LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

Board of Administration Agenda
REGULAR MEETING
TUESDAY, JUNE 23, 2026
10:00 A.M.
LACERS BOARDROOM
977 N. Broadway
Los Angeles, CA 90012

President:

Annie Chao

Vice President:

Janna Sidley

Commissioners:

Thuy Huynh

Susan Liem

Thomas Moutes

Gaylord "Rusty" Roten

Sung Won Sohn

Manager-Secretary:

Todd Bouey

Executive Assistant:

Ani Ghoukassian

Legal Counsel:

City Attorney's Office Public Pensions General Counsel Division

ACCESS TO LACERS BOARD AND COMMITTEE MEETING REPORTS

IMPORTANT MESSAGES 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 YouTube streaming at the following link: **LACERS YouTube Livestream Link for Board/Committee meeting audio – only accessible during meetings**.

The Board may take action on any item appearing on this agenda, regardless of whether it is listed as an action item. Cal. Gov. Code § 54954.2.

DISCLAIMER TO PARTICIPANTS

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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 public record related to an item on the agenda, please call (213) 855-9348 or email at **lacers.board@lacers.org**.

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**.

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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.**

I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA

II. GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS
- B. UPCOMING AGENDA ITEMS

III. RECEIVE AND FILE ITEMS

- A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR MAY 2026
- B. COMMISSIONER ANNIE CHAO EDUCATION EVALUATION ON CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS (CALAPRS) TRUSTEE ROUNDTABLE; VIRTUAL; MAY 29, 2026
- C. COMMISSIONER SUSAN LIEM EDUCATION EVALUATION ON CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS (CALAPRS) TRUSTEE ROUNDTABLE; VIRTUAL; MAY 29, 2026

IV. COMMITTEE REPORT(S)

- A. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON JUNE 23, 2026

V. CONSENT ITEMS

- A. APPROVAL OF MINUTES FOR THE MEETING ON MAY 26, 2026 AND POSSIBLE BOARD ACTION
- B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF JEANETTE BONNER AND POSSIBLE BOARD ACTION
- C. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF MARIA GUZMAN AND POSSIBLE BOARD ACTION

VI. BOARD/DEPARTMENT ADMINISTRATION

A. CONSIDERATION OF PROPOSED ASSUMPTION CHANGES BASED ON ACTUARIAL EXPERIENCE STUDY DURING THE PERIOD FROM JULY 1, 2022 THROUGH JUNE 30, 2025 AND POSSIBLE BOARD ACTION

B. PROPOSED LIST OF PRE-APPROVED BOARD EDUCATIONAL SEMINARS AND TRAINING FOR FISCAL YEAR 2026-27 AND POSSIBLE BOARD ACTION

VII. INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT

B. CONTRACT WITH AKSIA LLC REGARDING PRIVATE EQUITY CONSULTANT SERVICES, REPLACEMENT OF KEY PERSON AND POSSIBLE BOARD ACTION

C. PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING DECEMBER 31, 2025

VIII. LEGAL/LITIGATION

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

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

IX. OTHER BUSINESS

X. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, July 14, 2026, at 10:00 A.M., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, CA 90012.

XI. ADJOURNMENT

Agenda of: June 23, 2026
Item No: III-A

MONTHLY REPORT ON SEMINARS AND CONFERENCES ATTENDED BY BOARD MEMBERS ON BEHALF OF LACERS FOR THE MONTH OF MAY 2026

In accordance with Section V.H.2 of the approved Board Education and Travel Policy, Board Members are required to report to the Board, on a monthly basis at the last Board meeting of each month, seminars and conferences they attended as a LACERS representative or in the capacity of a LACERS Board Member which are either complimentary (no cost involved) or with expenses fully covered by the Board Member. This monthly report shall include all seminars and conferences attended during the 4-week period preceding the Board meeting wherein the report is to be presented.

BOARD MEMBERS:

Vice President Janna Sidley

DATE(S) OF EVENT	SEMINAR / CONFERENCE TITLE	EVENT SPONSOR (ORGANIZATION)	LOCATION (CITY, STATE)
May 31 and June 1, 2026	VerdeXchange Conference	VerdeXchange	Los Angeles, CA

Board Meeting: 06/23/26
Item: III-B

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM (LACERS)
TRAVEL/CONFERENCE EVALUATION REPORT

Name of Attendee: Annie Chao	
Title of Conference/Seminar: CALAPRS Trustees' Round Table	
Location: Virtual	No. of Education Hours: 2
Trustee Rating: (A-Excellent, B-Very Good, C-Good, D-Not Beneficial) B	Level: (Introductory, Intermediate, or Advanced) Intermediate
Event Sponsor: CALAPRS	Date(s) Held: 5/29/26

Report for:

☐ Travel

☒ Conference/Seminar Attendance Only

I. Nature/Purpose of Travel (if applicable):

Regular discussion of California public pension plan trustees.

II. Significant Information Gained:

Two presentations were made: 1) Models of Institutional Investment and The Role (and Challenge) of Trustees by Dr. Ashby Monk, Stanford Long-Term Investing and 2) Governance Best Practices: California Practitioner Lens by Allen Emkin, Meketa.

III. Benefits to LACERS:

To hear about topics applicable to other California public pension plans.

IV. Additional Comments:

SUBMIT TO THE LACERS COMMISSION EXECUTIVE ASSISTANT, 977 N. BROADWAY, LOS ANGELES, CA
WITHIN 30 DAYS AFTER ATTENDING THE CONFERENCE/SEMINAR

Board Meeting: 06/23/26
Item: III-C

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM (LACERS)
TRAVEL/CONFERENCE EVALUATION REPORT

Name of Attendee: Susan Liem	
Title of Conference/Seminar: CALAPRS Trustee Roundtable	
Location: Virtual	No. of Education Hours: 2
Trustee Rating: (A-Excellent, B-Very Good, C-Good, D-Not Beneficial) A	Level: (Introductory, Intermediate, or Advanced) Introductory
Event Sponsor: CALAPRS	Date(s) Held: May 29, 2026

Report for:

☐ Travel

☒ Conference/Seminar Attendance Only

I. Nature/Purpose of Travel (if applicable):

N/A Virtual event

II. Significant Information Gained:

Presentations provided insightful info on various topics such as the long term capital needs of pension plans, the various types of allocators managing pension money, and the various types of investment models that allocators utilize.

III. Benefits to LACERS:

The roundtable discussion had a variety of topics helpful to a new trustee, including an overview of the responsibilities of a trustee and the challenges trustees can encounter.

IV. Additional Comments:

The presenters were knowledgeable and insightful.

SUBMIT TO THE LACERS COMMISSION EXECUTIVE ASSISTANT, 977 N. BROADWAY, LOS ANGELES, CA
WITHIN 30 DAYS AFTER ATTENDING THE CONFERENCE/SEMINAR

Board Agenda of: June 23, 2026
Item No.: V-A

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

May 26, 2026
10:17 A.M.

Present:

Annie Chao, President

Janna Sidley, Vice President

Susan Liem, Commissioner

Thomas Moutes, Commissioner

Gaylord "Rusty" Roten, Commissioner

Absent:

Thuy Huynh, Commissioner

Sung Won Sohn, Commissioner

Legal Counselor:

Miguel Bahamon

Manager-Secretary:

Todd Bouey

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 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:

- City Budget: The Los Angeles City Council signed off on a $15-billion budget for 2026-27 on Thursday, May 21st. There were no apparent impacts to the City Contribution to LACERS, which is still expected in full by July 15th.
- Departmental Audit Manager: We have opened up our Departmental Audit Manager vacancy for hiring and look forward to going through that process in the coming months.
- Benefit Operations Update: Retirement Services Division: Measure FF implementation milestone completed: As of May 19, 2026, LACERS completed processing Measure FF Tier 1 – Enhanced Refunds for 235 eligible Airport Police Officers. Leaving City Service Training: LACERS participated in a virtual "Leaving City Service Training" organized by the City Clerk for staff of elected offices who are termed out in December (CD3 and CD9).
- Health, Wellness, & Buyback Division: Medicare Beneficiary Identifiers (MBIs) Reissuance: CMS is reissuing MBIs for approximately 1.3 million Medicare beneficiaries beginning March 2026 to improve information security and reduce identity-related misuse. Timing for LACERS members: New Medicare cards will be sent roughly May 5 – June 5, 2026. New MBIs become active on April 14, 2026. Action for members receiving new cards: Safely destroy the old Medicare card once the new MBI is active. Provide the updated MBI to healthcare providers and insurance plans. Use the new card for all Medicare-related services. Impact on benefits: Medicare benefits, premiums, and coverage will not change as a result of the new MBIs. Transition risks: During the rollout, outdated MBIs could cause temporary issues such as delayed claims or eligibility verification problems.

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

Board Meeting on June 9, 2026:

- Actuarial Education Session in Advance of LACERS Experience Study.
- Education and Travel Expenditure Quarterly Report.

C. RECOGNITION OF SERVICE FOR ROD JUNE, LACERS CHIEF INVESTMENT OFFICER – Todd Bouey, General Manager, and the Commissioners recognized Rod June, Chief Investment Officer, for his years of service to LACERS upon his announced retirement.

III

RECEIVE AND FILE ITEMS

A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR APRIL 2026 – This report was received by the Board and filed.

IV

COMMITTEE REPORT(S)

A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON MAY 12, 2026 – Commissioner Liem stated the Committee approved the presentation by Townsend Holdings LLC of the Real Estate Fiscal Year 2026-27 Strategic Plan, the Investment Manager Contract with Polen Capital Credit, LLC, regarding the Management of an active Hybrid High Yield Fixed Income/U.S. Floating Rate Bank Portfolio, and the Adaptive Asset Allocation Policy and status report.

B. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON MAY 26, 2026 – Commissioner Moutes stated the Committee discussed the Healthcare Trends and an update on the 2027 Health Plan Contract Renewals.

V

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

CONSENT ITEMS

A. APPROVAL OF MINUTES FOR THE MEETING ON APRIL 28, 2026 AND POSSIBLE BOARD ACTION

B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF TIMOTHY DIBIASE AND POSSIBLE BOARD ACTION – Commissioner Moutes moved approval of the following Resolution:

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR TIMOTHY DIBIASE

RESOLUTION 260526-A

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1, 2, and 3 examined and concluded Timothy Dibiase is unable to perform their usual and customary duties as a Senior Gardener with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that Timothy Dibiase is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing the duties as a Senior Gardener;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the applicant's intemperance or willful misconduct;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the disability retirement benefit for Timothy Dibiase based upon the claimed disabling condition.

C. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF CHAFEGAH GENTRY AND POSSIBLE BOARD ACTION – Commissioner Moutes moved approval of the following Resolution:

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR CHAFEGAH GENTRY

RESOLUTION 260526-B

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1, 2, and 3 examined and concluded Chafegah Gentry is unable to perform their usual and customary duties as a Principal Clerk with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that Chafegah Gentry is incapacitated

pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing the duties as a Principal Clerk;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the applicant's intemperance or willful misconduct;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the disability retirement benefit for Chafegah Gentry based upon the claimed disabling conditions.

VI

BOARD/DEPARTMENT ADMINISTRATION

A. PROPOSED BUDGET, PERSONNEL, AND ANNUAL RESOLUTIONS FOR FISCAL YEAR 2026-27 AND POSSIBLE BOARD ACTION – Todd Bouey, General Manager, and Chhintana Kurimoto, Management Analyst, presented and discussed this item with the Board for three minutes. Vice President Sidley moved approval, seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Liem, Moutes, Roten, Vice President Sidley, and President Chao -5; Nays, None.

B. APPROVAL OF BOARD RULES RELATED TO MEMBER CONTRIBUTIONS UNDER THE LACERS PEACE OFFICER TRANSFER PROGRAM AND POSSIBLE BOARD ACTION – Gina Di Domenico, Deputy City Attorney III, and Sevan Simonian, Senior Benefits Analyst I, presented and discussed this item with the Board for two minutes. Vice President Sidley moved approval, seconded by Commissioner Moutes, and adopted by the following vote: Ayes, Commissioners Liem, Moutes, Roten, Vice President Sidley, and President Chao -5; Nays, None.

VII

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Wilkin Ly, Deputy Chief Investment Officer, reported on the portfolio value of $28.06 billion as of May 22, 2026; and the Volatility Index at 16.9. Wilkin Ly discussed the following items:

   INDUSTRY NEWS:
   a. 30-year Treasury yield briefly reached 5.1%; highest level in nearly 20 years.
   b. Status of IPO market and impact on private market distributions.

   OPERATIONAL:
   a. Acknowledgment of Jessica Chumak's graduation from the Women's Management Academy on April 23, 2026.

FUTURE AGENDA ITEMS:

a. Aksia LLC presentation of the Q4 2025 Private Credit portfolio performance review.
b. Townsend Holdings LLC presentation of the Fiscal Year 2026-27 Real Estate Strategic Plan.
c. Public market contract renewals.

B. PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW FOR THE QUARTER ENDING MARCH 31, 2026 – Kevin Novak, Principal, Rose Dean, Partner, presented and discussed this item with the Board for 14 minutes.

C. PRESENTATION BY TOWNSEND HOLDINGS LLC OF THE PRIVATE REAL ESTATE PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING DECEMBER 31, 2025 – Felix Fels, Principal, with Townsend Holdings LLC, presented and discussed this item with the Board for 10 minutes.

D. APPROVAL OF 1-YEAR CONTRACT WITH SEGALL BRYANT & HAMILL, LLC REGARDING THE MANAGEMENT OF AN ACTIVE U.S. SMALL CAP VALUE EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION – Barbara Sandoval, Investment Officer II, and Kevin Novak, Principal, with NEPC, LLC, presented and discussed this item with the Board. Vice President Sidley moved approval of the following Resolution:

CONTRACT RENEWAL SEGALL BRYANT & HAMILL, LLC ACTIVE U.S. SMALL CAP VALUE EQUITIES PORTFOLIO MANAGEMENT

RESOLUTION 260526-D

WHEREAS, LACERS' current three-year contract term with Segall Bryant & Hamill, LLC (SBH) for management of an active U.S. small cap value equities portfolio management expires on July 31, 2026; and,

WHEREAS, SBH is on watch status for performance; and,

WHEREAS, a contract renewal with SBH will allow the fund to maintain a diversified exposure to U.S. small cap value equities; and,

WHEREAS, on May 26, 2026, the Board approved the Investment Committee's recommendation to approve a one-year contract renewal with SBH.

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: Segall Bryant & Hamill, LLC

Service Provided: Active U.S. Small Cap Value Equities Portfolio Management

Effective Dates: August 1, 2026 through July 31, 2027

Duration: One year

Benchmark: Russell 2000 Value Index

Allocation as of
February 28, 2026: $172 million

Which motion was seconded by Commissioner Roten and adopted by the following vote: Ayes, Commissioners Liem, Moutes, Roten, Vice President Sidley, and President Chao -5; Nays, None.

E. ADAPTIVE ASSET ALLOCATION POLICY AND STATUS REPORT AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, and James Wang, Investment Officer I, presented and discussed this item with the Board. Commissioner Moutes moved approval, seconded by Vice President Sidley, and adopted by the following vote: Ayes, Commissioners Liem, Moutes, Roten, Vice President Sidley, and President Chao -5; Nays, None.

F. ELECTION OF BOARD DIRECTORS OF THE INSTITUTIONAL LIMITED PARTNERS ASSOCIATION AND POSSIBLE BOARD ACTION – Ellen Chen, Investment Officer III, presented and discussed this item with the Board for three minutes. Vice President Sidley moved approval, seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Liem, Moutes, Roten, Vice President Sidley, and President Chao -5; Nays, None.

G. NOTIFICATION OF COMMITMENT OF UP TO $2,857,143 IN THRIVE CAPITAL PARTNERS X, L.P. – This report was received by the Board and filed.

H. NOTIFICATION OF COMMITMENT OF UP TO $17,142,857 IN THRIVE CAPITAL PARTNERS X GROWTH, L.P. – This report was received by the Board and filed.

I. NOTIFICATION OF COMMITMENT OF UP TO $15 MILLION IN MISCHIEF 3, L.P. – This report was received by the Board and filed.

J. NOTIFICATION OF COMMITMENT OF UP TO $25 MILLION IN BATTERY VENTURES XV, L.P. – This report was received by the Board and filed.

K. NOTIFICATION OF COMMITMENT OF UP TO $50 MILLION IN FRANCISCO PARTNERS VIII, L.P. – This report was received by the Board and filed.

L. NOTIFICATION OF COMMITMENT OF UP TO $20 MILLION IN FRANCISCO PARTNERS AGILITY IV, L.P. – This report was received by the Board and filed.

M. NOTIFICATION OF COMMITMENT OF UP TO $80 MILLION IN HAYFIN TACTICAL SOLUTIONS FUND (US PARALLEL) LP – This report was received by the Board and filed.

N. NOTIFICATION OF COMMITMENT OF UP TO $15 MILLION IN SPARK CAPITAL IX, L.P. – This report was received by the Board and filed.

O. NOTIFICATION OF COMMITMENT OF UP TO $35 MILLION IN SPARK CAPITAL GROWTH FUND VI, L.P. – This report was received by the Board and filed.

P. NOTIFICATION OF COMMITMENT OF UP TO $40 MILLION IN NEW ENTERPRISE ASSOCIATES 19, L.P. – This report was received by the Board and filed.

Q. NOTIFICATION OF COMMITMENT OF UP TO $35 MILLION IN NEA 19 VENTURE GROWTH EQUITY, L.P. – This report was received by the Board and filed.

President Chao recessed the Regular meeting at 11:54 A.M. to convene in closed session.

VIII

LEGAL/LITIGATION

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

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

President Chao reconvened the Regular meeting at 12:07 P.M. with nothing to report.

IX

OTHER BUSINESS – There was no other business.

X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, June 9, 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 12:08 P.M.

Annie Chao President
Todd Bouey, Manager-Secretary

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: JUNE 23, 2026
FROM: ISAIAS CANTÚ, CHIEF BENEFITS ANALYST
ITEM: V-B

SUBJECT: APPROVAL OF DISABILITY RETIREMENT APPLICATION OF JEANETTE BONNER AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☒ CONSENT ☐ RECEIVE & FILE

Recommendation

That, pursuant to Los Angeles Administrative Code § 4.1008(b), the Board approve the disability retirement application for Jeanette Bonner based on their claimed disabling conditions and the supporting medical evidence contained in the administrative record, which includes reports by three licensed, practicing physicians.

Background

Jeanette Bonner (Applicant), age 47, is a Senior Security Officer in the Department of Airports, with 14.45795 years of City Service. The Applicant applied for disability retirement on March 10, 2025, within the normal one-year filing period.

The Applicant's last day on active payroll was November 29, 2024. If approved, the Applicant's retirement effective date would be November 30, 2024.

Accommodation

Because all physicians opined that the Applicant is disabled with no form of accommodation that would allow the Applicant to return to work, no inquiries were made with the employing department.

Fiscal Impact

Upon approval, the Applicant would receive a disability allowance of approximately $2,212.00 per month, and a retroactive payment covering approximately 20 months of approximately $44,240.00.

Prepared By:

Rachelle Ramiento, Benefits Specialist, Retirement Services Division
Carol Jackson, Benefits Analyst, Retirement Services Division
Claudia Batres-Flores, Sr. Benefits Analyst I, Retirement Services Division

Attachment: 1. Proposed Resolution

BOARD MEETING: 06/23/2026
ITEM: V-B
ATTACHMENT: 1

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR JEANETTE BONNER

PROPOSED RESOLUTION

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1, 2, and 3 examined Jeanette Bonner and concluded that they are unable to perform their usual and customary duties as a Senior Security Officer with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that Jeanette Bonner is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing the duties as a Senior Security Officer;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the applicant's intemperance or willful misconduct;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the retirement benefit for Jeanette Bonner based upon their claimed disabling conditions.

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: JUNE 23, 2026
FROM: ISAIAS CANTÚ, CHIEF BENEFITS ANALYST
ITEM: V-C

SUBJECT: APPROVAL OF DISABILITY RETIREMENT APPLICATION OF MARIA GUZMAN AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☒ CONSENT ☐ RECEIVE & FILE

Recommendation

That, pursuant to Los Angeles Administrative Code § 4.1008(b), the Board approve the disability retirement benefit for Maria Guzman based on the claimed disabling condition and the supporting medical evidence contained in the administrative record, which includes reports by three licensed, practicing physicians.

Background

Maria Guzman (Applicant), age 61, is a Custodian at the General Services Department – Building Facility Management with 10.04770 years of City Service. The Applicant applied for disability retirement on April 1, 2025, within the normal one-year filing period.

The Applicant's last day on active payroll was August 9, 2024. If approved, the Applicant's retirement effective date will be August 10, 2024.

Accommodation

Because all Physicians opined the Applicant could return to work with accommodations, the employing department was contacted. The Department indicated they are unable to accommodate the cited restrictions.

Fiscal Impact

Upon approval, the Applicant would receive a disability allowance of approximately $1,550.00 per month, and a retroactive payment covering approximately 23 months of approximately $35,650.00.

Prepared By:

Rachelle Ramiento, Benefits Specialist, Retirement Services Division
Carol Jackson, Benefits Analyst, Retirement Services Division
Claudia Batres-Flores, Sr. Benefits Analyst I, Retirement Services Division

Attachment: 1. Proposed Resolution

BOARD MEETING: 06/23/2026
ITEM: V-C
ATTACHMENT: 1

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR MARIA GUZMAN

PROPOSED RESOLUTION

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1, 2, and 3 examined Maria Guzman and concluded that they are unable to perform their usual and customary duties as a Custodian with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that Maria Guzman is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing the duties as a Custodian;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the applicant's intemperance or willful misconduct;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the retirement benefit for Maria Guzman based upon their claimed disabling conditions.

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: JUNE 23, 2026
FROM: Todd Bouey, General Manager
ITEM: VI-A

SUBJECT: CONSIDERATION OF PROPOSED ASSUMPTION CHANGES BASED ON ACTUARIAL EXPERIENCE STUDY DURING THE PERIOD FROM JULY 1, 2022 THROUGH JUNE 30, 2025 AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation

That the Board consider and adopt the actuarial assumptions recommended by LACERS' consulting actuary, Segal, as listed in Appendix B of the attached Actuarial Experience Study covering the period from July 1, 2022, through June 30, 2025. The adopted assumptions would take effect in Fiscal Year 2027-28.

Executive Summary

Actuarial assumptions — both *economic and demographic* — are essential inputs for measuring the plan's liabilities and calculating the City's required contributions. More realistic assumptions yield more accurate cost estimates, support orderly funding, and help maintain fairness across generations of participants and taxpayers.

While the City Charter requires actuarial experience study every five years, the typical interval between experience studies for LACERS has been three years. This experience study reviews actual plan experience against current actuarial assumptions to determine whether those assumptions should be updated. LACERS' last full experience study was conducted through June 30, 2022. This experience study before the Board is based on the three-year period from July 1, 2022, through June 30, 2025.

Overall, Segal recommends adjustments to both economic and demographic assumptions to better reflect recent experience and future expectations. While actual plan costs depend on benefits paid, administrative expenses, and investment returns, updated assumptions improve the Board's ability to set contribution policy. Under the California Government Code, the Board has sole authority to establish actuarial methods and assumptions. The consulting actuary's role is to provide informed recommendations.

The discussion below provides details as to how the assumptions will change and the associated cost impacts. If adopted, actuarial assumptions will be reflected in the June 30, 2026 (2026) Actuarial Valuation, to be presented to the Board in November 2026, and factored into the annual employer contribution for the Fiscal Year (FY) 2027-28 Budget. Subsequently, new assumptions will be implemented in LACERS' pension administration system on July 1, 2027.

Cost Impact of the Recommended Assumptions Based on June 30, 2025 Actuarial Valuation

Segal has estimated the impact of all recommended economic and demographic assumptions as if they were applied to the June 30, 2025 actuarial valuations. The tables below show the changes in the employer contribution rate, unfunded actuarial accrued liability (UAAL), and funded ratio due to the proposed assumption changes.

Assumptions	***Retirement Plan***	***Health Plan***	***Total***
Changes in Economic Assumptions	4.00%	0.41%	4.41%
Changes in Demographic Assumptions	(0.72)%	(0.01)%	(0.71)%
Total increase (decrease) in employer rate (payable July 15)	**3.28%**	**0.42%**	**3.70%**
Total increase (decrease) in annual dollar amount (in millions), based on FY2024-25 payroll	**$96.0**	**$12.3**	**$108.3**

Impact on UAAL and Funded Ratio	***Retirement Plan***	***Health Plan***	***Total***
Increase in UAAL	$813.3 million	$183.8 million	$997.1 million
Change in funded ratio	From 74.60% to 72.46%	From 105.77% to 100.97%	From 78.4% to 76%

Note that the employer's covered payroll for FY 2026-27 is approximately $3.1 billion, so a 3.7% cost increase would result in approximately $113.1 million in increased contributions to the System.

Discussion

As a result of the July 1, 2022 to June 30, 2025 (2022-2025) Experience Study, Segal recommends changes to the economic and demographic assumptions as discussed below.

Economic Assumptions

The economic assumptions reviewed include:

Assumption	*Current*	*Recommended*
Net Investment Return	7.00%	Reduce the investment return assumption to 6.75% per annum
Member Contribution Crediting Rate	2.50%	Maintain at 2.50%
Consumer Price Index (CPI)	2.50%	Maintain the inflation assumption at 2.50% per annum
Payroll Growth	Growth of 3.00%, including combined 2.50% inflation and real "across the board" salary increase of 0.50% annually	Maintain the payroll growth of 3.00%, including combined inflation of 2.50% plus "across the board" salary increase of 0.50% annually
Increase in IRC Section 401(a)(17) Compensation Limit	Annual increase of 2.50%	Maintain an annual increase of 2.50%
Salary Increases	Merit and promotion increases that varies by service	Increasing the assumed merit and promotion salary increases for most service categories

1. **Inflation and Investment Return Assumptions**

Although inflation surged beginning in the second quarter of 2021 and remained elevated through 2022, it began to decline after the Federal Reserve started raising interest rates in 2022. As inflation moderated, the Federal Reserve shifted course and lowered interest rates three times in 2024. After holding rates steady for several months, the Federal Reserve reduced interest rates three more times in 2025.

Segal reviewed the historical Consumer Price Index (CPI) and its proposed inflation assumption over the years, while comparing its proposed rate of 2.50% with those of other entities. According to the latest data, the CPI increased by 2.7% from December 2024 to December 2025. Segal recommends the same 2.50% assumption for its California public retirement system clients.

Inflation Assumptions for other entities

Entity	Inflation Assumption
Public Plans Database Median Inflation assumption of 243 large public retirement funds in 2024	2.50%
CalPERS and sixteen of the 1937 Act CERL systems	2.50%
CalSTRS and four of the 1937 Act CERL systems	2.75%
LACERA	2.75%
LADWP	2.50%
LAFPP	2.50%
New England Pension Consultants (NEPC)	2.70%
Average Inflation Assumption of five Investment Advisory Firms surveyed by Segal	2.49%
Social Security Administration 2025 Projected Average Increase in CPI over 75 Years (Intermediate Assumption)	2.40%

While recommending LACERS maintain the 2.50% inflation assumption, Segal recommends reducing the investment return assumption from 7.00% to 6.75%, which is comparable to other California public pensions. The following table summarizes the components of the recommended investment return assumption. For comparison purposes, the chart includes similar values from the last Actuarial Experience Study as well as the comparison values that apply the prior model to this year's information.

Recommended Investment Return

Assumption Component	June 30, 2026 Recommended Value	June 30, 2023 Adopted Value	June 30, 2020 Adopted Value
Inflation	2.50%	2.50%	2.75%
Portfolio Expected Arithmetic Real Rate of Return	5.78%	6.27%	5.50%
Expense Adjustment	(0.22)%	(0.20)%	(0.40)%
Adjustment to Expected Geometric Real Rate of Return	(1.08)%	(1.03)%	N/A
Risk Adjustment	(0.23)%	(0.54)%	(0.85)%
Total	6.75%	7.00%	7.00%
Confidence Level	52%	56%	59%

In 2023, the Board adopted an investment return assumption of 7.00%. Segal notes that the 7% return implied a risk adjustment of 0.54%, corresponding to a 15-year confidence level of 56%, based on an annual portfolio return standard deviation of 14.90% provided by NEPC in 2023.

Segal explains that

> *if the same 56% confidence level from the 2023 study is used to set this year's risk adjustment, based on the current annual portfolio return standard deviation of 15.21% provided by NEPC, the corresponding risk adjustment would be 0.58%. Together with the other investment return components,* ***a 56% confidence level would yield an investment return assumption of 6.40%,*** *which is much lower than the current 7.00%.*

Segal further explains that

> *based on their general practice of using one-quarter percentage-point increments for economic assumptions, they considered the 6.75% investment return assumption, together with other investment return components, which would yield a risk adjustment of 0.23 and a corresponding 52% confidence level.*
>
> *Segal also noted that, under this model, an investment assumption of 7.00% would have a confidence level slightly below 50%.*

Adopted Investment Return for other Entities

Segal notes that among California retirement systems, an Investment Return of 6.75% or lower is becoming more common. Of the 31 California systems listed below, 11 (35%) have an investment return assumption of 7% or higher, while the remaining 20 (65%) have an investment return assumption below 7%. Below is a table of adopted investment returns for California retirement systems.

Entity	Adopted Investment Return
CalPERS	6.80%
CalSTRS	7.00%
EBMUDERS	6.75%
FRESNO CITY	6.75%
LACERA	7.00%
LADWP	6.50%
LAFPP	7.00%
San Jose City (Federated) & San Jose (Fire and Police)	6.625%
San Diego City	6.50%
San Francisco ERS	7.20%
UCRP	6.75%
Eight 1937 Act CERL Systems	6.75%
Six 1937 Act CERL Systems	7.00%
Four 1937 CERL Act Systems	6.50%
One 1937 CERL Act Systems	6.25%
One 1937 CERL Act Systems	7.25%

However, when comparing across the nation with 239 other large public retirement funds based on their 2024 fiscal-year valuations, the median Investment Return is 7.00%, as depicted in the table below.

Investment Return for Public Plans

LACERS	LOW	MEDIAN	HIGH
6.75%	4.31%	7.00%	7.50%

Segal noted that even though systems outside California tend to lag emerging practices, 72% of the 239 systems in the public plan survey have reduced their investment return assumptions from 2017 to 2024.

2. **Salary Increases**

Salary increases impact plan costs in two ways: (i) by increasing Members' benefits (since benefits are a function of the Members' highest average pay) and future

normal cost collections; and (ii) by increasing total active member payroll, which in turn generates lower Unfunded Actuarial Accrued Liability contribution rates. Salary increases are composed of the following factors:

i. Inflation - Unless pay grows at least as fast as consumer prices grow, employees will experience a reduction in their standard of living. There may be times when pay increases lag or exceed inflation, but over the long term, labor market forces may require employers to maintain employees' standards of living. As mentioned earlier, Segal recommends maintaining the assumed Rate of Inflation at 2.50%.

ii. Real "Across the Board" Salary Increases - These increases are typically termed productivity increases since they are derived from the ability of an organization or an economy to produce goods and services in a more efficient manner. As that occurs, at least some portion of the value of these improvements can serve as a source of pay increases. These increases are typically assumed to extend to all employees "across the board." Segal recommends maintaining the Real "Across the Board" Salary Increase at 0.50%. This means that the combined inflation and "across the board" salary increase assumption will remain at 3.00%

iii. Merit and Promotion Increases – These increases are employee-specific and based on actual increases received net of Inflationary and Real "Across the Board" Salary Increases. Although the City recently adopted new Memoranda of Understanding (MOUs) with employee bargaining units that provided cost-of-living adjustments and retroactive payments, these increases are not reflected in the prior-year data. Segal provides its recommended Merit and Promotion Increases assumptions based on years of service as follows:

Years of Service	Current Expected Increase	Actual 3-Year Average	Actual 9-Year Average	Recommended Expected Increase
0 – 1	6.00%	7.31%	5.84%	6.00%
1 – 2	5.90%	7.50%	5.96%	5.90%
2 – 3	5.40%	7.83%	5.61%	5.50%
3 – 4	4.20%	7.92%	5.29%	4.80%
4 – 5	3.50%	6.91%	5.04%	4.30%
5 – 6	2.80%	6.35%	4.61%	3.80%
6 – 7	2.50%	5.68%	4.35%	3.40%
7 – 8	2.10%	5.03%	3.69%	2.90%
8 – 9	1.80%	4.57%	3.31%	2.50%
9 – 10	1.60%	4.12%	2.47%	2.10%
10 – 11	1.50%	4.11%	2.33%	1.90%
11 – 12	1.40%	4.35%	1.99%	1.70%

12 – 13	1.30%	4.39%	1.66%	1.60%
13 – 14	1.20%	3.95%	1.48%	1.50%
14 – 15	1.10%	4.35%	1.59%	1.40%
15 & Over	1.00%	3.36%	1.69%	1.30%

Staff supports the reduction in the Rate of Return, along with all other actuarial-recommended economic assumptions.

Demographic Assumptions reviewed include:

Assumption	***Current***	***Recommended***
Mortality	Using Pub-2010 base tables	Adopt the new Pub-2016 base tables, and the necessary adjustments to base tables to reflect LACERS experience. Maintain generational projection with latest Scale MP-2021
Retirement	The retirement rate assumptions anticipate earlier retirements overall.	Adjust retirement rates as necessary to reflect recent experience
Termination	Members who have at least five years of service at termination are assumed to choose between a refund of contributions or a deferred vested benefit, whichever option is more valuable	Adjust termination rates to reflect a higher overall termination experience
Disability Incidence Rate	The overall disability incidence is assumed based on the member's age.	Adjust rates to reflect lower incidence of disability overall

In addition, Segal recommends adjusting retiree health and miscellaneous assumptions as developed to reflect LACERS recent experience.

LACERS' staff supports the changes to Demographic assumptions as proposed by Segal.

Cost Impact and Employer Contribution Rates

If all the recommended assumptions are adopted and applied to the 2025 Actuarial Valuation, the projected cost impact on the Employer Contribution Rate is an increase of 3.70% of payroll, consisting of 3.28% of payroll for the Retirement Plan and 0.42% of payroll for the Health Plan (based on contribution rates payable at the beginning of the year). If the total increased rate of 3.70% is applied to the total FY 2026-27 Employer Covered Payroll of $3.1 billion, it would result in an estimated increase of $113.1 million to the plan.

These rate adjustments are necessary to pay the increased liabilities associated with the changes anticipated by LACERS' experience.

Daniel Siblik of Segal will be in attendance at the Board meeting to present the report.

Prepared By:
Isaias Cantú, Chief Benefits Analyst, Retirement Services Division

ATTACHMENT: Analysis of Actuarial Experience during the period July 1, 2022 through June 30, 2025, prepared by Segal

BOARD MEETING: 06/23/2026
ITEM: VI-A
ATTACHMENT: 1

Los Angeles City Employees' Retirement System

Actuarial Experience Study

Analysis of Experience During the Period July 1, 2022 through June 30, 2025

Segal

Segal

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June 16, 2026

Board of Administration
Los Angeles City Employees' Retirement System
977 N. Broadway
Los Angeles, CA 90012-1728

Dear Board Members:

We are pleased to submit this report of our review of the actuarial experience for Los Angeles City Employees' Retirement System ("LACERS" or "the System"). This study utilizes the census data for the period July 1, 2022 through June 30, 2025 as well as prior periods for certain assumptions, examines other relevant inputs, and provides the recommended actuarial assumptions, both economic and demographic, to be used in the June 30, 2026 valuations.

The actuarial calculations were completed under the supervision of Emily Klare, ASA, MAAA, Enrolled Actuary and Mehdi Riazi, FSA, MAAA, FCA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

Segal makes no representation or warranty as to the future status of the Plan and does not guarantee any particular result. This document does not constitute legal, tax, accounting or investment advice or create or imply a fiduciary relationship. The Board is encouraged to discuss any issues raised in this report with the Plan's legal, tax and other advisors before taking, or refraining from taking, any action.

We look forward to reviewing this report with you and answering any questions you may have.

Sincerely,

Daniel Siblik, ASA, MAAA, FCA, EA
Vice President and Actuary

Emily Klare, ASA, MAAA, EA
Senior Actuary

Mehdi Riazi, FSA, MAAA, FCA, EA
Vice President and Actuary

DNA/jl

Table of Contents

Section 1: Introduction and Summary

To project the cost and liabilities of a pension plan and retiree health plan, assumptions are made about all future events that could affect the amount and timing of the benefits to be paid and the assets to be accumulated. Each year actual experience is compared against the projected experience, and to the extent there are differences, the future contribution requirement is adjusted.

If assumptions are modified, contribution requirements are adjusted to take into account a change in the projected experience in all future years. There is a difference in both philosophy and cost impact between recognizing actuarial deviations as they occur annually and changing the actuarial assumptions. Taking into account one year's gains or losses without making a change in the assumptions treats that years' experience as temporary and assumes that, over the long run, experience will return to what was originally assumed. Changing assumptions reflects a fundamental change in thinking about the future and has a much greater effect on the current contribution requirements than recognizing gains or losses as they occur.

The use of realistic actuarial assumptions is important in maintaining adequate funding, while paying the promised benefit amounts to participants already retired and to those near retirement. The actuarial assumptions used do not determine the "actual cost" of the plan. The actual cost is determined solely by the benefits and administrative expenses paid out, offset by investment income received. However, it is desirable to estimate as closely as possible what the actual cost will be so as to permit an orderly method for setting aside contributions today to provide benefits in the future, and to maintain equity among generations of participants and taxpayers.

This study was undertaken in order to review the economic and demographic actuarial assumptions and to compare the actual experience with that expected under the current assumptions during the three-year experience period from July 1, 2022 through June 30, 2025. The study was performed in accordance with Actuarial Standard of Practice (ASOP) No. 27 "Selection of Assumptions for Measuring Pension Obligations" and ASOP No. 6 "Measuring Retiree Group Benefit Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions". These Standards of Practice provide guidance for the selection of the various actuarial assumptions utilized in pension and OPEB actuarial valuations. Based on the results of this study and expected future experience, we are recommending various changes in the current actuarial assumptions.

Section 2 provides background on the basic principles and methodology used in the review of the economic and demographic actuarial assumptions. A detailed discussion of each assumption and reasons for the recommended changes is found in *Section 3* for the economic assumptions and *Section 4* for the demographic assumptions. The cost impact of the recommended changes is detailed in *Section 5*. Lastly, a summary of the current actuarial assumptions is provided in *Appendix A*, and a summary of the recommended actuarial assumptions is provided in *Appendix B*.

Summary of recommendations

Page	Actuarial Assumption	Recommendation
11	**Inflation:** Future increases in the Consumer Price Index (CPI), which drives investment returns and active member salary increases.	Maintain the inflation assumption at 2.50% per annum as discussed in *Section 3(A)*.
13	**Cost-of-living adjustment (COLA):** Future increases to a member's retirement benefit.	Maintain the COLA assumption at 2.75% per annum for Tier 1 and Tier 1 Enhanced and 2.00% for Tier 3 as discussed in *Section 3(A)*.
15	**Investment return:** The estimated average net rate of return on current and future assets of the System as of the valuation date. This rate is used to discount liabilities.	Reduce the investment return assumption from 7.00% to 6.75% per annum as discussed in *Section 3(B)*.
23	**Salary increases:** Increases in the salary of a member between the date of the valuation to the date of separation from active service. This assumption has three components: • Inflationary salary increases • Real "across-the-board" salary increases • Merit and promotion increases	Maintain the inflationary salary increase assumption at 2.50% and maintain the real "across-the-board" salary increase assumption at 0.50%. Adjust the merit and promotion salary increases as developed in *Section 3(C)* to reflect past experience. The recommended total salary increases anticipate higher increases than the current assumptions.
26	**Payroll growth:** Used to amortize the UAAL in determining the UAAL contribution rate.	Maintain the payroll growth assumption (combined inflationary and real "across-the-board" salary increases) at 3.00%.

Page	Actuarial Assumption	Recommendation
28	**Mortality rates — healthy:** The probability of dying at each age for non-disabled members. Mortality rates are used to anticipate life expectancies.	**Healthy retirees:** Change base tables from Pub-2010 General Healthy Retiree Amount-Weighted Above-Median mortality tables to Pub-2016 General Healthy Retiree Amount-Weighted Above-Median mortality tables. Adjust the base tables to reflect partial credibility of LACERS' experience. Overall, the recommended assumptions anticipate fewer deaths than previously projected. **Beneficiaries not in pay status:** Change mortality tables to be consistent with the mortality tables recommended for General healthy retirees. **Beneficiaries in pay status:** Change base tables from Pub-2010 Contingent Survivor Amount-Weighted Above-Median mortality tables to Pub-2016 Contingent Survivor Amount-Weighted Above-Median mortality tables. Adjust the base tables to reflect partial credibility of LACERS' experience. Overall, the recommended assumptions anticipate fewer deaths than previously projected. **Pre-retirement mortality:** Change base tables from Pub-2010 General Employee Amount-Weighted Above-Median mortality tables to Pub-2016 General Employee Amount-Weighted Above-Median mortality tables. Adjust the base tables to reflect partial credibility of LACERS' experience. Overall, the recommended assumptions anticipate more deaths than previously projected. **Mortality projection:** Maintain generational mortality improvement projection with Scale MP-2021. **Retiree health:** Use the headcount-weighted versions of the mortality tables used in the pension plan valuation. **Mortality for optional forms and reserves:** A discussion of mortality rates for optional forms and reserves is provided in *Section 4(A)*. **Pre-retirement death type:** Maintain the assumption that 100% of pre-retirement deaths are service connected for Tier 1 Enhanced and Sworn PSO members.
38	**Mortality rates — disabled:** The probability of dying at each age for disabled members. Mortality rates are used to project life expectancies.	**Disabled retirees:** Change base tables from Pub-2010 Non-Safety Disabled Retiree Amount-Weighted mortality tables to Pub-2016 Non-Safety Disabled Retiree Amount-Weighted mortality tables. Adjust the base tables to reflect partial credibility of LACERS' experience. Overall, the recommended assumptions anticipate fewer deaths than previously projected. **Mortality projection:** Maintain generational mortality improvement projection with Scale MP-2021.
42	**Disability incidence rates:** The probability of becoming disabled at each age.	Adjust the disability rates to those developed in *Section 4(C)* to reflect a slightly lower incidence of disability overall.
46	**Termination rates:** The probability of leaving employment at each age and receiving either a refund of member contributions or a deferred vested retirement benefit.	Adjust the termination rates to those developed in *Section 4(D)* to reflect a higher incidence of termination.

Page	Actuarial Assumption	Recommendation
49	**Retirement rates:** The probability of retirement at each age at which participants are eligible to retire. Includes retirement age for deferred vested members.	For active members, adjust the current retirement rates to those developed in *Section 4(E)*. For deferred vested members that work for a reciprocal employer, maintain the assumed retirement age at 59. For deferred vested members that do not work for a reciprocal employer, increase the assumed retirement age from 60 to 61.
58	**Miscellaneous assumptions including:** • Reciprocity • Future benefit accruals • Unreported data for members • Form of payment • Percent with eligible survivor • Eligible survivor age and gender	Maintain the proportion of future deferred vested members expected to be covered by a reciprocal system at 5%. Maintain the current future benefit accrual assumption, assumption for members with unknown gender and the form of payment assumption as outlined in *Section 4(F)*. For active and deferred vested members, decrease the percent with eligible survivor assumption from 76% to 70% for males and decrease from 52% to 50% for females. Maintain the eligible survivor assumptions that male retirees are three years older than their female spouses and that female retirees are two years younger than their male spouses.
61	**Retiree health assumptions:** Assumptions related to the OPEB plan	Adjust the retiree health assumptions to those developed in *Section 4(G)*.

Cost impact summary

We have estimated the impact of the recommended assumption changes as if they were applied to the June 30, 2025 retirement plan and health (OPEB) plan actuarial valuations. The tables below show the impact on key results due to the recommended assumption changes separately for the economic assumptions (including the merit and promotion salary increases) and demographic assumptions. More details can be found in *Section 5*.

Cost Impact on Funded Status
Based on June 30, 2025 Actuarial Valuation

Assumption	Retirement Plan	Health Plan	Total Impact on Funded Status
Changes in economic assumptions	$980.0 million	$94.0 million	$1,074.0 million
Changes in demographic assumptions	(166.7 million)	89.8 million	(76.9 million)
Total increase in UAAL	**$813.3 million**	**$183.8 million**	**$997.1 million**
Change in funded ratio on VVA basis	**(2.14%)**	**(4.80%)**	**(2.41%)**

Cost Impact on Average Employer Contribution
Based on June 30, 2025 Actuarial Valuation (Payable July 15, % of Payroll)

Assumption	Retirement Plan	Health Plan	Total Impact on Employer Contribution
Changes in economic assumptions	4.00%	0.41%	4.41%
Changes in demographic assumptions	(0.72%)	0.01%	(0.71%)
Total increase in average employer contribution rate, payable July 15	**3.28%**	**0.42%**	**3.70%**
Total increase in annual dollar amount[1]	**$96.0 million**	**$12.3 million**	**$108.3 million**

Of the various assumption changes, the most significant rate increase is due to the change in the investment return assumption.

[1] Based on June 30, 2025 projected annual payroll as determined under each set of assumptions.

Section 2: Background and Methodology

In this report, we analyzed both economic and demographic assumptions.

The primary economic assumptions reviewed are inflation, investment return, and salary increases. Demographic assumptions include the probabilities of certain events occurring in the population of members, referred to as "decrements" (e.g., termination from service, disability retirement, service retirement, and death before and after retirement).

In addition to decrements, other demographic assumptions reviewed in this study include the percent of members assumed to go on to work for a reciprocal system, reciprocal salary increases, percentage of members with an eligible spouse or domestic partner, and survivor age difference. This report also includes an analysis of certain assumptions related to the retiree health (OPEB) plan, such as the percentage of eligible retirees who chose to be covered by the health plan, spouse/domestic partner coverage, and spouse/domestic partner age difference.

It should be noted that with the exception of selecting the merit and promotion salary increases, the mortality assumptions for the retirement plan, and the percent married assumption on an amount-weighted or benefit-weighted basis, all the demographic assumptions in this report have been selected on a headcount-weighted basis. A value of "N/A" represents a service or age bucket for which there were no exposures over the time-period measured.

Economic assumptions

Economic assumptions consist of:

- **Inflation:** Increases in the price of goods and services. The inflation assumption reflects the basic return that investors expect from securities markets. It also reflects the expected basic salary increase for active employees and drives increases in the allowances of retired members (if any).
- **Investment return:** Expected long-term rate of return on the System's investments after accounting for certain investment and administrative expenses. This assumption has a significant impact on contribution rates.
- **Salary increases:** In addition to inflationary increases, it is assumed that salaries will also grow by real "across-the-board" pay increases in excess of price inflation. It is also assumed that employees will receive raises above these average increases as they advance in their careers, which are commonly referred to as merit and promotion increases. Payments to amortize any unfunded actuarial accrued liability (UAAL) are calculated to increase each year by the price inflation rate plus any real "across-the-board" pay increases that are assumed.

The setting of the economic assumptions is described in *Section 3*.

Demographic assumptions

To determine the probability of an event occurring, we examine the "decrements" and "exposures" of that event. For example, when considering termination from service, we compare the number of employees who actually terminate in a specific service category/group (the number of "decrements") with those who could have terminated (the number of "exposures"). If there were 500 active employees in the 3–4 years of service category at the beginning of the year and 50 of them left during the year, the probability of termination in that service category is 50 ÷ 500, or 10%.

The reliability of the resulting probability depends heavily on both the number of decrements and the number of exposures. For instance, if there are only a few people in a high service category at the beginning of the year (number of exposures), the probability of termination developed for that service category may be less credible, particularly if it does not align with the pattern shown for the other service categories. Similarly, when considering the death decrement, if an age category has a large number of exposures but very few decrements (actual deaths), then the probability developed for that category would also be considered less reliable.

One reason we use several years of experience for such a study is to enhance statistical reliability by increasing the number of exposures and decrements. Another reason for using several years of data is to smooth out any fluctuations that may occur from one year to the next. Nevertheless, we also calculate the rates on a yearly basis to check for any emerging trends in the recent years.

While we routinely review the experience over the most recent three-year period when setting assumptions, experience from prior periods is also considered and can influence the magnitude of the adjustments that are made. For setting the mortality assumptions, we have used data for a twelve-year period, and for setting the merit and promotion salary increase assumption a nine-year period was used. As noted above, using more years of data tends to smooth out year-to-year fluctuations in the actuarial experience.

The setting of the demographic assumptions is provided in *Section 4*.

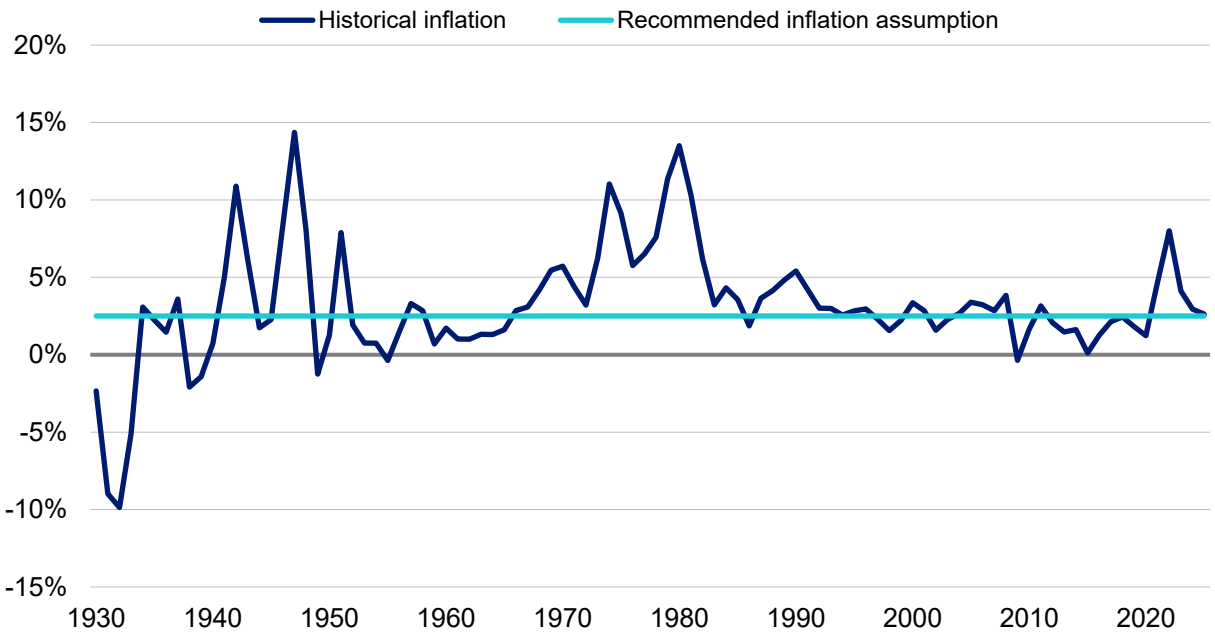
Section 3: Economic Assumptions

A. Inflation

Unless an investment grows at least as fast as prices increase, investors will experience a reduction in the inflation-adjusted value of their investment. There may be times when "riskless" investments return more or less than inflation, but over the long term, investment market forces will generally require an issuer of fixed income securities to maintain a minimum return which protects investors from inflation.

The inflation assumption is long term in nature, so our analysis begins with a review of historical information. The following graph compares historical inflation rates with the recommended inflation assumption of 2.50%. We then proceed with a discussion of other sources of inflation data to provide additional context to our recommendation.

Historical Consumer Price Index (CPI) — 1930 to 2025[2]
(U.S. City Average — All Urban Consumers)



There was a spike in inflation that started in the second quarter of 2021 and continued into 2022. The rate of inflation started to decrease after the Federal Reserve began raising interest rates around the second quarter of 2022. As inflation continued to decrease, the Federal Reserve changed course in late 2024 and reduced interest rates three times. After a period of no changes, the Federal Reserve cut interest rates again three times in late 2025.[3] Based on the most recent data, the change in the CPI from December 2024 to December 2025 was 2.7%.

[2] Source: Bureau of Labor Statistics — Based on CPI for All Items in U.S. city average, all urban consumers, not seasonally adjusted (Series ID: CUUR0000SA0).

[3] As of early 2026, the Federal Reserve's median projection of the interest rate for the year-end target range is 3.25%–3.50%. This target implies one additional 25-basis-point cut in 2026, building on the series of reductions that occurred in late 2024 and 2025.

Section 3: Economic Assumptions

According to the Public Plans Database,[4] the median inflation assumption was 2.50% in the 2024 fiscal year valuations for 243[5] public pension plans across the U.S. In California, CalSTRS and four[6] 1937 Act CERL systems currently use an inflation assumption of 2.75%, while CalPERS and the 16 remaining 1937 Act CERL systems use an assumption of 2.50%.[7]

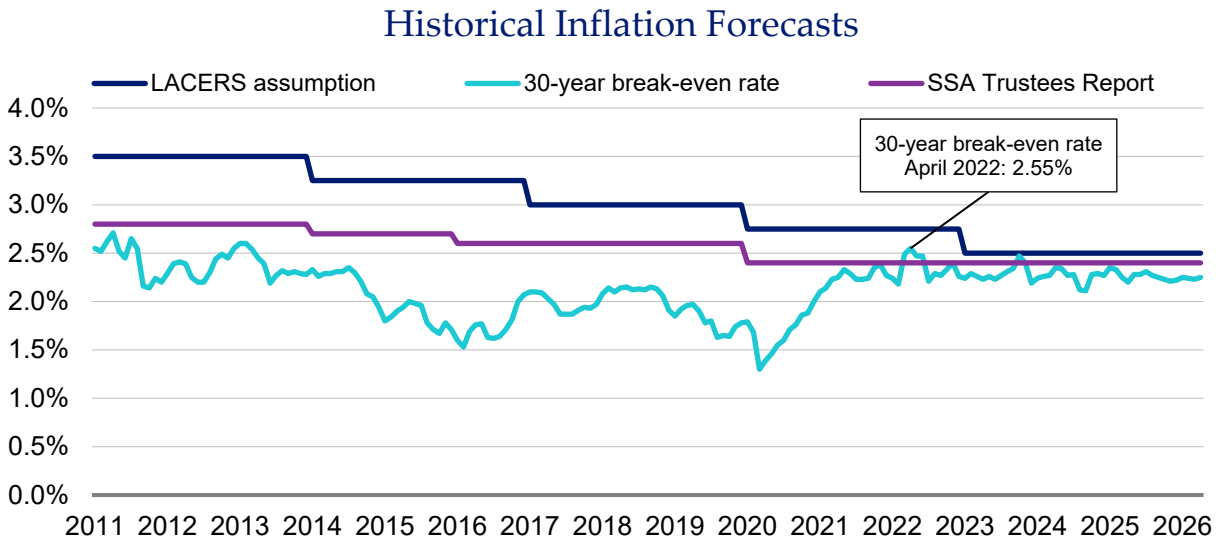
LACERS' investment consultant, NEPC, LLC (formerly known as New England Pension Consultants), anticipates an annual inflation rate of 2.70% over a 30-year horizon.[8] The average inflation assumption provided by NEPC and five other investment advisory firms retained by Segal's California public sector clients, as well as Segal's investment advisory division (Segal Marco Advisors), was 2.49%. The time horizon used by the investment consultants included in our review, with the exception of one investment consultant that uses a one-year horizon, generally ranges from 20 years to 30 years.

To find a forecast of inflation based on a longer time horizon, we referred to the Social Security Administration's (SSA) 2025 report on the financial status of the Social Security program.[9] The projected average increase in the CPI over the next 75 years under the intermediate cost assumptions used in that report was 2.40%, which the SSA has maintained for several years. The SSA report also includes alternative projections using lower and higher inflation assumptions of 1.80% and 3.00%, respectively.

Finally, we also compared the yields on the 30-year inflation indexed U.S. Treasury bonds to comparable traditional U.S. Treasury bonds.[10] This "break-even rate" is commonly regarded as a market-based gauge of future inflation expectations. While this measure can be quite volatile, it is worth noting that during the peak of the most recent inflation spike this break-even rate exceeded 2.50% in only a single month, April 2022 (2.55%). As of May 2026, the difference in yields was 2.30%.

The following graph shows LACERS' historical and recommended inflation assumptions as well as the two metrics just discussed. In effect, this compares LACERS' assumption to two separate independent forecasts, one based on market observations and one developed by economists at the SSA. The graph shows that over the observed period, LACERS' assumption has been gradually decreasing as it converges with the other metrics and seems to be in a stable place at this point in time.

[4] Public Plans Data is produced by the Center for Retirement Research at Boston College in partnership with the MissionSquare Research Institute, National Association of State Retirement Administrators, and the Government Finance Officers Association.
[5] Among 253 large public retirement funds, the 2024 fiscal year inflation assumption was not available for 10 of the public retirement funds in the survey data as of March 2026.
[6] We note that none of these four 1937 Act CERL Systems are served by Segal.
[7] Eight of these 1937 Act CERL systems use a 2.50% inflation assumption with a 2.75% COLA assumption.
[8] The annual inflation assumption used by NEPC is 2.50% over a 10-year horizon.
[9] Source: "Social Security Administration: The 2025 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds."
[10] Source: Board of Governors of the Federal Reserve System.



The setting of the inflation assumption using the information outlined above is a somewhat subjective process, and Segal does not apply a specific weight to each of the metrics in determining our recommended inflation assumption. Based on a consideration of all the above metrics, beginning in 2021 we have been recommending the same 2.50% inflation assumption in our experience studies for our California public retirement system clients.

We recommend maintaining the annual inflation assumption at 2.50%.

Crediting rate for employee contributions

We note that the interest crediting to employee contributions is based on the average rates of a five-year U.S. Treasury Note. Currently, an assumption of 2.50% is used to approximate that crediting rate based on the inflation assumption.

We recommend maintaining the assumed interest crediting rate for employee contributions at 2.50%.

Retiree cost-of-living increases

In our last experience study as of June 30, 2022, the Board maintained the recommended cost-of-living adjustments (COLA) assumption of 2.75% for Tier 1 and Tier 1 Enhanced and a 2.00% COLA assumption for Tier 3. The assumption of 2.75% for Tier 1 and Tier 1 Enhanced included a 0.25% margin above the recommended inflation assumption, to reflect the experience from the annual CPI for the Los Angeles-Long Beach-Anaheim Area that is used by the Board to set COLAs. The table below shows the change in Annual Average CPI for the Los Angeles Area and the U.S. City Average for the most recent 5, 10, and 20-year periods ending December 31, 2025.

Section 3: Economic Assumptions

Comparison of Changes in Annual Average CPI

Most Recent Period	Change in Annual Average CPI for Los Angeles-Long Beach-Anaheim Area	Change in Annual Average CPI for U.S. City Average
5-Year Period	4.23%	4.46%
10-Year Period	3.43%	3.11%
20-Year Period	2.68%	2.53%

We recommend maintaining the retiree COLA assumption of 2.75% per year for Tier 1 and Tier 1 Enhanced, which includes a 0.25% margin above our recommended inflation assumption to mitigate actuarial losses which may arise from future COLA increases greater than the inflation assumption, and maintaining the COLA assumption of 2.00% per year for Tier 3.

B. Investment return

The investment return assumption is comprised of two primary components, inflation and real rate of return, with adjustments for certain expenses and risk.

Real rate of return

This component represents the portfolio's expected incremental investment market returns over inflation. Generally, when an investor takes on greater investment risk, the return on the investment is expected to also be greater, at least in the long run.[11] This additional risk and return is expected to vary by asset class and empirical data supports that expectation. For that reason, real rate of return assumptions are developed for each asset class and the resulting assumption for a retirement plan's portfolio will vary based on the Board's asset allocation.

The System's target asset allocation and corresponding real rate of return assumptions (net of investment management expenses) are shown in the following table. The first column of returns are determined by reducing NEPC's nominal 30-year arithmetic return assumptions by their assumed 2.70% inflation rate. The second column of returns shows the average real rate of return assumptions provided to us by NEPC, five other investment advisors to Segal's California public sector retirement clients and Segal Marco Advisors. We believe these averages are a reasonable consensus of long-term future market returns in excess of inflation.

[11] However, an argument can also be made that taking on more risk in the portfolio could justify a greater risk margin in the actuarial assumption used, to help manage that risk.

Section 3: Economic Assumptions

LACERS' Asset Allocation and Arithmetic Real Rate of Return Assumptions

Asset Class	LACERS' Target Asset Allocation	NEPC's Real Rate of Return Assumption	Average Real Rate of Return Assumption from Seven Investment Firms
Large cap U.S. equity	17.00%	5.37%	5.33%
Small/mid cap U.S. equity	6.00%	6.15%	6.23%
Developed international equity	13.00%	5.44%	5.88%
Emerging markets equity	7.00%	8.33%	7.36%
U.S. core fixed income	10.25%	2.73%	2.48%
High yield bonds	2.00%	5.30%	4.38%
Bank loans	2.00%	4.14%	4.16%
TIPS	3.60%	2.48%	2.15%
Emerging market external debt	1.50%	5.35%	4.55%
Emerging market local currency debt	1.50%	3.50%	3.85%
Real estate - core	4.20%	4.63%	4.57%
Cash	1.00%	0.77%	0.85%
Private equity	16.00%	10.11%	9.18%
Private credit	5.75%	6.97%	5.98%
REITs	1.40%	6.70%	6.70%[12]
Real estate – non core	2.80%	8.04%	8.04%[12]
Infrastructure	5.00%	5.18%	5.18%[12]
Total	**100.00%**	**6.06%**	**5.78%**

Generally, the above are representative of "indexed" returns for securities that are publicly traded, returns net of fees for securities that are non-publicly traded and do not include any additional returns ("alpha") from active management. Consideration of returns without alpha is consistent with the Actuarial Standard of Practice No. 27, Section 3.7.3.d, which states:

> "Investment Manager Performance — Anticipating superior (or inferior) investment manager performance may be unduly optimistic (or pessimistic). The actuary should not assume that superior or inferior returns will be achieved, net of investment expenses, from an active investment management strategy compared to a passive investment management strategy unless the actuary believes, based on relevant supporting data, that such superior or inferior returns represent a reasonable expectation over the measurement period."

The following are some observations about the returns provided above:

- The investment consultants and Segal's investment advisory division included in our sample provided us with their expected real rates of return for each asset class over time horizons that varied from 1-year to 30-years. In general, the time horizon used by an individual

[12] There is a larger disparity in returns for this asset class among the firms surveyed, so NEPC's assumption is applied in lieu of the average to more closely reflect the underlying investments made specifically for LACERS.

investment consultant is not necessarily consistent with the time horizon of the actuarial assumption, which is used to discount cashflows over the expected lifetime of each plan member.

- Using an average of real rate of return assumptions allows LACERS' investment return assumption to reflect a broad range of capital market information and to help reduce year to year volatility in the investment return assumption.
- We recommend the 5.78% portfolio net real rate of return, as calculated above, be used in the determination of LACERS' investment return assumption.
  - This return is 0.49% lower than the 6.27% net return that was used three years ago in the review of the recommended investment return assumption for the June 30, 2023 valuation.
  - The 0.49% decrease in the portfolio net real rate of return since 2023 is due to changes in the real rate of return assumptions provided by the investment advisory firms (-0.53% under the 2023 asset allocation), changes in LACERS' target asset allocation (-0.12%) and the interaction effect between these changes (+0.16%).
  - Even though there is a reduction in the real rates of return between the 2023 study and the current study, it is worth noting that the real rates of return provided in the capital market assumptions in the current study are generally higher than those in the ten-year period following the Global Financial Crisis, and so altogether should be used with caution in selecting a long-term investment return assumption.

System expenses

For funding purposes, the real rate of return assumption for the portfolio needs to be adjusted for investment expenses expected to be paid from investment income. As the investment consultants discussed in the prior section provide us with real rates of return that are net of expected investment manager fees, we only need to make adjustments for investment consulting fees, custodian fees and other miscellaneous investment expenses.

Current practice for LACERS also reduces the real rate of return for expected administrative expenses. This approach implicitly funds administrative expenses through future investment returns. An alternative approach taken by some California public retirement systems is to calculate the expected investment return **gross** of administrative expenses and include an explicit charge for administrative expenses when setting the contribution rate.

The following table shows the investment and administrative expenses as a percentage of the beginning of year actuarial value of assets.

Investment and Administrative Expenses as a Percentage of Actuarial Value of Assets ($ in '000s)

Year Ended June 30	Actuarial Value of Assets[13]	Investment Expenses[14]	Admin. Expenses	Investment Expenses as %	Admin. Expenses as %	Total %
2023	$21,218,952	$9,049	$33,292	0.04%	0.16%	0.20%
2024	22,239,264	11,842	39,402	0.05%	0.18%	0.23%
2025	23,404,150	20,333	44,424	0.09%	0.19%	0.28%

Investment and Administrative Expenses Averages and Assumptions

Averaging Period and Assumption	Total Expense Percentage
Current assumption	0.20%
Three-year average (2023–2025)	0.24%
Six-year average (2020–2025)	0.22%
Recommended assumption	**0.22%**

We recommend increasing the investment and administrative expense assumption from 0.20% to 0.22%.

Adjustment to expected geometric real rate of return

The recommended 5.78% real rate of return assumption was based on expected arithmetic average returns. A retirement system using an expected arithmetic average return as the discount rate in a funding valuation is expected, over long periods of time, to have no surplus or asset shortfall relative to its expected obligations assuming all other actuarial assumptions are met in the future.[15]

Beginning with our last experience study as of June 30, 2022, we have converted the portfolio's arithmetic average return to a geometric average return. A retirement system using a geometric average return as the discount rate in a funding valuation will, over long periods of time, have an equal likelihood of having a surplus or asset shortfall relative to its expected obligations assuming all actuarial assumptions are met in the future.[16] The majority of public plans across the United States use the geometric average return to determine the expected return on assets.

For any given asset portfolio, the geometric average return will be less than the arithmetic average return.[17] The difference depends on the variability of the portfolio as measured by its standard deviation. Based on the portfolio's standard deviation of 15.21% provided by NEPC, the adjustment to a geometric average return reduces the expected return by 1.08%.

[13] As of beginning of plan year.
[14] Equals the sum of investment consulting fees, miscellaneous investment expenses, and investment related administrative expenses. Excludes investment manager fees.
[15] The mathematical terminology for this is that the mean (or average) surplus or asset shortfall is expected to be zero.
[16] The mathematical terminology for this is that over time the median surplus or asset shortfall is expected to be zero.
[17] This is because the expected geometric average return reflects expected median outcomes, while the expected arithmetic average return reflects expected average or mean outcomes. Expected median outcomes are lower than expected average outcomes because they are less affected by the possibility of extraordinary ("outlier") favorable outcomes.

Risk adjustment

The real rate of return assumption for the portfolio is further adjusted to reflect the potential risk of shortfalls in the return assumptions. LACERS' asset allocation determines this portfolio risk, since risk levels are driven by the variability of returns for the various asset classes and the correlation of returns among those asset classes. This portfolio risk is incorporated into the real rate of return assumption through a risk adjustment.

The purpose of the risk adjustment (as measured by the corresponding confidence level) is to increase the likelihood of achieving the actuarial investment return assumption in the long term.[18] It also acknowledges that investment results carry significant volatility over time, and yet the recommended assumption is a static number that does not explicitly convey this risk or its ramifications. The practice of including a risk adjustment helps mitigate some of this risk and is consistent with our experience that retirement plan fiduciaries would generally prefer that returns exceed the assumed rate more often than not.

The confidence level associated with a particular risk adjustment represents a relative likelihood that future investment earnings would equal or exceed the assumed earnings over a 15-year period. The 15-year time horizon represents an approximation of the "duration" of the fund's liabilities, where the duration of a liability represents the sensitivity of that liability to interest rate variations.

The confidence level associated with developing the investment return assumption for Segal's public sector California clients generally ranges from 51% to 67%, with an average confidence level of 57% at the time each investment return assumption was respectively adopted. While these figures are helpful in evaluating where a particular system lies amongst its peers, it is important to keep in mind that the measurement of the confidence level is dependent upon the underlying capital market assumptions and the portfolio's standard deviation, both of which may vary from year to year.

Three years ago, the Board adopted an investment return assumption of 7.00%. That return implied a risk adjustment of 0.54%, corresponding to a 15-year confidence level of 56%, based on an annual portfolio return standard deviation of 14.90% provided by NEPC in 2023.

If we use the same 56% 15-year confidence level from our last study to set this year's risk adjustment, based on the current annual portfolio return standard deviation of 15.21% provided by NEPC, the corresponding risk adjustment would be 0.58%. Together with the other investment return components, this would result in an investment return assumption of 6.40%, which is lower than the current assumption of 7.00%.

Based on Segal's general practice of using one-quarter percentage point increments for economic assumptions, we considered an investment return assumption of 6.75% which would produce a risk adjustment of 0.23% and a corresponding confidence level of 52%. For comparison, the current net investment return assumption of 7.00% would have a confidence level of slightly less than 50% under this model.

[18] This type of risk adjustment is referred to in the Actuarial Standards of Practice as a "margin for adverse deviation."

Recommended investment return assumption

The following table summarizes the components of the recommended investment return assumption. For comparison purposes, we have also included similar values from the last study.

Recommended Investment Return Assumption

Assumption Component	June 30, 2026 Recommended Value	June 30, 2023 Adopted Value
Inflation	2.50%	2.50%
Arithmetic real rate of return	5.78%	6.27%
Expense adjustment	(0.22%)	(0.20%)
Geometric return adjustment	(1.08%)	(1.03%)
Risk adjustment	(0.23%)	(0.54%)
Total	**6.75%**	**7.00%**
Confidence level	**52%**	**56%**

We recommend reducing the investment return assumption from 7.00% to 6.75% per annum.

Comparison with historical assumptions

The table below shows LACERS' recommended investment return assumption and the corresponding risk adjustment and confidence level compared to similar values from prior studies.

Adopted for the Valuation as of[19]	Investment Return	Risk Adjustment	Confidence Level
June 30, 2011	7.75%	0.57%	57%
June 30, 2014	7.50%	0.74%	59%
June 30, 2017[20]	7.25%	0.62%	57%
June 30, 2018[21]	7.25%	0.47%	55%
June 30, 2020	7.00%	0.85%	59%
June 30, 2023	7.00%	0.54%	56%
June 30, 2026 (Recommended)	**6.75%**	**0.23%**	**52%**

As we have discussed in prior experience studies, the risk adjustment model and associated confidence level are most useful as a means for comparing how LACERS has positioned itself

[19] Based on expected geometric average returns starting in 2023.
[20] From a study evaluating only the economic assumptions for the June 30, 2017 valuation. Following that report, the risk adjustment and confidence level were provided in our letter dated August 10, 2017.
[21] The risk adjustment and confidence level are based on the capital market assumptions used in our experience study report for the June 30, 2018 valuation, applied to the investment return assumption of 7.25% that was adopted for that valuation.

relative to risk over periods of time.[22] The use of a 52% confidence level should be considered in context with other factors, including:

- As noted above, the confidence level is more of a relative measure than an absolute measure, and so can be reevaluated and reset for future comparisons. This is particularly true when comparing confidence levels developed using different models, as we have shown above between 2020 and 2023 when we transitioned from the arithmetic model to the geometric model.
- The confidence level is based on the standard deviation of the portfolio that is determined and provided to us by NEPC. The standard deviation is a statistical measure of the future volatility of the portfolio and so is itself based on assumptions about future portfolio volatility and can be considered somewhat of a "soft" number.
- We have not taken into account any additional returns ("alpha") that might be earned on active management. If active management generates enough alpha to cover its related expenses, returns would increase.
- As with any model, the results of the risk adjustment model should be evaluated for reasonableness and consistency. This is discussed in the later section on "Comparison with other public retirement systems."

Comparison with alternative model

To maintain a robust analytical framework, we have employed an alternative model for comparison by evaluating the recommended 6.75% assumption based on the expected geometric return for the entire portfolio net of investment management expenses, but using a fully stochastic approach and a different source for capital market assumptions.

Under this alternative model, over a 15-year period, there is a 62% likelihood that future average geometric returns will meet or exceed 6.75%[23] developed using the capital market assumptions compiled by Horizon Actuarial Services based on their most recent survey published in August 2025. This 62% likelihood of achieving a 6.75% return is higher than the corresponding likelihood of 55% (for achieving a 7.00% return) that we observed in this comparison during the assumption review in 2023. Note that the likelihood of 55% we calculated in the prior study was based on the capital market assumptions provided in the Horizon Survey updated through August 2022.

Comparison with other public retirement systems

One final review of the recommended investment return assumption is to compare it against those used by other public retirement systems, both in California and nationwide.

An investment return of 6.75% or lower is becoming more common among California public sector retirement systems. Of the twenty 1937 Act CERL systems, one uses a 7.25%

[22] In particular, it would not be appropriate to use this type of risk adjustment as a measure of determining an investment return rate that is "risk-free."

[23] We performed this stochastic simulation using the capital market assumptions included in the 2025 survey prepared by Horizon Actuarial Services. That simulation was performed using 10,000 trial outcomes of future market returns, using assumptions from 20-year arithmetic returns, standard deviations and correlation matrix that were found in the 2025 survey that included responses from 41 investment advisors.

investment assumption, six use 7.00%, eight use 6.75%, four use 6.50%, and one uses 6.25%. Furthermore, CalSTRS currently uses a 7.00% investment return assumption, CalPERS uses a 6.80% investment return assumption, while the San Jose and San Diego City retirement systems use investment return assumptions of 6.625% and 6.50%, respectively.

The following table compares LACERS' recommended investment return assumption against those of the 239[24] large public retirement funds in their 2024 fiscal year valuations based on information found in the Public Plans Database[25], which is produced in partnership with NASRA.

Assumption	LACERS	Public Plan Data Low	Public Plan Data Median	Public Plan Data High
Investment return	6.75%	4.31%	7.00%	7.50%

The detailed survey results show that 72% of the systems have reduced their investment return assumption from 2017 to 2024. State systems outside of California tend to change their economic assumptions less frequently and so may lag behind emerging practices in this area. NCPERS also conducts an annual survey of public plans nationwide, and their 2026 survey reports an average investment return assumption of 6.67%.

[24] Among 246 large public retirement funds, the 2024 fiscal year investment return assumption was not available for 7 of the public retirement funds in the Public Plans Database as of March 2026.
[25] Public Plans Data website — Produced in partnership with the National Association of State Retirement Administrators (NASRA).

C. Salary increases

Salary increases impact plan costs in two ways:

1. Increasing members' benefits (since benefits are a function of the members' highest average pay) and future normal cost collections; and
2. Increasing total active member payroll which in turn generates lower UAAL contribution rates as a percent of payroll.

As an employee progresses through his or her career, increases in pay are expected to come from three sources, inflation, real "across-the-board" increases and merit and promotion increases. Each of these assumptions is discussed in more detail below.

Inflation

Unless pay grows at least as fast as consumer prices grow, employees will experience a reduction in their standard of living. There may be times when pay increases lag or exceed inflation, but over the long term, labor market forces may require an employer to maintain its employees' standards of living.

As discussed earlier in this report, we recommend maintaining the annual inflation assumption at 2.50%.

Real "across-the-board" pay increases

These increases are typically termed productivity increases since they are considered to be derived from the ability of an organization or an economy to produce goods and services in a more efficient manner. As that occurs, at least some portion of the value of these improvements can provide a source for pay increases. These increases are typically assumed to extend to all employees "across the board." The State and Local Government Workers Employment Cost Index produced by the Department of Labor provides evidence that real "across-the-board" pay increases have averaged about 0.1%–0.4% annually during the last ten to twenty years.

We also referred to the annual report on the financial status of the Social Security program published in June 2025. In that report, real "across-the-board" pay increases are forecast to be 1.13% per year under the intermediate assumptions.

The real pay increase assumption is generally considered a more "macroeconomic" assumption that is not necessarily based on individual plan experience. However, the following table compares LACERS' recent salary experience to the change in CPI over the three-year and six-year period ending June 30, 2025.

Valuation Date	Actual Average[26] Wage Inflation	Annual Average Change in CPI[27]
June 30, 2020	6.44%	1.62%
June 30, 2021	0.67%	3.83%
June 30, 2022	1.24%	7.45%
June 30, 2023	7.10%	3.48%
June 30, 2024	5.00%	3.30%
June 30, 2025	4.20%	3.16%
Three-year average (2023–2025)	**5.43%**	**3.31%**
Six-year average (2020–2025)	**4.11%**	**3.81%**

Based on the above information, we recommend maintaining the real "across-the-board" salary increase assumption at 0.50%.

Merit and promotion increases

As the name implies, these increases come from an employee's career advancement. This form of pay increase differs from the previous two, since it is specific to the individual. For LACERS, we continue to recommend service-specific merit and promotion increase assumptions.

The annual merit and promotion increases are determined by measuring the actual increases received by members over the experience period, net of the assumed inflationary and real "across-the-board" pay increases. This is accomplished by:

1. Measuring each continuing member's actual salary increase over each year of the experience period;
2. Excluding any members with increases of more than 50% or decreases of more than 25% during any particular year;
3. Categorizing these increases into groups by years of service;
4. Removing the assumed inflation and real "across-the-board" increases each year;
5. Averaging these annual increases over the experience period on a salary-weighted basis, with higher weights assigned to experience from members with larger salaries; and
6. Modifying current assumptions to reflect some portion of these measured increases reflective of their "credibility."

To be consistent with the other economic assumptions, these merit and promotion assumptions should be used in combination with the total 3.00% assumed inflation and real "across-the-board" increases recommended in this study.

[26] Reflects the increase in average salary for members at the beginning of the year versus those at the end of the year. It does not reflect the average salary increases received by members who worked the full year.
[27] Based on the change in the annual average CPI index for the Los Angeles-Long Beach-Anaheim Area compared to the prior year.

Section 3: Economic Assumptions

Due to the high variability of the actual salary increases, we have analyzed this assumption using data for the past nine years. We believe that when the experience from the current study is combined with the prior six-years' experience, it provides a more reasonable representation of potential future merit and promotion salary increases over the long term.

While preparing the recommended merit and promotion increase assumptions, we took into account that the most recent three-year period included significant salary adjustments, likely in response to the high inflationary period after COVID. Therefore, we have generally not increased the rates by as much as the most recent three-year period may seem to imply. We will continue to monitor the rates and reevaluate in the next experience study if the higher salary adjustments continue over a longer period of time.

The following table shows the actual average merit and promotion increases by years of service over the three-year period from July 1, 2022 through June 30, 2025. As mentioned above, we have also included the actual average increases based on the past nine years (July 1, 2016 through June 30, 2025). These actual increases were reduced by the assumed inflation plus "across-the-board" increase. The current and recommended assumptions are also shown.

Merit and Promotion Salary Increases

Years of Service	Current Expected Increase	Actual 3-Year Average	Actual 9-Year Average	Recommended Expected Increase
Less than 1	6.00%	7.31%	5.84%	6.00%
1 – 2	5.90%	7.50%	5.96%	5.90%
2 – 3	5.40%	7.83%	5.61%	5.50%
3 – 4	4.20%	7.92%	5.29%	4.80%
4 – 5	3.50%	6.91%	5.04%	4.30%
5 – 6	2.80%	6.35%	4.61%	3.80%
6 – 7	2.50%	5.68%	4.35%	3.40%
7 – 8	2.10%	5.03%	3.69%	2.90%
8 – 9	1.80%	4.57%	3.31%	2.50%
9 – 10	1.60%	4.12%	2.47%	2.10%
10 – 11	1.50%	4.11%	2.33%	1.90%
11 – 12	1.40%	4.35%	1.99%	1.70%
12 – 13	1.30%	4.39%	1.66%	1.60%
13 – 14	1.20%	3.95%	1.48%	1.50%
14 – 15	1.10%	4.35%	1.59%	1.40%
15 and over	1.00%	3.36%	1.69%	1.30%
Actual / Expected (9 Years)	**100.7%**			**100.4%**

We recommend increasing the assumed merit and promotion salary increases for most service categories.

Chart 1 on page 27 compares the actual merit and promotion increase experience with the current and recommended assumptions.

Total payroll growth

Projected increases in active member payroll are used to develop the UAAL contribution rate. Future values are determined as a product of the number of employees in the workforce and the average pay for all employees. The average pay for all employees increases only by inflation and real "across-the-board" pay increases. The merit and promotion increases are not included, because this average pay is not specific to an individual.

Under the Board's current practice, the UAAL contribution rate is developed by assuming the number of active members will remain about the same, so that the total payroll for all active members will increase annually over the amortization periods at the same assumed rates of inflation plus real "across-the-board" salary increase assumptions as are used to project the members' future benefits. Note again that this does not include the assumed merit and promotion increases, because longer service members are assumed to be replaced by new members.

As part of reviewing the current practice, we have summarized in the table below how the number of active members and total payroll has changed over the last six valuations.

Active Members and Projected Payroll[28]

Year Ended June 30	Number of Active Members	Projected Payroll ($ in '000s)
2020	27,490	$2,445,017
2021	25,176	2,254,165
2022	24,917	2,258,725
2023	25,875	2,512,179
2024	26,782	2,730,282
2025	27,000	2,868,029
Average Annual Rate of Increase	**(0.36)%**	**3.24%**

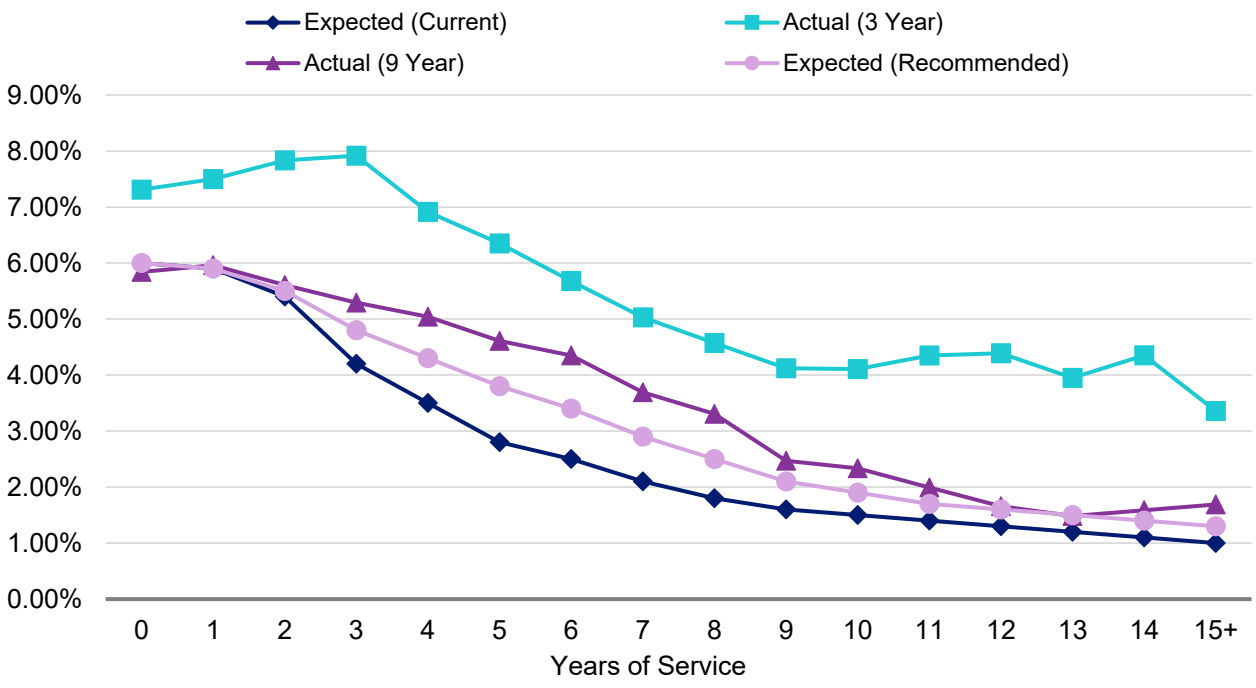
As can be observed from the above table, the average annual rate of increase in the projected payroll during the above period was 3.24% before accounting for the (0.36)% average annual change in the total active workforce (and 3.60% after netting out the impact due to the change in the active workforce).

After considering the above factors and experience, we recommend maintaining the payroll growth assumption at 3.00% annually (consistent with the combined recommended inflation and real "across-the-board" salary increase assumptions).

[28] Projected payroll is used to develop the UAAL contribution rate in the actuarial valuation.

Section 3: Economic Assumptions

Chart 1: Merit and Promotion Salary Increases



Section 4: Demographic Assumptions

A. Mortality rates — Healthy

The "healthy" mortality rates project the life expectancy of a member who retires from service (i.e., who did not retire on a disability pension). Also, the "healthy" pre-retirement (employee) mortality rates project what proportion of members will live to retirement.

In 2019, the Retirement Plans Experience Committee (RPEC) of the SOA published the first family of mortality tables based exclusively on public sector pension plan experience in the United States referred to as the Pub-2010 Public Retirement Plans Mortality Tables (Pub-2010). In 2025, RPEC published an updated family of mortality tables, referred to as the Pub-2016 Public Retirement Plans Mortality Tables (Pub-2016).[29]

Within the Pub-2010 and Pub-2016 family of mortality tables, there are separate tables by job categories of General, Safety and Teachers. Included with the mortality tables is the analysis prepared by RPEC that continues to observe that benefit amount for healthy retirees and salary for employees are the most significant predictors of mortality differences within the job categories. Therefore, Pub-2010 and Pub-2016 include mortality rates developed on an "amount-weighted" basis, with higher credibility assigned to experience from annuitants and employees receiving larger benefits and salaries, respectively.

We recommend the "amount-weighted" tables from the Pub-2016 family of mortality tables be used (adjusted for LACERS experience as discussed herein), as well as using the "above-median" tables where applicable.

A generational mortality table provides dynamic projections of mortality experience for each cohort of retirees. For example, the mortality rate for someone who is 65 next year will be slightly less than for someone who is 65 this year. In general, using generational mortality anticipates increases in the cost of the plan over time as participants' life expectancies are projected to increase and is now the established practice within the actuarial profession.

RPEC has historically published annual updates to their mortality improvement scale. However, the mortality data observed during 2020 was severely impacted by the COVID-19 pandemic and RPEC has not released a new mortality improvement scale that incorporates the substantially higher rate of mortality experience from 2020. Therefore, Scale MP-2021 remains the most recent mortality improvement scale published as of the date of this report.

We recommend continuing to apply Scale MP-2021 generationally where each future year has its own mortality table that reflects the forecasted improvements.

In order to reflect more LACERS experience in our analysis of the mortality assumption, we have used experience over a twelve-year period by using data from the current experience

[29] The Pub-2016 family of mortality tables have been developed without experience from the COVID-19 pandemic.

study period (from July 1, 2022 through June 30, 2025) and the last four experience studies covering the periods from July 1, 2011 through June 30, 2022. For the previous experience study, LACERS provided us with information on the number of COVID-19 related deaths during the fiscal years ended June 30, 2021 and June 30, 2022, and based on the relatively higher number of COVID-19 related and other deaths during that period, we decided to exclude that mortality experience. Accordingly, we are recommending mortality assumptions using LACERS experience for a twelve-year period from July 1, 2011 through June 30, 2025, omitting the two aforementioned years.

In 2008, the SOA published an article recommending that mortality assumptions include an adjustment for credibility. Under this approach, the number of deaths needed for full credibility for a headcount-weighted mortality table is just over 1,000,[30] where full credibility means a 90% confidence that the actual experience will be within 5% of the expected value. For LACERS, the number of actual deaths differs for each cohort and varies from 98 deaths for disabled retiree females to 4,063 deaths for healthy retiree males over the 12-year period studied. In our recommended assumptions, we have adjusted the Pub-2016 mortality tables to fit LACERS' experience based on the partial credibility for the given retiree group.

Post-retirement mortality (service retirements) – retirement plan

The current mortality tables used for post-retirement mortality for the retirement plan are as follows:

- Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10% for males and unadjusted for females, projected generationally with Scale MP-2021.

The following table shows the observed benefit-weighted deaths for heathy retired members based on the actual experience during the 12-year period. Also shown are the expected benefit-weighted deaths under the current and recommended assumptions.

Healthy Retiree Mortality — Benefit-Weighted Deaths ($ in millions)

Gender	Current Expected	Actual	Recommended Expected
Male	$16.15	$15.84	$15.60
Female	4.09	4.07	4.12
Total	**$20.24**	**$19.91**	**$19.72**
Actual / Expected	**98.4%**		**100.9%**[31]

Notes

1. Experience shown above is weighted by monthly benefit amounts for deceased members.

[30] The number of deaths needed for full credibility for an "amount" weighted mortality table is generally higher and based on the dispersion of the benefit amount for a given retiree group.

[31] If we used the benchmark Pub-2016 General Healthy Retiree table without any adjustment, the recommended actual to expected ratio would be 105%.

2. Expected amounts under the current and recommended generational mortality tables are based on mortality rates from the base year projected with mortality improvements to the year the death occurred (or was expected to occur).
3. Results may not add due to rounding.

As shown in the table above, the recommended mortality table has an actual to expected ratio of about 101% after adjustments for partial credibility. In future years, the ratios should remain around this level as long as actual mortality improves at the same rates as anticipated by the generational mortality table.

We recommend updating the retirement plan's post-retirement mortality assumptions for service retirements to the following:

- Pub-2016 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and unadjusted for females, projected generationally with Scale MP-2021.

Chart 2 on page 37 compares the actual to expected deaths on an amount-weighted basis for service retirement members over the 12-year period for the current and recommended assumptions.

Chart 3 on page 37 shows the life expectancies (i.e., expected future lifetime) under the current and recommended tables for service retirement members on an amount-weighted basis. Life expectancies under the current and recommended generational mortality rates are based on age in 2026. In practice, assumed life expectancies will increase in accordance with the mortality improvement scale.

Post-retirement mortality (service retirements) – health plan

The above mortality tables developed on a benefit-weighted basis are recommended for use in the valuation for the retirement plan. As health benefits provided by LACERS are not dependent on the level of retirement income received by the retirees or beneficiaries, mortality tables developed on a headcount-basis are recommended for use in the valuation for the health plan. In particular, we recommend using the same rate adjustments from the benefit-weighted basis table that we recommended for the retirement plan valuation.

The current mortality tables used for post-retirement mortality for the health plan are as follows:

- Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10% for males and unadjusted for females, projected generationally with Scale MP-2021.

The following table shows the observed headcount-weighted deaths for healthy retired members based on the actual experience during the 12-year period. Also shown are the expected deaths under the current and recommended assumptions.

Healthy Retiree Mortality — Headcount-Weighted Deaths

Gender	Current Expected	Actual	Recommended Expected
Male	4,052	4,063	3,917
Female	1,328	1,383	1,350
Total	**5,380**	**5,446**	**5,267**
Actual / Expected	**101.2%**		**103.4%**

Notes

1. Expected amounts under the current and recommended generational mortality tables are based on mortality rates from the base year projected with mortality improvements to the year the death occurred (or was expected to occur).
2. Results may not add due to rounding.

We recommend updating the health plan's post-retirement mortality assumptions for service retirements to the following:

- Pub-2016 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and unadjusted for females, projected generationally with Scale MP-2021.

Beneficiary mortality – retirement plan

The current mortality tables used for beneficiary mortality are as follows:

- **Beneficiaries not in pay status as of valuation**
  - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10% for males and unadjusted for females, projected generationally with Scale MP-2021.
- **Beneficiaries in pay status as of valuation**
  - Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and increased by 10% for females, projected generationally with Scale MP-2021.

The Pub-2016 Contingent Survivor mortality tables (as well as the Pub-2010 Contingent Survivor mortality tables) are developed based only on beneficiary data after the death of the member. This is consistent with the data that we have available for LACERS beneficiaries and we have confirmed that the Pub-2016 Contingent Survivor mortality rates are comparable to LACERS' actual mortality experience for beneficiaries.

Because the Contingent Survivor mortality tables reflect beneficiary mortality experience only **after** the death of the member, in the prior study we recommended the use of two separate mortality tables for beneficiaries, based on the pay status of the beneficiary. In particular, we recommended that the General Healthy Retiree mortality tables be used for beneficiary mortality (both before and after the **expected** death of the member) when calculating the liability for the continuance to a beneficiary of a surviving member. Upon the **actual** death of the member

(i.e., for all beneficiaries in pay status as of the valuation date), we recommended that the Contingent Survivor mortality tables, adjusted for LACERS experience, be used. We note that the use of different mortality tables (before and after the death of the member) has been found by the RPEC to be reasonable.

The following table shows the observed benefit-weighted deaths for beneficiaries based on actual experience during the 12-year period. Also shown are the expected benefit-weighted deaths under the current and recommended assumptions.

Beneficiary Mortality — Benefit-Weighted Deaths ($ in millions)

Gender	Current Expected	Actual	Recommended Expected
Male	$0.32	$0.36	$0.35
Female	4.90	4.94	4.85
Total	**$5.22**	**$5.30**	**$5.20**
Actual / Expected	**101.5%**		**101.9%**[32]

Notes

1. Experience shown above is weighted by monthly benefit amounts for deceased beneficiaries.
2. Expected amounts under the current and recommended generational mortality table are based on mortality rates from the base year projected with mortality improvements to the year the death occurred (or was expected to occur).
3. Results may not add due to rounding.

As shown in the table above, the recommended mortality table has an actual to expected ratio of about 102% after adjustments for partial credibility. In future years, the ratios should remain around this level as long as actual mortality improves at the same rates as anticipated by the generational mortality tables.

The recommended mortality tables reflect current experience to the extent that the experience is credible based on standard statistical theory. For many plans, including LACERS, there is less data available for beneficiaries than there is for healthy retirees, so it is given relatively less credibility and the recommended tables are adjusted by less than they would be if the experience for beneficiaries had full credibility.

We recommend updating the retirement plan's beneficiary mortality assumptions to the following:

- **Beneficiaries not in pay status as of valuation**
  - Pub-2016 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and unadjusted for females, projected generationally with Scale MP-2021

[32] If we used the benchmark Pub-2016 Contingent Survivor table without any adjustment, the recommended actual to expected ratio would be 107%.

- **Beneficiaries in pay status as of valuation**
  - Pub-2016 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and increased by 5% for females, projected generationally with Scale MP-2021.

Beneficiary mortality – health plan

The current mortality tables used for beneficiary mortality for the health plan are as follows:

- **Beneficiaries not in pay status as of valuation**
  - Pub-2010 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10% for males and unadjusted for females, projected generationally with Scale MP-2021.
- **Beneficiaries in pay status as of valuation**
  - Pub-2010 Contingent Survivor Headcount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and increased by 10% for females, projected generationally with Scale MP-2021.

The following table shows the observed headcount-weighted deaths for beneficiaries in pay status based on actual experience during the 12-year period. Also shown are the expected deaths under the current and recommended assumptions.

Beneficiary Mortality — Headcount-Weighted Deaths

Gender	Current Expected	Actual	Recommended Expected
Male	200	217	220
Female	2,351	2,320	2,303
Total	**2,551**	**2,537**	**2,524**
Actual / Expected	**99.5%**		**100.5%**

Notes

1. Expected amounts under the current and recommended generational mortality tables are based on mortality rates from the base year projected with mortality improvements to the year the death occurred (or was expected to occur).
2. Results may not add due to rounding.

We recommend updating the health plan's beneficiary mortality assumptions to the following:

- **Beneficiaries not in pay status as of valuation**
  - Pub-2016 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and unadjusted for females, projected generationally with Scale MP-2021.

- **Beneficiaries in pay status as of valuation**
  - Pub-2016 Contingent Survivor Headcount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and increased by 5% for females, projected generationally with Scale MP-2021.

Pre-retirement mortality – retirement plan

The current mortality tables used for pre-retirement mortality for the retirement plan are as follows:

- Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10% for males and females, projected generationally with Scale MP-2021.

The table below shows the observed salary-weighted deaths for active members based on the actual experience during the 12-year period. Also shown are the expected salary-weighted deaths under the current and recommended assumptions.

Pre-Retirement Mortality — Salary-Weighted Deaths ($ in millions)

Gender	Current Expected	Actual	Recommended Expected
Male	$28.92	$34.62	$31.91
Female	9.76	12.07	10.58
Total	**$38.69**	**$46.69**	**$42.49**
Actual / Expected	**120.7%**		**109.9%**[33]

Notes

1. Experience shown above is weighted by annual salary for deceased members.
2. Expected amounts under the current and recommended generational mortality table are based on mortality rates from the base year projected with mortality improvements to the year the death occurred (or was expected to occur).
3. Results may not add due to rounding.

As shown in the table above, the recommended mortality table has an actual to expected ratio of about 110% after adjustments for partial credibility. In future years, the ratios should remain around this level as long as actual mortality improves at the same rates as anticipated by the generational mortality tables.

The recommended mortality tables reflect current experience to the extent that the experience is credible based on standard statistical theory. For many plans, including LACERS, there is less mortality experience available for actives than there is for healthy retirees, so it is given relatively less credibility and the recommended tables are adjusted by less than they would be if the experience for actives had full credibility.

[33] If we used the benchmark Pub-2016 General Employee table without any adjustment, the recommended actual to expected ratio would be 125%.

We recommend updating the retirement plan's pre-retirement mortality assumption to the following:

- Pub-2016 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 15% for males and increased by 10% for females, projected generationally with Scale MP-2021.

Currently, our assumption for Tier 1 Enhanced and Sworn Public Safety Officers (PSO) members is that 100% of pre-retirement deaths are service connected.

Due in part to the limited actual experience, we recommend maintaining the current assumption that 100% of pre-retirement deaths for Tier 1 Enhanced and Sworn PSO members are service connected.

Pre-retirement mortality – health plan

The current mortality tables used for pre-retirement mortality for the health plan are as follows:

- Pub-2010 General Employee Headcount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10% for males and females, projected generationally with Scale MP-2021.

The table below shows the observed headcount-weighted deaths for active members based on actual experience during the 12-year period. Also shown are the expected deaths under the current and recommended assumptions.

Pre-Retirement Mortality — Headcount-Weighted Deaths

Gender	Current Expected	Actual	Recommended Expected
Male	351	427	383
Female	129	172	139
Total	**480**	**599**	**522**
Actual / Expected	**124.8%**		**114.7%**

Notes

1. Expected amounts under the current and recommended generational mortality tables are based on mortality rates from the base year projected with mortality improvements to the year the death occurred (or was expected to occur).
2. Results may not add due to rounding.

We recommend updating the health plan's pre-retirement mortality assumption to the following:

- Pub-2016 General Employee Headcount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 15% for males and increased by 10% for females, projected generationally with Scale MP-2021.

Mortality table for determining optional forms and annuity benefits

Given that our current and recommended post-retirement mortality assumptions include a generational mortality improvement scale, there are some administrative issues that may need to be resolved with LACERS and its vendor (LRS) maintaining the pension administration software (PensionGold) before we could recommend a comparable generational scale to anticipate future mortality improvement. When we issued our January 17, 2024 letter regarding actuarial assumptions for determining optional forms and annuity benefits for the period from July 1, 2024 through June 30, 2027, we understood that LRS was still in the process of incorporating generational mortality improvement into the PensionGold program. Additionally, we understood that PensionGold could not accommodate more than one beneficiary mortality table at that time and that a change to the program to accommodate multiple mortality tables would be made after generational mortality was implemented.

Accordingly, we propose that after the potential adoption of the assumptions in this report, Segal engage in discussions with LRS regarding PensionGold's current capabilities on generational mortality improvement and multiple mortality tables. Then, we would follow up in a letter to LACERS with our recommendation on the actuarial assumptions to use for determining optional forms and annuity benefits for the period from July 1, 2027 through June 30, 2030.

Section 4: Demographic Assumptions

Chart 2: Service Retired Benefit-Weighted Deaths ($ in millions)

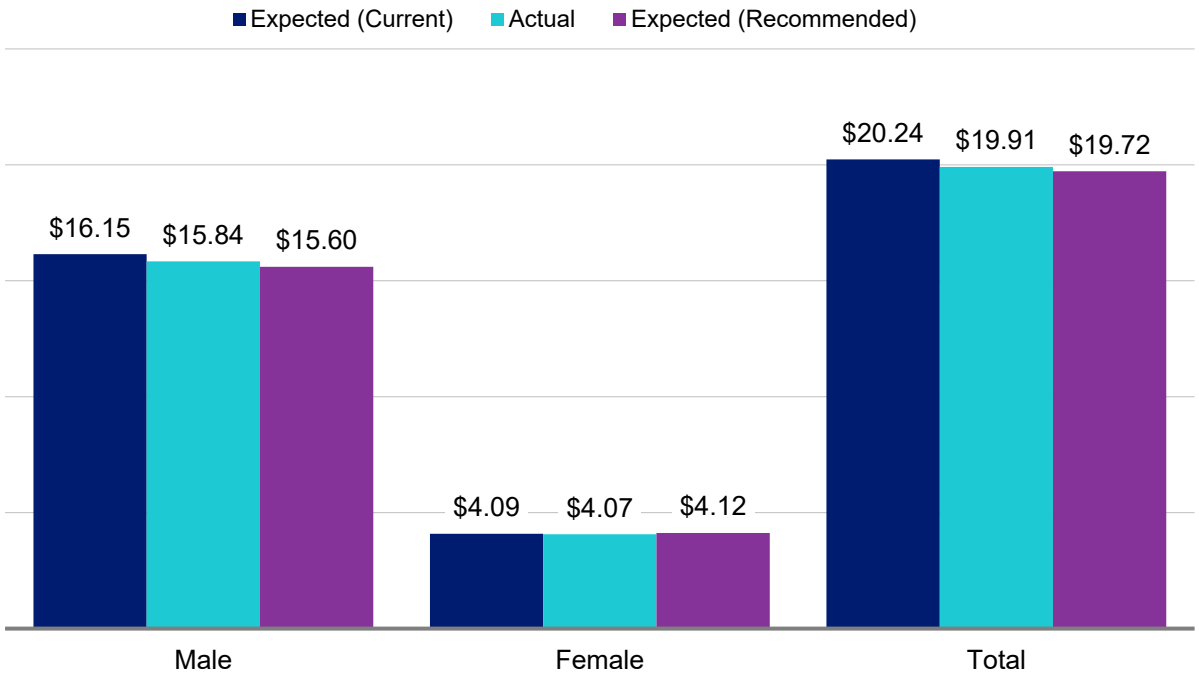
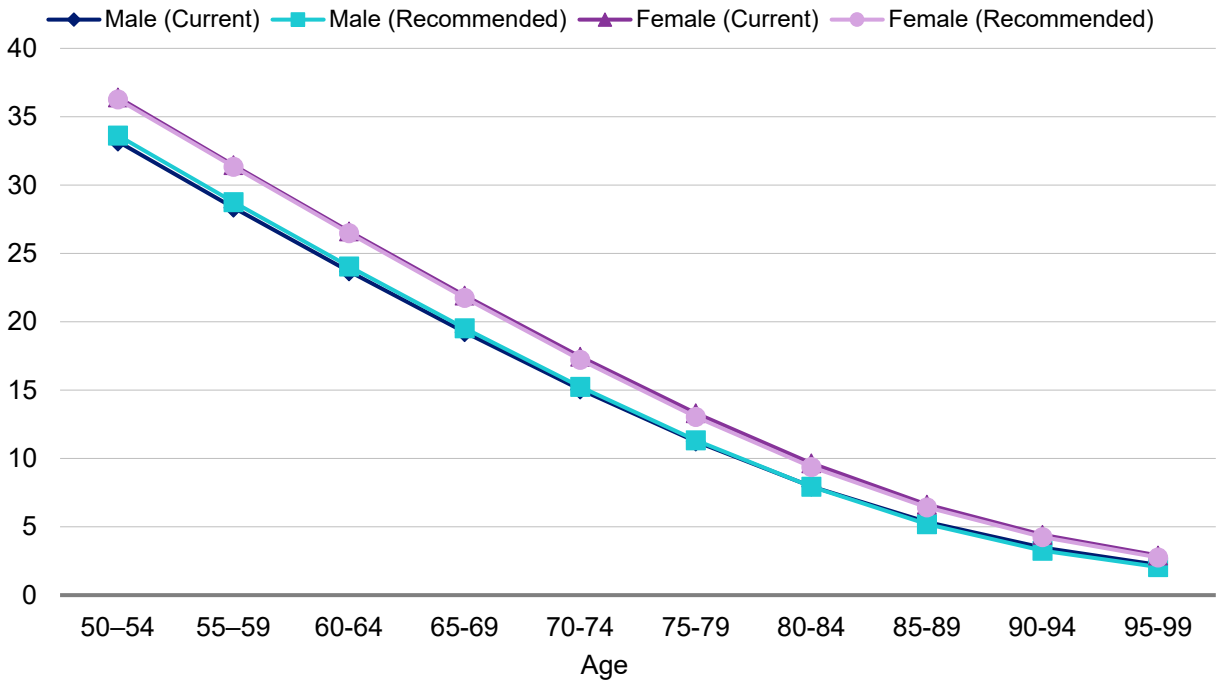


Chart 3: Service Retired Benefit-Weighted Life Expectancies in 2026



B. Mortality rates — Disabled

Since mortality rates for disabled members can vary from those of healthy members, a different mortality assumption is often used.

Retirement plan

The current mortality tables used for disabled mortality for the retirement plan are as follows:

- Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 5% for males and decreased by 5% for females, projected generationally with Scale MP-2021.

The following table shows the observed benefit-weighted deaths for disability retired members based on the actual experience during the 12-year period. Also shown are the expected benefit-weighted deaths under the current and recommended assumptions.

Disabled Retiree Mortality — Benefit-Weighted Deaths ($ in millions)

Gender	Current Expected	Actual	Recommended Expected
Male	$0.45	$0.47	$0.42
Female	0.16	0.15	0.15
Total	**$0.62**	**$0.62**	**$0.56**
Actual / Expected	**100.1%**		**109.9%**[34]

Notes

1. Experience shown above is weighted by monthly benefit amounts for deceased members.
2. Expected amounts under the current and recommended generational mortality table are based on mortality rates from the base year projected with mortality improvements to the year the death occurred (or was expected to occur).
3. Results may not add due to rounding.

As shown in the table above, the recommended mortality tables have an actual to expected ratio of 110% after adjustments for partial credibility. In future years, the ratio should remain around this level as long as actual mortality improves at the same rates as anticipated by the generational mortality tables.

Similar to mortality rates for service retirees, the recommended mortality tables reflect current experience to the extent that the experience is credible based on standard statistical theory. For many plans, including LACERS, there is less data available for disabled retirees, so it is given relatively less credibility and the recommended tables are adjusted by less than they would be if the experience for disabled retirees had full credibility.

[34] If we used the benchmark Pub-2016 Non-Safety table without any adjustment, the recommended actual to expected ratio would be 122%.

We recommend updating the retirement plan's post-retirement mortality assumptions for disability retirements to the following:

- Pub-2016 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 15% for males and unadjusted for females, projected generationally with Scale MP-2021.

Chart 4 on page 41 compares the actual to expected deaths on an amount-weighted basis for disabled retirement members over the 12-year period for the current and recommended assumptions.

Chart 5 on page 41 shows the life expectancies (i.e., expected future lifetime) under the current and recommended tables for disabled retirement members, on an amount-weighted basis. Life expectancies under the current and recommended generational mortality rates are based on age in 2026. In practice, assumed life expectancies will increase in accordance with the mortality improvement scale.

Health plan

The current mortality table used for disability mortality for the health plan is as follows:

- Pub-2010 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table (separate tables for males and females) with rates increased by 5% for males and decreased by 5% for females, projected generationally with Scale MP-2021.

The following table shows the observed headcount-weighted deaths for disabled retired members based on the actual experience during the 12-year period. Also shown are the expected deaths under the current and recommended assumptions.

Disabled Retiree Mortality — Headcount-Weighted Deaths

Gender	Current Expected	Actual	Recommended Expected
Male	303	283	288
Female	111	98	94
Total	**415**	**381**	**383**
Actual / Expected	**91.8%**		**99.6%**

Notes

1. Expected amounts under the current and recommended generational mortality tables are based on mortality rates from the base year projected with mortality improvements to the year the death occurred (or was expected to occur).
2. Results may not add due to rounding.

Section 4: Demographic Assumptions

We recommend updating the health plan's post-retirement mortality assumptions for disability retirement to the following:

- Pub-2016 Non-Safety Disabled Retiree Headcount-Weighted Mortality Table (separate tables for males and females) with rates increased by 15% for males and unadjusted for females, projected generationally with Scale MP-2021.

Section 4: Demographic Assumptions

Chart 4: Disability Retired Benefit-Weighted Deaths ($ in millions)

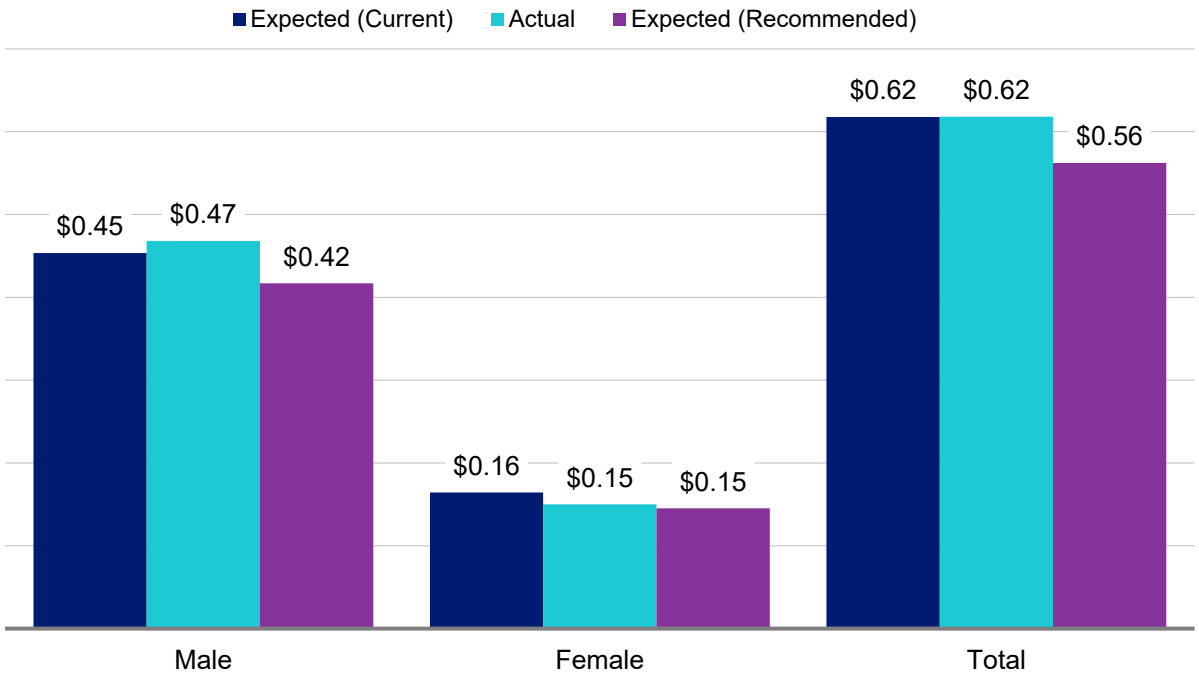
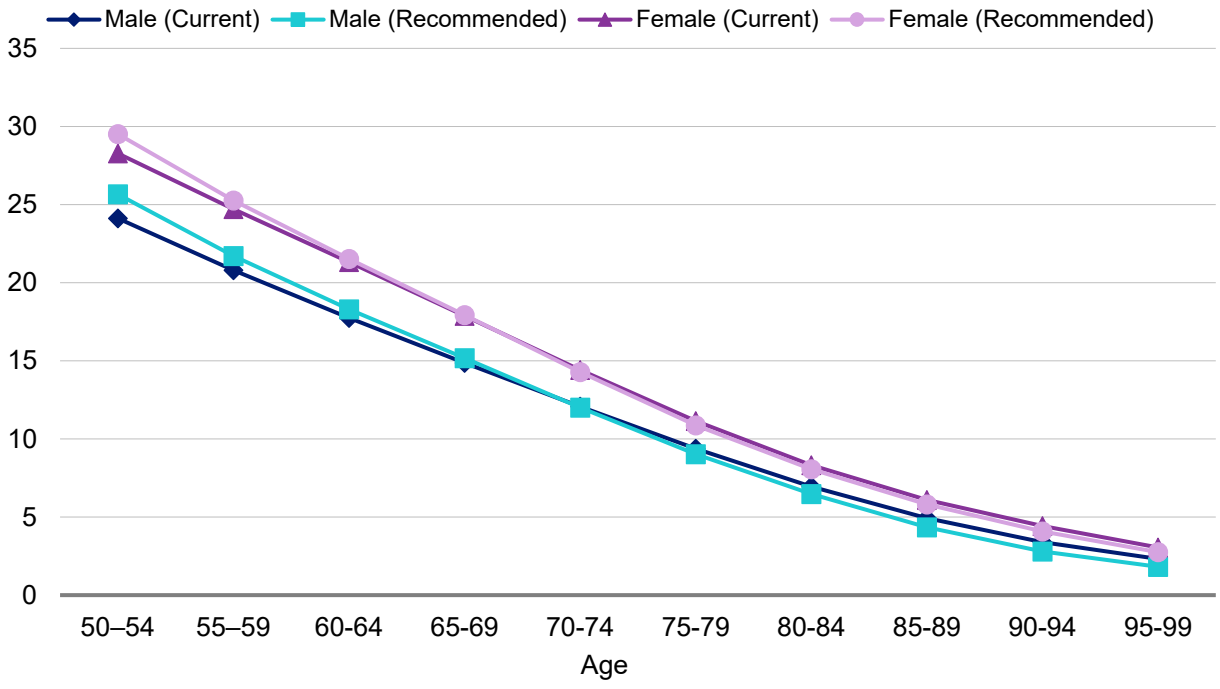


Chart 5: Disability Retired Benefit-Weighted Life Expectancies in 2026



C. Disability incidence rates

When a Tier 1 or Tier 3 member becomes disabled, he or she is generally entitled to a monthly benefit equal to 1/3 of their final average monthly compensation. For Tier 1 Enhanced and Sworn PSO members, their disability benefits will differ based on the type of disability (service-connected or non-service-connected) as well as the severity of the disability.

Under current assumptions, there is an overall incidence of disability assumed based on the member's age. This is combined with an assumption that a Tier 1 Enhanced or Sworn PSO member will either receive a service-connected disability or a non-service-connected disability, as well as an assumption for the level of the disability benefit.

We recommend maintaining the current structure of the disability incidence rate assumption.

The following tables show the observed overall rate of disability incidence based on actual experience during the three-year period from July 1, 2022 through June 30, 2025 for all disabilities.[35] Also shown are the current and recommended assumptions.[36]

Disability Incidence Rates[37]

Age	Current Expected Rate	Actual Rate	Recommended Expected Rate
20 – 24	0.00%	0.00%	0.00%
25 – 29	0.01%	0.00%	0.01%
30 – 34	0.02%	0.03%	0.02%
35 – 39	0.03%	0.02%	0.03%
40 – 44	0.07%	0.01%	0.06%
45 – 49	0.12%	0.08%	0.10%
50 – 54	0.15%	0.13%	0.14%
55 – 59	0.15%	0.11%	0.14%
60 – 64	0.16%	0.13%	0.16%
65 – 69	0.23%	0.12%	0.20%
Actual / Expected	**70.5%**		**76.8%**

We recommend decreasing the disability incidence assumption at some ages.

[35] The Tier 1 (including Tier 1 Enhanced and Sworn PSO) experience shown above reflects actual disabilities from the prior years' status of mostly inactive membership.

[36] We understand that the majority of the Tier 1 Enhanced and Sworn PSO active members have transferred to LAFPP after the three-year experience study period. This transfer may result in plan demographics for the remaining group that differ from those in the three-year experience study period. However, given the low overall incidence of disability, we do not believe the changes in demographics would have a material impact on the recommended disability assumptions. We will continue to monitor this assumption in future studies.

[37] Total rates for all disabilities. (For Tier 1 and Tier 3 members, the disability benefits are the same for service-connected or non-service-connected, whereas they differ between service-connected and non-service-connected for Tier 1 Enhanced and Sworn PSO members.)

Chart 6 on page 45 compares the number of actual disabilities over the past three years to the current and recommended assumptions.

Chart 7 on page 45 compares the actual disability incidence experience with the current and recommended assumptions.

Service-connected vs. non-service-connected disability

The following table shows the observed percent of new Tier 1 Enhanced and Sworn PSO disabled members that received a service-connected disability based on the actual experience over the past three years. Also shown are the current and recommended assumptions.

Disabled Members Receiving a Service-Connected Disability – Tier 1 Enhanced and Sworn PSO

Line Description	Percentage
Current assumption	90%
Actual percentage	67%
Recommended assumption	**80%**

We recommend decreasing the assumption for future disabled Tier 1 Enhanced and Sworn PSO members receiving a service-connected disability from 90% to 80%. The remaining 20% are assumed to be non-service-connected disabilities.

Level of disability benefit

For Tier 1 Enhanced and Sworn PSO members, the level of disability benefit provided by LACERS (expressed as a percentage of final average monthly compensation) is dependent on the severity of disability.

For the twelve members who began receiving a disability benefit during the last three years, we estimated the disability benefit amounts expressed as a percentage of final average monthly compensation, based upon the data provided to us by LACERS for the annual valuations, and excluded one member receiving a benefit based on the service retirement formula.

Non-Service-Connected Disability Benefits – Tier 1 Enhanced and Sworn PSO
(as a % of Final Average Monthly Compensation)

Line Description	Percentage
Number of disabilities	3
Current assumption	40%
Estimated average actual percentage	47%
Recommended assumption	**40%**

We recommend maintaining the level of disability benefit assumption for future disabled Tier 1 Enhanced and Sworn PSO members receiving a non-service-connected disability.

Service-Connected Disability Benefits – Tier 1 Enhanced and Sworn PSO

(as a % of Final Average Monthly Compensation)

Line Description	Less than 20 Years of Service	20 – 30 Years of Service	30 or More Years of Service
Number of disabilities	5	2	1
Current assumption	55%	65%	75%
Estimated average actual percentage	70%	73%	72%
Recommended assumption	**60%**	**65%**	**75%**

We recommend increasing the level of disability benefit assumption for future disabled Tier 1 Enhanced and Sworn PSO members receiving a service-connected disability with less than 20 years of service and maintaining the assumption for service-connected disabilities with 20 or more years of service.

Section 4: Demographic Assumptions

Chart 6: Actual Number of Disabilities Compared to Expected

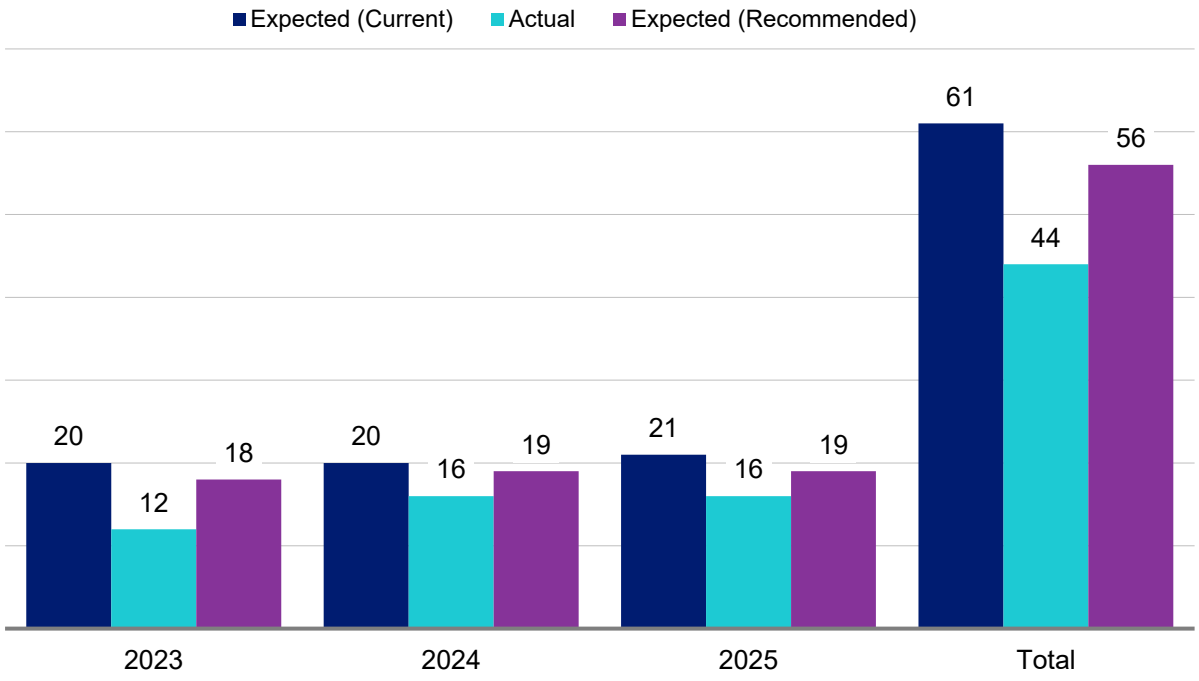
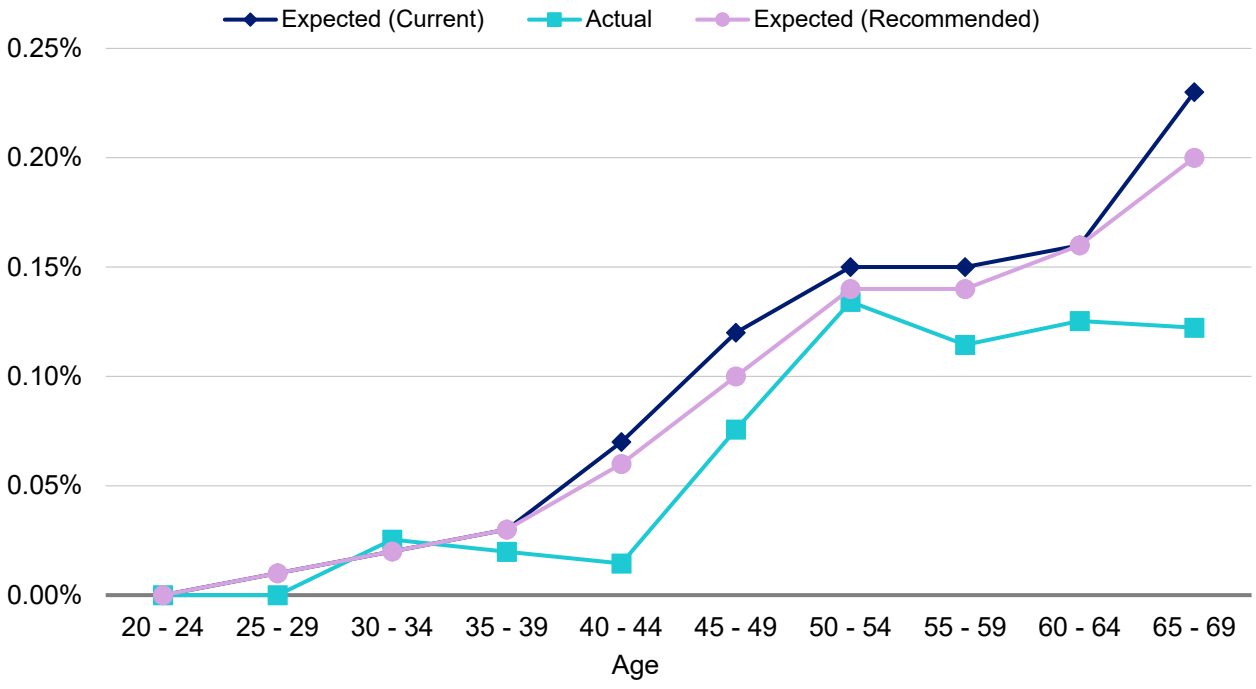


Chart 7: Disability Rates



D. Termination rates

Termination rates include all terminations for reasons other than death, disability, or retirement. Additionally, when a member terminates from service, they can choose between receiving an immediate refund of member contributions or they may leave their contributions on deposit if they are eligible for a deferred vested benefit.

Under current assumptions, members who have at least five years of service at termination are assumed to choose between a refund of contributions or a deferred vested benefit, whichever option is more valuable. Members who do not have at least five years of service at termination are assumed to receive an immediate refund of contributions.

We recommend maintaining this structure of the termination rate assumption.

The current termination rates are applied until the member is first assumed to retire. That is, we assume that members eligible to retire at termination will retire in accordance with the retirement rate assumptions rather than terminate and defer their benefit.

We recommend maintaining the assumption that members who are eligible to retire will elect to receive their retirement benefit in lieu of a deferred vested benefit.

The following tables show the observed overall rate of termination based on actual experience during the three-year period from July 1, 2022 through June 30, 2025. Also shown are the current and recommended assumptions.

Section 4: Demographic Assumptions

Termination Rates

Years of Service	Current Expected Rate	Actual Rate	Recommended Expected Rate
Less than 1	10.50%	12.21%	11.00%
1 – 2	10.00%	8.30%	9.50%
2 – 3	9.00%	9.36%	9.25%
3 – 4	7.75%	9.15%	8.50%
4 – 5	6.25%	7.02%	6.75%
5 – 6	5.25%	6.50%	6.00%
6 – 7	5.00%	4.96%	5.00%
7 – 8	4.75%	4.00%	4.50%
8 – 9	4.50%	3.35%	4.25%
9 – 10	4.25%	3.58%	4.25%
10 – 11	4.00%	4.52%	4.00%
11 – 12	3.75%	4.70%	4.00%
12 – 13	3.50%	3.65%	3.50%
13 – 14	3.00%	4.35%	3.25%
14 – 15	2.75%	4.68%	3.00%
15 and over	2.50%	2.10%	2.25%
Actual / Expected	**103.9%**		**101.9%**

We recommend increasing the termination rates at certain service categories while decreasing the termination rates at other service categories. Overall, the recommended rates represent a slight increase from the current rates.

Chart 8 on page 48 compares the number of actual terminations over the past three years to the current and recommended assumptions.

Chart 9 on page 48 compares the actual termination experience with the current and recommended assumptions.

Chart 8: Actual Number of Terminations Compared to Expected

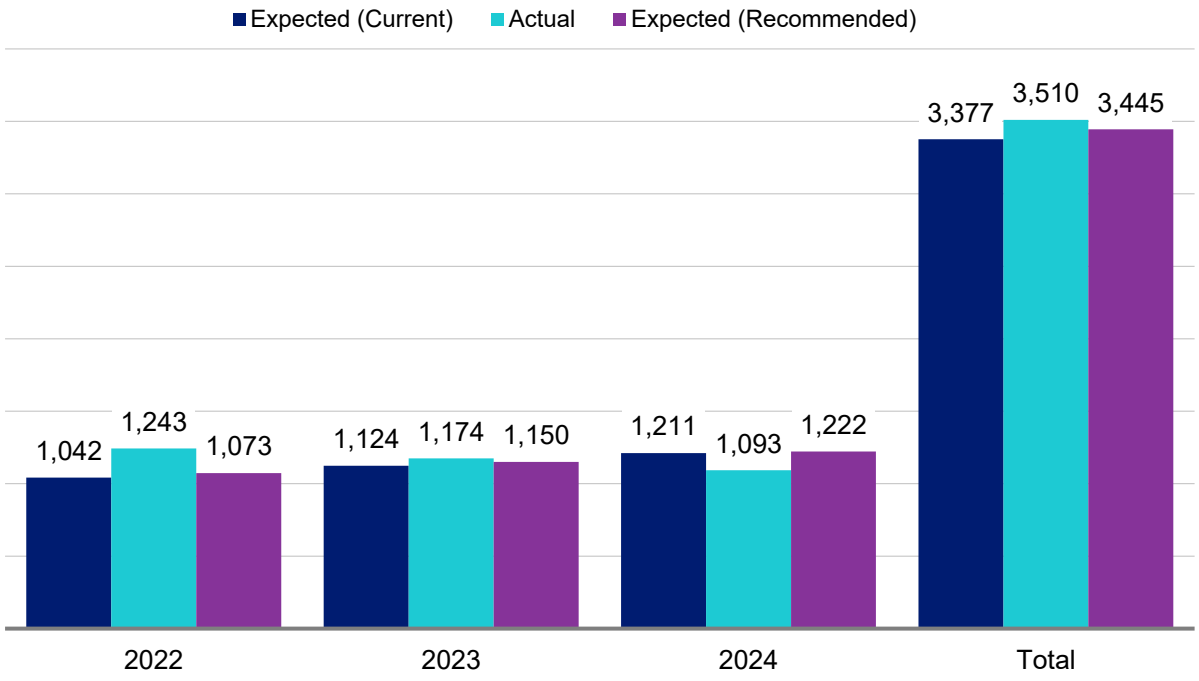
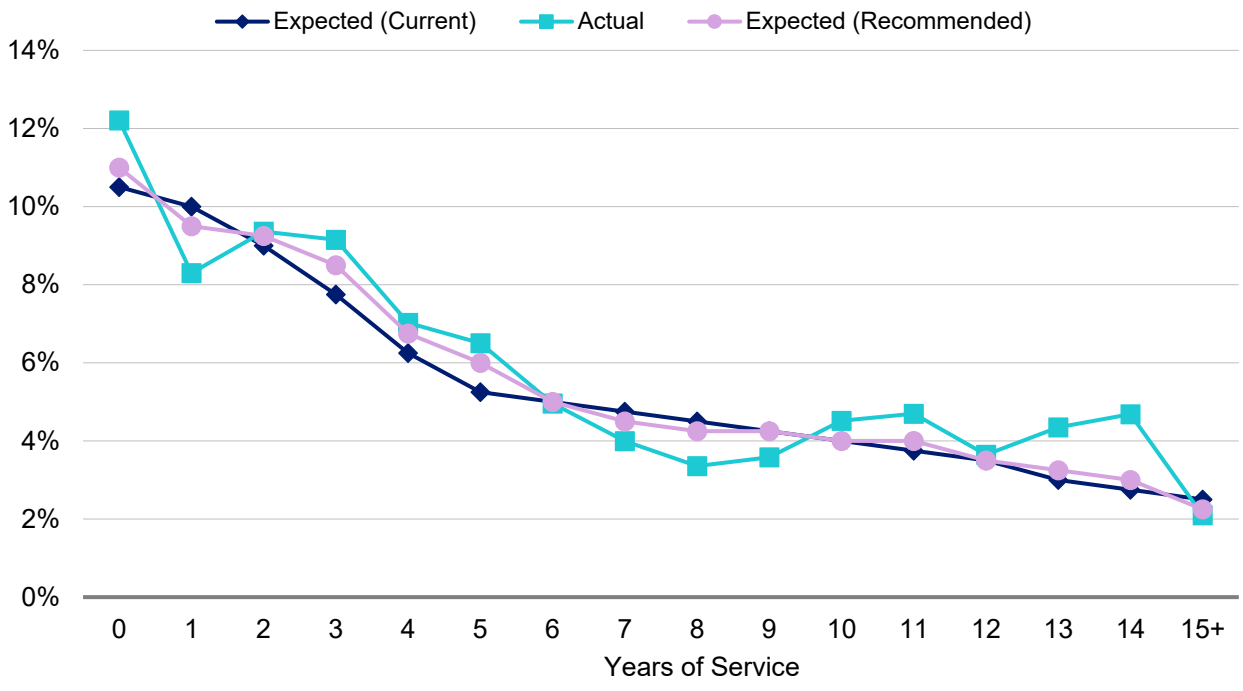


Chart 9: Termination Rates



E. Retirement rates

The age at which a member retires from service will affect both the amount of benefits that will be paid to that member as well as the period over which funding must take place.

The current retirement assumptions, separately for Tier 1, Tier 1 Enhanced, and Tier 3, are bifurcated for those members who are age 55 or older and with 30 or more years of service ("55/30"), and for those who do not meet both of those age and service thresholds ("non-55/30").

We recommend maintaining this structure of the retirement rate assumption. For Tier 3, the rates are now shown simply for those who have less than 30 years of service and those who have 30 or more years of service.

Over the recent three-year experience study period, we only observed 6 Tier 3 service retirements from active service. Even though there is very limited experience available for Tier 3, we are recommending adjustments in the Tier 3 retirement assumptions to maintain consistency with the changes we are recommending for Tier 1, as the rates for Tier 3 were initially developed based, in part, on the benefit level comparisons to Tier 1.

The following tables show the observed service retirement rates based on actual experience during the three-year period from July 1, 2022 through June 30, 2025. Also shown are the current and recommended assumptions.

Tier 1 — Retirement Rates

Age	Non-55/30 Current Expected Rate	Non-55/30 Actual Rate	Non-55/30 Recomm. Expected Rate	55/30 Current Expected Rate	55/30 Actual Rate	55/30 Recomm. Expected Rate
50	5.00%	0.00%	3.00%	0.00%	0.00%	0.00%
51	3.00%	0.00%	2.00%	0.00%	0.00%	0.00%
52	3.00%	1.15%	2.00%	0.00%	0.00%	0.00%
53	3.00%	1.78%	2.00%	0.00%	0.00%	0.00%
54	18.00%	19.74%	19.00%	0.00%	0.00%	0.00%
55	6.00%	5.63%	5.00%	27.00%	31.30%	29.00%
56	6.00%	3.32%	5.00%	18.00%	14.38%	17.00%
57	6.00%	4.56%	5.00%	18.00%	16.06%	17.00%
58	6.00%	3.81%	5.00%	18.00%	13.59%	17.00%
59	6.00%	3.66%	5.00%	18.00%	15.31%	17.00%
60	9.00%	6.35%	8.00%	18.00%	16.97%	17.00%
61	9.00%	5.68%	8.00%	18.00%	12.00%	17.00%
62	9.00%	6.64%	8.00%	18.00%	15.81%	17.00%
63	9.00%	8.46%	8.00%	18.00%	15.42%	17.00%
64	9.00%	5.72%	8.00%	18.00%	16.15%	17.00%
65	16.00%	7.89%	13.00%	21.00%	15.67%	18.00%
66	16.00%	11.89%	13.00%	21.00%	13.82%	18.00%
67	16.00%	12.73%	13.00%	21.00%	18.75%	18.00%
68	16.00%	9.40%	13.00%	21.00%	12.63%	18.00%
69	16.00%	11.56%	13.00%	21.00%	8.97%	18.00%
70 and over	100.00%	11.17%	100.00%	100.00%	15.88%	100.00%
Actual / Expected[38]	**71.4%**		**83.6%**	**85.6%**		**90.3%**

We recommend decreasing the retirement rates overall for Tier 1 members.

Chart 10 on page 54 compares the number of actual retirements for Tier 1 members over the past three years to the current and recommended assumptions.

Chart 12 on page 55 compares the actual retirement experience with the current and recommended assumptions for Tier 1 non-55/30 members.

Chart 13 on page 55 compares the actual retirement experience with the current and recommended assumptions for Tier 1 55/30 members.

[38] The Actual / Expected ratio is based on ages below 70. If the experience for ages 70 and over were included in the ratio, it would have increased from 38.3% to 40.1% for non-55/30, and from 60.4% to 62.5% for 55/30 as a result of the recommended assumptions.

Tier 1 Enhanced — Retirement Rates

Age	Non-55/30 Current Expected Rate	Non-55/30 Actual Rate	Non-55/30 Recomm. Expected Rate	55/30 Current Expected Rate	55/30 Actual Rate	55/30 Recomm. Expected Rate
50	6.00%	0.00%	5.00%	0.00%	0.00%	0.00%
51	5.00%	0.00%	4.00%	0.00%	0.00%	0.00%
52	5.00%	0.00%	4.00%	0.00%	0.00%	0.00%
53	5.00%	0.00%	4.00%	0.00%	0.00%	0.00%
54	18.00%	0.00%	14.00%	0.00%	0.00%	0.00%
55	10.00%	12.50%	10.00%	30.00%	53.85%	36.00%
56	10.00%	8.33%	10.00%	22.00%	0.00%	21.00%
57	10.00%	19.05%	10.00%	22.00%	33.33%	21.00%
58	10.00%	7.14%	10.00%	22.00%	25.00%	21.00%
59	10.00%	0.00%	10.00%	22.00%	20.00%	21.00%
60	11.00%	11.11%	11.00%	22.00%	0.00%	21.00%
61	11.00%	25.00%	11.00%	22.00%	0.00%	21.00%
62	11.00%	0.00%	11.00%	22.00%	N/A	21.00%
63	11.00%	0.00%	11.00%	22.00%	N/A	21.00%
64	11.00%	0.00%	11.00%	22.00%	N/A	21.00%
65	20.00%	33.33%	20.00%	26.00%	0.00%	25.00%
66	20.00%	N/A	20.00%	26.00%	0.00%	25.00%
67	20.00%	N/A	20.00%	26.00%	0.00%	25.00%
68	20.00%	N/A	20.00%	26.00%	N/A	25.00%
69	20.00%	N/A	20.00%	26.00%	N/A	25.00%
70 and over	100.00%	N/A	100.00%	100.00%	0.00%	100.00%
Actual / Expected[39]	**83.8%**		**87.3%**	**106.9%**		**103.4%**

We recommend decreasing the retirement rates overall for Tier 1 Enhanced non-55/30 members and increasing the retirement rates overall for Tier 1 Enhanced 55/30 members.

Chart 11 on page 54 compares the number of actual retirements for Tier 1 Enhanced members over the past three years to the current and recommended assumptions.

Chart 14 on page 56 compares the actual retirement experience with the current and recommended assumptions for Tier 1 Enhanced non-55/30 members.

[39] The Actual / Expected ratio is based on ages below 70. If the experience for ages 70 and over were included in the ratio, it would have increased from 83.8% to 87.3% for non-55/30 (same as shown above), and decreased from 85.8% to 83.5% for 55/30 as a result of the recommended assumptions.

Section 4: Demographic Assumptions

Chart 15 on page 56 compares the actual retirement experience with the current and recommended assumptions for Tier 1 Enhanced 55/30 members.

Due to the lack of actual experience for Tier 3, the following table only shows the current assumed rates and the rates we propose for that tier.

Tier 3 — Retirement Rates

Age	Less Than 30 Years Current Expected Rate	Less Than 30 Years Recomm. Expected Rate	30 or More Years Current Expected Rate	30 or More Years Recomm. Expected Rate
50	0.00%	0.00%	5.00%	3.00%
51	0.00%	0.00%	3.00%	2.00%
52	0.00%	0.00%	3.00%	2.00%
53	0.00%	0.00%	3.00%	2.00%
54	0.00%	0.00%	17.00%	18.00%
55	0.00%	0.00%	26.00%	28.00%
56	0.00%	0.00%	17.00%	16.00%
57	0.00%	0.00%	17.00%	16.00%
58	0.00%	0.00%	17.00%	16.00%
59	0.00%	0.00%	17.00%	16.00%
60	8.00%	7.00%	17.00%	16.00%
61	8.00%	7.00%	17.00%	16.00%
62	8.00%	7.00%	17.00%	16.00%
63	8.00%	7.00%	17.00%	16.00%
64	8.00%	7.00%	17.00%	16.00%
65	15.00%	12.00%	20.00%	17.00%
66	15.00%	12.00%	20.00%	17.00%
67	15.00%	12.00%	20.00%	17.00%
68	15.00%	12.00%	20.00%	17.00%
69	15.00%	12.00%	20.00%	17.00%
70 and over	100.00%	100.00%	100.00%	100.00%
Actual / Expected	**N/A**	**N/A**	**N/A**	**N/A**

We recommend decreasing the retirement rates overall for Tier 3 members.

Chart 16 on page 57 compares the actual retirement experience with the current and recommended assumptions for Tier 3 members with less than 30 years of service.

Chart 17 on page 57 compares the actual retirement experience with the current and recommended assumptions for Tier 3 members with 30 or more years of service.

Deferred vested members

Under the current assumptions, members retiring from deferred status are assumed to retire at age 60, and members retiring from reciprocal status are assumed to retire at age 59.

The following table shows the observed deferred vested retirement age based on the actual experience over the past three years, separately for those who went on to work at a reciprocal retirement system and those who did not. Also shown are the current and recommended assumptions.

Deferred Vested Retirement Age

Line Description	Non-Reciprocal Members	Reciprocal Members
Current assumption	60.0	59.0
Actual experience	61.3	59.8
Recommended assumption	**61.0**	**59.0**

We recommend increasing the retirement age assumption from 60 to 61 for non-reciprocal members and maintaining the retirement age assumption of 59 for reciprocal members.

Section 4: Demographic Assumptions

Chart 10: Actual Number of Retirements Compared to Expected
Tier 1 Members[40]

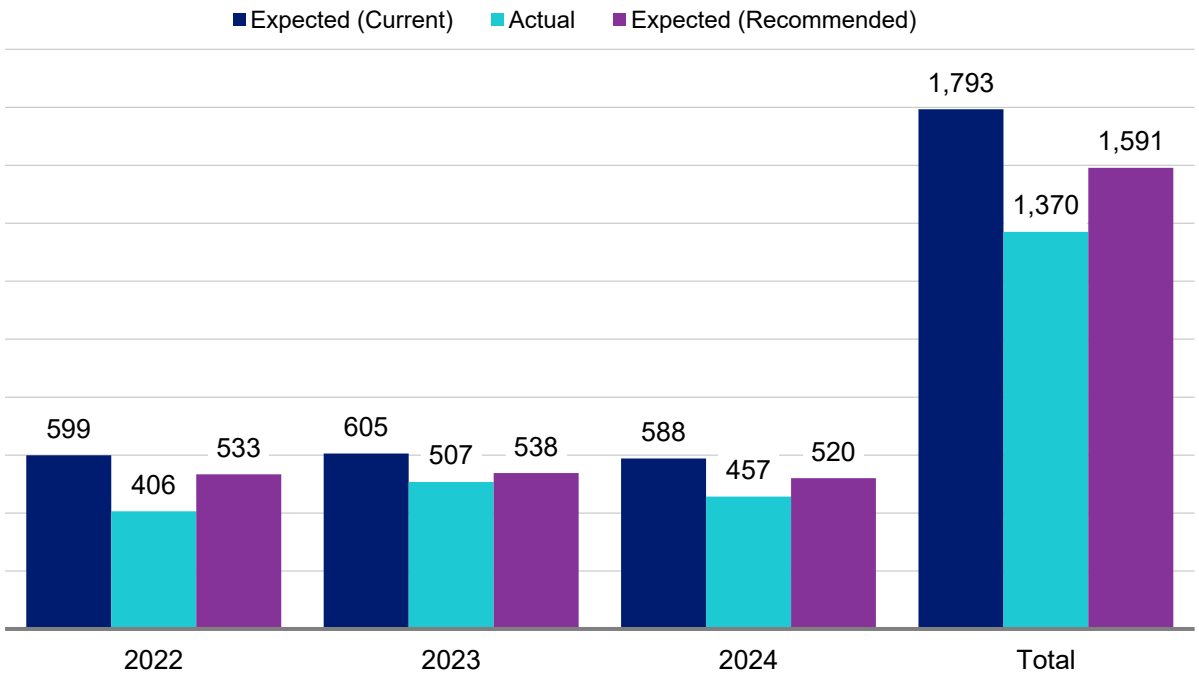
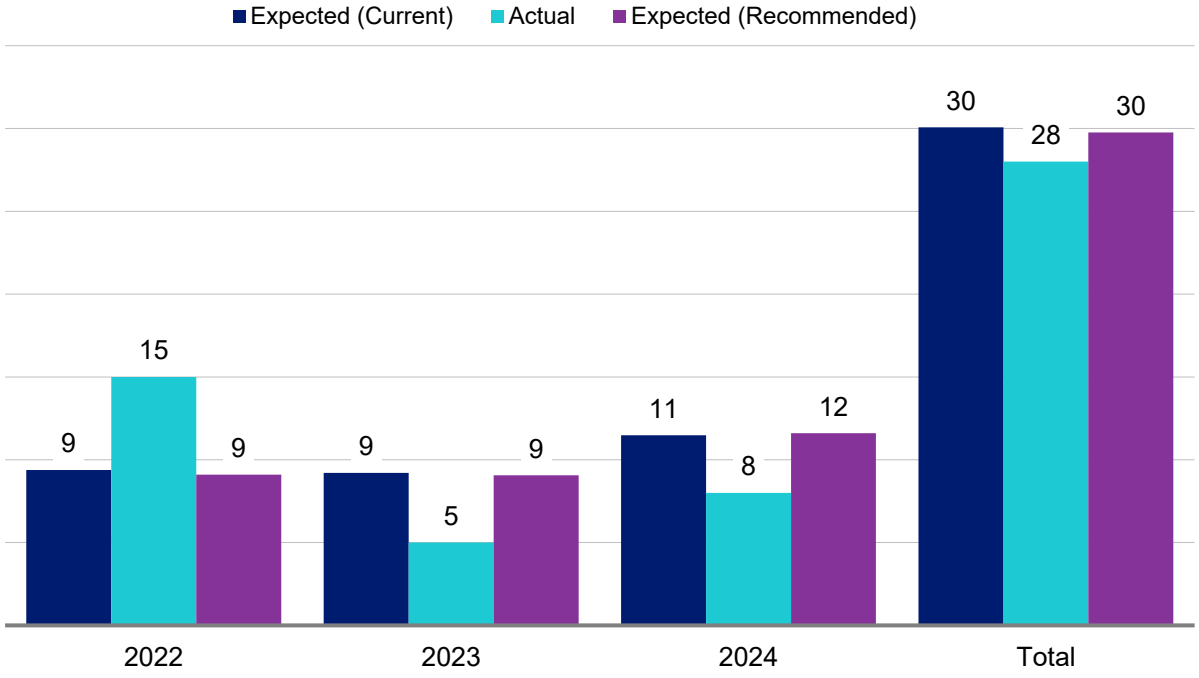


Chart 11: Actual Number of Retirements Compared to Expected
Tier 1 Enhanced Members[40]



[40] The actual retirements, and the expected retirements under the current and recommended assumptions, are shown for ages below 70.

Chart 12: Retirement Rates
Tier 1 Non-55/30 Members

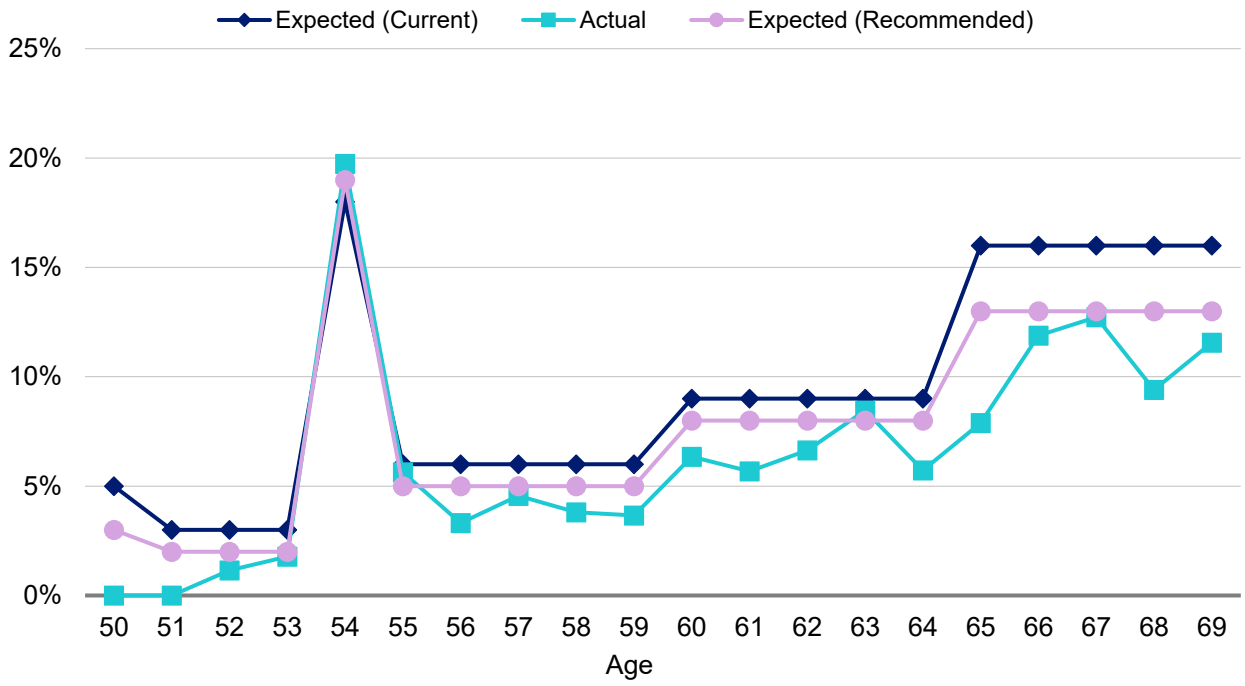


Chart 13: Retirement Rates
Tier 1 55/30 Members

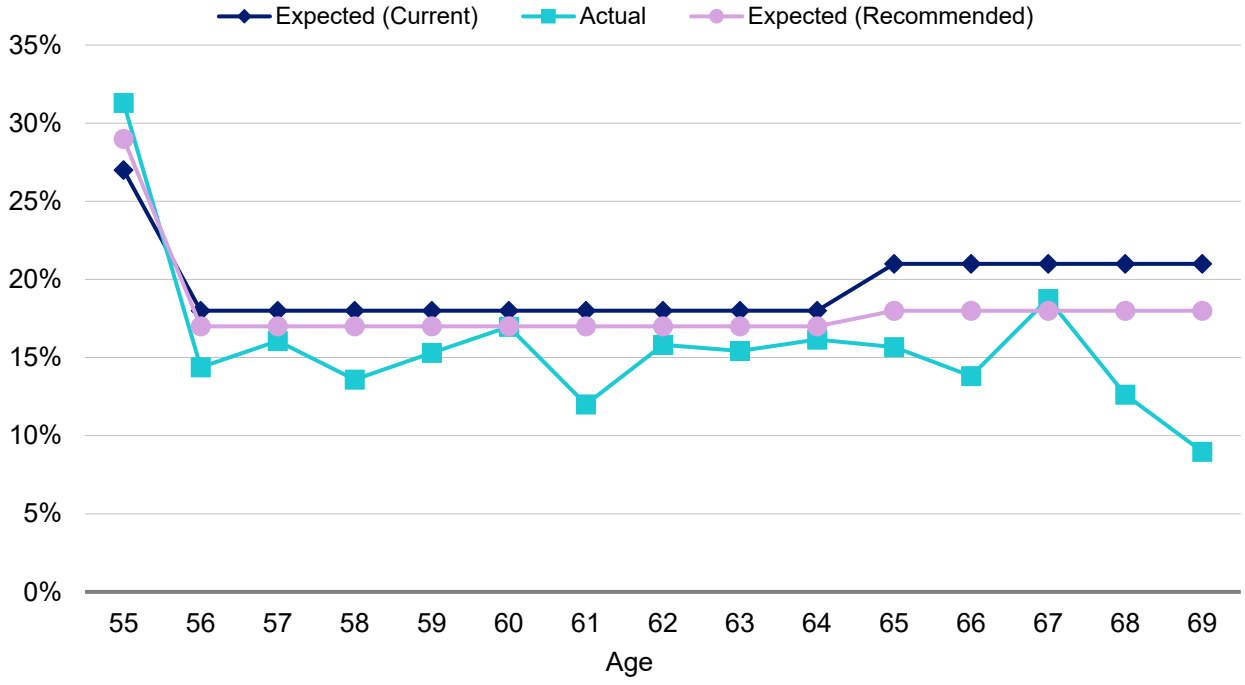


Chart 14: Retirement Rates
Tier 1 Enhanced Non-55/30 Members

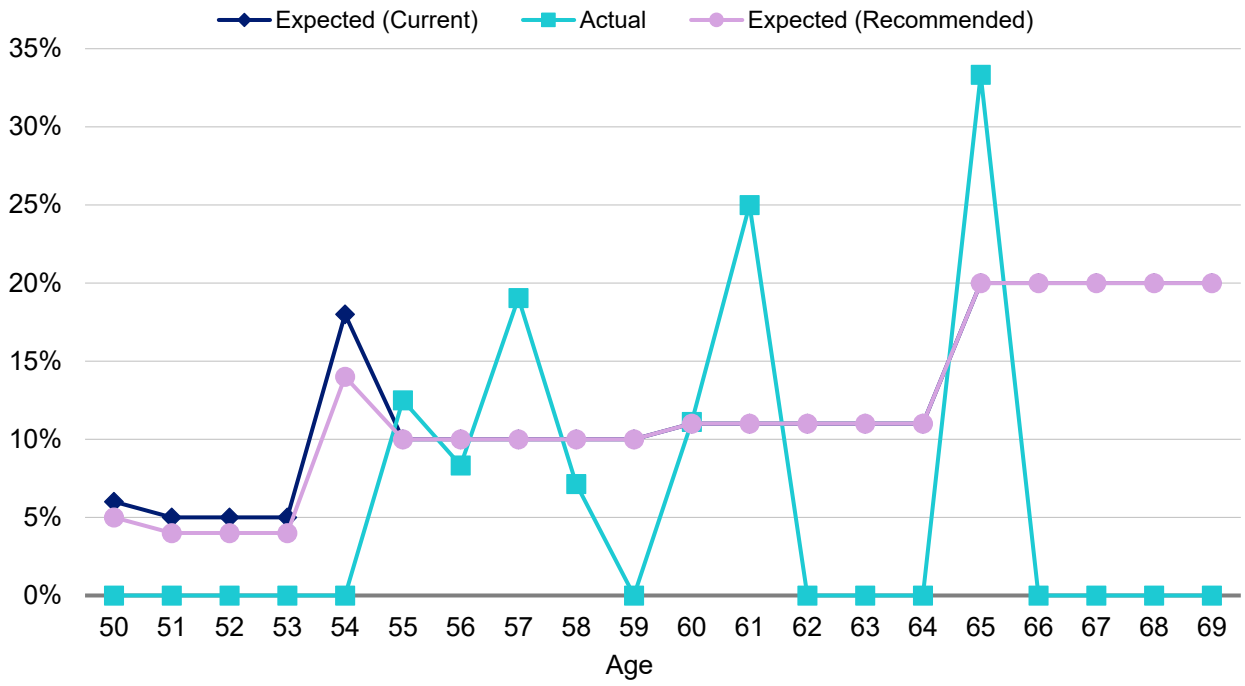


Chart 15: Retirement Rates
Tier 1 Enhanced 55/30 Members

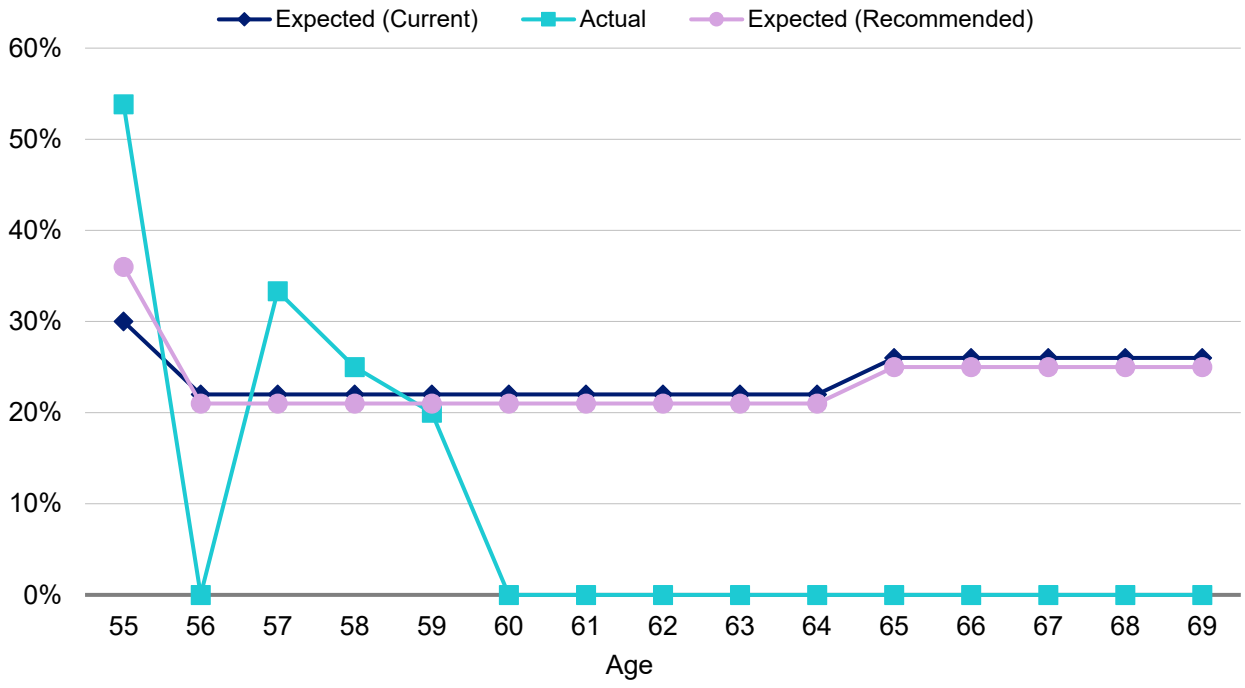


Chart 16: Retirement Rates

Tier 3 Members with Less Than 30 Years of Service

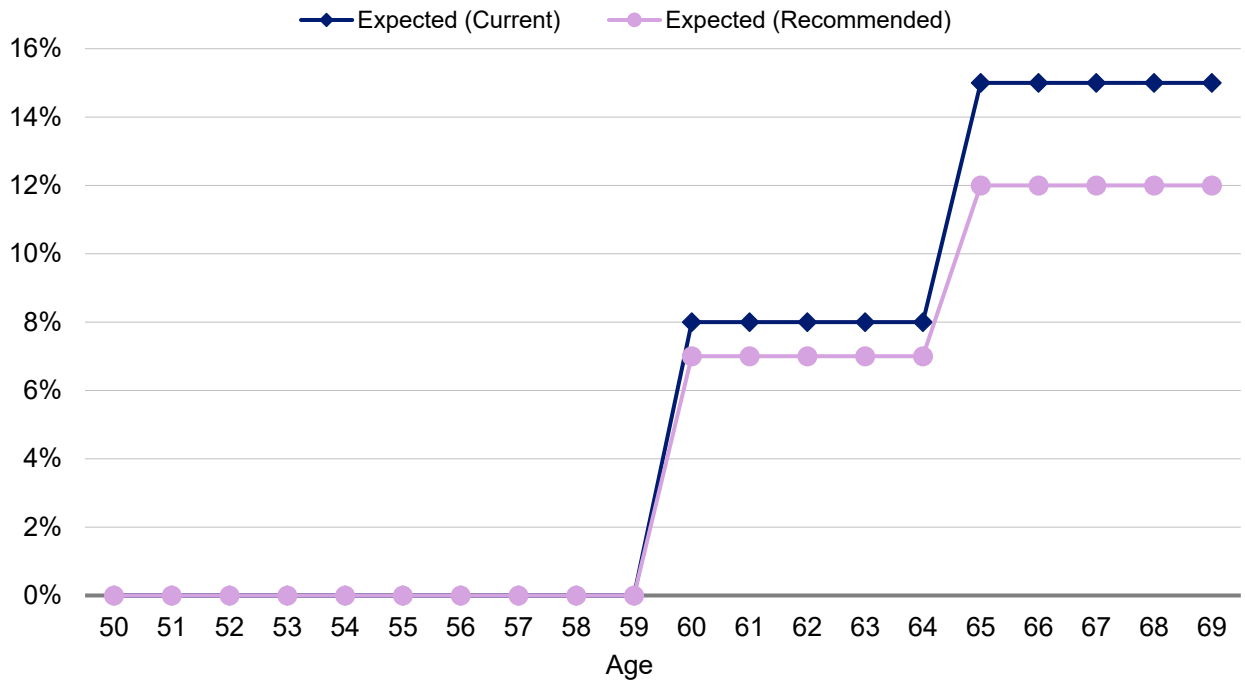
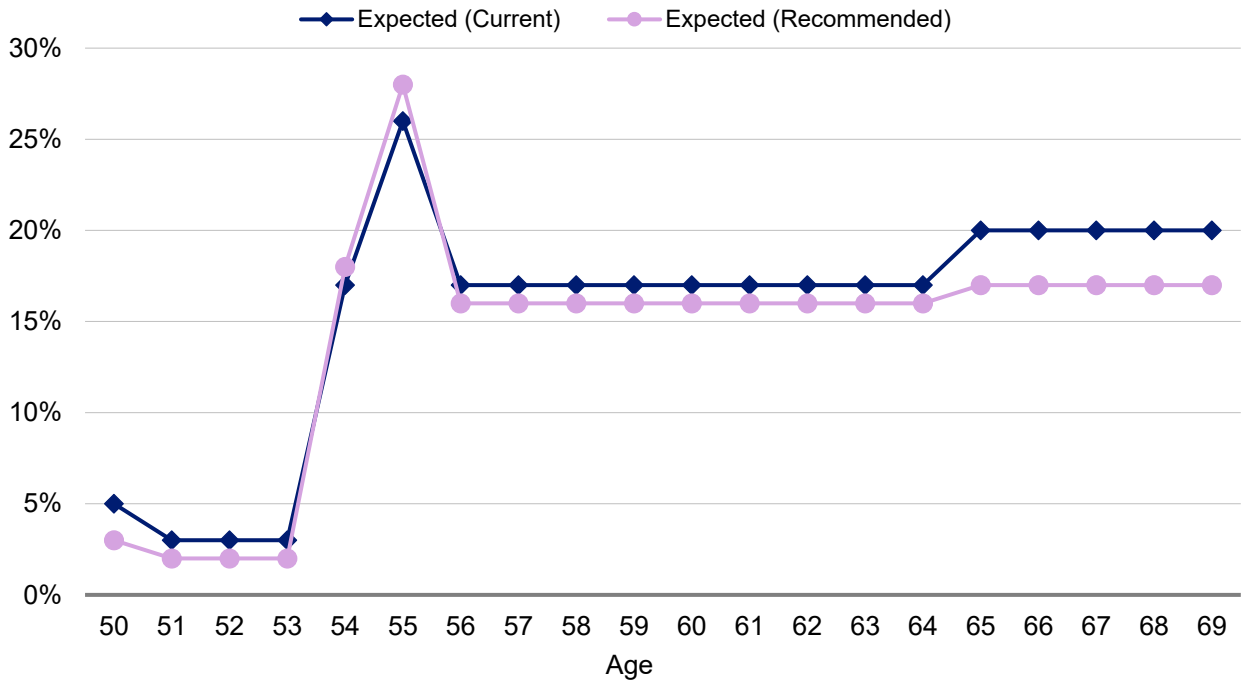


Chart 17: Retirement Rates

Tier 3 Members with 30 or More Years of Service



F. Miscellaneous assumptions

Reciprocity

Under the current assumptions, a percentage of future deferred vested members are assumed to be covered by a reciprocal retirement system.

Unlike other assumptions, we do not review only new deferred vested members during the three-year period because there is typically a lag between a member's date of termination and the time that it is known that they are covered by a reciprocal system. Therefore, the following table shows the observed reciprocity percent based on the actual experience of all deferred vested members as of June 30, 2025. Also shown are the current and recommended assumptions.

Percent of Inactive Members at Reciprocal System as of June 30, 2025

Line Description	Percent Reciprocal
Current assumption	5.0%
Actual experience	3.9%
Recommended assumption	**5.0%**

Based on data available from current inactive vested participants, there is a much lower incidence of members who went to work for a reciprocal system when compared to that observed at our other California public retirement systems. We will continue to monitor this assumption in future studies and discuss with the staff at LACERS if any additional reciprocity data is available after a member has retired to aid in our review.

We recommend maintaining the reciprocity assumption of 5% for the June 30, 2026 valuation.

Under the current assumptions, we assume reciprocal members will receive annual salary increases from the date of termination to the expected date of retirement, at a rate of 4.00% per year, consisting of inflation at 2.50%, "across-the-board" salary increase at 0.50%, and the current ultimate merit and promotion salary increase assumption of 1.00%.

We recommend increasing the reciprocal salary assumption to 4.30% per year, consisting of inflation at 2.50%, "across-the-board" salary increase at 0.50%, and the recommended ultimate merit and promotion salary increase assumption of 1.30%.

Future benefit accruals

Benefits are based on the years of service and compensation earned by the member. In order to project benefits and determine the liabilities, an assumption about the amount of service earned by members each year is necessary.

We recommend maintaining the current assumption that employees accrue 1.0 year of service annually.

Unreported data for members

When various elements of valuation data are not available, an assumption must be made in order to project benefits and determine liabilities.

The following table shows the gender of active members based on actual experience as of June 30, 2025. Also shown are the current and recommended assumptions for members with unreported gender.

Assumption for Unreported Gender

Line Description	Male Member	Female Member
Current assumption	100.0%	0.0%
Actual percent with reported gender as of June 30, 2025	59.5%	40.5%
Recommended assumption	**100.0%**	**0.0%**

We recommend maintaining the assumption that members with unreported gender are male.

We note that this assumption does not have a significant impact as we generally receive gender information for almost all member records from LACERS.

Percent with eligible survivor

The value of a member's retirement, disability, or death benefit depends on the percentage of members who are assumed to have an eligible spouse or domestic partner.

The following table shows the observed percentage of new retirees under the unmodified option, weighted by benefit amounts, who were reported with an eligible spouse or domestic partner at the time of retirement based on the actual experience over the past three years. Also shown are the current and recommended assumptions.

New Retirees with Eligible Spouse or Domestic Partner

Line Description	Male Member	Female Member
Current assumption	76.0%	52.0%
Actual percent	66.0%	48.9%
Recommended assumption	**70.0%**	**50.0%**

We recommend decreasing the percent with eligible survivor assumption for male members to 70% and decreasing the assumption for female members to 50%.

Eligible survivor age and gender

Since the present value of the survivor's automatic continuance benefit is dependent on the survivor's age and gender, we must also have assumptions for these demographics of the survivor.

The following table shows the member's age as compared to the survivor's age for new retirees under the unmodified option with an eligible spouse or domestic partner at the time of retirement based on the actual experience over the past three years. Also shown are the current and recommended assumptions.

Member's Age as Compared to Survivor's Age

Line Description	Male Retiree	Female Retiree
Current assumption	3 years older	2 years younger
Actual experience	3.4 years older	2.5 years younger
Recommended assumption	**3 years older**	**2 years younger**

We recommend maintaining the survivor assumptions that male retirees are three years older than their survivor and that female retirees are two years younger than their survivor.

We also recommend maintaining the survivor assumption that male retirees have a female survivor, and female retirees have a male survivor.

While we do not receive eligible survivor gender information from LACERS for members in pay status, this recommendation is consistent with the actual experience we have seen in recent studies done for other similar retirement systems, even with the inclusion of domestic partners.

G. Retiree health assumptions

Retiree medical participation

The member's retiree health subsidy amount varies depending on whether the retiree enrolls in a Board approved health carrier, the coverage tier elected, and the service level attained at retirement. Therefore, we make assumptions regarding health plan participation based on a member's service at retirement. The election rates shown below are based on all retirees reported in the valuation as of June 30, 2025. Also shown are the current and recommended assumptions.

Eligible Retirees who Elected Medical

Service Range	Current Rate	Actual Rate	Proposed Rate
10 – 14	60%	56.1%	60%
15 – 19	80%	77.3%	80%
20 – 24	90%	88.4%	90%
25 and over	95%	93.8%	95%

We recommend maintaining the current participation assumptions for all service ranges.

Spouse/domestic partner coverage

The retiree medical subsidy amount varies depending on whether retirees receiving a medical subsidy elect to cover their spouse or domestic partner.

The following table shows the observed percentage of new retirees receiving a medical subsidy who were reported with a covered spouse or domestic partner based on the actual experience over the past four years. Also shown are the current and recommended assumptions.

New Retirees with Spouse/Domestic Partner Coverage

Line Description	New Male Retiree	New Female Retiree
Current Assumption	60%	35%
Actual Experience	55%	29%
Recommended Assumption	**57%**	**30%**

We recommend lowering the spousal coverage assumptions from 60% to 57% for new male retirees and from 35% to 30% for new female retirees.

Covered spouse/domestic partner age difference

The following tables show the observed spouse's age for new retirees who elected to cover their spouse based on the actual experience over the past three years. Also shown are the current and recommended assumptions.

Covered Spouse/Domestic Partner's Age Compared to the Member's Age

Line Description	New Male Retiree	New Female Retiree
Current Assumption	4 years younger	2 years older
Actual Experience	3.4 years younger	1.8 years older
Recommended Assumption	**3 years younger**	**2 years older**

We recommend lowering the current spouse/domestic partner age difference assumption for new male retirees from four years younger to three years younger and maintaining the two years older assumption for new female retirees.

Retirees without Medicare Part A (Part B only retirees)

A subset of the plan's membership is not eligible for free Medicare Part A. These retirees are referred to as Part B only retirees. Because of the lack of integration with Medicare Part A, Part B only retiree premiums are higher than the premiums for retirees enrolled in Parts A and B. At LACERS, the maximum health subsidy for retirees without Medicare Part A is the same as those for non-Medicare retirees. In the prior valuation, Part B only retirees were valued similar to the Medicare retirees enrolled in Parts A and B. Because retirees who are currently under the age of 65 are assumed to be eligible for Parts A and B upon reaching the age of 65, the Part B only retirees are expected to be a declining population over time. While the liability for this group is expected to decline over time, including their unique premiums and subsidies represents an improvement in the current measurements.

We recommend valuing the subsidy on the census data record for current Part B only retirees.

MAPD premiums without age-specific assumptions

ASOP 6, *Measuring Retiree Group Benefit Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions*, generally requires actuaries to use age-specific costs in the development of per capita costs. However, exceptions are provided for cases where the use of age-adjusted costs may not be appropriate. The American Academy of Actuaries released a Practice Note for ASOP 6 that discussed these exceptions and specifically discussed Medicare Advantage plans and Part D prescription drug plans. These plans receive a risk-adjusted federal subsidy that is intended to address cost differences due to age, gender and health status. As such, the cost curve for these plans is flattened after federal payments, which indicates that it is reasonable to model the per-capita costs for the Medicare Advantage Prescription Drug (MAPD) plans using the same monthly premium rate for all ages.

We recommend valuing the per-capita claims costs for the MAPD plans using the respective plan premiums without any adjustments for differences in age or gender.

Health care trend assumptions

Due to the dynamic nature of the health care marketplace, Segal provides the Board recommendations for the health care trend assumptions on an annual basis. Although no

specific health care trend assumptions are being recommended as part of this experience study, we are including background on our general methodology for establishing health care trend rates, which are key assumptions in the retiree health valuation.

The process of setting trend assumptions begins with the selection of an initial (first-year) trend rate, followed by the development of a pattern that grades the trend downward over time to an ultimate long-term rate.

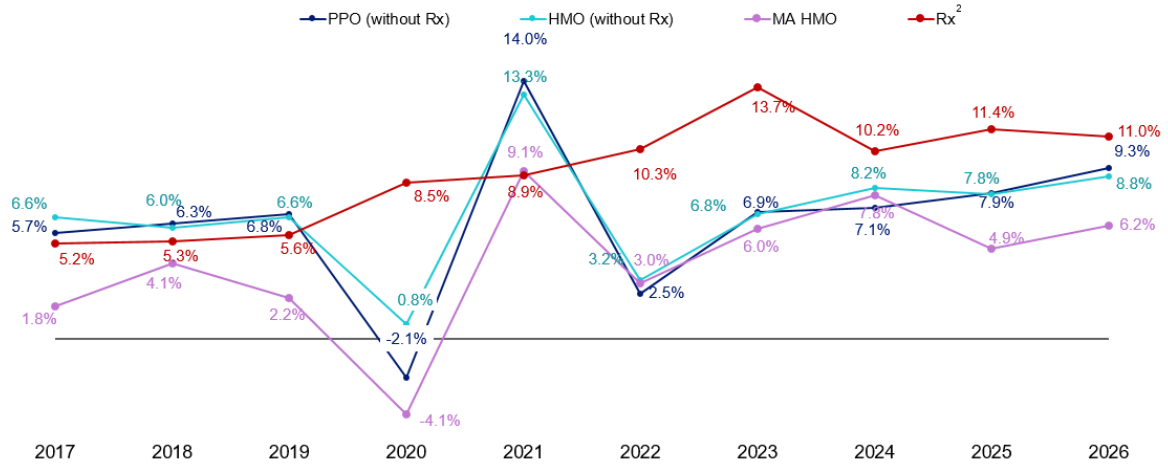
Initial Trend Rates

The initial year health care trend assumptions are developed using a nationwide perspective, with specific consideration given to recent and historical premium changes under the Los Angeles City Employees' Retirement System (LACERS) health plans. This combined approach reflects both broad health care cost expectations and plan-specific experience.

Segal's National Health Care Practice develops health care trend standards annually. These standards are informed by Segal's Health Plan Cost Trend Survey, which collects data from insurers, pharmacy benefit managers (PBMs), and managed care organizations across the country. As part of this process, Segal analyzes historical trends by comparing projected health care cost increases to actual results, evaluating the variation in experience and fitting those results to the differences observed between projected and realized trends.

The following graph provides a summary of historical trends through 2024, and projected 2025 and 2026 trend rates from Segal's 2026 Health Plan Cost Trend Survey.

Ten-Year Summary of Selected Medical and Rx Trends: *2017–2024 Actual and 2025 and 2026 Projected*[1]



Source: 2026 *Segal Health Plan Cost Trend Survey*
[1] All trends are illustrated for actives and non-Medicare retirees, except for MA HMOs.
[2] Prescription drug trend is combined for retail and mail order delivery channels.

For LACERS, the recommended health care trend assumptions also reflect the plan's recent premium history and renewal experience. In particular, premium changes over the past six years and the rate renewals presented at the August Board meetings are incorporated into the

selection of the first-year trend rates. This ensures that the assumptions reflect not only national expectations but also the characteristics and recent experience of the LACERS health plans, along with analysis provided by the Plan's health consultant.

Long-Term Trend and Grading Pattern

Retiree health care valuations typically project benefit payments over very long time horizons, in some cases extending 70 to 80 years into the future. Accordingly, the selection of ultimate trend rates and the grading pattern from the initial trend to the ultimate level is an important component of the assumption-setting process.

Segal's Office of the Chief Actuary has established internal standards governing the development of post–first-year trends. Under these standards, health care trends are assumed to decrease gradually from the initial level until reaching an ultimate long-term rate, reflecting expectations that health care cost growth will moderate over time relative to near-term levels.

The selected ultimate trend assumptions are developed with reference to several health economics frameworks. The ultimate trend rates also consider guidance in Actuarial Standard of Practice No. 6 (Measuring Retiree Group Benefits Obligations), "the actuary should consider relevant long-term economic factors such as projected growth in per capita gross domestic product (GDP), projected long-term wage inflation, and projected health care expenditures as a percentage of GDP." In this context, long-term per capita GDP growth estimates published by the Congressional Budget Office (CBO) are considered in evaluating the reasonableness of the ultimate trend assumptions. As noted in the CBO's March 2025 publication, The Long-Term Budget Outlook: 2025 to 2055, "On a per-person basis, real GDP is expected to increase at an average annual rate of 1.3 percent over the 2025 - 2055 period —more slowly than the average annual growth rate of 1.7 percent seen over the past 30 years." Using a 2.50% inflation assumption, the CBO's real per-capita GDP growth assumption of 1.30% translates to a 3.80% nominal per-capita GDP increase assumption. Our current 4.50% ultimate trend rate is higher than expected long-term nominal per-capita GDP increases as health care trend is expected to outpace GDP growth for most of the health plan's duration.

Medicare Part B

The trend assumptions for Medicare Part B premiums are based mainly on projections in the Medicare Trustees reports, which are updated annually.

Section 5: Cost Impact

This section presents the estimated impact of the recommended economic assumptions from *Section 3* and the recommended demographic assumptions from *Section 4*. The cost impact is estimated by recalculating the June 30, 2025 actuarial valuation using the recommended assumptions. The actual impact of the recommended assumptions will be measured as of the June 30, 2026 valuation.

Cost Impact on Funded Status
Based on June 30, 2025 Actuarial Valuation

Assumption	Retirement Plan	Health Plan	Total Impact on Funded Status
Changes in economic assumptions	$980.0 million	$94.0 million	$1,074.0 million
Changes in demographic assumptions	(166.7 million)	89.8 million	(76.9 million)
Total increase in UAAL	**$813.3 million**	**$183.8 million**	**$997.1 million**
Change in funded ratio on VVA basis	**(2.14%)**	**(4.80%)**	**(2.41%)**

Cost Impact on Average Employer Contribution Rates
Based on June 30, 2025 Actuarial Valuation (Payable July 15, % of Payroll)

Assumption	Retirement Plan	Health Plan	Total Impact on Employer Contribution
Changes in economic assumptions	4.00%	0.41%	4.41%
Changes in demographic assumptions	(0.72%)	0.01%	(0.71%)
Total increase in average employer contribution rate, payable July 15	**3.28%**	**0.42%**	**3.70%**
Total increase in annual dollar amount[41]	**$96.0 million**	**$12.3 million**	**$108.3 million**

Of the various assumption changes, the most significant rate increase is due to the change in the investment return assumption.

The tables below show the total impact on the employer contribution rate, payable on July 15, and the funded ratio due to the recommended assumptions.

[41] Based on June 30, 2025 projected annual payroll as determined under each set of assumptions.

Section 5: Cost Impact

Employer Contribution Rates by Membership Group (Payable July 15, % of Payroll)

Plan and Tier	Current Assumptions	Recommended Assumptions	Incremental Change
Retirement Plan			
Tier 1	30.14%	33.62%	3.48%
Tier 3	25.77%	28.77%	3.00%
Total Retirement Plan	**28.40%**	**31.68%**	**3.28%**
Retiree Health Plan			
Tier 1	3.49%	4.02%	0.53%
Tier 3	3.73%	3.99%	0.26%
Total Retiree Health Plan	**3.59%**	**4.01%**	**0.42%**

Funded Ratios on a Valuation Value of Assets Basis

Plan	Current Assumptions	Recommended Assumptions	Incremental Change
Retirement Plan	74.60%	72.46%	(2.14%)
Health Plan	105.77%	100.97%	(4.80%)

Section 5: Cost Impact

Incremental Change in Employer Contribution Rate (Payable July 15, % of Payroll)

Tier and Component	Retirement Plan	Retiree Health Plan	Total Employer Contribution
Tier 1			
Normal cost	1.88%	0.17%	2.05%
UAAL	1.60%	0.36%	1.96%
Total	**3.48%**	**0.53%**	**4.01%**
Tier 3			
Normal cost	1.40%	(0.10%)	1.30%
UAAL	1.60%	0.36%	1.96%
Total	**3.00%**	**0.26%**	**3.26%**
Total Plan			
Normal cost	1.68%	0.06%	1.74%
UAAL	1.60%	0.36%	1.96%
Total	**3.28%**	**0.42%**	**3.70%**

Appendix A: Current Actuarial Assumptions

Economic assumptions

Net investment return

7.00%, net of administrative and investment expenses.

Employee contribution crediting rate

Based on average of 5-year Treasury note rate. An assumption of 2.50% is currently used to approximate that crediting rate.

Inflation

2.50% per year.

Cost-of-Living Adjustment (COLA)

Retiree COLA increases of 2.75% per year for Tier 1 and 2.00% per year for Tier 3. For Tier 1 members with COLA banks, withdrawals from the bank are assumed to increase the retiree COLA up to 3.00% per year until their COLA banks are exhausted.

Increase in Internal Revenue Code Section 401(a)(17) compensation limit

Increase of 2.50% per year from the valuation date.

Payroll growth

Inflation of 2.50% per year plus real “across the board” salary increases of 0.50% per year, used to amortize the UAAL as a level percentage of payroll.

Appendix A: Current Actuarial Assumptions

Salary increases

The annual rate of compensation increase includes inflation of 2.50%, “across-the-board” increase of 0.50%, and a merit and promotion increase that varies by service.

Merit and Promotion Salary Increases (%)

Years of Service	Rate
Less than 1	6.00
1 – 2	5.90
2 – 3	5.40
3 – 4	4.20
4 – 5	3.50
5 – 6	2.80
6 – 7	2.50
7 – 8	2.10
8 – 9	1.80
9 – 10	1.60
10 – 11	1.50
11 – 12	1.40
12 – 13	1.30
13 – 14	1.20
14 – 15	1.10
15 and over	1.00

Demographic assumptions

Mortality

The Pub-2010 mortality tables and adjustments as shown below reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Post-retirement mortality rates

- **Service retirees**
  - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10% for males and unadjusted for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

Appendix A: Current Actuarial Assumptions

- **Disabled retirees**
  - Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 5% for males and decreased by 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
- **Beneficiaries**
  - **Not in pay status as of valuation**
    - Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10% for males and unadjusted for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
  - **In pay status as of valuation**
    - Pub-2010 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and increased by 10% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

Pre-retirement mortality rates

- Pub-2010 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 10% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2021.

Pre-Retirement Mortality Rates (%) — Before Generational Projection from 2010

Age	Male	Female
20	0.04	0.01
25	0.03	0.01
30	0.03	0.01
35	0.05	0.02
40	0.06	0.04
45	0.09	0.06
50	0.14	0.08
55	0.21	0.12
60	0.30	0.19
65	0.45	0.30

For Tier 1 Enhanced and Sworn PSO, 100% of pre-retirement death benefits are assumed to be service-connected.

Appendix A: Current Actuarial Assumptions

Disability incidence

Disability Incidence Rates (%)

Age	Rate
25	0.01
30	0.02
35	0.03
40	0.05
45	0.10
50	0.14
55	0.15
60	0.16
65	0.20

Type of Future Disability – Tier 1 Enhanced and Sworn PSO

Disability Type	Percentage
Service-connected	90%
Non-service-connected	10%

Level of Future Disability Benefits – Tier 1 Enhanced and Sworn PSO

Disability Type and Years of Service	Disability Benefit
Service-connected	
Less than 20	55% of final average salary
20 – 30	65% of final average salary
30 or more	75% of final average salary
Non-service-connected	
5 or more	40% of final average salary

Appendix A: Current Actuarial Assumptions

Termination

Termination Rates (%)

Years of Service	Rate
Less than 1	10.50
1 – 2	10.00
2 – 3	9.00
3 – 4	7.75
4 – 5	6.25
5 – 6	5.25
6 – 7	5.00
7 – 8	4.75
8 – 9	4.50
9 – 10	4.25
10 – 11	4.00
11 – 12	3.75
12 – 13	3.50
13 – 14	3.00
14 – 15	2.75
15 and over	2.50

No termination is assumed after a member is eligible for retirement (as long as a retirement rate is present).

Appendix A: Current Actuarial Assumptions

Retirement rates

Retirement Rates (%)

Age	Tier 1: Non-55/30	Tier 1: 55/30	Tier 1 Enhanced: Non-55/30	Tier 1 Enhanced: 55/30	Tier 3: Non-55/30	Tier 3: 55/30
50	5.0	0.0	6.0	0.0	5.0	0.0
51	3.0	0.0	5.0	0.0	3.0	0.0
52	3.0	0.0	5.0	0.0	3.0	0.0
53	3.0	0.0	5.0	0.0	3.0	0.0
54	18.0	0.0	18.0	0.0	17.0	0.0
55	6.0	27.0	10.0	30.0	0.0[42]	26.0
56	6.0	18.0	10.0	22.0	0.0[42]	17.0
57	6.0	18.0	10.0	22.0	0.0[42]	17.0
58	6.0	18.0	10.0	22.0	0.0[42]	17.0
59	6.0	18.0	10.0	22.0	0.0[42]	17.0
60	9.0	18.0	11.0	22.0	8.0	17.0
61	9.0	18.0	11.0	22.0	8.0	17.0
62	9.0	18.0	11.0	22.0	8.0	17.0
63	9.0	18.0	11.0	22.0	8.0	17.0
64	9.0	18.0	11.0	22.0	8.0	17.0
65	16.0	21.0	20.0	26.0	15.0	20.0
66	16.0	21.0	20.0	26.0	15.0	20.0
67	16.0	21.0	20.0	26.0	15.0	20.0
68	16.0	21.0	20.0	26.0	15.0	20.0
69	16.0	21.0	20.0	26.0	15.0	20.0
70 and over	100.0	100.0	100.0	100.0	100.0	100.0

[42] Not eligible to retire under the provisions of the Tier 3 plan at these ages with less than 30 years of service. If a member has at least 30 years of service at these ages, they would be subject to the "55/30" rates.

Appendix A: Current Actuarial Assumptions

Retirement age and benefit for inactive members

Pension benefit paid at the later of age 60 or the current attained age for members retiring from deferred status and at the later of age 59 and the current attained age for members retiring from reciprocal status. For reciprocals, 4.00% compensation increases per annum.

Other reciprocal service

5% of future inactive members will work at a reciprocal system.

Service

Benefit service is used for benefit calculation purposes. For eligibility determination purposes, employment service is used for currently active members and vesting service is used for currently inactive members.

Future benefit accruals

1.0 year of service credit per year.

Unknown data for members

Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.

Form of payment

All active and inactive Tier 1 and Tier 3 members who are assumed to be married or with domestic partners at retirement are assumed to elect the 50% Joint and Survivor Cash Refund Annuity. For Tier 1 Enhanced, the continuance percentage is 70% for service retirement and non-service-connected disability, and 80% for service-connected disability. For Sworn PSO, the continuance percentage is 70% for non-service-connected disability and 80% for service-connected disability. Those members who are assumed to be un-married or without domestic partners are assumed to elect the Single Cash Refund Annuity.

Percent married/domestic partner

For all active and inactive members, 76% of male participants and 52% of female participants are assumed to be married or with domestic partner at pre-retirement death or retirement.

Age and gender of spouse

For all active and inactive members, male members are assumed to have a female spouse who is 3 years younger than the member and female members are assumed to have a male spouse who is 2 years older than the member.

Retiree health assumptions

Spouse/domestic partner coverage

For all active and inactive members, 60% of male participants and 35% of female participants who receive a retiree health subsidy are assumed to be married or have a qualified domestic partner and elect dependent coverage. Of these covered spouses/domestic partners, 100% are assumed to continue coverage if the retiree predeceases the spouse/domestic partner.

Male retirees are assumed to be 4 years older than their female spouses/domestic partners. Female retirees are assumed to be 2 years younger than their male spouses/domestic partners.

Participation

Retiree Medical and Dental Coverage Participation (%)

Service Range (Years)	Percent Covered
10–14	60
15–19	80
20–24	90
25 and over	95

For deferred vested members, we assume an election percent of 50% of these rates.

Mortality Tables

Headcount weighted versions of the mortality tables are used for the health valuation.

Appendix B: Recommended Actuarial Assumptions

Economic assumptions

Net investment return

6.75%, net of administrative and investment expenses.

Employee contribution crediting rate

Based on average of 5-year Treasury note rate. An assumption of 2.50% is currently used to approximate that crediting rate.

Inflation

2.50% per year.

Cost-of-Living Adjustment (COLA)

Retiree COLA increases of 2.75% per year for Tier 1 and 2.00% per year for Tier 3. For Tier 1 members with COLA banks, withdrawals from the bank are assumed to increase the retiree COLA up to 3.00% per year until their COLA banks are exhausted.

Increase in Internal Revenue Code Section 401(a)(17) compensation limit

Increase of 2.50% per year from the valuation date.

Payroll growth

Inflation of 2.50% per year plus real “across the board” salary increases of 0.50% per year, used to amortize the UAAL as a level percentage of payroll.

Appendix B: Recommended Actuarial Assumptions

Salary increases

The annual rate of compensation increase includes inflation of 2.50%, “across-the-board” increase of 0.50%, and a merit and promotion increase that varies by service.

Merit and Promotion Salary Increases (%)

Years of Service	Rate
Less than 1	6.00
1 – 2	5.90
2 – 3	5.50
3 – 4	4.80
4 – 5	4.30
5 – 6	3.80
6 – 7	3.40
7 – 8	2.90
8 – 9	2.50
9 – 10	2.10
10 – 11	1.90
11 – 12	1.70
12 – 13	1.60
13 – 14	1.50
14 – 15	1.40
15 and over	1.30

Demographic assumptions

Mortality

The Pub-2016 mortality tables and adjustments as shown below reasonably reflect the mortality experience as of the measurement date. These mortality tables were adjusted to future years using the generational projection to reflect future mortality improvement between the measurement date and those years.

Post-retirement mortality rates

- **Service retirees**
  - Pub-2016 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and unadjusted for females, projected generationally with Scale MP-2021.

Appendix B: Recommended Actuarial Assumptions

- **Disabled retirees**
  - Pub-2016 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) with rates increased by 15% for males and unadjusted for females, projected generationally with Scale MP-2021.
- **Beneficiaries**
  - **Not in pay status as of valuation**
    - Pub-2016 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and unadjusted for females, projected generationally with Scale MP-2021.
  - **In pay status as of valuation**
    - Pub-2016 Contingent Survivor Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 5% for males and increased by 5% for females, projected generationally with Scale MP-2021.

Pre-retirement mortality rates

- Pub-2016 General Employee Amount-Weighted Above-Median Mortality Table (separate tables for males and females) with rates increased by 15% for males and increased by 10% for females, projected generationally with Scale MP-2021.

Pre-Retirement Mortality Rates (%) — Before Generational Projection from 2016

Age	Male	Female
20	0.03	0.01
25	0.04	0.01
30	0.04	0.02
35	0.05	0.03
40	0.07	0.04
45	0.10	0.06
50	0.15	0.09
55	0.22	0.14
60	0.34	0.20
65	0.51	0.32

For Tier 1 Enhanced and Sworn PSO, 100% of pre-retirement death benefits are assumed to be service-connected.

Appendix B: Recommended Actuarial Assumptions

Disability incidence

Disability Incidence Rates (%)

Age	Rate
25	0.01
30	0.02
35	0.03
40	0.05
45	0.08
50	0.12
55	0.14
60	0.15
65	0.18

Type of Future Disability – Tier 1 Enhanced and Sworn PSO

Disability Type	Percentage
Service-connected	80%
Non-service-connected	20%

Level of Future Disability Benefits – Tier 1 Enhanced and Sworn PSO

Disability Type and Years of Service	Disability Benefit
Service-connected	
Less than 20	60% of final average salary
20 – 30	65% of final average salary
30 or more	75% of final average salary
Non-service-connected	
5 or more	40% of final average salary

Appendix B: Recommended Actuarial Assumptions

Termination

Termination Rates (%)

Years of Service	Rate
Less than 1	11.00
1 – 2	9.50
2 – 3	9.25
3 – 4	8.50
4 – 5	6.75
5 – 6	6.00
6 – 7	5.00
7 – 8	4.50
8 – 9	4.25
9 – 10	4.25
10 – 11	4.00
11 – 12	4.00
12 – 13	3.50
13 – 14	3.25
14 – 15	3.00
15 and over	2.25

No termination is assumed after a member is eligible for retirement (as long as a retirement rate is present).

Appendix B: Recommended Actuarial Assumptions

Retirement rates

Retirement Rates (%)

Age	Tier 1: Non-55/30	Tier 1: 55/30	Tier 1 Enhanced: Non-55/30	Tier 1 Enhanced: 55/30	Tier 3: Less Than 30 Years	Tier 3: 30 or More Years
50	3.0	0.0	5.0	0.0	0.0	3.0
51	2.0	0.0	4.0	0.0	0.0	2.0
52	2.0	0.0	4.0	0.0	0.0	2.0
53	2.0	0.0	4.0	0.0	0.0	2.0
54	19.0	0.0	14.0	0.0	0.0	18.0
55	5.0	29.0	10.0	36.0	0.0	28.0
56	5.0	17.0	10.0	21.0	0.0	16.0
57	5.0	17.0	10.0	21.0	0.0	16.0
58	5.0	17.0	10.0	21.0	0.0	16.0
59	5.0	17.0	10.0	21.0	0.0	16.0
60	8.0	17.0	11.0	21.0	7.0	16.0
61	8.0	17.0	11.0	21.0	7.0	16.0
62	8.0	17.0	11.0	21.0	7.0	16.0
63	8.0	17.0	11.0	21.0	7.0	16.0
64	8.0	17.0	11.0	21.0	7.0	16.0
65	13.0	18.0	20.0	25.0	12.0	17.0
66	13.0	18.0	20.0	25.0	12.0	17.0
67	13.0	18.0	20.0	25.0	12.0	17.0
68	13.0	18.0	20.0	25.0	12.0	17.0
69	13.0	18.0	20.0	25.0	12.0	17.0
70 and over	100.0	100.0	100.0	100.0	100.0	100.0

Appendix B: Recommended Actuarial Assumptions

Retirement age and benefit for inactive members

Pension benefit paid at the later of age 61 or the current attained age for members retiring from deferred status and at the later of age 59 and the current attained age for members retiring from reciprocal status. For reciprocals, 4.30% compensation increases per annum.

Other reciprocal service

5% of future inactive members will work at a reciprocal system.

Service

Benefit service is used for benefit calculation purposes. For eligibility determination purposes, employment service is used for currently active members and vesting service is used for currently inactive members.

Future benefit accruals

1.0 year of service credit per year.

Unknown data for members

Same as those exhibited by members with similar known characteristics. If not specified, members are assumed to be male.

Form of payment

All active and inactive Tier 1 and Tier 3 members who are assumed to be married or with domestic partners at retirement are assumed to elect the 50% Joint and Survivor Cash Refund Annuity. For Tier 1 Enhanced, the continuance percentage is 70% for service retirement and non-service-connected disability, and 80% for service-connected disability. For Sworn PSO, the continuance percentage is 70% for non-service-connected disability and 80% for service-connected disability. Those members who are assumed to be un-married or without domestic partners are assumed to elect the Single Cash Refund Annuity.

Percent married/domestic partner

For all active and inactive members, 70% of male participants and 50% of female participants are assumed to be married or with domestic partner at pre-retirement death or retirement.

Age and gender of spouse

For all active and inactive members, male members are assumed to have a female spouse who is 3 years younger than the member and female members are assumed to have a male spouse who is 2 years older than the member.

Appendix B: Recommended Actuarial Assumptions

Retiree health assumptions

Spouse/domestic partner coverage

For all active and inactive members, 57% of male participants and 30% of female participants who receive a retiree health subsidy are assumed to be married or have a qualified domestic partner and elect dependent coverage. Of these covered spouses/domestic partners, 100% are assumed to continue coverage if the retiree predeceases the spouse/domestic partner.

Male retirees are assumed to be 3 years older than their female spouses/domestic partners. Female retirees are assumed to be 2 years younger than their male spouses/domestic partners.

Participation

Retiree Medical and Dental Coverage Participation (%)

Service Range (Years)	Percent Covered
10–14	60
15–19	80
20–24	90
25 and over	95

For deferred vested members, we assume an election percent of 50% of these rates.

Mortality Tables

Headcount weighted versions of the mortality tables are used for the health valuation.

MAPD premiums without age-specific assumptions

The per-capita costs for the Medicare Advantage Prescription Drug (MAPD) plans are modeled using premiums without any adjustments for differences in age and gender.

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LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: JUNE 23, 2026
FROM: Todd Bouey, General Manager
ITEM: VI-B

SUBJECT: PROPOSED LIST OF PRE-APPROVED BOARD EDUCATIONAL SEMINARS AND TRAINING FOR FISCAL YEAR 2026-27 AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation

That the Board approve the proposed list of Pre-Approved Board Educational Seminars and training for Fiscal Year 2026-27.

Executive Summary

Pursuant to the LACERS Board of Administration Education Travel Policy, the Fiscal Year 2026-27 Pre-Approved List of Educational Seminars (attachment) recommended for the Board is attached. Also included is the report with additional requested educational seminars for Fiscal Year 2025-26.

Discussion

The LACERS' Board Education Travel Policy is intended to affirm education as an essential component of a trustee's fiduciary responsibility. The aim of the policy is to ensure that each Trustee fulfills the "Prudent Person Standard" by developing and maintaining their knowledge of public pension administration through exposure to current benefit, financial, and policy information, thereby developing a sound understanding of issues and topics that may directly impact LACERS. This fiduciary responsibility imposes a continuing need for Board Members to attend professional and educational conferences, seminars, and other educational events. Pursuant to the Policy, the

maximum annual allocation per Trustee is $10,000 for conference and other travel expenses.

The costs listed in the attachment are for registration fees only and do not include other costs, such as airfare/transportation, lodging, meals, and incidentals.

Prior to the beginning of each fiscal year, the Board pre-approves, for administrative efficiency, the travel authority for a list of designated conferences/educational seminars. This list will include all conferences deemed by the Board to have a solid reputation for quality program content.

Also attached to this report are conferences that were brought to the Board for consideration and approved on a case-by-case basis. Based on the standards indicated above, the Board may include these conferences, in whole or in part, on the designated list of pre-approved educational seminars for the coming fiscal year.

As per the Board Policy, Article II, Section 1.0, Board Members shall attend conferences or seminars that have a solid reputation for quality program content, i.e., with agendas that include a minimum of five hours of substantive educational content. Content shall not be geared toward marketing or the promotion of investment management and related sponsors. Topics covered during the conference or seminar must be related to the pension fund industry. Conferences not adopted in the Pre-Approved List of Educational Seminars for Fiscal Year 2026-27 will require direct Board approval.

The Commission Executive Assistant will continue to periodically share with the Commissioners any educational opportunities that become known to LACERS staff, whether or not they are included in the Pre-Approved List of Education Seminars. Additionally, if Commissioners would like to work on individual education plans, the General Manager is available to discuss suggested training and conferences in the primary areas of governance, fiduciary, investments, and benefits administration.

When the list is approved and finalized, Board Members will be invited to submit a training interest for Fiscal Year 2026-27 by completing a form provided by the Commission Executive Assistant. Board Members may submit preferences at any time, but are encouraged to submit them no later than 60 days prior to the scheduled event to provide sufficient time for staff to process travel request materials and allow the attendee to make travel arrangements as needed.

The adopted Board training and travel budget generally provides for each LACERS Board member to attend one or more external training events per fiscal year. However, since not all Board members attend off-site training, there may be a surplus of training funds that could allow for attending more than one event. Therefore, the interest form provides Board members with an opportunity to indicate their interest in their first and (if applicable) second training events.

The adopted training programs do not preclude consideration of other training programs that may arise over the course of the year. Board members interested in events not on

this list, whether now or later in the year, should contact staff for further assistance. Board members should not spend any personal funds for registration or travel until final approval has been provided.

One organization-the Council of Institutional Investors (CII)-has been removed from the Pre-Approved list because it requires a membership that LACERS does not currently hold. In addition, the Robert F. Kennedy Human Rights Conference has been removed due to its invitation-only criteria. Going forward, any requests to attend events hosted by these organizations will be brought to the Board individually for consideration, including an evaluation of membership eligibility and any associated fees.

Prepared By: Ani Ghoukassian, Commission Executive Assistant II

ATTACHMENT: 1. Proposed List of Educational Seminars for Fiscal Year 2026-27 and Additional Educational Seminars Approved by the Board during Fiscal Year 2025-26

BOARD MEETING: 06/23/26
ITEM: VI-B
ATTACHMENT: 1

LACERS Fiscal Year 2026-27 Travel & Training Program Conference Training and Educational Events

1. **California Association of Public Retirement Systems (CALAPRS) – Advanced Principles of Pension Governance for Trustees**

   CALAPRS website link: https://www.calaprs.org/

   Subject Matter: Benefits Admin, Investments, Corporate Governance, and Audit & Strategic Planning

   Trustee Evaluation: Level – Advanced

   Date and Location: (TBD)

   Registration Fee: $3,000.00

2. **California Association of Public Retirement Systems (CALAPRS) – General Assembly**

   CALAPRS website link: https://www.calaprs.org/

   Subject Matter: Benefits Admin, Investments, Corporate Governance, and Audit & Strategic Planning

   Trustee Evaluation: Level – Intermediate

   Date and Location: (TBD)

   Registration Fee: $3,000.00

3. **California Association of Public Retirement Systems (CALAPRS) – Principles of Pension Governance for Trustees**

   CALAPRS website link: https://members.calaprs.org/events/Details/principles-of-pension-governance-for-trustees-1593574?sourceTypeId=Website

   Subject Matter: Benefits Admin, Investments, Corporate Governance, and Audit & Strategic Planning

   Trustee Evaluation: Level – Intermediate

   Date and Location: August 24-27, 2026 (Santa Barbara, CA)

   Registration Fee: $3,000.00

4. **California Association of Public Retirement Systems (CALAPRS) – Trustees' Roundtable**

   CALAPRS Website link: https://members.calaprs.org/events/Details/trustees-round-table-may-2026-1593558?sourceTypeId=Website

   Subject Matter: Benefits Admin, Investments, Corporate Governance, and Audit & Strategic Planning

   Trustee Evaluation: Level – Intermediate

   Date and Location: TBD

   Registration Fee: $500.00

5. **Harvard Business School (HBS) – Driving Strategic Decisions, previously known as Behavioral Economics**

   HBS Website link: https://www.exed.hbs.edu/driving-strategic-decisions-virtual

   Subject Matter: Investments, Corporate, and Governance

   Trustee Evaluation – (TBD)

   Date and Location: February 3 – March 17, 2027 (Virtual)

   Registration Fee: $7,250.00

6. **Harvard Business School (HBS) – Competing in the Age of AI-Virtual**

   HBS Website link: https://www.exed.hbs.edu/competing-age-ai-virtual

   Subject Matter: (TBD)

   Trustee Evaluation: Level – Intermediate

   Date and Location: September 24 – November 19, 2026 (Virtual)

   Registration Fee: $7,250.00

7. **Harvard Kennedy School (HKS) – Leadership Decision Making: Optimizing Organizational Performance**

   HKS Website link: https://www.hks.harvard.edu/educational-programs/executive-education/leadership-decision-making

   Subject Matter: Public Leadership and Public Policy

   Trustee Evaluation: Level – Advanced

   Date and Location: September 27 – October 2, 2026 (Cambridge, MA)

   Registration Fee: $11,300.00

8. **Harvard Kennedy School (HKS) – Infrastructure Financing Regulation and Management**

   HKS Website link: https://www.hks.harvard.edu/educational-programs/executive-education/infrastructure-financing-regulation-and-management

   Subject Matter: (TBD)

   Trustee Evaluation: Level – Intermediate

   Date and Location: May 2-7, 2027 (Cambridge, MA)

   Registration Fee: $10,600.00

9. **International Atlantic Economic Society (IAES) – International Atlantic Economic Society Annual Conference**

   IAES Website link: https://www.iaes.org/2026-conference/

   Subject Matter: (TBD)

   Trustee Evaluation: Level – (TBD)

   Date and Location: (TBD)

   Registration Fee: (TBD)

10. **International Atlantic Economic Society (IAES) – International Atlantic Economic Society North American Conference**

    IAES Website link: https://www.iaes.org/2026-conference/

    Subject Matter: (TBD)

    Trustee Evaluation: Level – (TBD)

    Date and Location: (TBD)

    Registration Fee: (TBD)

11. **International Foundation of Employee Benefit Plans (IFEBP) – The Wharton School Advanced Investments Management**

    IFEBP Website link: https://www.ifebp.org/home

    Subject Matter: Investments

    Trustee Evaluation: Level – Intermediate

    Date and Location: (TBD)

    Registration Fee: (TBD)

12. **International Foundation of Employee Benefit Plans (IFEBP) – Advanced Trustees and Administrators Institute**

    IFEBP Website link: https://www.ifebp.org/education---events/educational-program-schedule/advanced-trustees---administrators-institute/event-home

    Subject Matter: Benefits Admin, Investments, and Plan Admin

    Trustee Evaluation: Level – (TBD)

    Date and Location: (TBD)

    Registration Fee: (TBD)

13. **International Foundation of Employee Benefit Plans (IFEBP) – The Wharton School Alternative Investment Strategies**

    IFEBP Website link: https://www.ifebp.org/home

    Subject Matter: Investments and Corporate Governance

    Trustee Evaluation: Level – Intermediate

    Date and Location: (TBD)

    Registration Fee: (TBD)

14. **International Foundation of Employee Benefit Plans (IFEBP) – Annual Employee Benefits Conference**

    IFEBP Website link: https://www.ifebp.org/education---events/educational-program-schedule/annual-employee-benefits-conference/event-overview

    Subject Matter: Benefits Admin, Investments, and Plan Admin

    Trustee Evaluation: Level – (TBD)

    Date and Location: October 25-28, 2026 (New Orleans, LA)

    Registration Fee: $1,925.00

15. **International Foundation of Employee Benefit Plans (IFEBP) – Health Benefit Plan Basics – Certificate Series**

    IFEBP Website link: https://www.ifebp.org/home

    Subject Matter: Benefits Admin

    Trustee Evaluation: Level – (TBD)

    Date and Location: (TBD)

    Registration: (TBD)

16. **International Foundation of Employee Benefit Plans (IFEBP) – Investments Institute**

    IFEBP Website link: https://www.ifebp.org/education---events/educational-program-schedule/investments-institute/event-home

    Subject Matter: Investments

    Trustee Evaluation: Level – (TBD)

    Date and Location: May 5-6, 2027 (Nashville, TN)

    Registration Fee: $1,850.00

17. **International Foundation of Employee Benefit Plans (IFEBP) – New Trustees Institute**

    IFEBP Website link: https://www.ifebp.org/education---events/educational-program-schedule/new-trustees-institute---level-i--core-concepts

    Subject Matter: Benefits Admin, Investments, and Plan Admin

    Trustee Evaluation: Level – (TBD)

    Level I: Core Concepts:

    Date and Location: (TBD)

    Registration Fee: (TBD)

    Level II: Concepts in Practice

    Date and Location: (TBD)

    Registration Fee: (TBD)

18. **International Foundation of Employee Benefit Plans (IFEBP) – The Wharton School Portfolio Concepts and Management Course**

    IFEBP Website link: https://www.ifebp.org/home

    Subject Matter: Investments

    Trustee Evaluation: Level – (TBD)

    Date and Location: (TBD)

    Registration Fee: (TBD)

19. **National Conference on Public Employee Retirement Systems (NCPERS) – Annual Conference & Exhibition**

    NCPERS website link: https://www.ncpers.org/2026-annual-conference

Subject Matter: Benefits Admin, Investments, and Corporate Governance

Trustee Evaluation: Level – Intermediate

Date and Location: (TBD)

Registration Fee: (TBD)

20. **National Conference on Public Employee Retirement Systems (NCPERS) – Legislative Forum & Policy Day**

    NCPERS Website link: https://www.ncpers.org/legislative-forum-and-policy-day

    Subject Matter: Benefits Admin, Investments, and Corporate Governance

    Trustee Evaluation: Level – Intermediate

    Date and Location: July 19-21, 2027 (Washington, D.C.)

    Registration Fee: (TBD)

21. **National Conference on Public Employee Retirement Systems (NCPERS) – Trustee Essentials Training (formerly TEDS), previously known as Trustee Educational Seminar (TEDS)**

    NCPERS Website link: https://www.ncpers.org/events/ncpers-trustee-essentials-training-formerly-teds

    Subject Matter: Benefits Admin, Investments, and Corporate Governance

    Trustee Evaluation: Level – Intermediate

    Date and Location: (TBD)

    Registration Fee: (TBD)

22. **Nossaman Annual Public Pensions and Investments' Fiduciaries' Forum Annual Update**

    Nossaman Website link: https://www.nossaman.com

    Subject Matter: Legislative Governance

    Trustee Evaluation: Level – (TBD)

    Date and Location: (TBD)

    Registration Fee: (TBD)

23. **Pacific Pension & Investments Institute (PPI)**

    PPI Website link: https://www.ppi.institute/content

Subject Matter: Investments, and Corporate Governance

Trustee Evaluation: Level – (TBD)

Summer Roundtable:

Date and Location: July 22-24, 2026 (Toronto, ON Canada)

Registration Fee: $900.00

Winter Roundtable:

Date and Location: October 21-23, 2026 (Mumbai, MH India)

Registration Fee: $900.00

24. **Pension Real Estate Association (PREA) Annual Institutional Investor Conference**

PREA Website link: https://www.prea.org/events/upcoming-events/

Subject Matter: Investments

Trustee Evaluation: Level – Intermediate

Date and Location: October 7-9, 2026 (Washington, DC)

Registration Fee: (TBD)

25. **Pension Real Estate Association (PREA) Spring Conference**

PREA Website link: https://www.prea.org/events/upcoming-events/

Subject Matter: Investments

Trustee Evaluation: Level – (TBD)

Date and Location: March 18-19, 2027 (San Diego, CA)

Registration Fee: (TBD)

26. **State Association of County Retirement Systems (SACRS) Conference**

SACRS Website link: https://sacrs.org/Events/Spring-Conference

Subject Matter: Benefits Admin, Investments, and Corporate Governance

Trustee Evaluation: Level - Intermediate

Spring Conference:

Date and Location: May 11-14, 2027 (Monterey, CA)

Registration Fee: (TBD)

Fall Conference:

Date and Location: November 10-13, 2026 (Rancho Mirage, CA)

Registration Fee: (TBD)

27. **State Association of County Retirement Systems (SACRS) / UC Berkeley Program – Public Pension Investment Management Program**

    SACRS Website link: https://sacrs.org/Events/SACRS-UC-Berkeley-Program

    Subject Matter: Investments

    Trustee Evaluation: Level – Intermediate

    Date and Location: July 19-22, 2026 (Berkeley, CA)

    Registration Fee: $3,000.00

28. **United Nations Principles in Responsible Investing (PRI) in Person**

    PRI Website link: https://public.unpri.org/news-and-events/upcoming-events/pri-in-person-2026

    Subject Matter: Investments and Corporate Governance

    Trustee Evaluation: Level – (TBD)

    Date and Location: October 13-15, 2026 (Amsterdam, Netherlands)

    Registration Fee: No registration cost

29. **Western Economic Association International (WEAI) – Annual Conference**

    WEAI Website link: https://www.weai.org/events/101st-annual

    Subject Matter: Investments

    Trustee Evaluation: Level – Advanced

    Date and Location: (TBD)

    Registration Fee: (TBD)

30. **Women's Alternative Investment Summit**

    (TBD)

    Subject Matter: Investments

    Trustee Evaluation: (TBD)

    Date and Location: (TBD)

Registration Fee: (TBD)

31. **Women's Private Equity Summit**

    Website link: https://events.withintelligence.com/womensprivateequitysummit

    Subject Matter: Investments

    Trustee Evaluation: (TBD)

    Date and Location: (TBD)

    Registration Fee: No registration cost

ADDITIONAL EDUCATIONAL SEMINARS APPROVED BY THE BOARD FY 2025-26

1. **Harvard Business School – Driving Digital and AI Strategy**

   Date and Location: March 29 – April 3, 2026 (Boston, MA)

   Commissioner: Sung Won Sohn

2. **Harvard Kennedy School – HKS Leadership for the 21st Century**

   Date and Location: January 25-30, 2026 (Cambridge, MA)

   Commissioner: Janna Sidley

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: JUNE 23, 2026
FROM: Todd Bouey, General Manager
ITEM: VII-B

SUBJECT: CONTRACT WITH AKSIA LLC REGARDING PRIVATE EQUITY CONSULTANT SERVICES, REPLACEMENT OF KEY PERSON AND POSSIBLE BOARD ACTION

☒ ACTION ☐ RECEIVE & FILE ☐ CONSENT ☐ CLOSED

Recommendation

That the Board:

1. Approve Katie Bushee to be named a Key Person with LACERS' Private Equity Consultant, Aksia LLC (Aksia).

2. Authorize the General Manager or designee to approve and execute necessary documents, subject to satisfactory business and legal terms.

Discussion

Staff informed the Board at the meeting of February 24, 2026, that Thomas Martin, a Key Person since November 8, 2022, would be transitioning to a Senior Advisor role at Aksia and unable to continue to serve as a Key Person on the LACERS account effective March 2026. Aksia has served as LACERS' Private Equity Consultant since July 25, 2018. The contract between LACERS and Aksia contains a Key Persons provision in Section 2. Within this provision, it currently names three Key Persons: Thomas Martin, Trevor Jackson, and Heidi Poon. The contract provides that any replacement of a Key Person shall be conducted according to a specific Key Person replacement process. As such, the Board was also informed that staff would conduct a

Key Person evaluation process that would consist of interviewing at least three seasoned Aksia staff consultants appropriate to fill the role of Key Person. Upon conclusion of that process, staff would return to a future Board meeting with their recommendations.

Staff recently completed the evaluation process of the three proposed Aksia staff consultants. Based upon its findings that included a review of consultant experience, academic and professional credentials, and fit with LACERS' specific functional needs as well as complementary fit with Heidi Poon and Trevor Jackson, staff recommends Katie Bushee as a Key Person to the Aksia private equity consulting contract. Staff is prepared to discuss with the Board the factors that it considered in recommending Katie Bushee, who will also be present at the Board meeting to highlight her qualifications and respond to questions from the Board.

Prepared By:
Eduardo Park, Investment Officer II

Attachment: 1. Biography of Katie Bushee

BOARD MEETING DATE: JUNE 23, 2026

ITEM: VII-B

ATTACHMENT: 1

Biography for Katie Bushee

Katie Bushee is a Vice President on Aksia's Private Equity team, where she focuses on North American middle market buyout primary fund investments and leads a team of three professionals. In her role, she is involved across the full investment lifecycle, including sourcing, underwriting, due diligence, investment recommendation preparation, and ongoing portfolio monitoring for institutional clients. She also assists with co-investment and secondary activity, providing insight on managers within her coverage. In addition, she works directly with clients to evaluate and discuss their middle market private equity portfolios and supports presentations to client investment committees and boards.

Prior to Aksia's acquisition of TorreyCove Capital Partners, Katie was an Associate on the investment team, covering North American middle market buyouts. She joined TorreyCove in 2017 and, in addition to her investment responsibilities, spent time in roles related to portfolio management and reporting. Across both TorreyCove and Aksia, Katie has taken on increasing responsibility in client coverage, investment execution, and mentoring junior professionals.

Katie earned a BA in Mathematics from Colgate University, where she was a Division I softball player. She was also a team captain and a multi-year All-Patriot League honoree, reflecting a strong record of leadership, discipline, and teamwork that continues to inform her professional approach.

Los Angeles City Employees' Retirement System

Private Equity Portfolio Performance Report

As of December 31, 2025

Aksia

www.aksia.com

Table of Contents

Private Equity Portfolio Overview (1 of 4)

Aggregate Portfolio Summary As of December 31, 2025

As of December 31, 2025, the aggregate portfolio's fair market value of ~$5.3 billion represented 19.7% of Total Plan Assets

Aggregate Portfolio Private Equity Exposure Summary	
Total Plan Market Value	$27,111,858,652
Private Equity Exposure Target (%)	16.0%
Private Equity Exposure Target ($)	$4,337,897,384
Private Equity Exposure (%)	19.7%
Fair Market Value ("FMV")	$5,330,963,280

- As of December 31, 2025, total plan assets increased year-over-year by ~12.7% to ~$27.1 billion. This translates to private equity exposure of ~19.7% (based on private equity fair market value as of 12/31/25)
- Public equity markets and total plan assets continued to rise in 2026. However, there continues to be historically slower exits and capital distributions in private markets, leading to private equity exposure being above the target allocation. 2026 commitment pacing is targeting between $550mm and $650mm.

Private Equity Portfolio Overview (2 of 4)

Aggregate Portfolio Snapshot Year-Over-Year (12/31/2024 through 12/31/2025)

- Since the inception of the LACERS private equity program in 1995, LACERS has committed $9.5 billion to 408 partnerships, of which 305 remain active as of 12/31/2025
- For the last 12 months, contributions ($665 million) outpaced distributions ($604 million)
- Over this same period, the fair market value of the private equity portfolio increased by $671 million
- Since inception, the aggregate portfolio has generated a total value of 1.65x and a Net IRR of 11.9%

Aggregate Portfolio Snapshot ($ millions)			
Portfolio Since Inception	12/31/2025	12/31/2024	Change (+/-)
Partnerships	408	396	+12
Active	305	300	+5
Inactive	103	96	+7
Sponsors	165	159	+6
Investment To Date Contributions	$7,570	$6,905	+$665
Investment To Date Distributions	$7,177	$6,573	+$604
Fair Market Value	$5,331	$4,660	+$671
TVPI[1]	1.65x	1.63x	0.03x
Net IRR	11.9%	11.9%	0.0%

[1]Total Value to Paid In Capital ("TVPI"): (Cumulative Distributions + Fair Market Value) / (Cumulative Contributions)
TVPI and IRR figures rounded.

Private Equity Portfolio Overview (3 of 4)

The Aggregate Portfolio Can Be Grouped Into Vintage Year Buckets

"Mature" bucket
($70.9 million of fair market value with vintage years 1995-2010)

- Minimal change year-over-year with respect to Net TVPI and Net IRR
- Will have limited impact going forward given the small value relative to other buckets

"Maturing" bucket
($2,906.0 million of fair market value with vintage years 2011-2020)

- Net TVPI increased 0.05x while the Net IRR decreased by 0.5%
- Potential for growth or decline to occur in these investments
- Bulk of any near-term distributions are likely to come from the "Maturing" bucket

"Developing" bucket
($2,355.8 million of fair market value with vintage years 2021-2025)

- Net TVPI increased 0.13x while the Net IRR increased by 4.0%
- Significant potential for growth or decline to occur in these investments
- Bulk of the near-term contributions are likely to come from the "Developing" bucket

Vintage Years	LTM[1] Contributions	ITD[2] Contributions	LTM[1] Distributions	ITD[2] Distributions	Fair Market Value	12/31/2025 Net TVPI	Year Over Year Change Net TVPI	12/31/2025 Net IRR	Year Over Year Change Net IRR
Mature (1995-2010)	$0.1	$2,068.9	$24.1	$3,366.3	$70.9	1.66x	0.00x	10.53%	-0.01%
Maturing (2011-2020)	$89.8	$3,539.8	$483.7	$3,630.1	$2,906.0	1.85x	0.05x	14.83%	-0.49%
Developing (2021-2025)	$574.7	$1,961.1	$96.2	$180.9	$2,355.8	1.29x	0.13x	13.90%	4.05%
Total Portfolio	**$664.6**	**$7,569.9**	**$603.9**	**$7,177.3**	**$5,332.7**	**1.65x**	**0.03x**	**11.94%**	**0.04%**

In $millions

[1]Last 12 Months ("LTM")
[2]Inception to Date ("ITD")

Private Equity Portfolio Overview (4 of 4)

10 Largest Sponsor Relationships (by total exposure)

- The top ten Sponsors by exposure account for 31.4% of aggregate portfolio exposure and 26.9% of active portfolio commitments

Firm	Number of Active Funds	Active Commitments	% of Total Active Commitments	Exposure (FMV + Unfunded)	% of Total Exposure	TVPI[1]	Net IRR[1]
Thoma Bravo LP	12	$400,000,000	4.9%	$465,152,974	5.9%	1.69x	17.2%
Spark Management Partners	11	$193,750,000	2.4%	$287,600,617	3.6%	2.36x	26.4%
General Catalyst Group Management	10	$173,333,333	2.1%	$246,295,583	3.1%	1.48x	14.4%
HgCapital	6	$198,065,281	2.4%	$223,826,159	2.8%	1.38x	14.5%
Platinum Equity Advisors LLC	6	$222,500,000	2.7%	$220,729,991	2.8%	1.49x	17.5%
HarbourVest Partners	2	$200,000,000	2.5%	$219,885,207	2.8%	1.17x	11.9%
Oak HC/FT	6	$185,000,000	2.3%	$217,140,803	2.7%	1.58x	14.8%
Advent International Corporation	7	$235,000,000	2.9%	$208,487,414	2.6%	1.67x	14.2%
TA Associates	5	$200,000,000	2.5%	$201,902,260	2.5%	2.02x	20.7%
New Enterprise Associates	6	$170,000,000	2.1%	$196,219,026	2.5%	1.75x	14.2%

All percentages rounded.

[1]*Inception-to-date performance includes liquidated holdings.*

Summary of Q3 2025 & Q4 2025 Activity (1 of 2)

New Investments made in Q3 2025 & Q4 2025

Closing Date	Sponsor[1]	Partnership	Fund Size[2] ($ millions)	New or Existing	Investment Strategy	Commitment Amount[3] ($ millions)
7/23/2025	Auldbrass Partners	Auldbrass Partners Secondary Opportunity Fund IV	N/A	Existing	Secondaries	$25
7/31/2025	Nordic Capital Limited	Nordic Capital XII Beta SCSp	$662	Existing	Buyout - Large	$50
8/26/2025	Reverence Capital Partners LLC	Reverence Capital Partners PE Opportunities Fund IV (Fund VIII)	N/A	Existing	Buyout - Medium	$50
9/24/2025	Oak HC/FT	Oak HC-FT Partners VI	$100	Existing	Growth Equity	$50
10/31/2025	HgCapital	Hg Genesis 11 A	$992	Existing	Buyout - Medium	$40
11/26/2025	Quantum Energy Partners	Quantum Energy Partners IX	$230	Existing	Energy	$50
12/12/2025	CapVest Partners LLC	CapVest Equity Partners VI A	$528	New	Buyout - Medium	$47
12/17/2025	OceanSound Partners	OceanSound Partners Fund III	$298	Existing	Buyout - Medium	$50
Total	**8**	**8**				**$362**

[1]Qualifies as an Emerging Manager based on LACERS' definition.
[2]Total capital raised as confirmed by the general partner. If the general partner has yet to provide closing data, the fund size will represent the target fund size.
[3]Commitments denominated in foreign currencies are converted to USD using the adjusted closing exchange rate as of the date the General Partner executes the accepted commitment on client subscription documents.

Summary of Q3 2025 & Q4 2025 Activity (2 of 2)

Commitment Statistics

Commitments were made to 8 different funds totaling $361.5 million

1 commitment was made to **a new sponsor relationship**

$47.0mm

7 commitments were made to **existing sponsor relationships**

$314.6mm

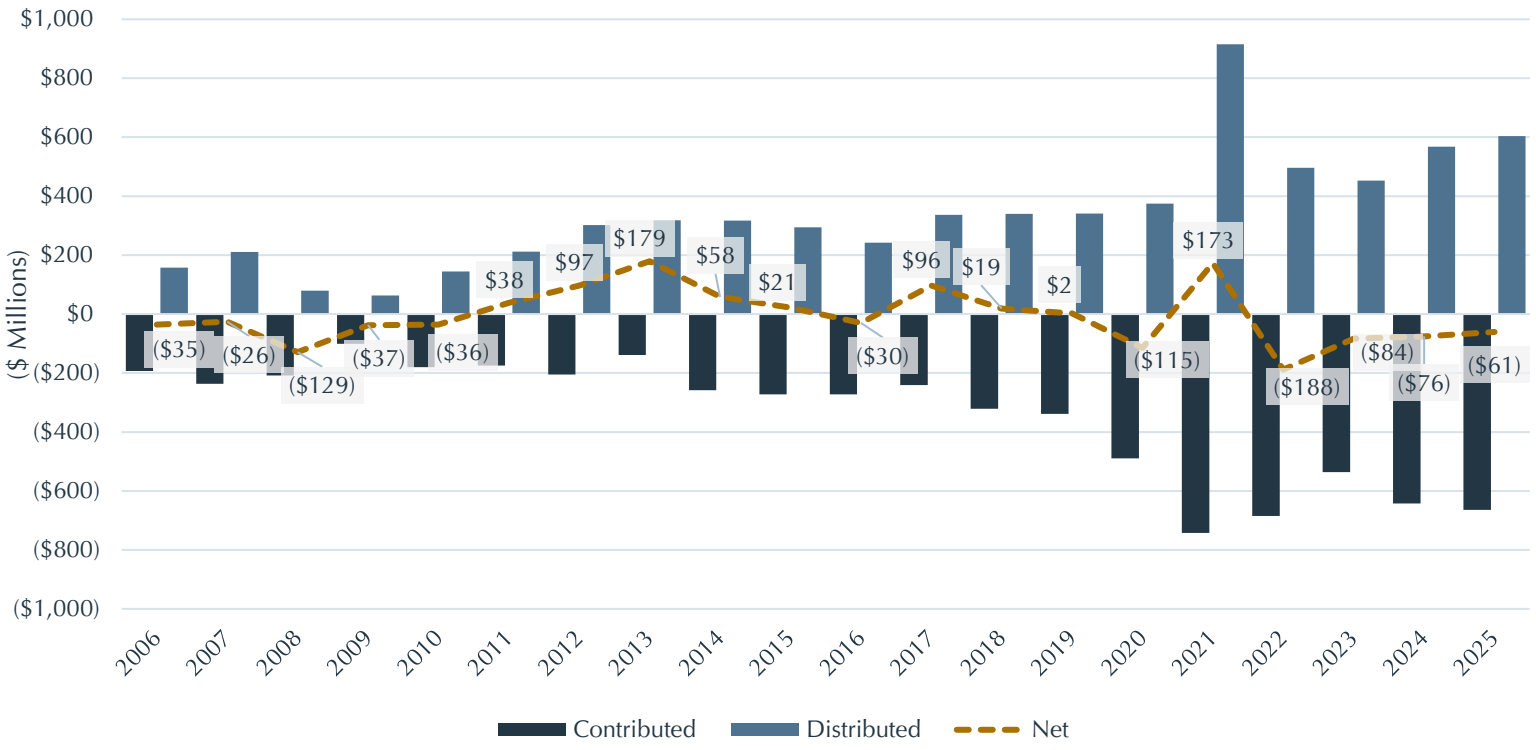
The **average commitment** amount was **$45.2 million per sponsor**

1 commitment made to an **emerging manager**

$25.0mm

Private Equity Program Cash Flow Profile Over Time

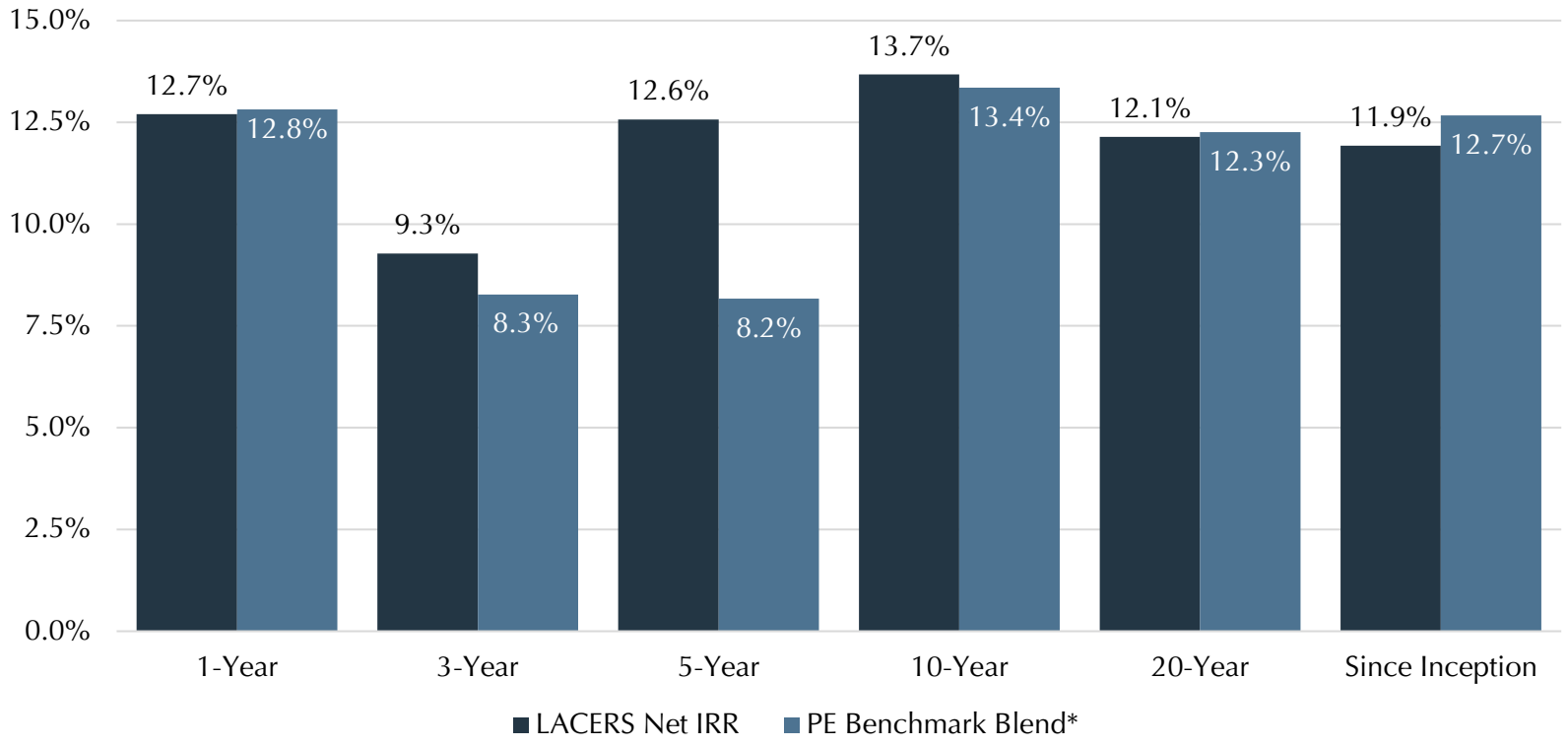
- LACERS' private equity portfolio is relatively mature and has been largely cash flow positive. However, in recent years, we have witnessed negative cash flow, mainly due to increased capital calls and reduced distributions



Private Equity Performance Drilldown (1 of 5)

Horizon Returns for LACERS' Private Equity Program vs. PE Benchmark Blend

- LACERS Private Equity Benchmark is a historical blend of the Russell 3000 and Cambridge Associates benchmarks



* The benchmark includes the Russell 3000 Index + 400bps (inception – January 31, 2012), the Russell 3000 Index + 300bps (February 1, 2012 – December 31, 2021), and the Cambridge Associates Global PE and VC Index, beginning January 1, 2022. Portfolio data are as of December 31, 2025. CA data are preliminary as of December 31, 2025.

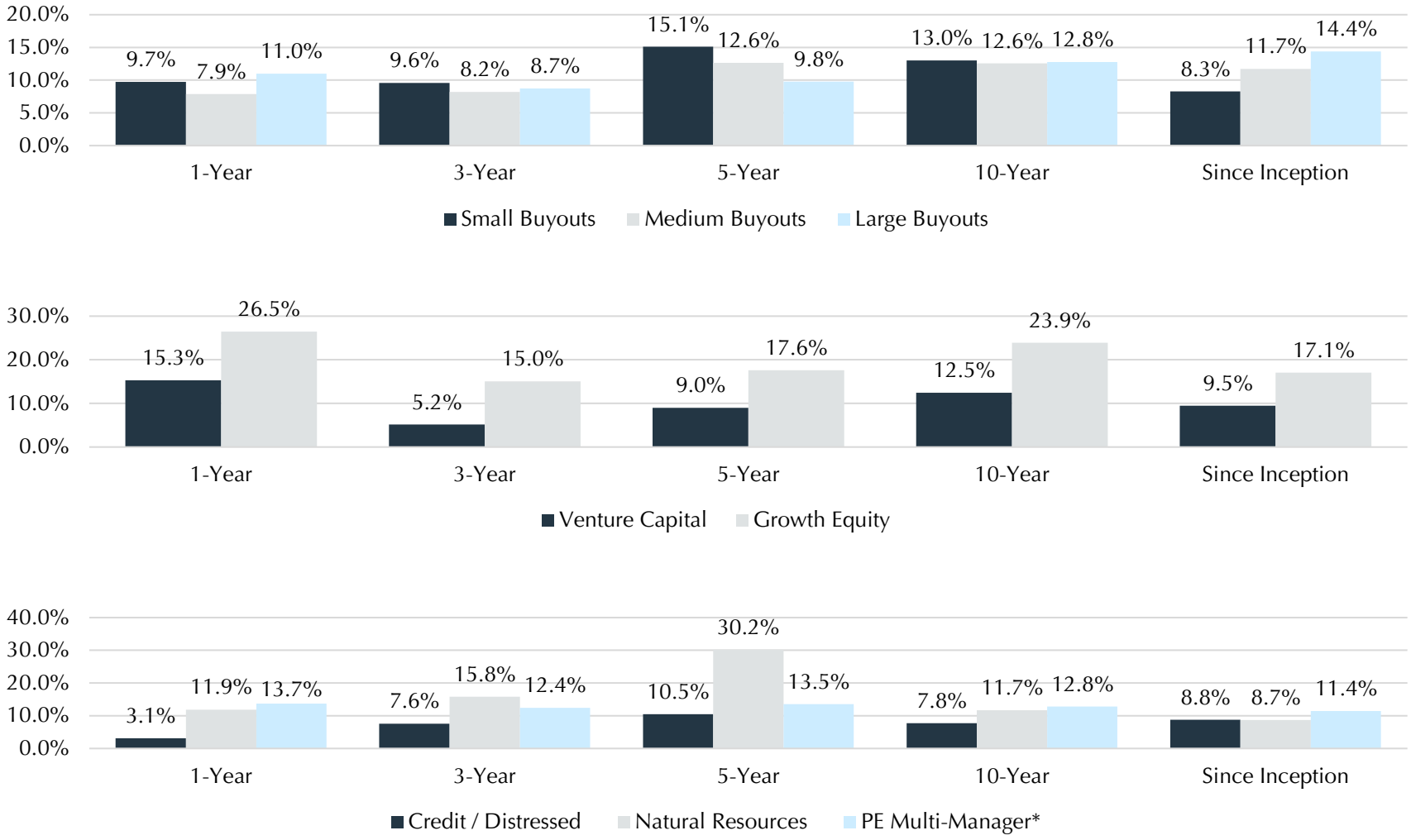
Private Equity Performance Drilldown (2 of 5)

Performance by Strategy and Sub-Strategy (Inception-to-Date)

Sub-Strategy	Commitment	Contributions	Percent Called	Distributions	Percent Distributed	Fair Market Value	TVPI	Net IRR
Large	2,492,509,687	1,930,574,767	77%	1,963,579,942	79%	1,269,695,855	1.67x	14.4%
Medium	2,705,504,359	2,119,668,094	78%	2,218,351,054	82%	1,298,662,791	1.66x	11.7%
Small	415,600,562	311,350,036	75%	279,361,491	67%	180,741,640	1.48x	8.3%
Buyouts Total	**5,613,614,609**	**4,361,592,897**	**78%**	**4,461,292,487**	**79%**	**2,749,100,286**	**1.65x**	**12.4%**
Credit	80,000,000	87,335,380	109%	71,351,710	89%	27,058,421	1.13x	3.1%
Distressed	639,531,008	619,103,540	97%	590,634,989	92%	242,694,077	1.35x	9.6%
Mezzanine	65,000,000	54,340,002	84%	40,000,214	62%	32,632,856	1.34x	6.6%
Credit / Distressed Total	**784,531,008**	**760,778,922**	**97%**	**701,986,913**	**89%**	**302,385,355**	**1.32x**	**8.8%**
Growth Equity	1,202,240,354	855,864,850	71%	755,363,705	63%	1,029,900,568	2.09x	17.1%
Growth Equity Total	**1,202,240,354**	**855,864,850**	**71%**	**755,363,705**	**63%**	**1,029,900,568**	**2.09x**	**17.1%**
Energy	430,000,000	382,092,053	89%	421,163,846	98%	143,696,501	1.48x	8.7%
Natural Resources Total	**430,000,000**	**382,092,053**	**89%**	**421,163,846**	**98%**	**143,696,501**	**1.48x**	**8.7%**
Co-Investment	200,000,000	130,250,000	65%	2,785,898	1%	150,135,207	1.17x	11.9%
Fund of Funds	70,000,000	49,156,913	70%	38,007,190	54%	36,951,572	1.52x	8.7%
Secondaries	175,000,000	127,430,361	73%	79,942,929	46%	114,320,430	1.52x	14.6%
PE Multi-Manager Total	**445,000,000**	**306,837,274**	**69%**	**120,736,017**	**27%**	**301,407,209**	**1.38x**	**11.4%**
Early Stage	366,830,000	278,401,738	76%	215,530,497	59%	340,610,383	2.00x	42.4%
Expansion Stage	20,000,000	16,580,000	83%	0	0%	21,779,040	1.31x	8.9%
Late Stage	150,000,000	142,045,950	95%	161,966,738	108%	87,626,419	1.76x	7.6%
Multi-Stage	535,217,369	465,661,253	87%	339,256,168	63%	354,457,520	1.49x	6.7%
Venture Capital Total	**1,072,047,369**	**902,688,941**	**84%**	**716,753,403**	**67%**	**804,473,362**	**1.69x**	**9.5%**
Total	**9,547,433,339**	**7,569,854,937**	**79%**	**7,177,296,370**	**75%**	**5,330,963,280**	**1.65x**	**11.9%**

Private Equity Performance Drilldown (3 of 5)

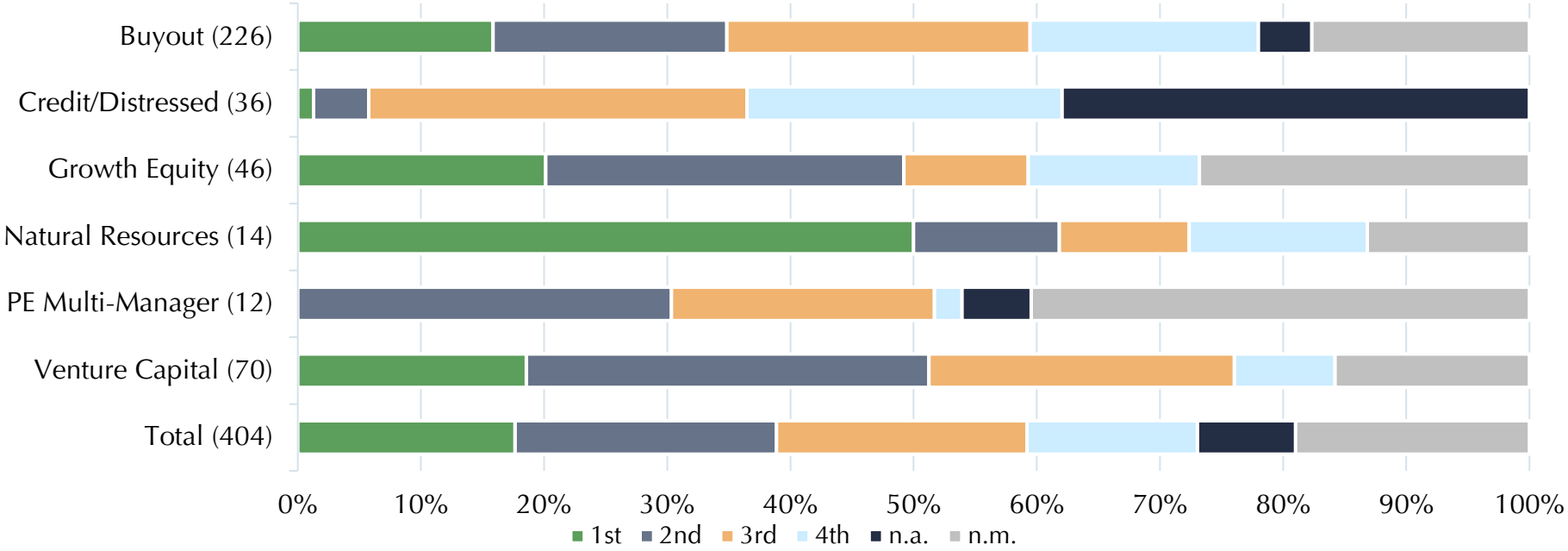
Horizon Net Returns by Sub-Strategy



*The PE Multi-Manager category includes LACERS' investments in Co-Investment Funds, Secondary Funds and Fund of Funds.

Private Equity Performance Drilldown (4 of 5)

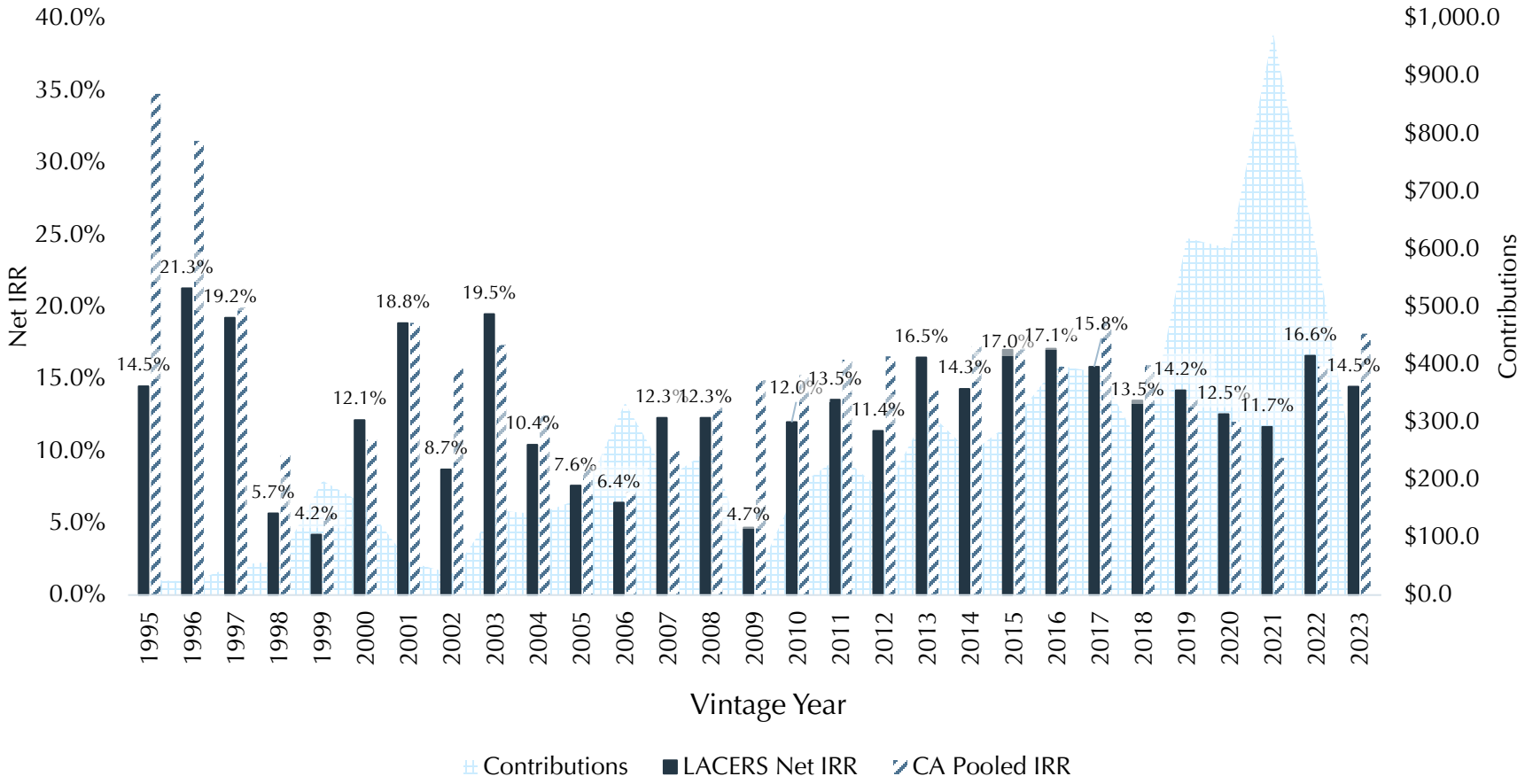
Portfolio Strategy vs. Cambridge Associates[1]
% of Contributed Capital As of December 31, 2025



[1]All quartiles are based on Cambridge Associates data as of September 30, 2025. Funds for which corresponding benchmark data is not available from Cambridge Associates Benchmark are categorized as not applicable ("NA"). Funds for which the first capital call date is less than two years from the reporting date are categorized as not meaningful ("NM"). Funds with total commitments equal to zero are excluded from the calculation. Cambridge Associates data is continually updated and subject to change.

Portfolio Vintage Years vs. Cambridge Associates[1]

December 31, 2025



[1]Cambridge Associates pooled Net IRRs are preliminary as of December 31, 2025. Pooled IRRs are comprised of similar regions and strategies as those in the LACERS portfolio. IRRs of funds younger than two years are not considered meaningful and have been excluded.

Summary

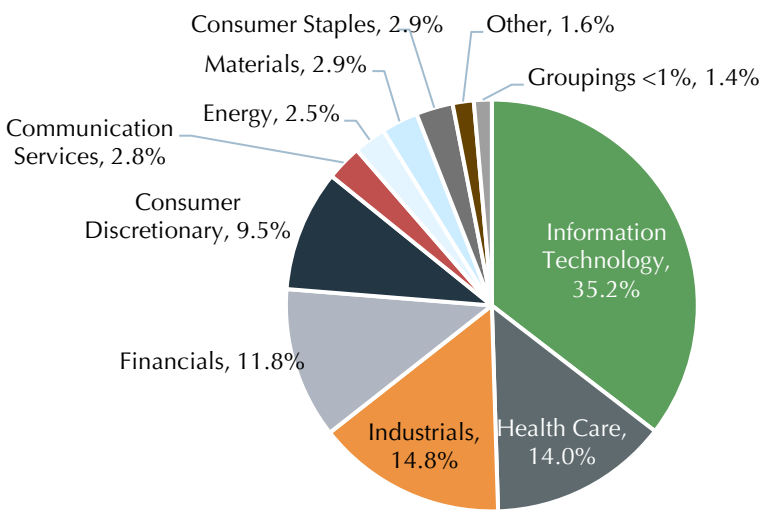
Overall Exposure

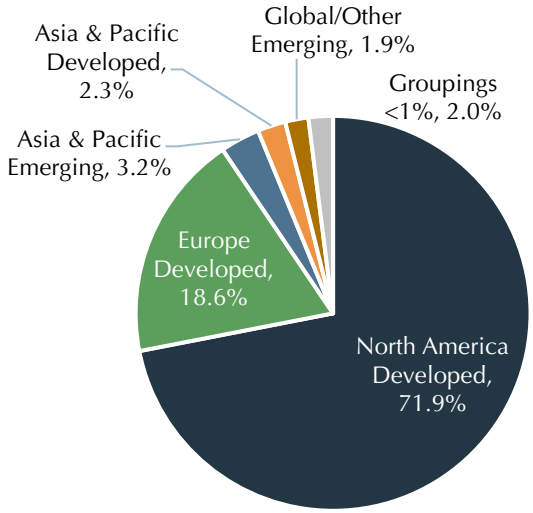
- Private Equity exposure was 19.7% as of December 31, 2025, versus 16.0% target

Performance Since Inception

- The Aggregate Portfolio has generated a Net IRR of 11.9% and a TVPI of 1.65x
- The Core Portfolio has generated a Net IRR of 12.4% and a TVPI of 1.67x
- The Specialized Portfolio has generated a Net IRR of 1.6% and a TVPI of 1.11x

Diversification





*Other: Represents the total of investments in sectors or geographies that constitute <1% of the NAV.

Appendix

Fund-By-Fund Returns – Q4 2025

Core Portfolio Summary as of 12/31/2025 – Active (1 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
1315 Capital Fund	Venture Capital	Venture - Late Stage	2015	10,000,000	11,314,519	11,276,635	13,815,827	16.4%	2.22
1315 Capital Fund II	Venture Capital	Venture - Late Stage	2018	10,000,000	11,559,557	5,583,174	10,641,831	11.9%	1.40
1315 Capital Fund III	Growth Equity	Growth Equity	2022	30,000,000	18,796,894	-	18,651,598	-0.8%	0.99
3 Boomerang Capital I	Buyout	Buyout - Small	2024	20,000,000	8,184,766	-	10,203,172	30.0%	1.25
ABRY Advanced Securities Fund III	Credit/Distressed	Credit	2014	20,000,000	26,304,203	25,848,256	22,092	-0.4%	0.98
ABRY Advanced Securities Fund IV	Credit/Distressed	Credit	2018	40,000,000	41,024,444	27,288,583	22,395,038	6.3%	1.21
ABRY Heritage Partners	Buyout	Buyout - Small	2016	10,000,000	10,683,559	16,139,192	5,888,110	25.7%	2.06
ABRY Partners IX	Buyout	Buyout - Medium	2019	40,000,000	47,676,203	23,396,504	47,114,119	11.2%	1.48
ABRY Partners VIII	Buyout	Buyout - Medium	2014	25,000,000	29,182,975	38,307,965	3,439,540	9.7%	1.43
ABRY Senior Equity V	Credit/Distressed	Mezzanine	2016	10,000,000	10,825,445	8,770,633	8,445,532	11.8%	1.59
ACON Equity Partners 3.5	Buyout	Buyout - Medium	2012	20,000,000	18,034,492	19,946,885	433,786	2.7%	1.13
Advent Global Technology	Buyout	Buyout - Medium	2019	15,000,000	15,000,000	2,025,000	19,446,913	8.2%	1.43
Advent Global Technology II	Buyout	Buyout - Medium	2021	30,000,000	20,629,969	-	27,169,973	11.5%	1.32
Advent International GPE IX	Buyout	Buyout - Large	2019	45,000,000	42,974,950	16,157,786	52,535,548	12.3%	1.60
Advent International GPE VI A	Buyout	Buyout - Medium	2008	20,000,000	20,000,000	40,162,749	1,418,367	16.3%	2.08
Advent International GPE VII B	Buyout	Buyout - Large	2012	30,000,000	28,800,000	49,999,311	2,006,832	13.1%	1.81
Advent International GPE VIII B-2	Buyout	Buyout - Large	2016	35,000,000	35,000,000	52,096,667	21,138,772	15.4%	2.09
Advent International GPE X	Buyout	Buyout - Large	2022	60,000,000	37,505,314	637,139	49,681,242	16.6%	1.34
AION Capital Partners	Credit/Distressed	Credit	2012	20,000,000	20,006,734	18,214,871	4,641,291	3.0%	1.14
Altaris Health Partners VI	Buyout	Buyout - Medium	2023	40,000,000	-	-	-	n.m.	-
American Securities Partners VII	Buyout	Buyout - Medium	2016	25,000,000	24,373,407	24,660,633	12,525,095	8.4%	1.53
American Securities Partners VIII	Buyout	Buyout - Large	2019	40,000,000	43,168,243	27,936,198	49,411,004	17.3%	1.79
Angeles Equity Partners I	Buyout	Buyout - Small	2015	10,000,000	11,282,610	9,999,761	6,635,746	13.4%	1.47
Apollo Investment Fund IV	Buyout	Buyout - Large	1998	5,000,000	4,989,241	8,320,973	588	8.5%	1.67
Apollo Investment Fund VI	Buyout	Buyout - Large	2006	15,000,000	14,372,999	23,957,457	255,045	8.6%	1.68

IRRs of investments held less than two years generally is not a meaningful indicator of performance and are therefore labeled "n.m."

Core Portfolio Summary as of 12/31/2025 – Active (2 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Apollo Investment Fund VIII	Buyout	Buyout - Large	2013	40,000,000	37,073,627	45,874,208	8,526,942	8.4%	1.47
Arsenal Capital Partners VI	Buyout	Buyout - Medium	2021	50,000,000	40,801,326	9,319,587	29,071,270	-4.0%	0.94
AS Birch Grove Opportunities Fund	Credit/Distressed	Distressed	2017	25,000,000	45,877,869	34,028,984	17,779,804	8.7%	1.13
Astorg VI	Buyout	Buyout - Medium	2015	23,421,145	21,228,378	27,966,376	8,558,064	12.5%	1.72
Astorg VII	Buyout	Buyout - Medium	2019	36,123,864	34,323,555	21,611,882	30,746,234	10.6%	1.53
Astra Partners I	Buyout	Buyout - Small	2017	10,000,000	9,481,171	614,011	9,435,014	1.3%	1.06
Auldbrass Partners Secondary Opportunity Fund III	PE Multi-Manager	Secondaries	2021	20,000,000	16,849,209	410,734	20,993,006	13.3%	1.27
Auldbrass Partners Secondary Opportunity Fund IV	PE Multi-Manager	Secondaries	2025	25,000,000	-	-	6,642,695	n.m.	-
Avance Investment Partners	Buyout	Buyout - Small	2021	20,000,000	19,620,852	8,865,048	17,189,086	15.1%	1.33
Bain Capital Asia Fund III	Buyout	Buyout - Large	2016	15,000,000	15,689,920	21,403,552	14,545,017	21.8%	2.29
Bain Capital Double Impact Fund	Buyout	Buyout - Small	2016	10,000,000	10,819,474	16,730,924	4,475,984	23.1%	1.96
Barings Emerging Generation Fund	PE Multi-Manager	Fund of Funds	2020	25,000,000	19,200,499	6,485,336	24,248,853	16.2%	1.60
Barings Emerging Generation Fund II	PE Multi-Manager	Fund of Funds	2022	25,000,000	10,777,355	233,039	12,702,719	12.8%	1.20
BC European Capital IX	Buyout	Buyout - Large	2011	17,665,048	19,453,799	27,246,243	4,384,609	9.8%	1.63
BC European Capital X	Buyout	Buyout - Large	2017	31,651,237	32,798,287	33,873,526	20,904,575	10.5%	1.67
BDCM Opportunity Fund IV	Credit/Distressed	Distressed	2015	25,000,000	36,751,908	38,530,001	34,591,437	14.5%	1.99
Bessemer Venture Partners XII Institutional Fund	Venture Capital	Venture - Early Stage	2022	25,000,000	11,241,697	-	13,547,245	24.9%	1.21
Biospring Partners Fund	Growth Equity	Growth Equity	2020	20,000,000	19,916,640	2,853,929	20,056,125	6.5%	1.15
Biospring Partners Fund II	Growth Equity	Growth Equity	2024	25,000,000	-	-	-	n.m.	-
Blackstone Capital Partners V & V-S	Buyout	Buyout - Large	2005	19,746,291	19,303,498	32,674,189	34,561	7.9%	1.69
Blackstone Capital Partners VI	Buyout	Buyout - Large	2011	20,000,000	19,408,032	33,406,240	3,580,212	12.0%	1.91
Blackstone Energy Partners	Natural Resources	Energy	2011	25,000,000	23,707,816	39,006,127	3,668,330	11.3%	1.80
Blue Sea Capital Fund I	Buyout	Buyout - Small	2013	10,000,000	9,617,744	18,828,214	4,122,820	18.8%	2.39
Brentwood Associates Private Equity VI	Buyout	Buyout - Medium	2017	25,000,000	34,210,339	27,838,041	27,997,155	16.3%	1.63
Builders VC Fund II	Venture Capital	Venture - Early Stage	2021	10,000,000	8,475,000	-	9,803,172	5.3%	1.16

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Core Portfolio Summary as of 12/31/2025 – Active (3 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Builders VC Fund III	Venture Capital	Venture - Early Stage	2025	20,000,000	3,400,000	-	2,943,297	n.m.	0.87
CapVest Equity Partners VI A	Buyout	Buyout - Medium	2025	46,960,000	-	-	-	n.m.	-
Carlyle Partners V	Buyout	Buyout - Large	2007	30,000,000	26,714,020	51,271,283	601,128	13.6%	1.94
Centana Growth Partners III	Growth Equity	Growth Equity	2024	25,000,000	6,939,732	392	6,421,884	-15.9%	0.93
CenterGate Capital Partners I	Buyout	Buyout - Small	2015	10,000,000	8,065,533	8,292,805	5,998,623	17.0%	1.77
Charterhouse Capital Partners IX	Buyout	Buyout - Large	2008	17,650,992	17,448,610	23,427,998	114,464	9.5%	1.35
CHP III	Venture Capital	Venture - Early Stage	2006	15,000,000	15,000,000	44,095,938	608,221	12.4%	2.98
Clearlake Capital Partners VI	Credit/Distressed	Distressed	2020	30,000,000	33,243,744	8,269,038	40,200,727	10.1%	1.46
Clearlake Capital Partners VII	Credit/Distressed	Distressed	2021	75,000,000	53,801,393	201,711	59,420,644	3.7%	1.11
Clearlake Capital Partners VIII	Credit/Distressed	Distressed	2023	50,000,000	3,499,566	5,290	2,218,644	-39.6%	0.64
Coller International Partners VI	PE Multi-Manager	Secondaries	2010	25,000,000	18,948,311	31,304,447	756,287	14.2%	1.69
CVC Capital Partners VII	Buyout	Buyout - Large	2017	28,567,140	28,563,630	32,432,253	28,960,977	19.9%	2.15
CVC Capital Partners VIII	Buyout	Buyout - Large	2021	50,206,765	48,324,949	2,265,134	59,825,477	9.6%	1.28
CVC European Equity Partners III	Buyout	Buyout - Large	2001	15,000,000	14,776,341	42,676,982	412,846	41.0%	2.92
CVC European Equity Partners IV	Buyout	Buyout - Large	2005	26,008,211	23,257,442	46,521,992	62,981	16.7%	2.00
CVC European Equity Partners V	Buyout	Buyout - Large	2008	18,815,039	18,352,938	38,287,800	484,733	16.7%	2.11
Defy Partners I	Venture Capital	Venture - Early Stage	2017	10,000,000	9,500,000	2,251,655	18,089,432	14.4%	2.14
Defy Partners II	Venture Capital	Venture - Early Stage	2019	18,010,000	13,867,700	-	34,446,642	24.5%	2.48
Defy Partners III	Venture Capital	Venture - Early Stage	2021	20,000,000	10,500,000	-	9,748,607	-5.0%	0.93
DFJ Growth 2013	Growth Equity	Growth Equity	2013	25,000,000	25,126,311	121,296,495	85,295,987	34.3%	8.22
DFJ Growth III	Growth Equity	Growth Equity	2017	15,000,000	14,835,000	8,137,930	37,765,972	22.3%	3.09
EIG Energy Fund XVI	Natural Resources	Energy	2013	25,000,000	24,165,789	18,298,803	9,520,104	2.8%	1.15
Encap Energy Capital Fund IX	Natural Resources	Energy	2012	30,000,000	29,208,872	41,333,746	6,269,640	10.7%	1.63
Encap Energy Capital Fund VIII	Natural Resources	Energy	2010	15,000,000	14,949,782	15,476,021	366,254	0.9%	1.06
Encap Energy Capital Fund X	Natural Resources	Energy	2015	35,000,000	34,470,830	58,943,280	15,162,707	15.8%	2.15

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Core Portfolio Summary as of 12/31/2025 – Active (4 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
EnCap Energy Capital Fund XI	Natural Resources	Energy	2016	40,000,000	40,845,502	54,046,286	27,061,211	21.3%	1.99
Energy Capital Partners III	Natural Resources	Energy	2013	40,000,000	41,552,250	60,336,782	17,696,966	13.3%	1.88
Enhanced Healthcare Partners II	Buyout	Buyout - Small	2025	20,000,000	2,837,084	-	2,384,101	n.m.	0.84
Essex Woodlands Health Ventures Fund IV	Venture Capital	Venture - Late Stage	1998	4,000,000	4,000,000	5,227,551	524,439	7.1%	1.44
Essex Woodlands Health Ventures Fund V	Venture Capital	Venture - Late Stage	2000	10,000,000	10,000,000	10,740,735	767,851	2.9%	1.15
Essex Woodlands Health Ventures Fund VI	Venture Capital	Venture - Multi-Stage	2004	15,000,000	14,587,500	16,028,797	4,422,200	3.4%	1.40
FIMI Opportunity V	Buyout	Buyout - Medium	2012	20,000,000	18,194,334	35,436,799	7,813,000	13.6%	2.38
Fortress Credit Opportunities V Expansion	Credit/Distressed	Distressed	2020	50,000,000	52,726,691	23,232,447	41,398,279	10.4%	1.23
Francisco Partners Agility III	Buyout	Buyout - Medium	2023	17,500,000	3,333,750	-	3,501,122	n.m.	1.05
Francisco Partners VII	Buyout	Buyout - Medium	2023	50,000,000	23,350,000	-	25,818,360	14.1%	1.11
FS Equity Partners IX	Buyout	Buyout - Medium	2024	30,000,000	1,971,397	2,123	1,407,817	n.m.	0.72
FS Equity Partners VIII	Buyout	Buyout - Medium	2019	25,000,000	22,302,733	8,541,964	24,858,177	10.0%	1.50
General Catalyst Group X - Early Venture	Venture Capital	Venture - Early Stage	2020	10,000,000	9,800,000	-	15,131,276	9.6%	1.54
General Catalyst Group X - Endurance	Venture Capital	Venture - Multi-Stage	2020	11,666,667	11,666,667	3,622,034	11,851,198	6.1%	1.33
General Catalyst Group X - Growth Venture	Growth Equity	Growth Equity	2020	16,666,666	16,666,666	-	24,036,125	7.9%	1.44
General Catalyst Group XI - Creation LP	Venture Capital	Venture - Early Stage	2021	13,000,000	12,430,277	-	23,849,742	30.9%	1.92
General Catalyst Group XI - Endurance LP	Growth Equity	Growth Equity	2021	44,000,000	43,458,048	7,971	58,589,278	10.0%	1.35
General Catalyst Group XI - Ignition LP	Venture Capital	Venture - Early Stage	2021	18,000,000	15,749,545	1,993	26,016,747	17.6%	1.65
General Catalyst Group XII - Creation	Venture Capital	Venture - Early Stage	2024	15,000,000	12,423,873	18,187	21,273,711	62.0%	1.71
General Catalyst Group XII - Endurance	Growth Equity	Growth Equity	2024	22,500,000	19,517,325	73,535	29,247,224	58.7%	1.50
General Catalyst Group XII – Health Assurance	Venture Capital	Venture - Early Stage	2024	7,500,000	5,539,775	327	6,315,587	19.4%	1.14
General Catalyst Group XII - Ignition	Venture Capital	Venture - Early Stage	2023	15,000,000	10,958,541	11,132	14,864,676	40.1%	1.36
Genstar Capital Partners IX	Buyout	Buyout - Medium	2019	25,000,000	26,829,739	28,667,246	31,748,586	25.3%	2.25
Genstar Capital Partners X	Buyout	Buyout - Large	2021	32,500,000	33,079,358	1,355,159	36,595,477	5.0%	1.15
Genstar Capital Partners XI	Buyout	Buyout - Large	2023	35,000,000	4,908,074	405,027	5,807,816	28.2%	1.27

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Core Portfolio Summary as of 12/31/2025 – Active (5 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Genstar IX Opportunities Fund I	Buyout	Buyout - Large	2019	25,000,000	23,829,814	25,115,974	26,108,949	20.0%	2.15
Genstar X Opportunities Fund I	Buyout	Buyout - Large	2021	25,000,000	22,411,443	1,331,888	29,021,003	10.3%	1.35
Genstar XI Opportunities Fund	Buyout	Buyout - Large	2023	25,000,000	14,011,846	291,176	16,978,511	18.3%	1.23
GGV Capital IX	Venture Capital	Venture - Multi-Stage	2024	40,000,000	15,600,000	-	27,729,086	109.2%	1.78
GGV Capital IX Plus	Venture Capital	Venture - Multi-Stage	2024	10,000,000	3,250,000	-	7,558,395	180.1%	2.33
GGV Capital VIII	Venture Capital	Venture - Expansion Stage	2021	16,000,000	13,520,000	-	17,322,364	7.9%	1.28
GGV Capital VIII Plus	Venture Capital	Venture - Expansion Stage	2021	4,000,000	3,060,000	-	4,456,676	13.3%	1.46
Gilde Buy-Out Fund V	Buyout	Buyout - Medium	2016	27,121,713	25,974,111	57,794,013	6,436,321	25.8%	2.47
Gilde Buy-Out Fund VI	Buyout	Buyout - Medium	2019	39,684,790	36,680,843	8,947,532	32,637,843	4.1%	1.13
Glendon Opportunities Fund	Credit/Distressed	Distressed	2014	20,000,000	18,990,996	27,868,511	2,820,548	8.5%	1.62
Glendon Opportunities Fund II	Credit/Distressed	Distressed	2019	40,000,000	36,000,000	42,663,249	24,792,076	16.5%	1.87
Green Equity Investors V	Buyout	Buyout - Large	2006	20,000,000	18,309,607	46,669,621	31,706	19.4%	2.55
Green Equity Investors VI	Buyout	Buyout - Large	2011	20,000,000	20,083,284	39,607,026	8,680,003	13.7%	2.40
Green Equity Investors VII	Buyout	Buyout - Large	2017	25,000,000	27,228,088	38,569,922	16,782,380	18.1%	2.03
GTCR Fund XII-AB	Buyout	Buyout - Medium	2017	40,000,000	43,360,609	53,245,562	27,078,129	18.8%	1.85
GTCR Fund XIII-AB	Buyout	Buyout - Medium	2020	40,000,000	33,072,063	14,571,870	36,145,629	18.9%	1.53
GTCR Fund XIV	Buyout	Buyout - Large	2022	60,000,000	12,707,448	2,234,405	17,837,450	76.1%	1.58
H&F Arrow 1	Buyout	Buyout - Large	2020	3,491,032	3,504,123	3,698,302	3,558,866	18.7%	2.07
H&F Spock 1	Buyout	Buyout - Large	2018	3,255,896	3,266,786	3,064,121	5,986,216	15.9%	2.77
H.I.G. Europe Middle Market LBO Fund	Buyout	Buyout - Medium	2020	49,552,926	40,045,837	9,937,701	42,575,827	17.2%	1.31
Halifax Capital Partners II	Buyout	Buyout - Small	2005	10,000,001	8,118,838	10,703,687	7,857	7.3%	1.32
HarbourVest Co-investment Broadway SMA	PE Multi-Manager	Co-Investment	2023	150,000,000	87,750,000	-	92,379,209	6.7%	1.05
HarbourVest Partners Co-Investment Fund VI	PE Multi-Manager	Co-Investment	2021	50,000,000	42,500,000	2,785,898	57,755,998	14.6%	1.42
Harvest Partners IX	Buyout	Buyout - Medium	2021	50,000,000	22,696,149	2,932,973	22,784,218	5.9%	1.13
Harvest Partners VII	Buyout	Buyout - Medium	2016	8,253,155	19,471,077	18,108,948	9,488,677	8.1%	1.42

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Core Portfolio Summary as of 12/31/2025 – Active (6 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Harvest Partners VIII	Buyout	Buyout - Medium	2019	50,000,000	52,988,005	30,281,157	49,073,440	11.4%	1.50
Hellman & Friedman Capital Partners IX	Buyout	Buyout - Large	2019	30,000,000	32,177,473	6,916,473	50,044,353	13.4%	1.77
Hellman & Friedman Capital Partners VII	Buyout	Buyout - Large	2011	20,000,000	19,117,835	63,111,888	1,211,971	24.5%	3.36
Hellman & Friedman Capital Partners VIII	Buyout	Buyout - Large	2016	20,000,000	20,116,074	16,362,665	18,784,093	10.1%	1.75
Hellman & Friedman Capital Partners X	Buyout	Buyout - Large	2021	40,000,000	39,848,598	5,029,164	45,653,889	8.8%	1.27
Hellman & Friedman Capital Partners XI	Buyout	Buyout - Large	2022	50,000,000	-	-	(112,583)	n.m.	-
Hg Genesis 10 A	Buyout	Buyout - Large	2022	39,182,400	18,480,282	-	23,076,051	18.2%	1.25
Hg Genesis 11 A	Buyout	Buyout - Medium	2025	39,587,381	-	-	-	n.m.	-
Hg Genesis 9	Buyout	Buyout - Medium	2020	19,295,500	16,687,057	7,194,801	19,538,052	16.5%	1.60
Hg Saturn 3 A	Buyout	Buyout - Large	2022	40,000,000	21,105,201	-	26,039,228	10.4%	1.23
Hg Saturn 4 A	Buyout	Buyout - Large	2025	40,000,000	100,000	-	720,861	n.m.	7.21
HgCapital Saturn Fund 2	Buyout	Buyout - Large	2020	20,000,000	19,846,359	6,656,052	21,627,715	13.1%	1.43
HIG Europe Middle Market LBO Fund II (Cayman)	Buyout	Buyout - Medium	2025	48,155,310	1,347,760	-	2,099,274	n.m.	1.56
High Road Capital Partners Fund II	Buyout	Buyout - Small	2013	25,000,000	26,222,356	35,442,513	6,262,805	11.9%	1.59
Hony Capital Fund V	Buyout	Buyout - Large	2011	25,000,000	26,141,123	11,965,278	7,009,219	-3.7%	0.73
ICG Strategic Equity Fund IV	PE Multi-Manager	Secondaries	2021	50,000,000	54,328,637	15,678,765	58,425,937	13.4%	1.36
ICG Strategic Equity Fund V	PE Multi-Manager	Secondaries	2023	30,000,000	7,938,000	27,933	14,749,032	100.8%	1.86
Incline Equity Partners IV	Buyout	Buyout - Small	2017	10,000,000	11,143,030	17,894,108	2,694,823	21.8%	1.85
Insight Continuation Fund II	Growth Equity	Growth Equity	2023	4,000,000	3,610,000	571,395	4,729,085	18.0%	1.47
Insight Venture Partners IX	Growth Equity	Growth Equity	2015	25,000,000	26,467,536	72,534,164	34,480,004	22.9%	4.04
Insight Venture Partners VIII	Growth Equity	Growth Equity	2013	20,000,000	20,652,344	50,973,678	18,049,764	20.2%	3.34
Institutional Venture Partners XV	Venture Capital	Venture - Late Stage	2015	20,000,000	20,120,007	40,155,271	17,633,340	22.8%	2.87
J.H. Whitney VII	Buyout	Buyout - Medium	2010	25,000,000	24,754,022	53,165,997	4,977,494	13.6%	2.35
Kelso Investment Associates VII	Buyout	Buyout - Medium	2003	18,000,000	17,131,163	29,092,678	27,591	12.5%	1.70
Kelso Investment Associates VIII	Buyout	Buyout - Medium	2007	20,000,000	19,053,174	27,707,990	62,549	7.2%	1.46

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Core Portfolio Summary as of 12/31/2025 – Active (7 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Khosla Ventures IV	Venture Capital	Venture - Early Stage	2011	20,000,000	19,620,000	69,312,388	9,854,707	21.9%	4.04
KKR 2006 Fund	Buyout	Buyout - Large	2006	30,000,000	30,219,403	56,273,475	-	9.3%	1.86
KLC Fund II	Buyout	Buyout - Medium	2024	20,000,000	10,528,308	96,643	10,859,287	5.3%	1.04
KPS Special Situations Fund IV	Buyout	Buyout - Medium	2014	25,000,000	21,762,013	35,339,485	10,549,948	21.8%	2.11
KPS Special Situations Fund V	Buyout	Buyout - Medium	2020	40,000,000	37,754,221	17,518,441	31,190,479	10.3%	1.29
KPS Special Situations Fund VI	Buyout	Buyout - Large	2024	40,000,000	5,840,248	512,795	5,655,936	5.0%	1.06
KPS Special Situations Mid-Cap Fund	Buyout	Buyout - Medium	2019	10,000,000	8,701,138	3,770,127	9,217,497	13.8%	1.49
KPS Special Situations Mid-Cap Fund II	Buyout	Buyout - Medium	2023	20,000,000	-	-	-	n.m.	-
L2 Point Opportunities I	Credit/Distressed	Mezzanine	2022	30,000,000	20,187,654	3,743,149	24,182,937	10.0%	1.38
Levine Leichtman Capital Partners IV	Buyout	Buyout - Medium	2008	20,000,000	16,448,126	30,105,650	52,192	17.2%	1.83
Levine Leichtman Capital Partners V	Buyout	Buyout - Medium	2013	30,000,000	31,522,230	70,128,690	865,478	17.1%	2.25
LightBay Investment Partners II	Buyout	Buyout - Small	2021	25,000,000	15,363,972	33,696	15,008,752	-1.6%	0.98
Longitude Venture Partners III	Venture Capital	Venture - Late Stage	2016	10,000,000	10,908,569	11,410,188	7,304,220	16.5%	1.72
Mayfield Select III	Venture Capital	Venture - Late Stage	2025	15,000,000	3,450,000	-	3,609,688	n.m.	1.05
Mayfield XVII	Venture Capital	Venture - Early Stage	2024	5,000,000	1,350,000	-	1,802,342	47.6%	1.34
MBK Partners Fund V	Buyout	Buyout - Large	2021	40,000,000	36,218,377	1,768,674	44,094,703	9.0%	1.27
MBK Partners Fund VI	Buyout	Buyout - Large	2024	40,000,000	8,183,600	28,238	14,675,383	82.6%	1.80
Mill Point Capital Partners	Buyout	Buyout - Small	2017	10,000,000	11,428,914	12,902,695	8,511,439	17.6%	1.87
Mill Point Capital Partners II	Buyout	Buyout - Medium	2021	11,000,000	15,465,724	8,229,997	13,523,525	23.7%	1.41
Mill Point Capital Partners III	Buyout	Buyout - Medium	2024	40,000,000	4,467,574	649,761	5,546,857	52.1%	1.39
Montagu VI	Buyout	Buyout - Medium	2020	40,301,363	46,565,383	11,847,523	40,808,807	5.7%	1.13
Nautic Partners V	Buyout	Buyout - Medium	2000	15,000,000	14,371,949	30,268,476	-	16.9%	2.11
NEA 18 Venture Growth Equity	Growth Equity	Growth Equity	2022	35,000,000	31,587,500	895,346	42,935,299	16.4%	1.39
New Enterprise Associates 13	Venture Capital	Venture - Multi-Stage	2008	15,000,000	15,000,000	38,548,955	2,725,726	17.0%	2.75
New Enterprise Associates 15	Venture Capital	Venture - Multi-Stage	2015	20,000,000	19,200,000	20,993,146	14,079,811	10.4%	1.83

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Core Portfolio Summary as of 12/31/2025 – Active (8 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
New Enterprise Associates 16	Venture Capital	Venture - Multi-Stage	2017	25,000,000	23,500,000	11,074,027	27,253,876	8.9%	1.63
New Enterprise Associates 17	Venture Capital	Venture - Multi-Stage	2019	35,000,000	31,062,500	5,963,469	35,585,644	7.3%	1.34
New Enterprise Associates 18	Venture Capital	Venture - Multi-Stage	2022	40,000,000	24,200,000	4,139,990	48,188,670	40.7%	2.16
New Mountain Partners III	Buyout	Buyout - Large	2007	20,000,000	19,583,991	48,649,824	780,397	14.5%	2.52
New Water Capital	Buyout	Buyout - Small	2015	10,000,000	10,758,028	13,645,551	1,365,928	10.3%	1.40
NGP Natural Resources XI	Natural Resources	Energy	2014	25,000,000	25,754,135	35,999,334	5,129,609	9.3%	1.60
NMS Fund III	Buyout	Buyout - Small	2017	10,000,000	9,296,717	9,782,177	7,136,341	15.2%	1.82
NMS Fund IV	Buyout	Buyout - Medium	2020	40,000,000	41,472,080	24,402,283	39,532,034	24.7%	1.54
NMS Fund V	Buyout	Buyout - Small	2025	40,000,000	580,948	-	(104,188)	n.m.	-0.18
Nordic Capital Evo II Beta SCSp	Buyout	Buyout - Medium	2024	28,855,393	-	-	(244,348)	n.m.	-
Nordic Capital Fund XI	Buyout	Buyout - Large	2022	47,663,400	41,723,881	1,727,690	51,343,124	23.4%	1.27
Nordic Capital XII Beta SCSp	Buyout	Buyout - Large	2025	49,974,870	-	-	-	n.m.	-
Oak HC-FT Partners	Venture Capital	Venture - Late Stage	2014	10,000,000	9,663,325	20,052,466	6,183,550	21.7%	2.72
Oak HC-FT Partners II	Venture Capital	Venture - Late Stage	2017	10,000,000	10,000,000	11,748,454	18,683,547	23.8%	3.04
Oak HC-FT Partners III	Venture Capital	Venture - Multi-Stage	2019	25,000,000	25,081,217	2,328,199	36,095,124	9.5%	1.53
Oak HC-FT Partners IV	Venture Capital	Venture - Multi-Stage	2021	40,000,000	39,792,219	163,684	54,169,097	8.9%	1.37
Oak HC-FT Partners V	Venture Capital	Venture - Multi-Stage	2022	50,000,000	38,286,152	7,113,244	37,340,536	14.0%	1.16
Oak HC-FT Partners VI	Growth Equity	Growth Equity	2025	50,000,000	-	-	-	n.m.	-
Oak Investment Partners XII	Venture Capital	Venture - Multi-Stage	2006	15,000,000	14,999,762	14,025,046	296,415	-0.7%	0.95
Oaktree Opportunities Fund X	Credit/Distressed	Distressed	2015	7,500,000	6,225,000	7,033,170	2,748,307	8.3%	1.57
Oaktree Opportunities Fund Xb	Credit/Distressed	Distressed	2018	17,500,000	13,125,000	8,411,060	14,622,070	11.6%	1.75
OceanSound Partners Fund	Buyout	Buyout - Medium	2019	20,000,000	19,999,890	10,956,329	29,314,897	21.3%	2.01
OceanSound Partners Fund II	Buyout	Buyout - Small	2022	25,000,000	18,569,320	804,740	25,080,353	20.0%	1.39
OceanSound Partners Fund III	Buyout	Buyout - Medium	2025	50,000,000	-	-	-	n.m.	-
OceanSound SMX Continuation Fund	Buyout	Buyout - Medium	2024	7,151,537	7,076,033	-	10,217,439	25.1%	1.44

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Core Portfolio Summary as of 12/31/2025 – Active (9 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Orchid Asia VIII	Growth Equity	Growth Equity	2021	50,000,000	39,575,228	10,190,537	29,679,698	0.5%	1.01
P4G Capital Partners I	Buyout	Buyout - Small	2018	10,000,000	10,819,580	4,096,037	14,496,545	19.5%	1.72
Palladium Equity Partners IV	Buyout	Buyout - Medium	2012	25,000,000	27,585,488	22,991,736	25,601,058	10.0%	1.76
Palladium Equity Partners V	Buyout	Buyout - Medium	2017	25,000,000	23,661,949	15,247,736	23,878,059	13.8%	1.65
Permira Europe III	Buyout	Buyout - Large	2003	21,506,160	21,573,836	36,961,431	10,786	26.1%	1.71
Pharos Capital Partners II-A	Buyout	Buyout - Medium	2004	5,000,000	5,000,000	3,192,707	1,922,678	0.3%	1.02
Platinum Equity Capital Partners III	Buyout	Buyout - Large	2012	25,000,000	19,805,043	44,438,325	1,685,411	30.2%	2.33
Platinum Equity Capital Partners IV	Buyout	Buyout - Large	2016	15,000,000	16,281,266	20,070,809	10,882,454	18.1%	1.90
Platinum Equity Capital Partners V	Buyout	Buyout - Large	2019	50,000,000	53,028,761	19,803,673	53,395,469	8.6%	1.38
Platinum Equity Capital Partners VI	Buyout	Buyout - Large	2022	75,000,000	47,828,366	5,941,590	50,604,562	10.7%	1.18
Platinum Equity Small Cap Fund	Buyout	Buyout - Medium	2018	22,500,000	22,485,948	11,622,251	22,427,691	11.8%	1.51
Platinum Equity Small Cap Fund II	Buyout	Buyout - Small	2024	35,000,000	12,004,408	7,333,675	7,226,024	28.8%	1.21
Polaris Growth Fund	Growth Equity	Growth Equity	2018	10,000,000	6,170,000	8,652,150	10,581,653	35.7%	3.12
Polaris Partners VII	Venture Capital	Venture - Multi-Stage	2014	25,000,000	23,125,000	15,790,350	25,799,089	7.6%	1.80
Polaris Partners VIII	Venture Capital	Venture - Multi-Stage	2016	10,000,000	8,800,000	9,214,826	7,878,167	14.4%	1.94
Polaris Venture Partners V	Venture Capital	Venture - Multi-Stage	2006	15,000,000	14,700,000	22,137,074	5,661,312	7.9%	1.89
Polaris Venture Partners VI	Venture Capital	Venture - Multi-Stage	2010	15,000,000	13,125,000	24,042,307	7,823,174	13.1%	2.43
Providence Debt Fund III	Credit/Distressed	Distressed	2013	30,000,000	32,098,772	39,531,189	2,101,541	5.9%	1.30
Providence Equity Partners VI	Buyout	Buyout - Large	2007	30,000,000	28,972,718	43,047,802	48,130	5.9%	1.49
Quantum Energy Partners IX	Natural Resources	Energy	2025	50,000,000	15,929,008	580,989	16,460,493	n.m.	1.07
Quantum Energy Partners VIII	Natural Resources	Energy	2022	42,857,143	36,007,692	5,424,844	36,081,924	14.9%	1.15
Quantum Energy Partners VIII Co-Investment Fund	Natural Resources	Energy	2022	7,142,857	5,554,045	904,135	6,279,263	28.4%	1.29
Reverence Capital Partners Opportunities Fund V (PE III)	Buyout	Buyout - Medium	2021	50,000,000	36,221,480	4,191,169	51,695,954	21.0%	1.54
Reverence Capital Partners PE Opportunities Fund IV (Fund VIII)	Buyout	Buyout - Medium	2025	50,000,000	-	-	(93,436)	n.m.	-
Roark Capital Partners II Side Car	Buyout	Buyout - Medium	2018	10,000,000	10,101,560	1,703,566	17,995,245	12.2%	1.95

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Core Portfolio Summary as of 12/31/2025 – Active (10 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Roark Capital Partners V	Buyout	Buyout - Large	2018	15,000,000	16,509,006	4,225,956	22,228,503	11.7%	1.60
Roark Capital Partners VI	Buyout	Buyout - Large	2021	40,000,000	27,798,553	4,941,732	40,850,542	20.7%	1.65
Samson Brunello 1	Buyout	Buyout - Large	2021	2,542,079	2,546,878	2,588,698	6,559,502	33.7%	3.59
Samson Shield 1	Buyout	Buyout - Large	2020	11,369,859	11,380,803	8,769,137	5,886,178	7.5%	1.29
Searchlight Capital II	Buyout	Buyout - Medium	2015	25,000,000	26,538,345	36,069,736	14,464,270	19.6%	1.90
SK Capital Partners VI-A	Buyout	Buyout - Medium	2021	40,000,000	21,715,679	5,558,066	31,200,341	53.9%	1.69
Spark Capital	Venture Capital	Venture - Early Stage	2005	9,000,000	8,820,000	11,937,038	150,757	7.8%	1.37
Spark Capital Growth Fund	Growth Equity	Growth Equity	2014	10,000,000	10,000,000	29,931,719	31,314,199	28.3%	6.12
Spark Capital Growth Fund II	Growth Equity	Growth Equity	2017	15,000,000	15,000,000	19,304,984	10,575,528	16.5%	1.99
Spark Capital Growth Fund III	Growth Equity	Growth Equity	2020	26,750,000	26,750,000	5,119,532	56,138,166	21.4%	2.29
Spark Capital Growth Fund IV	Growth Equity	Growth Equity	2021	33,340,000	30,672,800	-	70,339,329	43.6%	2.29
Spark Capital Growth Fund V	Growth Equity	Growth Equity	2024	33,340,000	22,504,500	-	25,342,089	20.6%	1.13
Spark Capital II	Venture Capital	Venture - Early Stage	2008	9,750,000	9,750,000	47,809,496	5,078,571	51.4%	5.42
Spark Capital III	Venture Capital	Venture - Early Stage	2011	10,000,000	10,000,000	17,733,069	16,255,004	23.9%	3.40
Spark Capital VI	Venture Capital	Venture - Early Stage	2020	13,250,000	11,858,750	-	16,300,459	7.8%	1.37
Spark Capital VII	Venture Capital	Venture - Early Stage	2021	16,660,000	13,744,500	-	21,631,814	19.7%	1.57
Spark Capital VIII	Venture Capital	Venture - Early Stage	2024	16,660,000	6,497,400	-	6,322,651	-3.1%	0.97
Spire Capital Partners III	Buyout	Buyout - Small	2013	10,000,000	10,858,025	9,258,759	7,582,604	8.1%	1.55
Stellex Capital Partners II LP	Buyout	Buyout - Medium	2020	30,000,000	30,166,100	6,496,362	37,163,281	14.5%	1.45
Stellex Capital Partners III LP	Buyout	Buyout - Medium	2024	50,000,000	13,977,582	77,886	12,121,044	-19.0%	0.87
StepStone Secondary Opportunities III	PE Multi-Manager	Secondaries	2016	25,000,000	29,366,204	32,521,049	12,753,473	11.1%	1.54
Stripes III	Growth Equity	Growth Equity	2015	10,000,000	12,832,144	19,027,137	11,010,297	15.4%	2.34
Stripes IV	Growth Equity	Growth Equity	2017	10,000,000	14,133,282	16,022,334	23,814,730	25.6%	2.82
Sunstone Partners I	Growth Equity	Growth Equity	2015	7,500,000	8,497,871	21,238,447	5,002,299	32.6%	3.09
Sunstone Partners II	Growth Equity	Growth Equity	2020	10,000,000	9,922,797	5,906,553	9,788,271	17.8%	1.58

IRRs of investments held less than two years generally is not a meaningful indicator of performance and are therefore labeled "n.m."

Core Portfolio Summary as of 12/31/2025 – Active (11 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Sunstone Partners III	Growth Equity	Growth Equity	2022	20,000,000	10,927,126	-	8,782,346	-17.0%	0.80
TA XI	Growth Equity	Growth Equity	2010	20,000,000	19,778,812	73,182,947	1,747,940	26.7%	3.79
TA XII-A	Growth Equity	Growth Equity	2016	25,000,000	25,086,535	60,710,432	22,936,062	34.1%	3.33
TA XIII-A	Growth Equity	Growth Equity	2019	35,000,000	34,672,693	25,397,693	43,805,526	21.0%	2.00
TA XIV-A	Growth Equity	Growth Equity	2021	60,000,000	58,650,000	11,250,000	60,511,161	7.4%	1.22
TA XV	Growth Equity	Growth Equity	2024	60,000,000	14,400,000	-	13,164,071	n.m.	0.91
TCV IX	Growth Equity	Growth Equity	2016	10,000,000	7,953,739	12,313,529	6,525,758	19.0%	2.37
TCV VII	Growth Equity	Growth Equity	2007	20,000,000	19,745,900	62,174,983	359,224	23.3%	3.17
TCV VIII	Growth Equity	Growth Equity	2014	30,000,000	26,152,505	47,876,101	15,639,474	12.2%	2.43
TCV X	Growth Equity	Growth Equity	2019	25,000,000	18,763,324	14,081,177	43,165,819	23.3%	3.05
TCV XI	Growth Equity	Growth Equity	2021	40,000,000	34,722,240	-	41,802,405	5.9%	1.20
TCV XII	Growth Equity	Growth Equity	2022	60,000,000	19,271,788	-	24,712,384	33.4%	1.28
The Baring Asia Private Equity Fund VI, L.P. 1	Buyout	Buyout - Medium	2015	25,000,000	30,139,094	48,195,038	3,961,569	12.7%	1.73
The Baring Asia Private Equity Fund VII	Buyout	Buyout - Medium	2018	25,000,000	26,750,848	28,270,576	16,433,047	18.8%	1.67
The Eighth Cinven Fund	Buyout	Buyout - Large	2022	72,746,600	22,605,629	1,372,696	22,107,939	7.1%	1.04
Thoma Bravo Discover Fund II	Buyout	Buyout - Medium	2018	10,000,000	10,708,631	13,439,475	10,416,285	21.3%	2.23
Thoma Bravo Discover Fund III	Buyout	Buyout - Medium	2020	20,000,000	20,396,063	1,504,682	29,407,149	11.0%	1.52
Thoma Bravo Discover Fund IV	Buyout	Buyout - Medium	2022	45,000,000	43,298,129	8,199,085	49,949,366	17.4%	1.34
Thoma Bravo Discover Fund V LP	Buyout	Buyout - Large	2024	60,000,000	8,303,774	-	8,178,161	n.m.	0.98
Thoma Bravo Explore Fund	Buyout	Buyout - Small	2020	10,000,000	11,775,409	3,719,065	19,139,701	23.9%	1.94
Thoma Bravo Fund XI	Buyout	Buyout - Medium	2014	15,000,000	13,400,392	46,825,387	7,594,151	26.0%	4.06
Thoma Bravo Fund XII	Buyout	Buyout - Large	2016	25,000,000	26,512,090	45,090,899	12,585,584	14.5%	2.18
Thoma Bravo Fund XIII	Buyout	Buyout - Large	2018	30,000,000	37,031,718	37,392,640	34,714,698	21.0%	1.95
Thoma Bravo Fund XIV	Buyout	Buyout - Large	2021	30,000,000	35,904,026	11,614,388	32,206,135	6.1%	1.22
Thoma Bravo Fund XV	Buyout	Buyout - Large	2022	80,000,000	75,650,464	7,034,440	95,317,011	12.6%	1.35

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Core Portfolio Summary as of 12/31/2025 – Active (12 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Thoma Bravo Fund XVI	Buyout	Buyout - Large	2024	65,000,000	6,118,923	-	5,967,933	n.m.	0.98
Thoma Bravo Special Opportunities Fund II	Buyout	Buyout - Medium	2015	10,000,000	9,200,691	17,276,124	7,304,266	15.6%	2.67
Threshold Ventures II	Venture Capital	Venture - Early Stage	2016	10,000,000	9,795,000	3,019,757	22,106,026	14.4%	2.57
TPG Growth II	Buyout	Buyout - Medium	2011	30,000,000	30,016,445	59,645,456	12,414,428	16.5%	2.40
TPG Partners IV	Buyout	Buyout - Large	2003	25,000,000	27,436,973	52,741,423	56,074	15.2%	1.92
TPG Partners VI	Buyout	Buyout - Large	2008	22,500,000	24,691,367	36,564,999	108,829	9.4%	1.49
TPG Rise Climate	Growth Equity	Growth Equity	2021	50,000,000	43,790,056	9,107,755	46,606,134	14.8%	1.27
TPG Rise Climate II	Growth Equity	Growth Equity	2024	50,000,000	-	-	(1,413,678)	n.m.	-
TPG STAR	Buyout	Buyout - Medium	2006	20,000,000	21,635,099	27,725,146	19,152	5.9%	1.28
Trident Capital Fund-VI	Buyout	Buyout - Medium	2004	8,500,000	8,500,000	12,344,382	562,881	4.3%	1.52
Ulu Ventures Fund III	Venture Capital	Venture - Early Stage	2020	10,000,000	9,300,000	-	5,966,610	-11.1%	0.64
Ulu Ventures Fund IV	Venture Capital	Venture - Early Stage	2023	20,000,000	8,000,000	-	6,762,380	-10.8%	0.85
Upfront VI	Venture Capital	Venture - Early Stage	2017	20,000,000	20,776,897	1,961,491	30,498,091	8.8%	1.56
Vista Equity Partners Fund III	Buyout	Buyout - Medium	2007	25,000,000	23,310,875	63,153,894	70,174	26.6%	2.71
Vista Equity Partners Fund IV	Buyout	Buyout - Medium	2011	30,000,000	25,696,926	36,273,930	19,445,225	13.0%	2.17
Vista Equity Partners Fund V	Buyout	Buyout - Medium	2014	40,000,000	41,733,778	73,027,976	23,403,593	15.7%	2.31
Vista Equity Partners Fund VI	Buyout	Buyout - Large	2016	30,000,000	38,215,675	49,126,641	27,092,910	15.4%	1.99
Vista Equity Partners Fund VII	Buyout	Buyout - Large	2018	40,000,000	39,936,577	4,941,463	43,748,774	4.5%	1.22
Vista Foundation Fund II	Buyout	Buyout - Medium	2013	10,000,000	9,980,510	15,775,829	4,115,007	13.3%	1.99
Vista Foundation Fund III	Buyout	Buyout - Medium	2016	10,000,000	12,004,091	13,348,237	9,305,668	18.0%	1.89
Vista Foundation Fund IV	Buyout	Buyout - Medium	2020	30,000,000	27,518,113	5,779	30,323,871	2.8%	1.10
Vitruvian Investment Partnership IV	Buyout	Buyout - Medium	2020	39,119,924	35,862,266	3,265,444	50,201,928	12.8%	1.49
Vitruvian Investment Partnership V	Growth Equity	Growth Equity	2022	75,103,200	30,876,351	-	37,615,635	21.8%	1.22
Warren Equity Partners Fund V	Buyout	Buyout - Medium	2025	40,000,000	-	-	-	n.m.	-
Wynnchurch Capital Partners IV	Buyout	Buyout - Medium	2015	10,000,000	9,821,459	18,226,676	10,225,971	24.3%	2.90

IRRs of investments held less than two years generally is not a meaningful indicator of performance and are therefore labeled "n.m."

Core Portfolio Summary as of 12/31/2025 – Active (13 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Yucaipa American Alliance Fund II	Buyout	Buyout - Medium	2008	20,000,000	20,160,070	23,483,827	17,706,161	7.7%	2.04
LACERS - Active Core				**8,078,823,556**	**6,104,997,678**	**5,066,686,329**	**5,321,158,448**	**14.4%**	**1.70**
LACERS Core				**9,356,171,671**	**7,380,220,071**	**6,977,210,942**	**5,321,158,448**	**12.4%**	**1.67**

IRRs of investments held less than two years generally is not a meaningful indicator of performance and are therefore labeled "n.m."

Core Portfolio Summary as of 12/31/2025 – Liquidated (1 of 4)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
ACON-Bastion Partners II	Buyout	Buyout - Medium	2006	5,000,000	4,721,150	8,209,699	-	12.3%	1.74
Alchemy Plan (City of Angels)	Buyout	Buyout - Medium	1999	38,194,245	40,196,637	50,322,714	-	5.7%	1.25
Apollo Investment Fund VII	Buyout	Buyout - Large	2008	20,000,000	17,566,884	35,876,547	-	22.6%	2.04
Ascribe Opportunities Fund II	Credit/Distressed	Distressed	2010	20,000,000	30,550,397	32,832,488	-	2.6%	1.07
Ascribe Opportunities Fund III	Credit/Distressed	Distressed	2013	30,000,000	50,906,254	42,714,165	-	-20.2%	0.84
Austin Ventures VII	Venture Capital	Venture - Multi-Stage	1999	17,000,000	17,000,000	13,726,439	-	-2.8%	0.81
Austin Ventures VIII	Venture Capital	Venture - Multi-Stage	2001	8,300,000	8,300,000	13,730,002	-	6.8%	1.65
Avenue Europe Special Situations Fund II	Credit/Distressed	Distressed	2011	28,323,908	28,305,005	32,200,618	-	3.5%	1.14
Avenue Special Situations Fund IV	Credit/Distressed	Distressed	2005	10,000,000	10,000,000	13,828,999	-	8.3%	1.38
Avenue Special Situations Fund V	Credit/Distressed	Distressed	2007	10,000,000	9,950,262	13,312,819	-	11.5%	1.34
Carlyle Partners IV	Buyout	Buyout - Large	2004	20,000,000	19,634,189	39,897,415	-	13.0%	2.03
CGW Southeast Partners III	Buyout	Buyout - Small	1996	8,680,144	8,680,144	14,736,448	-	9.2%	1.70
CGW Southeast Partners IV	Buyout	Buyout - Medium	1999	10,000,000	8,707,914	13,398,877	-	8.3%	1.54
Charterhouse Capital Partners VIII	Buyout	Buyout - Large	2006	19,869,483	19,656,305	18,926,161	-	-0.6%	0.96
Chisholm Partners IV	Buyout	Buyout - Small	1999	9,000,000	8,841,055	9,376,669	-	0.7%	1.06
CHS Private Equity V	Buyout	Buyout - Medium	2005	20,000,000	20,145,530	35,432,176	-	9.9%	1.76
CVC European Equity Partners	Buyout	Buyout - Large	1996	10,000,000	9,686,071	24,345,254	-	23.2%	2.51
CVC European Equity Partners II	Buyout	Buyout - Large	1998	9,218,055	9,212,371	22,076,376	-	18.9%	2.40
Energy Capital Partners II	Natural Resources	Energy	2009	20,000,000	13,957,194	20,431,934	-	9.1%	1.46
Enhanced Equity Fund	Buyout	Buyout - Small	2006	10,000,000	10,000,000	10,776,209	-	1.1%	1.08
Enhanced Equity Fund II	Buyout	Buyout - Small	2010	10,000,000	9,570,165	5,253,831	-	-21.7%	0.55
First Reserve Fund X	Natural Resources	Energy	2004	20,000,000	20,000,000	36,552,322	-	31.0%	1.83
First Reserve Fund XI	Natural Resources	Energy	2006	30,000,000	29,998,665	21,074,528	-	-7.9%	0.70
First Reserve Fund XII	Natural Resources	Energy	2008	25,000,000	25,990,474	12,754,716	-	-17.8%	0.49
Golder, Thoma, Cressey, Rauner Fund V	Buyout	Buyout - Medium	1997	10,000,000	10,000,000	18,226,074	-	11.0%	1.82

IRRs of investments held less than two years generally is not a meaningful indicator of performance and are therefore labeled "n.m."

Core Portfolio Summary as of 12/31/2025 – Liquidated (2 of 4)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
GTCR Fund IX-A	Buyout	Buyout - Medium	2006	15,000,000	14,288,203	25,808,785	-	13.8%	1.81
GTCR Fund VI	Buyout	Buyout - Medium	1998	10,000,000	10,000,000	8,890,791	-	-3.8%	0.89
GTCR Fund VII	Buyout	Buyout - Medium	2000	18,750,000	18,609,375	43,841,047	-	21.8%	2.36
GTCR Fund VII-A	Buyout	Buyout - Medium	2001	6,250,000	4,140,625	11,565,815	-	83.1%	2.79
GTCR Fund VIII	Buyout	Buyout - Medium	2003	20,000,000	18,520,960	32,408,009	-	22.3%	1.75
Hellman & Friedman Capital Partners V	Buyout	Buyout - Large	2004	10,463,972	9,931,388	26,659,657	-	27.8%	2.68
Hellman & Friedman Capital Partners VI	Buyout	Buyout - Large	2006	20,000,000	19,252,237	36,202,495	-	12.9%	1.88
Highbridge Principal Strategies Senior Loan II	Credit/Distressed	Distressed	2010	50,000,000	40,883,273	47,651,965	-	7.9%	1.17
InterWest VI	Venture Capital	Venture - Early Stage	1996	5,000,000	5,000,000	14,858,749	-	49.0%	2.97
J.H. Whitney IV	Buyout	Buyout - Medium	1999	22,448,463	22,448,463	9,422,111	-	-10.9%	0.42
J.H. Whitney V	Buyout	Buyout - Medium	2000	9,957,358	11,558,159	22,375,756	-	23.3%	1.94
J.H. Whitney VI	Buyout	Buyout - Medium	2005	15,000,000	14,884,557	14,590,780	-	-0.4%	0.98
Kelso Investment Associates VI	Buyout	Buyout - Medium	1998	4,309,418	4,309,418	5,982,794	-	9.3%	1.39
KKR 1996 Fund	Buyout	Buyout - Large	1997	25,000,000	26,194,438	46,838,314	-	13.2%	1.79
KKR European Fund II	Buyout	Buyout - Large	2005	15,000,000	15,497,844	21,020,233	-	4.7%	1.36
Levine Leichtman Capital Partners III	Buyout	Buyout - Medium	2003	20,000,000	21,392,254	33,354,346	-	10.0%	1.56
Lindsay Goldberg & Bessemer II	Buyout	Buyout - Large	2005	20,000,000	18,913,523	27,078,474	-	7.1%	1.43
Lindsay Goldberg III	Buyout	Buyout - Large	2008	20,000,000	19,232,884	26,175,344	-	8.1%	1.36
Madison Dearborn Capital Partners III	Buyout	Buyout - Medium	1999	16,000,000	16,000,000	24,398,778	-	8.6%	1.52
Madison Dearborn Capital Partners IV	Buyout	Buyout - Medium	2000	25,000,000	25,199,114	48,054,335	-	14.1%	1.91
Menlo Ventures IX	Venture Capital	Venture - Multi-Stage	2001	20,000,000	20,000,000	20,399,835	-	0.3%	1.02
Menlo Ventures VII	Venture Capital	Venture - Multi-Stage	1997	5,000,000	5,000,000	23,552,033	-	135.8%	4.71
Menlo Ventures VIII	Venture Capital	Venture - Multi-Stage	1999	18,000,000	18,000,000	8,980,234	-	-8.9%	0.50
NewBridge Asia IV	Buyout	Buyout - Medium	2005	10,000,000	9,846,880	21,943,320	-	16.8%	2.23
Nordic Capital V	Buyout	Buyout - Medium	2003	14,043,460	14,319,521	42,545,098	-	20.8%	2.97

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Core Portfolio Summary as of 12/31/2025 – Liquidated (3 of 4)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
OCM Opportunities Fund	Credit/Distressed	Distressed	1995	11,000,000	10,972,896	18,030,431	-	10.3%	1.64
OCM Opportunities Fund II	Credit/Distressed	Distressed	1997	11,000,000	11,000,000	16,628,641	-	8.4%	1.51
OCM Opportunities Fund III	Credit/Distressed	Distressed	1999	10,000,000	10,000,000	15,072,658	-	11.9%	1.51
OCM Opportunities Fund IV	Credit/Distressed	Distressed	2001	10,000,000	10,000,000	16,503,319	-	28.4%	1.65
OCM Opportunities Fund V	Credit/Distressed	Distressed	2004	7,100,000	7,100,000	11,703,269	-	14.1%	1.65
OCM Opportunities Fund VII	Credit/Distressed	Distressed	2007	10,000,000	10,000,000	13,842,018	-	7.3%	1.38
OCM Opportunities Fund VIIb	Credit/Distressed	Distressed	2008	10,000,000	9,000,000	15,586,945	-	16.5%	1.73
Olympus Growth Fund IV	1+B57:B64	Buyout - Medium	2003	7,700,000	7,660,045	11,831,606	-	8.5%	1.54
Onex Partners	Buyout	Buyout - Large	2003	20,000,000	19,068,454	58,555,641	-	38.4%	3.07
Permira Europe IV	Buyout	Buyout - Large	2006	14,935,115	14,921,731	24,111,899	-	8.6%	1.62
Providence Equity Partners V	Buyout	Buyout - Large	2004	18,000,000	16,416,768	20,477,873	-	3.2%	1.25
Providence TMT Debt Opportunity Fund II	Credit/Distressed	Distressed	2010	20,000,000	16,319,772	25,893,666	-	10.4%	1.59
Richland Ventures III	Venture Capital	Venture - Late Stage	1999	18,000,000	18,000,000	15,261,276	-	-3.0%	0.85
Samson Hockey 1	Buyout	Buyout - Large	2020	3,369,537	3,381,607	7,503,441	-	33.1%	2.22
SSG Capital Partners II	Credit/Distressed	Distressed	2012	15,914,286	15,287,483	17,803,371	-	4.1%	1.16
TA X	Growth Equity	Growth Equity	2006	6,000,000	6,186,689	8,025,046	-	5.2%	1.30
TCV V	Venture Capital	Venture - Multi-Stage	2004	19,500,000	19,334,250	35,783,445	-	10.6%	1.85
TCW Crescent Mezzanine Partners IV	Credit/Distressed	Mezzanine	2006	10,000,000	8,712,805	9,998,443	-	2.9%	1.15
TCW Crescent Mezzanine Partners V	Credit/Distressed	Mezzanine	2007	10,000,000	9,625,012	13,310,417	-	9.7%	1.38
The Resolute Fund	Buyout	Buyout - Medium	2002	20,000,000	18,978,049	48,217,383	-	17.0%	2.54
Thoma Cressey Fund VI	Buyout	Buyout - Medium	1998	5,000,000	4,845,000	4,995,064	-	0.4%	1.03
Thomas H. Lee Equity Fund V	Buyout	Buyout - Medium	2000	15,000,000	15,260,867	26,333,190	-	14.2%	1.73
Tibbar Holdings, LLC (FKA TH Lee IV)	Buyout	Buyout - Medium	1998	7,000,000	6,314,197	5,484,109	-	-2.6%	0.87
TPG Partners III	Buyout	Buyout - Large	1999	25,000,000	22,442,286	56,580,977	-	24.4%	2.52
TPG Partners V	Buyout	Buyout - Large	2006	29,610,505	31,415,182	42,773,334	-	4.8%	1.36

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Core Portfolio Summary as of 12/31/2025 – Liquidated (4 of 4)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Trident Capital Fund-V	Buyout	Buyout - Medium	2000	10,587,999	10,627,045	17,742,590	-	7.7%	1.67
Trident Capital Fund-V (Secondary)	Buyout	Buyout - Medium	2000	3,781,680	3,374,683	6,480,167	-	12.1%	1.92
VantagePoint Venture Partners IV	Venture Capital	Venture - Multi-Stage	2000	15,000,000	15,000,000	14,451,139	-	-0.5%	0.96
Vestar Capital Partners IV	Buyout	Buyout - Medium	1999	17,000,000	16,590,256	29,407,769	-	13.4%	1.77
Welsh, Carson, Anderson & Stowe IX	Buyout	Buyout - Medium	2000	15,000,000	14,850,000	24,680,230	-	11.2%	1.66
Welsh, Carson, Anderson & Stowe VII	Buyout	Buyout - Medium	1995	15,000,000	15,000,000	32,633,357	-	17.7%	2.18
Welsh, Carson, Anderson & Stowe VIII	Buyout	Buyout - Medium	1998	15,000,000	15,000,000	19,322,526	-	3.1%	1.29
Weston Presidio Capital IV	Growth Equity	Growth Equity	2000	15,000,000	14,764,721	17,365,533	-	3.0%	1.18
Weston Presidio Capital IV (Secondary)	Growth Equity	Growth Equity	2000	3,040,488	2,772,810	3,521,264	-	5.2%	1.27
LACERS - Liquidated Core				**1,277,348,116**	**1,275,222,393**	**1,910,524,613**	**-**	**10.0%**	**1.50**

IRRs of investments held less than two years generally is not a meaningful indicator of performance and are therefore labeled "n.m."

Specialized Portfolio Summary as of 12/31/2025 - Active

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Angeleno Investors III	Venture Capital	Venture - Late Stage	2009	10,000,000	10,686,144	3,597,204	8,462,126	1.2%	1.13
DFJ Frontier Fund II	Venture Capital	Venture - Early Stage	2007	5,000,000	5,002,783	2,519,279	1,242,616	-2.8%	0.75
St. Cloud Capital Partners II	Credit/Distressed	Mezzanine	2006	5,000,000	4,989,085	4,177,572	4,387	-4.2%	0.84
Vicente Capital Partners Growth Equity Fund	Growth Equity	Growth Equity	2007	10,000,000	10,093,708	13,998,549	95,703	5.6%	1.40
LACERS - Specialized Active				**30,000,000**	**30,771,719**	**24,292,604**	**9,804,832**	**1.4%**	**1.11**
LACERS Specialized				**191,261,668**	**189,634,866**	**200,085,428**	**9,804,832**	**1.6%**	**1.11**

IRRs of investments held less than two years generally is not a meaningful indicator of performance and are therefore labeled "n.m."

Specialized Portfolio Summary as of 12/31/2025 - Liquidated

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Ares Special Situations Fund	Credit/Distressed	Distressed	2008	10,000,000	10,166,166	17,497,244	-	13.1%	1.72
Carpenter Community BancFund-A	Buyout	Buyout - Small	2008	10,000,000	9,692,231	16,376,097	-	8.2%	1.69
Craton Equity Investors I	Growth Equity	Growth Equity	2006	10,000,000	9,951,989	1,067,621	-	-32.7%	0.11
DFJ Element	Venture Capital	Venture - Multi-Stage	2006	8,000,000	7,846,106	5,764,976	-	-3.4%	0.73
Element Partners Fund II	Venture Capital	Venture - Late Stage	2008	10,000,000	9,361,465	13,980,686	-	5.9%	1.49
NGEN III	Venture Capital	Venture - Multi-Stage	2008	10,000,000	11,454,178	7,167,791	-	-6.3%	0.63
NGEN Partners II	Venture Capital	Venture - Multi-Stage	2005	7,750,702	7,750,702	515,126	-	-49.0%	0.07
Nogales Investors Fund II	Buyout	Buyout - Medium	2006	4,100,000	3,603,436	398,586	-	-24.1%	0.11
Palladium Equity Partners III	Buyout	Buyout - Medium	2004	10,000,000	9,915,181	17,818,981	-	11.2%	1.80
Reliant Equity Partners	Buyout	Buyout - Small	2002	7,920,417	8,008,449	55,772	-	-	0.01
Rustic Canyon/Fontis Partners	Growth Equity	Growth Equity	2005	5,000,000	3,671,248	2,552,846	-	-5.0%	0.70
Saybrook Corporate Opportunity Fund	Credit/Distressed	Distressed	2007	6,192,814	6,321,092	9,757,725	-	9.8%	1.54
Sector Performance Fund	Buyout	Buyout - Medium	2007	9,297,735	9,502,443	8,466,553	-	-2.9%	0.89
Spire Capital Partners II	Buyout	Buyout - Small	2006	10,000,000	9,025,654	17,699,807	-	15.6%	1.96
StarVest Partners II	Venture Capital	Venture - Late Stage	2007	5,000,000	4,976,109	2,919,313	-	-7.0%	0.59
StepStone Pioneer Capital I	PE Multi-Manager	Fund of Funds	2004	10,000,000	9,751,911	13,033,359	-	5.1%	1.34
StepStone Pioneer Capital II	PE Multi-Manager	Fund of Funds	2006	10,000,000	9,427,148	18,255,456	-	9.1%	1.94
Sterling Venture Partners II	Venture Capital	Venture - Late Stage	2005	8,000,000	8,006,256	10,013,785	-	3.2%	1.25
Yucaipa American Alliance Fund I	Buyout	Buyout - Medium	2002	10,000,000	10,431,383	12,451,100	-	3.3%	1.19
Liquidated				**161,261,668**	**158,863,147**	**175,792,824**	**-**	**1.7%**	**1.11**
LACERS Specialized				**191,261,668**	**189,634,866**	**200,085,428**	**9,804,832**	**1.6%**	**1.11**

IRRs of investments held less than two years generally is not a meaningful indicator of performance and are therefore labeled "n.m."