LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

# Board of Administration Agenda
**REGULAR MEETING**
**TUESDAY, JULY 28, 2026**
**10:00 A.M.**
**LACERS BOARDROOM**
**977 N. Broadway**
**Los Angeles, CA 90012**

**Commissioner Sung Won Sohn will participate virtually from:**

Digby Pines Golf Resort & Spa - Lobby

103 Shore Road - Digby, Nova Scotia, Canada

**President:**

Annie Chao

**Vice President:**

Janna Sidley

**Commissioners:**

Thuy Huynh

Susan Liem

Thomas Moutes

Gaylord “Rusty” Roten

Sung Won Sohn

**Manager-Secretary:**

Todd Bouey

**Executive Assistant:**

Ani Ghoukassian

**Legal Counsel:**

City Attorney’s Office Public Pensions General Counsel Division

# ACCESS TO LACERS BOARD AND COMMITTEE MEETING REPORTS

## IMPORTANT MESSAGES TO THE PUBLIC

An opportunity for the public to address the Board in person from the Boardroom and provide comment on items of interest that are within the subject matter jurisdiction of the Board or on any agenda item will be provided at the beginning of the meeting and before consideration of items on the agenda.

Members of the public who do not wish to attend the meeting in person may listen to the live meeting via YouTube streaming at the following link: **LACERS YouTube Livestream Link for Board/Committee meeting audio – only accessible during meetings**.

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

## DISCLAIMER TO PARTICIPANTS

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

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

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

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

II. GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS

B. UPCOMING AGENDA ITEMS

C. RECEIPT OF CITY'S CONTRIBUTION FOR FISCAL YEAR 2026-27

III. ELECTION OF BOARD OFFICERS FOR FISCAL YEAR 2026-27 AND POSSIBLE BOARD ACTION

IV. RECEIVE AND FILE ITEMS

A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR MAY 2026

V. COMMITTEE REPORT(S)

A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON JULY 14, 2026

VI. CONSENT ITEMS

A. APPROVAL OF MINUTES FOR THE MEETING ON JUNE 23, 2026 AND POSSIBLE BOARD ACTION

B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF CHARLEA WILLIAMS AND POSSIBLE BOARD ACTION

VII. INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT

B. APPROVAL OF 3-YEAR CONTRACT WITH WELLINGTON MANAGEMENT COMPANY LLP REGARDING THE MANAGEMENT OF AN ACTIVE EMERGING MARKET DEBT PORTFOLIO AND POSSIBLE BOARD ACTION

C. ANNUAL REPORT ON LACERS EMERGING INVESTMENT MANAGER PROGRAM FOR THE PERIOD ENDING DECEMBER 31, 2025

VIII. LEGAL/LITIGATION

**A. CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: INTERNATIONAL BROTHERHOOD OF ELECTRICAL WORKERS, LOCAL 18 v. CITY OF LOS ANGELES ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCP02171)**

**B. CLOSED SESSION PURSUANT TO SUBDIVISIONS (A) AND (D)(1) OF GOVERNMENT CODE SECTION 54956.9 TO CONFER WITH, AND/OR RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED: THOMAS CRAWLEY v. LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM ET AL., (LOS ANGELES SUPERIOR COURT CASE NO. 24STCV14282)**

IX. OTHER BUSINESS

X. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, August 11, 2026, at 10:00 A.M., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, CA 90012.

XI. ADJOURNMENT

LACERS

INTRA-DEPARTMENTAL MEMO

**Date:** July 17, 2026

**To:** Todd Bouey, General Manager

**From:** Jo Ann Peralta, Departmental Chief Accountant IV
Fiscal Management Division

**SUBJECT: RECEIPT OF THE CITY'S CONTRIBUTION FOR FISCAL YEAR 2026-27**

The purpose of this memorandum is to inform you of LACERS' receipt of $941,783,470 in employer contributions and to outline the Fiscal Management Division's disposition of those funds.

The net payment reflects the City's contribution toward LACERS members' retirement and postemployment healthcare benefits for Fiscal Year (FY) 2026-27, a credit adjustment to true up the advance payment of contributions for the prior fiscal year, and adjustments that shift the cost of Airport Peace Officers' enhanced benefits to Los Angeles World Airports (LAWA).

The City has paid in full the required contributions for FY 2026-27, calculated based on the City's final covered payroll of $1,709,621,177 for Tier 1 and $1,313,300,641 for Tier 3, and using the contribution rates adopted by the Board for payment on July 15, 2026, of 33.63% for Tier 1 and 29.50% for Tier 3. The payment also includes the employer's share of other costs, including the Family Death Benefit Plan (FDBP), the Limited Term Retirement Plan (LTRP), and the Excess Benefit Plan (EBP).

The five City entities contributed to the full required contributions, and the disposition of those funds is as follows:[1]

- On Friday, July 10, 2026, the Office of the City Administrative Officer (CAO) disbursed $801,623,374 to LACERS from the proceeds of Tax and Revenue Anticipation Note (TRAN) issuance. Of this amount, $709,431,412 and $90,794,467 were wired to LACERS' Benefit Payment and Healthcare Trust (115 Trust) accounts at Northern Trust, respectively, on Tuesday, July 14, 2026. The balance of $1,397,495 remains with the City Treasury for the administration of the LTRP and EBP.

- On Wednesday, July 8, 2026, LAWA paid $96,098,824 to LACERS. Of this amount, $85,408,150 and $10,489,539 were wired to LACERS' Benefit Payment and Healthcare

Trust accounts at Northern Trust, respectively, on Wednesday, July 15, 2026. The balance of $201,135 remains with the City Treasury for the administration of LTRP and EBP.

- On Thursday, July 9, 2026, the Harbor Department paid $31,255,447 to LACERS. Of this amount, $27,650,604 and $3,539,262 were wired to LACERS' Benefit Payment and Healthcare Trust accounts at Northern Trust, respectively, on Wednesday, July 15, 2026. The balance of $65,581 remains with the City Treasury for the administration of the LTRP and EBP.

- On Monday, July 13, 2026, the Los Angeles Fire and Police Pensions (LAFPP) paid $5,220,108 to LACERS. Of this amount, $4,628,885 and $581,575 were wired to LACERS' Benefit Payment and Healthcare Trust accounts at Northern Trust, respectively, on Wednesday, July 15, 2026. The balance of $9,648 remains with City Treasury for the administration of the LTRP and EBP.

- LACERS' share of the required contribution totaled $7,585,717. Of this amount, $864,420 was wired to LACERS' Healthcare Trust account at Northern Trust on Wednesday, July 15, 2026. Funds of $726 and $14,415 were transferred to the LTRP account (Fund 900) and the EBP account (Fund 901), respectively. The remaining $6,706,156 remained in the City Retirement fund (Fund 800). The total contribution was recorded as an expenditure and revenue in FY 2026-27, excluding the $1,008,118 contribution true-up adjustment, which was recorded as an expenditure and revenue in FY 2025-26.

Please see the attached summary.

Attachment: Summary of City Contributions and Dispositions of the Funds for the Fiscal Year 2026-27

[1] LACERS coordinated to streamline the City Contribution process in accordance with the banking and procedural requirements of the City departments involved in this transaction, including the Office of Finance and the Office of the Controller. For FY 2026-27, the LACERS contribution payment deadline was set for Tuesday, July 14, 2026, with funds to be wired to LACERS' Custodian bank by Wednesday, July 15, 2026, so they would be available for LACERS' investment on the next business day.

**BOARD MEETING: 07/28/26**

**ITEM: II-C**

**ATTACHMENT: 1**

**LACERS**
**SUMMARY OF CITY CONTRIBUTIONS AND DISPOSITIONS OF THE FUNDS**
**For the Fiscal Year 2026-27**

| Description | General Fund (CAO) | Airports (LAWA) | Harbor | LAFPP | LACERS * | Total |
|---|---|---|---|---|---|---|
| **Retirement Plan:** | | | | | | |
| FY 2026-27 Actuarial Contributions | $ 705,767,043 | $ 101,764,320 | $ 33,581,402 | $ 4,964,591 | $ 7,640,040 | **$ 853,717,396** |
| Adjustment: Enhanced Benefits | (3,371,610) | 3,599,649 | (166,672) | (24,962) | (36,405) | **-** |
| FDBP Contributions | 24,822 | 3,573 | 1,165 | 171 | 269 | **30,000** |
| Total | $ 702,420,255 | $ 105,367,542 | $ 33,415,895 | $ 4,939,800 | $ 7,603,904 | **$ 853,747,396** |
| LTRP & EBP Contributions | 1,397,495 | 201,135 | 65,581 | 9,648 | 15,141 | **1,689,000** |
| FY 2025-26 True-Up | 7,011,157 | (19,959,392) | (5,765,291) | (310,915) | (897,748) | **(19,922,189)** |
| **Retirement Contributions Due** | **$ 710,828,907** | **$ 85,609,285** | **$ 27,716,185** | **$ 4,638,533** | **$ 6,721,297** | **$ 835,514,207** |
| **Healthcare Plan:** | | | | | | |
| FY 2026-27 Actuarial Contributions | $ 89,932,948 | $ 12,933,349 | $ 4,194,962 | $ 615,844 | $ 974,790 | **$ 108,651,893** |
| Adjustment: Enhanced Benefits | - | - | - | - | - | **-** |
| Total | $ 89,932,948 | $ 12,933,349 | $ 4,194,962 | $ 615,844 | $ 974,790 | **$ 108,651,893** |
| FY 2025-26 True-Up | 861,519 | (2,443,810) | (655,700) | (34,269) | (110,370) | **(2,382,630)** |
| **Healthcare Contributions Due** | **$ 90,794,467** | **$ 10,489,539** | **$ 3,539,262** | **$ 581,575** | **$ 864,420** | **$ 106,269,263** |
| **Total Contributions Received** | **$ 801,623,374** | **$ 96,098,824** | **$ 31,255,447** | **$ 5,220,108** | **$ 7,585,717** | **$ 941,783,470** |
| Date Received | 07/10/26 | 07/08/26 | 07/09/26 | 07/13/26 | N/A * | |
| **Disposition of Funds:** | | | | | | |
| Wired to NT Acct 93688 (Benefit Payment) | 709,431,412 | 85,408,150 | 27,650,604 | 4,628,885 | N/A * | **827,119,051** |
| Wired to NT Acct 4483228 (Healthcare Trust) | 90,794,467 | 10,489,539 | 3,539,262 | 581,575 | 864,420 | **106,269,263** |
| Date Wired | 07/14/26 | 07/15/26 | 07/15/26 | 07/15/26 | 07/15/26 | |
| Transfer to LTRP (Fund 900) | 67,020 | 9,646 | 3,145 | 463 | 726 | **81,000** |
| Transfer to EBP (Fund 901) | 1,330,475 | 191,489 | 62,436 | 9,185 | 14,415 | **1,608,000** |
| Retained in City Retirement Fund (Fund 800) | - | - | - | - | 6,706,156 | **6,706,156** |
| **Total Fund Disposed** | **$ 801,623,374** | **$ 96,098,824** | **$ 31,255,447** | **$ 5,220,108** | **$ 7,585,717** | **$ 941,783,470** |

*LACERS wired its share of Healthcare Plan contributions of $864,420 to LACERS' Healthcare Trust (115 Trust) account at Northern Trust (NT) and processed interfund transfer of $15,142 to LTRP and EBP funds while $6,706,156 of LACERS retirement contributions due were recognized as both income and expense and was retained in LACERS' City retirement account.

**Agenda of: July 28, 2026**
**Item No: IV-A**

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

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

BOARD MEMBERS:

President Annie Chao
Vice President Janna Sidley

Commissioner Thuy Huynh
Commissioner Susan Liem
Commissioner Thomas Moutes
Commissioner Gaylord “Rusty” Roten
Commissioner Sung Won Sohn

| DATE(S) OF EVENT | SEMINAR / CONFERENCE TITLE | EVENT SPONSOR (ORGANIZATION) | LOCATION (CITY, STATE) |
|---|---|---|---|
| | **NOTHING TO REPORT** | | |

**Board Agenda of: July 28, 2026**
**Item No.: VI-A**

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

**June 23, 2026**
**10:22 A.M.**

## Present:

Annie Chao, President

Janna Sidley, Vice President

Thuy Huynh, Commissioner

Susan Liem, Commissioner

Thomas Moutes, Commissioner

Gaylord “Rusty” Roten, Commissioner

Sung Won Sohn, Commissioner

## Legal Counselor:

Miguel Bahamon

## Manager-Secretary:

Todd Bouey

## Executive Assistant:

Ani Ghoukassian

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

**I**

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

**II**

GENERAL MANAGER VERBAL REPORT

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

- LACERStats: Has been reconstituted and re-launched on LACERS website in a WCAG-compliant format.
- Benefit Operations Update: Communication and Stakeholder Relations Division: A Request For Proposal (RFP) for Website Development Services and accessibility remediation and captioning services will be released in the coming weeks, with a target deadline in August.
- Health Wellness & Buyback Division: IRMAA Outreach: Health staff will host a Zoom briefing for City Leadership, Union Leaders, and other Stakeholders on July 7, 2026, at 10:00 A.M. to explain IRMAA and its financial impact on City retirees.
- Health Plan Renewals: The 2027 Health Plan renewals are currently underway. LACERS' Health & Welfare Consultant, Keenan & Associates, is requesting premium and plan design information from the carriers. Keenan is currently negotiating the premium amounts with the carriers.
- 2027 Open Enrollment: The Open Enrollment period will be from October 15$^{th}$ through November 16$^{th}$. LACERS is scheduled to have four virtual meetings and four in-person meetings with our health plan carriers.

B. UPCOMING AGENDA ITEMS – Todd Bouey, General Manager, advised the Board of the following items: No items were discussed.

**III**

RECEIVE AND FILE ITEMS

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

B. COMMISSIONER ANNIE CHAO EDUCATION EVALUATION ON CALIFORNIA

ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS (CALAPRS) TRUSTEE ROUNDTABLE; VIRTUAL; MAY 29, 2026 – This report was received by the Board and filed.

C. COMMISSIONER SUSAN LIEM EDUCATION EVALUATION ON CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS (CALAPRS) TRUSTEE ROUNDTABLE; VIRTUAL; MAY 29, 2026 – This report was received by the Board and filed.

**IV**

COMMITTEE REPORT(S)

A. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON JUNE 23, 2026 – Commissioner Moutes stated the Committee discussed the Health Management Data Report, and the Health Plan Financial Dashboards.

**V**

Commissioner Moutes moved approval of Consent Agenda Items V-A, V-B, and V-C and seconded by Commissioner Huynh, and adopted by the following vote: Ayes, Commissioners Huynh, Liem, Moutes, Roten, Sohn, Vice President Sidley, and President Chao -7; Nays, None.

CONSENT ITEMS

A. APPROVAL OF MINUTES FOR THE MEETING ON MAY 26, 2026 AND POSSIBLE BOARD ACTION

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

**APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR JEANETTE BONNER**

**RESOLUTION 260623-A**

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

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

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

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

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

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

**APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR MARIA GUZMAN**

**RESOLUTION 260623-B**

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

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

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

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

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

**VI**

BOARD/DEPARTMENT ADMINISTRATION

A. CONSIDERATION OF PROPOSED ASSUMPTION CHANGES BASED ON ACTUARIAL EXPERIENCE STUDY DURING THE PERIOD FROM JULY 1, 2022 THROUGH JUNE 30, 2025 AND POSSIBLE BOARD ACTION – Rahoof Oyewole, Assistant General Manager, Daniel Siblik, Vice President and Actuary, and Max Morphis, Actuary, with Segal, presented and discussed this item with the Board for one hour and three minutes. Commissioner Moutes moved approval, seconded by Commissioner Liem, and adopted by the following vote: Ayes, Commissioners

Huynh, Liem, Moutes, Roten, Sohn, Vice President Sidley, and President Chao -7; Nays, None.

B. PROPOSED LIST OF PRE-APPROVED BOARD EDUCATIONAL SEMINARS AND TRAINING FOR FISCAL YEAR 2026-27 AND POSSIBLE BOARD ACTION – Commissioner Liem proposed a motion to approve the Pre-Approved Board Educational Seminars and Training for Fiscal Year 2026-27, excluding three international courses: Pacific Pension & Investments Institute (PPI) Summer Roundtable and Winter Roundtable and United Nations Principles in Responsible Investing (PRI) in Person Conference. Commissioner Liem moved not to include international travel, seconded by Commissioner Moutes, with the following vote: Ayes, Commissioners Liem, Moutes, and President Chao -3; Nays, Huynh, Roten, Sohn, and Vice President Sidley -4. The motion did not receive the majority vote and the motion failed.

   Vice President Sidley moved approval of the recommendation with no changes to international travel, seconded by Commissioner Huynh, and adopted by the following vote: Ayes, Commissioners Huynh, Liem, Roten, Sohn, Vice President Sidley, and President Chao -6; Nays, Moutes, -1.

**VII**

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Wilkin Ly, Deputy Chief Investment Officer, reported on the portfolio value of $28.25 billion as of June 22, 2026; and the Volatility Index at 19. Wilkin Ly discussed the following items:

   INDUSTRY NEWS:
   a. Discussion of U.S. stock market events.
   b. The Federal Reserve left the fed funds rate unchanged last week.
   c. SpaceX initial public offering and implications on passive investors and LACERS portfolio.

   OPERATIONAL:
   a. Infrastructure RFP received six responses for the passive mandate and 27 responses for the active mandate.

   FUTURE AGENDA ITEMS:
   a. Principles for Responsible Investments membership review.
   b. Annual report on emerging investment managers.
   c. Public market contract renewals.

B. CONTRACT WITH AKSIA LLC REGARDING PRIVATE EQUITY CONSULTANT SERVICES, REPLACEMENT OF KEY PERSON AND POSSIBLE BOARD ACTION – Eduardo Park, Investment Officer II, Trevor Jackson, Managing Director, and Katie

Bushee, Vice President, with Aksia LLC, presented and discussed this item with the Board for six minutes. Commissioner Huynh moved approval, seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Huynh, Liem, Moutes, Roten, Sohn, Vice President Sidley, and President Chao -7; Nays, None.

C. PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING DECEMBER 31, 2025 – Trevor Jackson, Managing Director, and Katie Bushee, Vice President, with Aksia LLC, presented and discussed this item with the Board for 44 minutes.

The Board did not discuss any Legal/Litigation items.

**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 – There was no other business.

**X**

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

**XI**

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the meeting at 12:34 P.M.

Annie Chao President
Todd Bouey, Manager-Secretary

**LACERS**
**LA CITY EMPLOYEES' RETIREMENT SYSTEM**

**REPORT TO BOARD OF ADMINISTRATION**
**MEETING: JULY 28, 2026**
**FROM: Isaias Cantú, Chief Benefits Analyst**
**ITEM: VI-B**

**SUBJECT: APPROVAL OF DISABILITY RETIREMENT APPLICATION OF CHARLEA WILLIAMS AND POSSIBLE BOARD ACTION**

**☒ ACTION ☐ CLOSED ☒ CONSENT ☐ RECEIVE & FILE**

**Recommendation**

Pursuant to Los Angeles Administrative Code § 4.1080.8(d) and Board Rule DR 2, the Board finds as follows:

1. The threshold findings required by Board Rule DR 2 have been established because Charlea Williams' death was attributable to the disabling condition identified in her disability retirement application, as reflected in her death certificate and the supporting medical evidence;

2. Charlea Williams was physically or mentally incapacitated from the date of discontinuance of service and was incapable of performing the duties of the Applicant's position;

3. Charlea Williams' disabling condition and death were not due to intemperance unattributable to a physical or mental impairment or willful misconduct; and

4. Based on the foregoing findings, Charlea Williams is entitled to a disability retirement pursuant to LAAC § 4.1080.8(d), and her application for disability retirement is granted.

**Background**

Charlea Williams (Applicant), age 66, was a Special Program Assistant II at the Department of Recreation and Parks with 5.94425 years of City Service. The Applicant's last day on active payroll was July 12, 2024. If approved, the Applicant's retirement effective date would have been July 13, 2024.

The Applicant applied for disability retirement on July 15, 2025 (approximately 12 months after the last day on City payroll).[1] On November 10, 2025, while her application was pending, Ms. Williams died.

In general, before the Board may grant a disability retirement, it must obtain and consider reports from three Board-selected physicians (or one physician if the member is terminally ill) along with any other relevant evidence. The Board must determine that the member is physically or mentally incapacitated and incapable of performing the member's duties, and that the disability was not due to intemperance unattributable to a physical or mental impairment or the member's willful misconduct. (LAAC § 4.1080.8(b).)

Subsection (d) of 4.1080.8 creates a narrow exception to these procedures where, as is the case here, the applicant dies while the disability retirement application is pending and before the Board receives the physician reports required by LAAC § 4.1080.8(b). In such circumstances, the Board is authorized to grant a disability retirement "on the basis of fewer than three medical reports or no such reports." (LAAC § 4.1080.8(d).)

In accordance with the authority granted by LAAC § 4.1080.8(d) to adopt rules implementing that subsection, the Board adopted Board Rule DR 2 to govern disability retirement applications where the applicant dies before the Board acts on the application. Board Rule DR 2 requires the Board to make specified threshold findings before granting a disability retirement under those circumstances. Specifically, it must first determine either "(1) the cause of death, as shown on the death certificate, is attributable to the stated disability on the application for disability retirement or (2) the death certificate identifies a different cause of death that would have continuously incapacitated the member from the date of discontinuance of service." (Board Rule DR 2.1.)

The threshold requirements of Board Rule DR 2 are satisfied. The death certificate establishes that the Applicant died on November 10, 2025, from an acute ischemic stroke, with congestive heart failure and hypertension listed as other significant conditions contributing to death. The medical records establish that these conditions are consistent with the disabling condition identified in the Applicant's disability retirement application.

The Board must next determine whether the substantive findings required in LAAC § 4.1080.8(b) have been established. It must find: (1) "[t]hat the applicant was physically or mentally incapacitated since the discontinuance of service and incapable of performing the duties of the applicant's position"; and (2) "[t]hat the disabling

[1] Applications are accepted either within 12 months of an employee's last day on City payroll or within 12 months of the final settlement of a related Workers' Compensation claim; this application was accepted because the Applicant's Workers' Compensation claim was still open.

condition(s) and death of the applicant were not due to the applicant's intemperance unattributable to a physical or mental impairment or willful misconduct.” (LAAC § 4.1080.8(d).)

Based on its review of the Applicant's medical records, staff has determined that these requirements have been satisfied. The medical evidence demonstrates that the Applicant was physically incapacitated from the date of discontinuance of service and incapable of performing her duties. The evidence further establishes that neither the Applicant's disabling conditions nor her death resulted from intemperance unattributable to a physical or mental impairment or willful misconduct.

**Fiscal Impact**

Upon approval, the Applicant's estate will receive an estimated retroactive disability payment of $16,284.00, which covers the period from the effective date of the disability retirement, July 13, 2024, to the month before the Applicant's death.

**Prepared By:**

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

TB:DWN:IC:CBF:cj

ATTACHMENT(S): 1. Proposed Resolution

**BOARD MEETING: 07/28/2026**
**ITEM: VI-B**
**ATTACHMENT: 1**

**APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR CHARLEA WILLIAMS**

PROPOSED RESOLUTION

WHEREAS, the Applicant applied for a disability retirement benefit on July 15, 2024, within one year of their last day on active payroll, in compliance with Los Angeles Administrative Code §4.1080.8(a);

WHEREAS, staff reviewed Charlea Williams's medical records for the period in question, and the medical records indicated Charlea Williams had supporting evidence of physical incapacity during the disability retirement application period;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that Charlea Williams was physically incapacitated since the discontinuance of service and incapable of performing the duties of their position, and that the disabling condition(s) and death of the Applicant were not due to intemperance or willful misconduct;

WHEREAS, the Public Pensions General Counsel Division of the Office of the Los Angeles City Attorney has advised the Board that it has the discretionary authority to accept the disability application in substantial compliance with the requirements of the Los Angeles Administrative Code;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the disability retirement benefit for Charlea Williams based upon their claimed disabling condition in accordance with the provisions of Los Angeles Administrative Code § 4.1080(d) and Board Rule DR 2.

LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM

**REPORT TO BOARD OF ADMINISTRATION**
**MEETING: July 28, 2026**
**FROM: Investment Committee**
**Thuy Huynh, Chair**
**Susan Liem**
**Gaylord "Rusty" Roten**
**ITEM: VII-B**

**SUBJECT: APPROVAL OF 3-YEAR CONTRACT WITH WELLINGTON MANAGEMENT COMPANY LLP REGARDING THE MANAGEMENT OF AN ACTIVE EMERGING MARKET DEBT PORTFOLIO AND POSSIBLE BOARD ACTION**

**☒ ACTION ☐ RECEIVE & FILE ☐ CONSENT ☐ CLOSED**

**Recommendation**
That the Board:

1. Approve a three-year contract renewal with Wellington Management Company LLP (Wellington) for management of an active emerging market debt portfolio;

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

**Discussion**
On July 14, 2026, the Committee considered the attached staff report (Attachment 1) recommending a three-year contract renewal with Wellington. Wellington has managed an active emerging market debt portfolio for LACERS since February 2021. LACERS' portfolio was valued at $581 million as of May 31, 2026. Wellington is in compliance with the LACERS Manager Monitoring Policy.

Staff provided a review of the performance and addressed the Committee’s questions about whether returns align with investment objectives. Staff noted the diversification benefits of a blended emerging market debt strategy compared with LACERS’ previous, exclusively hard-currency emerging market debt strategy. Staff also disclosed that LACERS was able to secure an investment management fee concession from the manager. Following the discussion, the Committee concurred with the staff recommendation.

**Prepared By:**

Jeremiah Paras, Investment Officer II, Investment Division

TB:WL:EC:jp

Attachments: 1. Investment Committee Recommendation Report dated July 14, 2026
2. Proposed Resolution

**BOARD MEETING DATE: JULY 28, 2026**

**ITEM: VII-B**

**ATTACHMENT: 1**

LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM

**REPORT TO INVESTMENT COMMITTEE**
**MEETING: JULY 14, 2026**
**FROM: Todd Bouey, General Manager**
**ITEM: IV**

**SUBJECT: INVESTMENT MANAGER CONTRACT WITH WELLINGTON MANAGEMENT COMPANY LLP REGARDING THE MANAGEMENT OF AN ACTIVE EMERGING MARKET DEBT PORTFOLIO AND POSSIBLE COMMITTEE ACTION**

**☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE**

**Recommendation**

That the Committee recommend to the Board a three-year contract renewal with Wellington Management Company LLP for management of an active emerging market debt portfolio.

**Executive Summary**

Wellington Management Company LLP (Wellington) has managed an active emerging market debt portfolio for LACERS since February 2021. LACERS' portfolio was valued at $581 million as of May 31, 2026. Wellington is in compliance with the LACERS Manager Monitoring Policy. Staff and NEPC, LLC (NEPC), LACERS' General Fund Consultant, recommend a three-year contract renewal.

**Discussion**

**Background**

Wellington manages an active emerging market debt portfolio for LACERS benchmarked against a custom benchmark consisting of a 50% weighting to the J.P. Morgan Emerging Market Bond Index (JPM EMBI) Global Diversified Index and a 50% weighting to the J.P. Morgan Government Bond Index-Emerging Markets (JPM GBI-EM) Global Diversified Index. Wellington's investment process begins with a thorough assessment of global economics and market conditions to develop a market outlook that sets the overall risk of the portfolio. An assessment of countries' ability and willingness to service external debt is formalized by a Wellington-developed country score that is used to identify relative value opportunities for the portfolio. The firm utilizes bottom-up corporate credit research, local debt analysis, and yield curve management to determine credit attractiveness. In addition, currency is considered with significant magnitude that warrants its own sector allocation strategy.

LACERS is invested in Wellington's Blended Opportunistic Emerging Markets Debt Strategy. This investment team is led by Senior Managing Director and Fixed Income Manager, Kevin Murphy (39 years industry experience), with support from portfolio managers Michael Henry (30 years industry experience) and Gillian Edgeworth (24 years industry experience). They lead a team of nine portfolio managers, supported by a team of 30 specialists that include five macro strategists, five corporate credit analysts, and four quantitative research analysts. LACERS' portfolio was valued at $581 million as of May 31, 2026.

The Board hired Wellington through the 2019-2020 Active Emerging Market Debt search process and authorized a three-year contract on September 8, 2020; the contract became effective on December 1, 2020. The Board approved a three-year contract renewal on August 22, 2023. The current contract expires on November 30, 2026.

### Organization

Wellington is a private limited liability partnership owned by 184 partners, all of whom are fully active in the business of the firm. The firm is headquartered in Boston and has a total of 2,810 employees, of which 837 are investment professionals. As of March 31, 2026, the firm managed over $1.29 trillion in total assets with over $6.59 billion in the Blended Opportunistic Emerging Markets Debt strategy.

### Due Diligence

Staff conducts routine due diligence of the manager. In addition to meeting virtually for quarterly portfolio reviews and ad hoc investment discussions, LACERS staff conducted an on-site meeting at Wellington's headquarters in April 2026. During the onsite meeting, staff heard several presentations and engaged in discussions with key personnel across the organization. Staff concluded that Wellington's investment philosophy, strategy, and process have not changed materially over the contract period. This finding supports staff's assessment that Wellington remains capable of consistency in managing LACERS assets and believes it can meet its stated investment objectives.

### Performance

As presented in the following table, Wellington has outperformed its benchmark over the 1-year, 3-year, 5-year and since inception time periods, as of May 31, 2026. Over the more recent 3-month time period, the strategy registered a negative net excess return.

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

| Time Period | 3-Month | 1-Year | 3-Year | 5-Year | Since Inception 2/5/2021 |
|---|---|---|---|---|---|
| Wellington | -1.06 | 14.27 | 9.94 | 2.76 | 2.47 |
| 50% JPM EMBI Global Diversified Index/50% JPM GBI-EM Global Diversified Index | -0.81 | 12.16 | 9.66 | 2.24 | 1.97 |
| *% of Excess Return* | *-0.25* | *2.11* | *0.28* | *0.52* | *0.50* |

Calendar year returns are presented as supplemental information in the following table.

**Calendar Year Performance as of 5/31/2026 (Net-of-Fees)**

| Time Period | 1/1/26-5/31/26 | 2025 | 2024 | 2023 | 2022 | 2/5/21-12/31/21 |
|---|---|---|---|---|---|---|
| Wellington | 2.58 | 17.05 | 1.20 | 13.01 | -13.44 | -4.20 |
| 50% JPM EMBI Global Diversified Index/50% JPM GBI-EM Global Diversified Index | 1.96 | 16.79 | 2.01 | 11.92 | -14.75 | -4.26 |
| *% of Excess Return* | *0.62* | *0.26* | *-0.81* | *1.09* | *1.31* | *0.06* |

Wellington is in compliance with the LACERS Manager Monitoring Policy.

**Fees**

LACERS pays Wellington an effective fee of 47 basis points (0.47%), which is approximately $2.7 million annually based on the value of LACERS' assets as of May 31, 2026. This fee ranks in the 60th percentile of fees charged by similar managers in the eVestment database (i.e., 40% of like-managers have higher fees). Since inception, LACERS has paid Wellington a total of $11.7 million in investment management fees as of May 31, 2026.

**General Fund Consultant Opinion**

NEPC concurs with this recommendation.

**Prepared By:**

Jeremiah Paras, Investment Officer II, Investment Division

Attachment: 1. Consultant Recommendation – NEPC

**INVESTMENT COMMITTEE MEETING DATE: JULY 14 , 2026**

**ITEM:  IV**

**ATTACHMENT: 1**

**To: Los Angeles City Employees' Retirement System Investment Committee**

**From: NEPC, LLC**

**Date: July 14, 2026**

**Subject: Wellington Management Company LLC – Contract Renewal**

## Recommendation

NEPC recommends Los Angeles City Employees' Retirement System ('LACERS') renew the contract with Wellington Management Company LLP ('Wellington') for a period of three years from the date of contract expiry.

## Background

Wellington has been an investment manager for LACERS since February 5, 2021 and manages an emerging markets fixed income portfolio within the Credit Opportunities asset class. As of May 31, 2026, Wellington managed $581.3 million, or 2.1% of Plan assets. The portfolio is benchmarked against a 50:50 split between the JPM EMBI Global Diversified Index and the JPM GBI-EM Global Diversified Index. The portfolio has a performance objective of outperforming the benchmark, net of fees, annualized over a full market cycle (normally three-to-five years). The portfolio is currently in good standing according to LACERS' manager monitoring policy.

Wellington traces its history back to 1928. As of March 31, 2026, the firm had $1.29 trillion in assets under management ('AUM') and focused on investments across asset classes including global equities, fixed income, currencies and commodities. Wellington is an independent, private partnership. The Managing Partners are responsible for the governance of the partnership. Headquartered in Boston, Massachusetts, Wellington has offices in Chicago, Illinois; Radnor, Pennsylvania; San Francisco, California; Beijing; Frankfurt; Hong Kong; London; Luxembourg; Singapore; Sydney; Tokyo; Toronto; and Zurich.

The lead portfolio manager on the LACERS portfolio is Kevin Murphy, Portfolio Manager, and he is supported by Michael Henry, Portfolio Manager, and Gillian Edgeworth, Macro Strategist. Wellington's Emerging Markets Debt team relies on dedicated research analysts which includes macro strategists, fixed income credit analysts and fixed income strategists. The macro strategists are responsible for having a view on country fundamentals, local rates, and local currencies. They express their recommendations on a graduated scale: Top Perform, Outperform, Market weight, Underperform, Sell. The corporate analysts use a similar framework. Country fundamental assessments are core to the research process and incorporate both quantitative and fundamental factors. The fixed income strategists maintain and enhance the quantitative models that are a critical component of our research process. The research team is located in a small number of global offices, with the majority of analysts based in Boston.

The portfolio's investment philosophy is based upon three principles. First, that emerging markets must be approached from a global perspective. Second, market inefficiencies can be exploited by using proprietary quantitative and fundamental research and a disciplined investment process. Third, the risks associated with investing in emerging markets must be managed across multiple dimensions.

The investment process begins with an assessment of global economics and market conditions. Wellington combines top-down macroeconomic analysis with detailed bottom-up research to identify key secular trends, assess cyclical risks and compare valuations across sectors and markets to determine the outlook for emerging markets debt and currency markets. This market outlook helps determine the overall risk level of the portfolio. The team then employs proprietary quantitative techniques and fundamental research to analyze the drivers of sovereign, corporate, currency, and local debt markets across approximately 80 emerging markets countries.

The portfolio managers are responsible for constructing the LACERS portfolio with Kevin Murphy having final responsibility. They review the best ideas that come out of our research process and select the positions best suited to meet the overall portfolio objectives established. Typically, the investment horizon on a holding is three-to- twelve months. The portfolio will invest across the full opportunity set in emerging markets debt including sovereign and corporate debt of emerging markets countries, as well as local-currency denominated debt on both a hedged and an unhedged basis.

## Performance

Referring to Exhibit 1, as of May 31, 2026, since the portfolio's inception date of February 1, 2021, the portfolio has outperformed its benchmark by 0.5%. Over the last five years, the portfolio has outperformed the benchmark by 0.5% and over the last three years the portfolio has outperformed by 0.3%. Both near-term and long-term performance have been favorable.

Referring to Exhibit 2, since February 1, 2021, the Wellington portfolio has outperformed its index by 0.4%, net of fees, and ranked in the 63rd percentile of its peer universe as of March 31, 2026. In the one-year period ended March 31, 2026, the portfolio outperformed the index by 1.1%, ranking in the 27th percentile. In the three-year period, the portfolio underperformed by 0.1% and ranked in the 56th percentile. In the five-year period, the portfolio outperformed the index by 0.5%, ranking in the 53rd percentile.

## Fees

The portfolio has an asset-based fee of 0.47% annually. This fee ranks in the 60th percentile among its peers in the eVestment Global Emerging Markets Fixed Income –

Blended Currency universe. In other words, 40% of the products included in the peer universe have a higher fee than the LACERS account.

## Conclusion

Wellington has performed in-line with expectations and has outperformed the benchmark since inception. The firm and portfolio management team have exhibited stability in team and investment process. NEPC recommends a contract extension for a period of three years from the period of contract expiry.

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 Wellington with the blended benchmark 50% JPM EMBI Global Diversified Index / 50% JPM GBI-EM Global Diversified Index across 1 month, YTD, FYTD, 1 year, 3 years, 5 years, and since inception as of May 31, 2026. The inception period begins on February 1, 2021. The table also includes an over/under row showing the difference between the strategy and benchmark. Wellington outperforms the benchmark for every time period, with the strongest relative outperformance shown in the 1-year and FYTD periods.

| Strategy vs. Benchmark | 1 Mo % | YTD % | FYTD % | 1 YR % | 3 YR % | 5 YR % | Inception |
|---|---|---|---|---|---|---|---|
| **Wellington** | 1.0 | 2.6 | 10.9 | 14.3 | 9.9 | 2.8 | 2.5 |
| **50% JPM EMBI Global Diversified Index / 50% JPM GBI-EM Global Diversified Index** | 0.9 | 2.0 | 9.3 | 12.2 | 9.7 | 2.2 | 2.0 |
| **Over/Under** | 0.1 | 0.6 | 1.6 | 2.1 | 0.3 | 0.5 | 0.5 |

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

**Wellington vs. eV All Emerging Markets Fixed Income**

This table provides the detailed returns, percentile rankings, peer universe breakpoints, and population counts across 3 months, FYTD, 1 year, 3 years, 5 years, and since inception as of March 31, 2026. The inception period begins on February 1, 2021. The table shows how Wellington and the benchmark rank within the broader peer universe over time, with population sizes ranging from 284 to 330. 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 % | Inception |
|---|---|---|---|---|---|---|
| Wellington | -1.8 (69) | 6.2 (35) | 12.2 (27) | 8.1 (56) | 2.8 (53) | 1.7 (63) |
| 50% JPM EMBI Global Diversified Index / 50% JPM GBI-EM Global Diversified Index | -1.7 (68) | 5.3 (47) | 11.1 (45) | 8.2 (55) | 2.3 (69) | 1.3 (72) |
| 5th Percentile | 1.5 | 10.7 | 17.2 | 13.9 | 6.3 | 5.7 |
| 1st Quartile | -0.6 | 7.1 | 12.3 | 10.2 | 3.7 | 2.9 |
| Median | -1.3 | 5.2 | 10.6 | 8.5 | 2.8 | 2.0 |
| 3rd Quartile | -2.0 | 3.7 | 6.6 | 7.1 | 2.1 | 1.2 |
| 95th Percentile | -3.0 | 2.3 | 4.3 | 5.6 | 0.4 | -0.4 |
| Population | 330 | 329 | 329 | 317 | 286 | 284 |

**BOARD MEETING DATE: JULY 28, 2026**
**ITEM: VII-B**
**ATTACHMENT: 2**

**CONTRACT RENEWAL**
**WELLINGTON MANAGEMENT COMPANY LLP**
**ACTIVE EMERGING MARKET DEBT PORTFOLIO MANAGEMENT**

## PROPOSED RESOLUTION

WHEREAS, LACERS' current three-year contract term with Wellington Management Company LLP (Wellington) for management of an active emerging market debt portfolio expires on November 30, 2026; and,

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

WHEREAS, a contract renewal with Wellington will allow the LACERS total portfolio to maintain a diversified exposure to emerging market debt; and,

WHEREAS, on July 28, 2026, the Board approved the Investment Committee's recommendation to approve a three-year contract renewal with Wellington.

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: | Wellington Management Company LLP |
| Service Provided: | Active Emerging Market Debt Portfolio Management |
| Effective Dates: | December 1, 2026 through November 30, 2029 |
| Duration: | Three years |
| Benchmark: | 50% to the J.P. Morgan Emerging Market Bond Index (JPM EMBI) Global Diversified Index and 50% to the J.P. Morgan Government Bond Index-Emerging Markets (JPM GBI-EM) Global Diversified Index |
| Allocation as of May 31, 2026: | $581 million |

July 28, 2026

**REPORT TO BOARD OF ADMINISTRATION**
**MEETING: JULY 28, 2026**
**FROM: Todd Bouey, General Manager**
**ITEM: VII-C**

**SUBJECT: ANNUAL REPORT ON LACERS EMERGING INVESTMENT MANAGER PROGRAM FOR THE PERIOD ENDING DECEMBER 31, 2025**

**☐ ACTION ☒ RECEIVE & FILE ☐ CONSENT ☐ CLOSED**

**Recommendation**
That the Board receive and file this report.

**Discussion**
On July 14, 2026, staff presented to the Committee the Annual Report on LACERS Emerging Investment Manager Program (Annual Report), which is designed to reflect the current status, progress, and performance of the Emerging Investment Manager Program. Staff discussed the Emerging Investment Manager Program Policy reporting requirements including the names and dollar amounts awarded to Emerging Investment Managers, Emerging Investment Manager goal metrics, searches conducted in 2025, performance information, and efforts to increase the visibility and representation of Emerging Investment Managers.

The Committee expressed interest in identifying opportunities to expand outreach efforts and increase the overall exposure to Emerging Investment Managers. Staff will continue collaborating with LACERS' investment consultants and participating in networking events within the emerging manager community to support these efforts. The Committee also recommended minor enhancements to the presentation and formatting of the Annual Report and requested information regarding whether firms that participated in the Emerging Manager Networking Forum have subsequently been awarded investment mandates. These requests will be addressed in future Annual Reports. Additionally, the Committee sought clarification that, while multiple factors are considered in the manager selection process, investment performance remains the primary criterion in the evaluation and awarding of investment contracts.

**Prepared By:**
Ricky Mulawin, Management Analyst, Investment Division

TB:WL:EC:RM

Attachment: 1. Investment Committee Report dated July 14, 2026

**BOARD MEETING DATE: JULY 28, 2026**
**ITEM: VII-C**
**ATTACHMENT: 1**

**REPORT TO INVESTMENT COMMITTEE**
**MEETING: JULY 14, 2026**
**FROM: Todd Bouey, General Manager**
**ITEM: V**

**SUBJECT: ANNUAL REPORT ON LACERS EMERGING INVESTMENT MANAGER PROGRAM FOR THE PERIOD ENDING DECEMBER 31, 2025**

**☐ ACTION ☒ RECEIVE & FILE ☐ CONSENT ☐ CLOSED**

**Recommendation**
That the Committee receive and file this report.

**Executive Summary**
LACERS' Emerging Investment Manager Program aims to hire and retain Emerging Investment Managers in order to add value to the LACERS investment portfolio. This report highlights the Emerging Investment Manager firms hired, dollar amounts awarded, and staff and consultant efforts to increase Emerging Investment Manager representation in the LACERS investment portfolio in calendar year 2025.

**Discussion**
*Background*
LACERS' Emerging Investment Manager Policy (Policy) was adopted on February 14, 2012, and was most recently revised on May 25, 2021. The Policy identifies guidelines and sets goals to hire and retain Emerging Investment Managers that would otherwise not be identified in the standard LACERS investment manager search process in order to add value to the LACERS investment portfolio. Smaller investment management firms may generate superior performance returns due to increased market flexibility associated with smaller asset bases. The Policy sets a goal of funding Emerging

Investment Managers at no less than 10% of available capital and provides minimum criteria for firms to qualify as an Emerging Investment Manager.

Pursuant to the Policy, this annual report provides the status of the Emerging Investment Manager Program for the year ending December 31, 2025, including the following information:

1. Names and dollar amounts awarded to Emerging Investment Managers
2. Report of Emerging Investment Manager goal metrics
3. List of all investment manager searches
4. Staff and consultant efforts to increase the visibility of LACERS' investment manager searches and representation of Emerging Investment Managers in the LACERS investment portfolio
5. Performance data for funds managed by Emerging Investment Managers

***1. Names and Dollar Amounts Awarded to Emerging Investment Managers in 2025***

| Manager | Style | Asset Class | Investment/ Commitment | Consultant |
|---|---|---|---|---|
| Auldbrass Partners Secondary Opportunity Fund IV, LP | Secondaries | Private Equity | $25,000,000 | Aksia LLC |
| Enhanced Healthcare Partners II, LP | Buyout | Private Equity | $20,000,000 | Aksia LLC |
| Caro Real Estate Credit Fund, L.P. | Direct Lending - Real Estate | Private Credit | $25,000,000 | Aksia LLC |
| Square Nine Specialty Credit Fund I LP | Direct Lending - U.S. | Private Credit | $20,000,000 | Aksia LLC |

***2. Emerging Investment Manager Goal Metrics***

The Policy sets a goal for Emerging Investment Manager exposure in public and private market asset classes at no less than 10%.

*Public Markets*
For each public markets asset class, there are two metrics for measuring Emerging Investment Manager exposure: 1) Asset Class Metric: the total market value of Emerging Investment Managers within a respective asset class divided by the total market value of the respective asset class; and 2) Manager Search Metric: total dollars awarded to Emerging Investment Managers in a particular public asset class manager search divided by the total dollars awarded for the respective manager search.

In calendar year 2025, there were no public markets searches initiated.

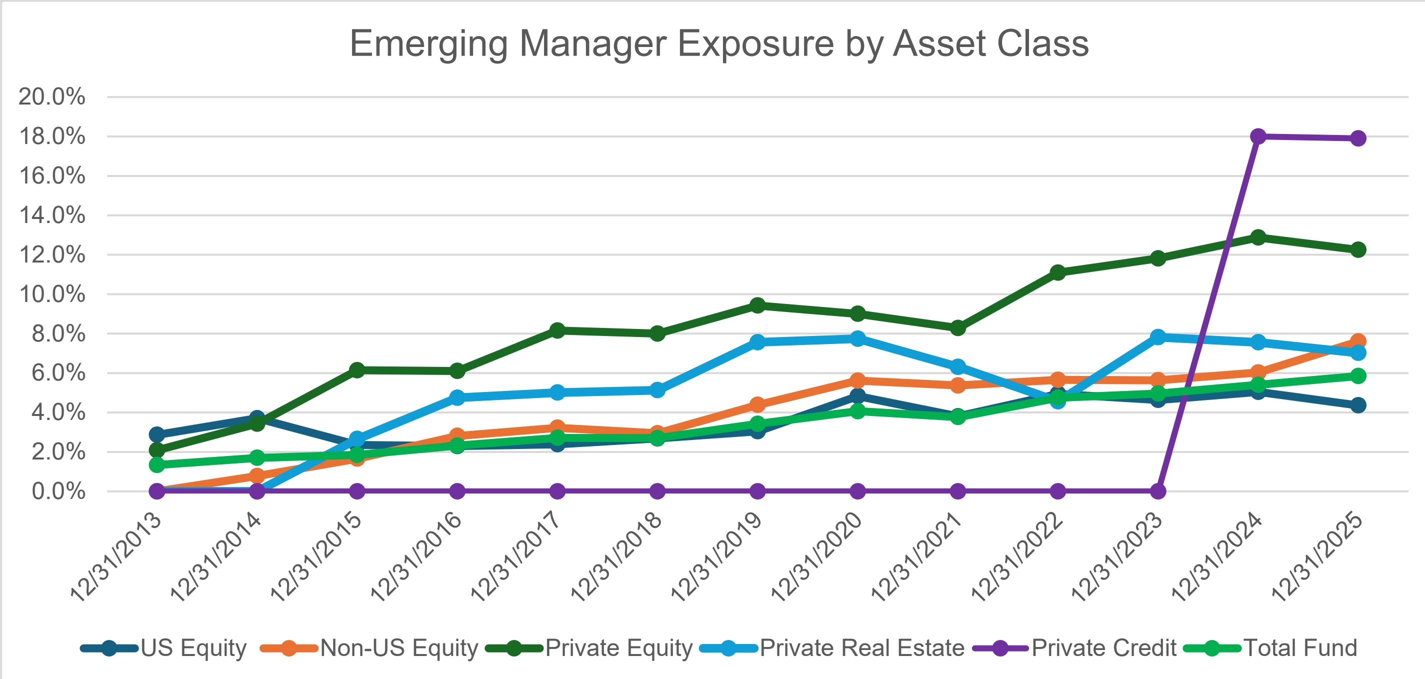
| Public Market Asset Classes | Emerging Manager Exposure (Metric 1) | Public Markets Manager Searches (Metric 2) |
|---|---|---|
| U.S. Equity | 4.4% | N/A |
| Non-U.S. Equity | 7.6% | N/A |
| Core Fixed Income | 0.0% | N/A |
| Credit Opportunities | 0.0% | N/A |
| Public Real Assets | 0.0% | N/A |

*Private Markets*

For each private markets asset class, there are two metrics for measuring Emerging Investment Manager exposure: 1) Asset Class Metric: the total committed dollars of Emerging Investment Managers within a respective asset class divided by all the dollars within that respective asset class on a market value basis; and 2) Manager Search Metric: the total of all committed capital awarded to Emerging Investment Managers of completed searches within a respective private market asset class divided by all committed capital awarded within the respective private market asset class over a 36-month rolling period ending December 31, 2025.

| Private Market Asset Classes | Asset Class (Metric 1) | Manager Search (Metric 2) |
|---|---|---|
| Private Equity | 12.3% | 10.6% |
| Private Real Estate | 7.0% | 7.5% |
| Private Credit | 17.9% | 10.1% |

On a fund-number basis for the 36-month period ending December 31, 2025, LACERS authorized commitments to a total of 9 private equity Emerging Investment Managers out of 55 private equity funds (16%), 1 real estate Emerging Investment Managers out of 11 real estate funds (9%), and 5 private credit Emerging Investment Managers out of 19 private credit funds (26%).




| Asset Class | 12/31/13 | 12/31/14 | 12/31/15 | 12/31/16 | 12/31/17 | 12/31/18 | 12/31/19 | 12/31/20 | 12/31/21 | 12/31/22 | 12/31/23 | 12/31/24 | 12/31/25 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| U.S. Equity | 2.9% | 3.7% | 2.4% | 2.3% | 2.4% | 2.7% | 3.0% | 4.8% | 3.8% | 4.9% | 4.6% | 5.0% | 4.4% |
| Non-U.S. Equity | 0.0% | 0.8% | 1.5% | 2.8% | 3.2% | 2.9% | 4.4% | 5.6% | 5.4% | 5.7% | 5.5% | 6.0% | 7.6% |
| Private Equity | 2.1% | 3.4% | 6.1% | 6.1% | 8.2% | 8.0% | 9.4% | 9.0% | 8.3% | 11.1% | 11.8% | 12.9% | 12.3% |
| Private Real Estate | 0.0% | 0.0% | 2.7% | 4.7% | 5.0% | 5.1% | 7.6% | 7.7% | 6.3% | 4.6% | 7.8% | 7.6% | 7.0% |
| Private Credit | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a | 18.0% | 17.9% |
| Total Fund | 1.3% | 1.7% | 1.8% | 2.3% | 2.7% | 2.7% | 3.4% | 4.1% | 3.8% | 4.7% | 5.0% | 5.7% | 5.8% |

### *3. Searches Conducted in 2025*

Searches Initiated:

- N/A

Searches Completed:

- N/A

### *4. Efforts to Increase Visibility and Representation of Emerging Investment Managers*

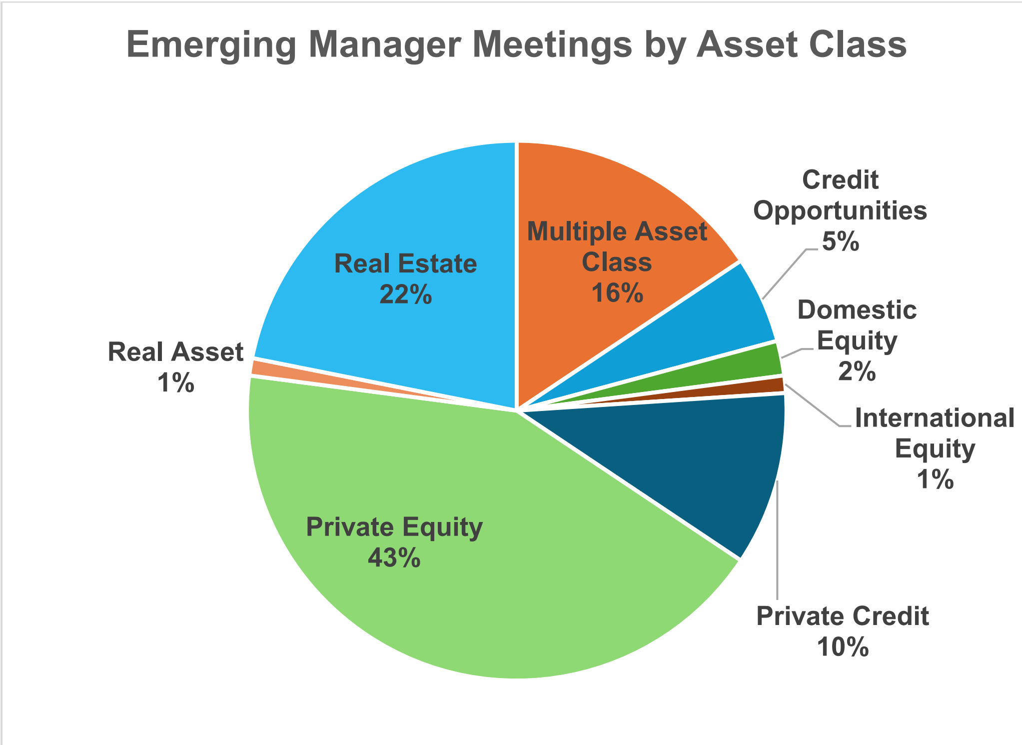
*Staff*

LACERS actively engages the emerging manager community to help achieve the policy objectives established by the Emerging Investment Manager Policy. During calendar year 2025, staff participated in the following emerging manager networking and meeting events:

| 2025 Emerging Manager Events | |
|---|---|
| February | The Teacher Retirement of Texas (TRS) and Employees Retirement System of Texas (ERS) Emerging Manager Conference |
| March | SEO Conference |
| March | NASP So Cal Emerging Manager Conference |
| July | TIDE Exchange |
| September | IDAC Global Summit |
| September | Women's Alliance Conference |
| October | PEWIN |
| October | GCM Grosvenor Small and Emerging Manager Conference |
| November | LACERS Emerging Manager Networking Forum |
| November | TOIGO |

In 2025, LACERS co-hosted its annual Emerging Manager Networking Forum with Los Angeles Fire and Police Pensions (LAFPP). This event was geared toward qualified Emerging Managers based on LACERS' and LAFPP's Emerging Manager Policy criteria and consisted of 20 twenty-five-minute meeting slots randomly allocated to interested firms. Firms that were not selected for the twenty-five-minute time slots were invited to meet Staff during the Meet and Greet portion of the event. A total of 47 emerging managers from 30 firms attended the event. In addition, consultants from both LACERS and LAFPP attended the event.

Additionally, staff regularly meets with emerging managers. During the calendar year 2025, staff held a total of 96 emerging manager meetings depicted by asset classes in the chart below.




*Consultants*
LACERS retains three investment consultants. The consultants' respective emerging manager activities for the one-year period ending December 31, 2025, are summarized below.

| Consultant | Meetings or Calls | Emerging Manager Conferences | Awarded to Emerging Managers |
|---|---|---|---|
| NEPC, LLC (General) | 250 | 16 | $3.4 billion / 26 managers |
| Aksia LLC (Private Equity) | 463 | 20 | $55 million / 4 managers |
| The Townsend Group (Real Estate) | 95 | 13 | $907.1 million / 5 managers |
| Aksia LLC (Private Credit) | 72 | 20 | $269.1 million / 9 managers |

Note: The definition of "Emerging Manager" for this matrix is based on the emerging investment manager criteria unique to each consultant.

### *5. Performance Data of LACERS Emerging Investment Managers (as of 12/31/2025)*

A. Public Markets Performance

| Public Markets Managers Performance (Net-of-Fees) | Inception Date | One Year | Two Years | Three Years | Five Years | Since Inception |
|---|---|---|---|---|---|---|
| Oberweis Asset Management, Inc.[1] | Jan-2014 | 31.36 | 19.33 | 14.78 | -0.29 | 7.01 |
| MSCI EAFE Small Cap Index | | 31.83 | 15.86 | 14.95 | 5.62 | 6.46 |
| *Excess Return* | | *-0.48* | *3.47* | *-0.18* | *-5.92* | *0.55* |
| Informed Momentum Company[2] | Sep-2015 | 10.26 | 17.88 | 14.20 | 1.26 | 9.82 |
| Russell 2000 Growth Index | | 13.01 | 14.08 | 15.59 | 3.18 | 9.78 |
| *Excess Return* | | *-2.75* | *3.80* | *-1.39* | *-1.92* | *0.04* |
| Granahan Investment Management, Inc.[3] | Aug-2020 | 2.38 | 13.05 | 12.26 | -0.67 | 5.55 |
| Russell 2000 Growth Index | | 13.01 | 14.08 | 15.59 | 3.18 | 8.24 |
| *Excess Return* | | *-10.63* | *-1.03* | *-1.97* | *-3.85* | *-2.69* |

| Public Markets Managers Peer Comparison | Universe | Number of Peers in Universe | 5-Year Return % (Peer Rank) | 5-Year Peer Median Return % | 5-Year Sharpe Ratio (Peer Rank) | 5-Year Sharpe Ratio Median |
|---|---|---|---|---|---|---|
| Oberweis Asset Management, Inc. | eV EAFE Small Cap Equity Net Median | 72 | -0.29 (95th) | 7.08 | -0.09 (93rd) | 0.31 |
| Informed Momentum Company | eV US Small Cap Growth Equity Net Median | 150 | 1.26 (63rd) | 2.79 | 0.01 (61st) | 0.08 |
| Granahan Investment Management, Inc. | eV US Small Cap Growth Equity Net Median | 150 | -0.67 (82nd) | 2.79 | -0.02 (71st) | 0.08 |

B. Real Estate Performance

| LACERS Real Estate Manager Comparison as of December 31, 2025[4] | | | | |
|---|---|---|---|---|
| | Net IRR | DPI | RVPI | TVPI |
| Real Estate Investments Since 2015 (Ex Emerging Managers) | 4.81% | 0.21 | 0.98 | 1.19 |
| Emerging Manager Investments Since 2015 | 6.44% | 0.45 | 0.87 | 1.32 |

[1] Account funded on January 15, 2014. Manager no longer meets the LACERS definition of an emerging manager as firm assets under management exceed $2 billion.

[2] Account funded on October 1, 2015. Manager no longer meets the LACERS definition of an emerging manager as firm assets under management exceed $2 billion. Informed Momentum Company rebranded from EAM as of 2/4/25.

[3] Account funded on October 1, 2020. Manager no longer meets the LACERS definition of an emerging manager as firm assets under management exceed $2 billion.

[4] IRR – Internal Rate of Return, DPI – Distributed to Paid-In Capital, RVPI – Residual Value to Paid-In Capital, TVPI – Total Value to Paid-In Capital.

| Private Real Estate Emerging Fund Managers | Vintage Year | Net IRR[6] | Return Multiple | Sourced By |
|---|---|---|---|---|
| Gerrity Retail Fund 2, LP | 2015 | 2.3% | 1.2x | Townsend Group |
| Asana Partners Fund I, LP | 2017 | 9.4% | 1.8x | Townsend Group |
| Broadview Real Estate Partners Fund, LP | 2019 | 13.7% | 1.4x | Townsend Group |
| NB Partners Fund IV, LP | 2023 | 1.8% | 1.0x | Townsend Group |

C. Private Equity Performance

| LACERS Private Equity Manager Comparison as of December 31, 2025 | | | |
|---|---|---|---|
| | Net IRR[6] | DPI | Net TVPI |
| Total Portfolio | 11.9% | 1.00 | 1.68 |
| Core Portfolio | 12.3% | 1.03 | 1.69 |
| Core ex Emerging Managers | 12.3% | 1.02 | 1.70 |
| Private Credit Portfolio | 9.5% | 0.25 | 1.21 |
| Specialized Portfolio | 1.6% | 1.06 | 1.11 |
| Emerging Manager (VY2013+) | 15.6% | 0.56 | 1.59 |

Notes: Excludes VY (2025, 2024, 2023)

Barings Emerging Generation Fund has a portfolio of emerging managers via a fund of fund structure and is included in calculation.

| Private Equity Emerging Fund Managers (Vintages 2013 to 2025) | Vintage Year | Net IRR[5] | Return Multiple | Sourced By |
|---|---|---|---|---|
| High Road Capital Partners Fund II, LP | 2013 | 11.9% | 1.6x | Hamilton Lane |
| Blue Sea Capital Fund I, LP | 2014 | 18.8% | 2.4x | Portfolio Advisors |
| Oak HC/FT Partners, LP | 2014 | 21.7% | 2.7x | Portfolio Advisors |
| 1315 Capital, LP | 2015 | 16.4% | 2.2x | Portfolio Advisors |
| New Water Capital Partners, LP | 2015 | 10.3% | 1.4x | Portfolio Advisors |
| Angeles Equity Partners I, LP | 2015 | 13.4% | 1.5x | Portfolio Advisors |
| CenterGate Capital Partners I, LP | 2015 | 17.0% | 1.8x | Portfolio Advisors |
| Sunstone Partners I, LP | 2016 | 32.6% | 3.1x | Portfolio Advisors |
| Defy Partners I, LP | 2017 | 14.4% | 2.1x | Portfolio Advisors |
| NMS Fund III, LP | 2017 | 15.2% | 1.8x | Portfolio Advisors |
| Oak HC/FT Partners II, LP | 2017 | 23.8% | 3.0x | Portfolio Advisors |

[5] A private market fund typically yields a low or negative IRR during its early life “J Curve” period.

| Private Equity Emerging Fund Managers (Vintages 2013 to 2025) | Vintage Year | Net IRR[5] | Return Multiple | Sourced By |
|---|---|---|---|---|
| Astra Partners I, LP | 2017 | 1.3% | 1.1x | Portfolio Advisors |
| Mill Point Capital Partners, LP | 2018 | 17.6% | 1.9x | Portfolio Advisors |
| 1315 Capital Fund II, LP | 2018 | 11.9% | 1.4x | Portfolio Advisors |
| Defy Partners II, LP | 2019 | 24.5% | 2.5x | Aksia LLC |
| P4G Capital Partners I, LP | 2019 | 19.5% | 1.7x | Aksia LLC |
| Sunstone Partners II, LP | 2019 | 17.8% | 1.6x | Aksia LLC |
| OceanSound Partners Fund, LP | 2020 | 21.3% | 2.0x | Aksia LLC |
| Builders VC Fund II, LP | 2020 | 5.3% | 1.2x | Aksia LLC |
| ULU Ventures Fund III, LP | 2021 | -11.1% | 0.6x | Aksia LLC |
| Mill Point Capital Partners II, LP | 2021 | 23.7% | 1.4x | Aksia LLC |
| Avance Investment Partners, LP | 2021 | 15.1% | 1.3x | Aksia LLC |
| Biospring Partners Fund, LP | 2021 | 6.5% | 1.2x | Aksia LLC |
| Defy Partners III, LP | 2021 | -5.0% | 0.9x | Aksia LLC |
| LightBay Investment Partners II, L.P. | 2022 | -1.6% | 1.0x | Aksia LLC |
| 1315 Capital III, L.P. | 2022 | -0.8% | 1.0x | Aksia LLC |
| L2 Point Opportunities I, L.P. | 2022 | 10.0% | 1.4x | Aksia LLC |
| Auldbrass Partners Secondary Opportunity Fund III, L.P. | 2022 | 13.3% | 1.3x | Aksia LLC |
| Sunstone Partners III-Main, LP | 2022 | -17.0% | 0.8x | Aksia LLC |
| OceanSound Partners Fund II, LP | 2023 | 20.0% | 1.4x | Aksia LLC |
| Ulu Ventures Fund IV, LP | 2023 | -10.8% | 0.9x | Aksia LLC |
| 3 Boomerang Capital | 2023 | 30.0% | 1.3x | Aksia LLC |
| Builders VC Fund III, LP | 2024 | - | 0.9x | Aksia LLC |
| KLC (Knox Lane) Fund II, LP | 2024 | 5.3% | 1.0x | Aksia LLC |
| Biospring Partners Fund II, LP | 2024 | - | - | Aksia LLC |
| Centana Growth Partners III, LP | 2024 | -15.9% | 0.9x | Aksia LLC |
| Enhanced Healthcare Partners II, LP | 2025 | - | - | Aksia LLC |
| Auldbrass Partners Secondary Opportunity Fund IV, L.P. | 2025 | - | - | Aksia LLC |

[5] A private market fund typically yields a low or negative IRR during its early life “J Curve” period.

D. Private Credit Performance

| Private Credit Emerging Fund Managers | Vintage Year | Net IRR[5] | Return Multiple | Sourced By |
|---|---|---|---|---|
| Centre Lane Credit Partners III, L.P. | 2024 | n.m. | 1.2 | Aksia LLC |
| Putnam Hill Private Credit Fund (Leveraged) | 2024 | n.m. | 1.0 | Aksia LLC |
| Mavik Real Estate Special Opportunities VS2, LP | 2024 | n.m. | - | Aksia LLC |
| Caro Real Estate Credit Fund, L.P. | 2025 | n.m. | - | Aksia LLC |
| Square Nine Specialty Credit Fund I LP | 2025 | n.m. | - | Aksia LLC |

Notes: n.m. = not meaningful

**Prepared By:**

Ricky Mulawin, Management Analyst, Investment Division

[5] A private market fund typically yields a low or negative IRR during its early life "J Curve" period.