Board of Administration Agenda
REGULAR MEETING
TUESDAY, JULY 14, 2026
10:00 A.M.
LACERS BOARDROOM
977 N. Broadway
Los Angeles, CA 90012

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

Please be advised that all LACERS Board meetings are recorded.

LACERS WEBSITE ADDRESS/LINK: 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**.

REQUEST FOR SERVICES

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

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

Si requiere servicios de traducción, llámenos tres días (72 horas) antes de la reunión o evento al (800) 779-8328.

For additional information, please contact: Board of Administration Office at **(213) 855-9348** and/or email at **lacers.board@lacers.org**.

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

   C. INTRODUCTION OF NEW CITY ATTORNEY STAFF

III. RECEIVE AND FILE ITEMS

   A. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD

   B. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER

   C. ANNUAL CONTRACTOR DISCLOSURE COMPLIANCE REPORT FOR THE YEAR ENDED DECEMBER 31, 2025

IV. COMMITTEE REPORT(S)

   A. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON JUNE 23, 2026

V. CONSENT ITEMS

   A. APPROVAL OF MINUTES FOR THE MEETING ON JUNE 9, 2026 AND POSSIBLE BOARD ACTION

VI. BOARD/DEPARTMENT ADMINISTRATION

   A. REPORT ON MEASURE FF TIER 1-ENHANCED PUBLIC SAFETY OFFICER TRANSFER OPPORTUNITY AND POSSIBLE BOARD ACTION

B. BOARD POLICY REVIEW: INFORMATION SECURITY POLICY AND POSSIBLE BOARD ACTION

C. CONTRACT WITH ONACTUATE CONSULTING US INC AND RELATED SUPPLEMENTAL APPROPRIATION FOR THE IMPLEMENTATION OF THE MICROSOFT DYNAMICS 365 BUSINESS CENTRAL AND POSSIBLE BOARD ACTION

VII. INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT

B. INVESTMENT MANAGER CONTRACT WITH LAZARD ASSET MANAGEMENT LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS CORE PORTFOLIO AND POSSIBLE BOARD ACTION

C. RESPONSIBLE INVESTMENT PROGRAM EXPENDITURES REVIEW AND POSSIBLE BOARD ACTION

D. NOTIFICATION OF COMMITMENT OF UP TO $50 MILLION IN PRIME PROPERTY FUND, LLC

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 July 28, 2026, at 10:00 A.M., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, CA 90012.

XI. ADJOURNMENT

LACERS' ETHICAL CONTRACT COMPLIANCE REPORT – NOTIFICATION TO THE BOARD

Board Meeting: 7/14/2026
Item III-A

RESTRICTED SOURCES

The Board's Ethical Contract Compliance Policy was adopted in order to prevent and avoid the appearance of undue influence on the Board or any of its Members in the award of investment-related and other service contracts. Pursuant to this Policy, this notification procedure has been developed to ensure that Board Members and staff are regularly apprised of firms for which there shall be no direct marketing discussions about the contract or the process to award it; or for contracts in consideration of renewal, no discussions regarding the renewal of the existing contract.

Name	Description	Inception	Expiration	Division
Segall Bryant & Hamill, LLC	Active U.S. Small Cap Value Equities	August 1, 2020	July 31, 2026	Investments
Loomis, Sayles & Company, L.P.	Active High Yield Fixed Income	September 1, 2020	August 31, 2026	Investments
Informed Momentum Company LLC	Active U.S. Small Cap Growth Equities	September 1, 2020	July 31, 2026	Investments
Polen Capital Credit, LLC	Active Hybrid High Yield Fixed Income/U.S. Floating Rate Bank Loan	September 1, 2020	August 31, 2026	Investments
Barrow, Hanley, Mewhinney & Strauss, LLC	Active Non-U.S. Equities Developed Markets Value	October 1, 2013	September 30, 2026	Investments
Cushman & Wakefield U.S., Inc.	Property Management Services	N/A	N/A	Administration

ACTIVE REQUEST FOR PROPOSALS (RFPs)

Description	Respondents	Inception	Expiration	Division
Property Management Services	Bell Properties, Inc., Cushman & Wakefield, Dow Property Group, Inc., EBS Asset Management Inc., Simon Shamoulia, SoCal Premier Property Management	July 28, 2025	September 5, 2025	Administration

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-B

Benefit payments have been approved by the General Manager under the authority delegated by the Board of Administration (Board Rule GMA 1 adopted June 14, 2016):

SERVICE RETIREMENTS

Member Name	Service	Department	Classification
Rackley, Madeleine M	42	Library Dept.	Chief Management Analyst
Abille, Suzette F	40	Dept. of Airports	Senior Systems Analyst
Chen, Minyeong	38	Controller's Office	Financial Management Specialist
Dersaroian, Saro	38	PW - Engineering	Building Electrical Engineer
Tieu, Clifford	38	GSD	Mat. Testing Eng. Assoc.
Yakel, Richard M	38	Dept. of Airports	Airports Maint. Supt.
Vicelja, Mark J	38	Dept. of Airports	Chief Airports Engineer
Delgado, Patricia M	37	Dept. of Rec. & Parks	Executive Director
Martinez, Jessica L	37	PW - Engineering	Senior Administrative Clerk
Cole, William R	37	PW - Sanitation	Sanitation Solid Res. Mgr.
Pecenka, Brian J	37	Dept. of Airports	Chief Of Operations
Kwan, Mei	36	Zoo Dept.	Assistant General Manager
Masud, James Ido	36	PW - Street Services	St. Light. Const. & Maint. Supt.
Perkins, Carrie L	35	Dept. of Airports	Risk And Insurance Assistant
Spencer, Wayne	35	Dept. of Airports	Custodian
Lindemann, Kathy A	35	Library Dept.	Librarian
Shaffer, Esperanza Maria	35	Dept. of Transportation	Senior Accountant
Mcadams, Douglas R	34	Dept. of Airports	Senior Airport Engineer
Kim, Hyun Jin	34	Police Dept. - Civilian	Management Analyst
Blessing, Steven Brian	34	Zoo Dept.	Mechanical Repairer
Conde, Araceli	34	Police Dept. - Civilian	Administrative Clerk
Lee, Theresa Tumbucon	32	Police Dept. - Civilian	Management Analyst
Spears, Annette M	32	Dept. of Airports	Custodian
Morita, Curtis M	32	GSD	Plumber Supervisor
Giddens, Tesha L	32	Dept. of Airports	Security Officer
Martin, John D	31	PW - Sanitation	Gardener Caretaker
Rojas, Maria Victoria	31	Dept. of Airports	Airport Financial Advisor
Law, Shui W	31	Emerg. Preparedness Dept	Exec. Admin. Asst.
Curry, Ilene Renee	31	Police Dept. - Civilian	Exec. Admin. Asst.
Taylor, Zena Racely	31	Police Dept. - Civilian	Police Service Representative
Rosales, Cecilia C	31	Housing Department	Finance Development Officer
Kwon, David	30	Police Dept. - Civilian	Senior Police Services Rep
Breithaupt, Deborah J	30	City Attorney's Office	Deputy City Attorney
Davis, Stacy Lynn	30	Dept. of Airports	Risk Manager
Lightner, Barron G	30	Dept. of Transportation	Senior Management Analyst
Garcia, Leticia	30	City Attorney's Office	City Attorney Admin Coordinator
Shibuya, Donna Marie	30	Police Dept. - Civilian	Management Analyst
Tanaka, Cathy T	30	Personnel Dept.	Senior Personnel Analyst

Rayos Lainez, Rosa Maria	29	Police Dept. - Civilian	Senior Administrative Clerk
Niell, Esther J	28	City Attorney's Office	Witness Service Coordinator
Aviles, Kimberly R	28	Library Dept.	Personnel Records Supervisor
Santos, Sandra Ann	28	PW - Street Services	Senior Administrative Clerk
Alarcon, Martin	27	PW - Street Services	Street Services Supervisor
Zavala, Jose R	27	Dept. of Airports	Maintenance Laborer
Unite, Robert E	27	Dept. of Airports	Parking Manager
Rios, Jorge Felipe	27	Police Dept. - Civilian	Police Service Representative
Musselman, William D	26	PW - Sanitation	Refuse Collection Supervisor
Meza, Martin Richard	26	Police Dept. - Civilian	Equipment Mechanic
Tarver, Dion	26	PW - Sanitation	Wastewater Conveyance Opr
Morrow, Steve Gene	25	PW - Sanitation	Wastewater Conveyance Opr
Petitt, Randy S	25	Zoo Dept.	Plumber
Bakeman, James Ronald	25	Dept. of Airports	Superintendent Of Operations
Lopez, John J	25	Dept. of Airports	Airport Police Sergeant
Tolentino, Hester S	25	Police Dept. - Civilian	Accounting Clerk
Pham, Loc Ba	25	ITA	Comm. Eng. Assoc.
Huezo, Hector Omar	24	City Attorney's Office	Deputy City Attorney
Corralez, Richard Mark	24	Dept. of Transportation	Traffic Officer
Fuentes, Ana Bertha	24	Police Dept. - Civilian	Detention Officer
Wells, Melvin R	24	Office of Finance	Accounting Clerk
Lespron, Mario D	23	PW - Sanitation	Refuse Collection Truck Opr
Perez, Felix H	23	Police Dept. - Civilian	Senior Administrative Clerk
Silva, Gladys J	23	Dept. of Airports	Custodian
Lemus, Rene	23	Dept. of Airports	Custodian
Melgar, Roman R	23	Dept. of Airports	Custodian
Moore, Robert A	22	PW - Contract Administration	Senior Construction Inspector
Romero, Daniel	22	PW - Sanitation	Wastewater Conveyance Opr
Villa, Cipriano A	21	Dept. of Rec. & Parks	Gardener Caretaker
Boucher, Michael A	21	Dept. of Airports	Bus Operator
Criddle, Byron Neil	21	Dept. of Animal Svcs.	Animal Control Officer
Rudolph, Leon	21	Dept. of Airports	Traffic Painter And Sign Poster
Gamino Ruiz, Eleuterio	21	Dept. of Airports	Custodian
Sandoval, Carmela	21	Dept. of Airports	Custodian
Garcia, Jose R	21	Dept. of Animal Svcs.	Veterinary Technician
Guerrero, Antonio	20	Harbor Dept.	Senior Security Officer
Buras, Corazon Quintillan	20	PW - Sanitation	Safety Engineering Associate
Kaminsky, Nina	20	Police Dept. - Civilian	Fingerprint Identification Expert
Sloat, Harold L	20	Dept. of Airports	Electrician Supervisor
Kleszcz, Donna Lynn	20	PW - Engineering	Secretary
Renee, Shannon	20	Police Dept. - Civilian	Administrative Clerk
Cohen Pavlo, Barbara	20	Police Dept. - Civilian	Police Psychologist
Noss, Zvonko Henry	20	Police Dept. - Civilian	Senior Equipment Mechanic
Hollenbaugh, Brian Odell	20	Police Dept. - Civilian	Detention Officer
O Brien, Christina P	19	Library Dept.	Administrative Clerk
Manalac, Philip S	18	Dept. of Aging	Auditor
Cabrera, Jaime Amonoy	18	GSD	Materials Testing Technician
Dambacher, Donald Patrick	18	Dept. of Animal Svcs.	Animal Care Technician
Mcafee, James William	18	Harbor Dept.	Painter
Sanchez, Roselia	17	Library Dept.	Messenger Clerk

Parada, Elizabeth Kristina	17	Zoo Dept.	Animal Keeper
Villegas De Garcia, Aurora	16	GSD	Custodian
Sutherland, Robert Bruce	14	PW - Sanitation	Instrument Mechanic
Delao, Armando	13	Dept. of Rec. & Parks	Contract Administrator
Ford-James, Sandra	13	LACERS	Benefits Analyst
Delariva, Olivia	13	El Pueblo	Museum Guide
Calaguing, Luisito Dagsa	13	Dept. of Transportation	Traffic Officer
Alexander, Kelley J	13	Dept. of Airports	Maintenance Laborer
Dao, Hanh Duy	12	Council	Legislative Analyst
Borrelli, Mathew	11	Police Dept.	Security Officer
Hale, Brian C	11	Dept. of Transportation	Chief Parking Enforcement
Keth, Kunthea	11	Library Dept.	Messenger Clerk
Fulton, Jeffrey M	11	Dept. of Bldg. & Safety	Senior Building Inspector
Fees, David Michael	11	PW - Sanitation	Instrument Mechanic
Graham Taylor, Lisa Kai	10	Police Dept. - Civilian	Management Analyst
Quezada, Ernestina	10	Dept. of Rec. & Parks	Recreation Assistant
Robbins, Tricia Devon	9	Council	Council Aide
Andrews, Stephen Blake	8	Mayor's Office	Mayoral Aide
Castro, Ruben	8	Dept. of Rec. & Parks	Special Prog Asst
Stern, Ellen Carole	8	PW - Sanitation	Pub Info Director
Doheny, Edward L	6	City Attorney's Office	Deputy City Attorney
Moawad, Gabi	6	Harbor Dept.	Electrician
Pitterson, Rossano J	6	Dept. of Rec. & Parks	Special Program Assistant
Ivory, Charles A	6	Dept. of Transportation	Crossing Guard
Murphy, Sageian M	5	Police Dept. - Civilian	Administrative Clerk

APPROVED DEATH BENEFIT PAYMENTS

Deceased	Beneficiary/Payee
TIER 1	
Adger, Douglass	Lawrence D. Adger for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Aguilar, Raul D	Gloria F. Aguilar for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Alvarado, Sagrario D	Bernabe Alvarado for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Arellano, Enrique S	Maria E Arellano for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Arellano, Socorro D	Sylvia Arellano for the payment of the Accrued But Unpaid Survivorship (Disability) Allowance Unused Contributions
Austin, Richard Alan	Jack T Austin for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Bangs, Donna L	Janet Lynn Marie Bangs for the payment of the Accrued But Unpaid Survivorship (Retirement) Allowance
Barton, Donald J	Felipa Alvarez Marquez for the payment of the Accrued But Unpaid Continuance Allowance
Beasley, Lorna V	Patti Anne Joseph for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Berry, Bonnie M	Cheryl Molina for the payment of the Burial Allowance
	Robert Ludlow for the payment of the Burial Allowance
Bieganski, Paul L	Serena Sunshine Peralta for the payment of the Accrued But Unpaid Service Retirement Allowance Unused Contributions
Bloch, Anna M	Jeffery A Bloch for the payment of the Accrued But Unpaid Larger Annuity Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance
Buchan, James Howard	Darren R Buchan for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
	Jeffrey J Buchan for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Bunting, Barbara J	Kathryn M Jones for the payment of the DRO Lump Sum
	Krystal E Smith for the payment of the DRO Lump Sum
Calloway, Therman W	Jerelene L Calloway for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Cordon, Dennis R	Kris Ann Mckenna for the payment of the Burial Allowance
Costantino, Thomas	Joseph Costantino for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Cotton, Lawrence W	Sherri L Evans for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance

De Mello, Charlotte	Lance Bryan De Mello for the payment of the Accrued But Unpaid Continuance Allowance
Delgado, Gilardo	Dena E Delgado for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Doss, Donna L	Kenneth Doss for the payment of the Burial Allowance
Du, Yu Mei T	Ying Tzyong Du for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Fitzer, Donna M.	Amy E. Smolev for the payment of the Accrued But Unpaid Continuance Allowance
Fukuda, Yaeko	Yaeko Fukuda Living Trust for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Gomez, Daniel V	Christine Z. Blom-Gomez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Gonnella, David W	Joan W. Mclaurin for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Goss, Cecelia C	Carol Mccowan for the payment of the Accrued But Unpaid Continuance Allowance
	Mary Goss Mundy for the payment of the Accrued But Unpaid Continuance Allowance
	Susan V. Brown for the payment of the Accrued But Unpaid Continuance Allowance
Graney, Thomas W	David A Graney for the payment of the Accrued But Unpaid Service Retirement Allowance

Guillen Sutton, Edwina Gail	Barbara Allen for the payment of the Accrued But Unpaid Service Retirement Allowance
Hackelton, Gerald W	Linda M Hackelton for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Henderson, William P	Suzette Phillips for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Johnson, Robert T	Deborah A Johnson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
King, Delpha Gene	Annette Geddes for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Dorreth E King-Rucker for the payment of the Accrued But Unpaid Service Retirement Allowance
Landeros, Javier	Elena Y Landeros for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Larsen, William G	Candice L Correa for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Laudisio, Patricia L	Angela Laudisio for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Launius, Sandra K	Dawn Paula Marie Sassoon for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mangiameli, S L	Fred M Mangiameli for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Martin, Joyce A	Roger L Martin for the payment of the Accrued But Unpaid Continuance Allowance
Mattson, Patty N	Lee-An Lona Atkinson for the payment of the Accrued But Unpaid Continuance Allowance
Mccorry, Brandi	Alonzo Lonnell Young for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mejia, Ramon G	Luise M Mejia for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Merrill, Wayne Boyd	Nymia Lansang-Merrill for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Minatiskan, Yerchanik K	Seda Minatiskan for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mohr, Wayne C	Linda M Mohr for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Montgomery, Jerome	Wendy Wang for the payment of the Burial Allowance
Moore, Kenneth	Kendra Moore for the payment of the Accrued But Unpaid Continuance Allowance Unused Contributions
Myles, Willie C	India S Myles for the payment of the Burial Allowance
Nishijima, Ayako	Clifford G Nishijima for the payment of the Accrued But Unpaid Continuance Allowance

Nunlee, Merle O	Lesley R Nunlee for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Ohashi, Grayce	The Grayce Sugiyo Ohashi Living Trust for the payment of the Accrued But Unpaid Continuance Allowance
Olsen, Debra	Debra G Olsen Trust for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Ordonia, Lilyan	Brandy K Roybal-Valdez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Patel, Babubhai R	Kantaben B Patel for the payment of the Accrued But Unpaid Larger Annuity Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance
Petrossian, Alice B	Linda Petrossian Yeganian for the payment of the Accrued But Unpaid Survivorship (Retirement) Allowance
Porter, Courtney L	Mysti Amber Y Porter for the payment of the Accrued But Unpaid Service Retirement Allowance
Ramirez, Francisca	Marcela Valle for the payment of the DRO Lump Sum
Rhoden, Venita R	Nicole Samara Jordan for the payment of the Burial Allowance
Rodriguez, Nellie E	Jose A Rodriguez III for the payment of the Accrued But Unpaid Continuance Allowance

Romero, Carlos	Celia Romero for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Sheppard, Minnie V	Shirley Campbell for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Smith Sr, Sterling W	Carolyn M Smith for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Smith Trigg, Eve R	Cameron Tynell Payton for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
	Tyler Aiden Payton for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Starks, Henry	Lois E. Starks for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Tang, Lavivanh	Jeffrey Tang for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Teng, Flora Y	Jennifer S Teng for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Tisby, Robert	Pampa Rochell Thompson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Robin Renee Tisby Mcdaniel for the payment of the Accrued But Unpaid Service Retirement Allowance
	Rory K. Tisby for the payment of the Accrued But Unpaid Service Retirement Allowance

Ulbrich, Dwain K	Adam Ulbrich for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Updegraff, Wanda L	David S Updegraff for the payment of the Accrued But Unpaid Continuance Allowance
	Stephen Updegraff for the payment of the Accrued But Unpaid Continuance Allowance
Valdez, Otilia R	Gerardo R Valdez for the payment of the Accrued But Unpaid Vested Retirement Allowance Unused Contributions
Valenzuela, Phillip	Darren Phillip Valenzuela for the payment of the Burial Allowance
	Julius Phillip Valenzuela for the payment of the Burial Allowance
Valerio, Ruben P	Ariel R. Clifton for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Washington, Daisy Mae	Frankie M Washington for the payment of the DRO Lump Sum
Waterbury, Kristen	Craig Lindholm for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Wickes, Diana C	Lisa Diana Wickes for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Williams, James	Janice D Williams for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Williams, Sherman	Michele M Houston-Williams for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

APPROVED DEATH BENEFIT PAYMENTS

Deceased	Beneficiary/Payee
Bolin, Courtland P (Deceased Active)	Courtland N Trier Bolin for the payment of the Accumulated Contributions
	Courtney P Trier Bolin for the payment of the Accumulated Contributions
	Dillon M Trier Bolin for the payment of the Accumulated Contributions
Cisneros, Isauro (Deceased Active)	Adriana Cisneros for the payment of the Accumulated Contributions
	Juan Pablo Cisneros for the payment of the Accumulated Contributions
Labrada, Andrew Ryan (Deceased Active)	Roxana Labrada for the payment of the Accumulated Contributions
Lew, Stephen A (Deceased Active)	Pauline Soo Hoo-Lew for the payment of the Service Retirement Survivorship Allowance
Mccredie, Kevin Gutierrez (Deceased Active)	Paula A Graham-Mccredie for the payment of the Accumulated Contributions
Myrato, Lillian Ines (Deceased Active)	Alyssa Myrato for the payment of the FDBP Student
Nix, Nancy J (Deceased Active)	Estate Of Nancy J Nix for the payment of the Accumulated Contributions
Perez, Gerardo Jose (Deceased Active)	Cecilia D. Perez for the payment of the Accumulated Contributions
	Maria G. Gomez for the payment of the Accumulated Contributions
Williams, Lavedia L (Deceased Active)	Jazmine Hooks for the payment of the Accumulated Contributions

TIER 3

Cummings, Gregg E (Deceased Active)	Gregg E Cummings Living Trust for the payment of the Accumulated Contributions
Mendoza Barraza, Jennifer Denise (Deceased Active)	Heriberto Antonio Mendoza for the payment of the Accumulated Contributions Limited Pension
Vallery, Rochelle Ann (Deceased Active)	Valentine Devon Manada for the payment of the Accumulated Contributions

Disclaimer: The names of members who are deceased may appear more than once due to multiple beneficiaries being paid at different times.

LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: JULY 14, 2026
FROM: TODD BOUEY, GENERAL MANAGER
ITEM: III-C

SUBJECT: ANNUAL CONTRACTOR DISCLOSURE COMPLIANCE REPORT FOR THE YEAR ENDED DECEMBER 31, 2025

☐ ACTION ☐ CLOSED ☐ CONSENT ☒ RECEIVE & FILE

Recommendation
That the Board receive and file the Annual Contractor Disclosure Compliance Report for the period January 1, 2025 to December 31, 2025.

Executive Summary
On August 13, 2019, the Board adopted the Contractor Disclosure Policy to:

- Provide transparency and confidence in LACERS' decision-making process and ensure that investment and procurement decisions are made solely on the merits of goods or services provided by the Contractors to LACERS; and,

- Enhance contractors' disclosure by requiring periodic reporting of conflicts of interest whether actual, potential, or perceived after the contract is awarded and during their engagement with LACERS.

This policy applies to new agreements entered into by LACERS after the adoption date of August 13, 2019, and to all existing agreements with changes or amendments in contract terms and conditions after the adoption date. Changes in contract terms and conditions include: extension of contract period; increase in contract or commitment amount; and increase in fees and compensation paid to contractors.

Exceptions to this policy include: contracts that are $20,000 or less with no more than 1 year period; low-cost equipment maintenance agreements of $2,000 or less; contracts with less than 3 months in duration; and piggy-backed City/State/Federal contracts.

Discussion

LACERS Internal Audit is responsible for reviewing and compiling a Board report that contains contractor-submitted information such as: campaign contributions, other contributions, gifts, list of contacts/meetings, and intermediary's information.

Based on Internal Audit's review and evaluation of contractors' disclosures, no anomalies or improprieties were found.

LACERS achieved 100% compliance from contractors. Internal Audit received all 150 requested disclosure reports for calendar year 2025.

Section H (Penalties) of the Contractor Disclosure Policy provides that in the event of material omission or inaccuracy in the Contractor Disclosure or any other violation of this Policy (e.g., non-compliance/non-submission), the Board in its sole discretion may impose the following penalties:

1. Whichever is greater, the reimbursement of any contractor, management or advisory fees paid by LACERS for one year or an amount equal to the amounts that the Contractor has paid or promised to pay to the Intermediary, in connection with LACERS investments.

2. LACERS shall have the authority to terminate the agreement, without penalty.

3. The Board of Administration may take action to ban Contractor and/or the intermediary who materially violated this Policy from future contracting opportunities with LACERS for a period of up to five years. However, the prohibition may be reduced by a majority vote of the Board, at a public session, upon showing of good cause.

Contractors are initially given 45 days from the end of the reporting period to submit their signed reporting forms (with or without information to disclose). If no response is received, additional reminders to comply are sent by both internal audit and the respective contract administrators.

For this reporting period, including the additional time given after the original deadline, contractors had approximately three months from the end of their reporting period to submit the required disclosure reports.

Prepared By:
Colin Tran, Internal Auditor III

ATTACHMENT(S): 1. Contractors' Disclosures Summary
2. LACERS Contractors' Disclosure Policy

BOARD MEETING: JULY 14, 2026
ITEM: III-C
ATTACHMENT: 1

CONTRACTORS' DISCLOSURES SUMMARY
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
FOR THE PERIOD JANUARY 1, 2025 TO DECEMBER 31, 2025

OUTSTANDING DISCLOSURES

Account Number	Vendor / Contract Name	Contract Term		Responsible Section	Reason for non-disclosure
		Start Date	Exp. Date		
N/A					

CAMPAIGN CONTRIBUTIONS

Contract	Vendor / Contract Name	Contract Term		Date of Contribution	Campaign Contribution Information
		Start Date	Exp. Date		
N/A					

OTHER CONTRIBUTIONS

Contract	Vendor / Contract Name	Contract Term		Date of Contribution	Other Contribution Information
		Start Date	Exp. Date		
N/A					

DISCLOSED CONTACTS- 24 MONTH PERIOD PRIOR TO BOARD APPROVAL

Contract	Vendor / Contract Name	Contact Date	Contact Information
Legal	Robbins Geller	8/5/2025	Robbins Geller represents the City of Los Angeles in the multi-district litigation: In re National Prescription Opiate Litigation, No. 1:17-cv-02804-DAP (N.D. Ohio). Robbins Geller attorneys are in regular contact with City Attorney's Office as part of this representation.
RE	Westport Capital. Fund WCP NewCold III, L.P	Multiple	Peter Aronson is a Principal of Westport III GP, LLC, the general partner of WCP NewCold III GP, L.P. Peter Aronson also holds an indirect limited partnership interest in WCP NewCold III GP, L.P. 2/8/24 - Michele Aronson (spouse of Peter Aronson) and Hydee Feldstein Soto had a telephone call. Topic was to discuss an upcoming LAPD related dinner where Jordan Kaplan, among others, was being honored. 2/10/24 - Peter Aronson and Michele Aronson attended an LAPD related dinner where Hydee Feldstein Soto was seated at the same table. Both Peter Aronson and Michele Aronson greeted and spoke to Ms. Feldstein Soto at the dinner. Angela Nadler has periodically corresponded with Annie Chao, President of the LACERS Board of Administration. However, these communications were related to Ms. Chao's duties as an Investment Officer for Los Angeles Fire and Police Pensions. Wesport Capital communicated with Investment Officers at LACERS throughout the year through email and presentations.

DISCLOSED GIFTS			
Contract	***Vendor / Contract Name***	***Gift Date***	***Gift Information***
N/A			

INTERMEDIARY INFORMATION					
Contract	***Vendor / Contract Name***	***Intermediary Name***	***Compensation***	***Disclosure Date***	***Notes***
PE	Arsenal Capital Partners	Ms. Patricia Grad is a Partner and the Head of Investor Relations of Arsenal.	Ms. Grad receives a base salary and discretionary bonus.	3/20/2025	Ms. Grad receives a base salary for her full time role as head of investor relations at Arsenal, and from time to time may receive a bonus. None of her compensation is related to any specific investor, including LACERS.
RE	Cerberus Institutional Real Estate Partners V, LP	Greg Gordon is the Senior Managing Director of Cerberus Capital Management, LP. He is an employee of Cerberus Capital Management LP.	As an employee, Mr. Gordon receives an annual salary and discretionary bonus.	1/30/2025	Mr. Gordon helps to discuss with potential clients the opportunity to invest in Cerberus' new funds.
PE	Clearlake Capital Group, LP	Credit Suisse Private Fund Group (the PFG), acting through Credit Suisse Securities USA LLC (CS), has been engaged by Clearlake as the Company's non-exclusive advisor and non-exclusive placement agents.	CS is compensated with a non-refundable cash retainer and a scaled fee based on a percentage of certain aggregate principal amount of securities sold to certain investors.	3/6/2025	CS acted as non-exclusive advisor and non-exclusive placement agent for Fund VI and Fund VII as well as the Firm's previous funds Fund V and Opportunities Partners II.

INTERMEDIARY INFORMATION (Cont.)					
Contract	***Vendor / Contract Name***	***Intermediary Name***	***Compensation***	***Disclosure Date***	***Notes***
PE	CVC Capital Partners/ CVC Capital Partners VIII	Robert Squire, Zach Weiss and Dimia Fogam are employed by CVC Funding which acts as distributor of CVC Capital Partners. They help manage current and prospective investors.	Investments with LACERS may be a factor in calculating their bonuses, however this bonus is discretionary and is not charged to LACERS or the Fund.	2/26/2025	Contractor reported that they do not compensate non-CVC placement agents. Robert Squire and Dimia Fogam are their distributor's employees and are part of CVC's Investor Relations Team.
RE	GLP Capital Partners IV	PJT Park Hill (placement agent) operates as the alternative asset advisory and fundraising services practice group of PJT Partners, an SEC registered broker-dealer.	PJT Park Hill paid a fee based on a percentage of interests raised.	2/28/2025	The intermediary is a placement agent utilized for all clients of GLP Partners. GCP Capital Partners IV is a closed fund, the Contractor works with the intermediary during capital raising for funds.
PE	HarbourVest Partners Co-Investment Fund VI	Teri Noble is an in-house employee of HarbourVest Partners, an SEC registered investment adviser.	Teri Noble is an in-house employee and receive a base salary and discretionary bonus.	3/3/2025	Teri Noble markets HarbourVest products and services to institutional investors, including LACERS.
PE	Fortress Investment Group (Fund V)	Fortress Capital Formation, LLC	Fortress Capital Formation, LLC employees receive a base salary and discretionary bonus.	2/13/2025	Contractor reported that it relies on its employees through Fortress Capital Formation, LLC to sell interests in investment vehicles managed by Fortress. Fortress personnel who are dedicated to raising capital are compensated for doing so. However no payments or reimbursements are contingent upon LACERS' investing in Fortress Fund.

INTERMEDIARY INFORMATION (Cont.)					
Contract	***Vendor / Contract Name***	***Intermediary Name***	***Compensation***	***Disclosure Date***	***Notes***
PE	Harvest Partners IX	The Credit Suisse Private Fund Group (PFG) acts as the primary placement agent for HP VIII and HP IX.	Credit Suisse is compensated with a fee based on a percentage of a certain aggregate principal amount of securities of Harvest.	3/4/2025	Credit Suisse was not directly involved in soliciting an investment from LACERS.
PE	Hellman & Friedman Capital Partners X	Ms. Susanna Daniels, Ms. Catie Barile and Ms. Sara Ho (Morgan) and Mr. Adam Laursen are employees or Partners of Hellman & Friedman LLC.	Compensation are salary and discretionary bonus or, in the case of a Partner, a share of the net profits of the FIrm in addition to other customary benefits.	3/3/2025	None of the intermediaries is compensated nor has the firm agreed to compensate (whether on commission, contingent percentage or other similar basis) specifically in connection with any investment or potential investment by LACERS in Hellman & Friedman.
PE	Lightbay Management LLC	UBS Securities LLC (UBS) has been engaged as the placement agent for Lightbay Investment Partners II, LP.	UBS is paid a market-based fee based on capital raised for the Fund. However, this cost is borne by the General Partner as an offset against Management fee or otherwise.	1/23/2025	UBS assists in the preparation of confidential private placement memorandum and supplements and amendments thereto together with an investor presentation describing the Company and the Fund.

INTERMEDIARY INFORMATION (Cont.)					
Contract	***Vendor / Contract Name***	***Intermediary Name***	***Compensation***	***Disclosure Date***	***Notes***
RE	Northbridge Partners	PMP is not registered as a lobbyist with the City of Los Angeles or any state or national government.and is registered with the SEC and FINRA.	PMP will be paid a placement fee equal to 2.0% of the total equity committed to the Fund from new investors. A portion of the fee is paid at closing, with the remainder paid over 10 calendar quarters. All fees are paid in cash.	2/14/2025	NorthBridge has engaged Park Madison Partners ("PMP") to assist with raising capital from institutional investors.
PE	OceanSound Partners Fund, LP	Harris Williams is a broker/dealer registered with the SEC and a member of FINRA. Their CRD#113930 and SixPoint Partners, LLC, a Placement Agent.	Subject to the customary carve-outs for certain public plans that prohibit the use or payment to placement agents, Sixpoint earns 1% on all capital commitments and/or investments accepted by the Fund.	03/07/2025	Harris Williams worked with LACERS consultant/contractor Aksia, specifically Kyson Hawkins and Charles Pender. Sixpoint provides several advisory and fundraising services and is utilized with all prospective clients, except in certain limited circumstances or for entities that prohibit payment of fees to placement agents.
Non-US Equity	State Street Global Advisors Trust Company (Multi Passive Index)	Ms. Sonya Park is an internal employee of SSGA and not a third party placement agent or intermediary. A registered lobbyist in the State of California.	Ms. Sonya Park receive a base salary plus an annual discretionary bonus.	2/18/2025	Bonus is not paid based upon activity from any one client.

INTERMEDIARY INFORMATION (Cont.)					
Contract	***Vendor / Contract Name***	***Intermediary Name***	***Compensation***	***Disclosure Date***	***Notes***
PE	Technology Crossover Ventures (TCV)	Julia Novaes Roux is Partner and Head of Investor Relations at TCV.	Julia Novaes Roux paid a salary and bonus from TCV and holds interests in certain investment funds, all of which is not dependent on LACERS decision to invest with TCV.	3/20/2025	No compensation is specifically allocable to time spent on LACERS investments.
PE	Silver Point Specialty Credit	Jason Kezelman is a full-time employee of Silver Point Capital, L.P. ("Silver Point").	Jason Kezelman receives a salary and discretionary bonus. He does not receive compensation that is contingent on any investment allocation.	4/7/2025	Compensation attributable to time spent marketing to LACERS in the reporting period is approximately $865.
RE	Westport Capital. Fund WCP NewCold III, L.P	Ms. Nadler is an employee of WCP operating company LLC an affiliate of the investment manager, westport capital partner II L.P.	None of the intermediaries is compensated nor has the firm agreed to compensate (whether on commission, contingent percentage or other similar basis).	4/7/2025	

BOARD MEETING: JULY 14, 2026
ITEM: III-C
ATTACHMENT: 2

ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS

CONTRACTOR DISCLOSURE REPORTING POLICY

A. PURPOSE

It is LACERS' policy for Contractors to disclose conflicts of interest - - actual, potential, and perceived.

The goal of this Policy is to prevent impropriety or the appearance of impropriety, to provide transparency and confidence in LACERS' decision-making process, and to help ensure that investment and procurement decisions are made solely on the merits of the goods or services proposed to be provided by Contractors to LACERS.

This Policy sets forth the circumstances under which LACERS requires the full and timely periodic disclosure of ex parte communications with, relationships with, and payments to, entities such as placement agents, third party marketers, lobbyists, and other Intermediaries. This Policy is intended to apply broadly to all Contractors with whom LACERS conducts business.

This Policy shall apply in addition to, and is intended to supplement, LACERS' Marketing Cessation policy, Third Party Marketer Compliance policy, Conflict Governance policy; any applicable state and City ethics, campaign finance, and lobbying laws found in the City's Charter, Governmental Ethics, Lobbying, and Campaign Finance Ordinances; the California Political Reform Act; and the California Constitution. Unless otherwise specified or required by the context, all terms used but not defined herein shall have the same meanings ascribed to them in **Appendix A.**

The Board recognizes that the flow of communication through staff between Contractors or Consultants and Board members is beneficial to the conduct of LACERS business. However, there are instances wherein Contractors or Consultants may have ex parte communications directly with Board members. In those instances where the ex parte communication reasonably might give the appearance of being an attempt to influence the outcome of a Board or staff decision or Consultant recommendation, the Board recognizes that there might be the potential for misunderstanding, misinformation, or conflicting instructions, and therefore such communications reasonably could be interpreted as inappropriately affecting the Board, staff, or Consultant. Such communications do not always rise to the level of "Undue Influence" as defined in this policy, but nevertheless are subject to disclosure.

B. APPLICATION AND EXCLUSIONS

1. APPLICATION

This policy applies to all agreements with Contractors that are entered into after the date this Policy is adopted. Additionally, this Policy applies to existing agreements with Contractors if, after the date this Policy is adopted, (a) the term of the agreement is extended, (b) there is any increased commitment of funds by LACERS pursuant to the existing agreement, or (c) there is an amendment to the substantive terms of an existing agreement, including the fees or compensation payable to the Contractor to the extent that LACERS' consent is required.

2. EXCLUSIONS

The following contracts are excluded from this Policy:

1) Contracts in the amount of $20,000 or less and for not more than a one-year period for which the Board has authorized the General Manager to approve service agreements, pursuant to Administrative Code section 10.1.1.
2) Low cost equipment maintenance agreements and service for equipment repair. "Low cost" is defined as $2,000 or less.
3) Contracts for which contract terms are less than 3 months in duration.
4) City or state contracts/agreements for which LACERS utilizes the existing City or state contract or agreement.

C. CAMPAIGN CONTRIBUTION - PERIODIC DISCLOSURE

Except as otherwise provided in this policy, every Contractor shall disclose any and all monetary contributions and/or other financial benefits made directly or indirectly by such Contractor and/or any of its Officers, marketing representatives, relationship representatives, portfolio managers, members of the investment committee, and/or Intermediaries (and, in the case of individuals, the Family Members of any of them) that are involved with the product or service provided, or sought to be provided, to LACERS, to any Elected Official, Candidate, Appointed Official or Applicable City Employee (collectively, "Contractor Campaign Contribution Disclosure"). Such Contractor Campaign Contribution Disclosures shall include contributions made during the twenty-four month period prior to Board approval of a new agreement or investment, or extension of or amendment to an existing agreement, or an increase in funding of an existing investment commitment. For ***private equity partnerships***, disclosure information for the prior twenty-four month period shall be provided ***at the time that Staff and Consultants consider a new or additional investment*** in a private equity fund, and ***annually*** afterwards. ***All other Contractors*** shall disclose campaign contributions made during the terms of the agreement ***semi-annually***.

For each such monetary contribution or financial benefit, the Contractor Campaign Contribution Disclosure shall include the following information:

(1) The name and address of the contributor and the connection to the Contractor;
(2) The name and title of each person receiving the contribution and the name of the Elected Official, Candidate, or Appointed Official or person for whose benefit the contribution was made;
(3) The amount of the monetary contribution or financial benefit; and
(4) The date of the monetary contribution or financial benefit.

Exemption: Monetary contributions and/or financial benefits given by any person to an Elected Official or Candidate for whom such person was entitled to vote at the time of the contributions and which in the aggregate do not exceed $100 to any one Elected Official or Candidate per election are not required to be reported pursuant to this disclosure policy.

ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS

D. OTHER CONTRIBUTIONS/PAYMENTS - PERIODIC DISCLOSURE

Every Contractor shall disclose any and all monetary contributions and/or other financial benefits, including but not limited to contributions to charitable organizations, not covered by other sections of this Policy. The contributions/benefits to be disclosed can be made directly or indirectly by such Contractor and/or any of its Officers, marketing representatives, relationship representatives, portfolio managers, investment committee members, and/or Intermediaries (and, in the case of individuals, the Family Members of any of them) that are involved with the product or service provided, or sought to be provided, to LACERS.

Disclosure shall include monetary contributions and/or other financial benefits which were solicited directly or indirectly by any Elected Official, Candidate, Appointed Official, or Applicable City Employee. Disclosure shall also include situations where contributions/benefits were made to an organization of which any Elected Official, Candidate, Appointed Official or Applicable City Employee is, to the best knowledge of the person paying the monetary contribution or financial benefit, an officer, employee, or member of the board of directors, advisory board, or any similar board or committee (collectively, "Contractor Miscellaneous Contribution Disclosures").

Such Contractor Miscellaneous Contribution Disclosures shall include contributions made during the twenty-four month period prior to Board approval of a new agreement or investment, or extension of or amendment to an existing agreement, or an increase in funding of an existing investment commitment. For ***private equity partnerships***, disclosure information for the prior twenty-four month period shall be provided ***at the time that Staff and Consultants consider a new or additional investment*** in a private equity fund, and ***annually*** afterwards. ***All other Contractors*** shall also disclose any monetary contributions and/or financial benefits paid during the term of the agreement or investment ***semi-annually***.

For each such monetary contribution and/or financial benefit, the Contractor Miscellaneous Contribution Disclosure shall include the following information:

(1) The name and address of the contributor and the connection to the Contractor;
(2) The name of the organization and the name and title of each person receiving the contribution, and the name of the Elected Official, Candidate, or Appointed Official or person for whose benefit the contribution was made;
(3) The amount of the monetary contribution or financial benefit; and
(4) The date of the monetary contribution or financial benefit.

Exemption: Value of food and beverage items provided to LACERS staff or Consultants at networking events, annual general meetings and/or advisory meetings that are open to general public or other investors, and which in aggregate do not exceed annual limit of $50 are not required to be reported pursuant to this disclosure policy.

E. APPLICABILITY OF SECTIONS C AND D

Disclosures required by Sections C and D of this Policy include, but are not limited to, any monetary contribution or financial benefit to any of the following:

1. Any Elected Official (and any of his or her controlled committees), Candidate (and any of his or her controlled committees), Appointed Official, or Applicable City Employee.

2. Any account or trust set up through motion of the Los Angeles City Council that would seek funds controlled by an Elected Official or Candidate.

3. Any third party at the behest of an Elected Official, Candidate, or Appointed Official or for the purpose of supporting or opposing an Elected Official, Candidate, or City ballot measure.

4. Any Elected Official, Candidate, Appointed Official, or Applicable City Employee for the sale of private property.

5. Any charitable or other organization or individual at the behest of an Elected Official, Candidate, Appointed Official, or Applicable City Employee.

F. GIFTS - PERIODIC DISCLOSURE

1. GIFTS MADE BY CONTRACTORS

Every Contractor shall disclose all Gifts made directly or indirectly by such Contractor and/or any of its Officers (and the Family Members of any of them), or made directly or indirectly by marketing representatives, relationship representatives, portfolio managers, investment committee members, and/or Intermediaries (and, in the case of individuals, the Family Members of any of them) that are involved with the product or service provided, or sought to be provided to LACERS, to any Elected Official, Candidate, Appointed Official, or Applicable City Employee, or to LACERS' private equity Consultant, general investment Consultant, or real estate Consultant.

For each such Gift, the Contractor shall disclose:

(1) The name and address of each person providing the Gift and each such person's connection to the Contractor;
(2) The name and title of each person receiving the Gift;
(3) The value of the Gift;
(4) A description of the Gift; and
(5) The date of the presentation of the Gift.

Such disclosures shall include Gifts made during the term of the agreement or investment (as applicable) and during the twenty-four month period prior to Board approval of a new agreement or investment, or extension of and/or amendment to an existing contract, or an increase in funding of an existing investment commitment. Disclosures shall be made ***semi-annually*** for all Contractors (end of June and December of each year); except for ***private equity partnerships*** and their general partners, which shall be required to make such disclosures **annually**, no later than 45 calendar days after December 31st each year.

ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS

2. FINANCIAL INCENTIVES AND GIFTS RECEIVED BY INVESTMENT CONSULTANTS

(a) LACERS' private equity Consultant, general investment Consultant, and real estate Consultant (each individually, an "Investment Consultant") shall disclose all Gifts received directly or indirectly from Contractors and/or any of their Officers (and the Family Members of any of them), or directly or indirectly from their marketing representatives, relationship representatives, portfolio managers, investment committee members, and/or Intermediaries (and, in the case of individuals, the Family Members of any of them) that are involved with any product or service provided, or sought to be provided, to LACERS.

For each such Gift, the Investment Consultant shall disclose:

(1) The name and address of each person providing the Gift and each such person's connection to the Contractor;
(2) The name and title of each person receiving the Gift;
(3) The value of the Gift;
(4) A description of the Gift; and
(5) The date of the presentation of the Gift.

(b) Investment Consultants shall also report any financial incentive, compensation, consideration, or benefit received from others in connections with Investment Consultant's recommendations of funds, products, or services made to LACERS.

For each such financial incentive or compensation, the Investment Consultant shall disclose:

(1) The name and address of the firm or organization providing the incentive;
(2) A description of the financial incentive arrangement;
(3) The value of the incentive;
(4) The alternative fund(s), product(s), or service(s) considered along with the recommended fund, product, or service;
(5) Factors used to select the recommended fund, service, or product over the alternative(s).

Such disclosures shall include Gifts and/or financial incentives received during the term of the Investment Consultant's service agreement with LACERS, and shall be made ***semi-annually by the private equity Consultant; and annually by the general investment Consultant and real estate Consultant with regard to all Contractors,*** and otherwise as required by LACERS in relation to any particular contracting process.

Exemption: Value of food and beverage items provided to LACERS staff or Consultants at networking events, annual general meetings and/or advisory meetings that are open to general public or other investors, and which in aggregate do not exceed annual limit of $50 are not required to be reported pursuant to this disclosure policy.

G. RESPONSIBILITIES

1. *Each Contractor* is responsible for:

   a. Providing to Staff, as part of the Contractor Disclosure, the following information for existing agreements and prior to hiring for new agreements:

      (1) A statement whether the Contractor, or any of its marketing or relationship representatives, portfolio managers, or members of the investment committee (or any Family Members of any of them) that are involved with the product or service provided to LACERS, or any of its Officers (or Family Members of any of them), within the twenty-four month period prior to either (a) Board approval of a new agreement or investment, or (b) extension of or amendment to an existing agreement, or (c) an increase in funding of an existing investment commitment, has compensated or agreed to compensate, directly or indirectly, any person (whether or not employed by the Contractor) or entity to act as an Intermediary in connection with any investment or procurement by LACERS.

      (2) Notice to LACERS that if any person working on behalf of the Contractor with, or assigned on behalf of the Contractor to, a LACERS contract is a current or former LACERS Board member, employee or Consultant or a Family Member of any such person.

      (3) A description of all compensation provided or agreed to be provided directly or indirectly by the Contractor to any Intermediary or to any employee of the Contractor who was hired specifically to solicit an investment or other business with LACERS or is compensated on the basis of the procurement of any such investment or business. The description of such compensation shall include the nature, timing and amount thereof and any condition precedent to receiving the compensation.

      (4) For investment and consulting contracts, a List of Contacts made by the Contractor with Appointed or Elected Officials within either 1) the three month period prior to the interview regarding a new agreement or investment; or, 2) the search period; whichever is longer. The List of Contacts shall include the date and names of the contact(s) and the nature of the contact.

      (5) For investment and consulting contracts and except for private equity partnerships who are required to disclose annually, Contractors shall also disclose any contacts with Appointed or Elected Officials ***during the term of the agreement, contract, or investment on a semi-annual basis***.

(6) With regard to each Intermediary identified pursuant to Section G.1.a (3) above, each Contractor shall provide:

(i) A description of the services to be performed by the Intermediary and a statement as to whether the Intermediary is utilized by the Contractor with all prospective clients or only with a subset of the Contractor's prospective clients (and if a subset, describe the subset), and a resume of each officer, partner, and principal of the Intermediary detailing the person's education, professional designation, regulatory licenses, and investment work experience. Work experience need not be provided in connection with agreements unrelated to investments.

(ii) With regard to procurement of business from LACERS, a copy of all written agreements between the Contractor and the Intermediary and a description of any agreement that is not in writing.

(iii) A List of Contacts made by the Intermediary, on behalf of the Contractor, with Appointed Officials, Elected Officials, or staff within the 24 months period prior to Board approval of a new agreement or investment. The List of Contacts shall include the date and names of the contact(s) and intermediary(ies).

(iv) The names of all persons who suggested the retention of the Intermediary and a description of how the Intermediary was selected.

(v) A listing for the Intermediary and/or any of its affiliates showing registration with the Securities and Exchange Commission or the Financial Industry Regulatory Association or any similar regulatory agency or self-regulatory organization outside the United States, and either the details of any such registration or an explanation of why registration is not required.

(vi) A listing for the Intermediary, and/or any of its affiliates, showing registration as a lobbyist with any local, state or national government and the details of any such registration.

b. Providing a representation and warranty signed by the Contractor's chief executive officer or head of the business unit that provides, or will be providing, the service to LACERS, of the accuracy of the information included in the Contractor Disclosure in any final written agreement.

c. All information required in the Contractor Disclosure shall be sent to LACERS internal audit staff as follows:

Los Angeles City Employees' Retirement System
Internal Audit Section
P O Box 512218
Los Angeles, CA 90051-0218
Office: 800-779-8328
Email address: Auditor@LACERS.org

The Contractor Disclosure of all contacts, monetary contributions, other financial benefits, and/or Gifts, as required pursuant to this Disclosure Policy, is due 45 calendar days after June 30th or December 31st of each year, as applicable. For any questions or to request an electronic copy of the reporting form, please email Auditor@lacers.org.

2. *LACERS Staff* are responsible for all of the following:

a. Section managers are responsible for providing Contractors with a copy of this Policy at the time that due diligence in connection with a prospective investment or engagement begins.

b. Section managers are responsible for confirming that the Contractor Disclosure has been received prior to the completion of due diligence and any recommendation to proceed with the engagement of the Contractor or the decision to make any investment or procurement.

c. For new agreements and/or amendments to agreements existing as of the date of the Policy, Section managers are responsible for confirming that the final written agreement between LACERS and the Contractor provides that the Contractor shall be solely responsible for, and LACERS shall not pay (directly or indirectly), any fees, compensation or expenses for any Intermediary used by the Contractor.

d. Section managers are responsible for excluding any Contractor or Intermediary from the solicitation of new investments or business from LACERS for a time period determined by the Board up to a maximum of 5 years after they have committed a material violation of this Policy, as determined by the Board in its sole discretion, and promptly informing the Board of any such action. Refer to Penalties in Section H.

e. Staff of the section responsible for the administration of the contract will provide the Board, including the relevant Committee, with a copy of the Contractor Disclosure information prior to the Board making or approving any decision to invest or procure with a Contractor.

f. LACERS internal audit staff will compile a semi-annual board report containing the names and amount of compensation agreed to be provided to each Intermediary by each Contractor; the campaign contributions and Gifts of each Contractor as reported in the Contractor Disclosures; the List of Contacts; and the List of Exclusions.

g. Reporting to the Board immediately any conduct that the Staff reasonably believes constitutes a material violation of the Policy, to enable the Board to make a determination whether the conduct constitutes a material violation.

3. Contractors shall comply with the Policy and cooperate with Staff in meeting Staff's obligations under this Policy. All parties responsible for implementing, monitoring and complying with this Policy should consider the spirit as well as the literal expression of the Policy. In cases where there is uncertainty whether a disclosure should be made pursuant to this Policy, the Policy shall be interpreted to require disclosure.

H. PENALTIES

For new agreements and/or amendments to agreements existing as of the date of this Policy, the Contractor, in the final written agreement with LACERS, will agree to provide LACERS with any or all of the following remedies in the event that there was or is a material omission or inaccuracy in the Contractor Disclosure or any other violation of this Policy, as determined by the Board in its sole discretion:

1. Whichever is greater, the reimbursement of any contractor, management or advisory fees paid by LACERS for one year or an amount equal to the amounts that the Contractor has paid or promised to pay to the Intermediary in respect of LACERS.

2. LACERS shall have the authority to terminate the agreement, without penalty.

3. The Board of Administration may take action to ban Contractor and/or the Intermediary who materially violated this Policy from future contracting opportunities with LACERS for a period of up to five years. However, the prohibition may be reduced by a majority vote of the Board at a public session upon showing of good cause.

I. NO RIGHT OF CONFIDENTIALITY

All Contractor Disclosures and attachments thereto shall be public records subject to disclosure under the California Public Records act and the Ralph M. Brown Act. No confidentiality restrictions shall be placed on any Contractor Disclosures or any information provided by Contractors pursuant to this Policy.

REVIEW

This policy shall be reviewed every 3 years.

See APPENDIX A – DEFINITIONS

ADOPTED: 8/13/19

ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS

APPENDIX A – DEFINITIONS

Definitions are based on current laws. To the extent that Board policies are not updated subsequent to changes in law, each Board Member, LACERS employee and Consultant is responsible to comply with current laws and changes thereto.

Applicable City Employee
(1) A LACERS employee or (2) a lawyer in the Public Pension General Counsel, the Outside Counsel Oversight Division of the Los Angeles City Attorney's Office, or one who is in the direct supervisory chain of command over the lawyers in those divisions

Appointed Official
An appointed LACERS Board Member (including a person who has been appointed to the LACERS Board, pending confirmation)

Candidate
A person who has filed to run for an Elected Office

City
The City of Los Angeles

Consultant
A Contractor that is hired to provide advice or recommendations to LACERS on the selection of investment funds/strategies, fund managers, or the procurement of goods and/or services from other firms. All LACERS Consultants are also considered Contractors under the terms of this Policy.

Contractor
A person who, or entity that, seeks to be and/or is hired to provide goods and/or services to LACERS. The individuals with reporting responsibility are those at a firm that would have any contact with or responsibility for a LACERS investment or agreement.

Contractor Disclosure
Collectively, the information required from Contractors as described in Sections **C through G of** this Policy.

Elected Official or Office
Mayor of the City of Los Angeles
Members of the Los Angeles City Council
Los Angeles City Attorney
Los Angeles City Controller
Elected LACERS Board Member

Family Member
The spouse or domestic partner of a Contractor or Intermediary.

Financial Benefits

Other financial benefits include having direct or indirect financial relationship with or beneficial ownership in securities, investments, funds, companies or products being recommended to LACERS.

Gift
Pursuant to **Los Angeles Municipal Code Section 49.5.8 *et se*q., which references the Political Reform Act and California Constitution, and Section 82028 of the Political Reform Act 2019, a "Gift"** means, except as otherwise provided in this definition, any payment that confers a personal benefit on the recipient, to the extent that consideration of equal or greater value is not received and includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public without regard to official status. Any person, other than a defendant in a criminal action, who claims that a payment is not a gift by reason of receipt of consideration has the burden of proving that the consideration received is of equal or greater value. The term "gift" does not include:

(1) Informational material such as books, reports, pamphlets, calendars, periodicals. No payment for travel or reimbursement of any expenses shall be deemed "informational material."

(2) Gifts which are not used and which, within 30 days after receipt, are either returned to the donor or delivered to a nonprofit entity exempt from taxation under Section 501(c)(3) of the Internal Revenue Code without being claimed as a charitable contribution for tax purposes.

(3) Gifts from an individual's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person; provided that a gift from any such person shall be considered a gift if the donor is acting as an agent or Intermediary for any person not covered by this paragraph.

(4) Campaign contributions required to be reported under Chapter 4 of the Political Reform Act of 1974, as amended.

(5) Any devise or inheritance.

(6) Personalized plaques and trophies with an individual value of less than two hundred fifty dollars ($250).

Intermediary
A person or entity (1) who is hired, engaged or retained by or acting on behalf of a Contractor as a placement agent, finder, lobbyist, solicitor, marketer, consultant, broker or other type of agent to raise money or investments from or obtain access to LACERS, directly or indirectly, and (2) who engages in, either personally or through an agent, any written or oral direct communication with any LACERS representative in furtherance of obtaining an investment or a contract with LACERS. This definition also includes agents of Intermediaries commonly referred to as sub-agents.

Investment Consultant
LACERS' private equity Consultant, general investment Consultant, and real estate Consultant. Investment Consultants are also considered Contractors under the terms of this Policy.
LACERS

ETHICS RESPONSIBILITIES FOR BOARD MEMBERS, THE GENERAL MANAGER, LACERS STAFF, CONTRACTORS, AND INVESTMENT CONSULTANTS

The Los Angeles City Employees' Retirement System.

Officers
The Chief Executive Officer, Chief Operating Officer, Chief Financial Officer or functional equivalent in the Contractor's firm.

Undue Influence
The employment of any improper or wrongful pressure, scheme, or threat by which one's will is overcome and he or she is induced to do or not to do an act which he or she would not do, or would do, if left to do freely.

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

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

June 9, 2026
10:04 A.M.

Present:

Annie Chao, President

Janna Sidley, Vice President

Thomas Moutes, Commissioner

Gaylord "Rusty" Roten, Commissioner

Sung Won Sohn, Commissioner

Absent:

Thuy Huynh, Commissioner

Susan Liem, Commissioner

Legal Counselor:

Miguel Bahamon

Manager-Secretary:

Todd Bouey

Executive Assistant:

Ani Ghoukassian

I

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

II

GENERAL MANAGER VERBAL REPORT

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

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

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

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

III

RECEIVE AND FILE ITEMS

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

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

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

IV

COMMITTEE REPORT(S)

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

V

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

CONSENT ITEMS

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

VI

BOARD/DEPARTMENT ADMINISTRATION

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

VII

INVESTMENTS

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

INDUSTRY NEWS:

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

b. Global stock market index performance.

c. LACERS performance year to date and fiscal year to date.

OPERATIONAL:

a. Girls Who Invest Intern starting on June 30, 2026.

b. Infrastructure RFP deadline for passive mandate on June 4, 2026 and active mandate on June 11, 2026.

FUTURE AGENDA ITEMS:

a. Key person replacement for private equity consultant relationship with Aksia.

b. Private equity Q4 2025 portfolio performance review.

C. Public market contract renewals.

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

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

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

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

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

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

RESOLUTION 260609-A

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

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

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

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

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

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

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

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

RESOLUTION 260609-B

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

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

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

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

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

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

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

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

RESOLUTION 260609-C

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

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

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

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

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

President Chao took item VII-E out of order.

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

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

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

VIII

LEGAL/LITIGATION

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

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

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

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

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

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

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

President Chao took item VIII-A out of order.

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

IX

OTHER BUSINESS – There was no other business.

X

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

XI

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

Annie Chao, President
Todd Bouey, Manager-Secretary

REPORT TO BOARD OF ADMINISTRATION
MEETING: JULY 14, 2026
FROM: Todd Bouey, General Manager
ITEM: VI-A

SUBJECT: REPORT ON THE MEASURE FF TIER 1-ENHANCED PUBLIC SAFETY OFFICER TRANSFER OPPORTUNITY AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☒ RECEIVE & FILE

Recommendation
Receive and file this closeout report of the Measure FF Tier 1-Enhanced Public Safety Officer (PSO) Transfer Opportunity.

Executive Summary
LACERS implemented the Measure FF transfer opportunity in coordination with Los Angeles Fire and Police Pensions (LAFPP) and consulting actuary Segal (Segal), in accordance with the ballot measure and resulting ordinance. A total of 314 Public Safety Officers (PSOs) elected to transfer membership to LAFPP; 20 elected to remain with LACERS. LACERS assets in the amount of $291,772,796.23 (pension and health) were transferred to LAFPP. All major components of the transfer are complete, with minor administrative wrap-up tasks to be completed by July 30, 2026.

Discussion
Measure FF (approved by the voters on November 5, 2024) authorized a one-time election for eligible LACERS PSOs employed as of January 12, 2025, to transfer service and membership to LAFPP Tier 6. LACERS, in collaboration with LAFPP, held eight counseling sessions (seven virtual; one in-person) from November 2025 to January 2026 and provided benefit comparison charts and a digital Transfer Election Form (form). In total, 442 PSOs attended the meetings, including some who attended multiple sessions.

Member Elections

LACERS received 334 valid forms from PSOs by the filing deadline, January 9, 2026:

- 306 elected to transfer their membership, contributions, and service credit to LAFPP
- 20 elected to remain with LACERS
- 8 Members who had transferred to LAFPP as part of a prior transfer opportunity elected to transfer funds they had on account at LACERS to LAFPP

Assets Transfer to LAFPP

Segal calculated the actuarial assets required to fund transferred liabilities through January 11, 2026, plus interest through March 27, 2026. LACERS transferred assets totaling $291,772,796.23 to LAFPP as follows:

Pension assets (employer & member contributions):	$232,782,805
Pension interest:	$3,215,104.59
Pension total:	$235,997,909.59
Health 401(h):	$41,784,546
Health 115 Trust:	$13,228,433
Health interest:	$759,817.64
Health total:	$55,772,796.64
Grand total transferred:	$291,772,796.23

Refunds for Tier 1-Enhanced APOs

Refunds were processed for 235 Airport Police Officers (APOs) who had previously paid $5,700 in post-tax personal funds to receive enhanced death and disability benefits (Tier 1-Enhanced benefits). LACERS issued $1,339,500 in refunds to eligible APOs following receipt of funds in the same amount from LAWA.

Membership change

LACERS' PSO membership declined from 421 to 70 PSOs (64 Tier 1-Enhanced, four Tier 1 PSOs, two Tier 3 Park Rangers).

New Park Ranger hires will become Tier 3 LACERS Members (Los Angeles Charter § 1700(c)(7)), while all other new PSOs will become members of LAFPP.

Fiscal Impact

In implementing the Measure FF Transfer Opportunity, LACERS expended $84,550.75, including $59,123 in work performed by LACERS' actuarial vendor, Segal; $22,986.51 in staff time facilitating Measure FF Informational Sessions and performing Service

Credit verifications; and $2,441.25 in script work on LACERS' Pension Administration System. LACERS will request reimbursement for these funds from the City.

Prepared By:
Isaias Cantú, Chief Benefits Analyst

LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: JULY 14, 2026
FROM: Governance Committee
Janna Sidley, Chair
Thuy Huynh
Susan Liem
ITEM: VI-B

SUBJECT: BOARD POLICY REVIEW: INFORMATION SECURITY POLICY AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation
That the LACERS Board of Administration (Board) adopt the proposed Information Security Policy as reviewed and approved by the Governance Committee (Committee) on June 23, 2026.

Executive Summary
The 2022 Management Audit recommended that LACERS enhance its governance framework by adding best-practice policies, including a formal Information Security Policy. Staff now present the proposed policy for the Board's consideration.

Discussion
On June 23, 2026, the Committee reviewed the policy draft and recommended its adoption by the full Board. The proposed policy formalizes the guidelines for:

- An Information Security Program to protect LACERS' information
- Systems and operations via risk assessments
- Incident detection, response, and recovery
- Staff training
- Vendor security obligations

- Board oversight
- Enforcement for non-compliance.

This policy reinforces the Board's fiduciary role in ensuring the System is well-governed and properly managed.

Upon Board approval, staff will incorporate the policy into Article II – Board Administrative Policies as the seventh policy in the Financial and Administrative Oversight Section.

Prepared By:

Lisa Li, Management Analyst

ATTACHMENT(S): 1. Report to Governance Committee Dated June 23, 2026

BOARD MEETING: JULY 14, 2026
ITEM: VI-B
ATTACHMENT: 1

REPORT TO GOVERNANCE COMMITTEE
MEETING: JUNE 23, 2026
FROM: Todd Bouey, General Manager
ITEM: III

SUBJECT: BOARD POLICY REVIEW: INFORMATION SECURITY POLICY AND POSSIBLE COMMITTEE ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation

That the Governance Committee (Committee):

1. Review and approve the Information Security Policy; and,
2. Upon Committee approval, send the policy document to the Board of Administration (Board) for final review and adoption.

Executive Summary

The 2022 Management Audit recommended that LACERS strengthen its governance framework by adopting additional best-practice policies, including developing a formal Information Security Policy. Staff now present the proposed policy to the Committee for consideration.

Discussion

Staff recommend approval of this policy, which establishes formal guidelines for managing cybersecurity risks and safeguarding the System's data, technology, and operations. This policy reinforces the Board's fiduciary duty to ensure the System is effectively governed and responsibly managed.

With the Committee's approval and upon Board adoption, the Information Security Policy will be incorporated into Article II – Board Administrative Policies, Section 3.0 of the Board Manual. The Information Security Policy will be added as the seventh policy in the Financial and Administrative Oversight section.

Prepared By:
Lisa Li, Management Analyst

ATTACHMENT(S): 1. Article II, Section 3.7 Information Security Policy

COMMITTEE MEETING: 06/23/2026

ITEM: III

ATTACHMENT: 1

Section 3.0 FINANCIAL AND ADMINISTRATIVE OVERSIGHT

3.7 INFORMATION SECURITY POLICY

Purpose

This policy establishes the governance framework for managing cybersecurity risks and safeguarding the confidentiality, integrity, and availability of the System's information, technology assets, and business operations. The LACERS Board of Administration ("Board") recognizes that information security is an important component of enterprise risk management and essential to maintaining public trust and confidence in the System. Therefore, LACERS' information security measures comply with the requirements of the California Consumer Privacy Act, the Health Insurance Portability and Accountability Act (HIPAA), relevant California Civil Codes governing data breach reporting and notification, and 2 CFR § 200.79 regarding Personally Identifiable Information (PII).

I. Scope

This policy applies to the LACERS Board, staff, and any individuals who access, develop, manage, or maintain LACERS information systems, networks, software applications, websites, or related resources on behalf of LACERS and its stakeholders. It is the responsibility of all users of LACERS systems to safeguard the organization's technology and information assets, including:

- Computer hardware and related components
- System software
- Application software
- Artificial intelligence
- Communications network hardware and software

II. Policy Guidelines

A. **Information Security Program (ISP).** LACERS shall maintain an ISP designed to protect organizational information and technology resources from unauthorized access, misuse, disclosure, disruption, or loss. The ISP will align its security practices with applicable governmental standards and LACERS-recognized cybersecurity frameworks and will support, at a minimum, the following objectives:

   - Perform ongoing risk assessments and implement measures to reduce identified vulnerabilities.
   - Ensure robust threat detection, incident response, and recovery capabilities, along with organizational readiness for these activities.
   - Provide ISP-specific training for LACERS staff.
   - Establish onboarding, compliance, monitoring, and reporting requirements for LACERS staff, visitors, and vendors.

Section 3.0 FINANCIAL AND ADMINISTRATIVE OVERSIGHT

B. **Governance and Oversight.** Designated information technology and information security personnel are responsible for the daily administration of security controls, the conduct of risk assessments, the execution of monitoring activities, and the communication and coordination of incident response functions. Executive management is responsible for implementing and administering the ISP. The Board shall provide governance and oversight of information security risk management by reviewing periodic reports on material risks, significant security incidents, and the status of mitigation activities. This policy shall be subject to periodic review to ensure it meets industry best practices for public pension plans.

C. **Confidential and Sensitive Information.** LACERS shall implement reasonable safeguards to protect all confidential and sensitive information. Such information may be found in any medium, whether oral, written, or electronic. It includes the following:

- **Personal Information** – Non-public information that is identifiable to an individual. Examples include demographic information, such as an individual's age, social security number, or personal contact information; health information, such as an individual's medical history; or certain benefit elections, such as a member's contingent beneficiaries.
- **Security Information** – Information that could negatively impact the security or operational integrity of LACERS if disclosed without authorization. Examples include details about LACERS' information technology systems, security controls, and financial accounts.
- **Privileged Information** – Information that is legally protected from mandatory disclosure, such as attorney-client communications and investment due diligence materials.

These safeguards include controlling who may access the information, how it is collected, used, stored, shared, and ultimately disposed of. Access to confidential information is restricted to authorized personnel and shall be accessed, used or disclosed only to the extent necessary to support LACERS' operational needs and in accordance with all applicable laws. Individuals who are granted access to sensitive information are responsible for ensuring it is not improperly disclosed, accessed, or misused.

D. **Third-Party Service Providers.** LACERS acknowledges that third-party vendors, consultants, contractors, administrators, and other service providers can introduce information security risks when they access pension systems or data. Therefore, LACERS shall require these third parties to accept appropriate contractual provisions concerning information security protections and implement necessary security measures. These may include confidentiality commitments, cybersecurity and data-protection obligations, incident-reporting requirements, and, when applicable, requirements for providing evidence of adequate security controls or compliance practices.

E. **Incident Response.** LACERS shall maintain procedures for identifying, reporting, responding, mitigating, and recovering from information security incidents and cyber threats. All personnel and contract service providers must adhere to the following requirements:

- **Incident identification and reporting** – All suspected or confirmed cyber incidents must be reported immediately to the designated information security personnel, and a description of the incident and the scope of affected data must be provided. If the incident involves a third-party vendor that has access to pension system data, LACERS may suspend vendor access if necessary to prevent further compromise.
- **Containment** – Affected systems or accounts will be isolated, and suspected credentials must be revoked or reset. Remote connections or data flows may also be suspended until security is assured.

F. **Eradication and System Restoration**. Unauthorized access mechanisms and exploited vulnerabilities must be removed, and systems shall be restored using verified clean backups and tested to ensure they are free of compromise. Enhanced monitoring will remain in place during post-restoration stabilization.

G. **Communication and Notification**. LACERS Executive team and Board shall be notified promptly of confirmed incidents. If a cyber incident compromises Member data, Members' notifications must be coordinated with the legal and communications teams. LACERS shall ensure vendors meet their own legal notification obligations.

- **Post-Incident Review** – LACERS shall complete an after-action report summarizing the incident, impact, responsive activities, and areas for improvement. Identified gaps or weaknesses will be addressed through updated controls, policies, and training.

III. Compliance

All individuals governed by this policy are required to adhere to LACERS' information security standards, requirements, and administrative procedures. Non-compliance with this policy may result in disciplinary action, contractual remedies, or other corrective measures permitted under applicable law.

REPORT TO BOARD OF ADMINISTRATION
MEETING: JULY 14, 2026
FROM: Todd Bouey, General Manager
ITEM: VI-C

SUBJECT: CONTRACT WITH ONACTUATE CONSULTING US INC AND RELATED SUPPLEMENTAL APPROPRIATION FOR THE IMPLEMENTATION OF MICROSOFT DYNAMICS 365 BUSINESS CENTRAL AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation

That the Board:

1. Approve a one-year contract with OnActuate Consulting US Inc. to implement Microsoft Dynamics 365 Business Central.
2. Approve the FY 2026-27 supplemental appropriation of $116,570 under Fund 800, Appropriation Account 163040 – Contractual Services, for the implementation of Microsoft Dynamics 365 Business Central.
3. Authorize the General Manager to negotiate and execute the new contract.

Executive Summary

An appropriation of $90,000 was included in the LACERS Fiscal Year 2025-26 departmental budget to implement Microsoft Dynamics 365 Business Central to replace Microsoft Dynamics Great Plains (GP), the General Ledger (GL) software the Fiscal Management Division has used for over 15 years. The procurement process took longer than expected. Therefore, staff is requesting the re-appropriation of the previously approved budget through the FY 2026-27 supplemental budget in the amount of $116,570 under Appropriation Account 163040 – Contractual Services. The supplemental budget request is based on the latest Statement of Work from the proposed vendor, which includes a $96,290 implementation fee and a requested $20,280 increase to cover optional costs for additional requirements, training, and support on an as-needed basis. Additionally, staff is requesting approval to execute a one-year contract with OnActuate Consulting US Inc., referencing the State of California Multiple Award Schedule (CMAS) for Information Technology (IT) services.

Discussion

Microsoft Dynamics GP 2015, the current GL software used to maintain and record all financial transactions for LACERS and to prepare the required annual financial report, reached Microsoft's end-of-support date in April 2025. As a result, the system no longer receives vendor support, security updates, or product enhancements, increasing operational and business continuity risks. Microsoft Dynamics 365 Business Central is Microsoft's strategic successor to Dynamics GP, offering a secure, cloud-based platform with ongoing vendor support. Compared with alternative solutions, Business Central presents lower implementation risk and costs, including lower long-term maintenance costs and a more efficient migration path from Dynamics GP 2015. The system offers more robust financial management reporting, workflow automation, and audit capabilities that support current operational needs and future growth. Additionally, staff identified peer California public retirement systems that have successfully implemented Microsoft Dynamics 365 Business Central, demonstrating its suitability for LACERS financial accounting and reporting.

Staff evaluated available procurement options for implementing the new GL software, including engaging the City's contracted technology vendor. After discussions and a review of the proposed services and pricing, the City's contracted vendor was unable to offer more competitive pricing for a comparable implementation of Microsoft Dynamics 365 Business Central.

To replace the unsupported system promptly and avoid further delays, staff used the California Multiple Award Schedule (CMAS) procurement program. CMAS contracts are competitively awarded by the State of California and provide access to pre-qualified vendors and negotiated pricing. Through the CMAS program, staff identified OnActuate Consulting US Inc as a qualified Microsoft partner with extensive experience implementing Microsoft Dynamics 365 Business Central. Staff reviewed and evaluated the OnActuate Consulting Statement of Work, including the proposed scope, deliverables, implementation approach, project timeline, and pricing. Staff also confirmed that the vendor is working with one of the peer California public retirement systems, with the implementation schedule to go live in July 2026, demonstrating the vendor's current and relevant experience. Based on this evaluation, the staff determined that the vendor offered the best overall value for implementing Microsoft Dynamics 365 Business Central.

Prepared By:
Jo Ann Peralta, Department Chief Accountant IV

ATTACHMENT(S): 1**.** Proposed Resolution

BOARD MEETING: 07/14/2026
ITEM: VI-C
ATTACHMENT: 1

CONTRACT WITH ONACTUATE CONSULTING US INC AND RELATED SUPPLEMENTAL APPROPRIATION FOR THE IMPLEMENTATION OF MICROSOFT DYNAMICS 365 BUSINESS CENTRAL

PROPOSED RESOLUTION

WHEREAS, Microsoft Dynamics GP 2015, the current General Ledger (GL) software used to maintain and record all financial transactions of LACERS, is critical to preparing the required annual financial report, reached Microsoft's end-of-support date in April 2025. As a result, the system no longer receives vendor support, security updates, or product enhancements, increasing operational and business continuity risks.

WHEREAS, Microsoft Dynamics 365 Business Central is Microsoft's strategic successor to Dynamics GP, offering a secure, cloud-based platform with ongoing vendor support and more robust financial management reporting, workflow automation, and audit capabilities that support current operational needs and future growth.

WHEREAS, staff evaluated available procurement options for implementing the new GL software, including engaging the City's contracted technology vendor and participating in the California Multiple Award Schedule (CMAS) procurement program established by the State of California, which provides access to pre-qualified vendors and negotiated pricing.

WHEREAS, OnActuate Consulting US Inc., a qualified Microsoft partner with extensive and relevant experience implementing Microsoft Dynamics 365 Business Central, is part of CMAS and has provided the proposed scope, deliverables, implementation approach, project timeline, and pricing, which offer better overall value for the implementation of Microsoft Dynamics 365 Business Central.

WHEREAS, an appropriation of $90,000 was included in the LACERS Fiscal Year 2025-26 departmental budget for the implementation of Microsoft Dynamics 365 Business Central; however, the procurement process for the services took longer than expected, and therefore, the re-appropriation of these funds for Fiscal Year 2026-27, along with an additional fund request to cover the increase in fees and the estimated cost of optional changes and customization, is needed.

NOW, THEREFORE, BE IT RESOLVED, that the Board:

1. Approve a one-year contract with OnActuate Consulting US Inc. for the implementation of Microsoft Dynamics 365 Business Central.
2. Approve the FY 2026-27 supplemental appropriation of $116,570 under Fund 800, Appropriation Account 163040 – Contractual Services, for the implementation of Microsoft Dynamics 365 Business Central.

3. Authorize the General Manager to negotiate and execute the new contract, subject to the review and approval of the City Attorney as to form.

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: JULY 14, 2026
FROM: Todd Bouey, General Manager
ITEM: VII-B

SUBJECT: INVESTMENT MANAGER CONTRACT WITH LAZARD ASSET MANAGEMENT LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS CORE PORTFOLIO AND POSSIBLE BOARD ACTION

☒ ACTION ☐ RECEIVE & FILE ☐ CONSENT ☐ CLOSED

Recommendation
That the Board:

1. Approve the termination of Lazard Asset Management LLC (Lazard) as an active non-U.S. equities developed markets core portfolio manager effective upon the expiration of the current contract on September 30, 2026.

2. Authorize Staff to transition the portfolio consistent with the Board-approved Non-U.S. Equity Restructure and Implementation Plan.

Discussion

Background
Lazard has managed an active non-U.S. equities developed markets core portfolio for LACERS since November 2013 and is benchmarked against the MSCI EAFE Index. Lazard employs a fundamental research-driven investment strategy to identify companies with strong or improving financial productivity at attractive valuations. LACERS' portfolio was valued at approximately $524 million as of May 31, 2026.

Lazard was hired through the 2013 Active Non-U.S. Equities Developed Markets Manager search process and an initial three-year contract was authorized by the Board on June 11, 2013. The contract became effective on October 1, 2013, and was renewed for three-year terms on June 28, 2016, June 11, 2019, and June 13, 2023. The current contract expires on September 30, 2026.

Organization

Lazard Asset Management LLC (Lazard), an indirect subsidiary of Lazard, Inc. (NYSE: LAZ), manages approximately $213.3 billion across various equity and fixed income strategies for institutional and individual clients as of March 31, 2026. Lazard has offices in more than 25 cities across more than 20 countries in North America, Europe, Asia Pacific, and the Middle East, with 902 employees including 294 investment professionals. As of March 31, 2026, the firm managed over $150 billion in total non-U.S. equity assets, with $6.2 billion in the International Strategic Equity strategy (Lazard's product name for the strategy LACERS is invested in).

Due Diligence

Staff conducts routine due diligence of the manager, including quarterly portfolio reviews and ad hoc investment discussions. LACERS staff last conducted an on-site meeting at Lazard's offices in March 2026, which included interviews with key personnel across the organization. Staff notes that Lazard's investment philosophy, strategy, and process have not changed materially since the most recent contract extension.

Performance

As of May 31, 2026, Lazard has outperformed the benchmark over the recent 3-month period, but continues to trail the MSCI EAFE Index over the 1-year, 3-year, 5-year, and since-inception periods, as presented in the table below.

Annualized Performance as of 5/31/2026 (Net-of-Fees)

Time Period	3-Month	1-Year	3-Year	5-Year	Since Inception 11/5/13
Lazard	3.70	22.42	15.87	5.99	6.67
MSCI EAFE	-0.65	22.80	18.15	8.79	6.99
% of Excess Return	*4.35*	*-0.38*	*-2.28*	*-2.80*	*-0.32*

While recent performance has improved, the longer-term underperformance remains material. With Lazard's strategy focus on valuation and quality, performance tends to lag in market environments dominated by style extremes, such as a low quality-lead, rapidly rising markets. Lazard's stock selection has been more overweight small and mid-cap stocks, which hurt performance as large cap momentum stocks have dominated the market.

Lazard has been on watch status due to underperformance or organizational changes throughout the most recent contract period. Most recently, on watch status was extended on July 11, 2025, due to underperformance, in accordance with the LACERS Manager Monitoring Policy.

Staff notes that the termination recommendation is not based solely on recent performance. Rather, the recommendation also reflects the Board-approved restructuring of the Non-U.S. Equity portfolio, the reduced active risk budget for the asset class, the desire to streamline the manager lineup, and the opportunity to obtain broad international equity exposure through a lower-cost passive strategy.

Implementation

On April 28, 2026, the Board approved the Non-U.S. Equity Restructure and Implementation Plan. The restructure reduced the overall Non-U.S. Equity allocation and reflected the Board's prior direction to lower the active risk budget within the asset class. Staff recommends allowing the current Lazard contract to naturally expire on September 30, 2026. Prior to expiration, Staff will coordinate with Lazard to liquidate the portfolio in an orderly manner. Proceeds will first be used to fund near-term cash flow needs, with the remaining assets rebalanced to passive management with the goal of a more streamlined stable of managers, consistent with the Board-approved Model 2 allocation.

Fees

LACERS pays Lazard an effective fee of 47 basis points (0.47%), which is approximately $2.62 million annually based on the value of LACERS' assets as of April 30, 2026. This fee ranks in the 39th percentile of fees charged by similar managers in the eVestment database (i.e., 61% of like-managers have higher fees). Since inception, LACERS has paid Lazard a total of $32.9 million in investment management fees as of March 31, 2026.

General Fund Consultant Opinion

NEPC concurs with this recommendation.

Prepared By:

Barbara Sandoval, Investment Officer II, Investment Division

Attachments:
1. Consultant Recommendation – NEPC, LLC
2. Select Pages from Non-U.S. Equity Restructure Presentation – NEPC, LLC
3. Board Resolution

BOARD MEETING DATE: JULY 14 , 2026

ITEM: VII-B

ATTACHMENT: 1

To: Los Angeles City Employees' Retirement System Board

From: NEPC, LLC

Date: July 14, 2026

Subject: Lazard Asset Management, LLC – Contract Recommendation

Recommendation

NEPC recommends Los Angeles City Employees' Retirement System (LACERS) gradually wind down its investment with Lazard Asset Management ('Lazard') prior to the current contract's expiration date on 9/30/26. This will enact the Board's decision to pursue a streamlined Non-US Equity portfolio, as presented and approved at the Board meeting on April 28, 2026.

Background

Lazard was hired into the Non-U.S. Equity asset class in 2013 to provide the Plan with public equity exposure across international developed countries/markets. The portfolio has a performance inception date of December 1, 2013. As of May 31, 2026, Lazard managed $523.7 million, or 1.9% of Plan assets. The performance objective is to outperform the MSCI EAFE Index, net of fees, annualized over a full market cycle (normally three-to-five years). The portfolio is currently on watch due to performance per LACERS' manager monitoring policy.

Lazard Asset Management is a wholly-owned subsidiary of Lazard Ltd, which went public in 2005. Lazard has $213.3 billion in assets (as of March 31, 2026) with the majority of assets representing listed equities. Lazard Ltd. is a publicly traded company with Peter Orszag serving as CEO and Chairman since 2023. Christopher Hogbin was appointed CEO of Lazard Asset Management in 2025 to lead the next phase of growth. There have been additional transitions/announcements recently, including the appointment of Rosalie Berman as Chief Operating Officer and as Eric Van Nostrand as Chief Investment Officer (both announced in January 2026). These recent changes were orchestrated by Peter Orszag and included bringing in new leadership alongside Van Nostrand to modernize the firm's investment approach.

The prior ownership structure at Lazard maintained a model where portfolio managers historically enjoyed significant autonomy, with approximately 25 to 30 senior portfolio managers reporting directly to the CEO. Under the new structure, portfolio managers now report to the CIO through the newly established firm-wide Investment Committee. This committee consists of approximately 15 to 17 members, including lead portfolio managers of major products, representatives from partnership-based teams, and leaders of larger investment platforms such as the global franchise and listed infrastructure platform (Warren Robinson), international strategic platform (Michael Bennett) and emerging markets team (James Donald), among others. The committee is intended to serve as a decision-making and enforcement mechanism for investment decisions, though individual portfolio managers retain sovereignty over their specific portfolio decisions. The CIO has authority to question investment decisions and ensure proper reasoning, but does not have the power to reverse individual trades. Majority rule is needed to make decisions.

The LACERS account sits within the Lazard International Strategic Equity product, which is a multi-capitalization strategy. The strategy typically invests in 50-70 securities of non-US companies, including those from emerging markets. The benchmark is the MSCI EAFE Index. The portfolio is managed by four portfolio managers, however, day-to-day, the portfolio is overseen by Lead Portfolio Manager Robin Jones and Jimmie Bork, Director, Portfolio Manager/Analyst. Messrs. Jones and Bork are supported by Michael Bennett, Portfolio Manager/Analyst, and Cyrus Azarmgin, Portfolio Manager/Analyst. Mr. Azarmgin officially joined the team on January 1, 2025.

Performance

Referring to Exhibit 1, since the inception date of December 1, 2013, the strategy has underperformed the MSCI EAFE Index by 0.3% as of May 31, 2026, returning 6.6%, net of fees. In the five-year period ended May 31, 2026, the portfolio underperformed the index by 2.8%. Over the three-year period the portfolio underperformed its benchmark by 2.3%. Over the past one-year period ended May 31, 2026, the portfolio has underperformed its benchmark by 0.4%.

Referring to Exhibit 2, since the inception date of December 1, 2013, the strategy has underperformed the MSCI EAFE Index by 0.7% as of March 31, 2026, returning 5.4%, net of fees. The portfolio ranked in the 82nd percentile in its peer universe since inception. In the five-year period ended March 31, 2026, the portfolio underperformed the index by 3.6% and ranked in the 82nd percentile in its peer universe. Over the three-year period the portfolio underperformed its benchmark by 3.7% and ranked in the 80th percentile in its peer group. Over the past one-year period ended March 31, 2026, the portfolio has underperformed its benchmark by 5.1% and ranked in the 76th percentile.

Broadly, underperformance across time periods has been driven by stock selection. In recent years, the portfolio has been more overweight small and mid-cap stocks, which hurt performance as large cap momentum stocks have dominated the market. The strategy focuses on valuation and quality, and will tend to lag in market environments dominated by style extremes, such as a low quality-led, rapidly rising market. The post-COVID period was particularly challenging due to style headwinds.

Fees

The portfolio has an asset-based fee of 0.47% annually. This fee ranks in the 39th percentile among its peers in the eVestment All EAFE Universe. In other words, 61% of the products in the peer universe have a higher fee than the LACERS account.

Conclusion

LACERS asset allocation decision to reduce the overall target to non-US equities necessitated a streamlining of the investment manager lineup. Following analysis presented at the Board meeting in April 2026, the Board approved a non-US equity portfolio constructed of a higher percentage allocated to passively managed strategies and fewer active managers, favoring those strategies that have demonstrated favorable risk-adjusted statistics.

While it remains NEPC's view that Lazard remains a viable firm, the strategy does not have a role within the future construct of the LACERS non-US equity portfolio. NEPC recommends directing LACERS Staff to wind down the portfolio prior to the contract's expiration date.

The following tables provide specific performance information, net of fees referenced above.

Exhibit 1: Performance Comparison Net of Fees as of May 31, 2026

This table compares Lazard with the MSCI EAFE (Net) across 1 month, YTD, FYTD, 1 year, 3 years, 5 years, 10 years, and since inception as of May 31, 2026. The inception period begins on December 1, 2013[1]. The table also includes an over/under row showing the difference between the strategy and benchmark. Lazard underperforms the benchmark in every period except the 1-month and YTD periods.

Strategy vs. Benchmark	1 Mo %	YTD %	FYTD %	1 YR %	3 YR %	5 YR %	10 YR %	Inception
Lazard	4.7	11.8	18.3	22.4	15.9	6.0	8.0	6.6
MSCI EAFE (Net)	3.1	9.4	20.2	22.8	18.2	8.8	9.3	6.9
Over/Under	1.7	2.4	-1.9	-0.4	-2.3	-2.8	-1.3	-0.3

[1] NEPC sets portfolio inception dates to the beginning of the next month if a portfolio is not funded on the first business day of the month.

Exhibit 2: Universe Performance Comparison Net of Fees Ending March 31, 2026

Lazard vs. eV All EAFE Equity

This table provides the detailed returns, percentile rankings, peer universe breakpoints, and population counts across 3 months, FYTD, 1 year, 3 years, 5 years, 10 years, and since inception as of March 31, 2026. The inception period begins on December 1, 2013[1]. The table shows how Lazard and the benchmark rank within the broader peer universe over time, with population sizes ranging from 450 to 271. Percentile rankings are indicated in parentheses with 1 indicating the highest ranking and 100 the lowest ranking.

Strategy vs. Benchmark and Universe	3 Mo %	FYTD %	1 YR %	3 YR %	5 YR %	10 YR %	Inception
Lazard	-3.9 (82)	1.7 (80)	16.2 (76)	9.9 (80)	4.3 (82)	6.5 (87)	5.4 (82)
MSCI EAFE (Net)	-1.2 (60)	8.5 (55)	21.3 (57)	13.6 (56)	7.9 (49)	8.4 (54)	6.1 (64)
5th Percentile	5.1	19.9	36.6	20.9	12.9	10.9	8.7
1st Quartile	1.1	13.3	28.4	17.3	10.2	9.4	7.2
Median	-0.7	9.1	22.4	14.4	7.8	8.5	6.6
3rd Quartile	-3.1	3.1	16.5	10.8	5.1	7.2	5.7
95th Percentile	-6.8	-5.9	4.6	3.9	0.1	5.2	4.1
Population	450	449	449	430	394	315	271

BOARD MEETING DATE: JULY 14, 2026 ITEM: VII-B

ATTACHMENT: 2

NON-US EQUITY RESTRUCTURE & IMPLEMENTATION PLAN

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

APRIL 2026

ANALYSIS SCOPE AND PORTFOLIO MODELS

- **Analysis covers the 10-year period ending September 30, 2025, based on LACERS' net-of-fee performance***
- **The following analysis includes the portfolio allocations below:**

Strategy	Current 12-31-25	Model 1	Model 2	Contract Expiration Date
Barrow Hanley Non-U.S. Value Equity	12.50%	9.50%	12.00%	9/30/26
Lazard International Strategic Equity	8.48%	0.00%	0.00%	9/30/26
MFS International Growth Equity	12.05%	13.50%	10.00%	9/30/28
Oberweis International Opportunities	7.59%	4.50%	5.50%	12/31/28
SSGA MSCI World ex USA IMI Index	23.66%	37.50%	37.50%	6/30/28
SSGA MSCI EAFE Small Cap Index	6.25%	0.00%	0.00%	6/30/28
DFA Emerging Markets All Cap Value	12.05%	8.00%	8.00%	6/30/29
State Street MSCI Emerging Markets Index NL	11.62%	22.50%	27.00%	6/30/28
Wasatch Emerging Markets Small Cap Growth	5.80%	4.50%	0.00%	9/30/26

- **Model portfolio summary:**
  - Model 1: aligns with previous risk budgeting exercise in 2025; increases the use of passive management for cost savings and to reduce tracking error
    - Reallocate Lazard dollars among remaining international developed strategies to achieve targeted exposure
  - Model 2: further increases the use of passively managed strategies; reallocate Wasatch dollars to State Street MSCI Emerging Markets (passive)

Note: MSCI EM Index used as a proxy for State Street MSCI Emerging Markets Index strategy for holdings analysis

*Product composite returns were obtained from eVestment for SSGA MSCI EAFE Small Cap Index, State Street MSCI Emerging Markets Index, and Wasatch Emerging Markets Small Cap Growth to backfill the history from 9/30/15-12/31/20

SECTOR EXPOSURE

- **Observations:**
  - **<u>None of the portfolios are taking outsized positions relative to the index</u>**
  - Current allocation maintains a slight overweight in industrials (~3%)
  - Model portfolios only slightly shift sector exposure and maintain modestly higher allocation to consumer discretionary, industrials, tech, and materials, and slightly lower allocation to financials

Portfolio	Comm. Services	Consumer Disc.	Consumer Staples	Energy	Financials	Healthcare	Industrials	Info. Tech	Materials	Real Estate	Utilities
Current 12-31-25	4.3%	11.0%	5.2%	3.8%	22.9%	7.0%	18.5%	14.6%	7.9%	2.2%	2.6%
Model 1	5.2%	11.0%	5.3%	4.1%	22.8%	7.1%	16.3%	15.6%	8.1%	1.9%	2.6%
Model 2	5.3%	11.4%	5.1%	4.4%	23.0%	6.5%	16.1%	14.9%	8.2%	2.0%	2.8%
Benchmark											
MSCI ACWI ex USA	6.3%	10.7%	6.1%	4.5%	24.8%	7.7%	14.7%	13.7%	6.5%	1.6%	3.0%
MSCI ACWI ex US IMI	5.9%	10.8%	6.0%	4.3%	23.0%	7.5%	15.4%	13.3%	7.3%	2.7%	3.0%

MSCI ACWI ex US IMI includes small cap stocks, whereas MSCI ACWI ex USA only covers large and mid-caps

MARKET CAPITALIZATION EXPOSURE

- **Observations:**
  - **All portfolios skew more towards small caps relative to the index**
    - Reflects more attractive opportunity set in non-US small caps, compared to larger caps
  - Model portfolios bring market cap exposures slightly closer to the index

Portfolio	>$50 Billion	$15-50 Billion	$7.5-15 Billion	$1.5-7.5 Billion	$750M-1.5 Billion	$400-750 Million	< $400 Million
Current 12-31-25	30.0%	22.5%	19.4%	23.7%	3.0%	0.8%	0.5%
Model 1	32.5%	22.7%	17.8%	23.2%	2.6%	0.8%	0.4%
Model 2	32.9%	23.1%	18.4%	22.5%	1.9%	0.7%	0.5%
Benchmark							
MSCI ACWI ex USA	50.2%	26.9%	12.3%	9.9%	0.4%	0.2%	0.1%
MSCI ACWI ex US IMI	47.4%	24.3%	10.8%	13.9%	2.8%	0.7%	0.0%

MSCI ACWI ex US IMI includes small cap stocks, whereas MSCI ACWI ex USA only covers large and mid-caps

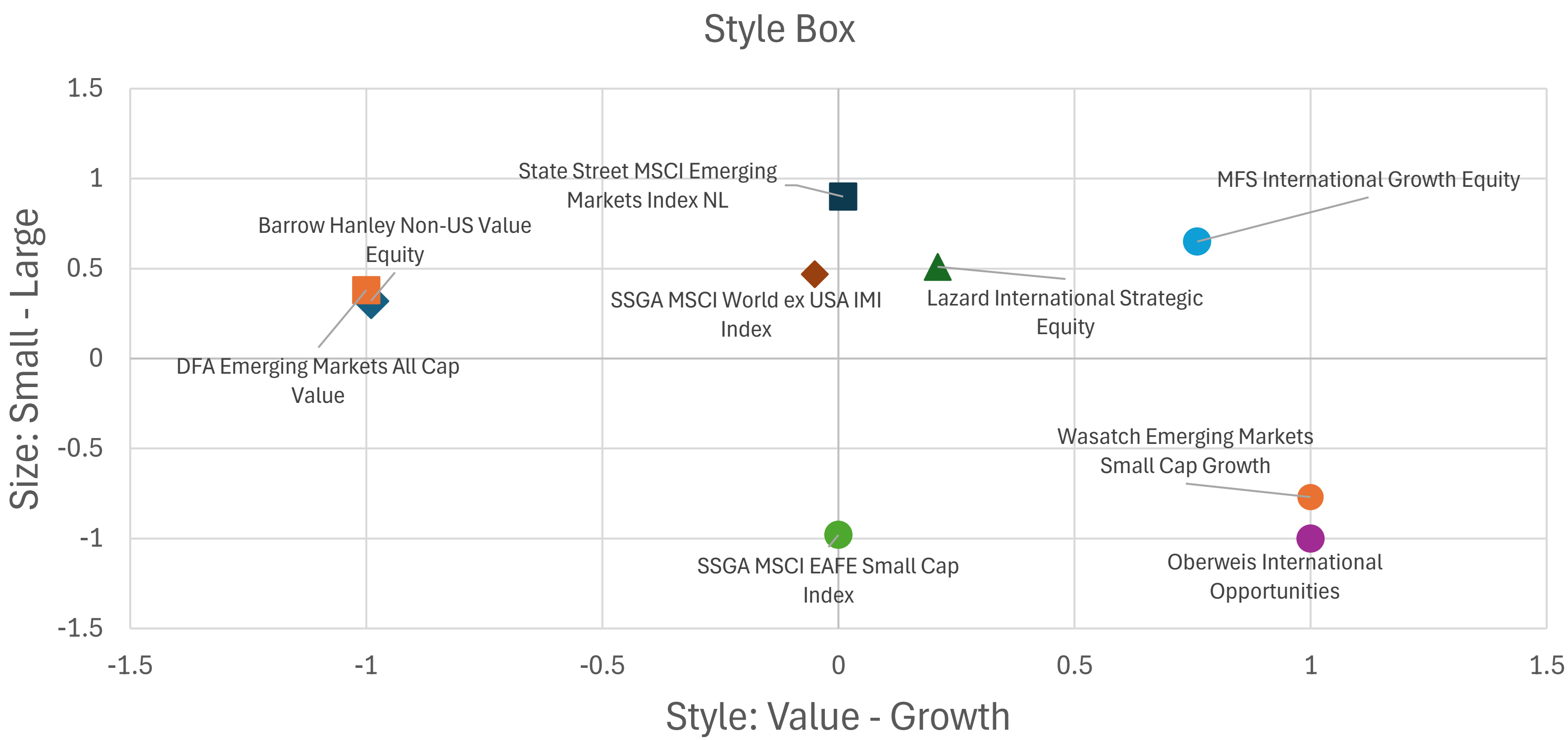
REGIONAL EXPOSURE

- **Observations:**
  - **All portfolios maintain a higher allocation to emerging markets, compared to the index**
    - Model 1 and Model 2 split between developed and emerging markets dictated by strategic asset allocation decision by the Board in late 2024

Portfolio	Developed ex US	Emerging Markets	United States
Current 12-31-25	67.0%	31.9%	1.1%
Model 1	62.2%	36.8%	1.0%
Model 2	62.5%	36.8%	0.7%
Benchmark			
MSCI ACWI ex USA	69.8%	29.0%	0.0%
MSCI ACWI ex US IMI	72.3%	26.4%	0.0%

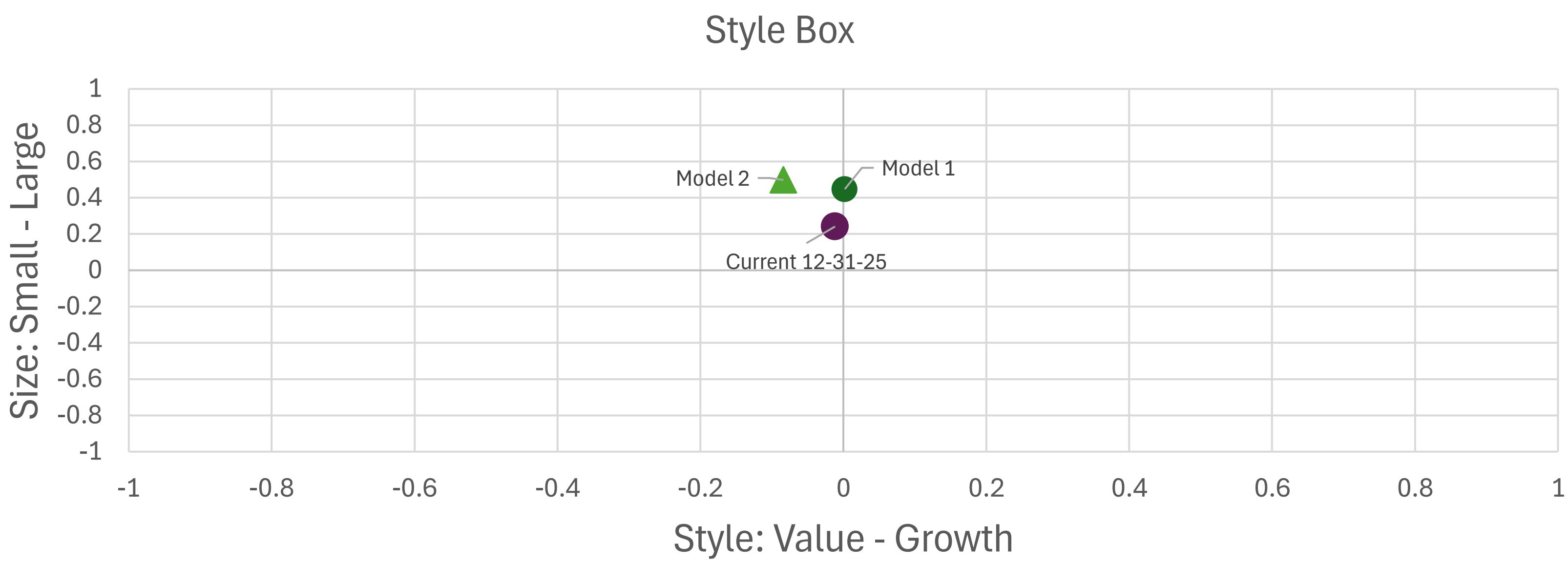
STYLE / MARKET CAPITALIZATION – MANAGERS

- **Observations:**
  - <u>**Underlying managers provide a balance of styles**</u>
    - Growth managers Wasatch, Oberweis and MFS complement value managers DFA and Barrow Hanley



STYLE / MARKET CAPITALIZATION – PORTFOLIOS

- **Observations:**
  - **<u>All portfolios, in aggregate, reflect a core orientation, consistent with market benchmarks</u>**
    - Model 2 reflects a very slight value tilt with the removal of Lazard and Wasatch



MANAGEMENT FEE ESTIMATE

- **Observations:**
  - **Lower fees through the use of increased passive management**
    - Still allows for upside potential from outperformance of a smaller number of high conviction managers

Portfolio	Estimated Effective Annual Fee*	Percent Invested in Passively Managed Strategies
Current	0.30%	41.5%
Model 1	0.21%	60.0%
Model 2	0.18%	64.5%

*Based on 12/31/2025 market value, as a percent of Non-US Equity portfolio

NEPC RECOMMENDATION

RECOMMENDATION

- **NEPC recommends LACERS adopt Model 2 going forward**
  - Closely aligns with goals of the reduced target allocation to non-US equities, particularly with respect to greater use of passive management and a more streamlined stable of managers
  - Trims active managers that have underperformed over longer periods of time and exhibited less favorable risk statistics
  - Reduces estimated manager fees by 12bps, compared to current allocation

DISCLAIMERS & DISCLOSURES

- Past performance is no guarantee of future results.
- Returns for pooled funds, e.g. mutual funds and collective investment trusts, are collected from third parties; they are not calculated by NEPC. Returns for separate accounts, with some exceptions, are calculated by NEPC. Returns are reported net of manager fees unless otherwise noted.
- A "since inception" return, if reported, begins with the first full month after funding, although actual inception dates (e.g. the middle of a month) and the timing of cash flows are taken into account in Composite return calculations.
- NEPC's preferred data source is the plan's custodian bank or record-keeper. If accurate data cannot be obtained, manager data may be used. Information on market indices and security characteristics is received from additional providers. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within. In addition, some index returns displayed in this report or used in calculation of a policy index, allocation index or other custom benchmark may be preliminary and subject to change.
- All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.
- The opinions presented herein represent the good faith views of NEPC as of the date of this presentation. Fund performance or rankings contained in this report should not be considered a recommendation by NEPC.
- This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

BOARD MEETING DATE: JULY 14, 2026

ITEM: VII-B

ATTACHMENT: 3

CONTRACT EXPIRATION
LAZARD ASSET MANAGEMENT LLC
ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS CORE
PORTFOLIO MANAGEMENT

PROPOSED RESOLUTION

WHEREAS, LACERS' current three-year contract with Lazard Asset Management LLC (Lazard) for management of an active non-U.S. equities developed markets core portfolio management expires on September 30, 2026; and,

WHEREAS, Lazard was placed "On-Watch" on July 11, 2025, due to underperformance, in accordance with the LACERS Manager Monitoring Policy; and,

WHEREAS, as of May 31, 2026, the strategy continues to underperform the benchmark and breach Policy criteria; and has been on watch status due to underperformance or organizational changes throughout the most recent contract period; and,

WHEREAS, on July 14, 2026, the Board approved staff and NEPC LLC's recommendation to allow the Lazard contract to expire on September 30, 2026 and have the proceeds fund near-term cash and rebalancing needs; and,

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

July 14, 2026

REPORT TO BOARD OF ADMINISTRATION
MEETING: JULY 14, 2026
FROM: Todd Bouey, General Manager
ITEM: VII-C

SUBJECT: RESPONSIBLE INVESTMENT PROGRAM EXPENDITURES REVIEW AND POSSIBLE BOARD ACTION

☒ ACTION ☒ RECEIVE & FILE ☐ CONSENT ☐ CLOSED

Recommendation

That the Board review the Responsible Investment Program (RI Program) expenditures.

Executive Summary

LACERS RI Program was established utilizing the Principles for Responsible Investments (PRI) framework once LACERS became a PRI signatory in 2019. The Program is directed by LACERS' Responsible Investment Policy (RI Policy), PRI Action Plan, and Environmental, Social, and Governance (ESG) Risk Framework, and utilizes tools like MSCI's ESG Research software to monitor and measure LACERS' exposure to companies with fossil fuel reserves. The RI Program aims to ensure that ESG risk factors are integrated in the investment decisions, to better manage risk and generate sustainable, long-term returns. This report provides a cost-benefit analysis of the RI Program, specifically regarding the PRI signatory and MSCI ESG Research software fees.

Discussion

On April 9, 2019, the Board of Administration approved becoming a signatory of the PRI. LACERS officially became a PRI signatory on September 3, 2019. The Board received seven separate education sessions on ESG factors before making this decision. This included presentations from LACERS' General Consultant, NEPC LLC (NEPC), Staff, PRI, Los Angeles County Employees Retirement Association, Council of Institutional Investors, and the Office of the Los Angeles City Attorney. This report analyzes the costs of supporting the PRI Principles and ESG participation, and the associated economic and qualitative benefits to the plan.

It is important to note that a majority of LACERS investment managers are already PRI signatories. As of December 31, 2025, 62.4% of LACERS' total AUM (roughly $16.9B out of total AUM of $27.1B) is managed by PRI signatories. This can be broken down into 73% of public markets AUM, 29% of private equity AUM, 19% of private credit AUM, and 75% of private real estate AUM. PRI investment managers incorporate ESG issues into their investment decisions, which contribute to PRI's mission of achieving a more sustainable financial system. LACERS' direct involvement in PRI has resulted in additional due diligence with managers on ESG factors and a RI Policy to manage these factors.

Costs
The annual signatory fee is scaled according to each signatory's category, type, and assets under management (AUM). LACERS' current fee is 10,744 GBP based on our AUM as of May 31, 2026.

Below is a table showing all the signatory fees paid.

Year	Paid in USD
2019	$7,165
2020	$10,830
2021	$12,080
2022	$11,515
2023	$11,539
2024	$12,694
2025	$13,834
Total	**$79,657**

PRI in Person, the PRI's global annual conference on responsible investment, is a multi-day event consisting of asset owners, investment managers, and policymakers where they discuss sustainable financial, global ESG trends, and practical stewardship strategies. Historical staff attendance cost is shown below:

Year	Board Budget Approval	Actual Cost
2019	N/A*	$3,209
2023	$4,000	$3,213
2024	$6,500	$4,255
2025	$5,500	$2,302
Total	**$16,000**	**$12,979**

*Domestic Travel that did not require Board budget approval

The difference between budgeted and actual costs is generally attributed to staff participation in the PRI Global Asset Owner Forum Group, which helps set the conference agenda. Members have received discounted registration fees. The members have advocated for more asset owner focused sessions, which has resulted in a dedicated Global Asset Owner Forum, which is a full day session prior to the start of PRI in Person that allows asset owners a closed-door, peer-to-peer environment to collaborate, tackle responsible investment barriers, and shape long-term sustainability and stewardship strategies. In addition, staff was a speaker at the 2025 PRI in Person conference which resulted in free registration.

LACERS also maintains an annual subscription to MSCI ESG Research software to provide LACERS with comprehensive ESG data, ratings, and analysis tools that support the integration of sustainability factors into the investment process. LACERS utilizes this tool to measure the carbon footprint of its public-markets exposure to advance its ESG initiatives, information that is requested periodically by Los Angeles City Council members. Historical annual costs are shown below:

Year	Cost
2022	$12,500
2023	$13,125
2024	$13,781
2025	$14,401
2026	$15,049
Total	**$68,856**

Staff continues to explore other alternatives to MSCI ESG Research software. Other options explored have resulted in a potential higher cost alternative or do not provide the same quality of information.

In addition to actual dollar costs, staff have contributed time and effort to ensure that LACERS implement the RI Policy, which incorporates the PRI principles. Below is a summary of time spent on various ESG projects, ESG meetings, ESG conferences attended, and speaking engagements at ESG conferences.

Year	ESG Projects	ESG Meetings	ESG Conferences	Speaker at ESG Conferences
2021	690 hours	77	29	N/A
2022	382 hours	97	32	N/A
2023	260 hours	93	36	9
2024	46 hours	66	22	8
2025	30 hours	35	10	4

ESG Projects consist of time spent on the drafting of the RI Policy (Attachment 1), the PRI Action Plan (Attachment 2), the ESG Risk Framework (Attachment 3), the annual PRI reporting requirement, the Emerging Manager Networking Forum, and similar activities. ESG meetings and conferences also include Emerging Manager meetings and conferences. The ESG Risk Officer manages the RI program, which is defined by the RI Policy, the PRI Action Plan, and the ESG Risk Framework and ensures that we satisfy all six principles of PRI, including completing the annual PRI questionnaire.

Benefits
Quantifying ESG benefits remains challenging, and existing research has yet to reach a consensus. However, several academic studies have conducted meta-analyses, which is a statistical technique that combines the quantitative results from multiple independent studies addressing the same research question to increases statistical confidence to resolve conflicting findings between individual studies. The scientific research published has found a generally positive correlation between ESG factors and corporate financial performance.

- *Friede, Busch, & Bassen (2015). ESG and Financial Performance: Aggregated evidence from more than 2000 empirical studies.* Hyperlink for the article
  This study aggregated evidence based on more than 2,000 empirical studies that have been released since the 1970s. Roughly 90% of studies find a neutral or positive ESG-corporate financial performance relationship.

- *Whelan, Atz, Holt, & Clark (2021). ESG and Financial Performance: Uncovering the Relationship by Aggregating Evidence from 1,000 Plus Studies Published between 2015-2020.* Hyperlink for the article
  This study found a positive relationship between ESG factors and financial performance for 58% of the corporate studies focused on operational metrics with 34% showing inconclusive, and 8% showing a negative relationship.

There are three Private Equity investments with strategies that have various levels of ESG focus, below is their performance as of December 31, 2025:

Fund	Vintage Year	Commitment	Net IRR	Net TVPI
Bain Capital Double Impact Fund	2016	$10M	23.1%	1.96
TPG Rise Climate	2021	$50M	14.8%	1.27
TPG Rise Climate II	2024	$50M	n.m.	-

IRRs of investments held for less than two years generally is not a meaningful indicator of performance, and therefore labeled “n.m.”

Research on quantifying ESG remains ongoing. For example, the Kroner and Koenigsberger Center for Financial Research has funded the following 2022 studies; results are still being analyzed and has not yet been published:
1. The Cost of ESG Investing (Laura Lindsey, Seth Pruitt, and Christoph Schiller, Arizona State University)
2. The Cost of Sustainable Investing (Hao Jiang, Michigan State University)
3. Is there a Performance Penalty to Sustainable Bond Investing (Ji Min Park and Neil D. Pearson, University of Illinois)

PRI Signatory Benefits

- *Tools and Guidance:* Access to a variety of useful policy and practice guidelines, toolkits, and case studies specific to LACERS' asset classes and direct/indirect investments, as well as research on key ESG issues and important regulatory developments.
    - PRI provided the framework for LACERS to develop the RI Policy (approved on January 11, 2022), PRI Action Plan, and ESG Risk Framework which governs our RI program. These policies are integrated with the PRI membership.
- *Education:* Access to academic research through the PRI's Academic Network and to the PRI Academy, a responsible investment online training course. The PRI Academy offers seven web-based courses:
    - PRI Fundamentals, including Responsible Investment in 60 Minutes
        - Staff attended Responsible Investment in 60 Minutes (the £100 fee was waived)
    - PRI Specialist Courses, including Responsible Investment for Boards and Trustees
- *Data Portal:* Access information on other signatories via the Data Portal, a web-based platform that allows for access to publicly disclosed PRI "transparency reports," to request private reports from other signatories, to export responses (including assessment scores), and to explore the distribution of scores for specific peer groups.
- *Collaboration:* Network with companies, policy makers, academics, and over 5,000 fellow investors and service providers, via the PRI's Collaboration Platform. In addition, PRI offers U.S. Signatory monthly calls to gather U.S. asset owners a forum to network and learn.
    - On May 25, 2021, and on May 10, 2022, LACERS joined PRI letter-writing campaigns to the U.S. Securities and Exchange Commission in support of proposed amendments that would require publicly listed companies and foreign private issuers to disclose climate-related information in annual reports and registration statements.
    - On January 11, 2023, PRI published LACERS' case study: LACERS Implementing an ESG risk framework (Hyperlink for the case study).

Prepared By:

Ellen Chen, Director of Private Markets and ESG Risk Officer, Investment Officer III, Investment Division

Attachments:
1. RI Policy as of July 22, 2025
2. PRI Action Plan as of August 12, 2025
3. ESG Risk Framework as of August 12, 2025

BOARD MEETING DATE: JULY 14, 2026

ITEM: VII-C

ATTACHMENT: 1

X. RESPONSIBLE INVESTMENT (RI) POLICY

The Responsible Investment (RI) Policy is LACERS' master policy framework that addresses Environmental, Social, and Governance (ESG) issues that are consistent with the Board's fiduciary standards and the overarching Investment Policy. The primary purpose of this policy is to outline various forms of ESG risk and to identify strategic paths and actions that can add long-term value to LACERS investments. Given the broad nature of ESG issues, the RI Policy also makes references to other existing LACERS policies and documents that specifically address environmental risk factors such as climate transition and renewable energy; social risk factors such as human rights and employment conditions; and governance risk factors such as proxy voting and influencing the behavior of corporate leadership. Conscientious development and thoughtful implementation of the RI Policy will ensure that LACERS capital will be invested and managed in a responsible manner that meets the Board's fiduciary obligations.

A. Definitions

Environmental, Social, and Governance (ESG) – refers to three broad categories of risk factors that measure the sustainability and societal impact of an investment. Please refer to Section H Scope for examples.

Responsible Investment (RI) – is the strategy and practice to incorporate material risk and return ESG factors in investment decisions and active ownership.

Principles for Responsible Investment (PRI) - a signatory membership organization comprised of global investors who have committed to understanding the investment implications of ESG factors and incorporating these factors into their investment decisions.

Sustainability – is the balance between the environment, equity, and economy. The United Nations World Commission on Environment and Development defines sustainable development as the "development that meets the needs of the present without compromising the ability of future generations to meet their own needs."

ESG Integration – is the process of assessing the effect of ESG factors on investment risks and returns throughout the investment life-cycle and across all asset classes.

B. LACERS and Board's Commitment to Responsible Investing

LACERS and the Board are committed to integrating ESG risk factors into its management of the System in a manner that is consistent with the Board and Staff's fiduciary responsibilities to act in the best interest of the members, retirees, and beneficiaries of the System. This is consistent with LACERS' role as a prudent, long-term, responsible investor.

LACERS has long recognized the importance of addressing ESG risks in order to protect and enhance investment returns of the portfolio. Since the mid-1980s, LACERS has adopted several policies to address ESG risks[1]; engaged with both listed and privately-held companies, its own investment managers, regulatory bodies, and membership organizations to improve ESG-related practices; and collaborated with like-minded institutional investors to better understand and mitigate ESG risks.

LACERS ushered in a new era in its understanding and importance of ESG when it applied to the PRI for signatory status on June 25, 2019, and was later granted signatory status on September 3, 2019. Signatories to PRI make this commitment:

> "As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time)."

Consistent with the PRI framework, LACERS bases its own ESG practices and process in order to become a more responsible investor that, in meeting its fiduciary responsibilities to its members and beneficiaries, is cognizant of how the broader societal impact of its investment decisions can likewise affect investment returns.

C. Goals

The Goals of the RI Program are:

1) That the Board of Administration fulfills its fiduciary obligations as provided by California State Constitution, Section 1106 of the City Charter, and LACERS Policies;
2) Consider material ESG risk and return factors in order to achieve superior risk-adjusted returns;
3) Explore and consider sustainable investment initiatives that align with LACERS' fiduciary duties and the RI Policy;
4) Collaborate with like-minded organizations and entities that are progressing towards responsible investing through multiple investment approaches;
5) Provide periodic progress reports to the Board.

D. Responsible Investment Framework

The RI Program serves to fulfill the goals and objectives set forth in the RI Policy and is governed by Board-approved program documents, to include:

1) Responsible Investment Policy

The RI Policy formalizes LACERS' ESG policies and procedures to ensure that LACERS follows the direction set forth by the Board through the ESG Risk Framework, Proxy Voting Policy, Emerging Investment Manager Policy, and other subsequent Board policies and directives that may be incorporated into the RI Policy. This Policy will provide program guidance on integrating material ESG factor considerations within LACERS' Investment Program.

[1] Policies include the Geopolitical Risk Policy (which will be superseded by this Responsible Investment Policy), Proxy Voting Policy, and Emerging Investment Manager Policy.

2) Proxy Voting Policy

LACERS' Proxy Voting Policy supports sound corporate governance practices by aligning the interests of shareholders and corporations to build long-term sustainable growth in shareholder value. This policy provides LACERS' position and rationale for shareholder votes regarding corporate topics and issues to include (but not limited to) environmental and social issues, board of directors, election of the audit committee and appointment of external auditors, compensation of executives, shareholder rights and takeover defenses, capital structure, and corporate restructuring.

Proxy votes are cast by a proxy voting agent with the voting results monitored by staff and reported to the Board annually. Investment staff relies on research expertise and voting recommendations of its proxy voting agent when LACERS' Proxy Voting Policy is either silent or not directly applicable to the issue as stated on the proxy ballot.

3) Emerging Investment Manager Policy

The objective of LACERS Emerging Manager Policy is to identify investment firms with the potential to add value to the LACERS' investment portfolio that otherwise would not be identified by LACERS standard investment manager search and selection process. The Board believes that smaller investment organizations may generate superior returns because of the increased market flexibility associated with smaller asset bases.

4) PRI Action Plan

To ensure that LACERS continues to advance, progress, and continually develop its RI Program, an operational PRI Action Plan ("Plan") developed by staff was approved by the Board on November 12, 2019, with subsequent amendments. The Plan outlines initiatives and recurring activities that LACERS may pursue over a near-term horizon of approximately four years. The Plan is divided among broad functional categories: 1) policy; 2) operational; 3) research; and 4) collaboration and promotion. The Plan does not contain an exhaustive list of ESG initiatives that LACERS could pursue, but a feasible set of initiatives and actions that will allow LACERS to maintain a commitment to PRI and ultimately its ardent support of ESG. The Plan is updated and reviewed by the Board on an annual basis.

5) ESG Risk Framework

The Framework is a dynamic document, subject to changes based on economic outlook, market assumptions, and the Board's sensitivity and prioritization of material ESG issues. As LACERS continues to integrate and assess material and relevant ESG factors through this critical risk lens, staff will continue to adopt best practices and recommend to the Board appropriate Framework adjustments to keep its Investment Program and ESG initiatives focused squarely on the best interests of LACERS members and beneficiaries.

E. Responsible Parties and Roles

The roles and responsibilities surrounding the RI Policy are defined by the Board; several of those responsibilities are delegated to staff (including staff of the City Attorney's Office), consultants and advisers, and investment managers to ensure a cost-efficient and effective implementation, as outlined in the matrix below.

Responsible Parties and Roles			
Board	**Staff**	**Consultants / Advisers**	**Investment Managers**
- Governance - Policy Setting - Oversight	- Due Diligence - Engagement - Implementation and Compliance - Policy Recommendations - Legal Guidance and Opinions via City Attorney's Office	- Provide ESG education to the Board and Staff - Furnish research reports, customized reports, and other tools to understand current trends in ESG - Advise on Policy Matters	- Implement ESG directives and actions - Interpret and assess ESG risks and its impact on LACERS portfolio - Inform LACERS staff of any material ESG issues - Report ESG activities to LACERS to meet PRI Reporting requirements

F. Legal Framework

1. Fiduciary Responsibilities

Consistent with the California Constitution, the City Charter, and City Administrative Codes, and as set forth in the LACERS Investment Policy Statement, the Board must follow the standards set for all retirement board commissioners.

The Constitution imposes fiduciary responsibility on the commissioners of the Board to:

1. Administer the System's assets;
2. Exercise a high degree of care, skill, prudence and diligence;
3. Diversify investments to minimize risk and maximize return; and,
4. Specifically emphasizes that their duty to the System's members and beneficiaries takes precedence over any other duty.

The System is sensitive to concerns that ESG and other risk factors may affect the performance of investment portfolios (through time and to varying degrees across companies, sectors, regions, and asset classes). Investments shall not be selected or rejected based solely on ESG or other risk factors. However, consideration of material ESG risk factors alongside traditional financial factors should provide a better understanding of the risk and return characteristics of sustainable investments. Sustainable returns over long periods of time are in the economic interest of the System. Importantly, the System's ownership of securities in a corporation does not signify approval of any or all of a company's policies, products, or actions.

Section 10 RESPONSIBLE INVESTMENT (RI) POLICY

The System establishes this investment policy in accordance with Section 1106 of the Charter of the City of Los Angeles and Article XVI, Section 17 of the California Constitution for the systematic administration of the City Employees' Retirement Fund. Since its creation, the Board's activities have been directed toward fulfilling the required purpose of the System, as mandated by the City Charter:

"(1) to provide benefits to system participants and their beneficiaries and to assure prompt delivery of those benefits and related services; (2) to minimize City contributions; and (3) to defray the reasonable expenses of administering the system."[2]

The Board's "duty to system participants and their beneficiaries shall take precedence over any other duty."[3] In furtherance of this purpose, the Board shall have "sole and exclusive fiduciary responsibility over the assets of its system which are held in trust for the exclusive purposes of: (1) providing benefits to system participants and their beneficiaries; and (2) defraying the reasonable expenses of administering the system."[4]

The System is a department of the City government and is governed by a seven member Board of Administration and assisted by a general manager. In the formation of this investment policy and goal statement, the primary consideration of the Board has been its implementation of the stated purpose of the System. The Board's investment activities are designed and executed in a manner that will fulfill these goals.

This policy statement is designed to allow for sufficient flexibility in the management oversight process to capture investment opportunities as they may occur, while setting forth reasonable parameters to ensure that prudence and care is taken in the execution of the investment program.

2. Performance Priority

LACERS has a fiduciary duty to act in the best long-term interests of the System's beneficiaries. In this fiduciary role, LACERS is sensitive to concerns that ESG issues may affect the performance of the investment portfolio. Through the years, the Board has adopted various policies to address ESG risks, with an emphasis on social and governance issues.

The System's general investment goals are broad in nature. The following goals are adopted to be consistent with the above described purpose, the City Charter, the State Constitution, and applicable federal law:

A. The overall goal of the System's investment assets is to provide plan participants with post-retirement benefits as set forth in the System documents. This will be accomplished through a carefully planned and executed investment program.

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[2] L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).
[3] L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).
[4] L.A. Charter § 1106(b); Cal. Const. Art. XVI, §17(a).

B. A secondary objective is to achieve an investment return that will allow the percentage of covered payroll the City must contribute to the System to be maintained or reduced, and will provide for an increased funding of the System's liabilities.

C. All transactions undertaken will be for the sole benefit of the System's participants and beneficiaries and for the exclusive purpose of providing benefits to them and defraying reasonable administrative expenses associated with the System.[5]

D. The System's assets will be managed on a total return basis. While the System recognizes the importance of the preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. The Board's investment policy has been designed to produce a total portfolio, long-term real (above inflation) positive return above the Policy benchmark on a net-of-fee basis as referenced in the quarterly Portfolio Performance Review ("PPR"). Consequently, prudent risk-taking is warranted within the context of overall portfolio diversification. As a result, investment strategies are considered primarily in light of their impacts on total plan assets subject to the provisions set forth in Section 1106 of the City Charter with consideration of the Board's responsibility and authority as established by Article XVI, Section 17 of the California State Constitution.

E. The System's investment program shall, at all times, comply with existing applicable local, state, and federal regulations.

F. The System has a long-term investment horizon and uses an asset allocation, which encompasses a strategic, long-run perspective of capital markets. It is recognized that a strategic long-run asset allocation plan implemented in a consistent and disciplined manner will be the major determinant of the System's investment performance.

G. Investment actions are expected to comply with "prudent person" standard, with all duties discharged:

> "…with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims." [6]

This "standard of care" will encompass investment and management decisions evaluated not in isolation but in the context of the portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably assigned. The circumstances that the System may consider in investing and managing the investment assets include any of the following:

[5] L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).

[6] L.A. Charter § 1106(c); Cal. Const. Art. XVI, §17(c); ERISA § 404(a)(1)(B).

1. General economic conditions;
2. The possible effect of inflation or deflation;
3. The role that each investment or course of actions plays within the overall portfolio;
4. The expected total return from income and the appreciation of capital;
5. Needs for liquidity, regularity of income, and preservation or appreciation of capital;
6. A reasonable effort to verify facts relevant to the investment and management of assets.

H. The System is required to "[d]iversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.[7]

3. Impact Priorities
In conjunction with LACERS' fiduciary responsibilities, Staff will also take into consideration the materiality of the ESG risk in LACERS' investment. The Board shall decide whether to address these issues in a particular case based on the size of the interest that the System holds in the business and the effect of the business' violation of the System's ESG risk factors on investment returns.

G. Responsible Investment Mobilization Framework

Consistent with its fiduciary responsibilities, LACERS supports ESG within an implementation framework based on the Six Principles of PRI outlined below with examples of how LACERS supports these Principles:

Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.

- Staff will seek to incorporate relevant and material ESG considerations into LACERS' investment due diligence, decision-making, and monitoring processes for all of its external managers. Investment recommendations consider the manager's ESG policies and practices, focusing on the risks, opportunities, and standards relevant to the investment under consideration. LACERS' Investment Consultants will be directed to include relevant ESG commentaries in their independent diligence documentation.

- LACERS will support development of ESG-related tools, metrics, and analyses; investment service providers (such as financial analysts, consultants, brokers, research firms, or rating companies) are encouraged to integrate ESG factors into evolving research and analysis.

[7] L.A. Charter § 1106(d); Cal. Const. Art. XVI, §17(d).

Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.

- LACERS' RI Policy is updated annually or more frequently as needed to consider new ESG issues and evolving risk factors.

- LACERS' PRI Action Plan, which is a living document, outlines proposed multi-year actions for each of the Six Principles, and is updated annually.

- LACERS' Emerging Investment Manager Policy supports emerging investment managers with successful histories of generating positive alpha at an appropriate level of active risk.

- LACERS' Proxy Voting Policy provides proxy voting guidance on ESG risks and is updated annually.

- Staff will participate in the development of ESG and ESG-related policies, standard setting (such as promoting and protecting shareholder rights), file shareholder resolutions consistent with long-term ESG considerations, engage with companies on ESG issues, either through intervention with investment managers or directly to the company, and participate in collaborative engagement initiatives such as securities litigation.

- LACERS will advocate ESG training for the Board and staff as well as attend ESG-related conferences.

Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.

- Staff and/or Consultants will consider standardized questionnaires to Investment Managers for ESG disclosures.

- LACERS will support shareholder initiatives and resolutions promoting ESG disclosure.

Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.

- Individually and in collaboration with other investors and thought-leadership organizations, LACERS will promote acceptance and implementation of ESG best practices within the investment industry.

- LACERS' division letterhead and website will highlight LACERS PRI Signatory Status. LACERS may provide press releases, include principles-related requirements in requests for proposals (RFPs), and sit on ESG conference panels to reflect LACERS' promotion and acceptance of ESG.

Principle 5: We will work together to enhance our effectiveness in implementing the Principles.

- Staff will keep abreast of PRI Reporting changes and provide (at a minimum) an annual staff report to the Board and submit recommendations for Board consideration to improve its implementation of ESG actions.

- LACERS will support and participate in networks and information platforms to share tools, pool resources, make use of investor reporting as a source of learning, and develop or support appropriate collaborative initiatives.

Principle 6: We will each report on our activities and progress towards implementing the Principles.

- As part of its commitment to the PRI, LACERS shall report its progress in implementing the PRI's Six Principles through both the PRI Annual Report and LACERS annual PRI Action Plan Report to the Board.

- LACERS shall continue to foster open communication with LACERS members by responding to the Freedom of Information Act (FOIA) and California Public Records Act (CPRA) Requests.

H. Scope

The scope of the RI Policy encompasses the entire investment portfolio to the extent it is prudent and practicable. The broad and specific ESG Risk Factors provided in the table below are examples and additional risk factors may not have been specifically listed below. The risk factors may have varying degrees of risk impact and unique risk mitigation measures depending on the asset class or investment strategy type. In addition, specific ESG risk factors are dynamic and may be impactful to more than one broad ESG risk factor.

Broad and Specific ESG Risk Factors

Environmental • Climate Change • Resource Depletion • Waste • Pollution • Deforestation
Social • Human Rights • Modern Slavery

- Child Labor
- Working Conditions
- Employee Relations
- Diversity, Equity, and Inclusion
- Gender and Sexual Orientation Pay Equality
- Discrimination based on Race, Gender including Women, Age including Senior Citizens and Children, Sex, Sexual Orientation, LGBTQIA+, Disability, Veterans Status, Language, or Social Status
- Freedom of Speech and Press
- Right to Civil Liberties including Speech and Press, Peaceful Assembly and Association, Freedom of Religion, National Origin /Racial/Ethnic Minorities, Freedom of Movement within a Country, Foreign Travel, Emigration, and Repatriation
- Freedom of Civil Unions/Same Sex Marriage

Governance

- Bribery and Corruption
- Executive Pay
- Board Diversity and Structure
- Political Lobbying and Donations
- Tax Strategy
- Right of Citizens to Change their Government

I. Stewardship

LACERS will focus its engagement efforts on Board directed stewardship initiatives, that are core to LACERS belief that consideration of ESG risk factors can add long-term value to LACERS investments. In addition, LACERS receives requests from stakeholders, fellow investors, and other interested parties to engage on particular issues. These ad-hoc requests are analyzed in consultation with the City Attorney in order to take best course of action to meet LACERS needs.

J. Identifying and Mitigating Material ESG Risks within the Portfolio

LACERS staff will research and keep the Board apprised of material and relevant ESG issues, initiatives, and collaboration opportunities, and take into account actions of other like prudent investors using the process outlined below:

1. Once ESG risks factors of material significance within the portfolio have been identified and discussed with the ESG Consultant, staff will bring such risks to the attention of the Board.

2. LACERS Board may decide at any point after considering research and staff findings that further action of various degrees of magnitude and impact may be appropriate and necessary to mitigate risk factors. This Policy identifies four distinct action levels that may be implemented, subject to Board direction:

Section 10 RESPONSIBLE INVESTMENT (RI) POLICY

Action Level	Possible Action(s) to include but not limited to:	Responsible Parties	Estimated Risk to Plan Assets
1	*Relationship Initiatives:* Collaboration with other Agencies Engagement/Advocacy Letters Joint-Agency Endorsements Company Presentations to LACERS Board Disassociation with Misaligned Organizations Outreach/Association with Emerging Managers Discussion at Advisory Board Meetings or Annual Meetings of Private Market Funds	Staff Consultants Industry Organizations Agencies	**None** Level 1 actions do not include any portfolio restructurings resulting in virtually no discernable adverse risks to portfolio valuations.
2	*Policy Implications/Contractual:* Proxy Voting Amendments Investment Manager Guidelines Investment Policy Amendments Contract Side Letter Provisions	Staff Consultant(s) Investment Managers Proxy Voting Agent City Attorney	**None to Medium** Level 2 actions do not include significant portfolio restructurings but may have an indirect impact on portfolio management, investment valuations, or investment manager relationships.
3	*Strategic Investment Approaches:* ESG-Sensitive Strategies Climate-related Investment Strategies Socially Responsible Investment Strategies Corporate Governance Investment Strategies	Staff Consultant(s) Investment Mangers	**Low to Medium** Level 3 actions may have a direct impact on individual portfolios due to removal, substitution, or addition of mandates. Such actions may impact performance; implementation risk and costs; fee structures; tracking error; create opportunity costs.
4	*Restructure:* Security/Securities Divestment Sale of Partnership Interests Portfolio Restructure Termination of Investment Managers	Staff Consultant(s) Investment Managers Transition Managers Bank Custodian	**Medium to High** Level 4 actions may lead to immediate and significant realized losses due to market illiquidity; tracking error; transition management risk; timing and implementation risks; create opportunity costs; sub-optimal asset allocation structure misaligned with approved Asset Allocation Policy.

3. The Board will consider such investment actions only to the extent they are consistent with the Board’s fiduciary duties.
4. Staff will implement Board investment actions in an orderly, cost- efficient, and risk-mitigating manner.
5. Staff will provide the Board with periodic verbal updates or formal written reports on investment action status.

6. Staff will communicate Board decisions to the System's active public investment managers to adhere to the Board's actions going forward and work with its bank custodian to assist with further monitoring of ESG risk factors. If consistent with existing contractual agreements and appropriate to the investment mandate, such Board decisions will be communicated to appropriate private market investment managers.
7. The Board may wish to pursue other options to mitigate ESG risk factors and/or enhance the Investment Program through long-term ESG investment approaches.

K. Engagement Campaigns

Engagement with other like-minded organizations helps LACERS leverage its beliefs and promotion of ESG principles for the benefit of its beneficiaries. As LACERS becomes aware of engagement opportunities via letter campaigns (Campaigns), staff will bring the most impactful Campaign requests to the Board for review and consideration. Campaigns may request several actions including LACERS placing its name on the Campaign sponsor's master letter or request that LACERS send an independent letter to the targeted organization. If a Campaign deadline does not permit adequate time to bring the letter request to the Board for consideration, the Board delegates specific authority to the General Manager (GM), the Chief Investment Officer (CIO), and the LACERS Board President to support and endorse a Campaign. If the GM, CIO, and Board President reach consensus to support a Campaign, the CIO shall report the action to the Board at its next meeting. If the GM, CIO, and Board President do not reach a consensus on a Campaign, LACERS will take no action.

L. ESG Education

To stay apprised of ESG-related matters, LACERS will leverage research and education provided by industry organizations, investment managers, investment consultants, membership organizations, and peer plans. LACERS will actively participate at ESG conferences to understand better the evolving ESG landscape. Additionally, LACERS will participate in industry working groups to explore and research ESG issues to include (but not limited to) diversity, equity, and inclusion within the investment industry and the impact of regulatory reform on corporate governance and shareholders.

Staff, in conjunction with LACERS' ESG Consultant and investment managers, will invite leaders in ESG to provide further education to the Board including latest trends, regulations, issues, and best practices.

M. Scope of Reporting

To monitor the implementation of LACERS RI Program and ensure that it continues to develop and evolve, this policy will be provided to the Board or the appropriate Committee for review on an annual basis or more frequently as needed.

The following reports will be reported accordingly:

Section 10 RESPONSIBLE INVESTMENT (RI) POLICY

1) PRI Progress Board Report – LACERS is required to complete the annual PRI Questionnaire about LACERS portfolio and ESG efforts. Once results of the Questionnaire are provided to LACERS, the Board will be provided a summary of the findings.

2) PRI Action Plan – The Plan will be reviewed with the Board once a year to ensure that LACERS is meeting its ESG goals.

3) ESG Risk Framework – Staff will monitor the status of initiatives and on-going actions against time-bound objectives. These initiatives and actions will be incorporated into the PRI Action Plan. The Framework will be reviewed in conjunction with the PRI Action Plan review.

4) Proxy Voting Report – The Annual Proxy Voting Report contains an account of LACERS voting history and is provided annually to the Investment Committee.

5) Emerging Investment Manager Report – The Annual Emerging Investment Manager Report contains program information specific to LACERS Emerging Managers, and includes capital exposure statistics, investment manager performance, and staff and consultant meetings and other encounters with Emerging Managers. In addition to the aforementioned, an Organizational Diversity Survey (ODS) is completed by prospective and contracted investment managers of LACERS that captures workforce, board, and ownership diversity. The Emerging Investment Manager Report is provided annually to the Investment Committee; the ODS is managed pursuant to the Emerging Investment Manager Policy.

BOARD MEETING DATE: JULY 14, 2026

ITEM: VII-C

ATTACHMENT: 2

PRI Action Plan - August 12, 2025

Color Guide: Green = Policy Consideration | Blue = Operational | Orange = Research Question/Discussion | Purple = Collaboration, Promotion

<table>
<tr><th rowspan="2">PRI Action Plan</th><th colspan="4">FY 2025-26</th><th colspan="4">FY2026-27</th></tr>
<tr><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th><th>Q1</th><th>Q2</th><th>Q3</th><th>Q4</th></tr>
<tr><td rowspan="4">Administrative Priorities</td><td colspan="2">PRI Action Plan Status and ESG Risk Framework Action Plan Update to Board</td><td colspan="2">Revise Action Plans as Needed</td><td colspan="2">PRI Action Plan Status and ESG Risk Framework Action Plan Update to Board</td><td colspan="2">Revise Action Plans as Needed</td></tr>
<tr><td colspan="8">Evaluate Climate Transition Impact and Present Options to Board</td></tr>
<tr><td colspan="8">Streamline PRI Tracking and Reporting Sytem</td></tr>
<tr><td></td><td>Attend PRI Conference</td><td></td><td></td><td></td><td>Attend PRI Conference</td><td></td><td></td></tr>
<tr><td>Principle One:</td><td colspan="8">We will incorporate ESG issues into investment analysis and decision-making processes</td></tr>
<tr><td rowspan="2">Update Investment Policy</td><td></td><td></td><td colspan="2">Review and Revise RI Policy as Needed</td><td></td><td></td><td></td><td></td></tr>
<tr><td colspan="8">Work With Consultant to Determine How to Evaluate Effectiveness of ESG Strategies and Fiscal Impact</td></tr>
<tr><td rowspan="3">Manager Selection Processes</td><td colspan="8">Explore ESG Criteria for Future Manager and Fund Evaluation</td></tr>
<tr><td colspan="8">Implement ESG Questions during Search Process, Due Diligence of Prospective and Incumbent Managers</td></tr>
<tr><td colspan="8">Discuss Integration of ESG and Responsible Investment Policy with Asset Allocation and Risk Budgeting Framework</td></tr>
<tr><td>ESG / Impact Fund Investment</td><td colspan="8">Research Active & Passive ESG Investment Strategies for Possible Inclusion in Asset Allocation</td></tr>
<tr><td>Principle Two:</td><td colspan="8">We will be active owners and incorporate ESG issues into our ownership policies and procedures</td></tr>
<tr><td>Proxy Voting Guidelines</td><td>Provide Annual Proxy Voting Report to Board</td><td colspan="2">Evaluate Proxy Voting Guidelines and Amend Policy to align with Responsible Investment Policy</td><td></td><td>Provide Annual Proxy Voting Report to Board</td><td></td><td></td><td></td></tr>
<tr><td rowspan="3">Corporate Engagement</td><td colspan="8">Engage in Shareholder Advocacy and Collaborate on Specific Shareholder Issues and Proposals</td></tr>
<tr><td colspan="8">Partner with ESG-Related Organizations and Actively Contribute and Participate Within Those Organizations</td></tr>
<tr><td colspan="8">Engagement on ESG Issues and Assess Exposure Risks Based on Board Priorities and Responsible Investment Policy</td></tr>
<tr><td>Principle Three:</td><td colspan="8">We will seek appropriate disclosure on ESG issues by the enities in which we invest</td></tr>
<tr><td rowspan="2">Streamline ESG evaluation of investments</td><td colspan="8">Track and Monitor ESG Exposure</td></tr>
<tr><td colspan="8">Request Investment Managers to Report ESG Activity on a Periodic Basis</td></tr>
<tr><td rowspan="3">Track ESG data of Private Market Investments</td><td colspan="8">Encourage GPs to Adopt ESG Decision-Making Framework</td></tr>
<tr><td colspan="8">Explore Options for Understanding ESG Impacts of Current and Future Private Market Exposures</td></tr>
<tr><td colspan="8">Consider ESG Disclosure in Side Letter Agreements</td></tr>
<tr><td>Principles Four & Five:</td><td colspan="8">We will promote acceptance and implementation of the Principles within the investment industry & We will work together to enhance our effectiveness in implementing the Principles</td></tr>
<tr><td rowspan="2">Participate in ESG/RI Trade Associations</td><td colspan="8">Attend PRI, ESG, RI Workshops and Events</td></tr>
<tr><td colspan="8">Participate in ESG-Focused Advocacy Organizations and Explore Leadership Roles</td></tr>
<tr><td rowspan="2">Participate in governance and policy discussions</td><td colspan="8">Educate Peer Plans, Local Officials, and Members About LACERS RI Policy</td></tr>
<tr><td colspan="8">Collaborate with Partner ESG Organizations on Evolving ESG Issues and Policies</td></tr>
<tr><td>Principle Six:</td><td colspan="8">We will report on our activities and progress towards implementing the Principles</td></tr>
<tr><td>Annual PRI Reporting</td><td>Complete PRI Report</td><td colspan="3">Prepare for PRI Reporting</td><td>Complete PRI Report</td><td colspan="3">Prepare for PRI Reporting</td></tr>
<tr><td rowspan="2">Create accountability measures for ESG reporting</td><td colspan="8">Monitor Tracking of PRI-Aligned ESG Efforts</td></tr>
<tr><td colspan="8">Research and Implement Best Practices for ESG Data Management and Validation</td></tr>
</table>

BOARD MEETING DATE: JULY 14, 2026

ITEM: VII-C

ATTACHMENT: 3

ESG RISK FRAMEWORK

As an evolving responsible investor, the Los Angeles City Employees' Retirement System (LACERS), recognizes that environmental, social, and governance (ESG) risk factors can impact portfolio performance. LACERS' ESG Risk Framework is designed as a comprehensive, integrated approach to considering and addressing ESG risk factors within the LACERS Investment Program with an emphasis on guidance and implementation activities and initiatives at the operational level.

The Framework presents a methodical process and step-based approach around five key priority points:

1. Investment Policy and ESG Governance
2. Integration of the Principles for Responsible Investment (PRI)
3. ESG Risk Exposures
4. ESG-Focused Investing
5. ESG Risk Framework Action Plan

Priority 1 – Investment Policy and ESG Governance[1]

The Framework shall be designed and implemented according to LACERS' Investment Policy.

I. LACERS Investment Policy

The Investment Policy guides the investment management of plan assets. It is a living document that is regularly reviewed and updated to address emerging risks, new market opportunities, and changes to laws and regulations. The Investment Policy includes several focused sub-policies that address specific investment considerations. The sub-policies named below are most closely linked to LACERS' ESG Risk Framework.

A. **Responsible Investment (RI) Policy**

The RI policy is LACERS' master policy framework that addresses ESG issues that are consistent with the Board's fiduciary standards and the overarching Investment Policy. The primary purpose of this policy is to outline various forms of ESG risk and to identify strategic paths and actions that can add long-term value to LACERS investments.

B. **Proxy Voting Policy**

The Proxy Voting Policy provides LACERS' position and rationale for shareholder votes regarding ESG issues. As good corporate governance practices are widely

[1] Detailed information regarding the policies mentioned in Priority 1 can be found in the LACERS Investment Policy located at the following link: https://www.lacers.org/sites/main/files/file-attachments/iii_investment_policy_statement.pdf?1671043639

believed to increase shareholder value, public retirement systems across the country are becoming more active in encouraging good corporate governance practices among companies in which they own stock. If the Proxy Voting Policy is silent on an issue, LACERS defers to the recommendation of the System's proxy voting agent and relies on the agent's research expertise.

C. **Emerging Investment Manager Policy**
The objective of the Emerging Investment Manager Policy is to identify investment firms with the potential to add value to the LACERS investment portfolio that would otherwise not be identified by the standard LACERS investment manager search process. While these managers may not have as fully formalized ESG processes, LACERS' investment with such managers along with appropriate oversight of the portfolio will assist in formalizing and improving risk management for all key risks, including ESG risk factors.

Priority 2 – Integration of Principles for Responsible Investment (PRI)

LACERS became a PRI signatory on September 3, 2019, making a commitment to incorporate ESG risk factors into its decision-making process. LACERS has a duty to act in the best long-term interests of its plan beneficiaries. To ensure that LACERS continues to progress and further evolve its ESG program, an inaugural operational PRI Action Plan (Plan) was reviewed and approved by the Board on November 12, 2019 and is revised and approved annually. The Plan outlines administrative, operational, policy considerations, research initiatives, and collaborations that support the six PRI principles over a rolling two-year forward calendar.

Implementation of ESG under the PRI structure does not end with LACERS alone; LACERS is taking a multi-faceted approach to responsible investment through coordination with its investment partners. Many of LACERS' investment managers and investment consultants are also PRI signatories; these managers are also actively working to improve their identification and management of ESG risks in order to enhance portfolio returns. By leveraging its relationships with firms that are PRI signatories, LACERS is able to magnify its ESG impact more efficiently and effectively across a wider portion of its Investment Program.

Priority 3 – ESG Risk Exposures

LACERS' Investment Program is managed according to industry best-practices, which is articulated in its Investment Policy. LACERS believes that considering and managing ESG risk factors is consistent with its fiduciary duties. Exposures to certain industry sectors or portions of industry sectors may expose LACERS to risk factors that are inadequately valued or misaligned with LACERS current policies.

LACERS has identified a number of risk exposures through its RI Policy and Proxy Voting Policy that can be segregated along E, S, and G categories (see expanded versions of these policies at https://www.lacers.org/sites/main/files/file-attachments/iii_investment_policy_statement.pdf?1671043639.

Environmental Risk Factors: include quality of air and water, climate change, and land protections.

Social Risk Factors: include human rights, civil liberties, respect for political rights, discrimination, and workers' rights.

Governance Risk Factors: include (but not limited to) boards, audit, compensation, shareholder rights and takeover defenses, capital structure, corporate restructuring, social and environmental issues.

LACERS reviews its Proxy Voting Policy on a biennial basis to ensure that its voting positions are aligned with the goals and objectives of its RI Policy.

I. Responsibilities of Managing ESG Risk Factors

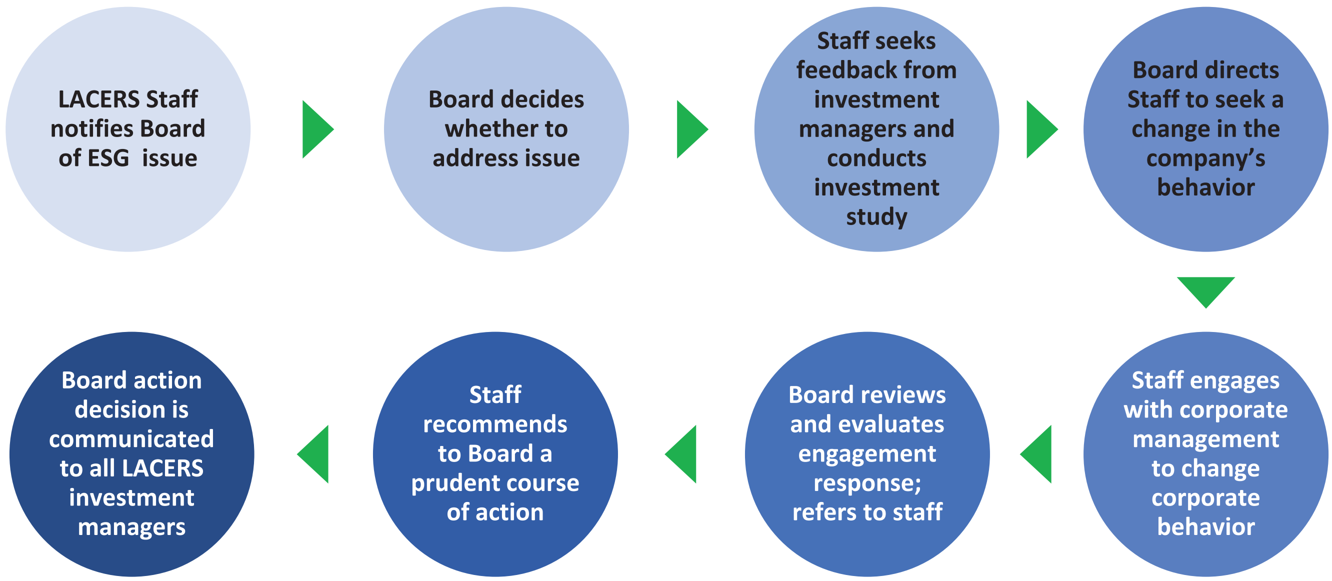
ESG risk factors must be managed continually and professionally in order to realize appropriate risk mitigation in an effective and resource-efficient manner. The following table provides for a delegation of responsibilities to support ESG risk factor management.

Board	Staff	Consultant	Bank Custodian
Develop appropriate policies to ensure that ESG risk factors and investment opportunities are appropriately considered as part of the LACERS' investment processes **Review ESG status reports and provide further direction to staff** **Consider staff-recommended actions to address ESG risk factors that cannot be mitigated through existing delegated authority**	Integrate ESG risk factors within current policy frameworks Communicate with investment consultants and investment managers regarding compliance with Responsible Investment Policy and PRI Action Plan Consider use of watch lists to assist with identification of high-level risk factor companies	Provide ESG education to the Board and staff Furnish research reports, customized reports, and other tools to understand current trends in ESG Provide methodology to rank external investment managers during a procurement solicitation	Place rules and parameters in place to capture and flag risky assets held in the Fund's portfolio Help implement a watch list and security identification for risky assets Provide options on reports available for ESG related alerts

II. ESG Risk Mitigation Process

Some ESG risk factors can be addressed and mitigated using a variety of policy, management, and Framework tools. Other ESG risk factors may require Board intervention and guidance, especially in situations regarding heightened levels of corporate engagement or other issues that are not addressable by existing delegated authority. The diagram below summarizes an eight step process.

Summarized Process for Identifying and Mitigating ESG Risks[2]



III. Previous Divestment and Engagement Actions

LACERS has previously engaged with companies and investment managers that have been identified as being misaligned with LACERS' Investment Policy according to the aforementioned ESG risk mitigation process. Engagement activities with companies and other misaligned organizations have primarily been realized through a combination of heightened communication with companies, collaboration with like-minded investors, or presentations to the Board.

IV. Climate Transition

LACERS recognizes that a structured and methodical approach to climate transition is an important acknowledgment to a significant risk factor that could impact long-term risk-adjusted performance returns and financial sustainability. LACERS will evaluate its climate transition decisions upon five non-mutually exclusive actions:

A. Engagement – This action focuses on specific actions requested by LACERS of individual companies related to their governance; or advocating specific actions with government agencies to develop appropriate regulatory policies that support climate transition initiatives or positions.

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2 A detailed description of the process can be found on pages 91-93 of the LACERS Investment Policy. https://www.lacers.org/sites/main/files/file-attachments/iii_investment_policy_statement.pdf?1671043639

B. Collaboration – This action leverages the collective knowledge, experiences, clout, and asset base of like-minded investors to effectuate climate transition with specific companies or groups of similar companies. This path may be used in conjunction with engagement efforts to create a multi-pronged front of like-minded shareholders with a common climate transition cause and desired outcome.

C. Research – This action distinguishes facts from unproven beliefs, to answer questions related to the impact of ESG risk factors and climate transition, and integrates such facts and findings into discussions and deliberations that help facilitate Board investment decisions.

D. Strategic Asset Transition Initiatives - This action identifies specific investment strategies, mandates, or programs that facilitate LACERS' ability to effectuate change in its investment portfolio through asset transition based primarily on economic considerations, which may include tilts away from certain investment exposures, adding attractive opportunities that support ESG investment objectives, and/or exclusion of certain asset types from future investment.

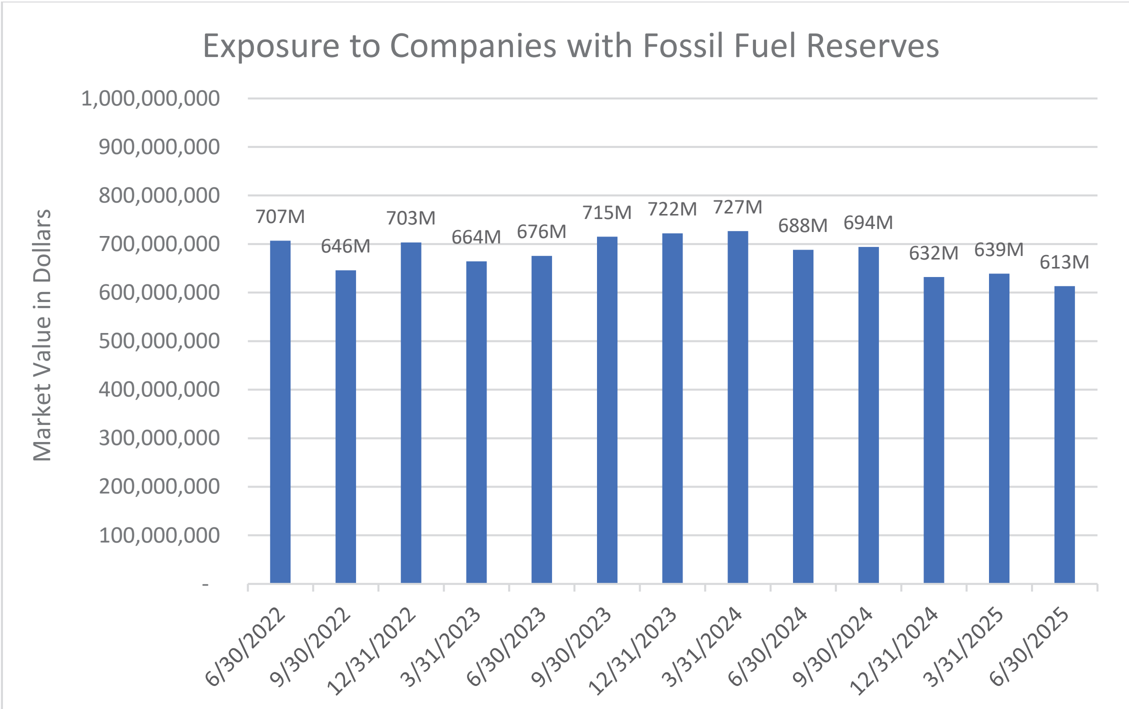
E. Responsible Investment Oversight and Periodic Reporting – Oversight and reporting keep the Board and staff apprised of progress and challenges facing the implementation and ongoing management of LACERS' ESG integration and responsible investing actions including corporate engagement and climate transition.

V. Fossil Fuel Exposure

LACERS recognizes that fossil fuel is a weakening segment of the energy industry whose growth prospects are in decline. LACERS believes that its limited holdings of fossil fuel companies (defined as companies with fossil fuel reserves) would be an appropriate starting point for corporate engagement as outlined in the aforementioned Climate Transition section.

A. LACERS Exposure and Historical Performance

As of June 30, 2025, the LACERS investment portfolio held 497 publicly traded companies that have fossil fuel reserves; these holdings represented approximately $613.2 million ($312.7 million in active funds and $300.5 million in passive funds) in total market value, or approximately 2.43% (1.24% in active funds and 1.19% in passive funds) of the total investment portfolio.


Exposure to Companies with Fossil Fuel Reserves
Market Value in Dollars
1,000,000,000
900,000,000
800,000,000
700,000,000
600,000,000
500,000,000
400,000,000
300,000,000
200,000,000
100,000,000
-
707M
646M
703M
664M
676M
715M
722M
727M
688M
694M
632M
639M
613M
6/30/2022
9/30/2022
12/31/2022
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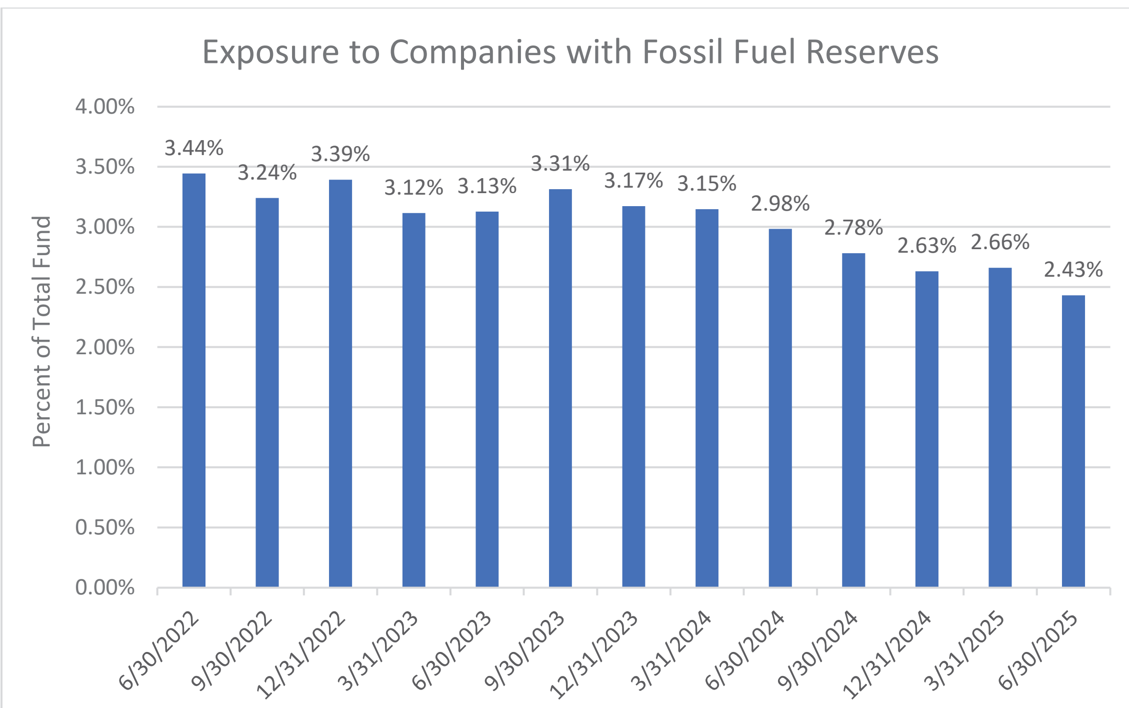
Exposure to Companies with Fossil Fuel Reserves
Percent of Total Fund
4.00%
3.50%
3.00%
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
3.44%
3.24%
3.39%
3.12%
3.13%
3.31%
3.17%
3.15%
2.98%
2.78%
2.63%
2.66%
2.43%
6/30/2022
9/30/2022
12/31/2022
3/31/2023
6/30/2023
9/30/2023
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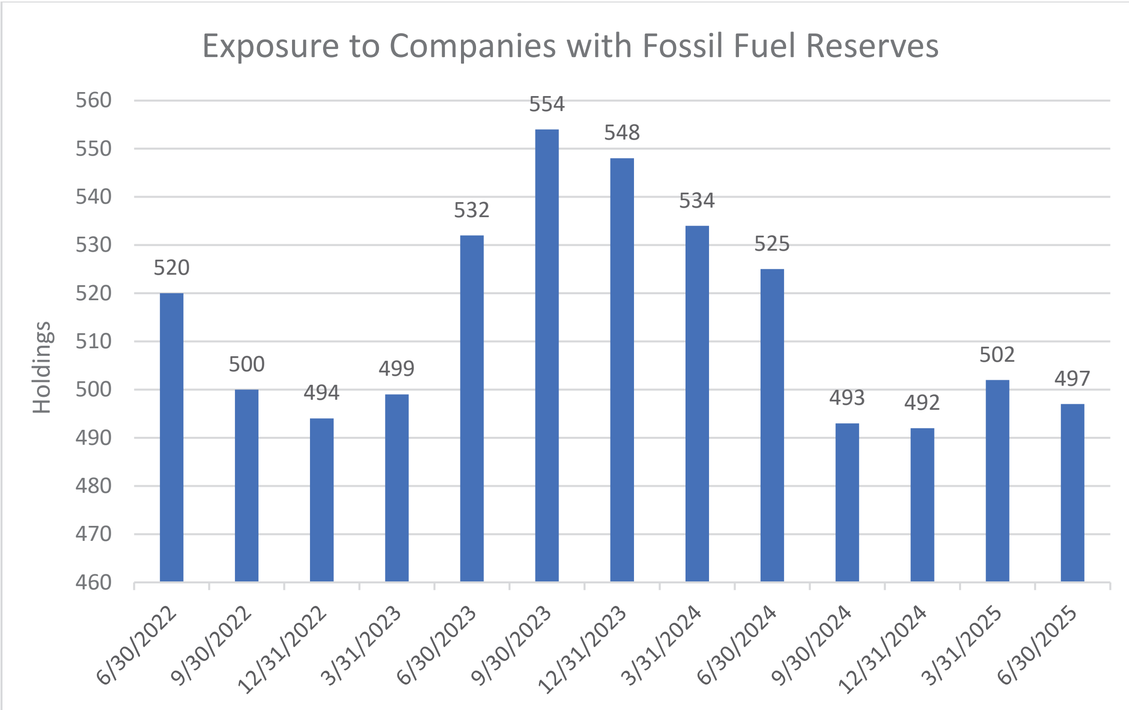

B. Fossil Fuel Exposure Assessment

Staff, working with LACERS' investment consultant, will routinely assess on a quarterly basis the LACERS investment portfolio for holdings of publicly traded companies that have fossil fuel reserves, evaluate the financial risks stemming from such investments, and then engage with such companies that pose the greatest risk to LACERS investment portfolio. LACERS will also discuss with its actively-managed investment managers what plans are in place to transition fossil fuel holdings within the LACERS portfolio. Depending on the proposed actions of these investment managers, LACERS will determine an appropriate course of action based on its fiduciary responsibilities and provision of the Responsible Investment Policy.

Priority 4 – ESG-Focused Investing

LACERS believes that any consideration of a climate-based asset transition is in fact a two sided transaction – a replacement of one asset or set of assets traded for another asset or set of assets. LACERS may find it economically desirable to increase its ESG exposure to either offset questionable holdings or non ESG-related assets with one or more ESG-sensitive investment mandates or approaches, as described below.

I. Active Approaches to ESG

A key component of sustainable investing is active engagement with investee companies with the aim of encouraging and persuading companies to improve their ESG practices in order to provide better outcomes for all stakeholders. Additionally, active investment management permits the investor to establish various criteria to include (but not limited to) the number of holdings, style preferences, weightings, and capitalization parameters.

In active sustainable fixed-income investing the argument is broadly the same. While debt investors do not own shares in companies, they often provide the primary or only source of capital to a company in the private sector, and even for certain countries. This gives active fixed income investors a better chance of effecting positive change.

II. Passive Approaches to ESG

Passive investment management is a rules-based approach that seeks to replicate the risk-return characteristics of a market index such as the S&P 500 and does not involve discretionary investment decisions. Staff recommends that full-replication passive strategies be exempt from security name exclusion due to portfolio management complexity and cost factors.

III. ESG-Focused Strategies

ESG-focused strategies refer to any investment strategy that makes ESG considerations an important factor when deciding whether or not to invest. LACERS, together with its investment consultants, will consider the appropriateness of such strategies through an economic risk lens and the financial impact on the LACERS Investment Program. Examples of such strategies may include portfolios that certify to standards such as sustainability, climate-focused, or ESG.

IV. Green Technology

LACERS has the ability to back venture capital managers who seek to place capital in carbon-reduction technologies, renewable energy, and other sustainability investment endeavors.

V. Emerging Investment Manager Program

Emerging investment managers refer to investment managers who have formed new investment management firms. Such managers are expected to meet the same rigorous investment criteria and standards such as a verifiable history of generating outsized performance, experienced senior investment team, proven and repeatable investment process, etc. LACERS will take into account other risk factors such as smaller staffing sizes, limited transaction sourcing, number of portfolio realizations, and access to capital raising networks.

Priority 5 - ESG Risk Framework Action Plan

LACERS has initiated several actions over the past several decades that reflect sensitivity towards ESG concerns and issues. In 2019, LACERS became an official signatory to the PRI. As a result of that signatory status, LACERS has developed investment manager selection questionnaires and due diligence checklists to more fully engage with prospective investment managers and those currently under contract.

In 2021, LACERS appointed an ESG Risk Officer to spearhead ESG priorities and to ensure a coordinated implementation of ESG risk factors among LACERS investment staff, investment managers, bank custodian, and other support vendors. This undertaking requires a carefully constructed plan to navigate a myriad of significant and material initiatives and practices to help achieve full implementation of ESG. LACERS will rely on its Framework to guide and facilitate the implementation and management of ESG within its Investment Program. The ESG Risk Framework Action Plans are presented on the following pages.

LACERS Fiscal Year 2025-26 ESG Risk Framework Action Plan

Board-Level Priorities	Staff-Level Priorities		
	Policy and Programs	Operational	ESG Collaboration
Review and approve as needed the LACERS Responsible Investment Policy Review and approve proposed changes to ESG Risk Framework Action Plan Review and approve modifications to the Proxy Voting Policy Support partnership with organizations and entities that are aligned with LACERS beliefs regarding responsible investment, sustainability, and ESG risk factors Consider engagements with companies to effectuate company-level climate transition using LACERS' influence and clout as a multi-billion dollar asset owner Support greater transparency and reporting around ESG corporate reporting Support greater corporate reporting transparency on ESG risk factors Support greater corporate board diversity	Review LACERS Responsible Investment Policy and include updates; present to Board for review and approval Review ESG Risk Framework Action Plan and include updates; present to Board for review and approval Review Proxy Voting Policy; propose modifications for Committee and Board review and approval Update PRI Action Plan	Incorporate ESG Risk Factors into the investment manager selection process including RFP questionnaires, scoring of proposals, due diligence, and monitoring Develop specific Responsible Investment Statements for each asset class and Responsible Investment Guidelines for each LACERS investment manager, as appropriate Work towards determining the effectiveness of ESG-focused investing to include (but not limited to) index strategies ex-fossil fuels and actively-managed investment strategies that pursue renewable energy sources and/or reduce reliance on thermal coal and thermal coal-related businesses Explore third-party watch lists of companies that are deemed by the Board to be misaligned with LACERS Responsible Investment Policy or other Board directives including exposure to thermal coal Track and monitor exposure to investment holdings that may be misaligned with LACERS Responsible Investment Policy Request investment managers to report ESG activity as provided in LACERS Responsible Investment Policy and PRI reporting requirements; encourage private markets general partners to adopt ESG decision-making frameworks Monitor shareholder and governance issues Track proxy votes	Collaborate with partner ESG organizations including PRI and Kroner Center for Financial Research at the University of California at San Diego Actively participate in ESG industry events Engage in shareholder advocacy and collaborate on specific shareholder issues and proposals as needed Collaborate with members of the Los Angeles Diversity & Inclusion Roundtable

LACERS Fiscal Year 2026-27 ESG Risk Framework Action Plan

Board-Level Priorities	Staff-Level Priorities		
	Policy and Programs	Operational	ESG Collaboration
Review and approve updates to LACERS ESG Risk Framework Review and approve proposed changes to LACERS Responsible Investment Policy Continue to support and seek new partnership with organizations and entities that are aligned with LACERS beliefs regarding responsible investment, sustainability, and ESG risk factors Continue to engage with companies to effectuate company-level climate transition Advocate for continued support of ESG investment factors and transparency around corporate ESG reporting	Provide ESG Risk Framework and PRI Action Plan progress reports to the Board Revise ESG Action Plan based on ESG Consultant and staff recommendations Review LACERS Responsible Investment Policy; recommend possible changes Consider the appropriateness of ESG-focused investing to include (but not limited to) index strategies ex-fossil fuels and actively-managed investment strategies that pursue renewable energy sources and/or reduced reliance on thermal coal and thermal coal-related businesses Consider including climate transition provisions in LACERS Responsible Investment Policy Consider the application of Diversity, Equity & Inclusion factors in the LACERS Investment Program	Continue to track and monitor exposure to investment holdings that may be misaligned with LACERS Responsible Investment Policy Continue to request investment managers to report ESG activity as provided in LACERS Responsible Investment Policy and PRI reporting requirements Collect and monitor ESG reports issued by LACERS active private equity and real estate managers and for any new partnerships going forward Ensure ESG risk factors are considered in the investment philosophy and process for LACERS' actively managed investment mandates Continue to explore impact investment strategies including, but not limited to ESG-focused index strategies and actively-managed investment strategies that pursue renewable energy sources and/or reduce reliance on coal and coal-related businesses Work with consultant to determine how to evaluate effectiveness of ESG strategies and fiscal impact Continue to track proxy votes Explore measurement approaches to determine ESG impact on the investment portfolio	Continue to collaborate with partner organizations including PRI and Kroner Center for Financial Research at the University of California at San Diego Continue to actively participate in ESG industry events Continue to engage with other PRI signatories and like-minded organizations that support ESG issues Collaborate with members of the Los Angeles Diversity & Inclusion Roundtable

REPORT TO BOARD OF ADMINISTRATION
MEETING: JULY 14, 2026
FROM: Todd Bouey, General Manager
ITEM: VII-D

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO $50 MILLION IN PRIME PROPERTY FUND, LLC

☐ ACTION ☒ RECEIVE & FILE ☐ CONSENT ☐ CLOSED

Recommendation

That the Board receive and file this notice of a commitment of up to $50 million in Prime Property Fund, LLC.

Discussion

On June 9, 2026, the Board, in closed session pursuant to Government Code Section 54956.81, approved a commitment of up to $50 million in the following private real estate fund: Prime Property Fund, LLC. The investment closed on June 29, 2026. Board vote: Ayes 5 (Commissioners Moutes, Roten, Sohn, Vice President Sidley, and President Chao), Recusal 0, Nays 0.

Prepared By:

Jessica Chumak, Investment Officer I, Investment Division