



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



## ***Board of Administration Agenda***

### **REGULAR MEETING**

**TUESDAY, MAY 13, 2025**

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

### **MEETING LOCATION:**

LACERS Boardroom  
977 N. Broadway  
Los Angeles, California 90012

#### **Important Message to the Public**

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

Members of the public who do not wish to attend the meeting in person may listen to the live meeting via YouTube streaming at the following link: [LACERS Livestream](https://www.youtube.com/watch?v=9348).

#### **Disclaimer to Participants**

Please be advised that all LACERS Board meetings are recorded.

**LACERS Website Address/link:**  
[www.LACERS.org](http://www.LACERS.org)

In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board in advance of the meeting may be viewed by clicking on LACERS website at [www.LACERS.org](http://www.LACERS.org), at LACERS' offices, or at the scheduled meeting. In addition, if you would like a copy of a public record related to an item on the agenda, please call (213) 855-9348 or email at [lacers.board@lacers.org](mailto:lacers.board@lacers.org).

President: Annie Chao  
Vice President: Janna Sidley

Commissioners: Thuy Huynh  
Elizabeth Lee  
Gaylord "Rusty" Roten  
Sung Won Sohn  
Michael R. Wilkinson

Manager-Secretary: Todd Bouey

Executive Assistant: Ani Ghoukassian

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

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

For additional information, please contact: Board of Administration Office at (213) 855-9348 and/or email at [lacers.board@lacers.org](mailto:lacers.board@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
- II. GENERAL MANAGER VERBAL REPORT
  - A. REPORT ON DEPARTMENT OPERATIONS
  - B. UPCOMING AGENDA ITEMS
- III. RECEIVE AND FILE ITEMS
  - A. [BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER](#)
  - B. [ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD](#)
  - C. [NOTIFICATION OF CERTIFIED RESULTS OF THE RETIRED MEMBER OF THE LACERS BOARD OF ADMINISTRATION ELECTION FOR THE FIVE-YEAR TERM ENDING JUNE 30, 2030](#)
- IV. CONSENT ITEM(S)
  - A. [APPROVAL OF MINUTES FOR THE MEETING OF APRIL 8, 2025 AND POSSIBLE BOARD ACTION](#)
  - B. [APPROVAL OF DISABILITY RETIREMENT APPLICATION OF GILDARDO VIZCARRA FOR SERVICE-CONNECTED DISABILITY RETIREMENT OF 60% AND POSSIBLE BOARD ACTION](#)
  - C. [APPROVAL OF DISABILITY RETIREMENT APPLICATION OF ROBERT KAMM AND POSSIBLE BOARD ACTION](#)
- V. BOARD/DEPARTMENT ADMINISTRATION
  - A. [CONTRACT AMENDMENT WITH QTC MEDICAL GROUP, INC. FOR DISABILITY MEDICAL EVALUATION SERVICES AND POSSIBLE BOARD ACTION](#)
  - B. [CONTRACT AWARD TO THE SEGAL COMPANY, INC. FOR ACTUARIAL SERVICES AND POSSIBLE BOARD ACTION](#)
- VI. INVESTMENTS
  - A. CHIEF INVESTMENT OFFICER VERBAL REPORT
  - B. [PRIVATE CREDIT PROGRAM BENCHMARK CHANGE AND POSSIBLE BOARD ACTION](#)
  - C. [NOTIFICATION OF COMMITMENT OF UP TO \\$50 MILLION IN LBA LOGISTICS VALUE FUND X, L.P.](#)

VII. OTHER BUSINESS

VIII. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, May 27, 2025, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, CA 90012.

IX. ADJOURNMENT



## BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-A

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

### SERVICE RETIREMENTS

Member Name	Service	Department	Classification
Quan, Lily	42	City Planning Dept.	Exec Administrative Assistant
Ryan, Kevin T	40	City Attorney's Office	Deputy City Attorney
Ingalla, Karen Elizabeth	39	PW - Sanitation	Sanitation Wastewater Mgr
Turner, Iral J	39	Dept. of Transportation	Senior Traffic Supervisor
Cheng, Peter	38	PW - Contract Admin	Sr Construction Inspector
Sanchez, Manuel H	38	PW - Sanitation	Refuse Col Supvr
Sneed, Ferralyn M	37	LACERS	Chief Benefits Analyst
Smith, Rodney Calvin	36	Dept. of Transportation	Senior Traffic Supervisor
Rice, Katherine L	36	City Planning Dept.	Planning Assistant
Rosenberg, Alma S	36	City Attorney's Office	Paralegal
Barin, Farah Aileen R	35	EWDD	Accounting Clerk
Sarao, Eloisa Reyes	35	Library Dept.	Chief Management Analyst
Fu, Chung Hsin D	35	PW - Street Lighting	Geographic Info Spec
Browne, Monique Danielle	35	Dept. of Transportation	Traffic Officer
Ugas, Berta Nurima	34	Police Dept. - Civilian	Sr Police Services Rep
Sellers, Gary Lamont	33	Police Dept. - Civilian	Detention Officer
Castillo, Victor Manuel	33	PW-Sanitation	Refuse Collection Truck Opr
Vaswani, Jaideep J	33	Dept. of Airports	Chief Airport Planner
Nguyen, Tammy	32	Dept. of Transportation	Data Base Architect
Masuda, Matthew H	32	PW - Engineering	Senior Civil Engineer
Soto, Marco A	31	Dept. of Airports	Gardener Caretaker
Protto, Tamara Ann	30	Police Dept. - Civilian	Police Service Rep
Hester, Kent Allen	30	GSD - Fleet Services	Helicopter Mechanic
Duran, Mario	30	PW - Sanitation	Equipment Operator
Lyons, Renon Y	30	EWDD	Secretary
Ross, Willie Pierre	30	Dept. of Bldg. & Safety	Sr Building Mechanical Insp
Wong, Ronnie	27	PW - Street Services	Equipment Operator
Cooper, Carl D	27	Dept. of Rec. & Parks	Supt. R/P Operations
Calderon, Bertha	27	Dept. of Rec. & Parks	Management Analyst
Rubi, Ruben P	27	Dept. of Transportation	Signal System Electrician
Banguigulan, Leandro Gile	26	PW - St Maint	Field Engineering Aide
Mallet, Earl James	26	PW - Sanitation	Wastewater Treatment Mech

Member Name	Service	Department	Classification
Onishi, Mark Isao	26	GSD - Fleet Services	Automotive Supervisor
Shapero, Wendy C	26	City Attorney's Office	Deputy City Attorney
Guth, Naomi Edna	25	City Planning Dept.	City Planner
Navarro, Noemi G	25	Dept. of Rec. & Parks	Accountant
Velasco, Raul	25	PW - Sanitation	Refuse Collection Truck Opr
Ward, Jay E	25	GSD - Materials Mgmt.	Project Assistant
Duncan, Doris E	25	Office of Finance	Tax Compliance Officer
Salazar Perales, Jose	25	PW - Special Proj Constr	Heavy Duty Truck Operator
Banks, Waymond D	24	Harbor Dept.	Equipment Operator
Fultz, Horace Albert	23	Dept. of Bldg. & Safety	Sr Build Mech Inspectr
Rejuso, Maria Melani F	23	LACERS	Departmental Audit Manager
Aguilar, Alma	23	Dept. of Airports	Maintenance Laborer
Watson, David A	23	Dept. of Airports	Electrician
Shallimi, Elias John	23	GSD - Bldg. Fac Mgmt.	Custodian
Hickman, David Brian	22	Dept. of Bldg. & Safety	Sr Building Mechanical Insp
Choa, Kenneth K	22	Harbor Dept.	Senior Accountant
Martinez, Pablo	21	Dept. of Rec. & Parks	Gardener Caretaker
Harwood, Richard A	21	Dept. of Bldg. & Safety	Heating & Refrigeration Insp
Binotapa, Noel Macalalad	20	Fire Dept. - Civilian	Mechanical Repairer
Badgrow, Ross M	19	Dept. of Airports	Airport Supt Of Operations
Wright, Lonay Shamark	19	Dept. of Airports	Maintenance Laborer
Stapleton, Edward F	19	Dept. of Airports	Sr Real Estate Officer
Medina, Froylan V	19	Dept. of Transportation	Transitional Worker
Gooden, Shannon Michelle	18	GSD - Fleet Reengineering	Senior Administrative Clerk
Mingo, Debbie Michelle	18	Dept. of Airports	Management Analyst
Aburto, Manuel A	17	PW - Sanitation	Refuse Collection Truck Opr
Miller, Deborah Jean	16	Dept. of Rec. & Parks	Sr Admin Clerk
Flores, Rogelio P	16	Dept. of Rec. & Parks	Special Program Assistant
Murillo, Gabriel Anthony	16	Dept. of Transportation	Trans Engineer
Pai, Yuehwa	15	GSD - Purchasing	Procurement Supervisor
Perryman, Toni L	14	Dept. of Transportation	Crossing Guard
Ali, Nawal A	13	Dept. of Airports	Airport Guide
Sih, Jimmy Li	12	Police Dept. - Civilian	Senior Management Analyst
Kaiser, Dave K	11	Dept. of Airports	Plumber
Alba, Edna Sicam	10	PW - Engineering	Senior Administrative Clerk
Morishita, Mary Hisako	9	Dept. of Rec. & Parks	Assistant Park Svc Attendant
Hughes, Robert Joseph	9	Dept. of Bldg. & Safety	Build Inspector
Munguia, Reyna M	9	Dept. of Rec. & Parks	Special Program Assistant
Knoh, Joanne	8	Dept. of Rec. & Parks	Recreation Assistant
Robledo, Sylvia	7	Cannabis Regulation	Pub Info Director



Member Name	Service	Department	Classification
Mcbreen, Betty A	7	Dept. of Transportation	Crossing Guard
Sibolboro, Celeste Diaz	6	Dept. of Aging	Management Asst
Shuttleworth, Thomas D	3	Dept. of Rec. & Parks	Asst Park Serv Att
Hoffman, Paula P	1	Library Dept.	Librarian



## BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-A

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

Approved Death Benefit Payments									
Tier	Deceased	Benefit Type	Beneficiary/Payee	AA	BA	CONT	AC	UC	OTHER
Tier 1	ARDON, RENEE	Service Retirement	CHRISTIAN D HANKS	✓	✓				
	BALDWIN, JOHN M	Service Retirement	JEFFREY L BALDWIN	✓	✓				
	BIAGI, DELWIN A	Service Retirement	LINDA C BIAGI	✓	✓				
	BOLDEN, JESSE A	Service Retirement	JANICE JOHNSON		✓				
	BOND, Nanci O	Service Retirement	JAMES M OLIVA	✓	✓				
	BROAD, THOMAS W	Service Retirement	PAMELA J BROAD	✓	✓				
	BROCK, JON ALAN	Service Retirement	SUSAN BROCK	✓	✓				
	CAMPBELL, JAMES J	Service Retirement	JOSIE A CAMPBELL	✓	✓				
	CARRICO, LAURA A	Continuance	DARNELL SHAW	✓					
	CATIA, CLEMMIE JEAN	Service Retirement	BERTRAM R BARTHOLOMEW	✓	✓				
	CENICEROS, ALFREDO	Service Retirement	MELISSA CENICEROS	✓					
	CEZERE, CAROLYN M	Survivorship (Retirement)	CHONDRELLE CEZERE	✓					
	CHAVEZ, ALVARO A	Vested Retirement	ALAN V CHAVEZ	✓	✓				
			DANIEL V CHAVEZ	✓	✓				
	CLAYSON, HAL S	Service Retirement	JULIE A CLAYSON	✓					
	COIA, PERRY JOSEPH	Service Retirement	GLORIA L BROOKMAN		✓				
	CROWTHER, STEVEN L	Service Retirement	SHARON L CROWTHER	✓	✓				
	DAVIS, JAMES	Disability Retirement	JERALD DAVIS	✓					

### LEGEND

AA - Accrued but Unpaid Allowance  
 CONT - Continuance Allowance  
 FDBP - Family Death Benefit Plan Children  
 LADR - Larger Annuity Death Refund  
 SRSA - Service Retirement Survivorship Allowance

AC - Accumulated Contributions  
 DCNT - Disability Continuance Allowance  
 FDBP1 - Family Death Benefit Plan Student  
 LP - Limited Pension  
 UC - Unused Contributions

BA - Burial Allowance  
 DRSA - Disability Retirement Survivorship Allowance  
 FDBP2 - Family Death Benefit Plan Survivor  
 SCDR - Survivor Contributions Death Refund  
 VRSA - Vested Retirement Survivorship Allowance



Tier	Deceased	Benefit Type	Beneficiary/Payee	AA	BA	CONT	AC	UC	OTHER
Tier 1	ESGUERRA, WILFREDO DE LEON	Service Retirement	JESSELLE ESGUERRA	✓	✓				
	FERM, CAROL	Continuance	STEPHANIE L BETHEL	✓					
	FOWLER, REGINAL E	Service Retirement	CHANTEE L FOWLER	✓	✓				
	GAY, MELANIE ELISE	Service Retirement	HASSAN GAY	✓	✓			✓	
	GREENE, MAXINE C	Vested Retirement	LISA A SCHNABEL		✓				
	GREENWALT, EDWARD J	Service Retirement	KAREN K GREENWALT	✓	✓				
	HARSHAW, NANETTE	Service Retirement	ANIYA I REED	✓	✓			✓	
	HOPPER, MARJORY J	Service Retirement	MICHELLE J OSTMAN		✓				
	JACKSON, DYLAN	Service Retirement	JACQUELYN JACKSON	✓	✓				
	JIMENEZ, JOSE L	Service Retirement	JOANNE A HERNANDEZ	✓	✓			✓	
	JOHNSON, CHARLENE	Deceased Active	MICHAEL JOHNSON					✓	
			REXANNE SIMMS					✓	
			TRACY THOMAS					✓	
	JUAREZ, BENNY	Service Retirement	JAN JUAREZ	✓	✓				
	KEELING, LARRY D	Service Retirement	BRENDA K KEELING	✓	✓				
			ELDON D KEELING	✓	✓				
	KING, JACK E	Continuance	KING FAMILY TRUST	✓					
	LANE, JOHN C	Service Retirement	JOHN C LANE JR	✓					
	LAVADO, MARIA LUZ	Service Retirement	ALBERTO R LAVADO	✓	✓			✓	
			VICTOR G RIERA LAVADO	✓	✓			✓	
	LILLENBERG, WILLIAM	Service Retirement	KEVIN V LILLENBERG	✓	✓				
			MARK V LILLENBERG	✓	✓				
	LINK, DOLORES	Service Retirement	TERRI R SCOTT	✓	✓				
	LONG, REGINA I	Disability Retirement	ROBERT LONG	✓	✓				
	LORIO, MELVIN	Disability Retirement	VELMA M LORIO	✓	✓				
	LOWE, HOMER E	Service Retirement	VANESSA C LOWE	✓	✓				

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Tier	Deceased	Benefit Type	Beneficiary/Payee	AA	BA	CONT	AC	UC	OTHER
Tier 1	LUNDIN, CHRIS	Service Retirement	CORISSA J WOOD	✓	✓			✓	
			JAMES D LUNDIN	✓				✓	
			JESSICA S LUNDIN	✓				✓	
			MELANIE A GUIDA	✓	✓			✓	
	MARFIELD, GEORGE	Disability Continuance	DEANAH R MESSENGER	✓					
			ROBERT E MESSENGER	✓					
	MCCALL, DONALD C	Service Retirement	SHIRLEY MCCALL	✓					
	MILLER, DONALD A	Service Retirement	SYLVIA FREDRICKS	✓	✓				
	MIR, MIKE A	Service Retirement	SUE S MIR	✓	✓				
	MULLER, BARBARA S	Service Retirement	ESTATE OF BARBARA S MULLER	✓	✓				
	NICHOLS, WENDELL L	Service Retirement	JACQUELYN J NICHOLS	✓	✓				
	PARADISO, JOSEPH ANTHONY	Disability Retirement	JEROLYN PARADISO	✓	✓				
	PEREZ, RAMON BACUS	Service Retirement	PEREZ FAMILY TRUST		✓				
	PHILLIPS, ADDIE M	Continuance	APRIL A LACEY	✓					
	PIEDRA, CARLOS R	Service Retirement	JUNE E ARAGON	✓	✓				
	PLACENCIA, MANUEL AARON	Service Retirement	MARIA G PLASCENCIA	✓	✓				
	POTTER, SHIRLEY A	Service Retirement	SHIRLEY A POTTER TRUST	✓	✓				
	RADFORD, OZZIE DELL	Service Retirement	SHEENA F HORN (FOR MINOR)	✓	✓			✓	
			FREDRICKA W HORN	✓	✓			✓	
			SHEENA F HORN	✓	✓			✓	
	REESE, WM JAMES	Deceased Active	DORA RAMIREZ				✓		
	RILEY, JAMES P	Service Retirement	CHRISTINE R RILEY	✓					
	RINCON, SANTOS R	Service Retirement	ELVA RINCON	✓	✓				
	ROMANO, GEORGE V	Service Retirement	KAREN L ROMANO	✓	✓				
	RUSSELL, ROBERT	Service Retirement	DEBORAH E RUSSELL	✓	✓				
	SAFARIAN, HRAND	Service Retirement	ZABELLE SAFARIAN	✓	✓				
	SAULPAUGH, MYRON H	Service Retirement	GEORGIANNE F SAULPAUGH	✓	✓				

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 VRSA - Vested Retirement Survivorship Allowance

Tier	Deceased	Benefit Type	Beneficiary/Payee	AA	BA	CONT	AC	UC	OTHER
Tier 1	SMITH, WILLIE B	Disability Continuance	THE WILLIE B. SMITH TRUST	✓					
	SOLOMON, MICHAEL	Survivorship (Disability)	MARQUES D SOLOMON	✓				✓	
	SOTO, GUADALUPE S	Disability Retirement	ALEJO SOTO	✓					
	STEVENS, DALE E	Service Retirement	RICHARD STEVENS		✓				
	STUART, MICHAEL G	Service Retirement	SANDRA K STUART	✓	✓				
	TIBBETTS, MARILYN R	Service Retirement	DEREK HARDIN	✓					
			ERIN HARDIN	✓					
			MARCIA CARLSON		✓				
	WADE, ELLIOTT S	Service Retirement	SHARON M WADE	✓	✓				
	WALKER, RONALD E	Disability Retirement	YOLANDA S WALKER		✓				
	WANG, DEJI	Disability Retirement	CASSIE KAM		✓				
	WEAVER, ERIC	Service Retirement	PAULINE MCFARLAND	✓	✓		✓		
	WILLIAMS, ODOM S	Service Retirement	BETTY J WILLIAMS	✓	✓				
	WILLIS, JAMES G	Service Retirement	BEVERLY WILLIS	✓	✓				
	WILSON, MARK EDWARD	Service Retirement	MILES J WILSON	✓	✓				
	YEGHYAZARIANS, GOURGEN	Continuance	SAROIANS VAHAN	✓					
		Service Retirement	SAROIANS VAHAN	✓	✓				
	YOUNG-CARTER, WILLIAM	Service Retirement	KENNETH W CARTER	✓					

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

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**LACERS' ETHICAL CONTRACT COMPLIANCE REPORT  
NOTIFICATION TO THE BOARD**

**RESTRICTED SOURCES**

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

<b>Name</b>	<b>Description</b>	<b>Inception</b>	<b>Expiration</b>	<b>Division</b>
BlackRock Institutional Trust Company, N.A.	Multi Passive Index Portfolio Management	November 1, 2022	October 31, 2027	Investments
CEM Benchmarking	Investment Benchmarking Services	N/A	N/A	Investments
The Northern Trust Company	Compliance Analytics Services / Fair Value Reporting Services / Integrated Disbursements Services / Master Custody Services / Performance Reporting and Risk Analytics Services / Securities Lending Services	N/A	N/A	Investments
MFS Institutional Advisors, Inc.	Active Non-U.S. Equities Developed Markets Growth	October 2, 2013	September 30, 2025	Investments
Moss Adams LLP	External Auditing Consulting Services	N/A	N/A	Internal Audit
QTC Medical Group, Inc	Disability Medical Evaluation Services	July 1, 2022	June 30, 2025	Retirement Services

**LACERS' ETHICAL CONTRACT COMPLIANCE REPORT  
NOTIFICATION TO THE BOARD**

**ACTIVE RFPs**

Description	Respondents	Inception	Expiration	Division
Actuarial Consulting Services	Cheiron Inc.; Gabriel, Roeder, Smith and Company; Gallagher Benefit Services, Inc.; The Segal Company (Western States) Inc, dba Segal	January 24, 2025	February 21, 2025	Administration



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



**REPORT TO BOARD OF ADMINISTRATION**  
**From: Todd Bouey, Interim General Manager**

**MEETING: MAY 13, 2025**  
**ITEM: III – C**

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**SUBJECT: NOTIFICATION OF CERTIFIED RESULTS OF THE RETIRED MEMBER OF THE  
LACERS BOARD OF ADMINISTRATION ELECTION FOR THE FIVE-YEAR TERM  
ENDING JUNE 30, 2030**

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

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**Recommendation**

That the Board receive and file the certified results of the Retired Member of the LACERS Board of Administration Election for the five-year term ending June 30, 2030.

**Discussion**

On April 24, 2025, the Office of the City Clerk submitted the attached Letter of Certification of the results of the initial election of April 11, 2025. Pursuant to City Ordinance Number 178442, as the results indicate that no single candidate received 50% plus one of the 3,095 votes cast, a run-off election between the two candidates receiving the highest number of votes shall be conducted. The two candidates who received the highest number of votes are Michael R. Wilkinson, with 40.68% of the vote, and Tom Moutes, with 35.54% of the vote.

As the City Ordinance directs that the run-off election shall be conducted within 30 days of the initial election, Election Day has been set for May 23, 2025. Ballots, containing the names of the two run-off candidates in the order they appeared on the first ballot, as well as the same candidate qualification statements distributed for the initial election, will be mailed to LACERS' entire retired membership on May 5, 2025.

Prepared By: Ani Ghoukassian, Commission Executive Assistant II

Attachments: 1. Certified Results Retired Member of the LACERS Board of Administration Election

PETTY F. SANTOS  
INTERIM CITY CLERK

VACANT  
EXECUTIVE OFFICER

Board Meeting: 05/13/25  
Item: III-C  
Attachment

# City of Los Angeles

CALIFORNIA



KAREN BASS  
MAYOR

OFFICE OF THE  
CITY CLERK

**Election and Business  
Improvement District Division**  
555 Ramirez Street, Space 300  
Los Angeles, CA 90012  
Election: (213) 978-0444  
Election FAX: (213) 978-0376  
BIDs: (213) 978-1099

JINNY PAK  
DIVISION MANAGER  
[clerk.lacity.gov](http://clerk.lacity.gov)

April 24, 2025

Members of the Board of Administration  
Los Angeles City Employees' Retirement System  
977 N. Broadway  
Los Angeles, CA 90012-175

Honorable Board Members:

Transmitted herewith are the certified results of ballots cast in the Election for the Retired Member of the Board of Administration of the Los Angeles City Employees' Retirement System (LACERS) held on April 11, 2025.

If you have any questions, please contact Galina Hayrapetyan or Desiree Khan of the Election Division at (213) 978-0444. Thank you.

Sincerely,

Signed with ClerkSign

Apr 24, 2025 12:13PM



For  
Petty F. Santos  
Interim City Clerk

Attachments

AN EQUAL EMPLOYMENT OPPORTUNITY EMPLOYER

STATE OF CALIFORNIA            )  
  )  
COUNTY OF LOS ANGELES        )       SS

I, PETTY F. SANTOS, Interim City Clerk of the City of Los Angeles, hereby certify to the Members of the Board of Administration that I have canvassed the returns for the Election for the Retired Member of the Board of Administration of the Los Angeles City Employees' Retirement System held on April 11, 2025, and certify the attached canvass of returns to be a true, correct and complete canvass of the returns of said election.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal this  
24<sup>th</sup> day of April 2025.

Sincerely,

Signed with ClerkSign



Apr 24, 2025 12:13PM



For  
PETTY F. SANTOS  
Interim City Clerk

Attachment



**CITY OF LOS ANGELES  
OFFICE OF THE CITY CLERK - ELECTION DIVISION**

**ELECTION FOR THE RETIRED MEMBER OF THE BOARD OF ADMINISTRATION OF THE  
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM (LACERS)**

**Election Date - April 11, 2025**

**SUMMARY OF OFFICIAL TALLY RESULTS**

CANDIDATE	VOTES CAST	PERCENT
MICHAEL J. DICKENS	43	1.39%
GLORIA G. CALDERON	343	11.08%
DALE R. CLEVELAND	99	3.20%
GEORGE M. EBROYAN	64	2.07%
MICHAEL R. WILKINSON (Incumbent)	1,259	40.68%
KELLY M. WILLIAMS	24	0.78%
TOM MOUTES	1,100	35.54%
VAS SINGH	61	1.97%
IRMA GONZALEZ	12	0.39%
MIGUEL A. GUILLEN	7	0.23%
JOSE GARCIA	19	0.61%
LINA BYRD	14	0.45%
IMELDA LOPEZ	10	0.32%
NO VOTES	3	0.10%
OVER VOTES	32	1.03%
WRITE-IN CANDIDATES	5	0.16%
<b>TOTAL VOTES CAST</b>	<b>3,095</b>	

TOTAL BALLOTS MAILED	<b>18,513</b>
TOTAL BALLOTS CAST	<b>3,152</b>
TOTAL CHALLENGED	<b>57</b>
TOTAL VOTES CAST	<b>3,095</b>
VOTER TURNOUT ( <i>TOTAL BALLOTS CAST/TOTAL BALLOTS MAILED</i> )	<b>17.03%</b>

Signed with ClerkSign



Apr 24, 2025 12:13PM



Jinny Pak, Division Manager  
Election Division

04/24/2025

Date

**CITY OF LOS ANGELES  
OFFICE OF THE CITY CLERK - ELECTION DIVISION**

**Election for the Retired Member of the Board of Administration of the  
Los Angeles City Employees' Retirement System (LACERS)**

**April 11, 2025**

**SUMMARY OF CHALLENGES**

TYPES OF CHALLENGES UPON VERIFICATION/TALLY	QUANTITY
Identification Envelope without information	17
Identification Envelope without SSN	23
Identification Envelope with wrong SSN	6
Ballot without Identification Envelope	4
Identification Envelope without Address	2
Identification Envelope without Ballot	1
Name and SSN not found on Roster	3
Member voided ballot and requested replacement ballot	1
<b>TOTAL</b>	<b>57</b>

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

April 8, 2025

10:02 a.m.

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PRESENT:	Vice President:	Janna Sidley
	Commissioners:	Thuy Huynh Elizabeth Lee Gaylord "Rusty" Roten Sung Won Sohn Michael R. Wilkinson
	Legal Counselor:	Miguel Bahamon
	Manager-Secretary:	Todd Bouey
	Executive Assistant:	Ani Ghoukassian
ABSENT:	President:	Annie Chao

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

II

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Todd Bouey, Interim General Manager, advised the Board of the following items:
- GM Executive Recruitment Process
  - Delaware Senate Bill 21
  - Communications and Stakeholder Relations update
  - Retirement Services update

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

- Board Meeting on April 22, 2025: No Administrative or Benefits reports at this time.

Vice President Sidley took item VII-A out of order and recessed the Regular meeting at 10:13 a.m. to convene in closed session.

## VII

### LEGAL/LITIGATION

#### **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(A) AND (D)(4) TO CONFER WITH AND RECEIVE ADVICE FROM LEGAL COUNSEL AND POSSIBLE BOARD ACTION REGARDING PENDING LITIGATION IN THE CASE ENTITLED LACERA V. COUNTY OF LOS ANGELES (CASE NO. S286264)**

Vice President Sidley reconvened the regular meeting at 10:25 a.m. with nothing to report.

## III

### RECEIVE AND FILE ITEMS

- A. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.
- B. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.
- C. COMMISSIONER SUNG WON SOHN BOARD EDUCATION EVALUATION REPORT ON THE COUNCIL OF INSTITUTIONAL INVESTORS SPRING CONFERENCE, WASHINGTON, D.C.; MARCH 10-12, 2025 – This report was received by the Board and filed.
- D. 2025 OPEN ENROLLMENT CLOSEOUT REPORT – This report was received by the Board and filed.

Commissioner Wilkinson moved approval of Consent Agenda Item IV-A, and seconded by Commissioner Lee, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sohn, Wilkinson, and Vice President Sidley -6; Nays, None.

## IV

### CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE MEETING OF MARCH 11, 2025 AND POSSIBLE BOARD ACTION

## V

BOARD/DEPARTMENT ADMINISTRATION

- A. UPDATE TO DELEGATION OF AUTHORITY TO THE GENERAL MANAGER TO BIND LACERS IN CONTRACTS AND GENERAL MANAGER DESIGNEE SIGNATURE AUTHORITY AND POSSIBLE BOARD ACTION – Chhintana Kurimoto, Management Analyst, presented and discussed this item with the Board for two minutes. Commissioner Roten moved approval of the following Resolution:

**DELEGATION OF AUTHORITY TO THE GENERAL MANAGER,  
INTERIM GENERAL MANAGER, OR ACTING GENERAL MANAGER  
TO BIND LACERS IN CONTRACTS**

**RESOLUTION 250408-A**

WHEREAS, Los Angeles City Charter (LACC) Section 370(b) requires a contract to be signed by the Board, officer, or employee authorized to enter into the contract; and,

WHEREAS, the Board authorizes and assigns necessary deputies to carry out its responsibilities under LACC Section 511(a); and,

WHEREAS, the authority to administer the affairs of LACERS is assigned to the General Manager, pursuant to the LACC Section 509(a); and,

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes the General Manager, Interim General Manager, or Acting General Manager to endorse and bind the Los Angeles City Employees' Retirement System in contracts.

Endorsed:

\_\_\_\_\_  
Todd Bouey  
Interim General Manager

**SIGNATURE AUTHORITY  
FOR GENERAL MANAGER DESIGNEES**

**RESOLUTION 250408-A**

WHEREAS, the Board may delegate authority to the necessary deputies, assistants, and employees of the department and define their duties under Los Angeles City Charter (LACC) Section 511(a); and,

WHEREAS, the General Manager is authorized under LACC Section 509 to administer the affairs of the department as its Chief Administrative Officer; and,

WHEREAS, the General Manager determines it is in the best interest of the department to ensure department business is transacted expeditiously on occasions when they are absent or unable to act through the assignment of signature authorities over specific areas of expertise;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby adopts the signature authority resolution for the General Manager designees. If practicable, designees shall seek verbal concurrence from the General Manager. Authority is assigned to the position, rather than the individual. This resolution shall be endorsed by the designees, and should there be a change in personnel, a new endorsement certificate may be made and kept on file in the Board office; filed with any other necessary office of City government; or any agencies involved in processing LACERS' investment transactions and custodial responsibilities for the securities of LACERS. The proposed resolution will supersede any previously adopted resolutions related to General Manager Designee signature authority and is effective upon adoption.

1. Assistant General Manager(s) or Acting Assistant General Manager or Executive Officer – for the approval of contracts in compliance with the contracting limitations established in the LACC; approval of expenditures, approval of benefit payments and related transactions; and the authority to sign, sell, transfer, assign, authority, and/or execute any security and investment transactions, agreements, contracts or powers of attorney on behalf of the Board. Under the limited circumstances where an Assistant General Manager, Acting General Manager, or Executive Officer is not available, a Chief Management Analyst may exercise the authority described above.
2. Chief Management Analyst – for the approval of contracts in compliance with the contracting limitations established in the LACC; for the approval of expenditures within the authorized Administration budget, Performance Management Office budget, and the Actuarial program budget. The Chief Management Analyst may delegate to the Senior Management Analysts I and II in the Administration Division the approval of expenditures within the established thresholds specified in the memorandum submitted to the Chief Accounting Employee of LACERS.
3. Chief Benefits Analyst of Health, Wellness, and Buyback Division (HWABD) – for the approval of retiree health and buyback-related benefits within the limits of Board Rule GMA-1; and approval of expenditures within the authorized HWABD budget. The Chief Benefits Analyst may further delegate to the Senior Benefits Analysts I and II in the HWABD the approval of expenditures within the authorized HWABD budget. The Chief Benefits Analyst may further delegate to the Senior Benefits Analysts I and II in the Service Purchase Section the approval and execution of service purchase transactions including agreements with Members and certifications of service; and delegate to the Senior Benefits Analysts I and II in the Health Benefits Administration the signature authority for transactions related to the payment of approved retiree health benefits.
4. Chief Benefits Analyst of Retirement Services Division (RSD) – for the approval of benefit payments and related transactions; and approval of expenditures within the authorized RSD budget. The Chief Benefits Analyst may further delegate to the Senior Benefits Analysts I and II in the RSD the approval of expenditures within the authorized RSD budget.
5. Chief Benefits Analyst of Communications and Stakeholder Relations Division (CSRD) – for the approval of expenditures within the authorized CSRD budget. The Chief Benefits Analyst may further delegate to the Senior Benefits Analysts I and II and the Public Information Director in the CSRD the approval of expenditures within the authorized CSRD budget.

6. Information Systems Manager – for the approval of expenditures within the authorized Systems Division budget.
7. Chief Investment Officer or Investment Officer III – for (1) the approval of investment transactions required within the scope of the contracts approved by the Board, (2) execution of any instrument or document required to effectuate a contract or investment transaction approved by the Board, (3) approval of any other action required to effectuate a contract approved by the Board, (4) approval of any power of attorney, non-disclosure agreement, tax return, tax reclamation form, or similar document or instrument related to an investment transaction approved or under consideration by the Board or Investment staff pursuant to authority delegated by the Board, and (5) approval of expenditures within the authorized Investment Budget.
8. Personnel Director – for the approval of expenditures within the authorized Human Resources budget. The Personnel Director may further delegate to the Senior Personnel Analysts I and II and the Senior Management Analyst I in the Human Resources Unit the approval of expenditures within the authorized Human Resources budget.
9. Departmental Audit Manager – for the approval of expenditures within the authorized Internal Audit budget. The Departmental Audit Manager may further delegate to the Internal Auditor III and IV the approval of expenditures within the authorized Internal Audit budget.
10. Member Stewardship Section (MSS) Manager or Senior Benefits Analyst I – for the approval of expenditures within the authorized MSS budget.
11. Systems Operations Support Manager (SOS) or Senior Benefits Analyst II – for the approval of expenditures within the authorized SOS budget. The SOS Manager or Senior Benefits Analyst II may delegate to the Senior Benefits Analyst I in the SOS section the approval of expenditures within the established SOS budget.

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

## VI

### INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$22.94 billion as of April 7, 2025; and Volatility Index at 37. Rod June discussed the following items:

#### VALUATION:

- a. Market Commentary
- b. LACERS Portfolio Commentary

#### FUTURE AGENDA ITEMS:

- a. Asset Allocation Implementation
- b. Private Credit Benchmark Change



ANNOUNCEMENTS:

- A. Comments regarding Townsend Holdings LLC, LACERS Real Estate Consultant including the promotions of Felix Fels to Principal and Haya Daawi to Vice President.

VIII

OTHER BUSINESS – There was no other business.

IX

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, April 22, 2025, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012.

X

ADJOURNMENT – There being no further business before the Board, Vice President Sidley adjourned the meeting at 11:15 a.m.

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Janna Sidley  
Vice President

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Todd Bouey  
Manager-Secretary



**REPORT TO BOARD OF ADMINISTRATION**

From: Isaias Cantu, Chief Benefits Analyst *IC*

**MEETING: MAY 13, 2025**

**ITEM: IV-B**

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**SUBJECT: APPROVAL OF DISABILITY RETIREMENT APPLICATION OF GILDARDO VIZCARRA FOR SERVICE-CONNECTED DISABILITY RETIREMENT OF 60% AND POSSIBLE BOARD ACTION**

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

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**Recommendation**

That it be the finding of the Board that:

1. Gildardo Vizcarra is incapable of performing the duties of a Municipal Police Officer; and,
2. There is clear and convincing evidence that demonstrates the discharge of Gildardo Vizcarra's duties as a Municipal Police Officer is the predominant cause of the incapacity; and,
3. That Gildardo Vizcarra be granted a Service-Connected Disability Retirement, with a rating of 60%, based on his claimed disabling condition and the supporting medical evidence contained in the administrative record, which includes reports by three licensed, practicing physicians.

**Background**

Gildardo Vizcarra (Officer) is a Municipal Police Officer in the Los Angeles Police Department with 24.96585 years of City Service. The Officer applied for Service-Connected Disability Retirement on August 28, 2023.

The Officer's last day on active payroll was June 1, 2020. If approved, the Officer's retirement effective date will be June 2, 2020.

**Accommodation**

Because Physicians 1 and 2 opined the Officer could return to work with accommodations, the employing department was contacted. The department indicated it is unable to accommodate the cited restrictions.

### Basis for Disability Rating Recommendation

Disability Type: Service-Connected  
Percentage: 60%  
Limitations: Limitations fall within the "Serious" category

### **Fiscal Impact**

Upon approval, the Officer will receive a Service-Connected Disability Retirement allowance of approximately \$6,092.00 per month, which is equal to 60% of his Final Compensation, and a retroactive payment covering 60 months of approximately \$365,520.00.

Prepared By: Carol Rembert, Benefits Analyst, Retirement Services Division  
Susann Hernandez, Sr. Benefits Analyst I, Retirement Services Division

IC:SH:cr

Attachment 1: Proposed Resolution

**APPROVAL OF SERVICE-CONNECTED DISABILITY RETIREMENT  
BENEFIT FOR GILDARDO VIZCARRA**

**PROPOSED RESOLUTION**

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

WHEREAS, Physicians 1 and 2 examined and concluded Gildardo Vizcarra is unable to perform his usual and customary duties as a Municipal Police Officer with the City of Los Angeles;

WHEREAS, notwithstanding, Physicians 3 examined and concluded Gildardo Vizcarra is able to perform his usual and customary duties as a Municipal Police Officer with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that the clear and convincing evidence demonstrates that the discharge of Gildardo Vizcarra's duties as a Municipal Police Officer is the predominant cause of the incapacity pursuant to the definition in Los Angeles Administrative Code § 4.1008.2(b) and he is not capable of performing his duties as a Municipal Police Officer;

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

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the Service-Connected Disability Retirement benefit for Gildardo Vizcarra of 60% of his Final Average Compensation based upon his claimed disabling condition.



**REPORT TO BOARD OF ADMINISTRATION**

From: Isaias Cantu, Chief Benefits Analyst *IC*

**MEETING: MAY 13, 2025**

**ITEM: IV-C**

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**SUBJECT: APPROVAL OF DISABILITY RETIREMENT APPLICATION OF ROBERT KAMM AND POSSIBLE BOARD ACTION**

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

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**Recommendation**

That, pursuant to Los Angeles Administrative Code § 4.1080.8(b), the Board approve the disability retirement application for Robert Kamm based on his claimed disabling condition and the supporting medical evidence contained in the administrative record, which includes the Los Angeles Administrative Code required medical examination documentation.

**Background**

Robert Kamm (Applicant) is a Safety Engineer at the Department of Public Works with 6.86465 years of City Service. The Applicant applied for disability retirement on November 26, 2024, within one year of his last day on active payroll, in compliance with Los Angeles Administrative Code § 4.1080.8(a).

The Applicant's last day on active payroll was October 4, 2024. If approved, the Applicant's retirement effective date will be October 5, 2024.

**Accommodation**

Because the physician opined no accommodations would allow the Applicant to return to work, no inquiries were made with the employing department.

**Fiscal Impact**

Upon approval, the Applicant will receive a disability retirement allowance of approximately \$3,333.00 per month, and a retroactive payment covering seven months of approximately \$23,331.00.

**Prepared By:** Carol Rembert, Benefits Analyst, Retirement Services Division  
Susann Hernandez, Sr. Benefits Analyst I, Retirement Services Division

IC:SH:cr

Attachment 1: Proposed Resolution

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## **APPROVAL OF DISABILITY RETIREMENT BENEFIT FOR ROBERT KAMM**

### **PROPOSED RESOLUTION**

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

WHEREAS, one physician reviewed the medical records and concluded Robert Kamm is unable to perform his usual and customary duties as a Safety Engineer with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that Robert Kamm is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1080.8(b) and not capable of performing his duties as a Safety Engineer;

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

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



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



**REPORT TO BOARD OF ADMINISTRATION**  
**From: Todd Bouey, Interim General Manager**

**MEETING: MAY 13, 2025**  
**ITEM: V-A**

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**SUBJECT: CONTRACT AMENDMENT WITH QTC MEDICAL GROUP, INC. FOR DISABILITY MEDICAL EVALUATION SERVICES AND POSSIBLE BOARD ACTION**

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

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### **Recommendation**

That the Board:

1. Approve Amendment 4 to Contract No. 4193 with QTC Medical Group, Inc. (QTC) to extend the contract for an additional three-years through June 30, 2028, and increase the contract amount by \$600,000; and,
2. Authorize the General Manager to approve and execute the necessary contract amendment with QTC Medical Group, Inc., subject to City Attorney review as to form.

### **Executive Summary**

In processing Member applications for disability retirement, LACERS utilizes disability medical evaluation firms to coordinate independent medical evaluations for LACERS Members who apply for disability retirement. For close to two decades, QTC has participated in LACERS' Disability Medical Evaluation Services Requests for Proposals (RFP) dating back to March 2008. During this time, QTC has submitted successful proposals that met LACERS' minimum qualifications, provided dependable service levels, and competitive service fees. Most recently, as a result of LACERS' 2018 Disability Medical Evaluation Services RFP, the LACERS Board approved a three-year contract with QTC for \$660,000.

LACERS requests the Board extend the current disability medical evaluation services contract by three years.

### **Discussion**

Since 2004, LACERS has utilized the services of disability medical evaluation firms as part of the disability retirement application process. Specifically, the firms coordinate disability medical evaluations for LACERS Members who apply for disability retirement. The exams are meant to provide objective



medical assessments by a physician who is not affiliated with the Member, the Member's legal counsel, or their employer.

In March of 2008, the LACERS Benefits Administration Committee (BAC) reviewed a feasibility study on the efficacy of providing disability medical evaluation services with in-house staff. As a result, the BAC found that the work of providing the disability medical evaluation services was more feasibly performed by a contractor. Consequently, LACERS implemented a Request for Proposal process that resulted in the Board awarding Contract 4029 to QTC from July 1, 2008, to June 30, 2011. The contract was subsequently extended by the Board until December 31, 2014.

Concurrent with QTC's extension from July 1, 2014, to December 31, 2014, LACERS issued an RFP to secure professional and affordable medical evaluation services to assist LACERS in determining the medical status of disability retirement applicants. At the time, only two firms replied to the RFP; QTC and Medical Support Los Angeles Corporation (MSLA). The LACERS Board adopted LACERS' recommendation to award contracts to both firms and have the General Manager negotiate the terms for three-year contracts. QTC and MSLA were awarded Contracts from January 1, 2015, to December 31, 2017. These contracts were extended by the Board through December 31, 2020. During the term of the contract, MSLA went out of business.

In 2019, LACERS issued a Disability Medical Evaluation Service Provider RFP and actively reached out to the niche disability medical evaluation service industry. Four submissions were received and evaluated. QTC's proposal ranked first due to its commitment to providing value to LACERS by managing costs during the contract period of performance. On August 27, 2019, the Board awarded a three-year contract to QTC from December 4, 2019, to June 30, 2022. On June 14, 2022, the Board approved the current three-year extension with QTC, which is scheduled to expire on June 30, 2025.

Throughout LACERS' relationship with QTC from 2009 to current, QTC had one rate increase of 5% in 2019 and is proposing a 3% increase for the upcoming three-year extension period due to administrative cost increases. This rate increase is reasonable, and it is advantageous to lock in this rate for the three-year period. Medical evaluation fees vary due to specialty, with the average Member medical examination at \$1,010 with an average expenditure of \$113,575 per fiscal year. Over the lifetime of our contract with QTC, they have processed approximately 610 disability cases, over 1,800 medical examinations for initial disability applications and annual reexaminations, totaling \$1,817,194 in expenditures over 16 years.

Not having to conduct an RFP at this time will allow the Disability Retirement Unit (DRU) to focus on processing disability retirement applications which have increased to pre-pandemic levels, and assist in several priority projects underway in the Retirement Services Division including the: 1) Alive & Well Domestic Audit; 2) Measure FF implementation; and, 3) preparation for LACERS' role in potential layoff counseling.

LACERS realizes the importance of the competitive bidding process to ensure the best services and greatest value to LACERS and its Members. Over the course of the proposed extension, LACERS will network with peer pension systems to identify new practices in the medical evaluation services industry and incorporate any beneficial features into our future RFP targeted for release by January 2028.

Prepared By: Carol Rembert, Benefits Analyst

Susann Hernandez, Senior Benefits Analyst I.

DW/IC/SH:cr

Attachment: Proposed Resolution

**CONTRACT AMENDMENT WITH QTC MEDICAL GROUP, INC.  
FOR DISABILITY MEDICAL EVALUATION SERVICES**

**PROPOSED RESOLUTION**

WHEREAS, the General Manager presented information on the use of disability medical evaluation services;

WHEREAS, QTC Medical Group, Inc., is the disability medical evaluation service provider currently utilized by LACERS under Contract No. 4193, for the contract period July 1, 2019, through June 30, 2025;

WHEREAS, LACERS desires to extend the existing contract for an additional three-year term ending June 30, 2028;

WHEREAS, LACERS does not have the expertise or resources to provide disability medical evaluation services; and,

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves Amendment 4 to Contract No. 4193 to extend the contract term for an additional three years, and increase the contract ceiling by \$600,000; and further authorizes the General Manager to approve and execute the necessary contract amendment documents with QTC Medical Group, Inc.



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



**REPORT TO BOARD OF ADMINISTRATION**  
**From: Todd Bouey, Interim General Manager**

**MEETING: MAY 13, 2025**  
**ITEM: V-B**

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**SUBJECT: CONTRACT AWARD TO SEGAL COMPANY, INC. FOR ACTUARIAL SERVICES AND POSSIBLE BOARD ACTION**

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

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### **Recommendation**

That the Board:

1. Award the Consulting Actuary contract to The Segal Company, Inc. for a three-year term, with two one-year options to renew, beginning August 1, 2025, not-to-exceed \$1,500,000; and,
2. Authorize the General Manager to negotiate and execute the contract.

### **Executive Summary**

Four qualified firms submitted proposals for consideration as LACERS' Consulting Actuary and completed the Request for Proposals (RFP) process. Staff recommend awarding a contract to The Segal Company, Inc. (Segal) with its combined knowledge and experience, as well as the strength of its reporting methods and presentations.

The RFP opportunity was promoted on both the LACERS website and the Regional Alliance Marketplace for Procurement (RAMPLA) website, which also distributed notifications to interested firms. Over the past three years, since the issuance of the last RFP, LACERS has spent a total of \$1,205,488 on actuarial services with Segal, covering both standard reporting and specialized studies requested by the City. Segal has served as LACERS' actuarial consultant since 2004.

### **Discussion**

On January 24, 2025, LACERS released an RFP for Actuarial Consulting Services with proposals due by February 21, 2025. The RFP was advertised on the LACERS' website and on the RAMPLA website which notified firms that have expressed interest in doing business with local municipal organizations including LACERS. Cheiron, Inc. (Cheiron), Gallagher Benefit Services (Gallagher), Gabriel, Roeder, Smith and Company (GRS), and Segal submitted responsive and timely proposals.

For the Consulting Actuary engagement, the selected proposer will provide required technical actuarial services, including but not limited to: (1) Consulting and advising the Board as to those matters or questions of an actuarial nature, including educational sessions for the Board, recommendations to improve LACERS' funding, and reconciling LACERS' yearly data file; (2) preparing and reporting results for the annual valuations of the retirement benefits and health subsidy benefits; (3) preparing and presenting an Experience Study; (4) preparing an Asset & Liability Study of the Family Death Benefit Program; (5) preparing an Asset & Liability Study of the Larger Annuity Program; (6) preparing Annual financial reporting disclosures including Governmental Accounting Standards Board Statement nos. 67, 68, 74, and 75; and (7) preparing annual studies relating to the cost-of-living and Risk Assessment.

The engagement also includes as-needed services such as cost studies, presentations, funding policy reviews, and benefit calculations. In response to the RFP, the proposers provided a flat fee for all routine services of a specified scope and hourly rates per service type for ad-hoc assignments of an unspecified scope.

All four Consulting Actuary proposers, Cheiron, Gallagher, GRS and Segal, meet the RFP qualifications which included a minimum level of experience, submission of requested information and forms within the required timeframe and manner requested in the RFP, and acknowledgment of acceptance of the City and LACERS' standard contracting terms, or to otherwise state substitutions for consideration by LACERS. All four firms exceeded the required minimum qualifications of providing at least five years of actuarial consulting services to other U.S. public pension fund clients similar to LACERS and having a supervising/lead actuary with at least 15 years of experience with major public employee retirement systems including at least three years of experience with California public pension funds.

The RFP process allows LACERS to survey the marketplace and identify what various actuarial firms are currently offering and to secure services at a reasonable cost. Four LACERS staff from various divisions/units (Active Member Accounts, Communications and Stakeholder Relations, Fiscal, and Health Benefits Divisions) comprised the RFP panel and evaluated and scored the proposals based on: (1) Professionalism in responding to the RFP; (2) Proposed Scope of Service and Methodology to meet LACERS' objectives and schedules; (3) Qualifications, Experience, and Accomplishments of the team serving on the consulting team for LACERS; and (4) Value of Cost.

After completing the evaluations, staff interviewed the actuaries from the top two-ranking proposers. During these interviews, the actuaries responded to questions about approaches and methodology, communication and reporting, and values and outcomes. In accordance with its review, the RFP panel recommends awarding the Consulting Actuary contract to Segal thanks to the strength of the consulting team based out of their San Francisco office, the depth of their experience with, and extensive knowledge of the City's pension systems, as well as actuarial programs of similar size and scope of benefits. In addition, Segal provides excellent and thorough actuarial services to LACERS under the current Consulting Actuary contract.

Prepared By: Edwin Avanesian, Chief Management Analyst

TB:ea

Attachments:      1. Summary of Proposals for Actuarial Consulting Services  
                         2. Proposed Resolution

2025 Actuarial Consulting Services RFP				
RFP Requirements	The Segal Company (Western States) Inc, dba Segal	Gallagher Benefit Services, Inc.	Cheiron Inc	Gabriel, Roeder, Smith, and Company
<b>A. Cover Letter</b>				
<b>Key Personnel</b>	Todd Tauzer	Jon Baeta	Graham Schmidt	Dana Woolfrey
Phone/Cell	(916) 834-7994	(415) 913-0031	(877) 243-4766	(720) 274-7272
Email	<a href="mailto:ttauzer@Segalco.com">ttauzer@Segalco.com</a>	<a href="mailto:Jon_Baeta@aig.com">Jon_Baeta@aig.com</a>	<a href="mailto:gschmidt@cheiron.us">gschmidt@cheiron.us</a>	<a href="mailto:dana.woolfrey@grsconsulting.com">dana.woolfrey@grsconsulting.com</a>
<b>B. Proposal Items</b>				
<b>1. Minimum Qualifications</b>				
<b>a. Five years of experience providing actuarial consulting services to other U.S. public pension fund clients</b>	Yes	Yes	Yes	Yes
<b>b. The lead actuary must have at least 15 years experience with major public employee retirement systems, OR designation as a Fellow in the Society of Actuaries. The lead actuary must be an employee of the firm regularly engaged in the business of providing actuarial services.</b>	Yes	Yes	Yes	Yes
<b>Questionnaire Responses</b>				
Any alternatives and/or substitutions to RFP requirements				
<b>References</b>				
1	Los Angeles Department of Fire and Police Pensions	CalPERS	San Francisco City and County Employees' Retirement System	Arapahoe County Retirement Plan
2	Los Angeles Water and Power Employees' Retirement Plan	State of Alaska	San Jose Federated City Employees' Retirement System and San Jose Police and Fire Department Retirement Plan	Adams County Retirement Plan
3	City of Los Angeles Department of Water and Power	New York Office of the Actuary	San Diego City Employees Retirement System	City of Pheonix Retirement System
4	Orange County Employees' Retirement System	Pennsylvania Public School Employees' Retirement System (PSERS)	City and County of San Francisco Postretirement Health Plan	Employees' Retirement Plan of the Denver Board of Water Commissioners
5	San Diego County Employees Retirement Association	City of San Diego, CA	Marin County Employees' Retirement Association	Employees Retirement system of Rhode Island
<b>C. General Requirements and Compliance Documents</b>				
<b>1. Warranty/Affidavit</b>	Y	N	Y	Y
<b>2. Proposer Disclosure</b>	Y	Y	Y	Y
<b>3. Bidder Certification</b>	Y	Y	Y	Y
<b>4. Bidder Contributions</b>	Y	Y	Y	Y
<b>5. Sexual Harassment Policy Disclosure</b>	Y	Y	Y	Y

CONTRACT WITH THE SEGAL COMPANY, INC. FOR  
ACTUARIAL CONSULTING SERVICES  
AND POSSIBLE BOARD ACTION

PROPOSED RESOLUTION

WHEREAS, LACERS desires to engage the services of a consulting actuary to provide expert technical actuarial services, including but not limited to: (1) Consulting and advising the Board as to those matters or questions of an actuarial nature, including educational sessions for the Board, recommendations to improve LACERS’ funding, and reconciling LACERS’ yearly data file; (2) preparing and reporting results for the annual valuations of the retirement benefits and health subsidy benefits; (3) preparing and presenting an Experience Study; (4) preparing an Asset & Liability Study of the Family Death Benefit Program; (5) preparing an Asset & Liability Study of the Larger Annuity Program; (6) preparing Annual financial reporting disclosures including Governmental Accounting Standards Board Statement nos. 67, 68, 74, and 75; and (7) preparing annual studies relating to the cost-of-living and Risk Assessment. Also included are ad-hoc services such as cost studies, presentations, funding policy reviews, and benefit calculations;

WHEREAS, LACERS issued a Request for Proposal for Actuarial Services on January 24, 2025 and received four proposals for the consulting actuary engagement by the February 21, 2025 deadline; and,

WHEREAS, The Segal Company, Inc. was selected by a review panel as the best qualified firm to meet LACERS’ needs;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves a contract with The Segal Company, Inc., and authorizes the General Manager to execute the necessary documents, within the following terms, subject to City Attorney review:

CONSULTANT	The Segal Company, Inc.
TERM	August 1, 2025 to July 31, 2028, with two one-year options to renew subject to Board approval
AMOUNT	\$1,500,000





**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



## REPORT TO BOARD OF ADMINISTRATION

**From: Investment Committee**

Elizabeth Lee, Chair  
Thuy T. Huynh  
Gaylord "Rusty" Roten

**MEETING: MAY 13, 2025**

**ITEM: VI – B**

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**SUBJECT: PRIVATE CREDIT PROGRAM BENCHMARK CHANGE AND POSSIBLE BOARD ACTION**

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

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### **Recommendation**

1. That the Board approve adoption of the S&P UBS Leveraged Loan Index plus 200 basis points as the updated benchmark for LACERS' Private Credit Program.
2. That the Board approve the changes to the LACERS Investment Policy Manual as contained in this report.

### **Discussion**

On April 8, 2025, the Committee considered the attached report recommending a change of the performance benchmark for LACERS' Private Credit Program from the Credit Suisse Leveraged Loan (SCLL) Index Quarter Lag to the S&P UBS Leveraged Loan Index<sup>1</sup> plus 200 basis points. Staff discussed the potential benchmark change with LACERS' General Consultant, NEPC, LLC (NEPC), and Private Credit Consultant, Aksia LLC (Aksia); both are supportive of the change as reflected in the recommendation documents from each consultant included in the attached Investment Committee report documents (attachment 1).

This administrative change to update the benchmark allows for consistent reporting of the Private Credit performance within the context of LACERS' total portfolio fund level. Aksia already measures the Private Credit Program against the proposed benchmark as it was approved with the adoption of the Private Credit Policy by the Board on January 9, 2024. Adopting the change on July 1, 2025 would ensure that both NEPC and Aksia use the same performance benchmark for the performance of

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<sup>1</sup> Due to the acquisition of Credit Suisse by UBS in 2024, the Credit Suisse Leveraged Loan Indices are now known as the S&P UBS Leveraged Loan Indices.

LACERS' Private Credit Program and facilitates a simpler performance and operational break between the previous and proposed benchmarks. This recommendation is consistent with the Private Credit Program 2025 Strategic Plan adopted by the Board on January 28, 2025.

Staff is also making additional updates to the LACERS Investment Policy Manual pertaining to the administrative carve-out of Private Credit from the larger Credit Opportunities asset class consolidation, consistent with the Asset Class Risk Budget Review presented by NEPC to the Board on February 25, 2025. All proposed amendments included in this report and its attachments have been reviewed by the City Attorney, pursuant to policy stipulation requiring fiduciary counsel review of proposed amendments to the Investment Policy Manual. Upon the Board's approval of this report, staff may make additional minor administrative edits related to the benchmark change or the carve-out of Private Credit to be incorporated in the revised version of the Investment Policy Manual.

Prepared By: Clark Hoover, Investment Officer I, Investment Division

TB/RJ/WL/EC/CH:jp

Attachments:

1. Report to Investment Committee Dated April 8, 2025
2. Investment Policy Manual – Select Sections (Redline Version)
3. Investment Policy Manual – Select Sections (Clean Version)



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



**REPORT TO INVESTMENT COMMITTEE**  
**From: Todd Bouey, Acting General Manager**

**MEETING: APRIL 8, 2025**  
**ITEM: IV**

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**SUBJECT: PRIVATE CREDIT PROGRAM BENCHMARK CHANGE AND POSSIBLE COMMITTEE ACTION**

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

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### **Recommendation**

That the Committee recommend to the Board the adoption of the S&P UBS Leveraged Loan Index plus 200 basis points as the updated benchmark for LACERS' Private Credit Program.

### **Discussion**

Staff recommends that the performance benchmark for LACERS' Private Credit Program within the context of LACERS total fund portfolio measurement be changed from the Credit Suisse Leveraged Loan (CSLL) Index Quarter Lag to the S&P UBS Leveraged Loan Index<sup>1</sup> plus 200 basis points. Staff discussed the potential benchmark change with LACERS' General Consultant, NEPC, LLC (NEPC), and Private Credit Consultant, Aksia LLC (Aksia); both are supportive of the change as reflected by recommendation documents from each consultant (attachments 1 and 2).

In the first iteration of LACERS' Private Credit Program, which began in 2018 under NEPC's guidance and before Aksia became LACERS' Private Credit Consultant in 2023, the Board approved the CSLL Index Quarter Lag benchmark. The CSLL benchmark, which tracked the performance of high quality institutional leveraged loans, was deemed to be appropriate at that time because the private credit funds considered and selected for LACERS' portfolio consisted primarily of lower risk, unlevered, direct lending strategies. As LACERS' Private Credit Program has evolved to include higher risk-adjusted return strategies under a revised Private Credit policy adopted in 2024, staff believes that a change to a more appropriate benchmark, the S&P UBS Leveraged Loan Index plus 200 basis points, provides a better fit with the corresponding liquidity premium and risk and return profile of the funds being considered for the current private credit portfolio. In fact, Aksia already measures the Private Credit Program against this same benchmark.

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<sup>1</sup> Due to the acquisition of Credit Suisse by UBS in 2024, the Credit Suisse Leveraged Loan Indices are now known as the S&P UBS Leveraged Loan Indices.

Staff considered multiple options to implement the proposed benchmark change given the current state of LACERS' Private Credit Program. After discussions with NEPC, Aksia, and the performance measurement group of LACERS' custodian, The Northern Trust Company, staff recommends the adoption of the S&P UBS Leverage Loan Index plus 200 basis points become effective on July 1, 2025, for purposes of reporting Private Credit performance within the context of LACERS total portfolio fund level. Adopting the change on this date would ensure that both NEPC and Aksia use the same performance benchmark for the performance of LACERS' Private Credit Program and facilitates a simpler performance and operational break between previous and proposed benchmarks. Staff also recommends that the Board approve staff to make the applicable changes to any and all sections of the LACERS Investment Policy Manual as a result of the proposed benchmark change, effective July 1, 2025.

This recommendation is consistent with the Private Credit Program 2025 Strategic Plan adopted by the Board on January 28, 2025.

Prepared By: Clark Hoover, Investment Officer I, Investment Division

TB/RJ/WL/EC/CH:jp

Attachments:

1. NEPC Recommendation Memo
2. Aksia Recommendation Memo
3. Press Release on S&P Dow Jones Indices and UBS Launch Leveraged Loan Indices



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

**From: NEPC, LLC**

**Date: April 8, 2025**

**Subject: Private Credit Benchmark**

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### **Recommendation**

NEPC supports LACERS Staff recommendation to change the benchmark for the Private Credit allocation to the S&P UBS Leveraged Loan Index + 200 bps.

### **Background**

LACERS established a Private Credit allocation in late 2020 that focused primarily on senior secured direct lending strategies. At the time, the Credit Suisse Leveraged Loan Quarter Lag index was selected as the reference benchmark for the allocation.

The Private Credit allocation has since expanded beyond senior secured direct lending strategies and now includes exposures to a much broader opportunity set and targets a higher total return than was originally envisioned. For that reason, NEPC believes it is appropriate to adjust the benchmark to reflect the evolution of the Private Credit allocation. NEPC supports LACERS Staff recommendation to change the Private Credit benchmark to the S&P UBS Leveraged Loan Index + 200 bps benchmark going forward.

Memo

TO: Los Angeles City Employees' Retirement System ("LACERS")  
FROM: Aksia LLC ("Aksia")  
DATE: April 8, 2025  
RE: LACERS Private Credit Benchmark Update

Summary

When the LACERS Private Credit portfolio was first established in 2020, it comprised three separately managed accounts (SMAs)—Benefit Street Partners SMA, Crescent LACERS SMA Partnership, and Monroe Capital Private Credit Fund—each focused on core middle market direct lending. The private credit program's mandate was updated in 2024 to include a more diversified construct that incorporated middle market direct lending strategies and more specialized private credit strategies, such as real estate credit, real assets credit, distressed/special situations, and specialty finance.

Given the portfolio's expanding exposure, Aksia believes the S&P UBS Leveraged Loan Index plus a 200bps spread is a reasonable and appropriate benchmark. Below please find long-term target portfolio/sector allocations for the LACERS private credit portfolio as well as the current portfolio allocation.

	<i>Strategy</i>	<i>Target %</i>	<i>Actual Portfolio %</i>
<b>Core</b>	<i>Direct Lending</i>	<i>40-70%</i>	<i>100%</i>
	<i>Real Assets Credit / Real Estate Credit</i>	<i>20-40%</i>	<i>0%</i>
<b>Satellite</b>	<i>Distressed/Special Situations</i>	<i>0-30%</i>	<i>0%</i>
	<i>Specialty Finance</i>	<i>0-25%</i>	<i>0%</i>

\* Data as of June 30, 2024

Conclusion

Overall, Aksia concurs with NEPC (LACERS' general consultant) and LACERS' staff that the S&P UBS Leveraged Loan Index + 200bps serves as an adequate target benchmark, particularly as LACERS moves further up the risk spectrum in the private credit program.

# S&P Dow Jones Indices and UBS Launch S&P UBS Leveraged Loan Indices

NEW YORK, Dec. 4, 2024 /PRNewswire/ -- S&P Dow Jones Indices ("S&P DJI"), the world's leading index provider, in collaboration with UBS, today announced the launch of the S&P UBS Leveraged Loan Indices, previously known as the Credit Suisse Leveraged Loan Indices, which measure the performance of and provide insight on various global loan markets by leveraging S&P Global Market Intelligence's industry leading reference and pricing data for loans.

The S&P UBS Leveraged Loan Indices are designed to represent and measure the investable universe of U.S. dollar (USD), Euro (EUR) and British sterling (GBP) denominated leveraged loans. S&P DJI will be the exclusive publisher, calculator, administrator, and licensor of the index family. Spanning more than 2,000 indices covering USD 1.6 trillion in market value, this established suite builds upon S&P DJI's expertise in index administration and commercialization while combining UBS' complimentary loan indexing solutions with S&P DJI's existing fixed income index offering.

## S&P Dow Jones Indices

A Division of **S&P Global**

"Since the 1990's, the S&P UBS Leveraged Loan Indices have served a critical role as a leading loan benchmark across the U.S. and Europe, contributing to greater liquidity, transparency and accessibility for market participants," said Frans Scheepers, Head of Fixed Income, Currency and Commodity Products at S&P Dow Jones Indices. "As S&P DJI continues to see demand for indexing solutions within the Leveraged Finance space, this suite of indices is expected to remain a critical component of this growth and further expand this ecosystem through loan benchmarking, performance measurement and index-linked products."

The U.S. leveraged loan market has grown significantly over the last decade, from nearly USD 400 million to USD 1.3 trillion, as defined by the iBoxx USD Leveraged Loan Index, now rivaling the U.S. high yield bond market. This has been alongside the growth of the broader loan ecosystem, which includes index-linked products and derivatives in the loan space.

Dushyant Chadha, Global Head of Derivatives and Solutions at UBS, commented: "We are excited to collaborate with S&P DJI to further develop the S&P UBS Leveraged Loan Indices, the leading leveraged loan market benchmarks for over 30 years. By capitalizing on the strength of UBS' loans franchise and S&P DJI's position as a leading index provider, our clients and other market participants can look to these indices to continue to provide market leading insight and price data for loans."

The launch of the S&P UBS Leveraged Loan Indices follows S&P DJI's announcement in early November that it had reached an agreement with UBS with respect to this suite of leveraged loan indices. Following the successful completion of the transition period, the indices, previously legacy Credit Suisse indices, are being rebranded as the S&P UBS Leveraged Loan Indices. In addition, S&P DJI's iBoxx USD Leveraged Loan Indices will also be folded into the S&P UBS Leveraged Loan Index suite in 2025.

Looking ahead, S&P DJI and UBS plan to enhance the depth and breadth of available leveraged loan index offerings to investors and market participants globally to further expand potential use cases within the broader

ecosystem.

For more information about the S&P UBS Leveraged Loan Indices, please visit:  
<https://www.spglobal.com/spdji/en/>.

For more information about UBS, please visit <https://www.ubs.com/us/en.html>.

## **ABOUT S&P DOW JONES INDICES**

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500<sup>®</sup> and the Dow Jones Industrial Average<sup>®</sup>. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit <https://www.spglobal.com/spdji/en/>.

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SOURCE S&P Dow Jones Indices

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<https://press.spglobal.com/2024-12-04-S-P-Dow-Jones-Indices-and-UBS-Launch-S-P-UBS-Leveraged-Loan-Indices>



ARTICLE III. BOARD INVESTMENT POLICIES

Section 1 INVESTMENT POLICY

VI. GENERAL INVESTMENT OBJECTIVES AND GUIDELINES

The general investment objective is to outperform the overall policy portfolio benchmark. The overall policy portfolio benchmark consists of weighted asset class benchmarks for each asset class as determined by the Board. The long term policy benchmarks are listed below:

<u>Asset Class</u>	<u>Benchmark</u>	<u>Policy Target %</u>
<u>Domestic Equity</u>	<u>Russell 3000</u>	<u>23.00%</u>
<u>Non-U.S. Equity</u>	<u>MSCI ACWI ex-U.S.</u>	<u>20.00%</u>
<u>Fixed Income</u>	<u>Bloomberg (BBG) U.S. Aggregate</u>	<u>10.25%</u>
<u>Credit Opportunities</u>	<u>28.6% BBG US HY 2% Capped / 28.6% S&amp;P UBS Leveraged Loan Index / 42.8% of a blended 50% JPM EMB GD and 50% JPM GBI-EM GD</u>	<u>7.00%</u>
<u>Private Equity</u>	<u>Cambridge Associates Global Private Equity and Venture Capital Index</u>	<u>16.00%</u>
<u>Private Credit</u>	<u>S&amp;P UBS Leveraged Loan Index + 200bps</u>	<u>5.75%</u>
<u>Real Assets</u>	<u>21.2% BBG US TIPS / 8.2% FTSE NAREIT US Equity Index / 29.4% S&amp;P Global Infrastructure / 41.2% NFI-ODCE + 80bps</u>	<u>17.00%</u>
<u>Private Real Estate</u>	<u>NFI-ODCE + 80bps</u>	<u>7.00%</u>
<u>Public Real Assets</u>	<u>36% BBG TIPS Index / 14% FTSE NAREIT US Equity Index / 50% S&amp;P Global Infrastructure</u>	<u>10.00%</u>
<u>Cash</u>	<u>90-Day Treasury Bill</u>	<u>1.00%</u>

<u>Asset Class</u>	<u>Benchmark</u>	<u>Policy Target %</u>	<u>Threshold</u>	
			<u>Lower</u>	<u>Upper</u>
<u>Domestic Equity</u>	<u>Russell 3000</u>	<u>21.00%</u>	<u>16.00%</u>	<u>26.00%</u>
<u>Non-U.S. Equity</u>	<u>MSCI ACWI ex-U.S.</u>	<u>26.00%</u>	<u>20.00%</u>	<u>32.00%</u>
<u>Fixed Income</u>	<u>Bloomberg (BBG) U.S. Aggregate</u>	<u>11.25%</u>	<u>8.50%</u>	<u>14.00%</u>
<u>Credit Opportunities</u>	<u>11.8% BBG US HY 2% Capped / 11.8% Credit Suisse Leveraged Loan Index / 31.4% of a blended 50% JPM EMB GD and 50% JPM GBI-EM GD / 45% Credit Suisse Leveraged Loan Index One Quarter Lagged</u>	<u>12.75%</u>	<u>9.50%</u>	<u>16.00%</u>
<u>Private Equity</u>	<u>Cambridge Associates Global Private Equity and Venture Capital Index</u>	<u>16.00%</u>		
<u>Real Assets</u>	<u>30% BBG US TIPS / 11.7% FTSE NAREIT US Equity Index / 58.3% NFI-ODCE + 80bps</u>	<u>12.00%</u>		
<u>Private Real Estate</u>	<u>NFI-ODCE + 80bps</u>	<u>7.00%</u>		

ARTICLE III. BOARD INVESTMENT POLICIES

Section 1 INVESTMENT POLICY

<i>Public Real Assets</i>	<i>72% BBG TIPS Index / 28% FTSE NAREIT US Equity Index</i>	<i>5.00%</i>	<i>2.50%</i>	<i>7.50%</i>
<i>Cash</i>	<i>90-Day Treasury Bill</i>	<i>1.00%</i>	<i>0.00%</i>	<i>2.00%</i>

The portfolio is formally monitored by the Board quarterly versus its policy benchmark and also compared to the System's actuarial return target.

The Board will utilize the following portfolio investment components to fulfill the asset allocation targets and LACERS total fund performance goals established in this document.

**A. Equities**

The Board expects that over the long run, total returns of equities will be higher than the returns of fixed income securities, but they may be subject to substantial volatility during shorter periods. Equity investment managers retained by the Board will follow specific investment styles and will be evaluated against specific market indices that represent their investment styles. Additionally, in the case of active managers, investment results may also be compared to returns of a peer group of managers with similar styles. The components of the System's equity holdings, the benchmarks for the various equity portfolios, and the general guidelines are listed below:

**1. Domestic Equities**

- a) **Index Funds/Core** – These investments will provide broadly diversified, core exposure through index funds to the U.S. equity market, primarily in large capitalization companies. Index funds provide primary liquidity for asset allocation.
- b) **Large Cap Growth Stocks** – The principal characteristic of the large cap stock component is its emphasis in stocks with market capitalization generally ranging above \$10.0 billion. The Board's large growth stock allocation provides exposure to stocks of large capitalization whose valuations are more directly tied to future earnings prospects. Often, growth stocks sell at higher prices relative to expected or historical earnings growth. Growth stock volatility tends to be higher than value stocks, although such stocks generally outperform during rising markets while trailing the market in flat or declining periods.
- c) **Large Cap Value Stocks** – The principal characteristic of the large cap stock component is its emphasis in stocks with market capitalization generally ranging above \$10.0 billion. As a more defensive portion of the equity portfolio, value stocks, covering the upper range of market capitalization, are expected to outperform the broad market during periods of flat or declining trends while underperforming during rising markets. Value stocks typically exhibit higher dividend yield, lower P/E ratios, and lower Price/Book ratios.

ARTICLE III. BOARD INVESTMENT POLICIES

Section 1 INVESTMENT POLICY

e) **Opportunistic or Special Debt Situations** – Debt which may not fit within the preceding categories that may offer a unique investment opportunity due to broader economic or financial conditions.

~~f) **Direct Lending** — Includes loans that are primarily floating rate debt obligations made to non-investment grade borrowers. Private direct lending involves a limited number of investors that structure terms of a transaction directly with a middle market or small corporate borrower. There is generally a limited public market with a middle market or small corporate borrower. Additionally, there is generally a limited public market for these loans and they are usually refinanced prior to maturity or held to maturity by one or a relatively small number of investors. Investors expect to earn a yield which is higher than publicly traded corporate debt to compensate for a higher degree of risk.~~

The primary return objective for the LACERS' Credit Opportunities program is to outperform a custom weighted benchmark of ~~28.611.8%~~ Bloomberg US HY 2% Capped / ~~28.611.8%~~ ~~S&P UBSCredit Suisse~~ Leveraged Loan Index<sup>2</sup> / ~~42.831.4%~~ of a blended 50% JPM EMB GD and 50% JPM GBI-EM GD ~~/45% Credit Suisse Leveraged Loan Index QTR Lagged~~ over a market cycle. Performance evaluation on a risk-adjusted basis shall consider the diversification impact of Credit Opportunities on the LACERS Total Fund. Returns will be calculated after management fees.

The benchmarks for the various fixed income portfolios may include the following indices:

Core Fixed Income	Bloomberg (BBG) BC Aggregate Bond Index
Intermediate Fixed Income	BBG BC U.S. Govt/Credit Intermediate Bond Index
High Yield Bonds	BBG BC U.S. High Yield 2% Capped Index
Emerging Market Debt	50% J.P. Morgan EMBI Global Diversified Index + 50% J.P. Morgan GBI EM Global Diversified Index
Bank Loans	<del>S&amp;P UBS Credit Suisse (CS)</del> Leveraged Loans
Index	<del>Direct Lending</del> <del>CS Leveraged Loans Index (one quarter lagged)</del>

General fixed income guidelines include the following:

a) **Core Fixed Income**

- (1) The total portfolio's average rating will be A or better by Moody's or Standard & Poor's.
- (2) No more than 5% of any single portfolio will be invested in any one issuer, with the exception of U.S. Treasury or Federal Agency issues.

<sup>2</sup> Following the acquisition of Credit Suisse by UBS in 2024, the Credit Suisse Leveraged Loan Indices have been rebranded as the S&P UBS Leveraged Loan Indices.

ARTICLE III. BOARD INVESTMENT POLICIES

Section 1 INVESTMENT POLICY

(3) No more than 20%, in aggregate, invested in non-dollar denominated bonds and non-investment grade bonds are permitted.

(4) No securities shall be purchased on margin or sold short.

b) **Credit Opportunities**

*High Yield Bonds*

(1) The total portfolio's average rating will be B or better by Moody's or Standard & Poor's.

(2) No more than 5% of any single portfolio will be invested in any one issuer, with the exception of U.S. Treasury or Federal Agency issues.

(3) No more than 20%, in aggregate, invested in non-dollar denominated bonds and investment grade bonds are permitted.

(4) No securities shall be purchased on margin or sold short.

*Bank Loans*

(1) No more than 5% of any single portfolio holding will be invested in any one issuer.

(2) No more than 40%, in aggregate, invested in securities of non-U.S. issuers.

(3) No more than 20% of the portfolio invested in loans or bonds that are not first lien secured debt and no more than 10% invested in non-secured debt.

(4) No more than 30% of the portfolio's holdings in loans or bonds with a Moody's issue rating of Caa1 or lower.

(5) No securities shall be purchased on margin or sold short.

*Emerging Markets Debt Bonds*

(1) The total portfolio's average rating will be BBB/Baa or better by Moody's or Standard & Poor's.

(2) No more than 5% of any single portfolio will be invested in any one issuer, with the exception of U.S. Treasury or Federal Agency issues.

(3) No more than 30%, in aggregate, invested in out of benchmark securities.

(4) No more than 10%, in aggregate, invested in U.S. and non-U.S. developed markets bonds

(5) No securities shall be purchased on margin or sold short.

*Private Credit*

~~(1) This portfolio is expected to provide portfolio diversification and additional return to the System's portfolio. Examples of private credit holdings include but are not limited to direct lending, specialty finance, distressed debt / special situations, mezzanine, real estate credit, and real assets credit. The Private Credit Investment Policy is within Section X of this document.~~

## Section 1 INVESTMENT POLICY

### C. Private Equity

This portfolio is expected to provide portfolio diversification and additional return to the System's public markets portfolio. Examples of private equity holdings will include venture capital, leveraged buyouts, and special situations funds. The Private Equity Investment Policy is within Section XI of this document.

### D. Private Credit

This portfolio is expected to provide portfolio diversification and additional return to the System's portfolio. Examples of private credit holdings include but are not limited to direct lending, specialty finance, distressed debt / special situations, mezzanine, real estate credit, and real assets credit. The Private Credit Investment Policy is within Section X of this document.

### ~~D.E.~~ Real Assets

The objective of the asset class is to provide one or more of the following contributions over the long term (i.e., market cycle or longer) to the LACERS total investment program:

1. Real return above inflation of between 3% and 5%;
2. Inflation hedge;
3. Diversification versus LACERS' two main asset classes: equities and bonds; and,
4. Income

The target allocation to Real Assets will include flexible rebalancing given the public/private composition of this asset class. Generally, the public actual allocation will be kept within  $\pm 2.5\%$  of this target allocation objective.

Investments will primarily be characterized by their underlying holdings of asset types. The real assets investment program will be comprised of both public and private real asset strategies. The following strategies will be considered as appropriate for consideration and implementation within LACERS' real assets investment program:

1. **Private Real Estate** – This portfolio is expected to provide portfolio diversification and increase returns due to real estate's low correlation with the returns from equities and fixed income. The Private Real Estate Investment Policy is included in Section XI of this document.
2. **Public Real Estate "REITS"** – Publicly traded companies that trade on major stock exchanges and invest directly in real estate either through properties or mortgages. A distinguishing characteristic of this investment strategy versus private real estate is the improved liquidity and yield orientation.
3. **Treasury Inflation Protection Securities ("TIPS") or Global Inflation-Linked Bonds** – Securities where the principal value adjusts to reflect changes in the U.S. CPI or other sovereign-linked inflation measures upward or downward, but never below the original face amount at maturity. Semi-annual coupon payments are based upon the bond's adjusted principal which provides a direct inflation link.

ARTICLE III. BOARD INVESTMENT POLICIES

Section 4 EMERGING INVESTMENT MANAGER POLICY

- f) Maximum LACERS' Allocation: At the time of hire, funding in the investment strategy shall not exceed 20% of the total strategy AUM at the time of actual funding.
2. Private Market Asset Classes – Private Equity, *Private Credit, and Real Assets (not including Real Estate)*, *Credit Opportunities*
- a) Institutional Fund: First-, second-, or third-time institutional fund for a General Partner.
- b) Maximum Fund Size: A first-time institutional fund for private equity or venture capital may have investor commitments of no more than \$750 million, \$1 billion for a second-time institutional fund, and \$1.25 billion for a third-time institutional fund. A first-time institutional fund for private credit may have investor commitments of no more than \$1 billion, \$1.5 billion for a second-time institutional fund, and \$2.0 billion for a third-time institutional fund.
- c) Formation Date: The firm, if formed as a result of an organizational spin-out of at least a majority of the key investment team senior-level professionals, must have been in existence for a minimum of six months based on the entity's legal formation documents; otherwise the firm must have been in existence for a minimum of one year based on the entity's legal formation documents.
- d) Track Record: The firm must have a minimum track record of five years. Any firm with a track record of less than five years may utilize track records established at prior firms when performance can be clearly attributed to the emerging firm's key individuals and/or the specific team associated with the strategy being considered.
- e) Firm Ownership: No person or entity, other than the principals and/or employees of the firm, shall own more than forty-nine percent (49%) interest of the firm.
- f) LP Concentration: No Limited Partner can represent more than 30% of the total Fund's committed capital.\*
- g) Minimum Fund Size: The Fund shall have a minimum fund size of \$100 million in committed capital inclusive of LACERS' pending commitment.\* For a venture capital fund strategy, the Fund shall have a minimum fund size of \$75 million in committed capital inclusive of LACERS' pending commitment.\*
- h) Maximum LACERS' Commitment: LACERS' commitment in the strategy being considered shall not exceed 10% of the projected final closing fund size or \$30 million, whichever is lower.
- \*Excludes co-investments or sidecar investment vehicles.*
3. Private Market Asset Class – Private Real Estate
- a) Institutional Fund: First-, second-, or third-time institutional fund for a given General Partner.
- b) Maximum Fund Size: The institutional fund may have investor commitments of no more than \$2 billion.

ARTICLE III. BOARD INVESTMENT POLICIES

Section 5 PRIVATE CREDIT INVESTMENT POLICY

**X. PRIVATE CREDIT INVESTMENT POLICY**

**A. Introduction**

This Private Credit Investment Policy ("Private Credit Policy") sets forth guidelines that provide a general framework for selecting, building, and managing LACERS' investments in private credit, including direct lending, specialty finance, distressed debt and special situations (including distressed debt and mezzanine strategies), real estate credit, real assets credit, co-investments, secondary market transactions, and other privately structured investments with the return and risk characteristics of private credit.

**B. Investment Objectives**

**1. Return**

On a relative basis, the return objective for the LACERS' private credit portfolio ("Private Credit Portfolio") is 200 bps over the [S&P UBSCS](#) Leveraged Loan Total Return Index net of fees, expenses, and carried interest.

Returns are measured over the life of the portfolio and become meaningful for periods past the J-Curve. Performance will be measured using standard industry metrics such as IRR (internal rate of return), TVPI (total value to paid in capital), and MOIC (multiple on invested capital.) Additionally, the IRR performance in the first few years of a partnership's life may be negative due to the J-curve effect.

**2. Risk**

Private Credit investments are generally illiquid and have a long-term holding period. When invested alongside publicly traded assets, the asset class increases diversification and reduces risk at the System level. Nonetheless, LACERS expects that the Private Credit Consultant will take all appropriate measures to assume risks that are sufficiently compensated by expected return. Staff shall review the Private Credit Consultant's evaluation and assessment of risk in the Annual Private Credit Strategic Plan. Such measures include, but are not limited to, diversification (as detailed in Section X.D.3 below) and due diligence.

**C. Scope**

The Private Credit Policy establishes the framework for the management of the Private Credit Portfolio. The Private Credit Consultant shall propose and seek LACERS' approval of new investments subject to Section F of the Private Credit Policy, monitor and advise on the sale of existing Private Credit investments and provide recommendations and program advice in accordance with the Private Credit Policy. The Private Credit Consultant will be evaluated annually as consultant for the Private Credit Portfolio based upon the following factors: portfolio performance; quality of analytical and technical work; expertise in the Private Credit asset class; responsiveness to requests from the LACERS Board of Administration ("Board") and LACERS Investment Staff("Staff"); availability to attend Board meetings and meetings with Staff with reasonable advance notice; consulting and advising

ARTICLE III. BOARD INVESTMENT POLICIES

Section 1 INVESTMENT POLICY

**VI. GENERAL INVESTMENT OBJECTIVES AND GUIDELINES**

The general investment objective is to outperform the overall policy portfolio benchmark. The overall policy portfolio benchmark consists of weighted asset class benchmarks for each asset class as determined by the Board. The long term policy benchmarks are listed below:

<b>Asset Class</b>	<b>Benchmark</b>	<b>Policy Target %</b>
Domestic Equity	Russell 3000	23.00%
Non-U.S. Equity	MSCI ACWI ex-U.S.	20.00%
Fixed Income	Bloomberg (BBG) U.S. Aggregate	10.25%
Credit Opportunities	28.6% BBG US HY 2% Capped / 28.6% S&P UBS Leveraged Loan Index / 42.8% of a blended 50% JPM EMB GD and 50% JPM GBI-EM GD	7.00%
Private Equity	Cambridge Associates Global Private Equity and Venture Capital Index	16.00%
Private Credit	S&P UBS Leveraged Loan Index + 200bps	5.75%
Real Assets	21.2% BBG US TIPS / 8.2% FTSE NAREIT US Equity Index / 29.4% S&P Global Infrastructure / 41.2% NFI-ODCE + 80bps	17.00%
<i>Private Real Estate</i>	<i>NFI-ODCE + 80bps</i>	<i>7.00%</i>
<i>Public Real Assets</i>	<i>36% BBG TIPS Index / 14% FTSE NAREIT US Equity Index / 50% S&amp;P Global Infrastructure</i>	<i>10.00%</i>
Cash	90-Day Treasury Bill	1.00%

The portfolio is formally monitored by the Board quarterly versus its policy benchmark and also compared to the System's actuarial return target.

The Board will utilize the following portfolio investment components to fulfill the asset allocation targets and LACERS total fund performance goals established in this document.

**A. Equities**

The Board expects that over the long run, total returns of equities will be higher than the returns of fixed income securities, but they may be subject to substantial volatility during shorter periods. Equity investment managers retained by the Board will follow specific investment styles and will be evaluated against specific market indices that represent their investment styles. Additionally, in the case of active managers, investment results may also be compared to returns of a peer group of managers with similar styles. The components of the System's equity holdings, the benchmarks for the various equity portfolios, and the general guidelines are listed below:



## Section 1 INVESTMENT POLICY

### 3. Credit Opportunities

The objective of the asset class is to provide one or more of the following contributions over the long term (i.e., market cycle or longer) to the LACERS total investment program:

- a) Real return above inflation of between 3% and 5%;
- b) Diversification versus LACERS' two main asset classes: equities and bonds; and,
- c) Income

The target allocation to Credit Opportunities will include flexible rebalancing given the public/private composition of the asset class. Generally, the actual allocation will be kept within or  $\pm 3.25\%$  of this target allocation objective.

Investments will primarily be characterized by their underlying holdings of asset types. The credit opportunities investment program can be comprised of both public and private credit opportunities strategies. The following strategies will be considered as appropriate for consideration and implementation within LACERS' credit opportunities investment program:

- a) **U.S and Non-U.S. High Yield Bonds** – Below investment grade (i.e., <BBB/Baa) rated bonds issued by public corporations with a perceived higher risk of default. Investors in these securities hope to benefit from spread tightening relative to investment grade bonds and from their higher overall yields, i.e., income.
- b) **Emerging Markets Debt (Local, Hard, Sovereign and Corporate)** – Debt issued by the governments ("sovereign") of developing, or emerging, countries. Additionally, debt issued by corporations domiciled within emerging markets countries can be investment grade or below investment grade rated debt. Also can be issued in a foreign external, or "hard", currency (e.g., U.S. dollars, Euros, etc.) or in the country's local currency. Investors in these securities hope to benefit from spread tightening relative to investment grade and/or domestic bonds and from their higher overall yields.
- c) **Leveraged Loans** – Loans extended to high yield (i.e., below investment grade) or levered borrowers, generally by banks or other financial institutions. The loans are *not* levered – the borrowers are. Hence, there is a perceived higher risk of default. Leveraged loans tend to have short maturities and are higher in the capital structure than regular debt of the company. Investors in these securities hope to achieve higher than investment grade bond returns due to their higher yields.
- d) **Distressed Debt** – Debt of issuers that 1) are sufficiently financially impaired where there is a high risk of default or bankruptcy, 2) have already defaulted on financial obligations, or 3) have entered into bankruptcy proceedings. Investors in these securities hope to achieve high returns through financial or other restructuring at the issuing company.
- e) **Opportunistic or Special Debt Situations** – Debt which may not fit within the preceding categories that may offer a unique investment opportunity due to broader economic or financial conditions.

## Section 1 INVESTMENT POLICY

The primary return objective for the LACERS' Credit Opportunities program is to outperform a custom weighted benchmark of 28.6% Bloomberg US HY 2% Capped / 28.6% S&P UBS Leveraged Loan Index<sup>2</sup> / 42.8% of a blended 50% JPM EMB GD and 50% JPM GBI-EM GD over a market cycle. Performance evaluation on a risk-adjusted basis shall consider the diversification impact of Credit Opportunities on the LACERS Total Fund. Returns will be calculated after management fees.

The benchmarks for the various fixed income portfolios may include the following indices:

Core Fixed Income	Bloomberg (BBG) BC Aggregate Bond Index
Intermediate Fixed Income	BBG BC U.S. Govt/Credit Intermediate Bond Index
High Yield Bonds	BBG BC U.S. High Yield 2% Capped Index
Emerging Market Debt	50% J.P. Morgan EMBI Global Diversified Index + 50% J.P. Morgan GBI EM Global Diversified Index
Bank Loans	S&P UBS Leveraged Loans Index

General fixed income guidelines include the following:

**a) Core Fixed Income**

- (1) The total portfolio's average rating will be A or better by Moody's or Standard & Poor's.
- (2) No more than 5% of any single portfolio will be invested in any one issuer, with the exception of U.S. Treasury or Federal Agency issues.
- (3) No more than 20%, in aggregate, invested in non-dollar denominated bonds and non-investment grade bonds are permitted.
- (4) No securities shall be purchased on margin or sold short.

**b) Credit Opportunities**

*High Yield Bonds*

- (1) The total portfolio's average rating will be B or better by Moody's or Standard & Poor's.
- (2) No more than 5% of any single portfolio will be invested in any one issuer, with the exception of U.S. Treasury or Federal Agency issues.
- (3) No more than 20%, in aggregate, invested in non-dollar denominated bonds and investment grade bonds are permitted.
- (4) No securities shall be purchased on margin or sold short.

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<sup>2</sup> Following the acquisition of Credit Suisse by UBS in 2024, the Credit Suisse Leveraged Loan Indices have been rebranded as the S&P UBS Leveraged Loan Indices.

ARTICLE III. BOARD INVESTMENT POLICIES

**Section 1 INVESTMENT POLICY**

*Bank Loans*

- (1) No more than 5% of any single portfolio holding will be invested in any one issuer.
- (2) No more than 40%, in aggregate, invested in securities of non-U.S. issuers.
- (3) No more than 20% of the portfolio invested in loans or bonds that are not first lien secured debt and no more than 10% invested in non-secured debt.
- (4) No more than 30% of the portfolio's holdings in loans or bonds with a Moody's issue rating of Caa1 or lower.
- (5) No securities shall be purchased on margin or sold short.

*Emerging Markets Debt Bonds*

- (1) The total portfolio's average rating will be BBB/Baa or better by Moody's or Standard & Poor's.
- (2) No more than 5% of any single portfolio will be invested in any one issuer, with the exception of U.S. Treasury or Federal Agency issues.
- (3) No more than 30%, in aggregate, invested in out of benchmark securities.
- (4) No more than 10%, in aggregate, invested in U.S. and non-U.S. developed markets bonds
- (5) No securities shall be purchased on margin or sold short.

**C. Private Equity**

This portfolio is expected to provide portfolio diversification and additional return to the System's public markets portfolio. Examples of private equity holdings will include venture capital, leveraged buyouts, and special situations funds. The Private Equity Investment Policy is within Section XI of this document.

**D. Private Credit**

This portfolio is expected to provide portfolio diversification and additional return to the System's portfolio. Examples of private credit holdings include but are not limited to direct lending, specialty finance, distressed debt / special situations, mezzanine, real estate credit, and real assets credit. The Private Credit Investment Policy is within Section X of this document.

**E. Real Assets**

The objective of the asset class is to provide one or more of the following contributions over the long term (i.e., market cycle or longer) to the LACERS total investment program:

1. Real return above inflation of between 3% and 5%;
2. Inflation hedge;
3. Diversification versus LACERS' two main asset classes: equities and bonds; and,
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ARTICLE III. BOARD INVESTMENT POLICIES

Section 4 EMERGING INVESTMENT MANAGER POLICY

- f) Maximum LACERS' Allocation: At the time of hire, funding in the investment strategy shall not exceed 20% of the total strategy AUM at the time of actual funding.
2. Private Market Asset Classes – Private Equity, Private Credit, and Real Assets (not including Real Estate)
- a) Institutional Fund: First-, second-, or third-time institutional fund for a General Partner.
  - b) Maximum Fund Size: A first-time institutional fund for private equity or venture capital may have investor commitments of no more than \$750 million, \$1 billion for a second-time institutional fund, and \$1.25 billion for a third-time institutional fund. A first-time institutional fund for private credit may have investor commitments of no more than \$1 billion, \$1.5 billion for a second-time institutional fund, and \$2.0 billion for a third-time institutional fund.
  - c) Formation Date: The firm, if formed as a result of an organizational spin-out of at least a majority of the key investment team senior-level professionals, must have been in existence for a minimum of six months based on the entity's legal formation documents; otherwise the firm must have been in existence for a minimum of one year based on the entity's legal formation documents.
  - d) Track Record: The firm must have a minimum track record of five years. Any firm with a track record of less than five years may utilize track records established at prior firms when performance can be clearly attributed to the emerging firm's key individuals and/or the specific team associated with the strategy being considered.
  - e) Firm Ownership: No person or entity, other than the principals and/or employees of the firm, shall own more than forty-nine percent (49%) interest of the firm.
  - f) LP Concentration: No Limited Partner can represent more than 30% of the total Fund's committed capital.\*
  - g) Minimum Fund Size: The Fund shall have a minimum fund size of \$100 million in committed capital inclusive of LACERS' pending commitment.\* For a venture capital fund strategy, the Fund shall have a minimum fund size of \$75 million in committed capital inclusive of LACERS' pending commitment.\*
  - h) Maximum LACERS' Commitment: LACERS' commitment in the strategy being considered shall not exceed 10% of the projected final closing fund size or \$30 million, whichever is lower.

*\*Excludes co-investments or sidecar investment vehicles.*

3. Private Market Asset Class – Private Real Estate

- a) Institutional Fund: First-, second-, or third-time institutional fund for a given General Partner.
- b) Maximum Fund Size: The institutional fund may have investor commitments of no more than \$2 billion.

ARTICLE III. BOARD INVESTMENT POLICIES

Section 5 PRIVATE CREDIT INVESTMENT POLICY

**X. PRIVATE CREDIT INVESTMENT POLICY**

**A. Introduction**

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**B. Investment Objectives**

**1. Return**

On a relative basis, the return objective for the LACERS' private credit portfolio ("Private Credit Portfolio") is 200 bps over the S&P UBS Leveraged Loan Total Return Index net of fees, expenses, and carried interest.

Returns are measured over the life of the portfolio and become meaningful for periods past the J-Curve. Performance will be measured using standard industry metrics such as IRR (internal rate of return), TVPI (total value to paid in capital), and MOIC (multiple on invested capital.) Additionally, the IRR performance in the first few years of a partnership's life may be negative due to the J-curve effect.

**2. Risk**

Private Credit investments are generally illiquid and have a long-term holding period. When invested alongside publicly traded assets, the asset class increases diversification and reduces risk at the System level. Nonetheless, LACERS expects that the Private Credit Consultant will take all appropriate measures to assume risks that are sufficiently compensated by expected return. Staff shall review the Private Credit Consultant's evaluation and assessment of risk in the Annual Private Credit Strategic Plan. Such measures include, but are not limited to, diversification (as detailed in Section X.D.3 below) and due diligence.

**C. Scope**

The Private Credit Policy establishes the framework for the management of the Private Credit Portfolio. The Private Credit Consultant shall propose and seek LACERS' approval of new investments subject to Section F of the Private Credit Policy, monitor and advise on the sale of existing Private Credit investments and provide recommendations and program advice in accordance with the Private Credit Policy. The Private Credit Consultant will be evaluated annually as consultant for the Private Credit Portfolio based upon the following factors: portfolio performance; quality of analytical and technical work; expertise in the Private Credit asset class; responsiveness to requests from the LACERS Board of Administration ("Board") and LACERS Investment Staff ("Staff"); availability to attend Board meetings and meetings with Staff with reasonable advance notice; consulting and advising



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



**REPORT TO BOARD OF ADMINISTRATION**  
**From: Todd Bouey, Interim General Manager**

**MEETING: MAY 13, 2025**  
**ITEM: VI – C**

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**SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN LBA LOGISTICS  
VALUE FUND X, L.P.**

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

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**Recommendation**

That the Board receive and file this notice of commitment of up to \$50 million in LBA Logistics Value Fund X, L.P.

**Discussion**

On March 23, 2025, the Board, in closed session pursuant to Government Code Section 54956.81, approved a commitment of up to \$50 million in the following private real estate fund: LBA Logistics Value Fund X, L.P. The investment closed on April 30, 2025. Board vote: Ayes 7 (Commissioners Thuy Huynh, Elizabeth Lee, Gaylord "Rusty" Roten, Sung Won Sohn, Michael R. Wilkinson, Vice President Janna Sidley, and President Annie Chao); and Nays, none.

Prepared By: Jessica Chumak, Investment Officer I, Investment Division

TB/RJ/WL/EC/JC:jp