



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



Board of Administration Agenda

REGULAR MEETING
TUESDAY, APRIL 11, 2023
TIME: 10:00 A.M.

MEETING LOCATION:

LACERS Boardroom
977 N. Broadway
Los Angeles, California 90012

Important Message to the Public

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

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

Disclaimer to Participants

Please be advised that all LACERS Board meetings are recorded.

LACERS Website Address/link:

www.LACERS.org

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

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

Notice to Paid Representatives

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

Request for Services

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

Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, Telecommunication Relay Services (TRS), or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days' notice is strongly recommended. For additional information, please contact: Board of Administration Office at (213) 855-9348 and/or email at ani.ghoukassian@lacers.org.

- I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA
- II. ELECTION TO FILL UNEXPIRED TERM OF THE VACANT OFFICE OF THE BOARD PRESIDENT PURSUANT TO LOS ANGELES CITY CHARTER SECTION 503(A) AND POSSIBLE BOARD ACTION
- III. IF VACANCY CREATED IN OFFICE OF THE VICE PRESIDENT BY BOARD ACTION ON AGENDA ITEM II, ELECTION TO FILL UNEXPIRED TERM OF BOARD VICE PRESIDENT, PURSUANT TO LOS ANGELES CITY CHARTER SECTION 503(A) AND POSSIBLE BOARD ACTION
- IV. BOARD PRESIDENT VERBAL REPORT
- V. GENERAL MANAGER VERBAL REPORT
 - A. REPORT ON DEPARTMENT OPERATIONS
 - B. UPCOMING AGENDA ITEMS
- VI. RECEIVE AND FILE ITEMS
 - A. [BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER](#)
 - B. [ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD](#)
- VII. CONSENT ITEM(S)
 - A. [APPROVAL OF MINUTES FOR THE REGULAR MEETING OF MARCH 14, 2023 AND POSSIBLE BOARD ACTION](#)
- VIII. BOARD/DEPARTMENT ADMINISTRATION
 - A. [COST-OF-LIVING ADJUSTMENTS FOR JULY 2023 AND POSSIBLE BOARD ACTION](#)
- IX. INVESTMENTS
 - A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS
 - B. [PRESENTATION OF LACERS EMERGING MANAGERS PERFORMANCE FOR THE PERIOD ENDING DECEMBER 31, 2022](#)
- X. DISABILITY RETIREMENT APPLICATION(S)

- A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF JERRY PINEDA AND POSSIBLE BOARD ACTION**

- B. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF JESSE RODRIGUEZ AND POSSIBLE BOARD ACTION (HEARING)**

XI. OTHER BUSINESS

XII. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, April 25, 2023 at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

XIII. ADJOURNMENT

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM VI-A

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

SERVICE RETIREMENTS

<u>Member Name</u>	<u>Service</u>	<u>Department</u>	<u>Classification</u>
Vincent, Noreen S	48	City Attorney's Office	Sr Asst City Atty
Millette, Paul Karl	43	Police Dept. - Civilian	Sr Administrative Clerk
Gallegos, Regina E	38	PW - Sanitation	Exec Admin Asst
Tamura, Denise Marie	38	Zoo Dept.	Exec Admin Asst
Fujita, Harold Taro	37	Dept. of Rec. & Parks	Personnel Dir
Mendez, Jacqueline Reyes	37	Comm Inves for Family Dept.	Sr Mgmt Analyst
Rodgers, Toni Kai	35	Police Dept. - Civilian	Police Service Rep
Winfery, Lori Ann	35	PW - Sanitation	Secretary
Palmer, C A	35	GSD - Fleet Services	Equipmnt Mechanic
Garcia, Jose P	35	PW - Sanitation	Asst Dir Bur Sanitation
Dantic, Marigina B	34	Fire Dept. - Civilian	Payroll Supervisor
Gutierrez, Hugo Martin	34	PW - Clean Water	W/Wtr Coll Worker
Nettles, Belinda L	34	Dept. of Airports	Airport Police Sgt
Ethridge, Betty S	34	PW - Sanitation	Sr Administrative Clerk
Tafoya, Joseph John	34	Police Dept. - Officers	Police Sergeant
Nguyen, Vincent C	33	PW - St. Lighting	Sr Street Ltg Engineer
Clark, Trina Lashawn	33	Personnel Dept.	Workers Comp Analyst
Manalo, John A	33	PW - Sanitation	Civil Engrg Assoc
Marine, Kerney R	33	PW - St. Lighting	Asst Dir Bur Of St Ltg
Neal, Lisa Lavon	33	Dept. of Transportation	Traf Officer
Raggio, William Scott	33	Fire & Police Pensions	Asst Gm Pension
Aceves, Lydia	32	Police Dept. - Civilian	Police Service Rep
Kwan, Janet W	32	PW - St. Lighting	St Ltg Engineer/Pm
Le, Phuoc V	31	PW - Sanitation	Envrmtl Engineer
Robinson, Holly Eileen	31	Police Dept. - Civilian	Police Service Rep
Lee, Caroline	31	Police Dept. - Civilian	Management Analyst
Towner, Pamela L	31	Police Dept. - Civilian	Secretary
Colon, Paz	30	City Attorney's Office	Legal Assistant
Miko, Jimmy David	29	Dept. of Rec. & Parks	Cement Finisher
Quigley, James W	29	PW - St. Lighting	Sr Street Ltg Engineer
Woodard Smith, Jowunder	29	Dept. of Airports	Airport Police Ofcr
Peralta, Rosette F	28	Office of Finance	Management Analyst
Le, Thu Van	27	GSD - Fleet Services	Equipmnt Mechanic
Jankowski, Barbara E	27	City Attorney's Office	Deputy City Atty
Spears, Bernard	25	PW - Sanitation	Equipmnt Operator

Docazal, Huberto S	24	GSD - Bldg. Fac Mgmt.	Cust Supervisor
Krieger, Jennifer Roth	23	City Attorney's Office	City Atty Ch Admin Asst
Chau, Annie L	23	PW - St. Lighting	Sr Mgmt Analyst
Ramirez, Daniel D	23	GSD - Materials Mgmt.	Storekeeper
Morris, Geoffrey R	22	PW - Sanitation	Ref Coll Truck Oper
Barney, Allie D	22	PW - St. Tree Div.	Maintenance Laborer
Plowden, Geoffrey R	21	City Attorney's Office	Deputy City Atty
Palisoc, Pio Fernandez	21	Police Dept. - Civilian	Accounting Clerk
Tuason, Emma C	21	Fire & Police Pensions	Accountant
Lisenko, Andre S	20	PW - Contract Administration	Constr Inspector
Hamilton, John Wells	20	Dept. of Bldg. & Safety	Build Mech Inspector
Zapata, Ellenore D	19	Library Dept.	Library Asst
Lample, Tracy S	19	Dept. of Rec. & Parks	Gardener Caretaker
Esguerra, Benedicto Basan	19	Office of Finance	Sr Tax Auditor
Johnson, Barry Francis	18	Comm Inves for Family Dept.	Management Analyst
Cuevas, Eduardo D	18	Dept. of Airports	Security Officer
Piedra, Carlos R	17	Dept. of Airports	Gardener Caretaker
Cook Carrasco, Janet Lillian	17	Dept. of Airports	Airport Police Officer
Bolden, Darren R	16	PW - Resurf & Reconstr Div.	Equip Operator
Johnson, August	16	PW - Sanitation - Hyperion	W/Wtr Trmt Oper
Newsom, John David	15	PW - Sanitation - Hyperion	Painter
Fitzgerald, Elizabeth T	14	City Attorney's Office	Deputy City Atty
Marshall, Patricia S	14	Library Dept.	Administrative Clerk
Lin, James Chi Wen	13	Police Dept. - Civilian	Sr Equipment Mechanic
Ingram, Durl Philip	12	PW - St. Maint.	Maint & Constr Helper
Batson, Teresa	11	City Planning Dept.	City Planner
Ramirez, Maria L	11	Police Dept.	Security Officer
Fok, Edward C	10	Dept. of Transportation	Transport Eng Assoc
Kitos, John Christophe	10	PW - Sanitation	Machinist
Sutherland, Michael John	10	PW - Clean Water	W/Wtr Coll Worker
Martinez, Dora	8	Library Dept.	Messenger Clerk
Sawah, Susan	6	Dept. of Rec. & Parks	Recreation Asst

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM VI-A

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

Approved Death Benefit Payments

Deceased

Beneficiary/Payee

TIER 1

Aarabifard, Mohammad N

John E Izumi for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance
Unused Contributions

Marjan Izumi for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance
Unused Contributions

Abrams, Anthony

Darla J Abrams for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Alfaro, Leslie H

Waldo E Alfaro for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Alipio, Antonio S

Lucila Enriquez Alipio for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Amiel, Chaim V

Yehudeth Amiel for the payment of the
Burial Allowance

Birl, Argie M	Shalonda Marvette Phipps for the payment of the Accrued But Unpaid Continuance Allowance
Browne, Fletcher H	Theresa M Browne for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Bruno, Albert	Sandra Aguilar Berke for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Buckley, Rita R	Stephen W Buckley for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Campos, Juventino	Myrna Campos for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Castro, Viola M	Andrew Castro for the payment of the Accrued But Unpaid Service Retirement Allowance Unused Contributions Anthony Castro for the payment of the Burial Allowance Nicholas A Castro for the payment of the Accrued But Unpaid Service Retirement Allowance Unused Contributions
Corugedo, Carlos S	Claudia Y Corugedo for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Lourdes B Corugedo for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Darrow, Stephen J	James L Darrow for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Davis, Arlette	Keisha M Davis for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
De Bruin, Joan A	Sean Haley for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Delatorre, Domingo M	Armando Vargas De La Torre for the payment of the Accrued But Unpaid Service Retirement Allowance David V De La Torre for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Ruben Vargas De La Torre for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Deleon, Mary C	Francisco De Leon for the payment of the Burial Allowance Joe De Leon for the payment of the Burial Allowance
Dennis, Samuel Lewis	Donald Mundy for the payment of the Burial Allowance
Fuller, Elaine C	Ruby S Chang for the payment of the Accrued But Unpaid Continuance Allowance

Gough, Richard B	Diane Laura Gough for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Govan, Clifford G	Gregory G Govan for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Sandra Janine Claggett for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Gusto, Anita C	Samuel C Gusto for the payment of the Accrued But Unpaid Continuance Allowance
Hamilton, Francis R	Angelina K Mcgee for the payment of the Accrued But Unpaid Continuance Allowance
Harbour, Leslie W	Lawan Srichin for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hawthorne, Ruby J	Pilar D Etuk for the payment of the Accrued But Unpaid Continuance Allowance
Heramis, Corazon	Vivien Lee Heramis Sampica for the payment of the Accrued But Unpaid Continuance Allowance

Hobbs, Evelyn A	Donna L Paradis for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Joan M Hobbs for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hudson, Ivory P	Christa Hudson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Hudson, Thomas W	Janet K Hudson for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Jordan, Raymond B	Janice G Jordan for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Jurado, Irene A	Gabriela J Lopez for the payment of the Accrued But Unpaid Continuance Allowance
Katz, Moses	Lia Katz for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Krolnik, William John	John William Krolnik for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Linda M Krolnik Wallace for the payment of the Accrued But Unpaid Service Retirement Allowance

Krone, Martin Jay	<p>Karen L Goldberg for the payment of the Burial Allowance</p> <p>Valancie Anne Jackson for the payment of the Burial Allowance</p>
Lang, Grace	<p>Patricia Ann Cannon for the payment of the Accrued But Unpaid Continuance Allowance</p> <p>Robert K Taylor for the payment of the Accrued But Unpaid Continuance Allowance</p>
Lanier, Linda S	<p>Damon M Lanier for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance</p>
Larson, Mary C	<p>Wendy Sue Larson Silva for the payment of the Accrued But Unpaid Continuance Allowance</p>
Lawson, Roger A	<p>Craig A Lawson for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance</p>
Lewis, Lee Chester	<p>Cynthia Renee Lewis for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance</p> <p>Lula Faye Carson for the payment of the Accrued But Unpaid Service Retirement Allowance</p>
Lutsey, Patricia A.	<p>Linda Reed for the payment of the Accrued But Unpaid Continuance Allowance</p>
Madison, John E	<p>Joan Washington for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance</p>

Manzano, Angel	Cristina A Manzano for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mcdermott, Gloria Maria	Gabriel Mcdermott for the payment of the Unused Contributions
Mcnaughton, Richard	Kelly Lyn Brant for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance Sharon L Mcnaughton for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Meighan, Lea	Danielle Jones for the payment of the Accrued But Unpaid Service Retirement Allowance Unused Contributions
Melvin, Norma	Yvette Melvin for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Miller, Gerald F	Nancy A Walters for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Robert G Miller for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Morrow, Katie A	Marsha Emerson for the payment of the Accrued But Unpaid Continuance Allowance

Muis, Marjorie A	Debra L Barnett for the payment of the Accrued But Unpaid Continuance Allowance
Nakamura, Ko	Yumiko Nakamura for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Nieto, Richard M	Gina P Nieto for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Mindy E Nieto for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Orosco, V Tirado	Danielle Victoria Maldonado for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Pepito, Jose	Evelyn Locson Pepito for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Pugliese, Guy	Sandra K. Pugliese for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Roberson, Willie F	Barbara A Brown for the payment of the Accrued But Unpaid Continuance Allowance
Schaad, George A	Beatriz Campos for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Seidenstucker, Fern C	Lora D Prange for the payment of the Accrued But Unpaid Continuance Allowance
	Paul Seidenstucker for the payment of the Accrued But Unpaid Continuance Allowance
	Valle Altobelli for the payment of the Accrued But Unpaid Continuance Allowance
Shahidi, Houshang M	Josephine A Reyes for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
St. George, Matthew	Rachel Gutekunst for the payment of the Accrued But Unpaid Continuance Allowance
Stockinger, Charles	Ronda Campbell for the payment of the Burial Allowance
Stokes, Joe	Diana K Stokes for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Strid, Harvin F	Strid Family Trust for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Strid, Virginia H	Strid Family Trust for the payment of the Accrued But Unpaid Continuance Allowance
Thordarson, Herbert	Daniel Ray Thordarson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Tomines, Aida Baquiran

Anthony B Tomines for the payment of the
Accrued But Unpaid Service Retirement Allowance
Unused Contributions

Rommel B Tomines for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance
Unused Contributions

Wheatley, Joseph G

Hedwig A Wheatley for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Williams, Roy Lee

Rachel M Gutekunst for the payment of the
Accrued But Unpaid Continuance Allowance

Zucco, George

Joseph H Canto for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

TIER 3
NONE

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM VI-A

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

Approved Death Benefit Payments

Deceased

Beneficiary/Payee

TIER 1

Active

None

TIER 3

Active

Tang, Dong
(Deceased Active)

Yan Lin for the payment of the
Accumulated Contributions

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

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

RESTRICTED SOURCES

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

Name	Description	Inception	Expiration	Division
Anthem	Medical HMO & PPO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
Kaiser	Medical HMO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
SCAN	Medical HMO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
United Healthcare	Medical HMO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
Delta Dental	Dental PPO and HMO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
Anthem Blue View Vision	Vision Services Contract	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
Experience Institute, LLC	Learning Experience Program Design and Facilitation Services	N/A	N/A	Human Resources
Axiom Investors LLC	Active Growth Non-U.S. Emerging Markets Equities	January 1, 2022	December 31, 2022	Investments
BlackRock Institutional Trust Company, N.A.	Multi Passive Index Portfolio Management	November 1, 2022	October 31, 2027	Investments

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

Name	Description	Inception	Expiration	Division
RhumbLine Advisers Limited Partnership	Multi Passive Index Portfolio Management	November 1, 2022	October 31, 2027	Investments
State Street Global Advisors Trust Company	Multi Passive Index Portfolio Management	November 1, 2022	October 31, 2027	Investments
Principal Global Investors, LLC	Active U.S. Mid Cap Core Equities	July 1, 2014	June 30, 2023	Investments
Dimensional Fund Advisors, LP	Active Non-U.S. Equities Emerging Markets Value	July 1, 2014	June 30, 2023	Investments
Institutional Shareholder Services Inc.	Proxy Voting Analysis Services	March 1, 2018	February 28, 2023	Investments
Copeland Capital Management, LLC	Active U.S. Small Cap Core Equities	August 1, 2020	July 31, 2023	Investments
Segall Bryant & Hamill, LLC	Active U.S. Small Cap Value Equities	August 1, 2020	July 31, 2023	Investments
Granahan Investment Management, Inc.	Active U.S. Small Cap Growth Equities	August 1, 2020	July 31, 2023	Investments
Box, Inc.	Retirement Application Portal Custom Consulting Services	December 1, 2021	November 30, 2022	Systems
PensionX	Website Design, Maintenance, and Support Services	April 1, 2019	April 30, 2023	Systems
Seva, LLC	Knowledge Base Development	N/A	N/A	Retirement Services

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

ACTIVE RFPs

Description	Respondents	Inception	Expiration	Division
Medical Plans		March 10, 2023	April 6, 2023	Health, Wellness, & Buyback

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

March 14, 2023

10:00 a.m.

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

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

I

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

II

BOARD PRESIDENT VERBAL REPORT – President Serrano welcomed everyone back to in-person meetings and thanked staff.

III

GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:

- LACERS HQ Update
- Insurance Update
- Retirement Services updates

- Health Benefits Administration updates
- Communications and Stakeholder Relations
- Upcoming events

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

- Benefits Administration Committee – March 28th: Health Board Rules and Anthem Advantage Plan Survey Results
- Governance Committee – March 28th: A continuation of the Triennial Board Policy Review
- Board of Administration – March 28th: FY 23/24 Preliminary Budget, Personnel and Annual Resolutions

IV

RECEIVE AND FILE ITEMS

- A. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.
- B. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.
- C. EDUCATION AND TRAVEL EXPENDITURE REPORT FOR THE QUARTER ENDING DECEMBER 31, 2022 – This report was received by the Board and filed.

V

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

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE MEETING OF FEBRUARY 14, 2023 AND SPECIAL MEETING OF FEBRUARY 22, 2023 AND POSSIBLE BOARD ACTION

VI

COMMITTEE REPORT(S)

- A. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON FEBRUARY 28, 2023 – President Serrano stated that the Committee approved the Triennial Board Review: Section 3.0 Duties and Responsibilities, Subsection 3.1 through 3.5.

VII

BOARD/DEPARTMENT ADMINISTRATION

- A. UPDATE ON TELECONFERENCING OPTIONS FOR BOARD MEETINGS UNDER TRADITIONAL BROWN ACT REQUIREMENTS AND NEW PROTOCOLS PURSUANT TO ASSEMBLY BILL 2449 AND POSSIBLE BOARD ACTION – Neil M. Guglielmo, General Manager, presented this item with the Committee. After a five-minute discussion, Commissioner Wilkinson moved approval, seconded by Vice President Lee, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano -7; Nays, None.

VIII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS – Rod June, Chief Investment Officer, reported on the portfolio value of \$20.93 billion as of March 13, 2023. Mr. June discussed the following items:
- Staff to initiate full review of the Investment Policy Manual
 - Update and discussion on Silicon Valley Bank (SVB) and Signature Bank
 - Barbara Sandoval, Investment Officer II, has accepted the position of Emerging Manager Program Officer
 - Future Agenda Items: Investment Manager Contract with two investment managers (Granahan-US Small Cap Growth and EAM – US Small Cap Growth Equities); Annual Adaptive Asset Allocation Policy Status Report

Mr. June shared that Russian exposure for LACERS was 1.4 basis points and there were no material changes since February 24, 2023.

President Serrano recessed the Regular Meeting at 11:17 a.m. for a break and reconvened the meeting at 11:24 a.m.

- B. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW FOR THE QUARTER ENDING DECEMBER 31, 2022 – Carolyn Smith, Partner, and Kevin Novak, Principal, with NEPC, LLC, presented and discussed this item with the Board for 1.5 hours.

IX

LEGAL/LITIGATION

- A. APPROVAL OF REQUEST FOR PROPOSALS FOR OUTSIDE DATA PRIVACY, HEALTH LAW, AND CYBERSECURITY COUNSEL AND POSSIBLE BOARD ACTION – Joshua Geller, Deputy City Attorney, presented this item to the Board. Vice President Lee moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano -7; Nays, None.

X

OTHER BUSINESS – President Serrano, Commissioner Wilkinson, and Commissioner Sohn thanked staff who worked on the 977 HQ project.

XI

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, March 28, 2023, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

XII

ADJOURNMENT – There being no further business before the Board, President Serrano adjourned the Meeting at 12:58 p.m.

Nilza R. Serrano
President

Neil M. Guglielmo
Manager-Secretary



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

Neil M. Guglielmo

MEETING: APRIL 11, 2023

ITEM: VIII-A

SUBJECT: COST-OF-LIVING ADJUSTMENT FOR JULY 2023 AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

1. That the Board of Administration (“Board”) adopt a 3% cost-of-living-adjustment (“COLA”) increase for eligible benefits of Tier 1 and Tier 1 Enhanced Members and Beneficiaries (“Participants” hereafter) and a 2% COLA increase for eligible benefits of Tier 3 Participants as detailed in the attached schedule prepared by LACERS’ consulting actuary with an effective date of July 1, 2023.

2. That the Board authorize the Board President to sign and transmit a letter to the Los Angeles City Council (“Council”) requesting review of the COLA for those who receive retirement benefits from LACERS and consider granting a 2.6% discretionary COLA increase to eligible Tier 1 Participants. There are currently no Tier 3 Participants that are eligible for a discretionary COLA.

Executive Summary

On July 1st of each year, the Board may authorize that eligible Participants receive a COLA to their benefits in accordance with the Los Angeles Administrative Code (“LAAC”). The COLA is based on the average annual percentage change in the Consumer Price Index (“CPI”) for the Los Angeles area for the previous calendar year and is subject to the limitations in LAAC § 4.1022 for Tier 1 and § 4.1080.17 for Tier 3. According to the Federal Bureau of Labor Statistics, the annual average CPI for the Los Angeles area increased by 7.4% in 2022. However, due to LAAC limitations, Tier 1 and Tier 1 Enhanced eligible participants will receive a maximum COLA of 3% while Tier 3 eligible participants will receive a maximum COLA of 2%, effective July 1, 2023.

Since the average CPI increase for last year exceeds the COLA caps, the policy imposed by LAAC § 4.1023 and § 4.1080.17(c), gives Council discretionary authority to grant additional COLA. The Council may determine the adequacy of the COLA being granted to Participants. If the Council finds that the COLA is inadequate “in light of the movement of the [CPI], [Council] may grant [an] additional, but discretionary cost of living adjustment.”

Discussion

In any given year, the Board shall review the CPI to determine if Tier 1 and Tier 1 Enhanced Participants are eligible for a maximum increase of 3% COLA (LAAC § 4.1022 for Tier 1). Tier 1 Enhanced Members are Tier 1 Airport Peace Officers (including certain fire fighters) appointed to their positions before January 7, 2018 that elected to remain in Tier 1 with LACERS after January 6, 2018. Tier 1 and Tier 1 Enhanced benefits include a COLA bank, whereby participants are entitled to receive and accumulate the excess amount (known as “Excess COLA”) whenever the CPI change is greater than the maximum limit of 3% in any year. Based on the 7.4% CPI increase, Tier 1 and Tier 1 Enhanced Participants are proposed to receive the maximum of 3% increase, with the remaining excess COLA of 4.4% (7.4%-3.0%) banked for future use. In contrast, benefits under Tier 3 cap the COLA at 2.0% and there is no banked benefit (LAAC § 4.1080.17), therefore Tier 3 Participants will receive 2% COLA effective July 1, 2023. Based on LACERS’ latest actuarial valuation, this significant increase in CPI could affect more than 22,399 LACERS Participants that have retirement dates on or before June 30, 2022

The COLA benefits effective July 1, 2023 are summarized in the table below and are further detailed in the attached letter from LACERS’ consulting actuary.

Membership	Initial Retirement Date	COLA Limitation pursuant LAAC § 4.1022 & § 4.1080.17	COLA Effective July 1, 2023
Tier 1 and Tier 1 Enhanced Participants	On or before July 1, 2022	<ul style="list-style-type: none"> • 3.0% maximum increase • Excess COLA will be banked (i.e., added to existing accumulated COLA balance, see attached schedule). 	3%
Tier 1 and Tier 1 Enhanced Participants with less than one full year of retirement	July 2, 2022 to June 30, 2023	<ul style="list-style-type: none"> • Prorated COLA increase of 1/12th for each full month of retirement • Excess will not be banked for less than one full year of retirement 	1/12th of 3.0% each full month retired
Tier 3 Participants	On or before July 1, 2022	<ul style="list-style-type: none"> • 2% maximum increase • No COLA Bank 	2%
Tier 3 Participants with less than one full year of retirement	July 2, 2022 to June 30, 2023	<ul style="list-style-type: none"> • Prorated COLA increase of 1/12th for each full month of retirement • No COLA Bank 	1/12th of 2.0% each full month retired

Council has the authority to determine the adequacy of COLAs and may grant an additional but discretionary COLA for Tier 1 and Tier 3 in accordance with LAAC § 4.1023 and LAAC § 4.1080.17(c),

respectively. Although it is the City Administrative Officer's duty to prepare appropriate reports and recommendations for Council to make findings as to the adequacy of annual COLAs (LAAC § 4.1023(e) and LAAC § 4.1080.17(c)(vii)), upon its adoption of the recommendations, the Board requests that the Mayor, CAO, and the City Council consider authorization of a discretionary COLA for situations when the CPI meaningfully exceeds the authorized COLA for one or more years. Members, especially those who have been retired for longer periods of time, can experience significantly diminished buying power in high inflation environments. Council has previously provided three discretionary adjustments: 7% in 1982, 1.25% in 1986, and 1.6% in 1989 (Council File # 99-1158). In 2002, Council granted a discretionary COLA for Participants with a retirement date before June 30, 1984 (Council File # 01-2343). The purpose of this one-time COLA was to reduce all excess COLA banks to no more than 25.3% (Ordinance # 174419). Any banked amount that exceeded 25.3% was paid to Participants. Since then, Council has not granted any discretionary COLAs based on staff research conducted using City Clerk Connect.

Strategic Plan Impact Statement

The Board's action on this item aligns with the Benefit Delivery Goal by ensuring accurate payment of benefits in accordance with plan documents codified in the Los Angeles Administrative Code.

Prepared By: Jo Ann Peralta, Departmental Chief Accountant

NG:TB:JP,EA

Attachment 1: Segal Letter dated January 26, 2023 with COLA schedule

Attachment 2: Discretionary Cost-of-Living Adjustment for Retired LACERS Members and their Beneficiaries



Andy Yeung, ASA, MAAA, FCA, EA
Vice President & Actuary
T 415.263.8283
ayeung@segalco.com

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

Via Email

Board Mtg: 04/11/23
Item: VIII-A
Attachment 1

January 26, 2023

Mr. Neil Guglielmo
General Manager
Los Angeles City Employees' Retirement System
P.O. Box 512218
Los Angeles, CA 90051-0218

**Re: Los Angeles City Employees' Retirement System (LACERS)
Cost-of-Living Bank as of July 1, 2023**

Dear Neil:

We have prepared a schedule showing the accumulated banked benefits for the System's retirees and beneficiaries reflecting the cost-of-living adjustments as of July 1, 2023.

The annual average CPI increased from 289.244 in 2021 to 310.782 in 2022, an increase of 7.4% (rounded to the nearest one-tenth of one percent). This figure was determined by using the Consumer Price Index (CPI) for all Urban Consumers in the Los Angeles-Long Beach-Anaheim Area, as published by the Bureau of Labor Statistics.

Note that participants with membership dates on and after February 21, 2016 were placed in Tier 3, unless the participant qualified for Tier 1 membership. Participants in Tier 3 are entitled to a maximum of 2% COLA provision after retirement (instead of a maximum of 3% COLA provision for Tier 1 and Tier 1 Enhanced¹). In addition, excess COLA will not be banked under the Tier 3 provision and all Tier 3 retirees and beneficiaries will receive the same COLA regardless of retirement date.

The schedule in Exhibit A contains four columns for Tier 1 and Tier 1 Enhanced participants:

- Column 1.** Accumulated Banked Benefits as of July 1, 2022. This data was obtained from a similar schedule we prepared last year.
- Column 2.** Actual average CPI increase of 7.4%.
- Column 3.** Cost-of-living increase granted as of July 1, 2023, for a full year of retirement.
- Column 4.** Accumulated Banked Benefits as of July 1, 2023.
(Column (1) + Column (2) - Column (3), but limited to no less than 0%)

¹ Tier 1 Enhanced is for all Tier 1 Airport Peace Officers (including certain fire fighters) appointed to their positions before January 7, 2018 who elected to remain at LACERS after January 6, 2018, and who paid their mandatory additional contribution of \$5,700 to LACERS before January 8, 2019, or prior to their retirement date, whichever was earlier.

Mr. Neil Guglielmo
January 26, 2023
Page 2

As shown in Exhibit A, the cost-of-living increase as of July 1, 2023 for Tier 1 and Tier 1 Enhanced participants with an initial retirement date on or before June 30, 2022 is the full 3.0% maximum increase permitted by the Administrative Code. The difference between 7.4% and 3.0%, or 4.4%, will increase the accumulated bank for each of these participants for future COLA increases.

For Tier 1 and Tier 1 Enhanced participants with an initial retirement date between July 1, 2022 and June 30, 2023, the full cost-of-living increase as of July 1, 2023 will be 3.0% but COLA benefits for partial year retirements will be pro-rated. The accumulated bank for these participants will be 0% as of July 1, 2023.²

For Tier 3 participants, the cost-of-living increase as of July 1, 2023 will be 2.0% regardless of retirement date as shown in Exhibit B.

Please give us a call if you have any questions.

Sincerely,



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

bts/bbf
Attachments

cc: Edwin Avanesian
Todd Bouey

² Except for July 1, 2022 retirees, whose accumulated banks as of July 1, 2023 will be 4.4%

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
COST-OF-LIVING INCREASES AND ACCUMULATED BANKED BENEFITS
As of July 1, 2023**

**Exhibit A
Tier 1 and Tier 1 Enhanced Participants**

Initial Retirement Date	July 1, 2022 Accumulated Banked Benefits (1)	Increase in the Annual Average CPI (2)	COLA* (3)	July 1, 2023 Accumulated Banked Benefits (4)
On or Before 07/01/1978	15.300%	7.400%	3.000%	19.700%
07/02/1978 to 07/01/1979	11.050%	7.400%	3.000%	15.450%
07/02/1979 to 08/01/1979	6.444%	7.400%	3.000%	10.844%
08/02/1979 to 09/01/1979	6.639%	7.400%	3.000%	11.039%
09/02/1979 to 10/01/1979	6.833%	7.400%	3.000%	11.233%
10/02/1979 to 11/01/1979	7.028%	7.400%	3.000%	11.428%
11/02/1979 to 12/01/1979	7.222%	7.400%	3.000%	11.622%
12/02/1979 to 01/01/1980	7.417%	7.400%	3.000%	11.817%
01/02/1980 to 02/01/1980	7.611%	7.400%	3.000%	12.011%
02/02/1980 to 03/01/1980	7.806%	7.400%	3.000%	12.206%
03/02/1980 to 04/01/1980	8.000%	7.400%	3.000%	12.400%
04/02/1980 to 05/01/1980	8.194%	7.400%	3.000%	12.594%
05/02/1980 to 06/01/1980	8.389%	7.400%	3.000%	12.789%
06/02/1980 to 07/01/1980	8.583%	7.400%	3.000%	12.983%
07/02/1980 to 06/30/2018	0.800%	7.400%	3.000%	5.200%
07/01/2018 to 06/30/2021	0.800%	7.400%	3.000%	5.200%
07/01/2021 to 06/30/2022	0.000%	7.400%	3.000%	4.400%
07/01/2022 ** to 06/30/2023		7.400%	3.000%	0.000%

* COLA benefits for partial year retirements are pro-rated.

** Only those retirees (or continuing survivors) whose benefits commenced on July 1 and continued through June 30 receive a COLA bank in years of excess CPI. For initial retirement dates starting July 1, 2018 and later, the COLA bank for a July 1 retiree (or continuing survivor) is shown on the row above. For example, the July 1, 2022 COLA bank for a July 1, 2018 retiree (or continuing survivor) is 0.800% (i.e., from the 07/02/1980 to 06/30/2018 row) and such retiree (or continuing survivor) would receive a July 1, 2023 COLA of 3.000%. The July 1, 2023 COLA bank for such retiree (or continuing survivor) would be increased to 5.200%.

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
COST-OF-LIVING INCREASES
As of July 1, 2023**

**Exhibit B
Tier 3 Participants**

	Increase in the Annual Average CPI	COLA*
All Tier 3 Participants Retired on or before 06/30/2023	7.400%	2.000%

* COLA benefits for partial year retirements are pro-rated.



April 11, 2023

Los Angeles City Council
c/o City Clerk
200 N. Spring Street
Room 395, City Hall
Mail Stop #160

DISCRETIONARY COST-OF-LIVING ADJUSTMENT FOR RETIRED LACERS MEMBERS AND THEIR BENEFICIARIES

Honorable City Council Members:

The LACERS Board of Administration (Board) adopted the attached report recommending that the City Council (Council) grant a discretionary cost-of-living-adjustment increase to eligible retired LACERS' Members and their Beneficiaries (Participants).

Although it is the City Administrative Officer's duty to prepare appropriate reports and recommendations for Council to make findings as to the adequacy of annual COLAs,¹ the Board respectfully requests that Council grant a discretionary COLA to address the 7.4% increase in the Consumer Price Index which greatly exceeds the Tier 1 COLA limit of 3%.² This increase could affect more than 22,397 LACERS Participants that have retirement dates on or before June 30, 2022.³

Council has granted discretionary COLAs to LACERS Participants in the past.⁴ In 2002, Council granted a discretionary COLA for Participants with a retirement date before June 30, 1984.⁵ The purpose of this one-time COLA was to reduce all excess COLA banks to no more than 25.3%.⁶ Any banked amount that exceeded 25.3% was paid to Participants. Since then, Council has not granted any discretionary COLAs.

To help LACERS Participants cope with record-breaking inflation, the Board recommends that Council grant a 2.6% discretionary COLA for eligible Tier 1 Participants. There are currently no Tier 3 Participants that are eligible for a discretionary COLA.

Sincerely,

ELIZABETH LEE, Vice President
LACERS Board of Administration
NMG/EA

Attachment
COST-OF-LIVING ADJUSTMENT FOR JULY 2023 AND POSSIBLE BOARD ACTION

¹ LAAC § 4.1023(e) and LAAC § 4.1080.17(c)(vii)

² LAAC § 4.0123(c)(1)

³ Based on LACERS' latest actuarial valuation

⁴ 7% in 1982, 1.25% in 1986, and 1.6% in 1989 (Council File # 99-1158)

⁵ Council File # 01-2343

⁶ Ordinance # 174419

LA CITY EMPLOYEES' RETIREMENT SYSTEM

P.O. Box 512218
Los Angeles, CA
90051-0218

(800) 779-8328
RTT: (888) 349-3996

www.LACERS.org
lacers.services@lacers.org

KAREN BASS

Mayor of the City of Los Angeles

LACERS BOARD OF ADMINISTRATION

Vacant, President
Elizabeth Lee, Vice President
Annie Chao
Thuy Huynh
Janna Sidley
Sung Won Sohn
Michael R. Wilkinson

LACERS EXECUTIVE STAFF

Neil M. Guglielmo
General Manager
Todd Bouey
Executive Officer
Dale Wong-Nguyen
Assistant General Manager
Rodney June
Chief Investment Officer

c: Neil Guglielmo, LACERS
Todd Bouey, LACERS
Dale Wong Nguyen, LACERS



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



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

MEETING: APRIL 11, 2023
ITEM: IX - B

Neil M. Guglielmo

SUBJECT: PRESENTATION OF LACERS EMERGING MANAGERS PERFORMANCE FOR THE PERIOD ENDING DECEMBER 31, 2022

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this report.

Executive Summary

LACERS' Emerging Investment Manager Program aims to hire and retain Emerging Investment Managers in order to add value to the LACERS investment portfolio. This report provides a performance update on the Emerging Investment Managers currently under contract by LACERS.

Discussion

Background

LACERS' Emerging Investment Manager Policy (Policy) was adopted on February 14, 2012, and was most recently revised on May 25, 2021. The Policy identifies guidelines and sets goals to hire and retain Emerging Investment Managers that would otherwise not be identified in the standard LACERS investment manager search process in order to add value to the LACERS investment portfolio. Smaller investment management firms may generate superior performance returns due to increased market flexibility associated with smaller asset bases. The Policy sets a goal of funding Emerging Investment Managers at no less than 10% of available capital and provides minimum criteria for firms to qualify as an Emerging Investment Manager.

Pursuant to the Policy, staff presents an annual report to the Investment Committee providing the status of the Emerging Investment Manager Program, including the following information:

1. Names and dollar amounts awarded to Emerging Investment Managers
2. Report of Emerging Investment Manager goal metrics
3. List of all investment manager searches
4. Staff and consultant efforts to increase the visibility of LACERS' investment manager searches and representation of Emerging Investment Managers in the LACERS investment portfolio
5. Performance data for funds managed by Emerging Investment Managers

This report is typically presented within two months of the fiscal year end based on data as of the previous calendar year end. The most recent annual report as of December 31, 2021 (Attachment 1) was reviewed by the Investment Committee on August 9, 2022.

Emerging Investment Manager Performance Update

On January 24, 2023, the Board requested that staff provide updated performance for the Emerging Investment Managers within the LACERS portfolio, as presented in the following tables. Performance for Public Markets managers is updated through December 31, 2022; performance for Private Markets managers is updated through June 30, 2022, which is the most recent quarter end data available.

Performance Data of LACERS Public Markets Emerging Investment Managers as of 12/31/2022

Public Markets Managers Performance (Net-of-Fees)	Inception Date	One Year	Two Years	Three Years	Five Years	Since Inception
Oberweis Asset Management, Inc. ¹ MSCI EAFE Small Cap Index	Jan-2014	-37.28	-19.27	2.36	0.54	4.53
		-21.39	-6.97	-0.93	-0.04	3.76
<i>Excess Return</i>		<i>-15.89</i>	<i>-12.30</i>	<i>3.29</i>	<i>0.58</i>	<i>0.77</i>
EAM Investors LLC ² Russell 2000 Growth Index	Sep-2015	-31.11	-15.45	0.99	6.10	8.06
		-26.36	-12.98	0.65	3.51	7.47
<i>Excess Return</i>		<i>-4.75</i>	<i>-2.47</i>	<i>0.34</i>	<i>2.59</i>	<i>0.59</i>
Granahan Investment Management, Inc. ³ Russell 2000 Growth Index	Aug-2020	-31.38	-17.33	-	-	-2.77
		-26.36	-12.98	-	-	-0.83
<i>Excess Return</i>		<i>-5.02</i>	<i>-4.35</i>	<i>-</i>	<i>-</i>	<i>-1.94</i>

Public Markets Managers Peer Comparison	Universe	Number of Peers in Universe	5-Year Return % (Peer Rank)	5-Year Peer Median Return %	5-Year Sharpe Ratio (Peer Rank)	5-Year Sharpe Ratio Median
Oberweis Asset Management, Inc.	eV EAFE Small Cap Equity Net Median	72	0.54 (43 rd)	0.16	0.09 (29 th)	0.05
EAM Investors LLC	eV US Small Cap Growth Equity Net Median	157	6.10 (68 th)	7.69	0.31 (68 th)	0.37
Granahan Investment Management, Inc. ⁴	eV US Small Cap Growth Equity Net Median	157	18.56 (1 st)	7.69	0.57 (1 st)	0.37

¹ Account funded January 15, 2014. No longer meets the LACERS definition of an emerging manager; firm assets exceed \$2 billion.

² Account funded October 1, 2015. No longer meets the LACERS definition of an emerging manager; firm assets exceed \$2 billion.

³ Account funded September 1, 2020. No longer meets the LACERS definition of an emerging manager; firm assets exceed \$2 billion.

⁴ Composite strategy performance was used to determine the 5-year peer rankings due to the limited track record of LACERS' accounts. Five-year data sourced from eVestment Small Cap Focused Growth composite provided by Granahan.

Performance Data of LACERS Private Markets Emerging Investment Managers as of 6/30/2022

Private Real Estate Emerging Fund Managers	Vintage Year	Net IRR⁵	Return Multiple	Sourced By
Gerrity Retail Fund 2, LP	2015	3.9%	1.20x	Townsend Group
Asana Partners Fund I, LP	2017 ⁶	16.2%	1.80x	Townsend Group
Broadview Real Estate Partners Fund, LP	2019	14.8%	1.20x	Townsend Group

Private Equity Emerging Fund Managers	Vintage Year	Net IRR⁵	Return Multiple	Sourced By
High Road Capital Partners Fund II, LP	2013	14.6%	1.81x	Hamilton Lane
Blue Sea Capital Fund I, LP	2014	19.8%	2.23x	Portfolio Advisors
Oak HC/FT Partners, LP	2014	33.3%	4.16x	Portfolio Advisors
1315 Capital, LP	2015	17.7%	1.88x	Portfolio Advisors
New Water Capital Partners, LP	2015	14.7%	1.56x	Portfolio Advisors
Angeles Equity Partners I, LP	2015	18.5%	1.51x	Portfolio Advisors
CenterGate Capital Partners I, LP	2015	23.7%	1.91x	Portfolio Advisors
Sunstone Partners I, LP	2016	37.2%	2.56x	Portfolio Advisors
Defy Partners I, LP	2016 ⁷	14.5%	1.45x	Portfolio Advisors
NMS Fund III, LP	2017	29.5%	1.77x	Portfolio Advisors
Oak HC/FT Partners II, LP	2017	49.1%	3.09x	Portfolio Advisors
Astra Partners I, LP	2017	-1.1%	0.97x	Portfolio Advisors
Mill Point Capital Partners, LP	2018	27.8%	1.96x	Portfolio Advisors
1315 Capital Fund II, LP	2018	22.3%	1.46x	Portfolio Advisors
DEFY Partners II, LP	2019	34.6%	1.56x	Aksia
P4G Capital Partners I, LP	2019	-43.5%	0.64x	Aksia
Sunstone Partners II, LP	2019	-	1.24x	Aksia
OceanSound Partners Fund, LP	2020	-	1.17x	Aksia
Builders VC Fund II, LP	2020	-	1.13x	Aksia
ULU Ventures Fund III, LP	2021	-	0.99x	Aksia
Mill Point Capital Partners II, LP	2021	-	1.01x	Aksia
Avance Investment Partners, LP	2021	-	0.97x	Aksia
Biospring Partners Fund, LP	2021	-	0.53x	Aksia
DEFY Partners III, LP	2021	-	0.90x	Aksia
LightBay Investment Partners II, L.P.	2022	-	0.00x	Aksia

⁵ A private market fund typically yields a low or negative IRR during its early life "J Curve" period.

⁶ LACERS committed to fund in calendar year 2016.

⁷ LACERS committed to fund in calendar year 2017.

Private Equity Emerging Fund Managers	Vintage Year	Net IRR⁵	Return Multiple	Sourced By
1315 Capital III, L.P.	2022	-	0.00x	Aksia
L2 Point Opportunities I, L.P.	2022	-	0.98x	Aksia
Auldbrass Partners Secondary Opportunity Fund III, L.P.	2022	-	-	Aksia
Sunstone Partners III-Main, LP	2022	-	-	Aksia

The next annual emerging manager report is tentatively scheduled to be presented to the Investment Committee in August 2023.

Strategic Plan Impact Statement

The Emerging Investment Manager Policy aims to add value to the LACERS investment portfolio by hiring Emerging Investment Managers, consistent with Goal IV, which aims to optimize long-term risk adjusted investment returns. The presentation and discussion of the Policy’s goals, metrics, manager outreach and manager performance are consistent with Goal V, which aims to uphold good governance practices which affirm transparency, accountability, and fiduciary duty.

Prepared By: Bryan Fujita, Chief Operating Officer, Investment Division

NMG/RJ/BF/WL/RM

Attachment: 1. 2022 Annual Report on LACERS Emerging Investment Manager Program



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



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

MEETING: AUGUST 9, 2022
ITEM: V

SUBJECT: ANNUAL REPORT ON LACERS EMERGING INVESTMENT MANAGER PROGRAM

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Investment Committee receive and file this report.

Executive Summary

LACERS' Emerging Investment Manager Program aims to hire and retain Emerging Investment Managers in order to add value to the LACERS investment portfolio. This report highlights the Emerging Investment Manager firms hired, dollar amounts awarded, and staff and consultant efforts to increase Emerging Investment Manager representation in the LACERS investment portfolio in calendar year 2021.

Discussion

Background

LACERS' Emerging Investment Manager Policy (Policy) was adopted on February 14, 2012, and was most recently revised on May 25, 2021. The Policy identifies guidelines and sets goals to hire and retain Emerging Investment Managers that would otherwise not be identified in the standard LACERS investment manager search process in order to add value to the LACERS investment portfolio. Smaller investment management firms may generate superior performance returns due to increased market flexibility associated with smaller asset bases. The Policy sets a goal of funding Emerging Investment Managers at no less than 10% of available capital and provides minimum criteria for firms to qualify as an Emerging Investment Manager.

Pursuant to the Policy, this annual report provides the status of the Emerging Investment Manager Program for the year ending December 31, 2021, including the following information:

1. Names and dollar amounts awarded to Emerging Investment Managers
2. Report of Emerging Investment Manager goal metrics
3. List of all investment manager searches
4. Staff and consultant efforts to increase the visibility of LACERS' investment manager searches and representation of Emerging Investment Managers in the LACERS investment portfolio

5. Performance data for funds managed by Emerging Investment Managers

1. Names and Dollar Amounts Awarded to Emerging Investment Managers in 2021

Manager	Style	Asset Class	Investment/Commitment	Consultant
ULU Ventures Fund III, LP	VC – Early Stage	Private Equity	\$10,000,000	Aksia CA LLC
Mill Point Capital Partners II, LP	Buyout - Small	Private Equity	\$11,000,000	Aksia CA LLC
Avance Investment Partners, LP	Buyout - Small	Private Equity	\$20,000,000	Aksia CA LLC
Biospring Partners Fund, LP	Growth Equity	Private Equity	\$20,000,000	Aksia CA LLC
DEFY Partners III, LP	VC – Early Stage	Private Equity	\$20,000,000	Aksia CA LLC

2. Emerging Investment Manager Goal Metrics

The Policy sets a goal for Emerging Investment Manager exposure in public and private market asset classes at no less than 10%.

Public Markets

For each public markets asset class, there are two metrics for measuring Emerging Investment Manager exposure: 1) Asset Class Metric: the total market value of Emerging Investment Managers within a respective asset class divided by the total market value of the respective asset class; and 2) Manager Search Metric: total dollars awarded to Emerging Investment Managers in a particular public asset class manager search divided by the total dollars awarded for the respective manager search.

In calendar year 2021, one public markets search was initiated for Passive U.S., Non-U.S., and Global Index Strategies. The Core Fixed Income Mandate Search, initiated in 2019, was completed in 2021; no contracts were awarded to Emerging Investment Managers.

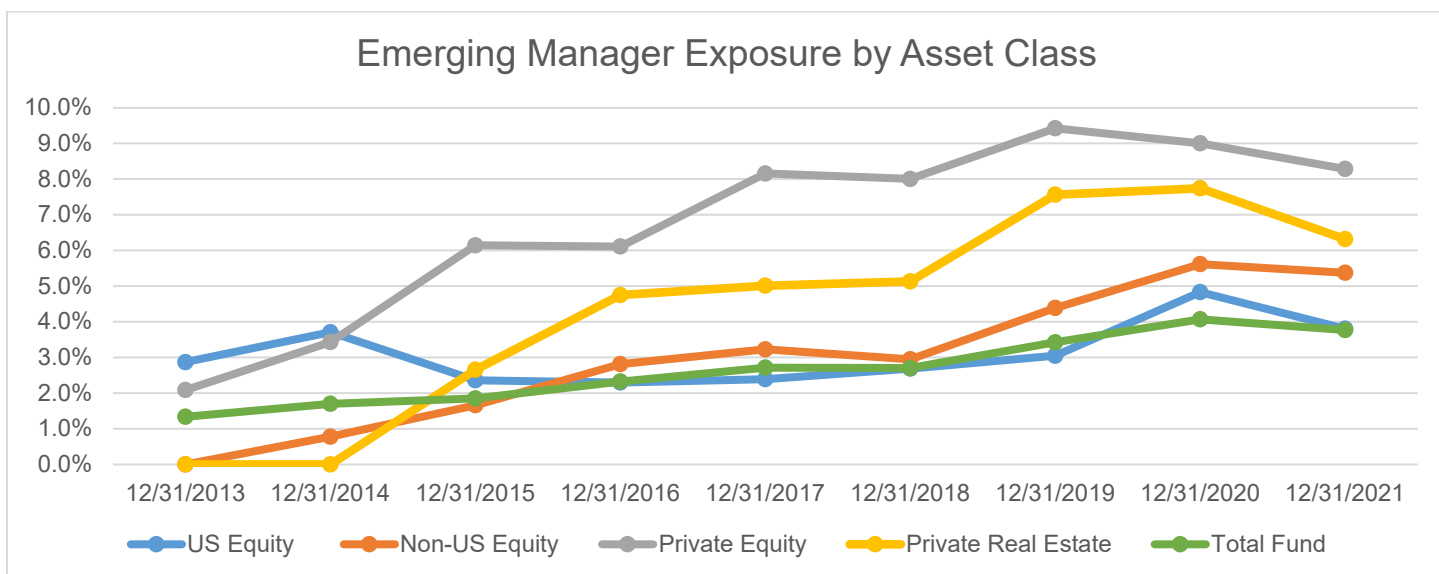
Public Market Asset Classes	Emerging Manager Exposure (Metric 1)	Public Markets Manager Searches (Metric 2)
U.S. Equity	3.8%	N/A
Non-U.S. Equity	5.4%	N/A
Core Fixed Income	0.0%	0.0%
Credit Opportunities	0.0%	N/A
Public Real Assets	0.0%	N/A

Private Markets

For each private markets asset class, there are two metrics for measuring Emerging Investment Manager exposure: 1) Asset Class Metric: the total committed dollars of Emerging Investment Managers within a respective asset class divided by all the dollars within that respective asset class on a market value basis; and 2) Manager Search Metric: the total of all committed capital awarded to Emerging Investment Managers of completed searches within a respective private market asset class divided by all committed capital awarded within the respective private market asset class over a 36-month rolling period ending December 31, 2021.

Private Market Asset Classes	Asset Class (Metric 1)	Manager Search (Metric 2)
Private Equity	8.3%	6.9%
Private Real Estate	6.3%	4.4%

On a fund-number basis for the 36-month period ending December 31, 2021, LACERS authorized commitments to a total of 10 private equity Emerging Investment Managers out of 69 private equity funds (14%) and one real estate Emerging Investment Managers out of 12 real estate funds (8%).



Asset Class	12/31/13	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20	12/31/21
U.S. Equity	2.9%	3.7%	2.4%	2.3%	2.4%	2.7%	3.0%	4.8%	3.8%
Non-U.S. Equity	0.0%	0.8%	1.5%	2.8%	3.2%	2.9%	4.4%	5.6%	5.4%
Private Equity*	2.1%	3.4%	6.1%	6.1%	8.2%	8.0%	9.4%	9.0%	8.3%
Private Real Estate*	0.0%	0.0%	2.7%	4.7%	5.0%	5.1%	7.6%	7.7%	6.3%
Total Fund	1.3%	1.7%	1.8%	2.3%	2.7%	2.7%	3.4%	4.1%	3.8%

*Private Equity asset class exposure restated for years 2013, 2016, 2017, 2018, 2019 and 2020. Private Real Estate asset class exposure restated for years 2015, 2017, 2018, 2019, and 2020. Restatements due to incorrect calculation of asset class exposure metrics for these asset classes in prior reports.

3. Searches Conducted in 2021

Searches Initiated:

- Passive U.S., Non-U.S., and Global Index Strategies Mandate Search

Searches Completed:

- Core Fixed Income Mandate Search - \$2.88 billion of assets approved for contract awards.

4. Efforts to Increase Visibility and Representation of Emerging Investment Managers

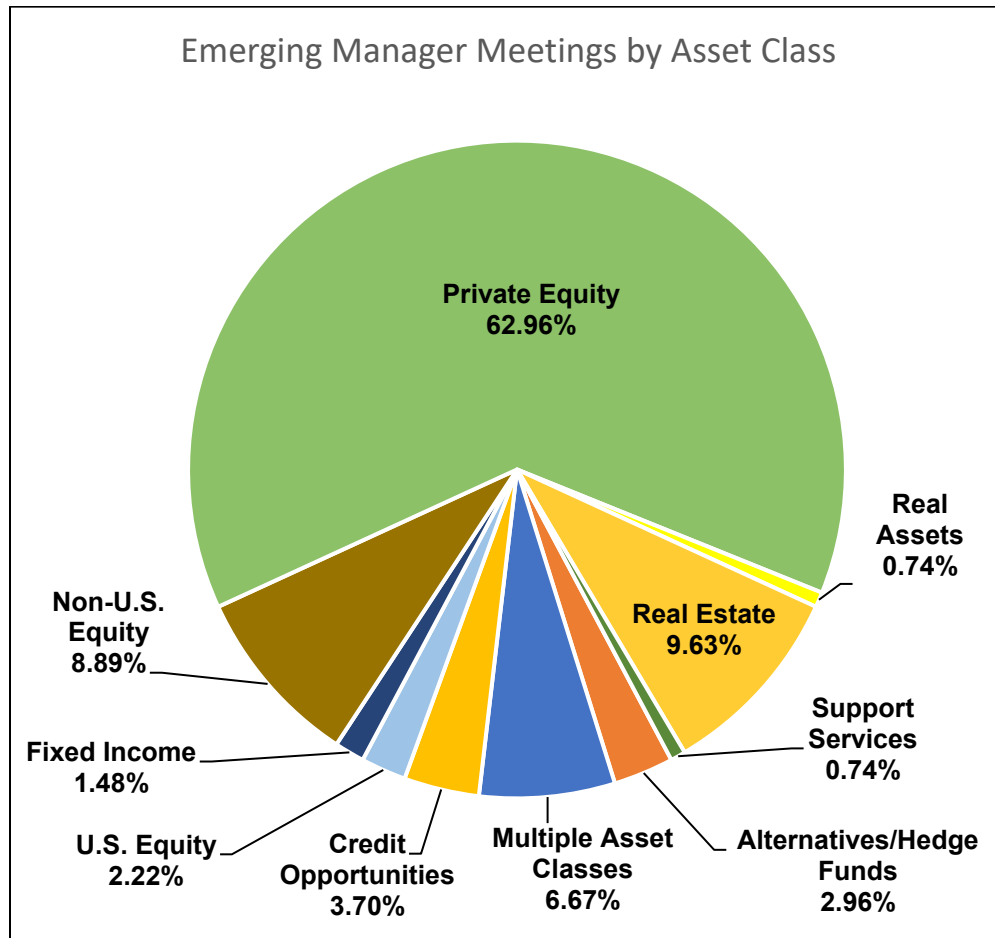
Staff

LACERS actively engages the emerging manager community to help achieve the policy objectives established by the Emerging Investment Manager Policy. During the calendar year 2021, staff participated in the following emerging manager events:

2021 Emerging Manager Events	
March	NASP Regional Conference
March	Girls Who Invest
July	Association of Asian American Investment Managers
July	Sahar Gender Equity in PE Summit
August	Diversity & Inclusion Investment Action Forum
September	SEO
September	Global Fund Women Week
September	100 Women in Finance
October	LACERS Emerging Manager Symposium
December	NAIC & ILPA Diverse Manager Event

On October 20, 2021, LACERS hosted its inaugural Emerging Manager Symposium, a semi-annual event to educate emerging managers about LACERS' Emerging Manager program and investment process. The event was highly successful and well attended by 212 participants. A replay of the symposium, which has been viewed 277 times as of July 25, 2022, is available on the LACERS YouTube channel: https://www.youtube.com/embed/Z_yeQWnYnpU

Additionally, staff regularly meets with emerging managers. During the calendar year 2021, staff held a total of 138 emerging manager meetings depicted by asset classes in the chart below.



Consultants

LACERS retains three investment consultants. The consultants' respective emerging manager activities for the one-year period ending December 31, 2021, are summarized below.

Consultant	Meetings or Calls	Emerging Manager Conferences	Awarded to Emerging Managers
NEPC, LLC (General)	184	10	\$6.3 billion / 21 managers
Aksia CA LLC (Private Equity)	186	16	\$598.2 million / 13 managers
The Townsend Group (Real Estate)	80	10	\$1.201 billion / 7 managers

Note: The definition of "Emerging Manager" for this matrix is based on the emerging investment manager criteria unique to each consultant.

5. Performance Data of LACERS Emerging Investment Managers (as of 12/31/2021)

Public Markets Managers Performance (Net-of-Fees)	Inception Date	One Year	Two Years	Three Years	Five Years	Since Inception
Oberweis Asset Management, Inc. ¹ MSCI EAFE Small Cap Index	Jan-2014	3.92 10.10	30.76 11.22	29.03 15.62	18.30 11.04	11.46 7.44
<i>Excess Return</i>		-6.18	19.54	13.41	7.26	4.02
EAM Investors LLC ² Russell 2000 Growth Index	Sep-2015	3.77 2.83	22.29 17.66	25.56 21.17	19.08 14.53	16.13 14.17
<i>Excess Return</i>		0.94	4.63	4.39	4.55	1.96
Granahan Investment Management, Inc. Russell 2000 Growth Index	Aug-2020	-0.40 2.83	- -	- -	- -	28.49 25.84
<i>Excess Return</i>		-3.23	-	-	-	2.65

Public Markets Managers Peer Comparison	Universe	Number of Peers in Universe	5-Year Return % (Peer Rank)	5-Year Peer Median Return %	5-Year Sharpe Ratio (Peer Rank)	5-Year Sharpe Ratio Median
Oberweis Asset Management, Inc.	eV EAFE Small Cap Equity Net Median	140	18.30 (4 th)	10.98	0.88 (9 th)	0.60
EAM Investors LLC	eV US Small Cap Growth Equity Net Median	181	19.08 (55 th)	19.44	0.89 (58 th)	0.91
Granahan Investment Management, Inc. ³	eV US Small Cap Growth Equity Net Median	181	35.36 (1 st)	19.44	1.33 (4 th)	0.91

¹ Account funded on January 15, 2014. Manager no longer meets the LACERS definition of an emerging manager as of the fourth quarter of 2015; firm assets under management exceed \$2 billion.

² Account funded on October 1, 2015. Manager no longer meets the LACERS definition of an emerging manager as of the third quarter of 2017; firm assets under management exceed \$2 billion.

³ Composite strategy performance was used to determine the 5-year peer rankings due to the limited track record of LACERS' accounts. Five-year data sourced from eVestment Small Cap Focused Growth composite provided by Granahan.

Private Real Estate Emerging Fund Managers	Vintage Year	Net IRR ⁴	Return Multiple	Sourced By
Gerrity Retail Fund 2, LP	2015	3.9%	1.20x	Townsend Group
Asana Partners Fund I, LP	2017 ⁵	16.3%	1.70x	Townsend Group
Broadview Real Estate Partners Fund, LP	2019	15.9%	1.10x	Townsend Group

Private Equity Emerging Fund Managers	Vintage Year	Net IRR ⁴	Return Multiple	Sourced By
High Road Capital Partners Fund II, LP	2013	15.3%	1.82x	Hamilton Lane
Blue Sea Capital Fund I, LP	2014	19.8%	2.23x	Portfolio Advisors
Oak HC/FT Partners, LP	2014	34.4%	4.17x	Portfolio Advisors
1315 Capital, LP	2015	19.0%	1.88x	Portfolio Advisors
New Water Capital Partners, LP	2015	15.3%	1.57x	Portfolio Advisors
Angeles Equity Partners I, LP	2015	18.7%	1.49x	Portfolio Advisors
CenterGate Capital Partners I, LP	2015	24.2%	1.80x	Portfolio Advisors
Sunstone Partners I, LP	2016	38.5%	2.54x	Portfolio Advisors
Defy Partners I, LP	2016 ⁶	16.0%	1.46x	Portfolio Advisors
NMS Fund III, LP	2017	33.1%	1.77x	Portfolio Advisors
Oak HC/FT Partners II, LP	2017	71.6%	4.00x	Portfolio Advisors
Astra Partners I, LP	2017	-0.6%	0.98x	Portfolio Advisors
Mill Point Capital Partners, LP	2018	29.9%	1.88x	Portfolio Advisors
1315 Capital Fund II, LP	2018	14.9%	1.19x	Portfolio Advisors
DEFY Partners II, LP	2019	58.6%	1.62x	Aksia
P4G Capital Partners I, LP	2019	-39.1%	0.70x	Aksia
Sunstone Partners II, LP	2019	-	1.17x	Aksia
OceanSound Partners Fund, LP	2020	-	1.17x	Aksia
Builders VC Fund II, LP	2020	-	0.99x	Aksia
ULU Ventures Fund III, LP	2021	-	0.98x	Aksia
Mill Point Capital Partners II, LP	2021	-	0.97x	Aksia
Avance Investment Partners, LP	2021	-	0.99x	Aksia
Biospring Partners Fund, LP	2021	-	0.81x	Aksia
DEFY Partners III, LP	2021	58.6%	1.00x	Aksia

⁴ A private market fund typically yields a low or negative IRR during its early life "J Curve" period.

⁵ LACERS committed to fund in calendar year 2016.

⁶ LACERS committed to fund in calendar year 2017.

Strategic Plan Impact Statement

The Emerging Investment Manager Policy aims to add value to the LACERS investment portfolio by hiring Emerging Investment Managers, consistent with Goal IV, which aims to optimize long-term risk adjusted investment returns. The presentation and discussion of the Policy's goals, metrics, manager outreach and manager performance are consistent with Goal V, which aims to uphold good governance practices which affirm transparency, accountability, and fiduciary duty.

Prepared By: Ricky Mulawin, Management Analyst, Investment Division

NMG/RJ/BF/RM