



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



## *Board of Administration Agenda*

**REGULAR MEETING**  
**TUESDAY, MARCH 25, 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](http://www.LACERS.org)

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

President:	Annie Chao
Vice President:	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](http://ethics.lacity.org/lobbying). For assistance, please contact the Ethics Commission at (213) 978-1960 or [ethics.commission@lacity.org](mailto:ethics.commission@lacity.org).

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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](mailto:lacers.board@lacers.org).

[CLICK HERE TO ACCESS BOARD REPORTS](#)

- I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA
- II. GENERAL MANAGER VERBAL REPORT
  - A. REPORT ON DEPARTMENT OPERATIONS
  - B. UPCOMING AGENDA ITEMS
- III. RECEIVE AND FILE ITEMS
  - A. [MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR FEBRUARY 2025](#)
  - B. [COMMISSIONER JANNA SIDLEY BOARD EDUCATION EVALUATION REPORT ON THE CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS GENERAL ASSEMBLY, NAPA, CA; MARCH 2-5, 2025](#)
- IV. COMMITTEE REPORT(S)
  - A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON MARCH 11, 2025
- V. CONSENT ITEM(S)
  - A. [APPROVAL OF MINUTES FOR THE MEETING OF FEBRUARY 25, 2025 AND POSSIBLE BOARD ACTION](#)
- VI. LEGAL/LITIGATION
  - A. [APPROVAL OF CONTRACT AMENDMENT WITH GROOM LAW GROUP INCREASING ANNUAL EXPENDITURE LIMIT TO \\$180,000 AND ADDING FIDUCIARY AND CONFLICT COUNSEL SERVICES AND POSSIBLE BOARD ACTION](#)
  - B. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(A) AND (D)(4) TO CONFER WITH AND RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED LACERA V. COUNTY OF LOS ANGELES (CASE NO. S286264)**
- VII. BOARD/DEPARTMENT ADMINISTRATION
  - A. [ACTUARIAL RISK ASSESSMENT AND REVIEW OF FUNDED STATUS OF THE RETIREMENT AND HEALTH PLANS AS OF JUNE 30, 2024](#)
  - B. [PRELIMINARY PROPOSED BUDGET, PERSONNEL, AND ANNUAL RESOLUTIONS FOR FISCAL YEAR 2025-26 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 DECEMBER 31, 2024](#)
- C. [INVESTMENT MANAGER CONTRACT WITH MFS INSTITUTIONAL ADVISORS, INC. REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS GROWTH PORTFOLIO AND POSSIBLE BOARD ACTION](#)
- D. [CONSENT OF ASSIGNMENT OF SEGALL BRYANT & HAMILL, LLC CONTRACT AND POSSIBLE BOARD ACTION](#)
- E. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT TO LBA LOGISTICS VALUE FUND X, L.P. AND POSSIBLE BOARD ACTION**

IX. CLOSED SESSION

- A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE APPOINTMENT OF AN INTERIM GENERAL MANAGER FOR THE LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM AND POSSIBLE BOARD ACTION**

X. OTHER BUSINESS

- XI. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, April 8, 2025, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, CA 90012.

XII. ADJOURNMENT

Agenda of: Mar. 25, 2025

Item No: III-A

**MONTHLY REPORT ON SEMINARS AND CONFERENCES  
ATTENDED BY BOARD MEMBERS ON BEHALF OF LACERS  
(FOR THE MONTH OF FEBRUARY 2025)**

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		



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

Name of Attendee: Janna Sidley	
Title of Conference/Seminar: Calaprs	
Location: Napa, CA	No. of Education Hours: 21
Trustee Rating: (A-Excellent, B-Very Good, C-Good, D-Not Beneficial) A	Level: (Introductory, Intermediate, or Advanced) <b>Intermediate</b>
Event Sponsor: Calaprs	Date(s) Held: March 2-5

Report for:

- Travel
- Conference/Seminar Attendance Only

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

Travel to and from Conference. Airplane and car rental. The travel was necessary to get to the conf.

II. Significant Information Gained:

Ethics and LACERA litigation were the key topics. Also covered additional diversification of portfolios and AI.

III. Benefits to LACERS:

Extremely important to LACERS is understanding the LACERA litigation. Additionally the ethics refresher. I also highly recommend the networking.

IV. Additional Comments:

I recommend this conf to both staff and board members.

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

February 25, 2025

10:04 a.m.

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

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*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 – Todd Bouey, Acting General Manager, advised the Board of the following items:
- Communications and Stakeholder Relations Update
  - Retirement Services Update
  - Health Plan Administration Update
- B. UPCOMING AGENDA ITEMS – Todd Bouey, Acting General Manager, advised the Board of the following items:

- Board Meeting on March 11, 2025: Update on the 2025 LACERS Well program, work plan, and budget; review of the Benefits Administration Committee Charter; presentation of the 2024 annual report on LACERS' organization diversity survey; award of the external audit contract; and discussion of the quarterly education and travel expenditure report.

C. RECOGNITION OF SERVICE FOR FERRALYN SNEED, LACERS CHIEF BENEFITS ANALYST – Todd Bouey, Acting General Manager, and the Commissioners recognized Ferralyn Sneed's retirement and 37 years of service to the City and LACERS.

### III

#### RECEIVE AND FILE ITEMS

- A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR JANUARY 2025 – This report was received by the Board and filed.
- B. SEMI-ANNUAL REPORT OF BUSINESS PLAN INITIATIVES FOR THE PERIOD ENDING DECEMBER 31, 2024 – This report was received by the Board and filed.

### IV

#### COMMITTEE REPORT(S)

- A. AUDIT COMMITTEE VERBAL REPORT FOR THE MEETING ON FEBRUARY 25, 2025 – Commissioner Sohn stated the Committee approved the award of the external audit contract to Moss Adams LLP.

Commissioner Lee moved approval of Consent Agenda Item V-A, and 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.

### V

#### CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE MEETING OF JANUARY 28, 2025 AND POSSIBLE BOARD ACTION

### VI

#### BOARD/DEPARTMENT ADMINISTRATION

- A. COST-OF-LIVING ADJUSTMENT FOR JULY 2025 AND POSSIBLE BOARD ACTION – Todd Bouey, Acting General Manager, Edwin Avanesian, Chief Management Analyst, and JoAnn Peralta, Departmental Chief Accountant IV, presented and discussed this item with the Board for 14 minutes. Vice President Sidley moved approval, 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.

### VII

## INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$24.52 billion as of February 24, 2025; and Volatility Index at 19.38. Rod June discussed the following items:

### OPERATIONAL:

- a. Policy review and amendments stemming from the asset allocation.
- b. Reviewing Securities Lending Policy.

### GLOBAL ISSUES:

- a. Slight increases in the valuation of several non-U.S. countries.

### FUTURE AGENDA ITEMS:

- a. Consent of a Management Transition for an existing LACERS investment manager.

- B. CONTRACT WITH AKSIA LLC, REPLACEMENT OF KEY PERSON AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, and Ellen Chen, Investment Officer III, presented and discussed this item with the Board for two minutes. Commissioner Lee moved approval, seconded by Commissioner Huynh, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sohn, Wilkinson, Vice President Sidley, and President Chao -7; Nays, None.
- C. CONTRACT WITH NEPC, LLC, REPLACEMENT OF KEY PERSON AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, Barbara Sandoval, Investment Officer II, and DeAnna Jones, Senior Consultant, with NEPC, LLC, presented and discussed this item with the Board for six minutes. Vice President Sidley moved approval, 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.
- D. PRESENTATION BY NEPC, LLC, REGARDING RISK BUDGETING AND ASSET CLASS REVIEWS AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, Kevin Novak, Principal, Rose Dean, Partner, and DeAnna Jones, Senior Consultant, with NEPC, LLC, presented and discussed this item with the Board for one hour and 18 minutes. Commissioner Sohn moved approval, 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.
- E. NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN TPG RISE CLIMATE II, L.P. – This report was received by the Board and filed.
- F. NOTIFICATION OF COMMITMENT OF UP TO \$25 MILLION IN BIOSPRING PARTNERS FUND II, L.P. – This report was received by the Board and filed.
- G. NOTIFICATION OF COMMITMENT OF UP TO \$25 MILLION IN CENTANA GROWTH PARTNERS III, L.P. – This report was received by the Board and filed.

- H. NOTIFICATION OF COMMITMENT OF UP TO €46.17 MILLION (APPROXIMATELY \$50 MILLION) IN H.I.G. EUROPE MIDDLE MARKET LBO FUND II (CAYMAN), L.P. – This report was received by the Board and filed.
- I. NOTIFICATION OF COMMITMENT OF UP TO \$20 MILLION IN PUTNAM HILL PRIVATE CREDIT FUND (LEVERAGED), L.P. – This report was received by the Board and filed.
- J. NOTIFICATION OF COMMITMENT OF UP TO €27.5 MILLION (APPROXIMATELY \$30 MILLION) IN NORDIC CAPITAL EVO II BETA, SCSP – This report was received by the Board and filed.
- K. NOTIFICATION OF COMMITMENT OF UP TO \$70 MILLION IN 400 CAPITAL ASSET BASED ONSHORE TERM FUND IV LP – This report was received by the Board and filed.
- L. NOTIFICATION OF COMMITMENT OF UP TO \$100 MILLION IN SILVER POINT SPECIALTY CREDIT FUND III, L.P. – This report was received by the Board and filed.

Commissioner Sohn left the room at 12:32 p.m.

- M. AUTHORIZATION FOR LACERS TO JOIN STATEMENT ON DELAWARE LEGISLATION NEGATIVELY IMPACTING SHAREHOLDER RIGHTS (DELAWARE SENATE BILL 21) AND POSSIBLE BOARD ACTION – Miguel Bahamon, Deputy City Attorney, Jeroen van Kwawegen, Partner, and Hannah Ross, Partner, with Bernstein Litowitz Berger Grossmann LLP, presented and discussed this item with the Board for 17 minutes. Vice President Sidley moved approval of the following Resolution:

**AUTHORIZATION FOR LACERS TO JOIN STATEMENT ON DELAWARE LEGISLATION  
NEGATIVELY IMPACTING SHAREHOLDER RIGHTS (DELAWARE SENATE BILL 21)**

**RESOLUTION 250225-A**

The Board resolves to authorize the Acting General Manager to sign or author any letters or communications in opposition to Delaware Senate Bill 21, including the proposed statement from Bernstein Litowitz Berger & Grossmann LLP, and ask the Acting General Manager to provide a verbal report following the exercise of this authority.

Which motion was seconded by Commissioner Huynh, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Wilkinson, Vice President Sidley, and President Chao -6; Nays, None.

President Chao recessed the meeting for a break at 12:33 p.m. and reconvened the meeting at 12:39 p.m. President Chao recessed the Regular meeting at 12:39 p.m. to convene in closed session.

Commissioner Sohn returned to the meeting at 12:39 p.m.

VIII

CLOSED SESSION

- A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF HAGOP TCHAKERIAN AND POSSIBLE BOARD ACTION**
  
- B. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(A) AND (D)(4) TO CONFER WITH AND RECEIVE ADVICE FROM LEGAL COUNSEL REGARDING PENDING LITIGATION IN THE CASE ENTITLED LACERA V. COUNTY OF LOS ANGELES (CASE NO. S286264) AND POSSIBLE BOARD ACTION**

Commissioner Sohn left the meeting at 1:20 p.m.

Commissioner Sohn returned to the meeting at 1:24 p.m.

- C. 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 LITIGATION IN THE CASE ENTITLED: LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM, ET AL. V. GLENN SANFORD, ET AL., (DELAWARE COURT OF CHANCERY CASE NO. 2024-0998-KSJM)**

President Chao reconvened the regular meeting at 1:38 p.m.

IX

OTHER BUSINESS – There was no other business.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, March 11, 2025, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012.

XI

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the meeting at 1:40 p.m.

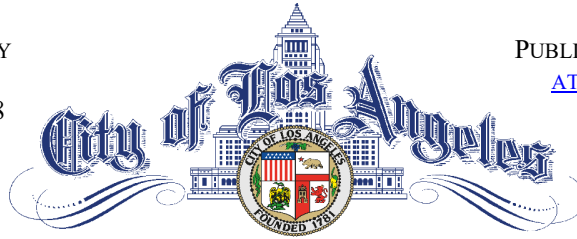
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Annie Chao  
President

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Todd Bouey

Manager-Secretary



Board Mtg: 03/25/25  
Item: VI-A

Office of the Los Angeles City Attorney  
Hydee Feldstein Soto

## **MEMORANDUM**

**To:** Board of Administration  
Los Angeles City Employees' Retirement System

**From:** Joshua Geller, Supervising Attorney *JMG*  
Miguel Bahamon, Deputy City Attorney *MBB*

**Date:** March 25, 2025

**Re:** Approval of Groom Law Group, Chartered as Outside Fiduciary and Conflict Counsel

**Cc:** Todd Bouey, Acting General Manager

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## **RECOMMENDATIONS**

We recommend that the Board:

1. Amend the Board's current contract with Groom Law Group, Chartered ("Groom Law") for Outside Health Law, Data Privacy, and Cybersecurity Counsel to include Outside Fiduciary Counsel and Conflict Counsel services;
2. Increase the annual expenditure limit of the amended contract to One Hundred Eighty Thousand Dollars (\$180,000);
3. Authorize the Acting General Manager to execute the amendment on behalf of the Board, subject to City Attorney approval as to form.

## **DISCUSSION**

Circumstances can arise where neither the City Attorney nor the Board's Outside Fiduciary and Conflict Counsel are available to represent the Board in a particular matter. Under the Board's Potential City Attorney Conflicts of Interest Policy, the City Attorney is not available to represent the Board in a particular matter where the City Attorney has determined that a conflict of interest exists such that it would be prudent for the City Attorney to avoid representing the Board in that matter, consistent with the City Attorney's professional and ethical obligations under California Law, including Rule 3-310 of the California Rules of Professional Conduct. Similarly, law firms currently retained for Outside Fiduciary and Conflict Counsel may not always be available to provide advice or representation desired by the Board if they, too, have conflicts of interest related



to specific matters. In circumstances such as these, it may be prudent for the Board to expand its bench of Outside Fiduciary and Conflict Counsel.

In 2023, the Board approved retention of Groom Law as Outside Health Law, Data Privacy, and Cybersecurity Counsel. In addition to this expertise, Groom Law has extensive experience advising public pension retirement boards on fiduciary matters, albeit with a limited footprint in California. However, Groom having fewer California clients can be an advantage in certain matters where California public entities are adverse to their Plan sponsors, and thus there is a risk that the Board's other Outside Fiduciary Counsel will be unable to represent the Board due to a potential or actual conflict of interest. For these reasons, the City Attorney recommends that the Board add Groom Law to its current bench of Outside Fiduciary and Conflict Counsel firms.

Accordingly, Public Pensions General Counsel Division has provided the preceding recommendations to the Board. We are available to answer any questions the Board may have while considering these recommendations.

JMG:MB



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



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

**MEETING: MARCH 25, 2025**  
**ITEM: VII-A**

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**SUBJECT: ACTUARIAL RISK ASSESSMENT AND REVIEW OF FUNDED STATUS OF THE  
RETIREMENT AND HEALTH PLANS AS OF JUNE 30, 2024**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

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### **Recommendation**

That the Board receive and file this report.

### **Executive Summary**

LACERS' consulting actuary, Segal, prepared and is presenting to the Board of Administration (Board) the LACERS Risk Assessment and Review of Funded Status of the Retirement and Health Plans as of June 30, 2024 (Actuarial Risk Assessment Report). In accordance with Actuarial Standard of Practice (ASOP) No. 51, the purpose of the Actuarial Risk Assessment Report is to assist the Board, the City Employer, Members, and other stakeholders to better understand and assess the risk profile of the Retirement System, as well as the particular risks inherent in using a fixed set of actuarial assumptions in preparing the results of the June 30, 2024 Actuarial Funding Valuations.

### **Discussion**

This Actuarial Risk Assessment Report expands upon the Risk Assessment section reported in the June 30, 2024 Actuarial Valuation. Although ASOP 51 does not apply to Other Post-Employment Benefits, the same types of information and analysis are applicable and thus LACERS has requested inclusion of the Health Plan in this report.

This report illustrates how favorable and unfavorable economic and demographic experience have impacted the funded status, Unfunded Actuarial Accrued Liabilities (UAAL), and the employer contribution rates over the past ten years, as well as provides deterministic projections of these factors calculated on hypothetical investment experience (i.e., 14.00%, 0.00%, and the assumed 7.00% return for the current fiscal year) based on plan assets as of June 30, 2024. Segal also provides a stochastic projection of future market returns to show the range of possible changes in funded status and contribution rates for the next 20 years. Included Plan maturity measures show that over the past 10 years the Plans have become more mature as evidenced by an increase in the ratio of members in pay

status (retirees and beneficiaries) to active members and by an increase in the ratios of plan assets and liabilities to active member payroll.

Based on the Government Finance Officers Association's (GFOA) recommendation, Segal includes discussion of a "surplus management policy" which would be proactive and help guide the system in the prudent management of any potential surplus, including considerations for items such as contribution levels, risk reduction opportunities, stabilization reserves, and benefit levels.<sup>1</sup> Under Segal's deterministic projections, the Retirement Plan is expected to become 100% funded in slightly over 15 years under both the baseline and favorable return scenarios. This would put the Retirement Plan "in surplus" meaning that a plan is at or ahead of its funding schedule at a specific measured point in time. Staff will work with the consulting actuary to determine timing and approach to consideration of how to preserve 100% funded status once the Plan becomes fully funded, including discussion on how some non-level UAAL contribution rates that we expect in the next five to ten years (due to the pattern of recognition of the various layers of UAAL payments) could be addressed.

Todd Tauzer and Andy Yeung of Segal will be presenting the Actuarial Risk Assessment Report to the Board.

Prepared By: Edwin Avanesian, Chief Management Analyst

TB/EA

Attachments: LACERS Risk Assessment Based on the Actuarial Valuation and Review of the Retirement and Health Plans as of June 30, 2024

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<sup>1</sup> See GFOA's Best Practice on "Core Elements of a Funding Policy for Government Pension and OPEB Plans"

**BOARD Meeting: 03/25/25**  
Item: VII-A  
Attachment

Los Angeles City Employees' Retirement System

# Risk Assessment

**Based on the Actuarial Valuation and Review of the  
Retirement and Health Plans as of June 30, 2024**



180 Howard Street  
Suite 1100  
San Francisco, CA 94105-6147  
415.263.8200  
segalco.com

March 11, 2025

Board of Administration  
Los Angeles City Employees' Retirement System  
977 N. Broadway  
Los Angeles, CA 90012-1728

Dear Board Members:

We are pleased to submit this Risk Assessment based on the Actuarial Valuation and Review of the Retirement and Health Plans for the Los Angeles City Employees' Retirement System ("LACERS" or "the System") as of June 30, 2024.

This risk report has been prepared at the request of the Board of Administration to assist in administering the Plans. It includes discussion of the key risks that may have an ongoing influence on the Plans' financial health, as well as various projections of future results under different investment return scenarios together with the assumptions adopted for the June 30, 2024 valuations.

The actuarial calculations in this report were completed under the supervision of Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary and Mehdi Riazi, FSA, MAAA, FCA, Enrolled Actuary.

The actuarial opinions expressed in this report were prepared by Todd Tauzer, FSA, MAAA, FCA, CERA, Andy Yeung, ASA, MAAA, FCA, Enrolled Actuary and Emily Klare, ASA, MAAA and Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Sincerely,

A handwritten signature in black ink, appearing to read "Todd Tauzer".

Todd Tauzer, FSA, MAAA, FCA, CERA  
Senior Vice President and Actuary

A handwritten signature in black ink, appearing to read "Andy Yeung".

Andy Yeung, ASA, MAAA, FCA, EA  
Vice President and Actuary

A handwritten signature in black ink, appearing to read "Emily Klare".

Emily Klare, ASA, MAAA, EA  
Senior Actuary

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# Section 1: Introduction and Executive Summary

## Introduction

The purpose of this report is to assist the Board of Administration, participating employers and members and other stakeholders to better understand and assess the risk profile of the System, as well as the particular risks inherent in using a fixed set of actuarial assumptions in preparing the results in our June 30, 2024 funding valuations for LACERS.

The results included in our June 30, 2024 funding valuation reports for the Retirement and Health Plans (“the Plans”) were prepared based on a specific set of economic and non-economic actuarial assumptions under the premise that future experience of LACERS would be consistent with those assumptions. While those assumptions are generally reviewed every three years (with the assumptions from the last triennial experience study adopted by the Board of Administration for use starting with the June 30, 2023 valuations), there is a risk that emerging results may differ significantly as actual experience is fluid and will not completely track current assumptions.

It is important to note that this risk assessment is based on plan assets as of June 30, 2024. The System’s funded status does not reflect short-term fluctuations of the market, but rather is based on the market values on the last day of the Plan Year. While it is impossible to determine the market conditions and other demographic experience of the plan in future valuations, the single year investment return scenario test included within this report provides an illustration of the impact of short-term market fluctuations on the plan. Besides the stochastic projections included in this report, Segal is available to prepare other projections of selected potential outcome scenarios upon request.

The Health Plan has remained fully funded since June 30, 2023. Also, the projections provided in this report reveal a possibility that the Retirement Plan could become 100% funded in slightly over 15 years under the deterministic projections and slightly under 15 years under the stochastic projections (when the margin built into the 7% investment return assumptions is taken into consideration). As favorable investment and/or other actuarial experience might cause the Retirement Plan to become fully funded sooner, in order to aid in the preparation of such a strong funding state, we have included a discussion on **surplus management considerations** in this report so that the Board could begin to have discussions in the next few years on how to preserve its 100% funded status once it becomes fully funded. These considerations also have value for the ongoing management of the Health Plan.

## Actuarial standard of practice on risk assessment

The Actuarial Standards Board approved the Actuarial Standard of Practice No. 51 (ASOP 51) regarding risk assessment when performing a funding valuation and it was effective with LACERS’ June 30, 2019 actuarial valuation for benefits provided by the

## Section 1: Introduction and Executive Summary

Retirement Plan.<sup>1</sup> ASOP 51 requires actuaries to identify and assess risks that “may reasonably be anticipated to significantly affect the plan’s future financial condition.” Examples of key risks listed that are particularly relevant to LACERS are asset/liability mismatch risk, investment risk, and longevity and other demographic risks. ASOP 51 also requires an actuary to consider if there is any ongoing contribution risk to the plan; however, it does not require the actuary to evaluate the ability or willingness of contributing entities to make contributions when due, nor does it require the actuary to assess the likelihood or consequences of future changes in applicable law.

The actuary’s initial assessment can be strictly a qualitative discussion about potential adverse experience and the possible effect on future results, but it may also include quantitative numerical demonstrations where informative. The actuary is also encouraged to consider a recommendation as to whether a more detailed risk assessment would be significantly beneficial for the intended user to examine particular financial risks. When making that recommendation, the actuary will consider such factors as the plan’s design, risk profile, maturity, size, funded status, asset allocation, cash flow, possible insolvency and current market conditions. This report incorporates a more detailed risk assessment as agreed upon with LACERS.

### Plan risk assessment

In *Section 2*, we start by discussing some of the historical factors that have caused changes in LACERS’ funded status and employer contribution rates. It is important to understand how the combination of decisions and experience has led to the current financial status of the plan.

We follow this with a discussion of the most significant risk factors going forward. Based on our discussions with LACERS, we have provided a more detailed risk assessment that illustrates the impact on the funded status and employer contribution rates using relevant economic scenario tests. These tests illustrate the effect of future investment returns on the System’s portfolio coming in differently from the current 7.00% annual investment return assumption used in the June 30, 2024 valuations. We have also included a projection of future results based on stochastic modeling of future investment returns for 2024/2025 and thereafter. The stochastic modeling is useful for assessing the distribution of future results based on random variations in actual investment returns each year and introduces a relative likelihood to the range of potential outcomes.

ASOP 51 also requires disclosure of plan maturity measures and other historical information that are significant to understanding the risks associated with the Retirement and Health Plans and this information is included at the end of *Section 2*.

<sup>1</sup> ASOP 51 does not apply to actuaries performing services related to other post-employment benefits; however, as the same kind of information is useful for the administration of the Health Plan, after discussions with LACERS the System has requested Segal to include information on the Health Plan in this risk report.



## Section 1: Introduction and Executive Summary

### Executive summary

#### Historical funded status and employer contribution rates

The following table provides a summary of financial changes to the Retirement and Health Plans combined over the last 10 valuations. In the June 30, 2015 through June 30, 2024 valuations, the unfunded actuarial accrued liability (UAAL) increased primarily as a result of the strengthening of the actuarial assumptions used in preparing the valuations (\$1.5 billion net increase), partially offset by the favorable non-investment experience (\$0.5 billion net decrease) as well as favorable investment experience (\$0.3 billion net decrease). The contribution rates increased due to similar experience. More details on the impact of actuarial assumption changes on the UAAL and the total aggregate employer contribution rate can be found on pages 14-15 and 22-23, respectively.

Valuation Date	Funded Status Market Value Basis	UAAL Market Value Basis	Funded Status Actuarial Value Basis	UAAL Actuarial Value Basis	Total Aggregate Employer Contribution Rate (% of Payroll) <sup>1</sup>
June 30, 2015	71.9%	\$5.5 billion	70.7%	\$5.7 billion	27.62%
June 30, 2024	76.3%	\$7.1 billion	77.5%	\$6.8 billion	31.44%

#### Future funded status and employer contribution rates

In this report, we highlight key factors besides assumption changes that may affect the financial profile of the Plans going forward. As investment experience in the past 10 years has had a significant impact on the funded status and employer contribution rates, we have also provided deterministic projections (using select scenarios for illustration) under hypothetical favorable and unfavorable future market experience so that the impact of market performance can be better understood. We have also included stochastic projections to assess the projected distribution of future results along with introducing a relative likelihood to the range of those potential outcomes.

#### Deterministic projections

The total aggregate employer contribution rate for the Retirement and Health Plans is 31.44% of payroll in the June 30, 2024 valuations. Using a deterministic projection, this report shows the effect of unfavorable (0.00%), baseline (7.00%) or favorable (14.00%) hypothetical market returns for 2024/2025 on key valuation results. In particular, the projected changes in the total

<sup>1</sup> Assumes employer contributions received on July 15.

## Section 1: Introduction and Executive Summary

aggregate employer contribution rate (relative to the total aggregate employer contribution rate of 31.44% in the June 30, 2024 valuations) in the June 30, 2025 valuations and in the June 30, 2031 valuations (when all the investment gains or losses are fully recognized at the end of the seven-year asset smoothing period) are shown in the following table. These projections assume no further assumption changes or method changes, and no non-investment experience that differs significantly from the assumptions.

### Total Aggregate Employer Contribution Rate Change

Valuation Date	0.00% Return for 2024/2025	7.00% Return for 2024/2025	14.00% Return for 2024/2025
June 30, 2025 <sup>1</sup>	+1.1% of payroll	+0.4% of payroll	-0.2% of payroll
June 30, 2031	+8.5% of payroll	+2.7% of payroll	-2.9% of payroll

Under the unfavorable (0.00%), baseline (7.00%), and favorable (14.00%) hypothetical market return scenarios for 2024/2025, the Plans would be expected to reach full funding in 2042, 2041, and 2039, respectively.<sup>2</sup> The total aggregate employer contribution rate would be expected to range from 8.1% to 8.4% of payroll at the end of the 23-year projection period under the three scenarios modeled. That employer contribution rate reflects the employer normal cost, offset by the amortization of any surplus pursuant to the Board’s Actuarial Funding Policy when the Plans become fully funded. This shows that the Board’s funding policy is very effective in achieving the general policy goal of achieving the long-term full funding of the costs of the benefits paid by LACERS.

### Stochastic projections

The stochastic projection models market returns over the next 20 years by using expected return, standard deviation and other information specific to LACERS’ asset portfolio. For the stochastic modeling, we have used the breakdown of LACERS’ asset portfolio into the different asset classes that we used in developing the 7.00% expected investment return assumption we recommended to the Board for the June 30, 2023 valuations. However, instead of using the expected return from the 2022 capital market assumptions compiled by Horizon Actuarial Services based on their then most recent survey published in August 2022, we have used the 2024 capital market assumptions they published in August 2024. As we pointed out in our triennial experience study recommending the 7.00% investment return assumption, we anticipated increase in the likelihood of achieving the 7.00% investment return assumption when we switch to the 2023 and later capital market assumptions. (We also noted that the increase in the real

<sup>1</sup> Out of the 7% member rate paid by Tier 1 and Tier 1 Enhanced members towards the cost of the Retirement benefit, 1% of that rate will no longer be paid starting July 1, 2026 or until the ERIP Cost Obligation is fully paid, whichever comes first. Consistent with our June 30, 2024 valuation, which established the funding requirements for fiscal year 2025/2026, we have assumed that Tier 1 and Tier 1 Enhanced members will continue paying the 1% rate up until June 30, 2026. The contribution rate changes shown for valuation date June 30, 2025 for the employer include the sunseting of the 1% ERIP Cost Obligation for the Tier 1 and Tier 1 Enhanced members.

<sup>2</sup> The Plans are projected to reach full funding by 2042 when measured using the combined assets and liabilities of the Retirement and Health Plans. When measured separately, the Retirement Plan is projected to reach full funding in the June 30, 2042, June 30, 2042, and June 30, 2041 valuations under the unfavorable, baseline, and favorable scenarios, respectively, while the Health Plan has already reached full funding as of June 30, 2024.

## Section 1: Introduction and Executive Summary

rates of return provided by the investment consulting firms for 2023 versus 2022 might be “due to the very low returns earned in the 2021-2022 plan year, as well as the increase in the federal funds rate during 2022, and so should be used with caution in selecting a long-term investment return assumption.”) The stochastic projections in this report show there is a 50% chance that the employer contribution rates would be between 0%<sup>1</sup> and 44% of payroll at the end of 10 years (with a median rate of 24% of payroll) and between 0%<sup>1</sup> and 26% of payroll at the end of 20 years (with a median rate of 0% of payroll). Furthermore, there is a 43% chance LACERS would be fully funded at the end of 10 years and a 65% chance LACERS would be fully funded at the end of 20 years. The stochastic projections reflects the margin of better than 50% chance of achieving the 7% investment return assumptions in our future valuations. Note that these stochastic projections and the resulting probabilities of contribution rates assume no further surplus management policies are employed. However, as the Retirement Plan nears full funding, Segal would recommend using strategies to stabilize and strengthen the Plan that would likely affect these metrics.

### Plan maturity measures

During the past 10 valuations, the Plans have become more mature as evidenced by an increase in the ratio of members in pay status (retirees and beneficiaries) to active members (as shown in *Section 2, Chart 12a* and *Chart 12b* on pages 40 and 41) and by an increase in the ratios of plan assets and liabilities to active member payroll (as shown in *Section 2, Chart 13a* and *Chart 13b* on pages 42 and 43). While there were some reversals observed in the June 30, 2023 and 2024 valuations due to an increase in the number of actives (about a 3.8% increase between the 2022 and 2023 valuations and a 3.5% increase between the 2023 and 2024 valuations, for a total increase of 7.5%) and payroll (about an 11.2% increase between the 2022 and 2023 valuations and an 8.7% increase between the 2023 and 2024 valuations, for a total increase of 20.9%), we expect the trend of increased plan maturity to continue going forward. This is significant for understanding the volatility of both historical and future employer contribution rates because any increase in UAAL due to unfavorable investment and non-investment experience for the relatively larger group of non-active members would have to be amortized and funded over the payroll of the relatively smaller group of active members. Put another way, as a plan grows more mature, its contribution rate becomes more sensitive to investment volatility and liability changes. As the Plans continue to mature with time, their risk profile will continue to evolve in this way and contributions will grow more sensitive to plan experience.

<sup>1</sup> The 0% contribution rate would be attained when the actuarial surplus of the Plans, after it is amortized over 30 years, is sufficient to fully offset the normal cost.

# Section 2: Key Plan Risks

## Evaluation of historical trends

### Funded status and change in unfunded actuarial accrued liabilities

One common measure of LACERS' financial status is the funded ratio. This ratio compares the valuation and market value of assets to the actuarial accrued liabilities (AAL) of LACERS. After accounting for contributions made at the Actuarially Determined Contribution (ADC) amount, the overall funded ratio for LACERS on a valuation basis has increased for both the Retirement Plan and the Health Plan as a result of favorable investment and non-investment experience, offset to some degree by the strengthening of the actuarial assumptions. The UAAL and funded ratios are provided separately for the Retirement and Health Plans for the past 10 valuations from June 30, 2015 to June 30, 2024 measured using both valuation and market value of assets in *Chart 1a* and *Chart 1b*, respectively.

The factors that caused the changes in the UAAL in the past 10 valuations from June 30, 2015 to June 30, 2024 are specified separately for the Retirement and Health Plans, in *Chart 2a* and *Chart 2b*, respectively. The results in *Chart 2a* and *Chart 2b* show that the reductions in the investment return assumption in the June 30, 2017<sup>1</sup> and 2020 valuations, together with the changes in the mortality tables and other assumptions from the triennial experience studies recommending assumptions used in the June 30, 2018<sup>1</sup> and 2020 valuations, have had the most impact on the UAAL for LACERS. In particular, the assumption changes during the last ten valuations have had the following impact on the combined UAAL for the Retirement and Health Plans:

<sup>1</sup> The Board has a practice of reviewing the investment return and other actuarial assumptions at the same time in the triennial experience study. However, the full (economic and demographic) 2017 experience study was delayed one year to 2018 to allow more time for Segal to study and the Board to discuss and approve the assumptions, and a 2017 study of only the economic assumptions was completed as part of the June 30, 2017 valuations.

## Section 2: Key Plan Risks

### UAAL Impact from Assumption Changes *Retirement and Health Plans Combined*

Valuation Date	Total UAAL Change
June 30, 2017	\$461.9 million
June 30, 2018	\$593.6 million
June 30, 2020	\$626.6 million
June 30, 2023	\$(170.3) million
<b>Net Change</b>	<b>\$1,511.8 million</b>

For the Retirement Plan, *Chart 2a* shows unfavorable non-investment experience, which included higher than expected COLAs granted to retirees and beneficiaries, and higher than expected salary increases for continuing actives. For the Health Plan, *Chart 2b* shows favorable non-investment experience, which was mainly due to lower than expected premiums and medical subsidies. The non-investment experience for both plans also included the scheduled 12-month delay in implementing the contribution rates determined in the annual valuation.

Finally, *Charts 2a* and *2b* shows some “negative amortization” due to the initial 30-year amortization of the combined base established June 30, 2012. Current assumptions and amortization policy generally will not entail negative amortization in the future. For the Health Plan, there was some additional “negative amortization” in past years through the operation of the amortization policy. Reductions in UAAL from favorable premium renewal and other experience gains were amortized over 15 years while increases in UAAL from assumption changes were amortized over 20 years. However, as part of the June 30, 2022 valuation, LACERS aligned the amortization periods for the recent experience gains and had them amortized over the same 20-year period used to amortize the total pre-June 30, 2021 bases.

*Chart 2c* and *Chart 2d* display the aggregate change in unfunded liability by source over the last ten years. In particular, they show the continued effort made by LACERS in strengthening the actuarial assumptions. *Chart 2c* also shows the strength of the System’s adopted funding policy working to reduce the unfunded liability consistently each year.

It is important to note that LACERS has taken strides in risk management and resulting long-term plan sustainability. This includes strengthening of assumptions (particularly lowering the expected investment rate of return from 7.50% to 7.00% over the last ten years and adopting amount-weighted generational mortality for the Retirement Plan) and adopting a funding policy that eliminates negative amortization and promotes intergenerational equity. Assumptions will continue to be reviewed in future experience studies to reflect the Plans’ experience as well as future expectations. Those changes may result in higher contributions in the short term, but

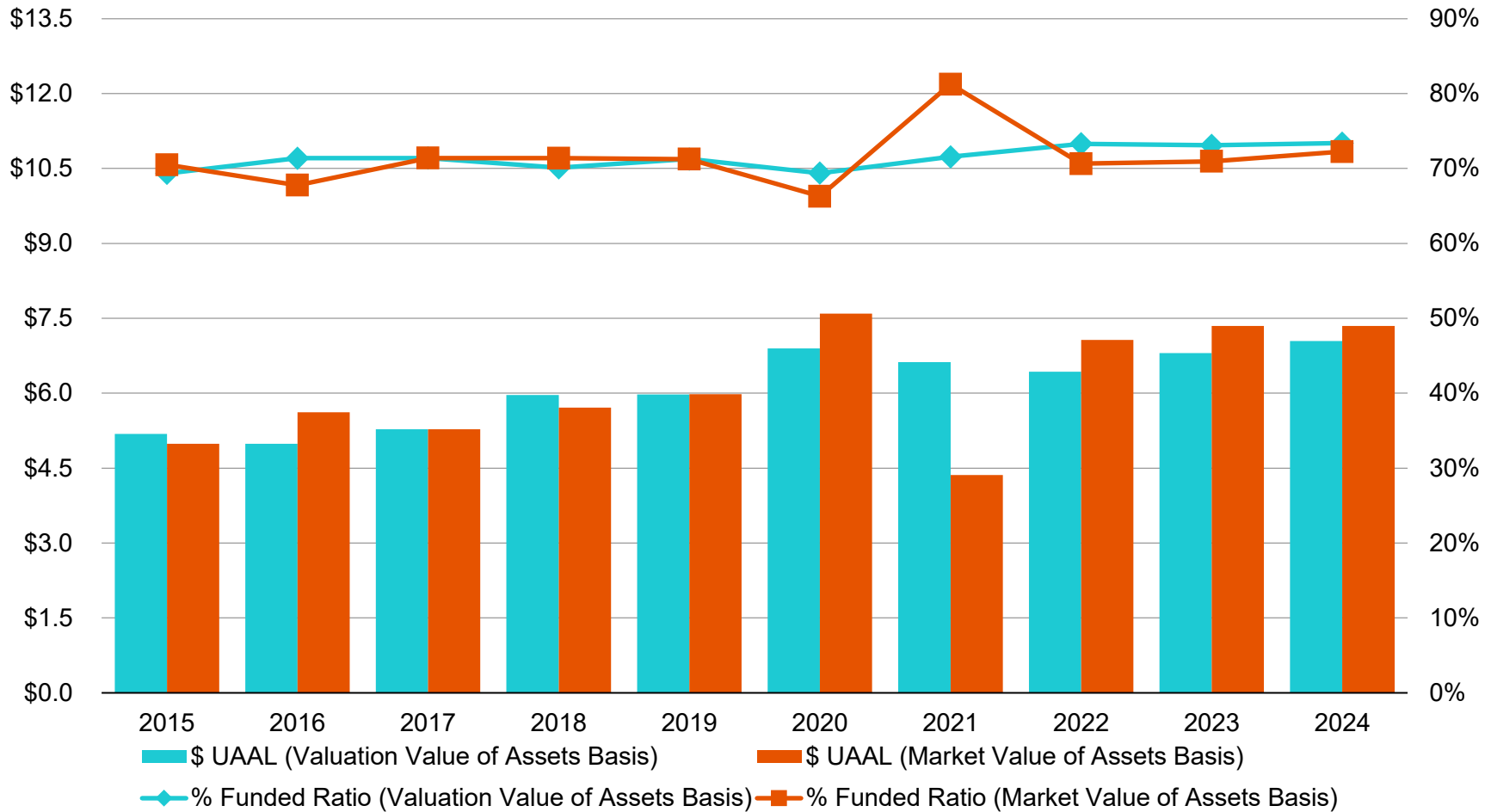
## Section 2: Key Plan Risks

in the medium to longer term **avoid** both deferring contributions and allowing unmanaged growth in the UAAL. We believe these actions are essential for LACERS' fiscal health going forward.

## Section 2: Key Plan Risks

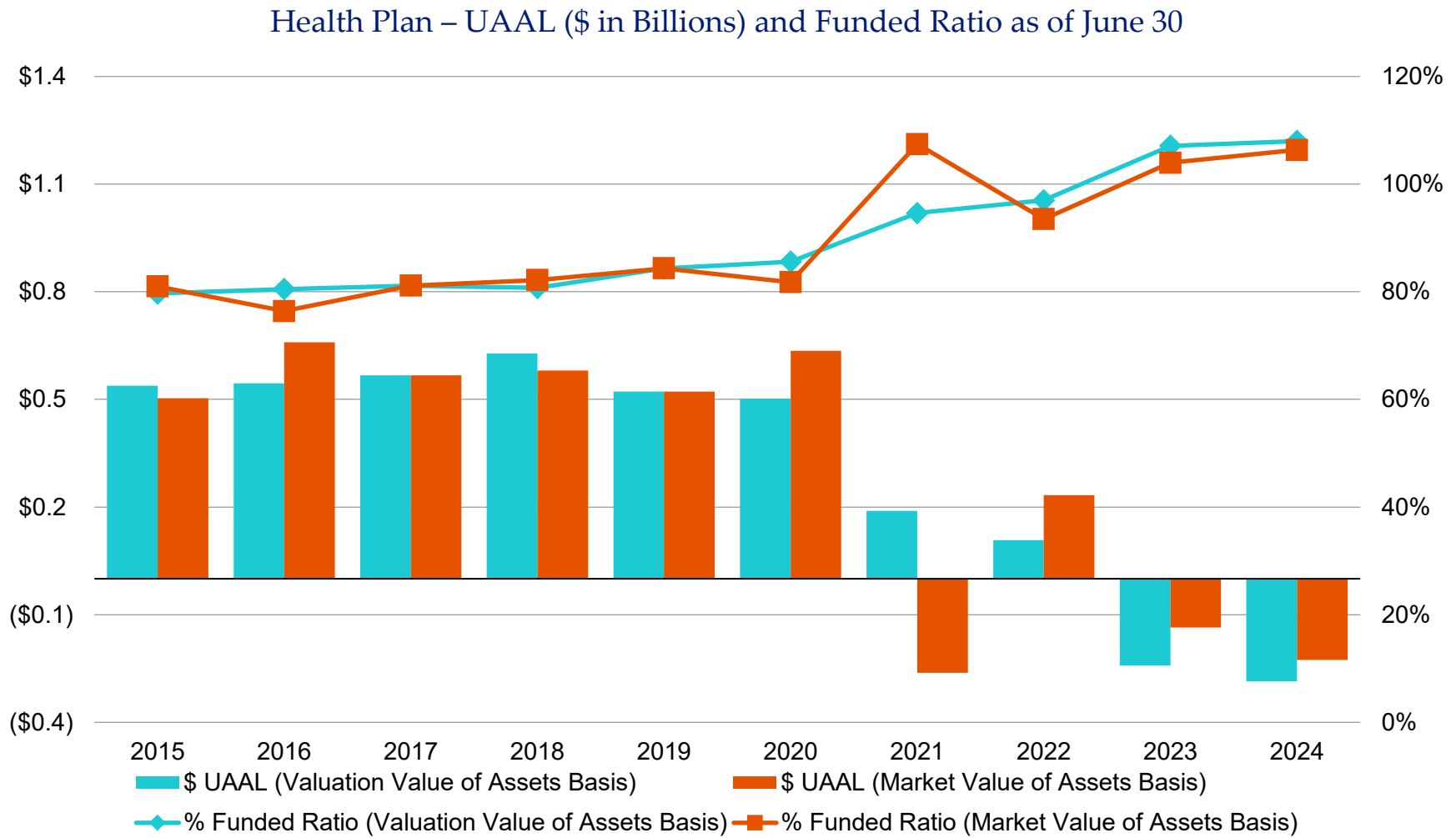
Chart 1a

Retirement Plan – UAAL (\$ in Billions) and Funded Ratio as of June 30



## Section 2: Key Plan Risks

Chart 1b

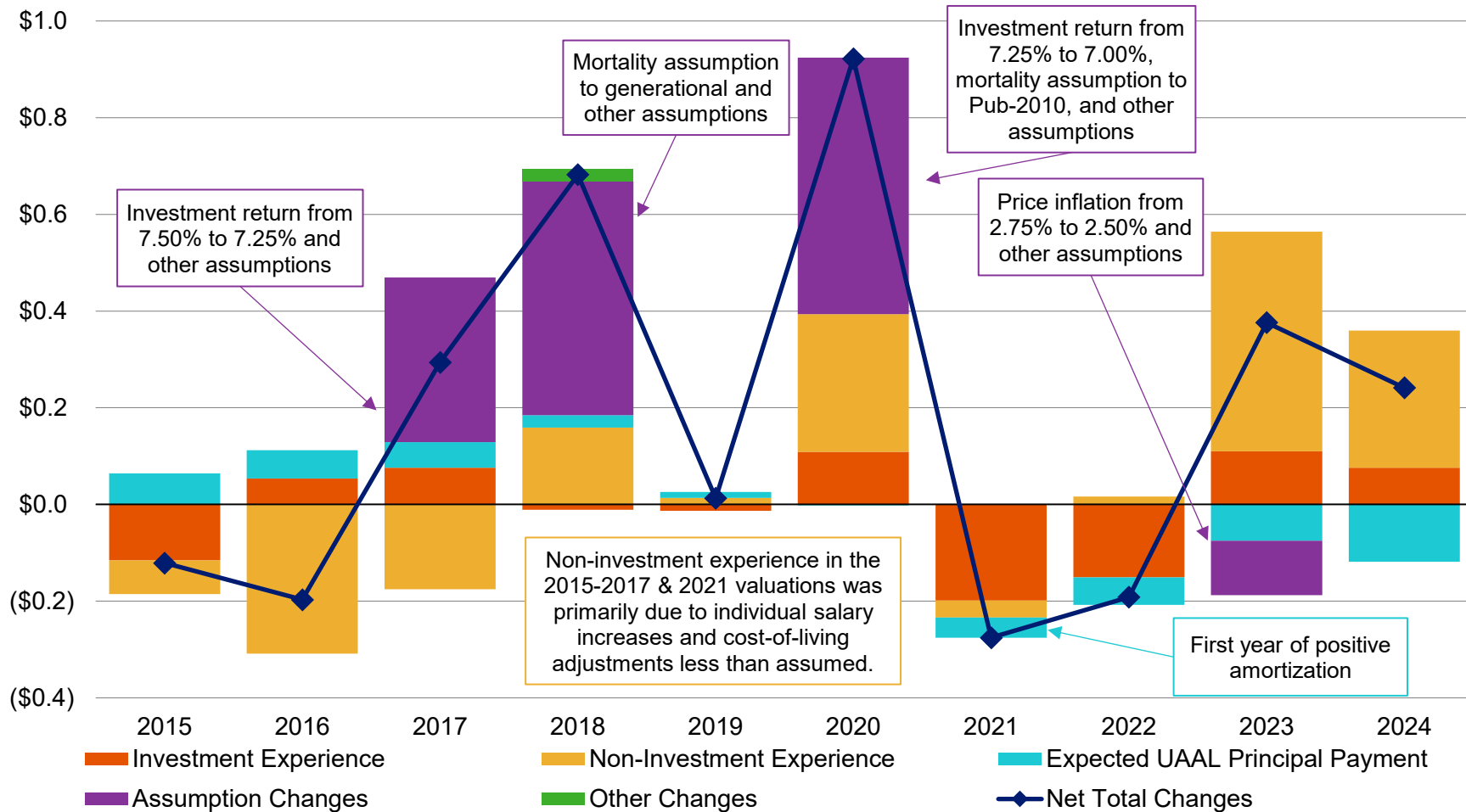




## Section 2: Key Plan Risks

Chart 2a

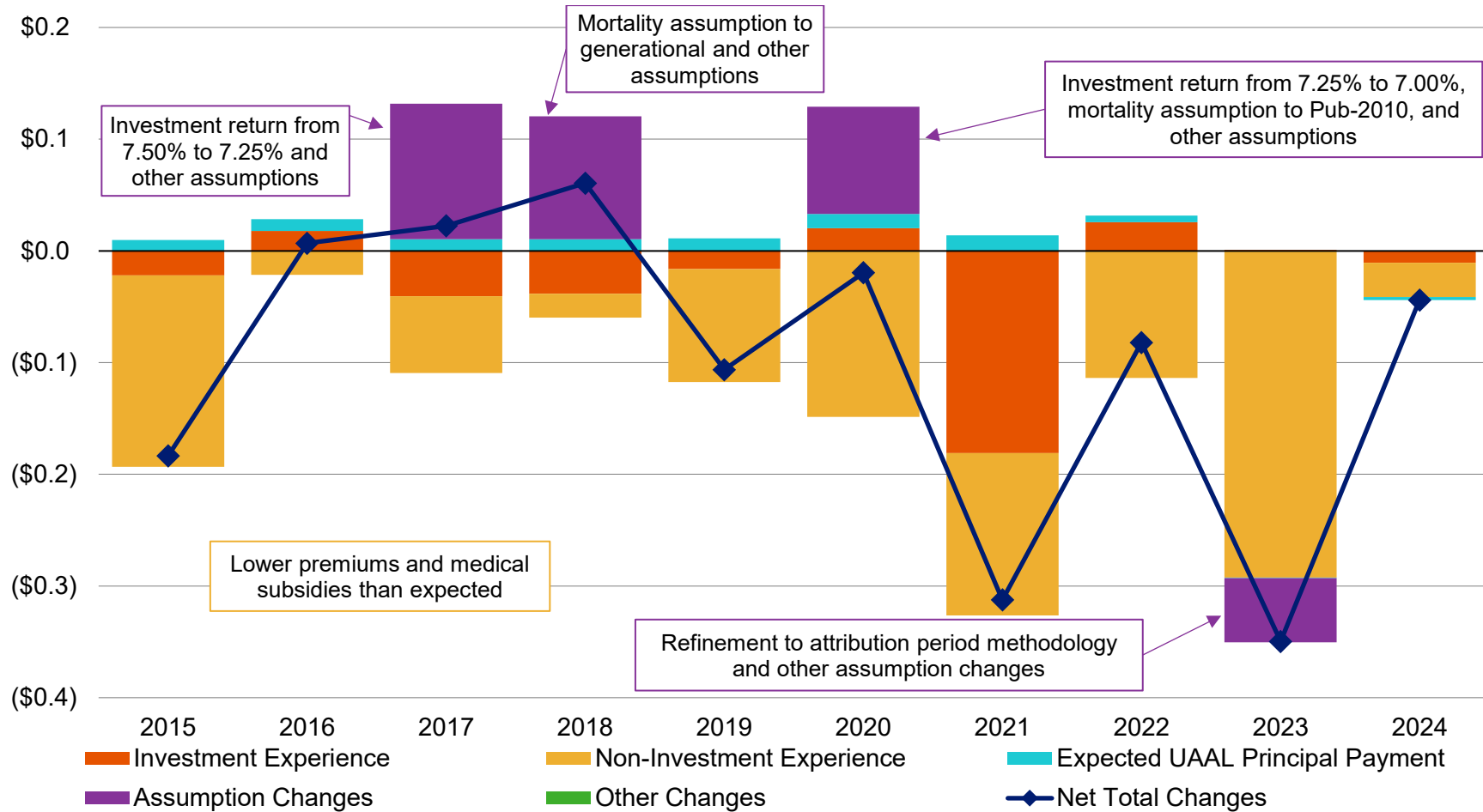
Retirement Plan – Factors that Changed UAAL for Year Ended June 30  
(\$ in Billions)



## Section 2: Key Plan Risks

Chart 2b

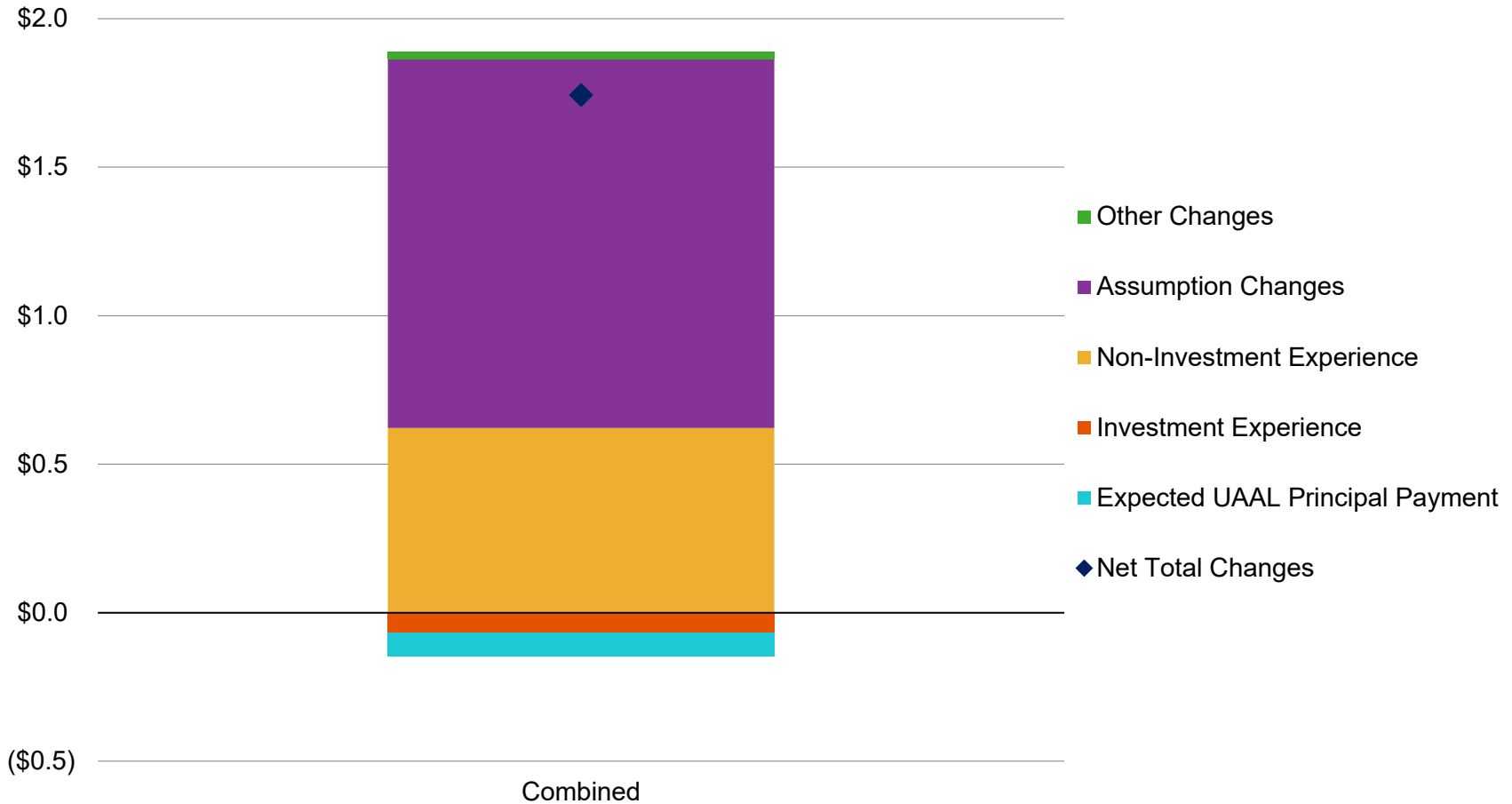
Health Plan – Factors that Changed UAAL for Year Ended June 30  
(\$ in Billions)



## Section 2: Key Plan Risks

Chart 2c

Retirement Plan – Combined Factors that Changed UAAL in the June 30, 2015 to 2024 Valuations  
(\$ in Billions)

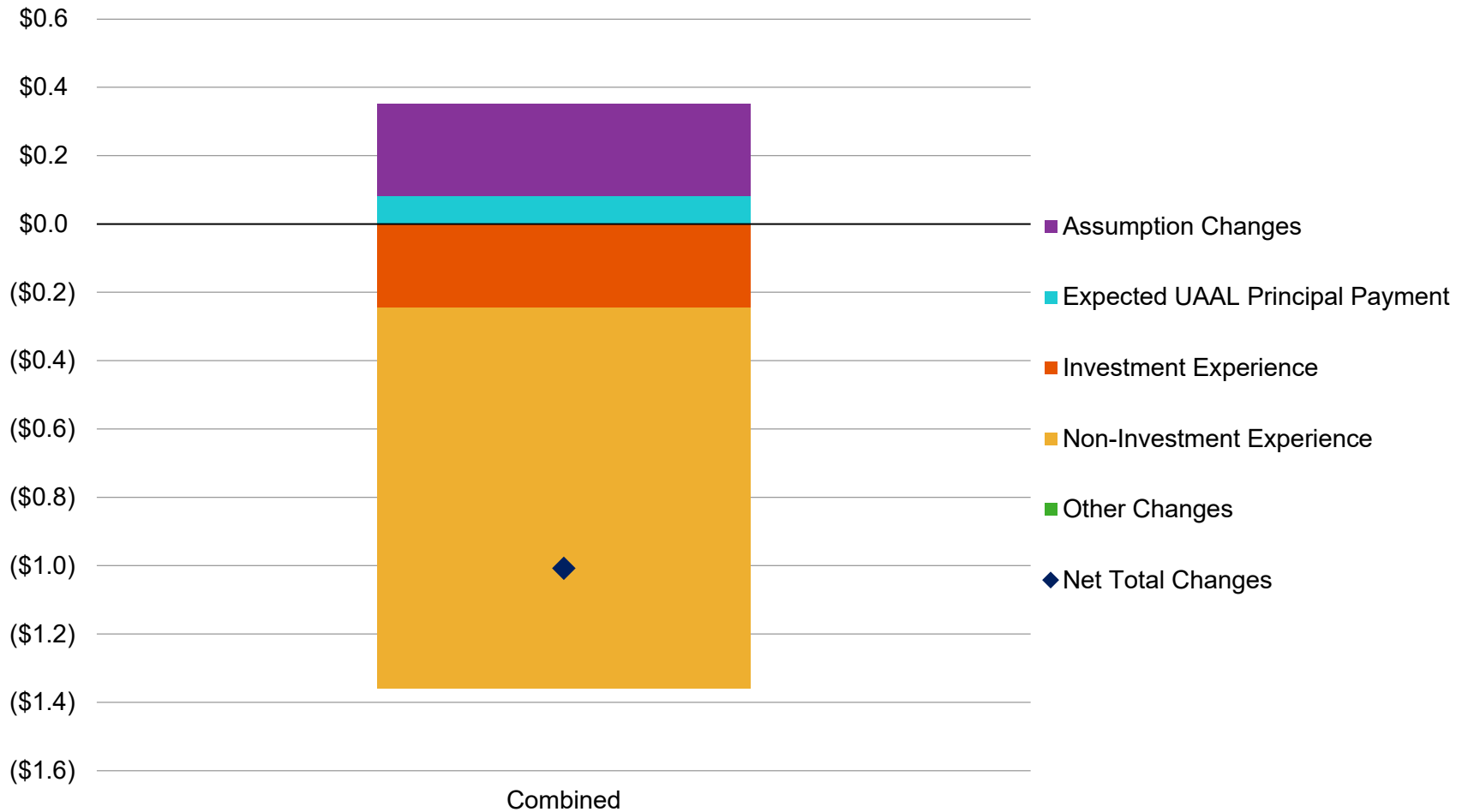


**Note:** This summation of UAAL changes by source does not account for the timing of when they occurred nor any resulting compounding effects. Also, the investment experience shown is investment returns after asset smoothing compared to the expected returns.

## Section 2: Key Plan Risks

Chart 2d

Health Plan – Combined Factors that Changed UAAL in the June 30, 2015 to 2024 Valuations  
(\$ in Billions)



**Note:** This summation of UAAL changes by source does not account for the timing of when they occurred nor any resulting compounding effects. Also, the investment experience shown is investment returns after asset smoothing compared to the expected returns.

## Section 2: Key Plan Risks

### Employer contribution rates

The total (normal cost plus UAAL payment) employer contribution rates<sup>1</sup> determined in the June 30, 2015 to June 30, 2024 valuations for the Retirement and Health Plans are provided in *Chart 3a* and *Chart 3b*, respectively. These charts show that the employer normal cost rates for the Retirement and Health Plans have stayed relatively flat since the June 30, 2015 valuation. For the Retirement Plan, the UAAL rate generally increased between the June 30, 2015 and the June 30, 2024 valuations primarily due to changes in actuarial assumptions. While there have also been increases in the normal cost rates due to the changes in actuarial assumptions, those increases were offset to some degree by the plan changes – with the introduction of Tier 3 – as new members have been enrolled in the lower cost benefit tier since February 21, 2016. Furthermore, beginning with the June 30, 2012 valuation, an additional employee contribution (either 2% or 4%, becoming 4% for all affected employees effective January 1, 2013) was implemented by the City for certain bargaining groups and for all non-represented employees.<sup>2</sup> For the Health Plan, the UAAL rate generally decreased between the June 30, 2015 and the June 30, 2024 valuations and has been negative since June 30, 2023 as that Plan has become fully funded starting with that valuation. The primary sources of the decrease include health related assumption changes and other actuarial experience (primarily favorable premium and subsidy changes).

The factors that caused the changes in the total employer contribution rates for the Retirement and Health Plans are provided in *Chart 4a* and *Chart 4b*, respectively.

For the Retirement Plan, *Chart 4a* shows that the changes in the expected investment return, mortality tables and other assumptions have had the most impact on increasing the UAAL contribution rates for the City. Favorable investment experience has partially offset the contribution rate increases during 2015 to 2024.

For the Health Plan, *Chart 4b* shows that the non-investment experience (primarily medical premiums and subsidies lower than projected, but which also includes the impact of the annual review and adjustment of the medical trend assumptions) has had the most impact on decreasing the employer contribution rates for the Plan, offset somewhat by changes in the expected investment return, mortality tables and other actuarial assumptions. There is also a rate reduction in each of the June 30, 2023 and 2024 valuations due to the amortization of the surplus over 30 years.

<sup>1</sup> There are separate contribution rates determined in the valuation for each tier. The aggregate contribution rates shown herein have been calculated based on an average of those rates weighted by the payrolls of the active members reported in those valuations.

<sup>2</sup> As of the June 30, 2012 valuation, roughly 95% of active members were required to pay an additional member contribution rate. By the June 30, 2020 valuation, all active members were paying an additional member contribution rate (which was increased to 4.5% for less than 1% of active members).

## Section 2: Key Plan Risks

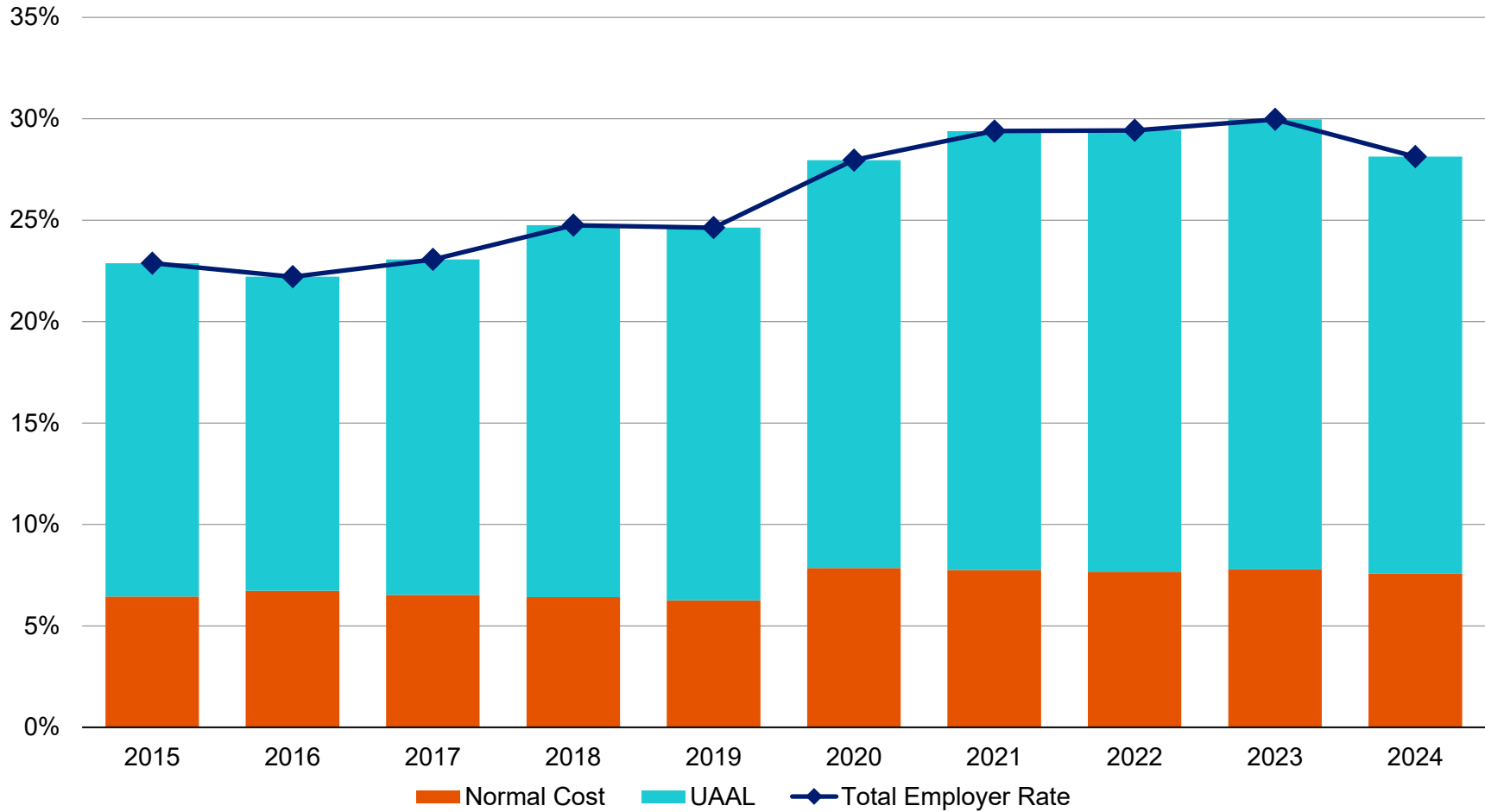
### Employer Contribution Rate Impact from Assumption Changes *Retirement and Health Plans Combined*

<b>Valuation Date</b>	<b>Total Aggregate Employer Contribution Rate Change</b>
June 30, 2017	2.0% of payroll
June 30, 2019	2.1% of payroll
June 30, 2020	3.9% of payroll
June 30, 2023	0.7% of payroll
<b>Net Change</b>	<b>8.7% of payroll</b>

## Section 2: Key Plan Risks

Chart 3a

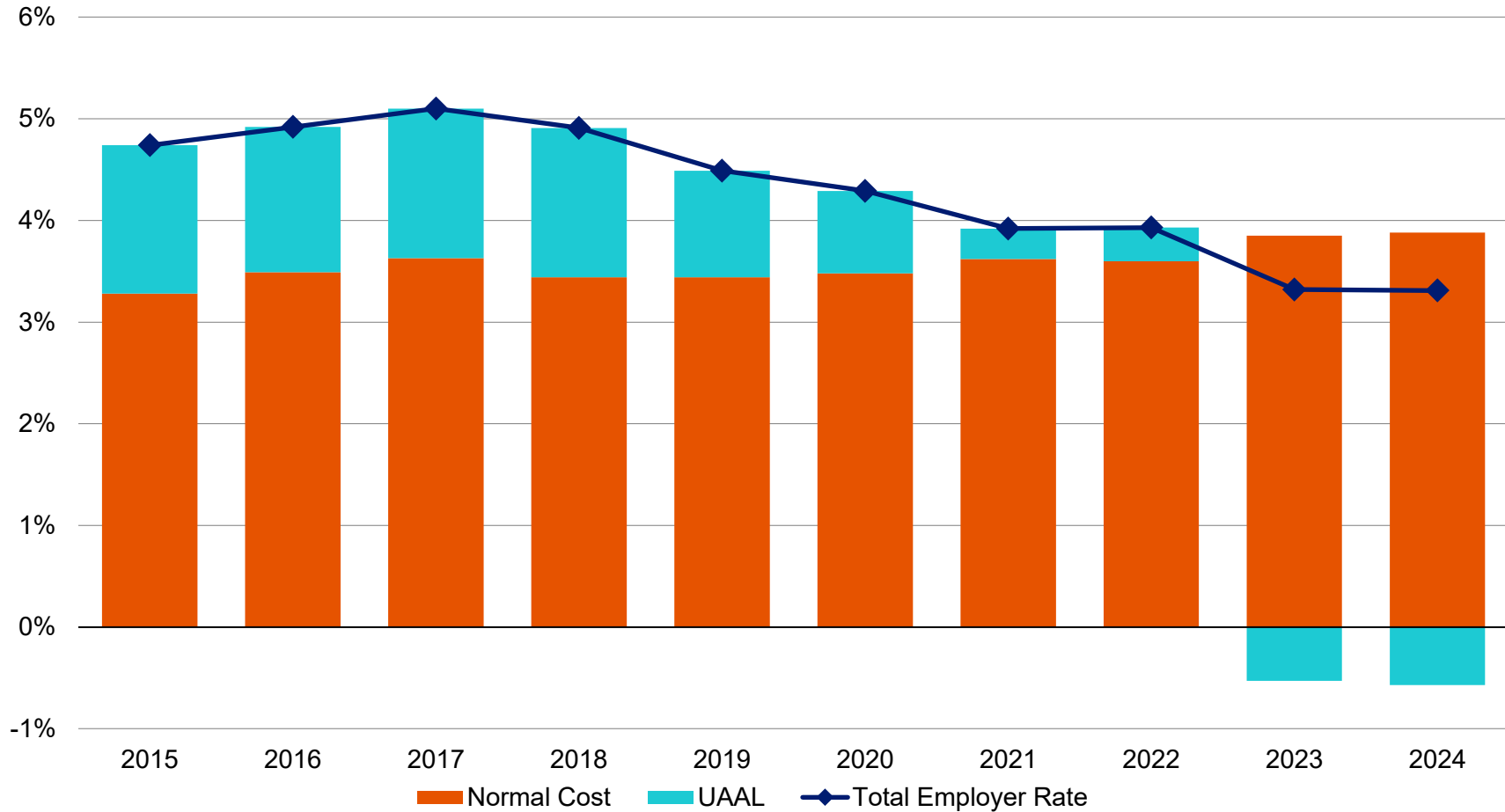
Retirement Plan – Employer Contribution Rates Calculated as of June 30  
 (% of Payroll – Contributions Received on July 15)



## Section 2: Key Plan Risks

Chart 3b

Health Plan – Employer Contribution Rates Calculated as of June 30  
 (% of Payroll – Contributions Received on July 15)

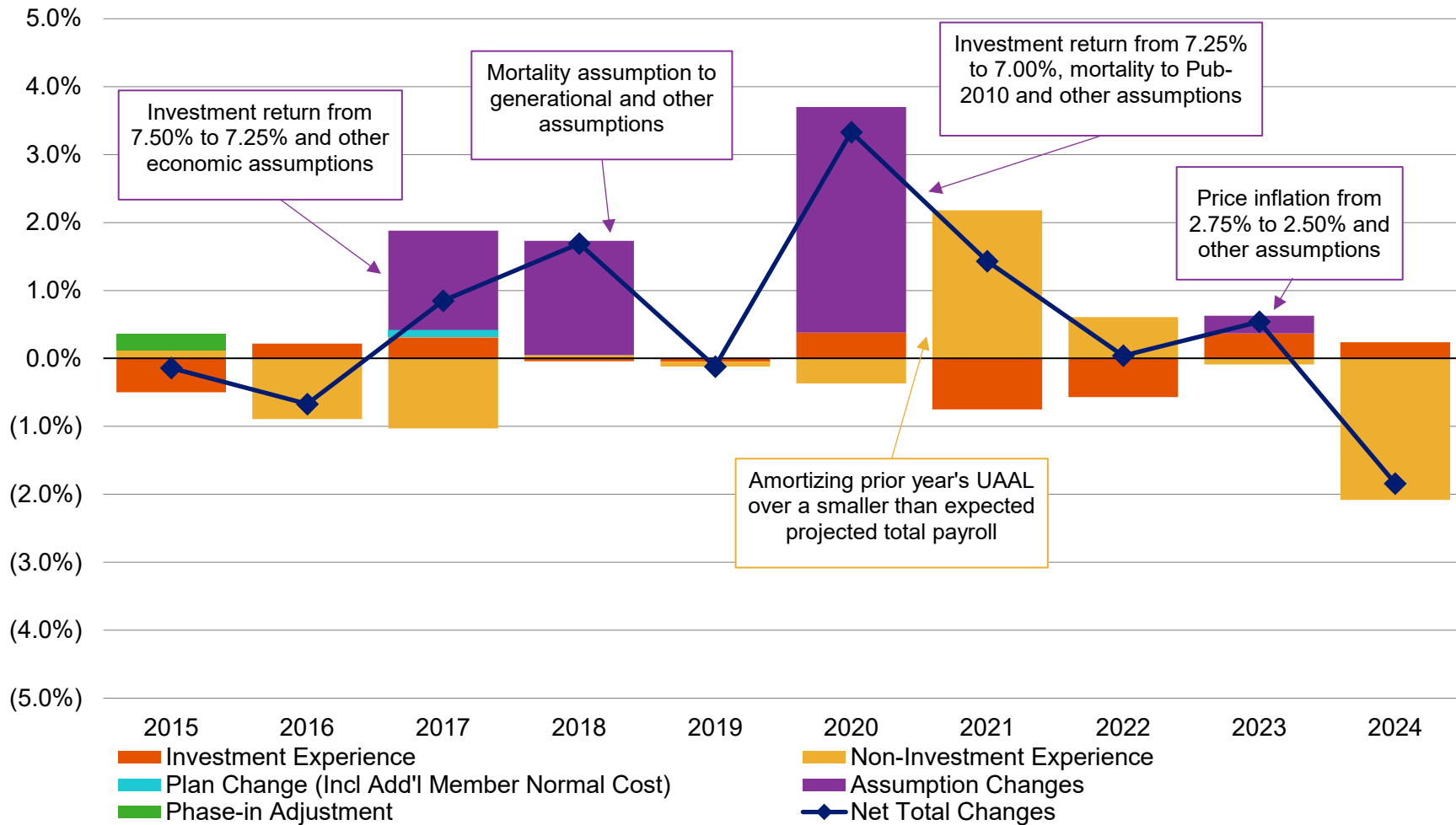




## Section 2: Key Plan Risks

Chart 4a

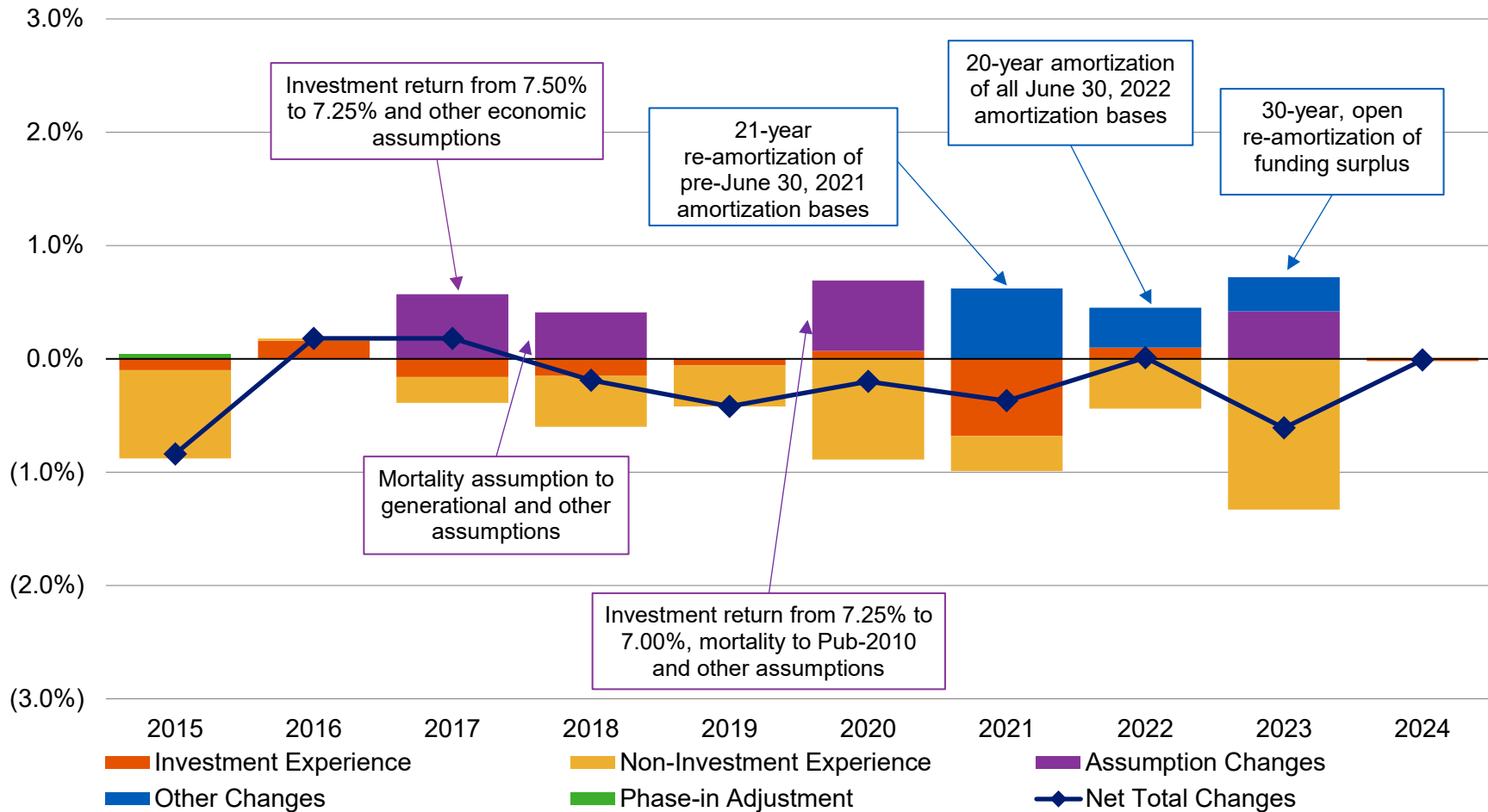
Retirement Plan – Factors that Affected Employer Contribution Rates Calculated as of June 30  
 (% of Payroll – Contributions Received on July 15)



## Section 2: Key Plan Risks

Chart 4b

Health Plan – Factors that Affected Employer Contribution Rates Calculated as of June 30  
 (% of Payroll – Contributions Received on July 15)



## Section 2: Key Plan Risks

### Assessment of primary risk factors going forward

As discussed under the evaluation of historical trends section, the funded ratios and employer contribution rates have changed mainly due to changes in actuarial assumptions, investment experience, and non-investment experience in the last ten valuations.

In general, we anticipate the following risk factors to have an ongoing influence on those metrics in our future valuations:

- **Asset/liability mismatch risk** – the potential that future plan experience does not affect asset and liability values in the same way, causing them to diverge.

The most significant asset/liability mismatch risk to LACERS is investment risk, as defined below. In fact, investment risk has the potential to impact asset/liability mismatch in two ways. The first mismatch is evident in annual valuations; when asset values deviate from assumptions, those changes are typically independent from liability changes. The second mismatch can be caused when systemic asset deviations from assumptions may signal the need for an assumption change, which causes liability values and contribution rates to move in the opposite direction from any change in the expected experience of asset growth rates.

Asset/liability mismatch can also be caused by longevity and other demographic assumption risks, which affect liabilities but have no impact on asset levels. These risks are also discussed below.

It may be informative to use the asset volatility and liability volatility ratios and associated contribution rate impacts provided in the following plan maturity measures section when discussing with the City the effect of unfavorable or favorable actuarial experience on the assets and the liabilities of LACERS.

- **Investment risk** – the potential that future market returns will be different from the current expected 7.00% annual return assumption.

The investment return assumption is a long-term, deterministic assumption for valuation purposes even though in reality market experience can be quite volatile in any given year. We have included deterministic scenario tests later in this section so that LACERS can better understand the risk associated with earning either more or less than the assumed rate.

The Board has a policy of reviewing the investment return and the other actuarial assumptions generally every three years, with the next triennial experience study (recommending assumptions for the June 30, 2026 actuarial valuations) scheduled to be performed in 2026.

- **Longevity and other demographic risks** – the potential that mortality or other demographic experience will be different than expected.

For the Retirement Plan, the move to using generational amount-weighted mortality tables that reflect data from public sector retirement plans was made in the 2019 mortality experience study for use in the June 30, 2019 valuations. (For the Health Plan, we are using generational, headcount-weighted mortality tables.) As can be observed from *Chart 2a*, *Chart 2b*, *Chart 4a*, and *Chart*

## Section 2: Key Plan Risks

4b, for the Retirement and Health Plans combined there has been favorable impact on the UAAL and employer contribution rates due to non-investment related experience relative to the assumptions used in the last 10 valuations. Future mortality risks should be further mitigated by the updated tables.

- **Contribution risk** – the potential that actual future contributions will be different from expected future contributions.

ASOP 51 does not require the actuary to evaluate the ability or willingness of the plan sponsor or other contributing entity to make contributions to the plan when due. However, it does require the actuary to consider the potential for actual contributions deviating from expected in the future. The City has a well-established practice of making the ADC determined in the annual actuarial valuations, based on the Board of Administration's Actuarial Funding Policy. As a result, in practice LACERS has essentially no contribution risk.

Furthermore, when ADCs determined in accordance with the LACERS Actuarial Funding Policy are made in the future by the City (and contributions required by the Administrative Code are made by the employees), it is anticipated that the System would have enough assets to provide all future benefits promised to the current members enrolled in the System, if all of the actuarial assumptions used in the valuation are met.

ASOP 51 also lists interest rate risk as an example of a potential risk to consider. However, the valuations of the Plans' liabilities are not linked directly to market interest rates, so the resulting interest rate risk exposure is minimal.

### Scenario tests

Since the funded ratio, UAAL and the employer contribution rates have fluctuated as a result of deviations in investment experience in the last 10 valuations, in this section we have examined this risk for LACERS using projections under a deterministic and stochastic approach.

### Deterministic projections

To measure such risk, we have included scenario tests to study the change in the UAAL and employer contribution rates if LACERS were to earn a market return higher or lower than the assumed rate of 7.00% in the fiscal year following the June 30, 2024 valuations. In *Chart 5*, *Chart 6* and *Chart 7*, we show the total aggregate employer contribution rates, funded ratios, and UAAL, respectively, for the Plans (i.e., Retirement and Health Plans combined), assuming the System's portfolio market return in 2024/2025 will be as follows:

## Section 2: Key Plan Risks

- Scenario 1: 0.00% market return for 2024/2025
- Scenario 2: 7.00% market return for 2024/2025 (baseline)
- Scenario 3: 14.00% market return for 2024/2025

All other assumptions used in the projections can be found in *Appendix A*, including the assumption that the System will earn the assumed 7.00% market return per year beginning July 1, 2025 under all three scenarios.

Detailed employer contribution rates, funded ratios and UAAL have been developed for the City for each of the Retirement and Health Plans and in total under each of the three Scenarios. Those results are shown over a twenty-three-year period<sup>1</sup> and can be found in *Appendix B* of this report. This information is similar to what we understand has been provided to the City in the past to assist the City in their budgeting process.

The following table summarizes the projected total aggregate employer contribution rate changes for the Plans, relative to the total aggregate employer contribution rate of 31.44% in the June 30, 2024 valuations, in the next valuations (i.e., June 30, 2025) as well as in the June 30, 2031 valuations when all of the investment gains and losses are fully recognized in the (smoothed) actuarial value of assets. These results assume no further assumption changes, method changes or experience that differs significantly from the assumptions.

### Total Aggregate Employer Contribution Rate Change

Valuation Date	0.00% Return for 2024/2025	7.00% Return for 2024/2025	14.00% Return for 2024/2025
June 30, 2025 <sup>2</sup>	+1.1% of payroll	+0.4% of payroll	-0.2% of payroll
June 30, 2031 <sup>1</sup>	+8.5% of payroll	+2.7% of payroll	-2.9% of payroll

Under the unfavorable (0.00%), baseline (7.00%), and favorable (14.00%) hypothetical market return scenarios for 2024/2025, the Plans would be expected to reach full funding in in 2042, 2041, and 2039, respectively.<sup>3</sup> The total aggregate employer contribution

<sup>1</sup> Generally speaking, under LACERS' seven-year asset smoothing period and 15-year amortization policy for gains/losses, it would take 23 years before any investment gains/losses are fully amortized in the valuations.

<sup>2</sup> The contribution rate changes shown for valuation date June 30, 2025 for the employer include the sunseting of the 1% ERIP Cost Obligation for the Tier 1 and Tier 1 Enhanced members.

<sup>3</sup> The Plans are projected to reach full funding by 2042 when measured using the combined assets and liabilities of the Retirement and Health Plans. When measured separately, the Retirement Plan is projected to reach full funding in the June 30, 2042, June 30, 2042, and June 30, 2041 valuations under the unfavorable, baseline, and favorable scenarios, respectively, while the Health Plan has already reached full funding as of June 30, 2024.

## Section 2: Key Plan Risks

rate would be expected to range from 8.1% to 8.4% of payroll at the end of the 23-year projection period under the three scenarios modeled. That employer contribution rate reflects the employer normal cost, offset by the amortization of any surplus pursuant to the Board's Actuarial Funding Policy when the Plans become fully funded. This shows that the Board's funding policy is very effective in achieving the general policy goal of achieving the long-term full funding of the costs of the benefits paid by LACERS.

While we have not assigned a probability on the 2024/2025 market return coming in at these rates, the Board and other stakeholders monitoring LACERS can use these results to interpolate in order to estimate the funded status and employer contribution rates for the June 30, 2025 and next several valuations as the actual investment experience for the 2024/2025 year becomes available. Additionally, comparable experience in upcoming future years is likely to have a similar impact on the System absent any significant plan or assumption changes.

### Surplus management considerations

Under the deterministic projections discussed in the previous subsection and as shown in Appendix B, the Retirement Plan is expected to become 100% funded in slightly over 15 years under both the baseline and favorable return scenarios, which would put the Retirement Plan "in surplus." It is important to keep in mind that in an actuarial funding context, surplus differs from the common dictionary definition of "an amount left over after all requirements are met" and instead means that a plan is at or ahead of its funding schedule at a specific measured point in time. In other words, surplus indicates that current assets are sufficient to currently cover all costs associated with members' past service.

The Government Finance Officers Association (GFOA) recommends that every public plan's funding policy include a specific section on surplus, described as a "surplus management policy."<sup>1</sup> This surplus management policy would be "a proactive policy that helps guide the system in the prudent management of potential surplus, including considerations for items such as contribution levels, risk reduction opportunities, stabilization reserves and benefit levels." LACERS' funding policy does anticipate the possibility of surplus and requires any surplus to be amortized over a rolling 30-year period, which is considered an industry model practice.<sup>2</sup> In addition to the amortization of surplus, the following considerations are recommended by the GFOA:

<sup>1</sup> See GFOA's Best Practice on "Core Elements of a Funding Policy for Governmental Pension and OPEB Plans"

<sup>2</sup> See the Conference of Consulting Actuaries' white paper on "Actuarial Funding Policies and Practices for Public Pension Plans."

## Section 2: Key Plan Risks

- Consider current actuarial assumptions and the level of risk inherent in those assumptions.
- Evaluate possible risk reduction strategies, including the risk-reward tradeoff in the current asset portfolio, along with the plan's current funding policies.
- Consider how to mitigate contribution rate volatility in surplus, including buffers above 100% funded before amortizing surplus as a credit, and mechanisms such as smoothing in contribution rate reductions related to surplus.
- Work with the employer to ensure an understanding of what surplus is (and is not) and establish clear guard rails around acceptable conditions for possible benefit enhancements, especially permanent ones.

Generally, Segal agrees that reaching 100% funded is an ideal opportunity to consider contribution volatility mitigation and other risk mitigation strategies and is available to work with the Board on any surplus management considerations that may be desired. And while the Health Plan is already in surplus, there could be additional considerations for how to stabilize and maintain that position through similar surplus management considerations.

We understand according to our reading of the Financial Policies for the City of Los Angeles that “during those fiscal years when LACERS is over-funded (greater than 100% funded) and therefore the total annual required contribution, as adopted by the Board, is less than the amount required to fund the normal cost of retirement and health benefits for employees, the City will limit the extent to which it will recognize these savings (negative unfunded actuarial accrued liability) in the budget. Specifically, the amount budgeted for retirement and health contributions will be no less than the amount derived by reducing the normal cost contribution rate to 90 percent. An adopted contribution rate that would allow the City to contribute an amount less than 90 percent of the normal cost shall trigger this provision that prohibits the City from using these savings to fund the City's ongoing service and program costs. Any savings or reduction in funding calculated due to the incremental contribution rate below the 90 percent threshold will only be budgeted to pay down unfunded pension or healthcare costs for retirees or, in the event that all such costs are fully funded, as an appropriation to the Budget Stabilization Fund.

This policy would only be triggered when the system has a total negative unfunded actuarial accrued liability (UAAL) that would cause the actual contribution rate to be below the 90 percent threshold of the normal cost amount. When the total UAAL is positive, the City will continue to fully fund both the normal cost and UAAL as required by the City Charter.”

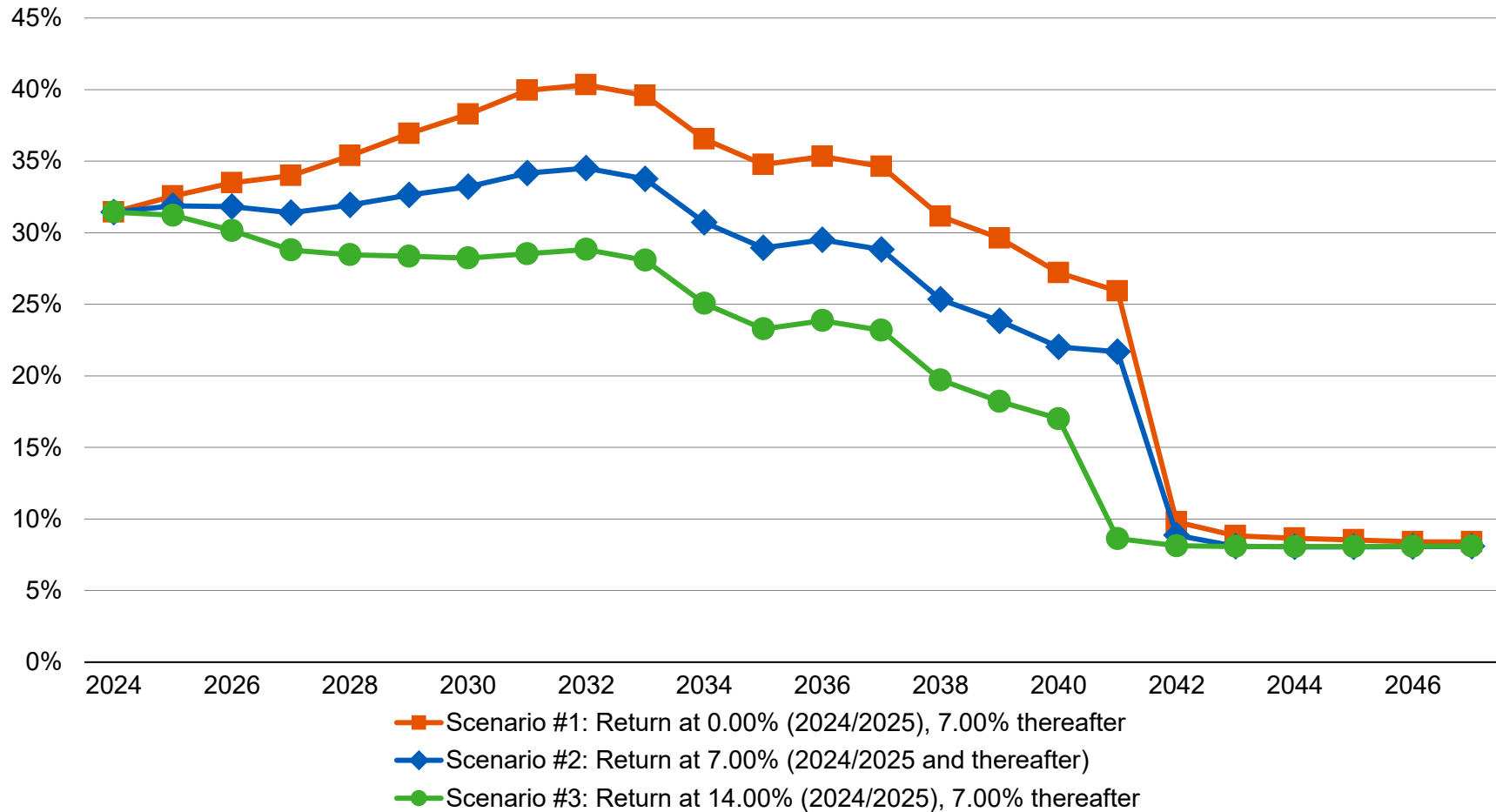
As favorable investment and/or other actuarial experience might cause the Retirement Plan to become fully funded sooner, the Board could begin to have discussions in the next few years on how to preserve its 100% funded status once it becomes fully funded. Such discussion might also include discussion on how some non-level UAAL contribution rates that we expect in the next five to ten years (due to the pattern of recognition of the various layers of UAAL payments) could be addressed.

## Section 2: Key Plan Risks

Chart 5

### Retirement and Health Plans (Total Plan)

Projected Employer Contribution Rates Under Hypothetical Market Return Scenarios for 2024/2025  
(% of Payroll – Contributions Received on July 15)



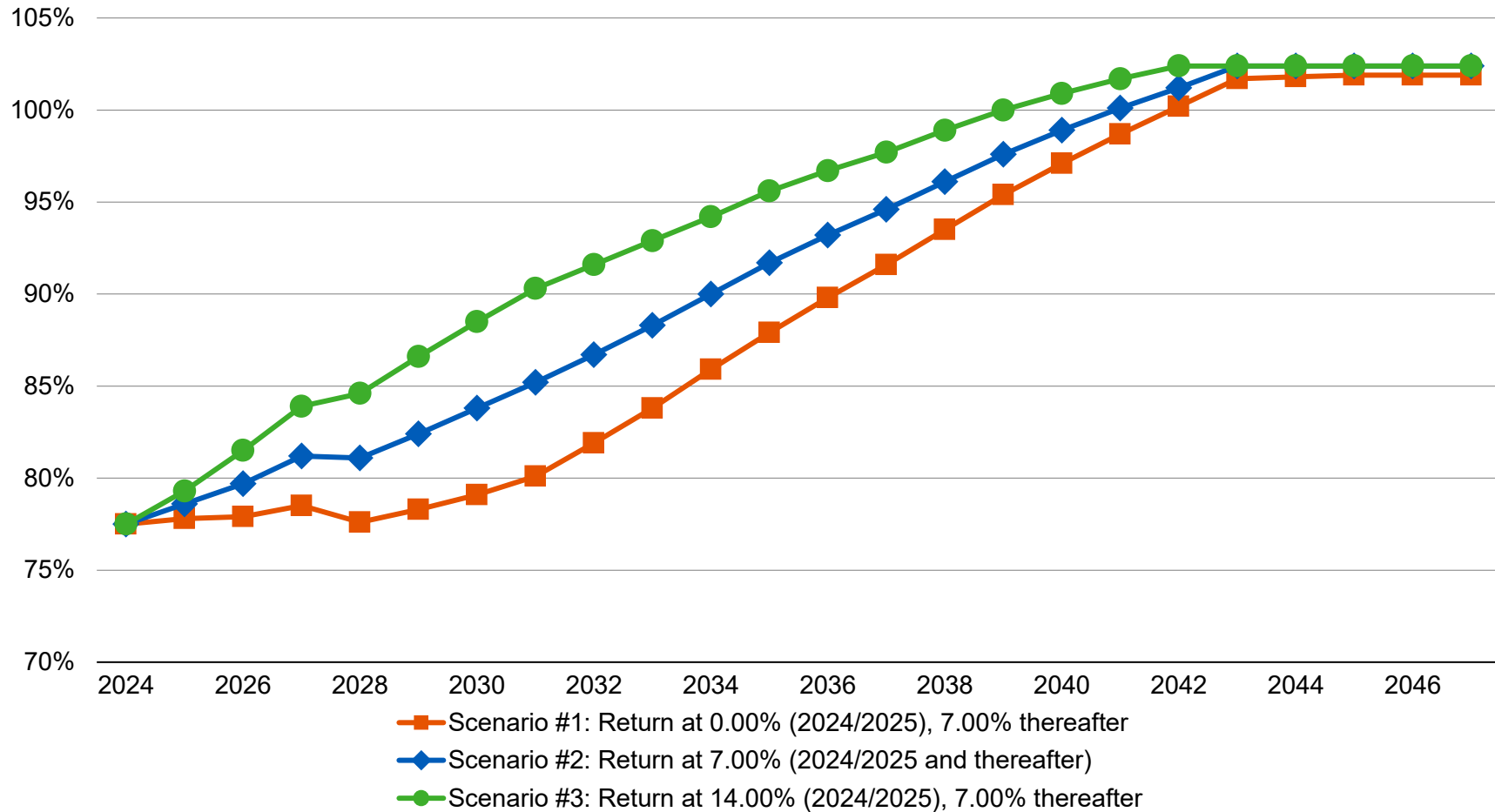


## Section 2: Key Plan Risks

Chart 6

### Retirement and Health Plans (Total Plan)

Projected Funded Ratios Under Hypothetical Market Return Scenarios for 2024/2025  
(Valuation Value of Assets Basis)

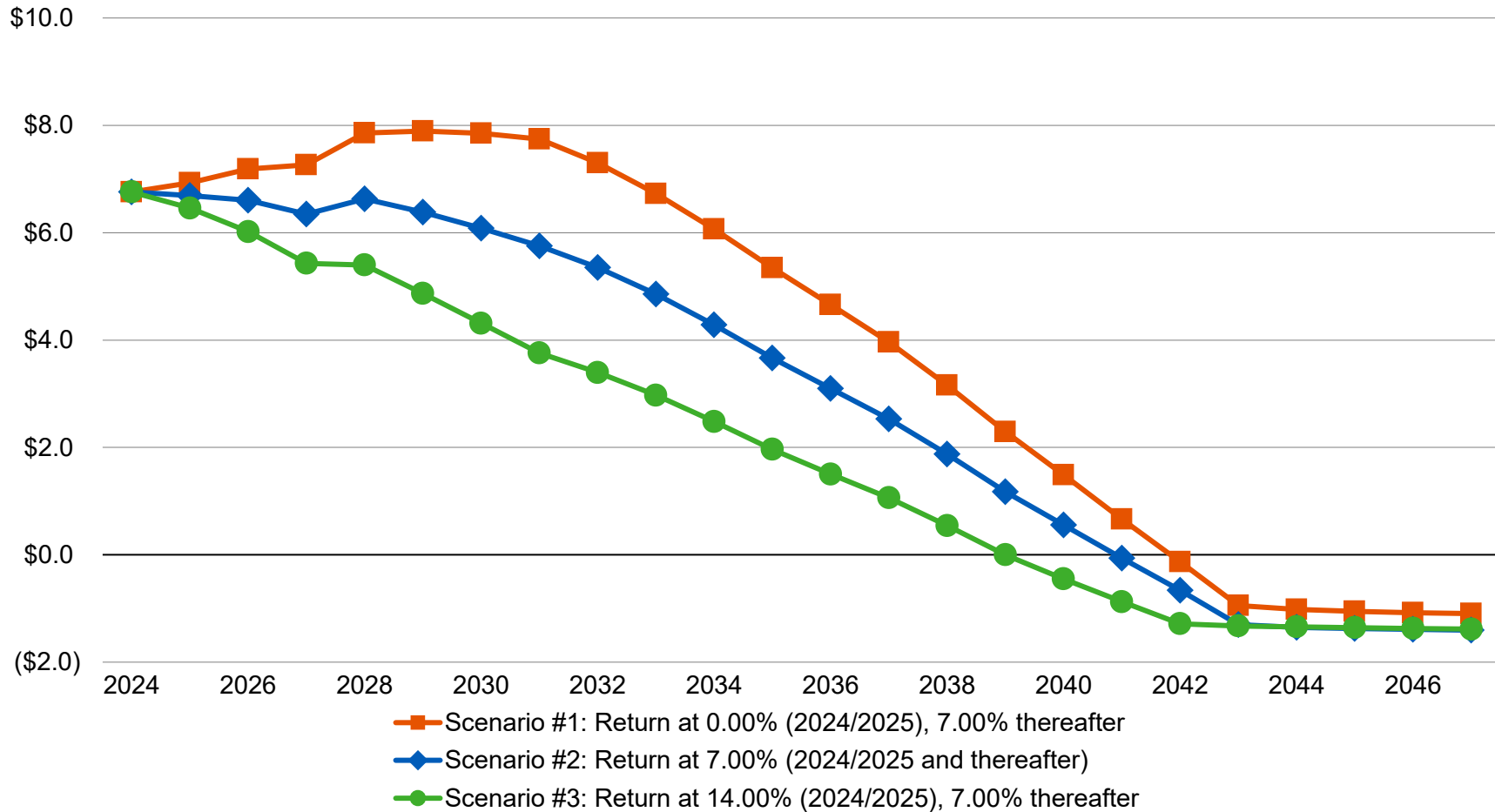


## Section 2: Key Plan Risks

Chart 7

### Retirement and Health Plans (Total Plan)

Projected UAAL Under Hypothetical Market Return Scenarios for 2024/2025  
(Valuation Value of Assets Basis – \$ in Billions)



## Section 2: Key Plan Risks

### Stochastic projection

Based on our discussions with LACERS, we have also been directed to supplement the deterministic scenario tests by another analysis that shows the range of possible changes in funded status and contribution rates under a statistical distribution of potential market returns for 20 years following the June 30, 2024 valuation. We have accomplished the stochastic modeling of future market returns by using the expected return, standard deviation and other information about LACERS' asset portfolio<sup>1</sup> as provided in *Appendix A* of this report, assuming no future assumption or method changes to the plan.

In *Chart 8*, we summarize the cumulative compounded rate of return of LACERS' investment portfolio over the next 20 years based on performing 10,000 trial outcomes of future market returns. The projected funded ratios for those trials are provided in *Chart 9*. The UAAL and the resultant employer contribution rates are provided in *Chart 10 and Chart 11*, respectively. The results in *Charts 9 – 11* are for the Retirement and Health Plans combined.

At the end of 20 years, there is a 50% chance<sup>2</sup> that the annual return of LACERS' investment portfolio would average between 5.8% and 9.9%, the funded ratio would be between 91% and 155% and the corresponding UAAL would be between \$5.0 billion and a surplus (or a negative UAAL) of \$30.3 billion.<sup>3</sup>

On an Actuarial (smoothed) Value of Assets basis, the funded ratio for the Retirement and Health Plans combined is about 77.5% as of the June 30, 2024 valuation compared to 77.1% as of the June 30, 2023 valuation. There is a 43% chance LACERS would be fully funded at the end of 10 years and a 65% chance LACERS would be fully funded at the end of 20 years. The probabilities that the funded ratio would fall below 50%, 60% or 70% at any point in the next 20 years as projected in the current analysis as of June 30, 2024 and the prior analysis as of June 30, 2023 are as follows:

### Probability of Various Funded Ratios

	Below 50%	Below 60%	Below 70%
Current (6/30/2024) Analysis Probability	2%	10%	28%
Prior (6/30/2023) Analysis Probability	2%	11%	30%

<sup>1</sup> For the stochastic modeling, we have used the asset allocation which we applied in developing the 7.00% expected investment return assumption we recommended to the Board for the June 30, 2023 valuation, together with updated expected return, standard deviation, and other information as outlined in Appendix A. This modeling assumes no further assumption changes, method changes or non-investment experience that differs significantly from assumptions. For a detailed discussion regarding the target asset allocation used in the stochastic projections, see Appendix A, page 45.

<sup>2</sup> This is based on the 25th to the 75th percentile results.

<sup>3</sup> Based only on policies that are in place as of today.

## Section 2: Key Plan Risks

The total employer contribution rate is about 31% of payroll based on the June 30, 2024 valuation, as compared to about 33% in the June 30, 2023 valuation. Stochastic modeling can help assess the range and relative likelihood of potential future contribution rates. At the end of 10 years (i.e., the June 30, 2034 valuation), there is a 50% chance that the employer contribution rates would be between 0% and 44% of payroll (with a median rate of 24% of payroll). At the end of 20 years (i.e., the June 30, 2044 valuation), there is a 50% chance that the employer contribution rates would be between 0% and 26% of payroll (with a median rate of 0% of payroll). The probabilities that the total employer contribution rate would increase at least by 5%, 10% or 15% of payroll at any point in the next 20 years as projected in the current analysis as of June 30, 2024 and the prior analysis as of June 30, 2023 are as follows:

### Probability of Total Employer Rate Increases

	<b>5% of Payroll (to 36% of Payroll)</b>	<b>10% of Payroll (to 41% of Payroll)</b>	<b>15% of Payroll (to 46% of Payroll)</b>
Current (6/30/2024) Analysis Probability	54%	45%	37%
Prior (6/30/2023) Analysis Probability	51%	43%	35%

Finally, stochastic modeling can help assess the potential impact of investment experience on contribution volatility in any given year. The probabilities that the total employer contribution rate would spike by 2%, 4% or 6% of payroll in any single year during the next 20 years as projected in the current analysis as of June 30, 2024 and the prior analysis as of June 30, 2023 are as follows:

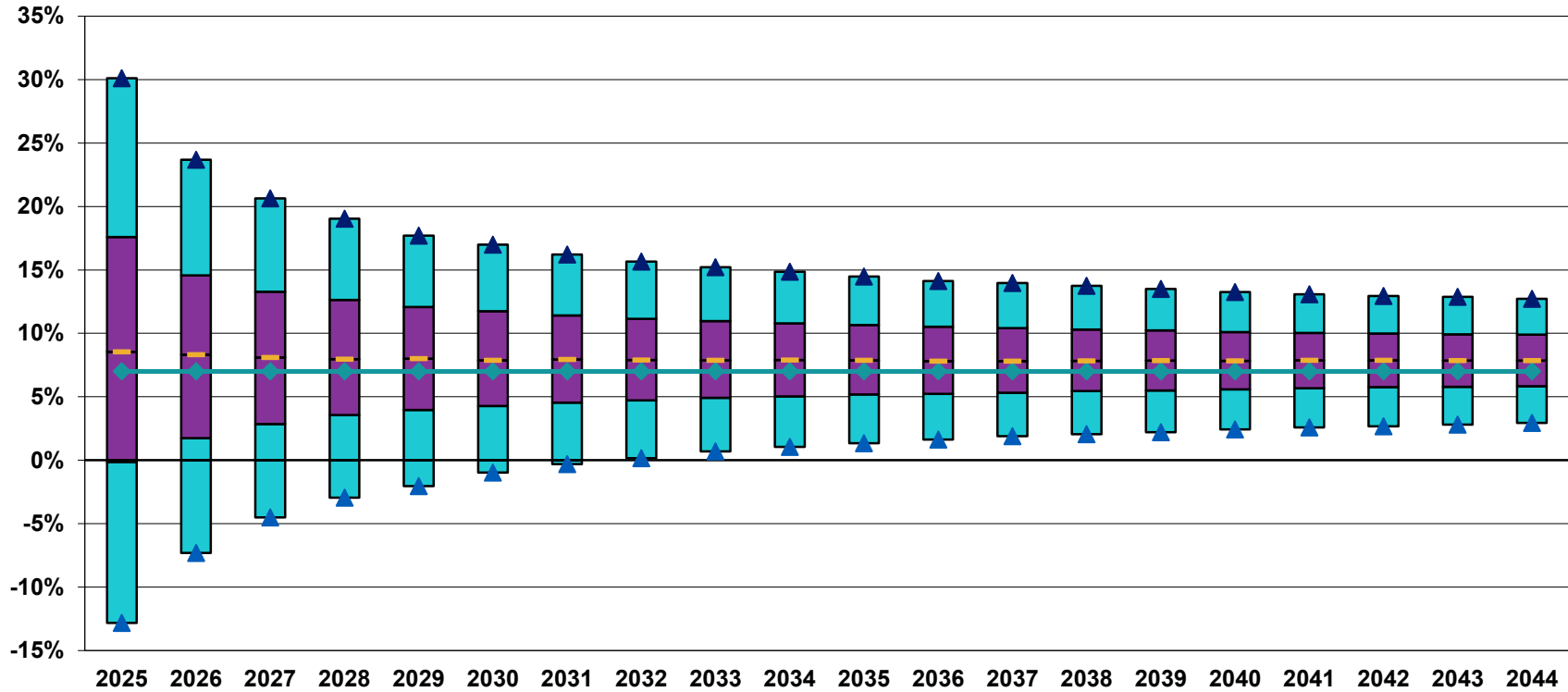
### Probability of Total Employer Rate Spike in a Single Year

	<b>2% of Payroll</b>	<b>4% of Payroll</b>	<b>6% of Payroll</b>
Current (6/30/2024) Analysis Probability	22%	10%	4%
Prior (6/30/2023) Analysis Probability	21%	10%	4%

## Section 2: Key Plan Risks

Chart 8

### Projected Cumulative Investment Return for Plan Years Ending June 30



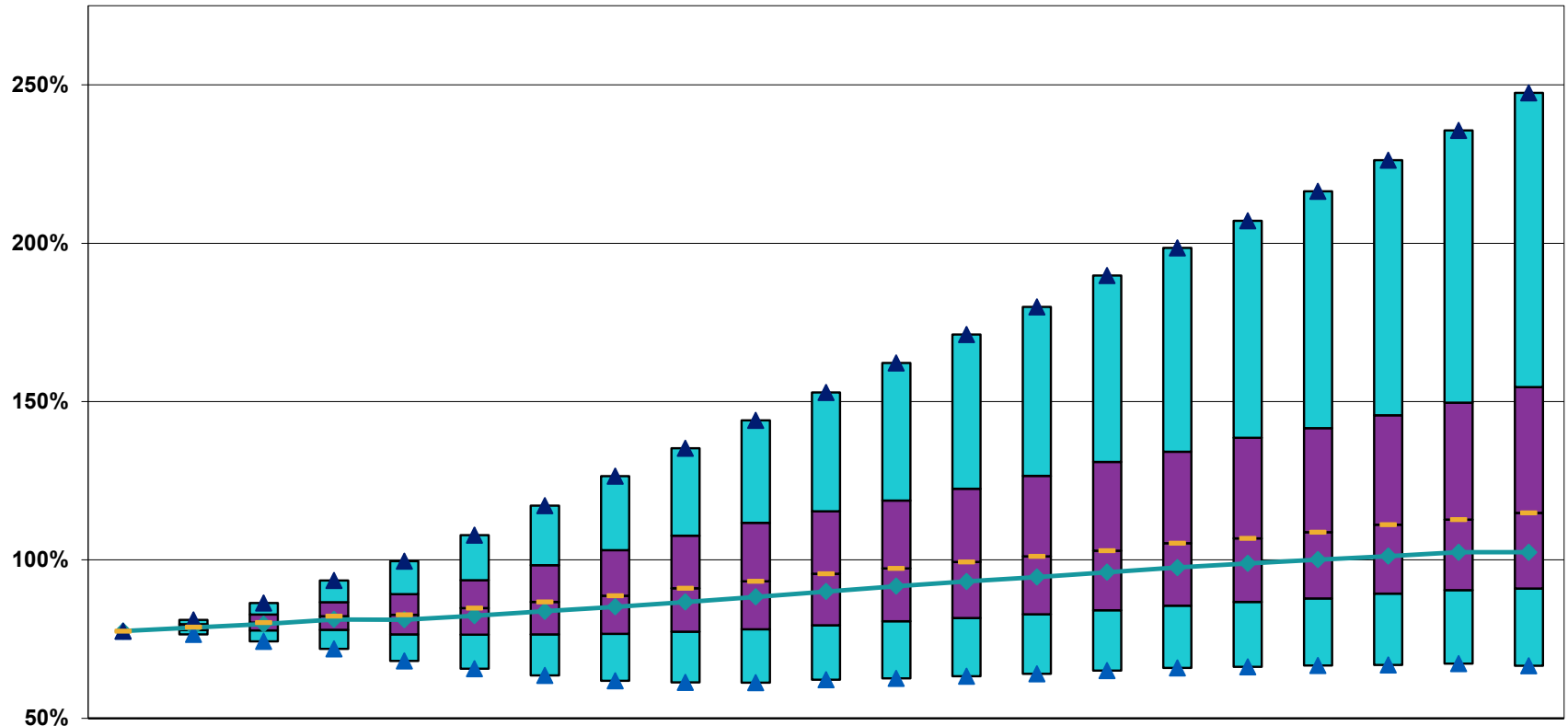
	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
▲ 95th	30.1%	23.7%	20.6%	19.0%	17.7%	17.0%	16.2%	15.7%	15.2%	14.9%	14.5%	14.1%	14.0%	13.8%	13.5%	13.3%	13.1%	13.0%	12.9%	12.7%
— 75th	17.6%	14.6%	13.3%	12.6%	12.1%	11.7%	11.4%	11.1%	11.0%	10.8%	10.7%	10.5%	10.4%	10.3%	10.2%	10.1%	10.0%	10.0%	9.9%	9.9%
— 50th	8.5%	8.3%	8.1%	8.0%	8.0%	7.9%	7.9%	7.9%	7.9%	7.9%	7.9%	7.8%	7.8%	7.8%	7.9%	7.8%	7.9%	7.9%	7.9%	7.9%
— 25th	-0.1%	1.7%	2.8%	3.6%	4.0%	4.3%	4.6%	4.7%	4.9%	5.0%	5.2%	5.2%	5.3%	5.5%	5.5%	5.6%	5.7%	5.8%	5.8%	5.8%
▲ 5th	-12.8%	-7.3%	-4.5%	-2.9%	-2.0%	-1.0%	-0.3%	0.2%	0.7%	1.0%	1.3%	1.6%	1.9%	2.0%	2.2%	2.4%	2.6%	2.7%	2.8%	2.9%
◆	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%	7.0%

◆ Current investment return assumption

## Section 2: Key Plan Risks

Chart 9

Projected Funded Ratios  
(Valuation Value of Assets Basis)



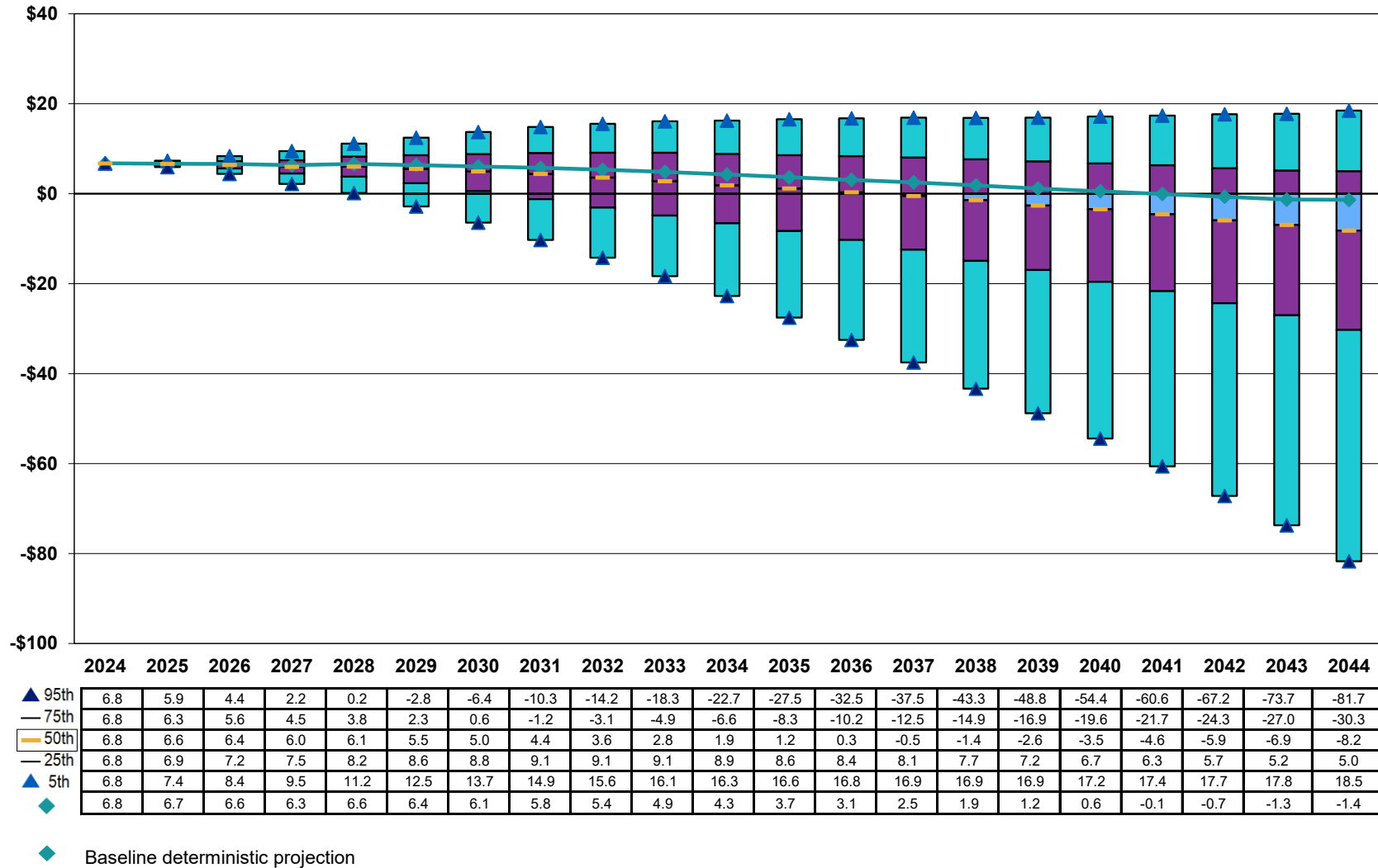
	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
▲ 95th	77.5%	81.1%	86.4%	93.5%	99.6%	107.8%	117.1%	126.4%	135.3%	144.1%	152.9%	162.2%	171.2%	179.9%	189.8%	198.5%	207.1%	216.4%	226.2%	235.6%	247.5%
— 75th	77.5%	79.7%	82.7%	86.6%	89.2%	93.6%	98.4%	103.1%	107.6%	111.7%	115.3%	118.8%	122.5%	126.6%	130.9%	134.2%	138.5%	141.6%	145.7%	149.7%	154.6%
— 50th	77.5%	78.8%	80.2%	82.2%	82.7%	84.8%	86.7%	88.6%	91.0%	93.3%	95.6%	97.3%	99.3%	101.1%	102.9%	105.3%	106.8%	108.8%	111.1%	112.7%	114.8%
— 25th	77.5%	77.8%	77.7%	77.9%	76.5%	76.4%	76.5%	76.6%	77.3%	78.1%	79.3%	80.6%	81.7%	82.8%	84.1%	85.5%	86.7%	87.9%	89.3%	90.5%	91.0%
▲ 5th	77.5%	76.5%	74.3%	71.9%	68.1%	65.7%	63.5%	61.8%	61.3%	61.2%	62.1%	62.6%	63.2%	64.0%	65.1%	65.9%	66.2%	66.6%	66.8%	67.3%	66.6%
◆	77.5%	78.6%	79.7%	81.2%	81.1%	82.4%	83.8%	85.2%	86.7%	88.3%	90.0%	91.7%	93.2%	94.6%	96.1%	97.6%	98.9%	100.1%	101.2%	102.4%	102.4%

◆ Baseline deterministic projection

## Section 2: Key Plan Risks

Chart 10

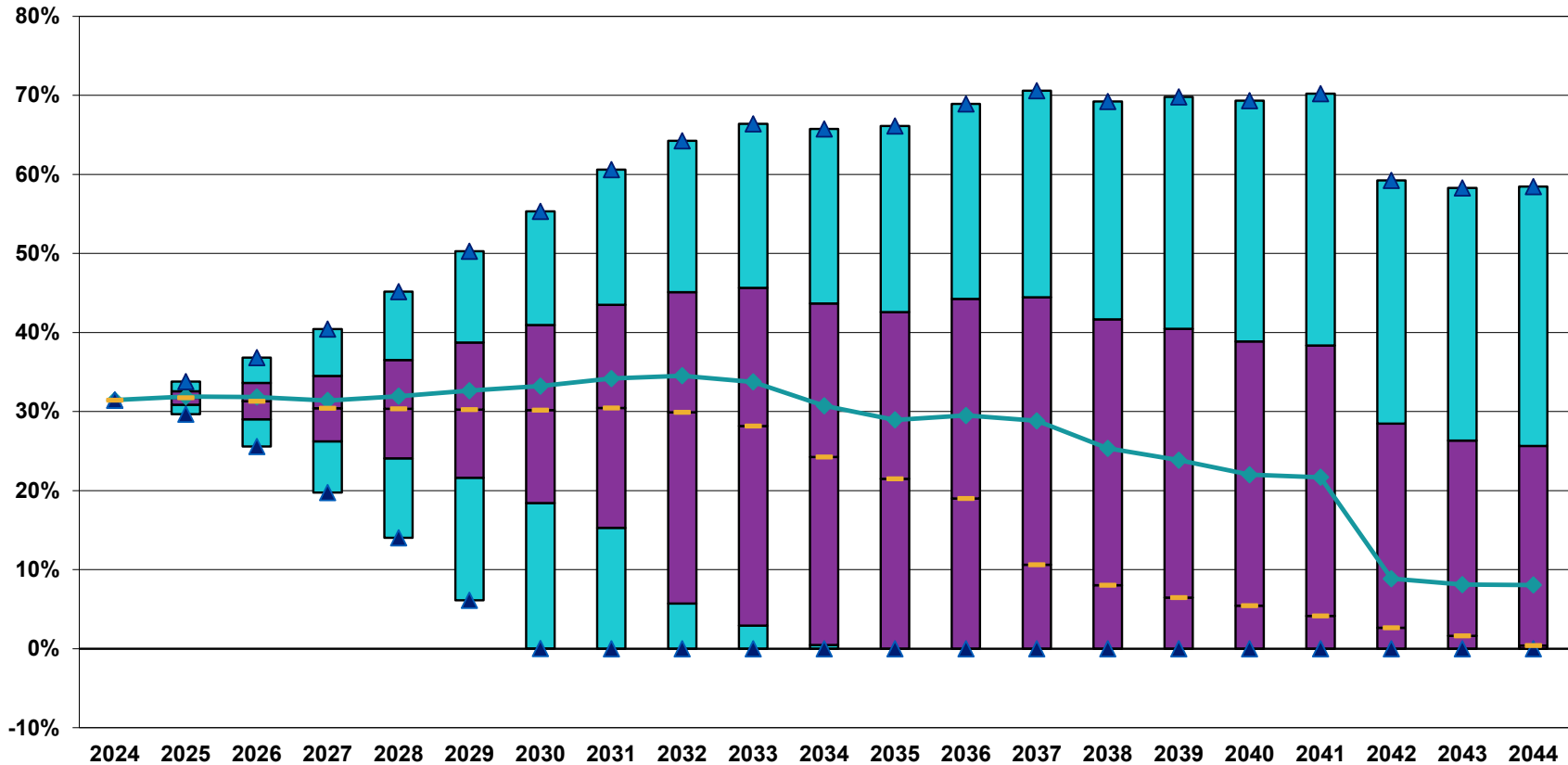
Projected UAAL  
(Valuation Value of Assets Basis – \$ in Billions)



## Section 2: Key Plan Risks

Chart 11

### Projected Employer Contribution Rates (% of Payroll)



	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
▲ 95th	31.4%	29.7%	25.6%	19.7%	14.0%	6.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
— 75th	31.4%	30.9%	29.0%	26.2%	24.1%	21.6%	18.4%	15.3%	5.7%	2.9%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
— 50th	31.4%	31.7%	31.3%	30.4%	30.3%	30.2%	30.2%	30.5%	29.9%	28.2%	24.3%	21.5%	19.0%	10.6%	8.0%	6.5%	5.4%	4.1%	2.6%	1.6%	0.4%
— 25th	31.4%	32.6%	33.6%	34.5%	36.5%	38.7%	40.9%	43.5%	45.1%	45.6%	43.7%	42.6%	44.3%	44.5%	41.7%	40.5%	38.9%	38.4%	28.5%	26.3%	25.6%
▲ 5th	31.4%	33.8%	36.8%	40.4%	45.2%	50.3%	55.3%	60.6%	64.3%	66.4%	65.7%	66.1%	68.9%	70.6%	69.2%	69.8%	69.3%	70.2%	59.2%	58.3%	58.5%
◆	31.4%	31.9%	31.8%	31.4%	31.9%	32.6%	33.2%	34.2%	34.5%	33.8%	30.7%	28.9%	29.5%	28.8%	25.4%	23.8%	22.0%	21.7%	8.9%	8.1%	8.1%

◆ Baseline deterministic projection



## Section 2: Key Plan Risks

### Plan maturity measures that affect primary risks

The annual actuarial valuations consider the number and demographic characteristics of covered members, including active members and non-active members (inactive members, retirees and beneficiaries). Over the past 10 valuations from June 30, 2015 to June 30, 2024, LACERS has become more mature as indicated by the continued increase in the ratio of non-active to active members covered by the Retirement and Health Plans as shown in *Chart 12a* and *Chart 12b*, respectively. These charts also show the ratio of members in pay status (retirees and beneficiaries) to active members. This ratio excludes the inactive members who have relatively smaller liabilities. The increase in the ratios is significant because any increase in UAAL due to unfavorable future investment and non-investment experience for a plan with a relatively larger group of non-active members would have to be amortized and funded using the payroll of a relatively smaller group of active members.

Another indicator of a more mature plan is relatively large amounts of assets and/or liabilities compared to active member payroll, which leads to increasing volatility in the level of required contributions. The Asset Volatility Ratio (AVR), which is equal to the market value of assets divided by total payroll, provides an indication of contribution sensitivity to changes in the current level of assets and is detailed for the Retirement and Health Plans in *Chart 13a* and *Chart 13b*, respectively. The Liability Volatility Ratio (LVR), which is equal to the actuarial accrued liability divided by payroll, provides an indication of the contribution sensitivity to changes in the current level of liability and is also detailed for the Retirement and Health Plans in *Chart 13a* and *Chart 13b*, respectively. Over time, the AVR should approach the LVR because when a plan is fully funded the assets will equal the liabilities. As such, the LVR also indicates the long-term contribution sensitivity to the asset volatility, as the plan approaches full funding.

In particular, the Retirement Plan's AVR was 7.0 as of June 30, 2024. This means that a 1% asset gain or loss in 2024/2025 (relative to the assumed investment return) would amount to 7.0% of one year's payroll. Similarly, the Retirement Plan's LVR was 9.7 as of June 30, 2024, so a 1% liability gain or loss in 2024/2025 would amount to 9.7% of one year's payroll. Based on LACERS' policy to amortize actuarial experience over a period of 15 years when the Plan has an unfunded liability, for the Retirement Plan there would be a 0.6% of payroll decrease or increase in the required contribution rate for each 1% asset gain or loss, respectively, and a 0.8% of payroll decrease or increase in the required contribution rate for each 1% liability gain or loss, respectively.

It is also informative to note that the AVR and LVR for the Retirement Plan are significantly higher than for the Health Plan. This means that both investment volatility and assumption changes will have a greater impact on the contribution rates of the Retirement Plan than on the contribution rates of the Health Plan. This is illustrated in the following table:

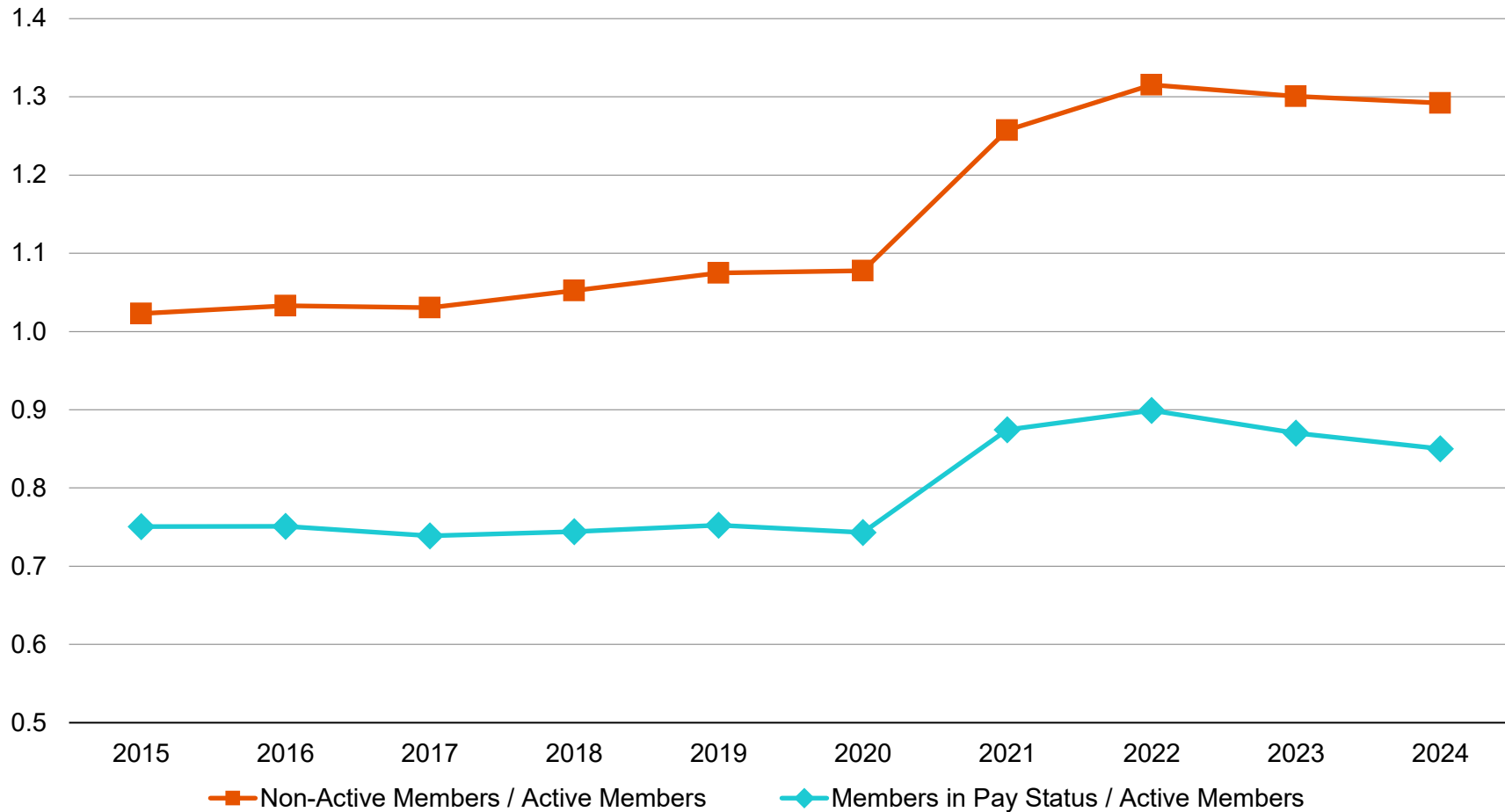
## Section 2: Key Plan Risks

Plan	AVR	10% Investment Loss Compares to	LVR	10% Liability Change Compares to
Retirement Plan	7.0	70% of payroll	9.7	97% of payroll
Health Plan	1.4	14% of payroll	1.3	13% of payroll
<b>Combined</b>	<b>8.4</b>	<b>84% of payroll</b>	<b>11.0</b>	<b>110% of payroll</b>

## Section 2: Key Plan Risks

Chart 12a

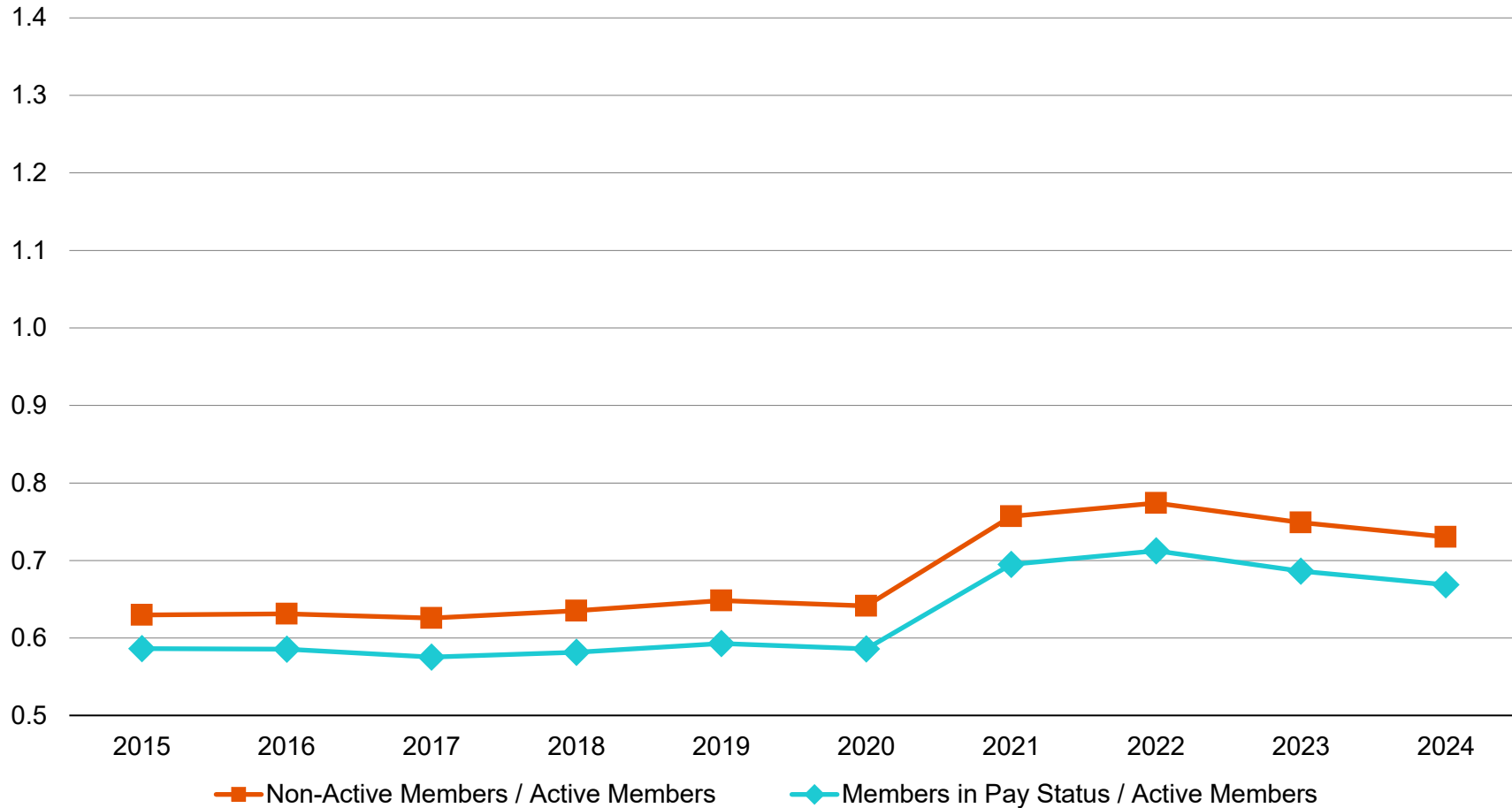
Retirement Plan – Ratio of Retirees and Beneficiaries (Pay Status) to Active Members & Ratio of Inactive, Retirees and Beneficiaries (Non-Active) to Active Members as of June 30



## Section 2: Key Plan Risks

Chart 12b

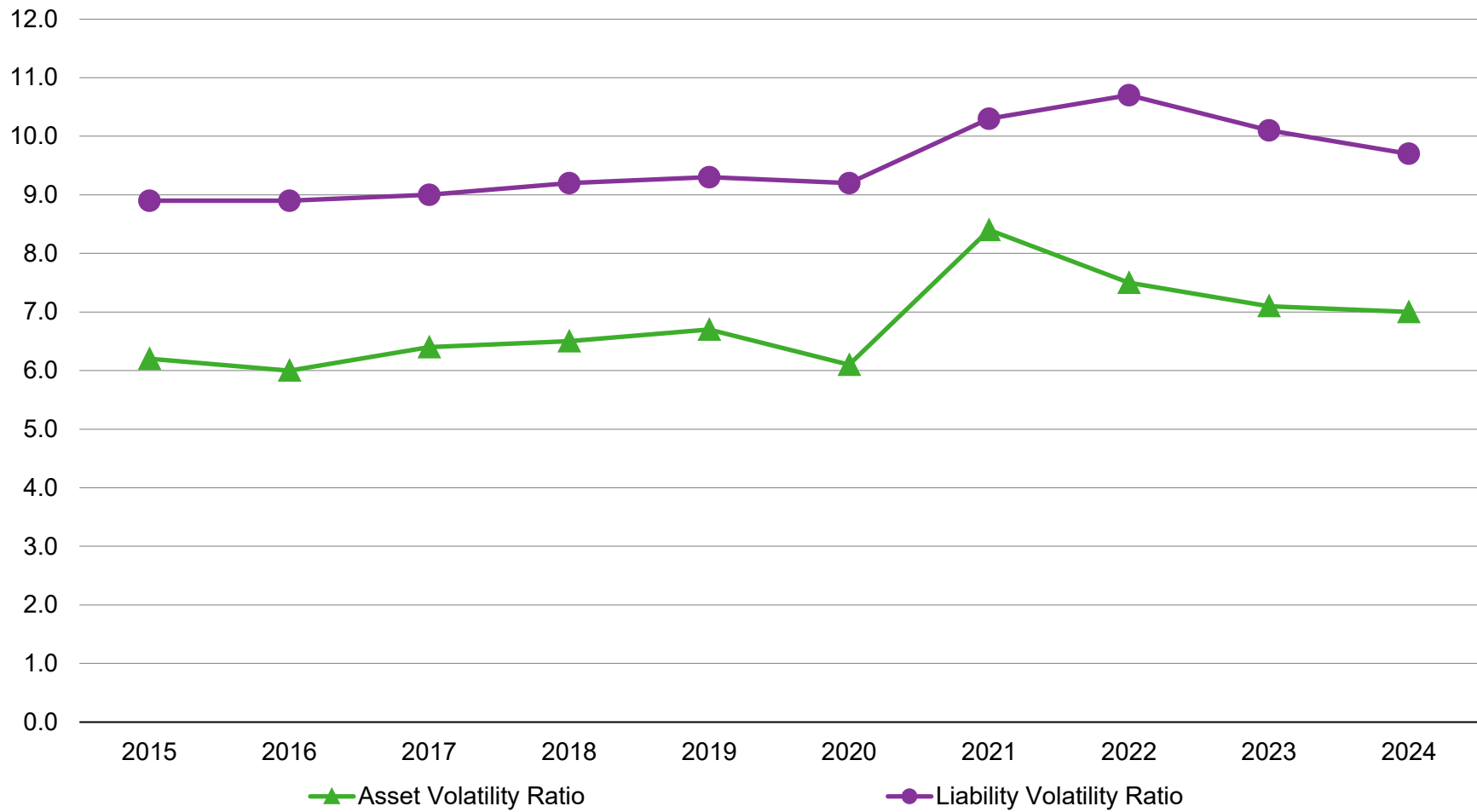
Health Plan – Ratio of Retirees and Beneficiaries (Pay Status) to Active Members & Ratio of Inactive, Retirees and Beneficiaries (Non-Active) to Active Members as of June 30



## Section 2: Key Plan Risks

Chart 13a

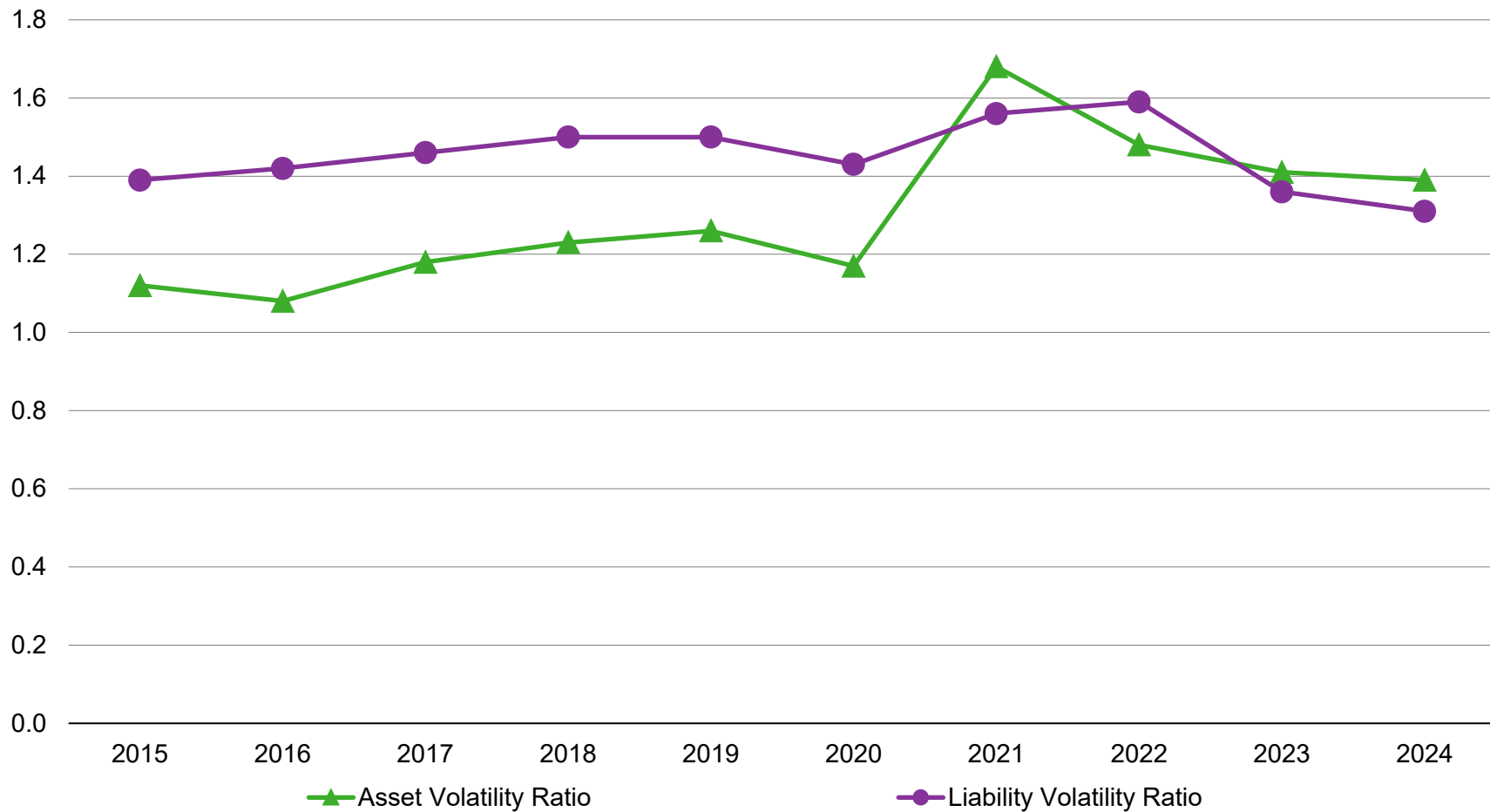
### Retirement Plan – Volatility Ratios as of June 30



## Section 2: Key Plan Risks

Chart 13b

### Health Plan – Volatility Ratios as of June 30



# Appendix A: Actuarial Assumptions & Methods

Unless otherwise noted, the results included in this report have been prepared based on the assumptions and methods used in preparing the June 30, 2024 actuarial valuations.

## Deterministic projection

In addition, we have prepared the deterministic projection using the following assumptions and methods applied in the June 30, 2024 actuarial valuations:

- Non-economic assumptions will remain unchanged.
- Retirement benefit formulas will remain unchanged.
- Los Angeles Charter and Administrative Code will remain unchanged.
- UAAL amortization method will remain unchanged (i.e., 15-year layers for actuarial gains/losses, 20-year layers for assumption or method changes, 15-year layers for plan amendments, 30-year layers for actuarial surplus, and level percent of pay).
- Economic assumptions will remain unchanged, including the annual 7.00% investment earnings and 3.00% active payroll growth assumptions.
- Deferred investment gains and losses will be recognized over a seven-year period.
- In estimating the benefit payments for the open group, we have assumed that the annual payments will increase by 4.75% for the Retirement Plan and 5.25% for the Health Plan. The assumption for the Retirement Plan was developed by analyzing the increase in the actual benefit payments over the five years ending June 30, 2024, excluding the two-year period from July 1, 2020 to June 30, 2022 to try to remove the effects of the 2020 City Separation Incentive Program, combined with the increase in the projected benefit payments based on the actuarial assumptions described herein for the five years after July 1, 2024. The assumption for the Health Plan was based on a review of actual benefit costs for the ten years preceding June 30, 2024 and projected benefit costs for the ten years after June 30, 2024.
- All other actuarial assumptions used in the June 30, 2024 actuarial valuations will be realized.

## Appendix A: Actuarial Assumptions & Methods

### Stochastic projection

Besides the assumptions and methods discussed above for the deterministic projection, the following additional assumptions or parameters are used in projecting LACERS' investment portfolio over the next 20 years based on performing 10,000 trial outcomes of future market returns.

### Target asset allocation

The target asset allocation is based on that provided by LACERS at the last triennial experience study and used by Segal to set the investment return assumption of 7.00%. That target asset allocation is as follows:



## Appendix A: Actuarial Assumptions & Methods

### Target Asset Allocation

Asset Class	Target Allocation
Large Cap U.S. Equity	15.00%
Small/Mid Cap U.S. Equity	6.00%
Developed International Large Cap Equity	15.00%
Developed International Small Cap Equity	3.00%
Emerging Markets Equity	6.67%
Core Bonds	11.25%
High Yield Bonds	1.50%
Bank Loans	1.50%
TIPS	3.60%
Emerging Market External Debt	2.00%
Emerging Market Local Currency Debt	2.00%
Real Estate – Core	4.20%
Cash & Equivalents	1.00%
Private Equity	16.00%
Private Credit (Private Debt)	5.75%
Emerging Market Small-Cap Equity	1.33%
REIT	1.40%
Real Estate – Non-Core	2.80%
<b>Total</b>	<b>100.00%</b>

### Simulation of future returns

In preparing the 10,000 trial outcomes of future market returns, we performed simulations using assumptions regarding the 20-year arithmetic returns, standard deviations and correlation matrix that were found in the 2024 survey prepared by Horizon Actuarial Services.<sup>1</sup> We used the assumptions that were closest to the asset classes found in LACERS' investment portfolio.

<sup>1</sup> That survey included responses from 41 investment advisors, including LACERS' investment advisor at NEPC.

## Appendix A: Actuarial Assumptions & Methods

A summary of the 20-year arithmetic returns,<sup>1</sup> standard deviations and correlation matrix for each of the different asset classes used in the modeling is as follows:

### 20-Year Arithmetic Return and Standard Deviation

<b>Asset Class</b>	<b>20-Year Arithmetic Return</b>	<b>Standard Deviation</b>
US Equity – Large Cap	8.25%	16.52%
US Equity – Small/Mid Cap	9.50%	20.57%
Non-US Equity – Developed	9.08%	18.06%
Non-US Equity – Emerging	11.00%	23.61%
US Corporate Bonds – Core	5.04%	5.90%
US Corporate Bonds – High Yield	6.86%	9.94%
Non-US Debt – Emerging	6.89%	10.76%
US Treasuries (Cash Equivalents)	3.44%	1.10%
TIPS (Inflation-Protected)	4.48%	6.10%
Real Estate	7.38%	16.61%
Private Equity	12.33%	22.57%
Private Debt	9.09%	12.00%

<sup>1</sup> Note that only 26 investment advisors provided long-term (e.g. 20-year) capital market assumptions in the survey. These returns are gross of inflation and before any adjustment for administrative and investment expenses. The annual inflation assumption based on the Horizon Survey was 2.44%. The annual adjustment for administrative expenses was 0.16%.

## Appendix A: Actuarial Assumptions & Methods

### Correlation Matrix

Asset Class	1	2	3	4	5	6	7	8	9	10	11	12
1. US Equity – Large Cap	1.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2. US Equity – Small/Mid Cap	0.90	1.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
3. Non-US Equity – Developed	0.81	0.76	1.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
4. Non-US Equity – Emerging	0.70	0.67	0.79	1.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
5. US Corporate Bonds – Core	0.28	0.23	0.26	0.24	1.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A
6. US Corporate Bonds – High Yield	0.68	0.67	0.64	0.62	0.49	1.00	N/A	N/A	N/A	N/A	N/A	N/A
7. Non-US Debt – Emerging	0.53	0.50	0.57	0.63	0.58	0.66	1.00	N/A	N/A	N/A	N/A	N/A
8. US Treasuries (Cash Equivalents)	(0.03)	(0.06)	(0.02)	(0.02)	0.14	(0.03)	0.06	1.00	N/A	N/A	N/A	N/A
9. TIPS (Inflation-Protected)	0.17	0.13	0.17	0.19	0.66	0.33	0.43	0.13	1.00	N/A	N/A	N/A
10. Real Estate	0.57	0.57	0.50	0.45	0.27	0.49	0.40	(0.03)	0.21	1.00	N/A	N/A
11. Private Equity	0.75	0.96	0.66	0.61	0.18	0.55	0.43	(0.07)	0.11	0.48	1.00	N/A
12. Private Debt	0.55	0.55	0.52	0.50	0.17	0.66	0.41	(0.08)	0.09	0.37	0.58	1.00

### Other considerations

This risk report has been prepared for the exclusive use and benefit of LACERS, based upon information provided by LACERS and LACERS' other service providers or otherwise made available to Segal at the time this document was created. The results presented in this report are intended to provide insight into key plan risks that can inform financial preparation and future decision making. However, Segal makes no representation or warranty as to the accuracy of any forward-looking statements and does not guarantee any particular outcome or result. The modeling projections are intended to serve as illustrations of future financial outcomes that are based on the information available to us at the time the modeling is undertaken and completed, and the agreed-upon assumptions and methodologies described herein. Emerging results may differ significantly if the actual experience proves to be different from these assumptions or if alternative methodologies are used. Actual experience may differ due to such variables as demographic experience, the economy, stock market performance and the regulatory environment.

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Deterministic cost projections are based on a proprietary forecasting model. Our Actuarial Technology and Systems unit, comprising

## Appendix A: Actuarial Assumptions & Methods

both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

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# Appendix B: Detailed Scenario Test

The following pages contain twenty-three-year illustrations of City contributions, funded ratios and unfunded actuarial accrued liabilities for each of the Retirement and Health Plans, as well as for the two plans combined.

In addition to the assumptions outlined in *Appendix A* of this report, we have used the following market return assumptions to model three hypothetical market return scenarios:

- Scenario 1: Assumed market return of 0.00% for fiscal year 2024/2025, 7.00% market return per year thereafter
- Scenario 2: Assumed market return of 7.00% for fiscal year 2024/2025, 7.00% market return per year thereafter
- Scenario 3: Assumed market return of 14.00% for fiscal year 2024/2025, 7.00% market return per year thereafter

While we have not assigned a probability on the 2024/2025 market return coming in at these rates, the City can use these results to interpolate in order to estimate the funded status and employer contribution rates for the June 30, 2025 and next several valuations as the actual investment experience for the 2024/2025 year becomes available. Additionally, comparable experience in upcoming future years is likely to have a similar impact on the System absent any significant plan or assumption changes.

## Appendix B: Detailed Scenario Test

### Scenario 1: Assumed market return of 0.00% for 2024/25, 7.00% thereafter

Twenty-Three-Year Illustration of UAAL, Funded Ratio and City Contributions

(Contributions Received on July 15 – \$ in Thousands)

#### Retirement Plan Only

Valuation Year	UAAL	Funded Ratio	Fiscal Year End	Fiscal Year Pay	Normal Cost	UAAL Payment	Total Rate	Contribution Amount	Incremental Increase
2023	\$6,805,716	73.1%	2025	\$2,730,282	7.78%	22.19%	29.97%	\$818,266	N/A
2024	7,046,942	73.4%	2026	2,812,191	7.58%	20.55%	28.13%	791,069	\$(27,197)
2025	7,163,033	74.0%	2027	2,896,556	7.90% <sup>1</sup>	21.23%	29.13%	843,767	52,698
2026	7,358,336	74.2%	2028	2,983,453	7.70%	22.21%	29.91%	892,351	48,584
2027	7,400,720	75.0%	2029	3,072,957	7.50%	22.83%	30.33%	932,028	39,677
2028	7,861,853	74.3%	2030	3,165,145	7.31%	24.18%	31.49%	996,704	64,676
2029	7,852,051	75.2%	2031	3,260,100	7.13%	25.76%	32.89%	1,072,247	75,543
2030	7,769,379	76.3%	2032	3,357,903	6.95%	27.18%	34.13%	1,146,052	73,805
2031	7,621,412	77.5%	2033	3,458,640	6.78%	28.88%	35.66%	1,233,351	87,299
2032	7,176,549	79.4%	2034	3,562,399	6.63%	29.40%	36.03%	1,283,532	50,181
2033	6,608,652	81.6%	2035	3,669,271	6.47%	28.78%	35.25%	1,293,418	9,886
2034	5,949,074	83.9%	2036	3,779,349	6.33%	25.88%	32.21%	1,217,328	(76,090)
2035	5,234,394	86.3%	2037	3,892,730	6.20%	24.21%	30.41%	1,183,779	(33,549)
2036	4,553,026	88.4%	2038	4,009,511	6.09%	24.86%	30.95%	1,240,944	57,165
2037	3,862,505	90.4%	2039	4,129,797	5.98%	24.26%	30.24%	1,248,851	7,907
2038	3,065,484	92.6%	2040	4,253,691	5.88%	20.86%	26.74%	1,137,437	(111,414)
2039	2,208,048	94.8%	2041	4,381,301	5.79%	19.41%	25.20%	1,104,088	(33,349)
2040	1,412,724	96.7%	2042	4,512,741	5.71%	17.06%	22.77%	1,027,551	(76,537)
2041	601,206	98.6%	2043	4,648,123	5.63%	15.86%	21.49%	998,882	(28,669)
2042	(181,439)	100.4%	2044	4,787,566	5.56%	-0.20%	5.36%	256,614	(742,268)
2043	(982,935)	102.2%	2045	4,931,193	5.51%	-1.13%	4.38%	215,986	(40,628)
2044	(1,043,032)	102.3%	2046	5,079,129	5.47%	-1.16%	4.31%	218,910	2,924
2045	(1,058,003)	102.3%	2047	5,231,503	5.43%	-1.14%	4.29%	224,431	5,521
2046	(1,070,650)	102.3%	2048	5,388,448	5.40%	-1.12%	4.28%	230,626	6,195
2047	(1,082,900)	102.3%	2049	5,550,102	5.37%	-1.10%	4.27%	236,989	6,363

<sup>1</sup> The increase in the employer Normal Cost rate projected for FY 2027 reflects the sunseting of the 1% ERIP Cost Obligation by June 30, 2026 for the Tier 1 and Tier 1 Enhanced members.

# Appendix B: Detailed Scenario Test

## Health Plan Only

Valuation Year	UAAL	Funded Ratio	Fiscal Year End	Fiscal Year Pay	Normal Cost	UAAL Payment	Total Rate	Contribution Amount	Incremental Increase
2023	\$(241,890)	107.1%	2025	\$2,730,282	3.85%	-0.53%	3.32%	\$90,645	N/A
2024	(285,811)	108.0%	2026	2,812,191	3.88%	-0.57%	3.31%	93,084	\$2,439
2025	(235,670)	106.3%	2027	2,896,556	3.88%	-0.45%	3.43%	99,352	6,268
2026	(172,871)	104.4%	2028	2,983,453	3.90%	-0.33%	3.57%	106,509	7,157
2027	(134,206)	103.2%	2029	3,072,957	3.90%	-0.24%	3.66%	112,470	5,961
2028	(3,943)	100.1%	2030	3,165,145	3.91%	-0.01%	3.90%	123,441	10,971
2029	41,417	99.1%	2031	3,260,100	3.92%	0.11%	4.03%	131,382	7,941
2030	81,550	98.3%	2032	3,357,903	3.93%	0.22%	4.15%	139,353	7,971
2031	124,479	97.6%	2033	3,458,640	3.95%	0.33%	4.28%	148,030	8,677
2032	125,739	97.7%	2034	3,562,399	3.96%	0.34%	4.30%	153,183	5,153
2033	122,580	97.8%	2035	3,669,271	3.97%	0.35%	4.32%	158,513	5,330
2034	118,631	98.0%	2036	3,779,349	3.98%	0.36%	4.34%	164,024	5,511
2035	113,841	98.2%	2037	3,892,730	4.00%	0.35%	4.35%	169,334	5,310
2036	107,996	98.3%	2038	4,009,511	4.01%	0.36%	4.37%	175,216	5,882
2037	101,494	98.5%	2039	4,129,797	4.02%	0.36%	4.38%	180,885	5,669
2038	93,895	98.7%	2040	4,253,691	4.05%	0.35%	4.40%	187,162	6,277
2039	85,477	98.9%	2041	4,381,301	4.06%	0.35%	4.41%	193,215	6,053
2040	75,774	99.0%	2042	4,512,741	4.07%	0.36%	4.43%	199,914	6,699
2041	64,996	99.2%	2043	4,648,123	4.07%	0.36%	4.43%	205,912	5,998
2042	52,253	99.4%	2044	4,787,566	4.08%	0.36%	4.44%	212,568	6,656
2043	38,450	99.6%	2045	4,931,193	4.08%	0.37%	4.45%	219,438	6,870
2044	22,961	99.8%	2046	5,079,129	4.10%	0.24%	4.34%	220,434	996
2045	5,798	99.9%	2047	5,231,503	4.11%	0.13%	4.24%	221,816	1,382
2046	(6,326)	100.1%	2048	5,388,448	4.13%	-0.01%	4.12%	222,004	188
2047	(13,020)	100.1%	2049	5,550,102	4.15%	-0.02%	4.13%	229,219	7,215

## Appendix B: Detailed Scenario Test

### Retirement and Health Plans Combined

Valuation Year	UAAL	Funded Ratio	Fiscal Year End	Fiscal Year Pay	Normal Cost	UAAL Payment	Total Rate	Contribution Amount	Incremental Increase
2023	\$6,563,826	77.1%	2025	\$2,730,282	11.63%	21.66%	33.29%	\$908,911	N/A
2024	6,761,131	77.5%	2026	2,812,191	11.46%	19.98%	31.44%	884,153	\$(24,758)
2025	6,927,363	77.8%	2027	2,896,556	11.78%	20.78%	32.56%	943,119	58,966
2026	7,185,464	77.9%	2028	2,983,453	11.60%	21.88%	33.48%	998,860	55,741
2027	7,266,514	78.5%	2029	3,072,957	11.40%	22.59%	33.99%	1,044,498	45,638
2028	7,857,910	77.6%	2030	3,165,145	11.22%	24.17%	35.39%	1,120,145	75,647
2029	7,893,468	78.3%	2031	3,260,100	11.05%	25.87%	36.92%	1,203,629	83,484
2030	7,850,929	79.1%	2032	3,357,903	10.88%	27.40%	38.28%	1,285,405	81,776
2031	7,745,891	80.1%	2033	3,458,640	10.73%	29.21%	39.94%	1,381,381	95,976
2032	7,302,288	81.9%	2034	3,562,399	10.59%	29.74%	40.33%	1,436,715	55,334
2033	6,731,232	83.8%	2035	3,669,271	10.44%	29.13%	39.57%	1,451,931	15,216
2034	6,067,705	85.9%	2036	3,779,349	10.31%	26.24%	36.55%	1,381,352	(70,579)
2035	5,348,235	87.9%	2037	3,892,730	10.20%	24.56%	34.76%	1,353,113	(28,239)
2036	4,661,022	89.8%	2038	4,009,511	10.10%	25.22%	35.32%	1,416,160	63,047
2037	3,963,999	91.6%	2039	4,129,797	10.00%	24.62%	34.62%	1,429,736	13,576
2038	3,159,380	93.5%	2040	4,253,691	9.93%	21.21%	31.14%	1,324,599	(105,137)
2039	2,293,524	95.4%	2041	4,381,301	9.85%	19.76%	29.61%	1,297,303	(27,296)
2040	1,488,497	97.1%	2042	4,512,741	9.78%	17.42%	27.20%	1,227,465	(69,838)
2041	666,202	98.7%	2043	4,648,123	9.70%	16.22%	25.92%	1,204,794	(22,671)
2042	(129,186)	100.2%	2044	4,787,566	9.64%	0.16%	9.80%	469,182	(735,612)
2043	(944,485)	101.7%	2045	4,931,193	9.59%	-0.76%	8.83%	435,424	(33,758)
2044	(1,020,071)	101.8%	2046	5,079,129	9.57%	-0.92%	8.65%	439,344	3,920
2045	(1,052,205)	101.9%	2047	5,231,503	9.54%	-1.01%	8.53%	446,247	6,903
2046	(1,076,977)	101.9%	2048	5,388,448	9.53%	-1.13%	8.40%	452,630	6,383
2047	(1,095,921)	101.9%	2049	5,550,102	9.52%	-1.12%	8.40%	466,208	13,578

Note: Results may not total exactly due to rounding.



## Appendix B: Detailed Scenario Test

### Scenario 2: Assumed market return of 7.00% for 2024/25, 7.00% thereafter

Twenty-Three-Year Illustration of UAAL, Funded Ratio and City Contributions

(Contributions Received on July 15 – \$ in Thousands)

#### Retirement Plan Only

Valuation Year	UAAL	Funded Ratio	Fiscal Year End	Fiscal Year Pay	Normal Cost	UAAL Payment	Total Rate	Contribution Amount	Incremental Increase
2023	\$6,805,716	73.1%	2025	\$2,730,282	7.78%	22.19%	29.97%	\$818,266	N/A
2024	7,046,942	73.4%	2026	2,812,191	7.58%	20.55%	28.13%	791,069	\$(27,197)
2025	6,967,187	74.7%	2027	2,896,556	7.90% <sup>1</sup>	20.63%	28.53%	826,388	35,319
2026	6,870,680	75.9%	2028	2,983,453	7.70%	20.74%	28.44%	848,494	22,106
2027	6,633,133	77.6%	2029	3,072,957	7.50%	20.51%	28.01%	860,735	12,241
2028	6,836,779	77.7%	2030	3,165,145	7.31%	21.08%	28.39%	898,585	37,850
2029	6,594,531	79.2%	2031	3,260,100	7.13%	21.95%	29.08%	948,037	49,452
2030	6,305,218	80.7%	2032	3,357,903	6.95%	22.70%	29.65%	995,618	47,581
2031	5,977,761	82.3%	2033	3,458,640	6.78%	23.81%	30.59%	1,057,998	62,380
2032	5,578,088	84.0%	2034	3,562,399	6.63%	24.29%	30.92%	1,101,494	43,496
2033	5,085,186	85.9%	2035	3,669,271	6.47%	23.66%	30.13%	1,105,551	4,057
2034	4,513,366	87.8%	2036	3,779,349	6.33%	20.76%	27.09%	1,023,826	(81,725)
2035	3,898,418	89.8%	2037	3,892,730	6.20%	19.08%	25.28%	984,082	(39,744)
2036	3,330,176	91.5%	2038	4,009,511	6.09%	19.73%	25.82%	1,035,256	51,174
2037	2,766,898	93.1%	2039	4,129,797	5.98%	19.14%	25.12%	1,037,405	2,149
2038	2,112,413	94.9%	2040	4,253,691	5.88%	15.74%	21.62%	919,648	(117,757)
2039	1,413,624	96.6%	2041	4,381,301	5.79%	14.30%	20.09%	880,203	(39,445)
2040	794,814	98.2%	2042	4,512,741	5.71%	12.53%	18.24%	823,124	(57,079)
2041	179,131	99.6%	2043	4,648,123	5.63%	12.27%	17.90%	832,014	8,890
2042	(415,288)	100.9%	2044	4,787,566	5.56%	-0.49%	5.07%	242,730	(589,284)
2043	(1,055,103)	102.3%	2045	4,931,193	5.51%	-1.21%	4.30%	212,041	(30,689)
2044	(1,105,908)	102.4%	2046	5,079,129	5.47%	-1.23%	4.24%	215,355	3,314
2045	(1,121,059)	102.4%	2047	5,231,503	5.43%	-1.21%	4.22%	220,769	5,414
2046	(1,134,316)	102.4%	2048	5,388,448	5.40%	-1.19%	4.21%	226,854	6,085
2047	(1,147,104)	102.4%	2049	5,550,102	5.37%	-1.17%	4.20%	233,104	6,250

<sup>1</sup> The increase in the employer Normal Cost rate projected for FY 2027 reflects the sunseting of the 1% ERIP Cost Obligation by June 30, 2026 for the Tier 1 and Tier 1 Enhanced members.

# Appendix B: Detailed Scenario Test

## Health Plan Only

Valuation Year	UAAL	Funded Ratio	Fiscal Year End	Fiscal Year Pay	Normal Cost	UAAL Payment	Total Rate	Contribution Amount	Incremental Increase
2023	\$(241,890)	107.1%	2025	\$2,730,282	3.85%	-0.53%	3.32%	\$90,645	N/A
2024	(285,811)	108.0%	2026	2,812,191	3.88%	-0.57%	3.31%	93,084	\$2,439
2025	(273,719)	107.3%	2027	2,896,556	3.88%	-0.53%	3.35%	97,035	3,951
2026	(267,614)	106.8%	2028	2,983,453	3.90%	-0.51%	3.39%	101,139	4,104
2027	(284,467)	106.8%	2029	3,072,957	3.90%	-0.52%	3.38%	103,866	2,727
2028	(207,679)	104.7%	2030	3,165,145	3.91%	-0.37%	3.54%	112,046	8,180
2029	(213,414)	104.6%	2031	3,260,100	3.92%	-0.37%	3.55%	115,734	3,688
2030	(222,302)	104.6%	2032	3,357,903	3.93%	-0.37%	3.56%	119,541	3,807
2031	(224,612)	104.4%	2033	3,458,640	3.95%	-0.37%	3.58%	123,819	4,278
2032	(226,590)	104.2%	2034	3,562,399	3.96%	-0.36%	3.60%	128,246	4,427
2033	(228,507)	104.1%	2035	3,669,271	3.97%	-0.35%	3.62%	132,828	4,582
2034	(230,349)	103.9%	2036	3,779,349	3.98%	-0.34%	3.64%	137,568	4,740
2035	(232,086)	103.7%	2037	3,892,730	4.00%	-0.34%	3.66%	142,474	4,906
2036	(233,838)	103.6%	2038	4,009,511	4.01%	-0.33%	3.68%	147,550	5,076
2037	(235,529)	103.5%	2039	4,129,797	4.02%	-0.32%	3.70%	152,802	5,252
2038	(237,117)	103.3%	2040	4,253,691	4.05%	-0.32%	3.73%	158,663	5,861
2039	(238,658)	103.2%	2041	4,381,301	4.06%	-0.31%	3.75%	164,299	5,636
2040	(240,555)	103.1%	2042	4,512,741	4.07%	-0.30%	3.77%	170,130	5,831
2041	(242,535)	103.0%	2043	4,648,123	4.07%	-0.29%	3.78%	175,699	5,569
2042	(244,936)	102.9%	2044	4,787,566	4.08%	-0.29%	3.79%	181,449	5,750
2043	(247,215)	102.8%	2045	4,931,193	4.08%	-0.28%	3.80%	187,385	5,936
2044	(249,403)	102.7%	2046	5,079,129	4.10%	-0.28%	3.82%	194,023	6,638
2045	(251,335)	102.6%	2047	5,231,503	4.11%	-0.27%	3.84%	200,890	6,867
2046	(253,198)	102.5%	2048	5,388,448	4.13%	-0.27%	3.86%	207,994	7,104
2047	(254,782)	102.4%	2049	5,550,102	4.15%	-0.26%	3.89%	215,899	7,905

## Appendix B: Detailed Scenario Test

### Retirement and Health Plans Combined

Valuation Year	UAAL	Funded Ratio	Fiscal Year End	Fiscal Year Pay	Normal Cost	UAAL Payment	Total Rate	Contribution Amount	Incremental Increase
2023	\$6,563,826	77.1%	2025	\$2,730,282	11.63%	21.66%	33.29%	\$908,911	N/A
2024	6,761,131	77.5%	2026	2,812,191	11.46%	19.98%	31.44%	884,153	\$(24,758)
2025	6,693,468	78.6%	2027	2,896,556	11.78%	20.10%	31.88%	923,423	39,270
2026	6,603,066	79.7%	2028	2,983,453	11.60%	20.23%	31.83%	949,633	26,210
2027	6,348,665	81.2%	2029	3,072,957	11.40%	19.99%	31.39%	964,601	14,968
2028	6,629,099	81.1%	2030	3,165,145	11.22%	20.71%	31.93%	1,010,631	46,030
2029	6,381,118	82.4%	2031	3,260,100	11.05%	21.58%	32.63%	1,063,771	53,140
2030	6,082,916	83.8%	2032	3,357,903	10.88%	22.33%	33.21%	1,115,159	51,388
2031	5,753,149	85.2%	2033	3,458,640	10.73%	23.44%	34.17%	1,181,817	66,658
2032	5,351,498	86.7%	2034	3,562,399	10.59%	23.93%	34.52%	1,229,740	47,923
2033	4,856,679	88.3%	2035	3,669,271	10.44%	23.31%	33.75%	1,238,379	8,639
2034	4,283,016	90.0%	2036	3,779,349	10.31%	20.42%	30.73%	1,161,394	(76,985)
2035	3,666,332	91.7%	2037	3,892,730	10.20%	18.74%	28.94%	1,126,556	(34,838)
2036	3,096,338	93.2%	2038	4,009,511	10.10%	19.40%	29.50%	1,182,806	56,250
2037	2,531,369	94.6%	2039	4,129,797	10.00%	18.82%	28.82%	1,190,207	7,401
2038	1,875,296	96.1%	2040	4,253,691	9.93%	15.42%	25.35%	1,078,311	(111,896)
2039	1,174,967	97.6%	2041	4,381,301	9.85%	13.99%	23.84%	1,044,502	(33,809)
2040	554,259	98.9%	2042	4,512,741	9.78%	12.23%	22.01%	993,254	(51,248)
2041	(63,404)	100.1%	2043	4,648,123	9.70%	11.98%	21.68%	1,007,713	14,459
2042	(660,224)	101.2%	2044	4,787,566	9.64%	-0.78%	8.86%	424,179	(583,534)
2043	(1,302,318)	102.4%	2045	4,931,193	9.59%	-1.49%	8.10%	399,426	(24,753)
2044	(1,355,311)	102.4%	2046	5,079,129	9.57%	-1.51%	8.06%	409,378	9,952
2045	(1,372,394)	102.4%	2047	5,231,503	9.54%	-1.48%	8.06%	421,659	12,281
2046	(1,387,514)	102.4%	2048	5,388,448	9.53%	-1.46%	8.07%	434,848	13,189
2047	(1,401,887)	102.4%	2049	5,550,102	9.52%	-1.43%	8.09%	449,003	14,155

Note: Results may not total exactly due to rounding.

## Appendix B: Detailed Scenario Test

### Scenario 3: Assumed market return of 14.00% for 2024/25, 7.00% thereafter

Twenty-Three-Year Illustration of UAAL, Funded Ratio and City Contributions

(Contributions Received on July 15 – \$ in Thousands)

#### Retirement Plan Only

Valuation Year	UAAL	Funded Ratio	Fiscal Year End	Fiscal Year Pay	Normal Cost	UAAL Payment	Total Rate	Contribution Amount	Incremental Increase
2023	\$6,805,716	73.1%	2025	\$2,730,282	7.78%	22.19%	29.97%	\$818,266	N/A
2024	7,046,942	73.4%	2026	2,812,191	7.58%	20.55%	28.13%	791,069	\$(27,197)
2025	6,771,341	75.4%	2027	2,896,556	7.90% <sup>1</sup>	20.04%	27.94%	809,298	18,229
2026	6,383,024	77.6%	2028	2,983,453	7.70%	19.25%	26.95%	804,041	(5,257)
2027	5,865,235	80.2%	2029	3,072,957	7.50%	18.19%	25.69%	789,443	(14,598)
2028	5,811,692	81.0%	2030	3,165,145	7.31%	17.98%	25.29%	800,465	11,022
2029	5,336,670	83.2%	2031	3,260,100	7.13%	18.13%	25.26%	823,501	23,036
2030	4,840,691	85.2%	2032	3,357,903	6.95%	18.24%	25.19%	845,856	22,355
2031	4,334,067	87.2%	2033	3,458,640	6.78%	18.75%	25.53%	882,991	37,135
2032	3,979,222	88.6%	2034	3,562,399	6.63%	19.17%	25.80%	919,099	36,108
2033	3,561,287	90.1%	2035	3,669,271	6.47%	18.54%	25.01%	917,685	(1,414)
2034	3,077,194	91.7%	2036	3,779,349	6.33%	15.63%	21.96%	829,945	(87,740)
2035	2,562,339	93.3%	2037	3,892,730	6.20%	13.95%	20.15%	784,385	(45,560)
2036	2,107,214	94.6%	2038	4,009,511	6.09%	14.61%	20.70%	829,969	45,584
2037	1,671,172	95.8%	2039	4,129,797	5.98%	14.01%	19.99%	825,546	(4,423)
2038	1,159,214	97.2%	2040	4,253,691	5.88%	10.61%	16.49%	701,434	(124,112)
2039	619,507	98.5%	2041	4,381,301	5.79%	9.17%	14.96%	655,443	(45,991)
2040	177,688	99.6%	2042	4,512,741	5.71%	8.01%	13.72%	619,148	(36,295)
2041	(241,638)	100.6%	2043	4,648,123	5.63%	-0.30%	5.33%	247,745	(371,403)
2042	(647,740)	101.5%	2044	4,787,566	5.56%	-0.76%	4.80%	229,803	(17,942)
2043	(680,648)	101.5%	2045	4,931,193	5.51%	-0.78%	4.73%	233,245	3,442
2044	(691,409)	101.5%	2046	5,079,129	5.47%	-0.77%	4.70%	238,719	5,474
2045	(700,234)	101.5%	2047	5,231,503	5.43%	-0.76%	4.67%	244,311	5,592
2046	(709,033)	101.5%	2048	5,388,448	5.40%	-0.74%	4.66%	251,102	6,791
2047	(717,241)	101.5%	2049	5,550,102	5.37%	-0.73%	4.64%	257,525	6,423

<sup>1</sup> The increase in the employer Normal Cost rate projected for FY 2027 reflects the sunseting of the 1% ERIP Cost Obligation by June 30, 2026 for the Tier 1 and Tier 1 Enhanced members.

# Appendix B: Detailed Scenario Test

## Health Plan Only

Valuation Year	UAAL	Funded Ratio	Fiscal Year End	Fiscal Year Pay	Normal Cost	UAAL Payment	Total Rate	Contribution Amount	Incremental Increase
2023	\$(241,890)	107.1%	2025	\$2,730,282	3.85%	-0.53%	3.32%	\$90,645	N/A
2024	(285,811)	108.0%	2026	2,812,191	3.88%	-0.57%	3.31%	93,084	\$2,439
2025	(311,768)	108.3%	2027	2,896,556	3.88%	-0.60%	3.28%	95,007	1,923
2026	(362,356)	109.1%	2028	2,983,453	3.90%	-0.69%	3.21%	95,769	762
2027	(435,038)	110.4%	2029	3,072,957	3.90%	-0.80%	3.10%	95,262	(507)
2028	(411,747)	109.4%	2030	3,165,145	3.91%	-0.74%	3.17%	100,335	5,073
2029	(468,599)	110.1%	2031	3,260,100	3.92%	-0.82%	3.10%	101,063	728
2030	(526,196)	110.8%	2032	3,357,903	3.93%	-0.89%	3.04%	102,080	1,017
2031	(574,794)	111.2%	2033	3,458,640	3.95%	-0.95%	3.00%	103,759	1,679
2032	(582,601)	110.9%	2034	3,562,399	3.96%	-0.93%	3.03%	107,941	4,182
2033	(587,975)	110.4%	2035	3,669,271	3.97%	-0.90%	3.07%	112,647	4,706
2034	(593,252)	110.0%	2036	3,779,349	3.98%	-0.88%	3.10%	117,160	4,513
2035	(598,798)	109.7%	2037	3,892,730	4.00%	-0.87%	3.13%	121,842	4,682
2036	(604,383)	109.3%	2038	4,009,511	4.01%	-0.85%	3.16%	126,701	4,859
2037	(609,936)	109.0%	2039	4,129,797	4.02%	-0.83%	3.19%	131,741	5,040
2038	(615,424)	108.6%	2040	4,253,691	4.05%	-0.83%	3.22%	136,969	5,228
2039	(620,910)	108.3%	2041	4,381,301	4.06%	-0.81%	3.25%	142,392	5,423
2040	(626,353)	108.0%	2042	4,512,741	4.07%	-0.79%	3.28%	148,018	5,626
2041	(631,899)	107.8%	2043	4,648,123	4.07%	-0.77%	3.30%	153,388	5,370
2042	(637,895)	107.5%	2044	4,787,566	4.08%	-0.75%	3.33%	159,426	6,038
2043	(643,809)	107.2%	2045	4,931,193	4.08%	-0.73%	3.35%	165,195	5,769
2044	(650,194)	107.0%	2046	5,079,129	4.10%	-0.73%	3.37%	171,167	5,972
2045	(656,437)	106.8%	2047	5,231,503	4.11%	-0.71%	3.40%	177,871	6,704
2046	(662,202)	106.6%	2048	5,388,448	4.13%	-0.70%	3.43%	184,824	6,953
2047	(667,786)	106.4%	2049	5,550,102	4.15%	-0.68%	3.47%	192,589	7,765

## Appendix B: Detailed Scenario Test

### Retirement and Health Plans Combined

Valuation Year	UAAL	Funded Ratio	Fiscal Year End	Fiscal Year Pay	Normal Cost	UAAL Payment	Total Rate	Contribution Amount	Incremental Increase
2023	\$6,563,826	77.1%	2025	\$2,730,282	11.63%	21.66%	33.29%	\$908,911	N/A
2024	6,761,131	77.5%	2026	2,812,191	11.46%	19.98%	31.44%	884,153	\$(24,758)
2025	6,459,573	79.3%	2027	2,896,556	11.78%	19.44%	31.22%	904,305	20,152
2026	6,020,668	81.5%	2028	2,983,453	11.60%	18.56%	30.16%	899,810	(4,495)
2027	5,430,197	83.9%	2029	3,072,957	11.40%	17.39%	28.79%	884,705	(15,105)
2028	5,399,945	84.6%	2030	3,165,145	11.22%	17.24%	28.46%	900,800	16,095
2029	4,868,070	86.6%	2031	3,260,100	11.05%	17.31%	28.36%	924,564	23,764
2030	4,314,495	88.5%	2032	3,357,903	10.88%	17.35%	28.23%	947,936	23,372
2031	3,759,273	90.3%	2033	3,458,640	10.73%	17.80%	28.53%	986,750	38,814
2032	3,396,621	91.6%	2034	3,562,399	10.59%	18.24%	28.83%	1,027,040	40,290
2033	2,973,313	92.9%	2035	3,669,271	10.44%	17.64%	28.08%	1,030,332	3,292
2034	2,483,941	94.2%	2036	3,779,349	10.31%	14.75%	25.06%	947,105	(83,227)
2035	1,963,541	95.6%	2037	3,892,730	10.20%	13.08%	23.28%	906,227	(40,878)
2036	1,502,831	96.7%	2038	4,009,511	10.10%	13.76%	23.86%	956,670	50,443
2037	1,061,236	97.7%	2039	4,129,797	10.00%	13.18%	23.18%	957,287	617
2038	543,790	98.9%	2040	4,253,691	9.93%	9.78%	19.71%	838,403	(118,884)
2039	(1,404)	100.0%	2041	4,381,301	9.85%	8.36%	18.21%	797,835	(40,568)
2040	(448,665)	100.9%	2042	4,512,741	9.78%	7.22%	17.00%	767,166	(30,669)
2041	(873,537)	101.7%	2043	4,648,123	9.70%	-1.07%	8.63%	401,133	(366,033)
2042	(1,285,635)	102.4%	2044	4,787,566	9.64%	-1.51%	8.13%	389,229	(11,904)
2043	(1,324,456)	102.4%	2045	4,931,193	9.59%	-1.51%	8.08%	398,440	9,211
2044	(1,341,603)	102.4%	2046	5,079,129	9.57%	-1.50%	8.07%	409,886	11,446
2045	(1,356,671)	102.4%	2047	5,231,503	9.54%	-1.47%	8.07%	422,182	12,296
2046	(1,371,235)	102.4%	2048	5,388,448	9.53%	-1.44%	8.09%	435,926	13,744
2047	(1,385,027)	102.4%	2049	5,550,102	9.52%	-1.41%	8.11%	450,114	14,188

Note: Results may not total exactly due to rounding.

# Appendix C: Definition of Pension Terms

The following list defines certain technical terms as they relate to LACERS for the convenience of the reader:

Term	Definition
Actuarial accrued liability for actives	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
Actuarial accrued liability for retirees and beneficiaries	Single-sum present value of the lifetime benefits expected to be paid to the existing retirees and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Actuarial value of assets	The value of the Plan's assets that is equal to the market value of assets less unrecognized returns. Unrecognized returns are equal to the difference between the actual market return and the expected return on the market value and are recognized over a seven-year period per LACERS' funding policy.
Employer normal cost	The portion of the normal cost to be paid by the employer. This is equal to the normal cost less expected member contributions.
Funded ratio	The ratio of the actuarial value of assets to the actuarial accrued liability. Plans sometimes also calculate a market funded ratio, using the market value of assets, rather than the actuarial value of assets.
Generational mortality	A generational mortality table provides dynamic projections of mortality experience for each cohort of current and future retirees. For example, the mortality rate for someone who is 65 next year will be slightly less than for someone who is 65 this year. In general, using generational mortality anticipates increases in the cost of the Plan over time as participants' life expectancies are projected to increase. This is in contrast to updating a static mortality assumption with each experience study as we had proposed in experience studies prior to 2019.
Normal cost	The amount of contributions required to fund the portion of the level cost of the member's projected retirement benefit that is allocated to the current year of service.
Unfunded actuarial accrued liability	The excess of the actuarial accrued liability over the actuarial value of assets. This value may be negative, in which case it may be expressed as a negative unfunded actuarial accrued liability, also called the funding surplus or an overfunded actuarial accrued liability.
Valuation value of assets	The portion of the total actuarial value of assets allocated to either the Retirement or Health Plans.

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

**MEETING: MARCH 25, 2025**  
**ITEM: VII – B**

**SUBJECT: PRELIMINARY PROPOSED BUDGET, PERSONNEL, AND ANNUAL RESOLUTIONS FOR FISCAL YEAR 2025-26 AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board:

1. Provides input to the Preliminary Proposed Budget for Fiscal Year 2025-26 (FY26); and
2. Instruct staff to submit the Proposed Budget schedules to the City Administrative Officer and the Mayor’s Office for inclusion in the Mayor’s 2025-26 Proposed Budget; and
3. Authorize the Acting General Manager to make technical corrections to the Proposed Budget schedules as necessary.

**Executive Summary**

The Department’s Preliminary Budget is provided each March to the Board for discussion of the annual business plan for the coming fiscal year and the resources requested to maintain operations and carry out these projects. Input from the Board is incorporated into the final Proposed Budget and presented to the Board for adoption in May. This Preliminary Proposed Budget is primarily a continuity budget without major changes year-over-year in initiatives and with no changes in position authorities.

The Preliminary Proposed Budget for Administrative Expenses mainly reflects significant obligatory increases from labor negotiations and related costs, along with a reduction in the applied salary savings rate. It also includes increases for the second-year deployment of the laptop replacement program to replace aging technology and prevent operational downtime, as well as necessary Actuarial services, such as an Actuarial Audit and the Triennial Experience Study.

Transmitted herein are the FY26 Performance Budget Report and budget schedules that will be submitted for incorporation in the Mayor’s Proposed Budget. The Budget Schedules include LACERS’ Statement of Receipts and Expenditures and schedules detailing the City Contribution, Investment Management Fee Expense, Administrative Expense, 115 Trust Expense, and Regular Position Authorities for FY26. A summary of changes in these budget areas is reflected in the following table.



	FY26	FY25	\$ change	% change
City Contribution	\$ 844,273,649*	\$ 850,400,480	\$ (6,126,831)	(0.7)
Investment Management Fee & Expense	\$ 157,178,340	\$ 141,190,690	\$ 15,987,650	11.3
Administrative Expense	\$ 51,826,665	\$ 47,338,937	\$ 4,487,728	9.5
Regular Position Authorities	195	195	0	0.0

An Asterisk (\*) denotes estimated amount.

## **Discussion**

Detailed discussion of the Preliminary Proposed Budget is provided in the attached Performance Budget Report. Below are key highlights of the report.

### **City Contribution**

The Fiscal Year 2025-26 City Contribution is estimated at \$844.3 million or approximately \$6.1 million less than last year's contribution (\$850.4 million) using FY25 actual salaries and after accounting for the estimated true-up. The current calculated true-up adjustment is just an estimate due to timing factors. The final proposed budget in May will reflect the salaries from the Mayor's Proposed Budget and the proper true-up adjustment amount. Further discussion of the City contribution is found on pages 26 and 27 of Attachment 1 and is summarized below. Final City Contributions will be calculated once the City has adopted its FY26 budget.

	FY26	FY25	\$ change	% change
Tier 1 (32.65% for FY26)	\$ 566,299,150	\$ 594,496,689	\$ (28,197,539)	(4.7)
Tier 3 (29.37% for FY26)	316,827,391	337,435,775	(20,608,384)	(6.1)
True-up Adjustment	(40,349,892)	(82,919,984)	42,570,092	(51.3)
Family Death Benefit Plan	37,000	35,000	2,000	5.7
Excess Benefit Plan	1,368,000	1,272,000	96,000	7.5
Limited Term Retirement Plan	92,000	81,000	11,000	13.6
<b>Total City Contributions</b>	<b>\$ 844,273,649*</b>	<b>\$ 850,400,480</b>	<b>(\$ 6,126,831)</b>	<b>(0.7)</b>

An Asterisk (\*) denotes estimated amount.

### **Administrative Expense Budget**

The Administrative Expense Budget of \$51.8 million is \$4.5 million, or 9.5% higher than the Fiscal Year 2024-25 (FY25) Adopted Budget and includes obligatory costs totaling approximately \$6 million, which primarily consists of increases to employee salaries and benefits. These obligatory costs are partially offset with the deletion of one-time funding and efficiencies to services, including 5% salary savings (decreased from 8% for FY25) totaling a \$1.4 million reduction. Further discussion of the Administrative Expense Budget is found on pages 3 through 8 of Attachment 1 and is summarized below.

	FY26	FY25	\$ change	% change
<b>Personnel Services</b>	\$ 40,465,821	\$ 35,854,473	\$ 4,611,348	12.9
<b>Professional Services</b>	7,177,350	6,884,989	292,361	4.2
<b>Information Technology</b>	2,445,574	2,851,482	(405,908)	(14.2)
<b>Education/Training/Travel</b>	377,285	357,595	19,690	5.5
<b>Office Expenses</b>	1,360,635	1,390,398	(29,763)	(2.1)
<b>Total Administrative Expense</b>	<b>\$ 51,826,665</b>	<b>\$ 47,338,937</b>	<b>\$ 4,487,728</b>	<b>9.5</b>

- Proposed salaries of \$27.8 million include a \$2.7 million or 10.9% increase from FY25 in part due to labor union negotiations that include cost-of-living (COLA) adjustments, increased leave payouts, and increased bilingual bonuses for most bargaining units. A proposed 5% salary savings provides an offset of -\$1.4 million. Respectively, retirement contributions have also increased by \$1.2 million, which is the majority of the \$1.8 million or 18% increase in employee benefits. Further increases in employee benefits can be attributed to hikes in other active benefits, like dental and vision.
- LACERS Headquarters operating expenses are estimated at \$2.83 million, a 6.5% increase over the current year, largely due to reclassification of some scheduled maintenance and repairs from capital to operating expenses, along with annual adjustments for contractual increases. Capital expenses are proposed at \$479,900, a 20% decrease from the current year, with multiple building improvements planned including carbon monoxide monitor installation in the parking garage, server room power upgrades, and asset tracking on equipment.
- Multiple actuarial services are planned for FY26. It is industry best practice to perform an actuarial experience study triennially to evaluate existing assumptions and projections to ensure that they are still realistic and accurate. As the last experience study was conducted in 2023, a budget of \$60,000 is being requested to initiate a new one. Additionally, a budget of \$82,000 is being requested to perform an actuarial audit to ensure regulatory compliance and assumption validation to minimize financial risk. Additional budget increases associated with actuarial services are attributed to a rise in studies requested by the City.
- Laptop Replacement is a two-phase deployment project intended to replace all laptops used by LACERS employees to enhance productivity and security. The current laptops have surpassed their average lifespan and three-year support services. For FY26, a budget of \$180,000 is requested to replace the remainder of the laptops with newer technology to allow for better performance, compatibility with existing applications and peripherals, and connectivity standards. Additionally, an accounting software replacement is planned in FY26 for improved functionality and support.
- HRP Contractual Support with Accenture will conclude at the end of FY25. While significant progress has been made in reducing payroll exceptions and improving the various integration files, it is anticipated that issues will persist into the upcoming fiscal year. A budget of \$120,000 is requested as a precautionary measure should the possibility of and need for additional support appear. In the meantime, the Member Stewardship Section will continue to remain vigilant in identifying and resolving

complications and working through the City’s Information Technology Agency, Controller’s Office, and Personnel Department.

The Proposed Budget maintains 195 regular positions and 33 continuing substitute authority positions. There is no proposed change in positions for FY26.

	2024-25 Adopted Budget	Proposed Changes			2025-26 Proposed Budget	2025-26 Proposed Substitute Authorities		
	Regular Authorities	Add/Delete	Regularize Substitute Authorities	New	Regular Authorities	Cont.	New	Total
<b>TOTAL</b>	<b>195</b>	0	0	0	<b>195</b>	33	0	<b>33</b>

\*FY25: Currently 38 vacant positions. (26 regular and 11 substitute authority positions).

Supported by the aforementioned funding and positions, the LACERS FY26 Business Plan includes continuing Business Plan Initiatives for Governance, Business Continuity Plan (BCP), Central Data Repository, and introducing one new initiative, Workflow Process Improvements.

**Investment Management Fees and Expenses**

The FY26 Investment Management Fees and Expenses are estimated at \$157.2 million, \$16 million more than the FY25 Adopted Budget and \$14.9 million more than anticipated FY25 expenses. Estimated fees are based on anticipated investment portfolio growth and additional fund commitments expected to be made during FY26 to the Private Credit, Private Equity and Real Estate, Fixed Income and Equity asset classes. Further discussion of the Investment Management Fees and Expenses is found on page 28 and 29, Attachment 1 and Attachment 2 on page 6, and is summarized as follows:

- The Investment Management Fees are estimated for FY26 by projecting the future market value of portfolio assets and applying the management fee rates reflected in the contracts with individual managers.
- The Investment Management Fee and Expenses schedule reflects adjustments for timing of the investment.

Prepared by the Administration Division and Budget Team: Edwin Avnessian, Andy Chiu, Chhintana Kurimoto, Lisa Li, Lin Lin, Kevin Hirose, Dianne Sunico, Marcel Nguyen, and Jo Ann Peralta. In collaboration, and with special thanks to Department senior managers for the thought and leadership that went into this budget.

TB/EALL/CK

- Attachments:
1. LACERS Performance Budget Report for Fiscal Year 2025-26
  2. Proposed Budget, Personnel, and Annual Resolutions for Fiscal Year 2025-26

**BOARD Meeting: 3/25/25**  
Item: VII - B  
Attachment 1



# LACERS PERFORMANCE BUDGET

Board Presentation of March 25, 2025

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and Expenses



On June 25, 2024, LACERS adopted a new strategic plan setting the course for the future with focus on three priorities that are essential to the continued strength and sustainability of LACERS:

1. Improving the Member Experience
2. Achieving Fiscal Resiliency
3. Advancing a High Performing Workforce

Recognizing the City’s financial constraints, this year’s budget proposal reflects a careful balance between advancing key priorities and maintaining essential operations while aligning with our strategic plan. Funding for the coming year has been strategically allocated to sustain existing operations, with a strong focus on honing benefits delivery. Notably, with the Accenture agreement for additional support with the City’s Human Resources and Payroll (HRP) system concluding in the fiscal year-end 2024-25, it is imperative that LACERS remain vigilant and proactive in identifying and resolving any issues that arise. While staffing levels will remain the same this fiscal year, there is continued commitment to investing in LACERS employees. LACERS will continue to improve new employee orientation and enhance the Learning Management System (LMS) to support and encourage career development. Otherwise, focus will remain on a number of projects and initiatives already underway including implementation of Measure FF, the City Charter amendment allowing certain peace officers to transfer their pension plan to the Los Angeles Fire and Police Pension (LAFPP) plan as well as the actuarial experience study and audit.

The FY26 Business Plan primarily supports ongoing initiatives, including the Governance initiative, the Central Data Repository to house data and enhance reporting, and the LACERS Business Continuity Plan, so that LACERS is properly equipped and trained to continue operations under emergency circumstances. One new initiative, Workflow Process Improvements, has been added.

The budget aligns with LACERS’ mission, vision, and strategic goals. LACERS is dedicated to maintaining our high standards of service to Members while advancing financially sound investments.

	FY26	FY25	CHANGE	% CHANGE
<b>City Contribution</b>	\$ 844,273,649	\$ 850,400,480	\$ (6,126,831)	(0.7)
<b>Investment Management Fees &amp; Expenses</b>	\$ 157,178,340	\$ 141,191,690	\$ 15,987,650	11.3
<b>Administrative Expenses</b>	\$ 51,826,665	\$ 47,338,937	\$ 4,487,728	9.5
<b>Health Care Fund Administrative Expense</b>	\$ 1,033,000	\$ 1,032,000	\$ 1,000	0.1
<b>Regular Position Authorities</b>	195	195	0	0

# BUDGET OVERVIEW



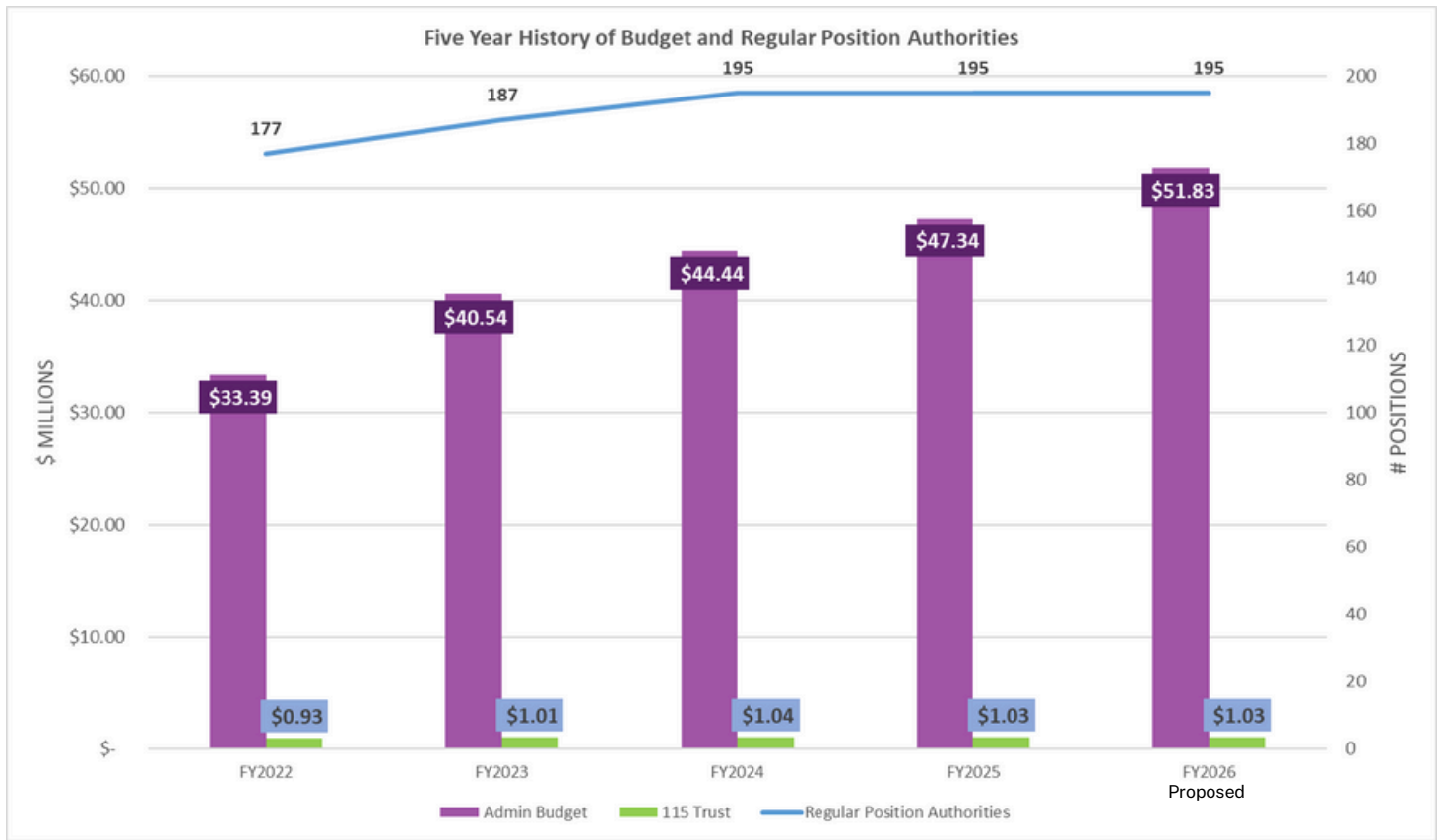
The LACERS Board approves an annual budget that estimates the cost of maintaining the Retirement System. LACERS' transmits its budget to the Mayor for inclusion in the City's proposed budget, which is due to the City Council by April 20 and finalized by June for the fiscal year beginning July 1st. The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

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

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

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

# ADMINISTRATIVE EXPENSE BUDGET



The Administrative Expense Budget of \$51.83 million reflects a net increase of \$4.49 million, or 9.5% over the FY25 base budget. Obligatory changes to the budget account for \$5.98 million in increases over the FY25 adopted budget. This includes \$0.74 million in salary rate increases and excess leave pay due to the latest labor union negotiations, \$1.1 million for cost of living adjustments, and \$2.07 million for the restoration of salary savings (See Summary of Changes table, [page 4](#)). Obligatory costs are partially offset by the adoption of an 5% salary savings rate equivalent to \$1.37 million, and \$0.5 million in one-time and various expense reductions. The Budget invests \$0.44 million in core services and three ongoing Business Plan Initiatives (BPI) and one new initiative: Governance Initiative, Central Data Repository, Business Continuity Plan, and Workflow Process Improvements (See 2025-26 Annual Business Plan, starting on [page 9](#)). Additionally, the Budget dedicates \$0.12 million to enhanced services that support organizational efficiencies.

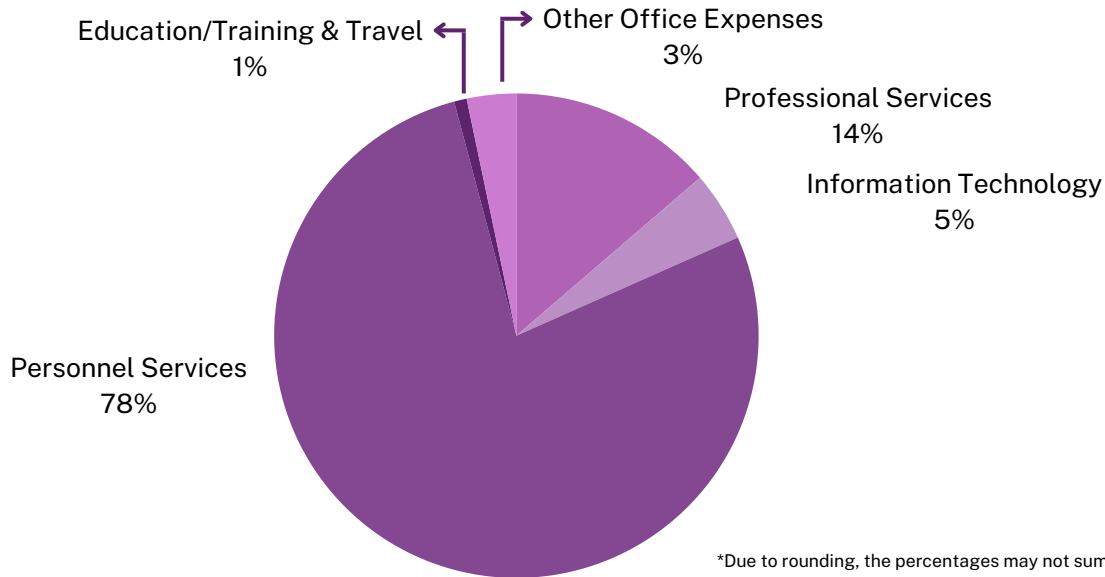


# SUMMARY OF CHANGES



Category	Item	Dollars	Positions	
			Regular	Substitute
<b>2024-25 Adopted Budget</b>		<b>\$ 47,338,937</b>	<b>195</b>	<b>33</b>
<b>Obligatory Changes</b>		<b>5,975,520</b>	-	-
	Cost-of-Living Adjustment	1,096,559	-	-
	Restoration of Salary Savings	2,065,777	-	-
	Salary Rate Increases, Turnover, Excess Leave Pay	736,644	-	-
	Part-Time Salaries	198,871	-	-
	LACERS' Employer Share of Retirement Contributions	1,200,000	-	-
	LACERS' Share of Employee Benefits	652,669	-	-
	LACERS' Share of City Attorney and Outside Legal Counsel	25,000	-	-
<b>Deletion of One-Time Funding</b>		<b>(500,416)</b>	-	-
	Deletion of Funding for One-Time Services, Expenses, & Equipment	(500,416)	-	-
<b>Efficiencies to Services</b>		<b>(1,553,877)</b>	-	-
	Salary Savings Rate Adjustment [5%]	(1,366,107)	-	-
	Expense Account Savings	(187,770)	-	-
<b>Continuation of Services</b>		<b>442,106</b>	-	-
	Investment Program Expenses	33,250	-	-
	Benefits Administration Expenses	49,602	-	-
	General Administration & Support Expenses	359,254	-	-
<b>New/Enhanced Services</b>		<b>124,395</b>	-	-
	New Software Installation	124,395	-	-
			-	-
<b>Total Changes</b>		<b>\$ 4,487,728</b>	<b>-</b>	<b>-</b>
<b>2025-26 Proposed Budget</b>		<b>\$ 51,826,665</b>	<b>195</b>	<b>33</b>

# FY26 ALLOCATION OF EXPENSES



This budget year maintains the level of Personnel resources, however obligatory personnel costs have increased mainly due to the labor union agreements increasing salaries and benefits, in addition to the reduction in the salary savings rate.

In the five major categories of expenses, Personnel Services account for 78.1% of the FY26 budget (+12.9% total expense year-over-year (YOY)). Professional Services comprise 13.8% of the budget (+4.2% total expense YOY) followed by Office Expenses at 2.6% of the budget (-2.1% total expense YOY). Information Technology is 4.7% of the budget (-14.2% total expense YOY), and finally, Education/Training and Travel are 0.7% of the budget (+5.5% total expense YOY).

The Administrative Budget Detail includes the following notable items:

- Salary increases by \$2.7 million (+10.9% YOY) and Employee Benefits increase by \$1.8 million (+18.0% YOY). Although position totals have remained the same, the increase in Employee Benefits coincide with the increase in filled positions and corresponding salaries. In addition, the decrease in the salary savings rate from 8% in FY25 to 5% in FY26 has attributed to the increase in salaries. A salary savings rate of \$1.37 million (5%) is applied to account for vacancies.
- Actuarial Services increase by \$307,000 (+75.0% YOY) due to the exploration of alternatives for the Larger Annuity Plan and a Triennial Experience Study. Furthermore, the City has increased utilization of actuarial services contracted under LACERS.
- Computer Hardware increases by \$55,100 (+16.1% YOY) for phase two of the laptop replacement program as current equipment is reaching end of life, which increases the risk of breakdowns. The new hardware will ensure compatibility with latest applications and mitigates downtime.
- Other Computer Consulting decreases by \$530,487 (-65.3% YOY) with the conclusion of the Accenture agreement for additional HRP contractual support coupled with the closure of other implementation projects, such as the new budgeting software.
- Printing and Binding increases by \$25,000 (+20.9% YOY) as a result of printing Health Benefit Guides to assist Members in understanding their rights and resources to healthcare. This increase also factors in the costs of printing these guides in Spanish as well.
- Board Member Election Expense decreases by \$61,600 (-100% YOY) as no elections are expected for the upcoming fiscal year.

- Furniture and Other Equipment decreases by 54,500 (-38.5% YOY) since all necessary furnishings have already been completed now that LACERS has fully settled into its new headquarters for two years.
- Membership Dues & Subscriptions increase by \$55,435 (+43.3% YOY) to expand staff engagement with the Learning Management System for employee development. Additionally, Conferences & Travel increases by \$24,815 (+11.2% YOY) to further promote professional training and growth.

Additional items to note include:

- The budget for the 115 Trust Administrative Expense is shown in the table following the Administrative Expense Budget. The 115 Trust Fund was established in 2018 to better manage future costs and avoid future tax consequences for LACERS' health and welfare benefits. The 115 Trust Budget pays for administrative expenses, including third-party fees charged for the administration of Self-Funded Dental and Vision benefit claims, audit fees, legal counsel costs, and the Fund's share in LACERS' overall administrative expenses. The Proposed 115 Trust Budget for direct administrative expenses of \$1,033,000 represents an increase of \$1,000 (0.1% YOY).
- This budget invests in maintaining the continuation of 33 substitute authority positions. The purpose of and justifications for these positions begin on [page 8](#).
- The budget funds programs currently underway including the core programs in Benefit Administration, Investment Administration, and General Administration and Support, as well as continuing three initiatives in the FY26 Business Plan including the Governance initiative centered on implementing new Board Administrative policies, Central Data Repository initiative, Business Continuity Plan, plus a new Workflow Process Improvement initiative.

# Detail of Administrative Expenses



	City Account Number	FY2025-26 Proposed Budget	FY2024-25 Adopted Budget	Budget \$ Change	Budget % Change
<b>FUND 800: ADMINISTRATIVE EXPENSE BUDGET</b>					
<b>Personnel Services</b>					
601	Salaries	101	\$ 27,829,048	\$ 25,097,304	\$ 2,731,744 10.9%
602	Overtime	109	486,604	459,669	26,935 5.9%
605	Employee Benefits	175	12,150,169	10,297,500	1,852,669 18.0%
<b>Personnel Services Total</b>			<b>\$ 40,465,821</b>	<b>\$ 35,854,473</b>	<b>\$ 4,611,348 12.9%</b>
<b>Professional Services</b>					
611	Actuarial Service	304	\$ 717,500	\$ 410,000	\$ 307,500 75.0%
612	Audit Services	304	187,500	200,500	(13,000) -6.5%
613	Legal Services	304	1,391,586	1,381,586	10,000 0.7%
614	Disability Services	304	200,000	200,000	- 0.0%
615	Other Consulting	304	3,655,764	3,642,903	12,861 0.4%
616	Benefit Payroll Processing Servs.	304	325,000	300,000	25,000 8.3%
617	Retiree Health Adm. Consultant	304	700,000	750,000	(50,000) -6.7%
<b>Professional Services Total</b>			<b>\$ 7,177,350</b>	<b>\$ 6,884,989</b>	<b>\$ 292,361 4.2%</b>
<b>Information Technology</b>					
622	Pension Adm. System Vendor	304	\$ 571,102	\$ 542,750	\$ 28,352 5.2%
623	Computer Hardware	730	398,200	343,100	55,100 16.1%
624	Computer Software	601	772,970	751,843	21,127 2.8%
625	Computer Maint. & Support	601	421,289	401,289	20,000 5.0%
626	Other Computer Consulting	304	282,013	812,500	(530,487) -65.3%
<b>Information Technology Total</b>			<b>\$ 2,445,574</b>	<b>\$ 2,851,482</b>	<b>\$ (405,908) -14.2%</b>
<b>Training &amp; Related Travel</b>					
604	Employee Development	601	\$ 129,920	\$ 135,045	\$ (5,125) -3.8%
634	Conferences & Travel	213	247,365	222,550	24,815 11.2%
<b>Training &amp; Related Travel Total</b>			<b>\$ 377,285</b>	<b>\$ 357,595</b>	<b>\$ 19,690 5.5%</b>
<b>Office Expenses</b>					
606	Transportation Expenses	331	\$ 170,500	\$ 172,000	\$ (1,500) -0.9%
631	Printing and Binding	212	144,500	119,500	25,000 20.9%
632	Postage	601	200,052	195,950	4,102 2.1%
633	Telephone and Utilities	601	80,100	72,600	7,500 10.3%
635	Office Space	304	126,000	120,000	6,000 5.0%
636	Office Equipment Services	304	60,000	60,000	- 0.0%
651	Petty Cash	601	6,000	6,000	- 0.0%
652	Board Member Election Expense	601	-	61,600	(61,600) -100.0%
653	Furniture and Other Equipment	730	87,000	141,500	(54,500) -38.5%
655	Other Office Expense	601	165,060	175,260	(10,200) -5.8%
656	Membership Dues & Subscriptions	601	183,423	127,988	55,435 43.3%
658	Promotional Supplies	601	8,000	8,000	- 0.0%
659	Insurance Expense	304	130,000	130,000	- 0.0%
<b>Office Expenses Total</b>			<b>\$ 1,360,635</b>	<b>\$ 1,390,398</b>	<b>\$ (29,763) -2.1%</b>
<b>TOTAL ADMINISTRATIVE EXPENSE BUDGET</b>			<b>\$ 51,826,665</b>	<b>\$ 47,338,937</b>	<b>\$ 4,487,728 9.5%</b>
<b>FUND 871: 115 TRUST EXPENSE BUDGET</b>					
612	Audit and Consulting CPA	304	10,000	10,000	- 0.0%
613	Legal	304	10,000	10,000	- 0.0%
660	Self-Funded Insurance Admin Fee	304	1,013,000	1,012,000	1,000 0.1%
<b>TOTAL 115 TRUST EXPENSE BUDGET</b>			<b>\$ 1,033,000</b>	<b>\$ 1,032,000</b>	<b>\$ 1,000 0.1%</b>

# SUMMARY OF CHANGES IN PERSONNEL



This table provides a look at the distribution and movement of personnel in the department among its business units. Total positions remained unchanged for FY26.

DIVISION/SECTION	2024-25 Adopted Budget	Proposed Changes				2025-26 Proposed Budget	2025-26 Proposed Substitute Authorities		
		Add/Delete	Transfers	Regularize Substitute Authorities	New		Regular Authorities	Cont.	New
Executive	6					6			
Investments	14					14			
Human Resources	6					6			
Internal Audit	3					3			
Retirement Services	55					55	2		2
Health, Wellness, and Buyback	39					39	13		13
Communications & Stakeholder Relations	21					21	4		4
Member Stewardship Section	5					5	7		7
Administration	15					15	2		2
Fiscal Management	15					15	3		3
Systems	13					13	1		1
Systems Operations Support	3					3	1		1
<b>TOTAL</b>	<b>195</b>					<b>195</b>	<b>33</b>		<b>33</b>

\*FY26 Total positions = 228 (195 regular + 33 substitute authorities)

# ANNUAL BUSINESS PLAN FOR FY 2025-26



Department Programs	Annual Work Plan and Business Plan Initiatives for FY26
<p><b>INVESTMENT ADMINISTRATION</b></p> <p>Positions: 14 Regular</p> <p>Admin Budget: \$3.0M</p>	<ul style="list-style-type: none"> <li>• Expanding Environmental, Social, and Governance Investment Policy Implementation</li> <li>• Broadening Emerging Managers program</li> <li>• Development of LACERS' internal Risk Management Committee</li> <li>• Implementation of updated asset allocation</li> <li>• CEM Benchmarking Study</li> </ul>
<p><b>BENEFITS ADMINISTRATION</b></p> <p>Positions: 115 Regular   19 Substitute Authorities</p> <p>Admin Budget: \$18.6M</p>	<ul style="list-style-type: none"> <li>• Respond to 62,000 Member inquiries to the Member Service Center</li> <li>• Deliver more than 52 mass communication pieces</li> <li>• Hold 96 seminars and events for Members</li> <li>• Counsel and retire 1,000 Members</li> <li>• Counsel and process 1,000 death benefits</li> <li>• Perform reviews of 3,200 legal documents related to Member caseload</li> <li>• Ballot Measure FF - Public Safety Officer Transfer Implementation</li> <li>• Carry out an Alive and Well Audit to verify and update benefit recipient demographic information</li> <li>• Administer retiree health benefits for LACERS Retired Members, Survivors, and their eligible dependents</li> <li>• Continue to actively respond to health benefits-related claims, issues, and feedback</li> <li>• Expand LACERS Well in-person activity program</li> <li>• Maintain a consistent 5-month processing time for service buybacks</li> <li>• Increase Member accessibility through the Language Access Plan</li> <li>• Redesign of the Summary Plan Description for Tier 1 and Tier 3 Members</li> <li>• Workflow Process Improvements Initiative</li> </ul>
<p><b>GENERAL ADMINISTRATION AND SUPPORT</b></p> <p>Positions: 66 Regular   14 Substitute Authorities</p> <p>Admin Budget: \$21.9M</p>	<ul style="list-style-type: none"> <li>• Governance Initiative <ul style="list-style-type: none"> <li>◦ Develop and Implement New Board Policies</li> </ul> </li> <li>• Workforce Diversity, Equity, and Inclusion Initiatives <ul style="list-style-type: none"> <li>◦ Fellowship Program</li> <li>◦ Learning Management System</li> </ul> </li> <li>• Central Data Repository Initiative</li> <li>• Business Plan Continuity Initiative</li> <li>• Strengthening Cybersecurity</li> <li>• Capital Plan</li> <li>• General Ledger Software Implementation</li> <li>• Phase Two - Laptop Replacement Program</li> </ul>



## BENEFITS ADMINISTRATION OPERATIONS

The Benefits Administration Operations provides services to a total of 61,384 Members inclusive of education and outreach relating to their LACERS retirement and retiree health benefits; counseling and calculation of their retiree benefits; and enrollment and administration of their retiree health insurance and subsidies. Administration of the program also involves ensuring statutory, regulatory, and legal compliance with various local, state, and federal statutes; and advising plan sponsors on benefit plan design considerations. Benefits administration is primarily provided by three divisions totaling 134 full-time employees representing 59% of the employees of the department:

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

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

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

### ENGAGEMENT WITH MEMBERS AND STAKEHOLDERS

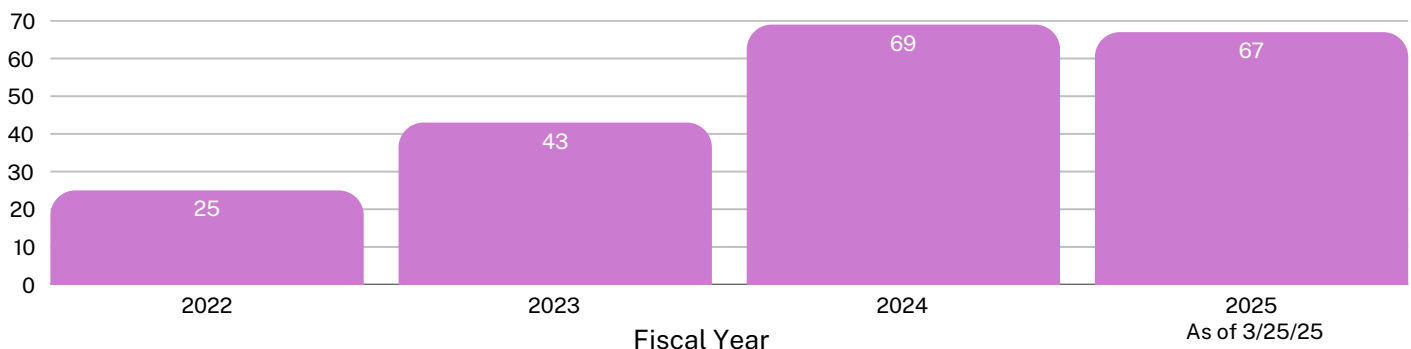
Over the past several years, CSRD led the department’s Language Access Plan (LAP) to ensure the accessibility of translated materials and services. Currently, 31 Key Member forms and documents have been translated into Spanish, improving accessibility. The translation of materials will continue to be an ongoing effort through FY26 and beyond.

CSRD has been focusing on a “Non-Desk Campaign” to reach Active Members who would not normally receive retirement information from LACERS due to work out in the field. In the past year, offsite presentations increased 60% from the previous year with 69 total presentations in the field. Additionally, attendance at Retirement Seminars increased by 9%, with 2,897 Members served.

In March 2025, CSRD successfully implemented a new queue management system, QLess, to enhance the Member experience and streamline operations. Goals in FY26 include increasing Member participation in surveys by 10% and raising Member satisfaction scores by at least 5% based on surveys received after the conclusion of each appointment handled through QLess. FY26 continues to monitor the progress of the system's post-implementation and address any concerns.

In FY26, CSRD will continue the four substitute authority positions, deliver quality service to Members, and explore innovative solutions to resolve Membership pain points.

### GROWTH IN OFFSITE SEMINARS





## SERVICE LEVEL ENHANCEMENT

### FY26 CONTINUING SUBAUTHORITIES

- 1 Benefits Analyst, CSRD
- 2 Benefits Specialists, CSRD
- 1 Development and Marketing Director, CSRD

Total: 4

### PERFORMANCE OBJECTIVES

The continuation of these staff will:

- Achieve a 5% increase in offsite seminars
- Achieve an annual average of 95% satisfaction from a minimum of 500 Customer Service survey results
- Facilitate the growth of LACERS' media to enhance Member engagement

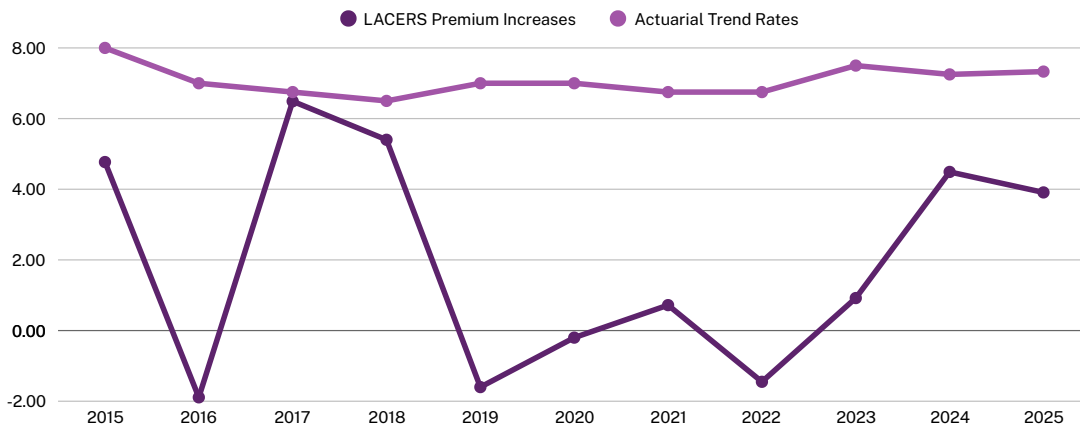




## ENHANCE BENEFIT DELIVERY AND HEALTH & WELLNESS

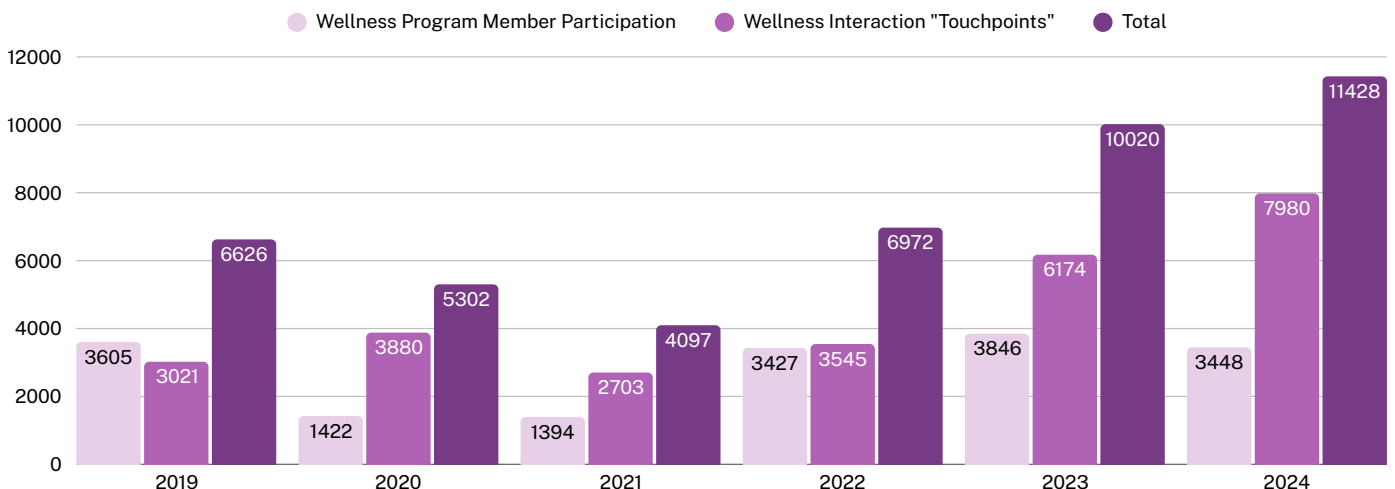
### IMPROVE THE VALUE AND MINIMIZE COSTS OF MEMBER HEALTH AND WELLNESS BENEFITS

HWABD is responsible for delivering retiree health benefits and has consistently provided healthcare premiums below the actuarial assumed medical trend rate. For the most recent three-year average (2023-2025), LACERS medical trend rate was at 3.91% versus the actuarial assumed medical trend rate at 7.33%. Additionally, by self-funding the vision and dental Preferred Provider Organization (PPO) plans, surplus premium funds are retained by LACERS to be applied towards future premium increases. For FY25, the projected vision surplus is \$198,000, and the dental surplus is \$600,000. LACERS' Board of Administration has approved the use of the surplus, currently at \$3.1 million, if necessary, to cover premium deficits rather than increasing the 2025 premiums. The renewal of existing substitute authority positions within the Health section will ensure the strategic goal of benefits delivery is consistently satisfied.



### EXPANSION OF RETIREE WELLNESS PROGRAM

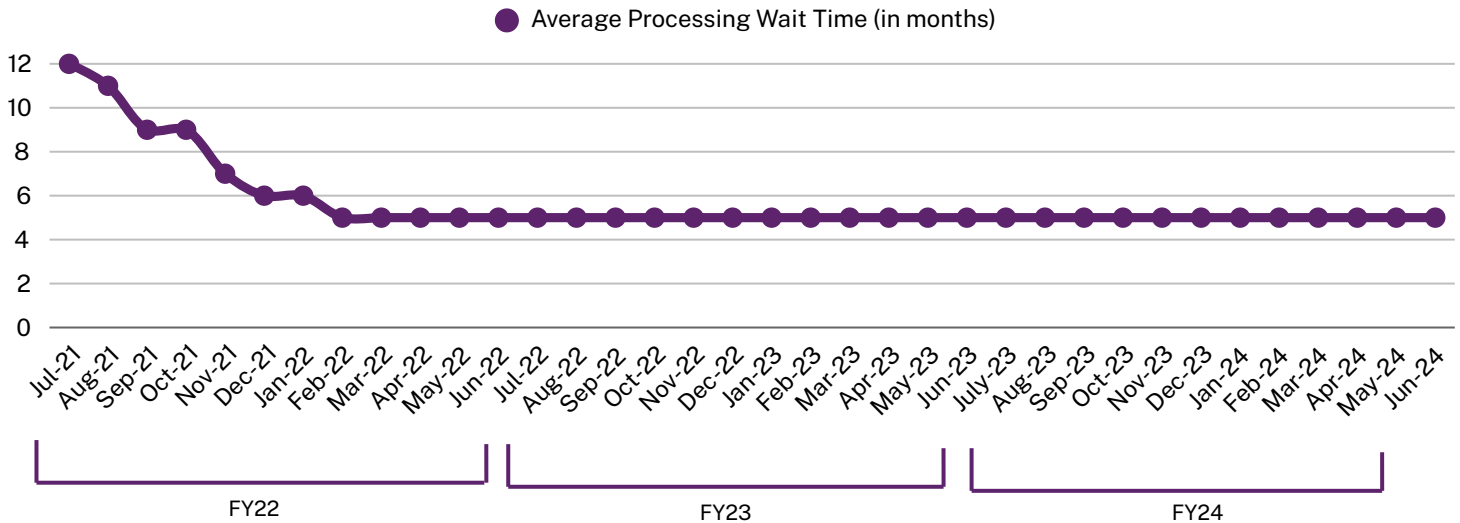
The long-term goal of the LACERS Well program is to help reduce medical plan costs by promoting physical and mental activities, resources, and educational initiatives focused on preventive care. Since the return of in-person activities and events in 2023, LACERS has experienced over a 12% increase in total participation and interaction between 2023 and 2024. In fiscal years 2025 and 2026, LACERS plans to further expand its in-person event program. The continuation of the Senior Project Coordinator and the Administrative Clerk substitute authority positions will facilitate partnership development and enhance program participation and member satisfaction rates.



# FY26 BUSINESS PLAN BENEFITS ADMINISTRATION

## TIMELY SERVICE PURCHASES FOR ACTIVE MEMBERS

Active members may purchase other government or past City service to increase their retirement allowance. The Service Processing Section (SPS) handles these requests and has maintained an average processing time of five months since FY21 thanks to the added positions. The continuation of the existing substitute authority positions has proved beneficial in maintaining the average processing wait time while eliminating the number of aging cases (i.e., 6 months or longer) to a minimum.



## SERVICE LEVEL ENHANCEMENT

### FY26 CONTINUING SUBAUTHORITIES

- 3 Benefits Specialists, Health Section
- 4 Benefits Analysts , Health Section
- 2 Senior Benefits Analyst, Health Section
- 1 Senior Project Coordinator, Wellness Program
- 1 Administrative Clerk, Wellness Program
- 1 Senior Benefits Analyst, SPS
- 1 Benefits Specialist, SPS

TOTAL: 13

### PERFORMANCE OBJECTIVES

The continuation of these staff will:

- Timely enrollment of Retired Members, Survivors, and their eligible dependents in their chosen LACERS health and dental plans
- Provide counseling to new Retirees and Survivors, and those aging in to Medicare
- Review and resolve monthly medical, dental, and vision plan memberships and premium discrepancies
- Review and process of medical expense reimbursements for Medical Premium Reimbursement Program (MPRP) participants who live outside the plan coverage areas
- Achieve higher participation rates at LACERS Well events, whether in-person or virtual
- Eliminate aging cases associated with processing service buyback



## OPTIMIZING OPERATIONAL EFFICIENCY

### PROCESS IMPROVEMENTS IN RETIREMENT SERVICES

Retirement Services Division’s (RSD) central mission is to deliver retirement benefits accurately, efficiently, and timely. In FY26, in addition to continuing operational improvements, RSD will focus on several key projects: 1) Complete the Domestic Alive and Well Audit, 2) Implement Measure FF, and 3) Continue the Knowledge Transfer Initiative.

On a triennial basis, LACERS conducts a Domestic Alive and Well Audit to verify our Members above age 80 and residing in the United States are receiving their benefits. This best practice protects the LACERS plan from benefits continuing to be paid after a Member’s death to persons who are not entitled to the benefit. This project began in January 2025, with over 70% of contacted Members responding in 60 days, however additional outreach and investigation of the outstanding Members will continue into FY26.

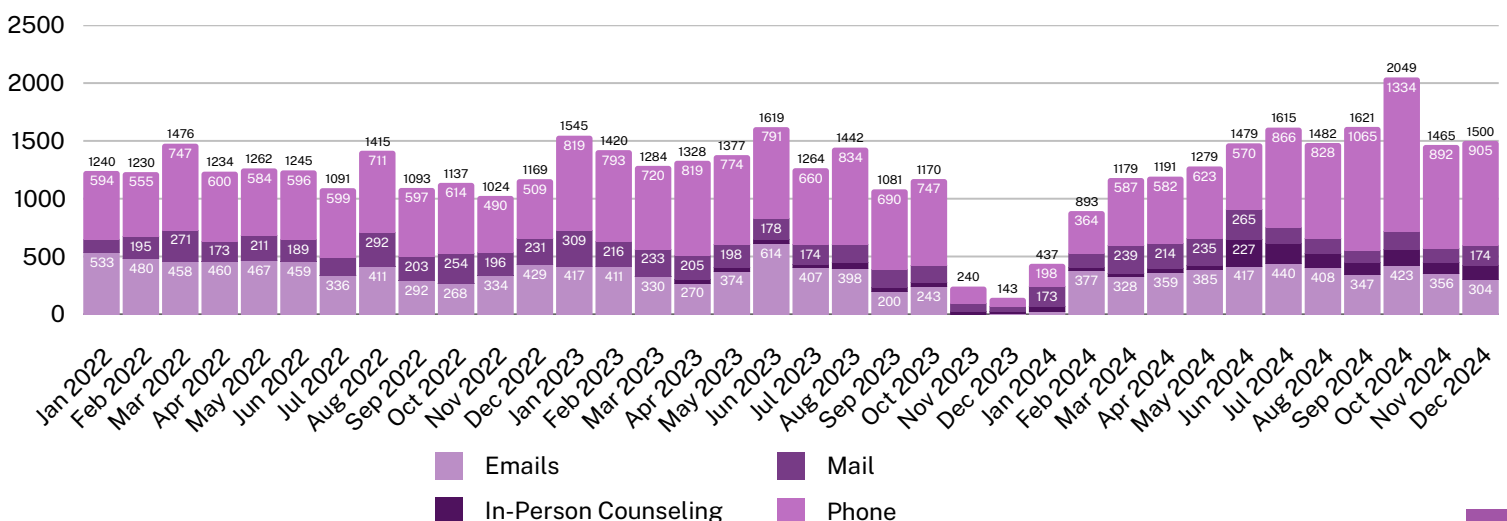
Voters in the November 2024 passed ballot measure FF to allow certain peace officers to individually elect to transfer their LACERS pension to the City’s sister pension system for sworn personnel, the Los Angeles Fire and Police Pensions (LAFPP). Implementation of the resulting ordinance continues in FY26 including mandatory counseling by LACERS and LAFPP of all eligible peace officers; completion of outstanding service purchases at LACERS; refunds of certain payments made previously by participants; and the transfer of employee and employer contributions to LAFPP are required to complete this project.

The City workforce continues to lose valuable institutional knowledge to retirements. Succession planning, particularly in the specialized area of LACERS benefits administration is critical to ensuring we meet our mandate to deliver timely and accurate benefits. RSD’s continuing Knowledge Transfer Initiative (KTI) organizes its institutional knowledge into accessible information that is searchable and easily summarized leveraging Artificial Intelligence (AI). The goal of the KTI is creation of a foundational level of expertise for every RSD staff. This ensures the accurate practice of RSD procedures, the reduction in processing time for retirement applications and payroll, and protection against fraud.

The continuation of two Benefit Specialists substitute authority positions in the Performance Review Unit will ensure RSD is able to assess unit or division performance so that solutions can be implemented to correct deficiencies and resources deployed effectively to ensure RSD as a whole is operating at optimal efficiency and effectiveness and remains on target in meeting strategic goals.

## MEMBER CONTACTS (BY MEDIUM)

### CALENDER YEARS 2022-2024





## SERVICE LEVEL ENHANCEMENT

FY26 CONTINUING SUBAUTHORITIES	PERFORMANCE OBJECTIVES
<ul style="list-style-type: none"><li>• 2 Benefits Specialists, Performance Review Unit</li></ul> <p>Total: 2</p>	<p>The continuation of these staff will:</p> <ul style="list-style-type: none"><li>• Provide the internal quality assurance check for how RSD delivers benefits</li><li>• Provide centralized coordination of scheduled projects, both special and annual</li><li>• Through their audit function, review divisional procedures and workflows for operational efficiency and effectiveness to ensure the timely delivery of benefits</li><li>• Provide coordination and the resolution of outstanding and returned check issues</li><li>• Manage and process member documentation from the International and Domestic Alive and Well Audits to verify and update benefit recipient demographic information and coordinate distribution of the documentation for legal review and/or investigation if necessary</li><li>• Assist in the development of the Knowledge Transfer System archive for usage in onboarding and educating staff</li></ul>



## INVESTMENT OPERATIONS

The Investment Division is responsible for the management of a \$24 billion investment portfolio. LACERS' primary investment objective is to maximize the return of the portfolio at a prudent level of risk to meet the obligations of the System. The Investment Division's project-based workload is largely driven by the Asset Allocation Policy, subject to Board approval, that provides direction in portfolio diversification to allow for prudent risk-taking.

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

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

#### EMPHASIS ON ONGOING EFFORTS

In December 2024, the Board approved changes to the Asset Allocation Policy based on the results of the triennial asset allocation study completed in FY24. These changes included restructuring the broad asset class weightings aimed to achieve: 1) Align more closely with current global market opportunities as shown by changes in benchmarks, and 2) Simplify the structure by combining several sub-asset classes into broader categories, allowing for more flexible weighting. Implementation of the new Asset Allocation Policy will begin in early 2025 and will be discussed with the Board. Until then, the Investment Division will continue to follow the previous asset allocation policy until June 30, 2025. The new allocation is expected to take effect no earlier than July 1, 2025.

Risk management has been a cornerstone of the Investment Program for the past ten years due to the various investment and operational risks associated with managing the System's assets. In FY26, the Investment Division plans to explore the implementation of a formalized risk management program. This program will include additional tools for the Risk Officer to evaluate and assess risks at both the asset class and manager levels, supplementing the current focus on macroeconomic factor risk assessment. To enhance the professionalism of the Risk Management Program, the Division has joined the Institutional Society of Risk Professionals (ISRP) to collaborate with peers on best practices in risk management and further develop LACERS' Risk Management Program.

The Investment Division is committed to supporting corporate governance practices that enhance and promote diversity, equity, and inclusion (DEI) both externally (through its investment managers, consultants, and vendors) and internally (through personnel practices) in accordance with policy. To further support external DEI initiatives, LACERS actively participates in the Investment Diversity Advisory Council (IDAC). This organization, established in 2022, is composed of asset allocators, investment managers, investment consultants, academics, and professional advocacy groups. IDAC works to maximize talent in hiring organizations by encouraging the employment of diverse candidate firms and individuals within the investment and financial services industry.

### ASSET ALLOCATION VS. POLICY

As of September 30, 2024

	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
<b>Total</b>	<b>24,929,502,422</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		



## SERVICE LEVEL ENHANCEMENT

### PERFORMANCE OBJECTIVES

- In FY26, the Investment Division will continue to expand and develop the following programs:
  - Investment Program - Asset Allocation
  - ESG Program
  - DEI Initiatives
  - Emerging Manager Program
  - Risk Management Program



## GENERAL ADMINISTRATION OPERATIONS

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

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

The FY26 proposed staffing for General Administration maintains the existing administrative support for LACERS operations with enhancements to business processes.

This year's proposed budget seeks to achieve the following objectives:

### INCREASE ORGANIZATIONAL EFFECTIVENESS AND EFFICIENCY


#### *STRENGTHENING FACILITY OPERATIONS*

The Administration Division oversees the facility services for the LACERS headquarters and is continuously making necessary improvements to support the department's operational needs. In response to an ever-evolving environment, it is crucial to improve the building's security to better safeguard LACERS' space and its occupants. In FY25, the Administration Division employed additional safety measures as recommended by prior LAPD security assessments, which includes training a select pool of LACERS staff, security, and property management personnel in operating security systems and installing additional security cameras in common areas. LACERS will continue into year two of implementing emergency tabletop exercises to promote operational resiliency against disasters. Additionally, the Administration Division aims to enhance the server room backup power design to ensure continuous operation and protection of critical IT infrastructure during power interruptions.

#### *OPTIMIZING PERFORMANCE WITH TECH-ENABLED SOLUTIONS*

The Systems Division (Systems) manages all facets of Information Technology (IT) functions of LACERS to ensure that all systems and technological infrastructures are secured and effective. In FY25, Systems initiated the laptop and mobile phone replacement, which is anticipated to be closed out in FY26. Conjointly, a Mobile Device Management (MDM) solution, which provides administrative features to remotely manage employee devices, will be deployed alongside the new phones. This will improve the organization's cyber posture, as recommended by the cyber vendor.

Building on the success of Virtual Desktop Infrastructure and Backup and Recover Infrastructure designs over the past two fiscal years, Systems aims to expand storage and automate back up processes for virtualized machines and setup cloud infrastructure alongside with security in protecting proprietary data against external threats in FY26. Systems will also resume Security Information and Event Management (SIEM) activities, a security program which enhances the monitoring and reviewing of security alerts, in protecting the organization from substantial malicious attacks. Continuation of a Cybersecurity Analyst substitute authority will assist in protecting the organization from cyber threats and ensure the security of digital infrastructure.



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Additionally, Systems will be working with various other sections to deploy new technology solutions; one of which includes replacing the Fiscal Division's General Ledger System. The Fiscal Division's current system is reaching the end of its lifespan as Microsoft has announced it will end product support in the coming years. Continuation of an Accountant and two Benefit Specialist substitute authorities will support these efforts while ensuring proper accounting and oversight of LACERS' financial operations are upheld. Another new solution is the deployment of the Administration Division's new budget software which has its infrastructure and integrations built out in FY25 and will make its official launch in FY26. Continuation of a Management Analyst substitute authority will support the development and ongoing maintenance of the new software. Finally, the Systems Division will continue its collaboration with the Data Office to advance the Central Data Repository initiative to build out a single source of truth that will streamline data management and enhance better decision-making and efficiency across the organization. Continuation of a Systems analyst substitute authority will provide essential support to the development and sustained upkeep of the repository.

## **DELIVER ACCURATE AND TIMELY MEMBER BENEFITS**

### *MEMBER BENEFIT PLATFORMS*

The Member Stewardship Section (MSS) is responsible for overseeing active Members of the Plan, which includes enrolling new Members, collecting contributions, adjusting service credit/salary as needed, and resolving any issues passed by the data transmittal file between HRP and LACERS' Pension Administration System (PAS). MSS staff have worked tirelessly with their HRP counterparts to support LACERS operations thereby ensuring the delivery of accurate and timely Member benefits. While MSS staff have made significant progress in addressing errors impacting benefits administration, it is important for staff to remain vigilant while continuing to resolve new issues and improve upon the data exchange processes in the next fiscal year. Continuation of the Benefit Analyst, Benefit Specialist, and Accounting Clerk substitute authorities will aid in resolving a higher frequency of errors, which has become a consistent challenge as changes in HRP often lead to issues in PAS.

The Systems Operation Support (SOS) Unit is responsible for the PAS and the Member Portal (MyLACERS), which include releasing system updates and fixes. Due to the high priority of the HRP project, SOS staff recommended updates to PAS to ensure the system's compatibility with HRP. However, as HRP issues have become considerably more manageable, the SOS team is now able to refocus its efforts on releasing updates aimed at improving the Member experience. In FY25, phase one of the MyLACERS enhancement project was initiated, which will allow retired Members and payees to directly update stored addresses and phone numbers within the PAS. This functionality was scheduled to be delivered in March 2025 for testing. Phase 2 is scheduled to commence in FY26 and will expand the Member self-update functionality to include direct deposit and withholding updates.

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

### *EMPLOYEE JOURNEY*

The Human Resources Unit (HRU) manages various employee-related functions to support individuals throughout their entire employment journey at LACERS. As LACERS staff has fully settled into the new building, HRU aims to revamp the New Employee Orientation experience that goes beyond day one and will include a first month check-in to ensure successful integration into the organization, a better understanding of their roles, and departmental policies. Additionally, in support of LACERS' strategic goal of empowering and promoting a high-performing workforce, HRU will also be spearheading the development of the Learning Management System (LMS), which is a platform housing various topics comprised of educational and employee development content, department-wide and Division specific training, and other ambassador training that goes beyond the initial employee orientation.



## SERVICE LEVEL ENHANCEMENT

FY26 CONTINUING SUBAUTHORITIES	PERFORMANCE OBJECTIVES
<ul style="list-style-type: none"><li>• 1 Management Analyst, Administration</li><li>• 1 Systems Analyst, Administration</li><li>• 1 Cybersecurity Analyst II, Systems</li><li>• 1 Accounting Clerk, SOS</li><li>• 2 Accounting Clerk, MSS</li><li>• 2 Benefits Analyst, MSS</li><li>• 3 Benefits Specialist, MSS</li><li>• 1 Accountant, Fiscal Management</li><li>• 2 Benefits Specialist, Fiscal Management</li></ul> <p>Total: 14</p>	<p>Continuation of these staff will:</p> <ul style="list-style-type: none"><li>• Contribute to project success through facilitation, driving involvement, and ensuring completion of existing business operations</li><li>• Resolve exceptions from the HRP system in a timely manner and reduce the backlog of contribution collection</li><li>• Support the framework buildout for the Central Data Repository</li><li>• Perform and implement necessary cybersecurity controls to safeguard LACERS data</li></ul>



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

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



PURPOSE

LACERS launched its new Strategic Plan in June 2024, setting the organization's direction for the next three to five years with new goal areas. The completion of the triennial board policy is expected by the end of the fiscal year. In FY25, initial discussions will continue regarding the implementation of new Board policies in response to the latest City Management Audit. FY26 will focus on advancing these discussions and implementing the new policies as determined by the Board.

DELIVERABLES

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


# FY26 BUSINESS PLAN INITIATIVES CENTRAL DATA REPOSITORY - YEAR 3



ADVANCES THE STRATEGIC PLAN GOAL OF ORGANIZATION EFFICIENCY AND EFFECTIVENESS

FY25 BUDGET REQUEST		
	Expense	Positions
<b>Total Request</b>	<b>\$63,480</b>	
Azure Open AI		
Microsoft Copilot		
Power App/Power BI Expansion		

**IMPACT**



Implementation of a Central Repository to improve reporting efficiency.

## PURPOSE

Over the past two fiscal years, the Central Data Repository (CDR) business plan initiative, though interrupted by HRP, has made significant progress in evaluating existing data environments and established the foundation of a cloud-based single source of truth. The Data and Systems teams are thoroughly performing data risk assessments and ensuring that the security settings are in compliance with industry standards. In FY26, these efforts will be continued with a focus on data validation and reconciliation as well as begin training for staff use.

## DELIVERABLES

- Development of a robust CDR environment
- Data Quality and Security Testing

# FY26 BUSINESS PLAN INITIATIVES BUSINESS CONTINUITY PLAN - YEAR 3



ADVANCES THE STRATEGIC PLAN GOAL OF ORGANIZATION EFFICIENCY AND EFFECTIVENESS

FY25 BUDGET REQUEST		
	Expense	Positions
<b>Total Request</b>	<b>\$75,000</b>	
Table Top Exercises	\$75,000	



## PURPOSE

This Business Continuity Plan (BCP) business plan initiative consists of a series of tabletop exercises to evaluate the comprehensiveness of disaster plans while also increasing employee readiness and awareness of their roles and responsibilities under an emergency circumstance, which instills a culture of preparedness within the organization. In FY26, LACERS seeks to carry out a Cybersecurity tabletop to better respond to cyber threats and attacks from both a technology and a business perspective. Additional efforts to improve employee readiness involves transitioning to a new mass communication platform, conduct more frequent emergency-related trainings, and other technological improvements to LACERS' infrastructure to minimize operational disruptions.

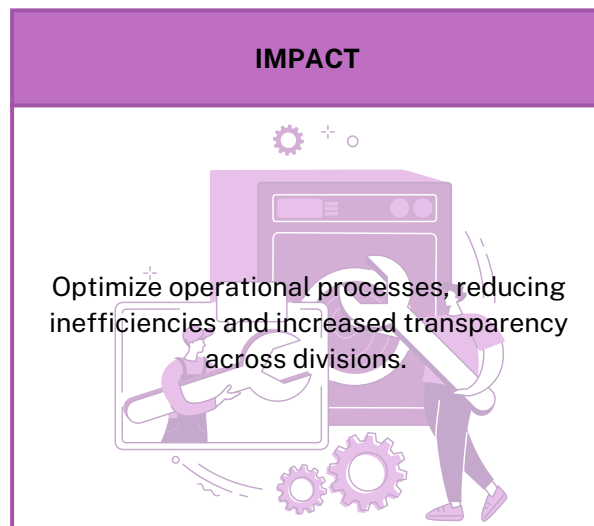
## DELIVERABLES

- Completion of one tabletop exercise

# FY26 BUSINESS PLAN INITIATIVES WORKFLOW PROCESS IMPROVEMENTS

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

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



## PURPOSE

The Workflow Process Improvements business plan initiative plays a crucial role in laying the groundwork for the future developments of pension administration system upgrades and business intelligence. Currently, LACERS has multiple touch points within respective workflow processes, hindering efficiency. Therefore, an operations subcommittee, consisting of managers from various divisions, has been created to assess existing processes and identify areas for improvement from point of intake through task completion. In FY26, this BPI will aim to conduct a peer benchmark study, a full audit of gaps within our technology stack, a re-alignment plan for work processes, and an information management plan to assist in the development of a multi-year technology enhancement strategy that will ensure organizational efficiency and effectiveness in benefits delivery and administration that is future proofed.

## DELIVERABLES

- Assessment of existing workflows
- Peer benchmark study
- Audit of forms, existing work processes, and technology gaps
- Extended action plan on operation upgrades

# CAPITAL EXPENSE BUDGET



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

This year's plan continues with routine improvements with additional areas of focus on the parking garage and implementation of an asset management system.

For FY26, LACERS proposes the following work be funded as part of the 10-Year Capital Plan:

## FY26 CAPITAL PLAN BUDGET REQUEST - YEAR 4

Category	Property Component	Expense
<b>Parking Garage</b>	<u>Carbon Monoxide (CO) Monitor</u> : Installation of a CO Monitor for each parking garage level. Scope includes Air Balance Report for the mechanical system, engineering drawings for the ventilation system, and integration with the Building Management System (BMS).	\$259,900
<b>Equipment</b>	<u>Asset Tracking</u> : Tag essential Capital and Non-Capital equipment, furniture, and electronics throughout the property. <u>Server Room Power</u> : Upgrade the existing backup power design with a larger Uninterruptible Power Supply (UPS). <u>Other Building Improvements</u> : Miscellaneous exterior building improvements.	\$220,000
	<b>TOTAL</b>	<b>\$479,900</b>



	FY26	FY25	% CHANGE
<b>Total</b>	\$ 844,273,649	\$ 850,400,480	(0.7)
<b>Retirement and Health Benefits</b>	883,126,541	931,932,464	(5.2)
<b>True-up Adjustment</b>	(40,349,892)*	(82,919,984)	(51.3)
<b>Family Death Benefit Plan</b>	37,000	35,000	5.7
<b>Excess Benefit Plan</b>	1,368,000	1,272,000	7.5
<b>Limited Term Retirement Plan</b>	92,000	81,000	13.6

An Asterisk (\*) denotes estimated amount. FY25 contribution true-up adjustment will be updated upon the availability of actual covered payroll up to pay period ending March 8, 2025.

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

City contribution rates toward retirement and health benefits for LACERS Members are set by the Board upon adoption of the annual actuarial valuations. Stated in the form of a percentage of covered payroll, the amount of the City's contribution is determined on the final covered payroll adopted in the City's budget. The final covered payroll will be determined in June once the City and proprietary departments budget gets adopted. As of now, FY26 City Contribution is based on the City's FY25 final budget covered payroll of \$1.7 billion for Tier 1 Members and rate of 32.65%; and a covered payroll of \$1.1 billion and rate of 29.37% for Tier 3 Members. A credit adjustment of \$40,349,892 is applied toward the FY26 contribution to LACERS. This credit amount represents a true-up of the FY25 contribution -- the difference between the contributions paid on July 15, 2024 based on the budgeted covered payroll amount and the actual payroll toward the end of the Fiscal Year. The City is also required by statute to make employer contributions for the Family Death Benefit Plan, the Excess Benefit Plan, and the Limited Term Retirement Plan.

## Family Death Benefit Plan

Approximately 1,944 Active Members are opted into the Family Death Benefit Plan which provides an additional benefit to qualifying surviving minor children, or widow/widower over age 60 if the Member dies while an active City employee. The City's contribution to the Family Death Benefit is equivalent to a match of the Member's contribution of \$1.50 per month for FY26. This monthly amount is established pursuant to a biennial study of the full actuarial costs of the benefit as required by the Los Angeles Administrative Code.



## Excess Benefit Plan

The Excess Benefit Plan was established separate from the LACERS Trust Fund, to pay retirement benefit amounts in excess of the benefit limits established by the Internal Revenue Code (IRC), currently \$280,000<sup>1</sup> for 2025. In 2025, there are 43 LACERS Members who receive their monthly LACERS' retirement benefit up to the limit allowable by the IRC, and the remainder of their benefit is paid separately by City funds. The City's cost of this program is the projected amount of the benefits that will be paid from the City's account for FY26, plus reasonable administrative expenses.

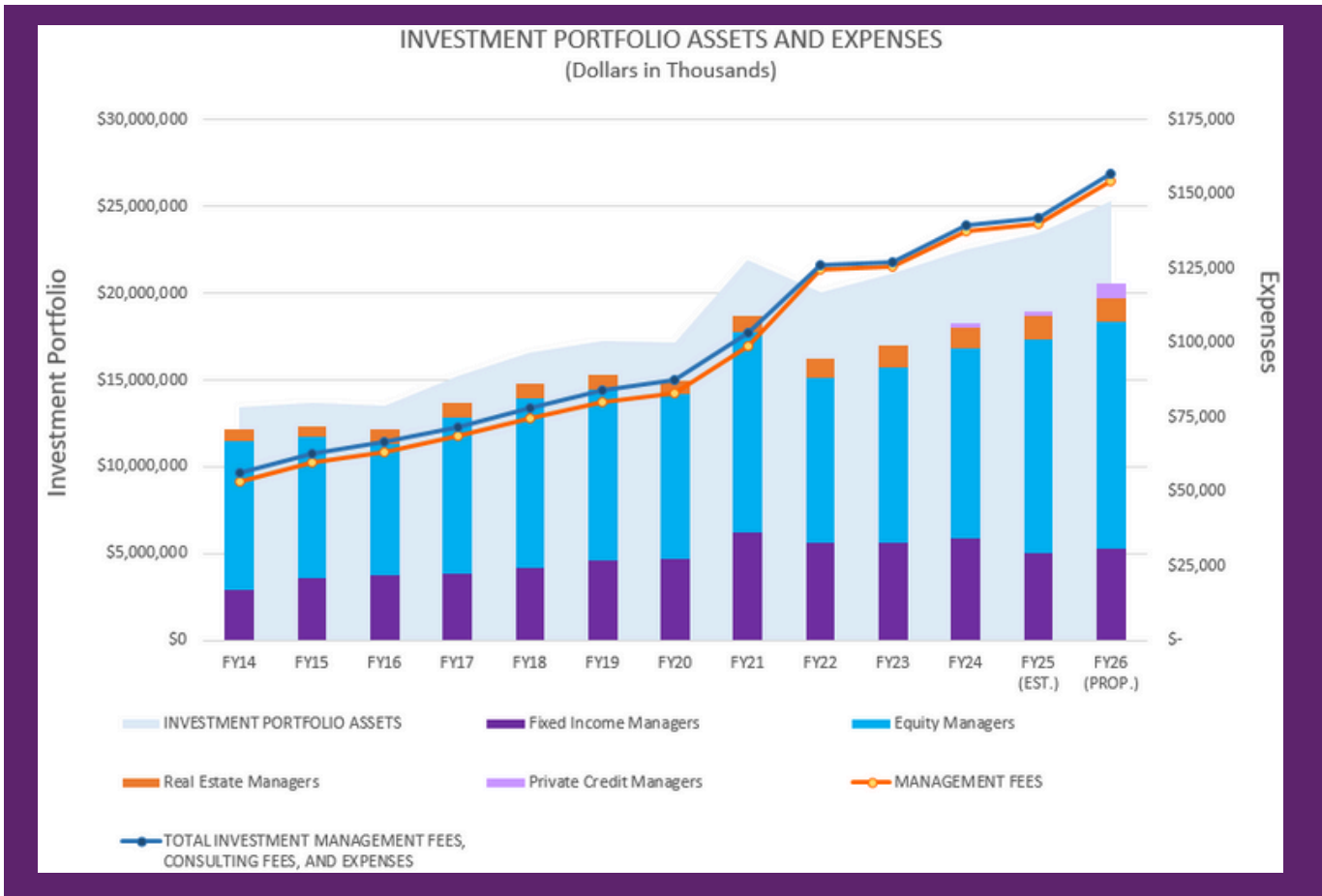
## Limited Term Retirement Plan (LTRP)

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

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



# INVESTMENT MANAGEMENT FEES AND EXPENSES



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

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

	FY26	FY25	\$ CHANGE	% CHANGE
<b>Total</b>	\$ 157,178,340	\$ 141,190,690	\$ 15,987,650	11.3
<b>Investment Management Fees</b>	154,507,909	138,413,685	16,094,224	11.6
<b>Investment Consulting Fees</b>	2,401,700	2,549,500	(147,800)	(5.8)
<b>Other Investment Expenses</b>	268,731	227,505	41,266	18.1

# INVESTMENT MANAGEMENT FEES AND EXPENSES



## Investment Fee Rate Overview

The FY26 proposed Investment Management Fees & Expenses Budget is \$157.2 million, an increase of \$16.0 million or 11.3% from the FY25 budget that includes the following:

- \$2.2M increase in Fixed Income and Equity
- \$3.0M increase from Private Credit
- \$10.9M increase for Private Equity and Real Estate

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

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

The FY26 proposed investment management fees and expenses budget is based on an estimated fair value of investments of \$26.1 billion as of June 30, 2026, a 7.4% increase from the FY 2025 estimated fair value of investments at \$24.3 billion. The estimate assumes an average 6.5% increase in assets based on NEPC's 10-year return assumption for each asset class, as of 12/31/2024.

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM**

**PROPOSED BUDGET  
AND  
PERSONNEL RESOLUTIONS**

**Fiscal Year 2025 - 26**

**Presented March 25, 2025**

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**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM**

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

<b>Actual 2023-24</b>	<b>Adopted Budget 2024-25</b>	<b>Estimated 2024-25<sup>1</sup></b>		<b>Budget Appropriation 2025-26<sup>2</sup></b>
<b>RECEIPTS</b>				
\$ 812,997,608	\$ 850,400,480	\$ 849,137,613	City Contributions (see Schedule 1).....	\$ 844,273,649
279,588,578	308,460,000	322,239,000	Member Contributions.....	338,351,000
47,547	35,000	44,000	Family Death Benefit Plan Member Contributions.....	37,000
12,934,341	13,314,000	13,703,000	Self-Funded Insurance Premium.....	14,145,000
2,125,051	1,596,500	1,081,000	Member Insurance Premium Reserve.....	900,000
526,769,335	573,710,000	521,242,000	Earnings on Investments.....	536,879,000
390,947,695	-	1,114,385,000	Gain on Sale of Investments.....	--
<u>\$ 2,025,410,155</u>	<u>\$ 1,747,515,980</u>	<u>\$ 2,821,831,613</u>	Total Receipts.....	<u>\$ 1,734,585,649</u>
<b>EXPENDITURES</b>				
\$ 1,262,372,293	\$ 1,412,000,000	\$ 1,368,000,000	Retirement Allowances.....	\$ 1,477,440,000
867,241	880,000	820,000	Family Death Benefit Plan Allowance.....	820,000
137,986,554	175,840,000	169,000,000	Retired Medical & Dental Subsidy.....	179,140,000
20,598,908	23,441,000	22,500,000	Retired Medicare Part B Reimbursements.....	25,153,000
11,575,628	13,800,000	12,200,000	Self-Funded Insurance Claims.....	13,701,000
10,888,131	15,620,000	14,500,000	Refund of Member Contributions.....	15,950,000
2,713,480	3,740,000	2,157,000	Refund of Deceased Retired Accum. Contributions.....	2,373,000
37,945,187	47,338,937	45,573,497	Administrative Expense .....	51,826,665
929,393	1,012,000	1,000,000	Self-Funded Insurance Administrative Fee.....	1,013,000
139,991,543	141,190,690	142,292,052	Investment Management Fees and Expenses.....	157,178,340
<u>\$ 1,625,868,358</u>	<u>\$ 1,834,862,627</u>	<u>\$ 1,778,042,549</u>	Total Expenditures.....	<u>\$ 1,924,595,005</u>
399,541,797	(87,346,647)	1,043,789,064	Increase (Decrease) in Fund Balance.....	(190,009,356)
<u>\$ 2,025,410,155</u>	<u>\$ 1,747,515,980</u>	<u>\$ 2,821,831,613</u>	Total Expenditures and Increase (Decrease) in Fund Balance	<u>\$ 1,734,585,649</u>

1. The City Contributions amount for the FY 2024-25 Estimate was based on the City's final covered payroll of \$2,813,198,694 and included the application of a net credit adjustment for FY 2023-24 of \$82,919,984 deducted from FY 2024-25 contribution payment. The credit adjustment represents a true-up of the FY 2023-24 City contribution.

2. The preliminary City Contributions budgeted amount for FY 2025-26 is based on the FY 2024-25 final covered payroll with a total amount of \$2,813,198,694 and includes an estimated credit adjustment of \$40,349,892 for the true-up of FY 2024-25 contributions which will be deducted from the FY 2025-26 contribution payment. The City Contribution budget amount will be finalized upon the receipt of adopted City covered payroll information from the City for FY 2025-26

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

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM**

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

<b>Actual 2023-24</b>	<b>Adopted Budget 2024-25</b>	<b>Estimated 2024-25</b>		<b>Appropriation 2025-26</b>
<b>RECEIPTS</b>				
\$ 98,608,393	\$ 84,198,568	\$ 84,040,301	City Contributions (see Schedule 1).....	\$ 89,048,738
12,934,341	13,314,000	13,703,000	Self-Funded Insurance Premium.....	14,145,000
2,125,051	1,596,500	1,081,000	Member Insurance Premium Reserve.....	900,000
12,565,041	17,446,000	17,738,000	Earnings on Investments.....	22,585,000
12,071,683	--	37,924,000	Gain on Sale of Investments.....	--
<u>\$ 138,304,509</u>	<u>\$ 116,555,068</u>	<u>\$ 154,486,301</u>	Total Receipts.....	<u>\$ 126,678,738</u>
<b>EXPENDITURES</b>				
\$ 12,080,581	\$ 13,800,000	\$ 12,200,000	Self-Funded Insurance Claims.....	\$ 13,701,000
929,393	1,012,000	1,000,000	Self-Funded Insurance Administrative Fee.....	1,013,000
-	20,000	-	Administrative Expense .....	
1,303,389	1,642,466	1,551,000	Contracts.....	20,000
4,312,883	4,898,735	4,842,000	Share of Department Adm. Expenses.....	2,180,000
<u>\$ 18,626,246</u>	<u>\$ 21,373,201</u>	<u>\$ 19,593,000</u>	Investment Management Expense.....	<u>6,612,000</u>
			Total Expenditures.....	<u>\$ 23,526,000</u>
<u>119,678,263</u>	<u>95,181,867</u>	<u>134,893,301</u>	Increase in Fund Balance.....	<u>103,152,738</u>
<u>\$ 138,304,509</u>	<u>\$ 116,555,068</u>	<u>\$ 154,486,301</u>	Total Expenditures and Increase in Fund Balance.....	<u>\$ 126,678,738</u>

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

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM**

**SCHEDULE 1 -- CITY CONTRIBUTIONS**

**ACTUARIAL REQUIREMENTS**

To fund the liabilities of the System for future service as required in Article XI Section 1158 and 1160 of the City Charter in accordance with the actuarial valuation of those liabilities as of June 30, 2024 as follows:

	Health (115 TR)	Retirement	Total
Tier 1 32.65% of \$1,734,453,754 total actuarial salary of Tier 1 members for fiscal year 2025-26. <sup>1</sup>	\$ 56,369,747	\$ 509,929,403	\$ 566,299,150
Tier 3 29.37% of \$1,078,744,940 total actuarial salary of Tier 3 members for fiscal year 2025-26. <sup>1</sup>	36,677,330	280,150,061	316,827,391
Subtotal	<u>\$ 93,047,077</u>	<u>\$ 790,079,464</u>	<u>\$ 883,126,541</u>
Family Death Benefit Plan (FDBP) To match the estimated total amount contributed by Family Death Benefit Plan members in accordance with the provisions of Section 4.1090 of the Administrative Code.		37,000	37,000
Excess Benefit Plan Fund (EBP) To fund retirement benefits in excess of the limits set by Internal Revenue Code Section 415 (b) in accordance with the provisions of Section 4.1800 of the Administrative Code.		1,368,000	1,368,000
Limited Term Retirement Plan Fund (LTRP) To fund the Defined Contribution Plan for elected City officials in accordance with the provisions of Section 4.1850 of the Administrative Code.		92,000	92,000
<b>Total City Contributions</b>	<u>\$ 93,047,077</u>	<u>\$ 791,576,464</u>	<u>\$ 884,623,541</u>
True-up Adjustment: Credit of difference in City contributions for FY 2024-25 based on estimated covered payroll on July 15, 2024 and actual covered payroll up to February 8, 2025 <sup>2</sup> .	(3,998,339)	(36,351,553)	(40,349,892)
<b>Total City Contributions After True Up</b>	<u>\$ 89,048,738</u>	<u>\$ 755,224,911</u>	<u>\$ 844,273,649</u>

**City Contributions by Funding Source:**

	Total Covered Payroll	Contributions						Total
		Tier 1 (32.65%)	Tier 3 (29.37%)	Shared Cost for FDBP/EBP/LTP	Tier 1 True-Up	Tier 3 True-Up	FY25 True-Up Adjustments	
General Fund (TRAN)	\$ 2,330,427,739	\$ 454,293,582	\$ 272,939,697	\$ 1,240,101	\$ (9,752,336)	\$ (10,683,702)	\$ (20,436,038)	\$ 708,037,342
Airports	338,185,512	78,356,471	31,877,652	179,961	(6,846,601)	(8,817,040)	(15,663,641)	94,750,443
Harbor	105,628,667	25,052,690	8,350,581	56,209	(3,110,016)	(521,815)	(3,631,831)	29,827,649
LACERS	23,108,576	4,886,077	2,362,857	12,296	(577,641)	389,662	(187,979)	7,073,251
LAFFP	15,848,200	3,710,330	1,296,604	8,433	(296,814)	(133,589)	(430,403)	4,584,964
<b>Total</b>	<u>\$ 2,813,198,694</u>	<u>\$ 566,299,150</u>	<u>\$ 316,827,391</u>	<u>\$ 1,497,000</u>	<u>\$ (20,583,408)</u>	<u>\$ (19,766,484)</u>	<u>\$ (40,349,892)</u>	<u>\$ 844,273,649</u>

<sup>1</sup>Total payroll is based on FY 2024-25 final covered payroll and will be updated once the FY 2025-26 final covered payroll is provided by the City.

<sup>2</sup>FY 2024-25 contribution true-up adjustment will be updated upon the availability of actual covered payroll up to pay period ending March 8, 2025.

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM**

**SCHEDULE 2 -- ADMINISTRATIVE EXPENSE**

<b>Expenditures 2023-24</b>	<b>Adopted Budget 2024-25</b>	<b>Estimated Expenditures 2024-25</b>		<b>Budget Appropriation 2025-26</b>
			<b>SALARIES</b>	
\$ 20,125,557	\$ 23,903,024	\$ 23,793,206	General	\$ 26,525,753
565,668	1,194,280	681,707	As Needed	1,303,295
392,396	459,669	455,957	Overtime	486,604
<u>\$ 21,083,621</u>	<u>\$ 25,556,973</u>	<u>\$ 24,930,871</u>	Total Salaries	<u>\$ 28,315,652</u>
			<b>EXPENSE</b>	
\$ 55,544	\$ 119,500	\$ 70,582	Printing and Binding	\$ 144,500
119,235	222,550	175,014	Travel	247,365
9,250,220	10,297,500	10,289,369	Employee Benefits	12,150,169
6,351	172,000	10,838	Transportation Expense	170,500
6,017,818	8,550,239	7,848,635	Contracts	8,346,465
1,120,108	1,935,575	1,795,391	Office and Administrative	1,966,814
<u>\$ 16,569,277</u>	<u>\$ 21,297,364</u>	<u>\$ 20,189,828</u>	Total Expense	<u>\$ 23,025,813</u>
			<b>EQUIPMENT</b>	
\$ 292,289	\$ 484,600	\$ 452,798		\$ 485,200
<u>\$ 292,289</u>	<u>\$ 484,600</u>	<u>\$ 452,798</u>	Total Equipment	<u>\$ 485,200</u>
<u>\$ 37,945,187</u>	<u>\$ 47,338,937</u>	<u>\$ 45,573,497</u>	Total Administrative Expense	<u>\$ 51,826,665</u>

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
INVESTMENT MANAGEMENT FEES AND EXPENSES: FY 2025-26**

	<b>ADOPTED BUDGET FY 2024-25</b>	<b>ESTIMATED EXPENSE FY 2024-25</b>	<b>PROPOSED BUDGET FY 2025-26</b>
1 Baird Advisors	\$ 714,583	\$ 691,615	\$ 709,515
2 Loomis Sayles	857,845	848,456	872,616
3 State Street (Fixed Income Index)	150,179	117,789	118,609
4 Garcia Hamilton & Associates	490,789	451,700	484,430
5 Income Research & Management	581,090	575,394	595,715
6 JP Morgan	622,302	603,502	619,196
7 Bain Capital (formerly Sankaty)	996,962	1,023,619	1,074,698
8 Prudential (LAC99)	1,666,318	1,661,400	1,750,853
9 DDJ Capital	1,333,597	1,379,600	1,449,694
10 Loomis Sayles	1,299,734	1,342,702	1,434,632
11 Wellington	2,351,020	2,346,292	2,471,852
12 Granahan	843,130	981,916	1,168,607
13 EAM Investors	454,796	524,811	576,973
14 Principal Global	1,309,503	1,448,879	1,589,187
15 Rhumblin (S&P 500)	168,830	179,217	191,725
16 Rhumblin (Russell 2000)	15,039	18,873	23,027
17 Rhumblin (Russell 2000 Value)	6,105	6,399	6,892
18 Copeland Cap Mgmt	1,257,585	1,301,742	1,365,207
19 Segall	716,904	774,501	840,496
20 Axiom International	1,622,763	1,816,006	1,899,545
21 Barrow, Hanley, Mewhinney & Strauss	3,006,871	2,496,751	2,607,087
22 Dimensional Fund Advisor (Emerging Mkt)	2,063,288	2,212,020	2,271,123
23 Lazard Asset Management	2,705,419	2,527,665	2,640,101
24 MFS Institutional Advisors	2,459,934	2,387,469	2,550,908
25 Oberweis Asset Management	2,557,330	2,666,231	2,810,170
26 State Street Global (Non-US Index)	354,340	370,432	393,632
27 State Street EMG Mkt C	226,798	224,284	220,201
28 State Street EAFE SC	121,023	120,200	127,100
29 Wasatch	2,414,796	2,493,490	2,484,243
30 Centersquare (REITS)	2,005,876	2,106,154	2,253,480
31 Dimensional Fund Advisor (TIPS)	412,302	377,718	389,713
32 Real Estate Managers	18,823,517	18,546,426	19,551,273
33 Private Equity Managers	75,280,431	77,078,846	85,433,139
34 Private Credit Managers	8,522,686	8,164,309	11,532,270
<b>Subtotal - Investment Managers Fee</b>	<b>\$ 138,413,685</b>	<b>\$ 139,866,408</b>	<b>\$ 154,507,909</b>
35 General Fund Consulting	\$ 480,000	\$ 480,000	\$ 480,000
36 Private Equity Consulting	860,000	857,378	895,000
37 Private Credit Consulting	325,000	325,000	325,000
38 Real Estate Consulting	221,500	219,300	223,700
39 Real Estate & Private Equity Legal Consulting	560,000	300,275	375,000
40 Northern Trust	103,000	23,000	103,000
<b>Subtotal - Investment Consulting Fee</b>	<b>\$ 2,549,500</b>	<b>\$ 2,204,953</b>	<b>\$ 2,401,700</b>
41 Bloomberg Financial Services	\$ 30,420	\$ 30,420	\$ 30,420
42 Tax Accounting Services	70,000	62,960	65,000
43 Institutional Shareholder Services	71,910	71,910	71,910
44 Pitchbook Subscription	25,500	25,500	26,500
45 Pacific Center for Asset Management	10,000	10,000	10,000
46 Cambridge Associates Private Equity Benchmark License	5,175	5,500	5,500
47 CEM Benchmark	-	-	45,000
48 MSCI ESG Research Software	14,500	14,401	14,401
<b>Subtotal - Other Investment Expense</b>	<b>\$ 227,505</b>	<b>\$ 220,691</b>	<b>\$ 268,731</b>
<b>Total Investment Management Fees and Expenses</b>	<b>\$ 141,190,690</b>	<b>\$ 142,292,052</b>	<b>\$ 157,178,340</b>



LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

PROPOSED PERSONNEL RESOLUTION  
FISCAL YEAR 2025-26

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

NOW, THEREFORE, BE IT RESOLVED, that:

1. Effective July 1, 2025, the positions listed in the attached schedule of Positions and Salaries are hereby authorized within the Los Angeles City Employees' Retirement System. The class code numbers, classifications, and salaries as set forth herein are hereby determined to be appropriate in accordance with existing City laws and ordinances, and applicable Memoranda of Understanding, as appropriate. Further, the employment of the designated number of persons in each code and classification as set forth herein is hereby authorized.
2. Memoranda of Understanding approved by the City Council shall be considered to be incorporated into this Resolution where appropriate. Salaries established under approved Memoranda of Understanding shall apply to all classes of employees therein noted. The provisions of each of the Memoranda of Understanding shall take precedence over any conflicting provision contained in this Resolution, but only for those employees in classes to which the Memoranda of Understanding apply.
3. Upon approval of the General Manager, substitute authority positions may be filled using any class approved and established by the Board of Civil Service Commissioners. This approval shall specify the period during which the position shall be filled.
4. Upon approval of the General Manager, persons may be employed in any class approved and established by the Board of Civil Service Commissioners in-lieu of a vacant position if the in-lieu employment is consistent with City policies and procedures for such employment.
5. The General Manager shall have the authority to correct any clerical or typographical errors in this document.

March 25, 2025

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
POSITIONS AND SALARIES: FY 2025-26**

**(a) Regular Positions**

FY25	FY26	Change	MOU	Class Code	Class Title	Salary Range
3	3	0	1	1513	ACCOUNTANT	\$ 76,316 - \$ 111,541
14	14	0	3	1223	ACCOUNTING CLERK	\$ 61,282 - \$ 89,554
10	10	0	3	1358	ADMINISTRATIVE CLERK	\$ 52,513 - \$ 68,883
2	2	0	36	9414	ASST GM LACERS	\$ 194,372 - \$ 284,177
29	29	0	1	9108	BENEFITS ANALYST	\$ 92,853 - \$ 135,762
35	35	0	20	1203	BENEFITS SPECIALIST	\$ 70,345 - \$ 102,855
3	3	0	36	9151	CH BENEFITS ANALYST	\$ 153,948 - \$ 225,086
1	1	0	36	9147	CH INVESTMENT OFCR	\$ 268,746 - \$ 392,941
1	1	0	36	9182	CH MANAGEMENT ANALYST	\$ 153,948 - \$ 225,086
1	1	0	1	9734-2	COMMISSION EXEC ASST II	\$ 89,116 - \$ 130,333
1	1	0	36	1610	DEPARTMENTAL AUDIT MGR	\$ 153,948 - \$ 225,086
1	1	0	36	1593-4	DEPT CHIEF ACCT IV	\$ 153,948 - \$ 225,086
2	2	0	37	1117-2	EXEC ADMIN ASST II	\$ 75,878 - \$ 110,935
1	1	0	37	1117-3	EXEC ADMIN ASST III	\$ 81,369 - \$ 118,953
1	1	0	20	1555-2	FISCAL SYSTEMS SPEC II	\$ 130,396 - \$ 190,655
1	1	0	0	9150	GM-LACERS	\$ 218,049 - \$ 386,488
1	1	0	36	1409-2	INFO SYSTEM MGR II	\$ 153,948 - \$ 225,086
1	1	0	1	1625-3	INTERNAL AUDITOR III	\$ 105,298 - \$ 153,948
1	1	0	1	1625-4	INTERNAL AUDITOR IV	\$ 130,396 - \$ 190,655
3	3	0	20	9146-1	INVESTMENT OFFICER I	\$ 121,208 - \$ 177,209
5	5	0	20	9146-2	INVESTMENT OFFICER II	\$ 151,025 - \$ 220,764
2	2	0	20	9146-3	INVESTMENT OFFICER III	\$ 189,841 - \$ 277,558
6	6	0	1	9184	MANAGEMENT ANALYST	\$ 89,116 - \$ 130,333
1	1	0	20	1170	PAYROLL SUPERVISOR	\$ 86,088 - \$ 125,844
1	1	0	20	1129	PERS RECORDS SUPV	\$ 74,980 - \$ 109,641
1	1	0	1	1731	PERSONNEL ANALYST	\$ 89,116 - \$ 130,333
1	1	0	63	1714-2	PERSONNEL DIR II	\$ 148,770 - \$ 217,486
0	0	0	20	1525-1	PR ACCOUNTANT I	\$ 103,982 - \$ 152,006
2	2	0	20	1525-2	PR ACCOUNTANT II	\$ 109,559 - \$ 160,275
1	1	0	20	1201	PRINCIPAL CLERK	\$ 70,345 - \$ 102,855
2	2	0	8	1431-3	PROGRAMMER/ANALYST III	\$ 94,774 - \$ 138,581
1	1	0	8	1431-5	PROGRAMMER/ANALYST V	\$ 110,580 - \$ 161,632
1	1	0	36	1800-1	PUB INFO DIRECTOR I	\$ 108,534 - \$ 158,667
13	13	0	20	9109-1	SENIOR BENEFITS ANALYST I	\$ 114,088 - \$ 166,831
7	7	0	20	9109-2	SENIOR BENEFITS ANALYST II	\$ 141,170 - \$ 206,399
2	2	0	20	1523-1	SR ACCOUNTANT I	\$ 89,074 - \$ 130,229
3	3	0	20	1523-2	SR ACCOUNTANT II	\$ 96,549 - \$ 141,149
20	20	0	3	1368	SR ADMINISTRATIVE CLERK	\$ 58,026 - \$ 84,835
1	1	0	17	1445-2	SR CYBER SECURITY ANALYST II	\$ 153,948 - \$ 225,086
2	2	0	20	9171-1	SR MGMT ANALYST I	\$ 109,641 - \$ 160,296
1	1	0	20	9171-2	SR MGMT ANALYST II	\$ 135,762 - \$ 198,485
1	1	0	64	9167-O	SR PERSONNEL ANALYST I	\$ 108,012 - \$ 157,915
1	1	0	64	9167-T	SR PERSONNEL ANALYST II	\$ 133,653 - \$ 195,416
1	1	0	20	1597-1	SR SYSTEMS ANALYST I	\$ 109,641 - \$ 160,296
1	1	0	20	1597-2	SR SYSTEMS ANALYST II	\$ 135,762 - \$ 198,485
2	2	0	1	1596	SYSTEMS ANALYST	\$ 110,748 - \$ 130,333
1	1	0	21	1455-1	SYSTEMS ADMINISTRATOR I	\$ 137,474 - \$ 161,757
2	2	0	21	1455-2	SYSTEMS ADMINISTRATOR II	\$ 119,016 - \$ 173,993
1	1	0	21	1455-3	SYSTEMS ADMINISTRATOR III	\$ 128,934 - \$ 188,526
<u>195</u>	<u>195</u>	<u>0</u>				

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

Class Code	Class Title	Class Code	Class Title
1133	RETIREMENT RELIEF WORKER	1119	PAYROLL SUPERVISOR
1358	ADMINISTRATIVE CLERK	1234	ACCOUNTING RECORDS SUPERVISOR
1501	STUDENT WORKER	1502	STUDENT PROFESSIONAL WORKER
1523-2	SENIOR ACCOUNTANT II	9108	BENEFITS ANALYST
1535-1	ADMINISTRATIVE INTERN I	1596	SYSTEMS ANALYST
1535-2	ADMINISTRATIVE INTERN II	9184	MANAGEMENT ANALYST
1538	SR PROJECT COORDINATOR		

FY25	FY26	Change	MOU	Class Code	Class Title	Salary Range
<u>7</u>	<u>7</u>	<u>0</u>	N/A	0101-2	COMMISSIONER	\$50 PER MEETING
7	7	0				

# LACERS

## CONCEPTUAL ORGANIZATIONAL CHART FY 2025/2026

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

(7 Commissioners)  
**LACERS BOARD**

**General Manager (1)**  
Code: 9150  
WD: P006704

**INTERNAL AUDIT  
Departmental Audit Mgr (8)**  
Code: 1610  
WD: P066278

**LACERS BOARD SECRETARY  
Commission Executive Assistant II (66)**  
Code: 9734-2  
WD: P006742

**Executive Administrative Assistant III (68)**  
Code: 1117-3  
WD: P006744

**ADMINISTRATIVE OPERATIONS  
Assistant General Manager LACERS\* (2)**  
Code: 9414  
\*2 Level Executive Officer Bonus  
WD: P006688

**MEMBER SERVICES & COMMUNICATIONS  
Assistant General Manager LACERS\* (3)**  
Code: 9414  
Allocation by CSC 04/09/2009  
\*1 Premium Level 2.75% Bonus  
WD: P006685

**INVESTMENT  
Chief Investment Officer (4)**  
Code: 9147  
WD: P006842

**ADMINISTRATION DIVISION  
Chief Management Analyst (5)**  
Code: 9182  
CSC 22/23-174 Allocated 7/28/2022  
WD: P137502

**Executive Administrative Assistant II (67)**  
Code: 1117-2  
MOU 37 2nd Premium Level 5.5% Bonus  
WD: P006743

**HUMAN RESOURCES  
Personnel Director II (181)**  
Code: 1714-2  
\*IPMA-HR 5.5% Bonus  
WD: P137505

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

**HEALTH, WELLNESS, and BUYBACK  
Chief Benefits Analyst (7)**  
Code: 9151  
WD: P006746

**FISCAL MANAGEMENT  
Departmental Chief Accountant IV (10)**  
Code: 1593-4  
WD: P006757

**RETIREMENT SERVICES  
Chief Benefits Analyst (6)**  
Code: 9151  
WD: P006735







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

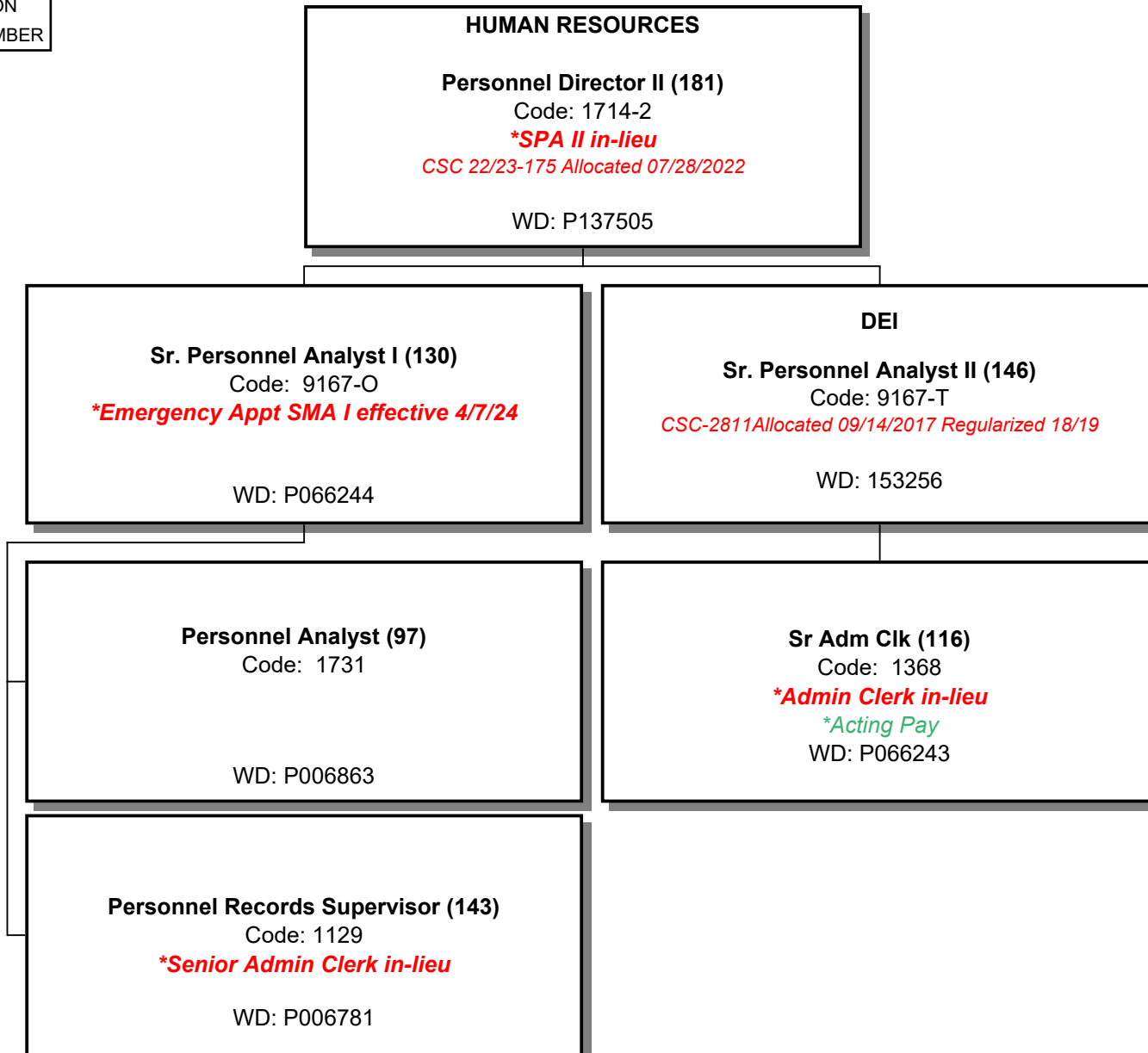
**Communications & Stakeholder Relations  
Chief Benefits Analyst (191)**  
Code: 9151  
CSC 22/23 3642 Allocated 10/27/2022  
WD: P141703

**SYSTEMS OPERATIONS SUPPORT  
Sr Benefits Analyst II (150)**  
Code: 9109-2  
Reallocation from Sr Mgmt Analyst II CSC item 10 (c) 6/25/2020  
WD: P006788

# LACERS







## CONCEPTUAL ORGANIZATIONAL CHART FY 2025/2026

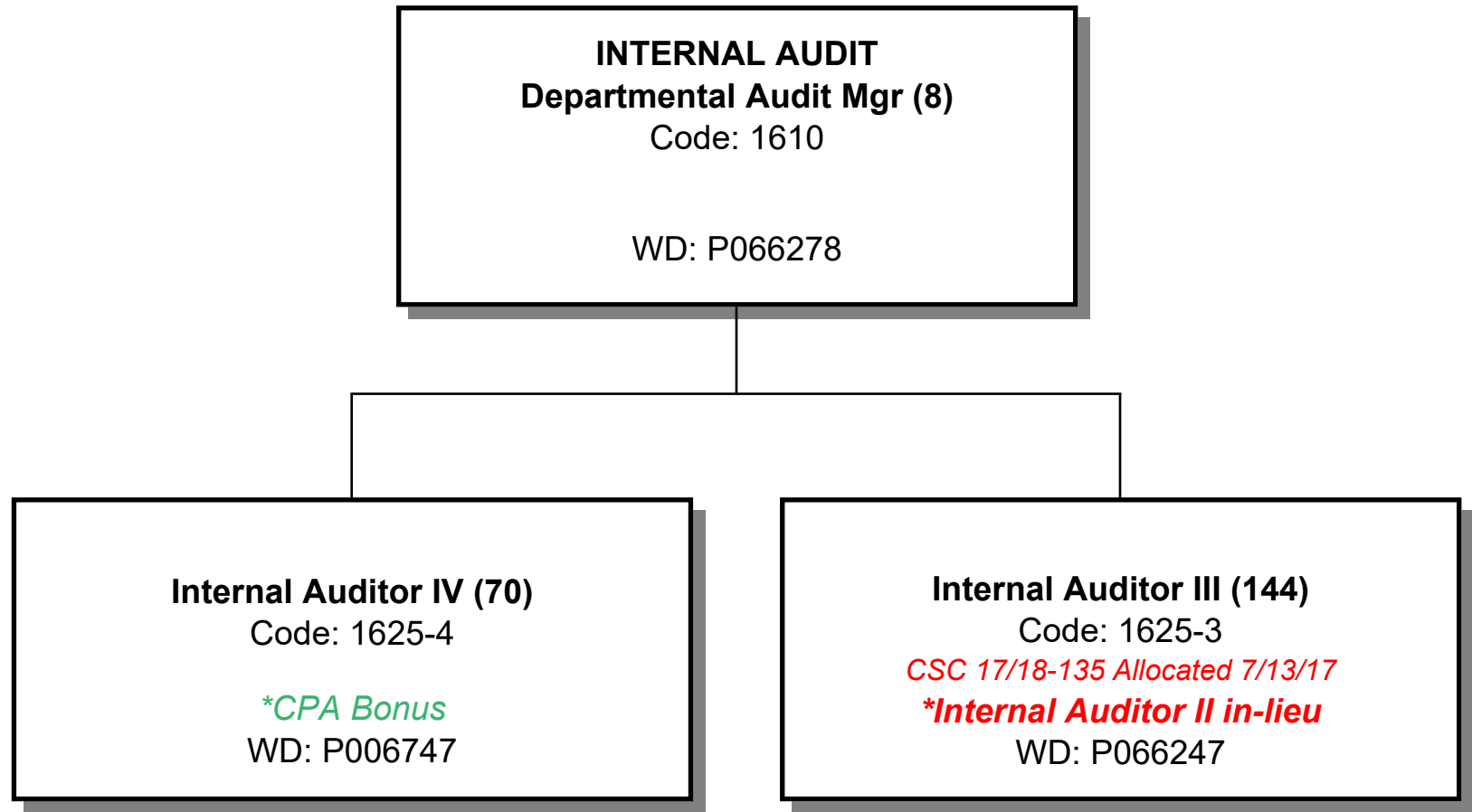
-  SUBSTITUTE AUTHORITY
-  ADD POSITION
-  DELETION OF POSITION
-  MOVE POSITION
-  REALLOCATE POSITION
-  POSITION CONTROL NUMBER



# LACERS

## CONCEPTUAL ORGANIZATIONAL CHART FY 2025/2026

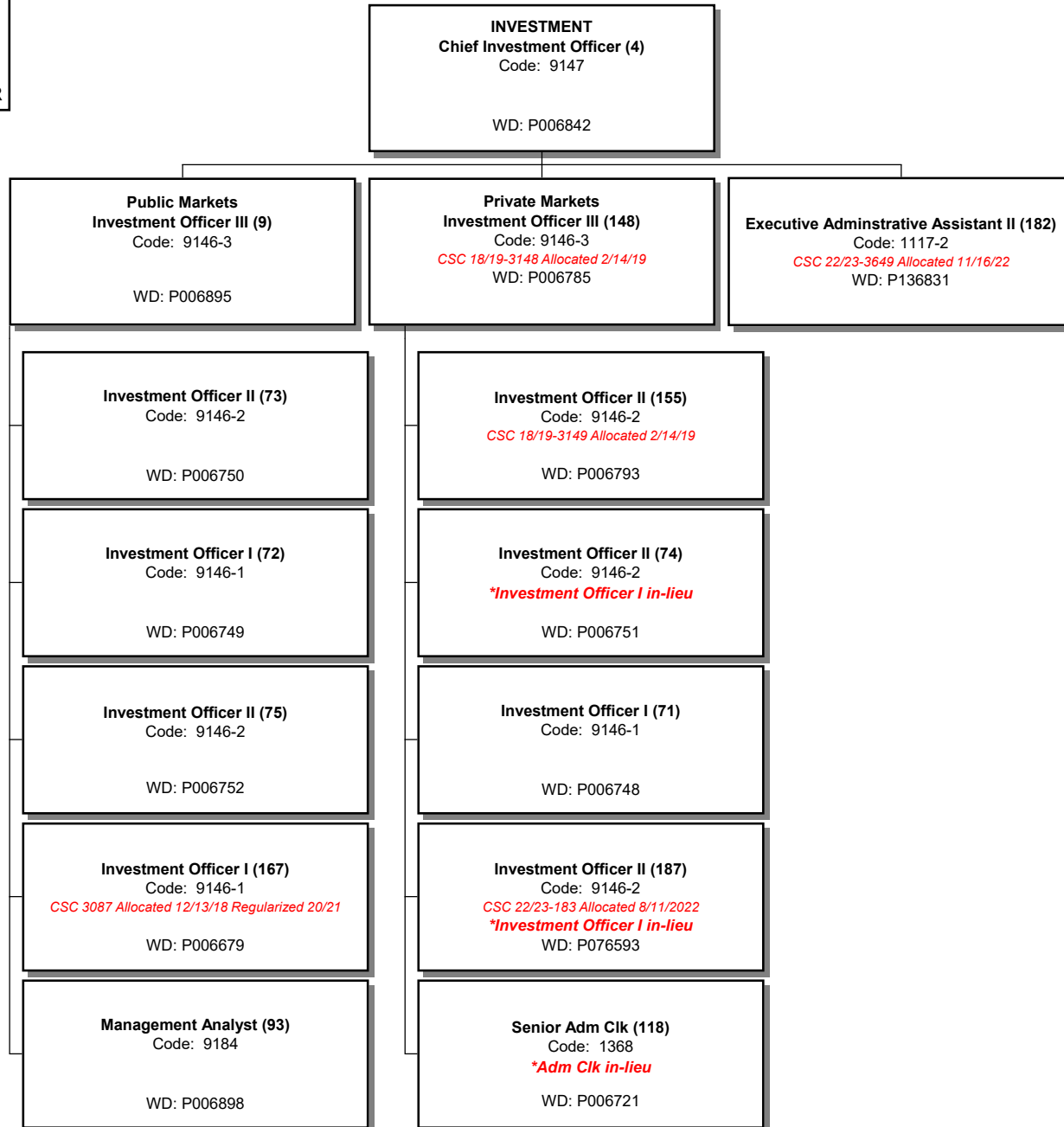
-  SUBSTITUTE AUTHORITY
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# LACERS

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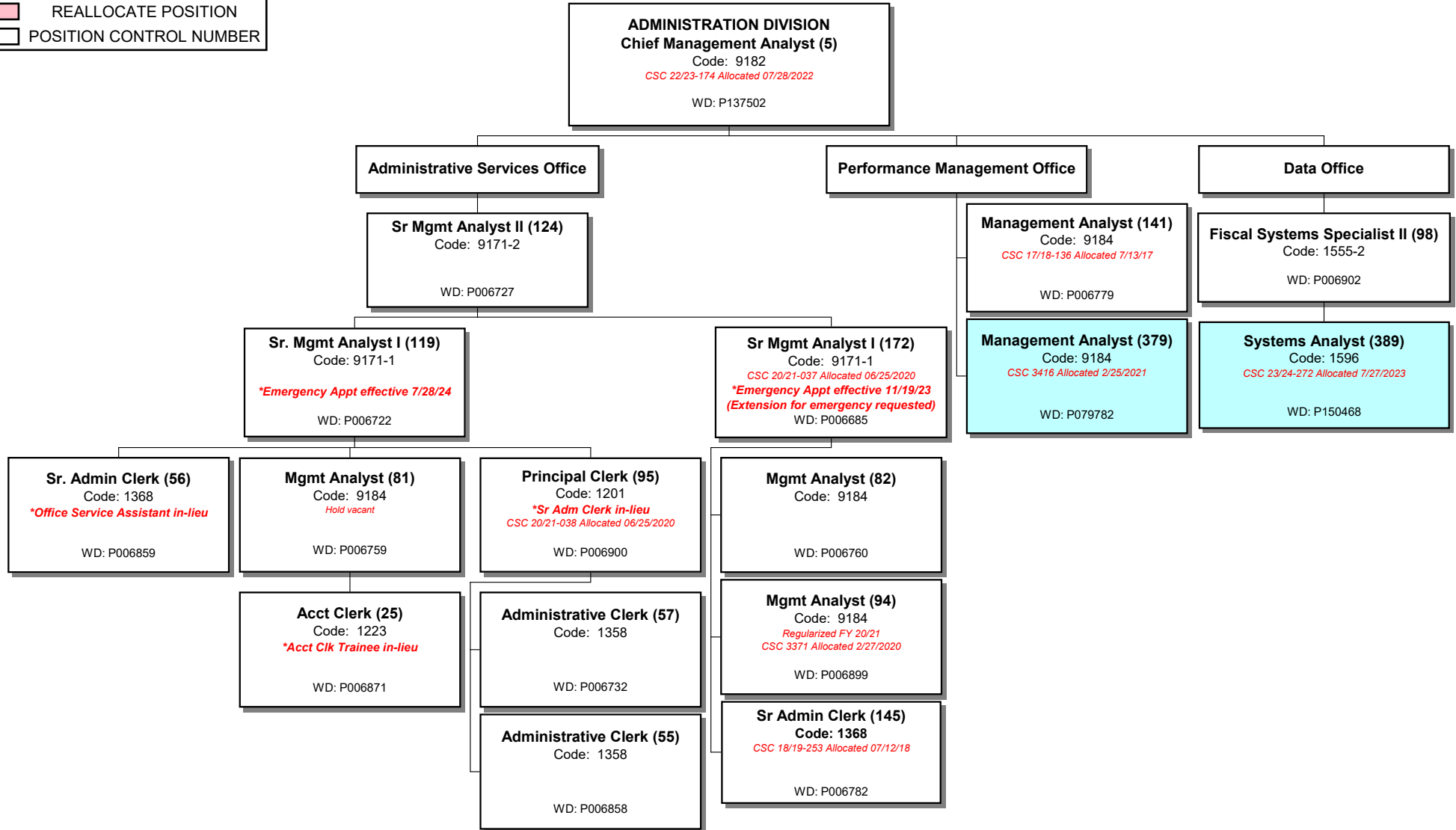


UPDATED 3/25/2025

# LACERS

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# LACERS

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

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

**Account Settlement Unit (ASU)**

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

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

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

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

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

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

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

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

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

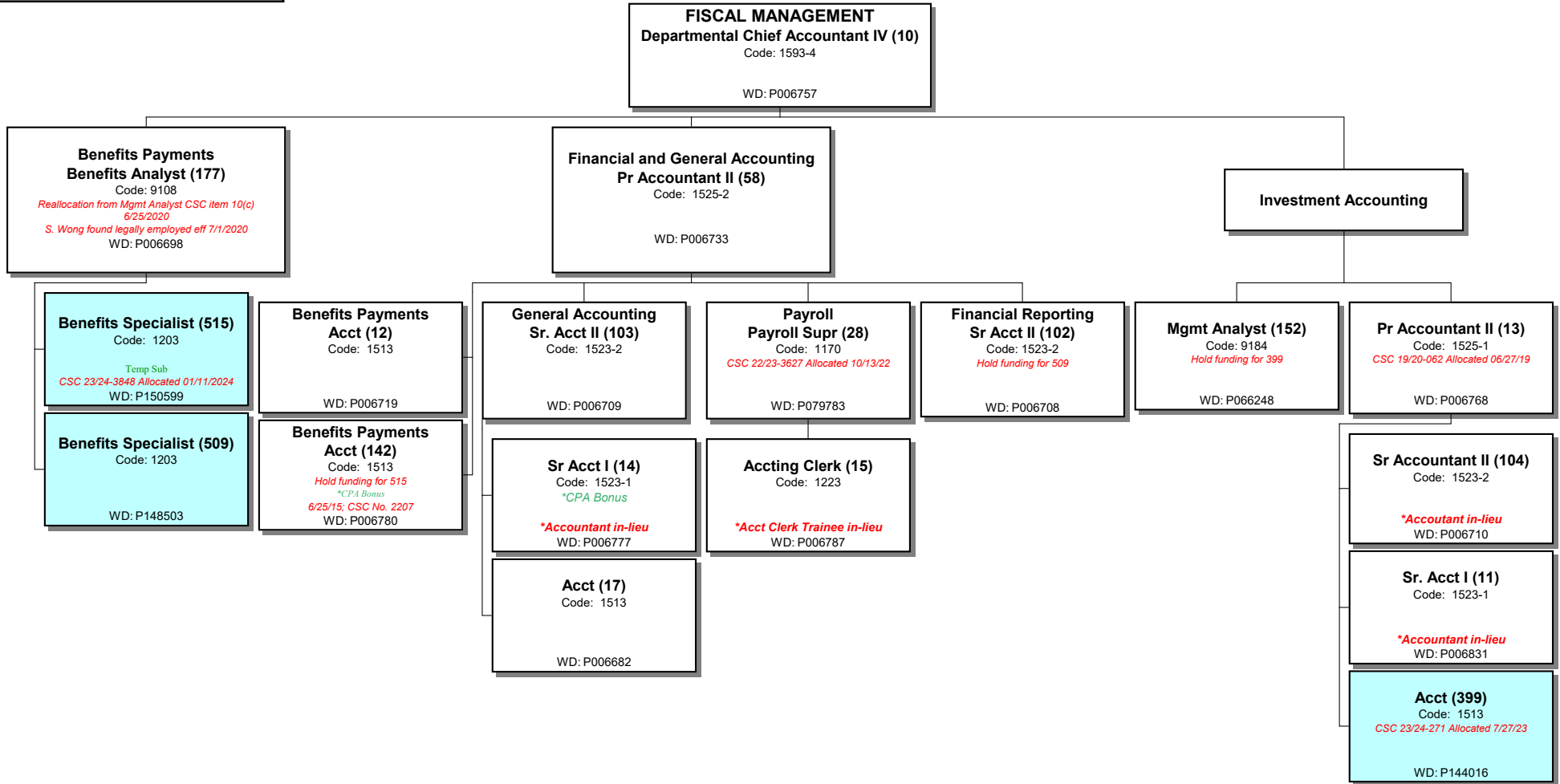
**Benefits Specialist (30)**  
 Code: 1203  
 WD: P006696



# LACERS

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**LACERS**  
**CONCEPTUAL ORGANIZATIONAL CHART FY 2025/2026**

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

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

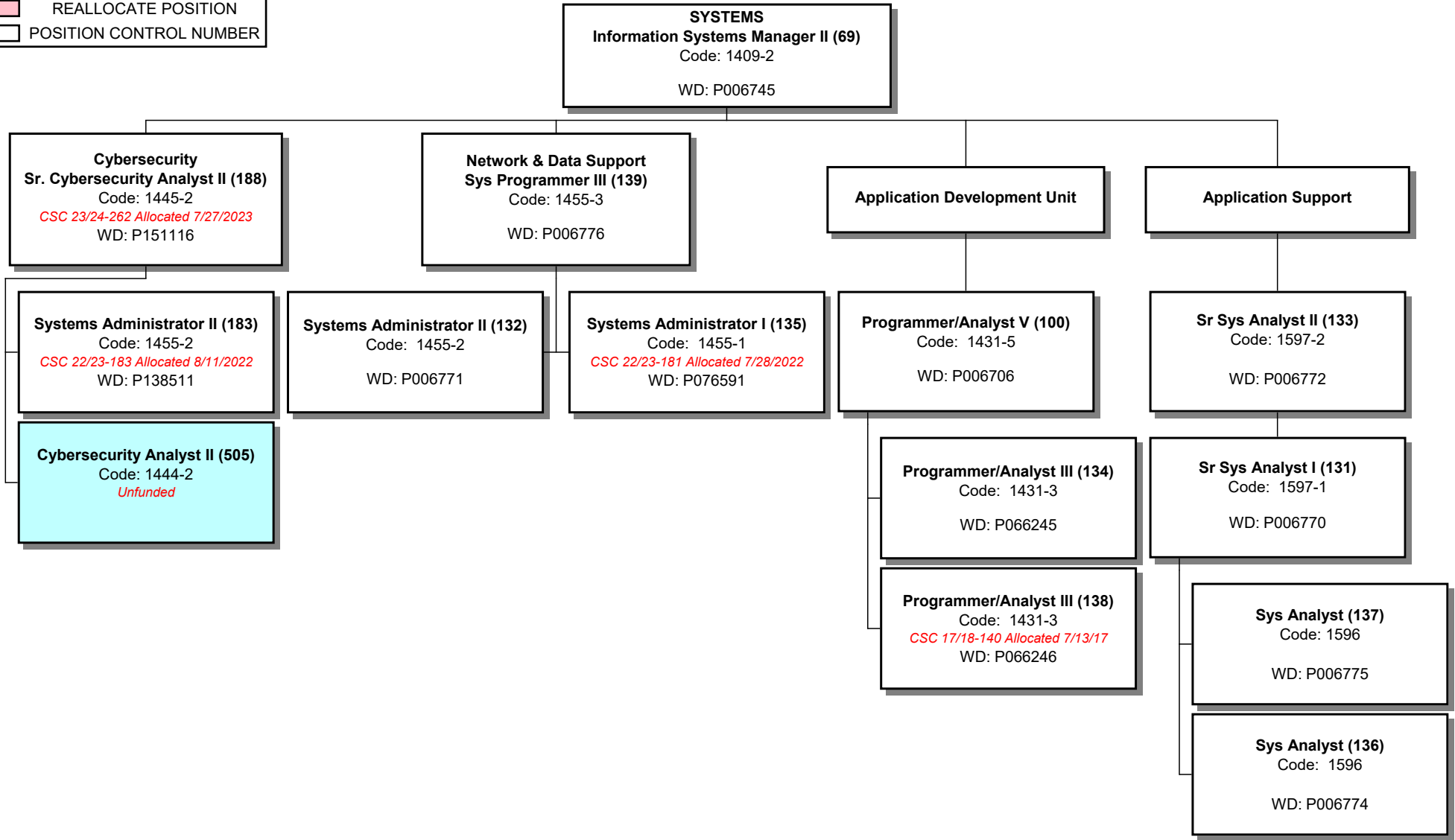
**Benefits Analyst (80)**  
Code: 9108  
  
WD: P006758

**Accounting Clerk (519)**  
Code: 1223  
*CSC 23/24-3893 Allocated 4/25/2024*  
*\*Acct Clk Trainee in-lieu*  
WD: P152242

# LACERS

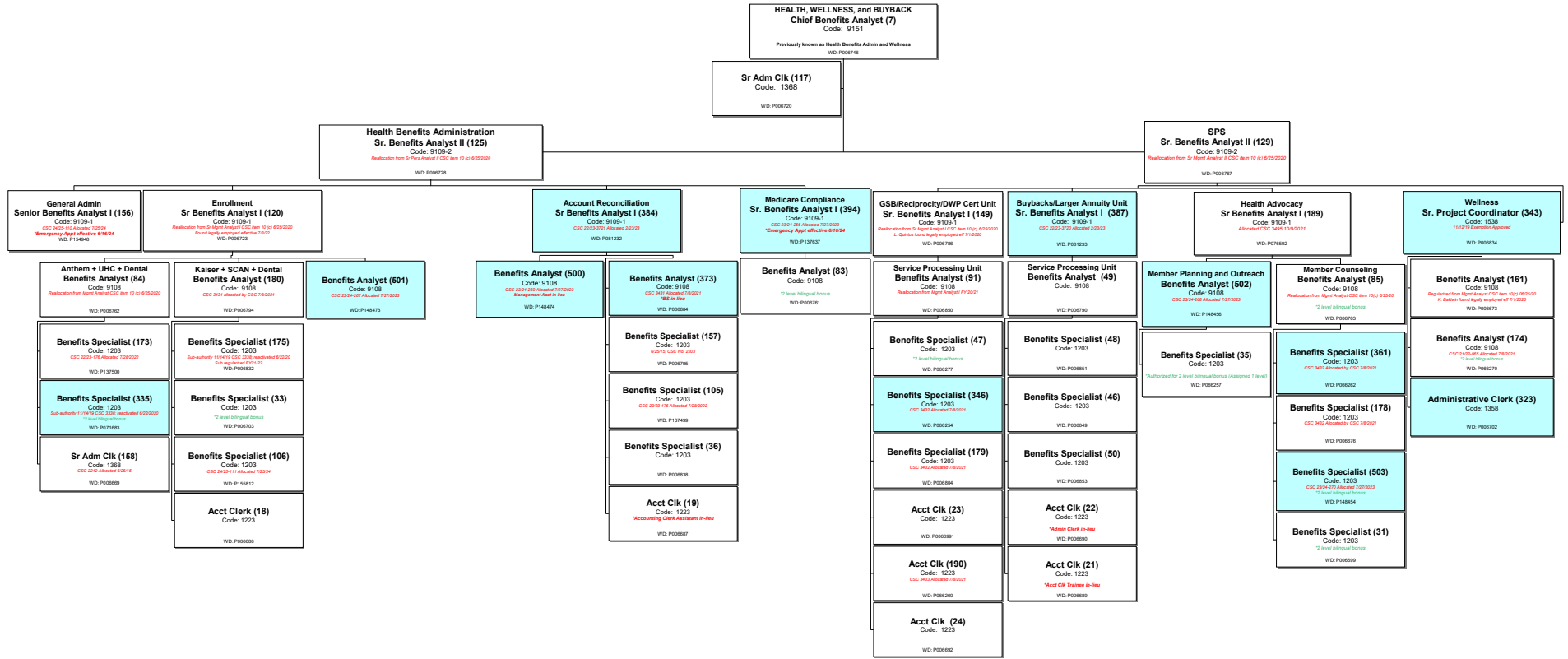
## CONCEPTUAL ORGANIZATIONAL CHART FY 2025/2026

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

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

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

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

**Member Service Center**  
**Sr Benefits Analyst I (176)**  
Code: 9109-1  
*New Regular FY21-22*  
*\*Emergency Appt effective 6/16/24*  
WD: P076590

**Public Information Director (101)**  
Code: 1800-1  
*\*2 level bilingual bonus*  
WD: P006707

**Benefits Analyst (353)**  
Code: 9108  
*Sub CSC 3431 Allocated 7/8/2021*  
WD: P006792

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

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

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

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

**Sr Adm Clk (108)**  
Code: 1368  
*\*Office Services Assistant in-lieu*  
WD: P006711

**Sr Adm Clk (193)**  
Code: 1368  
*CSC 23/24-265 Allocated 7/27/2023*  
*2 level MSC bonus*  
WD: P148021

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

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

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

**Sr Adm Clk (110)**  
Code: 1368  
*\*Office Services Assistant in-lieu*  
*2 level MSC bonus*  
WD: P006714

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

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

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

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

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

**Benefits Specialist (154)**  
Code: 1203  
*Allocated 9/13/18; CSC 3034*  
*\*2 level bilingual bonus*  
WD: P066249

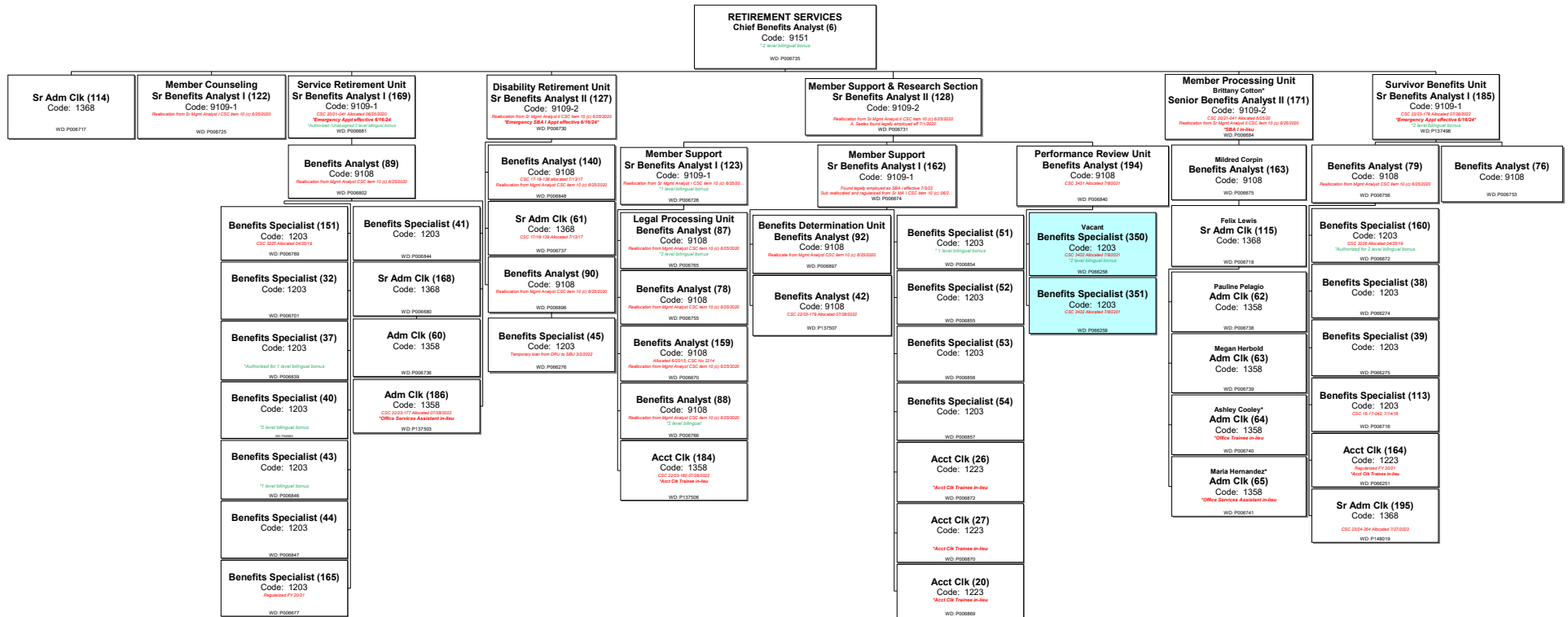
**Adm Clk (59)**  
Code: 1358  
*\*Office Services Assistant in-lieu*  
*2 level MSC bonus*  
WD: P006734

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

# LACERS

## CONCEPTUAL ORGANIZATIONAL CHART FY 2025/2026

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LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

PROPOSED RESOLUTION

DELEGATION OF AUTHORITY TO THE GENERAL MANAGER  
TO APPROVE TRANSFERS BETWEEN APPROPRIATION ACCOUNTS  
FOR FISCAL YEAR 2025-26

WHEREAS, the Fiscal Year 2025-26 Budget aims to limit budget overages and ensure appropriations are conservatively budgeted, greater flexibility to move funds between appropriation accounts will help manage expenditures within budgeted funds;

WHEREAS, Charter Section 343(b) and Administrative Code Section 5.36, provides authority to the head of the department, the LACERS Board of Administration, to transfer between budget appropriation accounts, within limits prescribed by the City Administrative Officer, the most current at \$67,865 in Fiscal Year 2024-25;

WHEREAS, on March 25, 2025, the Board has approved the 2025-26 Budget and desires that the General Manager have the flexibility to move funds between appropriation accounts in order to meet priorities in the most efficient and timely manner;

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

March 25, 2025

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

PROPOSED RESOLUTION

AUTHORIZATION FOR  
DEPARTMENTAL EXEMPLARY STAFF RECOGNITION PROGRAM  
FISCAL YEAR 2025-26

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

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

WHEREAS, funds for program-related expenditures during the 2025-26 Fiscal Year have been included in the Fiscal Year 2025-26 Departmental budget in order to continue the program; and

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

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby confirms the ongoing establishment of the LACERS Exemplary Staff Recognition Program, and authorizes program-related expenditures for Fiscal Year 2025-26 not to exceed \$5,000.

March 25, 2025



LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

PROPOSED RESOLUTION

AUTHORIZATION FOR  
LACERS DEPARTMENTAL PARKING PROGRAM  
FISCAL YEAR 2025-26

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

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

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

WHEREAS, funds for program-related expenditures during the 2025-26 Fiscal Year have been included in the Departmental budget under the Property Management - Operations expense budget in order to continue the program;

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

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

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

1. Hereby confirms the continuation of the LACERS Departmental Parking Program, and authorizes program-related expenditures for Fiscal Year 2025-26 not to exceed \$30,000;
2. Authorize the General Manager to work with the property management firm for the LACERS Headquarters Building to rent up to 30 parking spots annually and/or enter into an agreement for validated parking in the Chinatown area; and,
3. Authorize the General Manager to negotiate and execute any contracts required to implement the parking program.

March 25, 2025

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

PROPOSED RESOLUTION

AUTHORIZATION FOR  
DEPARTMENTAL TRANSIT BENEFITS PROGRAM  
FISCAL YEAR 2025-26

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

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

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

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

WHEREAS, funds for program-related expenditures during the 2025-26 Fiscal Year have been included in the 2025-26 Departmental budget in order to establish this program;

WHEREAS, LACERS will provide an increase from \$50 to \$100 a month for the transit subsidy reimbursement to match the Special Parking MOU's transit subsidy reimbursement amount of \$100 a month;

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

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

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

1. Hereby confirms the continuation of the LACERS Transit Benefits Program, and authorizes program-related expenditures for Fiscal Year 2025-26 not to exceed \$162,000;
2. Authorize the General Manager to establish a monthly transit subsidy per eligible employee;
3. Authorize the General Manager to establish the program requirements, policies and procedures as necessary within the framework of this authorizing Resolution; and,
4. Authorize the General Manager to negotiate and execute any contracts or agreements required to implement the Departmental Transit Benefits Program.

March 25, 2025



# PORTFOLIO PERFORMANCE REVIEW

LOS ANGELES CITY EMPLOYEES'  
RETIREMENT SYSTEM

QUARTER ENDING DECEMBER 31, 2024



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<b>Definitions</b>	
<b>Disclosures</b>	



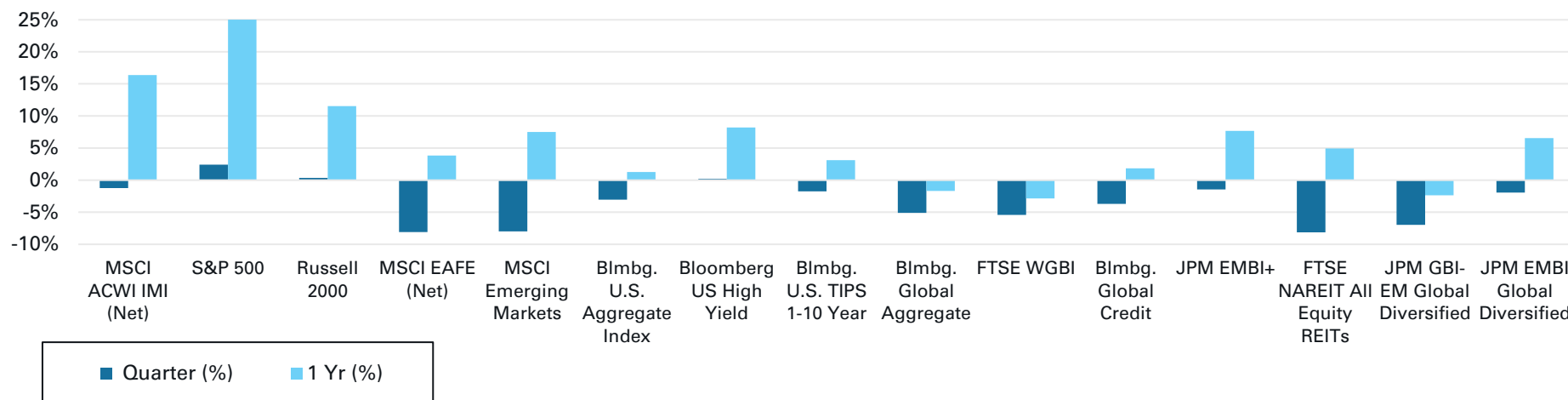


# EXECUTIVE SUMMARY



# PERFORMANCE OVERVIEW

## Market Summary – Q4



	Market Value (\$)	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	15 Yrs (%)	Inception (%)	Inception Date
<b>LACERS Master Trust</b>	<b>24,064,745,388</b>	<b>-2.2 (97)</b>	<b>3.3 (66)</b>	<b>7.5 (75)</b>	<b>1.9 (94)</b>	<b>6.7 (64)</b>	<b>6.7 (63)</b>	<b>7.1 (43)</b>	<b>8.2 (34)</b>	<b>8.0</b>	<b>Nov-94</b>
<i>Policy Index</i>		-1.6 (92)	3.5 (56)	8.5 (56)	1.5 (96)	6.2 (76)	6.5 (70)	7.0 (58)	8.0 (50)	7.9	
<i>InvMetrics Public DB \$5-50B Gross Median</i>		-0.6	3.7	9.2	3.4	7.0	6.8	7.1	8.0		

Note: Performance is gross of fees

### Equities were mixed in the fourth quarter with domestic equities outperforming their non-US peers.

The U.S. Equity composite underperformed its benchmark in 2024, primarily due to challenged near-term performance from the small cap core manager. The Non-US Equity composite outperformed in Q4, but slightly underperformed the benchmark last year.

### Fixed-income markets were broadly negative in the fourth quarter, but generated modest gains in 2024 with spreads narrowing.

The Core Fixed Income composite nearly matched the benchmark in Q4, but outperformed for the one-year period. Similarly, the Credit Opportunities portfolio outperformed the benchmark in 2024 and achieved a higher total return compared to Core Fixed Income for LACERS.



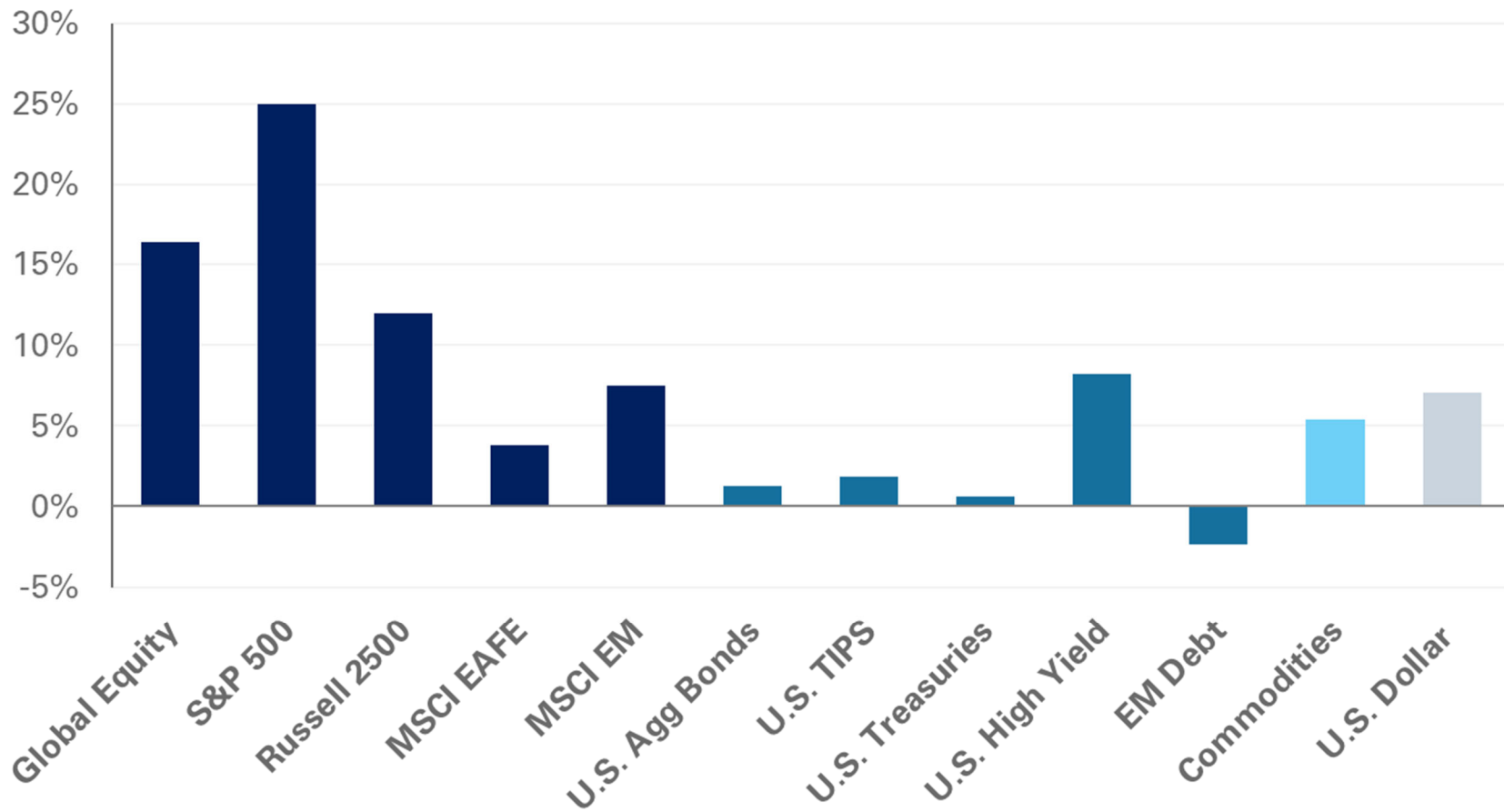


# MARKET ENVIRONMENT



# INVESTORS HAD LITTLE TO COMPLAIN ABOUT IN 2024

## 2024 ANNUAL ASSET CLASS RETURNS



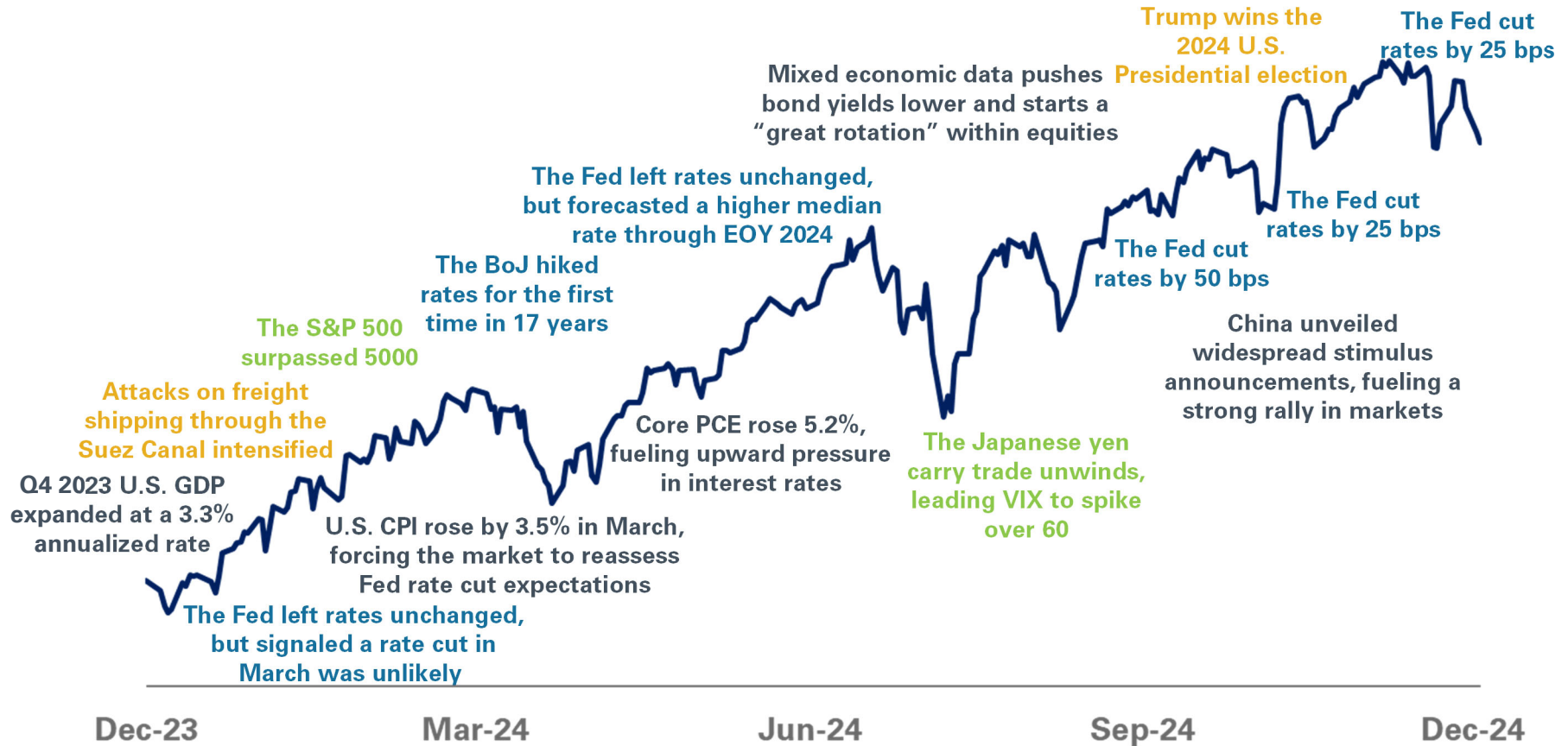
Notes: Global equity: MSCI ACWI IMI, EM Debt: JPM GBI-EM Global Diversified Index, U.S. Dollar Index: DXY Index.  
Sources: MSCI, S&P, Russell, MSCI, Bloomberg, JPM, FactSet





# 2024 IN REVIEW

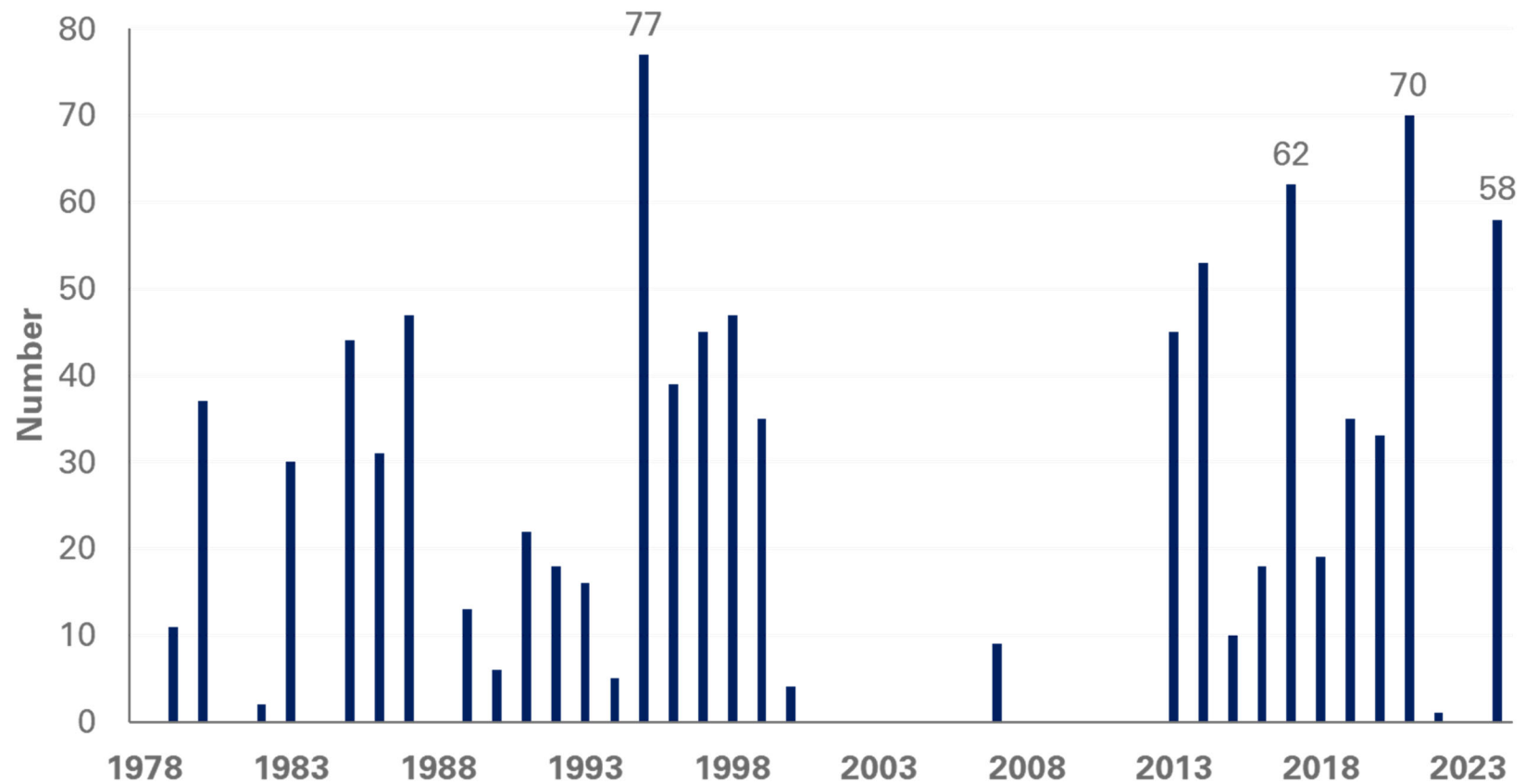
## S&P 500 2024 PRICE PATH



Sources: S&P, FactSet

# MARKETS REACHED ALL TIME HIGHS... REPEATEDLY

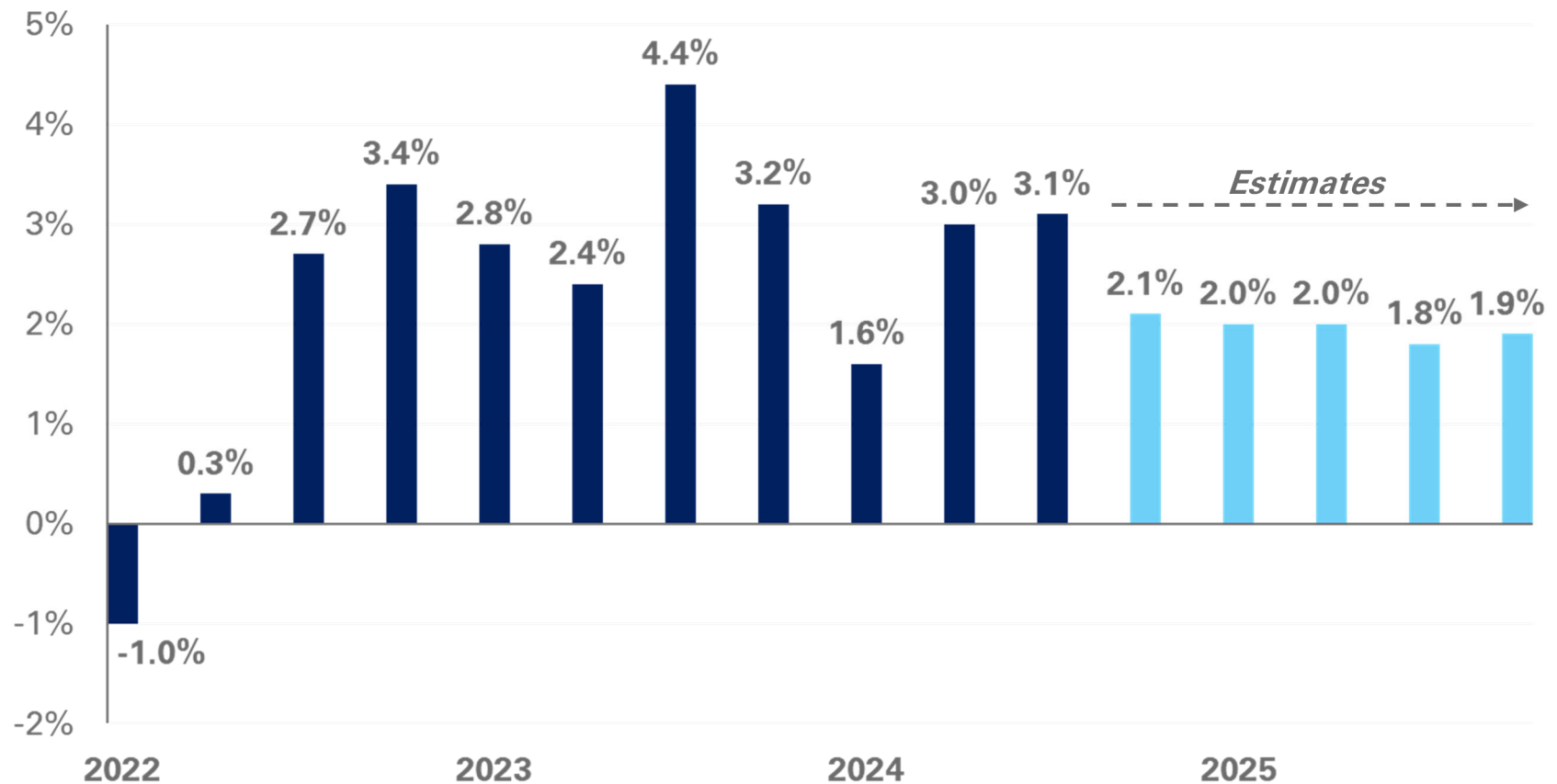
S&P 500 INDEX: NEW HIGHS REACHED PER CALENDAR YEAR



Sources: S&P, FactSet, NEPC

# THE U.S. ECONOMY OUTPACED EXPECTATIONS

## U.S. REAL GDP GROWTH (%)

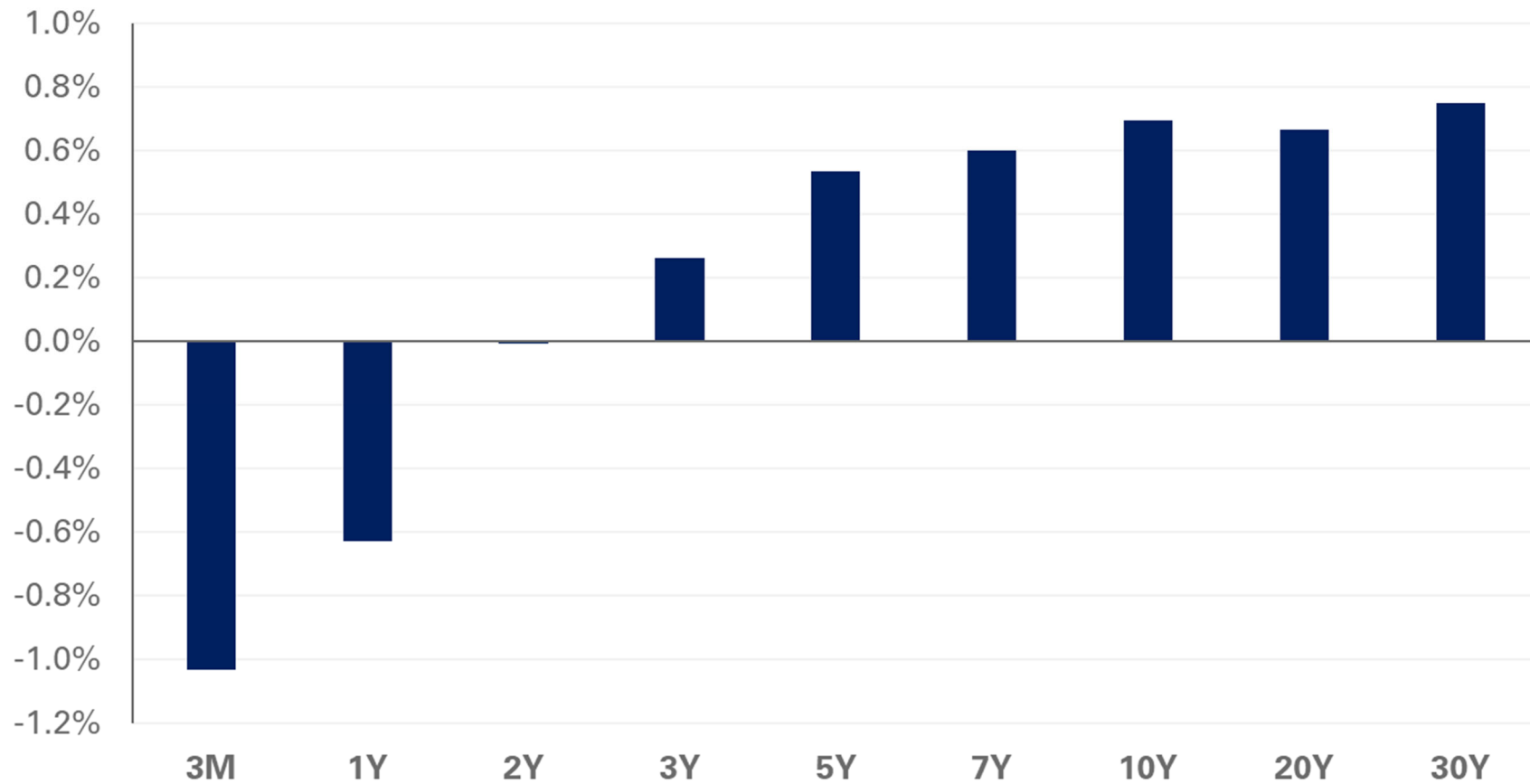


Note: Estimates reflect FactSet Economic Estimates  
Sources: U.S. Bureau of Economic Analysis, FactSet, NEPC



# THE U.S. YIELD CURVE STEEPENED

2024 ANNUAL CHANGE IN THE U.S. TREASURY YIELD CURVE



Source: FactSet

# THE U.S. YIELD CURVE UN-INVERTED

## 10-2 TREASURY YIELD CURVE SPREAD

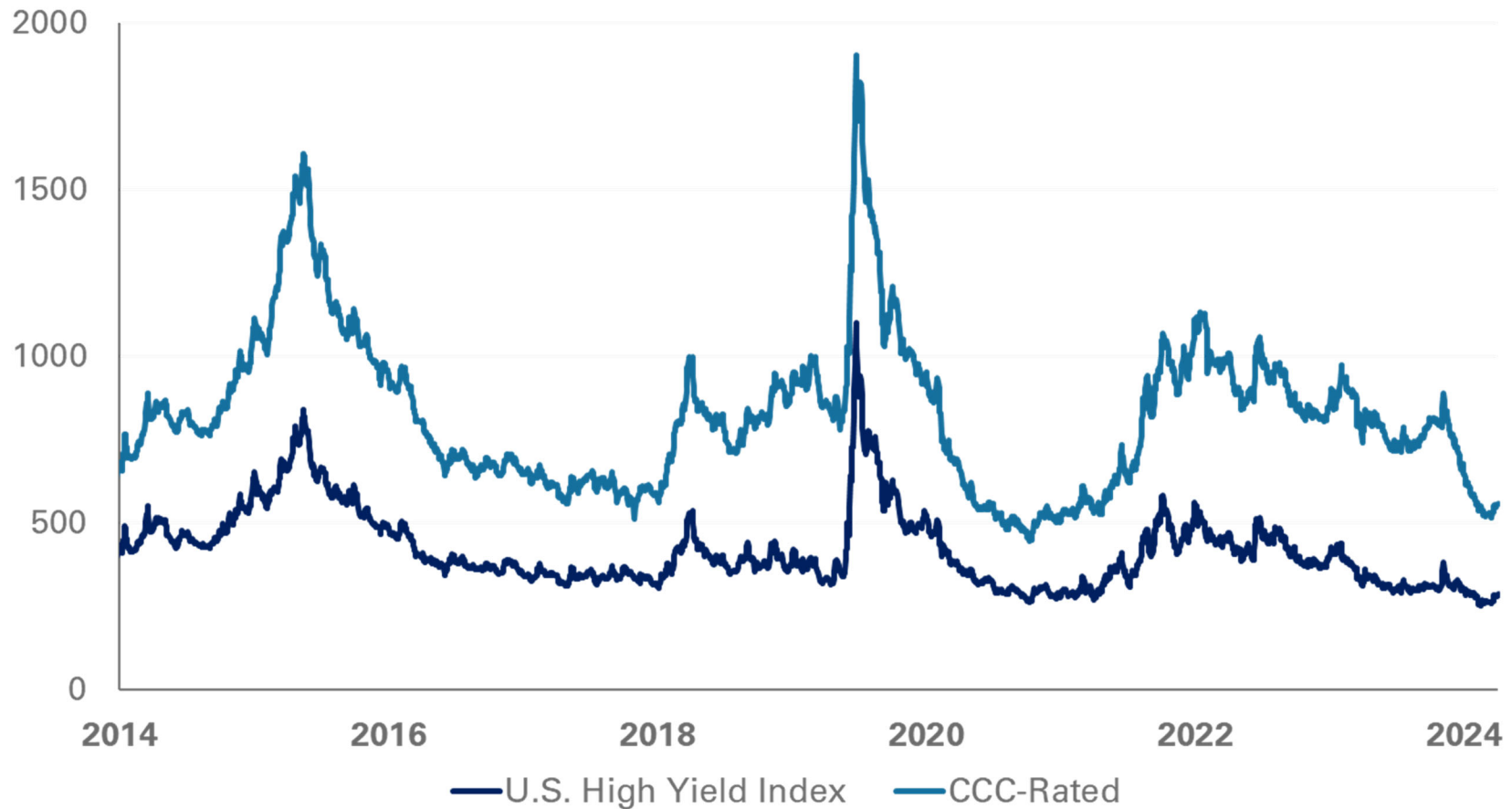


Note: Shaded bands indicate recessionary time periods  
Sources: NFIB, FactSet



# CREDIT SPREADS TIGHTENED MEANINGFULLY

## U.S. CORPORATE HIGH YIELD OPTION-ADJUSTED SPREADS



Sources: Bloomberg, FactSet

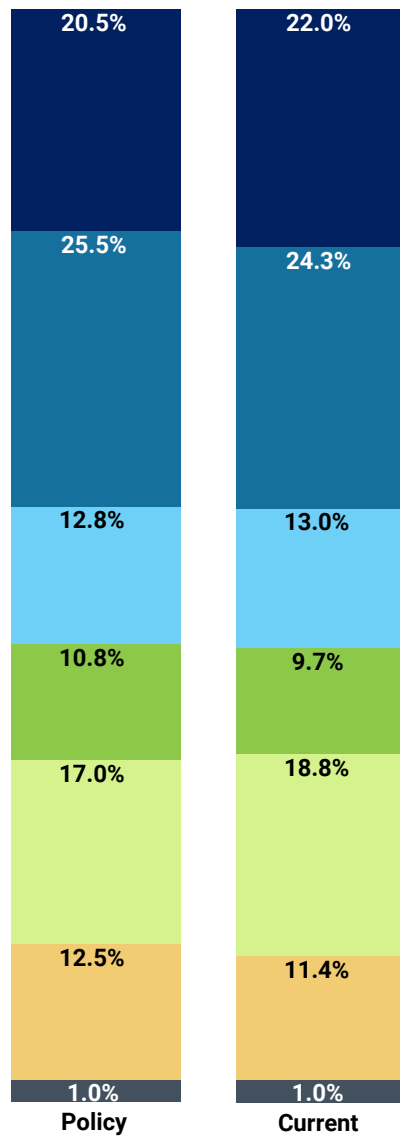
# ASSET CLASS POLICY OVERVIEW



# Los Angeles City Employees' Retirement System-LACERS Master Trust

## ASSET ALLOCATION VS. POLICY

### Asset Allocation vs. Target



	Current (\$)	Policy (%)	Current (%)	Differences* (%)	Policy Range (%)	Within Range
■ U.S. Equity	5,294,687,614	20.5	22.0	1.5	14.0 - 25.0	Yes
■ Non-US Equity	5,838,657,777	25.5	24.3	-1.2	19.5 - 31.5	Yes
■ Core Fixed Income	3,116,883,157	12.8	13.0	0.2	11.8 - 18.3	Yes
■ Opportunistic Credit	2,325,988,708	10.8	9.7	-1.1	5.5 - 13.5	Yes
■ Private Equity	4,516,518,707	17.0	18.8	1.8	0.0 - 100.0	Yes
■ Real Assets	2,734,925,277	12.5	11.4	-1.1	5.5 - 16.5	Yes
■ Cash	237,084,148	1.0	1.0	0.0	0.0 - 2.0	Yes
<b>Total</b>	<b>24,064,745,388</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>		

\*Difference between Policy and Current Allocation

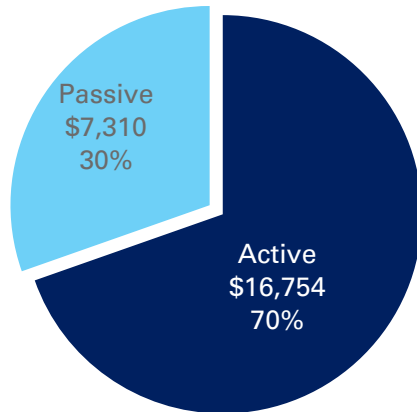
Note: Policy target asset allocation reflects interim asset allocation policy targets adopted July 2024.



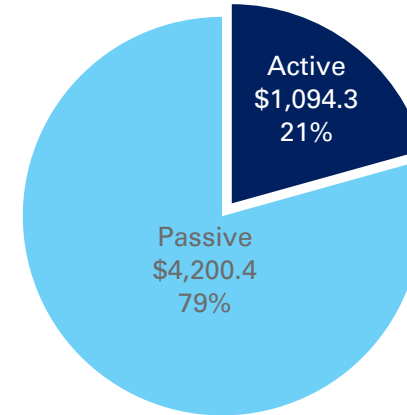
# ACTIVE AND PASSIVE MANAGER BREAKDOWN

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

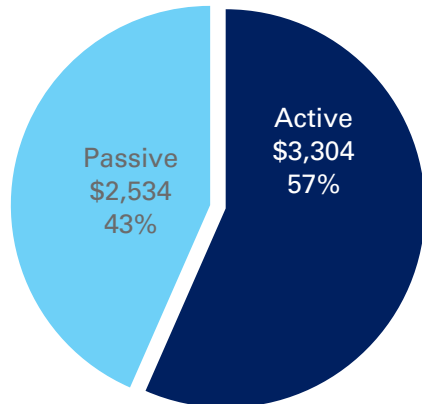
## Total Fund



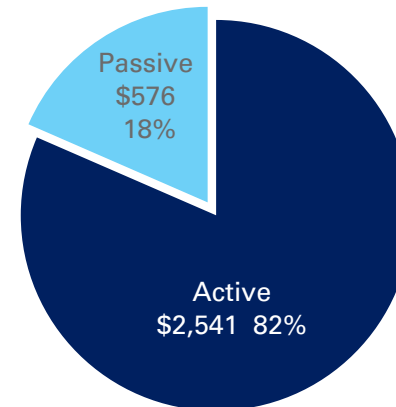
## U.S. Equity



## Non-U.S. Equity



## Core Fixed Income



- LACERS allocated 70% to active managers and 30% to passive managers.
- Credit Opportunities, Private Equity, and Real Assets programs are active and therefore are not shown.



# PERFORMANCE OVERVIEW

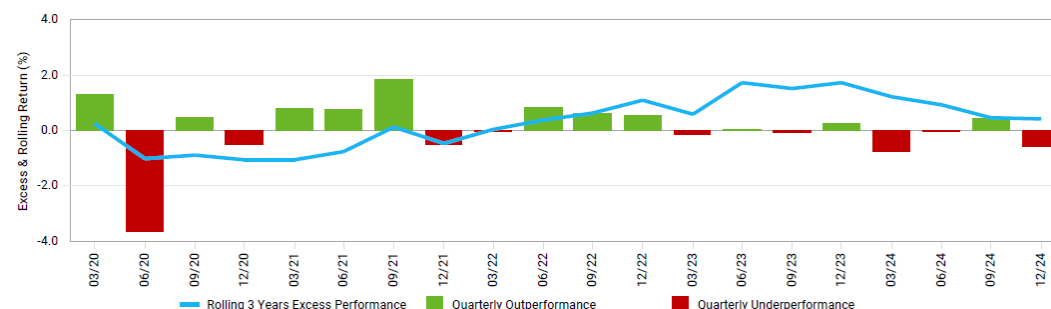


# TOTAL FUND PERFORMANCE SUMMARY

## GROSS OF FEES

	Market Value (\$)	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	15 Yrs (%)	Inception (%)	Inception Date
<b>LACERS Master Trust</b>	<b>24,064,745,388</b>	<b>-2.2 (97)</b>	<b>3.3 (66)</b>	<b>7.5 (75)</b>	<b>1.9 (94)</b>	<b>6.7 (64)</b>	<b>6.7 (63)</b>	<b>7.1 (43)</b>	<b>8.2 (34)</b>	<b>8.0</b>	<b>Nov-94</b>
<i>Policy Index</i>		<i>-1.6 (92)</i>	<i>3.5 (56)</i>	<i>8.5 (56)</i>	<i>1.5 (96)</i>	<i>6.2 (76)</i>	<i>6.5 (70)</i>	<i>7.0 (58)</i>	<i>8.0 (50)</i>	<i>7.9</i>	
<i>InvMetrics Public DB \$5-50B Gross Median</i>		<i>-0.6</i>	<i>3.7</i>	<i>9.2</i>	<i>3.4</i>	<i>7.0</i>	<i>6.8</i>	<i>7.1</i>	<i>8.0</i>		

Over the past five years the Fund return of 6.7% outperformed the policy index by 0.5% and ranked in the 64<sup>th</sup> percentile within the Public Funds \$5 Billion- \$50 Billion universe. The Fund’s volatility of 10.6% ranked in the 76<sup>th</sup> percentile over this period. The Fund’s risk-adjusted performance, as measured by the Sharpe Ratio ranked in the 67<sup>th</sup> percentile and the Sortino Ratio ranked in the 64<sup>th</sup> percentile.



Over the past three years the Fund return of 1.9% outperformed the policy index by 0.4% and ranked in the 94<sup>th</sup> percentile in its peer group. The Fund’s volatility ranked in the 80<sup>th</sup> percentile and the Sharpe Ratio ranked in the 81<sup>st</sup> percentile. The Sortino Ratio ranked in the 81<sup>st</sup> percentile.

5 Years Ending December 31, 2024				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
<b>LACERS Master Trust</b>	<b>6.7 (64)</b>	<b>10.6 (76)</b>	<b>0.4 (67)</b>	<b>0.6 (64)</b>
<i>Policy Index</i>	<i>6.2 (76)</i>	<i>11.5 (89)</i>	<i>0.4 (91)</i>	<i>0.5 (92)</i>
<i>InvMetrics Public DB \$5-50B Gross Median</i>	<i>7.0</i>	<i>9.0</i>	<i>0.5</i>	<i>0.8</i>

In the one-year ended December 31, 2024, the Fund returned 7.5% and underperformed the policy index by 1.0%. The Fund’s return ranked in the 75<sup>th</sup> percentile in its peer group.

3 Years Ending December 31, 2024				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
<b>LACERS Master Trust</b>	<b>1.9 (94)</b>	<b>9.9 (80)</b>	<b>-0.2 (81)</b>	<b>-0.2 (81)</b>
<i>Policy Index</i>	<i>1.5 (96)</i>	<i>10.1 (83)</i>	<i>-0.2 (90)</i>	<i>-0.2 (90)</i>
<i>InvMetrics Public DB \$5-50B Gross Median</i>	<i>3.4</i>	<i>7.9</i>	<i>0.0</i>	<i>0.0</i>



# EXECUTIVE SUMMARY

	Market Value (\$)	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	15 Yrs (%)	Inception (%)	Inception Date
<b>LACERS Master Trust</b>	<b>24,064,745,388</b>	<b>-2.2 (97)</b>	<b>3.3 (73)</b>	<b>7.5 (82)</b>	<b>1.9 (89)</b>	<b>6.7 (62)</b>	<b>6.7 (59)</b>	<b>7.1 (45)</b>	<b>8.2 (32)</b>	<b>8.0 (44)</b>	<b>Nov-94</b>
<i>Policy Index</i>		-1.6 (84)	3.5 (66)	8.5 (67)	1.5 (95)	6.2 (80)	6.5 (67)	7.0 (53)	8.0 (47)	7.9 (47)	
<i>InvMetrics Public DB \$1-50B Gross Median</i>		-0.8	3.9	9.2	3.0	7.0	6.8	7.0	7.9	7.9	

3 Years Ending December 31, 2024				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
<b>LACERS Master Trust</b>	<b>1.9 (89)</b>	<b>9.9 (59)</b>	<b>-0.2 (84)</b>	<b>-0.2 (84)</b>
<i>Policy Index</i>	1.5 (95)	10.1 (61)	-0.2 (90)	-0.2 (90)
InvMetrics Public DB \$1-50B Gross Median	3.0	9.5	-0.1	-0.1

5 Years Ending December 31, 2024				
	Return	Standard Deviation	Sharpe Ratio	Sortino Ratio
<b>LACERS Master Trust</b>	<b>6.7 (62)</b>	<b>10.6 (51)</b>	<b>0.4 (57)</b>	<b>0.6 (54)</b>
<i>Policy Index</i>	6.2 (80)	11.5 (73)	0.4 (87)	0.5 (87)
InvMetrics Public DB \$1-50B Gross Median	7.0	10.5	0.4	0.7

## Los Angeles City Employees' Retirement System-LACERS Master Trust

**COMPOSITE PERFORMANCE DETAIL GROSS**

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	20 Yrs (%)	Inception (%)	Inception Date
<b>LACERS Master Trust</b>	<b>24,064,745,388</b>	<b>100.00</b>	<b>-2.17</b>	<b>3.31</b>	<b>7.54</b>	<b>1.90</b>	<b>6.72</b>	<b>7.14</b>	<b>7.03</b>	<b>8.04</b>	<b>Nov-94</b>
Policy Index			-1.57	3.50	8.54	1.48	6.23	7.01	6.87	7.94	
Over/Under			-0.59	-0.19	-1.00	0.41	0.49	0.14	0.16	0.09	
<b>U.S. Equity</b>	<b>5,294,687,614</b>	<b>22.00</b>	<b>1.80</b>	<b>8.89</b>	<b>21.57</b>	<b>7.16</b>	<b>13.10</b>	<b>12.15</b>	<b>9.98</b>	<b>11.08</b>	<b>Nov-94</b>
U.S. Equity Blend			2.63	9.03	23.81	8.01	13.86	12.55	10.22	10.34	
Over/Under			-0.83	-0.14	-2.24	-0.85	-0.76	-0.40	-0.24	0.75	
<b>Non-U.S. Equity</b>	<b>5,838,657,777</b>	<b>24.26</b>	<b>-7.49</b>	<b>0.15</b>	<b>4.88</b>	<b>0.10</b>	<b>4.97</b>	<b>5.88</b>	<b>5.90</b>	<b>5.35</b>	<b>Nov-94</b>
MSCI AC World ex USA (Net)			-7.60	-0.15	5.53	0.82	4.10	4.80	4.97	-	
Over/Under			0.11	0.29	-0.66	-0.73	0.86	1.08	0.93	-	
<b>Core Fixed Income</b>	<b>3,116,883,157</b>	<b>12.95</b>	<b>-3.11</b>	<b>1.99</b>	<b>1.51</b>	<b>-2.07</b>	<b>0.29</b>	<b>1.82</b>	<b>-</b>	<b>2.20</b>	<b>Jul-12</b>
Core Fixed Income Blend			-3.06	1.98	1.25	-2.41	-0.33	1.35	-	1.60	
Over/Under			-0.05	0.02	0.26	0.34	0.61	0.47	-	0.60	
<b>Credit Opportunities</b>	<b>2,325,988,708</b>	<b>9.67</b>	<b>-0.79</b>	<b>4.43</b>	<b>6.46</b>	<b>2.65</b>	<b>2.67</b>	<b>4.29</b>	<b>-</b>	<b>4.55</b>	<b>Jul-13</b>
Credit Opportunities Blend			-0.63	3.81	6.03	1.96	2.65	4.41	-	4.62	
Over/Under			-0.16	0.62	0.43	0.70	0.02	-0.12	-	-0.08	
<b>Real Assets</b>	<b>2,734,925,277</b>	<b>11.36</b>	<b>-2.80</b>	<b>1.93</b>	<b>-0.58</b>	<b>-1.79</b>	<b>2.23</b>	<b>4.16</b>	<b>3.66</b>	<b>5.63</b>	<b>Dec-94</b>
Real Assets Policy Benchmark			-1.51	2.57	1.28	-3.13	2.82	4.85	5.05	7.05	
Over/Under			-1.29	-0.64	-1.86	1.34	-0.60	-0.69	-1.39	-1.43	
<b>Public Real Assets</b>	<b>1,392,761,325</b>	<b>5.79</b>	<b>-4.74</b>	<b>4.45</b>	<b>4.39</b>	<b>-1.98</b>	<b>3.23</b>	<b>3.10</b>	<b>-</b>	<b>2.67</b>	<b>Jul-14</b>
Public Real Assets Blend			-4.61	3.26	3.01	-2.87	3.09	2.12	-	1.41	
Over/Under			-0.13	1.19	1.38	0.89	0.14	0.98	-	1.26	
<b>Private Real Estate</b>	<b>1,322,793,541</b>	<b>5.50</b>	<b>-0.71</b>	<b>-0.66</b>	<b>-5.57</b>	<b>0.13</b>	<b>1.83</b>	<b>5.26</b>	<b>4.27</b>	<b>6.04</b>	<b>Nov-94</b>
Real Estate Blend			1.36	1.82	-0.64	-1.54	3.69	6.72	7.71	8.77	
Over/Under			-2.07	-2.48	-4.93	1.67	-1.86	-1.46	-3.43	-2.73	
<b>Private Equity</b>	<b>4,516,518,707</b>	<b>18.77</b>	<b>0.82</b>	<b>2.46</b>	<b>6.64</b>	<b>4.59</b>	<b>15.06</b>	<b>12.72</b>	<b>13.03</b>	<b>11.20</b>	<b>Dec-95</b>
Private Equity Blend			2.79	3.76	8.02	1.96	11.30	12.93	12.46	12.95	
Over/Under			-1.97	-1.29	-1.38	2.63	3.75	-0.21	0.57	-1.75	
<b>Cash</b>	<b>237,084,148</b>	<b>0.99</b>									

Refer to appendix for blended benchmark definitions.

December 31, 2024

## Los Angeles City Employees' Retirement System-LACERS Master Trust

**COMPOSITE PERFORMANCE DETAIL NET**

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	20 Yrs (%)	Inception (%)	Inception Date
<b>LACERS Master Trust</b>	<b>24,064,745,388</b>	<b>100.00</b>	<b>-2.22</b>	<b>3.21</b>	<b>7.36</b>	<b>1.73</b>	<b>6.55</b>	<b>6.96</b>	<b>6.84</b>	<b>6.84</b>	<b>Jul-01</b>
<i>Policy Index</i>			<u>-1.57</u>	<u>3.50</u>	<u>8.54</u>	<u>1.48</u>	<u>6.23</u>	<u>7.01</u>	<u>6.87</u>	<u>6.81</u>	
Over/Under			-0.64	-0.29	-1.18	0.25	0.32	-0.04	-0.03	0.03	
<b>U.S. Equity</b>	<b>5,294,687,614</b>	<b>22.00</b>	<b>1.78</b>	<b>8.83</b>	<b>21.45</b>	<b>7.05</b>	<b>13.01</b>	<b>12.05</b>	<b>9.83</b>	<b>9.38</b>	<b>Sep-01</b>
<i>U.S. Equity Blend</i>			<u>2.63</u>	<u>9.03</u>	<u>23.81</u>	<u>8.01</u>	<u>13.86</u>	<u>12.55</u>	<u>10.22</u>	<u>9.44</u>	
Over/Under			-0.85	-0.19	-2.36	-0.96	-0.86	-0.49	-0.39	-0.07	
<b>Non-U.S. Equity</b>	<b>5,838,657,777</b>	<b>24.26</b>	<b>-7.61</b>	<b>-0.08</b>	<b>4.45</b>	<b>-0.26</b>	<b>4.61</b>	<b>5.51</b>	<b>5.54</b>	<b>5.95</b>	<b>Jun-01</b>
<i>MSCI AC World ex USA (Net)</i>			<u>-7.60</u>	<u>-0.15</u>	<u>5.53</u>	<u>0.82</u>	<u>4.10</u>	<u>4.80</u>	<u>4.97</u>	<u>5.33</u>	
Over/Under			-0.01	0.07	-1.08	-1.08	0.50	0.71	0.58	0.62	
<b>Core Fixed Income</b>	<b>3,116,883,157</b>	<b>12.95</b>	<b>-3.14</b>	<b>1.94</b>	<b>1.41</b>	<b>-2.17</b>	<b>0.19</b>	<b>1.71</b>	<b>-</b>	<b>2.09</b>	<b>Jul-12</b>
<i>Core Fixed Income Blend</i>			<u>-3.06</u>	<u>1.98</u>	<u>1.25</u>	<u>-2.41</u>	<u>-0.33</u>	<u>1.35</u>	<u>-</u>	<u>1.60</u>	
Over/Under			-0.08	-0.03	0.16	0.24	0.52	0.37	-	0.49	
<b>Credit Opportunities</b>	<b>2,325,988,708</b>	<b>9.67</b>	<b>-0.87</b>	<b>4.27</b>	<b>6.14</b>	<b>2.33</b>	<b>2.36</b>	<b>3.95</b>	<b>-</b>	<b>4.22</b>	<b>Jul-13</b>
<i>Credit Opportunities Blend</i>			<u>-0.63</u>	<u>3.81</u>	<u>6.03</u>	<u>1.96</u>	<u>2.65</u>	<u>4.41</u>	<u>-</u>	<u>4.62</u>	
Over/Under			-0.24	0.46	0.11	0.37	-0.29	-0.45	-	-0.41	
<b>Real Assets</b>	<b>2,734,925,277</b>	<b>11.36</b>	<b>-2.83</b>	<b>1.87</b>	<b>-0.70</b>	<b>-1.91</b>	<b>2.10</b>	<b>4.01</b>	<b>3.49</b>	<b>4.46</b>	<b>Jun-01</b>
<i>Real Assets Policy Benchmark</i>			<u>-1.51</u>	<u>2.57</u>	<u>1.28</u>	<u>-3.13</u>	<u>2.82</u>	<u>4.85</u>	<u>5.05</u>	<u>5.59</u>	
Over/Under			-1.32	-0.70	-1.98	1.22	-0.72	-0.83	-1.56	-1.13	
<b>Public Real Assets</b>	<b>1,392,761,325</b>	<b>5.79</b>	<b>-4.78</b>	<b>4.36</b>	<b>4.20</b>	<b>-2.14</b>	<b>3.06</b>	<b>2.90</b>	<b>-</b>	<b>2.48</b>	<b>Jul-14</b>
<i>Public Real Assets Blend</i>			<u>-4.61</u>	<u>3.26</u>	<u>3.01</u>	<u>-2.87</u>	<u>3.09</u>	<u>2.12</u>	<u>-</u>	<u>1.41</u>	
Over/Under			-0.18	1.10	1.19	0.73	-0.04	0.78	-	1.07	
<b>Private Real Estate</b>	<b>1,322,793,541</b>	<b>5.50</b>	<b>-0.72</b>	<b>-0.69</b>	<b>-5.62</b>	<b>0.07</b>	<b>1.76</b>	<b>5.18</b>	<b>4.13</b>	<b>5.02</b>	<b>Jul-01</b>
<i>Real Estate Blend</i>			<u>1.36</u>	<u>1.82</u>	<u>-0.64</u>	<u>-1.54</u>	<u>3.69</u>	<u>6.72</u>	<u>7.71</u>	<u>7.93</u>	
Over/Under			-2.08	-2.50	-4.98	1.61	-1.94	-1.54	-3.57	-2.91	
<b>Private Equity</b>	<b>4,516,518,707</b>	<b>18.77</b>	<b>0.82</b>	<b>2.47</b>	<b>6.67</b>	<b>4.61</b>	<b>15.07</b>	<b>12.73</b>	<b>12.97</b>	<b>11.22</b>	<b>Sep-01</b>
<i>Private Equity Blend</i>			<u>2.79</u>	<u>3.76</u>	<u>8.02</u>	<u>1.96</u>	<u>11.30</u>	<u>12.93</u>	<u>12.46</u>	<u>11.97</u>	
Over/Under			-1.97	-1.28	-1.35	2.65	3.77	-0.20	0.51	-0.75	
<b>Cash</b>	<b>237,084,148</b>	<b>0.99</b>									

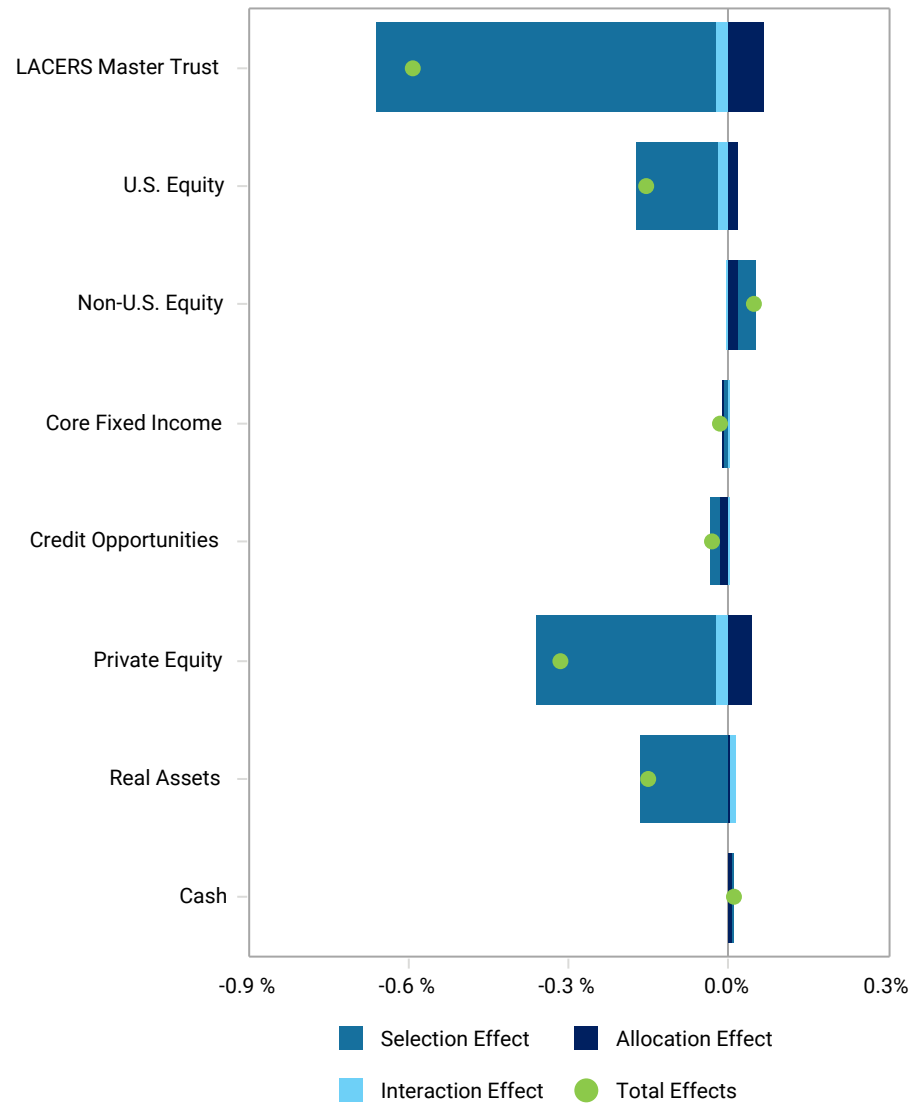
Refer to appendix for blended benchmark definitions.



Los Angeles City Employees' Retirement System-LACERS Master Trust

# ATTRIBUTION ANALYSIS

## Attribution Effects 1 Quarter Ending December 31, 2024



## Attribution Summary 1 Quarter Ending December 31, 2024

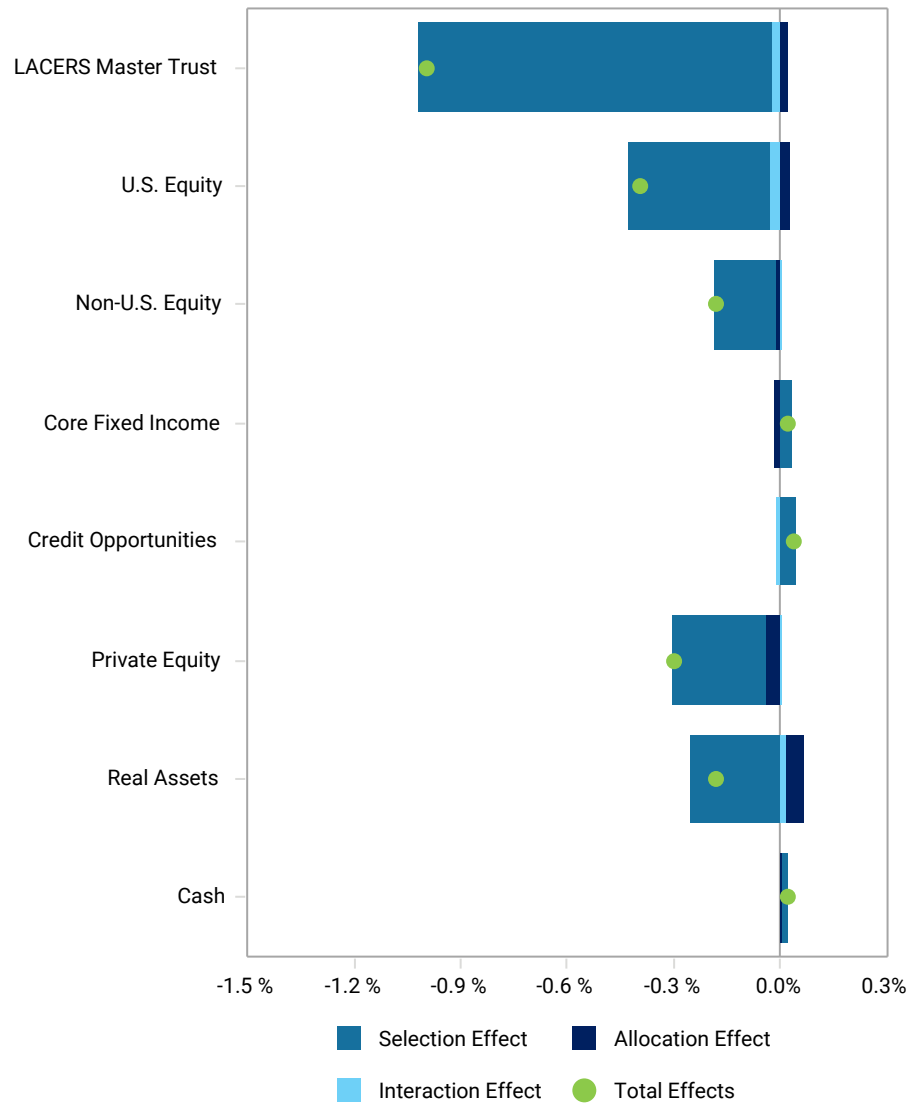
	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Total Effects (%)
U.S. Equity	1.8	2.6	-0.8	-0.2	0.0	0.0	-0.2
Non-U.S. Equity	-7.5	-7.6	0.1	0.0	0.0	0.0	0.0
Core Fixed Income	-3.1	-3.1	-0.1	0.0	0.0	0.0	0.0
Credit Opportunities	-0.8	-0.6	-0.2	0.0	0.0	0.0	0.0
Private Equity	0.8	2.8	-2.0	-0.3	0.0	0.0	-0.3
Real Assets	-2.8	-1.5	-1.3	-0.2	0.0	0.0	-0.1
Cash	1.8	1.2	0.7	0.0	0.0	0.0	0.0
<b>LACERS Master Trust</b>	<b>-2.2</b>	<b>-1.6</b>	<b>-0.6</b>	<b>-0.6</b>	<b>0.1</b>	<b>0.0</b>	<b>-0.6</b>

\*Total Actual and Index returns are weighted average calculations.



# ATTRIBUTION ANALYSIS

**Attribution Effects**  
1 Year Ending December 31, 2024



**Attribution Summary**  
1 Year Ending December 31, 2024

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Total Effects (%)
U.S. Equity	21.6	23.8	-2.2	-0.4	0.0	0.0	-0.4
Non-U.S. Equity	4.9	5.5	-0.7	-0.2	0.0	0.0	-0.2
Core Fixed Income	1.5	1.3	0.3	0.0	0.0	0.0	0.0
Credit Opportunities	6.5	6.0	0.4	0.0	0.0	0.0	0.0
Private Equity	6.6	8.0	-1.4	-0.3	0.0	0.0	-0.3
Real Assets	-0.6	1.3	-1.9	-0.3	0.1	0.0	-0.2
Cash	6.7	5.3	1.4	0.0	0.0	0.0	0.0
<b>LACERS Master Trust</b>	<b>7.5</b>	<b>8.5</b>	<b>-1.0</b>	<b>-1.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1.0</b>

\*Total Actual and Index returns are weighted average calculations.



Los Angeles City Employees' Retirement System-LACERS Master Trust

# ATTRIBUTION ANALYSIS

**Attribution Effects**  
3 Years Ending December 31, 2024



**Attribution Summary**  
3 Years Ending December 31, 2024

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Total Effects (%)
U.S. Equity	7.2	8.0	-0.9	-0.2	0.0	0.0	-0.2
Non-U.S. Equity	0.1	0.8	-0.7	-0.2	0.0	0.0	-0.2
Core Fixed Income	-2.1	-2.4	0.3	0.0	0.0	0.0	0.0
Credit Opportunities	2.7	2.0	0.7	0.1	0.0	0.0	0.0
Private Equity	4.6	2.0	2.6	0.4	0.1	0.0	0.5
Real Assets	-1.8	-3.1	1.3	0.2	0.0	0.0	0.2
Cash	4.8	3.9	0.9	0.0	0.0	0.0	0.0
<b>LACERS Master Trust</b>	<b>1.9</b>	<b>1.5</b>	<b>0.4</b>	<b>0.3</b>	<b>0.0</b>	<b>0.0</b>	<b>0.4</b>

\*Total Actual and Index returns are weighted average calculations.

Los Angeles City Employees' Retirement System-LACERS Master Trust

# ATTRIBUTION ANALYSIS

Attribution Effects  
5 Years Ending December 31, 2024



Attribution Summary  
5 Years Ending December 31, 2024

	Wtd. Actual Return (%)	Wtd. Index Return (%)	Excess Return (%)	Selection Effect (%)	Allocation Effect (%)	Interaction Effects (%)	Total Effects (%)
U.S. Equity	13.1	13.9	-0.8	-0.2	0.0	0.0	-0.2
Non-U.S. Equity	5.0	4.1	0.9	0.2	0.0	0.0	0.2
Core Fixed Income	0.3	-0.3	0.6	0.1	0.1	0.0	0.2
Credit Opportunities	2.7	2.7	0.0	0.0	-0.1	0.0	-0.1
Private Equity	15.1	11.3	3.8	0.6	0.1	-0.1	0.6
Real Assets	2.2	2.8	-0.6	-0.1	0.0	0.0	-0.1
Cash	2.9	2.5	0.5	0.0	-0.1	0.0	-0.1
<b>LACERS Master Trust</b>	<b>6.7</b>	<b>6.2</b>	<b>0.5</b>	<b>0.7</b>	<b>-0.1</b>	<b>-0.1</b>	<b>0.5</b>

\*Total Actual and Index returns are weighted average calculations.

# PRIVATE MARKETS PERFORMANCE

AS OF SEPTEMBER 30, 2024

Private Equity	10 Year IRR	Since Inception IRR	Since Inception Multiple
Aggregate Portfolio	13.0%	12.0%	1.64x
Core Portfolio	13.5%	12.4%	1.65x
Specialized Portfolio	-1.5%	1.7%	1.11x
PE Blended Benchmark	12.9%	12.7%	N/A

Source: Aksia

Real Estate	10 Year Return (Net)	Since Inception Return (Net)
Total Portfolio (TWR) <sup>1</sup>	5.3%	5.5%
NFI-ODCE + 80 basis points (TWR)	6.0%	6.5%

Source: The Townsend Group

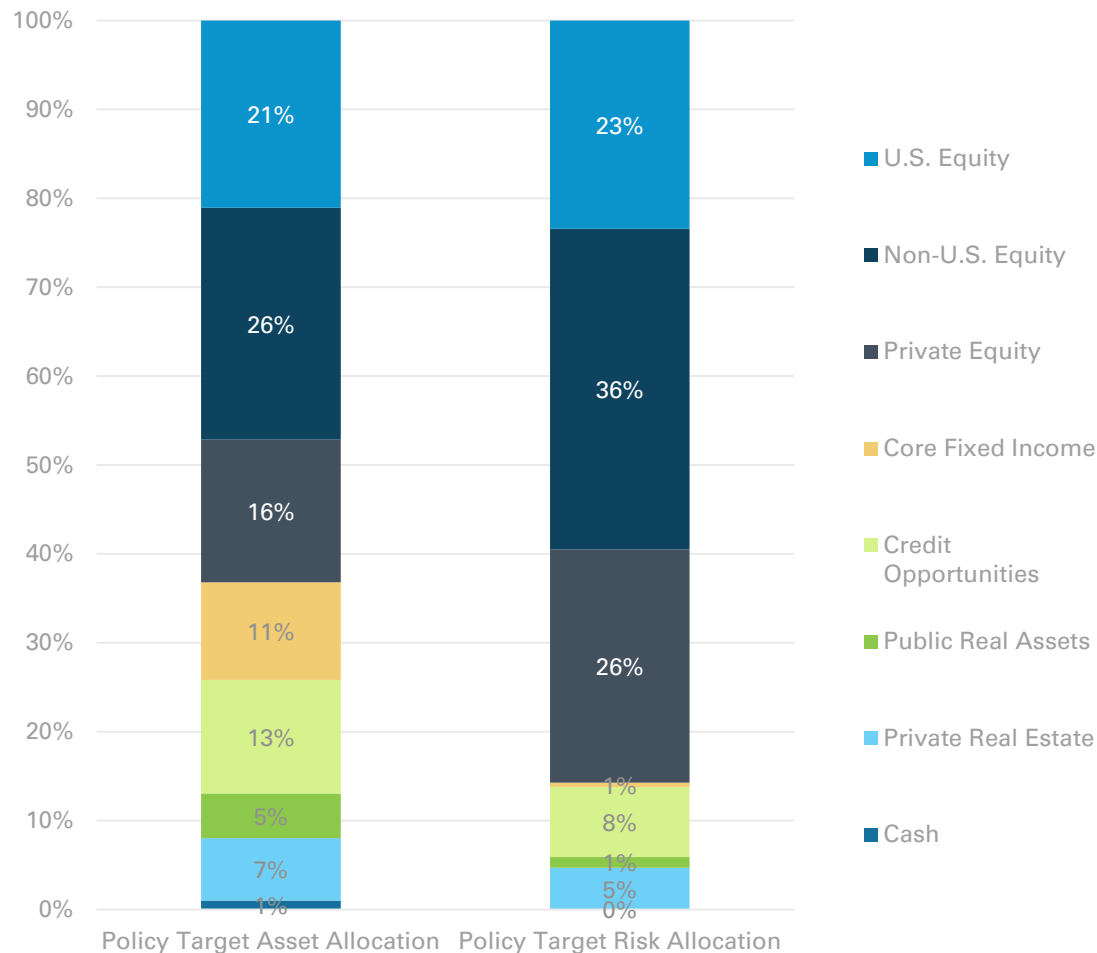
Note: The Total Value to Paid-In Ratio (TVPI) is a multiple that relates the current value of the private equity portfolio plus all distributions received to date with the total amount of capital contributed.

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 DECEMBER 31, 2024

Public Markets Asset Class	Target Risk Budget	Actual 3 Yr Tracking Error
U.S. Equity	1.25%	1.62%
Non-U.S. Equity	1.75%	1.31%
Core Fixed Income	1.75%	0.31%
Credit Opportunities	3.50%	1.27%
Public Real Assets*	1.25%	1.26%

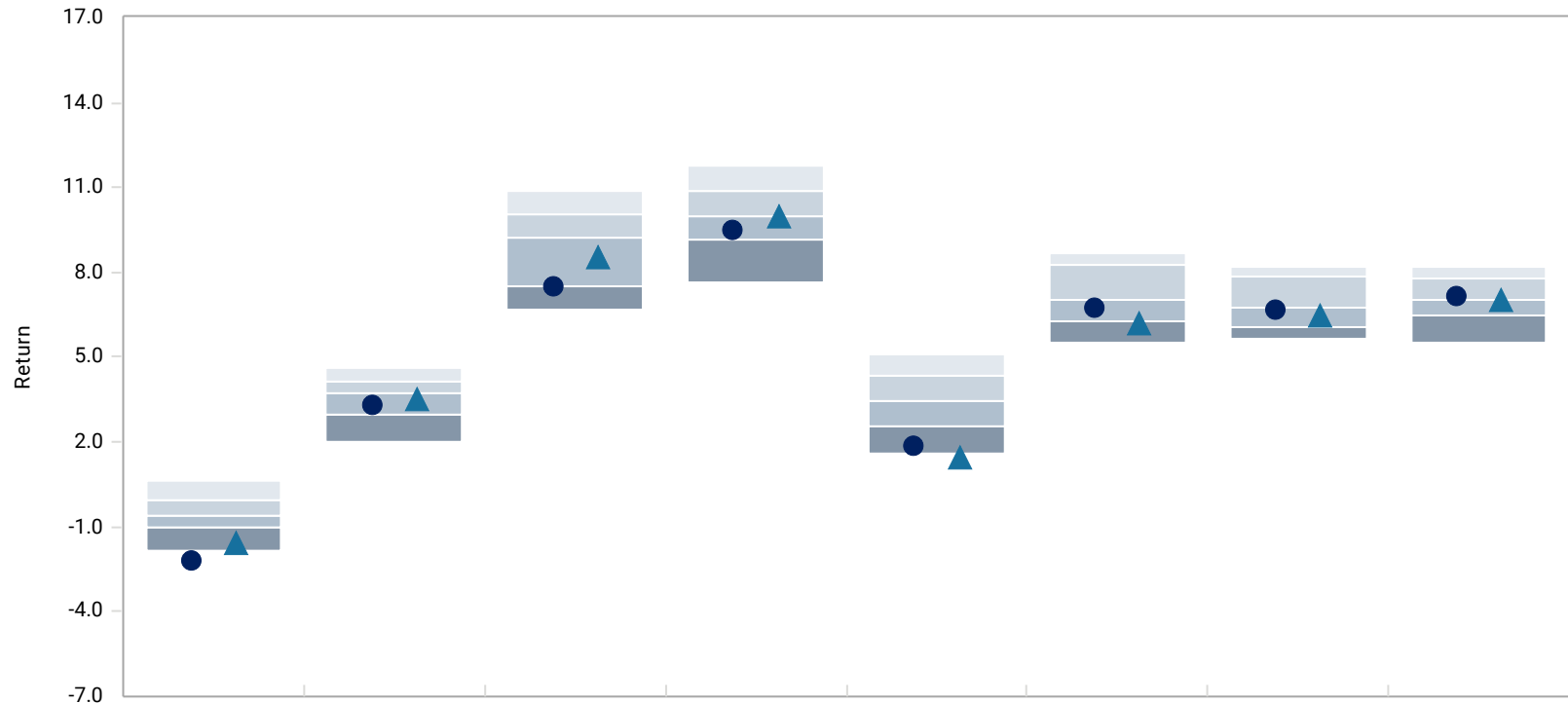
- Current public market asset class composite tracking error statistics are compared to asset class target risk budgets to ensure active risks are within expectations.
- Risk budgets are to be evaluated over three-year periods, at minimum, to reflect a full market cycle.
- Public Equity asset classes 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

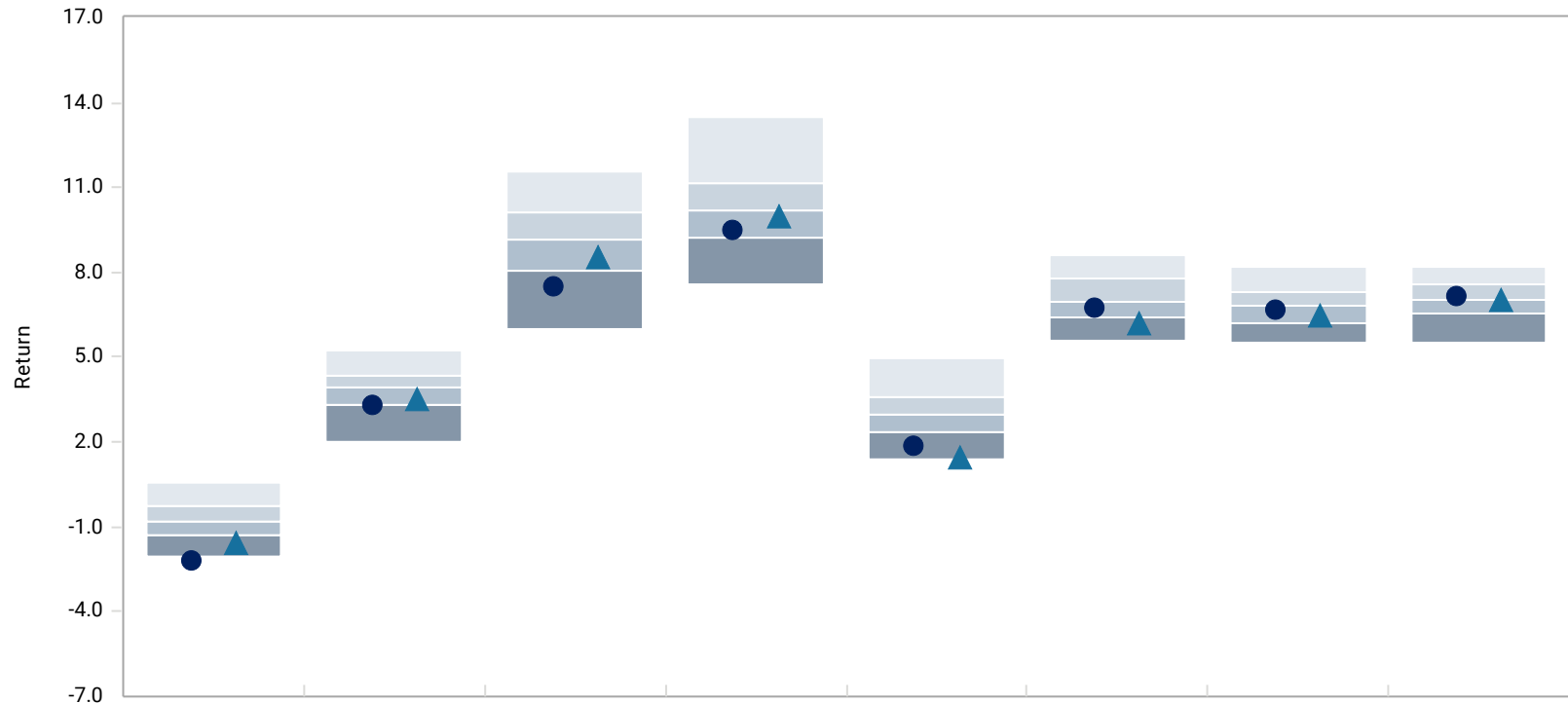
LACERS Master Trust vs. InvMetrics Public DB \$5-50B Gross



	3 Mo (%)	FYTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
● LACERS Master Trust	-2.2 (97)	3.3 (66)	7.5 (75)	9.5 (63)	1.9 (94)	6.7 (64)	6.7 (63)	7.1 (43)
▲ Policy Index	-1.6 (92)	3.5 (56)	8.5 (56)	10.0 (51)	1.5 (96)	6.2 (76)	6.5 (70)	7.0 (58)
5th Percentile	0.6	4.6	10.8	11.8	5.1	8.7	8.2	8.2
1st Quartile	-0.1	4.2	10.1	10.8	4.4	8.2	7.9	7.8
Median	-0.6	3.7	9.2	10.0	3.4	7.0	6.8	7.1
3rd Quartile	-1.0	3.0	7.5	9.1	2.5	6.3	6.1	6.5
95th Percentile	-1.8	2.0	6.7	7.6	1.6	5.5	5.6	5.5
Population	33	33	33	33	32	31	30	29

# RETURN SUMMARY VS. PEER UNIVERSE

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



	3 Mo (%)	FYTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)
● LACERS Master Trust	-2.2 (97)	3.3 (73)	7.5 (82)	9.5 (71)	1.9 (89)	6.7 (62)	6.7 (59)	7.1 (45)
▲ Policy Index	-1.6 (84)	3.5 (66)	8.5 (67)	10.0 (59)	1.5 (95)	6.2 (80)	6.5 (67)	7.0 (53)
5th Percentile	0.6	5.2	11.6	13.5	5.0	8.6	8.2	8.2
1st Quartile	-0.3	4.3	10.1	11.2	3.6	7.8	7.3	7.5
Median	-0.8	3.9	9.2	10.2	3.0	7.0	6.8	7.0
3rd Quartile	-1.3	3.3	8.1	9.2	2.3	6.4	6.2	6.5
95th Percentile	-2.0	2.0	6.0	7.6	1.4	5.6	5.5	5.5
Population	101	100	100	99	97	96	94	93

December 31, 2024

## Los Angeles City Employees' Retirement System-LACERS Master Trust

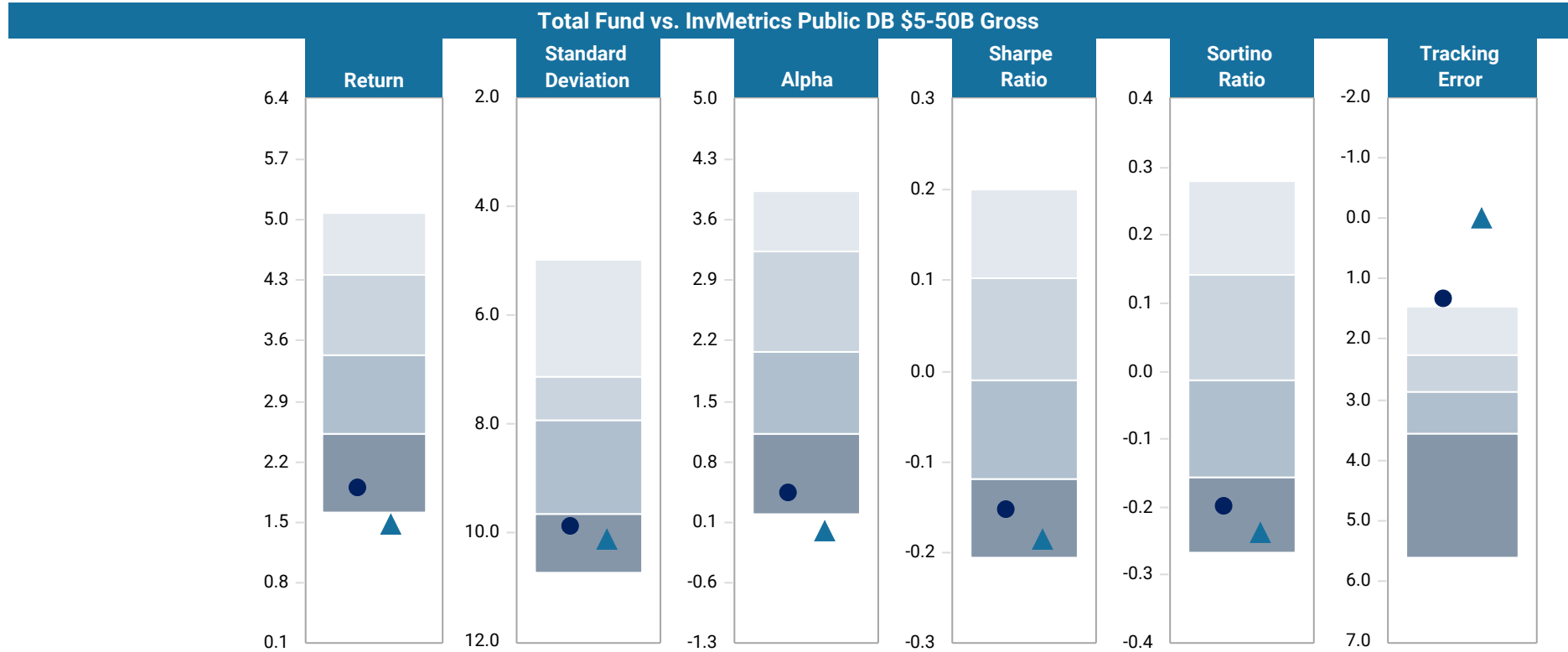
**RISK STATISTICS**

3 Years Ending December 31, 2024						
	Return	Standard Deviation	Alpha	Information Ratio	Sortino Ratio	Tracking Error
<b>LACERS Master Trust</b>	<b>1.90 (89)</b>	<b>9.88 (59)</b>	<b>0.44 (90)</b>	<b>0.29 (77)</b>	<b>-0.20 (84)</b>	<b>1.32 (2)</b>
InvMetrics Public DB \$1-50B Gross Median	2.96	9.52	1.63	0.56	-0.07	2.62
5 Years Ending December 31, 2024						
	Return	Standard Deviation	Alpha	Information Ratio	Sortino Ratio	Tracking Error
<b>LACERS Master Trust</b>	<b>6.72 (62)</b>	<b>10.64 (51)</b>	<b>0.96 (59)</b>	<b>0.18 (54)</b>	<b>0.64 (54)</b>	<b>2.00 (8)</b>
InvMetrics Public DB \$1-50B Gross Median	6.99	10.51	1.12	0.23	0.65	2.97
10 Years Ending December 31, 2024						
	Return	Standard Deviation	Alpha	Information Ratio	Sortino Ratio	Tracking Error
<b>LACERS Master Trust</b>	<b>7.14 (45)</b>	<b>8.89 (60)</b>	<b>0.80 (54)</b>	<b>0.03 (42)</b>	<b>0.94 (50)</b>	<b>1.67 (4)</b>
InvMetrics Public DB \$1-50B Gross Median	7.01	8.55	0.90	-0.04	0.94	2.66
3 Years Ending December 31, 2024						
	Return	Standard Deviation	Alpha	Information Ratio	Sortino Ratio	Tracking Error
<b>LACERS Master Trust</b>	<b>1.90 (94)</b>	<b>9.88 (80)</b>	<b>0.44 (94)</b>	<b>0.29 (75)</b>	<b>-0.20 (81)</b>	<b>1.32 (3)</b>
InvMetrics Public DB \$5-50B Gross Median	3.44	7.93	2.07	0.54	-0.01	2.87
5 Years Ending December 31, 2024						
	Return	Standard Deviation	Alpha	Information Ratio	Sortino Ratio	Tracking Error
<b>LACERS Master Trust</b>	<b>6.72 (64)</b>	<b>10.64 (76)</b>	<b>0.96 (71)</b>	<b>0.18 (47)</b>	<b>0.64 (64)</b>	<b>2.00 (6)</b>
InvMetrics Public DB \$5-50B Gross Median	7.01	9.02	2.28	0.15	0.78	3.34
10 Years Ending December 31, 2024						
	Return	Standard Deviation	Alpha	Information Ratio	Sortino Ratio	Tracking Error
<b>LACERS Master Trust</b>	<b>7.14 (43)</b>	<b>8.89 (82)</b>	<b>0.80 (68)</b>	<b>0.03 (36)</b>	<b>0.94 (68)</b>	<b>1.67 (1)</b>
InvMetrics Public DB \$5-50B Gross Median	7.06	7.58	1.64	-0.03	1.07	2.99



Los Angeles City Employees' Retirement System-LACERS Master Trust

# RISK STATISTICS VS. PEER UNIVERSE

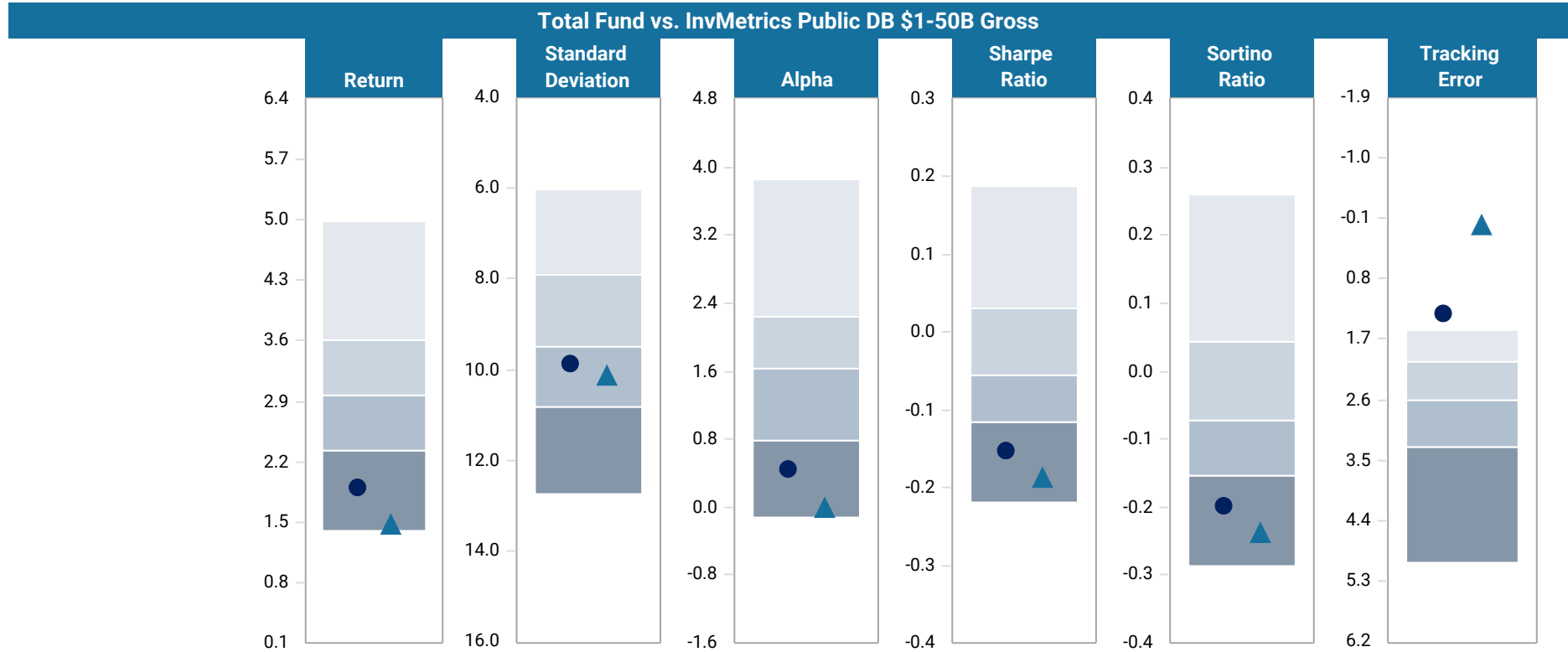


	3 Yrs (%)	3 Yrs (%)	3 Yrs (%)	3 Yrs (%)	3 Yrs (%)	3 Yrs (%)
● LACERS Master Trust	1.9 (94)	9.9 (80)	0.4 (94)	-0.2 (81)	-0.2 (81)	1.3 (3)
▲ Policy Index	1.5 (96)	10.1 (83)	0.0 (97)	-0.2 (90)	-0.2 (90)	0.0 (1)
5th Percentile	5.1	5.0	3.9	0.2	0.3	1.4
1st Quartile	4.4	7.1	3.2	0.1	0.1	2.3
Median	3.4	7.9	2.1	0.0	0.0	2.9
3rd Quartile	2.5	9.7	1.1	-0.1	-0.2	3.6
95th Percentile	1.6	10.7	0.2	-0.2	-0.3	5.6
Population	32	32	32	32	32	32



Los Angeles City Employees' Retirement System-LACERS Master Trust

# RISK STATISTICS VS. PEER UNIVERSE

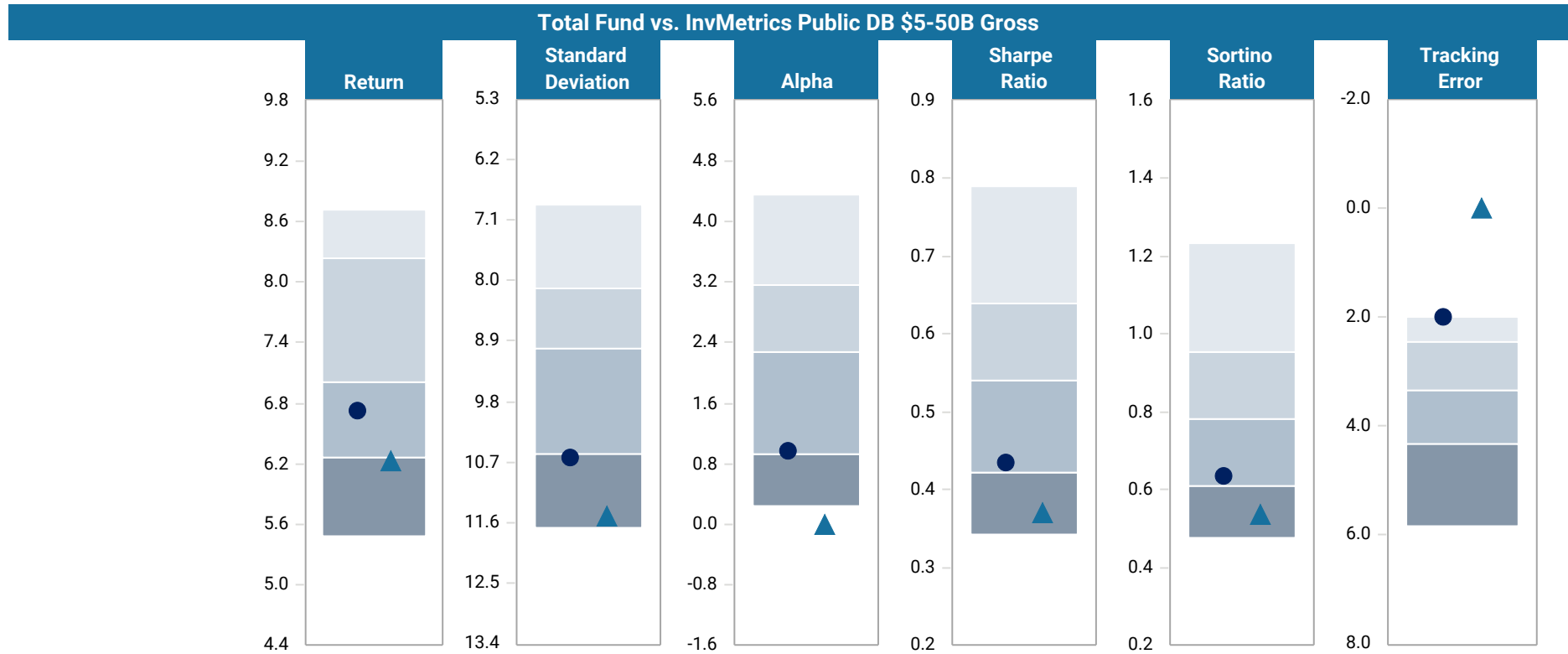


	3 Yrs (%)	3 Yrs (%)	3 Yrs (%)	3 Yrs (%)	3 Yrs (%)	3 Yrs (%)
● LACERS Master Trust	1.9 (89)	9.9 (59)	0.4 (90)	-0.2 (84)	-0.2 (84)	1.3 (2)
▲ Policy Index	1.5 (95)	10.1 (61)	0.0 (94)	-0.2 (90)	-0.2 (90)	0.0 (1)
5th Percentile	5.0	6.0	3.8	0.2	0.3	1.6
1st Quartile	3.6	7.9	2.2	0.0	0.0	2.0
Median	3.0	9.5	1.6	-0.1	-0.1	2.6
3rd Quartile	2.3	10.8	0.8	-0.1	-0.2	3.3
95th Percentile	1.4	12.8	-0.1	-0.2	-0.3	5.0
Population	97	97	97	97	97	97



Los Angeles City Employees' Retirement System-LACERS Master Trust

# RISK STATISTICS VS. PEER UNIVERSE



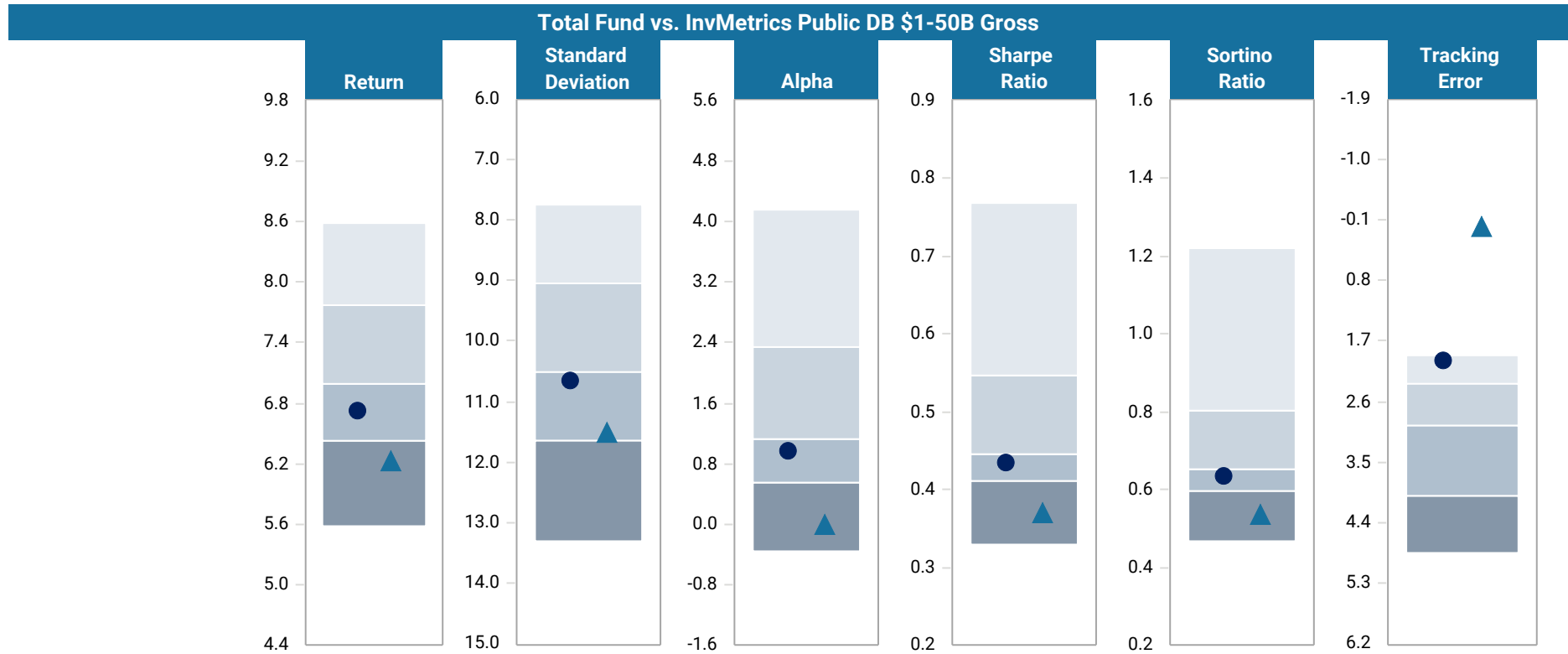
	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)
● LACERS Master Trust	6.7 (64)	10.6 (76)	1.0 (71)	0.4 (67)	0.6 (64)	2.0 (6)
▲ Policy Index	6.2 (76)	11.5 (89)	0.0 (98)	0.4 (91)	0.5 (92)	0.0 (1)
5th Percentile	8.7	6.9	4.4	0.8	1.2	2.0
1st Quartile	8.2	8.1	3.2	0.6	1.0	2.4
Median	7.0	9.0	2.3	0.5	0.8	3.3
3rd Quartile	6.3	10.6	0.9	0.4	0.6	4.3
95th Percentile	5.5	11.7	0.2	0.3	0.5	5.9

Population	31	31	31	31	31	31
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Los Angeles City Employees' Retirement System-LACERS Master Trust

# RISK STATISTICS VS. PEER UNIVERSE



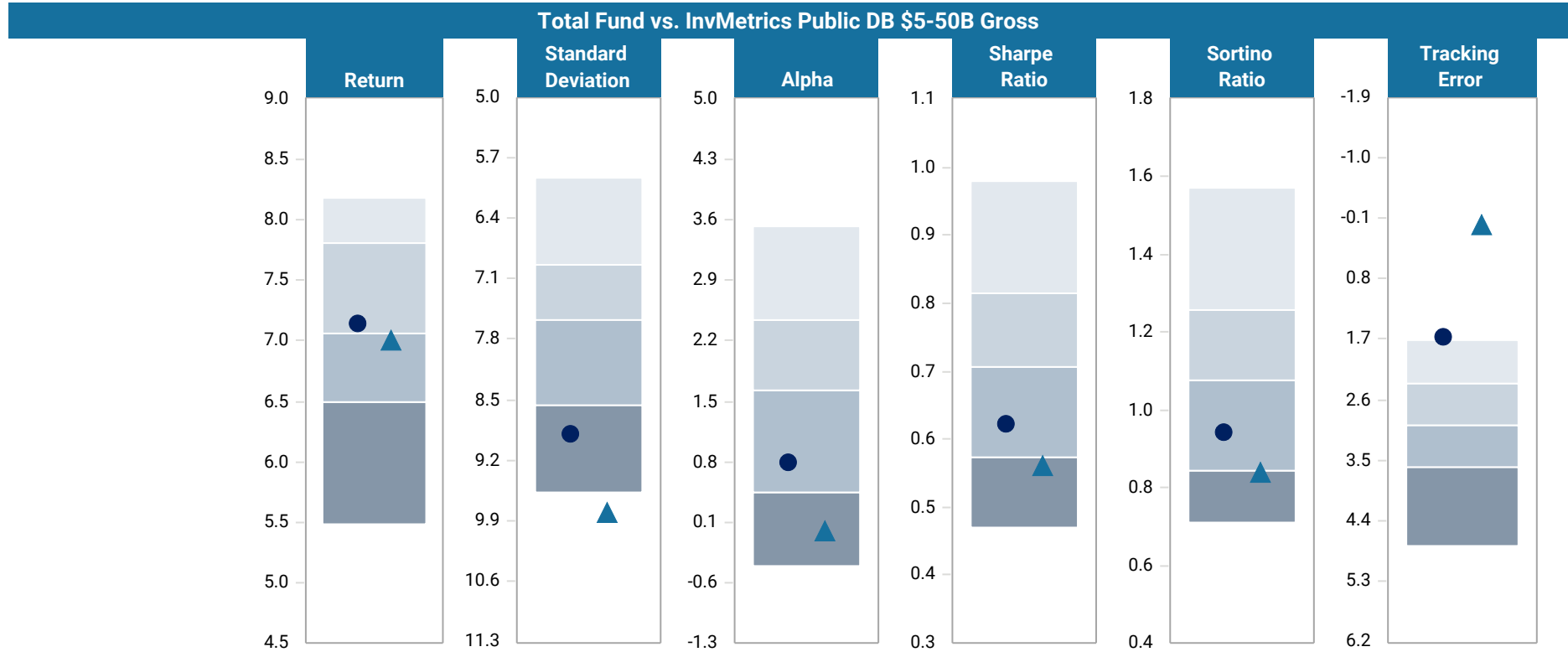
	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)	5 Yrs (%)
● LACERS Master Trust	6.7 (62)	10.6 (51)	1.0 (59)	0.4 (57)	0.6 (54)	2.0 (8)
▲ Policy Index	6.2 (80)	11.5 (73)	0.0 (92)	0.4 (87)	0.5 (87)	0.0 (1)
5th Percentile	8.6	7.8	4.2	0.8	1.2	1.9
1st Quartile	7.8	9.0	2.3	0.5	0.8	2.3
Median	7.0	10.5	1.1	0.4	0.7	3.0
3rd Quartile	6.4	11.7	0.6	0.4	0.6	4.0
95th Percentile	5.6	13.3	-0.4	0.3	0.5	4.9

Population	96	96	96	96	96	96
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Los Angeles City Employees' Retirement System-LACERS Master Trust

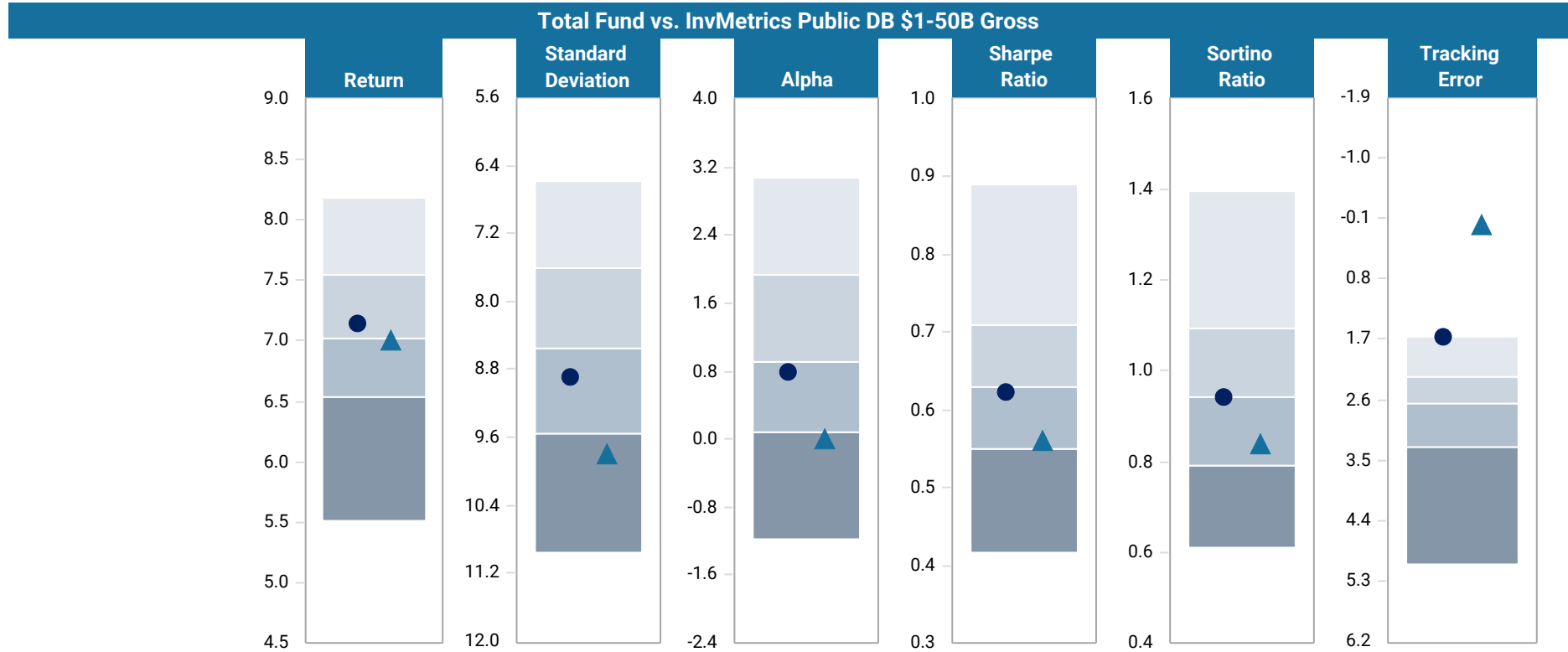
# RISK STATISTICS VS. PEER UNIVERSE



	10 Yrs (%)	10 Yrs (%)	10 Yrs (%)	10 Yrs (%)	10 Yrs (%)	10 Yrs (%)
● LACERS Master Trust	7.1 (43)	8.9 (82)	0.8 (68)	0.6 (68)	0.9 (68)	1.7 (1)
▲ Policy Index	7.0 (58)	9.8 (97)	0.0 (86)	0.6 (78)	0.8 (77)	0.0 (1)
5th Percentile	8.2	5.9	3.5	1.0	1.6	1.7
1st Quartile	7.8	6.9	2.4	0.8	1.3	2.4
Median	7.1	7.6	1.6	0.7	1.1	3.0
3rd Quartile	6.5	8.6	0.4	0.6	0.8	3.6
95th Percentile	5.5	9.6	-0.4	0.5	0.7	4.8
Population	29	29	29	29	29	29

Los Angeles City Employees' Retirement System-LACERS Master Trust

# RISK STATISTICS VS. PEER UNIVERSE



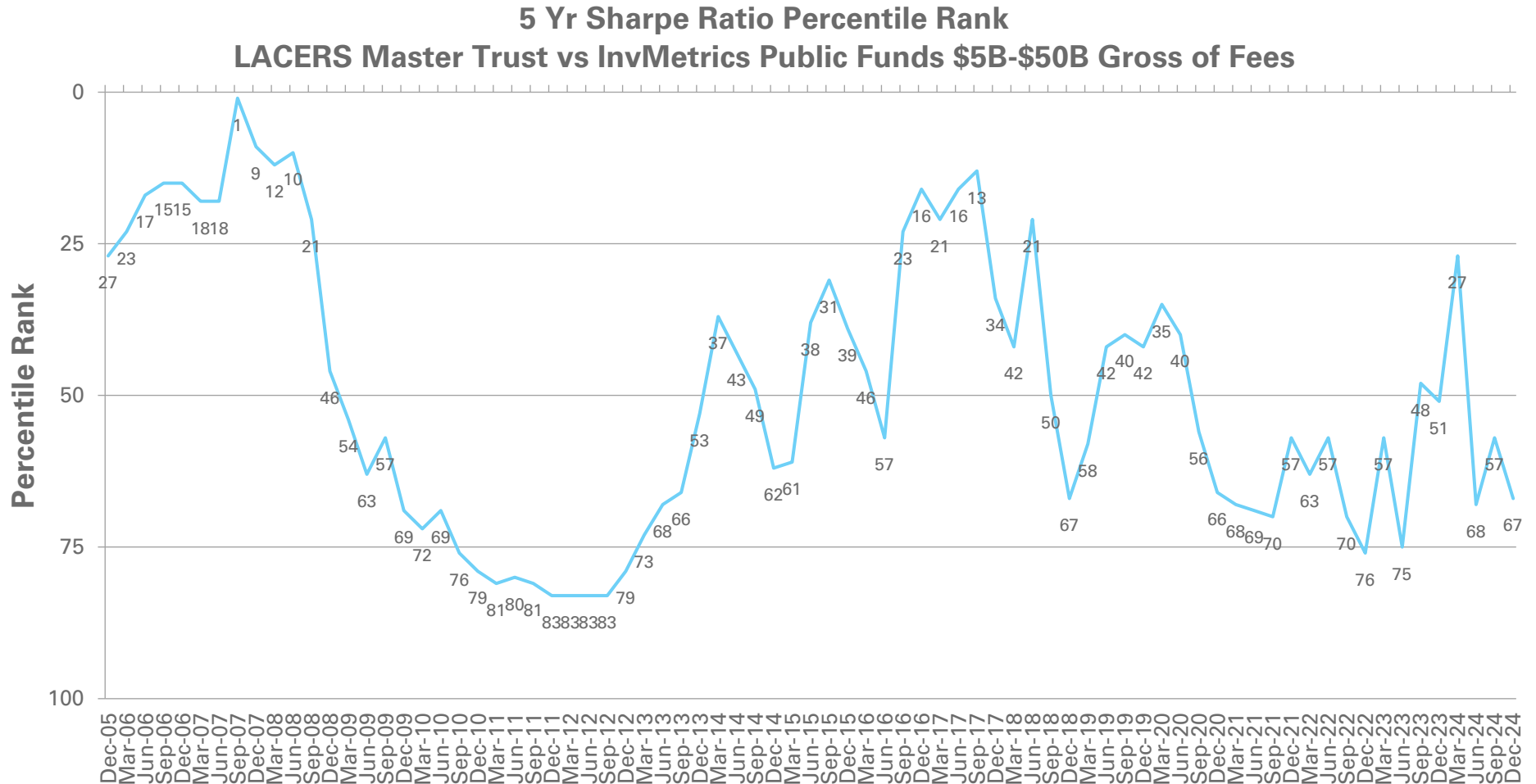
	10 Yrs (%)	10 Yrs (%)	10 Yrs (%)	10 Yrs (%)	10 Yrs (%)	10 Yrs (%)
● LACERS Master Trust	7.1 (45)	8.9 (60)	0.8 (54)	0.6 (52)	0.9 (50)	1.7 (4)
▲ Policy Index	7.0 (53)	9.8 (79)	0.0 (76)	0.6 (71)	0.8 (70)	0.0 (1)
5th Percentile	8.2	6.6	3.1	0.9	1.4	1.7
1st Quartile	7.5	7.6	1.9	0.7	1.1	2.3
Median	7.0	8.6	0.9	0.6	0.9	2.7
3rd Quartile	6.5	9.6	0.1	0.5	0.8	3.3
95th Percentile	5.5	11.0	-1.2	0.4	0.6	5.1

Population                      93                      93                      93                      93                      93                      93



# HISTORICAL RISK ADJUSTED RETURN

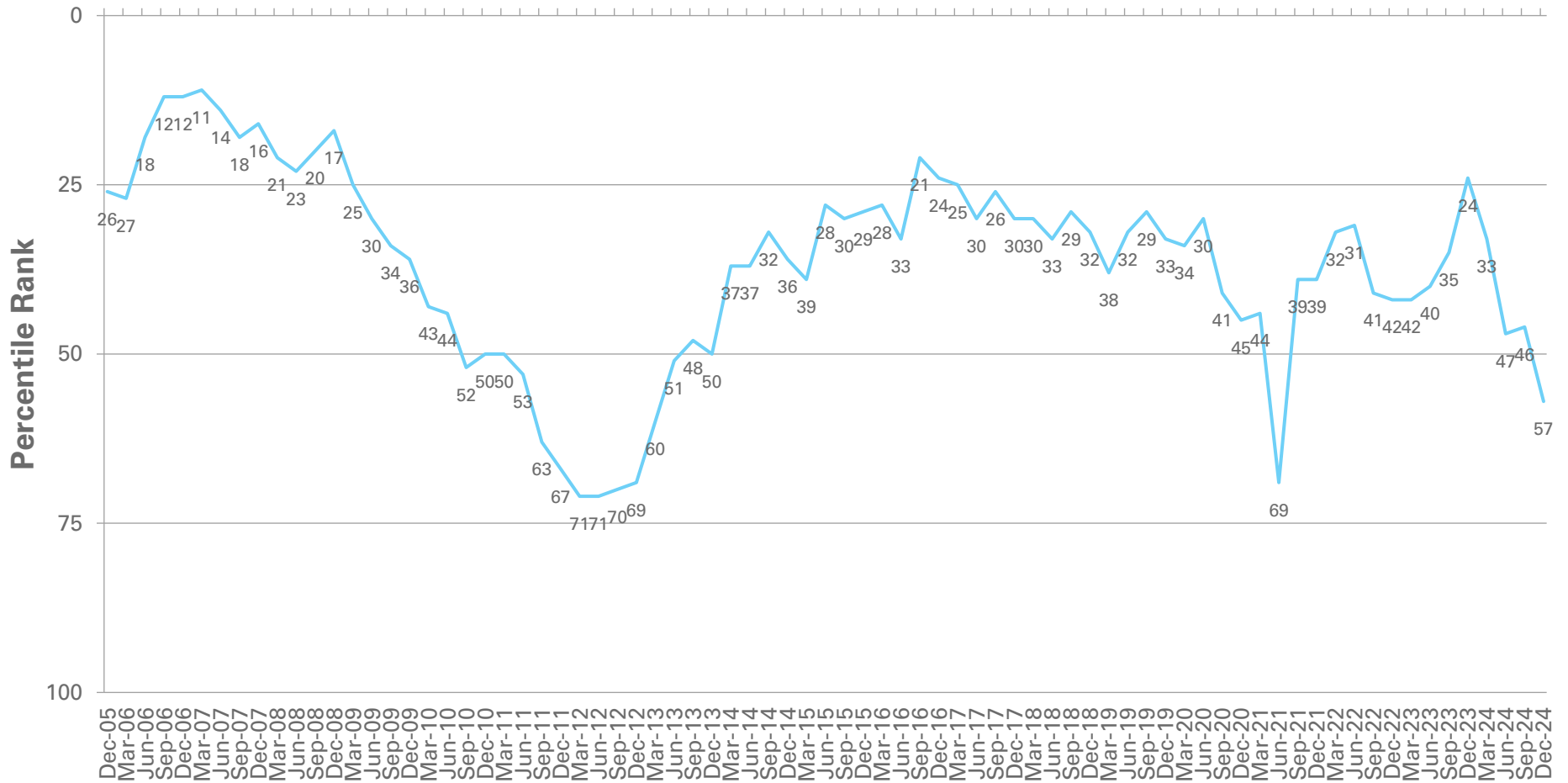
## UNIVERSE COMPARISON (\$5-\$50 B GROSS OF FEES)



# HISTORICAL RISK ADJUSTED RETURN

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

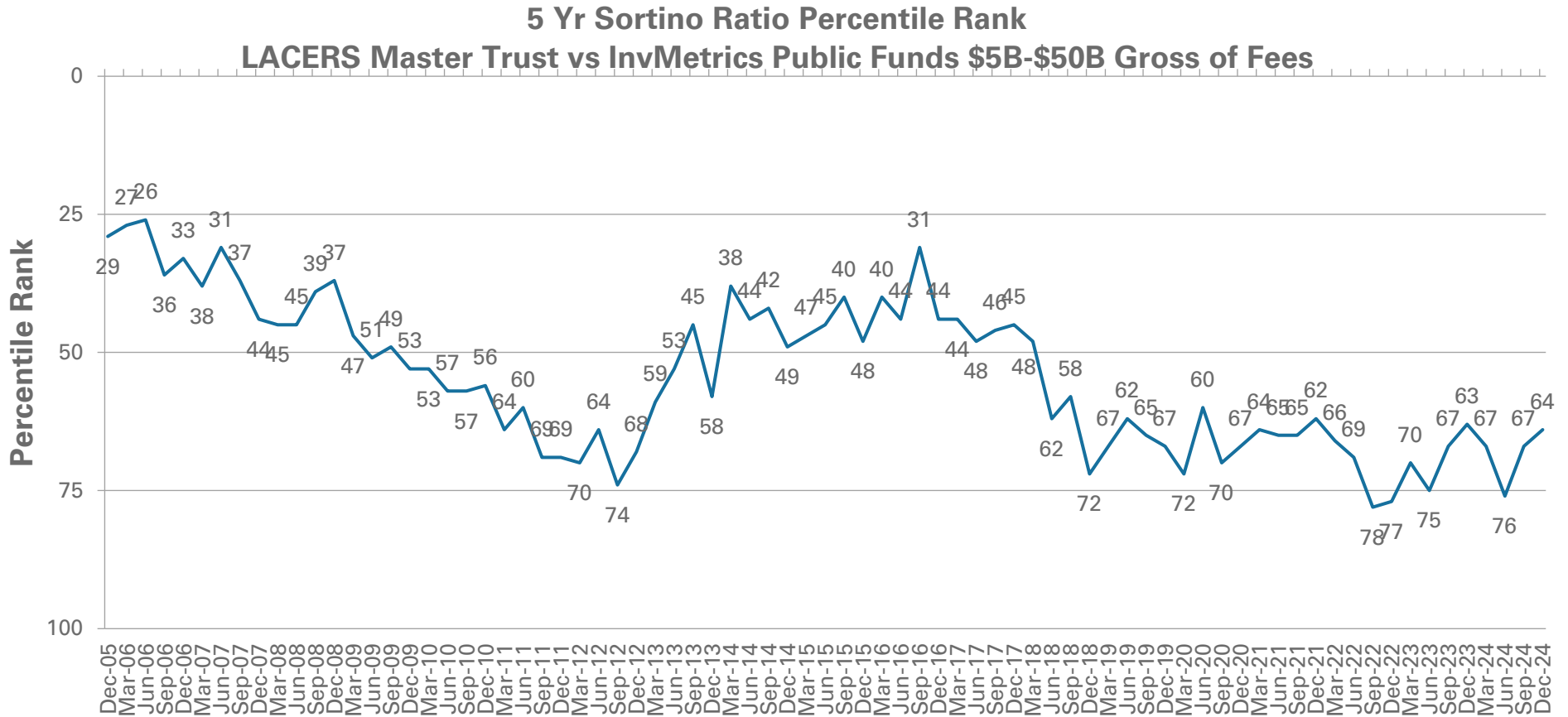
5 Yr Sharpe Ratio Percentile Rank  
LACERS Master Trust vs InvMetrics Public Funds \$1B-\$50B Gross of Fees





# HISTORICAL SORTINO RATIO

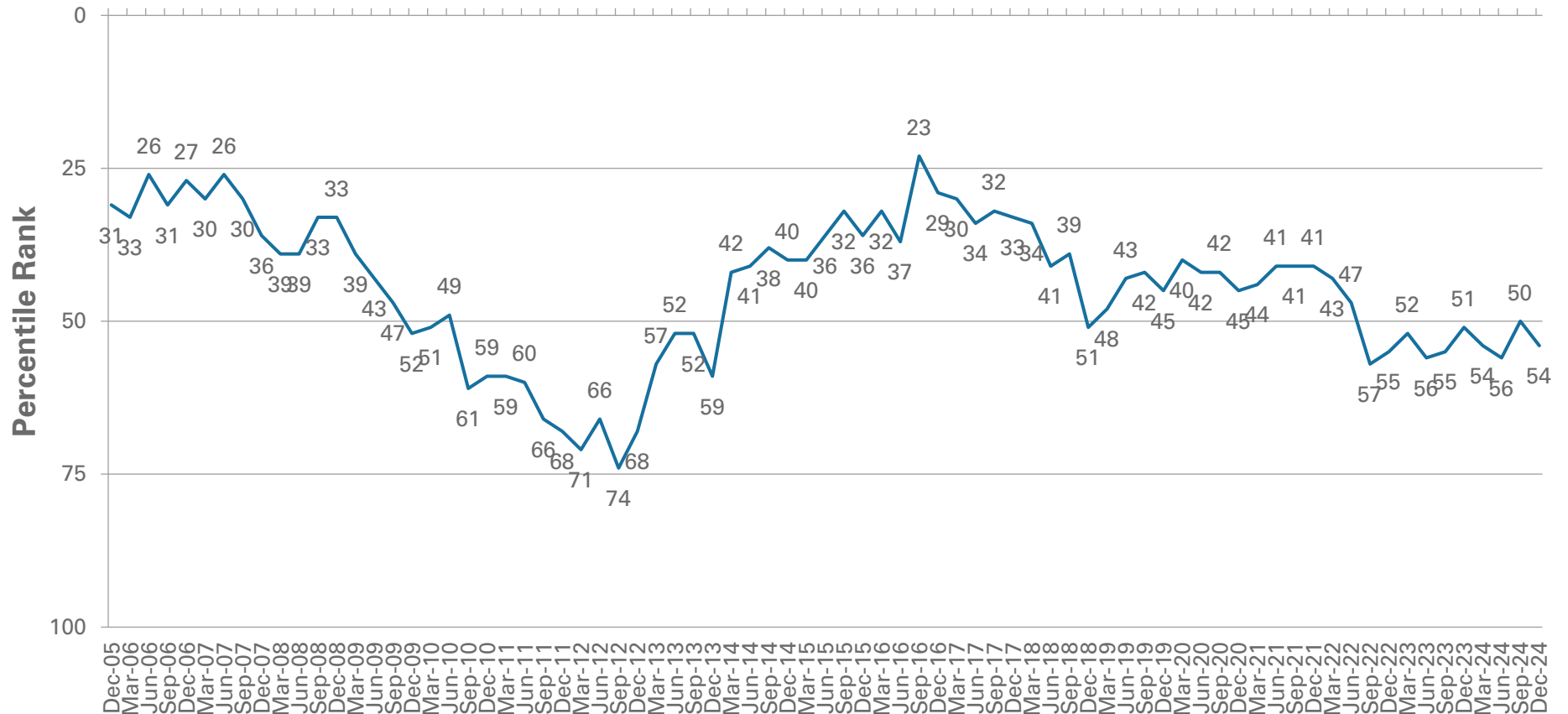
UNIVERSE COMPARISON (\$5-\$50 B GROSS OF FEES)



# HISTORICAL SORTINO RATIO

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

5 Yr Sortino Ratio Percentile Rank  
LACERS Master Trust vs InvMetrics Public Funds \$1B-\$50B Gross of Fees



# U.S. EQUITY MANAGER PERFORMANCE

December 31, 2024

## Los Angeles City Employees' Retirement System-LACERS Master Trust

**U.S EQUITY (GROSS)**

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>U.S. Equity</b>	<b>5,294,687,614</b>	<b>100.00</b>	<b>1.80</b>	<b>8.89</b>	<b>21.57</b>	<b>7.16</b>	<b>13.10</b>	<b>12.15</b>	<b>9.56</b>	<b>Sep-01</b>
U.S. Equity Blend			2.63	9.03	23.81	8.01	13.86	12.55	9.44	
Over/Under			-0.83	-0.14	-2.24	-0.85	-0.76	-0.40	0.11	
RhumbLine Advisers Russell 2000	436,707,881	8.25	0.34	9.58	11.59	1.31	7.46		7.55	Apr-15
Russell 2000 Index			0.33	9.64	11.54	1.24	7.40		7.56	
Over/Under			0.00	-0.06	0.05	0.07	0.06		-0.01	
Rhumblin Advisers Russell 2000 Value	131,507,237	2.48	-1.04	8.93	8.12	2.07			8.05	Jan-21
Russell 2000 Value Index			-1.06	8.98	8.05	1.94			7.97	
Over/Under			0.02	-0.05	0.07	0.13			0.08	
EAM Investors	110,881,900	2.09	5.43	14.05	26.70	-1.72	7.55		10.53	Oct-15
Russell 2000 Growth Index			1.70	10.26	15.15	0.21	6.86		9.44	
Over/Under			3.73	3.79	11.55	-1.93	0.69		1.09	
Principal Global Investors	409,722,277	7.74	-0.01	10.33	18.61	5.38	12.11	13.34	13.69	Aug-14
Russell Midcap Index			0.62	9.89	15.34	3.79	9.92	9.63	9.97	
Over/Under			-0.63	0.44	3.27	1.60	2.19	3.72	3.72	
RhumbLine Advisers S&P 500	3,632,059,239	68.60	2.44	8.31	24.96	8.99	14.52	13.06	7.82	Sep-00
S&P 500 Index			2.41	8.44	25.02	8.94	14.53	13.10	7.74	
Over/Under			0.03	-0.12	-0.06	0.05	-0.01	-0.05	0.08	
Copeland Capital Management	282,231,210	5.33	-4.57	2.80	5.02	3.32			13.19	Oct-20
Russell 2000 Index			0.33	9.64	11.54	1.24			11.12	
Over/Under			-4.91	-6.84	-6.51	2.08			2.07	
Granahan Investment Management	156,184,569	2.95	9.64	29.22	25.68	-1.07			7.03	Oct-20
Russell 2000 Growth Index			1.70	10.26	15.15	0.21			7.15	
Over/Under			7.93	18.96	10.53	-1.28			-0.12	
Segall, Bryant & Hamill	135,304,705	2.56	0.78	12.38	13.82	3.31			12.74	Oct-20
Russell 2000 Value Index			-1.06	8.98	8.05	1.94			15.02	
Over/Under			1.85	3.40	5.77	1.37			-2.27	

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

**U.S. EQUITY (NET)**

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>U.S. Equity</b>	<b>5,294,687,614</b>	<b>100.00</b>	<b>1.78</b>	<b>8.83</b>	<b>21.45</b>	<b>7.05</b>	<b>13.01</b>	<b>12.05</b>	<b>9.38</b>	<b>Sep-01</b>
<i>U.S. Equity Blend</i>			2.63	9.03	23.81	8.01	13.86	12.55	9.44	
Over/Under			-0.85	-0.19	-2.36	-0.96	-0.86	-0.49	-0.07	
<i>All Public Plans &gt; \$1B-US Equity Segment Median</i>										
RhumbLine Advisers Russell 2000	436,707,881	8.25	0.34 (48)	9.58 (38)	11.58 (50)	1.31 (63)	7.46 (75)		7.54 (71)	Apr-15
<i>Russell 2000 Index</i>			0.33 (48)	9.64 (37)	11.54 (51)	1.24 (64)	7.40 (76)		7.56 (70)	
Over/Under			0.00	-0.06	0.04	0.06	0.06		-0.02	
<i>eV US Small Cap Equity Median</i>			0.12	8.46	11.55	2.46	8.93		8.39	
Rhumbline Advisers Russell 2000 Value	131,507,237	2.48	-1.04 (61)	8.93 (38)	8.12 (76)	2.06 (73)			8.04 (72)	Jan-21
<i>Russell 2000 Value Index</i>			-1.06 (61)	8.98 (37)	8.05 (76)	1.94 (73)			7.97 (72)	
Over/Under			0.02	-0.05	0.06	0.12			0.07	
<i>eV US Small-Mid Cap Value Equity Median</i>			-0.60	7.54	11.18	4.78			9.24	
EAM Investors	110,881,900	2.09	5.31 (13)	13.78 (12)	26.03 (9)	-2.37 (65)	6.83 (75)		9.78 (80)	Oct-15
<i>Russell 2000 Growth Index</i>			1.70 (39)	10.26 (35)	15.15 (44)	0.21 (33)	6.86 (75)		9.44 (86)	
Over/Under			3.61	3.52	10.88	-2.58	-0.03		0.34	
<i>eV US Small Cap Growth Equity Median</i>			0.83	8.49	14.44	-1.04	8.38		11.13	
Principal Global Investors	409,722,277	7.74	-0.10 (47)	10.15 (28)	18.20 (21)	5.01 (34)	11.72 (17)	12.93 (5)	13.28 (4)	Aug-14
<i>Russell Midcap Index</i>			0.62 (41)	9.89 (30)	15.34 (35)	3.79 (45)	9.92 (49)	9.63 (48)	9.97 (48)	
Over/Under			-0.72	0.26	2.85	1.22	1.80	3.31	3.31	
<i>eV US Mid Cap Equity Median</i>			-0.20	7.84	12.74	2.85	9.78	9.45	9.74	
RhumbLine Advisers S&P 500	3,632,059,239	68.60	2.44 (33)	8.31 (30)	24.95 (30)	8.99 (25)	14.51 (27)	13.05 (25)	9.58 (9)	Sep-00
<i>S&amp;P 500 Index</i>			2.41 (33)	8.44 (28)	25.02 (30)	8.94 (26)	14.53 (27)	13.10 (24)	7.74 (64)	
Over/Under			0.03	-0.13	-0.07	0.05	-0.02	-0.05	1.84	
<i>eV US Large Cap Equity Median</i>			0.65	7.06	19.10	7.02	12.18	11.16	8.15	

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.

December 31, 2024

## Los Angeles City Employees' Retirement System-LACERS Master Trust

**U.S. EQUITY (NET)**

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
Copeland Capital Management	282,231,210	5.33	-4.68 (98)	2.57 (95)	4.55 (90)	2.85 (46)			12.73 (56)	Oct-20
<i>Russell 2000 Index</i>			0.33 (48)	9.64 (37)	11.54 (51)	1.24 (64)			11.12 (69)	
Over/Under			-5.02	-7.07	-6.99	1.61			1.62	
<i>eV US Small Cap Equity Median</i>			0.12	8.46	11.55	2.46			13.35	
Granahan Investment Management	156,184,569	2.95	9.46 (2)	28.82 (1)	24.83 (12)	-1.76 (57)			6.31 (61)	Oct-20
<i>Russell 2000 Growth Index</i>			1.70 (39)	10.26 (35)	15.15 (44)	0.21 (33)			7.15 (58)	
Over/Under			7.76	18.56	9.68	-1.97			-0.84	
<i>eV US Small Cap Growth Equity Median</i>			0.83	8.49	14.44	-1.04			7.72	
Segall, Bryant & Hamill	135,304,705	2.56	0.64 (36)	12.07 (15)	13.16 (27)	2.70 (72)			12.09 (92)	Oct-20
<i>Russell 2000 Value Index</i>			-1.06 (69)	8.98 (40)	8.05 (68)	1.94 (84)			15.02 (68)	
Over/Under			1.70	3.09	5.10	0.76			-2.92	
<i>eV US Small Cap Value Equity Median</i>			-0.36	8.24	10.22	3.78			16.36	

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



# 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	*	✓	✓	✓	✓	✓	✓	✓	✓	1,233.0	Performance compliant with LACERS' Manager Monitoring Policy
EAM Investors	Sep-15	Small Cap Growth	✓	✓	✓	✓	*	*	*	*	✓	598.3	Placed on Watch as of 5/28/23 due to performance.
Copeland	Oct-20	Small Cap Core	*	*	*	*	✓	✓	N/A	N/A	✓	1,225.8	Performance compliant with LACERS' Manager Monitoring Policy
Granahan	Oct-20	Small Cap Growth	✓	✓	✓	✓	*	*	N/A	N/A	*	863.4	Performance compliant with LACERS' Manager Monitoring Policy
Segall Bryant & Hamill	Oct-20	Small Cap Value	✓	✓	✓	✓	✓	*	N/A	N/A	*	708.3	Placed on Watch as of 8/30/24 due to performance
RhumbLine (Passive)	Dec-20	R2000 Value	✓	*	✓	*	✓	*	N/A	N/A	✓	5.3	Performance compliant with LACERS' Manager Monitoring Policy
RhumbLine (Passive)	Feb-93	S&P 500	✓	✓	*	✓	✓	✓	*	✓	✓✓	142.8	Performance compliant with LACERS' Manager Monitoring Policy
RhumbLine (Passive)	Jun-15	R2000	✓	✓	✓	=	✓	*	✓	*	✓	13.2	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, 2024.
- \* 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

December 31, 2024

## Los Angeles City Employees' Retirement System-LACERS Master Trust

**NON-U.S. EQUITY (GROSS)**

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Non-U.S. Equity</b>	<b>5,838,657,777</b>	<b>100.00</b>	<b>-7.49</b>	<b>0.15</b>	<b>4.88</b>	<b>0.10</b>	<b>4.97</b>	<b>5.88</b>	<b>5.35</b>	<b>Nov-94</b>
<i>MSCI AC World ex USA (Net)</i>			<u>-7.60</u>	<u>-0.15</u>	<u>5.53</u>	<u>0.82</u>	<u>4.10</u>	<u>4.80</u>	-	
Over/Under			0.11	0.29	-0.66	-0.73	0.86	1.08	-	
<b>Developed ex-U.S.</b>	<b>4,078,920,072</b>	<b>69.86</b>	<b>-7.76</b>	<b>0.60</b>	<b>3.66</b>	<b>0.84</b>	<b>5.23</b>	<b>6.00</b>	<b>7.36</b>	<b>Jul-12</b>
<i>MSCI EAFE (Net)</i>			<u>-8.11</u>	<u>-1.44</u>	<u>3.82</u>	<u>1.65</u>	<u>4.73</u>	<u>5.20</u>	<u>6.54</u>	
Over/Under			0.35	2.04	-0.16	-0.80	0.50	0.81	0.81	
Barrow Hanley	539,780,293	9.24	<u>-9.52</u>	<u>-0.03</u>	<u>-2.40</u>	5.09	6.86	5.78	5.25	Dec-13
<i>MSCI EAFE Value Index (Net)</i>			<u>-7.12</u>	<u>1.14</u>	<u>5.68</u>	<u>5.88</u>	<u>5.09</u>	<u>4.31</u>	<u>3.49</u>	
Over/Under			-2.40	-1.17	-8.08	-0.79	1.78	1.46	1.77	
Lazard Asset Management	555,478,656	9.51	<u>-7.32</u>	<u>-1.84</u>	0.74	<u>-0.29</u>	3.67	4.86	4.62	Dec-13
<i>MSCI EAFE (Net)</i>			<u>-8.11</u>	<u>-1.44</u>	<u>3.82</u>	<u>1.65</u>	<u>4.73</u>	<u>5.20</u>	<u>4.34</u>	
Over/Under			0.79	-0.40	-3.08	-1.94	-1.06	-0.34	0.28	
MFS Institutional Advisors	620,704,533	10.63	<u>-8.43</u>	3.00	8.01	2.79	6.67	8.48	7.35	Nov-13
<i>MSCI World ex USA Growth NR USD</i>			<u>-8.31</u>	<u>-2.92</u>	<u>2.82</u>	<u>-2.26</u>	<u>4.29</u>	<u>5.72</u>	<u>5.02</u>	
Over/Under			-0.13	5.92	5.18	5.04	2.39	2.76	2.33	
Oberweis Asset Mgmt	351,910,688	6.03	<u>-5.75</u>	3.61	9.22	<u>-9.60</u>	5.12	7.16	6.38	Feb-14
<i>MSCI EAFE Small Cap (Net)</i>			<u>-8.36</u>	<u>1.30</u>	<u>1.82</u>	<u>-3.25</u>	<u>2.30</u>	<u>5.52</u>	<u>4.71</u>	
Over/Under			2.61	2.31	7.40	-6.35	2.83	1.63	1.67	
SSgA World ex US IMI	1,713,728,162	29.35	<u>-7.40</u>	0.16	4.85	1.65	5.35	5.79	4.91	Jul-98
<i>MSCI World ex U.S. IMI Index (Net)</i>			<u>-7.49</u>	<u>0.03</u>	<u>4.44</u>	<u>1.22</u>	<u>4.78</u>	<u>5.28</u>	<u>4.91</u>	
Over/Under			0.08	0.13	0.41	0.43	0.57	0.51	0.00	
State Street EAFE SC	297,317,740	5.09	<u>-8.31</u>	1.30	1.77	<u>-2.97</u>	-	-	0.14	Jan-21
<i>MSCI EAFE Small Cap (Net)</i>			<u>-8.36</u>	<u>1.30</u>	<u>1.82</u>	<u>-3.25</u>	-	-	<u>-0.07</u>	
Over/Under			0.05	0.00	-0.05	0.27	-	-	0.21	

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

**NON-U.S. EQUITY (GROSS)**

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Emerging Markets</b>	<b>1,759,737,704</b>	<b>30.14</b>	<b>-6.83</b>	<b>-0.74</b>	<b>7.66</b>	<b>-2.07</b>	<b>4.01</b>	<b>4.84</b>	<b>4.43</b>	<b>Jul-12</b>
<i>MSCI Emerging Markets (Net)</i>			<u>-8.01</u>	<u>0.02</u>	<u>7.50</u>	<u>-1.92</u>	<u>1.70</u>	<u>3.64</u>	<u>3.56</u>	
Over/Under			1.18	-0.76	0.16	-0.15	2.31	1.21	0.87	
Axiom Emerging Markets	331,593,736	5.68	-0.24	3.46	16.96	-4.74	2.12	4.65	4.32	May-14
<i>MSCI Emerging Markets (Net)</i>			<u>-8.01</u>	<u>0.02</u>	<u>7.50</u>	<u>-1.92</u>	<u>1.70</u>	<u>3.64</u>	<u>3.20</u>	
Over/Under			7.77	3.45	9.46	-2.82	0.42	1.02	1.12	
<i>MSCI Emerging Markets Growth (Net)</i>			<u>-6.91</u>	<u>1.71</u>	<u>10.30</u>	<u>-3.90</u>	<u>1.32</u>	<u>4.34</u>	<u>4.03</u>	
Over/Under			6.67	1.76	6.66	-0.84	0.80	0.32	0.29	
<i>Axiom Custom Blended BM</i>			<u>-8.01</u>	<u>0.02</u>	<u>7.50</u>	<u>-1.92</u>	<u>3.95</u>	<u>5.69</u>	<u>5.29</u>	
Over/Under			7.77	3.45	9.46	-2.82	-1.84	-1.03	-0.97	
DFA Emerging Markets	577,557,242	9.89	-8.31	-1.45	6.72	3.87	5.78	5.15	3.57	Aug-14
<i>MSCI Emerging Markets Value (Net)</i>			<u>-9.21</u>	<u>-1.84</u>	<u>4.51</u>	<u>0.16</u>	<u>1.96</u>	<u>2.81</u>	<u>1.44</u>	
Over/Under			0.90	0.39	2.21	3.72	3.81	2.34	2.14	
State Street Emerging Markets	523,358,432	8.96	-7.65	-0.17	7.00	-2.22	-	-	-2.30	Jan-21
<i>MSCI Emerging Markets (Net)</i>			<u>-8.01</u>	<u>0.02</u>	<u>7.50</u>	<u>-1.92</u>	-	-	<u>-2.08</u>	
Over/Under			0.36	-0.18	-0.50	-0.29	-	-	-0.23	
Wasatch Global Investors	326,990,087	5.60	-8.88	-4.46	2.16	-7.46	-	-	1.91	Jan-21
<i>MSCI Emerging Markets Small Cap (Net)</i>			<u>-7.19</u>	<u>-2.11</u>	<u>4.79</u>	<u>2.11</u>	-	-	<u>6.03</u>	
Over/Under			-1.69	-2.36	-2.63	-9.56	-	-	-4.12	
Sanctioned Asset	238,208	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

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December 31, 2024

## Los Angeles City Employees' Retirement System-LACERS Master Trust

**NON-U.S. EQUITY (NET)**

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Non-U.S. Equity</b>	<b>5,838,657,777</b>	<b>100.00</b>	<b>-7.61 (67)</b>	<b>-0.08 (49)</b>	<b>4.45 (57)</b>	<b>-0.26 (57)</b>	<b>4.61 (51)</b>	<b>5.51 (52)</b>	<b>5.95 (56)</b>	<b>Jun-01</b>
MSCI AC World ex USA (Net)			-7.60 (66)	-0.15 (52)	5.53 (46)	0.82 (42)	4.10 (62)	4.80 (74)	5.33 (76)	
Over/Under			-0.01	0.07	-1.08	-1.08	0.50	0.71	0.62	
eV All ACWI ex-US Equity Median			-7.08	-0.11	5.18	0.29	4.67	5.53	6.03	
<b>Developed ex-U.S.</b>	<b>4,078,920,072</b>	<b>69.86</b>	<b>-7.82</b>	<b>0.47</b>	<b>3.39</b>	<b>0.58</b>	<b>4.95</b>	<b>5.70</b>	<b>7.07</b>	<b>Jul-12</b>
MSCI EAFE (Net)			-8.11	-1.44	3.82	1.65	4.73	5.20	6.54	
Over/Under			0.29	1.91	-0.43	-1.06	0.23	0.50	0.52	
Barrow Hanley	539,780,293	9.24	-9.63 (86)	-0.26 (67)	-2.84 (97)	4.62 (37)	6.39 (29)	5.27 (38)	4.76 (25)	Dec-13
MSCI EAFE Value Index (Net)			-7.12 (39)	1.14 (40)	5.68 (38)	5.88 (20)	5.09 (45)	4.31 (67)	3.49 (65)	
Over/Under			-2.51	-1.40	-8.52	-1.26	1.30	0.96	1.27	
eV EAFE Value Equity Median			-7.71	0.72	4.45	3.85	4.85	4.85	4.19	
Lazard Asset Management	555,478,656	9.51	-7.42 (45)	-2.05 (76)	0.30 (81)	-0.75 (69)	3.19 (79)	4.34 (83)	4.11 (72)	Dec-13
MSCI EAFE (Net)			-8.11 (61)	-1.44 (66)	3.82 (53)	1.65 (43)	4.73 (52)	5.20 (61)	4.34 (66)	
Over/Under			0.69	-0.61	-3.52	-2.39	-1.54	-0.86	-0.24	
eV All EAFE Equity Median			-7.70	-0.32	4.06	1.09	4.77	5.39	4.59	
MFS Institutional Advisors	620,704,533	10.63	-8.53 (51)	2.81 (24)	7.60 (28)	2.39 (20)	6.26 (16)	8.01 (4)	6.89 (13)	Nov-13
MSCI World ex USA Growth NR USD			-8.31 (49)	-2.92 (77)	2.82 (52)	-2.26 (40)	4.29 (40)	5.72 (38)	5.02 (42)	
Over/Under			-0.22	5.73	4.78	4.65	1.98	2.29	1.86	
eV EAFE All Cap Growth Median			-8.49	-1.21	3.10	-2.87	3.86	5.41	4.79	
Oberweis Asset Mgmt	351,910,688	6.03	-5.93 (30)	3.22 (27)	8.41 (20)	-10.29 (91)	4.30 (33)	6.29 (26)	5.52 (30)	Feb-14
MSCI EAFE Small Cap (Net)			-8.36 (62)	1.30 (44)	1.82 (54)	-3.25 (53)	2.30 (66)	5.52 (62)	4.71 (64)	
Over/Under			2.43	1.92	6.59	-7.05	2.00	0.76	0.81	
eV EAFE Small Cap Equity Median			-7.74	0.66	2.40	-2.75	3.37	5.94	5.05	

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.

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December 31, 2024

## Los Angeles City Employees' Retirement System-LACERS Master Trust

**NON-U.S. EQUITY (NET)**

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
SSgA World ex US IMI	1,713,728,162	29.35	-7.41 (50)	0.15 (41)	4.83 (46)	1.62 (38)	5.33 (34)	5.77 (43)	4.88 (86)	Jul-98
MSCI World ex U.S. IMI Index (Net)			-7.49 (53)	0.03 (44)	4.44 (52)	1.22 (44)	4.78 (54)	5.28 (61)	4.91 (85)	
Over/Under			0.08	0.11	0.39	0.40	0.55	0.49	-0.03	
eV EAFE Core Equity Median			-7.42	-0.36	4.61	0.96	4.89	5.44	5.62	
State Street EAFE SC	297,317,740	5.09	-8.32 (62)	1.28 (44)	1.73 (55)	-3.01 (51)	-	-	0.11 (54)	Jan-21
MSCI EAFE Small Cap (Net)			-8.36 (62)	1.30 (44)	1.82 (54)	-3.25 (53)	-	-	-0.07 (56)	
Over/Under			0.04	-0.02	-0.09	0.24	-	-	0.18	
eV EAFE Small Cap Equity Median			-7.74	0.66	2.40	-2.75	-	-	0.38	
<b>Emerging Markets</b>	<b>1,759,737,704</b>	<b>30.14</b>	<b>-7.09</b>	<b>-1.20</b>	<b>6.87</b>	<b>-2.65</b>	<b>3.45</b>	<b>4.28</b>	<b>3.83</b>	<b>Jul-12</b>
MSCI Emerging Markets (Net)			-8.01	0.02	7.50	-1.92	1.70	3.64	3.56	
Over/Under			0.91	-1.22	-0.64	-0.73	1.75	0.64	0.27	
Axiom Emerging Markets	331,593,736	5.68	-0.65 (3)	2.76 (15)	15.61 (6)	-5.62 (88)	1.29 (73)	3.86 (61)	3.55 (61)	May-14
MSCI Emerging Markets (Net)			-8.01 (73)	0.02 (47)	7.50 (45)	-1.92 (59)	1.70 (65)	3.64 (68)	3.20 (71)	
Over/Under			7.36	2.75	8.10	-3.70	-0.41	0.23	0.35	
eV Emg Mkts Equity Median			-6.96	-0.18	7.03	-1.05	2.91	4.23	3.81	
MSCI Emerging Markets Growth (Net)			-6.91 (49)	1.71 (24)	10.30 (24)	-3.90 (78)	1.32 (71)	4.34 (47)	4.03 (43)	
Over/Under			6.27	1.06	5.30	-1.72	-0.03	-0.48	-0.48	
Axiom Custom Blended BM			-8.01 (73)	0.02 (47)	7.50 (45)	-1.92 (59)	3.95 (35)	5.69 (20)	5.29 (19)	
Over/Under			7.36	2.75	8.10	-3.70	-2.67	-1.82	-1.74	
DFA Emerging Markets	577,557,242	9.89	-8.41 (80)	-1.71 (71)	6.19 (59)	3.42 (15)	5.30 (25)	4.64 (38)	3.09 (54)	Aug-14
MSCI Emerging Markets Value (Net)			-9.21 (88)	-1.84 (72)	4.51 (72)	0.16 (39)	1.96 (60)	2.81 (88)	1.44 (90)	
Over/Under			0.79	0.13	1.68	3.26	3.33	1.83	1.65	
eV Emg Mkts Equity Median			-6.96	-0.18	7.03	-1.05	2.91	4.23	3.16	
State Street Emerging Markets	523,358,432	8.96	-7.66 (67)	-0.19 (51)	6.96 (52)	-2.25 (62)	-	-	-2.34 (63)	Jan-21
MSCI Emerging Markets (Net)			-8.01 (73)	0.02 (47)	7.50 (45)	-1.92 (59)	-	-	-2.08 (61)	
Over/Under			0.34	-0.20	-0.54	-0.33	-	-	-0.26	
eV Emg Mkts Equity Median			-6.96	-0.18	7.03	-1.05	-	-	-0.49	

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

**NON-U.S. EQUITY (NET)**

	Allocation		Performance (%)								
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date	
Wasatch Global Investors	326,990,087	5.60	-9.73 (95)	-5.74 (95)	0.17 (86)	-8.76 (100)	-	-	0.68 (91)	Jan-21	
<i>MSCI Emerging Markets Small Cap (Net)</i>			-7.19 (61)	-2.11 (61)	4.79 (66)	2.11 (56)	-	-	6.03 (55)		
Over/Under			-2.54	-3.64	-4.62	-10.87	-	-	-5.35		
<i>eV Emg Mkts Small Cap Equity Median</i>			-5.97	-1.17	6.15	2.62	-	-	6.35		
Sanctioned Asset	238,208	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.

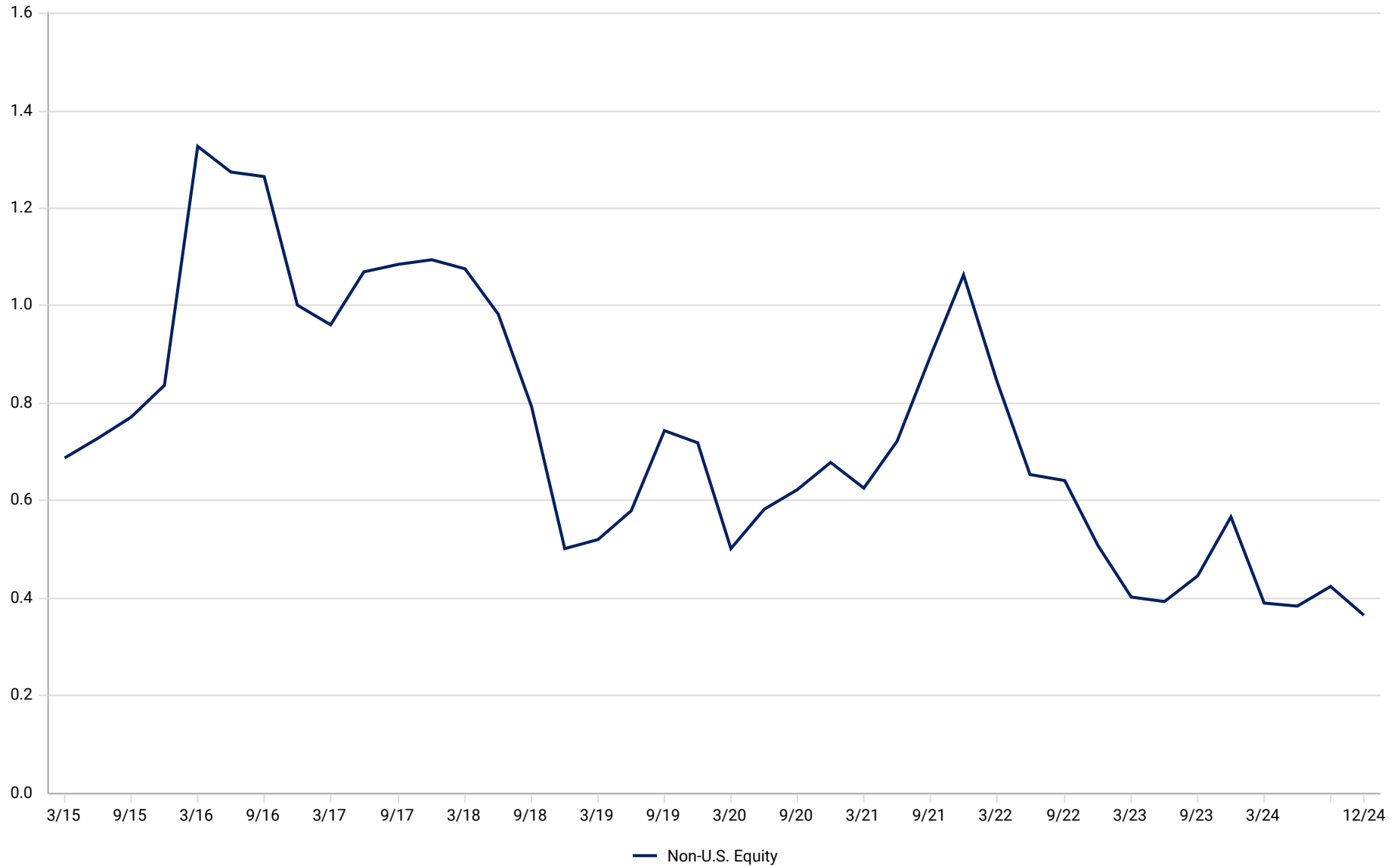
eA = eVestment

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

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	Index		
SsgA (Passive)	Dec-20	Emerging Markets	✓	*	*	*	*	*	N/A	N/A	*	211.5	Placed on Watch as of 8/30/24 due to performance
Axiom International	Mar-14	Emerging Markets	*	✓	✓	✓	*	*	*	*	✓	2,702.9	Placed on Watch as of 4/4/23 due to performance.
DFA Emerging Markets	Jul-14	Emerging Markets	✓	*	✓	*	✓	✓	✓	✓	✓	2,381.7	Performance compliant with LACERS' Manager Monitoring Policy
Wasatch	Dec-20	Emerging Markets Small Cap	*	*	*	*	*	*	N/A	N/A	*	3,106.2	Performance compliant with LACERS' Manager Monitoring Policy
Oberweis Asset Mgt.	Jan-14	Non-U.S. Developed	✓	✓	✓	✓	*	*	✓	✓	✓	2,483.5	Placed on Watch as of 8/30/24 due to performance
Barrow, Hanley, Mewhinney & Strauss	Nov-13	Non-U.S. Developed	*	*	*	*	*	✓	✓	✓	✓	2,595.0	Performance compliant with LACERS' Manager Monitoring Policy
Lazard Asset Mgt.	Nov-13	Non-U.S. Developed	✓	✓	*	*	*	*	*	*	*	2,661.5	Placed on Watch as of 5/28/24 due to performance.
MFS Institutional Advisors	Oct-13	Non-U.S. Developed	*	*	✓	✓	✓	✓	✓	✓	✓	2,312.2	Performance compliant with LACERS' Manager Monitoring Policy
SsgA (Passive)	Dec-20	Non-U.S. Developed Small Cap	✓	*	*	*	✓	*	N/A	N/A	✓	126.5	Performance compliant with LACERS' Manager Monitoring Policy
SsgA (Passive)	Aug-93	Non-U.S. Developed	✓	=	✓	✓	✓	✓	✓	✓	*	437.9	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, 2024.
- \* 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

December 31, 2024

## Los Angeles City Employees' Retirement System-LACERS Master Trust

**CORE FIXED INCOME (GROSS)**

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Core Fixed Income</b>	<b>3,116,883,157</b>	<b>100.00</b>	<b>-3.11</b>	<b>1.99</b>	<b>1.51</b>	<b>-2.07</b>	<b>0.29</b>	<b>1.82</b>	<b>2.20</b>	<b>Jul-12</b>
Core Fixed Income Blend			-3.06	1.98	1.25	-2.41	-0.33	1.35	1.60	
Over/Under			-0.05	0.02	0.26	0.34	0.61	0.47	0.60	
Loomis Sayles & Co. Core Fixed Income	653,003,466	20.95	-2.85	1.99	1.39	-2.19	0.53	2.20	7.98	Jul-80
Loomis Custom Benchmark			-3.06	1.98	1.25	-2.41	-0.33	1.35	6.60	
Over/Under			0.21	0.01	0.14	0.21	0.85	0.85	1.37	
SSgA U.S. Aggregate Bond	575,620,794	18.47	-3.04	2.00	1.40	-2.37	-0.29	1.38	1.54	Aug-14
Blmbg. U.S. Aggregate Index			-3.06	1.98	1.25	-2.41	-0.33	1.35	1.51	
Over/Under			0.02	0.03	0.15	0.04	0.04	0.03	0.03	
Baird Advisors Core Fixed Income	631,728,936	20.27	-2.90	2.28	2.22	-1.83	-	-	-1.50	Jul-21
Blmbg. U.S. Aggregate Index			-3.06	1.98	1.25	-2.41	-	-	-2.05	
Over/Under			0.17	0.30	0.97	0.58	-	-	0.55	
Garcia Hamilton & Associates	363,468,979	11.66	-4.44	1.47	-0.02	-2.20	-	-	-1.89	Jul-21
Blmbg. U.S. Aggregate Index			-3.06	1.98	1.25	-2.41	-	-	-2.05	
Over/Under			-1.38	-0.51	-1.27	0.21	-	-	0.16	
JP Morgan Investment Management	432,736,527	13.88	-2.88	2.18	2.14	-1.63	-	-	-1.37	Jul-21
Blmbg. U.S. Aggregate Index			-3.06	1.98	1.25	-2.41	-	-	-2.05	
Over/Under			0.18	0.20	0.89	0.77	-	-	0.68	
Income Research & Management	460,301,978	14.77	-2.88	2.18	1.94	-1.89	-	-	-1.60	Jul-21
Blmbg. U.S. Aggregate Index			-3.06	1.98	1.25	-2.41	-	-	-2.05	
Over/Under			0.18	0.20	0.69	0.52	-	-	0.45	

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.



December 31, 2024

## Los Angeles City Employees' Retirement System-LACERS Master Trust

**CORE FIXED INCOME (NET)**

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Core Fixed Income</b>	<b>3,116,883,157</b>	<b>100.00</b>	<b>-3.14</b>	<b>1.94</b>	<b>1.41</b>	<b>-2.17</b>	<b>0.19</b>	<b>1.71</b>	<b>2.09</b>	<b>Jul-12</b>
Core Fixed Income Blend			-3.06	1.98	1.25	-2.41	-0.33	1.35	1.60	
Over/Under			-0.08	-0.03	0.16	0.24	0.52	0.37	0.49	
Loomis Sayles & Co. Core Fixed Income	653,003,466	20.95	-2.88 (37)	1.92 (67)	1.26 (82)	-2.32 (68)	0.40 (21)	2.06 (9)	7.90 (-)	Jul-80
Loomis Custom Benchmark			-3.06 (63)	1.98 (58)	1.25 (83)	-2.41 (75)	-0.33 (84)	1.35 (83)	6.60 (-)	
Over/Under			0.18	-0.06	0.01	0.09	0.72	0.71	1.30	
eV US Core Fixed Inc Median			-2.98	2.03	1.68	-2.18	0.04	1.60	-	
SSgA U.S. Aggregate Bond	575,620,794	18.47	-3.05 (62)	1.99 (56)	1.38 (77)	-2.39 (74)	-0.32 (83)	1.34 (83)	1.50 (80)	Aug-14
Blmbg. U.S. Aggregate Index			-3.06 (63)	1.98 (58)	1.25 (83)	-2.41 (75)	-0.33 (84)	1.35 (83)	1.51 (80)	
Over/Under			0.01	0.02	0.13	0.02	0.01	0.00	0.00	
eV US Core Fixed Inc Median			-2.98	2.03	1.68	-2.18	0.04	1.60	1.72	
Baird Advisors Core Fixed Income	631,728,936	20.27	-2.92 (42)	2.22 (25)	2.11 (31)	-1.93 (28)	-	-	-1.60 (22)	Jul-21
Blmbg. U.S. Aggregate Index			-3.06 (63)	1.98 (58)	1.25 (83)	-2.41 (75)	-	-	-2.05 (74)	
Over/Under			0.14	0.25	0.86	0.48	-	-	0.45	
eV US Core Fixed Inc Median			-2.98	2.03	1.68	-2.18	-	-	-1.88	
Garcia Hamilton & Associates	363,468,979	11.66	-4.47 (100)	1.41 (97)	-0.15 (99)	-2.32 (68)	-	-	-2.00 (69)	Jul-21
Blmbg. U.S. Aggregate Index			-3.06 (63)	1.98 (58)	1.25 (83)	-2.41 (75)	-	-	-2.05 (74)	
Over/Under			-1.41	-0.57	-1.40	0.09	-	-	0.05	
eV US Core Fixed Inc Median			-2.98	2.03	1.68	-2.18	-	-	-1.88	
JP Morgan Investment Management	432,736,527	13.88	-2.91 (41)	2.11 (38)	2.02 (34)	-1.76 (20)	-	-	-1.49 (17)	Jul-21
Blmbg. U.S. Aggregate Index			-3.06 (63)	1.98 (58)	1.25 (83)	-2.41 (75)	-	-	-2.05 (74)	
Over/Under			0.15	0.14	0.77	0.65	-	-	0.56	
eV US Core Fixed Inc Median			-2.98	2.03	1.68	-2.18	-	-	-1.88	
Income Research & Management	460,301,978	14.77	-2.91 (41)	2.11 (38)	1.81 (43)	-2.01 (34)	-	-	-1.72 (33)	Jul-21
Blmbg. U.S. Aggregate Index			-3.06 (63)	1.98 (58)	1.25 (83)	-2.41 (75)	-	-	-2.05 (74)	
Over/Under			0.15	0.14	0.56	0.40	-	-	0.33	
eV US Core Fixed Inc Median			-2.98	2.03	1.68	-2.18	-	-	-1.88	

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

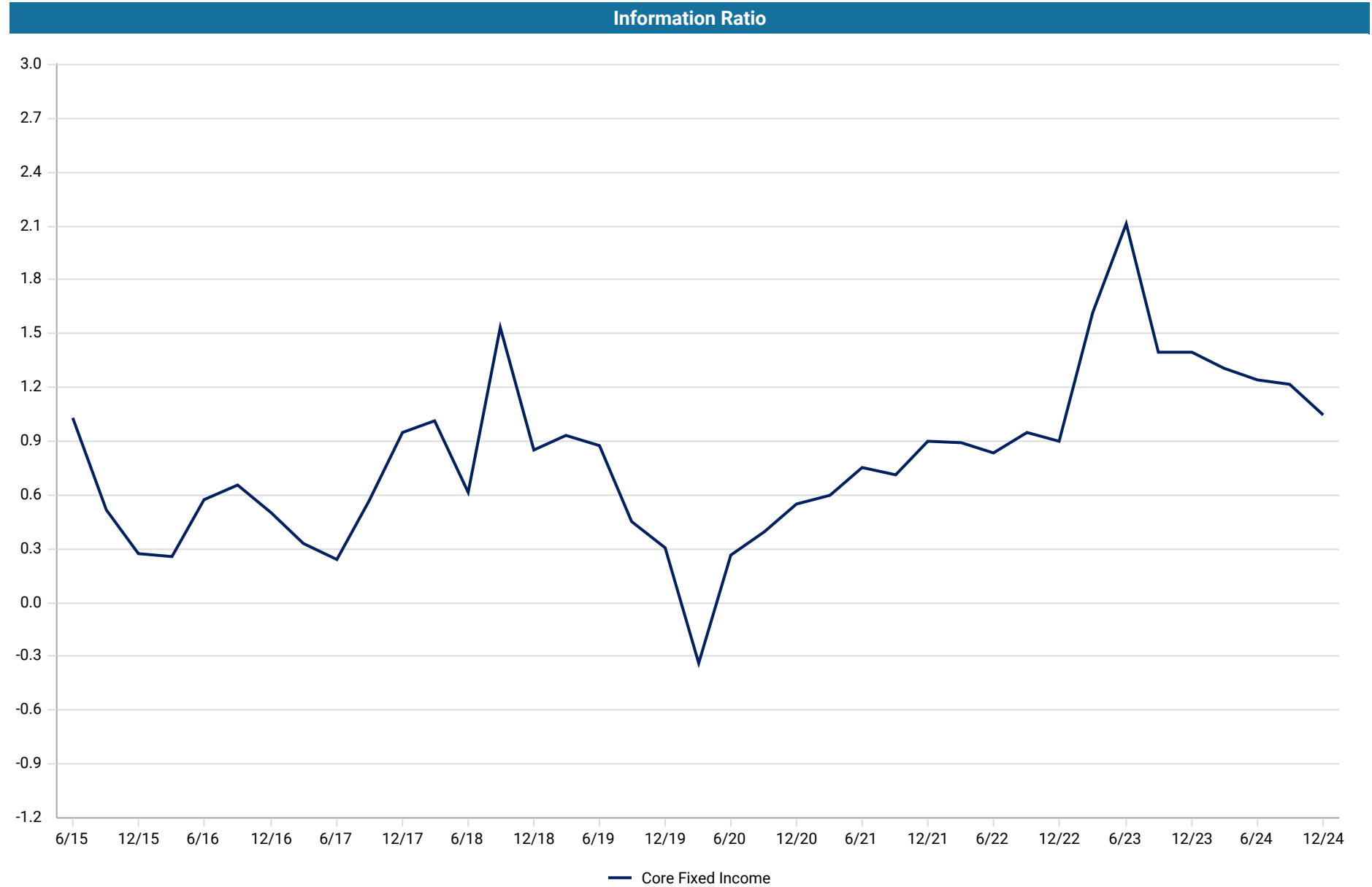
- Core Fixed Income Blend = 100% Bloomberg U.S. Aggregate Index

Refer to appendix for blended benchmark definitions.



Los Angeles City Employees' Retirement System-LACERS Master Trust

# 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	✓	✓	✓	*	✓	*	✓	✓	✓✓	814.8	Performance compliant with LACERS' Manager Monitoring Policy
Baird Advisors	Jul-21	Core	✓	✓	✓	✓	✓	✓	N/A	N/A	✓	659.3	Performance compliant with LACERS' Manager Monitoring Policy
Garcia Hamilton	Jul-21	Core	*	*	*	*	✓	*	N/A	N/A	✓	476.4	Performance compliant with LACERS' Manager Monitoring Policy
IR&M	Jul-21	Core	✓	✓	✓	✓	✓	✓	N/A	N/A	✓	535.8	Performance compliant with LACERS' Manager Monitoring Policy
J.P. Morgan	Jul-21	Core	✓	✓	✓	✓	✓	✓	N/A	N/A	✓	516.9	Performance compliant with LACERS' Manager Monitoring Policy
SSgA (Passive)	Aug-14	Core	✓	*	✓	*	✓	*	✓	*	✓	151.7	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, 2024.
- \* Where net of fees performance is not available gross of fee returns are evaluated.

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





# CREDIT OPPORTUNITIES MANAGER PERFORMANCE

December 31, 2024

# Los Angeles City Employees' Retirement System-LACERS Master Trust

## CREDIT OPPORTUNITIES (GROSS)

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Credit Opportunities</b>	<b>2,325,988,708</b>	<b>100.0</b>	<b>-0.79</b>	<b>4.43</b>	<b>6.46</b>	<b>2.65</b>	<b>2.67</b>	<b>4.29</b>	<b>4.55</b>	<b>Jul-13</b>
<i>Credit Opportunities Blend</i>			<b>-0.63</b>	3.81	6.03	1.96	2.65	4.41	4.62	
Over/Under			<b>-0.16</b>	0.62	0.43	0.70	0.02	<b>-0.12</b>	<b>-0.08</b>	
PGIM Blended	499,195,197	21.5	<b>-3.93</b>	3.49	3.27	0.74			<b>-0.46</b>	Feb-21
<i>50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified</i>			<b>-4.48</b>	2.75	2.01	<b>-0.90</b>			<b>-1.79</b>	
Over/Under			0.55	0.74	1.26	1.64			1.34	
Wellington	488,348,247	21.0	<b>-3.85</b>	3.66	2.56	0.44			<b>-0.64</b>	Feb-21
<i>50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified</i>			<b>-4.48</b>	2.75	2.01	<b>-0.90</b>			<b>-1.79</b>	
Over/Under			0.63	0.91	0.55	1.34			1.16	
Bain Capital Senior Loan Fund, LP	294,162,448	12.6	2.19	4.47	9.24	6.26	6.20		5.18	Jul-15
<i>S&amp;P UBS Leveraged Loan Index</i>			2.29	4.38	9.02	6.84	5.72		5.09	
Over/Under			<b>-0.10</b>	0.08	0.21	<b>-0.58</b>	0.47		0.09	
Polen Capital	276,050,636	11.9	1.12	3.84	9.77	4.59			5.71	Nov-20
<i>50% BBgBarc US High Yield 2% Issuer Cap / 50% Credit Suisse Leveraged Loan Index</i>			1.23	4.93	8.62	4.92			5.97	
Over/Under			<b>-0.11</b>	<b>-1.09</b>	1.15	<b>-0.32</b>			<b>-0.26</b>	
Loomis Sayles & Co. High Yield	378,571,964	16.3	0.96	6.78	9.28	2.73			4.70	Nov-20
<i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>			0.17	5.47	8.19	2.92			4.79	
Over/Under			0.78	1.31	1.09	<b>-0.19</b>			<b>-0.09</b>	
<b>Private Credit</b>	<b>389,428,883</b>	<b>16.7</b>	<b>2.76</b>	<b>4.03</b>	<b>9.49</b>	<b>7.15</b>			<b>6.14</b>	<b>Dec-20</b>
<i>Credit Suisse Leveraged Loan Qtr Lag</i>			2.05	3.96	9.62	6.28			6.86	
Over/Under			0.71	0.07	<b>-0.13</b>	0.86			<b>-0.72</b>	

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.



December 31, 2024

# Los Angeles City Employees' Retirement System-LACERS Master Trust

## CREDIT OPPORTUNITIES (NET)

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Credit Opportunities</b>	<b>2,325,988,708</b>	<b>100.0</b>	<b>-0.87</b>	<b>4.27</b>	<b>6.14</b>	<b>2.33</b>	<b>2.36</b>	<b>3.95</b>	<b>4.22</b>	<b>Jul-13</b>
<i>Credit Opportunities Blend</i>			<b>-0.63</b>	3.81	6.03	1.96	2.65	4.41	4.62	
Over/Under			<b>-0.24</b>	0.46	0.11	0.37	<b>-0.29</b>	<b>-0.45</b>	<b>-0.41</b>	
PGIM Blended	499,195,197	21.5	<b>-4.01</b> (72)	3.32 (54)	2.93 (70)	0.40 (46)			<b>-0.76</b> (58)	Feb-21
<i>50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified</i>			<b>-4.48</b> (75)	2.75 (64)	2.01 (73)	<b>-0.90</b> (77)			<b>-1.79</b> (79)	
Over/Under			0.47	0.57	0.91	1.30			1.03	
<i>eV All Emg Mkts Fixed Inc Median</i>			<b>-1.80</b>	3.56	6.11	0.21			<b>-0.46</b>	
Wellington	488,348,247	21.0	<b>-3.97</b> (72)	3.42 (53)	2.08 (73)	<b>-0.05</b> (59)			<b>-1.08</b> (65)	Feb-21
<i>50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified</i>			<b>-4.48</b> (75)	2.75 (64)	2.01 (73)	<b>-0.90</b> (77)			<b>-1.79</b> (79)	
Over/Under			0.51	0.67	0.07	0.85			0.71	
<i>eV All Emg Mkts Fixed Inc Median</i>			<b>-1.80</b>	3.56	6.11	0.21			<b>-0.46</b>	
Bain Capital Senior Loan Fund, LP	294,162,448	12.6	2.19 (65)	4.47 (41)	9.24 (30)	6.26 (52)	6.20 (5)		5.18 (13)	Jul-15
<i>S&amp;P UBS Leveraged Loan Index</i>			2.29 (49)	4.38 (47)	9.02 (40)	6.84 (21)	5.72 (24)		5.09 (16)	
Over/Under			<b>-0.10</b>	0.08	0.21	<b>-0.58</b>	0.47		0.09	
<i>eV US Float-Rate Bank Loan Fixed Inc Median</i>			2.28	4.34	8.77	6.29	5.14		4.56	
Polen Capital	276,050,636	11.9	0.99 (14)	3.59 (90)	9.23 (13)	4.06 (16)			5.22 (29)	Nov-20
<i>50% BBgBarc US High Yield 2% Issuer Cap / 50% Credit Suisse Leveraged Loan Index</i>			1.23 (10)	4.93 (34)	8.62 (22)	4.92 (8)			5.97 (14)	
Over/Under			<b>-0.24</b>	<b>-1.34</b>	0.61	<b>-0.85</b>			<b>-0.76</b>	
<i>eV US High Yield Fixed Inc Median</i>			0.23	4.65	7.65	2.99			4.55	
Loomis Sayles & Co. High Yield	378,571,964	16.3	0.87 (17)	6.59 (4)	8.89 (17)	2.37 (74)			4.35 (59)	Nov-20
<i>Blmbg. U.S. High Yield - 2% Issuer Cap</i>			0.17 (56)	5.47 (15)	8.19 (32)	2.92 (52)			4.79 (41)	
Over/Under			0.69	1.12	0.70	<b>-0.55</b>			<b>-0.44</b>	
<i>eV US High Yield Fixed Inc Median</i>			0.23	4.65	7.65	2.99			4.55	
<b>Private Credit</b>	<b>389,428,883</b>	<b>16.7</b>	<b>2.76</b>	<b>4.03</b>	<b>9.49</b>	<b>7.15</b>			<b>6.14</b>	<b>Dec-20</b>
<i>Credit Suisse Leveraged Loan Qtr Lag</i>			2.05	3.96	9.62	6.28			6.86	
Over/Under			0.71	0.07	<b>-0.13</b>	0.86			<b>-0.72</b>	

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 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	✓	✘	✓	✘	✓	✓	N/A	N/A	✓	1,559.4	Performance compliant with LACERS' Manager Monitoring Policy
Wellington	Feb-21	Blended Emerging Market Debt	✓	✘	✓	✘	✓	✘	N/A	N/A	✓	2,210.9	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	✘	1,114.0	Placed on Watch as of 8/30/24 due to performance
Polen Capital	Nov-20	High Yield/Bank Loan	✘	✓	✓	✓	✘	✓	N/A	N/A	✘	1,250.9	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, 2024.
- \* 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

December 31, 2024

## Los Angeles City Employees' Retirement System-LACERS Master Trust

**REAL ASSETS (GROSS)**

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Real Assets</b>	<b>2,734,925,277</b>	<b>100.00</b>	<b>-2.80</b>	<b>1.93</b>	<b>-0.58</b>	<b>-1.79</b>	<b>2.23</b>	<b>4.16</b>	<b>5.63</b>	<b>Dec-94</b>
<i>Real Assets Policy Benchmark</i>			<u>-1.51</u>	<u>2.57</u>	<u>1.28</u>	<u>-3.13</u>	<u>2.82</u>	<u>4.85</u>	<u>7.05</u>	
Over/Under			-1.29	-0.64	-1.86	1.34	-0.60	-0.69	-1.43	
<b>Public Real Assets</b>	<b>1,392,761,325</b>	<b>50.93</b>	<b>-4.74</b>	<b>4.45</b>	<b>4.39</b>	<b>-1.98</b>	<b>3.23</b>	<b>3.10</b>	<b>2.67</b>	<b>Jul-14</b>
<i>Public Real Assets Blend</i>			<u>-4.61</u>	<u>3.26</u>	<u>3.01</u>	<u>-2.87</u>	<u>3.09</u>	<u>2.12</u>	<u>1.41</u>	
Over/Under			-0.13	1.19	1.38	0.89	0.14	0.98	1.26	
<b>TIPS</b>	<b>817,665,352</b>	<b>29.90</b>	<b>-3.12</b>	<b>1.02</b>	<b>1.80</b>	<b>-2.52</b>	<b>1.89</b>	<b>2.33</b>	<b>1.96</b>	<b>Aug-14</b>
<i>Blmbg. U.S. TIPS</i>			<u>-2.88</u>	<u>1.12</u>	<u>1.84</u>	<u>-2.30</u>	<u>1.87</u>	<u>2.24</u>	<u>1.94</u>	
Over/Under			-0.24	-0.11	-0.04	-0.23	0.02	0.09	0.01	
DFA US TIPS	817,665,352	29.90	-3.12	1.02	1.80	-2.52	1.89	2.42	2.03	Aug-14
<i>Blmbg. U.S. TIPS</i>			<u>-2.88</u>	<u>1.12</u>	<u>1.84</u>	<u>-2.30</u>	<u>1.87</u>	<u>2.24</u>	<u>1.94</u>	
Over/Under			-0.24	-0.11	-0.04	-0.23	0.02	0.18	0.08	
<b>REITS</b>	<b>575,095,973</b>	<b>21.03</b>	<b>-6.95</b>	<b>9.74</b>	<b>8.31</b>	<b>-2.06</b>	<b>5.99</b>	<b>-</b>	<b>7.63</b>	<b>Apr-15</b>
<i>FTSE NAREIT All Equity REITs</i>			<u>-8.15</u>	<u>7.27</u>	<u>4.92</u>	<u>-4.28</u>	<u>3.29</u>	<u>-</u>	<u>5.56</u>	
Over/Under			1.20	2.47	3.39	2.23	2.70	-	2.07	
CenterSquare US Real Estate	575,095,973	21.03	-6.95	9.74	8.31	-2.06	5.99	-	8.04	May-15
<i>FTSE NAREIT All Equity REITs</i>			<u>-8.15</u>	<u>7.27</u>	<u>4.92</u>	<u>-4.28</u>	<u>3.29</u>	<u>-</u>	<u>6.16</u>	
Over/Under			1.20	2.47	3.39	2.23	2.70	-	1.88	
<b>Private Real Estate</b>	<b>1,322,793,541</b>	<b>48.37</b>	<b>-0.71</b>	<b>-0.66</b>	<b>-5.57</b>	<b>0.13</b>	<b>1.83</b>	<b>5.26</b>	<b>6.04</b>	<b>Nov-94</b>
<i>Real Estate Blend</i>			<u>1.36</u>	<u>1.82</u>	<u>-0.64</u>	<u>-1.54</u>	<u>3.69</u>	<u>6.72</u>	<u>8.77</u>	
Over/Under			-2.07	-2.48	-4.93	1.67	-1.86	-1.46	-2.73	
<b>Timber</b>	<b>19,370,411</b>	<b>0.71</b>	<b>-0.16</b>	<b>-0.37</b>	<b>5.25</b>	<b>6.86</b>	<b>5.24</b>	<b>4.07</b>	<b>8.36</b>	<b>Oct-99</b>

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.



December 31, 2024

## Los Angeles City Employees' Retirement System-LACERS Master Trust

**REAL ASSETS (NET)**

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	3 Mo (%)	FYTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Real Assets</b>	<b>2,734,925,277</b>	<b>100.00</b>	<b>-2.83</b>	<b>1.87</b>	<b>-0.70</b>	<b>-1.91</b>	<b>2.10</b>	<b>4.01</b>	<b>4.46</b>	<b>Jun-01</b>
Real Assets Policy Benchmark			<u>-1.51</u>	<u>2.57</u>	<u>1.28</u>	<u>-3.13</u>	<u>2.82</u>	<u>4.85</u>	<u>5.59</u>	
Over/Under			-1.32	-0.70	-1.98	1.22	-0.72	-0.83	-1.13	
<b>Public Real Assets</b>	<b>1,392,761,325</b>	<b>50.93</b>	<b>-4.78</b>	<b>4.36</b>	<b>4.20</b>	<b>-2.14</b>	<b>3.06</b>	<b>2.90</b>	<b>2.48</b>	<b>Jul-14</b>
Public Real Assets Blend			<u>-4.61</u>	<u>3.26</u>	<u>3.01</u>	<u>-2.87</u>	<u>3.09</u>	<u>2.12</u>	<u>1.41</u>	
Over/Under			-0.18	1.10	1.19	0.73	-0.04	0.78	1.07	
<b>TIPS</b>	<b>817,665,352</b>	<b>29.90</b>	<b>-3.13</b>	<b>0.99</b>	<b>1.75</b>	<b>-2.57</b>	<b>1.84</b>	<b>2.28</b>	<b>1.90</b>	<b>Aug-14</b>
Blmbg. U.S. TIPS			<u>-2.88</u>	<u>1.12</u>	<u>1.84</u>	<u>-2.30</u>	<u>1.87</u>	<u>2.24</u>	<u>1.94</u>	
Over/Under			-0.26	-0.13	-0.09	-0.28	-0.03	0.04	-0.04	
DFA US TIPS	817,665,352	29.90	-3.13 (91)	0.99 (73)	1.75 (75)	-2.57 (81)	1.84 (55)	2.37 (29)	1.97 (38)	Aug-14
Blmbg. U.S. TIPS			<u>-2.88</u> (54)	<u>1.12</u> (55)	<u>1.84</u> (64)	<u>-2.30</u> (57)	<u>1.87</u> (52)	<u>2.24</u> (50)	<u>1.94</u> (44)	
Over/Under			-0.26	-0.13	-0.09	-0.28	-0.03	0.12	0.03	
eV US TIPS / Inflation Fixed Inc Median			-2.85	1.16	2.01	-2.17	1.88	2.24	1.94	
<b>REITS</b>	<b>575,095,973</b>	<b>21.03</b>	<b>-7.03</b>	<b>9.54</b>	<b>7.90</b>	<b>-2.43</b>	<b>5.59</b>	<b>-</b>	<b>7.20</b>	<b>Apr-15</b>
FTSE NAREIT All Equity REITs			<u>-8.15</u>	<u>7.27</u>	<u>4.92</u>	<u>-4.28</u>	<u>3.29</u>	<u>-</u>	<u>5.56</u>	
Over/Under			1.12	2.27	2.98	1.86	2.30	-	1.65	
CenterSquare US Real Estate	575,095,973	21.03	-7.03 (59)	9.54 (22)	7.90 (35)	-2.43 (25)	5.59 (16)	-	7.61 (5)	May-15
FTSE NAREIT All Equity REITs			<u>-8.15</u> (89)	<u>7.27</u> (73)	<u>4.92</u> (84)	<u>-4.28</u> (72)	<u>3.29</u> (79)	<u>-</u>	<u>6.16</u> (48)	
Over/Under			1.12	2.27	2.98	1.86	2.30	-	1.45	
eV US REIT Median			-6.62	8.30	6.71	-3.27	4.35	-	6.08	
<b>Private Real Estate</b>	<b>1,322,793,541</b>	<b>48.37</b>	<b>-0.72</b>	<b>-0.69</b>	<b>-5.62</b>	<b>0.07</b>	<b>1.76</b>	<b>5.18</b>	<b>5.02</b>	<b>Jul-01</b>
Real Estate Blend			<u>1.36</u>	<u>1.82</u>	<u>-0.64</u>	<u>-1.54</u>	<u>3.69</u>	<u>6.72</u>	<u>7.93</u>	
Over/Under			-2.08	-2.50	-4.98	1.61	-1.94	-1.54	-2.91	
<b>Timber</b>	<b>19,370,411</b>	<b>0.71</b>	<b>-0.16</b>	<b>-0.37</b>	<b>5.25</b>	<b>6.86</b>	<b>5.24</b>	<b>4.07</b>	<b>7.47</b>	<b>Sep-01</b>

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	*	*	*	*	*	*	*	*	✓	465.5	Placed on Watch as of 8/30/24 due to performance
CenterSquare	Apr-15	REITS	✓	*	✓	✓	✓	✓	✓	✓	✓	1,916.9	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, 2024.
- \* Where net of fees performance is not available gross of fee returns are evaluated.

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







# APPENDIX



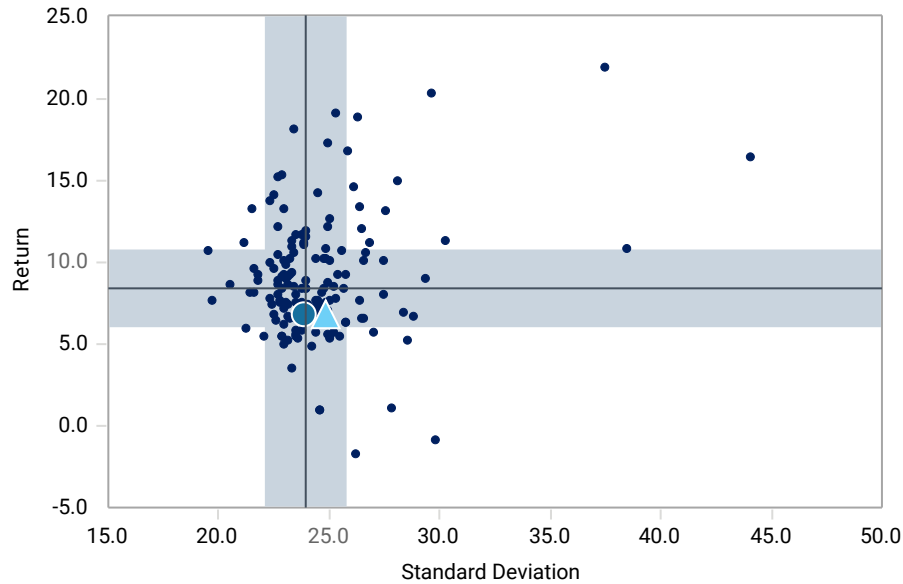
# U.S. EQUITY MANAGER PERFORMANCE



Los Angeles City Employees' Retirement System-LACERS Master Trust

# EAM INVESTORS

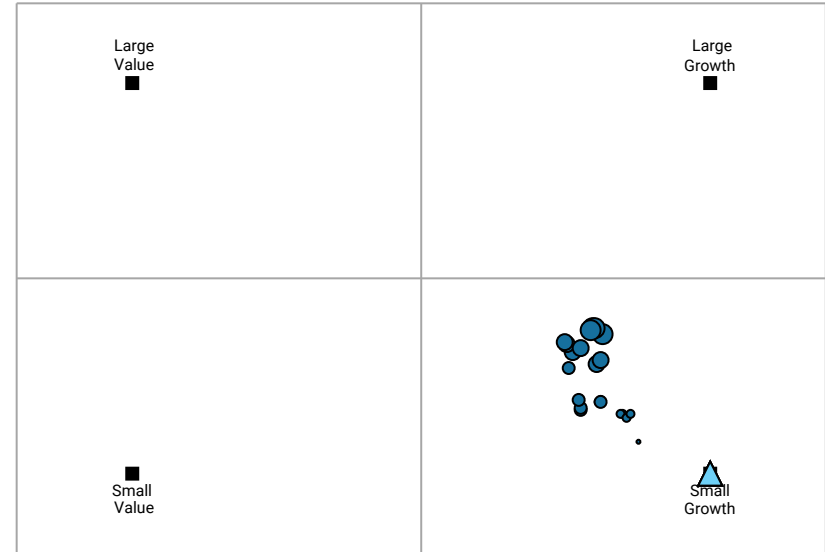
5 Years Return vs. Standard Deviation



● EAM Investors

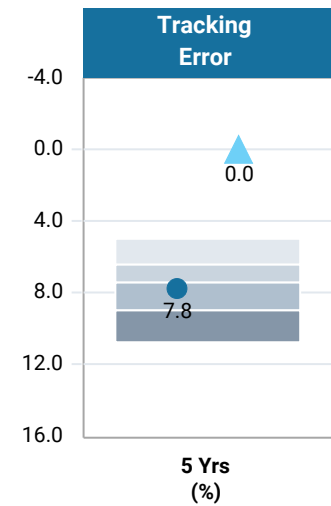
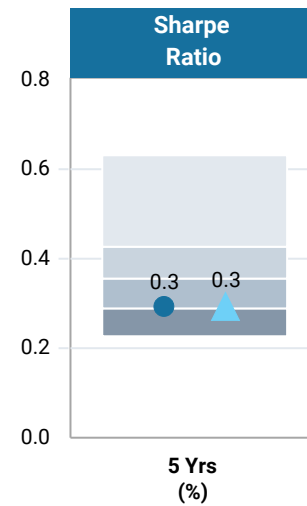
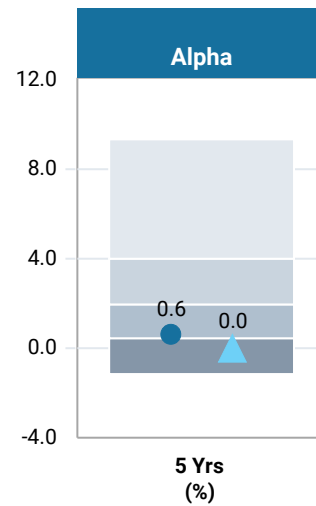
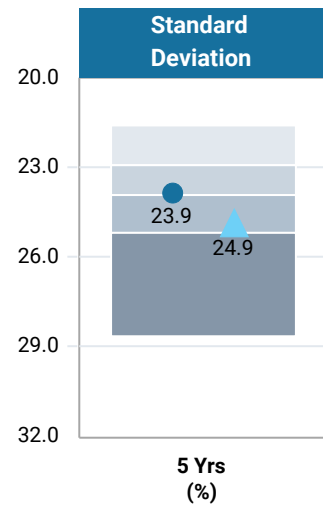
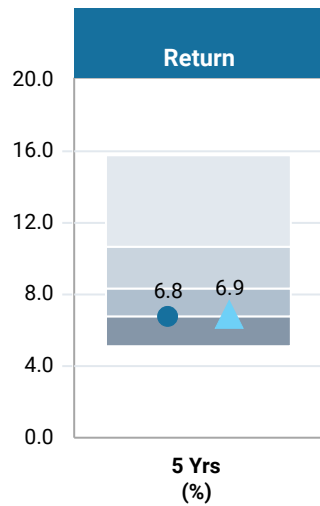
▲ Russell 2000 Growth Index

Rolling 3 Years Style Map



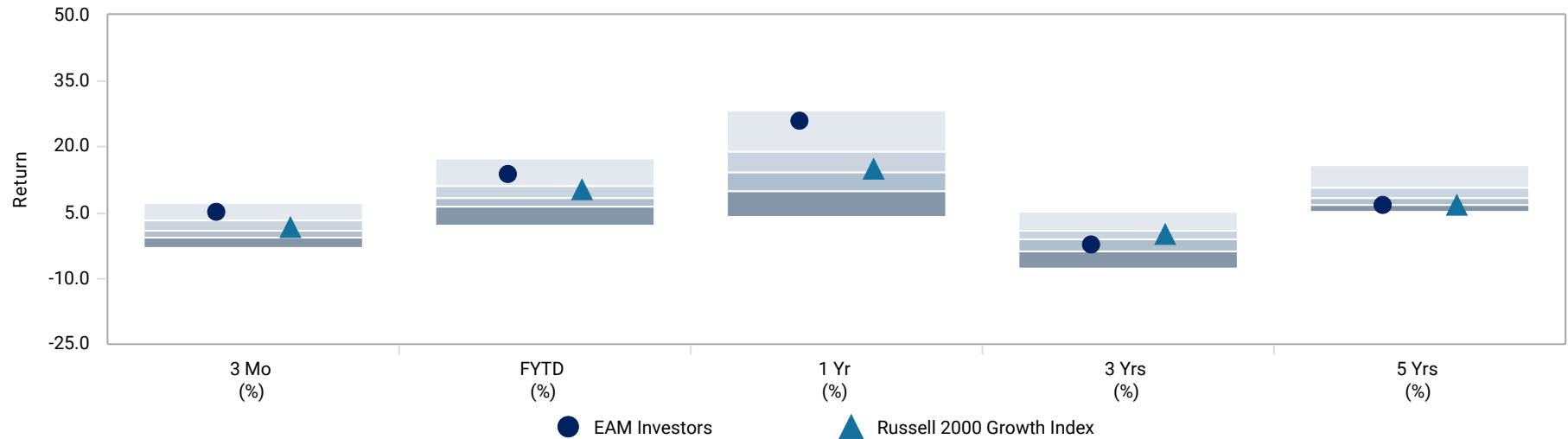
● EAM Investors

▲ Russell 2000 Growth Index

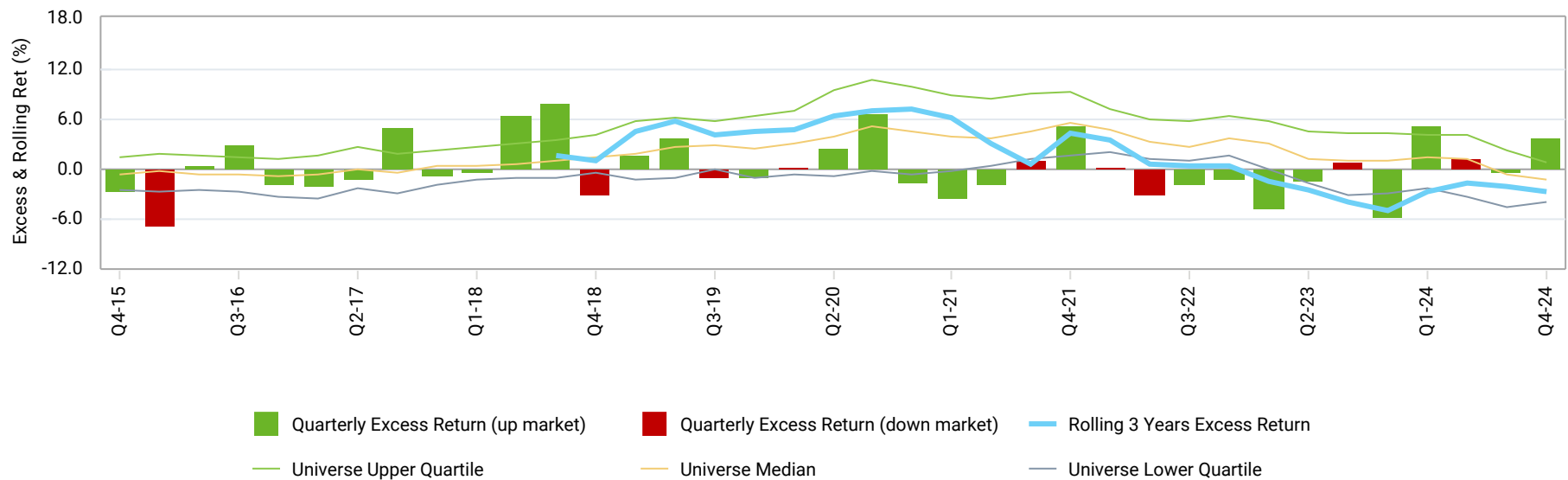


# EAM INVESTORS

eV US Small Cap Growth Equity (net of fees)



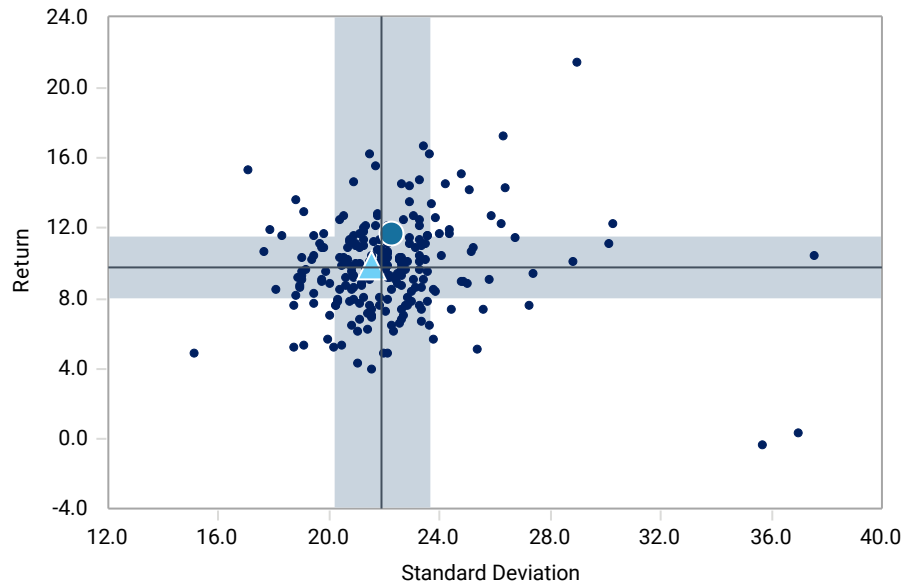
Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending December 31, 2024



# Los Angeles City Employees' Retirement System-LACERS Master Trust

## PRINCIPAL GLOBAL INVESTORS

5 Years Return vs. Standard Deviation

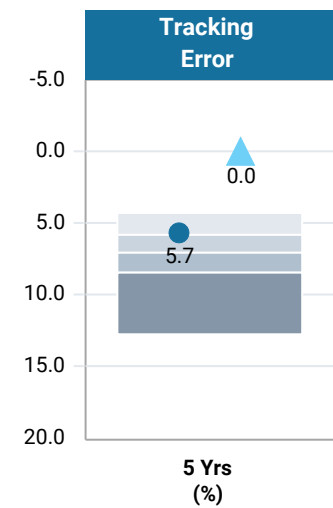
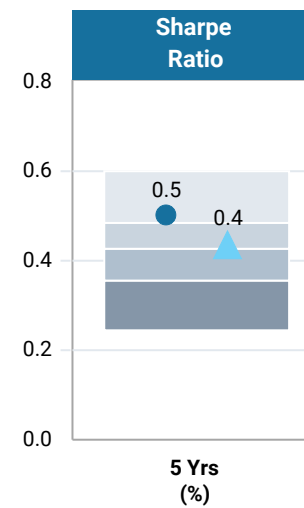
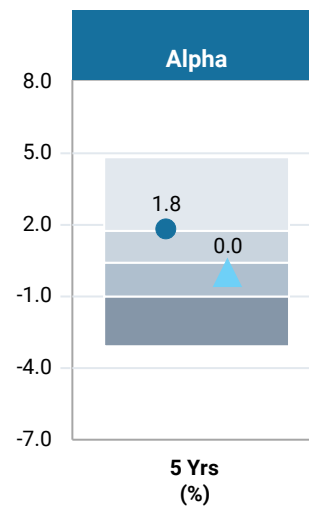
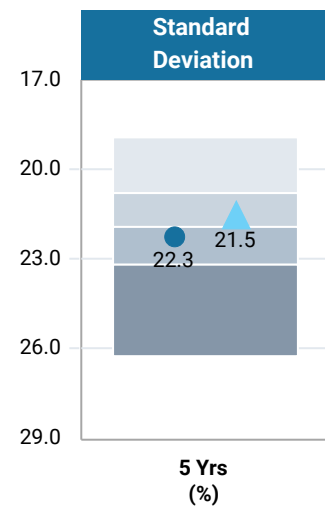
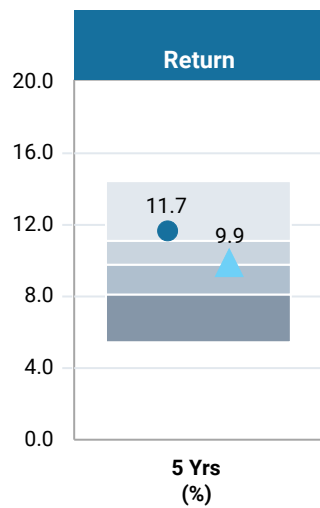


● Principal Global Investors ▲ Russell Midcap Index

Rolling 5 Years Style Map

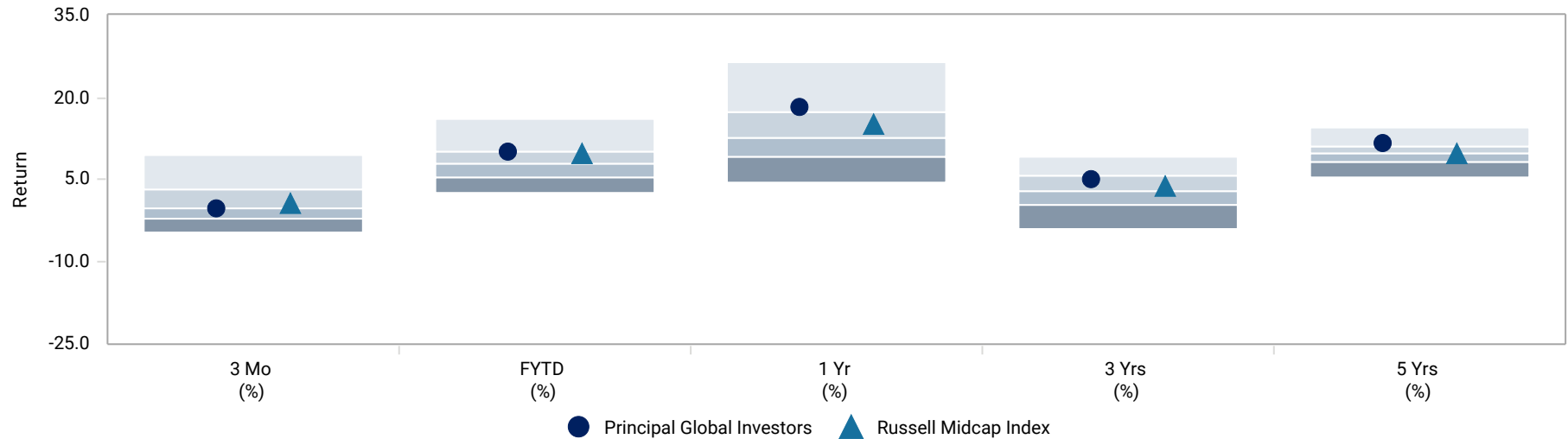


● Principal Global Investors ▲ Russell Midcap Index

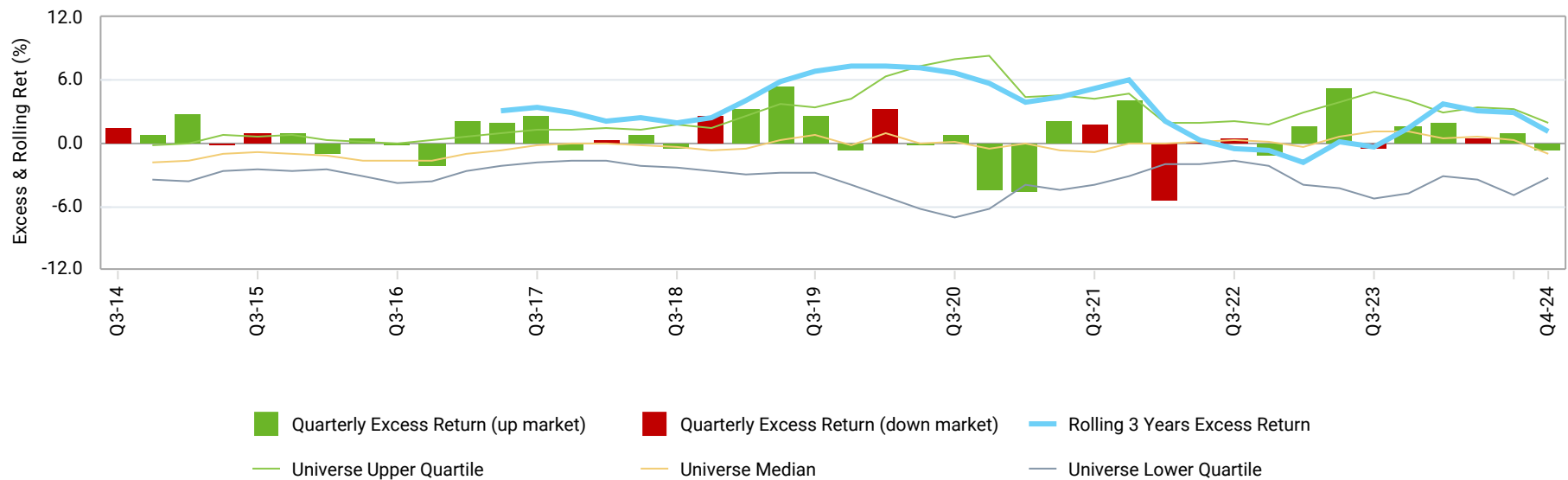


# PRINCIPAL GLOBAL INVESTORS

## eV US Mid Cap Equity (net of fees)



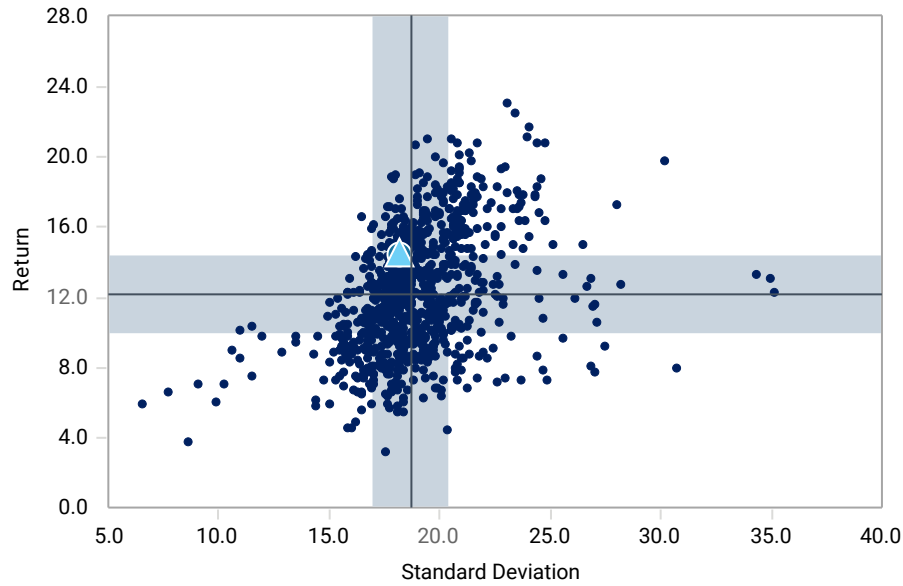
## Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending December 31, 2024



# Los Angeles City Employees' Retirement System-LACERS Master Trust

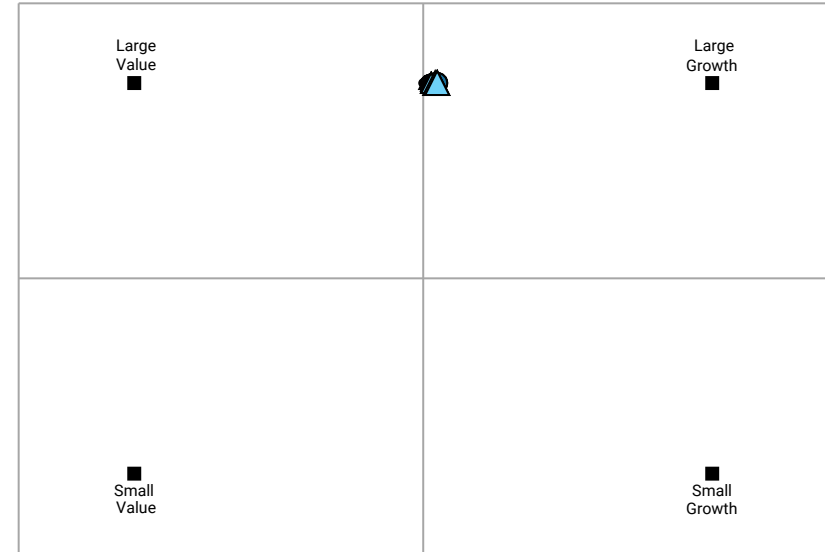
## RHUMBLINE ADVISORS S&P 500

5 Years Return vs. Standard Deviation

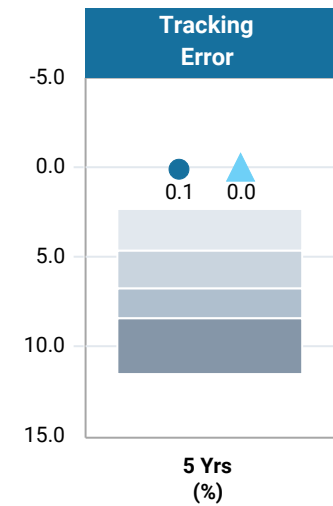
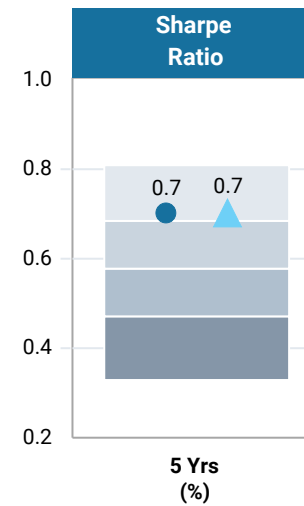
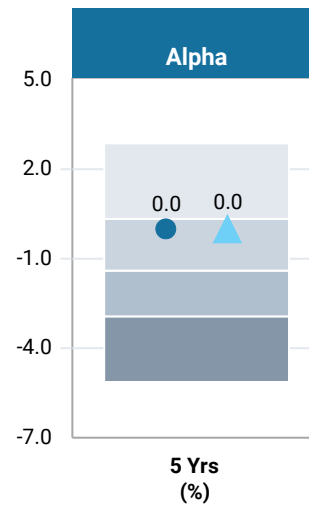
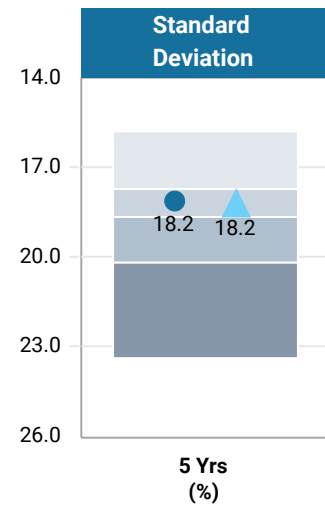
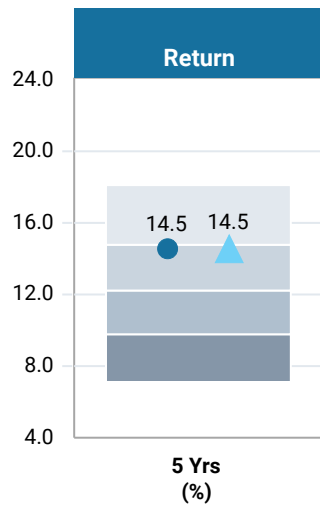


● RhumbLine Advisers S&P 500 ▲ S&P 500 Index

Rolling 5 Years Style Map

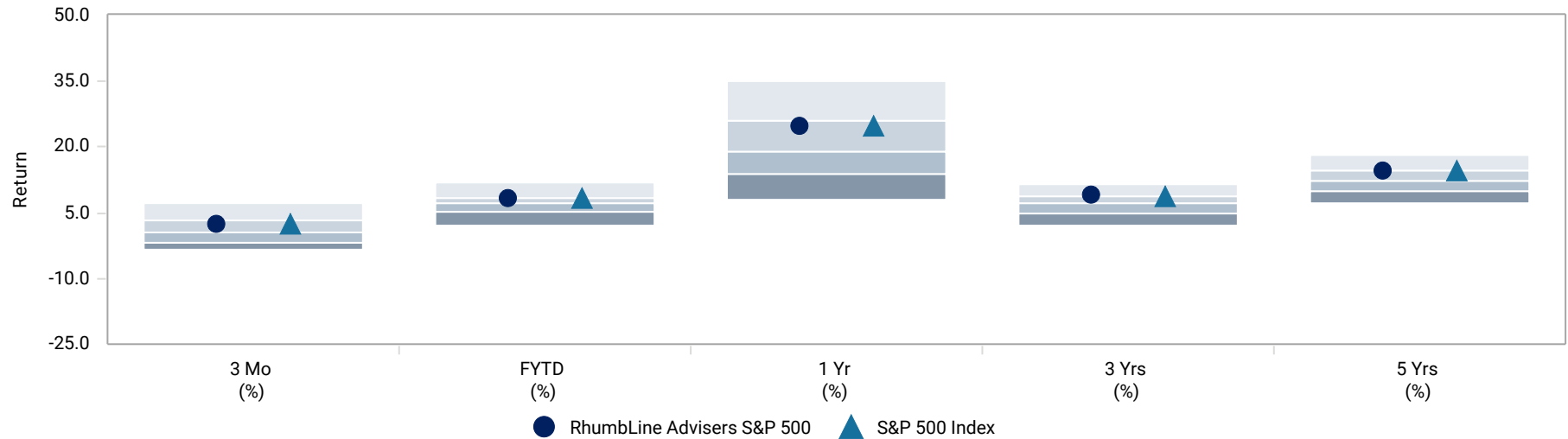


● RhumbLine Advisers S&P 500 ▲ S&P 500 Index

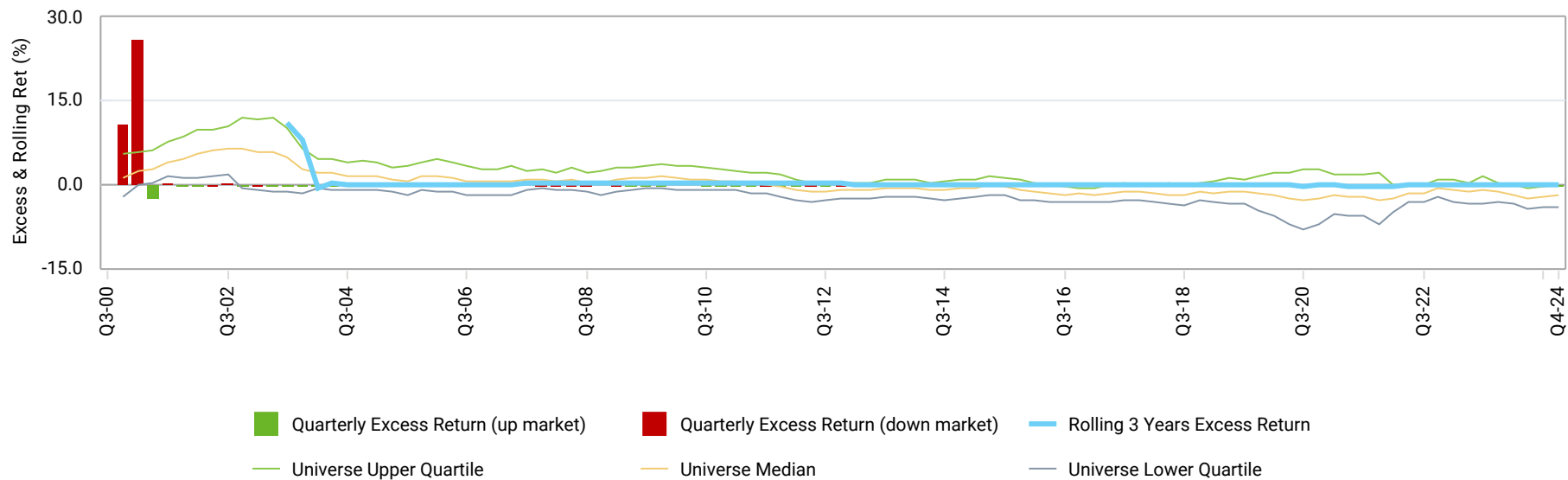


# RHUMBLINE ADVISORS S&P 500

eV US Large Cap Equity (net of fees)



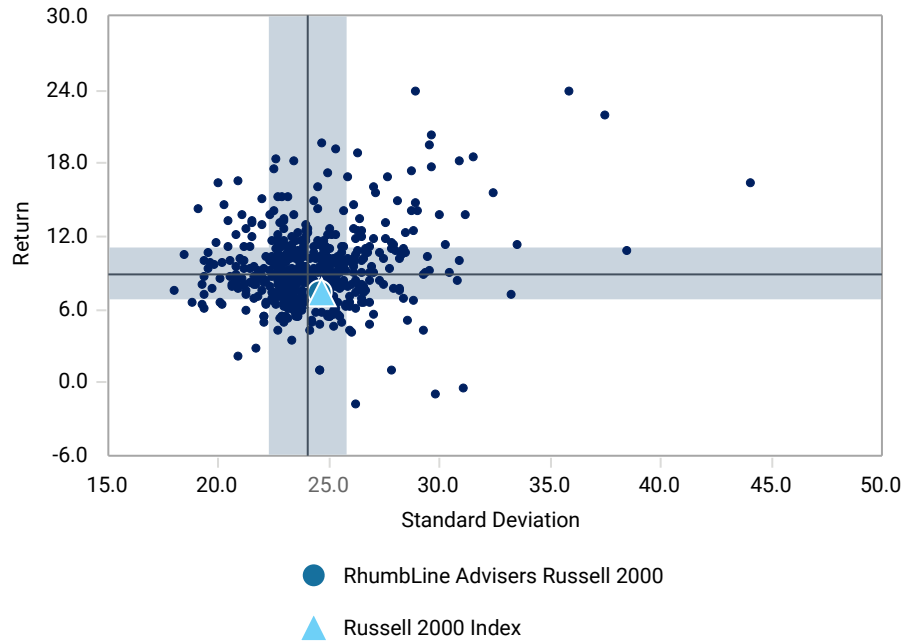
Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending December 31, 2024



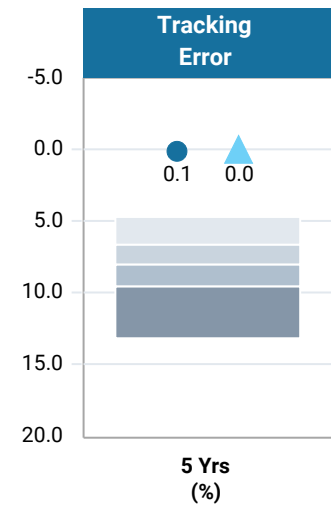
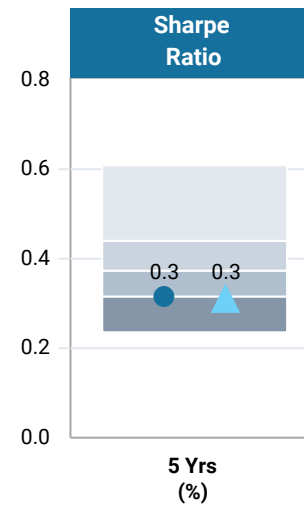
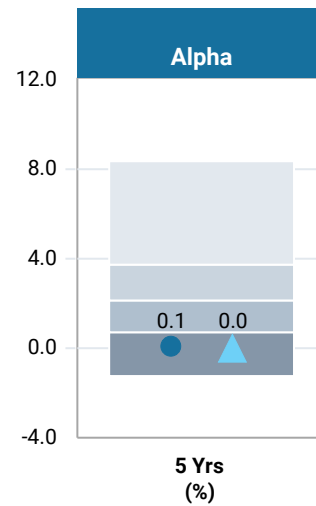
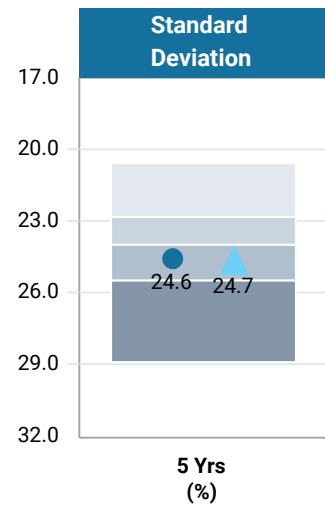
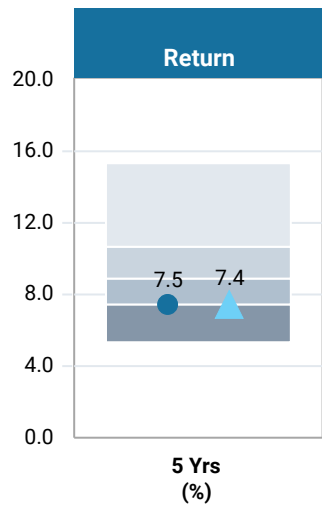
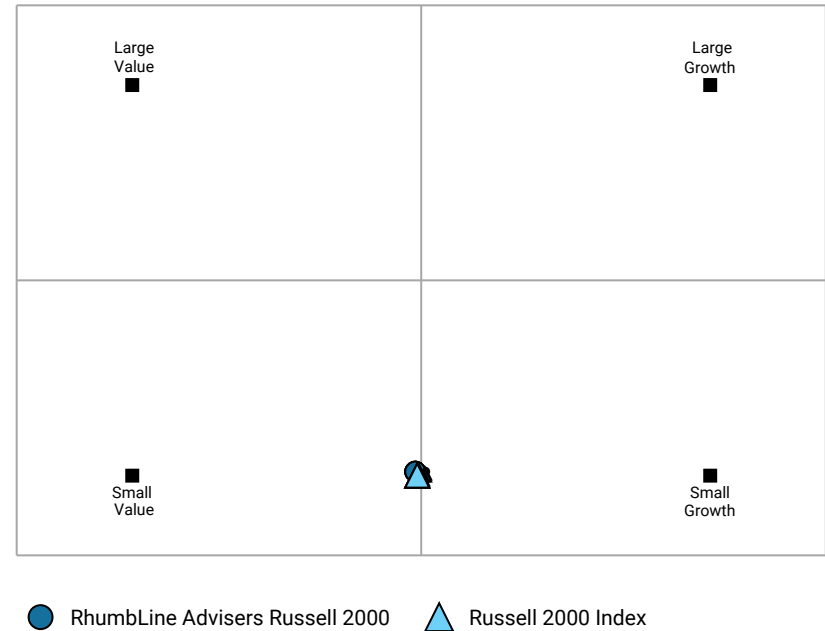
Los Angeles City Employees' Retirement System-LACERS Master Trust

# RHUMBLINE ADVISORS RUSSELL 2000

5 Years Return vs. Standard Deviation

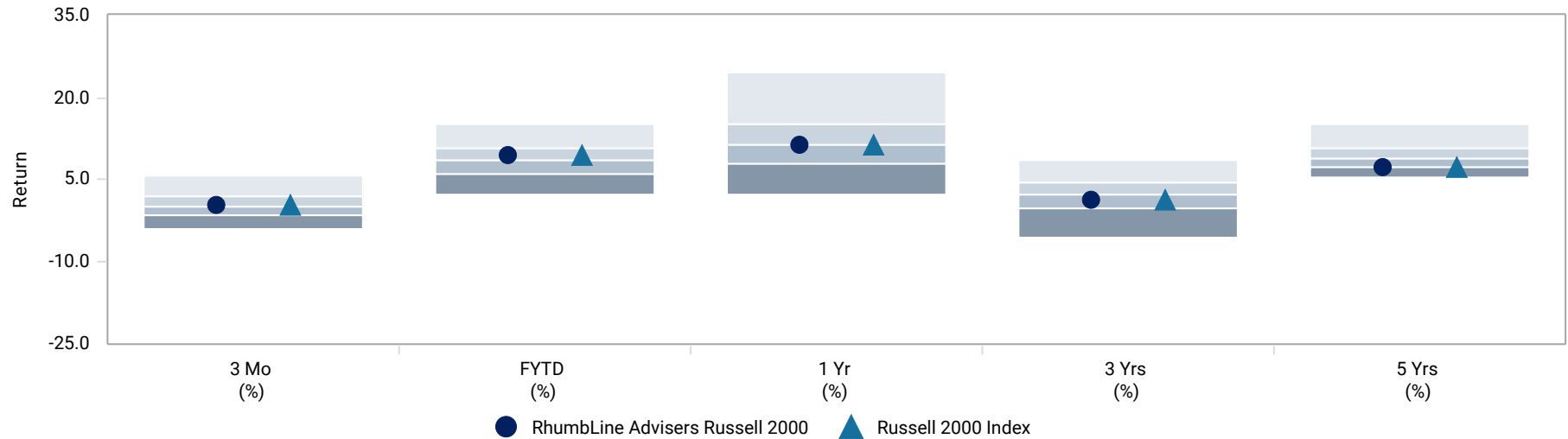


Rolling 3 Years Style Map

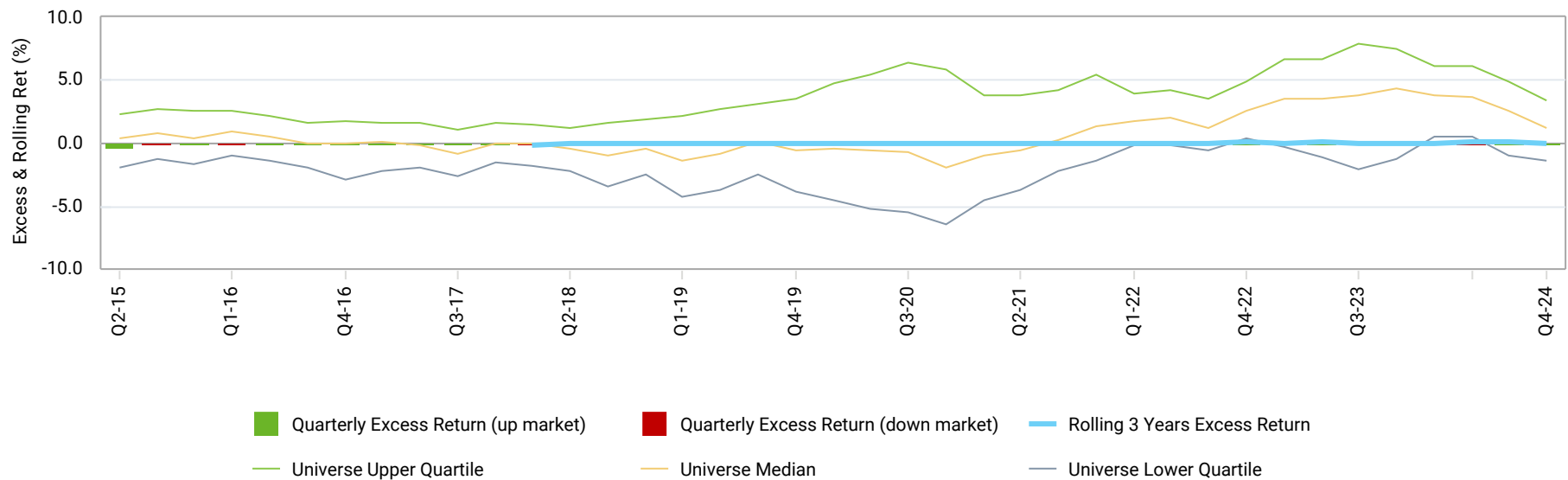


# RHUMBLINE ADVISORS RUSSELL 2000

## eV US Small Cap Equity (net of fees)



## Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending December 31, 2024

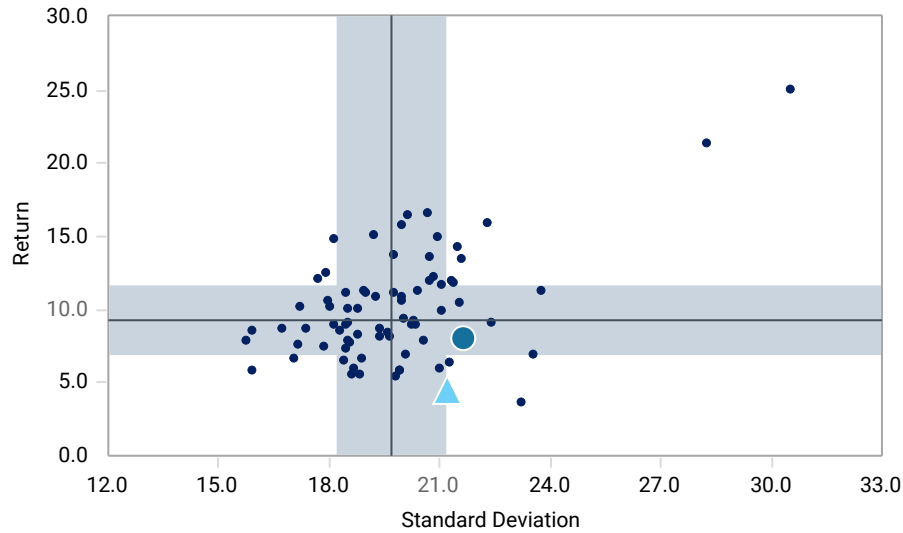




Los Angeles City Employees' Retirement System-LACERS Master Trust

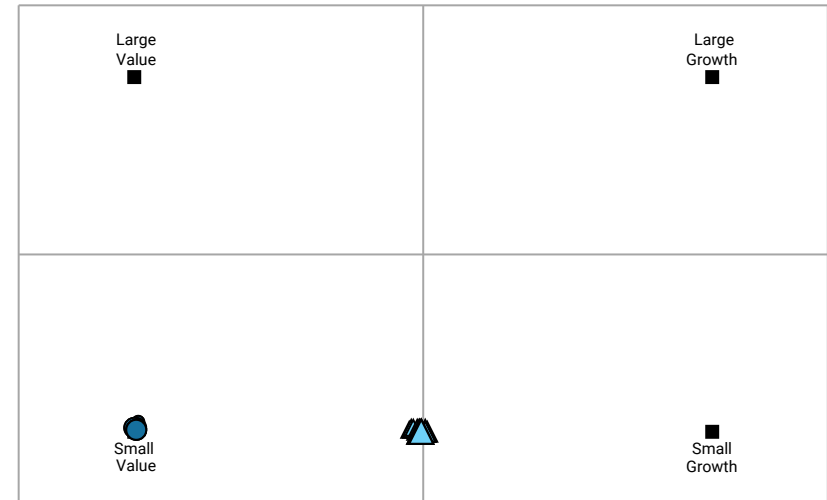
# RHUMBLINE ADVISORS RUSSELL 2000 VALUE

Since Inception Return vs. Standard Deviation

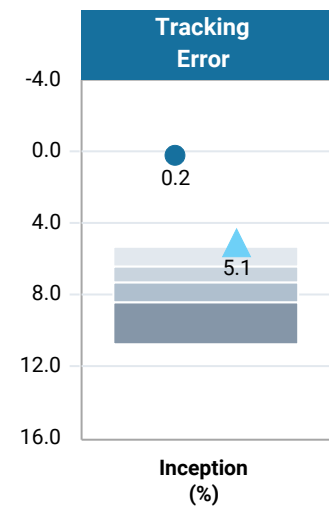
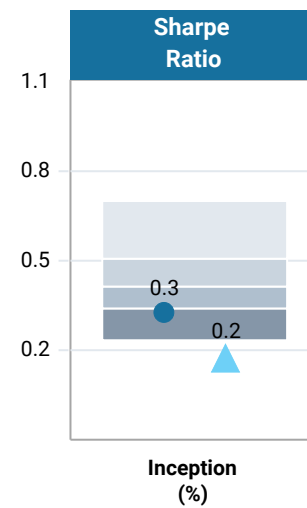
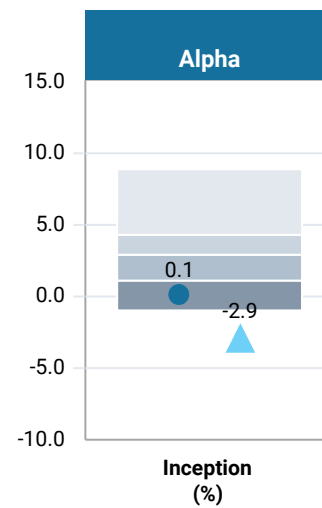
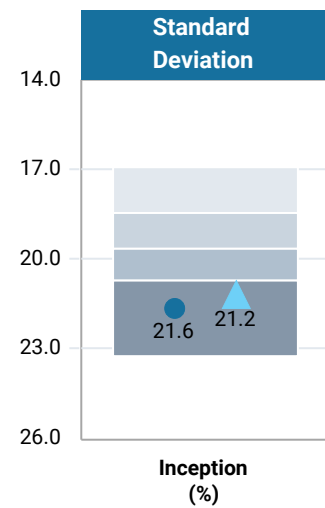
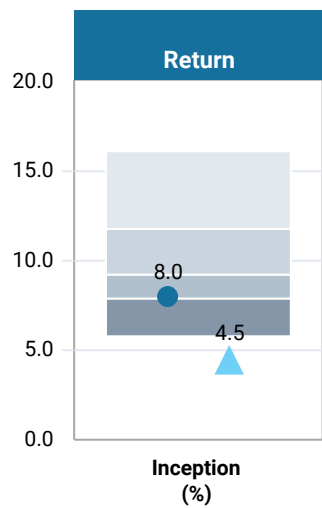


● Rhumbline Advisers Russell 2000 Value  
▲ Russell 2000 Index

Rolling 1 Year Style Map

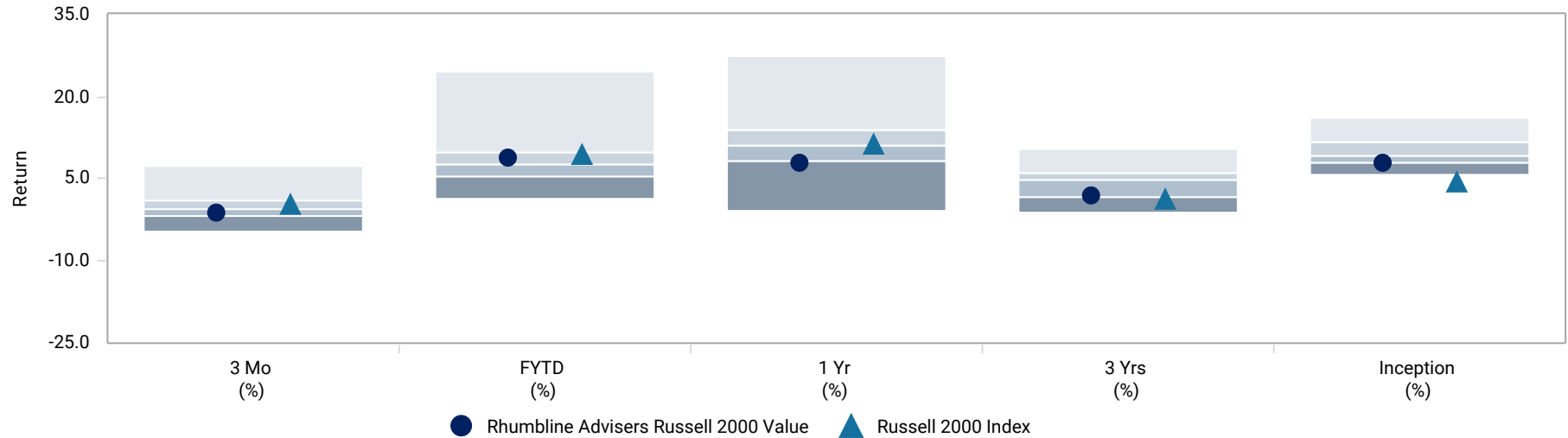


● Rhumbline Advisers Russell 2000 Value  
▲ Russell 2000 Index

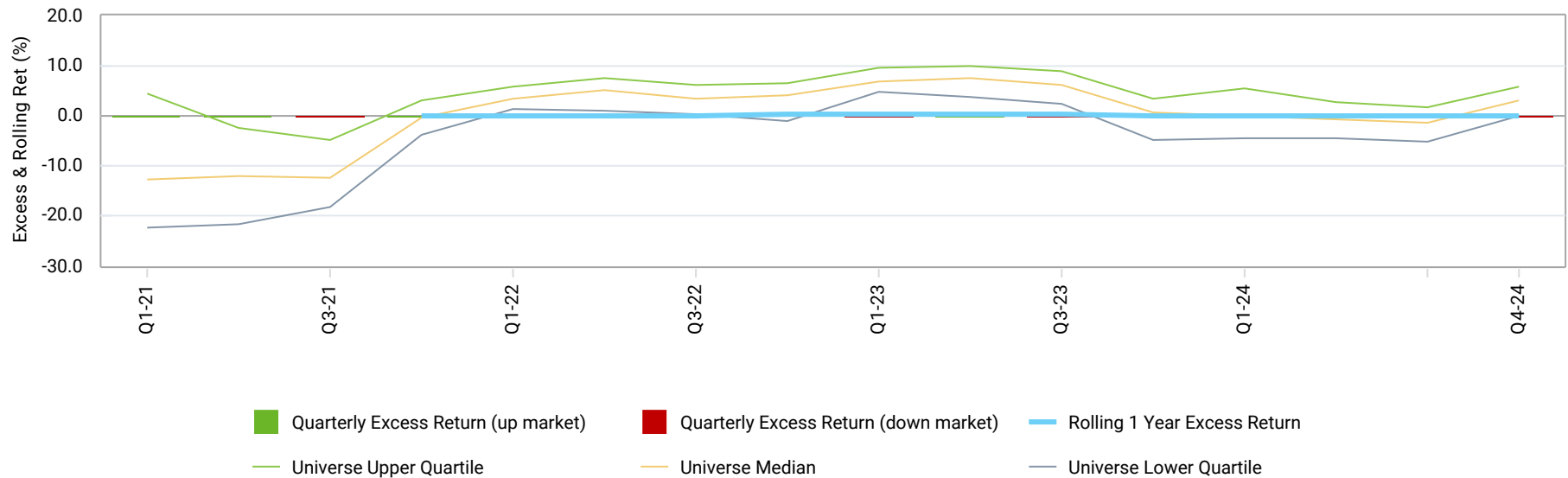


# RHUMBLINE ADVISORS RUSSELL 2000 VALUE

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



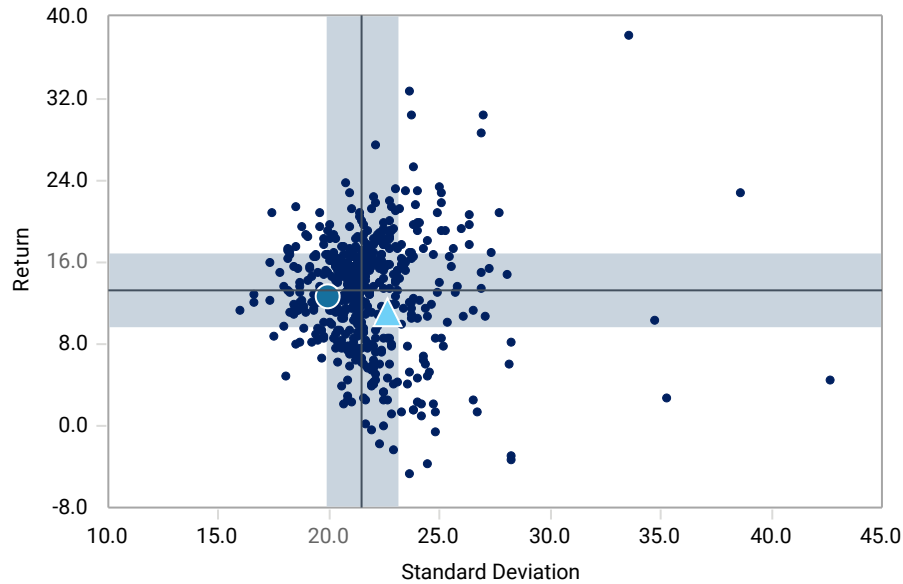
Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending December 31, 2024



# Los Angeles City Employees' Retirement System-LACERS Master Trust

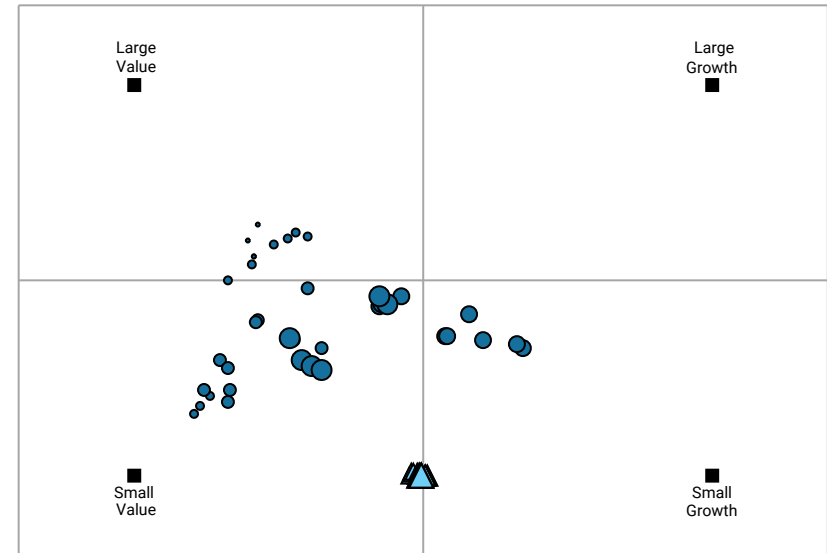
## COPELAND CAPITAL MANAGEMENT

Since Inception Return vs. Standard Deviation

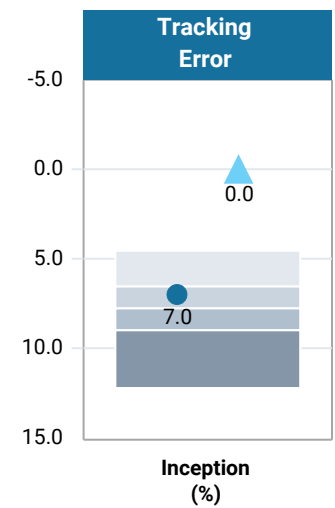
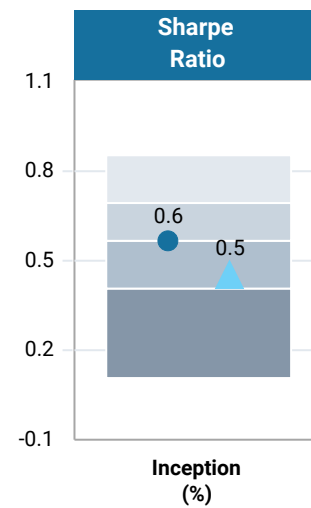
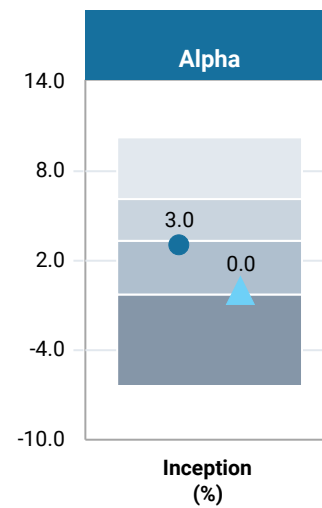
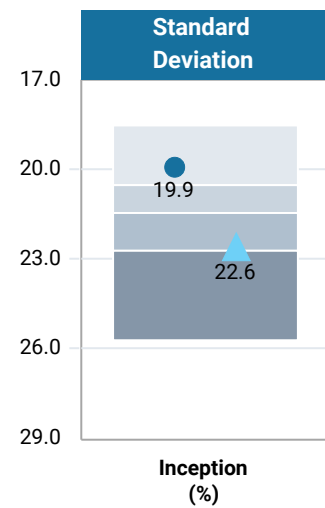
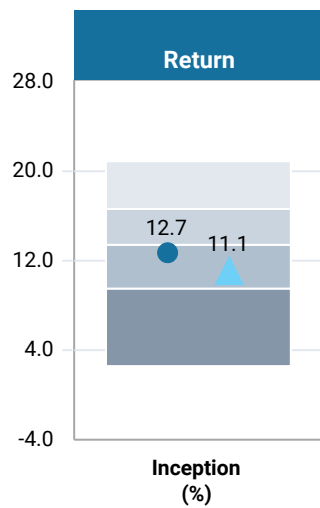


● Copeland Capital Management ▲ Russell 2000 Index

Rolling 1 Year Style Map



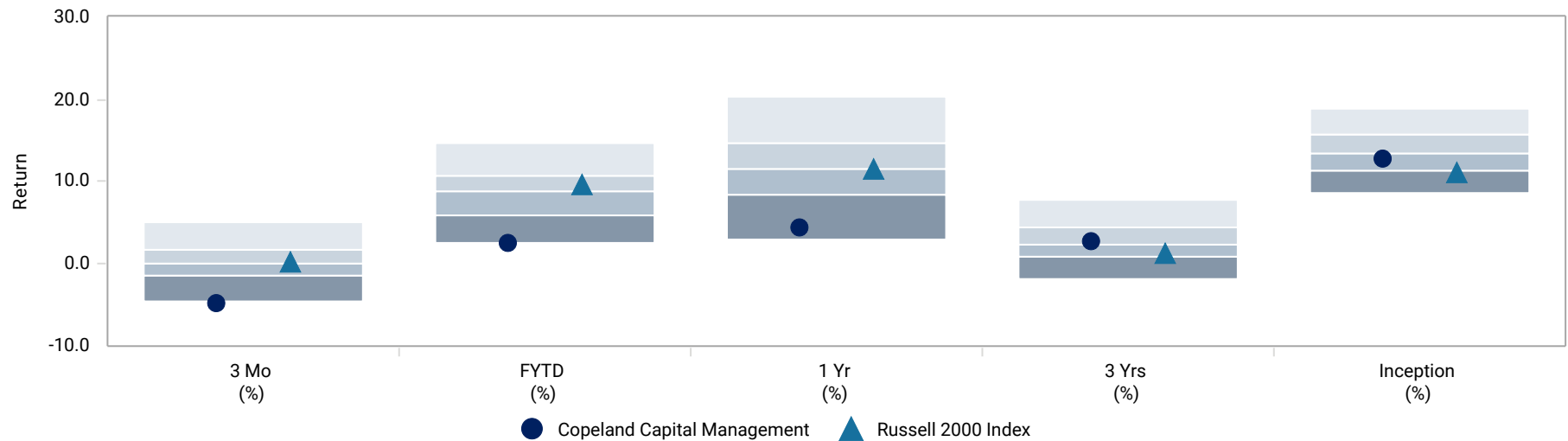
● Copeland Capital Management ▲ Russell 2000 Index



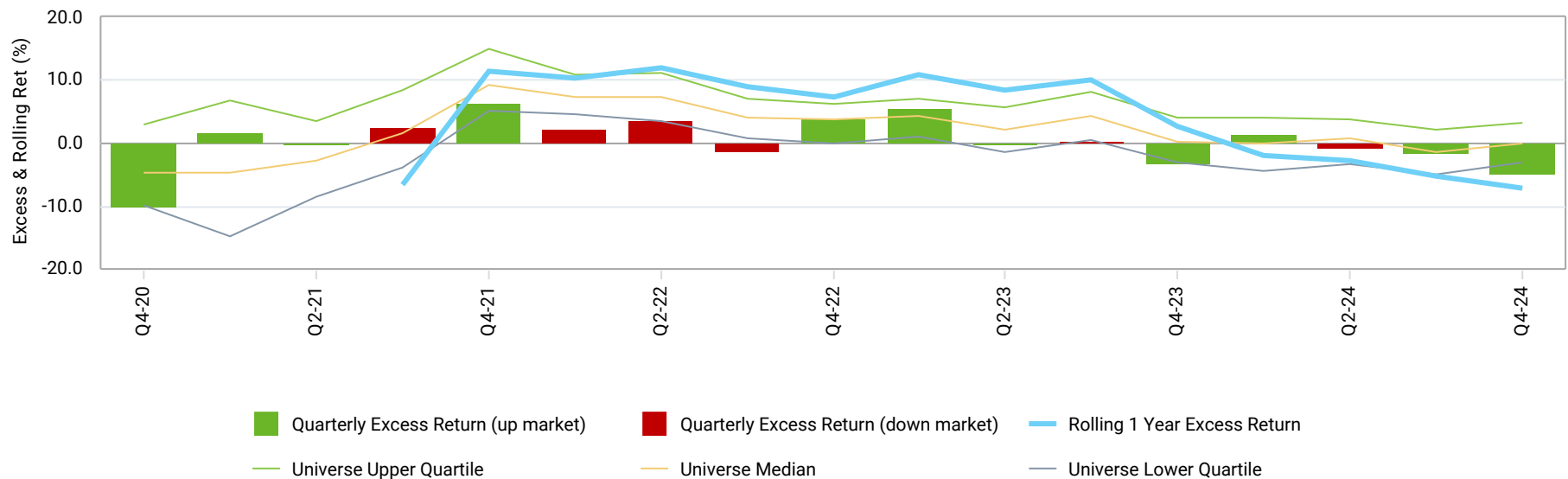
# Los Angeles City Employees' Retirement System-LACERS Master Trust

## COPELAND CAPITAL MANAGEMENT

eV US Small Cap Core Equity (net of fees)



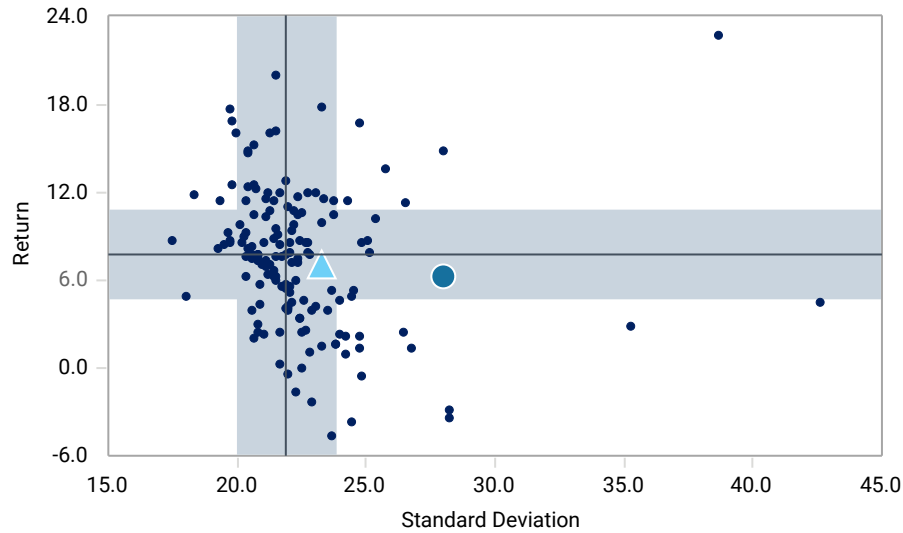
Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending December 31, 2024



Los Angeles City Employees' Retirement System-LACERS Master Trust

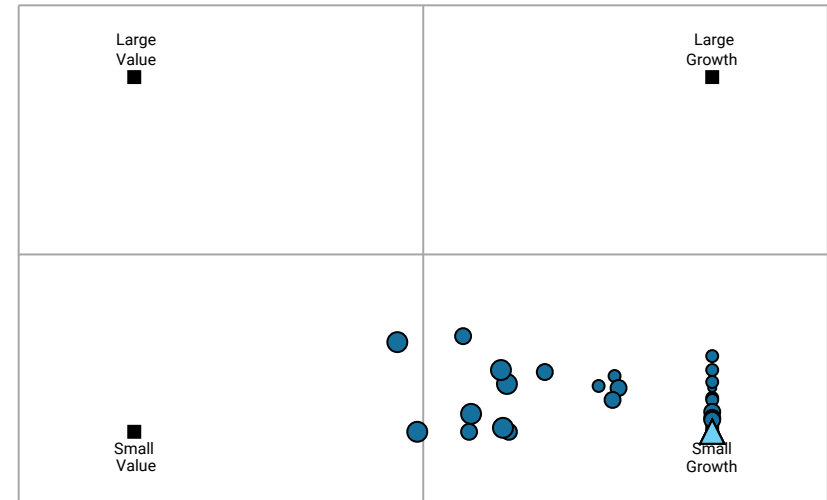
# GRANAHAN INVESTMENT MANAGEMENT

Since Inception Return vs. Standard Deviation

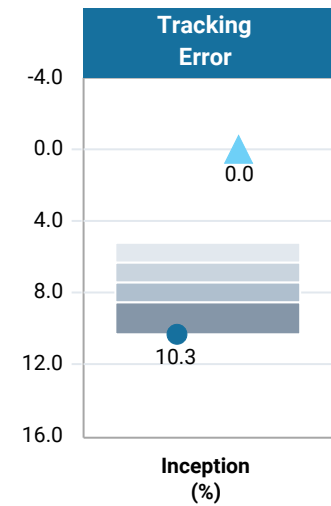
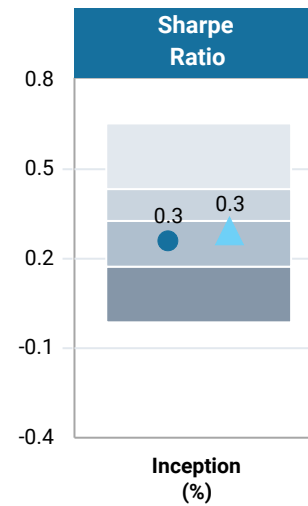
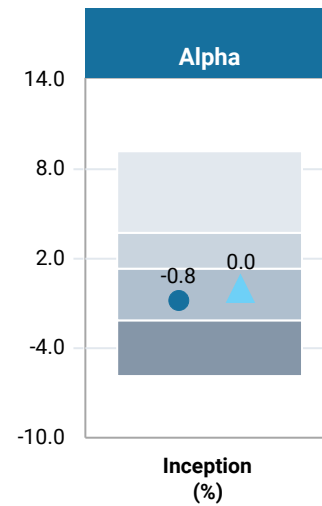
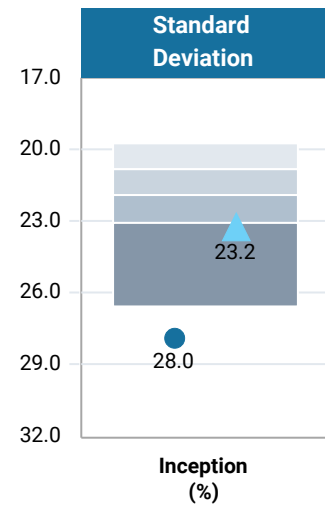
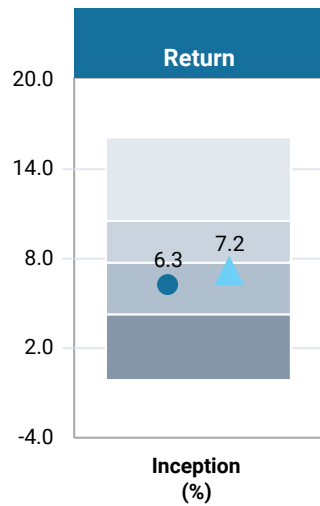


- Granahan Investment Management
- ▲ Russell 2000 Growth Index

Rolling 1 Year Style Map

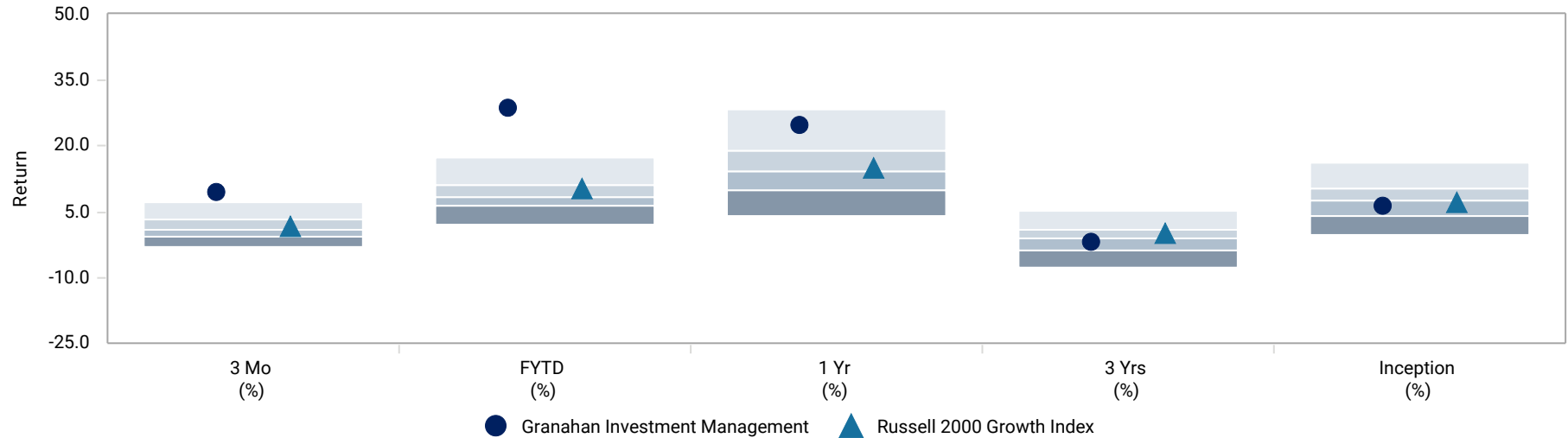


- Granahan Investment Management
- ▲ Russell 2000 Growth Index

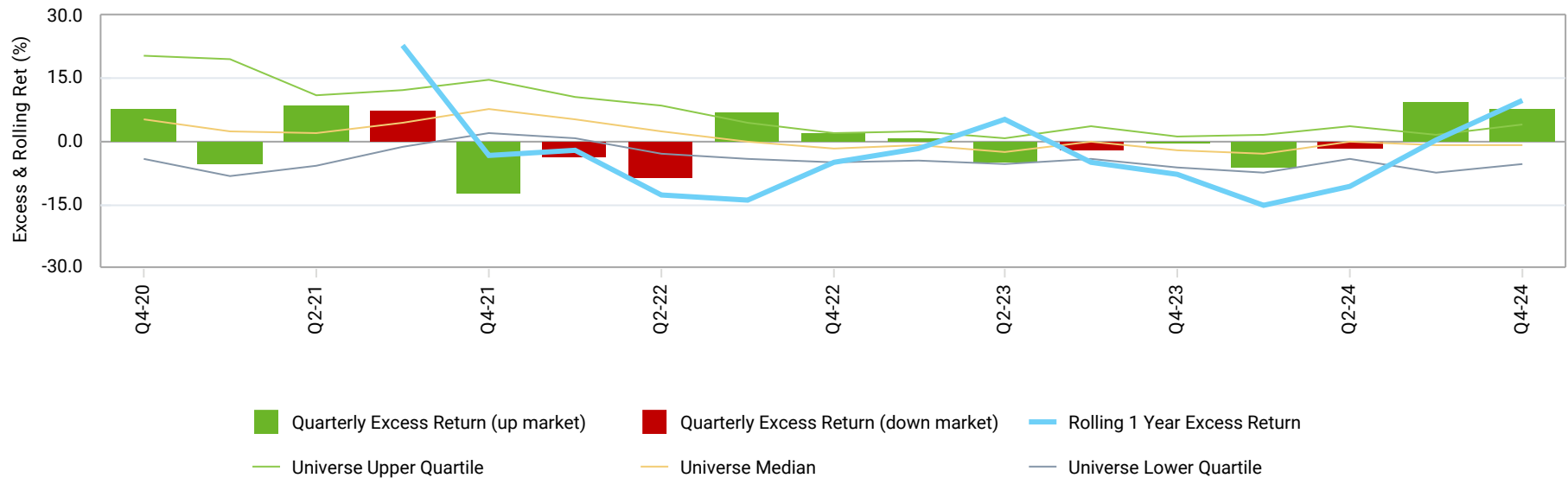


# GRANAHAAN INVESTMENT MANAGEMENT

## eV US Small Cap Growth Equity (net of fees)



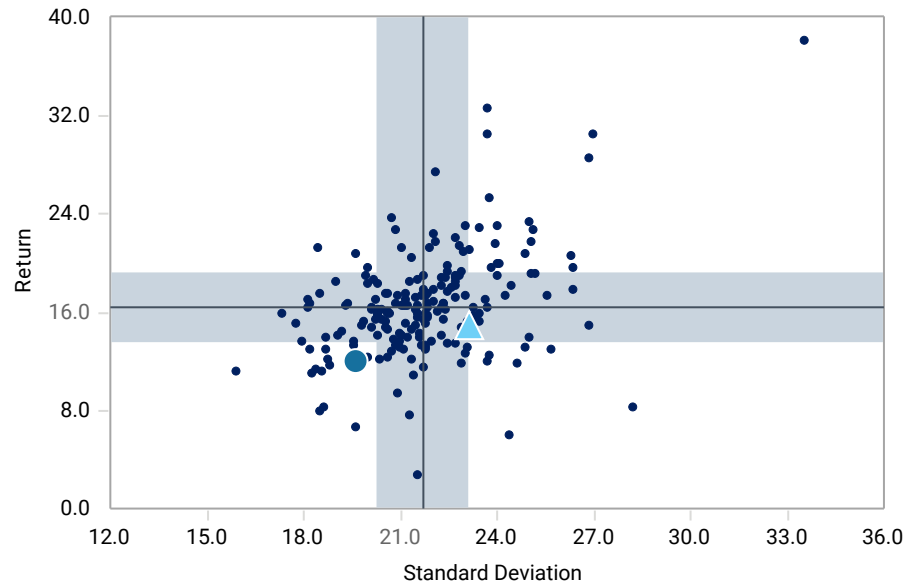
## Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending December 31, 2024



# Los Angeles City Employees' Retirement System-LACERS Master Trust

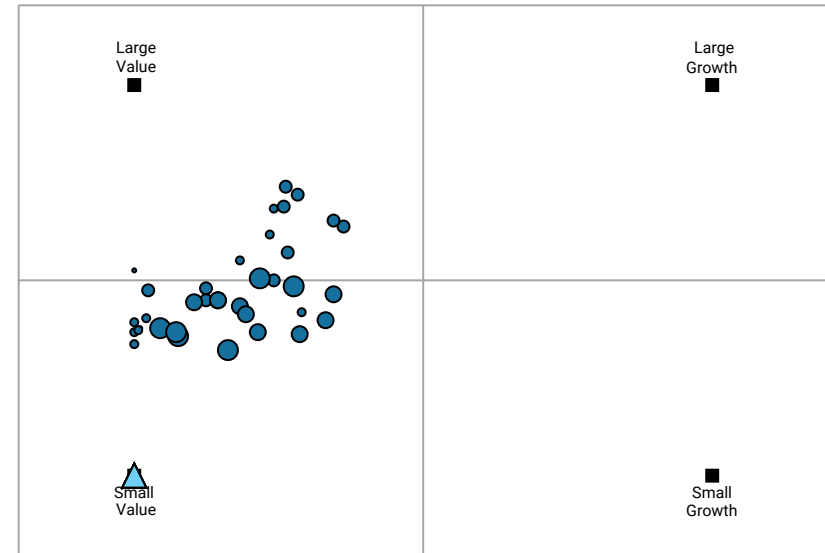
## SEGALL, BRYANT & HAMILL

Since Inception Return vs. Standard Deviation

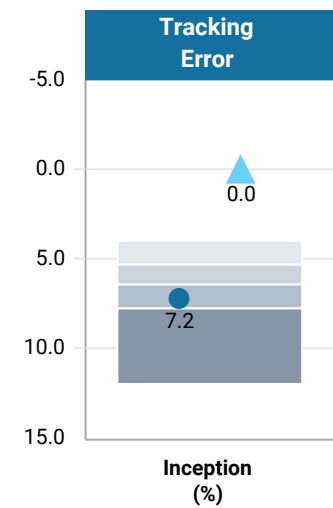
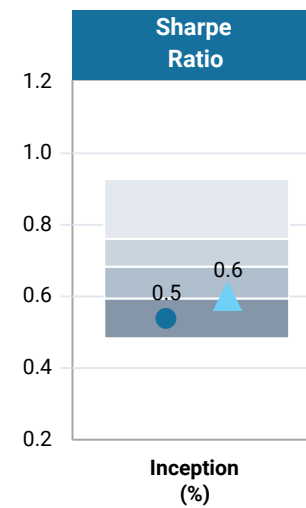
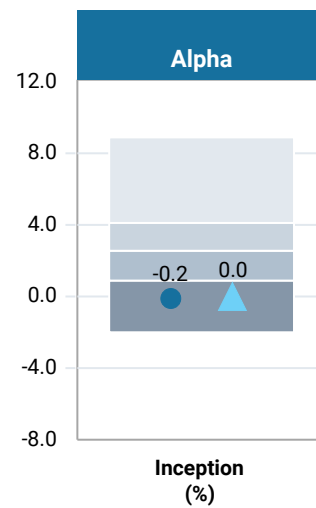
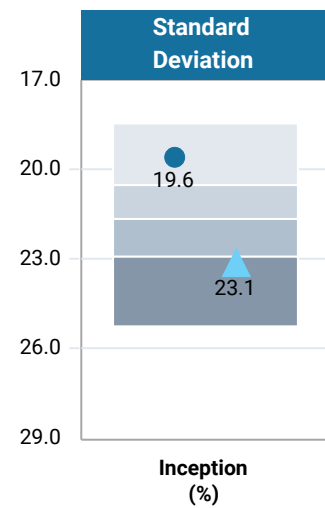
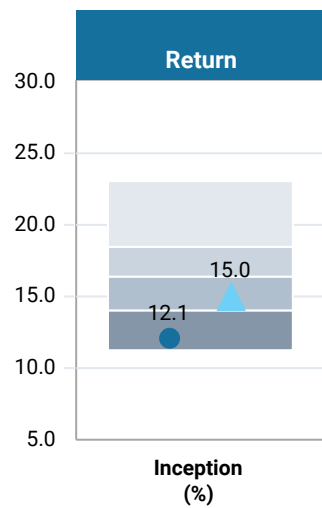


● Segall, Bryant & Hamill    ▲ Russell 2000 Value Index

Rolling 1 Year Style Map

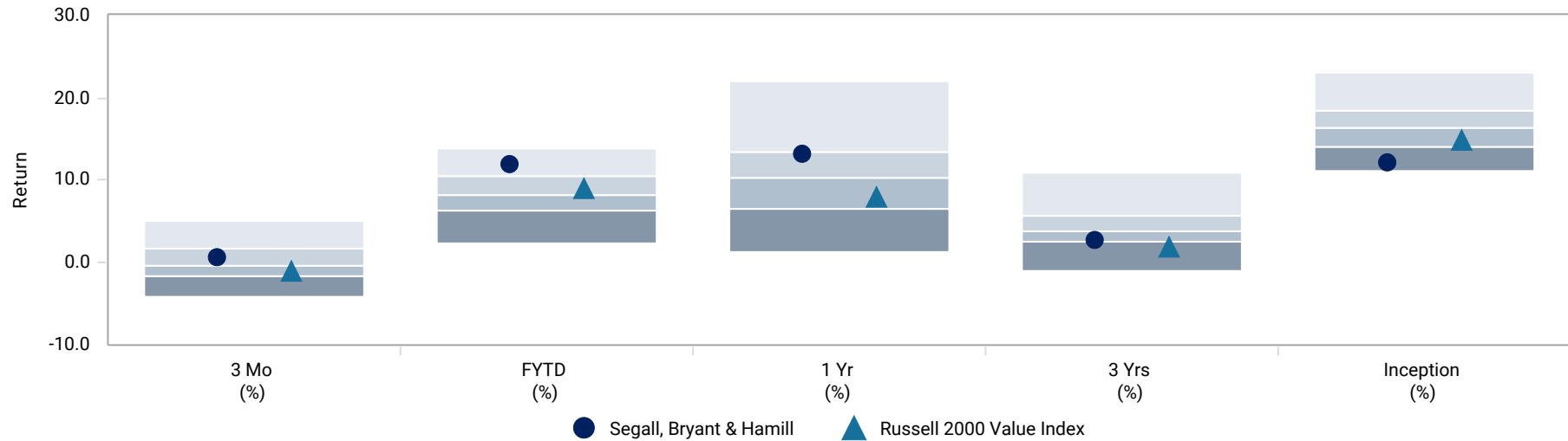


● Segall, Bryant & Hamill    ▲ Russell 2000 Value Index

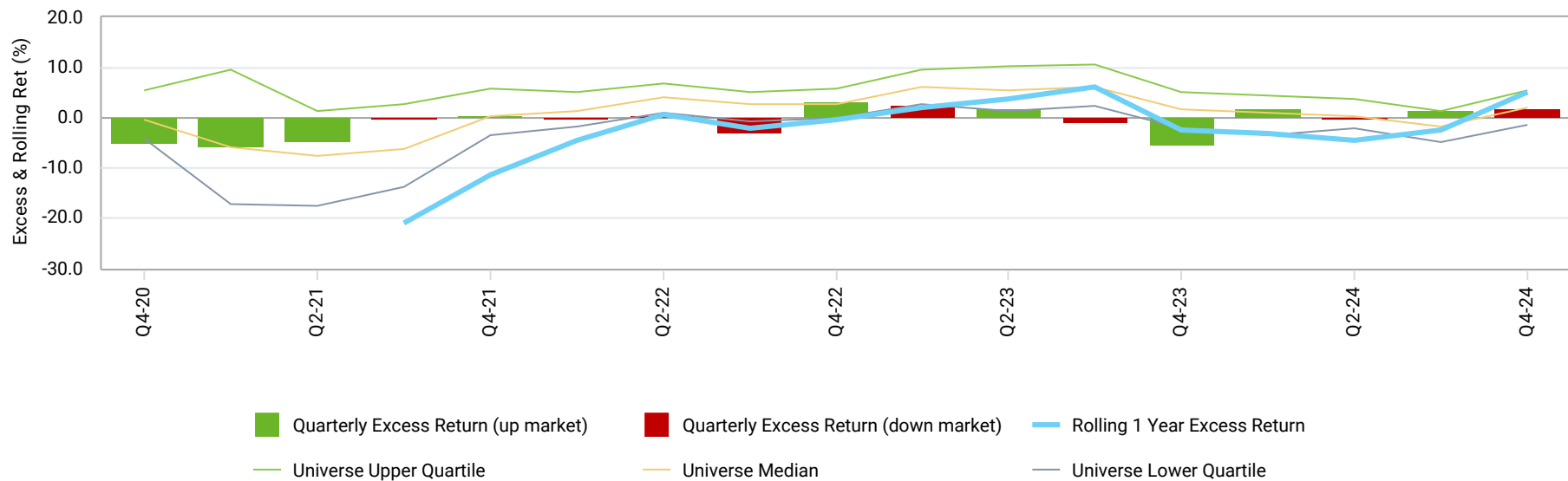


# SEGALL, BRYANT & HAMILL

## eV US Small Cap Value Equity (net of fees)



## Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending December 31, 2024



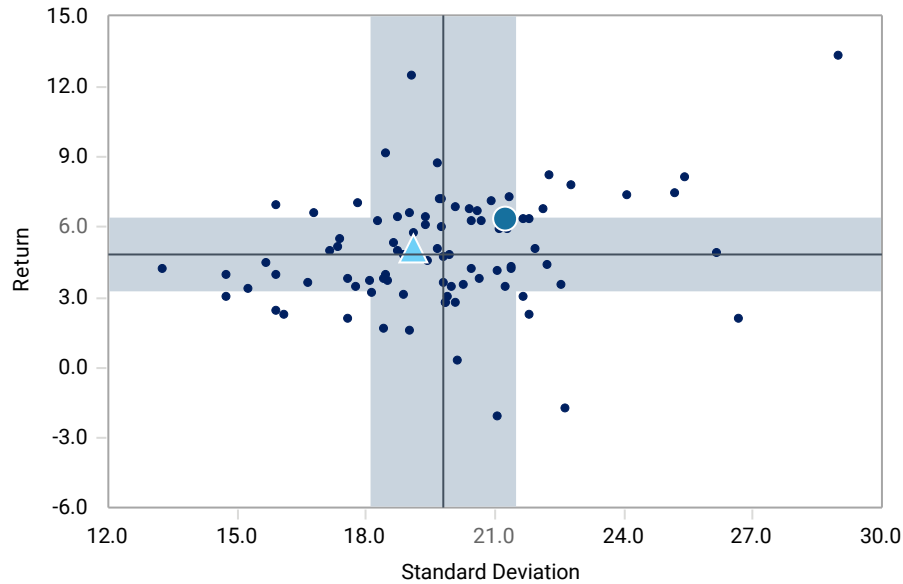


# NON-U.S. EQUITY MANAGER PERFORMANCE

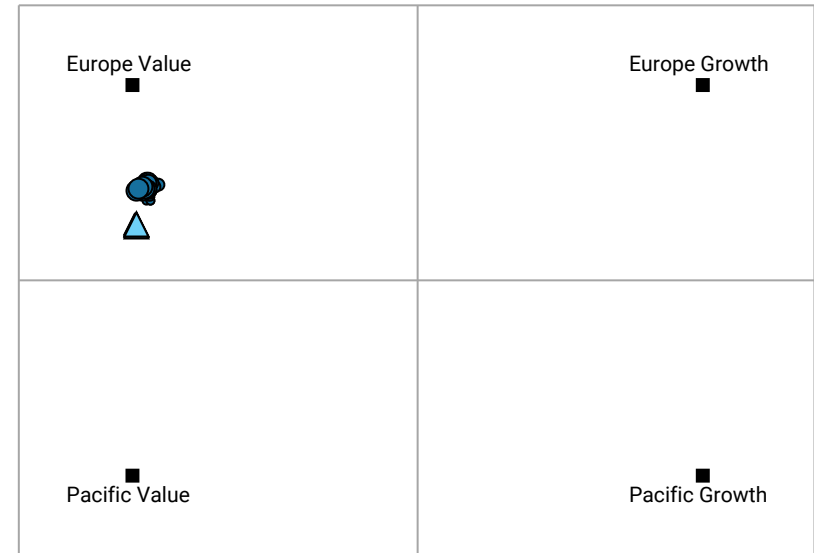
Los Angeles City Employees' Retirement System-LACERS Master Trust

# BARROW HANLEY

5 Years Return vs. Standard Deviation



Rolling 5 Years Style Map

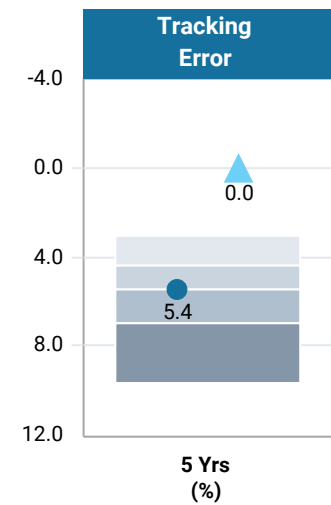
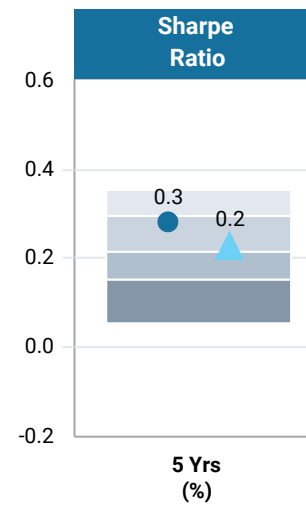
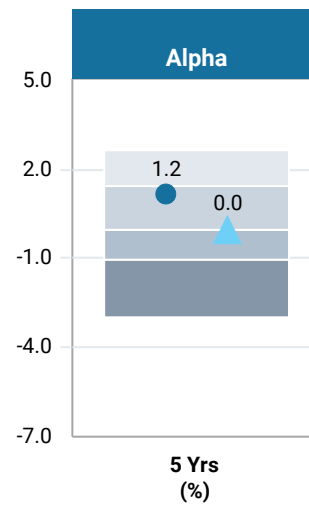
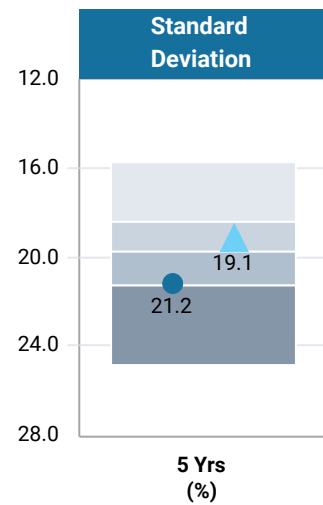
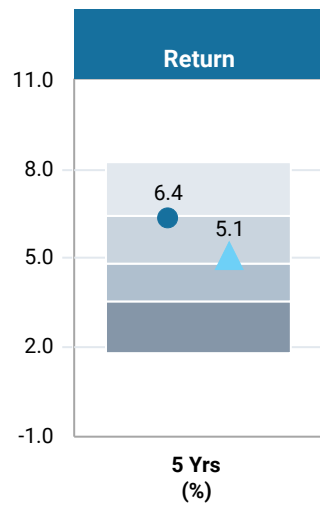


● Barrow Hanley

▲ MSCI EAFE Value Index (Net)

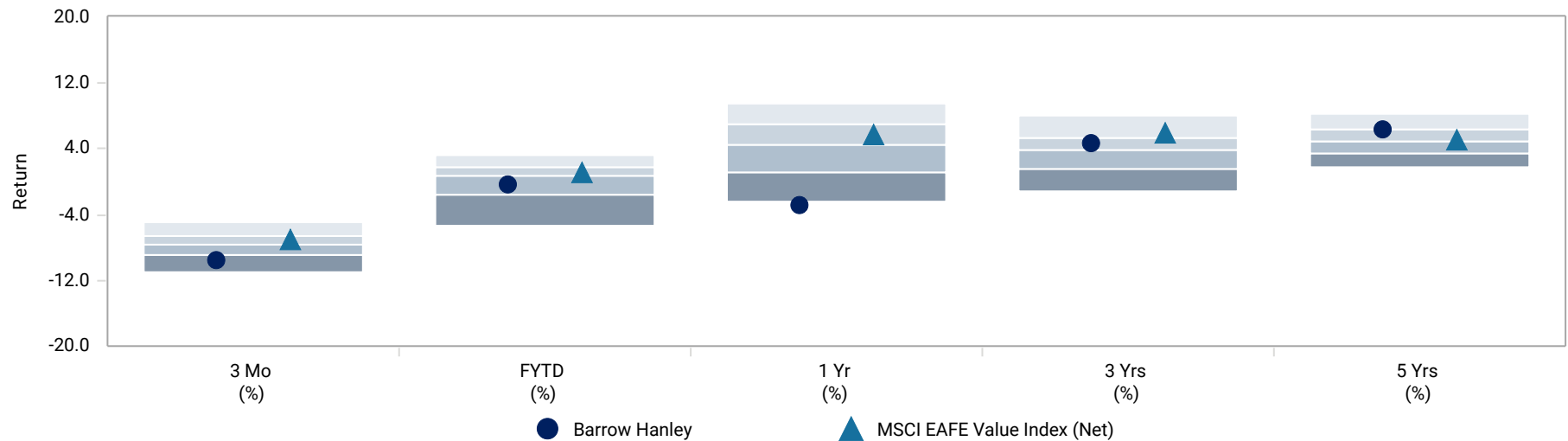
● Barrow Hanley

▲ MSCI EAFE Value Index (Net)

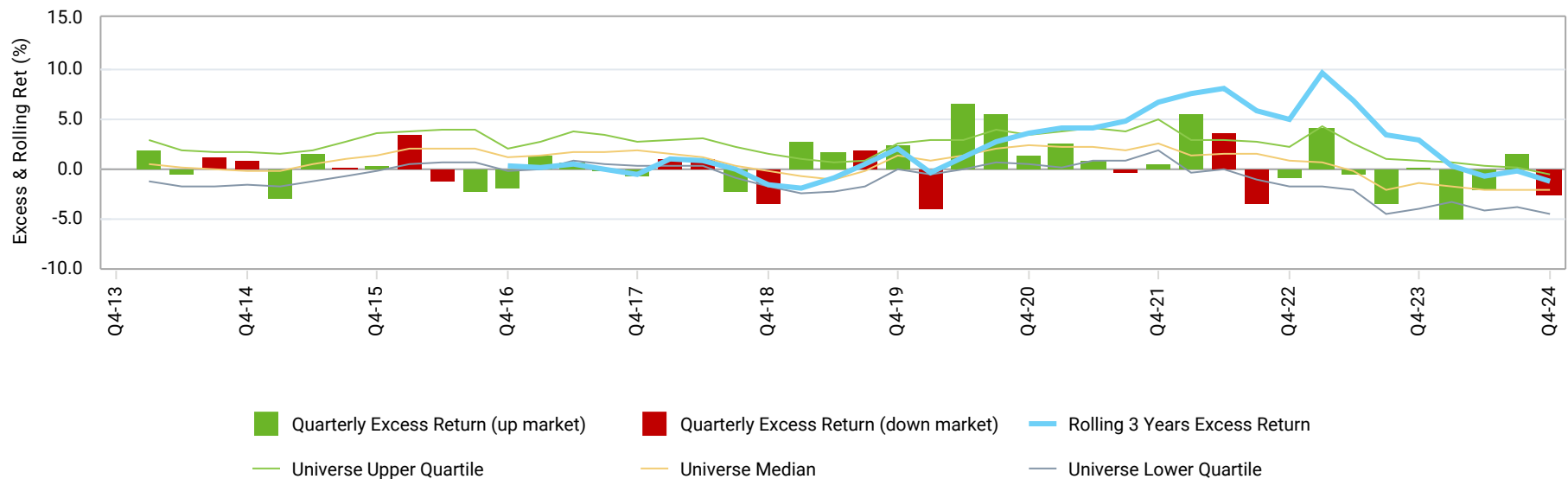


# BARROW HANLEY

## eV EAFE Value Equity (net of fees)



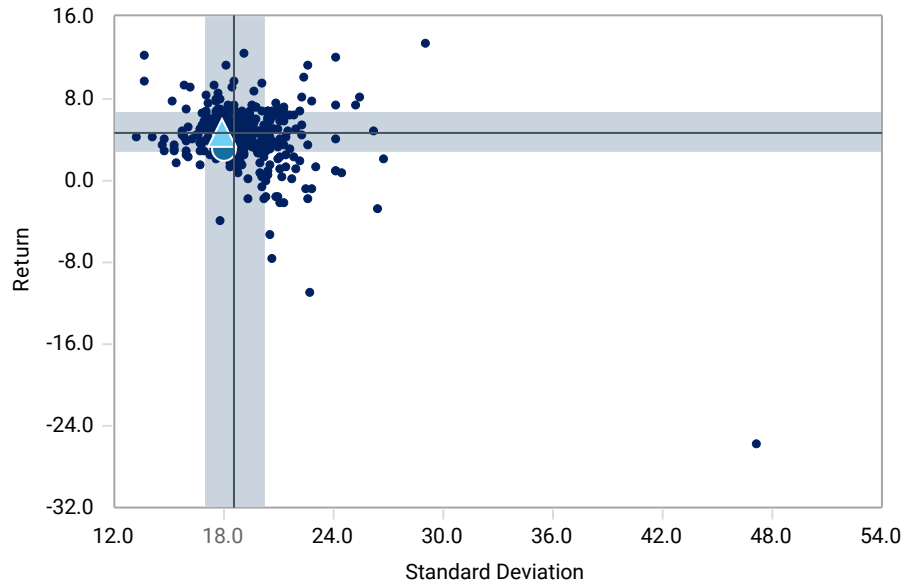
## Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending December 31, 2024



Los Angeles City Employees' Retirement System-LACERS Master Trust

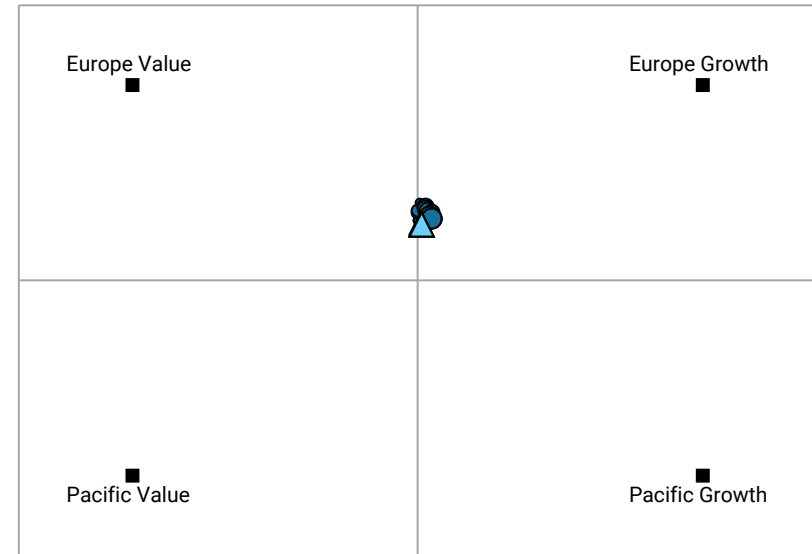
# LAZARD ASSET MANAGEMENT

5 Years Return vs. Standard Deviation

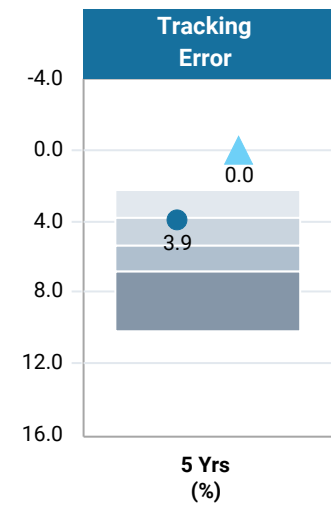
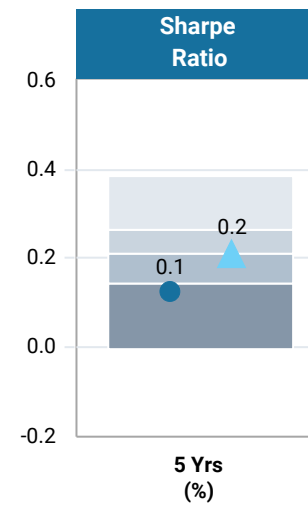
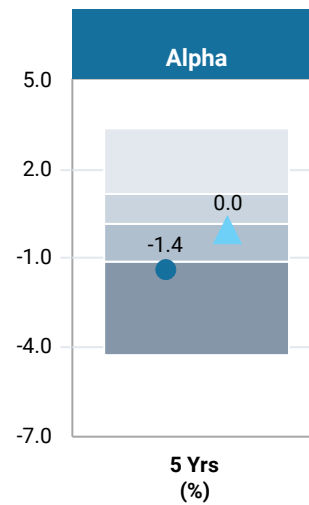
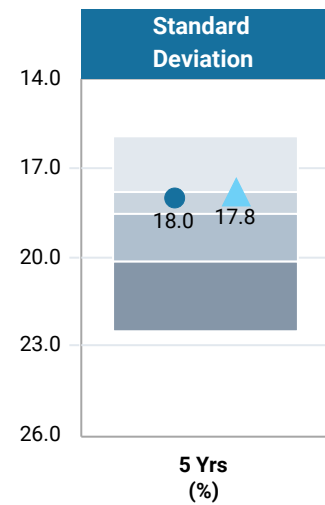
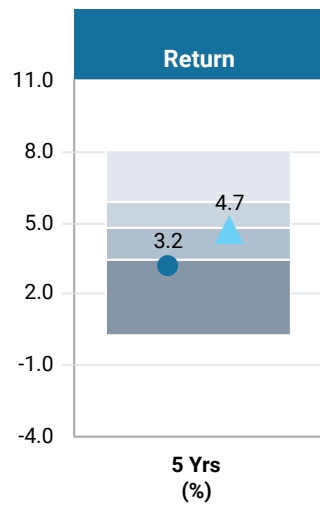


● Lazard Asset Management ▲ MSCI EAFE (Net)

Rolling 5 Years Style Map

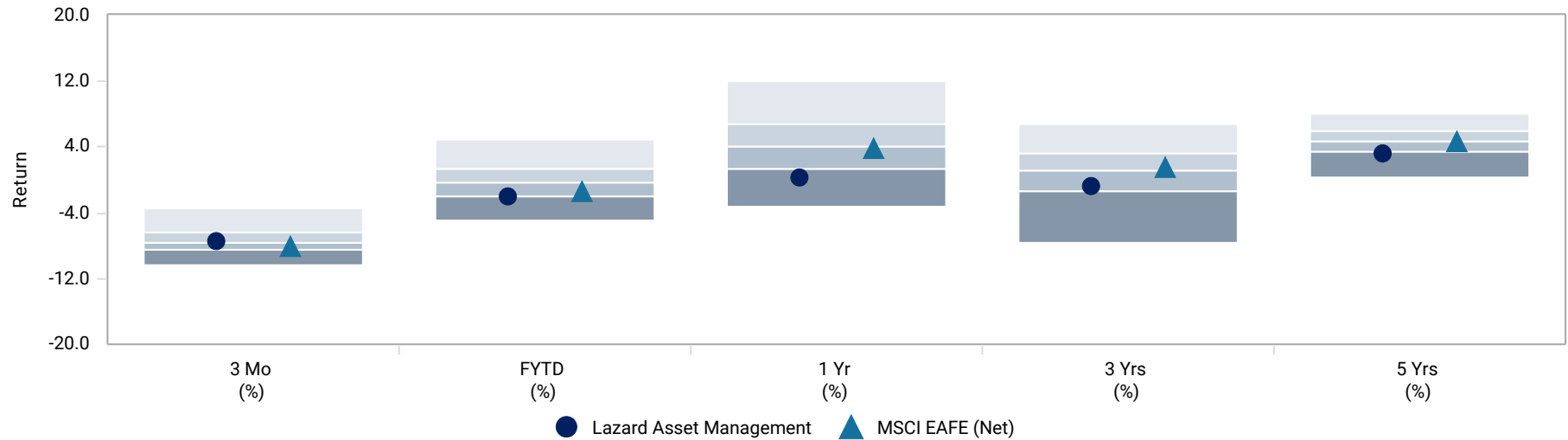


● Lazard Asset Management ▲ MSCI EAFE (Net)

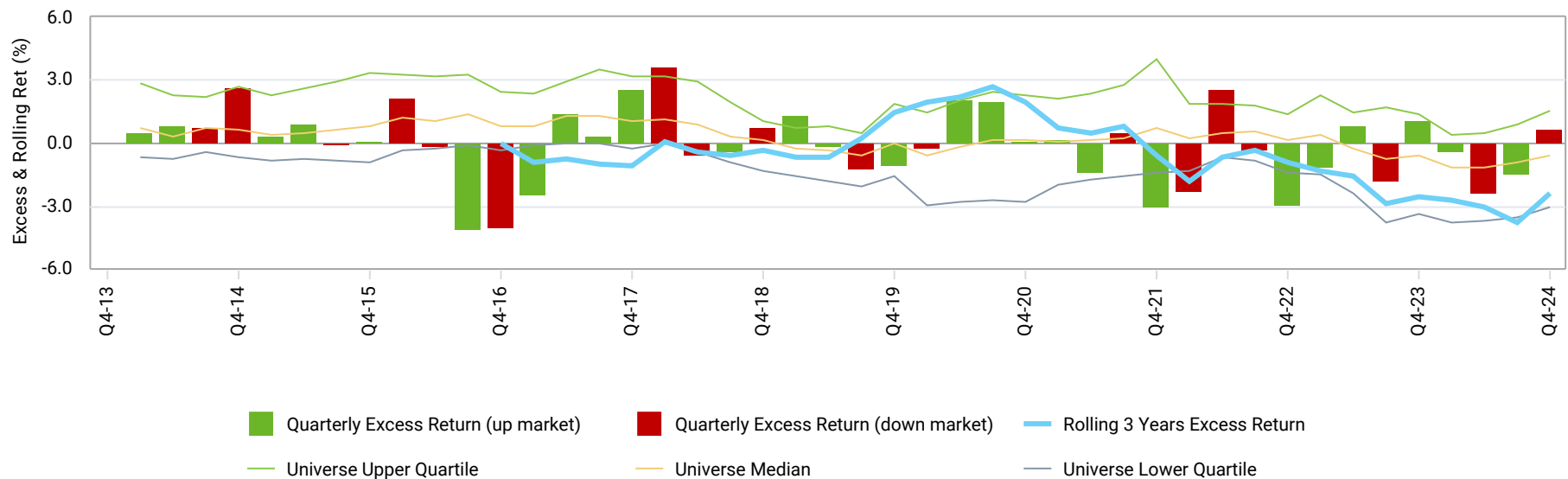


# LAZARD ASSET MANAGEMENT

eV All EAFE Equity (net of fees)



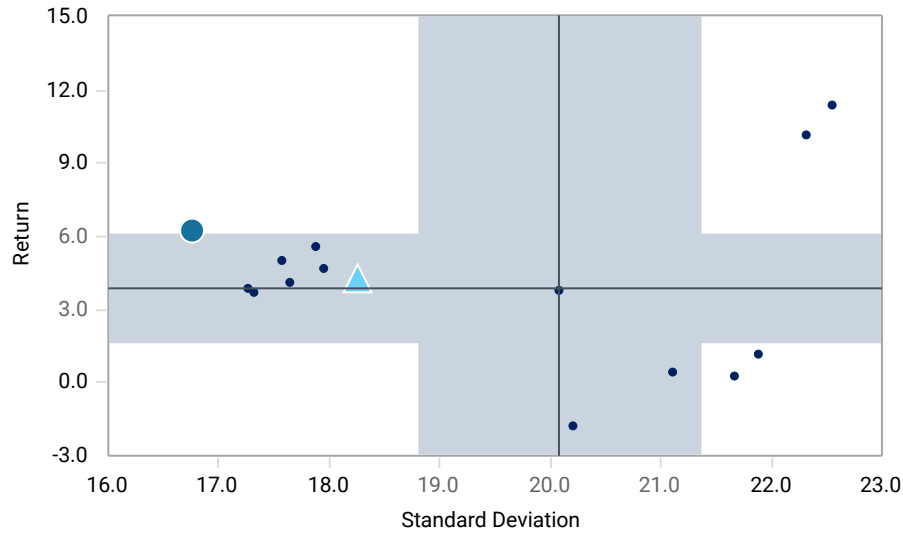
Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending December 31, 2024



# Los Angeles City Employees' Retirement System-LACERS Master Trust

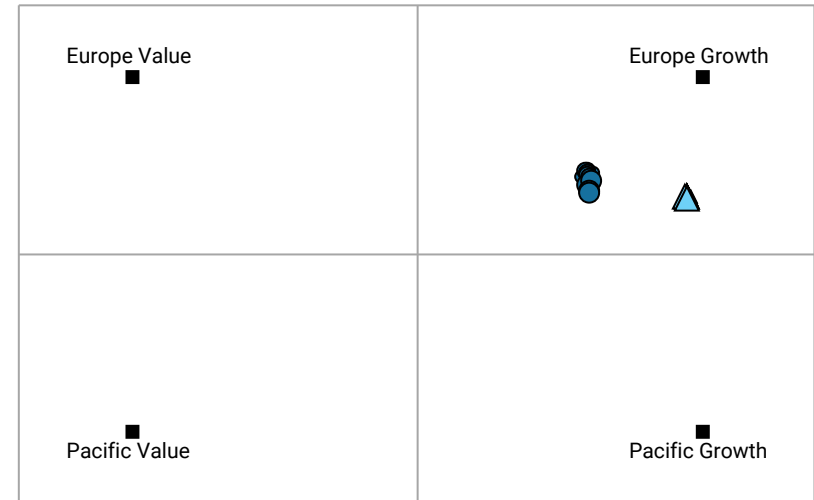
## MFS INSTITUTIONAL ADVISORS

5 Years Return vs. Standard Deviation

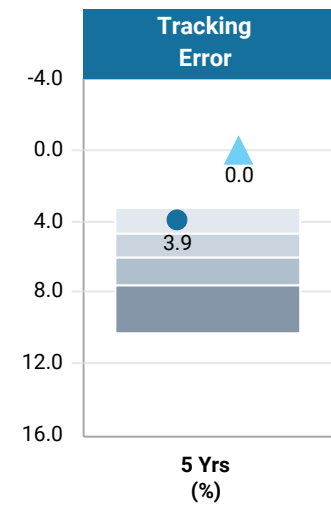
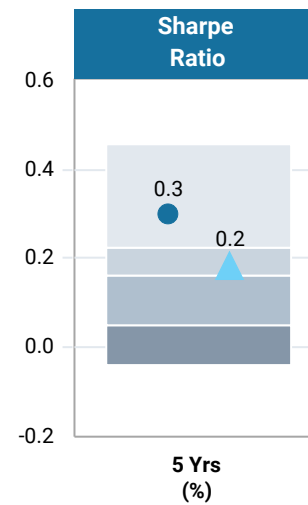
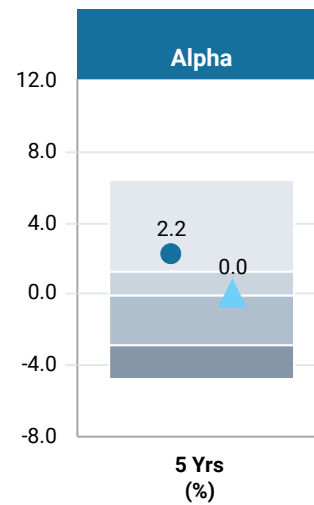
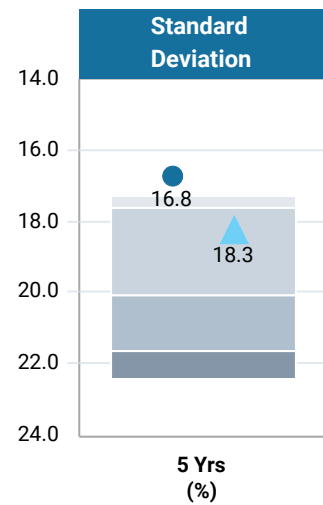
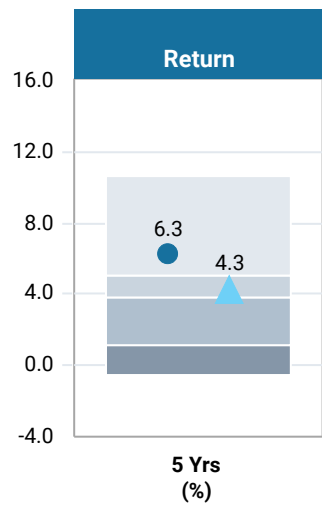


- MFS Institutional Advisors
- ▲ MSCI World ex USA Growth NR USD

Rolling 5 Years Style Map



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

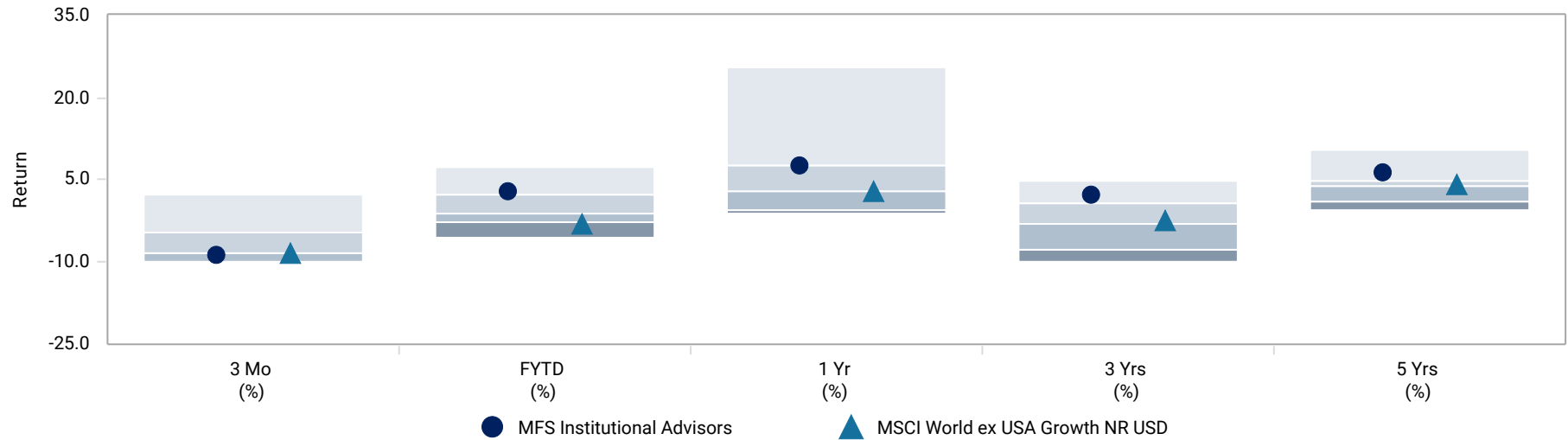


# Los Angeles City Employees' Retirement System-LACERS Master Trust

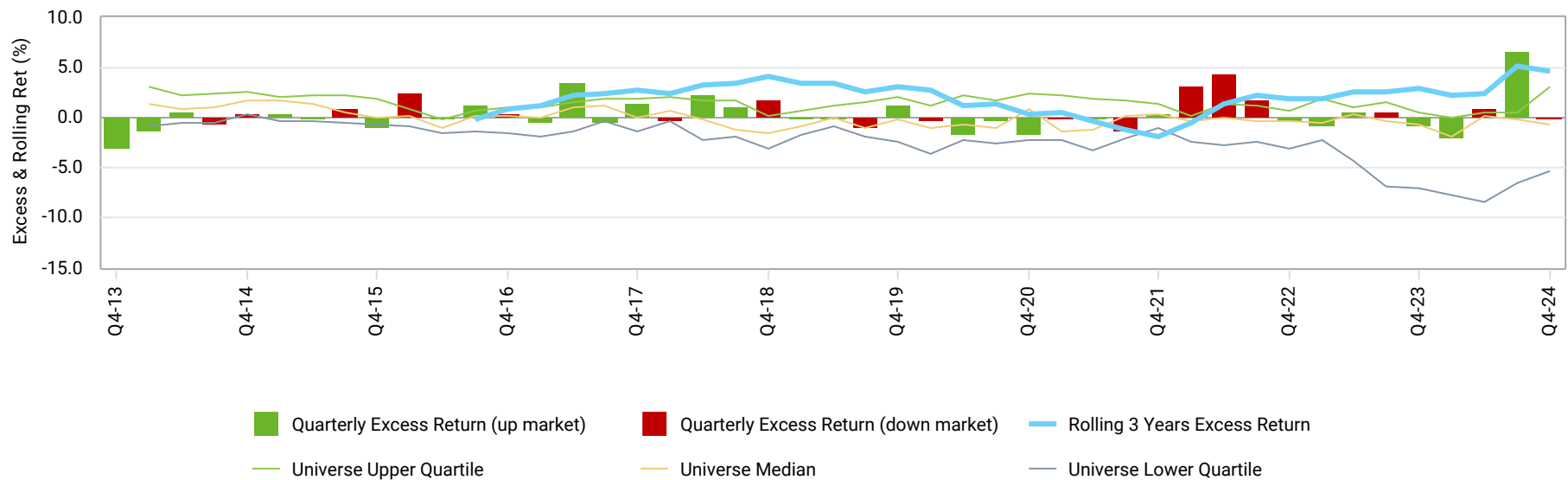
## MFS INSTITUTIONAL ADVISORS

December 31, 2024

eV EAFE All Cap Growth (net of fees)



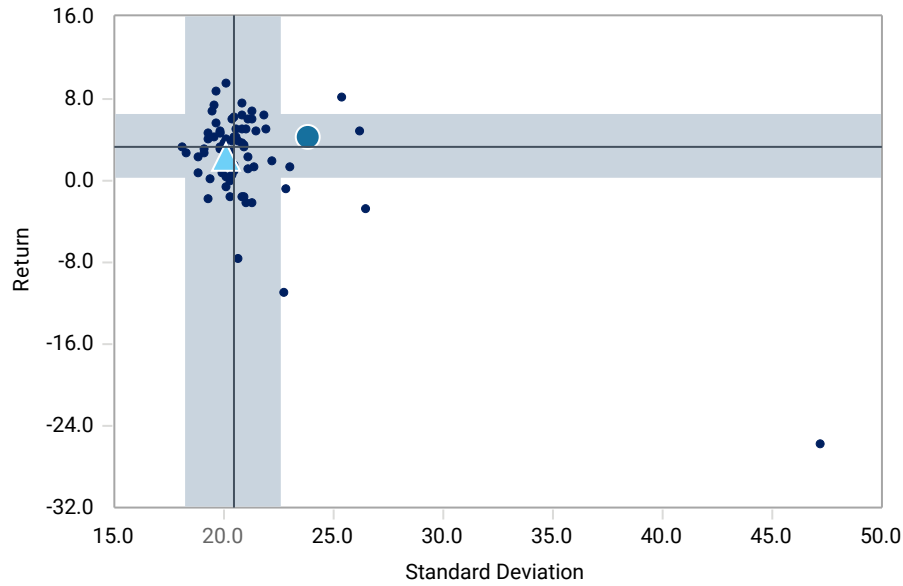
Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending December 31, 2024



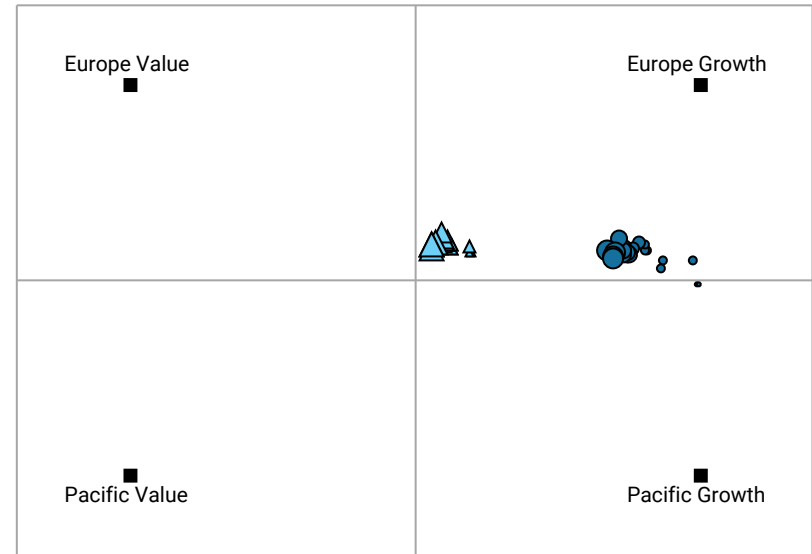
# Los Angeles City Employees' Retirement System-LACERS Master Trust

## OBERWEIS ASSET MGMT

5 Years Return vs. Standard Deviation

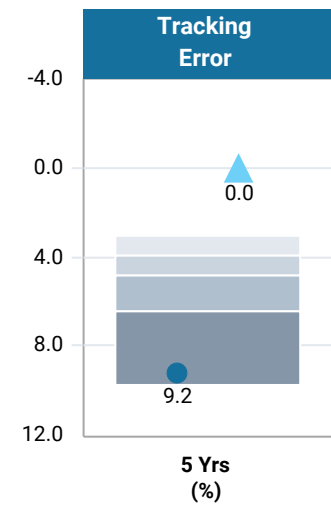
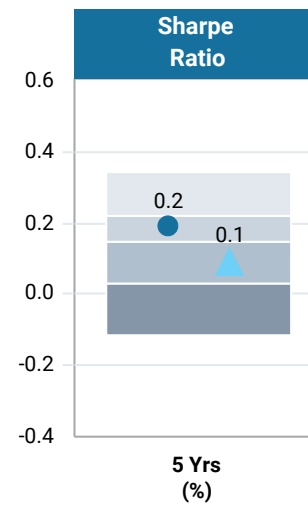
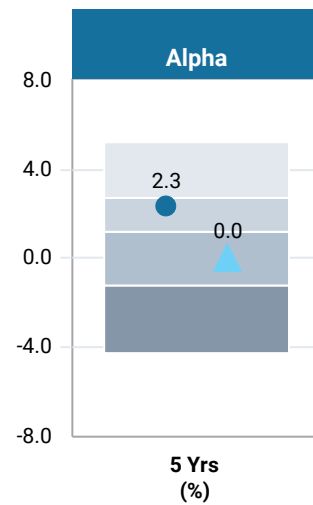
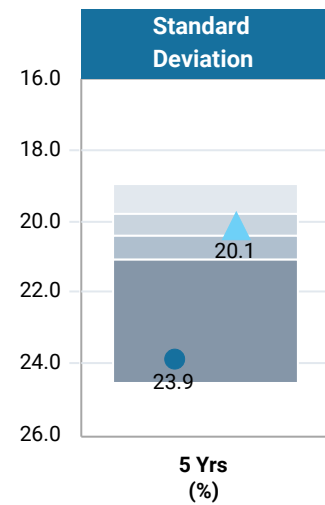
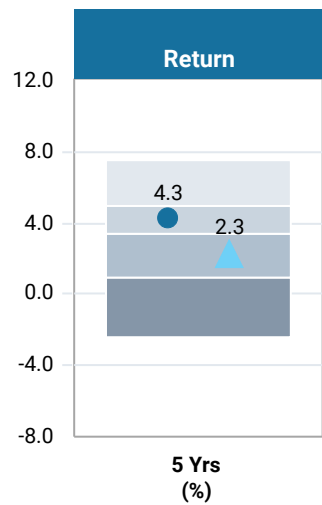


Rolling 5 Years Style Map



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

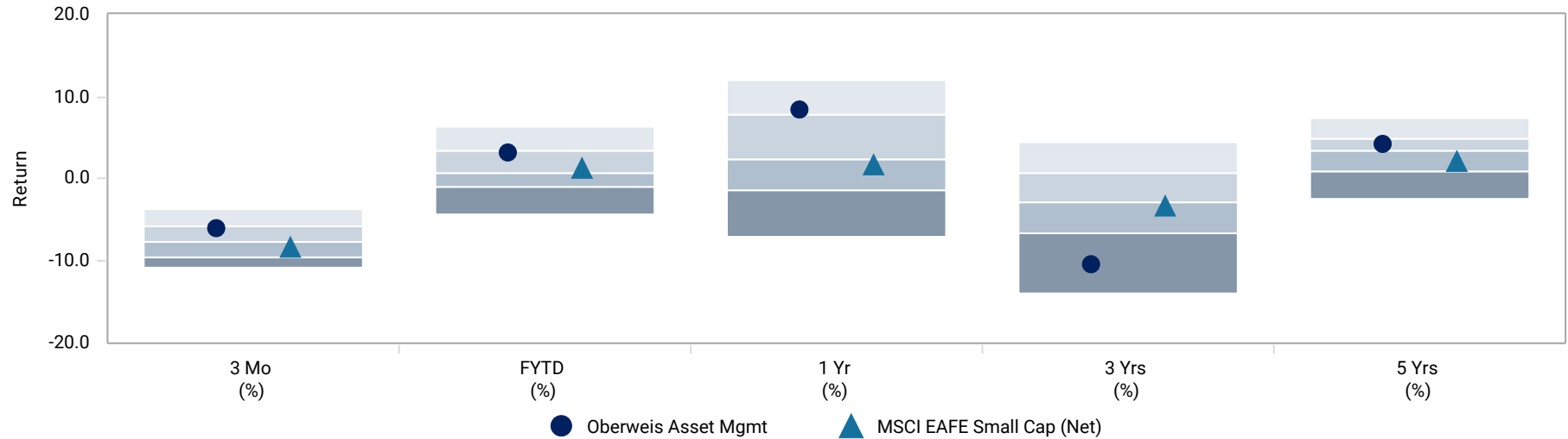
● Oberweis Asset Mgmt    ▲ MSCI EAFE Small Cap (Net)



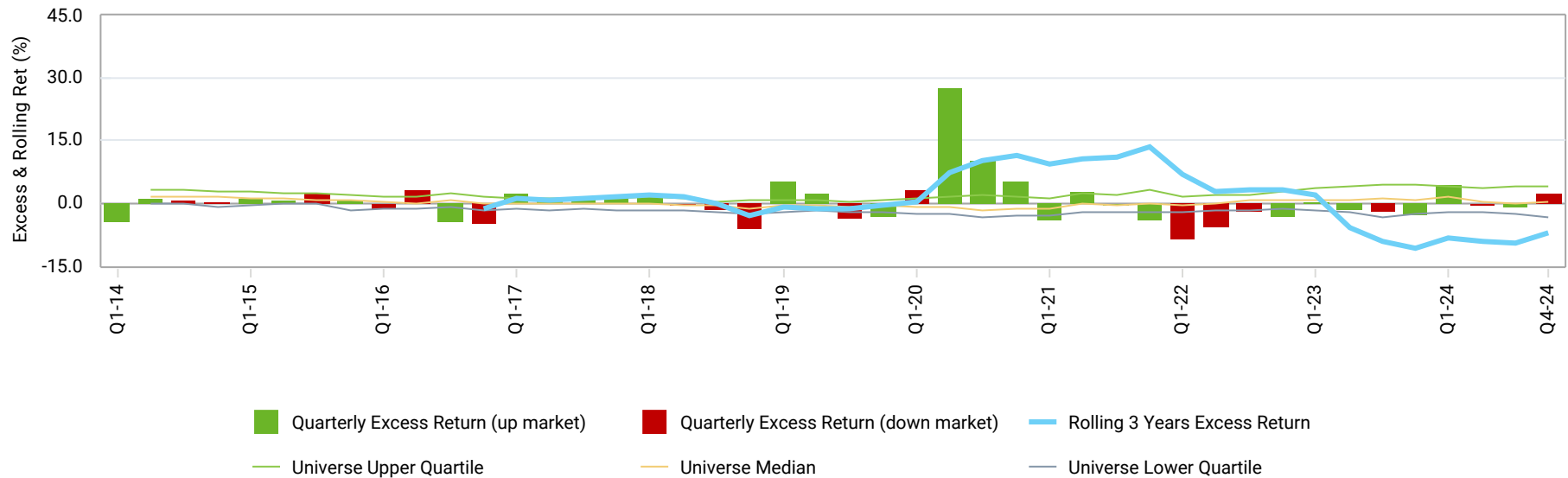


# OBERWEIS ASSET MGMT

## eV EAFE Small Cap Equity (net of fees)



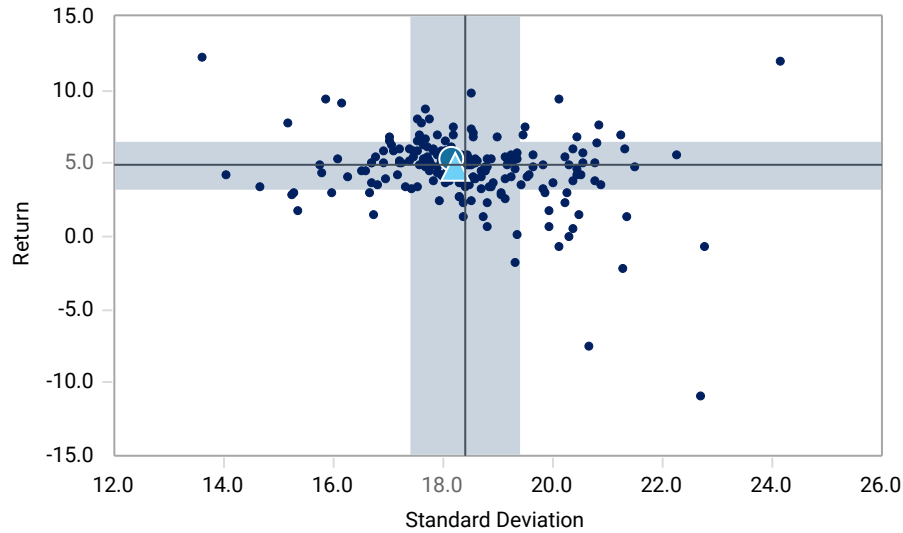
## Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending December 31, 2024



# Los Angeles City Employees' Retirement System-LACERS Master Trust

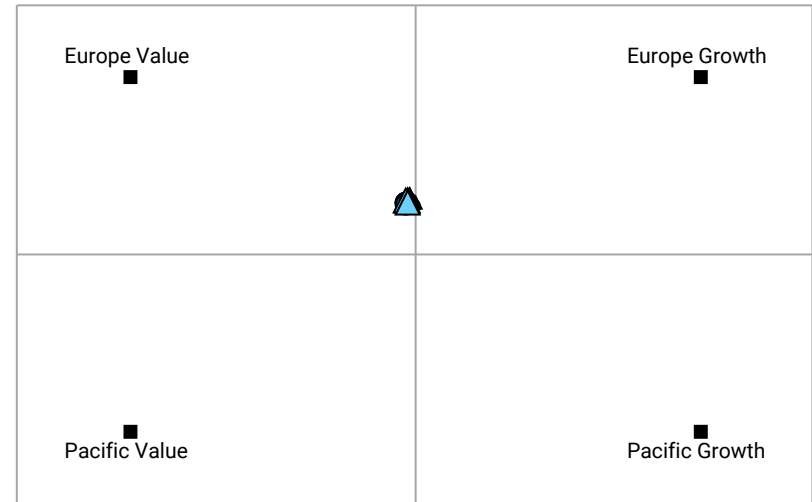
## SSGA WORLD EX US IMI

5 Years Return vs. Standard Deviation

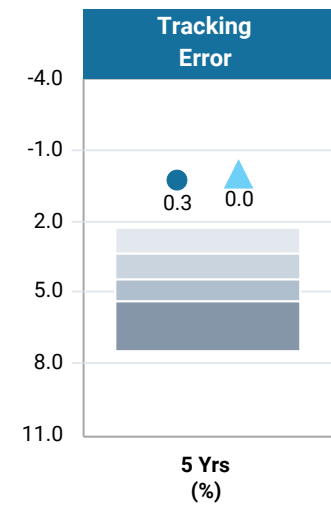
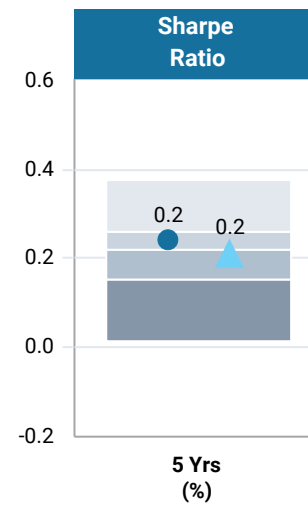
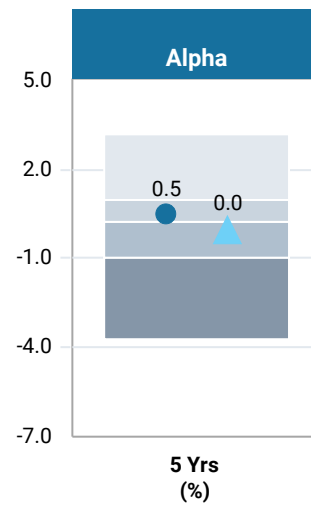
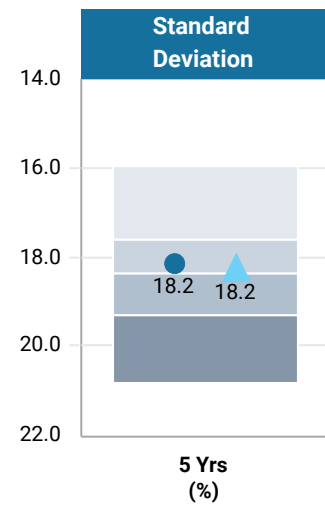
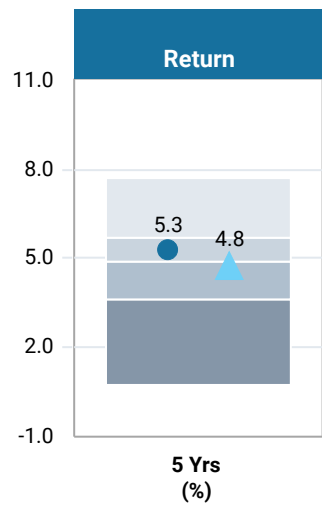


● SSGA World ex US IMI  
▲ MSCI World ex U.S. IMI Index (Net)

Rolling 5 Years Style Map

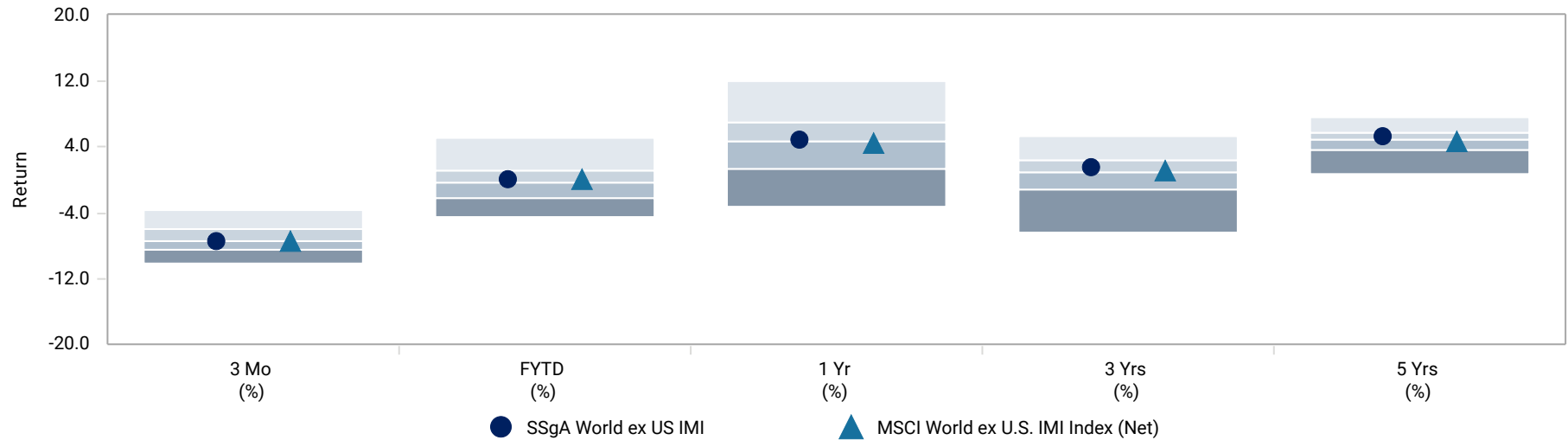


● SSGA World ex US IMI  
▲ MSCI World ex U.S. IMI Index (Net)

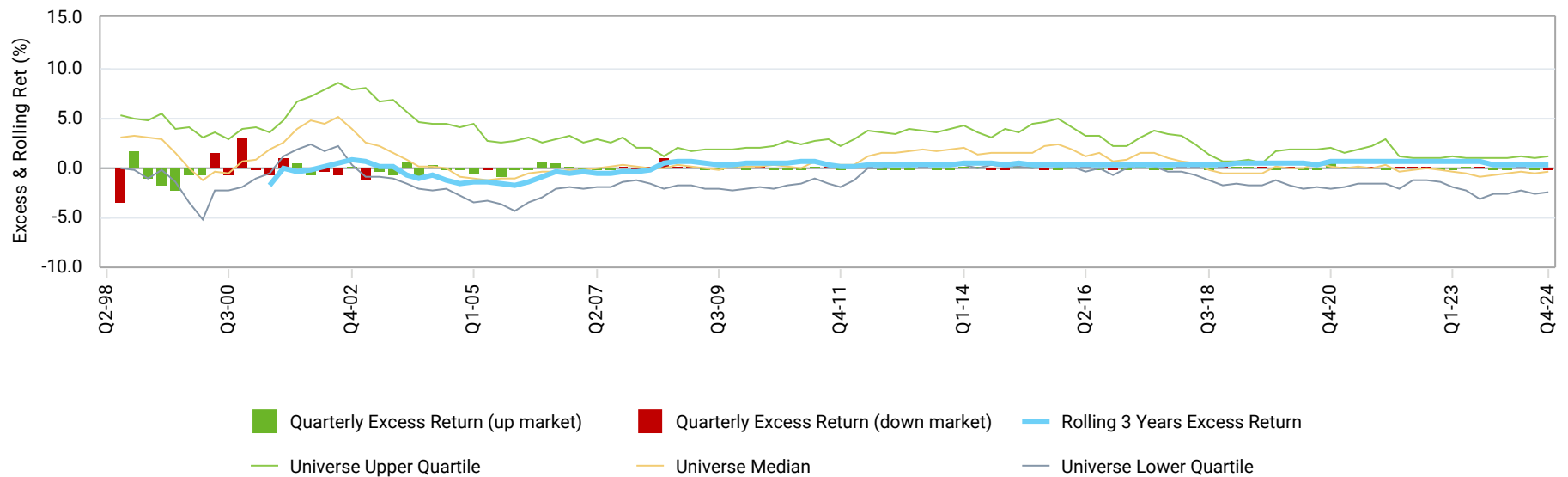


# SSGA WORLD EX US IMI

eV EAFE Core Equity (net of fees)



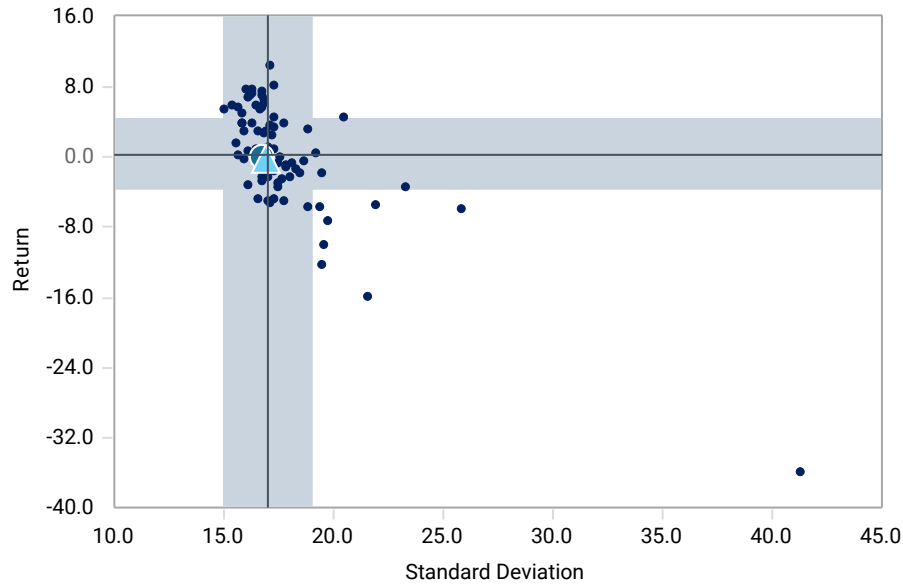
Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending December 31, 2024



# Los Angeles City Employees' Retirement System-LACERS Master Trust

## SSGA EAFE SMALL CAP

Since Inception Return vs. Standard Deviation

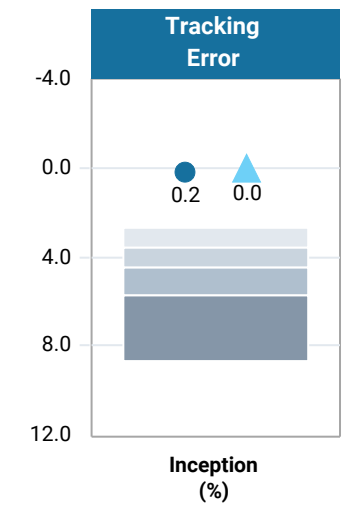
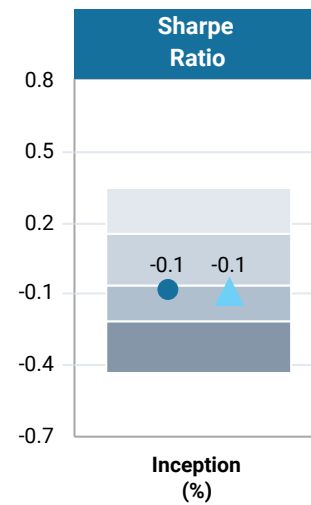
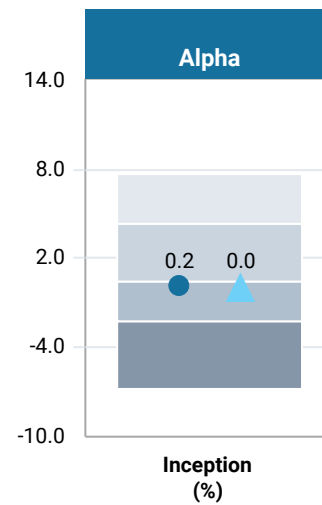
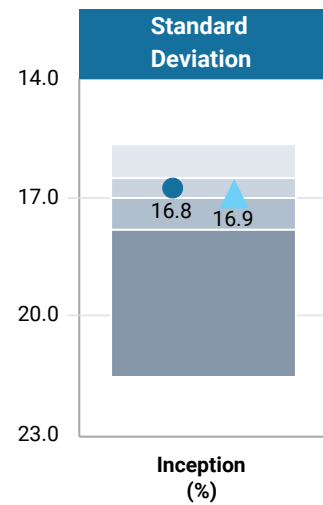
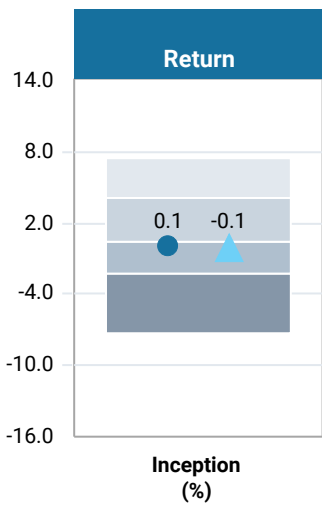


● State Street EAFE SC    ▲ MSCI EAFE Small Cap (Net)

Rolling 1 Year Style Map

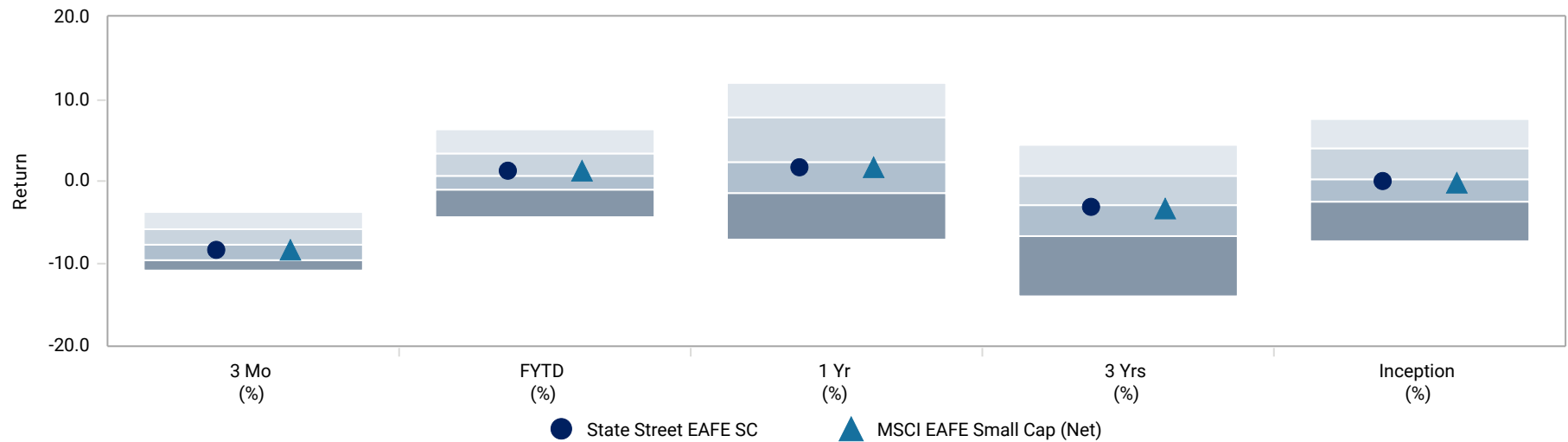


● State Street EAFE SC    ▲ MSCI EAFE Small Cap (Net)

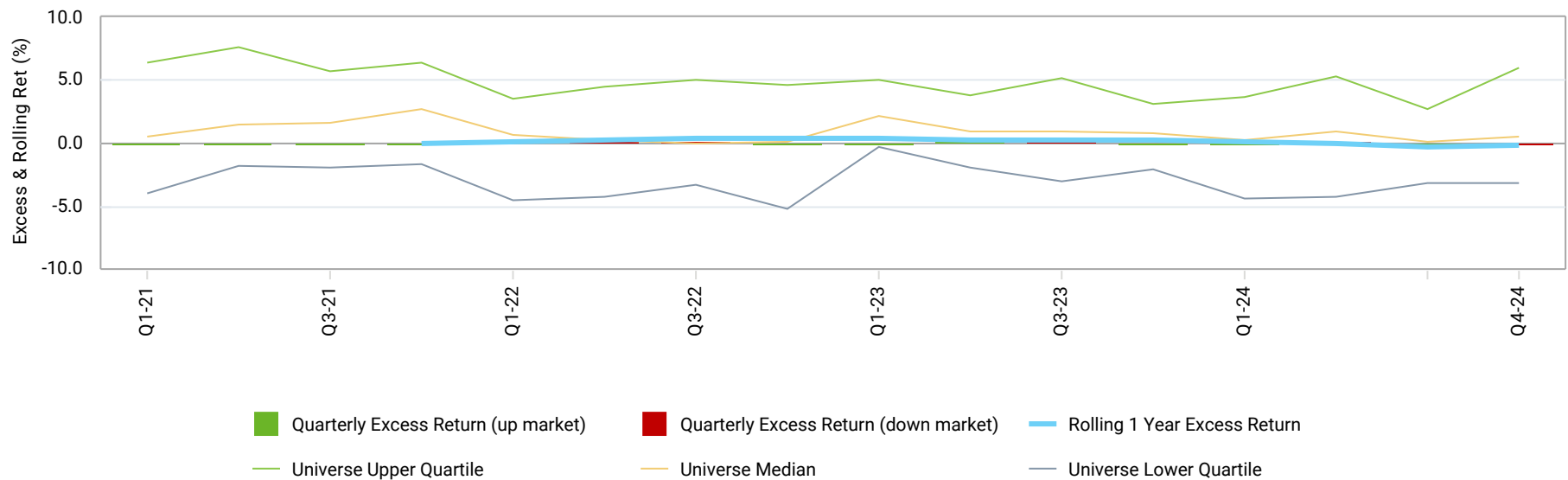


# SSGA EAFE SMALL CAP

eV EAFE Small Cap Equity (net of fees)



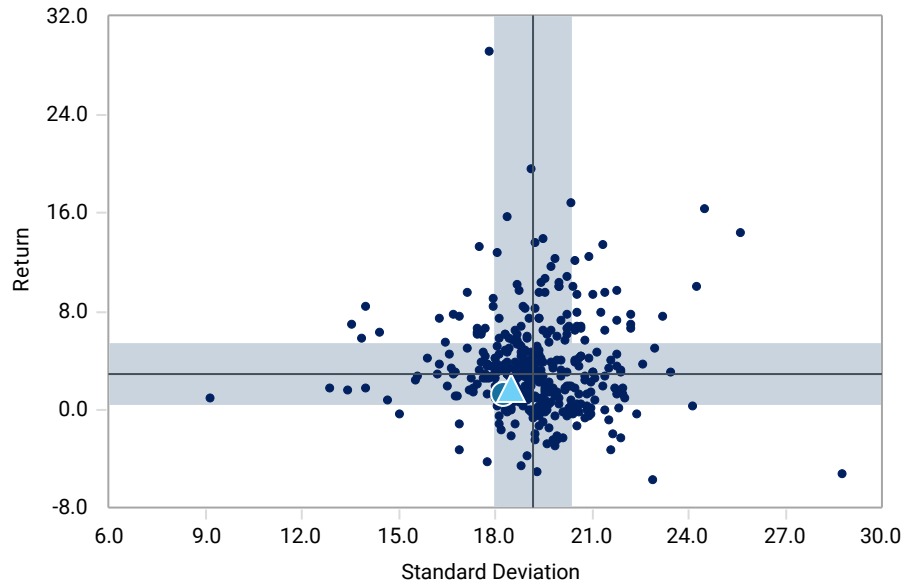
Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending December 31, 2024



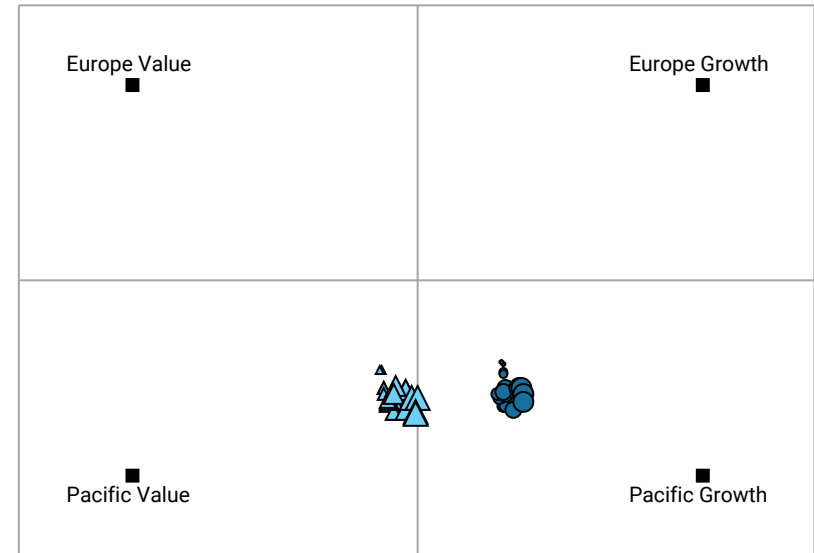
# Los Angeles City Employees' Retirement System-LACERS Master Trust

## AXIOM EMERGING MARKETS

5 Years Return vs. Standard Deviation



Rolling 5 Years Style Map

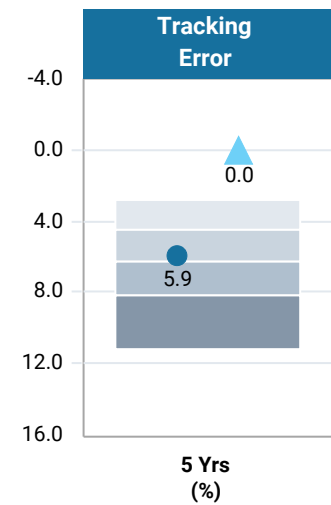
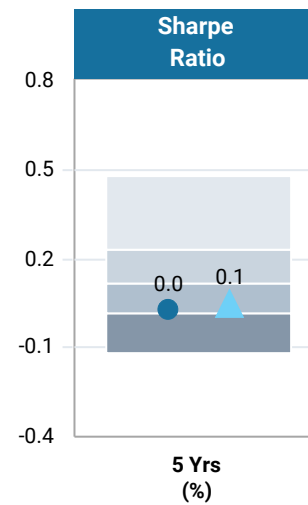
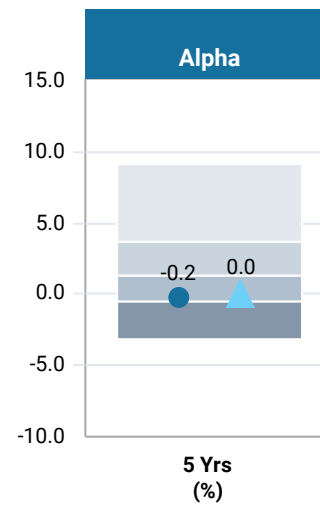
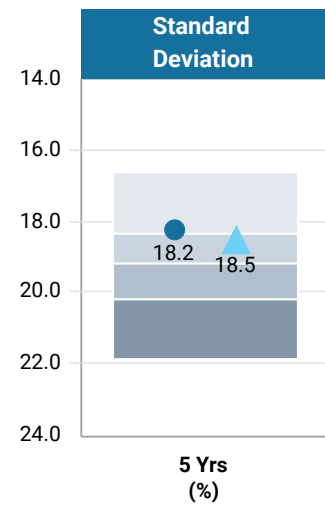
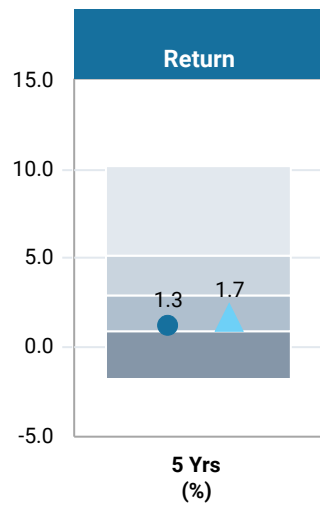


● Axiom Emerging Markets

▲ MSCI Emerging Markets (Net)

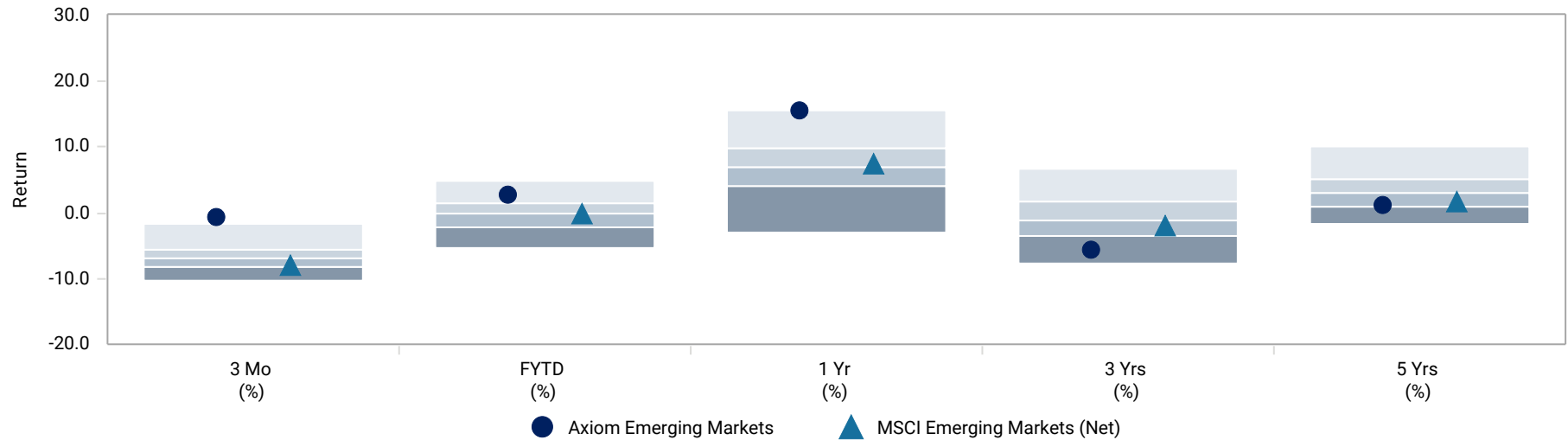
● Axiom Emerging Markets

▲ MSCI Emerging Markets (Net)

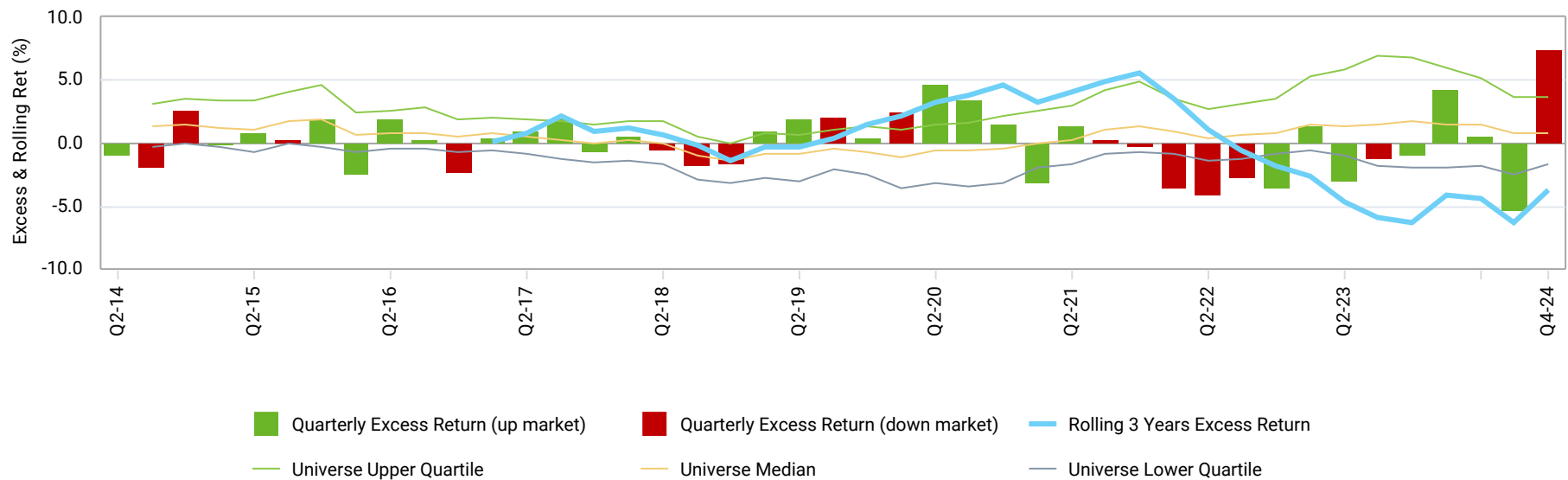


# AXIOM EMERGING MARKETS

eV Emg Mkts Equity (net of fees)

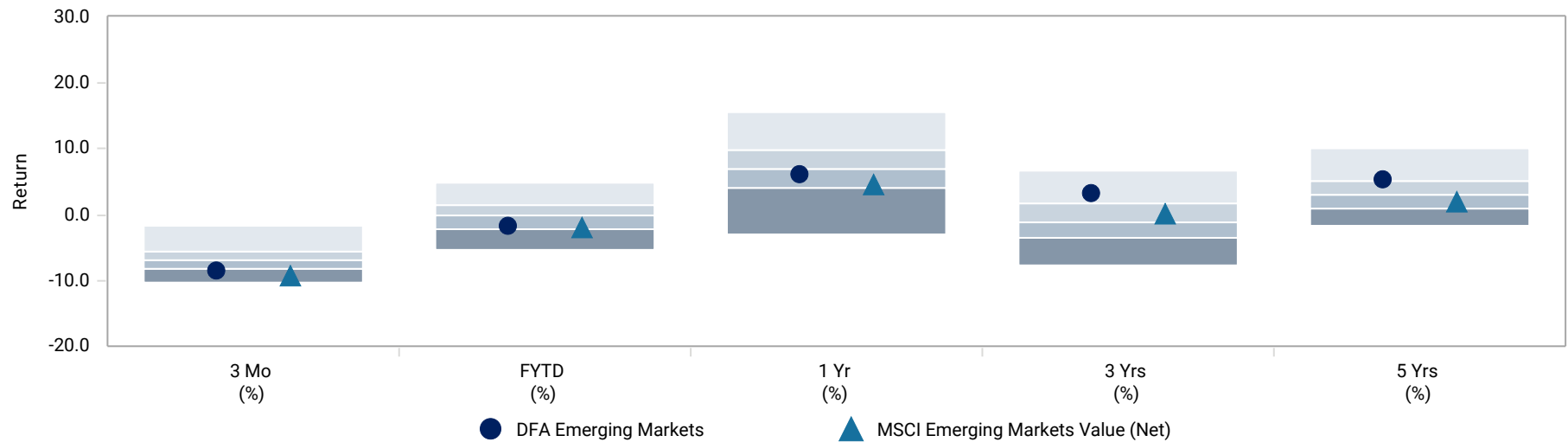


Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending December 31, 2024

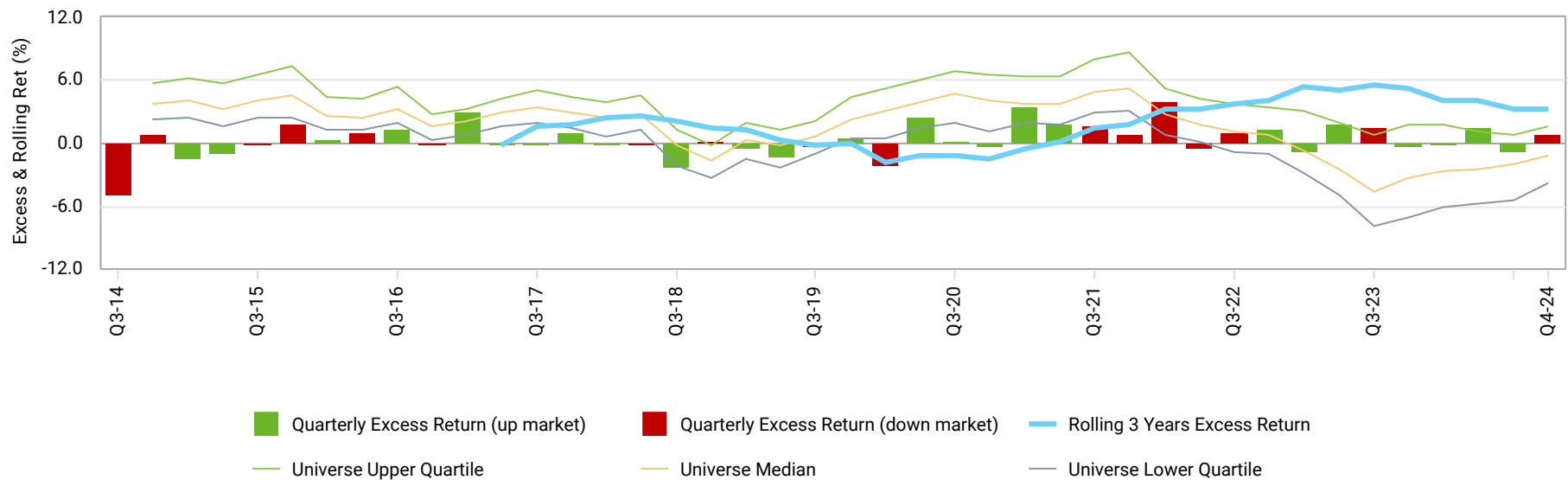


# DFA EMERGING MARKETS

eV Emg Mkts Equity (net of fees)



Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending December 31, 2024

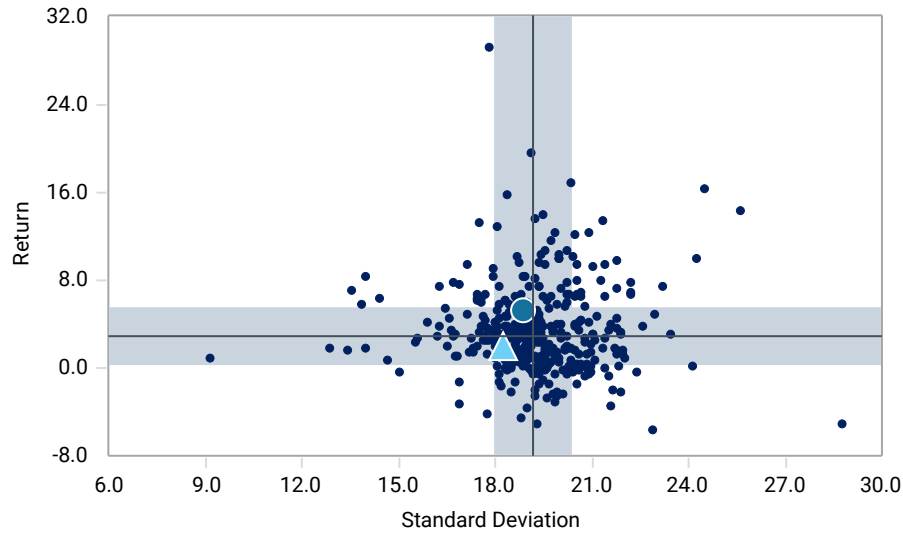




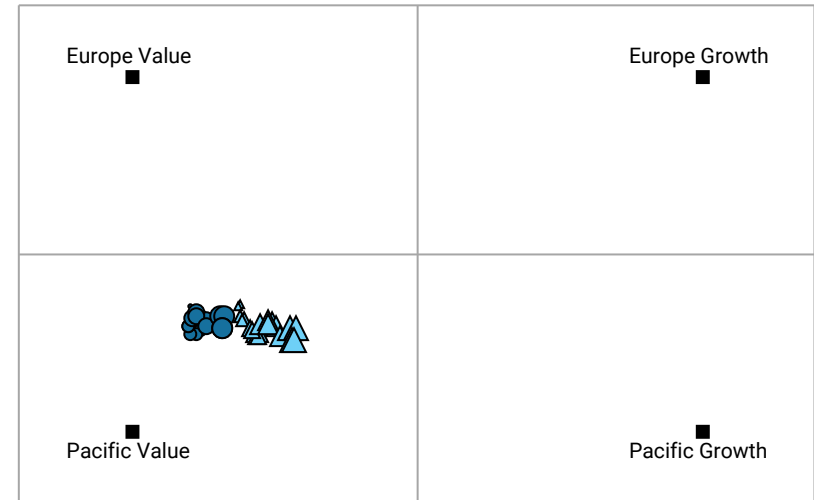
Los Angeles City Employees' Retirement System-LACERS Master Trust

# DFA EMERGING MARKETS

5 Years Return vs. Standard Deviation

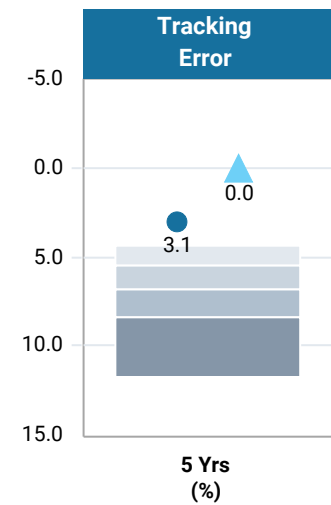
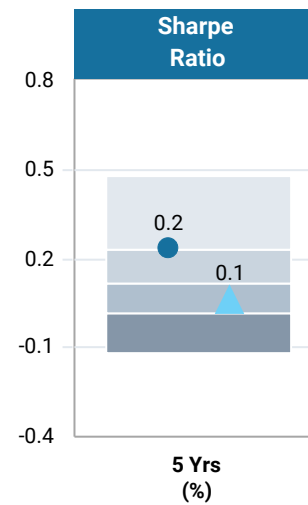
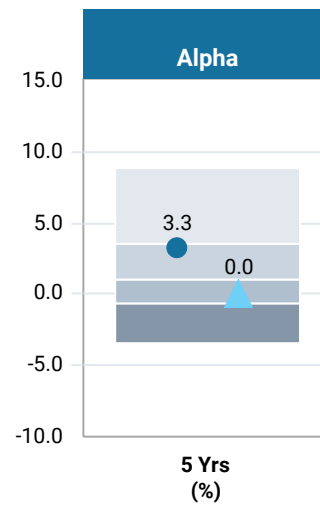
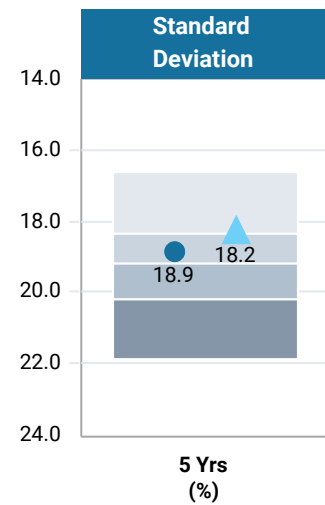
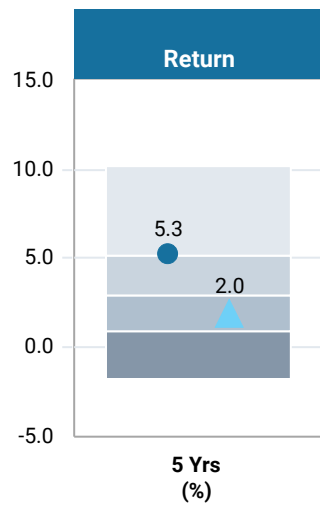


Rolling 5 Years Style Map



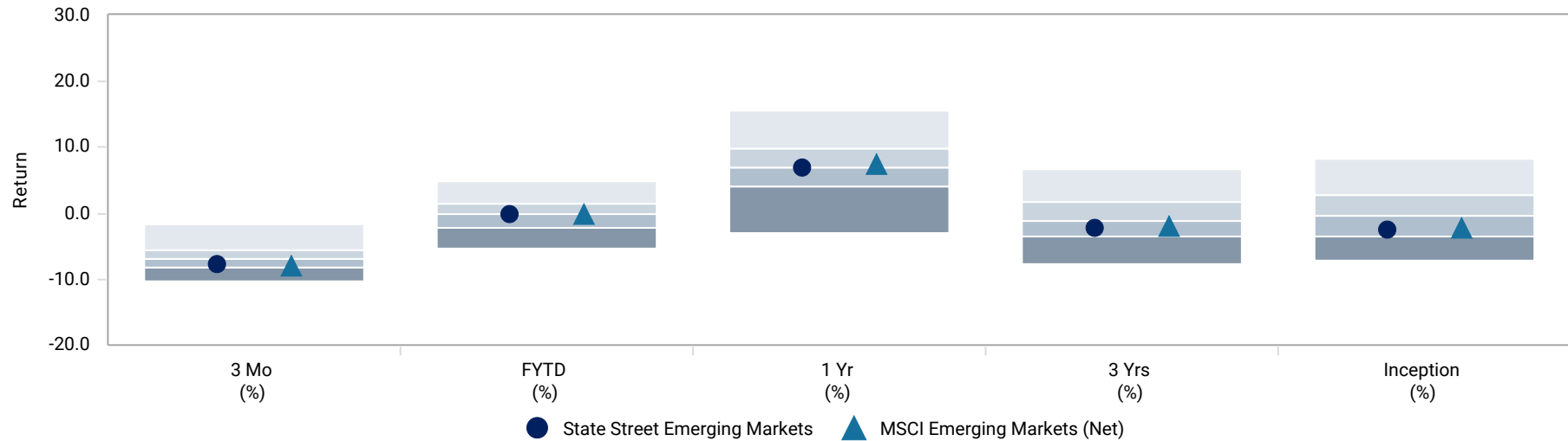
● DFA Emerging Markets  
▲ MSCI Emerging Markets Value (Net)

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

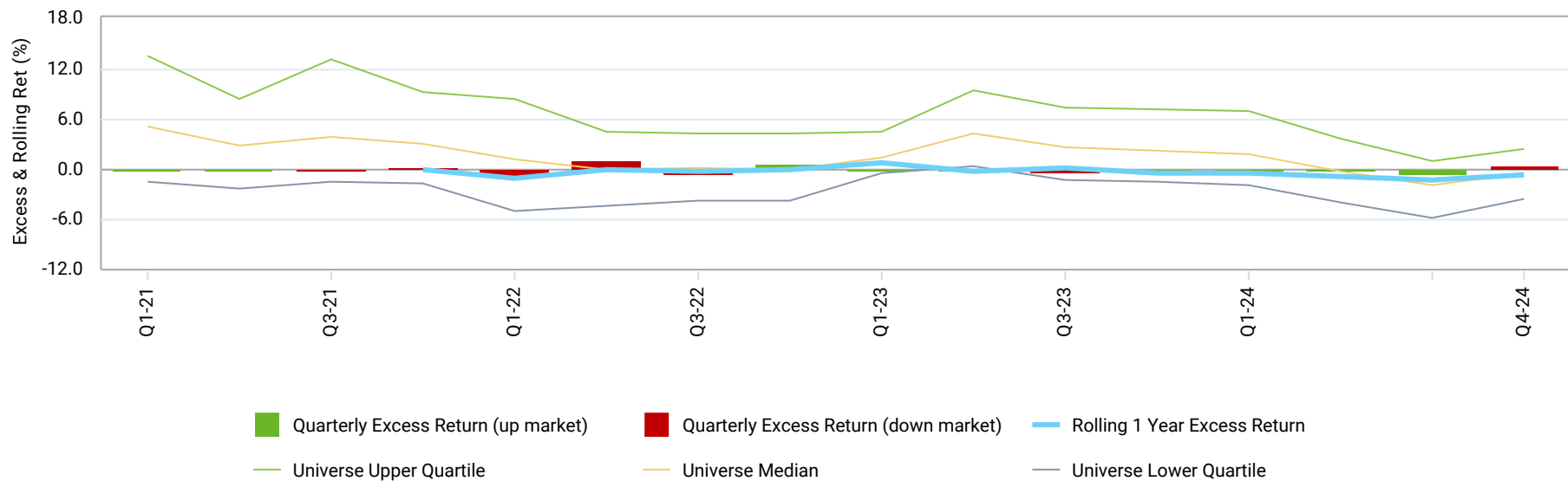


# SSGA EMERGING MARKETS

eV Emg Mkts Equity (net of fees)



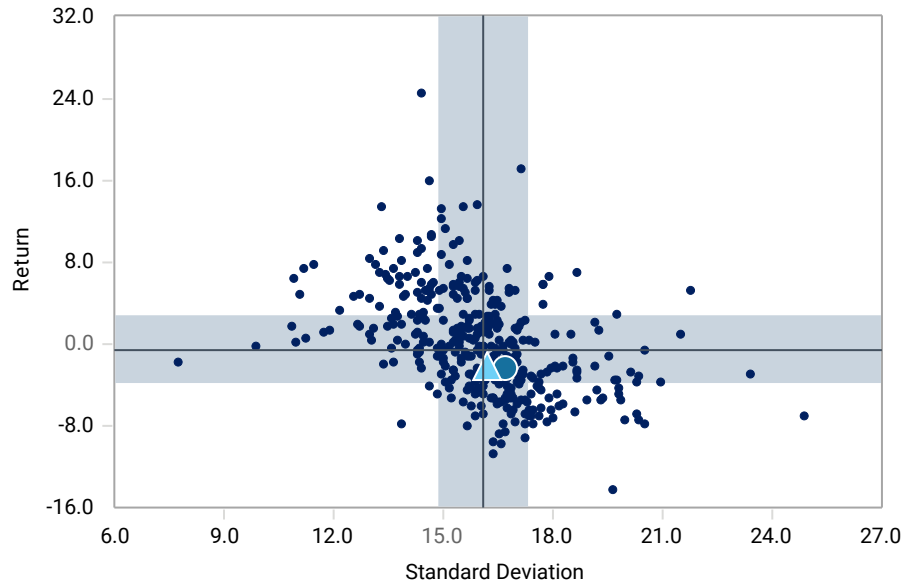
Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending December 31, 2024



# Los Angeles City Employees' Retirement System-LACERS Master Trust

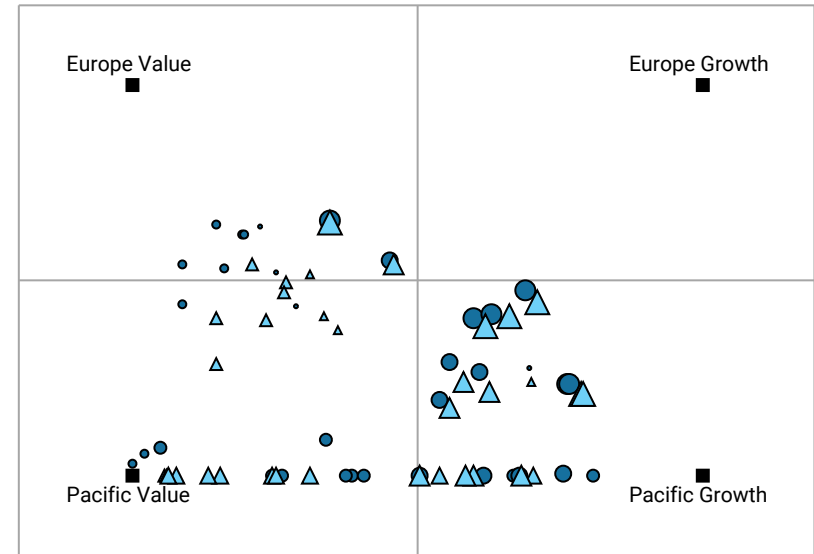
## SSGA EMERGING MARKETS

Since Inception Return vs. Standard Deviation

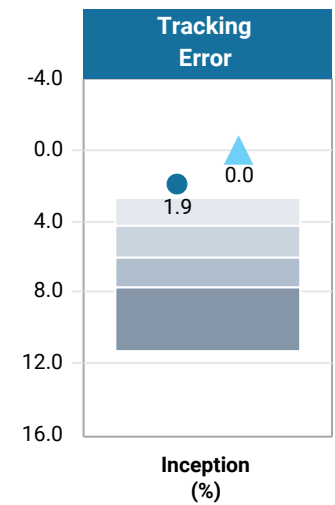
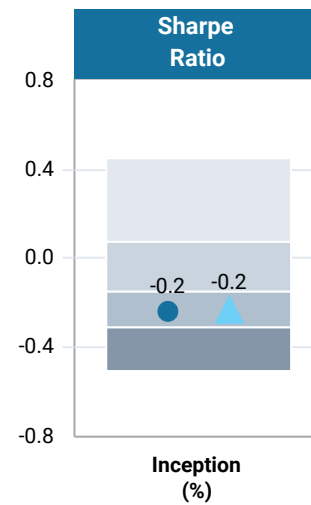
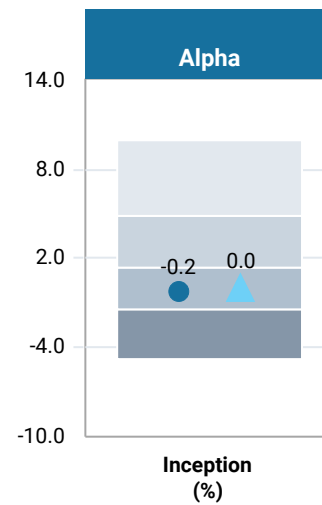
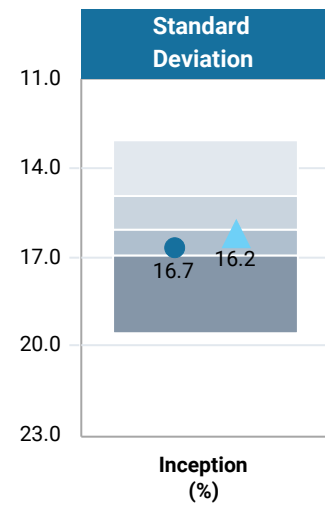
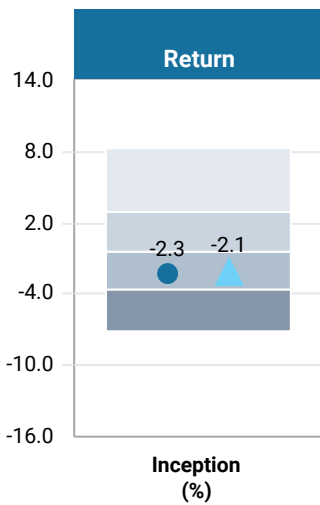


● State Street Emerging Markets ▲ MSCI Emerging Markets (Net)

Rolling 1 Year Style Map

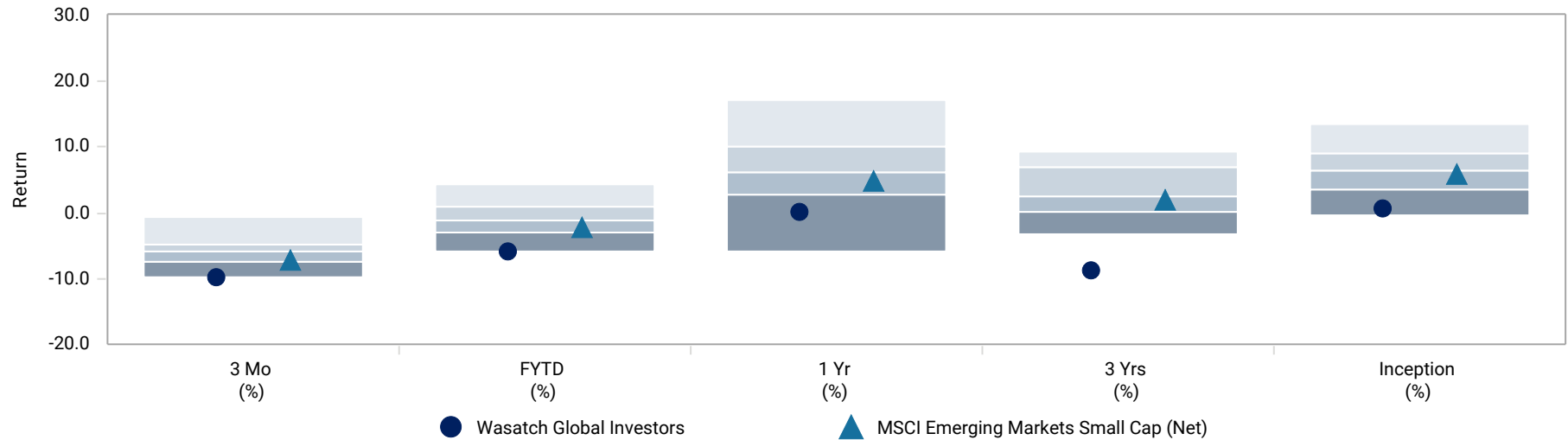


● State Street Emerging Markets ▲ MSCI Emerging Markets (Net)

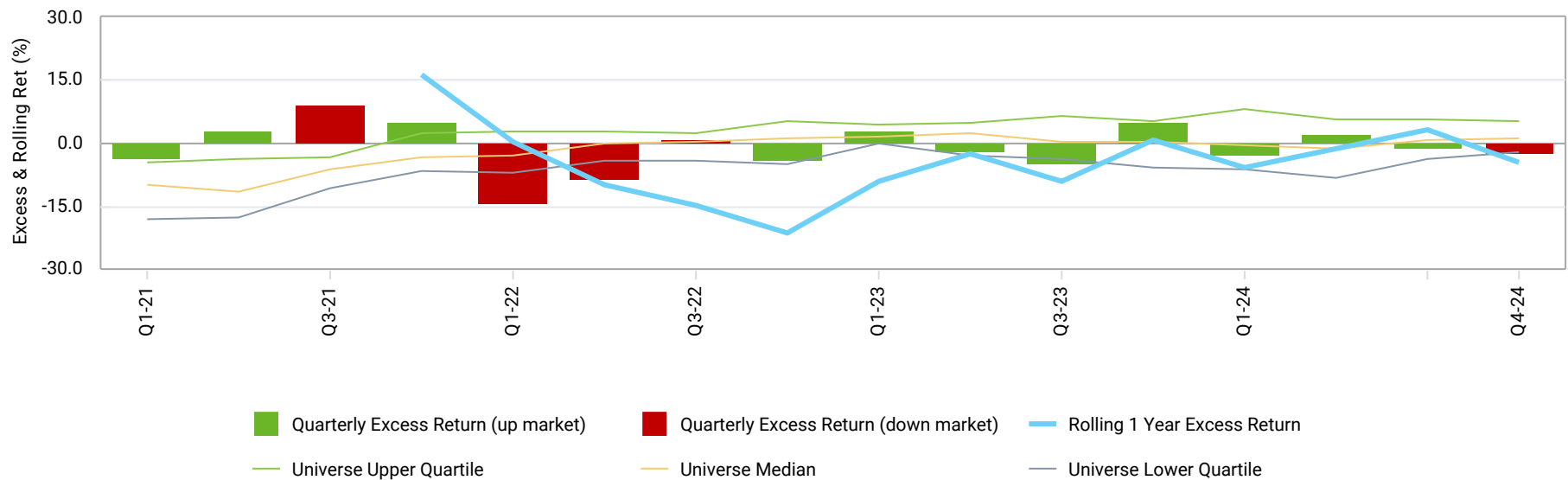


# WASATCH GLOBAL INVESTORS

## eV Emg Mkts Small Cap Equity (net of fees)



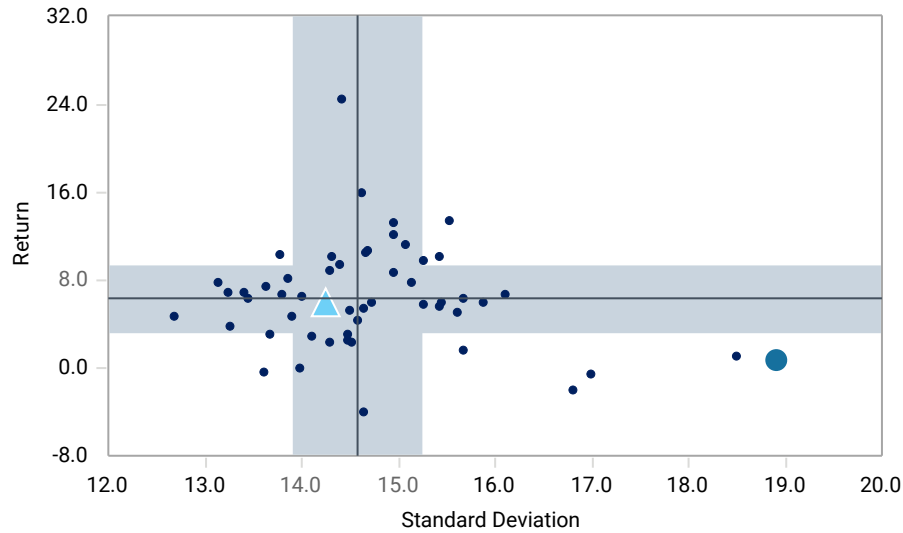
## Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending December 31, 2024



# Los Angeles City Employees' Retirement System-LACERS Master Trust

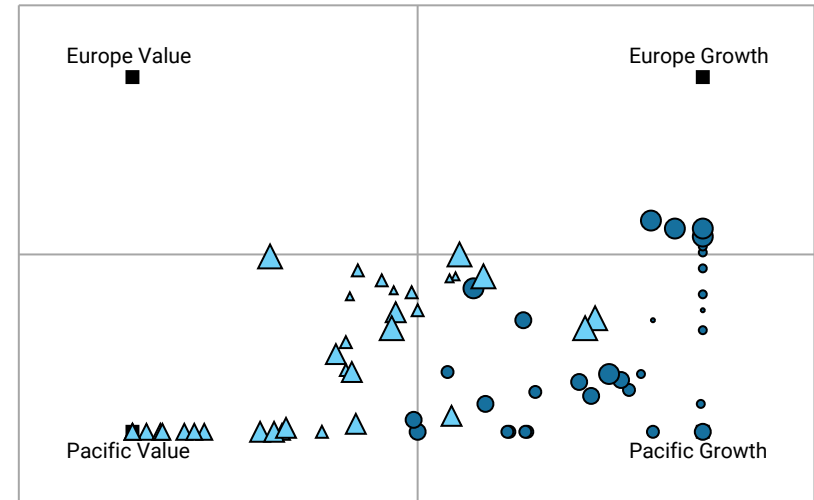
## WASATCH GLOBAL INVESTORS

Since Inception Return vs. Standard Deviation

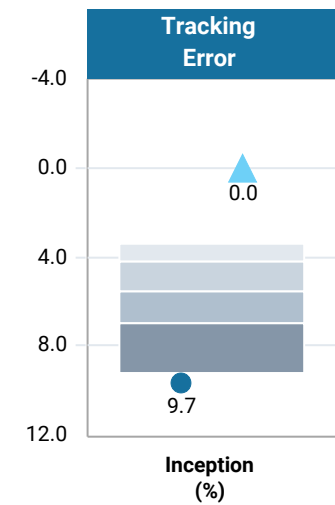
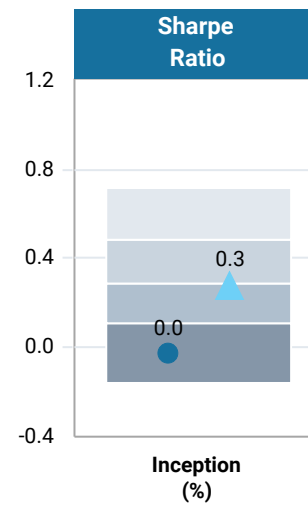
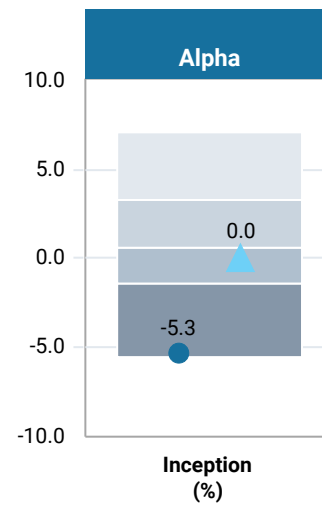
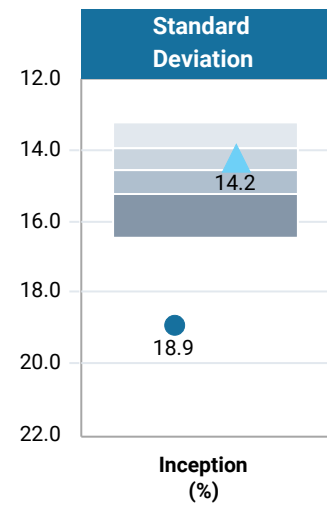
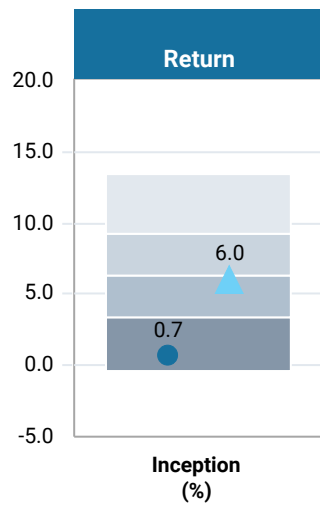


- Wasatch Global Investors
- ▲ MSCI Emerging Markets Small Cap (Net)

Rolling 1 Year Style Map



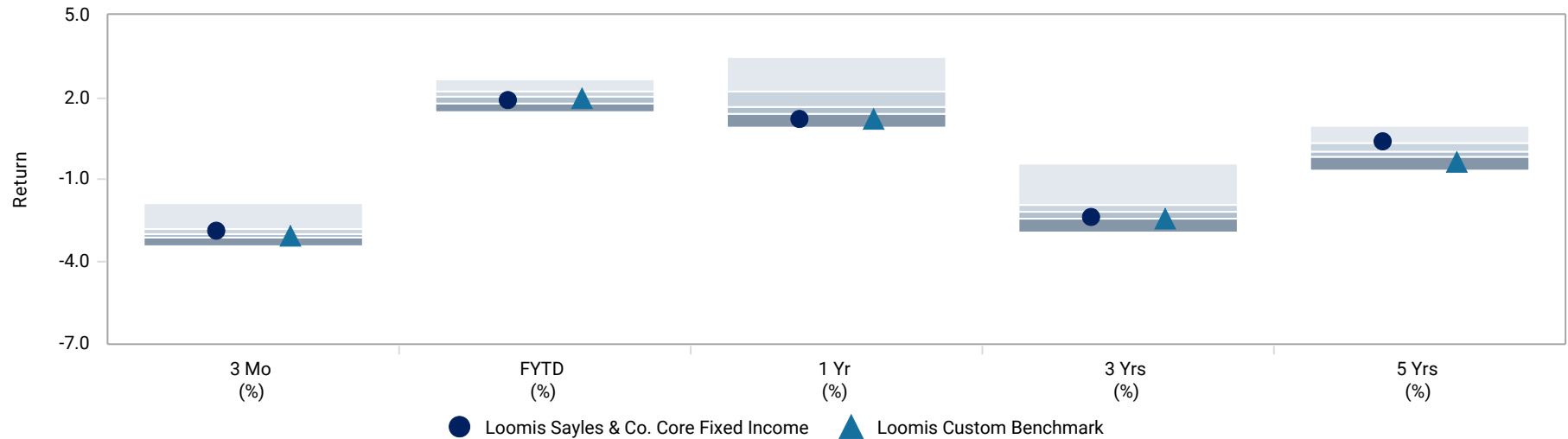
- Wasatch Global Investors
- ▲ MSCI Emerging Markets Small Cap (Net)



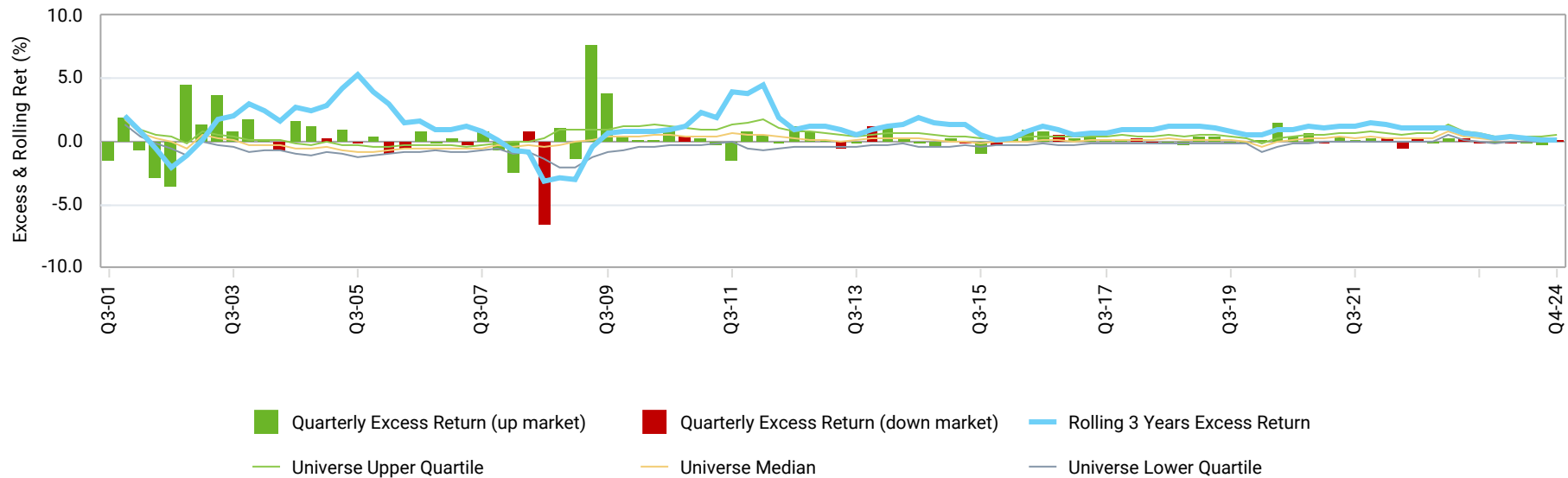
# CORE FIXED INCOME MANAGER PERFORMANCE

# LOOMIS SAYLES & CO. CORE FIXED INCOME

## eV US Core Fixed Inc (net of fees)



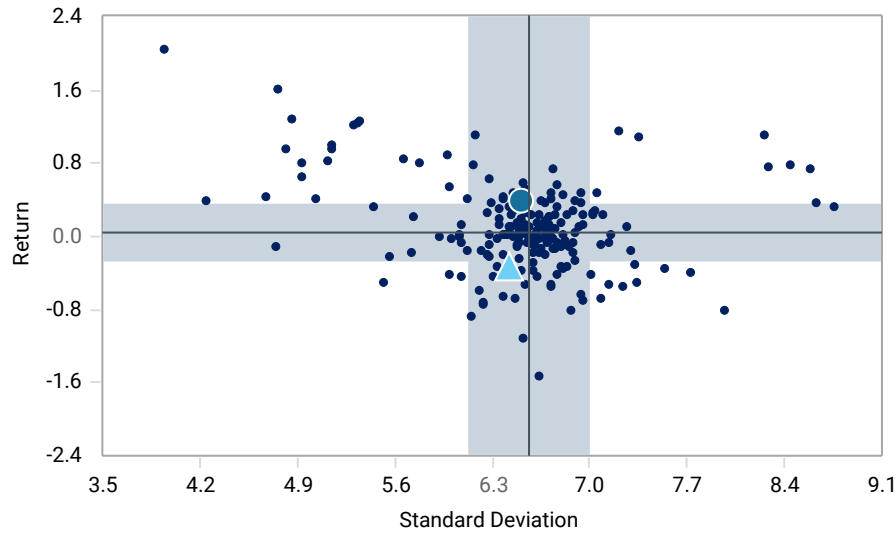
## Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending December 31, 2024



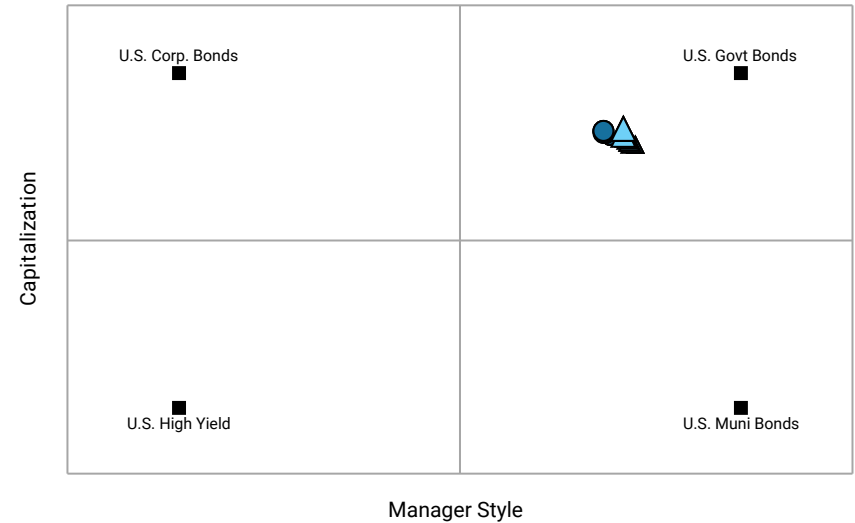
Los Angeles City Employees' Retirement System-LACERS Master Trust

# LOOMIS SAYLES & CO. CORE FIXED INCOME

5 Years Return vs. Standard Deviation

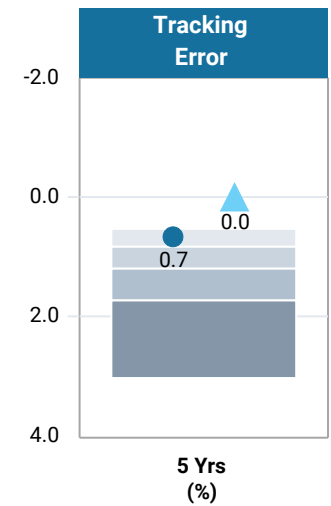
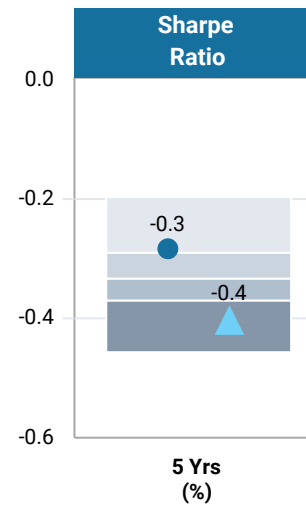
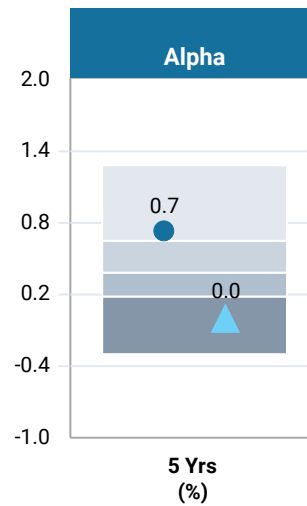
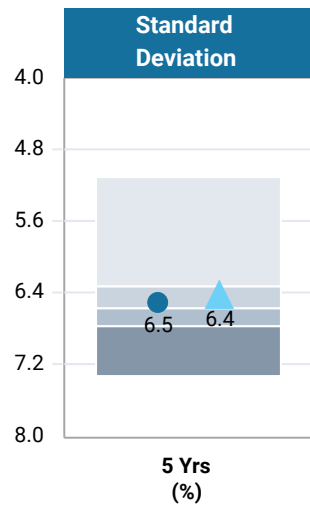
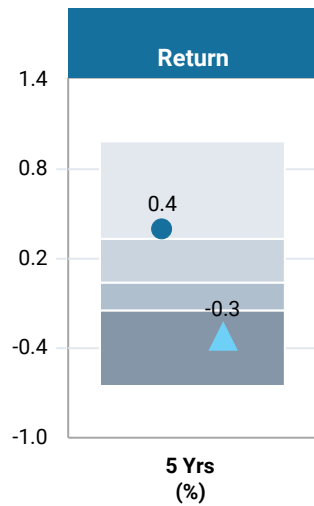


Style Map: (5 Years)



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

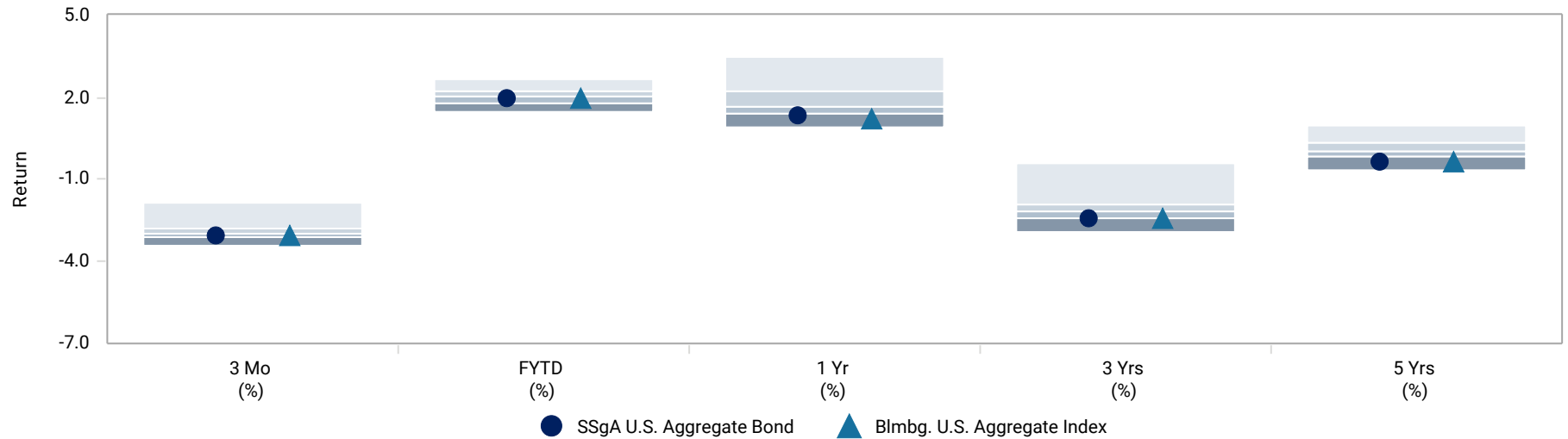
● Loomis Sayles & Co. Core Fixed Income  
▲ Loomis Custom Benchmark





# SSGA U.S. AGGREGATE BOND

## eV US Core Fixed Inc (net of fees)



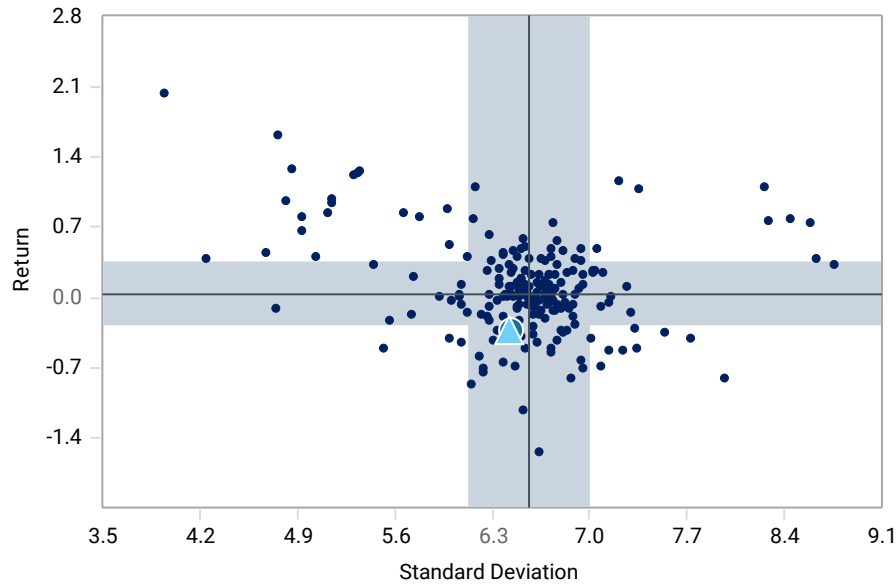
## Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending December 31, 2024



# Los Angeles City Employees' Retirement System-LACERS Master Trust

## SSGA U.S. AGGREGATE BOND

5 Years Return vs. Standard Deviation

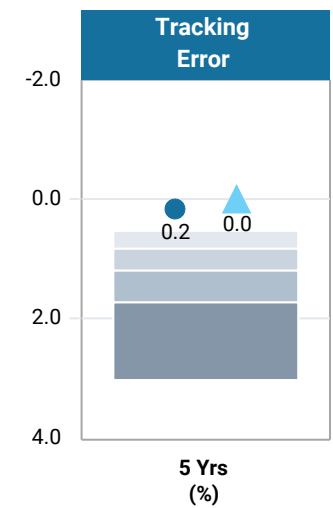
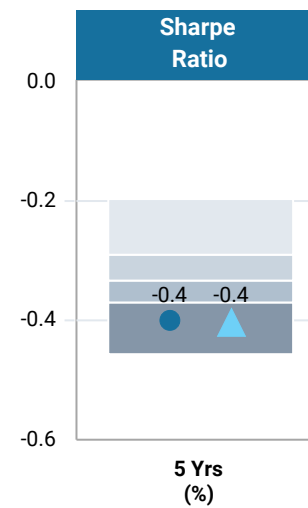
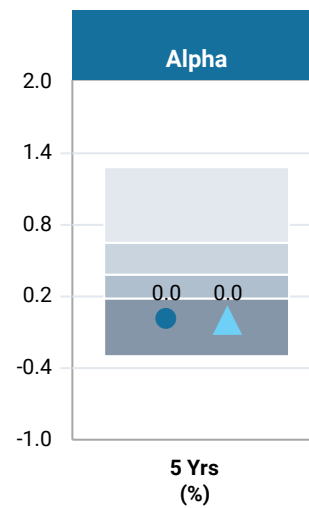
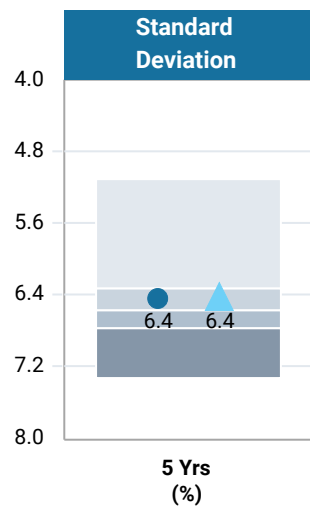
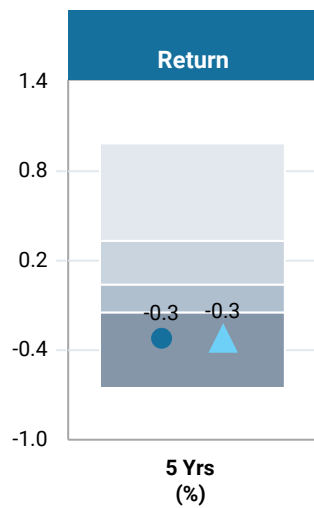


Style Map: (5 Years)



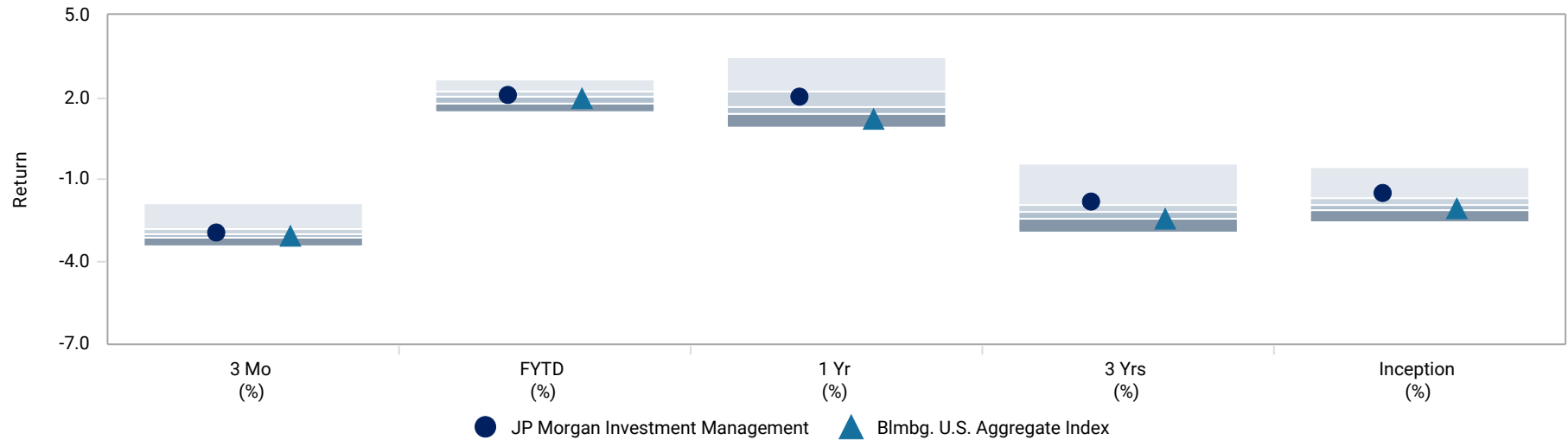
● SSGA U.S. Aggregate Bond ▲ Blmbg. U.S. Aggregate Index

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

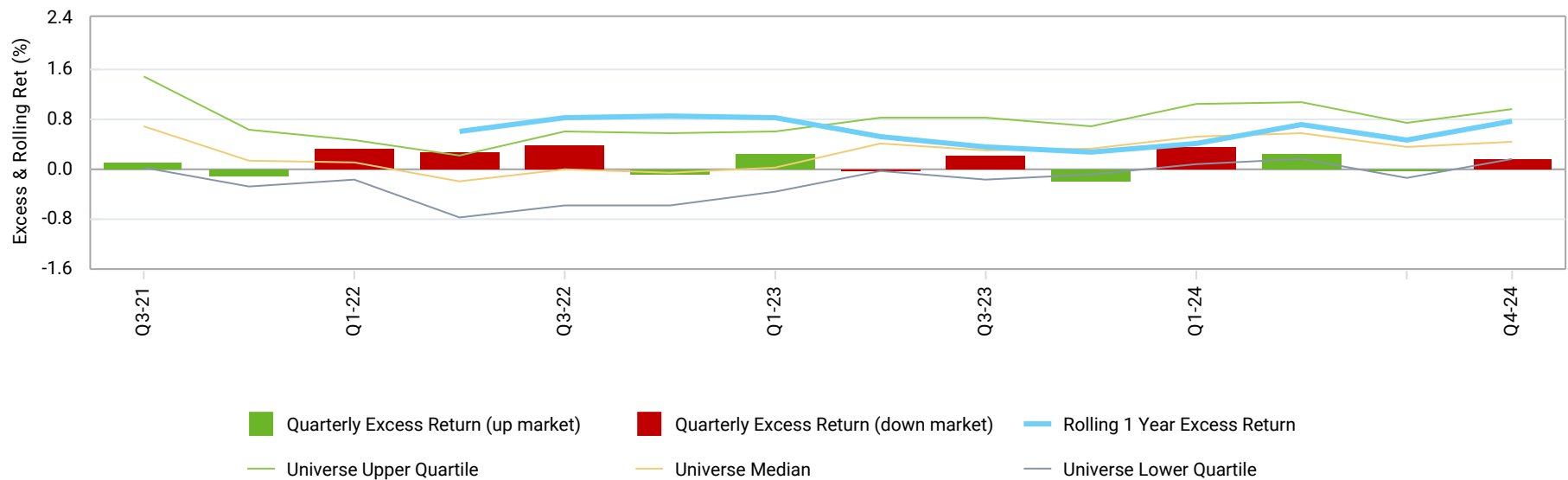


# JP MORGAN INVESTMENT MANAGEMENT

## eV US Core Fixed Inc (net of fees)



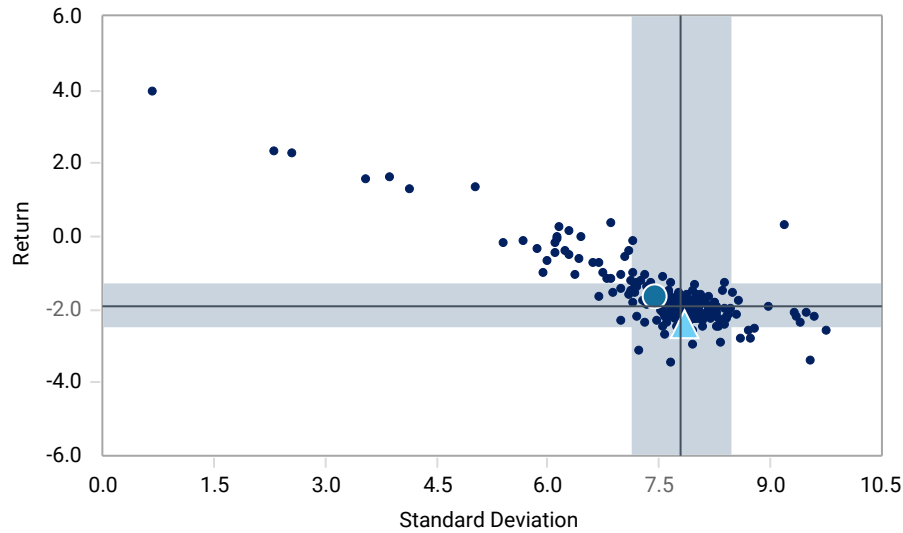
## Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending December 31, 2024



Los Angeles City Employees' Retirement System-LACERS Master Trust

# JP MORGAN INVESTMENT MANAGEMENT

3 Years Return vs. Standard Deviation

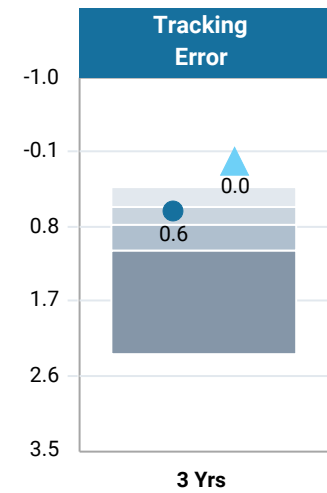
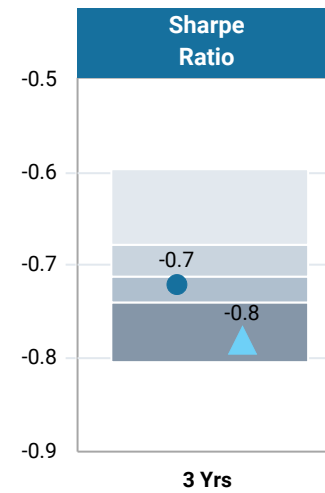
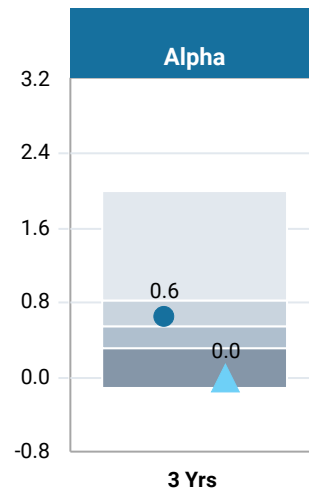
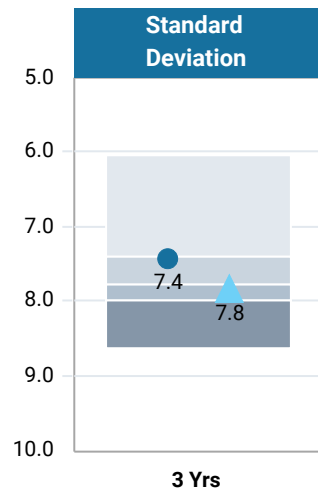
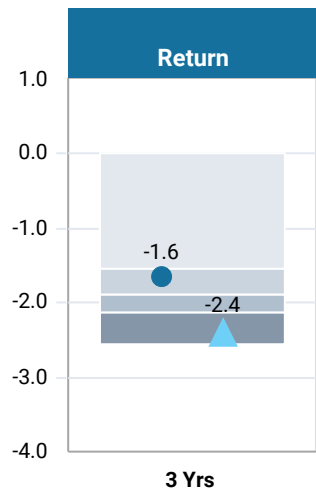


● JP Morgan Investment Management  
▲ Blmbg. U.S. Aggregate Index

Style Map: (1 Year)

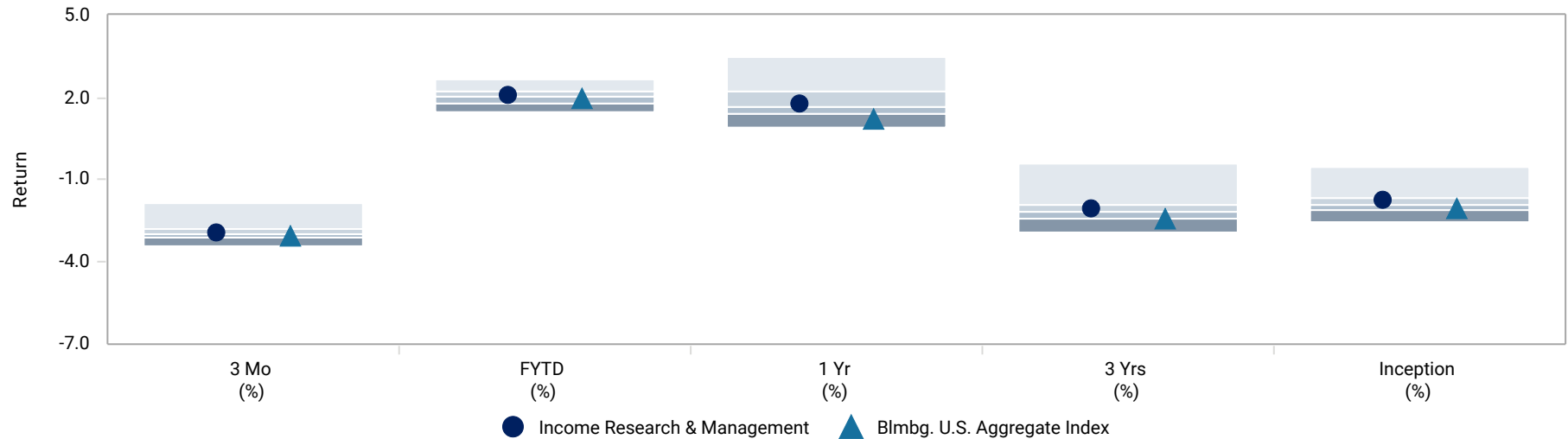


● JP Morgan Investment Management  
▲ Blmbg. U.S. Aggregate Index

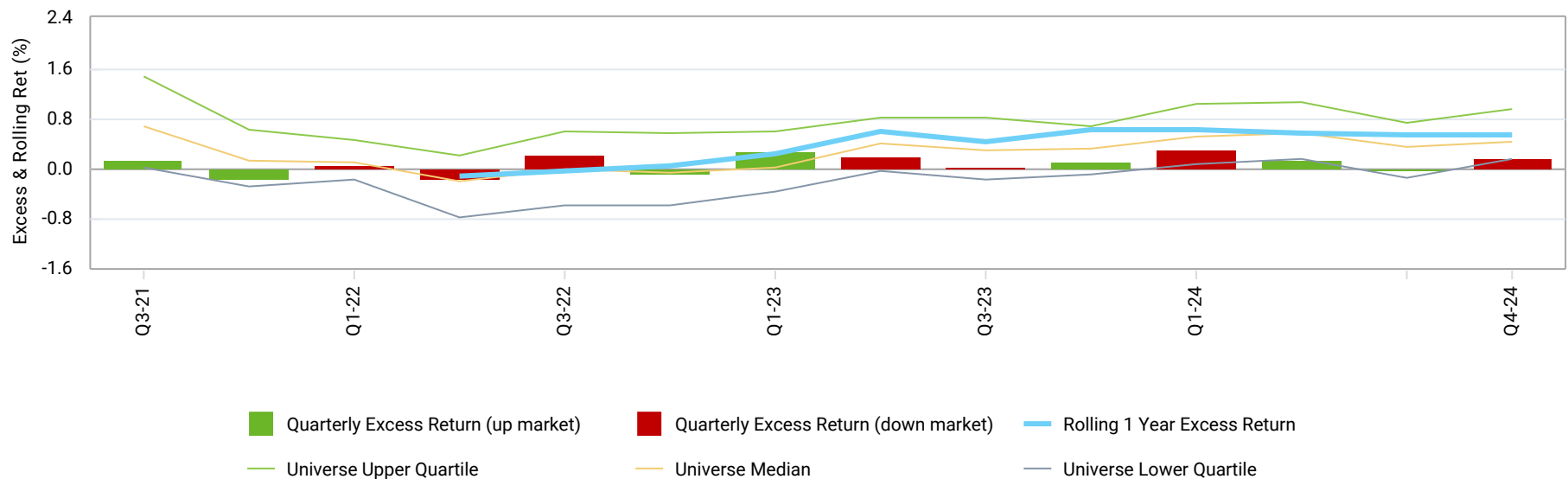


# INCOME RESEARCH & MANAGEMENT

## eV US Core Fixed Inc (net of fees)



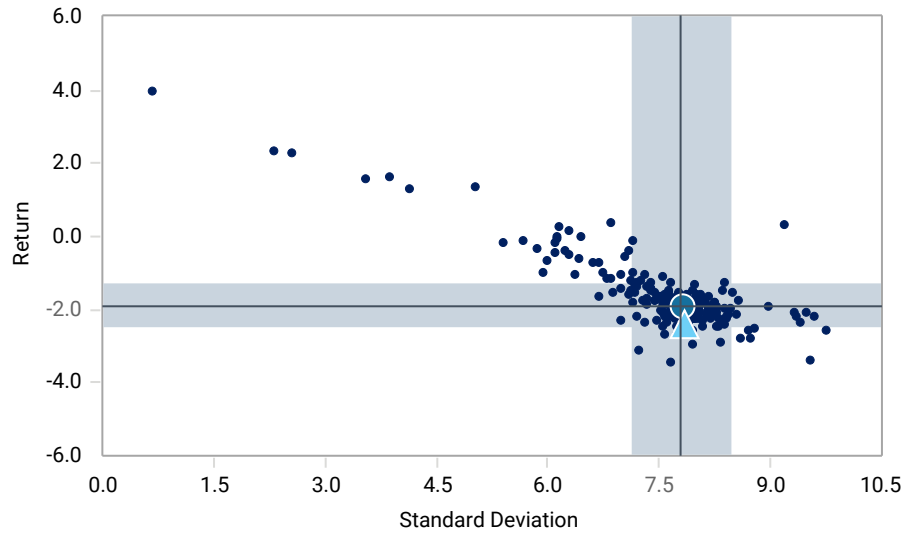
## Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending December 31, 2024



# Los Angeles City Employees' Retirement System-LACERS Master Trust

## INCOME RESEARCH & MANAGEMENT

3 Years Return vs. Standard Deviation

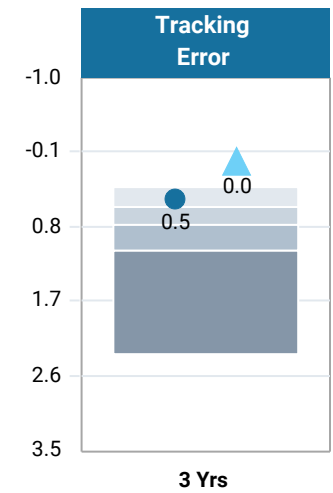
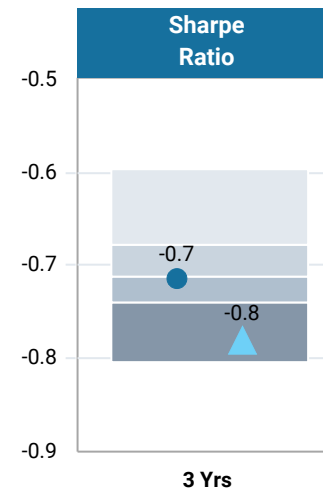
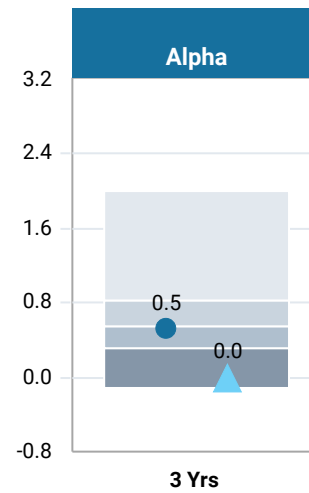
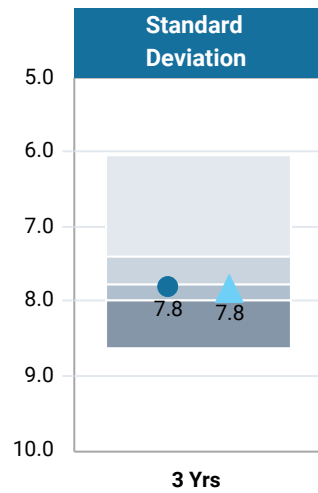
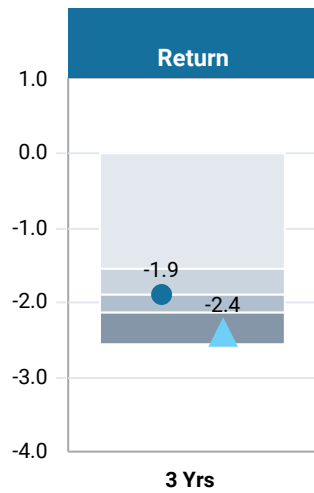


● Income Research & Management  
▲ Blmbg. U.S. Aggregate Index

Style Map: (1 Year)

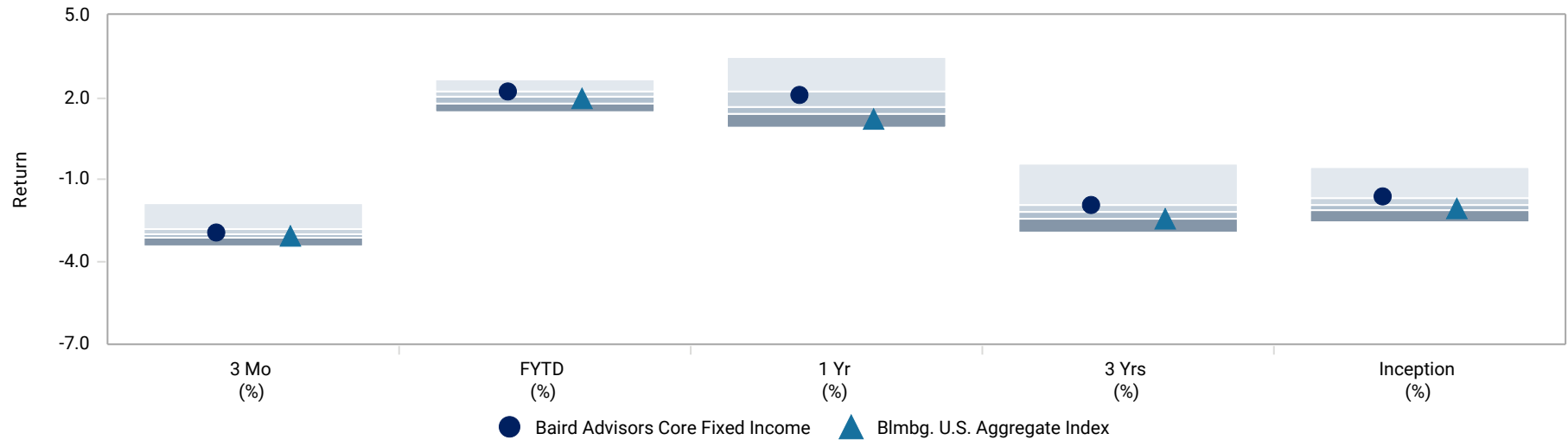


● Income Research & Management ▲ Blmbg. U.S. Aggregate Index

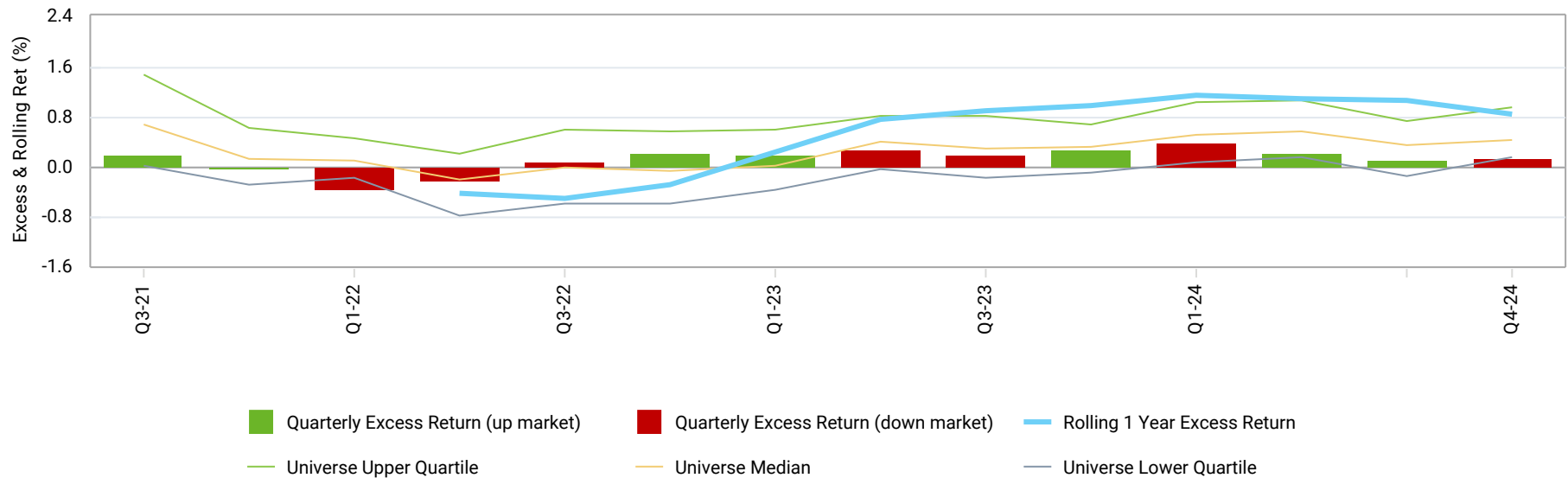


# BAIRD ADVISORS CORE FIXED INCOME

## eV US Core Fixed Inc (net of fees)



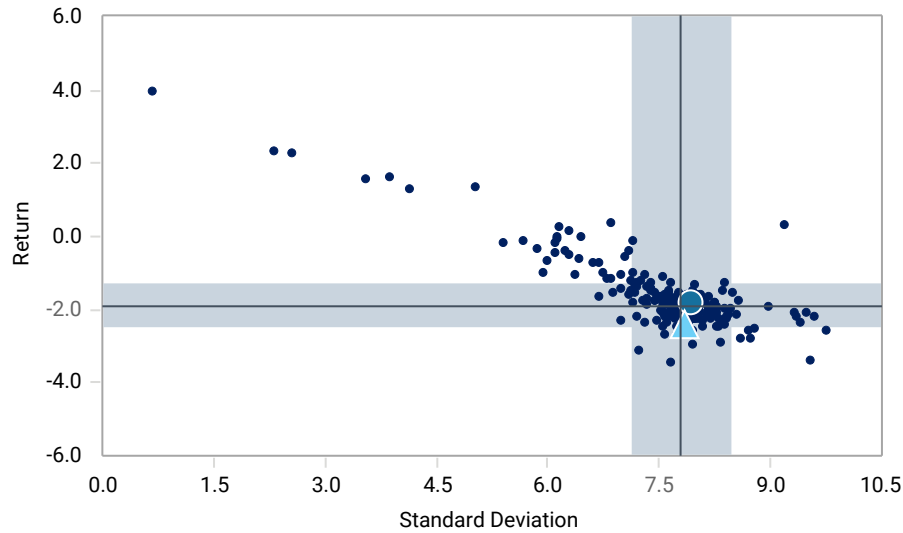
## Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending December 31, 2024



Los Angeles City Employees' Retirement System-LACERS Master Trust

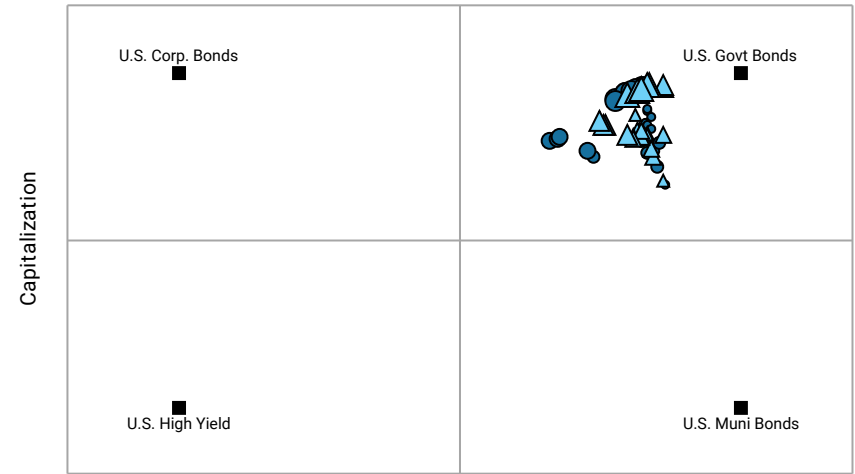
# BAIRD ADVISORS CORE FIXED INCOME

3 Years Return vs. Standard Deviation

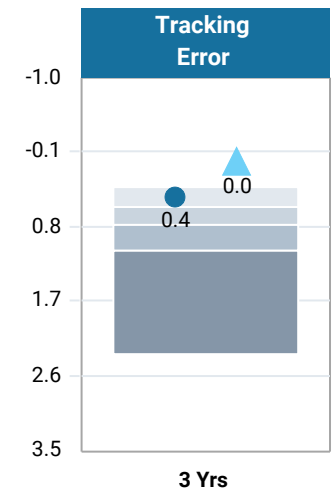
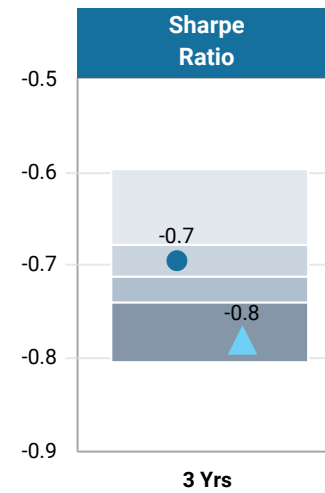
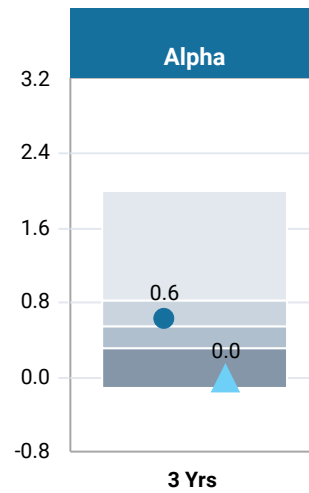
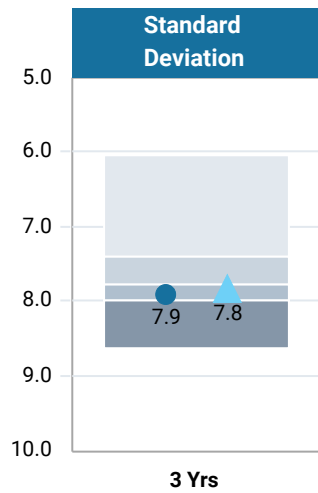
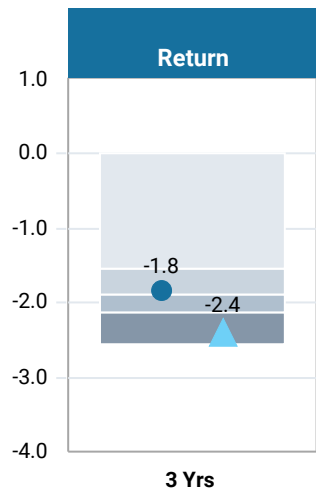


● Baird Advisors Core Fixed Income  
▲ Blmbg. U.S. Aggregate Index

Style Map: (1 Year)



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

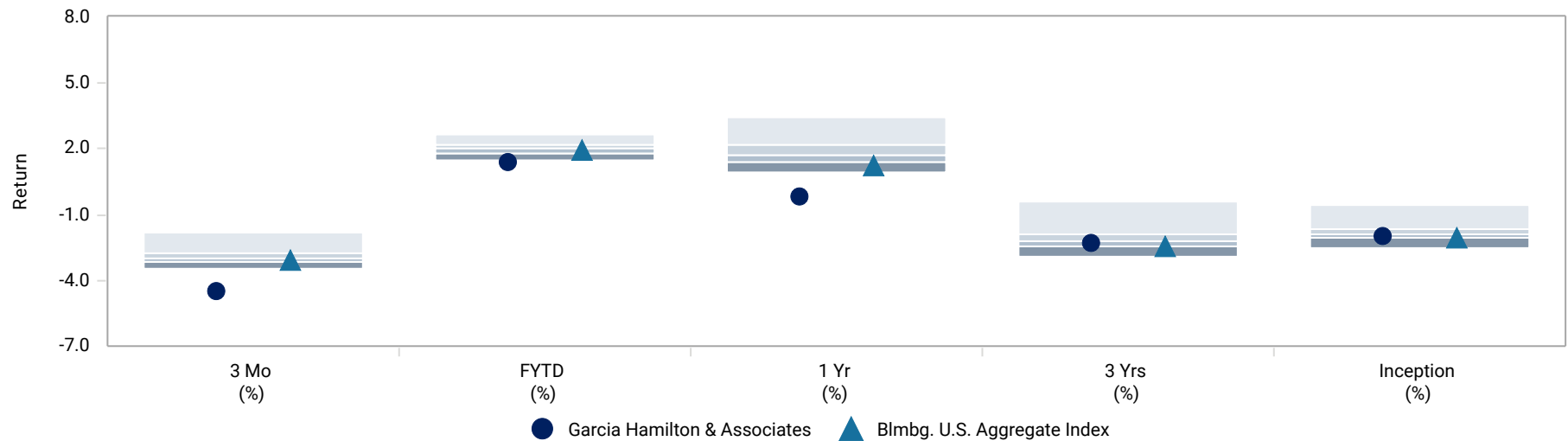




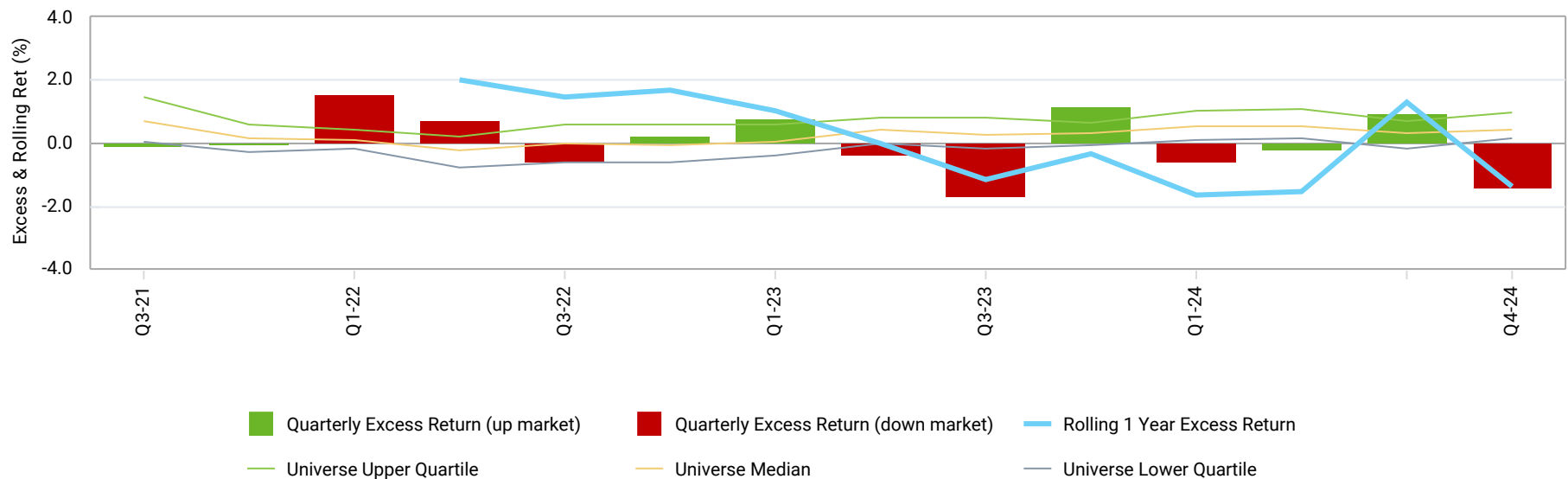
# Los Angeles City Employees' Retirement System-LACERS Master Trust

## GARCIA HAMILTON & ASSOCIATES

eV US Core Fixed Inc (net of fees)



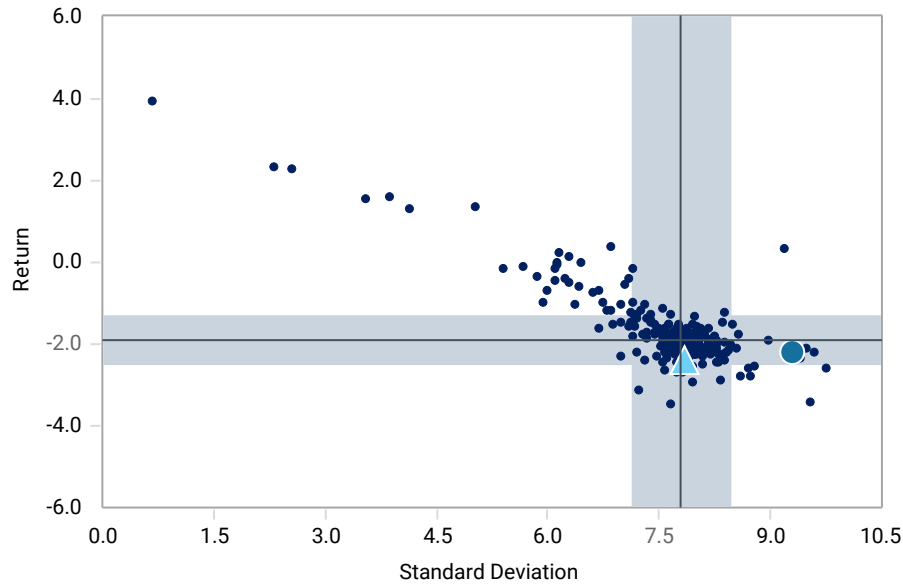
Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending December 31, 2024



# Los Angeles City Employees' Retirement System-LACERS Master Trust

## GARCIA HAMILTON & ASSOCIATES

3 Years Return vs. Standard Deviation

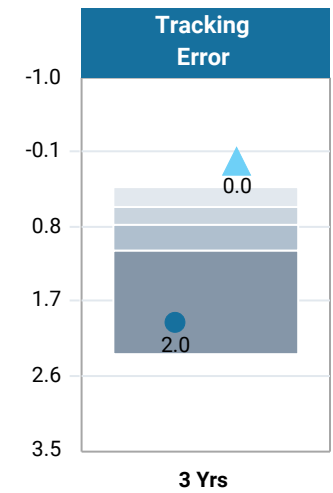
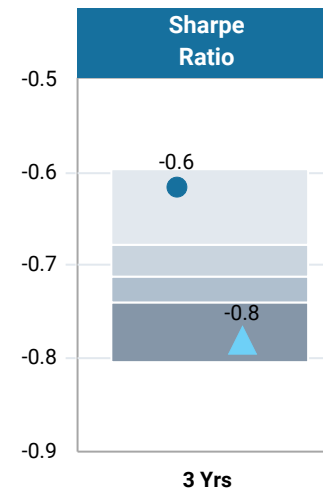
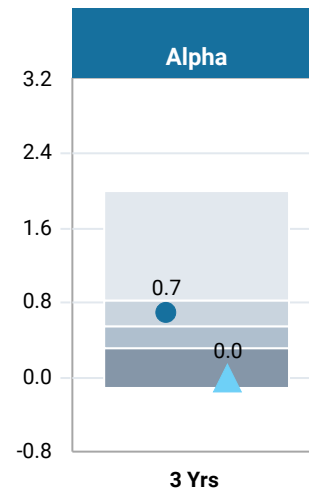
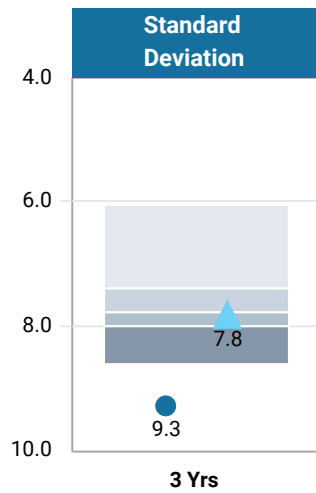
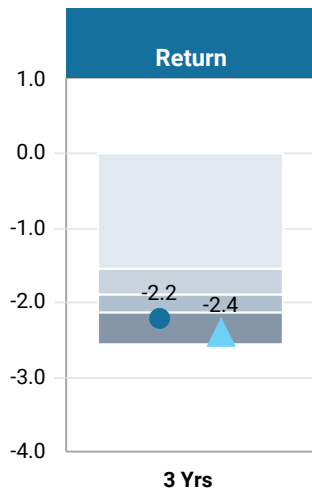


● Garcia Hamilton & Associates ▲ Blmbg. U.S. Aggregate Index

Style Map: (1 Year)



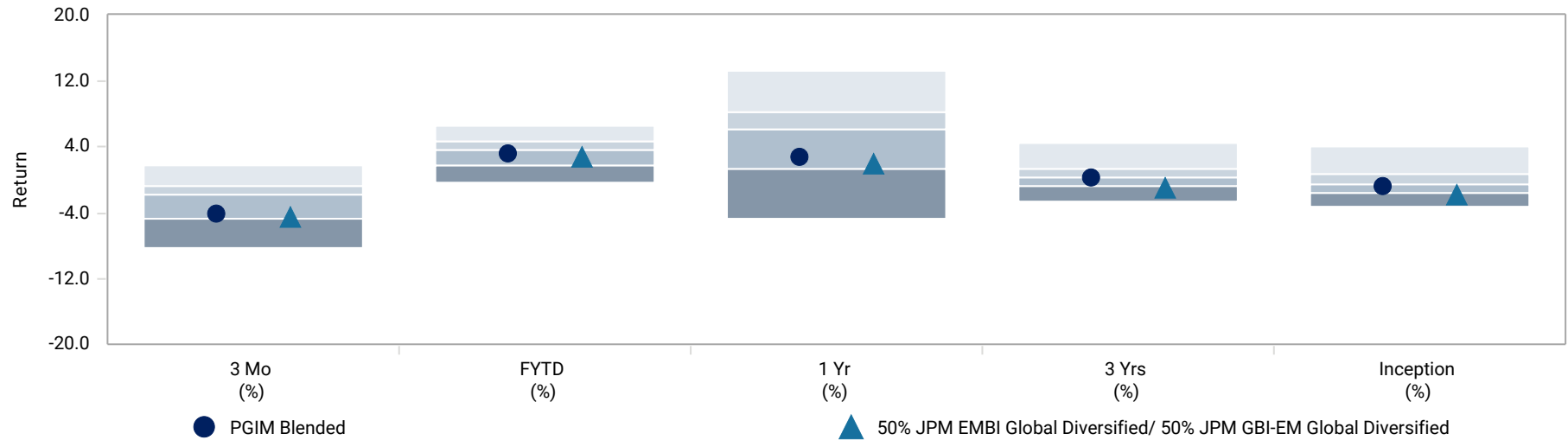
● Garcia Hamilton & Associates ▲ Blmbg. U.S. Aggregate Index



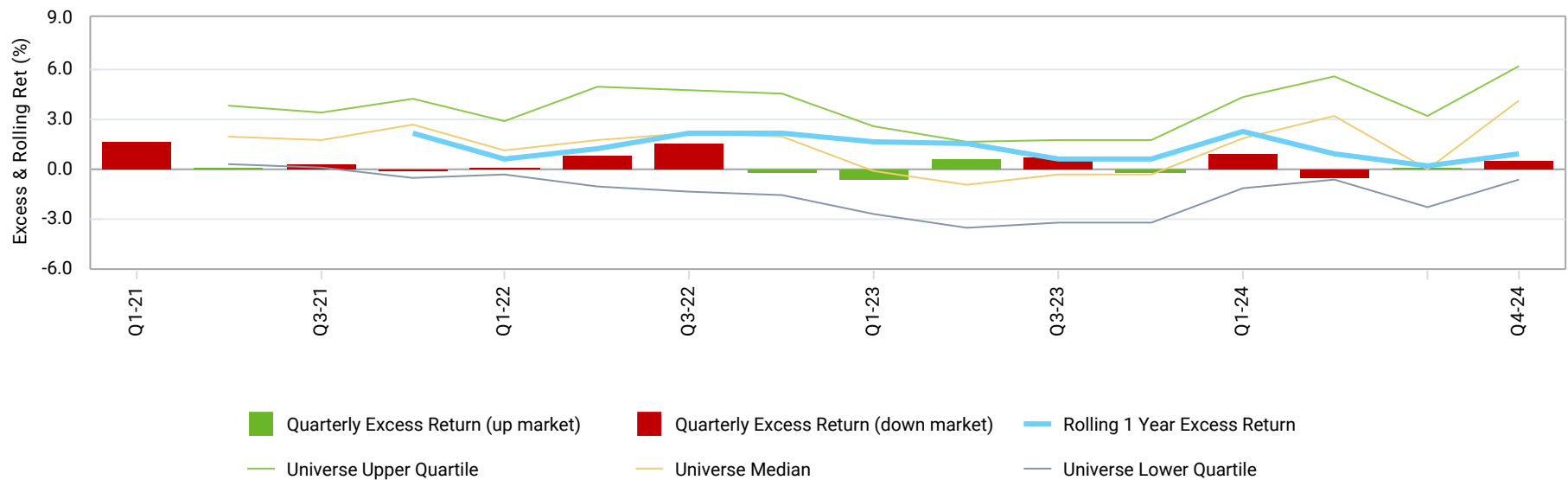
# CREDIT OPPORTUNITIES MANAGER PERFORMANCE

# PGIM BLENDED

eV All Emg Mkts Fixed Inc (net of fees)



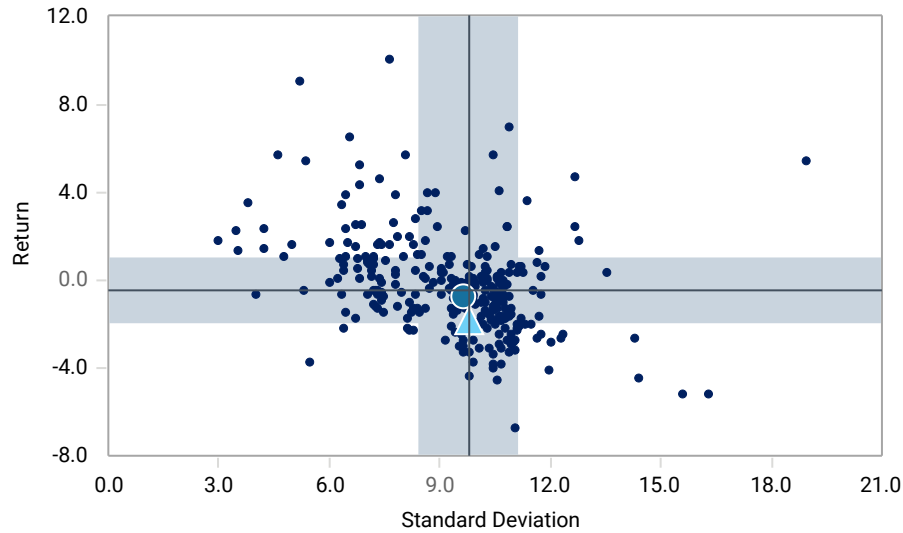
Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending December 31, 2024



Los Angeles City Employees' Retirement System-LACERS Master Trust

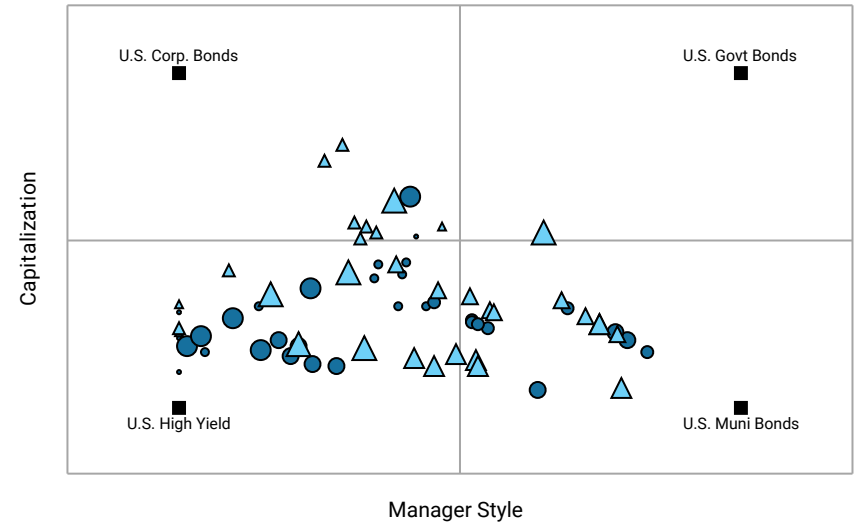
# PGIM BLENDED

Since Inception Return vs. Standard Deviation

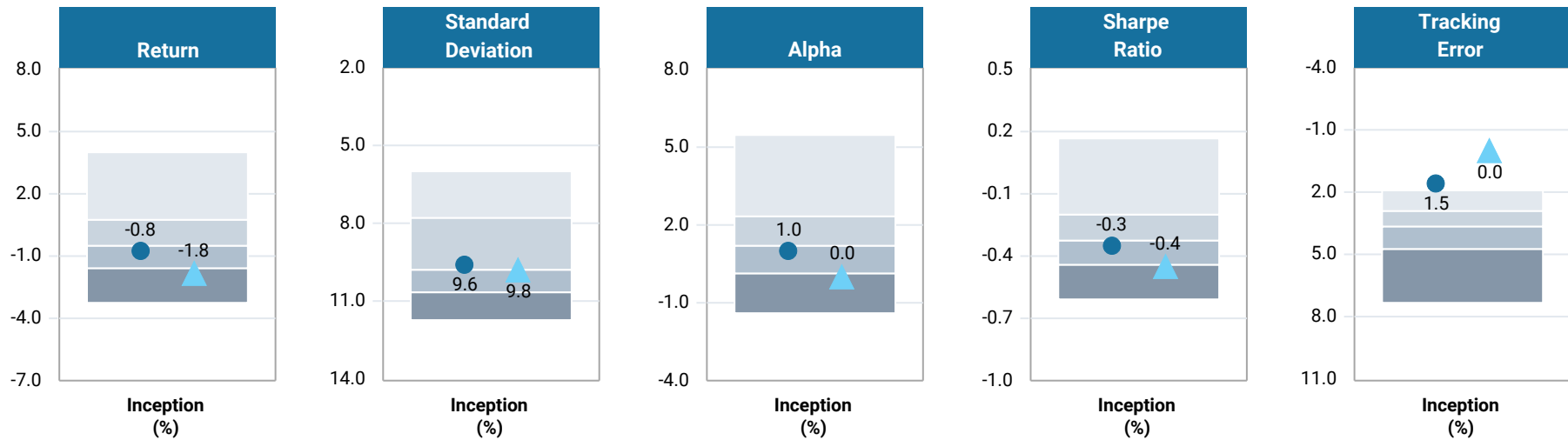


- PGIM Blended
- ▲ 50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified

Style Map: (1 Year)

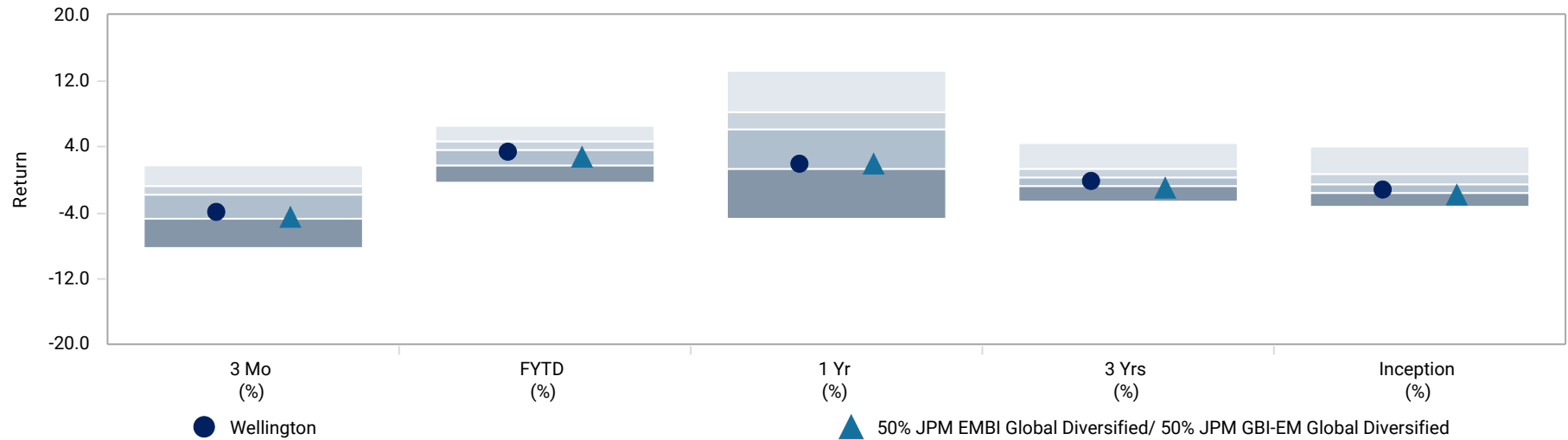


- PGIM Blended
- ▲ 50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified

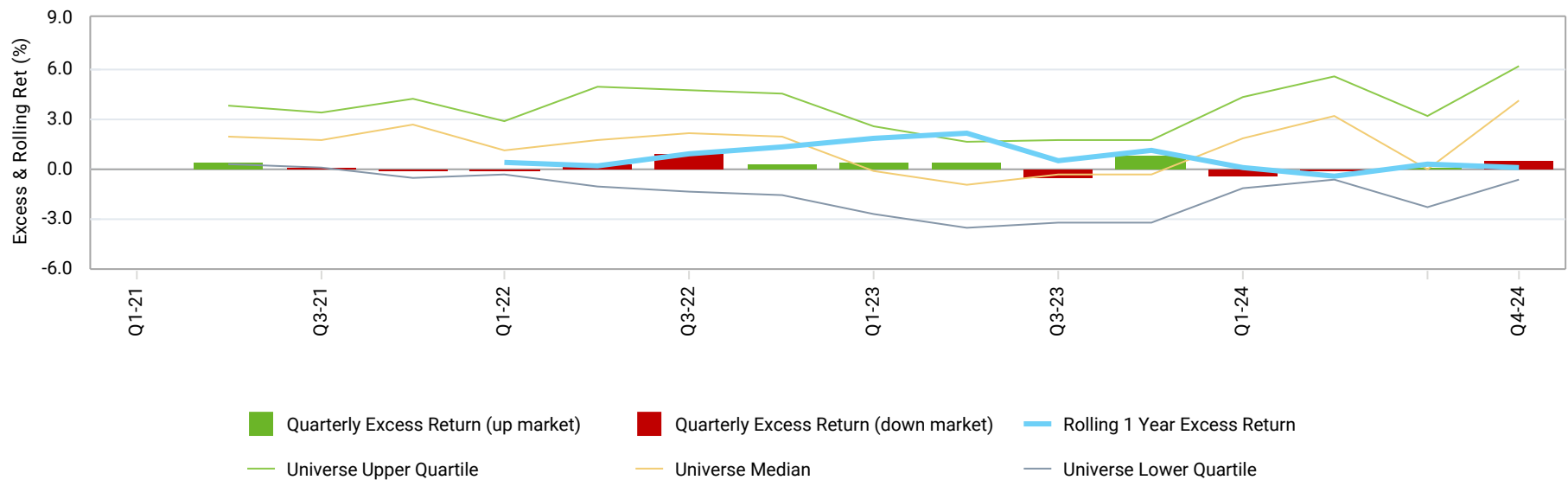


# WELLINGTON

## eV All Emg Mkts Fixed Inc (net of fees)



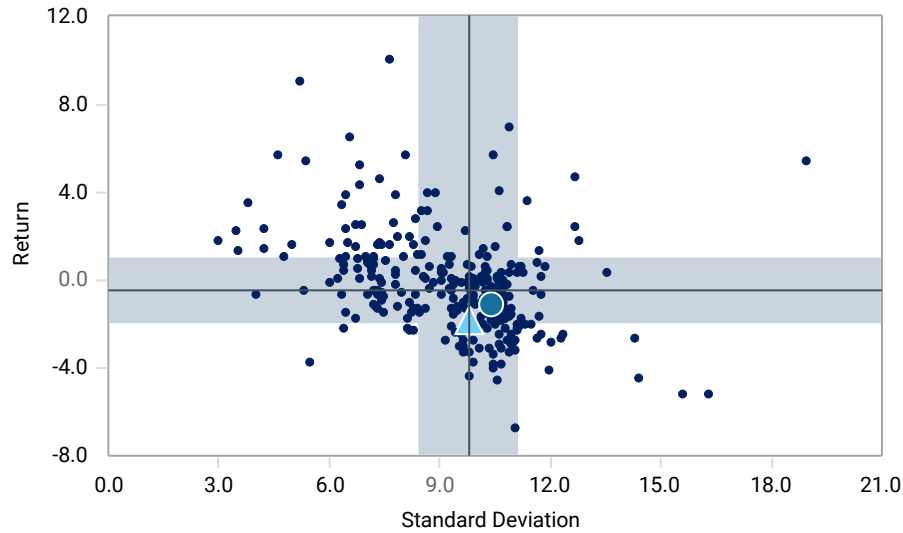
## Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending December 31, 2024



Los Angeles City Employees' Retirement System-LACERS Master Trust

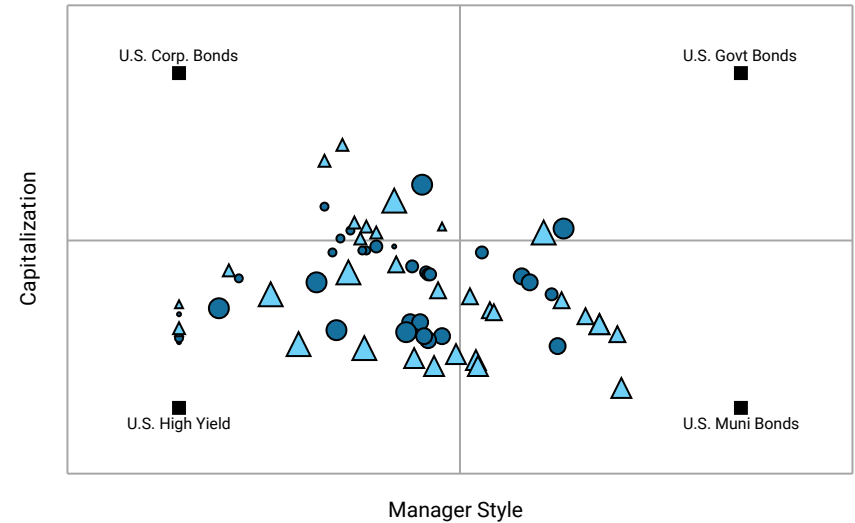
# WELLINGTON

Since Inception Return vs. Standard Deviation

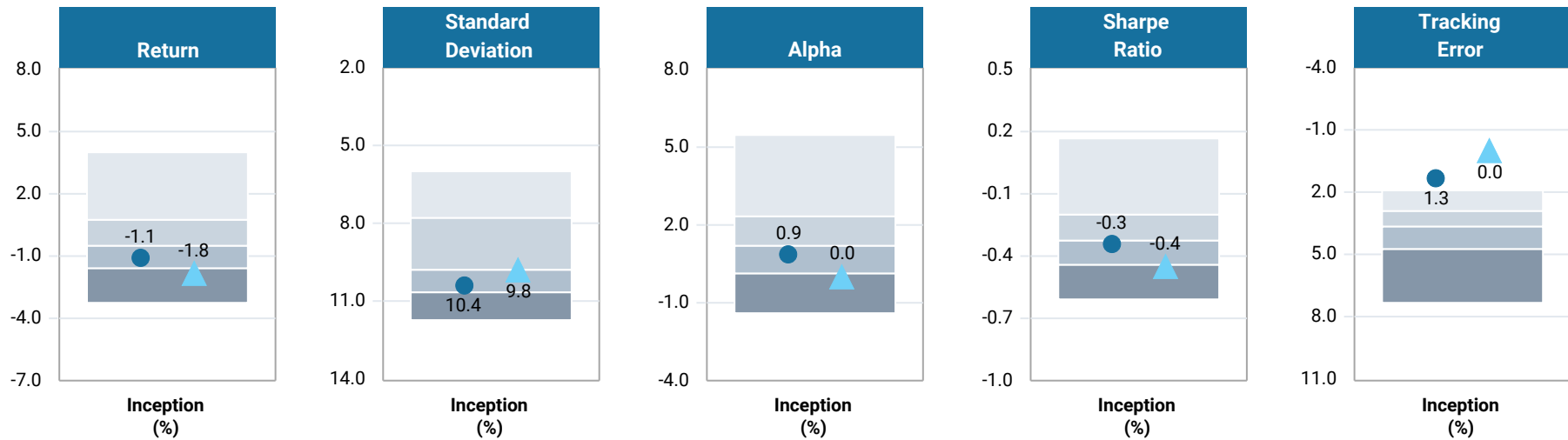


- Wellington
- ▲ 50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified

Style Map: (1 Year)



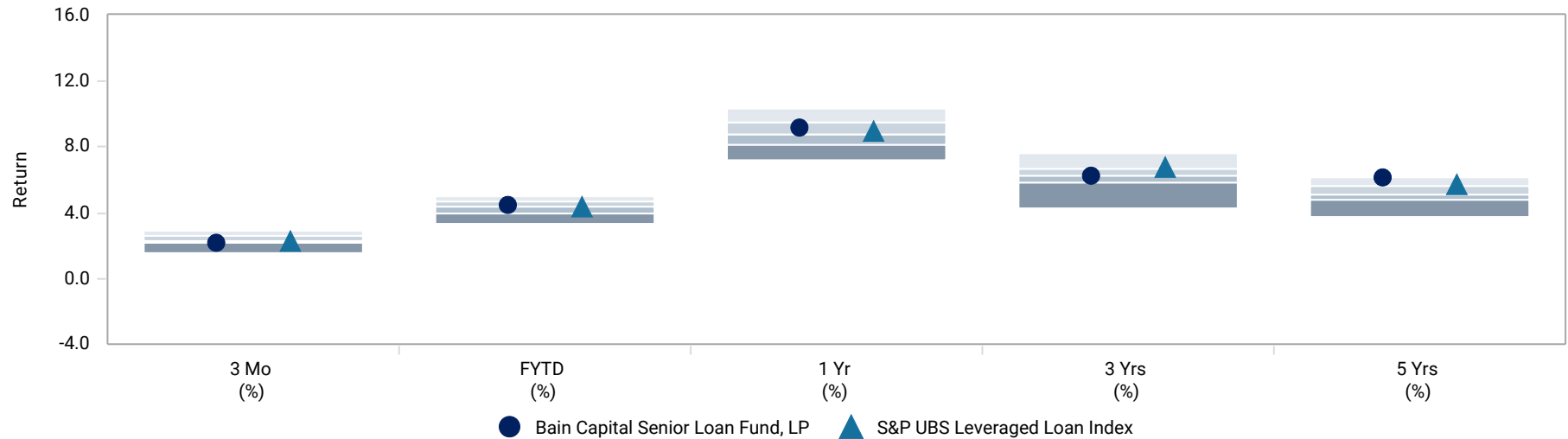
- Wellington
- ▲ 50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified



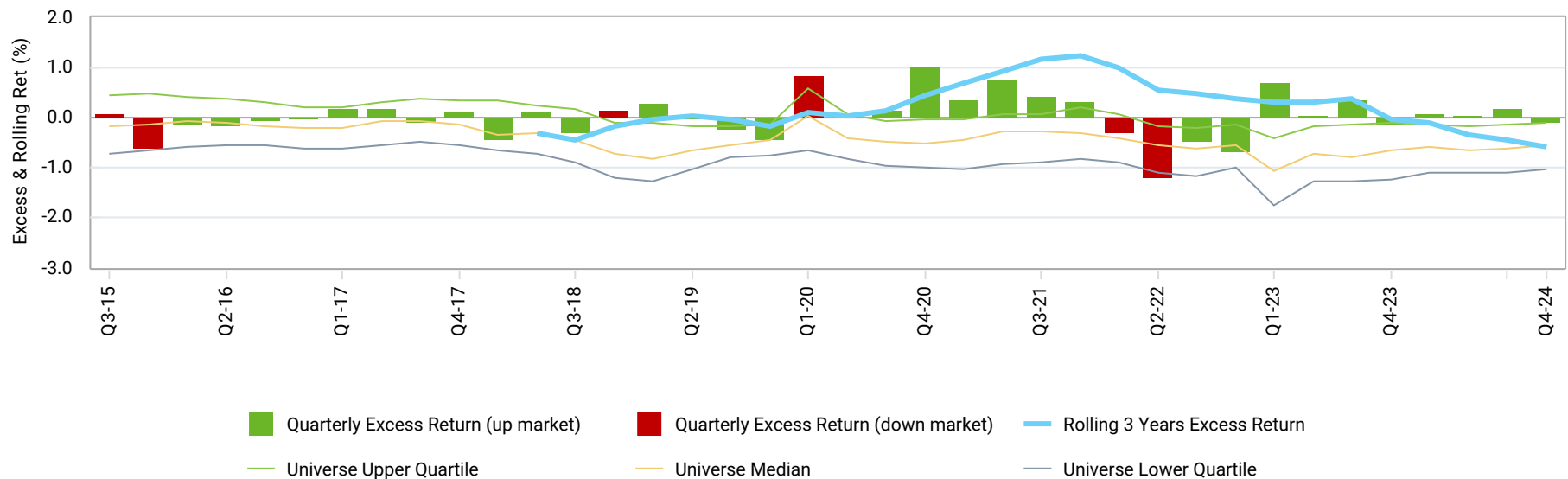
Los Angeles City Employees' Retirement System-LACERS Master Trust

# 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 December 31, 2024

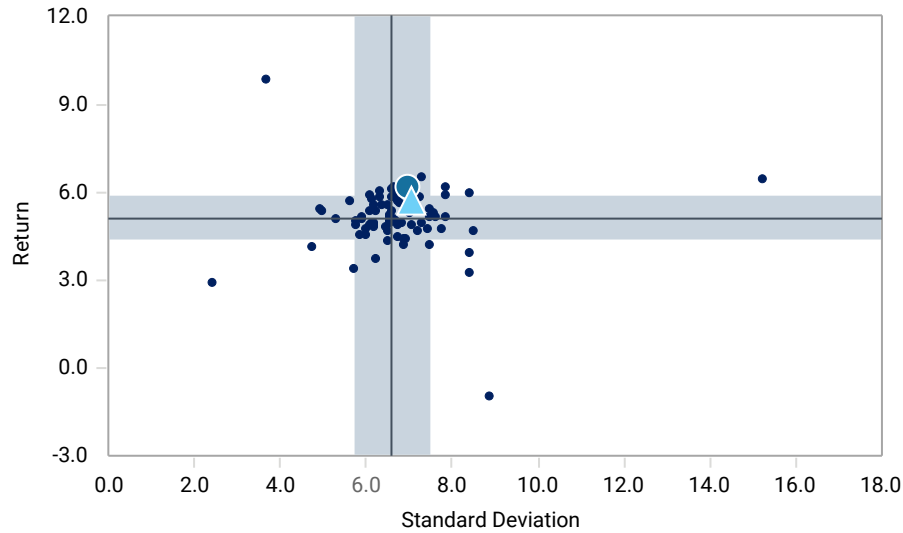




Los Angeles City Employees' Retirement System-LACERS Master Trust

# BAIN CAPITAL SENIOR LOAN FUND, LP

5 Years Return vs. Standard Deviation

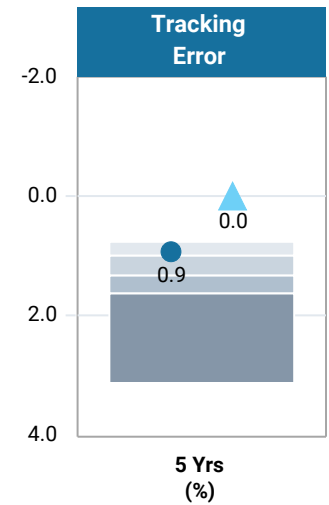
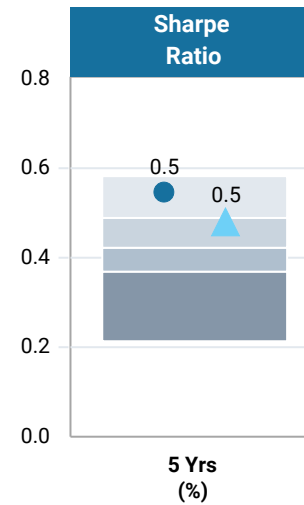
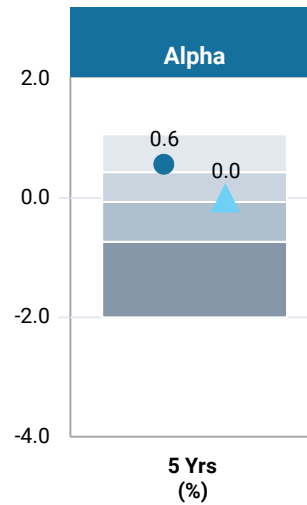
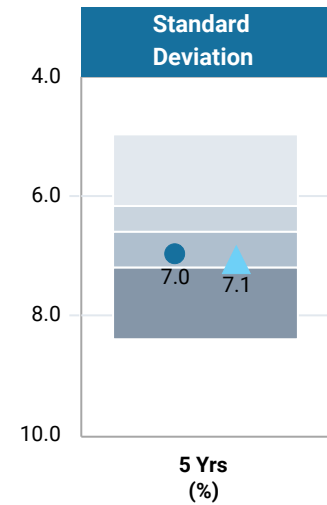
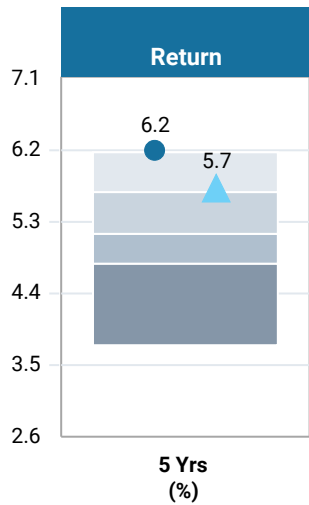


Style Map: (3 Years)



● Bain Capital Senior Loan Fund, LP  
▲ S&P UBS Leveraged Loan Index

● Bain Capital Senior Loan Fund, LP  
▲ S&P UBS Leveraged Loan Index

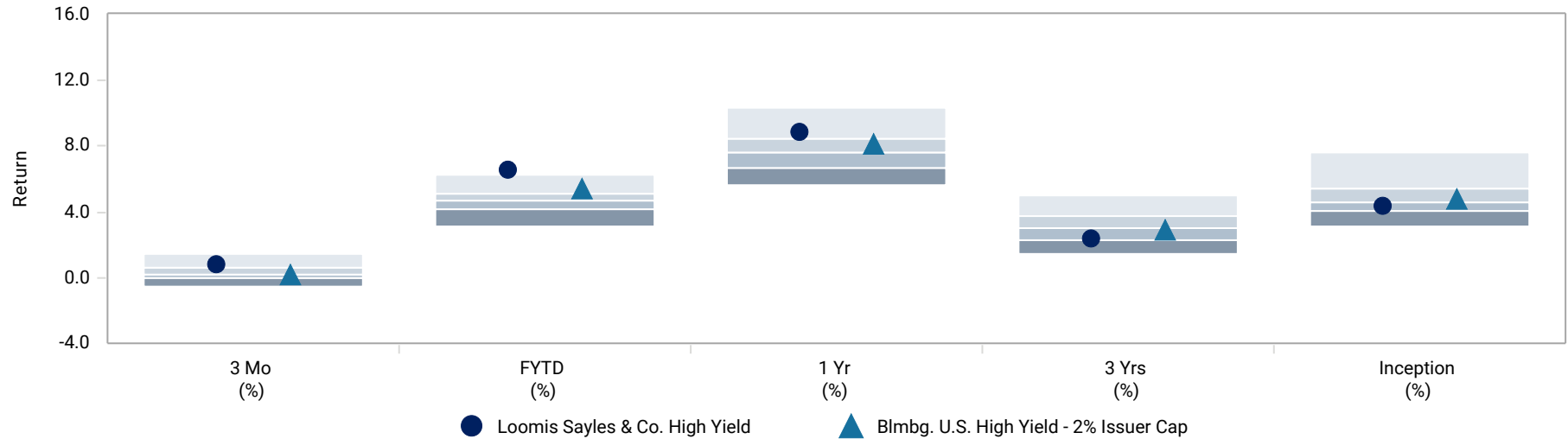


# Los Angeles City Employees' Retirement System-LACERS Master Trust

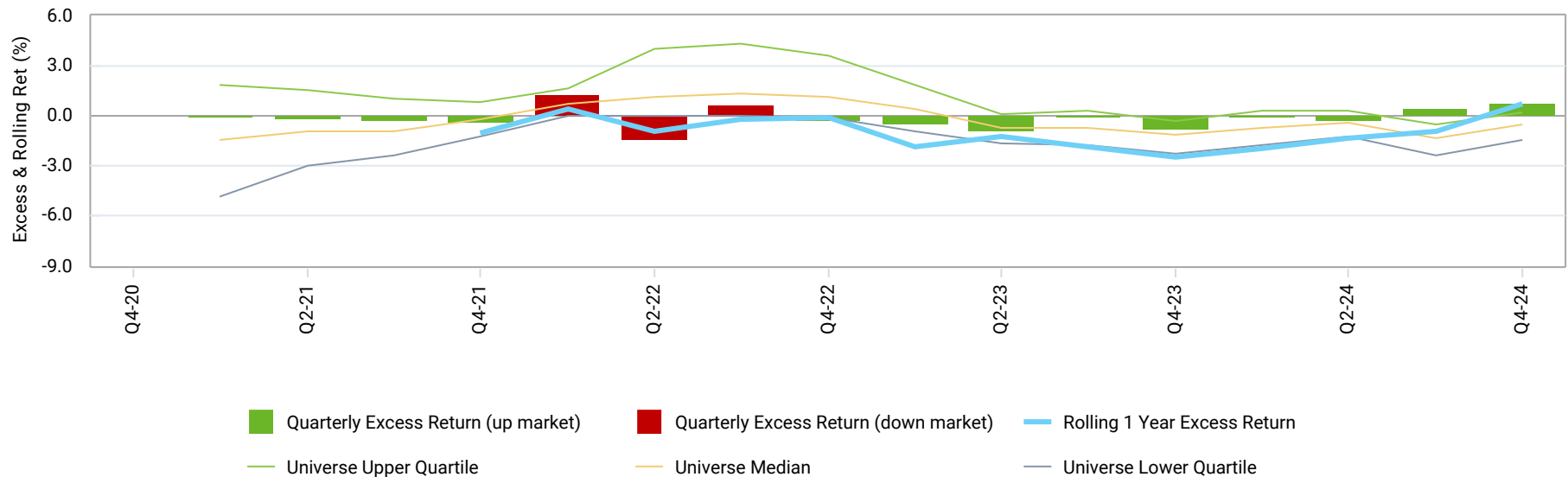
## LOOMIS SAYLES & CO. HIGH YIELD

December 31, 2024

eV US High Yield Fixed Inc (net of fees)



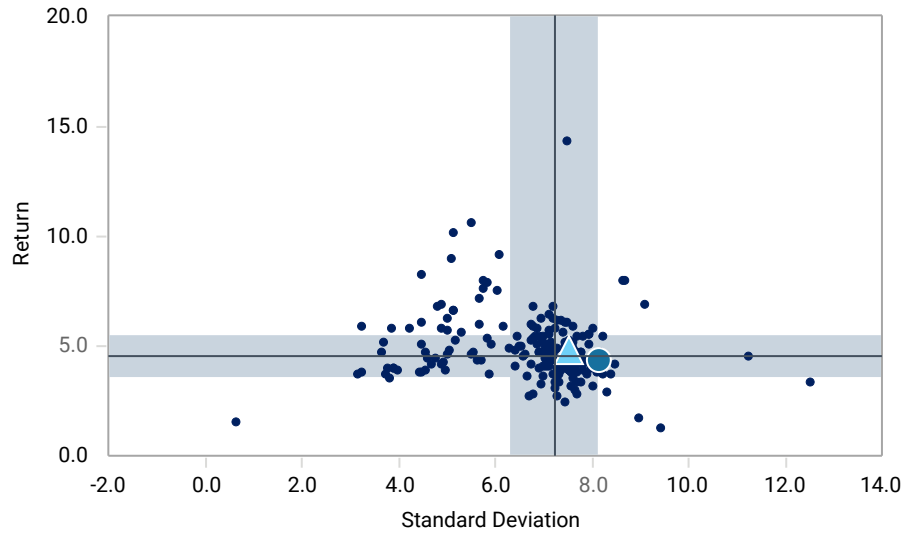
Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending December 31, 2024



# Los Angeles City Employees' Retirement System-LACERS Master Trust

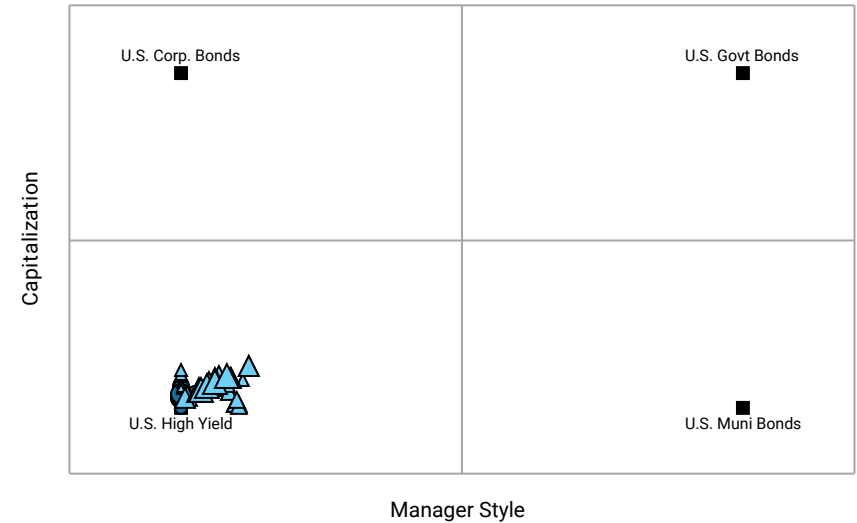
## LOOMIS SAYLES & CO. HIGH YIELD

Since Inception Return vs. Standard Deviation

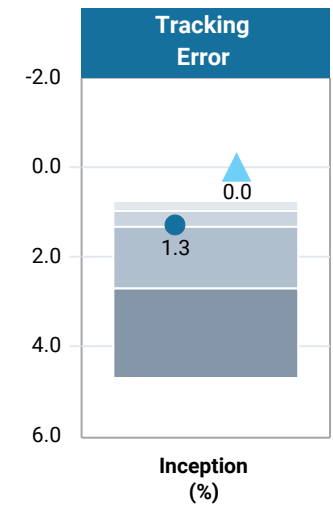
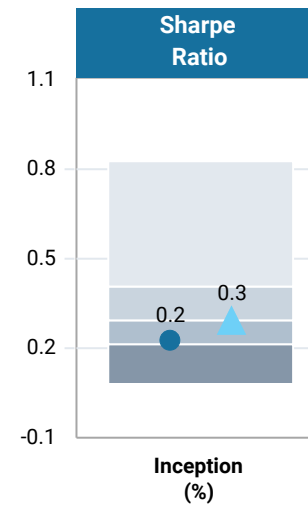
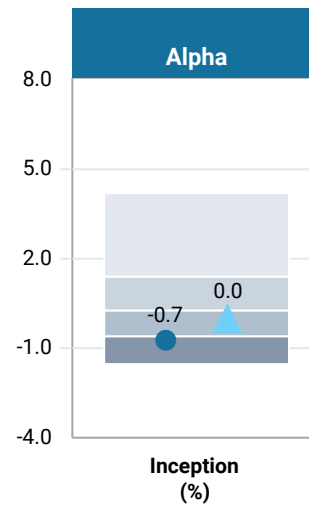
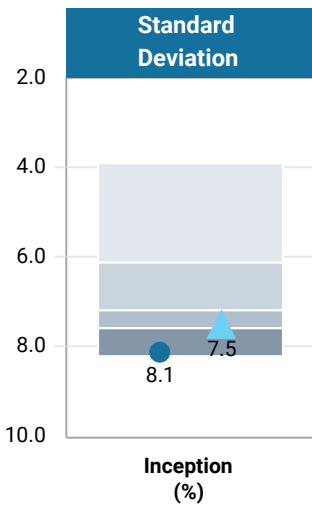
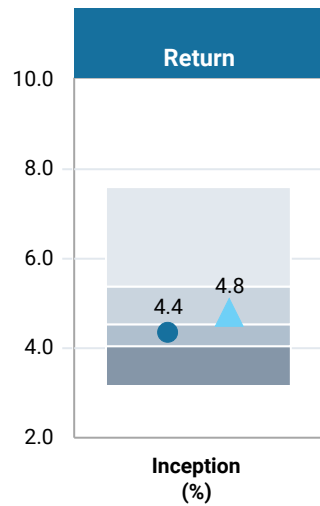


- Loomis Sayles & Co. High Yield
- ▲ Blmbg. U.S. High Yield - 2% Issuer Cap

Style Map: (1 Year)

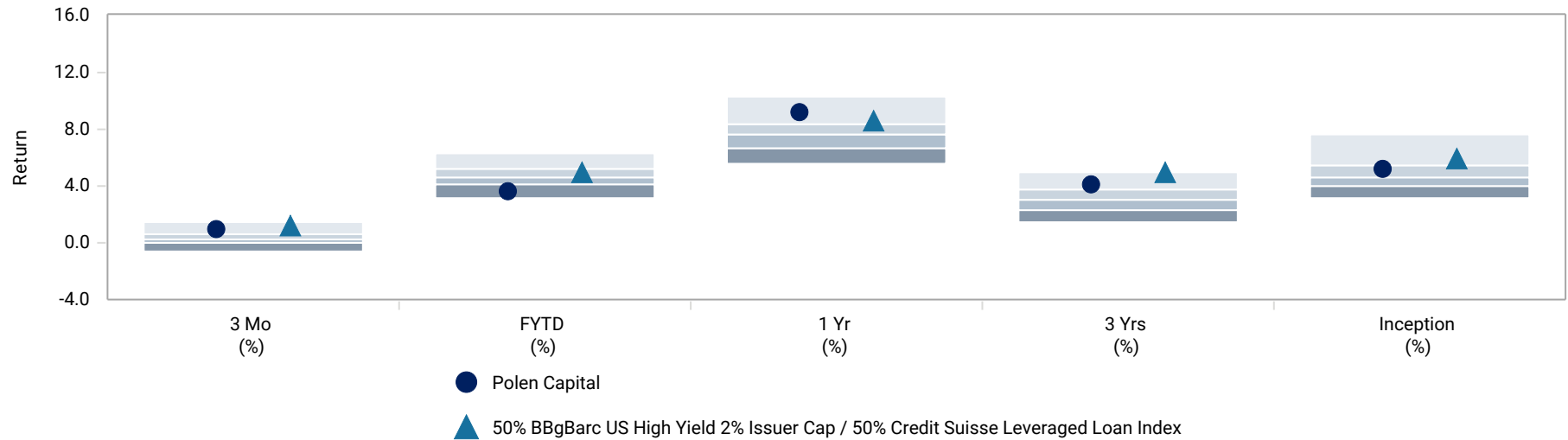


- Loomis Sayles & Co. High Yield
- ▲ Blmbg. U.S. High Yield - 2% Issuer Cap

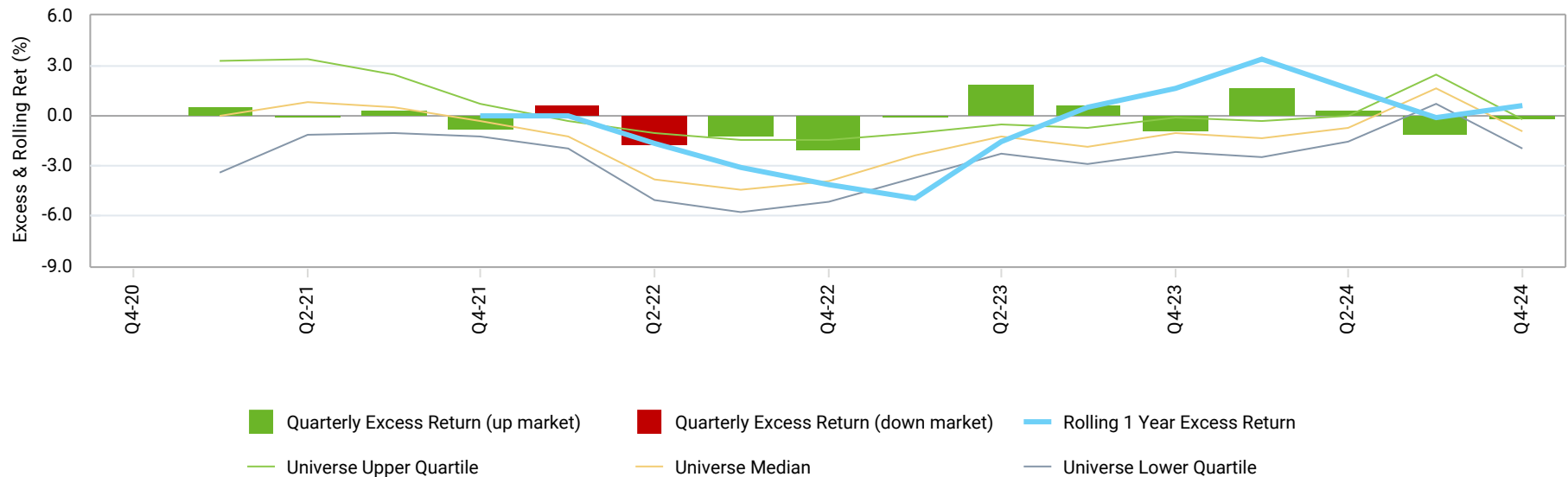


# POLEN CAPITAL

## eV US High Yield Fixed Inc (net of fees)



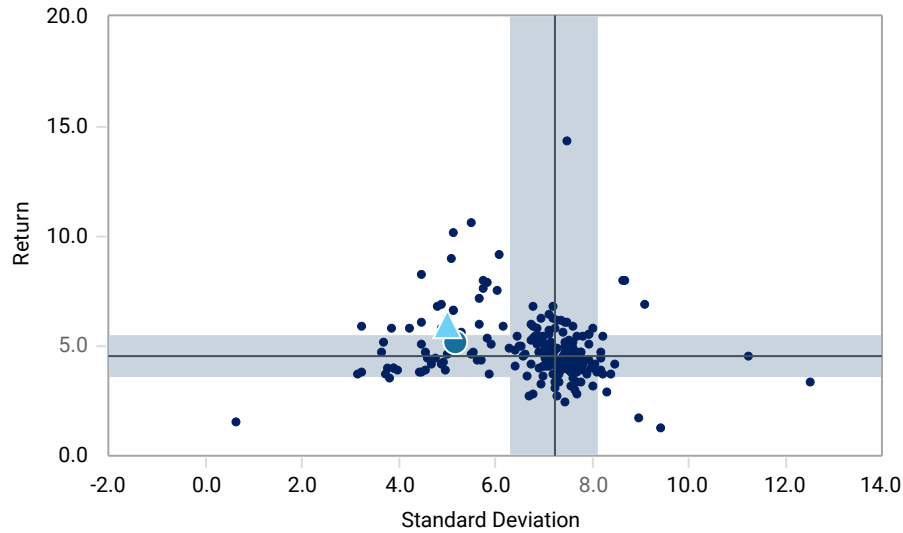
## Quarter Excess Return with a Rolling 1 Year Excess Return over Since Inception Ending December 31, 2024



Los Angeles City Employees' Retirement System-LACERS Master Trust

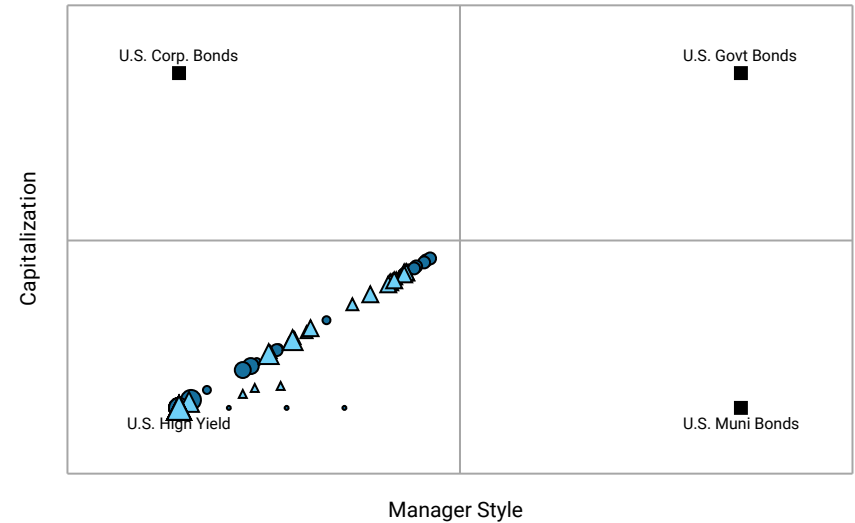
# POLEN CAPITAL

Since Inception Return vs. Standard Deviation

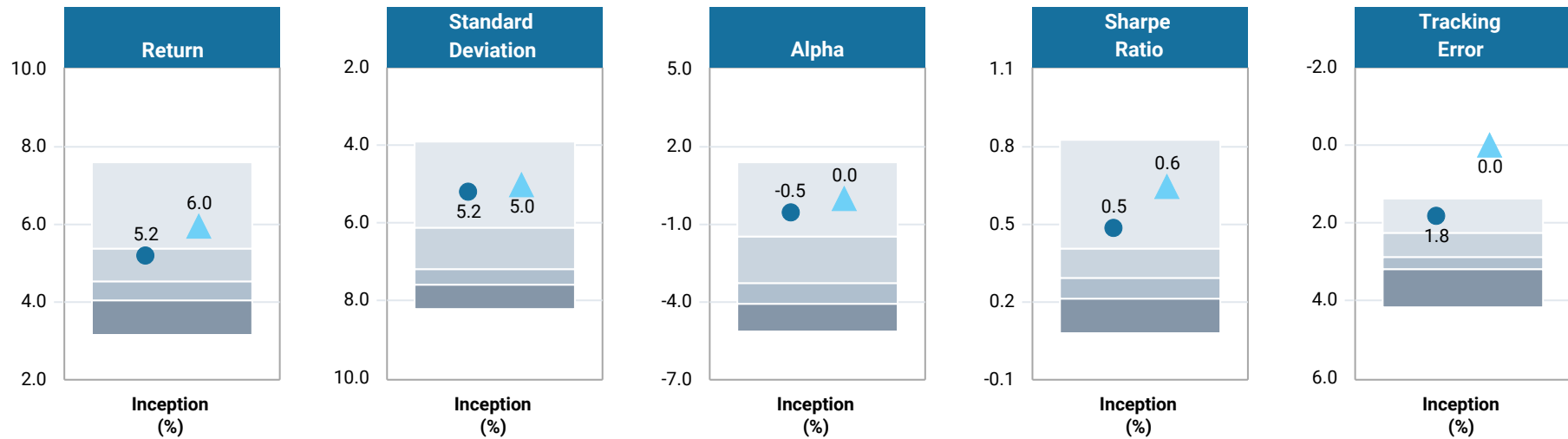


- Polen Capital
- ▲ 50% BBgBarc US High Yield 2% Issuer Cap / 50% Credit Suisse Leveraged Loa

Style Map: (1 Year)



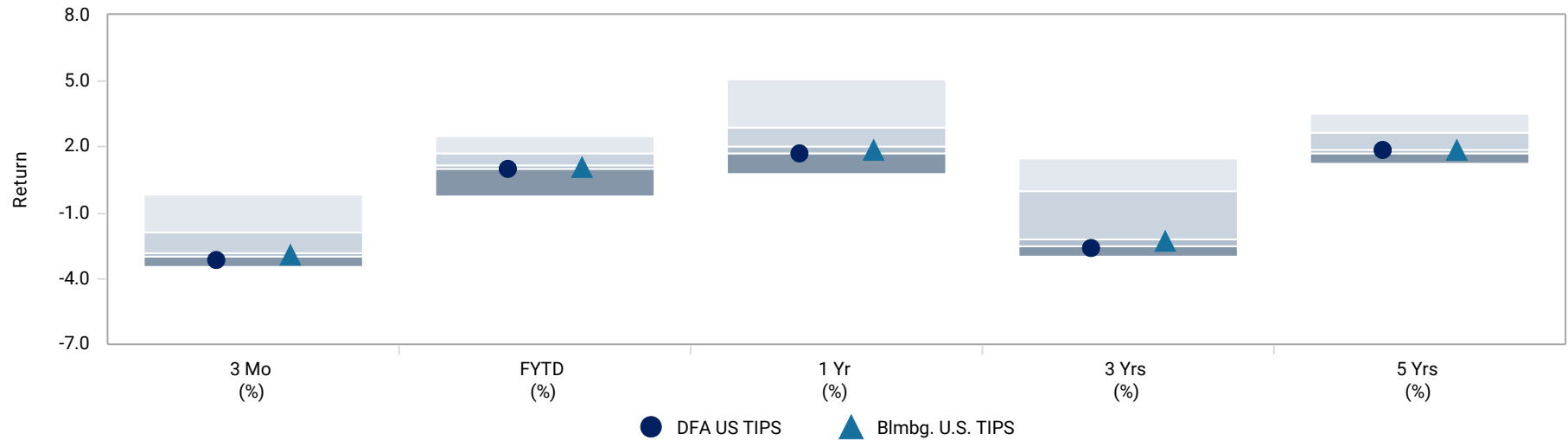
- Polen Capital
- ▲ 50% BBgBarc US High Yield 2% Issuer Cap / 50% Credit Suisse Leveraged Loan



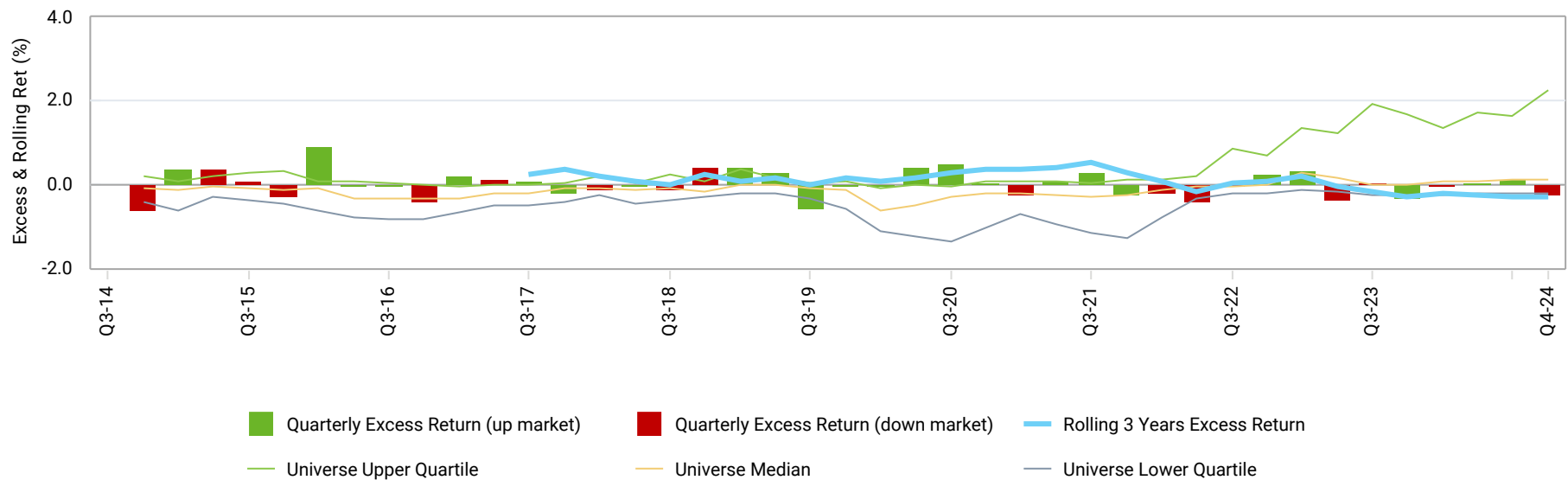
# REAL ASSETS MANAGER PERFORMANCE

# DFA US TIPS

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



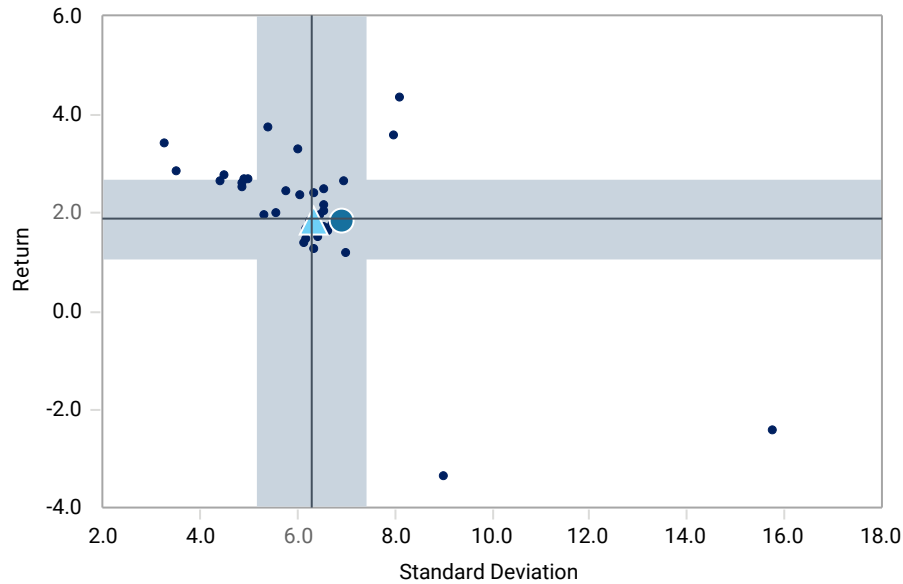
Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending December 31, 2024



# Los Angeles City Employees' Retirement System-LACERS Master Trust

## DFA US TIPS

5 Years Return vs. Standard Deviation

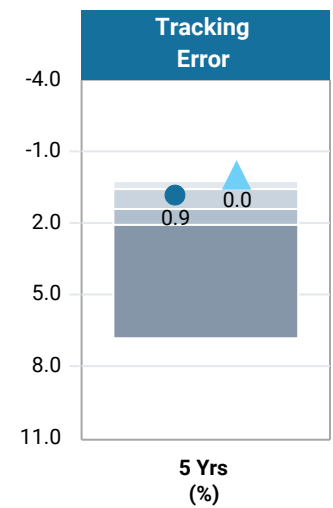
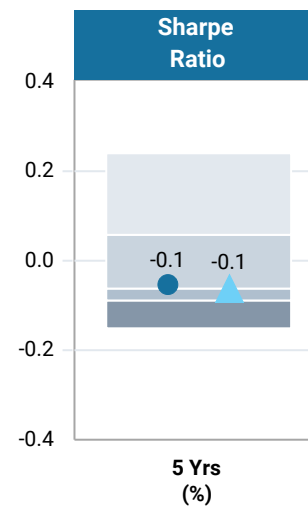
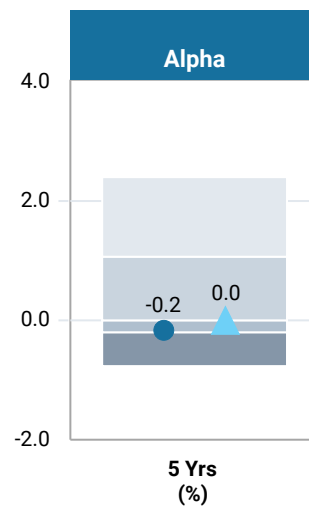
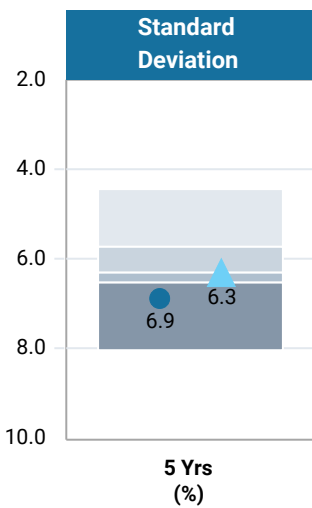
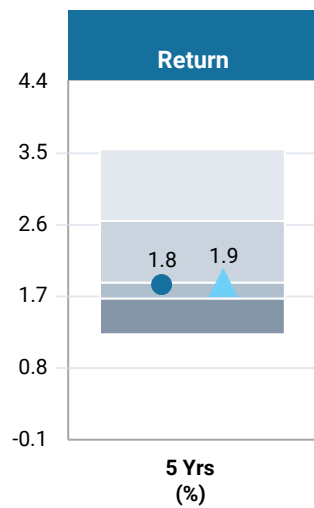


Style Map: (5 Years)



● DFA US TIPS    ▲ Blmbg. U.S. TIPS

● DFA US TIPS    ▲ Blmbg. U.S. TIPS

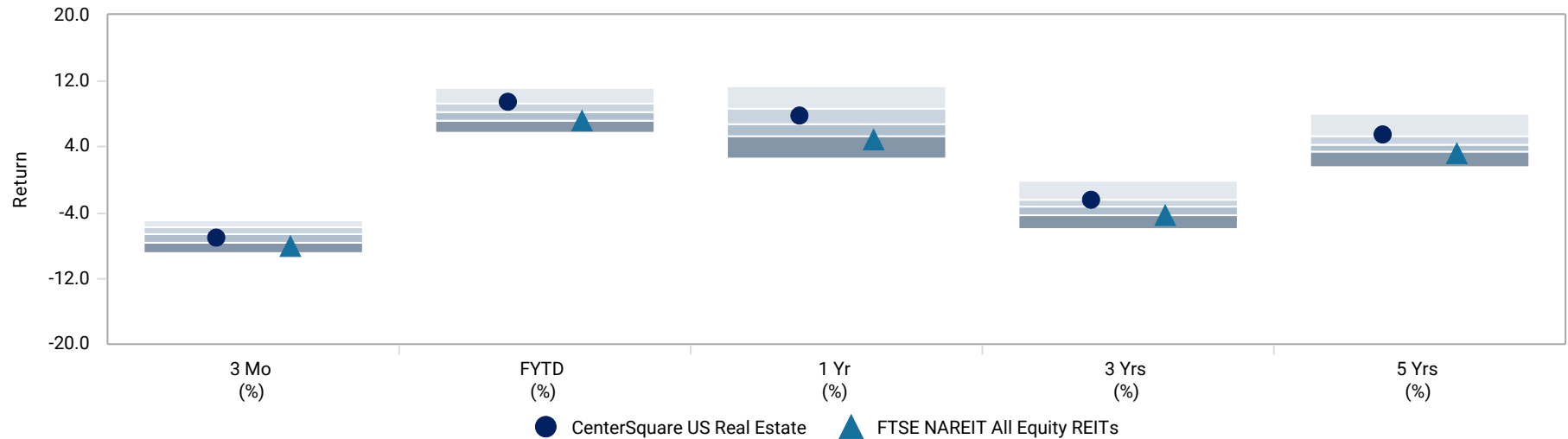




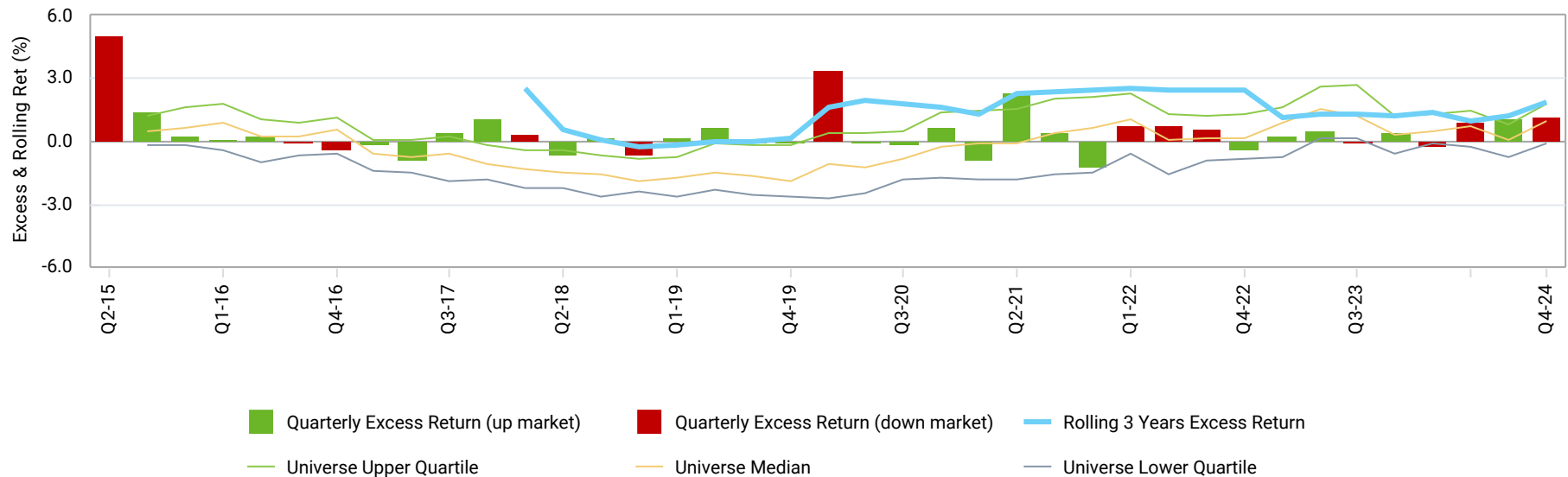
# Los Angeles City Employees' Retirement System-LACERS Master Trust

## CENTERSQUARE US REAL ESTATE

### eV US REIT (net of fees)



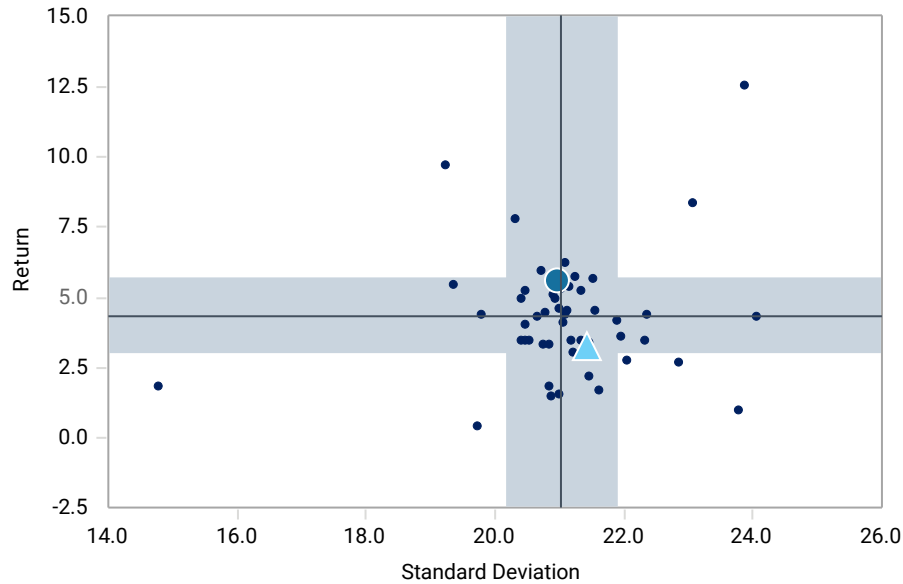
### Quarter Excess Return with a Rolling 3 Years Excess Return over Since Inception Ending December 31, 2024



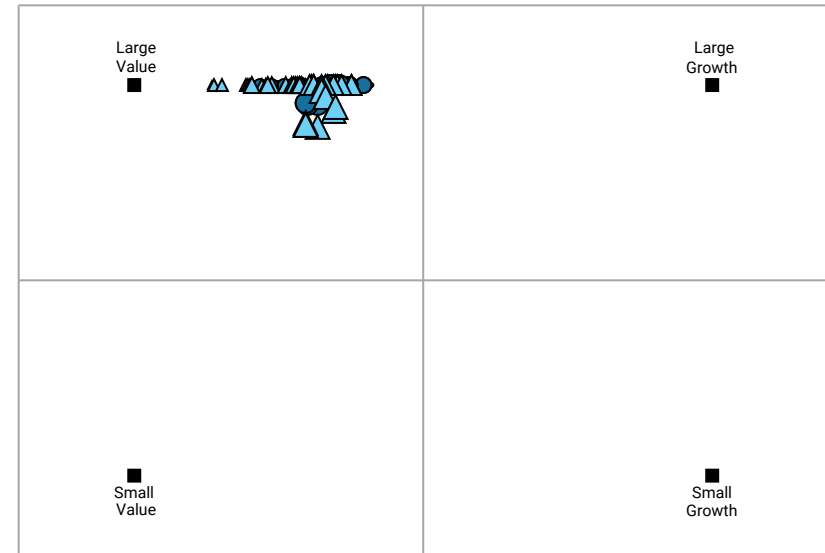
# Los Angeles City Employees' Retirement System-LACERS Master Trust

## CENTERSQUARE US REAL ESTATE

5 Years Return vs. Standard Deviation

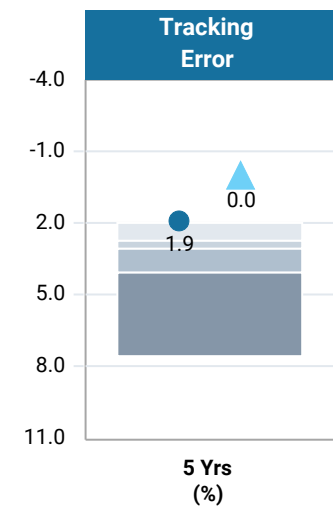
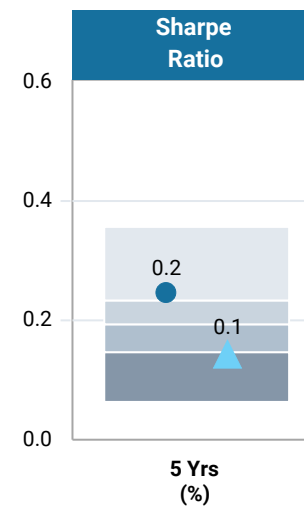
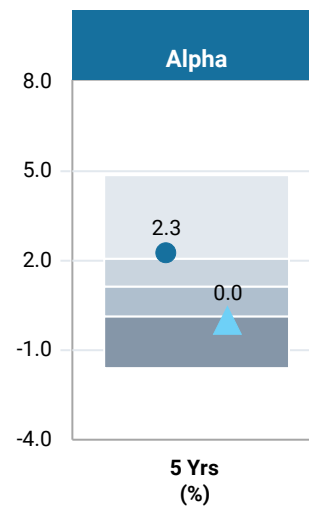
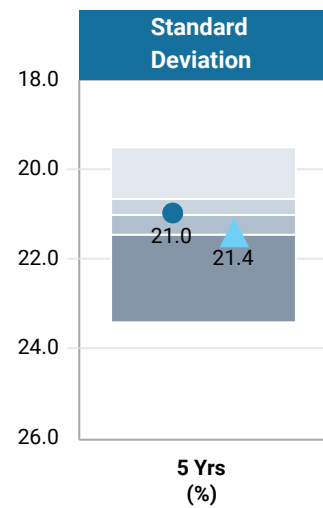
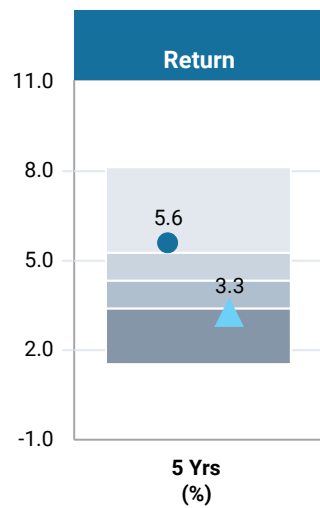


Rolling 5 Years Style Map



● CenterSquare US Real Estate ▲ FTSE NAREIT All Equity REITs

● 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

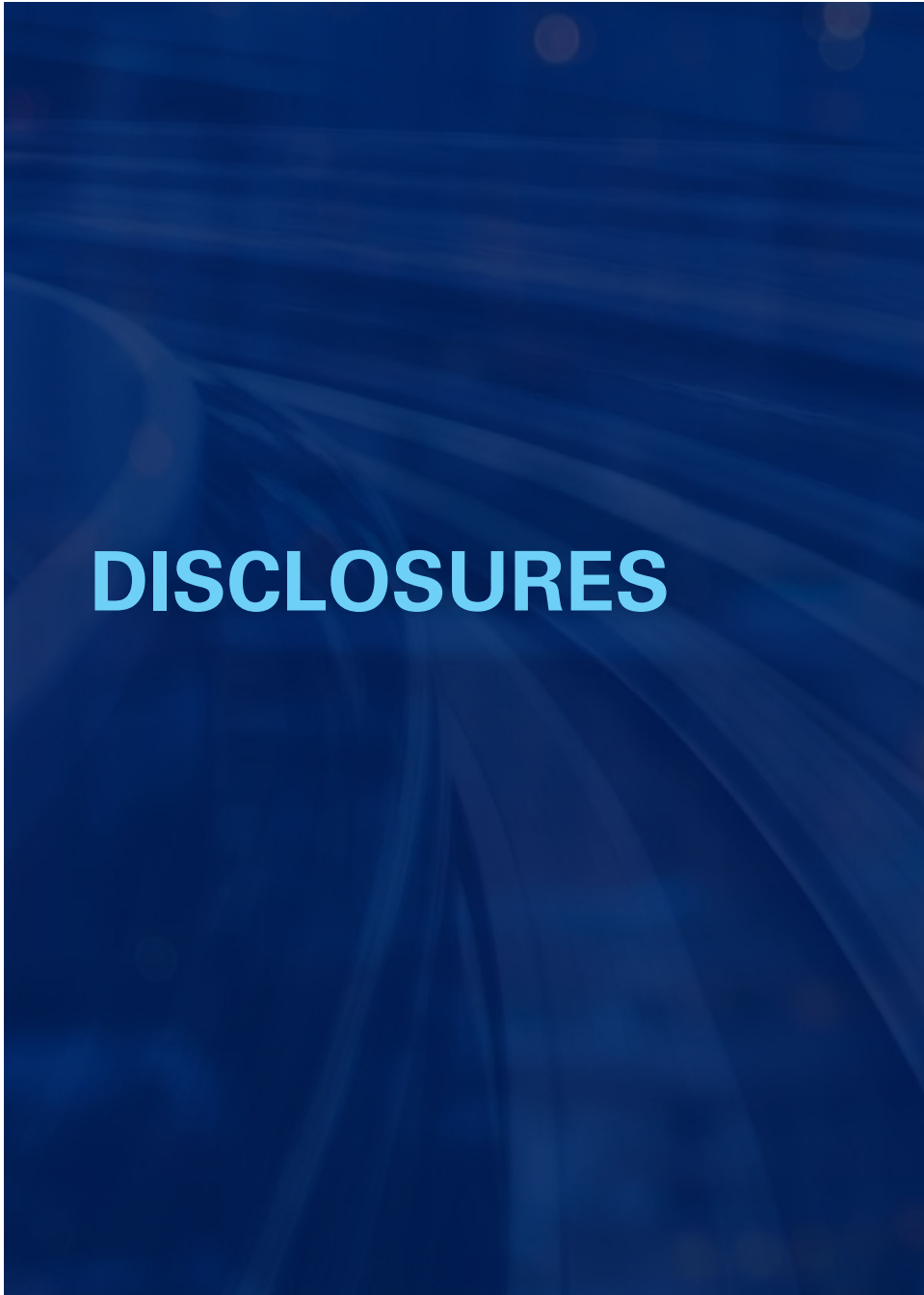
## INTERIM POLICY TARGETS ADOPTED ON JULY 12, 2022

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

	2022	2023	2024	2025
<b>Total Portfolio</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>
<b>U.S. Equity</b>	<b>19.50%</b>	<b>20.50%</b>	<b>20.50%</b>	<b>21.00%</b>
Large Cap	14.00%	14.50%	14.50%	15.00%
Small/Mid Cap	5.50%	6.00%	6.00%	6.00%
<b>Non-U.S. Equity</b>	<b>25.50%</b>	<b>25.50%</b>	<b>25.50%</b>	<b>26.00%</b>
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%
<b>Private Equity</b>	<b>18.00%</b>	<b>17.50%</b>	<b>17.00%</b>	<b>16.00%</b>
<b>Core Fixed Income</b>	<b>15.00%</b>	<b>14.00%</b>	<b>12.75%</b>	<b>11.25%</b>
<b>Credit Opportunities</b>	<b>8.00%</b>	<b>9.25%</b>	<b>10.75%</b>	<b>12.75%</b>
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%
<b>Public Real Assets</b>	<b>7.50%</b>	<b>6.25%</b>	<b>6.00%</b>	<b>5.00%</b>
TIPS	4.50%	4.00%	4.00%	3.60%
REITS	3.00%	2.25%	2.00%	1.40%
<b>Real Estate</b>	<b>5.50%</b>	<b>6.00%</b>	<b>6.50%</b>	<b>7.00%</b>
<b>Cash</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>	<b>1.00%</b>

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 Huynh  
Gaylord "Rusty" Roten

**MEETING: MARCH 25, 2025**  
**ITEM: VIII – C**

**SUBJECT: INVESTMENT MANAGER CONTRACT WITH MFS INSTITUTIONAL ADVISORS, INC. REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS GROWTH PORTFOLIO AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board:

1. Approve a three-year contract renewal with MFS Institutional Advisors, Inc. (MFS) for management of an active non-U.S. equities developed markets growth portfolio.
2. Authorize the Acting General Manager or his designee to approve and execute necessary documents, subject to satisfactory business and legal terms.

**Discussion**

On March 11, 2025, the Committee considered the attached staff report (Attachment 1) recommending a three-year contract renewal with MFS for management of an active non-U.S. equities developed markets growth portfolio. The current contract extension expires on September 30, 2025. MFS is in compliance with the LACERS Manager Monitoring Policy.

Staff provided a review of the organization, investment strategy, and performance. Staff underscored the strength of the strategy's overall performance, low management fees, and the stability and consistency of the investment team. Following the discussion, the Committee concurred with the staff recommendation.

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

TB/RJ/WL/BS:jp

Attachments: 1. Investment Committee Recommendation Report dated March 11, 2025  
2. Proposed Resolution





**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



**REPORT TO INVESTMENT COMMITTEE**  
**From: Todd Bouey, Acting General Manager**

**MEETING: MARCH 11, 2025**  
**ITEM: IV**

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**SUBJECT: INVESTMENT MANAGER CONTRACT WITH MFS INSTITUTIONAL ADVISORS, INC.  
REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EQUITIES DEVELOPED  
MARKETS GROWTH PORTFOLIO AND POSSIBLE COMMITTEE ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

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### **Recommendation**

That the Committee recommend to the Board a three-year contract renewal with MFS Institutional Advisors, Inc. for the management of an active non-U.S. equities developed markets growth portfolio.

### **Executive Summary**

MFS Institutional Advisors, Inc. (MFS) has managed an active non-U.S. equities developed markets growth portfolio for LACERS since October 2013. LACERS' portfolio was valued at \$653 million as of January 31, 2025. MFS is in compliance with the LACERS Manager Monitoring Policy. Staff and NEPC, LLC (NEPC), LACERS' General Fund Consultant, recommend a three-year contract renewal.

### **Discussion**

#### *Background*

MFS manages an active non-U.S. equities developed markets growth portfolio for LACERS benchmarked against the MSCI World ex-U.S. Growth Index. MFS employs a research-based investment strategy that focuses on companies with long-term, above-average growth. The portfolio is managed by a team of portfolio managers including Matthew Barrett (29 years of experience), Kevin Dwan (27 years of experience), Brett Fleishman (28 years of experience), Gregory Johnsen (38 years of experience), and Peter Loncto, CFA (29 years of experience). LACERS' portfolio was valued at \$653 million as of January 31, 2025.

The Board hired MFS through the 2013 Active Non-U.S. Equities Developed Markets investment manager search process and authorized a three-year contract on June 11, 2013; the contract became effective on October 2, 2013. The Board has authorized three-year contract renewals on June 28, 2016, June 11, 2019, and February 22, 2022. The current contract expires on September 30, 2025.

**Organization**

MFS is a global investment management firm with offices in Boston, Hong Kong, London, Sao Paulo, Singapore, Sydney, Tokyo, and Toronto. MFS Investment Management formed MFS Institutional Advisors, Inc. as a separate subsidiary in 1994. The firm is majority owned by Sun Life Financial of Canada (U.S.) Financial Services Holdings, Inc. (a subsidiary of Sun Life Financial, Inc.) and has over 2,115 employees, with 325 investment professionals. As of January 31, 2025, the firm managed over \$622.9 billion in total assets with over \$32.7 billion in the non-U.S. growth equity strategy.

**Due Diligence**

MFS' investment philosophy, strategy, and process have not changed over the contract period. In January 2025, Ted Maloney became the firm's Chief Executive Officer and Alison O'Neill became Chief Investment Officer. Carol Geremia, President and Co-head of Global Distribution, will retire in 2026 after 40 years with the firm. Following Carol's retirement, Ted Maloney will assume the role of President, in addition to his position as CEO. Staff and NEPC determined these changes are consistent with MFS' succession planning, team-based approach to portfolio management, and experience of the current portfolio managers.

**Performance**

As of January 31, 2025, MFS has outperformed the benchmark over the 1-year, 2-year, 3-year, 5-year, 10-year, since inception periods, and had slight underperformance in the 3-month period as presented in the table below. MFS is in compliance with the LACERS Manager Monitoring Policy.

Annualized Performance as of 1/31/25 (Net-of-Fees)							
	3-Month	1-Year	2-Year	3-Year	5-Year	10-Year	Since Inception <sup>1</sup>
MFS	1.77	12.45	10.94	6.59	7.77	8.55	7.32
MSCI World ex-U.S. Growth	2.34	6.97	8.26	3.04	5.42	6.21	5.46
<i>% of Excess Return</i>	<i>-0.57</i>	<i>5.48</i>	<i>2.68</i>	<i>3.55</i>	<i>2.35</i>	<i>2.34</i>	<i>1.86</i>

<sup>1</sup>Performance inception date: 10/31/13

Calendar year performance is presented in the following tables as supplemental information.

Calendar Year Performance as of 1/31/25 (Net-of-Fees)													
	1/01/25-1/31/25	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	10/31/13 - 12/31/13
MFS	5.26	7.60	16.67	-14.48	10.58	14.13	27.69	-8.91	32.00	1.93	1.90	-4.52	1.97
MSCI World ex-U.S. Growth	5.22	2.82	17.45	-22.68	11.57	18.41	27.92	-13.14	27.61	-1.87	1.65	-3.26	2.39
<i>% of Excess Return</i>	<i>0.04</i>	<i>4.78</i>	<i>-0.78</i>	<i>8.20</i>	<i>-0.99</i>	<i>-4.28</i>	<i>-0.23</i>	<i>4.23</i>	<i>4.39</i>	<i>3.80</i>	<i>0.25</i>	<i>-1.26</i>	<i>-0.42</i>

*Fees*

LACERS pays MFS an effective fee of 38 basis points (0.38%), which is approximately \$2,482,811 annually based on the value of LACERS' assets as January 31, 2025. This fee ranks in the 1st percentile of fees charged by similar managers in the eVestment database (i.e., 99% of like-managers have higher fees). Since inception, LACERS has paid MFS a total of \$26.8 million in investment management fees as of December 31, 2024.

*General Fund Consultant Opinion*

NEPC concurs with this recommendation.

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

TB/RJ/WL/BS:jp

Attachment: 1. Consultant Recommendation – NEPC, LLC



**To: Los Angeles City Employees' Retirement System Investment Committee**

**From: NEPC, LLC**

**Date: March 11, 2025**

**Subject: MFS Investment Management – Contract Extension**

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### **Recommendation**

NEPC recommends Los Angeles City Employees' Retirement System (LACERS) extend the contract that is currently in place with MFS Investment Management ('MFS') for a period of three years from the date of contract expiry.

### **Background**

MFS was hired into the Non-U.S. Equity asset class in 2013 to provide the Plan with public equity exposure across international developed countries/markets. The portfolio's strategy is benchmarked against the MSCI World ex USA Growth Index and has a performance inception date of October 31, 2013. As of December 31, 2024, MFS managed \$620.7 million, 2.6% of Plan assets in an international developed markets separately managed account. The performance objective is to outperform the MSCI World ex USA Growth Index, net of fees, annualized over a full market cycle (normally three-to-five years). The MFS account is currently in good standing according to LACERS' manager monitoring policy.

Massachusetts Financial Services Company, commonly known as MFS Investment Management or MFS, has a history of money management dating back to 1924, when it created the first open-end U.S. mutual fund, Massachusetts Investors Trust. In 1932, MFS established one of the first in-house research departments in the investment management business. MFS and its predecessor organizations have been registered as an investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act") since 1969, and began managing its first tax-exempt account in 1970. MFS subsequently formed a separate subsidiary, MFS Institutional Advisors, Inc., which registered as an investment adviser under the Advisers Act in 1994. MFS is a majority owned subsidiary of Sun Life of Canada (U.S.) Financial Services Holdings, Inc., which in turn is an indirect majority-owned subsidiary of Sun Life Financial, Inc. (a diversified financial services organization). MFS has been a subsidiary of Sun Life since 1982. While MFS operates with considerable autonomy, this partnership offers additional resources as it continues to expand its global research presence. As of December 31, 2024 the firm's assets under management totaled \$605.06 billion.

In 1996 MFS initiated an equity compensation program. The equity compensation program provides for the grant of long-term incentive awards to MFS senior management, investment personnel and other key employees who assist in the growth and financial success of the firm. The program permits the issuance of both restricted stock and stock options as equity-based awards up to a maximum of 20% of the fully diluted capital stock of MFS, and 2.5% of the fully diluted capital stock of MFS' immediate parent entity, Sun Life of Canada (US) Financial Services Holdings, Inc.

The International Growth Equity team includes Portfolio Managers Matthew Barrett, Kevin Dwan, and Institutional Portfolio Managers Brett Fleishman and Greg Johnsen. Matthew joined MFS in 2000 as an equity research analyst and joined the International Growth Equity team as a portfolio manager in 2015. Kevin joined MFS in 2005 as an equity research analyst and became a portfolio manager for International Growth Equity in 2012. Brett joined MFS in 2001 as a research analyst and has worked on the International Growth Equity strategy as an investment product specialist since 2002 and as an institutional portfolio manager since 2008. Greg Johnsen joined MFS in 2019 as an institutional portfolio manager and joined the International Growth team in 2020.

The International Growth Equity team's investment process encompasses three critical steps: idea generation, fundamental research and analysis and portfolio construction. Idea generation reduces the investable universe to approximately 70-90 companies and is supported by the firm's global research platform. The analysts on the platform are organized into eight international sector teams that include capital goods, consumer cyclicals, consumer staples, energy, financial services, health care, technology, and telecommunications & cable. The sector-team structure facilitates the sharing of information across geographies, as well as asset classes, resulting process that aims to be highly collaborative and integrated leveraging all the research by MFS. The portfolio construction process is conducted based on bottom-up, fundamental research. MFS determines position size in the portfolio based on the security's upside potential as compared to its downside risk and level of conviction in the idea. Sector, industry, country and regional weightings are the residual of the bottom-up stock selection process, rather than the result of any top-down, macroeconomic outlook.

### **Performance**

Referring to Exhibit 1, since inception, the MFS portfolio outperformed the MSCI World ex USA Growth Index by 1.9%, returning 7.3%, net of fees, ending January 31, 2025. For 5 years ended January 31, 2025, the portfolio outperformed the benchmark by 2.4%, returning 7.8%. Referring to Exhibit 2, since inception ended December 31, 2024, the portfolio outperformed the index by 1.86% and ranked in the 13<sup>th</sup> percentile in its peer group. Over the past five-years, ending December 31, 2024, the portfolio outperformed the index by 1.97% and ranked in the 16<sup>th</sup> percentile among its peers. Referring to Exhibit 3, the strategy has historically outperformed the benchmark at a healthy level.

### **Fees**

The MFS portfolio has an asset-based fee schedule of 40 basis points on the 1<sup>st</sup> \$250 million, 37.5 basis points on the next \$250 million, and 35 basis points over \$500 million. This brings the estimated annual fee as of December 31, 2024 to 38 basis points annually. The fee ranks in the 1<sup>st</sup> percentile among its peers in the eVestment EAFE All Cap Growth universe. In other words, 99% products included in the peer universe have a higher fee than the LACERS account.

### **Conclusion**

MFS has performed well against its benchmark since inception and over the trailing 5 years. The firm has a well-established, stable team in place, in addition to executing well against its stated investment objectives. The portfolio's investment process and philosophy prioritizes quality, growth and fundamental research, which we believe can be well suited for long-term success. NEPC recommends a contract extension for a period of three years from the period of contract expiry.

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



Exhibit 1: Performance Comparison Net of Fees as of January 31, 2025

Portfolio Name	1 Month	FYTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Inception	Inception Date
MFS Institutional Advisors	5.3	8.2	12.4	6.6	7.8	8.5	7.3	October 2013
MSCI World ex USA Growth NR USD	5.2	2.1	7.0	3.0	5.4	6.2	5.5	
Over/Under	0.0	6.1	5.5	3.6	2.4	2.3	1.9	

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

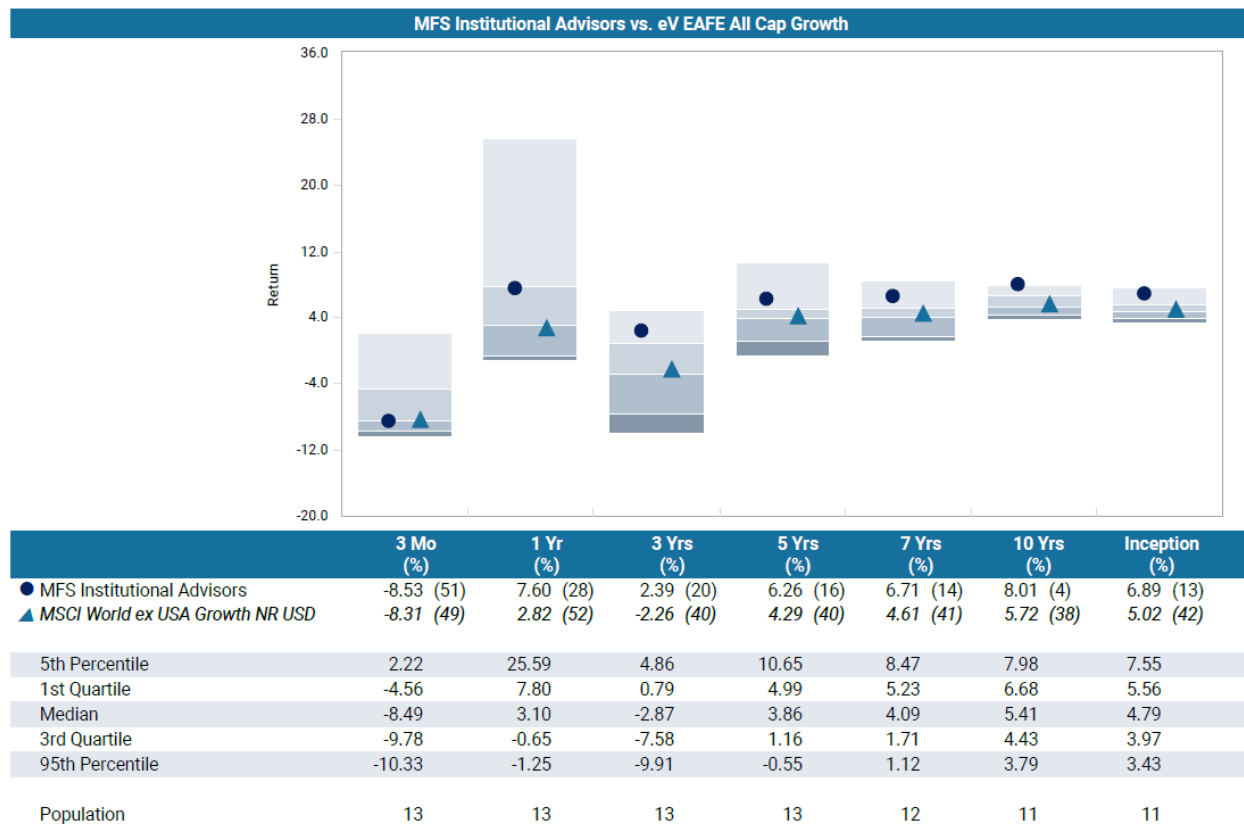
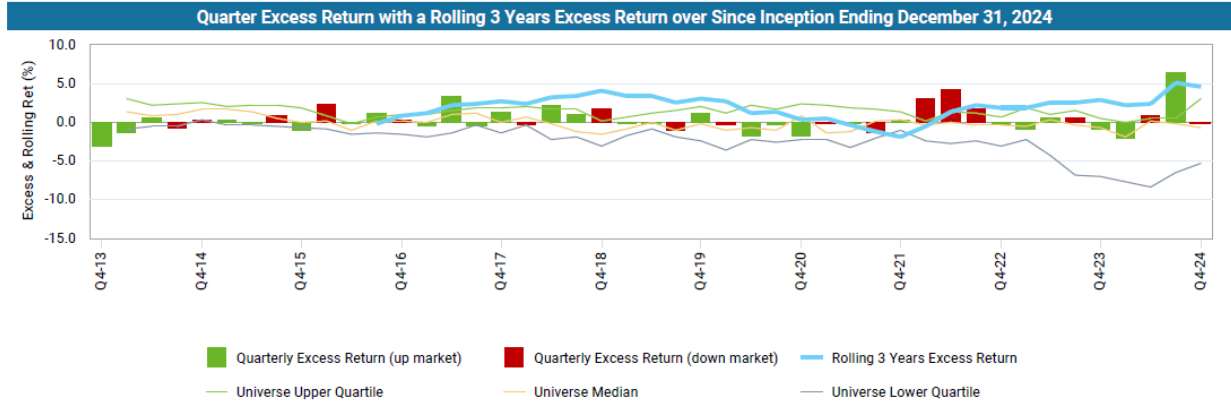


Exhibit 3: Cumulative Excess Performance Net of Fees Ending December 31, 2024



CONTRACT RENEWAL  
MFS INSTITUTIONAL ADVISORS, INC.  
ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS GROWTH  
PORTFOLIO MANAGEMENT

PROPOSED RESOLUTION

WHEREAS, LACERS' current three-year contract term with MFS Institutional Advisors, Inc. (MFS) for active non-U.S. equities developed markets growth portfolio management expires on September 30, 2025; and,

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

WHEREAS, a three-year contract renewal with MFS will allow the fund to maintain a diversified exposure to the non-U.S. equities developed markets; and,

WHEREAS, on March 25, 2025, the Board approved the Investment Committee's recommendation to approve a three-year contract renewal.

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

<u>Company Name:</u>	MFS Institutional Advisors, Inc.
<u>Service Provided:</u>	Active Non-U.S. Equities Developed Markets Growth Portfolio Management
<u>Effective Dates:</u>	October 1, 2025 through September 30, 2028
<u>Duration:</u>	Three years
<u>Benchmark:</u>	MSCI World ex-U.S. Growth Index
<u>Allocation as of January 31, 2025:</u>	\$653 million

March 25, 2025





**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



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

**MEETING: MARCH 25, 2025**  
**ITEM: VIII – D**

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**SUBJECT: CONSENT OF ASSIGNMENT OF SEGALL BRYANT & HAMILL, LLC CONTRACT AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

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### **Recommendation**

That the Board:

1. Consent to the assignment of the Segall Bryant & Hamill, LLC contract.
2. Authorize the Acting General Manager or his designee to approve and execute necessary documents, subject to satisfactory business and legal terms.

### **Executive Summary**

CI Financial Corp (CI Financial), the parent company for Segall Bryant & Hamill, LLC, has entered into an arrangement with Accelerate Holdings Corp. (Accelerate), whereby Accelerate would acquire and take CI Financial private with the backing of Mubadala Capital (Mubadala). Under the Investment Advisers Act of 1940, this change in firm ownership is deemed to be a contract assignment and requires Board approval.

### **Discussion**

#### *Background*

Segall Bryant & Hamill, LLC (SBH) has managed an active U.S. small cap value equities portfolio for LACERS since September 2020. The Board hired SBH through the 2019-2020 Active U.S. Small Cap Equities manager search process and authorized a three-year contract on January 28, 2020; the contract became effective on August 1, 2020. A three-year contract renewal was authorized by the Board in February 2023. As of February 28, 2025, LACERS' portfolio was valued at \$132.9 million.

In April 2021, Toronto-based CI Financial, a publicly listed financial services and investment management firm, acquired SBH as a wholly owned subsidiary. SBH continues to operate autonomously from CI Financial.

In a press release dated November 25, 2024, CI Financial announced that Accelerate would acquire CI Financial. This arrangement would take CI Financial private with the backing of sovereign investor, Mubadala. CI Financial will continue to be led by Kurt MacAlpine, the current CEO of CI Financial. CI Financial's U.S. operations will keep its current structure and management teams. This change is limited to the parent-company level and does not affect SBH's day-to-day operations. SBH will continue to operate autonomously and will retain full control of its investment processes, decision-making, and team structures. No material impact on the investment team or portfolio managed on behalf of LACERS is anticipated.

Under the Investment Advisers Act of 1940, this change in firm ownership is deemed to be a contract assignment and requires the written consent of the client. Staff and NEPC, LLC (NEPC), LACERS' General Fund Consultant, recommend consenting to the assignment of the SBH contract.

*Due Diligence*

Staff and NEPC conducted due diligence on this consent request, including discussions during quarterly review calls. Staff and NEPC do not anticipate this event to have an adverse impact on the investment management relationship between LACERS and SBH. As this change is limited to the parent-company level and does not affect SBH's day-to-day operations, staff and NEPC recommend consenting to the assignment of the SBH contract.

Prepared By: Barbara Sandoval, Investment Officer II

TB/RJ/WL/BS:jp

Attachments:           1. Consultant Recommendation – NEPC  
                                  2. Press Release on CI Financial  
                                  3. Proposed Resolution



**To: Los Angeles City Employees' Retirement**

**System From: NEPC, LLC**

**Date: March 25, 2025**

**Subject: Segall Bryant & Hamill Update**

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### **Recommendation**

Segall Bryant & Hamill, LLC ("SBH") parent company, CI financial, announced that it had entered into an arrangement with Accelerate Holdings Corp. ("Accelerate"), whereby Accelerate would acquire CI Financial. The deal would take CI Financial private with the backing of sovereign investor, Mubadala Capital.

The SEC defines this as a change in ownership, so SBH has requested signatures from clients to consent of the transaction. NEPC recommends LACERS approving the consent letter from the manager.

### **Background**

In November 2024 CI Financial announced that it had decided to be taken private with the backing of sovereign investor Mubadala Capital. The investment by Mubadala Capital is expected to be permanent and to diversify their existing assets. CI Financial will maintain its current structure and management team, remaining independent from Mubadala's other holdings. CI Financial will continue to be led by Kurt MacAlpine, the current CEO of CI Financial. Mr. MacAlpine will also be a partner with Mubadala Capital in Accelerate. Accelerate is ultimately controlled by Mubadala Capital.

SBH has been a wholly owned subsidiary of CI Financial since April 2021. SBH operates autonomously from its parent company, CI Financial, and is expected to remain independent. The change to SBH's ultimate parent company is not expected to affect SBH's day-to-day operations or investment teams. SBH is expected to continue to operate autonomously under its own brand, with full control of its investment process, decision-making, and team structures.

The shareholder vote was approved on February 12, 2025, and the transaction is expected to close in the second quarter of 2025, subject to regulatory clearances. We do not believe that this change will have a material impact on the investment team or portfolio managed on behalf of LACERS.



NEWS RELEASE

# Mubadala Capital to Take CI Financial Private via Premium, All-Cash Offer

2024-11-25

- Shareholders to receive \$32.00 in cash per share, representing a premium of 33% over the last closing price and 58% over the 60-day volume-weighted average trading price
- Offer values CI's equity at approximately \$4.7 billion and implies an enterprise value of approximately \$12.1 billion
- Transaction provides CI with long-term, stable capital, supporting the continued execution of its strategy of building a best-in-class wealth and asset manager that will operate with the highest standards for clients and employees
- CI will continue with its current Canadian operations, structure and management team, maintain Canadian headquarters, and remain independent of Mubadala Capital's other portfolio businesses
- Chief Executive Officer Kurt MacAlpine will continue to lead CI
- Transaction was unanimously approved by a special committee of independent members of CI's Board of Directors

All financial amounts are in Canadian dollars unless stated otherwise.

TORONTO--(BUSINESS WIRE)-- **CI Financial Corp.** ("CI") (TSX: CIX) today announced that it has entered into a definitive agreement with an affiliate of Mubadala Capital, the alternative asset management arm of Mubadala Investment Company, to take CI private in a transaction that values CI's equity at approximately \$4.7 billion and implies an enterprise value of approximately \$12.1 billion. Following the closing of the transaction, CI will continue to operate with its current structure and management team and will be independent of Mubadala Capital's other portfolio businesses.

All issued and outstanding shares of CI will be acquired for cash consideration equal to \$32.00 per share, other than shares held by members of senior management who enter into equity rollover agreements as further detailed below. The cash purchase price represents a 33% premium to the last closing price prior to the announcement of the transaction and a premium of 58% to the 60-day volume-weighted average trading price on the Toronto Stock Exchange.

CI's Board of Directors, with interested directors abstaining, is unanimously recommending that CI shareholders vote in favor of the transaction. The recommendation follows the unanimous recommendation of a special committee of the Board, comprised solely of independent directors, that was formed in connection with the transaction (the "Special Committee").

"This transaction, with its significant cash premium, represents an exceptional outcome for CI shareholders and provides certainty to shareholders while CI pursues its ongoing transformation," said William E. Butt, CI's Lead Director and Chair of the Special Committee. "It also provides significant benefits to Canada, by providing long-term capital to underpin the building of a Canadian champion in the wealth and asset management industries."

"Mubadala Capital invests with a long-term outlook and represents long-term capital – providing stability and certainty for CI's clients and employees," said Kurt MacAlpine, CI's Chief Executive Officer. "With this transaction, CI has never been better positioned to fulfil our mission of delivering outstanding services and solutions to our clients."

"We are fully aligned with the strategy and direction of the firm and look forward to working with the CI management team to continue to build this outstanding business and ensure that CI continues to deliver superior services to its clients," said Hani Barhoush, Managing Director and CEO of Mubadala Capital.

"We look forward to partnering with CI's talented team to capitalize on new opportunities in the asset and wealth management sectors and build on the company's successes," said Oscar Fahlgren, Chief Investment Officer of Mubadala Capital.

The transaction also supports CI's expansion in the U.S., where it operates as Corient and will continue to operate independently under the Corient brand.

"We're excited to continue to execute our U.S. strategy with our incredibly talented team," said Mr. MacAlpine. "Notably, the transaction preserves Corient's structure and its unique Private Partnership model, under which 250 of our colleagues are equity Partners in Corient. Our partnership model is highly differentiated in our industry – it allows us to deliver the best of the firm to all clients and creates a culture of collaboration and unified purpose."

## Benefits to Canada

- This transaction will maintain CI's existing leadership and will result in CI retaining its talented team across CI's multiple offices in Canada, and will create the opportunity for new hiring in Canada to support growth.
- CI will remain headquartered in Canada and existing operations and structure in Canada will stay in place. This includes maintaining CI's existing technology and data protection practices, including maintaining all personal data in Canada for Canadian operations.
- Mubadala Capital's long-term approach will create a stable, well-funded platform for CI to continue to grow, allowing management greater ability to reinvest into the overall business and strategy.
- Mubadala Capital is committed to continuing CI's philanthropic support of charitable organizations across Canada.

## Transaction Details

The transaction will proceed via a plan of arrangement under the Business Corporations Act (Ontario) and will require approval of at least (i) 66⅔% per cent of the votes cast by shareholders, and (ii) a simple majority of the votes cast excluding votes as required under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“MI 61-101”), at a special meeting of CI shareholders to be held to consider the transaction. The meeting is expected to be held in January 2025.

The transaction is also subject to court approval, regulatory clearances and other customary closing conditions. The transaction is not subject to any financing condition and, assuming the timely receipt of all required regulatory approvals, is expected to close in the second quarter of 2025.

The definitive agreement includes customary terms and conditions, including a non-solicitation covenant on the part of CI, which is subject to “fiduciary out” provisions that enable CI to terminate the agreement in customary circumstances, subject to Mubadala Capital having a right to match any third party superior proposal. A termination fee of \$150 million is payable by CI to Mubadala Capital in certain circumstances, including termination of the agreement by CI pursuant to the “fiduciary out” provisions. A reverse termination fee of \$225 million is payable by Mubadala Capital to CI if the transaction is not completed in certain circumstances, including where certain of the required regulatory approvals are not received.

Chief Executive Officer Kurt MacAlpine expects to roll all his equity in the transaction and other members of CI's senior management holding an aggregate of up to 1.5% of CI's shares are also expected to have the opportunity to enter into equity rollover agreements to exchange their CI shares into a new holding vehicle. In addition, Chairman William Holland may roll 25% of his total CI holdings in the transaction. All rollovers will occur at a value equal to the cash purchase price.

Each of CI's directors and executive officers or entities controlled by them, which own or control an aggregate of approximately 16.88% of CI's outstanding shares, have entered into a voting and support agreement with Mubadala Capital agreeing to vote their shares in favor of the transaction. All voting and support agreements terminate automatically upon termination of the definitive agreement or a change of recommendation by CI's Board of Directors made in accordance with the terms of the definitive agreement. Any equity rollover agreements will terminate automatically upon termination of the definitive agreement.

CI's debentures and notes are expected to remain outstanding following closing of the transaction and the financing for the transaction has been structured to maintain CI's long-term issuer and senior unsecured debt ratings of Baa3 (Stable) by Moody's. CI's shares will be delisted from the Toronto Stock Exchange following closing of the transaction; however, CI is expected to remain a reporting issuer under applicable Canadian securities laws as a result of its debentures and notes remaining outstanding. Holders of outstanding shares of preferred equity in CI's subsidiary, Corient Holdings Inc., have agreed to waive and amend certain liquidity and other rights in connection with the transaction through the closing of the transaction. Mubadala Capital intends to fund up to \$750 million of additional cash at closing to reduce the preferred equity outstanding. Following the closing, the parties will continue prioritizing the maintenance of CI's investment grade senior unsecured debt ratings.

CI will pay its previously declared regular quarterly dividends on January 15, 2025 and April 15, 2025 to shareholders of record as of December 31, 2024 and March 31, 2025, respectively, but under the terms of the definitive agreement, has agreed to suspend any additional dividends.

## **Board and Special Committee Recommendation**

In arriving at its unanimous recommendation in favor of the transaction, the Special Committee considered several factors, including the opinion of INFOR Financial Inc. ("INFOR Financial") to the effect that, as of the date thereof and subject to the assumptions, limitations and qualifications therein, the consideration to be received by CI shareholders (other than shareholders eligible to enter into an equity rollover agreement) pursuant to the transaction is fair, from a financial point of view, to such shareholders.

CI's Board of Directors also received INFOR Financial's fairness opinion and, after receiving the unanimous recommendation of the Special Committee, unanimously determined (with interested directors abstaining) that the transaction is in the best interests of CI and unanimously recommends that shareholders vote in favor of the transaction.

A copy of the written fairness opinion, as well as additional details regarding the terms and conditions of the definitive agreement and transaction and the rationale for the recommendations made by the Special Committee

and the Board of Directors, will be included in the management proxy circular and other materials to be mailed to shareholders in connection with the shareholder meeting to approve the transaction. The summaries of the definitive agreement and voting and support agreements in this press release are qualified in their entirety by the provisions of those agreements. Copies of the definitive agreement and voting and support agreements and, when finalized, the meeting materials will be filed under CI's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## Advisors

INFOR Financial is acting as exclusive financial advisor to the Special Committee. INFOR Financial was paid a fixed fee for its services and is not entitled to any fee that is contingent on the successful completion of the transaction. Wildeboer Dellelce LLP is serving as legal advisor to the Special Committee.

Stikeman Elliott LLP and Skadden, Arps, Slate, Meagher & Flom LLP are serving as legal advisors to CI. RBC Capital Markets is also an advisor to CI.

Jefferies Securities Inc. is acting as lead financial advisor to Mubadala Capital and Blake, Cassels & Graydon LLP and Latham & Watkins LLP are serving as legal advisors to Mubadala Capital. FGS Longview is acting as strategic communications and public affairs advisor to Mubadala Capital. BMO Capital Markets is also an advisor to Mubadala Capital.

## About CI Financial

CI Financial Corp. is a diversified global asset and wealth management company operating primarily in Canada, the United States and Australia. Founded in 1965, CI has developed world-class portfolio management talent, extensive capabilities in all aspects of wealth planning, and a comprehensive product suite. CI manages, advises on and administers approximately \$518.1 billion in client assets (as at September 30, 2024). CI operates in three segments:

- Asset Management, which includes CI Global Asset Management, which operates in Canada, and GSFM, which operates in Australia.
- Canadian Wealth Management, operating as CI Wealth, which includes CI Assante Wealth Management, Aligned Capital Partners, CI Assante Private Client, CI Private Wealth, Northwood Family Office, CI Coriel Capital, CI Direct Investing, CI Direct Trading and CI Investment Services.
- U.S. Wealth Management, which includes Corient Private Wealth, an integrated wealth management firm providing comprehensive solutions to ultra-high-net-worth and high-net-worth clients across the United States.

CI is headquartered in Toronto and listed on the TSX (TSX: CIX). To learn more, visit CI's [website](#) or [LinkedIn page](#).



CI Global Asset Management is a registered business name of CI Investments Inc., a wholly owned subsidiary of CI Financial Corp.

## About Mubadala Capital

Mubadala Capital is a global alternative asset manager that oversees \$24 billion USD of assets under management. The firm is an independent subsidiary of Mubadala Investment Company, a c. \$302 billion USD global sovereign investor headquartered in Abu Dhabi, UAE. Mubadala Capital manages assets through its four investment businesses spanning various private market strategies, including private equity, special situations, solutions, and venture capital. Mubadala Capital has a team of over 200 spanning 5 offices, including in Abu Dhabi, New York, London, San Francisco, and Rio De Janeiro. Mubadala Capital aims to be the partner of choice for investors looking for attractive and differentiated risk-adjusted returns across various private markets and alternative asset classes.

## Note Regarding Forward-Looking Statements

This press release contains “forward-looking information” within the meaning of applicable Canadian securities laws. Forward-looking information may relate to our future outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategy, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “outlook”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding future events or circumstances. These statements include, without limitation, statements regarding the receipt, in a timely manner, of shareholder, court and regulatory approvals in respect of the transaction, the timing for the special meeting of CI shareholders to consider the transaction, expected participation in equity rollover arrangements, expectations regarding remaining a reporting issuer under applicable Canadian securities laws, the expected closing date for the transaction and CI’s business prospects, debt ratings and securities outstanding following closing of the transaction.

Undue reliance should not be placed on forward-looking information. The forward-looking information in this press release is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are

appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Further, forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to, those described in this press release. The belief that the investment fund industry and wealth management industry will remain stable and that interest rates will remain relatively stable are material factors made in preparing the forward-looking information and management's expectations contained in this press release and that may cause actual results to differ materially from the forward-looking information disclosed in this press release. In addition, factors that could cause actual results to differ materially from expectations include, among other things, the possibility that the transaction will not be completed on the terms and conditions, or on the timing, currently contemplated, and that it may not be completed at all, due to a failure to obtain or satisfy, in a timely manner or otherwise, required regulatory, shareholder and court approvals and other conditions to the closing of the transaction or for other reasons, the risk that competing offers or acquisition proposals will be made, the negative impact that the failure to complete the transaction for any reason could have on the price of the shares or on the business of the Corporation, general economic and market conditions, including interest and foreign exchange rates, global financial markets, the impact of pandemics or epidemics, changes in government regulations or in tax laws, industry competition, technological developments and other factors described or discussed in CI's disclosure materials filed with applicable securities regulatory authorities from time to time. Additional information about the risks and uncertainties of the Corporation's business and material risk factors or assumptions on which information contained in forward-looking information is based is provided in the Corporation's disclosure materials, including the Corporation's most recently filed annual information form and any subsequently-filed interim management's discussion and analysis, which are available under our profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward looking information, which speaks only as of the date made. The forward-looking information contained in this press release represents our expectations as of the date of this news release and is subject to change after such date. CI Financial disclaims any intention or obligation or undertaking to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable law.

## **CI Financial**

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Source: CI Financial Corp.

CONSENT TO ASSIGN CONTRACT WITH  
SEGALL BRYANT & HAMILL, LLC

PROPOSED RESOLUTION

WHEREAS, LACERS has a contract with Segall Bryant & Hamill, LLC (SBH), for active U.S. small cap value equities portfolio management; and,

WHEREAS, the parent company of SBH, CI Financial, has entered into an arrangement with Accelerate Holdings Corp. (Accelerate), whereby Accelerate would acquire CI Financial; and,

WHEREAS, the arrangement with Accelerate would take CI Financial private with the backing of sovereign investor, Mubadala Capital; and,

WHEREAS, under the Investment Advisers Act of 1940 and pursuant to LACERS' contract with SBH, this is a change of ownership that requires written consent of the Board; and,

WHEREAS, staff and NEPC, LLC, LACERS' general fund consultant, recommend approving the written consent,

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby consents to the assignment of LACERS' existing contract with Segall Bryant & Hamill to Accelerate Holdings Corp.; and, authorizes the Acting General Manager or his designee to approve and execute the necessary documents, subject to satisfactory business and legal terms.

March 25, 2025