



**Board of Administration Agenda**

**REGULAR MEETING**

**TUESDAY, DECEMBER 8, 2020**

**TIME: 10:00 A.M.**

**MEETING LOCATION:**

In conformity with the Governor's Executive Order N-29-20 (March 17, 2020) and due to the concerns over COVID-19, the LACERS Board of Administration's December 8, 2020, meeting will be conducted via telephone and/or videoconferencing.

**Important Message to the Public**

**Information to call-in to listen and/or participate:**

**Dial:** (669) 900-6833 or (346) 248-7799

**Meeting ID#** 897 6727 9107

**Instructions for call-in participants:**

- 1- Dial in and enter Meeting ID
- 2- Automatically enter virtual "Waiting Room"
- 3- Automatically enter Meeting
- 4- During Public Comment, **press \*9** to raise hand
- 5- Staff will call out the last 3-digits of your phone number to make your comment

**Information to listen only:** Live Board Meetings can be heard at: (213) 621-CITY (Metro), (818) 904-9450 (Valley), (310) 471-CITY (Westside), and (310) 547-CITY (San Pedro Area).

**Disclaimer to participants**

Please be advised that all LACERS Board and Committee Meeting proceedings are audio recorded.

President: Cynthia M. Ruiz  
Vice President: Sung Won Sohn

Commissioners: Annie Chao  
Elizabeth Lee  
Sandra Lee  
Nilza R. Serrano  
Michael R. Wilkinson

Manager-Secretary: Neil M. Guglielmo

Executive Assistant: Ani Ghokassian

Legal Counsel: City Attorney's Office  
Public Pensions General  
Counsel Division

**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](http://ethics.lacity.org/lobbying). For assistance, please contact the Ethics Commission at (213) 978-1960 or [ethics.commission@lacity.org](mailto: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, Communication Access Real-Time Transcription, Assistive Listening Devices, Telecommunication Relay Services (TRS), or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to 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: Board of Administration Office at **(213) 855-9348** and/or email at [ani.ghokassian@lacers.org](mailto:ani.ghokassian@lacers.org).

[CLICK HERE TO ACCESS BOARD REPORTS](#)

- I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – *THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT - PRESS \*9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD*
- II. [APPROVAL OF MINUTES FOR THE REGULAR MEETING OF NOVEMBER 10, 2020 AND POSSIBLE BOARD ACTION](#)
- III. BOARD PRESIDENT VERBAL REPORT
- IV. GENERAL MANAGER VERBAL REPORT
  - A. REPORT ON DEPARTMENT OPERATIONS
  - B. UPCOMING AGENDA ITEMS
  - C. [977 N. BROADWAY PROJECT UPDATE](#)
- V. RECEIVE AND FILE ITEMS
  - A. [MARKETING CESSATION REPORT NOTIFICATION TO THE BOARD](#)
  - B. [BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER](#)
  - C. [2021 MEDICARE PART B BASIC PREMIUM REIMBURSEMENT AMOUNT](#)
  - D. [COMMISSIONER SANDRA LEE BOARD EDUCATION EVALUATION ON 2020 WOMEN ON BOARDS AND CITY/STATE CONVERSATIONS CONFERENCES, VIRTUAL; NOVEMBER 12 & 19, 2020](#)
  - E. [COMMISSIONER RUIZ BOARD EDUCATION EVALUATION ON 2020 WOMEN ON BOARDS AND CITY/STATE CONVERSATIONS CONFERENCES, VIRTUAL; NOVEMBER 12 & 19, 2020](#)
  - F. [COMMISSIONER SERRANO BOARD EDUCATION EVALUATION ON 2020 WOMEN ON BOARDS AND CITY/STATE CONVERSATIONS CONFERENCES, VIRTUAL; NOVEMBER 12 & 19, 2020](#)
- VI. BOARD/DEPARTMENT ADMINISTRATION
  - A. [PRESENTATION OF LACERS AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED JUNE 30, 2020](#)
- VII. INVESTMENTS
  - A. CHIEF INVESTMENT OFFICER VERBAL REPORT

- B. [PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW REPORT FOR THE QUARTER ENDING SEPTEMBER 30, 2020](#)
- C. [DISCLOSURE REPORT OF FEES, EXPENSES, AND CARRIED INTEREST OF ALTERNATIVE INVESTMENT VEHICLES FOR THE FISCAL YEAR ENDING JUNE 30, 2020 PURSUANT TO GOVERNMENT CODE SECTION 7514.7](#)

VIII. OTHER BUSINESS

- IX. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, December 22, 2020 at 10:00 a.m. at LACERS, 977 N. Broadway, Suite 260, Los Angeles, CA 90012, and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while response to public health concerns relating to the novel coronavirus continue.

- X. ADJOURNMENT

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

In conformity with the Governor's Executive Order N-29-20 (March 17, 2020)  
and due to the concerns over COVID-19, the  
LACERS Board of Administration's  
November 10, 2020, meeting was conducted  
via telephone and/or videoconferencing.

**Agenda of: Dec. 8, 2020**

**Item No: II**

November 10, 2020

10:01 a.m.

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PRESENT via Videoconferencing:	President:	Cynthia M. Ruiz
	Vice President:	Sung Won Sohn
	Commissioners:	Annie Chao
		Elizabeth Lee
		(Arrived at 10:21 a.m.) Sandra Lee
		Nilza R. Serrano
		Michael R. Wilkinson
	Manager-Secretary:	Neil M. Guglielmo
	Legal Counselor:	Anya Freedman
PRESENT at LACERS offices:	Executive Assistant:	Ani Ghoukassian

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*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 – ***THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT – PRESS \*9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD*** – President Ruiz asked if any persons wanted to make a general public comment to which there was no response.

II

APPROVAL OF MINUTES FOR THE REGULAR MEETING OF OCTOBER 13, 2020 AND POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -6; Nays, None.

### III

BOARD PRESIDENT VERBAL REPORT – President Ruiz shared that she is inspired by the new leadership for the United States of America.

### IV

#### GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- City request for Actuarial Analysis of Phase-In Assumption Changes
  - Open Enrollment
  - Wellness Workshop
  - MSC Stats
  - SIP Update
  - HQ Update
- B. UPCOMING AGENDA ITEMS – There were no items discussed.

Commissioner Sandra Lee arrived at the Regular Meeting at 10:21 a.m.

- C. MEMBER SERVICES DIVISION METRICS SHOWCASE FY 19-20 – Taneda Larios, Senior Benefits Analyst II with Member Services Division, presented and discussed this with the Board for 20 minutes.

### V

#### RECEIVE AND FILE ITEMS

- A. MARKETING CESSATION 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. COMMISSIONER ELIZABETH LEE BOARD EDUCATION EVALUATION ON IFEBP, INVESTMENTS IN TODAY'S CLIMATE & BEYOND, VIRTUAL; AUGUST 18-19, 2020 – This report was received by the Board and filed.
- D. COMMISSIONER WILKINSON BOARD EDUCATION EVALUATION ON PREA ANNUAL INVESTOR CONFERENCE, VIRTUAL; OCTOBER 1-2, 2020 – This report was received by the Board and filed.
- E. COMMISSIONER RUIZ BOARD EDUCATION EVALUATION ON 2020 MILKEN INSTITUTE GLOBAL CONFERENCE, VIRTUAL; OCTOBER 12-21, 2020 – This report was received by the Board and filed.

- F. COMMISSIONER SOHN BOARD EDUCATION EVALUATION ON 2020 MILKEN INSTITUTE GLOBAL CONFERENCE, VIRTUAL; OCTOBER 12-21, 2020 – This report was received by the Board and filed.

VI

BOARD/DEPARTMENT ADMINISTRATION

- A. PRESENTATION BY SEGAL CONSULTING OF THE ACTUARIAL VALUATIONS AS OF JUNE 30, 2020 AND PROPOSED CITY CONTRIBUTION RATES FOR FISCAL YEAR 2021-22 AND POSSIBLE BOARD ACTION – Edwin Avanesian, Senior Benefits Analyst II with the Administration Division, Paul Angelo and Andy Yeung, Actuaries with Segal, presented and discussed this item with the Board for 45 minutes. Commissioner Elizabeth Lee moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.
- B. MID-YEAR SUPPLEMENTAL BUDGET ADJUSTMENTS FOR FISCAL YEAR 2020-21 AND POSSIBLE BOARD ACTION – Neil M. Guglielmo, General Manager and Dale Wong-Nguyen, Chief Benefits Analyst with the Administration Division, presented and discussed this item with the Board for 10 minutes. Commissioner Elizabeth Lee moved approval of the following Resolution:

**SUPPLEMENTAL BUDGET  
IMPLEMENTATION OF THE CITY’S SEPARATION INCENTIVE PROGRAM  
AND VARIOUS MID-YEAR ADJUSTMENTS**

**RESOLUTION 201110-A**

WHEREAS, LACERS recognizes the difficult financial situation of the City and the importance to the City of LACERS processing the City Separation Incentive Program “CSIP” retirement applications as expeditiously as possible;

WHEREAS, on September 2, 2020 the City Council approved moving forward on CSIP after eliminating the minimum participant threshold of 1,300 CSIP retirement applicants; thereby necessitating LACERS hire additional temporary staffing and equip staff with related computer hardware, software, and mobile phones to enable telecommuting as the City and State pandemic health prevention requirements are in place;

WHEREAS, other mid-year funding is needed to address expenses related to good pandemic health practices; various work from home tools;

WHEREAS, pursuant to the City Charter the Board has full control of LACERS budget,

NOW, THEREFORE, BE IT RESOLVED, that the Board

1. Approve a Supplemental Appropriation of \$1,188,813, to Fund 800, LACERS Administrative Budget, as indicated in the following schedule;

2. Approve the reallocation of \$85,000 from various surpluses within the contractual services account to fund enhancements to the Retirement Application Portal; and
3. Authorize the General Manager to correct any clerical or typographical errors in this document.

**FISCAL YEAR 2020-21 – SUPPLEMENTAL BUDGET APPROPRIATION FOR IMPLEMENTATION OF THE CITY SEPARATION INCENTIVE PROGRAM AND VARIOUS MID-YEAR ADJUSTMENTS**

**LACERS FUND 800**

		<b>Supplemental Budget Appropriation</b>
		<b>2020-21</b>
<b>SALARIES</b>		
General	\$	625,641
As Needed		23,600
Overtime		205,257
Total Salaries	<u>\$</u>	<u>854,498</u>
<b>EXPENSE</b>		
Printing and Binding	\$	10,000
Contractual Services		14,090
Office and Administrative		228,824
Total Expense	<u>\$</u>	<u>252,914</u>
<b>EQUIPMENT</b>		
Furniture, Office and Technical Equipment	\$	81,400
Total Equipment	<u>\$</u>	<u>81,400</u>
<b>Total Administrative Expense</b>	<b><u>\$</u></b>	<b><u>1,188,812</u></b>

Which motion was seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

- C. APPROVAL OF LACERS REDESIGNED LOGO AND POSSIBLE BOARD ACTION – Vikram Jadhav, Innovation Director, presented this item to the Board. After a 10 minute discussion, Commissioner Serrano moved to approve choice #1, seconded by Vice President Sohn. Commissioner Chao requested an amendment to the motion by making “LA” the darker blue and “CERS” the lighter blue. Commissioner Serrano approved the amendment, and was adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Vice President Sohn, and President Ruiz -6; Nays, Commissioner Wilkinson -1.

VII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value at \$19.95 billion as of November 9, 2020. Mr. June discussed the following items:
- Investment Manager search update and status
  - Rise in stock market partly due to Pfizer news on Covid vaccine. LACERS exposure to Pfizer is through its index manager
- B. PRIVATE REAL ESTATE PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING JUNE 30, 2020 – Felix Fels, Vice President and Storm Klyve-Underkofler, Investment Analyst, with The Townsend Group, presented this item to the Board for 10 minutes.

President Ruiz recessed the Regular Meeting at 12:25 p.m. for a break and reconvened the Regular Meeting at 12:32 p.m.

- C. PRIVATE EQUITY PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING JUNE 30, 2020 – David Fann, President and Jeff Goldberger, Senior Vice President, with Aksia-TorreyCove Partners LLC, presented and discussed this item with the Board for 30 minutes.
- D. NOTIFICATION OF COMMITMENT OF UP TO \$30 MILLION IN STELLEX CAPITAL PARTNERS II LP – This report was received by the Board and filed.
- E. NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN FORTRESS CREDIT OPPORTUNITIES FUND V EXPANSION (A) LP – This report was received by the Board and filed.

## VIII

### COMMITTEE REPORT(S)

- A. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON NOVEMBER 10, 2020 – Commissioner Serrano stated that the Committee approved the revisions to the LACERS Travel Policy.

## IX

OTHER BUSINESS – No other business was discussed.

## X

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, November 24, 2020 at 10:00 a.m. at LACERS, 977 N. Broadway, Suite 260, Los Angeles, CA 90012, and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while response to public health concerns relating to the novel coronavirus continue.

## XI

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 1:02 p.m.

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Cynthia M. Ruiz  
President

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Neil M. Guglielmo  
Manager-Secretary



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM

**INTER-DEPARTMENTAL MEMO**

**Date:** December 3, 2020  
**To:** Neil M. Guglielmo, General Manager  
**From:** Isaias Cantú, Senior Management Analyst II  
Administrative Services

**SUBJECT: 977 N BROADWAY UPDATE**

Included is a document compiling updates from our key partners in the 977 N Broadway Project including our Asset Manager, Construction Manager, and Property Manager. The document also includes current financial information for the project as of 10/31/2020.

Of special note are the following facts and figures:

- LACERS has spent 3% of the allotted budget for the 977 N Broadway Project. Expenditures have largely been for design documents as capital building improvements have not yet commenced. An actual vs budgeted expenditure summary is included.
- Staff is working with partners on roof replacement, curtain wall repair, seismic upgrades, emergency generator replacement, and IT modernization.
- Pacshore has issued an RFP for Project Management services. Proposals were received from four vendors. Staff will interview three vendors the week of December 7. Staff anticipates the contract for the services will be executed mid-December.
- Staff has completed the programming phase of the architectural plan for tenant improvements. LACERS has approved the Stacking Plans (how staff is distributed throughout the building) and Space Plan (how the workspace will be configured). Invesco and HOK are preparing a design cost estimate to ensure project budget compliance.
- Invesco has negotiated the early termination of tenant leases for the 5<sup>th</sup> floor and Suite 200. Invesco is negotiating the termination of the final tenant lease for Suite 220.
- LACERS occupancy of the building is projected for the end of the 4<sup>th</sup> Quarter of CY 2021. A timeline for the 977 N Broadway Project has been included.

If you require additional information, please contact Isaias Cantú, Senior Management Analyst II, at (213) 369-0141 or via email at [Isaias.Cantu@lacers.org](mailto:Isaias.Cantu@lacers.org).



# 977 N. BROADWAY PROJECT UPDATE

For Los Angeles City Employees' Retirement System



# HISTORY

In October 2019, the Board authorized and completed the purchase of 977 N. Broadway, Los Angeles, California at a price of \$33,750,000.

The five-story office building was built in 1984 and encompasses 64,585 square feet with a 110-space subterranean parking structure.

The property will serve as LACERS headquarters for the foreseeable future.

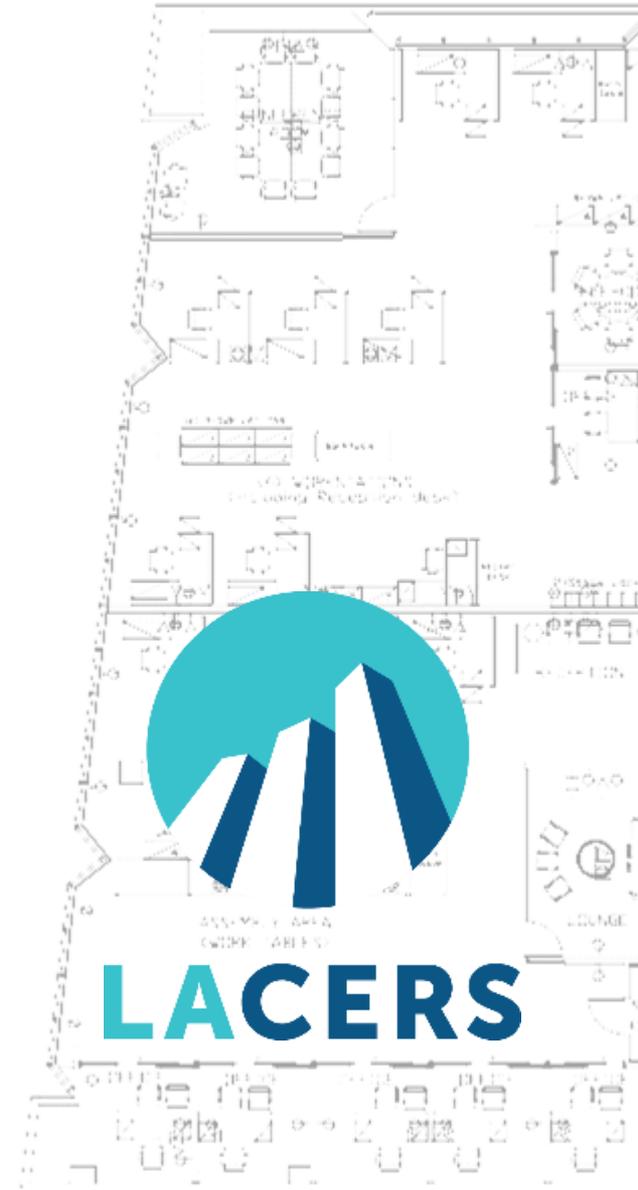
LACERS engaged Invesco as Advisor to facilitate the management oversight, capital and occupier programs as well as submit quarterly reports and asset level budgets.



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- Executive Summary
- Asset Manager Summary
- Construction Manager Summary
- Property Status Summary



# EXECUTIVE SUMMARY

- ❖ LACERS has spent 3% of the allotted budget for the 977 N Broadway Project. Expenditures have largely been for design documents as capital building improvements have not yet commenced.
- ❖ Discussions on roof replacement, curtain wall repair, seismic upgrades, emergency generator replacement, and IT modernization are underway with various consultants.
- ❖ Project Management services are being procured with the target start date of mid-December.
- ❖ The programming phase of the architectural plan for LACERS' tenant improvements is complete, including approval of the Stacking Plans and Space Plan. Invesco and HOK are preparing a design cost estimate to ensure project budget compliance.
- ❖ Invesco has negotiated the early termination of tenant leases for the 5<sup>th</sup> floor and Suite 200. Invesco is negotiating the termination of the final tenant lease for Suite 220.
- ❖ LACERS occupancy of the building is projected for the end of the 4<sup>th</sup> Quarter of CY 2021. A timeline for the 977 N Broadway Project has been included.



# ASSET MANAGER SUMMARY



## Tenant Lease Termination

– McCarthy Building Construction (5<sup>th</sup> Floor): Lease Termination Agreement (LTA) was negotiated and executed. Tenant agreed to pay 80% (\$346,978.26) of its total future obligation to terminate its lease. Space was vacated as of 8/31/2020.

– S&E Gourmet Cuts, Inc. (Suite 200): A LTA was fully negotiated and executed. As part of LTA, tenant received abatement rent for months August through October 2020. Space will be vacated as of 10/31/2020.

## Historical Cost Assessment

Invesco worked with a third-party auditor on how to acknowledge LACERS' tax exempt status and account for the anticipated reimbursement of taxes paid.

## Contractor Selection

Invesco's construction leader assisted with the ongoing RFPs and vendor selection for capital projects.



# PROPERTY STATUS SUMMARY



**977 N Broadway**  
From Date: 10/31/2020

Owner:	LACERS	Director:	Lillian Lainez / Lillian.Lainez@cushwake.com
Invesco Client:		General Manager:	Linda Enamorado / linda.enamorado@cushwake.com
Invesco Asset Manager:	Kristina Lewison	Accounting Contact:	Lauren Williams / lauren.williams@cushwake.com
Prop. Management Company:	Cushman and Wakefield	Leasing:	

**Financial Overview Year-to-Date** Amounts included should agree to the YTD Budget Comparison Report. COMMENT: Adjust headers for FY Assets.

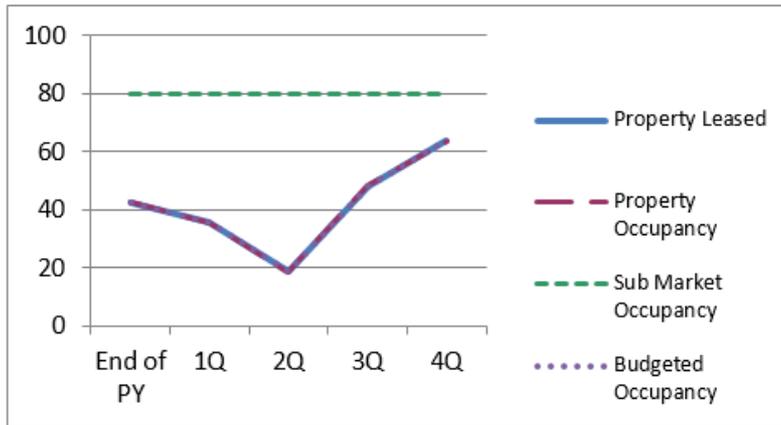
	2020/2021 Actuals	2020/2021 Budget	2020/2021 Actuals vs. 2020/2021 Budget \$ Variance	2020/2021 Actuals vs. 2019/2020 Budget % Variance	2020/2021 Actuals vs. 2020/2021 Budget Variance Comments 10% and \$5,000 OR 1% of Budgeted NOI
Income	\$ 513,454.97	\$ 322,013.68	\$ 191,441.29	59.45%	Base rent collection includes termination fee for McCarthy lease.
Operating Expenses	\$ 410,391.33	\$ 397,577.45	\$ (12,813.88)	(3.22%)	Unfavorable variance: LACERS non-reimbursable expenses.
<b>Net Operating Income</b>	<b>\$ 103,063.64</b>	<b>\$ (75,563.77)</b>	<b>\$ 178,627.41</b>	<b>236.39%</b>	Unfavorable variance: Various miscellaneous LL expenses not budgeted.
Debt Service	\$ -	\$ -	\$ -	0.00%	
Advisory Fees	\$ -	\$ -	\$ -	0.00%	
Ownership Expenses	\$ -	\$ -	\$ -	0.00%	
Federal Tax Expense	\$ -	\$ -	\$ -	0.00%	
Capital	\$ 248,535.67	\$ 8,477,748.50	\$ 8,229,212.83	97.07%	Favorable variance: Capital Building Improvements for LACERS HQ occupancy not yet commenced.
<b>Net Cash Flow</b>	<b>\$ (145,472.03)</b>	<b>\$ (8,553,312.27)</b>	<b>\$ 8,407,840.24</b>	<b>98.30%</b>	

# PROPERTY STATUS SUMMARY



**977 N Broadway**  
From Date: 10/31/2020

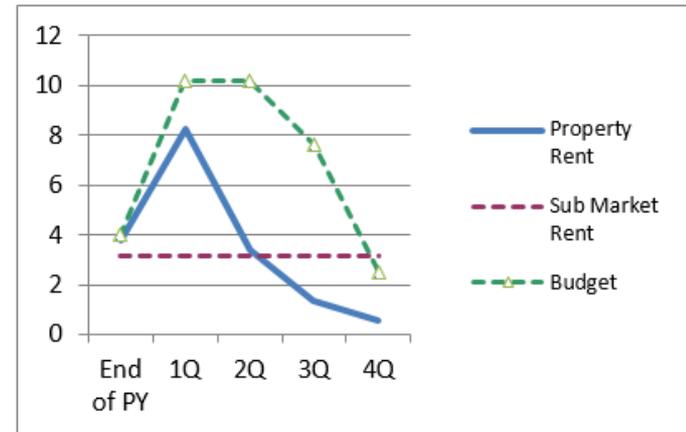
**Property Occupancy versus Submarket Occupancy**



\*include comments if applicable

**Significant Market/Submarket Activity**

**Property Rent versus Market Rent**



\*include comments if applicable

**Tenant Issues (Include comments for progress toward ABP)**

**Tenant Issues:**

\*There are no Tenant Issues to report on at this time.

**A/R Analysis:**

\*AT&T has a balance of \$3,752.00. Check received and account will true up next month.

**Legal Issues:**

\*No legal issues to report at this time.

## **Architectural (Tenant Improvement)**

- HOK has completed the programming phase of the architectural plan for the tenant improvement. LACERS has approved the Stacking Plans (program) and Space Plan on 9/25 and 10/5, respectively.

- HOK has started Schematic Design with a goal of LACERS sign off before the end of year.

## **Architectural (Exterior Renovation / Ground Floor Improvements)**

HOK presented preliminary concepts to the project management team (Pacshore/Invesco) and WJE on 9/30. Possible methods of design and construction were discussed.

## **Curtain Wall / Roof Project**

WJE completed their investigation of the roof system and curtain wall and reported to the project management team on 10/06 and 10/13, respectively.

## **Structural Upgrade Project**

LACERS was able to secure the original base building drawings for MHP. MHP is currently using these plans to develop their model for presentation to LACERS.

## **Emergency Generator Upgrade**

ARC Engineering conducted a site survey of the existing emergency generator system at 977 North Broadway. ARC presented options for replacement of the emergency generator to the team for review. LACERS has instructed ARC to proceed with designing to replace the emergency generator with the same existing connected load and expanded run time capability. ARC is currently designing the system upgrade.

## **IT Technology Project**

LACERS has selected Presidio as their IT Technology consultant. Presidio has started their design review process and meeting with LACERS staff to develop specifications.

## **Project Management RFP**

Pacshore has issued an RFP for Project Management services to a qualified list of consultants. Anticipated execution date of a contract for project management support is mid-December.

# CONSTRUCTION MANAGER SUMMARY



## Capital Expense Summary

977 N Broadway

From Date: 10/31/2020

Capital Expenditure (Place in order of balance sheet account #)	YTD Actual	YTD Budget	Variance	% Complete	Expected Completion Date	Comments (Explain WHY there is a difference between the actual and the original expectation)
<b>Building Improvements</b>						
LACERS Build Out	38,588	8,477,749	8,439,161	0%	Jan-21	Capital Building Improvements for LACERS HQ occupancy not yet commenced.
LACERS Soft Costs	181,948	-	(181,948)	0%	Jan-21	Design docs, contract rework
Construction Mgmt Fees	28,000	-	(28,000)	0%	Jan-21	Construction Management Fees for PacShore
<i>Subtotal - Major Repairs - Building Improvements</i>	<i>248,536</i>	<i>8,477,749</i>	<i>8,229,213</i>	<i>3%</i>		
<b>Major Repairs - Land</b>						
<i>Subtotal - Major Repairs - Land</i>	<i>-</i>	<i>-</i>	<i>-</i>			
<b>Major Repairs - Roof</b>						
<i>Subtotal - Major Repairs - Roof</i>	<i>-</i>	<i>-</i>	<i>-</i>			
<b>Major Repairs - Parking</b>						
<i>Subtotal - Major Repairs - Parking</i>	<i>-</i>	<i>-</i>	<i>-</i>			
<b>Major Repairs - HVAC</b>						
<i>Subtotal - Major Repairs - HVAC</i>	<i>-</i>	<i>-</i>	<i>-</i>			
<b>Tenant Improvements</b>						
<i>Subtotal - Tenant Improvements</i>	<i>-</i>	<i>-</i>	<i>-</i>			
<b>Lease Commissions</b>						
<i>Subtotal - Lease Commissions</i>	<i>-</i>	<i>-</i>	<i>-</i>			
<b>Capitalized Legal Costs</b>						
<i>Subtotal - Capitalized Legal Costs</i>	<i>-</i>	<i>-</i>	<i>-</i>			
<b>Total Capital Expenditures</b>	<b>248,536</b>	<b>8,477,749</b>	<b>8,229,213</b>			

PMC Note: Subtotals of each asset category should agree to the capital expenditures totals per the Budget Comparison Report.

PMC Note: Capital expenditures should be grouped by project or tenant.

# CONSTRUCTION MANAGER SUMMARY



## Capital Expense Reforecast

977 N Broadway

From Date: 10/31/2020

Capital Expenditure	Annual Budget	Actual Jul	Actual Aug	Actual Sep	Actual Oct	TOTAL	Next Year	Variance to Annual Budget
<b>Building Improvements 1441-0000</b>								
LACERS Build Out	4,238,873	-			20,100.00	20,100		4,218,773 ¥
LACERS Soft Costs		21,619			178,817	200,436		(200,436) Δ
Construction Mgmt Fees		7,000	7,000	7,000	7,000	28,000		(28,000) ‡
Monthly Subtotal - Building Improvements	4,238,873	28,619	7,000	7,000	205,917	248,536	-	3,990,337
Quarterly Subtotal - Building Improvements	4,238,873			42,619		248,536	-	3,990,337
<b>Major Repairs - Land 1442-0000</b>								
Monthly Subtotal - Major Repairs - Land	-	-	-	-	-	-	-	-
Quarterly Subtotal - Major Repairs - Land	-					-	-	-
<b>Major Repairs - Roof 1444-0000</b>								
Monthly Subtotal - Major Repairs - Roof	-	-	-	-	-	-	-	-
Quarterly Subtotal - Major Repairs - Roof	-					-	-	-
<b>Major Repairs - Parking 1445-0000</b>								
Monthly Subtotal - Major Repairs - Parking	-	-	-	-	-	-	-	-
Quarterly Subtotal - Major Repairs - Parking	-					-	-	-
<b>Tenant Improvements 1455-0000</b>								
Monthly Subtotal - Tenant Improvements	-	-	-	-	-	-	-	-
Quarterly Subtotal - Tenant Improvements	-					-	-	-
<b>Major Repairs - HVAC 1446-0000</b>								
Monthly Subtotal - Major Repairs - HVAC	-	-	-	-	-	-	-	-
Quarterly Subtotal - Major Repairs - HVAC	-					-	-	-
<b>Total Monthly Capital Expenditures</b>	<b>4,238,873</b>	<b>28,619</b>	<b>7,000</b>	<b>7,000</b>	<b>205,917</b>	<b>248,536</b>	<b>-</b>	<b>3,990,337</b>
<b>Total Quarterly Capital Expenditures</b>	<b>4,238,873</b>			<b>42,619</b>		<b>248,536</b>	<b>-</b>	<b>3,990,337</b>

**COMMENTS** ¥ - Capital building improvements for LACERS HQ occupancy not yet commenced  
 Δ - Consultant and architect/design documents  
 ‡ - Construction management fee for Pacshore

# PROPERTY MANAGER SUMMARY



## Property Daily Operations

C&W executed contracts with CCS (janitorial company), Specialized Elevators, Property Prep (Garage Cleaning), Landsco and is finalizing contracts with PacShore (Engineering) & Allied Universal (Security) as required by the Sub-PMA Agreement.

## Tenant/Vacancy Report

Allies for Every Child (Suite 220) and AT&T (Roof) leases are still active and rent payments are received as required per their corresponding leases.

Vacant spaces are in good and clean condition. LACERS occupancy is projected for the 4th Quarter of 2021.

## General Updates

Assistant Property Manager, Alexis Bautista, joined the Property Manager Team to replace Mari Roarke

Chinatown Business Improvement District: All required paperwork completed, and process was finalized in September 2020.

Property management and Engineering Team continue to work with soft cost consultants coordinating site visits



# PROPERTY MANAGER SUMMARY



## Monthly Leasing Summary

977 N. Broadway / From Date: 10/31/2020

### Percentage Leased and Occupied

Property Net Rentable Area	64,585
Total Square Feet Leased	13,730
Percentage Leased	21.26%
Total Square Feet Occupied	13,730
Percentage Square Feet Occupied	21.26%

### Vacancy

Suite / Unit #	RSF	Time Vacant	Market Rate	Leasing Assumption (start date, term, asking rate, concession, TI allowance, broker bonus, locator bonus, if applicable)
Suite 300	2,787			LACERS projected to occupy by 12/31/21
Suite 320	3,543			LACERS projected to occupy by 12/31/21
Suite 340	3,051			LACERS projected to occupy by 12/31/21
Suite 360	4,313			LACERS projected to occupy by 12/31/21
Suite 400	3,971			LACERS projected to occupy by 12/31/21
Suite 420	2,360			LACERS projected to occupy by 12/31/21
Suite 440	3,049			LACERS projected to occupy by 12/31/21
Suite 460	4,313			LACERS projected to occupy by 12/31/21
Suite 500	13,697			LACERS projected to occupy by 12/31/21
Suite A - Ground Floor	1,019			LACERS projected to occupy by 12/31/21
Suite B - Ground Floor	3,697			LACERS projected to occupy by 12/31/21
Suite C - Ground Floor	3,531			LACERS projected to occupy by 12/31/21
Suite D - Ground Floor	578			LACERS projected to occupy by 12/31/21
Suite E - Ground Floor	946			LACERS projected to occupy by 12/31/21
<b>Total</b>	<b>50,855</b>	<b>78.74%</b>		



# PROPERTY MANAGER SUMMARY



## Rent Roll – Lease Charges 977 N. Broadway / From Date: 10/31/2020

Unit(s)	Lease	Lease Type	Lease From	Lease To	Security Deposit	Letter of Credit Amount	Amendment Type	Unit(s)	Area Label	Area	Term	Amendment From	Amendment To	Charge Code	Charge From	Charge To
<b>o880001 - 977 Broadway, Los Angeles</b>																
200	S&E Gourmet Cuts, Inc.	Office	8/5/2019	10/31/2020	26,428.50	0.00	Original Lease	200	GLA	2,517.00	15.00	8/5/2019	10/31/2020	nbr	8/1/2020	10/30/2020
<b>Total</b>																
220	Allies for Every Child	Office	8/1/2019	9/30/2022	39,319.80	0.00	Original Lease	220	GLA	3,692.00	38.00	8/1/2019	9/30/2022	nbr	8/1/2020	7/31/2021
<b>Total</b>																
ROOF-A	AT&T Wireless	Office	12/1/2018	11/30/2023	5,100.00	0.00	Original Lease	ROOF-A ROOF-A	GLA GLA	0.00 0.00	60.00	12/1/2018	11/30/2023	nur nbr	12/1/2018 12/1/2019	11/30/2023 11/30/2020
<b>Total</b>																
<b>Total</b>					<b>70,848.30</b>	<b>0.00</b>										
<b>Summary by Charge Code</b>		<b>Amount</b>														
	nbr	24,544.57														
	nur	650.00														
	<b>Total</b>	<b>25,194.57</b>														
<b>Grand Total</b>					<b>70,848.30</b>	<b>0.00</b>										

Unit(s)	Lease	Monthly Amount	Mgmt Fee	Gross Amount	Amt. per Area	Annualized Gross Amount	Amt per Area
<b>o880001 - 977 Broadway, Los Angeles</b>							
200	S&E Gourmet Cuts, Inc.	9,086.37	0.00	9,086.37	3.61	109,036.44	43.32
<b>Total</b>		<b>9,086.37</b>	<b>0.00</b>	<b>9,086.37</b>		<b>109,036.44</b>	
220	Allies for Every Child	12,368.20	0.00	12,368.20	3.35	148,418.40	40.20
<b>Total</b>		<b>12,368.20</b>	<b>0.00</b>	<b>12,368.20</b>		<b>148,418.40</b>	
ROOF-A	AT&T Wireless	650.00	0.00	650.00	0.00	7,800.00	0.00
		3,090.00	0.00	3,090.00	0.00	37,080.00	0.00
<b>Total</b>		<b>3,740.00</b>	<b>0.00</b>	<b>3,740.00</b>		<b>44,880.00</b>	
<b>Total</b>		<b>25,194.57</b>	<b>0.00</b>	<b>25,194.57</b>		<b>302,334.84</b>	
<b>Summary by Charge Code</b>							
	nbr						
	nur						
	<b>Total</b>						
<b>Grand Total</b>		<b>25,194.57</b>	<b>0.00</b>	<b>25,194.57</b>		<b>302,334.84</b>	



# PROPERTY MANAGER SUMMARY



## Rent Roll – Lease Charges

977 N. Broadway / From Date: 9/30/2020

Rent total per Rent Roll	24,544.57
Base Rent per General Ledger account #5010-0000	<u>24,544.57</u>
CAM total per Rent Roll	
CAM per General Ledger account #5070-0000	<u>-</u>
Real Estate Tax Reimb total per Rent Roll	-
Real Estate Tax reimb per General Ledger account #5060-0000	<u>-</u>
Property Insurance Reimb total per Rent Roll	-
Property Insurance reimb per General Ledger account #5055-0000	<u>-</u>
Parking Income per Rent Roll	-
Parking Income per General Ledger account 5310-0000	<u>-</u>
Utility Reimbursement per Rent Roll	650.00
Utility Reimbursement per General Ledger account 5082-0000	<u>650.00</u>
Security Deposits total per Rent Roll	70,848.30
Security Deposits per General Ledger account #2100-0000	<u>70,848.30</u>



PMC NOTE: Reconciling items should be explained. Information should include tenant name/description, related date and reason the adjustment is needed.

# PROPERTY MANAGER SUMMARY



## Stacking Plan 977 N. Broadway / From Date: 10/31/2020

Floor	RSF	RSF Leased	% Leased	STACKING PLAN				Market Rent	
ROOF-A	0	0	0%	AT&T Wireless 11/30/23					
5	13,697	0	0%	Vacant Suite 500 13,697sf 8/31/2020					
4	13,693	0	0%	Vacant Suite 400 3,971sf	Vacant Suite 420 2,360sf	Vacant Suite 440 3,049sf	Vacant Suite 460 4,313sf	\$53	
3	13,694	0	0%	Vacant Suite 300 2,787sf	Vacant Suite 320 3,543sf	Vacant Suite 340 3,051sf	Vacant Suite 360 4,313sf		
2	13,730	13,730	100%	S&E Gourmet Suite 200 2,517sf 10/31/20	Allies for Every Child Suite 220 3,692sf 9/30/22	LACERS 240 3,154sf	LACERS Suite 260 4,367sf		
1	9,771	0	0%	Vacant Suite A 1,019sf	Vacant Suite B 3,697sf	Vacant Suite C 3,531sf	Vacant Suite D 578sf		Vacant Suite E 946sf
	<b>64,585</b>	<b>13,730</b>	<b>21%</b>						



# PROPERTY MANAGER SUMMARY



## Stacking Plan

977 N. Broadway / From Date: 10/31/2020

	Expiration Details							Annualized Revenue Gain	Valuation: At Current Implied Yield
	Expiring RSF	% of Total NRA	Cumulative	% of Office NRA	Weighted In-place Rent	Weighted Market Rent	Net Gain		
Vacant	44,679	69.2%	44,679	69.2%	\$ -	\$ -	\$0.00	\$0	\$0
2019	-	0.0%	44,679	69.2%	\$ -	\$ -	\$0.00	\$0	\$0
2020	16,214	25.1%	60,893	94.3%	\$ 40.20	\$ -	(\$40.20)	(\$651,803)	(\$7,668,268)
2021	-	0.0%	60,893	94.3%	\$ -	\$ -	\$0.00	\$0	\$0
2022	3,692	5.7%	64,585	100.0%	\$ 40.22	\$ -	(\$40.22)	(\$148,492)	(\$1,746,968)
2023	-	0.0%	64,585	100.0%	\$ -	\$ -	\$0.00	\$0	\$0
2024	-	0.0%	64,585	100.0%	\$ 27.00	\$ -	(\$27.00)	\$0	\$0
2025	-	0.0%	64,585	100.0%	\$ -	\$ -	\$0.00	\$0	\$0
2026	-	0.0%	64,585	100.0%	\$ -	\$ -	\$0.00	\$0	\$0
2027	-	0.0%	64,585	100.0%	\$ -	\$ -	\$0.00	\$0	\$0
2028+	-	0.0%	64,585	100.0%	\$ -	\$ -	\$0.00	\$0	\$0
<b>Total Office</b>	<b>64,585</b>	<b>100.0%</b>						<b>(\$800,295)</b>	<b>(\$9,415,236)</b>
Storage / Misc.	-	0.0%							
<b>TOTALS</b>	<b>64,585</b>	<b>100.0%</b>							



# PROPERTY MANAGER SUMMARY



## General Budget Comparison 977 N. Broadway / From Date: 10/31/2020

	PTD Actual	PTD Budget	Variance	% Var
<b>INCOME</b>				
Base Rent	121,458.98	218,867.00	-97,408.02	-44.51
CAM Reimbursement	41,091.00	95,346.68	-54,255.68	-56.90
Utility Reimbursement	2,600.00	0.00	2,600.00	N/A
Other Receipts	346,978.26	7,800.00	339,178.26	4,348.44
Interest Income	873.22	0.00	873.22	N/A
Amort of Acq'd Leases-Above/Below Market	5,715.68	0.00	5,715.68	N/A
Straight Line Rent Adjustment	-5,262.17	0.00	-5,262.17	N/A
<b>Total Income</b>	<b>513,454.97</b>	<b>322,013.68</b>	<b>191,441.29</b>	<b>59.45</b>
<b>EXPENSES</b>				
Payroll	49,545.00	41,860.00	-7,685.00	-18.36
General & Administrative	13,507.32	12,320.00	-1,187.32	-9.64
Management Fees	60,000.00	60,000.00	0.00	0.00
Garage Expenses	4,144.84	31,444.00	27,299.16	86.82
Landscaping	520.00	520.00	0.00	0.00
Repair & Maintenance	16,959.94	44,964.00	28,004.06	62.28
Janitorial	27,447.42	26,355.24	-1,092.18	-4.14
Security	75,713.36	67,781.89	-7,931.47	-11.70
Utilities	45,624.44	40,951.00	-4,673.44	-11.41
Insurance	39,248.68	64,441.32	25,192.64	39.09
Real Estate & Other Taxes	20,820.20	0.00	-20,820.20	N/A
Nonreimbursable Expenses	56,860.13	6,940.00	-49,920.13	-719.31
<b>Total Expenses</b>	<b>410,391.33</b>	<b>397,577.45</b>	<b>-12,813.88</b>	<b>-3.22</b>
<b>NOI/(NOL)</b>	<b>103,063.64</b>	<b>-75,563.77</b>	<b>178,627.41</b>	<b>236.39</b>
Advisory & Other Fees	0.00	0.00	0.00	N/A
<b>Net Income/(Loss) From Operations</b>	<b>103,063.64</b>	<b>-75,563.77</b>	<b>178,627.41</b>	<b>236.39</b>
Depreciation & Amortization	-1,320,742.30	0.00	-1,320,742.30	N/A
<b>Net Income/(Net Loss)</b>	<b>-1,217,678.66</b>	<b>-75,563.77</b>	<b>-1,142,114.89</b>	<b>-1,511.46</b>
Other Capital	248,535.67	8,477,748.50	8,229,212.83	97.07
<b>Total Capital Expenditures</b>	<b>248,535.67</b>	<b>8,477,748.50</b>	<b>8,229,212.83</b>	<b>97.07</b>
<b>NI/(NL) from Operations Less Cap-Ex</b>	<b>-145,472.03</b>	<b>-8,553,312.27</b>	<b>8,407,840.24</b>	<b>98.30</b>



# PROPERTY MANAGER SUMMARY



## Detailed Budget Comparison

977 N. Broadway / From Date: 10/31/2020

	PTD Actual	PTD Budget	Variance	% Var	YTD Explanation: \$5,000 and 10% OR 1% of Budgeted NOI to be explained
5010-0000 Base Rent Income	161,086.29	218,867.00	-57,780.71	-26.40	Unfavorable variance: S&E Gourmet (\$26K) & McCarthy (\$31.7K) leases terminated.
5020-0000 Rent Concessions / Incentives	-39,627.31	0.00	-39,627.31	N/A	Unfavorable variance: S&E Gourmet (\$27.2K) as part of their termination agreement & Allies for Every Child (\$12.4K) not budgeted.
<b>Base Rent</b>	<b>121,458.98</b>	<b>218,867.00</b>	<b>-97,408.02</b>	<b>-44.51</b>	
5070-0000 CAM Reimbursement - Current Year	41,091.00	95,346.68	-54,255.68	-56.90	Unfavorable variance: S&E Gourmet (\$13.1K) & McCarthy (\$41.1K) leases terminated.
<b>CAM Reimbursement</b>	<b>41,091.00</b>	<b>95,346.68</b>	<b>-54,255.68</b>	<b>-56.90</b>	
5082-0000 Utility Reimbursement	2,600.00	0.00	2,600.00	N/A	Favorable variance: AT&T Roof - utility
<b>Utility Reimbursement</b>	<b>2,600.00</b>	<b>0.00</b>	<b>2,600.00</b>	<b>N/A</b>	
5290-0000 Cancellation / Termination Fees	346,978.26	0.00	346,978.26	N/A	Favorable variance: McCarthy Lease Termination
5310-0000 Parking Income - Monthly	0.00	7,800.00	-7,800.00	-100.00	Variance: Parking services temporarily on hold due to COVID19.
<b>Other Receipts</b>	<b>346,978.26</b>	<b>7,800.00</b>	<b>339,178.26</b>	<b>4,348.44</b>	
5334-0000 Interest Income - Other	873.22	0.00	873.22	N/A	
<b>Interest Income</b>	<b>873.22</b>	<b>0.00</b>	<b>873.22</b>	<b>N/A</b>	
5012-0000 Amort of Acq'd Leases-Above/Below Market	5,715.68	0.00	5,715.68	N/A	Invesco Amortization entry. Not Budgeted.
<b>Amort of Acq'd Leases-Above/Below Marke</b>	<b>5,715.68</b>	<b>0.00</b>	<b>5,715.68</b>	<b>N/A</b>	
5013-0000 Straight Line Rent Adjustment	-5,262.17	0.00	-5,262.17	N/A	Invesco Straight-line rent adjustment. Not
<b>Straight Line Rent Adjustment</b>	<b>-5,262.17</b>	<b>0.00</b>	<b>-5,262.17</b>	<b>N/A</b>	
<b>Total Income</b>	<b>513,454.97</b>	<b>322,013.68</b>	<b>191,441.29</b>	<b>59.45</b>	
7000-0000 Property Manager Salary	0.00	0.00	0.00	N/A	
7025-0000 Maintenance Supervisor Salary	49,545.00	41,860.00	-7,685.00	-18.36	Unfavorable variance: Add'l hours incurred during
<b>Payroll</b>	<b>49,545.00</b>	<b>41,860.00</b>	<b>-7,685.00</b>	<b>-18.36</b>	
7205-0000 Telephone	10,472.82	9,600.00	-872.82	-9.09	Unfavorable variance: Add'l admin phone cost not anticipated.
7230-0000 Office Supplies	1,669.57	1,000.00	-669.57	-66.96	Unfavorable variance: Higher office supplies cost for this period than anticipated.
7235-0000 Postage	0.00	100.00	100.00	100.00	
7265-0000 Furniture Rental	0.00	0.00	0.00	N/A	
7274-0000 Computer Equipment Repairs and Fees	759.99	720.00	-39.99	-5.55	
7308-0000 Other Professional Fees	0.00	800.00	800.00	100.00	
7320-0000 Governmental License / Fees	0.00	0.00	0.00	N/A	
7325-0000 Bank Charges	604.94	100.00	-504.94	-504.94	
7330-0000 Miscellaneous General	0.00	0.00	0.00	N/A	
<b>General &amp; Administrative</b>	<b>13,507.32</b>	<b>12,320.00</b>	<b>-1,187.32</b>	<b>-9.64</b>	

# PROPERTY MANAGER SUMMARY



## Budget Comparisons (continued)

977 N. Broadway / From Date: 10/31/2020

		PTD Actual	PTD Budget	Variance	% Var	YTD Explanation: \$5,000 and 10% OR 1% of Budgeted NOI to be explained
7380-0000	Management Fees	60,000.00	60,000.00	0.00	0.00	
	<b>Management Fees</b>	<b>60,000.00</b>	<b>60,000.00</b>	<b>0.00</b>	<b>0.00</b>	
7401-0000	Garage/Parking Lot - Equipment	166.19	1,600.00	1,433.81	89.61	Favorable variance: Contingencies for parking lot equipment not used during this period. Parking services on hold due to COVID 19.
7430-0000	Garage Operations Expense	3,978.65	29,844.00	25,865.35	86.67	Favorable variance: Parking services temporarily on hold due to COVID19.
	<b>Garage Expenses</b>	<b>4,144.84</b>	<b>31,444.00</b>	<b>27,299.16</b>	<b>86.82</b>	
7600-0000	Landscaping	520.00	520.00	0.00	0.00	
7680-0000	Landscaping R&M - Exterior	0.00	0.00	0.00	N/A	
	<b>Landscaping</b>	<b>520.00</b>	<b>520.00</b>	<b>0.00</b>	<b>0.00</b>	
7800-0000	Plumbing	0.00	1,600.00	1,600.00	100.00	
7805-0000	Fire Extinguisher Recharge	0.00	600.00	600.00	100.00	
7809-0000	Water Treatment	2,663.48	2,744.00	80.52	2.93	
7810-0000	Electrical	3,163.22	1,000.00	-2,163.22	-216.32	Unfavorable variance: Additional electrical outlet installed in the 2nd floor community kitchen, not
7816-0000	HVAC Contracted - Interior	1,877.98	12,000.00	10,122.02	84.35	Favorable variance: Lower HVAC cost than anticipated for this period due to lower occupancy in the building. (COVID19)
7824-0000	Supplies	1,628.12	1,700.00	71.88	4.23	
7828-0000	Painting	0.00	2,000.00	2,000.00	100.00	Favorable variance: Contingency for painting not used during this period.
7839-0000	Repairs / Labor	561.44	17,600.00	17,038.56	96.81	Favorable variance: Contingency for disfencting the buidling and other repairs not used.
7845-0000	Exterminating	520.00	500.00	-20.00	-4.00	
7850-0000	Elevator/Escalator Maint Contract	2,620.20	2,700.00	79.80	2.96	
7851-0000	Elevator/Escalator R&M	3,152.00	800.00	-2,352.00	-294.00	Unfavorable variance: Purchase of elevator pads, not budueted.
7853-0000	Elevator Inspection Fees	0.00	600.00	600.00	100.00	
7870-0000	Parking Lot Sweeping	420.00	320.00	-100.00	-31.25	
7897-0000	Locks & Keys	353.50	800.00	446.50	55.81	
	<b>Repair &amp; Maintenance</b>	<b>16,959.94</b>	<b>44,964.00</b>	<b>28,004.06</b>	<b>62.28</b>	

# PROPERTY MANAGER SUMMARY



## Budget Comparisons (continued)

977 N. Broadway / From Date: 10/31/2020

		PTD Actual	PTD Budget	Variance	% Var	YTD Explanation: \$5,000 and 10% OR 1% of Budgeted NOI to be explained
7900-0000	Janitorial Contract	4,172.40	13,211.24	9,038.84	68.42	Favorable variance: Re-classing of janitorial cost to correct GL code
7910-0000	Cleaning Supplies	638.46	2,000.00	1,361.54	68.08	Favorable variance: Lower contingency used for janitorial supplies than projected, lowered occupancy due to COVID19.
7930-0000	Trash Removal	1,171.68	3,200.00	2,028.32	63.38	Favorable variance: Lower trash removal cost than projected.
7940-0000	Window Washing	0.00	0.00	0.00	N/A	
7945-0000	Janitorial - Other	21,464.88	7,944.00	-13,520.88	-170.20	Unfavorable variance: Re-classing of janitorial cost to correct GL code
	<b>Janitorial</b>	<b>27,447.42</b>	<b>26,355.24</b>	<b>-1,092.18</b>	<b>-4.14</b>	
8000-0000	Security Fire Alarm Monitor	480.00	320.00	-160.00	-50.00	
8001-0000	Security - Guard Service	67,072.57	66,461.89	-610.68	-0.92	
8002-0000	Security - Equipment	2,640.00	0.00	-2,640.00	N/A	Favorable variance: Contingency for security equipment not used during this period.
8020-0000	Fire Alarm & Sprinkler	5,520.79	1,000.00	-4,520.79	-452.08	Unfavorable variance: Reg IV testing not budgeted for this period.
	<b>Security</b>	<b>75,713.36</b>	<b>67,781.89</b>	<b>-7,931.47</b>	<b>-11.70</b>	
8110-0000	Electricity - Common Area	41,820.17	37,681.00	-4,139.17	-10.38	Unfavorable variance: Higher consumption for this period due to weather conditions
8130-0000	Gas - Common Area	224.64	408.00	183.36	44.94	
8141-0000	Water - Building	2,074.26	2,350.00	275.74	11.73	Favorable variance: Water consumption higher than projected.
8149-0000	Water and Sewer	1,505.37	512.00	-993.37	-194.02	Unfavorable variance: Water & sewer cost higher than projected.
	<b>Utilities</b>	<b>45,624.44</b>	<b>40,951.00</b>	<b>-4,673.44</b>	<b>-11.41</b>	
8203-0000	Ins Prem - General Liability	39,248.68	64,441.32	25,192.64	39.09	Favorable variance: Insurance cost less than anticipated. Policy secured directly by Ownership.
	<b>Insurance</b>	<b>39,248.68</b>	<b>64,441.32</b>	<b>25,192.64</b>	<b>39.09</b>	
8310-0000	Property Taxes	20,820.20	0.00	-20,820.20	N/A	Unfavorable variance: RE-class of Reclass Non-Refundable Tax Expense (Invesco). Building is
	<b>Real Estate &amp; Other Taxes</b>	<b>20,820.20</b>	<b>0.00</b>	<b>-20,820.20</b>	<b>N/A</b>	
8403-0000	Accounting Auditing Tax Prep - LL	-250.00	940.00	1,190.00	126.60	
8451-0000	Miscellaneous - LL	57,110.13	6,000.00	-51,110.13	-851.84	LACERS non-reimbursable expenses: Presidio Phase I equipment costs (\$17K), furniture rental (\$12.7K), internet services (\$1.8K), 2nd security access equipment (\$10.1K), PacShore - parking charges reimb. (\$11K); building improvement cost: \$21.4K (will be reclassified to 1441-0000 in the next period)
	<b>Nonreimbursable Expenses</b>	<b>56,860.13</b>	<b>6,940.00</b>	<b>-49,920.13</b>	<b>-719.31</b>	
	<b>Total Expenses</b>	<b>410,391.33</b>	<b>397,577.45</b>	<b>-12,813.88</b>	<b>-3.22</b>	

# PROPERTY MANAGER SUMMARY



## Budget Comparisons (continued)

977 N. Broadway / From Date: 10/31/2020

		PTD Actual	PTD Budget	Variance	% Var	YTD Explanation: \$5,000 and 10% OR 1% of Budgeted NOI to be explained
<b>NOI(NOL)</b>		<b>103,063.64</b>	<b>-75,563.77</b>	<b>178,627.41</b>	<b>236.39</b>	
9150-0000	Advisory Fees	0.00	0.00	0.00	N/A	
<b>Advisory &amp; Other Fees</b>		<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>N/A</b>	
<b>Net Income/(Loss) From Operations</b>		<b>103,063.64</b>	<b>-75,563.77</b>	<b>178,627.41</b>	<b>236.39</b>	
9205-0000	Depreciation Expense	-525,283.11	0.00	-525,283.11	N/A	Monthly depreciation entry.
9206-0000	Amortization Expense	-795,459.19	0.00	-795,459.19	N/A	Monthly amortization entry.
<b>Depreciation &amp; Amortization</b>		<b>-1,320,742.30</b>	<b>0.00</b>	<b>-1,320,742.30</b>	<b>N/A</b>	
<b>Net Income/(Net Loss)</b>		<b>-1,217,678.66</b>	<b>-75,563.77</b>	<b>-1,142,114.89</b>	<b>-1,511.46</b>	
1441-0000	Building Improvements	248,535.67	8,477,748.50	8,229,212.83	97.07	
<b>Other Capital</b>		<b>248,535.67</b>	<b>8,477,748.50</b>	<b>8,229,212.83</b>	<b>97.07</b>	
<b>Total Capital Expenditures</b>		<b>248,535.67</b>	<b>8,477,748.50</b>	<b>8,229,212.83</b>	<b>97.07</b>	
<b>NI/(NL) from Operations Less Cap-Ex</b>		<b>-145,472.03</b>	<b>-8,553,312.27</b>	<b>8,407,840.24</b>	<b>98.30</b>	

# PROJECT SCHEDULE



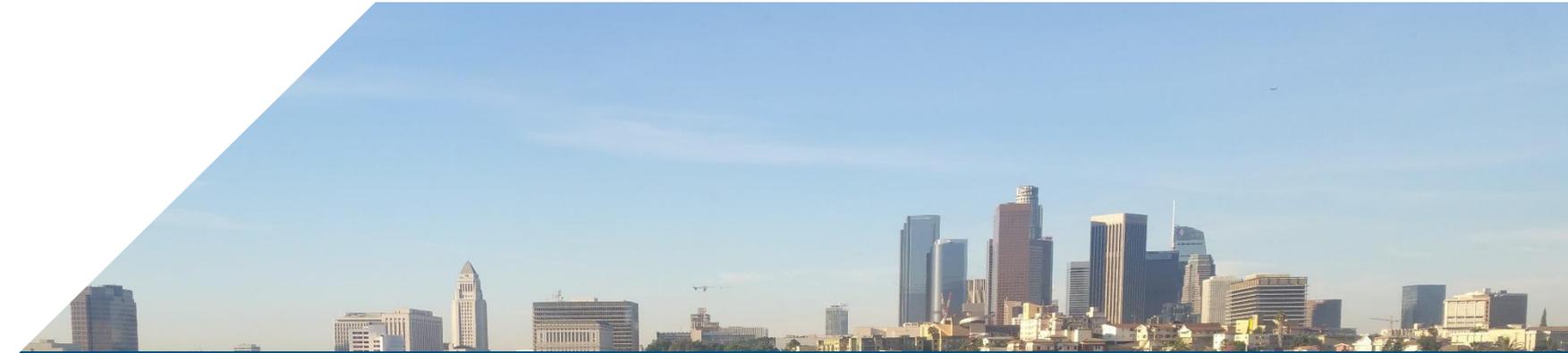
LACERS Team Project Schedule 10/13/20	October					November																								
	Week 26					Week 27				Week 28				Week 29				Week 30				Week 31								
	26	27	28	29	30	2	3	4	5	6	9	10	11	12	13	16	17	18	19	20	23	24	25	26	27	30	1	2	3	4
<b>3.0 Space Planning and Schematic Design</b>																														
Prepare Space Plan Drafts																														
Review Plans with LACERS																														
LACERS Internal review																														
Revise Space Plans																														
Review Plans with LACERS																														
Revise Space Plans																														
Review Revised Plans with LACERS and Sign-Off																														
Prepare Schematic Design Draft																														
Present Schematic Design Draft																														
Revise Schematic Design																														
Review Schematic Design																														
LACERS Internal review																														
Revise Schematic Design																														
Present Final Schematic Design to LACERS for Approval																														

Activities	December														January																									
	Week 32					Week 33					Week 34				Week 35				Week 36					Week 37					Week 38					Week 39						
	4	7	8	9	10	11	14	15	16	17	18	21	22	23	24	25	28	29	30	31	1	4	5	6	7	8	11	12	13	14	15	18	19	20	21	22	25	26	27	28
<b>4.0 Design Development</b>																																								
Prepare Design Development Draft																																								
Present Design Development to LACERS																																								
Revise Design Development Draft																																								
Review Design Development with LACERS																																								
LACERS Internal review																																								
Revise Design Development Draft																																								
Present Final Design Development to LACERS for Approval																																								



# 977 N BROADWAY

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**Agenda of: DECEMBER 8, 2020**

**Item No: V-A**

## **MARKETING CESSATION REPORT NOTIFICATION TO THE BOARD**

The Board's Marketing Cessation 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.

Firms listed in Attachments 1 and 2 are subject to limited communications with Board Members and staff pursuant to the Policy and will appear and remain on the list, along with the status, from the first publicized intention to contract for services through the award of the contract. Lists of current LACERS' contracts are on file in the Board office and are available upon request.

Attachments: 1) Contracts Under Consideration for Renewal  
2) Active RFPs and RFQs

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM CONTRACTS LIST  
FOR THE DECEMBER 8, 2020 BOARD MEETING

**CONTRACTS PENDING FINAL EXECUTION**

NO.	VENDOR / CONSULTANT	DESCRIPTION	INCEPTION DATE	EXPIRATION DATE	MARKETING CESSATION STATUS	RESTRICTED PERIOD*	
						START	END
<b>HEALTH BENEFITS ADMINISTRATION</b>							
1.	Anthem 2020	Medical HMO & PPO	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020
2.	Anthem Blue View Vision 2020	Vision Services Contract	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020
3.	Delta Dental 2020	Dental PPO and HMO	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020
4.	Kaiser 2020	Medical HMO	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020
5.	SCAN 2020	Medical HMO	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM CONTRACTS LIST  
FOR THE DECEMBER 8, 2020 BOARD MEETING

**CONTRACTS PENDING FINAL EXECUTION**

NO.	VENDOR / CONSULTANT	DESCRIPTION	INCEPTION DATE	EXPIRATION DATE	MARKETING CESSATION STATUS	RESTRICTED PERIOD*	
						START	END
6.	United Healthcare 2020	Medical HMO	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020
7.	Keenan & Associates	Health and Welfare Consultant	3/1/2021	6/30/2022	Board approved contract extension on 8/11/2020; contract execution in progress.	8/11/2020	11/11/2021
<b>INVESTMENTS</b>							
8.	CenterSquare Investment Management, Inc.	Active U.S. REITs	4/1/2018	3/31/2021	Investment Committee approved contract renewal on 11/10/2020. Pending Board approval.	11/6/2020	6/30/2021
9.	Rhumblin Advisors Limited Partnership	U.S. Equity Index Funds	4/1/2016	3/31/2021	Investment Committee approved contract renewal on 11/10/2020. Pending Board approval.	11/6/2020	6/30/2021
10.	CoreCommodity Management, LLC	Active Long-Only Commodities	6/1/2018	5/31/2021	Pending Investment Committee approval on 12/8/2020.	12/4/2020	8/31/2021

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM CONTRACTS LIST  
FOR THE DECEMBER 8, 2020 BOARD MEETING

**CONTRACTS PENDING FINAL EXECUTION**

NO.	VENDOR / CONSULTANT	DESCRIPTION	INCEPTION DATE	EXPIRATION DATE	MARKETING CESSATION STATUS	RESTRICTED PERIOD*	
						START	END
11.	State Street Global Advisors Trust Company	Multi Passive Index	6/1/2013	5/31/2021	Pending Investment Committee approval on 12/8/2020.	12/4/2020	8/31/2021
12.	Bain Capital Senior Loan Fund, L.P.	Active U.S. Bank Loans	7/1/2018	6/30/2021	Pending Investment Committee approval on 12/8/2020.	12/4/2020	9/30/2021

**Start Date** - The estimated start date of the restricted period is three (3) months prior to the expiration date of the current contract. No entertainment or gifts of any kind should be accepted from the restricted source as of this date. Firms intending to participate in the Request for Proposal process are also subject to restricted marketing and communications.

**End Date** - The end date is the date of final contract execution. This date is estimated for general contracts, investment contracts, and health carrier contracts to be three (3) months, six (6) months, and twelve (12) months, respectively, following the Board approval of contract renewal.

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
 CONTRACTS LIST FOR THE DECEMBER 8, 2020 BOARD MEETING

**ACTIVE RFPs AND RFQs**

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
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**INVESTMENTS**

1	Core Fixed Income Mandate Search	<p><b>RFP Release Date:</b> August 19, 2019</p> <p><b>Submission Deadline:</b> October 4, 2019</p> <p><b>Status:</b> On 9/8/20, the Investment Committee concurred with staff's recommendation to advance the following eight managers as semi-finalists:</p> <ol style="list-style-type: none"> <li>1. Robert W. Baird &amp; Co., Inc.</li> <li>2. C.S. McKee, L.P.</li> <li>3. Garcia Hamilton &amp; Associates, L.P.</li> <li>4. Income Research &amp; Management</li> <li>5. J.P. Morgan Asset Management</li> <li>6. Loomis, Sayles &amp; Company, L.P.</li> <li>7. Neuberger Berman Investment Advisers LLC</li> <li>8. Segal Bryant &amp; Hamill, LLC</li> </ol>
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Due diligence in progress.

**List of Respondents:**

Amundi Pioneer Institutional Asset Management, Inc., Baird Advisors, BlackRock, Inc., BMO Global Asset Management, Brown Brothers Harriman & Co., C.S. McKee, L. P., Calvert Research and Management (Calvert or CRM), Conning, Dimensional Fund Advisors LP, Dodge & Cox, EARNEST Partners, LLC, FIAM LLC, Galliard Capital Management, Garcia Hamilton & Associates, L.P., Goldman Sachs Asset Management L.P., Guggenheim Partners Investment Management, LLC, Income Research & Management, Integrity Fixed Income, Management, LLC, Invesco Advisers, Inc., J.P. Morgan Asset Management, Jennison Associates LLC, Lazard Asset Management LLC, LM Capital Group, LLC, Longfellow Investment Management Co., LLC, Loomis, Sayles & Company, L.P, Manulife Investment Management, MFS Institutional Advisors, Inc., Morgan Stanley Investment Management, National Investment Services, Neuberger Berman, Nuveen, LLC, Payden & Rygel, PGIM Fixed Income, Piedmont Investment Advisors, Inc., PIMCO, Princeton Asset Management, LLC, Progress Investment Management Company, LLC, Pugh Capital Management, Inc., Quadratic Capital Management LLC, Ramirez Asset Management, Schroder Investment Management North America Inc., Securian Asset Management, Inc., Segall Bryant & Hamill, Sit Investment Associates, Inc. (Sit), SLC Management, Smith Graham & Co., Investment Advisors, L.P., Sterling Capital Management LLC, T. Rowe Price Associates, Inc., TCW Group, Inc., The Capital Group Companies, Inc., Voya Investment Management (Voya IM), Wellington Management Company LLP, Wells Fargo Asset Management, Western Asset Management Company, LLC

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
CONTRACTS LIST FOR THE DECEMBER 8, 2020 BOARD MEETING

**ACTIVE RFPs AND RFQs**

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
2	Emerging Market Debt Mandate Search	<p><b>RFP Release Date:</b> June 19, 2019</p> <p><b>Submission Deadline:</b> July 22, 2019</p> <p><b>Status:</b> On September 8, 2020, the Board awarded contracts to: PGIM Fixed Income and Wellington Management Company LLP.</p> <p style="text-align: center;">Negotiations in progress.</p> <p><b>List of Respondents:</b> Eaton Vance Management, Ashmore Investment Management, Capital Group, Fidelity Institutional Asset Management, GAM USA, INC., Northwest Passage Capital Advisors LLC, Payden &amp; Rygel, PGIM Fixed Income, Schroder Investment Management North America Inc., Stone Harbor Investment Partners LP, LM Capital Group, Wellington Management Company LLP, Manulife Investment Management, Global Evolution USA LLC, GoldenTree Asset Management LP, Goldman Sachs Asset Management L.P., Investec Asset Management, Nuveen, A TIAA Company</p>
3	Private Credit Mandate Search	<p><b>RFP Release Date:</b> December 10, 2018</p> <p><b>Submission Deadline:</b> January 18, 2019</p> <p><b>Status:</b> On July 23, 2019, the Board awarded contracts to Alcentra Limited, Benefit Street Partners L.L.C., Crescent Capital Group LP, and Monroe Capital LLC.</p> <p style="text-align: center;">On May 26, 2020, the Board rescinded the contract award to Alcentra Limited.</p> <p style="text-align: center;">Negotiations in progress.</p> <p><b>List of Respondents:</b> Alcentra Limited, Barings LLC, MB Global Partners, LLC, Backcast Partners Management LLC, BlackRock, Inc., CLSA Capital Partners (HK) Limited, Cross Ocean Adviser LLP, Clearwater Capital Partners (Fiera Capital Corporation), Guggenheim Partners, LLC, Goldman Sachs Asset Management, L.P., Pemberton Capital Advisors LLP, Kayne Anderson Capital Advisors, L.P., Maranon Capital, L.P., Bain Capital Credit, LP, Breakwater Management LP, Carlyle Global Credit Investment Management L.L.C., Crescent Capital Group LP, MV Credit Partners LLP, New Mountain Capital, LLC, Park Square Capital USA LLC, Tor Investment Management (Hong Kong) Limited, AlbaCore Capital LLP, Muzinich &amp; Co., Inc., Kartesia Management S.A., Medalist Partners, LP, NXT Capital Investment Advisers, LLC, Owl Rock Capital Partners, PennantPark Investment Advisers, PIMCO Investments LLC, Deerpath Capital Management, LP, Brightwood Capital Advisors, Magnetar Capital LLC, MC Credit Partners LP, Oaktree Capital Management, L.P., THL Credit Advisors LLC, White Oak Global Advisors, LLC, Benefit Street Partners L.L.C., EntrustPermal / Blue Ocean GP LLC, Willow Tree Credit Partners LP, Monroe Capital LLC, Runway Growth Capital LLC, Stellus Capital Management, LLC</p>

**\*RESTRICTED PERIOD FOR REQUEST FOR PROPOSAL OR REQUEST FOR QUALIFICATIONS:**

**Start Date** - The restricted period commences on the day the Request for Proposal is released.

**End Date** - The restricted period ends on the day the contract is executed.

**BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM V-B**

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

**SERVICE RETIREMENTS**

<u>Member Name</u>	<u>Service</u>	<u>Department</u>	<u>Classification</u>
Abraham, Teresa Marie	28	Dept. of Bldg. & Safety	Sr Mgmt Analyst
Adams, Paula A	30	Dept. of Airports	Dir Of Airprts Adminsn
Alonzo, Jose M	32	Dept. of Airports	Airport Police Ofcr
Alvarado De Bravo, Gricelda	5	Dept. of Rec. & Parks	Locker Room Attendant
Arnold, Keith Edward	32	Dept. of Airports	Airport Police Sgt
Basquez, Alejandrina Reyes	26	Personnel Dept.	Asst Gen Mgr Pers Dept
Bowers, Ronald David	42	PW - Sanitation	Ref Coll Supervisor
Calas, German B	19	Dept. of Airports	Engrg Designer
Claverie, Louis W	32	Dept. of Airports	Security Officer
Cleese, Van	32	Dept. of Airports	Airport Police Ofcr
Cook, Charles	17	ITA	Commun Electrician
Delgado, Jerry G	35	Police Dept.	Sr Detention Officer
Deng, Susie	11	Office of Finance	Tax Auditor
Douroux, Lee	30	Dept. of Bldg. & Safety	Build Inspector
Duboise, Aaron K	32	Dept. of Airports	Airport Police Sgt
Espinosa Luna, Juan M	20	Dept. of Airports	Custodian Airport
Espinoza, Jose	24	Dept. of Rec. & Parks	Gardener Caretaker
Farrington, Dorothy A	5	Dept. of Rec. & Parks	Special Prog Asst
Flores, Irma	10	Harbor Dept.	Custodian - Harbor
Ford, Jamal B	32	Dept. of Airports	Airport Police Ofcr
Franklin, Penny Marie	25	Police Dept.	Police Service Rep
Gage, Daniel Patrick	24	GSD - Public Bldgs.	Constr & Maint Supv
Gonzalez, Guillermo J	34	Dept. of Airports	Airport Police Ofcr
Hall, Martha G	33	Dept. of Airports	Airport Police Sgt
Hendricks, Clara E	31	Dept. of Airports	Custodian Supervisor
Hoffman, Louis	39	Dept. of Airports	Airport Police Lt
Holmes, Troye E	32	Dept. of Airports	Airport Police Lt
Holtz, Derrick E	19	Dept. of Airports	Airport Police Ofcr
Hudgins, Gertrude E	15	PW - Admin Div.	Sr Administrative Clerk
Jackson, Gwendolyn	18	Dept. of Airports	Custodian Airport
James, Barbara A	35	Dept. of Airports	Airport Police Sgt
Jang, Mikyong	22	LACERS	Dept Chief Acct
Johnson, Curtis	6	Dept. of Airports	Airport Guide
Jones, Dormin D	27	Dept. of Transportation	Traf Officer

Jones, Gladys M	6	Dept. of Airports	Airport Guide
Kamuck, Mary Ann	34	Dept. of Bldg. & Safety	Administrative Clerk
Kaptein, Robert E	12	Harbor Dept.	Civil Eng Associate
King, Clifford G	20	Dept. of Airports	Custodian Airport
Lacy, Yvonne M	6	Dept. of Airports	Airport Guide
Lara, Josefina	15	Dept. of Airports	Custodian Airport
Lara, Luis A	11	Dept. of Airports	Airport Guide
Largaespada, Bayardo M	17	Dept. of Airports	Custodian Airport
Lemons, Clifford L	30	Dept. of Airports	Constr Inspector
Lewis, Darrius Jerome	34	Dept. of Airports	Airport Police Ofcr
Limbo, Alexander A	17	Dept. of Airports	Custodian Airport
Lo, Gordon H	30	Dept. of Airports	Accounting Rec Supvr
Lopez, Blanca L	15	Dept. of Airports	Custodian Airport
Lopez, Jose R	17	Dept. of Airports	Custodian Airport
Lopez Barrios, Emiliana M	15	Dept. of Airports	Custodian Airport
Loya, Roberto R	30	Dept. of Airports	Airp Manager
Luke, Thomas	30	Dept. of Airports	St Svcs Worker
Madsen, Midori P	11	Dept. of Airports	Airport Guide
Magee, Otis V	14	Dept. of Airports	Custodian Airport
Magno, Narciso D G	15	Fire & Police Pensions	Sr Accountant
Mariscal, Ana L	15	Dept. of Airports	Custodian Airport
Martinez, Don Gabriel	15	Dept. of Airports	Maintenance Laborer
Martinez, Eva	15	Dept. of Airports	Custodian Airport
Martinez, Simon	17	Dept. of Airports	Custodian Airport
Martinez-Flores, Rocio	15	Dept. of Airports	Custodian Airport
Masry, Marjorie M	3	Dept. of Airports	Airport Guide
Medina, Teresa	17	Dept. of Airports	Custodian Airport
Mendoza, Jaime Santos	31	Police Dept.	Sr Administrative Clerk
Mendoza, Maria Leilani	29	Police Dept.	Administrative Clerk
Milos, Monica M	20	Dept. of Airports	Property Manager
Mixon, Kelly G	31	Dept. of Airports	Sr Security Officer
Mojica, Bertha	15	Dept. of Airports	Custodian Airport
Monterrosa, Ester M	17	Dept. of Airports	Custodian Airport
Monterroso, Marco T	15	Dept. of Airports	Custodian Airport
Morales, Maria D	17	Dept. of Airports	Window Cleaner
Morales, Modesta Antonia	16	Dept. of Airports	Custodian Airport
Morales, Rosario	17	Dept. of Airports	Custodian Airport
Moran, John F	32	Dept. of Airports	Arpt Supt Of Oper
Morataya Ruano, Evelia	17	Dept. of Airports	Custodian Airport
Moreno, Rafael	32	PW - Sanitation	Ref Coll Truck Oper
Munoz, Aida R	13	Dept. of Airports	Custodian Airport
Murillo Rivas, Maria L	16	Dept. of Airports	Custodian Airport
Newman, Chona Matias	13	Dept. of Airports	Commun Info Rep

Nguyen, Hoang A	38	PW - Sanitation	W/Wtr Trmt Oper
Oga, Taizo	17	Dept. of Airports	Gardener Caretaker
Payne, Lamar Oliver	11	PW - Sanitation	Custodian
Paysinger, Autumn Louise	25	Police Dept.	Sr Administrative Clerk
Pineda Iraheta, Julio C	11	Dept. of Airports	Custodian Airport
Platero, Dinora I	17	Dept. of Airports	Custodian Airport
Ponce, Filena D	17	Dept. of Airports	Custodian Airport
Ponce, Sandra	42	Police Dept.	Police Service Rep
Priestley, Errol B	30	Dept. of Airports	Airport Police Ofcr
Riser, Timothy A	34	Dept. of Airports	Airport Police Ofcr
Rivera, Guadalupe	17	Dept. of Airports	Custodian Airport
Rivera Mejia, Veronica	15	Dept. of Airports	Custodian Airport
Robles, Carmen	14	Dept. of Airports	Custodian Airport
Rodriguez, Francisco O	15	Dept. of Airports	Custodian Airport
Ross, Ann J	8	Dept. of Airports	Airport Guide
Rubio, Emilio	15	Dept. of Airports	Maintenance Laborer
Ruiz, Hermelinda	19	Dept. of Airports	Custodian Airport
Sacvin Jax, Juan	15	Dept. of Airports	Custodian Airport
Shrode, Richard D	26	Dept. of Airports	Airport Police Ofcr
Silverman, Erica D	7	Library Dept.	Librarian
Smith, Marie Jose G	11	Dept. of Airports	Airport Guide
Smock, Lisa Jean	30	Police Dept.	Sr Police Serv Rep
Sosa Vasquez, Emma A	15	Dept. of Airports	Custodian Airport
Suh, Kung W	3	Dept. of Rec. & Parks	Asst Park Svcs Attnd
Thomas, Renauta Denise	18	Dept. of Airports	Sr Custodian Airport
Tolentino, Virgilio Trono	7	Dept. of Animal Svcs.	Veterinarian
Torres, Elizabeth	30	LACERS	Sr Personnel Analyst
Tovar, Margarita	15	Dept. of Airports	Custodian Airport
Tran, Jimmy Khac	24	ITA	Commun Electrician
Tran, Kim	20	PW - Sanitation	Sanitation Solid Res Mgr
Tullai, Mark J	29	Dept. of Airports	Ch Management Analyst
Valenzuela De Jesus, Eduardo	15	Dept. of Airports	Custodian Airport
Vasquez, Rosendo M	17	Dept. of Airports	Custodian Airport
Vaughn, David Brian	30	PW - Sanitation	Plumber
Vega, L Bertha	35	Dept. of Airports	Payroll Supervisor
Velasquez, Jose A	17	Dept. of Airports	Custodian Airport
Velasquez Paz, Martha	17	Dept. of Airports	Custodian Airport
Virgen, Toribio	16	Dept. of Airports	Custodian Airport
Whitehead, Gayle Lorraine	24	Dept. of Airports	Commun Info Rep
Wike, Charles B	4	Library Dept.	Librarian
Wilder, Esau	11	Dept. of Airports	Security Officer
Williams, Waynetta R	11	Dept. of Airports	Airport Guide

Woods, Houston S	25	ITA	Commun Electrician
Zarate, Jose Alberto	30	Police Dept.	Sr Detention Officer
Zimmerman, Teresa Lingad	11	City Attorney's Office	Legal Secretary

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM V-B

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

Approved Death Benefit Payments

Deceased

Beneficiary/Payee

**TIER 1**

Aikens, Vernon

Asher M Hill for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Delta K Turner for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Alvarado, Joseph

Amanda Laguna for the payment of the  
Accrued But Unpaid Vested Retirement Allowance

Bonnie McMahon for the payment of the  
Accrued But Unpaid Vested Retirement Allowance

Georgina Rubalcava for the payment of the  
Burial Allowance

Asher, Gerald B

Lynne L Gregor for the payment of the  
Burial Allowance

Aubry, Norman J

Muriel Elizabeth Thompson for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Norman J. Aubry for the payment of the  
Accrued But Unpaid Service Retirement Allowance

Banks, Thomas J                      Karenda Felder for the payment of the  
Accrued But Unpaid Disability Retirement Allowance  
Burial Allowance

Barber, Joe L                              Florence E. Barber for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Blankenship, Paul Ernest              Jennifer Anne Ramirez for the payment of the  
Accrued But Unpaid Larger Annuity Allowance  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance  
Unused Contributions

Stephanie M Kim for the payment of the  
Accrued But Unpaid Larger Annuity Allowance  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance  
Unused Contributions

Bush, Milton Lee  
(Deceased Active)                      Rayshawn Bush for the payment of the  
Accumulated Contributions

Treyvone Terrell Bush for the payment of the  
Accumulated Contributions

Campbell, Stuart Bryant  
(Deceased Active)                      Caitlin Campbell for the payment of the  
Accumulated Contributions

Racquelle Campbell for the payment of the  
Accumulated Contributions  
DRO Lump Sum

Regis Campbell for the payment of the  
Accumulated Contributions  
DRO Lump Sum

Cardenas Diaz, Nestor  
Ricardo  
(Deceased Active)

Monique Cardenas for the payment of the  
Accumulated Contributions  
Limited Pension

Colvin, John F

George W. Colvin for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Crayton, Nettie J

Sharon Crayton for the payment of the  
Accrued But Unpaid Continuance Allowance

Cruz, Jess J

Ma Bella M Cruz for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Dancy, Roberto M

Marcella C Dancy-Jaramillo for the payment of the  
Accrued But Unpaid Vested Retirement Allowance  
Burial Allowance

Darden, Barbara J  
(Deceased Active)

Antanita Marie Darden for the payment of the  
Accumulated Contributions

Keith M Darden for the payment of the  
Accumulated Contributions

Davis, Arnett M

Sally Davis for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Drescher, Robert Edward  
(Deceased Active)

Andrew Drescher for the payment of the  
Accumulated Contributions

Fletcher, Mary E

Edward Arnold Fletcher for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Gilliard, Benjamin

Danielle W Gilliard for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Green, George C

John C. Green for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Kenneth Allen Green for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Griffiths, Dale E

Rebecca L Griffiths for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Haggerty, John F

Diane A Haggerty for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Hanson, James T  
(Deceased Active)

Melanie Christine Marrow for the payment of the  
DRO Lump Sum

Harriot, Prince Albert                      Gina B Guada for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Hernandez, Ismael R                      Cecilia Hernandez for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Hernandez, Javier                      Lilia V Hernandez for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Hill, Charlie J                      Charaud J Hill for the payment of the  
Accrued But Unpaid Vested Retirement Allowance  
Burial Allowance  
Unused Contributions

Charlisa J Hill for the payment of the  
Accrued But Unpaid Vested Retirement Allowance  
Burial Allowance  
Unused Contributions

Houston, Timothy G                      Gregory B Houston for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Mary Lou Britton for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Patrick S Houston for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Jackson, Charles H	Mildred L. Hackett for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Jackson, Natalie Lorraine	Nicholas L Jackson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Kimbrell, Jess H	Michelle A Kimbrell for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Koury, George T	Stephanie Koury for the payment of the Burial Allowance
Liwanag, Armando Magdangal (Deceased Active)	Lizbeth Anne C Liwanag for the payment of the Accumulated Contributions
Long, Sandra S	Regine D. Diaz Gutierrez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Lopez, George Alexander	Estella L Lopez for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance

Mansion, Donald Joseph Susan W Mansion for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Mc Donald, Irby Irby Mc Donald Jr for the payment of the  
Accrued But Unpaid Continuance Allowance

Mcintyre, Robert Cassandra F Cooper for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Mcravy, Nancy A Michelle T Jennings for the payment of the  
Accrued But Unpaid Vested Retirement Allowance  
Burial Allowance

Medellin, Mary E Ryan A Medellin for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Melby, Charles John Jeffrey Lee Melby for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance  
Unused Contributions

Miller, Robert R Paul A Miller for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Mitchell, Martin  
Christine M Mitchell for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

O'Brien, Michael Lee  
Sharon Lulov Sabsay for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Rivas, Joseph S  
Richard Macias for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Robles, Laura E  
Matthew Franz Robles for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Romaniuk, Zina S  
Lubove Zellman for the payment of the  
Accrued But Unpaid Continuance Allowance

Sakai, Rodney J  
David A. Sakai for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance  
Unused Contributions

Santiago, Zenaida Padilla  
Alma Garcia Elegino for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance  
Unused Contributions

Schafer, Brian Edward	Alma Tomayo for the payment of the Burial Allowance
Simon, Jean M	James D Simon for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Singleton, Alma J	Roderick Aaron Singleton for the payment of the Death Subsidy Credit
Singleton, Charlene G	Martha Singleton for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Sironen, Robert H	Lori L Drew for the payment of the Accrued But Unpaid Service Retirement Allowance  Olive Smith Sironen for the payment of the Accrued But Unpaid Service Retirement Allowance
Smith, Arthur Leon	Patricia L Smith for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Stone, Willard M	Sandra Stone for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance

Valencia, Manuel	Antonia Valencia for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Vargas, Hilda	Lydia Zamora for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Vignes, Doris	Louis J Vignes for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Walters, Rita Dolores	Walters Family Trust for the payment of the Accrued But Unpaid Service Retirement Allowance
Wells, Jacqueline D	Shereda Johnson for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance Death Subsidy Credit Unused Contributions
Westbrooke, James Robert	Jacqueline T. Westbrooke for the payment of the Accrued But Unpaid Service Retirement Allowance
White, Walter L	Wendree L White for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Wigler, Melvin Charles

Michael P Wigler for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Willerford, Joyce L

Richard E. Willerford for the payment of the  
Accrued But Unpaid Survivorship (Retirement) Allowance  
Unused Contributions

Wright, Dorothy

Donald Beck for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Wyant, Marcella J

Scott A Wyant for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

**TIER 3**  
**None**



**REPORT TO BOARD OF ADMINISTRATION**

**From: Neil M. Guglielmo, General Manager**

**MEETING: DECEMBER 8, 2020**

**ITEM: V-C**

*Neil M. Guglielmo*

**SUBJECT: 2021 MEDICARE PART B BASIC PREMIUM REIMBURSEMENT AMOUNT**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Committee receive and file this report.

**Executive Summary**

The 2021 Medicare Part B basic premium will be \$148.50. As a result, beginning in January 2021, retired Members eligible for the Medicare Part B basic premium reimbursement benefit will be reimbursed up to \$148.50 each month. This benefit is defined in the Los Angeles Administrative Code, is not under the Board's discretion, and does not require Board approval.

**Discussion**

Los Angeles Administrative Code (LAAC) Sections 4.1111(f) and 4.1121(e) state that in order to receive a LACERS medical plan premium subsidy, Retired Members are required to enroll in Medicare Part B, and if they are eligible to receive Medicare Part A at no cost, they are required to enroll in Part A.

In addition, LAAC Sections 4.1113 and 4.1123 provide that Retired Members with Medicare Parts A and B who are enrolled in a medical plan administered by the LACERS Board, or participating in the Medical Premium Reimbursement Program, be reimbursed by LACERS their basic Medicare Part B premiums. Health plan dependents, such as a spouse or domestic partner, or other LACERS beneficiaries, such as a surviving spouse/domestic partner, are not eligible for this reimbursement.

Each year, the Centers for Medicare and Medicaid Services (CMS) establishes the annual standard or "basic" Medicare Part B premium rate for the following calendar year. CMS announced that the 2021 basic Medicare Part B premium rate will increase from \$144.60 to \$148.50 per month. The vast majority of people will pay this premium amount; however, some people pay less based on the amount of their Social Security benefit and the amount of increase in the Part B premium. If the Part B premium increase is greater than the Cost of Living Adjustment (COLA) on one's Social Security benefit, the premium will be set at an amount that will keep the Social Security benefit the same. For example, if one's Social Security COLA increases their benefit by \$10.00, but the Part B premium is increased by

\$12.00, their Part B premium will increase by only \$10.00 so that they can maintain the same Social Security payment.

Retired Members and their health plan dependents who are eligible for Medicare must enroll in and pay the monthly premium cost of Medicare Part B. The Medicare Part B premium may not be the same for everyone, as it is comprised of three components: the basic premium, late enrollment penalties, and Income-Related Monthly Adjustment Amounts (IRMAAs).

The basic premium is the amount that everyone will pay. Late enrollment penalty charges are added to one's premium if they did not have comprehensive medical insurance coverage outside of Medicare and did not enroll in Medicare within the enrollment window when first eligible. The penalty is 10% multiplied by the number of years one was without Medicare coverage. These are lifetime penalty charges. IRMAAs are additional premium costs based on one's taxable income. The 2021 income-based premiums are listed below:

If your yearly income in 2019 (for what you pay in 2021) was			You pay each month (in 2021)
File individual tax return	File joint tax return	File married & separate tax return	
\$88,000 or less	\$176,000 or less	\$88,000 or less	\$148.50
above \$88,000 up to \$111,000	above \$176,000 up to \$222,000	Not applicable	\$207.90
above \$111,000 up to \$138,000	above \$222,000 up to \$276,000	Not applicable	\$297.00
above \$138,000 up to \$165,000	above \$276,000 up to \$330,000	Not applicable	\$386.10
above \$165,000 and less than \$500,000	above \$330,000 and less than \$750,000	above \$88,000 and less than \$412,000	\$475.20
\$500,000 or above	\$750,000 and above	\$412,000 and above	\$504.90

LACERS reimburses only the basic premium amount.

Currently, approximately 8,824 LACERS Retired Members receive a basic Medicare Part B premium reimbursement.

Beginning in January 2021, retired Members enrolled in Medicare Parts A and B will receive a Medicare Part B basic premium reimbursement of \$148.50.

## **Fiscal Impact Statement**

Based on the current number of Members receiving the Medicare Part B premium reimbursement, it is estimated that in 2021 the annual Medicare Part B basic premium reimbursement cost will increase by approximately 2.7% or \$413,000, from \$15,311,405 to \$15,724,368.

Prepared By: Alex Rabrenovich, Chief Benefits Analyst, Health Benefits and Wellness Division

NMG/AR:ar

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

Name of Attendee: Sandra Lee	
Title of Conference/Seminar: 2020 Women on Boards The Global Conversation on Board Diversity!	
Location: Virtual	No. of Education Hours: 2.5
Event Sponsor:	Date(s) Held: 11/12/20

Report for:

- Travel
- Conference/Seminar Attendance Only

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

II. Significant Information Gained:  
Global state on women on corporate board, the difference between countries

III. Benefits to LACERS:  
- Gender equality  
- Importance of having women as board members and what they can contribute

IV. Additional Comments:  
None

SUBMIT TO THE LACERS COMMISSION EXECUTIVE ASSISTANT, 202 W. FIRST STREET, SUITE 500  
WITHIN 30 DAYS AFTER ATTENDING THE CONFERENCE/SEMINAR

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

Name of Attendee: Cynthia M Ruiz	
Title of Conference/Seminar: 2020 Women on Boards Global Conversation & LA	
Location: Zoom	No. of Education Hours: 3.5
Event Sponsor: LACERS	Date(s) Held: 11/12 & 11/19

Report for:

- Travel  
 Conference/Seminar Attendance Only

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

N/A

II. Significant Information Gained:

With our ESG policy- this is information about the "G" Governance. It was helpful information about the importance of getting more women on corporate boards.

III. Benefits to LACERS:

Great information as we establish our ESG policy.

IV. Additional Comments:

SUBMIT TO THE LACERS COMMISSION EXECUTIVE ASSISTANT, 202 W. FIRST STREET, SUITE 500  
WITHIN 30 DAYS AFTER ATTENDING THE CONFERENCE/SEMINAR

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

Name of Attendee: Nilza Serrano	
Title of Conference/Seminar: 2020 Women on Boards	
Location: Via Webinar / Zoom	No. of Education Hours: 6 hrs.
Event Sponsor:	Date(s) Held: Nov. 12 & 19, 2020

Report for:

- Travel  
 Conference/Seminar Attendance Only

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

II. Significant Information Gained:

The value of having a diverse board

III. Benefits to LACERS:

The education received will help me make educated decisions on Board Diversity

IV. Additional Comments:

SUBMIT TO THE LACERS COMMISSION EXECUTIVE ASSISTANT, 202 W. FIRST STREET, SUITE 500  
WITHIN 30 DAYS AFTER ATTENDING THE CONFERENCE/SEMINAR



**REPORT TO BOARD OF ADMINISTRATION**

From: Neil M. Guglielmo, General Manager

*Neil M. Guglielmo*

**MEETING: DECEMBER 8, 2020**

**ITEM: VI – A**

**SUBJECT: PRESENTATION OF LACERS' AUDITED FINANCIAL STATEMENTS FOR FISCAL YEAR ENDED 2019-2020 BY EXTERNAL AUDITOR, MOSS ADAMS LLP**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board receive and file the audited financial statements for Fiscal Year ended June 30, 2020.

**Executive Summary**

Moss Adams LLP (Moss Adams), LACERS External Auditor, has completed the audit of LACERS' financial statements for fiscal year ended June 30, 2020. Moss Adams has issued an unmodified (clean) opinion signifying that the financial statements present fairly, in all material respects, LACERS' fiduciary net position as of June 30, 2020 and changes in fiduciary net position for the year ended June 30, 2020. The audit was conducted in conformity with accounting principles generally accepted in the United States of America. Moss Adams' engagement partner, Kory Hoggan, will present their audit process and results to the Board.

**Discussion**

Aside from rendering their opinion on LACERS' financial statements for Retirement Plan and Post Employment Health Care Plan as of June 30, 2020, Moss Adams also issued and/or will issue the following reports for reporting date June 30, 2020:

1. Report on internal control over financial reporting and on compliance and other matters in accordance with Government Auditing Standards, dated November 30, 2020. No material weaknesses noted.
2. Audited report on LACERS Schedules of Employer Allocations and Pension Amounts by Employers (i.e., the City, Airports, and Harbor). Issued in October 2020. Found in order
3. Audit report on the comprehensive annual financial report, will be issued in December 2020.

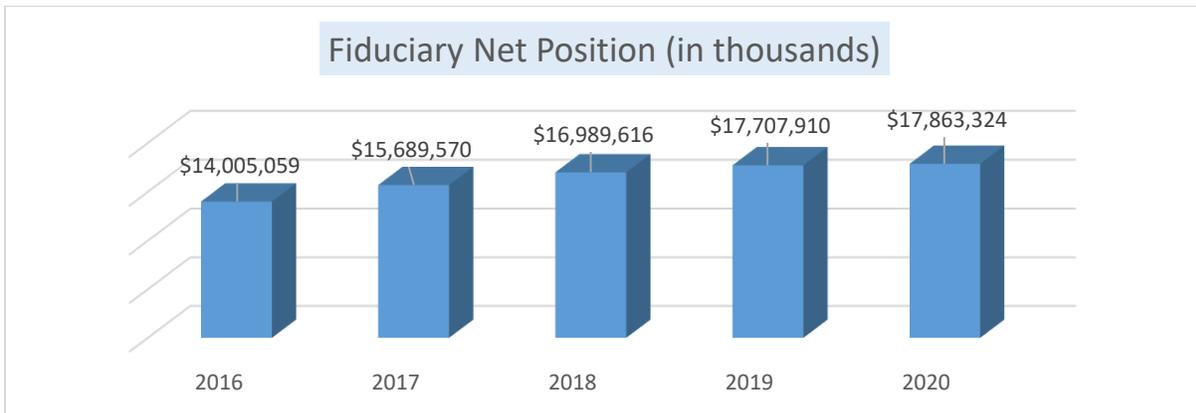
4. An independent audit report on LACERS' financial statements covering Section 115 Trust financial transactions. It will be issued in December 2020.

**Financial Highlights**

The following are highlights from the LACERS' financial statements as of June 30, 2020:

- A. LACERS' Fiduciary Net Position (FNP) was \$17.90 bn. as of June 30, 2020, it was higher by \$155.4 mil than prior FY resulting from having more income/contributions than expenses paid.

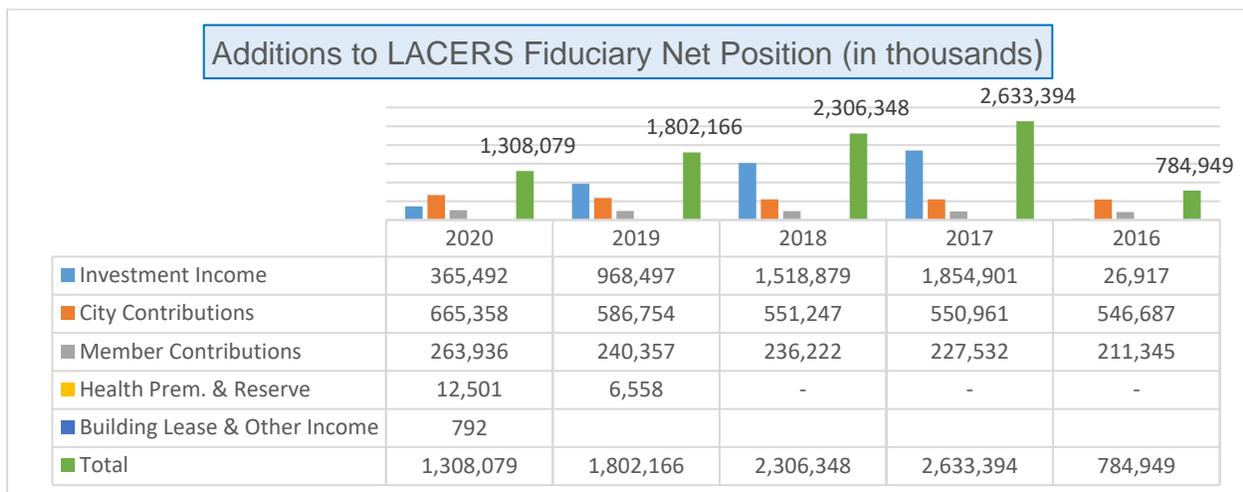
**Chart A**



- B. Total additions to FNP during FY 2019-20 totaled \$1.3 bn., a 27.4% decrease from prior FY.

1. The 27.4% decrease in additions over last FY was mainly due to the decline in the fair value of investments which is a component of Investment Income.

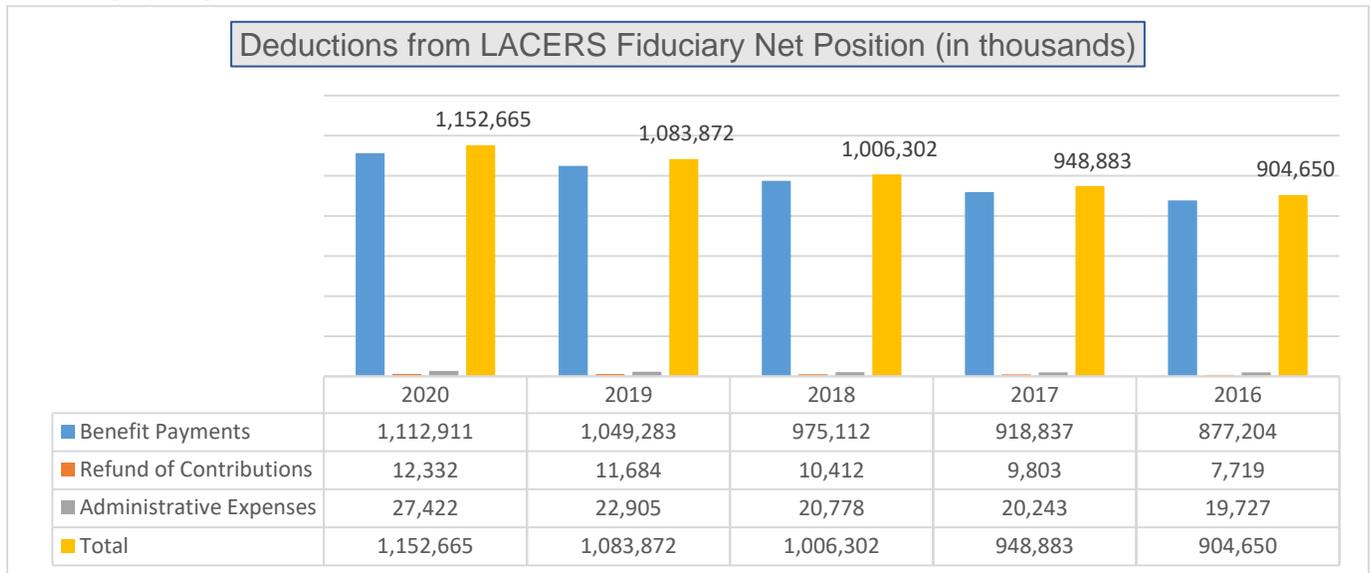
**Chart B**



C. Total Deductions from the fiduciary net position during FY 2019-2020, amounted to \$1.15 billion. This amount was higher by \$69 million compared to prior fiscal year. The increase was primarily due to higher benefit payments resulting from:

- a. Annual cost of living adjustments (approx. 3%)
- b. Increase in the number of retirees and beneficiaries
- c. Average retirement allowance of newly retired members was generally higher than the deceased members who were removed from the retirement payroll.

**Chart C**



D. LACERS' Net Pension Liability (NPL) for the Retirement Plan was \$7.6 billion as of June 30, 2020. NPL is the difference between the Total Pension Liability (TPL) of approx. \$22.5 bn. and the Plan Fiduciary Net Position of approx. \$14.9 bn. Compared to prior fiscal year, the NPL increased by \$1.6 billion. The increase in NPL by \$1.6 billion was due to:

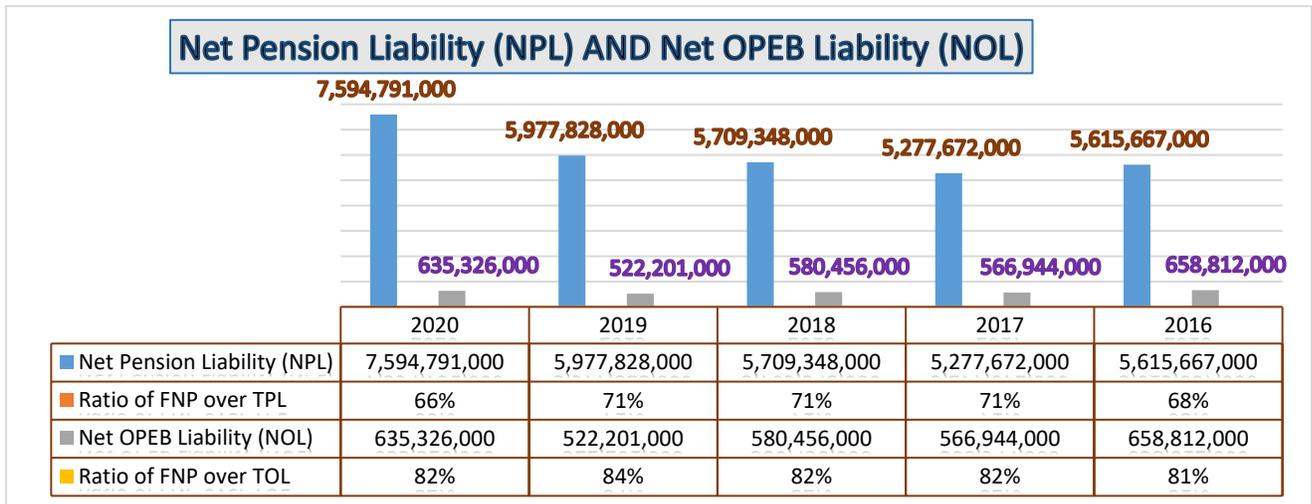
- Actual rate of return (2.05%) on investments was less than the assumption rate of 7.25%. Loss is approximately \$0.78 billion.
- Changes in the actuarial assumptions (e.g., employee terminations, retirement, death). Loss is approximately \$0.53 billion.
- Higher than expected salary increases for continuing Active Members. Loss is approximately \$0.31 billion.

E. Similarly, Net OPEB Liability (NOL) for Health Care Plan is the difference between Total OPEB Liability (\$3.5 bn.) and the Plan Fiduciary Net Position (\$2.9 bn.). LACERS' NOL for the Health Care Plan was \$635.3 million as of June 30, 2020, an increase of \$113.1 million from previous fiscal year. The increase was mainly due to:

- Assumption changes based on Triennial Experience Study- Loss was approximately \$95.9 million.
- Rate of return on investments was less than the assumed rate of 7.25%- Loss was approximately \$145.9 million.

- Offset by favorable renewal experience of \$144.30 million.

**Chart D** shows the NPL and NOL trend from 2016-2020



F. Finally, based on actuarial valuations as of June 30, 2020, the funded ratios based on market values of assets were 66% and 81.8% for the Retirement Plan and Postemployment Health Care Plan, respectively. These ratios were calculated by getting the percentage of Fiduciary Net Position over Total Pension Liability and Total OPEB Liability. Actuarial valuation is based on Plan Assets as of June 30, 2020 or the market values on the last day of the Plan Year. It does not include short-term fluctuations in the market values caused by the pandemic.

### **Strategic Alignment**

Discussion of the Plan’s financial results is consistent with the Board’s Governance Goal to “uphold good governance practices which affirm transparency, accountability and fiduciary duty.”

### **Fiscal Impact Statement**

LACERS’ audited financial statements provide relevant information about LACERS’ financial position and results of its operations as of and for the year ended June 30, 2020.

Prepared By: Maria Melani Rejuso, Internal Auditor IV

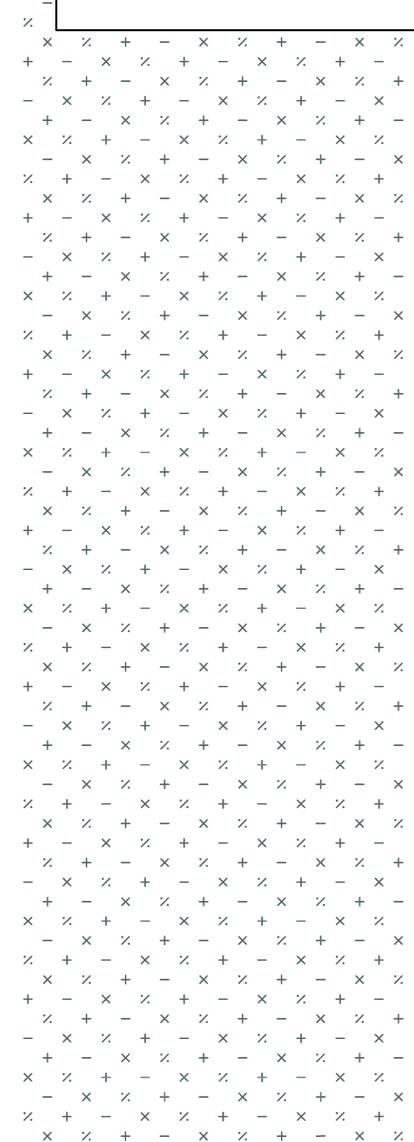
NMG/MR

- Attachments:
1. Moss Adams Presentation Agenda
  2. LACERS Audited Financial Statements for Fiscal Year Ended June 30, 2020
  3. Report on Internal Control over Financial Reporting- GAGAS IC Report



# Los Angeles City Employees' Retirement System

Presentation to Board of Administration  
December 8, 2020



# Your Audit Team

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**Kory Hoggan, CPA**  
Engagement Partner  
[kory.hoggan@mossadams.com](mailto:kory.hoggan@mossadams.com)



**Laurie Tish, CPA**  
Concurring Partner



**Aaron Hamilton, CPA**  
Senior Manager – Investments, Actuarial  
Measurements  
[aaron.hamilton@mossadams.com](mailto:aaron.hamilton@mossadams.com)



**Jason Lu, CPA**  
Manager – Contributions,  
Benefit Payments, Other Assets



**Kelly Jones, CPA**  
Manager – Employer Allocation Audit,  
Internal Controls



# Issued Reports

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## We issued the following reports for the year ended June 30, 2020

- Audit report on the financial statements (November 30, 2020)
- Report on internal control over financial reporting and on compliance and other matters in accordance with *Government Auditing Standards* (November 30, 2020)
- Audit report on the comprehensive annual financial report (December 2020)
- Audit report on financial statements for Section 115 trust (December 2020)
- Audit reports on schedules of employer allocations and pension/OPEB amounts by employer for measurement year ended June 30, 2019 (October 9, 2020)

## Unmodified Opinion

Financial statements are presented fairly in accordance with accounting principles generally accepted in the United States of America

## No material weaknesses or significant deficiencies noted



# Financial Highlights – Retirement Plan



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM

(in thousands)	2020	2019	2018
<b>Total pension liability (a)</b>	<b>\$ 22,527,195</b>	<b>\$ 20,793,421</b>	<b>\$ 19,944,578</b>
<b>Plan fiduciary net position</b>			
Employer contributions	\$ 553,118	\$ 478,717	\$ 450,195
Member contributions	259,817	237,087	230,757
Net investment income	306,712	799,351	1,243,817
Administrative expense	(23,531)	(19,600)	(18,170)
Benefit payments	(979,305)	(915,192)	(851,885)
Net change in plan fiduciary net position	116,811	580,363	1,054,714
Plan fiduciary net position			
Beginning of year	14,815,593	14,235,230	13,180,516
<b>End of year (b)</b>	<b>\$ 14,932,404</b>	<b>\$ 14,815,593</b>	<b>\$ 14,235,230</b>
<b>Net pension liability (a) - (b)</b>	<b>\$ 7,594,791</b>	<b>\$ 5,977,828</b>	<b>\$ 5,709,348</b>
<b>Funded status (b) / (a)</b>	<b>66.3%</b>	<b>71.3%</b>	<b>71.4%</b>





# Financial Highlights – OPEB Plan

(in thousands)

	2020	2019	2018
<b>Total OPEB liability (a)</b>	<b>\$ 3,486,530</b>	<b>\$ 3,334,299</b>	<b>\$ 3,256,827</b>
<b>Plan fiduciary net position</b>			
Employer contributions	\$ 112,136	\$ 107,927	\$ 100,909
Net investment income	60,899	166,470	269,380
Administrative expense	(6,715)	(133,571)	(128,081)
Benefit payments	(127,214)	(5,099)	(4,699)
Net change in plan fiduciary net position	39,106	135,727	237,509
Plan fiduciary net position			
Beginning of year	2,812,098	2,676,371	2,438,862
<b>End of year (b)</b>	<b>\$ 2,851,204</b>	<b>\$ 2,812,098</b>	<b>\$ 2,676,371</b>
<b>Net OPEB liability (a) - (b)</b>	<b>\$ 635,326</b>	<b>\$ 522,201</b>	<b>\$ 580,456</b>
<b>Funded status (b) / (a)</b>	<b>81.8%</b>	<b>84.3%</b>	<b>82.2%</b>



# Areas of Audit Emphasis



- Investments (authorization and monitoring)
- Contributions (employer and member)
- Benefit payments
- Financial reporting
- IT systems

- Investment earnings
- Benefits payments
- Expenses
- Trends, comparisons, and expectations

- Investment (valuation and confirmations)
- Contributions
- Benefit payments
- Actuarial assumptions and measurements
- Representations from legal counsel and management



# Audit Emphasis – Alternative Investments

## Alternative Investments

- Investments for which a readily determinable fair value does not exist
- Includes private debt, private equity, real estate, limited partnerships, and other institutional holdings
- Elevated risks for existence, valuation, and liquidity

## Audit Approach

- Virtual conference with alternative investment managers
- Reviewed due diligence procedures and controls
- Performed further risk assessment procedures
- Directly confirmed balances totaling \$1.5 billion of \$3.7 billion in private equity, real estate, other fixed income, and opportunistic debt based on risk assessment
- Performed alternative substantive procedures on additional balances



# Required Communications

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- Separate memo issued with formal audit communications
- Significant accounting policies summarized in Note 1 to financial statements
- Representations received from management
- No proposed audit adjustments (other than adjustments provided by management during audit process)
- No uncorrected misstatements noted
- No disagreements with management
- No new accounting pronouncements during 2020
- Moss Adams is independent with respect to LACERS and City of Los Angeles





- Audit performed within the scope and timeline discussed during audit planning
- Smooth transition to remote audit environment due to COVID-19 pandemic
- ‘Tone at the Top’ and attitude from management and staff was one of helpfulness, candor and openness in response to audit requests and discussion points



**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
(A DEPARTMENT OF THE MUNICIPALITY OF  
THE CITY OF LOS ANGELES, CALIFORNIA)**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
(A DEPARTMENT OF THE MUNICIPALITY OF THE CITY OF LOS ANGELES, CALIFORNIA)**

**ANNUAL FINANCIAL REPORT**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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## **Report of Independent Auditors**

Board of Administration  
Los Angeles City Employees' Retirement System  
Los Angeles, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the retirement plan and the postemployment health care plan of Los Angeles City Employees' Retirement System (LACERS), a department of the Municipality of the City of Los Angeles, California, which comprise the statements of fiduciary net position as of June 30, 2020 and the related statements of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise LACERS' basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective fiduciary net position of the retirement plan and the postemployment health care plan of the Los Angeles City Employees' Retirement System as of June 30, 2020, and the respective changes in fiduciary net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Emphasis of Matter***

As discussed in Note 1, the financial statements of LACERS present the fiduciary net position and changes in fiduciary net position of the Municipality of the City of Los Angeles, California, that are attributable to the transactions of LACERS. The financial statements do not present fairly the financial position of the entire Municipality of the City of Los Angeles, California, as of June 30, 2020, the changes in its financial position, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## ***Other Matters***

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that accompanying management's discussion and analysis; the retirement plan's schedule of net pension liability, schedule of changes in net pension liability and related ratios, schedule of contribution history, and schedule of investment returns; and the postemployment health care plan's schedule of net OPEB liability, schedule of changes in net OPEB liability and related ratios, schedule of contribution history, and schedule of investment returns (collectively, the required supplementary information) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Supplemental Schedules*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the LACERS' basic financial statements. The schedule of administrative expenses and schedule of investment fees and expenses (collectively, the supplemental schedules) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*2019 Financial Statements*

The financial statements of Los Angeles City Employees' Retirement System, as of and for the year ended June 30, 2019, were audited by other auditors whose report thereon, dated November 25, 2019 expressed an unmodified opinion on the presentation of those financial statements in accordance with accounting principles generally accepted in the United States of America.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020 on our consideration of LACERS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LACERS' internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LACERS' internal control over financial reporting and compliance.

*Mess Adams LLP*

Los Angeles, California  
November 30, 2020

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

## Management's Discussion and Analysis

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### Financial Highlights

- The Los Angeles City Employees' Retirement System (LACERS or the System) fiduciary net position as of June 30, 2020 was \$17,863,324,000, an increase of \$155,414,000 or 0.9% over the prior fiscal year.
- The total additions to the fiduciary net position of LACERS, from employer contributions made by the City of Los Angeles (the City), Member contributions, self-funded dental insurance premium, Members' portion of premium reserve, building lease and other income, and net investment income were \$1,308,079,000, a 27.4% decrease from the prior fiscal year.
- The employer contributions to the Retirement Plan represented 100% of the Actuarially Determined Contribution of the employer as defined by the Governmental Accounting Standards Board (GASB) Statements No. 67, *Financial Reporting for Pension Plans*, and No. 68, *Accounting and Financial Reporting for Pensions*.
- The employer contributions to the Postemployment Health Care Plan represented 100% of the Actuarially Determined Contribution of the employer as defined by GASB Statements No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, and No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.
- Net investment income for this fiscal year was \$365,492,000, representing a 62.3% decrease compared with an investment income of \$968,497,000 for the previous fiscal year.
- The total deductions from the fiduciary net position were \$1,152,665,000, a 6.3% increase from the prior fiscal year, for the payment of retirement and postemployment health care benefits, refunds of Member contributions, and administrative expenses.
- The System's Net Pension Liability (NPL) for the Retirement Plan was \$7,594,791,000 as of June 30, 2020. NPL, a measure required by GASB Statement No. 67 to disclose in the financial notes of a pension plan, is the difference between the Total Pension Liability (TPL) and the plan fiduciary net position. As the plan fiduciary net position is equal to the market value (also referred to as the "fair value") of the plan's assets, NPL is

determined on a market value basis, and it fully reflects the plan's investment performance (1.2% rate of return, gross of fees) of this fiscal year. Compared with the previous fiscal year, the NPL increased by \$1,616,963,000.

- The System's Net Other Postemployment Benefits (OPEB) Plan Liability for the postemployment health care benefits was \$635,326,000 as of June 30, 2020. Net OPEB Liability (NOL) is a measure required by GASB Statement No. 74. NOL is determined on a market value basis, and is the difference between the Total OPEB Liability (TOL) and the plan fiduciary net position (market value of the plan's assets). NOL reflects the plan's investment performance (1.2% rate of return, gross of fees) for this fiscal year. As compared with the previous fiscal year, the NOL increased by \$113,125,000.
- The plan fiduciary net position as a percentage of TPL for the Retirement Plan, another required disclosure of GASB Statement No. 67, was 66.3%, which is the same as the funded ratio on a market value basis reported in the actuarial valuation for the retirement benefits.
- The plan fiduciary net position as a percentage of TOL for the Postemployment Health Care Plan, another required disclosure of GASB Statement No. 74, was 81.8%, which is the same as the funded ratio on a market value basis reported in the actuarial valuation for the postemployment health care benefits.

### COVID-19 Assessment

It is important to note that the ongoing COVID-19 pandemic has adversely impacted global commercial activity and contributed to significant volatility in the global financial markets. LACERS Board, management and its consultants are closely monitoring the impact of COVID-19 and are taking necessary actions to safeguard the System's investments.

However, because of the adverse economic conditions that currently exist, it is possible that the estimates and assumptions utilized in preparation of these financial statements could change significantly. Additionally, while the extent of the impact, including the length or the severity, is difficult to assess, the financial and economic market uncertainty could have a significant adverse impact on the System's future financial performance.

# Management's Discussion and Analysis

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## Overview of the Financial Statements

The following discussion and analysis are intended to serve as an introduction to LACERS financial statements and the accompanying notes thereto. The required supplementary information and supplemental schedules provide additional financial data on LACERS operations.

## Financial Statements

There are two financial statements presented by LACERS. The Statement of Fiduciary Net Position on page 12 gives a snapshot of the account balances at year-end and shows the amount of the fiduciary net position (the difference between the assets plus deferred outflows of resources, and liabilities plus deferred inflows of resources) available to pay future benefits. Over time, increases or decreases in fiduciary net position may serve as a useful indicator of whether the fiduciary net position of LACERS is improving or deteriorating. The Statement of Changes in Fiduciary Net Position on page 13 provides a view of current year additions to, and deductions from, the fiduciary net position.

## Notes to the Basic Financial Statements

The notes to the basic financial statements (Notes) provide additional information that is essential for a full understanding of the data provided in the financial statements. The notes to the basic financial statements can be found on pages 14 - 38 of this report.

## Required Supplementary Information

In addition to the Management's Discussion and Analysis, other required supplementary information consists of the Schedule of Net Pension Liability, Schedule of Changes in Net Pension Liability and Related Ratios, Schedule of Contribution History, and Schedule of Investment Returns for the Retirement Plan, and the Schedule of Net OPEB Liability, Schedule of Changes in Net OPEB Liability and Related Ratios, Schedule of Contribution History, and Schedule of Investment Returns for the Postemployment Health Care Plan. These schedules and notes primarily present multi-year information as required by the applicable financial reporting standards of GASB Statements No. 67 and No. 74. This required supplementary information can be found on pages 39 - 49 of this report.

## Supplemental Schedules

The supplemental schedules, including a Schedule of Administrative Expenses and a Schedule of Investment Fees and Expenses, are presented to provide additional financial information on LACERS operations for the current year. These can be found on pages 50 and 51 of this report.

## Management's Discussion and Analysis

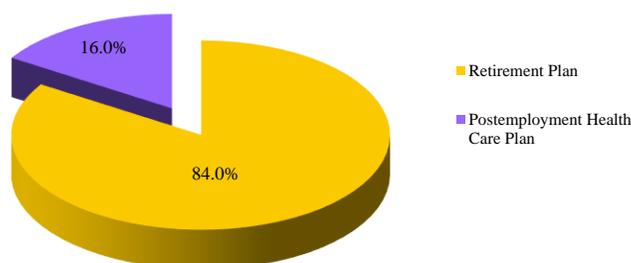
### Financial Analysis

#### Allocation of Fiduciary Net Position

Fiduciary net position may serve as a useful indicator of a plan's financial position. The total fiduciary net position is allocated between the Retirement Plan and Postemployment Health Care Plan, as required by the existing reporting standards. The following information provides a brief description of the asset allocation between the Retirement Plan and the Postemployment Health Care Plan as of June 30, 2020 (dollars in thousands):

	Fiduciary Net Position	Percent
Retirement Plan	\$ 15,012,120	84.0%
Postemployment Health Care Plan	2,851,204	16.0
Fiduciary Net Position	<u>\$ 17,863,324</u>	<u>100.0%</u>

Allocation of Fiduciary Net Position



#### Fiduciary Net Position

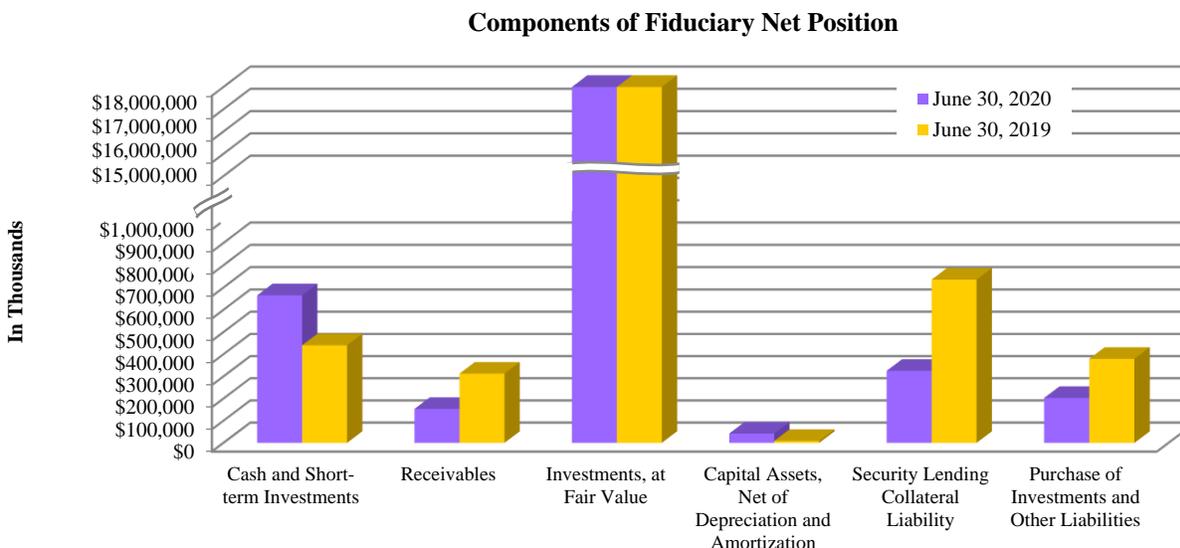
The following table and graph detail the components of the fiduciary net position of LACERS as of June 30, 2020 and 2019 (dollars in thousands):

	June 30, 2020	June 30, 2019	Change	
Cash and Short-Term Investments	\$ 665,048	\$ 440,455	\$ 224,593	51.0 %
Receivables	153,263	312,505	(159,242)	(51.0)
Investments, at Fair Value	17,530,909	17,990,214	(459,305)	(2.6)
Capital Assets, Net of Depreciation and Amortization	<u>42,359</u>	<u>8,789</u>	<u>33,570</u>	382.0
Total Assets	<u>18,391,579</u>	<u>18,751,963</u>	<u>(360,384)</u>	(1.9)
Securities Lending Collateral Liability	325,263	705,535	(380,272)	(53.9)
Purchase of Investments and Other Liabilities	<u>202,992</u>	<u>338,518</u>	<u>(135,526)</u>	(40.0)
Total Liabilities	<u>528,255</u>	<u>1,044,053</u>	<u>(515,798)</u>	(49.4)
Fiduciary Net Position Restricted for Pension Benefits and Postemployment Health Care Benefits	<u>\$ 17,863,324</u>	<u>\$ 17,707,910</u>	<u>\$ 155,414</u>	0.9 %

## Management's Discussion and Analysis

### Financial Analysis (Continued)

#### Fiduciary Net Position (Continued)



The majority of LACERS fiduciary net position is contained in its investment portfolio, which consists of cash and short-term investments, receivables, fixed income, equities, real estate, private equity and other asset classes. Fiduciary net position increased by \$155,414,000, or 0.9%, during this fiscal year.

#### Net Increase in Fiduciary Net Position

The increase in fiduciary net position during the reporting period was the net effect of factors that either added to or deducted from the fiduciary net position. The following table summarizes the changes in fiduciary net position during the report year, as compared with the prior year (dollars in thousands):

	June 30, 2020	June 30, 2019	Change	
Additions	\$ 1,308,079	\$ 1,802,166	\$ (494,087)	(27.4) %
Deductions	1,152,665	1,083,872	68,793	6.3
Net Increase in Fiduciary Net Position	155,414	718,294	(562,880)	(78.4)
Fiduciary Net Position, Beginning of Year	17,707,910	16,989,616	718,294	4.2
Fiduciary Net Position, End of Year	<u>\$ 17,863,324</u>	<u>\$ 17,707,910</u>	<u>\$ 155,414</u>	0.9 %

## Management's Discussion and Analysis

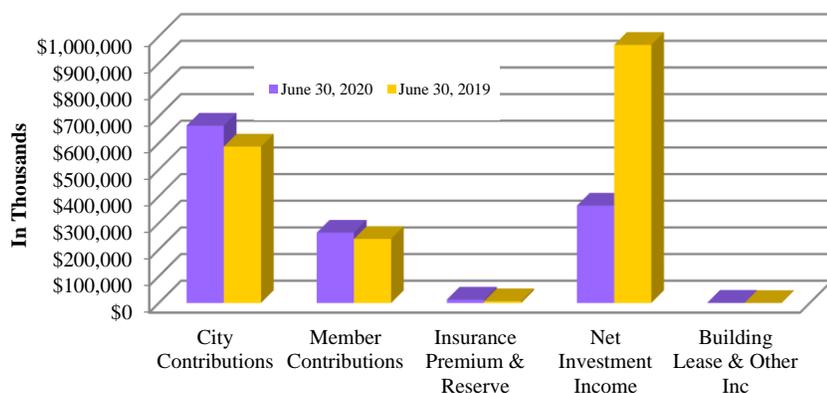
### Financial Analysis (Continued)

#### Net Increase in Fiduciary Net Position – Additions to Fiduciary Net Position

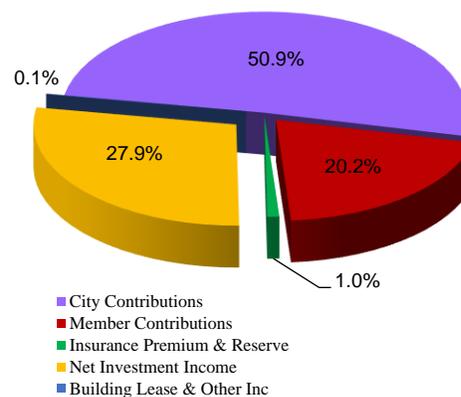
The following table and graph represent the components that make up the additions to fiduciary net position for LACERS for the fiscal years ended June 30, 2020 and 2019 (dollars in thousands):

	June 30, 2020	June 30, 2019	Change
City Contributions	\$ 665,358	\$ 586,754	13.4 %
Member Contributions	263,936	240,357	9.8
Health Insurance Premium and Reserve	12,501	6,558	90.6
Net Investment Income	365,492	968,497	(62.3)
Building Lease & Other Income	792	-	N/A
<b>Additions to Fiduciary Net Position</b>	<b>\$ 1,308,079</b>	<b>\$ 1,802,166</b>	<b>(27.4) %</b>

**Additions to Fiduciary Net Position**



**Allocation of Total Additions  
June 30, 2020**



The additions to LACERS fiduciary net position that primarily constitute the funding sources of LACERS benefits are City Contributions, Member Contributions, Health Insurance Premium and Reserve, and Net Investment Income.

City contributions to the Retirement Plan, the Postemployment Health Care Plan, and the Family Death Benefit Plan were \$665,358,000 during the fiscal year. The total increase of \$78,604,000 or 13.4% over the prior fiscal year was due to a higher payroll base (approximately 7.7% increase in payroll) and higher contribution rate recommended by the actuary for the reporting year. The total City contributions include a \$46,117,000 true-up credit adjustment, a reduction from the City's advanced contribution payment, to reconcile the difference of the City's contributions based on projected payroll against actual payroll. This true-up amount, which included accrued interest at 7.25%, was recognized as liability as of the end of the reporting period. After reflecting the true-up adjustment, the aggregate employer contribution rate for this fiscal year was 29.30% (24.36% for the Retirement Plan and 4.94% for the Postemployment Health Care Plan), which is 1.47% higher than the prior fiscal year at 27.83%. \$553,118,000 of actual contribution to the Retirement Plan was equal to 100% of the Actuarially Determined Contribution (ADC) of the employer, as defined by GASB Statement No. 67. \$112,136,000 of actual contribution to the Postemployment Health Care Plan was equal to 100% of the ADC, as defined by GASB Statement No. 74.

In fiscal year 2019-20, Member contributions were \$263,936,000, which was \$23,579,000 or 9.8% greater than the prior year. The increase in Member contributions was primarily attributable to the increase in the number of Members and their salaries during the fiscal year.

## Management's Discussion and Analysis

### Financial Analysis (Continued)

#### Net Increase in Fiduciary Net Position – Additions to Fiduciary Net Position (Continued)

LACERS established a Postemployment Health Care 115 Trust fund (the "115 Trust fund") in late December 2018, and replaced the existing Delta Dental PPO Plan with a self-funded Dental Plan under the 115 Trust fund effective January 1, 2019. Accordingly, LACERS recognized revenue of \$10,364,000 representing monthly dental insurance premium and \$2,137,000 of Member's portion from health insurance premium reserve that includes \$1,319,000, Member's portion of Anthem Premium Stabilization Reserve fund transferred to LACERS.

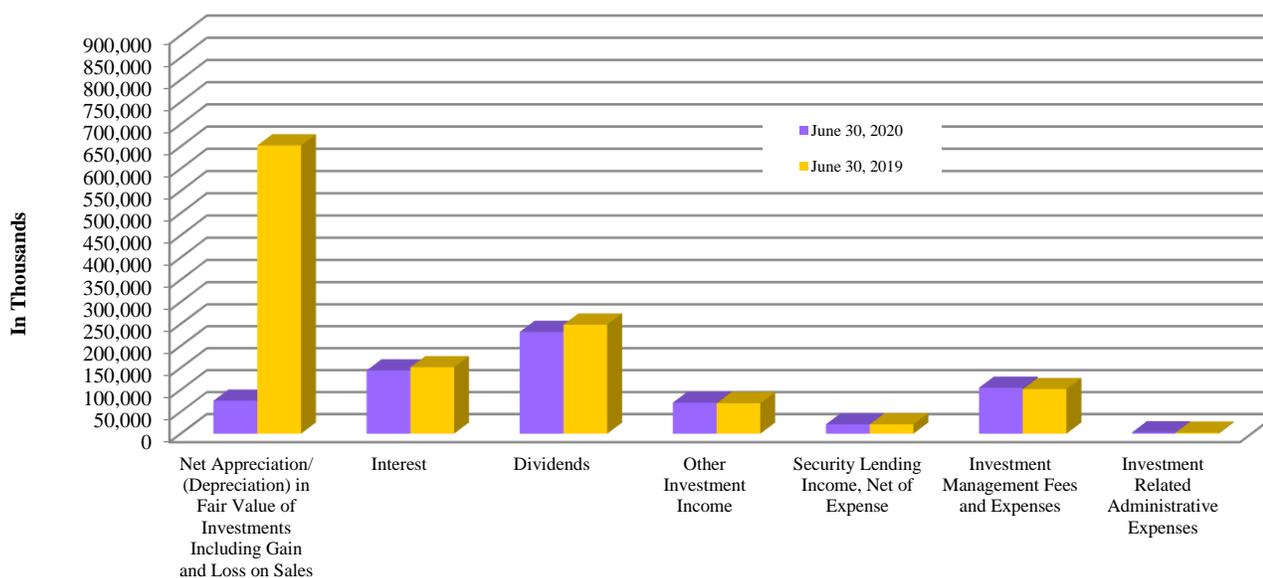
The net investment income was \$365,492,000, which included \$50,201,000 of net appreciation in the fair value of investments. This is discussed in more detail in the next section.

#### Investment Income

The following table and graph present the detail of investment income, net of investment management fees and expenses for the fiscal years ended June 30, 2020 and 2019 (dollars in thousands):

	June 30, 2020	June 30, 2019	Change
Net Appreciation in Fair Value of Investments, Including Gain and Loss on Sales	\$ 50,201	\$ 637,092	(92.1) %
Interest	124,053	121,215	2.3
Dividends	221,790	238,458	(7.0)
Other Investment Income	50,668	49,475	2.4
Securities Lending Income, Net of Expense	6,310	6,179	2.1
Sub-Total	453,022	1,052,419	(57.0)
Less: Investment Management Fees and Expenses	(84,571)	(81,582)	3.7
Investment Related Administrative Expenses	(2,959)	(2,340)	26.5
Net Investment Income	\$ 365,492	\$ 968,497	(62.3) %

#### Investment Income and Expenses



## Management's Discussion and Analysis

### Financial Analysis (Continued)

#### Investment Income (Continued)

The net investment income for the current fiscal year was \$365,492,000, as compared with the income of \$968,497,000 for the previous fiscal year (62.3% decrease). This decrease was due primarily to a lower net appreciation in the fair value of investments of \$50,201,000, compared with the previous fiscal year's amount of \$637,092,000 (92.1% decrease). In general, public equity market returns were lower for the current year relative to the previous fiscal year. The Russell 3000 Index, which tracks U.S. broad market equities, returned 6.5% compared with 9.0% for the previous year. The MSCI All Country World ex-U.S. Index, which tracks non-U.S. equities in developed and emerging markets, returned -4.8% compared with 1.3% for the previous year. Fixed income markets, as represented by the Bloomberg Barclays U.S. Aggregate Bond Index, experienced a strong rally during the current fiscal year, returning 8.7% compared with 7.9% for the previous year. The net appreciation reported reflects a deduction for carried interest in the amount of \$32,095,000, which represents a profit share that the general partners of these funds received as a compensation after the performance of the funds achieved agreed-upon return level.

Interest income derived from fixed income securities increased by \$2,838,000 or 2.3%, while dividend income derived from equities decreased by \$16,668,000 or 7.0%. The slight increase in interest income from fixed income is attributed to a portfolio rebalancing that shifted assets away from the core

fixed income asset class and into the higher yielding credit opportunities and real assets asset classes. The decrease in dividend yield from equities is attributed to companies lowering or suspending dividend payments due to an uncertain economic outlook created by the COVID-19 pandemic.

Other investment income, primarily derived from private equity and private real estate partnership investments, increased by \$1,193,000 or 2.4%, mainly due to several large distributions received from private real estate partnership investments currently in the process of winding down.

LACERS earns additional investment income by lending its securities to borrowers through its custodian bank. To earn income for LACERS, the custodian bank invests cash collateral pledged by borrowers on behalf of LACERS in short term fixed income securities. LACERS also generates income from fees paid by borrowers that pledge non-cash collateral. In the current fiscal year, LACERS securities lending income (net of expense) increased by \$131,000 or 2.1%, from a year ago due to higher lending spreads and reinvestment spreads.

Total investment management fees, expenses, and investment related administrative expenses increased by \$3,608,000 or 4.3% from the prior year. This increase corresponded with the increase in the fair value of LACERS investments over the fiscal year.

#### Net Increase in Fiduciary Net Position – Deductions from Fiduciary Net Position

The following table and graphs provide information related to the deductions from fiduciary net position for the fiscal years ended June 30, 2020 and 2019 (dollars in thousands):

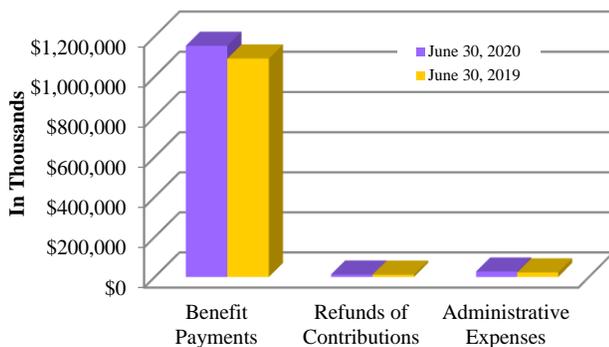
	June 30, 2020	June 30, 2019	Change
Benefit Payments	\$ 1,112,911	\$ 1,049,283	6.1%
Refunds of Contributions	12,332	11,684	5.5
Administrative Expenses	27,422	22,905	19.7
Deductions from Fiduciary Net Position	\$ 1,152,665	\$ 1,083,872	6.3%

# Management’s Discussion and Analysis

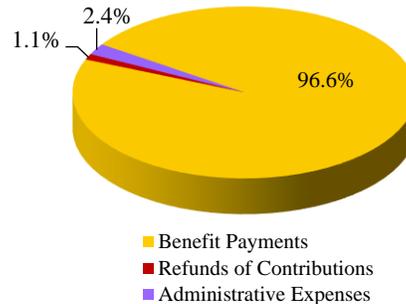
## Financial Analysis (Continued)

### Net Increase in Fiduciary Net Position – Deductions from Fiduciary Net Position (Continued)

**Deductions from Fiduciary Net Position**



**Allocation of Total Deductions  
June 30, 2020**



LACERS’ deductions from fiduciary net position in this reporting period can be summarized as Benefit Payments, Refunds of Contributions, and Administrative Expenses. These deductions represent the types of benefit delivery operations undertaken by LACERS and the costs associated with them. Total deductions increased by \$68,793,000 or 6.3% from the prior fiscal year.

Compared to the prior fiscal year, benefit payments increased by \$63,628,000 or 6.1%. The benefit payments for the Retirement Plan increased by \$64,043,000 or 7.0% mainly due to the annual cost of living adjustments (COLA) (approximately 3.0% increase on average); increased number of retirees and beneficiaries; and the average retirement allowance of newly retired Members being higher than those of the deceased Members who were removed from the retirement payroll. On the other hand, payments for Postemployment Health Care Plan benefits decreased by \$415,000 or -0.3%. This decrease was mainly due to the receipt of \$10,154,000, LACERS’ portion of Premium Stabilization Reserve fund maintained with Anthem Blue Cross. This amount comprise of accumulated surplus premium dollars from prior years when annual premium payments to Anthem Blue Cross exceeded annual claim costs and administrative expenses. The amount, to a degree, helped offset the increase in healthcare cost due to the increase in number of retirees and their dependents eligible for medical subsidy; increased reimbursement of Medicare Part B premium; and the full year payment of dental benefit claims paid from the Self-Funded Plan established in January 2019.

The Refunds of Member contributions increased by \$648,000 or 5.5% from the prior fiscal year’s \$11,684,000, due primarily to the increase in refunds to Members leaving the City service.

LACERS’ administrative expenses increased by \$4,517,000 or 19.7% from the prior fiscal year. The increase was mainly due to higher personnel cost resulted from the mandatory COLA increases, which include retroactive payments and mandatory payouts to employees in accordance with the City’s negotiated salary contracts, increased hiring to fill vacant positions, higher employee retirement payouts and increased employee health and retirement costs. Some of the increase can also be attributed to the payment of fees covering full fiscal year administration of the Self-Funded Plan. In addition, \$1,329,000 of various building operating expenses was incurred this fiscal year related to the purchase of the new LACERS headquarter building.

### Requests for Information

This financial report is designed to provide a general overview of LACERS finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

LACERS  
Fiscal Management Division  
PO Box 512218  
Los Angeles, CA 90051-0218

## **BASIC FINANCIAL STATEMENTS**

**Statement of Fiduciary Net Position**  
**Retirement Plan and Postemployment Health Care Plan**  
**As of June 30, 2020, with Comparative Totals**  
**(In Thousands)**

	<u>Retirement Plan</u>	<u>Postemployment Health Care Plan</u>	<u>2020 Total</u>	<u>2019 Total</u>
<b>Assets</b>				
Cash and Short-Term Investments	\$ 558,898	\$ 106,150	\$ 665,048	\$ 440,455
Receivables				
Accrued Investment Income	51,228	9,730	60,958	62,832
Proceeds from Sales of Investments	61,795	11,737	73,532	234,349
Other	15,777	2,996	18,773	15,324
Total Receivables	<u>128,800</u>	<u>24,463</u>	<u>153,263</u>	<u>312,505</u>
Investments, at Fair Value				
U.S. Government Obligations	1,343,146	255,100	1,598,246	1,417,515
Domestic Corporate Bonds	909,500	172,738	1,082,238	882,229
International Bonds	547,866	104,054	651,920	599,693
Other Fixed Income	438,911	83,361	522,272	902,587
Bank Loans	3,535	671	4,206	8,868
Opportunistic Debts	187,722	35,653	223,375	203,701
Domestic Stocks	3,826,132	726,685	4,552,817	4,672,500
International Stocks	4,180,522	793,994	4,974,516	5,239,973
Mortgages	474,694	90,157	564,851	526,389
Government Agencies	31,572	5,996	37,568	30,947
Derivative Instruments	1,785	339	2,124	(797)
Real Estate	629,395	119,539	748,934	792,516
Private Equity	1,884,636	357,943	2,242,579	2,008,558
Securities Lending Collateral	273,347	51,916	325,263	705,535
Total Investments, at Fair Value	<u>14,732,763</u>	<u>2,798,146</u>	<u>17,530,909</u>	<u>17,990,214</u>
Capital Assets, Net of Depreciation and Amortization	<u>35,598</u>	<u>6,761</u>	<u>42,359</u>	<u>8,789</u>
<b>Total Assets</b>	<u>15,456,059</u>	<u>2,935,520</u>	<u>18,391,579</u>	<u>18,751,963</u>
<b>Liabilities</b>				
Accounts Payable and Accrued Expenses	54,859	10,419	65,278	54,418
Accrued Investment Expenses	10,184	1,934	12,118	9,664
Purchases of Investments	105,549	20,047	125,596	274,436
Securities Lending Collateral	273,347	51,916	325,263	705,535
<b>Total Liabilities</b>	<u>443,939</u>	<u>84,316</u>	<u>528,255</u>	<u>1,044,053</u>
<b>Fiduciary Net Position Restricted for Pension and Postemployment Health Care Benefits</b>	<u>\$ 15,012,120</u>	<u>\$ 2,851,204</u>	<u>\$ 17,863,324</u>	<u>\$ 17,707,910</u>

The accompanying notes are an integral part of these financial statements.

**Statement of Changes in Fiduciary Net Position**  
**Retirement Plan and Postemployment Health Care Plan**  
**For the Fiscal Year Ended June 30, 2020, with Comparative Totals**  
**(In Thousands)**

	Retirement Plan	Postemployment Health Care Plan	2020 Total	2019 Total
<b>Additions</b>				
Contributions				
City Contributions	\$ 553,222	\$ 112,136	\$ 665,358	\$ 586,754
Member Contributions	263,936	-	263,936	240,357
Total Contributions	817,158	112,136	929,294	827,111
Self-Funded Insurance Premium	-	10,364	10,364	6,090
Health Insurance Premium Reserve	-	2,137	2,137	468
Investment Income				
Net Appreciation in Fair Value of				
Investments, Including Gain and Loss on Sales	41,055	9,146	50,201	637,092
Interest	102,466	21,587	124,053	121,215
Dividends	185,605	36,185	221,790	238,458
Other Investment Income	42,402	8,266	50,668	49,475
Securities Lending Income	6,210	1,211	7,421	7,268
Less: Securities Lending Expense	(917)	(194)	(1,111)	(1,089)
Sub-Total	376,821	76,201	453,022	1,052,419
Less: Investment Management Fees and Expenses	(69,121)	(15,450)	(84,571)	(81,582)
Investment Related Administrative Expenses	(2,409)	(550)	(2,959)	(2,340)
Net Investment Income	305,291	60,201	365,492	968,497
Building Lease and Other Income	645	147	792	-
<b>Total Additions</b>	<b>1,123,094</b>	<b>184,985</b>	<b>1,308,079</b>	<b>1,802,166</b>
<b>Deductions</b>				
Benefit Payments	973,197	139,714	1,112,911	1,049,283
Refunds of Contributions	12,332	-	12,332	11,684
Administrative Expenses	21,257	6,165	27,422	22,905
<b>Total Deductions</b>	<b>1,006,786</b>	<b>145,879</b>	<b>1,152,665</b>	<b>1,083,872</b>
<b>Net Increase in Fiduciary Net Position</b>	<b>116,308</b>	<b>39,106</b>	<b>155,414</b>	<b>718,294</b>
<b>Fiduciary Net Position Restricted for Pension and Postemployment Health Care Benefits</b>				
<b>Beginning of Year</b>	<b>14,895,812</b>	<b>2,812,098</b>	<b>17,707,910</b>	<b>16,989,616</b>
<b>End of Year</b>	<b>\$ 15,012,120</b>	<b>\$ 2,851,204</b>	<b>\$ 17,863,324</b>	<b>\$ 17,707,910</b>

The accompanying notes are an integral part of these financial statements.

**1. Description of LACERS and Significant Accounting Policies**

**General Description**

The Los Angeles City Employees’ Retirement System (LACERS or the System) is under the exclusive management and control of its Board of Administration (the Board), whose authority is granted by statute in Article XVI, Section 17 of the California State Constitution, and Article XI of the Los Angeles City Charter. 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 City Council. Two members shall be active employee Members of the System elected by active employee Members. One shall be a retired Member of the System elected by retired Members of the System. Elected Board members serve five-year terms in office, with no term limits. The System is a Department of the Municipality of the City of Los Angeles (the City). The System’s financial statements are included in the City of Los Angeles Annual Financial Report as a pension trust fund.

The System operates a single-employer defined benefit plan (the Retirement Plan) and a single-employer Postemployment Health Care Plan. Benefits and benefit changes are established by ordinance and approved by the City Council and the Mayor. A description of each plan is located in Note 2 and Note 3 on pages 18 - 28 of this report. All Notes to the Basic Financial Statements apply to both plans unless indicated otherwise.

**Basis of Accounting and Presentation**

The financial statements have been prepared in accordance with the accounting principles generally accepted in the United States of America (US GAAP) as outlined by the Governmental Accounting Standards Board (GASB). The financial statements are maintained on the accrual basis of accounting. Contributions from the employer and Members were recognized when due pursuant to formal commitments and contractual requirements. Benefits, refunds, and other expenses are recognized when due and payable. The accompanying financial statements include information from the prior year summarized for comparative purpose only. Such information does not include sufficient detail to constitute a presentation in accordance with US GAAP.

**Investments**

**Investment Policies**

Funds of the System are invested pursuant to the System’s investment policy, established by the Board, in compliance with Article XI Section 1106(d) of the City Charter. The System has a long-term investment

horizon, and utilizes an asset allocation that encompasses a strategic, long run perspective of capital markets. The System’s investment portfolio is composed of domestic and international equities, domestic and international bonds, bank loans, derivative instruments, real assets, private equity, and short-term investments. During the reporting period, there were no significant investment policy changes.

As of June 30, 2020, the Board’s target asset allocation policy was as follows:

Asset Class	Target Allocation
Domestic and International Equities	46.00%
Domestic and International Bonds	13.75
Private Equity	14.00
Real Assets	13.00
Short-Term Investments	1.00
Credit Opportunities	12.25
Total	<u>100.00%</u>

**Fair Value of Investments**

Securities traded on national or international exchanges are valued at the last reported sales price at the current exchange rates. Short-term investments, bonds, bank loans, stocks, and private equities are reported at fair value. The fair values of real estate investment funds are provided by the individual real estate fund managers based on periodic appraisals, in the form of either annual in-house appraisals or longer-term appraisals by outside professionals, in accordance with industry practice. The fair value determined as such is also reviewed and evaluated by the Board’s real estate consultant. The private equity funds (“partnership investment”), which are managed by third party investment managers, are valued on a quarterly and/or annual basis at their net asset value as reported by the investment managers under US GAAP. US GAAP requires that assets be reported at fair value in accordance with GASB Statement No. 72 – *Fair Value Measurement and Application*. The fair values of derivative instruments are determined using available market information.

Debt rewrites are valued based on yields currently available on comparable securities of issuers with similar credit ratings. LACERS investment strategy, as it relates to the debt portfolio, is mainly to achieve market appreciation and not to hold bonds to their maturities.

The provisions of the GASB Statement No. 72, *Fair Value Measurement and Application*, require investments to be measured at fair value as well as to classify the inputs used to determine fair value based on a three-level fair value hierarchy.

### 1. Description of LACERS and Significant Accounting Policies (Continued)

#### Investments (Continued)

##### Fair Value of Investments (Continued)

Investment transactions are accounted for on the date the securities are purchased or sold (trade date). Unsettled investment trades as of fiscal year-end are reported in the financial statements on an accrual basis. The corresponding proceeds due from sales are reported on the Statement of Fiduciary Net Position under Receivables and labeled as Proceeds from Sales of Investments, and amounts payable for purchases are reported under Liabilities and labeled as Purchases of Investments. Dividend income is recorded on the ex-dividend date. Interest income is reported at the stated interest rate as earned, and any premiums or discounts on debt securities are not amortized. The calculation of realized gains and losses is independent of the calculation of the net change in the fair value of LACERS pension plan investment. Realized gains and losses on investments that had been held in more than one reporting period and sold in the current period were included as a change in the fair value reported in the prior period(s) and the current period.

For the future contracts, an initial margin is required to open a position and maintain the collateral requirement until the position is closed. LACERS reports the collateral for the future contracts in the short-term investments.

##### Concentrations

The investment portfolio as of June 30, 2020, contained no concentration of investments in any one entity that represented 5% or more of the total investment portfolio.

##### Rate of Return on Investments

For the fiscal year ended June 30, 2020, the aggregate annual money-weighted rate of return for the Retirement Plan and the Postemployment Health Care Plan on LACERS investments, net of investment expenses, was 2.04%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested. Separate schedules for the money-weighted rate of return for Retirement Plan and Postemployment Health Care Plan are presented in the Required Supplementary Information (RSI).

##### Receivables

As of June 30, 2020, LACERS held no long-term contracts for contributions receivable from the City.

#### Capital Assets

Purchases of capital assets are capitalized upon acquisition if the cost of purchase was \$5,000 or more, and depreciated over five years using the straight-line method.

Certain costs to develop LACERS Pension Administration System (PAS), a customized software solution critical to LACERS core operations was capitalized in accordance with GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*. The total capitalized cost of \$9,413,000 is being amortized over 15 years using the straight-line method.

On October 9, 2019, LACERS Board approved the purchase of a commercial office building and underground parking structure located at 977 N. Broadway in Los Angeles, California to serve as LACERS future headquarters building. The purchase was settled at \$33,750,000 on October 23, 2019. The purchase price was allocated to Land valued at \$4,023,000 and Building valued at \$29,727,000, based on the assessment performed on the fair value of acquired assets. In addition, LACERS incurred \$236,000 in acquisition costs and subsequent Building improvements costing \$89,000 during the fiscal year, which were capitalized as part of the Building cost. As of the end of the fiscal year, major capital improvements are still in progress to prepare the building for occupancy. Once the building is put to use, the System will capitalize all costs associated and begin to record depreciation expense of the headquarters in 2021.

#### Administrative Expenses

All administrative expenses are funded from LACERS fiduciary net position, which represents accumulated investment earnings and contributions from the City and the Members net of payments.

## Notes to the Basic Financial Statements

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### 1. Description of LACERS and Significant Accounting Policies (Continued)

#### Reserves

As provided in the Los Angeles City Charter, LACERS is maintained on a reserve basis, determined in accordance with recognized actuarial methods. The Los Angeles City Charter establishes reserves for the following:

#### Reserves for the Retirement Plan

Member Contributions (Mandatory) – To provide for individual accounts of Members consisting of Active Member mandatory contributions to the Retirement Plan and interest credited to Members accounts, less refunds of Members contributions and transfers to the Annuity reserve.

Member Contributions (Voluntary) – To provide for individual accounts of Members participating in the larger annuity program of Active Member voluntary contributions and interest/investment return credited to Members' accounts, less refunds of Member contributions (voluntary) and transfers to the Larger Annuity reserve.

Basic Pensions – To provide for the City's guaranteed portion of retirement benefits consisting of City contributions; investment earnings (losses) including net appreciation (depreciation) in fair value of investments; less payments to retired Members and beneficiaries, and allocated investment and administrative expenses.

Annuity – To provide for the Members' share of retirement benefits consisting of Members' mandatory contribution balances transferred at retirement; investment earnings (losses) excluding net appreciation (depreciation) in fair value of investments; less payments to retired Members and beneficiaries, and allocated investment and administrative expenses.

Larger Annuity – To provide for the Larger Annuity benefit consisting of Members' voluntary contribution balances transferred at retirement including Internal Revenue Service (IRS) Section 457 deferred compensation and other rollovers; investment earnings (losses) including net appreciation (depreciation) in fair value of investments; less payments to participating retired Members and beneficiaries, and allocated investment and administrative expenses.

Family Death Benefit Plan (FDBP) – To pay benefits under the Family Death Benefit Plan administered by LACERS consisting of Active Member voluntary contributions; matching City of Los Angeles contributions; and investment earnings (losses) including net appreciation (depreciation) in fair value of investments; less payments to beneficiaries and allocated investment and administrative expenses.

#### Reserves for the Postemployment Health Care Plan

401(h) Account- To provide health care benefits for retirees consisting of City contributions; investment earnings (losses) including net appreciation (depreciation) in fair value of investments; less payments to insurance providers, including payment to the 115 Trust fund for the self-funded dental insurance premium and Members' portion of insurance premium reserve.

115 Trust Account – This new Health Care fund is currently limited to pay the benefit claims from LACERS self-funded Dental Plan, but ultimately will fund all health care benefits for retirees upon depletion of the existing 401(h) account reserves. The 115 Trust account currently consists of dental plan premium and prepayment; certain retired Members' health insurance premium deductions; investment earnings (losses) including net appreciation (depreciation) in fair value of investments; less payments of the dental plan claims and administration fees to the third party contractor who administered the dental plan claims for the System; and certain allocated administrative expenses. During this reporting year, funds from this reserve account were invested in LACERS investment pool, and therefore, investment earnings (losses) including net appreciation (depreciation) in fair value of investments were distributed.

## Notes to the Basic Financial Statements

### 1. Description of LACERS and Significant Accounting Policies (Continued)

#### Reserves (Continued)

Reserve balances as of June 30, 2020, were as follows (in thousands):

#### Reserved for the Retirement Plan

Member Contributions:	
- Mandatory	\$ 2,640,371
- Voluntary	7,268
Basic Pensions	11,703,185
Annuity	588,848
Larger Annuity	56,316
FDBP	<u>16,132</u>
	<u>\$ 15,012,120</u>

#### Reserve for the Postemployment

Health Care Plan	
401 (h) Account	\$ 2,730,003
115 Trust Account	<u>121,201</u>
	<u>2,851,204</u>
	<u>\$ 17,863,324</u>

#### Estimates

The preparation of the financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting years. Changes in economic environment, financial markets and any other parameters used in determining these estimates could cause actual results to differ from those estimates materially.

#### Risk and Uncertainty That May Impact Financial Operations and Performance

In March 2020, the World Health Organization declared Coronavirus COVID-19 a global pandemic. The Coronavirus outbreak has caused tremendous human and economic hardship both globally and throughout the United States. The measures taken to protect public health has had an adverse impact, disrupting economic activity and creating a surge in job losses. While the ongoing pandemic poses considerable economic risks, there has been no significant disruption to LACERS' operations. The System has largely been successful in maintaining normal operation remotely. Although the financial markets remain volatile, LACERS' investment strategy is to maintain a well-diversified portfolio in order to mitigate the risk of market uncertainty.

The System is exposed to a risk that the long-term rate of return currently earned on the pension plan assets could be below the actuarially assumed rate of return, which is currently 7.00%. This could impact the plan participant actuarial determined contributions. The System's actuarial valuations use a seven year smoothing method for investment returns; any contribution rate impact from the capital markets depends largely on how deep the future market downturn is, how long it lasts, and how it fits within the fiscal year reporting periods. While the global markets have largely recouped early 2020 losses due to the pandemic, COVID-19 continues to surge globally and in many parts of the United States. LACERS' Board and management will continue to closely monitor any adverse impact on the System's investments.

#### New Accounting Pronouncements

GASB Statement No. 87—Leases, issued in June 2017, increases the usefulness of government's financial statements by requiring recognition of certain lease assets and liabilities for leases that were previously classified as operating leases. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset thereby enhancing the relevance and consistency of information about government's leasing activities. As a result of GASB Statement No. 95 issued in May 2020 to provide temporary relief from implementation of certain pronouncements, the effective date for Statement No. 87 is postponed to fiscal year beginning after June 15, 2021. LACERS is currently examining the impact to its current accounting policies and financial reporting from this Statement.

**2. Retirement Plan Description**

**Plan Administration and Membership**

LACERS administers a defined benefit pension plan that provides for service and disability retirement benefits, as well as death benefits.

The Retirement Plan covers all full-time personnel and department-certified part-time employees of the City, except for sworn employees of the Fire and Police departments, Department of Water and Power employees, elected officials who elected to participate in an alternative Defined Contribution Plan, certain Port Police officers of the Harbor, and certain Airport Peace Officers of the Airports who elected to opt out of LACERS. Upon transferring all active Tier 2 Members to Tier 1 as of February 21, 2016, Membership to Tier 1 is now closed to new entrants unless a Member meets one of the exceptions allowed in the Ordinance (No. 184134). Eligible employees hired on or after February 21, 2016, become Members of Tier 3.

Plan Members have a vested right to their own contributions and accumulated interest posted to their accounts. Generally, after five years of employment, Members are eligible for future retirement benefits, which increase with length of service. If a Member who has five or more years of continuous City service terminates employment, the Member has the option of receiving retirement benefits when eligible or having his or her contributions and accumulated interest refunded. Benefits are based upon age, length of service, and compensation.

As of June 30, 2020, the components of LACERS membership in both tiers (Tier 1 and Tier 3) were as follows:

Active:	
Vested	17,722
Non-vested	9,768
	27,490
Inactive:	
Non-vested	6,728
Terminated Entitled to Benefits, Not Yet Receiving Benefits	2,479
Retired	20,423
	29,630
Total	57,120

**Eligibility Requirement and Benefits Provided**

**Tier 1**

Plan Members are eligible to retire with unreduced benefits if they have 10 or more years of continuous City service at age 60, or at least 30 years of City service at age 55, or with any years of City service at age 70 or older. Plan Members also are eligible to retire with age-based reduced benefits after reaching age 55 with 10 or more years of continuous City service, or at any age with 30 or more years of City service. Full (unreduced) retirement benefits are determined as 2.16% of the Member’s average monthly pensionable salary during the Member’s last 12 months of service, or during any other 12 consecutive months of service designated by the Member, multiplied by the Member’s years of service credit.

Plan Members with five years of continuous service are eligible for disability retirement, and the benefits are determined as 1/70 of the Member’s final average monthly salary for each year of service or 1/3 of the Member’s final average monthly salary, if greater. Upon an active Member’s death, a refund of the Member’s contributions and, depending on the Member’s years of service, a limited pension benefit equal to 50% of monthly salary may be paid up to 12 months. Or, if such Member was eligible to retire, survivor benefits may be paid to an eligible spouse or qualified domestic partner. Upon a retired Member’s death, a \$2,500 funeral allowance is paid, and a modified or unmodified allowance is continued to an eligible spouse or qualified domestic partner.

**Tier 1 – Enhanced Benefits**

On March 28, 2017, the City Council adopted an ordinance (No. 184853) to amend the Los Angeles Administrative Code (LAAC) authorizing certain sworn Airport Peace Officers (APO) at LACERS to elect to transfer into Tier 6 of LAFPP Plan or to remain in LACERS Plan with enhanced benefits.

All new APO hired after that date would be enrolled in LAFPP Tier 6. Under the ordinance, APO Members who elect to remain in LACERS would be Tier 1 Members, and be eligible for enhanced benefits including more favorable disability benefits, death benefits, and a higher retirement factor of 2.30% (versus 2.16% for all other Tier 1 Members), contingent upon a mandatory additional contribution payment of \$5,700 required by LAAC Section 4.1002(e)(2) to LACERS before January 8, 2019, or prior to the Member’s retirement date, whichever is earlier. Among 503 APO Members who elected to remain Members of LACERS on January 7, 2018, 469 APO Members, inclusive of 43 APO Members who retired with the enhanced benefits, paid their mandatory additional contribution.

**2. Retirement Plan Description (Continued)**

**Eligibility Requirement and Benefits Provided (Continued)**

**Tier 3**

Plan Members are eligible to retire with unreduced benefits if they have at least 10 or more years of City service at age 60 or at least 30 years of City service at age 55, provided that five years of service must be continuous. Full unreduced retirement benefits at age 60 with 10 years of City service are determined with a 1.5% retirement factor. Plan Members also are eligible to retire with an age-based reduced benefit before reaching age 60 with 30 or more years of City service with a retirement factor of 2.0%. If the Member is age 55 or older with 30 years of service at the time of retirement, his or her retirement allowance will not be subject to reduction on account of age. However, if the Member is younger than age 55 with 30 years of service at the time of retirement, his or her retirement allowance will be reduced by the applicable early retirement reduction factor. In addition, the System also provides Tier 3 Members enhanced retirement benefits with a 2.0% retirement factor if the Member retires at age 63 with at least 10 years of service, or a retirement factor of 2.1% if the Member retires at age 63 with 30 years of service.

Tier 3 retirement benefits are determined by multiplying the Member's retirement factor (1.5% - 2.1%), with the Member's Final Average Compensation (FAC) based on the Member's pensionable salary for the last 36 months or any other 36 consecutive months designated by the Member, and by the Member's years of service credit (SC) as follows:

Age at Retirement	Required Years of Service	Retirement Benefit <sup>(1)</sup>
Under 55	30 Years	2.0% x FAC x Yrs. of SC <sup>(2)</sup>
55 and Over	30 Years	2.0% x FAC x Yrs. of SC
60 and Over	10 Years	1.5% x FAC x Yrs. of SC
63 and Over	10 Years	2.0% x FAC x Yrs. of SC
63 and Over	30 Years	2.1% x FAC x Yrs. of SC

(1) Retirement allowance may not exceed 80% of final compensation except when benefit is based solely on the annuity component funded by the Member's contributions.

(2) A reduction factor will be applied based on age at retirement.

Plan Members with five years of continuous service are eligible for disability retirement, and the benefits are determined as 1/70 of the Member's final average monthly salary for each year of service or 1/3 of the Member's final average monthly salary, if greater. Upon an active Member's death, a refund of the Member's contributions and, depending on the Member's years of service, a limited pension benefit equal to 50% of monthly salary may be paid up to 12 months. Or, if such Member was eligible to retire, survivor benefits may be paid to an eligible spouse or qualified domestic partner. Upon a retired Member's death, a \$2,500 funeral allowance is paid, and a modified or unmodified allowance is continued to an eligible spouse or qualified domestic partner.

There were no Tier 3 Members who retired during this reporting period.

**Cost of Living Adjustment**

Retirement allowances are indexed annually for inflation. The Board has authority to determine, no later than May 1<sup>st</sup> of each year, the average annual percentage change in the Consumer Price Index (CPI) for the purpose of providing a Cost of Living Adjustment (COLA) to the benefits of eligible Members and beneficiaries in July. The adjustment is based on the prior year's change of Los Angeles area CPI subject to a maximum of 3.0% for Tier 1 Members or 2.0% for Tier 3 Members. For Tier 1 Members, the COLA percentage greater than 3.0% is banked for future use.

### 2. Retirement Plan Description (Continued)

#### Employer Contributions

The Los Angeles City Charter Sections 1158 and 1160 provide for periodic actuarially-determined employer contribution rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate the required assets to pay benefits when due. For the fiscal year ended June 30, 2020, the actuarially-determined aggregate employer contribution rate to the Retirement Plan by the City was 24.75% of projected payroll, based on the June 30, 2018 actuarial valuation.

Upon closing the fiscal year 2019-20, LACERS recalculated the employer contribution rate using actual payroll incurred during the fiscal year, which was smaller than projected covered payroll used by the City to make the advance payment on July 15, 2019. As a result, employer contributions received for the Retirement Plan were \$39,069,000 more than required, and this amount was credited to the employer toward employer contributions for fiscal year 2020-21. Based on actual payroll, the effective rate of employer contribution for Retirement Plan was 24.36% for fiscal year 2019-20.

#### Member Contributions

##### Tier 1 and Tier 1 Enhanced

The current contribution rate for Tier 1 and Tier 1 Enhanced Members is 11% of their pensionable salary including a 1% increase in the Member contribution rate pursuant to 2009 Early Retirement Incentive Program (ERIP) ordinance for all employees for a period of 15 years (or until the ERIP Cost obligation is fully recovered, whichever comes first). Contribution rates for Tier 1 and Tier 1 Enhanced Members is expected to decrease by 1% once ERIP obligation is fully paid.

##### Tier 3

The contribution rate for Tier 3 Members is 11% of their pensionable salary. Unlike Tier 1, Tier 3 Members do not pay ERIP contribution, therefore, Tier 3 Members' contribution rate will not drop down when Tier 1 Members cease to pay the 1% ERIP contribution.

## Notes to the Basic Financial Statements

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### 2. Retirement Plan Description (Continued)

#### Net Pension Liability

As of June 30, 2020, the components of the net pension liability were as follows (in thousands):

Total Pension Liability	\$ 22,527,195
Plan Fiduciary Net Position <sup>(1)</sup>	<u>14,932,404</u>
Plan's Net Pension Liability	<u>\$ 7,594,791</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	66.3%

(1) In calculating the Plan's net pension liability, the total pension liability and the Plan fiduciary net position exclude a total amount of \$79,716 associated with Family Death and Larger Annuity Benefits. The details of the amount excluded can be found in the Schedule of Net Pension Liability on page 39.

#### Significant Assumptions

Projections of benefits for financial reporting purposes are based on the types of benefits provided to active, inactive, and retired Members at the time of each valuation, including expected future COLAs. The attribution method and significant assumptions used in the valuation year of June 30, 2020, are summarized below:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Method (individual basis).
Amortization Method	Level Percent of Payroll
Actuarial Assumptions:	
Date of Experience Study	June 30, 2019 (July 1, 2016 through June 30, 2019)
Long-Term Expected Rate of Return	7.00%
Inflation	2.75%
Real Across-the-Board Salary Increase	0.50%
Projected Salary Increases	Ranges from 4.25% to 9.95% based on years of service, including inflation assumption at 2.75% and the real across-the-board salary increase assumption of 0.50%.
Annual COLAs	2.75% maximum for Tier 1 and 2.00% maximum for Tier 3.
Mortality Table for Healthy Retirees	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables (separate tables for males and females) with rates increased by 10% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019.
Mortality Table for Disabled Retirees	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Tables with rates increased by 10% for males and decreased by 5% for females, projected generationally with the two dimensional mortality improvement scale MP-2019.
Mortality Table for Beneficiaries	Pub-2010 Contingent Survivor Amount-Weighted Above Meridian Mortality Tables with rates increased by 10% for males and females, projected generationally with the two dimensional mortality improvement scale MP-2019.
Percent Married / Domestic Partner	76% of male participants and 52% of female participants are assumed to be married or have a qualified domestic partner.
Spouse Age Difference	Male retirees are assumed to be three years older than their female spouses. Female retirees are assumed to be two years younger than their male spouses.

## Notes to the Basic Financial Statements

### 2. Retirement Plan Description (Continued)

#### Net Pension Liability (Continued)

##### Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020 and 7.25% as of June 30, 2019.

The projection of cash flows used to determine the discount rate assumed 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. For this purpose, only employee and employer contributions that are intended to fund benefits for current Plan Members and their beneficiaries are included. 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 retirement plan's fiduciary net position 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 Total Pension Liability as of both June 30, 2020 and June 30, 2019.

The long-term expected rate of return on retirement plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, are summarized in the following table. These values were used in the derivation of the long-term expected investment rate of return assumption that was used in the actuarial valuation as of June 30, 2020. This information is subject to change every three years based on the actuarial experience study. The last experience study was for July 1, 2016 through June 30, 2019. The next experience study will be conducted in 2022.

Asset Class	Target Allocation	Arithmetic Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	15.01%	5.5%
U.S. Small Cap Equity	3.99	6.3
Developed Int'l Large Cap Equity	17.01	6.6
Developed Int'l Small Cap Equity	2.97	6.9
Emerging Int'l Large Cap Equity	5.67	8.7
Emerging Int'l Small Cap Equity	1.35	10.6
Core Bonds	13.75	1.2
High Yield Bonds	2.00	3.1
Bank Loans	2.00	3.7
Emerging Market Debt (External)	2.25	3.6
Emerging Market Debt (Local)	2.25	4.8
Private Debt	3.75	6.0
Core Real Estate	4.20	4.6
Real Estate Investment Trust (REIT)	1.00	6.0
Treasury Inflation Protected Securities (TIPS)	4.00	0.9
Commodities	1.00	3.3
Non-Core Real Assets	2.80	5.8
Private Equity	14.00	9.0
Cash	1.00	0.0
Total	<u>100.00%</u>	

#### Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of LACERS as of June 30, 2020, calculated using the discount rate of 7.00%, as well as what LACERS net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate (dollar in thousands):

1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
<u>\$10,642,600</u>	<u>\$7,594,791</u>	<u>\$5,073,179</u>

**3. Postemployment Health Care Plan Description**

**Plan Administration and Membership**

LACERS administers, and provides single-employer postemployment healthcare benefits to eligible retirees and their eligible spouses/domestic partners who participate in the Retirement Plan regardless of their membership tiers. These benefits consist of subsidies which may also apply to the coverage of other eligible dependent(s).

On November 9, 2018, the City Council approved Ordinance No. 185829 to amend Article 1 of Chapter 11, Division 4 of the Los Angeles Administrative Code to establish the LACERS Health Care Fund (115 Trust Account) for the sole purpose of funding the retiree healthcare benefits for eligible LACERS retirees and beneficiaries as well as to help stabilize premium rates over time.

The City and the Board of LACERS entered into a written trust agreement for the LACERS Health Care Fund which shall provide an alternative funding mechanism, in addition to or in lieu of the existing 401 (h) account described in LAAC Section 4.1102 for funding benefits under the health and welfare programs. The LACERS Health Care Fund is intended to qualify for federal tax exemption under Section 115 of the Internal Revenue Code. Because health benefits paid out of the LACERS Health Care Fund are not required to be subordinate to the Plan retirement benefits, the LACERS Health Care Fund would not become taxable if the Plan health benefits surpass the 25% threshold. Second, the LACERS Health Care Fund gives LACERS more flexibility to invest premium surpluses to provide for smoothing should healthcare premiums increased considerably in the future. Currently, the Health Care Coverage Account (401 (h) account) cannot receive full refunds of excess premiums from insurance providers. However, the LACERS Health Care Fund can receive full premium surplus refunds from insurance providers; therefore, the System can invest these funds at a higher rate of return than the insurance providers' reserve account interest rate.

Effective January 1, 2019, LACERS fully-insured Delta Dental PPO Plan was replaced with LACERS self-funded Delta Dental PPO Plan. Although Delta continues to administer the plan for a fee, LACERS sets and collects premiums from enrolled Members and pays billed claims to Delta. With this arrangement, LACERS bears financial risk if claims cost exceed collected premiums. This change does not affect the maximum dental subsidy amount to the eligible retired Members.

As of June 30, 2020, the components of Membership, excluding non-participating retirees and surviving spouses of LACERS postemployment healthcare benefits were as follows:

Retired Members/Surviving Spouses <sup>(1)</sup>	16,107
Vested terminated Members entitled to, but not yet receiving benefits <sup>(2)</sup>	1,526
Retired Members and surviving spouses not yet eligible for health benefits	142
Active Members	<u>27,490</u>
<b>Total</b>	<b><u>45,265</u></b>

- (1) Total participants including married dependents and dependent children currently receiving benefits are 21,572.
- (2) Includes terminated Members due a refund of employee contributions.

**Eligibility Requirement and Benefits Provided**

To be eligible for LACERS postemployment healthcare benefits, Member must: 1) be at least age 55; 2) have at least 10 whole years of service with LACERS; and 3) be enrolled in a System-sponsored medical or dental plan or are a participant in the Medical Premium Reimbursement Program (MPRP). Retirees and surviving spouses/domestic partners can choose from the health plans that are available, which include medical, dental, and vision benefits, or participate in the MPRP if he/she resides in an area not covered by the available medical plans. Retirees and surviving spouses/domestic partners receive medical subsidies based on service years and service credit. The dental subsidies are provided to the retirees only, based on service years and service credit.

The maximum subsidies are set annually by the Board. Effective February 21, 2016, healthcare benefit eligibility requirements have changed for the Members who have periods of part-time service. Such Members are now eligible to participate in the LACERS retiree medical programs with a 10 whole years of service, even if some or all of that service was part-time, provided that the Member meets the eligibility requirements. Both Tier 1 and Tier 3 Members will be eligible for 40% of maximum medical plan premium subsidy for 1 – 10 whole years of service credit, and eligible Members earn 4% per year of service credit for their annual medical subsidy accrual after 10 years of service. Eligible spouses/domestic partners of Plan Members are entitled to the System's postemployment healthcare benefits after the retired Member's death.

### 3. Postemployment Health Care Plan Description (Continued)

#### Eligibility Requirement and Benefits Provided (Continued)

During the 2011 fiscal year, the City adopted an ordinance (“Subsidy Cap Ordinance”) to limit the maximum medical subsidy at \$1,190 for those Members who retire on or after July 1, 2011; however, Members who at any time prior to retirement made additional contributions are exempted from the subsidy cap and obtain a vested right to future increases in the maximum medical subsidy at an amount not less than the dollar increase in the Kaiser two-party non-Medicare Part A and Part B premium. As of June 30, 2020, all active Tier 1 and Tier 3 Members were making the additional contributions, and therefore will not be subject to the medical subsidy cap.

#### Employer Contributions

The Los Angeles City Charter Sections 1158 and 1160 require periodic employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate the required assets to pay benefits when due. The required contribution rate for the Postemployment Health Care Plan for the fiscal year ended June 30, 2020, was 4.91% of projected payroll, based on the June 30, 2018 actuarial valuation.

Upon closing the fiscal year 2019-20, LACERS recalculated employer contribution rate using actual payroll incurred during the fiscal year which was smaller than projected covered payroll used by the City to make the advance payment on July 15, 2019. As a result, employer contributions for Postemployment Health Care Plan were \$7,048,000 more than required, and this amount was returned to the employer as a credit toward employer contribution for fiscal year 2020-21. While the total actual payroll was lower than projected, actual payroll for Tier 3 Members was higher than projected. Because the employer contribution rate for Postemployment Health Care Plan for Tier 3 Members was higher than the rate for Tier 1 Members, the overall effective rate of employer contribution for Postemployment Health Care Plan, based on actual payroll, was 4.94%, a slightly higher rate than 4.91% originally projected.

## Notes to the Basic Financial Statements

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### 3. Postemployment Health Care Plan Description (Continued)

#### Net OPEB Liability

As of June 30, 2020, the components of the net OPEB liability were as follows (in thousands):

Total OPEB Liability	\$ 3,486,530
Plan Fiduciary Net Position	<u>2,851,204</u>
Plan's Net OPEB Liability	<u>\$ 635,326</u>

Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	81.8%
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#### Significant Assumptions

The total OPEB liability as of June 30, 2020 was determined by actuarial valuation as of June 30, 2020. The attribution method and significant assumptions used to measure the total OPEB liability, including assumptions about inflation, and healthcare cost trend rates in the valuation year of June 30, 2020, are summarized below:

Valuation Date	June 30, 2020
Actuarial Cost Method	Entry Age Cost Method – level percent of salary.
Amortization Method:	Level Percent of Payroll – assuming a 3.25% increase in total covered payroll.
Actuarial Assumptions:	
Date of Experience Study	June 30, 2019 (July 1, 2016 through June 30, 2019)
Long-Term Expected Rate of Return	7.00%
Inflation	2.75%
Salary Increase	Range from 4.25% to 9.95% based on years of service, including inflation assumption at 2.75%.
Mortality Table for Retirees	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables (separate tables for males and females) with rates increased by 10% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019.
Mortality Table for Disabled Retirees	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Tables with rates increased by 10% for males and decreased by 5% for females, projected generationally with the two dimensional mortality improvement scale MP-2019.
Mortality Table for Beneficiaries	Pub-2010 Contingent Survivor Amount-Weighted Above Meridian Mortality Tables with rates increased by 10% for males and females, projected generationally with the two dimensional mortality improvement scale MP-2019.
Marital Status	60% of male and 35% of female retirees who receive a subsidy are assumed to be married or have a qualified domestic partner and elect dependent coverage.
Spouse Age Difference	Male retirees are assumed to be four years older than their female spouses. Female retirees are assumed to be two years younger than their male spouses.
Surviving Spouse Coverage	With regard to Members who are currently alive, 100% of eligible spouses or domestic partners are assumed to elect continued health coverage after the Member's death.

## Notes to the Basic Financial Statements

### 3. Postemployment Health Care Plan Description (Continued)

#### Net OPEB Liability (Continued)

#### Significant Assumptions (Continued)

##### Healthcare Cost Trend Rates

Medical Premium Trend Rates to be applied in the following fiscal years, to all health plans. Trend Rate is to be applied to the premium for shown fiscal year to calculate next fiscal year's projected premium.

Medical Premium Trend Rates to be applied to fiscal year 2020-2021 and later years are:

First Fiscal Year (July 1, 2020 through June 30, 2021)		
Carrier	Under Age 65	Age 65 & Over
Kaiser HMO	3.37%	3.12%
Anthem Blue Cross HMO	4.85%	N/A
Anthem Blue Cross PPO	3.71%	4.45%
UHC Medicare HMO	N/A	3.12%

Fiscal Year 2021 - 2022 and later	
Fiscal Year	Trend (Approx.)
2021 - 2022	6.62%
2022 - 2023	6.37%
2023 - 2024	6.12%
2024 - 2025	5.87%
2025 - 2026	5.62%
2026 - 2027	5.37%
2027 - 2028	5.12%
2028 - 2029	4.87%
2029 - 2030	4.62%
2030 - 2031 and later	4.50%

Dental Premium Trend to be applied is 4.00% for all years.

Medicare Part B Premium Trend is 4.50% for all years.

## Notes to the Basic Financial Statements

### 3. Postemployment Health Care Plan Description (Continued)

#### Net OPEB Liability (Continued)

##### Discount Rate

The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2020 and 7.25% as of June 30, 2019.

The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially-determined contribution rates. For this purpose, employer contributions that are intended to fund benefits only for current Plan Members and their beneficiaries are included. 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 OPEB plan's fiduciary net position 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 Total OPEB Liability as of June 30, 2020 and June 30, 2019.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, are summarized in the following table. These values were used in the derivation of the long-term expected investment rate of return assumption for the actuarial valuation as of June 30, 2020. This information is subject to change every three years based on the actuarial experience study. The last experience study was for July 1, 2016 through June 30, 2019. The next experience study will be conducted in 2022.

Asset Class	Target Allocation	Arithmetic Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	15.01%	5.5%
U.S. Small Cap Equity	3.99	6.3
Developed Int'l Large Cap Equity	17.01	6.6
Developed Int'l Small Cap Equity	2.97	6.9
Emerging Int'l Large Cap Equity	5.67	8.7
Emerging Int'l Small Cap Equity	1.35	10.6
Core Bonds	13.75	1.2
High Yield Bonds	2.00	3.1
Bank Loans	2.00	3.7
Emerging Market Debt (External)	2.25	3.6
Emerging Market Debt (Local)	2.25	4.8
Private Debt	3.75	6.0
Core Real Estate	4.20	4.6
Real Estate Investment Trust (REIT)	1.00	6.0
Treasury Inflation Protected Securities (TIPS)	4.00	0.9
Commodities	1.00	3.3
Non-Core Real Assets	2.80	5.8
Private Equity	14.00	9.0
Cash	1.00	0.0
Total	<u>100.00%</u>	

#### Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of LACERS as of June 30, 2020, calculated using the discount rate of 7.00%, as well as what LACERS net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate (dollar in thousands):

1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
\$1,137,842	\$ 635,326	\$ 225,113

**3. Postemployment Health Care Plan Description (Continued)**

**Net OPEB Liability (Continued)**

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the net OPEB liability of LACERS as of June 30, 2020, calculated using the healthcare cost trend rates as well as what LACERS net OPEB liability would be if it were calculated using trend rates that are one percentage point lower or one percentage point higher than the current rates (dollar in thousands):

1% Decrease	Current Healthcare Cost Trend Rates <sup>(1)</sup>	1% Increase
\$ 187,139	\$ 635,326	\$1,195,159

(1) Current healthcare cost trend rates: 6.62% graded down to 4.50% over 9 years for Non-Medicare medical plan costs, and 6.12% graded down to 4.50% over 7 years for Medicare medical plan costs. 4.00% for all years for Dental and 4.50% for all years for Medicare Part B subsidy cost.

**4. Contributions Required and Contributions Made**

LACERS uses the Entry Age cost method to determine the required annual contribution amount for the Retirement Plan and the Postemployment Health Care Plan. The required annual contribution amount is composed of two components: normal cost, which is the cost of the portion of the benefit that is allocated to a given year, and the payment to amortize the Unfunded Actuarial Accrued Liability (UAAL) which is the difference between LACERS actuarial liabilities and actuarial assets. The components of the UAAL are amortized as a level percent of pay. Based on LACERS funding policy, increases or decreases in the UAAL due to assumption changes are amortized over 20 years, except that healthcare cost trend and premium assumption changes are amortized over 15 years. Plan changes and experience gains and losses are amortized over 15 years, subject to adjustments to comply with GASB requirements on maximum amortization period of 30 years for all layers combined. The amortization periods are “closed” as each layer of the UAAL is systematically amortized over a “fixed” period.

The total contributions to LACERS for the fiscal year ended June 30, 2020, in the amount of \$929,294,000 (\$817,158,000 for the Retirement Plan and \$112,136,000 for the Postemployment Health Care Plan), consisted of the following (in thousands):

	Retirement Plan	Postemployment Health Care Plan
City Contributions:		
Required Contributions	\$ 553,118	\$ 112,136
FDBP	104	-
Total City Contributions	553,222	112,136
Member Contributions	263,936	-
Total Contributions	<u>\$ 817,158</u>	<u>\$ 112,136</u>

The City contributions made for the Retirement Plan under the Required Contributions category in the amount of \$553,118,000 were equal to 100% of the actuarially determined contribution of the employer. The City contributions made for the Postemployment Health Care Plan, in the amount of \$112,136,000, represents 100% of the actuarially determined contribution of the employer as defined by GASB Statement No. 74. Member contributions in the amount of \$263,936,000 were made toward the Retirement Plan, the voluntary Larger Annuity Plan and Family Death Benefit Plan.

**5. Historical Trend Information**

Historical trend information, designed to provide information about LACERS progress made in accumulating sufficient assets to pay benefits when due, is presented on pages 39 - 44 for the Retirement Plan and pages 45 - 49 for the Postemployment Health Care Plan.

## Notes to the Basic Financial Statements

### 6. Cash and Short-Term Investments and Investments

The Board has the responsibility for the investment of LACERS funds, and should discharge its duties with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims, as prescribed by Article XI Section 1106(c) of the City Charter.

LACERS considers investments with a maturity of 12 months or less to be short-term investments. The carrying value of cash and short-term investments at June 30, 2020, for the Retirement Plan and Postemployment Health Care Plan included approximately \$4,853,000 held in LACERS general operating accounts with the City Treasurer and short-term investments funds (STIF) of \$660,195,000 for a total of \$665,048,000. The amounts held by the City Treasurer are pooled with the monies of other City agencies and invested by the City Treasurer's office. These assets are not individually identifiable. At June 30, 2020, short-term investments included collective STIF of \$324,917,000, international STIF of \$149,075,000, and future contracts initial margin and collaterals of \$186,203,000.

The fair value of derivative instruments, including equity index, commodity, currency, and interest rate future contracts, currency forward contracts and options, rights and warrants and swaps, are recorded in the Statement of Fiduciary Net Position with a net value of \$2,124,000. The changes in fair value of the derivative instruments during the fiscal year are recorded in the Statement of Changes in Fiduciary Net Position as Investment Income. LACERS enters into derivative contracts for investment purposes and to manage risks associated with its investment portfolio. For financial reporting purposes, all of LACERS derivatives for the current and previous fiscal years are classified as investment derivatives.

The notional amount and the fair value of derivative instruments as of June 30, 2020, are as follows (in thousands):

<u>Derivative Type</u>	<u>Notional Amount</u>	<u>Fair Value</u>	<u>Change in Fair Value</u>
Future Contracts -			
Commodities	\$ 180,392	\$ 2,076	\$ 3,077
Equity Index	26,890	73	15
Foreign Exchange	2,344	1	3
Interest Rate	(39,540)	171	133
Currency Forward			
Contracts	2,344	(587)	(501)
Right / Warrants	N/A	238	41
Swaps –Interest Rate	N/A	152	151
Total Value		<u>\$ 2,124</u>	<u>\$ 2,919</u>

**6. Cash and Short-Term Investments and Investments (Continued)**

**Credit Risk – Investments**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. LACERS seeks to maintain a diversified portfolio of fixed income instruments in order to obtain the highest total return for the fund at an acceptable level of risk within this asset class. The credit quality ratings of investments in fixed income securities by Standard and Poor’s (S&P), a nationally-recognized statistical rating organization, as of June 30, 2020, are as follows (dollars in thousands):

S & P Ratings	Fair Value	Percentage
AAA	\$ 51,548	1.99 %
AA+	45,690	1.76
AA	555,575	21.45
AA-	44,207	1.71
A+	45,871	1.77
A	64,074	2.47
A-	173,544	6.70
BBB+	242,534	9.36
BBB	228,559	8.82
BBB-	223,646	8.63
BB+	60,006	2.32
BB	72,074	2.78
BB-	145,134	5.60
B+	64,777	2.50
B	280,125	10.82
B-	63,422	2.45
CCC+	23,990	0.93
CCC	6,377	0.25
CCC-	3,288	0.13
CC	5,590	0.22
C	146	0.00
D	8,472	0.33
Not Rated	<u>181,464</u>	<u>7.01</u>
	<u>\$ 2,590,113</u>	<u>100.00%</u>
U.S. Government Guaranteed Securities <sup>(1)</sup>	<u>2,094,563</u>	
Total Fixed Income Securities	<u>\$ 4,684,676</u>	

(1) Consists of U.S. Government Bonds and GNMA Mortgage-Backed Securities which had the AA+ rating.

**Credit Risk – Derivatives**

Derivatives are subject to credit risk that the counterparty to a contract will default. LACERS is exposed to credit risk on reported assets of the investment derivatives that are traded over the counter. The credit risk of exchange traded derivatives for future contracts is considered minimal because the exchange clearing house is the counterparty and guarantees the performance.

LACERS permits investment managers, under the terms of individual guidelines, to use derivative instruments as set forth in each manager’s investment guidelines to control portfolio risk. It is the responsibility of these investment managers to actively monitor counterparties on their financial safety and ensure compliance with the investment restrictions. LACERS has no general investment policy with respect to netting arrangements or collateral requirements. However, these individual investment managers have set up the arrangements with the counterparties to net off the positive and negative contracts with the same counterparty in case of the counterparty’s default.

As of June 30, 2020, without respect to netting arrangements, LACERS maximum loss on derivative instruments subject to credit risk, namely currency forward contracts, is \$1,458,000. All counterparties of these investment derivatives had the credit rating of “A” or “AA” assigned by S&P.

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of a financial institution’s failure of depository financial institution, LACERS would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not insured or not collateralized. As of June 30, 2020, LACERS has exposure to such risk in the amount of \$21,757,000 or 0.4% of the fair value of total international investments. The amount represents non-invested cash denominated in foreign currencies, managed by 14 different investment managers, and held outside of LACERS custodial bank. LACERS policy requires each individual publicly traded equities investment manager to hold no more than 10% of their portfolios in the form of cash. LACERS is in compliance with the policy.

## Notes to the Basic Financial Statements

### 6. Cash and Short-Term Investments and Investments (Continued)

#### Custodial Credit Risk (Continued)

Investment securities are exposed to custodial credit risk if the securities are not insured, are not registered in LACERS name, and are held by the counterparty, or the counterparty's trust department or agent but not in LACERS name. As of June 30, 2020, LACERS investments were not exposed to custodial credit risk because all securities were registered in the name of the System.

#### Concentration of Credit Risk

The investment portfolio as of June 30, 2020, contained no concentration of investments in any one entity that represented 5% or more of the total investment portfolio.

#### Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. One of the ways LACERS manages its exposure to interest rate risk is by requiring the fixed income investment managers to maintain their portfolio effective duration within a specified range of the BC U.S. High Yield 2% Capped Index, the BC Intermediate Government Credit Index, the BC Aggregate Bond Index, or the J.P. Morgan EMBI Global Diversified Index, depending on the Board's mandates. The effective duration is a measure, in years, of interest-rate sensitivity in debt investments. The longer the effective duration, the greater the sensitivity to interest rate changes. Information about the sensitivity of the fair values of LACERS investments to market interest rate fluctuations as of June 30, 2020 is provided by the following table that shows the weighted average effective duration of LACERS fixed income securities by investment type (dollars in thousands):

Investment Type	Fair Value	Weighted Average Duration (in Years)
Asset-Backed Securities	\$ 28,360	1.43
Bank Loans	4,205	1.89
Commercial Mortgage-Backed Securities	81,021	4.68
Corporate Bonds	1,353,654	7.09
Government Agencies	69,978	7.27
Government Bonds	1,057,895	7.31
Government Mortgage-Backed Securities	483,830	3.09
Index Linked Government Bonds	836,253	5.17
Municipal/Provincial Bonds	3,296	3.00
Non-Government Backed Collateralized Mortgage Obligations (C.M.O.s)	20,538	2.46
Opportunistic Debts	223,375	0.42
Other Fixed Income (Funds)	<u>522,272</u>	6.08
Total Fixed Income Securities	<u>\$ 4,684,677</u>	

## Notes to the Basic Financial Statements

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### 6. Cash and Short-Term Investments and Investments (Continued)

#### Highly-Sensitive Investments

Highly-sensitive investments are certain debt investments whose terms may cause their fair value to be highly-sensitive to market interest rate changes. Terms include embedded options, coupon multipliers, benchmark indexes, and reset dates. LACERS asset-backed investments have embedded prepayment options that will typically cause prepayments by the obligees of the underlying investments when interest rates fall. Prepayments eliminate the stream of future interest payments and, therefore, diminish the fair value of the asset-backed investment. The following table shows the fair value of LACERS asset-backed investments by investment type (in thousands):

<u>Investment Type</u>	<u>Fair Value</u>
Asset-Backed Securities	\$ 28,360
Commercial Mortgage-Backed Securities	81,021
Government Agencies	69,978
Government Mortgage-Backed Securities	483,830
Non-Government Backed C.M.O.s	<u>20,538</u>
Total Asset-Backed Investments	<u>\$ 683,727</u>

#### Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or deposit. LACERS Asset Allocation policy sets a target of 27% of the total portfolio for non-U.S. investments in equities. In addition, fixed income, real estate, and private equity managers may hold non-U.S. investments depending on their individual mandates. Forward currency contracts are permitted primarily to reduce the foreign currency risk.

## Notes to the Basic Financial Statements

### 6. Cash and Short-Term Investments and Investments (Continued)

#### Foreign Currency Risk (Continued)

LACERS non-U.S. currency investment holdings as of June 30, 2020, which represent 27.3% of the fair value of total investments, are as follows (in thousands):

Foreign Currency Type	Cash and Adjustments to Cash	Equity	Fixed Income	Derivatives Instruments	Other Investments	Total Fair Value in USD
Australian dollar	(2,571)	152,234	-	(171)	-	149,492
Brazilian real	(1,146)	64,630	150	118	-	63,752
British pound sterling	1,590	503,563	3,827	(44)	-	508,936
Canadian dollar	1,605	219,404	-	2	-	221,011
Chilean peso	(4,913)	3,774	-	74	-	(1,065)
Chinese yuan renminbi	10,726	45,911	-	(71)	(126)	56,440
Colombian peso	(3,214)	4,080	-	108	-	974
Czech koruna	853	695	-	(115)	-	1,433
Danish krone	48	83,440	-	-	-	83,488
Egyptian pound	-	367	-	-	-	367
Euro	(4,471)	1,153,528	18,235	(47)	106,486	1,273,731
Hong Kong dollar	1,954	470,392	-	12	-	472,358
Hungarian forint	(820)	4,999	-	(59)	-	4,120
Indian rupee	(7,585)	111,906	-	(51)	-	104,270
Indonesian rupiah	1,589	20,118	-	44	-	21,751
Japanese yen	4,575	768,265	-	26	-	772,866
Malaysian ringgit	98	12,522	-	-	-	12,620
Mexican peso	1,568	35,076	-	299	278	37,221
New Israeli shekel	1,658	19,226	-	2	-	20,886
New Taiwan dollar	(2,804)	169,225	-	(37)	-	166,384
New Zealand dollar	44	6,111	-	(109)	-	6,046
Norwegian krone	448	25,797	-	-	-	26,245
Peruvian nuevo sol	(3,820)	-	-	59	-	(3,761)
Philippine peso	(2,542)	10,440	-	(40)	-	7,858
Polish zloty	1,147	5,909	-	(208)	-	6,848
Qatari riyal	-	1,712	-	-	-	1,712
Russian ruble	4,076	14,490	-	16	-	18,582
Singapore dollar	8,642	42,335	-	-	-	50,977
South African rand	(2,665)	51,743	670	110	-	49,858
South Korean won	7,322	166,080	-	7	-	173,409
Swedish krona	83	118,687	-	-	-	118,770
Swiss franc	136	335,919	-	-	-	336,055
Thai baht	6,721	14,678	-	-	-	21,399
Turkish lira	(5,570)	8,385	-	(24)	-	2,791
<b>Total Investments Held in Foreign Currency</b>	<b>\$ 12,762</b>	<b>\$ 4,645,641</b>	<b>\$ 22,882</b>	<b>\$ (99)</b>	<b>\$ 106,638</b>	<b>\$ 4,787,824</b>

### 6. Cash and Short-Term Investments and Investments (Continued)

#### Fair Value Measurements

LACERS follows GASB Statement No. 72 (GASB 72), *Fair Value Measurements and Application*. GASB 72 addresses accounting and financial reporting issues related to fair value measurements and disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants in either a government's principal or the most advantageous market at the measurement date.

The System's investments are measured and reported within the fair value hierarchy established by US GAAP. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly. Inputs to the valuation include: 1) quoted prices for similar assets or liabilities in active markets; 2) quoted prices for identical or similar assets or liabilities in markets that are not active; 3) inputs other than quoted prices that are observable for the asset or liability; and 4) market-corroborated inputs.

Level 3 inputs are unobservable inputs for an asset or liability where there are little market activities. The inputs into the determination of fair value are based upon the best information in the circumstances and may require management judgment or estimation.

#### Schedule of Investments by Fair Value Hierarchy

Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 or 3 of the fair value hierarchy are valued using a matrix pricing technique based on the availability of the market price, the pricing source and type, and the country of incorporation of the securities. The hierarchy levels are determined based on the level of corroborative information obtained from other market sources to assert that the prices provided represent observable data.

The exchange traded Future Contracts classified in Level 1 of the fair value hierarchy are valued using a daily settlement when available or as a daily mark to market. The Foreign Exchange Contracts (liabilities) classified in Level 2 of the fair value hierarchy are valued using independent pricing services including London Close Mid-evaluation, WM/Reuters Company, Bloomberg, and Thomson Reuters.

Real estate funds classified in Level 3 of the fair value hierarchy are valued based on periodic appraisals in accordance with industry practice, or other valuation methods and techniques including models.

The System's remaining investments not categorized under the fair value hierarchy, such as private equity partnerships, real estate comingled funds and other investments which do not have a readily determinable fair value have been valued at the Net Asset Value (NAV). NAV is calculated and used as a practical expedient to estimate fair value of LACERS' interest, unless it is probable that all or a portion of the investments will be sold for an amount different from the NAV. As of June 30, 2020, LACERS had no specific plans to sell investments at amounts different from NAV. These investments are disclosed in the Investments Measured at the NAV on page 36.

## Notes to the Basic Financial Statements

### 6. Cash and Short-Term Investments and Investments (Continued)

#### Fair Value Measurements (Continued)

##### Schedule of Investments by Fair Value Hierarchy (Continued)

The System has the following recurring fair value measurements as of June 30, 2020 (in thousands):

	Total	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
<b>Investments by Fair Value Level:</b>				
Debt securities:				
Government Bonds	\$ 1,894,148	\$ -	\$ 1,894,148	\$ -
Government Agencies	69,978	-	69,978	-
Municipal/Provincial Bonds	3,296	-	3,296	-
Corporate Bonds	1,402,552	-	1,402,402	150
Bank Loans	4,206	-	4,206	-
Government Mortgage Bonds	483,830	-	483,830	-
Commercial Mortgage Bonds	81,020	-	81,020	-
Opportunistic Debts	13,872	-	-	13,872
Total Debt Securities	<u>3,952,902</u>	<u>-</u>	<u>3,938,880</u>	<u>14,022</u>
Equity Securities:				
Common Stock:				
Basic Industries	1,098,198	1,097,962	32	204
Capital Goods Industries	505,702	505,514	180	8
Consumer & Services	2,621,797	2,620,932	3	862
Energy	599,100	599,027	-	73
Financial Services	1,238,692	1,238,631	-	61
Health Care	1,150,242	1,149,985	-	257
Information Technology	1,702,392	1,698,359	-	4,033
Real Estate	539,134	538,491	-	643
Miscellaneous	23,363	21,660	-	1,703
Total Common Stock	<u>9,478,620</u>	<u>9,470,561</u>	<u>215</u>	<u>7,844</u>
Preferred Stock	37,760	37,683	-	77
Stapled Securities	10,867	10,867	-	-
Unit Trust Equity	86	86	-	-
Total Equity Securities	<u>9,527,333</u>	<u>9,519,197</u>	<u>215</u>	<u>7,921</u>
Real Estate Funds	101,157	-	-	101,157
Total Investments by Fair Value Level	<u>\$ 13,581,392</u>	<u>\$ 9,519,197</u>	<u>\$ 3,939,095</u>	<u>\$ 123,100</u>
<b>Investments Measured at the NAV:</b>				
Common Fund Assets	522,272			
Private Equity Funds	2,242,578			
Real Estate Funds	647,777			
Opportunistic Debts	209,503			
Total Investments Measured at the NAV	<u>3,622,130</u>			
Total Investments Measured at Fair Value <sup>(1)</sup>	<u>\$ 17,203,522</u>			
<b>Investment Derivative Instruments:</b>				
Future Contracts (liabilities)	\$ 2,322	\$ 2,322	\$ -	\$ -
Foreign Exchange Contracts (liabilities)	(588)	-	(588)	-
Rights/Warrants	390	367	-	23
Total Investment Derivative Instruments	<u>\$ 2,124</u>	<u>\$ 2,689</u>	<u>\$ (588)</u>	<u>\$ 23</u>

(1) Excluded \$2,124,000 of investment derivative instruments (shown separately) and \$325,263,000 of securities lending collateral.

## Notes to the Basic Financial Statements

### 6. Cash and Short-Term Investments and Investments (Continued)

#### Fair Value Measurements (Continued)

Investments Measured at the NAV: (in thousands)	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Common Fund Assets <sup>(1)</sup>	\$ 522,272	\$ -	Daily	2 days
Private Equity Funds <sup>(2)</sup>	2,242,578	1,132,761	N/A	N/A
Real Estate Funds <sup>(3)</sup>	647,777	9,119	Daily, Quarterly	1-90 days
Opportunistic Debts <sup>(4)</sup>	209,503	-	Monthly	30 days
Total Investments Measured at the NAV	<u>\$ 3,622,130</u>	<u>\$ 1,141,880</u>		

- (1) Common fund assets - This investment type includes one fund that primarily invests in U.S. bonds. The fair value of the investment has been determined using a practical expedient based on the investments' NAV per share (or its equivalent). This investment can be redeemed daily, with a two-day advance redemption notice period.
- (2) Private equity funds - This investment type includes 234 closed-end commingled private equity funds that invest primarily in securities of privately held U.S. and non-U.S. companies. The fair values of these investments have been determined using a practical expedient based on the investments' NAV per share (or its equivalent). These investments are not redeemable. It is expected that these investments will be held for the entire lives of the funds and will not be sold in the secondary market. Distributions from each fund will be received as the underlying assets are liquidated by the fund managers. It is expected that the underlying assets of these funds will be liquidated over the next one to 13 years, depending on the vintage year of each fund.
- (3) Real estate funds - This investment type includes 37 commingled real estate funds that invest primarily in U.S. commercial real estate. The fair values of these investments have been determined using a practical expedient based on the investments' NAV per share (or its equivalent). Ten investments, representing approximately 77.1% of the value of this investment type, are in open-end funds, which may be redeemed according to terms specific to each fund. Redemptions generally are subject to the funds' available cash and redemption queues. One of the open-end funds informed LACERS of an additional restriction above the original investment agreement beginning in January 2020. The fund expects this additional restriction to persist into calendar year 2021. LACERS has no intention to redeem any of this investment or the other nine investments in the near future. Twenty-seven investments, representing approximately 22.9% of the value of this investment type, are in closed-end funds and are not redeemable. It is expected that these investments will be held for the entire lives of the funds and will not be sold in the secondary market. Distributions from each fund will be received as underlying assets are liquidated by the fund managers. It is expected that the underlying assets of these funds will be liquidated over the next one to 12 years, depending on the vintage year of each fund.
- (4) Opportunistic debts - This investment type includes two commingled funds: one that invests primarily in senior loans of non-investment grade companies (senior loan fund) and another one invests primarily in the securities and obligations of companies experiencing operational or financial distress (distressed investment fund). The fair values of these investments have been determined using a practical expedient based on the investments' NAV per share (or its equivalent). The senior loan fund, representing approximately 96% of the value of this investment type, can be redeemed monthly. The distressed investment fund, representing approximately 4% of the value of this investment type, is being dissolved and is no longer making new underlying investments. Distributions from this fund will be received as underlying investments are liquidated by the fund manager. It is expected that this fund will be liquidated fully over the next two years.

**7. Securities Lending Agreement**

Under authority granted by the City Charter, LACERS has entered into various short-term arrangements with its custodian to lend securities to various brokers. There are no restrictions on the amount of securities that may be lent, and the custodian determines which lenders' accounts to lend securities from by using an impartial sequential system that matches loan requests with various lenders' accounts. All lenders are deemed to have relatively equal opportunity to profit from the lending of securities. Therefore, should a collateral deficiency occur beyond the custodian's responsibilities, the deficiency is allocated pro rata among all lenders.

Minimum collateralization is 102% of the fair value of the borrowed U.S. securities and 105% for international securities. Collateral consists of cash, government and corporate securities, and commercial bank obligations. Cash collateral is invested in a separate account comprised of money market or high quality short-term investments. It is the responsibility of the custodian to monitor the collateralization on a daily basis. If the collateral is below the minimum collateralization level, additional collateral will be requested from the borrower to meet the requirement. Collateral requested each morning is required to be received on the same day. If the borrower fails to deliver additional collateral, the custodian would notify the borrower that they are in default under the securities lending agreement. If the borrower does not provide the necessary collateral after receiving notification, the legal agreement allows the custodian to close the contract with the borrower and buy-in the securities on behalf of LACERS.

The borrower has all incidents of ownership with respect to borrowed securities and collateral, including the right to vote and transfer or loan borrowed securities to others. LACERS is entitled to receive all distributions, which are made by the issuer of the borrowed securities, directly from the borrower. Under the agreement, the custodian will indemnify LACERS as a result of the custodian's failure to: 1) make a reasoned determination of the creditworthiness of a potential borrower before lending and, during the term of the loan or loans, the borrower files a petition of bankruptcy or similar action; 2) demand adequate collateral; or 3) otherwise maintain the securities lending program in compliance with the Federal Financial Institutions Examination Council Supervisory Policy on Securities Lending.

As of June 30, 2020, the fair value of the securities on loan was \$1,147,198,000. The fair value of associated collateral was \$1,202,872,000 (\$325,263,000 of cash collateral and \$877,609,000 of non-cash collateral).

These agreements provide for the return of the securities and revenue determined by the type of collateral received. The cash collateral values of securities on loan to brokers are shown at their fair values on the Statement of Fiduciary Net Position.

During the reporting period, LACERS had no losses on securities lending transactions resulting from default of a borrower or lending agent. Due to the nature of the securities lending program and the custodian bank's collateralization of loans at amounts greater than the fair value of the loaned securities, it is deemed that there were no material credit risks to LACERS as defined in GASB Statement No. 28 and GASB Statement No. 40 by its participation in the securities lending program. However, similar to any other investment portfolio, there is risk associated with investing cash collateral in securities. The value of the invested collateral may fall below the value of the cash collateral pledged by the borrowers, and may impair LACERS ability to return cash collateral to the borrowers upon the redemption of loans. If this scenario were to occur, LACERS would be required to make up the deficiency in collateral and would incur a loss.

All securities loans can be terminated on demand by either LACERS or the borrower. Because of this nature, their duration did not generally match the duration of the investment made with the cash collateral. LACERS cannot pledge or sell non-cash collateral unless the borrower defaults.

The following table represents the fair value of securities on loan, and corresponding cash collateral received and cash reinvestment value, as of June 30, 2020 (in thousands):

Securities on Loan	Fair Value of Underlying Securities on Loan	Cash Collateral Received	Collateral Reinvestment Value
U.S. Government & Agency Securities	\$ 105,349	\$ 107,647	\$ 107,647
Domestic Corporate Fixed Income Securities	52,261	53,458	53,458
International Fixed Income Securities	2,764	2,796	2,796
Domestic Stocks	134,771	137,344	137,344
International Stocks	22,671	24,018	24,018
<b>Total</b>	<b>\$ 317,816</b>	<b>\$ 325,263</b>	<b>\$ 325,263</b>

### 7. Securities Lending Agreement (Continued)

Non-cash collateral, which LACERS does not have the ability to sell unless the borrower defaults, is not reported in the Statement of Fiduciary Net Position. LACERS income and expenses related to securities lending were \$7,421,000 and \$1,111,000, respectively, for the fiscal year ended June 30, 2020.

On April 28, 2020, the Board adopted several temporary Security Lending Program risk-reducing strategies to minimize potential losses due to unusual and more volatile market conditions as a result of COVID pandemic. These strategies include; (1) temporarily reducing the volume of loans in order to reduce LACERS overall exposure; (2) shorten the duration and maturity of individual investments to 60 days; and (3) require a non-U.S. country to hold a sovereign credit rating of AA- or higher (or the equivalent) by at least two Nationally Recognized Statistical Rating Organizations (NRSRO) in order for non-U.S. government or corporate debt to be eligible for investment. Because these strategies were implemented closer to the end of this reporting period, they had minimal impact on the program's income and expenses for the reporting period. However, future securities lending income will likely decrease as a result of reduced loan volumes due to more restrictive collateral and investment guidelines.

### 8. Future and Forward Contracts

LACERS uses derivative financial instruments, primarily to manage portfolio risk. Future and forward contracts are marked to market and are recorded in the Statement of Fiduciary Net Position at fair value. Future contracts have little credit risk, as organized exchanges are the guarantors. Forward agreements are subject to the creditworthiness of the counterparties, which are principally large financial institutions (refer to Note 6 – Credit Risk - Derivatives on page 30).

As of June 30, 2020, LACERS had outstanding commodities, equity index, and interest rate future contracts with an aggregate notional amount of \$167,742,000, and foreign exchange future contract with a notional amount of \$2,344,000. In addition, at June 30, 2020, LACERS had outstanding forward purchase commitments with a notional amount of \$214,800,000 and offsetting forward sales commitments with notional amounts of \$214,800,000, which expire in September 2020. LACERS maintains margin collateral on the positions with brokers, consisting of cash and U.S. Treasury Bills. The total collateral margin was \$186,203,000 as of June 30, 2020.

### 9. Operating Lease

The System leases building facilities under a non-cancelable operating lease that expires in March 2023, at which time a three-year renewal option is available.

The future minimum lease commitments are as follows as of June 30, 2020:

Fiscal Year 2021	\$ 1,003,000
Fiscal Year 2022	1,043,000
Fiscal Year 2023	<u>813,000</u>
	<u>\$ 2,859,000</u>

### 10. Commitments and Contingencies

As of June 30, 2020, LACERS was committed to future purchases of real estate and private equity investments at an aggregate cost of approximately \$1,691,480,000, including agreements for acquisition not yet initiated.

### 11. Subsequent Events

#### City and LAWA's Separation Incentive Program

From June 2020 to September 2020, the City negotiated with various labor organizations, the implementation of Separation Incentive Program (SIP). The program is intended to address the City's significant financial challenges while minimizing the impact on City services, by incentivizing eligible employees to retire. SIP enrollment was closed on September 22, 2020. As of October 21, 2020, there were 1,379 employees who applied and were approved to retire under the program.

Los Angeles World Airport (LAWA) also offered its own SIP. As of October 21, 2020, there are 333 who applied and were approved to retire under LAWA's SIP program.

**REQUIRED SUPPLEMENTARY INFORMATION**

## Required Supplementary Information

### Retirement Plan

The schedules included in the Required Supplementary Information for the Retirement Plan are intended to show information for 10 years. However, the following schedules do not have a full 10-year trend, and therefore, Los Angeles City Employees' Retirement System (LACERS or the System) presented information only for those years for which information is available:

- 1) Schedule of Net Pension Liability
- 2) Schedule of Changes in Net Pension Liability and Related Ratios
- 3) Schedule of Investment Returns

Additional years will be displayed in the future as they become available.

#### Schedule of Net Pension Liability <sup>(1)</sup> As of June 30 (Dollars in Thousands)

	2020	2019	2018	2017	2016	2015	2014	2013
Total Pension Liability	\$22,527,195	\$20,793,421	\$19,944,578	\$18,458,188	\$17,424,996	\$16,909,996	\$16,248,853	\$14,881,663
Plan Fiduciary Net Position	14,932,404	14,815,593	14,235,230	13,180,516	11,809,329	11,920,570	11,791,079	10,154,486
Plan's Net Pension Liability	<u>\$ 7,594,791</u>	<u>\$ 5,977,828</u>	<u>\$ 5,709,348</u>	<u>\$ 5,277,672</u>	<u>\$ 5,615,667</u>	<u>\$ 4,989,426</u>	<u>\$ 4,457,774</u>	<u>\$ 4,727,177</u>
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	66.3%	71.3%	71.4%	71.4%	67.8%	70.5%	72.6%	68.2%

(1) In calculating the Plan's net pension liability, the total pension liability and the Plan fiduciary net position, amounts associated with non-pension related benefits (Family Death and Larger Annuity Benefits) were excluded. For fiscal years 2020 and 2019, Plan Fiduciary Net Position are calculated as follows:

	2020	2019
Plan Fiduciary Net Position, per Financial Statements	<u>\$ 15,012,120</u>	<u>\$ 14,895,812</u>
Less Non-Pension Reserves:		
Larger Annuity Contributions	7,268	7,101
Larger Annuity Benefit	56,316	56,435
Family Death Benefit	<u>16,132</u>	<u>16,683</u>
Subtotal	<u>\$ 79,716</u>	<u>\$ 80,219</u>
Plan Fiduciary Net Position, for NPL calculation	<u><u>\$ 14,932,404</u></u>	<u><u>\$ 14,815,593</u></u>

#### Note to Schedule:

Refer to the notes to the Schedule of Changes in Net Pension Liability and Related Ratios.

**Required Supplementary Information**  
**Retirement Plan**

**Schedule of Changes in Net Pension Liability and Related Ratios <sup>(1)</sup>**  
**For the Fiscal Years Ended June 30**  
**(Dollars in Thousands)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<b>Total Pension Liability</b>				
Service cost <sup>(2)</sup>	\$ 374,967	\$ 370,409	\$ 352,283	\$ 340,759
Interest	1,499,208	1,439,661	1,332,878	1,302,278
Changes of benefit terms	-	-	25,173	-
Differences of expected and actual experience	308,184	(46,035)	144,224	(146,474)
Changes of assumptions	530,720	-	483,717	340,718
Benefit payments, including refunds of Member contributions	<u>(979,305)</u>	<u>(915,192)</u>	<u>(851,885)</u>	<u>(804,089)</u>
<b>Net change in total pension liability</b>	1,733,774	848,843	1,486,390	1,033,192
<b>Total pension liability-beginning</b>	<u>20,793,421</u>	<u>19,944,578</u>	<u>18,458,188</u>	<u>17,424,996</u>
<b>Total pension liability-ending (a)</b>	<u>\$ 22,527,195</u>	<u>\$ 20,793,421</u>	<u>\$ 19,944,578</u>	<u>\$ 18,458,188</u>
<b>Plan fiduciary net position</b>				
Contributions-employer	\$ 553,118	\$ 478,717	\$ 450,195	\$ 453,356
Contributions-Member	259,817	237,087	230,757	221,829
Net investment income <sup>(4)</sup>	306,712	799,351	1,243,817	1,517,545
Benefit payments, including refunds of Member contributions	(979,305)	(915,192)	(851,885)	(804,089)
Administrative expenses	(23,531)	(19,600)	(17,699)	(17,454)
Others <sup>(3)</sup>	<u>-</u>	<u>-</u>	<u>(471)</u>	<u>-</u>
<b>Net change in Plan fiduciary net position</b>	116,811	580,363	1,054,714	1,371,187
<b>Plan fiduciary net position-beginning</b>	<u>14,815,593</u>	<u>14,235,230</u>	<u>13,180,516</u>	<u>11,809,329</u>
<b>Plan fiduciary net position-ending (b)</b>	<u>\$ 14,932,404</u>	<u>\$ 14,815,593</u>	<u>\$ 14,235,230</u>	<u>\$ 13,180,516</u>
<b>Plan's net pension liability-ending (a)-(b)</b>	<u>\$ 7,594,791</u>	<u>\$ 5,977,828</u>	<u>\$ 5,709,348</u>	<u>\$ 5,277,672</u>
<b>Plan fiduciary net position as a percentage of the total pension liability (b)/(a)</b>	66.3%	71.3%	71.4%	71.4%
<b>Covered payroll</b>	\$ 2,271,039	\$ 2,108,171	\$ 2,057,565	\$ 1,973,049
<b>Plan's net pension liability as a percentage of covered payroll</b>	334.4%	283.6%	277.5%	267.5%

(1) In calculating the Plan's net pension liability, the total pension liability and the Plan fiduciary net position, amounts associated with non-pension related benefits (Family Death and Larger Annuity Benefits) were excluded. See page 39 for components of fiduciary net position for fiscal years 2020 and 2019.

(2) The service cost is based on the previous year's valuation.

(3) On July 1, 2015, the System segregated Members' voluntary larger annuity contributions into the (non-pension related) Reserve for Larger Annuity Contributions pursuant to a suggestion made by the System's actuarial consultant. The Reserve balance for Larger Annuity Contributions as of June 30, 2015 was \$5,200,000. On July 1, 2017, the System reallocated \$471,000 of interest from the Reserve for Mandatory Member Contributions into the Reserve for Voluntary Member Contributions.

(4) Building Lease and Other Income were included in the Net investment income (loss) starting in fiscal year 2020. Investment related administrative expenses is part of Administrative expenses and excluded from Net investment Income.

**Required Supplementary Information**  
**Retirement Plan**

**Schedule of Changes in Net Pension Liability and Related Ratios <sup>(1)</sup> (Continued)**  
**For the Fiscal Years Ended June 30**  
**(Dollars in Thousands)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
<b>Total Pension Liability</b>				
Service cost <sup>(2)</sup>	\$ 322,574	\$ 322,380	\$ 317,185	\$ 312,372
Interest	1,263,556	1,215,151	1,149,966	1,112,561
Changes of benefit terms	-	-	-	-
Differences of expected and actual experience	(300,813)	(135,821)	(164,247)	(235,829)
Changes of assumptions	-	-	785,439	-
Benefit payments, including refunds of Member contributions	<u>(770,317)</u>	<u>(740,567)</u>	<u>(721,153)</u>	<u>(701,400)</u>
<b>Net change in total pension liability</b>	515,000	661,143	1,367,190	487,704
<b>Total pension liability-beginning</b>	<u>16,909,996</u>	<u>16,248,853</u>	<u>14,881,663</u>	<u>14,393,959</u>
<b>Total pension liability-ending (a)</b>	<u>\$ 17,424,996</u>	<u>\$ 16,909,996</u>	<u>\$ 16,248,853</u>	<u>\$ 14,881,663</u>
<b>Plan fiduciary net position</b>				
Contributions-employer	\$ 440,546	\$ 381,141	\$ 357,649	\$ 346,181
Contributions-Member	206,377	202,463	203,975	197,722
Net investment income <sup>(4)</sup>	29,358	306,980	1,810,782	1,268,939
Benefit payments, including refunds of Member contributions	(770,318)	(740,567)	(721,153)	(701,400)
Administrative expenses	(17,204)	(15,860)	(12,372)	(13,281)
Others <sup>(3)</sup>	<u>-</u>	<u>(4,666)</u>	<u>(2,288)</u>	<u>(2,514)</u>
<b>Net change in Plan fiduciary net position</b>	(111,241)	129,491	1,636,593	1,095,647
<b>Plan fiduciary net position-beginning</b>	<u>11,920,570</u>	<u>11,791,079</u>	<u>10,154,486</u>	<u>9,058,839</u>
<b>Plan fiduciary net position-ending (b)</b>	<u>\$ 11,809,329</u>	<u>\$ 11,920,570</u>	<u>\$ 11,791,079</u>	<u>\$ 10,154,486</u>
<b>Plan's net pension liability-ending (a)-(b)</b>	<u>\$ 5,615,667</u>	<u>\$ 4,989,426</u>	<u>\$ 4,457,774</u>	<u>\$ 4,727,177</u>
<b>Plan fiduciary net position as a percentage of the total pension liability (b)/(a)</b>	67.8%	70.5%	72.6%	68.2%
<b>Covered payroll</b>	\$ 1,876,946	\$ 1,835,637	\$ 1,802,931	\$ 1,736,113
<b>Plan's net pension liability as a percentage of covered payroll</b>	299.2%	271.8%	247.3%	272.3%

(1) In calculating the Plan's net pension liability, the total pension liability and the Plan fiduciary net position exclude amounts associated with non-pension related benefits (Family Death and Larger Annuity Benefits). See page 39 for components of fiduciary net position for fiscal years 2020 and 2019.

(2) The service cost is based on the previous year's valuation.

(3) On July 1, 2015, the System segregated Members' voluntary larger annuity contributions into the (non-pension related) Reserve for Larger Annuity Contributions pursuant to a suggestion made by the System's actuarial consultant. The Reserve balance for Larger Annuity Contributions as of June 30, 2015 was \$5,200,000. On July 1, 2017, the System reallocated \$471,000 of interest from the Reserve for Mandatory Member Contributions into the Reserve for Voluntary Member Contributions.

(4) Building Lease and Other Income were included in the Net investment income (loss) starting in fiscal year 2020. Investment-related administrative expenses is part of Administrative expenses and excluded from Net investment Income.

## Required Supplementary Information

### Retirement Plan

#### Schedule of Changes in Net Pension Liability and Related Ratios (Continued)

##### Notes to Schedule:

**Changes of Benefit Terms:** The June 30, 2018 calculation reflected the newly adopted enhanced benefits for Airport Peace Officers (APO) who elected to stay at LACERS Plan (refer to Note 2 – Retirement Plan Description, Tier 1 – Enhanced Benefits on page 18-19). Enhanced benefits became effective as of January 7, 2018.

**Change of Assumptions:** The June 30, 2014 calculations reflected various assumption changes based on the triennial experience study for the period from July 1, 2011 through June 30, 2014. The increase of total pension liability for fiscal years ended on June 30, 2014 is primarily due to the lowered assumed investment rate of return from 7.75% to 7.50%, and longer assumed life expectancies for Members and beneficiaries while the June 30, 2017 increase is primarily due to the lowered assumed investment rate of return from 7.50% to 7.25%.

The June 30, 2018 calculations reflected changes in the actuarial assumptions adopted by the Board on August 14, 2018 based on the triennial experience study for the period from July 1, 2014 through June 30, 2017, including revising the mortality tables from static to generational to reflect future mortality improvement, contributing to increased total pension liability.

The June 30, 2020 calculations reflected changes in the actuarial assumptions based on the actuarial experience study covering the period from July 1, 2016 to June 30, 2019, and adopted by the Board on June 23, 2020. The changes included lowered assumed investment rate of return from 7.25% to 7.00% along with an Inflation Rate reduction from 3.00% to 2.75%, changes in various demographic assumptions such as adjustments on retirement, termination, disability and mortality rates.

#### Schedule of Contribution History (Dollars in Thousands)

Fiscal Year	Actuarially Determined Contributions (ADC)	Contributions in Relation to ADC <sup>(1)</sup>	Contribution Deficiency	Covered Payroll	Contributions as a Percentage of Covered Payroll
2011	\$ 303,561	\$ 303,561	\$ -	\$ 1,678,059	18.1%
2012	308,540	308,540	-	1,715,197	18.0
2013	346,181	346,181	-	1,736,113	19.9
2014	357,649	357,649	-	1,802,931	19.8
2015	381,141	381,141	-	1,835,637	20.8
2016	440,546	440,546	-	1,876,946	23.5
2017	453,356	453,356	-	1,973,049	23.0
2018	450,195	450,195	-	2,057,565	21.9
2019	478,717	478,717	-	2,108,171	22.7
2020	553,118	553,118	-	2,271,039	24.4

<sup>(1)</sup> Contributions received excluded \$104,000 in contributions to the Family Death Benefit plan for fiscal year 2020.

##### Notes to Schedule:

**Valuation Date** Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.

##### Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method Entry Age Actuarial Cost Method (individual basis).

Amortization Method Level Percent of Payroll.

## Required Supplementary Information

### Retirement Plan

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#### Schedule of Contribution History (Continued)

##### Notes to Schedule (Continued)

##### Methods and Assumptions Used to Determine Contribution Rates (Continued)

Amortization Period	Multiple layers – closed amortization period. Actuarial gains/losses are amortized over 15 years. Assumption or method changes are amortized over 20 years. Plan changes, including the 2009 Early Retirement Incentive Program (ERIP), are amortized over 15 years. Future ERIPs will be amortized over five years. Any actuarial surplus is amortized over 30 years. The existing layers on June 30, 2012, except those arising from the 2009 ERIP and the two Governmental Accounting Standards Board (GASB) Statements No. 25/27 layers, were combined and amortized over 30 years.
Asset Valuation Method	Fair 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	7.00%
Inflation	2.75%
Real Across-the-Board Salary Increase	0.50%
Projected Salary Increases <sup>(1)</sup>	Ranges from 4.25% to 9.95% based on years of service.
Cost of Living Adjustment <sup>(2)</sup>	Tier 1: 2.75% Tier 3: 2.00%
Mortality	Healthy: Pub-2010 General Health Retiree Amount-Weighted Above-Median Mortality Tables (separate tables for males and females) with rates increased by 10% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019.  Disabled: Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Tables with rates increased by 10% for males and decreased by 5% for females, projected generationally with the two dimensional mortality improvement scale MP-2019.  Beneficiaries: Pub-2010 Contingent Survivor Amount-Weighted Above Meridian Mortality Tables with rates increased by 10% for males and females, projected generationally with the two dimensional mortality improvement scale MP-2019.

(1) Includes inflation at 2.75% as of June 30, 2020, plus across-the-board salary increase of 0.50% plus merit and promotional increases.

(2) Actual increases are contingent upon Consumer Price Index (CPI) increases with a 2.75% maximum for Tier 1 and a 2.00% maximum for Tier 3. For Tier 1 members with sufficient COLA bank, withdrawals from the bank can be made to increase retiree COLA up to 3% per year.

## Required Supplementary Information

### Retirement Plan

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#### Schedule of Investment Returns For the Fiscal Years Ended June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expenses	2.0%	5.5%	9.3%	12.6%	0.2%	2.6%	18.2%

#### Note to Schedule:

The rates of investment returns for the fiscal years 2020, 2015 and 2016 were much lower compared to other fiscal years. It reflected the impact of divergent and volatile global markets on LACERS investment portfolio over these reporting periods. Specifically for fiscal year 2020, investment return was impacted by the recent spread of COVID-19 which has continued to adversely impact global commercial activity and volatility in the global financial markets.

## Required Supplementary Information

### Postemployment Health Care Plan

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The schedules included in the Required Supplementary Information for the Postemployment Health Care Plan are intended to show information for 10 years. However, the following schedules do not have a full 10-year trend, and therefore, Los Angeles City Employees' Retirement System (LACERS or the System) presented information only for those years for which information is available:

- 1) Schedule of Net OPEB Liability
- 2) Schedule of Changes in Net OPEB Liability and Related Ratios
- 3) Schedule of Investment Returns

Additional years will be displayed in the future as they become available.

#### Schedule of Net OPEB Liability As of June 30 (Dollars in Thousands)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total OPEB Liability	\$ 3,486,530	\$ 3,334,299	\$ 3,256,827	\$ 3,005,806	\$ 2,793,689
Plan Fiduciary Net Position	<u>2,851,204</u>	<u>2,812,098</u>	<u>2,676,371</u>	<u>2,438,862</u>	<u>2,134,877</u>
Plan's Net OPEB Liability	<u>\$ 635,326</u>	<u>\$ 522,201</u>	<u>\$ 580,456</u>	<u>\$ 566,944</u>	<u>\$ 658,812</u>
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	81.8%	84.3%	82.2%	81.1%	76.4%

#### Note to Schedule:

Refer to the notes to the Schedule of Changes in Net OPEB Liability and Related Ratios.

**Required Supplementary Information**  
**Postemployment Health Care Plan**

**Schedule of Changes in Net OPEB Liability and Related Ratios**  
**For the Fiscal Years Ended June 30**  
**(Dollars in Thousands)**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Total OPEB Liability</b>					
Service cost <sup>(1)</sup>	\$ 76,423	\$ 74,478	\$ 74,611	\$ 68,385	\$ 62,360
Interest	242,666	236,678	218,686	210,170	199,078
Changes of benefit terms	-	-	948	-	17,215
Differences between expected and actual experience <sup>(2)</sup>	(135,720)	(134,053)	(7,321)	19,666	(22,013)
Changes of assumptions	96,076	33,940	92,178	33,512	-
Benefit payments <sup>(3)</sup>	<u>(127,214)</u>	<u>(133,571)</u>	<u>(128,081)</u>	<u>(119,616)</u>	<u>(109,940)</u>
<b>Net change in total OPEB liability</b>	152,231	77,472	251,021	212,117	146,700
<b>Total OPEB liability-beginning</b>	<u>3,334,299</u>	<u>3,256,827</u>	<u>3,005,806</u>	<u>2,793,689</u>	<u>2,646,989</u>
<b>Total OPEB liability-ending (a)</b>	<u>\$ 3,486,530</u>	<u>\$ 3,334,299</u>	<u>\$ 3,256,827</u>	<u>\$ 3,005,806</u>	<u>\$ 2,793,689</u>
<b>Plan fiduciary net position</b>					
Contributions-employer	\$ 112,136	\$ 107,927	\$ 100,909	\$ 97,457	105,983
Net investment income (loss) <sup>(4)</sup>	60,899	166,470	269,380	330,708	(344)
Benefit payments <sup>(3)</sup>	(127,214)	(133,571)	(128,081)	(119,616)	(109,940)
Administrative expense	<u>(6,715)</u>	<u>(5,099)</u>	<u>(4,699)</u>	<u>(4,564)</u>	<u>(4,528)</u>
<b>Net change in Plan fiduciary net position</b>	39,106	135,727	237,509	303,985	(8,829)
<b>Plan fiduciary net position-beginning</b>	<u>2,812,098</u>	<u>2,676,371</u>	<u>2,438,862</u>	<u>2,134,877</u>	<u>2,143,706</u>
<b>Plan fiduciary net position-ending (b)</b>	<u>\$ 2,851,204</u>	<u>\$ 2,812,098</u>	<u>\$ 2,676,371</u>	<u>\$ 2,438,862</u>	<u>\$ 2,134,877</u>
<b>Plan's net OPEB liability-ending (a)-(b)</b>	<u>\$ 635,326</u>	<u>\$ 522,201</u>	<u>\$ 580,456</u>	<u>\$ 566,944</u>	<u>\$ 658,812</u>
<b>Plan fiduciary net position as a percentage of the total OPEB liability (b)/(a)</b>	81.8%	84.3%	82.2%	81.1%	76.4%
<b>Covered payroll</b>	\$ 2,271,039	\$ 2,108,171	\$ 2,057,565	\$ 1,973,049	\$ 1,876,946
<b>Plan's net OPEB liability as a percentage of covered payroll</b>	28.0%	24.8%	28.2%	28.7%	35.1%

(1) The service cost is based on the previous year's valuation.

(2) After the GASB Statement No. 74 valuation report was issued for the fiscal year June 30, 2017, the System's consulting actuary reclassified \$12,450,000 of OPEB liability from the *Changes of Assumption* (revised from \$45,962,000 to \$33,512,000) to the *Differences Between Expected and Actual Experience* (revised from \$7,216,000 to \$19,666,000). However, this reclassification did not affect the recommended employer contribution rates or results of the OPEB valuation in total.

(3) Benefit payments associated with the self-funded insurance premium and Member's health insurance premium reserve that were reported as both additions and deductions in fiduciary net position beginning fiscal year 2019 were excluded from the above schedule.

(4) Building Lease and Other Income were included in the Net investment income (loss) starting in fiscal year 2020. Investment related administrative expenses is part of Administrative expenses and excluded from Net investment Income.

## Required Supplementary Information

### Postemployment Health Care Plan

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#### Schedule of Changes in Net OPEB Liability and Related Ratios (Continued)

##### Notes to Schedule:

**Changes of Benefit Terms:** The OPEB liability from the changes of benefit terms for the fiscal year ended June 30, 2016 is primarily due to providing retiree healthcare benefits to part-time employees who retired with 10 years of service but less than 10 years of service credit (refer to Note 3 – Postemployment Health Care Plan Description, Eligibility Requirement and Benefits Provided on pages 23 - 24) while the June 30, 2018 increase is primarily as a result of the newly adopted enhanced benefits for Airport Peace Officers (APO) who elected to stay at LACERS Plan (refer to Note 2 – Retirement Plan Description, Tier 1 – Enhanced Benefits on page 18) as some APO Members may retire earlier than expected. Enhanced benefits became effective as of January 7, 2018.

**Changes of Assumptions:** The OPEB liability from the changes of assumptions for the fiscal year ended June 30, 2017 is primarily due to the lowered assumed investment rate of return, from 7.50% to 7.25%, and the June 30, 2018 increase is primarily due to the new actuarial assumptions adopted in the triennial experience study (July 1, 2014 through June 30, 2017), including revising the mortality tables from static to generational. The June 30, 2019 increase is mainly due to the increased Medicare Part B Premium Trend Rate from 4.0% to 4.5% while the June 30, 2020 is due to the new actuarial assumptions adopted as a result of actuarial experience study covering the period July 1, 2016 to June 30, 2019 which included a lowered investment rate of returns from 7.25% to 7.00% as well as using revised mortality tables.

**Required Supplementary Information**  
**Postemployment Health Care Plan**

**Schedule of Contribution History**  
**(Dollars in Thousands)**

Fiscal Year	Actuarially Determined Contributions (ADC)	Contributions in Relation to ADC	Contribution Deficiency	Covered Payroll	Contributions as a Percentage of Covered Payroll
2011	\$ 107,396	\$ 107,396	\$ -	\$ 1,678,059	6.4%
2012	115,209	115,209	-	1,715,197	6.7
2013	72,916	72,916	-	1,736,113	4.2
2014	97,841	97,841	-	1,802,931	5.4
2015	100,467	100,467	-	1,835,637	5.5
2016	105,983	105,983	-	1,876,946	5.7
2017	97,457	97,457	-	1,973,049	4.9
2018	100,909	100,909	-	2,057,565	4.9
2019	107,927	107,927	-	2,108,171	5.1
2020	112,136	112,136	-	2,271,039	4.9

**Notes to Schedule:**

**Valuation Date** Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which the contributions are reported.

**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial Cost Method	Entry Age Actuarial Cost Method (level percent of payroll).
Amortization Method	Level Percent of Payroll.
Amortization Period	Multiple layers – closed amortization period. Actuarial gains/losses are amortized over 15 years. Non-health related assumptions or method changes are amortized over 20 years. Health related assumptions or method changes are amortized over 15 years. Plan changes, including the 2009 Early Retirement Incentive Program (ERIP), are amortized over 15 years. Future ERIPs will be amortized over five years. Any actuarial surplus is amortized over 30 years. The existing layers on June 30, 2012, except those arising from the 2009 ERIP and the two Governmental Accounting Standards Board (GASB) Statements No. 25/27 layers, were combined and amortized over 30 years.
Asset Valuation Method	Fair 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	7.00%
Inflation	2.75%
Real Across-the-Board Salary Increase	0.50%

## Required Supplementary Information Postemployment Health Care Plan

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### Schedule of Contribution History (Continued)

#### Notes to Schedule (Continued)

#### Methods and Assumptions Used to Determine Contribution Rates (Continued)

Projected Salary Increases <sup>(1)</sup>	Ranges from 4.25% to 9.95% based on years of service.
Mortality	<p>Healthy: Pub-2010 General Health Retiree Amount-Weighted Above-Median Mortality Tables (separate tables for males and females) with rates increased by 10% for males, projected generationally with the two-dimensional mortality improvement scale MP-2019</p> <p>Disabled: Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Tables with rates increased by 10% for males and decreased by 5% for females, projected generationally with the two dimensional mortality improvement scale MP-2019.</p> <p>Beneficiaries: Pub-2010 Contingent Survivor Amount-Weighted Above Meridian Mortality Tables with rates increased by 10% for males and females, projected generationally with the two dimensional mortality improvement scale MP-2019.</p>

- (1) Includes inflation at 2.75% as of June 30, 2020, plus across-the-board salary increase of 0.50% plus merit and promotional increases.

### Schedule of Investment Returns For the Fiscal Years Ended June 30

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expenses	2.1%	6.1%	10.8%	15.2%

#### Note to Schedule:

The required disclosure about factors that significantly affect trends in the money-weighted rate of return is not provided as only four years' rates are available. As additional years' money-weighted rate of return become available, the System will disclose factors that significantly affect trends in the rate of return.

**SUPPLEMENTAL SCHEDULES**

**Schedule of Administrative Expenses**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	<u>Retirement Plan</u>	<u>Postemployment Health Care Plan</u>	<u>Total</u>
Personnel Services:			
Salaries	\$ 11,148	\$ 2,547	\$ 13,695
Employee Benefits and Development	<u>4,516</u>	<u>1,031</u>	<u>5,547</u>
Total Personnel Services	<u>15,664</u>	<u>3,578</u>	<u>19,242</u>
Professional Services:			
Actuarial	372	85	457
Audit	69	22	91
Legal Counsel	667	155	822
Disability Evaluation	131	30	161
Retirees' Health Admin Consulting	-	550	550
Benefit Payroll Processing	140	32	172
Self-Funded Dental Plan Admin Fees	-	751	751
Other Consulting	<u>54</u>	<u>12</u>	<u>66</u>
Total Professional Services	<u>1,433</u>	<u>1,637</u>	<u>3,070</u>
Information Technology:			
Computer Hardware and Software	571	130	701
Computer Maintenance and Support	<u>497</u>	<u>113</u>	<u>610</u>
Total Information Technology	<u>1,068</u>	<u>243</u>	<u>1,311</u>
Leases:			
Office Space	791	181	972
Office Equipment	<u>30</u>	<u>7</u>	<u>37</u>
Total Leases	<u>821</u>	<u>188</u>	<u>1,009</u>
Other Expenses:			
Fiduciary Insurance	27	6	33
Educational and Due Diligence Travel	51	12	63
Office Expenses	532	122	654
Building Operating Expense	1,082	247	1,329
Depreciation and Amortization	<u>579</u>	<u>132</u>	<u>711</u>
Total Other Expenses	<u>2,271</u>	<u>519</u>	<u>2,790</u>
Total Administrative Expenses	<u>\$ 21,257</u>	<u>\$ 6,165</u>	<u>\$ 27,422</u>

**Schedule of Investment Fees and Expenses**  
**For the Fiscal Year Ended June 30, 2020**  
**(In Thousands)**

	Assets Under Management	Fees and Expenses
<u>Retirement Plan</u>		
Investment Management Fees:		
Fixed Income Managers	\$ 3,936,979	\$ 5,255
Equity Managers	8,008,405	18,555
Subtotal	11,945,384	23,810
Other Investment Fees and Expenses:		
Private Equity Consulting Fees	N/A	600
Real Estate Consulting Fees	N/A	175
Other Consulting Fees	N/A	366
Investment Related Administrative Expenses	N/A	2,409
Subtotal	N/A	3,550
<u>Postemployment Health Care Plan</u>		
Investment Management Fees:		
Fixed Income Managers	747,738	1,200
Equity Managers	1,521,012	4,238
Subtotal	2,268,750	5,438
Other Investment Fees and Expenses:		
Private Equity Consulting Fees	N/A	137
Real Estate Consulting Fees	N/A	40
Other Consulting Fees	N/A	84
Investment Related Administrative Expenses	N/A	550
Subtotal	N/A	811
Total Investment Fees and Expenses excluding Private Equity and Real Estate	\$ 14,214,134	\$ 33,609
Private Equity Managers' Fees and Expenses:		
Retirement Plan	\$ 1,884,636	\$ 34,923
Postemployment Health Care Plan	357,943	7,977
Total Private Equity Managers' Fees and Expenses	\$ 2,242,579	\$ 42,900
Real Estate Managers' Fees and Expenses:		
Retirement Plan	\$ 629,395	\$ 8,972
Postemployment Health Care Plan	119,539	2,049
Total Real Estate Managers' Fees and Expenses	\$ 748,934	\$ 11,021
Total Assets Under Management and Fees and Expenses	\$ 17,205,647 <sup>(1)</sup>	\$ 87,530 <sup>(2)</sup>

(1) Excludes Security Lending Collateral assets of \$325,263,000.

(2) Includes Investment Related Administrative Expenses of \$2,959,000.

## **Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards***

Board of Administration  
Los Angeles City Employees' Retirement System  
Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the retirement plan and the postemployment health care plan of Los Angeles City Employees' Retirement System (LACERS), a department of the Municipality of the City of Los Angeles, California, which comprise the statements of fiduciary net position as of June 30, 2020 and the related statements of changes in fiduciary net position for the year then ended, and the related notes to the financial statements, which collectively comprise LACERS' basic financial statements, and have issued our report thereon dated November 30, 2020.

### **Internal Control Over Financial Reporting**

In planning and performing our audits of the financial statements, we considered LACERS' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LACERS' internal control. Accordingly, we do not express an opinion on the effectiveness of LACERS' internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether LACERS' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mess Adams LLP*

Los Angeles, California  
November 30, 2020

# PORTFOLIO PERFORMANCE REVIEW

## LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

Quarter Ending September 30, 2020



BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | PORTLAND | SAN FRANCISCO

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<b>Definitions</b>	
<b>Disclosures</b>	



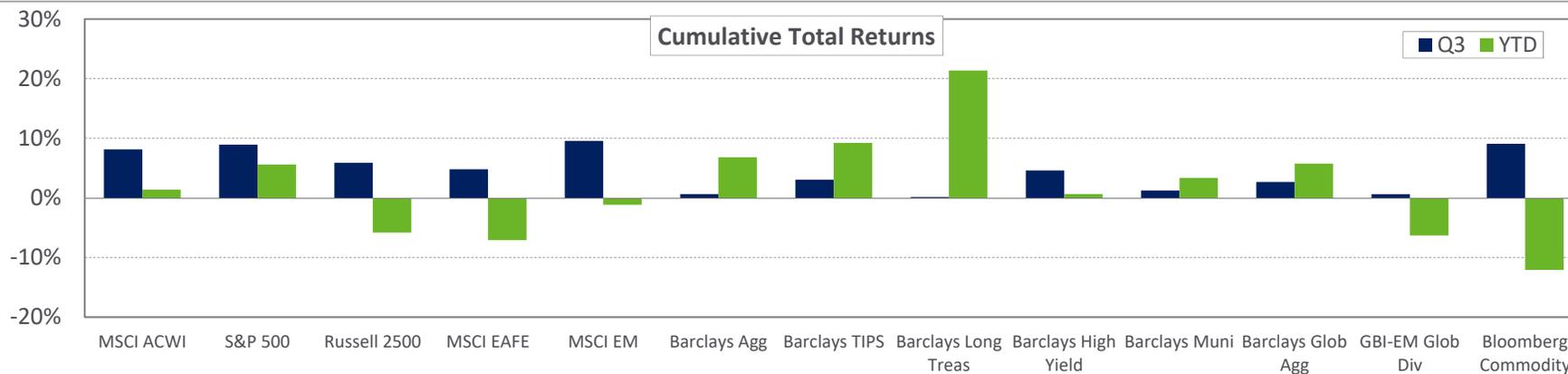
# EXECUTIVE SUMMARY

NEPC, LLC

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# PERFORMANCE OVERVIEW

## Q3 Market Summary – Risk Assets Rallied Significantly



	Market Value	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank	15 Yrs	Rank	Inception	Inception Date
<b>LACERS Master Trust</b>	<b>\$19,228,204,388</b>	<b>6.23%</b>	<b>7</b>	<b>1.57%</b>	<b>46</b>	<b>7.01%</b>	<b>40</b>	<b>6.24%</b>	<b>28</b>	<b>8.36%</b>	<b>25</b>	<b>8.48%</b>	<b>15</b>	<b>6.82%</b>	<b>19</b>	<b>8.12%</b>	<b>Oct-94</b>
Policy Index		5.77%	22	2.91%	24	9.29%	9	7.11%	13	9.18%	11	8.61%	13	6.88%	15	8.16%	Oct-94
InvMetrics Public DB \$1-50B Gross Median		5.04%		0.99%		6.23%		5.47%		7.64%		7.51%		6.16%		7.72%	Oct-94

Note: Performance is gross of fees

### Risk assets rallied significantly as global fiscal and monetary stimulus buoys markets and investors shrugged-off the virus' trajectory

- The U.S. Equity composite underperformed due to manager selection and the Non-U.S. Equity composite outperformed due to manager selection.

### Credit spreads declined in Q3 reflecting the Fed's involvement in credit markets

- The Core Fixed Income composite outperformed due to manager performance.

### Real assets turned in mixed performance in the third quarter with most sectors in the red so far this year as the pandemic roils economies around the world.



# MARKET OUTLOOK

NEPC, LLC

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# ECONOMIC DATA HAS SLOWLY IMPROVED

Metric	12/31/19	06/30/20	09/30/20	Trend
S&P 500 NTM Earnings Estimate	\$177.8	\$145.0	\$157.6	
US Real GDP (QoQ%)	2.4%	-31.4%	25.4% <sup>1</sup>	
US 10 Year Breakeven Inflation	1.8%	1.3%	1.6%	
US Unemployment Rate	3.5%	11.1%	7.9%	
Continued Claims for Unemployment	1.7M	19.0M	11.8M <sup>2</sup>	
Federal Reserve Balance Sheet as % of Nominal GDP	19.2%	36.3%	32.9%	

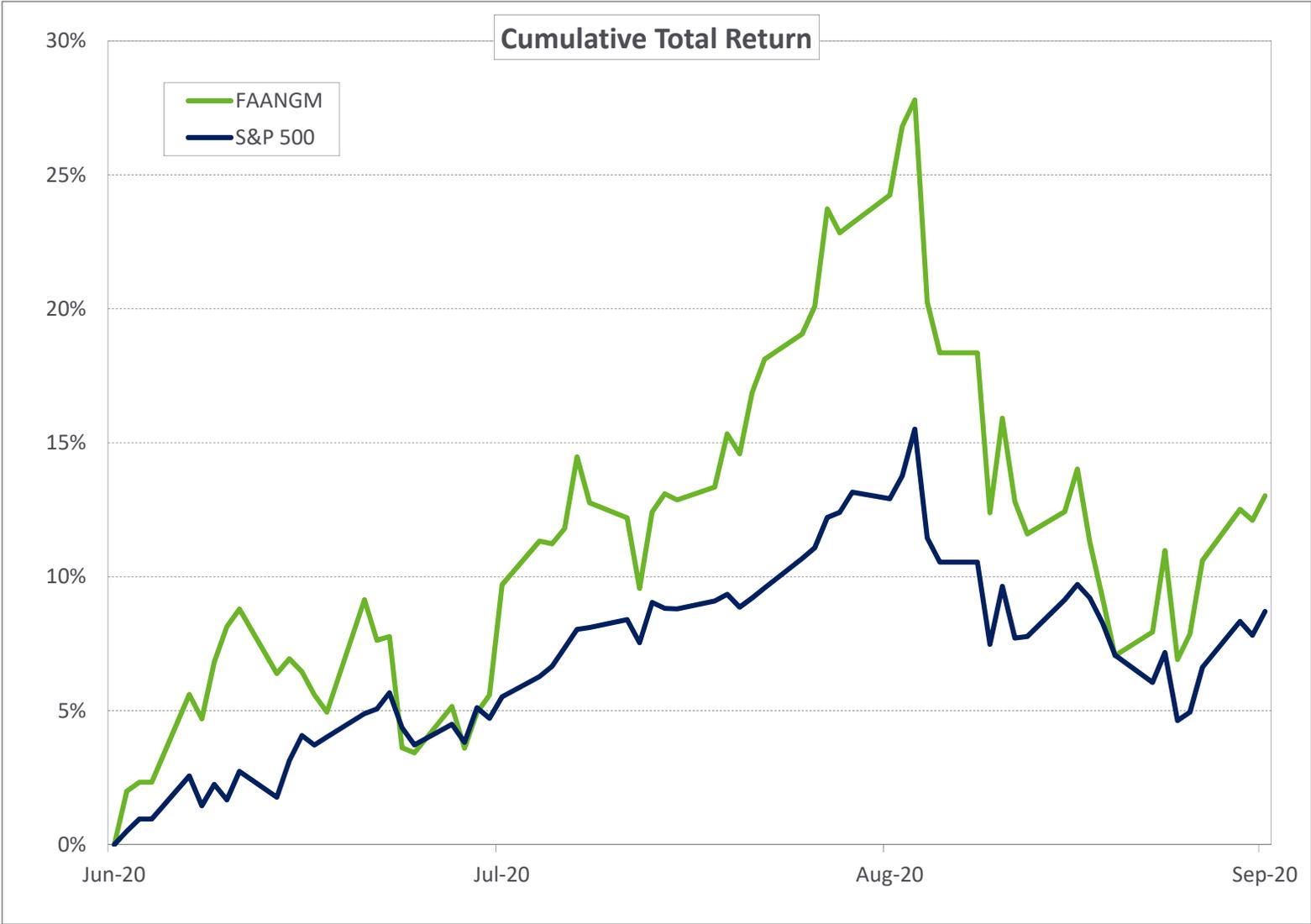
Source: US Bureau of Labor Statistics, Federal Reserve, FactSet, NEPC  
NTM represents next 12 months

<sup>1</sup>The 09/30/20 real GDP figure represents the consensus estimate from FactSet

<sup>2</sup>The 09/30/20 Continued Claims represents data as of 9/18/2020



# FAANGM CONTINUED TO OUTPERFORM

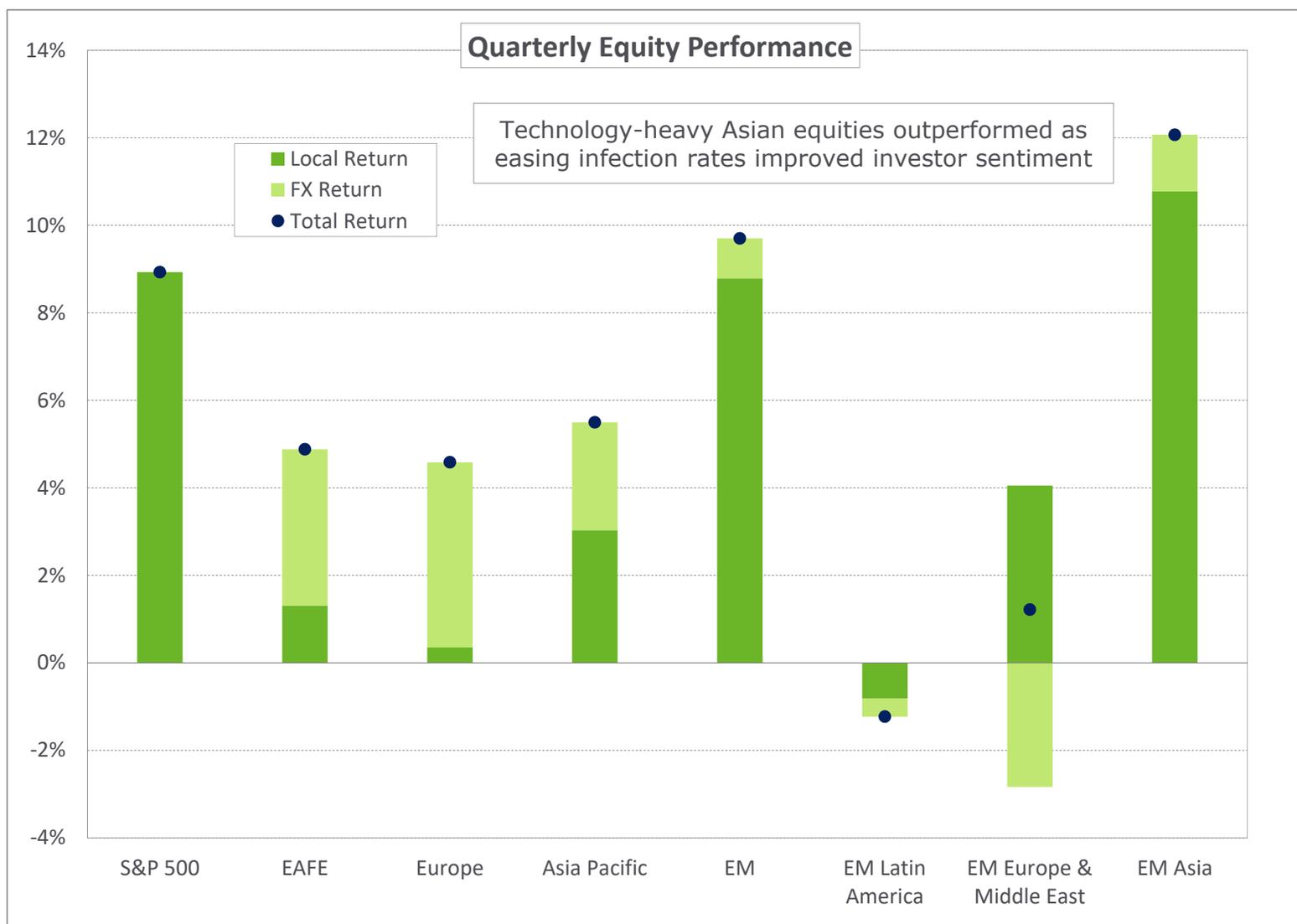


Source: S&P, FactSet

\*FAANGM: Facebook, Apple, Amazon, Netflix, Google, Microsoft



# DOLLAR WEAKNESS BOLSTERED NON-US ASSETS

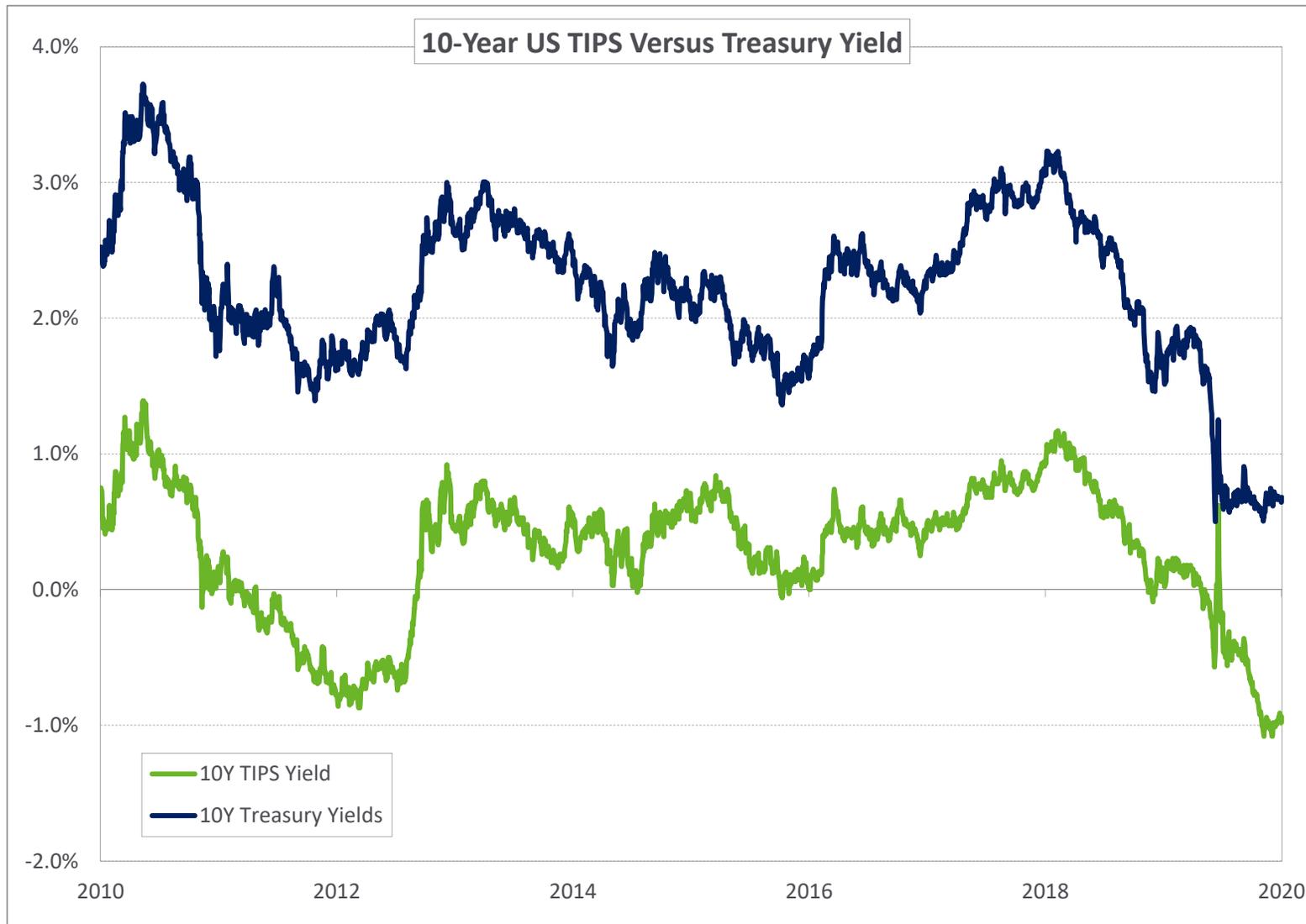


Source: S&P, MSCI, FactSet

Asia Pacific represents (from highest to lowest) Japan, China, Australia, Taiwan, South Korea, and Other  
EM Europe & Middle East represents (from highest to lowest) Russia, Saudi Arabia, Qatar, Poland, United Arab Emirates, and Other



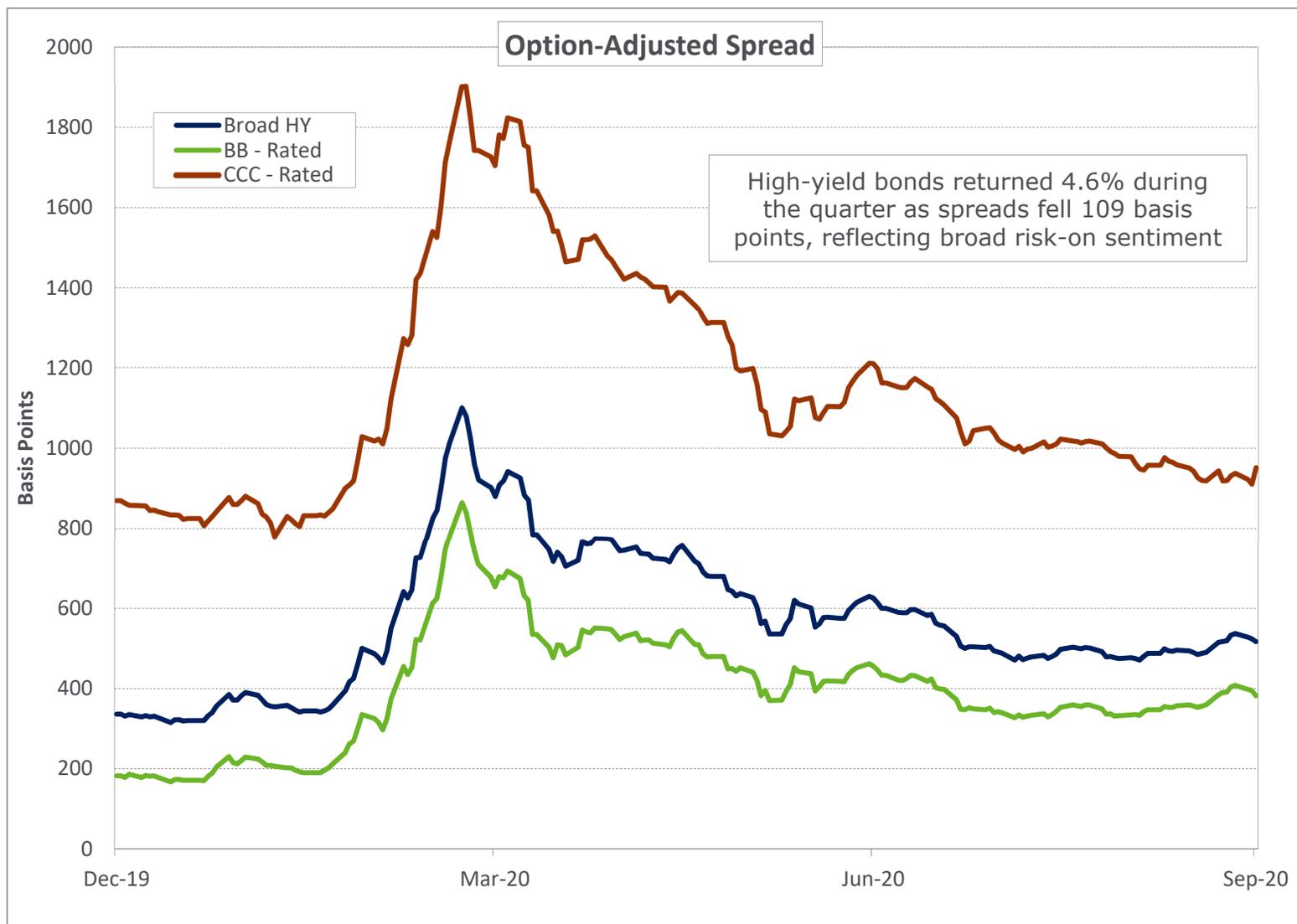
# TREASURY YIELDS FELL TO HISTORICAL LOWS



Source: FactSet



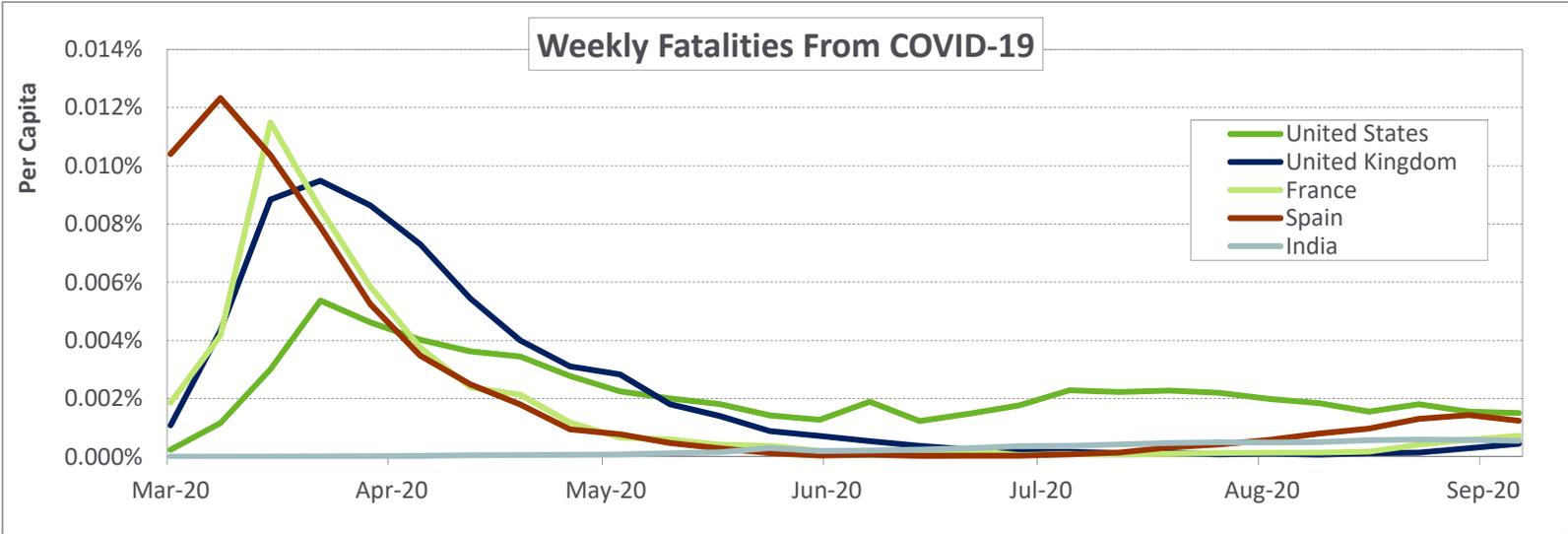
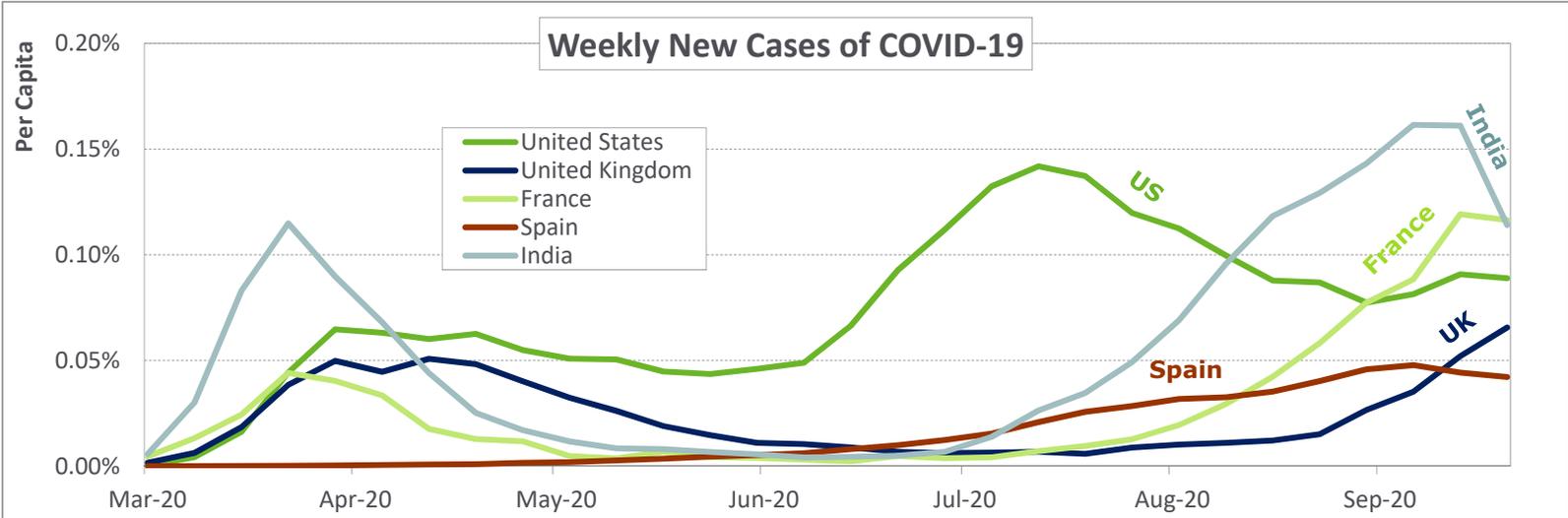
# US SPREADS CONTINUED TO TIGHTEN



Source: Bloomberg, FactSet



# COVID CASES ARE RISING IN EUROPE



Source: WHO, FactSet



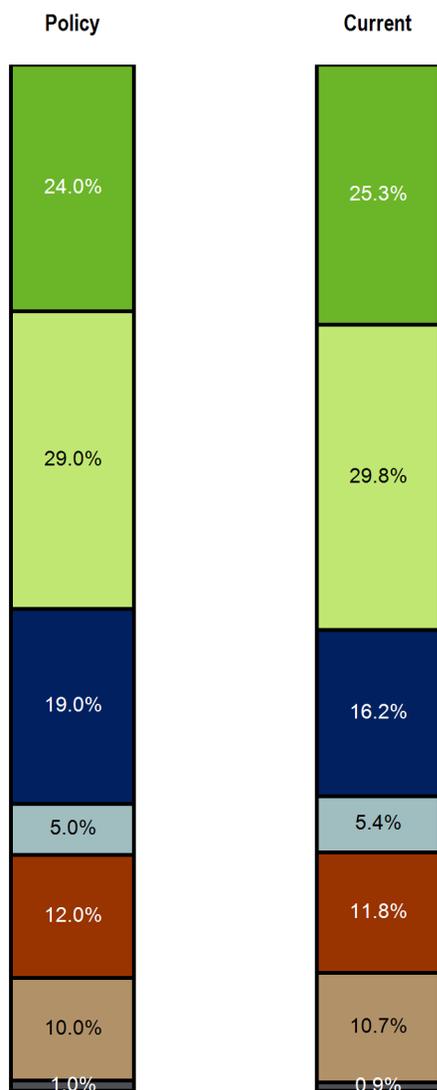
# ASSET CLASS POLICY OVERVIEW

NEPC, LLC

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Los Angeles City Employees' Retirement System

# TOTAL FUND ASSET ALLOCATION VS. POLICY



Asset Allocation vs. Target						
	Current	Policy	Current Difference*	Policy Range	Within Range	
U.S. Equity	\$4,863,758,759	24.00%	25.29%	1.29%	19.00% - 29.00%	Yes
Non-US Equity Core	\$5,720,452,301	29.00%	29.75%	0.75%	24.00% - 34.00%	Yes
Fixed Income	\$3,122,595,425	19.00%	16.24%	-2.76%	15.00% - 22.00%	Yes
Credit Opportunities	\$1,045,224,818	5.00%	5.44%	0.44%	0.00% - 10.00%	Yes
Private Equity	\$2,260,142,632	12.00%	11.75%	-0.25%		Yes
Real Assets	\$2,049,450,850	10.00%	10.66%	0.66%	7.00% - 13.00%	Yes
Cash	\$166,579,603	1.00%	0.87%	-0.13%	0.00% - 2.00%	Yes
<b>Total</b>	<b>\$19,228,204,388</b>	<b>100.00%</b>	<b>100.00%</b>			

\*Difference between Policy and Current Allocation

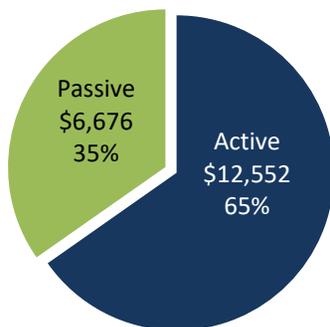
Note: Policy Target Asset Allocation does not reflect the new target asset allocation adopted on April 10, 2018. Implementation of the new asset allocation is currently in progress.



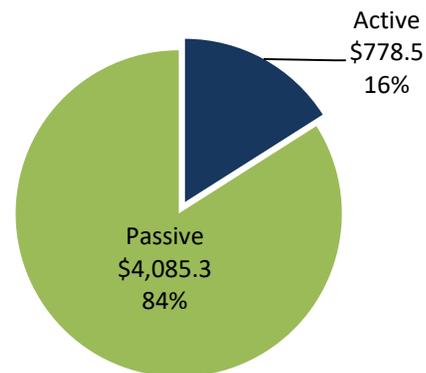
# ACTIVE VS. PASSIVE MANAGER BREAKDOWN

Note: Market values shown in millions \$(000).

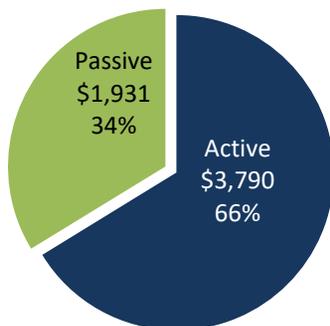
## Total Fund



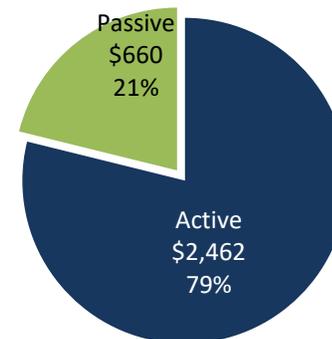
## U.S. Equity



## Non-U.S. Equity



## Core Fixed Income



- LACERS allocated 65% to active managers and 35% to passive managers.
- Credit Opportunities, Private Equity, and Real Assets programs are active and therefore are not shown.



# PERFORMANCE OVERVIEW

NEPC, LLC

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## TOTAL FUND PERFORMANCE SUMMARY (GROSS OF FEES)

	Market Value	3 Mo	Rank	YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	10 Yrs	Rank	15 Yrs	Rank	Inception	Inception Date
LACERS Master Trust	\$19,228,204,388	6.23%	7	1.57%	46	7.01%	40	6.24%	28	8.36%	25	8.48%	15	6.82%	19	8.12%	Oct-94
Policy Index		5.77%	22	2.91%	24	9.29%	9	7.11%	13	9.18%	11	8.61%	13	6.88%	15	8.16%	Oct-94
InvMetrics Public DB \$1-50B Gross Median		5.04%		0.99%		6.23%		5.47%		7.64%		7.51%		6.16%		7.72%	Oct-94

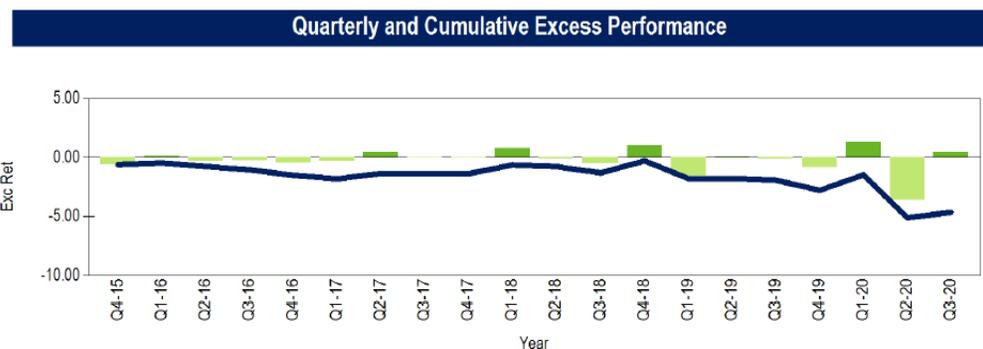
Over the past five years, the Fund returned 8.36% and outperformed the actuarial rate of return but underperformed the policy index by 0.82%. This return ranks in the top quartile (25<sup>th</sup> percentile) within the Public Funds \$1 Billion- \$50 Billion universe. The Fund's volatility of 8.52% ranked in the 60<sup>th</sup> percentile over this period. The Fund's risk-adjusted performance, as measured by the Sharpe Ratio, ranks in the 41<sup>st</sup> percentile and the Sortino Ratio ranks in the 32<sup>nd</sup> percentile.

Over the past three years, the Fund returned 6.24% underperforming the policy index by 0.87% and ranked in the 28<sup>th</sup> percentile in its peer group. The Fund's volatility ranks in the 60<sup>th</sup> percentile and the three-year Sharpe Ratio of 0.47 ranks in the 38<sup>th</sup> percentile while the Sortino Ratio of 0.53 ranks in the 34<sup>th</sup> percentile.

In the one-year ended September 30, 2020, assets increased from \$18.129 billion twelve months ago to \$19.228 billion. The Fund returned 7.01%, underperforming the policy index by 2.28% and ranked in the 40<sup>th</sup> percentile in its peer group.

All asset classes were within policy range as of September 30, 2020.

*The InvMetrics Public Funds \$1 Billion- \$50 Billion Universe contains 88 observations for the period ending September 30, 2020.*



5 Years Ending September 30, 2020								
	Annualized Return (%)	Rank	Annualized Standard Deviation	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
LACERS Master Trust	8.36%	25	8.52%	60	0.85	41	0.91	32
Policy Index	9.18%	11	9.82%	90	0.82	43	0.90	33
InvMetrics Public DB \$1-50B Gross Median	7.64%	--	8.28%	--	0.77	--	0.79	--

3 Years Ending September 30, 2020								
	Annualized Return (%)	Rank	Annualized Standard Deviation	Rank	Sharpe Ratio	Rank	Sortino Ratio RF	Rank
LACERS Master Trust	6.24%	28	9.97%	60	0.47	38	0.53	34
Policy Index	7.11%	13	11.52%	89	0.48	34	0.56	28
InvMetrics Public DB \$1-50B Gross Median	5.47%	--	9.65%	--	0.42	--	0.45	--



Los Angeles City Employees' Retirement System

# TOTAL FUND PERFORMANCE DETAIL (GROSS)

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>LACERS Master Trust</b>	<b>19,228,204,388</b>	<b>100.00</b>	<b>6.23</b>	<b>1.57</b>	<b>7.01</b>	<b>6.24</b>	<b>8.36</b>	<b>8.48</b>	<b>8.12</b>	<b>Oct-94</b>
<i>Policy Index</i>			<u>5.77</u>	<u>2.91</u>	<u>9.29</u>	<u>7.11</u>	<u>9.18</u>	<u>8.61</u>	<u>8.16</u>	<i>Oct-94</i>
Over/Under			0.46	-1.34	-2.28	-0.87	-0.82	-0.13	-0.04	
<b>U.S. Equity</b>	<b>4,863,758,759</b>	<b>25.29</b>	<b>8.51</b>	<b>3.28</b>	<b>12.59</b>	<b>10.62</b>	<b>13.03</b>	<b>13.18</b>	<b>10.50</b>	<b>Oct-94</b>
<i>U.S. Equity Blend</i>			<u>9.21</u>	<u>5.41</u>	<u>15.00</u>	<u>11.65</u>	<u>13.69</u>	<u>13.48</u>	<u>9.58</u>	<i>Oct-94</i>
Over/Under			-0.70	-2.13	-2.41	-1.03	-0.66	-0.30	0.92	
<b>Non-U.S. Equity</b>	<b>5,720,452,301</b>	<b>29.75</b>	<b>8.06</b>	<b>-2.96</b>	<b>6.30</b>	<b>2.55</b>	<b>7.52</b>	<b>5.35</b>	<b>5.14</b>	<b>Nov-94</b>
<i>MSCI ACWI ex USA</i>			<u>6.25</u>	<u>-5.44</u>	<u>3.00</u>	<u>1.16</u>	<u>6.23</u>	<u>4.00</u>	<u>4.85</u>	<i>Nov-94</i>
Over/Under			1.81	2.48	3.30	1.39	1.29	1.35	0.29	
<b>Core Fixed Income</b>	<b>3,122,595,425</b>	<b>16.24</b>	<b>1.01</b>	<b>7.82</b>	<b>8.15</b>	<b>5.68</b>	<b>4.72</b>		<b>4.11</b>	<b>Jul-12</b>
<i>Core Fixed Income Blend</i>			<u>0.62</u>	<u>6.79</u>	<u>6.98</u>	<u>5.24</u>	<u>4.18</u>		<u>3.46</u>	<i>Jul-12</i>
Over/Under			0.39	1.03	1.17	0.44	0.54		0.65	
<b>Credit Opportunities</b>	<b>1,045,224,818</b>	<b>5.44</b>	<b>4.20</b>	<b>-0.96</b>	<b>1.52</b>	<b>3.81</b>	<b>6.22</b>		<b>5.24</b>	<b>Jun-13</b>
<i>Credit Opportunities Blend</i>			<u>3.78</u>	<u>0.22</u>	<u>2.56</u>	<u>3.97</u>	<u>6.59</u>		<u>5.54</u>	<i>Jun-13</i>
Over/Under			0.42	-1.18	-1.04	-0.16	-0.37		-0.30	
<b>Real Assets</b>	<b>2,049,450,850</b>	<b>10.66</b>	<b>1.66</b>	<b>-0.18</b>	<b>1.31</b>	<b>4.25</b>	<b>5.28</b>	<b>7.78</b>	<b>6.12</b>	<b>Nov-94</b>
<i>CPI + 5% (Unadjusted)</i>			<u>2.20</u>	<u>5.06</u>	<u>6.43</u>	<u>6.87</u>	<u>6.89</u>	<u>6.85</u>	<u>7.26</u>	<i>Nov-94</i>
Over/Under			-0.54	-5.24	-5.12	-2.62	-1.61	0.93	-1.14	
<b>Public Real Assets</b>	<b>1,243,465,383</b>	<b>6.47</b>	<b>3.95</b>	<b>2.63</b>	<b>4.07</b>	<b>4.15</b>	<b>3.98</b>		<b>2.33</b>	<b>Jun-14</b>
<i>Public Real Assets Blend</i>			<u>2.03</u>	<u>-2.07</u>	<u>-1.07</u>	<u>1.65</u>	<u>2.27</u>		<u>-0.42</u>	<i>Jun-14</i>
Over/Under			1.92	4.70	5.14	2.50	1.71		2.75	
<b>Private Real Estate</b>	<b>787,209,372</b>	<b>4.09</b>	<b>-1.75</b>	<b>-4.44</b>	<b>-2.87</b>	<b>3.82</b>	<b>6.14</b>	<b>8.80</b>	<b>6.50</b>	<b>Oct-94</b>
<i>Real Estate Blend</i>			<u>0.68</u>	<u>0.48</u>	<u>2.20</u>	<u>6.02</u>	<u>7.49</u>	<u>10.49</u>	<u>9.53</u>	<i>Oct-94</i>
Over/Under			-2.43	-4.92	-5.07	-2.20	-1.35	-1.69	-3.03	
<b>Private Equity</b>	<b>2,260,142,632</b>	<b>11.75</b>	<b>11.09</b>	<b>3.95</b>	<b>3.95</b>	<b>10.28</b>	<b>9.54</b>	<b>11.95</b>	<b>10.25</b>	<b>Nov-95</b>
<i>Private Equity Blend</i>			<u>9.99</u>	<u>7.77</u>	<u>18.42</u>	<u>14.97</u>	<u>17.06</u>	<u>17.05</u>	<u>13.18</u>	<i>Nov-95</i>
Over/Under			1.10	-3.82	-14.47	-4.69	-7.52	-5.10	-2.93	
<b>Cash</b>	<b>166,579,603</b>	<b>0.87</b>								



Los Angeles City Employees' Retirement System

# TOTAL FUND PERFORMANCE DETAIL (NET)

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>LACERS Master Trust</b>	<b>19,228,204,388</b>	<b>100.00</b>	<b>6.19</b>	<b>1.45</b>	<b>6.84</b>	<b>6.06</b>	<b>8.17</b>	<b>8.29</b>		<b>Oct-94</b>
Policy Index			<u>5.77</u>	<u>2.91</u>	<u>9.29</u>	<u>7.11</u>	<u>9.18</u>	<u>8.61</u>		Oct-94
Over/Under			0.42	-1.46	-2.45	-1.05	-1.01	-0.32		
<b>U.S. Equity</b>	<b>4,863,758,759</b>	<b>25.29</b>	<b>8.50</b>	<b>3.25</b>	<b>12.54</b>	<b>10.56</b>	<b>12.96</b>	<b>13.04</b>		<b>Oct-94</b>
U.S. Equity Blend			<u>9.21</u>	<u>5.41</u>	<u>15.00</u>	<u>11.65</u>	<u>13.69</u>	<u>13.48</u>		Oct-94
Over/Under			-0.71	-2.16	-2.46	-1.09	-0.73	-0.44		
<b>Non-U.S. Equity</b>	<b>5,720,452,301</b>	<b>29.75</b>	<b>7.97</b>	<b>-3.21</b>	<b>5.94</b>	<b>2.18</b>	<b>7.13</b>	<b>5.00</b>		<b>Nov-94</b>
MSCI ACWI ex USA			<u>6.25</u>	<u>-5.44</u>	<u>3.00</u>	<u>1.16</u>	<u>6.23</u>	<u>4.00</u>		Nov-94
Over/Under			1.72	2.23	2.94	1.02	0.90	1.00		
<b>Core Fixed Income</b>	<b>3,122,595,425</b>	<b>16.24</b>	<b>0.99</b>	<b>7.74</b>	<b>8.04</b>	<b>5.57</b>	<b>4.61</b>		<b>4.00</b>	<b>Jul-12</b>
Core Fixed Income Blend			<u>0.62</u>	<u>6.79</u>	<u>6.98</u>	<u>5.24</u>	<u>4.18</u>		<u>3.46</u>	Jul-12
Over/Under			0.37	0.95	1.06	0.33	0.43		0.54	
<b>Credit Opportunities</b>	<b>1,045,224,818</b>	<b>5.44</b>	<b>4.13</b>	<b>-1.17</b>	<b>1.22</b>	<b>3.49</b>	<b>5.87</b>		<b>4.90</b>	<b>Jun-13</b>
Credit Opportunities Blend			<u>3.78</u>	<u>0.22</u>	<u>2.56</u>	<u>3.97</u>	<u>6.59</u>		<u>5.54</u>	Jun-13
Over/Under			0.35	-1.39	-1.34	-0.48	-0.72		-0.64	
<b>Real Assets</b>	<b>2,049,450,850</b>	<b>10.66</b>	<b>1.62</b>	<b>-0.29</b>	<b>1.15</b>	<b>4.09</b>	<b>5.12</b>	<b>7.64</b>		<b>Nov-94</b>
CPI + 5% (Unadjusted)			<u>2.20</u>	<u>5.06</u>	<u>6.43</u>	<u>6.87</u>	<u>6.89</u>	<u>6.85</u>		Nov-94
Over/Under			-0.58	-5.35	-5.28	-2.78	-1.77	0.79		
<b>Public Real Assets</b>	<b>1,243,465,383</b>	<b>6.47</b>	<b>3.90</b>	<b>2.47</b>	<b>3.86</b>	<b>3.93</b>	<b>3.73</b>		<b>2.12</b>	<b>Jun-14</b>
Public Real Assets Blend			<u>2.03</u>	<u>-2.07</u>	<u>-1.07</u>	<u>1.65</u>	<u>2.27</u>		<u>-0.42</u>	Jun-14
Over/Under			1.87	4.54	4.93	2.28	1.46		2.54	
<b>Private Real Estate</b>	<b>787,209,372</b>	<b>4.09</b>	<b>-1.78</b>	<b>-4.50</b>	<b>-2.96</b>	<b>3.74</b>	<b>6.05</b>	<b>8.69</b>		<b>Oct-94</b>
Real Estate Blend			<u>0.68</u>	<u>0.48</u>	<u>2.20</u>	<u>6.02</u>	<u>7.49</u>	<u>10.49</u>		Oct-94
Over/Under			-2.46	-4.98	-5.16	-2.28	-1.44	-1.80		
<b>Private Equity</b>	<b>2,260,142,632</b>	<b>11.75</b>	<b>11.09</b>	<b>3.95</b>	<b>3.95</b>	<b>10.29</b>	<b>9.56</b>	<b>11.96</b>		<b>Nov-95</b>
Private Equity Blend			<u>9.99</u>	<u>7.77</u>	<u>18.42</u>	<u>14.97</u>	<u>17.06</u>	<u>17.05</u>		Nov-95
Over/Under			1.10	-3.82	-14.47	-4.68	-7.50	-5.09		
<b>Cash</b>	<b>166,579,603</b>	<b>0.87</b>								



Los Angeles City Employees' Retirement System

# TOTAL FUND RISK STATISTICS (NET)

## 3 Years Ending September 30, 2020

	% of Total MV (%)	Annualized Return (%)	Rank	Annualized Standard Deviation	Rank	Annualized Alpha Jensen (%)	Rank	Information Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
LACERS Master Trust	100.00%	6.06%	33	9.98%	60	-0.28%	57	-0.54	--	0.51	39	1.96%	68
Total Equity	55.05%	5.95%	58	17.33%	62	-0.52%	53	-0.66	--	0.30	62	0.79%	16
U.S. Equity	25.29%	10.56%	36	18.53%	47	-1.13%	43	-1.54	--	0.58	36	0.71%	8
Non-U.S. Equity	29.75%	2.18%	41	16.92%	59	1.03%	32	0.73	24	0.04	41	1.39%	19
Developed ex-U.S.	22.62%	2.37%	43	16.68%	75	1.83%	39	0.77	28	0.06	43	2.27%	34
Emerging Markets	7.13%	1.31%	43	19.02%	63	-1.11%	45	-0.88	--	-0.02	43	1.26%	6
Core Fixed Income	16.24%	5.57%	18	3.37%	15	0.39%	19	0.55	10	2.72	18	0.60%	16
Credit Opportunities	5.44%	3.49%	--	10.49%	--	-0.73%	--	-0.28	--	0.15	--	1.69%	--
Real Assets	10.66%	4.09%	--	3.57%	--	0.58%	--	-0.77	--	0.75	--	3.60%	--
Public Real Assets	6.47%	3.93%	--	6.09%	--	2.30%	--	0.58	--	0.43	--	3.94%	--
Private Real Estate	4.09%	3.74%	71	2.82%	66	2.38%	8	-0.55	--	0.90	89	4.16%	92
Private Equity	11.75%	10.29%	55	8.44%	53	9.93%	30	-0.22	--	1.34	64	21.76%	92

## 5 Years Ending September 30, 2020

	% of Total MV (%)	Annualized Return (%)	Rank	Annualized Standard Deviation	Rank	Annualized Alpha Jensen (%)	Rank	Information Ratio	Rank	Sortino Ratio RF	Rank	Tracking Error	Rank
LACERS Master Trust	100.00%	8.17%	36	8.53%	61	0.09%	57	-0.61	--	0.89	35	1.65%	68
Total Equity	55.05%	9.79%	45	14.76%	58	-0.18%	42	-0.25	--	0.65	53	0.71%	13
U.S. Equity	25.29%	12.96%	41	15.58%	41	-0.81%	31	-1.03	--	0.82	32	0.71%	8
Non-U.S. Equity	29.75%	7.13%	41	14.89%	55	0.78%	36	0.70	20	0.51	49	1.29%	14
Developed ex-U.S.	22.62%	6.67%	45	14.65%	60	1.26%	39	0.71	28	0.46	45	1.98%	23
Emerging Markets	7.13%	8.38%	23	17.57%	82	-0.66%	30	-0.51	--	0.61	23	1.14%	1
Core Fixed Income	16.24%	4.61%	49	3.13%	16	0.51%	50	0.75	11	1.93	5	0.58%	16
Credit Opportunities	5.44%	5.87%	--	8.73%	--	-1.13%	--	-0.48	--	0.44	--	1.49%	--
Real Assets	10.66%	5.12%	--	3.15%	--	0.37%	--	-0.57	--	1.42	--	3.11%	--
Public Real Assets	6.47%	3.73%	--	5.44%	--	1.86%	--	0.45	--	0.61	--	3.27%	--
Private Real Estate	4.09%	6.05%	72	2.58%	39	5.44%	7	-0.33	--	2.06	71	4.37%	89
Private Equity	11.75%	9.56%	59	6.84%	44	9.68%	32	-0.42	--	1.58	76	17.99%	92

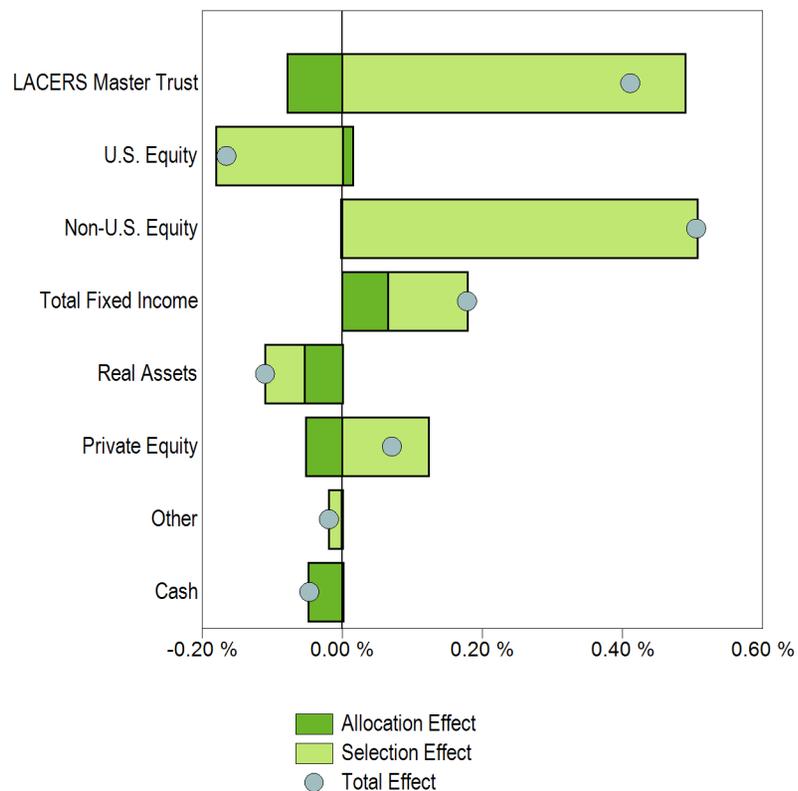
Sortino Ratio RF = Sortino Ratio Risk Free. The risk free rate is the Citi 91 Day T-Bill Index.



Los Angeles City Employees' Retirement System

# TOTAL FUND ATTRIBUTION ANALYSIS (NET)

**Attribution Effects**  
3 Months Ending September 30, 2020



Attribution Summary							
3 Months Ending September 30, 2020							
	Policy Weight	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Equity	24.00%	8.50%	9.21%	-0.71%	-0.18%	0.01%	-0.17%
Non-U.S. Equity	29.00%	7.97%	6.25%	1.72%	0.51%	0.00%	0.50%
Total Fixed Income	24.00%	1.77%	1.28%	0.49%	0.11%	0.07%	0.18%
Real Assets	10.00%	1.62%	2.20%	-0.58%	-0.06%	-0.05%	-0.11%
Private Equity	12.00%	11.09%	9.99%	1.10%	0.12%	-0.05%	0.07%
Other					-0.02%	0.00%	-0.02%
Cash	1.00%	0.06%	0.02%	0.04%	0.00%	-0.05%	-0.05%
<b>Total</b>	<b>100.00%</b>	<b>6.18%</b>	<b>5.77%</b>	<b>0.41%</b>	<b>0.49%</b>	<b>-0.08%</b>	<b>0.41%</b>

Wtd. = Weighted

Note: Policy Target Asset Allocation does not reflect the new target asset allocation adopted on April 10, 2018. Implementation of the new asset allocation is currently in progress.

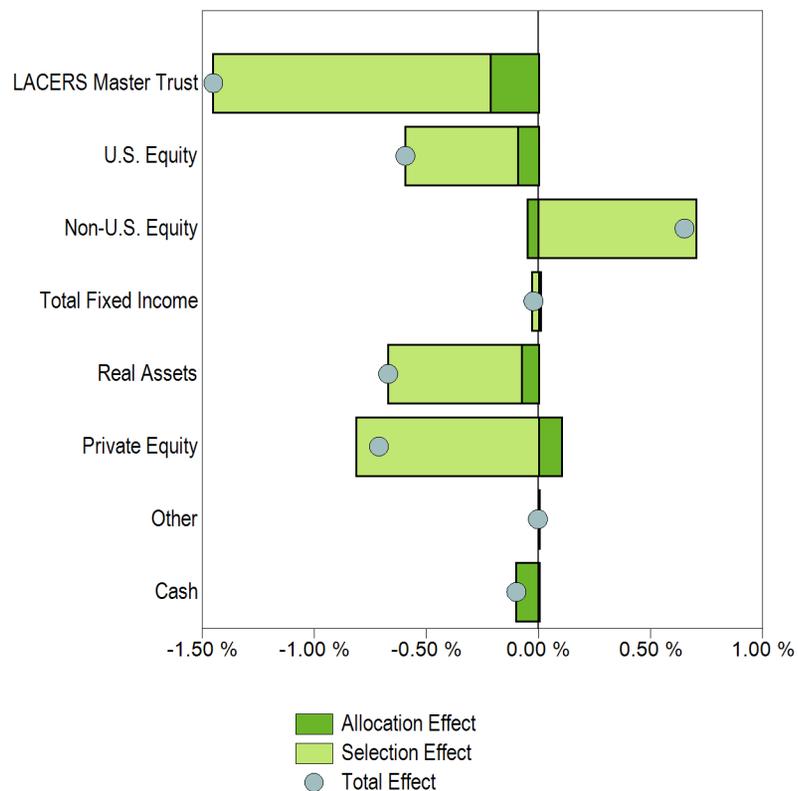
Other composite is comprised of securities lending income, tax reclaims and other miscellaneous transactions.



Los Angeles City Employees' Retirement System

# TOTAL FUND ATTRIBUTION ANALYSIS (NET)

**Attribution Effects**  
YTD Ending September 30, 2020



Attribution Summary							
YTD Ending September 30, 2020							
	Policy Weight	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Equity	24.00%	3.25%	5.41%	-2.16%	-0.50%	-0.09%	-0.59%
Non-U.S. Equity	29.00%	-3.21%	-5.44%	2.22%	0.70%	-0.05%	0.65%
Total Fixed Income	24.00%	5.57%	5.56%	0.01%	-0.03%	0.01%	-0.02%
Real Assets	10.00%	-0.29%	5.06%	-5.35%	-0.59%	-0.08%	-0.67%
Private Equity	12.00%	3.95%	7.77%	-3.82%	-0.81%	0.10%	-0.71%
Other					0.00%	0.00%	0.00%
Cash	1.00%	0.57%	0.43%	0.14%	0.00%	-0.10%	-0.10%
<b>Total</b>	<b>100.00%</b>	<b>1.46%</b>	<b>2.91%</b>	<b>-1.45%</b>	<b>-1.24%</b>	<b>-0.22%</b>	<b>-1.45%</b>

Wtd. = Weighted

Note: Policy Target Asset Allocation does not reflect the new target asset allocation adopted on April 10, 2018. Implementation of the new asset allocation is currently in progress.

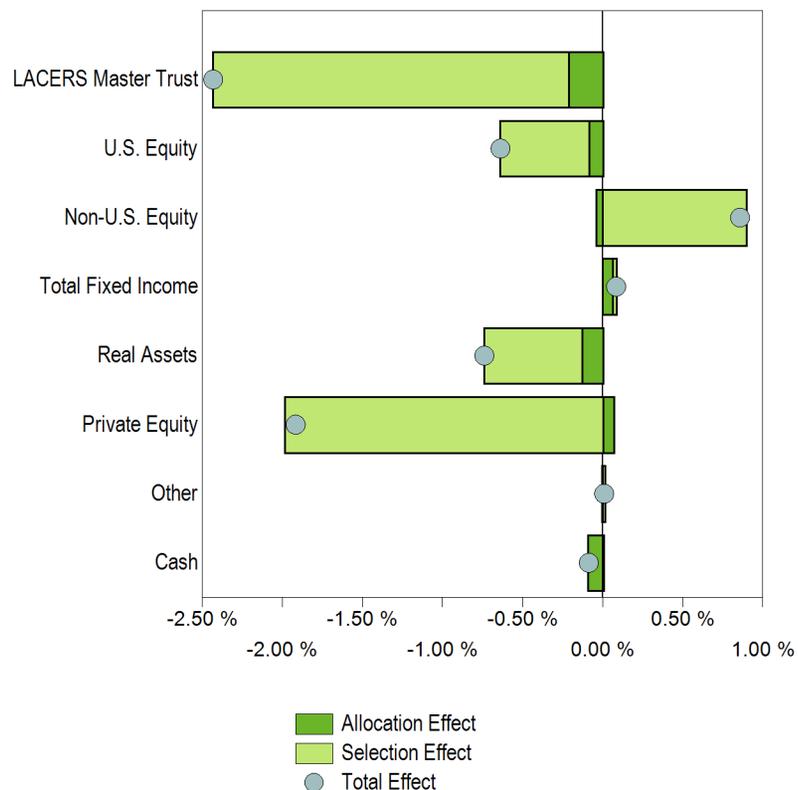
Other composite is comprised of securities lending income, tax reclaims and other miscellaneous transactions.



Los Angeles City Employees' Retirement System

# TOTAL FUND ATTRIBUTION ANALYSIS (NET)

**Attribution Effects**  
1 Year Ending September 30, 2020



Attribution Summary							
1 Year Ending September 30, 2020							
	Policy Wtd. Weight	Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Equity	24.00%	12.54%	15.00%	-2.46%	-0.55%	-0.09%	-0.64%
Non-U.S. Equity	29.00%	5.94%	3.00%	2.94%	0.90%	-0.04%	0.86%
Total Fixed Income	24.00%	6.45%	6.23%	0.22%	0.02%	0.07%	0.08%
Real Assets	10.00%	1.15%	6.43%	-5.28%	-0.61%	-0.13%	-0.74%
Private Equity	12.00%	3.95%	18.42%	-14.47%	-1.98%	0.07%	-1.92%
Other					0.01%	0.00%	0.01%
Cash	1.00%	1.04%	0.82%	0.22%	0.00%	-0.09%	-0.09%
<b>Total</b>	<b>100.00%</b>	<b>6.86%</b>	<b>9.29%</b>	<b>-2.43%</b>	<b>-2.22%</b>	<b>-0.21%</b>	<b>-2.43%</b>

Wtd. = Weighted

Note: Policy Target Asset Allocation does not reflect the new target asset allocation adopted on April 10, 2018. Implementation of the new asset allocation is currently in progress.

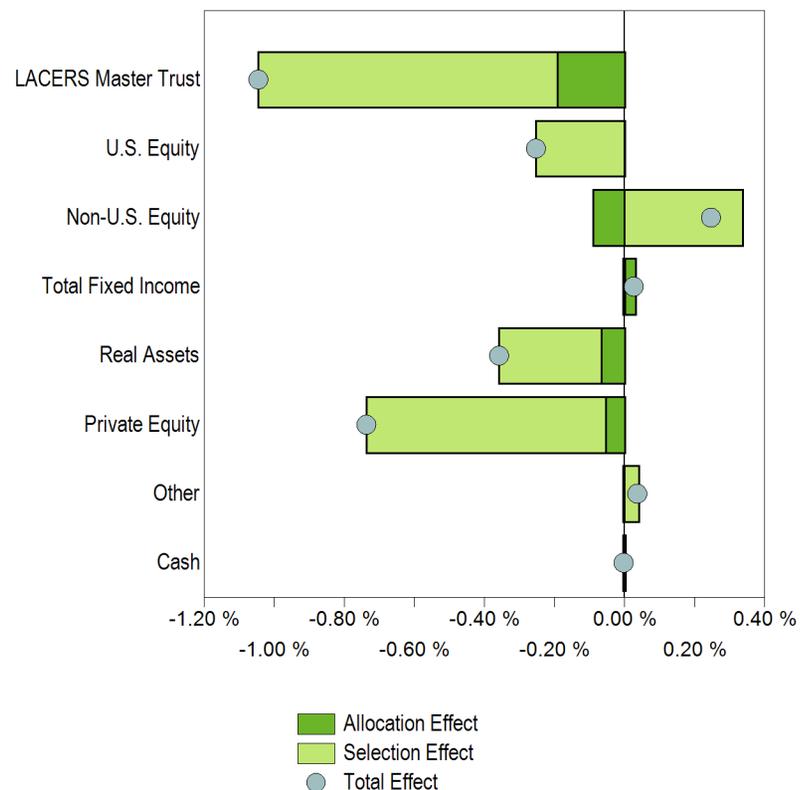
Other composite is comprised of securities lending income, tax reclaims and other miscellaneous transactions.



Los Angeles City Employees' Retirement System

# TOTAL FUND ATTRIBUTION ANALYSIS (NET)

**Attribution Effects**  
3 Years Ending September 30, 2020



Attribution Summary							
3 Years Ending September 30, 2020							
	Policy Weight	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Total Effects
U.S. Equity	24.00%	10.56%	11.65%	-1.09%	-0.25%	0.00%	-0.25%
Non-U.S. Equity	29.00%	2.18%	1.16%	1.02%	0.34%	-0.09%	0.25%
Total Fixed Income	24.00%	5.10%	5.05%	0.05%	0.00%	0.03%	0.03%
Real Assets	10.00%	4.09%	6.87%	-2.78%	-0.29%	-0.07%	-0.36%
Private Equity	12.00%	10.29%	14.97%	-4.68%	-0.68%	-0.05%	-0.74%
Other					0.04%	0.00%	0.04%
Cash	1.00%	1.76%	1.58%	0.18%	0.00%	0.00%	0.00%
<b>Total</b>	<b>100.00%</b>	<b>6.07%</b>	<b>7.11%</b>	<b>-1.05%</b>	<b>-0.85%</b>	<b>-0.19%</b>	<b>-1.05%</b>

Wtd. = Weighted

Note: Policy Target Asset Allocation does not reflect the new target asset allocation adopted on April 10, 2018. Implementation of the new asset allocation is currently in progress.

Other composite is comprised of securities lending income, tax reclaims and other miscellaneous transactions.



# PRIVATE MARKETS PERFORMANCE AS OF JUNE 30, 2020

Private Equity	10 Year IRR	Since Inception IRR	Since Inception Multiple
Aggregate Portfolio	12.3%	10.9%	1.53x
Core Portfolio	13.0%	11.5%	1.55x
Specialized Portfolio	3.9%	1.8%	1.11x
Russell 3000 + 300 bps	16.7%	11.9%	N/A

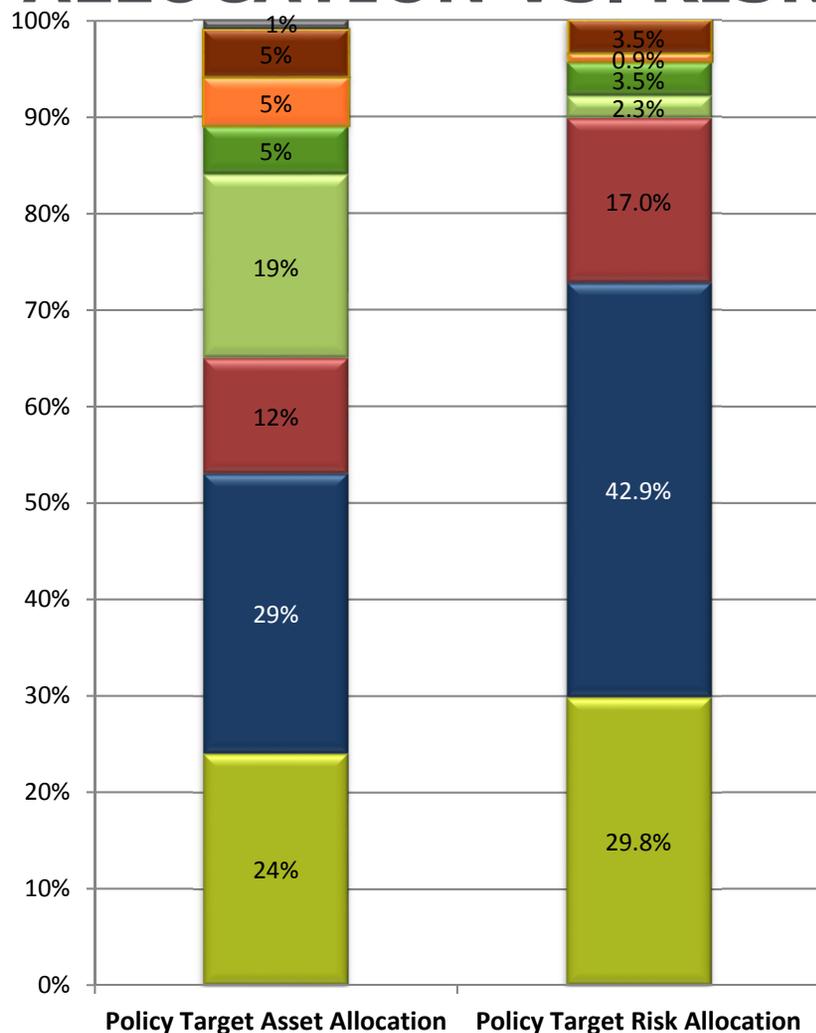
Real Estate	10 Year Return (Net)	Since Inception Return (Net)
Total Portfolio (TWR) <sup>1</sup>	8.81%	5.77%
NFI-ODCE + 80 basis points (TWR)	10.58%	6.95%

Note: The Total Value to Paid-In Ratio (TVPI) is a multiple that relates the current value of the private equity portfolio plus all distributions received to date with the total amount of capital contributed.

1 - IRR is not available for the Real Estate portfolio and therefore only time weighted returns (TWR) are reported.



# TOTAL FUND RISK ALLOCATION – ASSET ALLOCATION VS. RISK ALLOCATION



- Cash
- Private Real Estate
- Public Real Assets
- Credit Opportunities
- Core Fixed Income
- Private Equity
- Non-U.S. Equity
- U.S. Equity

- Public and Private Equity policy target asset allocation is 65%; accounts for 89.7% of the policy target portfolio risk.
- Core Fixed Income and Credit Opportunities policy allocation is 24%, accounting for 5.8% of the policy target portfolio risk.
- Real Assets (Private Real Estate and Public Real Assets) policy allocation is 10%, accounting for 4.4% of policy target portfolio risk.

Note: Policy Target Asset Allocation does not reflect the new target asset allocation adopted on April 10, 2018. Implementation of the new asset allocation is currently in progress.



# PUBLIC MARKETS RISK BUDGET COMPARISON AS OF SEPTEMBER 30, 2020

Public Markets Asset Class	Target Risk Budget	Actual 3 Yr Tracking Error
U.S. Equity	0.50%	0.71%
Non-U.S. Equity	1.20%	1.39%
Core Fixed Income	1.00%	0.60%
Credit Opportunities	1.50%	1.69%
Public Real Assets*	3.00%	3.94%

- Current public market asset class composite tracking error statistics are compared to asset class target risk budgets to ensure active risks are within expectations.
- Risk budgets are to be evaluated over three-year periods, at minimum, to reflect a full market cycle.
- All equity public markets asset classes are within an appropriately narrow range of their respective risk budgets.
- Both Core Fixed Income and Credit Opportunities have exhibited lower than expected active risk.
- The Public Real Assets composite is not at its target strategy allocation.
- Note: A new Target Risk Budget was approved by the Board on August 14, 2018, and is not reflected in the table above. Implementation of the new asset allocation is in progress.

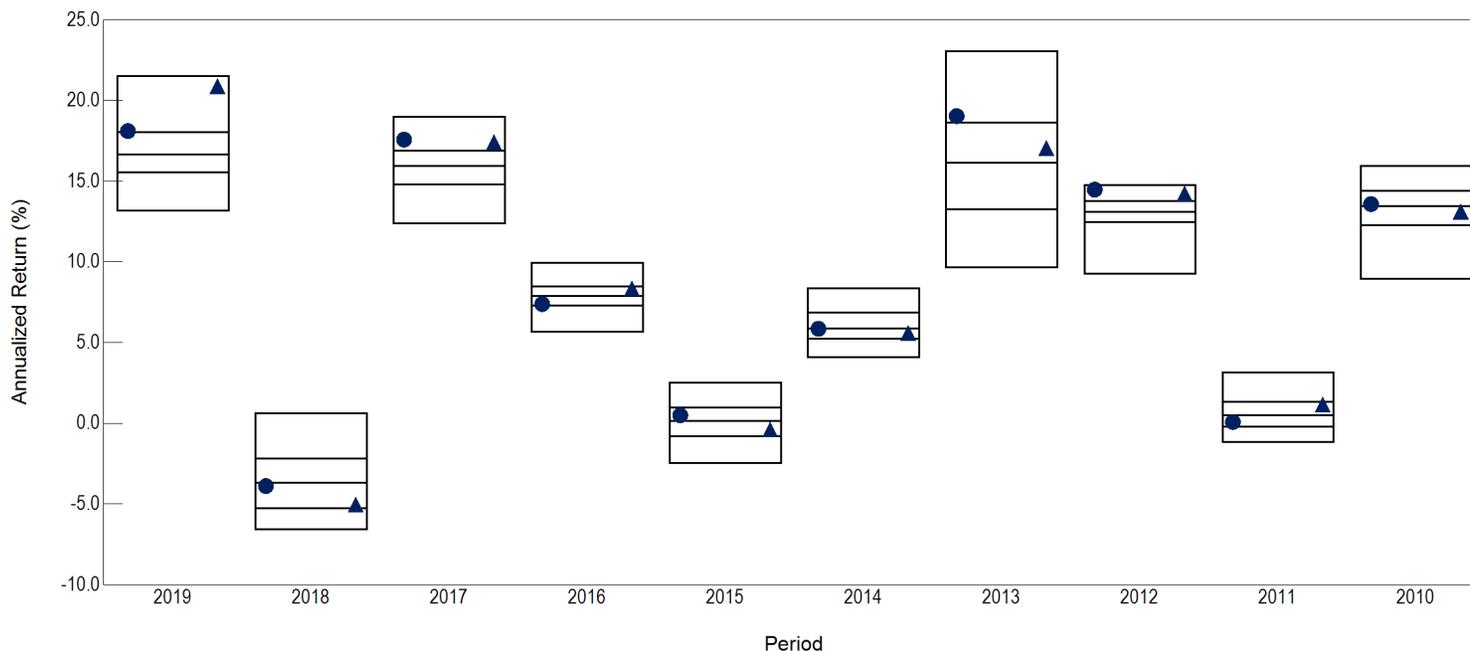
\* The benchmark for the Public Real Assets composite is a custom policy benchmark that is comprised of the target weights of the public real asset components. The public real asset benchmark weights are 60% TIPS, 20% Commodities, 10% REITs, and 10% MLPs.



Los Angeles City Employees' Retirement System

# TOTAL FUND RETURN SUMMARY VS. PEER UNIVERSE

LACERS Master Trust vs. InvMetrics Public DB \$1-50B Gross



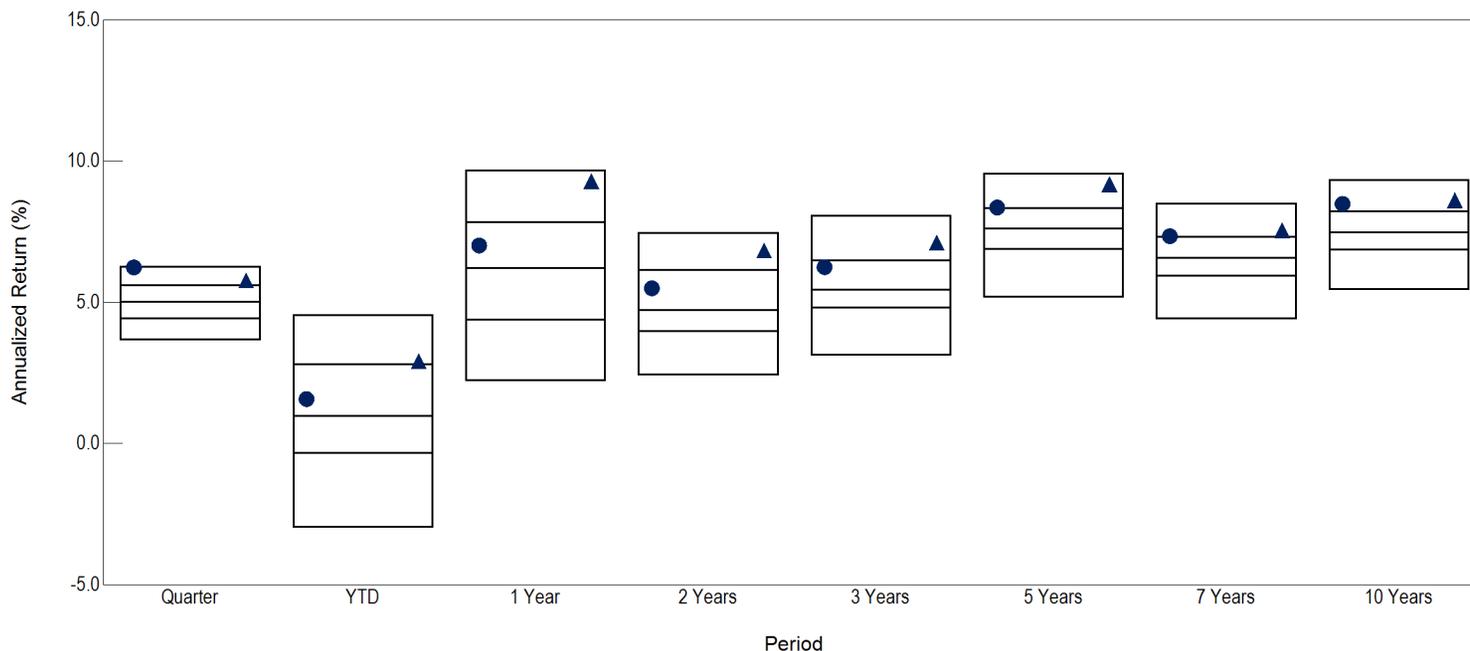
	Return (Rank)																			
5th Percentile	21.49	0.60	19.00	9.95	2.50	8.38	23.05	14.75	3.13	15.93										
25th Percentile	18.08	-2.13	16.94	8.51	1.00	6.90	18.67	13.81	1.37	14.45										
Median	16.68	-3.64	15.99	7.91	0.20	5.93	16.17	13.15	0.53	13.49										
75th Percentile	15.61	-5.22	14.83	7.34	-0.77	5.28	13.30	12.50	-0.16	12.30										
95th Percentile	13.20	-6.53	12.43	5.71	-2.43	4.12	9.70	9.31	-1.14	8.98										
# of Portfolios	77	78	78	78	77	77	76	75	74	71										
● LACERS Master Trust	18.10	(25)	-3.89	(60)	17.57	(15)	7.38	(72)	0.49	(35)	5.85	(53)	19.03	(23)	14.47	(10)	0.08	(68)	13.58	(49)
▲ Policy Index	20.88	(9)	-5.04	(71)	17.41	(16)	8.35	(35)	-0.39	(68)	5.58	(61)	17.06	(35)	14.23	(18)	1.17	(32)	13.11	(55)



Los Angeles City Employees' Retirement System

# TOTAL FUND RETURN SUMMARY VS. PEER UNIVERSE

LACERS Master Trust vs. InvMetrics Public DB \$1-50B Gross



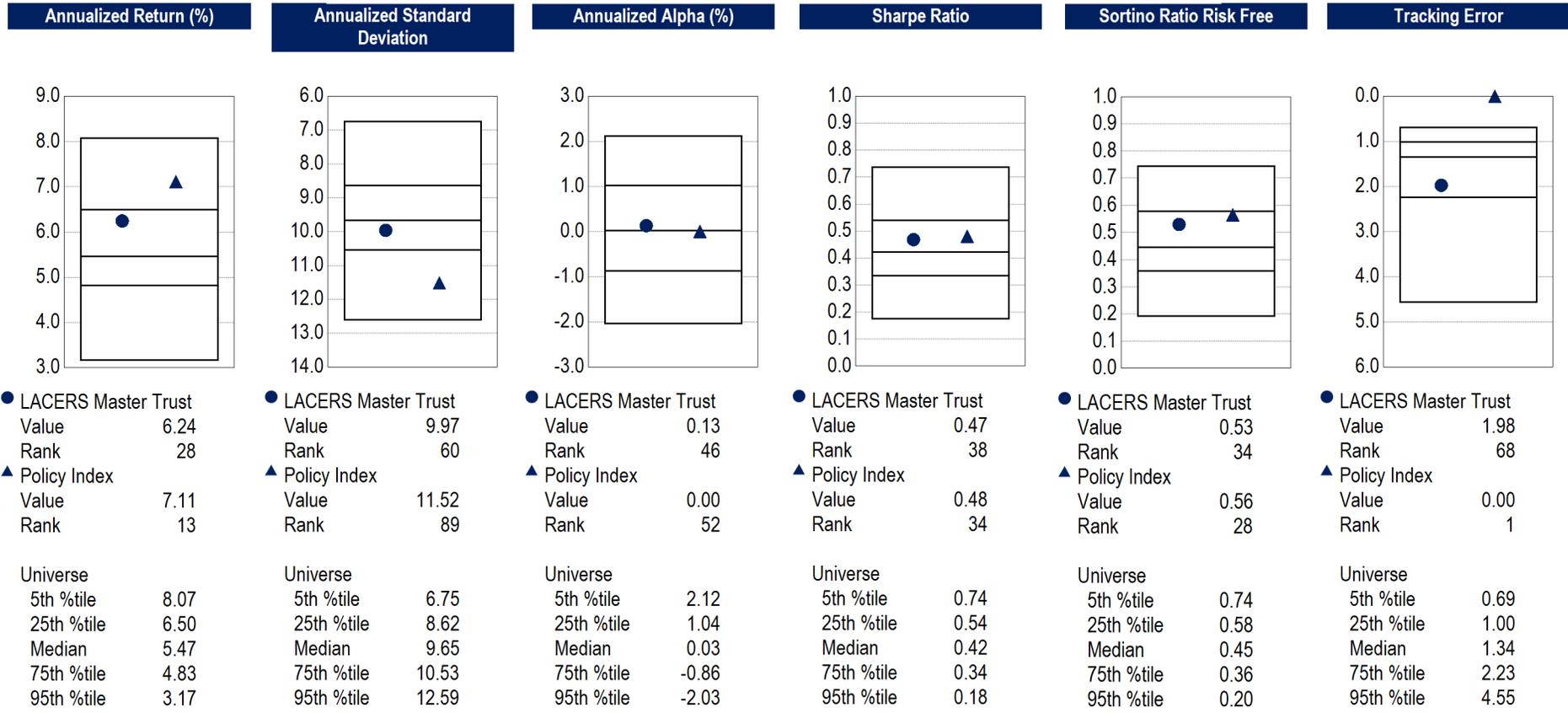
	Return (Rank)															
5th Percentile	6.25	4.55	9.67	7.46	8.07	9.56	8.50	9.33								
25th Percentile	5.63	2.82	7.86	6.18	6.50	8.35	7.33	8.24								
Median	5.04	0.99	6.23	4.74	5.47	7.64	6.60	7.51								
75th Percentile	4.45	-0.32	4.40	3.99	4.83	6.92	5.98	6.89								
95th Percentile	3.71	-2.93	2.27	2.46	3.17	5.22	4.45	5.49								
# of Portfolios	88	88	88	87	87	86	86	82								
● LACERS Master Trust	6.23	(7)	1.57	(46)	7.01	(40)	5.49	(38)	6.24	(28)	8.36	(25)	7.34	(25)	8.48	(15)
▲ Policy Index	5.77	(22)	2.91	(24)	9.29	(9)	6.83	(9)	7.11	(13)	9.18	(11)	7.55	(15)	8.61	(13)



Los Angeles City Employees' Retirement System

# TOTAL FUND RISK STATISTICS VS. PEER UNIVERSE

## LACERS Master Trust vs. InvMetrics Public DB \$5-50B Gross 3 Years



Sortino Ratio RF = Sortino Ratio Risk Free. The risk free rate is the Citi 91 Day T-Bill Index.

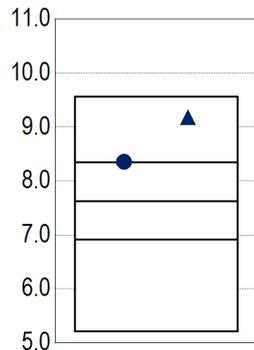


Los Angeles City Employees' Retirement System

# TOTAL FUND RISK STATISTICS VS. PEER UNIVERSE

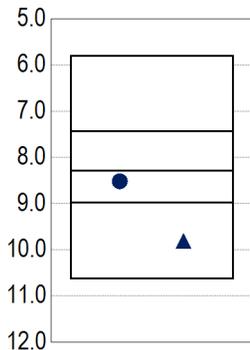
## LACERS Master Trust vs. InvMetrics Public DB \$5-50B Gross 5 Years

Annualized Return (%)	Annualized Standard Deviation	Annualized Alpha (%)	Sharpe Ratio	Sortino Ratio Risk Free	Tracking Error
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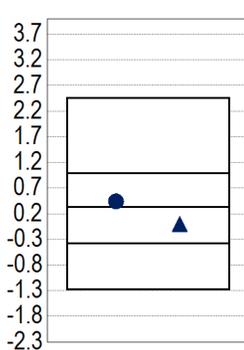
● LACERS Master Trust	Value	8.36
	Rank	25
▲ Policy Index	Value	9.18
	Rank	11

Universe	
5th %tile	9.56
25th %tile	8.35
Median	7.64
75th %tile	6.92
95th %tile	5.22



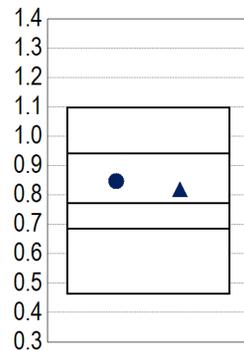
● LACERS Master Trust	Value	8.52
	Rank	60
▲ Policy Index	Value	9.82
	Rank	90

Universe	
5th %tile	5.80
25th %tile	7.41
Median	8.28
75th %tile	8.96
95th %tile	10.61



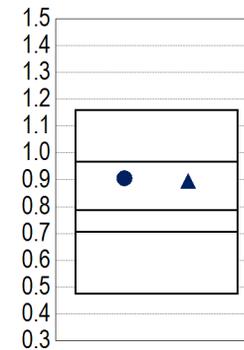
● LACERS Master Trust	Value	0.44
	Rank	50
▲ Policy Index	Value	0.00
	Rank	63

Universe	
5th %tile	2.46
25th %tile	1.00
Median	0.35
75th %tile	-0.36
95th %tile	-1.27



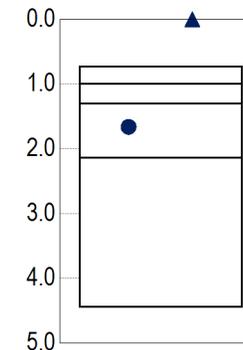
● LACERS Master Trust	Value	0.85
	Rank	41
▲ Policy Index	Value	0.82
	Rank	43

Universe	
5th %tile	1.10
25th %tile	0.94
Median	0.77
75th %tile	0.69
95th %tile	0.47



● LACERS Master Trust	Value	0.91
	Rank	32
▲ Policy Index	Value	0.90
	Rank	33

Universe	
5th %tile	1.16
25th %tile	0.97
Median	0.79
75th %tile	0.71
95th %tile	0.48



● LACERS Master Trust	Value	1.66
	Rank	68
▲ Policy Index	Value	0.00
	Rank	1

Universe	
5th %tile	0.73
25th %tile	0.99
Median	1.29
75th %tile	2.13
95th %tile	4.43

Sortino Ratio RF = Sortino Ratio Risk Free. The risk free rate is the Citi 91 Day T-Bill Index.

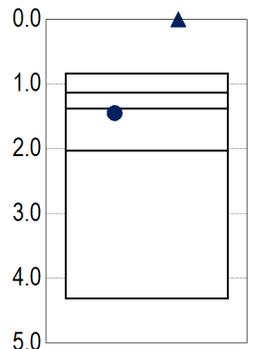
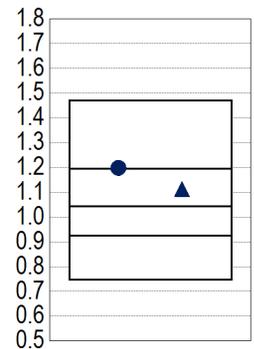
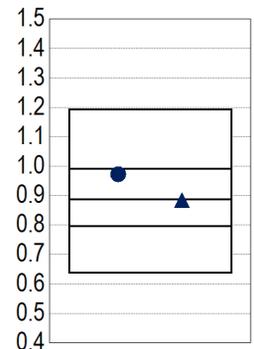
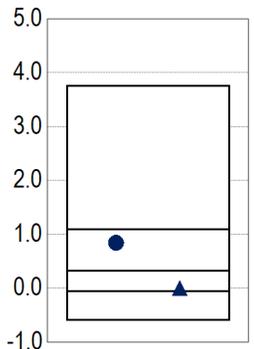
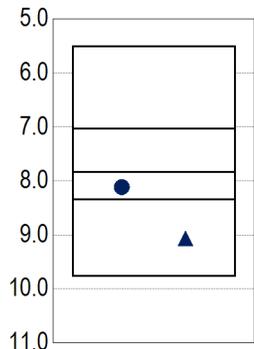
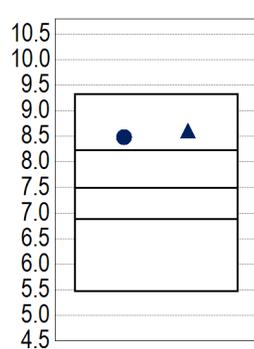


Los Angeles City Employees' Retirement System

# TOTAL FUND RISK STATISTICS VS. PEER UNIVERSE

## LACERS Master Trust vs. InvMetrics Public DB \$5-50B Gross 10 Years

Annualized Return (%)	Annualized Standard Deviation	Annualized Alpha (%)	Sharpe Ratio	Sortino Ratio Risk Free	Tracking Error
-----------------------	-------------------------------	----------------------	--------------	-------------------------	----------------



● LACERS Master Trust	Value	8.48
	Rank	15
▲ Policy Index	Value	8.61
	Rank	13

● LACERS Master Trust	Value	8.11
	Rank	68
▲ Policy Index	Value	9.07
	Rank	88

● LACERS Master Trust	Value	0.84
	Rank	37
▲ Policy Index	Value	0.00
	Rank	71

● LACERS Master Trust	Value	0.97
	Rank	30
▲ Policy Index	Value	0.88
	Rank	51

● LACERS Master Trust	Value	1.20
	Rank	25
▲ Policy Index	Value	1.11
	Rank	42

● LACERS Master Trust	Value	1.45
	Rank	56
▲ Policy Index	Value	0.00
	Rank	1

Universe	5th %tile	9.33
	25th %tile	8.24
	Median	7.51
	75th %tile	6.89
	95th %tile	5.49

Universe	5th %tile	5.51
	25th %tile	7.01
	Median	7.82
	75th %tile	8.33
	95th %tile	9.75

Universe	5th %tile	3.75
	25th %tile	1.10
	Median	0.34
	75th %tile	-0.05
	95th %tile	-0.58

Universe	5th %tile	1.19
	25th %tile	0.99
	Median	0.89
	75th %tile	0.80
	95th %tile	0.64

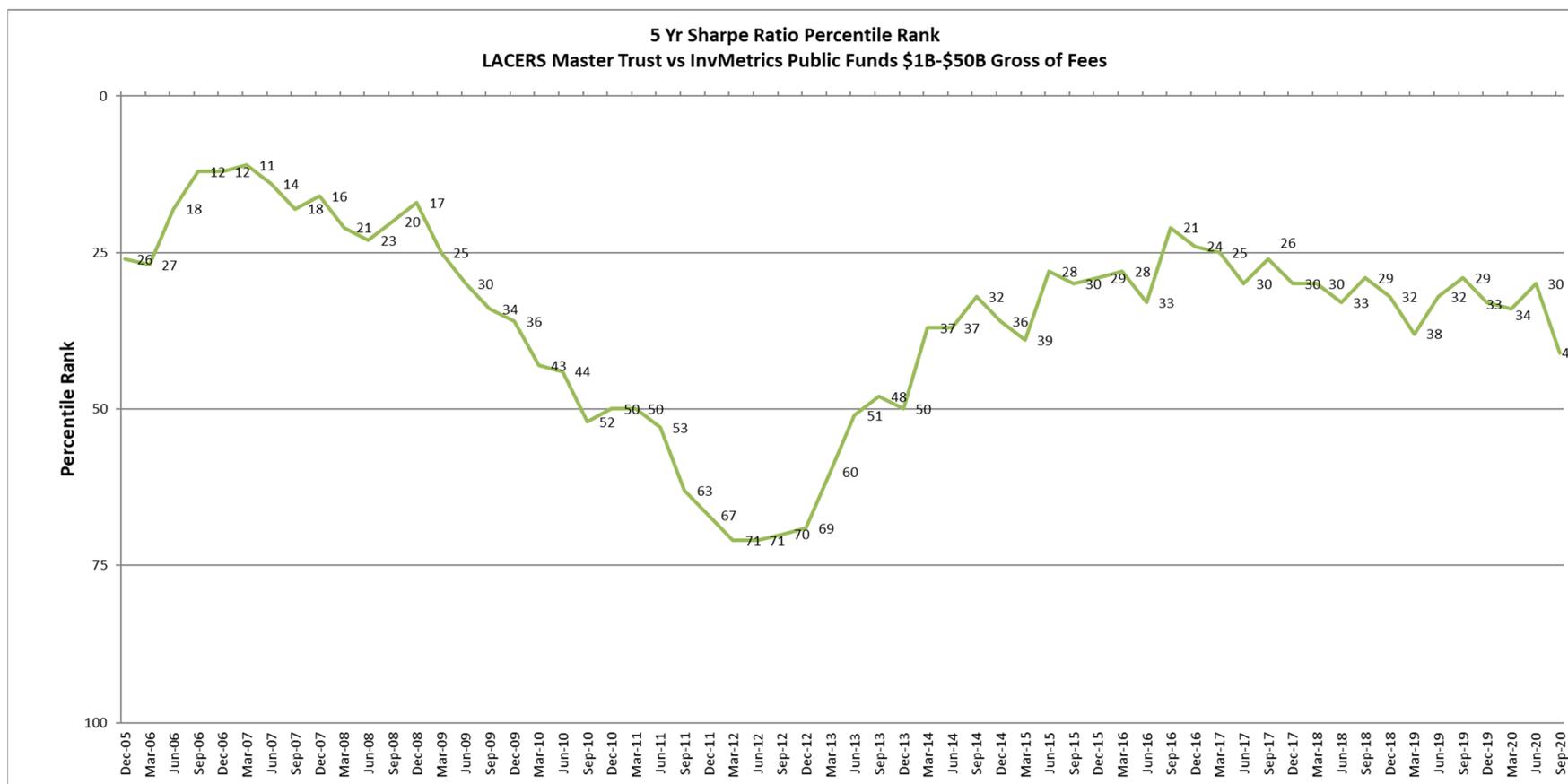
Universe	5th %tile	1.47
	25th %tile	1.20
	Median	1.05
	75th %tile	0.93
	95th %tile	0.75

Universe	5th %tile	0.84
	25th %tile	1.12
	Median	1.37
	75th %tile	2.02
	95th %tile	4.30

Sortino Ratio RF = Sortino Ratio Risk Free. The risk free rate is the Citi 91 Day T-Bill Index.



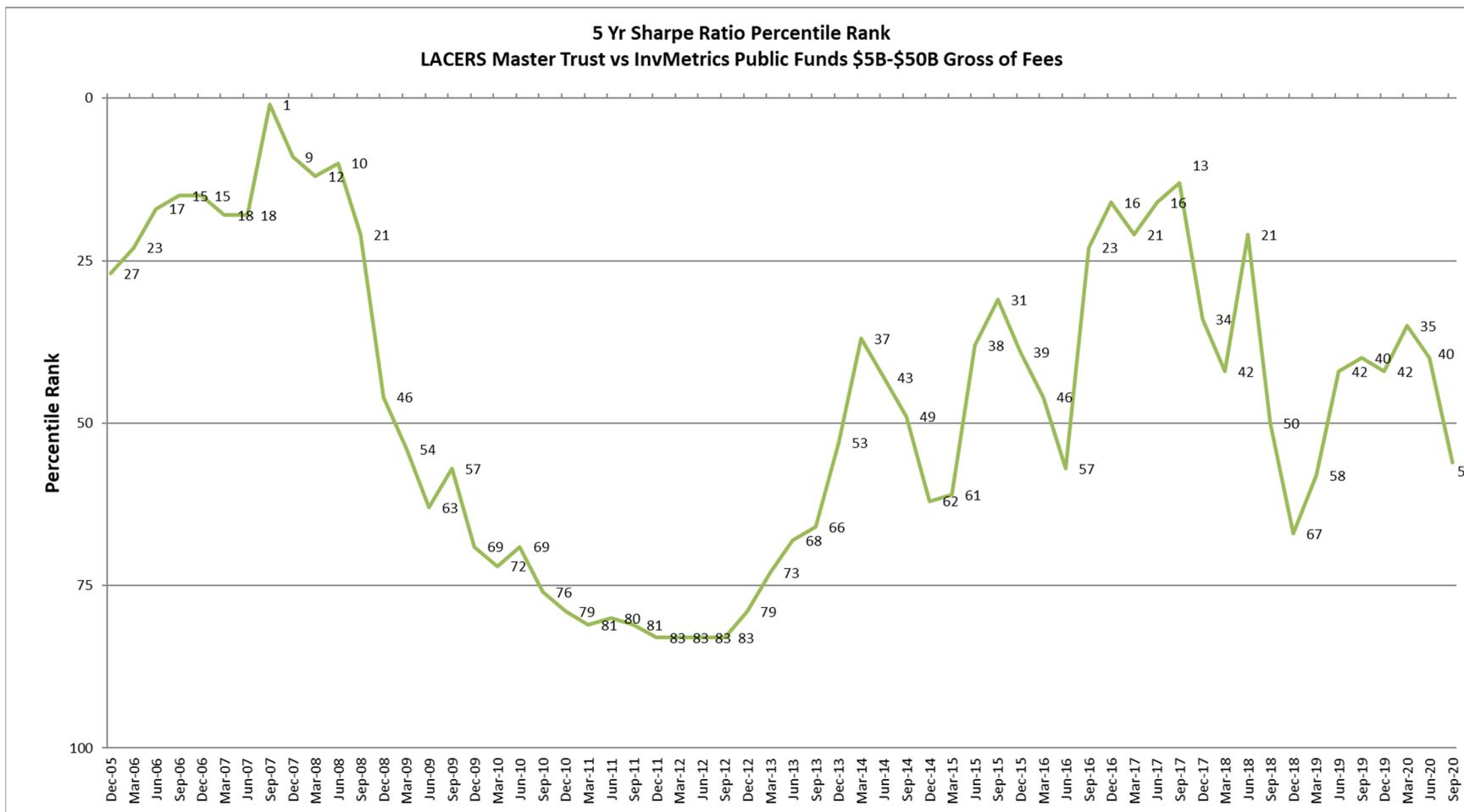
# HISTORICAL RISK ADJUSTED RETURN UNIVERSE COMPARISON



- Total Plan ranks in the 41<sup>st</sup> percentile versus other large public plans on a Sharpe Ratio basis.
  - Use of passive investment strategies within U.S. Equity has contributed to the overall Sharpe Ratio rank (higher than median).
  - Overweight to non-U.S. Equity on a relative basis contributed to Sharpe Ratio Rank
  - Core Fixed Income detracted from Sharpe Ratio rank.



# HISTORICAL RISK ADJUSTED RETURN UNIVERSE COMPARISON



# U.S. EQUITY

NEPC, LLC

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Los Angeles City Employees' Retirement System

**U.S. EQUITY (GROSS)**

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>U.S. Equity</b>	<b>4,863,758,759</b>	<b>100.00</b>	<b>8.51</b>	<b>3.28</b>	<b>12.59</b>	<b>10.62</b>	<b>13.03</b>	<b>13.18</b>	<b>10.50</b>	<b>Oct-94</b>
U.S. Equity Blend			<u>9.21</u>	<u>5.41</u>	<u>15.00</u>	<u>11.65</u>	<u>13.69</u>	<u>13.48</u>	<u>9.58</u>	Oct-94
Over/Under			-0.70	-2.13	-2.41	-1.03	-0.66	-0.30	0.92	
RhumbLine Advisers Russell 2000 <sup>1</sup>	183,520,570	3.77	5.07	-8.58	0.48	1.84	8.01		4.83	Apr-15
Russell 2000			<u>4.93</u>	<u>-8.69</u>	<u>0.39</u>	<u>1.77</u>	<u>8.00</u>		<u>4.88</u>	Apr-15
Over/Under			0.14	0.11	0.09	0.07	0.01		-0.05	
RhumbLine Advisers Russell 2000 Growth	77,756	0.00								
RhumbLine Advisers Russell 2000 Value	250,623	0.01								
EAM Investors	88,346,485	1.82	13.89	13.18	25.08	15.89	14.71		14.71	Sep-15
Russell 2000 Growth			<u>7.16</u>	<u>3.88</u>	<u>15.71</u>	<u>8.18</u>	<u>11.42</u>		<u>11.42</u>	Sep-15
Over/Under			6.73	9.30	9.37	7.71	3.29		3.29	
Principal Global Investors <sup>1</sup>	217,212,949	4.47	8.43	3.08	9.71	14.21	15.75		13.76	Aug-14
Russell MidCap			<u>7.46</u>	<u>-2.35</u>	<u>4.55</u>	<u>7.13</u>	<u>10.13</u>		<u>8.33</u>	Aug-14
Over/Under			0.97	5.43	5.16	7.08	5.62		5.43	
RhumbLine Advisers S&P 500	3,901,428,125	80.21	8.87	5.34	14.80	12.12	14.01	13.68	9.92	Feb-93
S&P 500			<u>8.93</u>	<u>5.57</u>	<u>15.15</u>	<u>12.28</u>	<u>14.15</u>	<u>13.74</u>	<u>9.78</u>	Feb-93
Over/Under			-0.06	-0.23	-0.35	-0.16	-0.14	-0.06	0.14	
Bernzott Cap Advisors	141,105,825	2.90								
Copeland Cap MGMT	178,266,548	3.67								
Granahan	81,019,953	1.67								
Segall	72,529,926	1.49								

1- Portfolio has a mid-month inception date. Since inception return is calculated from the first full month of performance.

- U.S. Equity Blend = Russell 3000 from 1/1/2000 to present; 33.75% S&P 500/ 35% Russell 1000 Value/ 12.50% Russell 1000 Growth/ 12.50% Russell 2000 Value/ 6.25% Russell 2000 Growth prior to

eA = eVestment Alliance

Bernzott Cap Advisors, Copeland Cap MGMT, Granahan, and Segall were funded 9/30/2020. Performance will be shown on first full month of performance.

RhumbLine Advisers Russell 2000 Growth & Value are liquidating as of 9/30/2020.



Los Angeles City Employees' Retirement System

**U.S. EQUITY (NET)**

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
<b>U.S. Equity</b>	<b>4,863,758,759</b>	<b>100.00</b>	<b>8.50</b>	<b>36</b>	<b>3.25</b>	<b>41</b>	<b>12.54</b>	<b>36</b>	<b>10.56</b>	<b>36</b>	<b>12.96</b>	<b>41</b>	<b>13.04</b>	<b>39</b>		<b>Oct-94</b>
<i>U.S. Equity Blend</i>			<u>9.21</u>	7	<u>5.41</u>	12	<u>15.00</u>	11	<u>11.65</u>	14	<u>13.69</u>	16	<u>13.48</u>	12	<u>9.58</u>	Oct-94
Over/Under			-0.71		-2.16		-2.46		-1.09		-0.73		-0.44			
<i>InvMetrics Public DB &gt; \$1 Billion US Equity Net Median</i>			8.25		2.72		11.53		9.96		12.54		12.87		9.38	Oct-94
RhumbLine Advisers Russell 2000 <sup>1</sup>	183,520,570	3.77	5.07	49	-8.58	45	0.47	42	1.83	44	8.01	45			4.83	Apr-15
<i>Russell 2000</i>			<u>4.93</u>	50	<u>-8.69</u>	45	<u>0.39</u>	42	<u>1.77</u>	44	<u>8.00</u>	45			<u>4.88</u>	Apr-15
Over/Under			0.14		0.11		0.08		0.06		0.01				-0.05	
<i>eV US Small Cap Equity Net Median</i>			4.91		-11.35		-3.97		0.35		6.96				4.42	Apr-15
RhumbLine Advisers Russell 2000 Growth	77,756	0.00														
RhumbLine Advisers Russell 2000 Value	250,623	0.01														
<b>EAM Investors</b>	<b>88,346,485</b>	<b>1.82</b>	<b>13.72</b>	<b>5</b>	<b>12.63</b>	<b>15</b>	<b>24.27</b>	<b>15</b>	<b>15.10</b>	<b>14</b>	<b>13.91</b>	<b>19</b>			<b>13.91</b>	<b>Sep-15</b>
<i>Russell 2000 Growth</i>			<u>7.16</u>	30	<u>3.88</u>	25	<u>15.71</u>	22	<u>8.18</u>	27	<u>11.42</u>	27			<u>11.42</u>	Sep-15
Over/Under			6.56		8.75		8.56		6.92		2.49				2.49	
<i>eV US Small Cap Equity Net Median</i>			4.91		-11.35		-3.97		0.35		6.96				6.96	Sep-15
Principal Global Investors <sup>1</sup>	217,212,949	4.47	8.35	37	2.83	45	9.34	44	13.80	31	15.31	20			13.35	Aug-14
<i>Russell MidCap</i>			<u>7.46</u>	46	<u>-2.35</u>	51	<u>4.55</u>	50	<u>7.13</u>	50	<u>10.13</u>	49			<u>8.33</u>	Aug-14
Over/Under			0.89		5.18		4.79		6.67		5.18				5.02	
<i>eV US Mid Cap Equity Net Median</i>			6.87		-2.31		4.27		6.99		9.72		11.49		7.92	Aug-14
RhumbLine Advisers S&P 500	3,901,428,125	80.21	8.87	40	5.34	39	14.79	37	12.12	36	14.00	31	13.68	31		Feb-93
<i>S&amp;P 500</i>			<u>8.93</u>	40	<u>5.57</u>	39	<u>15.15</u>	37	<u>12.28</u>	36	<u>14.15</u>	30	<u>13.74</u>	31		Feb-93
Over/Under			-0.06		-0.23		-0.36		-0.16		-0.15		-0.06			
<i>eV US Large Cap Equity Net Median</i>			7.82		1.46		9.60		9.44		11.54		12.21			Feb-93
Bernzott Cap Advisors	141,105,825	2.90														
Copeland Cap MGMT	178,266,548	3.67														
Granahan	81,019,953	1.67														
Segall	72,529,926	1.49														

1- Portfolio has a mid-month inception date. Since inception return is calculated from the first full month of performance.

- U.S. Equity Blend = Russell 3000 from 1/1/2000 to present; 33.75% S&P 500/ 35% Russell 1000 Value/ 12.50% Russell 1000 Growth/ 12.50% Russell 2000 Value/ 6.25% Russell 2000 Growth prior to

eA = eVestment Alliance

Bernzott Cap Advisors, Copeland Cap MGMT, Granahan, and Segall were funded 9/30/2020. Performance will be shown on first full month of performance.

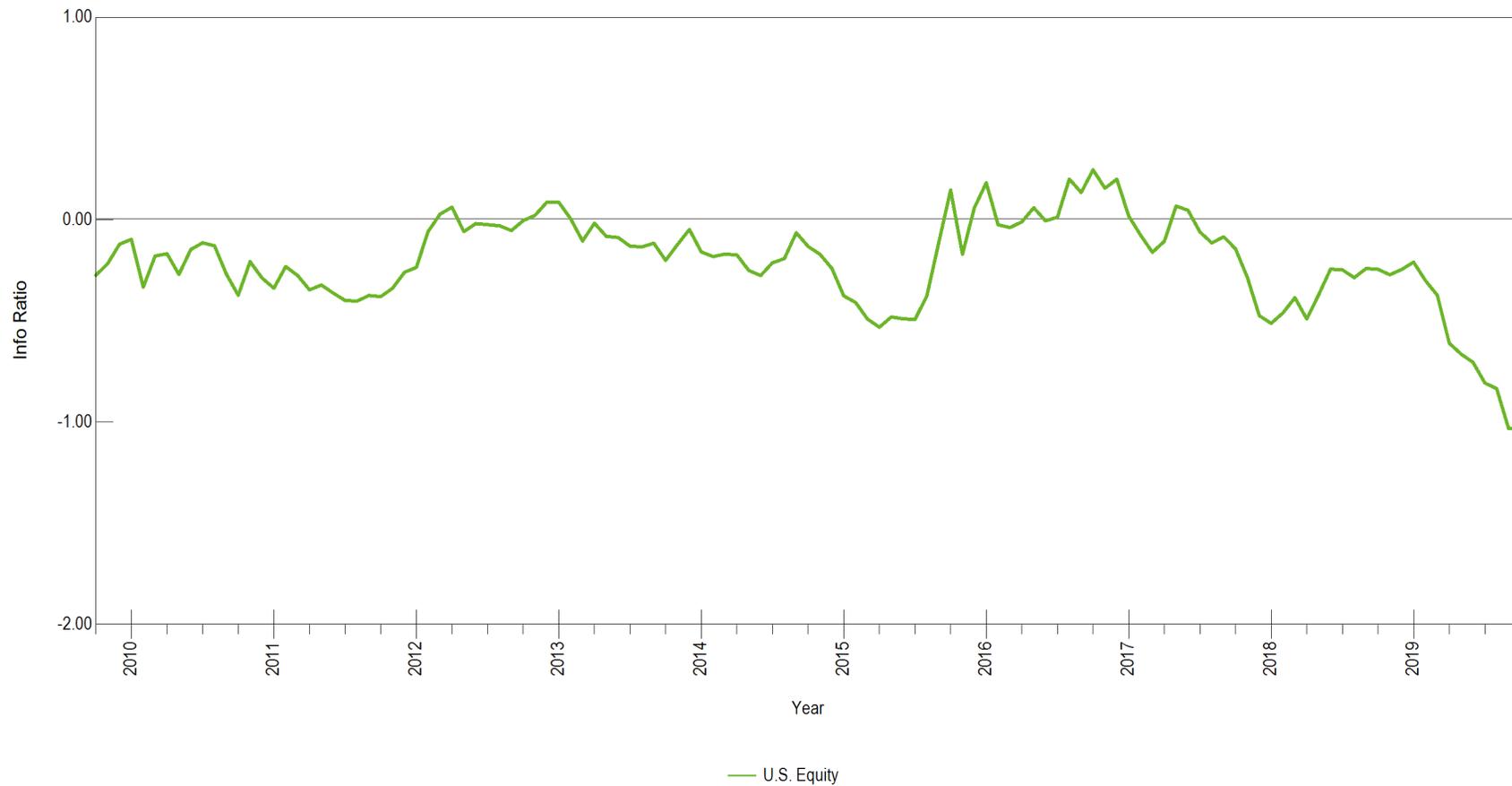
RhumbLine Advisers Russell 2000 Growth & Value are liquidating as of 9/30/2020.



## Los Angeles City Employees' Retirement System

# U.S. EQUITY ROLLING 5 YEAR INFORMATION RATIO

Rolling 5 Year Information Ratio



\*Returns are net of fees.



# MANAGER REPORT CARD

U.S. Equity Managers	Inception Date	Mandate	Current Quarter (Net)		One Year (Net)		Three Years (Net)		Five Years (Net)		Since Inception (Net)	Annual Mgt Fee Paid \$ (000)	Comments
			Index	Universe	Index	Universe	Index	Universe	Index	Universe	Index		
Principal Global Investors	Jul-14	Mid Cap	✓	✓	✓	✓	✓	✓	✓	✓	✓	703.0	Performance compliant with LACERS' Manager Monitoring Policy
EAM Investors	Sep-15	Small Cap Growth	✓	✓	✓	✓	✓	✓	✓	✓	✓	908.5	Performance compliant with LACERS' Manager Monitoring Policy
Copeland	Oct-20	Small Cap Core	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Granahan	Oct-20	Small Cap Growth	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Bernzott	Oct-20	Small Cap Value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Terminate due to organizational issues
Segall Byrant Hamill	Oct-20	Small Cap Value	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Rhumblin (Passive)	Feb-93	S&P 500	*	✓	*	✓	*	✓	*	✓	✓✓	186.9	Performance compliant with LACERS' Manager Monitoring Policy
Rhumblin (Passive)	Jun-15	R2000	✓	✓	✓	✓	✓	✓	✓	✓	*	13.5	Performance compliant with LACERS' Manager Monitoring Policy

Note: Managers are placed on Watch List for concerns with organization, process and performance. Managers are normally on the Watch List for 12 months though may be longer if manager issues remain but not severe enough to warrant termination recommendation.

- Annual Management Fee Paid as of fiscal year ending June 30, 2020.
- \* Where net of fees performance is not available gross of fee returns are evaluated.

Legend	
✓	Outperformed
*	Underperformed
=	Equal to
✓✓	Gross Return



# NON-U.S. EQUITY

NEPC, LLC

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Los Angeles City Employees' Retirement System

# NON-U.S. EQUITY (GROSS)

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Non-U.S. Equity</b>	<b>5,720,452,301</b>	<b>100.00</b>	<b>8.06</b>	<b>-2.96</b>	<b>6.30</b>	<b>2.55</b>	<b>7.52</b>	<b>5.35</b>	<b>5.14</b>	<b>Nov-94</b>
MSCI ACWI ex USA			6.25	-5.44	3.00	1.16	6.23	4.00	4.85	Nov-94
Over/Under			1.81	2.48	3.30	1.39	1.29	1.35	0.29	
<b>Developed ex-U.S.</b>	<b>4,348,954,003</b>	<b>76.02</b>	<b>7.54</b>	<b>-3.24</b>	<b>5.38</b>	<b>2.70</b>	<b>7.01</b>		<b>7.54</b>	<b>Jun-12</b>
MSCI EAFE			4.80	-7.09	0.49	0.62	5.26		6.09	Jun-12
Over/Under			2.74	3.85	4.89	2.08	1.75		1.45	
AQR Capital	276,045,682	4.83	9.43	-6.95	5.03	-0.76	5.80		4.08	Feb-14
MSCI EAFE Small Cap			10.25	-4.20	6.84	1.40	7.37		4.54	Feb-14
Over/Under			-0.82	-2.75	-1.81	-2.16	-1.57		-0.46	
Barrow Hanley	497,025,724	8.69	6.85	-13.68	-4.78	-2.56	3.57		1.30	Nov-13
MSCI EAFE Value			1.19	-18.31	-11.93	-5.86	1.14		-1.02	Nov-13
Over/Under			5.66	4.63	7.15	3.30	2.43		2.32	
Lazard Asset Management <sup>1</sup>	610,980,496	10.68	6.85	-3.62	3.37	3.86	6.09		4.24	Nov-13
MSCI EAFE			4.80	-7.09	0.49	0.62	5.26		2.47	Nov-13
Over/Under			2.05	3.47	2.88	3.24	0.83		1.77	
MFS Institutional Advisors	694,364,546	12.14	8.23	3.16	12.78	8.85	11.50		7.50	Oct-13
MSCI World ex USA Growth NR USD			8.51	5.13	13.64	7.06	9.09		5.76	Oct-13
Over/Under			-0.28	-1.97	-0.86	1.79	2.41		1.74	
Oberweis Asset Mgmt <sup>1</sup>	340,027,435	5.94	20.67	35.14	46.77	12.44	14.19		11.51	Jan-14
MSCI EAFE Small Cap			10.25	-4.20	6.84	1.40	7.37		5.33	Jan-14
Over/Under			10.42	39.34	39.93	11.04	6.82		6.18	
SSgA World ex US IMI	1,930,510,119	33.75	5.62	-6.41	1.41	1.17	6.03	5.07	5.47	Aug-93
MSCI World ex USA IMI NR USD <sup>2</sup>			5.64	-6.70	1.10	0.73	5.60	4.65	5.19	Aug-93
Over/Under			-0.02	0.29	0.31	0.44	0.43	0.42	0.28	

1 Portfolio has a mid-month inception date. Since inception return is calculated from the first full month of performance.

2 Since inception index return sourced from SSgA.

eA = eVestment



## Los Angeles City Employees' Retirement System

# NON-U.S. EQUITY (GROSS)

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Emerging Markets</b>	<b>1,371,498,298</b>	<b>23.98</b>	<b>9.60</b>	<b>-2.18</b>	<b>9.16</b>	<b>1.84</b>	<b>8.94</b>		<b>4.00</b>	<b>Jun-12</b>
<i>MSCI Emerging Markets</i>			<u>9.56</u>	<u>-1.16</u>	<u>10.54</u>	<u>2.42</u>	<u>8.97</u>		<u>4.23</u>	<i>Jun-12</i>
Over/Under			0.04	-1.02	-1.38	-0.58	-0.03		-0.23	
Axiom Emerging Markets	524,195,363	9.16	13.06	9.78	23.42	6.92	12.67		7.09	May-14
<i>MSCI Emerging Markets</i>			<u>9.56</u>	<u>-1.16</u>	<u>10.54</u>	<u>2.42</u>	<u>8.97</u>		<u>3.81</u>	<i>May-14</i>
Over/Under			3.50	10.94	12.88	4.50	3.70		3.28	
<i>MSCI Emerging Markets Growth NR USD</i>			<u>14.15</u>	<u>12.41</u>	<u>27.79</u>	<u>7.45</u>	<u>13.26</u>		<u>7.65</u>	<i>May-14</i>
DFA Emerging Markets <sup>1</sup>	388,980,541	6.80	4.93	-14.51	-5.42	-3.48	5.68		-1.16	Aug-14
<i>MSCI Emerging Markets Value NR USD</i>			<u>4.66</u>	<u>-14.23</u>	<u>-5.70</u>	<u>-2.89</u>	<u>4.45</u>		<u>-1.64</u>	<i>Aug-14</i>
Over/Under			0.27	-0.28	0.28	-0.59	1.23		0.48	
QMA Emerging Markets <sup>1</sup>	458,322,394	8.01	9.90	-2.40	9.03	1.47	8.19		3.88	May-14
<i>MSCI Emerging Markets</i>			<u>9.56</u>	<u>-1.16</u>	<u>10.54</u>	<u>2.42</u>	<u>8.97</u>		<u>3.81</u>	<i>May-14</i>
Over/Under			0.34	-1.24	-1.51	-0.95	-0.78		0.07	

<sup>1</sup> Portfolio has a mid-month inception date. Since inception return is calculated from the first full month of performance.

eA = eVestment



# Los Angeles City Employees' Retirement System

## NON-U.S. EQUITY (NET)

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
<b>Non-U.S. Equity</b>	<b>5,720,452,301</b>	<b>100.00</b>	<b>7.97</b>	<b>40</b>	<b>-3.21</b>	<b>44</b>	<b>5.94</b>	<b>46</b>	<b>2.18</b>	<b>41</b>	<b>7.13</b>	<b>41</b>	<b>5.00</b>	<b>40</b>		<b>Nov-94</b>
MSCI ACWI ex USA			<u>6.25</u>	82	<u>-5.44</u>	69	<u>3.00</u>	78	<u>1.16</u>	66	<u>6.23</u>	72	<u>4.00</u>	92		Nov-94
Over/Under			1.72		2.23		2.94		1.02		0.90		1.00			
<b>Developed ex-U.S.</b>	<b>4,348,954,003</b>	<b>76.02</b>	<b>7.47</b>	<b>37</b>	<b>-3.46</b>	<b>43</b>	<b>5.07</b>	<b>43</b>	<b>2.37</b>	<b>43</b>	<b>6.67</b>	<b>45</b>			<b>7.24</b>	<b>Jun-12</b>
MSCI EAFE			<u>4.80</u>	99	<u>-7.09</u>	78	<u>0.49</u>	85	<u>0.62</u>	78	<u>5.26</u>	84			<u>6.09</u>	Jun-12
Over/Under			2.67		3.63		4.58		1.75		1.41				1.15	
InvMetrics Public DB > \$1 Billion Dev Mkt ex-US Eq Net Median			7.02		-4.36		4.28		1.41		6.60				6.96	Jun-12
AQR Capital <sup>1</sup>	276,045,682	4.83	9.28	60	-7.38	65	4.35	58	-1.49	68	5.01	78			3.37	Feb-14
MSCI EAFE Small Cap			<u>10.25</u>	37	<u>-4.20</u>	42	<u>6.84</u>	47	<u>1.40</u>	40	<u>7.37</u>	41			<u>4.54</u>	Feb-14
Over/Under			-0.97		-3.18		-2.49		-2.89		-2.36				-1.17	
eV EAFE Small Cap Equity Net Median			9.59		-5.97		5.44		-0.11		6.80				4.42	Feb-14
Barrow Hanley <sup>1</sup>	497,025,724	8.69	6.74	17	-13.97	50	-5.21	46	-3.04	33	3.06	43			0.81	Nov-13
MSCI EAFE Value			<u>1.19</u>	97	<u>-18.31</u>	88	<u>-11.93</u>	94	<u>-5.86</u>	82	<u>1.14</u>	88			<u>-1.02</u>	Nov-13
Over/Under			5.55		4.34		6.72		2.82		1.92				1.83	
eV EAFE Value Equity Net Median			3.80		-14.10		-5.96		-3.89		2.69				0.62	Nov-13
Lazard Asset Management <sup>1</sup>	610,980,496	10.68	6.73	49	-3.97	40	2.86	51	3.33	27	5.54	51			3.71	Nov-13
MSCI EAFE			<u>4.80</u>	74	<u>-7.09</u>	60	<u>0.49</u>	62	<u>0.62</u>	53	<u>5.26</u>	56			<u>2.47</u>	Nov-13
Over/Under			1.93		3.12		2.37		2.71		0.28				1.24	
eV All EAFE Equity Net Median			6.60		-5.98		2.87		0.83		5.56				3.38	Nov-13
MFS Institutional Advisors	694,364,546	12.14	8.14	86	2.86	87	12.33	82	8.37	48	10.98	36			7.00	Oct-13
MSCI World ex USA Growth NR USD			<u>8.51</u>	73	<u>5.13</u>	73	<u>13.64</u>	75	<u>7.06</u>	65	<u>9.09</u>	60			<u>5.76</u>	Oct-13
Over/Under			-0.37		-2.27		-1.31		1.31		1.89				1.24	
eV EAFE All Cap Growth Net Median			9.31		7.56		17.19		8.33		10.41				6.70	Oct-13

<sup>1</sup> Portfolio has a mid-month inception date. Since inception return is calculated from the first full month of performance.  
eA = eVestment



# Los Angeles City Employees' Retirement System

## NON-U.S. EQUITY (NET)

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
Oberweis Asset Mgmt <sup>1</sup>	340,027,435	5.94	20.45	1	34.36	1	45.66	1	11.52	1	13.26	6			10.59	Jan-14
MSCI EAFE Small Cap			<u>10.25</u>	37	<u>-4.20</u>	42	<u>6.84</u>	47	<u>1.40</u>	40	<u>7.37</u>	41			<u>5.33</u>	Jan-14
Over/Under			10.20		38.56		38.82		10.12		5.89				5.26	
eV EAFE Small Cap Equity Net Median			9.59		-5.97		5.44		-0.11		6.80				5.23	Jan-14
SSgA World ex US IMI	1,930,510,119	33.75	5.60	74	-6.43	60	1.38	65	1.14	50	6.01	47	5.05	73	5.47	Aug-93
MSCI World ex USA IMI NR USD <sup>2</sup>			<u>5.64</u>	73	<u>-6.70</u>	63	<u>1.10</u>	66	<u>0.73</u>	55	<u>5.60</u>	53	<u>4.65</u>	81	<u>5.19</u>	Aug-93
Over/Under			-0.04		0.27		0.28		0.41		0.41		0.40		0.28	
eV EAFE Core Equity Net Median			7.05		-5.43		3.87		1.10		5.77		5.87		6.51	Aug-93
<b>Emerging Markets</b>	<b>1,371,498,298</b>	<b>23.98</b>	<b>9.49</b>	<b>43</b>	<b>-2.53</b>	<b>48</b>	<b>8.64</b>	<b>53</b>	<b>1.31</b>	<b>43</b>	<b>8.38</b>	<b>23</b>			<b>3.39</b>	<b>Jun-12</b>
MSCI Emerging Markets			<u>9.56</u>	35	<u>-1.16</u>	26	<u>10.54</u>	18	<u>2.42</u>	16	<u>8.97</u>	17			<u>4.23</u>	Jun-12
Over/Under			-0.07		-1.37		-1.90		-1.11		-0.59				-0.84	
InvMetrics Public DB > \$1 Billion Emg Mkt Eq Net Median			9.21		-2.55		8.92		1.15		7.03				3.35	Jun-12
Axiom Emerging Markets	524,195,363	9.16	12.92	14	9.31	15	22.70	14	6.22	16	11.90	17			6.39	May-14
MSCI Emerging Markets			<u>9.56</u>	53	<u>-1.16</u>	49	<u>10.54</u>	48	<u>2.42</u>	43	<u>8.97</u>	44			<u>3.81</u>	May-14
Over/Under			3.36		10.47		12.16		3.80		2.93				2.58	
MSCI Emerging Markets Growth NR USD			14.15	10	12.41	10	27.79	7	7.45	11	13.26	11			7.65	May-14
eV Emg Mkts Equity Net Median			9.70		-1.36		10.25		1.93		8.43				3.94	May-14
DFA Emerging Markets <sup>1</sup>	388,980,541	6.80	4.82	89	-14.83	92	-5.89	91	-3.96	93	5.18	86			-1.64	Aug-14
MSCI Emerging Markets Value NR USD			<u>4.66</u>	90	<u>-14.23</u>	92	<u>-5.70</u>	90	<u>-2.89</u>	89	<u>4.45</u>	89			<u>-1.64</u>	Aug-14
Over/Under			0.16		-0.60		-0.19		-1.07		0.73				0.00	
eV Emg Mkts Equity Net Median			9.70		-1.36		10.25		1.93		8.43				2.82	Aug-14
QMA Emerging Markets <sup>1</sup>	458,322,394	8.01	9.82	48	-2.65	60	8.66	58	1.08	59	7.76	59			3.45	May-14
MSCI Emerging Markets			<u>9.56</u>	53	<u>-1.16</u>	49	<u>10.54</u>	48	<u>2.42</u>	43	<u>8.97</u>	44			<u>3.81</u>	May-14
Over/Under			0.26		-1.49		-1.88		-1.34		-1.21				-0.36	
eV Emg Mkts Equity Net Median			9.70		-1.36		10.25		1.93		8.43				3.94	May-14

1 Portfolio has a mid-month inception date. Since inception return is calculated from the first full month of performance.

2 Since inception index return sourced from SSgA and since inception portfolio return is gross of fees.

eA = eVestment



Los Angeles City Employees' Retirement System

# NON-U.S. EQUITY COUNTRY ALLOCATION

Versus MSCI ACWI ex USA - Quarter Ending September 30, 2020		
	Manager Ending Allocation (USD)	Index Ending Allocation (USD)
<b>Europe</b>		
Austria	0.1%	0.1%
Belgium	0.2%	0.6%
Croatia**	0.0%	0.0%
Czech Republic*	0.0%	0.0%
Denmark	1.6%	1.6%
Estonia**	0.0%	0.0%
Finland	1.6%	0.7%
France	10.1%	6.8%
Germany	7.6%	6.1%
Greece*	0.0%	0.0%
Hungary*	0.1%	0.1%
Ireland	0.7%	0.5%
Italy	1.6%	1.4%
Lithuania**	0.0%	0.0%
Luxembourg	0.0%	0.0%
Netherlands	2.0%	2.8%
Norway	0.6%	0.4%
Poland*	0.0%	0.2%
Portugal	0.2%	0.1%
Romania**	0.0%	0.0%
Russia*	0.4%	0.7%
Serbia**	0.0%	0.0%
Slovenia**	0.0%	0.0%
Spain	1.4%	1.4%
Sweden	2.2%	2.1%
Switzerland	6.1%	6.7%
United Kingdom	11.1%	8.5%
<b>Total-Europe</b>	<b>47.6%</b>	<b>40.9%</b>

Versus MSCI ACWI ex USA - Quarter Ending September 30, 2020		
	Manager Ending Allocation (USD)	Index Ending Allocation (USD)
<b>Americas</b>		
Brazil*	0.8%	1.4%
Canada	4.4%	6.5%
Mexico*	0.7%	0.5%
Peru*	0.1%	0.1%
United States	4.5%	0.0%
<b>Total-Americas</b>	<b>10.4%</b>	<b>8.6%</b>
<b>AsiaPacific</b>		
Australia	1.6%	4.2%
China*	5.8%	12.5%
Hong Kong	6.1%	2.1%
India*	1.8%	2.5%
Indonesia*	0.2%	0.4%
Japan	15.1%	16.5%
Korea*	2.9%	3.6%
Philippines*	0.1%	0.2%
Singapore	0.9%	0.7%
Taiwan*	3.2%	3.8%
Vietnam**	0.0%	0.0%
<b>Total-AsiaPacific</b>	<b>37.8%</b>	<b>47.7%</b>
<b>Other</b>		
Israel	0.6%	0.4%
Other Countries	0.6%	0.0%
South Africa*	0.5%	1.1%
<b>Total-Other</b>	<b>1.7%</b>	<b>2.8%</b>
<b>Totals</b>		
Developed	80.4%	70.4%
Emerging*	16.5%	29.6%
Frontier**	0.0%	0.0%
Other	0.6%	
Cash	2.5%	

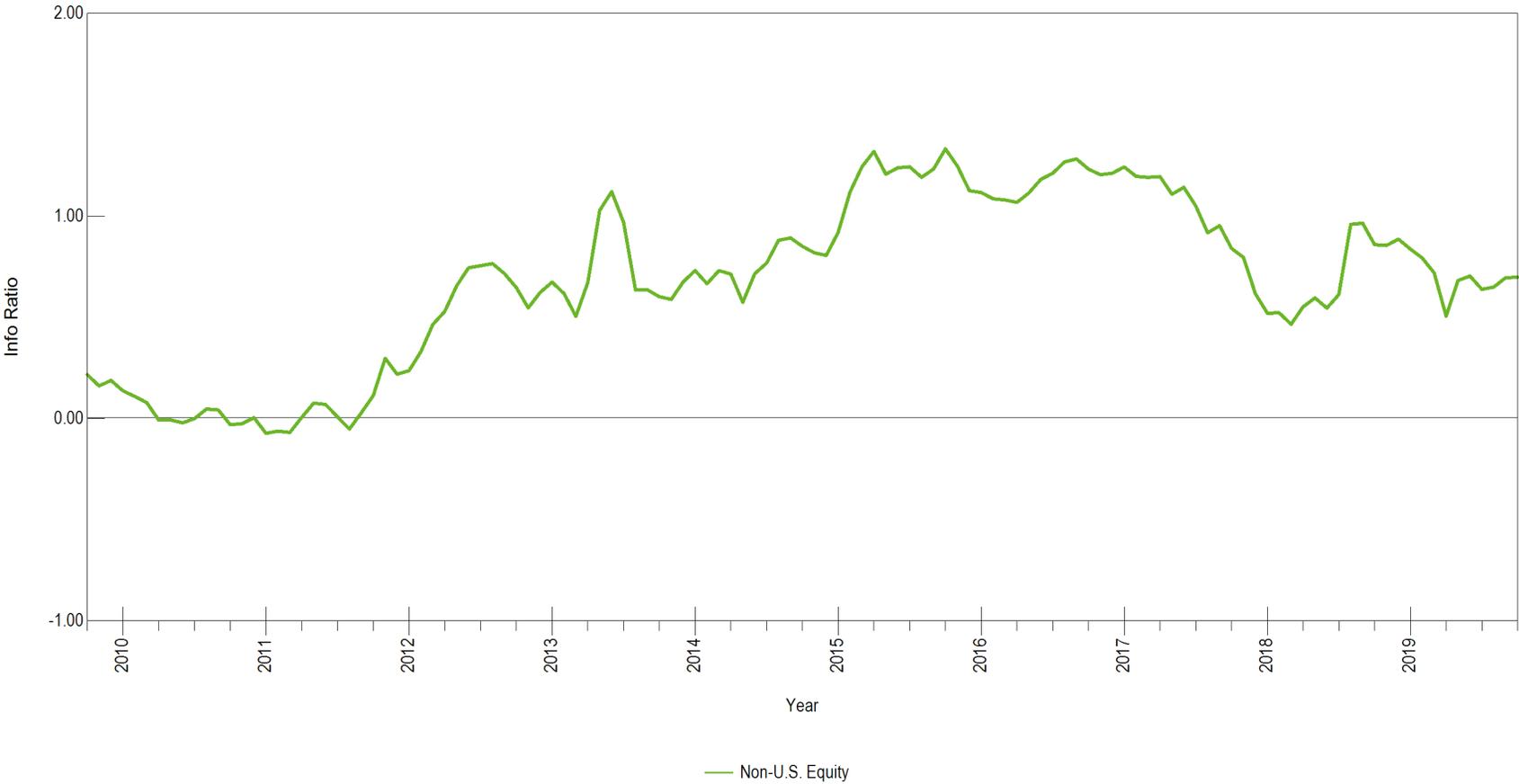
\* = Emerging Market  
\*\* = Frontier Market



Los Angeles City Employees' Retirement System

# NON-U.S. EQUITY ROLLING 5 YEAR INFORMATION

Rolling 5 Year Information Ratio



\*Returns are net of fees



# MANAGER REPORT CARD

Non-U.S. Equity Managers	Inception Date	Mandate	Current Quarter (Net)		One Year (Net)		Three Years (Net)		Five Years (Net)		Since Inception (Net)	Annual Mgt Fee Paid \$ (000)	Comments
			Index	Universe	Index	Universe	Index	Universe	Index	Universe	Index		
Axiom International	Mar-14	Emerging Markets	✓	✓	✓	✓	✓	✓	✓	✓	✓	2,645.8	On watch on August 2020 due to benchmark change
Q.M.A.	Apr-14	Emerging Markets	✓	✓	✗	✗	✗	✗	✗	✗	✗	1,478.5	On Watch since July 2019 due to performance; Watch extended in July 2020
DFA Emerging Markets	Jul-14	Emerging Markets	✓	✗	✗	✗	✗	✗	✓	✗	=	1,931.9	Performance compliant with LACERS' Manager Monitoring Policy
AQR	Feb-14	Non-U.S. Developed	✗	✗	✗	✗	✗	✗	✗	✗	✗	1,765.7	On Watch since May 2019 due to performance; Watch extended in May 2020
Oberweis Asset Mgt.	Jan-14	Non-U.S. Developed	✓	✓	✓	✓	✓	✓	✓	✓	✓	2,015.3	On Watch since February 2020 due to performance
Barrow, Hanley, Mewhinney & Strauss	Nov-13	Non-U.S. Developed	✓	✓	✓	=	✓	✓	✓	✓	✓	2,308.5	On Watch since August 2020 due to organizational change
Lazard Asset Mgt.	Nov-13	Non-U.S. Developed	✓	✓	✓	✗	✓	✗	✓	✗	✓	2,929.5	On Watch since February 2020 due to performance
MFS Institutional Advisors	Oct-13	Non-U.S. Developed	✗	✗	✗	✗	✓	✓	✓	✓	✓	2,535.9	Performance compliant with LACERS' Manager Monitoring Policy
SsgA (Passive)	Aug-93	Non-U.S. Developed	✗	✗	✓	✗	✓	=	✓	✓	✓✓	380.5	Performance compliant with LACERS' Manager Monitoring Policy

Note: Managers are placed on Watch List for concerns with organization, process and performance. Managers are normally on the Watch List for 12 months though may be longer if manager issues remain but not severe enough to warrant termination recommendation.

- Annual Management Fee Paid as of fiscal year ending June 30, 2020.
- \* Where net of fees performance is not available gross of fee returns are evaluated.

Legend	
✓	Outperformed
✗	Underperformed
=	Equal to
✓✓	Gross Return



# CORE FIXED INCOME

NEPC, LLC

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Los Angeles City Employees' Retirement System

**CORE FIXED INCOME (GROSS)**

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Core Fixed Income</b>	<b>3,122,595,425</b>	<b>100.00</b>	<b>1.01</b>	<b>7.82</b>	<b>8.15</b>	<b>5.68</b>	<b>4.72</b>		<b>4.11</b>	<b>Jul-12</b>
<i>Core Fixed Income Blend</i>			<u>0.62</u>	<u>6.79</u>	<u>6.98</u>	<u>5.24</u>	<u>4.18</u>		<u>3.46</u>	<i>Jul-12</i>
Over/Under			0.39	1.03	1.17	0.44	0.54		0.65	
Baird Advisors	360,435,355	11.54	0.97	6.49	7.03	4.92	4.04	3.77	4.57	Mar-05
<i>BBgBarc US Govt/Credit Int TR</i>			<u>0.61</u>	<u>5.92</u>	<u>6.32</u>	<u>4.43</u>	<u>3.39</u>	<u>2.91</u>	<u>3.91</u>	<i>Mar-05</i>
Over/Under			0.36	0.57	0.71	0.49	0.65	0.86	0.66	
LM Capital <sup>1</sup>	353,726,064	11.33	1.92	7.85	8.39	5.42	4.63	4.06	4.93	Mar-05
<i>LM Custom Benchmark</i>			<u>0.62</u>	<u>6.79</u>	<u>6.98</u>	<u>5.24</u>	<u>4.18</u>	<u>3.63</u>	<u>4.38</u>	<i>Mar-05</i>
Over/Under			1.30	1.06	1.41	0.18	0.45	0.43	0.55	
Loomis Sayles	883,898,023	28.31	1.07	9.00	9.22	6.38	5.61	4.86	9.09	Jul-80
<i>Loomis Custom Benchmark</i>			<u>0.62</u>	<u>6.79</u>	<u>6.98</u>	<u>5.24</u>	<u>4.18</u>	<u>3.77</u>	<u>7.61</u>	<i>Jul-80</i>
Over/Under			0.45	2.21	2.24	1.14	1.43	1.09	1.48	
Neuberger Berman	864,219,133	27.68	0.86	7.90	8.28	5.67	4.64	4.44	5.91	Sep-01
<i>Core Fixed Income Blend</i>			<u>0.62</u>	<u>6.79</u>	<u>6.98</u>	<u>5.24</u>	<u>4.18</u>	<u>3.77</u>	<u>4.82</u>	<i>Sep-01</i>
Over/Under			0.24	1.11	1.30	0.43	0.46	0.67	1.09	
SSgA U.S. Aggregate Bond <sup>1</sup>	660,316,850	21.15	0.66	6.84	7.02	5.27	4.20		3.96	Jul-14
<i>BBgBarc US Aggregate TR</i>			<u>0.62</u>	<u>6.79</u>	<u>6.98</u>	<u>5.24</u>	<u>4.18</u>		<u>3.93</u>	<i>Jul-14</i>
Over/Under			0.04	0.05	0.04	0.03	0.02		0.03	

1 Portfolio has a mid-month inception date. Since inception return is calculated from the first full month of performance.  
BBgBarc = Bloomberg Barclays



Los Angeles City Employees' Retirement System

CORE FIXED INCOME (NET)

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
<b>Core Fixed Income</b>	<b>3,122,595,425</b>	<b>100.00</b>	<b>0.99</b>	<b>79</b>	<b>7.74</b>	<b>12</b>	<b>8.04</b>	<b>14</b>	<b>5.57</b>	<b>18</b>	<b>4.61</b>	<b>49</b>			<b>4.00</b>	<b>Jul-12</b>
Core Fixed Income Blend			<u>0.62</u>	93	<u>6.79</u>	42	<u>6.98</u>	50	<u>5.24</u>	47	<u>4.18</u>	87			<u>3.46</u>	Jul-12
Over/Under			0.37		0.95		1.06		0.33		0.43				0.54	
InvMetrics Public DB > \$1 Billion US Fixed Income Net Median			1.54		6.31		6.96		5.11		4.58				3.77	Jul-12
Baird Advisors	360,435,355	11.54	0.95	40	6.40	18	6.92	16	4.80	13	3.92	17	3.64	15	4.44	Mar-05
BBgBarc US Govt/Credit Int TR			<u>0.61</u>	74	<u>5.92</u>	40	<u>6.32</u>	44	<u>4.43</u>	45	<u>3.39</u>	51	<u>2.91</u>	65	<u>3.91</u>	Mar-05
Over/Under			0.34		0.48		0.60		0.37		0.53		0.73		0.53	
eV US Interm Duration Fixed Inc Net Median			0.83		5.76		6.20		4.39		3.40		2.98		4.07	Mar-05
LM Capital <sup>1</sup>	353,726,064	11.33	1.90	6	7.78	20	8.29	15	5.31	55	4.53	39	3.93	46	4.79	Mar-05
LM Custom Benchmark			<u>0.62</u>	88	<u>6.79</u>	63	<u>6.98</u>	62	<u>5.24</u>	61	<u>4.18</u>	71	<u>3.63</u>	72	<u>4.38</u>	Mar-05
Over/Under			1.28		0.99		1.31		0.07		0.35		0.30		0.41	
eV US Core Fixed Inc Net Median			1.06		7.18		7.24		5.35		4.38		3.88		4.68	Mar-05
Loomis Sayles <sup>2</sup>	883,898,023	28.31	1.04	51	8.90	5	9.09	4	6.25	6	5.48	4	4.73	4	9.09	Jul-80
Loomis Custom Benchmark			<u>0.62</u>	88	<u>6.79</u>	63	<u>6.98</u>	62	<u>5.24</u>	61	<u>4.18</u>	71	<u>3.77</u>	60	<u>7.61</u>	Jul-80
Over/Under			0.42		2.11		2.11		1.01		1.30		0.96		1.48	
eV US Core Fixed Inc Net Median			1.06		7.18		7.24		5.35		4.38		3.88			Jul-80
Neuberger Berman	864,219,133	27.68	0.83	68	7.79	20	8.14	18	5.53	33	4.49	42	4.27	22	5.76	Sep-01
Core Fixed Income Blend			<u>0.62</u>	88	<u>6.79</u>	63	<u>6.98</u>	62	<u>5.24</u>	61	<u>4.18</u>	71	<u>3.77</u>	60	<u>4.82</u>	Sep-01
Over/Under			0.21		1.00		1.16		0.29		0.31		0.50		0.94	
eV US Core Fixed Inc Net Median			1.06		7.18		7.24		5.35		4.38		3.88		4.79	Sep-01
SSgA U.S. Aggregate Bond <sup>1</sup>	660,316,850	21.15	0.65	87	6.80	63	6.98	62	5.23	62	4.16	74			3.92	Jul-14
BBgBarc US Aggregate TR			<u>0.62</u>	88	<u>6.79</u>	63	<u>6.98</u>	62	<u>5.24</u>	61	<u>4.18</u>	71			<u>3.93</u>	Jul-14
Over/Under			0.03		0.01		0.00		-0.01		-0.02				-0.01	
eV US Core Fixed Inc Net Median			1.06		7.18		7.24		5.35		4.38				4.01	Jul-14

1 Portfolio has a mid-month inception date. Since inception return is calculated from the first full month of performance.

BBgBarc = Bloomberg Barclays

2 Loomis since inception is gross of fees.

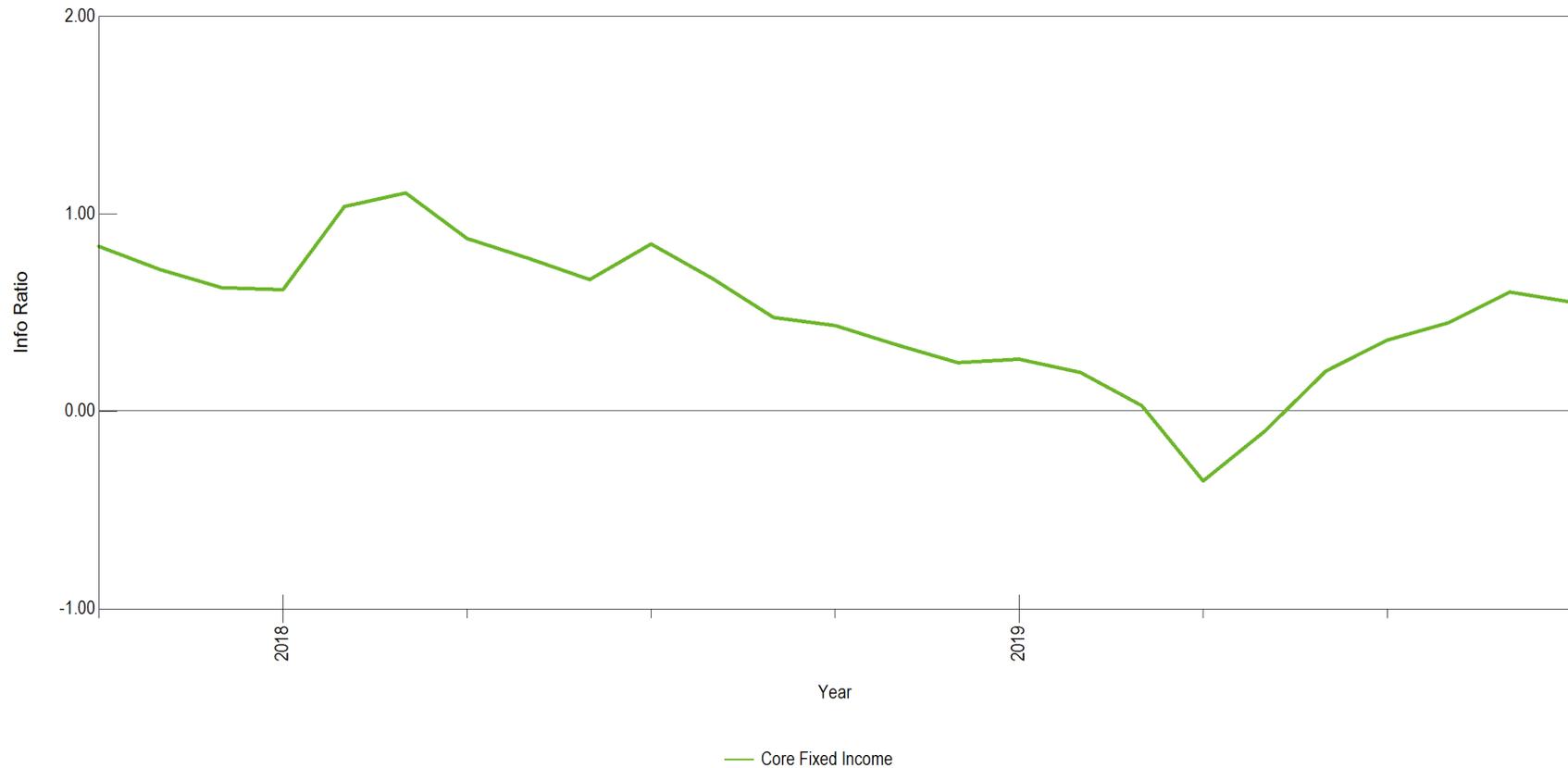
eV = eVestment



## Los Angeles City Employees' Retirement System

# CORE FIXED INCOME 3 YEAR INFORMATION RATIO

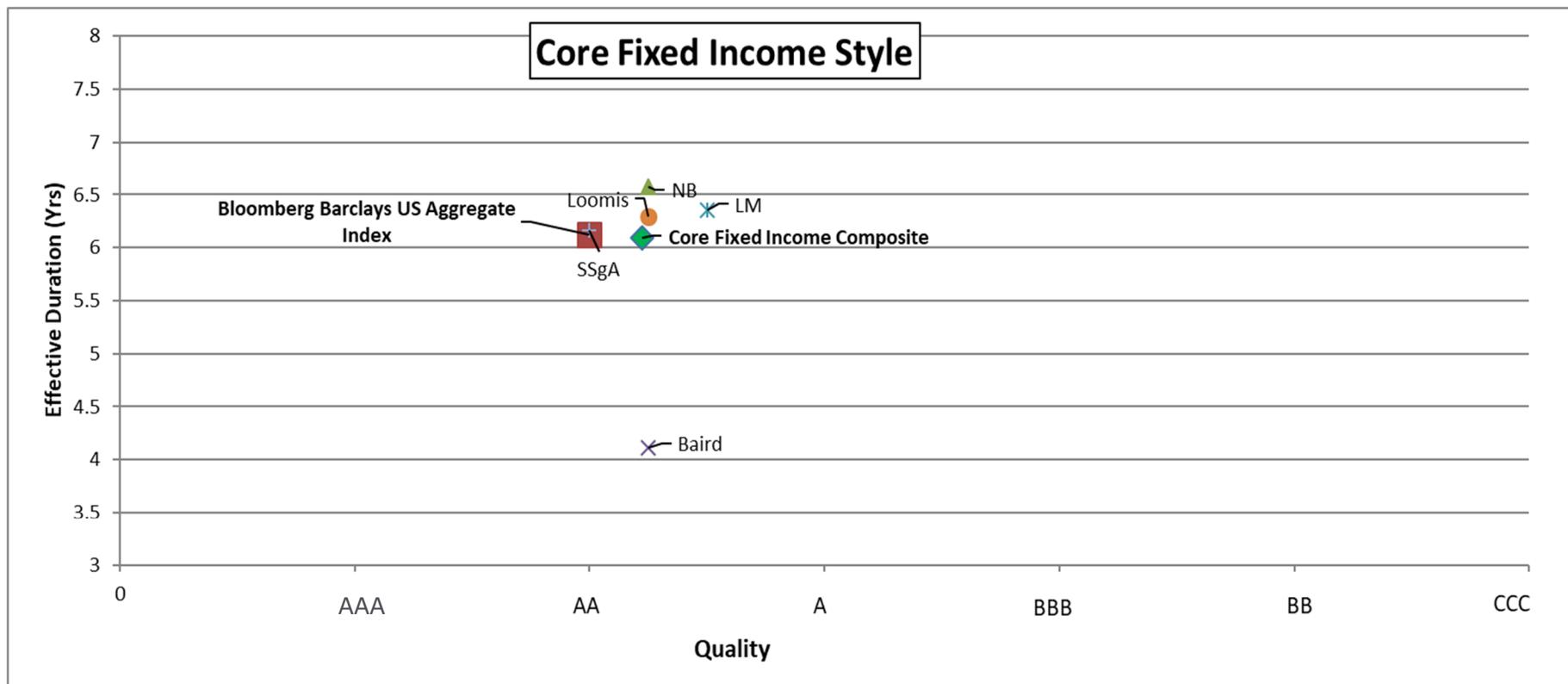
Rolling 3 Year Information Ratio



\*Returns are net of fees



# CORE FIXED INCOME STYLE ANALYSIS



- LACERS Core Fixed Income Composite has a slightly lower duration (interest rate risk) than its benchmark.
- The Core Fixed Income Composite has slightly lower average quality rating than its benchmark.



# MANAGER REPORT CARD

Core Fixed Income Managers	Inception Date	Mandate	Current Quarter (Net)		One Year (Net)		Three Years (Net)		Five Years (Net)		Since Inception (Net)	Annual Mgt Fee Paid \$ (000)	Comments
			Index	Universe	Index	Universe	Index	Universe	Index	Universe	Index		
			Neuberger Berman	Sep-01	Core	✓	✗	✓	✓	✓	✓		
Loomis Sayles	Jul-80	Core	✓	✗	✓	✓	✓	✓	✓	✓	✓✓	1029.2	Performance compliant with LACERS' Manager Monitoring Policy
Baird Advisors	Mar-05	Intermediate	✓	✓	✓	✓	✓	✓	✓	✓	✓	372.7	Performance compliant with LACERS' Manager Monitoring Policy
LM Capital Group	Mar-05	Core	✓	✓	✓	✓	✓	✗	✓	✓	✓	317.4	On Watch since May 2019 due to performance; Watch extended in April 2020
SSgA (Passive)	Jul-14	Core	✓	✗	=	✗	✗	✗	✗	✗	✗	347.4	Performance compliant with LACERS' Manager Monitoring Policy

Note: Managers are placed on Watch List for concerns with organization, process and performance. Managers are normally on the Watch List for 12 months though may be longer if manager issues remain but not severe enough to warrant termination recommendation.

- Annual Management Fee Paid as of fiscal year ending June 30, 2020.
- \* Where net of fees performance is not available gross of fee returns are evaluated.

Legend	
✓	Outperformed
✗	Underperformed
=	Equal to
✓✓	Gross Return



# CREDIT OPPORTUNITIES

NEPC, LLC

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Los Angeles City Employees' Retirement System

# CREDIT OPPORTUNITIES (GROSS)

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Credit Opportunities</b>	<b>1,045,224,818</b>	<b>100.00</b>	<b>4.20</b>	<b>-0.96</b>	<b>1.52</b>	<b>3.81</b>	<b>6.22</b>		<b>5.24</b>	<b>Jun-13</b>
<i>Credit Opportunities Blend</i>			<u>3.78</u>	<u>0.22</u>	<u>2.56</u>	<u>3.97</u>	<u>6.59</u>		<u>5.54</u>	<i>Jun-13</i>
Over/Under			0.42	-1.18	-1.04	-0.16	-0.37		-0.30	
AEGON USA	372,289,102	35.62	6.25	-1.04	2.01	4.02	6.59		5.62	Jun-13
<i>BBgBarc US High Yield 2% Issuer Cap TR</i>			<u>4.58</u>	<u>0.57</u>	<u>3.20</u>	<u>4.19</u>	<u>6.78</u>		<u>5.46</u>	<i>Jun-13</i>
Over/Under			1.67	-1.61	-1.19	-0.17	-0.19		0.16	
Prudential Emerging Markets	429,487,372	41.09	2.67	-1.12	1.46	4.12	6.89		5.35	May-14
<i>JP Morgan EMBI Global Diversified</i>			<u>2.32</u>	<u>-0.51</u>	<u>1.29</u>	<u>3.49</u>	<u>6.15</u>		<u>4.68</u>	<i>May-14</i>
Over/Under			0.35	-0.61	0.17	0.63	0.74		0.67	
Bain Capital Senior Loan Fund, LP*	218,450,951	20.90	4.27	0.31	1.55	3.29	3.95		3.53	Jun-15
<i>Credit Suisse Leveraged Loans</i>			<u>4.13</u>	<u>-0.83</u>	<u>0.84</u>	<u>3.16</u>	<u>4.03</u>		<u>3.59</u>	<i>Jun-15</i>
Over/Under			0.14	1.14	0.71	0.13	-0.08		-0.06	
SLC Mgmt Talf	24,984,098	2.39	-0.06						-0.06	Jun-20

- Credit Opportunities Blend = 65% BBgBarc US High Yield 2% Issuer Cap TR / 35% JP Morgan EMBI Global Diversified 7/01/2014 to present; BBgBarc US High Yield 2% Issuer Cap TR prior to

eA = eVestment Alliance

BBgBarc = Bloomberg Barclays

\*Net of fee return since vehicle is commingled.



Los Angeles City Employees' Retirement System

# CREDIT OPPORTUNITIES (NET)

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
<b>Credit Opportunities</b>	<b>1,045,224,818</b>	<b>100.00</b>	<b>4.13</b>		<b>-1.17</b>		<b>1.22</b>		<b>3.49</b>		<b>5.87</b>				<b>4.90</b>	<b>Jun-13</b>
<i>Credit Opportunities Blend</i>			<u>3.78</u>		<u>0.22</u>		<u>2.56</u>		<u>3.97</u>		<u>6.59</u>				<u>5.54</u>	<i>Jun-13</i>
Over/Under			0.35		-1.39		-1.34		-0.48		-0.72				-0.64	
AEGON USA	372,289,102	35.62	6.16	5	-1.31	79	1.63	70	3.64	49	6.20	31			5.25	Jun-13
<i>BBgBarc US High Yield 2% Issuer Cap TR</i>			<u>4.58</u>	49	<u>0.57</u>	43	<u>3.20</u>	31	<u>4.19</u>	25	<u>6.78</u>	14			<u>5.46</u>	<i>Jun-13</i>
Over/Under			1.58		-1.88		-1.57		-0.55		-0.58				-0.21	
<i>eV US High Yield Fixed Inc Net Median</i>			4.54		0.28		2.61		3.62		5.92				4.92	<i>Jun-13</i>
Prudential Emerging Markets	429,487,372	41.09	2.59	70	-1.40	60	1.08	63	3.72	27	6.46	37			4.96	May-14
<i>JP Morgan EMBI Global Diversified</i>			<u>2.32</u>	81	<u>-0.51</u>	46	<u>1.29</u>	62	<u>3.49</u>	30	<u>6.15</u>	54			<u>4.68</u>	<i>May-14</i>
Over/Under			0.27		-0.89		-0.21		0.23		0.31				0.28	
<i>eV Emg Mkts Fixed Inc - Hard Currency Net Median</i>			2.86		-0.76		1.91		2.52		6.28				4.04	<i>May-14</i>
Bain Capital Senior Loan Fund, LP	218,450,951	20.90	4.27	16	0.31	10	1.55	15	3.29	17	3.95	17			3.53	Jun-15
<i>Credit Suisse Leveraged Loans</i>			<u>4.13</u>	19	<u>-0.83</u>	34	<u>0.84</u>	36	<u>3.16</u>	20	<u>4.03</u>	15			<u>3.59</u>	<i>Jun-15</i>
Over/Under			0.14		1.14		0.71		0.13		-0.08				-0.06	
<i>eV US Float-Rate Bank Loan Fixed Inc Net Median</i>			3.64		-1.51		0.09		2.52		3.44				3.12	<i>Jun-15</i>
SLC Mgmt Talf	24,984,098	2.39	-0.06												-0.06	Jun-20

- Credit Opportunities Blend = 65% BBgBarc US High Yield 2% Issuer Cap TR / 35% JP Morgan EMBI Global Diversified 7/01/2014 to present; BBgBarc US High Yield 2% Issuer Cap TR prior to

eA = eVestment Alliance

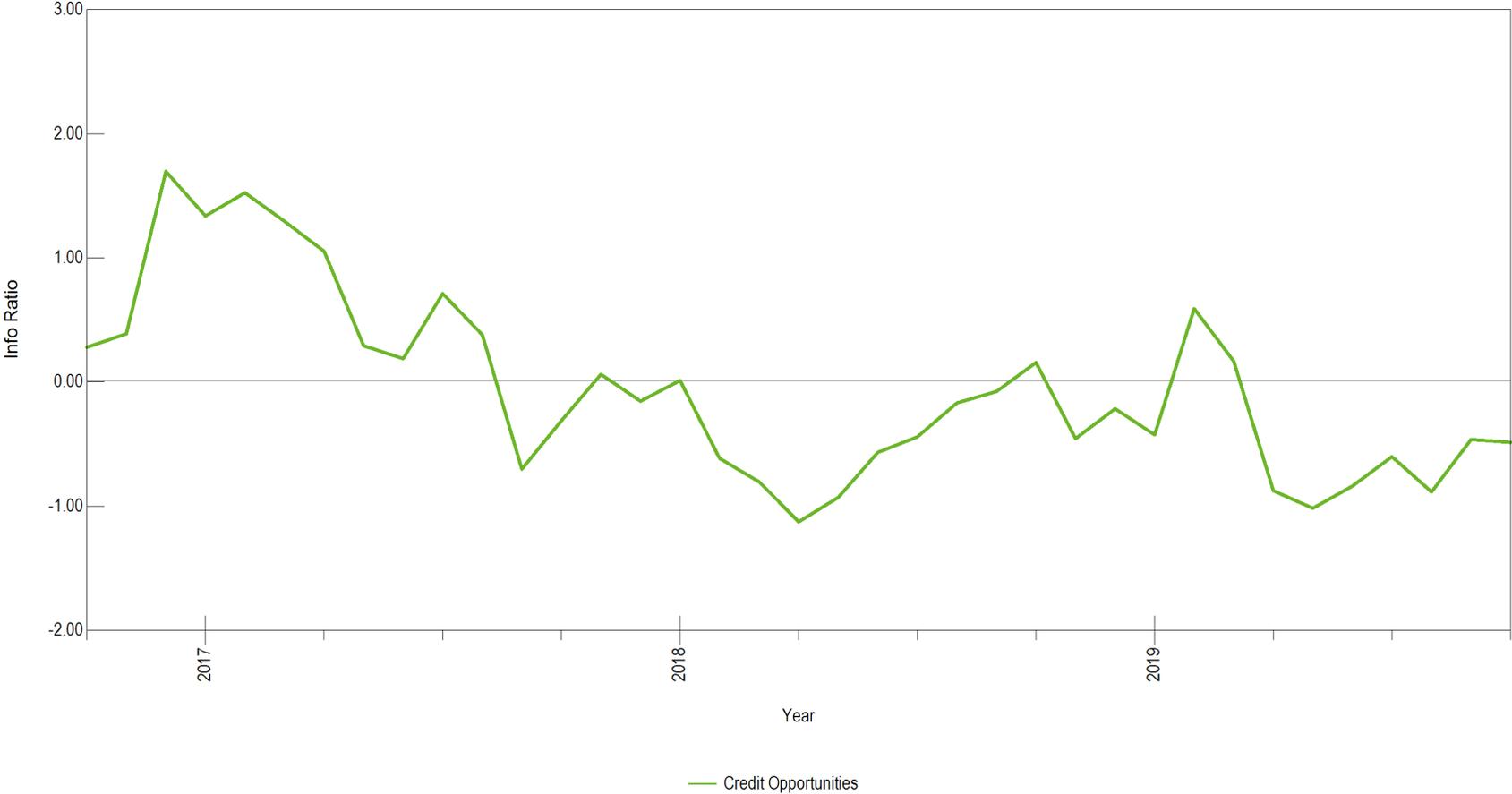
BBgBarc = Bloomberg Barclays



Los Angeles City Employees' Retirement System

# CREDIT OPPORTUNITIES ROLLING 1 YEAR

Rolling 1 Year Information Ratio



\*Returns are net of fees



# MANAGER REPORT CARD

Credit Opportunities Managers	Inception Date	Mandate	Current Quarter (Net)		One Year (Net)		Three Years (Net)		Five Years (Net)		Since Inception (Net)	Annual Mgt Fee Paid \$ (000)	Comments
			Index Universe	Index Universe	Index Universe	Index Universe	Index Universe	Index Universe	Index				
AEGON USA	Jun-13	High Yield Bonds										1,372.8	Terminated as of 10/13/2020
Prudential	May-14	Emerging Market Debt	✓	✘	✘	✘	✓	✓	✓	✓	✓	1,538.5	On Watch since May 2020 due to performance
Bain	Jun-15	Bank Loans	✓	✓	✓	✓	✓	✓	✘	✓	✘	885.4	On Watch since July 2020 due to performance
SLC	Jun-20	TALF	✘	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	Performance compliant with LACERS' Manager Monitoring Policy

Note: Managers are placed on Watch List for concerns with organization, process and performance. Managers are normally on the Watch List for 12 months though may be longer if manager issues remain but not severe enough to warrant termination recommendation.

- Annual Management Fee Paid as of fiscal year ending June 30, 2020.
- \* Where net of fees performance is not available gross of fee returns are evaluated.

Legend	
✓	Outperformed
✘	Underperformed
=	Equal to
✓✓	Gross Return



# REAL ASSETS

NEPC, LLC

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Los Angeles City Employees' Retirement System

# REAL ASSETS (GROSS)

	Market Value (\$)	% of Portfolio	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Inception (%)	Inception Date
<b>Real Assets</b>	<b>2,049,450,850</b>	<b>100.00</b>	<b>1.66</b>	<b>-0.18</b>	<b>1.31</b>	<b>4.25</b>	<b>5.28</b>	<b>7.78</b>	<b>6.12</b>	<b>Nov-94</b>
<i>CPI + 5% (Unadjusted)</i>			<u>2.20</u>	<u>5.06</u>	<u>6.43</u>	<u>6.87</u>	<u>6.89</u>	<u>6.85</u>	<u>7.26</u>	<i>Nov-94</i>
Over/Under			-0.54	-5.24	-5.12	-2.62	-1.61	0.93	-1.14	
<b>Public Real Assets</b>	<b>1,243,465,383</b>	<b>60.67</b>	<b>3.95</b>	<b>2.63</b>	<b>4.07</b>	<b>4.15</b>	<b>3.98</b>		<b>2.33</b>	<b>Jun-14</b>
<i>Public Real Assets Blend</i>			<u>2.03</u>	<u>-2.07</u>	<u>-1.07</u>	<u>1.65</u>	<u>2.27</u>		<u>-0.42</u>	<i>Jun-14</i>
Over/Under			1.92	4.70	5.14	2.50	1.71		2.75	
<b>TIPS</b>	<b>833,979,331</b>	<b>40.69</b>	<b>3.52</b>	<b>10.17</b>	<b>11.05</b>	<b>6.15</b>	<b>4.86</b>		<b>3.38</b>	<b>Jul-14</b>
<i>BBgBarc US TIPS TR</i>			<u>3.03</u>	<u>9.22</u>	<u>10.08</u>	<u>5.79</u>	<u>4.61</u>		<u>3.23</u>	<i>Jul-14</i>
Over/Under			0.49	0.95	0.97	0.36	0.25		0.15	
<i>DFA US TIPS<sup>1</sup></i>	<i>833,979,331</i>	<i>40.69</i>	<i>3.52</i>	<i>10.17</i>	<i>11.05</i>	<i>6.15</i>	<i>4.95</i>		<i>3.50</i>	<i>Aug-14</i>
<i>BBgBarc US TIPS TR</i>			<u>3.03</u>	<u>9.22</u>	<u>10.08</u>	<u>5.79</u>	<u>4.61</u>		<u>3.23</u>	<i>Aug-14</i>
Over/Under			0.49	0.95	0.97	0.36	0.34		0.27	
<b>REITS</b>	<b>213,461,344</b>	<b>10.42</b>	<b>1.10</b>	<b>-8.32</b>	<b>-8.13</b>	<b>5.77</b>	<b>8.05</b>		<b>6.36</b>	<b>Mar-15</b>
<i>FTSE NAREIT All Equity REIT</i>			<u>1.19</u>	<u>-12.27</u>	<u>-12.15</u>	<u>3.42</u>	<u>6.53</u>		<u>4.29</u>	<i>Mar-15</i>
Over/Under			-0.09	3.95	4.02	2.35	1.52		2.07	
<i>CenterSquare US Real Estate<sup>1</sup></i>	<i>213,461,344</i>	<i>10.42</i>	<i>1.10</i>	<i>-8.32</i>	<i>-8.13</i>	<i>5.77</i>	<i>8.05</i>		<i>7.07</i>	<i>May-15</i>
<i>FTSE NAREIT All Equity REIT</i>			<u>1.19</u>	<u>-12.27</u>	<u>-12.15</u>	<u>3.42</u>	<u>6.53</u>		<u>5.34</u>	<i>May-15</i>
Over/Under			-0.09	3.95	4.02	2.35	1.52		1.73	
<b>Commodities</b>	<b>196,024,707</b>	<b>9.56</b>	<b>9.21</b>	<b>-11.54</b>	<b>-7.37</b>	<b>-3.67</b>	<b>-2.47</b>		<b>-5.26</b>	<b>Jun-15</b>
<i>Bloomberg Commodity Index TR USD</i>			<u>9.07</u>	<u>-12.08</u>	<u>-8.20</u>	<u>-4.18</u>	<u>-3.09</u>		<u>-5.79</u>	<i>Jun-15</i>
Over/Under			0.14	0.54	0.83	0.51	0.62		0.53	
<i>CoreCommodity Mgmt<sup>1</sup></i>	<i>196,024,707</i>	<i>9.56</i>	<i>9.21</i>	<i>-11.54</i>	<i>-7.37</i>	<i>-3.67</i>	<i>-2.47</i>		<i>-5.26</i>	<i>Jul-15</i>
<i>Bloomberg Commodity Index TR USD</i>			<u>9.07</u>	<u>-12.08</u>	<u>-8.20</u>	<u>-4.18</u>	<u>-3.09</u>		<u>-5.79</u>	<i>Jul-15</i>
Over/Under			0.14	0.54	0.83	0.51	0.62		0.53	
<b>Private Real Estate</b>	<b>787,209,372</b>	<b>38.41</b>	<b>-1.75</b>	<b>-4.44</b>	<b>-2.87</b>	<b>3.82</b>	<b>6.14</b>	<b>8.80</b>	<b>6.50</b>	<b>Oct-94</b>
<i>Real Estate Blend</i>			<u>0.68</u>	<u>0.48</u>	<u>2.20</u>	<u>6.02</u>	<u>7.49</u>	<u>10.49</u>	<u>9.53</u>	<i>Oct-94</i>
Over/Under			-2.43	-4.92	-5.07	-2.20	-1.35	-1.69	-3.03	
<b>Timber</b>	<b>18,776,096</b>	<b>0.92</b>	<b>-0.49</b>	<b>4.44</b>	<b>4.39</b>	<b>2.80</b>	<b>3.03</b>	<b>5.46</b>	<b>9.02</b>	<b>Sep-99</b>

<sup>1</sup> Portfolio has a mid-month inception date. Since inception return is calculated from the first full month of performance.

- Public Real Assets Custom Benchmark = 60% BBgBarc US TIPS TR / 20% Bloomberg Commodity Index TR USD / 10% Alerian MLP TR USD / 10% FTSE NAREIT All REIT

- Real Estate Blend = NCREIF-ODCE + 80bps 7/1/2014 to present; NCREIF Property Index 1 Qtr Lag plus 100bps 7/1/2012 - 6/30/2014; NCREIF Property Index prior to

eA = eVestment Alliance



Los Angeles City Employees' Retirement System

# REAL ASSETS (NET)

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
<b>Real Assets</b>	<b>2,049,450,850</b>	<b>100.00</b>	<b>1.62</b>		<b>-0.29</b>		<b>1.15</b>		<b>4.09</b>		<b>5.12</b>		<b>7.64</b>			<b>Nov-94</b>
<i>CPI + 5% (Unadjusted)</i>			<u>2.20</u>		<u>5.06</u>		<u>6.43</u>		<u>6.87</u>		<u>6.89</u>		<u>6.85</u>			<i>Nov-94</i>
Over/Under			-0.58		-5.35		-5.28		-2.78		-1.77		0.79			
<b>Public Real Assets</b>	<b>1,243,465,383</b>	<b>60.67</b>	<b>3.90</b>		<b>2.47</b>		<b>3.86</b>		<b>3.93</b>		<b>3.73</b>				<b>2.12</b>	<b>Jun-14</b>
<i>Public Real Assets Blend</i>			<u>2.03</u>		<u>-2.07</u>		<u>-1.07</u>		<u>1.65</u>		<u>2.27</u>				<u>-0.42</u>	<i>Jun-14</i>
Over/Under			1.87		4.54		4.93		2.28		1.46				2.54	
<b>TIPS</b>	<b>833,979,331</b>	<b>40.69</b>	<b>3.51</b>		<b>10.13</b>		<b>11.00</b>		<b>6.10</b>		<b>4.80</b>				<b>3.32</b>	<b>Jul-14</b>
<i>BBgBarc US TIPS TR</i>			<u>3.03</u>		<u>9.22</u>		<u>10.08</u>		<u>5.79</u>		<u>4.61</u>				<u>3.23</u>	<i>Jul-14</i>
Over/Under			0.48		0.91		0.92		0.31		0.19				0.09	
DFA US TIPS <sup>1</sup>	833,979,331	40.69	3.51	30	10.13	12	11.00	14	6.10	20	4.90	19			3.45	Aug-14
<i>BBgBarc US TIPS TR</i>			<u>3.03</u>	63	<u>9.22</u>	39	<u>10.08</u>	34	<u>5.79</u>	38	<u>4.61</u>	46			<u>3.23</u>	<i>Aug-14</i>
Over/Under			0.48		0.91		0.92		0.31		0.29				0.22	
<i>eV US TIPS / Inflation Fixed Inc Net Median</i>			3.27		8.86		9.90		5.77		4.57				3.07	<i>Aug-14</i>
<b>REITS</b>	<b>213,461,344</b>	<b>10.42</b>	<b>0.99</b>		<b>-8.61</b>		<b>-8.52</b>		<b>5.32</b>		<b>7.57</b>				<b>5.91</b>	<b>Mar-15</b>
<i>FTSE NAREIT All Equity REIT</i>			<u>1.19</u>		<u>-12.27</u>		<u>-12.15</u>		<u>3.42</u>		<u>6.53</u>				<u>4.29</u>	<i>Mar-15</i>
Over/Under			-0.20		3.66		3.63		1.90		1.04				1.62	
CenterSquare US Real Estate <sup>1</sup>	213,461,344	10.42	0.99	77	-8.61	28	-8.52	28	5.32	23	7.57	19			6.61	May-15
<i>FTSE NAREIT All Equity REIT</i>			<u>1.19</u>	72	<u>-12.27</u>	51	<u>-12.15</u>	44	<u>3.42</u>	37	<u>6.53</u>	36			<u>5.34</u>	<i>May-15</i>
Over/Under			-0.20		3.66		3.63		1.90		1.04				1.27	
<i>eV US REIT Net Median</i>			1.87		-12.25		-12.53		2.53		5.00				4.30	<i>May-15</i>
<b>Commodities</b>	<b>196,024,707</b>	<b>9.56</b>	<b>9.08</b>		<b>-11.94</b>		<b>-7.91</b>		<b>-4.30</b>		<b>-3.16</b>				<b>-5.91</b>	<b>Jun-15</b>
<i>Bloomberg Commodity Index TR USD</i>			<u>9.07</u>		<u>-12.08</u>		<u>-8.20</u>		<u>-4.18</u>		<u>-3.09</u>				<u>-5.79</u>	<i>Jun-15</i>
Over/Under			0.01		0.14		0.29		-0.12		-0.07				-0.12	
CoreCommodity Mgmt <sup>1</sup>	196,024,707	9.56	9.08		-11.94		-7.91		-4.30		-3.16				-5.91	Jul-15
<i>Bloomberg Commodity Index TR USD</i>			<u>9.07</u>		<u>-12.08</u>		<u>-8.20</u>		<u>-4.18</u>		<u>-3.09</u>				<u>-5.79</u>	<i>Jul-15</i>
Over/Under			0.01		0.14		0.29		-0.12		-0.07				-0.12	

<sup>1</sup> Portfolio has a mid-month inception date. Since inception return is calculated from the first full month of performance. No universe is available.

- Public Real Assets Custom Benchmark = 60% BBgBarc US TIPS TR / 20% Bloomberg Commodity Index TR USD / 10% Alerian MLP TR USD / 10% FTSE NAREIT All REIT

eA = eVestment Alliance



Los Angeles City Employees' Retirement System

**REAL ASSETS (NET)**

	Market Value (\$)	% of Portfolio	3 Mo (%)	Rank	YTD (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank	Inception (%)	Inception Date
<b>Private Real Estate</b>	<b>787,209,372</b>	<b>38.41</b>	<b>-1.78</b>	<b>96</b>	<b>-4.50</b>	<b>96</b>	<b>-2.96</b>	<b>94</b>	<b>3.74</b>	<b>71</b>	<b>6.05</b>	<b>72</b>	<b>8.69</b>	<b>58</b>		<b>Oct-94</b>
<i>Real Estate Blend</i>			<u>0.68</u>	14	<u>0.48</u>	2	<u>2.20</u>	6	<u>6.02</u>	7	<u>7.49</u>	9	<u>10.49</u>	11		Oct-94
<i>Over/Under</i>			<b>-2.46</b>		<b>-4.98</b>		<b>-5.16</b>		<b>-2.28</b>		<b>-1.44</b>		<b>-1.80</b>			
<i>InvMetrics Public DB Real Estate</i>			0.01		-1.09		0.53		4.73		6.39		9.04			Oct-94
<i>Priv Net Median</i>																
<b>Timber</b>	<b>18,776,096</b>	<b>0.92</b>	<b>-0.49</b>		<b>4.44</b>		<b>4.39</b>		<b>2.80</b>		<b>3.03</b>		<b>5.45</b>			<b>Sep-99</b>

- Real Estate Blend = NCREIF-ODCE + 80bps 7/1/2014 to present; NCREIF Property Index 1 Qtr Lag plus 100bps 7/1/2012 - 6/30/2014; NCREIF Property Index prior to eA = eVestment Alliance



# MANAGER REPORT CARD

Real Assets Managers	Inception Date	Mandate	Current Quarter (Net)		One Year (Net)		Three Years (Net)		Five Years (Net)		Since Inception (Net)	Annual Mgt Fee Paid \$ (000)	Comments
			Index	Universe	Index	Universe	Index	Universe	Index	Universe	Index		
DFA	Jul-14	U.S. TIPS	✓	✓	✓	✓	✓	✓	✓	✓	✓	383.6	Performance compliant with LACERS' Manager Monitoring Policy
CenterSquare	Apr-15	REITS	✗	✗	✓	✓	✓	✓	✓	✓	✓	923.6	Performance compliant with LACERS' Manager Monitoring Policy
CoreCommodity Mgt.	Jul -15	Commodities	✓	N/A	✓	N/A	✗	N/A	✗	N/A	✗	1,141.2	On Watch since September 2020 due to performance

Note: Managers are placed on Watch List for concerns with organization, process and performance. Managers are normally on the Watch List for 12 months though may be longer if manager issues remain but not severe enough to warrant termination recommendation.

- Annual Management Fee Paid as of fiscal year ending June 30, 2020.
- \* Where net of fees performance is not available gross of fee returns are evaluated.

Legend	
✓	Outperformed
✗	Underperformed
=	Equal to
✓✓	Gross Return



# APPENDIX

NEPC, LLC

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# U.S. EQUITY MANAGER PERFORMANCE

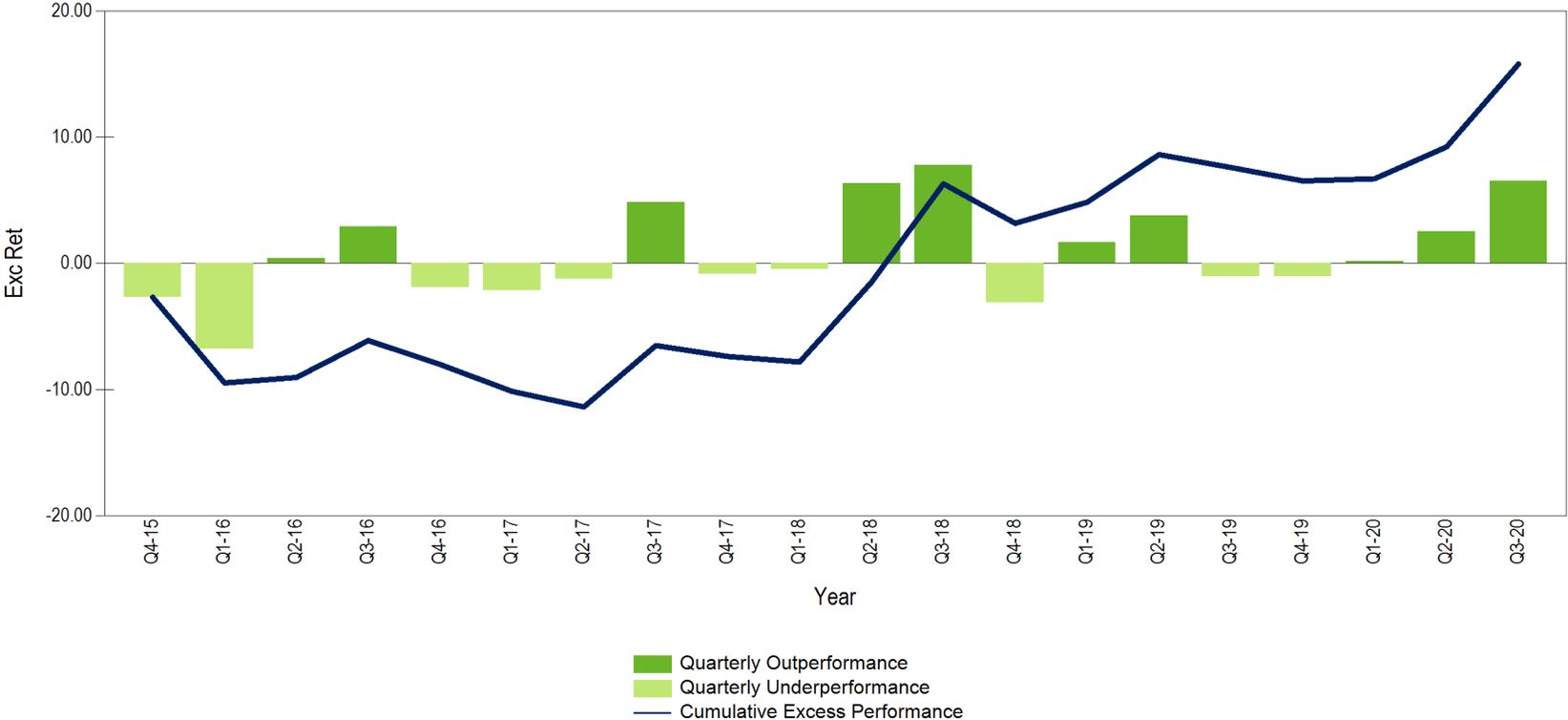
NEPC, LLC

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# Los Angeles City Employees' Retirement System

## EAM INVESTORS

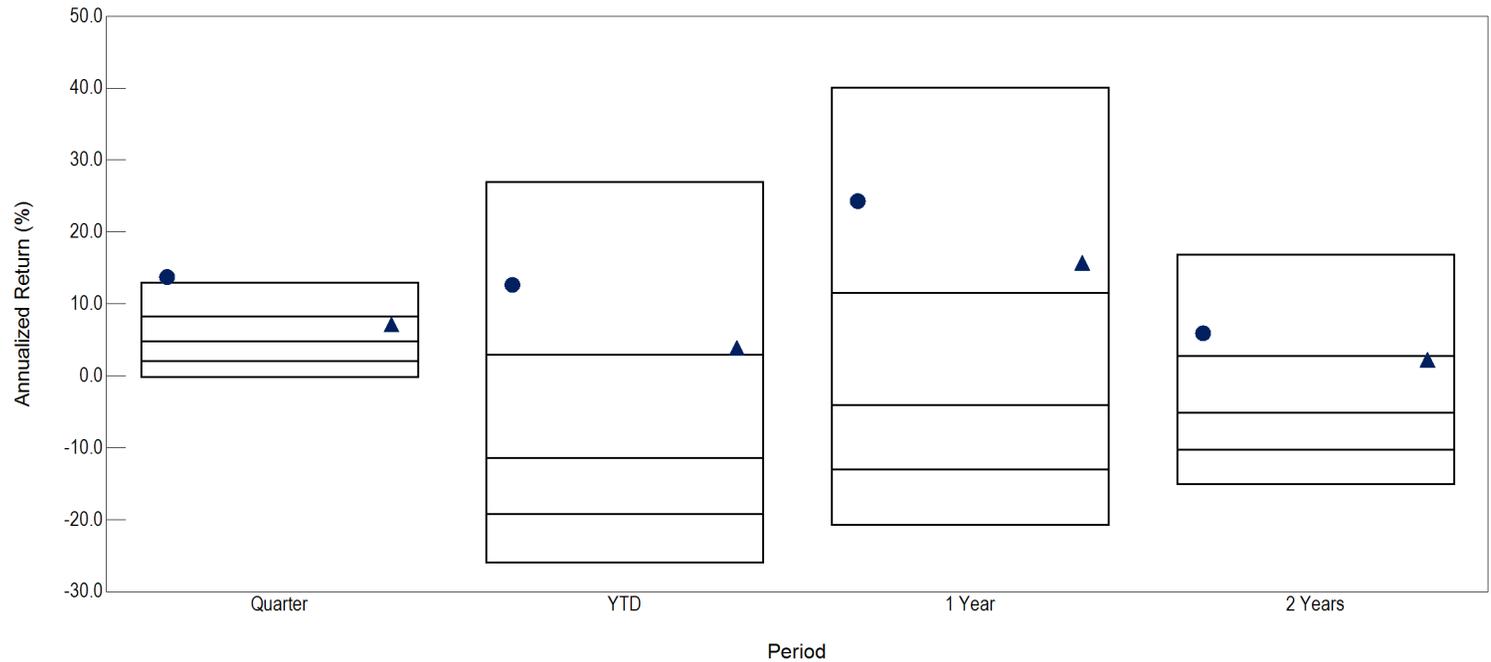
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

# EAM INVESTORS

EAM Investors vs. eV US Small Cap Equity Net



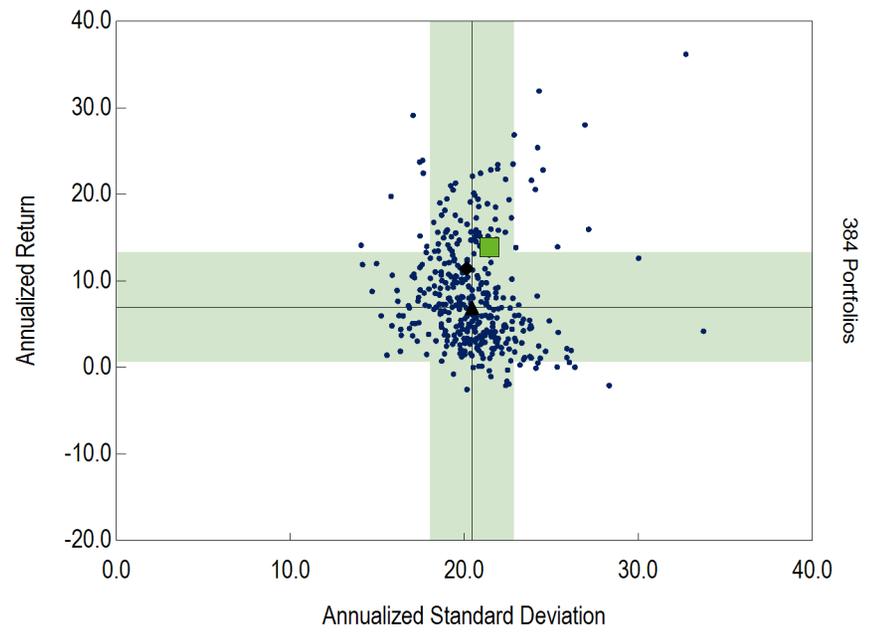
	Return (Rank)		Return (Rank)		Return (Rank)		Return (Rank)	
5th Percentile	12.95		26.93		40.01		16.86	
25th Percentile	8.32		3.02		11.64		2.82	
Median	4.91		-11.35		-3.97		-5.03	
75th Percentile	2.10		-19.12		-12.91		-10.16	
95th Percentile	-0.13		-25.85		-20.64		-14.93	
# of Portfolios	416		416		416		411	
● EAM Investors	13.72	(5)	12.63	(15)	24.27	(15)	5.90	(18)
▲ Russell 2000 Growth	7.16	(30)	3.88	(25)	15.71	(22)	2.26	(27)



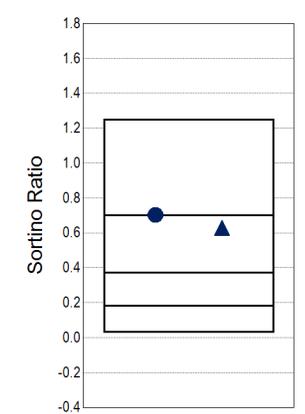
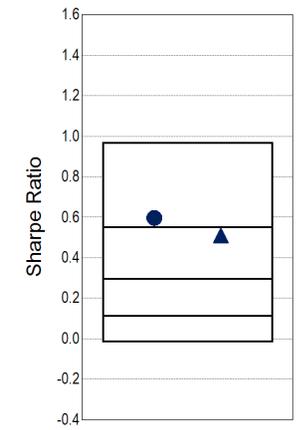
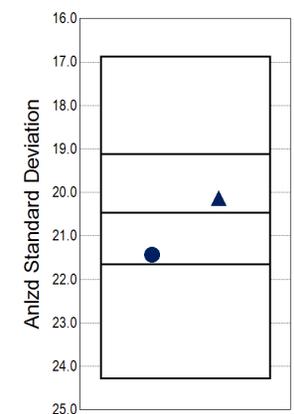
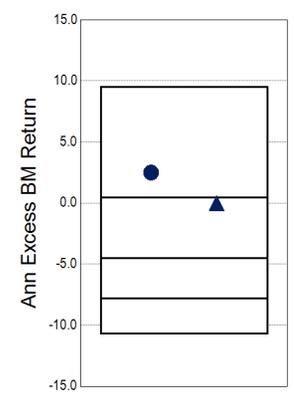
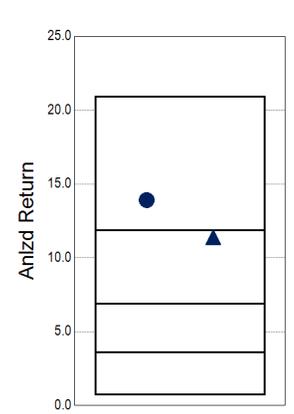
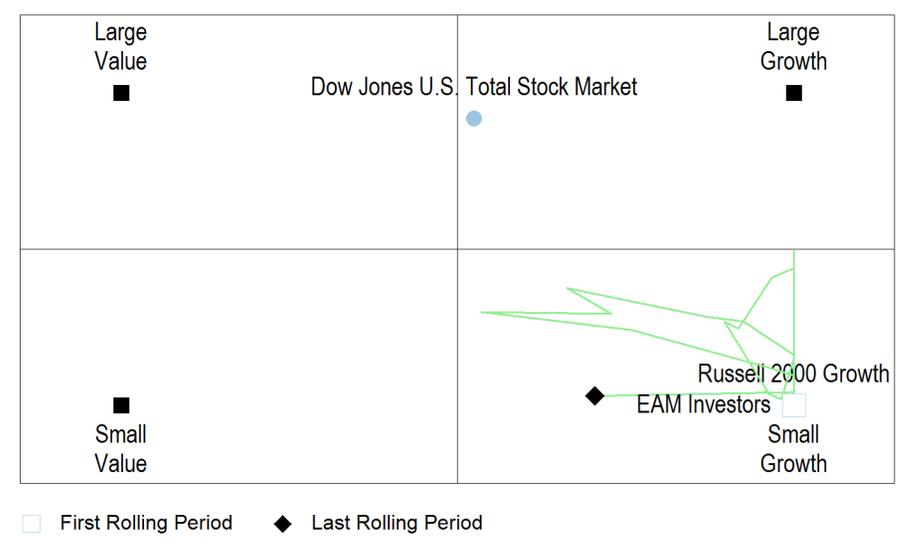
# Los Angeles City Employees' Retirement System

## EAM INVESTORS

Since Inception Risk Return



Since Inception Style Map



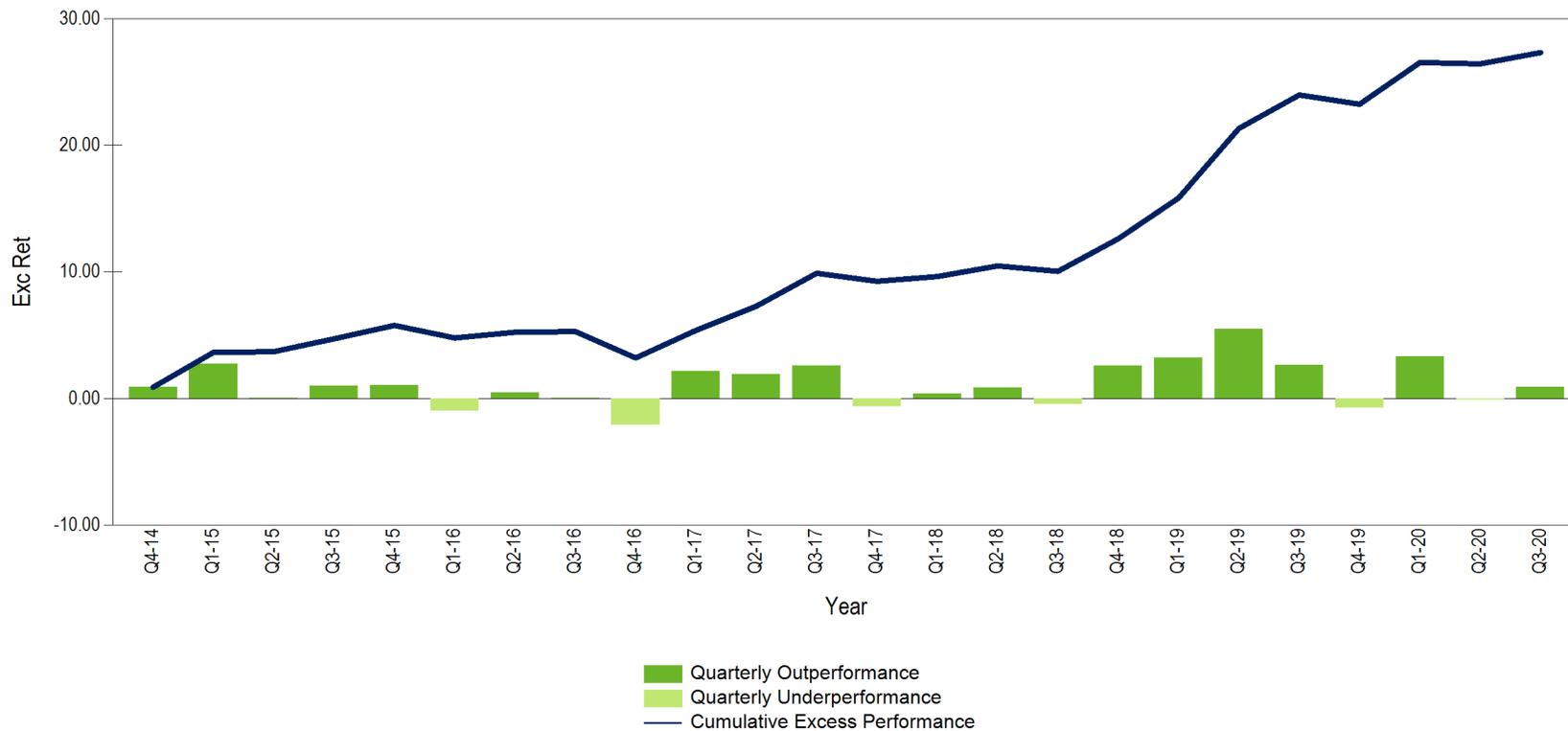
- EAM Investors
- ▲ Russell 2000 Growth
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



Los Angeles City Employees' Retirement System

# PRINCIPAL GLOBAL INVESTORS

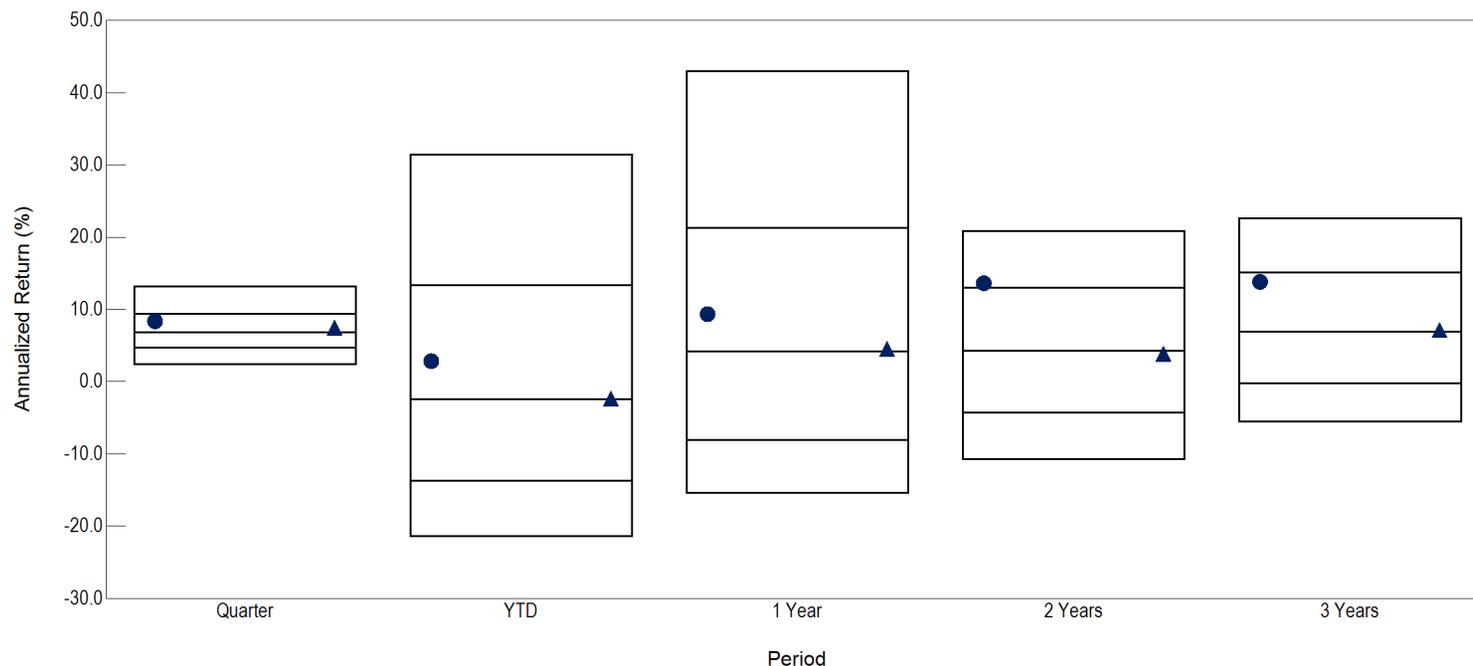
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

# PRINCIPAL GLOBAL INVESTORS

Principal Global Investors vs. eV US Mid Cap Equity Net



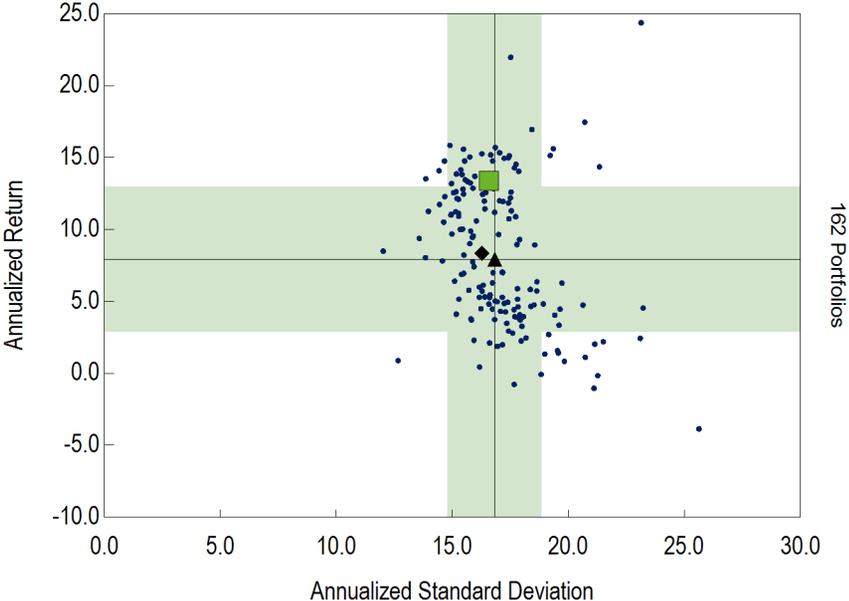
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5th Percentile	13.21		31.42		42.99		20.83		22.62	
25th Percentile	9.49		13.45		21.33		13.12		15.21	
Median	6.87		-2.31		4.27		4.37		6.99	
75th Percentile	4.83		-13.60		-7.97		-4.22		-0.15	
95th Percentile	2.51		-21.27		-15.32		-10.60		-5.46	
# of Portfolios	179		178		178		177		174	
● Principal Global Investors	8.35	(37)	2.83	(45)	9.34	(44)	13.61	(23)	13.80	(31)
▲ Russell MidCap	7.46	(46)	-2.35	(51)	4.55	(50)	3.87	(52)	7.13	(50)



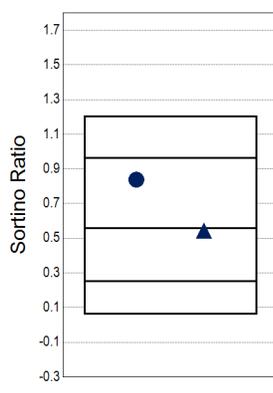
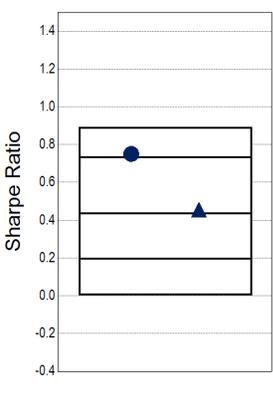
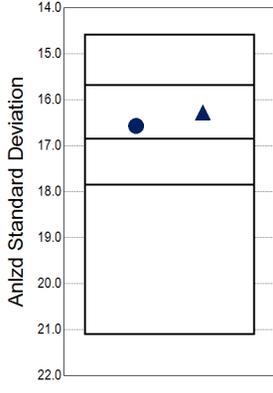
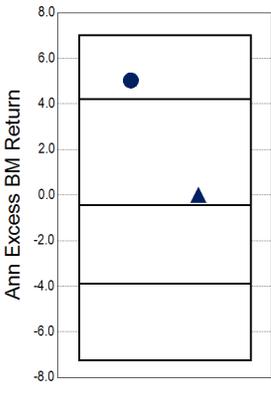
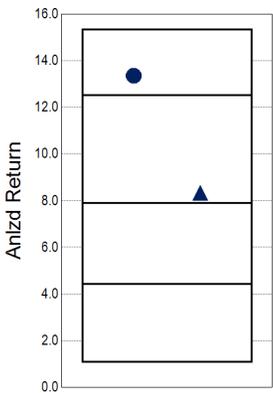
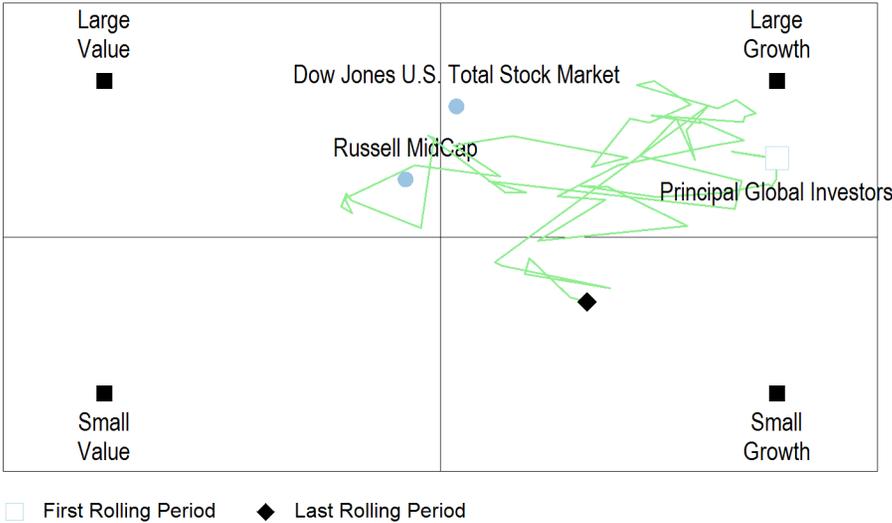
Los Angeles City Employees' Retirement System

# PRINCIPAL GLOBAL INVESTORS

Since Inception Risk Return



Since Inception Style Map



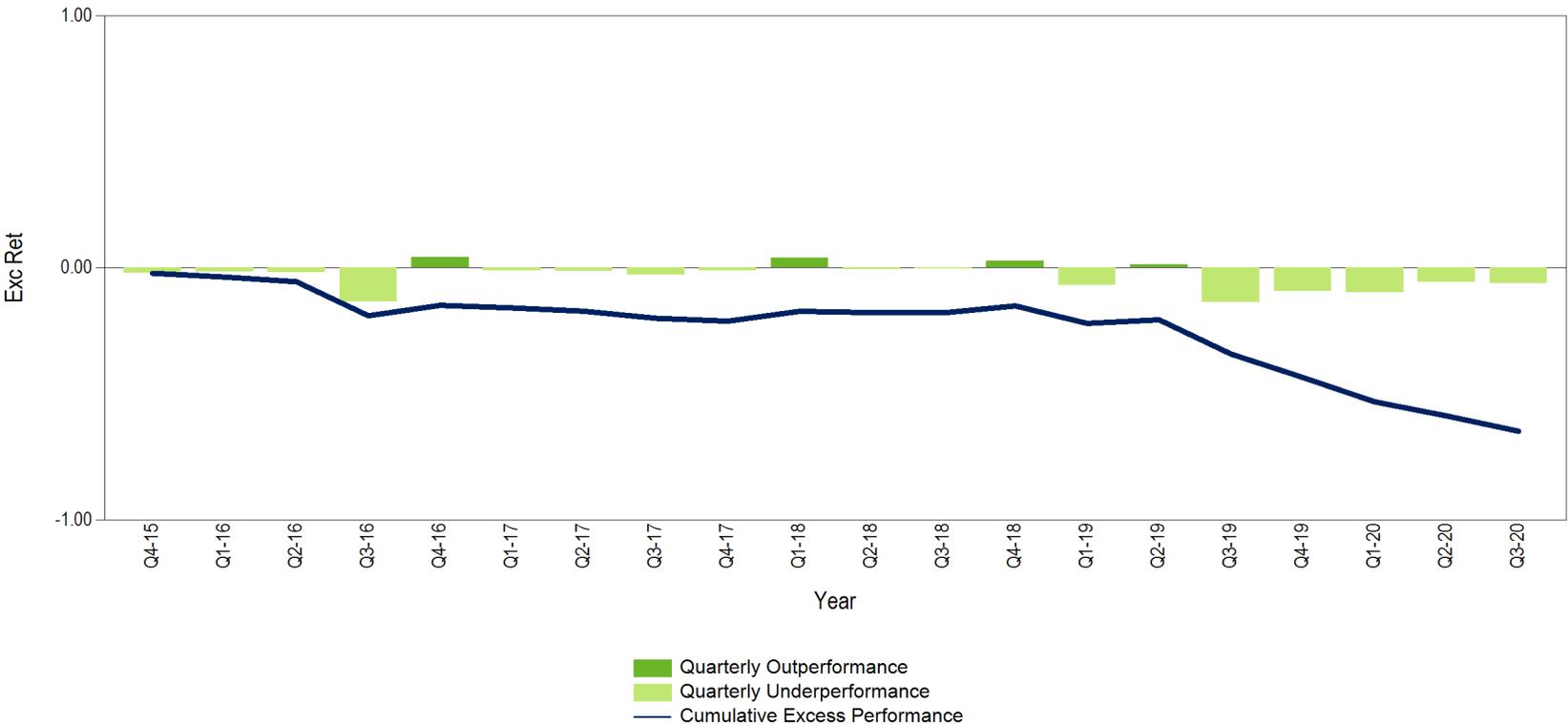
- Principal Global Investors
- ▲ Russell MidCap
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



Los Angeles City Employees' Retirement System

# RHUMBLINE ADVISORS S&P 500

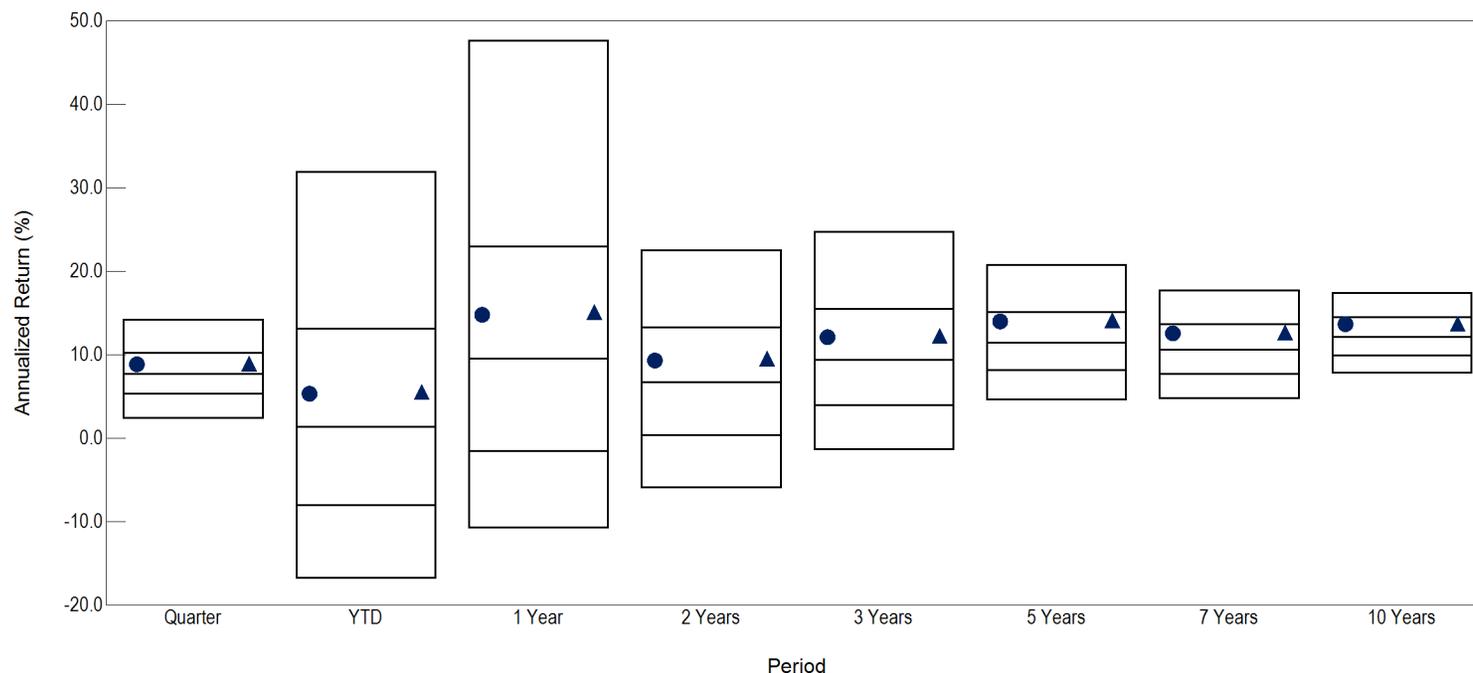
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

# RHUMBLINE ADVISORS S&P 500

RhumbLine Advisers S&P 500 vs. eV US Large Cap Equity Net



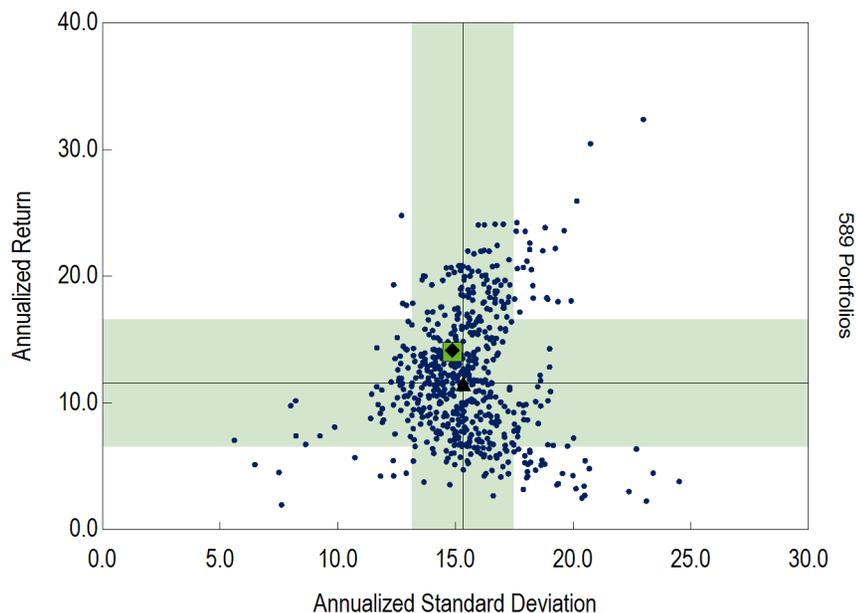
	Return (Rank)															
5th Percentile	14.19	31.95	47.63	22.52	24.76	20.74	17.75	17.41								
25th Percentile	10.31	13.25	23.06	13.37	15.55	15.17	13.73	14.61								
Median	7.82	1.46	9.60	6.82	9.44	11.54	10.72	12.21								
75th Percentile	5.42	-7.92	-1.41	0.43	4.03	8.22	7.82	10.02								
95th Percentile	2.52	-16.65	-10.60	-5.76	-1.21	4.70	4.86	7.93								
# of Portfolios	659	658	654	645	634	589	556	465								
● RhumbLine Advisers S&P 500	8.87	(40)	5.34	(39)	14.79	(37)	9.32	(38)	12.12	(36)	14.00	(31)	12.57	(30)	13.68	(31)
▲ S&P 500	8.93	(40)	5.57	(39)	15.15	(37)	9.57	(37)	12.28	(36)	14.15	(30)	12.68	(29)	13.74	(31)



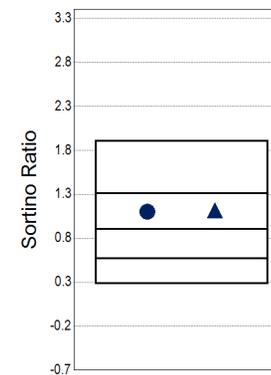
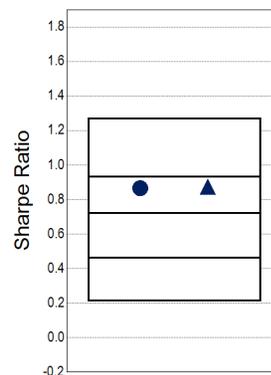
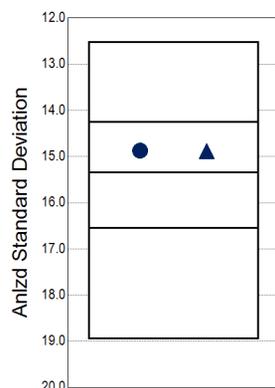
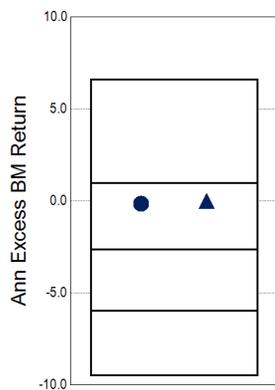
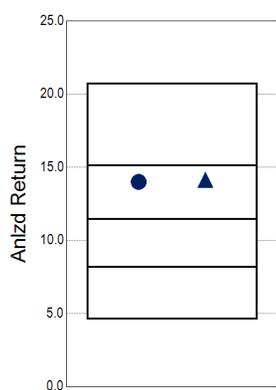
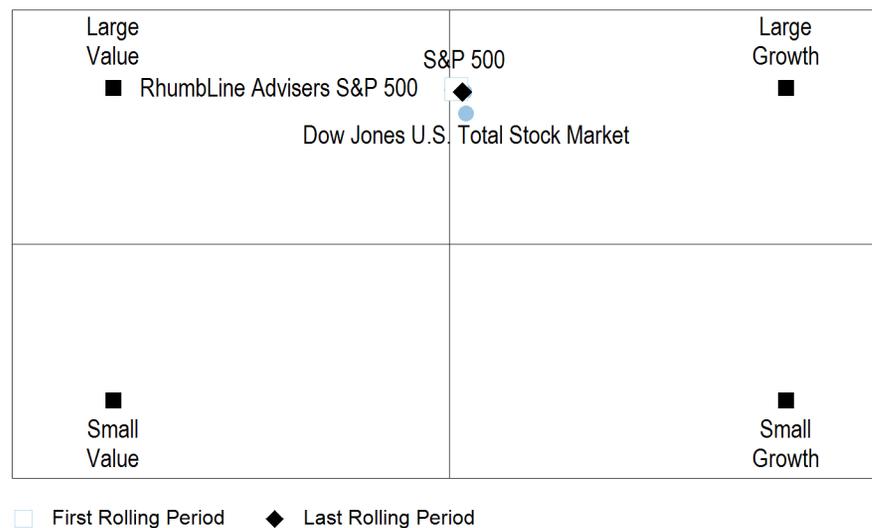
Los Angeles City Employees' Retirement System

# RHUMBLINE ADVISORS S&P 500

5 Year Risk Return



5 Year Style Map



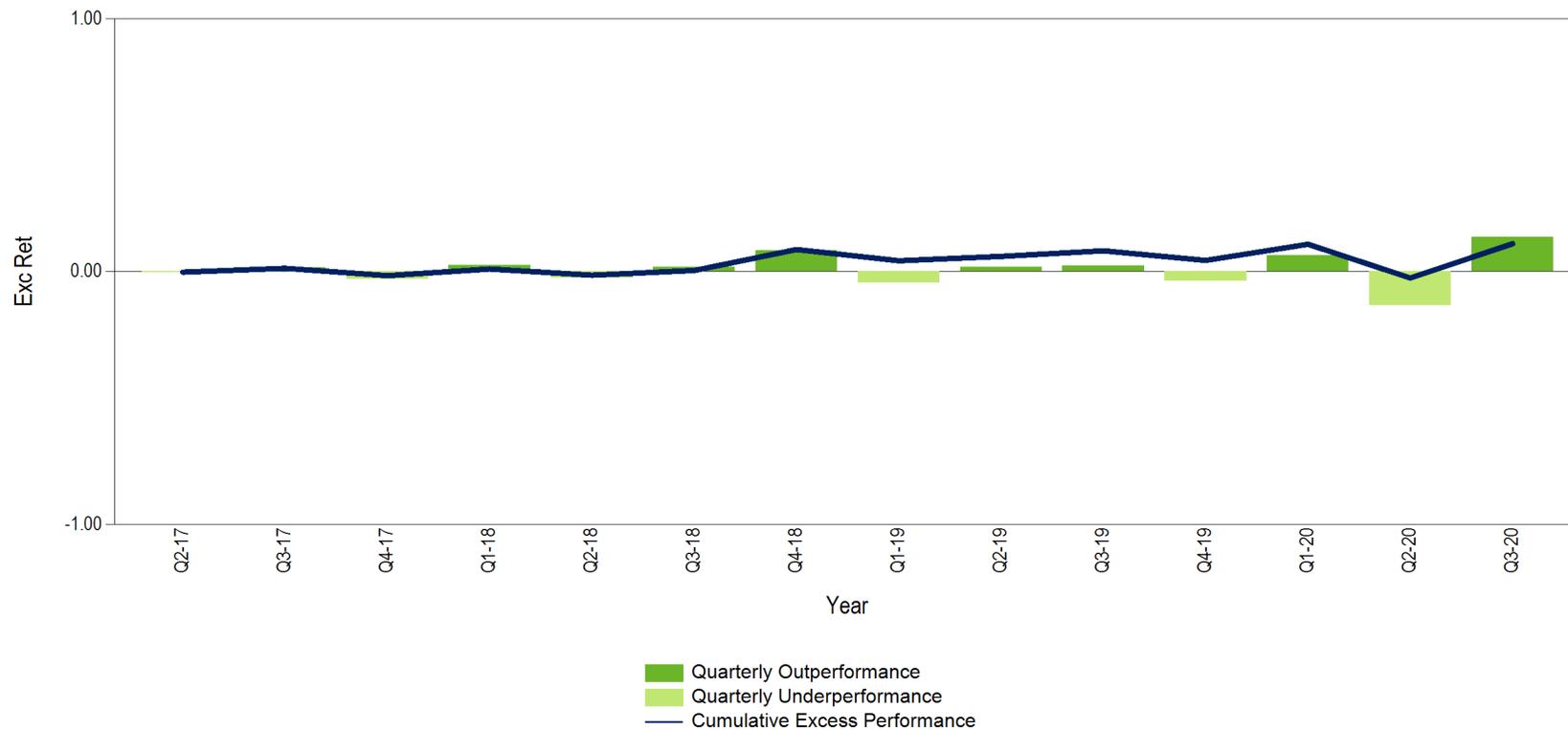
- RhumbLine Advisers S&P 500
- ▲ S&P 500
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System

## RHUMBLINE ADVISORS RUSSELL 2000

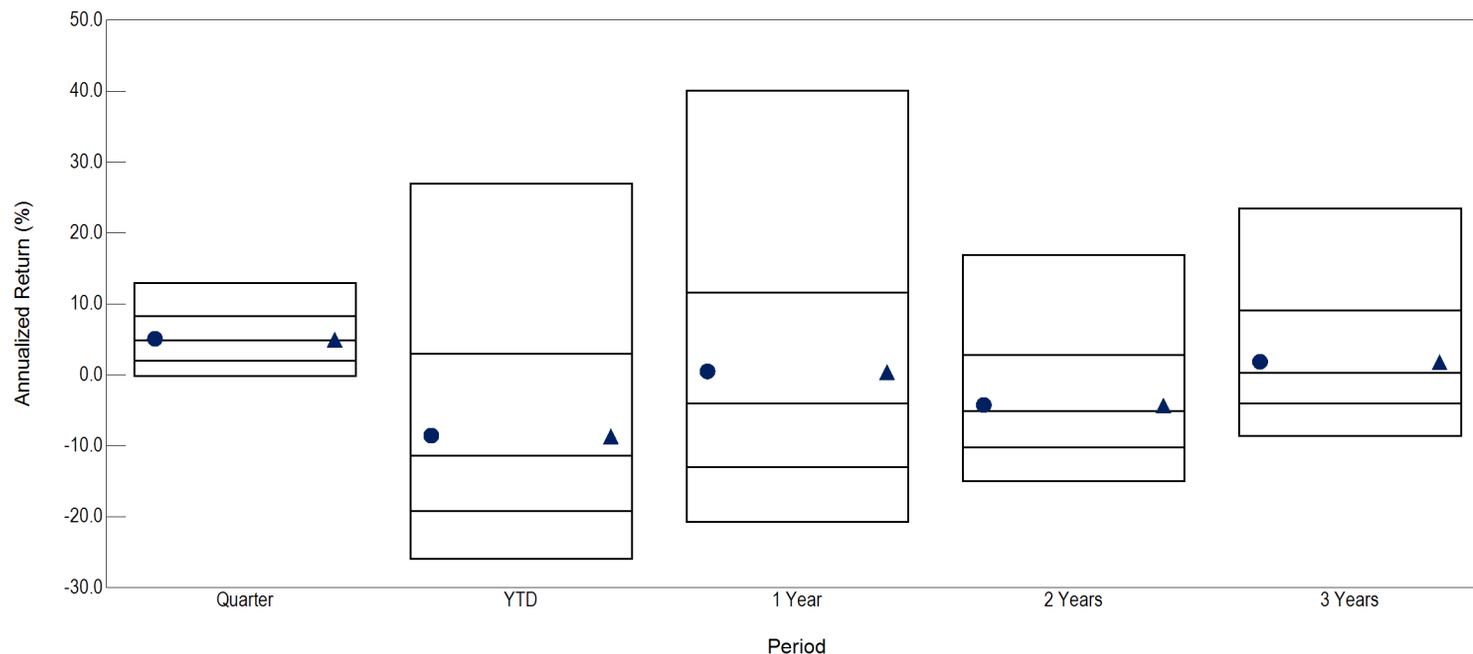
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

# RHUMBLINE ADVISORS RUSSELL 2000

RhumbLine Advisers Russell 2000 vs. eV US Small Cap Equity Net



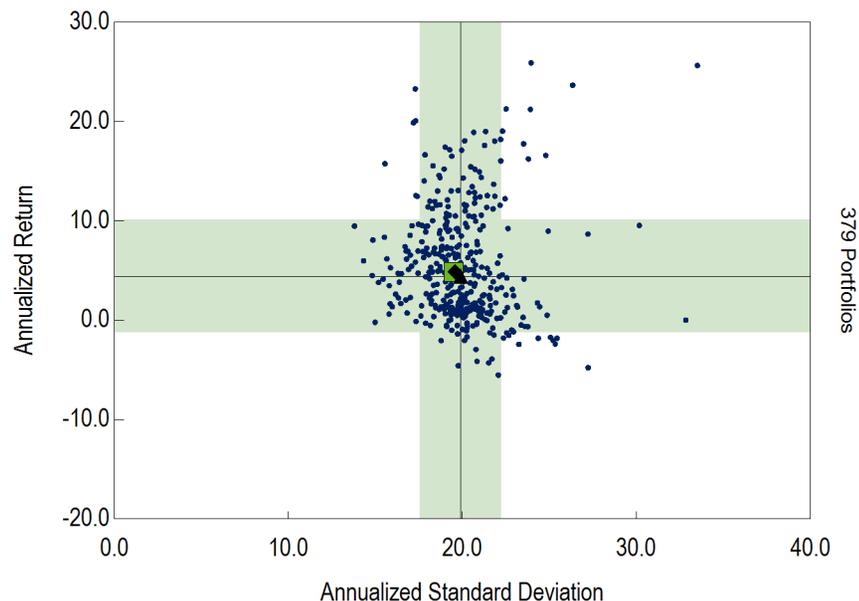
	Return (Rank)									
5th Percentile	12.95		26.93		40.01		16.86		23.41	
25th Percentile	8.32		3.02		11.64		2.82		9.13	
Median	4.91		-11.35		-3.97		-5.03		0.35	
75th Percentile	2.10		-19.12		-12.91		-10.16		-3.97	
95th Percentile	-0.13		-25.85		-20.64		-14.93		-8.58	
# of Portfolios	416		416		416		411		407	
● RhumbLine Advisers Russell 2000	5.07	(49)	-8.58	(45)	0.47	(42)	-4.27	(48)	1.83	(44)
▲ Russell 2000	4.93	(50)	-8.69	(45)	0.39	(42)	-4.36	(48)	1.77	(44)



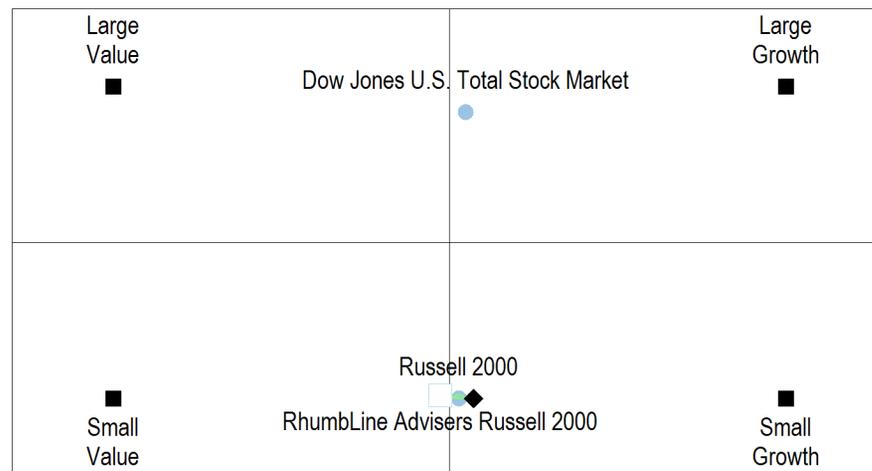
Los Angeles City Employees' Retirement System

# RHUMBLINE ADVISORS RUSSELL 2000

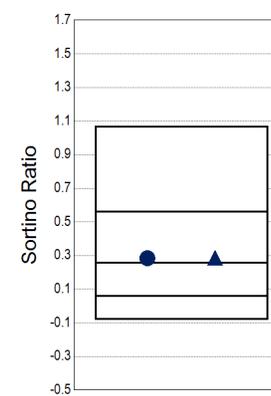
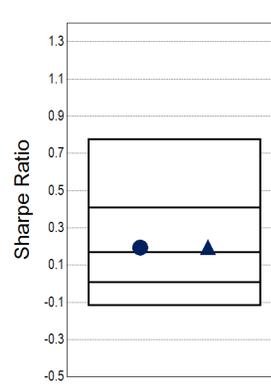
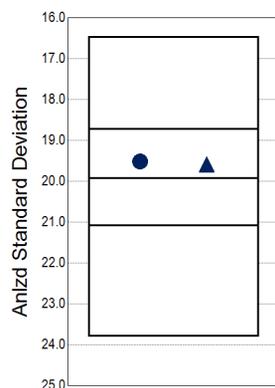
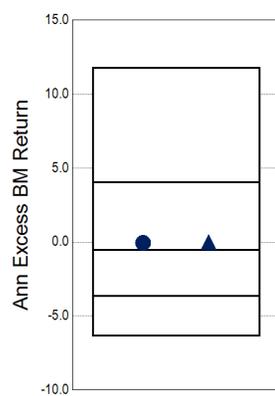
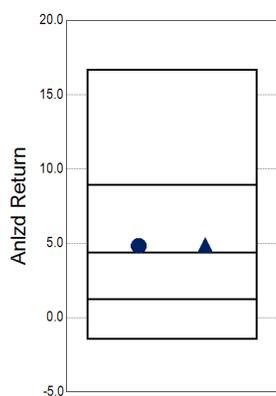
Since Inception Risk Return



Since Inception Style Map



□ First Rolling Period    ◆ Last Rolling Period



- RhumbLine Advisers Russell 2000
- ▲ Russell 2000
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# NON-U.S. EQUITY MANAGER PERFORMANCE

NEPC, LLC

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# Los Angeles City Employees' Retirement System

## AQR CAPITAL

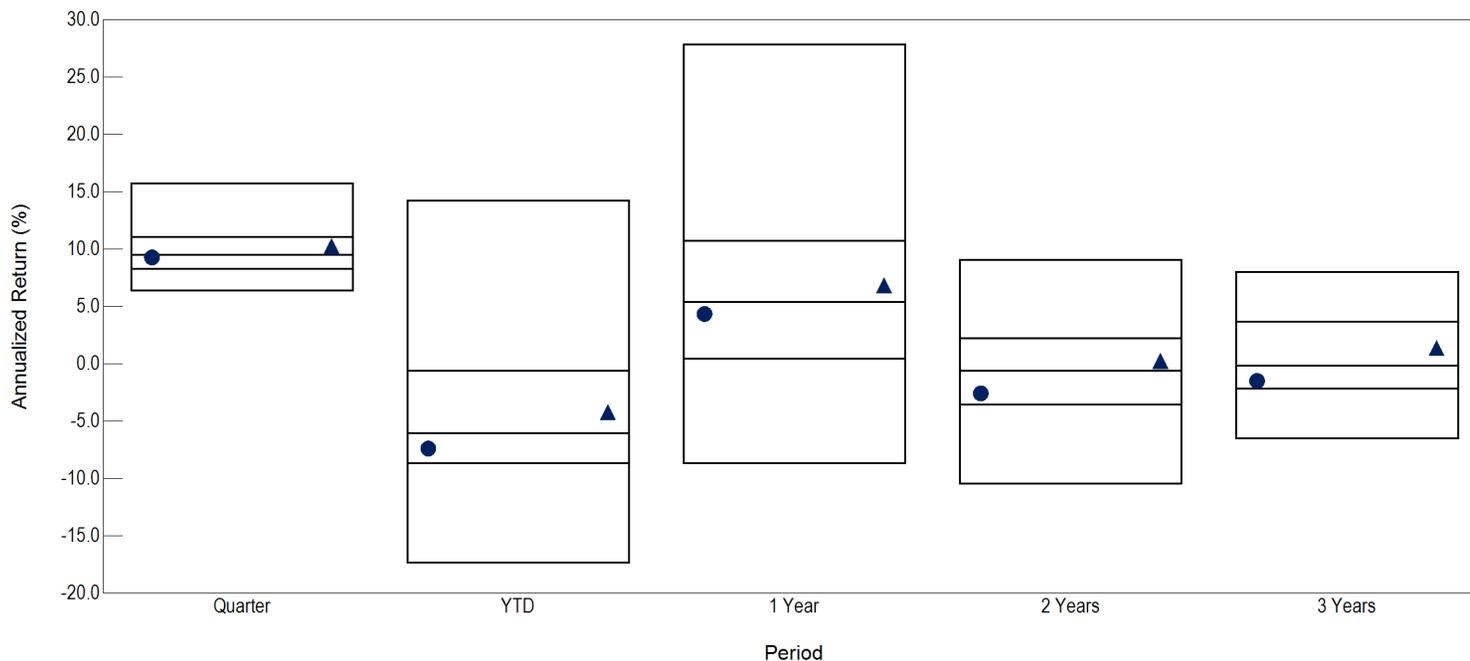
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

# AQR CAPITAL

AQR Capital vs. eV EAFE Small Cap Equity Net



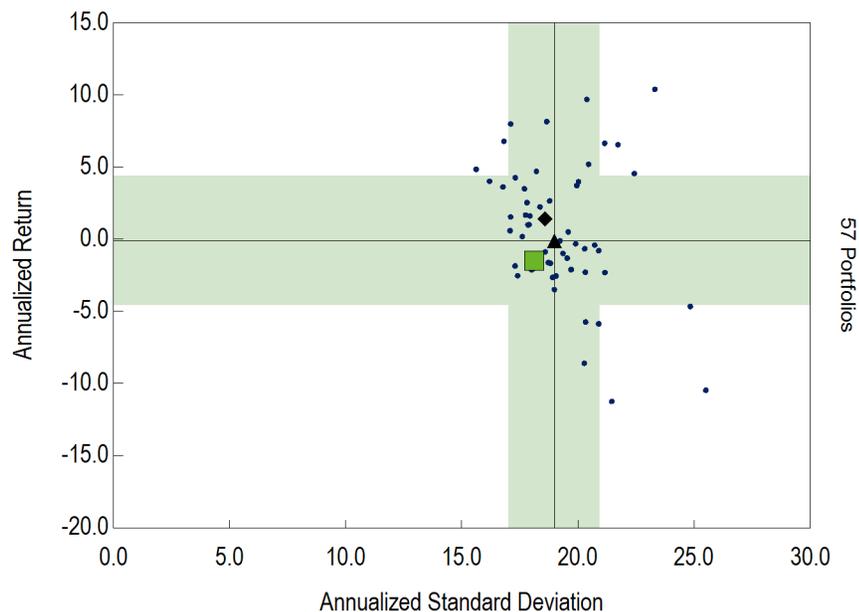
	Return (Rank)									
5th Percentile	15.75		14.24		27.85		9.08		8.03	
25th Percentile	11.14		-0.55		10.80		2.29		3.72	
Median	9.59		-5.97		5.44		-0.53		-0.11	
75th Percentile	8.34		-8.61		0.52		-3.50		-2.09	
95th Percentile	6.44		-17.27		-8.59		-10.38		-6.41	
# of Portfolios	64		63		63		61		57	
● AQR Capital	9.28	(60)	-7.38	(65)	4.35	(58)	-2.57	(69)	-1.49	(68)
▲ MSCI EAFE Small Cap	10.25	(37)	-4.20	(42)	6.84	(47)	0.25	(45)	1.40	(40)



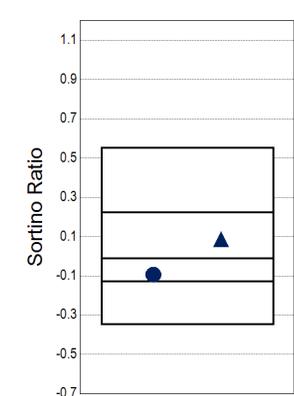
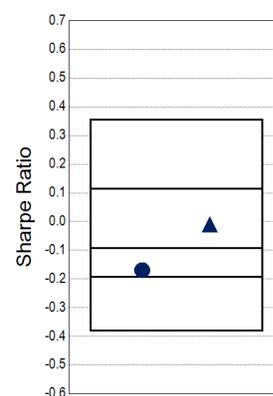
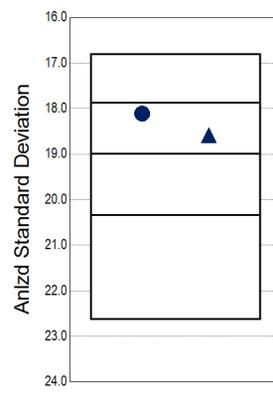
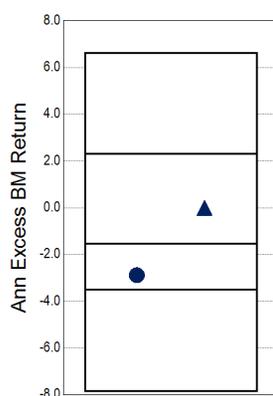
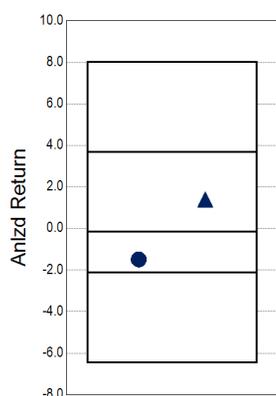
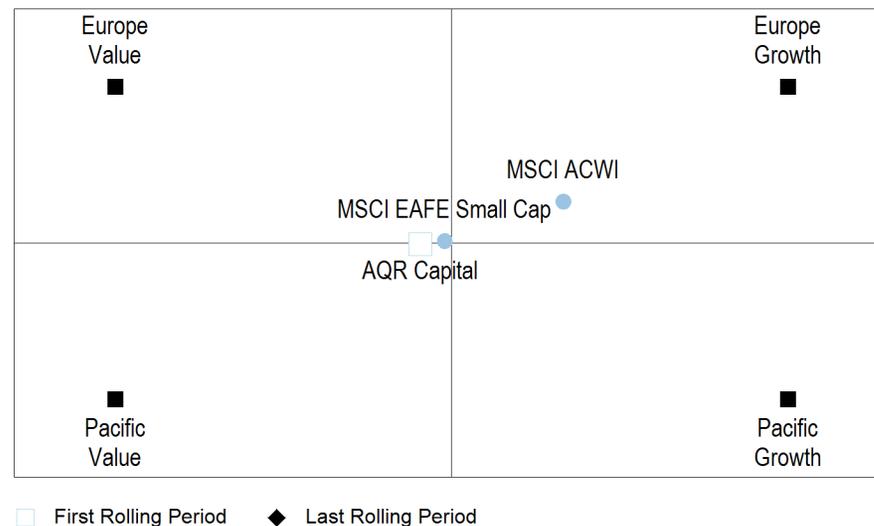
# Los Angeles City Employees' Retirement System

## AQR CAPITAL

3 Year Risk Return



3 Year Style Map



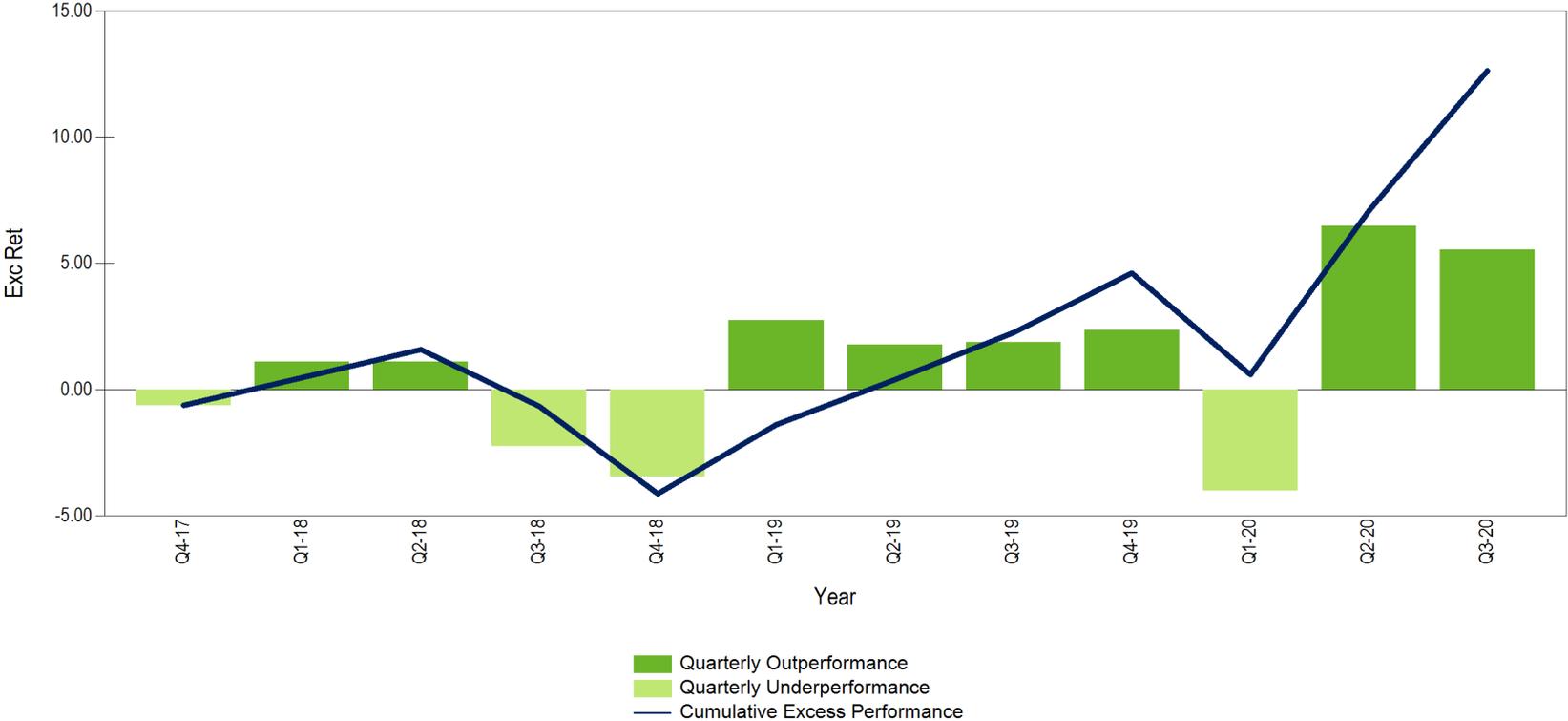
- AQR Capital
- ▲ MSCI EAFE Small Cap
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



Los Angeles City Employees' Retirement System

# BARROW HANLEY

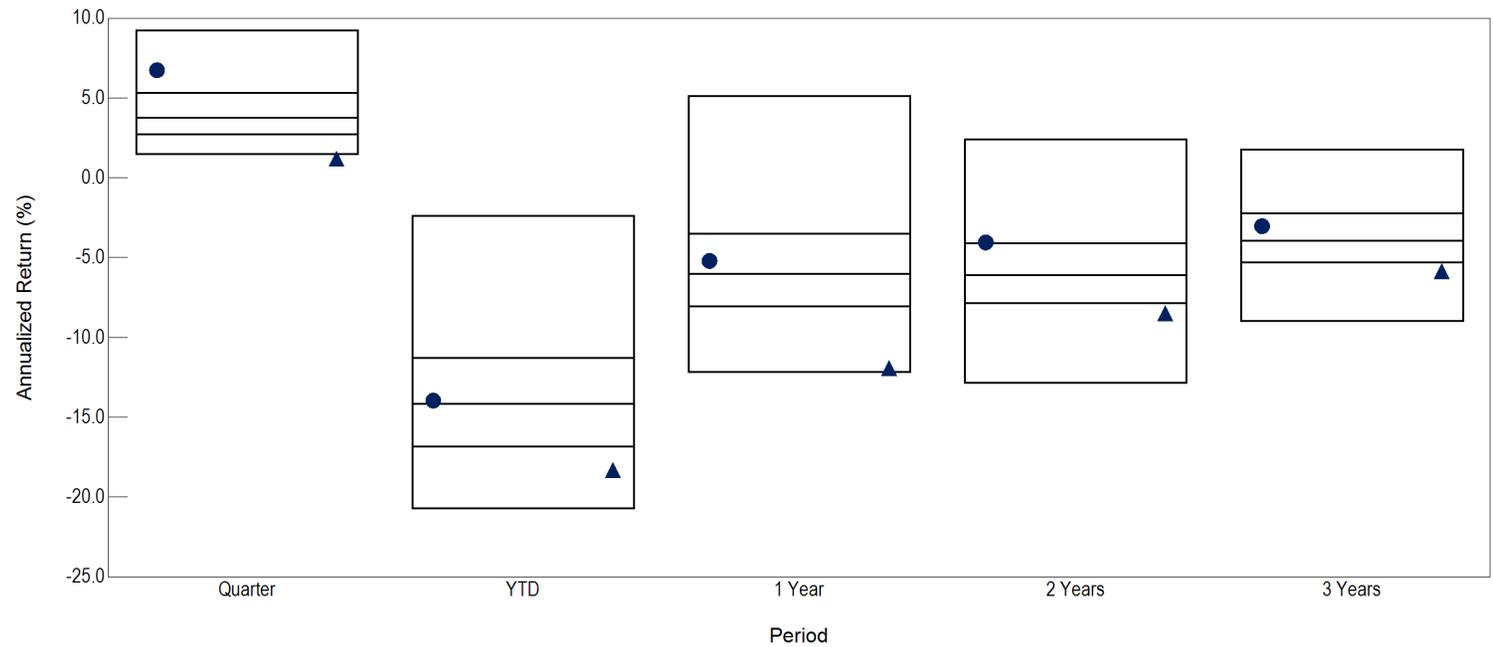
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

**BARROW HANLEY**

Barrow Hanley vs. eV EAFE Value Equity Net



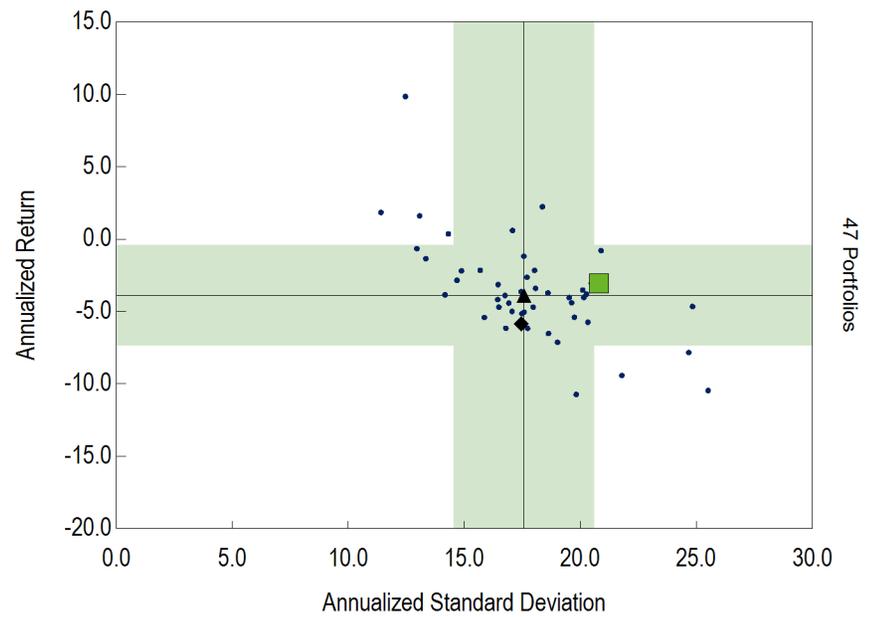
	Return (Rank)									
5th Percentile	9.22		-2.39		5.10		2.41		1.77	
25th Percentile	5.36		-11.26		-3.46		-4.08		-2.18	
Median	3.80		-14.10		-5.96		-6.06		-3.89	
75th Percentile	2.77		-16.78		-8.02		-7.81		-5.28	
95th Percentile	1.52		-20.66		-12.11		-12.81		-8.95	
# of Portfolios	54		54		54		51		47	
● Barrow Hanley	6.74	(17)	-13.97	(50)	-5.21	(46)	-4.05	(25)	-3.04	(33)
▲ MSCI EAFE Value	1.19	(97)	-18.31	(88)	-11.93	(94)	-8.49	(84)	-5.86	(82)



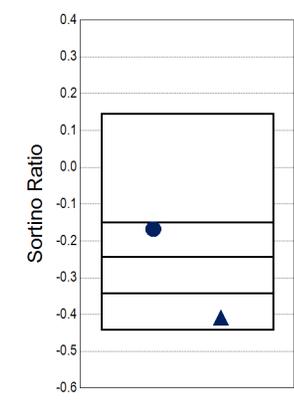
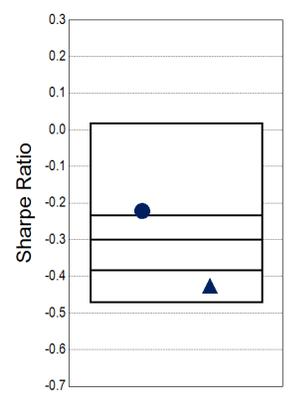
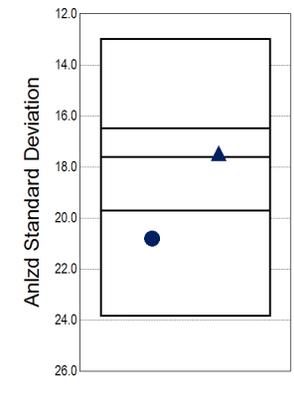
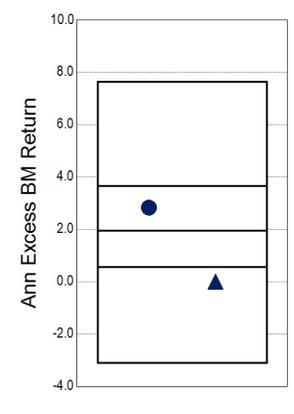
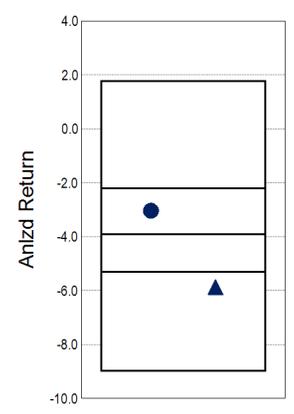
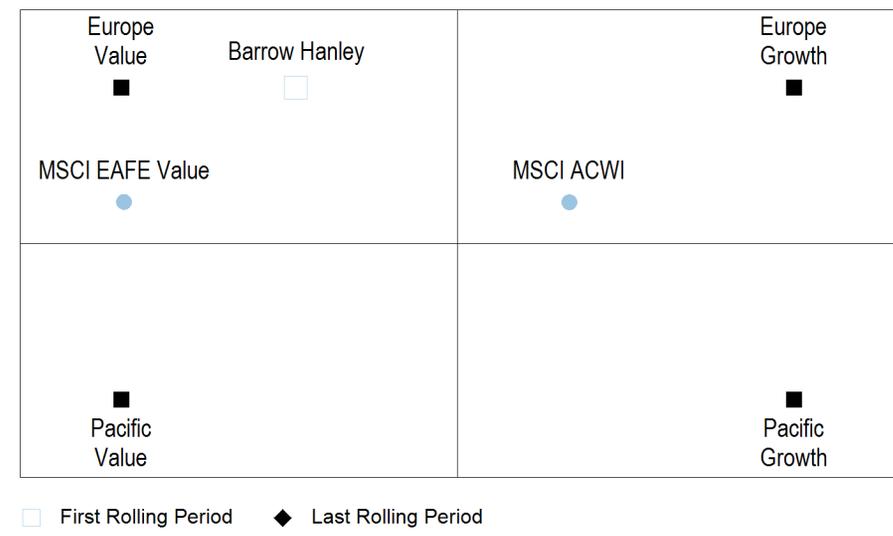
Los Angeles City Employees' Retirement System

# BARROW HANLEY

## 3 Year Risk Return



## 3 Year Style Map



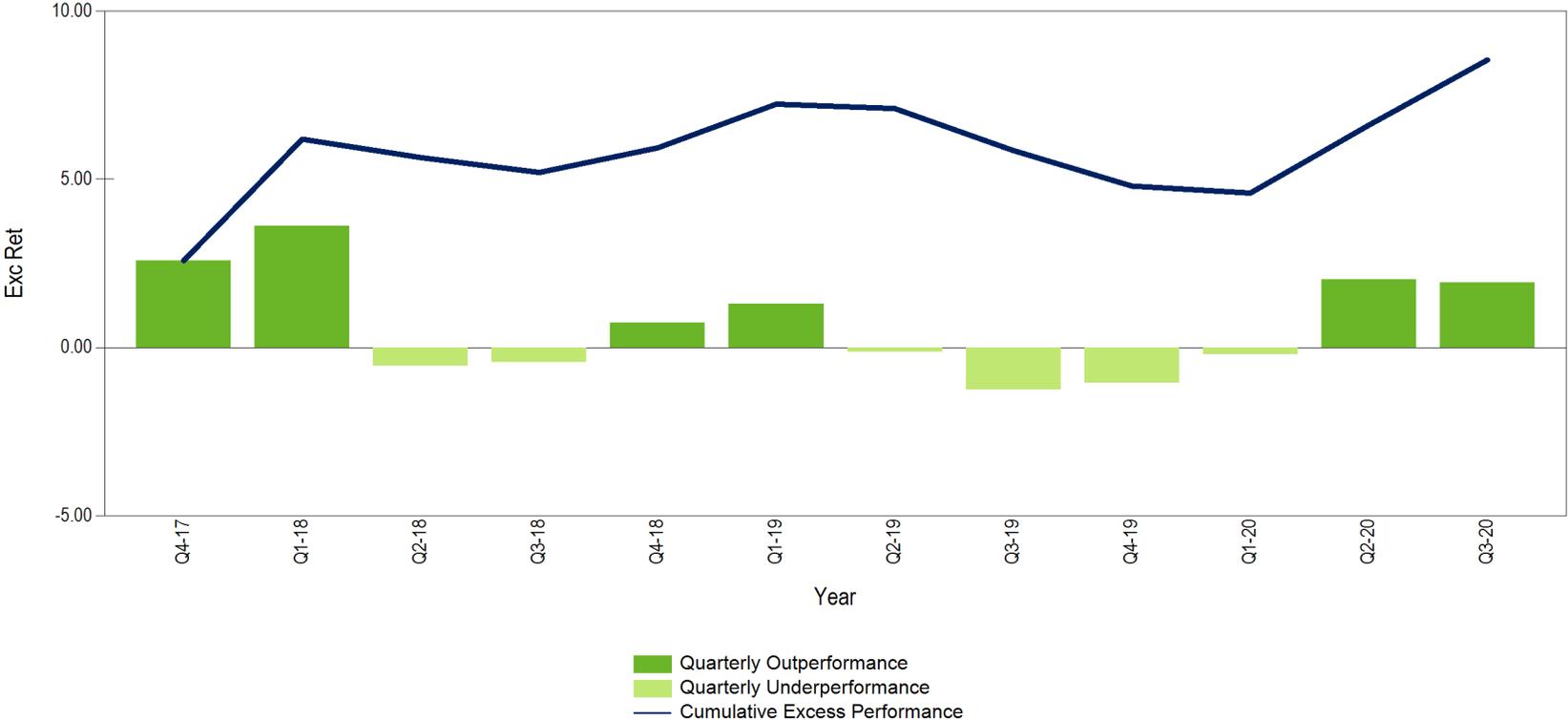
- Barrow Hanley
- ▲ MSCI EAFE Value
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



Los Angeles City Employees' Retirement System

# LAZARD ASSET MANAGEMENT

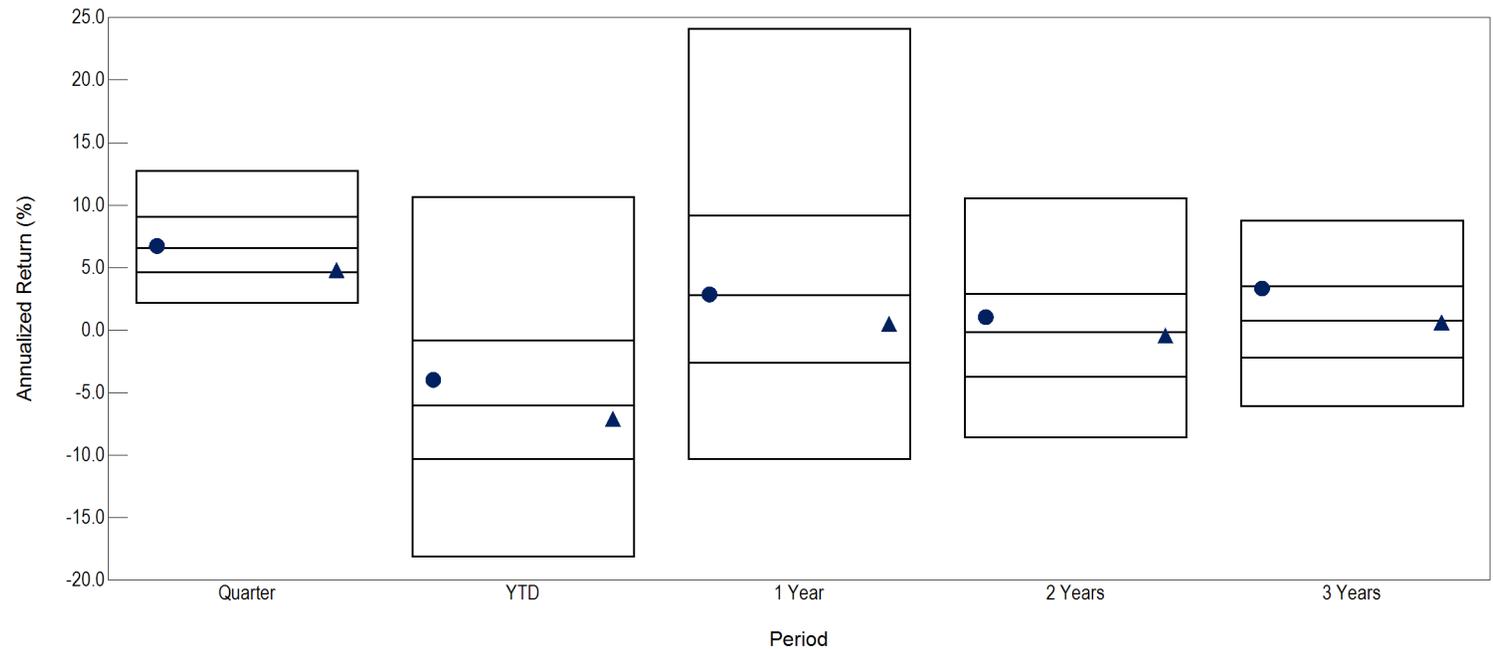
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

# LAZARD ASSET MANAGEMENT

Lazard Asset Management vs. eV All EAFE Equity Net



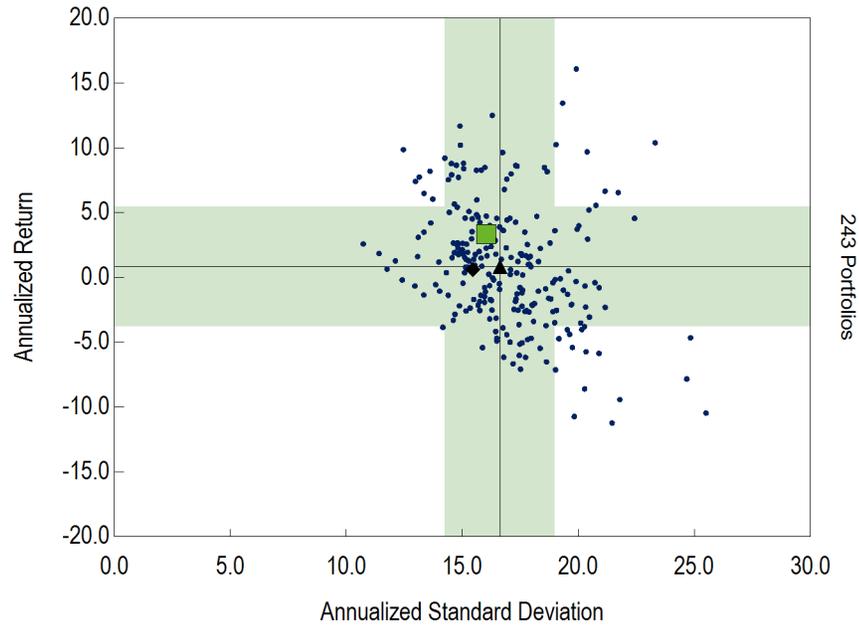
	Return (Rank)									
5th Percentile	12.71		10.67		24.09		10.56		8.77	
25th Percentile	9.13		-0.76		9.23		2.97		3.57	
Median	6.60		-5.98		2.87		-0.11		0.83	
75th Percentile	4.68		-10.26		-2.56		-3.65		-2.15	
95th Percentile	2.25		-18.04		-10.23		-8.53		-6.00	
# of Portfolios	257		256		256		251		243	
● Lazard Asset Management	6.73	(49)	-3.97	(40)	2.86	(51)	1.05	(36)	3.33	(27)
▲ MSCI EAFE	4.80	(74)	-7.09	(60)	0.49	(62)	-0.43	(54)	0.62	(53)



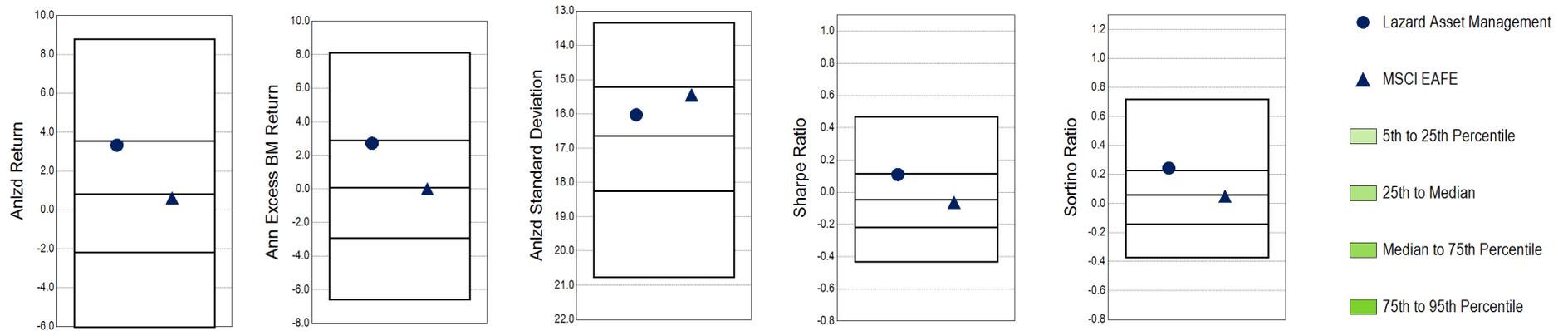
Los Angeles City Employees' Retirement System

# LAZARD ASSET MANAGEMENT

3 Year Risk Return



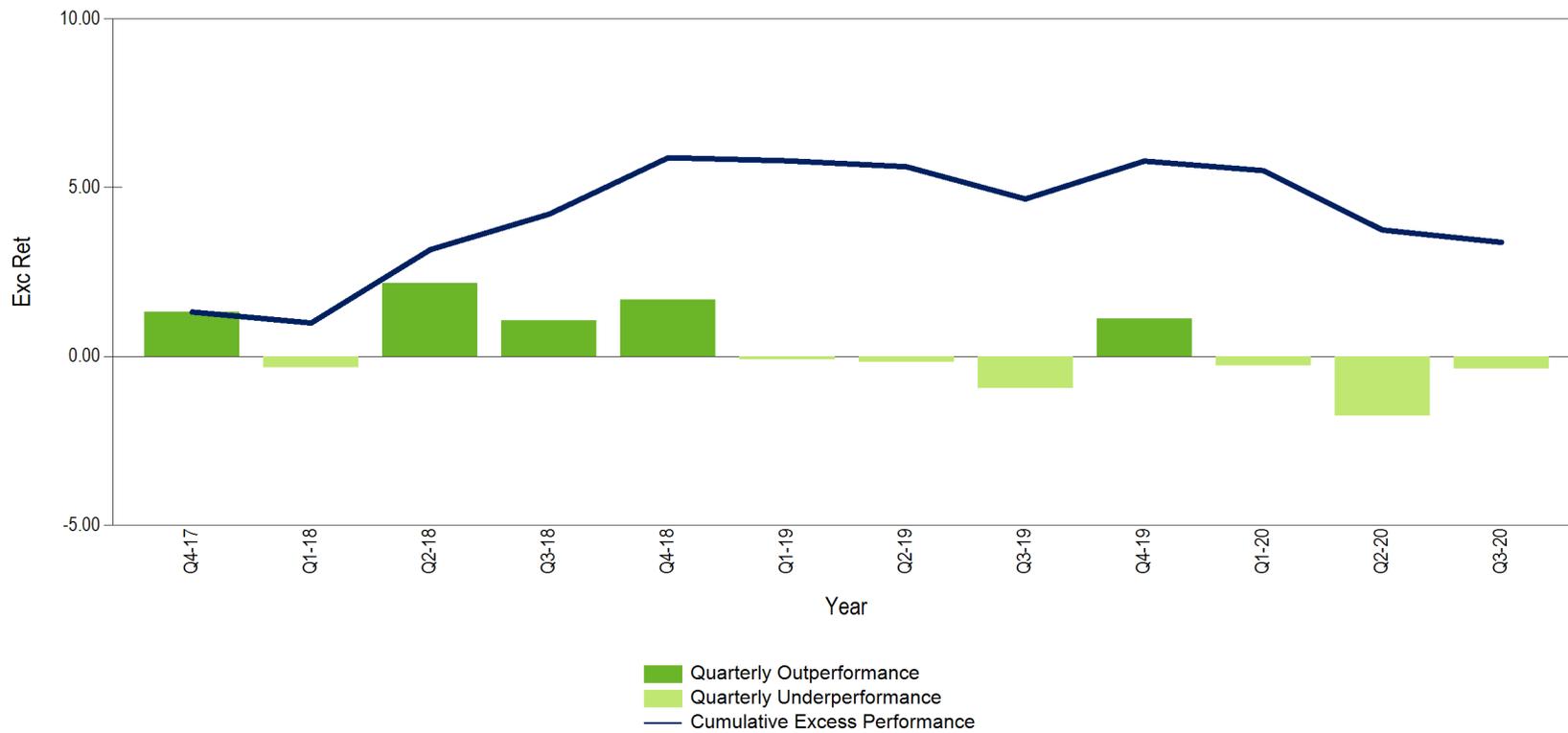
3 Year Style Map



Los Angeles City Employees' Retirement System

# MFS INSTITUTIONAL ADVISORS

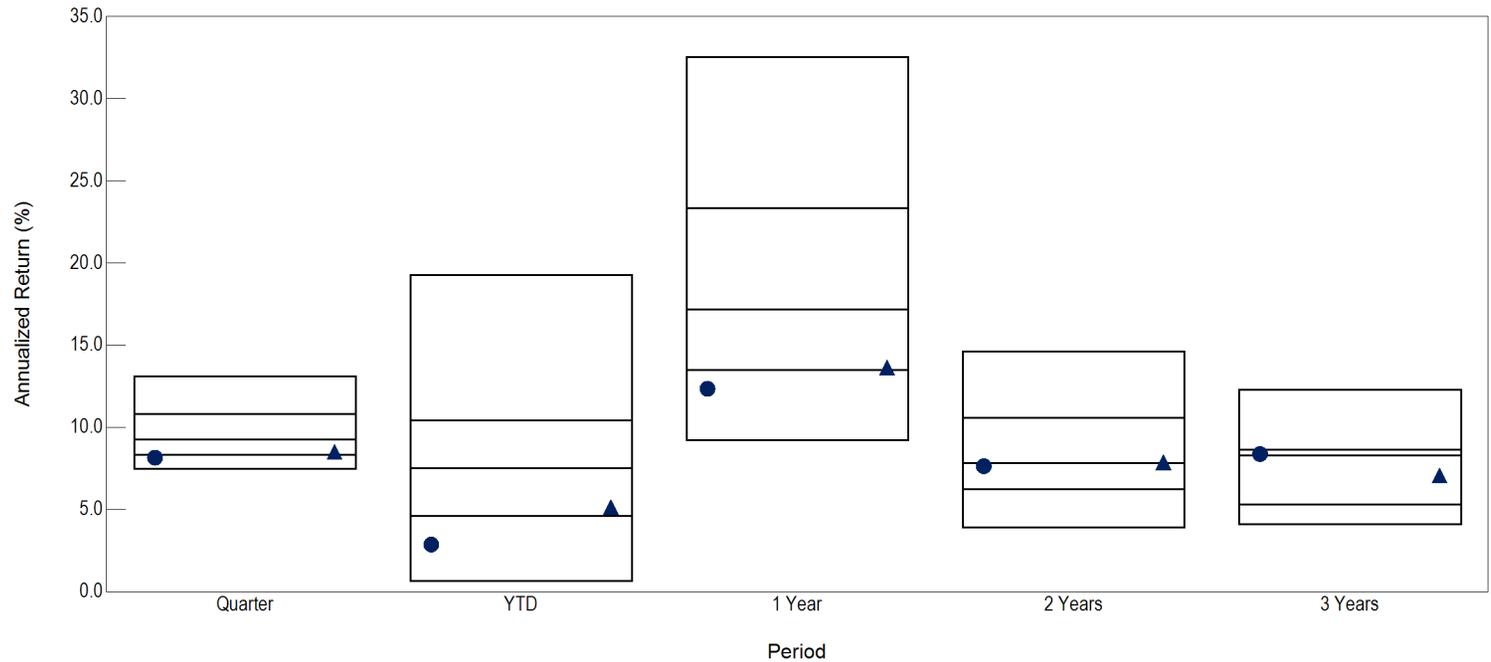
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

# MFS INSTITUTIONAL ADVISORS

MFS Institutional Advisors vs. eV EAFE All Cap Growth Net



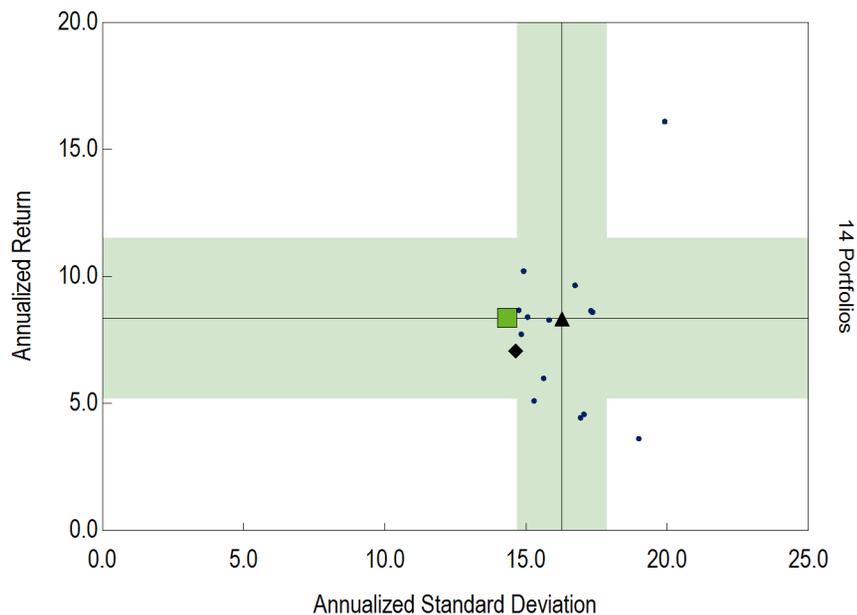
	Return (Rank)									
5th Percentile	13.08		19.26		32.52		14.61		12.26	
25th Percentile	10.85		10.46		23.37		10.59		8.65	
Median	9.31		7.56		17.19		7.86		8.33	
75th Percentile	8.34		4.64		13.51		6.25		5.31	
95th Percentile	7.49		0.68		9.26		3.95		4.14	
# of Portfolios	14		14		14		14		14	
● MFS Institutional Advisors	8.14	(86)	2.86	(87)	12.33	(82)	7.62	(52)	8.37	(48)
▲ MSCI World ex USA Growth NR USD	8.51	(73)	5.13	(73)	13.64	(75)	7.87	(50)	7.06	(65)



Los Angeles City Employees' Retirement System

# MFS INSTITUTIONAL ADVISORS

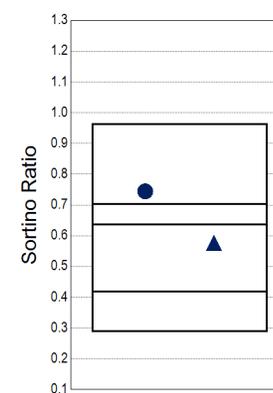
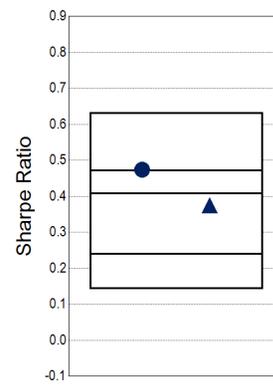
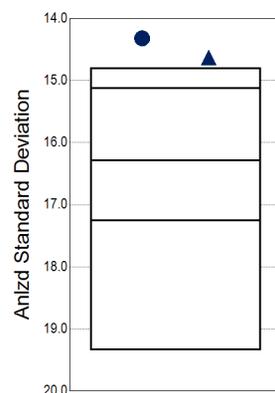
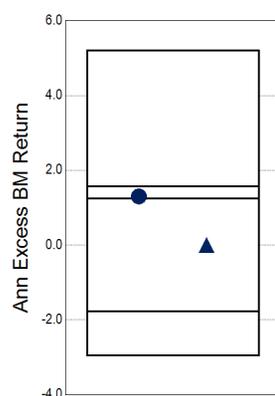
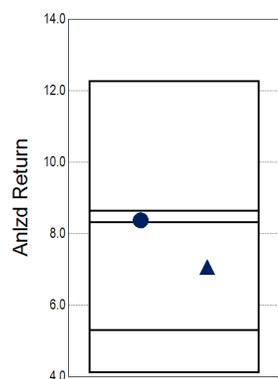
3 Year Risk Return



3 Year Style Map



□ First Rolling Period    ◆ Last Rolling Period



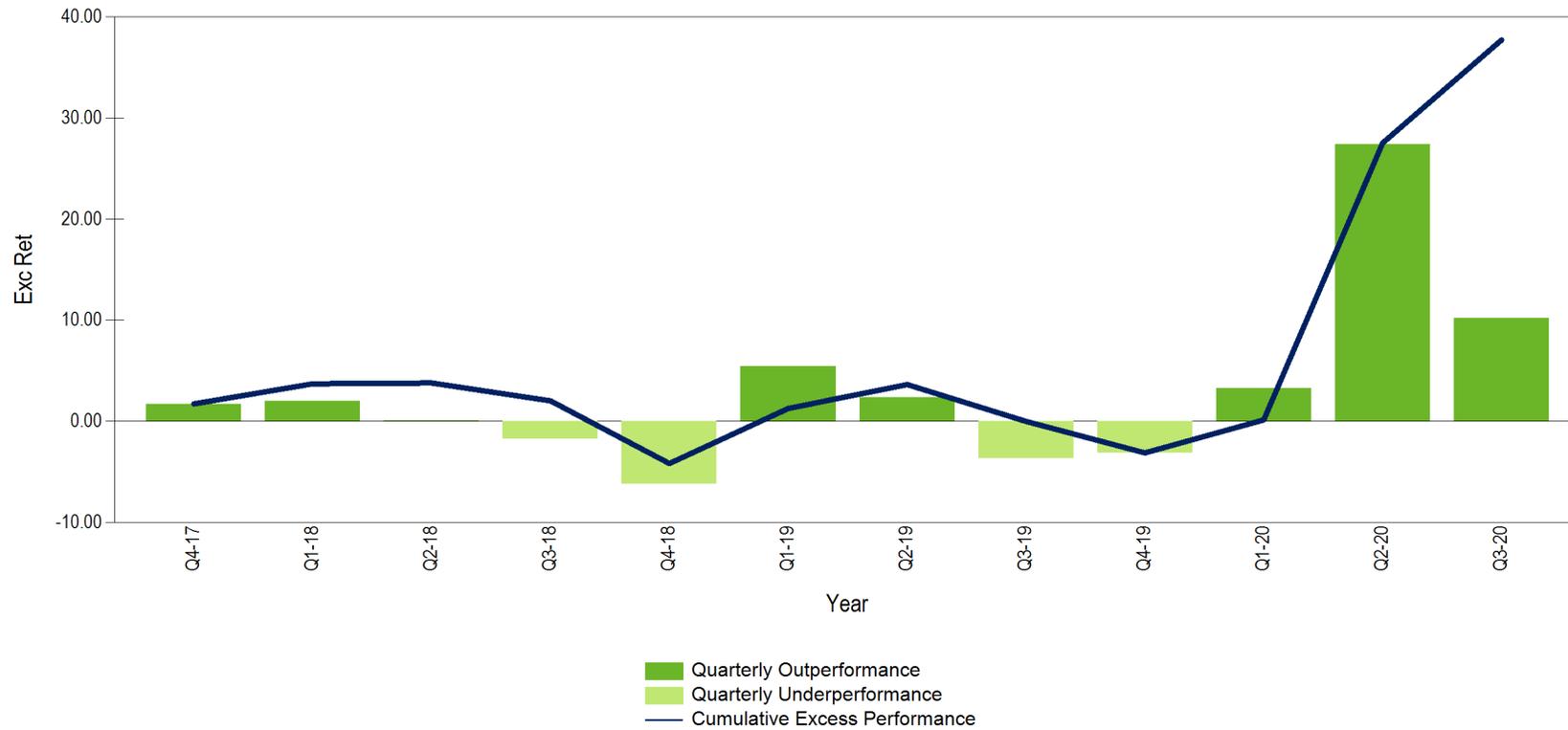
- MFS Institutional Advisors
- ▲ MSCI World ex USA Growth NR USD
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System

## OBERWEIS ASSET MGMT

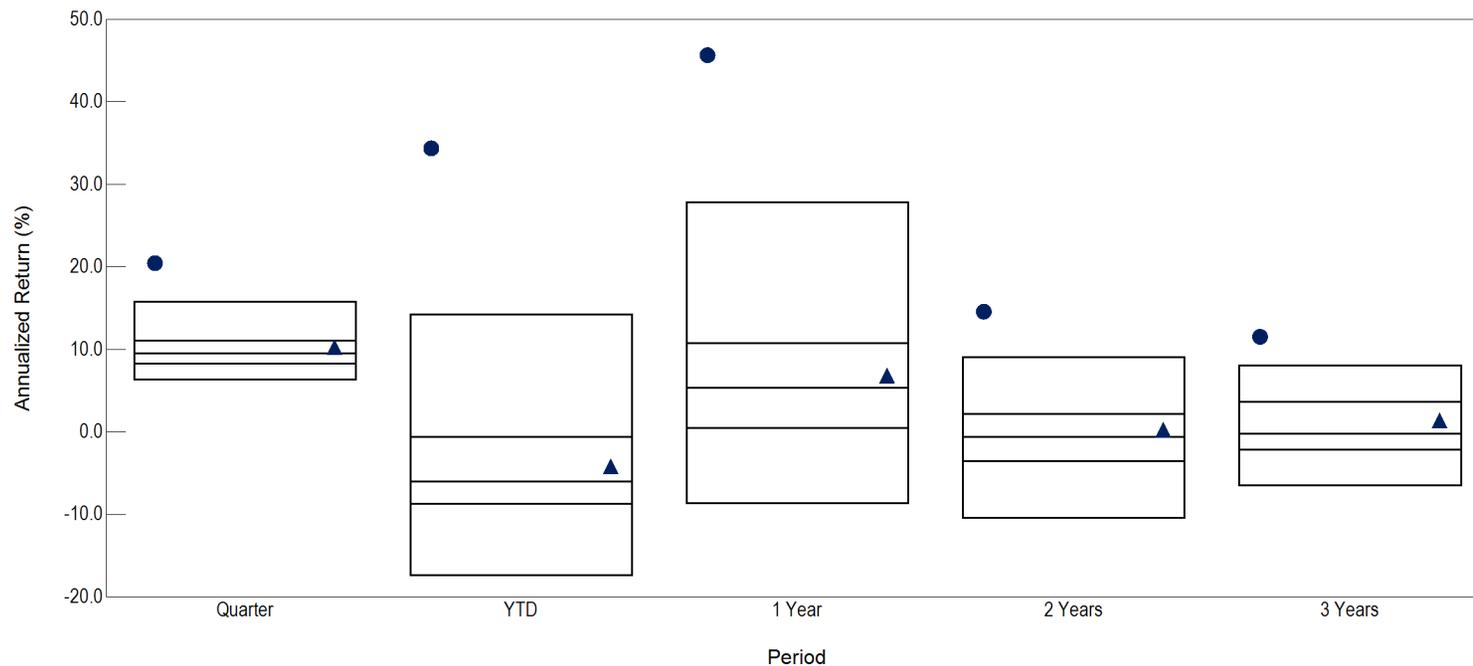
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## OBERWEIS ASSET MGMT

Oberweis Asset Mgmt vs. eV EAFE Small Cap Equity Net

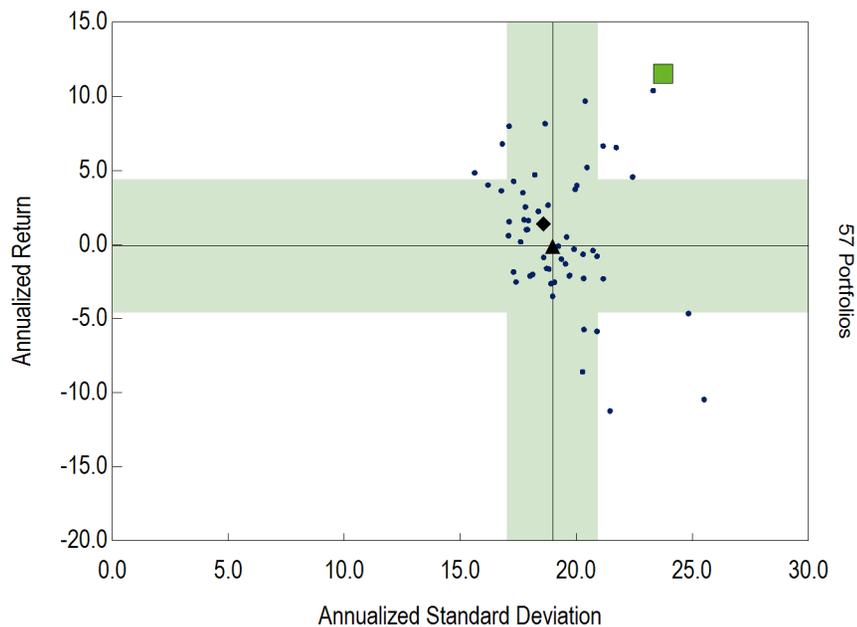


	Return (Rank)									
5th Percentile	15.75		14.24		27.85		9.08		8.03	
25th Percentile	11.14		-0.55		10.80		2.29		3.72	
Median	9.59		-5.97		5.44		-0.53		-0.11	
75th Percentile	8.34		-8.61		0.52		-3.50		-2.09	
95th Percentile	6.44		-17.27		-8.59		-10.38		-6.41	
# of Portfolios	64		63		63		61		57	
● Oberweis Asset Mgmt	20.45	(1)	34.36	(1)	45.66	(1)	14.57	(1)	11.52	(1)
▲ MSCI EAFE Small Cap	10.25	(37)	-4.20	(42)	6.84	(47)	0.25	(45)	1.40	(40)

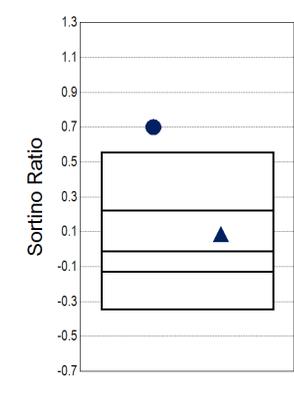
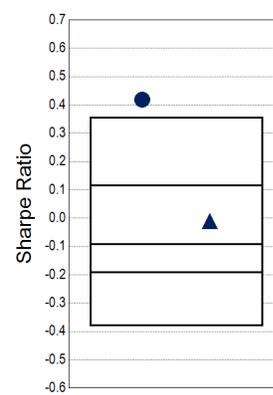
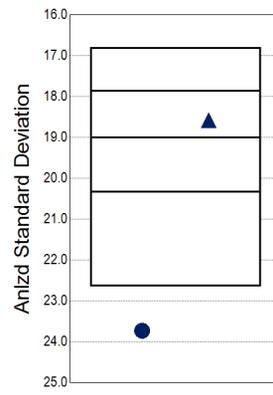
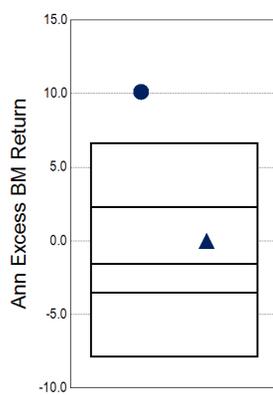
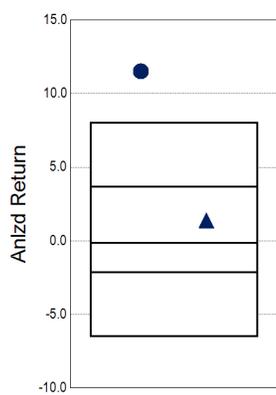
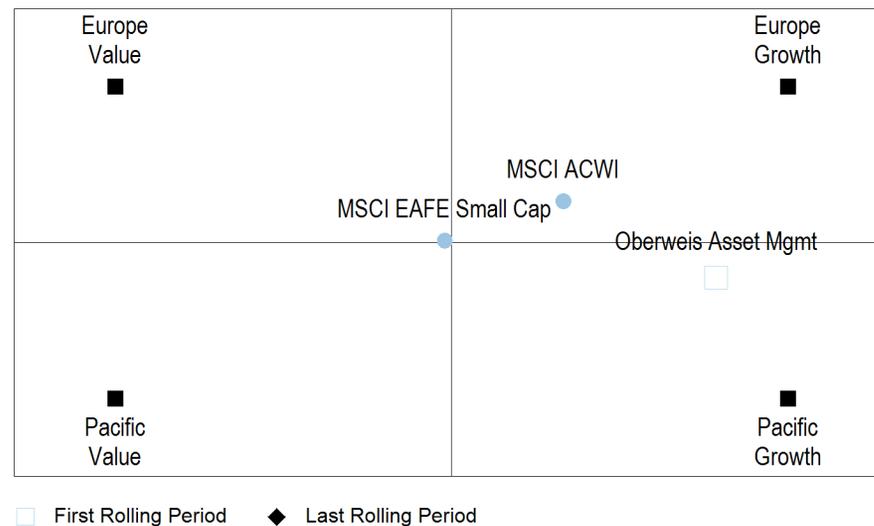


# Los Angeles City Employees' Retirement System OBERWEIS ASSET MGMT

3 Year Risk Return



3 Year Style Map



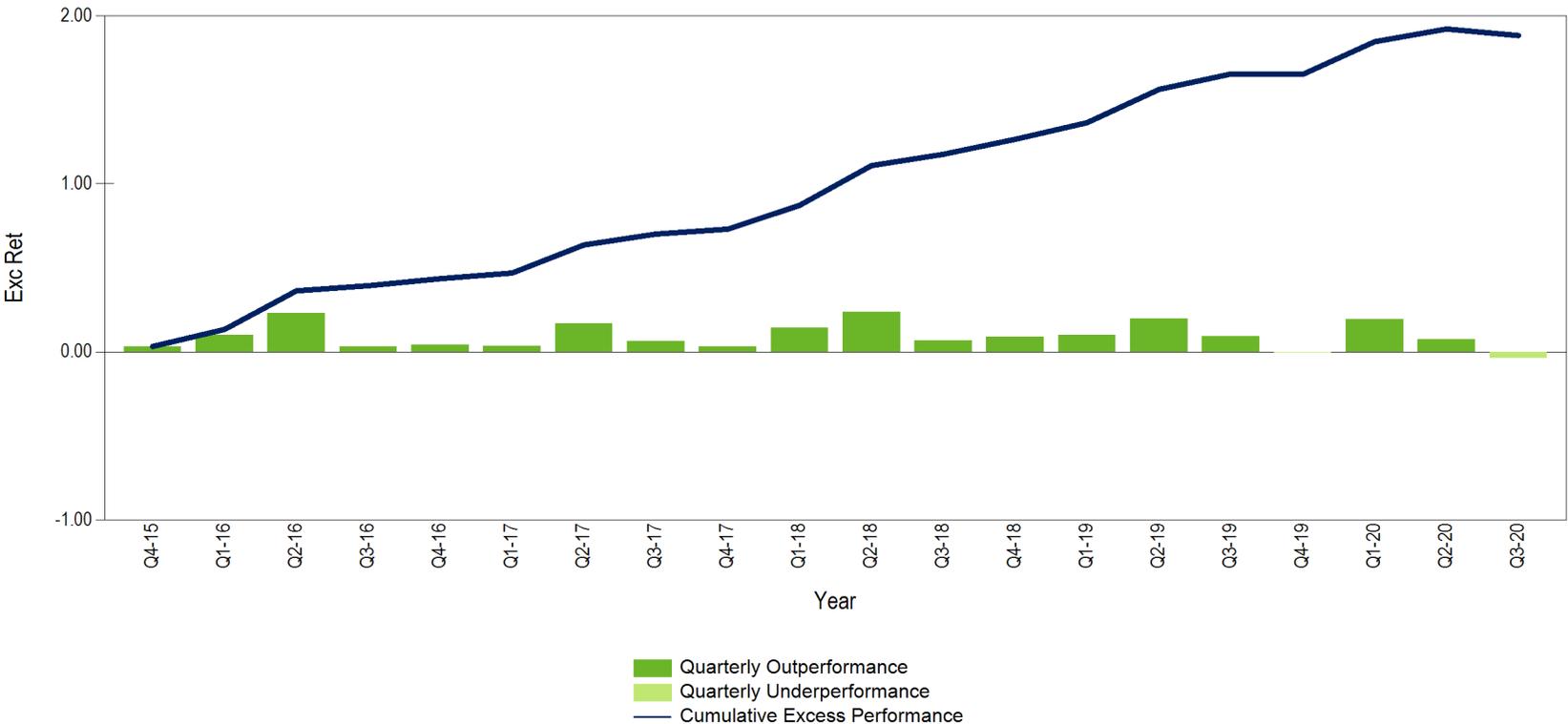
- Oberweis Asset Mgmt
- ▲ MSCI EAFE Small Cap
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System

## SSGA WORLD EX US IMI

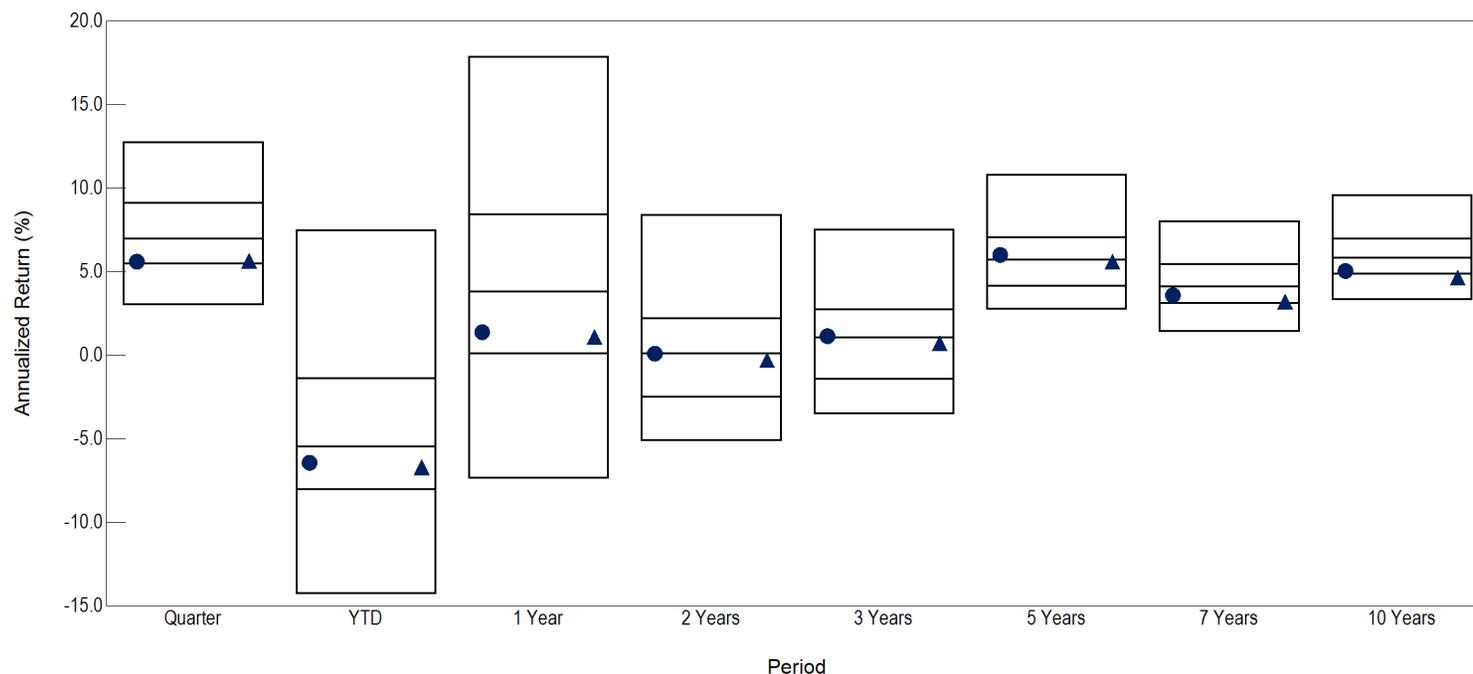
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## SSGA WORLD EX US IMI

SSgA World ex US IMI vs. eV EAFE Core Equity Net



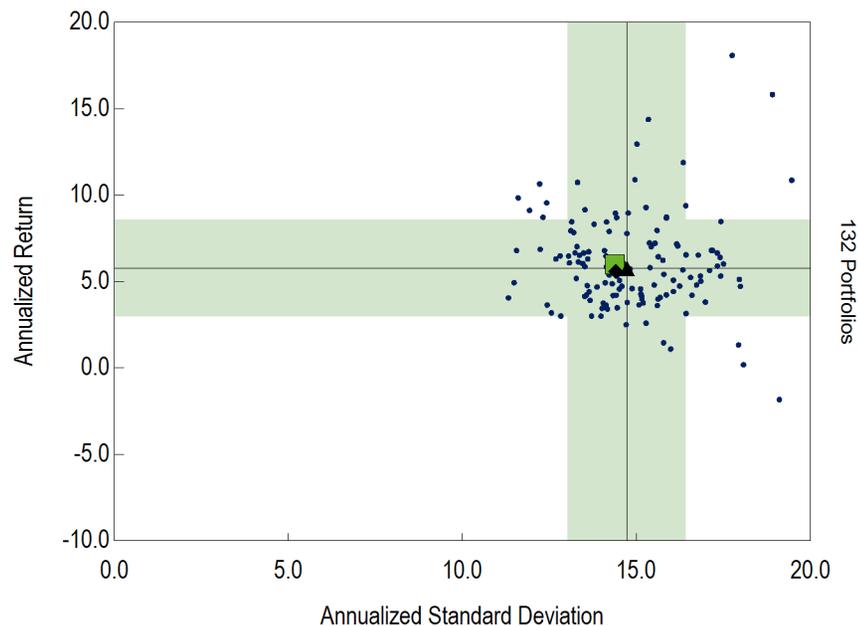
	Return (Rank)															
5th Percentile	12.74	7.48	17.88	8.40	7.51	10.80	8.02	9.60								
25th Percentile	9.15	-1.34	8.49	2.24	2.80	7.09	5.50	7.03								
Median	7.05	-5.43	3.87	0.17	1.10	5.77	4.18	5.87								
75th Percentile	5.54	-7.98	0.15	-2.45	-1.39	4.22	3.15	4.95								
95th Percentile	3.09	-14.18	-7.28	-5.03	-3.45	2.81	1.50	3.40								
# of Portfolios	152	151	151	150	146	132	114	86								
● SSGA World ex US IMI	5.60	(74)	-6.43	(60)	1.38	(65)	0.10	(51)	1.14	(50)	6.01	(47)	3.60	(63)	5.05	(73)
▲ MSCI World ex USA IMI NR USD	5.64	(73)	-6.70	(63)	1.10	(66)	-0.28	(55)	0.73	(55)	5.60	(53)	3.20	(72)	4.65	(81)



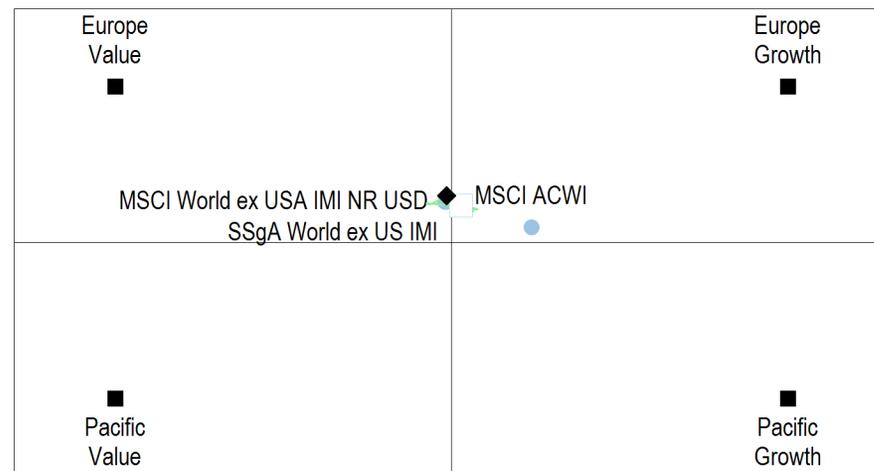
# Los Angeles City Employees' Retirement System

## SSGA WORLD EX US IMI

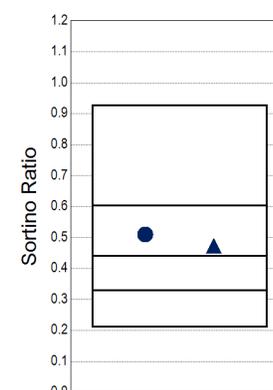
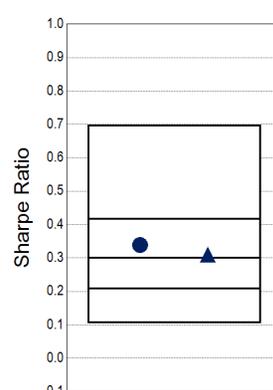
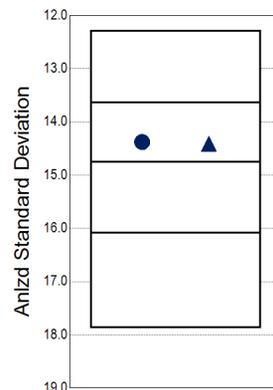
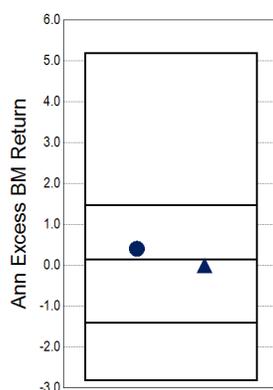
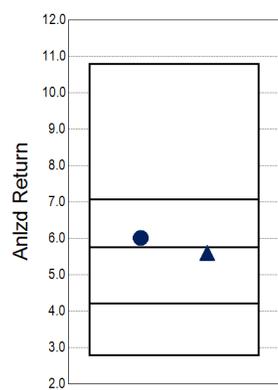
### 5 Year Risk Return



### 5 Year Style Map



□ First Rolling Period    ◆ Last Rolling Period



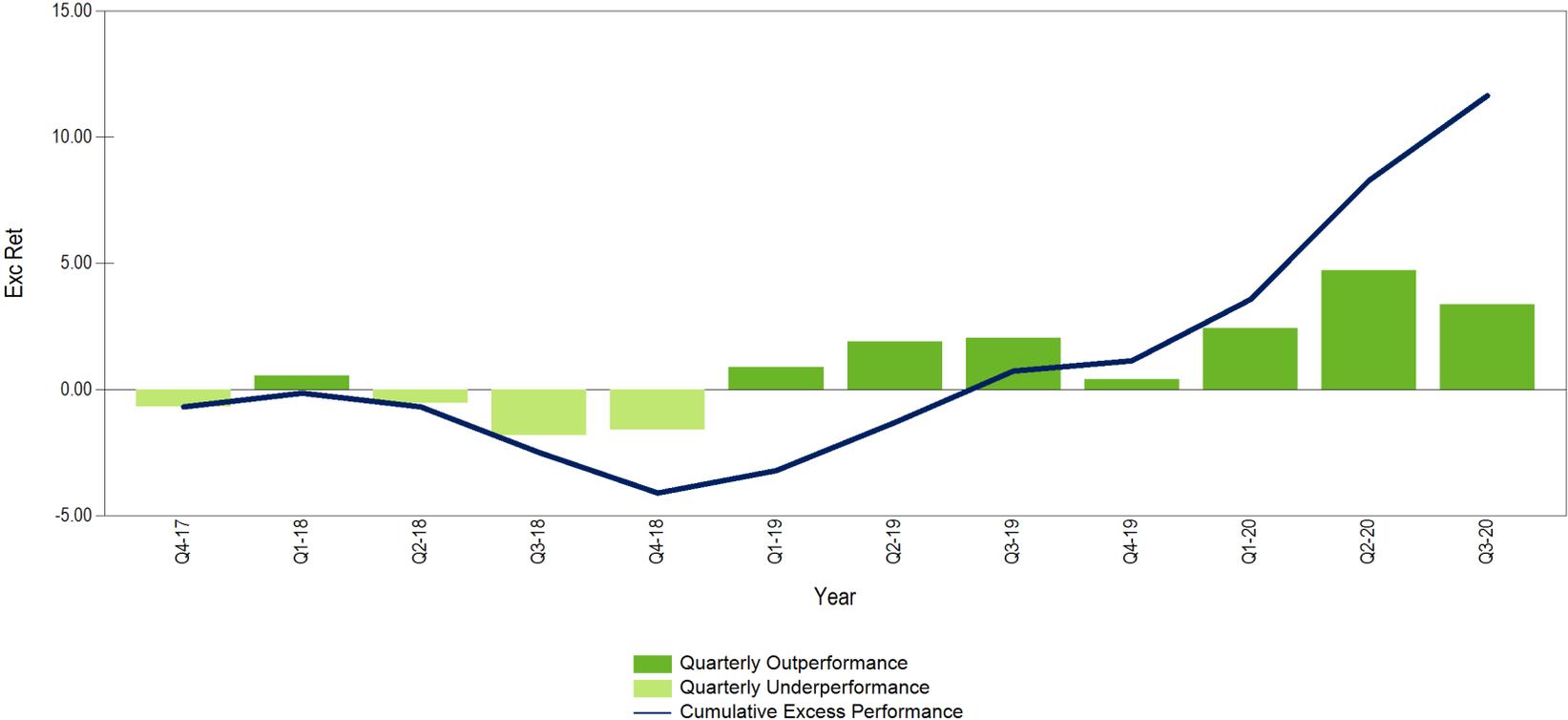
- SSGA World ex US IMI
- ▲ MSCI World ex USA IMI NR USD
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



Los Angeles City Employees' Retirement System

# AXIOM EMERGING MARKETS

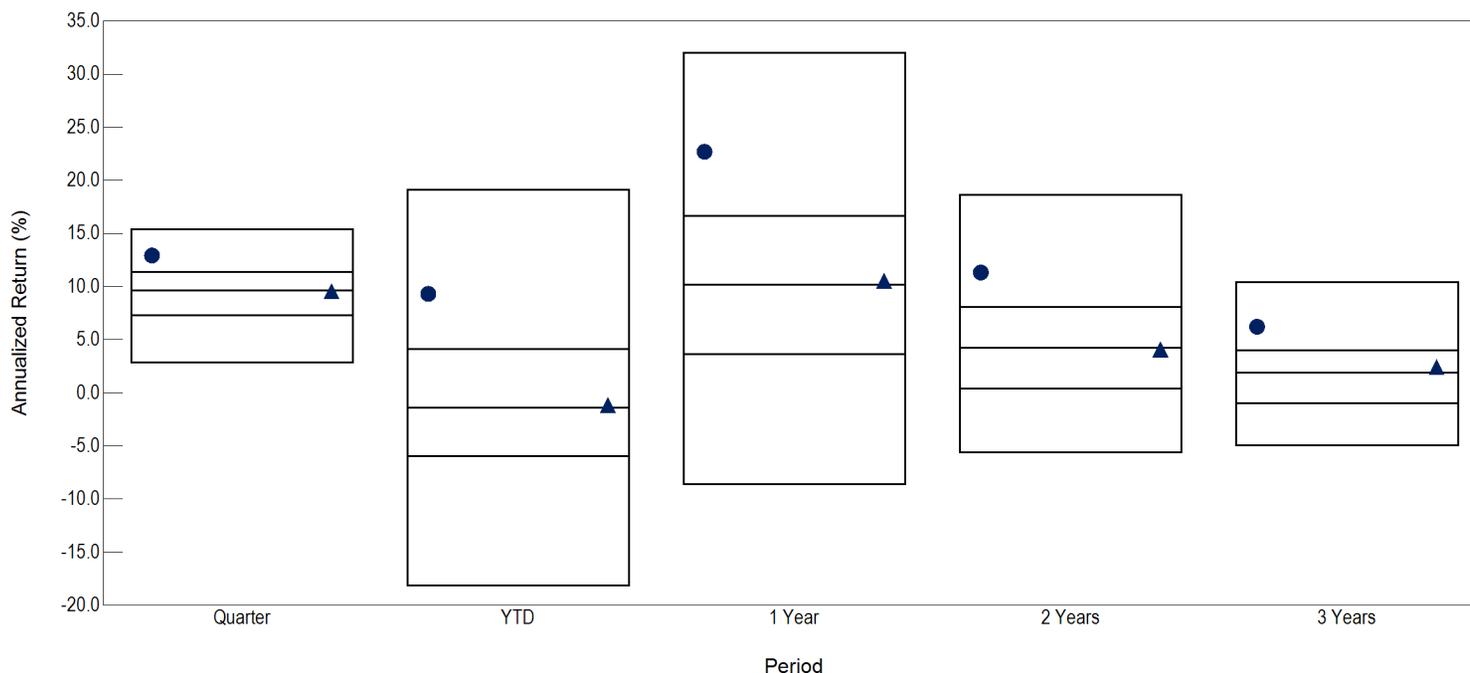
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

# AXIOM EMERGING MARKETS

Axiom Emerging Markets vs. eV Emg Mkts Equity Net



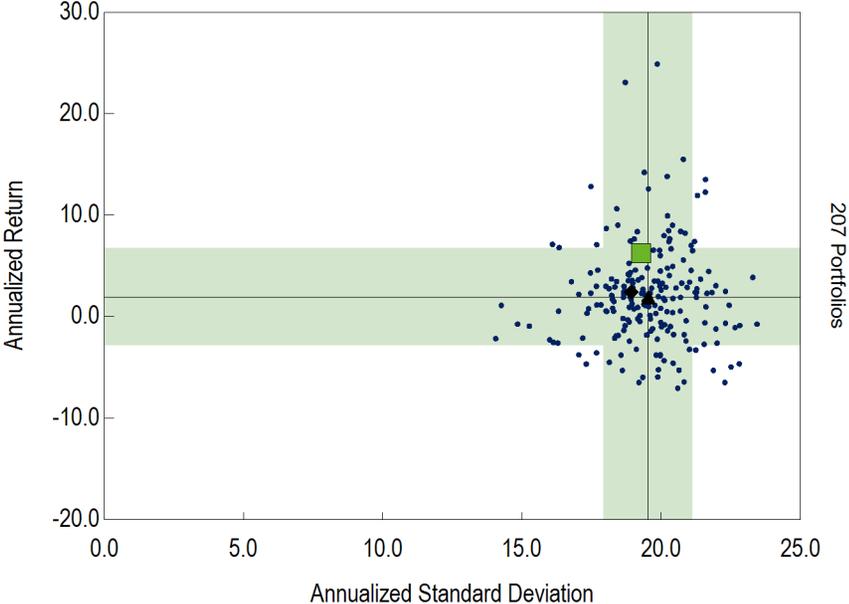
	Return (Rank)									
5th Percentile	15.37		19.13		32.02		18.64		10.41	
25th Percentile	11.42		4.18		16.74		8.16		4.07	
Median	9.70		-1.36		10.25		4.30		1.93	
75th Percentile	7.35		-5.90		3.72		0.45		-0.90	
95th Percentile	2.90		-18.06		-8.56		-5.55		-4.88	
# of Portfolios	234		232		232		220		207	
● Axiom Emerging Markets	12.92	(14)	9.31	(15)	22.70	(14)	11.33	(16)	6.22	(16)
▲ MSCI Emerging Markets	9.56	(53)	-1.16	(49)	10.54	(48)	4.07	(52)	2.42	(43)



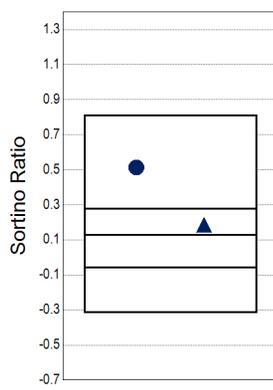
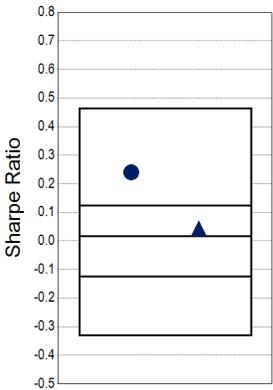
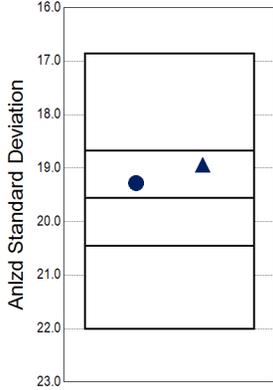
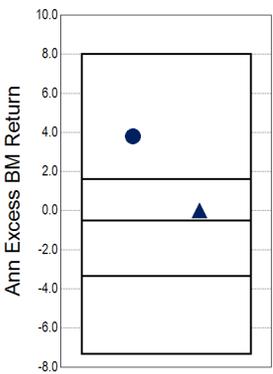
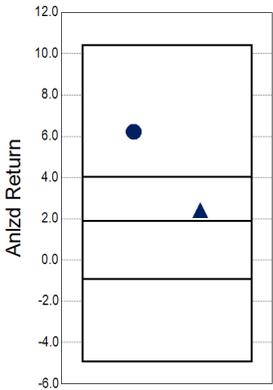
Los Angeles City Employees' Retirement System

# AXIOM EMERGING MARKETS

3 Year Risk Return



3 Year Style Map



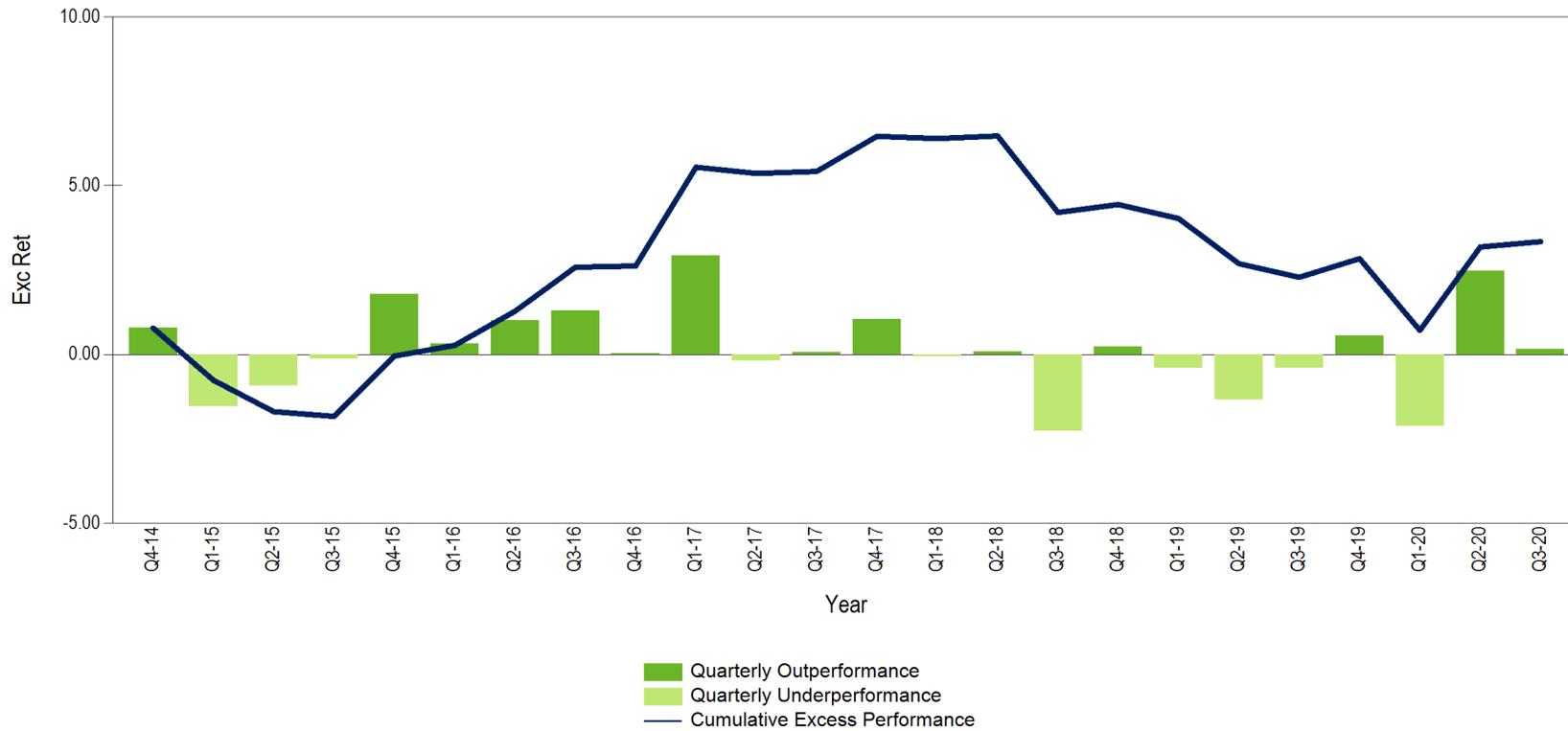
- Axiom Emerging Markets
- ▲ MSCI Emerging Markets
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System

## DFA EMERGING MARKETS

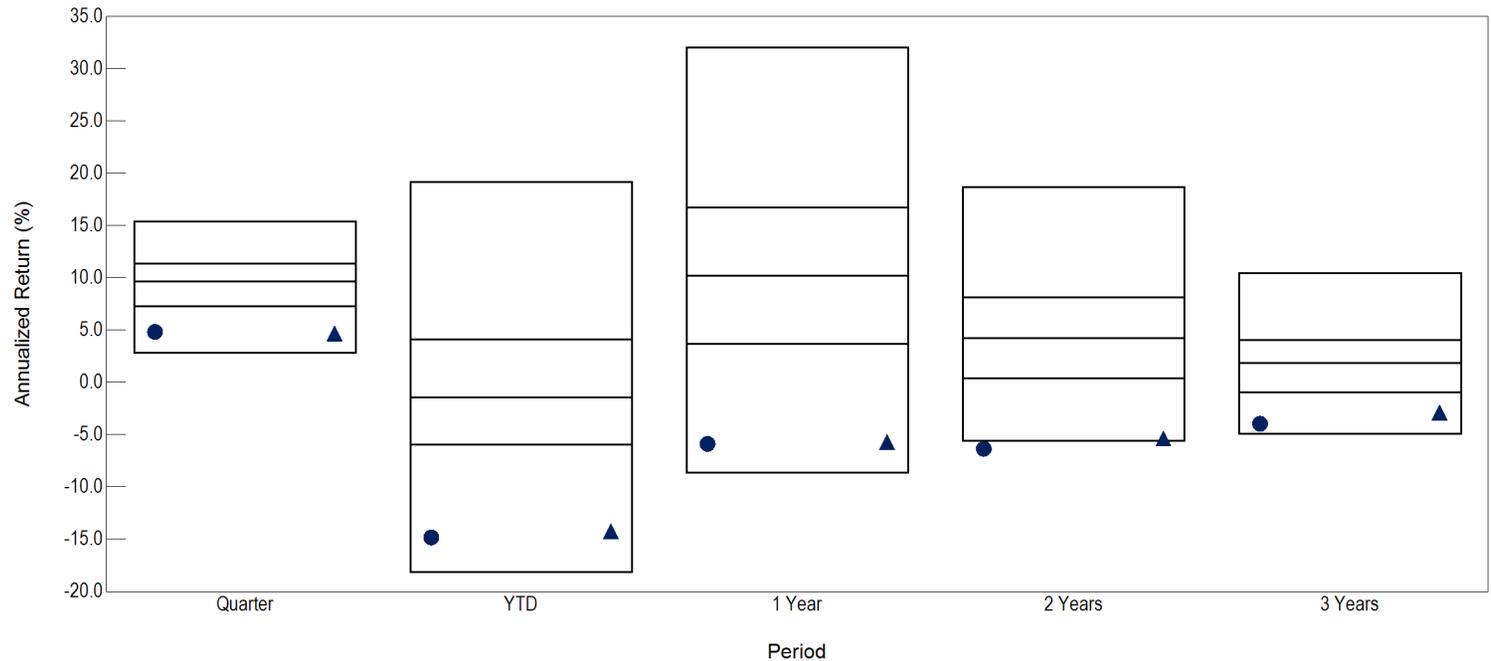
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## DFA EMERGING MARKETS

DFA Emerging Markets vs. eV Emg Mkts Equity Net



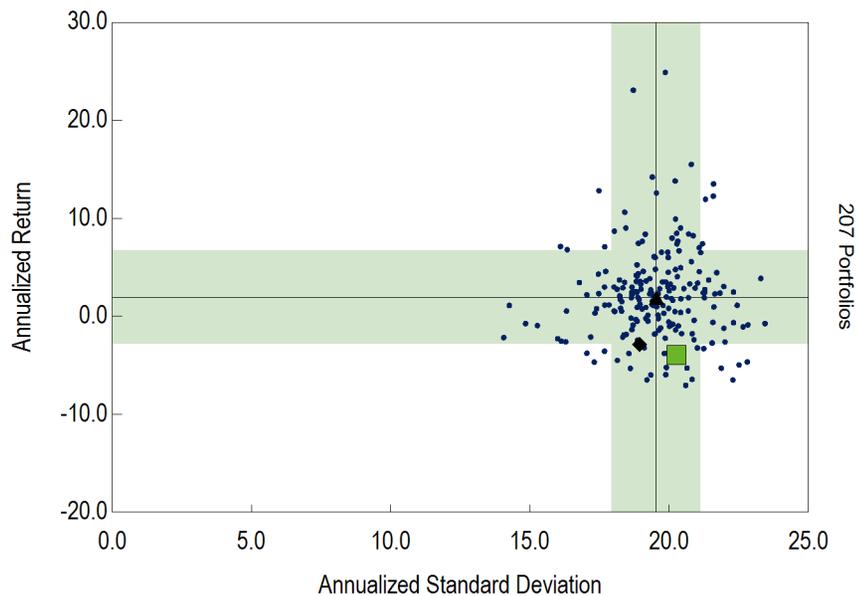
	Return (Rank)									
5th Percentile	15.37		19.13		32.02		18.64		10.41	
25th Percentile	11.42		4.18		16.74		8.16		4.07	
Median	9.70		-1.36		10.25		4.30		1.93	
75th Percentile	7.35		-5.90		3.72		0.45		-0.90	
95th Percentile	2.90		-18.06		-8.56		-5.55		-4.88	
# of Portfolios	234		232		232		220		207	
● DFA Emerging Markets	4.82	(89)	-14.83	(92)	-5.89	(91)	-6.36	(97)	-3.96	(93)
▲ MSCI Emerging Markets Value NR USD	4.66	(90)	-14.23	(92)	-5.70	(90)	-5.37	(95)	-2.89	(89)



# Los Angeles City Employees' Retirement System

## DFA EMERGING MARKETS

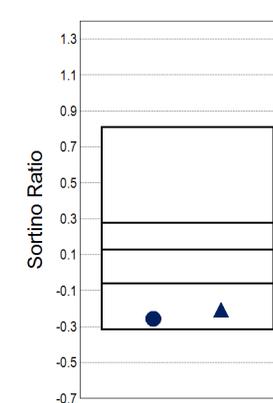
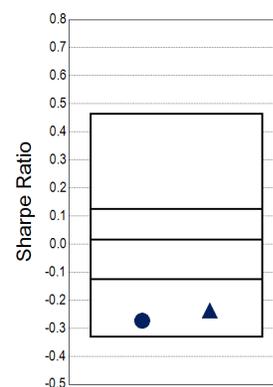
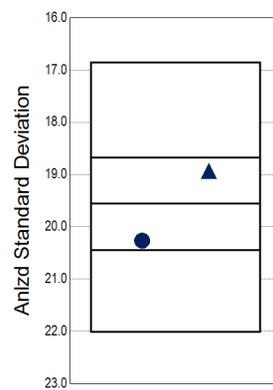
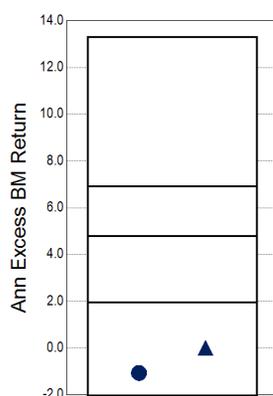
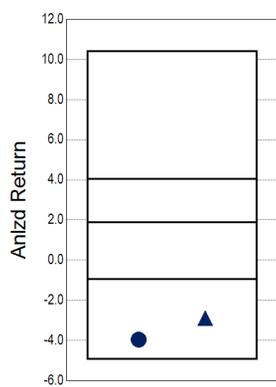
3 Year Risk Return



3 Year Style Map



□ First Rolling Period    ◆ Last Rolling Period



● DFA Emerging Markets  
▲ MSCI Emerging Markets Value NR USD

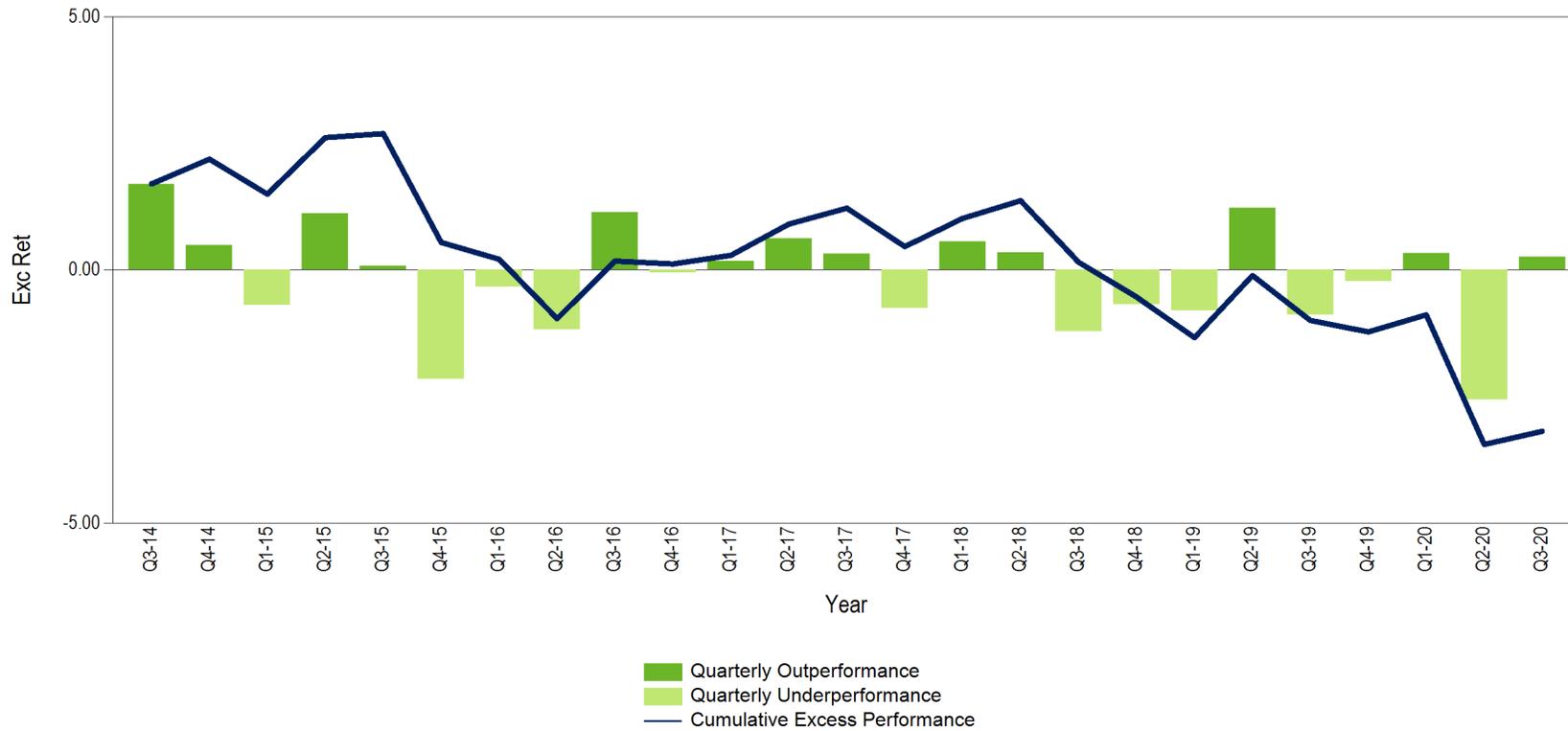
■ 5th to 25th Percentile  
■ 25th to Median  
■ Median to 75th Percentile  
■ 75th to 95th Percentile



# Los Angeles City Employees' Retirement System

## QMA EMERGING MARKETS

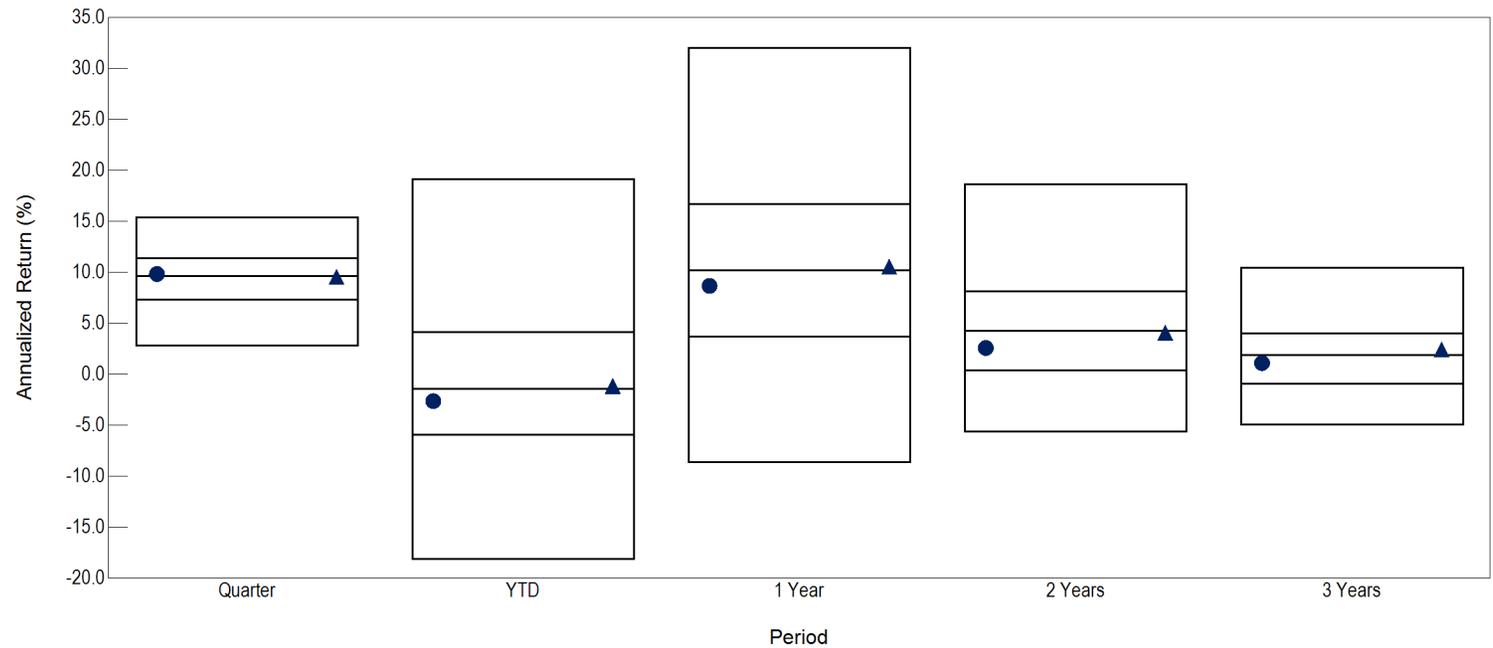
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## QMA EMERGING MARKETS

QMA Emerging Markets vs. eV Emg Mkts Equity Net



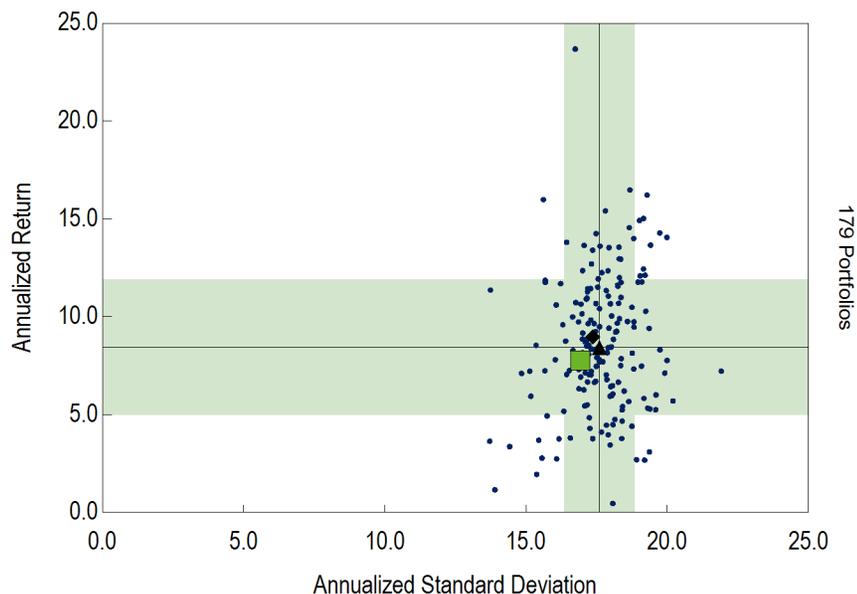
	Return (Rank)									
5th Percentile	15.37		19.13		32.02		18.64		10.41	
25th Percentile	11.42		4.18		16.74		8.16		4.07	
Median	9.70		-1.36		10.25		4.30		1.93	
75th Percentile	7.35		-5.90		3.72		0.45		-0.90	
95th Percentile	2.90		-18.06		-8.56		-5.55		-4.88	
# of Portfolios	234		232		232		220		207	
● QMA Emerging Markets	9.82	(48)	-2.65	(60)	8.66	(58)	2.57	(62)	1.08	(59)
▲ MSCI Emerging Markets	9.56	(53)	-1.16	(49)	10.54	(48)	4.07	(52)	2.42	(43)



# Los Angeles City Employees' Retirement System

## QMA EMERGING MARKETS

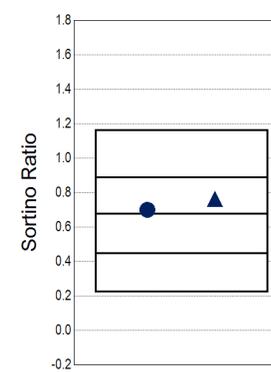
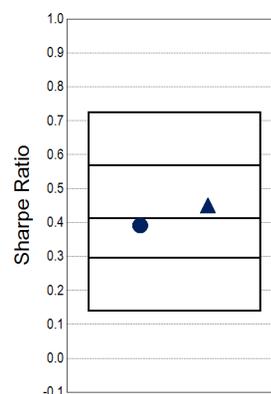
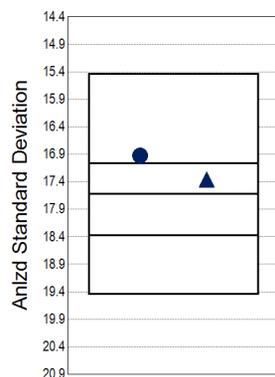
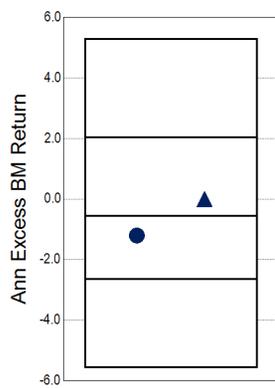
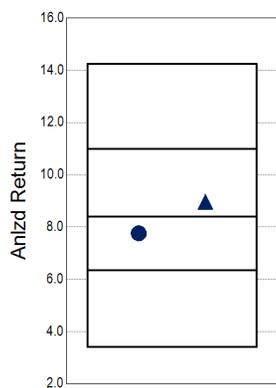
5 Year Risk Return



5 Year Style Map



□ First Rolling Period    ◆ Last Rolling Period



- QMA Emerging Markets
- ▲ MSCI Emerging Markets
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# CORE FIXED INCOME MANAGER PERFORMANCE

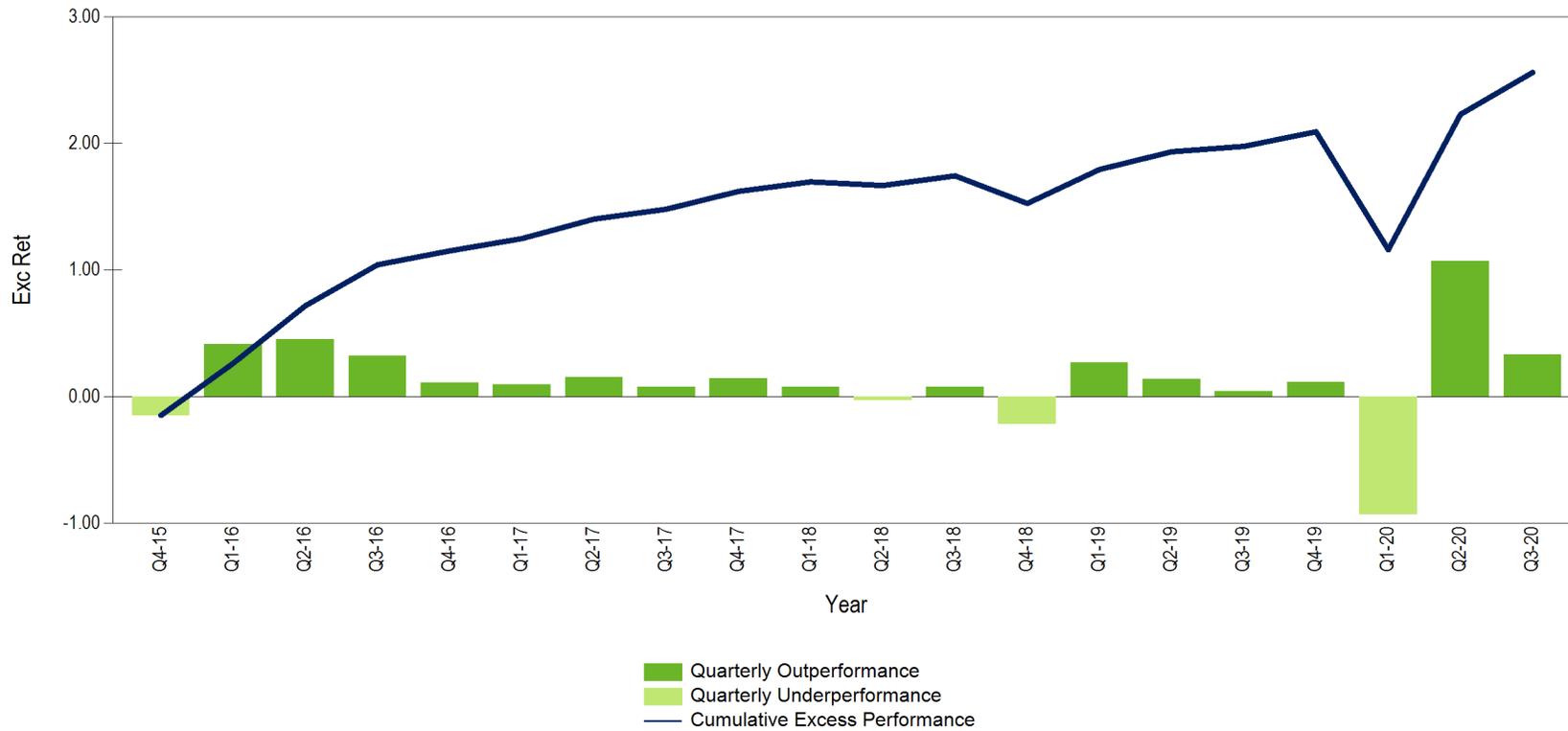
NEPC, LLC

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Los Angeles City Employees' Retirement System

**BAIRD ADVISORS**

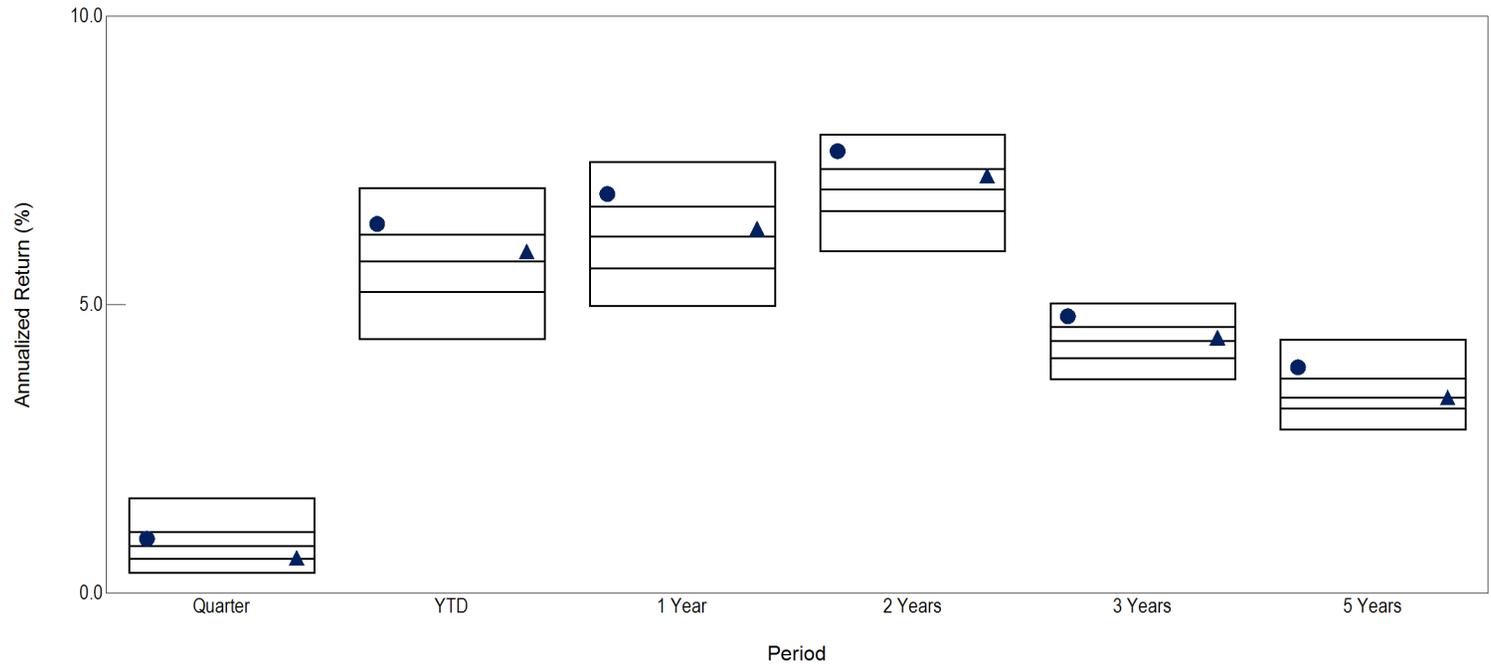
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

# BAIRD ADVISORS

Baird Advisors vs. eV US Interm Duration Fixed Inc Net



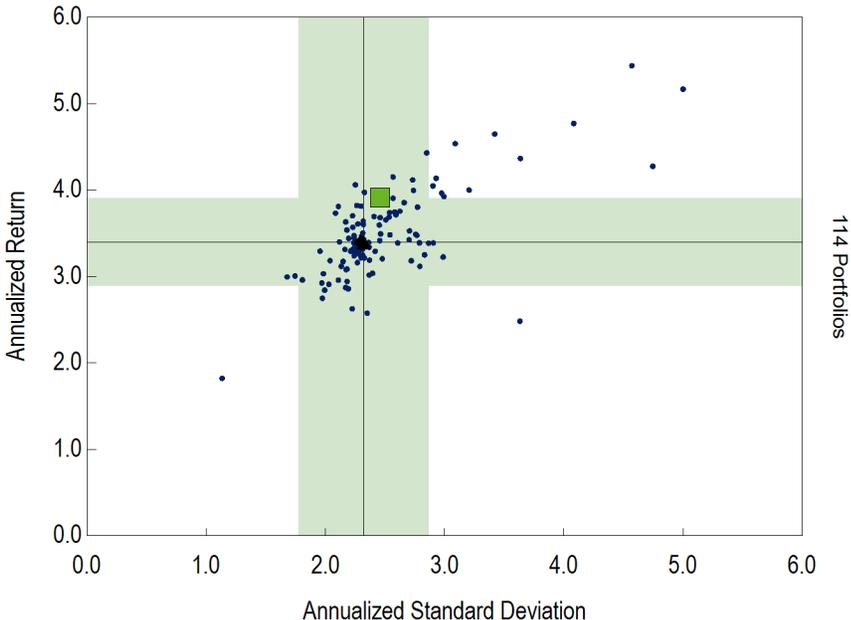
	Return (Rank)		Return (Rank)		Return (Rank)		Return (Rank)		Return (Rank)		Return (Rank)	
5th Percentile	1.64		7.02		7.48		7.95		5.02		4.39	
25th Percentile	1.08		6.23		6.71		7.36		4.62		3.73	
Median	0.83		5.76		6.20		7.01		4.39		3.40	
75th Percentile	0.60		5.23		5.65		6.63		4.09		3.22	
95th Percentile	0.36		4.42		4.99		5.94		3.72		2.85	
# of Portfolios	120		120		119		116		116		114	
● Baird Advisors	0.95	(40)	6.40	(18)	6.92	(16)	7.66	(8)	4.80	(13)	3.92	(17)
▲ BBgBarc US Govt/Credit Int TR	0.61	(74)	5.92	(40)	6.32	(44)	7.24	(35)	4.43	(45)	3.39	(51)



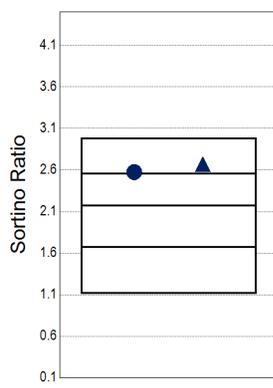
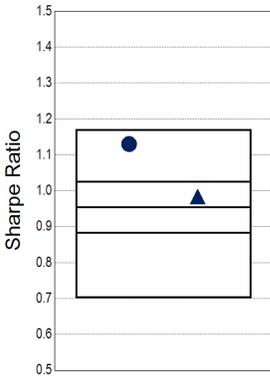
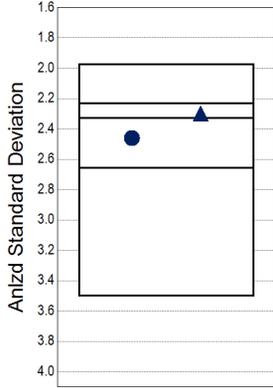
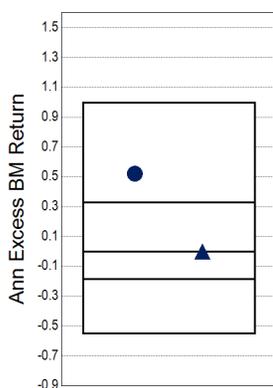
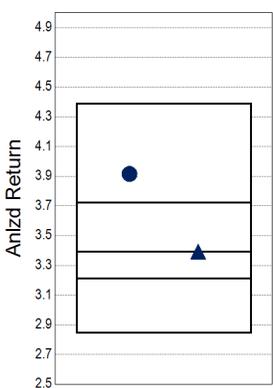
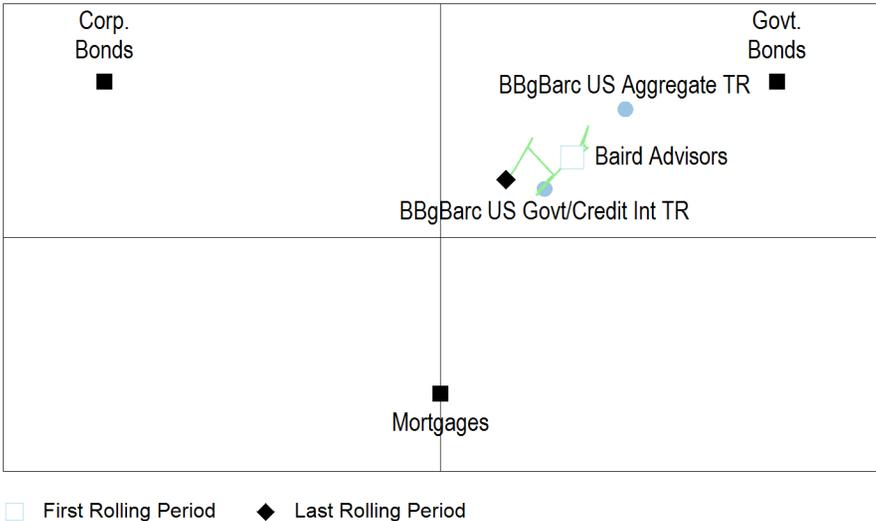
Los Angeles City Employees' Retirement System

# BAIRD ADVISORS

5 Year Risk Return



5 Year Style Map



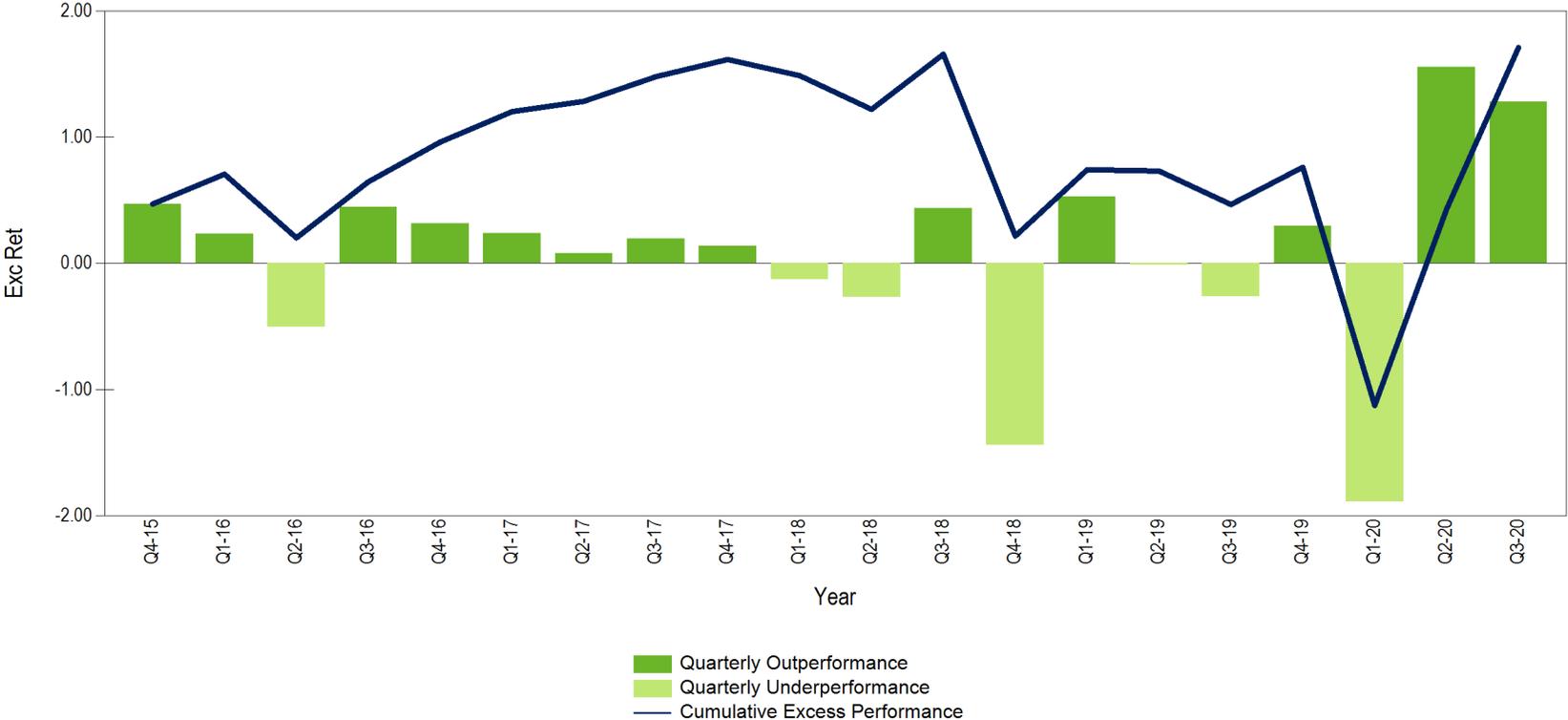
- Baird Advisors
- ▲ BBgBarc US Govt/Credit Int TR
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System

# LM CAPITAL

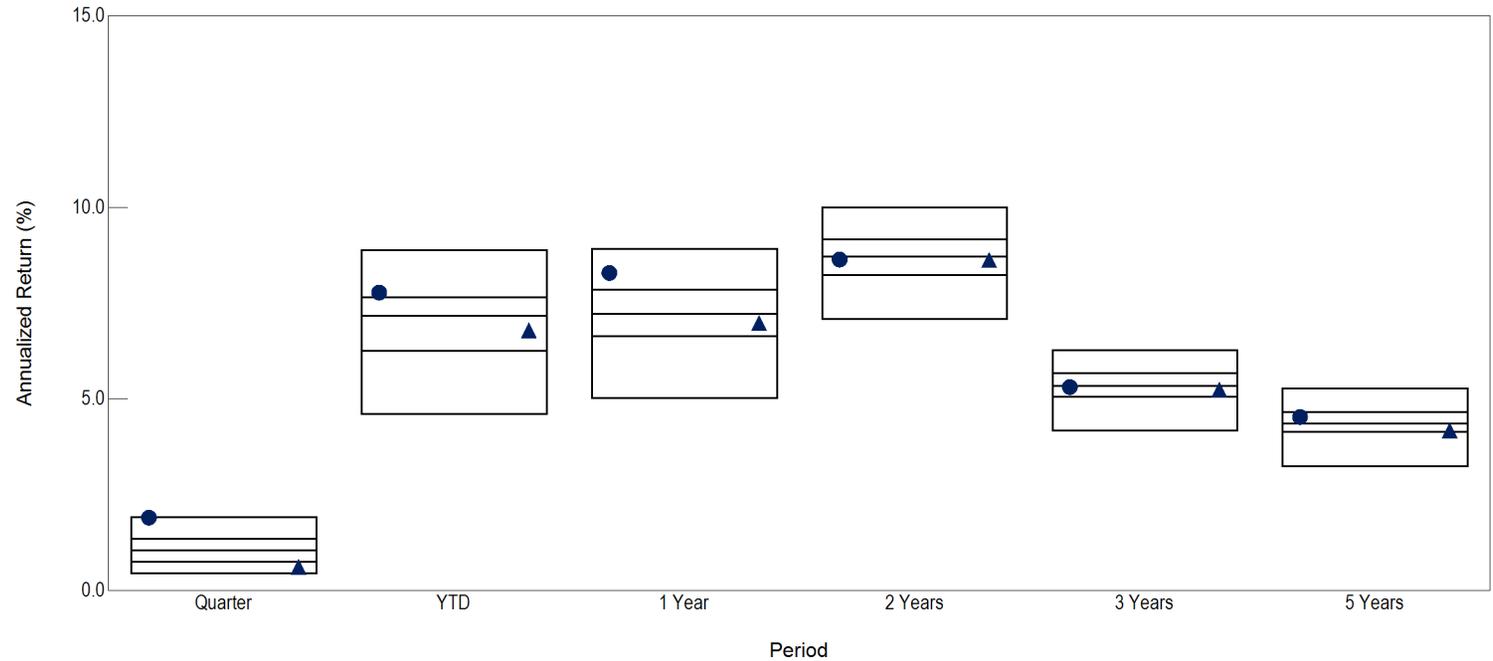
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

LM CAPITAL

Core Fixed Income Managers vs. eV US Core Fixed Inc Net



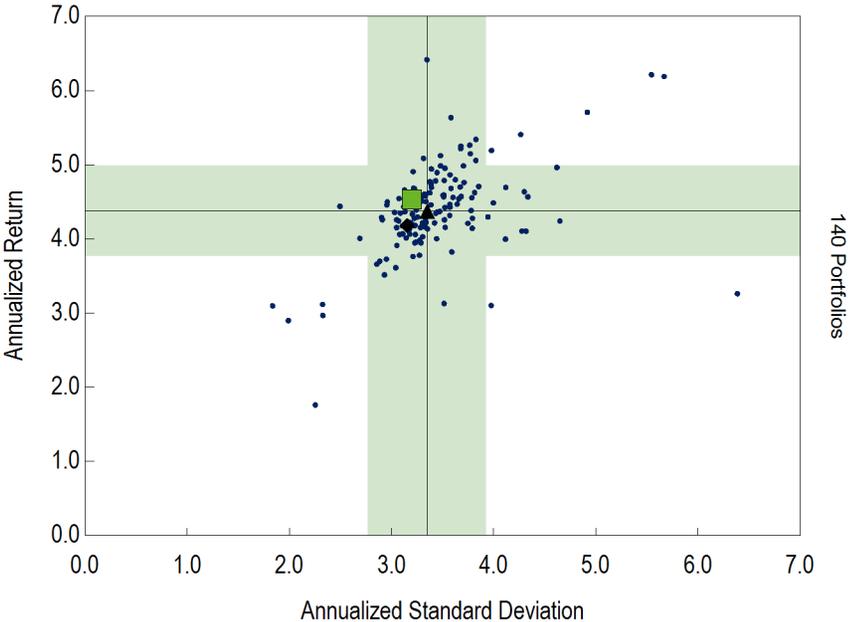
	Return (Rank)		Return (Rank)		Return (Rank)		Return (Rank)		Return (Rank)		Return (Rank)	
5th Percentile	1.91		8.89		8.91		10.01		6.27		5.27	
25th Percentile	1.36		7.67		7.87		9.18		5.69		4.68	
Median	1.06		7.18		7.24		8.73		5.35		4.38	
75th Percentile	0.76		6.27		6.66		8.25		5.07		4.15	
95th Percentile	0.47		4.62		5.04		7.11		4.20		3.25	
# of Portfolios	147		147		146		144		143		140	
● LM Capital	1.90	(6)	7.78	(20)	8.29	(15)	8.64	(53)	5.31	(55)	4.53	(39)
▲ LM Custom Benchmark	0.62	(88)	6.79	(63)	6.98	(62)	8.63	(54)	5.24	(61)	4.18	(71)



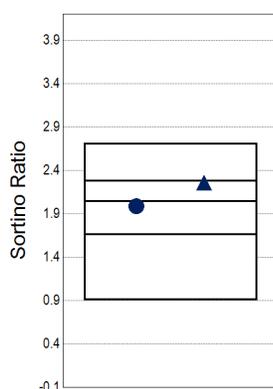
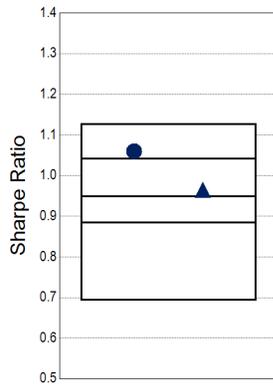
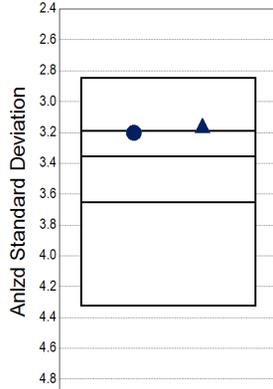
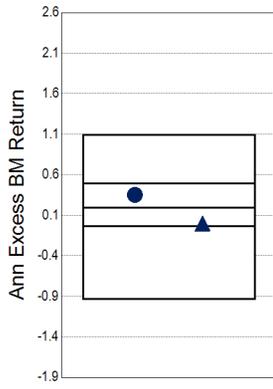
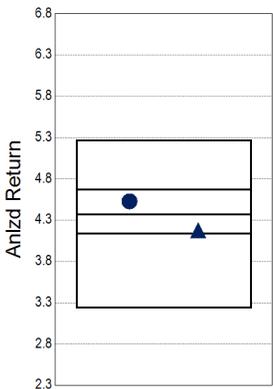
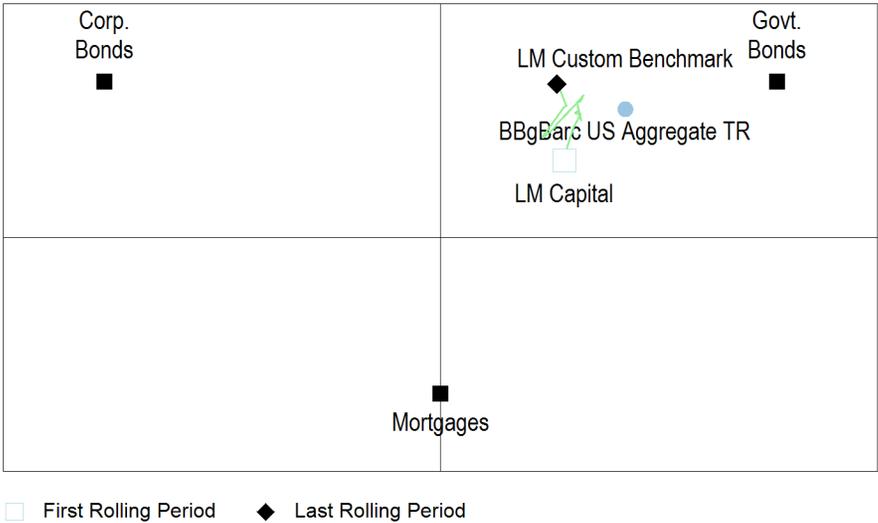
# Los Angeles City Employees' Retirement System

## LM CAPITAL

### 5 Year Risk Return



### 5 Year Style Map



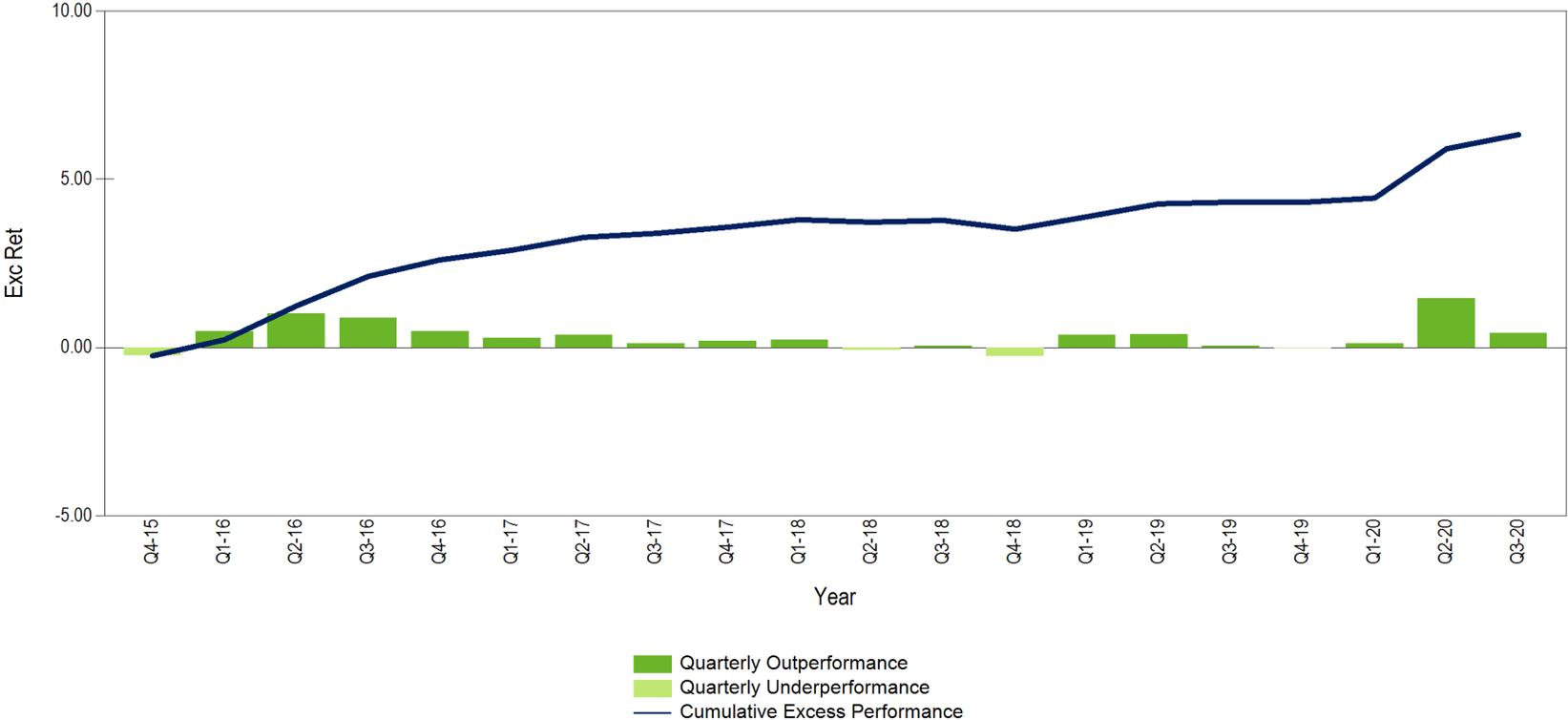
- LM Capital
- ▲ LM Custom Benchmark
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



Los Angeles City Employees' Retirement System

# LOOMIS SAYLES

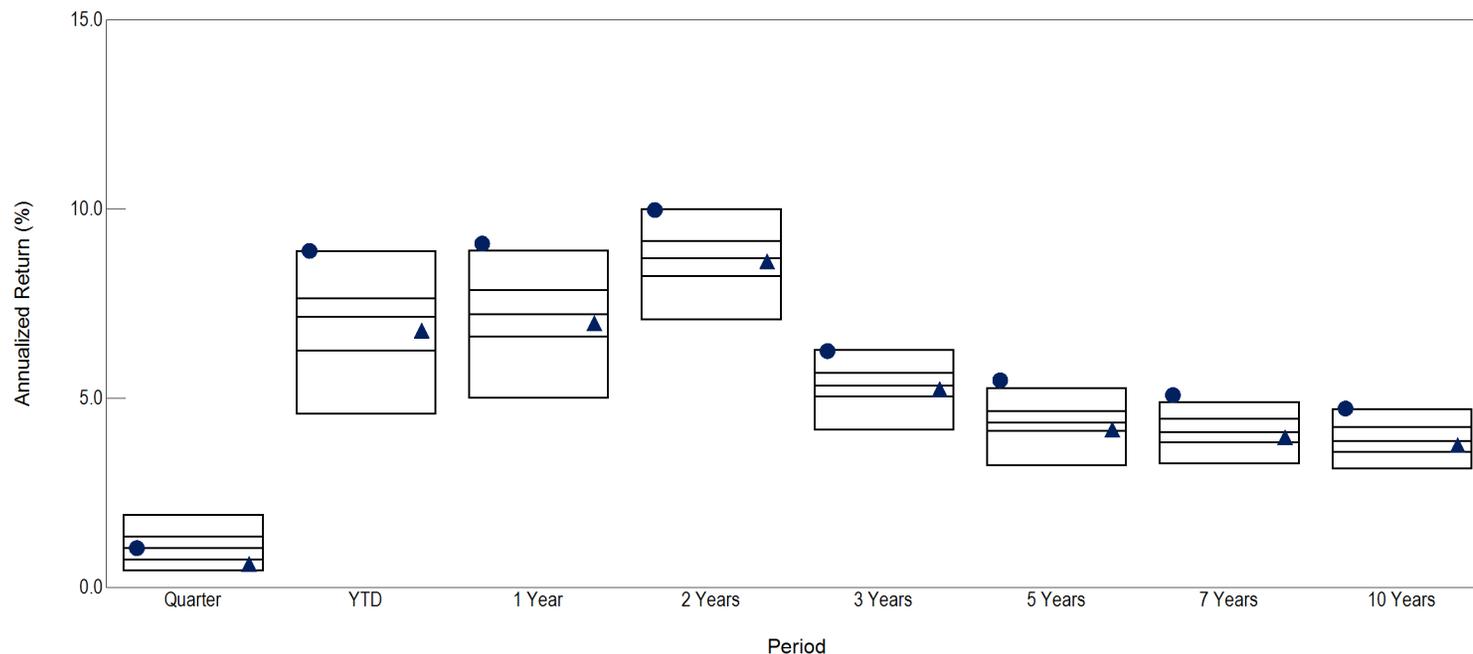
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

# LOOMIS SAYLES

Loomis Sayles vs. eV US Core Fixed Inc Net



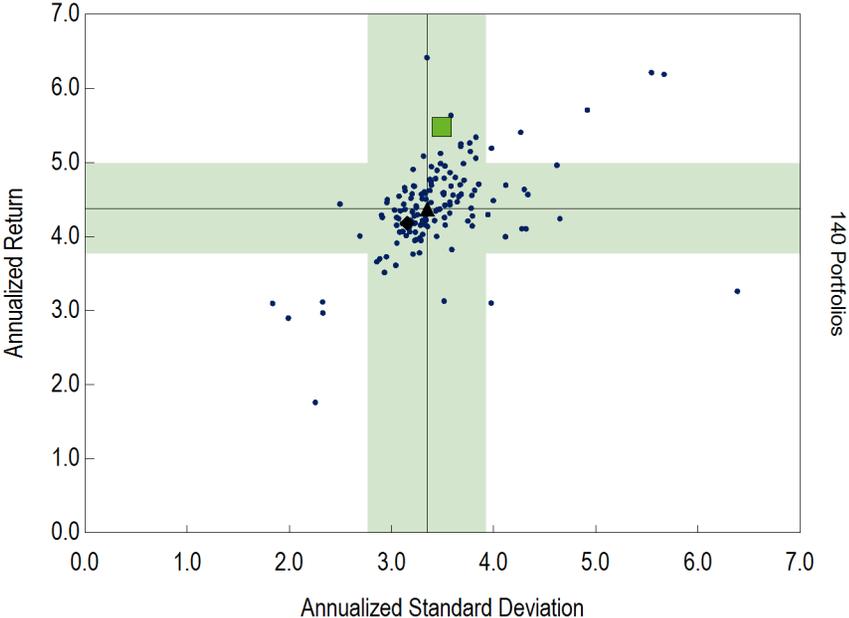
	Return (Rank)															
5th Percentile	1.91	8.89	8.91	10.01	6.27	5.27	4.91	4.72								
25th Percentile	1.36	7.67	7.87	9.18	5.69	4.68	4.48	4.26								
Median	1.06	7.18	7.24	8.73	5.35	4.38	4.13	3.88								
75th Percentile	0.76	6.27	6.66	8.25	5.07	4.15	3.86	3.61								
95th Percentile	0.47	4.62	5.04	7.11	4.20	3.25	3.30	3.16								
# of Portfolios	147	147	146	144	143	140	137	129								
● Loomis Sayles	1.04	(51)	8.90	(5)	9.09	(4)	9.98	(6)	6.25	(6)	5.48	(4)	5.09	(4)	4.73	(4)
▲ Loomis Custom Benchmark	0.62	(88)	6.79	(63)	6.98	(62)	8.63	(54)	5.24	(61)	4.18	(71)	3.97	(68)	3.77	(60)



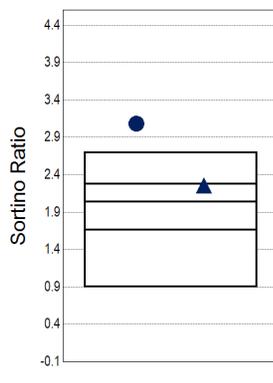
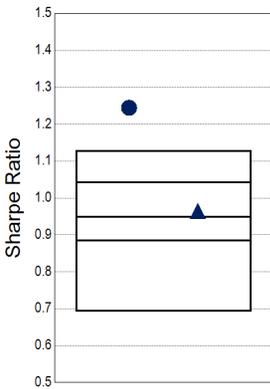
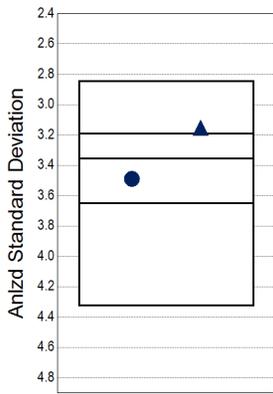
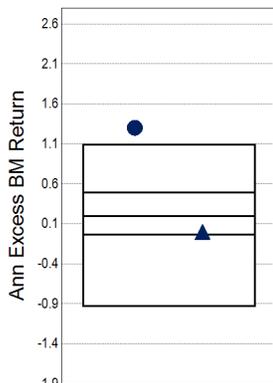
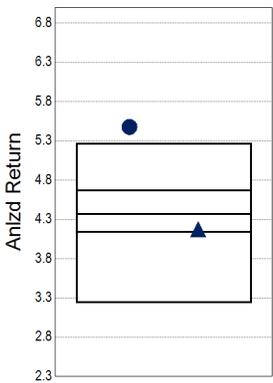
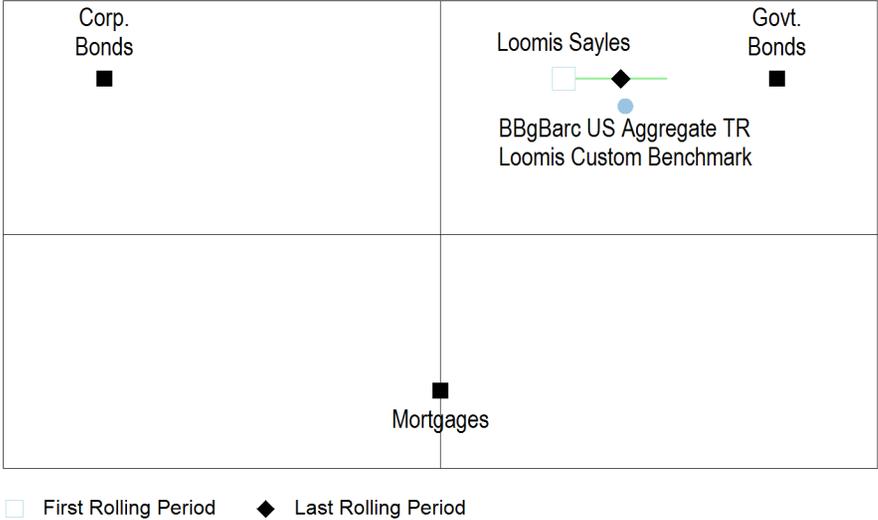
# Los Angeles City Employees' Retirement System

## LOOMIS SAYLES

### 5 Year Risk Return



### 5 Year Style Map



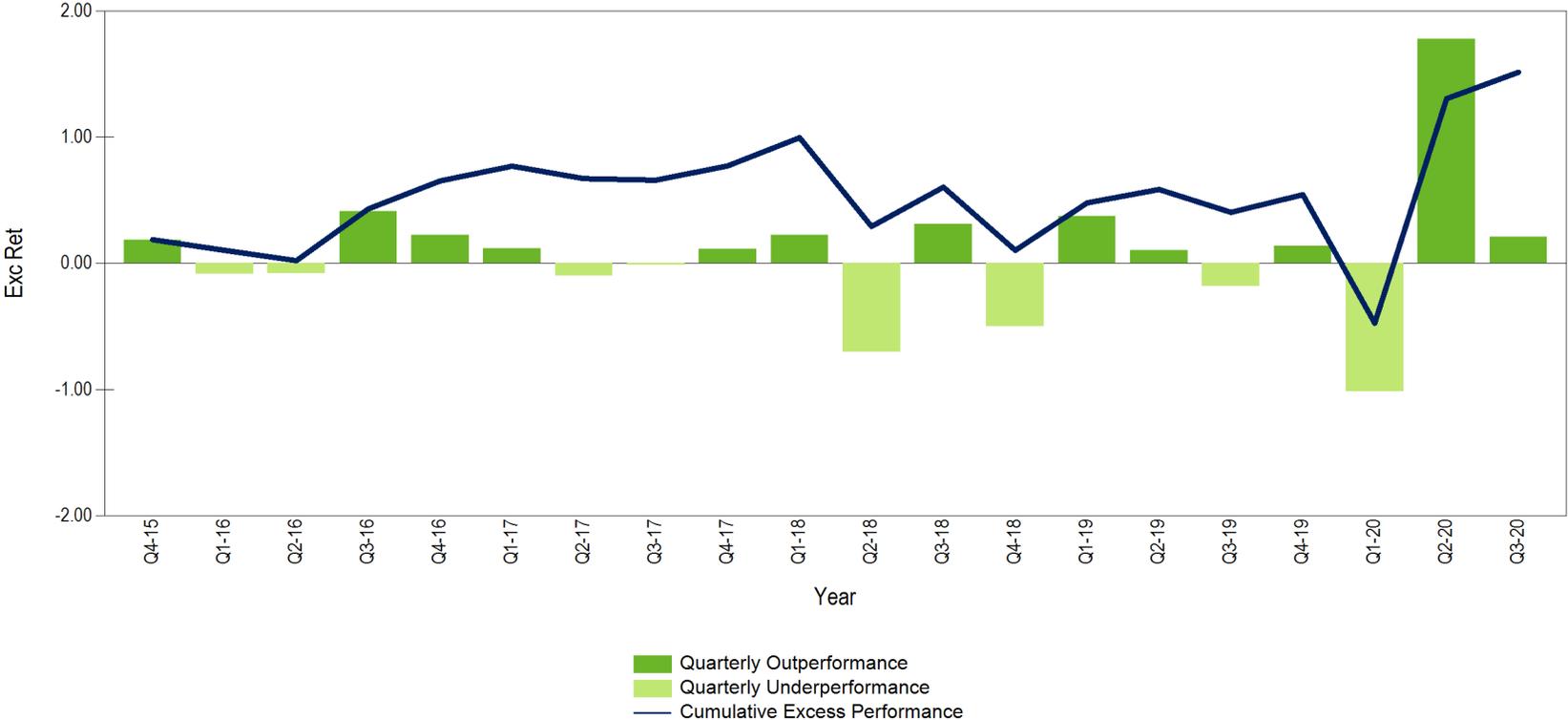
- Loomis Sayles
- ▲ Loomis Custom Benchmark
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



Los Angeles City Employees' Retirement System

# NEUBERGER BERMAN

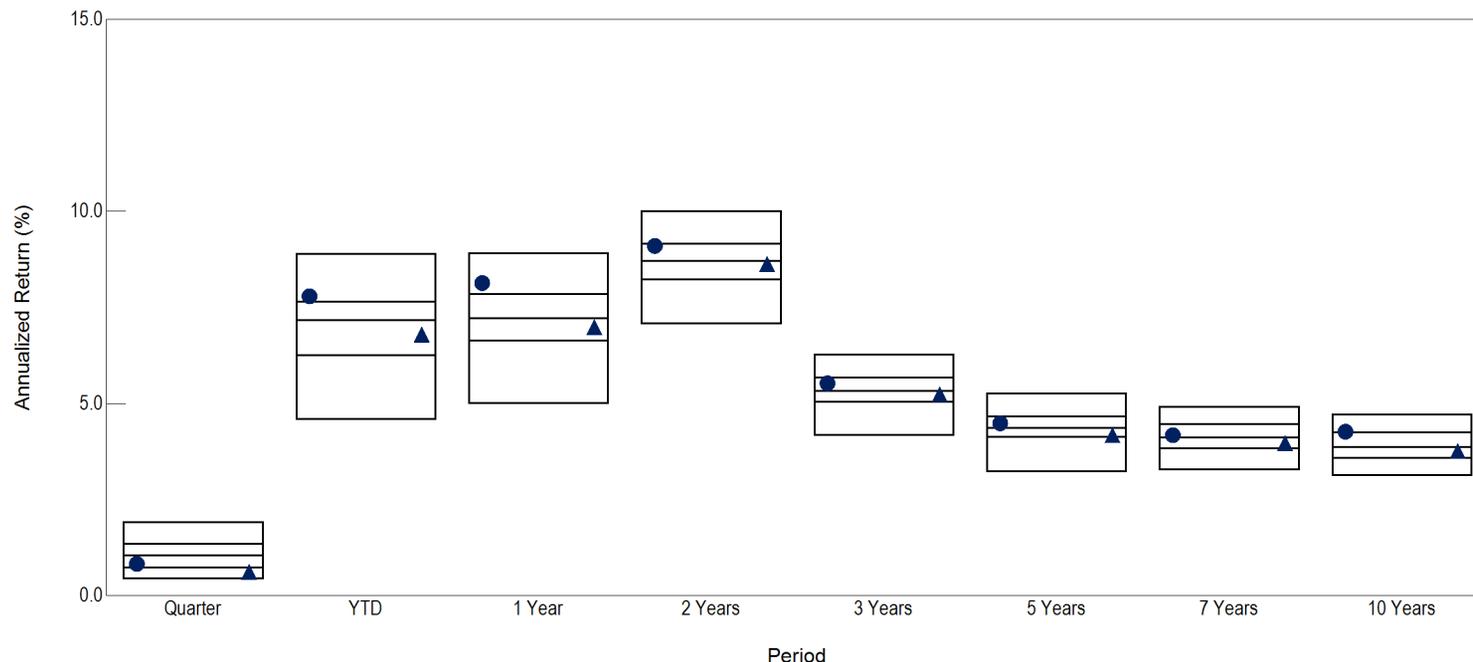
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

# NEUBERGER BERMAN

Neuberger Berman vs. eV US Core Fixed Inc Net



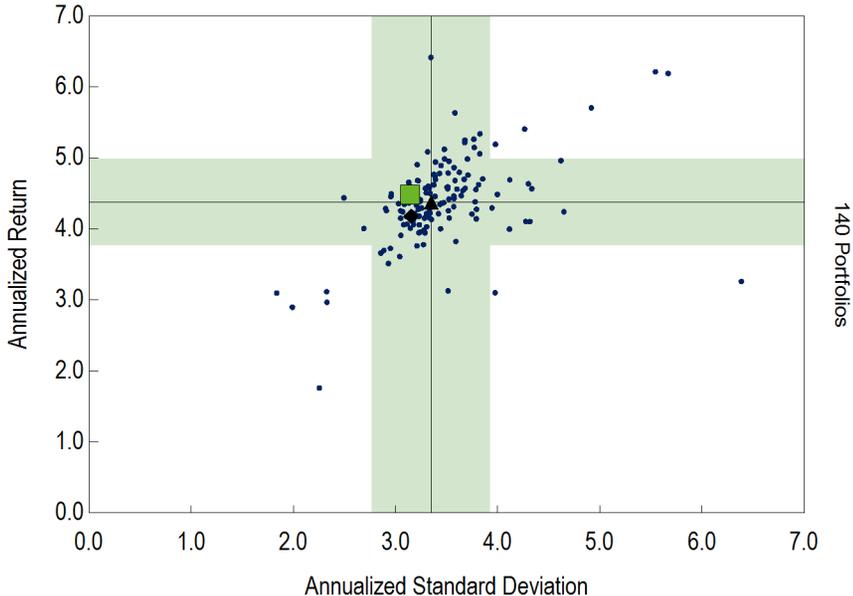
	Return (Rank)									
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years		
5th Percentile	1.91	8.89	8.91	10.01	6.27	5.27	4.91	4.72		
25th Percentile	1.36	7.67	7.87	9.18	5.69	4.68	4.48	4.26		
Median	1.06	7.18	7.24	8.73	5.35	4.38	4.13	3.88		
75th Percentile	0.76	6.27	6.66	8.25	5.07	4.15	3.86	3.61		
95th Percentile	0.47	4.62	5.04	7.11	4.20	3.25	3.30	3.16		
# of Portfolios	147	147	146	144	143	140	137	129		
● Neuberger Berman	0.83 (68)	7.79 (20)	8.14 (18)	9.10 (30)	5.53 (33)	4.49 (42)	4.18 (44)	4.27 (22)		
▲ Core Fixed Income Blend	0.62 (88)	6.79 (63)	6.98 (62)	8.63 (54)	5.24 (61)	4.18 (71)	3.97 (68)	3.77 (60)		



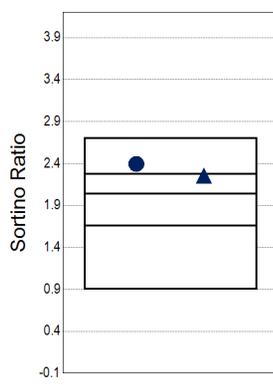
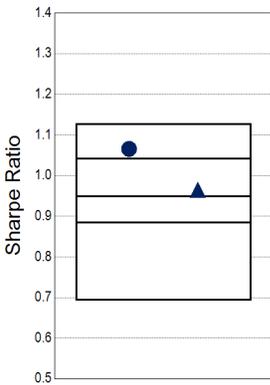
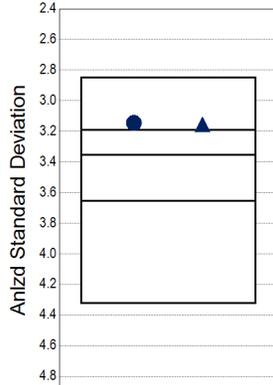
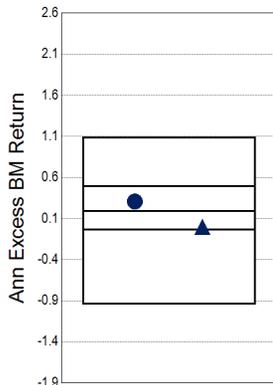
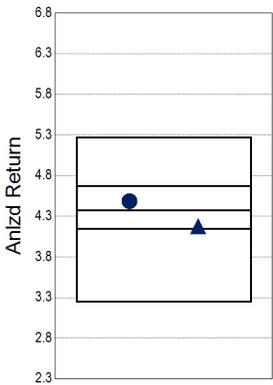
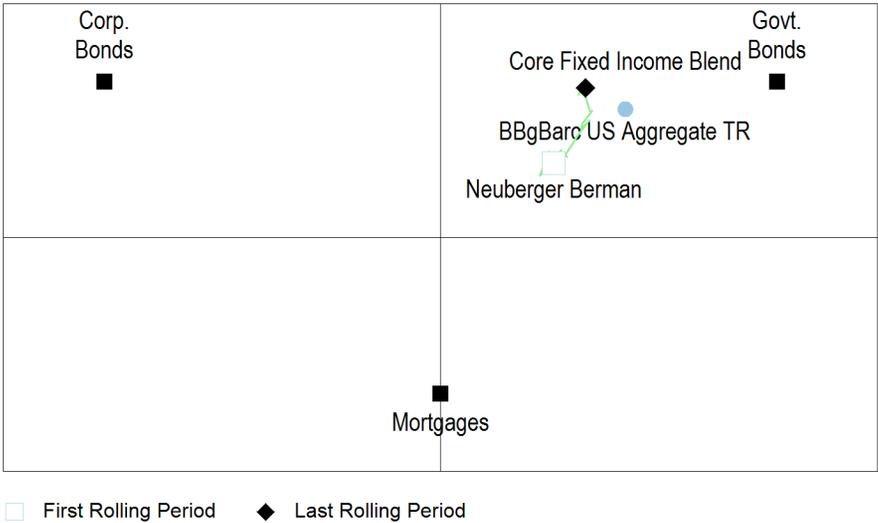
# Los Angeles City Employees' Retirement System

## NEUBERGER BERMAN

5 Year Risk Return



5 Year Style Map



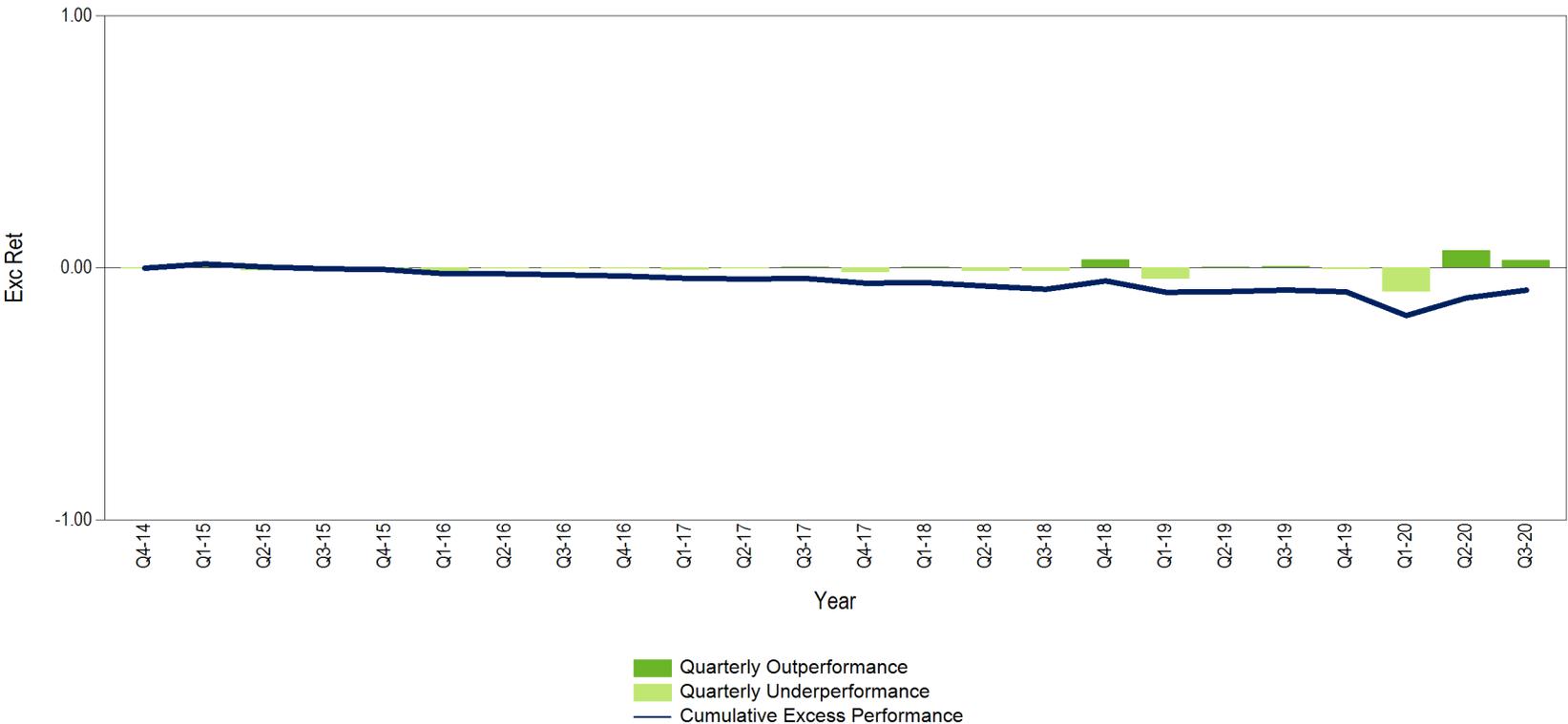
- Neuberger Berman
- ▲ Core Fixed Income Blend
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System

## SSGA U.S. AGGREGATE BOND

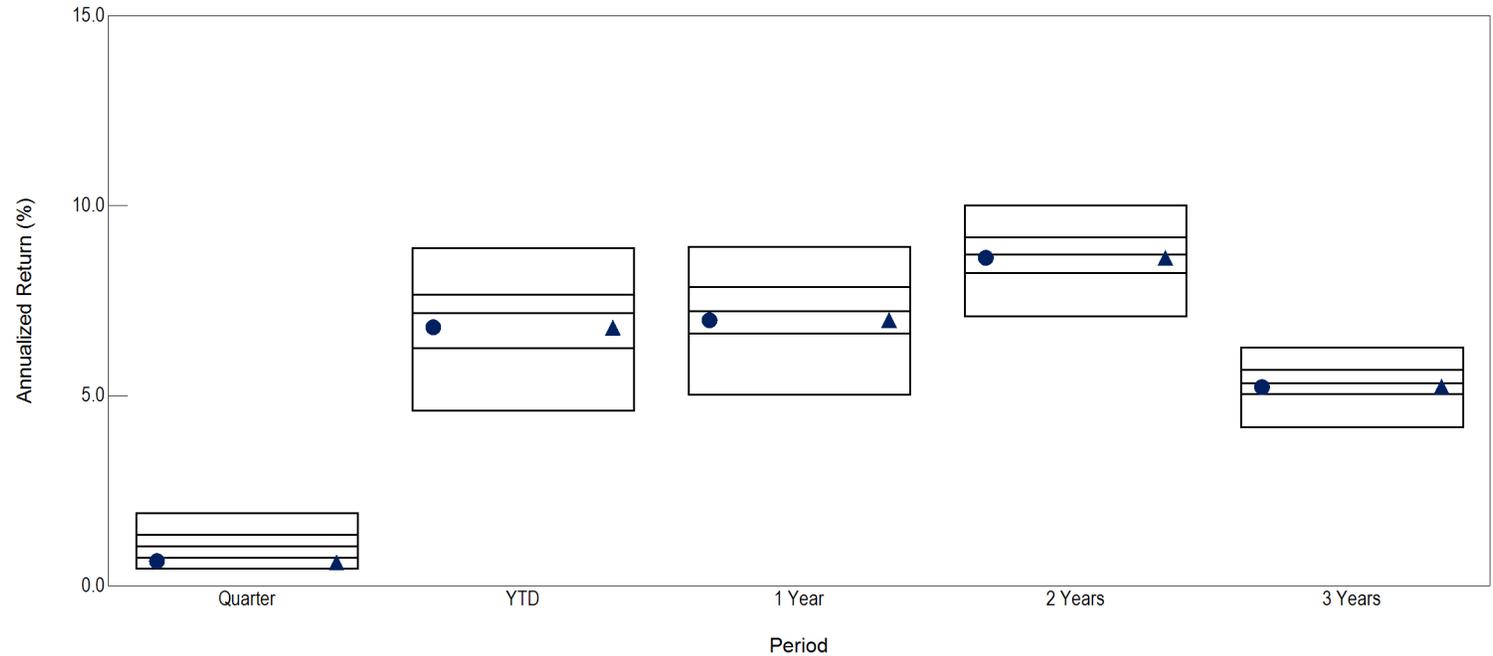
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

# SSGA U.S. AGGREGATE BOND

SSgA U.S. Aggregate Bond vs. eV US Core Fixed Inc Net



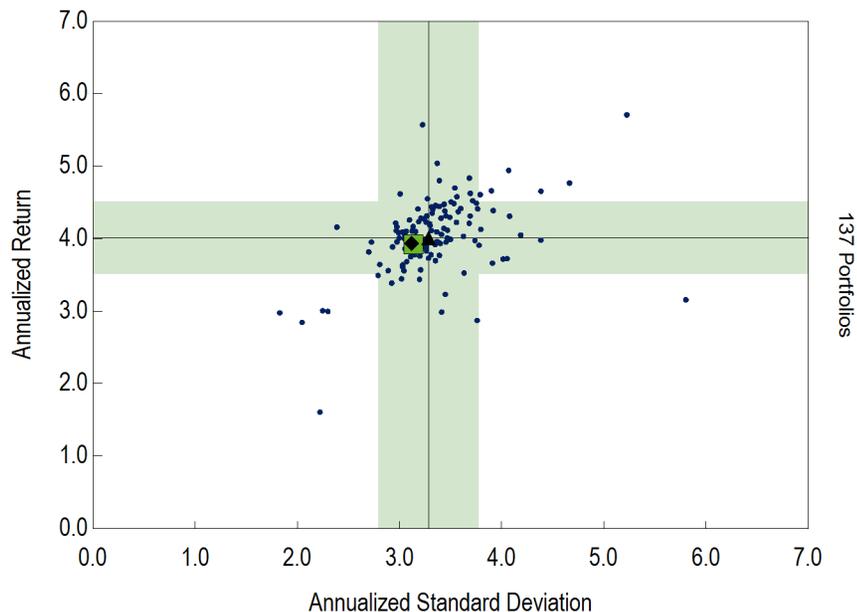
	Return (Rank)									
5th Percentile	1.91		8.89		8.91		10.01		6.27	
25th Percentile	1.36		7.67		7.87		9.18		5.69	
Median	1.06		7.18		7.24		8.73		5.35	
75th Percentile	0.76		6.27		6.66		8.25		5.07	
95th Percentile	0.47		4.62		5.04		7.11		4.20	
# of Portfolios	147		147		146		144		143	
● SSGA U.S. Aggregate Bond	0.65	(87)	6.80	(63)	6.98	(62)	8.63	(54)	5.23	(62)
▲ BBgBarc US Aggregate TR	0.62	(88)	6.79	(63)	6.98	(62)	8.63	(54)	5.24	(61)



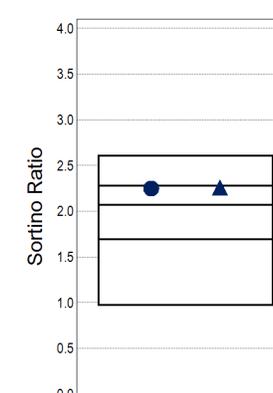
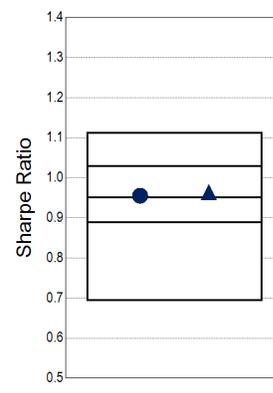
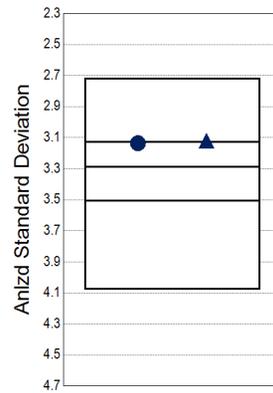
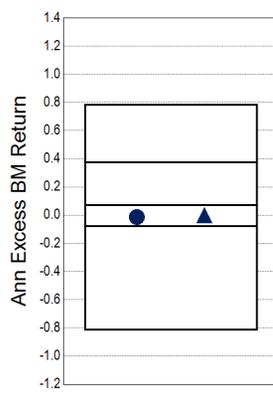
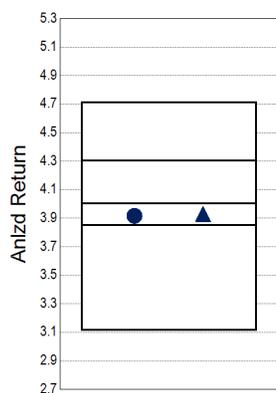
# Los Angeles City Employees' Retirement System

## SSGA U.S. AGGREGATE BOND

Since Inception Risk Return



Since Inception Style Map



- SSGA U.S. Aggregate Bond
- ▲ BBgBarc US Aggregate TR
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# CREDIT OPPORTUNITIES MANAGER PERFORMANCE

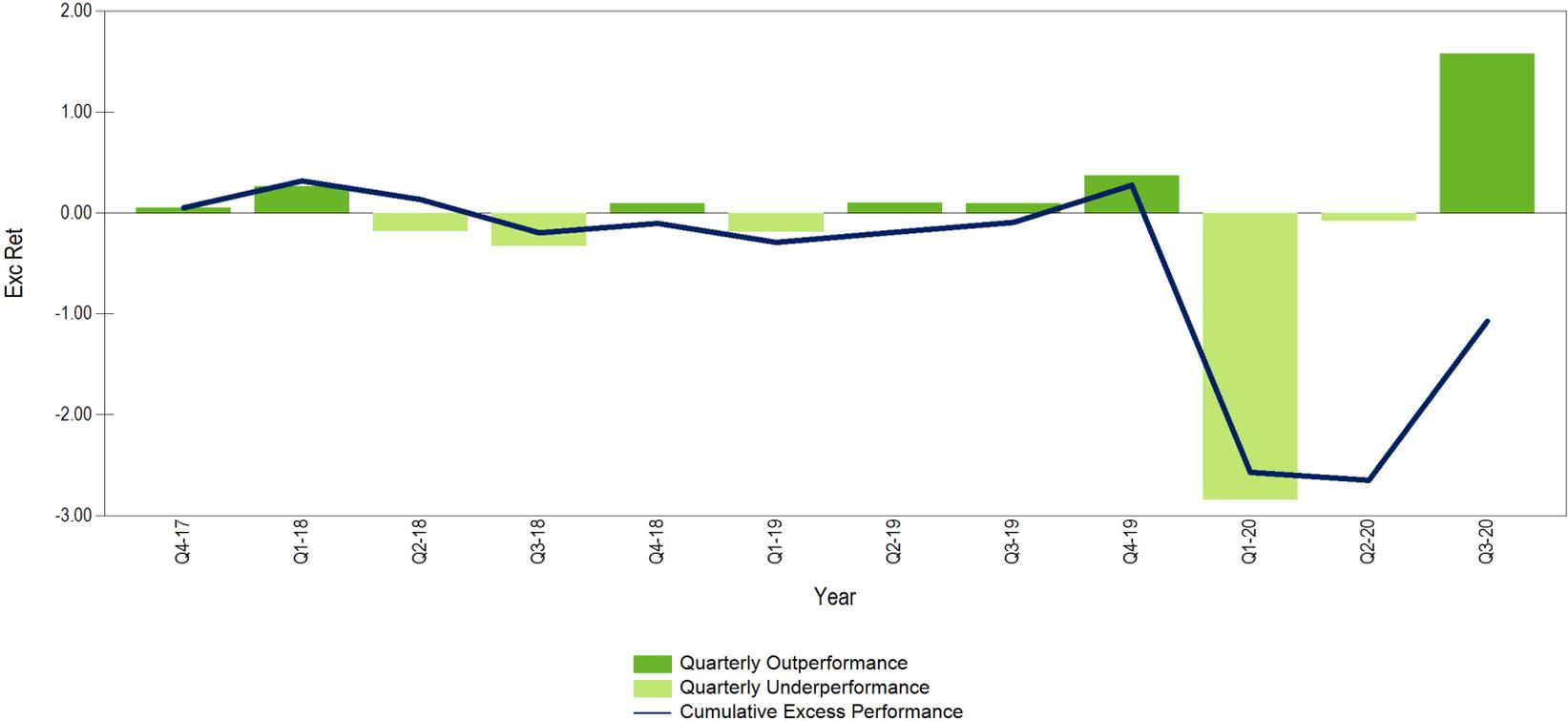
NEPC, LLC

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Los Angeles City Employees' Retirement System

# AEGON USA

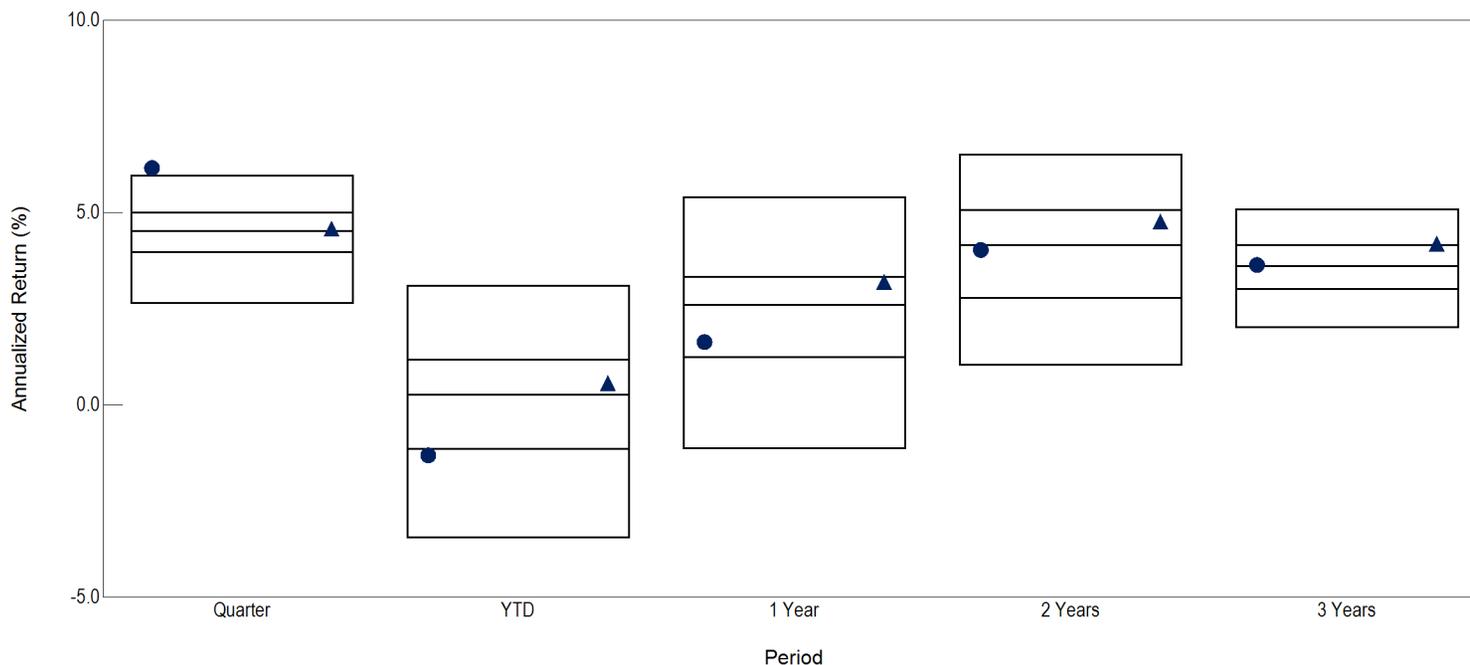
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

# AEGON USA

AEGON USA vs. eV US High Yield Fixed Inc Net



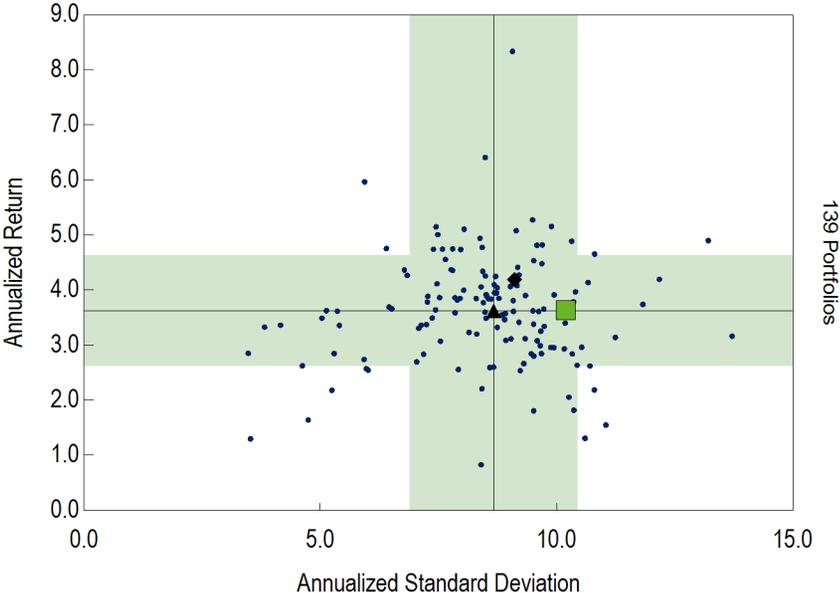
	Return (Rank)									
5th Percentile	5.96		3.09		5.39		6.51		5.08	
25th Percentile	5.01		1.19		3.34		5.08		4.16	
Median	4.54		0.28		2.61		4.17		3.62	
75th Percentile	4.00		-1.13		1.26		2.79		3.03	
95th Percentile	2.66		-3.43		-1.11		1.05		2.03	
# of Portfolios	144		144		142		140		139	
● AEGON USA	6.16	(5)	-1.31	(79)	1.63	(70)	4.03	(54)	3.64	(49)
▲ BBgBarc US High Yield 2% Issuer Cap TR	4.58	(49)	0.57	(43)	3.20	(31)	4.76	(34)	4.19	(25)



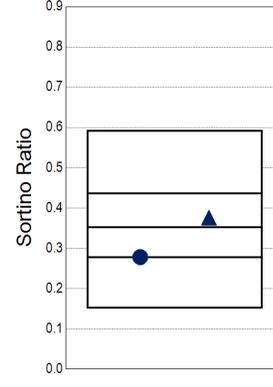
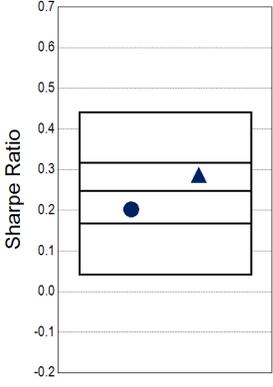
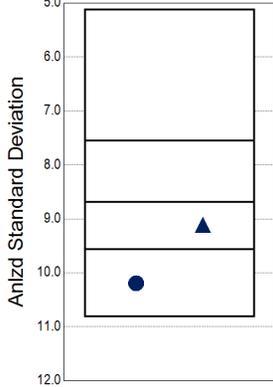
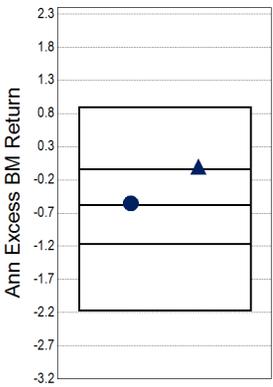
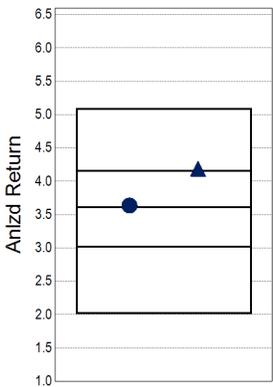
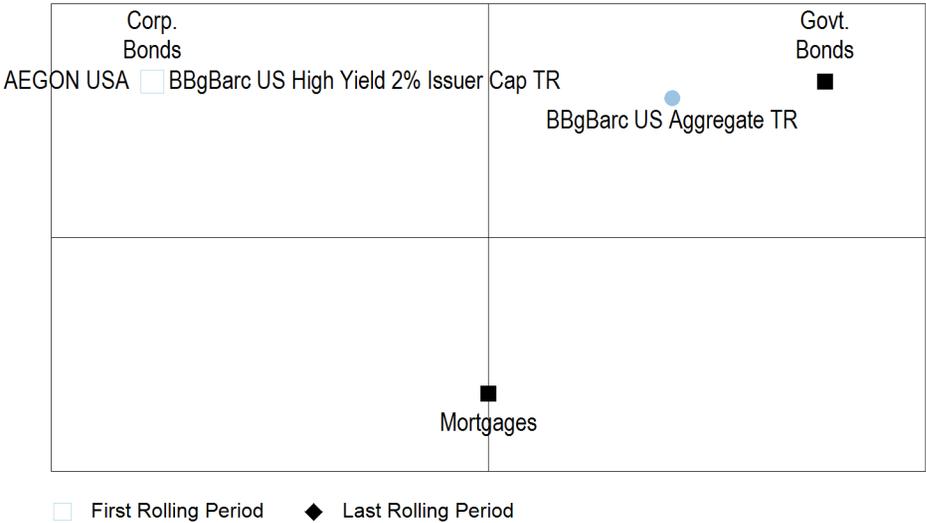
# Los Angeles City Employees' Retirement System

## AEGON USA

3 Year Risk Return



3 Year Style Map



- AEGON USA
- ▲ BgBarc US High Yield 2% Issuer Cap TR
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



Los Angeles City Employees' Retirement System

# PRUDENTIAL EMERGING MARKETS

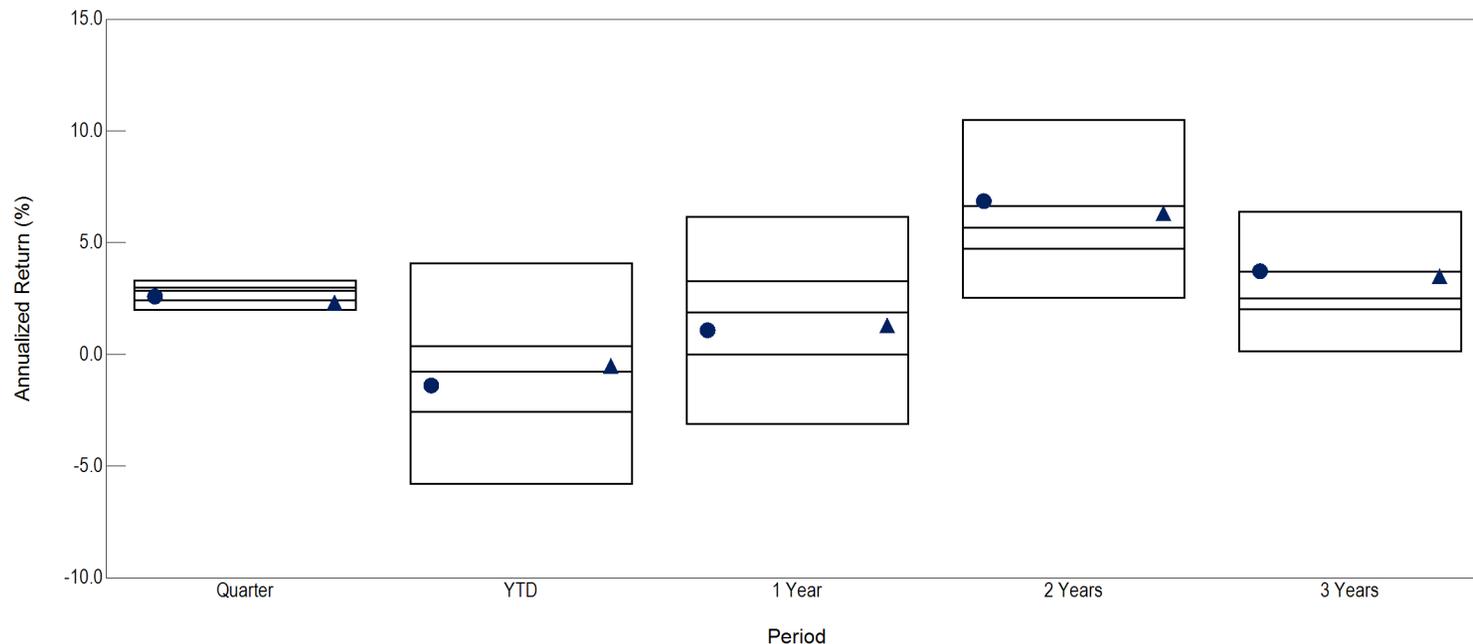
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

# PRUDENTIAL EMERGING MARKETS

Prudential Emerging Markets vs. eV Emg Mkts Fixed Inc - Hard Currency Net



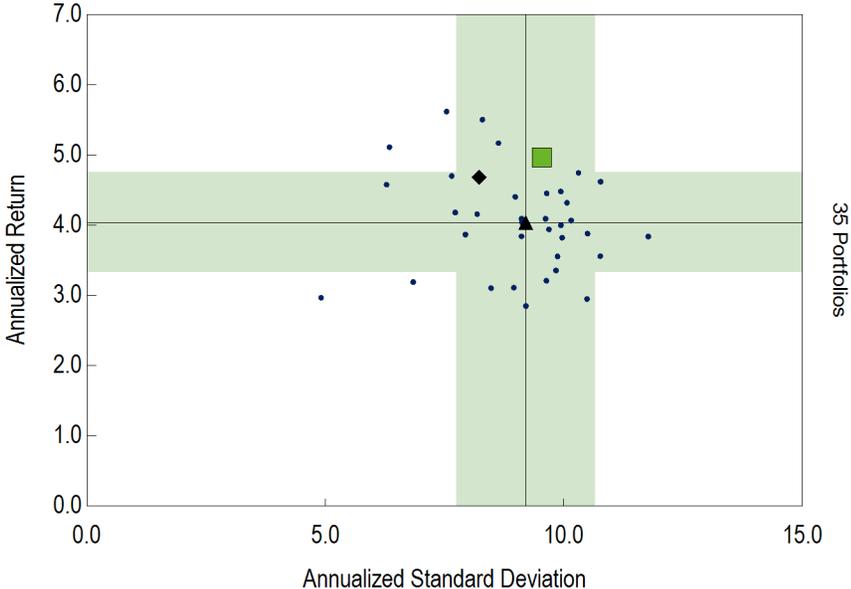
	Return (Rank)									
5th Percentile	3.29		4.06		6.14		10.49		6.37	
25th Percentile	3.03		0.40		3.30		6.67		3.73	
Median	2.86		-0.76		1.91		5.69		2.52	
75th Percentile	2.45		-2.54		0.03		4.76		2.06	
95th Percentile	2.02		-5.77		-3.08		2.56		0.18	
# of Portfolios	43		42		42		40		39	
● Prudential Emerging Markets	2.59	(70)	-1.40	(60)	1.08	(63)	6.85	(24)	3.72	(27)
▲ JP Morgan EMBI Global Diversified	2.32	(81)	-0.51	(46)	1.29	(62)	6.31	(39)	3.49	(30)



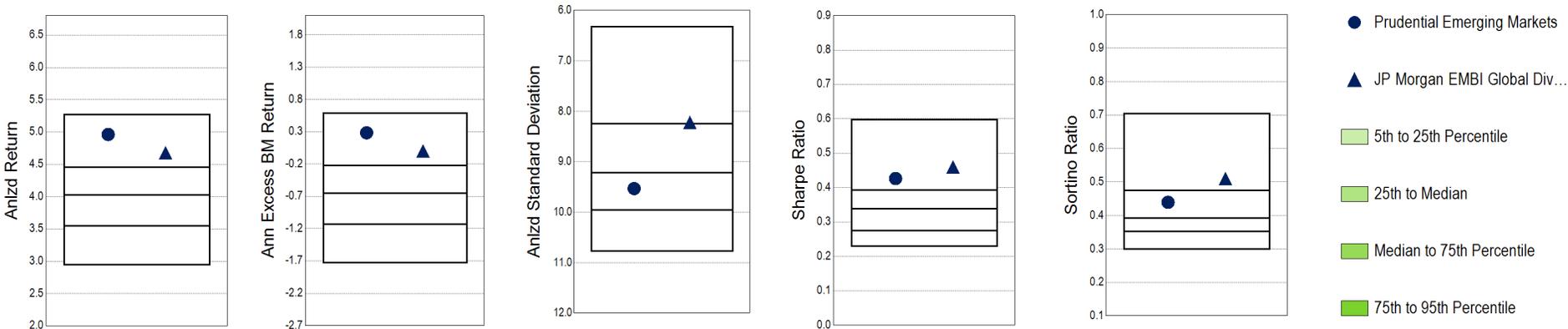
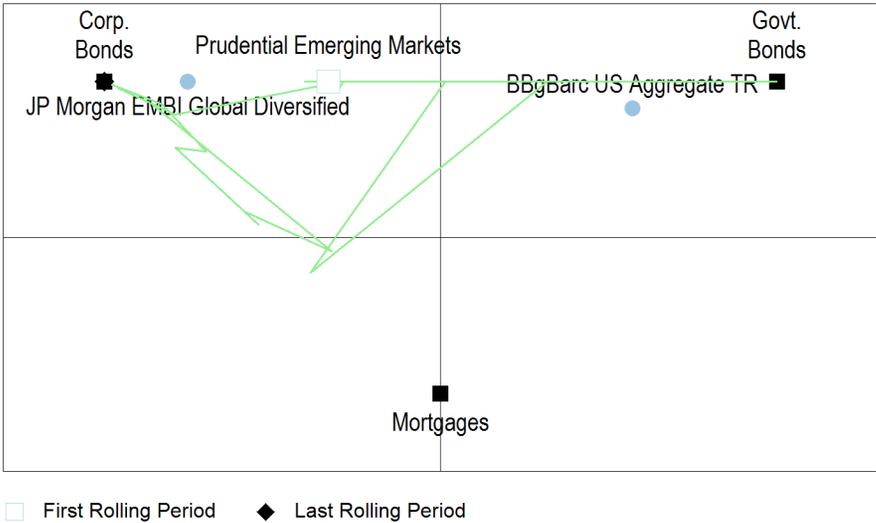
Los Angeles City Employees' Retirement System

# PRUDENTIAL EMERGING MARKETS

Since Inception Risk Return



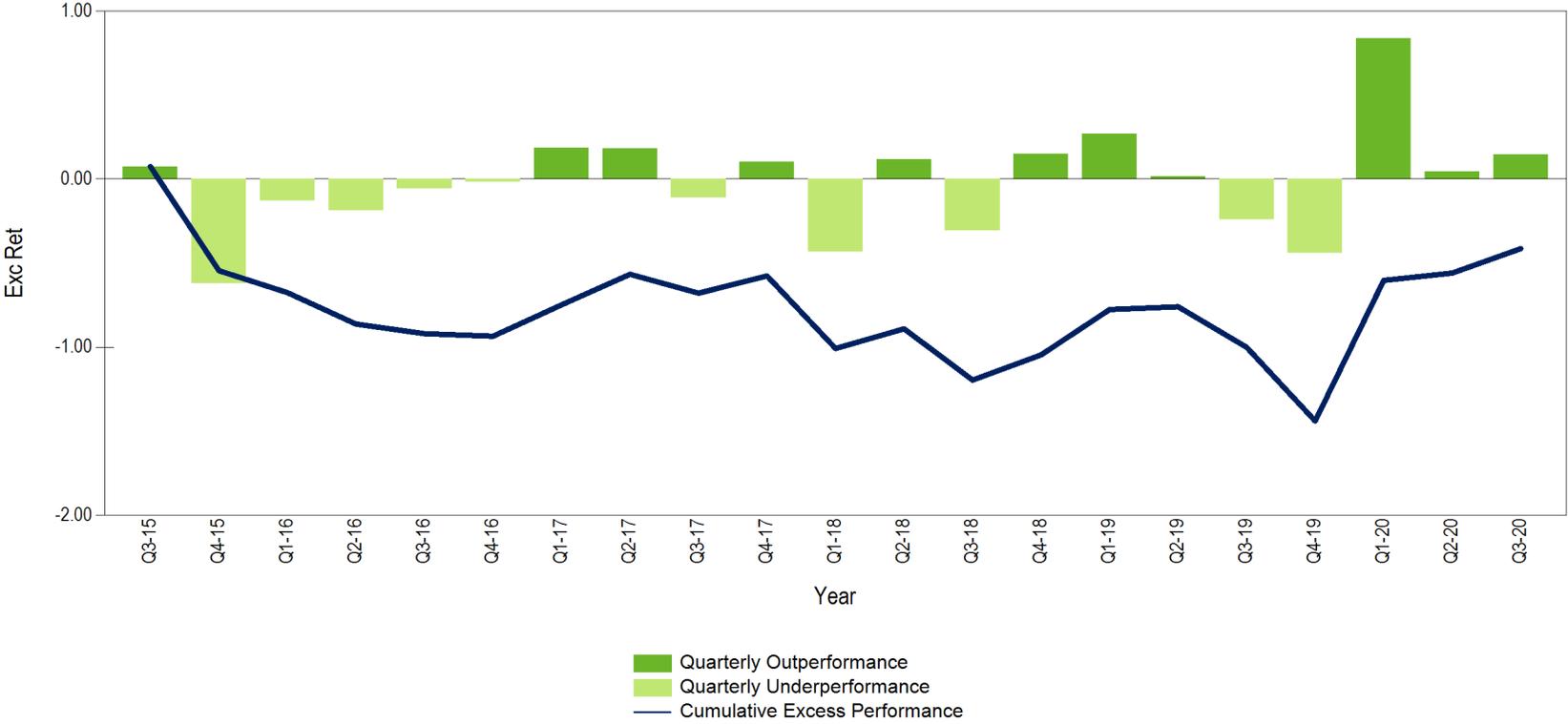
Since Inception Style Map



Los Angeles City Employees' Retirement System

# BAIN CAPITAL SENIOR LOAN FUND, LP

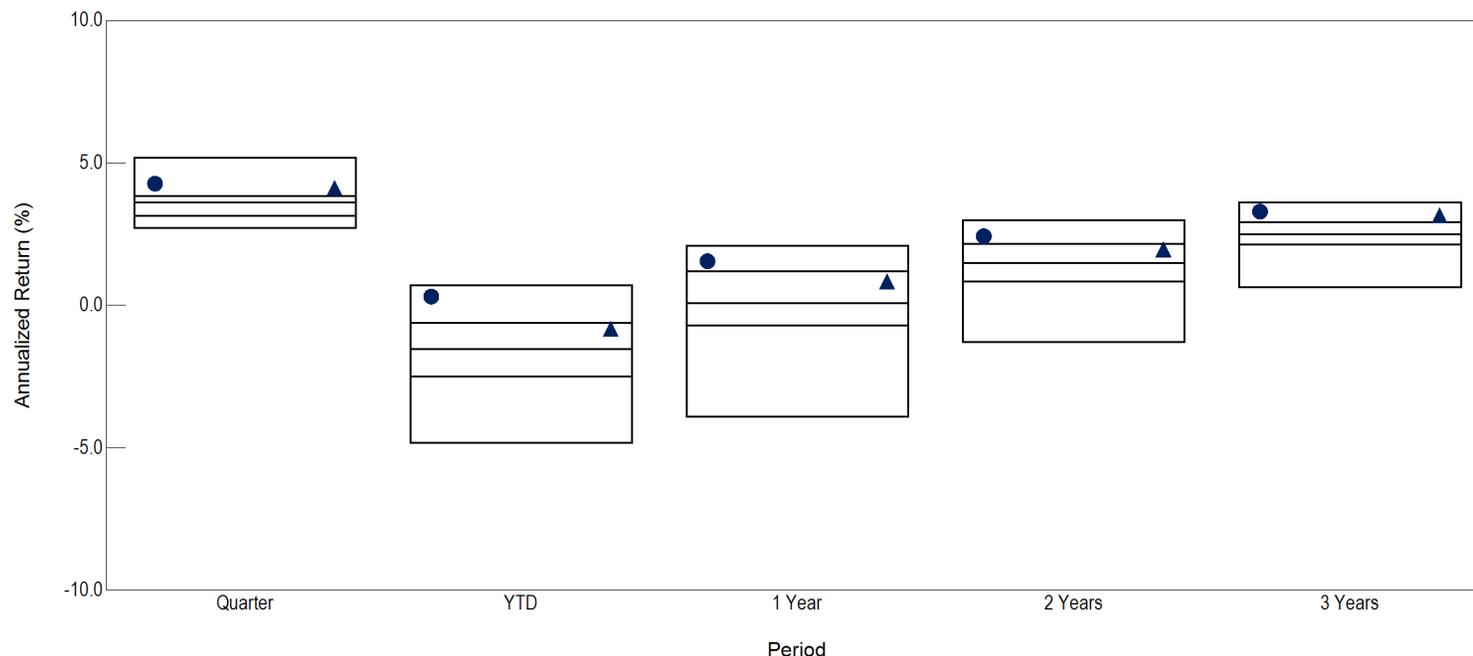
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

# BAIN CAPITAL SENIOR LOAN FUND, LP

Bain Capital Senior Loan Fund, LP vs. eV US Float-Rate Bank Loan Fixed Inc Net



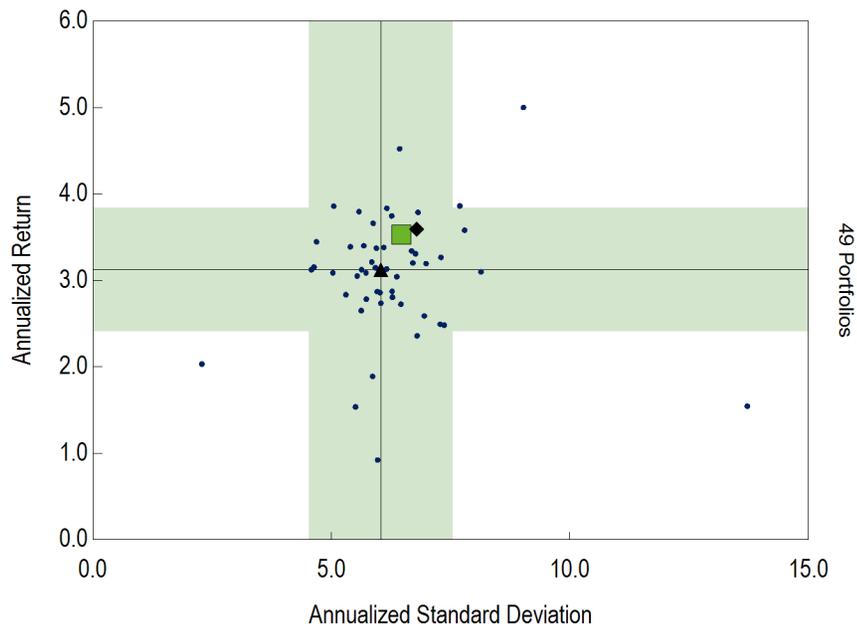
	Return (Rank)									
5th Percentile	5.17		0.70		2.09		2.99		3.61	
25th Percentile	3.86		-0.59		1.21		2.18		2.94	
Median	3.64		-1.51		0.09		1.52		2.52	
75th Percentile	3.16		-2.47		-0.68		0.86		2.16	
95th Percentile	2.75		-4.80		-3.89		-1.26		0.67	
# of Portfolios	55		55		55		55		53	
● Bain Capital Senior Loan Fund, LP	4.27	(16)	0.31	(10)	1.55	(15)	2.43	(18)	3.29	(17)
▲ Credit Suisse Leveraged Loans	4.13	(19)	-0.83	(34)	0.84	(36)	1.97	(34)	3.16	(20)



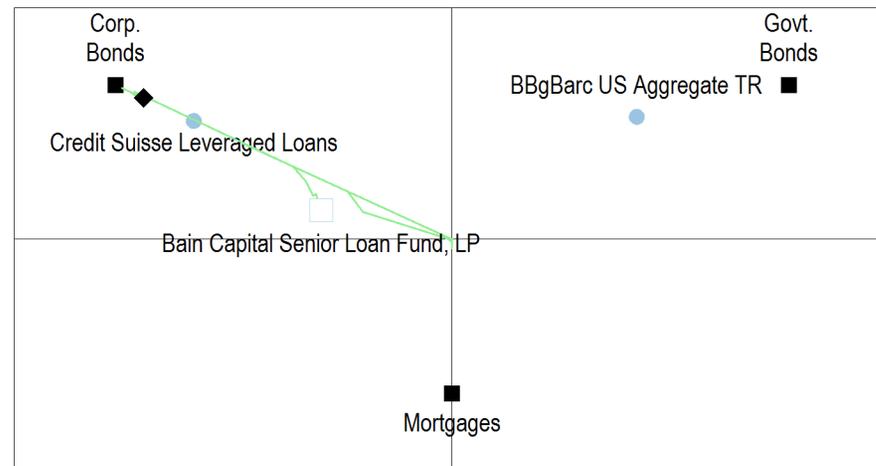
Los Angeles City Employees' Retirement System

# BAIN CAPITAL SENIOR LOAN FUND, LP

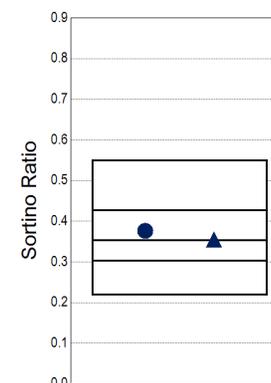
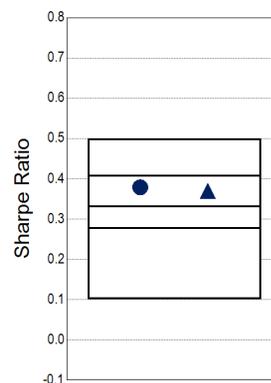
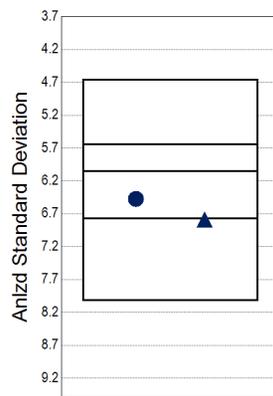
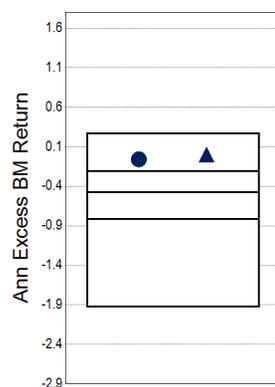
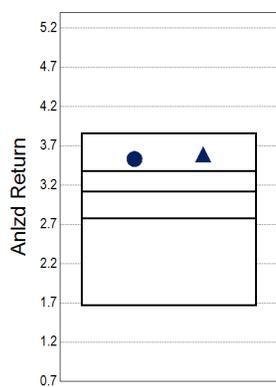
Since Inception Risk Return



Since Inception Style Map



□ First Rolling Period    ◆ Last Rolling Period



- Bain Capital Senior Loan Fund, LP
- ▲ Credit Suisse Leveraged Lo...
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# REAL ASSETS MANAGER PERFORMANCE

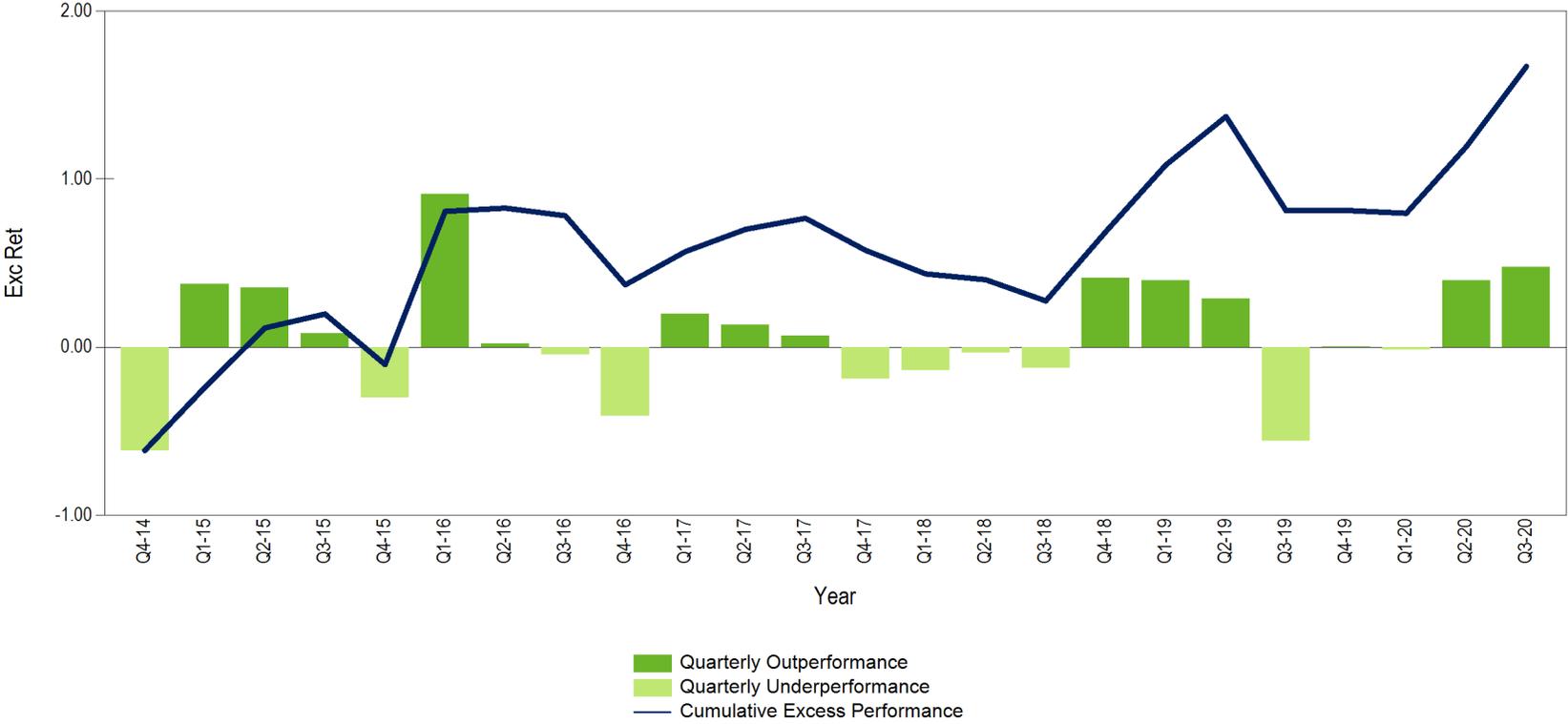
NEPC, LLC

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# Los Angeles City Employees' Retirement System

## DFA US TIPS

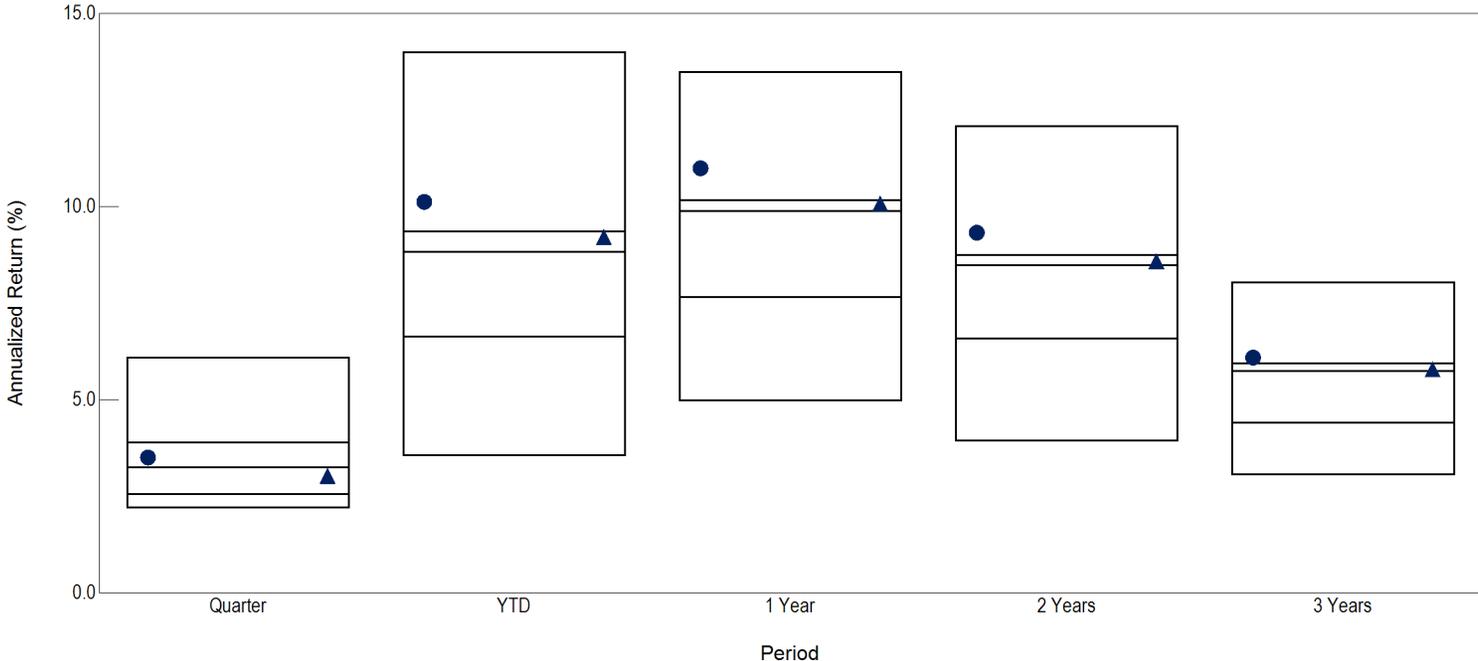
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## DFA US TIPS

DFA US TIPS vs. eV US TIPS / Inflation Fixed Inc Net



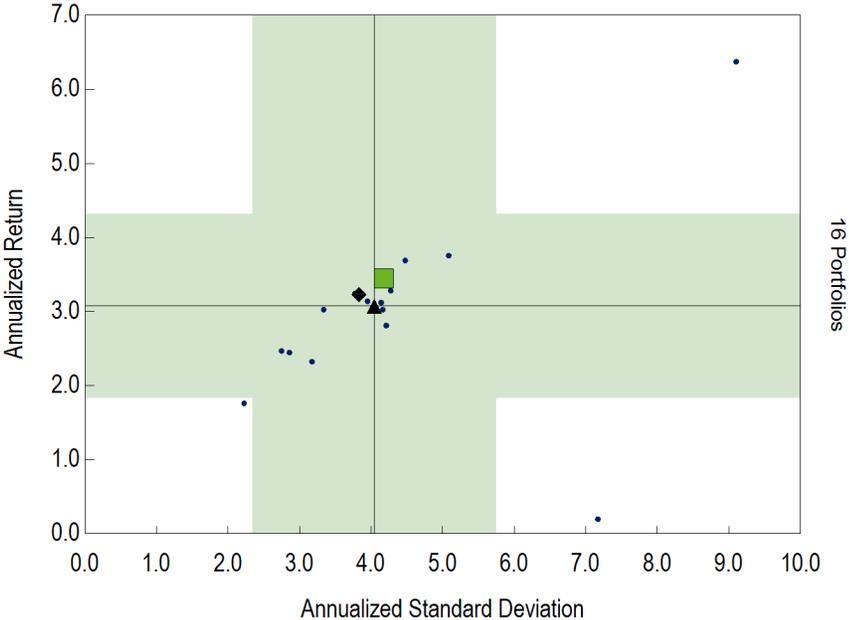
	Return (Rank)									
5th Percentile	6.09		14.00		13.48		12.08		8.04	
25th Percentile	3.92		9.37		10.20		8.77		5.97	
Median	3.27		8.86		9.90		8.51		5.77	
75th Percentile	2.57		6.65		7.69		6.61		4.43	
95th Percentile	2.23		3.59		5.01		3.96		3.09	
# of Portfolios	18		18		17		17		17	
● DFA US TIPS	3.51	(30)	10.13	(12)	11.00	(14)	9.33	(11)	6.10	(20)
▲ BBgBarc US TIPS TR	3.03	(63)	9.22	(39)	10.08	(34)	8.59	(41)	5.79	(38)



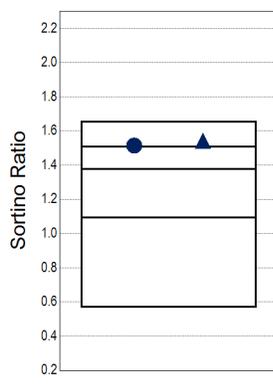
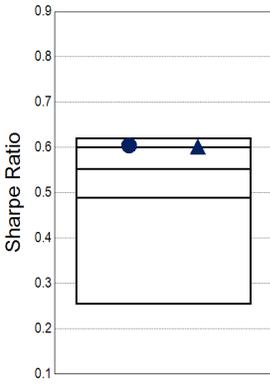
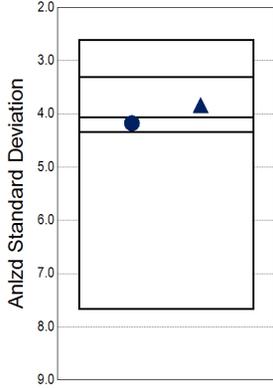
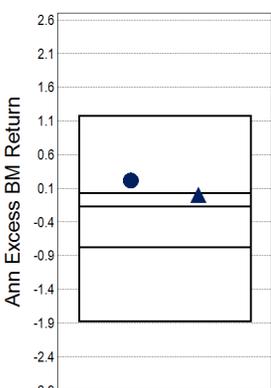
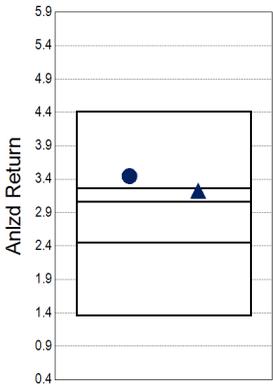
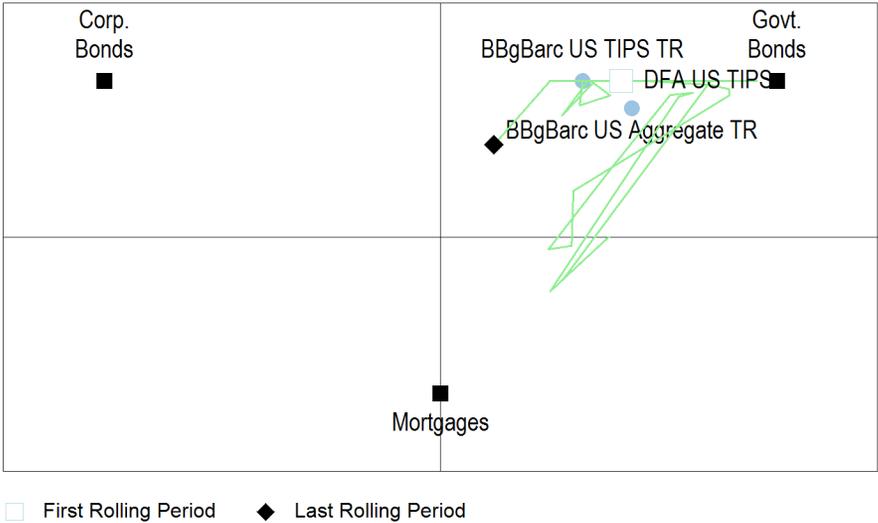
# Los Angeles City Employees' Retirement System

## DFA US TIPS

Since Inception Risk Return



Since Inception Style Map



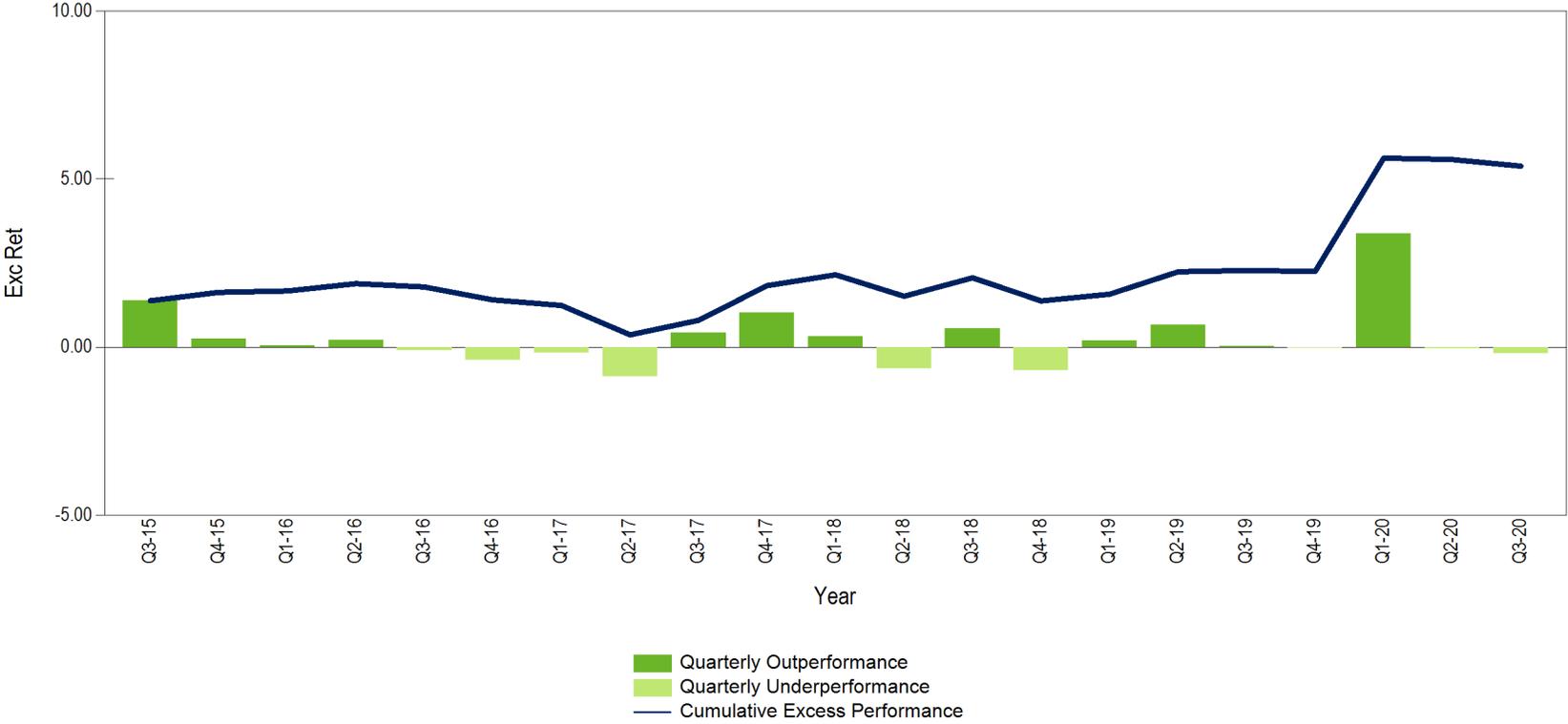
- DFA US TIPS
- ▲ BBgBarc US TIPS TR
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



Los Angeles City Employees' Retirement System

# CENTERSQUARE US REAL ESTATE

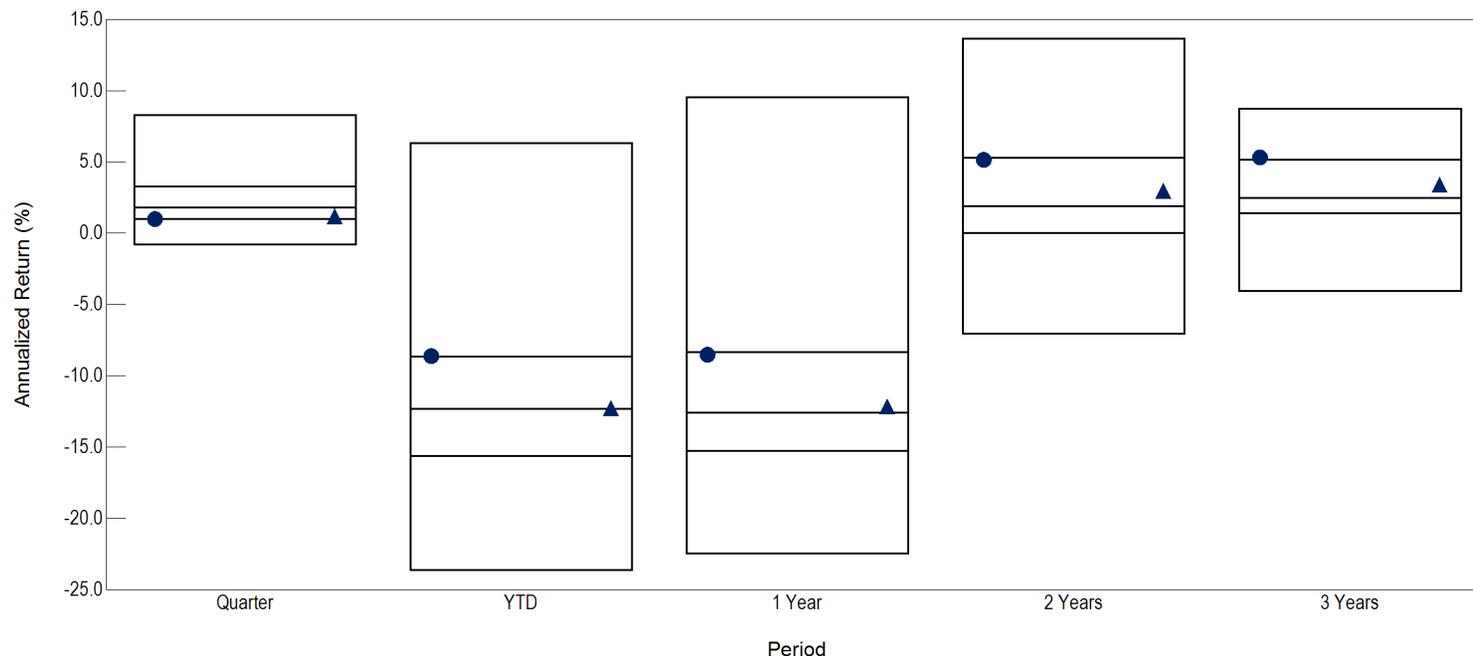
Quarterly and Cumulative Excess Performance



Los Angeles City Employees' Retirement System

# CENTERSQUARE US REAL ESTATE

CenterSquare US Real Estate vs. eV US REIT Net



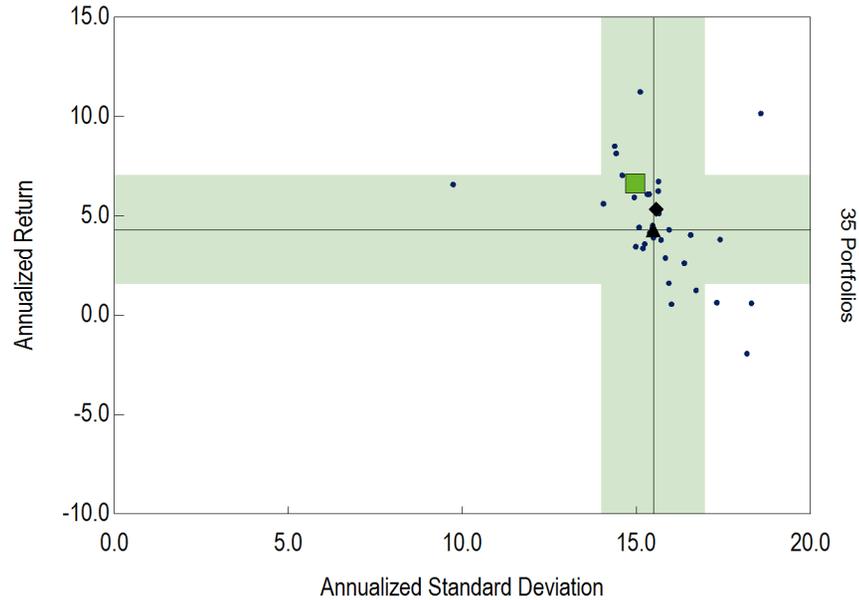
	Return (Rank)									
5th Percentile	8.27		6.31		9.53		13.64		8.74	
25th Percentile	3.34		-8.60		-8.27		5.36		5.22	
Median	1.87		-12.25		-12.53		1.95		2.53	
75th Percentile	1.03		-15.57		-15.21		0.06		1.45	
95th Percentile	-0.74		-23.57		-22.42		-7.00		-4.01	
# of Portfolios	38		38		38		37		36	
● CenterSquare US Real Estate	0.99	(77)	-8.61	(28)	-8.52	(28)	5.15	(27)	5.32	(23)
▲ FTSE NAREIT All Equity REIT	1.19	(72)	-12.27	(51)	-12.15	(44)	2.97	(42)	3.42	(37)



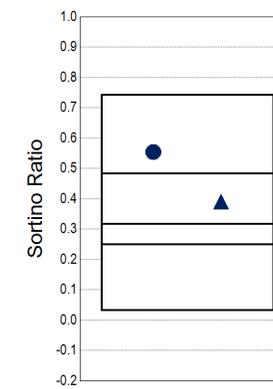
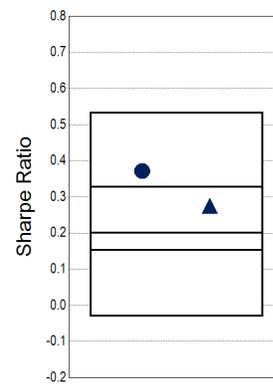
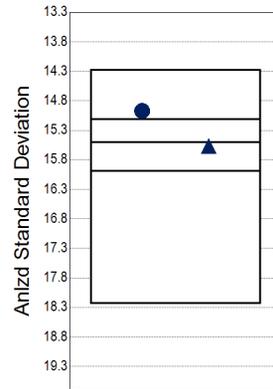
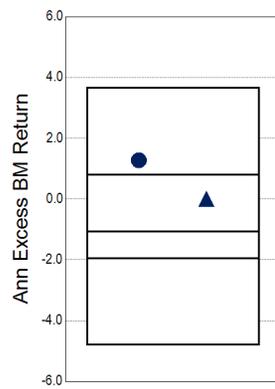
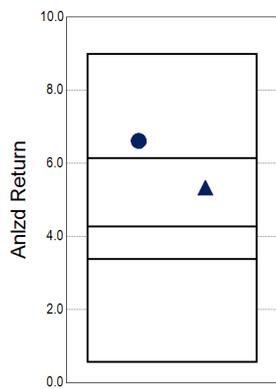
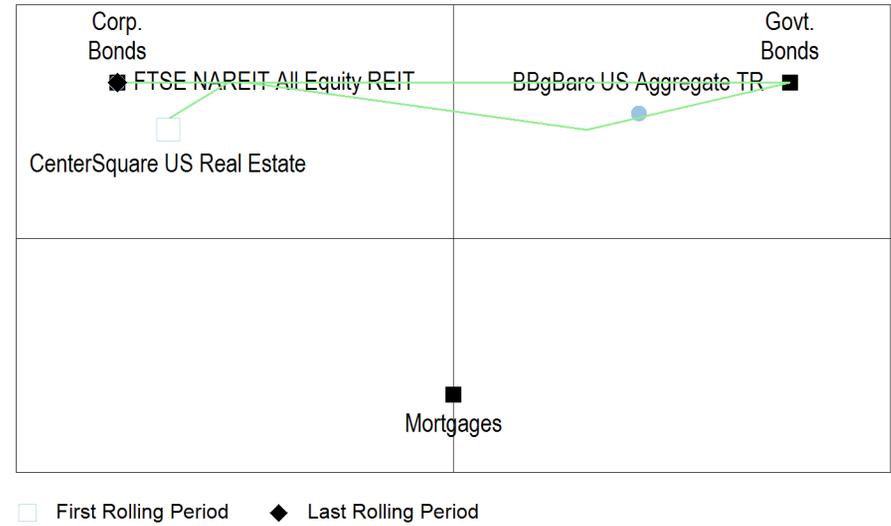
Los Angeles City Employees' Retirement System

# CENTERSQUARE US REAL ESTATE

Since Inception Risk Return



Since Inception Style Map



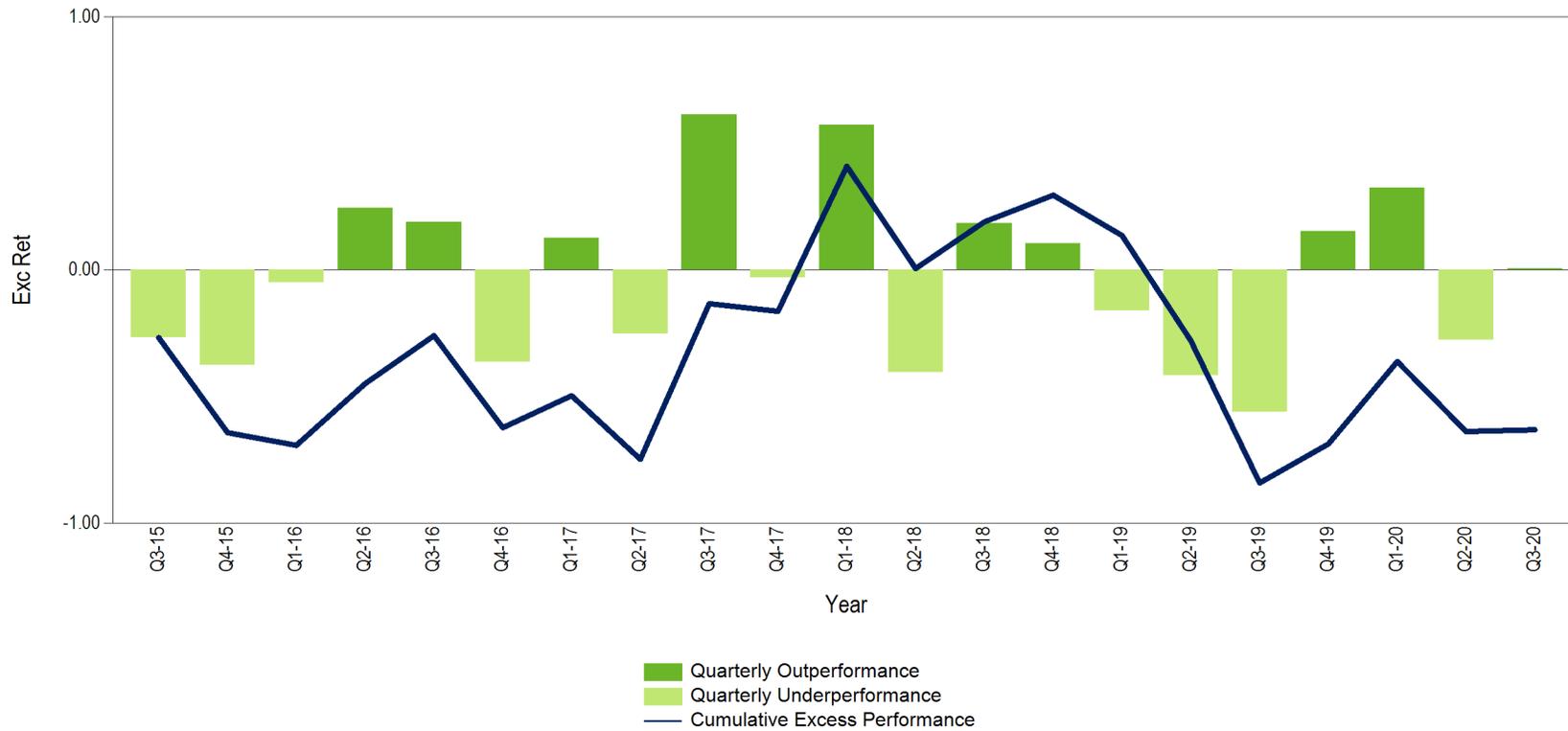
- CenterSquare US Real Estate
- ▲ FTSE NAREIT All Equity REIT
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System

## CORE COMMODITY MGMT

Quarterly and Cumulative Excess Performance



# DEFINITIONS

NEPC, LLC

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# POLICY INDEX DEFINITIONS

**Policy Index:** Current (adopted January 10, 2012) 24% Russell 3000 Index, 29% MSCI ACWI ex USA Net Index, 19% Bbg Barclays U.S. Aggregate Bond Index, 5% Credit Opportunities Blend, 10% Real Assets Blend, 12% Private Equity Blend, 1% Citi 3 Month T-Bill Index

**U.S. Equity Blend:** July 1, 2011 - Current: Russell 3000 Index; September 30, 1994 - December 31, 1999 S&P 500 Index 33.75, Russell 1000 Value Index 35%, Russell 1000 Growth 12.5%, Russell 2000 Value 12.5%, Russell 2000 Growth 6.25%

**Core Fixed Income Blend:** July 1, 2013 – Current: Bbg Barclays U.S. Aggregate Bond Index

**Credit Opportunities Blend:** 65% Bbg Barclays U.S. HY 2% Cap Index, 35% JPM EMBIGD Index

**Public Real Assets Blend:** 60% Bbg Barclays U.S. TIPS Index, 20% Bbg Commodity Index, 10% FTSE NAREIT All Equity Index, 10% Alerian MLP Index

**Real Estate Blend:** July 1, 2014 - Current NCREIF ODCE + 0.80%; July 1, 2012 - June 30, 2014 NCREIF Property Index Lagged +1%; October 1, 1994 - June 30, 2012 NCREIF Property Index Lagged

**Private Equity Blend:** February 1, 2012 – current: Russell 3000 + 3%; Inception – January 31, 2012: Russell 3000 + 4%

Note: Policy index definitions do not reflect the updated target asset allocation adopted on April 10, 2018.

Note: See Investment Policy for a full description of the indices listed.



# GLOSSARY OF INVESTMENT TERMINOLOGY

**# Of Portfolios/Observations<sup>1</sup>** – The total number of data points that make up a specified universe

**Allocation Index<sup>3</sup>** - The allocation index measures the value added (or subtracted) to each portfolio by active management. It is calculated monthly: The portfolio asset allocation to each category from the prior month-end is multiplied by a specified market index.

**Asset Allocation Effect<sup>2</sup>** - Measures an investment manager's ability to effectively allocate their portfolio's assets to various sectors. The allocation effect determines whether the overweighting or underweighting of sectors relative to benchmark contributes positively or negatively to the overall portfolio return. Positive allocation occurs when the portfolio is over weighted in a sector that outperforms the benchmark and underweighted in a sector that underperforms the benchmark. Negative allocation occurs when the portfolio is over weighted in a sector that underperforms the benchmark and under weighted in a sector that outperforms the benchmark.

**Agency Bonds (Agencies)<sup>3</sup>** - The full faith and credit of the United States government is normally not pledged to payment of principal and interest on the majority of government agencies issuing these bonds, with maturities of up to ten years. Their yields, therefore, are normally higher than government and their marketability is good, thereby qualifying them as a low risk-high liquidity type of investment. They are eligible as security for advances to the member banks by the Federal Reserve, which attests to their standing.

**Asset Backed Securities (ABS)<sup>3</sup>** - Bonds which are similar to mortgage-backed securities but are collateralized by assets other than mortgages; commonly backed by credit card receivables, auto loans, or other types of consumer financing.

**Attribution<sup>3</sup>** - Attribution is an analytical technique that allows us to evaluate the performance of the portfolio relative to the benchmark. A proper attribution tells us where value was added or subtracted as a result of the manager's decisions.

**Average Effective Maturity<sup>4</sup>** - For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer.

For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called. In a pool of mortgages, this would also account for the likelihood of prepayments on the mortgages.

**Batting Average<sup>1</sup>** - A measurement representing an investment manager's ability to meet or beat an index.

*Formula: Divide the number of days (or months, quarters, etc.) in which the manager beats or matches the index by the total number of days (or months, quarters, etc.) in the period of question and multiply that factor by 100.*

**Brinson Fachler (BF) Attribution<sup>1</sup>** - The BF methodology is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance. The main advantage of the BF methodology is that rather than using the overall return of the benchmark, it goes a level deeper than BHB and measures whether the benchmark sector, country, etc. outperformed/or underperformed the overall benchmark.

**Brinson Hood Beebower (BHB) Attribution<sup>1</sup>** - The BHB methodology shows that excess return must be equal to the sum of all other factors (i.e., allocation effect, selection effect, interaction effect, etc.). The advantage to using the BHB methodology is that it is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance.

**Corporate Bond (Corp)<sup>4</sup>** - A debt security issued by a corporation and sold to investors. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. In some cases, the company's physical assets may be used as collateral for bonds.

**Correlation<sup>1</sup>** - A range of statistical relationships between two or more random variables or observed data values. A correlation is a single number that describes the degree of relationship between variables.

Data Source: <sup>1</sup>InvestorForce, <sup>2</sup>Interaction Effect Performance Attribution, <sup>3</sup>NEPC, LLC, <sup>4</sup>Investopedia, <sup>5</sup>Hedgeco.net



# GLOSSARY OF INVESTMENT TERMINOLOGY

**Coupon<sup>4</sup>** – The interest rate stated on a bond when it is issued. The coupon is typically paid semiannually. This is also referred to as the “coupon rate” or “coupon percent rate.”

**Currency Effect<sup>1</sup>** – Is the effect that changes in currency exchange rates over time affect excess performance.

**Derivative Instrument<sup>2</sup>** – A financial obligation that derives its precise value from the value of one or more other instruments (or assets) at the same point of time. For example, the relationship between the value of an S&P 500 futures contract (the derivative instrument in this case) is determined by the value of the S&P 500 Index and the value of a U.S. Treasury bill that matures at the expiration of the futures contract.

**Downside Deviation<sup>1</sup>** – Equals the standard deviation of negative return or the measure of downside risk focusing on the standard deviation of negative returns.

*Formula:*

*Annualized Standard Deviation (Fund Return - Average Fund Return) where average fund return is greater than individual fund returns, monthly or quarterly.*

**Duration<sup>3</sup>** – Duration is a measure of interest rate risk. The greater the duration of a bond, or a portfolio of bonds, the greater its price volatility will be in response to a change in interest rates. A bond’s duration is inversely related to interest rates and directly related to time to maturity.

**Equity/Debt/Cash Ratio<sup>1</sup>** – The percentage of an investment or portfolio that is in Equity, Debt, and/or Cash (i.e. A 7/89/4 ratio represents an investment that is made up of 7% Equity, 89% Debt, and 4% Cash).

**Foreign Bond<sup>3</sup>** – A bond that is issued in a domestic market by a foreign entity, in the domestic market’s currency. A foreign bond is most often issued by a foreign firm to raise capital in a domestic market that would be most interested in purchasing the firm’s debt. For foreign firms doing a large amount of business in the domestic market, issuing foreign bonds is a common practice.

**Hard Hurdle<sup>5</sup>** – is a hurdle rate that once beaten allows a fund manager to charge a performance fee on only the funds above the specified hurdle rate.

**High-Water Mark<sup>4</sup>** – The highest peak in value that an investment fund/account has reached. This term is often used in the context of fund manager compensation, which is performance based. Some performance-based fees only get paid when fund performance exceeds the high-water mark. The high-water mark ensures that the manager does not get paid large sums for poor performance.

**Hurdle Rate<sup>4</sup>** – The minimum rate of return on an investment required, in order for a manager to collect incentive fees from the investor, which is usually tied to a benchmark.

**Interaction Effects<sup>2</sup>** – The interaction effect measures the combined impact of an investment manager’s selection and allocation decisions within a sector. For example, if an investment manager had superior selection and over weighted that particular sector, the interaction effect is positive. If an investment manager had superior selection, but underweighted that sector, the interaction effect is negative. In this case, the investment manager did not take advantage of the superior selection by allocating more assets to that sector. Since many investment managers consider the interaction effect to be part of the selection or the allocation, it is often combined with the either effect.

**Median<sup>3</sup>** – The value (rate of return, market sensitivity, etc.) that exceeds one-half of the values in the population and that is exceeded by one-half of the values. The median has a percentile rank of 50.

**Modified Duration<sup>3</sup>** – The percentage change in the price of a fixed income security that results from a change in yield.

**Mortgage Backed Securities (MBS)<sup>3</sup>** – Bonds which are a general obligation of the issuing institution but are also collateralized by a pool of mortgages.

**Municipal Bond (Muni)<sup>4</sup>** – A debt security issued by a state, municipality or county to finance its capital expenditures.

**Net Investment Change<sup>1</sup>** – Is the change in an investment after accounting for all Net Cash Flows.

**Performance Fee<sup>4</sup>** – A payment made to a fund manager for generating positive returns. The performance fee is generally calculated as a percentage of investment profits, often both realized and unrealized.

*Data Source: <sup>1</sup>InvestorForce, <sup>2</sup>Interaction Effect Performance Attribution, <sup>3</sup>NEPC, LLC, <sup>4</sup>Investopedia, <sup>5</sup>Hedgeco.net*



# GLOSSARY OF INVESTMENT TERMINOLOGY

**Policy Index<sup>3</sup>** - A custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation targets set forth in this investment policy statement.

**Price to Book (P/B)<sup>4</sup>** - A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share, also known as the "price-equity ratio".

**Price to Earnings (P/E)<sup>3</sup>** - The weighted equity P/E is based on current price and trailing 12 months earnings per share (EPS).

**Price to Sales (P/S)<sup>4</sup>** - A ratio for valuing a stock relative to its own past performance, other companies, or the market itself. Price to sales is calculated by dividing a stock's current price by its revenue per share for the trailing 12 months.

**Return on Equity (ROE)<sup>4</sup>** - The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.

**Selection (or Manager) Effect<sup>2</sup>** - Measures the investment manager's ability to select securities within a given sector relative to a benchmark. The over or underperformance of the portfolio is weighted by the benchmark weight, therefore, selection is not affected by the manager's allocation to the sector. The weight of the sector in the portfolio determines the size of the effect—the larger the sector, the larger the effect is, positive or negative.

**Soft Hurdle rate<sup>5</sup>** - is a hurdle rate that once beaten allows a fund manager to charge a performance fee based on the entire annualized return.

**Tiered Fee<sup>1</sup>** - A fee structure that is paid to fund managers based on the size of the investment (i.e. 1.00% fee on the first \$10M invested, 0.90% on the next \$10M, and 0.80% on the remaining balance).

**Total Effects<sup>2</sup>** - The active management (total) effect is the sum of the selection, allocation, and interaction effects. It is also the difference between the total portfolio return and the total benchmark return. You can use the active management effect to determine the amount the investment manager has added to a portfolio's return.

**Total Return<sup>1</sup>** - The actual rate of return of an investment over a specified time period. Total return includes interest, capital gains, dividends, and distributions realized over a defined time period.

**Universe<sup>3</sup>** - The list of all assets eligible for inclusion in a portfolio.

**Upside Deviation<sup>1</sup>** - Standard Deviation of Positive Returns

**Weighted Avg. Market Cap.<sup>4</sup>** - A stock market index weighted by the market capitalization of each stock in the index. In such a weighting scheme, larger companies account for a greater portion of the index. Most indexes are constructed in this manner, with the best example being the S&P 500.

**Yield (%)<sup>3</sup>** - The current yield of a security is the current indicated annual dividend rate divided by current price.

**Yield to Maturity<sup>3</sup>** - The discount rate that equates the present value of cash flows, both principal and interest, to market price.

Data Source: <sup>1</sup>InvestorForce, <sup>2</sup>Interaction Effect Performance Attribution, <sup>3</sup>NEPC, LLC, <sup>4</sup>Investopedia, <sup>5</sup>Hedgeco.net



# DISCLOSURES

NEPC, LLC

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### **Information Disclaimer**

- Past performance is no guarantee of future results.
- All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.
- NEPC's source for portfolio pricing, calculation of accruals, and transaction information is the plan's custodian bank. Information on market indices and security characteristics is received from other sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- Some index returns displayed in this report or used in calculation of a policy, allocation or custom benchmark may be preliminary and subject to change.
- This report is provided as a management aid for the client's internal use only. Information contained in this report does not constitute a recommendation by NEPC.
- This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

### **Reporting Methodology**

- The client's custodian bank is NEPC's preferred data source unless otherwise directed. NEPC generally reconciles custodian data to manager data. If the custodian cannot provide accurate data, manager data may be used.
- Trailing time period returns are determined by geometrically linking the holding period returns, from the first full month after inception to the report date. Rates of return are annualized when the time period is longer than a year. Performance is presented gross and/or net of manager fees as indicated on each page.
- For managers funded in the middle of a month, the "since inception" return will start with the first full month, although actual inception dates and cash flows are taken into account in all Composite calculations.
- This report may contain forward-looking statements that are based on NEPC's estimates, opinions and beliefs, but NEPC cannot guarantee that any plan will achieve its targeted return or meet other goals.





**REPORT TO BOARD OF ADMINISTRATION**

From: Neil M. Guglielmo, General Manager

*Neil M. Guglielmo*

**MEETING: DECEMBER 8, 2020**

**ITEM: VII – C**

**SUBJECT: DISCLOSURE REPORT OF FEES, EXPENSES, AND CARRIED INTEREST OF ALTERNATIVE INVESTMENT VEHICLES FOR THE FISCAL YEAR ENDING JUNE 30, 2020 PURSUANT TO GOVERNMENT CODE SECTION 7514.7**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board receive and file this report.

**Executive Summary**

California Government Code Section 7514.7 requires LACERS to disclose specific fee, expense, and other information for private markets funds committed to on and after January 1, 2017. Funds that LACERS committed to prior to January 1, 2017, are not required to disclose this information but may do so on a voluntary basis. The attachments to this report provide the appropriate disclosures.

**Discussion**

*Background*

California Government Code Section 7514.7 (enacted into law by the passage of Assembly Bill 2833) requires LACERS to obtain and disclose specific fee, expense, and other information relating to alternative investment vehicles within the LACERS investment portfolio. The disclosure must be made at least annually at a meeting open to the public. The law defines an alternative investment vehicle as a private equity fund, venture fund, hedge fund, or absolute return fund; LACERS considers private real estate funds to fall within the scope of the alternative investment vehicles definition. Pursuant to Section 7514.7, alternative investment vehicles must provide the following information for public disclosure by LACERS:

1. The fees and expenses that LACERS pays directly to the alternative investment vehicle, the management company or related parties.
2. LACERS' pro rata share of fees and expenses not included in (1) that are paid from the alternative investment vehicle to the management company or related parties.

3. LACERS' pro rata share of carried interest distributed by the alternative investment vehicle to the management company or related parties.
4. LACERS' pro rata share of aggregate fees and expenses paid by all of the portfolio companies held by the alternative investment vehicle to the fund manager or related parties.
5. The gross and net internal rate of return of the fund, since inception.
6. Any additional information described in the California Public Records Act [Government Code Section 6254.26 (b)]:
  - i. The name, address, and vintage year of each alternative investment vehicle.
  - ii. The dollar amount of the commitment made by LACERS to each alternative investment vehicle since inception.
  - iii. The dollar amount of cash contributions made by LACERS to each alternative investment vehicle since inception.
  - iv. The dollar amount, on a fiscal year-end basis, of cash distributions received by LACERS from each alternative investment vehicle.
  - v. The dollar amount, on a fiscal year-end basis, of cash distributions received by LACERS plus remaining value of partnership assets attributable to LACERS investment in each alternative investment vehicle.
  - vi. The net internal rate of return of each alternative investment vehicle since inception.
  - vii. The investment multiple of each alternative investment vehicle since inception.
  - viii. The dollar amount of the total management fees and costs paid on an annual fiscal year-end basis, by LACERS to each alternative investment vehicle.
  - ix. The dollar amount of cash profit received by LACERS from each alternative investment vehicle on a fiscal year-end basis.

The law applies mandatorily to funds committed to on and after January 1, 2017. Through the fiscal year ending June 30, 2020, 70 private equity funds and 7 real estate funds within the LACERS portfolio were required by contract to comply with Section 7514.7.

The law is voluntary for funds committed to prior to January 1, 2017, and for which no new capital commitments have been made (pre-2017 funds), subject to LACERS using reasonable effort to acquire the information. LACERS' private equity and real estate consultants, Aksia TorreyCove Partners LLC and The Townsend Group, respectively, contacted 183 pre-2017 private equity funds and 45 real estate funds requesting information in accordance with Section 7514.7. Of these funds, 175 private equity funds and 37 real estate funds provided the data.

The attached report contains LACERS alternative investments disclosures for the fiscal year ending June 30, 2020, pursuant to Section 7514.7.

### **Strategic Alignment**

The annual reporting of specific fees, expense and other information of LACERS private market funds aligns with the Strategic Plan Goal of upholding good governance practices (Goal V).

Prepared By: Eduardo Park, Investment Officer II, Investment Division.

NMG/RJ/BF/WL/EP:jp

- Attachments:
1. Mandatory Disclosure Report for Private Equity Funds
  2. Voluntary Disclosure Report for Private Equity Funds
  3. Mandatory Disclosure Report for Real Estate Funds
  4. Voluntary Disclosure Report for Real Estate Funds

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
CA GOVERNMENT CODE §7514.7 DISCLOSURE REPORT FOR ALTERNATIVE INVESTMENT VEHICLES  
FOR FISCAL YEAR ENDING JUNE 30, 2020

MANDATORY DISCLOSURE BY FUNDS COMMITTED TO ON AND AFTER JANUARY 1, 2017  
PRIVATE EQUITY FUNDS

Fund	Address	Vintage Year	Local Currency	Fees and expenses paid directly by LACERS Fiscal Year End	Fees and expenses paid from the Fund Fiscal Year End	Carried interest paid Fiscal Year End	Fees and expenses paid by all portfolio companies Fiscal Year End	\$ Commitment	\$ Contributions Since Inception	\$ Remaining Value of LACERS Investment	\$ Distributions Fiscal Year End	\$ Distributions + Remaining Value of Partnership Fiscal Year End	\$ Profit (Realized Gain/Loss) Fiscal Year End	Gross Internal Rate of Return Since Inception	Net Internal Rate of Return Since Inception	Investment Multiple Since Inception
1315 Capital Fund II	2929 Walnut Street Philadelphia, PA 19104	2018	USD	215,474	833	-	-	10,000,000	3,305,205	6,694,795	-	6,694,795	-	-5.0%	-17.6%	0.86x
ABRY Advanced Securities Fund IV	888 Boylston St Boston, MA 02199	2018	USD	819,306	-	-	-	40,000,000	19,744,496	22,968,450	2,709,685	25,678,135	-	NP	-22.4%	0.87x
ABRY Partners IX	888 Boylston St Boston, MA 02199	2019	USD	800,000	-	-	-	40,000,000	16,214,727	23,785,273	-	23,785,273	-	NP	-29.3%	0.83x
ABRY Senior Equity V	888 Boylston St Boston, MA 02199	2017	USD	146,556	9,254	-	9,254	10,000,000	5,773,209	4,730,468	12,526	4,742,994	-	NP	8.6%	1.11x
Advent Global Technology	800 Boylston Street Boston, MA 02199	2019	USD	343,627	-	-	-	15,000,000	2,325,000	12,675,000	-	12,675,000	-	8.0%	-43.2%	0.86x
Advent International GPE IX	800 Boylston Street Boston, MA 02199	2019	USD	972,631	3,933	-	-	45,000,000	11,025,000	33,975,000	-	33,975,000	-	61.0%	35.6%	1.16x
American Securities Partners VIII	299 Park Avenue New York, NY 10171	2019	USD	731,328	-	-	NP	40,000,000	5,884,512	34,115,488	-	34,115,488	-	NP	-47.1%	0.77x
Ascribe Opportunities Fund IV	299 Park Avenue New York, NY 10171	2019	USD	-	-	-	-	25,000,000	-	25,000,000	-	25,000,000	-	N/A	N/A	NA
Astorg VII	68 rue du Faubourg Saint-Honore Paris, 75008	2019	EUR	460,931	126,770	-	-	36,123,864	4,118,933	31,735,151	-	31,735,151	-	NP	-26.3%	0.81x
Astra Partners I	2099 Pennsylvania Avenue Washington, D.C., 20006	2017	USD	216,323	23,731	-	NP	10,000,000	4,082,299	5,795,078	19,614	5,814,692	-	17.7%	4.4%	1.04x

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Fund	Address	Vintage Year	Local Currency	Fees and expenses paid directly by LACERS Fiscal Year End	Fees and expenses paid from the Fund Fiscal Year End	Carried interest paid Fiscal Year End	Fees and expenses paid by all portfolio companies Fiscal Year End	\$ Commitment	\$ Contributions Since Inception	\$ Remaining Value of LACERS Investment	\$ Distributions Fiscal Year End	\$ Distributions + Remaining Value of Partnership Fiscal Year End	\$ Profit (Realized Gain/Loss) Fiscal Year End	Gross Internal Rate of Return Since Inception	Net Internal Rate of Return Since Inception	Investment Multiple Since Inception
BC European Capital X	40 Portman Square London, W1H 6DA	2017	EUR	364,624	130,674	-	1,588	31,651,237	25,635,267	4,846,762	475,305	5,322,067	-	12.9%	9.7%	1.15x
Brentwood Associates Private Equity VI	11150 Santa Monica Boulevard Los Angeles, CA 90025	2017	USD	663,432	128,567	-	240,467	25,000,000	9,683,240	15,420,920	20,239	15,441,159	4,467	NP	25.0%	1.21x
Clearlake Capital Partners VI	233 Wilshire Boulevard Santa Monica, CA 90401	2020	USD	-	-	-	-	30,000,000	2,926,326	27,073,674	1,059	27,074,733	197	NP	-43.3%	0.94x
CVC Capital Partners VII	111 Strand London, WC2R 0AG	2017	EUR	567,992	310	-	NP	28,567,140	13,330,323	13,558,039	143,735	13,701,775	(433)	14.8%	9.6%	1.09x
CVC Capital Partners VIII	111 Strand London, WC2R 0AG	2020	EUR	-	-	-	-	50,206,765	-	51,485,422	-	51,485,422	-	N/A	N/A	NA
Defy Partners I	2973 Woodside Road Woodside, CA 94062	2017	USD	266,723	-	-	-	10,000,000	7,000,000	3,000,000	-	3,000,000	-	-0.8%	-8.8%	0.88x
Defy Partners II	2973 Woodside Road Woodside, CA 94062	2019	USD	359,206	-	-	-	18,010,000	2,701,500	15,308,500	-	15,308,500	-	0.0%	-27.7%	0.87x
DFJ Growth III	2882 Sand Hill Road Menlo Park, CA 94025	2017	USD	NP	NP	NP	NP	15,000,000	12,135,000	2,865,000	-	2,865,000	-	21.1%	11.1%	1.19x
Encap Energy Capital Fund XI	1100 Louisiana Street Houston, TX 77002	2017	USD	604,840	-	-	-	40,000,000	12,059,622	27,940,378	-	27,940,378	-	-25.1%	-34.3%	0.59x
FS Equity Partners VIII	11100 Santa Monica Blvd Los Angeles, CA 90025	2019	USD	NP	NP	NP	NP	25,000,000	7,252,392	17,375,929	6,503	17,382,432	-	NP	-23.6%	0.87x

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General Catalyst Group X - Early Venture	20 University Road Cambridge, MA 02138	2020	USD	90,919	NP	NP	NP	10,000,000	850,000	9,150,000	-	9,150,000	-	NP	-100.0%	0.89x
General Catalyst Group X - Endurance	20 University Road Cambridge, MA 02138	2020	USD	18,533	-	NP	NP	11,666,667	2,508,333	9,158,334	-	9,158,334	-	NP	-10.1%	0.99x
General Catalyst Group X - Growth Venture	20 University Road Cambridge, MA 02138	2020	USD	151,887	NP	NP	NP	16,666,666	1,750,000	14,916,666	-	14,916,666	-	NP	-99.1%	0.91x
Genstar Capital Partners IX	Four Embarcadero Center San Francisco, CA 94111	2019	USD	608,788	20,659	-	-	25,000,000	6,153,019	19,337,061	490,080	19,827,141	-	NP	15.7%	1.11x
Genstar IX Opportunities Fund I	Four Embarcadero Center San Francisco, CA 94111	2019	USD	NP	NP	NP	NP	25,000,000	7,515,152	17,484,848	-	17,484,848	-	NP	11.5%	1.08x
Gilde Buy-Out Fund VI	Herculesplein 104 - 3584 AA Utrecht Utrecht,	2019	EUR	709,688	-	-	-	39,684,790	725,934	38,449,378	-	38,449,378	-	-17.6%	-100.0%	0.00x
Glendon Opportunities Fund II	1620 26th Street Santa Monica, CA 90404	2019	USD	180,888	98,078	-	-	40,000,000	19,000,000	21,000,000	-	21,000,000	-	NP	-7.6%	0.98x
Green Equity Investors VII	11111 Santa Monica Boulevard Los Angeles, CA 90025	2017	USD	446,630	16,137	-	-	25,000,000	21,274,569	3,949,373	124,945	4,074,318	-	19.1%	12.7%	1.24x
GTCR Fund XII-AB	300 N. LaSalle St., Suite 5600 Chicago, IL 60654	2017	USD	1,005,730	36,143	-	14,294	40,000,000	18,420,000	21,580,000	428,687	22,008,687	-	NP	17.0%	1.19x
H&F Spock 1	415 Mission Street San Francisco, CA 94105	2018	USD	1,191	-	-	-	-	3,266,786	-	-	-	-	NP	38.6%	2.07x

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Harvest Partners VIII	280 Park Avenue New York, NY 10017	2019	USD	NP	NP	NP	NP	50,000,000	19,920,388	30,079,612	1,501	30,081,113	-	NP	-4.2%	0.99x
Hellman & Friedman Capital Partners IX	415 Mission Street San Francisco, CA 94105	2019	USD	587,335	362	-	431	30,000,000	6,668,837	23,331,163	-	23,331,163	-	NP	-20.2%	0.95x
Hg Genesis 9	2 More London Riverside London, SE1 2AP	2020	USD	-	-	-	-	19,295,500	-	19,659,500	-	19,659,500	-	N/A	N/A	NA
HgCapital Saturn Fund 2	2 More London Riverside London, SE1 2AP	2020	USD	-	-	-	-	20,000,000	-	20,000,000	-	20,000,000	-	N/A	N/A	NA
Incline Equity Partners IV	EQT Plaza – Suite 2300 Pittsburgh, PA 15222	2017	USD	157,101	76,762	-	89,947	10,000,000	6,560,467	3,439,533	22,588	3,462,121	-	27.3%	14.2%	1.19x
KPS Special Situations Fund V	485 Lexington Avenue, 31st Floor New York, NY 10017	2020	USD	-	-	-	-	40,000,000	-	40,000,000	-	40,000,000	-	N/A	N/A	NA
KPS Special Situations Mid-Cap Fund	485 Lexington Avenue, 31st Floor New York, NY 10017	2019	USD	85,454	28,908	-	NP	10,000,000	1,773,189	8,226,811	-	8,226,811	-	NP	-10.6%	0.95x
MBK Partners Fund V	22nd Fl., D Tower D1, 17 Jongno 3-gil Seoul, 110-130	2020	USD	-	-	-	-	40,000,000	-	40,000,000	-	40,000,000	-	N/A	N/A	NA
Mill Point Capital Partners	555 Madison Avenue, 16th Floor New York, NY 10022	2017	USD	NP	NP	NP	NP	10,000,000	6,635,800	3,382,350	1,137	3,383,487	-	34.4%	26.2%	1.41x
Montagu VI	2 More London Riverside London, SE1 2AP	2020	EUR	-	-	-	-	40,301,363	-	39,808,802	-	39,808,802	-	N/A	N/A	NA

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New Enterprise Associates 16	5425 Wisconsin Ave Chevy Chase, MD 20815	2017	USD	264,019	59,824	-	1,201	25,000,000	18,125,000	6,875,000	447,726	7,322,726	265,786	20.4%	12.5%	1.20x
New Enterprise Associates 17	5425 Wisconsin Ave Chevy Chase, MD 20815	2019	USD	370,007	86,160	-	-	35,000,000	6,650,000	28,350,000	-	28,350,000	-	9.3%	3.7%	1.02x
NMS Fund III	32 Old Slip New York, NY 10005	2017	USD	NP	NP	NP	NP	10,000,000	3,815,828	6,775,764	307,790	7,083,554	-	NP	2.5%	1.03x
Oak HC-FT Partners II	Three Pickwick Plaza Greenwich, CT 06830	2017	USD	235,195	NP	NP	NP	10,000,000	7,216,001	2,783,999	-	2,783,999	-	38.4%	29.5%	1.42x
Oak HC-FT Partners III	Three Pickwick Plaza Greenwich, CT 06830	2019	USD	543,453	-	-	-	25,000,000	5,990,549	19,009,451	-	19,009,451	-	NP	-24.5%	0.91x
OceanSound Partners Fund	320 Park Avenue, 8th Floor New York, NY 10022	2020	USD	-	-	-	-	20,000,000	-	20,000,000	-	20,000,000	-	N/A	N/A	NA
P4G Capital Partners I	455 Market Street, Suite 620 San Francisco, CA 94105	2018	USD	480,170	3,595	-	-	10,000,000	473,390	9,523,296	13	9,523,309	-	NP	-100.0%	0.00x
Palladium Equity Partners V	Rockefeller Center New York, NY 10020	2017	USD	745,114	114,870	-	60,524	25,000,000	10,704,231	14,489,439	198,167	14,687,605	-	NP	-4.5%	0.96x
Platinum Equity Capital Partners V	360 N. Crescent Dr. Beverly Hills, CA 90210	2019	USD	387,979	106,633	-	-	50,000,000	6,190,747	43,809,253	-	43,809,253	-	NP	-10.8%	0.96x
Platinum Equity Small Cap Fund	360 N. Crescent Dr. Beverly Hills, CA 90210	2018	USD	869,982	107,619	-	-	22,500,000	8,220,903	14,652,523	287,026	14,939,549	-	NP	-77.9%	0.55x

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Polaris Growth Fund	One Marina Park Drive Boston, MA 02210	2018	USD	200,000	NP	NP	NP	10,000,000	2,350,000	7,650,000	-	7,650,000	-	NP	-6.4%	0.95x
Roark Capital Partners II Side Car	1180 Peachtree Street NE Atlanta, GA 30309	2018	USD	NP	NP	NP	NP	10,000,000	6,163,352	3,960,656	-	3,960,656	-	NP	21.0%	1.34x
Roark Capital Partners V	1180 Peachtree Street NE Atlanta, GA 30309	2018	USD	NP	NP	NP	NP	15,000,000	4,035,158	10,910,867	-	10,910,867	-	NP	13.9%	1.18x
Spark Capital Growth Fund II	137 Newbury St. #8 Boston, MA 02116	2017	USD	375,000	NP	-	NP	15,000,000	13,425,000	1,575,000	-	1,575,000	-	NP	12.0%	1.20x
Spark Capital Growth Fund III	137 Newbury St. #8 Boston, MA 02116	2020	USD	167,188	NP	-	NP	26,750,000	1,203,750	25,546,250	-	25,546,250	-	NP	-47.0%	0.86x
Spark Capital Partners VI	137 Newbury St. #8 Boston, MA 02116	2020	USD	82,813	NP	-	NP	13,250,000	861,250	12,388,750	-	12,388,750	-	NP	-42.2%	0.90x
Stripes IV	402 West 13th Street New York, NY 10014	2017	USD	180,856	43,715	73,578	-	10,000,000	8,151,381	2,388,941	540,322	2,929,263	429,588	53.7%	40.6%	1.72x
Sunstone Partners II	400 S El Camino Real San Mateo, CA 94402	2019	USD	-	-	-	-	10,000,000	-	10,000,000	-	10,000,000	-	N/A	N/A	NA
TA XIII-A	200 Clarendon Street Boston, MA 02116	2019	USD	483,286	59,180	-	-	35,000,000	5,250,000	29,750,000	-	29,750,000	-	14.0%	-2.7%	0.99x
TCV X	250 Middlefield Road Menlo Park, CA 94025	2019	USD	518,520	-	-	NP	25,000,000	9,485,000	15,515,000	-	15,515,000	-	NP	28.3%	1.25x

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The Baring Asia Private Equity Fund VII	Suite 3801, Two International Hong Kong,	2018	USD	525,374	NP	NP	NP	25,000,000	7,659,502	18,453,322	1,112,824	19,566,146	-	NP	-1.7%	0.98x
Thoma Bravo Discover Fund II	150 N. Riverside Plaza Chicago, IL 60606	2018	USD	242,657	13,396	-	NP	10,000,000	6,088,248	3,911,752	-	3,911,752	-	32.0%	19.4%	1.18x
Thoma Bravo Discover Fund III	150 N. Riverside Plaza Chicago, IL 60606	2020	USD	-	-	-	-	20,000,000	-	20,000,000	-	20,000,000	-	N/A	N/A	NA
Thoma Bravo Explore Fund I	150 N. Riverside Plaza Chicago, IL 60606	2020	USD	-	-	-	-	10,000,000	-	10,000,000	-	10,000,000	-	N/A	N/A	NA
Thoma Bravo Fund XIII	150 N. Riverside Plaza Chicago, IL 60606	2018	USD	107,110	450,000	-	NP	30,000,000	21,709,034	8,297,788	6,943	8,304,731	-	NP	62.6%	1.51x
Thoma Bravo Fund XIV	150 N. Riverside Plaza Chicago, IL 60606	2020	USD	-	-	-	-	30,000,000	-	30,000,000	-	30,000,000	-	N/A	N/A	NA
Upfront VI	1314 7th Street Santa Monica, CA 90401	2017	USD	418,220	NP	NP	NP	20,000,000	11,320,303	8,679,697	-	8,679,697	-	NP	3.5%	1.05x
Vista Equity Partners Fund VII	401 Congress Avenue Austin, TX 78701	2018	USD	640,031	28,861	14,866	-	40,000,000	10,096,769	29,962,941	82,746	30,045,687	74,336	0.0%	0.2%	1.00x
Vista Foundation Fund IV	401 Congress Avenue Austin, TX 78701	2020	USD	-	-	-	-	30,000,000	-	30,000,000	-	30,000,000	-	N/A	N/A	NA
Vitruvian Investment Partnership IV	105 Wigmore Street London, W1U 1QY	2020	EUR	-	-	-	-	39,119,924	-	39,588,616	-	39,588,616	-	N/A	N/A	NA

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1315 Capital Fund	2929 Walnut Street Philadelphia, PA 19104	2015	USD	212,366	1,316	-	-	10,000,000	8,974,616	1,953,870	53,975	2,007,845	-	19.2%	10.9%	1.33x
ABRY Advanced Securities Fund III	888 Boylston St Boston, MA 02199	2014	USD	418,099	-	NP	-	20,000,000	24,719,438	-	-	-	-	-3.1%	-10.9%	0.79x
ABRY Heritage Partners	888 Boylston St Boston, MA 02199	2016	USD	NP	NP	NP	NP	10,000,000	5,325,250	6,060,728	2,007,683	8,068,411	-	NP	11.5%	1.28x
ABRY Partners VIII	888 Boylston St Boston, MA 02199	2014	USD	NP	NP	NP	NP	25,000,000	27,985,440	1,878,266	8,311,166	10,189,432	-	NP	7.6%	1.30x
ACON Equity Partners 3.5	1133 Connecticut Avenue NW Washington, D.C., 20036	2012	USD	NP	NP	NP	NP	20,000,000	18,034,492	-	14,228,069	14,228,069	-	NP	1.9%	1.09x
Acon-Bastion Partners II	1133 Connecticut Avenue NW Washington, D.C., 20036	2006	USD	2,977	-	-	NP	5,000,000	4,721,150	352,035	-	352,035	-	NP	12.3%	1.74x
Advent International GPE VI A	800 Boylston Street Boston, MA 02199	2008	USD	53,492	112	77,927	112	20,000,000	20,000,000	-	582,073	582,073	-	23.0%	16.6%	2.09x
Advent International GPE VII B	800 Boylston Street Boston, MA 02199	2012	USD	NP	NP	NP	NP	30,000,000	28,200,000	1,800,000	3,861,339	5,661,339	-	21.0%	14.8%	1.80x
Advent International GPE VIII B-2	800 Boylston Street Boston, MA 02199	2016	USD	500,577	210	-	210	35,000,000	32,795,000	2,205,000	-	2,205,000	-	21.0%	14.1%	1.35x
AION Capital Partners	Apollo Global Management, Inc. New York, NY 10019	2012	USD	NP	NP	NP	NP	20,000,000	17,910,512	2,567,441	1,056,035	3,623,476	-	NP	2.3%	1.06x

Note: Report excludes funds that are not required to comply with Section 7514.7 and have opted not to provide such information upon request.

NP = Not Provided by GP

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American Securities Partners VII	299 Park Avenue New York, NY 10171	2016	USD	270,539	NP	-	NP	25,000,000	21,202,478	3,797,522	250,217	4,047,739	4,467	0.1%	-3.3%	0.93x
Angeleno Investors III	2029 Century Park East Los Angeles, CA 90067	2009	USD	133,165	31,393	-	-	10,000,000	10,686,144	-	48,028	48,028	197	NP	-5.4%	0.73x
Angeles Equity Partners I	2425 Olympic Boulevard Santa Monica, CA 90404	2015	USD	173,008	99,180	-	48,148	10,000,000	5,062,573	5,331,317	163,604	5,494,921	(433)	21.4%	7.2%	1.16x
Apollo Investment Fund IV	Apollo Global Management, Inc. New York, NY 10019	1998	USD	NP	NP	NP	NP	5,000,000	4,989,241	10,759	-	10,759	-	NP	8.5%	1.67x
Apollo Investment Fund VI	Apollo Global Management, Inc. New York, NY 10019	2006	USD	2,835	5	-	40	15,000,000	14,372,999	627,001	-	627,001	-	12.0%	8.7%	1.69x
Apollo Investment Fund VII	Apollo Global Management, Inc. New York, NY 10019	2008	USD	38,133	1,689	-	2,424	20,000,000	17,560,155	2,435,375	613,939	3,049,314	-	33.0%	22.2%	1.93x
Apollo Investment Fund VIII	Apollo Global Management, Inc. New York, NY 10019	2013	USD	241,560	56,836	760,855	56,836	40,000,000	34,696,895	5,597,593	7,622,456	13,220,049	-	13.0%	8.4%	1.31x
Ascribe Opportunities Fund II	299 Park Avenue New York, NY 10171	2010	USD	69,171	NP	-	NP	20,000,000	30,537,420	3,159,347	1,619,651	4,778,998	-	NP	3.1%	1.14x
Ascribe Opportunities Fund III	299 Park Avenue New York, NY 10171	2014	USD	429,989	NP	-	NP	30,000,000	47,401,164	8,438,018	844,805	9,282,823	-	-0.4%	-10.2%	0.83x
Astorg VI	68 rue du Faubourg Saint- Honore Paris, 75008	2015	EUR	397,611	58,845	-	-	25,625,875	21,228,378	4,942,960	3,100,383	8,043,343	-	15.4%	11.1%	1.29x

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PRIVATE EQUITY FUNDS

Fund	Address	Vintage Year	Local Currency	Fees and expenses paid directly by LACERS Fiscal Year End	Fees and expenses paid from the Fund Fiscal Year End	Carried interest paid Fiscal Year End	Fees and expenses paid by all portfolio companies Fiscal Year End	\$ Commitment	\$ Contributions Since Inception	\$ Remaining Value of LACERS Investment	\$ Distributions Fiscal Year End	\$ Distributions + Remaining Value of Partnership Fiscal Year End	\$ Profit (Realized Gain/Loss) Fiscal Year End	Gross Internal Rate of Return Since Inception	Net Internal Rate of Return Since Inception	Investment Multiple Since Inception
Austin Ventures VII	835 West 6th Street Austin, TX 78703-5421	1999	USD	NP	NP	NP	NP	17,000,000	17,000,000	-	-	-	-	-2.8%	-2.8%	0.81x
Austin Ventures VIII	835 West 6th Street Austin, TX 78703-5421	2001	USD	NP	NP	NP	NP	8,300,000	8,300,000	-	150,000	150,000	-	8.5%	6.9%	1.65x
Bain Capital Asia Fund III	200 Clarendon Street Boston, MA 02116	2016	USD	473,035	-	-	NP	15,000,000	14,565,291	3,087,539	2,043,904	5,131,443	-	NP	16.1%	1.27x
Bain Capital Double Impact Fund	200 Clarendon Street Boston, MA 02116	2016	USD	401,321	-	-	NP	10,000,000	7,221,326	3,985,906	-	3,985,906	-	NP	12.8%	1.20x
BC European Capital IX	40 Portman Square London, W1H 6DA	2011	USD	134,410	13,120	78,417	2,855	18,146,966	18,984,319	1,163,842	2,602,928	3,766,770	-	20.6%	13.0%	1.69x
BDCM Opportunity Fund IV	One Sound Shore Drive Greenwich, CT 06830	2015	USD	NP	NP	NP	NP	25,000,000	29,213,670	3,511,109	2,683,398	6,194,507	-	12.8%	8.1%	1.26x
Blackstone Capital Partners V & V-S	345 Park Avenue New York, NY 10154	2005	USD	-	-	-	NP	19,799,726	19,287,044	999,381	116,361	1,115,742	-	NP	7.8%	1.66x
Blackstone Capital Partners VI	345 Park Avenue New York, NY 10154	2011	USD	45,936	27,718	193,108	NP	20,000,000	19,202,092	2,235,041	4,381,735	6,616,777	-	15.2%	10.7%	1.57x
Blackstone Energy Partners	345 Park Avenue New York, NY 10154	2011	USD	39,780	35,832	-	NP	25,000,000	23,608,387	2,364,145	6,101,612	8,465,756	-	13.0%	9.6%	1.51x
Blue Sea Capital Fund I	222 Lakeview Avenue, Suite 1700 West Palm Beach, FL 33401	2013	USD	(169,257)	(347,988)	NP	NP	10,000,000	8,311,730	1,688,992	4,904,818	6,593,810	-	NP	13.0%	1.54x

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Carlyle Partners IV	1001 Pennsylvania Avenue, NW Washington, D.C., 20004-2505	2005	USD	534	NP	125,962	NP	20,000,000	19,634,189	-	518,026	518,026	-	NP	13.0%	2.03x
Carlyle Partners V	1001 Pennsylvania Avenue, NW Washington, D.C., 20004-2505	2007	USD	2,884	7,629	1,599	10,922	30,000,000	26,774,450	5,262,358	830,595	6,092,953	-	NP	13.6%	1.89x
CenterGate Capital Partners I	900 South Capital of Texas Highway Austin, TX 78746	2015	USD	127,818	62,323	-	NP	10,000,000	4,128,108	6,419,837	1,467,068	7,886,905	-	18.2%	5.2%	1.12x
Charterhouse Capital Partners IX	7th Floor, Warwick Court London, EC4M 7DX	2008	USD	23,744	-	1	-	17,893,814	17,432,850	393,823	-	393,823	-	21.0%	8.8%	1.28x
Charterhouse Capital Partners VIII	7th Floor, Warwick Court London, EC4M 7DX	2006	USD	NP	NP	NP	NP	19,706,859	19,659,327	1	48,978	48,978	-	NP	-0.6%	0.96x
CHP III	230 Nassau Street Princeton, NJ 08542	2006	USD	NP	NP	NP	NP	15,000,000	15,000,000	-	-	-	265,786	NP	8.4%	1.89x
CHS Private Equity V	10 South Wacker Drive Chicago, IL 60606	2005	USD	NP	NP	NP	NP	20,000,000	20,145,530	-	-	-	-	12.6%	9.8%	1.75x
Coller International Partners VI	Park House London, WiK 6AF	2011	USD	216,214	-	430,982	-	25,000,000	18,392,640	7,430,817	883,156	8,313,972	-	17.0%	14.1%	1.59x
Craton Equity Investors I	865 South Figueroa Street Los Angeles, CA 90017	2006	USD	NP	NP	NP	NP	10,000,000	9,951,989	-	-	-	-	NP	-32.7%	0.11x
CVC European Equity Partners III	111 Strand London, WC2R 0AG	2001	USD	(8,649)	NP	(76,823)	NP	15,000,000	14,776,341	222,957	-	222,957	-	40.0%	41.0%	2.87x

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PRIVATE EQUITY FUNDS

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CVC European Equity Partners IV	111 Strand London, WC2R 0AG	2005	EUR	2,722	-	-	NP	26,008,211	23,210,339	2,641,950	-	2,641,950	-	22.6%	16.8%	2.01x
CVC European Equity Partners V	111 Strand London, WC2R 0AG	2008	EUR	3,359	-	600,320	NP	18,815,039	18,352,938	2,225,206	2,724,736	4,949,943	-	26.5%	16.8%	2.26x
DFJ Element	565 E. Swedesford Road Wayne, PA 19087	2006	USD	43,058	NP	NP	NP	8,000,000	7,846,106	164,000	2,624,444	2,788,444	-	NP	-3.4%	0.74x
DFJ Frontier Fund II	9785 South Monroe Street Sandy, UT 84070	2007	USD	11,733	-	NP	NP	5,000,000	5,002,783	-	-	-	-	NP	1.0%	1.08x
DFJ Growth 2013	2882 Sand Hill Road Menlo Park, CA 94025	2013	USD	579,719	-	1,386,143	NP	25,000,000	25,126,311	-	6,678,838	6,678,838	-	29.6%	16.4%	2.05x
EIG Energy Fund XVI	600 New Hampshire Ave NW Washington, D.C., 20037	2013	USD	263,298	NP	NP	NP	25,000,000	22,884,905	7,057,302	1,155,715	8,213,017	-	6.9%	4.0%	1.13x
Element Partners Fund II	565 E. Swedesford Road Wayne, PA 19087	2008	USD	94,836	NP	NP	NP	10,000,000	9,361,465	636,905	4,151,699	4,788,603	-	NP	6.1%	1.50x
Encap Energy Capital Fund IX	1100 Louisiana Street Houston, TX 77002	2012	USD	306,251	-	-	-	30,000,000	28,669,442	1,687,887	921,139	2,609,026	-	4.0%	0.3%	1.01x
Encap Energy Capital Fund VIII	1100 Louisiana Street Houston, TX 77002	2010	USD	79,251	-	-	-	15,000,000	14,397,183	606,443	144,464	750,907	-	-7.8%	-10.5%	0.69x
Encap Energy Capital Fund X	1100 Louisiana Street Houston, TX 77002	2015	USD	363,932	NP	NP	NP	35,000,000	29,931,454	5,196,854	1,167,893	6,364,747	429,588	-1.2%	-4.1%	0.90x

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Energy Capital Partners II	40 Beechwood Road Summit, NJ 07901	2009	USD	66,909	-	-	NP	20,000,000	14,934,322	5,949,821	87,019	6,036,840	-	15.0%	8.9%	1.41x
Energy Capital Partners III	40 Beechwood Road Summit, NJ 07901	2014	USD	472,109	171,040	-	NP	40,000,000	36,915,016	3,452,052	3,078,021	6,530,073	-	12.0%	7.6%	1.26x
Essex Woodlands Health Ventures Fund IV	335 Bryant Street Palo Alto, CA 94301	1998	USD	NP	NP	NP	NP	4,000,000	4,000,000	-	-	-	-	NP	7.5%	1.47x
Essex Woodlands Health Ventures Fund V	335 Bryant Street Palo Alto, CA 94301	2000	USD	-	NP	NP	NP	10,000,000	10,000,000	-	-	-	-	11.3%	3.5%	1.18x
Essex Woodlands Health Ventures Fund VI	335 Bryant Street Palo Alto, CA 94301	2004	USD	-	-	NP	NP	15,000,000	14,587,500	-	-	-	-	NP	4.2%	1.46x
FIMI Opportunity V	98 Yigal Alon Street Tel Aviv, 6789141	2012	USD	NP	NP	NP	NP	20,000,000	18,194,334	1,805,666	1,264,918	3,070,584	-	NP	10.0%	1.55x
First Reserve Fund X	First Reserve Greenwich, CT 06902	2004	USD	NP	NP	NP	NP	20,000,000	20,000,000	-	66,522	66,522	-	NP	31.1%	1.83x
First Reserve Fund XI	First Reserve Greenwich, CT 06902	2006	USD	12,257	-	-	-	30,000,000	30,000,000	-	115,328	115,328	-	-8.4%	-8.6%	0.69x
First Reserve Fund XII	First Reserve Greenwich, CT 06902	2008	USD	30,324	112	-	151	25,000,000	25,990,474	-	245,025	245,025	-	-10.2%	-12.7%	0.56x
Gilde Buy-Out Fund V	Herculesplein 104 - 3584 AA Utrecht Utrecht,	2016	EUR	304,181	11,469	-	11,468	27,121,713	23,239,243	3,079,459	6,528,966	9,608,425	-	9.0%	4.2%	1.08x

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PRIVATE EQUITY FUNDS

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Glendon Opportunities Fund	1620 26th Street Santa Monica, CA 90404	2014	USD	397,187	762	-	762	20,000,000	18,990,996	5,501,321	4,501,321	10,002,642	74,336	NP	-0.8%	0.96x
Green Equity Investors V	11111 Santa Monica Boulevard Los Angeles, CA 90025	2007	USD	NP	NP	NP	NP	20,000,000	18,270,441	1,731,094	2,353,735	4,084,829	-	24.2%	19.4%	2.49x
Green Equity Investors VI	11111 Santa Monica Boulevard Los Angeles, CA 90025	2012	USD	80,271	47,013	77,154	-	20,000,000	18,396,710	1,679,024	1,265,352	2,944,376	-	19.4%	13.8%	1.80x
GTCR Fund IX-A	300 N. LaSalle St., Suite 5600 Chicago, IL 60654	2006	USD	505	-	12,373	-	15,000,000	14,288,203	-	50,418	50,418	-	NP	13.8%	1.81x
GTCR Fund VIII	300 N. LaSalle St., Suite 5600 Chicago, IL 60654	2003	USD	4,469	-	-	-	20,000,000	18,520,960	1,495,040	-	1,495,040	-	NP	22.3%	1.75x
Halifax Capital Partners II	1133 Connecticut Avenue, NW Suite 300 Washington, D.C., 20036	2005	USD	4,475	-	-	-	10,000,000	8,098,600	1,901,400	-	1,901,400	-	18.0%	7.6%	1.34x
Harvest Partners VII	280 Park Avenue New York, NY 10017	2016	USD	70,134	NP	NP	NP	20,000,000	19,315,920	1,063,163	-	1,063,163	-	9.7%	7.7%	1.16x
Hellman & Friedman Capital Partners VI	415 Mission Street San Francisco, CA 94105	2006	USD	-	-	-	-	20,000,000	19,344,481	578,558	57,280	635,838	-	18.0%	12.9%	1.87x
Hellman & Friedman Capital Partners VII	415 Mission Street San Francisco, CA 94105	2011	USD	38,382	3,589	780,137	3,589	20,000,000	19,094,563	904,088	4,228,958	5,133,046	-	NP	24.0%	2.91x
Hellman & Friedman Capital Partners VIII	415 Mission Street San Francisco, CA 94105	2016	USD	139,712	2,650	-	2,650	20,000,000	19,566,915	952,807	95,963	1,048,770	-	NP	13.3%	1.31x

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High Road Capital Partners II	1251 6th Avenue New York, NY 10020	2013	USD	82,387	255,602	688,893	413,060	25,000,000	19,334,307	5,665,828	5,863,979	11,529,807	-	20.6%	13.7%	1.55x
Hony Capital Fund V	6th floor, South Tower C, Raycom InfoTech Park, No. 2, Ke Xue Yuan Nan Lu, Haidian District	2011	USD	853,545	NP	NP	NP	25,000,000	25,084,013	393,769	-	393,769	-	-2.3%	-5.4%	0.73x
Insight Venture Partners IX	1114 Avenue of the Americas New York, NY 10036	2015	USD	436,623	2,232	247,717	-	25,000,000	25,581,482	123,104	1,885,448	2,008,553	-	34.0%	26.7%	2.36x
Insight Venture Partners VIII	1114 Avenue of the Americas New York, NY 10036	2013	USD	174,196	1,888	371,758	-	20,000,000	19,585,777	559,777	7,367,659	7,927,436	-	26.0%	20.5%	2.69x
Institutional Venture Partners XV	3000 Sand Hill Road Menlo Park, CA 94025	2015	USD	456,855	64,118	NP	NP	20,000,000	20,000,000	-	853,776	853,776	-	NP	17.4%	1.62x
J.H. Whitney VII	130 Main Street New Canaan, CT 06840	2010	USD	-	123,780	NP	98,864	25,000,000	24,652,068	553,517	286,931	840,448	-	NP	12.8%	1.79x
Kelso Investment Associates VII	320 Park Avenue, 24th floor New York, NY 10022	2003	USD	-	NP	-	NP	18,000,000	17,131,163	-	-	-	-	17.2%	12.5%	1.70x
Kelso Investment Associates VIII	320 Park Avenue, 24th floor New York, NY 10022	2007	USD	NP	NP	NP	NP	20,000,000	18,941,737	2,982,730	690,001	3,672,731	-	10.2%	5.9%	1.33x
Khosla Ventures IV	2128 Sand Hill Road Menlo Park, CA 94025	2011	USD	248,962	1,038	NP	NP	20,000,000	19,620,000	380,000	13,409,358	13,789,358	-	30.8%	21.5%	2.99x
KKR 2006 Fund	9 West 57th Street New York, NY 10019	2006	USD	NP	NP	NP	NP	30,000,000	30,296,985	494,468	1,678,715	2,173,183	-	11.7%	9.1%	1.79x

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PRIVATE EQUITY FUNDS

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KKR European Fund II	9 West 57th Street New York, NY 10019	2005	USD	4,458	NP	NP	NP	15,000,000	15,497,844	-	60,388	60,388	-	NP	4.7%	1.36x
KPS Special Situations Fund IV	485 Lexington Avenue, 31st Floor New York, NY 10017	2014	USD	35,920	187,500	6,116	NP	25,000,000	21,074,259	2,718,763	126,950	2,845,713	-	28.6%	12.0%	1.19x
Levine Leichtman Capital Partners III	345 North Maple Drive Beverly Hills, CA 90210	2003	USD	NP	NP	NP	NP	20,000,000	21,392,254	-	-	-	-	NP	10.0%	1.56x
Levine Leichtman Capital Partners IV	345 North Maple Drive Beverly Hills, CA 90210	2008	USD	NP	NP	NP	NP	20,000,000	16,448,126	3,652,523	72,245	3,724,767	-	NP	17.9%	1.88x
Levine Leichtman Capital Partners V	345 North Maple Drive Beverly Hills, CA 90210	2013	USD	NP	NP	NP	NP	30,000,000	26,489,374	5,581,145	2,063,137	7,644,282	-	NP	11.6%	1.62x
Lindsay Goldberg & Bessemer II	630 Fifth Avenue New York, NY 10111	2006	USD	NP	NP	NP	NP	20,000,000	18,913,523	-	25,810	25,810	-	NP	7.1%	1.43x
Lindsay Goldberg III	630 Fifth Avenue New York, NY 10111	2008	USD	NP	NP	NP	NP	20,000,000	19,176,896	882,760	205,066	1,087,826	-	13.7%	8.1%	1.36x
Longitude Venture Partners III	2740 Sand Hill Road Menlo Park, CA 94025	2016	USD	217,764	4,380	-	4,380	10,000,000	7,914,412	2,522,219	436,631	2,958,850	-	30.0%	16.7%	1.30x
Madison Dearborn Capital Partners IV	70 W. Madison Street Chicago, IL 60602	2000	USD	NP	NP	-	NP	25,000,000	25,174,337	676,116	-	676,116	-	19.1%	14.1%	1.89x
Menlo Ventures IX	2884 Sand Hill Road Menlo Park, CA 94025	2001	USD	NP	NP	NP	NP	20,000,000	20,000,000	-	159,240	159,240	-	NP	0.5%	1.03x

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Nautic Partners V	50 Kennedy Plaza Providence, RI 02903	2000	USD	966	NP	-	-	15,000,000	14,426,866	477,187	-	477,187	-	27.7%	17.0%	2.10x
New Enterprise Associates 13	5425 Wisconsin Ave Chevy Chase, MD 20815	2009	USD	119,978	53,492	1,148,736	17,751	15,000,000	15,000,000	-	2,932,459	2,932,459	-	19.1%	15.5%	2.24x
New Enterprise Associates 15	5425 Wisconsin Ave Chevy Chase, MD 20815	2015	USD	242,689	18,912	-	1,655	20,000,000	18,300,000	1,700,000	24,460	1,724,460	-	22.5%	16.2%	1.67x
New Mountain Partners III	787 7th Avenue New York, NY 10019	2007	USD	NP	NP	NP	NP	20,000,000	18,661,525	1,371,772	1,035,843	2,407,615	-	NP	13.4%	2.23x
New Water Capital	2424 N Federal Hwy #418 Boca Raton, FL 33431	2015	USD	NP	NP	NP	NP	10,000,000	8,788,031	1,682,318	379,844	2,062,162	-	6.0%	1.5%	1.03x
NewBridge Asia IV	345 California Street San Francisco, CA 94104	2005	USD	10,387	-	-	NP	10,000,000	9,846,880	655,734	-	655,734	-	23.0%	16.7%	2.22x
NGEN Partners III	733 Third Avenue New York, NY 10017	2008	USD	NP	NP	NP	NP	10,000,000	11,129,177	220,545	55,425	275,970	-	-5.8%	-6.2%	0.66x
NGP Natural Resources XI	2850 N. Harwood Street Dallas, TX 77002	2014	USD	400,339	(71,309)	-	NP	25,000,000	24,048,748	1,024,794	2,392,313	3,417,107	-	2.0%	-1.9%	0.95x
Nordic Capital V	Mäster Samuelsgatan 21 Stockholm, SE - 111 44	2003	EUR	NP	NP	NP	NP	14,043,460	14,308,101	-	216,799	216,799	-	NP	20.8%	2.97x
Oak HC-FT Partners	Three Pickwick Plaza Greenwich, CT 06830	2014	USD	237,364	NP	NP	NP	10,000,000	9,314,590	685,410	-	685,410	-	35.6%	26.8%	2.27x

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PRIVATE EQUITY FUNDS

Fund	Address	Vintage Year	Local Currency	Fees and expenses paid directly by LACERS Fiscal Year End	Fees and expenses paid from the Fund Fiscal Year End	Carried interest paid Fiscal Year End	Fees and expenses paid by all portfolio companies Fiscal Year End	\$ Commitment	\$ Contributions Since Inception	\$ Remaining Value of LACERS Investment	\$ Distributions Fiscal Year End	\$ Distributions + Remaining Value of Partnership Fiscal Year End	\$ Profit (Realized Gain/Loss) Fiscal Year End	Gross Internal Rate of Return Since Inception	Net Internal Rate of Return Since Inception	Investment Multiple Since Inception
Oak Investment Partners XII	Three Pickwick Plaza Greenwich, CT 06830	2006	USD	-	NP	NP	NP	15,000,000	14,999,762	-	-	-	-	NP	-0.3%	0.98x
Oaktree Opportunities Fund X	333 South Grand Avenue Los Angeles, CA 90071	2015	USD	125,251	9	37,211	-	7,500,000	6,225,000	1,275,000	-	1,275,000	-	12.9%	7.2%	1.21x
Oaktree Opportunities Fund Xb	333 South Grand Avenue Los Angeles, CA 90071	2018	USD	379,821	349	-	325	17,500,000	7,000,000	10,500,000	-	10,500,000	-	2.7%	-2.3%	0.98x
OCM Opportunities Fund III	333 South Grand Avenue Los Angeles, CA 90071	1999	USD	NP	NP	NP	NP	10,000,000	10,000,000	-	1,184	1,184	-	NP	11.9%	1.51x
OCM Opportunities Fund V	333 South Grand Avenue Los Angeles, CA 90071	2004	USD	1,477	-	-	-	7,100,000	7,100,000	-	-	-	-	18.4%	14.1%	1.65x
OCM Opportunities Fund VII	333 South Grand Avenue Los Angeles, CA 90071	2007	USD	2,331	-	-	-	10,000,000	10,000,000	-	339,042	339,042	-	10.1%	7.3%	1.38x
OCM Opportunities Fund VIIb	333 South Grand Avenue Los Angeles, CA 90071	2008	USD	(447)	1,418	48,032	1,418	10,000,000	9,000,000	500,000	193,664	693,664	-	21.8%	16.5%	1.73x
Onex Partners	161 Bay Street Toronto, M5J2S1	2003	USD	NP	NP	NP	NP	20,000,000	19,048,408	935,344	102,438	1,037,782	-	NP	38.4%	3.06x
Palladium Equity Partners III	Rockefeller Center New York, NY 10020	2004	USD	NP	NP	NP	NP	10,000,000	9,899,504	91,619	326,634	418,253	-	21.6%	11.2%	1.79x
Palladium Equity Partners IV	Rockefeller Center New York, NY 10020	2012	USD	327,194	85,438	-	94,008	25,000,000	24,863,744	2,573,416	442,619	3,016,035	-	12.5%	6.1%	1.21x

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Permira Europe III	80 PALL MALL London, SW1Y5ES	2003	EUR	1,077	-	11,800	-	21,506,160	21,515,354	-	46,521	46,521	-	NP	26.1%	1.71x
Permira Europe IV	80 PALL MALL London, SW1Y5ES	2006	EUR	NP	NP	NP	NP	14,935,115	14,921,731	-	1,915,384	1,915,384	-	NP	8.6%	1.62x
Pharos Capital Partners II-A	8 Cadillac Drive Brentwood, TN 37027	2004	USD	108,125	(1)	-	NP	5,000,000	5,000,000	-	-	-	-	8.0%	1.7%	1.13x
Platinum Equity Capital Partners III	360 N. Crescent Dr. Beverly Hills, CA 90210	2011	USD	NP	NP	NP	NP	25,000,000	20,276,102	5,052,339	2,972,091	8,024,430	-	48.6%	30.4%	2.06x
Platinum Equity Capital Partners IV	360 N. Crescent Dr. Beverly Hills, CA 90210	2016	USD	NP	NP	NP	NP	15,000,000	13,922,912	2,820,588	1,708,741	4,529,329	-	27.1%	14.5%	1.27x
Polaris Partners VII	One Marina Park Drive Boston, MA 02210	2014	USD	621,459	NP	NP	NP	25,000,000	23,125,000	1,875,000	573,980	2,448,980	-	NP	12.7%	1.56x
Polaris Venture Partners V	One Marina Park Drive Boston, MA 02210	2006	USD	103,757	NP	NP	NP	15,000,000	14,700,000	300,000	2,243,535	2,543,535	-	NP	8.2%	1.74x
Polaris Venture Partners VI	One Marina Park Drive Boston, MA 02210	2010	USD	271,197	NP	NP	NP	15,000,000	13,125,000	1,875,000	816,551	2,691,551	-	NP	19.0%	2.49x
Polaris Venture Partners VIII	One Marina Park Drive Boston, MA 02210	2016	USD	249,131	NP	NP	NP	10,000,000	7,400,000	2,600,000	1,068,730	3,668,730	-	NP	12.6%	1.24x
Providence Debt Fund III	50 Kennedy Plaza, 18th Floor Providence, RI 02903	2013	USD	165,694	NP	NP	NP	30,000,000	32,098,772	8,979,486	7,575,097	16,554,583	-	NP	5.8%	1.34x

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PRIVATE EQUITY FUNDS

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Providence Equity Partners V	50 Kennedy Plaza, 18th Floor Providence, RI 02903	2005	USD	2,165	-	-	-	18,000,000	16,415,524	1,584,476	-	1,584,476	-	5.0%	3.2%	1.24x
Providence Equity Partners VI	50 Kennedy Plaza, 18th Floor Providence, RI 02903	2006	USD	9,408	-	-	-	30,000,000	29,000,111	1,060,747	631,689	1,692,436	-	7.0%	4.7%	1.34x
Providence TMT Debt Opportunity Fund II	50 Kennedy Plaza, 18th Floor Providence, RI 02903	2010	USD	NP	NP	NP	NP	20,000,000	16,319,772	-	140,751	140,751	-	NP	10.4%	1.61x
Rustic Canyon/Fontis Partners	1025 Westwood Blvd. Los Angeles, CA 90024	2005	USD	3,766	8,522	-	776	5,000,000	3,671,248	1,328,752	46,762	1,375,514	-	-0.9%	-4.2%	0.74x
Saybrook Corporate Opportunity Fund	85 Indian Rock Road New Canaan, CT 06840	2007	USD	58,373	-	-	NP	6,192,813	6,321,092	780,144	-	780,144	-	NP	8.9%	1.46x
Searchlight Capital II	745 Fifth Avenue New York, NY 10151	2015	USD	411,817	63,309	-	74,685	25,000,000	21,004,466	4,182,465	886,845	5,069,310	-	27.0%	16.5%	1.41x
Spark Capital	137 Newbury St. #8 Boston, MA 02116	2005	USD	-	-	-	NP	9,000,000	8,820,000	180,000	-	180,000	-	NP	8.3%	1.41x
Spark Capital Growth Fund	137 Newbury St. #8 Boston, MA 02116	2014	USD	187,399	NP	-	NP	10,000,000	10,000,000	-	-	-	-	NP	16.7%	2.00x
Spark Capital II	137 Newbury St. #8 Boston, MA 02116	2008	USD	-	-	-	NP	9,750,000	9,750,000	-	-	-	-	NP	51.4%	4.23x
Spark Capital III	137 Newbury St. #8 Boston, MA 02116	2011	USD	141,516	NP	-	NP	10,000,000	10,000,000	-	215,810	215,810	-	NP	31.7%	3.49x

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Spire Capital Partners III	1500 Broadway #1811 New York, NY 10036	2013	USD	144,954	30,383	199,645	NP	10,000,000	9,609,230	114,301	1,729,174	1,843,475	-	15.6%	9.3%	1.33x
SSG Capital Partners II	15 Queen's Road Hong Kong,	2012	USD	106,572	NP	-	NP	15,914,286	15,128,109	1,258,258	504,260	1,762,518	-	8.7%	4.7%	1.20x
St. Cloud Capital Partners II	10866 Wilshire Blvd, Suite 1450 Los Angeles, CA 90024	2007	USD	NP	NP	NP	NP	5,000,000	4,989,085	149,623	-	149,623	-	NP	-3.8%	0.85x
StarVest Partners II	750 Lexington Avenue New York, NY 10022	2007	USD	NP	NP	NP	NP	5,000,000	4,965,849	52,266	205,502	257,768	-	NP	-1.0%	0.93x
StepStone Pioneer Capital I	4275 Executive Square La Jolla, CA 92037	2004	USD	NP	NP	NP	NP	10,000,000	9,751,911	-	115	115	-	NP	5.1%	1.34x
StepStone Pioneer Capital II	4275 Executive Square La Jolla, CA 92037	2006	USD	NP	NP	NP	NP	10,000,000	9,427,148	630,391	2,228,866	2,859,257	-	NP	9.1%	1.94x
StepStone Secondary Opportunities III	4275 Executive Square La Jolla, CA 92037	2016	USD	NP	NP	NP	NP	25,000,000	23,525,196	7,301,433	1,148,599	8,450,032	-	16.0%	10.1%	1.26x
Sterling Venture Partners II	401 N. Michigan Ave Chicago, IL 60611	2005	USD	25,732	NP	NP	NP	8,000,000	8,006,256	-	-	-	-	8.8%	3.7%	1.30x
Stripes III	402 West 13th Street New York, NY 10014	2015	USD	225,624	-	166,690	-	10,000,000	11,070,957	1,922,664	1,787,974	3,710,638	-	26.4%	19.9%	2.19x
Sunstone Partners I	400 S El Camino Real San Mateo, CA 94402	2015	USD	NP	NP	NP	NP	7,500,000	5,608,659	1,894,986	3,640,344	5,535,330	-	NP	29.5%	1.67x

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TA X	200 Clarendon Street Boston, MA 02116	2006	USD	NP	NP	NP	NP	6,000,000	6,186,689	210,000	66,000	276,000	-	10.3%	5.2%	1.30x
TA XI	200 Clarendon Street Boston, MA 02116	2010	USD	NP	NP	NP	NP	20,000,000	19,650,000	350,000	5,096,450	5,446,450	-	35.6%	26.1%	3.17x
TA XII-A	200 Clarendon Street Boston, MA 02116	2016	USD	421,769	1,164	1,466,484	1,164	25,000,000	24,228,785	1,000,000	11,238,361	12,238,361	-	49.5%	34.5%	1.88x
TCV IX	250 Middlefield Road Menlo Park, CA 94025	2016	USD	251,627	447	-	NP	10,000,000	7,938,000	2,062,000	-	2,062,000	-	27.3%	23.7%	1.52x
TCV V	250 Middlefield Road Menlo Park, CA 94025	2004	USD	18,871	NP	NP	NP	19,500,000	19,334,250	165,750	1,063,335	1,229,085	-	14.7%	10.6%	1.86x
TCV VII	250 Middlefield Road Menlo Park, CA 94025	2008	USD	46,559	NP	NP	NP	20,000,000	19,689,394	320,000	11,333,502	11,653,502	-	31.4%	23.3%	3.05x
TCV VIII	250 Middlefield Road Menlo Park, CA 94025	2014	USD	627,721	-	-	NP	30,000,000	26,152,505	3,847,495	-	3,847,495	-	22.7%	17.9%	2.11x
TCW Crescent Mezzanine Partners IV	11100 Santa Monica Boulevard Los Angeles, CA 90025	2006	USD	NP	NP	NP	NP	10,000,000	8,712,805	-	23,478	23,478	-	NP	2.9%	1.15x
TCW Crescent Mezzanine Partners V	11100 Santa Monica Boulevard Los Angeles, CA 90025	2007	USD	NP	NP	NP	NP	10,000,000	9,625,012	708,323	-	708,323	-	NP	9.2%	1.35x
The Baring Asia Private Equity Fund VI, L.P. 1	Suite 3801, Two International Hong Kong,	2015	USD	519,383	NP	NP	NP	25,000,000	26,061,623	2,629,252	3,016,524	5,645,777	-	16.0%	11.6%	1.36x

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Thoma Bravo Fund XI	150 N. Riverside Plaza Chicago, IL 60606	2014	USD	144,029	85,482	2,466,726	NP	15,000,000	13,400,392	1,601,735	13,571,459	15,173,194	-	40.4%	32.0%	3.64x
Thoma Bravo Fund XII	150 N. Riverside Plaza Chicago, IL 60606	2016	USD	249,128	131,543	-	NP	25,000,000	24,530,707	1,409,377	939,811	2,349,188	-	22.2%	15.3%	1.49x
Thoma Bravo Special Opportunities Fund II	150 N. Riverside Plaza Chicago, IL 60606	2015	USD	4,832	85,862	720,178	NP	10,000,000	9,200,691	801,372	5,447,620	6,248,992	-	27.9%	21.5%	2.31x
Threshold Ventures II	2882 Sand Hill Road Menlo Park, CA 94025	2016	USD	271,145	-	-	NP	10,000,000	8,885,000	1,115,000	-	1,115,000	-	33.0%	22.1%	1.56x
TPG Growth II	345 California Street San Francisco, CA 94104	2011	USD	298,758	-	2,305,926	NP	30,000,000	29,656,749	1,080,616	18,283,079	19,363,695	-	21.0%	15.5%	1.96x
TPG Partners III	345 California Street San Francisco, CA 94104	1999	USD	2,085	-	-	NP	25,000,000	22,442,286	173,905	-	173,905	-	32.0%	24.4%	2.52x
TPG Partners IV	345 California Street San Francisco, CA 94104	2003	USD	11,811	-	-	NP	25,000,000	27,436,973	106,723	41,433	148,156	-	20.0%	15.2%	1.92x
TPG Partners V	345 California Street San Francisco, CA 94104	2006	USD	4,684	-	-	NP	30,000,000	31,415,182	584,242	963,750	1,547,992	-	6.0%	4.8%	1.36x
TPG Partners VI	345 California Street San Francisco, CA 94104	2008	USD	25,316	2,090	-	NP	22,500,000	24,481,111	849,088	817,957	1,667,045	-	14.0%	9.7%	1.50x
TPG STAR	345 California Street San Francisco, CA 94104	2006	USD	41,513	-	-	NP	20,000,000	21,635,099	1,711	-	1,711	-	13.0%	6.5%	1.30x

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Trident Capital Fund-V	400 S. El Camino Real San Mateo, CA 94402	2000	USD	NP	NP	NP	NP	14,369,679	14,001,728	119,703	220,144	339,847	-	NP	8.6%	1.73x
Trident Capital Fund-V	400 S. El Camino Real San Mateo, CA 94402	2000	USD	NP	NP	NP	NP	14,369,679	14,001,728	119,703	220,144	339,847	-	NP	8.6%	1.73x
Trident Capital Fund-VI	400 S. El Camino Real San Mateo, CA 94402	2005	USD	NP	NP	NP	NP	8,500,000	8,500,000	-	3,980,569	3,980,569	-	NP	4.8%	1.56x
VantagePoint Venture Partners IV	111 Bayhill Drive San Bruno, CA 94066	2000	USD	NP	NP	NP	NP	15,000,000	15,000,000	-	76,044	76,044	-	NP	-0.8%	0.94x
Vestar Capital Partners IV	245 Park Avenue New York, NY 10167	1999	USD	NP	NP	NP	NP	17,000,000	16,585,106	18,108	6,026	24,134	-	20.0%	13.4%	1.77x
Vicente Capital Partners Growth Equity Fund	11726 San Vicente Boulevard Los Angeles, CA 90049	2007	USD	NP	NP	NP	NP	10,000,000	10,093,708	-	4,300,053	4,300,053	-	NP	5.8%	1.41x
Vista Equity Partners Fund III	401 Congress Avenue Austin, TX 78701	2007	USD	28,406	7,938	-	NP	25,000,000	23,229,174	1,987,754	-	1,987,754	-	35.8%	26.7%	2.69x
Vista Equity Partners Fund IV	401 Congress Avenue Austin, TX 78701	2011	USD	235,310	-	-	NP	30,000,000	25,353,042	4,892,048	-	4,892,048	-	21.2%	15.9%	2.11x
Vista Equity Partners Fund V	401 Congress Avenue Austin, TX 78701	2014	USD	498,112	2,569	2,599,490	-	40,000,000	39,776,535	9,279,439	11,895,578	21,175,017	-	28.1%	20.8%	2.38x
Vista Equity Partners Fund VI	401 Congress Avenue Austin, TX 78701	2016	USD	457,781	15,843	391,264	-	30,000,000	33,101,361	4,445,356	202,766	4,648,122	-	26.0%	19.4%	1.74x

Note: Report excludes funds that are not required to comply with Section 7514.7 and have opted not to provide such information upon request.

NP = Not Provided by GP

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VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO PRIOR TO JANUARY 1, 2017  
PRIVATE EQUITY FUNDS

Fund	Address	Vintage Year	Local Currency	Fees and expenses paid directly by LACERS Fiscal Year End	Fees and expenses paid from the Fund Fiscal Year End	Carried interest paid Fiscal Year End	Fees and expenses paid by all portfolio companies Fiscal Year End	\$ Commitment	\$ Contributions Since Inception	\$ Remaining Value of LACERS Investment	\$ Distributions Fiscal Year End	\$ Distributions + Remaining Value of Partnership Fiscal Year End	\$ Profit (Realized Gain/Loss) Fiscal Year End	Gross Internal Rate of Return Since Inception	Net Internal Rate of Return Since Inception	Investment Multiple Since Inception
Vista Foundation Fund II	401 Congress Avenue Austin, TX 78701	2013	USD	171,740	-	-	-	10,000,000	8,852,068	5,110,761	-	5,110,761	-	21.2%	14.4%	2.47x
Vista Foundation Fund III	401 Congress Avenue Austin, TX 78701	2016	USD	184,974	30,857	467,141	-	10,000,000	8,245,548	3,243,277	1,495,601	4,738,878	-	30.6%	19.6%	1.58x
Wynnchurch Capital Partners IV	6250 North River Road Rosemont, IL 60018	2015	USD	177,533	41,493	-	73,073	10,000,000	8,691,176	1,273,280	60,586	1,333,866	-	16.4%	8.6%	1.17x
Yucaipa American Alliance Fund I	9130 West Sunset Boulevard Los Angeles, CA 90069	2002	USD	128,068	-	NP	NP	10,000,000	10,000,000	-	-	-	-	NP	4.5%	1.31x
Yucaipa American Alliance Fund II	9130 West Sunset Boulevard Los Angeles, CA 90069	2008	USD	77,741	NP	NP	NP	20,000,000	20,160,070	20	1,130,746	1,130,766	-	NP	8.3%	1.81x

Note: Report excludes funds that are not required to comply with Section 7514.7 and have opted not to provide such information upon request.

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MANDATORY DISCLOSURE BY FUNDS COMMITTED TO ON AND AFTER JANUARY 1, 2017  
REAL ESTATE FUNDS

Fund	Address	Vintage Year	Local Currency	Fees and expenses paid directly by LACERS Fiscal Year End	Fees and expenses paid from the Fund Fiscal Year End	Carried interest paid Fiscal Year End	Fees and expenses paid by all portfolio companies Fiscal Year End	\$ Commitment	\$ Contributions Since Inception	\$ Remaining Value of LACERS Investment	\$ Distributions Fiscal Year End	\$ Distributions + Remaining Value of Partnership Fiscal Year End	\$ Profit (Realized Gain/Loss) Fiscal Year End	Gross Internal Rate of Return Since Inception	Net Internal Rate of Return Since Inception	Investment Multiple Since Inception
Heitman Asia-Pacific Property Investors	Cayman Corporate Centre, 27 Hospital Road, George Town, Grand Cayman KY1-9008, Cayman Islands	2017	USD	98,244	-	-	-	25,000,000	14,045,345	12,062,313	617,258	14,514,217	617,258	-	-6.8%	0.90x
Kayne Anderson Core Real Estate Fund	1800 Ave of the Stars, 3rd Fl Los Angeles, CA 90067	2019	USD	111,287	-	-	-	35,000,000	35,000,000	34,515,199	896,217	35,411,416	896,217	-	2.2%	1.01x
Asana Partners Fund II	1616 Camden, Suite 210 Charlotte, NC 28203	2019	USD	437,500	-	-	-	35,000,000	5,818,750	4,095,499	-	4,095,499	-	-	-63.5%	0.70x
Broadview Real Estate Partners Fund, L.P.	444 Madison Ave., 38th Floor New York, NY 10022	2019	USD	333,424	-	-	-	20,000,000	1,432,246	1,028,751	-	1,028,751	-	-	-67.5%	0.72x
LBA Logistics Value Fund VII	3347 Michelson Dr., Suite 200 Irvine, CA 92612	2019	USD	237,157	-	-	-	35,000,000	4,981,025	4,797,321	-	4,797,321	-	-	-3.4%	0.96x
NREP Nordic Strategies Fund IV	Regeringsgatan 25, 11th Floor 111 53 Stockholm, Sweden	2019	USD	514,689	-	-	-	35,000,000	847,901	112,561	-	112,561	-	-	-86.8%	0.13x
Waterton Residential Property Venture XIV, L.P.	30 South Wacker Dr., 36th Floor Chicago, IL 60606	2020	USD	-	-	-	-	50,000,000	-	50,000,000	-	-	-	-	-	-

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VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO PRIOR TO JANUARY 1, 2017  
REAL ESTATE FUNDS

Fund	Address	Vintage Year	Local Currency	Fees and expenses paid directly by LACERS Fiscal Year End	Fees and expenses paid from the Fund Fiscal Year End	Carried interest paid Fiscal Year End	Fees and expenses paid by all portfolio companies Fiscal Year End	\$ Commitment	\$ Contributions Since Inception	\$ Remaining Value of LACERS Investment	\$ Distributions Fiscal Year End	\$ Distributions + Remaining Value of Partnership Fiscal Year End	\$ Profit (Realized Gain/Loss) Fiscal Year End	Gross Internal Rate of Return Since Inception	Net Internal Rate of Return Since Inception	Investment Multiple Since Inception
Almanac Realty Securities VI	1140 Avenue of the Americas 17th Floor New York, NY 10036	2012	USD	40,997	-	-	-	25,000,000	15,475,571	3,167,231	989,304	4,156,535	989,304	N/A	9.8%	1.31x
Asana Partners Fund I	1616 Camden, Suite 210 Charlotte, NC 28203	2016	USD	254,640	-	(352,453)	-	20,000,000	16,864,629	21,291,527	681,663	21,973,190	681,663	N/A	12.0%	1.30x
Berkshire Multifamily Income Realty Fund	One Beacon Street Suite 2400 Boston, MA 02108	2015	USD	140,769	-	-	-	20,000,000	20,000,000	19,808,430	570,996	20,379,426	570,996	N/A	7.5%	1.36x
Bristol Value II, L.P.	400 Montgomery St. Suite 400 San Francisco, CA 94104	2011	USD	239,104	-	-	-	20,000,000	23,139,229	17,707,854	160,635	17,868,489	160,635	N/A	8.8%	1.26x
Bryanston Retail Opportunity Fund	35 E. Wacker Drive, Suite 2900 Chicago, IL 60601	2004	USD	15,539	-	-	-	10,000,000	4,271,584	5,260,155	-	5,260,155	-	N/A	79.7%	3.74x
California Smart Growth Fund IV	10100 Santa Monica Blvd Suite 1000 Los Angeles, CA 90067	2005	USD	-	-	-	-	30,000,000	31,522,663	2,230,399	-	2,230,399	-	N/A	2.6%	1.18x
Canyon Johnson Urban Fund II	2000 Avenue of the Stars 11th Floor Los Angeles, CA 90067	2005	USD	-	-	-	-	10,000,000	8,988,718	33,230	-	33,230	-	N/A	-10.4%	0.45x
Cornerstone Enhanced Mortgage Fund I	One Financial Plaza Suite 1700 Hartford, CT 06103-2604	2011	USD	-	-	(427)	-	25,000,000	-	-	-	-	-	N/A	0.0%	0.00x
CIM Commercial Trust Corporation ("CMCT")	4700 Wilshire Boulevard Los Angeles, CA 90010	2014	USD	123,893	-	-	-	40,000,000	46,417,723	(3,993)	-	(3,993)	-	N/A	4.6%	1.20x
CIM Real Estate Fund III	4700 Wilshire Boulevard Los Angeles, CA 90010	2007	USD	109,788	-	-	-	15,000,000	16,674,075	6,586,728	45,078	6,631,806	45,078	N/A	9.1%	1.64x
CIM VI (Urban REIT), LLC	4700 Wilshire Boulevard Los Angeles, CA 90010	2006	USD	429,562	-	-	-	25,000,000	25,000,000	30,578,267	468,432	31,046,699	468,432	N/A	6.2%	1.46x
CityView LA Urban Fund I	1901 Avenue of the Stars Ste. 1950 Los Angeles, CA 90067	2007	USD	-	-	-	-	25,000,000	61,482,527	-	30,328	30,328	30,328	N/A	11.8%	1.20x

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REAL ESTATE FUNDS

Fund	Address	Vintage Year	Local Currency	Fees and expenses paid directly by LACERS Fiscal Year End	Fees and expenses paid from the Fund Fiscal Year End	Carried interest paid Fiscal Year End	Fees and expenses paid by all portfolio companies Fiscal Year End	\$ Commitment	\$ Contributions Since Inception	\$ Remaining Value of LACERS Investment	\$ Distributions Fiscal Year End	\$ Distributions + Remaining Value of Partnership Fiscal Year End	\$ Profit (Realized Gain/Loss) Fiscal Year End	Gross Internal Rate of Return Since Inception	Net Internal Rate of Return Since Inception	Investment Multiple Since Inception
Colony Investors VIII	515 South Flower Street 44th Floor Los Angeles, CA 90071	2006	USD	-	-	-	-	30,000,000	28,963,224	477,914	-	477,914	-	N/A	-11.7%	0.44x
DRA Growth and Income Fund VI	220 East 42nd Street, 27th Floor New York, NY 10017	2007	USD	-	-	13,627	-	25,000,000	16,788,945	631,647	153,000	784,647	153,000	N/A	10.7%	1.68x
DRA Growth and Income Fund VII	220 East 42nd Street, 27th Floor New York, NY 10017	2011	USD	126,754	-	264,161	-	25,000,000	26,640,000	4,137,475	8,099,801	12,237,276	8,099,801	N/A	21.1%	2.18x
DRA Growth and Income Fund VIII	220 East 42nd Street, 27th Floor New York, NY 10017	2014	USD	348,959	-	(149,411)	-	25,000,000	29,576,071	13,636,301	1,986,684	15,622,985	1,986,684	N/A	7.0%	1.20x
Gerrity Retail Fund II	973 Lomas Santa Fe Drive Solana Beach, CA 92075	2015	USD	221,816	-	-	-	20,000,000	17,163,681	15,602,438	550,490	16,152,928	550,490	N/A	4.2%	1.15x
Hancock Timberland XI	197 Clarendon St., C-08-99 Boston, MA 02116-5010	2012	USD	180,166	-	-	-	20,000,000	18,601,851	19,038,422	2,283,216	21,321,638	2,283,216	N/A	3.9%	1.26x
Integrated Capital Hospitality Fund	11150 Santa Monica Blvd Suite 1680 Los Angeles, CA 90025	2009	USD	45,746	-	-	-	10,000,000	6,006,797	244,060	-	244,060	-	N/A	-22.6%	0.49x
Invesco Core Real Estate	2001 Ross Ave, Suite 3400 Dallas, TX 75201	2004	USD	637,263	-	-	-	63,867,553	124,315,123	183,625,278	6,559,116	190,184,394	6,559,116	N/A	7.3%	2.00x
Jamestown Premier Property Fund	675 Ponce de Leon Ave NE 7th Floor Atlanta, GA 30308	2011	USD	234,706	-	52,429	-	50,000,000	51,155,037	37,259,470	537,877	37,797,347	537,877	N/A	6.7%	1.23x
JPMCB Strategic Property Fund	270 Park Avenue New York, NY 10017	2005	USD	696,695	-	-	-	30,000,000	30,421,882	70,553,292	-	70,553,292	-	N/A	6.3%	2.41x
LaSalle Asia Fund II	1 Front Street, Suite 1100 San Francisco, CA 94111	2005	USD	-	-	-	-	25,000,000	24,016,560	-	236,444	236,444	236,444	N/A	1.8%	1.08x
Latin America Investors III	10880 Wilshire Blvd, #950 Los Angeles, CA 90024	2008	USD	183,465	-	-	-	20,000,000	20,686,689	(2,606,248)	-	(2,606,248)	-	N/A	0.0%	0.31x

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REAL ESTATE FUNDS

Fund	Address	Vintage Year	Local Currency	Fees and expenses paid directly by LACERS Fiscal Year End	Fees and expenses paid from the Fund Fiscal Year End	Carried interest paid Fiscal Year End	Fees and expenses paid by all portfolio companies Fiscal Year End	\$ Commitment	\$ Contributions Since Inception	\$ Remaining Value of LACERS Investment	\$ Distributions Fiscal Year End	\$ Distributions + Remaining Value of Partnership Fiscal Year End	\$ Profit (Realized Gain/Loss) Fiscal Year End	Gross Internal Rate of Return Since Inception	Net Internal Rate of Return Since Inception	Investment Multiple Since Inception
Lion Industrial Trust	1717 McKinney Avenue Suite 1900 Dallas, TX 75202	2002	USD	927,021	-	-	-	50,000,000	52,365,789	78,701,400	2,172,818	80,874,218	2,172,818	N/A	13.4%	1.66x
Lone Star Fund VII	888 7th Avenue 11th Floor New York, New York 10019	2010	USD	(174)	-	-	-	15,000,000	14,075,468	104,380	-	104,380	-	N/A	50.2%	1.75x
Lone Star Real Estate Fund II	888 7th Avenue 11th Floor New York, New York 10019	2010	USD	84	-	-	-	15,000,000	13,291,475	401,502	122,169	523,671	122,169	N/A	26.4%	1.55x
Mesa West Real Estate Income Fund III	11755 Wilshire Blvd Suite 2100 Los Angeles, CA 90025	2013	USD	6,077	-	(13,591)	-	25,000,000	18,939,181	1,208,100	342,414	1,550,514	342,414	N/A	8.4%	1.29x
Prime Property Fund	1585 Broadway Avenue New York, NY 10036	2015	USD	483,884	-	84,875	-	50,000,000	50,000,000	56,018,316	2,273,206	58,291,522	2,273,206	N/A	6.9%	1.31x
Principal U.S. Property Account	801 Grand Ave Des Moines, IA 50392	2015	USD	641,855	-	-	-	50,000,000	50,000,000	67,066,834	-	67,066,834	-	N/A	6.8%	1.34x
RECP Fund IV, L.P.	1123 Broadway Second Floor New York, NY 10010	2008	USD	82,277	-	-	-	40,000,000	51,496,646	22,385,188	1,814,361	24,199,549	1,814,361	N/A	1.8%	1.10x
Southern California Smart Growth Fund	10100 Santa Monica Blvd Suite 1000 Los Angeles, CA 90067	2004	USD	-	-	-	-	10,000,000	18,836,734	39,121	100,847	139,968	100,847	N/A	0.0%	1.00x
Standard Life Investments European Real Estate Club II	Bow Bells House 1 Bread Street London EC4M 9HH	2015	EUR	57,965	-	793,958	-	28,531,885	28,134,410	204,981	8,684,550	8,889,531	8,684,550	N/A	15.7%	1.45x
Stockbridge Real Estate Fund II	Four Embarcadero Center Suite 33 San Francisco, CA 94111	2005	USD	23,978	-	-	-	30,000,000	30,000,000	2,582,166	7,128,000	9,710,166	7,128,000	N/A	-7.2%	0.46x
Torchlight Debt Opportunity Fund IV	280 Park Avenue New York, NY 10017	2012	USD	71,098	-	(535,241)	-	25,000,000	24,483,106	4,191,720	3,372,309	7,564,029	3,372,309	N/A	9.8%	1.43x
Tuckerman Group Residential Income & Value Added Fund	4 International Drive, Suite 230 Arlington, TX 76006	2004	USD	2,425	-	-	-	25,000,000	26,542,525	433,718	-	433,718	-	N/A	-0.1%	0.99x

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REAL ESTATE FUNDS

Fund	Address	Vintage Year	Local Currency	Fees and expenses paid directly by LACERS Fiscal Year End	Fees and expenses paid from the Fund Fiscal Year End	Carried interest paid Fiscal Year End	Fees and expenses paid by all portfolio companies Fiscal Year End	\$ Commitment	\$ Contributions Since Inception	\$ Remaining Value of LACERS Investment	\$ Distributions Fiscal Year End	\$ Distributions + Remaining Value of Partnership Fiscal Year End	\$ Profit (Realized Gain/Loss) Fiscal Year End	Gross Internal Rate of Return Since Inception	Net Internal Rate of Return Since Inception	Investment Multiple Since Inception
Walton Street Real Estate Fund VI	900 N. Michigan Ave., Ste 1900 Chicago, IL 60611	2009	USD	92,739	-	-	-	25,000,000	22,161,966	7,866,856	651,182	8,518,038	651,182	N/A	8.1%	1.50x