

## **Investment Committee Agenda**

### **REGULAR MEETING**

**TUESDAY, OCTOBER 8, 2024**

**TIME: 10:30 A.M. OR IMMEDIATELY FOLLOWING THE REGULAR BOARD MEETING**

### **MEETING LOCATION:**

LACERS Boardroom  
977 N. Broadway  
Los Angeles, California 90012

#### **Important Message to the Public**

An opportunity for the public to address the Committee in person from the Boardroom and provide comment on items of interest that are within the subject matter jurisdiction of the Committee 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 Committee 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 Committee 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).

Chair: Elizabeth Lee

Committee Members: Thuy Huynh  
Gaylord "Rusty" Roten

Manager-Secretary: Neil M. Guglielmo

Executive Assistant: Ani Ghokassian

Legal Counselor: City Attorney's Office  
Public Pensions General  
Counsel Division

#### **Notice to Paid Representatives**

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

#### **Request for Services**

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

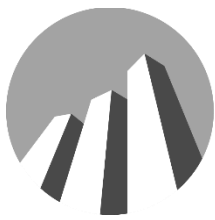
Sign Language Interpreters, Communications Access Real-Time Transcription, Assisted Listening Devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, please make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days notice is strongly recommended. For additional information, please contact (800) 779-8328 or RTT (888) 349-3996.

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 COMMITTEE'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA
- II. [APPROVAL OF MINUTES FOR THE MEETING OF SEPTEMBER 10, 2024 AND POSSIBLE COMMITTEE ACTION](#)
- III. CHIEF INVESTMENT OFFICER VERBAL REPORT
- IV. [PRESENTATION BY NORTHERN TRUST REGARDING SECURITIES LENDING ACTIVITY REPORT FOR THE PERIOD JULY 1, 2023 TO JUNE 30, 2024](#)
- V. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 REGARDING CONTINUED DISCUSSION TO CONSIDER A COMMITMENT IN ARC CAPITAL PARTNERS FUND I LP AND POSSIBLE COMMITTEE ACTION**
- VI. OTHER BUSINESS
- VII. NEXT MEETING: The next Regular meeting of the Investment Committee is scheduled for Tuesday, November 12, 2024, at 10:30 a.m., or immediately following the Board Meeting in the LACERS Boardroom at 977 N. Broadway, Los Angeles, CA 90012-1728.
- VIII. ADJOURNMENT



## **Board of Administration Agenda**

### **SPECIAL MEETING**

**TUESDAY, OCTOBER 8, 2024**

**TIME: 10:30 A.M. OR IMMEDIATELY  
FOLLOWING THE REGULAR  
BOARD MEETING**

### **MEETING LOCATION:**

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977 N. Broadway  
Los Angeles, California 90012

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President: Annie Chao  
Vice President: Janna Sidley

Commissioners: Thuy T. Huynh  
Elizabeth Lee  
Gaylord "Rusty" Roten  
Sung Won Sohn  
Michael R. Wilkinson

Manager-Secretary: Neil M. Guglielmo

Executive Assistant: Ani Ghokassian

Legal Counsel: City Attorney's Office  
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Counsel Division

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- VIII. ADJOURNMENT

MINUTES OF THE REGULAR MEETING  
**INVESTMENT COMMITTEE**  
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

September 10, 2024

12:50 a.m.

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PRESENT:	Chair:	Elizabeth Lee
	Committee:	Thuy T. Huynh Gaylord "Rusty" Roten
	Legal Counselor:	Joshua Geller
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian

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

Chair Lee corrected the make-up of the Investment Committee and announced that she is the Chair with Committee members Huynh and Roten.

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – Chair Lee asked if any persons wished to speak on matters within the Committee's jurisdiction, to which there were no public comment cards submitted.

II

APPROVAL OF MINUTES FOR THE MEETING OF AUGUST 13, 2024 AND POSSIBLE COMMITTEE ACTION – Committee Member Roten moved approval, and adopted by the following vote: Ayes, Committee Members Roten, Huynh, and Chair Lee-3; Nays, None.

III

CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, discussed the following item:

- Distribution of the IC Forward Calendar

IV

PROXY VOTING ACTIVITY REPORT FOR THE PERIOD JULY 1, 2023 TO JUNE 30, 2024 – Wendy Norman, Investment Officer I, presented and discussed this item with the Committee for 2 minutes. This report was received by the Committee and filed.

Chair Lee recessed the Regular meeting at 12:57 p.m. to convene in closed session.

V

**CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT IN PRINCIPAL DATA CENTER GROWTH & INCOME FUND, L.P. AND POSSIBLE COMMITTEE ACTION**

VI

**CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT IN WCP NEWCOLD III, L.P. AND POSSIBLE COMMITTEE ACTION** – This item was tabled for a future Committee meeting.

Chair Lee reconvened the Regular meeting at 1:23 p.m.

VII

OTHER BUSINESS – There was no other business.

VIII

**NEXT MEETING:** The next Regular Meeting of the Investment Committee is scheduled for Tuesday, October 8, 2024, at 10:30 a.m. or immediately following the Board Meeting, in the LACERS Boardroom at 977 N. Broadway, Los Angeles, CA 90012-1728.

IX

**ADJOURNMENT** – There being no further business before the Chair Lee, adjourned the meeting at 1:24 pm.

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Elizabeth Lee  
Chair

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Neil M. Guglielmo  
Manager-Secretary

CAPITAL MARKETS SOLUTIONS

# Northern Trust Global Securities Lending

Prepared for: Los Angeles City Employees' Retirement System (LACERS)

Reporting Date: July 1<sup>st</sup> 2023 – June 30<sup>th</sup> 2024



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## Biography

Brad Pedersen, CFA is a Vice President at the Northern Trust Company, Chicago, and is the Director of Securities Lending Cash Reinvestment within the Short Duration Fixed Income Team of Northern Trust Asset Management (NTAM). His responsibilities include executing overall strategy for the Short Duration Funds, specifically the Securities Lending cash collateral, as well as oversight for the portfolio management team. Brad also serves on the Securities Lending Collateral Committee, an oversight board for the Securities Lending Product. Brad also has responsibility for the Repurchase Agreement program for Northern Trust Asset Management across all money market portfolios.

Prior to his current role, Brad functioned as a Senior Relationship Manager with both the Large Corporate Client segment, as well as Northern Trust's Investment Manager Liaison Group.

Brad received a B.S. degree in Marketing from Miami University of Ohio. He is a CFA Charter holder and a member of the CFA Society of Chicago.

Brad also attained the Financial Industry Regulatory Authority (FINRA) Series 6 license, the Certified Retirement Services Professional (CRSP) designation from the Institute of Certified Bankers (ICB), the Plan Administrator designation (Levels 1 and 2) from the American Society of Pension Actuaries (ASPA) and the Certified Plan Administrator designation from the National Institute of Pension Administrators (NIPA).





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## Biography

Enayet Mawla joined the Securities Finance organization in November 2022 as Senior Relationship Manager for Canadian clients and US Public Funds. He started in the industry in 2008, spent time at Credit Suisse before finding his place at Northern Trust in January 2013. Prior to Securities Finance, Enayet spent 7 years within Global Fund Services business, first within Middle Office Outsourcing and then as Custody Services Relationship Manager. In these role, Enayet was focused on promoting service level and partnership with asset managers, while improving operational efficiency in order to deliver a better client experience. Enayet joined NT in 2013 within the Derivatives Client Services focusing on service levels for key institutional relationships.

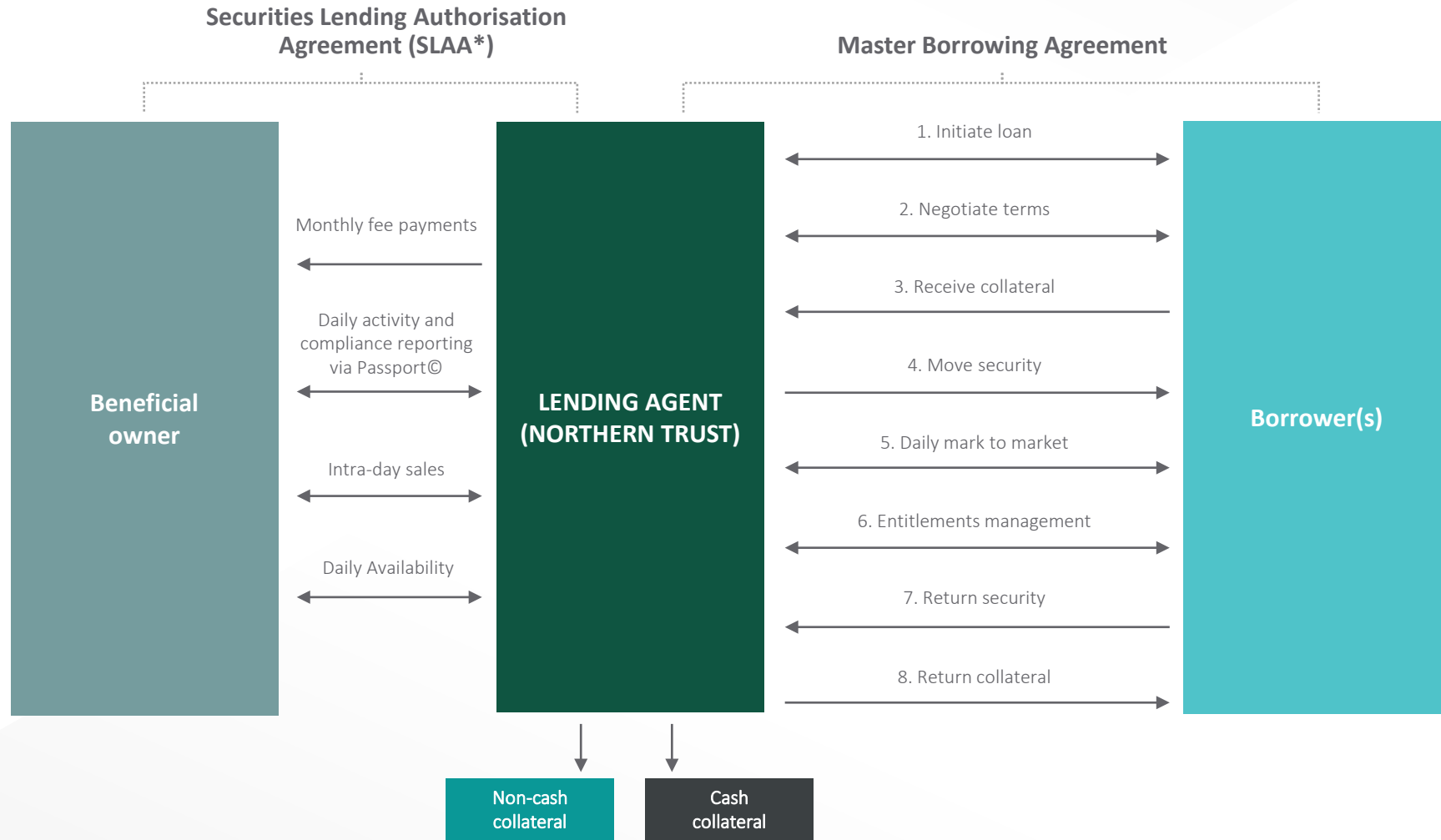


**Enayet Mawla**

*Vice President, Sr Relationship  
Manager, Securities Finance,  
Asset Servicing*

# Securities Lending transaction process

The life cycle of a loan



\*Sample agreements available upon request

# How Revenue is Generated

Example: Northern Trust lends \$25 million of US Equity

## Non-Cash Loan

The \$25 million market value loan is for 30 days collateralized by a US Treasury.

1	Receive non-cash collateral valued at <b>\$25,500,000</b> (102%)	
2	Fee charged to borrower on the value of the loan (20 bps)	\$4,167
3	Gross revenue (gross spread 20 bps) credited to client monthly	\$4,167
4	Monthly lender's fee (@ 30%)	<u>\$1,250</u>
5	<b>Net client earnings</b>	<b>\$2,917</b>

## Cash Loan

The \$25 million market value loan is for 30 days collateralized with cash (OBFR at 1.00%).

1	Receive cash collateral valued at <b>\$25,500,000</b> (102%)	
2	Cash collateral invested in a collateral pool at yield of 1.10%	\$23,375
3	Rebate paid to borrower at rate of 0.80%	\$(17,000)
4	Gross Revenue (gross spread 30 bps)	<u>\$6,375</u>
5	Monthly lender's fee (@ 30%)	<u>\$1,913</u>
6	<b>Net client earnings</b>	<b>\$4,462</b>

# Northern Trust's Securities Lending Program (USD)

Northern Trust has been a global industry leader in securities lending for almost 40 years. Our size, scale and technological innovation generates material value for our clients.

\$157B

ON LOAN WITH  
10.12% UTILIZATION



\$165B

COLLATERAL HELD  
23% CASH AND 77% NON-CASH COLLATERAL



35

LENDING MARKETS  
INCLUDING CSDS



432

PARTICIPATING CLIENTS FROM  
31 COUNTRIES



67

APPROVED UNIVERSAL BANKS  
AND BROKER DEALERS



Aa2 / AA- / AA

TOP TIER CREDIT RATINGS



## Top Ten Parent Borrowers (by Loan Volume):

BNP Paribas

Citigroup

Bank of America

Societe Generale

J.P. Morgan Chase

Royal Bank of Canada

UBS AG

HSBC Holdings

Credit Agricole

Barclays Plc

\$1.55tn

OF LENDABLE ASSETS



A single global platform,  
with an integrated forecast engine  
to enhance returns and a robust risk  
management with independent risk  
committees

# Managing Risk

Risk management is instrumental to our program.



## Borrower

Borrower defaults and collateral is not sufficient to cover

### Mitigating factors:

- Credit review of borrowers
- Over-collateralization /Daily marking
- Indemnification
- Risk analytics



## Trade Settlement

Fund sells securities and borrower doesn't return in time for trade to settle

### Mitigating factors:

- Timely communication
- Automated reallocations
- Trade settlement protection



## Cash Collateral Reinvestment

Cash collateral investment becomes impaired or decreases in value

### Mitigating factors:

- Client approved guidelines
- Dedicated team of fixed income research analysis
- Daily automated compliance



## Interest Rate

Loan rebate rate exceeds earnings on cash collateral investments

### Mitigating factors:

- Weekly gap analysis
- Shared risk
- Stress testing of portfolio

# Securities Lending



## CASH COLLATERAL REINVESTMENT

- As global inflation trends lower, the largest central banks have started policy easing, while others have telegraphed rate cuts in the second half of 2024.
- The Federal Reserve lowered their overnight target range for the first time in 14 months, with a 50 basis point cut, while signaling an additional 150 basis points over this year and next.
- US inflation remains above the Federal Reserve's target but its decline has provided comfort that it's largely contained.
- Slowing employment however was a concerning trend for the Fed and was cited as one of the reasons for their recent cut.
- The Federal Reserve's guidance in the Summary of Economic Projections ("SEP") showed a slight increase in the unemployment rate but then a leveling-off in 2025
- The tapering of the Fed's Quantitative Tightening program continues, with no known ending date but with a general expectation that it will continue until Bank Reserves decline to a level judged to be consistent with ample reserves



## EQUITY DEMAND

- Global indices had a mixed Q2. The initial months saw a continuation of the growth theme seen throughout 2024 but an underwhelming start to earning season and scepticism related to lofty mega tech valuations saw global indices pull back. President Biden's ended his re-election bid and quickly endorsing VP Kamala Harris with less than 4 months to go before the election. This unprecedented announcement fuelled a pull-back in risk assets and softening in equity prices as the likelihood that market friendly, Trump, will regain the White house seat fell.
- A rising equity market have kept SL volumes modest, with hedge funds maintaining a long bias and short side conviction understandably low. Even given the spike in market volatility hedge fund demand remained relatively balanced with much of the sale activity reducing their long exposures rather than shorts being added. As a result, we saw no notable new demand trends from borrowers.
- The continued long hedge fund bias, all be it with more caution, has seen prime brokers internalisation level rise, with the cost of covering shorts via total return swaps greatly more attractive than via securities lending.
- Some select high earning specials helped soften an otherwise challenged environment, in the equity space. Softening inflation saw a rotation out of those sectors most exposed to rising costs and interest rates. Those sectors in high directional demand are Real estate, Energy, Electric Vehicle and AI. New specials remain relatively scarce across global equity markets with a lack of corporate events that may ignite demand, that said, the US IPO market has picked up following an extremely slow 2023.



## FIXED INCOME DEMAND

- United States: US inflation fell faster than expected in June down to 3%, this is an encouraging sign to the Federal Reserve as it debates on when and how quickly to cut rates
- United Kingdom: BOE cuts interest rate whilst the Labour Party came to power in the UK this month as widely expected
- Europe: The European Central Bank (ECB) left all policy rates unchanged this month, the expected outcome following the June rate cut
- Emerging Markets: EM assets received a boost from US economic data this week as the likelihood of a September rate cut increases

# Investment Profile: LACERS Custom Cash Collateral Fund

June 30, 2024

## LACERSCF - LACERS Custom Fund - USD

### Characteristics

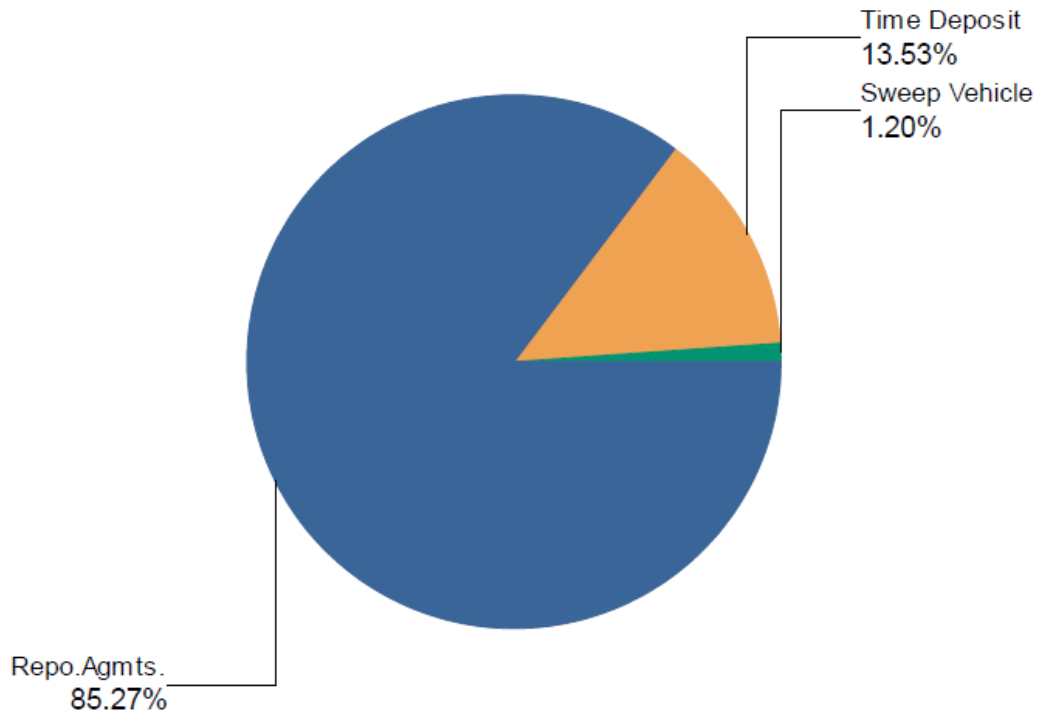
Total Book Value (in USD)	161,129,665
Weighted Average Maturity (Interest Reset Date)	3 Days
Weighted Average Maturity (Maturity Date)	3 Days
Average Equivalent Quality Rating	A1+
Total Number of Issues	18

Quality Distribution	Percentage
A1+ (SHORT TERM)	93.28%
A1 (SHORT TERM)	5.52%
Cash Equiv (LONG TERM)	1.2%

Maturity Breakdown Distribution	Interest Reset	Maturity Date
Overnight	100.00%	100.00%

Industry/Sector Distribution	Percentage
Banking Ind.	14.73%
Broker/Dealer	85.27%

## Cash Collateral Asset Class Breakdown



NOTE: This information was created using the best unaudited data available to us and may not be completely reliable, accurate, or timely. Data is prepared on a settled basis, which may differ from traded basis data on the Cash Collateral Holdings report. "Traded Basis" reflects pending trades.

# Investment Profile: LACERS Custom Cash Collateral Fund

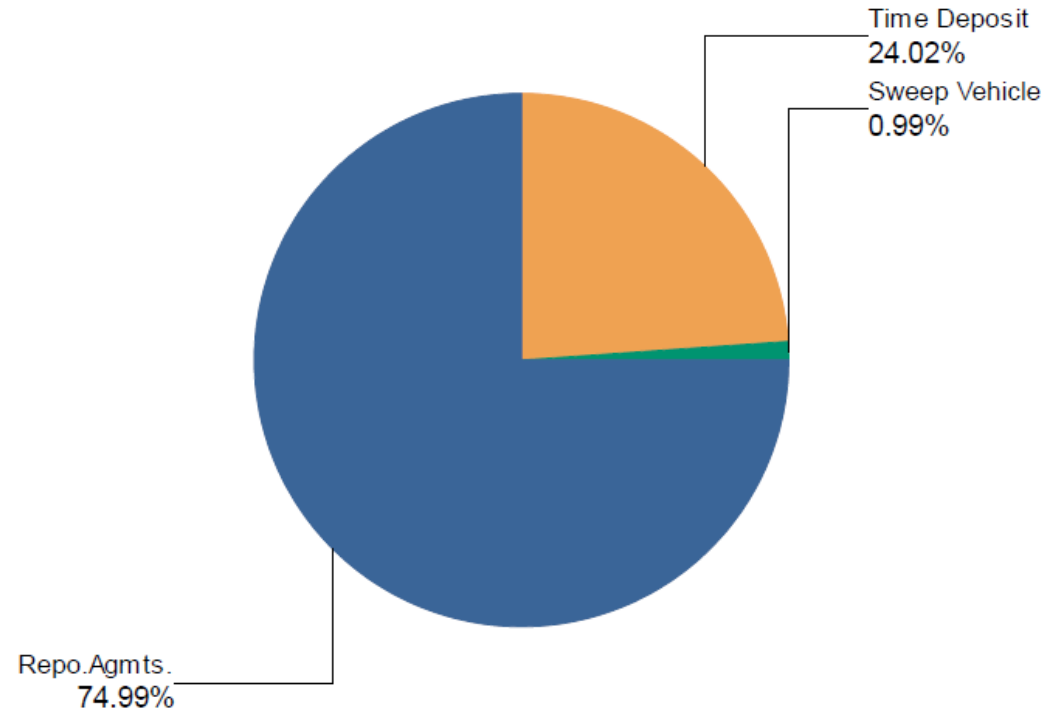
August 31, 2024

## LACERSCF - LACERS Custom Fund - USD

Characteristics			
Total Book Value (in USD)	274,713,859		
Weighted Average Maturity (Interest Reset Date)	4 Days		
Weighted Average Maturity (Maturity Date)	4 Days		
Average Equivalent Quality Rating	A1+		
Total Number of Issues	22		
Quality Distribution		Percentage	
A1+ (SHORT TERM)	93.19%		
A1 (SHORT TERM)	5.82%		
Cash Equiv (LONG TERM)	.99%		
Maturity Breakdown Distribution		Interest Reset	Maturity Date
Overnight	100.00%	100.00%	

Industry/Sector Distribution	Percentage
Banking Ind.	25.01%
Broker/Dealer	74.99%

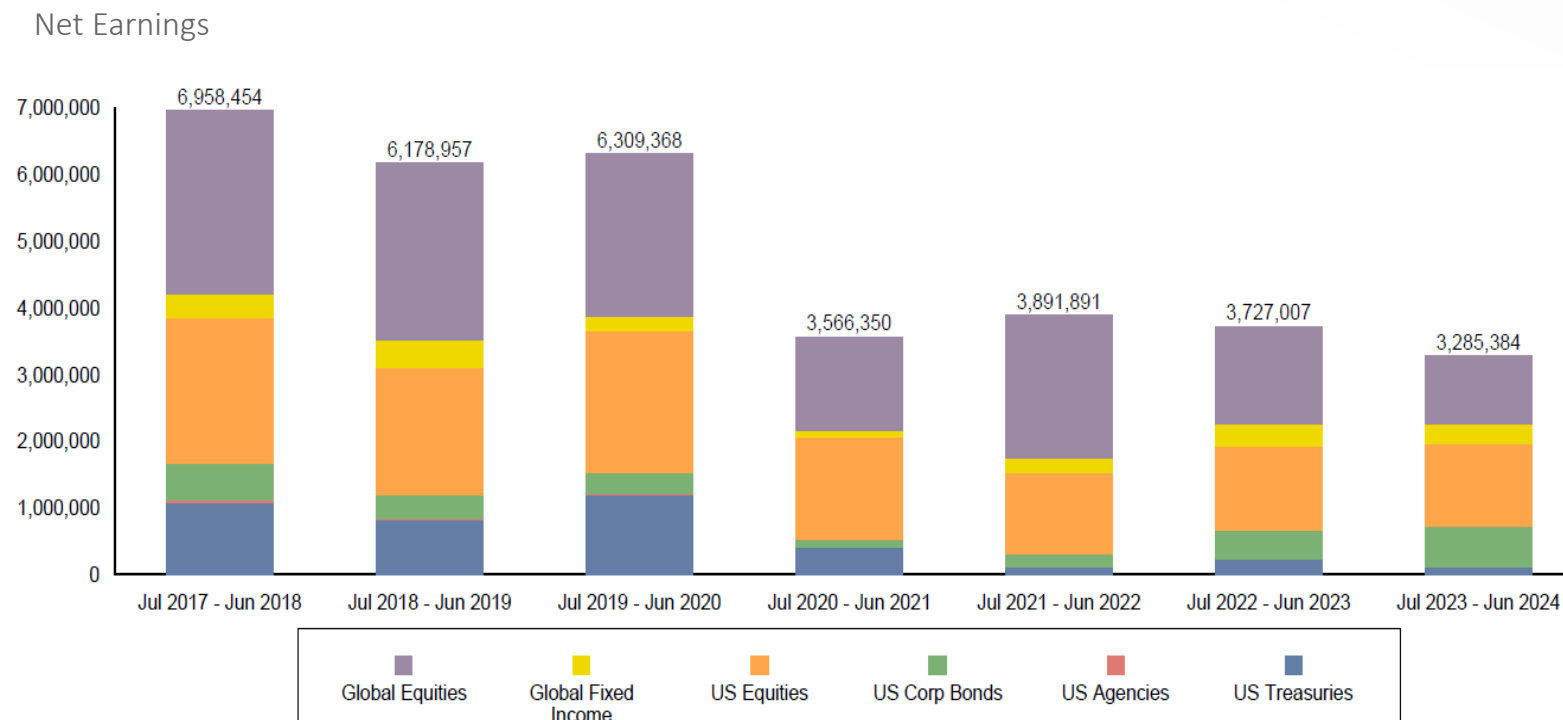
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# Historical Earnings Summary – 7 Years



**Notes:**

- Los Angeles City Employees' Retirement System (LACERS) is receiving 85% of the total revenue and Northern Trust receiving 15%.
- Cash collateral guidelines were adjusted to be more conservative (as compared to previous in-place guidelines) in March 2020. This, together with softer demand for borrowing equities drives the declining trend in revenue demonstrated here and on slide 13.
- Credit limit of \$1,219,267,845 set March 30, 2020.
- Equities are accepted as collateral against equities loans only. Expanding this to fixed income loans will help to drive revenue.

\$39,893,089

**GROSS REVENUE**

\$33,917,409

**NET REVENUE**

USD Cash, US Treasuries  
and Agencies, OECD Debt  
and Equities

**COLLATERAL ACCEPTANCE**

Lending Limit and Limited  
Acceptance of Equities  
Collateral

**RESTRICTIONS**

# PERFORMANCE SCORECARD

July 1<sup>st</sup> 2023 – June 30<sup>th</sup> 2024

Security Type	Market Value ( USD )		% on Loan	Gross Earnings ( USD )	On Loan Spread (bp)	Gross BP Return (bp) *	Net Earnings ( USD )
	Avg. on Loan	Avg. Available					
US Treasuries	114,844,451	1,713,954,873	6.7%	150,598	12.9	0.9	128,026
US Agencies	26,670	71,680,291	0.0%	54	19.9	0.0	46
US Corp Bonds	103,173,464	881,614,096	11.7%	702,500	67.0	7.8	597,194
US Equities	503,301,340	4,785,070,697	10.5%	1,460,913	28.6	3.0	1,242,208
Global Fixed Income	82,756,202	974,607,786	8.5%	344,604	41.0	3.5	292,943
Global Equities	228,527,827	3,800,008,910	6.0%	1,205,664	51.9	3.1	1,024,967
<b>Total</b>	<b>1,032,629,953</b>	<b>12,226,936,654</b>	<b>8.4%</b>	<b>3,864,332</b>	<b>36.8</b>	<b>3.1</b>	<b>3,285,384</b>

July 1<sup>st</sup> 2024 – August 30<sup>th</sup> 2024 (2 months)

Security Type	Market Value ( USD )		% on Loan	Gross Earnings ( USD )	On Loan Spread (bp)	Gross BP Return (bp) *	Net Earnings ( USD )
	Avg. on Loan	Avg. Available					
US Treasuries	79,037,627	1,705,210,289	4.6%	13,970	10.3	0.5	11,877
US Agencies	0	66,287,124	0.0%	0	0.0	0.0	0
US Corp Bonds	104,010,987	915,019,177	11.4%	130,528	72.9	8.3	110,958
US Equities	477,181,814	5,432,299,105	8.8%	277,161	33.7	3.0	235,674
Global Fixed Income	99,265,607	1,031,071,165	9.6%	65,859	38.5	3.7	55,986
Global Equities	234,558,901	3,966,513,349	5.9%	125,872	31.2	1.8	107,023
<b>Total</b>	<b>994,054,937</b>	<b>13,116,400,208</b>	<b>7.6%</b>	<b>613,389</b>	<b>35.8</b>	<b>2.7</b>	<b>521,518</b>

# PERFORMANCE SCORECARD: DATE RANGE COMPARISON

Security Type	Market Value ( USD )		% on Loan	Gross Earnings ( USD )	On Loan Spread (bp)	Gross BP Return (bp) *	Net Earnings ( USD )
	Avg. on Loan	Avg. Available					
<b>From July, 2023 to June, 2024</b>							
US Treasuries	114,844,451	1,713,954,873	6.7%	150,598	12.9	0.9	128,026
US Agencies	26,670	71,680,291	0.0%	54	19.9	0.0	46
US Corp Bonds	103,173,464	881,614,096	11.7%	702,500	67.0	7.8	597,194
US Equities	503,301,340	4,785,070,697	10.5%	1,460,913	28.6	3.0	1,242,208
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Global Equities	228,527,827	3,800,008,910	6.0%	1,205,664	51.9	3.1	1,024,967
<b>Total</b>	<b>1,032,629,953</b>	<b>12,226,936,654</b>	<b>8.4%</b>	<b>3,864,332</b>	<b>36.8</b>	<b>3.1</b>	<b>3,285,384</b>
<b>From July, 2022 to June, 2023</b>							
US Treasuries	99,246,216	1,788,883,562	5.5%	279,965	27.8	1.5	237,990
US Agencies	27,778	61,576,695	0.0%	59	20.9	0.0	50
US Corp Bonds	107,610,530	805,754,039	13.4%	509,969	46.7	6.2	433,567
US Equities	460,278,566	4,483,044,095	10.3%	1,483,100	31.8	3.3	1,261,187
Global Fixed Income	87,822,991	833,773,956	10.5%	397,981	44.7	4.7	338,321
Global Equities	310,801,099	3,793,429,660	8.2%	1,712,580	54.3	4.5	1,455,892
<b>Total</b>	<b>1,065,787,179</b>	<b>11,766,462,006</b>	<b>9.1%</b>	<b>4,383,654</b>	<b>40.6</b>	<b>3.7</b>	<b>3,727,007</b>
<b>Variance</b>							
US Treasuries	15,598,235	-74,928,689	1.2%	-129,367	-14.9	-0.7	-109,964
US Agencies	-1,108	10,103,597	0.0%	-5	-1.0	0.0	-4
US Corp Bonds	-4,437,066	75,860,058	-1.7%	192,531	20.2	1.6	163,627
US Equities	43,022,774	302,026,602	0.3%	-22,187	-3.2	-0.3	-18,979
Global Fixed Income	-5,066,789	140,833,830	-2.0%	-53,377	-3.7	-1.2	-45,379
Global Equities	-82,273,272	6,579,251	-2.2%	-506,917	-2.5	-1.3	-430,925
<b>Total</b>	<b>-33,157,226</b>	<b>460,474,649</b>	<b>-0.6%</b>	<b>-519,322</b>	<b>-3.8</b>	<b>-0.6</b>	<b>-441,623</b>

# PERFORMANCE SCORECARD: TOP TEN EARNING SECURITIES

## TOP 10 SECURITIES AND EARNINGS SUMMARY

*From 01 Jul 2023 to 28 Jun 2024*

Rank	Security ID	Security Name	Net Earnings	Total Spread
1	B1L95G3	AKER BP ASA NOK1	90,354.78	200.29
2	7133608	EQUINOR ASA NOK2.50	84,983.98	224.26
3	M7518J104	ODDITY TECH LTD COMSTK	65,908.43	564.99
4	09061GAK7	BIOMARIN PHARMACEUTICAL INC SR SUB NT	63,883.29	348.40
5	654110105	#REORG/ NIKOLA CORP COM REV STOCK SPLIT	41,230.64	2,998.29
6	92826C839	VISA INC COM CL A STK	40,026.59	15.09
7	478160104	JOHNSON & JOHNSON COM USD1	38,181.93	560.36
8	08862E109	BEYOND MEAT INC	29,390.05	5,388.91
9	BF0YK62	IDORSIA LTD CHF0.05	28,914.45	1,040.17
10	58463J304	MEDICAL PPTYS TR INC COM REIT	28,476.96	119.42
<b>Total top 10</b>			<b>511,351.10</b>	<b>123.63</b>
<b>Total Estimated Earnings</b>			<b>3,285,383.54</b>	<b>36.25</b>
<b>From 01 Jul 2023 To 28 Jun 2024</b>				

The top 10 securities represent 15.56% of the total earnings

# Potential Program Enhancements

We've highlighted three options to potentially enhance earnings from Securities Lending

## Enhancement 1

### Enhance Cash Collateral Reinvestment Guidelines to pre-2020 parameters

- Duration - Increase the allowable duration on individual securities back to 13 months from the current 60 days
- Allowable security types - Reintroduction of Asset Backed Commercial Paper ("ABCP")

## Enhancement 2

### Enhance Acceptable Collateral to include Basket of Equities against Fixed Income loans

- Increase utilization and revenue on US \$1.7bn of US Treasuries holdings by accepting Equities as collateral
- Increased collateral margin 108% of MV
- No change to existing borrower default indemnification and trade settlement protection

## Enhancement 3

### Remove/increase lending limit of US\$ 1.2b

- Remove/increase lending limit to enable increased utilization from Enhancements 1 and 2

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