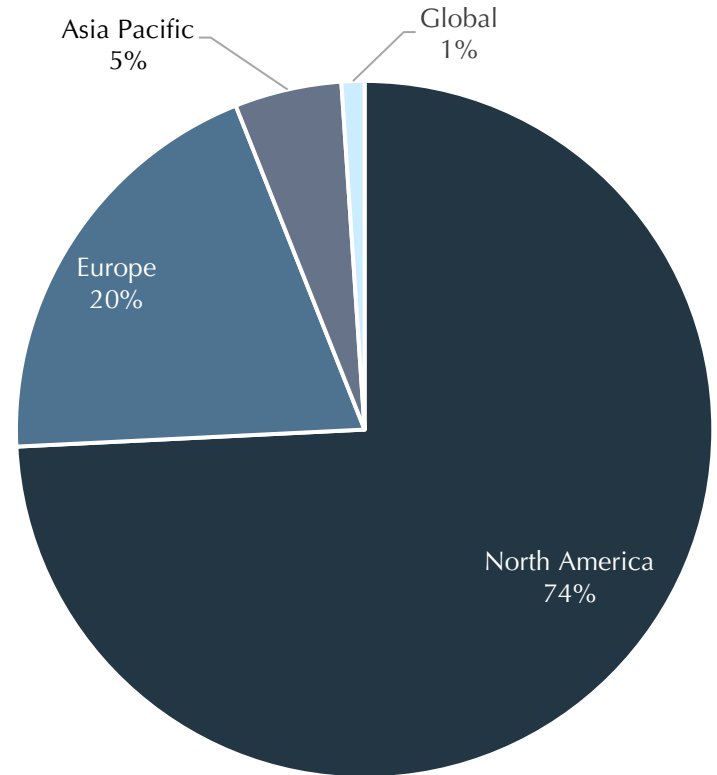


LACERS Commitments and Exposure by Geography

Fund Commitments – By Geography



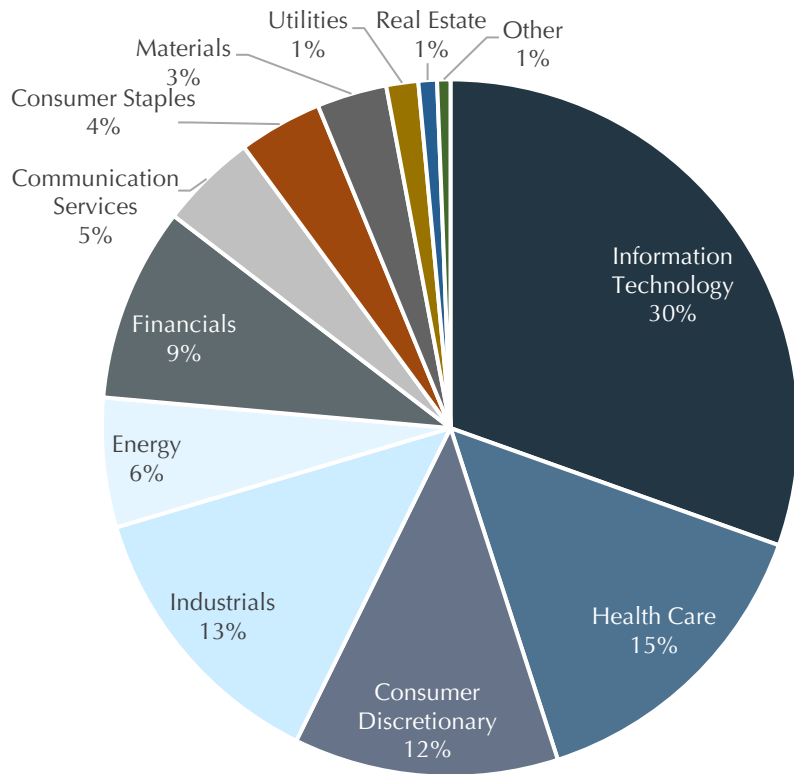
Current Exposure – By Geography



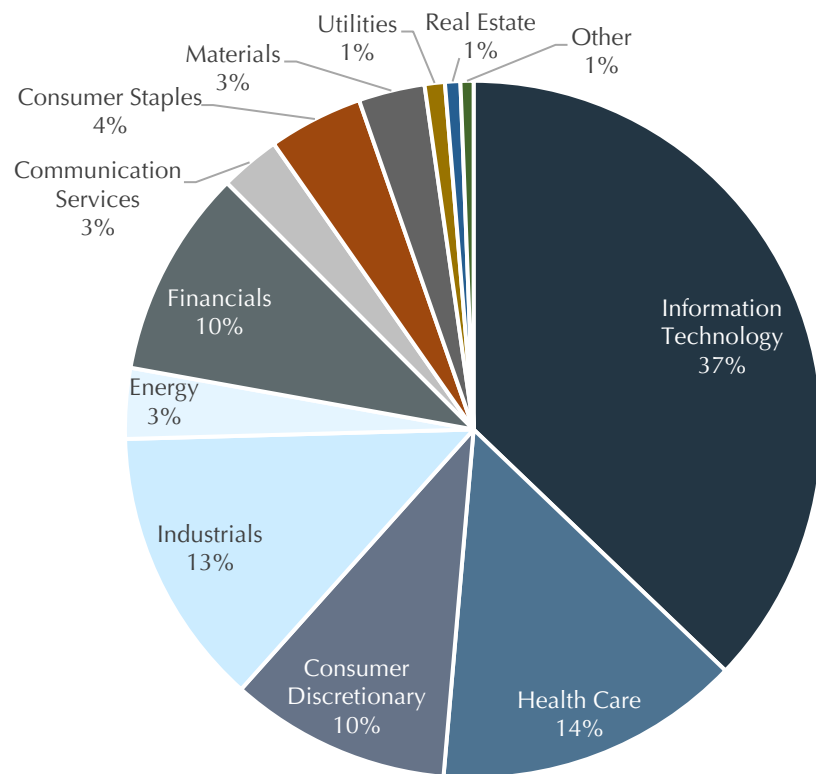
All percentages rounded.
Portfolio company level data as of June 2024

LACERS Commitments and Exposure by Sector

Fund Commitments – By Sector



Current Exposure – By Sector

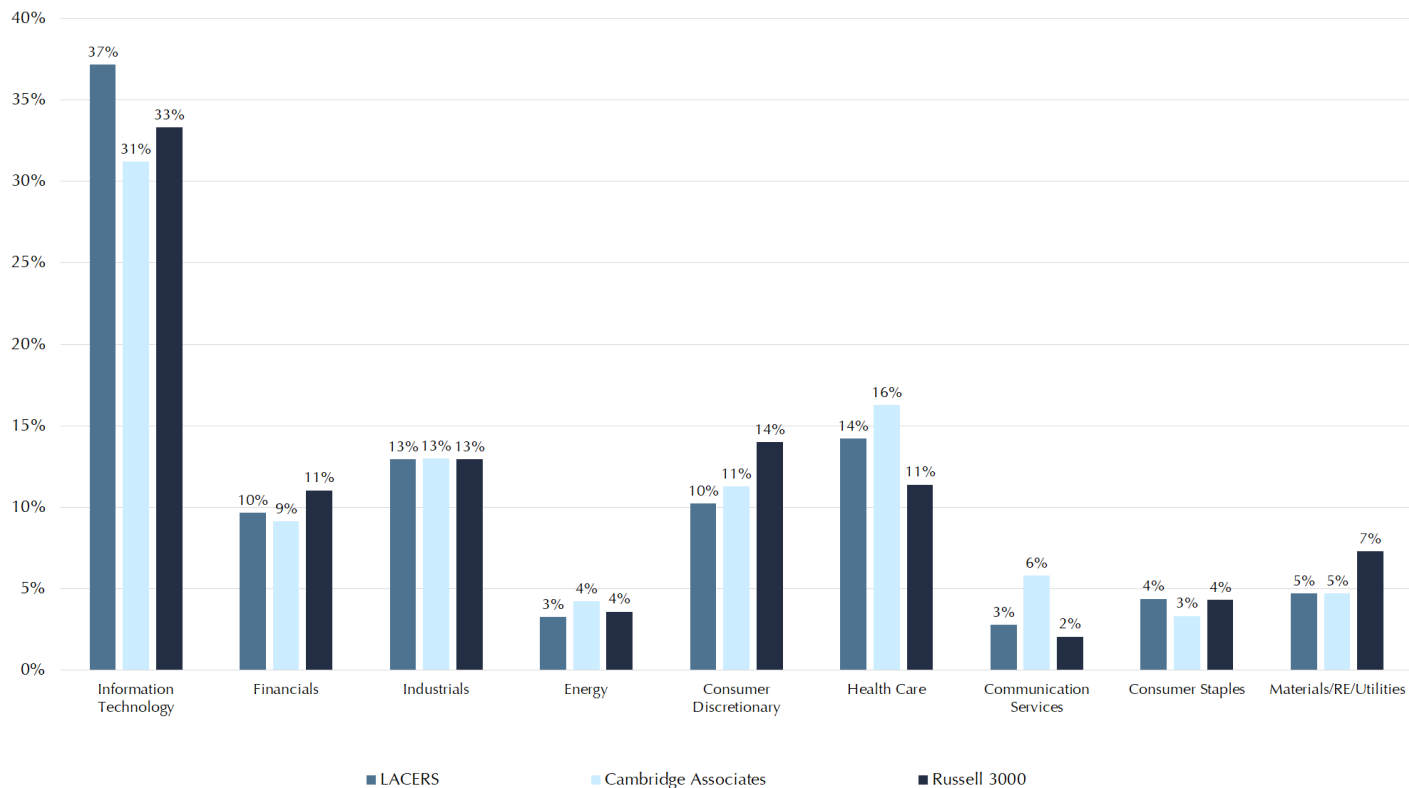


All percentages rounded.
 Portfolio company level data as of June 2024

LACERS Exposure by Sector vs. Benchmarks

- When compared to public and private benchmarks, LACERS is over-weight in the Information Technology sector and under-weight in the Consumer Discretionary sector
- The Information Technology over-weight has also been driving good performance
- LACERS biggest mismatch with the public benchmark is in the Information Technology sector

LACERS Sector Exposure vs. Benchmarks



Source: Cambridge / Aksia research.

SWOT Analysis – Strengths & Weaknesses

Strengths

- GP Relationships: Given its reputation as a long-term sophisticated investor, LACERS currently fosters relationships with several high-quality GPs both established and emerging in key sectors with longer term secular growth
- Disciplined Investment Process: LACERS investment process allows for disciplined decision making and consistent deployment regardless of market dislocations
- Flexible Mandate: LACERS has the capacity to strategically invest across a variety of sub-sectors within private equity. This includes value-oriented buyout strategies (e.g. Industrials) and emerging technologies (e.g. AI) represented through venture and growth allocations
- Liquidity: LACERS has considerable plan liquidity to sustain the current pace of private equity commitments
- Co-Investment Program: LACERS committed to HarbourVest co-investment program in 2024 aimed to reduce the overall PE fee structure while investing in private companies

Weaknesses

- Extensive Manager Line-up: LACERS has a substantial network of relationships that could lead to a reversion to the mean due to the level of diversification
- Legacy Performance: The legacy portfolio will continue to be a drag on performance, including the Specialized Portfolio, this becomes less with each subsequent year
- Size of Plan: While having sizable assets can be beneficial for scaling a program, it can also constrain the Plan's ability to invest in firms with smaller and emerging asset base

SWOT Analysis – Opportunities & Threats

▪ Opportunities

- Portfolio Consolidation: While LACERS has existing relationships with high-quality GP's, there is an opportunity to further upgrade the portfolio with high conviction and traditionally hard to access GPs given slow/stalled fundraises and LACERS increased portfolio size
- Co-Investments: LACERS recent implementation of a co-investment program should enhance exposure to core GPs and mitigate costs. Many of LACERS' GPs provide co-investment opportunities
- Secondary Transactions: The secondary market has evolved as both an investment option and a portfolio management tool. It enables investors to enhance diversification and optimize portfolios in response to changing market conditions
- Emerging Managers: Today's emerging managers may be the next wave of top-tier performers. However, emerging managers are facing significant fundraising challenges in the current market
- Market Volatility: Maintaining steady private equity commitment pacing during times of market volatility has historically led to some of the strongest vintage year performance for private equity portfolios.

▪ Threats

- Market Volatility: Extreme market increases and decreases have affected consistent annual commitments needed to meet longer-term target allocations
- Geopolitical Landscape: Changes in regulation, compliance requirements, and supply chain disruptions, especially given the incoming US administration, could put pressure on particular companies and targeted sectors
- Disclosures / Regulations: AB2833 and other reporting requirements may be disagreeable to certain top-quartile GPs; a bigger issue in Venture Capital versus other Private Equity strategies
- Political Concern on US IP in certain markets: Given domestic concern on the use of US intellectual property, including AI, by China and others, there will need to be significant review of managers involved in these type of investments in these regions

2025 Long-Term Strategic Plan Recommendations

- **Pacing**
 - Maintain relatively consistent longer-term pacing despite market volatility
 - Commitment plan of up to \$600 - \$700 million proposed for 2025
 - Commitments to 10-15 firms with a target size of \$40-\$75 million per commitment, excluding co-investment program
 - 3-5 investments to Emerging Managers representing at least 10% of total annual commitments

- **Broad Portfolio Considerations**
 - Continue consolidating commitments with top performing managers
 - Continue to selectively add exposure internationally – primarily to Europe and Developed Asia
 - Continue to increase exposure to lower middle market buyout funds
 - Continue to manage underlying sector exposures
 - Monitor IT exposure across buyout, growth, and venture
 - Continue to diversify sector exposure, including healthcare and other select cyclical and value-oriented sectors
 - Continue to add exposure to strategies designed to outperform in down, sideways, late cycle markets – i.e. value-oriented managers, turnaround managers, distressed managers

2025 Short-Term Tactical Recommendations

- **Lean Into the Strengths**
 - Existing GP Relationships: maintain exposure to existing, high conviction managers that are back in market in 2025 where possible; this would include the re-evaluation of the strategic and performance value of these relationships to the overall portfolio
 - Brand / Reputation: Leverage LACERS reputation to initiate new relationships of scale with high quality GPs that are in market in 2025 and where the relationship can be scaled over time; Given portfolio value and market volatility, it will be challenging to allocate capital to all key existing relationships while also adding new ones.
 - Flexible Mandate: Leverage LACERS ability to invest across sub-asset classes and take advantage of the full spectrum of private equity activities
 - Continue developing a framework as it offers benefit in the short-term
 - Leverage relationships with commingled secondary funds and potential secondary transaction vendors
 - Sector Exposures: Continue the implementation of a secondary program and/or secondary fund sales as needed given sector exposures; specifically, monitor IT sector portfolio weights while maintaining appropriate diversification across other sectors (i.e. healthcare, industrials, consumer)

2025 Short-Term Tactical Recommendations

- **Capitalize on Opportunities**
 - Market Volatility and Geopolitical Landscape: Continue to review and potentially invest with value-oriented, turnaround, and distressed investment managers with a global perspective
 - Co-investment Program: Monitor and oversee co-investment program, capitalizing on LACERS deal flow, while evaluating and investing in proposed opportunities from HarbourVest
 - Emerging Managers: Continue targeting high-quality first-time managers / spin-outs / diverse managers; leverage preferred economics if available
 - Aggregation Benefits: For managers where overlap exists or could exist between the PE portfolio and PC portfolio, consider ways in which LACERS' scale could be leveraged for broader negotiating benefits where applicable

- **Minimize Weaknesses / Counter Threats**
 - Over-Diversification: Continue to trim relationships and consolidate capital with managers in whom there is greater conviction
 - Legacy Performance: Continue to consider and explore a portfolio secondary sale when the opportunity arises



REPORT TO BOARD OF ADMINISTRATION
From: Todd Bouey, Acting General Manager

MEETING: JANUARY 14, 2025
ITEM: VIII - D

SUBJECT: CONSENT OF ASSIGNMENT OF GLP CAPITAL PARTNERS LIMITED CONTRACT AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board:

1. Consent to the assignment of the GLP Capital Partners Limited contract.
2. Authorize the Acting General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Executive Summary

GLP Capital Partners Limited (GCP) has entered into an acquisition agreement with Ares Management Corporation (Ares). LACERS committed \$40 million to GCP in 2021. Under the Investment Advisers Act of 1940 and pursuant to LACERS' contract with GCP, this change in control of an investment advisory firm is deemed to be a contract assignment (a legal transfer of the obligations and benefits of a contract to another party) and requires Board approval.

Discussion

Background

LACERS is a limited partner in GLP Capital Partners IV LP (Fund) after committing \$40 million in 2021. As of June 30, 2024, the Fund had a net internal rate of return of 13.0%. GCP was founded in 2019 as a spin-out from GLP (Global Logistic Properties), a Singapore-based real estate investment firm established in 2009. GCP has 30 real estate professionals with headquarters in Santa Monica, CA. As of June 30, 2024, the firm has \$122 billion in assets under management with \$111 billion in real assets.

In a press release dated October 8, 2024, GCP confirmed it had entered into an acquisition agreement with Ares Management Corporation (Ares) in which GCP is to sell its international business, excluding China (GCP International), to Ares. The business line includes Japan, Europe, the United States, Brazil, and Vietnam. Both investment and operating teams managing the underlying assets along with GCP's

international data center platform outside of Greater China will be integrated with Ares. The acquiring alternative investment manager is listed on the New York Stock Exchange (NYSE: ARES).

Under the Investment Advisers Act of 1940, a change in control of an investment advisory firm is deemed to be a contract assignment (a legal transfer of the obligations and benefits of a contract to another party) that requires written consent of the client. The change in ownership is also a triggering event within LACERS' contract with GCP, and therefore requires the Board's approval for the assignment of the contract.

Due Diligence

Staff and Townsend Holdings LLC (Townsend), LACERS' Real Estate Consultant, recommend consenting to the assignment of the GCP contract.

Prepared By: Jessica Chumak, Investment Officer I, Investment Division

TB/RJ/WL/EC/JC:jp

Attachments: 1. Consultant Recommendation on GLP Capital Partners Change of Ownership
 2. Press Release - Ares Management
 3. Proposed Resolution



December 17, 2024

Real Estate Flash Report

GLP Capital Partners Limited to be acquired by Ares Management Corporation

Recommendation

Townsend recommends that limited partners (“LPs”) in vehicles sponsored by GLP Capital Partners (“GCP”) consent to the ownership transition between Ares Management Corporation (“Ares”) and GCP, subject to appropriate legal review of the relevant consent form(s) and vehicle documents.

Background

On Tuesday, October 8th, GCP announced that Ares is to acquire GCP’s international business outside of China (“GCP International”). The acquisition will include GCP’s businesses in Japan, Europe, the United States, Brazil and Vietnam, including the investment teams and operating teams responsible for GCP funds and underlying assets in those regions, in addition to GCP’s international data center platform outside of Greater China. The transaction is expected to close by 2Q 2025. With this acquisition, Ares becomes one of the largest vertically-integrated real assets platforms with approximately \$98 billion in assets under management. Prior to the transaction, GCP International was owned by GLP (50%), AIA Group Limited (10%), and certain GCP employees (40%). Owners will be paid out through a combination of cash and Ares common stock, with GLP and AIA receiving mostly cash and some stock, and senior GCP employees receiving mostly stock under long-term vesting schedules and some cash. Moving forward, there will be a Transition Operating Board (“TOB”) which will consist of equal GCP and Ares representation that will facilitate the collaboration and integration of the acquisition until 2027.

Key Takeaways and Rationale

- GCP International’s ownership structure prior to acquisition is as follows: 50% GLP, 10% AIA Group Limited (pan-Asian life insurance company), and 40% GCP Employees.
- Ares acquired 100% in exchange for \$3.7 billion; \$1.8 billion in cash, \$1.9 billion in Ares common stock.
 - Vast majority of the cash goes to GLP and the institutional investor (AIA Group Limited).
 - Senior employees will receive 98.5% in stock under long term vesting that will last longer than GCP Fund V’s fund term. Junior employees that had a nominal interest in GCP International will receive value of shares in cash.
- Michael Steel, GCP President, will join in a senior role at Ares; Ming Mei, CEO of GCP and GLP, will serve as CEO of GLP and GCP China going forward while also serving as a Partner and Senior Advisor at Ares until 2027.
- The TOB will oversee the GCP International business until 2027 and will be made up of the following members:
 - GCP leadership on the TOB: Ming Mei (CEO of GCP and GLP), Michael Steele (President of GCP), Yoshi Chosa (Head of Japan, GCP), and Craig Duffy (Global Head of Fund Management, GCP).
 - Ares leadership on the TOB: Bill Benjamin (Co-Head, Ares Global Real Estate), Julie Solomon (Co-Head, Ares Global Real Estate), David Roth (Co-Head, Ares U.S. Real Estate), and Peter Ogilvie (Head of Ares Corporate Strategy Group).
- No member of the 8-person GCP Executive Committee will be involved in any corporate-level executive responsibilities at Ares and instead focus on managing GCP funds and investor relationships, as well as growing the digital infrastructure business.
- GCP’s current Investment Committee will continue to control all investment decisions on current GCP funds through the end of their respective fund terms.
- GCP has not had any departures since the acquisition announcement.
- Going forward, 100% of all management fees related to GCP funds will go to Ares.
- GCP International personnel will continue to receive the same share of carried interest for GCP funds (70%); Ares will acquire the “house” share (30%).
- Ares is providing an earn out up to \$1.5 billion tied to the specific performance metrics on the Japanese business and global data center business, to be evaluated and calculated in 2027.
- This transaction does not trigger any Key Person Event; however, GCP indicated that there will be a change to the Investment Committee for GCP funds:
 - Alan Yang, former CEO of GCP, had previously taken a step back from day-to-day operations and was still involved on GCP’s Board and Investment Committee. Going forward, his Investment Committee seat will be filled by a senior Ares employee.

GCP and Ares employees appear to be well-aligned with the success of GCP funds. There will be minimal changes to the day-to-day management of GCP funds, and the Ares platform will add additional resources and expertise to the GCP team that can benefit fund LPs.

About Townsend Group

Founded in 1983, Townsend Group, (“Townsend”) provides a core set of investment skills exclusively focused on global real estate and real asset classes. The firm offers these capabilities to institutional investors as an investment advisor and consultant.

Townsend has been advising and managing real estate portfolios for over three decades and across multiple market cycles. As of March 31, 2024, Townsend had assets under management of approximately \$20.9 billion. As of March 31, 2024, Townsend provided advisory services to clients who had real estate/real asset allocations exceeding \$237.9 billion. We believe, through our global investment platform, fiduciary culture, asset class expertise and client capital scale, we are able to deliver clients unique information, while providing a sourcing and execution advantage.

Disclaimer

This document has been prepared by Townsend Holdings LLC (“Townsend”) and is appropriate solely for qualified investors. Nothing in this document should be treated as an authoritative statement of the law on any particular aspect or in any specific case. It should not be taken as financial advice and action should not be taken as a result of this document alone. The information contained herein is given as of the date hereof and does not purport to give information as of any other date. The delivery at any time shall not, under any circumstances, create any implication that there has been a change in the information set forth herein since the date hereof or any obligation to update or provide amendments hereto. The information contained herein is derived from proprietary and non-proprietary sources deemed by Townsend to be reliable and are not necessarily all inclusive. Reliance upon information in this material is at the sole discretion of the reader. This document does not constitute an offer of securities or solicitation of any kind and may not be treated as such, i) in any jurisdiction where such an offer or solicitation is against the law; ii) to anyone to whom it is unlawful to make such an offer or solicitation; or iii) if the person making the offer or solicitation is not qualified to do so. Townsend is a Registered Investment Adviser with the Securities and Exchange Commission. Select Townsend employees may have personal interest in this investment/fund or affiliates of this investment/fund. All Townsend employees are subject to an investment pre-clearance process for such investments under Townsend's Code of Ethics. To assess any conflict of interest/perceived conflict of interest and to avoid any opportunity of beneficial treatment, all employee investments that may create a conflict/or perceived conflict are monitored by Townsend Compliance and the Townsend Compliance Committee.

Ares Management Corporation to Acquire GCP International

Oct 08, 2024 6:00 AM

Strategic Acquisition Cements Ares as a Leading Global Real Estate Alternative Asset Manager, With Approximately \$96 Billion in Real Estate Assets Under Management

Adds Complementary Investment, Development and Operating Capabilities in Key New Economy Sectors and Regions in Industrial Real Estate and Digital Infrastructure

Transaction Structured for Leadership Continuity and Alignment with Fund Clients and Ares Stockholders; Substantial Majority of Total Consideration to GCP International Management and Employees to be Paid in Ares Stock and Subject to Long-Term Retention Mechanisms

NEW YORK--(BUSINESS WIRE)-- Ares Management Corporation (NYSE: ARES) (“Ares”) announced today that it has entered into a definitive agreement to acquire the international business of GLP Capital Partners Limited and certain of its affiliates, excluding its operations in Greater China (“GCP International”), and existing capital commitments to certain managed funds, in a transaction valued at \$3.7 billion. The consideration includes approximately \$1.8 billion in cash and approximately \$1.9 billion in Ares Class A Common Shares, subject to customary adjustments. The transaction is structured to include long-term performance incentives designed to align GCP International leadership with the interests of fund clients and Ares stockholders. The acquisition will firmly establish Ares Real Estate as one of the largest global vertically integrated platforms and nearly doubles its assets under management (“AUM”) to approximately \$96 billion across North America, Europe, Asia and Latin America. The transaction is expected to be modestly accretive to Ares’ after-tax realized income per share of Class A and non-voting common stock in the first full calendar year following the acquisition with meaningfully higher accretion expected in future years.

GCP International is a global alternative asset management firm with \$44 billion of AUM, as of June 30, 2024, and a long history of building scaled platforms oriented to new economy sectors that benefit from attractive, long-term secular trends, such as industrial, digital infrastructure and self-storage. GCP International has differentiated itself over time through its vertically integrated platforms with significant local presence in major geographies, including Japan, Europe and the U.S. It has established itself as one of the leading industrial platforms in emerging economies, such as Brazil and Vietnam. GCP International is also gaining a reputation as a leading player in global data center investing and operations with several large hyperscale development projects in process, representing over 1GW of IT capacity in key markets across London, Tokyo, Osaka and São Paulo, and has a substantial pipeline for future growth. GCP International manages 23 funds supported by an established blue-chip institutional investor base and experienced investment, management and property development professionals managing over 320 million square feet of industrial properties, as of June 30, 2024.

Ares and GCP International believe that the approximately \$2 trillion industrial real estate sector continues to exhibit strong and resilient fundamentals across market cycles, accelerated by long-term demand tailwinds, including the growth of e-commerce, and that it is well positioned to continue to benefit from both institutional and retail investor demand. Similarly, data center demand from both hyperscale and enterprise customers continues to accelerate with capital expenditure expected to materially exceed \$1 trillion over the next three years, buoyed by global secular trends

driven by the increase in data and compute needs, cloud migration, data security and most recently artificial intelligence.

The transaction demonstrates Ares' continued ability to thoughtfully grow its capabilities and offerings to its clients, focusing on expanding its presence in key geographies and in sectors that are well positioned to benefit from attractive long-term structural trends. GCP International adds scale and capabilities in attractive Asia markets, through one of the largest industrial platforms in Japan with nearly \$20 billion of AUM, as of June 30, 2024, including one of the largest publicly listed Japan Real Estate Investment Trusts (JREIT) and a second scaled institutional perpetual vehicle managed by GCP International. Similarly, GCP International's industrial businesses in Europe and the U.S. have long track records of success, and the combination, once completed, is estimated to create a top three owner and operator of industrial assets globally.

"We have long admired the global real estate experience of GCP and its capabilities in facilitating the economy of the future, which includes investing in and managing industrial, data center and self-storage assets," said Michael Arougheti, Chief Executive Officer and President of Ares. "As a combined business, we believe that Ares' and GCP International's experienced management teams, highly collaborative cultures and investment track records will create a powerhouse in global real assets investing."

"We have great respect for the business that the GCP International leadership team has built, and we believe that there are attractive strategic synergies between our firms," said Bill Benjamin and Julie Solomon, Co-Heads of Ares Real Estate. "Combining our platforms will further enhance our strong position in the industry and bolster Ares as a global market leader in real estate with vertically integrated capabilities. We are excited for the opportunities that we can pursue together with our expanded product suite, like-minded cultures and our ability to invest in assets that facilitate the new economy."

"We have strong conviction that combining GCP International's and Ares' investment and operating capabilities, expansive networks and collaborative cultures will create one of the world's leading real assets investment management businesses," said Ming Mei, Co-Founder and CEO of GCP and GLP. "We are excited for the new opportunities the transaction will create for our current clients, and we look forward to continuing to partner with teams across GCP International and Ares to drive success for the combined business."

"We are thrilled to join Ares, a pioneer and market leader in alternative investing," said Michael Steele, President of GCP International. "Our commitment to long-term business building and our ability to identify and focus on new economy sectors with large addressable markets and strong secular tailwinds have enabled us to distinguish ourselves in the market and grow rapidly. In Ares, we have found a partner that shares our philosophy and entrepreneurial culture. We look forward to integrating with the Ares team, and continuing to build upon our successful, long-term track records and scale our combined platform for the benefit of all stakeholders."

The transaction will follow a separation of GCP International from GLP Capital Partners' remaining business, which will remain independent and headquartered in Singapore with a focus on investing in Greater China. Mr. Mei will serve as CEO of GLP and GCP's remaining business, along with its leadership team in China and a select number of other global executives. He will also continue to support GCP International's and Ares' growth and success as an Ares Partner and Senior Advisor. Mr. Steele and GCP International's leadership teams responsible for managing and operating the funds in Japan, Europe, the U.S., Brazil and Vietnam will join Ares as part of the transaction.

Mr. Mei added, "We are excited by the growth that our Greater China business can achieve at a time when opportunities in the region are in abundance."

The transaction is expected to close in the first half of 2025 subject to customary regulatory approvals and other closing conditions. Ares has secured fully committed bridge financing from Morgan Stanley Senior Funding, Inc. and Citigroup Global Markets Inc. in relation to the transaction.

Advisors

Eastdil Secured, L.L.C., Barclays, Goldman Sachs & Co. LLC and Wells Fargo Securities, LLC served as financial advisors to Ares, with Latham & Watkins acting as legal counsel. Citigroup, Morgan Stanley & Co. LLC, Greenhill, a Mizuho affiliate, UOB Group and Deutsche Bank served as financial advisors to GCP International and Kirkland & Ellis LLP served as legal counsel.

Conference Call and Webcast Information

Ares will host a conference call on Tuesday, October 8, 2024 at 8:30 a.m. (Eastern Time) to discuss the transaction. A supplemental presentation that illustrates the transaction is available on the Investor Resources section of Ares' website at www.aresmgmt.com.

All interested parties are invited to participate via telephone or the live webcast, which will be hosted on a webcast link located on the Home page of the Investor Resources section of our website at www.aresmgmt.com. Domestic callers can access the conference call by dialing +1 (800) 225-9448. International callers can access the conference call by dialing +1 (203) 518-9708. All callers are asked to dial in 10-15 minutes prior to the call so that name and company information can be collected and to reference the conference ID ARES2024. For interested parties, an archived replay of the call will be available through November 8, 2024 to domestic callers by dialing +1 (800) 839-5635 and to international callers by dialing +1 (402) 220-2561. An archived replay will also be available through November 8, 2024 on a webcast link located on the Home page of the Investor Resources section of our website.

About Ares Management Corporation

Ares Management Corporation (NYSE:ARES) is a leading global alternative investment manager offering clients complementary primary and secondary investment solutions across the credit, real estate, private equity and infrastructure asset classes. We seek to provide flexible capital to support businesses and create value for our stakeholders and within our communities. By collaborating across our investment groups, we aim to generate consistent and attractive investment returns throughout market cycles. As of June 30, 2024, Ares Management Corporation's global platform had over \$447 billion of assets under management, with more than 2,950 employees operating across North America, Europe, Asia Pacific and the Middle East. For more information, please visit www.aresmgmt.com.

About GLP Capital Partners

GLP Capital Partners ("GCP") is a leading global alternative asset manager that focuses on thematic investing across real assets and private equity. GCP has a strong history of leadership in high-growth Asian markets and a track record of success at scale in the US, Europe and Brazil. GCP is the exclusive investment and asset manager of GLP Pte Ltd. To learn more about GCP, please visit www.gcp.com.

Forward-Looking Statements

Statements included herein contain forward-looking statements within the meaning of the federal securities laws. You can identify these forward-looking statements by the use of forward-looking words such as "outlook," "believes," "expects," "potential," "continues," "may," "will," "should,"

“seeks,” “approximately,” “predicts,” “intends,” “plans,” “estimates,” “anticipates,” “foresees” or negative versions of those words, other comparable words or other statements that do not relate to historical or factual matters. The forward-looking statements are based on Ares’ beliefs, assumptions and expectations of Ares’ future performance, taking into account all information currently available to Ares. Such forward-looking statements are subject to various risks and uncertainties, including Ares’ ability to consummate the GCP Acquisition and to effectively integrate GCP International into Ares’ operations and to achieve the expected benefits therefrom, and assumptions including those relating to the GCP Acquisition, Ares’ operations, financial results, financial condition, business prospects, growth strategy and liquidity. Some of these factors are described in the Annual Report on Form 10-K for the year ended December 31, 2023, including under the headings “Item 1A. Risk Factors” and “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations” and in the Quarterly Report on Form 10-Q filed with the SEC on August 7, 2024, including under the heading “Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These factors should not be construed as exhaustive and should be read in conjunction with the risk factors and other cautionary statements that are included in this report and in Ares’ other periodic filings. If one or more of these or other risks or uncertainties materialize, or if Ares’ underlying assumptions prove to be incorrect, Ares’ actual results may vary materially from those indicated in these forward-looking statements. New risks and uncertainties arise over time, and it is not possible for the Company to predict those events or how they may affect Ares. Therefore, you should not place undue reliance on these forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made. Ares does not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise, except as required by law.

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Source: Ares Management Corporation

CONSENT TO ASSIGN CONTRACT WITH
GLP CAPITAL PARTNERS

PROPOSED RESOLUTION

WHEREAS, LACERS has a contract with GLP Capital Partners (GCP) to provide general pension fund investment management services; and,

WHEREAS, GCP has entered into an acquisition agreement with Ares Management Corporation (Ares); and,

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

WHEREAS, staff has conducted initial discussions with GCP representatives and staff proposes on-going monitoring and due diligence of GCP through the end of 2025,

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

January 14, 2025



REPORT TO BOARD OF ADMINISTRATION

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

MEETING: JANUARY 14, 2025
ITEM: VIII - E

SUBJECT: INVESTMENT POLICY AMENDMENTS AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board approve the following proposed revisions in the Investment Policy Manual: Securities Litigation Policy, Responsible Investment Policy, and incorporation of Management Audit recommendations.

Executive Summary

On December 10, 2024, the Committee approved proposed changes to the Investment Policy Manual for Board adoption. These changes will streamline oversight of the Investment Program, making the process more efficient in terms of time and impact as well as strengthening governance and compliance, and providing more transparency.

Discussion

The Los Angeles City Employees' Retirement System (LACERS) routinely reviews and updates its Investment Policy Manual to ensure alignment with best practices, regulatory standards, and the organization's strategic goals. During the Committee meeting on December 10, 2024, several proposed amendments were discussed.

The first area of amendment addresses the Securities Litigation Policy, introducing thresholds for litigation participation and delegating authority to the General Manager and legal counsel to expedite decisions on foreign cases. This change is designed to improve operational efficiency and ensure that LACERS does not miss recovery opportunities. Additionally, the updated policy expands the role of external experts to support efforts in evaluating potential losses and pursuing litigation.

The second key amendment pertains to the Responsible Investment Policy. Enhancements were made to clarify stewardship roles, and specific responsibilities were delegated to the General Manager or

their designee. These changes will streamline decision-making processes and enable effective participation in governance activities under the Principles for Responsible Investment framework.

Finally, updates were made to incorporate recommendations from the Management Audit. These include requiring investment consultant and fiduciary counsel reviews for all policy amendments, the inclusion of an asset allocation matrix to enhance transparency, and the implementation of a compliance calendar to track governance items systematically. Collectively, these adjustments aim to strengthen oversight, improve transparency, and optimize administrative functions.

The proposed amendments aim to improve operational efficiency, strengthen governance, and align LACERS policies with fiduciary responsibilities and strategic goals. Each policy revision was developed collaboratively with LACERS staff, internal auditors, external consultants, and the City Attorney's Office.

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

TB/RJ/WL/EC/JW:rm

Attachment: 1. Investment Committee Recommendation Report dated December 10, 2024



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

MEETING: DECEMBER 10, 2024
ITEM: V

SUBJECT: INVESTMENT POLICY AMENDMENTS AND POSSIBLE COMMITTEE ACTION

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

Recommendation

That the Committee review and approve the edits made to the Investment Policy Manual.

Executive Summary

The LACERS Investment Policy Manual¹ is reviewed at least annually by staff to ensure that such policies are relevant to providing an appropriate performance, risk, and compliance framework for the Investment Program. The recommendations contained in this report provide modification to the Securities Litigation Policy, Stewardship Policy, as well as the several pending audit recommendations of the most recent Management Audit report submitted to the Board of Administration on August 9, 2022. Investment staff, working with the LACERS Internal Audit staff, several of LACERS investment consultants, and the City Attorney, present proposed changes to the Investment Policy Manual.

Discussion

Background

The Los Angeles City Employees' Retirement System (LACERS) periodically reviews and updates its Investment Policy Manual to ensure that it remains aligned with best practices, regulatory standards, and the organization's strategic goals. The proposed revisions address three distinct areas of the Investment Policy Manual: 1. Securities Litigation Policy; 2. Responsible Investment Policy; and 3. Management Audit.

I. Securities Litigation Policy

The Securities Litigation Policy provides proposed revisions to Section XVIII that introduces comprehensive updates to delineate the responsibilities of the LACERS Board, staff, and City Attorney while providing operational guidance to optimize securities-related litigation recoveries. The policy establishes clear thresholds for participation, such as passive involvement for losses under \$5 million and Board-level decisions for active participation in cases exceeding \$10 million. For foreign cases, active consideration begins at \$1 million in potential damages, with specific procedures for opt-in actions and collaboration with litigation funders. To improve efficiency, delegated authority is granted

¹ Investment Policy Manual is also referred to as the Investment Policy Statement (IPS) by the City's management auditor.

to the General Manager, staff, and City Attorney for determining class member participation in foreign cases, ensuring timely actions and reducing the risk of missed recovery opportunities.

The revisions expand the role of external experts, including custodian banks and outside counsel, in tasks such as loss evaluation, antitrust action registration, and corporate investigations. These changes support the expansion of recoverable actions and align with LACERS' commitment to the Responsible Investment Policy by enabling engagement with companies on ESG issues through direct or collaborative initiatives. Guidelines for derivative actions include a two-step process: delegated authority to initiate confidential books and records inspections and Board authorization for publicly filed lawsuits, ensuring LACERS retains strategic advantages in litigation while maintaining oversight.

Additionally, decision-making factors now include potential monetary recovery, governance impact, administrative burden, and success likelihood. Updates to the language throughout the policy ensure clarity and alignment with current legal and administrative standards. Collectively, these revisions enhance LACERS' ability to manage securities litigation effectively, expand asset recovery opportunities, and safeguard the organization's assets while reinforcing its fiduciary responsibilities.

II. Responsible Investment Policy

1. *Stewardship* - LACERS is approached on occasion by various stakeholders, fellow investors, and other interested parties to engage with LACERS Board and staff in order to request certain actions or directional changes within the LACERS Investment Program to include, but not limited to, Board and staff actions, and requests related to one or more of its investment managers and/or vendors under contract. Proposed language under Section 10.I provides guidance with respect to engagement activities to ensure that the Board fulfills its fiduciary obligations to LACERS' members.
2. *PRI Signatory Voting and Administrative Responsibilities* – Signatories of PRI are requested to participate in the organization's selection of leadership and administrative processes. Thus, each year signatories are requested to cast their ballots for PRI Board directors and approve the auditors. In addition, PRI also requests its signatories to receive and file various financial and program reports, and meeting minutes. In order to provide the LACERS Board with greater efficiency in managing these responsibilities, staff recommends an amendment to Section 10, Roles and Responsibilities, that delegates to the General Manager (GM) or its designee the authority to cast votes for board directors, approve auditors and governance measures, and submit the completed annual PRI Reporting Framework and periodic surveys. LACERS staff will provide a verbal and/or written status report to the Board of Administration when such delegated authority was exercised by the GM on behalf of the Board at their earliest meeting after such activities or matters have been fully tabulated and announced by PRI.

III. Management Audit

The Management Audit provided for a multitude of recommendations for the Board to consider for further improvements to the management and operations of the LACERS Investment Program. While several of the audit recommendations have already been reviewed by the Board and resolved over the past several years, there are still four pending audit findings. Those outstanding audit findings are presented below along with each finding's respective status and/or staff recommendation.

1. *All federal, state, and local legal requirements be explicitly stated together with the IPS*

Status and Staff Recommendation: Staff and the City Attorney believe that the existing Investment Policy Manual contains sufficient references to applicable laws related to governance and fiduciary oversight of the Investment Program. No policy amendment is proposed at this time.

2. *Add language to the IPS that states all modifications to the document are to be reviewed by the applicable consultant as well as fiduciary counsel prior to being presented to the Board.*

Status and Staff Recommendation: This finding provides for greater transparency and additional review levels of proposed policy amendments. Section III.A.2, contains proposed language to direct staff to seek the opinion of the appropriate investment consultant and review of the City Attorney pertaining to amendments proposed to the Investment Policy Manual.

3. *Consider including a memo from the applicable consultant and fiduciary counsel for all amendments of the IPS. The memo would articulate and document their agreement/disagreement with the proposed changes.*

Status and Staff Recommendation: Staff supports a review by the appropriate investment consultant and the City Attorney, as presented in the immediate finding in this report. To further support both findings, staff recommends that a written statement be provided in its report to the IC and/or Board that said entities will have considered proposed amendment(s) from both investment (consultant) and legal (City Attorney) perspectives coupled with their respective conclusions (e.g., concurrence, recommendation, disagreement). This aforementioned review process is codified in the proposed policy language in Section III.A.2.

4. *Consider the creation of a compliance calendar to facilitate the oversight of compliance with the governance items articulated in the IPS.*

Status and Staff Recommendation: This finding, which has already been accepted by the Controller's Office, provides greater ease of monitoring governance reporting items with each item's respective completion dates. Staff presents the proposed calendar format as an amendment to the Investment Policy Manual, Section 15, under "Glossary."

5. *Consider including policy targets and ranges within the IPS*

Status and Staff Recommendation: This finding and implementation of the staff recommendation will provide greater transparency of the LACERS current asset allocation policy. Section VI, "General Investment Objectives and Guidelines" contains a proposed Asset Allocation Matrix that presents the current asset allocation policy classes, target weightings, and threshold bands. This matrix will be continually updated as the Board approves changes to the asset allocation policy.

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

NMG/RJ/WL/EC/JW:rm

- Attachments:
1. Investment Policy Statement (Clean)
 2. Investment Policy Statement (Redlined pages)

Section 1 INVESTMENT POLICY

I. INTRODUCTION

This document provides a framework for the investment management of the assets of the Los Angeles City Employees' Retirement System ("LACERS" and hereafter known as the "System"). Its purpose is to assist the Board of Administration (the "Board") in effectively supervising and monitoring the investments of the System, with the support of the LACERS staff (the "Staff"). Specifically, it will address:

- A. The general goals of the Investment Policy, Section 1.II.a-g;
- B. The policies and procedures for the management of the investments;
- C. Specific asset allocations, rebalancing procedures, and investment guidelines;
- D. Performance objectives; and
- E. Responsible parties.

The System establishes this investment policy in accordance with Section 1106 of the Charter of the City of Los Angeles for the systematic administration of the City Employees' Retirement Fund. Since its creation, the Board's activities have been directed toward fulfilling the primary purpose of the System, as described in Section 1106:

"...to provide benefits to system participants and their beneficiaries and to assure prompt delivery of those benefits and related services; to minimize City contributions; and to defray the reasonable expenses of administering the system."

The System is a department of the City government and is governed by a seven member Board of Administration and assisted by a general manager. In the formation of this investment policy and goal statement, a primary consideration of the Board has been its awareness of the stated purpose of the System. The Board's investment activities are designed and executed in a manner that will fulfill these goals.

This policy statement is designed to allow for sufficient flexibility in the management oversight process to capture investment opportunities as they may occur, while setting forth reasonable parameters to ensure that prudence and care is taken in the execution of the investment program.

II. INVESTMENT GOAL STATEMENT

The System's general investment goals are broad in nature. The following goals, consistent with the above described purpose, City Charter citations, and State Constitution are adopted:

- A. The overall goal of the System's investment assets is to provide plan participants with post-retirement benefits as set forth in the System documents. This will be accomplished through a carefully planned and executed investment program.

Section 1 INVESTMENT POLICY

- B. A secondary objective is to achieve an investment return that will allow the percentage of covered payroll the City must contribute to the System to be maintained or reduced, and will provide for an increased funding of the System's liabilities.
- C. The System's assets will be managed on a total return basis. While the System recognizes the importance of the preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. The Board's investment policy has been designed to produce a total portfolio, long-term real (above inflation) positive return above the Policy benchmark on a net-of-fee basis as referenced in the quarterly Portfolio Performance Review ("PPR"). Consequently, prudent risk-taking is warranted within the context of overall portfolio diversification. As a result, investment strategies are considered primarily in light of their impacts on total plan assets subject to the provisions set forth in Section 1106 of the City Charter with consideration of the Board's responsibility and authority as established by Article 16, Section 17 of the California State Constitution.
- D. The System's investment program shall, at all times, comply with existing applicable local, state, and federal regulations.
- E. All transactions undertaken will be for the sole benefit of the System's participants and beneficiaries and for the exclusive purpose of providing benefits to them and defraying reasonable administrative expenses associated with the System.
- F. The System has a long-term investment horizon and uses an asset allocation, which 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.
- G. Investment actions are expected to comply with "prudent person" standards as described:
- "...with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims (sometimes referred to as the 'prudent person' rule)." ¹

The "standard of care" will encompass investment and management decisions evaluated not in isolation but in the context of the portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably assigned. The circumstances that the System may consider in investing and managing the investment assets include any of the following:

1. General economic conditions;
2. The possible effect of inflation or deflation;
3. The role that each investment or course of actions plays within the overall portfolio;

¹ERISA 404(a)(1) (B).

Section 1 INVESTMENT POLICY

4. The expected total return from income and the appreciation of capital;
5. Needs for liquidity, regularity of income, and preservation or appreciation of capital;
6. A reasonable effort to verify facts relevant to the investment and management of assets.

III. DUTIES OF RESPONSIBLE PARTIES

A. Duties of the Board or its Designate(s)

The Board has the responsibility for the administration of the System for the benefit of plan participants, although it is not the intent of the Board of Retirement to become involved in the day-to-day investment decisions. The Board or its designee(s) will adhere to the following procedures in the management of the Board's assets:

1. The Board develops and approves policies and guidelines for the execution of the Board's investment program. Only the Board in its sole discretion can delegate its decision-making authority regarding the investment program. Staff will be responsible for the implementation and administration of these decisions.
2. A formal review of the Board's Investment Policy and investment structure, asset allocation, and financial performance will be conducted annually or more frequently as the need arises. The review will include recommended adjustments to the long-term, strategic asset allocation to reflect any changes in applicable regulations, long-term capital market assumptions, actuarial assumptions, or the System's financial condition. Proposed policy amendments will include in the staff reports to the Investment Committee and/or the Board the results of the review and any additional opinions of the investment consultant(s) and the City Attorney.
3. The Board shall review investments quarterly, or as needed, to ensure that policy guidelines continue to be met. The Board shall monitor investment returns on both an absolute basis and relative to appropriate benchmarks, as well as peer group comparisons. The source of information for these reviews shall come from Staff, outside consultants, the custodian, investment managers, etc.
4. The Board may retain investment consultants to provide such services as conducting performance reviews, asset allocation, manager reviews, and investment research.
5. The Board shall be responsible for taking appropriate action if investment objectives are not being met or if policies and guidelines are not being followed. Reviews for separate portfolios managed by external managers will focus on the following areas:
 - a) Manager compliance to the Policy guidelines.
 - b) Material changes in the managers' organizations, such as investment philosophy, personnel changes, acquisitions or losses of major accounts, etc. The managers will be responsible for keeping the Board advised of any material changes in personnel, investment strategy, or other pertinent information potentially affecting performance.
 - c) Investment performance relative to each manager's stated performance benchmark(s) as set forth in the manager's investment guidelines.

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6. The Board shall expect Staff to administer the System's investments in a cost-effective manner subject to Board approval. These costs include, but are not limited to, management, consulting and custodial fees, transaction costs, and other administrative costs chargeable to the Board.
7. The Board shall be responsible for selecting qualified investment managers, consultants, and custodian.
8. Voting of proxies in stocks held by the System will be done according to Board policy.
9. The Board may delegate certain duties of the Board to the Investment Committee as specified in the Investment Committee Charter.

B. Duties of the Staff

The Board's Investment Staff provides analysis and recommendations to the Board on a wide variety of investments and investment related matters. Additionally, the Investment Staff oversees and directs the implementation of Board policies and manages the System on a day-to-day basis. Furthermore, staff responsibilities include the following details:

1. Invests the System's cash without requiring Board's permission as set forth elsewhere in the Board's Investment Guidelines.
2. Monitors investment managers for adherence to appropriate policies and guidelines.
3. Evaluates and manages the relationships with brokers, managers, consultants, and custodian(s) to the System to ensure that they are providing all of the necessary assistance to Board and to Staff.
4. Conducts the manager search process, as approved by the Board, with assistance from consultants as needed.
5. The Staff will manage Portfolio restructuring resulting from portfolio rebalancing or manager terminations with the assistance of consultants and managers, as needed.
6. The Staff and its designee(s) shall be responsible for organizing and/or participating in any special research for the Board.
7. The Staff shall ensure that Investment Managers conform to the terms of their contracts and that performance-monitoring systems are sufficient to provide the Board with the most timely, accurate, and useful information as possible.
8. The Staff shall advise and keep the Board apprised of any other events of investment significance.

C. Duties of the Investment Managers

The Investment Managers shall perform the following duties:

1. Contract by written agreement with the Board to invest within approved guidelines.

Section 1 INVESTMENT POLICY

2. Provide the Board with proof of liability and fiduciary insurance coverage.
3. Be an SEC-Registered Investment Advisor under the 1940 Act or an authorized bank or trust, and be recognized as providing demonstrated expertise during a number of years in the management of institutional, tax-exempt assets within a defined investment specialty.
4. Adhere to the investment management style concepts and principles for which they were retained, including, but not limited to, developing portfolio strategy, performing research, developing buy, hold and sell lists, and purchasing and selling securities.
5. Obtain best execution for all transactions for the benefit of the System with brokers and dealers qualified to execute institutional orders on an ongoing basis at the best net cost to the System, and, where appropriate, facilitate soft dollar credits and the recapture of commissions for the System's benefit.
6. Reconcile monthly accounting, transaction and asset summary data with custodian valuations, and communicate and resolve any significant discrepancies with the custodian and the Board's Investment Staff.
7. Maintain frequent and open communication with the Board and Staff on all significant matters pertaining to the System, including, but not limited to, the following issues:
 - a) Major changes in the Investment Manager's investment outlook, investment strategy, and portfolio structure;
 - b) Significant changes in ownership, organizational structure, financial condition, or senior personnel;
 - c) Any changes in the Portfolio Manager or other personnel assigned to the System;
 - d) Each significant client that terminates its relationship with the Investment Manager, within 30 days of such termination;
 - e) All pertinent issues that the Investment Manager deems to be of significant interest or material importance; and
 - f) Meet with the Board and/or Staff on an as-needed basis.

D. Duties of the Master Custodian

The Master Custodian shall be responsible to the Board for the following duties:

1. Provide complete global custody and depository services for the designated accounts.
2. Manage a Short Term Investment Fund (STIF) for investment of any un-invested cash, and ensure that all available cash is invested. If the cash reserves are managed externally, full cooperation must be provided.
3. Provide in a timely and effective manner a monthly report of the Investment activities implemented by the investment managers. Prepare a quarterly report containing absolute and relative investment performance.

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4. Collect all income and realized principal realizable, and properly report it on the periodic statements.
5. Provide monthly and fiscal year-end accounting statements for the portfolio, including all transactions. The statements should be based on accurate security values for both cost and market. These reports should be provided within acceptable time frames.
6. Report situations where accurate security pricing, valuation, and accrued income are either not possible or subject to considerable uncertainty.
7. Assist the System to complete such activities as the annual audit, transaction verification, or unique issues as required by the Board.
8. Manage a securities lending program to enhance income if directed by the Board. If the securities lending program is managed externally, full cooperation must be provided.

E. Duties of the General Fund Consultant

The General Fund Consultant shall be responsible for the following:

1. Review quarterly performance including performance attribution on the Board's managers and total assets, including a check on guideline compliance and adherence to investment style and discipline.
2. Make recommendations for Board presentation regarding investment policy and strategic asset allocation.
3. Assist the Board in the selection of qualified investment managers and in the review of existing managers, including monitoring changes in personnel, ownership and the investment process.
4. Assist the Board in the selection of a qualified custodian if necessary.
5. Provide topical research and education on investment subjects as requested by the Board or Investment Staff.

F. Duties of Parties Involved in LACERS' Matters

The Board is committed to maintaining a workplace that is free of sexual harassment and illegal discrimination. Investment managers, consultants, and other contractors assisting with the implementation of the Board's investment program shall adopt written policies prohibiting sexual harassment and illegal discrimination of any kind to ensure a safe working environment and to protect the System's assets from business risks arising from such misconduct.

Pursuant to this commitment, prior to finalizing its contract with the Board, every public markets contractor shall disclose to the Board all current, pending, and anticipated litigation concerning sexual harassment or related discrimination claims that may have a material impact on the Board's investment(s) managed by said contractor. This disclosure requirement is mandatory for such contracts or amendments dated March 1, 2019 or later.

Section 1 INVESTMENT POLICY**IV. ASSET ALLOCATION POLICY**

The policies and procedures of the Board's investment program are designed to maximize the probability that the investment goals will be fulfilled. Investment policies will evolve as the System's conditions change and as investment conditions warrant. The Board reviews the Asset Allocation Policy strategically approximately every three years and on a tactical basis more frequently.

The Board adopts and implements the Asset Allocation Policy that is predicated on a number of factors, including:

- A. A projection of actuarial assets, liabilities, benefit payments, and required contributions;
- B. Historical and expected long-term capital market risk and return behavior;
- C. An assessment of future economic conditions, including inflation and interest rate levels; and
- D. The current and projected funding status of the System.

This policy provides for diversification of assets in an effort to maximize the investment return of the System consistent with market conditions. Asset allocation modeling identifies the asset classes the System will utilize and the percentage that each class represents of the total plan assets. Due to the fluctuation of market values, positioning within a specified range is acceptable and constitutes compliance with the policy. It is anticipated that an extended period of time may be required to fully implement the Asset Allocation Policy and that periodic revisions will occur. The Board will monitor and assess the actual asset allocation versus policy and will rebalance as appropriate.

The Board will implement the Asset Allocation Policy using investment managers to invest the assets of the System's portfolio components subject to investment guidelines. Equity managers may not hold more than 10% of the market value of their portfolios in cash without Board approval, unless otherwise specified in their manager guidelines. The long-term asset allocation targets and ranges for the investments of the System's assets are presented in the latest Board-approved Asset Liability Study and Asset Allocation Policy.

The Board will allocate segments of the System's assets to each investment manager and specify guidelines, objectives and standards of performance, which are to apply to each manager's portfolio. These decisions will encompass allocating segments of the System assets, and segments of individual asset classes, between active and passive investment management, the active risk of the portfolio and to provide broad market exposure.

V. INVESTMENT POLICY

The Board will retain external investment managers to manage the System's assets using a specific style and methodology. Public external investment managers have been delegated authority for determining investment strategy, security selection, and timing. Public external investment

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managers are subject to the Board's policy and individual investment manager guidelines, legal restrictions, and other Board direction. Performance objectives will also be developed for each manager. The performance of each portfolio will be monitored and evaluated on a regular basis relative to each portfolio component's benchmark return and, if available, relative to a peer group of managers following similar investment styles. Private market investment managers shall manage the System's assets pursuant to the respective asset class policy and the partnership fund's limited partnership agreement or other applicable legal documents.

Investment actions are expected to comply with "prudent person" standards. Each investment manager will be expected to know the rules of the Board and comply with those rules. It is each manager's responsibility to identify policies that have an adverse impact on performance and to initiate discussion toward possible improvement of the rules of the Board.

The Board will also review each investment manager's adherence to its investment policy and any material changes in the manager's organization (e.g., personnel changes, new business developments, etc.). The investment managers retained by the Board will be responsible for informing the Board of such material changes within a reasonable timeframe as articulated within their respective investment guidelines.

Investment managers under contract to the Board shall have discretion to establish and execute transactions with securities broker/dealer(s). The investment managers will attempt to obtain best execution with respect to every portfolio transaction. The following transactions will be prohibited: net short sales; selling on margin; writing options other than covered options; "prohibited transactions" as defined under the Employee Retirement Income Security Act (ERISA); and, transactions that involve a broker acting as a "principal," where such broker is also the investment manager making the transaction. The investments of the Board's assets will be subject to the following general policies.

A. Manager Selection

The selection of investment managers is accomplished in accordance with all applicable local, state, and federal laws and regulations. Each investment manager, consultant, and custodian functions under a formal contract that delineates responsibilities and appropriate performance expectations. Section VII describes LACERS' Manager Search and Selection Policy which articulates the process that will be employed for each public markets manager search.

B. Manager Authority

The Board's investment managers shall direct and manage the investment and reinvestment of assets allocated to their accounts in accordance with this document; Board rules or direction, applicable local, state, and federal statutes and regulations and individual management investment plans and executed contracts.

C. Brokerage Policy

The Board directs all investment managers trading public securities to utilize brokers who shall fulfill brokerage transactions for System assets in accordance with best execution.

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Subsequently, all LACERS public equity managers are to utilize commission recapture brokers on a best efforts basis. Commission recapture is a program designed to reduce fund expenses and increase cash flow by returning a portion of the commissions that external investment managers pay to brokers. Staff will provide to the Board an annual report summarizing commission and recapture activity for the fiscal year. The report will be presented within four months following the end of the fiscal year.

D. Proxy Voting

Proxy voting rights will be managed with the same care, skill, diligence, and prudence as is exercised in managing other assets. Proxy voting rights will be exercised in the sole interest of the System's members and beneficiaries in accordance with all applicable statutes consistent with the Board Proxy Voting Policy, which is found in Section XIV of this policy statement.

E. Securities Lending

The Board has authorized the execution of a "Securities Lending Program," which may be managed by the Board's custodian or delegated to a third-party provider. The Board will monitor and review the program. This program is described in the Securities Lending Policy (Section XV of this document) and in the Securities Lending Agreement of the securities lending provider. The initial collateral levels will not be less than 102% of the market value of the borrowed securities, or not less than 105% if the borrowed securities and collateral are denominated in different currencies. Marking to market is performed every business day, and the borrower is required to deliver additional collateral when necessary. Stringent cash and non-cash collateral guidelines specify eligible investments, credit quality standards, and diversification, maturity and liquidity requirements.

F. Derivatives

The Board's investment managers may be permitted, under the terms of individual investment guidelines, to use derivative instruments as set forth in each manager's investment guidelines to control portfolio risk. Derivatives are contracts or securities whose returns are derived from the movement of the pricing of other securities. The returns are to be consistent with the manager's mandate from the returns of other securities, indices, or allowable derivative instruments that include, but are not limited to, futures and forwards. Examples of appropriate applications of derivative strategies include hedging interest rates and currency risks, maintaining exposure to a desired asset class while effecting asset allocation changes, and adjusting portfolio duration for fixed income. In no circumstances can managers borrow funds to purchase derivatives. Managers must ascertain and carefully monitor the creditworthiness of any counterparties involved in derivative transactions.

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

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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 (AAP) 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 AAP or renewal of an existing AAP within three months prior to the start of each fiscal year. The approved AAP will be effective on July 1 of each year. Should the Board choose not to renew an AAP, the existing AAP may continue to be implemented; however, new AAP positions may not be introduced until a continuance of the existing AAP or new AAP 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.

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H. Adaptive Asset Allocation Plan

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- 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

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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.

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

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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

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- 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
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.

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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

- I. *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.

- II. *Market Stages Consideration*

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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.

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.

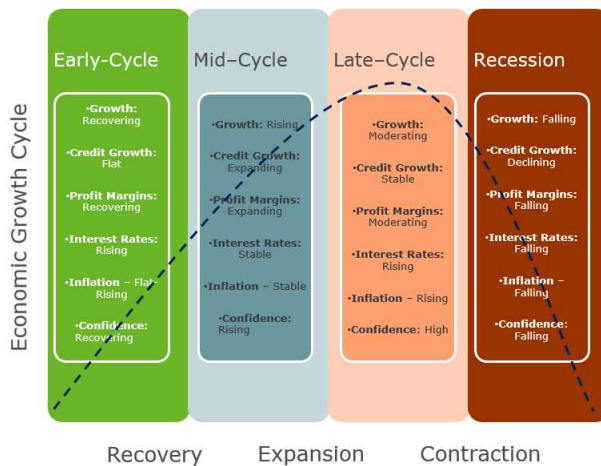
In the late-cycle period of the economic cycle, the economy typically experiences moderation in GDP growth, profit margins, and credit expansion. Consumer confidence is high and both interest rates and inflation are on the rise. Stocks trade at the higher band of long term averages while volatility tends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

III. 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.



*chart provided by NEPC, LLC

IV. 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

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- 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.

V. *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

VI. *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.

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VI. GENERAL INVESTMENT OBJECTIVES AND GUIDELINES

The general investment objective is to outperform the overall policy portfolio benchmark. The overall policy portfolio benchmark consists of weighted asset class benchmarks for each asset class as determined by the Board. The long term policy benchmarks are listed below:

Asset Class	Benchmark	Policy Target %	Threshold Lower	Threshold Upper
Domestic Equity	Russell 3000	21.00%	16.00%	26.00%
Non-U.S. Equity	MSCI ACWI ex-U.S.	26.00%	20.00%	32.00%
Fixed Income	Bloomberg (BBG) U.S. Aggregate	11.25%	8.50%	14.00%
Credit Opportunities	11.8% BBG US HY 2% Capped / 11.8% Credit Suisse Leveraged Loan Index / 31.4% of a blended 50% JPM EMB GD and 50% JPM GBI-EM GD / 45% Credit Suisse Leveraged Loan Index One Quarter Lagged	12.75%	9.50%	16.00%
Private Equity	Cambridge Associates Global Private Equity and Venture Capital Index	16.00%		
Real Assets	30% BBG US TIPS / 11.7% FTSE NAREIT US Equity Index / 58.3% NFI-ODCE + 80bps	12.00%		
<i>Private Real Estate</i>	<i>NFI-ODCE + 80bps</i>	<i>7.00%</i>		
<i>Public Real Assets</i>	<i>72% BBG TIPS Index / 28% FTSE NAREIT US Equity Index</i>	<i>5.00%</i>	<i>2.50%</i>	<i>7.50%</i>
Cash	90-Day Treasury Bill	1.00%	0.00%	2.00%

The portfolio is formally monitored by the Board quarterly versus its policy benchmark and also compared to the System’s actuarial return target.

The Board will utilize the following portfolio investment components to fulfill the asset allocation targets and LACERS total fund performance goals established in this document.

A. Equities

The Board expects that over the long run, total returns of equities will be higher than the returns of fixed income securities, but they may be subject to substantial volatility during shorter periods. Equity investment managers retained by the Board will follow specific investment styles and will be evaluated against specific market indices that represent their investment styles. Additionally, in the case of active managers, investment results may also be compared to returns of a peer group of managers with similar styles. The components of the System’s equity holdings, the benchmarks for the various equity portfolios, and the general guidelines are listed below:

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1. Domestic Equities

- a) **Index Funds/Core** – These investments will provide broadly diversified, core exposure through index funds to the U.S. equity market, primarily in large capitalization companies. Index funds provide primary liquidity for asset allocation.
- b) **Large Cap Growth Stocks** – The principal characteristic of the large cap stock component is its emphasis in stocks with market capitalization generally ranging above \$10.0 billion. The Board’s large growth stock allocation provides exposure to stocks of large capitalization whose valuations are more directly tied to future earnings prospects. Often, growth stocks sell at higher prices relative to expected or historical earnings growth. Growth stock volatility tends to be higher than value stocks, although such stocks generally outperform during rising markets while trailing the market in flat or declining periods.
- c) **Large Cap Value Stocks** – The principal characteristic of the large cap stock component is its emphasis in stocks with market capitalization generally ranging above \$10.0 billion. As a more defensive portion of the equity portfolio, value stocks, covering the upper range of market capitalization, are expected to outperform the broad market during periods of flat or declining trends while underperforming during rising markets. Value stocks typically exhibit higher dividend yield, lower P/E ratios, and lower Price/Book ratios.
- d) **Mid Cap Core Stocks** – The principal characteristic of the mid-cap core stock component is its emphasis in stocks with market capitalization generally ranging from \$3.0 billion to \$10.0 billion.
- e) **Small Cap Core Stocks** – The principal characteristic of the small cap core stock component is its emphasis in stocks with market capitalization generally ranging from \$250 million to \$3.0 billion.
- f) **Small Cap Value Stocks** – The principal characteristic of the small value stock component is its emphasis in stocks with market capitalization generally ranging from \$250 million to \$3.0 billion, which are generally characterized by faster growth and higher long-term returns during periods of flat or declining trends. Value stocks typically exhibit higher dividend yield, lower P/E ratios, and lower Price/Book ratios.
- g) **Small Cap Growth Stocks** – The principal characteristic of the small growth stock component is its emphasis in stocks with market capitalization from \$250 million to \$2.0 billion, which are generally characterized by faster growth and higher long-term returns during rising markets. Growth stock volatility tends to be higher than value stocks.

The benchmarks for the domestic equity portfolios may include the following indices:

Large Cap Core Stocks	S&P 500 Index
	Russell 1000 Index
Large Cap Value Stocks	Russell 1000 Value Index
Large Cap Growth Stocks	Russell 1000 Growth Index

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Mid Cap Core Stocks	Russell Midcap Index
Small Cap Core Stocks	Russell 2000 Index
Small Cap Value Stocks	Russell 2000 Value Index
Small Cap Growth Stocks	Russell 2000 Growth Index

General U.S. equity guidelines for active managers include the following:

- (1) No securities shall be purchased on margin or sold short.
- (2) American Depository Receipts (ADRs) are permissible investments.
- (3) Convertible securities can be held in equity portfolios and will be considered equity holdings.
- (4) Managers shall not purchase the stock (or securities convertible into stock) of any single corporation if the purchase would cause this portfolio to include more than 5% of the outstanding voting stock of a company.
- (5) Exchange listed futures and options on equity instruments may be used only if employed in a risk-reducing fashion.

Any exemption from the general equity guidelines requires prior written approval from the Board.

2. Non-U.S. Equities

- a) **Index Funds/Core Non-U.S. Stocks** – This portfolio provides broadly diversified equity markets outside the U.S. and, consequently, plays a significant role in diversifying the Board's portfolio. This segment will concentrate on larger companies in established equity markets around the world utilizing a macro approach.
- b) **Developed Markets Core** – This segment is comprised of non-U.S. stocks of countries listed within the MSCI World ex-U.S. Index. These stocks represent large cap, mature companies generally with global products and customers or which are dominant firms within their local country/regional markets.
- c) **Developed Markets Value** – This segment is comprised of non-U.S. stocks of countries listed within the MSCI World ex-U.S. Value Index or the MSCI EAFE Value Index. These stocks represent large cap, mature companies generally with global products and customers or which are dominant firms within their local country/regional markets. Versus the non-U.S. equity developed markets opportunity set, these stocks are further characterized by having higher than market dividend yields, lower than market book value, and lower than market earnings growth. As a result, these stocks provide incremental diversification versus developed markets core stocks.
- d) **Developed Markets Growth** – This segment is comprised of non-U.S. stocks of countries listed within the MSCI World ex-U.S. Growth Index or the MSCI EAFE Growth Index. These stocks represent large cap, mature companies generally with

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global products and customers or which are dominant firms within their local country/regional markets. Versus the non-U.S. equity developed markets opportunity set, these stocks are further characterized by having lower than market dividend yields, higher than market book value, and higher than market earnings growth. As a result, these stocks provide incremental diversification versus developed markets core stocks.

- e) **Small Cap Core** – This segment is comprised of non-U.S. stocks of the developed markets countries listed within the MSCI EAFE Small Cap Index. These stocks represent small cap companies which may have global products and customers or which may be dominant firms within their local country/regional markets. These stocks will generally have a market capitalization of less than \$2 billion and exhibit high earnings growth and low dividend yields. These stocks provide incremental diversification versus large cap developed market stocks.
- f) **Emerging Markets Core** – This component is comprised of equity positions in companies located in emerging, rapidly growing countries around the world. The companies tend to be large cap and may have global products or customers or they may be dominant firms within their local countries/regions. Because these are countries that are typically in the early development stages of economic growth, the returns in these countries are higher and more volatile on a year-to-year basis.
- g) **Emerging Markets Value** – This portfolio contains value-oriented stocks of companies domiciled in non-U.S. emerging markets countries. These companies are large cap companies which, versus the broader emerging markets indexes, have lower price-to-book, higher dividend yields and lower earnings growth rates.
- h) **Emerging Markets Growth** – This portfolio contains growth-oriented stocks of companies domiciled in non-U.S. emerging markets countries. These companies are large cap companies which, versus the broader emerging markets indexes, have higher price-to-book, lower dividend yields and higher earnings growth rates.
- i) **Emerging Markets Small Cap** – This portfolio contains equity positions in smaller capitalization companies located in emerging, rapidly growing countries around the world. The stocks represent small cap companies and in general will have a market capitalization of less than \$2 billion and exhibit high earnings growth and low dividend yields. These stocks provide incremental diversification versus larger capitalization emerging market stocks.

The benchmarks for the international equity portfolios may include the following indices:

Developed Markets Core (Passive)	MSCI World ex-U.S. Index
Developed Markets Core (Active)	MSCI EAFE Index
Developed Markets Value	MSCI EAFE Value Index
Developed Markets Growth	MSCI World ex-U.S. Growth Index
Non-U.S. Small Cap	MSCI EAFE Small Cap Index
Emerging Markets Core	MSCI Emerging Markets Free Index
Emerging Markets Value	MSCI Emerging Markets Value Index

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Emerging Markets Growth
Emerging Markets Small Cap

MSCI Emerging Markets Growth Index
MSCI Emerging Small Cap Index

General Non-U.S. equity guidelines for active managers include the following:

- (1) Portfolios shall be comprised of cash equivalents, debt instruments convertible into equity securities, forward foreign exchange contracts, GDR's, ADRs, and equity securities of companies domiciled outside the U.S. including established and emerging countries.
- (2) Managers will have discretion to hedge currencies of the countries in which their portfolio is invested to protect the value of the portfolio from currency risk. A manager's hedge ratio may not exceed 100% of the portfolio's value, at market, without obtaining prior approval from the Board.
- (3) No securities shall be purchased on margin or sold short.
- (4) Managers shall not purchase the stock (or securities convertible into stock) of any single corporation if the purchase would cause this portfolio to include more than 5% of the outstanding voting stock of a company
- (5) Exchange listed futures and options on equity instruments may be used only if employed in a risk-reducing fashion.

Any exemption from the general equity guidelines requires prior written approval from the Board.

B. Fixed Income

The primary role of the fixed income portfolio is to provide a more stable investment return and to generate income while diversifying the System's investment assets. The fixed income portfolios will be managed on a total return basis, following specific investment styles and evaluated against specific market indices that represent a specific investment style or market segment. In addition, investment results may also be compared to returns of a peer group of managers investing with a similar style. The fixed income holdings are comprised of the following mandates.

1. **Core Fixed Income** – This segment will provide core exposure to the U.S. fixed income market including Treasury and government agency bonds, corporate debt, mortgages, and asset-backed securities. The portfolio will be primarily comprised of issues with duration within 30% of the benchmark. Overall portfolio quality will be at least investment grade rated.
2. **Index Bonds** – This passive fixed income portfolio is intended to track the characteristics of the benchmark.
3. **Credit Opportunities**

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The objective of the asset class is to provide one or more of the following contributions over the long term (i.e., market cycle or longer) to the LACERS total investment program:

- a) Real return above inflation of between 3% and 5%;
- b) Diversification versus LACERS' two main asset classes: equities and bonds; and,
- c) Income

The target allocation to Credit Opportunities will include flexible rebalancing given the public/private composition of the asset class. Generally, the actual allocation will be kept within or \pm 3.25% of this target allocation objective.

Investments will primarily be characterized by their underlying holdings of asset types. The credit opportunities investment program can be comprised of both public and private credit opportunities strategies. The following strategies will be considered as appropriate for consideration and implementation within LACERS' credit opportunities investment program:

- a) **U.S and Non-U.S. High Yield Bonds** – Below investment grade (i.e., <BBB/Baa) rated bonds issued by public corporations with a perceived higher risk of default. Investors in these securities hope to benefit from spread tightening relative to investment grade bonds and from their higher overall yields, i.e., income.
- b) **Emerging Markets Debt (Local, Hard, Sovereign and Corporate)** – Debt issued by the governments (“sovereign”) of developing, or emerging, countries. Additionally, debt issued by corporations domiciled within emerging markets countries can be investment grade or below investment grade rated debt. Also can be issued in a foreign external, or “hard”, currency (e.g., U.S. dollars, Euros, etc.) or in the country’s local currency. Investors in these securities hope to benefit from spread tightening relative to investment grade and/or domestic bonds and from their higher overall yields.
- c) **Leveraged Loans** – Loans extended to high yield (i.e., below investment grade) or levered borrowers, generally by banks or other financial institutions. The loans are *not* levered – the borrowers are. Hence, there is a perceived higher risk of default. Leveraged loans tend to have short maturities and are higher in the capital structure than regular debt of the company. Investors in these securities hope to achieve higher than investment grade bond returns due to their higher yields.
- d) **Distressed Debt** – Debt of issuers that 1) are sufficiently financially impaired where there is a high risk of default or bankruptcy, 2) have already defaulted on financial obligations, or 3) have entered into bankruptcy proceedings. Investors in these securities hope to achieve high returns through financial or other restructuring at the issuing company.
- e) **Opportunistic or Special Debt Situations** – Debt which may not fit within the preceding categories that may offer a unique investment opportunity due to broader economic or financial conditions.

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- f) **Direct Lending** – Includes loans that are primarily floating rate debt obligations made to non-investment grade borrowers. Private direct lending involves a limited number of investors that structure terms of a transaction directly with a middle market or small corporate borrower. There is generally a limited public market with a middle market or small corporate borrower. Additionally, there is generally a limited public market for these loans and they are usually refinanced prior to maturity or held to maturity by one or a relatively small number of investors. Investors expect to earn a yield which is higher than publicly traded corporate debt to compensate for a higher degree of risk.

The primary return objective for the LACERS’ Credit Opportunities program is to outperform a custom weighted benchmark of 11.8% Bloomberg US HY 2% Capped / 11.8% Credit Suisse Leveraged Loan Index / 31.4% of a blended 50% JPM EMB GD and 50% JPM GBI-EM GD / 45% Credit Suisse Leveraged Loan Index QTR Lagged over a market cycle. Performance evaluation on a risk-adjusted basis shall consider the diversification impact of Credit Opportunities on the LACERS Total Fund. Returns will be calculated after management fees.

The benchmarks for the various fixed income portfolios may include the following indices:

Core Fixed Income	Bloomberg (BBG) BC Aggregate Bond Index
Intermediate Fixed Income	BBG BC U.S. Govt/Credit Intermediate Bond Index
High Yield Bonds	BBG BC U.S. High Yield 2% Capped Index
Emerging Market Debt	50% J.P. Morgan EMBI Global Diversified Index + 50% J.P. Morgan GBI EM Global Diversified Index
Bank Loans	Credit Suisse (CS) Leveraged Loans Index
Direct Lending	CS Leveraged Loans Index (one quarter lagged)

General fixed income guidelines include the following:

a) **Core Fixed Income**

- (1) The total portfolio's average rating will be A or better by Moody's or Standard & Poor's.
- (2) No more than 5% of any single portfolio will be invested in any one issuer, with the exception of U.S. Treasury or Federal Agency issues.
- (3) No more than 20%, in aggregate, invested in non-dollar denominated bonds and non-investment grade bonds are permitted.
- (4) No securities shall be purchased on margin or sold short.

b) **Credit Opportunities**

High Yield Bonds

- (1) The total portfolio's average rating will be B or better by Moody's or Standard & Poor's.

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- (2) No more than 5% of any single portfolio will be invested in any one issuer, with the exception of U.S. Treasury or Federal Agency issues.
- (3) No more than 20%, in aggregate, invested in non-dollar denominated bonds and investment grade bonds are permitted.
- (4) No securities shall be purchased on margin or sold short.

Bank Loans

- (1) No more than 5% of any single portfolio holding will be invested in any one issuer.
- (2) No more than 40%, in aggregate, invested in securities of non-U.S. issuers.
- (3) No more than 20% of the portfolio invested in loans or bonds that are not first lien secured debt and no more than 10% invested in non-secured debt.
- (4) No more than 30% of the portfolio's holdings in loans or bonds with a Moody's issue rating of Caa1 or lower.
- (5) No securities shall be purchased on margin or sold short.

Emerging Markets Debt Bonds

- (1) The total portfolio's average rating will be BBB/Baa or better by Moody's or Standard & Poor's.
- (2) No more than 5% of any single portfolio will be invested in any one issuer, with the exception of U.S. Treasury or Federal Agency issues.
- (3) No more than 30%, in aggregate, invested in out of benchmark securities.
- (4) No more than 10%, in aggregate, invested in U.S. and non-U.S. developed markets bonds
- (5) No securities shall be purchased on margin or sold short.

Private Credit

- (1) This portfolio is expected to provide portfolio diversification and additional return to the System's portfolio. Examples of private credit holdings include but are not limited to direct lending, specialty finance, distressed debt / special situations, mezzanine, real estate credit, and real assets credit. The Private Credit Investment Policy is within Section X of this document.

C. **Private Equity**

This portfolio is expected to provide portfolio diversification and additional return to the System's public markets portfolio. Examples of private equity holdings will include venture capital, leveraged buyouts, and special situations funds. The Private Equity Investment Policy is within Section XI of this document.

D. **Real Assets**

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The objective of the asset class is to provide one or more of the following contributions over the long term (i.e., market cycle or longer) to the LACERS total investment program:

1. Real return above inflation of between 3% and 5%;
2. Inflation hedge;
3. Diversification versus LACERS' two main asset classes: equities and bonds; and,
4. Income

The target allocation to Real Assets will include flexible rebalancing given the public/private composition of this asset class. Generally, the public actual allocation will be kept within $\pm 2.5\%$ of this target allocation objective.

Investments will primarily be characterized by their underlying holdings of asset types. The real assets investment program will be comprised of both public and private real asset strategies. The following strategies will be considered as appropriate for consideration and implementation within LACERS' real assets investment program:

1. **Private Real Estate** – This portfolio is expected to provide portfolio diversification and increase returns due to real estate's low correlation with the returns from equities and fixed income. The Private Real Estate Investment Policy is included in Section XI of this document.
2. **Public Real Estate "REITS"** – Publicly traded companies that trade on major stock exchanges and invest directly in real estate either through properties or mortgages. A distinguishing characteristic of this investment strategy versus private real estate is the improved liquidity and yield orientation.
3. **Treasury Inflation Protection Securities ("TIPS") or Global Inflation-Linked Bonds** – Securities where the principal value adjusts to reflect changes in the U.S. CPI or other sovereign-linked inflation measures upward or downward, but never below the original face amount at maturity. Semi-annual coupon payments are based upon the bond's adjusted principal which provides a direct inflation link.
4. **Commodities/Natural Resources** – Financial instruments, such as individual stocks, stock baskets or futures which represent companies or markets where the prices are directly linked to the ownership or trading of physical commodities/natural resources or companies whose primary source of revenues are tied directly or indirectly to the management, ownership or trading of physical commodities/natural resources. Commodities/natural resources are raw materials which are inputs to the production of goods and services. Thus, changes in commodities/natural resources prices typically lead inflation. Higher commodities/natural resources prices lead to increased prices goods and services, hence, a directly link to inflation.
5. **Timber/Farmland** – These are a hybrid investment strategy in that similar to commodities, they provide final and raw material in the production of goods and services and will tend to lead inflation. However, as private investments, they are similar to private real estate in that a potential increase in property value exists due to changes in supply and demand factors that influence inflation.

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6. **Master Limited Partnerships (“MLPs”)** – An MLP is a publicly traded partnership that combines individual limited partnerships into one entity to make the ownership interests more marketable with a general partner operating the business. MLPs are high income assets that should provide a consistent yield in between REITS and High Yield Bonds. As equities, they are also expected to earn returns commensurate with traditional public equities. An MLP is a pass-through entity that is taxed at the unit holder (i.e., share holder) level and not subject to tax at the partnership level. However, tax exempt investors may produce Unrelated Business Taxable Income (“UBTI”), which means tax-exempt investors engaged in a ‘business’ outside of the purpose for their exemption may be subject to UBTI. The businesses of MLPs are related to the extraction, production, and distribution of natural resources or energy infrastructure.
7. **Infrastructure** – Private markets investments in essential physical infrastructure such as toll roads, bridges, airports and utilities accessed by most citizens and designed to provide a steady income stream via tolls, leases, etc. Income stream is periodically adjusted by owners and inflation escalation provisions are often “built in” to provide a direct link to inflation. Capital appreciation also directly linked to primary economic drivers such as inflation.
8. **Oil and Gas Limited Partnerships** – Private markets investments in limited partnerships which have the objective of exploring/develop/market oil/gas sources. Returns are primarily driven by an income stream as well as from profits earned at the end of the partnership. However, returns are influenced by rate at which oil and gas flow from source. Thus, this is considered a highly risky, speculative investment strategy.
9. **Multi-Asset Real Asset/Return Strategies** – Bundled public markets or combination private/public markets real assets and/or real return strategies where the investment objective is to provide a real return above inflation over a market cycle. The investment manager has the discretion to select the combination of real asset strategies and to establish the exposure to each respective real asset strategy.

The primary return objective for the LACERS’ Real Assets program is to outperform a blend of 30% BBG US TIPS Index / 11.7% FTSE NAREIT US Equity Index / 58.3% Real Estate Blend (NFI-ODCE + 80 bps) over multiple market cycles and to outperform a secondary benchmark comprised of the Consumer Price Index (CPI) + 5% over a full market cycle, with appropriate consideration of risk. Performance evaluation on a risk-adjusted basis shall consider the diversification impact of Real Assets on the LACERS Total Fund. Returns will be calculated after management fees. The benchmarks for the various real assets portfolios may include the following indices:

Private Real Estate	NFI-ODCE + 80bps
Public Real Estate “REITS”	FTSE NAREIT US Equity Index
U.S. TIPS	Bloomberg U.S. TIPS Index
Commodities	Bloomberg Commodity Index

General real assets guidelines include the following:

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- a) **Private Real Estate** (see Private Real Estate Policy within Section XI of this document)
- b) **Public Real Estate**
 - (1) At least 90% of the portfolio investments must be invested in REITS.
 - (2) Up to 5% of the net asset value of the Portfolio (excluding Futures) may be held in cash at any one time.
 - (3) For prudent diversification of the portfolio, the maximum amount that can be invested in any one issue shall be the greater of 7.5% of the portfolio or 125% of the index weight.
 - (4) For out of benchmark securities, the maximum asset allocation to a single issuer shall not exceed 3%. In total, out of benchmark securities shall not exceed 10% of the portfolio market value at time of purchase.
 - (5) At no time shall the Account own more than 5% of the outstanding voting securities of any one issuer. No issue shall be purchased in the portfolio if more than 15% of the outstanding voting shares of the company are held by LACERS in the total of all its accounts. All debt and all preferred stock of an issuer are each considered a single class for this purpose.
 - (6) No more than 50% in any one property type, including Regional Malls, Strip Shopping Centers, Apartments, Offices, Industrial, Healthcare, Manufactured Homes, Factory Outlets, and Other.
 - (7) No more than 40% in any one geographic region, including Northeast, Mideast, Southeast, Southwest, East North Central, West North Central, Pacific, and Mountain.
- c) **Treasury Inflation-Protected Securities (“TIPS”)**
 - (1) The total portfolio’s average rating will be AAA by Moody’s or Standard & Poor’s.
 - (2) At least 80% of the portfolio investments must be invested in TIPS.
 - (3) Up to 5% of the net asset value of the Portfolio (excluding Futures) may be held in cash at any one time.
 - (4) The maximum effective duration shall be no more than 120% of the benchmark duration.
 - (5) The maximum asset allocation to a single security shall not exceed 200% of the benchmark weighting.
 - (6) For out of benchmark securities, the maximum asset allocation to a single issuer shall not exceed 5%. In total, out of benchmark securities shall not exceed 20% of the portfolio market value at time of purchase.

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- (7) Securities of emerging market country (countries as defined by the J.P. Morgan EMBI Global Diversified Index) issuers are limited to a maximum of 5% of the portfolio market value.

d) Commodities

- (1) At least 80% of the portfolio investments must be invested in publicly traded commodities.
- (2) Up to 5% of the net asset value of the Portfolio (excluding Futures) may be held in cash at any one time.
- (3) The maximum asset allocation to a single security shall not exceed 5%.
- (4) For out of benchmark securities, the maximum asset allocation to a single issuer shall not exceed 5%. In total, out of benchmark securities shall not exceed 20% of the portfolio market value at time of purchase.

Section 10 RESPONSIBLE INVESTMENT POLICY

XV. RESPONSIBLE INVESTMENT (RI) POLICY

The Responsible Investment (RI) Policy is LACERS' master policy framework that addresses Environmental, Social, and Governance (ESG) issues that are consistent with the Board's fiduciary standards and the overarching Investment Policy. The primary purpose of this policy is to outline various forms of ESG risk and to identify strategic paths and actions that can add long-term value to LACERS investments. Given the broad nature of ESG issues, the RI Policy also makes references to other existing LACERS policies and documents that specifically address environmental risk factors such as climate transition and renewable energy; social risk factors such as human rights and employment conditions; and governance risk factors such as proxy voting and influencing the behavior of corporate leadership. Conscientious development and thoughtful implementation of the RI Policy will ensure that LACERS capital will be invested and managed in a responsible manner that meets the Board's fiduciary obligations.

A. Definitions

Environmental, Social, and Governance (ESG) – refers to three broad categories of risk factors that measure the sustainability and societal impact of an investment. Please refer to Section H Scope for examples.

Responsible Investment (RI) – is the strategy and practice to incorporate material risk and return ESG factors in investment decisions and active ownership.

Principles for Responsible Investment (PRI) - a signatory membership organization comprised of global investors who have committed to understanding the investment implications of ESG factors and incorporating these factors into their investment decisions.

Sustainability – is the balance between the environment, equity, and economy. The United Nations World Commission on Environment and Development defines sustainable development as the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

ESG Integration – is the process of assessing the effect of ESG factors on investment risks and returns throughout the investment life-cycle and across all asset classes.

B. LACERS and Board's Commitment to Responsible Investing

LACERS and the Board are committed to integrating ESG risk factors into its management of the System in a manner that is consistent with the Board and Staff's fiduciary responsibilities to act in the best interest of the members, retirees, and beneficiaries of the System. This is consistent with LACERS' role as a prudent, long-term, responsible investor.

LACERS has long recognized the importance of addressing ESG risks in order to protect and enhance investment returns of the portfolio. Since the mid-1980s, LACERS has adopted several

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policies to address ESG risks³; engaged with both listed and privately-held companies, its own investment managers, regulatory bodies, and membership organizations to improve ESG-related practices; and collaborated with like-minded institutional investors to better understand and mitigate ESG risks.

LACERS ushered in a new era in its understanding and importance of ESG when it applied to the PRI for signatory status on June 25, 2019, and was later granted signatory status on September 3, 2019. Signatories to PRI make this commitment:

“As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).”

Consistent with the PRI framework, LACERS bases its own ESG practices and process in order to become a more responsible investor that, in meeting its fiduciary responsibilities to its members and beneficiaries, is cognizant of how the broader societal impact of its investment decisions can likewise affect investment returns.

C. Goals

The Goals of the RI Program are:

- 1) That the Board of Administration fulfills its fiduciary obligations as provided by California State Constitution, Section 1106 of the City Charter, and LACERS Policies;
- 2) Consider material ESG risk and return factors in order to achieve superior risk-adjusted returns;
- 3) Explore and consider sustainable investment initiatives that align with LACERS' fiduciary duties and the RI Policy;
- 4) Collaborate with like-minded organizations and entities that are progressing towards responsible investing through multiple investment approaches;
- 5) Provide periodic progress reports to the Board.

D. Responsible Investment Framework

The RI Program serves to fulfill the goals and objectives set forth in the RI Policy and is governed by Board-approved program documents, to include:

- 1) Responsible Investment Policy

The RI Policy formalizes LACERS' ESG policies and procedures to ensure that LACERS follows the direction set forth by the Board through the ESG Risk Framework, Proxy Voting Policy, Emerging Investment Manager Policy, and other subsequent Board policies and directives that may be incorporated into the RI Policy. This Policy will provide program guidance on integrating material ESG factor considerations within LACERS' Investment Program.

³ Policies include the former Geopolitical Risk Policy (superseded by this Responsible Investment Policy), Proxy Voting Policy, and Emerging Investment Manager Policy.

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2) Proxy Voting Policy

LACERS' Proxy Voting Policy supports sound corporate governance practices by aligning the interests of shareholders and corporations to build long-term sustainable growth in shareholder value. This policy provides LACERS' position and rationale for shareholder votes regarding corporate topics and issues to include (but not limited to) environmental and social issues, board of directors, election of the audit committee and appointment of external auditors, compensation of executives, shareholder rights and takeover defenses, capital structure, and corporate restructuring.

Proxy votes are cast by a proxy voting agent with the voting results monitored by staff and reported to the Board annually. Investment staff relies on research expertise and voting recommendations of its proxy voting agent when LACERS' Proxy Voting Policy is either silent or not directly applicable to the issue as stated on the proxy ballot.

3) Emerging Investment Manager Policy

The objective of LACERS Emerging Manager Policy is to identify investment firms with the potential to add value to the LACERS' investment portfolio that otherwise would not be identified by LACERS standard investment manager search and selection process. The Board believes that smaller investment organizations may generate superior returns because of the increased market flexibility associated with smaller asset bases.

4) PRI Action Plan

To ensure that LACERS continues to advance, progress, and continually develop its RI Program, an operational PRI Action Plan ("Plan") developed by staff was approved by the Board on November 12, 2019, with subsequent amendments. The Plan outlines initiatives and recurring activities that LACERS may pursue over a near-term horizon of approximately four years. The Plan is divided among broad functional categories: 1) policy; 2) operational; 3) research; and 4) collaboration and promotion. The Plan does not contain an exhaustive list of ESG initiatives that LACERS could pursue, but a feasible set of initiatives and actions that will allow LACERS to maintain a commitment to PRI and ultimately its ardent support of ESG. The Plan is updated and reviewed by the Board on an annual basis.

5) ESG Risk Framework

The Framework is a dynamic document, subject to changes based on economic outlook, market assumptions, and the Board's sensitivity and prioritization of material ESG issues. As LACERS continues to integrate and assess material and relevant ESG factors through this critical risk lens, staff will continue to adopt best practices and recommend to the Board appropriate Framework adjustments to keep its Investment Program and ESG initiatives focused squarely on the best interests of LACERS members and beneficiaries.

E. Responsible Parties and Roles

The roles and responsibilities surrounding the RI Policy are defined by the Board; several of those responsibilities are delegated to staff (including staff of the City Attorney's Office), consultants

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and advisers, and investment managers to ensure a cost-efficient and effective implementation, as outlined in the matrix below.

Responsible Parties and Roles			
Board	Staff	Consultants / Advisers	Investment Managers
<ul style="list-style-type: none"> - Governance - Policy Setting - Oversight 	<ul style="list-style-type: none"> - Due Diligence - Engagement - Implementation and Compliance - Policy Recommendations - Legal Guidance and Opinions via City Attorney’s Office - Vote on PRI matters to include PRI election of board, auditor, governance measures; fulfilling other routine administrative and compliance requirements and requests 	<ul style="list-style-type: none"> - Provide ESG education to the Board and Staff - Furnish research reports, customized reports, and other tools to understand current trends in ESG - Advise on Policy Matters 	<ul style="list-style-type: none"> - Implement ESG directives and actions - Interpret and assess ESG risks and its impact on LACERS portfolio - Inform LACERS staff of any material ESG issues - Report ESG activities to LACERS to meet PRI Reporting requirements

F. Legal Framework

1. Fiduciary Responsibilities

Consistent with the California Constitution, the City Charter, and City Administrative Codes, and as set forth in the LACERS Investment Policy Statement, the Board must follow the standards set for all retirement board commissioners.

The Constitution imposes fiduciary responsibility on the commissioners of the Board to:

1. Administer the System’s assets;
2. Exercise a high degree of care, skill, prudence and diligence;
3. Diversify investments to minimize risk and maximize return; and,
4. Specifically emphasizes that their duty to the System’s members and beneficiaries takes precedence over any other duty.

The System is sensitive to concerns that ESG and other risk factors may affect the performance of investment portfolios (through time and to varying degrees across companies, sectors, regions, and asset classes). Investments shall not be selected or rejected based solely on ESG or other risk factors. However, consideration of material ESG risk factors alongside traditional financial factors should provide a better understanding of the risk and return characteristics of sustainable investments.

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Sustainable returns over long periods of time are in the economic interest of the System. Importantly, the System's ownership of securities in a corporation does not signify approval of any or all of a company's policies, products, or actions.

The System establishes this investment policy in accordance with Section 1106 of the Charter of the City of Los Angeles and Article XVI, Section 17 of the California Constitution for the systematic administration of the City Employees' Retirement Fund. Since its creation, the Board's activities have been directed toward fulfilling the required purpose of the System, as mandated by the City Charter:

"(1) to provide benefits to system participants and their beneficiaries and to assure prompt delivery of those benefits and related services; (2) to minimize City contributions; and (3) to defray the reasonable expenses of administering the system."⁴

The Board's "duty to system participants and their beneficiaries shall take precedence over any other duty."⁵ In furtherance of this purpose, the Board shall have "sole and exclusive fiduciary responsibility over the assets of its system which are held in trust for the exclusive purposes of: (1) providing benefits to system participants and their beneficiaries; and (2) defraying the reasonable expenses of administering the system."⁶

The System is a department of the City government and is governed by a seven member Board of Administration and assisted by a general manager. In the formation of this investment policy and goal statement, the primary consideration of the Board has been its implementation of the stated purpose of the System. The Board's investment activities are designed and executed in a manner that will fulfill these goals.

This policy statement is designed to allow for sufficient flexibility in the management oversight process to capture investment opportunities as they may occur, while setting forth reasonable parameters to ensure that prudence and care is taken in the execution of the investment program.

2. Performance Priority

LACERS has a fiduciary duty to act in the best long-term interests of the System's beneficiaries. In this fiduciary role, LACERS is sensitive to concerns that ESG issues may affect the performance of the investment portfolio. Through the years, the Board has adopted various policies to address ESG risks, with an emphasis on social and governance issues.

The System's general investment goals are broad in nature. The following goals are adopted to be consistent with the above described purpose, the City Charter, the State Constitution, and applicable federal law:

⁴ L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).

⁵ L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).

⁶ L.A. Charter § 1106(b); Cal. Const. Art. XVI, §17(a).

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- A. The overall goal of the System’s investment assets is to provide plan participants with post-retirement benefits as set forth in the System documents. This will be accomplished through a carefully planned and executed investment program.
- B. A secondary objective is to achieve an investment return that will allow the percentage of covered payroll the City must contribute to the System to be maintained or reduced, and will provide for an increased funding of the System’s liabilities.
- C. All transactions undertaken will be for the sole benefit of the System’s participants and beneficiaries and for the exclusive purpose of providing benefits to them and defraying reasonable administrative expenses associated with the System.⁷
- D. The System’s assets will be managed on a total return basis. While the System recognizes the importance of the preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. The Board’s investment policy has been designed to produce a total portfolio, long-term real (above inflation) positive return above the Policy benchmark on a net-of-fee basis as referenced in the quarterly Portfolio Performance Review (“PPR”). Consequently, prudent risk-taking is warranted within the context of overall portfolio diversification. As a result, investment strategies are considered primarily in light of their impacts on total plan assets subject to the provisions set forth in Section 1106 of the City Charter with consideration of the Board’s responsibility and authority as established by Article XVI, Section 17 of the California State Constitution.
- E. The System’s investment program shall, at all times, comply with existing applicable local, state, and federal regulations.
- F. The System has a long-term investment horizon and uses an asset allocation, which 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.
- G. Investment actions are expected to comply with “prudent person” standard, with all duties discharged:
 - “...with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims.”⁸

⁷ L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).

⁸L.A. Charter § 1106(c); Cal. Const. Art. XVI, §17(c); ERISA § 404(a)(1)(B).

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This “standard of care” will encompass investment and management decisions evaluated not in isolation but in the context of the portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably assigned. The circumstances that the System may consider in investing and managing the investment assets include any of the following:

1. General economic conditions;
2. The possible effect of inflation or deflation;
3. The role that each investment or course of actions plays within the overall portfolio;
4. The expected total return from income and the appreciation of capital;
5. Needs for liquidity, regularity of income, and preservation or appreciation of capital;
6. A reasonable effort to verify facts relevant to the investment and management of assets.

H. The System is required to “[d]iversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.”⁹

3. Impact Priorities

In conjunction with LACERS’ fiduciary responsibilities, Staff will also take into consideration the materiality of the ESG risk in LACERS’ investment. The Board shall decide whether to address these issues in a particular case based on the size of the interest that the System holds in the business and the effect of the business’ violation of the System’s ESG risk factors on investment returns.

G. Responsible Investment Mobilization Framework

Consistent with its fiduciary responsibilities, LACERS supports ESG within an implementation framework based on the Six Principles of PRI outlined below with examples of how LACERS supports these Principles:

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

- Staff will seek to incorporate relevant and material ESG considerations into LACERS’ investment due diligence, decision-making, and monitoring processes for all of its external managers. Investment recommendations consider the manager’s ESG policies and practices, focusing on the risks, opportunities, and standards relevant to the investment under consideration. LACERS’ Investment Consultants will be directed to include relevant ESG commentaries in their independent diligence documentation.

⁹ L.A. Charter § 1106(d); Cal. Const. Art. XVI, §17(d).

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- LACERS will support development of ESG-related tools, metrics, and analyses; investment service providers (such as financial analysts, consultants, brokers, research firms, or rating companies) are encouraged to integrate ESG factors into evolving research and analysis.

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

- LACERS' RI Policy is updated annually or more frequently as needed to consider new ESG issues and evolving risk factors.
- LACERS' PRI Action Plan, which is a living document, outlines proposed multi-year actions for each of the Six Principles, and is updated annually.
- LACERS' Emerging Investment Manager Policy supports emerging investment managers with successful histories of generating positive alpha at an appropriate level of active risk.
- LACERS' Proxy Voting Policy provides proxy voting guidance on ESG risks and is updated annually.
- Staff will participate in the development of ESG and ESG-related policies, standard setting (such as promoting and protecting shareholder rights), file shareholder resolutions consistent with long-term ESG considerations, engage with companies on ESG issues, either through intervention with investment managers or directly to the company, and participate in collaborative engagement initiatives such as securities litigation.
- LACERS will advocate ESG training for the Board and staff as well as attend ESG-related conferences.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

- Staff and/or Consultants will consider standardized questionnaires to Investment Managers for ESG disclosures.
- LACERS will support shareholder initiatives and resolutions promoting ESG disclosure.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

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- Individually and in collaboration with other investors and thought-leadership organizations, LACERS will promote acceptance and implementation of ESG best practices within the investment industry.
- LACERS' division letterhead and website will highlight LACERS PRI Signatory Status. LACERS may provide press releases, include principles-related requirements in requests for proposals (RFPs), and sit on ESG conference panels to reflect LACERS' promotion and acceptance of ESG.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

- Staff will keep abreast of PRI Reporting changes and provide (at a minimum) an annual staff report to the Board and submit recommendations for Board consideration to improve its implementation of ESG actions.
- LACERS will support and participate in networks and information platforms to share tools, pool resources, make use of investor reporting as a source of learning, and develop or support appropriate collaborative initiatives.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

- As part of its commitment to the PRI, LACERS shall report its progress in implementing the PRI's Six Principles through both the PRI Annual Report and LACERS annual PRI Action Plan Report to the Board.
- LACERS shall continue to foster open communication with LACERS members by responding to the Freedom of Information Act (FOIA) and California Public Records Act (CPRA) Requests.

H. Scope

The scope of the RI Policy encompasses the entire investment portfolio to the extent it is prudent and practicable. The broad and specific ESG Risk Factors provided in the table below are examples and additional risk factors may not have been specifically listed below. The risk factors may have varying degrees of risk impact and unique risk mitigation measures depending on the asset class or investment strategy type. In addition, specific ESG risk factors are dynamic and may be impactful to more than one broad ESG risk factor.

Broad and Specific ESG Risk Factors

Environmental

- | |
|---|
| <ul style="list-style-type: none">• Climate Change• Resource Depletion |
|---|

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<ul style="list-style-type: none"> • Waste • Pollution • Deforestation
<p>Social</p> <ul style="list-style-type: none"> • Human Rights • Modern Slavery • Child Labor • Working Conditions • Employee Relations • Diversity, Equity, and Inclusion • Gender and Sexual Orientation Pay Equality • Discrimination based on Race, Gender including Women, Age including Senior Citizens and Children, Sex, Sexual Orientation, LGBTQIA+, Disability, Veterans Status, Language, or Social Status • Freedom of Speech and Press • Right to Civil Liberties including Speech and Press, Peaceful Assembly and Association, Freedom of Religion, National Origin /Racial/Ethnic Minorities, Freedom of Movement within a Country, Foreign Travel, Emigration, and Repatriation • Freedom of Civil Unions/Same Sex Marriage
<p>Governance</p> <ul style="list-style-type: none"> • Bribery and Corruption • Executive Pay • Board Diversity and Structure • Political Lobbying and Donations • Tax Strategy • Right of Citizens to Change their Government

I. Stewardship

LACERS will focus its engagement efforts on Board directed stewardship initiatives, that are core to LACERS belief that consideration of ESG risk factors can add long-term value to LACERS investments. In addition, LACERS receives requests from stakeholders, fellow investors, and other interested parties to engage on particular issues. These ad-hoc requests are analyzed in consultation with the City Attorney in order to take best course of action to meet LACERS needs.

J. Identifying and Mitigating Material ESG Risks within the Portfolio

LACERS staff will research and keep the Board apprised of material and relevant ESG issues, initiatives, and collaboration opportunities, and take into account actions of other like prudent investors using the process outlined below:

1. Once ESG risks factors of material significance within the portfolio have been identified and discussed with the ESG Consultant, staff will bring such risks to the attention of the Board.

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2. LACERS Board may decide at any point after considering research and staff findings that further action of various degrees of magnitude and impact may be appropriate and necessary to mitigate risk factors. This Policy identifies four distinct action levels that may be implemented, subject to Board direction:

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

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			and implementation risks; create opportunity costs; sub-optimal asset allocation structure misaligned with approved Asset Allocation Policy.
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3. The Board will consider such investment actions only to the extent they are consistent with the Board’s fiduciary duties.
4. Staff will implement Board investment actions in an orderly, cost- efficient, and risk-mitigating manner.
5. Staff will provide the Board with periodic verbal updates or formal written reports on investment action status.
6. Staff will communicate Board decisions to the System’s active public investment managers to adhere to the Board’s actions going forward and work with its bank custodian to assist with further monitoring of ESG risk factors. If consistent with existing contractual agreements and appropriate to the investment mandate, such Board decisions will be communicated to appropriate private market investment managers.
7. The Board may wish to pursue other options to mitigate ESG risk factors and/or enhance the Investment Program through long-term ESG investment approaches.

K. Engagement Campaigns

Engagement with other like-minded organizations helps LACERS leverage its beliefs and promotion of ESG principles for the benefit of its beneficiaries. As LACERS becomes aware of engagement opportunities via letter campaigns (Campaigns), staff will bring the most impactful Campaign requests to the Board for review and consideration. Campaigns may request several actions including LACERS placing its name on the Campaign sponsor’s master letter or request that LACERS send an independent letter to the targeted organization. If a Campaign deadline does not permit adequate time to bring the letter request to the Board for consideration, the Board delegates specific authority to the General Manager (GM), the Chief Investment Officer (CIO), and the LACERS Board President to support and endorse a Campaign. If the GM, CIO, and Board President reach consensus to support a Campaign, the CIO shall report the action to the Board at its next meeting. If the GM, CIO, and Board President do not reach a consensus on a Campaign, LACERS will take no action.

L. ESG Education

To stay apprised of ESG-related matters, LACERS will leverage research and education provided by industry organizations, investment managers, investment consultants, membership organizations, and peer plans. LACERS will actively participate at ESG conferences to understand better the evolving ESG landscape. Additionally, LACERS will participate in industry working groups to explore and research ESG issues to include (but not limited to) diversity, equity, and inclusion within the investment industry and the impact of regulatory reform on corporate governance and shareholders.

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Staff, in conjunction with LACERS' ESG Consultant and investment managers, will invite leaders in ESG to provide further education to the Board including latest trends, regulations, issues, and best practices.

M. Scope of Reporting

To monitor the implementation of LACERS RI Program and ensure that it continues to develop and evolve, this policy will be provided to the Board or the appropriate Committee for review on an annual basis or more frequently as needed.

The following reports will be reported accordingly:

- 1) PRI Progress Board Report – LACERS is required to complete the annual PRI Questionnaire about LACERS portfolio and ESG efforts. Once results of the Questionnaire are provided to LACERS, the Board will be provided a summary of the findings.
- 2) PRI Action Plan – The Plan will be reviewed with the Board once a year to ensure that LACERS is meeting its ESG goals.
- 3) ESG Risk Framework – Staff will monitor the status of initiatives and on-going actions against time-bound objectives. These initiatives and actions will be incorporated into the PRI Action Plan. The Framework will be reviewed in conjunction with the PRI Action Plan review.
- 4) Proxy Voting Report – The Annual Proxy Voting Report contains an account of LACERS voting history and is provided annually to the Investment Committee.
- 5) Emerging Investment Manager Report – The Annual Emerging Investment Manager Report contains program information specific to LACERS Emerging Managers, and includes capital exposure statistics, investment manager performance, and staff and consultant meetings and other encounters with Emerging Managers. In addition to the aforementioned, an Organizational Diversity Survey (ODS) is completed by prospective and contracted investment managers of LACERS that captures workforce, board, and ownership diversity. The Emerging Investment Manager Report is provided annually to the Investment Committee; the ODS is managed pursuant to the Emerging Investment Manager Policy.

Section 13 SECURITIES LITIGATION POLICY

XVIII. SECURITIES LITIGATION POLICY

A. Purpose

The Board adopts this Securities Litigation Policy to establish procedures and guidelines for monitoring, evaluating, and participating in both securities class actions and other securities-related litigation as appropriate, to protect and maximize the recovery value of LACERS' assets.

B. Objective

The objective of the Securities Litigation Policy is to carry out the Board's fiduciary obligation to monitor securities class actions and other securities-related litigation in which LACERS has an interest, and to participate in such actions and recover damages when appropriate to protect and maximize the recovery value of LACERS' assets.

C. Guidelines

1. Use of Outside Experts As Needed

LACERS may engage the services of its custodian bank, third-party vendors, and with the concurrence of the City Attorney's Office, outside counsel, to assist LACERS with monitoring securities litigation cases in which LACERS may have an interest, evaluating LACERS' potential losses, providing recommendations about whether to take an active role in litigation, representing LACERS in cases in which the Board has agreed to seek an active role, assisting LACERS with participation in foreign securities actions, representing LACERS in corporate investigations and resulting derivative actions, and/or assisting LACERS with recovering assets in antitrust actions.

2. Board Determinations and Delegated Authority to City Attorney and Staff

a) Domestic Securities Actions

- i. As a general matter, absent compelling circumstances, unless the Plan incurs a potential loss net of gain (loss) in excess of Five Million U.S. Dollars (\$5,000,000.00) calculated on a last in, first out (LIFO) basis in connection with any investment that has given rise to securities litigation and assessed according to the class period alleged in the original complaint, the Plan shall proceed as a passive member of a domestic securities class action and file a claim to receive its pro rata share of any resulting settlement or judgment as set forth in Section XVIII.C.3. If no class action has been filed, the General Manager, or their designee (Staff), the City Attorney's Office, and outside counsel may make a consensus recommendation to the Board to initiate an independent action or a class action in closed session.
- ii. If the potential loss exceeds Five Million U.S. Dollars (\$5,000,000.00) but is less than Ten Million U.S. Dollars (\$10,000,000.00) calculated on a LIFO basis in connection with any investment that has given rise to securities litigation and assessed according to the class period alleged in the original complaint, Staff and the City Attorney's Office, in consultation with outside counsel, may reach a consensus determination to recommend that the Board seek lead plaintiff status or pursue an independent action after applying the considerations listed in Section XVIII.C.2.a.iv. If the General Manager, Staff, or the City Attorney's Office determine that the most prudent approach in a case is to remain a passive class

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member, then no Board consideration or action shall be required.

- iii. If the potential loss exceeds Ten Million U.S. Dollars (\$10,000,000.00) calculated on a LIFO basis in connection with any investment that has given rise to securities litigation and assessed according to the class period alleged in the original complaint, the matter shall be considered by the Board in closed session in order for the Board to determine whether to seek lead plaintiff status, pursue an independent action, or remain a passive member of the class.
- iv. When determining whether to seek a leadership role in a particular securities lawsuit, Staff and the City Attorney's Office, in consultation with outside counsel, shall support the Board's fiduciary decision-making process by evaluating the following relevant factors:
 1. whether the Plan's estimated LIFO loss is likely to be the largest suffered by any individual class member;
 2. whether another responsible institutional investor with a larger LIFO loss and comparable experience leading securities class actions is likely to pursue leadership in the case;
 3. whether Staff, the City Attorney's Office, and outside counsel recommend seeking lead plaintiff appointment;
 4. how large the potential recovery may be for the Plan if such a claim is pursued;
 5. whether the Plan's active participation is expected to increase the monetary value of a settlement;
 6. how the Plan's involvement could impact the investment portfolio's value or the Board's other fiduciary obligations;
 7. whether the Plan's active participation will add non-monetary value to the potential recovery, such as governance reforms;
 8. whether the plaintiff is likely to succeed on the merits of the action;
 9. what is the nature and severity of the conduct alleged; and
 10. what is the potential administrative burden for Staff.

b) Foreign Securities Actions

- i. A foreign securities action is a lawsuit pending or proposed to be filed outside the United States, involving securities purchased on a foreign securities exchange or other non-domestic transactions by LACERS or on its behalf. In contrast to domestic securities class actions, in which LACERS may remain a passive class member and receive its pro rata share of any recovery, participation as a class member in a foreign securities action generally requires LACERS to "opt-in" through registration or other affirmative action by the Plan. Additionally, unlike domestic actions in which law firms provide representation on a contingency fee basis, foreign actions are typically financed by litigation funding groups. Law firms and/or litigation funding groups assist investors with complex participation agreements and/or claim forms that have strict deadlines. Litigation costs and fees are typically paid as a percentage of the resulting recovery.

Section 13 SECURITIES LITIGATION POLICY

- ii. The General Manager, City Attorney's Office, and Staff, after evaluating advice from outside counsel, have delegated authority to decide whether LACERS will participate and/or file a claim to recover Plan assets in a foreign action. Before advising Staff to participate and/or file a claim in the foreign action, the City Attorney and outside counsel shall review the structure of litigation funding, review retention agreements with foreign counsel, analyze insurance contracts, and review powers of attorney. To inform their consensus decision, the General Manager, the City Attorney's Office, and Staff shall consider the relevant factors listed in Section XVIII.C.2.a.iv, as well as the following additional factors:
 1. whether outside counsel recommends participation;
 2. whether there is a strong legal basis for recovery in that foreign jurisdiction, which is supported by case precedent;
 3. whether there are risks to participation for the Plan, including potential out-of-pocket costs; and
 4. whether the funding group and outside legal counsel are qualified and have sufficient financial support to handle the action.
- iii. Upon reaching a consensus determination to participate and/or file a claim, the City Attorney and Staff are authorized to engage outside counsel and/or a third-party funding group to pursue a claim on behalf of LACERS and/or take the actions necessary to participate as a class member in a foreign case. When submitting a form or taking similar administrative action is the only required step to obtain part of a settlement, a consensus decision is not required, and the City Attorney may file a claim on behalf of the Plan or, if necessary, direct outside counsel, the custodian bank, or a third-party to do so. Fees for assistance with the process shall only be paid if and when LACERS recoups money in the case and must be reasonable in light of the complexity of the claim and the cost for similar claims in comparable cases.
- iv. The Board provides a standing delegation of authority to the General Manager or their designee to execute all necessary documents on behalf of LACERS with respect to foreign actions, including powers of attorney, participation agreements, follow-up documents to cure claim deficiencies, and documents to direct payment of settlement proceeds.

c) Derivative Actions and Engagement on Corporate Governance

- i. The Board authorizes the General Manager, City Attorney, and Staff, consistent with this Securities Litigation Policy, the Responsible Investment Policy, and other relevant Board policies, to initiate an inspection of books and records under Delaware Corporate Law Section 220 (or the equivalent provisions of other state law, as applicable) to determine if there are meritorious claims that can be asserted derivatively on behalf of the company, a confidential process that typically proceeds a derivative action.
- ii. If the City Attorney's Office and Staff have determined that an inspection of books and records is appropriate, they will seek targeted proposals from LACERS' current bench of securities monitoring firms under contract and make a selection to assist LACERS in the matter. In determining whether to pursue a books and records inspection, the General Manager, City Attorney, and Staff

Section 13 SECURITIES LITIGATION POLICY

shall make a consensus determination based on the following factors:

1. what is the potential harm to the company and its shareholders;
 2. whether the Plan has the capacity to facilitate governance improvements; and
 3. whether there is potential to promote LACERS' Principles for Responsible Investment that are relevant to LACERS' interests as a long-term fiduciary investor.
- iii. Following the inspection of books and records and any other confidential investigation relating to this matter, the Board shall determine whether LACERS will pursue a potential derivative action by deciding whether to authorize the City Attorney and outside counsel to publicly file a derivative complaint against the company's Board of Directors and/or Corporate Officers. Outside counsel will support the City Attorney and Staff with legal advice to the Board, regarding the merits of pursuing a potential derivative action.
- iv. In addition to monitoring for potential derivative actions, LACERS' bench of securities monitoring firms shall also, upon request, review and provide advice to the Board, Staff, and the City Attorney regarding non-litigation tactics to strengthen engagement with publicly traded companies in which LACERS is a shareholder, including the development of engagement policies, the creation of proxy voting guidelines, and the formulation of written communications to promote the Responsible Investment Policy.

d) Antitrust Actions

Antitrust actions in which the Plan may have a financial interest are typically filed as class action lawsuits that involve financial products, such as derivatives. Given that filing a claim for recovery in an antitrust settlement is an onerous administrative burden for Staff, the City Attorney's Office is authorized to engage outside counsel and/or a claim filing service to assist with the claim filing process for antitrust settlements. Fees for assistance with the process shall only be paid if and when LACERS recoups money in the case and must be reasonable in light of the complexity of the claim and the cost for similar claims in comparable cases.

3. Diligent Asset Recovery in All Cases

In cases in which LACERS has not assumed an active role but has suffered losses, Staff and the City Attorney, working in conjunction with the custodian bank and outside counsel, shall take prudent steps to obtain the Plan's fair share of any securities litigation recovery in which the Plan has a valid claim.

D. Operational Roles and Responsibilities

1. The Board

- a) Pursuant to the Guidelines set forth in Section XVIII.C.2.a, and upon considering the recommendations of Staff, the City Attorney's Office, and/or any outside counsel engaged to assist the City Attorney's Office, the Board shall make the final determination whether to actively participate in a particular domestic action. The

Section 13 SECURITIES LITIGATION POLICY

Board shall also make the final determination whether to file a public derivative litigation action on behalf of a company, as outlined in Section XVIII.C.2.c.

- b) Consistent with Charter Section 275 and Section XVIII.D.4, the Board shall make recommendations of one or more outside law firms to serve as monitoring and litigation counsel to assist the City Attorney's Office in discharging the duties required by the Securities Litigation Policy.
- c) As set forth in Charter Sections 273(a) and 272(c), the Board shall have the authority to approve or reject any settlement of litigation in which LACERS is an active participant, and to initiate and provide strategic client direction in actions in which LACERS serves as the lead party.

2. Custodian Bank, Outside Counsel, and/or Third-Party Vendor

LACERS' Custodian Bank and/or Third-Party Vendor shall be responsible for:

- a) Reviewing all securities actions brought or pending within the United States or a foreign jurisdiction in which LACERS has suffered losses.
- b) Timely filing complete and accurate proof of claims forms on LACERS' behalf, including the necessary supporting documents and information, necessary to recover damages in every securities class action brought or pending within the United States in which LACERS has suffered losses.
- c) Providing timely notice to LACERS of each settlement recovery, with sufficient time to allow LACERS to opt-out of domestic actions, and/or opt-in to foreign actions. Staff shall have the authority to determine, and to communicate to the Custodian Bank and/or Third-Party Vendor, the deadline for such notice in each particular case.
- d) Providing quarterly reports to Staff and the City Attorney's Office regarding these functions, including any securities litigation proceeds recovered.
- e) Providing outside securities litigation monitoring counsel which has been engaged by LACERS pursuant to Section XVIII.D.4 with access to LACERS' securities holdings and transaction information in order to enable such counsel to identify losses associated with existing and potential lawsuits.

3. LACERS Staff

Staff shall be responsible for:

- a) Monitoring the functions performed by the Custodian Bank and/or Third-Party Vendor as described above and shall keep the Board apprised of any unusual or extraordinary events.
- b) Working with the City Attorney's Office to provide support and information regarding securities holdings and activity for litigation purposes.
- c) Preparing for the Board an annual report summarizing securities class action activity for the fiscal year. The report will be presented within four months following the end of the fiscal year.
- d) Assisting the City Attorney's Office to evaluate and recommend outside counsel

Section 13 SECURITIES LITIGATION POLICY

law firms to the Board, which can assist the City Attorney's Office in discharging its duties under the Securities Litigation Policy.

- e) Assisting the City Attorney's Office to provide recommendations to the Board concerning whether to take an active role in a particular action pursuant to the Guidelines set forth in the Securities Litigation Policy.

4. The City Attorney's Office

The City Attorney's Office, assisted by Staff and outside counsel as needed, shall be responsible for:

- a) Identifying and recommending to the Board qualified outside law firms to assist the City Attorney's Office with advising and representing LACERS under this Securities Litigation Policy. Once engaged, outside securities monitoring counsel shall be authorized to receive access to LACERS' securities holdings and transaction information from the Custodian Bank and/or Third Party Vendor, as provided by Section XVIII.D.2. Such outside counsel firms shall also be eligible to be engaged to represent LACERS in a particular litigation matter.
- b) Identifying and recommending to the Board qualified outside counsel that would be competent to serve as lead counsel, supervised by the City Attorney's Office, in a particular securities case in which LACERS has determined to seek appointment as lead plaintiff or as plaintiff in an opt-out securities fraud case. The Board shall select such firms to represent the Plan, subject to the written consent of the City Attorney's Office.
- c) Providing recommendations to the Board concerning whether to take an active role in a particular action pursuant to the Guidelines set forth in the Securities Litigation Policy.
- d) Once the Board has made a determination to seek an active role in a particular case, preparing targeted solicitations for distribution to the firms that have been engaged to provide securities monitoring services, evaluating proposals, and recommending one or more finalist firms to the Board.
- e) Working with Staff to identify and select outside counsel from the Board's bench of engaged securities monitoring firms to serve as outside counsel for a demand for inspection of books and records, and if warranted and authorized by the Board, in derivative litigation, consistent with Section XVIII.C.2.c.
- f) Assisting Staff to provide the Board with status reports as needed to keep the Board apprised of major developments in cases in which LACERS is a party and/or lead plaintiff.
- g) Assisting LACERS in its role as lead plaintiff in a class action or as a plaintiff in an opt-out case, including supervising the law firm appointed to serve as lead counsel. Such supervision may include participation in significant motions and settlement discussions when permitted by parties or the court and filing objections concerning attorney fee requests.

Section 15 GLOSSARY

INVESTMENT IMPACT

Allocation: Market returns weighted by LACERS’ actual asset allocation less market returns weighted by LACERS’ target allocation.

Management: The difference between a) market returns weighted by LACERS’ sector allocation and b) market returns weighted by LACERS’ actual asset allocation; added to the difference between c) fund returns and d) market returns weighted by LACERS’ sector allocation.

Overall: Actual returns less market returns weighted by LACERS’ target allocation.

RISK

Mean Rate of Return: The geometric average of twenty quarterly returns, annualized.

Standard Deviation: The standard deviation (one sigma) of twenty quarterly returns, annualized.

CHARACTERISTICS

Historic Beta: The beta of stocks currently owned in the portfolio compared to the S&P 500. The security-level beta is vendor supplied and the index is predetermined. In the U.S., The S&P 500 is traditionally used in beta calculations; other indexes cannot be substituted in the beta calculation. When the index is other than the S&P 500, the index beta is also in comparison to the S&P 500.

Return on Equity: The Return on Equity calculation is After-Tax Net Income divided by Owners Equity. The return on equity relates a company's profitability to its shareholder's equity. A high ROE indicates that the portfolio is invested in companies that have been profitable. This measure is also impacted by financial leverage. The portfolio ROE is based on the combined ROE’s of all stocks in the portfolio.

COMPLIANCE CALENDAR

Who	What	When	Page	Section No.	Policy Name
Board	Review of Investment Policy, investment structure, asset allocation, and financial performance	Annual or more frequently as needed	4	III.A.2	General
Board	Review Investments for consistency with policy guidelines	Quarterly or as needed	4	III.A.3	General
Board	Review Asset Allocation Policy	Every 3 years or sooner if warranted	8	IV	General

Section 15 GLOSSARY

Board	Review Annual Brokerage Commissions and Recapture Report	Within four months of fiscal year end	10	V.C	General
Staff	Report on rebalancing activity	Ad hoc	11	V.G	Rebalancing
Board	Approve new Adaptive Asset Allocation Plan or renew an existing AAAP	three months prior to the start of each fiscal year, annual	11	V.G	Rebalancing
Board/IC	Review Annual AAAP Review Report	Annual	16	V.H.VII	AAAP
Board	Review Investment Policy Statement	At least annually	18	V.I	General
Staff	Quantitative review of manager compared to benchmark and peer group	Quarterly	35	VIII.B	Manager Monitoring
Staff	Review manager portfolio characteristics, performance trends, style, risk expectations	Quarterly	35	VIII.B	Manager Monitoring
Staff	Due diligence meeting with manager at LACERS' office	Annual	35	VIII.B	Manager Monitoring
Staff	On-site due diligence meeting at manager's office	At least once per contract period	35	VIII.B	Manager Monitoring
Staff	Update Board on all managers' performance, status, and "On Watch".	Quarterly	36	VIII.C	Manager Monitoring
Staff	Report ODS Data (Calendar Year)	Annual with EM Report	44		Emerging Manager
Staff	Report on Emerging Investment Manager (Calendar Year)	Annual as of Calendar Year End	44		Emerging Manager
Staff/Consultant	Review Investment Guidelines of Private Equity Policy	Periodically	52	X.E	Private Equity
Board	Review and approve Private Equity Strategic Plan	Annual	53	X.F	Private Equity
Board	Review periodic Private Equity Portfolio Performance reports	Quarterly and annual	53	X.F	Private Equity
Board	Review Private Equity Commitment Notification reports	Ad hoc	53	X.F	Private Equity
Board	Review and approve commitments to or sales of PE investments exceeding established thresholds	Ad hoc	54	X.F	Private Equity

Section 15 GLOSSARY

Staff	Review periodic performance reports prepared by consultant	Quarterly and annual	53	X.F	Private Equity
Staff	Meet with existing managers	Periodically	53	X.F	Private Equity
Staff	Attend private equity fund annual meetings	As appropriate	53	X.F	Private Equity
Consultant	Provide periodic reports	Quarterly and annual	53	X.F	Private Equity
Board	Review and approve Annual Real Estate Strategic Plan	Annual	55	XI	Real Estate
Board/IC	Review and approve Real Estate investments	Ad hoc	66	XI.G.1	Real Estate
Staff/Consultant	Meet with existing Real Estate managers via annual fund meetings, face-to-face/telephonic meetings, or at Managers' or RE consultant's offices	Periodically	66	XI.G.2	Real Estate
Consultant	Prepare Real Estate Portfolio Performance Review	Semi-Annual	66	XI.G.2	Real Estate
Board	Review and approve Risk Budgets	Every 3 years or sooner if warranted	73	XII.C	Risk Management
Board	Review strategic risk and asset class risk vs. approved targets risk budgets	Periodically	73	XII.C	Risk Management
Staff	Update Responsible Investment Policy	Annual or more frequently as needed	81	XIII.G	Responsible Investment
Staff	Provide Board a report on PRI reporting changes and recommendations to improve ESG efforts	Annual	82	XIII.G	Responsible Investment
Staff	Complete PRI Questionnaire (PRI Annual Report) and provide Board report summarizing findings	Annual	86	XIII.L	Responsible Investment
Board	Review PRI Action Plan and ESG Risk Framework	Annual	86	XIII.L	Responsible Investment
Staff	Provide to Investment Committee the Annual Proxy Voting Report	Annual	86	XIII.L	Responsible Investment

Section 15 GLOSSARY

Board	Review Proxy Voting Policy	Biennial or more frequently as needed	87	XIV.B	Proxy Voting Policy
Consultant	Provide proxy voting report to staff summarizing votes cast	Quarterly	87	XIV.B	Proxy Voting Policy
Staff	Provide securities lending activity report to Board (Fiscal Year)	Annual within four months of fiscal year end	108	XV.C	Securities Lending Policy
Board	Approve seeking lead plaintiff status in a class action or pursuing an independent legal action	Ad hoc	110	XVI.C.2	Securities Litigation
Board	Approve participation (opt-in) in foreign securities legal actions	Ad hoc	111	XVI.C.2	Securities Litigation
Outside Counsel	Provide quarterly reports to LACERS Staff and City Attorney's Office regarding securities litigation	Quarterly	112	XVI.D.2	Securities Litigation
Staff	Prepare Board report on annual Securities Class Action Activity	Annual within four months of fiscal year end	112	XVI.C.3	Securities Litigation

Section 1 INVESTMENT POLICY

4. The expected total return from income and the appreciation of capital;
5. Needs for liquidity, regularity of income, and preservation or appreciation of capital;
6. A reasonable effort to verify facts relevant to the investment and management of assets.

III. DUTIES OF RESPONSIBLE PARTIES

A. Duties of the Board or its Designate(s)

The Board has the responsibility for the administration of the System for the benefit of plan participants, although it is not the intent of the Board of Retirement to become involved in the day-to-day investment decisions. The Board or its designee(s) will adhere to the following procedures in the management of the Board's assets:

1. The Board develops and approves policies and guidelines for the execution of the Board's investment program. Only the Board in its sole discretion can delegate its decision-making authority regarding the investment program. Staff will be responsible for the implementation and administration of these decisions.
2. A formal review of the Board's Investment Policy and investment structure, asset allocation, and financial performance will be conducted annually or more frequently as the need arises. The review will include recommended adjustments to the long-term, strategic asset allocation to reflect any changes in applicable regulations, long-term capital market assumptions, actuarial assumptions, or the System's financial condition. [Proposed policy amendments will include in the staff reports to the Investment Committee and/or the Board the results of the review and any additional opinions of the investment consultant\(s\) and the City Attorney.](#)
3. The Board shall review investments quarterly, or as needed, to ensure that policy guidelines continue to be met. The Board shall monitor investment returns on both an absolute basis and relative to appropriate benchmarks, as well as peer group comparisons. The source of information for these reviews shall come from Staff, outside consultants, the custodian, investment managers, etc.
4. The Board may retain investment consultants to provide such services as conducting performance reviews, asset allocation, manager reviews, and investment research.
5. The Board shall be responsible for taking appropriate action if investment objectives are not being met or if policies and guidelines are not being followed. Reviews for separate portfolios managed by external managers will focus on the following areas:
 - a) Manager compliance to the Policy guidelines.
 - b) Material changes in the managers' organizations, such as investment philosophy, personnel changes, acquisitions or losses of major accounts, etc. The managers will be responsible for keeping the Board advised of any material changes in personnel, investment strategy, or other pertinent information potentially affecting performance.
 - c) Investment performance relative to each manager's stated performance benchmark(s) as set forth in the manager's investment guidelines.

Section 1 INVESTMENT POLICY

VI. GENERAL INVESTMENT OBJECTIVES AND GUIDELINES

The general investment objective is to outperform the overall policy portfolio benchmark. The overall policy portfolio benchmark consists of weighted asset class benchmarks for each asset class as determined by the Board. The long term policy benchmarks are listed below:

<u>Asset Class</u>	<u>Benchmark</u>
Domestic Equity	Russell 3000
Non-U.S. Equity	MSCI ACWI ex-U.S.
Fixed Income	Bloomberg (BBG) U.S. Aggregate
Credit Opportunities	11.8% BBG US HY 2% Capped / 11.8% Credit Suisse Leveraged Loan Index / 31.4% of a blended 50% JPM EMB GD and 50% JPM GBI-EM GD / 45% Credit Suisse Leveraged Loan Index One Quarter Lagged
Private Equity	Cambridge Associates Global Private Equity and Venture Capital Index
Real Assets	30% BBG US TIPS / 11.7% FTSE NAREIT US Equity Index / 58.3% NFI-ODCE + 80bps
Private Real Estate	NFI-ODCE + 80bps
Public Real Assets	72% BBG TIPS Index / 28% FTSE NAREIT US Equity Index
Cash	90-Day Treasury Bill

<u>Asset Class</u>	<u>Benchmark</u>	<u>Policy Target %</u>	<u>Threshold Lower</u>	<u>Threshold Upper</u>
Domestic Equity	Russell 3000	21.00%	16.00%	26.00%
Non-U.S. Equity	MSCI ACWI ex-U.S.	26.00%	20.00%	32.00%
Fixed Income	Bloomberg (BBG) U.S. Aggregate	11.25%	8.50%	14.00%
Credit Opportunities	11.8% BBG US HY 2% Capped / 11.8% Credit Suisse Leveraged Loan Index / 31.4% of a blended 50% JPM EMB GD and 50% JPM GBI-EM GD / 45% Credit Suisse Leveraged Loan Index One Quarter Lagged	12.75%	9.50%	16.00%
Private Equity	Cambridge Associates Global Private Equity and Venture Capital Index	16.00%		
Real Assets	30% BBG US TIPS / 11.7% FTSE NAREIT US Equity Index / 58.3% NFI-ODCE + 80bps	12.00%		
Private Real Estate	NFI-ODCE + 80bps	7.00%		
Public Real Assets	72% BBG TIPS Index / 28% FTSE NAREIT US Equity Index	5.00%	2.50%	7.50%
Cash	90-Day Treasury Bill	1.00%	0.00%	2.00%

Section 10 RESPONSIBLE INVESTMENT POLICY

and advisers, and investment managers to ensure a cost-efficient and effective implementation, as outlined in the matrix below.

Responsible Parties and Roles			
Board	Staff	Consultants / Advisers	Investment Managers
<ul style="list-style-type: none"> - Governance - Policy Setting - Oversight 	<ul style="list-style-type: none"> - Due Diligence - Engagement - Implementation and Compliance - Policy Recommendations - Legal Guidance and Opinions via City Attorney’s Office - Vote on PRI matters to include PRI election of board, auditor, governance measures; fulfilling other routine administrative and compliance requirements and requests 	<ul style="list-style-type: none"> - Provide ESG education to the Board and Staff - Furnish research reports, customized reports, and other tools to understand current trends in ESG - Advise on Policy Matters 	<ul style="list-style-type: none"> - Implement ESG directives and actions - Interpret and assess ESG risks and its impact on LACERS portfolio - Inform LACERS staff of any material ESG issues - Report ESG activities to LACERS to meet PRI Reporting requirements

F. Legal Framework

1. Fiduciary Responsibilities

Consistent with the California Constitution, the City Charter, and City Administrative Codes, and as set forth in the LACERS Investment Policy Statement, the Board must follow the standards set for all retirement board commissioners.

The Constitution imposes fiduciary responsibility on the commissioners of the Board to:

1. Administer the System’s assets;
2. Exercise a high degree of care, skill, prudence and diligence;
3. Diversify investments to minimize risk and maximize return; and,
4. Specifically emphasizes that their duty to the System’s members and beneficiaries takes precedence over any other duty.

The System is sensitive to concerns that ESG and other risk factors may affect the performance of investment portfolios (through time and to varying degrees across companies, sectors, regions, and asset classes). Investments shall not be selected or rejected based solely on ESG or other risk factors. However, consideration of material ESG risk factors alongside traditional financial factors should provide a better understanding of the risk and return characteristics of sustainable investments.

Section 13 – SECURITIES LITIGATION POLICY

XVIII. SECURITIES LITIGATION POLICY

A. Purpose

The Board adopts this Securities Litigation Policy to establish procedures and guidelines for monitoring, evaluating, and participating in both securities class actions and other securities-related litigation as appropriate, to protect and maximize the recovery value of LACERS' assets.

B. Objective

The objective of the Securities Litigation Policy is to carry out the Board's fiduciary obligation to monitor securities class actions and other securities-related litigation in which LACERS has an interest, and to participate in such actions and recover damages when appropriate to protect and maximize the recovery value of LACERS' assets.

C. Guidelines

1. Use of Outside Experts As Needed

LACERS may engage the services of its custodian bank, third-party vendors, and with the concurrence of the City Attorney's Office, outside counsel, to assist LACERS ~~to monitor~~with monitoring securities litigation cases in which LACERS may have an interest, ~~evaluate~~evaluating LACERS' potential losses, ~~provide~~providing recommendations ~~concerning about~~ whether to take an active role in ~~the~~ litigation, ~~and/or represent~~representing LACERS in cases in which the Board has agreed to seek an active role, assisting LACERS with participation in foreign securities actions, representing LACERS in corporate investigations and resulting derivative actions, and/or assisting LACERS with recovering assets in antitrust actions.

2. ~~Threshold for Board Determinations by the Board and Delegated Authority to Actively Participate~~City Attorney and Staff

a) Domestic Securities Actions

- i. ~~The Board~~As a general matter, absent compelling circumstances, unless the Plan incurs a potential loss net of gain (loss) in excess of Five Million U.S. Dollars (\$5,000,000.00) calculated on a last in, first out (LIFO) basis in connection with any investment that has given rise to securities litigation and assessed according to the class period alleged in the original complaint, the Plan shall make a determination, based upon the analysis and recommendation provided by Staffproceed as a passive member of a domestic securities class action and file a claim to receive its pro rata share of any resulting settlement or judgment as set forth in Section XVIII.C.3. If no class action has been filed, the General Manager, or their designee (Staff), the City Attorney's Office, ~~whether~~ and outside counsel may make a consensus recommendation to ~~take~~ the Board to initiate an active roleindependent action or a class action in a particular domestic closed session.
- ii. If the potential loss exceeds Five Million U.S. Dollars (\$5,000,000.00) but is less than Ten Million U.S. Dollars (\$10,000,000.00) calculated on a LIFO basis in connection with any investment that has given rise to securities class action, including whether to litigation and assessed according to the class period alleged in the original complaint, Staff and the City Attorney's Office, in consultation with

Section 13 – SECURITIES LITIGATION POLICY

outside counsel, may reach a consensus determination to recommend that the Board seek lead plaintiff status or pursue an independent action, where: (1) the after applying the considerations listed in Section XVIII.C.2.a.iv. If the General Manager, Staff, or the City Attorney's Office determine that the most prudent approach in a case is to remain a passive class member, then no Board consideration or action shall be required.

- iii. If the potential loss exceeds Ten Million U.S. Dollars (\$10,000,000.00) calculated on a LIFO basis in connection with any investment that has given rise to securities litigation and assessed according to the class period alleged in the original complaint, the matter shall be considered by the Board in closed session in order for the Board to determine whether to seek lead plaintiff status, pursue an independent action, or remain a passive member of the class.
- iv. When determining whether to seek a leadership role in a particular securities lawsuit, Staff and the City Attorney's Office, in consultation with outside counsel, shall support the Board's fiduciary decision-making process by evaluating the following relevant factors:
 1. whether the Plan's estimated recoverable damages to LACERS exceed two million dollars (\$2,000,000.00); or (2) the estimated recoverable damages to LACERS exceed one million dollars (\$1,000,000.00) and LACERS joins with one or more City of Los Angeles retirement plans in pursuing an independent action. In making its determination, the Board shall weigh the potential damages incurred by the Plan, LIFO loss is likely to be the largest suffered by any individual class member;
 2. whether another responsible institutional investor with a larger LIFO loss and comparable experience leading securities class actions is likely to pursue leadership in the case;
 3. whether Staff, the City Attorney's Office, and outside counsel recommend seeking lead plaintiff appointment;
 4. how large the potential recovery that may be obtained for the Plan if such a claim is pursued, and the likelihood of the plaintiffs' success in the action based upon;
 5. whether the Plan's active participation is expected to increase the monetary value of a settlement;
 6. how the Plan's involvement could impact the investment portfolio's value or the Board's other fiduciary obligations;
 7. whether the Plan's active participation will add non-monetary value to the potential recovery, such as governance reforms;
 8. whether the plaintiff is likely to succeed on the merits of the action;

Section 13 – SECURITIES LITIGATION POLICY

9. what is the nature and severity of the conduct alleged; and
10. what is the potential administrative burden for Staff.

b) Foreign Securities Actions

- i. The Board shall make a determination, based upon the analysis and recommendation provided by Staff and the City Attorney's Office, whether to participate (Opt In) in a particular foreign securities action — is a lawsuit brought or pending or proposed to be filed outside of the United States, involving securities purchased by LACERS or on LACERS' behalf on a foreign securities exchange where the estimated recoverable damages or other non-domestic transactions by LACERS or on its behalf. In contrast to LACERS exceed one million U.S. dollars (US\$ 1,000,000.00). In domestic securities class actions, in which LACERS may remain a passive class member and receive its pro rata share of any recovery, participation as a class member in a foreign securities actions, in addition to the core considerations concerning damages, action generally requires LACERS to "opt-in" through registration or other affirmative action by the Plan. Additionally, unlike domestic actions in which law firms provide representation on a contingency fee basis, foreign actions are typically financed by litigation funding groups. Law firms and/or litigation funding groups assist investors with complex participation agreements and/or claim forms that have strict deadlines. Litigation costs and fees are typically paid as a percentage of the resulting recovery.
- ii. The General Manager, City Attorney's Office, and Staff, after evaluating advice from outside counsel, have delegated authority to decide whether LACERS will participate and/or file a claim to recover Plan assets in a foreign action. Before advising Staff to participate and/or file a claim in the foreign action, the City Attorney and outside counsel shall review the structure of litigation funding, review retention agreements with foreign counsel, analyze insurance contracts, and review powers of attorney. To inform their consensus decision, the General Manager, the City Attorney's Office, and Staff shall consider the relevant factors listed in Section XVIII.C.2.a.iv, as well as the following additional factors:
 1. whether outside counsel recommends participation;
 2. whether there is a strong legal basis for recovery in that foreign jurisdiction, which is supported by case precedent;
 3. whether there are risks to participation for the Plan, including potential out-of-pocket costs; and
 4. whether the funding group and outside legal counsel are qualified and have sufficient financial support to handle the action.
- iii. Upon reaching a consensus determination to participate and/or file a claim, the City Attorney and Staff are authorized to engage outside counsel and/or a third-party funding group to pursue a claim on behalf of LACERS and/or take the actions necessary to participate as a class member in a foreign case. When submitting a form or taking similar administrative burdens, and liability, the action is the only required step to obtain part of a settlement, a consensus decision is not required, and the City Attorney may file a claim on behalf of the

Section 13 – SECURITIES LITIGATION POLICY

Plan or, if necessary, direct outside counsel, the custodian bank, or a third-party to do so. Fees for assistance with the process shall only be paid if and when LACERS recoups money in the case and must be reasonable in light of the complexity of the claim and the cost for similar claims in comparable cases.

- iv. The Board provides a standing delegation of authority to the General Manager or their designee to execute all necessary documents on behalf of LACERS with respect to foreign actions, including powers of attorney, participation agreements, follow-up documents to cure claim deficiencies, and documents to direct payment of settlement proceeds.

c) Derivative Actions and Engagement on Corporate Governance

- i. The Board authorizes the General Manager, City Attorney, and Staff, consistent with this Securities Litigation Policy, the Responsible Investment Policy, and other relevant Board policies, to initiate an inspection of books and records under Delaware Corporate Law Section 220 (or the equivalent provisions of other state law, as applicable) to determine if there are meritorious claims that can be asserted derivatively on behalf of the company, a confidential process that typically proceeds a derivative action.
- ii. If the City Attorney’s Office and Staff have determined that an inspection of books and records is appropriate, they will seek targeted proposals from LACERS’ current bench of securities monitoring firms under contract and make a selection to assist LACERS in the matter. In determining whether to pursue a books and records inspection, the General Manager, City Attorney, and Staff shall make a consensus determination based on the following factors:
 - 1. what is the potential harm to the company and its shareholders;
 - 2. whether the Plan has the capacity to facilitate governance improvements; and
 - 3. whether there is potential to promote LACERS’ Principles for Responsible Investment that are relevant to LACERS’ interests as a long-term fiduciary investor.
- iii. Following the inspection of books and records and any other confidential investigation relating to this matter, the Board shall determine whether LACERS will pursue a potential derivative action by deciding whether to authorize the City Attorney and outside counsel to publicly file a derivative complaint against the company’s Board of Directors and/or Corporate Officers. Outside counsel will support the City Attorney and Staff with legal advice to the Board, regarding the merits of pursuing a potential derivative action.
- iv. In addition to monitoring for potential derivative actions, LACERS’ bench of securities monitoring firms shall ~~also shall weigh carefully the quality and financial stability of the foreign legal counsel and the defense cost funding guarantor,~~ upon request, review and provide advice to the Board, Staff, and the City Attorney regarding non-litigation tactics to strengthen engagement with publicly traded companies in which LACERS is a shareholder, including the

~~Section 13 – SECURITIES LITIGATION POLICY~~

development of engagement policies, the creation of proxy voting guidelines, and the formulation of written communications to promote the Responsible Investment Policy.

d) Antitrust Actions

Antitrust actions in which the Plan may have a financial interest are typically filed as class action lawsuits that involve financial products, such as derivatives. Given that filing a claim for recovery in an antitrust settlement is an onerous administrative burden for Staff, the City Attorney's Office is authorized to engage outside counsel and/or a claim filing service to assist with the claim filing process for antitrust settlements. Fees for assistance with the process shall only be paid if and when LACERS recoups money in the case and must be reasonable in light of the complexity of the claim and the cost for similar claims in comparable cases.

3. Diligent Asset Recovery in All Cases

In cases in which LACERS has not assumed an active role but has suffered losses, LACERS Staff and the City Attorney, working in conjunction with the custodian bank and outside counsel, shall ensure that it obtains its stake prudent steps to obtain the Plan's fair share of any securities litigation recovery in which ~~the Plan~~ has ~~filed~~ a valid claim.

D. Operational Roles ~~And~~ Responsibilities ~~To Implement The Securities Litigation Policy~~

1. The Board

- a) Pursuant to the Guidelines set forth in Section ~~XVIII.C.2 of the Securities Litigation Policy.a~~, and upon considering the recommendations of Staff, the City Attorney's Office, and/or any outside counsel engaged to assist the City Attorney's Office, the Board shall make the final determination whether to actively participate in a particular ~~action domestic action.~~ The Board shall also make the final determination whether to file a public derivative litigation action on behalf of a company, as outlined in Section XVIII.C.2.c.
- b) Consistent with Charter Section 275 and Section ~~XVIII.D.4 of the Securities Litigation Policy~~, the Board shall make recommendations of one or more outside law firms to serve as monitoring and litigation counsel to assist the City Attorney's Office in discharging the duties required by the Securities Litigation Policy.
- c) As set forth in Charter ~~Section~~Sections 273(a) and 272(c), the Board shall have the authority to approve or reject any settlement of litigation in which LACERS is an active participant, and to initiate and provide strategic client direction in actions in which LACERS serves as the lead party.

2. Custodian Bank, Outside Counsel, and/or Third-Party Vendor

LACERS' Custodian Bank and/or Third-Party Vendor shall be responsible for:

- a) Reviewing all securities actions brought or pending within the United States or a foreign jurisdiction in which LACERS has suffered losses.
- b) Timely filing complete and accurate proof of claims forms on LACERS' behalf,

~~Section 13 - SECURITIES LITIGATION POLICY~~

including the necessary supporting documents and information, necessary to recover damages in every securities class action brought or pending within the United States in which LACERS has suffered losses.

- e) Providing timely notice to LACERS of each settlement recovery, with sufficient time to allow LACERS to opt-out of domestic actions, and/or opt-in to foreign actions.
- ~~LACERS~~ Staff shall have the authority to determine, and to communicate to the

~~Section 13 – SECURITIES LITIGATION POLICY~~

- c) Custodian Bank and/or Third-Party Vendor, the deadline for such notice in each particular case.
- d) Providing quarterly reports to ~~LACERS~~ Staff and the City Attorney's Office regarding these functions, including any securities litigation proceeds recovered.
- e) Providing outside securities litigation monitoring counsel which has been engaged by LACERS pursuant to Section ~~D.4 of the Securities Litigation Policy~~ XVIII.D.4 with access to LACERS' securities holdings and transaction information in order to enable such counsel to identify losses associated with existing and potential lawsuits.

3. LACERS Staff

~~LACERS~~ Staff shall be responsible for:

- a) Monitoring the functions performed by the Custodian Bank and/or Third-Party Vendor as described above and shall keep the Board apprised of any unusual or extraordinary events.
- b) Working with the City Attorney's Office to provide support and information regarding securities holdings and activity for litigation purposes.
- c) Preparing for the Board an annual report summarizing securities class action activity for the fiscal year. The report will be presented within four months following the end of the fiscal year.
- d) Assisting the City Attorney's Office to evaluate and recommend ~~to the Board~~ outside counsel law firms to the Board, which can assist the City Attorney's Office in discharging its duties under the Securities Litigation Policy.
- e) Assisting the City Attorney's Office to provide recommendations to the Board concerning whether to take an active role in a particular action pursuant to the Guidelines set forth in the Securities Litigation Policy.

4. The City Attorney's Office

The City Attorney's Office, assisted by Staff and outside counsel as needed, shall be responsible for:

- a) Identifying and recommending to the Board qualified outside law firms to assist the City Attorney's Office with ~~monitoring, evaluating, and recommending cases in which LACERS should consider taking an active role under the Securities Litigation Policy. The Board shall recommend one or more such firms to be engaged as outside securities litigation monitoring counsel to assist the City Attorney, subject to the written consent of the City Attorney's Office.~~ advising and representing LACERS under this Securities Litigation Policy. Once engaged, outside securities monitoring counsel shall be authorized to receive access to LACERS' securities holdings and transaction information from the Custodian Bank and/or Third Party Vendor, as provided by Section ~~D.2 of the Securities Litigation Policy~~ XVIII.D.2. Such outside counsel firms shall also be eligible to be engaged to represent LACERS in a particular litigation matter.

~~Section 13 - SECURITIES LITIGATION POLICY~~

- b) Identifying and recommending to the Board qualified outside ~~law firms~~counsel that would be competent to serve as lead counsel, supervised by the City Attorney's Office, in a particular securities case in which LACERS has ~~sought~~determined to ~~serve~~seek appointment as lead plaintiff or as plaintiff in an opt-out securities fraud case. The Board shall ~~recommend one or more~~select such firms to represent the Plan, subject to the written consent of the City Attorney's Office.

Section 13 – SECURITIES LITIGATION POLICY

~~such firms, subject to the written consent of the City Attorney's Office, to be placed upon a list of approved lead counsel candidates that would be eligible to submit proposals to represent LACERS in a particular case.~~

- c) Providing recommendations to the Board concerning whether to take an active role in a particular action pursuant to the Guidelines set forth in the Securities Litigation Policy.
- d) Once the Board has made a determination to seek an active role in a particular case, preparing Requests for Proposal~~targeted solicitations~~ for distribution to the firms that have been ~~placed upon the list of approved lead counsel candidates~~engaged to provide securities monitoring services, evaluating proposals, and recommending one or more finalist firms to the Board.
- e) Working with Staff to identify and select outside counsel from the Board's bench of engaged securities monitoring firms to serve as outside counsel for a demand for inspection of books and records, and if warranted and authorized by the Board, in derivative litigation, consistent with Section XVIII.C.2.c.
- e)f) Assisting Staff to provide the Board with status reports as needed to keep the Board apprised of major developments in cases in which LACERS is a party and/or lead plaintiff.
- f)g) Assisting LACERS in its role as lead plaintiff in a class action or as a plaintiff in an opt-out case, including supervising the law firm appointed to serve as lead counsel. Such supervision may include participation in significant motions and settlement discussions when permitted by parties or the court, and filing objections concerning attorney fee requests.

Section 10 RESPONSIBLE INVESTMENT POLICY

- Child Labor
- Working Conditions
- Employee Relations
- Diversity, Equity, and Inclusion
- Gender and Sexual Orientation Pay Equality
- Discrimination based on Race, Gender including Women, Age including Senior Citizens and Children, Sex, Sexual Orientation, LGBTQIA+, Disability, Veterans Status, Language, or Social Status
- Freedom of Speech and Press
- Right to Civil Liberties including Speech and Press, Peaceful Assembly and Association, Freedom of Religion, National Origin /Racial/Ethnic Minorities, Freedom of Movement within a Country, Foreign Travel, Emigration, and Repatriation
- Freedom of Civil Unions/Same Sex Marriage

Governance

- Bribery and Corruption
- Executive Pay
- Board Diversity and Structure
- Political Lobbying and Donations
- Tax Strategy
- Right of Citizens to Change their Government

I. Stewardship

LACERS will focus its engagement efforts on Board directed stewardship initiatives, that are core to LACERS belief that consideration of ESG risk factors can add long-term value to LACERS investments. In addition, LACERS receives requests from stakeholders, fellow investors, and other interested parties to engage on particular issues. These ad-hoc requests are analyzed in consultation with the City Attorney in order to take best course of action to meet LACERS needs.

J. Identifying and Mitigating Material ESG Risks within the Portfolio

LACERS staff will research and keep the Board apprised of material and relevant ESG issues, initiatives, and collaboration opportunities, and take into account actions of other like prudent investors using the process outlined below:

1. Once ESG risks factors of material significance within the portfolio have been identified and discussed with the ESG Consultant, staff will bring such risks to the attention of the Board.
2. LACERS Board may decide at any point after considering research and staff findings that further action of various degrees of magnitude and impact may be appropriate and necessary to mitigate risk factors. This Policy identifies four distinct action levels that may be implemented, subject to Board direction:

Section 15 GLOSSARY

INVESTMENT IMPACT

Allocation: Market returns weighted by LACERS’ actual asset allocation less market returns weighted by LACERS’ target allocation.

Management: The difference between a) market returns weighted by LACERS’ sector allocation and b) market returns weighted by LACERS’ actual asset allocation; added to the difference between c) fund returns and d) market returns weighted by LACERS’ sector allocation.

Overall: Actual returns less market returns weighted by LACERS’ target allocation.

RISK

Mean Rate of Return: The geometric average of twenty quarterly returns, annualized.

Standard Deviation: The standard deviation (one sigma) of twenty quarterly returns, annualized.

CHARACTERISTICS

Historic Beta: The beta of stocks currently owned in the portfolio compared to the S&P 500. The security-level beta is vendor supplied and the index is predetermined. In the U.S., The S&P 500 is traditionally used in beta calculations; other indexes cannot be substituted in the beta calculation. When the index is other than the S&P 500, the index beta is also in comparison to the S&P 500.

Return on Equity: The Return on Equity calculation is After-Tax Net Income divided by Owners Equity. The return on equity relates a company's profitability to its shareholder's equity. A high ROE indicates that the portfolio is invested in companies that have been profitable. This measure is also impacted by financial leverage. The portfolio ROE is based on the combined ROE’s of all stocks in the portfolio.

COMPLIANCE CALENDAR

<u>Who</u>	<u>What</u>	<u>When</u>	<u>Page</u>	<u>Section No.</u>	<u>Policy Name</u>
<u>Board</u>	<u>Review of Investment Policy, investment structure, asset allocation, and financial performance</u>	<u>Annual or more frequently as needed</u>	<u>4</u>	<u>III.A.2</u>	<u>General</u>
<u>Board</u>	<u>Review Investments for consistency with policy guidelines</u>	<u>Quarterly or as needed</u>	<u>4</u>	<u>III.A.3</u>	<u>General</u>
<u>Board</u>	<u>Review Asset Allocation Policy</u>	<u>Every 3 years or sooner if warranted</u>	<u>8</u>	<u>IV</u>	<u>General</u>

Section 15 GLOSSARY

<u>Board</u>	<u>Review Annual Brokerage Commissions and Recapture Report</u>	<u>Within four months of fiscal year end</u>	<u>10</u>	<u>V.C</u>	<u>General</u>
<u>Staff</u>	<u>Report on rebalancing activity</u>	<u>Ad hoc</u>	<u>11</u>	<u>V.G</u>	<u>Rebalancing</u>
<u>Board</u>	<u>Approve new Adaptive Asset Allocation Plan or renew an existing AAAP</u>	<u>three months prior to the start of each fiscal year, annual</u>	<u>11</u>	<u>V.G</u>	<u>Rebalancing</u>
<u>Board/IC</u>	<u>Review Annual AAAP Review Report</u>	<u>Annual</u>	<u>16</u>	<u>V.H.VII</u>	<u>AAAP</u>
<u>Board</u>	<u>Review Investment Policy Statement</u>	<u>At least annually</u>	<u>18</u>	<u>V.I</u>	<u>General</u>
<u>Staff</u>	<u>Quantitative review of manager compared to benchmark and peer group</u>	<u>Quarterly</u>	<u>35</u>	<u>VIII.B</u>	<u>Manager Monitoring</u>
<u>Staff</u>	<u>Review manager portfolio characteristics, performance trends, style, risk expectations</u>	<u>Quarterly</u>	<u>35</u>	<u>VIII.B</u>	<u>Manager Monitoring</u>
<u>Staff</u>	<u>Due diligence meeting with manager at LACERS' office</u>	<u>Annual</u>	<u>35</u>	<u>VIII.B</u>	<u>Manager Monitoring</u>
<u>Staff</u>	<u>On-site due diligence meeting at manager's office</u>	<u>At least once per contract period</u>	<u>35</u>	<u>VIII.B</u>	<u>Manager Monitoring</u>
<u>Staff</u>	<u>Update Board on all managers' performance, status, and "On Watch".</u>	<u>Quarterly</u>	<u>36</u>	<u>VIII.C</u>	<u>Manager Monitoring</u>
<u>Staff</u>	<u>Report ODS Data (Calendar Year)</u>	<u>Annual with EM Report</u>	<u>44</u>		<u>Emerging Manager</u>
<u>Staff</u>	<u>Report on Emerging Investment Manager (Calendar Year)</u>	<u>Annual as of Calendar Year End</u>	<u>44</u>		<u>Emerging Manager</u>
<u>Staff/Consultant</u>	<u>Review Investment Guidelines of Private Equity Policy</u>	<u>Periodically</u>	<u>52</u>	<u>X.E</u>	<u>Private Equity</u>
<u>Board</u>	<u>Review and approve Private Equity Strategic Plan</u>	<u>Annual</u>	<u>53</u>	<u>X.F</u>	<u>Private Equity</u>
<u>Board</u>	<u>Review periodic Private Equity Portfolio Performance reports</u>	<u>Quarterly and annual</u>	<u>53</u>	<u>X.F</u>	<u>Private Equity</u>
<u>Board</u>	<u>Review Private Equity Commitment Notification reports</u>	<u>Ad hoc</u>	<u>53</u>	<u>X.F</u>	<u>Private Equity</u>
<u>Board</u>	<u>Review and approve commitments to or sales of PE investments exceeding established thresholds</u>	<u>Ad hoc</u>	<u>54</u>	<u>X.F</u>	<u>Private Equity</u>

Section 15 GLOSSARY

<u>Staff</u>	<u>Review periodic performance reports prepared by consultant</u>	<u>Quarterly and annual</u>	<u>53</u>	<u>X.F</u>	<u>Private Equity</u>
<u>Staff</u>	<u>Meet with existing managers</u>	<u>Periodically</u>	<u>53</u>	<u>X.F</u>	<u>Private Equity</u>
<u>Staff</u>	<u>Attend private equity fund annual meetings</u>	<u>As appropriate</u>	<u>53</u>	<u>X.F</u>	<u>Private Equity</u>
<u>Consultant</u>	<u>Provide periodic reports</u>	<u>Quarterly and annual</u>	<u>53</u>	<u>X.F</u>	<u>Private Equity</u>
<u>Board</u>	<u>Review and approve Annual Real Estate Strategic Plan</u>	<u>Annual</u>	<u>55</u>	<u>XI</u>	<u>Real Estate</u>
<u>Board/IC</u>	<u>Review and approve Real Estate investments</u>	<u>Ad hoc</u>	<u>66</u>	<u>XI.G.1</u>	<u>Real Estate</u>
<u>Staff/Consultant</u>	<u>Meet with existing Real Estate managers via annual fund meetings, face-to-face/telephonic meetings, or at Managers' or RE consultant's offices</u>	<u>Periodically</u>	<u>66</u>	<u>XI.G.2</u>	<u>Real Estate</u>
<u>Consultant</u>	<u>Prepare Real Estate Portfolio Performance Review</u>	<u>Semi-Annual</u>	<u>66</u>	<u>XI.G.2</u>	<u>Real Estate</u>
<u>Board</u>	<u>Review and approve Risk Budgets</u>	<u>Every 3 years or sooner if warranted</u>	<u>73</u>	<u>XII.C</u>	<u>Risk Management</u>
<u>Board</u>	<u>Review strategic risk and asset class risk vs. approved targets risk budgets</u>	<u>Periodically</u>	<u>73</u>	<u>XII.C</u>	<u>Risk Management</u>
<u>Staff</u>	<u>Update Responsible Investment Policy</u>	<u>Annual or more frequently as needed</u>	<u>81</u>	<u>XIII.G</u>	<u>Responsible Investment</u>
<u>Staff</u>	<u>Provide Board a report on PRI reporting changes and recommendations to improve ESG efforts</u>	<u>Annual</u>	<u>82</u>	<u>XIII.G</u>	<u>Responsible Investment</u>
<u>Staff</u>	<u>Complete PRI Questionnaire (PRI Annual Report) and provide Board report summarizing findings</u>	<u>Annual</u>	<u>86</u>	<u>XIII.L</u>	<u>Responsible Investment</u>
<u>Board</u>	<u>Review PRI Action Plan and ESG Risk Framework</u>	<u>Annual</u>	<u>86</u>	<u>XIII.L</u>	<u>Responsible Investment</u>
<u>Staff</u>	<u>Provide to Investment Committee the Annual Proxy Voting Report</u>	<u>Annual</u>	<u>86</u>	<u>XIII.L</u>	<u>Responsible Investment</u>

Section 15 GLOSSARY

<u>Board</u>	<u>Review Proxy Voting Policy</u>	<u>Biennial or more frequently as needed</u>	<u>87</u>	<u>XIV.B</u>	<u>Proxy Voting Policy</u>
<u>Consultant</u>	<u>Provide proxy voting report to staff summarizing votes cast</u>	<u>Quarterly</u>	<u>87</u>	<u>XIV.B</u>	<u>Proxy Voting Policy</u>
<u>Staff</u>	<u>Provide securities lending activity report to Board (Fiscal Year)</u>	<u>Annual within four months of fiscal year end</u>	<u>108</u>	<u>XV.C</u>	<u>Securities Lending Policy</u>
<u>Board</u>	<u>Approve seeking lead plaintiff status in a class action or pursuing an independent legal action</u>	<u>Ad hoc</u>	<u>110</u>	<u>XVI.C.2</u>	<u>Securities Litigation</u>
<u>Board</u>	<u>Approve participation (opt-in) in foreign securities legal actions</u>	<u>Ad hoc</u>	<u>111</u>	<u>XVI.C.2</u>	<u>Securities Litigation</u>
<u>Outside Counsel</u>	<u>Provide quarterly reports to LACERS Staff and City Attorney's Office regarding securities litigation</u>	<u>Quarterly</u>	<u>112</u>	<u>XVI.D.2</u>	<u>Securities Litigation</u>
<u>Staff</u>	<u>Prepare Board report on annual Securities Class Action Activity</u>	<u>Annual within four months of fiscal year end</u>	<u>112</u>	<u>XVI.C.3</u>	<u>Securities Litigation</u>



REPORT TO BOARD OF ADMINISTRATION
From: Todd Bouey, Acting General Manager

MEETING: JANUARY 14, 2025
ITEM: VIII - F

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO \$42,857,142.86 IN QUANTUM ENERGY PARTNERS VIII, LP AND \$7,142,857.14 IN QUANTUM ENERGY PARTNERS VIII CO-INVESTMENT FUND, LP

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this notice of the commitment of up to \$42,857,142.86 in Quantum Energy Partners VIII, LP and \$7,142,857.14 in Quantum Energy Partners VIII Co-Investment Fund, LP.

Executive Summary

Quantum Energy Partners VIII, LP will focus on equity investments in the upstream oil and gas sector in North America. Quantum Energy Partners VIII Co-Investment Fund, LP will participate in larger deals alongside Quantum Energy Partners VIII, LP when additional capital is needed, effectively serving as an overage vehicle with a lower fee schedule.

Discussion

Consultant Recommendation

Aksia LLC (Aksia), LACERS' Private Equity Consultant, recommended a commitment of up to \$42.9 million in Quantum Energy Partners VIII, LP and \$7.1 million in Quantum Energy Partners VIII Co-Investment Fund, LP managed by Quantum Energy Partners (Quantum or the GP). Fund management and incentive fees are comparable to similar strategies; the GP will invest alongside limited partners, providing alignment of interests. This recommendation is consistent with the Private Equity Program 2024 Strategic Plan adopted by the Board on November 28, 2023.

Background

Quantum was founded in 1998 by Wil VanLoh, Toby Neugebauer, and AV Jones, Jr. to pursue North American oil and gas opportunities. Quantum has \$28 billion in total commitments across the firm's platform and has invested in more than 150 portfolio companies since its inception. Quantum has approximately 127 investment professionals with offices in Houston (headquarters) and New York City.

LACERS is also an investor in two private credit funds offered by the GP: Quantum Capital Solutions II, LP (Main Fund) (\$50 million) and Quantum Capital Solutions II, LP Co-Investment Fund (\$10 million).

Investment Thesis

The strategy will focus on investments in upstream oil and gas, energy transition and the decarbonization, and energy infrastructure assets. The funds will aim to balance cash flow generation with growth opportunities. The fund will focus in North America but will have up to 35% exposure to assets outside of North America. In addition, the Fund plans to invest around \$300 million in early-stage energy and energy-related technologies to further diversify the portfolio. Quantum's deep technical and operating expertise across the energy landscape is considered a competitive advantage in identifying attractive investment opportunities.

Placement Agent

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

Staff Recommendation

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

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

TB/RJ/WL/EC/EP:rm

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

Aksia LLC

Quantum Energy Partners VIII, LP and
Quantum Energy Partners VIII Co-
Investment Fund, LP
Investment Notification



www.aksia.com

Quantum Energy Partners VIII, LP and Quantum Energy Partners VIII Co-Investment Fund, LP

General Partner	• Quantum Energy Partners
Fund	• Quantum Energy Partners VIII, LP and Quantum Energy Partners VIII Co-Investment Fund, LP
Firm Founded	• 1998
Strategy	• Oil & Gas
Sub-Strategy	• Diversified Oil & Gas
Geography	• North America
Team	• 127
Senior Partners	• Wil VanLoh, Ajay Khurana, And Charles Baillie
Office Locations	• New York, NY and Houston, TX
Industries	• North American energy ecosystem, namely upstream oil and gas, power and renewables, and energy transition businesses
Target Fund Size	• \$3.5 billion (\$4.7 billion cap)
LACERS Commitment	• \$50 million (\$42.9 million to Quantum Energy Partners VIII, LP and \$7.1 million to Co-Investment Fund, LP)

Investment Highlights

- The energy market presents significant opportunities due to its cyclical nature and recent volatility in oil and gas prices, which has led to capital flight from these sectors. Quantum plans to diversify its investment strategy across the energy value chain, including traditional and transitional energy sectors.
- Quantum’s strategy centers around providing line of equity commitments and investing capital over time as management teams identify acquisition targets and de-risk operations. This allows Quantum to be prudent with capital allocation and ensure that capital is not invested until there are assets available for purchase.

Quantum Energy Partners VIII, LP and Quantum Energy Partners VIII Co-Investment Fund, LP

Firm and Background

- Quantum was established in 1998 by co-founders Wil VanLoh, Toby Neugebauer, and AV Jones, Jr. to explore oil and gas opportunities in North America. VanLoh and Neugebauer first met in 1993 while working at Kidder Peabody and subsequently founded Windrock Capital, a boutique investment advisory firm that provided services to small oil and gas exploration and production companies. During their time at Windrock, they collaborated with Jones, Jr. on a transaction, which led to their decision to invite him to join them in founding Quantum.
- Today, Quantum is led by CEO Wil VanLoh while the other Co-Founders have retired and are no longer involved with the organization.

Investment Strategy

- Quantum is currently in market for Quantum Energy Partners VIII, LP targeting \$3.5 billion in capital commitments. In addition, Quantum will raise a co-investment vehicle that will invest alongside the main fund on a no-fee, no-carry basis and will invest in every investment made by the Fund.
- Historically, Quantum has concentrated on upstream oil and gas investments, a trend that is expected to continue with Fund VIII allocating approximately 50% to 60% of its resources to upstream opportunities. Additionally, 20% to 30% will be directed towards energy transition and decarbonization investments, while the remaining 20% will focus on energy infrastructure assets.
- The Fund aims to balance cash flow generation with growth opportunities, particularly in the current oil and gas market, which presents an attractive entry point for cash-flowing assets with potential for development growth, especially in international markets. While the Fund will have some exposure to assets outside North America, this will be limited to 35%.
- The Fund also plans to invest around \$300 million in early-stage energy and energy-related technologies, further diversifying its portfolio.

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

THE INFORMATION HEREIN IS NOT INTENDED TO PROVIDE, AND SHOULD NOT BE RELIED UPON FOR, ACCOUNTING, TAX OR LEGAL ADVICE. YOU SHOULD CONSULT YOUR TAX, LEGAL AND/OR ACCOUNTING ADVISERS ABOUT ANY MATTERS DISCUSSED HEREIN.

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

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

Section 5 PRIVATE EQUITY INVESTMENT POLICY

F. Roles and Responsibilities

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

Section 5 PRIVATE EQUITY INVESTMENT POLICY

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



REPORT TO BOARD OF ADMINISTRATION
From: Todd Bouey, Acting General Manager

MEETING: JANUARY 14, 2025
ITEM: VIII - G

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO \$40 MILLION IN MILL POINT CAPITAL PARTNERS III, L.P.

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this notice of the commitment of up to \$40 million in Mill Point Capital Partners III, L.P.

Executive Summary

Mill Point Capital Partners III, L.P. will focus on control investments in lower-middle market businesses, with a focus on business, infrastructure, and IT services industries in North America.

Discussion

Consultant Recommendation

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

Background

Mill Point was founded in 2013 and is led by Michael Duran and Dustin Smith. Prior to founding the firm in 2013, Mr. Duran was a Managing Director at Ripplewood Holdings. Mr. Smith was a Managing Director and Head of Industrials at American Capital. The GP is based in New York City and has 15 investment professionals.

Mill Point is an existing general partner relationship for LACERS and meets the criteria as an Emerging Investment Manager pursuant to the LACERS Emerging Investment Manager Policy. LACERS previously committed to the following funds:

Fund	Vintage Year	Commitment	Net IRR ^{1,2}
Mill Point Capital Partners I, L.P.	2017	\$10 million	23.8%
Mill Point Capital Partners II, L.P.	2021	\$11 million	38.1%

Investment Thesis

The Fund will focus on making control value-oriented investments in North American-domiciled middle market companies within the business, infrastructure, and IT services industries. Specifically, Mill Point invests in businesses undergoing transition, such as management changes or operational turnarounds, and in established businesses seeking continued growth. The GP seeks board control of portfolio companies and provides strategic and operational guidance to add value. The GP will primarily transact in traditional buyouts, founder recapitalizations, and corporate carve-outs.

Placement Agent

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

Staff Recommendation

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

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

TB/RJ/WL/EC/EP:rm

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

¹ Performance as of June 30, 2024

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

Aksia LLC

Mill Point Capital Partners, III L.P.
Investment Notification



www.aksia.com

Mill Point Capital Partners III, L.P.

General Partner	• Mill Point Capital Partners III, L.P.
Fund	• Mill Point Capital
Firm Founded	• 2013
Strategy	• North American Buyouts
Sub-Strategy	• Middle Market Buyouts
Geography	• North America
Team	• 15 (investment team)
Senior Partners	• Michael Duran, Dustin Smith
Office Locations	• New York
Industries	• Business services, IT services, and industrial services
Target Fund Size	• \$1.2 billion
LACERS Commitment	• \$40 million

Investment Highlights

- Mill Point is an experienced value-oriented investor that has remained dedicated to the lower middle market.
- The Fund seeks to make control investments in North American business services, industrial services, and IT services sectors.
- Mill Point employs an operational approach to value creation, leveraging its in-house executive partners and functional experts that are highly integrated in the Firm's investment processes.

Mill Point Capital Partners III, L.P.

Firm and Background

- The Firm was founded by Michael Duran in 2013 as the private equity investment platform of Millstein & Co. L.P. (“M&C”), a corporate advisory firm, and was ultimately renamed Mill Point Capital LLC (“Mill Point”) in 2017.
- Mill Point is led by an experienced senior team with Managing Partners Duran and Smith and Partners Summers and Paolano. The four individuals have over 75 years of combined private equity experience and have worked together for an average of 10 years.

Investment Strategy

- Mill Point employs a value-oriented strategy aimed at making control investments in businesses across North America, specifically within the business, infrastructure, and IT services industries.
- The fund will focus on businesses that are a stable, niche, market-leader with an element of complexity surrounding operations and management.
- Targeted investments may be facing operational challenges or complex circumstances such as management transitions, misunderstood businesses models, or underinvested companies.
- Transactions will primarily take the form of traditional buyouts, founder recapitalizations, and corporate carve-outs.

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Section 5 PRIVATE EQUITY INVESTMENT POLICY

F. Roles and Responsibilities

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

Section 5 PRIVATE EQUITY INVESTMENT POLICY

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



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION
From: Todd Bouey, Acting General Manager

MEETING: JANUARY 14, 2025
ITEM: VIII - H

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN STELLEX CAPITAL PARTNERS III LP

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this notice of the commitment of up to \$50 million in Stellex Capital Partners III LP.

Executive Summary

Stellex Capital Partners III LP will focus on investing in middle-market buyouts in North America and Europe within the industrial sector and adjacent markets.

Discussion

Consultant Recommendation

Aksia LLC (Aksia), LACERS' Private Equity Consultant, recommended a commitment of up to \$50 million in Stellex Capital Partners III LP (the Fund). Fund management and incentive fees are comparable to similar strategies; the GP will invest alongside limited partners, providing alignment of interests. This recommendation is consistent with the Private Equity Program 2024 Strategic Plan adopted by the Board on November 28, 2023.

Background

Stellex Capital Partners (Stellex or the GP) was founded in 2014 by Ray Whiteman and Mike Stewart; both founders are still with the company. Prior to forming Stellex, they both held leadership positions at Carlyle Strategic Partners, a wholly owned entity of The Carlyle Group. The company currently has over 40 employees of which 31 are part of the investment team with offices in New York City (headquarters), London, Pittsburg, and Detroit.

Stellex is an existing general partner relationship with LACERS. LACERS previously committed \$30.0 million to Stellex Capital Partners II LP (2021 vintage), which has earned a net internal rate of return (IRR) of 13.9%^{1, 2}.

Investment Thesis

The Fund will maintain the strategy of its predecessors, focusing on investments in underperforming or mismanaged middle-market businesses across North America and Europe. The Fund will target a range of industrial sectors, including aerospace & defense, food processing, manufacturing, transportation & logistics, industrial & consumer services, and tech-enabled services. Investment opportunities will include founder buyouts, buy-and-build strategies, carve-outs, take-privates, turnarounds, corporate reorganizations, and structured capital deals.

Placement Agent

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

Staff Recommendation

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

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

TB/RJ/WL/EC/DB:rm

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

¹ Performance as of June 30, 2024

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

Aksia LLC

Stellex Capital Partners III LP
Investment Notification



www.aksia.com

Stellex Capital Partners III LP

General Partner	<ul style="list-style-type: none"> Stellex Capital Partners
Fund	<ul style="list-style-type: none"> Stellex Capital Partners III LP (“Fund III”, the “Fund”)
Firm Founded	<ul style="list-style-type: none"> 2014
Strategy	<ul style="list-style-type: none"> North American Buyouts
Sub-Strategy	<ul style="list-style-type: none"> Middle Market Buyouts
Geography	<ul style="list-style-type: none"> North America, Europe
Team	<ul style="list-style-type: none"> 31 (investment team)
Senior Partners	<ul style="list-style-type: none"> Ray Whiteman, Mike Stewart (the “Founding Partners”)
Office Locations	<ul style="list-style-type: none"> New York, London, Pittsburg, Detroit
Industries	<ul style="list-style-type: none"> Industrials sector and adjacent markets
Target Fund Size	<ul style="list-style-type: none"> \$2.5 billion
LACERS Commitment	<ul style="list-style-type: none"> \$50 million

Investment Highlights

- The Firm’s two Founding Partners have a long-standing history of investing together dating back to their tenure time co-leading Carlyle Strategic Partners platform and have more than 50 years of combined turnaround and distressed debt investment experience, setting them apart from other emerging managers.
- Unlike many other value-oriented buyout firms, Stellex maintains the flexibility to invest across the capital structure through a variety of transaction types including corporate carve-outs, debt-for-control, bankruptcy restructurings, buy-and-builds, founder-owned buyouts, among others.

Stellex Capital Partners III LP

Firm and Background

- Stellex Capital Partners was formed in 2014 by Ray Whiteman and Mike Stewart.
- Prior to forming Stellex, the Founding Partners served as Managing Directors and the co-heads of Carlyle Strategic Partners.
- Stellex has raised two institutional funds with over \$2.6 billion in commitments.
- Today, the Firm continues to be led by Whiteman and Stewart, and the team has grown to over 40 employees residing across four offices in New York City, London, Pittsburg, and Detroit.

Investment Strategy

- Similar to prior funds, Fund III will seek to make control-oriented investments in underperforming or mismanaged middle market businesses in North America and Europe.
- The Fund will target various end markets within the industrials sector and other real economy sectors.
 - End markets of focus include aerospace and defense, food processing, manufacturing, transportation and logistics, industrial and consumer services, and tech-enabled services.
- Transaction types include founder buyouts, buy-and-build strategies, carve-outs, take-privates, turnarounds, corporate reorganizations, control, and structured capital deals.

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Section 5 PRIVATE EQUITY INVESTMENT POLICY

F. Roles and Responsibilities

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

Section 5 PRIVATE EQUITY INVESTMENT POLICY

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



REPORT TO BOARD OF ADMINISTRATION
From: **Todd Bouey, Acting General Manager**

MEETING: JANUARY 14, 2025
ITEM: VIII - I

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN QUANTUM CAPITAL SOLUTIONS II, LP AND \$10 MILLION IN QUANTUM CAPITAL SOLUTIONS II CO-INVESTMENT FUND, LP

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this notice of the commitment of up to \$50 million in Quantum Capital Solutions II, LP and \$10 million in Quantum Capital Solutions II Co-Investment Fund, LP.

Executive Summary

Quantum Capital Solutions II, LP will focus on direct lending and structured credit solutions in the upstream and midstream oil and gas sector in North America. Quantum Capital Solutions II Co-Investment Fund, LP will participate in larger deals alongside Quantum Capital Solutions II, LP when additional capital is needed, effectively serving as an overage vehicle with a lower fee schedule.

Discussion

Consultant Recommendation

Aksia LLC (Aksia), LACERS' Private Credit Consultant, recommended a commitment of up to \$50 million in Quantum Capital Solutions II, LP and \$10 million in Quantum Capital Solutions II Co-Investment Fund, LP managed by Quantum Energy Partners (Quantum or the GP). Fund management and incentive fees are comparable to similar strategies; the GP will invest alongside limited partners, providing alignment of interests. This recommendation is consistent with the Private Credit Program 2024 Strategic Plan adopted by the Board on February 27, 2024.

Background

Quantum was founded in 1998 by Wil VanLoh, Toby Neugebauer, and AV Jones, Jr. to pursue North American oil and gas opportunities. Quantum has \$28 billion in total commitments across the firm's platform and has invested in more than 150 portfolio companies since its inception. Quantum has approximately 127 investment professionals with offices in Houston (headquarters) and New York City.

LACERS is also an investor in two private equity funds offered by the GP: Quantum Energy Partners VIII, LP (Main Fund) (\$42.9 million) and Quantum Energy Partners VIII, LP Co-Investment Fund (\$7.1 million).

Investment Thesis

The strategy will focus on providing bespoke direct lending structured capital solutions to public and private companies in the upstream and midstream oil and gas sector, as well as in energy transition and the decarbonization space. The funds will be used for growth projects, build cash flow, and generate shareholder value. The fund will seek to make six to ten investments, to companies based in North America, ranging from very large and public to small cap and private (enterprise values of \$1 billion to \$50 billion). Quantum's deep technical and operating expertise across the energy landscape is considered a competitive advantage in identifying attractive investment opportunities.

Placement Agent

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

Staff Recommendation

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

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

TB/RJ/WL/EC/CH:rm

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

Aksia LLC

Quantum Capital Solutions II, LP and
Quantum Capital Solutions II Co-
Investment Fund, LP
Investment Notification



www.aksia.com

Quantum Capital Solutions II, LP and Quantum Capital Solutions II Co-Investment Fund, LP

General Partner	• Quantum Energy Partners
Fund	• Quantum Capital Solutions II, LP and Quantum Capital Solutions II Co-Investment Fund, LP
Firm Founded	• 1998
Strategy	• Energy Credit
Sub-Strategy	• Energy Lending
Geography	• North America
Team	• 127
Senior Partners	• Wil VanLoh, Ajay Khurana, And Charles Baillie
Office Locations	• New York, NY and Houston, TX
Industries	• North American energy ecosystem, namely upstream and midstream joint venture transactions with public company partners.
Target Fund Size	• \$2.3 billion (\$2.8 billion cap)
LACERS Commitment	• \$60 million (\$50 million to Quantum Capital Solutions II LP and \$10 million to Co-Investment Fund)

Investment Highlights

- The energy market presents significant opportunities in the upstream industry's increasing challenge for credit as commercial banks materially pulled back from the space.
- Quantum is a top-tier energy manager with a limited peer set with regard to expertise, industry presence, and capital offering across the energy value chain.
- The Fund is underpinned by compelling macro themes that, combined with the Firm's significant industry experience and network, makes for a compelling avenue for investors to gain downside-protected exposure to the energy sector.

Quantum Capital Solutions II, LP and Quantum Capital Solutions II Co-Investment Fund, LP

Firm and Background

- Quantum was established in 1998 by co-founders Wil VanLoh, Toby Neugebauer, and AV Jones, Jr. to explore oil and gas opportunities in North America. VanLoh and Neugebauer first met in 1993 while working at Kidder Peabody and subsequently founded Windrock Capital, a boutique investment advisory firm that provided services to small oil and gas exploration and production companies. During their time at Windrock, they collaborated with Jones, Jr. on a transaction, which led to their decision to invite him to join them in founding Quantum.
- Today, Quantum is led by CEO Wil VanLoh while the other Co-Founders have retired and are no longer involved with the organization.
- Co-President Ajay Khurana serves as the figurehead of Quantum's credit and structured capital platform, which comprises four senior investment professionals, all of whom previously worked together at Jefferies for an extended period of time.

Investment Strategy

- Quantum is targeting \$2.25 billion in commitments for Quantum Capital Solutions II, LP. In addition, Quantum will raise a co-investment vehicle that will invest alongside the main fund on a no-fee, no-carry basis and will invest in every investment made by the Fund.
- Quantum formed its first structured capital fund, Quantum Capital Solutions, in 2019 after identifying a market need for asset-level financings, preferred equity, and structured debt solutions.
- Sector focus is expected to be upstream and midstream oil and gas investments, although select opportunities related to the energy transition and decarbonization space may also be considered.

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

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

Section 5 PRIVATE CREDIT INVESTMENT POLICY

F. Roles and Responsibilities

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

Section 5 PRIVATE CREDIT INVESTMENT POLICY

Roles and Responsibilities continued

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



REPORT TO BOARD OF ADMINISTRATION
From: Todd Bouey, Acting General Manager

MEETING: JANUARY 14, 2025
ITEM: VIII - J

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO \$25 MILLION IN CENTRE LANE CREDIT PARTNERS III, L.P.

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this notice of the commitment of up to \$25 million in Centre Lane Credit Partners III, L.P.

Executive Summary

Centre Lane Credit Partners III, L.P. will focus on opportunistic situations in middle-market North American companies through senior secured term loans.

Discussion

Consultant Recommendation

Aksia LLC (Aksia), LACERS' Private Credit Consultant, recommended a commitment of up to \$25 million in Centre Lane Credit Partners III, L.P. (CLCP III or the Fund) managed by Centre Lane Partners LLC (Centre Lane or the GP). Fund management and incentive fees are comparable to similar strategies; the GP will invest alongside limited partners, providing alignment of interests. This recommendation is consistent with the Private Credit Program 2024 Strategic Plan adopted by the Board on February 27, 2024.

Background

Centre Lane Partners was founded in 2007 by Quinn Morgan and Kenneth Lau, who have been working together since 2001. Today the GP is 100% employee-owned by five persons, with the largest stake held by Managing Director and President Upacala Mapatuna. Mapatuna, who heads the firm's credit efforts, was previously CIO of Victory Park and held a senior position at Goldman Sachs Asset Management. Centre Lane manages approximately \$2.5 billion in both private equity and private credit investments, with 16 investment professionals and an office in New York City. Centre Lane has a strategic partnership with Investcorp's Strategic Capital Group (ISCG). ISCG does not have economic ownership in the firm, and serves as a passive, non-voting partner.

Centre Lane is a new general partner relationship for LACERS and meets the criteria as an Emerging Investment Manager pursuant to the LACERS Emerging Investment Manager Policy.

Investment Thesis

The fund will seek to make opportunistic investments in sponsored and non-sponsored middle-market companies in North America, with EBITDA ranging from \$10 million to \$100 million. The investments will take the form of senior secured term loans, which the GP categorizes such loans into three types: (1) complex primaries where the GP is the sole, anchor or lead lender; (2) broken financings; and (3) idiosyncratic secondaries. Centre Lane is frequently a sole, lead or anchor lender in complex primaries. Sectors of focus will be technology, media, and telecommunications, healthcare, consumer services, industrials, and business/financial services. The portfolio is anticipated to hold 20-25 investments at any one point in time, with 40-60 investments over the life of the fund.

Placement Agent

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

Staff Recommendation

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

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

TB/RJ/WL/EC/CH:rm

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

Aksia LLC

Centre Lane Credit Partners Fund III, L.P.
Investment Notification



www.aksia.com

Centre Lane Credit Partners Fund III, L.P.

General Partner	• Centre Lane Partners
Fund	• Centre Lane Credit Partners Fund III, L.P.
Firm Founded	• 2007
Strategy	• U.S. Direct Lending
Sub-Strategy	• U.S. Opportunistic Lending
Geography	• North America
Team	• 16 investment professionals / 3 deal origination / 13 portfolio operations
Senior Partners	• Upacala Mapatuna, Quinn Morgan, Kenneth Lau, John Corbett, Vartan Pogharian
Office Locations	• New York
Industries	• Tech/TMT, Healthcare, Consumer Services, Industrials, Business/Financial Services
Fund Size	• ~\$310 million
LACERS Commitment	• \$25 million

Investment Highlights

- Centre Lane Credit Partners Fund III, L.P. seeks to invest in opportunistic situations (sponsored or non-sponsored) in middle-market North American companies primarily through senior secured term loans, targeting low-to-mid teens net IRRs.
- The strategy benefits from the broader Centre Lane platform, which manages ~\$2.4 billion in private equity assets, and its broader sourcing channels, structuring experience, and operational capabilities.
- The strategy targets primarily privately originated deals with the flexibility to pivot to secondary credit when the market dislocates.

Centre Lane Credit Partners Fund III, L.P.

Firm and Background

- The firm was founded by Quinn Morgan and Kenneth Lau, who started working together in 2001 and later helped establish the corporate private investment business at D.B. Zwirn. Ultimately, the pair spun-out to found Centre Lane Partners in 2007.
- The GP has since launched three institutional private equity funds, raising a total of \$1.2 billion of capital commitments, as well as two series of credit vehicles. The credit strategy is led by Upacala Mapatuna, an experienced investment professional with prior roles at Victory Park and GSAM.

Investment Strategy

- The GP will seek to make investments in opportunistic situations in middle-market North American companies primarily through senior secured term loans, which they categorize into three types of investments based on deal type/entry point:
 - Type A : Complex Primaries (30-50% of investments) where the GP is the sole, anchor, or lead lender.
 - Type B : Broken Financings (20-40% of investments) where syndications have failed due to initial terms being rejected by the market and need to be repriced.
 - Type C : Idiosyncratic Secondaries (20-40% of investments), which include both single credits and portfolios.
- The target portfolio is expected to consist of ~20-25 core investments at any time with full recycling of principal during the investment period (~40-60 total investments targeted over life of fund).

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Section 5 PRIVATE CREDIT INVESTMENT POLICY

F. Roles and Responsibilities

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

Section 5 PRIVATE CREDIT INVESTMENT POLICY

Roles and Responsibilities continued

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



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION
From: Todd Bouey, Acting General Manager

MEETING: JANUARY 14, 2025
ITEM: VIII - K

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO \$100 MILLION IN ICG SENIOR DEBT PARTNERS FUND 5-C (USD LEVERAGED) SCSP

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this notice of the commitment of up to \$100 million in ICG Senior Debt Partners Fund 5-C (USD Leveraged) SCSp.

Executive Summary

ICG Senior Debt Partners Fund 5-C (USD Leveraged) SCSp will focus on senior loans to lower and upper middle-market companies in European developed markets

Discussion

Consultant Recommendation

Aksia LLC (Aksia), LACERS' Private Credit Consultant, recommended a commitment of up to \$100 million in ICG Senior Debt Partners Fund 5-C (SDP 5 or the Fund) managed by Intermediate Capital Group PLC (ICG or the GP). Fund management and incentive fees are comparable to similar strategies; the GP will invest alongside limited partners, providing alignment of interests. This recommendation is consistent with the Private Credit Program 2024 Strategic Plan adopted by the Board on February 27, 2024.

Background

ICG is a global alternative investments manager, with a focus on the European market. The GP has approximately 240 investment professionals operating out of 19 offices around the world, including London (headquarters), the United States, Canada, Germany, France, Spain, Italy, Australia, Japan, Denmark, Sweden, Hong Kong, Poland, the Netherlands, Luxembourg, and the UAE. Founded in 1989 in the United Kingdom, ICG began as a provider of mezzanine capital to European markets. As of September 2024, ICG has total AUM of \$106 billion in multiple strategies, including private equity, private credit, and real assets. ICG is a publicly traded FTSE 100-listed company (ICG:LSE).

LACERS is also an investor in two ICG private equity funds: ICG Strategic Equity Fund IV LP (\$50 million) and ICG Strategic Equity Fund V LP (\$30 million).

Investment Thesis

SDP 5 will focus on senior lending opportunities to sponsor-backed companies, with a strong preference for control positions. The Fund has a pan-European mandate, targeting investments across the GP's core markets of the UK, France, Germany, Iberia, Benelux, and Scandinavia. Up to 30% of the fund may be invested outside of Europe. The portfolio is expected to hold 30-40 core individual positions, ranging from €100 million to €500 million, in lower and upper middle market companies. The Fund will have a strong skew towards healthcare, consumer products, and business services, with limited exposure to cyclical sectors.

Placement Agent

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

Staff Recommendation

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

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

TB/RJ/WL/EC/CH:rm

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

Aksia LLC

ICG Senior Debt Partners Fund 5-C (USD
LEVERAGED) SCSp
Investment Notification



www.aksia.com

ICG Senior Debt Partners Fund 5-C (USD LEVERAGED) SCSp

General Partner	• Intermediate Capital Group PLC
Fund	• ICG Senior Debt Partners Fund 5-C (USD LEVERAGED) SCSp
Firm Founded	• 1989
Strategy	• European Direct Lending
Sub-Strategy	• European Senior Lending
Geography	• Europe
Team	• ~240 investment professionals
Senior Partners	• Benoît Durteste, Peter Lockhead, and Mathieu Vigier
Office Locations	• London, Amsterdam, Frankfurt, Luxembourg, Madrid, Milan, Paris, Stockholm, Warsaw, Hong Kong, Singapore, Sydney, Tokyo, New York, Melbourne, Brisbane, Dubai
Industries	• Healthcare, consumer products, and business services
Target Fund Size	• €8.0 billion (closed c. €17 billion)
LACERS Commitment	• \$100 million

Investment Highlights

- The ICG platform depth includes a range of other corporate credit strategies (subordinated lending, CLOs, broadly syndicated loans etc.) which can provide synergies from a credit analysis, underwriting and restructuring perspective.
- SDP Series takes an almost exclusively senior approach to portfolio construction. Investments are typically either ‘stretched-senior’ or towards the lower risk end of the unitranche spectrum.
- ICG places significant emphasis on the benefits of controlling an entire debt structure.
- SDP series has limited exposure to cyclical businesses with recent vintages concentrated in sectors such as Business Services, and Healthcare.

ICG Senior Debt Partners Fund 5-C (USD LEVERAGED) SCSp

Firm and Background

- Intermediate Capital Group plc was founded in 1989 as a mezzanine capital provider to European markets.
- Much of the GP's historical activities, particularly pre-GFC, were centered around its mezzanine lending and CLO businesses, notwithstanding, ICG is one of the few European direct lending firms which is able to demonstrate a pre-crisis investment track record and before senior private lending strategies accelerated growth.
- Today, ICG is a FTSE 100 listed asset management company, with a market capitalization of ~\$7.7 billion (as of November 2024) investing primarily across a range of credit-focused strategies including direct lending, CLOs, mezzanine lending, real estate debt, alternative credit, as well as private equity secondaries.

Investment Strategy

- The Fund targets a particular niche within the direct lending market by primarily focusing on senior secured loans and by targeting larger hold sizes within lower mid-market and upper mid-market companies (with typical EV in the range of €200m-€2bn).
- The portfolio is expected to be constituted by 30-40 core individual positions in the range of €100-€500m.
- The strategy has a pan-European mandate and is targeting investments across ICG's existing core markets of the UK, France, Germany, Iberia, Benelux, Scandinavia. ICG may also invest up to 30% outside of Europe.
- Since the launch of the first vintage, the GP has significantly decreased the exposure to cyclical sectors. The Fund is expected to have a strong skew towards healthcare, consumer products, and business services.

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

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

Section 5 PRIVATE CREDIT INVESTMENT POLICY

F. Roles and Responsibilities

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

Section 5 PRIVATE CREDIT INVESTMENT POLICY

Roles and Responsibilities continued

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



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION
From: Todd Bouey, Acting General Manager

MEETING: JANUARY 14, 2025
ITEM: VIII - L

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO \$35 MILLION IN PRINCIPAL DATA CENTER GROWTH & INCOME FUND, L.P.

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this notice of commitment of up to \$35 million in Principal Data Center Growth & Income Fund, L.P.

Discussion

On September 24, 2024, the Board, in closed session pursuant to Government Code Section 54956.81, approved a commitment of up to \$35 million in the following private real estate fund: Principal Data Center Growth & Income Fund, L.P. The investment closed on December 19, 2024. Board vote: Ayes 6 (Commissioners Thuy Huynh, Elizabeth Lee, Gaylord "Rusty" Roten, Sung Won Sohn, Vice President Janna Sidley, and President Annie Chao), Recusal 0, and Nays 0.

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

TB/RJ/WL/EC/JC/DB:rm



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION
From: Todd Bouey, Acting General Manager

MEETING: JANUARY 14, 2025
ITEM: VIII - M

Todd Bouey for TB

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO \$35 MILLION IN WCP NEWCOLD III, L.P.

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this notice of the commitment of up to \$35 million in WCP NewCold III, L.P.

Discussion

On November 12, 2024, the Board, in closed session pursuant to Government Code Section 54956.81, approved a commitment of up to \$35 million in the following private real estate fund: WCP NewCold III, L.P. The investment closed on December 30, 2024. Board vote: Ayes 4 (Commissioners Thuy Huynh, Michael Wilkinson, Sung Won Sohn, and President Annie Chao), Recusal 0, and Nays 0.

Prepared By: Jessica Chumak, Investment Officer I, Investment Division

TB/RJ/WL/EC/JC:rm