LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

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

President:

Janna Sidley

Vice President:

Sung Won Sohn

Commissioners:

Thuy Huynh

Susan Liem

Thomas Moutes

Gaylord "Rusty" Roten

Vacant

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 open session LACERS Board/Committee 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

III. RECEIVE AND FILE ITEMS

- A. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD
- B. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER
- C. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR OCTOBER 2026

IV. COMMITTEE REPORT(S)

- A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON OCTOBER 13, 2026
- B. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON NOVEMBER 10, 2026

V. CONSENT ITEMS

- A. APPROVAL OF MINUTES FOR THE MEETING ON OCTOBER 13, 2026 AND POSSIBLE BOARD ACTION

VI. BOARD/DEPARTMENT ADMINISTRATION

- A. BOARD POLICY REVIEW: BOARD SELF-EVALUATION POLICY AND POSSIBLE BOARD ACTION

B. BOARD POLICY REVIEW: CONTRACTOR DISCLOSURE POLICY AND POSSIBLE BOARD ACTION

C. PRESENTATION BY SEGAL OF THE ACTUARIAL VALUATIONS AS OF JUNE 30, 2026 AND PROPOSED CITY CONTRIBUTION RATES FOR FISCAL YEAR 2027-28 AND POSSIBLE BOARD ACTION

VII. INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT

B. CONTINUED DISCUSSION ON U.S. SMALL CAP EQUITY REVIEW AND POSSIBLE BOARD ACTION

C. APPROVAL OF 3-YEAR CONTRACT WITH LOOMIS, SAYLES & COMPANY, L.P. REGARDING THE MANAGEMENT OF AN ACTIVE CORE FIXED INCOME PORTFOLIO AND POSSIBLE BOARD ACTION

D. PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING JUNE 30, 2026

E. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER AN ADDITIONAL COMMITMENT TO CRESCENT LACERS SMA PARTNERSHIP, LP AND POSSIBLE BOARD ACTION**

VIII. CLOSED SESSION

A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b)(1): GENERAL MANAGER 2025-26 PERFORMANCE EVALUATION AND POSSIBLE BOARD ACTION**

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

C. **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 November 24, 2026, LACERS Regular Board meeting is canceled. The next Regular meeting of the Board is scheduled for December 8, 2026, at 10:00 A.M., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, CA 90012.

XI. ADJOURNMENT

ETHICAL CONTRACT COMPLIANCE REPORT – NOTIFICATION TO THE BOARD

Board Meeting: 11/10/2026
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
OnActuate Consulting US Inc	The Implementation of The Microsoft Dynamics 365 Business Central	N/A	N/A	Fiscal
CenterSquare Investment Management, Inc.	Active U.S. REITs	April 1, 2018	March 31, 2027	Investments

ACTIVE REQUEST FOR PROPOSALS (RFPs)

Description	Respondents	Inception	Expiration	Division
Website Development Services and Accessibility Remediation and Captioning Services	Sophyx AI, CivicPlus, LLC, Qlogic LLC, Numeric Technologies Corporation, Think AI Consulting Corporation, Horus Technology, Exemplifi LLC, Ginisis Group, Inc, Concourse Tech Inc., Over-C Inc., Interpersonal Frequency LLC, Aim Technical Group, LLC, New Tech Solutions, Pension X, Capitol Tech Solutions, Inc., Gaia Tech, 24K Designz, V group Inc., Sparient LLC.	July 6, 2026	August 21, 2026	CSRD

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
Terada, Cynthia T	43	Dept. of Rec. & Parks	Senior Administrative Clerk
Alvarado, James	42	Dept. of Transportation	Traffic Officer
Popovic, Melissa	39	Police Dept. - Civilian	Senior Forensic Print Spc
Huey, Mae K	35	Zoo Dept.	Senior Personnel Analyst
Teixeira, Norma Alicia	32	Dept. of Airports	Risk And Insurance Asst
Royer, Nichole T	30	Dept. of Rec. & Parks	Senior Recreation Dir
Buluran, Roy Punzal	29	Harbor Dept.	Principal Accountant
Gallay, Donald Irwin	28	Fire Dept. - Civilian	Communications Electrician
Richards, Shermona L	28	PW - Sanitation	Secretary
Ochoa, Rene D	27	Dept. of Transportation	Traffic Officer
Rodriguez, Daniel	26	GSD	Building Constr And Maint Gn Sup
Howard, Merlin W	26	Police Dept. - Civilian	Security Officer
Hartman, Brian K	26	Dept. of Transportation	Senior Traffic Supervisor
Scott, Elaine D	26	Dept. of Airports	Maintenance Laborer
Anderson, Travis	26	CIFD	Senior Management Analyst
White, Sharon Denise	25	Dept. of Transportation	Communications Info Rep
Taylor, Edward James	25	Police Dept. - Civilian	Senior Detention Officer
Winarto, Iwan	25	Dept. of Transportation	Civil Eng Draft Tech
Valdes, Robert J	25	PW - Street Services	Street Services Supervisor
Pelayo, Luis M	25	Fire & Police Pensions	Benefits Specialist
Au, Kieran Long Hoi	25	PW - Street Services	Street Services Investigator
Moreno, James D	23	Dept. of Rec. & Parks	Gardener Caretaker
Escamilla, Carlos O	21	Dept. of Airports	Custodian
Khuu, Derek	21	Police Dept. - Civilian	Evidence And Property Officer
Zavala, Sean R	20	Dept. of Transportation	Maintenance Laborer
Chow, Yu Tea	20	Dept. of Airports	Senior Real Estate Officer
Daher, Charles	20	Dept. of Airports	Senior Security Officer
Franco, Jesse	20	Dept. of Animal Svcs.	Animal Care Technician
Creedon, Patrick T	20	Dept. of Transportation	Crossing Guard
Caserma, Louise Marguerite	20	Dept. of Rec. & Parks	Administrative Clerk
Leos, Juan Carlos	20	Police Dept. - Civilian	Auto Painter
Hernandez, Shari L	19	LACERS	Benefits Specialist
Monroy, Hugo G	19	PW - Street Services	Street Lighting Electrician
Kiel, Mona M	19	Dept. of Animal Svcs.	Veterinary Technician
Urbina, Ricardo	18	Dept. of Animal Svcs.	Animal Care Technician
Wong, Virginia A	17	Dept. of Airports	Airport Guide
Kim, Christophe Y	17	Harbor Dept.	Security Officer
Edwards, Heather P	17	Dept. of Airports	Security Officer

Rivera, Solomon	16	Mayor's Office	Deputy Mayor
Huizar, Sergio Cortes	16	PW - Street Services	Truck Operator/ One Man
So, Guhee	15	Dept. of Airports	Airport Guide
Gonzalez, Sandra P	13	Dept. of Rec. & Parks	Child Care Associate
Mcclain, Joni Tamar	10	Dept. of Rec. & Parks	Recreation Assistant
Berry, Clence	10	GSD	Storekeeper
Goytia, Paula Angela	10	Dept. of Airports	Custodian
Carrillo, Maria E	9	Dept. of Rec. & Parks	Special Program Assistant
Cervantes, Luis	9	Dept. of Rec. & Parks	Recreation Assistant
Donica, William Everett	9	GSD	Warehouse And Toolroom Wkr
Garfinkel, Scott David	8	Office of Finance	Tax Compliance Officer
Blanco-Schulz, Yenci	8	Dept. of Rec. & Parks	Administrative Clerk
Moregon, Diana G	6	City Attorney's Office	Paralegal
Basulto, Gabriel	5	PW - Spl Proj Constr Div.	Equip Operator
Huff, Krissy Shante	4	Dept. of Transportation	Crossing Guard

APPROVED DEATH BENEFIT PAYMENTS – Retired Members/Survivors

Deceased TIER 1	Beneficiary/Payee
Abe, Alice	Larry Douglas Abe for the payment of the Accrued But Unpaid Continuance Allowance
Badal, Jack R	Helen H Badal for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Besser, Stephen N	David M. Besser for the payment of the Accrued But Unpaid Continuance Allowance Jodi Tripp for the payment of the Accrued But Unpaid Continuance Allowance
Blyth, Thelma L	Toni Blyth Ferrara for the payment of the Accrued But Unpaid Continuance Allowance
Buchan, Sheila C	Robert L Word for the payment of the Accrued But Unpaid Continuance Allowance
Cameron, Joyce D	Jennifer A Cameron for the payment of the Accrued But Unpaid Continuance Allowance
Carney, Mary L	Cheryl Ann Lombardi for the payment of the Accrued But Unpaid Continuance Allowance
Carpenter, John Edward	David Daniel Carpenter for the payment of the Accrued But Unpaid Larger Annuity Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions Michael J Carpenter for the payment of the Accrued But Unpaid Larger Annuity Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions

Carter, Ethel M	Kathy L Dade for the payment of the Accrued But Unpaid Continuance Allowance
Cervantes, Camerino	Rocio Toro De Bravo for the payment of the Burial Allowance
Chavez, Arturo M	Arturo T Chavez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Cox, Gary V	La'keisha Lee for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Duplessis, Marguerite D	Andre P Duplessis for the payment of the Accrued But Unpaid Continuance Allowance Rozalinde A Duplessis for the payment of the Accrued But Unpaid Continuance Allowance Suzanne D Collins for the payment of the Accrued But Unpaid Continuance Allowance
Gabriel, Carrie A	Damian T Rainey for the payment of the Burial Allowance
Gunning, Isabelle R	Jolanda Gunning-Snowden for the payment of the Accrued But Unpaid Continuance Allowance
Hernandez, Irene E	Roberta J Rocha Ayala for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Stephen Eric Alderete for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hicks, Susan L	Milton J Hicks for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Isom, Johnny R	Patricia Ruth Isom Motley for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Jimenez, Maria G	Michael Stavros Damianidis for the payment of the Accrued But Unpaid Service Retirement Allowance Unused Contributions
Jones, James O	Linda Cherise Davis for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Jones, Ozzie L	Michael Jones for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Krupkoski, Ruth W	Mary Castro for the payment of the Accrued But Unpaid Continuance Allowance Susan Lyles for the payment of the Accrued But Unpaid Continuance Allowance
Ling, Lai Tong Louis	Rosita Yee-Bik Ling for the payment of the Burial Allowance
Martinez, Maurice E	Julie M Martinez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Martinez Salazar, Julia	Maria Estela Martinez for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance Theodore Benjamin Garcia for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Mastrolia, Catherine A	Anthony C Mastrolia for the payment of the Accrued But Unpaid Larger Annuity Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance

Miller, Julia W	Gary Douglas Miller for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mills, Stephen Hunter	Jonathan Mills for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mondy, Jimmie W	Janice E Kirk for the payment of the Accrued But Unpaid Service Retirement Allowance
Montague, Richard C	Cathleen McNelis for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Pamela Vigil for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Moore, Eric D	Anthony Canepa Sanchez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mullen, Carol A	Judy Faye Berg for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Muniz, Pedro	Maria Esther Martinez for the payment of the Unused Contributions
Pawlek, John	Judith K Pawlek for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Plasencia, Rose	Caroli Plasencia for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Claudi Plasencia for the payment of the Accrued But Unpaid Service Retirement Allowance

Pochmara, Gary R	Kerstin B Pochmara for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Rojas, Leonor	Raul M Rojas for the payment of the Accrued But Unpaid Continuance Allowance
Russell, Jeffrey S	Lisa Moskowitz for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions Pamela Russell for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Snowden, Pamela E	Jolanda Gunning-Snowden for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
St Michel, Norma	Rebeka Sue St Michel for the payment of the Accrued But Unpaid Continuance Allowance Tami Michele Filosa for the payment of the Accrued But Unpaid Continuance Allowance
Starks, Lorne T	Alexandra Riley for the payment of the Accrued But Unpaid Continuance Allowance
Stewart, Sheila K.	Colin E Stewart for the payment of the Accrued But Unpaid Continuance Allowance
Stone, Roberta L.	Ruth Elaine White for the payment of the Accrued But Unpaid Continuance Allowance

Takamatsu, Emiko	Carole Midori Sugimoto for the payment of the Accrued But Unpaid Continuance Allowance
	Gary Curtis Takamatsu for the payment of the Accrued But Unpaid Continuance Allowance
	Michael Guy Takamatsu for the payment of the Accrued But Unpaid Continuance Allowance
Tomlinson, Barbara	Gene E Tomlinson for the payment of the Burial Allowance
Wigert, Earl E	Gregg Earl Wigert for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

TIER 3
None

APPROVED DEATH BENEFIT PAYMENTS – Active Members

Deceased	Beneficiary/Payee
TIER 1	
Abele, Carol P	Jasmine P Abele-Park for the payment of the Accumulated Contributions Sarah Abele for the payment of the Accumulated Contributions
Altamirano, Roberto G	Jonathan Roberto Altamirano Chavez for the payment of the Accumulated Contributions
Isidro, Larry A	Lorenzo Isidro for the payment of the Accumulated Contributions
Linz, Michael R	Giovanna T Linz for the payment of the Service Retirement Survivorship Allowance
Uthe, Patrick Michael	Annette Uthe for the payment of the Accumulated Contributions
TIER 3	
Cassara, John Michael	Martha M Cassara for the payment of the Disability Retirement Survivorship Allowance

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

Agenda of: November 10, 2026
Item No: III-C

MONTHLY REPORT ON SEMINARS AND CONFERENCES ATTENDED BY BOARD MEMBERS ON BEHALF OF LACERS FOR THE MONTH OF OCTOBER 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 Janna Sidley
Vice President Sung Won Sohn

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

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

Board Agenda of: November 10, 2026
Item No.: V-A

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

October 13, 2026
10:03 A.M.

Present:

Janna Sidley, President

Sung Won Sohn, Vice President

Thuy Huynh, Commissioner

Susan Liem, Commissioner

Thomas Moutes, Commissioner

Gaylord "Rusty" Roten, Commissioner

Vacant

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 Sidley asked if any persons wanted to make a general public comment, to which there were no public comment cards received.

Commissioner Roten joined the meeting at 10:05 A.M.

II

GENERAL MANAGER VERBAL REPORT

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

- 2026 Special Election for Employee-Member of the Board: A ballot package for the Special Election for the Employee-Member of the LACERS Board will be mailed to all Active Members on Monday, October 26, 2026. The package includes the ballot, voting instructions, and candidate qualification statements. Marked ballots must be received by the City Clerk-Election Division no later than 5:00 p.m. on Friday, November 13, 2026. Members may also hand-deliver their ballots to the Election Division during regular business hours from November 6 through November 13. Ballots will be tallied on Tuesday, November 17, 2026, beginning at 9:00 a.m. at the Election Division. The candidate receiving the highest number of votes will fill the unexpired term ending June 30, 2029. For questions, Members may contact the Election Division at (213) 978-0444 or Clerk.ElectionAdmin@lacity.org, or the LACERS Board Office at (213) 855-9348.
- LACERS Management Audit: Last week, LACERS received a notice from the Office of the Controller that the City is initiating a Charter-mandated management audit of LACERS. Under the City Charter, each city pension system must undergo a management audit every five years. This audit is jointly administered by the Office of the Controller, the Office of the Mayor, and the Office of the Chief Legislative Analyst. The most recent management audit of LACERS was conducted in 2022.
- Joint Labor-Management Committee on Commute Options and Parking: Last week we were notified that the City was going to be hearing a staff report at the JLMC-COP with regard to recommendations concerning LACERS and LAFPP staff parking charges, or lack thereof. When LACERS moved from the LA Times building to the Chinatown area, LACERS staff fell out the covered area of the City's Parking MOU, which is joint labor management agreement aimed at

reducing traffic in the downtown area. Shortly after LACERS move to our current headquarters building, the city revised the MOU to include LACERS building.

- Operations: 2027 Open Enrollment: LACERS Open Enrollment period will run from October 15 through November 16. During this time, Members can enroll in the new health plans, make changes to their current plans, or add eligible dependents. Any changes made will take effect on January 1, 2027. Members may submit enrollment forms through email, fax, mail, in person at the LACERS office, or through LACERS Secure Upload. Members who wish to keep their current coverage do not need to take any action.
- LACERS Well Update: In September, LACERS Wellness hosted nine events with more than 300 participants. Two events were especially well attended: The Music Center Tour, which drew 85 participants who enjoyed a cultural walking tour of the Music Center and Walt Disney Concert Hall in Downtown LA, and the annual Financial and Estate Planning Workshop, where about 80 Members received guidance on the basics of wills, trusts, and financial planning.

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

The Board Meeting on October 27, 2026, has been cancelled.

Board Meeting November 10, 2026:

- Actuarial Valuations as of June 30, 2026, and Proposed City Contribution rates for Fiscal Year 2027-28
- Governance Committee: Consideration of new Board policies

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. GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS 68 AND 75 ACTUARIAL VALUATIONS BASED ON JUNE 30, 2025 MEASUREMENT DATE FOR EMPLOYER REPORTING AS OF JUNE 30, 2026 – This report was received by the Board and filed.

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

IV

COMMITTEE REPORT(S)

A. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON OCTOBER 13, 2026 – President Sidley stated the Committee approved the Board Policy Review: Board Self-Evaluation Policy and Board Policy Review: Contractor Disclosure Policy.

V

CONSENT ITEMS

A. APPROVAL OF MINUTES FOR THE MEETINGS ON SEPTEMBER 8, 2026 AND SEPTEMBER 22, 2026 AND POSSIBLE BOARD ACTION - Commissioner Huynh moved approval, seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Huynh, Liem, Moutes, Roten, Vice President Sohn, and President Sidley -6; Nays, None.

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

APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR RAUL CANALES

RESOLUTION 261013-A

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

WHEREAS, Physicians 1, 2, and 3 examined and concluded Raul Canales is unable to perform their usual and customary duties as a Special Programs Assistant II with the City of Los Angeles;

WHEREAS, after consideration of the evidence received, the Board determined that Raul Canales is incapacitated pursuant to the definition in Los Angeles Administrative Code Section 4.1008(b) and is not capable of performing the duties of a Special Programs Assistant II;

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; and,

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

Which motion was seconded by Commissioner Roten and adopted by the following vote: Ayes, Commissioners Huynh, Liem, Moutes, Roten, Vice President Sohn, and President Sidley -6; Nays, None.

Commissioner Liem recused themself from the meeting.

VI

BOARD/DEPARTMENT ADMINISTRATION

A. CHIEF INVESTMENT OFFICER RECRUITMENT PROCESS, AD-HOC COMMITTEE FORMATION AND POSSIBLE BOARD ACTION – Kevin Hirose, Senior Personnel Analyst II, presented and discussed this item with the Board for 13 minutes.

   President Sidley moved approval of staff's recommendation in the report and six criteria named in the report, seconded by Commissioner Roten, with the following vote: Ayes, Commissioners Huynh, Roten, and President Sidley -3; Nays, Moutes, and Vice President Sohn -2. This motion did not pass.

   Vice President Sohn moved to approve staff's recommendation in the report, excluding bullet point six that involves the Committee members selecting Semi-Finalists.

   Commissioner Moutes moved approval, seconded by Vice President Sohn, and adopted by the following vote: Ayes, Commissioners Huynh, Moutes, Roten, and Vice President Sohn -4; Nays, President Sidley -1.

Commissioner Liem returned to the meeting.

B. BOARD POLICY REVIEW: CUSTOMER SERVICE POLICY AND POSSIBLE BOARD ACTION – Chhintana Kurimoto, Management Analyst, presented and discussed this item with the Board for two minutes. Commissioner Huynh moved approval, seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Huynh, Liem, Moutes, Roten, Vice President Sohn, and President Sidley -6; Nays, None.

VII

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Wilkin Ly, Acting Chief Investment Officer, reported on the portfolio value of $28.89 billion as of October 12, 2026; and the Volatility Index at 15.2. Wilkin Ly discussed the following items:

   INDUSTRY NEWS:
   a. Discussion of U.S. market events

- Relationship of VIX to the broader market movements
- Asset class performance for the period of 1/1/26 to 9/30/26
- Impact of high interest rates on the economy
- Mortgage rates above 7% and effect on the consumer
- Challenges to the commercial real estate market

FUTURE AGENDA ITEMS:
a. Public market contract renewals
b. Private market portfolio performance reviews
c. Private market strategic plan presentations

B. GENERAL FUND CONSULTANT REQUEST FOR PROPOSAL AND POSSIBLE BOARD ACTION – Todd Bouey, General Manager, Wilkin Ly, Acting Chief Investment Officer, and James Wang, Investment Officer I, presented and discussed this item with the Board for ten minutes. Commissioner Moutes moved approval, seconded by Vice President Sohn, and adopted by the following vote: Ayes, Commissioners Huynh, Liem, Moutes, Roten, Vice President Sohn, and President Sidley -6; Nays, None.

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 October 27, 2026, LACERS Regular Board meeting is canceled. The next Regular meeting of the Board is scheduled for November 10, 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 Sidley adjourned the meeting at 10:50 A.M.

Janna Sidley, President
Todd Bouey, Manager-Secretary

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: NOVEMBER 10, 2026
FROM: TODD BOUEY, GENERAL MANAGER
ITEM: VI-A

SUBJECT: BOARD POLICY REVIEW: BOARD SELF-EVALUATION POLICY AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation
That the LACERS Board of Administration ("Board") adopt the proposed Board Self-Evaluation Policy developed based on the policy framework selected by the Governance Committee ("Committee") on October 13, 2026.

Executive Summary
The 2022 Management Audit identified an opportunity for LACERS to strengthen its governance framework by adopting additional best-practice policies, including a formal Board Self-Evaluation Policy. Staff now presents the proposed policy for the Board's consideration.

Discussion
On October 13, 2026, staff presented three options for the Committee's consideration regarding the structure of a Board Self-Evaluation Policy:

1. Utilizing existing Board Manual authority
2. Establishing a consultant-facilitated evaluation policy
3. Implementing an internally facilitated evaluation policy

The Committee selected Option 3, the internally facilitated evaluation approach, and directed staff to develop a policy providing for Board self-evaluations at intervals of no more than five years. The proposed policy establishes a framework for conducting periodic Board self-evaluations to assess governance effectiveness, fiduciary oversight, Board operations, and opportunities for continuous improvement. The proposed policy promotes good governance by strengthening the Board's ability to fulfill its fiduciary and oversight responsibilities.

Upon Board approval, staff will incorporate the policy into Article I – Board Governance Statement, Section 1.0 of the Board Manual. The Board Self-Evaluation Policy will be added as the fifth policy under the section “Guidance for Board Members.”

Prepared By:
Lisa Li, Management Analyst

TB:VJ:CK:LL

ATTACHMENT(S):
1. Article I, Section 1.5 Board Self-Evaluation Policy
2. Report to Governance Committee Dated October 13, 2026

BOARD MEETING: NOVEMBER 10, 2026

ITEM: VI-A

ATTACHMENT: 1

Section 1.0 GUIDANCE FOR BOARD MEMBERS

1.5 BOARD SELF-EVALUATION POLICY

Purpose

Governance best practices encourage public boards of trustees to dedicate time to reflect on their performance and pursue ongoing improvements in board governance and compliance. This policy provides a structured framework for LACERS' Board of Administration ("Board") to conduct board member self-evaluations, enabling Board members to assess how effectively they fulfill their fiduciary and statutory duties as individuals and how the Board fulfills those duties as a body, and to continuously strengthen governance practices.

I. Responsibility

The Board is collectively responsible for implementing this policy and regularly participating in meaningful self-evaluations. The Board will determine the appropriate methods, tools, and criteria for assessing its effectiveness and governance practices. In carrying out this process, the Board may seek assistance from internal staff and the City Attorney's Office. When the Board desires outside perspectives and support, it may engage an external consultant. All Board Members share responsibility for actively participating in the self-evaluation process to enhance the overall governance practices.

II. Guidelines

A. Method

- The Board will conduct a comprehensive self-evaluation every three years. This cycle ensures regular reflection on Board performance while providing enough time between evaluations to implement improvements and observe progress.

- A formal evaluation survey will be used to assess Board members' performance and effectiveness. The survey may evaluate various aspects of governance and Board operations, such as the following areas:
    - Board Responsibility
    - Timeliness and Thoroughness of Decision-Making
    - Board Meeting Protocol
    - Policy Development
    - Use and Effectiveness of Committees
    - Delegation and Oversight
    - Board-Staff Relations
    - Board Education

Section 1.0 GUIDANCE FOR BOARD MEMBERS

The evaluation will be anonymous to encourage candid responses and honest feedback.

- Every Board Member is expected to participate fully and thoughtfully in the evaluation, providing the diverse perspectives needed to accurately assess performance and identify opportunities for improvement and development.

- The Board may also seek input from staff or other individuals at its discretion for a more complete and informed evaluation process.

B. Analysis and Reporting of Survey Findings

- Board-designated personnel/contractor will gather submitted evaluations, organize the responses into common themes, and prepare a summary of findings that highlight patterns, areas of consensus, and areas of concern. Board-designated personnel/contractor will distribute this summary to the Board.

- Based on the summary of findings, Board-designated personnel/contractor will assist the Board in identifying responsive actions, such as updating Board procedures, providing enhanced training and orientation, or improving communication practices.

C. Confidentiality

- All self-evaluation responses and materials pertaining to evaluation summaries are confidential to ensure maximum candor among Board members.

BOARD MEETING: NOVEMBER 10, 2026

ITEM: VI-A

ATTACHMENT: 2

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO GOVERNANCE COMMITTEE
MEETING: OCTOBER 13, 2026
FROM: TODD BOUEY, GENERAL MANAGER
ITEM: III

SUBJECT: BOARD POLICY REVIEW: BOARD SELF-EVALUATION POLICY AND POSSIBLE COMMITTEE ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation
That the Governance Committee (Committee) provide direction on whether to pursue the development of a Board Self-Evaluation Policy, and if so, the appropriate scope and structure of such a policy.

Executive Summary
The 2022 Management Audit recommended that LACERS strengthen its governance framework by adopting additional best-practice policies, including developing a formal Board Self-Evaluation Policy. While the Board policies collectively support the Board's execution of its responsibilities, the Board Self-Evaluation Policy addresses the Board's periodic reflection on its performance and effectiveness. In recognition of this distinct purpose, staff have outlined three potential options to move forward with the policy discussion.

Discussion
In developing a framework for a Board Self-Evaluation Policy, staff have prepared three options for the Committee to review. Each option offers varying degrees of structure and external involvement for formalizing the Board's periodic self-assessment. For reference, one sister pension system within the City does maintain a dedicated Board Self-Assessment Policy, while the other does not.

1. Utilizing Existing Board Manual Authority

   LACERS does not currently have a dedicated Board Self-Evaluation policy. However, Article 1, Section 3.1 of the Board Manual outlines that one of the Board's responsibilities is to periodically assess its own performance and take any necessary steps to enhance its operations. This language already provides sufficient authority and direction for the Board

to conduct self-evaluations without the need to establish a separate formal policy. The absence of a standalone policy also allows the Board greater flexibility in choosing when and how to carry out these evaluations.

2. Establishing a Consultant-Facilitated Evaluation Policy

   LACERS has conducted several Board self-evaluations in past years, each facilitated by a strategic planning consultant. These evaluations typically occurred around the same period as broader strategic planning activities, providing an opportunity for reflection and assessment while the Board was already engaged in long-term planning discussions. Historically, the process involved completing an evaluation form, followed by a facilitated group discussion, and concluded with an action plan prepared by the consultant that summarized recommendations and proposed improvements.

   By formalizing this practice into a standalone Board Self-Evaluation policy, LACERS can create a clear and predictable framework for future evaluation cycles. Other peer pension systems, such as the California Public Employees' Retirement System (CalPERS) and the California Teachers' Retirement System (CalSTRS), also maintain formal Board self-evaluation policies that include third-party facilitated discussions on defined schedules. Pursuing this option would keep LACERS well aligned with broader public pension governance standards.

3. Implement an Internally Facilitated Evaluation Policy

   LACERS can also establish a formal Board Self-Evaluation policy that outlines an internally facilitated process and sets a schedule for completing evaluations. This approach would allow the Board to design its own evaluation process, drawing on familiar components such as a questionnaire, discussion, and the development of an action plan on a timeline that best suits the Board's operational needs, without coordinating with the consultant's availability. The Los Angeles Fire and Police Pensions (LAFPP), currently uses an internally facilitated model on a set schedule, providing a practical example of how this approach can be successfully implemented within a similar governance environment.

Staff seeks the Committee's direction on which option or other alternatives to pursue and will return with a draft policy or framework based on the Committee's guidance.

Prepared By:
Lisa Li, Management Analyst

TB:VJ:CK:LL

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: NOVEMBER 10, 2026
FROM: GOVERNANCE COMMITTEE
Janna Sidley, Chair
Thuy Huynh
Susan Liem
ITEM: VI-B

SUBJECT: BOARD POLICY REVIEW: CONTRACTOR DISCLOSURE POLICY AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation
That the LACERS Board of Administration (Board) adopt the proposed Contractor Disclosure Policy as reviewed and approved by the Governance Committee (Committee) on October 13, 2026.

Executive Summary
LACERS' Contractor Disclosure Policy was originally adopted on August 13, 2019. Staff has modernized the policy to clarify the language and organization, streamline procedures, transition disclosure submissions to an online reporting form, and refine reporting timelines and requirements. Staff now presents the proposed policy for the Board's consideration.

Discussion
On October 13, 2026, the Committee reviewed the policy draft and recommended its adoption by the full Board. The proposed policy is designed to prevent impropriety and ensure transparency in LACERS' decision-making processes. It also ensures that investment and procurement decisions are made solely on the merits of the goods and services proposed to be provided by contractors to LACERS.

Upon Board approval, staff will incorporate the policy into Article II – Board Administrative Policies, Section 2.0 of the Board Manual. The Contractor Disclosure Policy will be added as the fourth policy in the Contract Administration section.

Prepared By:
Colin Tran, Internal Auditor

TB:RO:CT

ATTACHMENT(S): 1. Report to Governance Committee Dated October 13, 2026

BOARD MEETING: NOVEMBER 10, 2026
ITEM: VI-B
ATTACHMENT 1

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO GOVERNANCE COMMITTEE
MEETING: OCTOBER 13, 2026
FROM: TODD BOUEY, GENERAL MANAGER
ITEM: IV

SUBJECT: BOARD POLICY REVIEW: CONTRACTOR DISCLOSURE POLICY AND POSSIBLE COMMITTEE ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation
That the Governance Committee (Committee):

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

Executive Summary

LACERS' Contractor Disclosure Policy was originally adopted on August 13, 2019. The Contractor Disclosure Policy was designed to prevent impropriety and ensure transparency in LACERS' decision-making processes. Staff has modernized the policy to clarify the language and organization, streamline procedures, transition disclosure submissions to an online reporting form, and refine reporting timelines and requirements.

Discussion

Staff recommend approval of the revised Contractor Disclosure Policy. The proposed updates modernize the reporting process and clarify requirements for various contractors. Key changes to the policy include:

Online Reporting Form: Contractors are now required to submit Contractor Disclosure information to Internal Audit through a designated online form. This modernizes the delivery instructions and replaces the previous standard procedure of emailing each form or mailing physical forms.

Reporting Deadlines: The periodic disclosure submission deadline has been reduced from 45 calendar days to 21 business days after the end of the semi-annual period or year, as applicable.

Updates to Language and Organization: Internal Audit noted that policy language could be clearer as to who within contractors' personnel (the contractors' Officers, marketing representatives, relationship representatives, etc.) the policy applies to for reporting requirements for initial and periodic disclosures.

Implementation of New Asset Classes: The previous Contractor Disclosure Policy did not address reporting requirements for private credit funds. Internal Audit also noted that Real Estate and Infrastructure Closed-End Funds are similar in structure to private equity funds and private credit funds, and should be reported annually, whereas Real Estate and Infrastructure Open-End Funds will continue to be reported semi-annually.

Increase to Minimum Threshold: The policy currently excludes contracts that the General Manager is authorized to approve, in the amount of $20,000 or less and for no more than a one-year period. The new threshold amount of $25,000 is consistent with the Los Angeles Administrative Code Section 10.1.1.

Exception to Gifts: A clarification was added noting that the de minimis exemption for gifts of $50 does not modify or override the prohibitions on gifts and entertainment applicable during a Restricted Period or contract renewal evaluation period.

With the Committee's approval and upon Board adoption, the revised Contractor Disclosure Policy will be incorporated into Article II – Board Administrative Policies, Section 2.0 of the Board Manual.

Prepared By:
Colin Tran, Internal Auditor

TB:RO:CT

ATTACHMENT(S): 1. Article II, Section 2.4 Contractor Disclosure Policy
2. Contractor Disclosure Policy, Adopted August 13, 2019

GOVERNANCE COMMITTEE MEETING: OCTOBER 13, 2026
ITEM: IV
ATTACHMENT 1

Section 2.0 CONTRACT ADMINISTRATION

2.4 CONTRACTOR DISCLOSURE POLICY

Adopted: [August 13, 2019; Revised: October 13, 2026]

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 outlines when LACERS requires the full and timely 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' Ethical Contract Compliance 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 communication between staff, 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 Contractor. Such communications do not always rise to the level of "Undue Influence" as defined in this policy but nevertheless are subject to disclosure.

B. APPLICATIONS, EXCLUSIONS, AND REPORTING

1. APPLICATIONS

This policy applies to LACERS' application, selection, and monitoring processes regarding Contractors. It is applicable to all Contractors who participate in the selection process for the award of a LACERS contract. This policy also applies to all agreements with Contractors that are entered into after this Policy was adopted on August 13, 2019.

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 an increased commitment of funds by LACERS pursuant to the existing agreement
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:

a. Contracts in the amount of $25,000 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 or currently delegated authority limits.
b. Low-cost equipment maintenance agreements and service for equipment repair. "Low cost" is defined as $2,000 or less.
c. Contracts with a duration of less than 3 months.
d. City or state contracts/agreements for which LACERS utilizes the existing City or state contract or agreement.

3. REPORTING

a. **Initial (New) Disclosures** For all new contracts and investments, Contractors are required to complete a Contractor Disclosure form and disclose reportable items (as defined by this Policy) that occurred during the twenty-four (24) month period prior to Board consideration of a new contract/investment. For private equity funds, private credit funds, real estate, and infrastructure funds, the fund's general partner (or equivalent managing entity) shall provide disclosure information for the prior twenty-four month period at the time the Board considers a new or additional investment in the fund.

b. **Periodic Disclosures** For existing contracts, Contractors are required to complete a Contractor Disclosure form ***semi-annually***. Semi-annual disclosures are due 21 business days after the end of the semi-annual period. For contracts that are extended or renewed, the Contractor must have submitted the most recent semi-annual disclosure. LACERS internal audit staff will review previously submitted Contractor Disclosures to determine if there is a disclosure to report to the Board at the time the contract renewal or extension is being considered by the Board. General partners (or equivalent managing entities) of Real Estate Open-End or Infrastructure Open-End Funds are required to submit a Contractor

Disclosure form ***semi-annually***. General partners (or equivalent managing entities) of private equity funds, private credit funds, Real Estate Closed-End, or Infrastructure Closed-End Funds are required to submit a Contractor Disclosure form ***annually***.

Non-investment and non-legal Contractors paid $25,000 or less each fiscal year by LACERS shall submit a Contractor Disclosure no later than 21 business days after June 30th each year. LACERS internal audit staff will review fiscal year expenditures to identify which non-investment or non-legal contractors must report annually. Should fiscal year expenditures result in a change to the reporting frequency of a non-investment or non-legal Contractor, LACERS internal audit staff will notify the firm accordingly.

C. CAMPAIGN CONTRIBUTIONS

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”).

Disclosures required by Section C 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.

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.

Exemptions: 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.

D. OTHER CONTRIBUTIONS/PAYMENTS

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. Disclosures required include, but are not limited to, any monetary contribution or financial benefit to any of the following (collectively, "Contractor Miscellaneous Contribution Disclosures"):

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.

Disclosure requirements apply to the Contractor, any of its Officers, any marketing representatives, relationship representatives, portfolio managers, members of their investment committee, or Intermediaries that are involved with the product or service provided, or sought to be provided, to LACERS, and any Family Members of any of the previously listed individuals.

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.

E. GIFTS

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.

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:

   i. The name and address of each person providing the Gift and each such person's connection to the Contractor;
   ii. The name and title of each person receiving the Gift;
   iii. The value of the Gift;

iv. A description of the Gift; and
v. 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 connection with Investment Consultant's recommendations of funds, products, or services made to LACERS.

For each 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).

Exemption: Gifts are reportable when the fair market value of the Gifts to a single person is more than $50 or when multiple Gifts to a single person are more than $50 per calendar year. Contractors must keep track of Gifts made directly or indirectly to officials, staff, and representatives described above to identify if the reporting threshold is met. However, this de minimis exemption does not modify or override the strict prohibitions on gifts and entertainment applicable during a Restricted Period or contract renewal evaluation period under Board Policy 2.1.

F. CONTACT STATEMENT

1. **Initial (New) Disclosures** Each Contractor is responsible for providing to staff prior to hiring for new agreements/investments, 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. Required disclosure of contacts by Intermediaries is described in Section G.

2. **Periodic Disclosures** For existing agreements, each Contractor shall also disclose any contacts with Appointed or Elected Officials during the term of the agreement, contract, or investment on a semi-annual basis.

Section 2.0 CONTRACT ADMINISTRATION

G. INTERMEDIARIES

Each Contractor is responsible for providing to staff, as part of the initial and periodic Contractor Disclosure, the following information:

1. Notice to LACERS 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.

2. A statement whether the Contractor, any of its Officers, marketing or relationship representatives, portfolio managers, members of the investment committee, or any individuals that are involved with the product or service provided to LACERS (or any Family Members of the individuals listed), 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.

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 each Intermediary identified pursuant to Section G.2 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-month period prior to Board approval of a new agreement or investment. The list 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.

H. CONTRACTOR RESPONSIBILITIES

1. Each Contractor is responsible for providing to staff, as part of the Contractor Disclosure, a representation and warranty signed by the Contractor's chief executive officer, other officer as defined in this Policy, 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.

2. 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 both the spirit and 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.

3. All information required in the Contractor Disclosure shall be completed and submitted electronically to LACERS Internal Audit staff via the designated online form.

   While electronic submission via the online portal is the primary and required method, Contractors experiencing technical issues or portal outages may submit completed forms and attachments via secure email to Auditor@LACERS.org or by mail to the

address listed below:

Los Angeles City Employees' Retirement System
Internal Audit Section
977 N. Broadway
Los Angeles, CA 90012-1728
Office: (213) 855-7116

The Contractor Disclosure is due 21 business days after the end of the semi-annual period or year, as applicable.

I. LACERS RESPONSIBILITIES

LACERS staff are responsible for all of the following:

a. Section managers are responsible for providing Contractors with a copy of this Policy with all Requests for Proposals 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 J.

e. Internal audit staff will provide the Board, including the relevant Committee, with the Contractor Disclosure information prior to the Board making or approving any decision to invest or procure with a Contractor.

f. Internal audit staff will compile a yearly Board report containing the names and amount of compensation agreed to be provided to each Intermediary by each

Contractor, the campaign or other contributions and gifts of each Contractor, and the List of Contacts as reported in the Contractor Disclosures; the List of Exclusions, and the List of Outstanding Contractor Disclosures.

g. Staff is responsible for 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.

J. 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. The Contractor shall reimburse LACERS the greater of: (1) the Contractor, management or advisory fees paid by LACERS for one year; or (2) the amounts paid or promised to be paid to the Intermediary.

2. LACERS shall have the authority to terminate the separate account investment management agreement immediately, without penalty. For non-investment agreements, LACERS shall have the authority to terminate the agreement without penalty.

3. The Board may take action to ban the Contractor from future contracting opportunities with LACERS.

In addition, the Contractor will be ineligible for, and will not solicit, future agreements with LACERS for five years after Board's determination of the violation. However, the prohibition may be reduced by a majority vote of the Board at a public session upon a showing of good cause.

Also, any Intermediary who the Board determines has materially violated this Policy shall be ineligible for, and shall not solicit, future contracts with LACERS for five years after such Board determination. However, this penalty may be reduced by a majority vote of the Board at a public session upon showing of good cause.

K. 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, or earlier if necessitated by changes in local, State, or Federal statutes or updates to underlying Board Policies.

See Appendix A – CONTRACTOR DISCLOSURE POLICY DEFINITIONS.

Section 2.0 CONTRACT ADMINISTRATION

APPENDIX A - CONTRACTOR DISCLOSURE POLICY 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 Contractor is responsible for complying with current laws and changes thereto.

Applicable City Employee
(1) A LACERS employee designated as a City Official under LAMC Section 49.5.2(C), or (2) a lawyer in the Public Pensions General Counsel Division or Outside Counsel Oversight Division of the Los Angeles City Attorney's Office or 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 H 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

Section 2.0 CONTRACT ADMINISTRATION

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

Financial Benefits
Other financial benefits include having a 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 seq., 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).

Section 2.0 CONTRACT ADMINISTRATION

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
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.

Real Estate/Infrastructure Closed-End Funds
Closed-end commingled funds that are finite life investment vehicles.

Real Estate/Infrastructure Open-End Funds
Open-end commingled funds that are an indefinite pool of assets diversified by geography and property type.

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 act freely.

GOVERNANCE COMMITTEE MEETING: OCTOBER 13, 2026
ITEM: IV
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:

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

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.

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

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

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

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.

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: NOVEMBER 10, 2026
FROM: TODD BOUEY, GENERAL MANAGER
ITEM: VI-C

SUBJECT: PRESENTATION BY SEGAL OF THE ACTUARIAL VALUATIONS AS OF JUNE 30, 2026 AND PROPOSED CITY CONTRIBUTION RATES FOR FISCAL YEAR 2027-28 AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation

That the Board adopt the attached actuarial valuation reports of its consulting actuary, Segal, for the period ending June 30, 2026, including:

1) *Actuarial Valuation and Review of Retirement Benefits* and *Actuarial Valuation and Review of Other Postemployment Benefits (OPEB),* which establish the recommended City contribution rates for Fiscal Year 2027-28 (Attachments 3 and 4);

2) *Governmental Accounting Standards Board (GASB) 67 Pension Valuation* and *GASB 74 Other Postemployment Benefits Valuation (OPEB)* (Attachments 5 and 6), which provide the financial disclosures to meet LACERS' June 30, 2026, financial reporting requirements of the Governmental Accounting Standards Board; and,

3) *Larger Annuity Program Valuation (Attachment 7),* which is a biennial valuation of the Larger Annuity Program.

Executive Summary

The Board's consulting actuary, Segal, performed the annual actuarial valuation of the retirement and the retiree health benefits of the LACERS Retirement and Health System (System) based on census data as of June 30, 2026 (see Attachment 1 for summary

results). The actuarial valuation determines the System's funded status as of June 30, 2026, and the City's contribution rates for Fiscal Year (FY) 2027-28.

Overall, the System's assets and UAAL increased, while funded ratios improved for retirement benefits but declined for retiree health benefits, primarily due to changes in actuarial assumptions and higher-than-expected salary increases for continuing active members, partially offset by investment returns on the valuation value of assets that exceeded the assumed rate of return, expected reductions in UAAL from required contributions, and the transfer of LACERS Sworn Peace Officers and Park Rangers to LAFPP Tier 6.

The aggregate employer rate (if received on July 15) calculated in this valuation has increased from 31.99% to 35.49% of payroll.

Segal prepared separate valuation reports in accordance with the requirements of the Governmental Accounting Standards Board (GASB) Statements No. 67 – *Financial Reporting for Pension Plans* and No. 74 – *Financial Reporting for Postemployment Benefit Plans*. Information from these valuations will be reported in LACERS' June 30, 2026, financial statements.

Segal also prepared a biennial valuation of the Larger Annuity Program (LAP) as of June 30, 2026. The last review of the LAP was conducted as part of the June 30, 2024, actuarial valuation. Based on the latest valuation, the LAP reported a surplus of $1.80 million when measured using the valuation value of assets and a surplus of $8.49 million when measured using the market value of assets, indicating that assets exceed the unfunded actuarial liability under both measures.

Discussion

Retirement and Other Postemployment Benefit (OPEB) Actuarial Valuations

Segal performed the annual actuarial valuation of the retirement benefits and the retiree health benefits of the System based on census data as of June 30, 2026 (see Attachments 3 and 4). The actuarial valuation determines the System's funded status as of June 30, 2026, and the City's contribution rates for FY 2027-28. The report also updates actuarial and demographic information about the System and its Members.

Significant Valuation Results

Valuation Ending	**June 30, 2026**	**June 30, 2025**	**Percent Change**
Total System Assets			
A. Actuarial Value	26,281,951,998	24,799,377,599	6.0%
B. Market Value	28,400,973,615	25,375,318,626	11.9%
Unfunded Actuarial Accrued Liability (UAAL)			

A. Retirement Benefits	7,403,643,957	7,013,981,160	5.6%
B. Health Subsidy Benefits	67,591,511	(223,295,413)	(130.3%)
C. Total	7,471,235,468	6,790,685,747	10.0%
Funded Ratio (Based on Valuation Value of Assets)			
A. Retirement Benefits	74.7%	74.6%	0.1%
B. Health Subsidy Benefits	98.5%	105.8%	(7.3%)
C. Total	77.8%	78.4%	(0.6)%

Valuation Highlights

Following the completion of Segal's Actuarial Experience Study for July 1, 2022 through June 30, 2025, the Board adopted new assumptions on June 23, 2026, and this valuation incorporates those assumptions. These changes resulted in an increase in the aggregate (Tier 1 and Tier 3) employer rate of 3.00% of payroll (if received on July 15). The impact on the employer rates includes an increase in the normal cost rate of 1.58% of payroll and an increase in the unfunded actuarial accrued liability (UAAL) rate of 1.42% of payroll that was associated with an increase in the UAAL of $741 million.

The System's UAAL increased primarily due to:

a. changes in actuarial assumptions; and
b. higher-than-expected salary increases for continuing active members

These factors are partially offset by:

a. the investment return on the valuation value of assets (i.e., after asset smoothing) greater than the assumed rate of 7.00% used in the June 30, 2025 valuation;
b. the expected decrease in the UAAL due to contributions required to be made under the Board's actuarial funding policy; and
c. the transfer of LACERS Sworn Peace Officers and Park Rangers to LAFPP Tier 6.

The return on the Actuarial Value of Assets for retirement benefits was 8.44% as of June 30, 2026, which resulted in an actuarial gain of $298.5 million when compared to the 7.0% assumed rate of return.

- The ratio of the valuation value of assets to actuarial accrued liabilities for retirement benefits increased year-over-year from 74.60% to 74.65%. On a market value basis, the funded ratio for the retirement benefits increased year-over-year from 76.33% to 80.67%.

- The funded ratio for the retiree health benefits on a valuation value basis decreased year-over-year from 105.77% to 98.47%. On a market value basis, the funded ratio for the health benefits decreased from 108.23% to 106.41%.

- The actuarial value of total System assets as of June 30, 2026 increased 6.0% over the prior year, from $24.8 billion to $26.3 billion. On a market basis, there was an 11.9% increase in assets from $25.4 billion to $28.4 billion.

- The UAAL for retirement benefits increased 5.6% over the prior year, from $7.01 billion to $7.40 billion.

- The UAAL for the retiree health benefits changed 130.3% from a surplus of $223.2 million to an unfunded liability of $67.6 million, reflecting a change of $290.9 million.

- The total UAAL for both the retirement benefits and the retiree health benefits as of June 30, 2026 is $7.47 billion, an increase of $680.5 million from the previous year.

Actuarially Determined Employer Contributions

The City's contribution is the sum of the Normal Cost plus an amortized payment of the UAAL. The Normal Cost is the portion of the actuarial present value of LACERS' plan benefits which is allocated to a valuation year using LACERS' adopted cost method – Entry Age. The amortization of the UAAL is the payment stream required to fund the difference between the actuarial accrued liabilities and the actuarial value of assets, determined by methods prescribed by LACERS' Amortization Policy. The actuary has calculated contribution rates that reflect Board-approved decisions, including the *Actuarial Experience Study* adopted on June 23, 2026, the retiree health assumptions adopted on September 22, 2026, and other applicable Board policies. Following are the actuarially determined City contribution rates as a percentage of City payroll for FY 2027-28 if received by July 15, 2027, as compared with current rates.

Employer Rates – Tier 1 and Tier 3 Combined

As a Percentage of City Payroll	**Recommended Rates FY 2027-28**	**Current Rates FY 2026-27**	**Difference**
Retirement	30.87%	28.40%	2.47%
Health	4.62%	3.59%	1.03%
Total	**35.49%**	**31.99%**	**3.50%**

The recommended combined employer contribution rate for FY 2027-28 is 3.50% higher than the current year rate.

The increase in the employer rate was primarily due to changes in actuarial assumptions, higher-than-expected salary increases for continuing active members, and the allocation of the prior year's UAAL amortization payments over a lower-than-expected total payroll. These factors were partially offset by investment gains after asset smoothing.

Actuarial Standards of Practice

Actuarial Standards Board ASOP 51 regarding risk assessment requires actuaries to identify and assess risks that "may reasonably be anticipated to significantly affect the plan's future financial condition." Certain risk factors are briefly discussed in the valuation, but a detailed analysis of risk relative to the System's future financial condition will be provided in a stand-alone report in the first quarter of Calendar Year 2027.

GASB Statement No. 67 and GASB Statement No. 74

Segal prepared separate valuation reports in accordance with the requirements of the GASB Statements No. 67 – *Financial Reporting for Pension Plans* and No. 74 – *Financial Reporting for Postemployment Benefit Plans* (see Attachments 5 and 6). Information from these valuations will be reported in LACERS' June 30, 2026, financial statements. Key highlights are identified below.

- As of June 30, 2026, the Net Pension Liability (NPL) decreased by $890 million year-over-year, declining to $5.65 billion. The NPL is a required disclosure in the notes to the pension plan's financial statements under GASB Statement No. 67 and must also be reported as a liability in participating employers' financial statements under GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*. Unlike the Unfunded Actuarial Accrued Liability (UAAL), the NPL is calculated using the market value of assets and reflects all investment gains and losses as of the measurement date. Another key disclosure required by GASB 67 is the Plan Fiduciary Net Position as a percentage of the Total Pension Liability, which was 80.67% as of June 30, 2026.

- As of June 30, 2026, the Net OPEB Liability (NOL) increased by $34.1 million year-over-year, reducing the surplus from $318.3 million to $284.2 million. The NOL is a required disclosure in the notes to the OPEB plan's financial statements under GASB Statement No. 74 and must also be reported in participating employers' financial statements under GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Additionally, GASB Statement No. 74 requires disclosure of the Plan Fiduciary Net Position as a percentage of Total OPEB Liability, which was 106.41% as of June 30, 2026.

Larger Annuity Program

Segal prepared the biennial actuarial valuation of the Larger Annuity Program (LAP) as of June 30, 2026 (see Attachment 7). The valuation value of the UAAL improved from a liability of $1.85 million as of June 30, 2024 to a surplus of $1.80 million as of June 30, 2026. The market value of the UAAL improved from a liability of $3.0 million to a surplus of $8.5 million. The valuation was performed using the same actuarial assumptions and methodology as the June 30, 2024 Retirement Plan valuation, except that, in accordance with Board Rule, a fixed 3% annual benefit increase is assumed for all tiers under the LAP. The improved funded position was primarily driven by investment returns that exceeded expectations over the two-year period. Note that staff is currently in the process of reviewing the LAP for possible improvements and will report to the Board with findings at a later date.

Dan Siblik of Segal will present the June 30, 2026 actuarial valuation reports.

Prepared By:
Edwin Avanessian, Chief Management Analyst

TB:RO:EA

ATTACHMENT(S):

1. Actuarial Valuation Overview
2. Actuarial Valuation and Review of Retirement, Other Postemployment and Larger Annuity Program Benefits as of June 30, 2026
3. Actuarial Valuation and Review of Retirement Benefits as of June 30, 2026
4. Actuarial Valuation and Review of Other Postemployment Benefits (OPEB) as of June 30, 2026
5. Governmental Accounting Standards Board Statement No. 67 (GASB 67) Actuarial Valuation of Retirement Benefits Measured as of June 30, 2026
6. Governmental Accounting Standards Board Statement No. 74 (GASB 74) Actuarial Valuation of Other Postemployment Benefits (OPEB) Measured as of June 30, 2026
7. Actuarial Valuation and Review of Larger Annuity Program as of June 30, 2026

BOARD MEETING: NOVEMBER 10, 2026

ITEM: VI-C

ATTACHMENT: 1

Los Angeles City Employees' Retirement System

Actuarial Valuation Overview

As of June 30, 2026

November 10, 2026 / Daniel Siblik / Mehdi Riazi

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Segal

Actuarial Valuation Fundamentals: Main Uses?



Primary

- **Contribution requirements**
- **Funded status**

- **Analysis of demographic experience**
- **Analysis of financial experience**
- **Basis for pricing plan changes**



Secondary

Note: Disclosure requirements are provided separately in the GASB 67 (Retirement) and 74 (OPEB) valuations.

Retirement Plan Valuation Highlights

Summary of Valuation Results — Retirement Plan

Aggregate Employer Contribution Rate*	Average Member Contribution Rate	Valuation Value Investment Return
30.9%	**10% T1; 11% T3**	**8.4%**
28.4% prior year	same rates prior year	14.6% market value**

Funded Ratio on Valuation Basis	Unfunded Liability on Valuation Basis	Funded Ratio on Market Basis	Unfunded Liability on Market Basis
74.7%	**$7.40B**	**80.7%**	**$5.65B**
74.6% prior year	$7.01B prior year	76.3% prior year	$6.54B prior year

* If received on July 15.
** Total system

Valuation Experience Highlights — Retirement Plan (1 of 2)

Investment experience

- Net **gain** from return of 8.4% (after asset smoothing)
  - Decreased UAAL by $299 million
  - Decreased employer contribution rate by 0.88% of payroll

Other experience

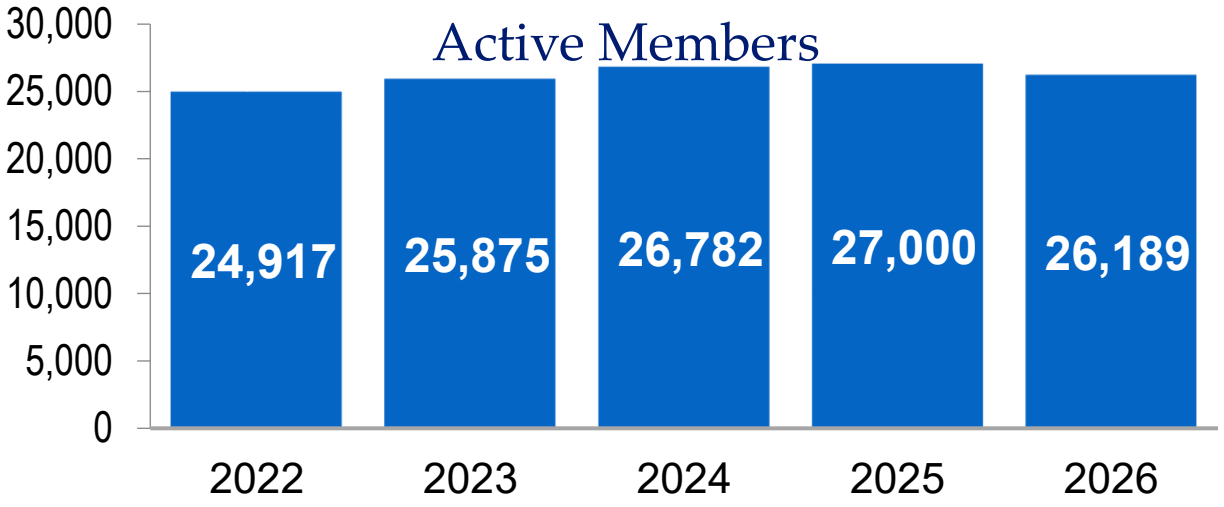
- Net **loss** from sources other than investments, primarily due to salary increases greater than assumed
  - Increased UAAL by $80 million
  - Increased employer contribution rate by 0.35% of payroll

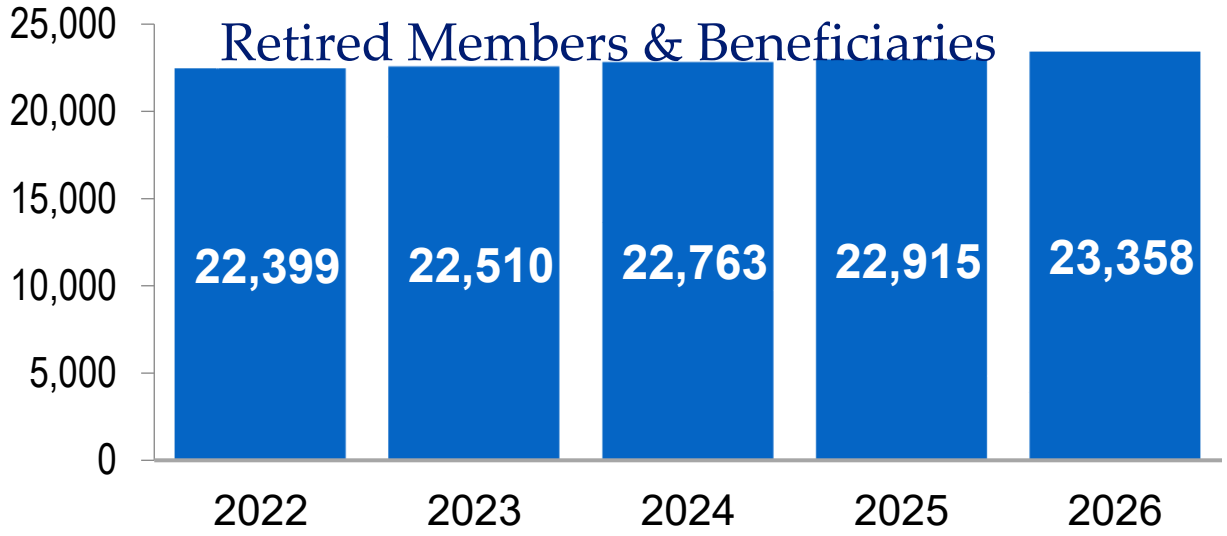
Valuation Experience Highlights — Retirement Plan (2 of 2)

Change in actuarial assumptions

- Net **loss** from change in actuarial assumptions
  - Increased UAAL by $741 million
    - Expected increase from triennial experience study was $813 million
  - Increased employer contribution rate by 3.00% of payroll
    - Expected increase from triennial experience study was 3.28%

Membership Demographics (as of June 30)





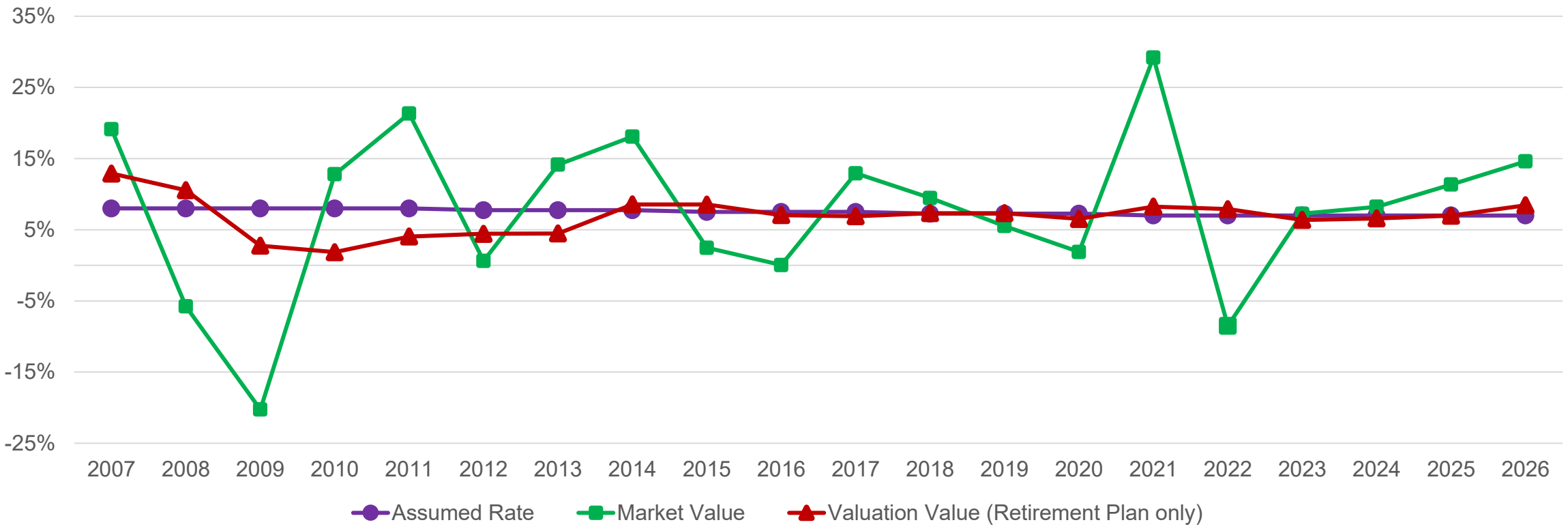
Active Members	2026	2025
Count	26,189	27,000
Average age	46.8	46.5
Average empl. service	12.6	12.4
Average compensation	$111,371	$106,223

Retired Members & Beneficiaries	2026	2025
Count	23,358	22,915
Average age	73.6	73.4
Average monthly benefit	$5,117	$4,932

Inactive Members	2026	2025
Count	12,909	12,265

Investment Returns (Assumption of 7.00% for Year Ended June 30, 2026)

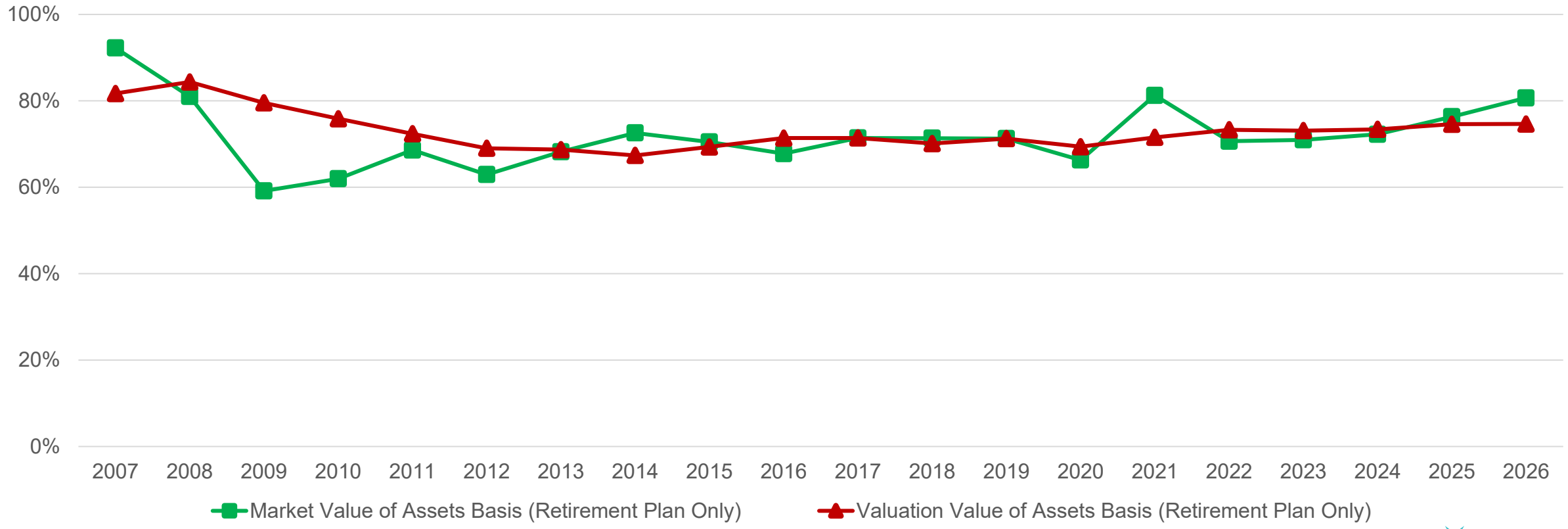
Market Value: 14.6%	**Valuation Value (Ret only): 8.4%**
5-year average return of 6.3%	**5-year** average return of 7.3%



Funded Ratio (Retirement Plan only)

Single point-in-time measurement, snapshot of funding progress

Market Basis: 80.7%	Valuation Basis: 74.7%
Increase from 76.3% in prior year	**Increase** from 74.6% in prior year



Unfunded Actuarial Accrued Liability $ in Millions

1. UAAL as of June 30, 2025	**$7,014**
2. Total normal cost	518
3. Expected total contributions	(1,100)
4. Interest	450
5. Expected UAAL at end of year	**$6,882**
6. Changes due to:	
a. Investment return after asset smoothing	$(299)
b. Contribution experience	25
c. Transfer of certain LACERS members to LAFPP Tier 6	(105)
d. Salary experience for continuing actives	119
e. COLA experience for retirees and beneficiaries	10
f. Other net losses on demographic experience	30
g. Change in actuarial assumptions from triennial experience study	741*
h. Total changes	**$522**
7. UAAL as of June 30, 2026	**$7,404**

*Estimated at $813 million.

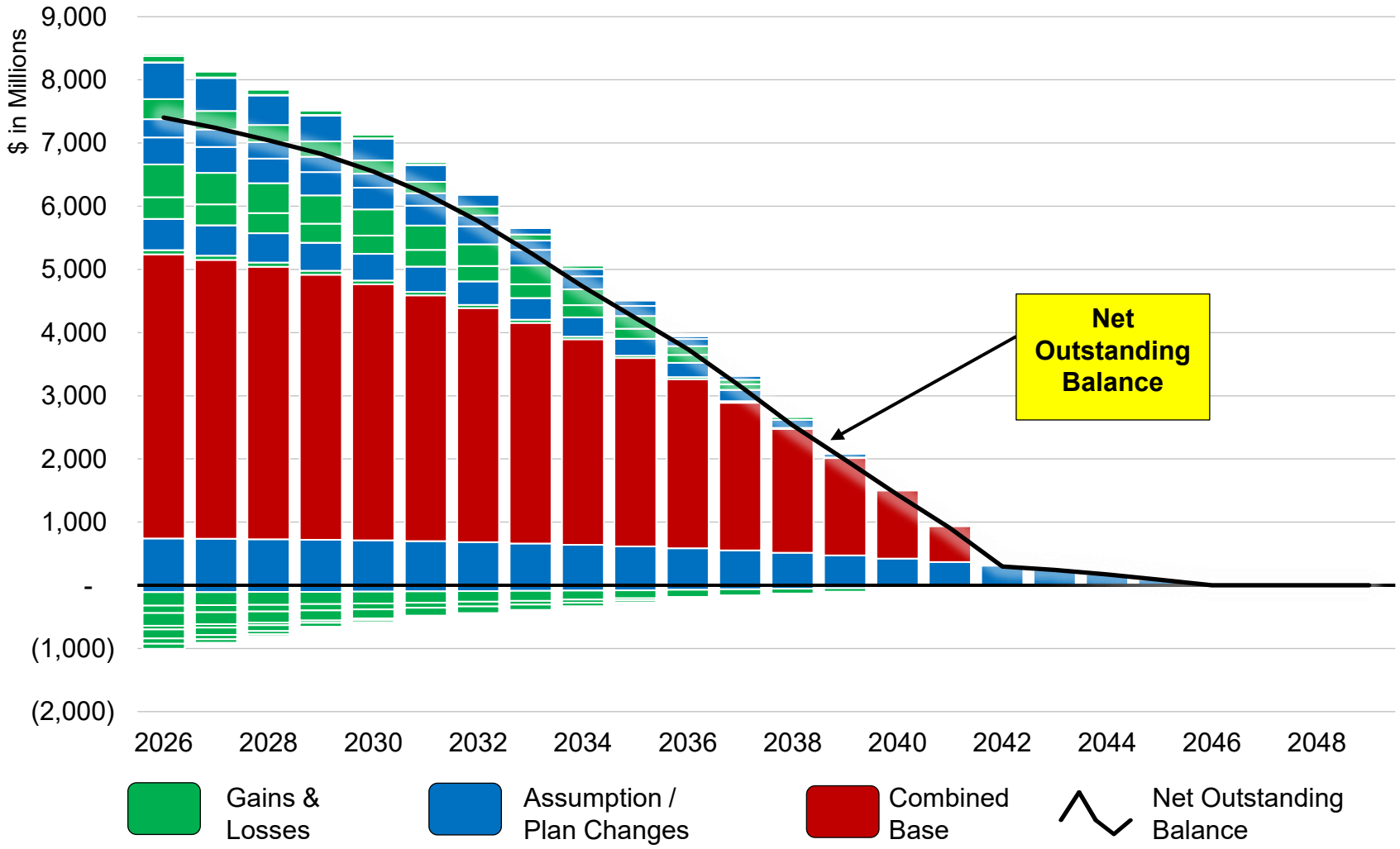
Assumption changes from the Experience Study increased the UAAL but less than expected.

Salary increases that were larger than anticipated also added to the increase in UAAL.

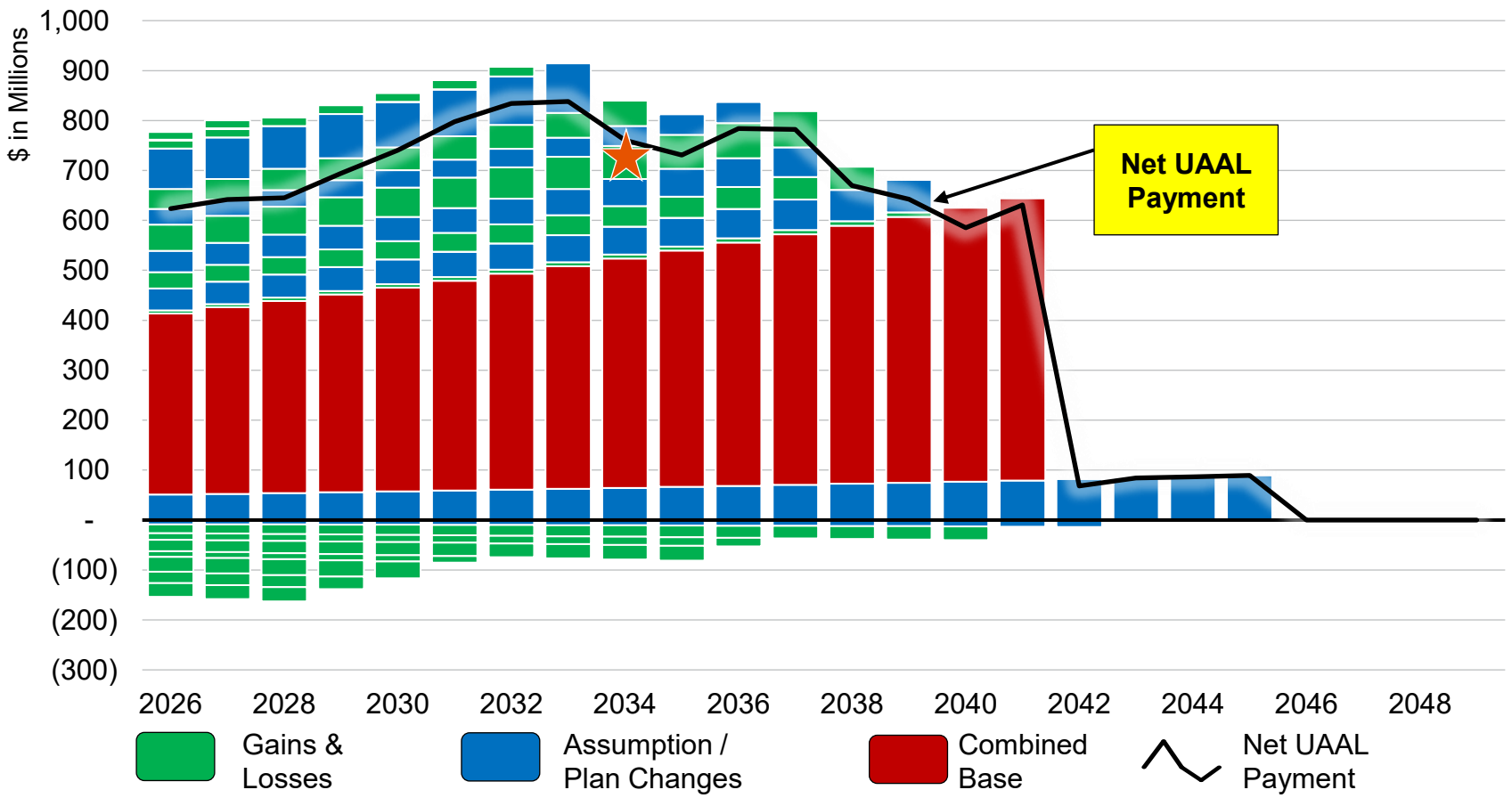
Investment gains partially offset the assumption changes and salary effects on the UAAL.

Projection of UAAL Balances — Net Outstanding Balance of $7.40 Billion in Net UAAL

- Amortization layers by source
- Shows when each layer is paid off
- Net outstanding balance at future valuation dates



Projection of UAAL Payments — Annual Payments to Amortize $7.40 Billion in Net UAAL



- Payment on amortization layer by source
- Progression of payments over time
- Net payment at future valuation dates

★ UAAL contributions begin to fluctuate in 2034, could consider incorporating a **glide path** in actuarial funding policy

Aggregate Employer Contribution Rate — Tier 1 and Tier 3 Combined

	Contribution Rate
1. Aggregate employer contribution as of June 30, 2025	**28.40%**
2. Changes due to:	
a. Decrease in normal cost due to payroll and demographic changes	(0.17)%
b. Contribution experience	0.08%
c. Investment return after asset smoothing	(0.88)%
d. Transfer of certain LACERS members to LAFPP Tier 6	(0.33)%
e. Salary experience for continuing actives	0.35%
f. COLA experience for retirees and beneficiaries	0.03%
g. Amortizing prior year's UAAL over smaller than expected total payroll	0.30%
h. Other net losses on demographic experience	0.09%
i. Change in actuarial assumptions from triennial experience study	3.00%*
j. Total change	**2.47%**
3. Aggregate employer contribution as of June 30, 2026	**30.87%**

*Estimated at 3.28%.

Other Postemployment Benefits (OPEB) Valuation Highlights

Summary of Valuation Results — OPEB

Aggregate Employer Contribution Rate*

4.6%

3.6% prior year

Funded Ratio on Valuation Basis

98.5%

105.8% prior year

Unfunded Liability on Valuation Basis

$68M

$(223)M prior year

Funded Ratio on Market Basis

106.4%

108.2% prior year

* If received on July 15.

Aggregate OPEB Employer Contribution Rate

For Tier 1 and Tier 3 Combined	Contribution Rate
1. Aggregate employer contribution as of June 30, 2025	**3.59%**
2. Changes due to:	
a. Investment return after asset smoothing	(0.25)%
b. Transfer of certain LACERS members to LAFPP Tier 6	(0.04)%
c. Other net losses on misc. demographic and contribution experience	0.04%
d. Updated 2026/2027 premium, underlying claims and subsidy levels	(0.09)%
e. Updated trend to project future medical premiums after 2026/2027	0.87%
f. Change in actuarial assumptions from triennial experience study	0.50%*
g. Total change	**1.03%**
3. Aggregate employer contribution as of June 30, 2026	**4.62%**

*Estimated at 0.42%

The contribution rate increased primarily due to trend rates updates and changes in the actuarial assumptions from the Experience Study (which were lower than estimated). Investment gains partially offset these increases.
4.62% contribution rate is comprised of 4.46% normal cost rate and 0.16% UAAL amortization rate.

Unfunded OPEB Actuarial Accrued Liability $ in Millions

Expected UAAL as of June 30, 2026	**$(226)**
Changes due to:	
a. Investment return after asset smoothing	$(133)
b. Contribution experience	12
c. Transfer of certain LACERS members to LAFPP Tier 6	6
d. Other net losses on misc. demographic and contribution experience	2
e. Updated 26/27 premium, underlying claims and subsidy levels	(34)
f. Updated trend to project future medical premiums after 26/27	254
g. Change in actuarial assumptions	187*
h. Total changes	**$294**
UAAL as of June 30, 2026	**$68**

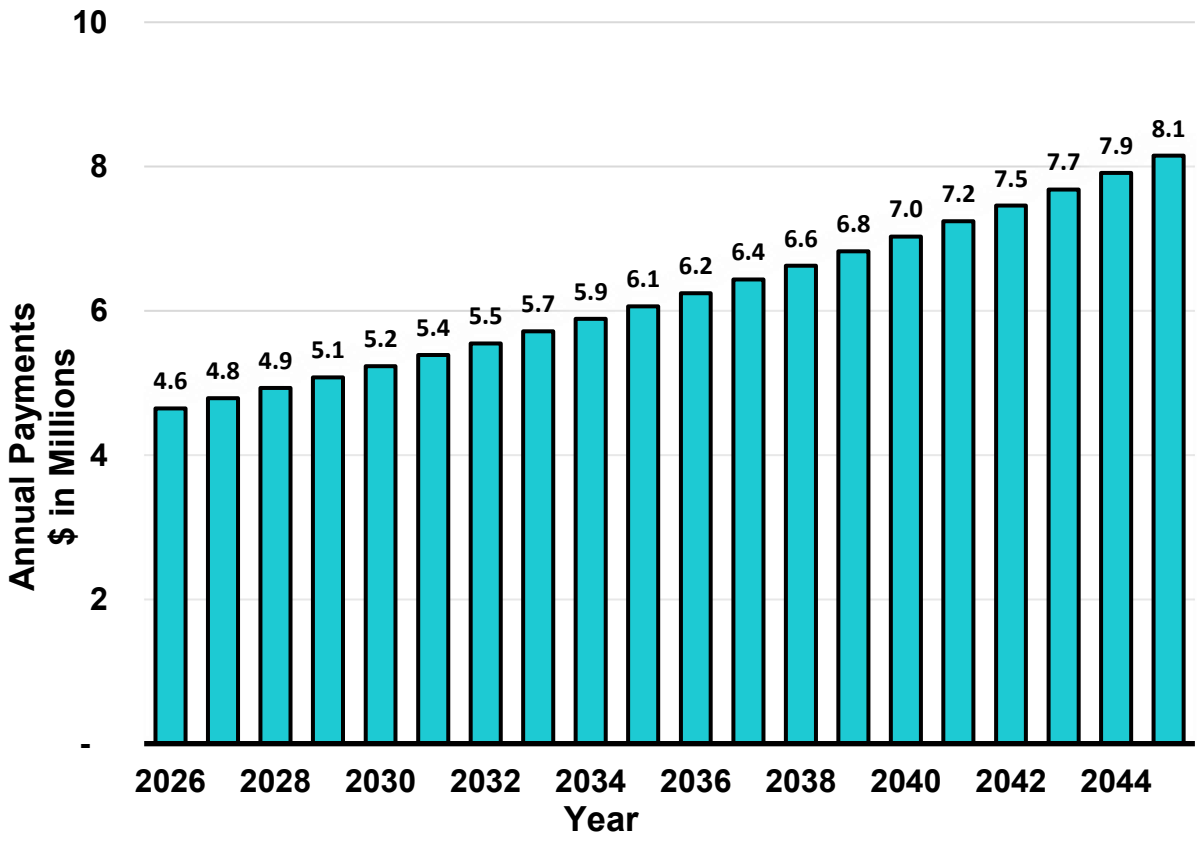
*Estimated at $184 million.

Trend updates were the main driver in the UAAL increases along with experience study changes (which increased the UAAL largely as expected).

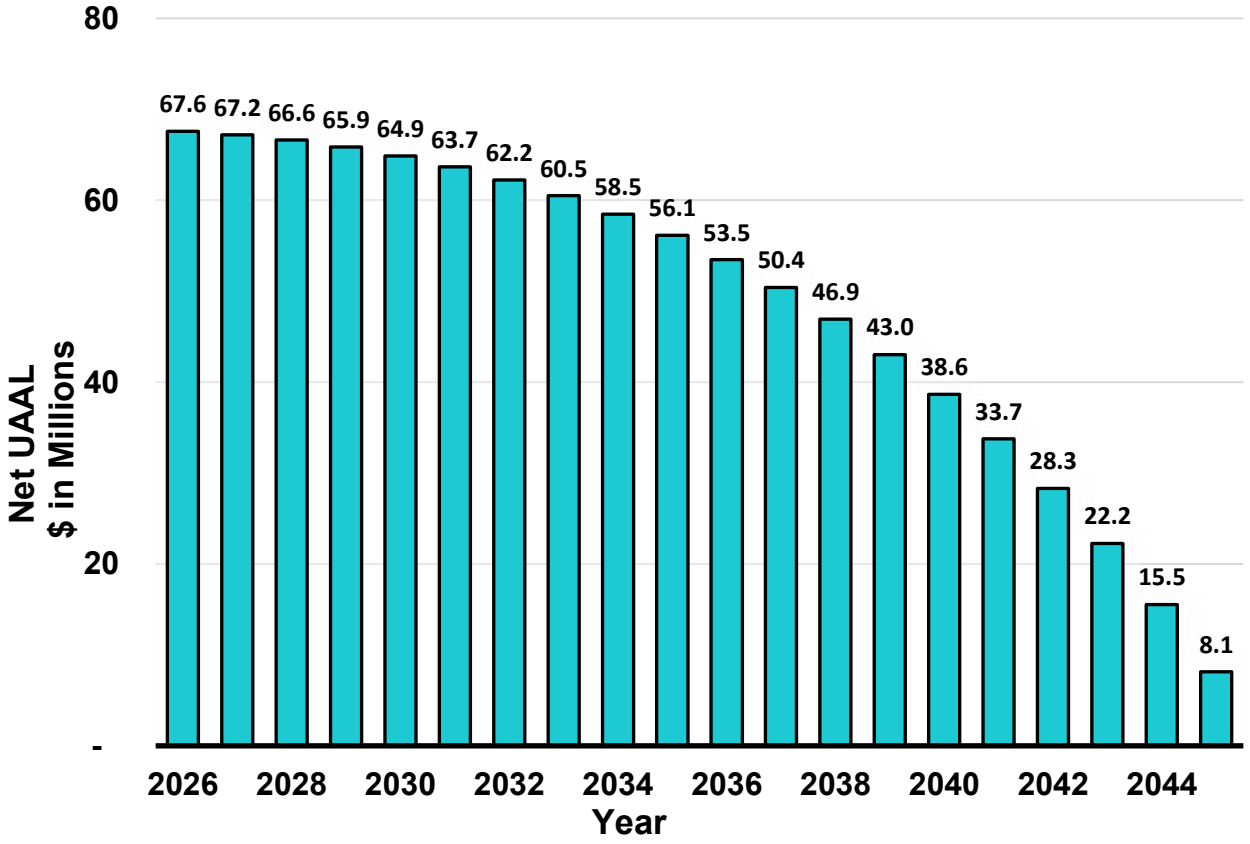
Asset gains partially offset UAAL increases.

Projection of UAAL Balances and Payments — Amortization of $67.6 Million in Net UAAL

Projection of Annual Payments



Projection of Outstanding Balance



Larger Annuity Program (LAP) Valuation Highlights

LAP Valuation Results

	June 30, 2026	June 30, 2024
Valuation Value of Assets Basis		
Actuarial accrued liability	$81,136,216	$74,001,586
Valuation value of assets for the larger annuity reserve	-82,935,750	-72,156,387
Unfunded actuarial accrued liability/(Surplus)	**$(1,799,534)**	**$1,845,199**
Market Value of Assets Basis		
Actuarial accrued liability	$81,136,216	$74,001,586
Market value of assets for the larger annuity reserve	-89,622,568	-71,037,469
Unfunded actuarial accrued liability/(Surplus)	**$(8,486,352)**	**$2,964,117**

Thank You

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dsiblik@segalco.com

Mehdi Riazi, FSA, MAAA, FCA, EA
Vice President and Actuary
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Important Information about Actuarial Valuations

It is important to note that this actuarial valuation is based on plan assets as of June 30, 2026. The Plan's funded status does not reflect short-term fluctuations of the market but rather is based on the market values on the last day of the plan year. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.

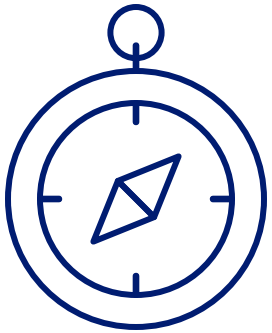
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Appendix

The Annual Actuarial Valuation — A Plan's Funding GPS

- **A financial check-up serving as roadmap and guide**
  - Where we are and where we are going
- **Establishes how far along the plan is**
  - Funding position – assets, liabilities, and unfunded liability
- **Determines the next steps towards the ultimate goal**
  - Employer and employee contribution rates
- **Every once in a while, the unexpected can cause "rerouting"**
  - Experience studies with potential assumption changes



Actuarial Valuation Fundamentals: What is the Actuarial Valuation Used For?



Primary

- **Contribution requirements**
- **Funded status**

- **Analysis of demographic experience**
- **Analysis of financial experience**
- **Basis for pricing plan changes**

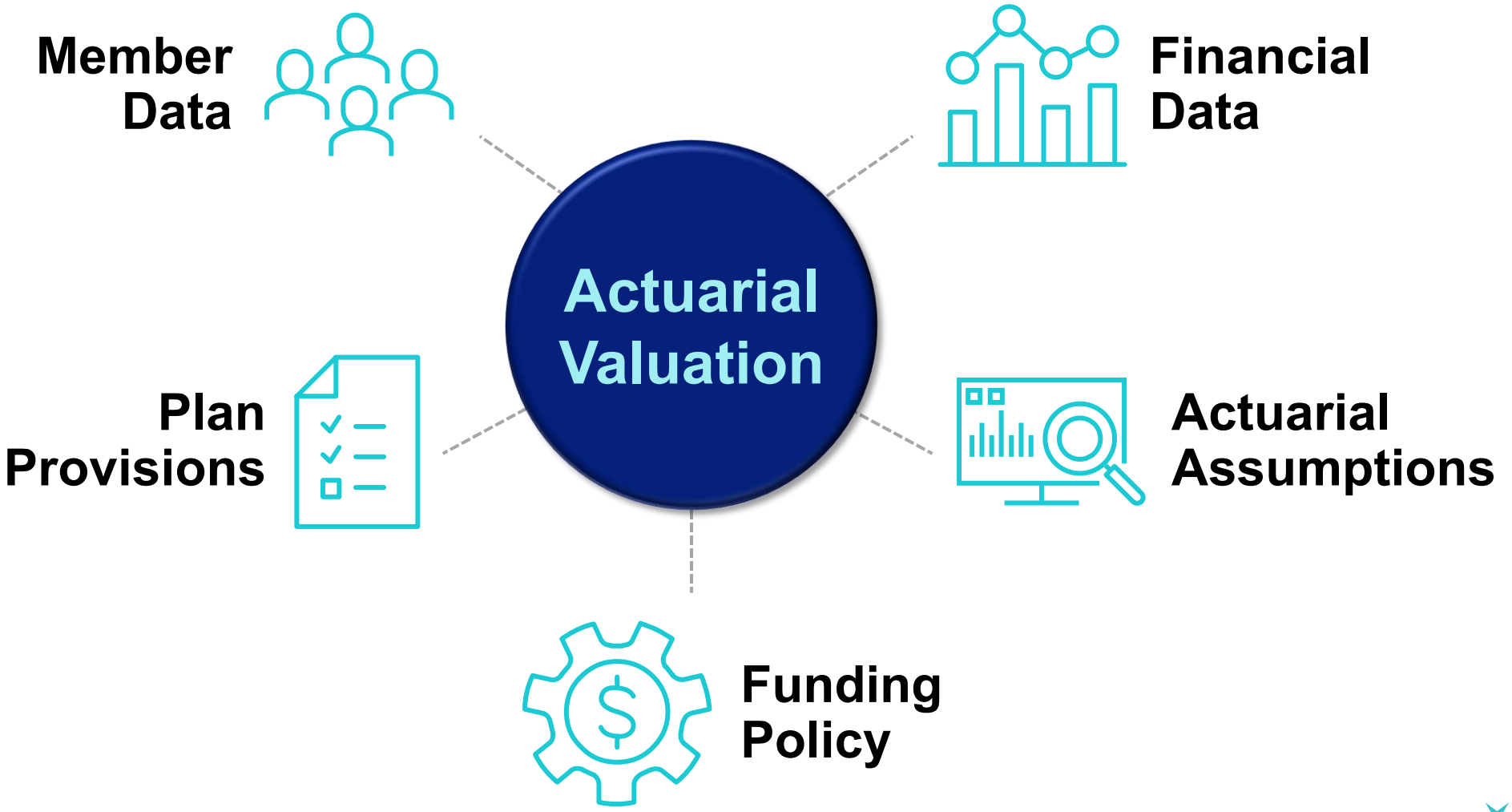


Secondary

Note: Disclosure requirements are provided separately in the GASB 67 (Retirement) and 74 (OPEB) valuations.

Preparing an Actuarial Valuation

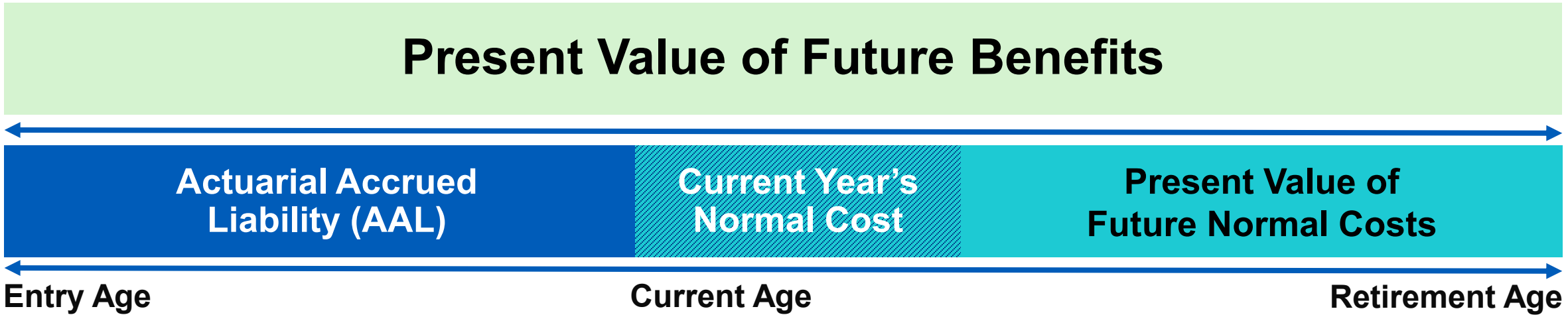
What goes into an actuarial valuation?



Actuarial Funding Policy: Three Core Components (1 of 2)

Actuarial cost (funding) method allocates present value of member's projected benefits to years of service: past, current and future

- Defines normal cost and actuarial accrued liability (AAL)
- LACERS uses the **entry age method**
  - Provides for most stable contribution rates as a percent of payroll



Actuarial Funding Policy: Three Core Components (2 of 2)

Asset smoothing method assigns a value to assets that manages short term volatility while tracking market value

- Defines the unfunded actuarial accrued liability (UAAL)
- Market value gains and losses recognized over 7 years
- 40% “market value corridor”

Amortization policy sets contributions to systematically pay off UAAL

- Includes structure, periods and pattern of payments
  - Experience gains/losses & plan amendments are amortized over separate, decreasing 15-year periods
  - Assumption changes are amortized over separate, decreasing 20-year periods

BOARD MEETING: NOVEMBER 10, 2026

ITEM: VI-C

ATTACHMENT: 2

Los Angeles City Employees' Retirement System

Actuarial Valuation and Review of Retirement, Other Postemployment and Larger Annuity Program Benefits as of June 30, 2026

This valuation report should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the Plan.

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Segal

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November 3, 2026

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

Dear Board Members:

Enclosed please find the June 30, 2026 actuarial valuations for the retirement and health plans and the larger annuity program.

As requested by the System, we have attached the following supplemental schedules:

- Exhibit A – Summary of significant results for the retirement and health plans.
- Exhibit B – History of computed contribution rates for the retirement and health plans.
- Exhibit C – Schedule of funded liabilities by type for the retirement plan.[1]
- Exhibit D – Schedule of retirees and beneficiaries added to and removed from the rolls for the retirement plan.[2]

We look forward to discussing the reports and the enclosed schedules with the Board.

Sincerely,

Segal

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

Emily Klare, ASA, MAAA, EA
Senior Actuary

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

DNA/jl

[1] For the health plan, a similar schedule is provided in Exhibit H of Section 3 of the health valuation report.
[2] For the health plan, a similar schedule is provided in Exhibit C of Section 3 of the health valuation report.

Summary of Significant Valuation Results

Category	June 30, 2026	June 30, 2025	Change[3]
1. Total membership			
a. Active members	26,189	27,000	-3.0%
b. Pensioners and beneficiaries	23,358	22,915	1.9%
2. Valuation salary			
a. Total annual projected payroll	$2,916,706,251	$2,868,028,601	1.7%
b. Average projected monthly salary	9,281	8,852	4.8%
3. Benefits to current retirees and beneficiaries[4]			
a. Total annual benefits	$1,434,264,322	$1,356,133,557	5.8%
b. Average monthly benefit amount	5,117	4,932	3.8%
4. Total System assets[5]			
a. Actuarial value	$26,281,951,998	$24,799,377,599	6.0%
b. Market value	28,400,973,615	25,375,318,626	11.9%
5. Unfunded actuarial accrued liability (UAAL)			
a. Retirement benefits	$7,403,643,957	$7,013,981,160	5.6%
b. Health subsidy benefits	67,591,511	(223,295,413)	-130.3%[6]
c. Total	7,471,235,468	6,790,685,747	10.0%
6. Funded ratio on valuation value basis			
a. Retirement benefits	74.7%	74.6%	0.1%
b. Health subsidy benefits	98.5%	105.8%	-7.3%
c. Total	77.8%	78.4%	-0.6%
7. Funded ratio on market value basis			
a. Retirement benefits	80.7%	76.3%	4.4%
b. Health subsidy benefits	106.4%	108.2%	-1.8%
c. Total	84.1%	80.3%	3.8%

[3] The percent shown for Items 1 through 5 represents the percent change from the prior year. The percent shown for Items 6 and 7 represents the difference from the prior year.
[4] Includes July COLA.
[5] Includes assets for the System's Retirement, Health, Family Death, and Larger Annuity Program Benefits.
[6] The OPEB plan has returned to underfunded status in the 2026 valuation.

Summary of Aggregate (Tier 1 and Tier 3) Employer Contribution Rates (% of Payroll)

Budget Items	FY 2027–2028: Beginning of Year	FY 2027–2028: July 15	FY 2026–2027: Beginning of Year	FY 2026–2027: July 15	Difference: Beginning of Year	Difference: July 15
Retirement benefits						
a. Normal cost	9.42%	9.44%	7.96%	8.03%	1.46%	1.41%
b. Amortization of UAAL	21.37%	21.43%	20.31%	20.37%	1.06%	1.06%
c. Total retirement contribution	**30.79%**	**30.87%**	**28.27%**	**28.40%**	**2.52%**	**2.47%**
Health subsidy benefits						
d. Normal cost	4.44%	4.46%	4.00%	4.02%	0.44%	0.44%
e. Amortization of UAAL	0.16%	0.16%	−0.43%	−0.43%	0.59%	0.59%
f. Total health subsidy contribution	**4.60%**	**4.62%**	**3.57%**	**3.59%**	**1.03%**	**1.03%**
g. Total contribution (c + f)	**35.39%**	**35.49%**	**31.84%**	**31.99%**	**3.55%**	**3.50%**

Alternative Employer Contribution Schedule for Fiscal Year 2027–2028 if Received End of Each Pay Period

Plan of Benefits	Contribution Rate
Retirement benefits	31.81%
Health subsidy benefits	4.76%
Total Plan	**36.57%**

Computed Contribution Rates[7] — Historical Comparison

Valuation Date	Retirement	Health	Total	Projected Valuation Payroll ($000s)
06/30/2017	23.81%	5.26%	29.07%	$2,062,316
06/30/2018	25.56%	5.07%	30.63%	2,177,687
06/30/2019	25.43%	4.64%	30.07%	2,225,413
06/30/2020	28.84%	4.43%	33.27%	2,445,017
06/30/2021	30.32%	4.04%	34.36%	2,254,165
06/30/2022	30.36%	4.05%	34.41%	2,258,725
06/30/2023	30.91%	3.43%	34.34%	2,512,179
06/30/2024	29.01%	3.41%	32.42%	2,730,282
06/30/2025	29.29%	3.70%	32.99%	2,868,029
06/30/2026	31.81%	4.76%	36.57%	2,916,706

[7] Contributions are assumed to be received at the end of the pay period. The contribution rates are the aggregate rates for Tiers 1 and 3 combined and are after reflecting enhanced benefits for Airport Peace Officers effective January 7, 2018.

Schedule of Funded Liabilities[8] by Type for Retirement Benefits
($ in Thousands)

Valuation Date	Aggregate AAL for Member Contributions	Aggregate AAL for Retirees, Beneficiaries and Inactive/ Vested	Aggregate AAL for Active Members	Valuation Value of Assets	Portion of Aggregate AAL Covered by Reported Assets for Member Contributions	Portion of Aggregate AAL Covered by Reported Assets for Retirees, Beneficiaries and Inactive/Vested	Portion of Aggregate AAL Covered by Reported Assets for Active Members
06/30/2017	$2,255,048	$10,164,403	$6,038,737	$13,178,334	100.0%	100.0%	12.6%
06/30/2018	2,354,026	11,079,053	6,511,500	13,982,435	100.0	100.0	8.4
06/30/2019	2,469,761	11,933,703	6,389,957	14,818,564	100.0	100.0	6.5
06/30/2020	2,584,851	12,740,109	7,202,235	15,630,103	100.0	100.0	4.2
06/30/2021	2,431,974	14,546,803	6,303,116	16,660,585	100.0	97.8	0.0
06/30/2022	2,554,972	15,266,882	6,256,897	17,649,268	100.0	98.9	0.0
06/30/2023	2,776,364	15,932,796	6,590,377	18,493,821	100.0	98.6	0.0
06/30/2024	3,013,000	16,549,811	6,929,707	19,445,577	100.0	99.3	0.0
06/30/2025	3,276,841	17,068,318	7,268,070	20,599,247	100.0	100.0	3.5
06/30/2026	3,403,447	18,245,241	7,560,165	21,805,209	100.0	100.0	2.1

[8] Actuarial accrued liability (AAL).

Retirees and Beneficiaries Added to and Removed from Retiree Payroll for the Retirement Plan[9]

Year Ended	No. of New Retirees and Beneficiaries	Annual Allowances Added[10]	No. of Retirees and Beneficiaries Removed	Annual Allowances Removed	No. of Retirees and Beneficiaries at June 30	Annual Allowances at June 30	Percent Increase in Annual Allowances	Average Annual Allowance
06/30/2017	1,142	$65,583,105	694	$24,422,619	18,805	$819,515,912	5.3%	$43,580
06/30/2018	1,312	86,917,553	738	26,361,758	19,379	880,071,707	7.4%	45,414
06/30/2019	1,341	93,946,126	686	26,429,224	20,034	947,588,609	7.7%	47,299
06/30/2020	1,134	85,268,880	745	28,126,528	20,423	1,004,730,961	6.0%	49,196
06/30/2021	2,486	169,148,971	897	37,106,822	22,012	1,136,773,110	13.1%	51,643
06/30/2022	1,140	91,420,287	753	32,200,860	22,399	1,195,992,537	5.2%	53,395
06/30/2023	892	80,956,579	781	36,429,717	22,510	1,240,519,399	3.7%	55,110
06/30/2024	1,007	94,946,932	754	34,369,865	22,763	1,301,096,466	4.9%	57,158
06/30/2025	964	93,888,755	812	38,851,664	22,915	1,356,133,557	4.2%	59,181
06/30/2026	1,195	115,729,530	752	37,598,765	23,358	1,434,264,322	5.8%	61,404

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[9] Does not include Family Death Benefit Plan beneficiaries. Table based on valuation data.
[10] Includes the COLA granted in July.

BOARD MEETING: NOVEMBER 10, 2026

ITEM: VI-C

ATTACHMENT: 3

Los Angeles City Employees' Retirement System

Actuarial Valuation and Review of Retirement Benefits as of June 30, 2026

This valuation report should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the Plan.

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November 3, 2026

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

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review of Retirement Benefits as of June 30, 2026 for the Los Angeles City Employees' Retirement System ("LACERS" or "the System"). It summarizes the actuarial data used in the valuation, analyzes the preceding year's experience and establishes the funding requirements for fiscal year 2027–2028.

This report has been prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Administration ("the Board"), based upon information provided by the staff of LACERS and the Plan's other service providers.

Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report, and we have no reason to believe there are facts or circumstances that would affect the validity of these results.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements; and changes in plan provisions or applicable law.

The actuarial calculations were directed under the supervision of Emily Klare, ASA, MAAA, and Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in this actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Board based upon our analysis and recommendations. In our opinion, the assumptions

are reasonable and take into account the experience of LACERS and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

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

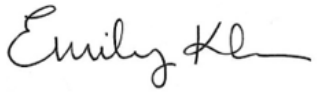
We look forward to reviewing this report at your next meeting and to answering any questions.

Sincerely,

Segal



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



Emily Klare, ASA, MAAA, EA
Senior Actuary

DNA/jl

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present a valuation of the defined benefit pension plan ("Retirement Plan" or "the Plan") administered by the Los Angeles City Employees' Retirement System ("LACERS" or "the System") as of June 30, 2026. The valuation was performed to determine whether the assets and contribution rates are sufficient to provide the prescribed benefits.

The contribution requirements presented in this report are based on:

- The benefit provisions of the Retirement Plan, as administered by the Board of Administration ("the Board");
- The characteristics of covered active members, inactive members and retired members and beneficiaries as of June 30, 2026, provided by the staff of LACERS;
- The assets of the Plan as of June 30, 2026, provided by the staff of LACERS;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board for the June 30, 2026 valuation;
- Other actuarial assumptions regarding employee terminations, retirement, death, etc. adopted by the Board for the June 30, 2026 valuation; and
- The funding policy adopted by the Board.

The employer contribution rates provided in this report have been developed as a percentage of payroll assuming that they will be received by LACERS at either: (1) the beginning of the fiscal year, (2) on July 15, or (3) throughout the year (i.e., LACERS will receive contributions at the end of every pay period). The Plan's employer rates provide for both normal cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities. In this valuation, we have applied the funding policy adopted by the Board on June 14, 2011 and most recently updated on August 24, 2021. Details of the funding policy are provided in *Section 4, Exhibit 1*.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2027 through June 30, 2028.

Valuation highlights

Developments since last valuation

1. Following the completion of our July 1, 2022 through June 30, 2025 Actuarial Experience Study dated June 16, 2026, new assumptions were adopted by the Board and used in this valuation. These changes are outlined in *Section 4, Exhibit 1* of this report. The assumption changes resulted in an increase in the aggregate (Tier 1 and Tier 3) employer rate of 3.00% of payroll (if received on July 15). The impact on the employer rates includes an increase in the normal cost rate of 1.58% of payroll and an increase in the unfunded actuarial accrued liability (UAAL) rate of 1.42% of payroll that was associated with an increase in the UAAL of $741 million.
2. Pursuant to Charter Amendment FF, certain Sworn Peace Officers and Park Rangers were permitted to make an irrevocable election to transfer membership and service credit from LACERS to Tier 6 of the Los Angeles Fire and Police Pensions (LAFPP) effective January 11, 2026. The liabilities in this report reflect the elections of those members who transferred membership and service credit to LAFPP, while the assets reflect the transfer of funds from LACERS to LAFPP that was made in accordance with those transfers on March 26, 2026. Based on Los Angeles Administrative Code Section 4.2216(e), the amount of funds transferred to LAFPP was calculated as the funded portion of the actuarial accrued liability. As LACERS is in an underfunded position, the amount of assets transferred to LAFPP was less than the decrease in LACERS' actuarial accrued liability. While this methodology ensures there is no impact to LACERS' funded ratio, it does result in a net decrease to LACERS' UAAL.

Funding measures

3. The funded ratio (the ratio of the valuation value of assets to actuarial accrued liability) is 74.65%, compared to the prior year funded ratio of 74.60%. This ratio is one measure of funding status, and its history is a measure of funding progress. Using the market value of assets, the funded ratio is 80.67%, compared to 76.33% as of the prior valuation date. These measurements are not necessarily appropriate for assessing the sufficiency of plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for, or the amount of, future contributions.
4. The UAAL (the excess of the actuarial accrued liability over the valuation value of assets) is $7.40 billion, compared to the prior year UAAL of $7.01 billion. The increase in UAAL was primarily due to changes in actuarial assumptions and higher than expected salary increases for continuing actives, partially offset by the investment return on the valuation value of assets (i.e., after asset smoothing) greater than the assumed rate of 7.00% used in the June 30, 2025 valuation, the expected decrease in the UAAL due to contributions required to be made under the Board's actuarial funding policy, and the transfer of LACERS Sworn Peace Officers and Park Rangers to LAFPP Tier 6.

   A reconciliation of the Plan's UAAL is provided in *Section 2, Subsection E* on page 30.

A schedule of the current UAAL amortization bases is provided in *Section 3, Exhibit G* on page 59, while a graphical projection of the UAAL balances and payments has been provided in *Section 3, Exhibit H* starting on page 61.

Actuarial experience

5. The net actuarial experience gain (prior to the assumption changes) of $219 million, or 0.77% of the actuarial accrued liability (AAL), is due to an investment gain (after asset smoothing) of $299 million, or 1.05% of the AAL, and a loss from sources other than investments of $80 million, or 0.28% of the AAL. This loss was primarily due to higher-than-expected salary increases for continuing actives.
6. The rate of return on the market value of assets was 14.60% for the year ending June 30, 2026. The return on the valuation value of assets (Retirement Plan only) was 8.44% for the same period due to the recognition of a portion of this year's investment gain and a portion of prior years' investment gains and losses. This resulted in an actuarial gain when measured against the assumed rate of return of 7.00% from the June 30, 2025 valuation. This actuarial investment gain decreased the aggregate employer rate by 0.88% of payroll.

Contributions

7. The aggregate employer rate (if received on July 15) calculated in this valuation has increased from 28.40% of payroll to 30.87% of payroll. The increase in the employer rate was primarily due to changes in actuarial assumptions, higher-than-expected salary increases for continuing active members and allocating the prior year's UAAL amortization payments over a lower-than-expected total payroll, partially offset by the investment gain after asset smoothing.

   A complete reconciliation of the Plan's aggregate employer rate is provided in *Section 2, Subsection F* on page 32.
8. Segal strongly recommends an actuarial funding method that targets 100% funding of the actuarial accrued liability. Generally, this implies payments that are ultimately at least enough to cover normal cost, interest on the UAAL and a portion of the principal balance. The funding policy adopted by the Board meets this standard.

Future expectations

9. The total unrecognized net investment gain as of June 30, 2026 is $2.12 billion, representing 7.5% of the market value of assets, for the System's Retirement, Health and Family Death Benefit Plans, and the Larger Annuity Program. This net investment gain will be recognized in the determination of the actuarial and valuation value of assets for funding purposes in the next several years as shown in *Section 2, Subsection B.*

Unless offset by future investment losses or other unfavorable experience, the recognition of the net deferred gain is expected to have an impact on the Retirement Plan's future funded ratio and the aggregate employer contribution rate. This potential impact may be illustrated as follows:

a. If the net deferred gain for the Retirement Plan was recognized immediately in the valuation value of assets, the funded ratio would increase from 74.65% to 80.67%.

b. If the net deferred gain for the Retirement Plan was recognized immediately in the valuation value of assets, the aggregate employer rate (if received on July 15) would decrease from 30.87% of payroll to 25.76% of payroll.

Risk

10. It is important to note that this actuarial valuation is based on plan assets as of June 30, 2026. The Plan's funded status does not reflect short-term economic fluctuations, but rather is based on the market values on the last day of the plan year. Segal is available to prepare projections of potential outcomes of market conditions and other demographic experience upon request.

11. Because the actuarial valuation results are dependent on a given set of assumptions, there is a risk that emerging results may differ significantly as actual experience proves to be different from the assumptions. We have been engaged to perform a detailed analysis of the potential range of the impact of investment risk relative to the Plan's future financial condition and that report will be provided at a later date. We have also included a brief discussion of some risks that may affect the Plan in *Section 2, Subsection I*, beginning on page 40.

12. The risk assessment in *Section 2, Subsection I* includes the disclosure of a "Low-Default-Risk Obligation Measure" (LDROM). This disclosure, along with commentary on the significance of the LDROM, is a requirement under Actuarial Standard of Practice No. 4 (ASOP 4) for all pension funding actuarial valuation reports and can be found on pages 42–43.

Summary of key valuation results

Employer Contribution Rates Calculated as of June 30 (% of Payroll)

Tier and Contribution Timing	2026	2025
Tier 1		
• At the beginning of the year	32.87%	30.05%
• On July 15	32.96%	30.14%
• At the end of each pay period	33.96%	31.09%
Tier 3		
• At the beginning of the year	28.07%	25.70%
• On July 15	28.15%	25.77%
• At the end of each pay period	29.00%	26.59%
Total Plan		
• At the beginning of the year	30.79%	28.27%
• On July 15	30.87%	28.40%
• At the end of each pay period	31.81%	29.29%

Note: There is a 12-month delay from the calculation date until the employer contribution rate is effective.

Section 1: Actuarial Valuation Summary

Valuation Results as of June 30

Line Description	2026	2025
Actuarial accrued liability		
• Total actuarial accrued liability	$29,208,852,690	$27,613,228,652
– Retired members and beneficiaries	17,865,861,439	16,679,536,581
– Inactive members	752,114,050	734,775,120
– Active members	10,590,877,201	10,198,916,951
• Normal cost for plan year beginning July 1	569,025,913	517,723,672
Assets		
• Market value of Retirement Plan assets	$23,563,286,241	$21,077,644,650
• Valuation value of Retirement Plan assets (VVA)	21,805,208,733	20,599,247,492
• VVA as a percentage of market value of Retirement Plan assets	92.5%	97.7%
Funded status		
• UAAL on market value of Retirement Plan assets basis	$5,645,566,449	$6,535,584,002
• Funded ratio on market value of Retirement Plan assets basis	80.67%	76.33%
• UAAL on VVA basis	$7,403,643,957	$7,013,981,160
• Funded ratio on VVA basis	74.65%	74.60%
Key assumptions		
• Net investment return	6.75%	7.00%
• Inflation rate	2.50%	2.50%
• Payroll growth	3.00%	3.00%
• Cost-of-living adjustments	Tier 1: 2.75% Tier 3: 2.00%	Tier 1: 2.75% Tier 3: 2.00%
• Amortization period on VVA basis[1]	15 years	15 years

[1] Changes in UAAL as a result of gains or losses for each valuation are amortized over separate 15-year periods. Details on the funding policy are provided in *Section 4, Exhibit 1*.

Section 1: Actuarial Valuation Summary

Demographic Data as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number of members	26,189	27,000	–3.0%
• Average age	46.8	46.5	0.3
• Average employment service	12.6	12.4	0.2
• Total projected compensation[2]	$2,916,706,251	$2,868,028,601	1.7%
• Average projected compensation	$111,371	$106,223	4.8%
Retired members and beneficiaries			
• Number of members	23,358	22,915	1.9%
– Service retired	18,272	17,866	2.3%
– Disability retired	766	767	–0.1%
– Beneficiaries	4,320	4,282	0.9%
• Average age	73.6	73.4	0.2
• Average monthly benefit	$5,117	$4,932	3.8%
Inactive members			
• Number of members[3]	12,909	12,265	5.3%
• Average age	45.5	45.4	0.1
Total members	**62,456**	**62,180**	**0.4%**

[2] Reflects annualized salaries for part-time members.
[3] Includes inactive members due a refund of employee contributions.

Important information about actuarial valuations

An actuarial valuation is a budgeting tool with respect to the financing of future projected obligations of a pension plan. It is an estimated forecast – the actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Member information	An actuarial valuation for a plan is based on data provided to the actuary by the System. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial information	Part of the cost of a plan will be paid from existing assets — the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the System. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan members for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of members in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments (if applicable). The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the System. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted.
- If LACERS is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- Segal does not provide investment, legal, accounting or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The System should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by LACERS upon delivery and review. LACERS should notify Segal immediately of any questions or concerns about the final content.

Actuarial certification

November 3, 2026

This is to certify that Segal has conducted an actuarial valuation of the Los Angeles City Employees' Retirement System (LACERS or the System) retirement program as of June 30, 2026, in accordance with generally accepted actuarial principles and practices. In particular, it is our understanding that the assumptions and methods used for funding purposes meet the parameters set by the Actuarial Standards of Practice (ASOPs). Actuarial valuations are performed annually for this retirement program with the last valuation completed as of June 30, 2025. The actuarial calculations presented in this report have been made on a basis consistent with our understanding of the historical funding methods used in determination of the liability for retirement benefits.

The actuarial valuation is based on the plan of benefits verified by LACERS and on participant and financial data provided by LACERS. Segal did not audit LACERS' financial statements, but we conducted an examination of all participant data for reasonableness and we concluded that it was reasonable and consistent with the prior year's data.

One of the general goals of an actuarial valuation is to establish contributions that fully fund the System's liabilities, and that, as a percentage of payroll, remain as level as possible for each generation of active members. Both the Normal Cost and the Actuarial Accrued Liability are determined under the Entry Age cost method.

The actuarial computations made are for funding plan benefits. Accordingly, additional determinations will be needed for other purposes, such as satisfying financial accounting requirements under Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68 and judging benefit security at termination of the plan.

Segal prepared all of the supporting schedules in the Actuarial Section of the Annual Comprehensive Financial Report and certain supporting schedules in the Financial Section, based on the results of the June 30, 2026 actuarial valuation. A listing of the supporting schedules Segal prepared for inclusion in the Financial Section as Required Supplementary Information prescribed by GASB, and in the Actuarial Section, is provided below:

Financial Section

- Schedule of Net Pension Liability[4]
- Schedule of Changes in Net Pension Liability and Related Ratios[4]
- Schedule of Contribution History[4]

[4] Source: Segal's GASB Statement No. 67 valuation report as of June 30, 2026.

November 3, 2026

Actuarial Section

1. Summary of Significant Valuation Results
2. Active Member Valuation Data
3. Retirees and Beneficiaries Added to and Removed from Retiree Payroll
4. Schedule of Funded Liabilities by Type
5. Schedule of Funding Progress
6. Actuarial Analysis of Financial Experience
7. Actuarial Balance Sheet
8. Schedule of Changes in Net Pension Liability and Related Ratios[5]
9. Projection of Pension Plan Fiduciary Net Position for use in Calculation of Discount Rate of 6.75% and Preparation of GASB 67 Report as of June 30, 2026[5]

LACERS' staff prepared other trend data schedules in the Statistical Section based on information supplied in Segal's valuation report.

To the best of our knowledge, this report is complete and accurate and in our opinion presents the Plan's current funding information. I am a member of the American Academy of Actuaries and am qualified to render the actuarial opinion contained herein.



Emily Klare, ASA, MAAA, EA
Senior Actuary

[5] Source: Segal's GASB Statement No. 67 valuation report as of June 30, 2026.

Section 2: Actuarial Valuation Results

A. Member information

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, inactive members, retired members and beneficiaries.

This section presents a summary of significant statistical data on these member groups. More detailed information for this valuation year and the preceding valuation can be found in *Section 3, Exhibits A, B, and C*.

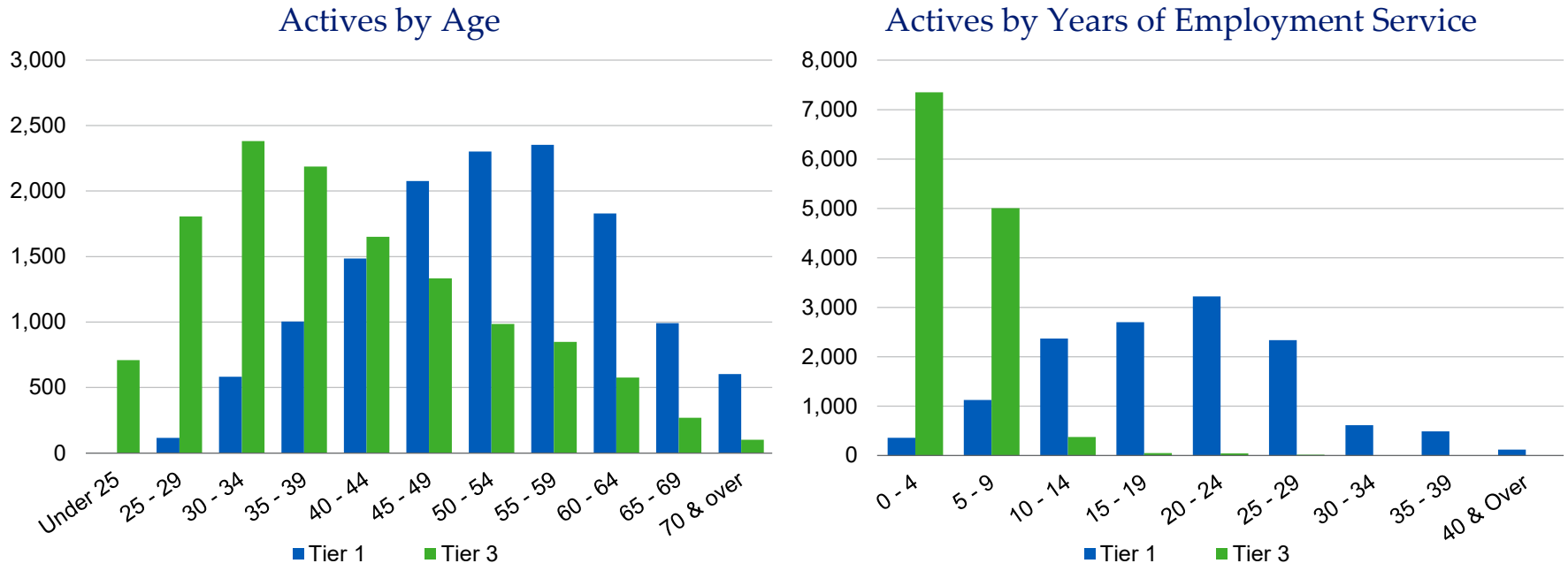
Member Population

As of June 30	Active Members	Inactive Members	Retired Members and Beneficiaries (Pay Status)	Total Non-Actives	Ratio of Non-Actives to Actives	Ratio of Pay Status to Actives
2017	25,457	7,428	18,805	26,233	1.03	0.74
2018	26,042	8,028	19,379	27,407	1.05	0.74
2019	26,632	8,588	20,034	28,622	1.07	0.75
2020	27,490	9,207	20,423	29,630	1.08	0.74
2021	25,176	9,647	22,012	31,659	1.26	0.87
2022	24,917	10,379	22,399	32,778	1.32	0.90
2023	25,875	11,148	22,510	33,658	1.30	0.87
2024	26,782	11,839	22,763	34,602	1.29	0.85
2025	27,000	12,265	22,915	35,180	1.30	0.85
2026	26,189	12,909	23,358	36,267	1.38	0.89

Active members

Demographic Data	As of June 30, 2026	As of June 30, 2025	Change
Active members	26,189	27,000	–3.0%
Average age[6]	46.8	46.5	0.3
Average years of employment service	12.6	12.4	0.2
Average compensation	$111,371	$106,223	4.8%

Distribution of Active Members as of June 30, 2026



[6] Among the active members, there were none with unknown age information.

Inactive members

Demographic Data	As of June 30, 2026	As of June 30, 2025	Change
Inactive members	12,909	12,265	5.3%

Unless noted otherwise, all references to “inactive members” in this report include both inactive non-vested members and inactive vested members. A breakdown of the inactive members by those who are non-vested and due a refund of member contributions versus those who are vested and eligible for a deferred (or immediate) annuity is provided in the table below.

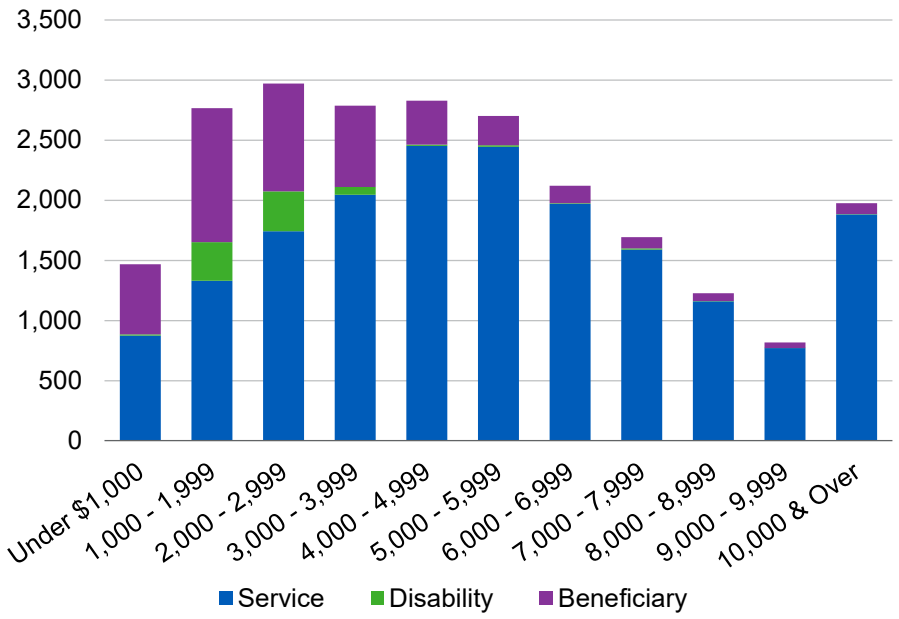
Demographic Data	As of June 30, 2026	As of June 30, 2025
Inactive non-vested members		
Tier 1	4,721	4,764
Tier 3	4,524	3,953
Total Plan	**9,245**	**8,717**
Inactive vested members		
Tier 1	3,022	3,083
Tier 3	642	465
Total Plan	**3,664**	**3,548**
All inactive members		
Tier 1	7,743	7,847
Tier 3	5,166	4,418
Total Plan	**12,909**	**12,265**

Retired members and beneficiaries

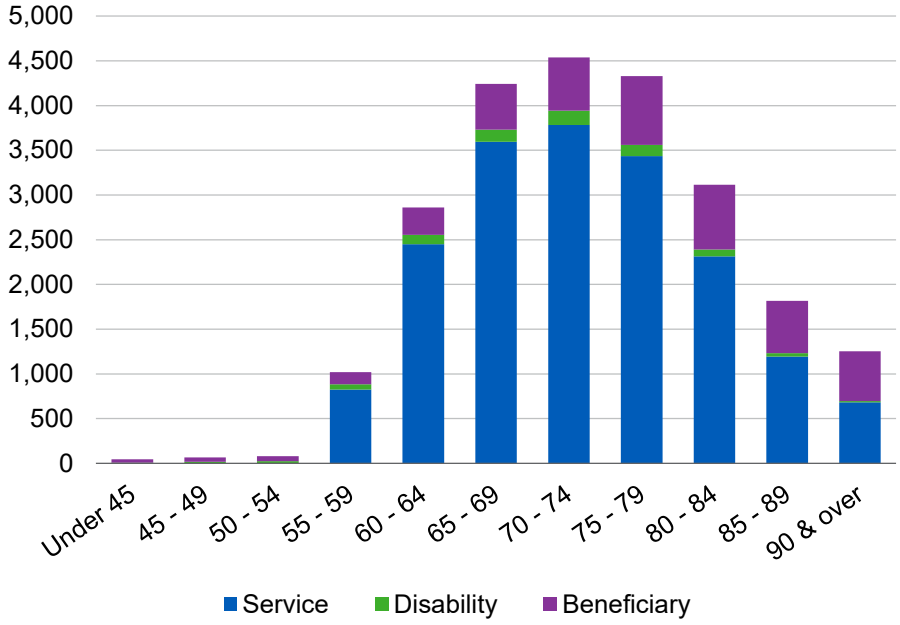
Demographic Data	As of June 30, 2026	As of June 30, 2025	Change
Retired members	19,038	18,633	2.2%
Beneficiaries	4,320	4,282	0.9%
Average age	73.6	73.4	0.2
Average monthly amount	$5,117	$4,932	3.8%
Total monthly amount	$119,522,027	$113,011,130	5.8%

Distribution of Retired Members and Beneficiaries as of June 30, 2026

By Type and Monthly Amount



By Type and Age



Historical plan population

The chart below demonstrates the progression of the active population over the last ten years. The chart also shows the growth among the retired population over the same time period.

Historical Member Data

Active Members versus Retired Members and Beneficiaries (Pay Status)

As of June 30	Active Count	Active Average Age	Active Average Employment Service	Pay Status Count	Pay Status Average Age	Pay Status Average Monthly Amount
2017	25,457	48.0	14.1	18,805	72.6	$3,632
2018	26,042	47.4	13.7	19,379	72.5	3,784
2019	26,632	47.0	13.2	20,034	72.5	3,942
2020	27,490	46.8	12.9	20,423	72.7	4,100
2021	25,176	46.4	12.6	22,012	72.2	4,304
2022	24,917	46.7	12.8	22,399	72.5	4,450
2023	25,875	46.5	12.5	22,510	72.8	4,592
2024	26,782	46.3	12.3	22,763	73.1	4,763
2025	27,000	46.5	12.4	22,915	73.4	4,932
2026	26,189	46.8	12.6	23,358	73.6	5,117

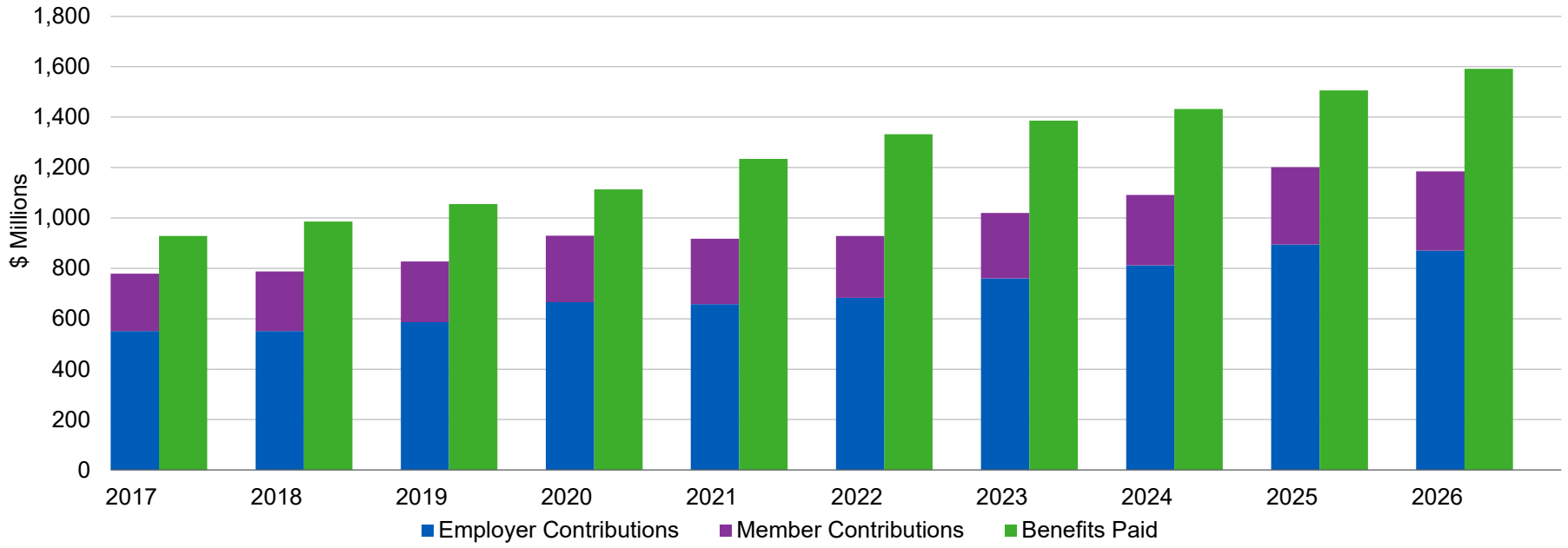
B. Financial information

Retirement plan funding anticipates that, over the long term, both contributions and investment earnings (less investment fees and administrative expenses) will be needed to cover benefit payments. Retirement plan assets change as a result of the net impact of these income and expense components.

Additional financial information, including a summary of transactions for the valuation year, is presented in *Section 3, Exhibits D, E, and F.*

It is desirable to have level and predictable plan costs from one year to the next. For this reason, the Board of Administration has approved an asset valuation method that gradually adjusts to market value. Under this valuation method, the full value of market fluctuations is not recognized in a single year and, as a result, the valuation asset value and the plan costs are more stable. The amount of the adjustment to recognize market value is treated as income, which may be positive or negative. Realized and unrealized gains and losses are treated equally and, therefore, the sale of assets has no immediate effect on the actuarial value.

Comparison of Contributions Made with Benefits for the System for Years Ended June 30[7]



[7] Benefits paid during the year ended June 30, 2026 exclude approximately $290.4 million transferred to LAFPP on March 26, 2026 pursuant to Charter Amendment FF.

Determination of Actuarial Value and Valuation Value of Assets for Year Ended June 30, 2026

Step		Actual Return	Expected Return	Investment Gain/(Loss)	Portion Deferred	Amount
1.	Market value of assets for the System					$28,400,973,615
2.	**Calculation of unrecognized return[8]**					
a.	Year ended June 30, 2021	$5,258,341,258	$1,260,485,231	$3,997,856,027	1/7	$571,122,290
b.	Year ended June 30, 2022	(1,947,728,626)	1,604,160,949	(3,551,889,575)	2/7	(1,014,825,593)
c.	Year ended June 30, 2023	1,500,807,128	1,443,373,615	57,433,513	3/7	24,614,363
d.	Year ended June 30, 2024	1,792,784,442	1,525,354,781	267,429,661	4/7	152,816,949
e.	Year ended June 30, 2025	2,644,674,977	1,630,494,720	1,014,180,257	5/7	724,414,469
f.	Year ended June 30, 2026	3,722,563,497	1,784,871,168	1,937,692,329	6/7	1,660,879,139
g.	**Total unrecognized return[9]**					**$2,119,021,617**
3.	**Preliminary actuarial value of assets: 1 – 2g**					**$26,281,951,998**
4.	Adjustment to be within 40% corridor					0
5.	**Actuarial value of assets for the System: 3 + 4**					**$26,281,951,998**
6.	Ratio of actuarial to market value: **5 ÷ 1**					92.5%
7.	**Calculation of Retirement Plan assets**					
a.	Market value of Retirement Plan assets					$23,563,286,241
b.	**Valuation value of Retirement Plan assets: 5 ÷ 1 × 7a**					**$21,805,208,733**

[8] Total return minus expected return on a market value basis.

[9] The unrecognized return as of June 30, 2026 will be recognized in the actuarial value of assets for the System in each of the next six years as shown below. Results may not total exactly due to rounding.

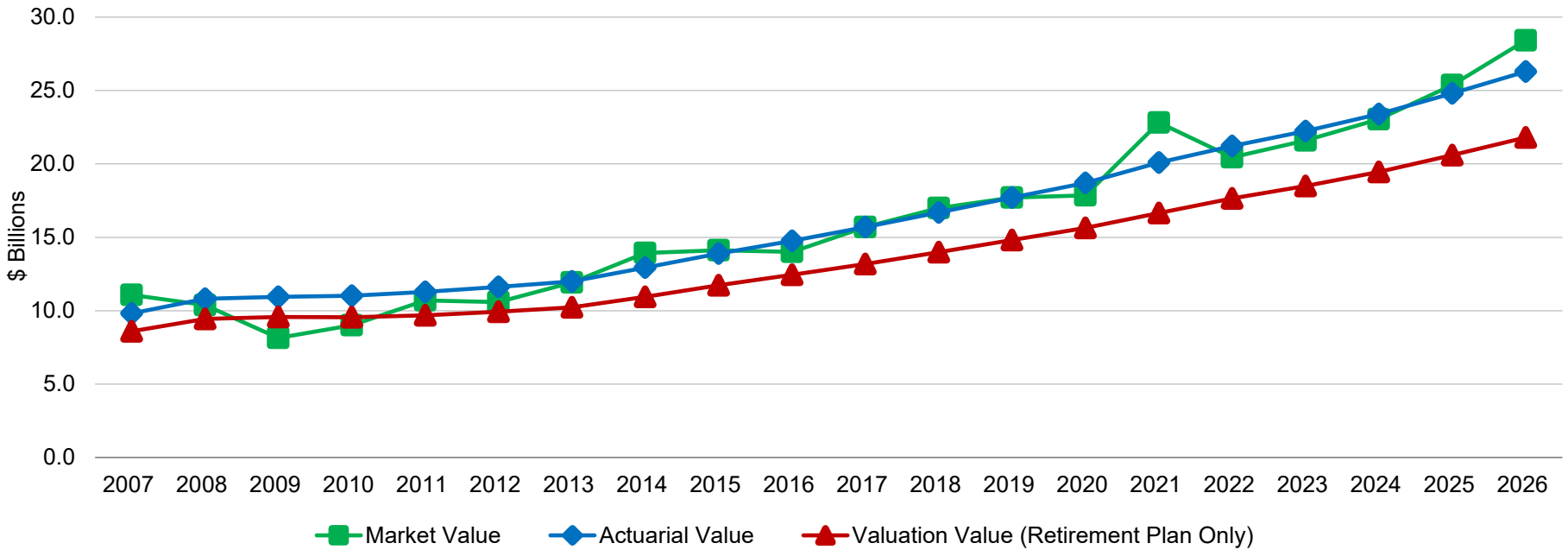
a. Amount recognized on June 30, 2027	$531,814,603
b. Amount recognized on June 30, 2028	(39,307,687)
c. Amount recognized on June 30, 2029	468,105,109
d. Amount recognized on June 30, 2030	459,900,321
e. Amount recognized on June 30, 2031	421,696,084
f. Amount recognized on June 30, 2032	276,813,190

Asset history

The market value, actuarial value and valuation value of assets are representations of a plan's financial status. As investment gains and losses are gradually taken into account, the actuarial value of assets tracks the market value of assets. The portion of the total actuarial value of assets allocated for retirement benefits, based on a prorated share of market value, is shown as the valuation value of assets.

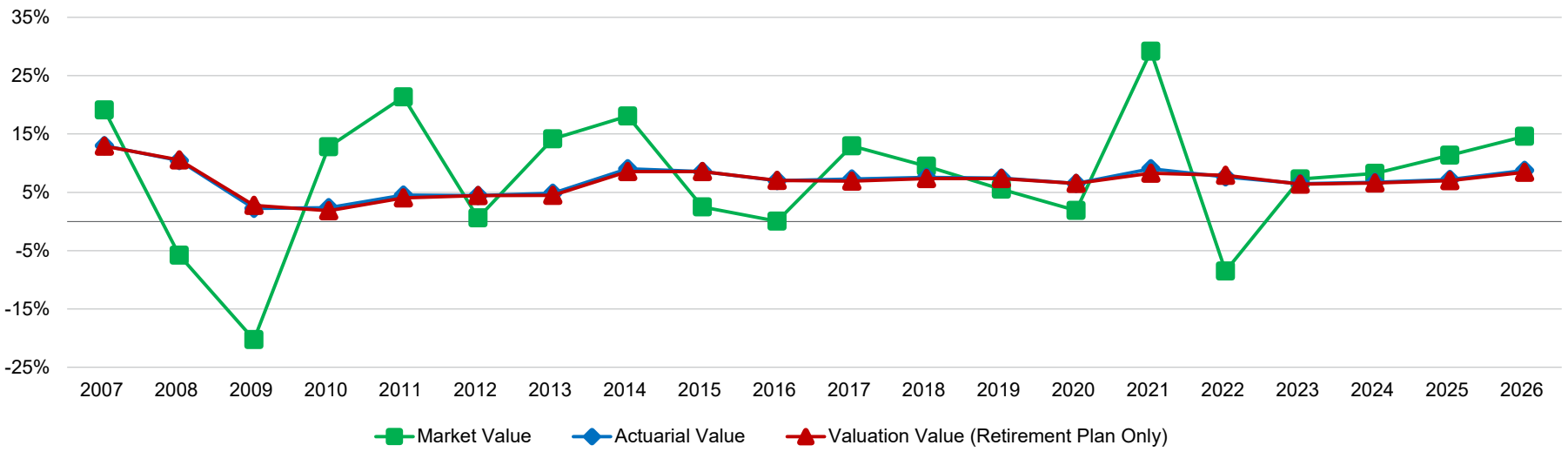
The valuation value of assets is significant because the Plan's liabilities are compared to these assets to determine what portion, if any, remains unfunded. Amortization of the unfunded actuarial accrued liability is an important element in determining the contribution requirement.

Market Value, Actuarial Value, and Valuation Value (Retirement Plan Only) of Assets as of June 30



Historical investment returns

Market Value, Actuarial Value and Valuation Value (Retirement Plan Only) Rates of Return for Years Ended June 30



Legend	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026
Market value rate	19.13%	(5.78)%	(20.26)%	12.79%	21.33%	0.62%	14.14%	18.09%	2.47%	0.05%	12.94%	9.46%	5.52%	1.89%	29.20%	(8.50)%	7.28%	8.23%	11.35%	14.60%
Actuarial value rate	12.99%	10.44%	2.26%	2.37%	4.54%	4.43%	4.86%	9.05%	8.56%	6.99%	7.27%	7.57%	7.43%	6.53%	9.03%	7.62%	6.48%	6.71%	7.18%	8.75%
Valuation value rate	12.91%	10.56%	2.76%	1.86%	4.05%	4.43%	4.48%	8.56%	8.55%	7.05%	6.90%	7.34%	7.34%	6.52%	8.26%	7.90%	6.38%	6.59%	6.98%	8.44%
Assumed rate	8.00%	8.00%	8.00%	8.00%	8.00%	7.75%	7.75%	7.75%	7.50%	7.50%	7.50%	7.25%	7.25%	7.25%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%

Average Rates of Return	Market Value	Actuarial Value	Valuation Value
Most recent five-year geometric average return	6.28%	7.35%	7.26%
Most recent 10-year geometric average return	8.82%	7.45%	7.26%
Most recent 15-year geometric average return	8.15%	7.22%	7.04%

C. Actuarial experience

To calculate any actuarially determined contribution, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year, actual experience is measured against the assumptions. If overall experience is more favorable than anticipated (an actuarial gain), the actuarially determined contribution will decrease from the previous year. On the other hand, the actuarially determined contribution will increase if overall actuarial experience is less favorable than expected (an actuarial loss).

Taking account of experience gains or losses in one year without making a change in assumptions reflects the belief that the single year's experience was a short-term development and that, over the long term, experience will return to the original assumptions. For contribution requirements to remain stable, assumptions should approximate experience.

If assumptions are changed, the contribution requirement is adjusted to take into account a change in experience anticipated for all future years. This valuation reflects changes in actuarial assumptions, as further discussed in *Section 2, Subsection D*.

The actuarial experience for the year is summarized below and a discussion of the major components can be found on the following pages.

Actuarial Experience for Year Ended June 30, 2026

	Source	Amount
1.	Net gain from investments	$(298,539,971)
2.	Net loss from contributions	25,405,578
3.	Net loss from other experience[10]	54,160,559
4.	**Net experience gain**	**$(218,973,834)**

[10] See *Subsection E* for further details. Does not include the effect of changes in plan provisions, methods or assumptions, if any.

Investment experience

A major component of projected asset growth is the assumed rate of return. The assumed return should represent the expected long-term rate of return, based on the LACERS' investment policy.

For valuation purposes, the assumed rate of return on the valuation value of assets is 7.00% based on the June 30, 2025 valuation. The actual rate of return on a valuation basis for the 2025/2026 plan year was 8.44% after recognizing a portion of this year's investment gain and a portion of prior years' investment gains and losses. Since the actual return for the year was more than the assumed return, the Plan experienced an actuarial gain during the year ended June 30, 2026 with regard to its investments.

Investment Experience for Year Ended June 30, 2026

	Line Description	Market Value for the System	Actuarial Value for the System	Valuation Value for the Retirement Plan
1.	Net investment income	$3,722,563,497	$2,179,482,907	$1,750,490,891
2.	Average value of assets	25,498,159,539	24,922,218,512	20,742,156,003
3.	Rate of return: **1 ÷ 2**	14.60%	8.75%	8.44%
4.	Assumed rate of return	7.00%	7.00%	7.00%
5.	Expected investment income: **2 × 4**	$1,784,871,168	$1,744,555,296	$1,451,950,920
6.	**Investment gain/(loss): 1 − 5**	**$1,937,692,329**	**$434,927,611**	**$298,539,971**

Note: The rate of returns shown above have been calculated by Segal on a dollar-weighted basis taking into account the beginning of year assets and cash flows made during the year. When backing into a rate of return using actual investment income and expenses as provided by LACERS, different rates of return could be calculated for the Retirement and OPEB Plans if: (a) the timing of the actual cash flows (especially the benefit payments) are different from what we assumed and/or (b) the actual income and expense allocated to each plan are different when compared to the proportion of the assets in the two Plans.

Contributions

When adjusted for timing, contributions to the Retirement Plan for the year ended June 30, 2026 totaled $1,151.9 million compared to the projected amount of $1,177.3 million. This resulted in a loss of $25.4 million for the year.

Other experience

There are other differences between the expected and the actual experience that appear when the new valuation is compared with the projections from the previous valuation. These include:

- Mortality experience (more or fewer than expected deaths)
- The extent of turnover among members
- Retirement experience (earlier or later than projected)
- The number of disability retirements (more or fewer than projected)
- Salary increases (greater or smaller than projected)
- Cost-of-living adjustments (COLAs; higher or lower than anticipated)

For the year ended June 30, 2026, this other experience also included the net impact of Charter Amendment FF.

The net loss from this other experience for the year ended June 30, 2026 amounted to $54.2 million, which is 0.19% of the actuarial accrued liability. See *Section 2, Subsection E* for a detailed development of the unfunded actuarial accrued liability.

D. Other changes impacting the actuarial accrued liability

Actuarial assumptions and methods

This report reflects assumption changes based on the Actuarial Experience Study report dated June 16, 2026 covering the period July 1, 2022 through June 30, 2025. The changes in actuarial assumptions had the following impact:

- Increased the actuarial accrued liability by $741.0 million, a 2.6% increase.
- Increased the normal cost by $47 million, a 9.1% increase.
- Increased the aggregate (Tier 1 and Tier 3) employer contribution rate (if received on July 15) by 3.00% of payroll.

Details on actuarial assumptions and methods are in *Section 4, Exhibit 1*.

Plan provisions

There have been no changes in plan provisions since the last valuation.

A summary of plan provisions is in *Section 4, Exhibit 2*.

E. Unfunded actuarial accrued liability

Development of Unfunded Actuarial Accrued Liability for Year Ended June 30, 2026

	Line Description	Amount
1.	Unfunded actuarial accrued liability at beginning of year	$7,013,981,160
2.	Total normal cost at beginning of year	517,723,672
3.	Expected employer and member contributions at beginning of year	(1,100,306,293)
4.	Interest to end of year	450,197,898
5.	**Expected unfunded actuarial accrued liability at end of year**	**$6,881,596,437**
6.	**Changes due to:**	
a.	Investment return greater than expected after asset smoothing	$(298,539,971)
b.	Actual contributions lower than expected[11]	25,405,578
c.	Transfer of certain LACERS members to LAFPP Tier 6[12]	(105,102,034)
d.	Higher than expected salary increases for continuing actives	118,894,961
e.	Higher than expected COLAs for payees	10,204,207
f.	Other net losses on demographic experience	30,163,425
g.	Change in actuarial assumptions[13]	741,021,354
h.	**Total changes**	**$522,047,520**
7.	**Unfunded actuarial accrued liability at end of year: 5 + 6h**	**$7,403,643,957**

Note: The sum of items 6c through 6f equals the "net loss from other experience" shown in *Section 2, Subsection C*.

[11] The actual contributions were lower than expected due to the scheduled one-year lag in implementing the higher employer contribution rates calculated in the June 30, 2025 valuation for fiscal year 2026-2027.

[12] Based on Los Angeles Administrative Code Section 4.2216(e), the amount of funds transferred from LACERS to LAFPP was an amount that was sufficient to cover all **funded** AAL for the LACERS service to be transferred. As LACERS is in an underfunded position, this resulted in a net decrease in the LACERS UAAL as of June 30, 2026. This amount includes a reduction of $6,843,414 in the UAAL outstanding balance as of June 30, 2026 for the 2018 APO Tier 1 Enhancement amortization layer to reflect an estimated release of liability on account of the APO Tier 1 Enhanced members that transferred to LAFPP effective January 11, 2026.

[13] Includes a refinement in valuing the cash refund option, which lowered the liabilities due to reflecting the refund of unused contributions until after the death of the member **and** the elected continuance beneficiary.

F. Recommended contribution

The recommended contribution is equal to the employer normal cost payment and a payment on the unfunded actuarial accrued liability. As of June 30, 2026, the aggregate recommended employer contribution is 30.87% of payroll, if received by LACERS on July 15, 2027.

The Board sets the funding policy used to calculate the recommended contribution based on layered amortization periods as a level percentage of payroll. See *Section 4, Exhibit 1* for further details on the funding policy.

The contribution requirement for the June 30, 2026 valuation is based on the data previously described, the actuarial assumptions and plan provisions described in *Section 4*, including all changes affecting future costs adopted at the time of the actuarial valuation, actuarial gains and losses, and changes in the actuarial assumptions.

A reconciliation of the aggregate recommended employer contribution from June 30, 2025 to June 30, 2026 is shown on the next page. A summary of the recommended contributions by tier is shown on pages 33 through 36.

The current funding policy is intended to fully fund the cost of the benefits and to allocate the cost of benefits reasonably and equitably over time while minimizing the volatility of employer contributions. The recommended contribution is expected to remain level as a percent of payroll, except when any current amortization layer is fully amortized and assuming there are no future actuarial gains or losses. Furthermore, the funded ratio is expected to increase as the UAAL is methodically funded by employer contributions. The recommended contribution under the funding policy is a “Reasonable Actuarially Determined Contribution” as required under Actuarial Standard of Practice No. 4 Measuring Pension Obligations and Determining Pension Plan Costs or Contributions.

Reconciliation of aggregate recommended employer contribution rate

Reconciliation of Employer Contribution Rate from June 30, 2025 to June 30, 2026 (% of Payroll, if Received on July 15)

	Item	Contribution Rate
1.	Aggregate recommended employer contribution rate as of June 30, 2025	28.40%
2.	**Changes due to:**	
a.	Decrease in employer normal cost due to payroll and demographic changes (including the enrollment of new employees in Tier 3)	(0.17)%
b.	Actual contributions less than expected[14]	0.08%
c.	Investment return greater than expected after asset smoothing	(0.88)%
d.	Transfer of certain LACERS members to LAFPP Tier 6[15]	(0.33)%
e.	Individual salary increases greater than expected for continuing actives	0.35%
f.	Higher than expected COLAs for payees	0.03%
g.	Amortizing prior year's UAAL over a smaller than expected total payroll	0.30%
h.	Other net experience losses	0.09%
i.	Increase due to change in actuarial assumptions	3.00%
j.	**Total change**	**2.47%**
3.	**Aggregate recommended employer contribution rate as of June 30, 2026: 1 + 2j**	**30.87%**

[14] The actual contributions were lower than expected due to the scheduled one-year lag in implementing the higher employer contribution rates calculated in the June 30, 2025 valuation for fiscal year 2026-2027.

[15] Includes a reduction in the aggregate employer contribution rate of 0.02% due to the adjustment to the 2018 APO Tier 1 Enhancement amortization layer.

Recommended employer contribution rate

Tier 1 Recommended Employer Contribution Rate (% of Payroll) Calculated as of June 30

Component	2026 Amount	2026 Contribution Rate	2025 Amount	2025 Contribution Rate
Before reflecting increase due to APO enhanced benefits				
1. Total normal cost	$349,383,912	21.15%	$333,044,165	19.32%
2. Expected employee contributions[16]	159,741,959	9.67%	166,522,083	9.66%
3. Employer normal cost: **1 − 2**	$189,641,953	11.48%	$166,522,082	9.66%
4. Actuarial accrued liability	27,976,130,279		26,699,997,377	
5. Valuation value of assets	19,236,767,216		18,600,036,710	
6. Unfunded actuarial accrued liability: **4 − 5**	$8,739,363,063		$8,099,960,667	
7. Amortization of unfunded actuarial accrued liability	352,052,802	21.31%[17]	348,487,209	20.22%
8. Total recommended contribution, beginning of year: **3 + 7**	$541,694,755	32.79%	$515,009,291	29.88%
9. Total recommended contribution, July 15	543,150,813	32.88%	516,443,264	29.97%
10. Total recommended contribution, end of pay periods	559,678,434	33.88%	532,729,754	30.92%
Increase due to APO enhanced benefits				
11. Employer normal cost, July 15		0.02%		0.08%
12. Unfunded actuarial accrued liability, July 15		0.06%		0.09%
13. Total recommended contribution, July 15		0.08%		0.17%
After reflecting increase due to APO enhanced benefits				
14. Total recommended contribution, beginning of year	$542,984,025	32.87%	$518,062,939	30.05%
15. Total recommended contribution, July 15	544,443,549	32.96%	519,505,413	30.14%
16. Total recommended contribution, end of pay periods	561,010,506	33.96%	535,888,471	31.09%
17. Projected payroll	**$1,651,933,391**		**$1,723,831,084**	

[16] Discounted to beginning of year. The average employee rate for contributions made at the end of each pay period is 10.00% for the June 30, 2025 and June 30, 2026 valuations.

[17] For purposes of purchasing service with the Water and Power Employees' Retirement Plan (WPERP) for Tier 1, the UAAL rate as of June 30, 2026 is 21.31% before reflecting enhanced benefits for APO, plus an additional 0.06% for the cost increase for the enhanced APO benefits for a total of 21.37%, if received at the beginning of the year. If received on July 15, the total UAAL rate of 21.37% increases to 21.43%.

Section 2: Actuarial Valuation Results

Tier 3 Recommended Employer Contribution Rate (% of Payroll) Calculated as of June 30

Component	2026 Amount	2026 Contribution Rate	2025 Amount	2025 Contribution Rate
Before reflecting increase due to APO enhanced benefits				
1. Total normal cost	$219,311,614	17.34%	$183,300,442	16.02%
2. Expected employee contributions[18]	134,571,832	10.64%	121,628,196	10.63%
3. Employer normal cost: **1 − 2**	$84,739,782	6.70%	$61,672,246	5.39%
4. Actuarial accrued liability	1,222,726,461		894,707,462	
5. Valuation value of assets	2,568,441,517		1,999,210,782	
6. Unfunded actuarial accrued liability: **4 − 5**	$(1,345,715,056)		$(1,104,503,320)	
7. Amortization of unfunded actuarial accrued liability	269,542,847	21.31%	231,309,322	20.22%
8. Total recommended contribution, beginning of year: **3 + 7**	$354,282,629	28.01%	$292,981,568	25.61%
9. Total recommended contribution, July 15	355,234,929	28.09%	293,797,335	25.68%
10. Total recommended contribution, end of pay periods	366,044,428	28.94%	303,062,490	26.50%
Increase due to APO enhanced benefits				
11. Employer normal cost, July 15		0.00%		0.00%
12. Unfunded actuarial accrued liability, July 15		0.06%		0.09%
13. Total recommended contribution, July 15		0.06%		0.09%
After reflecting increase due to APO enhanced benefits				
14. Total recommended contribution, beginning of year	$355,016,781	28.07%	$294,093,076	25.70%
15. Total recommended contribution, July 15	355,971,054	28.15%	294,911,938	25.77%
16. Total recommended contribution, end of pay periods	366,802,953	29.00%	304,212,243	26.59%
17. Projected payroll	**$1,264,772,860**		**$1,144,197,517**	

[18] Discounted to beginning of year. The average employee rate for contributions made at the end of each pay period is 11.00% for the June 30, 2025 and June 30, 2026 valuations.

Section 2: Actuarial Valuation Results

Aggregate Recommended Employer Contribution Rate (% of Payroll) Calculated as of June 30

Component	2026 Amount	2026 Contribution Rate	2025 Amount	2025 Contribution Rate
Before reflecting increase due to APO enhanced benefits				
1. Total normal cost	$568,695,526	19.50%	$516,344,607	17.97%
2. Expected employee contributions	294,313,791	10.09%	288,150,279	10.06%
3. Employer normal cost: **1 − 2**	$274,381,735	9.41%	$228,194,328	7.91%
4. Actuarial accrued liability	29,198,856,740		27,594,704,839	
5. Valuation value of assets	21,805,208,733		20,599,247,492	
6. Unfunded actuarial accrued liability: **4 − 5**	$7,393,648,007		$6,995,457,347	
7. Amortization of unfunded actuarial accrued liability	621,595,649	21.31%	579,796,531	20.22%
8. Total recommended contribution, beginning of year: **3 + 7**	$895,977,384	30.72%	$807,990,859	28.13%
9. Total recommended contribution, July 15	898,385,742	30.80%	810,240,599	28.26%
10. Total recommended contribution, end of pay periods	925,722,862	31.74%	835,792,244	29.15%
After reflecting increase due to APO enhanced benefits				
11. Total normal cost	$569,025,913	19.51%	$517,723,672	18.02%
12. Expected employee contributions	294,313,791	10.09%	288,150,278	10.06%
13. Employer normal cost: **11 − 12**	$274,712,122	9.42%	$229,573,394	7.96%
14. Actuarial accrued liability	29,208,852,690		27,613,228,652	
15. Valuation value of assets	21,805,208,733		20,599,247,492	
16. Unfunded actuarial accrued liability: **14 − 15**	$7,403,643,957		$7,013,981,160	
17. Amortization of unfunded actuarial accrued liability	623,288,684	21.37%	582,582,621	20.31%
18. Total recommended contribution, beginning of year: **13 + 17**	898,000,806	30.79%	812,156,015	28.27%
19. Total recommended contribution, July 15	900,414,603	30.87%	814,417,351	28.40%
20. Total recommended contribution, end of pay periods	927,813,459	31.81%	840,100,714	29.29%
21. Projected payroll	**$2,916,706,251**		**$2,868,028,601**	

Section 2: Actuarial Valuation Results

Aggregate Recommended Employer Contribution Calculated as of June 30, 2026

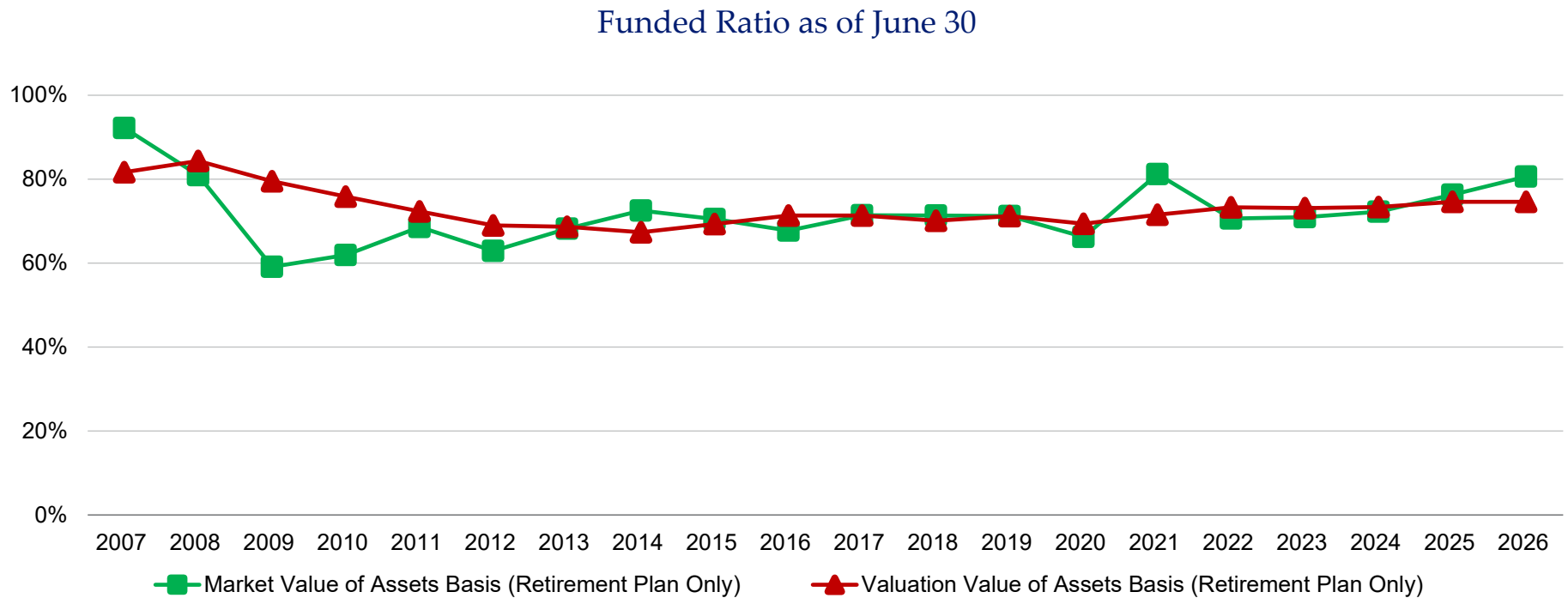
Component	Tier 1	Tier 3	Total Plan
Before reflecting increase due to APO enhanced benefits			
1. Total normal cost	$349,383,912	$219,311,614	$568,695,526
2. Expected employee contributions[19]	159,741,959	134,571,832	294,313,791
3. Employer normal cost: **1 − 2**	$189,641,953	$84,739,782	$274,381,735
4. Payment on unfunded actuarial accrued liability	352,052,802	269,542,847	621,595,649
5. Total recommended contribution: beginning of year: **3 + 4**	$541,694,755	$354,282,629	$895,977,384
6. Total recommended contribution: adjusted for July 15 timing	543,150,813	355,234,929	898,385,742
7. Total recommended contribution: adjusted for biweekly timing	559,678,434	366,044,428	925,722,862
8. Item 5 (beginning of year contribution) as a % of projected payroll: **5 ÷ 17**	32.79%	28.01%	30.72%
9. Item 6 (July 15 contribution) as a % of projected payroll: **6 ÷ 17**	32.88%	28.09%	30.80%
10. Item 7 (biweekly contribution) as a % of projected payroll: **7 ÷ 17**	33.88%	28.94%	31.74%
After reflecting increase due to APO enhanced benefits			
11. Total recommended contribution: beginning of year	$542,984,025	$355,016,781	$898,000,806
12. Total recommended contribution: adjusted for July 15 timing	544,443,549	355,971,054	900,414,603
13. Total recommended contribution: adjusted for biweekly timing	561,010,506	366,802,953	927,813,459
14. Item 11 (beginning of year contribution) as a % of projected payroll: **11 ÷ 17**	32.87%	28.07%	30.79%
15. Item 12 (July 15 contribution) as a % of projected payroll: **12 ÷ 17**	32.96%	28.15%	30.87%
16. Item 13 (biweekly contribution) as a % of projected payroll: **13 ÷ 17**	33.96%	29.00%	31.81%
17. Projected payroll	**$1,651,933,391**	**$1,264,772,860**	**$2,916,706,251**

[19] Discounted to beginning of year.

G. Funded status

A commonly reported piece of information regarding the Plan's financial status is the funded ratio. These ratios compare the market and valuation value of assets to the actuarial accrued liability of the Plan. Higher ratios indicate a relatively well-funded plan while lower ratios may indicate recent changes to actuarial assumptions, funding of the plan below actuarial requirements, poor asset performance, or a variety of other causes.

The funded status measures shown in this valuation are appropriate for assessing the need for or amount of future contributions. However, they are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligations. As the chart below shows, the measures are different depending on whether the market or valuation value of assets is used.



Section 2: Actuarial Valuation Results

Schedule of Funding Progress

As of June 30	Valuation Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) − (a)	Funded Ratio (a) ÷ (b)	Projected Compensation (c)	UAAL as a % of Projected Compensation [(b) − (a)] ÷ (c)
2017	$13,178,333,884	$18,458,187,953	$5,279,854,069	71.40%	$2,062,316,129	256.02%
2018	13,982,435,465	19,944,579,058	5,962,143,593	70.11%	2,177,687,102	273.78%
2019	14,818,564,427	20,793,421,143	5,974,856,716	71.27%	2,225,412,831	268.48%
2020	15,630,102,547	22,527,195,295	6,897,092,748	69.38%	2,445,016,587	282.09%
2021	16,660,584,654	23,281,892,854	6,621,308,200	71.56%	2,254,165,029	293.74%
2022	17,649,267,571	24,078,751,303	6,429,483,732	73.30%	2,258,724,771	284.65%
2023	18,493,821,018	25,299,537,118	6,805,716,100	73.10%	2,512,179,018	270.91%
2024	19,445,576,600	26,492,518,234	7,046,941,634	73.40%	2,730,282,217	258.10%
2025	20,599,247,492	27,613,228,652	7,013,981,160	74.60%	2,868,028,601	244.56%
2026	21,805,208,733	29,208,852,690	7,403,643,957	74.65%	2,916,706,251	253.84%

H. Actuarial balance sheet

An overview of the Plan's funding is given by an actuarial balance sheet. In this approach, first the amount and timing of all future payments that will be made by the Plan for current members is determined. Then these payments are discounted at the valuation interest rate to the date of the valuation, thereby determining the present value, referred to as the "liability" of the Plan.

Second, this liability is compared to the assets. The "assets" for this purpose include the net amount of assets already accumulated by the Plan, the present value of future member contributions, the present value of future employer normal cost contributions, and the present value of future employer amortization payments for the unfunded actuarial accrued liability.

Actuarial Balance Sheet as of June 30

Line Description	2026	2025
Liabilities		
Present value of benefits for retired members and beneficiaries	$17,865,861,439	$16,679,536,581
Present value of benefits for inactive members	752,114,050	734,775,120
Present value of benefits for active members	15,771,164,885	14,576,850,684
Total liabilities	**$34,389,140,374**	**$31,991,162,385**
Current and future assets		
Total valuation value of assets	$21,805,208,733	$20,599,247,492
Present value of future contributions by members	2,829,648,844	2,580,336,570
Present value of future employer contributions for:		
• Entry age normal cost	2,350,638,840	1,797,597,163
• Unfunded actuarial accrued liability	7,403,643,957	7,013,981,160
Total of current and future assets	**$34,389,140,374**	**$31,991,162,385**

I. Risk

Because the actuarial valuation results are dependent on a fixed set of assumptions and data as of a specific date, there is risk that emerging results may differ, perhaps significantly, as actual experience is fluid and will not exactly track current assumptions. This potential divergence may have a significant impact on the future financial condition of the Plan.

This report does not contain a detailed analysis of the potential range of future measurements, but does include a concise discussion of some of the primary risks that may affect the Plan's future financial condition. Earlier this year we prepared a stand-alone Risk Assessment report for the Retirement and Health Plans dated March 17, 2026 by using membership and financial information as provided in the actuarial valuations as of June 30, 2025. That report includes various deterministic and stochastic projections of future results under different investment return scenarios based on the assumptions adopted for the June 30, 2025 valuations. A copy of the stand-alone risk assessment report associated with this June 30, 2026 valuation, including the quantitative analyses recommended by Segal in consultation with LACERS staff, will be available in the first quarter of 2027.

This section provides descriptions and basic assessments of the primary risks that are likely to have an ongoing influence on the Plan's financial health, as well as a discussion of historical trends and maturity measures:

Risk assessments

- **Asset/Liability Mismatch Risk** (the potential that future plan experience does not affect asset and liability values in the same way, causing them to diverge)

  The most significant asset/liability mismatch risk to the Plan is investment risk, as discussed below. In fact, investment risk has the potential to impact asset/liability mismatch in two ways. The first is evident in annual valuations; when asset values deviate from assumptions they are typically independent from liability changes. The second can be caused when systemic asset deviations from assumptions may signal the need for an assumption change, which causes liability values and contribution rates to move in the opposite direction from any change in the expected experience of asset growth rates.

  Asset/liability mismatch can also be caused by demographic assumption risk such as longevity, which affects liabilities but has no impact on asset levels. This risk is also discussed below.

- **Investment Risk** (the risk that investment returns will be different than expected)

  The investment return assumption is a long-term, static assumption for valuation purposes even though in reality market experience can be quite volatile in any given year. That volatility can cause significant changes in the financial condition of the Plan, affecting both funded status and contribution rates. The inherent year-to-year volatility is reduced by smoothing through the valuation value of assets, however investment experience can still have a sizable impact. As discussed in *Section 2, Subsection J, Volatility ratios*, on page 44, a 1% asset gain or loss (relative to the assumed investment return) translates to about 8.1% of one-year's payroll. Since actuarial gains and losses

are amortized over 15 years, there would be a 0.7% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The year-by-year market value rate of return over the last 10 years has ranged from a low of −8.50% to a high of 29.20%.

- **Longevity Risk** (the risk that mortality experience will be different than expected)

  The actuarial valuation includes current life expectancy assumptions and an expectation of future improvement in life expectancy, which are significant assumptions given the relatively long duration of liabilities for pension plans. Emerging plan experience that does not match these expectations will result in increases or decreases in the actuarially determined contribution over time. This risk can be reduced by using tables appropriate for the Plan (public experience tables) that are weighted by benefit levels, and by using generational mortality projections. Effective with the June 30, 2020 valuation, the Board has adopted mortality tables based on public plan experience that are weighted by benefits and include generational mortality projections.

- **Other Risks**

  In addition to longevity, the valuation includes a variety of other assumptions that are unlikely to match future experience exactly. One example is projected salary scales over time. As salary is central to the determination of benefits paid in retirement, deviations from the projected salary scales could have a material impact on the benefits anticipated for each member. Examples of other demographic assumptions include retirement, termination and disability assumptions, and will likely vary in significance for different pension plans.

Some plans also carry significant contribution risk, defined as the potential for actual future contributions deviating from expected future contributions. However, the employers have a proven track-record of making the actuarially determined contributions based on the Board's Actuarial Funding Policy, so contribution risk is minimal.

Evaluation of historical trends

Past experience can help demonstrate the sensitivity of key results to the Plan's actual experience. Over the past ten years:

- The funded percentage on the valuation value of assets basis has increased from 71.40% to 74.65%. This is primarily due to the VVA growing faster than the AAL. For a more detailed history see *Section 2, Subsection G, Funded status* starting on page 37.
- The average geometric investment return on the actuarial value of assets over the last 10 years was 7.45%. This includes a high of 9.03% and a low of 6.48% The average over the last five years is 7.35%. For more details see the *Section 2, Subsection B, Historical investment returns* on page 25.
- The primary source of new UAAL was the strengthening of assumptions through multiple assumption changes. For example, the assumption changes in:
  - 2017 changed the discount rate from 7.50% to 7.25%, adding $341 million in unfunded liability;

- 2018 included the use of generational mortality tables to better reflect future mortality improvement, adding $484 million in unfunded liability;
- 2020 changed the discount rate from 7.25% to 7.00% and updated mortality tables based on public plan experience that are weighted by benefits, adding $531 million in unfunded liability; and
- 2023 changed the inflation rate from 2.75% to 2.50%, subtracting $113 million from the unfunded liability.
- 2026 changed the discount rate from 7.00% to 6.75%, adding $741 million in unfunded liability.

For more details on the unfunded liability changes see *Section 3, Exhibit G, Table of amortization bases* on page 59. A graphical representation of historical changes in UAAL by source prior to this valuation was included in the stand-alone risk assessment report as of June 30, 2025.

- The plan's funding policy effectively deals with these unfunded liabilities over time. This can be seen most clearly in *Section 3, Exhibit H, Projection of UAAL balances and payments* starting on page 61.

Maturity measures

In the last 10 years the ratio of members in pay status to active participants has increased from 0.74 to 0.89. An increased ratio indicates that the plan has grown in maturity over time. This is to be expected but is also informative for understanding plan sensitivity to particular risks. For more details see *Section 2, Subsection A, Member information* on page 17.

As pension plans mature, the cash needed to fulfill benefit obligations will increase over time. Therefore, cash flow projections and analysis should be performed to assure that the Plan's asset allocation is aligned to meet emerging pension liabilities. For the prior year, benefits paid were $310 million more than contributions received. Plans with high levels of negative cash flows may have a need for a larger allocation to income generating assets, which can create a drag on investment return. However, this plan currently has relatively low levels of negative cash flows. For more details on historical cash flows see the Comparison of Contributions Made with Benefits in *Section 2, Subsection B, Financial information* on page 22.

A further discussion of plan maturity measures and how they relate to changes in assets and liabilities is included in *Section 2, Subsection J, Volatility ratios* on page 44.

Low-Default-Risk Obligation Measure (LDROM)

In December 2021, the Actuarial Standards Board issued a revision of Actuarial Standard of Practice No. 4 (ASOP 4) *Measuring Pension Obligations and Determining Pension Plan Costs or Contributions*. One of the revisions to ASOP 4 requires the disclosure of a Low-Default-Risk Obligation Measure (LDROM) when performing a funding valuation. The LDROM presented in this report is calculated using the same methodology and assumptions used to determine the AAL used for funding, except for the discount rate. The LDROM is required to be

calculated using "a discount rate…derived from low-default-risk fixed income securities whose cash flows are reasonably consistent with the pattern of benefits expected to be paid in the future."

The LDROM is a calculation assuming a plan's assets are invested in an all-bond portfolio, generally lowering expected long-term investment returns. The discount rate selected and used for this purpose is the Bond Buyer General Obligation 20-year Municipal Bond Index Rate, published at the end of each week. The last published rate in June of the measurement period, by The Bond Buyer, is 4.67% for use effective June 30, 2026. This is the rate used to determine the discount rate for valuing reported public pension plan liabilities in accordance with Governmental Accounting Standards when plan assets are projected to be insufficient to make projected benefit payments, and the 20-year period reasonably approximates the duration of plan liabilities. The LDROM is not used to determine a plan's funded status or actuarially determined contribution rates. The plan's expected return on assets, currently 6.75%, is used for these calculations.

As of June 30, 2026, the LDROM for the Plan is $38.13 billion.[20] The difference between the Plan's AAL of $29.21 billion and the LDROM can be thought of as the increase in the AAL if the entire portfolio were invested in low-default-risk securities. Alternatively, this difference could also be viewed as representing the expected savings from investing in the Plan's diversified portfolio compared to investing only in low-default-risk securities.

ASOP 4 requires commentary to help the intended user understand the significance of the LDROM with respect to the funded status of the plan, plan contributions, and the security of member benefits. In general, if plan assets were invested exclusively in low-default-risk securities, the funded status would be lower and the actuarially determined contribution would be higher. While investing in a portfolio with low-default-risk securities may be more likely to reduce investment volatility and the volatility of employer contributions, it also may be more likely to result in higher employer contributions or lower benefits.

[20] For comparison purposes, as of June 30, 2025, the LDROM was $34.65 billion based on a discount rate of 5.20%, while the Plan's actuarial accrued liability was $27.61 billion.

J. Volatility ratios

Retirement plans are subject to volatility in the level of required contributions. This volatility tends to increase as retirement plans become more mature.

The Asset Volatility Ratio (AVR), which is equal to the market value of assets divided by total projected compensation, provides an indication of the potential contribution volatility for any given level of investment volatility. A higher AVR indicates that the Plan is subject to a greater level of contribution volatility. This is a current measurement since it is based on the current level of assets.

The current AVR is about 8.1. This means that a 1% asset gain or loss (relative to the assumed investment return) translates to about 8.1% of one-year's payroll. Since actuarial gains and losses are amortized over 15 years, there would be a 0.7% of payroll decrease/(increase) in the required contribution for each 1% asset gain/(loss).

The Liability Volatility Ratio (LVR), which is equal to the actuarial accrued liability divided by total projected compensation, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the Plan's assets should track the Plan's liabilities. For example, if a Plan is 50% funded on a market value basis, the liability volatility ratio would be double the asset volatility ratio and the Plan sponsor should expect contribution volatility to increase over time as the Plan becomes better funded.

The LVR also indicates how volatile contributions will be in response to changes in the actuarial accrued liability due to actual experience or to changes in actuarial assumptions. The current LVR is about 10.0. The LVR is about 23% higher than the AVR. Therefore, we would expect that contribution volatility will increase over the long term.

Section 2: Actuarial Valuation Results

Volatility Ratios

As of June 30	Asset Volatility Ratio	Liability Volatility Ratio
2017	6.4	9.0
2018	6.5	9.2
2019	6.7	9.3
2020	6.1	9.2
2021	8.4	10.3
2022	7.5	10.7
2023	7.1	10.1
2024	7.0	9.7
2025	7.3	9.6
2026	8.1	10.0

Section 3: Supplemental Information

Exhibit A: Table of plan demographics

Total Plan — Demographics as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number	26,189	27,000	–3.0%
• Average age	46.8	46.5	0.3
• Average years of employment service	12.6	12.4	0.2
• Total projected compensation[21]	$2,916,706,251	$2,868,028,601	1.7%
• Average projected compensation[21]	$111,371	$106,223	4.8%
• Account balances	$3,030,712,374	$2,930,847,071	3.4%
• Total active vested members	18,491	19,503	–5.2%
Inactive members			
• Number	12,909	12,265	5.3%
• Average age	45.5	45.4	0.1
• Average contribution balance for those with under 5 years of service	$10,682	$10,043	6.4%
• Average monthly benefit at age 60 for those with 5 or more years of service	$1,418	$1,451	–2.3%

[21] Reflects annualized salaries for part-time members.

Section 3: Supplemental Information

Demographic Data by Status	2026	2025	Change
Retired members			
• Number	18,272	17,866	2.3%
• Average service at retirement	26.2	26.3	–0.1
• Average age at retirement	60.9	60.8	0.1
• Average age	73.0	72.8	0.2
• Average monthly benefit (includes July COLA)	$5,715	$5,520	3.5%
Disabled members			
• Number	766	767	–0.1%
• Average service at retirement	11.6	11.6	0.0
• Average age at retirement	47.7	47.8	–0.1
• Average age	70.1	69.8	0.3
• Average monthly benefit (includes July COLA)	$2,352	$2,238	5.1%
Beneficiaries			
• Number	4,320	4,282	0.9%
• Average age	76.9	76.7	0.2
• Average monthly benefit (includes July COLA)	$3,080	$2,959	4.1%

Section 3: Supplemental Information

Tier 1 — Demographics as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number[22]	13,339	14,552	–8.3%
• Average age	52.8	52.2	0.6
• Average years of employment service	19.9	19.4	0.5
• Total projected compensation[23]	$1,651,933,391	$1,723,831,084	–4.2%
• Average projected compensation[23]	$123,842	$118,460	4.5%
• Account balances	$2,452,216,171	$2,470,063,800	–0.7%
• Total active vested members	12,989	14,157	–8.3%
Inactive members			
• Number[24]	7,743	7,847	–1.3%
• Average age	49.3	48.8	0.5
• Average contribution balance for those with under 5 years of service	$8,444	$8,072	4.6%
• Average monthly benefit at age 60 for those with 5 or more years of service	$1,577	$1,576	0.1%

[22] Includes 58 Airport Peace Officers eligible for enhanced benefits as of June 30, 2026 and 307 as of June 30, 2025. Includes 2 Sworn Public Safety Officers eligible for enhanced benefits as of June 30, 2026 and 65 as of June 30, 2025.
[23] Reflects annualized salaries for part-time members.
[24] Includes 24 Airport Peace Officers eligible for enhanced benefits as of June 30, 2026 and 27 as of June 30, 2025.

Section 3: Supplemental Information

Demographic Data by Status	2026	2025	Change
Retired members			
• Number[25]	18,249	17,855	2.2%
• Average service at retirement	26.2	26.3	–0.1
• Average age at retirement	60.9	60.8	0.1
• Average age	73.0	72.8	0.2
• Average monthly benefit (includes July COLA)	$5,720	$5,523	3.6%
Disabled members			
• Number[26]	760	763	–0.4%
• Average service at retirement	11.6	11.6	0.0
• Average age at retirement	47.6	47.7	–0.1
• Average age	70.1	69.9	0.2
• Average monthly benefit (includes July COLA)	$2,348	$2,234	5.1%
Beneficiaries			
• Number	4,313	4,280	0.8%
• Average age	76.9	76.7	0.2
• Average monthly benefit (includes July COLA)	$3,080	$2,960	4.1%

[25] Includes 117 Airport Peace Officers eligible for enhanced benefits as of June 30, 2026 and 108 as of June 30, 2025.
[26] Includes 24 Airport Peace Officers eligible for enhanced benefits as of June 30, 2026 and 18 as of June 30, 2025.

Tier 3 — Demographics as of June 30

Demographic Data by Status	2026	2025	Change
Active members			
• Number[27]	12,850	12,448	3.2%
• Average age	40.5	39.8	0.7
• Average years of employment service	4.9	4.3	0.6
• Total projected compensation[28]	$1,264,772,860	$1,144,197,517	10.5%
• Average projected compensation[28]	$98,426	$91,918	7.1%
• Account balances	$578,496,203	$460,783,270	25.5%
• Total active vested members	5,502	5,346	2.9%
Inactive members			
• Number	5,166	4,418	16.9%
• Average age	39.9	39.6	0.3
• Average contribution balance for those with under 5 years of service	$13,017	$12,419	4.8%
• Average monthly benefit at age 60 for those with 5 or more years of service	$671	$628	6.8%

[27] Includes 6 Sworn Public Safety Officers eligible for enhanced benefits as of June 30, 2026 and 16 as of June 30, 2025.
[28] Reflects annualized salaries for part-time members.

Section 3: Supplemental Information

Demographic Data by Status	2026	2025	Change
Retired members			
• Number	23	11	109.1%
• Average service at retirement	6.3	4.3	2.0
• Average age at retirement	64.8	64.0	0.8
• Average age	66.5	66.2	0.3
• Average monthly benefit (includes July COLA)	$1,322	$1,145	15.5%
Disabled members			
• Number	6	4	50.0%
• Average service at retirement	6.1	6.4	–0.3
• Average age at retirement	58.9	57.0	1.9
• Average age	61.9	59.2	2.7
• Average monthly benefit (includes July COLA)	$2,880	$2,971	-3.1%
Beneficiaries			
• Number	7	2	250.0%
• Average age	54.6	54.7	–0.1
• Average monthly benefit (includes July COLA)	$2,687	$2,268	18.5%

Exhibit B: Distribution of active members

Total Plan

Active Counts & Average Projected Compensation by Age and Years of Service[29] as of June 30, 2026

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	709	707	2	—	—	—	—	—	—	—
	$62,321	$62,330	$59,193	—	—	—	—	—	—	—
25–29	1,920	1,581	335	4	—	—	—	—	—	—
	$82,267	$80,872	$88,754	$90,121	—	—	—	—	—	—
30–34	2,965	1,450	1,257	256	2	—	—	—	—	—
	$96,806	$88,149	$102,295	$118,734	$116,372	—	—	—	—	—
35–39	3,191	1,139	1,275	620	148	9	—	—	—	—
	$105,531	$91,891	$108,009	$125,414	$104,617	$125,893	—	—	—	—
40–44	3,135	835	910	568	562	248	12	—	—	—
	$117,462	$97,040	$113,764	$135,789	$130,914	$127,456	$114,806	—	—	—
45–49	3,411	659	742	400	565	760	272	13	—	—
	$122,810	$92,788	$112,752	$133,565	$131,968	$139,496	$140,505	$144,237	—	—
50–54	3,287	477	545	295	447	713	669	128	13	—
	$123,744	$89,557	$105,817	$133,499	$125,413	$131,014	$145,209	$144,917	$139,079	—
55–59	3,201	412	472	248	398	641	651	220	154	5
	$123,345	$90,443	$106,893	$124,599	$119,149	$124,386	$140,642	$155,113	$148,466	$102,047
60–64	2,404	274	336	183	327	457	437	161	193	36
	$118,338	$86,880	$103,311	$116,901	$108,436	$115,628	$132,392	$155,434	$149,127	$128,105
65–69	1,261	120	190	118	194	261	197	62	84	35
	$113,325	$93,977	$98,818	$113,878	$102,826	$107,526	$122,427	$156,349	$141,885	$161,989
70 and over	705	55	68	53	108	175	116	39	46	45
	$105,933	$79,453	$91,185	$102,608	$95,491	$105,567	$107,669	$125,719	$136,269	$138,356
Total	**26,189**	**7,709**	**6,132**	**2,745**	**2,751**	**3,264**	**2,354**	**623**	**490**	**121**
	$111,371	**$86,394**	**$106,188**	**$127,366**	**$121,066**	**$126,006**	**$137,112**	**$151,157**	**$146,204**	**$140,642**

[29] Based on employment service. Average employment service is 12.6 years compared to average benefit service of 11.7 years.

Tier 1

Active Counts & Average Projected Compensation by Age and Years of Service[30] as of June 30, 2026

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	—	—	—	—	—	—	—	—	—	—
	—	—	—	—	—	—	—	—	—	—
25–29	115	56	55	4	—	—	—	—	—	—
	$65,155	$60,038	$68,549	$90,121	—	—	—	—	—	—
30–34	583	71	291	219	2	—	—	—	—	—
	$97,330	$76,692	$87,042	$117,518	$116,372	—	—	—	—	—
35–39	1,004	64	246	541	144	9	—	—	—	—
	$108,704	$75,496	$87,707	$123,175	$103,889	$125,893	—	—	—	—
40–44	1,484	58	142	486	544	242	12	—	—	—
	$124,958	$73,461	$93,406	$133,021	$130,608	$127,428	$114,806	—	—	—
45–49	2,077	30	111	354	552	750	268	12	—	—
	$132,498	$74,777	$88,339	$131,335	$131,747	$139,293	$140,754	$145,104	—	—
50–54	2,302	13	89	263	437	696	665	126	13	—
	$132,824	$73,226	$85,466	$134,045	$124,505	$130,423	$145,321	$145,394	$139,079	—
55–59	2,352	22	79	206	391	633	644	218	154	5
	$130,310	$76,973	$87,196	$121,977	$118,772	$123,999	$140,659	$155,458	$148,466	$102,047
60–64	1,828	20	60	144	326	455	435	159	193	36
	$123,532	$76,310	$75,702	$111,915	$108,402	$115,659	$132,376	$155,290	$149,127	$128,105
65–69	991	16	38	105	194	260	197	62	84	35
	$116,034	$63,284	$77,193	$111,771	$102,826	$107,537	$122,427	$156,349	$141,885	$161,989
70 and over	603	11	16	47	108	175	116	39	46	45
	$107,572	$63,714	$63,841	$95,094	$95,491	$105,567	$107,669	$125,719	$136,269	$138,356
Total	**13,339**	**361**	**1,127**	**2,369**	**2,698**	**3,220**	**2,337**	**616**	**490**	**121**
	$123,842	**$72,100**	**$85,836**	**$125,191**	**$120,614**	**$125,703**	**$137,148**	**$151,361**	**$146,204**	**$140,642**

[30] Based on employment service. Average employment service for Tier 1 is 19.9 years compared to average benefit service of 18.7 years.

Tier 3

Active Counts & Average Projected Compensation by Age and Years of Service[31] as of June 30, 2026

Age	Total	0–4 Years	5–9 Years	10–14 Years	15–19 Years	20–24 Years	25–29 Years	30–34 Years	35–39 Years	40 Years and Over
Under 25	709	707	2	—	—	—	—	—	—	—
	$62,321	$62,330	$59,193	—	—	—	—	—	—	—
25–29	1,805	1,525	280	—	—	—	—	—	—	—
	$83,357	$81,637	$92,723	—	—	—	—	—	—	—
30–34	2,382	1,379	966	37	—	—	—	—	—	—
	$96,678	$88,739	$106,890	$125,930	—	—	—	—	—	—
35–39	2,187	1,075	1,029	79	4	—	—	—	—	—
	$104,074	$92,867	$112,863	$140,743	$130,835	—	—	—	—	—
40–44	1,651	777	768	82	18	6	—	—	—	—
	$110,723	$98,800	$117,529	$152,199	$140,153	$128,581	—	—	—	—
45–49	1,334	629	631	46	13	10	4	1	—	—
	$107,727	$93,647	$117,046	$150,726	$141,363	$154,730	$123,815	$133,839	—	—
50–54	985	464	456	32	10	17	4	2	—	—
	$102,522	$90,014	$109,789	$129,012	$165,070	$155,210	$126,600	$114,889	—	—
55–59	849	390	393	42	7	8	7	2	—	—
	$104,049	$91,203	$110,853	$137,462	$140,208	$154,958	$139,086	$117,559	—	—
60–64	576	254	276	39	1	2	2	2	—	—
	$101,855	$87,712	$109,313	$135,309	$119,271	$108,628	$135,983	$166,894	—	—
65–69	270	104	152	13	—	1	—	—	—	—
	$103,383	$98,699	$104,224	$130,903	—	$104,835	—	—	—	—
70 and over	102	44	52	6	—	—	—	—	—	—
	$96,246	$83,388	$99,599	$161,469	—	—	—	—	—	—
Total	**12,850**	**7,348**	**5,005**	**376**	**53**	**44**	**17**	**7**	**—**	**—**
	$98,426	**$87,097**	**$110,771**	**$141,067**	**$144,061**	**$148,161**	**$132,190**	**$133,217**	**—**	**—**

[31] Based on employment service. Average employment service for Tier 3 is 4.9 years compared to average benefit service of 4.5 years. We understand that some Tier 3 members entered LACERS with incoming reciprocal (i.e., employment) service. Such service is only used for eligibility determination purposes.

Exhibit C: Reconciliation of member data

Line Description	Active Members	Inactive Members	Retired Members	Disabled Members	Beneficiaries	Total
Number as of June 30, 2025	27,000	12,265	17,866	767	4,282	62,180
New members	1,279	0	0	0	263	1,542
Terminations with vested rights	–1,168	1,168	0	0	0	0
Contribution refunds	–367	–161	0	0	0	–528
Retirements	–748	–159	907	0	0	0
New disabilities	0	–24	–1	25	0	0
Return to work	241	–241	0	0	0	0
Died with or without beneficiary	–48	–77	–500	–26	–220	–871
Data adjustments	0	138[32]	0	0	–5	133
Number as of June 30, 2026	**26,189**	**12,909**	**18,272**	**766**	**4,320**	**62,456**

Note: For the change in the annual benefits from the retirees and beneficiaries added to and removed from the rolls, refer to Exhibit D of the supplemental schedules that accompany this report.

[32] Includes members who were both hired and terminated employment after June 30, 2025.

Exhibit D: Summary of income and expenses on a market value basis for the System

Line Description	Year Ended June 30, 2026	Year Ended June 30, 2025
Net assets at market value at the beginning of the year	$25,375,318,626	$23,041,225,445
Prior period adjustments[33]	0	(5,978,090)
Subtotal	**$25,375,318,626**	**$23,035,247,355**
Contribution income		
• Employer contributions	$869,863,343	$894,188,108
• Member contributions	315,240,090	306,764,700
– **Net contribution income**	**$1,185,103,433**	**$1,200,952,808**
Investment income		
• Investment, dividends and other income	$601,919,055	$566,619,061
• Asset appreciation	3,348,036,091	2,295,838,669
• Less investment and administrative fees	(227,391,649)	(217,782,753)
– **Net investment income**	**$3,722,563,497**	**$2,644,674,977**
Total income available for benefits	**$4,907,666,930**	**$3,845,627,785**
Less benefit payments and transfers		
• Benefits paid[34]	$(1,571,868,280)	$(1,489,789,508)
• Member refunds	(19,712,454)	(15,767,006)
• Transfer to LAFPP[35]	(290,431,207)	0
– **Net benefit payments**	**$(1,882,011,941)**	**$(1,505,556,514)**
Change in net assets at market value	**$3,025,654,989**	**$2,340,071,271**
Net assets at market value at the end of the year	**$28,400,973,615**	**$25,375,318,626**

Note: Results may be slightly off due to rounding.

[33] Resulting from the implementation of GASB 101 – Compensated Absences, effective fiscal year 2024-2025.
[34] Includes offsets related to self-funded dental insurance premium and health insurance premium reserve.
[35] Pursuant to Charter Amendment FF. The transfer to LAFPP on behalf of the Retirement Plan was $234,658,410.

Exhibit E: Summary statement of assets for the System

Line Description	Year Ended June 30, 2026	Year Ended June 30, 2025
Cash equivalents	**$691,942,018**	**$590,169,925**
Accounts receivable		
• Accrued investment income	$126,731,170	$115,414,829
• Proceeds from sales of investments	77,896,889	78,651,508
• Other	18,392,612	15,552,003
– **Total accounts receivable**	**$223,020,671**	**$209,618,340**
Investments		
• Fixed income	$5,732,719,481	$5,466,440,748
• Equities	13,404,021,178	11,925,012,134
• Real estate and alternative investment	7,975,805,718	6,844,632,356
• Derivative instruments	(3,499,410)	2,141,807
• Other	1,050,777,052	679,982,764
– **Total investments at market value**	**$28,159,824,019**	**$24,918,209,809**
Capital assets	53,860,780	56,410,354
Total assets	**$29,128,647,488**	**$25,774,408,428**
Accounts payable		
• Accounts payable and accrued expenses	$(34,398,077)	$(46,267,705)
• Accrued compensated absences	(7,339,564)	(6,420,643)
• Accrued investment expenses	(8,872,561)	(26,486,454)
• Purchases of investments	(125,204,412)	(112,213,139)
• Securities lending collateral	(551,156,207)	(207,015,731)
– **Total accounts payable**	**$(726,970,821)**	**$(398,403,672)**
• Deferred inflow of resources	$(703,052)	$(686,130)
Net assets at market value	**$28,400,973,615**	**$25,375,318,626**
Net assets at actuarial value	**$26,281,951,998**	**$24,799,377,599**
Net assets at valuation value for Retirement Plan	**$21,805,208,733**	**$20,599,247,492**

Note: Results may be slightly off due to rounding.

Exhibit F: Development of the System's assets through June 30, 2026

Year Ended June 30	Employer Contributions	Employee Contributions	Net Investment Return[36]	Benefit Payments[37]	Market Value of Assets at Year-End	Actuarial Value of Assets at Year-End	Actuarial Value as a Percent of Market Value
2017	$550,961,514	$227,531,810	$1,834,657,728	$928,640,257	$15,689,570,310	$15,686,973,131	100.0%
2018	551,247,264	236,222,166	1,498,100,177	985,523,573	16,989,616,344	16,687,907,767	98.2%
2019	586,753,902	240,357,396	945,590,839	1,054,408,548	17,707,909,933	17,711,461,636	100.0%
2020	665,358,602	263,935,650	338,862,747	1,112,742,566	17,863,324,366	18,697,966,253	104.7%
2021	658,408,020	259,284,497	5,258,341,258	1,234,018,200	22,805,339,941	20,083,918,240	88.1%
2022	682,928,074	245,878,551	(1,947,748,613)	1,332,293,962	20,454,103,991	21,218,951,507	103.7%
2023	760,019,088	259,976,824	1,500,807,128	1,385,641,918	21,589,265,113	22,239,263,545	103.0%
2024	811,482,608	279,636,124	1,792,784,442	1,431,942,842	23,041,225,445	23,404,150,020	101.6%
2025	894,188,108	306,764,700	2,638,696,887	1,505,556,514	25,375,318,626	24,799,377,599	97.7%
2026	869,863,343	315,240,090	3,722,563,497	1,882,011,941	28,400,973,615	26,281,951,998	92.5%

Notes

- Results may be slightly off due to rounding.
- Benefit payments for the year ended June 30, 2018 include approximately $3.0 million transferred to LAFPP on January 5, 2018 for the APO who transferred from LACERS to LAFPP on January 7, 2018.
- Net investment return for the year ended June 30, 2022 includes prior period adjustment of $(19,987) for reconciliation purposes only. In the development of the June 30, 2022 actuarial value of assets, this adjustment was recognized immediately, as agreed to by LACERS.
- Net investment return for the year ended June 30, 2025 includes prior period adjustment of $(5,978,090) resulting from the implementation of GASB 101 – Compensated Absences.
- Benefit payments for the year ended June 30, 2026 include approximately $290.4 million transferred to LAFPP on March 26, 2026 for the Sworn Peace Officers and Park Rangers who transferred from LACERS to LAFPP on January 11, 2026.

[36] On a market value basis, net of investment and administrative expenses.
[37] Includes offsets related to self-funded dental insurance premium and health insurance premium reserve starting with the June 30, 2019 valuation.

Exhibit G: Table of amortization bases

Total Retirement Plan

Base Type	Date Established	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment
Combined base	June 30, 2012	$4,173,548,280	30	$4,495,743,736	16	$362,473,785
Experience loss	June 30, 2013	116,022,989	15	30,118,644	2	15,328,559
Experience gain	June 30, 2014	(215,549,892)	15	(79,196,161)	3	(27,348,180)
Change in assumptions	June 30, 2014	785,439,114	20	573,535,956	8	80,978,754
Experience gain	June 30, 2015	(185,473,782)	15	(85,944,782)	4	(22,652,099)
Experience gain	June 30, 2016	(255,444,007)	15	(139,966,593)	5	(30,030,355)
Experience gain	June 30, 2017	(99,814,895)	15	(62,090,722)	6	(11,295,163)
Change in assumptions	June 30, 2017	340,717,846	20	289,992,501	11	31,323,771
Experience loss	June 30, 2018	147,418,362	15	101,610,380	7	16,118,396
Change in assumptions	June 30, 2018	483,717,164	20	426,784,468	12	42,967,680
Plan amendment (APO Tier 1 Enhancement)	January 7, 2018	25,170,149	15	9,995,950	6.5	1,693,035
Experience loss	June 30, 2019	394,012	15	294,809	8	41,625
Experience loss	June 30, 2020	393,785,997	15	314,880,053	9	40,195,330
Change in assumptions	June 30, 2020	530,720,225	20	493,445,618	14	44,010,618
Experience gain	June 30, 2021	(233,981,212)	15	(197,972,147)	10	(23,131,487)
Experience gain	June 30, 2022	(134,440,689)	15	(119,171,687)	11	(12,872,425)
Experience loss	June 30, 2023	564,047,478	15	519,539,912	12	52,306,085
Change in assumptions	June 30, 2023	(112,700,660)	20	(110,099,464)	17	(8,490,581)
Experience loss	June 30, 2024	359,629,715	15	342,345,517	13	32,346,296
Experience loss	June 30, 2025	72,198,292	15	70,618,144	14	6,298,461
Plan amendment (Sworn PSO Enhancement)	June 30, 2025	295,356	15	288,891	14	25,766

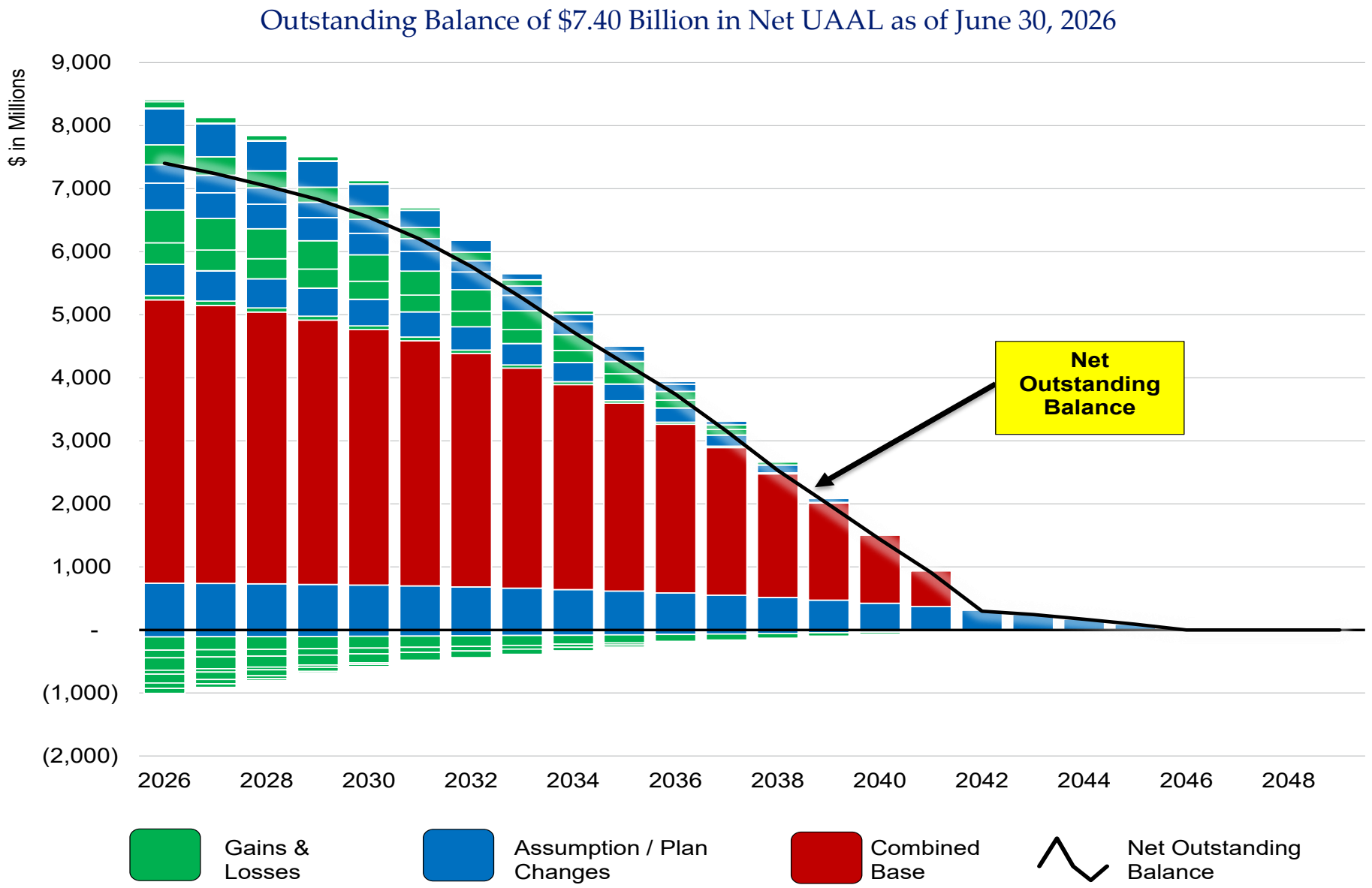
Section 3: Supplemental Information

Base Type	Date Established	Initial Amount	Initial Period	Outstanding Balance	Years Remaining	Annual Payment
Experience gain	June 30, 2026	(212,130,420)	15	(212,130,420)	15	(17,949,614)
Change in assumptions	June 30, 2026	741,021,354	20	741,021,354	20	50,950,427
Total				**$7,403,643,957**		**$623,288,684**

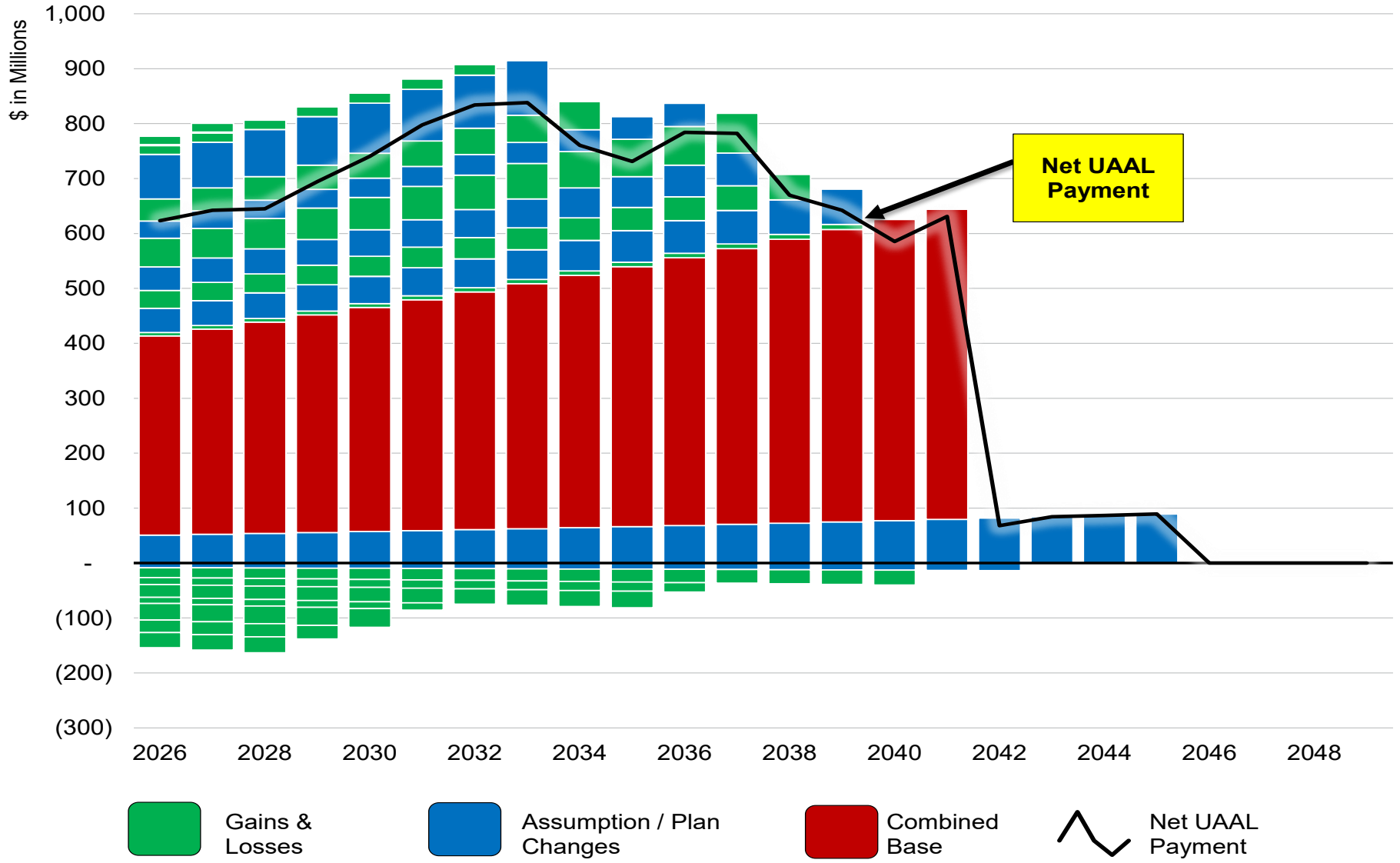
Notes

- The equivalent single amortization period is about 15 years.
- Annual payments are shown as of the beginning of year, based on a level percentage of payroll.
- After consulting with LACERS, we have remeasured the outstanding balance as of June 30, 2026 for the APO Tier 1 Enhancement amortization layer (established January 7, 2018) to reflect an estimated release of $6,843,414 in liability due to the APO Tier 1 Enhanced members that transferred to LAFPP effective January 11, 2026 since this was an unexpected event when this layer was originally established. Before making this adjustment, the outstanding balance of the APO Tier 1 enhancement amortization layer was $16,839,364 and the total outstanding balance for all pre-2026 layers was $6,881,596,437.

Exhibit H: Projection of UAAL balances and payments



Annual Payments Required to Amortize $7.40 Billion in Net UAAL as of June 30, 2026



Note: Starting in 2034, the contribution rate for the UAAL is expected to become somewhat volatile due to the pattern of recognition of the amortization layers. We are available to discuss strategies with the Board to produce more stable UAAL payments.

Section 4: Actuarial Valuation Basis

Exhibit 1: Actuarial assumptions, methods and models

Rationale for assumptions

The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the July 1, 2022 through June 30, 2025 Actuarial Experience Study dated June 16, 2026. Unless otherwise noted, all actuarial assumptions and methods shown below apply to both Tier 1 and Tier 3 members. These assumptions have been adopted by the Board.

Net investment return

6.75%; net of administrative and investment expenses.

Based on the Actuarial Experience Study report referenced above, expected administrative and investment expenses represent about 0.22% of the Actuarial Value of Assets.

Employee contribution crediting rate

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

Cost-of-Living Adjustment (COLA)

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

Payroll growth

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

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

Increase of 2.50% per year from the valuation date.

Salary increases

The annual rate of compensation increase includes:

- Inflation at 2.50%, plus
- "Across-the-board" salary increase of 0.50% per year, plus
- Merit and promotion increase based on years of service:

Merit and Promotion Increases (%)

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

Post-retirement mortality rates

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

Healthy

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

Disabled

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

Beneficiary

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

Pre-retirement mortality rates

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

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

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

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

Disability incidence

Disability Incidence Rates (%)

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

Type of Future Disability – Tier 1 Enhanced and Sworn PSO

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

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

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

Termination

Termination Rates (%)

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

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

Retirement rates

Retirement Rates (%)

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

Retirement age and benefit for inactive members

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

Other reciprocal service

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

Service

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

Future benefit accruals

1.0 year of service credit per year.

Unknown data for members

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

Form of payment

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

Percent married/domestic partner

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

Age and gender of spouse

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

Actuarial cost method

Entry Age Cost Method, level percent of salary. Entry age is calculated as age on the valuation date minus years of benefit service rounded down to the number of completed years. Both the normal cost and the actuarial accrued liability are calculated on an individual basis.

Actuarial value of assets

Market value of assets (MVA) less unrecognized returns in each of the last seven years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value and is recognized over a seven-year period. The actuarial value of assets (AVA) is limited by a 40% corridor; the AVA cannot be less than 60% of MVA, nor greater than 140% of MVA.

Valuation value of assets

The portion of the total actuarial value of assets allocated for retirement benefits, based on a prorated share of market value.

Amortization policy

The amortization method for the UAAL is a level percent of payroll, assuming annual increases in total covered payroll equal to inflation plus across the board increases (other than inflation).

Changes in the UAAL due to actuarial gains/losses are amortized over separate 15-year periods. Changes in the UAAL due to assumption or method changes are amortized over separate 20-year periods. Plan changes, including the 2009 ERIP, are amortized over separate 15-year periods. Future ERIPs will be amortized over 5 years. Any actuarial surplus is amortized over 30 years. All the bases on or before June 30, 2012, except those arising from the 2009 ERIP and the two (at that time) GASB 25/27 layers, were combined and amortized over 30 years effective June 30, 2012.

Employer contributions

The recommended employer contributions are provided in *Section 2, Subsection F*.

Employer contributions consist of two components:

Normal Cost

The annual contribution rate that, if paid annually from a member's first year of membership through the year of retirement, would accumulate to the amount necessary to fully fund the member's retirement-related benefits. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution rate is determined as a level percentage of the member's compensation.

Contribution to the Unfunded Actuarial Accrued Liability (UAAL)

The annual contribution rate that, if paid annually over the UAAL amortization period, would accumulate to the amount necessary to fully fund the UAAL. Accumulation includes annual crediting of interest at the assumed investment earning rate. The contribution (or rate credit in the case of a negative UAAL) is calculated to remain as a level percentage of future active member payroll (including payroll for new members as they enter the System) assuming a constant number of active members. In order to remain as a level percentage of payroll, amortization payments (credits) are scheduled to increase at the annual rate of 3.00% (i.e., 2.50% inflation plus 0.50% across-the-board salary increase).

The amortization policy is described on the previous page.

Internal Revenue Code Section 415

Section 415 of the Internal Revenue Code (IRC) specifies the maximum benefits that may be paid to an individual from a defined benefit plan and the maximum amounts that may be allocated each year to an individual's account in a defined contribution plan.

A qualified pension plan may not pay benefits in excess of the Section 415 limits. The ultimate penalty for non-compliance is disqualification: active members could be taxed on their vested benefits and the IRS may seek to tax the income earned on the plan's assets.

In particular, Section 415(b) of the IRC limits the maximum annual benefit payable at the Normal Retirement Age to a dollar limit of $160,000 indexed for inflation. That limit is $290,000 for 2026. Normal Retirement Age for these purposes is age 62. These are the limits in simplified terms. They must be adjusted based on each participant's circumstances, for such things as age at retirement, form of benefits chosen and after tax contributions.

Benefits in excess of the limits may be paid through a qualified governmental excess plan that meets the requirements of Section 415(m).

Legal Counsel's review and interpretation of the law and regulations should be sought on any questions in this regard.

Contribution rates determined in this valuation have not been reduced for the Section 415 limitations. Actual limitations will result in gains as they occur.

Models

Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary.

Justification for change in actuarial assumptions, methods or models

Based on the July 1, 2022 through June 30, 2025 Actuarial Experience Study, the following actuarial assumptions were changed. Previously, these assumptions were:

Net investment return (prior assumption)

7.00%; net of administrative and investment expenses.

Salary increases (prior assumption)

The annual rate of compensation increase includes:

- Inflation at 2.50%, plus
- "Across-the-board" salary increase of 0.50% per year, plus
- Merit and promotion increase based on years of service:

Merit and Promotion Increases (%)

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

Post-retirement mortality rates (prior assumption)

Healthy

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

Disabled

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

Beneficiary

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

Pre-retirement mortality rates

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

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

Disability incidence (prior assumption)

Disability Incidence Rates (%)

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

Type of Future Disability – Tier 1 Enhanced and Sworn PSO

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

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

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

Section 4: Actuarial Valuation Basis

Termination (prior assumption)

Termination Rates (%)

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

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

Section 4: Actuarial Valuation Basis

Retirement rates (prior assumption)

Retirement Rates (%)

Age	Tier 1: Non-55/30	Tier 1: 55/30	Tier 1 Enhanced: Non-55/30	Tier 1 Enhanced: 55/30	Tier 3: Non-55/30	Tier 3: 55/30
50	5.0	0.0	6.0	0.0	5.0	0.0
51	3.0	0.0	5.0	0.0	3.0	0.0
52	3.0	0.0	5.0	0.0	3.0	0.0
53	3.0	0.0	5.0	0.0	3.0	0.0
54	18.0	0.0	18.0	0.0	17.0	0.0
55	6.0	27.0	10.0	30.0	0.0[38]	26.0
56	6.0	18.0	10.0	22.0	0.0[38]	17.0
57	6.0	18.0	10.0	22.0	0.0[38]	17.0
58	6.0	18.0	10.0	22.0	0.0[38]	17.0
59	6.0	18.0	10.0	22.0	0.0[38]	17.0
60	9.0	18.0	11.0	22.0	8.0	17.0
61	9.0	18.0	11.0	22.0	8.0	17.0
62	9.0	18.0	11.0	22.0	8.0	17.0
63	9.0	18.0	11.0	22.0	8.0	17.0
64	9.0	18.0	11.0	22.0	8.0	17.0
65	16.0	21.0	20.0	26.0	15.0	20.0
66	16.0	21.0	20.0	26.0	15.0	20.0
67	16.0	21.0	20.0	26.0	15.0	20.0
68	16.0	21.0	20.0	26.0	15.0	20.0
69	16.0	21.0	20.0	26.0	15.0	20.0
70 and over	100.0	100.0	100.0	100.0	100.0	100.0

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

Retirement age and benefit for inactive members (prior assumption)

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

Percent married/domestic partner (prior assumption)

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

Exhibit 2: Summary of Plan provisions

This exhibit summarizes the major provisions of the Plan included in the valuation based on our understanding of the Los Angeles Administrative Code, Division 4, Chapter 10. It is not intended to be, nor should it be interpreted as, a complete statement of all plan provisions. If the System should find the plan summary not in accordance with the actual provisions, the System should alert the actuary so they can both be sure the proper provisions are valued.

Plan year

July 1 through June 30

Census date

June 30

Membership eligibility

Membership Tier	Plan Provision
Tier 1	All employees who became members of the System before July 1, 2013, and certain employees who became members of the System on or after July 1, 2013. Pursuant to Ordinance No. 184134, all Tier 2 employees who became members of the System between July 1, 2013 and February 21, 2016 were transferred to Tier 1 effective February 21, 2016. Includes Airport Peace Officers who did not pay for enhanced benefits.
Tier 1 Enhanced	All Tier 1 Airport Peace Officers (including certain fire fighters) appointed to their positions before January 7, 2018 who elected to remain at LACERS after January 6, 2018, and who paid their mandatory additional contribution of $5,700 to LACERS before January 8, 2019, or prior to their retirement date, whichever was earlier.
Tier 3	All employees who became members of the System on or after February 21, 2016, except as provided otherwise in Section 4.1080.2(b) of the Los Angeles Administrative Code.

Final average monthly compensation and service for benefit determination

Final Compensation and Service	Plan Provision
Final average monthly compensation	
Tier 1 & Tier 1 Enhanced	Equivalent of monthly average salary of highest continuous 12 months (one year); includes base salary plus regularly assigned pensionable bonuses or premium pay.[39]
Tier 3	Equivalent of monthly average salary of highest continuous 36 months (three years); limited to base salary and any items of compensation that are designated as pension based.[39]
Service credit	
All Tiers	The time component of the formula used by LACERS for purposes of calculating benefits.

Normal retirement benefit

Provision by Tier	Normal Retirement Plan Provision
Eligibility	
Tier 1 and Tier 1 Enhanced	• Age 70; or • Age 60 with 10 years of continuous City service; or • Age 55 with 30 years of City service.
Tier 3	Age 60 with 10 years of service, including 5 years of continuous City service.
Benefit amount	
Tier 1	2.16% per year of service credit (not greater than 100%) of the Final Average Monthly Compensation.
Tier 1 Enhanced	2.30% per year of service credit (not greater than 100%) of the Final Average Monthly Compensation.
Tier 3 — less than 30 years of service	1.50% per year of service credit (not greater than 80%)[40] of the Final Average Monthly Compensation.
Tier 3 — 30 or more years of service	2.00% per year of service credit (not greater than 80%)[40] of the Final Average Monthly Compensation.

[39] IRC Section 401(a)(17) compensation limit applies to all employees who began membership in LACERS after June 30, 1996.
[40] Except when benefit is based solely on the annuity component funded by the member's contributions.

Early retirement benefit

Provision by Tier	Early Retirement Plan Provision
Eligibility	
Tier 1 and Tier 1 Enhanced	• Age 55 with 10 years of continuous City service; or • Any age with 30 years of City service.
Tier 3	Prior to age 60 with 30 years of service, including 5 years of continuous City service.
Benefit amount	
Tier 1	2.16% per year of service credit (not greater than 100%) of the Final Average Monthly Compensation, reduced for retirement ages below age 60 using the early retirement adjustment factors shown below.
Tier 1 Enhanced	2.30% per year of service credit (not greater than 100%) of the Final Average Monthly Compensation, reduced for retirement ages below age 60 using the early retirement adjustment factors shown below.
Tier 3	2.00% per year of service credit (not greater than 80%) of the Final Average Monthly Compensation, reduced for retirement ages below age 55 using the early retirement adjustment factors shown below.

Early retirement benefit adjustment factors

Age	Tier 1 and Tier 1 Enhanced Early Retirement Adjustment Factor	Tier 3 Early Retirement Adjustment Factor
45	0.6250	0.6250
46	0.6550	0.6550
47	0.6850	0.6850
48	0.7150	0.7150
49	0.7450	0.7450
50	0.7750	0.7750
51	0.8050	0.8050
52	0.8350	0.8350
53	0.8650	0.8650
54	0.8950	0.8950

Age	Tier 1 and Tier 1 Enhanced Early Retirement Adjustment Factor	Tier 3 Early Retirement Adjustment Factor
55	0.9250	1.0000
56	0.9400	1.0000
57	0.9550	1.0000
58	0.9700	1.0000
59	0.9850	1.0000
60	1.0000	1.0000

Enhanced retirement benefit

Provision by Tier	Enhanced Retirement Plan Provision
Eligibility	
Tier 1 and Tier 1 Enhanced	Not applicable.
Tier 3 — less than 30 years of service	Age 63 with 10 years of service, including 5 years of continuous City service.
Tier 3 — 30 or more years of service	Age 63 with 30 years of service, including 5 years of continuous City service.
Benefit amount	
Tier 1 and Tier 1 Enhanced	Not applicable.
Tier 3 — less than 30 years of service	2.00% per year of service credit (not greater than 80%)[41] of the Final Average Monthly Compensation.
Tier 3 — 30 or more years of service	2.10% per year of service credit (not greater than 80%)[41] of the Final Average Monthly Compensation.

[41] Except when benefit is based solely on the annuity component funded by the member's contributions.

Disability benefits

The benefit calculated using the service retirement formula will be paid if the member is eligible and that benefit is greater than that calculated under the disability retirement formula.

Tier 1 and Tier 3 disability

Provision by Tier	Disability Plan Provision
Eligibility	
Tier 1 and Tier 3	5 years of continuous service.
Benefit amount	
Tier 1 and Tier 3	1/70 (1.43%) of the Final Average Monthly Compensation per year of service or 1/3 of the Final Average Monthly Compensation, if greater.

Tier 1 Enhanced and Sworn PSO service-connected disability

Provision by Tier	Service-Connected Disability Plan Provision
Eligibility	
Tier 1 Enhanced and Sworn PSO	None.
Benefit amount	
Tier 1 Enhanced and Sworn PSO	30% to 90% of the Final Average Monthly Compensation depending on severity of disability, with a minimum of 2% of the Final Average Monthly Compensation per year of service.

Tier 1 Enhanced and Sworn PSO nonservice-connected disability

Provision by Tier	Nonservice-Connected Disability Plan Provision
Eligibility	
Tier 1 Enhanced and Sworn PSO	5 years of continuous service.
Benefit amount	
Tier 1 Enhanced and Sworn PSO	30% to 50% of the Final Average Monthly Compensation depending on severity of disability.

Pre-retirement death

Option #1

Provision by Tier	Pre-retirement Death Plan Provision
Eligibility	
All Tiers and Sworn PSO	None.
Benefit amount	
All Tiers and Sworn PSO	Refund of employee contributions plus a limited pension benefit equal to 50% of monthly salary paid. For each completed year of service, up to six years, the limited pension benefit shall be two monthly payments for a maximum of twelve monthly payments.

Option #2

Provision by Tier	Pre-retirement Death Plan Provision
Eligibility	
Tier 1 & Tier 3	Duty-related death or 5 years of continuous service.
Tier 1 Enhanced and Sworn PSO — service-connected death	None.
Tier 1 Enhanced and Sworn PSO — nonservice-connected death	5 years of service (unless on military leave and killed while on military duties).
Benefit amount	
Tier 1 & Tier 3	Deferred, service, optional, or disability survivorship benefit payable under 100% joint and survivor option to an eligible spouse or qualified domestic partner, in lieu of refund of contributions and limited pension benefit.
Tier 1 Enhanced and Sworn PSO — service-connected death	80% of member's Final Average Monthly Compensation.
Tier 1 Enhanced and Sworn PSO — nonservice-connected death	50% of member's Final Average Monthly Compensation.

Post-retirement death

Provision by Tier	Post-retirement Death Plan Provision
One-time payments	
All Tiers	$2,500 lump sum death benefit paid to a designated beneficiary and any unused contributions if the member elected the cash refund annuity option.
Annuity benefit	
Tier 1 & Tier 3 and Sworn PSO — service retirement	50% of retiree's unmodified allowance continued to an eligible spouse or a domestic partner or a modified continuance to a designated beneficiary selected by the member at the time of retirement)
Tier 1 Enhanced and Sworn PSO — service-connected disability	80% of retiree's unmodified allowance[42,] continued to an eligible spouse or a domestic partner or a modified continuance to a designated beneficiary selected by the member at the time of retirement
Tier 1 Enhanced — service retirement Tier 1 Enhanced and Sworn PSO — nonservice-connected disability	70% of retiree's unmodified allowance continued to an eligible spouse or a domestic partner or a modified continuance to a designated beneficiary selected by the member at the time of retirement

[42] If the death occurs within three years of the retiree's retirement, the eligible survivor shall receive 80% of the Final Average Monthly Compensation (adjusted with Cost-of-Living benefit).

Deferred retirement benefit (vested)

Normal retirement

Provision by Tier	Deferred Retirement (Normal Retirement) Plan Provision
Eligibility	
Tier 1 and Tier 1 Enhanced	• Age 70 with 5 years of continuous City service; or • Age 60 with 5 years of continuous City service and 10 years elapsed from first membership date; or • Age 55 with 30 years of service. • Deferred employee who meets part-time eligibility: age 60 and 10 years elapsed from first membership date.
Tier 3	• Age 60 with 5 years of continuous City service and 10 years elapsed from first membership date; or • Age 70 with 5 years of continuous City service; or • Age 63 with 10 years of service, including 5 years of continuous City service.
Benefit amount	
Tier 1 and Tier 1 Enhanced	Normal retirement benefit.
Tier 3	Normal retirement benefit (benefit based on a Retirement Factor of 1.50%). *If retired with 30 years of continuous City service or age 63 with 10 years of service:* • Normal retirement benefit (benefit based on a Retirement Factor of 2.00%).

Early retirement

Provision by Tier	Deferred Retirement (Early Retirement) Plan Provision
Eligibility	
Tier 1 and Tier 1 Enhanced	• Age 55 (but not yet 60) with 5 years of continuous City service and 10 years elapsed from first membership date. • Deferred employee who meets part-time eligibility: age 55 and 10 years elapsed from first membership date.
Tier 3	Age 55 (but not yet 60) with 5 years of continuous City service and 10 years elapsed from first membership date.
Benefit amount	
Tier 1 and Tier 1 Enhanced	Early retirement benefit using the early retirement adjustment factors shown below.
Tier 3	Early retirement benefit (based on a Retirement Factor of 1.50%) using the early retirement adjustment factors shown below.

Early retirement benefit adjustment factors

Age	Tier 1 and Tier 1 Enhanced Early Retirement Adjustment Factor	Tier 3 Early Retirement Adjustment Factor
55	0.9250	0.9250
56	0.9400	0.9400
57	0.9550	0.9550
58	0.9700	0.9700
59	0.9850	0.9850

Enhanced retirement

Provision by Tier	Deferred Retirement (Enhanced Retirement) Plan Provision
Eligibility	
Tier 1 and Tier 1 Enhanced	Not applicable.
Tier 3	Age 63 with 30 years of continuous City service and 10 years elapsed from first membership date.
Benefit amount	
Tier 1 and Tier 1 Enhanced	Not applicable.
Tier 3	Enhanced retirement benefit (based on a Retirement Factor of 2.10%).

Withdrawal of contributions benefit (ordinary withdrawal)

Refund of employee contributions with interest.

Post-retirement cost-of-living benefits

Membership Tier	Post-Retirement Cost-of-Living Benefit Plan Provision
Tier 1 & Tier 1 Enhanced	Based on changes to the Los Angeles-Long Beach-Anaheim Area Consumer Price Index, to a maximum of 3% per year; excess banked.
Tier 3	Based on changes to the Los Angeles-Long Beach-Anaheim Area Consumer Price Index, to a maximum of 2% per year; excess not banked.

Member contributions

Membership Tier	Member Contribution Plan Provision
Tier 1 and Tier 1 Enhanced	Effective July 1, 2011, the member contribution rate became 7% for all employees. Of the 7% rate, 0.5% was the survivor contribution portion and 6.5% was the normal contribution. The 7% member rate was paid until June 30, 2026, at which time the member contribution rate decreased to 6%. Beginning January 1, 2013, all non-represented members and members in certain bargaining groups are required to pay an additional 4% member contribution rate to defray the cost of providing a Retiree Medical Plan premium subsidy (this additional rate has increased to 4.5% for certain members). For Tier 1 (excluding Tier 1 Enhanced), members with no eligible spouse or domestic partner at retirement can request a refund of the survivor portion of the member contributions (i.e., generally based on a contribution rate of 0.5% of pay).
Tier 3	The member contribution rate is 7% for all employees. Of the 7% rate, 0.5% is the survivor contribution portion and 6.5% is the normal contribution. All members are required to pay an additional 4% member contribution rate to defray the cost of providing a Retiree Medical Plan premium subsidy. Members with no eligible spouse or domestic partner at retirement can request a refund of the survivor portion of the member contributions (i.e., generally based on a contribution rate of 0.5% of pay).

Changes in Plan provisions

There have been no changes in Plan provisions since the last valuation.

Appendix A: Definition of Pension Terms

The following list defines certain technical terms for the convenience of the reader:

Term	Definition
Actuarial accrued liability for actives	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
Actuarial accrued liability for retirees and beneficiaries	Actuarial present value of lifetime benefits to existing retirees and beneficiaries. This sum takes account of life expectancies appropriate to the ages of the annuitants and the interest that the sum is expected to earn before it is entirely paid out in benefits.
Actuarial cost method	A procedure allocating the actuarial present value of future benefits to various time periods; a method used to determine the normal cost and the actuarial accrued liability that are used to determine the actuarially determined contribution.
Actuarial gain or loss	A measure of the difference between actual experience and that expected based upon a set of actuarial assumptions, during the period between two actuarial valuation dates. To the extent that actual experience differs from that assumed, actuarial accrued liabilities emerge which may be the same as forecasted or may be larger or smaller than projected. Actuarial gains are due to favorable experience, e.g., assets earn more than projected, salary increases are less than assumed, members retire later than assumed, etc. Favorable experience means actual results produce actuarial liabilities not as large as projected by the actuarial assumptions. On the other hand, actuarial losses are the result of unfavorable experience, i.e., actual results yield actuarial liabilities that are larger than projected.
Actuarially equivalent	Of equal actuarial present value, determined as of a given date and based on a given set of actuarial assumptions.
Actuarial present value	The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of actuarial assumptions. Each such amount or series of amounts is: 1. Adjusted for the probable financial effect of certain intervening events (such as changes in compensation levels, marital status, etc.) 2. Multiplied by the probability of the occurrence of an event (such as survival, death, disability, withdrawal, etc.) on which the payment is conditioned, and 3. Discounted according to an assumed rate (or rates) of return to reflect the time value of money.

Appendix A: Definition of Pension Terms

Term	Definition
Actuarial present value of future benefits	The actuarial present value of benefit amounts expected to be paid at various future times under a particular set of actuarial assumptions, taking into account such items as the effect of advancement in age, anticipated future compensation, and future service credits. The actuarial present value of future benefits includes the liabilities for active members, retired members, beneficiaries receiving benefits, and inactive members entitled to either a refund of member contributions or a future retirement benefit. Expressed another way, it is the value that would have to be invested on the valuation date so that the amount invested plus investment earnings would provide sufficient assets to pay all projected benefits and expenses when due.
Actuarial valuation	The determination, as of a valuation date, of the Normal cost, actuarial accrued liability, actuarial value of assets, and related actuarial present values for a plan, as well as actuarially determined contributions.
Actuarial value of assets	The value of the Plan's assets as of a given date, used by the actuary for valuation purposes. This may be the market or fair value of plan assets, but commonly plans use a smoothed value in order to reduce the year-to-year volatility of calculated results, such as the funded ratio and the actuarially determined contribution.
Actuarially determined	Values that have been determined utilizing the principles of actuarial science. An actuarially determined value is derived by application of the appropriate actuarial assumptions to specified values determined by provisions of the Plan.
Actuarially determined contribution	The employer's contributions, expressed as a dollar amount or a percentage of covered plan compensation, determined under the Plan's funding policy. The actuarially determined contribution consists of the employer normal cost and the amortization payment.
Amortization method	A method for determining the amortization payment. The most common methods used are level dollar and level percentage of payroll. Under the level dollar method, the amortization payment is one of a stream of payments, all equal, whose actuarial present value is equal to the unfunded actuarial accrued liability. Under the level percentage of pay method, the amortization payment is one of a stream of increasing payments, whose actuarial present value is equal to the unfunded actuarial accrued liability. Under the level percentage of pay method, the stream of payments increases at the assumed rate at which total covered payroll of all active members will increase.
Amortization payment	The portion of the pension plan contribution, or actuarially determined contribution, that is intended to pay off the unfunded actuarial accrued liability.

Appendix A: Definition of Pension Terms

Term	Definition
Assumptions or actuarial assumptions	The estimates upon which the cost of the Plan is calculated, including: **Investment return** — the rate of investment yield that the Plan will earn over the long-term future; **Mortality rates** — the rate or probability of death at a given age for employees and retirees; **Retirement rates** — the rate or probability of retirement at a given age or service; **Disability rates** — the rate or probability of disability retirement at a given age; **Withdrawal rates** — the rate or probability at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement; **Salary increase rates** — the rates of salary increase due to inflation, real wage growth and merit and promotion increases.
Closed amortization period	A specific number of years that is counted down by one each year, and therefore declines to zero with the passage of time. For example, if the amortization period is initially set at 20 years, it is 19 years at the end of one year, 18 years at the end of two years, etc. See “open amortization period.”
Decrements	Those causes/events due to which a member’s status (active-inactive-retiree-beneficiary) changes, that is: death, retirement, disability, or withdrawal.
Defined benefit plan	A retirement plan in which benefits are defined by a formula based on the member’s compensation, age and/or years of service.
Defined contribution plan	A retirement plan, such as a 401(k) plan, a 403(b) plan, or a 457 plan, in which the contributions to the plan are assigned to an account for each member, the plan’s earnings are allocated to each account, and each member’s benefits are a direct function of the account balance.
Employer normal cost	The portion of the normal cost to be paid by the employer. This is equal to the normal cost less expected member contributions.
Experience study	A periodic review and analysis of the actual experience of the Plan that may lead to a revision of one or more actuarial assumptions. Actual rates of decrement and salary increases are compared to the actuarially assumed values and modified based on recommendations from the Actuary.
Funded ratio	The ratio of the valuation value of assets to the actuarial accrued liability. Plans sometimes also calculate a market funded ratio, using the market value of assets, rather than the valuation value of assets.
GASB 67 and GASB 68	Governmental Accounting Standards Board (GASB) Statements No. 67 and No. 68. These are the governmental accounting standards that set the accounting rules for public retirement systems and the employers that sponsor or contribute to them. Statement No. 68 sets the accounting rules for the employers that sponsor or contribute to public retirement systems, while Statement No. 67 sets the rules for the systems themselves.

Appendix A: Definition of Pension Terms

Term	Definition
Investment return	The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next.
Negative amortization	Negative amortization is a result of an increase in the unfunded actuarial accrued liability when the amortization payment is less than the interest accrued on the unfunded actuarial accrued liability.
Net pension liability	The net pension liability is equal to the total pension liability minus the plan fiduciary net position.
Normal cost	The portion of the actuarial present value of future benefits and expenses, if applicable, allocated to a valuation year by the actuarial cost method. Any payment with respect to an unfunded actuarial accrued liability is not part of the normal cost (see “amortization payment”). For pension plan benefits that are provided in part by employee contributions, normal cost refers to the total of employee contributions and employer normal cost unless otherwise specifically stated.
Open amortization period	An open amortization period is one which is used to determine the amortization payment but which does not change over time. If the initial period is set as 30 years, the same 30-year period is used in each future year in determining the amortization period.
Plan fiduciary net position	Market value of assets.
Service costs	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Total pension liability	The actuarial accrued liability under the entry age normal cost method and based on the blended discount rate as described in GASB 67 and 68.
Unfunded actuarial accrued liability	The excess of the actuarial accrued liability over the valuation value of assets. This value may be negative, in which case it may be expressed as a negative unfunded actuarial accrued liability, also called the funding surplus or an overfunded actuarial accrued liability.
Valuation date or actuarial valuation date	The date as of which the value of assets is determined and as of which the Actuarial Present Value of Future Benefits is determined. The expected benefits to be paid in the future are discounted to this date.
Valuation value of assets	The actuarial value of assets reduced by the value of non-valuation reserves.

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BOARD MEETING: NOVEMBER 10, 2026

ITEM: VI-C

ATTACHMENT: 4

Los Angeles City Employees' Retirement System

Actuarial Valuation and Review of Other Postemployment Benefits (OPEB) as of June 30, 2026

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November 3, 2026

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

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review of Other Postemployment Benefits (OPEB) as of June 30, 2026 for the Los Angeles City Employees' Retirement System ("LACERS" or "the System"). The report summarizes the actuarial data used in the valuation, analyzes the preceding year's experience, and establishes the Actuarially Determined Contribution (ADC) for the Fiscal Year 2027–2028.

The actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Administration (the Board). The actuarial valuation is based on the plan of benefits verified by LACERS and reliance on participant, premium, claims and expense data provided by LACERS or from vendors employed by LACERS. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. Segal, however, does review the data for reasonableness and consistency.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: retiree group benefits program experience or rates of return on assets differing from that anticipated by the assumptions; changes in assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in retiree group benefits program provisions or applicable law. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements. The scope of the assignment did not include performing an analysis of the potential change of such future measurements except where noted.

Board of Administration
Los Angeles City Employees' Retirement System
November 3, 2026

The actuarial calculations were completed under the supervision of Mehdi Riazi, FSA, MAAA, FCA, EA. We are members of the American Academy of Actuaries, and we collectively meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by LACERS based upon our analysis and recommendations. In our opinion, the assumptions are reasonable and take into account the experience of the System and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

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

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

Sincerely,

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

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

/elf

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present our actuarial valuation of the Los Angeles City Employees' Retirement System ("the System") OPEB plan as of June 30, 2026 for funding purposes. The results of the valuation for financial reporting purposes consistent with GASB Statement No. 74 are provided in a separate report. This valuation is based on:

- The benefit provisions of the OPEB Plan, as administered by the Board of Administration;
- The characteristics of covered active members, inactive vested members, retired members and surviving spouses as of June 30, 2026, provided by LACERS;
- The assets of the Plan as of June 30, 2026, provided by LACERS;
- Actuarial assumptions regarding employee terminations, retirement, death, health care trend, health plan enrollment, and investment earnings, etc. that the Board has adopted for the June 30, 2026 valuation.

The employer contribution rates provided in this report have been developed as a percentage of payroll assuming that they will be received by LACERS at either: (1) the beginning of the fiscal year, (2) on July 15, or (3) throughout the year (i.e., LACERS will receive contributions at the end of every pay period). The Plan's employer rates provide for both normal cost and a contribution to amortize any unfunded or overfunded actuarial accrued liabilities. In this valuation, we have applied the funding policy adopted by the Board on June 14, 2011 and most recently updated on August 24, 2021. Details of the funding policy are provided in *Section 4, Exhibit 1*.

The rates calculated in this report may be adopted by the Board for the fiscal year that extends from July 1, 2027 through June 30, 2028.

Valuation highlights

1. The ratio of the valuation value of assets to actuarial accrued liabilities decreased from 105.77% as of June 30, 2025 to 98.47% as of June 30, 2026. On a market value of assets basis, the funded ratio decreased from 108.23% to 106.41%. The unfunded actuarial accrued liability increased from ($223.3) million to $67.6 million. The primary reasons for the increase in UAAL were:
   a. Updated trend assumptions on future healthcare costs.
   b. Reflecting updated assumptions as outlined in Segal's triennial experience study for the period July 1, 2022 through June 30, 2025, dated June 16, 2026.

   The impact of the changes as described in a. and b. was partially offset by gains from favorable investment experience. A complete reconciliation of the System's unfunded actuarial accrued liability is provided in Section 2, Subsection B.
2. The Actuarially Determined Contribution (ADC) rate, payable on July 15, has increased from 3.59% of payroll to 4.62% of payroll for Fiscal Year 2027/2028. In dollar terms, the recommended contribution, payable on July 15, increased from $102.8 million to $134.7 million. The changes to the ADC were due to the same factors that affected the UAAL. These factors can have different directional effects on the ADC due to the role of normal cost in the ADC calculation.

   A complete reconciliation of the change in the recommended contribution rate is provided in Section 2, Subsection D. Rates are shown separately for Tier 1 and Tier 3 in Section 2, Subsection E.
3. For the June 30, 2026 valuation, the combined impact of the annual health-related assumption updates and the triennial experience study changes caused the health plan's funded ratio to fall below 100%, resulting in a positive UAAL. Neither change by itself would have resulted in the funded ratio falling below 100%. Based on discussions with LACERS staff, the impact of the annual health-related assumption updates was recognized first, which reduced the plan's surplus, followed by the impact of the triennial experience study changes, which eliminated the plan's remaining surplus and created a positive UAAL. As a result, the June 30, 2026 UAAL was amortized over a 20-year period, in the same manner as triennial experience study changes. As shown in Section 2, Subsection E, the overall contribution rate, payable on July 15, of 4.62% is based on the plan's normal cost of 4.46% and a 0.16% payment related to the funding shortfall.
4. Pursuant to Charter Amendment FF, certain LACERS Sworn Peace Officers and Park Rangers were permitted to transfer to the Los Angeles Fire and Police Pensions (LAFPP) Tier 6 effective January 11, 2026. The results in this report reflect the effect of those members who elected to transfer membership and the subsequent transfer of funds from LACERS to LAFPP made on March 26, 2026 on account of those transfers.
5. As noted above, the GASB 74 report with a measurement date of June 30, 2026 for financial reporting purposes for the Plan is provided as a separate report.

Section 1: Actuarial Valuation Summary

6. The GASB 75 report with a measurement date of June 30, 2026 for financial reporting purposes for the employer (with a reporting date of June 30, 2027) will be provided in the first or second quarter of next year.
7. The actuarial valuation report as of June 30, 2026 is based on financial information as of that date. Changes in the value of assets subsequent to that date are not reflected. Declines in asset values will increase the actuarial cost of the Plan, while increases will decrease the actuarial cost of the Plan.
8. As in prior years, the employer contribution rates provided in this report have been developed assuming they will be received by LACERS on any of the following schedules:
   a. The beginning of the fiscal year, or
   b. On July 15, 2027, or
   c. Throughout the year (i.e., LACERS will receive contributions at the end of every pay period).

Summary of key valuation results

Line Description	2026	2025
Actuarial Accrued Liability and Funded Status		
Actuarial Accrued Liability (AAL)	$4,430,709,495	$3,868,232,808
Valuation Value of Assets	4,363,117,984	4,091,528,221
Unfunded Actuarial Accrued Liability/(Surplus)	67,591,511	(223,295,413)
Funded Ratio on Valuation Value Basis	98.47%	105.77%
Market Value of Assets	$4,714,900,885	$4,186,549,919
Funded Ratio on Market Value Basis	106.41%	108.23%
Actuarially Determined Contribution (ADC)		
• Normal cost (beginning of year)	$129,642,875	$114,802,170
• Amortization of the unfunded actuarial accrued liability	4,647,391	(12,255,223)
• Total Actuarially Determined Contribution (beginning of year)	134,290,266	102,546,947
• Total Actuarially Determined Contribution (July 15)	134,651,234	102,832,475
• Total Actuarially Determined Contribution (end of each pay period)	138,748,557	106,075,387
• Total projected compensation[1]	2,916,706,251	2,868,028,601
ADC as a percentage of pay (there is a 12-month delay until the rate is effective)[2]		
• Beginning of year	4.60%	3.57%
• July 15	4.62%	3.59%
• End of each pay period	4.76%	3.70%
Total Participants[3]	**52,097**	**52,577**

[1] Reflects amount calculated in the pension valuation.
[2] A breakdown of the ADC by tier is provided in Section 2, Subsection E.
[3] Includes 109 pensioners and beneficiaries as of June 30, 2026 and 108 pensioners and beneficiaries as of June 30, 2025 entitled but not yet eligible for health benefits.

Important information about actuarial valuations

An actuarial valuation is a tool to measure future uncertain obligations of a postretirement health plan. As such, it will never forecast the precise future stream of benefit payments. It is an estimated forecast – the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. For example, a plan may provide health benefits to post-65 retirees that coordinates with Medicare. If so, changes in the Medicare law or administration may change the plan's costs without any change in the terms of the plan itself. It is important for LACERS to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by LACERS. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is not necessary to have perfect data for an actuarial valuation: the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	Part of the cost of a plan will be paid from existing assets — the balance will need to come from future contributions and investment income. The valuation is based on the asset values as of the valuation date, typically reported by the System. A snapshot as of a single date may not be an appropriate value for determining a single year's contribution requirement, especially in volatile markets. Plan sponsors often use an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.

Section 1: Actuarial Valuation Summary

Input Item	Description
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. To determine the future costs of benefits, Segal collects claims, premiums, and enrollment data in order to establish a baseline cost for the valuation measurement, and then develops short- and long-term health care cost trend rates to project increases in costs in future years. This forecast also requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model necessarily uses approximations and estimates that may lead to significant changes in our results but will have no impact on the actual cost of the plan. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.
Models	Segal valuation results are based on proprietary actuarial modeling software. The valuation models generate a comprehensive set of liability and cost calculations that are presented to meet accounting standards and client requirements. Our Actuarial Technology and Systems unit, comprising both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary. Our claims costs assumptions are based on proprietary modeling software as well as models that were developed by others. These models generate per capita claims cost calculations that are used in our valuation software. Our Health Technical Services Unit, comprised of actuaries and programmers, is responsible for the initial development and maintenance of our health models. They are also responsible for testing models that we purchase from other vendors for reasonableness. The client team inputs the paid claims, enrollments, plan provisions and assumptions into these models and reviews the results for reasonableness, under the supervision of the responsible actuary.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared for use by LACERS. It includes information for compliance with accounting standards and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- If LACERS is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- An actuarial valuation is a measurement at a specific date – it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
- Sections of this report include actuarial results that are not rounded, but that does not imply precision.
- Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in plan enrollment, emerging claims experience, health care trend, and investment losses, not just the current valuation results.
- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by LACERS upon delivery and review. LACERS should notify Segal immediately of any questions or concerns about the final content.

Actuarial certification

November 3, 2026

This is to certify that Segal has conducted an actuarial valuation of certain benefit obligations of the Los Angeles City Employees' Retirement System's other postemployment benefit (OPEB) program as of June 30, 2026, in accordance with generally accepted actuarial principles and practices. In particular, it is our understanding that the assumptions and methods used for funding purposes meet the parameters set by the Actuarial Standards of Practice (ASOPs). Actuarial valuations are performed annually for this other postemployment benefit program with the last valuation completed as of June 30, 2025.

The actuarial valuation is based on the plan of benefits verified by LACERS and reliance on participant, premium, claims and expense data provided by LACERS. Segal has not audited the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. Segal, however, has reviewed the data for reasonableness and consistency.

One of the general goals of an actuarial valuation is to establish contributions that fully fund the System's liabilities, and that, as a percentage of payroll, remain as level as possible for each generation of active members. Both the Normal Cost and the Actuarial Accrued Liability are determined under the Entry Age cost method.

The actuarial computations made are for funding plan benefits. Accordingly, additional determinations will be needed for other purposes, such as satisfying financial accounting requirements under Governmental Accounting Standards Board Statements No. 74 and No. 75 and judging benefit security at termination of the plan.

Segal prepared all of the supporting schedules in the Actuarial Section of the Annual Comprehensive Financial Report and certain supporting schedules in the Financial Section, based on the results of the June 30, 2026 actuarial valuation. A listing of the supporting schedules Segal prepared for inclusion in the Financial Section as Required Supplementary Information prescribed by GASB, and in the Actuarial Section, is provided below:

Financial Section

- Schedule of Net OPEB Liability[4]
- Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios[4]
- Schedule of Contribution History[4]

[4] Source: Segal's GASB Statement No. 74 valuation report as of June 30, 2026.

November 3, 2026

Actuarial Section

1. Summary of Significant Valuation Results
2. Active Member Valuation Data
3. Retirees and Beneficiaries Added to and Removed from Health Benefits
4. Member Benefit Coverage Information
5. Schedule of Funding Progress
6. Actuarial Analysis of Financial Experience
7. Actuarial Balance Sheet
8. Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
9. Projection of OPEB Plan Fiduciary Net Position for Use in Calculation of Discount Rate of 6.75% and Preparation of GASB 74 Report as of June 30, 2026[5]

LACERS' staff prepared other trend data schedules in the Statistical Section based on information supplied in Segal's valuation report.

To the best of my knowledge, this report is complete and accurate and, in my opinion, presents the information necessary to fund the Plan with respect to the benefit obligations addressed. I am a member of the American Academy of Actuaries and meet the "General Qualification Standards for Statements of Actuarial Opinions" to render the actuarial opinion contained herein.



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

[5] Source: Segal's GASB Statement No. 74 valuation report as of June 30, 2026.

Section 2: Actuarial Valuation Results

A. Actuarial present value of total projected benefits and actuarial balance sheet

The actuarial present value of total projected benefits uses the actuarial assumptions disclosed in Section 4 to calculate the value today of all benefits expected to be paid to current actives and retired plan members. The actuarial balance sheet shows the expected breakdown of how these benefits will be financed.

Actuarial Present Value of Total Projected Benefits (APB)

Participant Category	June 30, 2026	June 30, 2025
Current retirees, beneficiaries, and dependents	$2,342,047,571	$1,966,688,547
Current active members	3,254,377,623	2,839,774,096
Terminated members entitled but not yet eligible and retirees and beneficiaries with deferred health benefits	100,411,268	90,734,412
Actuarial present value of total projected benefits	**$5,696,836,462**	**$4,897,197,055**

Actuarial Balance Sheet

Type	June 30, 2026	June 30, 2025
Assets:		
1. Valuation value of assets	$4,363,117,984	$4,091,528,221
2. Present value of future normal costs	1,266,126,967	1,028,964,247
3. Unfunded actuarial accrued liability	67,591,511	(223,295,413)
4. Present value of current and future assets	**$5,696,836,462**	**$4,897,197,055**
Liabilities:		
5. Actuarial present value of total projected benefits	**$5,696,836,462**	**$4,897,197,055**

B. Actuarial Accrued Liability (AAL) and Unfunded AAL (UAAL)

The actuarial accrued liability shows that portion of the actuarial present value of total projected benefits allocated to periods prior to the valuation date by the actuarial cost method. The chart below shows the portion of the liability for active and inactive members, and reconciles the unfunded actuarial accrued liability from last year to this year.

Unfunded Actuarial Accrued Liability

Line Description	June 30, 2026	June 30, 2025
Participant Category		
Current retirees, beneficiaries, and dependents	$2,342,047,571	$1,966,688,547
Current active members	1,988,250,656	1,810,809,849
Terminated members entitled but not yet eligible	100,411,268	90,734,412
Total actuarial accrued liability	**$4,430,709,495**	**$3,868,232,808**
Unfunded Actuarial Accrued Liability		
Total actuarial accrued liability	$4,430,709,495	$3,868,232,808
Valuation value of assets	4,363,117,984	4,091,528,221
Unfunded actuarial accrued liability/(surplus)	$67,591,511	$(223,295,413)
Development of Unfunded Actuarial Accrued Liability for the Year Ended June 30, 2026		
1. Unfunded actuarial accrued liability at beginning of year		**$(223,295,413)**
2. Normal cost as of June 30, 2025		114,802,170
3. Expected employer contributions during 2025/2026 fiscal year		(102,546,947)
4. Interest on prior year UAAL, normal cost, and contributions		(14,664,366)
5. Expected unfunded actuarial accrued liability (1 + 2 + 3 + 4)		**$(225,704,556)**
6. Change due to investment experience (after smoothing)		(133,385,092)
7. Change due to actual contributions less than expected		11,565,190
8. Change due to transfer of certain LACERS members to LAFPP Tier 6[6]		5,807,079
9. Change due to demographic gains and losses		2,565,093
10. Change due to updated 2026/2027 premium, underlying claims estimates and subsidy levels		(34,353,023)
11. Change due to updated trend assumptions to project future medical premiums after 2026/2027		253,712,854
12. Change due to updated assumptions based on the triennial experience study		187,383,966
13. Unfunded actuarial accrued liability as of June 30, 2026 (5 + 6 + 7 + 8 + 9 + 10 + 11 + 12)		**$67,591,511**

[6] Based on our understanding of Los Angeles Administrative Code Section 4.2216(e), the amount of funds paid to LAFPP from LACERS was an amount that was sufficient to cover all **funded** AAL for the LACERS service to be transferred, which resulted in a slight increase in the LACERS UAAL as of June 30, 2026.

C. Table of amortization bases

Amortization payments may be calculated as level dollar amounts or as amounts designed to remain level as a percent of a growing payroll base. Los Angeles City Employees' Retirement System has elected to amortize the unfunded actuarial accrued liability using the following rules: The amortization periods for all unfunded actuarial accrued liability layers as of June 30, 2020 were reset to fixed periods of 21 years beginning with the June 30, 2021 valuation date. Thereafter, assumption changes resulting from the triennial experience study will be amortized over 20 years. Health trend and premium assumption changes, plan changes, and gains and losses will be amortized over 15 years. An overall actuarial surplus will be amortized over 30 years on an open (non-decreasing) basis.

For the June 30, 2026 valuation, the combined impact of the annual health-related assumption updates and triennial experience study changes caused the health plan's funded ratio to fall below 100%, resulting in a positive UAAL. Based on discussions with LACERS staff, the impact of the annual health-related assumption updates was recognized first, followed by the impact of the triennial experience study changes. As a result, the June 30, 2026 UAAL was amortized over a 20-year period.

Type	Date Established	Initial Balance	Initial Period	Outstanding Balance	Years Remaining	Annual Payment[7]
Combined base	06/30/2026	$67,591,511	20	$67,591,511	20	$4,647,391
Total				**$67,591,511**		**$4,647,391**

[7] Level percentage of payroll.

D. Reconciliation of Recommended Contribution Rate

The chart below details the changes in the Actuarially Determined Contribution (ADC) from the prior valuation to the current year's valuation.

	Adjustments From June 30, 2025 to June 30, 2026	Percentage
1.	**Recommended Contribution Rate as of June 30, 2025[8]**	**3.59%**
2.	**Changes due to:**	
a.	Change due to investment gain (after smoothing)	−0.25%
b.	Change due to transfer of certain LACERS members to LAFPP Tier 6	−0.04%
c.	Change due to miscellaneous demographic and contribution gains and losses	0.04%
d.	Change due to updated 2026/2027 premiums, underlying claims estimates and subsidy levels	−0.09%
e.	Change due to updated trend assumption to project future medical premiums after 2026/2027	0.87%
f.	Change due to updated assumptions based on the triennial experience study[9]	0.50%
g.	**Total change**	**1.03%**
3.	**Recommended Contribution Rate as of June 30, 2026**	**4.62%**

[8] If received on July 15.

[9] The impact of the experience study changes reflects a change in amortization period from 30 years, while the plan was in a surplus position, to 20 years once the plan is no longer in surplus.

E. Development of Actuarially Determined Contribution (ADC)

Actuarially Determined Contribution (ADC) is the amount calculated to determine the annual cost of the OPEB plan for funding purposes on an accrual basis. The calculation consists of adding the Normal Cost of the plan to an amortization payment and a payment for administrative expenses separately for each Tier. They are determined as of the start of the period and adjusted as if the annual cost were to be contributed throughout the fiscal year or on July 15th.

Tier 1

	Line Description	Amount June 30, 2026	Percentage of Compensation June 30, 2026	Amount June 30, 2025	Percentage of Compensation June 30, 2025
1.	Normal Cost	$73,622,671	4.45%	$67,325,627	3.90%
2.	Amortization of the unfunded actuarial accrued liability[10]	2,362,140	0.16%	(7,366,012)	−0.43%
3.	**Total Actuarially Determined Contribution (beginning of year)**	**$76,254,811**	**4.61%**	**$59,959,615**	**3.47%**
4.	Total Projected Compensation[11]	$1,651,933,391		$1,723,831,084	
5.	Adjustment for timing (July 15)	$204,971	0.02%	$166,950	0.02%
6.	**Total Actuarially Determined Contribution (July 15)**	**$76,459,782**	**4.63%**	**$60,126,565**	**3.49%**
7.	Adjustment for timing (end of pay period)	$2,531,577	0.16%	$2,063,093	0.13%
8.	**Total Actuarially Determined Contribution (end of pay period)**	**$78,786,388**	**4.77%**	**$62,022,708**	**3.60%**

[10] In developing the UAAL contribution rate, we have combined the UAAL for Tier 1 and Tier 3 and amortized that total UAAL over the total payroll for Tier 1 and Tier 3.
[11] Reflects amount calculated in the pension valuation.

Tier 3

Line Description	Amount June 30, 2026	Percentage of Compensation June 30, 2026	Amount June 30, 2025	Percentage of Compensation June 30, 2025
1. Normal Cost	$56,020,203	4.42%	$47,476,543	4.14%
2. Amortization of the unfunded actuarial accrued liability[12]	2,015,251	0.16%	(4,889,211)	−0.43%
3. Total Actuarially Determined Contribution (beginning of year)	**$58,035,454**	**4.58%**	**$42,587,332**	**3.71%**
4. Total Projected Compensation[13]	$1,264,772,860		$1,144,197,517	
5. Adjustment for timing (July 15)	$155,998	0.02%	$118,578	0.02%
6. Total Actuarially Determined Contribution (July 15)	**$58,191,452**	**4.60%**	**$42,705,910**	**3.73%**
7. Adjustment for timing (end of pay period)	$1,926,715	0.16%	$1,465,347	0.14%
8. Total Actuarially Determined Contribution (end of pay period)	**$59,962,169**	**4.74%**	**$44,052,679**	**3.85%**

[12] In developing the UAAL contribution rate, we have combined the UAAL for Tier 1 and Tier 3 and amortized that total UAAL over the total payroll for Tier 1 and Tier 3.
[13] Reflects amount calculated in the pension valuation.

Section 2: Actuarial Valuation Results

Total Plan

Line Description	Amount June 30, 2026	Percentage of Compensation June 30, 2026	Amount June 30, 2025	Percentage of Compensation June 30, 2025
1. Normal Cost	$129,642,875	4.44%	$114,802,170	4.00%
2. Amortization of the unfunded actuarial accrued liability	4,647,391	0.16%	(12,255,223)	−0.43%
3. Total Actuarially Determined Contribution (beginning of year)	**$134,290,266**	**4.60%**	**$102,546,947**	**3.57%**
4. Total Projected Compensation[14]	$2,916,706,251		$2,868,028,601	
5. Adjustment for timing (July 15)	$360,968	0.02%	$285,528	0.02%
6. Total Actuarially Determined Contribution (July 15)	**$134,651,234**	**4.62%**	**$102,832,475**	**3.59%**
7. Adjustment for timing (end of pay period)	$4,458,291	0.16%	$3,528,440	0.13%
8. Total Actuarially Determined Contribution (end of pay period)	**$138,748,557**	**4.76%**	**$106,075,387**	**3.70%**

[14] Reflects amount calculated in the pension valuation.

F. Schedule of employer contributions

The schedule of employer contributions compares actual contributions to the Actuarially Determined Contributions.

Fiscal Year Ended June 30	Actuarially Determined Contributions[15]	Actual Contributions[15]	Percentage Contributed
2017	$97,457,455	$97,457,455	100.00%
2018	100,909,010	100,909,010	100.00%
2019	107,926,949	107,926,949	100.00%
2020	112,136,429	112,136,429	100.00%
2021	103,454,114	103,454,114	100.00%
2022	91,622,720	91,622,720	100.00%
2023	90,580,892	90,580,892	100.00%
2024	97,093,393	97,093,393	100.00%
2025	90,168,079	90,168,079	100.00%
2026	91,989,107	91,989,107	100.00%

[15] Prior to plan year ending June 30, 2018, this amount was the Annual Required Contribution (ARC).

G. Schedule of funding progress

This schedule of funding progress presents multi-year trend information about whether the valuation value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b) − (a)	Funded Ratio (a) ÷ (b)	Covered Payroll[16] (c)	UAAL as a Percentage of Covered Payroll [(b) − (a) ÷ (c)]
06/30/2017	$2,438,458,132	$3,005,806,234	$567,348,102	81.12%	$2,062,316,129	27.51%
06/30/2018	2,628,843,511	3,256,827,847	627,984,336	80.72%	2,177,687,102	28.84%
06/30/2019	2,812,661,894	3,334,298,549	521,636,655	84.36%	2,225,412,831	23.44%
06/30/2020	2,984,423,687	3,486,530,510	502,106,823	85.60%	2,445,016,587	20.54%
06/30/2021	3,330,377,493	3,520,078,454	189,700,961	94.61%	2,254,165,029	8.42%
06/30/2022	3,472,955,743	3,580,696,288	107,740,545	96.99%	2,258,724,771	4.77%
06/30/2023	3,646,978,226	3,405,088,528	(241,889,698)	107.10%	2,512,179,018	−9.63%
06/30/2024	3,855,958,577	3,570,147,657	(285,810,920)	108.01%	2,730,282,217	−10.47%
06/30/2025	4,091,528,221	3,868,232,808	(223,295,413)	105.77%	2,868,028,601	−7.79%
06/30/2026	4,363,117,984	4,430,709,495	67,591,511	98.47%	2,916,706,251	2.32%

[16] Reflects amount calculated in the pension valuation.

H. Volatility ratios

The Asset Volatility Ratio (AVR), which is equal to the market value of assets divided by total payroll, provides an indication of the potential contribution volatility for any given level of investment volatility. A higher AVR indicates that the plan is subject to a greater level of contribution volatility. This is a current measure since it is based on the current level of assets.

For LACERS, the current AVR is about 1.62. This means that a 1% asset gain/(loss) (relative to the assumed investment return) translates to about 1.62% of one-year's payroll. Since LACERS amortizes actuarial gains and losses over a period of 15 years, there would be a 0.1% of payroll decrease/(increase) in the determined contribution for each 1% asset gain/(loss).

The Liability Volatility Ratio (LVR), which is equal to the Actuarial Accrued Liability divided by payroll, provides an indication of the longer-term potential for contribution volatility for any given level of investment volatility. This is because, over an extended period of time, the plan's assets should track the plan's liabilities. For example, if a plan is 50% funded on a market value basis, the liability volatility ratio would be double the asset volatility ratio and the plan sponsor should expect contribution volatility to increase over time as the plan becomes better funded.

The LVR also indicates how volatile contributions will be in response to changes in the Actuarial Accrued Liability due to actual experience or to changes in actuarial assumptions. For LACERS, the current LVR is about 1.52. This is about 6% lower than the AVR. Therefore, we would expect that contribution volatility will decrease over the long-term.

Year	Asset Volatility Ratio	Liability Volatility Ratio
2017	1.18	1.46
2018	1.23	1.50
2019	1.26	1.50
2020	1.17	1.43
2021	1.68	1.56
2022	1.48	1.59
2023	1.41	1.36
2024	1.39	1.31
2025	1.46	1.35
2026	1.62	1.52

I. Member population

The Actuarial Valuation and Review considers the number and demographic characteristics of covered members, including active members, inactive non-vested members (entitled to a refund of member contributions), inactive vested members, retired members and beneficiaries.

This section presents a summary of significant statistical data on these member groups.

More detailed information for this valuation year and the preceding valuation can be found in Section 3, Exhibit A, B, and C.

Year Ended June 30	Active Members	Inactive Vested Members	Retired Members and Beneficiaries[17]	Total Non-Actives	Ratio of Non-Actives to Actives	Ratio of Retired Members and Beneficiaries to Actives
2017	25,457	1,280	14,652	15,932	0.63	0.58
2018	26,042	1,401	15,144	16,545	0.64	0.58
2019	26,632	1,474	15,791	17,265	0.65	0.59
2020	27,490	1,526	16,107	17,633	0.64	0.59
2021	25,176	1,554	17,500	19,054	0.76	0.70
2022	24,917	1,537	17,753	19,290	0.77	0.71
2023	25,875	1,617	17,759	19,376	0.75	0.69
2024	26,782	1,651	17,909	19,560	0.73	0.67
2025	27,000	1,623	18,004	19,627	0.73	0.67
2026	26,189	1,605	18,342	19,947	0.76	0.70

[17] Excludes retirees and surviving spouses not yet enrolled in retiree health benefits.

Section 3: Supplemental Information

Exhibit A: Summary of participant data

Total Plan — Demographics as of June 30

Demographic Data by Status	2026	2025	Change
Active members:			
• Number	26,189	27,000	-3.0%
• Average age	46.8	46.5	0.3
• Average service	12.6	12.4	0.2
• Total projected compensation	$2,916,706,251	$2,868,028,601	1.7%
Inactive members:			
• Number	1,605	1,623	−1.1%
• Average age	52.1	52.2	-0.1
Retirees:[18]			
• Number of non-disabled	16,254	15,902	2.2%
• Number of disabled	291	293	−0.7%
• Total number of retirees	16,545	16,195	2.2%
• Average age of retirees	73.1	72.8	0.3
• Number of spouses	5,852	5,842	0.2%
• Average age of spouses	72.3	72.0	0.3
Surviving Spouses:[18]			
• Number in pay status	1,797	1,809	−0.7%
• Average age	80.0	79.9	0.1

[18] Excludes retirees and surviving spouses not receiving health benefits.

Section 3: Supplemental Information

Tier 1 — Demographics as of June 30

Demographic Data by Status	2026	2025	Change
Active members:			
• Number	13,339	14,568	−8.4%
• Average age	52.8	52.2	0.6
• Average service	20.0	19.4	0.6
• Total projected compensation	$1,651,933,391	$1,723,831,084	-4.2%
Inactive members:			
• Number	1,554	1,583	−1.8%
• Average age	52.2	52.3	-0.1
Retirees:[19]			
• Number of non-disabled	16,251	15,902	2.2%
• Number of disabled	291	293	−0.7%
• Total number of retirees	16,542	16,195	2.1%
• Average age of retirees	73.1	72.8	0.3
• Number of spouses	5,851	5,842	0.2%
• Average age of spouses	72.3	72.0	0.3
Surviving Spouses:[19]			
• Number in pay status	1,797	1,809	−0.7%
• Average age	80.0	79.9	0.1

Includes the following number of Airport Peace Officers (APO) eligible for enhanced retirement benefits:

Participants	June 30, 2026	June 30, 2025
Active Members	58	307
Inactive Members	24	28
Retired Members	117	127

[19] Excludes retirees and surviving spouses not receiving health benefits.

Section 3: Supplemental Information

Tier 3 — Demographics as of June 30

Participants	2026	2025	Change from Prior Year
Active members in valuation:			
• Number	12,850	12,432	3.4%
• Average age	40.5	39.8	0.7
• Average service	4.9	4.3	0.6
• Total projected compensation	$1,264,772,860	$1,144,197,517	10.5%
Inactive members:			
• Number	51	40	27.5%
• Average age	48.1	47.8	0.3
Retirees:[20]			
• Number of non-disabled	3	0	3
• Number of disabled	0	0	0
• Total number of retirees	3	0	3
• Average age of retirees	69.1	N/A	N/A
• Number of spouses	1	0	1
• Average age of spouses	67.9	N/A	N/A
Surviving Spouses:[20]			
• Number in pay status	N/A	N/A	N/A
• Average age	N/A	N/A	N/A

[20] Excludes retirees and surviving spouses not receiving health benefits.

Exhibit B: Reconciliation of retiree health participant data with pension participant data

Participants	June 30, 2026	June 30, 2025
Active		
• Pension valuation	26,189	27,000
• Health valuation	26,189	27,000
Retirees		
• Pension valuation	18,272	17,866
• Retirees with no subsidy due to service or decision not to enroll	-2,015	−1,959
• Deferred retirees eligible for future health benefits	-3	−5
• Health valuation	16,254	15,902
Disableds		
• Pension valuation	766	767
• Disabled with no subsidy due to service or decision not to enroll	-439	−444
• Deferred disableds eligible for future health benefits	-36	−30
• Health valuation	291	293
Surviving Spouses		
• Pension valuation	4,320	4,282
• Surviving spouses with no subsidy due to service or decision not to enroll	-2,453	−2,400
• Deferred surviving spouses eligible for future health benefits	-70	−73
• Health valuation	1,797	1,809
Inactive Vested		
• Pension valuation	12,909	12,265
• Inactive vesteds with less than 10 years of service	-11,304	−10,642
• Health valuation	1,605	1,623

Exhibit C: Retirees and beneficiaries added to and removed from health benefits

Year Ended June 30	No. of New Retirees/ Beneficiaries	Annual Subsidies Added[21]	No. of Retirees/ Beneficiaries Removed	Annual Subsidies Removed	No. of Retirees/ Beneficiaries at June 30	Annual Subsidies	Percent Increase in Annual Subsidies	Average Annual Subsidies
2017	913	$13,706,185	574	$3,316,380	14,652	$122,101,891	9.3	$8,333
2018	1,104	17,413,241	612	3,649,382	15,144	135,865,750	11.3	8,972
2019	1,195	12,323,187	548	3,780,696	15,791	144,408,241	6.3	9,145
2020	967	7,878,817	651	3,979,061	16,107	148,307,997	2.7	9,208
2021	2,135	25,826,129	742	5,162,633	17,500	168,971,493	13.9	9,656
2022	893	5,631,315	640	4,809,300	17,753	169,793,508	0.5	9,564
2023	699	1,517,839	693	568,742	17,759	170,742,605	0.6	9,614
2024	784	5,382,994	628	555,229	17,909	175,570,370	2.8	9,803
2025	769	11,069,872	674	4,752,005	18,004	181,888,237	3.6	10,103
2026	936	13,970,475	598	4,392,141	18,342	191,466,571	9.1	10,439

[21] Also reflects changes in subsidies for continuing retirees and beneficiaries.

Exhibit D: Cash flow projections

The ADC generally exceeds the current pay-as-you-go ("paygo") cost of an OPEB plan. Over time the paygo cost will tend to grow and may even eventually exceed the ADC in a well-funded plan. Due to the plan's funding position, the current ADC is well below the benefit payments being made by the plan. The following table projects the paygo cost as the projected payment over the next ten years.

Projected Number of Retirees[22] and Benefit Payments

Year Ending June 30	Current Retirees	Future Retirees	Total Retirees	Current Benefit Payments	Future Benefit Payments	Total Benefit Payments
2027	24,194	1,660	25,854	$189,494,981	$14,148,601	$203,643,582
2028	23,713	2,513	26,226	189,852,375	25,127,846	214,980,221
2029	22,980	3,362	26,342	190,299,650	37,194,119	227,493,769
2030	22,241	4,237	26,478	189,700,190	50,657,138	240,357,328
2031	21,487	5,148	26,635	188,926,547	65,641,054	254,567,601
2032	20,725	6,065	26,790	188,249,902	81,986,715	270,236,617
2033	19,956	6,992	26,948	186,897,750	99,193,923	286,091,673
2034	19,175	7,945	27,120	185,830,306	117,455,881	303,286,187
2035	18,382	8,841	27,223	184,588,306	135,466,259	320,054,565
2036	17,583	9,680	27,263	183,867,879	153,020,568	336,888,447

[22] Includes spouses of retirees, but excludes those not receiving a subsidy from LACERS.

Exhibit E: Summary of income and expenses on a market value basis for Total System assets

Line Description	Year Ended June 30, 2026	Year Ended June 30, 2025
Net assets at market value at the beginning of the year	$25,375,318,626	$23,041,225,445
Prior period adjustments[23]	0	(5,978,090)
Subtotal	$25,375,318,626	$23,035,247,355
Contribution income		
• Employer contributions	$869,863,343	$894,188,108
• Member contributions	315,240,090	306,764,700
– **Net contribution income**	**$1,185,103,433**	**$1,200,952,808**
Investment income		
• Investment, dividends and other income	$601,919,055	$566,619,061
• Asset appreciation	3,348,036,091	2,295,838,669
• Less investment and administrative fees	(227,391,649)	(217,782,753)
– **Net investment income**	**$3,722,563,497**	**$2,644,674,977**
Total income available for benefits	**$4,907,666,930**	**$3,845,627,785**
Less benefit payments and transfers		
• Benefits paid[24]	$(1,571,868,280)	$(1,489,789,508)
• Member refunds	(19,712,454)	(15,767,006)
• Transfer to LAFPP[25]	(290,431,207)	0
– **Net benefit payments**	**$(1,882,011,941)**	**$(1,505,556,514)**
Change in net assets at market value	**$3,025,654,989**	**$2,340,071,271**
Net assets at market value at the end of the year	**$28,400,973,615**	**$25,375,318,626**

Note: Results may not total due to rounding.

[23] Resulting from the implementation of GASB 101 – Compensated Absences, effective fiscal year 2024/2025.
[24] Includes offsets related to self-funded dental insurance premium and health insurance premium reserve.
[25] Pursuant to Charter Amendment FF. The transfer to LAFPP on behalf of the health plan was $55,772,797.

Exhibit F: Summary statement of Total System assets

Line Description	Year Ended June 30, 2026	Year Ended June 30, 2025
Cash equivalents	**$691,942,018**	**$590,169,925**
Accounts receivable		
• Accrued interest income	$126,731,170	$115,414,829
• Proceeds from sales of investments	77,896,889	78,651,508
• Other	18,392,612	15,552,003
– **Total accounts receivable**	**$223,020,671**	**$209,618,340**
Investments		
• Fixed income	$5,732,719,481	$5,466,440,748
• Equities	13,404,021,178	11,925,012,134
• Real estate and alternative investment	7,975,805,718	6,844,632,356
• Derivative instruments	(3,499,410)	2,141,807
• Other	1,050,777,052	679,982,764
– **Total investments at market value**	**$28,159,824,019**	**$24,918,209,809**
Capital assets	53,860,780	56,410,354
Total assets	**$29,128,647,488**	**$25,774,408,428**
Accounts payable		
• Accounts payable and accrued expenses	$(34,398,077)	$(46,267,705)
• Accrued compensated absences	(7,339,564)	(6,420,643)
• Accrued investment expenses	(8,872,561)	(26,486,454)
• Purchases of investments	(125,204,412)	(112,213,139)
• Securities lending collateral	(551,156,207)	(207,015,731)
– **Total accounts payable**	**$(726,970,821)**	**$(398,403,672)**
Deferred inflow of resources	$(703,052)	$(686,130)
Net assets at market value	**$28,400,973,615**	**$25,375,318,626**
Net assets at actuarial value	**$26,281,951,998**	**$24,799,377,599**
Net assets at valuation value (health benefits)	**$4,363,117,984**	**$4,091,528,221**

Note: Results may be slightly off due to rounding.

Exhibit G: Determination of Actuarial Value of Assets as of June 30, 2026

	Step	Actual Return	Expected Return	Investment Gain/(Loss)	Portion Deferred	Amount
1.	Market value of assets for the System					$28,400,973,615
2.	**Calculation of unrecognized return[26]**					
a.	Year ended June 30, 2021	$5,258,341,258	$1,260,485,231	$3,997,856,027	1/7	$571,122,290
b.	Year ended June 30, 2022	(1,947,728,626)	1,604,160,949	(3,551,889,575)	2/7	(1,014,825,593)
c.	Year ended June 30, 2023	1,500,807,128	1,443,373,615	57,433,513	3/7	24,614,363
d.	Year ended June 30, 2024	1,792,784,442	1,525,354,781	267,429,661	4/7	152,816,949
e.	Year ended June 30, 2025	2,644,674,977	1,630,494,720	1,014,180,257	5/7	724,414,469
f.	Year ended June 30, 2026	3,722,563,497	1,784,871,168	1,937,692,329	6/7	1,660,879,139
g.	**Total deferred return[27]**					**$2,119,021,617**
3.	**Preliminary actuarial value of assets: 1 − 2g**					**$26,281,951,998**
4.	Adjustment to be within 40% corridor					0
5.	**Final actuarial value of assets: 3 + 4**					**$26,281,951,998**
6.	Ratio of actuarial to market value: **5 ÷ 1**					92.5%
7.	**Calculation of Health Plan assets**					
a.	Market value of Health Plan assets					$4,714,900,885
b.	**Valuation value of Health Plan assets: 5 ÷ 1 × 7a**					**$4,363,117,984**

[26] Total return minus expected return on a market value basis.

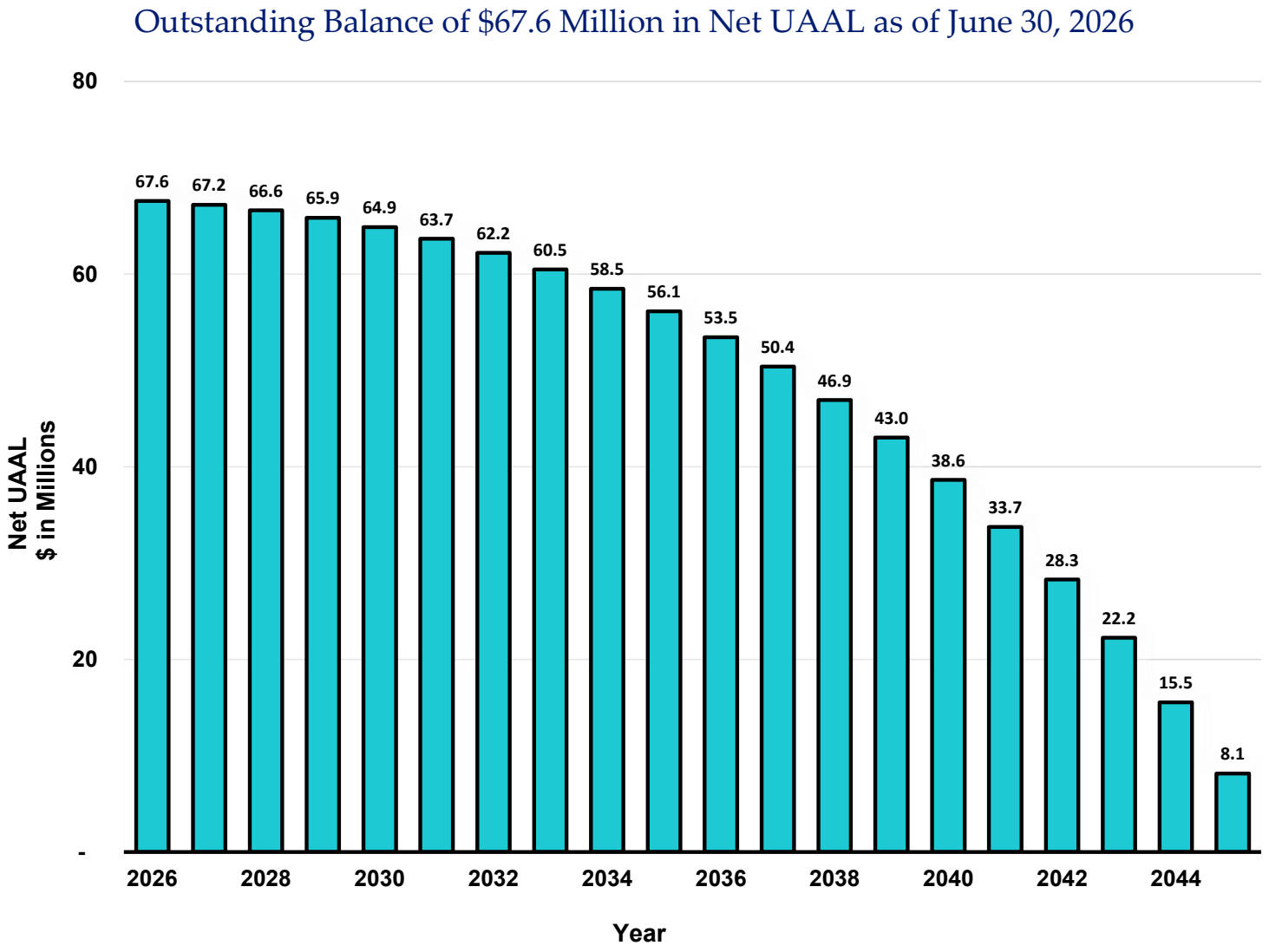
[27] Deferred return as of June 30, 2026 recognized in each of the next six years (for Retirement and Health Plans) is as shown below. Results may not total exactly due to rounding.

a. Amount recognized on June 30, 2027	$531,814,603
b. Amount recognized on June 30, 2028	(39,307,687)
c. Amount recognized on June 30, 2029	468,105,109
d. Amount recognized on June 30, 2030	459,900,321
e. Amount recognized on June 30, 2031	421,696,084
f. Amount recognized on June 30, 2032	276,813,190

Exhibit H: Member benefit coverage information for OPEB

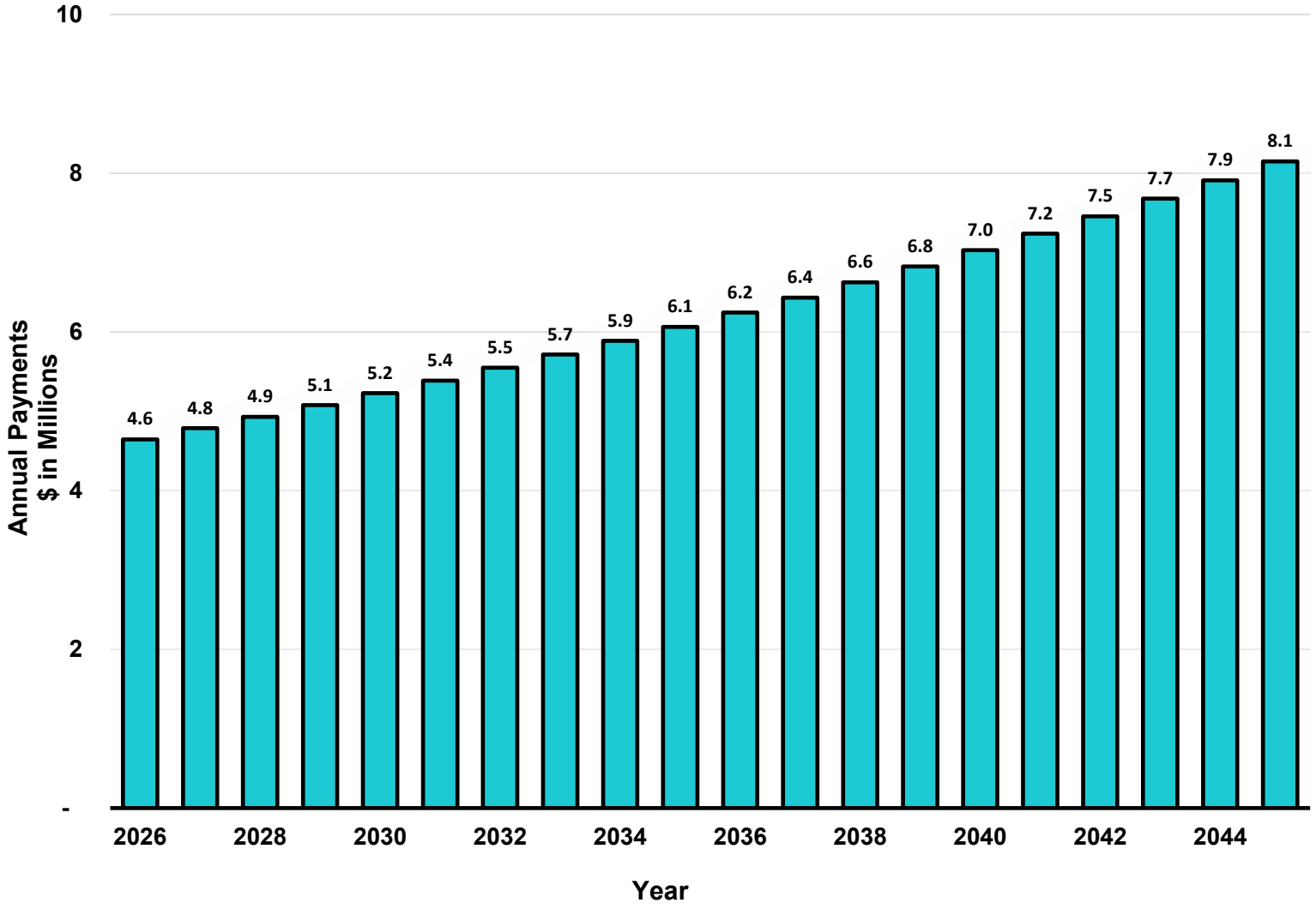
Valuation Date	Aggregate Actuarial Accrued Liabilities for Terminated Members	Aggregate Actuarial Accrued Liabilities for Retirees, Beneficiaries, & Dependents	Aggregate Actuarial Accrued Liabilities for Active Members	Valuation Value of Retiree Health Assets	Portion of Accrued Liabilities Covered by Reported Assets Terminated Members	Portion of Accrued Liabilities Covered by Reported Assets Retirees, Beneficiaries, & Dependents	Portion of Accrued Liabilities Covered by Reported Assets Active Members
06/30/2017	$62,252,306	$1,379,356,850	$1,564,197,078	$2,438,458,132	100%	100%	64%
06/30/2018	67,137,848	1,479,370,105	1,692,319,894	2,628,843,511	100	100	63
06/30/2019	65,887,248	1,600,130,890	1,668,280,411	2,812,661,894	100	100	69
06/30/2020	70,327,305	1,677,722,536	1,738,480,669	2,984,423,687	100	100	71
06/30/2021	74,599,941	1,869,444,779	1,576,033,734	3,330,377,493	100	100	88
06/30/2022	74,631,785	1,900,861,299	1,605,203,204	3,472,955,743	100	100	93
06/30/2023	76,591,793	1,784,281,066	1,544,215,669	3,646,978,226	100	100	100
06/30/2024	86,360,851	1,824,658,592	1,659,128,214	3,855,958,577	100	100	100
06/30/2025	90,734,412	1,966,688,547	1,810,809,849	4,091,528,221	100	100	100
06/30/2026	100,411,268	2,342,047,571	1,988,250,656	4,363,117,984	100	100	97

Exhibit I: Projection of UAAL balances and payments



Note: The combined UAAL base created as of June 30, 2026 was amortized over 20 years.

Annual Payments Resulting from $67.6 Million in Net UAAL as of June 30, 2026



Note: The Plan's recommended contribution rate includes these payments related to the plan's funding shortfall.

Section 4: Actuarial Valuation Basis

Exhibit 1: Summary of supplementary information

Valuation date

June 30, 2026

Actuarial cost method

Entry age normal, level percent of salary

Amortization method

Level percent of payroll — assuming a 3.00% increase in total covered payroll.

Amortization period

Category	Years
Actuarial Experience	15 years
Change in non-health related assumptions	20 years
Change in health related assumptions	15 years
Future ERIP	5 years
Valuation Value of Assets in excess of Actuarial Accrued Liability	30 years
Plan Amendment	15 years

An adjustment is made to the amortization period of all the UAAL actuarial gain layers to be the longer of 15 years or the longest remaining amortization period for any outstanding UAAL layers when the total UAAL contribution is negative (a credit) but there is still a UAAL balance.

Asset valuation method

Market value of assets less unrecognized returns in each of the last seven years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a seven-year period. The actuarial value of assets cannot be less than 60% or greater than 140% of the market value of assets.

Actuarial assumptions:

- Investment rate of return: 6.75%
- Inflation rate: 2.50%
- Across-the-board pay increase: 0.50%
- Projected salary increases: Ranges from 9.00% to 4.30% based on years of service, including inflation
- **Medical, dental, Medicare Part B trend rates**: See table on page 50.

Plan membership

Member Type	June 30, 2026	June 30, 2025
Current retirees, beneficiaries, and dependents receiving benefits	24,194	23,846
Current active participants	26,189	27,000
Terminated participants entitled but not yet eligible	1,605	1,623
Pensioners and beneficiaries entitled but not yet eligible for health benefits	109	108
Total	**52,097**	**52,577**

Exhibit 2: Actuarial assumptions

Rationale for assumptions

The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the July 1, 2022 through June 30, 2025 Actuarial Experience Study dated June 16, 2026 and retiree health assumptions letter dated September 14, 2026. Unless otherwise noted, all actuarial assumptions and methods shown below apply to both Tier 1 and Tier 3 members. These assumptions have been adopted by the Board.

Economic assumptions

Net investment return

6.75%, net of OPEB Plan investment expense, including inflation.

Payroll growth

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

Section 4: Actuarial Valuation Basis

Salary increases

The annual rate of compensation increase includes:

- Inflation at 2.50%, plus
- "Across the board" salary increases of 0.50% per year, plus
- The following merit and promotion increases:

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

Demographic assumptions

Mortality rates — Post-retirement

Healthy

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

Disabled

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

Beneficiary

Not in Pay Status as of Valuation: Pub-2016 General Healthy Retiree Headcount-Weighted Above-Median Mortality Table (separate tables for males and females), with rates increased by 5% for males, projected generationally with scale MP-2021.

In Pay Status as of Valuation: Pub-2016 Contingent Survivor Headcount-Weighted Above-Median Mortality Table (separate tables for males and females), with rates increased by 5% for males and increased by 5% for females, projected generationally with scale MP-2021.

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

Section 4: Actuarial Valuation Basis

Mortality Rates — Pre-Retirement

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

Age	Male Rate (%)	Female Rate (%)
20	0.03	0.01
25	0.04	0.01
30	0.05	0.02
35	0.06	0.03
40	0.09	0.05
45	0.12	0.07
50	0.16	0.09
55	0.22	0.13
60	0.34	0.21
65	0.53	0.32

Generational projections to the valuation date for each age reflected in the above mortality rates.

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

Disability incidence

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

Section 4: Actuarial Valuation Basis

Termination

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

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

Section 4: Actuarial Valuation Basis

Retirement rates (%)

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

Retirement age and benefit for inactive vested members

Assume retiree health benefit will be paid at the later of age 61 or the current attained age for members retiring from deferred status and at the later of age 59 and the current attained age for members retiring from reciprocal status.

Future benefit accruals

1.0 year of service credit per year.

Service

Employment service is used for eligibility determination purposes. Benefit service is used for benefit calculation purposes.

Unknown data for members

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

Retiree health assumptions

Per capita cost development

The assumed costs on a composite basis are the future costs of providing postemployment health care benefits at each age. To determine the assumed costs on a composite basis, historical premiums are reviewed and adjusted for increases in the cost of health care services.

Per capita cost development — Maximum dental subsidy

Carrier	Election Percent (%)	Monthly 2026/2027 Fiscal Year Subsidy
Delta Dental PPO	83.4	$47.48
DeltaCare USA	16.6	15.70

Per capita cost development — Medicare Part B premium subsidy

Category	Single Monthly Premium
Actual monthly premium for calendar year 2026	$202.90
Projected monthly premium for calendar year 2027[28]	209.50
Projected average monthly premium for plan year 2026/2027	206.20

LACERS will not reimburse Medicare Part B premiums for Spouse/Domestic Partners, unless they are LACERS retired Members with Medicare Parts A and B enrolled as a dependent in a LACERS medical plan. This valuation does not reflect Medicare Part B reimbursement for any (married or surviving) spouse/domestic partners enrolled in Medicare Parts A and B.

For retirees age 65 and over on the valuation date, we valued the Medicare Part B premium subsidy for those reported in the data with Medicare Part B premium. For current and future retirees under age 65, we will assume 100% of those electing a medical subsidy will be eligible for the Medicare Part B premium subsidy.

[28] Based on calendar year 2026 premium adjusted to 2027 by assumed trend rate of 3.25%.

Section 4: Actuarial Valuation Basis

Per capita cost development — Medical subsidy

Tier 1 members not subject to medical subsidy cap and all Tier 3 members.[29]

Participant Under Age 65 or Not Eligible for Medicare A&B

2026–2027 Fiscal Year Carrier	Observed & Assumed Election Rate (%)[30]	Single Party Monthly Premium	Single Party Maximum Subsidy	Single Party Subsidy	Married/With Domestic Partner Monthly Premium	Married/With Domestic Partner Maximum Subsidy	Married/With Domestic Partner Subsidy	Eligible Survivor Monthly Premium	Eligible Survivor Maximum Subsidy	Eligible Survivor Subsidy
Kaiser HMO	59.6%	$1,219.43	$2,522.87	$1,219.43	$2,438.85	$2,522.87	$2,438.85	$1,219.43	$1,219.43	$1,219.43
Anthem Blue Cross PPO	23.4%	1,928.62	2,522.87	1,928.62	3,852.20	2,522.87	2,522.87	1,928.62	1,219.43	1,219.43
Anthem Blue Cross HMO	17.0%	1,575.63	2,522.87	1,575.63	3,146.22	2,522.87	2,522.87	1,575.63	1,219.43	1,219.43

Participant Eligible for Medicare A&B

2026–2027 Fiscal Year Carrier	Observed & Assumed Election Rate (%)[30]	Single Party Monthly Premium	Single Party Maximum Subsidy	Single Party Subsidy	Married/With Domestic Partner Monthly Premium	Married/With Domestic Partner Maximum Subsidy	Married/With Domestic Partner Subsidy	Eligible Survivor Monthly Premium	Eligible Survivor Maximum Subsidy	Eligible Survivor Subsidy
Kaiser Senior Advantage HMO	54.9%	$268.01	$268.01	$268.01	$536.02	$536.02	$536.02	$268.01	$268.01	$268.01
Anthem Blue Cross Medicare Preferred (PPO)	33.1%	447.63	447.63	447.63	890.23	890.23	890.23	447.63	447.63	447.63
UHC California Medicare Advantage Plan	4.7%	401.86	401.86	401.86	798.69	798.69	798.69	401.86	401.86	401.86
SCAN Medicare Advantage Plan	4.4%	226.93	226.93	226.93	448.83	448.83	448.83	226.93	226.93	226.93
Anthem Medicare Supplemental	2.9%	773.75	773.75	773.75	1,542.46	1,368.00	1,368.00	773.75	773.75	773.75

The monthly premiums provided above include vision premiums and are the plan's member rates, which do not necessarily equal the rates charged by the carriers. For valuation purposes, the retirees with UHC Medicare Advantage HMO for Arizona and Nevada (1.0% of total enrollment) are assumed to have the same costs as the UHC California Medicare Advantage Plan. These grouping simplifications have a de-minimis impact on the valuation results.

[29] For valuation purposes, the Tier 1 maximum subsidy is used for Tier 1 and Tier 3 members. This simplification has a de-minimis impact on the valuation results.
[30] The observed election percentages are based on raw census data as of June 30, 2026.

Section 4: Actuarial Valuation Basis

Per capita cost development — Medical subsidy

Tier 1 Subject to Retiree Medical Subsidy Cap.

Tier 1 members who are subject to the retiree medical subsidy cap will have monthly health insurance subsidy maximums capped at the levels in effect at July 1, 2011, as shown in the table below. We understand that no active members are subject to the cap but that some inactive members may be subject to the cap.

Retiree Plan	Single Party	Married/With Domestic Partner	Eligible Survivor
Under 65 — All Plans	$1,190.00	$1,190.00	$593.62
Over 65			
• Kaiser Senior Advantage	$203.27	$217.32	$203.27
• Anthem Medicare Preferred (PPO)[31]	478.43	478.43[32]	478.43
• UHC California Medicare Adv. HMO	219.09	433.93	219.09
• SCAN Medicare Advantage Plan[33]	223.88	447.76	223.88

Per capita cost development — Medical subsidy

Per capita costs were based on the premiums for the valuation year. Actuarial factors were applied to the premiums to estimate individual retiree and spouse costs by age and by gender in accordance with ASOP 6.

Health care cost subsidy trend rates

Trend rates are applied to average premiums for the respective fiscal year to calculate the following fiscal year's projected premiums. The first fiscal year is July 1, 2026 through June 30, 2027 and reflects actual 2027 calendar year premiums.

Fiscal Year	Kaiser HMO, Under Age 65	Anthem PPO, Under Age 65	Anthem HMO, Under Age 65	Kaiser Senior Advantage	Anthem Preferred PPO Medicare Advantage	UHC CA Medicare Advantage	SCAN	Anthem Medicare Supplement
2026–2027	9.69%	7.69%	9.98%	4.53%	5.36%	5.06%	3.62%	22.46%

[31] We have assumed the same $478.43 maximum subsidy for retirees who elect the Anthem Medicare Supplement.
[32] The reason the subsidy is only at the single-party amount is that there is no excess subsidy to cover a dependent.
[33] We have assumed the two-party maximum for SCAN to be twice the single party SCAN maximum.

Section 4: Actuarial Valuation Basis

The fiscal year trend rates are based on the following calendar year trend rates:

Fiscal Year	Approximate Trend Rate (%) Non-Medicare	Approximate Trend Rate (%) Medicare	Calendar Year	Trend Applied to Calculate Following Year Premium Rate (%) Non-Medicare	Trend Applied to Calculate Following Year Premium Rate (%) Medicare	Trend Applied to Calculate Following Year Premium Rate (%) Medicare Part B
2027–2028	9.25%	7.12%	2027	9.50[34]	7.25	7.00[35]
2028–2029	8.75	6.87	2028	9.00	7.00	7.00
2029–2030	8.25	6.62	2029	8.50	6.75	7.00
2030–2031	7.75	6.37	2030	8.00	6.50	7.00
2031–2032	7.25	6.12	2031	7.50	6.25	7.00
2032–2033	6.87	5.87	2032	7.00	6.00	7.00
2033–2034	6.62	5.62	2033	6.75	5.75	7.00
2034–2035	6.37	5.37	2034	6.50	5.50	7.00
2035–2036	6.12	5.12	2035	6.25	5.25	7.00
2036–2037	5.87	4.87	2036	6.00	5.00	6.75
2037–2038	5.62	4.62	2037	5.75	4.75	6.50
2038–2039	5.37	4.50	2038	5.50	4.50	6.25
2039–2040	5.12	4.50	2039	5.25	4.50	6.00
2040–2041	4.87	4.50	2040	5.00	4.50	5.75
2041–2042	4.62	4.50	2041	4.75	4.50	5.50
2042–2043	4.50	4.50	2042	4.50	4.50	5.25
2043–2044	4.50	4.50	2043	4.50	4.50	5.00
2044–2045	4.50	4.50	2044	4.50	4.50	4.75
2045 and later	4.50	4.50	2045	4.50	4.50	4.50

[34] For example, the 9.50% assumption, when applied to the 2027 non-Medicare medical premiums would provide the projected 2028 non-Medicare medical premiums. This trend would also be applied to the maximum medical subsidy, based on the non-Medicare Kaiser premium. The 2027 carrier rates for the non-Medicare plans were the same as the member rates.

[35] An initial increase of 5.15% is the estimated increase applied to the fiscal year 2026–2027 premium, which may be adjusted to reflect actual 2027 calendar year premium if available at time of valuation.

Dental Premium Trend: 3.00% for all years

Spouse/domestic partner coverage

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

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

Participation

Retiree Medical and Dental Coverage Participation

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

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

Health care reform

The valuation does not reflect the potential impact of any future changes due to prior or pending legislations.

Administrative expenses

No administrative expenses were valued separately from the premium costs.

Plan design

Development of plan liabilities was based on the substantive plan of benefits in effect as described in Exhibit 3.

Section 4: Actuarial Valuation Basis

Assumption changes since prior valuation

The future trend assumptions on per capita health costs and Medicare Part B premiums were updated. These changes increased the AAL.

Economic, demographic and other health related assumptions were updated based on results of the July 1, 2022 through June 30, 2025 Actuarial Experience Study, including a decrease to the long-term rate of return assumption from 7.00% to 6.75%. These changes increased the AAL.

The initial year healthcare costs and maximum subsidies were updated. These changes slightly decreased the AAL.

Exhibit 3: Summary of plan

This exhibit summarizes the major benefit provisions as included in the valuation based on our understanding of the Los Angeles Administrative Code, Division 4, Chapter 10. To the best of our knowledge, the summary represents the substantive plans as of the measurement date. It is not intended to be, nor should it be interpreted as, a complete statement of all benefit provisions.

Membership eligibility

Tier 1

All employees who became members of the System before July 1, 2013, and certain employees who became members of the System on or after July 1, 2013. Pursuant to Ordinance No. 184134, all Tier 2 employees who became members of the System between July 1, 2013 and February 21, 2016 were transferred to Tier 1 effective February 21, 2016.

Tier 3

All employees who became members of the System on or after February 21, 2016, except as provided otherwise in Section 4.1080.2(b) of the Los Angeles Administrative Code.

Benefit eligibility

Tier 1 and Tier 3

Retired age 55 or older with at least 10 years of service (including deferred vested members who terminate employment and receive a retirement benefit from LACERS), or if retirement date is between October 2, 1996, and September 30, 1999 at age 50 or older with 30 years of service. Benefits are also payable to spouses, domestic partners, or other qualified dependents while the retiree is alive. Please note that the health subsidy is not payable to a service or disabled retiree before the member reaches age 55.

Medical subsidy for members not subject to cap

Under age 65 or over age 65 without Medicare Part A: Tier 1 and Tier 3

The System will pay 4% of the maximum health subsidy (limited to actual premium) for each year of Service Credit, up to 100% of the maximum health subsidy. As of July 1, 2026, the maximum health subsidy for Tier 1 is $2,407.48 per month and will be $2,637.90 per month as of January 1, 2027. As of July 1, 2026, the maximum health subsidy for Tier 3 is $2,323.82 per month and will be $2,553.88 per month as of January 1, 2027. These amount include coverage of dependent premium costs.

Over age 65 and enrolled in both Medicare Parts A and B: Tier 1 and Tier 3

For retirees, a maximum health subsidy shall be paid in the amount of the single-party monthly premium of the approved Medicare supplemental or coordinated plan in which the retiree is enrolled, subject to the following vesting schedule:

Completed Years of Service	Vested Percentage
10–14	75%
15–19	90%
20+	100%

Subsidy cap for Tier 1

As of the June 30, 2011 valuation, the retiree health benefits program was changed to cap the medical subsidy for non-retired members who do not contribute an additional 4.00% or 4.50% of employee contributions to the Pension Plan.

The capped subsidy is different for Medicare and non-Medicare retirees.

The cap applies to the medical subsidy limits at the 2011 calendar year level.

The cap does not apply to the dental subsidy or the Medicare Part B premium reimbursement.

Dental subsidy for members

Tier 1 and Tier 3

The System will pay 4% of the maximum dental subsidy (limited to actual premium) for each year of Service Credit, up to 100% of the maximum dental subsidy. As of July 1, 2026, the maximum dental subsidy is $42.93 per month and will be $52.02 in calendar year 2027.

There is no subsidy available to dental plan dependents or surviving spouses/domestic partners. There is also no reimbursement for dental plans not sponsored by the System.

Dependents

Tier 1 and Tier 3

An additional amount is added for coverage of dependents which shall not exceed the amount provided to a retiree not enrolled in Medicare Parts A and B and covered by the same medical plan with the same years of service credit. The combined Member and dependent subsidy shall not exceed the actual premium. This refers to dependents of retired Members with Medicare Parts A and B. It does not apply to those without Medicare or Part B only.

Medicare Part B reimbursement for members

Tier 1 and Tier 3

If a Retiree is eligible for a health subsidy, covered by both Medicare Parts A and B, and enrolled in a LACERS' medical plan or participates in the LACERS Retiree Medical Premium Reimbursement Program, LACERS will reimburse the retiree the basic Medicare Part B premium. LACERS does not reimburse survivors or dependents any part of their Medicare Part B premium.

Surviving spouse medical subsidy

Tier 1 and Tier 3

The surviving spouse or domestic partner will be entitled to a health subsidy based on the member's years of service and the surviving dependent's eligibility for Medicare.

Under age 65 or over age 65 without Medicare Part A

The maximum health subsidy available for survivors is the lowest cost plan available (currently Kaiser) single-party premium ($1,161.91 as of July 1, 2026 and will be $1,276.94 per month as of January 1, 2027).

Over age 65 and enrolled in both Medicare Parts A and B

For survivors, a maximum health subsidy limited to the single-party monthly premium of the plan in which the survivor is enrolled, is provided subject to the following vesting schedule:

Completed Years of Service	Vested Percentage
10–14	75%
15–19	90%
20+	100%

Note that a new Tier 1 Enhanced Plan providing a higher retirement benefit was adopted pursuant to Ordinance No. 184853. However, other than Segal applying higher retirement rate assumptions to anticipate somewhat earlier retirement, there are no differences between the retiree health benefits paid by LACERS to those members.

Changes in plan provisions

None.

Note

The summary of major Plan provisions is designed to outline principal plan benefits as interpreted for purposes of the actuarial valuation. If the System should find the plan summary not in accordance with the actual provisions, the System should alert the actuary so that both parties can be sure the proper provisions are valued.

Exhibit 4: Definitions of terms

The following list defines certain technical terms for the convenience of the reader:

Term	Definition
Assumptions or Actuarial Assumptions	The estimates on which the cost of the Plan is calculated including: • Investment return — the rate of investment yield that the Plan will earn over the long-term future; • Mortality rates — the death rates of employees and pensioners; life expectancy is based on these rates; • Retirement rates — the rate or probability of retirement at a given age; • Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.
Actuarial Present Value of Total Projected Benefits (APB)	Present value of all future benefit payments for current retirees and active employees taking into account assumptions about demographics, turnover, mortality, disability, retirement, health care trends, and other actuarial assumptions.
Normal Cost	The amount of contributions required to fund the benefit allocated to the current year of service.
Actuarial Accrued Liability for Actives	The equivalent of the accumulated normal costs allocated to the years before the valuation date.
Actuarial Accrued Liability for Retirees	The single sum value of lifetime benefits to existing retirees. This sum takes account of life expectancies appropriate to the ages of the retirees and of the interest which the sum is expected to earn before it is entirely paid out in benefits.
Valuation Value of Assets (VVA)	The value of assets used by the actuary in the valuation. These may be at market value or some other method used to smooth variations in market value from one valuation to the next.
Funded Ratio	The ratio AVA/AAL.
Unfunded Actuarial Accrued Liability (UAAL):	The extent to which the actuarial accrued liability of the Plan exceeds the assets of the Plan. There is a wide range of approaches to paying off the unfunded actuarial accrued liability, from meeting the interest accrual only to amortizing it over a specific period of time.
Amortization of the Unfunded Actuarial Accrued Liability	Payments made over a period of years equal in value to the Plan's unfunded actuarial accrued liability.
Investment Return (discount rate)	The rate of earnings of the Plan from its investments, including interest, dividends and capital gain and loss adjustments, computed as a percentage of the average value of the fund. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next. If the plan is funded on a pay-as-you-go basis, the discount rate is tied to the expected rate of return on day-to-day employer funds.
Covered Payroll	Annual reported salaries for all active participants on the valuation date.

Section 4: Actuarial Valuation Basis

Term	Definition
ADC as a Percentage of Covered Payroll	The ratio of the actuarially determined contribution to covered payroll.
Health Care Cost Trend Rates	The annual rate of increase in net claims costs per individual benefiting from the Plan.
Actuarially Determined Contribution (ADC)	The ADC is equal to the sum of the normal cost and the amortization of the unfunded actuarial accrued liability.
Employer Contributions	An employer has contributed to an OPEB plan if the employer has (a) provided benefits directly to retired plan members or their beneficiaries, (b) paid insurance premiums to insure the payment of benefits, or (c) irrevocably transferred assets to a qualifying trust, or equivalent arrangement, in which plan assets are dedicated to providing benefits to retirees and their beneficiaries in accordance with the terms of the plan and are legally protected from creditors of the employer(s) or plan administrator.

6009298v5/05806.003

BOARD MEETING: NOVEMBER 10, 2026

ITEM: VI-C

ATTACHMENT: 5

Los Angeles City Employees' Retirement System

Governmental Accounting Standards Board
Statement No. 67 Actuarial Valuation of Retirement Benefits
Measured as of June 30, 2026

This valuation report should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the Plan.

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November 3, 2026

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

Dear Board Members:

We are pleased to submit this Governmental Accounting Standards Board Statement No. 67 (GASB 67) Actuarial Valuation of Retirement Benefits as of June 30, 2026 for the Los Angeles City Employees' Retirement System ("LACERS" or "the System"). It contains various information that will need to be disclosed in order to comply with GASB 67. Please refer to LACERS' Actuarial Valuation and Review of Retirement Benefits as of June 30, 2026, dated November 3, 2026, for the data, assumptions, and plan of benefits underlying these calculations.

This report has been prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Administration (the "Board"), based upon information provided by the staff of the Plan and the Plan's other service providers.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

The actuarial calculations were completed under the supervision of Emily Klare, ASA, MAAA, Enrolled Actuary. We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by the Board based upon our analysis and recommendations. In our opinion, the assumptions are reasonable and take into account the experience of LACERS and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

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

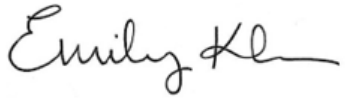
We look forward to reviewing this report with you and to answering any questions.

Sincerely,

Segal



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



Emily Klare, ASA, MAAA, EA
Senior Actuary

DNA/jl

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report has been prepared by Segal to present certain disclosure information required by Governmental Accounting Standards Board Statement No. 67 (GASB 67) as of June 30, 2026. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. This report is based on:

- The benefit provisions of the Pension (or Retirement) Plan, as administered by the Board of Administration;
- The characteristics of covered active, inactive, and retired members and beneficiaries as of June 30, 2026, provided by LACERS;
- The assets of the Plan as of June 30, 2026, provided by LACERS;
- Economic assumptions regarding future salary increases and investment earnings adopted by the Board for the June 30, 2026 funding valuation; and
- Other actuarial assumptions, regarding employee terminations, retirement, death, etc. adopted by the Board for the June 30, 2026 funding valuation.

General observations on a GASB 67 actuarial valuation

- The Governmental Accounting Standards Board (GASB) rules only define pension liability and expense for financial reporting purposes, they do not apply to contribution amounts for pension funding purposes. Employers and plans should continue to develop and adopt funding policies under current practices.
- When measuring pension liability, GASB uses the same actuarial cost method (Entry Age method) and the same type of discount rate (expected return on assets) as LACERS uses for funding. This means that the Total Pension Liability (TPL) measure for financial reporting shown in this report is determined on the same basis as LACERS' actuarial accrued liability (AAL) measure for funding. We note that the same is true for the service cost for financial reporting shown in this report and the normal cost component of the annual plan cost for funding.
- The Net Pension Liability (NPL) is equal to the difference between the TPL and the Plan Fiduciary Net Position (FNP). The Plan FNP is equal to the fair value of assets and therefore, the NPL measure is very similar to an unfunded actuarial accrued liability (UAAL) calculated on a market value basis.

Highlights of the valuation

- The reporting date for the Plan is June 30, 2026 and the NPL was measured as of the same date. The TPL was determined based upon the AAL from the funding actuarial valuation as of June 30, 2026 and the Plan FNP was also valued as of the measurement date.
- Pursuant to the Charter Amendment FF, certain members of LACERS were permitted to make an irrevocable election to transfer membership and service credit to Tier 6 of the Los Angeles Fire and Police Pensions (LAFPP) effective January 11, 2026. The liabilities in this report reflect the elections of those members who transferred membership and service credit to LAFPP, while the assets reflect the transfer of funds from LACERS to LAFPP that was made in accordance with those transfers on March 26, 2026. Based on Los Angeles Administrative Code Section 4.2216(e), the amount of funds transferred to LAFPP was calculated as the funded portion of the actuarial accrued liability.
- The NPL decreased from $6.54 billion as of June 30, 2025 to $5.65 billion as of June 30, 2026 primarily due to the return on the market value of retirement plan assets of 14.47%[1] during fiscal year 2025-2026 that was more than the assumption of 7.00% used in the June 30, 2025 valuation (a gain of $1.58 billion), offset somewhat by the change in actuarial assumptions (an increase of about $0.74 billion). Changes in these values during the last two fiscal years can be found in *Section 2, Exhibit D: Schedule of changes in Net Pension Liability* on page 17.
- The discount rate used to measure the TPL and NPL as of June 30, 2026 was 6.75%, following the same assumption used by LACERS in the actuarial funding valuation as of June 30, 2026. The detailed calculations used in the derivation of the 6.75% discount rate can be found in *Appendix A*. Various other information that is required to be disclosed can be found throughout *Section 2*.
- The assets and liabilities shown throughout this report are for the Retirement Plan only and exclude amounts for the Health and Family Death Benefit Plans and the Larger Annuity Program.

[1] For the June 30, 2026 valuation, the investment return calculated for the Retirement Plan was 14.47% (net of investment expenses only) which is lower than the 16.46% investment return calculated for the OPEB Plan. (We note that for the June 30, 2025 valuation, the investment return calculated for the Retirement Plan was 11.35% while the investment return for the OPEB Plan was 12.73%.) Both of these returns have been calculated by Segal on a dollar-weighted basis taking into account the beginning of year assets, contributions, and benefit cash flows made during the year. In backing into a rate of return using actual investment income and investment expense as provided by LACERS, we sometimes could come up with a different return for the two Plans if: (a) the timing of the actual cash flows (especially the benefit payments) are different from what we assumed and/or (b) the actual income and expense allocated are different when compared to the proportion of the assets in the two Plans.

Summary of key valuation results

Valuation Result	Current	Prior
Reporting and Measurement Date	June 30, 2026	June 30, 2025
Disclosure elements:		
• Service cost[2]	$517,723,672	$496,465,290
• Total Pension Liability	29,208,852,690	27,613,228,652
• Plan Fiduciary Net Position	23,563,286,241	21,077,644,650
• Net Pension Liability	5,645,566,449	6,535,584,002
Schedule of contributions:		
• Actuarially Determined Contributions	$777,837,236	$803,985,029
• Actual employer contributions	777,837,236	803,985,029
• Contribution deficiency / (excess)	0	0
Demographic data:		
• Number of retired members and beneficiaries	23,358	22,915
• Number of inactive members[3]	12,909	12,265
• Number of active members	26,189	27,000
Key assumptions:		
• Investment rate of return	6.75%	7.00%
• Inflation rate	2.50%	2.50%
• "Across-the-board" salary increase	0.50%	0.50%
• Projected salary increases[4]	9.00% to 4.30%	9.00% to 4.00%
• Cost-of-living adjustments	Tier 1: 2.75% Tier 3: 2.00%	Tier 1: 2.75% Tier 3: 2.00%

[2] The service cost is based on the previous year's valuation, meaning the service cost as of the June 30, 2026 measurement date is based on the valuation as of June 30, 2025 and reflects the assumptions shown in the Prior Year column.

[3] Includes inactive members due a refund of member contributions.

[4] Includes inflation at 2.50% plus "across-the-board" salary increase of 0.50% plus merit and promotion increases that vary by service.

Important information about actuarial valuations

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan provisions	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. It is important to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report (as well as the plan summary included in our funding valuation report) to confirm that Segal has correctly interpreted the plan of benefits.
Member information	An actuarial valuation for a plan is based on data provided to the actuary by LACERS. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Financial information	The valuation is based on the fair value of assets as of the measurement date, as provided by LACERS.
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. This requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of members in each year, as well as forecasts of the plan's benefits for each of those events. In addition, the benefits forecasted for each of those events in each future year reflect actuarial assumptions as to salary increases and cost-of-living adjustments. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets. All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions are selected within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model may use approximations and estimates that will have an immaterial impact on our results. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.
Actuarial models	Segal valuation results are based on proprietary actuarial modeling software. The actuarial valuation models generate a comprehensive set of liability and cost calculations that are presented to meet regulatory, legislative and client requirements. Our Actuarial Technology and Systems unit, comprised of both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary. The discount rate used for calculating Total Pension Liability is based on a model developed by our Actuarial Technology and Systems unit, comprised of both actuaries and programmers. The model allows the client team, under the supervision of the responsible actuary, control over the entry of future expected contribution income, benefit payments and administrative expenses. The projection of fiduciary net position and the discounting of benefits is part of the model.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared at the request of the Board. It includes information for compliance with accounting standards and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- An actuarial valuation is a measurement at a specific date — it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted. The actual long-term cost of the Plan will be determined by the actual benefits and expenses paid and the actual investment experience of the Plan.
- Sections of this report may include actuarial results that are shown to the nearest dollar, but that does not imply precision.
- If LACERS is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by LACERS upon delivery and review. LACERS should notify Segal immediately of any questions or concerns about the final content.
- Segal does not provide investment, legal, accounting or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.

Section 2: GASB 67 Information

General information about the pension plan

Plan administration. The Los Angeles City Employees' Retirement System was established by City Charter in 1937. LACERS is a single employer public employee retirement system whose main function is to provide retirement benefits to the civilian employees of the City of Los Angeles.

Under the provisions of the City Charter, the Board of Administration has the responsibility and authority to administer the Plan and to invest its assets. The Board members serve as trustees and must act in the exclusive interest of the Plan's members and beneficiaries. The Board has seven members:

- Four members (one of whom shall be a retired member of the System) shall be appointed by the Mayor subject to the approval of the Council;
- Two members shall be active employee members of the System elected by the active employee members; and
- One shall be a retired member of the System elected by the retired members of the System.

Plan membership. At June 30, 2026, pension plan membership consisted of the following:

Membership	Amount
Retired members and beneficiaries	23,358
Inactive members (includes members due a refund of contributions)	12,909
Active members	26,189
Total	**62,456**

Benefits provided. LACERS provides service retirement, disability, death and survivor benefits to eligible retirees and beneficiaries. Employees of the City become members of LACERS on the first day of employment in a position with the City in which the employee is not excluded from membership. The membership tiers within LACERS are as follows:

- Members employed prior to July 1, 2013 are designated as **Tier 1**.
  - Effective February 21, 2016, all Tier 2 members who were employed between July 1, 2013 and February 21, 2016 were transferred to Tier 1.
- Members employed on or after February 21, 2016 for whom a specific exception providing a right to Tier 1 status does not apply, are designated as **Tier 3**.

- All Tier 1 Airport Peace Officers (including certain fire fighters) appointed to their positions before January 7, 2018 who elected to remain at LACERS after January 6, 2018 and paid their mandatory additional contribution of $5,700 to LACERS before January 8, 2019, or prior to their retirement date if earlier, are designated as **Tier 1 Enhanced**.
- Effective March 25, 2022, a member of the Retirement System who while a City employee and on their retirement date was employed by the Police Department, Harbor Department, or Recreation and Parks Department as a peace officer as defined in California Penal Code Section 830.1 or Section 830.31 is designated as a **Sworn Public Safety Officer (PSO)**.
  - Sworn PSO members also include members who elected **not** to make the $5,700 contribution for the Tier 1 Enhanced benefits.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit, and tier.

The final average compensation is based on the highest average salary earned during a 12-month period (including base salary plus regularly assigned pensionable bonuses or premium pay) for Tier 1 and Tier 1 Enhanced and on the highest average salary earned during a 36-month period (limited to base salary and any items of compensation that are designated as pension based) for Tier 3. The IRC Section 401(a)(17) compensation limit applies to all employees who began membership in LACERS after June 30, 1996.

The member may elect an unmodified retirement allowance that provides a continuance to an eligible surviving spouse or domestic partner or choose a reduced retirement allowance to provide an optional continuance to a surviving spouse, domestic partner, or named beneficiary. For Tier 1 and Tier 3, the unmodified option provides a 50% continuance. For Tier 1 Enhanced and Sworn PSO members with a service-connected disability, the unmodified option provides an 80% continuance. For Tier 1 Enhanced members, with a service retirement or nonservice-connected disability, the unmodified option provides a 70% continuance. For Sworn PSO members with a nonservice-connected disability, the unmodified option provides a 70% continuance.

LACERS provides annual cost-of-living adjustments (COLAs) to all retirees. The cost-of-living adjustments are made each July 1 based on the percentage change in the annual average Consumer Price Index for the Los Angeles-Long Beach-Anaheim Area - All Items for All Urban Consumers. It is capped at 3.0% for Tier 1 and Tier 1 Enhanced, and at 2.0% for Tier 3.

Tier 1 and Tier 1 Enhanced benefits. Tier 1 and Tier 1 Enhanced members are eligible to retire for service with a normal retirement benefit once they attain the age of 70, or the age of 60 with 10 or more years of continuous City service, or the age of 55 with 30 or more years of City service. Under the Tier 1 formula, the monthly service retirement allowance at normal retirement age is 2.16% of final average monthly compensation per year of service credit. Under the Tier 1 Enhanced formula, the monthly service retirement allowance at normal retirement age is 2.30% of final average monthly compensation per year of service credit.

Reduced retirement allowances are available for early retirement for Tier 1 and Tier 1 Enhanced members reaching age 55 with 10 or more years of continuous City service, or with 30 or more years of City service at any age. The Tier 1 and Tier 1 Enhanced early

retirement reduction factors, for retirement below age 60, can be found in the Actuarial Valuation and Review as of June 30, 2026 for the LACERS Retirement Plan. Tier 1 members are eligible to retire for disability after five years of continuous service. Tier 1 Enhanced members and PSO members are eligible to retire for service-connected disability without a service requirement, and after five years of continuous service for a nonservice-connected disability.

Tier 3 benefits. Tier 3 members are eligible to retire for service with a normal retirement benefit at 1.50% of final average monthly compensation per year of service credit once they attain the age of 60 with 10 years of service (but with less than 30 years of service), including five years of continuous City service, or at 2.00% of final average monthly compensation per year of service credit once they attain the age of 60 with 30 years of service, including five years of continuous City service.

Tier 3 members are eligible to retire with an enhanced retirement benefit at 2.00% of final average monthly compensation per year of service credit once they attain the age of 63 with 10 years of service (but with less than 30 years of service), including five years of continuous City service, or at 2.10% of final average monthly compensation per year of service credit once they attain the age of 63 with 30 years of service, including five years of continuous City service.

Reduced retirement allowances are available for early retirement for Tier 3 members prior to reaching age 60 with 30 years of service, including five years of continuous City service. The Tier 3 early retirement reduction factors, for retirement below age 60, can be found in the Actuarial Valuation and Review as of June 30, 2026 for the LACERS Retirement Plan. Tier 3 members are eligible to retire for disability after five years of continuous service.

Contributions. The City of Los Angeles contributes to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Administration. Employer contribution rates are adopted annually based upon recommendations received from LACERS' actuary after the completion of the annual actuarial valuation. The aggregate employer contribution rate for fiscal year 2025-2026 was 27.94% of compensation, based upon the rates adopted from the June 30, 2024 funding valuation.

All members are required to make contributions to LACERS. Effective July 1, 2026, the member contribution rate expressed as a percentage of compensation for Tier 1 is 10.0% or 10.5%, for Tier 1 Enhanced is 10.0%, and for Tier 3 is 11.0%.

Exhibit A: Net Pension Liability

Components of the Net Pension Liability	Current	Prior
Reporting and Measurement Date	June 30, 2026	June 30, 2025
Total Pension Liability	$29,208,852,690	$27,613,228,652
Plan Fiduciary Net Position	(23,563,286,241)	(21,077,644,650)
Net Pension Liability	$5,645,566,449	$6,535,584,002
Plan Fiduciary Net Position as a percentage of the Total Pension Liability[5]	80.67%	76.33%

The NPL for the Plan in this valuation was measured as of June 30, 2026. The Plan FNP was valued as of the measurement date and the TPL was determined based upon the results of the actuarial valuation as of June 30, 2026.

Plan provisions. The plan provisions used in the measurement of the NPL as of June 30, 2026 are the same as those used in LACERS' actuarial funding valuation as of June 30, 2026.

Actuarial assumptions. The TPL as of June 30, 2026, which was determined based on the results of an actuarial valuation as of June 30, 2026, used the following actuarial assumptions, applied to all periods included in the measurement:

Assumption Type	Assumption
Investment rate of return	6.75%, net of pension plan investment expense and including inflation
Inflation rate	2.50%
"Across-the-board" salary increase	0.50%
Projected salary increases	9.00% to 4.30% Salary increases vary by service and include inflation and "across-the-board" salary increase.
Cost-of-living adjustments	Tier 1: 2.75% Tier 3: 2.00% For Tier 1 members who have COLA banks, we assume they receive up to 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter.

Detailed information regarding all actuarial assumptions can be found in the June 30, 2026 Actuarial Valuation and Review of Retirement Benefits and the Actuarial Experience Study for the period July 1, 2022 through June 30, 2025.

[5] These funded percentages are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.

Exhibit B: Determination of discount rate and investment rates of return

The long-term expected rate of return on pension plan investments[6] was determined using a building-block method. Under this method, expected arithmetic real rates of return (expected returns, net of inflation and investment manager fees) are developed for each major asset class. These returns are combined to produce the long-term expected arithmetic rate of return for the portfolio by weighting the expected arithmetic real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses[7] and a risk margin. This portfolio return is further adjusted to represent an expected geometric real rate of return for the portfolio.

The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class (net of inflation and investment manager fees), are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the actuarial funding valuation as of June 30, 2026. This information will be subject to change every three years based on the results of an actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Large cap U.S. equity	17.00%	5.33%
Small/mid cap U.S. equity	6.00%	6.23%
Developed international equity	13.00%	5.88%
Emerging markets equity	7.00%	7.36%
U.S. core fixed income	10.25%	2.48%
High yield bonds	2.00%	4.38%
Bank loans	2.00%	4.16%
TIPS	3.60%	2.15%
Emerging market external debt	1.50%	4.55%
Emerging market local currency debt	1.50%	3.85%
Real estate – core	4.20%	4.57%
Cash	1.00%	0.85%

[6] Note that the investment return assumption for funding purposes was developed net of both investment and administrative expenses; however, the same investment return assumption was used for financial reporting purposes, where it is considered gross of administrative expenses. This results in an increase in the margin for adverse deviation when using that investment return assumption for financial reporting.

[7] Investment expenses include investment consulting fees, custodian fees and other miscellaneous investment expenses, and exclude investment manager fees.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Private equity	16.00%	9.18%
Private credit	5.75%	5.98%
REIT	1.40%	6.70%
Real estate – non core	2.80%	8.04%
Infrastructure	5.00%	5.18%
Total	**100.00%**	**5.78%**

Discount rate. The discount rate used to measure the TPL was 6.75% as of June 30, 2026. The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan FNP was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of June 30, 2026.

Exhibit C: Discount rate sensitivity

The following presents the Net Pension Liability of LACERS as of June 30, 2026 calculated using the discount rate of 6.75%, as well as what LACERS' NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate.

Item	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net Pension Liability	$9,477,432,753	$5,645,566,449	$2,474,927,139

Exhibit D: Schedule of changes in Net Pension Liability

Components of the Net Pension Liability	Current	Prior
Reporting and Measurement Date	June 30, 2026	June 30, 2025
Total Pension Liability		
Service cost	$517,723,672	$496,465,290
Interest	1,920,211,190	1,842,758,455
Change of benefit terms[8]	(343,866,967)	295,356
Differences between expected and actual experience	159,262,593	108,916,785
Changes of assumptions	741,021,354	0
Benefit payments, including refunds of member contributions	(1,398,727,804)	(1,327,725,468)
Net change in Total Pension Liability	**$1,595,624,038**	**$1,120,710,418**
Total Pension Liability — beginning	27,613,228,652	26,492,518,234
Total Pension Liability — ending	**$29,208,852,690**	**$27,613,228,652**
Plan Fiduciary Net Position		
Contributions — employer	$777,837,236	$803,985,029
Contributions — member	311,019,328	301,884,951
Net investment income[9]	3,068,392,744	2,198,638,920
Benefit payments, including refunds of member contributions	(1,398,727,804)	(1,327,725,468)
Administrative expense	(38,221,503)	(38,349,252)
Other[10]	(234,658,410)	(4,826,548)
Net change in Plan Fiduciary Net Position	**$2,485,641,591**	**$1,933,607,632**
Plan Fiduciary Net Position — beginning	21,077,644,650	19,144,037,018
Plan Fiduciary Net Position — ending	**$23,563,286,241**	**$21,077,644,650**

[8] Current period amount reflects the elections of members who transferred membership and service credit to LAFPP. Prior period amount reflects the enhanced pre-retirement death and disability benefits for certain Sworn PSO members.

[9] Includes building lease and other income.

[10] Current period amount reflects the transfer of funds to LAFPP pursuant to Charter Amendment FF. Prior period amount reflects a beginning of year adjustment resulting from the implementation of GASB 101, effective fiscal year 2024-2025, to match the June 30, 2024 Plan FNP restated by LACERS after the completion of the June 30, 2024 GASB 67 report.

Section 2: GASB 67 Information

Components of the Net Pension Liability	Current	Prior
Net Pension Liability		
Net Pension Liability – ending	**$5,645,566,449**	**$6,535,584,002**
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	80.67%	76.33%
Covered payroll	$2,783,555,001	$2,687,403,814
Net Pension Liability as percentage of covered payroll	202.82%	243.19%

Exhibit E: Schedule of employer contributions

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	$453,356,059	$453,356,059	$0	$1,973,048,633	22.98%
2018	450,195,254	450,195,254	0	2,057,565,478	21.88%
2019	478,716,953	478,716,953	0	2,108,171,088	22.71%
2020	553,118,173	553,118,173	0	2,271,038,575	24.36%
2021	554,855,906	554,855,906	0	2,276,768,292	24.37%
2022	591,234,354	591,234,354	0	2,155,005,471	27.44%
2023	669,391,196	669,391,196	0	2,307,335,751	29.01%
2024	714,338,215	714,338,215	0	2,460,394,012	29.03%
2025	803,985,029	803,985,029	0	2,687,403,814	29.92%
2026	777,837,236	777,837,236	0	2,783,555,001	27.94%

Notes to Schedule:

Methods and assumptions used to establish the actuarially determined contribution for the year ended June 30, 2026

- **Valuation date:** Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (the June 30, 2024 valuation sets the rates for the 2025-2026 fiscal year).
- **Actuarial cost method:** Entry Age Cost Method (individual basis)
- **Amortization method:** Level percent of payroll
- **Remaining amortization period:** Multiple layers, closed amortization periods. Actuarial gains/losses are amortized over 15 years. Assumption or method changes are amortized over 20 years. Plan changes, including the 2009 ERIP, are amortized over 15 years. Future ERIPs will be amortized over 5 years. Actuarial surplus is amortized over 30 years. The existing layers on June 30, 2012, except those arising from the 2009 ERIP and the two (at that time) GASB 25/27 layers, were combined and amortized over 30 years.

Section 2: GASB 67 Information

- **Asset valuation method:** The actuarial value of assets is equal to the market value (or fair value) of assets less unrecognized returns from each of the last seven years. The unrecognized return each year is equal to the difference between the actual and expected returns on the market value of assets, recognized over a seven-year period. The actuarial value of assets is further adjusted, if necessary, to be within 40% of the market value of assets.
- **Investment rate of return:** 7.00%, including inflation, net of administrative and investment expense
- **Inflation rate:** 2.50%
- **"Across-the-board" salary increase:** 0.50%
- **Salary increases:** 9.00% to 4.00%. Salary increases vary by service and include inflation and "across-the-board" salary increase.
- **Cost-of-living adjustments:** 2.75% for Tier 1 and 2.00% for Tier 3. For Tier 1 members who have COLA banks, we assume they receive up to 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter.
- **Other assumptions:** Same as those used in the funding actuarial valuation as of June 30, 2024.

Appendices

Appendix A: Projection of Plan Fiduciary Net Position for use in the calculation of discount rate as of June 30, 2026 ($ in millions)

Year Beginning July 1	Beginning Plan Fiduciary Net Position (a)	Total Contributions (b)	Benefit Payments (c)	Administrative Expenses (d)	Investment Earnings (e)	Ending Plan Fiduciary Net Position (a) + (b) – (c) – (d) + (e)
2025	$21,078	$1,089	$1,633[11]	$38	$3,068	$23,563
2026	23,563	1,178	1,625	43	1,560	24,634
2027	24,634	1,142	1,587	45	1,632	25,775
2028	25,775	1,131	1,649	47	1,706	26,916
2029	26,916	1,131	1,714	49	1,780	28,065
2030	28,065	1,128	1,784	51	1,855	29,213
2031	29,213	1,139	1,858	53	1,929	30,370
2032	30,370	1,139	1,937	55	2,004	31,521
2033	31,521	1,125	2,017	57	2,078	32,649
2034	32,649	1,027	2,095	59	2,147	33,669
2052	38,487	259	3,117	70	2,471	38,031
2053	38,031	243	3,153	69	2,438	37,490
2054	37,490	227 [12]	3,186	68	2,400	36,863
2055	36,863	210 [12]	3,215	67	2,356	36,148
2118	1	0 [12,13]	1	0 [13]	0 [13]	1
2119	1	0 [12,13]	0 [13]	0 [13]	0 [13]	0 [13]
2120	0 [13]	0 [12,13]	0 [13]	0 [13]	0 [13]	0 [13]

Amounts may not total exactly due to rounding.

[11] Includes $235 million transferred to LAFPP on March 26, 2026 pursuant to Charter Amendment FF.
[12] Mainly attributable to employer contributions to fund each year's annual administrative expenses.
[13] Less than $1 million, when rounded.

Appendices

Notes

In preparing the above projections, we have not taken into consideration the one-year delay between the date of the contribution rate calculation and the implementation.

Amounts shown in the year beginning July 1, 2025 row are actual amounts, based on the unaudited financial statements provided by LACERS. Various years have been omitted from this table.

Column (a): None of the Plan FNP amounts shown have been adjusted for the time value of money.

Column (b): Projected total contributions include member and employer normal cost contributions based on closed group projections (based on covered active members as of June 30, 2026), plus employer contributions to the UAAL which include an annual 15-year amortization of future administrative expenses. Contributions are assumed to occur halfway through the year, on average.

Column (c): Projected benefit payments have been determined in accordance with paragraph 39 of GASB Statement No. 67, and are based on the closed group of active, inactive and retired members and beneficiaries as of June 30, 2026. The projected benefit payments reflect the cost-of-living increase assumptions used in the June 30, 2026 funding valuation report. Benefit payments are assumed to occur at the beginning of each month, on average.

Column (d): Projected administrative expenses are calculated as approximately 0.18% of the beginning Plan FNP. The 0.18% was based on the actual fiscal year 2025-2026 administrative expenses as a percentage of the beginning Plan FNP as of July 1, 2025. Administrative expenses are assumed to occur halfway through the year, on average.

Column (e): Projected investment earnings are based on the assumed investment rate of return of 6.75% per annum and reflect the assumed timing of cashflows, as noted above.

As illustrated in this appendix, the Plan FNP was projected to be available to make all projected future benefit payments for current Plan members. In other words, there is no projected “cross-over date” when projected benefits are not covered by projected assets. Therefore, the long-term expected rate of return on Plan investments of 6.75% per annum was applied to all periods of projected benefit payments to determine the TPL as of June 30, 2026 shown earlier in this report, pursuant to paragraph 44 of GASB Statement No. 67.

Appendix B: Definition of terms

Definitions of certain terms as they are used in GASB Statement No. 67. The terms may have different meanings in other contexts.

Term	Definition
Active employees	Individuals employed at the end of the reporting or measurement period, as applicable.
Actual contributions	Cash contributions recognized as additions to the Plan Fiduciary Net Position.
Actuarial present value of projected benefit payments	Projected benefit payments discounted to reflect the expected effects of the time value (present value) of money and the probabilities of payment.
Actuarial valuation	The determination, as of a point in time (the actuarial valuation date), of the service cost, Total Pension Liability, and related actuarial present value of projected benefit payments for pensions performed in conformity with Actuarial Standards of Practice unless otherwise specified by the GASB.
Actuarial valuation date	The date as of which an actuarial valuation is performed.
Actuarially determined contribution	A target or recommended contribution to a defined benefit pension plan for the reporting period, determined in conformity with Actuarial Standards of Practice based on the most recent measurement available when the contribution for the reporting period was adopted.
Ad hoc cost-of-living adjustments (Ad Hoc COLAs)	Cost-of-living adjustments that require a decision to grant by the authority responsible for making such decisions.
Ad hoc postemployment benefit changes	Postemployment benefit changes that require a decision to grant by the authority responsible for making such decisions.
Agent employer	An employer whose employees are provided with pensions through an agent multiple-employer defined benefit pension plan.
Agent multiple-employer defined benefit pension plan (agent pension plan)	A multiple-employer defined benefit pension plan in which pension plan assets are pooled for investment purposes but separate accounts are maintained for each individual employer so that each employer's share of the pooled assets is legally available to pay the benefits of only its employees.
Automatic cost-of-living adjustments (Automatic COLAs)	Cost-of-living adjustments that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).
Automatic postemployment benefit changes	Postemployment benefit changes that occur without a requirement for a decision to grant by a responsible authority, including those for which the amounts are determined by reference to a specified experience factor (such as the earnings experience of the pension plan) or to another variable (such as an increase in the consumer price index).

Appendices

Term	Definition
Closed period	A specific number of years that is counted from one date and declines to zero with the passage of time. For example, if the recognition period initially is five years on a closed basis, four years remain after the first year, three years after the second year, and so forth.
Contributions	Additions to the Plan Fiduciary Net Position for amounts from employers, non-employer contributing entities (for example, state government contributions to a local government pension plan), or employees. Contributions can result from cash receipts by the pension plan or from recognition by the pension plan of a receivable from one of these sources.
Cost-of-living adjustments	Postemployment benefit changes intended to adjust benefit payments for the effects of inflation.
Cost-sharing employer	An employer whose employees are provided with pensions through a cost-sharing multiple-employer defined benefit pension plan.
Cost-sharing multiple employer defined benefit pension plan (Cost-sharing pension plan)	A multiple-employer defined benefit pension plan in which the pension obligations to the employees of more than one employer are pooled and pension plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.
Covered payroll	Payroll on which contributions to a pension plan are based.
Deferred retirement option program (DROP)	A program that permits an employee to elect a calculation of benefit payments based on service credits and salary, as applicable, as of the DROP entry date. The employee continues to provide service to the employer and is paid for that service by the employer after the DROP entry date; however, the pensions that would have been paid to the employee (if the employee had retired and not entered the DROP) are credited to an individual employee account within the defined benefit pension plan until the end of the DROP period.
Defined benefit pension plans	Pension plans that are used to provide defined benefit pensions.
Defined benefit pensions	Pensions for which the income or other benefits that the employee will receive at or after separation from employment are defined by the benefit terms. The pensions may be stated as a specified dollar amount or as an amount that is calculated based on one or more factors such as age, years of service, and compensation. (A pension that does not meet the criteria of a defined contribution pension is classified as a defined benefit pension for purposes of GASB Statement No. 67.)
Defined contribution pension plans	Pension plans that are used to provide defined contribution pensions.

Appendices

Term	Definition
Defined contribution pensions	Pensions having terms that: 1. Provide an individual account for each employee; 2. Define the contributions that an employer is required to make (or the credits that it is required to provide) to an active employee's account for periods in which that employee renders service; and 3. Provide that the pensions an employee will receive will depend only on the contributions (or credits) to the employee's account, actual earnings on investments of those contributions (or credits), and the effects of forfeitures of contributions (or credits) made for other employees, as well as pension plan administrative costs, that are allocated to the employee's account.
Discount rate	The single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the following: 1. The actuarial present value of benefit payments projected to be made in future periods in which: a. The amount of the Plan Fiduciary Net Position is projected (under the requirements of GASB Statement No. 67) to be greater than the benefit payments that are projected to be made in that period, and b. Pension plan assets up to that point are expected to be invested using a strategy to achieve the long-term expected rate of return, calculated using the long-term expected rate of return on pension plan investments. 2. The actuarial present value of projected benefit payments not included in 1., calculated using the municipal bond rate.
Entry age actuarial cost method	A method under which the actuarial present value of the projected benefits of each individual included in an actuarial valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this actuarial present value allocated to a valuation year is called the normal cost. The portion of this actuarial present value not provided for at a valuation date by the actuarial present value of future normal costs is called the actuarial accrued liability.
Inactive employees	Terminated individuals that have accumulated benefits but are not yet receiving them, and retirees or their beneficiaries currently receiving benefits.
Measurement period	The period between the prior and the current measurement dates.
Multiple-employer defined benefit pension plan	A defined benefit pension plan that is used to provide pensions to the employees of more than one employer.
Net Pension Liability (NPL)	The liability of employers and non-employer contributing entities to employees for benefits provided through a defined benefit pension plan.
Non-employer contributing entities	Entities that make contributions to a pension plan that is used to provide pensions to the employees of other entities.

Appendices

Term	Definition
Other postemployment benefits	All postemployment benefits other than retirement income (such as death benefits, life insurance, disability, and long-term care) that are provided separately from a pension plan, as well as postemployment healthcare benefits, regardless of the manner in which they are provided. Other postemployment benefits do not include termination benefits.
Pension plans	Arrangements through which pensions are determined, assets dedicated for pensions are accumulated and managed and benefits are paid as they come due.
Pensions	Retirement income and, if provided through a pension plan, postemployment benefits other than retirement income (such as death benefits, life insurance, and disability benefits). Pensions do not include postemployment healthcare benefits and termination benefits.
Plan members	Individuals that are covered under the terms of a pension plan. Plan members generally include: 1. Employees in active service (active plan members), and 2. Terminated employees who have accumulated benefits but are not yet receiving them and retirees or their beneficiaries currently receiving benefits (inactive plan members).
Postemployment	The period after employment.
Postemployment benefit changes	Adjustments to the pension of an inactive employee.
Postemployment healthcare benefits	Medical, dental, vision, and other health-related benefits paid subsequent to the termination of employment.
Projected benefit payments	All benefits estimated to be payable through the pension plan to current active and inactive employees as a result of their past service and their expected future service.
Public employee retirement system	A special-purpose government that administers one or more pension plans; also may administer other types of employee benefit plans, including postemployment healthcare plans and deferred compensation plans.
Real rate of return	The rate of return on an investment after adjustment to eliminate inflation.
Service costs	The portions of the actuarial present value of projected benefit payments that are attributed to valuation years.
Single employer	An employer whose employees are provided with pensions through a single-employer defined benefit pension plan.
Single-employer defined benefit pension plan (Single-employer pension plan)	A defined benefit pension plan that is used to provide pensions to employees of only one employer.

Appendices

Term	Definition
Special funding situations	Circumstances in which a non-employer entity is legally responsible for making contributions directly to a pension plan that is used to provide pensions to the employees of another entity or entities and either of the following conditions exists: 1. The amount of contributions for which the non-employer entity legally is responsible is not dependent upon one or more events or circumstances unrelated to the pensions. 2. The non-employer entity is the only entity with a legal obligation to make contributions directly to a pension plan.
Termination benefits	Inducements offered by employers to active employees to hasten the termination of services, or payments made in consequence of the early termination of services. Termination benefits include early-retirement incentives, severance benefits, and other termination-related benefits.
Total Pension Liability (TPL)	The portion of the actuarial present value of projected benefit payments that is attributed to past periods of employee service in conformity with the requirements of GASB Statement No. 67.

6002379v6/05806.002

BOARD MEETING: NOVEMBER 10, 2026

ITEM: VI-C

ATTACHMENT: 6

Los Angeles City Employees' Retirement System

Governmental Accounting Standards Board Statement No. 74 (GASB 74) Actuarial Valuation of Other Postemployment Benefits (OPEB) Measured as of June 30, 2026

This valuation report should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the Plan.

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November 3, 2026

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

Dear Board Members:

We are pleased to submit this Governmental Accounting Standards Board Statement No. 74 (GASB 74) Actuarial Valuation of Other Postemployment Benefits (OPEB) Measured as of June 30, 2026 for the Los Angeles City Employees' Retirement System ("LACERS" or "the Plan"). It contains various information that will need to be disclosed in order comply with GASB 74. Please refer to LACERS' Actuarial Valuation and Review of Other Postemployment Benefits (OPEB) as of June 30, 2026, dated October 26, 2026, for the data, assumptions, and plan of benefits underlying these calculations.

The actuarial valuation has been completed in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Administration (the Board). The actuarial valuation is based on the plan of benefits verified by LACERS and reliance on participant, premium, claims and expense data provided by LACERS or from vendors employed by LACERS. Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. Segal, however, does review the data for reasonableness and consistency.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: retiree group benefits program experience or rates of return on assets differing from that anticipated by the assumptions; changes in assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period); and changes in retiree group benefits program provisions or applicable law. Retiree group benefits models necessarily rely on the use of approximations and estimates, and are sensitive to changes in these approximations and estimates. Small variations in these approximations and estimates may lead to significant changes in actuarial measurements. The scope of the assignment did not include performing an analysis of the potential change of such future measurements except where noted.

The actuarial calculations were completed under the supervision of Mehdi Riazi, FSA, MAAA, FCA, EA. We are members of the American Academy of Actuaries, and we collectively meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein. To the best of our knowledge, the information supplied in the actuarial valuation is complete and accurate. The assumptions used in this actuarial valuation were selected by LACERS based upon our analysis and recommendations. In our opinion, the assumptions are reasonable and take into account the experience of the Los Angeles City Employees' Retirement System and reasonable expectations. In addition, in our opinion, the combined effect of these assumptions is expected to have no significant bias.

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

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

Sincerely,

Segal



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



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

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Section 1: Actuarial Valuation Summary

Purpose and basis

This report presents the results of our actuarial valuation of the LACERS Other Postemployment Benefits (OPEB) plan as of June 30, 2026, required by Governmental Accounting Standards Board (GASB) Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other than Pension Plans. The actuarial computations made are for purposes of fulfilling plan accounting requirements. Determinations for purposes other than meeting financial accounting requirements may be significantly different from the results reported here. This valuation is based on:

- The benefit provisions of the OPEB Plan, as administered by the Board of Administration;
- The characteristics of covered active members, inactive vested members, retired members and surviving spouses as of June 30, 2026, provided by LACERS;
- The assets of the Plan as of June 30, 2026, provided by LACERS;
- Actuarial assumptions regarding employee terminations, retirement, death, health care trend, health plan enrollment, and investment earnings, etc. that the Board has adopted for the June 30, 2026 valuation.

General observations on GASB 74 Actuarial Valuation

1. The Governmental Accounting Standards Board (GASB) rules only define OPEB liability and expense for financial reporting purposes, and do not apply to contribution amounts for OPEB funding purposes. Employers and plans should continue to develop and adopt funding policies under current practices.
2. When measuring OPEB liability, GASB uses the same actuarial cost method (Entry Age) and, for benefits that are being fully funded on an actuarial basis, the same expected return on Plan assets as used for funding. This means that the Total OPEB Liability (TOL) measure for financial reporting shown in this report is determined on the same basis as the Actuarial Accrued Liability (AAL) measure for funding. We note that the same is true for the Normal Cost component of the annual plan cost for funding and financial reporting.
3. The Net OPEB Liability (NOL) is equal to the difference between the TOL and the Plan Fiduciary Net Position. The Plan Fiduciary Net Position is equal to the market value of assets and therefore, the NOL measure is the same as the Unfunded Actuarial Accrued Liability (UAAL) calculated on a market value basis. The NOL reflects all investment gains and losses as of the measurement date. This is different from the UAAL calculated on an actuarial value of assets basis in the funding valuation that reflects investment gains and losses over a seven-year period.

Highlights of the valuation

1. The NOLs measured as of June 30, 2026 and 2025 have been determined from the actuarial valuations as of June 30, 2026 and June 30, 2025, respectively.
2. The NOL increased from a surplus of ($318.3) million as of June 30, 2025 to a surplus of ($284.2) million as of June 30, 2026. The reduced surplus position was mainly due to the updated trend assumptions on future healthcare costs and reflecting updated assumptions as outlined in Segal's triennial experience study for the period July 1, 2022 through June 30, 2025. The $406.7 million increase in NOL due to assumption changes was mostly offset by an investment gain from actual returns of 16.46%, which exceeded the 7.00% assumed rate by $394.0 million.
3. Pursuant to Charter Amendment FF, certain LACERS Sworn Peace Officers and Park Rangers were permitted to transfer to the Los Angeles Fire and Police Pensions (LAFPP) Tier 6 effective January 11, 2026. The liabilities in this report reflect the effect of those members who elected to transfer membership and the subsequent transfer of funds from LACERS to LAFPP made on March 26, 2026 on account of those transfers. As shown in Section 2, Exhibit D, the liability reduction resulting from the Measure FF transfer ordinance is reflected as a change in benefit terms. We believe this treatment is appropriate because the transfer ordinance effectively constitutes a change to the substantive plan. Furthermore, recognizing it as a plan change ensures that the effects on both the plan's Total OPEB Liability and Fiduciary Net Position are fully recognized in the current year's OPEB expense. From an expense recognition perspective, we believe the transfer ordinance is more analogous to a plan amendment, which requires immediate recognition, than to experience gains and losses or assumption changes, which are recognized over several years.
4. The investment return calculated for the OPEB Plan for the plan year ended June 30, 2026 was 16.46% (net of investment expenses only). This is higher than the 14.47% investment return calculated for the Retirement Plan.[1] Both of these returns have been calculated by Segal on a dollar-weighted basis taking into account the beginning of year assets, contributions, and benefit cash flows made during the year. In backing into a rate of return using actual investment income and investment expense as provided by LACERS, sometimes results in different returns for the two Plans if: (a) the timing of the actual cash flows (especially the benefit payments) are different from what we assumed and/or (b) the actual income and expense allocated are different when compared to the proportion of the assets in the two Plans.
5. The discount rates used in the valuations for financial disclosure purposes as of June 30, 2026 and 2025 are the assumed investment returns on Plan assets (i.e. 6.75% and 7.00% for the funding valuations as of the same dates). As contributions that are required to be made by the City to amortize the Unfunded Actuarial Accrued Liability in the funding valuation are determined

[1] We note that for the June 30, 2025 valuation, the investment return calculated for the OPEB Plan was 12.73% while the investment return calculated for the Retirement Plan was 11.35%.

on an actuarial basis, the future Actuarially Determined Contributions and current Plan assets, when projected in accordance with the method prescribed by GASB 74, are expected to be sufficient to make all benefit payments to current members.

Summary of key valuation results

Valuation Result	Current	Prior
Measurement date	June 30, 2026	June 30, 2025
Disclosure elements for fiscal year ending June 30:		
• Service cost at beginning of year[2]	$114,802,170	$105,747,585
• Total OPEB Liability	4,430,709,495	3,868,232,808
• Plan Fiduciary Net Position (Assets)	4,714,900,885	4,186,549,919
• Net OPEB Liability	(284,191,390)	(318,317,111)
• Plan Fiduciary Net Position as a percentage of Total OPEB Liability	106.41%	108.23%
Schedule of contributions for fiscal year ending June 30:		
• Actuarially Determined Contributions	$91,989,107	$90,168,079
• Actual contributions	91,989,107	90,168,079
• Contribution deficiency/(excess)	0	0
• Benefit payments	183,201,475	171,082,823
Demographic data		
• Retired members or beneficiaries currently receiving benefits[3]	18,342	18,004
• Vested terminated members entitled to but not yet receiving benefits	1,605	1,623
• Retired members and surviving spouses entitled to but not yet eligible for health benefits	109	108
• Active members	26,189	27,000
Key assumptions		
• Discount rate	6.75%	7.00%

[2] The service cost is based on the previous year's valuation, meaning the June 30, 2026 and 2025 values are based on the valuations as of June 30, 2025 and June 30, 2024, respectively.

[3] The total number of participants, including married dependents, receiving benefits is 24,194 as of June 30, 2026 and 23,846 as of June 30, 2025.

Section 1: Actuarial Valuation Summary

Valuation Result	Current	Prior
• Health care premium trend rates		
• Non-Medicare medical plan	Actual premium increase in first year, then 9.25% graded down by 0.5% to 7.25% over 4 years, then 6.87% graded down by 0.25% to ultimate 4.50% over 10 years	Actual premium increase in first year, then graded from 7.12% to ultimate 4.50% over 11 years
• Medicare medical plan	Actual premium increase in first year, then 7.12% graded down by 0.25% to ultimate 4.50% over 11 years	Actual premium increase in first year, then graded from 6.87% to ultimate 4.50% over 10 years
• Dental/Vision	Actual premium increase in first year, then 3.00%	Actual premium increase in first year, then 3.00%
• Medicare Part B	Actual premium increase in first year, then 7.00% for the following 9 years, then graded down by 0.25% to ultimate 4.50% over 10 years	Actual premium increase in the first year then 6.75% for the following 8 years, then graded down to ultimate 4.50%

Important information about actuarial valuations

An actuarial valuation is a tool to measure future uncertain obligations of a postretirement health plan. As such, it will never forecast the precise future stream of benefit payments. It is an estimated forecast – the actual cost of the plan will be determined by the benefits and expenses paid, not by the actuarial valuation.

In order to prepare a valuation, Segal relies on a number of input items. These include:

Input Item	Description
Plan of benefits	Plan provisions define the rules that will be used to determine benefit payments, and those rules, or the interpretation of them, may change over time. Even where they appear precise, outside factors may change how they operate. For example, a plan may provide health benefits to post-65 retirees that coordinates with Medicare. If so, changes in the Medicare law or administration may change the plan's costs without any change in the terms of the plan itself. It is important for LACERS to keep Segal informed with respect to plan provisions and administrative procedures, and to review the plan summary included in our report to confirm that Segal has correctly interpreted the plan of benefits.
Participant data	An actuarial valuation for a plan is based on data provided to the actuary by LACERS. Segal does not audit such data for completeness or accuracy, other than reviewing it for obvious inconsistencies compared to prior data and other information that appears unreasonable. It is not necessary to have perfect data for an actuarial valuation: the valuation is an estimated forecast, not a prediction. The uncertainties in other factors are such that even perfect data does not produce a "perfect" result. Notwithstanding the above, it is important for Segal to receive the best possible data and to be informed about any known incomplete or inaccurate data.
Assets	This valuation is based on the market value of assets as of the measurement date, as provided by LACERS.

Section 1: Actuarial Valuation Summary

Input Item	Description
Actuarial assumptions	In preparing an actuarial valuation, Segal starts by developing a forecast of the benefits to be paid to existing plan participants for the rest of their lives and the lives of their beneficiaries. To determine the future costs of benefits, Segal collects claims, premiums, and enrollment data in order to establish a baseline cost for the valuation measurement, and then develops short- and long-term health care cost trend rates to project increases in costs in future years. This forecast also requires actuarial assumptions as to the probability of death, disability, withdrawal, and retirement of each participant for each year, as well as forecasts of the plan's benefits for each of those events. The forecasted benefits are then discounted to a present value, typically based on an estimate of the rate of return that will be achieved on the plan's assets or, if there are no assets, a rate of return based on a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). All of these factors are uncertain and unknowable. Thus, there will be a range of reasonable assumptions, and the results may vary materially based on which assumptions the actuary selects within that range. That is, there is no right answer (except with hindsight). It is important for any user of an actuarial valuation to understand and accept this constraint. The actuarial model necessarily uses approximations and estimates that may lead to significant changes in our results but will have no impact on the actual cost of the plan. In addition, the actuarial assumptions may change over time, and while this can have a significant impact on the reported results, it does not mean that the previous assumptions or results were unreasonable or wrong.
Models	Segal valuation results are based on proprietary actuarial modeling software. The valuation models generate a comprehensive set of liability and cost calculations that are presented to meet accounting standards and client requirements. Our Actuarial Technology and Systems unit, comprising both actuaries and programmers, is responsible for the initial development and maintenance of these models. The models have a modular structure that allows for a high degree of accuracy, flexibility and user control. The client team programs the assumptions and the plan provisions, validates the models, and reviews test lives and results, under the supervision of the responsible actuary. Our claims costs assumptions are based on proprietary modeling software as well as models that were developed by others. These models generate per capita claims cost calculations that are used in our valuation software. Our Health Technical Services Unit, comprised of actuaries and programmers, is responsible for the initial development and maintenance of our health models. They are also responsible for testing models that we purchase from other vendors for reasonableness. The client team inputs the paid claims, enrollments, plan provisions and assumptions into these models and reviews the results for reasonableness, under the supervision of the responsible actuary.

Section 1: Actuarial Valuation Summary

The user of Segal's actuarial valuation (or other actuarial calculations) should keep the following in mind:

- The actuarial valuation is prepared for use by LACERS. It includes information for compliance with accounting standards and for the plan's auditor. Segal is not responsible for the use or misuse of its report, particularly by any other party.
- If LACERS is aware of any event or trend that was not considered in this valuation that may materially change the results of the valuation, Segal should be advised, so that we can evaluate it.
- An actuarial valuation is a measurement at a specific date – it is not a prediction of a plan's future financial condition. Accordingly, Segal did not perform an analysis of the potential range of financial measurements, except where otherwise noted. The actual long-term cost of the plan will be determined by the actual benefits and expenses paid and the actual investment experience of the plan.
- Sections of this report include actuarial results that are not rounded, but that does not imply precision.
- Critical events for a plan include, but are not limited to, decisions about changes in benefits and contributions. The basis for such decisions needs to consider many factors such as the risk of changes in plan enrollment, emerging claims experience, health care trend, and investment losses, not just the current valuation results.
- Segal does not provide investment, legal, accounting, or tax advice and is not acting as a fiduciary to the Plan. This valuation is based on Segal's understanding of applicable guidance in these areas and of the Plan's provisions, but they may be subject to alternative interpretations. The Board should look to their other advisors for expertise in these areas.
- While Segal maintains extensive quality assurance procedures, an actuarial valuation involves complex computer models and numerous inputs. In the event that an inaccuracy is discovered after presentation of Segal's valuation, Segal may revise that valuation or make an appropriate adjustment in the next valuation.
- Segal's report shall be deemed to be final and accepted by LACERS upon delivery and review. LACERS should notify Segal immediately of any questions or concerns about the final content.

Section 2: GASB 74 Information

General information about the OPEB plan

Plan administration. The Los Angeles City Employees' Retirement System (LACERS) was established by City Charter in 1937. LACERS is a single employer public employee retirement system whose main function is to provide retirement benefits to the civilian employees of the City of Los Angeles.

Under the provisions of the City Charter, the Board of Administration (the "Board") has the responsibility and authority to administer the Plan and to invest its assets. The Board members serve as trustees and must act in the exclusive interest of the Plan's members and surviving spouses. The Board has seven members:

- Four members (one of whom shall be a retired member of the System) shall be appointed by the Mayor subject to the approval of the Council;
- Two members shall be active employee members of the System elected by the active employee members;
- One shall be a retired member of the System elected by the retired members of the System.

Plan membership. At June 30, 2026, Plan membership consisted of the following:

Membership	Count
Retired members or beneficiaries currently receiving benefits[4]	18,342
Vested terminated members entitled to but not yet receiving benefits	1,605
Retired members and surviving spouses entitled but not yet eligible for health benefits	109
Active members	26,189
Total	**46,245**

Benefits provided. LACERS provides benefits to eligible employees under the following terms and conditions.

[4] The total number of participants, including married dependents, receiving benefits is 24,194.

Membership eligibility:

Tier 1

All employees who became members of the System before July 1, 2013, and certain employees who became members of the System on or after July 1, 2013. Pursuant to Ordinance No. 184134, all Tier 2 employees who became members of the System between July 1, 2013 and February 21, 2016 were transferred to Tier 1 effective February 21, 2016.

Tier 3

All employees who became members of the System on or after February 21, 2016, except as provided otherwise in Section 4.1080.2(b) of the Los Angeles Administrative Code.

Benefit eligibility:

Tier 1 and Tier 3

Retired age 55 or older with at least 10 years of service (including deferred vested members who terminate employment and receive a retirement benefit from LACERS), or if retirement date is between October 2, 1996, and September 30, 1999 at age 50 or older with 30 years of service. Benefits are also payable to spouses, domestic partners, or other qualified dependents while the retiree is alive. Please note that the health subsidy is not payable to a service or disabled retiree before the member reaches age 55.

Medical subsidy for members not subject to cap:

Under age 65 or over Age 65 without Medicare Part A: Tier 1 and Tier 3

The System will pay 4% of the maximum health subsidy (limited to actual premium) for each year of Service Credit, up to 100% of the maximum health subsidy. As of July 1, 2026, the maximum health subsidy for Tier 1 is $2,407.84 per month and will be $2,637.90 per month as of January 1, 2027. As of July 1, 2026, the maximum health subsidy for Tier 3 is $2,323.82 per month and will be $2,553.88 per month as of January 1, 2027. These amounts include coverage of dependent premium costs.

Over age 65 and enrolled in both Medicare Parts A and B
Tier 1 and Tier 3

For retirees, a maximum health subsidy shall be paid in the amount of the single-party monthly premium of the approved Medicare supplemental or coordinated plan in which the retiree is enrolled, subject to the following vesting schedule:

Completed Years of Service	Vested Percentage
10 – 14	75%
15 – 19	90%
20+	100%

Subsidy cap for Tier 1:

As of the June 30, 2011 valuation, the retiree health benefits program was changed to cap the medical subsidy for non-retired members who do not contribute an additional 4.00% or 4.50% of employee contributions to the Pension Plan.

The capped subsidy is different for Medicare and non-Medicare retirees.

The cap applies to the medical subsidy limits at the 2011 calendar year level.

The cap does not apply to the dental subsidy or the Medicare Part B premium reimbursement.

Dental subsidy for members:

Tier 1 and Tier 3

The System will pay 4% of the maximum dental subsidy (limited to actual premium) for each year of Service Credit, up to 100% of the maximum dental subsidy. As of July 1, 2026, the maximum dental subsidy is $42.93 per month and will be $52.02 in calendar year 2027.

There is no subsidy available to dental plan dependents or surviving spouses/domestic partners. There is also no reimbursement for dental plans not sponsored by the System.

Dependents:

Tier 1 and Tier 3

An additional amount is added for coverage of dependents which shall not exceed the amount provided to a retiree not enrolled in Medicare Parts A and B and covered by the same medical plan with the same years of service credit. The combined Member and dependent subsidy shall not exceed the actual premium. This refers to dependents of retired Members with Medicare Parts A and B. It does not apply to those without Medicare or Part B only.

Medicare Part B reimbursement for members:

Tier 1 and Tier 3

If a Retiree is eligible for a health subsidy, covered by both Medicare Parts A and B, and enrolled in a LACERS' medical plan or participates in the LACERS Retiree Medical Premium Reimbursement Program, LACERS will reimburse the retiree the basic Medicare Part B premium. LACERS does not reimburse survivors or dependents any part of their Medicare Part B premium.

Surviving spouse medical subsidy:

Tier 1 and Tier 3

The surviving spouse or domestic partner will be entitled to a health subsidy based on the member's years of service and the surviving dependent's eligibility for Medicare.

Under age 65 or over age 65 without Medicare Part A

The maximum health subsidy available for survivors is the lowest cost plan available (currently Kaiser) single-party premium ($1,161.91 as of July 1, 2026 and will be $1,276.94 per month as of January 1, 2027).

Over age 65 and enrolled in both Medicare Parts A and B

For survivors, a maximum health subsidy limited to the single-party monthly premium of the plan in which the survivor is enrolled, is provided subject to the following vesting schedule:

Completed Years of Service	Vested Percentage
10 – 14	75%
15 – 19	90%
20+	100%

Note that a new Tier 1 Enhanced Plan providing a higher retirement benefit was adopted pursuant to Ordinance No. 184853. However, other than Segal applying higher retirement rate assumptions to anticipate somewhat earlier retirement, there are no differences between the retiree health benefits paid by LACERS to those members.

Exhibit A: Net OPEB Liability

Components of the Net OPEB Liability	Current	Prior
Measurement date	June 30, 2026	June 30, 2025
Total OPEB Liability	$4,430,709,495	$3,868,232,808
Plan Fiduciary Net Position	4,714,900,885	4,186,549,919
Net OPEB Liability	(284,191,390)	(318,317,111)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability[5]	106.41%	108.23%

The NOL was measured as of June 30, 2026 and 2025. The Plan Fiduciary Net Position (plan assets) was valued as of the measurement dates, and the TOL was determined from actuarial valuations using data as of June 30, 2026 and 2025, respectively.

Actuarial assumptions. The Total OPEB Liability was measured by an actuarial valuation as of June 30, 2026. The actuarial assumptions used in the June 30, 2026 valuation were based on the results of an experience study for the period from July 1, 2022 through June 30, 2025 dated June 16, 2026 and retiree health assumptions letter dated September 14, 2026. They are the same as the assumptions used in the June 30, 2026 funding actuarial valuation for LACERS dated October 26, 2026. In particular, the following actuarial assumptions were applied to all periods included in the measurement, unless otherwise specified:

Assumption Type	Assumption
Investment rate of return	6.75%, net of OPEB plan investment expense and including inflation
Inflation	2.50%
Salary increases	Ranges from 9.00% to 4.30% based on years of service, including inflation
Health care cost trend rates	
• Non-Medicare medical plan	Actual premium increase in first year, then 9.25% graded down by 0.5% to 7.25% over 4 years, then 6.87% graded down by 0.25% to ultimate 4.50% over 10 years
• Medicare medical plan	Actual premium increase in first year, then 7.12% graded down by 0.25% to ultimate 4.50% over 11 years
• Dental, administrative costs	Actual premium increase in first year, then 3.00%
• Medicare Part B	Actual premium increase in first year, then 7.00% for the following 9 years, then graded down by 0.25% to ultimate 4.50% over 10 years
Other assumptions	Same as those used in the June 30, 2026 funding valuation

[5] These funded percentages are not necessarily appropriate for assessing the sufficiency of Plan assets to cover the estimated cost of settling the Plan's benefit obligation or the need for or the amount of future contributions.

Exhibit B: Determination of discount rate and investment rates of return

The long-term expected rate of return on plan investments was determined using a building-block method. Under this method, expected arithmetic real rates of return (expected returns, net of inflation and, beginning with the June 30, 2023 measurement date, any applicable investment management expenses) are developed for each major asset class. These returns are combined to produce the long-term expected arithmetic rate of return for the portfolio by weighting the expected arithmetic real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. Beginning with the June 30, 2023 measurement date, this portfolio return is further adjusted to an expected geometric real rate of return for the portfolio.

The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class (after deducting inflation but before deducting applicable investment management expenses), are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the actuarial funding valuation as of June 30, 2026. This information will be subject to change every three years based on the results of an actuarial experience study.

Section 2: GASB 74 Information

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return[6]
Large cap U.S. equity	17.00%	5.33%
Small/mid cap U.S. equity	6.00%	6.23%
Developed international equity	13.00%	5.88%
Emerging markets equity	7.00%	7.36%
U.S. core fixed income	10.25%	2.48%
High yield bonds	2.00%	4.38%
Bank loans	2.00%	4.16%
TIPS	3.60%	2.15%
Emerging market external debt	1.50%	4.55%
Emerging market local currency debt	1.50%	3.85%
Real estate – core	4.20%	4.57%
Cash	1.00%	0.85%
Private equity	16.00%	9.18%
Private credit	5.75%	5.98%
REIT	1.40%	6.70%
Real estate – non core	2.80%	8.04%
Infrastructure	5.00%	5.18%
Total	**100.00%**	**5.78%**

Discount rate. The discount rate used to measure the TOL was 6.75% as of June 30, 2026. The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan FNP was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the TOL as of June 30, 2026.

[6] Arithmetic real rates of return are net of inflation.

Exhibit C: Discount rate and trend sensitivity

The following presents the NOL of LACERS as well as what LACERS' NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate. Also, shown is the NOL as if it were calculated using health care cost trend rates that were 1-percentage-point lower or 1-percentage-point higher than the current health care trend rates.

Item	1% Decrease (5.75%)	Current Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability (Asset) as of June 30, 2026	$317,011,859	$(284,191,390)	$(781,471,558)

Item	1% Decrease in Health Care Cost Trend Rates	Current Health Care Cost Trend Rates[7]	1% Increase in Health Care Cost Trend Rates
Net OPEB Liability (Asset) as of June 30, 2026	$(830,971,574)	$(284,191,390)	$393,318,562

[7] Current trend rates: Actual premium increase in first year, then 9.25% graded down by 0.5% to 7.25% over 4 years, then 6.87% graded down by 0.25% to ultimate 4.50% over 10 years for Non-Medicare medical plan costs. Actual premium increase in first year, then 7.12% graded down by 0.25% to ultimate 4.50% over 11 years for Medicare medical plan costs. Actual premium increase in first year, then 3.00% thereafter for Dental. Actual premium increase in first year, then 7.00% for the following 9 years, then graded down by 0.25% to ultimate 4.50% over 10 years for Medicare Part B subsidy cost.

Exhibit D: Schedule of changes in Net OPEB Liability

Components of the Net OPEB Liability	Current	Prior
Measurement date	June 30, 2026	June 30, 2025
Total OPEB Liability		
Service cost[8]	$114,802,170	$105,747,585
Interest	272,508,844	251,426,042
Change of benefit terms[9]	(50,941,742)	0
Differences between expected and actual experience	2,565,093	(5,448,386)
Changes of assumptions	406,743,797	117,442,733
Benefit payments, including refunds of member contributions	(183,201,475)	(171,082,823)
Net change in Total OPEB Liability	$562,476,687	$298,085,151
Total OPEB Liability – beginning	3,868,232,808	3,570,147,657
Total OPEB Liability – ending	**$4,430,709,495**	**$3,868,232,808**
Plan Fiduciary Net Position		
Contributions – employer	$91,989,107	$90,168,079
Contributions – employee	0	0
Net investment income[10]	685,528,589	482,746,505
Benefit payments, including refunds of member contributions	(183,201,475)	(171,082,823)
Administrative expense	(10,192,458)	(10,321,965)
Other[11]	(55,772,797)	(1,124,694)
Net change in Plan Fiduciary Net Position	$528,350,966	$390,385,102
Plan Fiduciary Net Position – beginning	4,186,549,919	3,796,164,817
Plan Fiduciary Net Position – ending	**$4,714,900,885**	**$4,186,549,919**
Net OPEB Liability		
Net OPEB Liability – ending	$(284,191,390)	$(318,317,111)
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	106.41%	108.23%
Covered payroll[12]	$2,783,555,001	$2,687,403,814
Plan Net OPEB Liability as percentage of covered payroll	-10.21%	-11.84%

[8] The service cost is based on the previous year's valuation, meaning the June 30, 2026 and 2025 values are based on the valuations as of June 30, 2025 and June 30, 2024, respectively.

[9] Current period amount reflects the elections of members who transferred membership and service credit to Los Angeles Fire and Police Pensions (LAFPP) pursuant to Charter Amendment FF.

[10] Includes building lease and other income.

[11] Current period transfer of funds to LAFPP pursuant to Charter Amendment FF. For June 30, 2025 measurement date, adjustment to beginning of year assets.

[12] Covered payroll is the payroll on which contributions to an OPEB plan are based.

Section 2: GASB 74 Information

Notes to Schedule:

- **Benefit changes**: None
- **Changes of assumptions:**
  - The future trend assumptions on per capita health costs and Medicare Part B premiums were updated. These changes increased the TOL.
  - Economic, demographic and other health related assumptions were updated based on results of the July 1, 2022 through June 30, 2025 Actuarial Experience Study, including a decrease to the long-term rate of return assumption from 7.00% to 6.75%. These changes increased the TOL.
  - The initial year healthcare costs and maximum subsidies were updated. These changes slightly decreased the TOL.

Exhibit E: Schedule of employer contributions

Year Ended June 30	Actuarially Determined Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency / (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2017	$97,457,455	$97,457,455	$0	$1,973,048,633	4.94%
2018	100,909,010	100,909,010	0	2,057,565,478	4.90%
2019	107,926,949	107,926,949	0	2,108,171,088	5.12%
2020	112,136,429	112,136,429	0	2,271,038,575	4.94%
2021	103,454,114	103,454,114	0	2,276,768,292	4.54%
2022	91,622,720	91,622,720	0	2,155,005,471	4.25%
2023	90,580,892	90,580,892	0	2,307,335,751	3.93%
2024	97,093,393	97,093,393	0	2,460,394,012	3.95%
2025	90,168,079	90,168,079	0	2,687,403,814	3.36%
2026	91,989,107	91,989,107	0	2,783,555,001	3.30%

See accompanying notes to this schedule on next page.

Methods and assumptions used to establish the actuarially determined contribution for year ended June 30, 2026

Valuation date

Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (the June 30, 2024 valuation sets the rates for the 2025–2026 fiscal year).

Actuarial cost method

Entry Age Cost Method (individual basis)

Amortization method

Level percent of payroll

Remaining amortization period

Multiple layers, closed amortization periods. Assumption changes resulting from the triennial experience study will be amortized over 20 years. Health trend and premium assumption changes, plan changes, and gains and losses will be amortized over 15 years. Any actuarial surplus is amortized over 30 years on an open (non-decreasing) basis.

Asset valuation method

Market value of assets less unrecognized returns in each of the last seven years. Unrecognized return is equal to the difference between the actual market return and the expected return on the market value, and is recognized over a seven-year period. The actuarial value of assets cannot be less than 60% or greater than 140% of the market value of assets.

Actuarial assumptions

The actuarially determined contribution for the year ended June 30, 2026 is based on the results of LACERS' June 30, 2024 Actuarial Valuation of Other Postemployment Benefits.

Assumption Type	Assumptions Used in the June 30, 2024 Valuation
Investment rate of return	7.00%, net of administrative and investment expenses, including inflation
Inflation rate	2.50%
Real across-the-board salary increase	0.50%
Projected salary increases[13]	Ranges from 9.00% to 4.00% based on years of service, including inflation
Healthcare cost trend rates	
• Non-Medicare medical plan	Actual premium increase in first year, then graded from 7.37% to ultimate 4.50% over 12 years
• Medicare medical plan	Actual premium increase in first year, then 3.76% and then graded from 6.87% to ultimate 4.50% over 10 years
• Dental/Vision	Actual premium increase in first year, then 3.00%
• Medicare Part B	Actual premium increase in first year, then 6.20% for the following 9 years, then graded down to ultimate 4.50%
Other assumptions	Same as those used in the June 30, 2024 funding valuation

[13] Includes inflation at 2.50% plus across the board salary increases of 0.50% plus merit and promotional increases.

Appendices

Appendix A: Projection of Plan Fiduciary Net Position for use in the Calculation of Discount Rate as of June 30, 2026

($ in millions)

Year Beginning July 1	Projected Beginning Plan Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Beginning Plan Fiduciary Net Position (f) = (a) + (b) − (c) − (d) + (e)
2025	$4,187	$92	$239[14]	$10	$686	$4,715
2026	4,715	139	204	11	316	4,954
2027	4,954	148	215	12	332	5,207
2028	5,207	146	227	12	348	5,461
2029	5,461	144	240	13	365	5,717
2030	5,717	142	255	13	382	5,973
2031	5,973	140	270	13	398	6,227
2032	6,227	137	286	14	415	6,480
2033	6,480	135	303	14	431	6,728
2052	10,431	73	592	24	686	10,572
2053	10,572	69	610	25	695	10,701
2054	10,701	66	626	26	703	10,818
2055	10,818	62	640	27	710	10,923
2056	10,923	58	653	27	716	11,016
2089	28,919	76[15]	220	76	1,945	30,644
2090	30,644	79[15]	199	78	2,062	32,507
2091	32,507	81[15]	178	81	2,188	34,517

[14] Includes $55.8 million transferred to LAFPP on March 26, 2026 pursuant to Charter Amendment FF.
[15] Mainly attributable to employer contributions to fund each year's annual administrative expenses.

Appendices

Year Beginning July 1	Projected Beginning Plan Fiduciary Net Position (a)	Projected Total Contributions (b)	Projected Benefit Payments (c)	Projected Administrative Expenses (d)	Projected Investment Earnings (e)	Projected Beginning Plan Fiduciary Net Position (f) = (a) + (b) − (c) − (d) + (e)
2092	34,517	83[16]	159	83	2,325	36,683
2093	36,683	86[16]	140	86	2,471	39,014
2110	109,426	142[16]	2	142	7,386	116,809
2111	116,809	146[16]	1	147	7,885	124,692
2112	124,692	151[16]	1	151	8,417	133,107
2113	133,107	155[16]	1	156	8,985	142,091
2114	142,091	160[16]	0[17]	160	9,591	151,681
2115	151,681	165[16]	0[17]	165	10,238	161,918
2116	161,918	170[16]	0[17]	170	10,929	172,847
2117	172,847	175[16]	0[17]	175	11,667	184,513
2118	184,513	180[16]	0[17]	180	12,455	196,967
2119	196,967	185[16]	0[17]	186	13,295	210,262
2120	210,262	191[16]	0[17]	191	14,193	224,454
2121	224,454	197[16]	0[17]	197	15,151	239,604
2122	239,604	202[16]	0[17]	203	16,173	255,776
2123	255,776	208[16]	0[17]	209	17,265	273,040
2124	273,040	215[16]	0[17]	216	18,430	291,470
2125	$291,470[18]					
2125	Discounted: $453					

Note that in preparing the above projections, we have not taken into consideration the one-year delay between the date of the contribution rate calculation and the implementation.

[16] Mainly attributable to employer contributions to fund each year's annual administrative expenses.
[17] Less than $1 million when rounded.
[18] $291,470 million when discounted with interest rate of 6.75% per annum has a value of $453 million as of June 30, 2026.

Notes

1. Amounts may not total exactly due to rounding.
2. Amounts shown for the year beginning July 1, 2025 row are actual amounts, based on the unaudited financial statements provided by LACERS.
3. Years 2034–2051, 2057-2088, and 2094-2109 have been omitted from this table.
4. **Column (a):** Except for the “discounted value” shown for 2125, none of the projected beginning Plan's Fiduciary Net Position amounts shown have been adjusted for the time value of money.
5. **Column (b):** Projected total contributions include employee and employer normal cost contributions based on closed group projections (based on covered active members as of June 30, 2026); plus employer contributions to the unfunded actuarial accrued liability; plus contributions to fund each year's annual administrative expenses. Unfunded accrued liabilities are amortized over closed 20 and 15-year periods, depending on the source of the changes. Contributions are assumed to occur halfway through the year, on average. Any actuarial surplus is amortized over 30 years on an open (non-decreasing) basis. Zeros represent dollar amounts less than $1 million, when rounded.
6. **Column (c):** Projected benefit payments have been determined in accordance with paragraph 43 of GASB Statement No. 74, and are based on the closed group of active, inactive vested, retired members, and beneficiaries as of June 30, 2026. The projected benefit payments reflect future health care trend rates used in the June 30, 2026 funding valuation report. Benefit payments are assumed to occur halfway through the year, on average. In accordance with paragraph 49 of GASB Statement No. 74, the long-term expected rate of return on Plan investments of 6.75% was applied to all periods of projected benefit payments to determine the discount rate. Zeros represent dollar amounts less than $1 million, when rounded.
7. **Column (d):** Projected administrative expenses are calculated as approximately 0.25% of the projected beginning Plan's Fiduciary Net Position amount. The 0.24% portion was based on the actual fiscal year 2025 - 2026 administrative expenses as a percentage of the beginning Plan's Fiduciary Net Position amount as of July 1, 2025. Administrative expenses are assumed to occur halfway through the year, on average.
8. **Column (e):** Projected investment earnings are based on the assumed investment rate of return of 6.75% per annum.
9. As illustrated in this Exhibit, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current Plan members. In other words, there is no projected 'cross-over date' when projected benefits are not covered by projected assets. Therefore, the long-term expected rate of return on Plan investments of 6.75% per annum was applied to all periods of projected benefit payments to determine the Total Pension Liability as of June 30, 2026 shown earlier in this report, pursuant to paragraph 49 of GASB Statement No. 74.

Appendix B: Definition of terms

Definitions of certain terms as they are used in Statement No. 75. The terms may have different meanings in other contexts.

Term	Definition
Actuarially Determined Contribution:	A target or recommended contribution to an OPEB plan for the reporting period based on the most recent measurement available.
Assumptions or actuarial assumptions:	The estimates on which the cost of the Plan is calculated including: a. Investment return — the rate of investment yield that the Plan will earn over the long-term future; b. Mortality rates — the death rates of employees and retirees; life expectancy is based on these rates; c. Retirement rates — the rate or probability of retirement at a given age; d. Turnover rates — the rates at which employees of various ages are expected to leave employment for reasons other than death, disability, or retirement.
Covered payroll:	The payroll of the employees that are provided OPEB benefits.
Discount rate:	The single rate of return, that when applied to all projected benefit payments results in an actuarial present value that is the sum of the following: a. the actuarial present value of projected benefit payments projected to be funded by plan assets using a long term rate of return, and; b. the actuarial present value of projected benefit payments that are not included in (a) using a yield or index rate for 20 year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher.
Entry age actuarial cost method:	An actuarial cost method where the present value of the projected benefits for an individual is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age.
Health care cost trend rates:	The rate of change in per capita health costs over time.
Net OPEB Liability:	The Total OPEB Liability less the Plan Fiduciary Net Position.
Plan Fiduciary Net Position:	Fair Value of Assets
Real rate of return:	The rate of return on an investment after removing inflation.
Service cost:	The amount of contributions required to fund the benefit allocated to the current year of service.
Total OPEB Liability:	The portion of the actuarial present value of projected benefit payments attributed to past periods of employee service in conformity with the requirements of Statement No. 75.
Valuation date:	The date at which the actuarial valuation is performed.

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BOARD MEETING: NOVEMBER 10, 2026

ITEM: VI-C

ATTACHMENT: 7

Los Angeles City Employees' Retirement System

Actuarial Valuation and Review of Larger Annuity Program as of June 30, 2026

This valuation report should only be copied, reproduced, or shared with other parties in its entirety as necessary for the proper administration of the Program.

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Segal

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November 3, 2026

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

Dear Board Members:

We are pleased to submit this Actuarial Valuation and Review as of June 30, 2026 for the Los Angeles City Employees' Retirement System (LACERS) Larger Annuity Program (LAP).

This report has been prepared in accordance with generally accepted actuarial principles and practices for the exclusive use and benefit of the Board of Administration (the Board), based upon information provided by the staff of LACERS.

Segal does not audit the data provided. The accuracy and comprehensiveness of the data is the responsibility of those supplying the data. To the extent we can, however, Segal does review the data for reasonableness and consistency. Based on our review of the data, we have no reason to doubt the substantial accuracy of the information on which we have based this report, and we have no reason to believe there are facts or circumstances that would affect the validity of these results.

The measurements shown in this actuarial valuation may not be applicable for other purposes. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions; and changes in plan provisions or applicable law.

The actuarial calculations were directed under the supervision of Emily Klare, ASA, MAAA, and Enrolled Actuary. We are Members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

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

Please let us know if you have any questions.

Sincerely,

Segal



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



Emily Klare, ASA, MAAA, EA
Senior Actuary

DNA/jl

Larger Annuity Program

This report has been prepared by Segal to present a valuation of the Los Angeles City Employees' Retirement System (LACERS) Larger Annuity Program (LAP) as of June 30, 2026. The valuation was performed to determine whether the balance in the larger annuity reserve[1] (assets) is sufficient to pay future benefits to retired members and beneficiaries who elect to annuitize their LAP account balance and are receiving benefits as of the valuation date.

The results presented in this report are based on:

- The characteristics of LAP retired members and beneficiaries as of June 30, 2026, provided by the staff of LACERS;
- The reported asset reserves for the LAP as June 30, 2026, provided by the staff of LACERS; and
- The actuarial assumptions[2] adopted by the Board for the June 30, 2026 valuation of the Retirement Plan, except as otherwise noted herein.

Overview

LACERS offers an optional LAP whereby members can make voluntary post-tax or pre-tax rollover contributions during City employment. The City does not contribute to the program. Members can either elect to earn interest on their contributions based on the five-year treasury note or receive the actual rate of return for the publicly traded portion of the LACERS investment portfolio. Upon retirement, the member can elect to either withdraw or annuitize their LAP account balance. Members who elect to annuitize their LAP account balance will receive a larger annuity benefit.

On October 8, 2013, the Board adopted a prospective annual increase of 3% to the larger annuity benefits, regardless of the change in the Consumer Price Index. We understand that the 3% increase will be applied to the larger annuity benefits for all tiers.

Results

As of June 30, 2026, the valuation value of assets (VVA) for the larger annuity reserve **exceeded** the actuarial accrued liability (AAL) for larger annuity benefits by $1.80 million. In the June 30, 2024 valuation of the LAP, the VVA was **less than** the AAL by $1.85 million. The improvement in funding status is primarily due to investment returns greater than expected over the past two years.

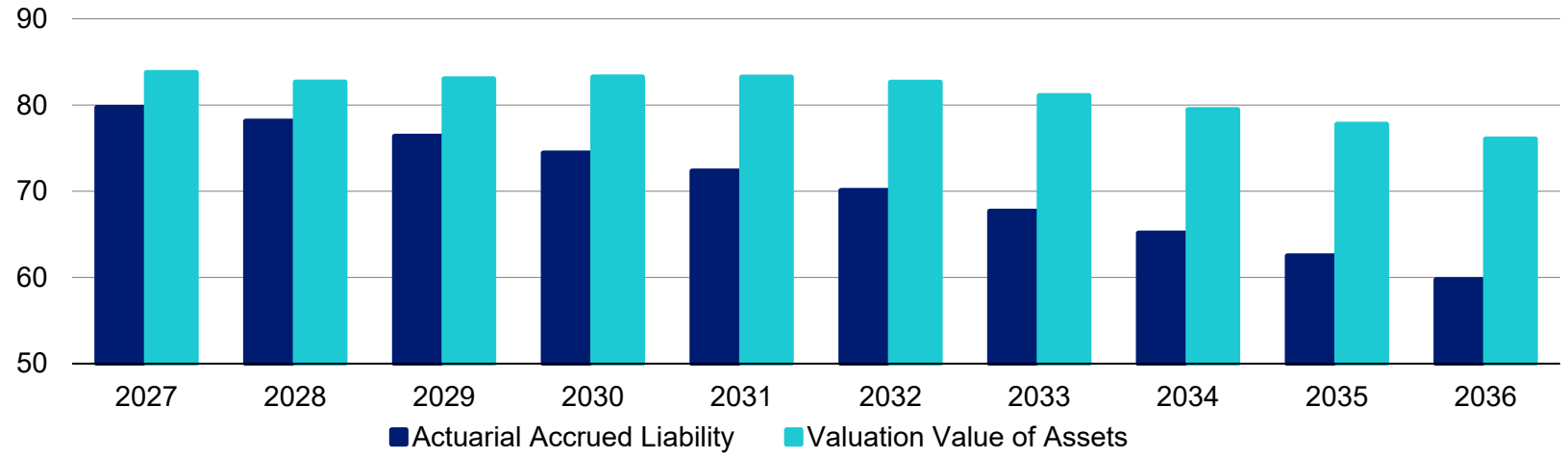
[1] The larger annuity reserve (acct. 253) excludes the reserve for larger annuity contributions (acct. 256) established for current active members.
[2] This valuation reflects the assumptions adopted by the Board based on the Actuarial Experience Study for the period July 1, 2022 through June 30, 2025.

Larger Annuity Program Valuation Results

Line Description	June 30, 2026	June 30, 2024
Valuation Value of Assets Basis		
Actuarial accrued liability	$81,136,216	$74,001,586
Valuation value of assets for the larger annuity reserve	-82,935,750	-72,156,387
Unfunded actuarial accrued liability/(Surplus)	**$(1,799,534)**	**$1,845,199**
Market Value of Assets Basis		
Actuarial accrued liability	$81,136,216	$74,001,586
Market value of assets for the larger annuity reserve	-89,622,568	-71,037,469
Unfunded actuarial accrued liability/(Surplus)	**$(8,486,352)**	**$2,964,117**

The following chart shows a ten-year projection of the AAL and VVA for members receiving LAP benefits as of June 30, 2026. Future LAP members are not included in the projection. This projection assumes that the actuarial assumptions will remain unchanged and reflects future recognition of the Program's deferred investment gains and losses as of June 30, 2026. This information may be useful for considering future funding strategies for the Program.

Projection of Actuarial Accrued Liability and Valuation Value of Assets for Members Receiving Benefits as of June 30, 2026 ($ in millions)



Census data

As part of the June 30, 2026 Retirement Plan valuation, LACERS provided information for retirees and beneficiaries receiving a benefit under the LAP. That data contained 663[3] records with a benefit type of "Larger Annuity" (retired members) and 53 records with a benefit type of "Larger Annuity Continuance" (beneficiaries). Some members may have multiple LAP records.

Demographic Information of LAP Retired Member and Beneficiary Records

Status	June 30, 2026	June 30, 2024
Service Retirements	662	635
Disability Retirements	1	1
Beneficiaries	53	42
Total	**716**	**678**
Annual LAP benefits (includes increase of 3% on July 1)	**$6.6 million**	**$5.9 million**

Methods and assumptions

The LAP valuation was performed using the same general methodology and actuarial assumptions used to perform the June 30, 2026 valuation of the Retirement Plan. The one exception is that an annual 3% benefit increase is applied to all tiers for the LAP. The main assumptions and methodologies utilized in this valuation are summarized below.

Valuation date

June 30, every other year

Interest

6.75%

Benefit increases

3.00% per year

[3] One member was indicated as a disability retirement in the valuation data used for the Retirement Plan. We have reflected this status when applying the LAP mortality assumption.

Mortality

- **Healthy members:** Pub-2016 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 5% for males and unadjusted for females, projected generationally with Scale MP-2021.
- **Disabled members:** Pub-2016 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with rates increased by 15% for males and unadjusted for females, projected generationally with Scale MP-2021.
- **Beneficiaries not currently in pay status:** Pub-2016 General Healthy Retiree Amount-Weighted Above-Median Mortality Table with rates increased by 5% for males and unadjusted for females, projected generationally with Scale MP-2021.
- **Beneficiaries currently in pay status:** Pub-2016 Contingent Survivor Amount-Weighted Above-Median Mortality Table with rates increased by 5% for males and increased by 5% for females, projected generationally with Scale MP-2021.

Asset method

The valuation value of assets allocated to the LAP is developed by applying the proportion of the total LACERS market value of assets attributable to the LAP to the total LACERS actuarial value of assets. Please refer to the Actuarial Valuation and Review as of June 30, 2026 for the Retirement Plan for more information on the development of the total LACERS actuarial value of assets.

Additional discussions

When a member elects to annuitize their LAP account balance, the annuity must be "determined by the actuary to be cost-neutral." The basis for cost-neutrality, as recommended by Segal, has been to utilize the same investment return and mortality assumptions used in the funding valuation for the Retirement Plan, along with the annual 3% benefit increase. However, cost-neutrality is only achieved if all assumptions are realized. If actual experience differs from expected, or if assumptions are changed after annuitization, then current assets may no longer be sufficient to provide the larger annuity benefits. In such a scenario,[4] there is no mechanism in place to address the projected insolvency.

Accordingly, the funding status of the LAP should continue to be closely monitored, and the Board may need to consider strategies to address potential shortfalls. One approach may be to combine the assets and liabilities of both the LAP and the Retirement Plan so that any unfunded actuarial accrued liability (or surplus) in the LAP would be reflected in the employer contribution rate for the Retirement Plan to ensure the ongoing solvency of the LAP. However, before considering such strategy, the Board would need to confirm if this would be permissible under the Administrative Code.

6000248v8/05806.002

[4] The program had a projected insolvency in the June 30, 2024 and June 30, 2022 valuations due to the AAL being greater than the larger annuity reserve assets.

BOARD Meeting: 11/10/2026

ITEM VII-B



LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

U.S. SMALL CAP EQUITY RECOMMENDATION

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM



NOVEMBER 2026

NEPC

PROPRIETARY & CONFIDENTIAL



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- Executive Summary
- LACERS U.S. Small Cap Portfolio Refresher
- Alternative Portfolio Options
- Recommendation
- Appendix

PROPRIETARY & CONFIDENTIAL



EXECUTIVE SUMMARY

PROPRIETARY & CONFIDENTIAL

EXECUTIVE SUMMARY

- **NEPC presented a summary of the LACERS U.S. Small Cap Equity portfolio to the Board in September**
  - Highlighted no major deviations from benchmark positioning
  - Discussion also focused on portfolio tracking error
- **The Board indicated preferences for:**
  - A tighter range of outcomes relative to the benchmark (i.e. less tracking error than current portfolio)
  - Retaining active management, but increasing the use of passive management and reducing costs
- **NEPC developed alternative asset mixes for the Board's consideration that achieve the stated preferences**
  - Mixes A, B, and C are compared to LACERS current allocation
- **NEPC recommends the Board consider adopting Mix C as the go-forward structure for the U.S. Small Cap Equity portfolio**



LACERS U.S. SMALL CAP PORTFOLIO REFRESHER

PROPRIETARY & CONFIDENTIAL

RISK & RETURN SUMMARY

	Small Cap Portfolio	Copeland Small Cap Dividend Growth Equity	Granahan Small Cap Focused Growth	SBH Small Cap Value	IMC Small Cap Growth	Rhumbline Russell 2000 Value Index	Rhumbline Russell 2000 Index
Benchmark	Russell 2000	Russell 2000	Russell 2000 Growth	Russell 2000 Value	Russell 2000 Growth	Russell 2000 Value	Russell 2000
Total Return							
Annualized Return	8.5%	9.0%	4.3%	11.0%	5.1%	12.7%	10.3%
Annualized Std Dev	19.2%	18.3%	26.7%	18.3%	22.0%	19.6%	19.8%
Sharpe Ratio	0.26	0.24	0.03	0.36	0.08	0.40	0.28
Relative Return							
Beta	0.96	0.85	1.13	0.87	0.96	---	---
Excess Return	-0.6%	-1.3%	-2.9%	-2.2%	-2.2%	---	---
Tracking Error	2.2%	7.6%	12.0%	6.8%	8.6%	---	---
Information Ratio	-0.3	-0.17	-0.24	-0.32	-0.25	---	---
Upside Capture	95.4%	87.8%	109.5%	87.1%	94.8%	---	---
Downside Capture	96.4%	88.0%	118.9%	88.8%	100.2%	---	---
Factor Tilts	---	Quality, Low Volatility	Growth, Size	Value	Momentum	Value, Low Volatility	---
Active Risk							
Portfolio Weight	---	20%	10%	10%	10%	10%	40%
Contribution to Tracking Error	---	46%	17%	21%	14%	2%	0%

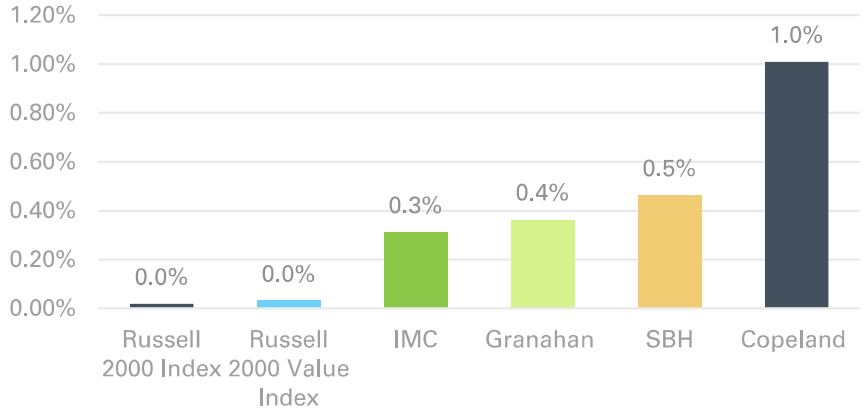
All Risk/Return statistics calculated from Common Inception (12/31/2020) to 09/30/2026.
Small Cap Portfolio assumes target weights of 40% Russell 2000 Index, 20% Copeland, 10% IMC, 10% SBH, 10% Granahan, 10% Russell 2000 Value

LACERS U.S. SMALL CAP EQUITY REVIEW

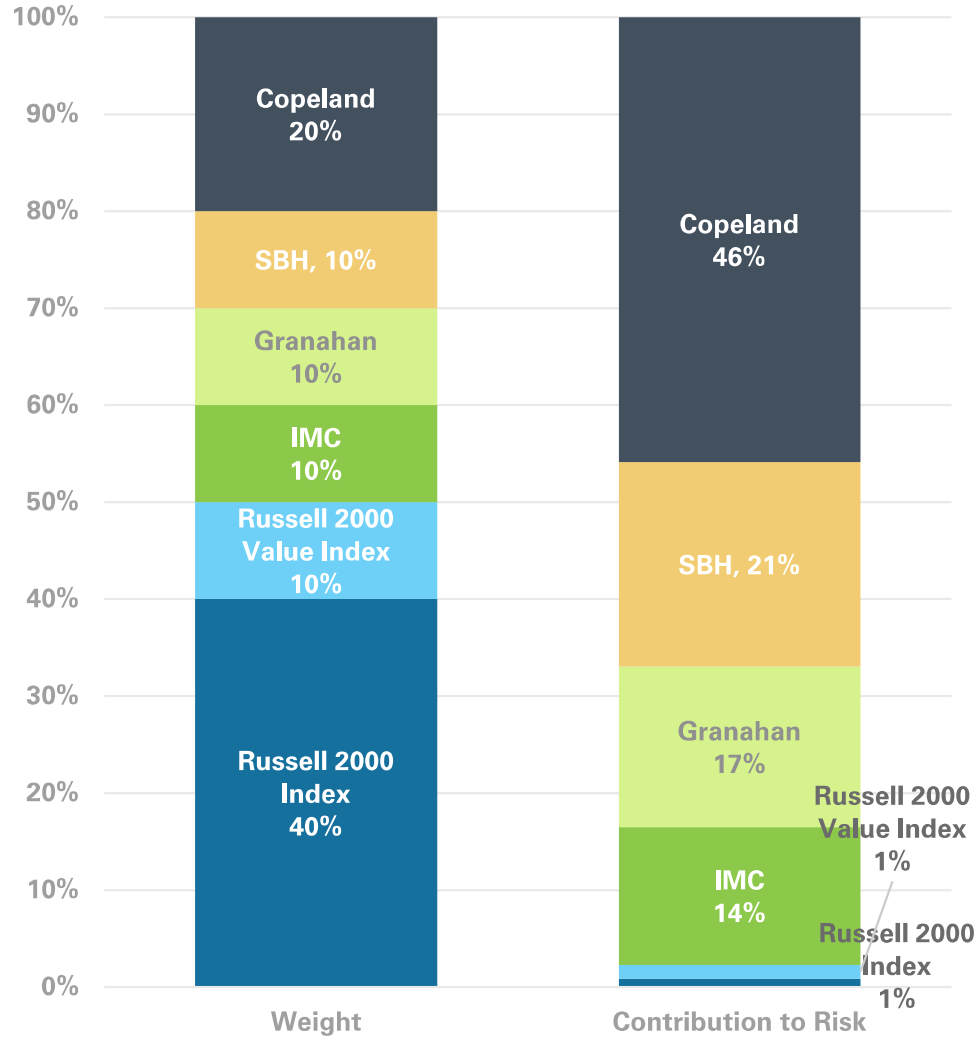
ACTIVE RISK BUDGETING

- **Reviewing the portfolio through a contribution to risk (CTR) lens**
  - Consider balancing CTR, not just capital allocation
    - Copeland makes up 46% of active risk contribution since 2021
  - Diversifying active risk allocation may better balance factor and style sector exposure
  - Helps align tracking error of individual strategies, and illustrate contribution to total portfolio outcomes

Contribution to Total Tracking Error



Dollar vs Tracking Error Allocation



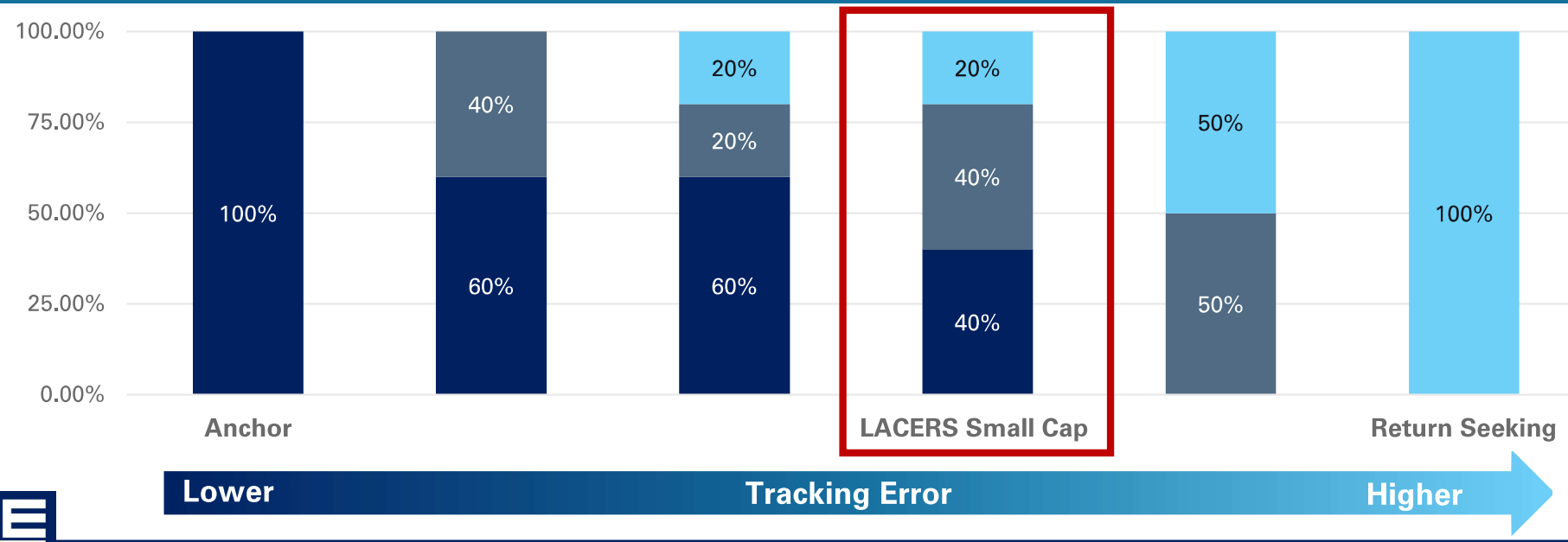
All Risk/Return statistics calculated from 12/31/2020 to 09/30/2026. Benchmark: Russell 2000 Index

PORTFOLIO CONSTRUCTION FRAMEWORK

CATEGORIZING INVESTMENT STRATEGIES

	Portfolio Role	Tracking Error	Beta Range	Summary of Return Drivers	LACERS Exposure
Core (Low Tracking Error)	Core/Foundation	0.0% - 4.0%	1.0	Passive implementation or incremental alpha from stock selection or systematic tilts	• Russell 2000 Index
Active (Moderate Tracking Error)	Return Enhancer	4.0% - 8.0%	0.90 - 1.10	Bottom-up security selection & targeted factor/style tilts (Value, Growth, Quality)	• Russell 2000 Value Index • Copeland • SBH
Satellite (High Tracking Error)	Alpha Satellite	8.0% +	0.75 – 1.25	Large factor, sector, or thematic bets; concentrated stock selection	• Granahan • IMC

Portfolio Construction by Active Risk Profile





ALTERNATIVE PORTFOLIO OPTIONS

PROPRIETARY & CONFIDENTIAL

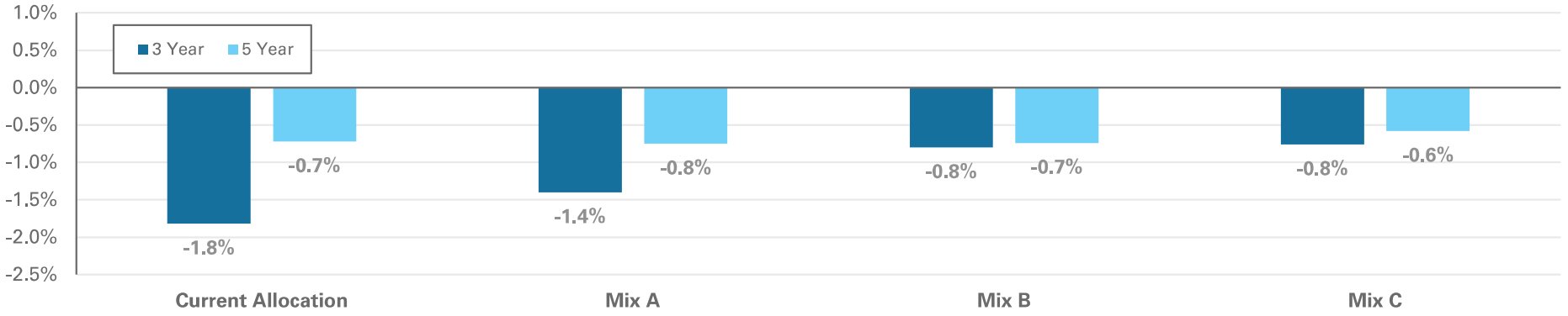
SUMMARY OF MIXES

- **Key Objectives**
  - Review sizing of active managers in light of their contribution to active risk
  - Consider mixes with larger weighting to passive strategies

	Current Allocation	Mix A	Mix B	Mix C
Copeland Small Cap Dividend Growth Equity	20.0%	**15.0%**	**10.0%**	**10.0%**
Granahan Small Cap Focused Growth	10.0%	10.0%	10.0%	10.0%
SBH Small Cap Value	10.0%	**15.0%**	10.0%	10.0%
IMC Small Cap Growth	10.0%	10.0%	10.0%	10.0%
Russell 2000 Value Index	10.0%	**0.0%**	**0.0%**	10.0%
Russell 2000 Index	40.0%	**50.0%**	**60.0%**	**50.0%**

RISK & RETURN SUMMARY

Trailing Excess Returns

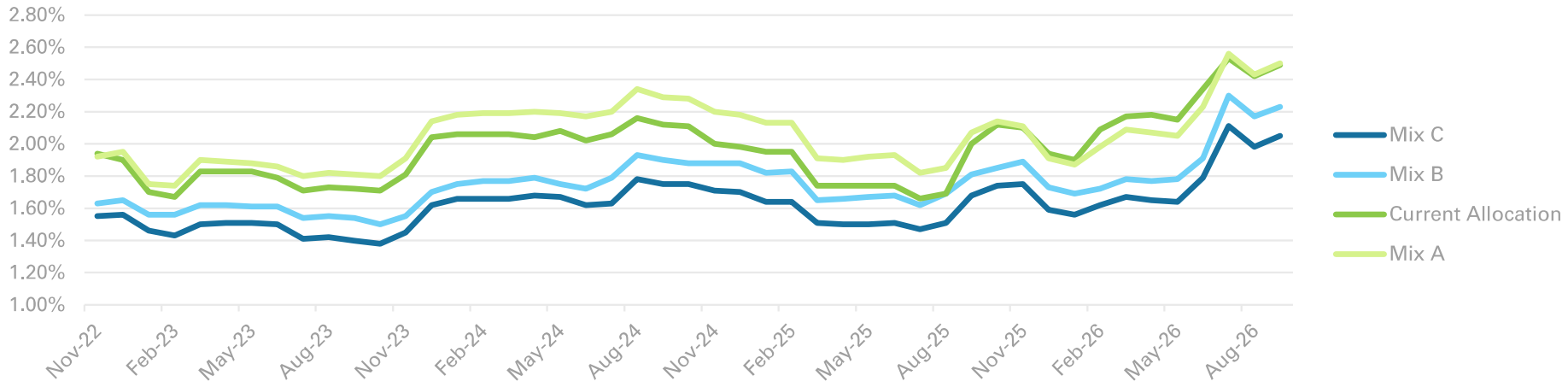


	Current Allocation	Mix A	Mix B	Mix C
Benchmark	Russell 2000	Russell 2000	Russell 2000	Russell 2000
Total Return				
Annualized Return	8.5%	8.3%	8.3%	8.6%
Annualized Std Dev	19.2%	19.3%	19.5%	19.4%
Relative Return				
Beta	0.96	0.96	0.98	0.97
Excess Return	-0.6%	-0.8%	-0.8%	-0.5%
Tracking Error	2.2%	2.2%	1.9%	1.8%
Information Ratio	-0.3	-0.4	-0.4	-0.3
Upside Capture	95.4%	95.3%	96.3%	96.6%
Downside Capture	96.4%	96.7%	98.0%	97.6%

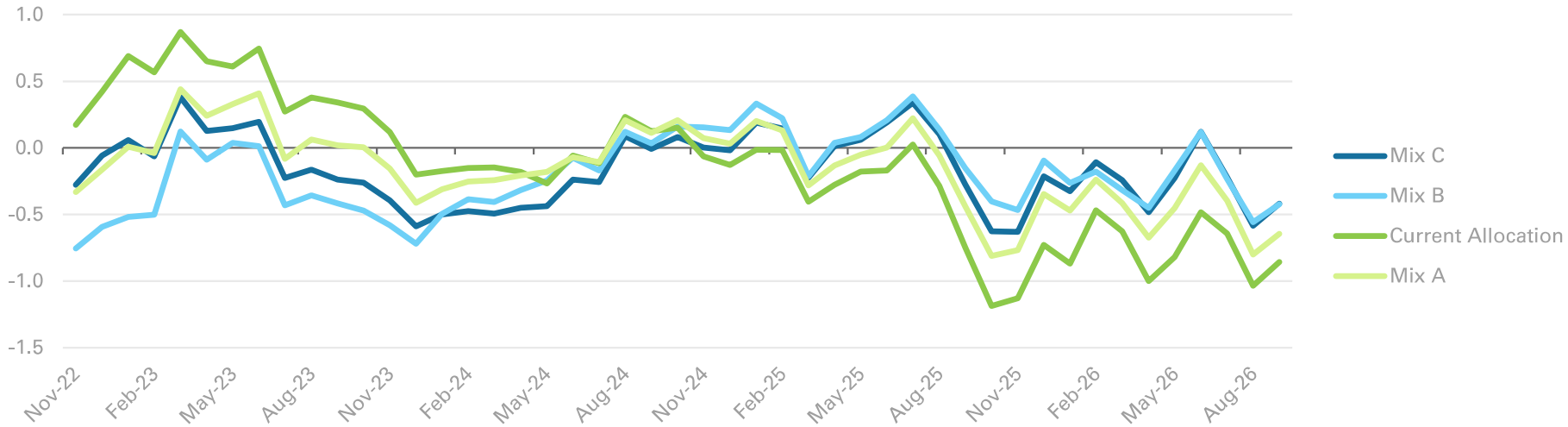
All Risk/Return statistics calculated from Common Inception (12/31/2020) to 09/30/2026.

ROLLING 24-MONTH ACTIVE RISK

Rolling 24 Month Tracking Error



Rolling 24 Month Information Ratio



Ending 09/30/2026. Benchmark: Russell 2000 Index

LACERS U.S. SMALL CAP EQUITY REVIEW

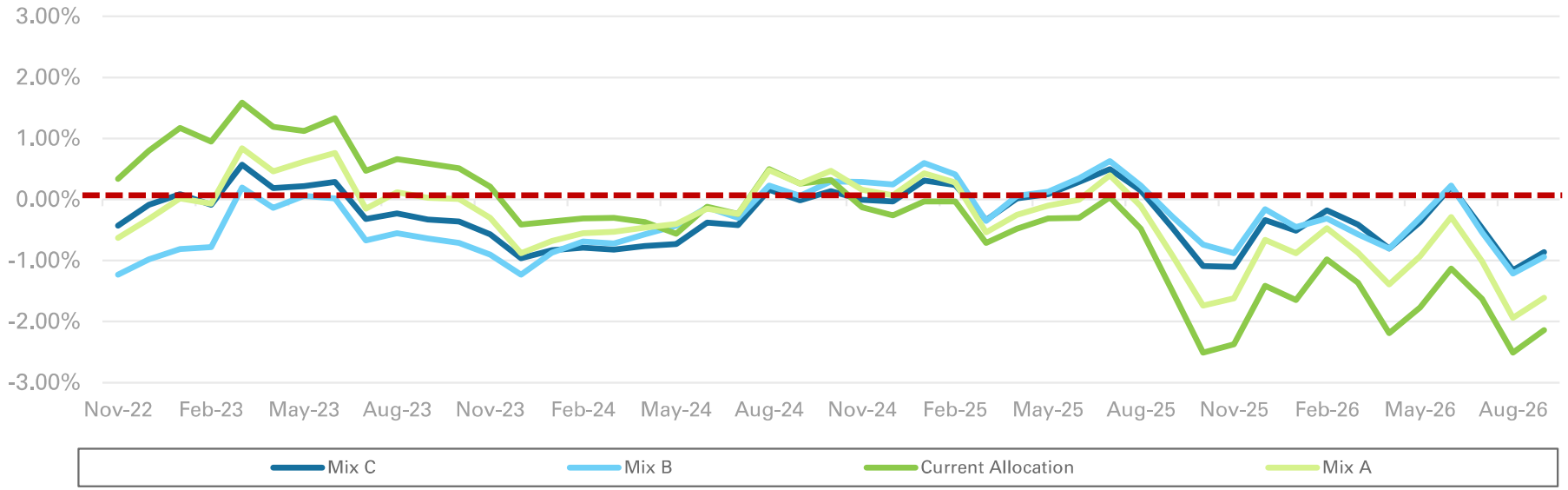
BENEFITS OF DIVERSIFICATION

Excess Return Consistency	Current	Mix A	Mix B	Mix C
% of Periods Greater than 0%	37%	35%	35%	33%
% of Periods Below -1.0%	24%	11%	7%	7%
% of Periods Between 0 and -1.0%	39%	52%	59%	59%
% of Periods between 0 and 1.0%	26%	35%	35%	33%
% of Periods Greater than 1.0%	11%	0%	0%	0%

Change Relative to Current Allocation

Mix A	Mix B	Mix C
2%	4%	2%
0%	17%	4%
0%	-20%	-7%
2%	-7%	2%
0%	11%	0%

Sample Mixes: Rolling 2 Year Excess Returns

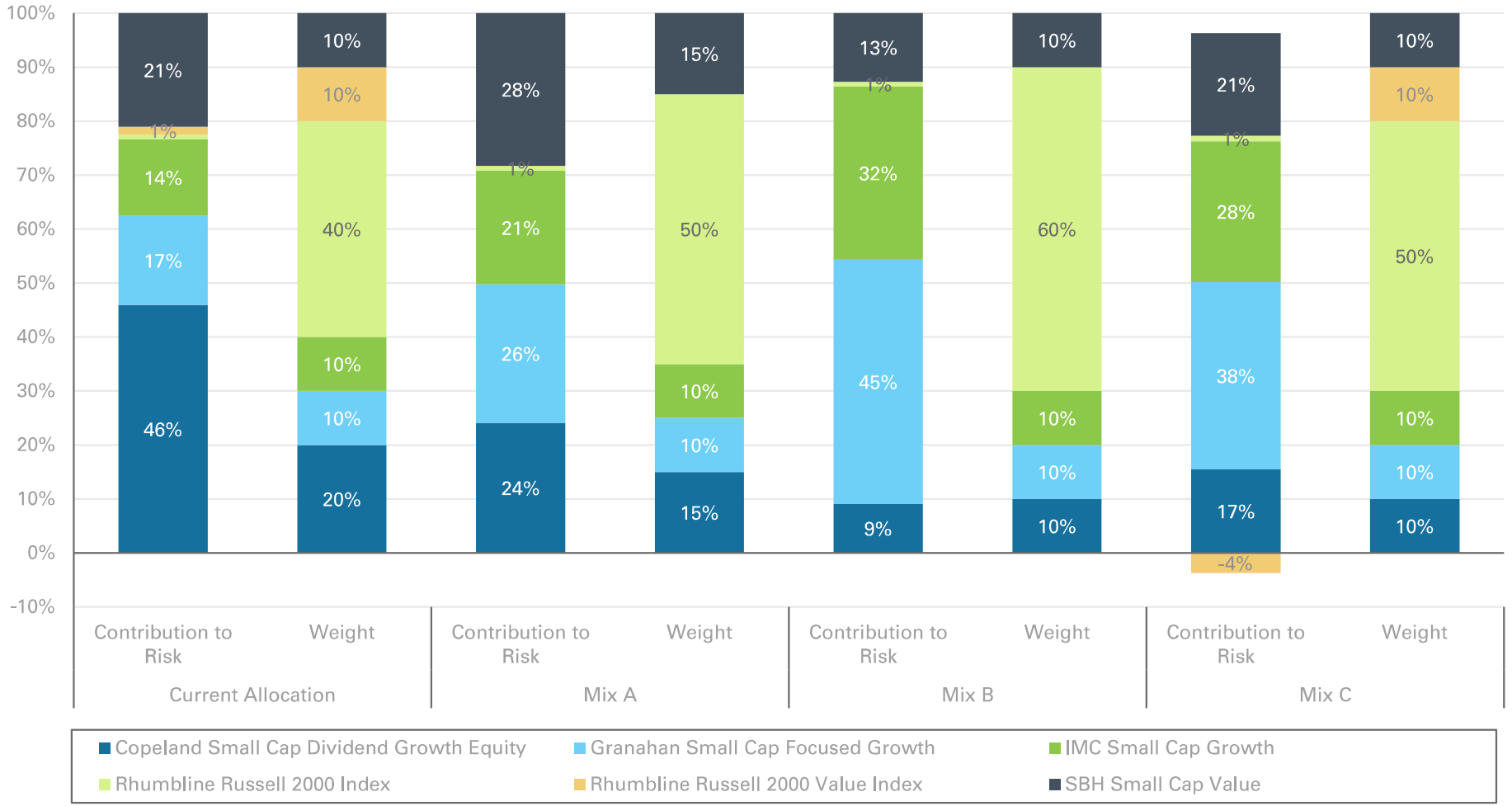


Ending 09/30/2026. Benchmark: Russell 2000 Index

LACERS U.S. SMALL CAP EQUITY REVIEW

ACTIVE RISK BUDGETING

Dollar vs Tracking Error Allocation



Note: In Mix C, Russell 2000 Value represents a negative contribution to active risk due to low tracking error and negative correlation to growth managers
All Risk/Return statistics calculated from 12/31/2020 to 09/30/2026. Benchmark: Russell 2000 Index



RECOMMENDATION

PROPRIETARY & CONFIDENTIAL

RECOMMENDATION

- **NEPC recommends the Board approve Mix C as it has demonstrated investment metrics that align with Board preferences**
- **Mix C has provided:**
  - Tighter range of outcomes relative to the Russell 2000 benchmark (i.e. reduced tracking error)
  - More attractive information ratio
  - Better balance of active risk contribution from managers, compared to the current allocation
  - Preserves active management, but leans more into passive strategies, which also reduces cost
- **LACERS Staff is well-equipped to rebalance the portfolio toward the approved manager-level targets**

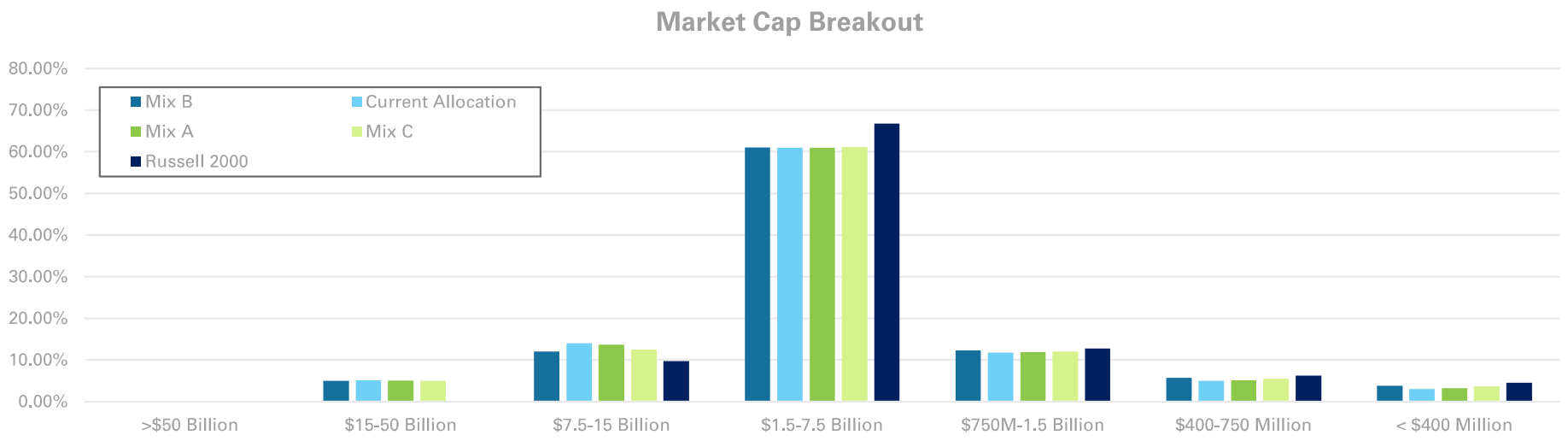


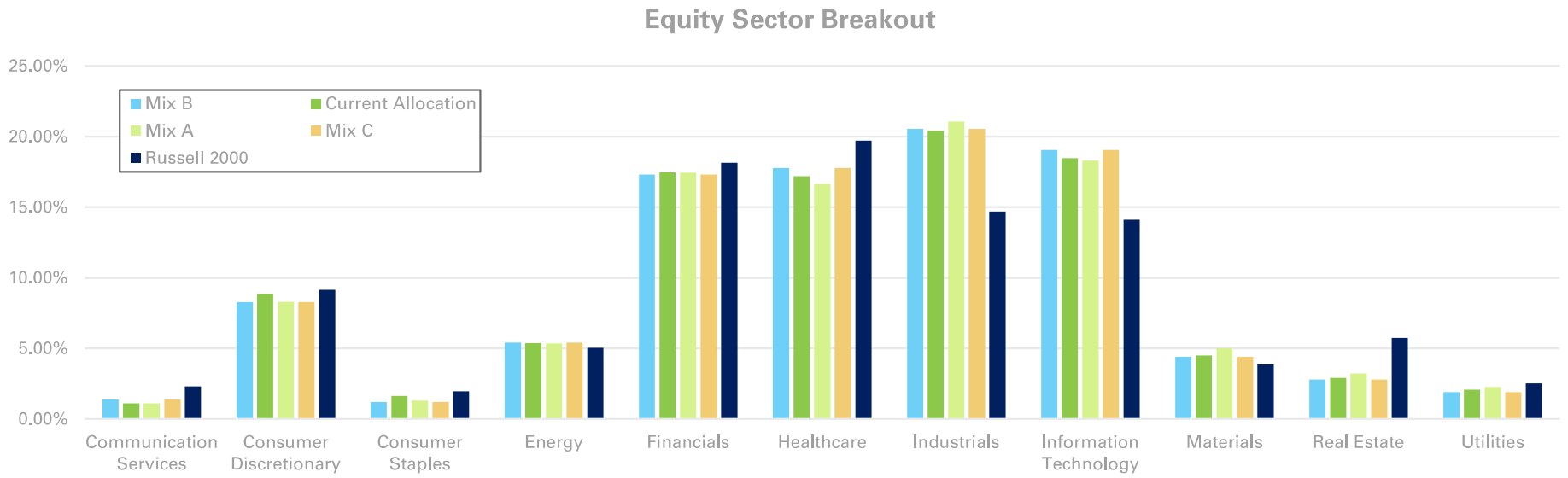
APPENDIX

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LACERS U.S. SMALL CAP EXPOSURES: 6/30/2026

MARKET CAP & EQUITY SECTOR

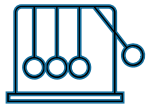
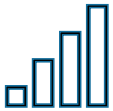




Source: eVestment; Factset

INTRODUCTION TO FACTORS

DEFINITIONS AND INTERPRETATIONS

Factor	Definition	Interpretation	Methodology
 **Momentum**	Stocks with strong recent price performance, typically with high 6- and 12-month returns	Tilt toward recent winners; tends to benefit in trending/upward markets	12-month price change
 **Value**	Stocks trading cheap relative to fundamentals (e.g., P/E, P/B)	Prefers cheap, out-of-favor stocks; often performs well in recoveries, inflationary regimes	Book value-to-price, earnings-to-price, and sales-to-price.
 **Size**	Exposure to smaller companies vs. larger ones	Bias toward smaller-cap stocks; can outperform in risk-on markets	Equal Weight Index
 **Quality**	Companies with strong profitability, low debt, stable earnings	Favors financially healthy companies; resilient in volatile or downturn markets	Return on equity, accruals ratio, and financial leverage ratio
 **Low Volatility**	Stocks with historically lower price fluctuations	Prefers defensive, stable stocks; tends to outperform in bear or choppy markets	12-month volatility

RISK & RETURN METRIC OVERVIEW

Metric	Definition	Objective	How to Interpret
Return (Annualized)	The average yearly gain or loss of an investment, accounting for compounding over time.	**Higher is better**	Shows how fast an investment grew per year on average; makes returns of different time periods comparable.
Standard Deviation (Annualized)	A measure of how much returns swing up and down from year to year, scaled to an annual basis.	**Lower is better**	A higher number means a bumpier, less predictable ride for a given level of return.
Beta	How much a portfolio's returns move relative to its benchmark or the broader market.	**Context-dependent**	A beta of 1.2 means the portfolio tends to move about 20% more than the benchmark, in either direction.
Sharpe Ratio (Annualized)	Return earned above the risk-free rate, per unit of risk (volatility) taken.	**Higher is better**	A higher Sharpe ratio means the manager earned more return for each unit of risk taken.
Excess Return	The difference between a portfolio's return and its benchmark's return over the same period.	**Higher is better**	A positive number means the manager beat the benchmark; a negative number means it fell short.
Information Ratio	Excess return relative to how consistently that excess was achieved (tracking error).	**Higher is better**	A higher ratio means the manager added value consistently, not just in a few strong periods.
Tracking Error	How much a portfolio's returns vary from its benchmark's returns over time.	**Context-dependent**	A higher tracking error means the manager/portfolio is taking positions that look different from the benchmark.
Upside Capture	How much of the benchmark's gains the portfolio captured during periods when the benchmark rose.	**Higher is better**	A ratio above 100% means the portfolio gained more than the benchmark when markets rose.
Downside Capture	How much of the benchmark's losses the portfolio experienced during periods when the benchmark fell.	**Lower is better**	A ratio below 100% means the portfolio lost less than the benchmark when markets fell.
Correlation	How closely two return series, such as two managers or active returns, move together.	**Context-dependent**	A correlation near 1.0 means two investments tend to move together; near zero means they move independently.

NEPC DISCLOSURES

Past performance is no guarantee of future results.

All investments carry some level of risk. Diversification and other asset allocation techniques do not ensure profit or protect against losses.

Some of the information presented herein has been obtained from external sources NEPC believes to be reliable. While NEPC has exercised reasonable professional care in preparing this content, we cannot guarantee the accuracy of all source information contained within.

The opinions presented herein represent the good faith views of NEPC as of the publication date and are subject to change at any time.

This presentation contains summary information regarding the investment management approaches described herein but is not a complete description of the investment objectives, portfolio management and research that supports these approaches. This analysis does not constitute a recommendation to implement any of the aforementioned approaches.

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION
MEETING: NOVEMBER 10, 2026
FROM: INVESTMENT COMMITTEE
Thuy Huynh, Chair
Susan Liem
Gaylord "Rusty" Roten
ITEM: VII-C

SUBJECT: APPROVAL OF 3-YEAR CONTRACT WITH LOOMIS, SAYLES & COMPANY, L.P. REGARDING THE MANAGEMENT OF AN ACTIVE CORE FIXED INCOME PORTFOLIO AND POSSIBLE BOARD ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation

That the Board:

1. Approve a three-year contract renewal with Loomis, Sayles & Company, L.P. (Loomis) for management of an active core fixed income portfolio;

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

Discussion

On October 13, 2026, the Committee considered the attached staff report (Attachment 1) recommending a three-year contract renewal with Loomis. Loomis has managed a fixed income portfolio for LACERS since July 1980. LACERS' portfolio was valued at approximately $695 million as of August 31, 2026. Loomis' current contract expires on May 31, 2027. Loomis is in compliance with the LACERS Manager Monitoring Policy.

Staff shared a review of the performance and noted that despite recent underperformance against its benchmark, the strategy continues to outperform over longer periods of time. Staff communicated that Portfolio Manager John Hyll will be retiring in 2027 and that LACERS staff will closely monitor portfolio performance following this transition to assess impact. 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:RM:JP

ATTACHMENT(S): 1. Investment Committee Recommendation Report dated October 13, 2026
2. Proposed Resolution

BOARD MEETING DATE: NOVEMBER 10, 2026
ITEM: VII-C
ATTACHMENT: 1

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO INVESTMENT COMMITTEE
MEETING: OCTOBER 13, 2026
FROM: TODD BOUEY, GENERAL MANAGER
ITEM: V

SUBJECT: INVESTMENT MANAGER CONTRACT WITH LOOMIS, SAYLES & COMPANY, L.P. REGARDING THE MANAGEMENT OF AN ACTIVE CORE FIXED INCOME PORTFOLIO AND POSSIBLE COMMITTEE ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation
That the Committee recommend to the Board a three-year contract renewal with Loomis, Sayles & Company, L.P. for management of an active core fixed income portfolio.

Executive Summary
Loomis, Sayles & Company, L.P. (Loomis) has managed a fixed income portfolio for LACERS since July 1980. LACERS' portfolio was valued at approximately $695 million as of August 31, 2026. Loomis' current contract expires on May 31, 2027. Loomis is in compliance with the LACERS Manager Monitoring Policy. Staff and NEPC, LLC (NEPC), LACERS' General Fund Consultant, recommend a three-year contract renewal with Loomis.

Discussion

Background

Loomis manages an active core fixed income portfolio for LACERS benchmarked against the Bloomberg U.S. Aggregate Bond Index. The investment approach seeks to add value through sector rotation and security selection based on macroeconomic analysis and fundamental research. Portfolio Managers John Hyll (43 years industry experience, 39 with Loomis) and Neil Burke (35 years industry experience, 29 with Loomis) lead the portfolio management team and are supported by the firm's comprehensive research and trading platforms. LACERS' portfolio was valued at $695 million as of August 31, 2026.

Loomis has managed a fixed income mandate for LACERS since July 1980 and has undergone several mandate changes since the time of hire. The Board rehired Loomis under the 2019-2021 Active Core Fixed Income search process and authorized a three-year contract on January 26, 2021; the contract became effective on June 1, 2021. The Board approved a three-year contract renewal on March 26, 2024. The current contract expires on May 31, 2027.

Loomis also currently manages an active high yield fixed income portfolio for LACERS benchmarked against the Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index. As of August 31, 2026, this high yield fixed income portfolio was valued at $427 million.

Organization

Loomis is headquartered in Boston and has over 800 employees; approximately half are investment personnel. Loomis is a wholly-owned subsidiary of Natixis S.A. (Natixis), a publicly traded France-based firm offering corporate and investment banking, asset and wealth management, financial investments, payments, and insurance services. Natixis, in turn, is a wholly-owned subsidiary of Groupe BPCE, France's second-largest banking group. As of June 30, 2026, Loomis managed over $434 billion in total assets with about $30 billion in core fixed income strategies.

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 Loomis' headquarters in March 2026. During the onsite meeting, staff heard several presentations and engaged in discussions with key personnel across the organization. Staff concluded that Loomis' investment philosophy, strategy, and process have not changed materially over the contract period. This finding supports staff's assessment that Loomis remains capable of consistency in managing LACERS assets and that the firm can meet its stated investment objectives.

In September 2026, Loomis announced that John Hyll will step down from portfolio management in February 2027 and remain in an advisory role through June 2027 upon his retirement. The Investment Grade Corporate & Credit Team and the Long Duration Fixed Income Team will be combined into a single, integrated investment team within the Relative Return platform called the Investment Grade Credit Team. Neil Burke, Devon McKenna (20 years industry experience, 20 with Loomis), and Rick Raczkowski (37 years industry experience, 25 with Loomis) will constitute the portfolio management team across the combined team's portfolios. The transition is positioned as a succession and platform-strengthening event, not a change in process or philosophy. The benchmark, objectives, guidelines, and investment approach are expected to remain intact. LACERS and NEPC will closely monitor and evaluate strategy and portfolio results over time to determine the impact of this transition.

Performance

As presented in the following table, as of August 31, 2026, Loomis has underperformed its benchmark over the 3-month, 1-year, and 3-year time periods. Over longer periods of time, Loomis is outperforming its benchmark, with positive net excess returns over the 5-year, 10-year, 20-year, and since inception time periods.

Annualized Performance as of 8/31/2026 (Net-of-Fees)

Time Period	3-Month	1-Year	3-Year	5-Year	10-Year	20-Year	Since Inception[1,2]
Loomis	-0.90	1.59	3.87	-0.26	1.93	3.91	7.89
Bloomberg U.S. Aggregate Bond Index[3]	-0.68	1.89	4.08	-0.29	1.40	3.19	6.57
% of Excess Return	*-0.22*	*-0.30*	*-0.21*	*0.03*	*0.53*	*0.72*	*1.32*

[1] Inception date: 7/1/1980

[2] Indicates gross returns

[3] The benchmark has changed several times since inception due to mandate changes: 7/1/1980 – 8/31/1993: Lehman Brothers Government Credit Bond Index; 8/31/1993 – 6/30/2000: Lehman Brothers Long Term Government Credit Bond Index; 6/30/2000 – 6/30/2013: Barclays U.S. Universal Bond Index; 6/30/2013 – Present: Bloomberg U.S. Aggregate Bond Index.

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

Calendar Year Performance as of 8/31/2026 (Net-of-Fees)

Time Period	1/1/26-8/31/26	2025	2024	2023	2022	2021	2020	2019	2018
Loomis	-0.49	7.03	1.26	5.75	-12.97	-0.83	10.36	9.56	-0.04
Bloomberg U.S. Aggregate Bond Index[3]	-0.31	7.30	1.25	5.53	-13.01	-1.54	7.51	8.72	0.01
% of Excess Return	*-0.18*	*-0.27*	*0.01*	*0.22*	*0.04*	*0.71*	*2.85*	*0.84*	*-0.05*

[3] The benchmark has changed several times since inception due to mandate changes: 7/1/1980 – 8/31/1993: Lehman Brothers Government Credit Bond Index; 8/31/1993 – 6/30/2000: Lehman Brothers Long Term Government Credit Bond Index; 6/30/2000 – 6/30/2013: Barclays U.S. Universal Bond Index; 6/30/2013 – Present: Bloomberg U.S. Aggregate Bond Index.

Loomis is in compliance with the LACERS Manager Monitoring Policy.

Fees

LACERS pays Loomis an effective fee of 13 basis points (0.13%), which is approximately $897,000 annually based on the value of LACERS' assets as of August

31, 2026. This fee ranks in the 16th percentile of fees charged by similar managers in the eVestment database (i.e., 84% of like-managers have higher fees).

General Fund Consultant Opinion

NEPC concurs with this recommendation.

Prepared By:
Jeremiah Paras, Investment Officer II, Investment Division

TB:WL:EC:RM:JP

ATTACHMENT(S): 1. Consultant Recommendation – NEPC, LLC

INVESTMENT COMMITTEE MEETING: OCTOBER 13, 2026
ITEM: V
ATTACHMENT: 1

To: Los Angeles City Employees' Retirement System Investment Committee

From: NEPC, LLC

Date: October 13, 2026

Subject: Loomis, Sayles & Company, L.P. – Contract Renewal

Recommendation

NEPC recommends Los Angeles City Employees' Retirement System (LACERS) renew the contract for core fixed income services that is currently in place with Loomis, Sayles & Company, L.P. ('Loomis' or 'Loomis Sayles') for a period of three years from the date of contract expiry.

Background

Loomis was hired into the fixed income asset class on July 1, 1980 to provide the Plan with U.S. investment grade public markets fixed income exposure. Since 1980 the mandate has changed multiple times, including a combination of government and corporate bonds and stand-alone government and corporate mandates. The portfolio is currently managed as a Core Fixed Income strategy for LACERS.

As of August 31, 2026, Loomis managed $695.5 million, or 2.4% of Plan assets. The portfolio is benchmarked against the Bloomberg U.S. Aggregate Index and has a performance objective of outperforming the benchmark, net of fees, annualized over a full market cycle (normally three to five years). The Loomis portfolio is currently compliant with LACERS' manager monitoring policy.

Loomis traces its origins back to January 1926, when Robert H. Loomis and Ralph T. Sayles formed a partnership and established Loomis Sayles as an investment management company in Boston, Massachusetts. Since 2008, the firm is wholly owned by Natixis Investment Managers, a subsidiary of a firm formed by two shareholders Caisse Nationale des Caisses d'Epargne ("CNCE") and Banque Federale des Banques Populaires ("BFBP") who together form an entity named Groupe BPCE; a large banking group based in France. Groupe BPCE is the single voice of governance and strategic direction for Natixis. In 2021, Groupe BPCE completed a tender offer to purchase all outstanding public shares of Natixis. Loomis manages $435 billion and employs 834 people as of June 30, 2026.

Loomis Sayles is one of over 15 investment affiliates wholly owned by Natixis. Loomis counts on Natixis for a distribution network outside the US. Loomis' client base is 29% retail and 71% institutional as of December 31, 2025. Relative to other Natixis affiliates, Loomis is strong in fixed income, but faces tougher competition for shelf space in the Natixis line-up on the equities side. From an incentive alignment standpoint, Loomis'

ownership structure is stable and functioning. Natixis allows Loomis significant autonomy, permitting them control of investment decisions and day-to-day operations. Pre-bonus income, with certain adjustments, is split evenly with Natixis.

The core fixed income strategy is run with a benchmark aware focus and broad diversification is key to the Loomis investment philosophy that prioritizes a belief in fundamental security analysis in identifying value. Investment flexibility is restrained to the investment grade portion of the US fixed income markets. Sector selection is developed in concert with individual security selection and fundamental industry analysis. The investment team seeks to take advantage of those sectors that appear to be broadly undervalued given the potential for recovery. Sector teams are responsible for forecasting overall return prospects and outlooks for their particular market sector and recommending specific credits in their segments of the market. Portfolio managers use these forecasts to generate a portfolio structure that overweights expected higher performing sectors and underweights expected underperforming sectors.

Recent Investment Team Update

The LACERS core bond portfolio is managed within the Government/Credit team, a segment of the Relative Return platform of strategies and is overseen by two portfolio managers; John Hyll and Neil Burke. Both are responsible for government and credit, long duration credit, long duration corporate bonds and customized liability driven investment solutions. The portfolio management team and investment process is supported by sector specialist researchers across all major sectors of the fixed income universe defined by Loomis as: US Yield Curve, Investment Grade/ Global Credit, Mortgage & Securitized Finance, US Government, High Yield/ Bank Loans, Emerging Markets, Convertibles, Global Asset Allocation and Developed Non-US Markets. The core fixed income team, while having the ability to utilize resources from the sector research specialists as a whole, is most engaged with the Credit Research team. This team has over 50 employees made up of one Director, Senior Analysts, Analysts, Research Associates and Research Assistants.

In September 2026, Loomis announced that portfolio manager John Hyll will retire at the end of June 2027 after forty years with the firm. He will step down as a portfolio manager on the LACERS account effective February 5, 2027, remain in an advisory role through June 2027, and then fully retire. After John steps down, the LACERS account will be managed by three named portfolio managers: Neil Burke, Devon McKenna, and Rick Raczkowski. Neil provides continuity, having worked with John on the LACERS portfolio for roughly 25 years and served as a named portfolio manager throughout the account's evolution. Rick leads the Relative Return platform, serves on Loomis's board, and brings deep credit expertise. Devon joined Loomis in 2007, is currently a portfolio manager on the Investment Grade Corporate & Credit strategy, and adds further credit experience to oversee the LACERS core fixed income portfolio.

The LACERS account will shift toward a small-committee management structure rather than a lead-PM model. All three portfolio managers will participate in portfolio construction and capital allocation decisions. Disagreements trigger additional research and trader input before implementation, which Loomis views as a more rigorous, consensus-based process.

Overall, the transition is positioned as a succession and platform-strengthening event, not a change in process or philosophy. The benchmark, objectives, guidelines, and investment approach are expected to remain intact for the LACERS account. NEPC's initial opinion is that no major concerns exist and that LACERS should not take any action as a result of this announcement. With that said, NEPC will closely monitor the strategy and portfolio results over time to ensure a smooth transition is executed.

Performance

Referring to Exhibit 1, as of August 31, 2026, since the portfolio's inception date of July 1, 1980, the portfolio has outperformed its benchmark by 1.3%. Over the past 10 years, the portfolio has outperformed the benchmark by 0.5%. Over the past five-years the portfolio matched the benchmark return. Over the last one-year period, the portfolio returned 1.6%, underperforming its benchmark by 0.3%.

Referring to Exhibit 2, as of June 30, 2026, since the portfolio's inception date of July 1, 1980, the portfolio has outperformed its benchmark by 1.2%. Over the past 10 years, the portfolio has outperformed the benchmark by 0.7% and ranked in the 13th percentile among its peers. Over the past five-years the portfolio outperformed its benchmark by 0.1% and ranked in the 62nd percentile in its peer group. Over the last one-year period, the portfolio returned 3.6%, underperformed its benchmark by 0.2% and ranked in the 79th percentile.

Recent underperformance is primarily attributed to sector allocation decisions, while security selection has detracted to a lesser extent. An overweight to US Treasurys detracted for the one- and three-year periods as credit spreads compressed. The team maintains this strategic allocation as a source of liquidity and flexibility to take advantage of future opportunities. An underweight allocation to securitized agency securities, specifically Agency MBS, also detracted from relative performance for both periods. Spreads have held in a relatively tight range with narrow valuations in the later stages of the credit cycle. As a result, the team has been keeping a more defensive risk posture with beta positioned at the low end of its risk range.

Fees

The portfolio has an asset-based fee of 0.13% annually. This fee ranks in the 16th percentile among its peers in the eVestment US Core Fixed Income universe. In other words, 84% of the products included in the peer universe have a higher fee than the LACERS account.

Conclusion

Despite modest near-term underperformance, Loomis has consistently added value for LACERS and outperformed its benchmark index over longer-term periods. The strategy has also played a key role in the long-term stability of the fixed income portfolio for LACERS for over 45 years. NEPC's initial view of John Hyll's impending retirement in 2027 does not elicit major concerns at this time. The thoughtful succession planning and strength of the investment process and philosophy, paired with significant resources, suggests that Loomis will be able to continue executing on their stated investment objectives going forward. NEPC will continue to monitor the strategy and performance impact of the team change over time, and recommends a contract renewal 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 August 31, 2026

This table compares Loomis Sayles with the Loomis Custom Benchmark across 1 month, FYTD, YTD, 1 year, 3 years, 5 years, 10 years, and since inception as of August 31, 2026. The inception period begins on July 1, 1980. The table also includes an over/under row showing the difference between the strategy and benchmark. Loomis Sayles outperforms the benchmark for the 10-yr and since inception periods.

Strategy vs. Benchmark	1 Mo %	FYTD %	YTD %	1 YR %	3 YR %	5 YR %	10 YR %	Inception
Loomis Sayles Core Fixed Income	0.3	-1.2	-0.5	1.6	3.9	-0.3	1.9	7.8
Loomis Custom Benchmark	0.4	-0.9	-0.3	1.9	4.1	-0.3	1.4	6.5
Over/Under	-0.1	-0.2	-0.2	-0.3	-0.2	0.0	0.5	1.3

Exhibit 2: Universe Performance Comparison Net of Fees Ending June 30, 2026

Loomis Sayles Core Fixed Income vs. eV US Core Fixed Income

This table provides the detailed returns, percentile rankings, peer universe breakpoints, and population counts across 3 months, YTD, 1 year, 3 years, 5 years, 10 years, and since inception as of June 30, 2026. The inception period begins on July 1, 1980. The table shows how Loomis Sayles and the benchmark rank within the broader peer universe over time, with population sizes ranging from 182 to 212. Percentile rankings are indicated in parentheses with 1 indicating the highest ranking and 100 the lowest ranking.

Strategy vs. Benchmark and Universe	3 Mo %	YTD %	1 YR %	3 YR %	5 YR %	10 YR %	Inception
Loomis Sayles Core Fixed Income	0.8 (34)	0.7 (59)	3.6 (79)	4.0 (86)	0.2 (62)	2.2 (13)	7.8
Loomis Custom Benchmark	0.7 (70)	0.6 (67)	3.8 (64)	4.2 (78)	0.1 (78)	1.5 (84)	6.6
5th Percentile	1.2	1.2	4.8	5.3	1.2	2.4	N/A
1st Quartile	0.9	0.9	4.1	4.7	0.4	2.0	N/A
Median	0.7	0.7	3.9	4.4	0.2	1.9	N/A
3rd Quartile	0.7	0.6	3.7	4.2	0.1	1.7	N/A
95th Percentile	0.4	0.3	3.1	3.6	-0.3	1.3	N/A
Population	212	212	212	208	203	182	N/A

BOARD MEETING DATE: NOVEMBER 10, 2026
ITEM: VII-C
ATTACHMENT: 2

CONTRACT RENEWAL
LOOMIS, SAYLES & COMPANY, L.P.
ACTIVE CORE FIXED INCOME PORTFOLIO MANAGEMENT

PROPOSED RESOLUTION

WHEREAS, LACERS' current three-year contract term with Loomis, Sayles & Company, L.P. (Loomis) for management of an active core fixed income portfolio expires on May 31, 2027; and,

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

WHEREAS, a contract renewal with Loomis will allow the LACERS total portfolio to maintain a diversified exposure to core fixed income; and,

WHEREAS, on November 10, 2026, the Board approved the Investment Committee's recommendation to approve a three-year contract renewal with Loomis.

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:	Loomis, Sayles & Company, L.P.
Service Provided:	Active Core Fixed Income Portfolio Management
Effective Dates:	June 1, 2027 through May 31, 2030
Duration:	Three years
Benchmark:	Bloomberg U.S. Aggregate Bond Index
Allocation as of August 31, 2026:	$695 million

November 10, 2026

Los Angeles City Employees' Retirement System

Private Equity Portfolio Performance Report

As of June 30, 2026

Aksia

www.aksia.com

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Appendix: Q2 2026 Portfolio Performance Detail	Page 16

Private Equity Portfolio Overview (1 of 4)

Aksia

Aggregate Portfolio Summary As of June 30, 2026

- As of June 30, 2026 the private equity portfolio's fair market value of $5.6 billion represented 20.0% of total plan assets, slightly above the interim 19.0% policy target for 2026.

Aggregate Portfolio Private Equity Exposure Summary	
Total Plan Assets	$28.1bn
Private Equity Fair Market Value ("FMV")	$5.6bn
Private Equity Exposure (%)	20.0%
Interim Private Equity Exposure Target* (%)	19.0%
Long-Term Private Equity Exposure Target (%)	16.0%
Long-Term Private Equity Exposure Target ($)	$4.5bn

- Public equity markets and total plan assets continued to rise in 2026, with plan assets increasing ~11.4% year-over-year. However, private markets continued to experience slower exits and capital distributions.
- Commitment plan of up to $650 million to $750 million proposed for 2027, with a target of $700 million.

*The interim private equity exposure target reflects the interim asset allocation policy targets adopted June 2025: 19.0% effective 7/1/25; 19.0% effective 7/1/26; 18.0% effective 7/1/27; 17.0% effective 7/1/28; and 16.0% thereafter

Private Equity Portfolio Overview (2 of 4)

Aggregate Portfolio Snapshot Year-Over-Year (6/30/2025 through 6/30/2026)

- Since the inception of the LACERS private equity program in 1995, LACERS has committed $9.9 billion to 421 partnerships, of which 316 remain active as of 6/30/2026.
- For the last 12 months, contributions ($689 million) outpaced distributions ($665 million).
- Over this same period, the fair market value of the private equity portfolio increased by $684 million.
- Since inception, the aggregate portfolio has generated a total value of 1.66x and a Net IRR of 12.0%.

Aggregate Portfolio Snapshot ($ millions)			
Portfolio Since Inception	6/30/2025	6/30/2026	Change (+/-)
Partnerships	400	421	+21
Active	300	316	+16
Inactive	100	105	+5
Sponsors	161	168	+7
Investment To Date Contributions	$7,245	$7,934	+$689
Investment To Date Distributions	$6,842	$7,506	+$665
Fair Market Value	$5,019	$5,703	+$684
TVPI[1]	1.64x	1.66x	+0.03x
Net IRR	11.9%	12.0%	+0.1%

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

Private Equity Portfolio Overview (3 of 4)

The Aggregate Portfolio Can Be Grouped Into Vintage Year Buckets

"Mature" bucket
($63.0 million of fair market value with vintage years 1995-2010)

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

"Maturing" bucket
($2,779.9 million of fair market value with vintage years 2011-2020)

- Net TVPI increased 0.03x while the Net IRR decreased by 0.6%
- Potential for growth or decline to occur in these investments
- Bulk of any near-term distributions are likely to come from the "Maturing" bucket

"Developing" bucket
($2,860.3 million of fair market value with vintage years 2021-2026)

- Net TVPI increased 0.15x while the Net IRR increased by 3.7%
- Significant potential for growth or decline to occur in these investments
- Bulk of the near-term contributions are likely to come from the "Developing" bucket

Vintage Years	LTM[1] Contributions	ITD[2] Contributions	LTM[1] Distributions	ITD[2] Distributions	Fair Market Value	6/30/2026 Net TVPI	Year Over Year Change Net TVPI	06/30/2026 Net IRR	Year Over Year Change Net IRR
Mature (1995-2010)	$0.0	$2,068.9	$25.4	$3,375.2	$63.0	1.66x	0.00x	10.53%	-0.08%
Maturing (2011-2020)	$68.6	$3,566.5	$480.8	$3,848.6	$2,779.9	1.86x	0.03x	14.50%	-0.59%
Developing (2021-2026)	$620.6	$2,298.9	$158.3	$282.2	$2,860.3	1.37x	0.15x	15.57%	3.70%
Total Portfolio	**$689.2**	**$7,934.3**	**$664.6**	**$7,506.1**	**$5,703.2**	**1.66x**	**0.03x**	**11.96%**	**0.05%**

In $ millions

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

Private Equity Portfolio Overview (4 of 4)

10 Largest Sponsor Relationships (by total exposure)

- The top ten sponsors by exposure account for 33.9% of aggregate portfolio exposure and 26.2% of active portfolio commitments

Firm	Number of Active Funds	Active Commitments	% of Total Active Commitments	Exposure (FMV + Unfunded)	% of Total Exposure	TVPI[1]	Net IRR[1]
Spark Management Partners	13	$243,750,000	2.9%	$444,528,918	5.3%	2.76x	27.7%
Thoma Bravo LP	12	$400,000,000	4.7%	$440,076,454	5.3%	1.59x	15.0%
General Catalyst Group Management	12	$233,333,333	2.8%	$340,545,288	4.1%	1.64x	16.8%
New Enterprise Associates	8	$245,000,000	2.9%	$277,273,223	3.3%	1.83x	14.5%
Platinum Equity Advisors LLC	6	$222,500,000	2.6%	$233,632,414	2.8%	1.57x	17.9%
DFJ Growth	2	$40,000,000	0.5%	$224,970,150	2.7%	8.88x	35.1%
Oak HC/FT	6	$185,000,000	2.2%	$222,795,487	2.7%	1.56x	14.1%
HarbourVest Partners	2	$200,000,000	2.4%	$220,145,059	2.6%	1.13x	8.6%
HgCapital	6	$198,065,281	2.4%	$211,943,178	2.5%	1.25x	8.8%
Advent International Corporation	7	$235,000,000	2.8%	$211,475,837	2.5%	1.72x	14.4%

All percentages rounded.

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

Summary of Q1 2026 & Q2 2026 Activity (1 of 2)

New Investments made in Q1 2026 & Q2 2026

Closing Date	Sponsor[1]	Partnership	Fund Size[2] ($ millions)	New or Existing	Investment Strategy	Commitment Amount[3] ($ millions)
1/23/2026	**Thrive Capital**	Thrive Capital Partners X	$1,000	New	Early Stage VC	$2.9
1/23/2026	**Thrive Capital**	Thrive Capital Partners X Growth	$9,000	New	Late Stage VC	$17.1
2/3/2026	**Battery Management Corp**	Battery Ventures XV	$3,250	New	Multi-Stage VC	$25.0
2/17/2026	**Mischief Capital Management LLC**	Mischief 3	$81	New	Early Stage VC	$8.1
2/25/2026	**Francisco Partners Management LP**	Francisco Partners Agility IV	$4,600	Existing	North American Buyouts	$20.0
2/25/2026	**Francisco Partners Management LP**	Francisco Partners VIII	$16,400	Existing	North American Buyouts	$50.0
3/13/2026	**New Enterprise Associates**	New Enterprise Associates 19	$664	Existing	Early Stage VC	$40
3/16/2026	**New Enterprise Associates**	NEA 19 Venture Growth Equity	$316	Existing	North American Growth Equity	$35.0
4/3/2026	**Spark Management Partners**	Spark Capital Growth Fund VI	$2,334	Existing	Late Stage VC	$35.0
4/3/2026	**Spark Management Partners**	Spark Capital IX	$1,000	Existing	Early Stage VC	$15.0
4/15/2026	**General Catalyst Group Management**	GC Creation Fund III	$1,585	Existing	Early Stage VC	$15.0
4/15/2026	**General Catalyst Group Management**	General Catalyst Group XIII	$941	Existing	Multi-Stage VC	$45.0
4/24/2026	**1315 Capital LLC**	1315 Capital Fund IV Family Access Fund	$750	Existing	North American Growth Equity	$50.0
Total	**13**	**13**				**$358.1**

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

Summary of Q1 2026 & Q2 2026 Activity (2 of 2)

Commitment Statistics

Commitments were made to 13 different funds totaling **$358.1 million**

4 commitments were made to **new sponsor relationships**

$53.1mm

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

$305.0mm

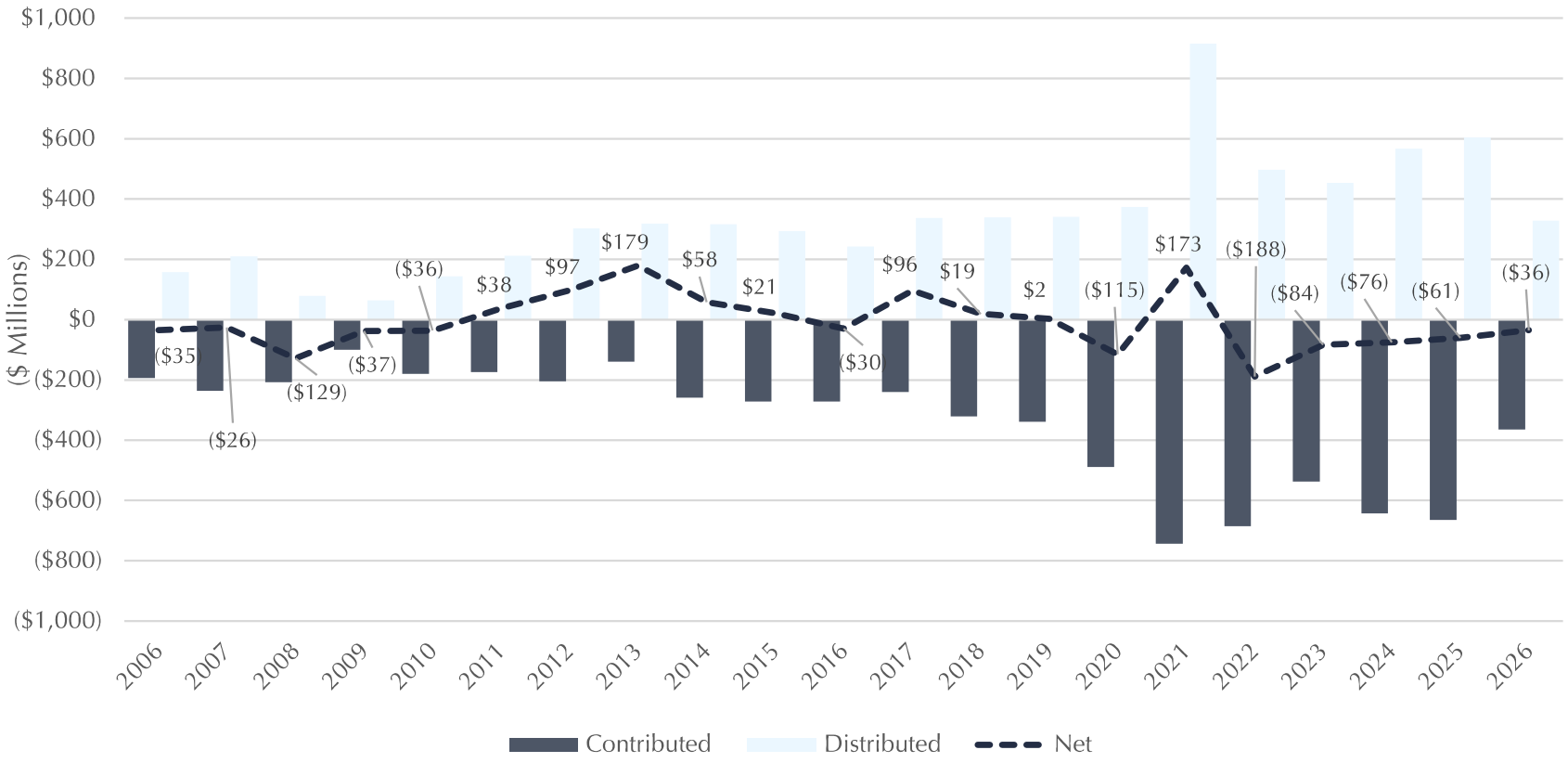
The **average commitment** amount was **$44.8 million per sponsor**

1 commitment made to an **emerging manager**

$8.1mm

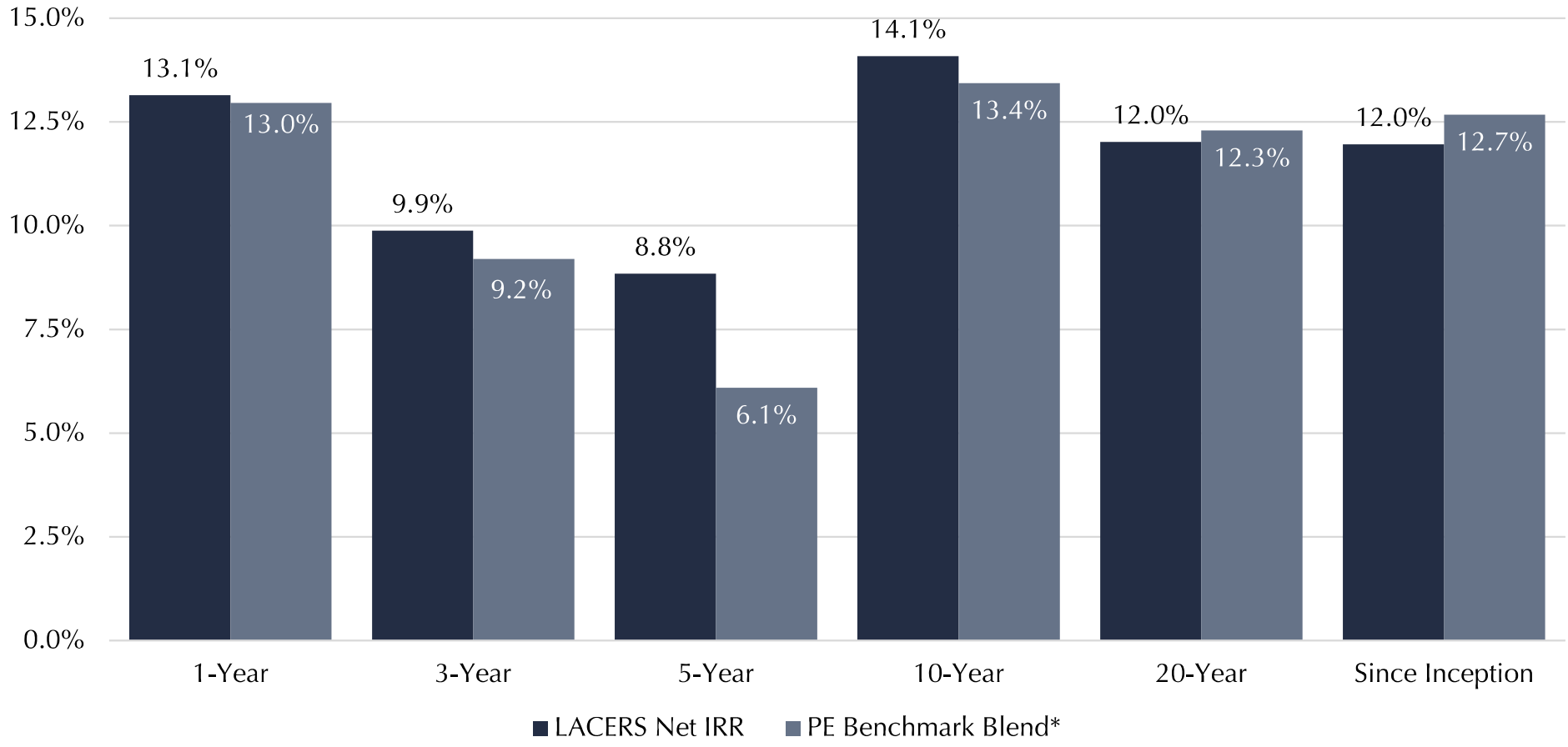
Private Equity Program Cash Flow Profile Over Time

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



Private Equity Performance Drilldown (1 of 5)

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



* The benchmark includes the Russell 3000 Index + 400bps (inception – January 31, 2012), the Russell 3000 Index + 300bps (February 1, 2012 – December 31, 2021), and the Cambridge Associates Global PE and VC Index, beginning January 1, 2022. Portfolio data are as of June 30, 2026. CA data are preliminary as of June 30, 2026.

Private Equity Performance Drilldown (2 of 5)

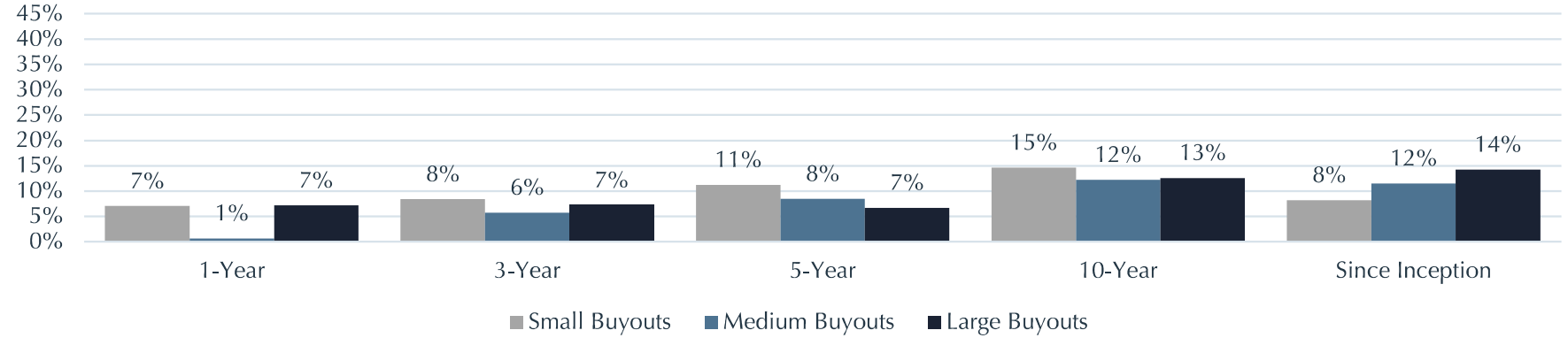
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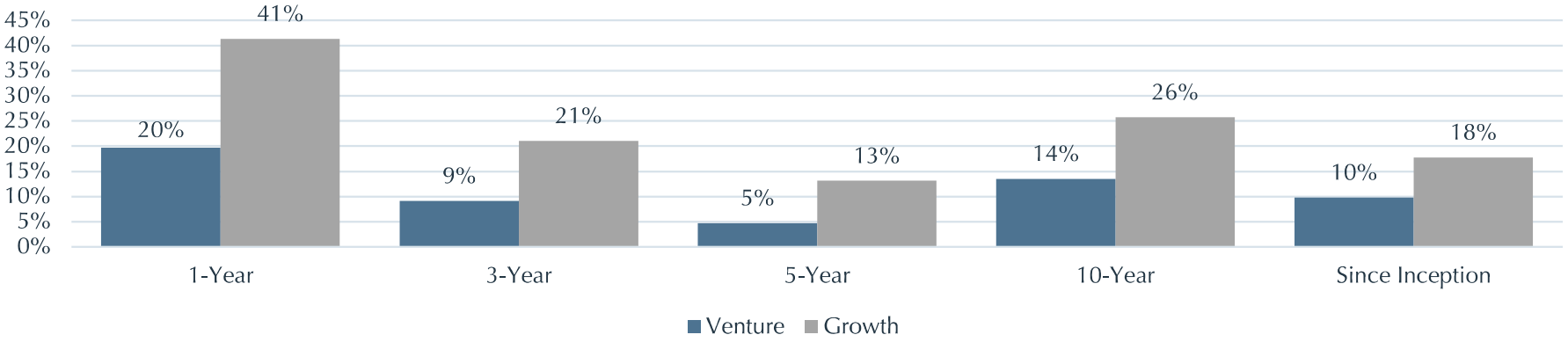
Performance by Strategy and Sub-Strategy (Inception-to-Date)

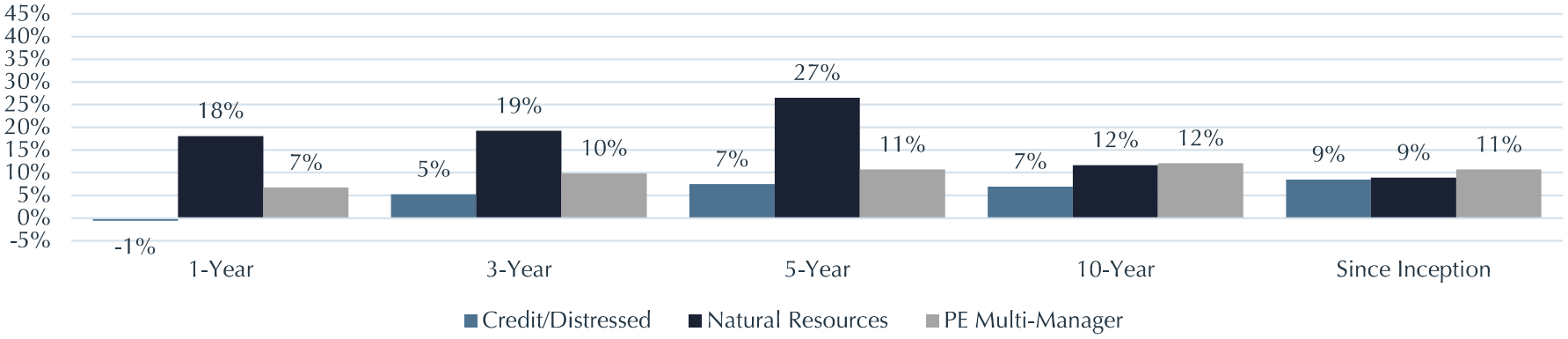
Sub-Strategy	Commitment	Contributions	Percent Called	Distributions	Percent Distributed	Fair Market Value	TVPI	Net IRR
Large	2,542,509,687	1,987,544,261	78.2%	2,049,536,172	80.6%	1,265,856,675	1.67x	14.2%
Medium	2,725,504,359	2,179,371,487	80.0%	2,304,386,989	84.5%	1,258,143,396	1.63x	11.5%
Small	415,600,561	324,413,807	78.1%	288,577,344	69.4%	189,170,919	1.47x	8.2%
Buyouts Total	**5,683,614,608**	**4,491,329,554**	**79.0%**	**4,642,500,504**	**81.7%**	**2,713,170,990**	**1.64x**	**12.2%**
Credit	80,000,000	87,783,829	109.7%	73,646,291	92.1%	22,384,314	1.09x	2.3%
Distressed	639,531,008	639,662,783	100.0%	620,056,660	97.0%	230,526,906	1.33x	9.4%
Mezzanine	65,000,000	54,759,566	84.2%	42,245,715	65.0%	33,024,428	1.37x	6.8%
Credit / Distressed Total	**784,531,008**	**782,206,178**	**99.7%**	**735,948,666**	**93.8%**	**285,935,648**	**1.31x**	**8.5%**
Growth Equity	1,287,240,354	938,370,219	72.9%	805,829,254	62.6%	1,277,839,371	2.22x	17.8%
Growth Equity Total	**1,287,240,354**	**938,370,219**	**72.9%**	**805,829,254**	**62.6%**	**1,277,839,371**	**2.22x**	**17.8%**
Energy	430,000,000	389,436,155	90.6%	453,151,900	105.4%	134,663,146	1.51x	8.9%
Natural Resources Total	**430,000,000**	**389,436,155**	**90.6%**	**453,151,900**	**105.4%**	**134,663,146**	**1.51x**	**8.9%**
Co-Investment	200,000,000	172,625,000	86.3%	2,785,898	1.4%	192,770,059	1.13x	8.6%
Fund of Funds	70,000,000	51,352,327	73.4%	39,601,638	56.6%	40,470,240	1.56x	8.9%
Secondaries	175,000,000	134,415,448	76.8%	87,276,542	49.9%	113,338,067	1.49x	13.6%
PE Multi-Manager Total	**445,000,000**	**358,392,775**	**80.5%**	**129,664,078**	**29.1%**	**346,578,366**	**1.33x**	**10.7%**
Early Stage	448,210,264	305,718,876	68.2%	224,724,119	50.1%	393,952,100	2.02x	42.4%
Expansion Stage	20,000,000	17,220,000	86.1%	0	0.0%	22,940,769	1.33x	8.4%
Late Stage	202,142,857	159,328,802	78.8%	165,675,778	82.0%	107,817,112	1.72x	7.7%
Multi-Stage	605,217,369	492,284,044	81.3%	348,614,045	57.6%	420,266,248	1.56x	7.3%
Venture Capital Total	**1,275,570,490**	**974,551,722**	**76.4%**	**739,013,942**	**57.9%**	**944,976,230**	**1.73x**	**9.8%**
Total	**9,905,956,460**	**7,934,286,604**	**80.1%**	**7,506,108,344**	**75.8%**	**5,703,163,751**	**1.66x**	**12.0%**

Private Equity Performance Drilldown (3 of 5)

Horizon Net Returns by Sub-Strategy



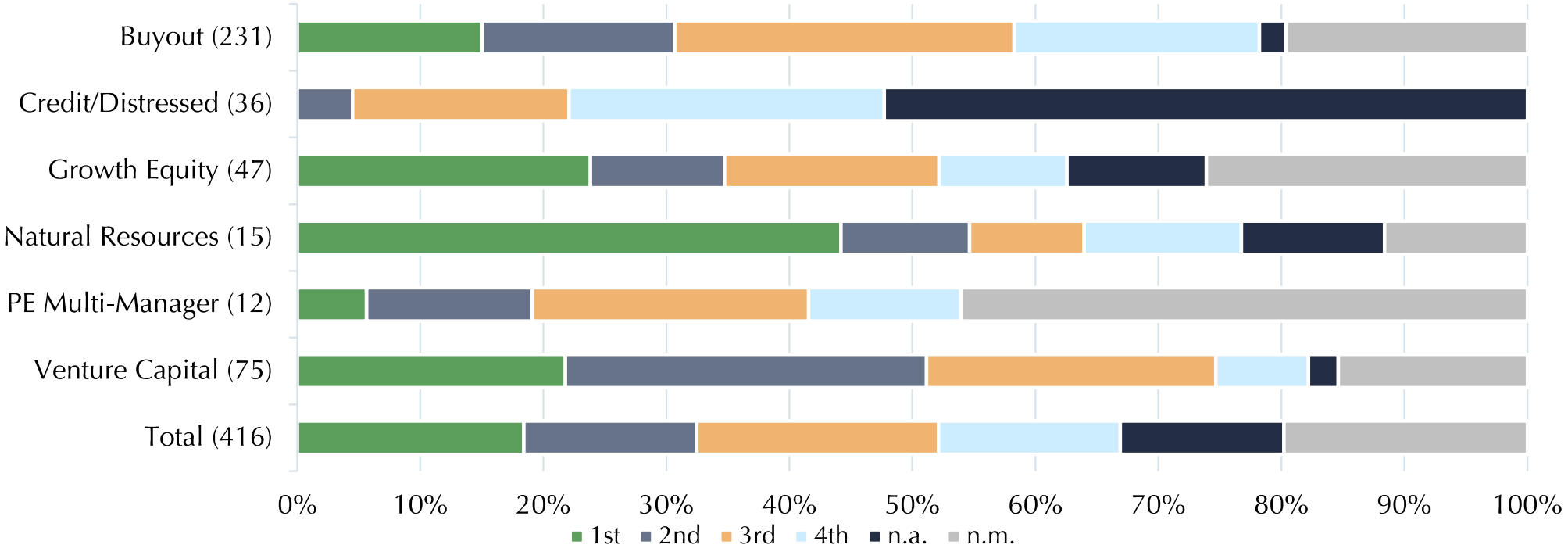




*The PE Multi-Manager category includes LACERS' investments in Co-Investment Funds, Secondary Funds and Fund of Funds.

Private Equity Performance Drilldown (4 of 5)

Portfolio Strategy vs. Cambridge Associates[1]
% of Contributed Capital As of June 30, 2026

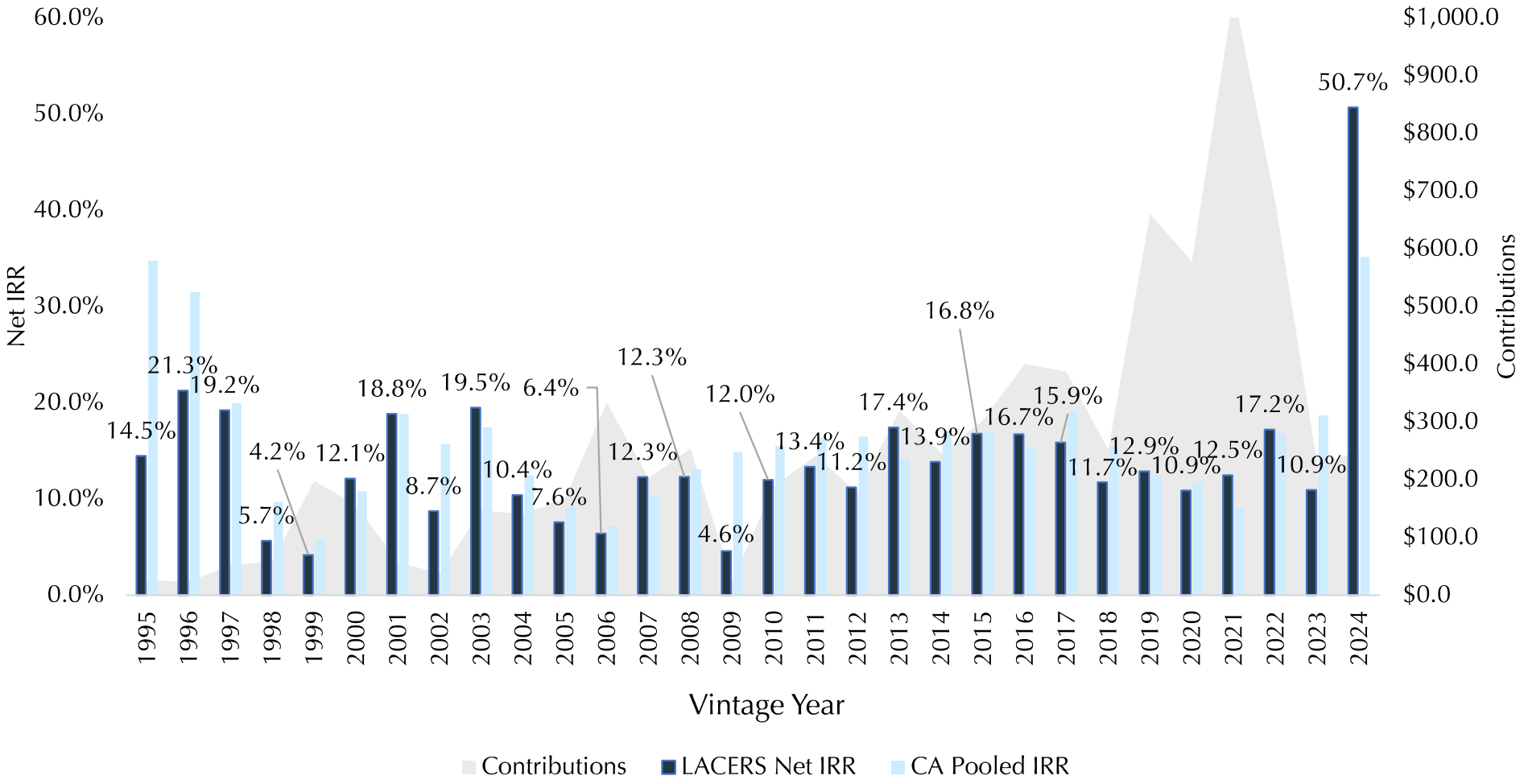


[1]All quartiles are based on Cambridge Associates data as of March 31, 2026. Funds for which corresponding benchmark data is not available from Cambridge Associates Benchmark are categorized as not applicable ("NA"). Funds for which the first capital call date is less than two years from the reporting date are categorized as not meaningful ("NM"). Funds with total commitments equal to zero are excluded from the calculation. Cambridge Associates data is continually updated and subject to change.

Private Equity Performance Drilldown (5 of 5)

Portfolio Vintage Years vs. Cambridge Associates[1]

June 30, 2026



[1]Cambridge Associates pooled Net IRRs are preliminary as of June 30, 2026. Pooled IRRs are comprised of similar regions and strategies as those in the LACERS portfolio. IRRs of funds younger than two years are not considered meaningful and have been excluded.

Summary

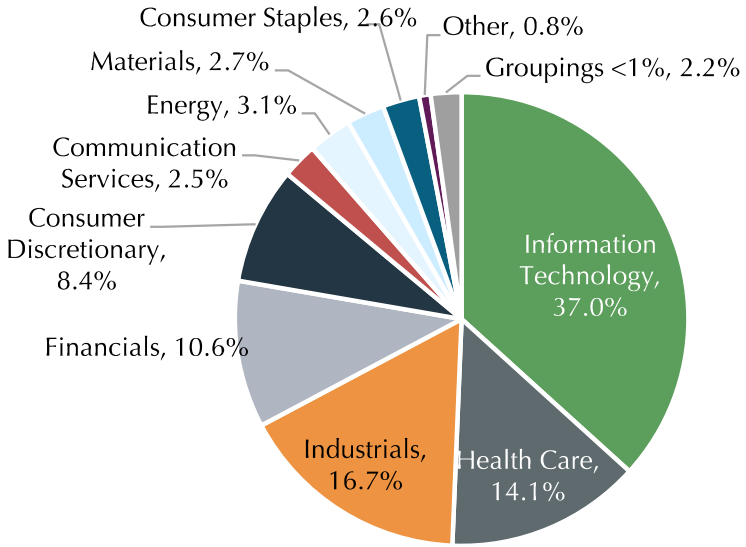
Overall Exposure

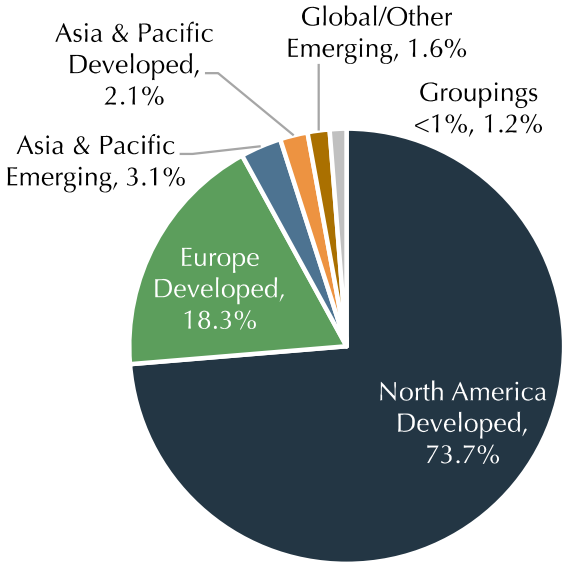
- Private equity exposure was 20.0% as of June 30, 2026, versus the 19.0% interim 2026 exposure target and 16.0% long-term exposure target

Performance Since Inception

- The Aggregate Portfolio has generated a Net IRR of 12.0% and a TVPI of 1.66x
- The Core Portfolio has generated a Net IRR of 12.4% and a TVPI of 1.68x
- The Specialized Portfolio has generated a Net IRR of 1.6% and a TVPI of 1.11x

Diversification





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

Appendix

Fund-By-Fund Returns – Q2 2026

Core Portfolio Summary as of 06/30/2026 – Active (1 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
1315 Capital Fund	Venture Capital	Venture - Late Stage	2015	10,000,000	9,622,838	12,930,272	10,899,401	16.2%	2.48
1315 Capital Fund II	Venture Capital	Venture - Late Stage	2018	10,000,000	11,737,261	6,275,982	10,911,823	12.2%	1.46
1315 Capital Fund III	Growth Equity	Growth Equity	2022	30,000,000	23,311,267	-	24,739,290	4.9%	1.06
1315 Capital Fund IV Family Access Fund	Growth Equity	Growth Equity	2026	50,000,000	-	-	-	n.m.	-
3 Boomerang Capital I	Buyout	Buyout - Small	2024	20,000,000	8,184,766	-	10,142,598	17.5%	1.24
ABRY Advanced Securities Fund III	Credit/Distressed	Credit	2014	20,000,000	26,304,203	25,848,256	20,443	-0.4%	0.98
ABRY Advanced Securities Fund IV	Credit/Distressed	Credit	2018	40,000,000	41,472,893	29,583,164	19,063,613	5.0%	1.17
ABRY Heritage Partners	Buyout	Buyout - Small	2016	10,000,000	10,742,831	16,305,085	5,017,116	24.4%	1.98
ABRY Partners IX	Buyout	Buyout - Medium	2019	40,000,000	51,014,053	40,468,071	34,750,475	11.0%	1.47
ABRY Partners VIII	Buyout	Buyout - Medium	2014	25,000,000	29,257,904	39,793,978	2,231,773	9.8%	1.44
ABRY Senior Equity V	Credit/Distressed	Mezzanine	2016	10,000,000	10,872,973	10,999,812	6,524,799	11.7%	1.61
ACON Equity Partners 3.5	Buyout	Buyout - Medium	2012	20,000,000	18,034,492	19,946,885	440,837	2.7%	1.13
Advent Global Technology	Buyout	Buyout - Medium	2019	15,000,000	15,000,000	4,894,983	14,683,177	5.5%	1.31
Advent Global Technology II	Buyout	Buyout - Medium	2021	30,000,000	22,147,301	214,159	28,934,189	10.1%	1.32
Advent International GPE IX	Buyout	Buyout - Large	2019	45,000,000	43,523,553	19,565,997	47,675,477	10.6%	1.54
Advent International GPE VI A	Buyout	Buyout - Medium	2008	20,000,000	20,000,000	40,162,749	1,017,114	16.2%	2.06
Advent International GPE VII B	Buyout	Buyout - Large	2012	30,000,000	28,800,000	49,999,311	1,631,705	13.0%	1.79
Advent International GPE VIII B-2	Buyout	Buyout - Large	2016	35,000,000	35,000,000	57,269,725	14,946,694	14.9%	2.06
Advent International GPE X	Buyout	Buyout - Large	2022	60,000,000	41,892,259	637,139	73,950,594	29.0%	1.78
AION Capital Partners	Credit/Distressed	Credit	2012	20,000,000	20,006,734	18,214,871	3,300,258	1.7%	1.08
Altaris Health Partners VI	Buyout	Buyout - Medium	2023	40,000,000	1,690,296	-	1,448,405	n.m.	0.86
American Securities Partners VII	Buyout	Buyout - Medium	2016	25,000,000	24,683,295	26,227,064	10,859,491	8.0%	1.50
American Securities Partners VIII	Buyout	Buyout - Large	2019	40,000,000	43,450,851	31,603,955	51,061,114	17.6%	1.90
Angeles Equity Partners I	Buyout	Buyout - Small	2015	10,000,000	11,311,804	10,308,301	7,456,750	14.3%	1.57
Apollo Investment Fund IV	Buyout	Buyout - Large	1998	5,000,000	4,989,241	8,320,973	598	8.5%	1.67

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Core Portfolio Summary as of 06/30/2026 – Active (2 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Apollo Investment Fund VI	Buyout	Buyout - Large	2006	15,000,000	14,372,999	23,957,457	254,602	8.6%	1.68
Apollo Investment Fund VIII	Buyout	Buyout - Large	2013	40,000,000	37,073,627	49,959,868	5,660,646	8.7%	1.50
Arsenal Capital Partners VI	Buyout	Buyout - Medium	2021	50,000,000	41,140,319	14,448,306	21,252,404	-7.6%	0.87
AS Birch Grove Opportunities Fund	Credit/Distressed	Distressed	2017	25,000,000	46,107,246	37,287,922	14,981,846	8.1%	1.13
Astorg VI	Buyout	Buyout - Medium	2015	23,421,145	21,228,378	27,966,376	8,581,938	12.2%	1.72
Astorg VII	Buyout	Buyout - Medium	2019	36,123,864	34,323,555	22,837,911	29,409,249	9.9%	1.52
Astra Partners I	Buyout	Buyout - Small	2017	10,000,000	9,553,934	614,011	11,221,736	4.4%	1.24
Auldbrass Partners Secondary Opportunity Fund III	PE Multi-Manager	Secondaries	2021	20,000,000	17,075,323	1,231,609	19,425,601	8.5%	1.21
Auldbrass Partners Secondary Opportunity Fund IV	PE Multi-Manager	Secondaries	2025	25,000,000	2,500,000	-	13,385,104	n.m.	5.35
Avance Investment Partners	Buyout	Buyout - Small	2021	20,000,000	21,986,524	8,983,916	23,294,877	18.9%	1.47
Bain Capital Asia Fund III	Buyout	Buyout - Large	2016	15,000,000	15,704,818	40,449,188	6,242,605	25.7%	2.97
Bain Capital Double Impact Fund	Buyout	Buyout - Small	2016	10,000,000	10,819,474	16,730,924	4,520,987	22.7%	1.96
Barings Emerging Generation Fund	PE Multi-Manager	Fund of Funds	2020	25,000,000	19,361,187	8,079,784	24,133,739	15.7%	1.66
Barings Emerging Generation Fund II	PE Multi-Manager	Fund of Funds	2022	25,000,000	12,812,081	233,039	16,336,501	15.7%	1.29
Battery Ventures XV	Venture Capital	Venture - Multi-Stage	2025	25,000,000	500,000	-	366,434	n.m.	0.73
BC European Capital IX	Buyout	Buyout - Large	2011	17,665,048	19,453,799	27,448,067	3,017,218	9.3%	1.57
BC European Capital X	Buyout	Buyout - Large	2017	31,651,237	32,894,787	33,894,174	19,273,659	9.6%	1.62
BDCM Opportunity Fund IV	Credit/Distressed	Distressed	2015	25,000,000	36,961,066	42,442,416	30,905,984	14.0%	1.98
Bessemer Venture Partners XII Institutional Fund	Venture Capital	Venture - Early Stage	2022	25,000,000	18,012,511	95,678	26,234,541	46.6%	1.46
Biospring Partners Fund	Growth Equity	Growth Equity	2020	20,000,000	20,166,640	2,853,929	21,830,929	7.9%	1.22
Biospring Partners Fund II	Growth Equity	Growth Equity	2024	25,000,000	-	-	-	n.m.	-
Blackstone Capital Partners V & V-S	Buyout	Buyout - Large	2005	19,746,291	19,303,498	32,674,189	33,130	7.9%	1.69
Blackstone Capital Partners VI	Buyout	Buyout - Large	2011	20,000,000	19,408,032	34,401,014	2,400,397	11.9%	1.90
Blackstone Energy Partners	Natural Resources	Energy	2011	25,000,000	23,718,182	43,067,904	49,326	11.4%	1.82
Blue Sea Capital Fund I	Buyout	Buyout - Small	2013	10,000,000	9,617,744	21,701,340	1,144,427	18.7%	2.38

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Core Portfolio Summary as of 06/30/2026 – Active (3 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Brentwood Associates Private Equity VI	Buyout	Buyout - Medium	2017	25,000,000	34,593,123	28,183,833	29,023,260	15.7%	1.65
Builders VC Fund II	Venture Capital	Venture - Early Stage	2021	10,000,000	8,925,000	-	10,393,745	5.0%	1.16
Builders VC Fund III	Venture Capital	Venture - Early Stage	2025	20,000,000	5,200,000	-	5,097,508	n.m.	0.98
CapVest Equity Partners VI A	Buyout	Buyout - Medium	2025	46,960,000	368,753	-	(136,727)	n.m.	-0.37
Carlyle Partners V	Buyout	Buyout - Large	2007	30,000,000	26,714,020	51,271,283	325,969	13.6%	1.93
Centana Growth Partners III	Growth Equity	Growth Equity	2024	25,000,000	10,678,874	392	9,968,429	n.m.	0.93
CenterGate Capital Partners I	Buyout	Buyout - Small	2015	10,000,000	8,065,533	8,292,805	6,621,718	17.2%	1.85
Charterhouse Capital Partners IX	Buyout	Buyout - Large	2008	17,650,992	17,448,610	23,427,998	129,061	9.5%	1.35
CHP III	Venture Capital	Venture - Early Stage	2006	15,000,000	15,000,000	44,095,938	491,690	12.4%	2.97
Clearlake Capital Partners VI	Credit/Distressed	Distressed	2020	30,000,000	33,243,744	8,269,038	34,693,444	6.2%	1.29
Clearlake Capital Partners VII	Credit/Distressed	Distressed	2021	75,000,000	62,661,522	201,711	62,453,669	0.0%	1.00
Clearlake Capital Partners VIII	Credit/Distressed	Distressed	2024	50,000,000	13,259,199	18,135	13,783,975	n.m.	1.04
Coller International Partners VI	PE Multi-Manager	Secondaries	2010	25,000,000	18,948,311	31,903,513	148,731	14.2%	1.69
CVC Capital Partners VII	Buyout	Buyout - Large	2017	28,567,140	28,571,199	39,327,741	23,429,113	19.5%	2.20
CVC Capital Partners VIII	Buyout	Buyout - Large	2021	50,206,765	48,324,949	5,511,893	58,690,523	9.2%	1.33
CVC European Equity Partners III	Buyout	Buyout - Large	2001	15,000,000	14,776,341	42,676,982	413,954	41.0%	2.92
CVC European Equity Partners IV	Buyout	Buyout - Large	2005	26,008,211	23,257,442	46,521,992	59,830	16.7%	2.00
CVC European Equity Partners V	Buyout	Buyout - Large	2008	18,815,039	18,352,938	38,287,800	471,436	16.7%	2.11
Defy Partners I	Venture Capital	Venture - Early Stage	2017	10,000,000	9,500,000	2,251,655	17,793,140	13.1%	2.11
Defy Partners II	Venture Capital	Venture - Early Stage	2019	18,010,000	13,867,700	1,293,889	32,820,253	21.6%	2.46
Defy Partners III	Venture Capital	Venture - Early Stage	2021	20,000,000	10,900,000	-	10,257,117	-3.2%	0.94
DFJ Growth 2013	Growth Equity	Growth Equity	2013	25,000,000	25,126,311	121,296,495	166,301,605	36.1%	11.45
DFJ Growth III	Growth Equity	Growth Equity	2017	15,000,000	14,835,000	8,886,502	58,503,545	27.3%	4.54
EIG Energy Fund XVI	Natural Resources	Energy	2013	25,000,000	24,165,789	19,301,149	8,605,093	2.8%	1.15
Encap Energy Capital Fund IX	Natural Resources	Energy	2012	30,000,000	29,214,692	44,669,834	4,190,894	11.0%	1.67

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Core Portfolio Summary as of 06/30/2026 – Active (4 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Encap Energy Capital Fund VIII	Natural Resources	Energy	2010	15,000,000	14,949,782	15,642,209	281,896	1.0%	1.07
Encap Energy Capital Fund X	Natural Resources	Energy	2015	35,000,000	34,470,830	61,139,534	16,069,215	16.2%	2.24
EnCap Energy Capital Fund XI	Natural Resources	Energy	2016	40,000,000	41,325,779	62,531,599	25,430,965	22.4%	2.13
Energy Capital Partners III	Natural Resources	Energy	2013	40,000,000	41,552,250	63,592,254	9,689,363	12.2%	1.76
Enhanced Healthcare Partners II	Buyout	Buyout - Small	2025	20,000,000	5,372,405	-	4,696,148	n.m.	0.87
Essex Woodlands Health Ventures Fund IV	Venture Capital	Venture - Late Stage	1998	4,000,000	4,000,000	5,227,551	524,439	7.1%	1.44
Essex Woodlands Health Ventures Fund V	Venture Capital	Venture - Late Stage	2000	10,000,000	10,000,000	10,740,735	767,872	2.9%	1.15
Essex Woodlands Health Ventures Fund VI	Venture Capital	Venture - Multi-Stage	2004	15,000,000	14,587,500	16,028,797	4,422,200	3.4%	1.40
FIMI Opportunity V	Buyout	Buyout - Medium	2012	20,000,000	18,194,334	38,530,981	5,140,000	13.6%	2.40
Fortress Credit Opportunities V Expansion	Credit/Distressed	Distressed	2020	50,000,000	54,227,637	35,880,651	34,438,126	11.9%	1.30
Francisco Partners Agility III	Buyout	Buyout - Medium	2023	17,500,000	6,571,250	-	7,207,236	n.m.	1.10
Francisco Partners Agility IV	Buyout	Buyout - Medium	2026	20,000,000	-	-	-	n.m.	-
Francisco Partners VII	Buyout	Buyout - Medium	2023	50,000,000	28,225,000	-	30,824,419	8.3%	1.09
Francisco Partners VIII	Buyout	Buyout - Large	2026	50,000,000	-	-	-	n.m.	-
FS Equity Partners IX	Buyout	Buyout - Medium	2024	30,000,000	4,699,989	23,692	3,828,980	n.m.	0.82
FS Equity Partners VIII	Buyout	Buyout - Medium	2019	25,000,000	22,502,158	8,551,216	26,043,496	9.8%	1.54
GC Creation Fund III	Venture Capital	Venture - Early Stage	2025	15,000,000	4,500,000	-	4,741,462	n.m.	1.05
General Catalyst Group X - Early Venture	Venture Capital	Venture - Early Stage	2020	10,000,000	9,800,000	-	14,204,609	7.3%	1.45
General Catalyst Group X - Endurance	Venture Capital	Venture - Multi-Stage	2020	11,666,667	11,666,667	4,222,889	14,149,096	9.1%	1.57
General Catalyst Group X - Growth Venture	Growth Equity	Growth Equity	2020	16,666,666	16,666,666	-	22,732,712	6.0%	1.36
General Catalyst Group XI - Creation LP	Venture Capital	Venture - Early Stage	2021	13,000,000	12,430,277	-	24,923,448	27.0%	2.01
General Catalyst Group XI - Endurance LP	Growth Equity	Growth Equity	2021	44,000,000	43,458,048	7,971	65,821,573	12.1%	1.51
General Catalyst Group XI - Ignition LP	Venture Capital	Venture - Early Stage	2021	18,000,000	16,362,903	1,993	30,116,255	19.0%	1.84
General Catalyst Group XII - Creation	Venture Capital	Venture - Early Stage	2024	15,000,000	13,317,652	18,187	27,307,250	59.8%	2.05
General Catalyst Group XII - Endurance	Growth Equity	Growth Equity	2024	22,500,000	21,329,292	1,624,714	43,494,475	n.m.	2.12

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Core Portfolio Summary as of 06/30/2026 – Active (5 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
General Catalyst Group XII – Health Assurance	Venture Capital	Venture - Early Stage	2024	7,500,000	6,233,309	327	8,163,677	n.m.	1.31
General Catalyst Group XII - Ignition	Venture Capital	Venture - Early Stage	2023	15,000,000	12,088,806	11,132	18,627,501	39.7%	1.54
General Catalyst Group XIII	Venture Capital	Venture - Multi-Stage	2026	45,000,000	6,750,000	-	6,720,437	n.m.	1.00
Genstar Capital Partners IX	Buyout	Buyout - Medium	2019	25,000,000	26,952,084	28,923,225	29,300,956	22.8%	2.16
Genstar Capital Partners X	Buyout	Buyout - Large	2021	32,500,000	33,312,317	3,496,830	33,425,011	3.2%	1.11
Genstar Capital Partners XI	Buyout	Buyout - Large	2023	35,000,000	5,802,604	405,027	6,478,336	14.8%	1.19
Genstar IX Opportunities Fund I	Buyout	Buyout - Large	2019	25,000,000	23,901,471	25,210,725	25,143,498	18.5%	2.11
Genstar X Opportunities Fund I	Buyout	Buyout - Large	2021	25,000,000	22,507,080	3,890,947	26,502,143	8.9%	1.35
Genstar XI Opportunities Fund	Buyout	Buyout - Large	2023	25,000,000	14,079,199	291,176	17,751,380	15.5%	1.28
GGV Capital IX	Venture Capital	Venture - Multi-Stage	2024	40,000,000	22,200,000	-	55,308,303	135.6%	2.49
GGV Capital IX Plus	Venture Capital	Venture - Multi-Stage	2024	10,000,000	4,250,000	-	16,185,908	n.m.	3.81
GGV Capital VIII	Venture Capital	Venture - Expansion Stage	2021	16,000,000	13,840,000	-	18,051,179	7.5%	1.30
GGV Capital VIII Plus	Venture Capital	Venture - Expansion Stage	2021	4,000,000	3,380,000	-	4,889,590	12.1%	1.45
Gilde Buy-Out Fund V	Buyout	Buyout - Medium	2016	27,121,713	25,974,111	57,794,013	5,863,497	25.5%	2.45
Gilde Buy-Out Fund VI	Buyout	Buyout - Medium	2019	39,684,790	36,680,843	8,947,532	30,914,648	2.4%	1.09
Glendon Opportunities Fund	Credit/Distressed	Distressed	2014	20,000,000	18,990,996	28,948,828	1,849,507	8.5%	1.62
Glendon Opportunities Fund II	Credit/Distressed	Distressed	2019	40,000,000	36,000,000	49,414,292	18,808,413	16.2%	1.90
Green Equity Investors V	Buyout	Buyout - Large	2006	20,000,000	18,309,607	46,669,621	31,448	19.4%	2.55
Green Equity Investors VI	Buyout	Buyout - Large	2011	20,000,000	20,083,284	41,013,206	9,184,045	14.0%	2.50
Green Equity Investors VII	Buyout	Buyout - Large	2017	25,000,000	27,271,740	39,967,180	14,654,825	17.4%	2.00
GTCR Fund XII-AB	Buyout	Buyout - Medium	2017	40,000,000	43,453,543	53,712,072	25,483,284	17.7%	1.82
GTCR Fund XIII-AB	Buyout	Buyout - Medium	2020	40,000,000	33,252,063	17,642,276	34,448,852	17.6%	1.57
GTCR Fund XIV	Buyout	Buyout - Large	2022	60,000,000	25,720,576	8,618,141	27,869,643	n.m.	1.42
H&F Arrow 1	Buyout	Buyout - Large	2020	3,491,032	3,504,123	3,698,302	3,211,188	16.7%	1.97
H&F Spock 1	Buyout	Buyout - Large	2018	3,255,896	3,266,786	3,064,121	5,297,047	14.1%	2.56

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Core Portfolio Summary as of 06/30/2026 – Active (6 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
H.I.G. Europe Middle Market LBO Fund	Buyout	Buyout - Medium	2020	49,552,926	45,004,675	16,259,685	39,548,479	12.2%	1.24
Halifax Capital Partners II	Buyout	Buyout - Small	2005	10,000,000	8,118,838	10,703,687	5,529	7.3%	1.32
HarbourVest Co-investment Broadway SMA	PE Multi-Manager	Co-Investment	2023	150,000,000	130,125,000	-	136,881,770	n.m.	1.05
HarbourVest Partners Co-Investment Fund VI	PE Multi-Manager	Co-Investment	2021	50,000,000	42,500,000	2,785,898	55,888,289	11.1%	1.38
Harvest Partners IX	Buyout	Buyout - Medium	2021	50,000,000	30,567,816	6,041,388	28,995,783	7.0%	1.15
Harvest Partners VII	Buyout	Buyout - Medium	2016	8,253,155	19,471,077	18,108,948	9,402,720	7.8%	1.41
Harvest Partners VIII	Buyout	Buyout - Medium	2019	50,000,000	53,175,932	31,864,113	45,104,028	9.8%	1.45
Hellman & Friedman Capital Partners IX	Buyout	Buyout - Large	2019	30,000,000	32,175,270	12,533,030	40,780,535	10.8%	1.66
Hellman & Friedman Capital Partners VII	Buyout	Buyout - Large	2011	20,000,000	19,117,835	63,184,037	1,180,686	24.5%	3.37
Hellman & Friedman Capital Partners VIII	Buyout	Buyout - Large	2016	20,000,000	20,138,983	16,607,846	17,213,039	9.0%	1.68
Hellman & Friedman Capital Partners X	Buyout	Buyout - Large	2021	40,000,000	39,988,341	8,484,326	40,660,415	6.5%	1.23
Hellman & Friedman Capital Partners XI	Buyout	Buyout - Large	2022	50,000,000	-	-	(316,362)	n.m.	-
Hg Genesis 10 A	Buyout	Buyout - Large	2022	39,182,400	19,010,942	-	21,572,593	7.6%	1.13
Hg Genesis 11 A	Buyout	Buyout - Medium	2025	39,587,381	-	-	-	n.m.	-
Hg Genesis 9	Buyout	Buyout - Medium	2019	19,295,500	16,589,706	8,244,974	16,616,306	12.6%	1.50
Hg Saturn 3 A	Buyout	Buyout - Large	2022	40,000,000	21,289,869	-	24,760,372	6.0%	1.16
Hg Saturn 4 A	Buyout	Buyout - Large	2025	40,000,000	666,515	-	621,039	n.m.	0.93
HgCapital Saturn Fund 2	Buyout	Buyout - Large	2019	20,000,000	19,952,483	6,656,052	18,743,516	8.0%	1.27
HIG Europe Middle Market LBO Fund II (Cayman)	Buyout	Buyout - Medium	2025	48,155,310	1,347,760	-	3,128,279	n.m.	2.32
High Road Capital Partners Fund II	Buyout	Buyout - Small	2013	25,000,000	26,252,626	35,442,513	4,404,842	11.0%	1.52
Hony Capital Fund V	Buyout	Buyout - Large	2011	25,000,000	26,141,123	11,965,278	6,519,021	-3.9%	0.71
ICG Strategic Equity Fund IV	PE Multi-Manager	Secondaries	2021	50,000,000	54,328,637	18,819,363	53,122,637	10.5%	1.32
ICG Strategic Equity Fund V	PE Multi-Manager	Secondaries	2023	30,000,000	11,981,414	2,171,089	15,686,683	47.1%	1.49
Incline Equity Partners IV	Buyout	Buyout - Small	2017	10,000,000	11,284,976	18,020,955	2,790,148	21.6%	1.84
Insight Continuation Fund II	Growth Equity	Growth Equity	2023	4,000,000	3,610,000	832,564	4,211,806	13.0%	1.40

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Core Portfolio Summary as of 06/30/2026 – Active (7 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Insight Venture Partners IX	Growth Equity	Growth Equity	2015	25,000,000	26,467,536	73,641,762	30,076,003	22.2%	3.92
Insight Venture Partners VIII	Growth Equity	Growth Equity	2013	20,000,000	20,652,344	52,424,431	15,952,777	20.0%	3.31
Institutional Venture Partners XV	Venture Capital	Venture - Late Stage	2015	20,000,000	20,120,007	41,404,632	16,464,672	22.4%	2.88
J.H. Whitney VII	Buyout	Buyout - Medium	2010	25,000,000	24,758,449	54,233,804	3,705,924	13.6%	2.34
Kelso Investment Associates VII	Buyout	Buyout - Medium	2003	18,000,000	17,131,163	29,092,678	27,239	12.5%	1.70
Kelso Investment Associates VIII	Buyout	Buyout - Medium	2007	20,000,000	19,053,174	27,707,990	63,549	7.2%	1.46
Khosla Ventures IV	Venture Capital	Venture - Early Stage	2011	20,000,000	19,620,000	69,541,163	8,903,652	21.7%	4.00
KLC Fund II	Buyout	Buyout - Medium	2024	20,000,000	10,528,308	96,643	11,189,008	5.7%	1.07
KPS Special Situations Fund IV	Buyout	Buyout - Medium	2014	25,000,000	21,762,013	35,366,139	10,522,816	21.5%	2.11
KPS Special Situations Fund V	Buyout	Buyout - Medium	2020	40,000,000	40,304,160	17,738,138	33,913,964	9.5%	1.28
KPS Special Situations Fund VI	Buyout	Buyout - Large	2024	40,000,000	8,626,600	518,896	8,027,644	n.m.	0.99
KPS Special Situations Mid-Cap Fund	Buyout	Buyout - Medium	2019	10,000,000	8,701,138	3,773,014	9,681,705	13.5%	1.55
KPS Special Situations Mid-Cap Fund II	Buyout	Buyout - Medium	2023	20,000,000	4,629,952	3,877	4,520,491	n.m.	0.98
L2 Point Opportunities I	Credit/Distressed	Mezzanine	2022	30,000,000	20,559,690	3,759,471	26,433,871	10.7%	1.47
Levine Leichtman Capital Partners IV	Buyout	Buyout - Medium	2008	20,000,000	16,448,126	30,105,650	46,669	17.2%	1.83
Levine Leichtman Capital Partners V	Buyout	Buyout - Medium	2013	30,000,000	31,522,230	70,183,690	609,880	17.1%	2.25
LightBay Investment Partners II	Buyout	Buyout - Small	2021	25,000,000	15,980,959	37,747	16,971,197	3.6%	1.06
Longitude Venture Partners III	Venture Capital	Venture - Late Stage	2016	10,000,000	11,442,016	11,410,188	8,572,465	16.7%	1.75
Mayfield Select III	Venture Capital	Venture - Late Stage	2025	15,000,000	4,950,000	-	6,895,443	n.m.	1.39
Mayfield XVII	Venture Capital	Venture - Early Stage	2024	5,000,000	1,700,000	-	2,719,877	n.m.	1.60
MBK Partners Fund V	Buyout	Buyout - Large	2021	40,000,000	36,192,016	1,966,971	43,583,608	7.5%	1.26
MBK Partners Fund VI	Buyout	Buyout - Large	2024	40,000,000	13,502,482	55,246	27,489,984	n.m.	2.04
Mill Point Capital Partners	Buyout	Buyout - Small	2017	10,000,000	11,557,976	14,559,717	5,516,912	15.5%	1.74
Mill Point Capital Partners II	Buyout	Buyout - Medium	2021	11,000,000	15,465,724	8,229,997	12,902,823	18.6%	1.37
Mill Point Capital Partners III	Buyout	Buyout - Medium	2024	40,000,000	4,467,574	649,761	4,941,834	n.m.	1.25

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Core Portfolio Summary as of 06/30/2026 – Active (8 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Mischief 3	Venture Capital	Venture - Early Stage	2026	8,523,121	2,343,858	-	2,273,189	n.m.	0.97
Montagu VI	Buyout	Buyout - Medium	2020	40,301,363	48,562,903	12,149,538	38,209,853	1.5%	1.04
NEA 18 Venture Growth Equity	Growth Equity	Growth Equity	2022	35,000,000	32,112,500	3,267,232	43,261,461	15.4%	1.45
NEA 19 Venture Growth Equity	Growth Equity	Growth Equity	2026	35,000,000	-	-	119,108	n.m.	-
New Enterprise Associates 13	Venture Capital	Venture - Multi-Stage	2008	15,000,000	15,000,000	39,842,189	1,019,777	16.9%	2.72
New Enterprise Associates 15	Venture Capital	Venture - Multi-Stage	2015	20,000,000	19,200,000	22,832,914	16,975,979	11.8%	2.07
New Enterprise Associates 16	Venture Capital	Venture - Multi-Stage	2017	25,000,000	23,500,000	11,557,946	26,872,076	8.5%	1.64
New Enterprise Associates 17	Venture Capital	Venture - Multi-Stage	2019	35,000,000	31,412,500	5,963,469	36,567,074	7.0%	1.35
New Enterprise Associates 18	Venture Capital	Venture - Multi-Stage	2022	40,000,000	28,700,000	8,429,142	57,739,650	40.9%	2.31
New Enterprise Associates 19	Venture Capital	Venture - Early Stage	2026	40,000,000	-	-	(356,902)	n.m.	-
New Mountain Partners III	Buyout	Buyout - Large	2007	20,000,000	19,583,991	48,649,824	274,683	14.4%	2.50
New Water Capital	Buyout	Buyout - Small	2015	10,000,000	10,853,123	13,614,285	1,449,747	10.1%	1.39
NGP Natural Resources XI	Natural Resources	Energy	2014	25,000,000	25,778,009	36,109,522	5,342,451	9.3%	1.61
NMS Fund III	Buyout	Buyout - Small	2017	10,000,000	9,329,366	9,782,208	6,824,344	14.1%	1.78
NMS Fund IV	Buyout	Buyout - Medium	2020	40,000,000	42,194,295	28,060,575	40,695,665	24.7%	1.63
NMS Fund V	Buyout	Buyout - Small	2025	40,000,000	580,948	-	(527,327)	n.m.	-0.91
Nordic Capital Evo II Beta SCSp	Buyout	Buyout - Medium	2025	28,855,393	-	-	(756,787)	n.m.	-
Nordic Capital Fund XI	Buyout	Buyout - Large	2022	47,663,400	45,097,712	1,744,390	56,123,622	17.8%	1.28
Nordic Capital XII Beta SCSp	Buyout	Buyout - Large	2025	49,974,870	-	-	-	n.m.	-
Oak HC-FT Partners	Venture Capital	Venture - Late Stage	2014	10,000,000	9,663,325	20,165,699	6,068,044	21.4%	2.71
Oak HC-FT Partners II	Venture Capital	Venture - Late Stage	2017	10,000,000	10,000,000	11,748,454	18,486,146	22.5%	3.02
Oak HC-FT Partners III	Venture Capital	Venture - Multi-Stage	2019	25,000,000	25,081,217	2,328,199	35,053,042	8.0%	1.49
Oak HC-FT Partners IV	Venture Capital	Venture - Multi-Stage	2021	40,000,000	40,163,684	163,684	55,263,065	8.1%	1.38
Oak HC-FT Partners V	Venture Capital	Venture - Multi-Stage	2022	50,000,000	44,837,478	7,113,244	50,837,808	19.9%	1.29
Oak HC-FT Partners VI	Growth Equity	Growth Equity	2025	50,000,000	6,298,889	-	5,640,113	n.m.	0.90

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Core Portfolio Summary as of 06/30/2026 – Active (9 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Oak Investment Partners XII	Venture Capital	Venture - Multi-Stage	2006	15,000,000	14,999,762	14,025,046	299,477	-0.7%	0.95
Oaktree Opportunities Fund X	Credit/Distressed	Distressed	2015	7,500,000	6,225,000	7,111,785	2,756,355	8.3%	1.59
Oaktree Opportunities Fund Xb	Credit/Distressed	Distressed	2018	17,500,000	13,125,000	9,937,014	13,888,374	11.6%	1.82
OceanSound Partners Fund	Buyout	Buyout - Medium	2019	20,000,000	19,999,890	10,956,329	28,711,780	19.1%	1.98
OceanSound Partners Fund II	Buyout	Buyout - Small	2022	25,000,000	20,434,509	804,740	27,195,466	16.1%	1.37
OceanSound Partners Fund III	Buyout	Buyout - Medium	2025	50,000,000	-	-	-	n.m.	-
OceanSound SMX Continuation Fund	Buyout	Buyout - Medium	2024	7,151,537	7,076,033	-	10,134,276	18.3%	1.43
Orchid Asia VIII	Growth Equity	Growth Equity	2021	50,000,000	63,615,662	30,226,989	30,196,316	-4.3%	0.95
P4G Capital Partners I	Buyout	Buyout - Small	2018	10,000,000	10,911,475	5,308,557	12,963,085	16.6%	1.67
Palladium Equity Partners IV	Buyout	Buyout - Medium	2012	25,000,000	27,585,488	22,991,736	24,325,932	9.3%	1.72
Palladium Equity Partners V	Buyout	Buyout - Medium	2017	25,000,000	23,776,465	15,386,971	24,087,708	13.0%	1.66
Permira Europe III	Buyout	Buyout - Large	2003	21,506,160	21,573,836	36,961,431	13,056	26.1%	1.71
Pharos Capital Partners II-A	Buyout	Buyout - Medium	2004	5,000,000	5,000,000	5,082,869	162,807	0.5%	1.05
Platinum Equity Capital Partners III	Buyout	Buyout - Large	2012	25,000,000	19,805,043	44,442,618	1,394,607	30.2%	2.31
Platinum Equity Capital Partners IV	Buyout	Buyout - Large	2016	15,000,000	16,281,266	21,378,827	9,789,936	17.7%	1.91
Platinum Equity Capital Partners V	Buyout	Buyout - Large	2019	50,000,000	53,028,761	20,224,162	55,971,820	8.8%	1.44
Platinum Equity Capital Partners VI	Buyout	Buyout - Large	2022	75,000,000	47,828,366	5,941,590	64,246,446	19.7%	1.47
Platinum Equity Small Cap Fund	Buyout	Buyout - Medium	2018	22,500,000	22,745,334	14,364,674	19,406,338	10.5%	1.48
Platinum Equity Small Cap Fund II	Buyout	Buyout - Small	2024	35,000,000	17,002,863	7,333,675	12,872,128	23.3%	1.19
Polaris Growth Fund	Growth Equity	Growth Equity	2018	10,000,000	6,170,000	8,652,150	9,857,850	32.8%	3.00
Polaris Partners VII	Venture Capital	Venture - Multi-Stage	2014	25,000,000	23,125,000	15,790,350	22,327,327	6.3%	1.65
Polaris Partners VIII	Venture Capital	Venture - Multi-Stage	2016	10,000,000	8,800,000	9,214,826	6,984,783	12.9%	1.84
Polaris Venture Partners V	Venture Capital	Venture - Multi-Stage	2006	15,000,000	14,700,000	22,471,199	5,405,041	7.9%	1.90
Polaris Venture Partners VI	Venture Capital	Venture - Multi-Stage	2010	15,000,000	13,125,000	24,559,132	7,768,771	13.1%	2.46
Providence Debt Fund III	Credit/Distressed	Distressed	2013	30,000,000	32,098,772	39,684,529	1,967,213	5.8%	1.30

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Core Portfolio Summary as of 06/30/2026 – Active (10 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Providence Equity Partners VI	Buyout	Buyout - Large	2007	30,000,000	28,972,718	43,047,802	30,514	5.9%	1.49
Quantum Energy Partners IX	Natural Resources	Energy	2025	50,000,000	19,097,350	9,831,119	11,924,654	n.m.	1.14
Quantum Energy Partners VIII	Natural Resources	Energy	2022	42,857,143	39,165,547	5,531,265	45,056,777	n.m.	1.29
Quantum Energy Partners VIII Co-Investment Fund	Natural Resources	Energy	2022	7,142,857	6,051,614	922,011	8,022,512	n.m.	1.48
Reverence Capital Partners Opportunities Fund V (PE III)	Buyout	Buyout - Medium	2021	50,000,000	36,221,480	4,191,169	56,170,365	20.6%	1.67
Reverence Capital Partners PE Opportunities Fund IV (Fund VIII)	Buyout	Buyout - Medium	2025	50,000,000	-	-	305	n.m.	-
Roark Capital Partners II Side Car	Buyout	Buyout - Medium	2018	10,000,000	10,125,407	1,703,566	17,902,880	11.2%	1.94
Roark Capital Partners V	Buyout	Buyout - Large	2018	15,000,000	17,100,062	5,696,558	21,840,436	11.1%	1.61
Roark Capital Partners VI	Buyout	Buyout - Large	2021	40,000,000	32,137,307	14,799,956	41,835,713	22.4%	1.76
Samson Brunello 1	Buyout	Buyout - Large	2021	2,542,079	2,546,878	2,588,698	5,092,721	27.0%	3.02
Samson Shield 1	Buyout	Buyout - Large	2020	11,369,859	11,380,803	8,769,137	3,650,521	2.6%	1.09
Searchlight Capital II	Buyout	Buyout - Medium	2015	25,000,000	27,920,765	43,878,820	8,362,042	19.4%	1.87
SK Capital Partners VI-A	Buyout	Buyout - Medium	2021	40,000,000	29,580,730	12,046,825	46,272,140	65.8%	1.97
Spark Capital	Venture Capital	Venture - Early Stage	2005	9,000,000	8,820,000	11,937,038	152,794	7.8%	1.37
Spark Capital Growth Fund	Growth Equity	Growth Equity	2014	10,000,000	10,000,000	29,999,960	30,993,680	27.7%	6.10
Spark Capital Growth Fund II	Growth Equity	Growth Equity	2017	15,000,000	15,000,000	19,304,984	10,235,618	15.8%	1.97
Spark Capital Growth Fund III	Growth Equity	Growth Equity	2020	26,750,000	26,750,000	5,119,532	57,275,720	19.7%	2.33
Spark Capital Growth Fund IV	Growth Equity	Growth Equity	2021	33,340,000	32,339,800	-	145,921,277	70.9%	4.51
Spark Capital Growth Fund V	Growth Equity	Growth Equity	2024	33,340,000	29,005,800	-	58,340,741	n.m.	2.01
Spark Capital Growth Fund VI	Venture Capital	Venture - Late Stage	2026	35,000,000	11,375,000	-	11,290,809	n.m.	0.99
Spark Capital II	Venture Capital	Venture - Early Stage	2008	9,750,000	9,750,000	50,460,239	2,914,892	51.4%	5.47
Spark Capital III	Venture Capital	Venture - Early Stage	2011	10,000,000	10,000,000	17,733,069	16,160,710	23.5%	3.39
Spark Capital IX	Venture Capital	Venture - Early Stage	2026	15,000,000	-	-	-	n.m.	-
Spark Capital VI	Venture Capital	Venture - Early Stage	2020	13,250,000	12,256,250	-	18,133,451	8.9%	1.48
Spark Capital VII	Venture Capital	Venture - Early Stage	2021	16,660,000	14,077,700	2,334,450	23,501,113	22.8%	1.84

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Core Portfolio Summary as of 06/30/2026 – Active (11 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Spark Capital VIII	Venture Capital	Venture - Early Stage	2024	16,660,000	12,161,800	-	17,394,463	n.m.	1.43
Spire Capital Partners III	Buyout	Buyout - Small	2013	10,000,000	10,858,025	9,258,759	7,851,370	8.1%	1.58
Stellex Capital Partners II LP	Buyout	Buyout - Medium	2020	30,000,000	30,991,513	6,621,175	40,493,919	14.5%	1.52
Stellex Capital Partners III LP	Buyout	Buyout - Medium	2024	50,000,000	19,859,626	141,510	19,260,205	n.m.	0.98
StepStone Secondary Opportunities III	PE Multi-Manager	Secondaries	2016	25,000,000	29,581,763	33,150,968	11,569,311	10.5%	1.51
Stripes III	Growth Equity	Growth Equity	2015	10,000,000	12,832,144	19,027,137	10,501,426	14.9%	2.30
Stripes IV	Growth Equity	Growth Equity	2017	10,000,000	14,133,282	16,022,334	22,986,877	23.9%	2.76
Sunstone Partners I	Growth Equity	Growth Equity	2015	7,500,000	8,497,871	21,238,447	3,930,594	31.7%	2.96
Sunstone Partners II	Growth Equity	Growth Equity	2020	10,000,000	9,922,797	5,906,553	10,134,022	16.9%	1.62
Sunstone Partners III	Growth Equity	Growth Equity	2022	20,000,000	11,039,217	55,107	8,801,025	-12.4%	0.80
TA XI	Growth Equity	Growth Equity	2010	20,000,000	19,778,812	73,182,947	1,689,311	26.7%	3.79
TA XII-A	Growth Equity	Growth Equity	2016	25,000,000	25,094,785	63,406,182	18,201,478	33.4%	3.25
TA XIII-A	Growth Equity	Growth Equity	2019	35,000,000	34,672,693	27,410,193	37,049,397	17.6%	1.86
TA XIV-A	Growth Equity	Growth Equity	2021	60,000,000	58,650,000	14,249,953	54,263,670	5.0%	1.17
TA XV	Growth Equity	Growth Equity	2024	60,000,000	19,200,000	-	17,122,778	n.m.	0.89
TCV IX	Growth Equity	Growth Equity	2016	10,000,000	7,953,739	12,313,529	5,453,891	17.7%	2.23
TCV VII	Growth Equity	Growth Equity	2007	20,000,000	19,745,900	62,174,983	189,392	23.3%	3.16
TCV VIII	Growth Equity	Growth Equity	2014	30,000,000	26,152,505	54,218,348	9,114,302	12.0%	2.42
TCV X	Growth Equity	Growth Equity	2019	25,000,000	18,763,324	14,081,177	45,993,848	22.7%	3.20
TCV XI	Growth Equity	Growth Equity	2021	40,000,000	34,722,240	474,699	39,802,634	4.1%	1.16
TCV XII	Growth Equity	Growth Equity	2022	60,000,000	31,885,010	953,652	38,070,706	23.8%	1.22
The Baring Asia Private Equity Fund VI, L.P. 1	Buyout	Buyout - Medium	2015	25,000,000	30,139,094	48,774,231	3,204,568	12.6%	1.72
The Baring Asia Private Equity Fund VII	Buyout	Buyout - Medium	2018	25,000,000	26,750,848	28,566,812	14,361,699	16.8%	1.60
The Eighth Cinven Fund	Buyout	Buyout - Large	2022	72,746,600	26,367,159	1,372,696	27,365,985	9.9%	1.09
Thoma Bravo Discover Fund II	Buyout	Buyout - Medium	2018	10,000,000	10,708,631	14,630,290	8,221,755	19.6%	2.13

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Core Portfolio Summary as of 06/30/2026 – Active (12 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Thoma Bravo Discover Fund III	Buyout	Buyout - Medium	2020	20,000,000	20,444,530	2,291,805	26,537,646	8.1%	1.41
Thoma Bravo Discover Fund IV	Buyout	Buyout - Medium	2022	45,000,000	43,474,026	8,199,085	49,386,471	13.4%	1.32
Thoma Bravo Discover Fund V LP	Buyout	Buyout - Large	2025	60,000,000	11,086,565	-	11,610,666	n.m.	1.05
Thoma Bravo Explore Fund	Buyout	Buyout - Small	2020	10,000,000	11,775,409	6,499,286	16,737,122	21.9%	1.97
Thoma Bravo Fund XI	Buyout	Buyout - Medium	2014	15,000,000	13,400,392	46,825,387	7,660,193	25.8%	4.07
Thoma Bravo Fund XII	Buyout	Buyout - Large	2016	25,000,000	26,512,090	45,090,899	10,893,922	13.9%	2.11
Thoma Bravo Fund XIII	Buyout	Buyout - Large	2018	30,000,000	37,281,868	37,392,640	30,570,856	18.3%	1.82
Thoma Bravo Fund XIV	Buyout	Buyout - Large	2021	30,000,000	36,623,003	11,614,388	29,769,343	3.4%	1.13
Thoma Bravo Fund XV	Buyout	Buyout - Large	2022	80,000,000	79,318,857	7,034,440	89,778,074	7.2%	1.22
Thoma Bravo Fund XVI	Buyout	Buyout - Large	2025	65,000,000	13,085,116	-	12,760,525	n.m.	0.98
Thoma Bravo Special Opportunities Fund II	Buyout	Buyout - Medium	2015	10,000,000	9,200,691	17,276,124	7,395,372	15.4%	2.68
Threshold Ventures II	Venture Capital	Venture - Early Stage	2016	10,000,000	9,795,000	3,019,757	19,800,698	12.2%	2.33
Thrive Capital Partners X	Venture Capital	Venture - Early Stage	2026	2,857,143	-	-	-	n.m.	-
Thrive Capital Partners X Growth	Venture Capital	Venture - Late Stage	2026	17,142,857	5,388,381	-	8,568,748	n.m.	1.59
TPG Growth II	Buyout	Buyout - Medium	2011	30,000,000	30,016,445	61,342,085	10,509,563	16.4%	2.39
TPG Partners IV	Buyout	Buyout - Large	2003	25,000,000	27,436,973	52,741,423	52,205	15.2%	1.92
TPG Partners VI	Buyout	Buyout - Large	2008	22,500,000	24,691,367	36,564,999	108,876	9.4%	1.49
TPG Rise Climate	Growth Equity	Growth Equity	2021	50,000,000	47,014,596	16,443,002	45,359,055	14.6%	1.31
TPG Rise Climate II	Growth Equity	Growth Equity	2024	50,000,000	2,043,982	545	1,239,073	n.m.	0.61
TPG STAR	Buyout	Buyout - Medium	2006	20,000,000	21,635,099	27,725,146	1,997	5.9%	1.28
Trident Capital Fund-VI	Buyout	Buyout - Medium	2004	8,500,000	8,500,000	12,790,075	106,313	4.3%	1.52
Ulu Ventures Fund III	Venture Capital	Venture - Early Stage	2020	10,000,000	9,500,000	-	5,996,317	-10.5%	0.63
Ulu Ventures Fund IV	Venture Capital	Venture - Early Stage	2023	20,000,000	8,000,000	-	6,636,127	-9.1%	0.83
Upfront VI	Venture Capital	Venture - Early Stage	2017	20,000,000	21,553,327	4,551,578	37,306,907	12.4%	1.94
Vista Equity Partners Fund III	Buyout	Buyout - Medium	2007	25,000,000	23,310,875	63,153,894	67,389	26.6%	2.71

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

Core Portfolio Summary as of 06/30/2026 – Active (13 of 13)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Vista Equity Partners Fund IV	Buyout	Buyout - Medium	2011	30,000,000	25,793,096	36,287,444	15,608,782	12.1%	2.01
Vista Equity Partners Fund V	Buyout	Buyout - Medium	2014	40,000,000	41,950,824	73,730,137	15,821,153	14.7%	2.13
Vista Equity Partners Fund VI	Buyout	Buyout - Large	2016	30,000,000	38,316,580	51,658,873	22,764,103	14.6%	1.94
Vista Equity Partners Fund VII	Buyout	Buyout - Large	2018	40,000,000	40,970,163	4,941,463	39,865,068	1.9%	1.09
Vista Foundation Fund II	Buyout	Buyout - Medium	2013	10,000,000	9,993,159	16,031,808	3,410,737	12.9%	1.95
Vista Foundation Fund III	Buyout	Buyout - Medium	2016	10,000,000	12,049,898	13,348,237	8,649,054	16.8%	1.83
Vista Foundation Fund IV	Buyout	Buyout - Medium	2020	30,000,000	27,770,026	966,967	24,805,529	-1.9%	0.93
Vitruvian Investment Partnership IV	Buyout	Buyout - Medium	2020	39,119,924	36,083,278	3,886,154	48,770,759	10.6%	1.46
Vitruvian Investment Partnership V	Growth Equity	Growth Equity	2022	75,103,200	41,231,529	-	52,365,236	22.3%	1.27
Warren Equity Partners Fund V	Buyout	Buyout - Medium	2025	40,000,000	-	-	(818,600)	n.m.	-
Wynnchurch Capital Partners IV	Buyout	Buyout - Medium	2015	10,000,000	9,821,459	23,228,580	4,740,474	23.7%	2.85
Yucaipa American Alliance Fund II	Buyout	Buyout - Medium	2008	20,000,000	20,160,070	23,483,827	19,790,665	7.9%	2.15
LACERS - Active Core				**8,392,346,676**	**6,424,837,992**	**5,308,953,264**	**5,693,392,498**	**14.4%**	**1.71**
LACERS Core				**9,714,694,792**	**7,744,651,738**	**7,306,022,916**	**5,693,392,498**	**12.4%**	**1.68**

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

Core Portfolio Summary as of 06/30/2026 – Liquidated (1 of 4)

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

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

Core Portfolio Summary as of 06/30/2026 – Liquidated (2 of 4)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
GTCR Fund IX-A	Buyout	Buyout - Medium	2006	15,000,000	14,288,203	25,808,785	-	13.8%	1.81
GTCR Fund VI	Buyout	Buyout - Medium	1998	10,000,000	10,000,000	8,890,791	-	-3.8%	0.89
GTCR Fund VII	Buyout	Buyout - Medium	2000	18,750,000	18,609,375	43,841,047	-	21.8%	2.36
GTCR Fund VII-A	Buyout	Buyout - Medium	2001	6,250,000	4,140,625	11,565,815	-	83.1%	2.79
GTCR Fund VIII	Buyout	Buyout - Medium	2003	20,000,000	18,520,960	32,408,009	-	22.3%	1.75
Hellman & Friedman Capital Partners V	Buyout	Buyout - Large	2004	10,463,972	9,931,388	26,659,657	-	27.8%	2.68
Hellman & Friedman Capital Partners VI	Buyout	Buyout - Large	2006	20,000,000	19,252,237	36,202,495	-	12.9%	1.88
Highbridge Principal Strategies Senior Loan II	Credit/Distressed	Distressed	2010	50,000,000	40,883,273	47,651,965	-	7.9%	1.17
InterWest VI	Venture Capital	Venture - Early Stage	1996	5,000,000	5,000,000	14,858,749	-	49.0%	2.97
J.H. Whitney IV	Buyout	Buyout - Medium	1999	22,448,463	22,448,463	9,422,111	-	-10.9%	0.42
J.H. Whitney V	Buyout	Buyout - Medium	2000	9,957,358	11,558,159	22,375,756	-	23.3%	1.94
J.H. Whitney VI	Buyout	Buyout - Medium	2005	15,000,000	14,884,557	14,590,780	-	-0.4%	0.98
Kelso Investment Associates VI	Buyout	Buyout - Medium	1998	4,309,418	4,309,418	5,982,794	-	9.3%	1.39
KKR 1996 Fund	Buyout	Buyout - Large	1997	25,000,000	26,194,438	46,838,314	-	13.2%	1.79
KKR 2006 Fund	Buyout	Buyout - Large	2006	30,000,000	30,219,403	56,276,221	-	9.3%	1.86
KKR European Fund II	Buyout	Buyout - Large	2005	15,000,000	15,497,844	21,020,233	-	4.7%	1.36
Levine Leichtman Capital Partners III	Buyout	Buyout - Medium	2003	20,000,000	21,392,254	33,354,346	-	10.0%	1.56
Lindsay Goldberg & Bessemer II	Buyout	Buyout - Large	2005	20,000,000	18,913,523	27,078,474	-	7.1%	1.43
Lindsay Goldberg III	Buyout	Buyout - Large	2008	20,000,000	19,232,884	26,175,344	-	8.1%	1.36
Madison Dearborn Capital Partners III	Buyout	Buyout - Medium	1999	16,000,000	16,000,000	24,398,778	-	8.6%	1.52
Madison Dearborn Capital Partners IV	Buyout	Buyout - Medium	2000	25,000,000	25,199,114	48,054,335	-	14.1%	1.91
Menlo Ventures IX	Venture Capital	Venture - Multi-Stage	2001	20,000,000	20,000,000	20,399,835	-	0.3%	1.02
Menlo Ventures VII	Venture Capital	Venture - Multi-Stage	1997	5,000,000	5,000,000	23,552,033	-	135.8%	4.71
Menlo Ventures VIII	Venture Capital	Venture - Multi-Stage	1999	18,000,000	18,000,000	8,980,234	-	-8.9%	0.50
Nautic Partners V	Buyout	Buyout - Medium	2000	15,000,000	14,371,949	30,268,818	-	16.9%	2.11

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Core Portfolio Summary as of 06/30/2026 – Liquidated (3 of 4)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
NewBridge Asia IV	Buyout	Buyout - Medium	2005	10,000,000	9,846,880	21,943,320	-	16.8%	2.23
Nordic Capital V	Buyout	Buyout - Medium	2003	14,043,460	14,319,521	42,545,098	-	20.8%	2.97
OCM Opportunities Fund	Credit/Distressed	Distressed	1995	11,000,000	10,972,896	18,030,431	-	10.3%	1.64
OCM Opportunities Fund II	Credit/Distressed	Distressed	1997	11,000,000	11,000,000	16,628,641	-	8.4%	1.51
OCM Opportunities Fund III	Credit/Distressed	Distressed	1999	10,000,000	10,000,000	15,072,658	-	11.9%	1.51
OCM Opportunities Fund IV	Credit/Distressed	Distressed	2001	10,000,000	10,000,000	16,503,319	-	28.4%	1.65
OCM Opportunities Fund V	Credit/Distressed	Distressed	2004	7,100,000	7,100,000	11,703,269	-	14.1%	1.65
OCM Opportunities Fund VII	1+B57:B64	Distressed	2007	10,000,000	10,000,000	13,842,018	-	7.3%	1.38
OCM Opportunities Fund VIIb	Credit/Distressed	Distressed	2008	10,000,000	9,000,000	15,586,945	-	16.5%	1.73
Olympus Growth Fund IV	Buyout	Buyout - Medium	2003	7,700,000	7,660,045	11,831,606	-	8.5%	1.54
Onex Partners	Buyout	Buyout - Large	2003	20,000,000	19,068,454	58,555,641	-	38.4%	3.07
Permira Europe IV	Buyout	Buyout - Large	2006	14,935,115	14,921,731	24,111,899	-	8.6%	1.62
Providence Equity Partners V	Buyout	Buyout - Large	2004	18,000,000	16,416,768	20,477,873	-	3.2%	1.25
Providence TMT Debt Opportunity Fund II	Credit/Distressed	Distressed	2010	20,000,000	16,319,772	25,893,666	-	10.4%	1.59
Richland Ventures III	Venture Capital	Venture - Late Stage	1999	18,000,000	18,000,000	15,261,276	-	-3.0%	0.85
Samson Hockey 1	Buyout	Buyout - Large	2020	3,369,537	3,381,607	7,503,441	-	33.1%	2.22
SSG Capital Partners II	Credit/Distressed	Distressed	2012	15,914,286	15,287,483	17,803,371	-	4.1%	1.16
TA X	Growth Equity	Growth Equity	2006	6,000,000	6,186,689	8,025,046	-	5.2%	1.30
TCV V	Venture Capital	Venture - Multi-Stage	2004	19,500,000	19,334,250	35,783,445	-	10.6%	1.85
TCW Crescent Mezzanine Partners IV	Credit/Distressed	Mezzanine	2006	10,000,000	8,712,805	9,998,443	-	2.9%	1.15
TCW Crescent Mezzanine Partners V	Credit/Distressed	Mezzanine	2007	10,000,000	9,625,012	13,310,417	-	9.7%	1.38
The Resolute Fund	Buyout	Buyout - Medium	2002	20,000,000	18,978,049	48,217,383	-	17.0%	2.54
Thoma Cressey Fund VI	Buyout	Buyout - Medium	1998	5,000,000	4,845,000	4,995,064	-	0.4%	1.03
Thomas H. Lee Equity Fund V	Buyout	Buyout - Medium	2000	15,000,000	15,260,867	26,333,190	-	14.2%	1.73
Tibbar Holdings, LLC (FKA TH Lee IV)	Buyout	Buyout - Medium	1998	7,000,000	6,314,197	5,484,109	-	-2.6%	0.87

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Core Portfolio Summary as of 06/30/2026 – Liquidated (4 of 4)

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
TPG Partners III	Buyout	Buyout - Large	1999	25,000,000	22,442,286	56,580,977	-	24.4%	2.52
TPG Partners V	Buyout	Buyout - Large	2006	29,610,505	31,415,182	42,773,334	-	4.8%	1.36
Trident Capital Fund-V	Buyout	Buyout - Medium	2000	10,587,999	10,627,045	17,742,590	-	7.7%	1.67
Trident Capital Fund-V (Secondary)	Buyout	Buyout - Medium	2000	3,781,680	3,374,683	6,480,167	-	12.1%	1.92
VantagePoint Venture Partners IV	Venture Capital	Venture - Multi-Stage	2000	15,000,000	15,000,000	14,451,139	-	-0.5%	0.96
Vestar Capital Partners IV	Buyout	Buyout - Medium	1999	17,000,000	16,590,256	29,407,769	-	13.4%	1.77
Welsh, Carson, Anderson & Stowe IX	Buyout	Buyout - Medium	2000	15,000,000	14,850,000	24,680,230	-	11.2%	1.66
Welsh, Carson, Anderson & Stowe VII	Buyout	Buyout - Medium	1995	15,000,000	15,000,000	32,633,357	-	17.7%	2.18
Welsh, Carson, Anderson & Stowe VIII	Buyout	Buyout - Medium	1998	15,000,000	15,000,000	19,322,526	-	3.1%	1.29
Weston Presidio Capital IV	Growth Equity	Growth Equity	2000	15,000,000	14,764,721	17,365,533	-	3.0%	1.18
Weston Presidio Capital IV (Secondary)	Growth Equity	Growth Equity	2000	3,040,488	2,772,810	3,521,264	-	5.2%	1.27
LACERS - Liquidated Core				**1,322,348,116**	**1,319,813,746**	**1,997,069,652**	**-**	**10.1%**	**1.51**

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

Specialized Portfolio Summary as of 06/30/2026 - Active

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Angeleno Investors III	Venture Capital	Venture - Late Stage	2009	10,000,000	10,686,144	3,597,204	8,367,250	1.1%	1.12
DFJ Frontier Fund II	Venture Capital	Venture - Early Stage	2007	5,000,000	5,002,783	2,519,279	1,242,616	-2.8%	0.75
St. Cloud Capital Partners II	Credit/Distressed	Mezzanine	2006	5,000,000	4,989,085	4,177,572	65,758	-3.7%	0.85
Vicente Capital Partners Growth Equity Fund	Growth Equity	Growth Equity	2007	10,000,000	10,093,708	13,998,549	95,627	5.6%	1.40
LACERS - Specialized Active				**30,000,000**	**30,771,719**	**24,292,604**	**9,771,251**	**1.3%**	**1.11**
LACERS Specialized				**191,261,668**	**189,634,866**	**200,085,428**	**9,771,251**	**1.6%**	**1.11**

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

Specialized Portfolio Summary as of 06/30/2026 - Liquidated

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Net TVPI
Ares Special Situations Fund	Credit/Distressed	Distressed	2008	10,000,000	10,166,166	17,497,244	-	13.1%	1.72
Carpenter Community BancFund-A	Buyout	Buyout - Small	2008	10,000,000	9,692,231	16,376,097	-	8.2%	1.69
Craton Equity Investors I	Growth Equity	Growth Equity	2006	10,000,000	9,951,989	1,067,621	-	-32.7%	0.11
DFJ Element	Venture Capital	Venture - Multi-Stage	2006	8,000,000	7,846,106	5,764,976	-	-3.4%	0.73
Element Partners Fund II	Venture Capital	Venture - Late Stage	2008	10,000,000	9,361,465	13,980,686	-	5.9%	1.49
NGEN III	Venture Capital	Venture - Multi-Stage	2008	10,000,000	11,454,178	7,167,791	-	-6.3%	0.63
NGEN Partners II	Venture Capital	Venture - Multi-Stage	2005	7,750,702	7,750,702	515,126	-	-49.0%	0.07
Nogales Investors Fund II	Buyout	Buyout - Medium	2006	4,100,000	3,603,436	398,586	-	-24.1%	0.11
Palladium Equity Partners III	Buyout	Buyout - Medium	2004	10,000,000	9,915,181	17,818,981	-	11.2%	1.80
Reliant Equity Partners	Buyout	Buyout - Small	2002	7,920,417	8,008,449	55,772	-	-	0.01
Rustic Canyon/Fontis Partners	Growth Equity	Growth Equity	2005	5,000,000	3,671,248	2,552,846	-	-5.0%	0.70
Saybrook Corporate Opportunity Fund	Credit/Distressed	Distressed	2007	6,192,814	6,321,092	9,757,725	-	9.8%	1.54
Sector Performance Fund	Buyout	Buyout - Medium	2007	9,297,735	9,502,443	8,466,553	-	-2.9%	0.89
Spire Capital Partners II	Buyout	Buyout - Small	2006	10,000,000	9,025,654	17,699,807	-	15.6%	1.96
StarVest Partners II	Venture Capital	Venture - Late Stage	2007	5,000,000	4,976,109	2,919,313	-	-7.0%	0.59
StepStone Pioneer Capital I	PE Multi-Manager	Fund of Funds	2004	10,000,000	9,751,911	13,033,359	-	5.1%	1.34
StepStone Pioneer Capital II	PE Multi-Manager	Fund of Funds	2006	10,000,000	9,427,148	18,255,456	-	9.1%	1.94
Sterling Venture Partners II	Venture Capital	Venture - Late Stage	2005	8,000,000	8,006,256	10,013,785	-	3.2%	1.25
Yucaipa American Alliance Fund I	Buyout	Buyout - Medium	2002	10,000,000	10,431,383	12,451,100	-	3.3%	1.19
Liquidated				**161,261,668**	**158,863,147**	**175,792,824**	**-**	**1.7%**	**1.11**
LACERS Specialized				**191,261,668**	**189,634,866**	**200,085,428**	**9,771,251**	**1.6%**	**1.11**

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