

Our Members, Our Fiduciary Responsibility, and Our World



by Board President Message –
Cynthia M. Ruiz

What does Environmental, Social and Governance in Investing Mean to LACERS?

Over the past several years, Environmental, Social and Governance (ESG) investing has become an increasingly important topic of discussion

among institutional investors such as LACERS, other pension funds, and private companies. With good reason, more and more investors are incorporating ESG factors into their research and risk-based decision making. So what is ESG?

Environmental considerations - what impact do potential investments in companies have on the environment? Do we invest in companies that are good and responsible caretakers of natural resources, and do these investments provide us with good risk-adjusted returns?

Social factors - why invest in companies that are good corporate citizens? Should we pursue investments in companies that are reflective of their employees and their community, and do these investments reduce litigation and other risks?

Governance factors - should institutional investors care about how a company operates relative to executive compensation and shareholder rights? How do investments in companies that exemplify good governance help increase returns and reduce risks?

Through our Governance Committee, Investment Committee and Board of Administration, LACERS Commissioners work with staff to consider investments in light of risks, including ESG factors, and return opportunities. This balanced investments approach has helped LACERS to achieve strong risk-adjusted returns as we compare ourselves to our peer public pension plans.

As members of the Council of Institutional Investors (CII) and a new signatory to the United Nation's Principles of Responsible Investment (PRI), we have made a public commitment, with accountability, as outlined in a recent presentation by the PRI:

- Promotion of long-term sustainability and returns, and funds that justify costs within the ESG framework.
- Conscientious and informed proxy voting at shareholder meetings, consistent with LACERS' policy and in compliance with plan fiduciary responsibilities.
- Use of proxy advisory firms, widely seen as critical elements for streamlining costs, to allocate more resources to value-added work in company engagement.
- Investment stewardship program commitment beyond proxy voting.

As LACERS takes a greater role in ESG, we strengthen our commitment to good governance practices which affirm transparency, accountability and our primary fiduciary duty to our Fund and to you our Members. At the core of who we are we believe in responsible investing, and return on investment is our primary goal while looking through the lens of ESG.

A Message from General Manager Neil M. Guglielmo



LACERS Strategic Plan Annual Report for FY2019-20 is now available! This report celebrates our accomplishments for the period ending June 30, 2019, and highlights our exciting initiatives for this next year. As you take a look at the plan, pay careful attention to the many activities contributing to LACERS' strategic goals as they have been informed by you, our Members.

Some of the key elements of our Strategic Plan include revisions to our Mission, Vision and Guiding Principles, as well as new goals and a list of some of our accomplishments.

Our Mission

To protect and grow our trust fund and to ensure the sustainable delivery of ethical, reliable, and efficient retirement services to our Members.

Our Vision

Trusted by our Members and partners for excellence, innovation, professionalism, and transparency.

Guiding Principles

We exhibit and model PROFESSIONALISM

We encourage a culture of INNOVATION

We RESPECT people and their privacy

We use KINDNESS and CARING in every interaction

We perform better with TEAMWORK

Through teamwork and innovation, LACERS staff, with the leadership of our Board, has achieved nearly all of our goals for Fiscal Year 2018-19. Some of our accomplishments include:

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- Established a Member Experience focus including our service philosophy, service-level commitments, and specific initiatives to better serve our Members;
- Implemented Tier I Enhanced benefits, as negotiated by the City, for Airport Peace Officers;
- Provided Members with a template and notary service to facilitate assignment of Power of Attorney for Members' LACERS benefits; and,
- Launched an online virtual assistant to help retired Members navigate health care choices and make better informed decisions.
- Launch a new, modern, mobile-friendly website with improved navigation allowing greater ease of use for Members;
- Develop web-based counseling resources for greater ease of access for Members; and,
- Utilize more technological solutions to allow for greater participation in our Health and Wellness events for our Retired Members.

Of course, we are still moving forward with many other initiatives this current fiscal year. We are on track to:

Please take a look at our Strategic Plan available at www.lacers.org, under the About LACERS tab.

I look forward to sharing our progress with you.

A Message from Chief Investment Officer Rod June

September was National Preparedness Month, so there is no better time than now to revisit your investment portfolio and consider market conditions that could impact your financial stability.

It has been over 10 years since the Great Financial Crisis. Since that time, the United States has remained in a prolonged bull market – one of longest on record. In fact, the S&P 500 returned 14.7% for the past 10 years, ending June 30, 2019. That's not to say that it has been a smooth ride as there have been periods of volatility that gave investors reason to pause and revisit their investment strategy. However, remaining invested despite the ups and downs rewarded patient, long-term investors.

Fast forward to today, we seem to be at a pivotal point – the latter innings of the market cycle – and some investors recognize that such attractive returns will come to a temporary end. Yet, based

on the Federal Reserve's talked-about move to loosen monetary policy through interest rate cuts, reports of healthy consumer spending, and China's willingness to continue discussions on trade talks, other investors believe that public equities are poised for an extension of that bull market. Which do you believe?

Seasoned institutional investors will tell you that outperformance in today's financial environment is not easy. That does not mean you can't do well, but it is essential that you have an investment plan that includes reasonable expectations. Your plan should be simple. At minimum, it should state a performance objective over a specified time period, discuss risk tolerance, and include asset types you are comfortable owning. A future news article will discuss how to develop a simple investment plan that will help guide your investment portfolio through these turbulent financial times.

Conscious Holiday Consumption



The season of merriment and overindulgence is here, but that doesn't mean your waistline should suffer. Use these tips to enjoy some of your favorites without sabotaging your health goals.

Tip #1 Plan Ahead

Experts agree, never go grocery shopping hungry and the same holds true for attending holiday gatherings since it often results in over-consuming. Instead, plan on having a small meal or snack before you hit the town and you'll likely make healthier food choices.

Tip #2 Keep a List, and Check it Twice

When grocery shopping, create (and stick to!) a grocery list of favorite healthy snacks to enjoy at home and in the office. Include items needed to make a few, simple meals for the week to offset the inevitable night of "take-out."

Tip #3 Be Mind-FULL

According to WebMD, by simply giving people a larger plate size, the average person will end up eating 25%-50% more food. Instead, use a smaller plate at home, work, and at events, and avoid overloading or stacking your portions.



Plan Ahead

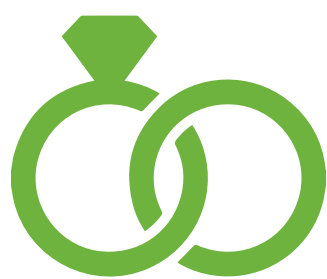


Keep a List, and Check it Twice



Be Mind-FULL

Marriage License vs. Marriage Certificate



be completed in order for the license to be valid. Once a license

When you apply for retirement, you are required to submit a certified copy of the marriage **license** filed with the County Recorder as proof of marriage. Marriages in California (and most states) are registered at both the state and county level. The marriage certificate is part of the marriage license and must

is issued, the officiant who performs the marriage is required by law to complete the certificate portion of the license and return the document to the County Recorder's Office within ten days of the marriage ceremony.

Marriage documents that do not meet the above criteria may delay the processing of your retirement and may also impact the benefits you are eligible to receive.

Beneficiary Form: Do You Have One on File at LACERS?



Designating a beneficiary is one of the most important things you can do for your loved ones. It provides a clear roadmap of your intentions, and in most cases, can eliminate unnecessary stress and worry for those left behind. If you don't designate a beneficiary, your loved ones may be forced to locate and acquire legal documents which can be costly and result in significant delays in processing benefits. Once you have designated a beneficiary, it is important that you review and update your

beneficiary information periodically as your family situation may change over time.

One important distinction to remember, designating a beneficiary with LA Well (Employee Benefits) is not sufficient to address your LACERS benefits. You must submit a beneficiary form to LACERS in order to designate who may receive the benefits you may be entitled to receive. If you are not sure whether or not you have a beneficiary form on file at LACERS, check your MyLACERS account via our website or call our main office line and staff will assist you. The LACERS Designation of Beneficiary forms can be downloaded at www.lacers.org/active/forms.html.

Service and Service Credit Purchases are Available

Do you want to increase your retirement benefit and/or retiree health subsidy? LACERS offers several options for you to purchase service and/or service credit for employment with other government agencies, military service, previous or part-time City

of Los Angeles employment, leaves of absence, and more that may add to your retirement eligibility and pension if you qualify. Contact the LACERS Member Service Center at (800) 779-8328/ TTY (888) 349-3996 today for more information.

Looking for a New Place to Live in Retirement? Consider Your Health Coverage

Be aware that all LACERS plans are not available in every zip code. If you are considering moving to a new location once you retire, be sure to check with LACERS to see if the health plan(s) you are interested in serve your future zip code and what your health coverage options are. It is possible that only a limited number of our plans, or even none of our plans, will serve that zip code, which can result in cost changes for you.



There's More Than One Way to Reach Us!

Mailing Address: P.O. Box 512218, Los Angeles, CA 90051-0218
Visit LACERS at 202 W. First Street, Suite 500, Los Angeles, CA 90012, Mon-Fri, 7:00 a.m. to 4:00 p.m.
Call: (800) 779-8328 | TTY (888) 349-3996 Fax: (213) 687-4174
E-mail: LACERS.services@lacers.org | LACERS.health@lacers.org
Online: MyLACERS Member Portal www.LACERS.org

New LACERS Special Durable Power of Attorney



LACERS now offers a Special Durable Power of Attorney! The LACERS Special Durable Power of Attorney is a legal document that gives individual(s) you designate the authority to make decisions regarding your LACERS benefits. The durability clause allows the document to remain in effect in the event you become incapacitated, eliminating the need to have a court appoint a

conservator, which can be costly. You may specify if the document goes into effect immediately or upon incapacitation.

Consider signing and submitting a LACERS Special Durable Power of Attorney to ensure that your loved ones can handle your LACERS affairs the way you intended. Once you have submitted a LACERS Special Durable Power of Attorney, it is important that you review and update it periodically as your family situation may change over time. Contact LACERS for more information.

Tips from the Financial Wellness Event

On August 3, LACERS Well and LA Well sponsored a Financial Wellness event for Retirees and City Employees in Ontario, CA. In case you missed it, here are a few takeaways:

- Write an action plan to manage your finances.
- Re-evaluate your financial plan often enough to accommodate life changes.
- Establish your legal plan for the future NOW. This gives you control; if you don't plan ahead, someone whom you didn't choose could get authority over your assets and life decisions.

- Develop a healthy skepticism and a security mindset to protect yourself on the Internet and the world at large by questioning the validity of what you encounter.
- Free your credit if you are not planning on taking a loan or requesting credit anytime soon.

LACERS will be conducting more Financial Wellness events in the future. More information will be forthcoming.

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Nathan Herkelrath, Management Analyst
Tiffany Obembe, Management Analyst
Tara Miller, Wellness Program Manager



Be Prepared in Case of an Emergency

Disasters strike quickly and without warning. What would you do if you were without basic services such as water, power, or your telephone? With advance preparation and teamwork, you can reduce the impacts of a serious disaster. The City of Los Angeles' Emergency Management

Department provides tips, ideas, and resources on how you, your family, and your community can be prepared during a time of disaster. Be sure to visit their website <https://emergency.lacity.org> for this information and to register for NotifyLA to receive alerts for your area. Get prepared today.

