Board Agenda of: July 14, 2026
Item No.: V-A

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

June 9, 2026
10:04 A.M.

Present:

Annie Chao, President

Janna Sidley, Vice President

Thomas Moutes, Commissioner

Gaylord "Rusty" Roten, Commissioner

Sung Won Sohn, Commissioner

Absent:

Thuy Huynh, Commissioner

Susan Liem, Commissioner

Legal Counselor:

Miguel Bahamon

Manager-Secretary:

Todd Bouey

Executive Assistant:

Ani Ghoukassian

I

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

II

GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS – Todd Bouey, General Manager, advised the Board of the following items:

- Fiscal New Year Payroll Adjustments: Active Employees – Early Retirement Incentive Program (ERIP) Sunset – The ERIP 1% Tier 1 contribution is set to expire by Ordinance on June 30, 2026. The current 11% employee contribution will be 10% for Tier 1 employees going forward from July 1st.
- Family Death Benefit Plan bi-weekly payroll change – $0.75 cents to $0.60 cents per pay period, effective July 12, 2026, in accordance with the adoption of the actuarial valuation and recommendation.
- Retirees: Retiree COLA – Increases will be reflected in the July paycheck; +3% Tier 1, +2% Tier 3. There has been no action on the most recent request for City consideration of discretionary COLA.
- Legislative Items: Charter Change – We are monitoring Council File 26-0637, introduced 4/29/2026 and referred to Rule, Elections, and IG Relations Committee for a November 2026 Ballot Measure to allow Port Warden I's to elect LAFPP (20-year vesting) or LACERS (5-year vesting).
- Also scheduled for the Committee on May 28th were LACERS charter reform recommendations; however, due to time constraints, it was also not heard and held to a date to be determined.
- Consultant Personnel Update: On June 3rd LACERS was notified by Segal that our lead actuary, Todd Tauzer, is departing the firm and that Vice President Actuary Dan Siblik has been named his successor.
- Benefit Operations Update: Health, Wellness, & Buyback Division – IRMAA Update – The status of recommendations that were approved by the Board on April 14, 2026.
- Health Plan Renewals: The 2027 Health Plan renewals are currently being negotiated by LACERS' Health & Welfare Consultant, Keenan & Associates. The 2027 premium rates are requested at the current benefit level.

B. UPCOMING AGENDA ITEMS – Todd Bouey, General Manager, advised the Board of the following items:

- Board Meeting on June 23, 2026: Actuarial Experience Study.
- Governance Committee on June 23, 2026: Board Information Security Policy.
- Benefits Administration Committee on June 23, 2026: Health Management Data Report and Health Plan Financial Dashboards.

III

RECEIVE AND FILE ITEMS

A. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.

B. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.

C. EDUCATION AND TRAVEL EXPENDITURE REPORT FOR THE QUARTER ENDING MARCH 31, 2026 – This report was received by the Board and filed.

IV

COMMITTEE REPORT(S)

A. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON MAY 26, 2026 – Vice President Sidley stated the Committee approved the Proxy Voting Policy Review.

V

Commissioner Moutes moved approval of Consent Agenda Item V-A, seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Moutes, Roten, Sohn, Vice President Sidley, and President Chao -5: Nays, None.

CONSENT ITEMS

A. APPROVAL OF MINUTES FOR THE MEETING ON MAY 12, 2026 AND POSSIBLE BOARD ACTION

VI

BOARD/DEPARTMENT ADMINISTRATION

A. PRESENTATION BY SEGAL – EXPERIENCE STUDY 101 AND RISK REPORT FOLLOW-UP – Todd Tauzer, Senior Vice President and Actuary, and Daniel Siblik, Vice President and Actuary, with Segal, presented and discussed this item with the Board for one hour and eight minutes.

VII

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Wilkin Ly, Deputy Chief Investment Officer, reported on the portfolio value of $27.8 billion as of June 8, 2026, and the Volatility Index at 21. Wilkin Ly discussed the following items:

INDUSTRY NEWS:
a. Discussion of U.S. economy
- Resilience of U.S. economy
- Strength of corporate earnings
- Inflation expectations and behavior adjustments

b. Global stock market index performance.
c. LACERS performance year to date and fiscal year to date.

OPERATIONAL:
a. Girls Who Invest Intern starting on June 30, 2026.
b. Infrastructure RFP deadline for passive mandate on June 4, 2026 and active mandate on June 11, 2026.

FUTURE AGENDA ITEMS:
a. Key person replacement for private equity consultant relationship with Aksia.
b. Private equity Q4 2025 portfolio performance review.
C. Public market contract renewals.

B. PRESENTATION BY TOWNSEND HOLDINGS LLC OF THE REAL ESTATE FISCAL YEAR 2026-27 STRATEGIC PLAN AND POSSIBLE BOARD ACTION – Wilkin Ly, Deputy Chief Investment Officer, Felix Fels, Principal, and Prashant Tewari, Senior Managing Director, with Townsend Holdings LLC, presented and discussed this item with the Board for 42 minutes. Commissioner Sohn moved approval, seconded by Vice President Sidley, and adopted by the following vote: Ayes, Commissioners Moutes, Roten, Sohn, Vice President Sidley, and President Chao -5; Nays, None.

C. PRESENTATION BY AKSIA LLC OF THE PRIVATE CREDIT PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING DECEMBER 31, 2025 – Rahul Desai, Director, and Trevor Jackson, Managing Director, with Aksia LLC, presented and discussed this item with the Board for 31 minutes.

Commissioner Moutes moved approval of the Investments Agenda Items and corresponding Resolutions for VII-D, VII-F, and VII-G seconded by Vice President Sidley, and adopted by the following vote: Ayes, Commissioners Moutes, Roten, Sohn, Vice President Sidley, and President Chao -5; Nays, None.

D. APPROVAL OF 3-YEAR CONTRACT WITH POLEN CAPITAL CREDIT, LLC REGARDING THE MANAGEMENT OF AN ACTIVE HYBRID HIGH YIELD FIXED

INCOME/U.S. FLOATING RATE BANK LOAN PORTFOLIO AND POSSIBLE BOARD ACTION

CONTRACT RENEWAL
POLEN CAPITAL CREDIT, LLC
ACTIVE HYBRID HIGH YIELD FIXED INCOME/U.S. FLOATING RATE BANK LOAN PORTFOLIO MANAGEMENT

RESOLUTION 260609-A

WHEREAS, LACERS' current two-year contract term with Polen Capital Credit, LLC (Polen Credit) for management of an active hybrid high yield fixed income/U.S. floating rate bank loan portfolio expires on August 31, 2026; and,

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

WHEREAS, a contract renewal with Polen Credit will allow the fund to maintain a diversified exposure to high yield fixed income and U.S. floating rate bank loans; and,

WHEREAS, on June 9, 2026, the Board approved the Investment Committee's recommendation to approve a three-year contract renewal with Polen Credit.

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

Company Name:	Polen Capital Credit, LLC
Service Provided:	Active Hybrid High Yield Fixed Income/U.S. Floating Rate Bank Loan Portfolio Management
Effective Dates:	September 1, 2026 through August 31, 2029
Duration:	Three years
Benchmark:	50% Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index and 50% S&P UBS Leveraged Loan Index
Allocation as of April 30, 2026:	$295 million

F. INVESTMENT MANAGER CONTRACT WITH BARROW, HANLEY, MEWHINNEY & STRAUSS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS VALUE PORTFOLIO AND POSSIBLE BOARD ACTION

CONTRACT RENEWAL
BARROW, HANLEY, MEWHINNEY & STRAUSS, LLC
ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS VALUE
PORTFOLIO MANAGEMENT

RESOLUTION 260609-B

WHEREAS, LACERS' current three-year contract term with Barrow, Hanley, Mewhinney & Strauss, LLC (BHMS) for management of an active non-U.S. equities developed markets value portfolio management expires on September 30, 2026; and,

WHEREAS, BHMS is in compliance with LACERS manager monitoring policy; and,

WHEREAS, a contract renewal with BHMS will allow the fund to maintain a diversified exposure active non-U.S. equities developed markets value portfolio; and,

WHEREAS, on June 9, 2026, the Board approved a recommendation to approve a three-year contract renewal with BHMS.

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

Company Name:	Barrow, Hanley, Mewhinney & Strauss, LLC
Service Provided:	Active Non-U.S. Equities Developed Markets Value Portfolio.
Effective Dates:	October 1, 2026 through September 30, 2029
Duration:	Three-year
Benchmark:	MSCI EAFE Value
Allocation as of April 30, 2026:	$852 million

G. INVESTMENT MANAGER CONTRACT WITH WASATCH ADVISORS, INC. D/B/A WASATCH GLOBAL INVESTORS REGARDING THE MANAGEMENT OF AN ACTIVE EMERGING MARKETS SMALL CAP EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION

CONTRACT EXPIRATION WASATCH ADVISORS INC. D/B/A WASATCH GLOBAL INVESTORS ACTIVE EMERGING MARKETS SMALL CAP EQUITIES PORTFOLIO MANAGEMENT

RESOLUTION 260609-C

WHEREAS, LACERS' current three-year contract with Wasatch Advisors Inc. d/b/a Wasatch Global Investors (Wasatch) for active emerging markets small cap equities portfolio management expires on September 30, 2026; and,

WHEREAS, Wasatch was initially placed "On-Watch" on June 5, 2025, due to underperformance, in accordance with the LACERS Manager Monitoring Policy; and,

WHEREAS, as of April 30, 2026, the strategy continues to underperform the benchmark over the 3-year, 5-year, and since-inception period,

WHEREAS, on June 9, 2026, the Board approved staff and NEPC LLC's recommendation to allow the Wasatch contract to expire on September 30, 2026 and have the proceeds fund near-term cash and rebalance needs; and,

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the contract expiration of Wasatch and authorizes LACERS staff to use the proceeds for near-term cash and rebalance needs**.**

President Chao took item VII-E out of order.

E. PROXY VOTING POLICY REVIEW AND POSSIBLE BOARD – Wilkin Ly, Deputy Chief Investment Officer, and Wendy Norman, Investment Officer I, presented and discussed this item with the Board for 14 minutes. Commissioner Moutes moved approval, seconded by Vice President Sidley, and adopted by the following vote: Ayes, Commissioners Moutes, Roten, Sohn, Vice President Sidley, and President Chao -5; Nays, None.

President Chao recessed the Regular meeting at 1:02 P.M. to convene in closed session.

H. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 REGARDING CONTINUED DISCUSSION TO CONSIDER A COMMITMENT TO PRIME PROPERTY FUND, LLC AND POSSIBLE BOARD ACTION

VIII

LEGAL/LITIGATION

B. CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASES ENTITLED:

1. THOMAS CRAWLEY v. LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCV14282)

2. INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 18 v. CITY OF LOS ANGELES ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCP02171)

3. LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM, ET AL. V. GLENN SANFORD, ET AL., (DELAWARE COURT OF CHANCERY CASE NO. 2024-0998-KSJM)

4. ROQUE V. LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION (LOS ANGELES SUPERIOR COURT CASE NO. 25NNCP00940)

5. LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM V. RILEY (LOS ANGELES SUPERIOR COURT CASE NO. 26STCV15397)

President Chao reconvened the Regular meeting at 1:30 P.M. with nothing to report.

President Chao took item VIII-A out of order.

A. LEGAL UPDATE REGARDING THE CASE ENTITLED LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION V. COUNTY OF LOS ANGELES, ET AL. (CAL. SUPREME COURT, CASE NO. S286264) – Yusuf Parray, Deputy City Attorney III, presented and discussed this item with the Board for seven minutes.

IX

OTHER BUSINESS – There was no other business.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, June 23, 2026, at 10:00 A.M., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, CA 90012.

XI

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the meeting at 1:39 P.M.

Annie Chao, President
Todd Bouey, Manager-Secretary