

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

In conformity with the Governor's Executive Order N-08-21 (June 11, 2021)  
and due to the concerns over COVID-19, the  
LACERS Board of Administration's  
June 22, 2021, meeting was conducted  
via telephone and/or videoconferencing.

**Agenda of: July 27, 2021**

**Item No: II**

June 22, 2021

10:00 a.m.

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PRESENT via Videoconferencing:	President: Vice President:	Cynthia M. Ruiz (joined at 10:03 a.m.) Sung Won Sohn
	Commissioners:	Annie Chao Elizabeth Lee Nilza R. Serrano Michael R. Wilkinson
	Manager-Secretary:	Neil M. Guglielmo
	Legal Counselor:	Anya Freedman
ABSENT:	Commissioner:	Sandra Lee
PRESENT at LACERS offices:	Executive Assistant:	Ani Ghoukassian

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

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – **THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT – PRESS \*9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD** – President Ruiz asked if any persons wanted to make a general public comment to which there was no response.

II

APPROVAL OF MINUTES FOR THE REGULAR MEETING OF MAY 25, 2021 AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Serrano, Wilkinson, and President Ruiz -4; Abstain, Commissioner Elizabeth Lee -1.

Vice President Sohn joined the Regular Meeting at 10:03 a.m.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz wished everyone a happy Summer.

IV

GENERAL MANAGER VERBAL REPORT

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

- MSC Stats
- Retirement Application Portal
- Popular Annual Financial Report (PAFR) 2019
- Cyber liability Insurance
- Side A Fiduciary Liability Insurance
- LACERS Headquarters
- Harbor SIP Update

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

- July 20<sup>th</sup> – Off-cycle Benefits Administration Committee Meeting – 2022 Retiree Health Plan Contracts renewal recommendations

V

RECEIVE AND FILE ITEMS

A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR MAY 2021 – This report was received by the Board and filed.

VI

COMMITTEE REPORT(S)

A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON JUNE 8, 2021 – Vice President Sohn stated that JP Morgan made a presentation to the Committee and the Committee approved the Real Estate Strategic Plan for 2021-22.

B. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON JUNE 22, 2021 – Commissioner Serrano stated that the Committee reviewed the current Marketing Cessation Policy and provided staff with revisions and asked that the policy be brought back to Committee.

VII

## BOARD/DEPARTMENT ADMINISTRATION

- A. PROPOSED LIST OF PRE-APPROVED BOARD EDUCATIONAL SEMINARS FOR FISCAL YEAR 2021-22 AND POSSIBLE BOARD ACTION – President Ruiz requested an update to the UN PRI Conference. Vice President Sohn moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -6. Nays, None.

## VIII

### INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$22.5 billion as of June 21, 2021. Mr. June discussed the following items:
- Rebalancing of total portfolio conducted in April and May 2021 due to an overweight in U.S. public equities, which preserved approximately \$25 million in capital.
  - Staff is monitoring the transition in interest reference rate LIBOR to the Secured Overnight Financing Rate (SOFR), which should be completed by the end of 2023. Staff will report back to the Board on its impact on the LACERS portfolio at a future meeting.
  - Staff will provide an update to the Wolff Credit Partners III, L.P. notification report to be discussed later in the Board meeting.
  - Upcoming agenda items: Securities Lending Policy Modifications, PRI Action Plan, and Real Estate Notifications

*Item VIII-F taken out of order.*

- F. NOTIFICATION OF COMMITMENT OF UP TO \$35 MILLION IN WOLFF CREDIT PARTNERS III, L.P. – Rod June, Chief Investment Officer, stated that this fund closed on June 18, 2021. The report was received by the Board and filed.
- B. PRESENTATION BY NEPC, LLC REGARDING RISK BUDGETING AND ASSET CLASS REVIEWS AND POSSIBLE BOARD ACTION – Carolyn Smith, Partner with NEPC, presented and discussed this item with the Board for 50 minutes. Commissioner Elizabeth Lee moved approval, seconded by Commission Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -6; Nays, None.

*Item VIII-D taken out of order.*

- D. REAL ESTATE FISCAL YEAR 2021-22 STRATEGIC PLAN AND POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -6; Nays, None.

- E. CONTINUED DISCUSSION OF SECURITIES LENDING PROGRAM MODIFICATIONS AND POSSIBLE BOARD ACTION – Bryan Fujita, Investment Officer III, presented and discussed this item with the Board for 10 minutes. Commissioner Elizabeth Lee moved approval, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -6; Nays, None.

*Item IX-A was taken out of order.*

IX

President Ruiz recessed the Regular Meeting at 11:26 a.m. to convene in closed session.

DISABILITY RETIREMENT APPLICATION(S)

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

President Ruiz reconvened the Regular Meeting at 11:30 a.m. and announced that the Board unanimously approved the Disability Retirement Application of Maria E. Gutierrez.

VIII

INVESTMENTS

- C. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW FOR THE QUARTER ENDING MARCH 31, 2021 – Kevin Novak, Senior Consultant with NEPC, presented and discussed this item with the Board for 15 minutes.

X

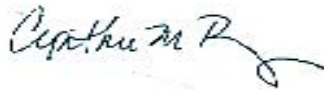
OTHER BUSINESS – There was no other business.

XI

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, July 13, 2021, at 10:00 a.m. at LACERS, 977 N. Broadway, Suite 260, Los Angeles, CA 90012, and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while response to public health concerns relating to the novel coronavirus continue.

X

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 11:49 a.m.



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Cynthia M. Ruiz  
President



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Neil M. Guglielmo  
Manager-Secretary