



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



## *Board of Administration Agenda*

### **REGULAR MEETING**

**TUESDAY, JUNE 8, 2021**

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

### **MEETING LOCATION:**

In conformity with the Governor's Executive Order N-29-20 (March 17, 2020) and due to the concerns over COVID-19, the LACERS Board of Administration's June 8, 2021, meeting will be conducted via telephone and/or videoconferencing.

**Important Message to the Public**

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

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

**Meeting ID#** 816 4665 2597

***Instructions for call-in participants:***

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

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

**Disclaimer to Participants**

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

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

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

Manager-Secretary: Neil M. Guglielmo

Executive Assistant: Ani Ghokassian

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

**Notice to Paid Representatives**

If you are compensated to monitor, attend, or speak at this meeting, City law may require you to register as a lobbyist and report your activity. See Los Angeles Municipal Code §§ 48.01 *et seq.* More information is available at [ethics.lacity.org/lobbying](http://ethics.lacity.org/lobbying). For assistance, please contact the Ethics Commission at (213) 978-1960 or [ethics.commission@lacity.org](mailto:ethics.commission@lacity.org).

**Request for Services**

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

Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, Telecommunication Relay Services (TRS), or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, five or more business days' notice is strongly recommended. For additional information, please contact: Board of Administration Office at **(213) 855-9348** and/or email at [ani.ghokassian@lacers.org](mailto:ani.ghokassian@lacers.org).

[\*\*CLICK HERE TO ACCESS BOARD REPORTS\*\*](#)

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

AGENDA – THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT - PRESS \*9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD

- II. [APPROVAL OF MINUTES FOR THE REGULAR MEETING OF MAY 11, 2021 AND POSSIBLE BOARD ACTION](#)
- III. BOARD PRESIDENT VERBAL REPORT
- IV. GENERAL MANAGER VERBAL REPORT
  - A. REPORT ON DEPARTMENT OPERATIONS
  - B. UPCOMING AGENDA ITEMS
- V. RECEIVE AND FILE ITEMS
  - A. [MARKETING CESSATION REPORT NOTIFICATION TO THE BOARD](#)
  - B. [BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER](#)
  - C. [COMMISSIONER ELIZABETH LEE EDUCATION EVALUATION ON SACRS ANNUAL SPRING CONFERENCE, VIRTUAL; MAY 11-14, 2021](#)
  - D. [COMMISSIONER ELIZABETH LEE EDUCATION EVALUATION ON PENSIONS & INVESTMENTS' ESG INVESTING, VIRTUAL; MAY 17-20, 2021](#)
  - E. [COMMISSIONER SERRANO EDUCATION EVALUATION ON PENSIONS & INVESTMENTS' ESG INVESTING, VIRTUAL; MAY 17-20, 2021](#)
- VI. BENEFITS ADMINISTRATION
  - A. [FEDERAL LEGISLATION IMPACTING RETIREE INCOME AND POSSIBLE BOARD ACTION](#)
- VII. COMMITTEE REPORT(S)
  - A. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON MAY 25, 2021
  - B. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON JUNE 8, 2021
- VIII. BOARD/DEPARTMENT ADMINISTRATION
  - A. [CAPITAL, OPERATING, AND ADMINISTRATIVE BUDGETS RELATING TO PROPERTY AT 977 NORTH BROADWAY; CONTRACT AWARD TO HAWORTH, INC. FOR FURNITURE AND RELATED SERVICES; AND POSSIBLE BOARD ACTION](#)
  - B. [PROPOSED BOARD RULES FOR VENDOR PAYROLL DEDUCTION AND POSSIBLE BOARD ACTION](#)

- C. [MEMBER INFORMATION RELEASE POLICY AND POSSIBLE BOARD ACTION](#)
- D. [CONSIDERATION OF CYBER LIABILITY INSURANCE POLICY AND POSSIBLE BOARD ACTION](#)
- E. [MID-YEAR BUDGET ADJUSTMENTS FOR FISCAL YEAR 2020-21 AND POSSIBLE BOARD ACTION](#)

IX. INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT
- B. [PRIVATE EQUITY PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING DECEMBER 31, 2020](#)
- C. [PRIVATE REAL ESTATE PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING DECEMBER 31, 2020](#)
- D. [CONTINUED DISCUSSION OF TEMPORARY ASSET ALLOCATION AND REBALANCING POLICIES AND POSSIBLE BOARD ACTION](#)

X. OTHER BUSINESS

- XI. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, June 22, 2021 at 10:00 a.m. at LACERS, 977 N. Broadway, Suite 260, Los Angeles, CA 90012, and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while response to public health concerns relating to the novel coronavirus continue.

XII. ADJOURNMENT

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

In conformity with the Governor's Executive Order N-29-20 (March 17, 2020)  
and due to the concerns over COVID-19, the  
LACERS Board of Administration's  
May 11, 2021, meeting was conducted  
via telephone and/or videoconferencing.

**Agenda of: June 8, 2021**

**Item No: II**

May 11, 2021

10:03 a.m.

---

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

---

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

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – *THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT* – **PRESS \*9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD** – President Ruiz asked if any persons wanted to make a general public comment to which there were three responses. The first speaker was Ruth Perry, member of the public, and stated opposition to Council Motion 21-0295 and in favor of staff's recommendation on this item. The second speaker was Jordan Ash, member of the public, stated concerns over the investing parent company of Sonic. The third speaker included two persons on the call, John Chalker and Luis Maizel, of LM Capital. They both opposed LACERS termination of the contract with LM Capital.

II

APPROVAL OF MINUTES FOR THE REGULAR MEETING OF APRIL 13, 2021 AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval, seconded by Commissioner Wilkinson,

and adopted by the following vote: Ayes, Commissioners Chao, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -6; Abstention, Commissioner Elizabeth Lee -1.

### III

BOARD PRESIDENT VERBAL REPORT – President Ruiz thanked Mr. Ken Chenault for speaking to the Board.

### IV

#### GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:

- Budget Hearings
- Health Plan Administration
- LACERS *Well* Events
- MSC Stats
- Retirement Application Portal
- HQ Items
- Service Disruption on May 5<sup>th</sup>
- Fiduciary Side A Insurance Policy Renewal

President Ruiz recessed Mr. Guglielmo’s verbal report at 10:26 a.m., and took Item VII-B out of order to allow for the special speaker to present.

*Item VII-B taken out of order.*

### VII

B. PRESENTATION BY GENERAL CATALYST REGARDING LEADERSHIP, DIVERSITY AND INCLUSION, AND POST-PANDEMIC OUTLOOK – Rod June, Chief Investment Officer, introduced the guest speaker Ken Chenault, Chairman and Managing Director of General Catalyst and founder and member of OneTen, an organization that combines the power of committee American companies to upskill, hire and promote one million Black Americans over the next 10 years into family-sustaining jobs with opportunities for advancement. Mr. Chenault spoke and discussed issues with the Board for 1 hour and 10 minutes.

President Ruiz asked Mr. Guglielmo to continue his verbal report at 11:37 a.m.

*Continuation of Items IV-A and IV-B.*

### IV

## GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil Guglielmo, General Manager, continued to discuss the following items with the Board:
- Cyber Liability Insurance
  - Member Communications
  - SIP Update
- B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- May 25<sup>th</sup> Board – Final Budget for FY 2021-22 for Adoption by the Board
  - May 25<sup>th</sup> Board – Printing, Mailing, Website, and Graphic Design Services RFP Results
  - June 8<sup>th</sup> Proposed Benefits Administration Committee – 2022 Health Plan Renewal Status Report

V

## RECEIVE AND FILE ITEMS

- A. MARKETING CESSATION REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.
- B. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER – This report was received by the Board and filed.

VI

## BENEFITS ADMINISTRATION

- A. RESPONSE TO COUNCIL MOTION 21-0295; AN ANALYSIS OF HEALTH SAVINGS ACCOUNTS FOR RETIREE HEALTH COVERAGE AND POSSIBLE BOARD ACTION – Commissioner Wilkinson thanked speakers and all those who submitted written comments. Commissioner Serrano moved approval, seconded by Commissioner Sandra Lee, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

VII

## INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$22.18 billion as of May 10, 2021. Mr. June discussed the following items:

- Bryan Fujita, Investment Officer III, provided a report on the total fund rebalancing
  - PRI Report submitted on May 10, 2021
  - Storm Klyve-Underkofler leaving Townsend Group, no replacement has been named
- C. PRESENTATION BY NEPC, LLC REGARDING CONTINUED DISCUSSION OF ASSET ALLOCATION AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, shared with the Board of the replacement of page 4 of the presentation. Carolyn Smith, Partner, and Lynda Dennen Costello, from NEPC presented and discussed this item with the Board for one hour. Commissioner Serrano moved approval of Mix B, seconded by Commissioner Elizabeth Lee, and adopted by the following vote: Ayes, Commissioners, Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, and President Ruiz -6; Nays, Vice President Sohn -1.
- D. INVESTMENT MANAGER CONTRACT WITH NEUBERGER BERMAN INVESTMENT ADVISERS LLC REGARDING THE MANAGEMENT OF AN ACTIVE CORE FIXED INCOME PORTFOLIO AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval of the following Resolution:

**CONTRACT TERMINATION  
NEUBERGER BERMAN INVESTMENT ADVISERS LLC  
ACTIVE CORE FIXED INCOME PORTFOLIO MANAGEMENT**

**RESOLUTION 210511-A**

WHEREAS, LACERS' current contract with Neuberger Berman Investment Advisers LLC (Neuberger Berman) for active core fixed income portfolio management expires on June 30, 2021; and,

WHEREAS, Neuberger Berman rebid for its mandate under the 2019-2021 Core Fixed Income Mandate Search and was among seven finalist firms interviewed by the Investment Committee at special meetings held on December 9 and 10, 2020; and,

WHEREAS, Neuberger Berman was not among the five firms recommended by the Committee to the Board for contract award; and,

WHEREAS, on January 26, 2021, the Board approved the Investment Committee's recommendation to award contracts to Robert W. Baird & Co., Inc. (Baird), Garcia Hamilton & Associates, L.P. (GHA), Income Research & Management (IRM), J.P. Morgan Asset Management (JPMAM), and Loomis, Sayles & Company, L.P. (Loomis Sayles); and,

WHEREAS, on May 11, 2021, the Board approved the staff recommendation to terminate the contract with Neuberger Berman and transition the assets to Loomis, Baird, GHA, IRM and JPMAM.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the termination of the contract with Neuberger Berman and the transition of assets to Loomis, Baird, GHA, IRM and JPMAM.

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

E. INVESTMENT MANAGER CONTRACT WITH LM CAPITAL GROUP, LLC REGARDING THE MANAGEMENT OF AN ACTIVE DOMESTIC FIXED INCOME PORTFOLIO AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, Bryan Fujita, Investment Officer III, and Jeremiah Paras, Investment Officer I, discussed this item with the Board for 10 minutes. After discussion, Commissioner Serrano moved approval of the following Resolution:

**CONTRACT TERMINATION  
LM CAPITAL GROUP, LLC  
ACTIVE DOMESTIC FIXED INCOME PORTFOLIO MANAGEMENT**

**RESOLUTION 210511-B**

WHEREAS, LACERS' current contract with LM Capital Group, LLC (LM Capital) for active domestic fixed income portfolio management expires on February 28, 2023; and,

WHEREAS, LM Capital rebid for its mandate under the 2019-2021 Core Fixed Income Mandate Search, but following an evaluation of proposals, was not among the firms selected as semi-finalists and thus received no further consideration in the search process; and,

WHEREAS, on January 26, 2021, the Board approved the Investment Committee's recommendation to award contracts to Robert W. Baird & Co., Inc. (Baird), Garcia Hamilton & Associates, L.P. (GHA), Income Research & Management (IRM), J.P. Morgan Asset Management (JPMAM), and Loomis, Sayles & Company, L.P. (Loomis Sayles); and,

WHEREAS, on May 11, 2021, the Board approved the staff recommendation to terminate the contract with LM Capital and transition the assets to Loomis, Baird, GHA, IRM and JPMAM.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves the termination of the contract with LM Capital and the transition of assets to Loomis, Baird, GHA, IRM and JPMAM.

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

VIII

OTHER BUSINESS – There was no other business.

IX

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, May 25, 2021, at 10:00 a.m. at LACERS, 977 N. Broadway, Suite 260, Los Angeles, CA 90012, and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while response to public health concerns relating to the novel coronavirus continue.

X



ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 1:03 p.m.

---

Cynthia M. Ruiz  
President

---

Neil M. Guglielmo  
Manager-Secretary



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM

**Agenda of: JUNE 8, 2021**

**Item No: V-A**

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

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

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

Attachments: 1) Contracts Pending Final Execution  
2) Active RFPs and RFQs

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM CONTRACTS LIST  
FOR THE JUNE 8, 2021 BOARD MEETING

**CONTRACTS PENDING FINAL EXECUTION**

NO.	VENDOR / CONSULTANT	DESCRIPTION	EXPIRING CONTRACT		MARKETING CESSATION STATUS	RESTRICTED PERIOD*	
			START	END		START	END
<b>HEALTH BENEFITS ADMINISTRATION</b>							
1.	Anthem 2021	Medical HMO & PPO	1/1/2020	12/31/2020	Board approved on 8/11/2020; contract renewed for 2021, pending finalization.	7/24/2020	6/30/2021
2.	Anthem Blue View Vision 2021	Vision Services Contract	1/1/2020	12/31/2020	Board approved on 8/11/2020; contract renewed for 2021, pending finalization.	7/24/2020	6/30/2021
3.	Delta Dental 2021	Dental PPO and HMO	1/1/2020	12/31/2020	Board approved on 8/11/2020; contract renewed for 2021, pending finalization.	7/24/2020	6/30/2021
4.	Kaiser 2021	Medical HMO	1/1/2020	12/31/2020	Board approved on 8/11/2020; contract renewed for 2021, pending finalization.	7/24/2020	6/30/2021
5.	SCAN 2021	Medical HMO	1/1/2020	12/31/2020	Board approved on 8/11/2020; contract renewed for 2021, pending finalization.	7/24/2020	6/30/2021

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM CONTRACTS LIST  
FOR THE JUNE 8, 2021 BOARD MEETING

**CONTRACTS PENDING FINAL EXECUTION**

NO.	VENDOR / CONSULTANT	DESCRIPTION	EXPIRING CONTRACT		MARKETING CESSATION STATUS	RESTRICTED PERIOD*	
			START	END		START	END
6.	United Healthcare 2021	Medical HMO	1/1/2020	12/31/2020	Board approved on 8/11/2020; contract renewed for 2021, pending finalization.	7/24/2020	6/30/2021
<b>INVESTMENTS</b>							
7.	The Northern Trust Company	Securities Lending Services	8/1/2018	7/31/2021	Board approved contract renewal on 4/27/2021; contract negotiation in progress.	4/8/2021	10/31/2021
8.	The Northern Trust Company	Private Monitor Analytical Services (Core Services)	8/1/2018	7/31/2021	Board approved contract renewal on 4/27/2021; contract negotiation in progress.	4/8/2021	10/31/2021
9.	The Northern Trust Company	Integrated Disbursement Services	8/1/2018	7/31/2021	Board approved contract renewal on 4/27/2021; contract negotiation in progress.	4/8/2021	10/31/2021
10.	The Northern Trust Company	Risk Services	8/1/2018	7/31/2021	Board approved contract renewal on 4/27/2021; contract negotiation in progress.	4/8/2021	10/31/2021

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM CONTRACTS LIST  
FOR THE JUNE 8, 2021 BOARD MEETING

**CONTRACTS PENDING FINAL EXECUTION**

NO.	VENDOR / CONSULTANT	DESCRIPTION	EXPIRING CONTRACT		MARKETING CESSATION STATUS	RESTRICTED PERIOD*	
			START	END		START	END
11.	The Northern Trust Company	Compliance Analyst Service and/or Event Analyst Services	8/1/2018	7/31/2021	Board approved contract renewal on 4/27/2021; contract negotiation in progress.	4/8/2021	10/31/2021
12.	The Northern Trust Company	Master Custody Services	8/1/2018	7/31/2021	Board approved contract renewal on 4/27/2021; contract negotiation in progress.	4/8/2021	10/31/2021

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

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

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
 CONTRACTS LIST FOR THE JUNE 8, 2021 BOARD MEETING

## ACTIVE RFPs AND RFQs

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES	
<b>CITY ATTORNEY</b>			
1	Outside Investment & Real Estate Counsel	<b>RFP Release Date:</b> February 1, 2021 <b>Submission Deadline:</b> February 22, 2021 <b>Status:</b> Finalists presented to the Board on May 25, 2021.  In progress. <b>List of Respondents:</b> Ice Miller LLP, Polsinelli LLP, Nossaman LLP, Kutak Rock LLP, K&L Gates LLP	
<b>INTERNAL AUDIT</b>			
2	On-Call Professional Consultants in the Audit Service Category	<b>RFP Release Date:</b> May 27, 2021 <b>Submission Deadline:</b> June 24, 2021 <b>Status:</b> In progress. <b>List of Respondents:</b>	

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
CONTRACTS LIST FOR THE JUNE 8, 2021 BOARD MEETING

## ACTIVE RFPs AND RFQs

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES	
<b>INVESTMENTS</b>			
3	Core Fixed Income Mandate Search	<b>RFP Release Date:</b>	August 19, 2019
		<b>Submission Deadline:</b>	October 4, 2019
		<b>Status:</b>	On January 26, 2021, the Board awarded contracts to: Robert W. Baird & Co., Inc., Garcia Hamilton & Associates, L.P., Income Research & Management, J.P. Morgan Asset Management, and Loomis, Sayles & Company, L.P.
			Negotiations in progress.
		<b>List of Respondents:</b>	Amundi Pioneer Institutional Asset Management, Inc., Baird Advisors, BlackRock, Inc., BMO Global Asset Management, Brown Brothers Harriman & Co., C.S. McKee, L. P., Calvert Research and Management (Calvert or CRM), Conning, Dimensional Fund Advisors LP, Dodge & Cox, EARNEST Partners, LLC, FIAM LLC, Galliard Capital Management, Garcia Hamilton & Associates, L.P., Goldman Sachs Asset Management L.P., Guggenheim Partners Investment Management, LLC, Income Research & Management, Integrity Fixed Income, Management, LLC, Invesco Advisers, Inc., J.P. Morgan Asset Management, Jennison Associates LLC, Lazard Asset Management LLC, LM Capital Group, LLC, Longfellow Investment Management Co., LLC, Loomis, Sayles & Company, L.P, Manulife Investment Management, MFS Institutional Advisors, Inc., Morgan Stanley Investment Management, National Investment Services, Neuberger Berman, Nuveen, LLC, Payden & Rygel, PGIM Fixed Income, Piedmont Investment Advisors, Inc., PIMCO, Princeton Asset Management, LLC, Progress Investment Management Company, LLC, Pugh Capital Management, Inc., Quadratic Capital Management LLC, Ramirez Asset Management, Schroder Investment Management North America Inc., Securian Asset Management, Inc., Segall Bryant & Hamill, Sit Investment Associates, Inc. (Sit), SLC Management, Smith Graham & Co., Investment Advisors, L.P., Sterling Capital Management LLC, T. Rowe Price Associates, Inc., TCW Group, Inc., The Capital Group Companies, Inc., Voya Investment Management (Voya IM), Wellington Management Company LLP, Wells Fargo Asset Management, Western Asset Management Company, LLC

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
CONTRACTS LIST FOR THE JUNE 8, 2021 BOARD MEETING

## ACTIVE RFPs AND RFQs

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
<b>INVESTMENTS</b>		
4	Private Credit Mandate Search	<p><b>RFP Release Date:</b> December 10, 2018</p> <p><b>Submission Deadline:</b> January 18, 2019</p> <p><b>Status:</b> On July 23, 2019, the Board awarded contracts to Alcentra Limited, Benefit Street Partners L.L.C., Crescent Capital Group LP, and Monroe Capital LLC.</p> <p>On May 26, 2020, the Board rescinded the contract award to Alcentra Limited.</p> <p>Negotiations in progress.</p> <p><b>List of Respondents:</b> Alcentra Limited, Barings LLC, MB Global Partners, LLC, Backcast Partners Management LLC, BlackRock, Inc., CLSA Capital Partners (HK) Limited, Cross Ocean Adviser LLP, Clearwater Capital Partners (Fiera Capital Corporation), Guggenheim Partners, LLC, Goldman Sachs Asset Management, L.P., Pemberton Capital Advisors LLP, Kayne Anderson Capital Advisors, L.P., Maranon Capital, L.P., Bain Capital Credit, LP, Breakwater Management LP, Carlyle Global Credit Investment Management L.L.C., Crescent Capital Group LP, MV Credit Partners LLP, New Mountain Capital, LLC, Park Square Capital USA LLC, Tor Investment Management (Hong Kong) Limited, AlbaCore Capital LLP, Muzinich &amp; Co., Inc., Kartesia Management S.A., Medalist Partners, LP, NXT Capital Investment Advisers, LLC, Owl Rock Capital Partners, PennantPark Investment Advisers, PIMCO Investments LLC, Deerpath Capital Management, LP, Brightwood Capital Advisors, Magnetar Capital LLC, MC Credit Partners LP, Oaktree Capital Management, L.P., THL Credit Advisors LLC, White Oak Global Advisors, LLC, Benefit Street Partners L.L.C., EntrustPermal / Blue Ocean GP LLC, Willow Tree Credit Partners LP, Monroe Capital LLC, Runway Growth Capital LLC, Stellus Capital Management, LLC</p>
<b>MEMBER SERVICES</b>		
5	Printing, Mailing, and Graphic Design	<p><b>RFP Release Date:</b> March 10, 2021</p> <p><b>Submission Deadline:</b> April 14, 2021</p> <p><b>Status:</b> On May 25, 2021, the Board awarded contracts to California Marketing, KES Mail, Inc., Traffik, and Sapphire Business Solutions.</p> <p>Negotiations in progress.</p> <p><b>List of Respondents:</b> Ascend Printing, California Marketing Inc, Chad O'L Public Relations &amp; Events, Citizen Group, K&amp;H Integrated Print Solutions, KES Mail, Pacific Document Solutions, We the Creative, 11 24 Advertising, Harman Press, Imagine That Design Studio, Olive and Spark, Sapphire Business Solutions, The Squalls Design, Traffik, We Are Giants</p>



LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
 CONTRACTS LIST FOR THE JUNE 8, 2021 BOARD MEETING

## ACTIVE RFPs AND RFQs

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
<b>RETIREMENT SERVICES</b>		
6	Investigative Services	<b>RFP Release Date:</b> April 20, 2021 <b>Submission Deadline:</b> May 28, 2021 <b>Status:</b> In progress. <b>List of Respondents:</b>

---

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

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

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

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM V-B

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

SERVICE RETIREMENTS

<u>Member Name</u>	<u>Service</u>	<u>Department</u>	<u>Classification</u>
Duran, Norberto	46	Dept. of Rec. & Parks	Gardener Caretaker
Israel, Vicki D	46	Dept. of Rec. & Parks	Asst Gm Rec & Parks
Mclaurin, Doris E	46	PW - Engineering	Reprographics Operator
Jeffries, Dan F	42	City Attorney's Office	Asst City Attorney
Lopez, Maria E	40	Personnel Dept.	Sr Administrative Clerk
Sandoval, Rosie M	40	Dept. of Transportation	Administrative Clerk
Summers, Rebecca F	40	Dept. of Animal Svcs.	Animal Care Tech
Davis, Debra J	40	Dept. of Animal Svcs.	Administrative Clerk
Rugamas, Ronald	40	Dept. of Rec. & Parks	Sr Gardener
Gharibian, Mary	40	Cultural Affairs	Administrative Clerk
Juarez, Nancy M	40	Police Dept. - Civilian	Administrative Clerk
Thompson, Gregory A	40	PW - Engineering	Administrative Clerk
Pardo, George	39	PW - St. Tree Div.	Tree Surgeon Supvsr
Cohen, Steven	28	Dept. of Rec. & Parks	Light Equip Operator
Hames, Mike E	37	PW - Contract Administration	Sr Constr Inspector
Valenzuela, Albert F	37	Dept. of Rec. & Parks	Gardener Caretaker
Luc, Lac	37	Dept. of Rec. & Parks	Gardener Caretaker
Romero, Herbert Edgardo	37	Dept. of Transportation	Maintenance Laborer
Cruz, Danny D	37	GSD - Bldg. Svcs.	Maint & Constr Helper
Edwards, Rhonda R	37	ITA	Administrative Clerk
Lo Vullo, Tom	37	Zoo Dept.	Constr & Maint Supv
Farzan, Shahram	37	PW - Engineering	Bld Mech Engr
Figueroa, Rafael A	37	Dept. of Rec. & Parks	Maint & Constr Helper
Serrano, Cindy Sue	37	Office of Finance	Pr Tax Compliance Ofcr
Terrazas, Gordon C	36	Dept. of Rec. & Parks	Gardener Caretaker
Garcia, Richard	36	Dept. of Transportation	Traf Officer
Alamillo, Pascual	36	Dept. of Rec. & Parks	Light Equip Operator
Garcia, Irene A	36	Police Dept. - Civilian	Administrative Clerk
Romo, Gloria A	36	PW - Engineering	Administrative Clerk
Dorsey, Vaughn Anthony	36	Dept. of Transportation	Traf Officer
Simpson, Angelia L	36	Dept. of Airports	Secretary
Fields, Thomas Eugene	36	LA Convention	Asst Gm Convention Ctr
Gordo, Maria Eugenia	36	Dept. of Animal Svcs.	Exec Admin Asst
Venegas, Adrian	36	Dept. of Rec. & Parks	Irrigation Specialist
Aquino, Remedios R	36	Dept. of Airports	Info System Mgr
Samana, John C	35	Dept. of Rec. & Parks	Light Equip Operator

Williams, Isaac T	35	Dept. of Rec. & Parks	Sr Gardener
Marquez, Evaristo H	35	Dept. of Rec. & Parks	Gardener Caretaker
Bass, Brian Joseph	35	Dept. of Transportation	Sr Mgmt Analyst
Padgett, Timmy L	35	PW - Sanitation	Sanitation Wstwater Mgr
Ramos, Eduardo L	35	Dept. of Rec. & Parks	Gardener Caretaker
Henderson, Phyllis F	35	City Attorney's Office	Deputy City Atty
Palomo, Julio Cesar	35	Police Dept. - Civilian	Security Officer
Guzman, Gilbert	34	PW - St. Tree Div.	Tree Surgeon Asst
Garcia, Elvia Dinorah	34	PW - Methods and Stds	Sr Systems Analyst
Castillo, John	34	Dept. of Transportation	Traf Officer
Reaux, Kevin	34	GSD - Materials Mgmt.	Truck Operator
Escobar, Ishmael A	34	PW - Engineering	Civil Engrg Draft Tech
Perez, Manuel A	34	PW - Special Proj	Truck Operator
Wallace, Alphonso	34	Office of the City Clerk	Warehouse & T/R Wkr
Prince, Darryl Carnel	34	Dept. of Transportation	Traf Officer
Torres, Sandra Samaniego	34	Dept. of Transportation	Traf Officer
Sobalvarro, Ivania	34	Council	Asst Ch Legis Analyst
Tellechea, Georgina	33	Dept. of Transportation	Traf Officer
Taras, John Michael	33	Police Dept. - Civilian	Garage Attendant
Dominguez, Edward E	33	GSD - Bldg. Fac Mgmt.	Custodian
Rivera, Frances J	33	Dept. of Transportation	Traf Officer
Salangron, Daryl P	33	Dept. of Transportation	Traf Officer
Galandeynes, Gladys Labog	33	PW - St. Maint.	Payroll Supervisor
Wilson, William Robert	33	GSD - Bldg. Fac Mgmt.	Sr Custodian
Gutierrez, Robert A	33	Dept. of Transportation	Traf Officer
Glover, Melvin	33	PW - Sanitation	Ref Coll Truck Oper
Freedman, Allan D	33	GSD - Materials Mgmt.	Truck Operator
Moore, Lawrence E	33	Police Dept. - Civilian	Security Officer
Orona, Henry	33	GSD - Materials Mgmt.	Warehouse & T/R Wkr
Chacon, Fernando	32	Dept. of Rec. & Parks	Sr Gardener
Amer, Les A	32	PW - Street Maint. - Admin.	Accounting Clerk
Martin, Michelle D	32	Police Dept. - Civilian	Administrative Clerk
Drumgold, Durrell Wayne	32	Dept. of Transportation	Traf Officer
Ward, Tyler J	32	Dept. of Transportation	Traf Officer
Mattis, Arnold A	32	Dept. of Rec. & Parks	Gardener Caretaker
Cajucom, Araceli	32	Dept. of Animal Svcs.	Administrative Clerk
Tran, Tri N	32	PW - Sanitation	Ch Env Comp Inspector
Martinez, Frank M	32	PW - Street Use	St Svc Investigator
Arias, Jose E	32	Dept. of Rec. & Parks	Gardener Caretaker
Laita, Edgar	32	PW - Sanitation	W/Wtr Trmt Mech
Polar, Warren Benard	32	Livability Services Division	Ref Coll Truck Oper
Rodriguez, Henry	32	Dept. of Transportation	Traf Officer
Coleman, Sharon Renee	32	Dept. of Transportation	Traf Officer
Cole, Cynthia	32	Dept. of Transportation	Traf Officer
Magana, Yolanda E	32	Dept. of Transportation	Traf Officer

Haskett, Claudia L	32	PW - Engineering	Envrmtl Engineer
Toliver, Ben	32	PW - St. Maint.	Truck Operator
Juarez, Rebeca	32	Dept. of Rec. & Parks	Gardener Caretaker
Espinoza, Eliseo	32	Dept. of Rec. & Parks	Sr Gardener
Morimoto, Randall K	32	Dept. of Bldg. & Safety	Systems Programmer
Chico, Catherine D	31	Dept. of Animal Svcs.	Sr Mgmt Analyst
Smith, Ezett Annett	31	Police Dept. - Civilian	Sr Police Serv Rep
Canamaso, Policarpio	31	Dept. of Transportation	Traf Officer
Johnson, Curtis D	31	Dept. of Transportation	Traf Officer
Pimentel, Anita	31	GSD - Printing Revolving	Bindery Worker
Tso, Harry	31	PW - Engineering	Reprographics Operator
Gomez, Celia A	31	Dept. of Rec. & Parks	Child Care Associate
Gonzalez, Paul	31	GSD - Materials Mgmt.	Warehouse & T/R Wkr
Thomas, Nancy J	31	Zoo Dept.	Animal Keeper
Tabirara, Christina L	31	Dept. of Bldg. & Safety	Pr Accountant
Tadayon, Hamid Reza	31	PW - Sanitation	Envrmtl Engrg Assc
Montgomery, Kenneth R	31	PW - Engineering	Reprographics Operator
Frye, Roland Thomas	31	Dept. of Rec. & Parks	Sr Gardener
Valenzuela, Estela	31	Office of Finance	Finance Clerk
Longoria, Andrew C	31	Dept. of Bldg. & Safety	Ch Inspector
Pinkney, David E	31	PW - Solid Resource	Ref Coll Truck Oper
Williams, Debra	31	GSD - Bldg. Fac Mgmt.	Custodian
Gonzalez, Jorge Antonio	31	Dept. of Transportation	Traf Officer
Carvajal, Reinaldo	31	Dept. of Rec. & Parks	Sr Gardener
Macaraeg, Placido R	31	Dept. of Rec. & Parks	Sr Mgmt Analyst
Vilaubi, Robert	31	Fire Dept. - Civilian	Truck Operator
Alvarado, Victor M	31	GSD - Bldg. Svcs.	Roofer
Farr, Michael Cameron	31	PW - Resurf & Reconstr	Truck Operator
Herda, Ingrid Vivianne	31	Personnel Dept.	Sr Personnel Analyst
Hernandez, Debra A	31	PW - Street Maint.	Warehouse & T/R Wkr
Garcia, Daniel	30	Police Dept. - Civilian	Security Officer
Cortina, Ivan	30	PW - St. Tree Div.	Light Equip Operator
Mcewing, Curtis	30	PW - Solid Resource	Ref Coll Truck Oper
Page, Tracy Cheri	30	Police Dept. - Civilian	Sr Police Serv Rep
Chavez, Joni E	30	Fire & Police Pensions	Secretary
Mumar, Violaine	30	PW - Engineering	Sr Administrative Clerk
Flores, Alfonso Juarez	30	PW - St. Tree Div.	Light Equip Operator
Thomas, Alfred	30	Dept. of Airports	Electrician
Naval, Ramon K	30	Police Dept. - Civilian	Garage Attendant
Robles, Eliseo	30	Dept. of Rec. & Parks	Gardener Caretaker
Vasquez, Ralph	30	Police Dept. - Civilian	Garage Attendant
Lee, Michael James	30	Dept. of Animal Svcs.	Administrative Clerk
Corona, Gloria Leticia	30	Police Dept. - Civilian	Police Service Rep
Gomez, Gregorio T	30	Dept. of Rec. & Parks	Gardener Caretaker
Menjivar, Jose N	30	Dept. of Rec. & Parks	Light Equip Operator

Dulin, Arthur	29	GSD - Bldg. Fac Mgmt.	Custodian
Cano, Juan M	29	Dept. of Rec. & Parks	Gardener Caretaker
Mcphey, Laverne Verona	29	GSD - Bldg. Fac Mgmt.	Custodian Supervisor
Reese, Julianne	29	Zoo Dept.	Animal Keeper
Marion, Patricia Jean	29	Library Dept.	Administrative Clerk
Hartnett, Lawrence D	28	Dept. of Airports	Dir Of Mtce Airports
Nelson, Albert L	28	Police Dept. - Civilian	Police Service Rep
Gonzales, Rudy A	28	Dept. of Rec. & Parks	Gardener Caretaker
Rodriguez, Raul	28	Dept. of Airports	Airport Police Ofcr
Richman, Sally Kratz	28	LA Housing Dept.	Sr Hsg Plng/Econ Anlyst
Burrell, Peter	28	Dept. of Rec. & Parks	Gardener Caretaker
Hernandez, Robert	28	Police Dept. - Civilian	Administrative Clerk
Trujillo, Ramon	27	Dept. of Rec. & Parks	Gardener Caretaker
Espinoza, Antonio L	27	Dept. of Rec. & Parks	Gardener Caretaker
Rodriguez, Ida	27	Zoo Dept.	Administrative Clerk
Mack, Marilyn Kaye	27	Police Dept. - Civilian	Administrative Clerk
Khimani, Amin	26	Dept. of Rec. & Parks	Park Services Att
Marshall, Michael A	26	Dept. of Rec. & Parks	Gardener Caretaker
Lopez, Sandra	26	ITA	Management Analyst
Mendoza, Hugo Moreno	26	Police Dept. - Civilian	Sr Police Serv Rep
Comorre, Dan F	25	PW - Engineering	Sr Civil Engineer
Panagiotidis, Cynthia M	25	Personnel Dept.	Sr Personnel Analyst
Viduya, Renato A	25	Police Dept. - Civilian	Photographer
Arreguin, Carmen Rodriguez	25	Police Dept. - Civilian	Administrative Clerk
Melchor, Robb S	25	Dept. of Animal Svcs.	Administrative Clerk
Denning, Thomas F	25	Dept. of Rec. & Parks	Sr Gardener
Georgeson, Helen Fay	25	Personnel Dept.	Personnel Analyst
Agripino Camarillo, Eduardo	25	GSD - Bldg. Fac Mgmt.	Custodian
Hill, Gregory R	25	Police Dept. - Civilian	Administrative Clerk
Flores, Anastacio Eusebio	24	GSD - Bldg. Fac Mgmt.	Custodian
Reyes, Alberto G	24	Dept. of Transportation	Traf Officer
Denton, George B	24	Dept. of Rec. & Parks	Gardener Caretaker
Onyekwe, Clifford J	24	Dept. of Transportation	Traf Officer
Easley, Cynthea E	24	Dept. of Animal Svcs.	Animal Control Ofcr
Johnson Bey, Robert M	24	Dept. of Rec. & Parks	Sr Gardener
Williams, Isaac Bernard	23	Dept. of Transportation	Traf Officer
Kovacevich, Candise S	23	City Attorney's Office	Legal Clerk
Savannah, Bobby	23	PW - Street Maint.	St Svcs Worker
Campos, Juventino	23	GSD - Bldg. Fac Mgmt.	Custodian
Rivas Dardon, Elizabeth	23	GSD - Bldg. Fac Mgmt.	Custodian
Jeciel, Leonardo Federico	23	Dept. of Transportation	Traf Officer
Salazar, Maria E	23	GSD - Bldg. Fac Mgmt.	Custodian
Beard, Ceola	23	GSD - Bldg. Fac Mgmt.	Custodian
Lazar, Linda M	22	Police Dept. - Civilian	Administrative Clerk
Perez, Ernesto	22	Dept. of Transportation	Traf Officer

Jones, Cheryl	22	Dept. of Transportation	Administrative Clerk
Cox, Flemmon L	22	PW - Street Maint.	Truck Operator
Jones, Paul R	22	PW - Street Maint.	Truck Operator
Fernandez, Hector	22	Police Dept. - Civilian	Sr Security Officer
Paran, Divina Asiddao	22	Police Dept. - Civilian	Administrative Clerk
Okuda, Reginald K	22	Dept. of Rec. & Parks	Sr Gardener
Orduno, David	21	Dept. of Rec. & Parks	Light Equip Operator
Saenz, Rose Susan	21	Dept. of Rec. & Parks	Sr Gardener
Mayes, Alma C	21	GSD - Bldg. Fac Mgmt.	Custodian Supervisor
Jones, Janica	21	Zoo Dept.	Gardener Caretaker
Chaw, Sophia	21	Police Dept. - Civilian	Administrative Clerk
Delaney, Lance M	21	Dept. of Rec. & Parks	Sr Gardener
Godhigh, Edward	21	GSD - Materials Mgmt.	Warehouse & T/R Wkr
Galang, Emmanuel Cangrejo	21	Dept. of Transportation	Traf Officer
Jay, Terry	21	EWDD	Sr Mgmt Analyst
Garcia, Preciliano	21	Dept. of Rec. & Parks	Gardener Caretaker
Llarena, Jim Herrera	21	Dept. of Rec. & Parks	Gardener Caretaker
Palguta, Stephen	21	Dept. of Rec. & Parks	Light Equip Operator
Weeks, Patricia A	21	Dept. of Rec. & Parks	Gardener Caretaker
Casado, Louis R	21	Police Dept. - Civilian	Security Officer
Hardison, Vickie E	21	PW - St. Tree Div.	Gardener Caretaker
Peralta, Cheryl Anne	21	Police Dept. - Civilian	Administrative Clerk
Tatum, Cecelia Estelle	20	Police Dept. - Civilian	Administrative Clerk
Madrigal, Jose	20	Dept. of Rec. & Parks	Cook
Parker, James	20	GSD - Bldg. Fac Mgmt.	Custodian
Shack, Gary R	20	GSD - Bldg. Fac Mgmt.	Custodian
Dela Cruz, Edmundo R	20	Dept. of Transportation	Traf Officer
Ericson, Mario A	20	PW - Street Maint.	Maint & Constr Helper
Partida, Sergio	20	PW - Resurf & Reconstr	Maint & Constr Helper
Jenkins, Terry D	19	Police Dept. - Civilian	Administrative Clerk
Alabash, Teshale Berihun	19	Police Dept. - Civilian	Security Officer
Mittleider, Karon	19	Dept. of Rec. & Parks	Sr Administrative Clerk
Bernal, Ernest	19	GSD - Mail/Messenger Svcs.	Delivery Driver
Meyi, Phyllis Maria Rene	19	PW - Street Maint.	St Svcs Worker
Howell, Catherine A	19	Dept. of Animal Svcs.	Animal Care Tech
Lopez, Richard R	19	Dept. of Rec. & Parks	Gardener Caretaker
Davis, Thomas Patrick	19	Dept. of Transportation	Electrc Craft Helper
Barragan, Santos	19	GSD - Bldg. Fac Mgmt.	Custodian
Matterer, Matthew D	19	Dept. of Rec. & Parks	Golf Starter
Gunn, Stanley Earl	19	Dept. of Transportation	Traf Officer
Reyes, Roberto G	19	Dept. of Transportation	Traf Officer
Anderson, Gary Thomas	19	Dept. of Rec. & Parks	Golf Starter
Wysinger, Howard G	18	Police Dept. - Civilian	Security Officer
Johnson, Ronald Francis	18	Police Dept. - Civilian	Sr Administrative Clerk
Schoenbaum, Janette Marie	18	Dept. of Airports	Airport Police Ofcr

Lacour, Tyrone L	17	Dept. of Airports	Custodian Airport
Woodson, Albert L	17	PW - Street Maint.	St Svcs Worker
Young, Dorothy	17	Dept. of Rec. & Parks	Gardener Caretaker
Saenz, Richard M	17	PW - St. Lighting	Electrcl Craft Helper
Tyus, Robin	17	Dept. of Rec. & Parks	Gardener Caretaker
Roque, Roque	17	Dept. of Rec. & Parks	Patrol Lifeguard
Banks, Verneice	16	Dept. of Rec. & Parks	Gardener Caretaker
Jimenez, Cruz	16	PW - Resurf & Reconstr	Maintenance Laborer
Castro, Jose A	16	GSD - Bldg. Fac Mgmt.	Custodian
Schoenbaum, Lance I	16	Dept. of Airports	Airport Police Sgt
Hisserich, Helmi Ann	16	LA Housing Dpt.	Dir Of Housing
Sotomayor, Tami Jo	16	Police Dept. - Civilian	Sr Administrative Clerk
Martinez, Maria G	16	Dept. of Animal Svcs.	Animal Care Tech
Neilan, Joseph Patrick	15	PW - Engineering	Land Surveying Asst
Palma, Jose J	15	Dept. of Rec. & Parks	Gardener Caretaker
Ortiz, Rosalina	15	Dept. of Rec. & Parks	Gardener Caretaker
Gomez, Angelica	15	Office of the CAO	Risk Manager
Anderson, Vincent J	15	Police Dept. - Civilian	Supvsg Criminalist
Carter, Stephen P	15	GSD - Fleet Services	Garage Attendant
Chamberlain, Deborah Lena	15	Police Dept. - Civilian	Sr Administrative Clerk
Moreno, Salvador	15	GSD - Bldg. Fac Mgmt.	Custodian
Fisher, Michael	15	Police Dept. - Civilian	Maintenance Laborer
Ramos, Robert James	15	Dept. of Rec. & Parks	Gardener Caretaker
Rivera, Walter Cornejo	15	Dept. of Rec. & Parks	Light Equip Operator
Lopez, Carlos	15	GSD - Bldg. Fac Mgmt.	Sr Custodian
Horn, Lindoria R	15	Dept. of Rec. & Parks	Gardener Caretaker
Ortiz, Andrew R	14	Dept. of Rec. & Parks	Gardener Caretaker
Cruz, Tessie P	14	Personnel Dept.	Sr Administrative Clerk
Rangel, Robert	14	Personnel Dept.	Background Investgr
Gonzalez, Irma	14	Personnel Dept.	Administrative Clerk
Wilson, Eduardo Arturo	14	Police Dept. - Civilian	Security Officer
Walker, Katherine	14	Police Dept. - Civilian	Security Officer
Martin, Diane E	14	Police Dept. - Civilian	Sr Detention Officer
Buising, Erlinda Laurente	14	Office of Finance	Treasury Accountant
Petillo, Jeffery C	14	PW - Sanitation	W/Wtr Coll Worker
Keeling, Eldon Dwight	13	GSD - Bldg. Fac Mgmt.	Custodian
Gutierrez, Christina	12	Dept. of Rec. & Parks	Gardener Caretaker
Murillo, Angel M	12	Dept. of Rec. & Parks	Painter
Loo, Pauline Chien C	11	ITA	Accounting Clerk
Pereyra, Alicia Reyes	11	Dept. of Rec. & Parks	Administrative Clerk
Smith, Gabrielle E Mc Clure	11	Library Dept.	Librarian
Gomez, Patricia	11	Cultural Affairs	Arts Manager
Urena, Betty Alicia	10	GSD - As Needed	Administrative Clerk
Mcnicholas, Monina Alvarez	10	Dept. of Airports	Sr Mgmt Analyst
Alarcon, Nilda L	8	Dept. of Airports	Airport Guide

Knotts, Charles E	7	Dept. of Bldg. & Safety	Safety Engr Elevators
Lopez, Imelda	7	Dept. of Rec. & Parks	Recreation Asst
Hadnot, Stephanie	6	Dept. of Rec. & Parks	Special Prog Asst
Arriola, Julio	5	Police Dept. - Civilian	Security Officer
Jenkins, Carondelette D	5	Dept. of Airports	Special Ofcr
Bellin, Laura E	5	Library Dept.	Admin Clerk
Gantt, Joseph Napoleon	3	PW - Sanitation	W/Wtr Coll Worker



BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM V-B

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

Approved Death Benefit Payments

Deceased

TIER 1

Retired

Beneficiary/Payee

Albrecht, Robert C

Anne Margaret Henry for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Anderson, Audrey R

Autry Anderson Jones for the payment of the  
Burial Allowance

Ester Mae Anderson for the payment of the  
Accrued But Unpaid Service Retirement Allowance

Antoine, Norbert P

Barbara J Antoine for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Bakey, Frances P

Elizabeth M Bakey for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Beaver, Cleophus

Doris J Beaver for the payment of the  
Accrued But Unpaid Disability Retirement Allowance  
Burial Allowance

Benitez, Martha E	Elora D Lewis for the payment of the Accrued But Unpaid Continuance Allowance
Birl, Lawrence	Vernita L Russell for the payment of the Burial Allowance
Borrego, Joseph	Sharon L Stenen for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Boxley, Clarence C	Cheryl Ann Ibarra for the payment of the Accrued But Unpaid Continuance Allowance  Christine Joyce Gambino for the payment of the Accrued But Unpaid Continuance Allowance  Curtis Michael Boxley for the payment of the Accrued But Unpaid Continuance Allowance  Mary Ferrara for the payment of the Accrued But Unpaid Continuance Allowance  Patricia Kupfer for the payment of the Accrued But Unpaid Continuance Allowance
Caprio, Nita J	Emily Marcine Caprio for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Coleman, Jerry L	Margaret A Coleman for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Davidson, Richard W                      Mary J Davidson for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Davison, Claude                              Nellie Davison for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Dawson, Jane G                                Bruce Swanhuysen for the payment of the  
Accrued But Unpaid Service Retirement Allowance

De Vera, Ruby Baxter                        Andres M De Vera for the payment of the  
Burial Allowance

Dorsey, Charles D                             Cardia Thomas for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Doty, James Edward                         Kathleen Ann Doty for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Douglas, Fred T                                Janet Lynne Douglas for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Espinoza, Antonio                             Maria Espinoza for the payment of the  
Accrued But Unpaid Disability Retirement Allowance  
Burial Allowance

Espy, Darrell Ray                      Vannessa L Espy for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Fernandez, Nemesio                      Anita V Fernandez for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Finsten, Maurice L                      Dennis G Finsten for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Flake, Anthony R                      Briana James for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Yumiesha Flake for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Fletcher, Thomas H                      Kim L Fletcher for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance  
Unused Contributions

Fox, Jean E.                      Susan Kerry Fox for the payment of the  
Accrued But Unpaid Continuance Allowance

Frilot, Joseph Calvin                      Joy E Miller-Frilot for the payment of the  
Accrued But Unpaid Vested Retirement Allowance  
Burial Allowance

Garcia, Antonio V	Antonio C. Garcia for the payment of the Accrued But Unpaid Service Retirement Allowance Unused Contributions
	Guillermina C. Garcia for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
	Jose Luis C. Garcia for the payment of the Accrued But Unpaid Service Retirement Allowance Unused Contributions
	Silvia Garcia for the payment of the Accrued But Unpaid Service Retirement Allowance Unused Contributions
Garcia, Raymond M	Russell M Garcia for the payment of the Burial Allowance
Garcia, Soledad	Marco Antonio Garcia for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Garland, Richard A	Kenneth Garland for the payment of the Burial Allowance
Gerrity, Janice M.	Cindy Gerrity for the payment of the Accrued But Unpaid Continuance Allowance
Gibson, Ernest Lorenzo	Roxane Simone Gibson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Gladney, Judge S                      Arlene E Evans for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Gomez, John A                            Angela C Gomez for the payment of the  
Accrued But Unpaid Vested Retirement Allowance  
Burial Allowance

Guillory, Mary L                        Herman Guillory for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Haley, Ruthie L                         Joyce M Mckenzie for the payment of the  
Accrued But Unpaid Disability Retirement Allowance  
Burial Allowance

Hall, Laurretta                         Edrina M Hall-Mahone for the payment of the  
Accrued But Unpaid Continuance Allowance

Hannah, Clifford Nahalea            Judith J Hannah for the payment of the  
Accrued But Unpaid Disability Retirement Allowance  
Burial Allowance

Hanson, Rosemary                      Christy Lee Cooper for the payment of the  
Accrued But Unpaid Continuance Allowance

Hardy, Willie E                         Jennafer J. Hardy for the payment of the  
Accrued But Unpaid Continuance Allowance

Harmon, Jean M	Dennis Jack Harmon for the payment of the Accrued But Unpaid Continuance Allowance
Harrill, Marcia J	Christine Fay Hall for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Harvey, Jane Erminia	Anthony Joseph Busone for the payment of the Accrued But Unpaid Continuance Allowance
Hills, Beverly E	Donald Raymond Bird for the payment of the DRO Lump Sum
Hills, Drena T	Joshua David Hills for the payment of the Burial Allowance
Hoffman, Joan M	Daniel Hoffman for the payment of the Accrued But Unpaid Service Retirement Allowance Accrued But Unpaid Survivorship (Retirement) Allowance
Hooker, Levertis B	Patrick E Hooker for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Isbell, Norman P	Brady B Isbell for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance  Joni L Isbell for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Jungles, Marguerite J	Susan Tucker for the payment of the Accrued But Unpaid Continuation Allowance
Kajiwara, Jo Ann	Lance Jordan Cartney for the payment of the Accrued But Unpaid Continuation Allowance  Laurie Ann Kajiwara for the payment of the Accrued But Unpaid Continuation Allowance
Kohn, Lenora	Leo Kohn for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Kruzic, Paula	Andrew P Kruzic for the payment of the Accrued But Unpaid Continuation Allowance  Judith A Leach for the payment of the Accrued But Unpaid Continuation Allowance
Labonge, Thomas Joseph	Brigid Mary Labonge for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Lecce, Joseph V	Cathleen E MCGovern for the payment of the Accrued But Unpaid Continuation Allowance  Kevin E Lecce for the payment of the Accrued But Unpaid Continuation Allowance
Lee, Morris	Charlene Lee for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance



Lee, Tommy	Elizabeth L Lee for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Leemon, Irving M	Jeffrey Kieth Leemon for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Lesel, Dov S	Helene M Lesel for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Lopez, Guadalupe	Carmen Lopez for the payment of the Accrued But Unpaid Survivorship (Retirement) Allowance  Lourdes Lopez for the payment of the Accrued But Unpaid Survivorship (Retirement) Allowance
Lundquist, Carl D	Cynthia D Lundquist for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Luster, Shelley	Ingle Marie Luster for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Manalang, Eva Rafols	Shirley Manalang for the payment of the Burial Allowance

Mc Zeal, Earnestine	Verna Abdullah for the payment of the Accrued But Unpaid Continuance Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mcdonald, Angelina	Angelina L Williams Spendthrift Trust for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Mcglynn, Kenneth G	Mary J McGlynn for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Milspaugh, Joseph W	Annette Durham for the payment of the Burial Allowance
Mogge, Dwight C	Dwight Charles Mogge Trust Dated 10/6/2006 for the payment of the Burial Allowance
Monsisvais, Antonio	Beatrice Monsisvais for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Muder, Helga H	Walter Rolando Cervantes for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance

Northleaf, Neona M	Unity School Of Christianity for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Nozawa, Toshiaki	Lorene T Kadowaki for the payment of the Burial Allowance
Oddone, Edward Joseph	Debra Payne for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Orseno, Thomas J	Adeline Dela Cruz for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance  Bernadette Roman for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Outterbridge, John W	Tami L Outterbridge for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Paredones, J Luz	J Paredones for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Pena, Henry	Jason E. Pena for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Perez, Bernardo J Irene Perez for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Peterson, Harley G Keith Gordon Peterson for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Keri Louise Peterson for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Picazo, Claude Maura L Picazo for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Pitts, Betty J James Pitts for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Pratt, Anthony M Rebecca Jayne Pratt for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Renteria, Anthony A Michael Carlos Renteria for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Stephen P Renteria for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Rhodes, Margaret L	Janet Rhodes Randolph for the payment of the Accrued But Unpaid Continuance Allowance
	Margaret Joanne Davis for the payment of the Accrued But Unpaid Continuance Allowance
Rosales, Gustavo Adolfo	Amanda J Rosales for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Rosenberg, Melvin	Marc Fidler for the payment of the Accrued But Unpaid Service Retirement Allowance
Ross, Curtis L	La Tisha Ross for the payment of the Accrued But Unpaid Vested Retirement Allowance
	La Toya L Ross for the payment of the Accrued But Unpaid Vested Retirement Allowance
Rostant, Kathryn	Kenneth J Rostant for the payment of the Accrued But Unpaid Continuance Allowance
Schultz, Earl	Janice Storm for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Shaw, Peter J	Gina Vanessa Kane for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Sharon D Glover for the payment of the Accrued But Unpaid Service Retirement Allowance
Singer, Olga	Simon Singer for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Smith, Thera C	Brenden A Jones for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Spradley, Paul W	Mark Willam Spradley for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Stott, Geoffrey L	Kevin Stott for the payment of the Burial Allowance
Tafur, Angel F	Gloria E Castillo for the payment of the Accrued But Unpaid Service Retirement Allowance
	Leyvin Castillo Lainez for the payment of the Burial Allowance
Thompson, Stanley H	Shantail Thompson for the payment of the Accrued But Unpaid Service Retirement Allowance
	Stanley Thompson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Toledo, Alesandro Borlongan Gloria U Toledo for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Tugonon, Mauricio R Manelle T. Ibarrientos for the payment of the Accrued But Unpaid Continuance Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance

Melissa Tugonon Crisan for the payment of the Accrued But Unpaid Continuance Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance

Villa Real, Roberto R Carmelita C Villa-Real for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Villareal, Frank Mary D Oliveros for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance

Vincent, Don W Eilene J Moore for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Walker, James Jacqueline Walker for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance

Kisha Anderson for the payment of the Burial Allowance

Wessels, Harry Jennifer Wessels for the payment of the Burial Allowance

Westerlin, Lee Moile J

Steven Westerlin for the payment of the  
Accrued But Unpaid Continuance Allowance

Willingham, Clinton L

Carrine Maria Lavett for the payment of the  
Burial Allowance

**TIER 3**  
**NONE**



BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM V-B

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

Approved Death Benefit Payments

Deceased

Beneficiary/Payee

**TIER 1**

**Active**

Angeles, Val C  
(Deceased Active)

Elizabeth Angeles for the payment of the  
Accumulated Contributions

Avila, Layla A  
(Deceased Active)

Manuel Romero for the payment of the  
Accumulated Contributions

Gomez, Francisco J  
(Deceased Active)

Blanca Gomez for the payment of the  
Service Retirement Survivorship Allowance

Hobson, Cristal L  
(Deceased Active)

Aaron Edwards for the payment of the  
Accumulated Contributions

Jimenez, Lorenzo  
(Deceased Active)

Lorenzo Solis Jimenez for the payment of the  
Accumulated Contributions

Marcinek, Michael Anthony  
(Deceased Active)

Estate Of Michael Anthony Marcinek for the payment of the  
Accumulated Contributions

Marroquin, David O  
(Deceased Active)

Sara Noemy Marroquin for the payment of the  
Limited Pension

Perez, Dolores  
(Deceased Active)

Linda Perez for the payment of the  
Accumulated Contributions

Sally Perez for the payment of the  
Accumulated Contributions

Yaopruke, Monchai  
(Deceased Active)

Nirachorn Yaopruke for the payment of the  
Service Retirement Survivorship Allowance  
Survivor Contributions Death Refund

**TIER 3**

Faulkner, Grover Lee  
(Deceased Active)

Jamar William Faulkner for the payment of the  
Accumulated Contributions

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

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

**Board Agenda of 6/8/21  
Item No.: V-C**

Name of Attendee: Elizabeth Lee	
Title of Conference/Seminar: SACRS Annual Spring Conference	
Location: Virtual	No. of Education Hours: 9
Event Sponsor: SACRS	Date(s) Held: 5/11 to 5/14/21

Report for:

- Travel  
 Conference/Seminar Attendance Only

- 
- I. Nature/Purpose of Travel (if applicable): N/A Virtual Conference
- II. Significant Information Gained: The conference sessions covered the economy and fiscal policies, impact on stimulus, inflation, cryptocurrency, real estate, ESG, fixed income and equities, asset allocation, leadership, perspectives on the Biden administration, diversity and inclusion, monetary policies, various risks in bond investments and current trends in renewal investments.
- III. Benefits to LACERS: It is important for a trustee and member of the Investment Committee to be well informed of economic and other trends.
- IV. Additional Comments:

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

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

**Board Agenda of 6-8-21  
Item No.: V-D**

Name of Attendee: Elizabeth Lee	
Title of Conference/Seminar: P&I ESG Investing Virtual Series	
Location: Virtual	No. of Education Hours: 8
Event Sponsor: Pensions & Investments	Date(s) Held: 5/17 to 5/20/21

Report for:

- Travel  
 Conference/Seminar Attendance Only

- 
- I. Nature/Purpose of Travel (if applicable): N/A Virtual Conference
- II. Significant Information Gained: The conference discussed how to most effectively implement and monitor ESG strategies. Topics included diversity and its impact on performance, climate change impact to an overall portfolio, fiduciary obligations, best asset classes to make an impact and ESG as a risk management tool.
- III. Benefits to LACERS: This training provided insights into ESG factors, data and metrics, how to determine real ESG integration, and the challenges to ESG investing and still meeting fiduciary duty.
- IV. Additional Comments:

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

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

Name of Attendee: Nilza Serrano	
Title of Conference/Seminar: ESG Investing Virtual Series	
Location: Virtual	No. of Education Hours: 12
Event Sponsor: Pensions & Investments	Date(s) Held: May, 17, 8, 19, 20

Report for:

- Travel  
 Conference/Seminar Attendance Only

---

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

None

II. Significant Information Gained:

Importance of ESG investing

III. Benefits to LACERS:

My ability to learn and participate in the conversation when making ESG investments

IV. Additional Comments:



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



**REPORT TO BOARD OF ADMINISTRATION**  
**From: Neil M. Guglielmo, General Manager**

**MEETING: JUNE 8, 2021**  
**ITEM: VI-A**

*Neil M. Guglielmo*

**SUBJECT: FEDERAL LEGISLATION IMPACTING RETIREE INCOME AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board authorize staff to:

Communicate to the Mayor and the City Council the Board's recommendation that the City take a position in support of HR 82, Social Security Fairness Act of 2021, and any other bills that would rectify inequities resulting from the Windfall Elimination and Government Pension Offset provisions.

Direct staff, in consultation with City Attorney's Office, to communicate to the City Council regarding the impact of excluding Income-Related Adjustment Amounts in Medicare Part B reimbursements for LACERS members, and to assist Council in considering an ordinance to amend Los Angeles Administrative Code Section 4.1113 to include this reimbursement while continuing to exclude penalties. If the Administrative Code is amended, staff would also prepare proposed changes to LACERS Board Rule HBA 9 for the Board's approval.

**Executive Summary**

If a Member receives a pension from LACERS and is eligible for Social Security benefits from previous work outside of the City of Los Angeles, Social Security's Windfall Elimination and Government Pension Offset provisions reduce Social Security benefits received by Members. This is not applied universally and can have significant financial implications for Members, especially those with lower income.

**Discussion**

*Background*

Recently, staff received a complaint from a retired Member about his Social Security benefit being significantly reduced because he was receiving a pension from LACERS. This is done in compliance with the Social Security Administration's Windfall Elimination Provision (WEP), which has been challenged in the past. The Member inquired if LACERS has taken a position on this provision.

LACERS can not take positions on political or legislative issues, but can alert the City of any issues that might impact retirement benefits. Staff recommends that the Board submit a request to the Mayor's Office and City Council to review and possibly take a position to rectify the inequities resulting from the WEP.

### *Windfall Elimination and Government Pension Offset Provisions*

The WEP allows Social Security to reduce someone's benefit if they receive a pension from an employer that did not pay Social Security taxes. City of Los Angeles employees do not pay Social Security taxes and are subject to this provision. More specifically, the WEP applies to those who:

- Reached age 62 after 1985; or
- Became disabled after 1985; and
- First became eligible for a monthly pension based on working for the City after 1985.

However, this provision does not apply to everyone. Exceptions include:

- Federal workers first hired after December 31, 1983;
- Employees of a non-profit organization who were exempt from Social Security coverage on December 31, 1983, unless the non-profit organization waived exemption and did pay Social Security taxes, but then the waiver was terminated prior to December 31, 1983;
- Those whose only pension is for railroad employment;
- Employees whose only work performed without paying Social Security taxes was before 1957;
- People with 30 or more years of substantial earnings under Social Security.

Although LACERS makes many efforts to inform Members of the potential reduction of their Social Security benefits, many are not aware of the WEP until they are close to retirement or when they get their first Social Security benefit. It can be alarming, as they may be relying on their full Social Security benefit, which they have worked for and contributed towards, in order supplement their LACERS benefit. Retirees are predominantly on a reduced fixed income and a reduction in their Social Security benefits can create financial hardship.

Example:

*A single person paid into Social Security for 15 years, earning an average annual income of \$50,000 from 1986 to 2000, and then worked for the City from 2001 to 2021, earning an average annual income of \$129,500, and retiring at the age of 67 with a pension of \$4662 (approximately the average LACERS service retirement pension). The Social Security benefit before the WEP reduction would be \$1,911.\* After applying the WEP reduction (based in part on the LACERS pension amount), the benefit would be reduced by \$537, or 28%, to \$1,374.*

\*Estimate based on a Social Security benefit calculator on the AARP website. The Social Security website will only allow someone to estimate their own benefit.

In December 2020, about 1.9 million people (or about 3% of all Social Security beneficiaries) were affected by the WEP. The WEP is not applied universally, but anyone who worked for the City of Los Angeles is likely to experience a reduction of their Social Security benefit. These reductions can be substantial, up to one-half of one's pension, and research has shown that the WEP reduces benefits

disproportionately for lower-earning households (*Social Security: The Windfall Elimination Provision*, Congressional Research Services, February 4, 2021, <https://fas.org/sgp/crs/misc/98-35.pdf>).

The Windfall Elimination Provision only affects the benefit of the retiree. However, an employee's spouse may be eligible to also receive a benefit based on the retiree's work history and earnings and there is another provision called the Government Pension Offset that will reduce the benefit received by a retiree's spouse or surviving spouse who is receiving a government pension from employment where Social Security taxes were not paid.

The spousal benefit was considered a "dependent benefit," intended to provide support to spouses that did not work, which was the norm when the benefit was created in the 1930s. Because today it is more common for both spouses in a household to be working and earning a pension, this provision adjusts a retiree's spouse/survivor benefit by two-thirds of the government pension amount the spouse/survivor is receiving, possibly reducing it to \$0. If the spouse is receiving a Social Security pension, the spousal benefit is reduced by the entire pension amount.

Example:

*An active Member is preparing to retire with a LACERS pension of \$5,300. Her spouse worked in the private sector and based on his employment history has earned a pension for himself and a spousal benefit of \$1,500 for his wife, the LACERS Member. However, because his spouse is receiving a pension from LACERS, this spousal benefit will be reduced by two-thirds of her pension amount, or \$3,533. The reduction is greater than the spousal benefit, so she would not receive this benefit.*

#### Legal/Political Action

Over the years, legislation has been introduced to repeal or amend these provisions. There is bipartisan support in eliminating these provisions and last year, President Biden included in his legislative agenda repealing these provisions.

In the 116<sup>th</sup> Congress, several acts in relation to the WEP/GPO were presented to Congress, but not acted upon. In the current 117<sup>th</sup> Congress, HR 82 (Social Security Fairness Act of 2021) has been introduced to repeal the WEP and GPO. In 2016 (the most recent estimate available), Social Security Administration's Office of the Chief Actuary (OCACT) projected that repealing both the WEP and the GPO would reduce the long-range actuarial balance (i.e., increase the net long-term cost) of the combined Social Security trust funds by 0.13% of taxable payroll. In 2018, the OCACT estimated that repealing only the WEP would reduce the long-range actuarial balance of the combined trust funds by 0.08% of taxable payroll. Repealing just the GPO would reduce these funds by 0.06% of taxable payroll.

On March 1, 2021, the Supreme Court agreed to hear a case regarding the WEP. In **Babcock v. Saul**, Dkt. No. 20-480, the Court will address the statutory interpretation of the Social Security Act's windfall elimination provision and whether a civil service pension received for federal civilian employment as a "military technician" constitutes a "payment based wholly on service as a member of a uniformed service." The petitioner was formerly employed as a National Guard dual-status technician. When he applied for social security benefits, he was granted Social Security but his benefits were decreased under the Windfall Elimination Provision of the Social Security Act because of his Civil Service



Retirement System pension. The petitioner is arguing that he should qualify for the uniformed-services exception to the WEP. Since this case concerns a narrow issue of statutory interpretation, the Court's ruling will not impact the application of the WEP to LACERS members. The case is currently being briefed and is scheduled to be argued before the Court during the October 2021 term.

*Medicare Premium Income-Related Monthly Adjustment Amounts*

When Members turn age 65, in order to receive a LACERS medical subsidy, they need to enroll in Medicare and are responsible for paying out-of-pocket the premium cost of Medicare Part B. The Los Angeles Administrative Code (LAAC) allows for Members enrolled in both Medicare Parts A and B to be reimbursed the basic/standard Medicare Part B premium. Originally, the LAAC indicated that the reimbursement would be for the "basic" premium, but the language was updated to reflect "basic/standard" in subsequent technical changes. The term "basic" or "standard" premium is not defined or referenced in the LAAC, although CMS does refer to the Part B premium, not including late enrollment penalties or Income Related Adjustment Amounts (IRMAAs), as "standard." And the Board Rules do indicate that the Part B premium reimbursement will not include IRMAAs.

IRMAAs were introduced in 2007 and are additional premium costs that were added to Medicare Part B premiums based on income reported to the Internal Revenue Service two years earlier and whether you file individually, separately, or jointly. In 2021, IRMAAs are assessed for people with income over \$88,000. The more income one has, the higher the amount of additional premium cost. We regularly receive complaints from Members about these IRMAAs because they increase their medical costs and create the perception that their medical subsidy is devalued. The cost of living varies between states and California is the third most expensive state to live in (<https://worldpopulationreview.com/state-rankings/most-expensive-states-to-live-in>), so although some of our retirees may be considered "high income," their expenses are likely higher than people living in other states. The vast majority of Members enrolled in a LACERS health plan reside in California.

2021 Medicare Part B Premiums

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

Example:

*A 64-year-old retiree with an income of \$115,000, 25 years of Service Credit, and enrolled in the Kaiser HMO plan receives a subsidy amount sufficient to provide full coverage of the \$853 premium. The next year, when eligible for Medicare, this same retiree will enroll in the Kaiser Senior Advantage plan and receive full coverage of the \$262 premium, will have to pay the standard Medicare Part B premium of \$148.50, plus the IRMAA of \$148.50 per month. If the Member has Medicare Part A, the standard premium of \$148.50 will be reimbursed, but not the IRMAA. So, this Member went from having full coverage of premium costs to paying out of pocket \$148.50/month, even though the cost of the plan is now \$591 less. Of course, Members with greater income will pay even more out of pocket, up to \$356/month in IRMAAs.*

Based on the attached chart from the 2019 Actuarial Valuation, approximately 2,000 retired Members would be assessed IRMAAs. This is only according to their LACERS pension. Staff has no way of knowing if they have additional income from other sources, what their household income or their tax filing status is.

This benefit was established long before 2007 and did not take into account IRMAAs because they did not exist at the time; it was meant to not reimburse late-enrollment penalty costs. When IRMAAs were introduced, LACERS updated its Board Rules and recommended technical changes based on the original language of reimbursing only the "basic" premium. However, it is possible that the original intent was to exclude reimbursement for penalties but to provide reimbursement of the premium cost, including IRMAAs. Staff researched Council files trying to find the report creating the benefit in order to shed more light on the legislative intent of the Council at the time the benefit was created, however, it could not be located.

Below is the relevant Ad Code Section and Board Rule for reference.

#### **Sec. 4.1113. Medicare Part B Basic Premium Reimbursement Program.**

This program is provided to reimburse the cost of the Medicare Part B basic premium to eligible retirees, as hereafter defined.

(a) **Reimbursement.** Reimbursement shall be limited to the Medicare Part B basic/standard premium (Medical Insurance). No reimbursement shall be paid for Medicare Part B costs that exceed the basic/standard premium.

(b) **Eligible Retiree.** In order to participate in the Medicare Part B Basic Premium Reimbursement Program, a retiree must be eligible to receive a medical plan premium subsidy, enrolled in Medicare Parts A and B, and either enrolled in a Medicare supplemental or coordinated plan administered by the Board or be a participant in the Medical Premium Reimbursement Program. Only retired employees may participate in this program.

(c) **Verification of Eligibility for Reimbursement.** Premium reimbursement shall be paid to a retiree who qualifies to participate in this program when sufficient proof of the retiree's Medicare Part A and Part B enrollment, coverage, and premium payment has been made as required by the Board.

(d) **No Dependent Reimbursement.** Premium reimbursement may not be applied toward coverage for dependents of retirees.

## SECTION HISTORY

Added by Ord. No. 182,629, Eff. 7-25-13.

Amended by: Ord. No. 184,134, Eff. 1-22-16; Subsec. (a) amended and Subsec. (d) added, Ord. No. 184,853, Eff. 4-6-17.

### LACERS Board Rule

**HBA 9: The requirements and rules related to Medicare Insurance plan coverage are as follows:**

- The medical plan premiums of a LACERS Senior Plan will only include Medicare "basic or standard" premiums covering only those portions of the Medicare premiums that do not include Income-Related Monthly Adjustment Amounts (IRMAAs).
- LACERS will not cover Eligible Primary Subscriber costs or provide reimbursements for any Medicare premium-related IRMAAs.
- Eligible Primary Subscribers and their dependents subject to a Medicare Part D Late Enrollment Penalty, charged by the Centers for Medicare and Medicaid Services (CMS), shall have this penalty amount deducted from an Eligible Primary Subscriber's monthly LACERS allowance or continuance payments to the dependent(s).

*(Revised: June 14, 2016)*

### *Conclusion*

The WEP and GPO negatively impact the amount of Social Security benefits Members would receive because they have earned a pension solely from their employment with the City of Los Angeles, an employer that does not pay into Social Security. Additionally, not all employees are subject to the WEP; certain federal workers and railroad employees are exempted. City employees being denied entitlement to their full Social Security benefit could have serious fiscal implications for lower wage earners.

When Members enroll in Medicare Parts A and B, LACERS health plan premiums are significantly reduced, yet depending on a Member's taxable income, their cost of enrolling in a LACERS medical plan may actually increase as a result of Medicare Part B IRMAAs.

Staff is recommending that the Board take the above-recommended actions, in coordination with the City Council and the City Attorney, for the best interests of the LACERS membership.

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

NMG/AR:ar

- Attachments:
1. Windfall Elimination Provision Information Sheet
  2. Government Pensions Offset Information Sheet
  3. Retiree Monthly Amounts Chart



# Windfall Elimination Provision

Board Meeting of 6/8/2021

Item No.: VI-A

Attachment 1

## Your Social Security retirement or disability benefits can be reduced

The Windfall Elimination Provision can affect how we calculate your retirement or disability benefit. If you work for an employer who doesn't withhold Social Security taxes from your salary, such as a government agency or an employer in another country, any retirement or disability pension you get from that work can reduce your Social Security benefits.

## When your benefits can be affected

This provision can affect you when you earn a retirement or disability pension from an employer who didn't withhold Social Security taxes **and** you qualify for Social Security retirement or disability benefits from work in other jobs for which you did pay taxes.

The Windfall Elimination Provision can apply if:

- You reached age 62 after 1985; or
- You became disabled after 1985; and
- You first became eligible for a monthly pension based on work where you didn't pay Social Security taxes after 1985. This rule applies even if you're still working.

This provision also affects Social Security benefits for people who performed federal service under the Civil Service Retirement System (CSRS) after 1956. We won't reduce your Social Security benefit amounts if you only performed federal service under a system such as the Federal Employees' Retirement System (FERS). Social Security taxes are withheld for workers under FERS.

## How it works

Social Security benefits are intended to replace only some of a worker's pre-retirement earnings.

We base your Social Security benefit on your average monthly earnings adjusted for average wage growth. We separate your average earnings into three amounts and multiply the amounts using three factors to compute your full Primary Insurance Amount (PIA). For example, for a worker who turns 62 in 2021, the first \$996 of average monthly earnings is multiplied by 90 percent; earnings between \$996 and \$6,002 are multiplied by 32 percent; and the balance by 15 percent. The sum of the three amounts equals the PIA, which is then decreased or increased depending

on whether the worker starts benefits before or after full retirement age (FRA). This formula produces the monthly payment amount.

When we apply this formula, the percentage of career average earnings paid to lower-paid workers is greater than higher-paid workers. For example, workers age 62 in 2021, with average earnings of \$3,000 per month could receive a benefit at FRA of \$1,537 (approximately 50 percent) of their pre-retirement earnings increased by applicable cost of living adjustments (COLAs). For a worker with average earnings of \$8,000 per month, the benefit starting at FRA could be \$2,798 (approximately 35 percent) plus COLAs. However, if either of these workers start benefits earlier than their FRA, we'll reduce their monthly benefit.

## Why we use a different formula

Before 1983, people whose primary job wasn't covered by Social Security had their Social Security benefits calculated as if they were long-term, low-wage workers. They had the advantage of receiving a Social Security benefit representing a higher percentage of their earnings, plus a pension from a job for which they didn't pay Social Security taxes. Congress passed the Windfall Elimination Provision to remove that advantage.

Under the provision, we reduce the 90 percent factor in our formula and phase it in for workers who reached age 62 or became disabled between 1986 and 1989. For people who reach 62 or became disabled in 1990 or later, we reduce the 90 percent factor to as little as 40 percent.

## Some exceptions

The Windfall Elimination Provision doesn't apply if:

- You're a federal worker first hired after December 31, 1983.
- You're an employee of a non-profit organization who was exempt from Social Security coverage on December 31, 1983, unless the non-profit organization waived exemption and did pay Social Security taxes, but then the waiver was terminated prior to December 31, 1983.
- Your only pension is for railroad employment.
- The only work you performed for which you didn't pay Social Security taxes was before 1957.
- You have 30 or more years of substantial earnings under Social Security.

The Windfall Elimination Provision doesn't apply to survivors benefits. We may reduce spouses, widows, or widowers benefits because of another law. For more information, read *Government Pension Offset* (Publication No. 05-10007).

## Social Security years of substantial earnings

If you have 30 or more years of substantial earnings, we don't reduce the standard 90 percent factor in our formula. See the first table that lists substantial earnings for each year.

The second table shows the percentage used to reduce the 90 percent factor depending on the number of years of substantial earnings. If you have 21 to 29 years of substantial earnings, we reduce the 90 percent factor to between 45 and 85 percent. To see the maximum amount we could reduce your benefit, visit [www.ssa.gov/benefits/retirement/planner/wep.html](http://www.ssa.gov/benefits/retirement/planner/wep.html).

## A guarantee

The law protects you if you get a low pension. We won't reduce your Social Security benefit by more than half of your pension for earnings after 1956 on which you didn't pay Social Security taxes.

## Contacting Social Security

The most convenient way to do business with us from anywhere, on any device, is to visit [www.ssa.gov](http://www.ssa.gov). There are several things you can do online: apply for benefits; get useful information; find publications; and get answers to frequently asked questions.

When you open a personal *my* Social Security account, you have more capabilities. You can review your *Social Security Statement*, verify your earnings, and get estimates of future benefits. You can also print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, get a replacement SSA-1099/1042S, and request a replacement Social Security card (if you have no changes and your state participates).

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

A member of our staff can answer your call from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience a high rate of busy signals and longer hold times to speak to us. We look forward to serving you.

Year	Substantial earnings	Year	Substantial earnings	Year	Substantial earnings
1937–1954	\$900	1989	\$8,925	2013	\$21,075
1955–1958	\$1,050	1990	\$9,525	2014	\$21,750
1959–1965	\$1,200	1991	\$9,900	2015–2016	\$22,050
1966–1967	\$1,650	1992	\$10,350	2017	\$23,625
1968–1971	\$1,950	1993	\$10,725	2018	\$23,850
1972	\$2,250	1994	\$11,250	2019	\$24,675
1973	\$2,700	1995	\$11,325	2020	\$25,575
1974	\$3,300	1996	\$11,625	2021	\$26,550
1975	\$3,525	1997	\$12,150		
1976	\$3,825	1998	\$12,675		
1977	\$4,125	1999	\$13,425		
1978	\$4,425	2000	\$14,175		
1979	\$4,725	2001	\$14,925		
1980	\$5,100	2002	\$15,750		
1981	\$5,550	2003	\$16,125		
1982	\$6,075	2004	\$16,275		
1983	\$6,675	2005	\$16,725		
1984	\$7,050	2006	\$17,475		
1985	\$7,425	2007	\$18,150		
1986	\$7,875	2008	\$18,975		
1987	\$8,175	2009–2011	\$19,800		
1988	\$8,400	2012	\$20,475		

Years of substantial earnings	Percentage
30 or more	90 percent
29	85 percent
28	80 percent
27	75 percent
26	70 percent
25	65 percent
24	60 percent
23	55 percent
22	50 percent
21	45 percent
20 or less	40 percent



Securing today  
and tomorrow

Social Security Administration  
Publication No. 05-10045  
January 2021 (Recycle prior editions)  
Windfall Elimination Provision

Produced and published at U.S. taxpayer expense



# Government Pension Offset

Board Meeting of 6/8/2021  
Item No.: VI-A  
Attachment 2

## A law that affects spouses and widows or widowers

If you receive a retirement or disability pension from a federal, state, or local government based on your own work for which you didn't pay Social Security taxes, we may reduce your Social Security spouses or widows or widowers benefits. This fact sheet provides answers to questions you may have about the reduction.

## How much will my Social Security benefits be reduced?

We'll reduce your Social Security benefits by two-thirds of your government pension. In other words, if you get a monthly civil service pension of \$600, two-thirds of that, or \$400, must be deducted from your Social Security benefits. For example, if you're eligible for a \$500 spouses, widows, or widowers benefit from Social Security, you'll get \$100 a month from Social Security ( $\$500 - \$400 = \$100$ ). If two-thirds of your government pension is more than your Social Security benefit, your benefit could be reduced to zero.

If you take your government pension annuity in a lump sum, Social Security will calculate the reduction as if you chose to get monthly benefit payments from your government work.

## Why will my Social Security benefits be reduced?

Benefits we pay to spouses, widows, and widowers are "dependent" benefits. Set up in the 1930s, these benefits were to compensate spouses who stayed home to raise a family and were financially dependent on the working spouse. It's now common for both spouses to work, each earning their own Social Security retirement benefit. The law requires a person's spouse, widow, or widower benefit to be offset by the dollar amount of their own retirement benefit.

For example, if a woman worked and earned her own \$800 monthly Social Security benefit, but was also due a \$500 spouse's benefit on her husband's record, we couldn't pay that spouse's benefit because her own benefit offsets it. Before enactment of the Government Pension Offset law, if that same woman was a government employee who didn't pay into Social Security and earned an \$800 government pension, there was no offset. We had to pay her a full spouse's benefit and her full government pension.

If this person's government work had been subject to Social Security taxes, we would reduce any spouse, widow, or widower benefit because of their own Social Security retirement benefit. The Government Pension Offset ensures that we calculate the benefits of government employees who don't pay Social Security taxes the same as workers in the private sector who pay Social Security taxes.

## When won't my Social Security benefits be reduced?

Generally, we won't reduce your Social Security benefits as a spouse, widow, or widower if you:

- Receive a government pension that's not based on your earnings; or
- Are a federal (including Civil Service Offset), state, or local government employee and your government pension is from a job for which you paid Social Security taxes; and:
  - Your last day of employment (that your pension is based on) is before July 1, 2004; or
  - You filed for and were entitled to spouses, widows, or widowers benefits before April 1, 2004 (you may work your last day in Social Security covered employment at any time); or
  - You paid Social Security taxes on your earnings during the last 60 months of government service. (Under certain

conditions, we require fewer than 60 months for people whose last day of employment falls after June 30, 2004, and before March 2, 2009.)

There are other situations for which we won't reduce your Social Security benefits as a spouse, widow, or widower; for example, if you:

- Are a federal employee who switched from the Civil Service Retirement System (CSRS) to the Federal Employees' Retirement System (FERS) after December 31, 1987; and:
  - Your last day of service (that your pension is based on) is before July 1, 2004;
  - You paid Social Security taxes on your earnings for 60 months or more during the period beginning January 1988 and ending with the first month of entitlement to benefits; or
  - You filed for and were entitled to spouses, widows, or widowers benefits before April 1, 2004 (you may work your last day in Social Security covered employment at any time).
- Received, or were eligible to receive, a government pension before December 1982 and meet all the requirements for Social Security spouse's benefits in effect in January 1977; or
- Received, or were eligible to receive, a federal, state, or local government pension before July 1, 1983, and were receiving one-half support from your spouse.

**Note:** A Civil Service Offset employee is a federal employee, rehired after December 31, 1983, following a break in service of more than 365 days, with five years of prior CSRS coverage.

## What about Medicare?

Even if you don't get benefit payments from your spouse's work, you can still get Medicare at age 65 on your spouse's record if you aren't eligible for it on your own record.

## Can I still get Social Security benefits from my own work?

The offset applies only to Social Security benefits as a spouse, or widow, or widower. However, we may reduce your own benefits because of another provision. For more information, go online to read *Windfall Elimination Provision* (Publication No. 05-10045).

## Contacting Social Security

The most convenient way to contact us anytime, anywhere is to visit [www.socialsecurity.gov](http://www.socialsecurity.gov). There, you can: apply for benefits; open a *my* Social Security account, which you can use to review your *Social Security Statement*, verify your earnings, print a benefit verification letter, change your direct deposit information, request a replacement Medicare card, and get a replacement SSA-1099/1042S; obtain valuable information; find publications; get answers to frequently asked questions; and much more.

If you don't have access to the internet, we offer many automated services by telephone, 24 hours a day, 7 days a week. Call us toll-free at **1-800-772-1213** or at our TTY number, **1-800-325-0778**, if you're deaf or hard of hearing.

If you need to speak to a person, we can answer your calls from 7 a.m. to 7 p.m., Monday through Friday. We ask for your patience during busy periods since you may experience higher than usual rate of busy signals and longer hold times to speak to us. We look forward to serving you.



Securing today  
and tomorrow

Social Security Administration  
Publication No. 05-10007 | ICN 451453 | Unit of Issue — HD (one hundred)  
May 2019 (Recycle prior editions)  
Government Pension Offset  
Produced and published at U.S. taxpayer expense



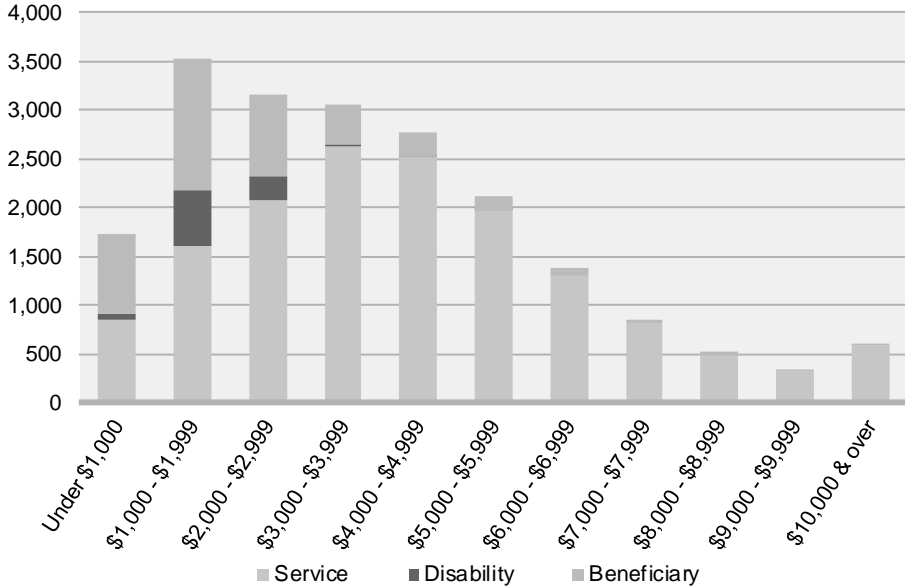
Retired Members and Beneficiaries

As of June 30, 2019, 16,053 retired members and 3,981 beneficiaries were receiving total monthly benefits of \$78,965,717. For comparison, in the previous valuation, there were 15,477 retired members and 3,902 beneficiaries receiving monthly benefits of \$73,339,309.

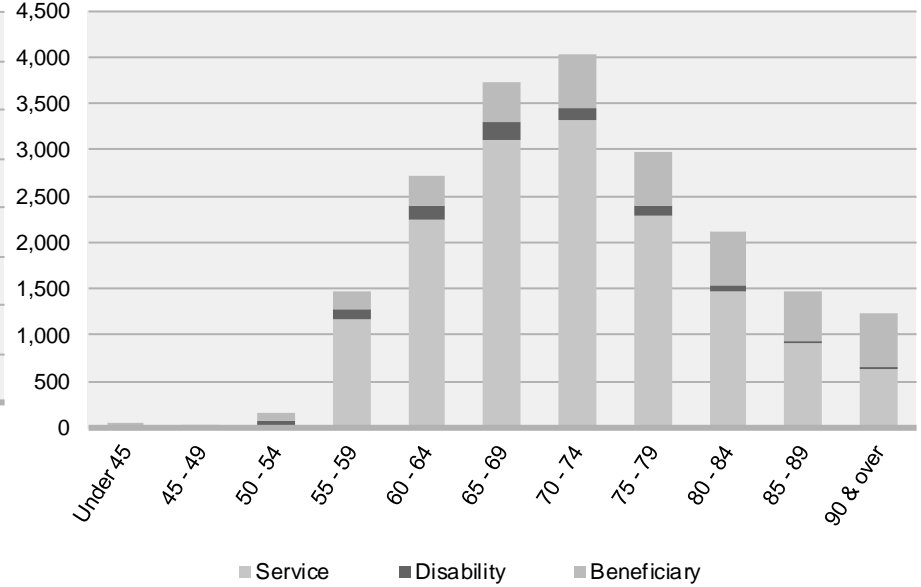
As of June 30, 2019, the average monthly benefit for retired members and beneficiaries is \$3,942, compared to \$3,784 in the previous valuation. The average age for retired members and beneficiaries is 72.5 in the current valuation, compared with 72.5 in the prior valuation.

**Distribution of Retired Members and Beneficiaries as of June 30, 2019**

**RETIRED MEMBERS AND BENEFICIARIES BY TYPE AND MONTHLY AMOUNT**



**RETIRED MEMBERS AND BENEFICIARIES BY TYPE AND AGE**





**REPORT TO BOARD OF ADMINISTRATION**

**MEETING: JUNE 8, 2021**

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

**ITEM: VIII – A**

*Lita Payne for*

**SUBJECT: CAPITAL, OPERATING, AND ADMINISTRATIVE BUDGETS RELATING TO PROPERTY AT 977 NORTH BROADWAY; CONTRACT AWARD TO HAWORTH, INC. FOR FURNITURE AND RELATED SERVICES; AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board:

- 1) Approve the Capital Expense Budget of \$19,622,987, Administrative Budget of \$415,396, and Operating Budget of \$1,292,058, for a total of \$21,330,441 for the implementation of the Broadway Building Annual Plan;
- 2) Approve the transfer of \$3,586,805, appropriated in the current year Headquarters Administrative Budget for purchase of furniture and technology, to the LACERS Trust Fund to allow the purchase to be completed in FY 2021-22 (FY22);
- 3) Authorize the General Manager to approve the transfer of funds between the Administrative, Operational, and Capital accounts to facilitate the implementation of the Broadway Building Annual Plan for FY22;
- 4) Find that, pursuant to City Charter Section 371(e)(8) and Section 371(e)(10), competitive bidding for office furniture procurement and related repair services for the 977 North Broadway would not be advantageous;
- 5) Approve a three-year, sole-source contract with Haworth, Inc. for office furniture procurement and related services, for the period beginning June 8, 2021 and ending June 7, 2024;
- 6) Authorize the General Manager to negotiate and execute a three-year contract with Haworth, Inc., subject to the approval of the City Attorney as to form.

**Executive Summary**

The 977 North Broadway Building (“HQ Building”), built in 1984, is a five-story building totaling 64,585 square feet of office space with a 111-space subterranean parking structure. The property will serve as the headquarters for LACERS’ offices.

LACERS and its partners on the Broadway Building Annual Plan (“Broadway Plan”) have worked on the necessary property and tenant improvements with the goal of fully occupying the HQ Building in

2021 (Phase 2). Work on the Broadway Plan has proceeded at a stunted pace due to the changes caused by COVID-19.

The COVID-19 Pandemic has changed how business is carried out across all sectors of the economy. LACERS has an opportunity to invest in the building in a way that promotes a safe working environment for both employees and Members. For the last few months, LACERS has been working diligently with our consultants to determine the Phase 2 scope of work which focuses primarily on:

- Incorporating health and safety best practices in our work environment post-COVID-19;
- Providing a safe and welcoming environment for LACERS Members;
- Providing a secure flexible computing environment; and,
- Carrying out vital long-term building improvements prior to LACERS’ occupancy.

In FY21, the Board approved \$22.5 million for the HQ Building of which approximately \$2.0 million (8% of the FY21 project budget) has been spent to date. Approximately, \$20 million of the project remains unspent due to project delays and will need to be rolled over to FY22. The unspent funds will be used to complete the work it was initially approved for by the Board. For FY22, the Board’s approval is sought for the Proposed FY22 HQ Building budget totaling \$21.3 million to prepare the property for LACERS’ full occupancy in 2022.

The overall cost for the HQ Building, including the approximate \$2.0 million already expended, is approximately \$23.3 million which is \$800 k over the FY21 HQ Building budget approved by the Board. The overall project budget has increased due to COVID-19-related supply chain disruptions that caused an increase in demand, material price increases, a shortage in skilled labor in the market, and the addition of new projects since June 2020 for COVID-19. Moreover, the cost also includes an increase for the unexpected expenses related to the containment of the asbestos containing materials, and the implementation of LAPD-suggested security upgrades detailed in this report. This report discusses the status of the Broadway Plan and the projected costs for FY22.

The HQ Building budget expenditures are segmented into the three expense categories of Capital, Administrative, and Operating (addressed in the following sections), corresponding to LACERS’ role as investor, occupier, and owner, respectively.

**Discussion**

**Building Capital Budget – \$19,622,987**

	<b>FY21</b>
Approved	\$ 17,086,432
Actual (as of 4/30/21)	\$ (548,394)
Unused	\$ 16,538,038

	<b>FY22</b>
<b>FY22 Proposed Capital Budget</b>	<b>\$ 19,622,987</b>

Along with Cushman & Wakefield (“C&W”) Property Management and Project Management Consultant, and Executive Real Estate Services Liaison Michael Prabhu, LACERS has been working on prioritizing the capital projects for Fiscal Year 2021-22 and refining the scope of work. The Proposed Capital

Budget reflects LACERS' intent to aggressively address capital needs prior to moving into the building to reduce future workplace interruptions and to provide the safest workplace and Member service environment commencing from the open of the building. LACERS seeks approval for the Proposed Capital Budget of \$19.6 million (including 10% contingency).

Highlights of the progress on the major projects and for the year are as follows:

Structural - \$5,158,600

FY21		FY22	
Approved	\$ 8,003,655	<b>FY22 Proposed Budget</b>	<b>\$ 5,158,600</b>
Actual (as of 4/30/21)	\$ (130,755)		
Unused	\$ 7,872,900		

Over the past year, LACERS and its Broadway Plan partners have been working on seismic strengthening to increase the building's resiliency to withstand earthquake magnitudes greater than 6.0, improvements to the façade, upgrading the emergency generator, renovating the parking garage, and replacement of the roof. Tackling these issues now, while the building is largely vacant, has been considered an efficient construction approach that will eliminate potential disruption to LACERS' operations. LACERS and its partners have completed the following work on the Broadway Plan:

- Curtain Wall Consultant prepared the Roofing Summary Report and Façade Feasibility Study;
- Mechanical Engineers performed an assessment of the emergency generator and the base building generator;
- In the case of an emergency, an Emergency Operations Center (located in the Boardroom) would be powered by the base building generator; and,
- Construction contractor inspected the HQ Building's fan coils for possible replacement.

During a survey on the HQ Building's exterior of the building, the Curtain Wall Consultant identified asbestos containing materials (ACMs) in the curtain wall of the HQ Building. In order to safely address the ACM, the consultant recommended safely removing the caulk joint between the curtain wall panels and placing a coating over the panels that would seal the ACM within the curtain wall. The cost of the work was estimated at \$490,250.

The \$2.7 million reduction in the estimated structural expenses is due to updated cost estimates or LACERS' decision to adjust the scope of work as follows:

- Renovation of the exterior wall \$1.4 m
- Seismic upgrade \$750 k
- Roof replacement \$226 k
- Garage renovation \$150 k

To date \$130,755 in structural work was completed with \$5.2 million in work remaining to finalize the structural plan, including an additional \$490,250 to mitigate the ACM discovered in the curtain walls.

Interior Construction – \$10,409,097

FY21	
Approved	\$ 6,317,761
Actual (as of 4/30/21)	\$ (375,639)
Unused	\$ 5,942,122

FY22	
<b>FY22 Proposed Budget</b>	<b>\$ 10,409,097</b>

The Building Capital budget includes tenant improvements to all five floors and the parking garage that will provide LACERS employees with a modern facility. LACERS will implement best practice strategies for a new office environment that protects the health of employees, our Members, and visitors. This includes reimagined workspace; advanced air ventilation; physically reconfigured workstations; space which supports a mobile workforce; and other emerging innovations in office design in this new era. Over the last year, LACERS has worked with its Architect and Furniture Vendor towards these ends.

LACERS and its partners have completed the following work on the Broadway Plan:

- Surveyed all divisions to identify programming needs;
- Prepared a Space Plan and Stacking Plan for each Division’s placement;
- Selected typical private office and cubicle configurations;
- Engaged Cost-Estimators to analyze the cost of the Preliminary Architectural Design; and,
- Reviewed cost estimate and implemented cost compliant modifications to the design.

The need for an additional \$4.4 million in estimated interior construction expenses is due to the transfer of \$2.1 million for the purchase of furniture from the Operating Budget and a \$2.9 million increase in cost of labor based on the design work to floors 1-5 partly offset by LACERS’ decision to reduce the scope of work for the following:

- Local art building enhancement \$139 k
- Electric vehicle charging stations \$105 k
- Electronic conference room management system \$ 99 k
- Patio landscape \$ 79 k
- Vault \$ 55 k

FY21 expenditures for work on the interior design of the HQ Building total \$375,639, with \$10.4 million needed to finalize the interior construction work during FY22.

Technology Infrastructure - \$3,445,966

FY21	
Approved	\$ 2,372,316
Actual (as of 4/30/21)	\$ 0
Unused	\$ 2,372,316

FY22	
<b>FY22 Proposed Budget</b>	<b>\$ 3,445,966</b>

LACERS System Division (Systems) has guided the planning and implementation of significant technological improvements to the HQ Building. Working concurrent to the programming work being performed by the Architect, the Technology Infrastructure Specialist, and the Low-Voltage Technology

Contractor, Systems developed a robust network infrastructure using the latest technology to maximize employee productivity, workspace versatility, access control, and strengthen LACERS' cyber protection infrastructure.

The technology team completed the following work on the Broadway Plan:

- Identified technology needs for each floor;
- Implemented software applications that set the groundwork for transition to a Mobile Workforce;
- Implemented a cloud-native telephony system call center;
- Finalized server configuration and cabling requirements for each floor;
- Finalized security and access control technology needs; and,
- Contracted carrier services for the building.

LAPD performed a threat assessment of the HQ Building and, as a result, provided LACERS with suggestions of additional steps it could take to build saferooms and a gate to the property. Implementing the security suggestions would cost \$295,084.

The need for \$1.1 million in the estimated technology infrastructure expenses is due to LACERS' decision to adjust the scope of work for the following or updated cost estimates:

- Addition of access control, surveillance, and A/V \$1.2 m
- Kloudspot data analytics and mass notification system \$102 k
- A/V equipment for Member Engagement \$ 68 k
- Technology documentation services \$ 30 k

These expenses were partly offset by a reduction in \$250,000 for services that will be performed by the Technology Integrator as part of their scope of work and will not need a separate contractor.

LACERS has not been invoiced for the services rendered for this work, therefore the funds will need to roll over to FY22. Moreover, LACERS will need an additional \$295,084 to address the unforeseen work required to incorporate security improvements identified by LAPD. In total, LACERS will need \$3.4 million to finalize the technological improvements during FY22.

**Administrative Expense Budget – \$415,396**

	<b>FY21</b>
Approved	\$ 3,954,752
Actual (as of 4/30/21)	\$ 55,363
Unused	\$ 3,899,389

<b>FY22</b>	
<b>FY22 Proposed Budget</b>	<b>\$ 415,396</b>

The Proposed Administrative Budget captures primarily one-time expenses associated with surrendering the offices at the Times Building, establishing LACERS' new network and communication infrastructure, and staff relocation to the new building. Included in the Proposed Administrative Budget are the following items crucial for establishing this work environment.

Salaries As-Needed & Overtime - \$69,568

Overtime funding for Systems employees to work extended hours during phase II migration. Funding for as-needed staff for the Administrative Division to provide daily support services for employees relocating to the HQ Building.

Building Ownership Legal Services - \$45,000

Legal costs associated with ownership of the HQ Building. This allocated expense will satisfy services for external legal counsel in specialized areas of real estate and tax, if needed.

Computer Hardware - \$49,500

Technology for the Board Room such as video conferencing and live streaming technology. This also includes funding for the replacement of the call attendant system used in our Member Service Center, email security upgrades, infrastructure costs such as power protection and cabling, and laptop accessories related to LACERS' transition to a mobile workforce. Lastly, expenses for upgrades to our overall Network Infrastructure, Enterprise Storage systems, Cyber Security, and Disaster Recovery services are included.

Computer Maintenance & Support - \$18,541

Business internet service provider costs associated with setting up the fiber-optic infrastructure for internet services and telephone lines. Additionally, this budget expense includes AT&T U-verse cable media services for access to investment and local government broadcasts.

Printing - \$8,000

Costs associated with printing of new employee business cards and envelopes with our new address.

Telephone and Utilities - \$600

Voice over Internet Protocol (VoIP) services and long-distance telephone services.

Office Space - \$222,187

Expenses allocated for surrendering of existing office space at the Times Building which may include existing technology removal, painting, furniture salvage/disposal, and move vendors.

Membership Dues and Subscription - \$2,000

Additional shredding services for confidential documents in preparation for the move, and additional shredding bins needed at the HQ building.

Allocations for building furniture and technology totaled \$3.6 million in the FY21 Administrative Expense Budget. As the purchases have not taken place, the funds will be transferred from the Administrative Expense Budget to the LACERS Trust Fund to allow the funds to be expended in FY22.

## Building Operating Budget – \$1,292,058

FY21	
Approved	\$ 1,478,797
Actual (as of 4/30/21)	\$ 921,027
Unused	\$ 557,770

FY22	
<b>FY22 Proposed Budget</b>	<b>\$ 1,292,058</b>

C&W prepared the *Building Operating Budget* which includes all expenses relating to daily operation of the building including service contracts for the property manager, security, janitorial, building engineers, and parking operator; maintenance and repairs; taxes; and insurance. The Building Operating Expenses for the Fiscal Year 2021-22 total \$1.3 million.

Once the Building Operating Budget is approved by the Board, C&W has the authority to execute building operations within the approved amount, unless costs exceed 10% of the approved Budget. C&W will submit a cash distribution request to LACERS to fund the Building Operating Account as needed within the approved budget. Funds will be transferred from the LACERS Investment Trust Fund to the asset account established for 977 North Broadway.

### One-Time vs Ongoing Expenses

Of the proposed \$21.3 million budget for FY22, \$20 million are for one-time expenses. These expenses include seismic and structural work, interior construction, architectural design, technology infrastructure, audio-visual equipment, furniture, consulting expenses, and inspections. Additionally, these one-time expenses include the cost of moving staff and technology to the HQ Building and performing the contractually obligated restoration to the office space at the Times Building prior to surrendering the property.

Ongoing expenses total \$1.2 million marked for the operational and administrative expenses associated with running and maintaining the HQ Building. These expenses include the cost of insurance policies, utilities, internet, and property management, janitorial, engineering, parking, and security services.

Working with our partners, LACERS will develop a 10-Year Capital Plan. The plan will prioritize performing routine evaluations of the building's mechanical and structural resilience. This includes tracking the lifespan of the building's HVAC system, elevator lift, generators, and electrical components. Modernization of the mentioned systems and implementing eco-friendly technology will also be part of the 10-Year Capital Plan. As new technology becomes available, LACERS will evaluate how to incorporate these technologies into the HQ to promote sustainability and reduce our energy costs. This plan will also include routine reviews of how our LACERS HQ serves our Members and staff and promotes human health and wellbeing.



<b>Budget Type</b>	<b>Proposed FY 2021-22</b>	<b>One-Time Expenses FY 2021-22</b>	<b>Ongoing Expenses FY 2021-22</b>
<b>Capital Budget</b>	\$19,622,987	\$19,622,987	Per 10-Year Capital Plan TBD
<b>Administrative Budget</b>	\$415,396	\$340,163	\$75,233
<b>Operating Budget</b>	\$1,292,058	\$163,200	\$1,128,858
<b>TOTAL:</b>	<b>\$21,330,441</b>	<b>\$20,153,076</b>	<b>\$1,204,091</b>

### **Furniture Contract**

During LACERS' work preparing 977, we have been dealing with Haworth, Inc. as the City's furniture vendor. Recently, LACERS was notified that Haworth's pricing will increase as of July 1. Similarly, LACERS realized that the City's current contract with Haworth does not provide full access to Haworth's catalog. Discounts through the OMNIA Partners cooperative purchasing agreement provide discounted rates ranging from 10% to 71% depending on the item and the purchase amount. Furthermore, beyond a purchase amount, pricing becomes negotiable with Haworth.

Given this, LACERS requests that the Board make the determination that initiating a competitive bidding process for these services would not be advantageous for LACERS due to the availability of the public sector cooperative purchasing agreement through Haworth and OMNIA Partners. Charter Section 371 (e)(8) further provides exemption from the competitive bidding process for contracts that leverage a "cooperative arrangement with other governmental agencies for the utilization of the purchasing contracts". Similarly, given the impending change in furniture prices, Charter Section 371 (e)(10) provides exemption from the competitive bidding process when the process is "undesirable, impractical or impossible". In this case, a competitive bidding process is both impractical and impossible given the time needed to prepare an RFP, post it, evaluate responses, and prepare a contract prior to July 1, 2021.

### **Next Steps**

LACERS will continue to work with C&W on the priorities for the HQ Building and will return to the Board with quarterly operational and construction progress reports, and as requested.

As mentioned, the implementation of the Broadway Plan has been affected by the pandemic. As a result, one-time expenditures approved by the Board for FY21 largely remain unspent. We request that the Board approve the unused one-time Capital, Operating, and Administrative funds be rolled over to FY22 so that LACERS may continue its work on the HQ Building.

As the Broadway Plan approaches the key construction phase, our timeline will be our most valuable tool. Work performed by LACERS' contractors will depend on every partner synchronizing their work with the partner before and the partner after them. Once underway, any single delay will have a domino effect on all subsequent work and translate to an increase in cost for LACERS. One potential delay is related to requests for approval of the transfer of funds between the Capital, Operating, and Administrative budgets.

In order to streamline the transfer process and avoid any such delay, LACERS requests that the Board authorize LACERS General Manager to transfer funds between the Administrative, Operational, and Capital budgets as necessary for the purposes of implementing the Broadway Plan. Significant transfers would be reported to the Board as part of the General Manager's report at the next regularly scheduled meeting of the Board.

### **Strategic Plan Impact Statement**

Ownership in 977 North Broadway advances the Board Governance Goal and Organization Goal by being a cost-effective investment in the long-term as compared to leasing and provides LACERS with complete control over its administrative facilities adding to the organization's efficiency, effectiveness, and resiliency.

Prepared By: Isaias Cantú, Senior Management Analyst II, Administration Division

NMG/TB/DWN/IC

- Attachments:
1. Cumulative 977 North Broadway Capital, Operating, and Administrative Budgets
  2. Proposed Board Resolution
  3. Capital, Operating, and Administrative Budgets Relating to Property at 977 North Broadway Slide deck
  4. Contract with Haworth, Inc. (Haworth) for Furniture, Installation, and Related Products and Services



# CUMULATIVE CAPITAL, OPERATING, AND ADMINISTRATIVE BUDGETS

For Los Angeles City Employees' Retirement System

**BOARD Meeting: 06/08/21**  
Item VIII – A  
Attachment 1



# CUMULATIVE



<b>Budget Type</b>	<b>Proposed Fiscal Year 2021-22</b>	<b>One-Time Expenses FY2021-22</b>	<b>Ongoing Expenses FY2021-22</b>
Capital Expense Budget	\$19,622,987	\$19,622,987	\$0
Administrative Expense Budget	\$415,396	\$340,163	\$75,233
Operating Expense Budget	\$1,292,058	\$189,926	\$1,102,132
<b>TOTAL:</b>	<b>\$21,330,441</b>	<b>\$20,153,076</b>	<b>\$1,177,365</b>

# CAPITAL EXPENSE BUDGET



July 2021 – June 2022

Expense Description	Quoted Expense
Structural	\$5,158,600
Interior Construction	\$10,409,097
Technology Infrastructure	\$3,445,966
Project Management Services	\$146,400
Contingency (10%)	\$462,924
<b>TOTAL:</b>	<b>\$19,622,987</b>

# CAPITAL EXPENSE BUDGET



July 2021 – June 2022

<b>STRUCTURAL</b>	
<b>Expense Description</b>	<b>Quoted Expense</b>
Asbestos Abatement (includes 25% contingency)	\$490,250
Backup Generator Replacement - Engineering Fee	\$13,200
Cladding Feasibility Study	\$60,500
Emergency Generator Upgrade	\$385,000
Exterior Patio Improvement	\$250,000
Exterior Renovation	\$250,000
Exterior Wet Seal Replacement	\$275,000
Façade Access Consulting	\$60,500
FLS Consultant - Generator Peer Review	\$11,500
Garage Renovation	\$150,000
EnGeo Technical Consultant	\$10,000
Interior MEP Services - Engineering Plans to Design Services	\$117,150
Interior Water Damage Repairs	\$143,000
Interior Wet Seal Replacement	\$35,200
Roof Consulting	\$33,000
Roof System Replacement	\$500,000
Seismic Upgrade - Viscous Isolation Dampers	\$2,000,000
Server Room MEP Design - Engineering Fee	\$22,000
Signage	\$25,000
Structural Design - Damper Strengthening	\$156,700
Structural Engineering - Interior Design Support	\$27,500
Structural Evaluation - Seismic Strengthening	\$39,600
Structural Construction Administration	\$38,500
Miscellaneous Capital Expense	\$65,000
<b>Structural Subtotal</b>	<b>\$5,158,600</b>

# CAPITAL EXPENSE BUDGET



July 2021 – June 2022

<b>INTERIOR CONSTRUCTION</b>	
<b>Expense Description</b>	<b>Quoted Expense</b>
Acoustics - WELL	\$10,000
Local Art Building Enhancement	\$50,000
Local Art Integration Consultant	\$10,000
Change Management	\$21,450
Department of Building & Safety	\$82,500
Electric Vehicle Charging Stations	\$60,000
Experience Design - Signage + Branding	\$30,087
Exterior / Garage Architecture Services - Design - CA	\$66,735
Furniture Support	\$12,000
Interior Architecture Services	\$440,003
Landscape (Patio)	\$14,920
WELL Certification Fee	\$10,000
Lighting - Interior, Exterior, Parking, WELL	\$7,000
Owner Improvement – 1 <sup>st</sup> Fl (Public Facing Areas [Boardroom, Reception] & Server Rm)	\$2,168,114
Owner Improvement – 2 <sup>nd</sup> Fl (Renovate conf rooms, collab areas, ADA & Code compliance)	\$1,569,843
Owner Improvement – 3 <sup>rd</sup> Fl (Build out of core & shell, conf rooms, collab areas)	\$1,448,330
Owner Improvement – 4 <sup>th</sup> Fl (Build out of core & shell, conf rooms, collab areas)	\$1,517,639
Owner Improvement – 5 <sup>th</sup> Fl (Refurbish & renovate layout and ADA & Code compliance)	\$702,951
Photorealistic Renderings (4 total)	\$5,500
Plant Program	\$3,000
Signage Consultant	\$10,000
Well Building Certification (Gold)	\$10,220
Generator Design Support	\$27,500
Furniture	\$2,131,305
<b>Interior Design and Construction Subtotal</b>	<b>\$10,409,097</b>

# CAPITAL EXPENSE BUDGET



July 2021 – June 2022

<b>TECHNOLOGY INFRASTRUCTURE</b>	
<b>Expense Description</b>	<b>Quoted Expense</b>
Owner Technology	\$2,700,000
Security Upgrades	\$295,084
Technology Design and Implementation Consultant	\$420,882
Technology Documentation	\$30,000
<b>Structural Infrastructure Subtotal</b>	<b>\$3,445,966</b>

<b>PROJECT MANAGEMENT</b>	
<b>Expense Description</b>	<b>Quoted Expense</b>
Project Management	\$146,400
<b>Project Management Services Subtotal</b>	<b>\$146,400</b>

<b>CONTINGENCY</b>	
<b>Expense Description</b>	<b>Quoted Expense</b>
10% Contingency	\$462,924



# ADMINISTRATIVE EXPENSE BUDGET



## July 2021 – June 2022

Expense Description	Quoted Expense
Salaries – As-Needed Staff for ASO	\$47,133
Overtime – ASO	\$7,200
Overtime – Systems	\$15,235
Building Ownership Legal Services	\$45,000
Computer Hardware	\$49,500
Computer Maintenance & Support – Set up of Fiber-optic Infrastructure, Business ISP & CO Lines, AT&T	\$18,541
Printing – New Business Cards, Envelopes, Misc.	\$8,000
Telephone and Utilities – VOIP, Data Center, AT&T Long Distance	\$600
Office Space – Existing Space Restoration & Close Out	\$42,187
Office Space – Moving Staff and Tech From LA Times to 977	\$180,000
Membership Dues and Subscription (Shredding Service)	\$2,000
<b>Grand Total</b>	<b>\$415,396*</b>

\* - \$340,163 of the Administrative Expense Budget is a one-time expense. This includes \$180k of Moving Staff, \$42k of Existing Space Restoration, \$30k for Building Ownership legal fees, and \$19k of Overtime for ASO and Systems.

# OPERATING EXPENSE BUDGET



July 2021 – June 2022

Expense Description	Quoted Expense
Property Management Administrative Expense	\$312,010
Cleaning	\$160,853
Insurance	\$128,694
Landscape	\$3,180
Management Fees	\$42,210
Parking Garage Services	\$92,578
Property Tax	\$23,406
Repairs and Maintenance	\$165,496
Security & Safety	\$224,374
Utilities	\$139,257
<b>Grand Total</b>	<b>\$1,292,058*</b>

\* - \$189,926 of the Operating Expense Budget is a one-time expense. This includes \$145k of Property Management Administrative Expense and \$18k of Repairs and Maintenance.

# 977 N BROADWAY



## **LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM**

202 W. FIRST STREET, SUITE 500  
LOS ANGELES, CA 90012  
(800) 779-8328 / RTT: (888) 349-3996  
**LACERS.ORG**



977 NORTH BROADWAY  
FISCAL YEAR 2021-22 BUILDING BUDGET,  
TRANSFER OF FUNDS FROM FISCAL YEAR 2020-21 TO FISCAL YEAR 2021-22,  
AND  
DELEGATION OF AUTHORITY TO THE GENERAL MANAGER TO TRANSFER FUNDS  
BETWEEN ADMINISTRATION, OPERATING, AND CAPITAL ACCOUNTS TO FACILITATE  
COMPLETION OF THE HEADQUARTERS PROJECT

PROPOSED RESOLUTION

WHEREAS, on October 23, 2019, LACERS closed escrow on a purchase of an office building at 977 North Broadway (“Broadway Building”), Los Angeles California; the property is a real estate asset held in a separate account in the LACERS Trust Fund, and the LACERS Board of Administration has sole and exclusive plenary authority over the assets of the trust fund;

WHEREAS, the Broadway Building goals for Fiscal Year 2021-22 (FY22) include LACERS’ full occupancy by early 2022, and completion of tenant and owner improvements prior to move-in;

WHEREAS, the Broadway Building budget for FY22, consisting of one-time expenditures for capital improvement projects for the building, on-going expenses for the daily operations of the building, and one-time administrative expenses related to the move-in process, has been prepared by LACERS’ retained Property Management company, Cushman and Wakefield, in collaboration with LACERS staff, for the period of July 1, 2021 to June 30, 2022; and such expenditures are reasonable and consistent with LACERS’ objectives for the management of the asset;

WHEREAS, budget for the administrative expenses are appropriated and processed using LACERS’ HQ Administrative Budget maintained with the City, while Capital and Operational expenditures are funded through the separate Broadway Building account in LACERS’ Trust Fund maintained with Northern Trust, LACERS’ custodian bank;

WHEREAS, \$3,586,805 of the funds allocated by the LACERS Board of Administration to the Broadway Building administrative expense for the purchase of furniture and audio-visual equipment for the Headquarters (HQ) Project were not expended during Fiscal Year 2020-21 (FY21) due to an extended period for planning and designing of the furniture layout and technology plans. With delivery of furniture and technology expected after July 1, 2021, it is beneficial to transfer unused funds for furniture and technology from the LACERS Administrative Budget to the LACERS Trust Fund to allow for the ability to use these funds in Fiscal Year 2021-22;

WHEREAS, periodic transfers of funds between the Capital, Operating, and Administrative budgets are necessary to meet the time-sensitive nature for the completion of the HQ Project.

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

1. Approve the Capital Expense Budget of \$19,622,987, the Operating Budget of \$1,292,058, and Administrative Budget of \$415,396 for the implementation of the Broadway Building Annual Plan for FY22;
2. Approve the transfer of \$3,586,805 from the FY21 HQ Administrative Budget to the LACERS Trust Fund to be used for purchase of furniture and technology for the Broadway Building in FY22;
3. Authorize the General Manager to approve the transfer of funds between the Administrative, Operational, and Capital accounts to facilitate the implementation of the Broadway Building Annual Plan for FY22.

**FISCAL YEAR 2021-22 – SUPPLEMENTAL BUDGET APPROPRIATION  
FOR THE HEADQUARTERS BUILDING MOVE**

LACERS FUND 800

**Supplemental Budget Appropriation  
FY 2021-22**

---

**SALARIES**

As Needed	\$	47,133
Overtime	\$	22,435
Total Salaries	\$	<u>69,568</u>

**EXPENSE**

Printing and Binding	\$	8,000
Contracts	\$	96,141
Office and Administrative	\$	241,687
Total Expense	\$	<u>345,828</u>

**EQUIPMENT**

Furniture, Office and Technical Equipment	\$	0
Total Equipment	\$	<u>0</u>

<b>TOTAL ADMINISTRATIVE EXPENSE</b>	<b>\$</b>	<b>415,396</b>
-------------------------------------	-----------	----------------



# CAPITAL, OPERATING, AND ADMINISTRATIVE BUDGETS RELATING TO PROPERTY AT 977 NORTH BROADWAY

For Los Angeles City Employees' Retirement System

**BOARD Meeting:** 06/08/21  
Item VIII – A  
Attachment 3



# TABLE OF CONTENTS

- Executive Summary
- Broadway Building Annual Plan Team
  - LACERS
  - Partners
- Capital Expense Budget
  - Asbestos Containing Materials
  - Security Upgrades
- Administrative Expense Budget
- Building Operating Expense Budget
- Timeline
  - Potential Risks





# EXECUTIVE SUMMARY – pg. 1



On June 9, 2020, the LACERS Board of Administration (“Board”) approved a Capital Expense Budget of \$17,086,432, an Administrative Expense Budget of \$3,954,752, and an Operating Expense Budget of \$1,478,797 for a total of \$22,519,981 to prepare the property for LACERS’ full occupancy in 2022. Of the Board approved FY21 Budget, one-time project costs amounted to \$20,107,076, of which \$1,524,784 has been expended to date.

LACERS and its partners on the Broadway Building Annual Plan (“Broadway Plan”) have developed the plans for property and tenant improvements with the goal of fully occupying the HQ Building in 2022 (Phase 2). Work on the Broadway Plan was delayed due to the challenges caused by COVID-19.

The COVID-19 Pandemic has changed how business is carried out across all sectors of the economy. LACERS has prioritized investing in the building in a way that promotes a safe working environment for both employees and Members.



# EXECUTIVE SUMMARY – pg. 2

For the last few months, LACERS has been working diligently with our consultants to finalize the Phase 2 scope of work which focuses primarily on:

- Incorporating health and safety best practices in our work environment post-COVID-19;
- Providing a safe and welcoming environment for LACERS Members;
- Providing a secure flexible computing environment;
- Building a workplace that promotes sustainability and reduces energy consumption;
- Creating an office environment that positively impacts human health and wellbeing; and,
- Carrying out vital long-term building improvements prior to LACERS' occupancy.

The Board's approval is sought for the Proposed FY22 HQ Building budget totaling \$21,330,441 to prepare the property for LACERS' full occupancy in 2022.



# EXECUTIVE SUMMARY – pg. 3



## Todd Bouey / Dale Wong-Nguyen

Thomas Ma / Isaias Cantu / Horacio Arroyo / Kristen Szanto



**Engineer of Record**  
Mechanical / Plumbing/ Engineering  
Design



**Corporate Contractors**  
General Contractors



**Project Manager**  
Project Development Services and  
Property Management



**Exante360**  
Technology Documentation Consultant

HAWORTH

**Furniture Manufacturer**



**Architect of Record**



**Fire Life Safety Consultant**  
Fuel Generator Services



**Structural Engineer**

PRESIDIO®

**Low Voltage Integrator**  
**Network Consultant & Installation**



**Environmental Consulting, Testing & Monitoring**

Twenty-One  
11 Ventures LLC

**Executive Real Estate Services Advisor**



**Furniture Dealer / Installation**



**Roof/Access/Facade Consultant**

# CAPITAL/ADMINISTRATIVE



Budget Type	Approved Fiscal Year (FY) 2020-21	Actual Expenses FY2020-21	Proposed Fiscal Year 2021-22	One-Time Expenses FY2021-22	Ongoing Expenses FY2021-22
Capital Budget	\$17,086,432	\$548,394	\$19,622,987	\$19,622,987	\$0
Administrative Budget	\$3,954,752	\$55,363	\$415,396	\$340,163	\$75,233
<b>TOTAL:</b>	\$21,041,184	\$603,757	\$20,038,383	\$19,963,150	\$75,233

The cumulative Capital and Administrative Expenses to prepare the property for LACERS' full occupancy in 2022 total \$20,622,140.

Actual FY21 Expenses		Proposed FY22		Cumulative HQ Project Budget
\$603,757	+	\$20,038,383	=	<b>\$20,642,140</b>

# CAPITAL EXPENSE BUDGET



July 2021 – June 2022

Expense Description	Quoted Expense
Structural	\$5,158,600
Interior Construction	\$10,409,097
Technology Infrastructure	\$3,445,966
Project Management Services	\$146,400
Contingency (10%)	\$462,924
<b>TOTAL:</b>	<b>\$19,622,987</b>

# CAPITAL EXPENSE BUDGET



July 2021 – June 2022

<b>STRUCTURAL</b>	
<b>Expense Description</b>	<b>Quoted Expense</b>
Asbestos Abatement (includes 25% contingency)	\$490,250
Backup Generator Replacement - Engineering Fee	\$13,200
Cladding Feasibility Study	\$60,500
Emergency Generator Upgrade	\$385,000
Exterior Patio Improvement	\$250,000
Exterior Renovation	\$250,000
Exterior Wet Seal Replacement	\$275,000
Façade Access Consulting	\$60,500
FLS Consultant - Generator Peer Review	\$11,500
Garage Renovation	\$150,000
EnGeo Technical Consultant	\$10,000
Interior MEP Services - Engineering Plans to Design Services	\$117,150
Interior Water Damage Repairs	\$143,000
Interior Wet Seal Replacement	\$35,200
Roof Consulting	\$33,000
Roof System Replacement	\$500,000
Seismic Upgrade - Viscous Isolation Dampers	\$2,000,000
Server Room MEP Design - Engineering Fee	\$22,000
Signage	\$25,000
Structural Design - Damper Strengthening	\$156,700
Structural Engineering - Interior Design Support	\$27,500
Structural Evaluation - Seismic Strengthening	\$39,600
Structural Construction Administration	\$38,500
Miscellaneous Capital Expense	\$65,000
<b>Structural Subtotal</b>	<b>\$5,158,600</b>

# CAPITAL EXPENSE BUDGET

## Asbestos Containing Materials

A sample of the precast panels at the corners and crown of the building was analyzed for potentially containing asbestos. Independent lab results confirmed asbestos containing material (ACM).

**Estimated Cost: \$490,250<sup>β</sup>**

**Includes a 25% contingency increase**

<sup>β</sup> - These costs are reflected in the proposed Capital Expenses Budget



# CAPITAL EXPENSE BUDGET



July 2021 – June 2022

<b>INTERIOR CONSTRUCTION</b>	
<b>Expense Description</b>	<b>Quoted Expense</b>
Acoustics - WELL	\$10,000
Local Art Building Enhancement	\$50,000
Local Art Integration Consultant	\$10,000
Change Management	\$21,450
Department of Building & Safety	\$82,500
Electric Vehicle Charging Stations	\$60,000
Experience Design - Signage + Branding	\$30,087
Exterior / Garage Architecture Services - Design - CA	\$66,735
Furniture Support	\$12,000
Interior Architecture Services	\$440,003
Landscape (Patio)	\$14,920
WELL Certification Fee	\$10,000
Lighting - Interior, Exterior, Parking, WELL	\$7,000
Owner Improvement – 1 <sup>st</sup> Fl (Public Facing Areas [Boardroom, Reception] & Server Rm)	\$2,168,114
Owner Improvement – 2 <sup>nd</sup> Fl (Renovate conf rooms, collab areas, ADA & Code compliance)	\$1,569,843
Owner Improvement – 3 <sup>rd</sup> Fl (Build out of core & shell, conf rooms, collab areas)	\$1,448,330
Owner Improvement – 4 <sup>th</sup> Fl (Build out of core & shell, conf rooms, collab areas)	\$1,517,639
Owner Improvement – 5 <sup>th</sup> Fl (Refurbish & renovate layout and ADA & Code compliance)	\$702,951
Photorealistic Renderings (4 total)	\$5,500
Plant Program	\$3,000
Signage Consultant	\$10,000
Well Building Certification (Gold)	\$10,220
Generator Design Support	\$27,500
Furniture	\$2,131,305
<b>Interior Design and Construction Subtotal</b>	<b>\$10,409,097</b>



# CAPITAL EXPENSE BUDGET



July 2021 – June 2022

<b>TECHNOLOGY INFRASTRUCTURE</b>	
<b>Expense Description</b>	<b>Quoted Expense</b>
Owner Technology	\$2,700,000
Security Upgrades	\$295,084
Technology Design and Implementation Consultant	\$420,882
Technology Documentation	\$30,000
<b>Structural Infrastructure Subtotal</b>	<b>\$3,445,966</b>

<b>PROJECT MANAGEMENT</b>	
<b>Expense Description</b>	<b>Quoted Expense</b>
Project Management	\$146,400
<b>Project Management Services Subtotal</b>	<b>\$146,400</b>

<b>CONTINGENCY</b>	
<b>Expense Description</b>	<b>Quoted Expense</b>
10% Contingency	\$462,924

# CAPITAL EXPENSE BUDGET

## Security Upgrades

Los Angeles Police Department performed a threat assessment of 977 North Broadway and provided LACERS the following suggestions for how to create a layered defense including:

- Create Safe Rooms
- Install Deadbolt Locks
- Add a Rear Gate in Breezeway
- Shatterproof Film on Glass Windows

**Estimated Cost: \$295,084<sup>β</sup>**



<sup>β</sup> - These costs are reflected in the proposed Capital Expenses Budget

# ADMINISTRATIVE EXPENSE BUDGET



## July 2021 – June 2022

Expense Description	Quoted Expense
Salaries – As-Needed Staff for ASO	\$47,133
Overtime – ASO	\$7,200
Overtime – Systems	\$15,235
Building Ownership Legal Services	\$45,000
Computer Hardware	\$49,500
Computer Maintenance & Support – Set up of Fiber-optic Infrastructure, Business ISP & CO Lines, AT&T	\$18,541
Printing – New Business Cards, Envelopes, Misc.	\$8,000
Telephone and Utilities – VOIP, Data Center, AT&T Long Distance	\$600
Office Space - Existing Space Restoration & Close Out	\$42,187
Office Space - Moving Staff and Tech From LA Times to 977	\$180,000
Membership Dues and Subscription (Shredding Service)	\$2,000
<b>Grand Total</b>	<b>\$415,396*</b>

\* - \$340,163 of the Administrative Expense Budget is a one-time expense. This includes \$180k of Moving Staff, \$42k of Existing Space Restoration, \$30k for Building Ownership legal fees, and \$19k of Overtime for ASO and Systems.

# OPERATING EXPENSE BUDGET



<b>Budget Type</b>	<b>Approved Fiscal Year (FY) 2020-21</b>	<b>Actual Expenses FY2020-21</b>	<b>Proposed Fiscal Year 2021-22</b>	<b>One-Time Expenses FY2021-22</b>	<b>Ongoing Expenses FY2021-22</b>
Operating Budget	\$1,478,797	\$921,027	\$1,292,058	\$189,926	\$1,102,132

The proposed Operating Expense Budget includes \$190k in one-time expenses that contain the purchase of tools and equipment for maintaining the building.

# OPERATING EXPENSE BUDGET

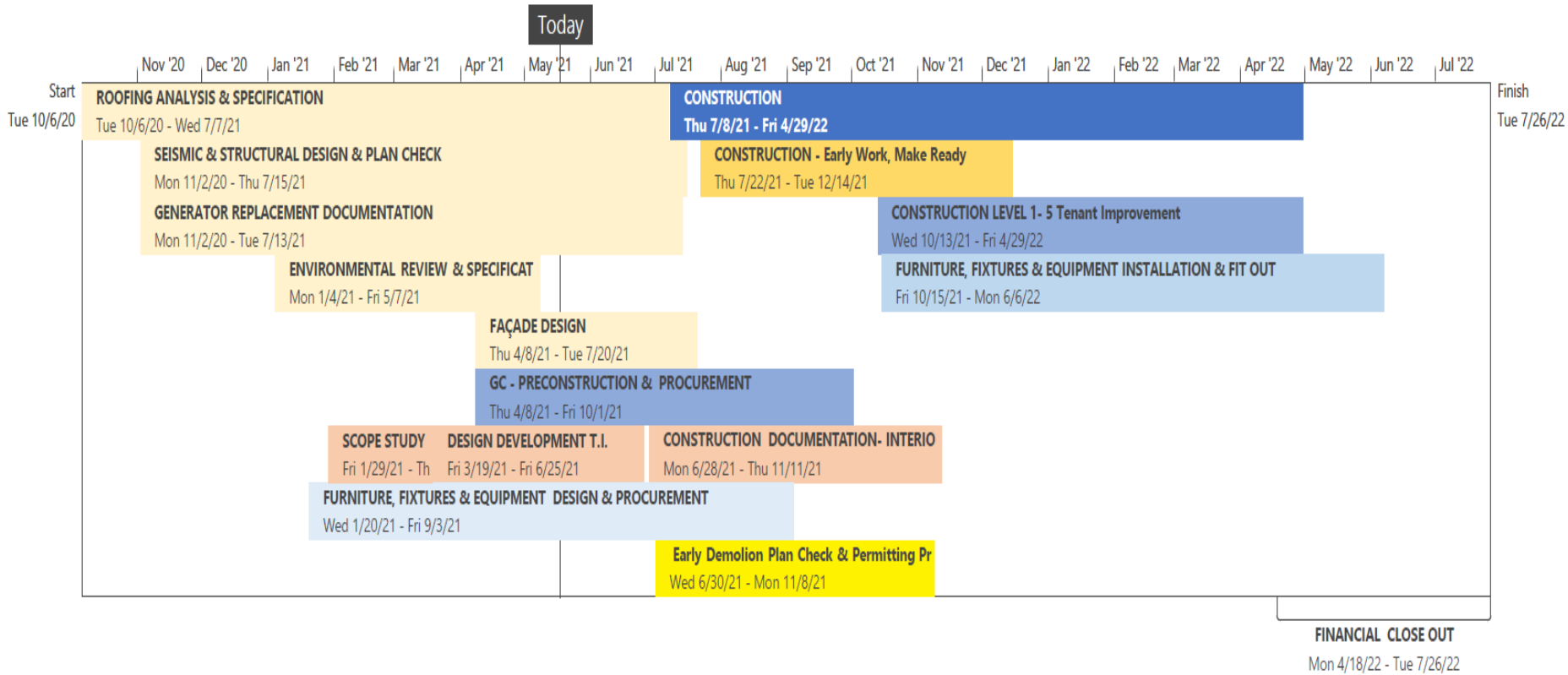


July 2021 – June 2022

Expense Description	Quoted Expense
Property Management Administrative Expense	\$312,010
Cleaning	\$160,853
Insurance	\$128,694
Landscape	\$3,180
Management Fees	\$42,210
Parking Garage Services	\$92,578
Property Tax	\$23,406
Repairs and Maintenance	\$165,496
Security & Safety	\$224,374
Utilities	\$139,257
<b>Grand Total</b>	<b>\$1,292,058*</b>

\* - \$189,926 of the Operating Expense Budget is a one-time expense. This includes \$145k of Property Management Administrative Expense and \$18k of Repairs and Maintenance.

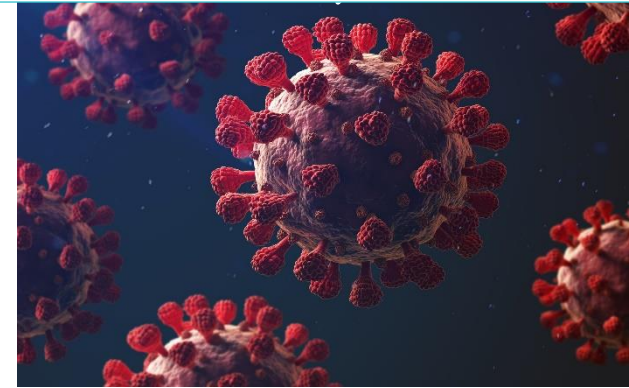
# TIMELINE



## Potential Risks

There are several factors that could affect the timeline and cost:

- Asbestos Containment
- COVID-19
- Availability of Resources
- Approvals and Inspections
- Supply Chain Delays
- Cost Control Management with Supply Chain



# 977 N BROADWAY



## **LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM**

202 W. FIRST STREET, SUITE 500  
LOS ANGELES, CA 90012  
(800) 779-8328 / RTT: (888) 349-3996  
**LACERS.ORG**





CONTRACT WITH HAWORTH, INC. (HAWORTH) FOR FURNITURE, INSTALLATION AND  
RELATED PRODUCTS AND SERVICES

PROPOSED RESOLUTION

WHEREAS, on October 23, 2019, LACERS closed escrow on a purchase of an office building at 977 North Broadway (“Broadway Building”), Los Angeles, California; the property is a real estate asset held in a separate account in the LACERS Trust Fund, and the LACERS Board of Administration has sole and exclusive plenary authority over the assets of the trust fund;

WHEREAS, the Broadway Building goals for Fiscal Year 2021-22 (FY22) include LACERS’ full occupancy by early 2022, and completion of tenant and owner improvements prior to move-in;

WHEREAS, the Broadway Building budget for FY22, consisting of expenditures for the purchase of furniture related to the move-in process; and such expenditures are reasonable and consistent with LACERS’ objectives for the full occupancy of the Broadway Building;

WHEREAS, Haworth is part of the OMNIA Partners cooperative purchasing agreement for public and private sectors and leverages the agreement to provide lower rates that group purchasing allows;

WHEREAS, it is beneficial for LACERS to join the cooperative purchase service agreement separately and directly with Haworth as the City’s agreement would not provide full access to Haworth’s catalog nor the lower rates;

WHEREAS, initiating a competitive bidding process for these services would not be advantageous for LACERS due to the availability of the public sector cooperative purchasing agreement through Haworth and OMNIA Partners;

WHEREAS, time is of the essence as Haworth pricing increases will take effect on July 1 and LACERS would benefit from locking in the purchase rates at their current amounts;

WHEREAS, Charter Section 371(e)(8) and 371(e)(10) provides exemption from the competitive bidding process for contracts that leverage a “cooperative arrangement with other governmental agencies for the utilization of the purchasing contracts” and are “undesirable, impractical or impossible”;

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

1. Find that, pursuant to City Charter Section 371(e)(8) and Section 371(e)(10), a competitive bidding process for office furniture procurement and related repair services for 977 North Broadway would not be advantageous.
2. Approve a three-year, sole-source contract with Haworth, Inc. for office furniture procurement and related repair services, for the period beginning June 8, 2021 and ending June 7, 2024;
3. Authorize the General Manager to negotiate and execute a three-year contract with Haworth, Inc., subject to the approval of the City Attorney as to form.



**REPORT TO BOARD OF ADMINISTRATION**

**From: Governance Committee**  
Nilza R. Serrano, Chair  
Annie Chao  
Cynthia M. Ruiz

**MEETING: JUNE 8, 2021**  
**ITEM: VIII – B**

**SUBJECT: PROPOSED BOARD RULES FOR VENDOR PAYROLL DEDUCTION AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board approve the proposed Board Rules for Vendor Payroll Deduction as amended by the Governance Committee (lowering the threshold for participation from 100 to 50 initial participants).

**Executive Summary**

The proposed Board Rules were developed to bring clarity and process to onboarding and administration of payroll deduction requests by external agencies. On May 25, 2021, Staff presented to the Committee the attached draft Board Rules. After discussion of the threshold for participation and other requirements to initiate payroll deductions, the Committee requested staff to lower the threshold for participation from 100 to 50 initial participants, which aligns with the Los Angeles Fire and Police Pension’s current requirement. Staff concurs and the Committee agreed to forward the Rules to the Board for approval.

**Strategic Plan Impact Statement**

These Board Rules support LACERS Strategic Plan goal of good governance which affirm transparency by providing clear directions to organizations who seek payroll deduction in their support of our Members.

Prepared By: Rahoof “Wally” Oyewole, Departmental Chief Accountant

NMG/TB/RO

Attachment 1: Report to Governance Committee Dated May 25, 2021



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM

Board Meeting: 06/08/2021  
Item VIII - B  
Attachment 1



**REPORT TO GOVERNANCE COMMITTEE**  
**From: Neil M. Guglielmo, General Manager**

**MEETING: MAY 25, 2021**  
**ITEM: IV**

*Neil M. Guglielmo*

**SUBJECT: PROPOSED BOARD RULES FOR VENDOR PAYROLL DEDUCTION AND POSSIBLE COMMITTEE ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Committee recommend to the Board adoption of Board Rules for Vendor Payroll Deduction.

**Executive Summary**

The proposed Board Rules were developed to bring clarity and process to onboarding and administration of payroll deduction requests by external agencies. The Board Rules provide: (1) transparent onboarding process; (2) thresholds for ongoing participation; (3) Member information security; (4) LACERS organizational protection; and (5) cost recovery. Staff is seeking Committee’s feedback and/or approval.

**Discussion**

At previous Board meetings, Board Members had concerns over outside organizations’ access to LACERS Members. As a result of those discussions, the Board requested staff to develop guidelines for outside organizations interested in attending Member events and for those seeking payroll deductions.

At its July 23, 2019 meeting, the Board adopted a policy on Member solicitation and distribution which addresses organizations’ attendance at Member events, distribution of promotional materials and use of LACERS’ resources. To continue the efforts to bring transparency to the process for collaborating with external organizations, staff developed the attached Board Rules for organizations seeking LACERS’ assistance with retiree payroll deductions.

***Organizations Currently Receiving Payroll Deductions***

The table below shows organizations currently approved to receive payments from retirees through voluntary payroll deductions and the number of participants. LACERS plans to continue processing payroll deductions for these organization as usual. However, should they wish to expand the number of participants in the future, they too, like new organizations, would be subject to the threshold for participation and other requirements of these Board Rules.

<b>Organizations Currently Receiving Payroll Deductions</b>	
<b>Organization</b>	<b>Member Counts As of April 2021</b>
All City Employees Benefits Service Association (ACEBSA)	1,869
American Federation of State, County and Municipal Employees – Retirees Chapter 36 (AFSCME Chapter 36)	1,048
American Federation of State, County and Municipal Employees – People Retirees Chapter 36 (AFSCME People)	109
City Employee Club (LACEA)	3,164
Los Angeles Federal Credit Union (LAFCU)	2,603
Los Angeles Police Federal Credit Union (LAPFCU)	278
Los Angeles Police Relief Association, Inc.	1
Retired Los Angeles City Employees Inc., RLACEI	6,082
Service Employee International Union, CTW, CLC (SEIU 721)	259

The Board Rules were developed in consultation with the City Attorney, and after reviewing the requirements in the Admin Code, and in alignment with similar procedures used by the City Controller and Los Angeles Fire and Police Pensions (LAFPP).

Staff is seeking Committee’s feedback and/or approval of the draft Board Rules.

**Strategic Plan Impact Statement**

These Board Rules support LACERS Strategic Plan goal of good Governance which affirm transparency by providing clear directions to organizations who seek payroll deduction in their support of our Members.

Prepared By: Rahoof “Wally” Oyewole, Departmental Chief Accountant

NMG/TB/RO

Attachment 1: Board Rules – Voluntary Benefit Payroll Deductions (PRD)

## **BOARD RULES -VOLUNTARY BENEFIT PAYROLL DEDUCTIONS (PRD)**

PRD 1: LACERS authorizes organizations that perform services to the benefit of LACERS' retirees and beneficiaries to receive voluntary payroll deductions from Members' monthly pension benefit. All Rules as stipulated herein are applicable to all organizations participating in LACERS Voluntary Payroll Deductions program, unless specifically stated otherwise.

The following organizations are currently approved to receive payments authorized by LACERS' annuitants for premiums, fees, dues, assessments or contributions through voluntary payroll deductions from periodic pension benefits.

1. All City Employees Benefits Service Association (ACEBSA)
2. American Federation of State, County and Municipal Employees – Retirees Chapter 36 (AFSCME Chapter 36)
3. American Federation of State, County and Municipal Employees – People (AFSCME People)
4. Employees Club California (LACEA)
5. Los Angeles Federal Credit Union (LAFCU)
6. Los Angeles Police Federal Credit Union (LAPFCU)
7. Los Angeles Police Relief Association, Inc. (Police Relief)
8. Retired Los Angeles City Employees, Inc. (RLACEI)
9. Service Employees International Union, CTW, CLC (SEIU Local 721)

PRD 2: Organizations must satisfy the following requirements to request authorization and receive voluntary payroll deductions from LACERS:

- Letter signed by the organization's authorized officer requesting authorization to receive payroll deductions.
- Documents containing the organization's information and details of operations, that are intended to benefit LACERS' retirees and beneficiaries.
- Certification that 100 or more LACERS' retirees and beneficiaries are willing to authorize the requested payroll deductions.
- Provision of any other documents, requirements, specifications and information as requested by LACERS as necessary to evaluate the request.

The above documents will be used by the General Manager or designee to evaluate the request for approval.

PRD 3: Upon approval by the General Manager, the organization must submit a total of 100 or more requests for payroll deduction in the first payroll processing based on the prior certification submitted. The first payroll deduction will be scheduled on the second payroll month after the month the initial payroll deduction list was received. The organization will be billed for the

## **BOARD RULES -VOLUNTARY BENEFIT PAYROLL DEDUCTIONS (PRD)**

implementation cost, which may include personnel, overhead and chargeback cost from LACERS' system vendor.

- PRD 4: The authorization to receive voluntary payroll deductions may be cancelled by LACERS when the organization has less than 50 active contributing retirees and beneficiaries for three consecutive payroll months. Three months termination notification will be given prior to final termination. Organizations named in section PRD1 above that fall below this threshold will remain eligible to continue receiving voluntary payroll deductions unless otherwise directed by the Board, but may not add new deductions without accumulating a total of at least 50 contributing LACERS Members. Any organization who is subject to cancellation whether due to this provision or any other reason is solely responsible to provide proper notification and any alternative payment mechanisms to its participants.
- PRD 5: Organizations are responsible for obtaining and safekeeping authorization forms for payroll deduction properly signed by the Member. The form should contain information such as proper identification and amount of authorized payroll deduction, which will be effective until revoked or cancelled by the Member or upon cancellation of the organization's authorization to receive payroll deduction from LACERS.
- PRD 6: Organizations must submit copies of Members' signed authorization forms and organizational financial records upon request of LACERS.
- PRD 7: Authorized organizations are responsible for receiving and processing all requests to change, cancel and revoke annuitants' voluntary payroll deduction. LACERS is not liaison to Members regarding payroll deductions on behalf of authorized organizations.
- PRD 8: Organizations must complete and submit electronically, the Schedule of Authorized Payroll Deduction Changes that will list all the additions, terminations and changes in payroll deductions to LACERS on or before the 8<sup>th</sup> day of each month. The schedule should be properly signed and certified true and correct by the organization's authorized employee.
- PRD 9: Authorized organizations will directly indemnify LACERS and LACERS Members for any errors and omissions in the information provided to LACERS.
- PRD 10: In exchange of information between LACERS and external organizations, secured file transfer services are required such as Hightail, Box Shield, and/or vendor established secured file transfer software (subject to review and approval of LACERS). Transmitting files containing personally identifiable information and financial accounts must include password protection enabled.

## **BOARD RULES -VOLUNTARY BENEFIT PAYROLL DEDUCTIONS (PRD)**

Member information sent between LACERS and external organizations shall be limited to collection of data to the minimum amount needed to carry out necessary functions, and in accordance with all applicable current and future LACERS' Information Security Policies. LACERS will provide each authorized organization a monthly deceased report and a single monthly validation file in Excel or text format for each month in which a payroll deduction occurs for the respective organization. Requests for additional reports or files by the authorized organization are subject to review and approval of LACERS, and costs for production and administration of such files or reports will be charged back to the authorized organization.

- PRD 11: Authorized organizations must enter into a Non-Disclosure Agreement with LACERS for purposes of protection of Member information.
- PRD 12: Any changes to an authorized organization's information such as address, payment information and changes in administration or organizational status should be timely communicated to LACERS via an official letter signed by the organization's authorized officer. Additional documents may be required related to changes in organization that involve assignment and transfer of administration. Organizational changes are subject to review by LACERS and could be cause for termination of participation in LACERS' voluntary payroll deduction. Such documents impacting payroll deduction processes must be submitted before the 8<sup>th</sup> day of the month for the change to be effective in the same payroll month.
- PRD 13: Requests for payroll deduction changes affecting all or a majority of Members or any changes that will require new and updated system set up including request for additional reports or changes to the existing reports being provided should be submitted via an official letter detailing the required change at least three months before the 1<sup>st</sup> day of the requested implementation month. The organization may be required to submit additional documentation related to the change request, as needed. The request will be evaluated as to the complexity and required resources needed to accomplish the change request and will be subject to General Manager's approval. LACERS will attempt to meet the requested implementation month provided all required documents and information including the identification of requested payroll deduction changes are submitted timely. The organization will be billed for the cost to implement the change request which may include personnel cost and chargeback from LACERS' system vendor as the case may be.



**REPORT TO BOARD OF ADMINISTRATION**

**From: Governance Committee**  
Nilza R. Serrano, Chair  
Annie Chao  
Cynthia Ruiz

**MEETING: JUNE 8, 2021**  
**ITEM: VIII – C**

---

**SUBJECT: MEMBER INFORMATION RELEASE POLICY AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

---

**Recommendation**

That the Board authorize the General Manager to execute non-disclosure agreements ("NDA") with entities outside of LACERS or memoranda of understanding ("MOU") with City departments receiving Members' personal information, in accordance with the attached draft Release of Member Information Policy and in coordination with City Attorney, who will be assisting in the development of NDA language inclusive of information security.

**Executive Summary**

The Release of Member Information Policy was presented to the Governance Committee and provides policies and procedures related to the monitoring of incoming information requests, the transmission of requested Member information, and the engagement of NDA's and MOU's with requesting parties.

**Discussion**

On May 25, 2021, the Release of Member Information Policy was presented to the Governance Committee. In the discussion that followed, a request was made by the Commissioners present to include provisions around information security within the NDA's, which will be developed in concert with City Attorney.



## **Strategic Plan Impact Statement**

The approval of this policy is in alignment with Good Governance in ensuring the privacy of our Members and maintaining a strict code of compliance in LACERS use and treatment of Member information.

Prepared By: Vikram Jadhav, Chief Information Security Officer

NMG/TB:VJ

Attachments: 1. Release of Member Information Policy

Attachments: 2. Committee Report



## RELEASE OF MEMBER PERSONAL INFORMATION POLICY

---

Issue Date: April 7, 2021  
Applies to: All Staff  
Policy #: S216

### POLICY STATEMENT

LACERS places service to our Members first and foremost, and we are committed to our mission of establishing trusting and lifelong relationships with all our Members. On Members' behalf and as part of conducting LACERS business, we provide services and information to other City departments, third party service providers, and non-City agencies. In providing these services, we are responsible for safeguarding member personal information, which includes, but is not limited to, social security numbers, financial account numbers, birth dates, physical addresses, email addresses, and telephone numbers. Such information may not be released to the general public or any unauthorized agencies. It is the policy of the Plan to protect and promote a secure exchange of member personal information under the guidelines detailed in this policy. Further, it is the responsibility of each LACERS employee to ensure the legitimacy of the request for which member personal information is being released. Finally, the Release of Member Personal Information Policy is to be administered and interpreted in conjunction with the Information Classification Policy, the Information Handling Policy, the Information Security Policy, and the Policy of Member Solicitation and Distribution.

### DEFINING PERSONAL IDENTIFIABLE INFORMATION (PII)

LACERS staff will adhere to Personal Identifiable Information as designated in the LACERS Privacy Policy. [See here.](#)

### RESPONSIBILITIES

Persons with responsibility for records containing personal information should exercise care to ensure accuracy and completeness. Both departments and individuals are responsible for protecting personal information against accidental or intentional misuse or improper disclosure within or outside LACERS.

#### Annual Review of Policy

- The Assistant General Manager overseeing all release of Member related information is responsible for ensuring annual review and update of this Policy

#### Divisional Responsibilities for Adherence to Policy

##### Administration and Support

- Administration Divisions will monitor incoming requests to their groups for release of personal information and will act as the principal processing agent for the release of records
- Administration Divisions will task City Attorney to ensure compliance to City policy for any release of information

**Member Benefits and Communication**

- Divisions within Member Benefits will monitor incoming requests to their groups for release of personal information and will act as the principal processing agent for the release of records
- Divisions within Member Benefits will task City Attorney to ensure compliance to City policy for any release of information
- The Retirement Services Division is responsible for auditing any and all sensitive Member information prior to release to ensure accuracy and privacy
- Health Division is responsible for auditing any and all sensitive Member information prior to release to ensure accuracy and privacy

**City Attorney**

- The City Attorney will review all records requests, audit all requested records, and appropriately redact any and all sensitive Member information to ensure compliance with City policy

**PROCEDURE**

A. Member Requests

If Members telephonically request their own pension information or MyLACERS pin code, registered email change or password reset, staff must authenticate the following, prior to releasing pension information: 1) last four digits of the Member's social security number and, for active members, employee ID number; and 2) two of the following: address, telephone number, date of birth or date of hire in the payroll system. If the request is made in-person, staff must verify the Member's picture identification. While picture identification is a precondition to enter the LACERS workspace, if picture identification is unavailable, staff must verify the Member's full social security number, date of birth, and current or former employing department. Staff's response to the request should be timely, accurate and in a written or verbal manner. Staff should use their judgment and consider reminding members, when applicable, that the information that they seek is available through MyLACERS.

1. If the Member requests a written response in-person, it shall be provided at the time of the office visit, if possible.
2. If the Member requests a written response to be sent to them, it will be mailed to the Member's current address on file (or, for retired members only, to the address provided by the member on his/her written request) or emailed (via secured password email method, such as Hightail or Box.com) to the Member's email address on file.
3. If a Member needs pension information to be sent to a third party such as a private lawyer, financial institution, or tax agent, the information will be sent to the Member and the Member may forward such information as necessary. Exceptions to this policy

may only be made through the Member's completion of a Division-approved "Authorization to Release" form (i.e., the LACERS MEMBER VERIFICATION OF PENSION REQUEST form which allows LACERS to release pension award information directly to financial institutions, Disability medical releases, and HIPAA authorization forms).

4. Unless a Member requests specific confidential information via e-mail/fax and requests that LACERS reply in the same manner, responses via email/fax should be limited to general statements or sample scenarios. Confidential information must never be sent via unsecure email or fax methods.

**B. Current/Former Spouse/Domestic Partner Requests**

Current and former spouses/state-registered domestic partners are entitled to information related to their community property interest in a Member's pension benefits upon receipt of a written request to staff that contains the following information to verify their status and identity: 1) name of Member, and 2) all of the following information from the requestor— name, address, social security number, contact number and signature. If the current and former spouse/state-registered domestic partner is not already in LACERS' line of business systems, then a copy of the marriage certificate, state registration of domestic partnership, or conformed copy of a domestic relations order/dissolution judgment is required prior to releasing information related to the Member's pension benefits.

If a request is received from an attorney representing either the Member or the Member's current or former spouse/state-registered domestic partner, Legal Processing Unit staff may release information concerning the community property interest in the Member's benefits upon receipt of a formal request written on the attorney's letterhead that provides sufficient information to clearly identify the attorney's client and the parties involved.

Otherwise, staff shall be authorized to release information regarding a Member's pension to other parties only after obtaining the Member's written permission to do so.

If the requestor is a purported beneficiary pursuant to community property division of the Member's benefit (e.g., a Member's former spouse or the beneficiary of a former spouse), and if a Member does not give permission to release pension information to the beneficiary related to vested inheritance interests, staff shall forward the request to the City Attorney for advice.

If there are any questions regarding the adequacy of the request or the scope of information requested, staff may consult the City Attorney's Office for advice.

Staff shall respond to written requests for information in writing, mailed to the former spouse/state-registered domestic partner's address on file or to the address of the representing attorney as indicated on the attorney's letterhead.

C. Secure Transmission of Member Information

When information is sent within LACERS or outside of LACERS, care must be taken to ensure that member personal information is redacted or, if redaction is not feasible, adequately protected. Personally identifiable information that cannot be redacted due to operational/business needs, including, but not limited to, social security numbers or home addresses, must be sent via secure methods. Secure methods are defined as messenger delivery service or IT-approved secured file transfer services such as Hightail and vendor-established secured file transfer software. Transmitting files, either with or without password protection, that contain personally identifiable information through e-mail (including Outlook) is not an approved secure method. Files sent via Hightail should require a password to open whenever feasible.

Management encourages staff to reduce the amount of member information that is sent via unsecured methods. If the need arises, information containing only the last four digits of social security numbers and other non-personally identifiable member information can be sent via less secure methods such as U.S. Mail, email, or fax.

Member personal information sent within LACERS shall be transmitted in accordance with LACERS' administrative control process, which limits staff access to personal information to only those individuals who need such access in order to perform their job duties.

Member information sent outside of LACERS shall be transmitted in accordance with the Release of Member Personal Information Policy as a whole.

D. Address Lists

Each of the following public entities may receive an address list of retired LACERS Members where those Members are also associated with that particular entity. Prior to releasing any address lists, LACERS should confirm that it has a non-disclosure agreement or memorandum of understanding with the entity that will ensure the lists are kept confidential:

1. City Clerk – All Members eligible to participate in a particular election
2. General Services Department – All Members eligible to participate in a particular election
3. Personnel Department, Liaison Services Division – All Members eligible to participate in a particular election
4. Office of the Controller – All Retirees Receiving Excess Benefit Plan Payments

Each of the following organizations may receive an address list of retired LACERS Members where (i) those Members are also associated with that particular organization, and (ii) the lists are needed to fulfill any LACERS business needs related to the administration of Member benefits:

1. Northern Trust – All retirees and all beneficiaries receiving payments
2. Taylor Communications – All retirees and all beneficiaries receiving payments
3. Anthem Blue Cross – Associated retirees
4. Kaiser – Associated retirees
5. SCAN – Associated retirees
6. United Healthcare – Associated retirees
7. Delta Dental – Associated retirees
8. LRS Retirement Services – All retirees
9. KESMail – All retirees
10. California Marketing – All members
11. Imagine That – All members

Before releasing address lists to any of the above organizations, LACERS shall ensure it has up-to-date non-disclosure agreements with each organization.

If staff receives a request for an address listing of retired members from an organization not included in the above lists, then staff shall refer the request to the Division Manager who will refer it to the Chief Information Security Officer for appropriate response after conferring with the Public Pensions General Counsel Division of the City Attorney's Office.

E. Monthly Deductions

Where Members have designated one of the following entities to receive deductions from their monthly benefit, that specific entity may receive a summary of information regarding those Members': 1) monthly deduction amounts and any adjustments taken out of the deduction, 2) first and last names, 3) the last four digits of the members' Social Security numbers (or the entire Social Security numbers for LAFUCU, LAPFCU and LACEA), and 4) a monthly deceased report. Prior to releasing the above information, LACERS should confirm that it has a non-disclosure agreement or memorandum of understanding (for the Personnel Department) with the entity that will ensure the lists are kept confidential:

1. All City Employees Benefits Service Association (ACEBSA)
2. American Federation of State, County and Municipal Employees (AFSCME Chapter 36)
3. American Federation of State, County and Municipal Employees – People (AFSCME People)
4. Employees Club California (LACEA)
5. Los Angeles Federal Credit Union (LAFUCU)
6. Los Angeles Police Federal Credit Union (LAPFCU)
7. Los Angeles Police Relief Association, Inc. (Police Relief)
8. Retired Los Angeles City Employees, Inc. (RLACEI)
9. Service Employees International Union, CTW, CLC (SEIU Local 721)
10. Personnel Department, Workers' Compensation Recapture Section

The General Manager may approve adding other qualified entities to the above list.

F. Interdepartmental Requests

Notwithstanding subpoenas, Evidence Code Section 1043 motions, or any formal agreement for information exchange, other City departments (e.g., Mayor's Office, CAO, City Attorney's Office, employing departments for Members, Personnel Department, LAFPP, etc.) may make requests for member personal benefit information by filling out an interdepartmental request. The Division Manager should refer these requests to the Division Manager, Retirement Services Division, for verification of the request's appropriateness and for further discussion with the City Attorney's Public Pensions General Counsel Division and, if necessary, the General Manager.

All requests for member personal benefit information must be submitted in writing, detailing the requestor's contact information, the Member's name and social security number (or serial/employee ID number), and the requestor's intended use of the member's information.

Note: The City Attorney's Office contracts with private law firms for various services. Should these law firms need member information, they should be instructed to make the request through the Public Pensions General Counsel Division of the City Attorney's Office.

G. Litigation Requests

From time to time, LACERS may receive requests for member contact information in the event the member is needed to serve as a witness or facilitate prosecution, or for other types of member information in litigation related to the member (NOTE: Requests for active member contact information should be referred to the member's employing department). These requests must be made via the judicial process in the corresponding case and shall be routed to the Legal Processing Unit, who shall forward them to the Public Pensions General Counsel Division of the City Attorney's Office to determine the proper response. Additionally, LACERS staff must immediately notify the member of the request and ask whether the member will consent to the release of his/her personal information. LACERS staff should inform members that, if the member consents to release—or should the court order release—of the personal information, LACERS, through the City Attorney's Office, will seek a protective order to limit the release to the specific case in which it was requested. Where a member consents to the release of his/her personal information, LACERS shall provide the member a consent waiver authorizing such release. Where a member does not consent to the release of his/her personal information, the General Manager shall decide whether LACERS, through the City Attorney's Office, will oppose the motion or file a motion of non-opposition. Regardless, LACERS will seek a protective order to limit the release of the member's information.

For state cases seeking personal information for peace officer members (e.g., legacy Airport police members), requests must be made using Evidence Code Section 1043 motions. For state cases seeking all other member information, and for federal cases, requests must be made using subpoenas. Staff is to document each request as well as,

upon release of member personal information, when and to whom the information was released, and store both in LACERS' document management system (OnBase), in addition to placing detailed notes in the LACERS' pension administration system, and placing scanned copies into the member's file.

For litigation requests where the member information is otherwise subject to release under the California Public Records Act, Staff is to process the request pursuant to the policy described in Section I.

H. Documentation of Requests for Member Information

Except for processing Evidence Code Section 1043 motions, subpoenas, and pension verifications for which responses are stored in OnBase, it is the responsibility of LACERS staff to document the every request for, and release of information when responding to an individual's or organization's request. Staff will record in the Notes section of LACERS' pension administration system: the name of the requestor, the details of the request, request date, information provided (if any), and the date the information was sent.

I. CPRA Requests

Requests for Member information under the California Public Records Act (CPRA) should be forwarded to the CPRA Unit within the Administrative Services Office for review. Information may be released pursuant to the City Attorney's advice. Generally, information requested regarding a Member's date of retirement, department retired from, last position held, years of service, base pension amount, cost of living adjustment, total health/dental subsidy allowances, and/or monthly pension benefit should be released, but information regarding a Member's address, telephone number, email address, date of birth, age, and selection of benefits (e.g., the type of medical insurance and the number of family members covered) is exempt from disclosure. Information regarding a Member's beneficiary selection should not be disclosed until the beneficiary is receiving a benefit from LACERS. Where the recipient is a minor, the beneficiary's name should be kept confidential even after the benefit has been paid out, but the benefit amount and the name of the listed guardian may be released. If the information requested is only for a single Member, staff must notify the member via correspondence regarding receipt of the CPRA request, the requestor's name, and whether the information was released per the City Attorney's Office.

J. Disability File Information Requests

Requests for information contained in a Member's disability retirement application file should be treated as CPRA requests and processed pursuant to the policy described in Section I, unless the request occurs in the context of ongoing litigation, in which case staff should follow the policy described in Section G. For non-litigation requests, information regarding a Member's medical condition and any exempt personal information described in Section I should not be disclosed. However, the Member's name, the fact that he or she



has applied for a disability pension, current salary, and certain details regarding the Member’s disability application are subject to release. Additionally, pursuant to the waivers contained in the application’s statement of disability, LACERS provides member medical and/or personal information contained in the disability application file to individuals involved in the processing of the disability claim, including the Board, the City Attorney’s Office, physicians performing disability evaluations for the Board, City Personnel Department and Workers’ Compensation staff, and the medical liaison of the Member’s employing department. Lastly, any information contained within the disability application file that is shared at an open session of a Board meeting becomes a public record that is subject to CPRA disclosure upon request.

**K. Business Records Subpoenas for Dissolution Cases**

In connection with Member marital dissolution cases, current and former spouses sometimes serve LACERS with deposition subpoenas for production of business records. These subpoenas typically seek information related to the valuation of the Member’s pension benefit and/or health benefit, including: 1) documentation of pension payments by Northern Trust, 2) IRS Form 1099-R, 3) Plan summary, 4) retiree summary, 5) letter of intention for retirement, 6) application for service pension benefits, 6) service record and pension amount, 7) Board approval letter, 8) direct deposit form, and 9) Summary Plan Description for the Member’s tier. LACERS shall release the requested information to the designated deposition officer on the date designated on the subpoena. However, if the Member objects to the subpoena, moves for a protective order, and/or moves to quash the subpoena, LACERS shall wait until the court rules on the Member’s objections and/or motions before releasing this information. LACERS shall forward all such subpoenas to the City Attorney for advice.

**REFERENCES**

- A. Attachment – Release of Member Personal Information Policy Consent Form

**POLICY HISTORY**

- [04/07/21] Adoption date
- [date] Revision to \_\_\_\_\_

**GENERAL MANAGER APPROVAL**

Signature:	Date:
------------	-------

Attachment

# RELEASE OF MEMBER PERSONAL INFORMATION POLICY CONSENT FORM

---

I have read and reviewed the LACERS Release of Member Personal Information Policy. By signing this Consent Form, I agree to abide by the LACERS Release of Member Personal Information Policy including the policy and procedure.

**PRINT NAME:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



**REPORT TO GOVERNANCE COMMITTEE**  
**From: Neil M. Guglielmo, General Manager**

**MEETING: May 25, 2021**  
**ITEM: III**

*Neil M. Guglielmo*

---

**SUBJECT: MEMBER INFORMATION RELEASE POLICY AND POSSIBLE COMMITTEE ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

---

### **Recommendation**

That the Committee recommend to the Board to authorize the General Manager to execute non-disclosure agreements ("NDA") with entities outside of LACERS or memoranda of understanding ("MOU") with City departments receiving Members' personal information, in accordance with the attached draft Release of Member Information Policy.

### **Executive Summary**

The Release of Member Information Policy provides guidance for the release of Member information to outside parties, including requiring NDA's and MOU's for certain requestors.

### **Discussion**

The Release of Member Information Policy dictates the actions necessary from LACERS staff in responding to Member information requests and governs the release of any requested information. The Policy sets in place organizational standards that will ensure that Member privacy is respected and that Members' personal information, including but not limited to, social security numbers, dates of birth, and all forms of contact information, are protected.

The **policies** provide guidance in the following areas:

- Annual Review of Policy
- Summary of information to organizations designated to receive monthly deductions
- Interdepartmental requests for Member information
- Third-party entities designated to receive Member address lists to fulfill LACERS business needs related to the administration of Member benefits
- Information requests for Members involved in litigation where they are a prospective witness or are otherwise related to the litigation
- CPRA Requests, including Disability File Information requests
- Information requests from current and former spouses related to Business Records Subpoenas
- Information requests from current and former spouses and state-registered domestic partners

The **procedures** provide guidance in the following areas:

- Divisional responsibilities for adherence to policy
- Secure transmission of Member information
- Processes to receive Member information requests via telephone, email/fax, written correspondence
- Processes to send information to a third party

### **Strategic Plan Impact Statement**

The approval of this policy is in alignment with good Governance in ensuring the privacy of our Members and maintaining a strict code of compliance in LACERS use and treatment of Member information.

Prepared By: Vikram Jadhav, Chief Information Security Officer

NMG/TB:VJ

Attachments: 1. Release of Member Information Policy



## RELEASE OF MEMBER PERSONAL INFORMATION POLICY

---

Issue Date: April 7, 2021  
Applies to: All Staff  
Policy #: S216

### POLICY STATEMENT

LACERS places service to our Members first and foremost, and we are committed to our mission of establishing trusting and lifelong relationships with all our Members. On Members' behalf and as part of conducting LACERS business, we provide services and information to other City departments, third party service providers, and non-City agencies. In providing these services, we are responsible for safeguarding member personal information, which includes, but is not limited to, social security numbers, financial account numbers, birth dates, physical addresses, email addresses, and telephone numbers. Such information may not be released to the general public or any unauthorized agencies. It is the policy of the Plan to protect and promote a secure exchange of member personal information under the guidelines detailed in this policy. Further, it is the responsibility of each LACERS employee to ensure the legitimacy of the request for which member personal information is being released. Finally, the Release of Member Personal Information Policy is to be administered and interpreted in conjunction with the Information Classification Policy, the Information Handling Policy, the Information Security Policy, and the Policy of Member Solicitation and Distribution.

### DEFINING PERSONAL IDENTIFIABLE INFORMATION (PII)

LACERS staff will adhere to Personal Identifiable Information as designated in the LACERS Privacy Policy. [See here.](#)

### RESPONSIBILITIES

Persons with responsibility for records containing personal information should exercise care to ensure accuracy and completeness. Both departments and individuals are responsible for protecting personal information against accidental or intentional misuse or improper disclosure within or outside LACERS.

#### Annual Review of Policy

- The Assistant General Manager overseeing all release of Member related information is responsible for ensuring annual review and update of this Policy

#### Divisional Responsibilities for Adherence to Policy

##### Administration and Support

- Administration Divisions will monitor incoming requests to their groups for release of personal information and will act as the principal processing agent for the release of records
- Administration Divisions will task City Attorney to ensure compliance to City policy for any release of information

**Member Benefits and Communication**

- Divisions within Member Benefits will monitor incoming requests to their groups for release of personal information and will act as the principal processing agent for the release of records
- Divisions within Member Benefits will task City Attorney to ensure compliance to City policy for any release of information
- The Retirement Services Division is responsible for auditing any and all sensitive Member information prior to release to ensure accuracy and privacy
- Health Division is responsible for auditing any and all sensitive Member information prior to release to ensure accuracy and privacy

**City Attorney**

- The City Attorney will review all records requests, audit all requested records, and appropriately redact any and all sensitive Member information to ensure compliance with City policy

**PROCEDURE**

A. Member Requests

If Members telephonically request their own pension information or MyLACERS pin code, registered email change or password reset, staff must authenticate the following, prior to releasing pension information: 1) last four digits of the Member's social security number and, for active members, employee ID number; and 2) two of the following: address, telephone number, date of birth or date of hire in the payroll system. If the request is made in-person, staff must verify the Member's picture identification. While picture identification is a precondition to enter the LACERS workspace, if picture identification is unavailable, staff must verify the Member's full social security number, date of birth, and current or former employing department. Staff's response to the request should be timely, accurate and in a written or verbal manner. Staff should use their judgment and consider reminding members, when applicable, that the information that they seek is available through MyLACERS.

1. If the Member requests a written response in-person, it shall be provided at the time of the office visit, if possible.
2. If the Member requests a written response to be sent to them, it will be mailed to the Member's current address on file (or, for retired members only, to the address provided by the member on his/her written request) or emailed (via secured password email method, such as Hightail or Box.com) to the Member's email address on file.
3. If a Member needs pension information to be sent to a third party such as a private lawyer, financial institution, or tax agent, the information will be sent to the Member and the Member may forward such information as necessary. Exceptions to this policy

may only be made through the Member's completion of a Division-approved "Authorization to Release" form (i.e., the LACERS MEMBER VERIFICATION OF PENSION REQUEST form which allows LACERS to release pension award information directly to financial institutions, Disability medical releases, and HIPAA authorization forms).

4. Unless a Member requests specific confidential information via e-mail/fax and requests that LACERS reply in the same manner, responses via email/fax should be limited to general statements or sample scenarios. Confidential information must never be sent via unsecure email or fax methods.

**B. Current/Former Spouse/Domestic Partner Requests**

Current and former spouses/state-registered domestic partners are entitled to information related to their community property interest in a Member's pension benefits upon receipt of a written request to staff that contains the following information to verify their status and identity: 1) name of Member, and 2) all of the following information from the requestor— name, address, social security number, contact number and signature. If the current and former spouse/state-registered domestic partner is not already in LACERS' line of business systems, then a copy of the marriage certificate, state registration of domestic partnership, or conformed copy of a domestic relations order/dissolution judgment is required prior to releasing information related to the Member's pension benefits.

If a request is received from an attorney representing either the Member or the Member's current or former spouse/state-registered domestic partner, Legal Processing Unit staff may release information concerning the community property interest in the Member's benefits upon receipt of a formal request written on the attorney's letterhead that provides sufficient information to clearly identify the attorney's client and the parties involved.

Otherwise, staff shall be authorized to release information regarding a Member's pension to other parties only after obtaining the Member's written permission to do so.

If the requestor is a purported beneficiary pursuant to community property division of the Member's benefit (e.g., a Member's former spouse or the beneficiary of a former spouse), and if a Member does not give permission to release pension information to the beneficiary related to vested inheritance interests, staff shall forward the request to the City Attorney for advice.

If there are any questions regarding the adequacy of the request or the scope of information requested, staff may consult the City Attorney's Office for advice.

Staff shall respond to written requests for information in writing, mailed to the former spouse/state-registered domestic partner's address on file or to the address of the representing attorney as indicated on the attorney's letterhead.

C. Secure Transmission of Member Information

When information is sent within LACERS or outside of LACERS, care must be taken to ensure that member personal information is redacted or, if redaction is not feasible, adequately protected. Personally identifiable information that cannot be redacted due to operational/business needs, including, but not limited to, social security numbers or home addresses, must be sent via secure methods. Secure methods are defined as messenger delivery service or IT-approved secured file transfer services such as Hightail and vendor-established secured file transfer software. Transmitting files, either with or without password protection, that contain personally identifiable information through e-mail (including Outlook) is not an approved secure method. Files sent via Hightail should require a password to open whenever feasible.

Management encourages staff to reduce the amount of member information that is sent via unsecured methods. If the need arises, information containing only the last four digits of social security numbers and other non-personally identifiable member information can be sent via less secure methods such as U.S. Mail, email, or fax.

Member personal information sent within LACERS shall be transmitted in accordance with LACERS' administrative control process, which limits staff access to personal information to only those individuals who need such access in order to perform their job duties.

Member information sent outside of LACERS shall be transmitted in accordance with the Release of Member Personal Information Policy as a whole.

D. Address Lists

Each of the following public entities may receive an address list of retired LACERS Members where those Members are also associated with that particular entity. Prior to releasing any address lists, LACERS should confirm that it has a non-disclosure agreement or memorandum of understanding with the entity that will ensure the lists are kept confidential:

1. City Clerk – All Members eligible to participate in a particular election
2. General Services Department – All Members eligible to participate in a particular election
3. Personnel Department, Liaison Services Division – All Members eligible to participate in a particular election
4. Office of the Controller – All Retirees Receiving Excess Benefit Plan Payments

Each of the following organizations may receive an address list of retired LACERS Members where (i) those Members are also associated with that particular organization, and (ii) the lists are needed to fulfill any LACERS business needs related to the administration of Member benefits:



1. Northern Trust – All retirees and all beneficiaries receiving payments
2. Taylor Communications – All retirees and all beneficiaries receiving payments
3. Anthem Blue Cross – Associated retirees
4. Kaiser – Associated retirees
5. SCAN – Associated retirees
6. United Healthcare – Associated retirees
7. Delta Dental – Associated retirees
8. LRS Retirement Services – All retirees
9. KESMail – All retirees
10. California Marketing – All members
11. Imagine That – All members

Before releasing address lists to any of the above organizations, LACERS shall ensure it has up-to-date non-disclosure agreements with each organization.

If staff receives a request for an address listing of retired members from an organization not included in the above lists, then staff shall refer the request to the Division Manager who will refer it to the Chief Information Security Officer for appropriate response after conferring with the Public Pensions General Counsel Division of the City Attorney's Office.

E. Monthly Deductions

Where Members have designated one of the following entities to receive deductions from their monthly benefit, that specific entity may receive a summary of information regarding those Members': 1) monthly deduction amounts and any adjustments taken out of the deduction, 2) first and last names, 3) the last four digits of the members' Social Security numbers (or the entire Social Security numbers for LAFUCU, LAPFCU and LACEA), and 4) a monthly deceased report. Prior to releasing the above information, LACERS should confirm that it has a non-disclosure agreement or memorandum of understanding (for the Personnel Department) with the entity that will ensure the lists are kept confidential:

1. All City Employees Benefits Service Association (ACEBSA)
2. American Federation of State, County and Municipal Employees (AFSCME Chapter 36)
3. American Federation of State, County and Municipal Employees – People (AFSCME People)
4. Employees Club California (LACEA)
5. Los Angeles Federal Credit Union (LAFUCU)
6. Los Angeles Police Federal Credit Union (LAPFCU)
7. Los Angeles Police Relief Association, Inc. (Police Relief)
8. Retired Los Angeles City Employees, Inc. (RLACEI)
9. Service Employees International Union, CTW, CLC (SEIU Local 721)
10. Personnel Department, Workers' Compensation Recapture Section

The General Manager may approve adding other qualified entities to the above list.

F. Interdepartmental Requests

Notwithstanding subpoenas, Evidence Code Section 1043 motions, or any formal agreement for information exchange, other City departments (e.g., Mayor's Office, CAO, City Attorney's Office, employing departments for Members, Personnel Department, LAFPP, etc.) may make requests for member personal benefit information by filling out an interdepartmental request. The Division Manager should refer these requests to the Division Manager, Retirement Services Division, for verification of the request's appropriateness and for further discussion with the City Attorney's Public Pensions General Counsel Division and, if necessary, the General Manager.

All requests for member personal benefit information must be submitted in writing, detailing the requestor's contact information, the Member's name and social security number (or serial/employee ID number), and the requestor's intended use of the member's information.

Note: The City Attorney's Office contracts with private law firms for various services. Should these law firms need member information, they should be instructed to make the request through the Public Pensions General Counsel Division of the City Attorney's Office.

G. Litigation Requests

From time to time, LACERS may receive requests for member contact information in the event the member is needed to serve as a witness or facilitate prosecution, or for other types of member information in litigation related to the member (NOTE: Requests for active member contact information should be referred to the member's employing department). These requests must be made via the judicial process in the corresponding case and shall be routed to the Legal Processing Unit, who shall forward them to the Public Pensions General Counsel Division of the City Attorney's Office to determine the proper response. Additionally, LACERS staff must immediately notify the member of the request and ask whether the member will consent to the release of his/her personal information. LACERS staff should inform members that, if the member consents to release—or should the court order release—of the personal information, LACERS, through the City Attorney's Office, will seek a protective order to limit the release to the specific case in which it was requested. Where a member consents to the release of his/her personal information, LACERS shall provide the member a consent waiver authorizing such release. Where a member does not consent to the release of his/her personal information, the General Manager shall decide whether LACERS, through the City Attorney's Office, will oppose the motion or file a motion of non-opposition. Regardless, LACERS will seek a protective order to limit the release of the member's information.

For state cases seeking personal information for peace officer members (e.g., legacy Airport police members), requests must be made using Evidence Code Section 1043 motions. For state cases seeking all other member information, and for federal cases, requests must be made using subpoenas. Staff is to document each request as well as,

upon release of member personal information, when and to whom the information was released, and store both in LACERS' document management system (OnBase), in addition to placing detailed notes in the LACERS' pension administration system, and placing scanned copies into the member's file.

For litigation requests where the member information is otherwise subject to release under the California Public Records Act, Staff is to process the request pursuant to the policy described in Section I.

H. Documentation of Requests for Member Information

Except for processing Evidence Code Section 1043 motions, subpoenas, and pension verifications for which responses are stored in OnBase, it is the responsibility of LACERS staff to document the every request for, and release of information when responding to an individual's or organization's request. Staff will record in the Notes section of LACERS' pension administration system: the name of the requestor, the details of the request, request date, information provided (if any), and the date the information was sent.

I. CPRA Requests

Requests for Member information under the California Public Records Act (CPRA) should be forwarded to the CPRA Unit within the Administrative Services Office for review. Information may be released pursuant to the City Attorney's advice. Generally, information requested regarding a Member's date of retirement, department retired from, last position held, years of service, base pension amount, cost of living adjustment, total health/dental subsidy allowances, and/or monthly pension benefit should be released, but information regarding a Member's address, telephone number, email address, date of birth, age, and selection of benefits (e.g., the type of medical insurance and the number of family members covered) is exempt from disclosure. Information regarding a Member's beneficiary selection should not be disclosed until the beneficiary is receiving a benefit from LACERS. Where the recipient is a minor, the beneficiary's name should be kept confidential even after the benefit has been paid out, but the benefit amount and the name of the listed guardian may be released. If the information requested is only for a single Member, staff must notify the member via correspondence regarding receipt of the CPRA request, the requestor's name, and whether the information was released per the City Attorney's Office.

J. Disability File Information Requests

Requests for information contained in a Member's disability retirement application file should be treated as CPRA requests and processed pursuant to the policy described in Section I, unless the request occurs in the context of ongoing litigation, in which case staff should follow the policy described in Section G. For non-litigation requests, information regarding a Member's medical condition and any exempt personal information described in Section I should not be disclosed. However, the Member's name, the fact that he or she

has applied for a disability pension, current salary, and certain details regarding the Member’s disability application are subject to release. Additionally, pursuant to the waivers contained in the application’s statement of disability, LACERS provides member medical and/or personal information contained in the disability application file to individuals involved in the processing of the disability claim, including the Board, the City Attorney’s Office, physicians performing disability evaluations for the Board, City Personnel Department and Workers’ Compensation staff, and the medical liaison of the Member’s employing department. Lastly, any information contained within the disability application file that is shared at an open session of a Board meeting becomes a public record that is subject to CPRA disclosure upon request.

**K. Business Records Subpoenas for Dissolution Cases**

In connection with Member marital dissolution cases, current and former spouses sometimes serve LACERS with deposition subpoenas for production of business records. These subpoenas typically seek information related to the valuation of the Member’s pension benefit and/or health benefit, including: 1) documentation of pension payments by Northern Trust, 2) IRS Form 1099-R, 3) Plan summary, 4) retiree summary, 5) letter of intention for retirement, 6) application for service pension benefits, 6) service record and pension amount, 7) Board approval letter, 8) direct deposit form, and 9) Summary Plan Description for the Member’s tier. LACERS shall release the requested information to the designated deposition officer on the date designated on the subpoena. However, if the Member objects to the subpoena, moves for a protective order, and/or moves to quash the subpoena, LACERS shall wait until the court rules on the Member’s objections and/or motions before releasing this information. LACERS shall forward all such subpoenas to the City Attorney for advice.

**REFERENCES**

- A. Attachment – Release of Member Personal Information Policy Consent Form

**POLICY HISTORY**

- [04/07/21] Adoption date
- [date] Revision to \_\_\_\_\_

**GENERAL MANAGER APPROVAL**

Signature:	Date:
------------	-------

Attachment

# RELEASE OF MEMBER PERSONAL INFORMATION POLICY CONSENT FORM

---

I have read and reviewed the LACERS Release of Member Personal Information Policy. By signing this Consent Form, I agree to abide by the LACERS Release of Member Personal Information Policy including the policy and procedure.

**PRINT NAME:** \_\_\_\_\_

**SIGNATURE:** \_\_\_\_\_ **DATE:** \_\_\_\_\_



**REPORT TO BOARD OF ADMINISTRATION**  
From: Neil M. Guglielmo, General Manager

**MEETING: JUNE 8, 2021**  
**ITEM: VIII – D**

*Neil M. Guglielmo*

**SUBJECT: CONSIDERATION OF CYBER LIABILITY INSURANCE POLICY AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board approve the 12-month cyber liability insurance coverage (June 15, 2021 – June 15, 2022) with Steadfast/Zurich for the primary and with Hudson/Corvus for the excess policy; and, direct and authorize the General Manager to negotiate and execute the final contract to bind coverage.

**Executive Summary**

In February 2021, the General Manager, under his authority, approved Alliant as the authorized insurance broker for a contract period of one year, to secure cyber liability insurance proposals. In May 2021, Alliant returned with a proposal from Zurich (primary) and Corvus (excess), providing a total amount of \$10,000,000 in coverage. A breakdown of coverage and cost by provider follows:

PROVIDER	COVERAGE TYPE	COVERAGE AMOUNT	ANNUAL PREMIUM
Zurich/Steadfast	Cyber Liability	\$ 5,000,000	\$ 30,676.61
Corvus/Hudson	Excess Cyber	\$ 5,000,000	\$ 20,448.66
<b>TOTAL</b>		<b>\$ 10,000,000</b>	<b>\$ 51,125.27</b>

The coverage provided by the cyber liability policy offered by Zurich entails six forms of liability coverages and 13 forms of first party coverages (see Attachment 1 – Cyber Proposal; pages 5-6). The excess policy offered by Corvus mirror both forms of coverages with the exception of rewards payment coverage, social engineering theft of personal funds, and claims avoidance (see Attachment 1 – Cyber Proposal; page 9).

## **Discussion**

During late 2019, LACERS pursued due diligence on cyber liability insurance during what was a pre-cloud computing environment for the organization. Since that time, LACERS has adapted to a post-Covid-19 world by migrating significant portions of its operations to the cloud in order to enable work-from-home. In tandem to the migration, LACERS also prioritized the development of a strong cyber security infrastructure, but in response to the rise of cyberattacks on organizations viewed it prudent to secure cyber liability insurance to ensure no financial disruptions to business continuity or to the health of the Plan.

In early 2021, following a competitive proposal process and interviews with five insurance brokerage firms doing business with the City, the General Manager, under his authority, executed a one-year contract with Alliant to solicit cyber insurance proposals that would be favorable to LACERS. Contrary to the exercise in 2019, the insurance market for public entities had contracted significantly, resulting in only two proposals, one for cyber liability and one for excess cyber, received from the solicitation conducted by Alliant.

Susan Leung and Kristen DesCombes of Alliant will be presenting the insurance quotes received from Zurich/Steadfast Insurance Company and Corvus/Hudson Insurance Company for the Board's consideration. Staff reviewed the two proposals and recommends that LACERS bind coverage with both providers for the cyber liability insurance and the excess cyber insurance. The two policies combined provide a competitive annual premium of \$51,125.27 for a tower of \$10,000,000 in coverage.

## **Strategic Plan Impact Statement**

This consideration to secure cyber liability insurance supports the goal of improving organizational effectiveness, efficiency, and resiliency.

Prepared By: Vikram Jadhav, Chief Information Security Officer

NMG/DWN:VJ

Attachments: 1. Cyber and Excess Cyber Liability Insurance Proposal  
2. Presented by Alliant Insurance Services  
3. Proposed Resolution – Authority to Secure Cyber Liability Insurance Coverage



# Los Angeles City Employees Retirement System

2021-2022

## Cyber and Excess Cyber Liability Insurance Proposal

Presented on June 1, 2021 by:

Susan L. Leung  
Vice President

Alliant Insurance Services, Inc.  
1301 Dove Street, Suite 200  
Newport Beach, CA 92660  
O 949 756 0271

CA License No. 0C36861

[www.alliant.com](http://www.alliant.com)



## Table of Contents

Company Profile .....	2
Your Service Team .....	3
Named Insured / Additional Named Insureds .....	4
Line of Coverage .....	5
Cyber Liability Coverage .....	5
Line of Coverage .....	9
Excess Cyber Liability Coverage .....	9
Premium Summary .....	11
Disclosures .....	12
NY Regulation 194 .....	13
FATCA: .....	13
Claims Reporting: .....	13
Claims Made Policy: .....	13
NRRRA: .....	14
Changes and Developments .....	14
Certificates / Evidence of Insurance .....	15
Binding Requirements Recap .....	16
Request to Bind Coverage .....	17

## Company Profile

With a history dating back to 1925, Alliant Insurance Services is one of the nation's leading distributors of diversified insurance products and services. Operating through a national network of offices, Alliant offers a comprehensive portfolio of services to clients, including:

- Risk Solutions
- Employee Benefits
  - Strategy
  - Employee Engagement
  - Procurement
  - Analytics
  - Wellness
  - Compliance
  - Benefits Administration
  - Global Workforce
- Industry Solutions
  - Construction
  - Energy and Marine
  - Healthcare
  - Law Firms
  - Public Entity
  - Real Estate
  - Tribal Nations
  - And many other industries
- Co-Brokered Solutions
  - Automotive Specialty
  - Energy Alliance Program
  - Hospital All Risk Property Program
  - Law Firms
  - Parking/Valet
  - Public Entity Property Insurance Program
  - Restaurants/Lodging
  - Tribal Nations
  - Waste Haulers/Recycling
- Business Services
  - Risk Control Consulting
  - Human Resources Consulting
  - Property Valuation

The knowledge that Alliant has gained in its more than eight decades of working with many of the top insurance companies in the world allows us to provide our clients with the guidance and high-quality performance they deserve. Our solution-focused commitment to meeting the unique needs of our clients assures the delivery of the most innovative insurance products, services, and thinking in the industry.

Alliant ranks among the 15 largest insurance brokerage firms in the United States.

## Your Service Team

**Robert Lowe**

First Vice President

[Robert.Lowe@alliant.com](mailto:Robert.Lowe@alliant.com)

Phone: 213 270 0145

---

**Susan L. Leung**

Vice President

[Susan.Leung@alliant.com](mailto:Susan.Leung@alliant.com)

Phone: 415 403 1435

---

**Kristen DesCombes**

Account Representative

[Kristen.DesCombes@alliant.com](mailto:Kristen.DesCombes@alliant.com)

Phone: 213 406 8757

---

## Named Insured / Additional Named Insureds

### Named Insured(s)

Los Angeles City Employees Retirement System

### Additional Named Insured(s)

None

---

### NAMED INSURED DISCLOSURE

- The first named insured is granted certain rights and responsibilities that do not apply to other policy named insureds and is designated to act on behalf of all insureds for making policy changes, receiving correspondence, distributing claim proceeds, and making premium payments.
- **Are ALL entities listed as named insureds?** Coverage is **not** automatically afforded to all entities unless specifically named. Confirm with your producer and service team that all entities to be protected are on the correct policy. Not all entities may be listed on all policies based on coverage line.
- Additional named insured is (1) A person or organization, other than the first named insured, identified as an insured in the policy declarations or an addendum to the policy declarations. (2) A person or organization added to a policy after the policy is written with the status of named insured. This entity would have the same rights and responsibilities as an entity named as an insured in the policy declarations (other than those rights and responsibilities reserved to the first named insured).
- Applies to Professional Liability, Pollution Liability, Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability policies (this list not all inclusive). Check your Policy language for applicability. These policies provide protection to the Named Insured for claims made against it alleging a covered wrongful act. Coverage is not afforded to any other entities (unless specifically added by endorsement or if qualified as a "Subsidiary" pursuant to the policy wording) affiliated by common individual insured ownership or to which indemnification is otherwise contractually owed. If coverage is desired for affiliated entities or for contractual indemnities owed, please contact your Alliant Service Team with a full list of entities for which coverage is requested. With each request, include complete financials and ownership information for submission to the carrier. It should be noted, that the underwriter's acceptance of any proposed amendments to the policy, including expansion of the scope of "Insureds" under the policy could result in a potential diminution of the applicable limits of liability and/or an additional premium charge.

## Line of Coverage

### Cyber Liability Coverage

**INSURANCE COMPANY:**

**A.M. BEST RATING:**

**STANDARD & POOR'S RATING:**

**CALIFORNIA STATUS:**

**POLICY/COVERAGE TERM:**

**Coverage Form:**

**Limits:**

<p>Aggregate Policy Limit</p> <p>A. Liability Coverages</p> <ol style="list-style-type: none"> <li>1. Security Liability Coverage</li> <li>2. Privacy Liability Coverage</li> <li>3. Media Liability Coverage</li> <li>4. Regulatory Proceedings Coverage</li> <li>5. General Data Protection Regulations Proceedings Coverage</li> <li>6. Payment Card Industry Demand Coverage</li> </ol> <p>B. First Party Coverages</p> <ol style="list-style-type: none"> <li>1. Breach Cost Coverage</li> <li>2. Business Income Loss Coverage</li> <li>3. Dependent Business Income Loss Coverage</li> <li>4. System Failure Business Income Loss Coverage</li> <li>5. System Failure Dependent Business Income Loss Coverage</li> <li>6. Digital Asset Replacement Expense Coverage</li> </ol>	<p>Steadfast Insurance Company  A+ (Superior), Financial Size Category: XV  (\$2 Billion or greater) as of October 2, 2020  AA (Very Strong) as of March 15, 2021  Non-Admitted  June 15, 2021 to June 15, 2022</p> <p>Zurich Cyber Insurance Policy –  U-SPR-300-A CW (09/18) – Claims Made</p> <p>\$ 5,000,000 Each Policy Period for all payments under all Coverages combined</p> <p>\$ 5,000,000 Each Claim/Event &amp; Aggregate</p> <p>\$ 5,000,000 Each Claim/Event &amp; Aggregate</p> <p>\$ 5,000,000 Each Claim/Event &amp; Aggregate</p> <p>\$ 5,000,000 Each Claim/Event &amp; Aggregate</p> <p>\$ 5,000,000 Each Claim/Event &amp; Aggregate</p> <p>\$ 5,000,000 Each Claim/Event &amp; Aggregate  Part of and not in addition to the A.4.Regulatory Proceedings Coverage Aggregate Limit</p> <p>\$ 5,000,000 Each Claim/Event &amp; Aggregate</p> <p>\$ 5,000,000 Each Claim/Event &amp; Aggregate</p> <p>\$ 5,000,000 Each Claim/Event &amp; Aggregate  Part of and not in addition to the B.2. Business Income Loss Coverage Aggregate Limit</p> <p>\$ 5,000,000 Each Claim/Event &amp; Aggregate</p> <p>\$ 5,000,000 Each Claim/Event &amp; Aggregate  Part of and not in addition to the B.4. System Failure Business Income Loss Coverage Aggregate Limit</p> <p>\$ 5,000,000 Each Claim/Event &amp; Aggregate</p>
--	--

## Cyber Liability Coverage - Continued

### Limits - Continued:

#### B. First Party Coverages - Continued

7. Cyber Extortion Coverage	\$ 5,000,000 Each Claim/Event & Aggregate
8. Reward Payment Coverage	\$ 100,000 Each Claim/Event & Aggregate Part of and not in addition to the B.7. Cyber Extortion Coverage Aggregate Limit
9. Reputational Damage Coverage	\$ 1,000,000 Each Claim/Event & Aggregate Subject to the <b>Daily Cap</b> limit of \$1,000,000
10. Social Engineering Funds Transfer Fraud Event Coverage	\$ 250,000 Each Claim/Event & Aggregate
11. Social Engineering Theft of Funds Held In Trust Coverage	\$ 250,000 Each Claim/Event & Aggregate Part of and not in addition to the B.10. Social Engineering Funds Transfer Fraud Event Coverage Aggregate Limit
12. Social Engineering Theft of Personal Funds Coverage	\$ 250,000 Each Claim/Event & Aggregate Part of and not in addition to the B.10. Social Engineering Funds Transfer Fraud Event Coverage Aggregate Limit
13. Claim Avoidance Coverage	\$ 500,000 Each Claim/Event & Aggregate

### Self-Insured Retention:

\$ 100,000	Each Claim/Event for all Coverages except:
Not Applicable	Reward Payment Coverage
\$ 25,000	Each Claim/Event for Social Engineering Funds Transfer Fraud Event Coverage, Social Engineering Theft of Funds Held In Trust Coverage, Social Engineering Theft of Personal Funds Coverage, Claim Avoidance Coverage

### Waiting Period:

12 Hours	for Business Income Loss Coverage, Dependent Business Income Loss Coverage, System Failure Business Income Loss Coverage, System Failure Dependent Business Income Loss Coverage, Reputational Damage Coverage
----------	--

Cyber Liability Coverage - Continued

**Retroactive Date:**

June 15, 2021 For Liability Coverages  
 Not Applicable For First Party Coverages except:  
 June 15, 2021 Reputational Damage Coverage &  
 Claim Avoidance Coverage

**Defense Inside/Outside the Limit:**

Per Policy

**Who has the Duty to Defend:**

Per Policy

**Endorsement & Exclusions:**  
 (including but not limited to)

- Important Notice - Service of Suit and In Witness Clause
- Sanctions Exclusion Endorsement
- Revised Definition of Spouse Endorsement
- Disclosure of Important Information Relating to Terrorism Risk Insurance Act
- Disclosure Statement
- Disclosure Statement
- Cap on Losses From Certified Acts of Terrorism
- Reliance on Alternative Submission Endorsement
- Specified Claim Exclusion
- California Changes
- Invoice Manipulation Coverage Endorsement
- Cryptojacking Coverage Endorsement
- Property Damage Amended (with Sublimit) Endorsement
- War Exclusion Amendatory Endorsement
- Zurich Cyber Risk Engineering Endorsement

**Total Cost Excluding TRIA:**

Not Applicable

**Total Cost Including TRIA:**

\$	29,116.00	Premium
\$	595.00	TRIA Premium
\$	891.33	CA Surplus Lines Tax (3%)
\$	74.28	CA Stamping Fee (0.25%)
<b>\$</b>	<b>30,676.61</b>	<b>Total Cost</b>

**Extended Reporting Period:**

1 year(s) for 100% of the annual premium

**Minimum Earned Premium:**

Not Applicable

**Quote Valid Until:**

June 15, 2021

Cyber Liability Coverage - Continued

**Policy Auditable:**

Not Auditable

**Binding Conditions:**

See Binding Requirements Recap Page

**See Disclaimer Page for Important Notices and Acknowledgement**



## Line of Coverage

### Excess Cyber Liability Coverage

**INSURANCE COMPANY:**

**A.M. BEST RATING:**

**STANDARD & POOR'S RATING:**

**CALIFORNIA STATUS:**

**POLICY/COVERAGE TERM:**

**Coverage Form:**

**Retroactive Date:**

**Limits:**

Maximum Policy Aggregate Limit

**Underlying Coverages & Limits:**

**Self-Insured Retention:**

**Endorsement & Exclusions:**

(including but not limited to)

Hudson Excess Insurance Company  
A (Excellent), Financial Size Category: XV  
(\$2 Billion or greater) as of July 10, 2020

Not Rated

Non-Admitted

June 15, 2021 to June 15, 2022

Corvus Cyber Excess Policy Form – Claims Made

Match Underlying

\$ 5,000,000 Excess of \$5,000,000

\$ 5,000,000

Carrier: Steadfast Insurance Company (Zurich)

Limit: \$5,000,000

Not Applicable

- Exclusion of Specified Underlying Limits
  - Rewards Payment Coverage
  - Social Engineering Theft of Personal Funds Coverage
  - Claims Avoidance Coverage
- Drop Down Coverage for Specified Underlying Sublimits:
  - Reputational Damage Coverage \$1,000,000 excess \$1,000,000
  - Social Engineering Funds Transfer Fraud Event \$250,000 excess \$250,000
  - Social Engineering Theft of Funds held in Trust \$250,000 excess \$250,000
  - Property Damage Amendatory \$250,000 excess \$250,000
  - Invoice Manipulation Coverage \$100,000 excess \$100,000
  - Cryptojacking \$100,000 excess \$100,000
- Reliance Endorsement

Excess Cyber Liability Coverage – Continued

<b>Defense Inside/Outside the Limits:</b>	Per Policy										
<b>Who has the Duty to Defend:</b>	Per Policy										
<b>Total Cost Excluding TRIA:</b>	<table border="0"> <tr> <td>\$ 19,610.00</td> <td>Premium</td> </tr> <tr> <td>\$ 195.00</td> <td>Policy Issuance Fee</td> </tr> <tr> <td>\$ 594.15</td> <td>CA Surplus Lines Tax (3%)</td> </tr> <tr> <td>\$ 49.51</td> <td>CA Stamping Fee (0.25%)</td> </tr> <tr> <td><b>\$ 20,448.66</b></td> <td><b>Total Cost</b></td> </tr> </table>	\$ 19,610.00	Premium	\$ 195.00	Policy Issuance Fee	\$ 594.15	CA Surplus Lines Tax (3%)	\$ 49.51	CA Stamping Fee (0.25%)	<b>\$ 20,448.66</b>	<b>Total Cost</b>
\$ 19,610.00	Premium										
\$ 195.00	Policy Issuance Fee										
\$ 594.15	CA Surplus Lines Tax (3%)										
\$ 49.51	CA Stamping Fee (0.25%)										
<b>\$ 20,448.66</b>	<b>Total Cost</b>										
<b>Total Cost Including TRIA:</b>	Not Applicable										
<b>Minimum Earned Premium:</b>	Per Policy										
<b>Quote Valid Until:</b>	June 15, 2021										
<b>Policy Auditable:</b>	Not Auditable										
<b>Binding Conditions:</b>	See Binding Requirements Recap Page										

**See Disclaimer Page for Important Notices and Acknowledgement**

## Premium Summary

Coverage	Carrier	Premium
Cyber Liability	Steadfast Insurance Company	\$30,676.61
Excess Cyber Liability	Hudson Excess Insurance Company	\$20,448.66
<b>Total Annual Premium</b>		<b>\$51,125.27</b>

### Payment Terms

Full payment must be received within 30 days of the Policy Effective Date.

## Disclosures

**This proposal of insurance is provided as a matter of convenience and information only. All information included in this proposal, including but not limited to personal and real property values, locations, operations, products, data, automobile schedules, financial data and loss experience, is based on facts and representations supplied to Alliant Insurance Services, Inc. by you. This proposal does not reflect any independent study or investigation by Alliant Insurance Services, Inc. or its agents and employees.**

**Please be advised that this proposal is also expressly conditioned on there being no material change in the risk between the date of this proposal and the inception date of the proposed policy (including the occurrence of any claim or notice of circumstances that may give rise to a claim under any policy which the policy being proposed is a renewal or replacement). In the event of such change of risk, the insurer may, at its sole discretion, modify, or withdraw this proposal, whether or not this offer has already been accepted.**

**This proposal is not confirmation of insurance and does not add to, extend, amend, change, or alter any coverage in any actual policy of insurance you may have. All existing policy terms, conditions, exclusions, and limitations apply. For specific information regarding your insurance coverage, please refer to the policy itself. Alliant Insurance Services, Inc. will not be liable for any claims arising from or related to information included in or omitted from this proposal of insurance.**

Alliant embraces a policy of transparency with respect to its compensation from insurance transactions. Details on our compensation policy, including the types of income that Alliant may earn on a placement, are available on our website at [www.alliant.com](http://www.alliant.com). For a copy of our policy or for any inquiries regarding compensation issues pertaining to your account you may also contact us at: Alliant Insurance Services, Inc., Attention: General Counsel, 701 B Street, 6th Floor, San Diego, CA 92101.

Analyzing insurers' over-all performance and financial strength is a task that requires specialized skills and in-depth technical understanding of all aspects of insurance company finances and operations. Insurance brokerages such as Alliant Insurance typically rely upon rating agencies for this type of market analysis. Both A.M. Best and Standard and Poor's have been industry leaders in this area for many decades, utilizing a combination of quantitative and qualitative analysis of the information available in formulating their ratings.

A.M. Best has an extensive database of nearly 6,000 Life/Health, Property Casualty and International companies. You can visit them at [www.ambest.com](http://www.ambest.com). For additional information regarding insurer financial strength ratings visit Standard and Poor's website at [www.standardandpoors.com](http://www.standardandpoors.com).

Our goal is to procure insurance for you with underwriters possessing the financial strength to perform. Alliant does not, however, guarantee the solvency of any underwriters with which insurance or reinsurance is placed and maintains no responsibility for any loss or damage arising from the financial failure or insolvency of any insurer. We encourage you to review the publicly available information collected to enable you to make an informed decision to accept or reject a particular underwriter. To learn more about companies doing business in your state, visit the Department of Insurance website for that state.

## NY Regulation 194

Alliant Insurance Services, Inc. is an insurance producer licensed by the State of New York. Insurance producers are authorized by their license to confer with insurance purchasers about the benefits, terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of the producer in any particular transaction typically involves one or more of these activities.

Compensation will be paid to the producer, based on the insurance contract the producer sells. Depending on the insurer(s) and insurance contract(s) the purchaser selects, compensation will be paid by the insurer(s) selling the insurance contract or by another third party. Such compensation may vary depending on a number of factors, including the insurance contract(s) and the insurer(s) the purchaser selects. In some cases, other factors such as the volume of business a producer provides to an insurer or the profitability of insurance contracts a producer provides to an insurer also may affect compensation.

The insurance purchaser may obtain information about compensation expected to be received by the producer based in whole or in part on the sale of insurance to the purchaser, and (if applicable) compensation expected to be received based in whole or in part on any alternative quotes presented to the purchaser by the producer, by requesting such information from the producer.

---

## Other Disclosures / Disclaimers

### FATCA:

The Foreign Account Tax Compliance Act (FATCA) requires the notification of certain financial accounts to the United States Internal Revenue Service. Alliant does not provide tax advice so please contact your tax consultant for your obligation regarding FATCA.

### Claims Reporting:

Your policy will come with specific claim reporting requirements. Please make sure you understand these obligations. Contact your Alliant Service Team with any questions.

### Claims Made Policy:

This claims-made policy contains a requirement stating that this policy applies only to any claim first made against the Insured and reported to the insurer during the policy period or applicable extended reporting period. Claims must be submitted to the insurer during the policy period, or applicable extended reporting period, as required pursuant to the Claims/Loss Notification Clause within the policy in order for coverage to apply. Late reporting or failure to report pursuant to the policy's requirements could result in a disclaimer of coverage by the insurer.

## Other Disclosures / Disclaimers - Continued

### NRRA:

The Non-Admitted and Reinsurance Reform Act (NRRA) went into effect on July 21, 2011. Accordingly, surplus lines tax rates and regulations are subject to change which could result in an increase or decrease of the total surplus lines taxes and/or fees owed on this placement. If a change is required, we will promptly notify you. Any additional taxes and/or fees must be promptly remitted to Alliant Insurance Services, Inc.

### Changes and Developments

It is important that we be advised of any changes in your operations, which may have a bearing on the validity and/or adequacy of your insurance. The types of changes that concern us include, but are not limited to, those listed below:

- Changes in any operations such as expansion to another states, new products, or new applications of existing products.
- Travel to any state not previously disclosed.
- Mergers and/or acquisition of new companies and any change in business ownership, including percentages.
- Any newly assumed contractual liability, granting of indemnities or hold harmless agreements.
- Any changes in existing premises including vacancy, whether temporary or permanent, alterations, demolition, etc. Also, any new premises either purchased, constructed or occupied
- Circumstances which may require an increased liability insurance limit.
- Any changes in fire or theft protection such as the installation of or disconnection of sprinkler systems, burglar alarms, etc. This includes any alterations to the system.
- Immediate notification of any changes to a scheduled of equipment, property, vehicles, electronic data processing, etc.
- Property of yours that is in transit, unless previously discussed and/or currently insured.

## Other Disclosures / Disclaimers - Continued

### Certificates / Evidence of Insurance

A certificate is issued as a matter of information only and confers no rights upon the certificate holder. The certificate does not affirmatively or negatively amend, extend or alter the coverage afforded by a policy. Nor does it constitute a contract between the issuing insurer(s), authorized representative, producer or certificate holder.

You may have signed contracts, leases or other agreements requiring you to provide this evidence. In those agreements, you may assume obligations and/or liability for others (Indemnification, Hold Harmless) and some of the obligations that are not covered by insurance. We recommend that you and your legal counsel review these documents.

In addition to providing a certificate of insurance, you may be required to name your client or customer on your policy as an additional insured. This is only possible with permission of the insurance company, added by endorsement and, in some cases, an additional premium.

By naming the certificate holder as additional insured, there are consequences to your risks and insurance policy including:

- Your policy limits are now shared with other entities; their claims involvement may reduce or exhaust your aggregate limit.
- Your policy may provide higher limits than required by contract; your full limits can be exposed to the additional insured.
- There may be conflicts in defense when your insurer has to defend both you and the additional insured.

***See Request to Bind Coverage page for acknowledgment of all disclaimers and disclosures.***

## Binding Requirements Recap

Below is a recap by Line of Coverage. **ALL** coverage(s) require the following:

- A written request to bind coverage
- All Surplus Lines Taxes/Fees are Fully Earned (only applies to a non-admitted carrier)

Coverage Line and Description of Subjectivity(ies)	Effective Date
<b>Cyber Liability</b> <ul style="list-style-type: none"> <li>• N/A</li> </ul>	<b>June 15, 2021</b>
<b>Excess Cyber Liability</b> <ul style="list-style-type: none"> <li>• Receipt, review and approval of the submitted Beazley Application and Beazley Ransomware Supplemental. It must be signed and dated within 30 days of the effective date.</li> <li>• Confirmation that the applicant does not use on-premises Microsoft (MSFT) Exchange, OR a vendor to host its email OR an IT Managed Service Provider. If Insured do use any of these three services, terms are subject to review and approval of the Corvus Microsoft Exchange questionnaire. Please follow the link to access it: <a href="https://info.corvusinsurance.com/hubfs/Microsoft%20Exchange%20Subjectivity.pdf">https://info.corvusinsurance.com/hubfs/Microsoft%20Exchange%20Subjectivity.pdf</a></li> <li>• Review and acceptance of the subjectivities as requested by the underlying carrier(s)</li> <li>• Underlying Binders and Policies as Issued</li> <li>• A completed, signed D-1 Certificate within seven days of binding coverage</li> </ul>	<b>June 15, 2021</b>

In order to complete the underwriting process, we require that you send us any additional information requested above. We are not required to bind coverage prior to our receipt and underwriting acceptance of the above information. However, if we do bind coverage prior to such acceptance, the terms and conditions as indicated above may be amended until such receipt and acceptance. Any agreement to bind coverage in connection with this proposal must be in writing from an authorized employee of the Insurer



## Request to Bind Coverage

Los Angeles City Employees Retirement System

We have reviewed the proposal and agree to the terms and conditions of the coverages presented. We are requesting coverage to be bound as outlined by coverage line below:

Coverage Line	Bind Coverage for:
Cyber Liability	<input type="checkbox"/>
Excess Cyber Liability	<input type="checkbox"/>

**Did you know that Alliant works with premium financing companies?  
Are you interested in financing your annual premium?**

<b>Yes, please provide us with a financing quote.</b>  <input type="checkbox"/>	<b>No, we do not wish to finance our premium.</b>  <input type="checkbox"/>
---	---

*This Authorization to Bind Coverage also acknowledges receipt and review of all disclaimers and disclosures, including exposures used to develop insurance terms, contained within this proposal.*

<b>Signature of Authorized Insured Representative</b>	<b>Date</b>
<b>Title</b>	
<b>Printed / Typed Name</b>	

**This proposal does not constitute a binder of insurance. Binding is subject to final carrier approval. The actual terms and conditions of the policy will prevail.**

# Los Angeles City Employees' Retirement System



**PRESENTED BY:**

ALLIANT INSURANCE SERVICES



# WHY CYBER INSURANCE AND NOT AN ALTERNATIVE?

# Why Have Dedicated Policy?

- Benefit to for LACERS to have their own cyber insurance policy versus joining in with the city and other departments of the city



- There may or may not be an economies of scale benefit to joining in the city's policy here. The city has very different exposures and attack surfaces that may increase their exposures dramatically and joining in with the city can cause LACERS' risk profile to be looked at in a different light by underwriters
- Benefits
  - Control
  - Dedicated limits to your department
  - Not mixing in with higher risk departments of the city, such as 911 call centers, police, fire, water, airports, etc.
  - Lower retentions
  - Availability of more markets – more competition

# What Limits Are Enough

- What cyber insurance limits are adequate for our organization



- Based on:
  - Benchmarking historical buying habits of thousands of public entities
  - 50,000 individuals' information
    - An additional 50,000 – 100,000 beneficiaries' information
    - Range of dollars attributed to notification costs in the State of California in 2020
  - Review of loss data of hundreds of public entities over the course of a decade
- Minimum of \$5M, \$10M to \$20M Range
- Predicting the future...

# Use of Funds to Buy Insurance to Contract with Vendors

- Would it be a better use of the funds to contract with data breach vendors, and not buy cyber insurance?



- Yes, if the cost trade off in every loss scenario is beneficial to the organization
- Potential reasons to consider cyber insurance – with regards to the vendor discussion
  - Insurance companies vet the vendors constantly and carefully
    - Vendors needed change depending on cyber incident details
    - Deep bench, vendors sometimes have large workloads or are not the best in the field for a specific type of incident
    - Brave new world, new vendors crop up depending on need
  - Pre-negotiated rates
  - Vendors are clear on the policy coverages and are not likely to go outside of the confines of the policy without clear discussion as they do not want to lose their approved vendor status

# CASE STUDIES

# Claims Example/Considerations

- Wire Fraud / Phishing Claim

- An accounting/finance employee clicks on a link regarding return to office policy (COVID-19 related) – it was a phishing link!
  - The bad actor now has access to the employee’s email and any part of the system that the employee has access to
  - The bad actor remains dormant and watches the email correspondences and workflow of employee
    - They start to understand their job function, approvals processes, etc.
  - They see that the employee’s manager has approval ability of up to \$1M for payments to vendors and oftentimes provides the approval to the employee for payment and changes, they wait for the manager to go on vacation and sends an “urgent” email pretending to be the manager
- What portions of the policy might be triggered?
  - Social Engineering Funds Transfer Fraud Event, Invoice Manipulation, Breach Costs, Regulatory Proceedings, and Security Liability



# Claims Example/Considerations

- Ransomware Incident

- The bad actor that sent the phishing link, also sold the open door access to another hacker group, this one specializes in ransomware
- Their ransomware is built to hide and morph, to evade forensics investigators, as much as possible
- Unfortunately, the firm hired to conduct the forensics investigations is familiar the insured's system and general maintenance, but not familiar with the forensics investigations during cyber incidents
  - They missed the ransomware that was hiding on the system
- What portions of the policy might be triggered?
  - Breach Costs, Regulatory Proceedings, Security Liability, Business Interruption – Security Breach, Data Recovery, Cyber Extortion, Computer Hardware Replacement, and Voluntary Shutdown

# Claims Example/Considerations

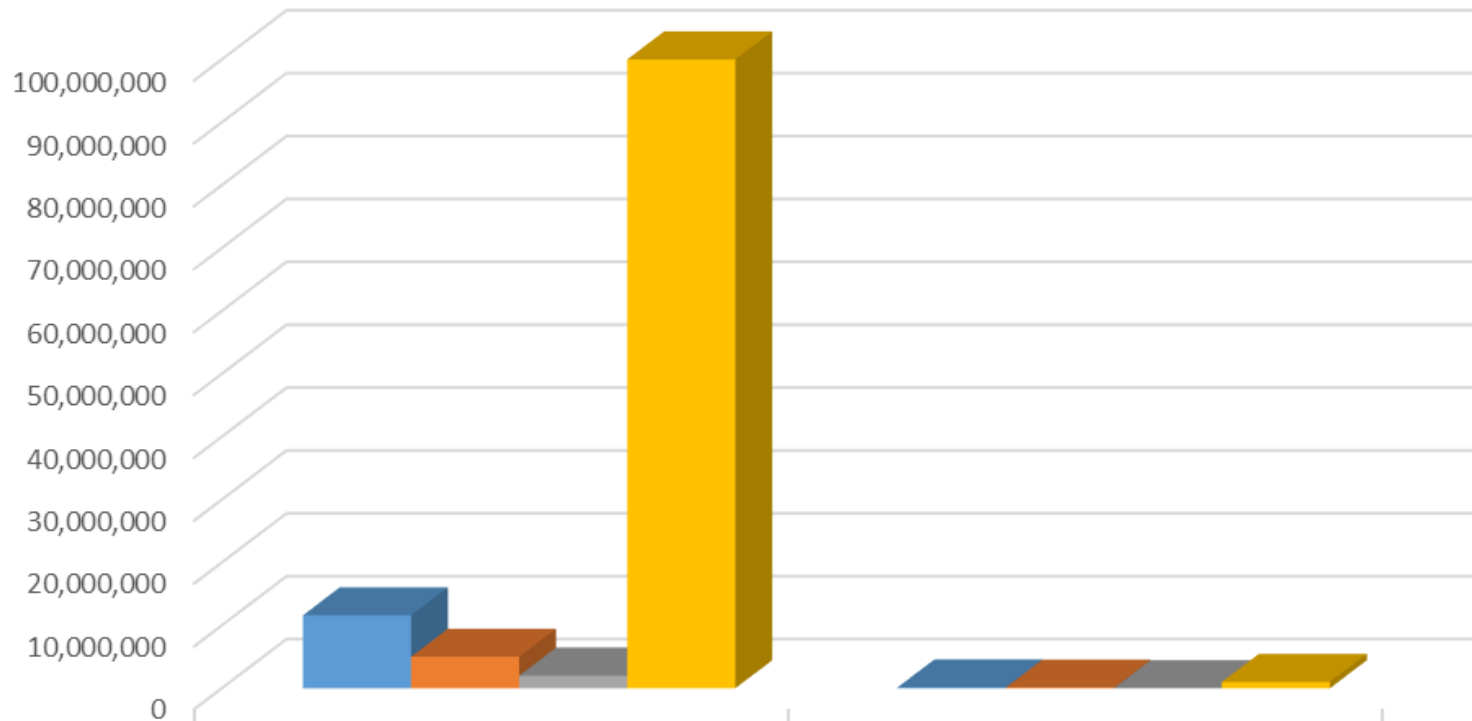
- Zero Day Exploit



- Hackers discover that a popular human resource software has a vulnerability that is not known by the software creator. Hackers exploit this vulnerability on the same day across thousands of organizations (public and private)
- The software creator scrambles to create and issue a patch
- Other hackers find out about the vulnerability and seek to exploit the weakness, by attacking and entering through the “open door(s)”
- Thousands of organizations apply the patch as quickly as possible
- Hundreds of organization are infected with malware from a secondary attacker
- What portions of the policy might be triggered?
  - Breach Response, Breach Costs, Regulatory Proceedings, Security Liability, Business Interruption – Security Breach, Dependent Business Interruption – Security Breach, Data Recovery, Cyber Extortion, Computer Hardware Replacement, and Voluntary Shutdown

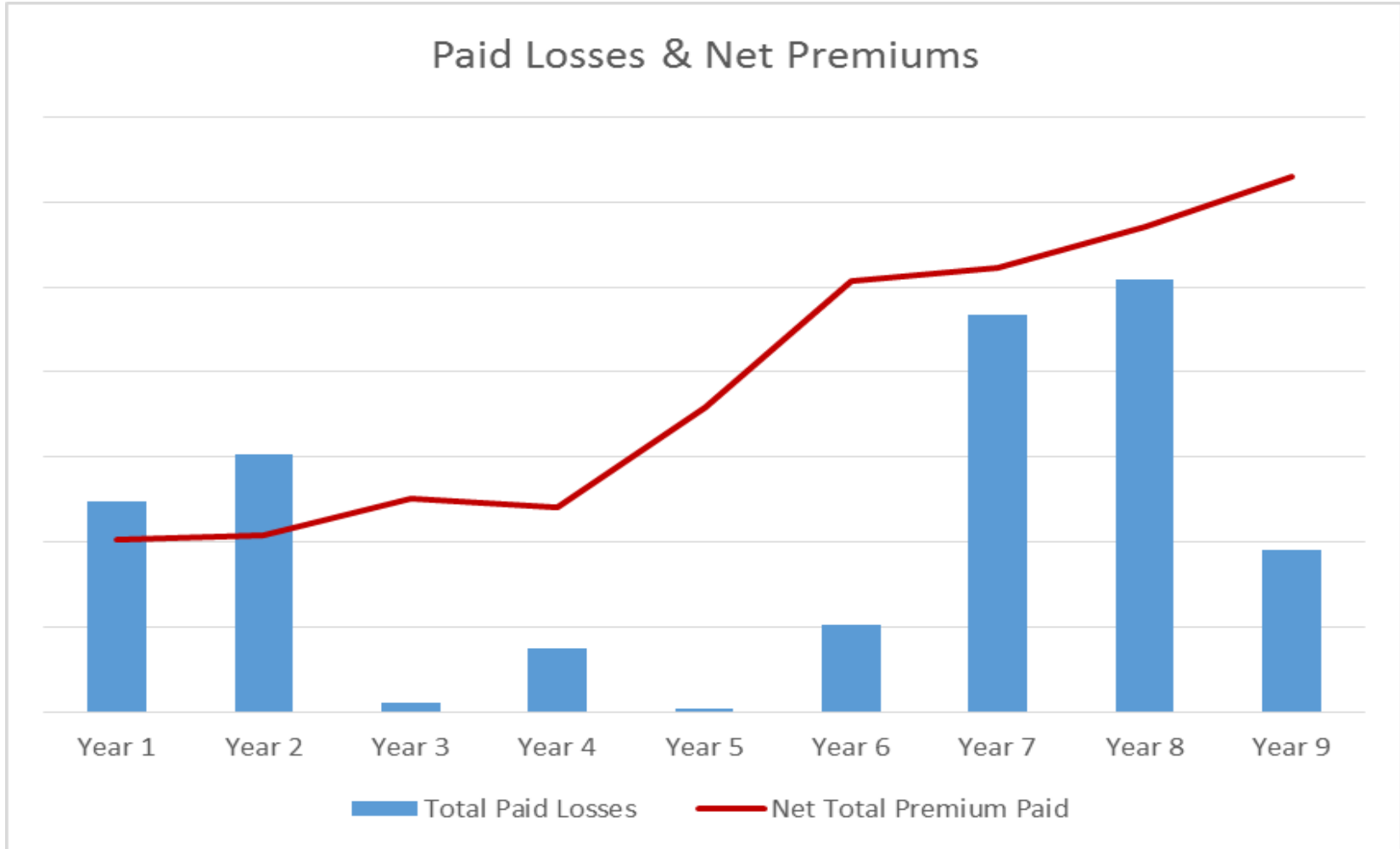
# APPENDIX

# Limits & Retentions



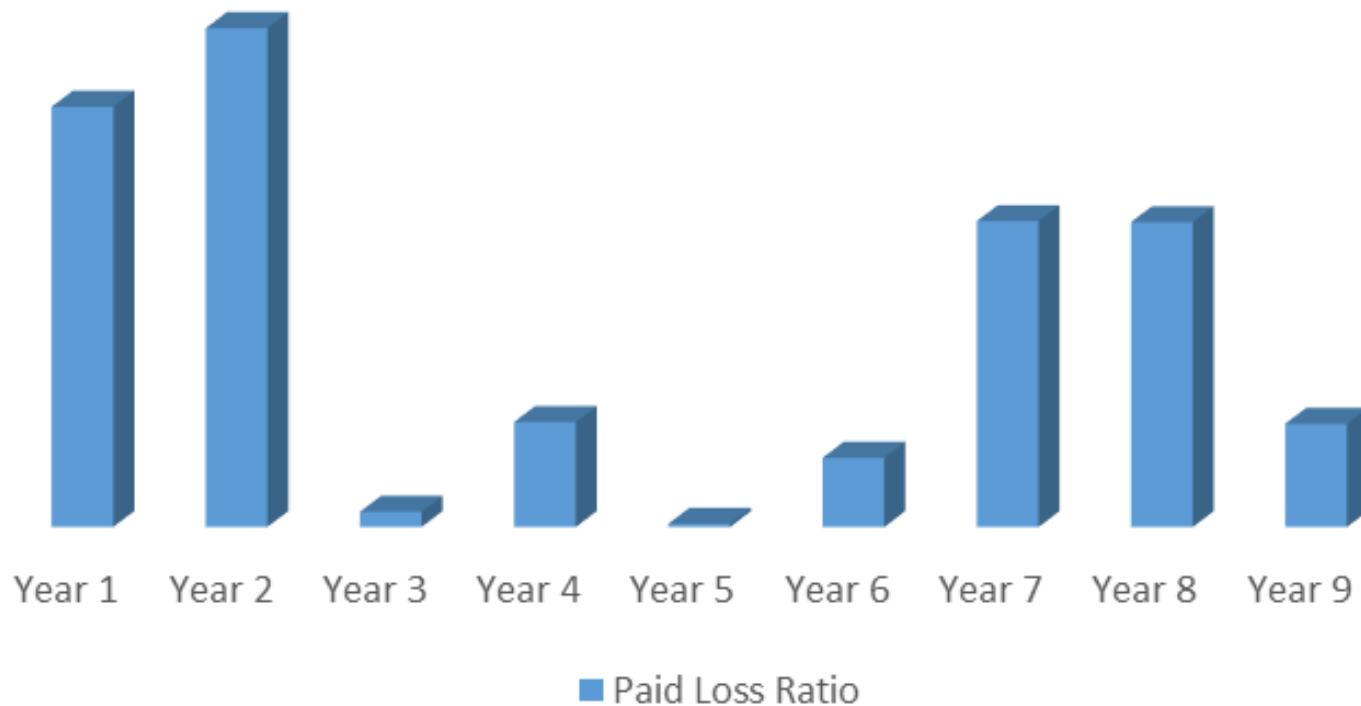
	Limits	Retention
■ Average	11,585,366	126,053
■ Median	5,000,000	100,000
■ Range - Min	2,000,000	10,000
■ Range - Max	100,000,000	1,000,000

# Paid Loss & Net Premiums

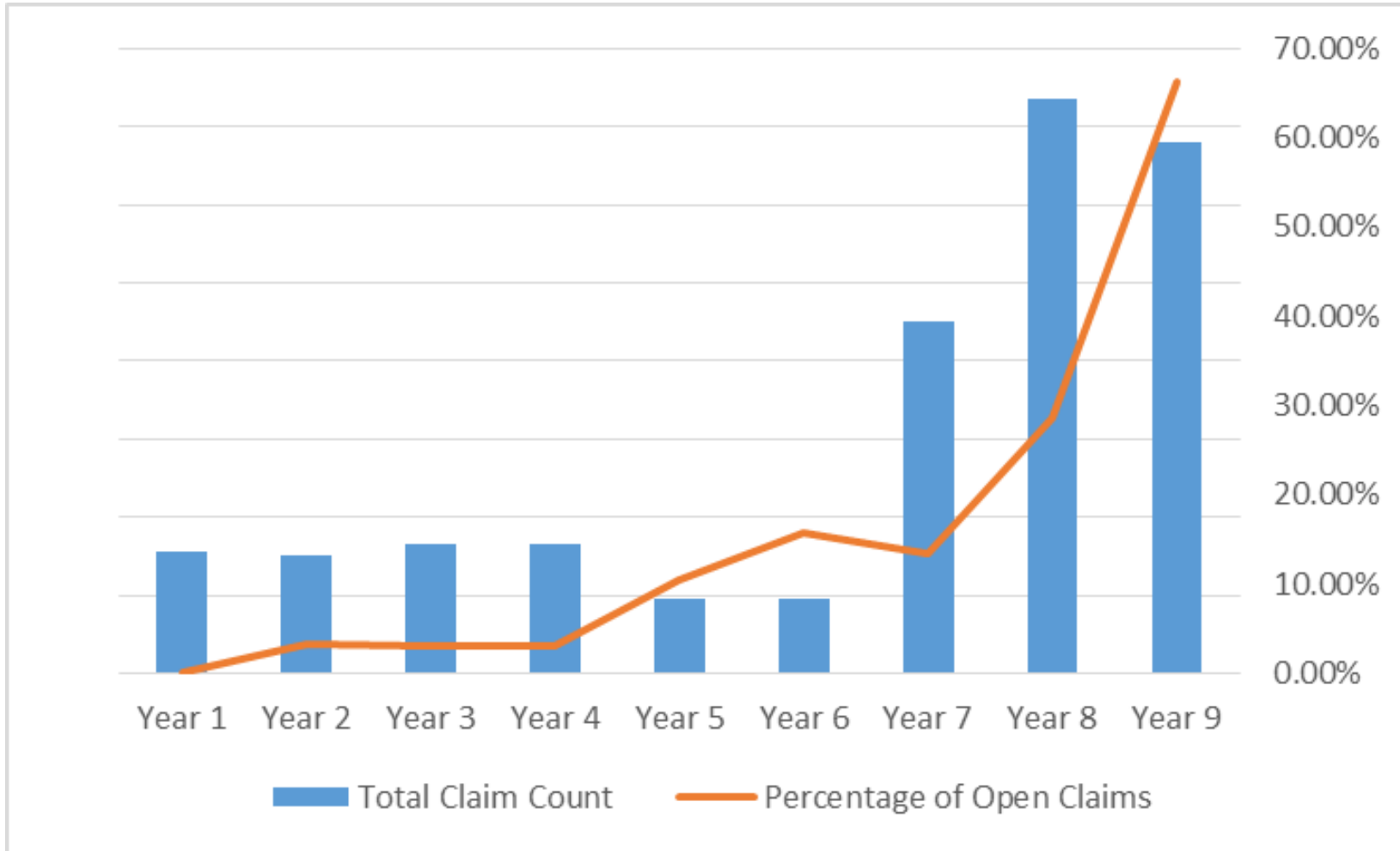


# Paid Loss Ratios

Paid Loss Ratio



# Claim Count and Open Claims



THANK YOU!



AUTHORIZATION TO SECURE  
CYBER LIABILITY INSURANCE COVERAGE

PROPOSED RESOLUTION

WHEREAS, the Board has determined that is prudent to secure cyber liability insurance coverage for the organization; and,

WHEREAS, at the June 8, 2021 meeting, the Board considered the proposal and selected the cyber and excess cyber policies; and,

NOW, THEREFORE, BE IT RESOLVED, that the Board: 1) Approve the 12-month cyber liability and excess cyber insurance coverage with Zurich/Steadfast for the primary policy with the premium of \$30,676.61 and Corvus/Hudson for the excess policy with the premium of \$20,448.66, totaling \$51,125.27; and, 2) Direct and authorize the General Manager to negotiate and execute the required documents to secure coverage as necessary.



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



**REPORT TO BOARD OF ADMINISTRATION**

**MEETING: JUNE 8, 2021**

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

**ITEM: VIII – E**

*Neil M. Guglielmo*

---

**SUBJECT: MID-YEAR BUDGET ADJUSTMENTS FOR FISCAL YEAR 2020-21 AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

---

### **Recommendation**

That the Board authorize the General Manager to increase the Salaries General (APPR 161010) by \$400,000, with a corresponding decrease to the Salaries As-Needed (APPR 161070) budgetary appropriation accounts for Fiscal Year 2020-21 (FY21).

### **Discussion**

As the fiscal year-end nears, the Salaries General Account requires a \$400,000 appropriation to pay for temporary staff assisting with the implementation of the City Separation Incentive Program. This includes reimbursement for the salaries of staff loaned from various City departments to LACERS, and the salaries of retired LACERS employees assisting for 120-days. The needed amount exceeds the Intra-Departmental Transfer limit issued by the Office of the City Administrative Officer, therefore the Board's approval is needed to increase the FY21 Salaries General Account with a corresponding decrease to Salaries As-Needed Account.

### **Strategic Plan Impact Statement**

This request is in alignment with LACERS' Strategic Plan goal to uphold good governance practices that affirm transparency, accountability, and fiduciary duty.

Prepared By: Dale Wong-Nguyen, Chief Benefits Analyst, Administration Division

NMG/DWN

Attachment: Proposed Resolution

---

**PROPOSED RESOLUTION**  
**FISCAL YEAR 2020-21**  
**MID-YEAR BUDGET ADJUSTMENTS**

WHEREAS on May 26, 2020, the Board adopted LACERS' departmental budget for the fiscal year 2020-21 in the amount of \$31,190,324; and a supplemental administrative budget of \$3,954,752 for the Headquarters Project on June 9, 2020;

WHEREAS the City implemented a City Separation Incentive Program to retire 1,300 within FY21, which required LACERS to secure additional part-time personnel, fill all vacant positions, and obtain suitable office space, thereby necessitating a supplemental budget of \$2,408,000 for preparations for the City Separation Incentive Program approved on July 14, 2020;

WHEREAS upon reaching the threshold of 1,300 applicants eligible to retire under CSIP, the LACERS implementation plan required a supplemental budget of \$1,188,812, approved on November 10, 2020, to fund salaries for staff on-loan from other departments to assist with CSIP from June to December 2020, to provide additional overtime funds, one additional part-time position, and the necessary technical equipment for temporary staff;

WHEREAS a supplemental budget appropriation to the Salaries General Account is needed and can be offset with a corresponding reduction to the Salaries As-Needed account;

WHEREAS the Board has full control over increases and decreases to the LACERS budget pursuant to the Los Angeles City Charter;

NOW THEREFORE, BE IT RESOLVED, that the Board authorize the General Manager to increase in the Salaries General (APPR 161010) with a corresponding decrease to the Salaries As-Needed (APPR 161070) budgetary appropriation accounts for Fiscal Year 2020-21, as follows:

<b>FUND</b>	<b>APPR NO.</b>	<b>ACCT/LINE NO.</b>	<b>ACCOUNT NAME</b>	<b>AMOUNT</b>
800	161010	601	SALARIES GENERAL	\$400,000.00
800	161070	601	SALARIES AS NEEDED	(\$400,000.00)

Further, be it resolved that the General Manager is authorized to correct any typographical or technical errors within the intent of this Board action.

Aksia LLC

Private Equity Portfolio Performance Report  
As of December 31, 2020



[www.aksia.com](http://www.aksia.com)

## TABLE OF CONTENTS

• Private Equity Portfolio Overview	Pg 3
• Summary of 2H 2020 Activity	Pg 7
• Private Equity Portfolio Exposures	Pg 9
• Private Equity Performance Drilldown	Pg 10
• Summary	Pg 15
• Other Developments in Private Equity	Pg 16
• Appendix – Fund-By-Fund Returns	Pg 17
– Active Core Portfolio	
– Liquidated Core Portfolio	
– Active Specialized Portfolio	
– Liquidated Specialized Portfolio	

## Aggregate Portfolio Summary As Of December 31, 2020

- ❖ As of December 31, 2020, the aggregate portfolio’s fair market value of ~\$2.8 billion represented 13.3% of Total Plan Assets

Aggregate Portfolio Private Equity Exposure Summary	
Total Plan Market Value	\$20,959,422,719
Private Equity Exposure Target (%)	14.0% *
Private Equity Exposure Target (\$)	\$2,934,319,181
Private Equity Exposure (%)	13.3%
Fair Market Value (“FMV”)	\$2,792,442,098

\* Note: Board voted at May 2021 meeting to raise PE allocation from 14.0% to 16.0%

- ❖ As of March 31, 2021, Total Plan Assets had increased to ~\$21.5 billion – which translates into ~13.0% exposure to private equity (based on private equity fair market value as of 12/31/20)

## Aggregate Portfolio Snapshot Year-Over-Year

- ❖ LACERS has committed \$5.6 billion to 299 partnerships since the inception of its private equity program in 1995; 237 of those partnerships remain active as of 12/31/20
- ❖ Contributions for the year (\$494mm) slightly outpaced distributions for the same time period (\$379mm)
- ❖ The fair market value of the portfolio increased by \$686 million over the last twelve months
- ❖ The aggregate portfolio has generated a total value of 1.64x and a Net IRR of 11.8% since inception

Aggregate Portfolio Snapshot (\$ millions)			
Portfolio Since Inception	12/31/20	12/31/19	Change (+/-)
Partnerships	299	277	+ 22
Active	237	226	+ 11
Inactive	62	51	+ 11
Sponsors	134	109	+ 25
Investment To Date Contributions	\$4,299	\$3,806	+ \$493
Investment To Date Distributions	\$4,142	\$3,765	+ \$377
Fair Market Value	\$2,793	\$2,107	+ \$686
TVPI <sup>1</sup>	1.64x	1.56x	+ 0.08x
Net IRR	11.8%	11.2%	+ 0.6%

1. Total Value to Paid In Capital ("TVPI"): (Cumulative Distributions + Fair Market Value – Cumulative Recallable Capital) / (Cumulative Contributions – Cumulative Recallable Capital)

## The Aggregate Portfolio Can Be Grouped Into Vintage Year Buckets

- ❖ “Mature” bucket (\$177.2 million of fair market value with vintage years ranging from 1995-2009)
  - Minimal change year over year with respect to Net TVPI and Net IRR
  - Will have limited impact going forward given the small value relative to other buckets
- ❖ “Maturing” bucket (\$1,333.3 million of fair market value with vintage years ranging from 2010-2015)
  - Net TVPI increased .18x while the Net IRR increased by ~0.8%
  - Potential for growth or decline to occur in these investments
  - Bulk of any near-term distributions are likely to come from the “Maturing” bucket
- ❖ “Developing” bucket (\$1,282.9 million of fair market value with vintage years ranging from 2016-2020)
  - Net TVPI increased .23x while the Net IRR increased by ~9.6%
  - Significant potential for growth or decline to occur in these investments
  - Bulk of the near-term contributions are likely to come from the “Developing” bucket

\$'s in millions									
Vintage Years	LTM <sup>1</sup>	ITD <sup>1</sup>	LTM <sup>1</sup>	ITD <sup>1</sup>	Fair Market	12/31/20	Year Over Year	12/31/20	Year Over Year
	Contributions	Contributions	Distributions	Distributions	Market Value	Net TVPI	Net TVPI	Net IRR	Net IRR
Mature (1995-2009)	\$1.7	\$1,879.3	\$75.2	\$2,900.9	\$177.2	1.64x	0.01x	10.48%	0.02%
Maturing (2010-2015)	\$52.5	\$1,395.2	\$213.8	\$1,099.2	\$1,333.3	1.81x	0.18x	14.82%	0.78%
Developing (2016-2020)	\$439.2	\$1,025.3	\$88.6	\$142.2	\$1,282.9	1.42x	0.23x	23.18%	9.63%
<b>Total Portfolio</b>	<b>\$493.4</b>	<b>\$4,299.9</b>	<b>\$377.6</b>	<b>\$4,142.4</b>	<b>\$2,793.5</b>	<b>1.64x</b>	<b>0.08x</b>	<b>11.78%</b>	<b>0.62%</b>

<sup>1</sup> Last 12 Months (“LTM”) and Inception to Date (“ITD”)



## 10 Largest Sponsor Relationships (by total exposure)

- ❖ The top ten Sponsors by exposure account for 33.3% of aggregate portfolio exposure and 22.8% of aggregate portfolio commitments

Firm	Number of Funds	Commitment	% of Total Comm	Exposure (FMV + Unfunded)	% of Total Exposure	TVPI	Net IRR
Vista Equity Partners	8	\$215,000,000	3.8%	\$235,776,997	5.4%	2.17x	21.9%
Thoma Bravo	8	\$150,000,000	2.7%	\$202,050,195	4.7%	2.39x	28.3%
Technology Crossover Ventures	6	\$144,500,000	2.6%	\$174,854,968	4.0%	2.41x	17.2%
Advent International	5	\$145,000,000	2.6%	\$160,873,883	3.7%	1.84x	18.6%
ABRY Partners	6	\$145,000,000	2.6%	\$138,507,723	3.2%	1.14x	6.0%
New Enterprise Associates	4	\$95,000,000	1.7%	\$119,954,434	2.8%	1.90x	19.4%
Spark Management Partners	7	\$93,750,000	1.7%	\$107,731,242	2.5%	2.32x	26.9%
Platinum Equity	4	\$112,500,000	2.0%	\$103,941,729	2.4%	1.65x	27.9%
Hellman & Friedman	9	\$100,463,972	1.8%	\$101,491,686	2.3%	1.91x	20.5%
Polaris Partners	5	\$75,000,000	1.3%	\$99,628,713	2.3%	1.94x	13.4%

## New Investments made in 2H 2020

Closing Date	Sponsor	Commitments – 7/1/20 – 12/31/20			Investment Strategy	Commitment Amount (\$million)
		Partnership	Fund Size <sup>1</sup> (\$million)	New or Existing		
7/30/2020	<b>Stellex Capital Management</b>	Stellex Capital Partners II	\$1,250	New	Medium Buyouts	\$30.0
8/31/2020	<b>Fortress Investment Group</b>	Fortress Credit Opportunities Fund V Expansion	\$3,000	New	Opportunistic Credit	\$50.0
10/02/2020	<b>Technology Crossover Ventures</b>	TCV XI	\$3,250	Existing	Growth Equity	\$40.0
10/26/2020	<b>GTCR</b>	GTCR Fund XIII-AB	\$6,750	Existing	Medium Buyouts	\$40.0
10/26/2020	<b>GGV Capital</b>	GGV Capital VIII GGV Capital VIII Plus	\$1,000 \$300	Existing	Venture Capital Venture Capital	\$16.0 \$4.0
12/3/2020	<b>Builders VC</b>	Builders VC Fund II	\$250	New	Venture Capital	\$10.0 <sup>2</sup>
<b>Total</b>	<b>6</b>	<b>7</b>				<b>\$190.0</b>

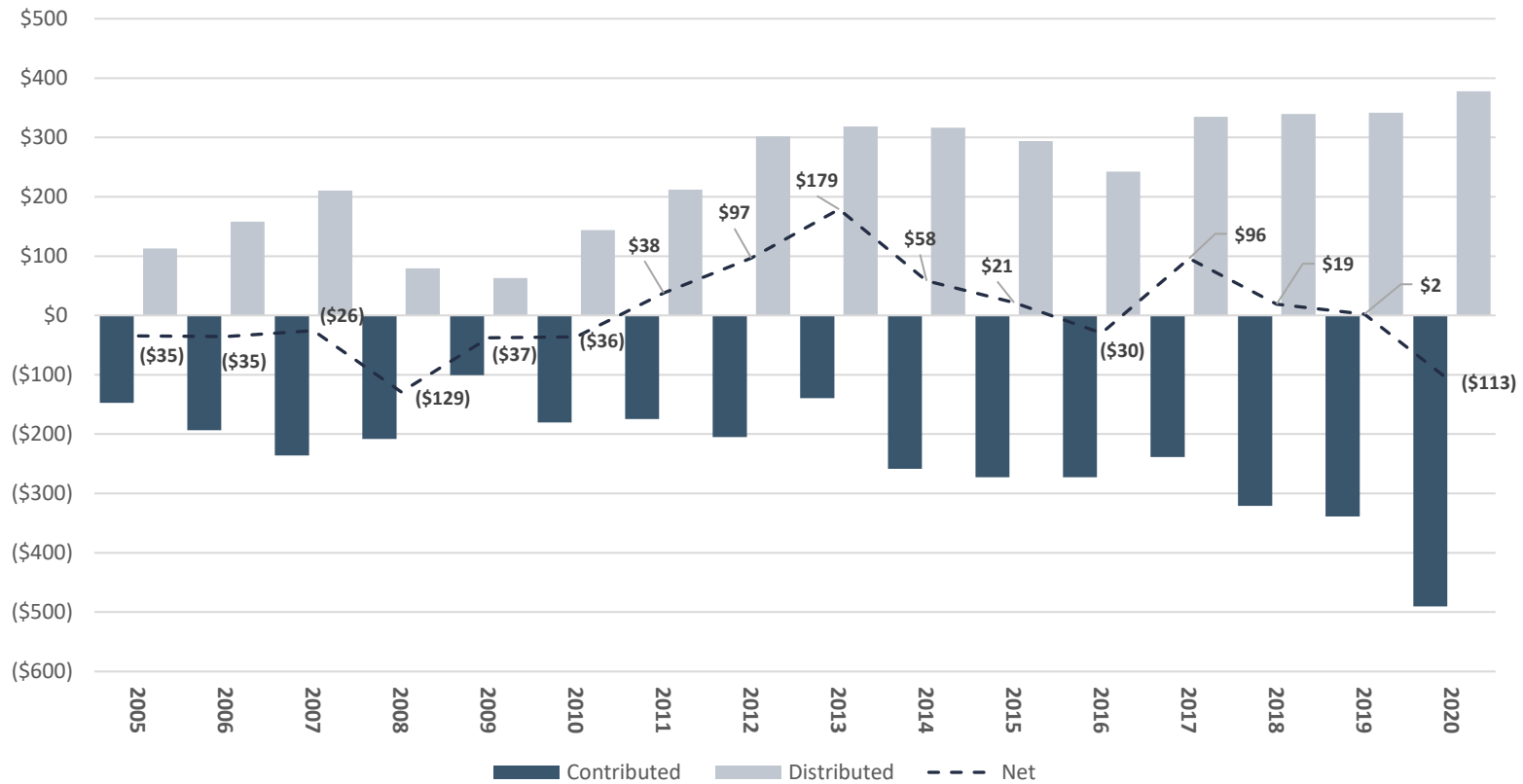
<sup>1</sup> Based on target fund size.<sup>2</sup> Qualifies as an Emerging Manager based on LACERS' definition.

## Commitment Statistics

- ❖ Commitments were made to 6 different Sponsors totaling \$190 million in total commitments
  - ❖ Three commitments were made to existing Sponsor relationships (\$100 million)
  - ❖ Three commitments were made to new Sponsor relationships (\$90 million)
  - ❖ The average commitment amount was ~\$36 million per Sponsor (excluding Emerging Managers)
  
- ❖ ~37% of commitments went to Buyout focused firms; ~37% of commitments went to Venture Capital and Growth Equity focused firms; ~26% of commitments went to an opportunistic credit fund
  - ❖ 'Medium Buyouts' accounted for all ~37% of commitments to buyout funds during the second half of the year
  - ❖ 'Growth Equity' accounted for ~21% of commitments while venture capital accounted for ~16% of commitments
  
- ❖ 1 of the 6 Sponsor Commitments was made to a Sponsor that qualifies as an Emerging Manager under LACERS' definition

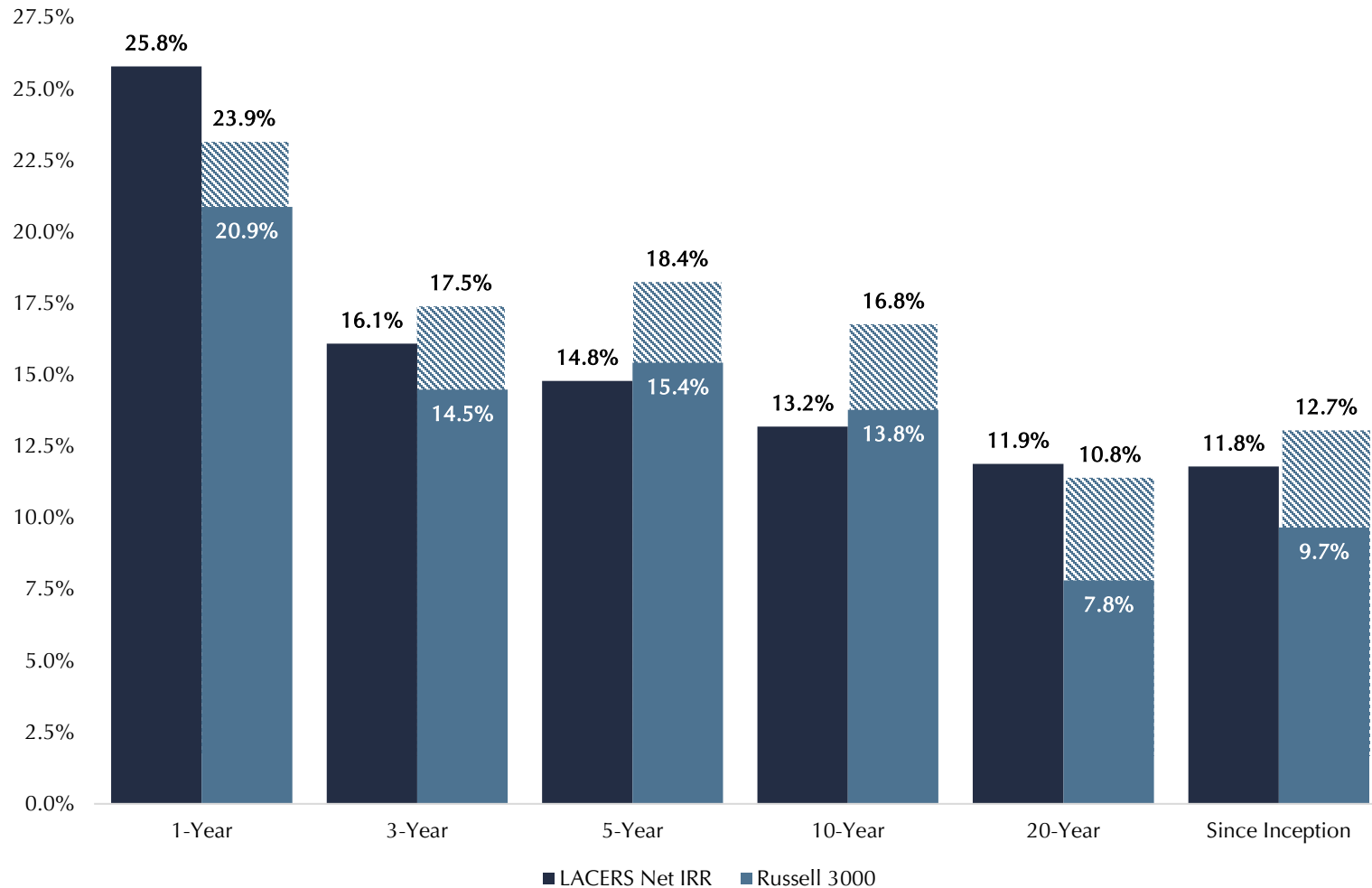
## Private Equity Program Cash Flow Profile Over Time

- LACERS' private equity portfolio is relatively mature and has been largely cash flow positive over the last decade



### Horizon Returns for LACERS' Private Equity Program vs. The Benchmark

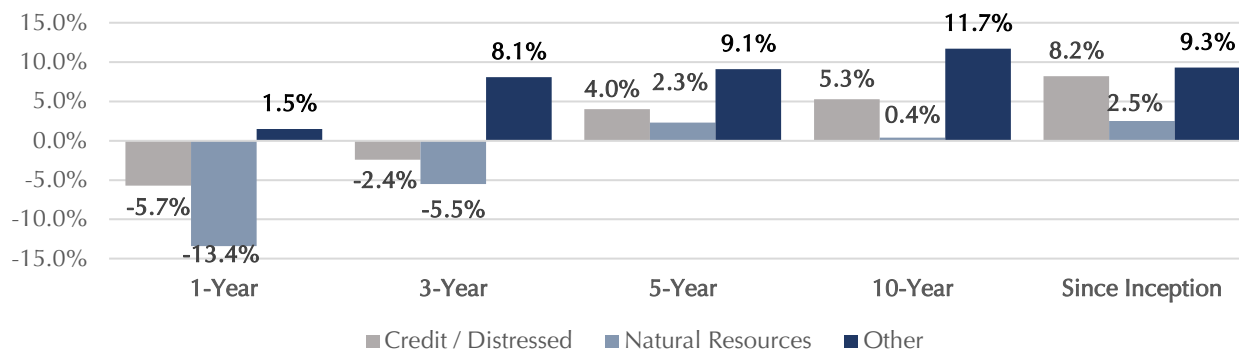
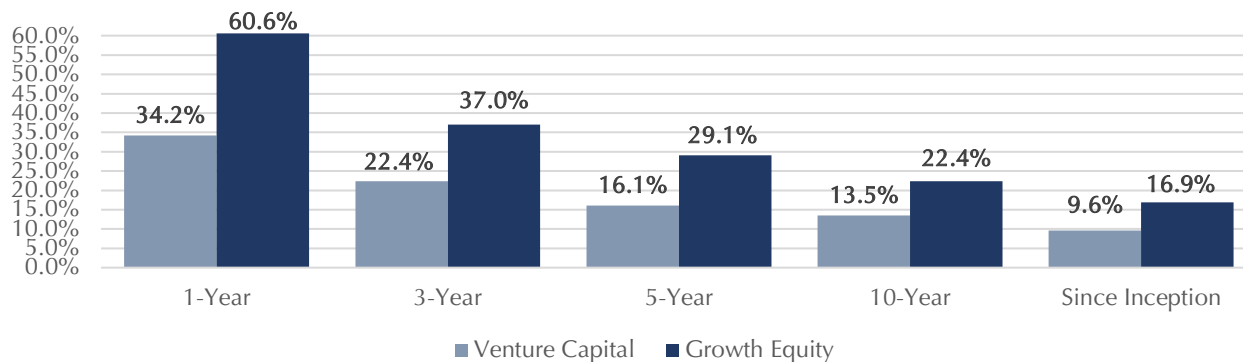
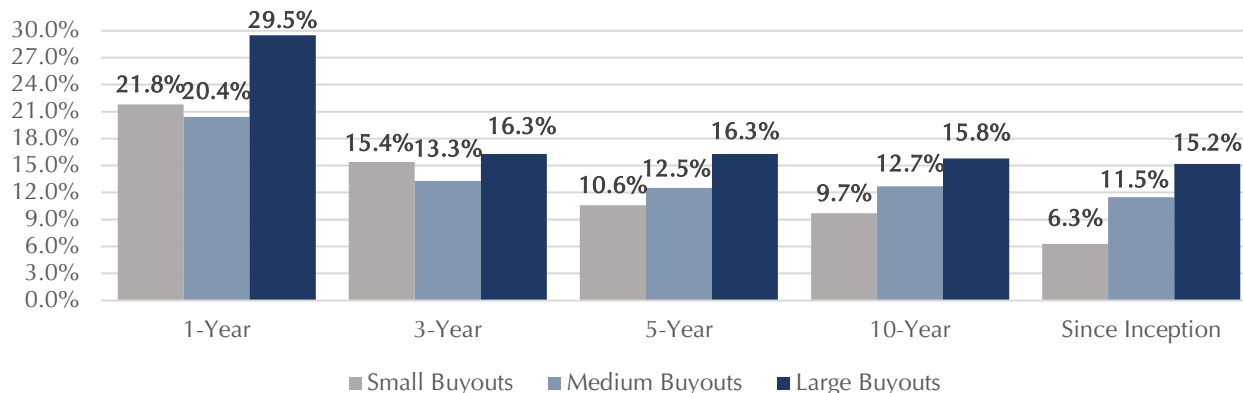
❖ LACERS Benchmark is the Russell 3000 + 300bps



## Performance by Strategy And Sub-Strategy (Inception to Date)

Sub-Strategy	Commitment	Contributions	Percent Called	Distributions	Percent Distributed	Fair Market Value	TVPI	IRR
Large	\$1,452,419,059	\$1,129,562,933	77.77%	\$1,309,046,100	90.13%	\$670,372,901	1.78x	15.2%
Medium	\$1,775,693,387	\$1,266,824,648	71.34%	\$1,337,328,757	75.31%	\$722,013,397	1.65x	11.5%
Small	\$220,600,561	\$166,234,161	75.36%	\$116,490,466	52.81%	\$104,340,536	1.34x	6.3%
<b>Buyouts Total</b>	<b>\$3,448,713,007</b>	<b>\$2,562,621,742</b>	<b>74.31%</b>	<b>\$2,762,865,323</b>	<b>80.11%</b>	<b>\$1,496,726,833</b>	<b>1.68x</b>	<b>12.6%</b>
Growth Equity	\$454,957,154	\$333,331,105	73.27%	\$248,670,931	54.66%	\$493,259,885	2.25x	16.9%
<b>Growth Equity Total</b>	<b>\$454,957,154</b>	<b>\$333,331,105</b>	<b>73.27%</b>	<b>\$248,670,931</b>	<b>54.66%</b>	<b>\$493,259,885</b>	<b>2.25x</b>	<b>16.9%</b>
Early Stage	\$155,010,000	\$113,383,179	73.15%	\$127,804,734	82.45%	\$141,469,389	2.38x	43.0%
Late Stage	\$135,000,000	\$124,258,092	92.04%	\$73,940,708	54.77%	\$112,549,223	1.51x	6.8%
Multi-Stage	\$375,217,369	\$303,660,270	80.93%	\$236,916,630	63.14%	\$216,070,988	1.49x	7.1%
<b>Venture Capital Total</b>	<b>\$665,227,369</b>	<b>\$541,301,541</b>	<b>81.37%</b>	<b>\$438,662,072</b>	<b>65.94%</b>	<b>\$470,089,600</b>	<b>1.69x</b>	<b>9.6%</b>
Opportunistic Credit	\$50,000,000	\$2,500,000	N/A	-	N/A	\$2,458,939	0.98x	(35.1%)
<b>Credit Total</b>	<b>\$50,000,000</b>	<b>\$2,500,000</b>	<b>N/A</b>	<b>-</b>	<b>N/A</b>	<b>\$2,458,939</b>	<b>0.98x</b>	<b>(35.1%)</b>
Credit	\$80,000,000	\$64,868,233	81.09%	\$15,500,739	19.38%	\$48,274,372	0.98x	(0.9%)
Distressed	\$474,531,007	\$412,787,125	86.99%	\$392,972,066	82.81%	\$124,290,044	1.30x	9.1%
Mezzanine	\$35,000,000	\$31,109,463	88.88%	\$28,495,911	81.42%	\$8,107,441	1.18x	4.6%
<b>Credit / Distressed Total</b>	<b>\$589,531,007</b>	<b>\$508,764,821</b>	<b>86.30%</b>	<b>\$436,968,715</b>	<b>74.12%</b>	<b>\$180,671,857</b>	<b>1.25x</b>	<b>8.2%</b>
Energy	\$330,000,000	\$288,516,633	87.43%	\$191,688,562	58.09%	\$121,026,679	1.09x	2.5%
<b>Natural Resources Total</b>	<b>\$330,000,000</b>	<b>\$288,516,633</b>	<b>87.43%</b>	<b>\$191,688,562</b>	<b>58.09%</b>	<b>\$121,026,679</b>	<b>1.09x</b>	<b>2.5%</b>
Fund of Funds	\$20,000,000	\$19,179,059	95.90%	\$31,272,700	156.36%	\$24,938	1.63x	7.4%
Secondaries	\$50,000,000	\$43,667,010	87.33%	\$32,252,577	64.51%	\$29,236,990	1.49x	13.2%
<b>Other Total</b>	<b>\$70,000,000</b>	<b>\$62,846,069</b>	<b>89.78%</b>	<b>\$63,525,276</b>	<b>90.75%</b>	<b>\$29,261,928</b>	<b>1.54x</b>	<b>9.3%</b>
<b>Total</b>	<b>\$5,608,428,536</b>	<b>\$4,299,881,910</b>	<b>76.67%</b>	<b>\$4,142,380,880</b>	<b>73.86%</b>	<b>\$2,793,495,721</b>	<b>1.64x</b>	<b>11.8%</b>

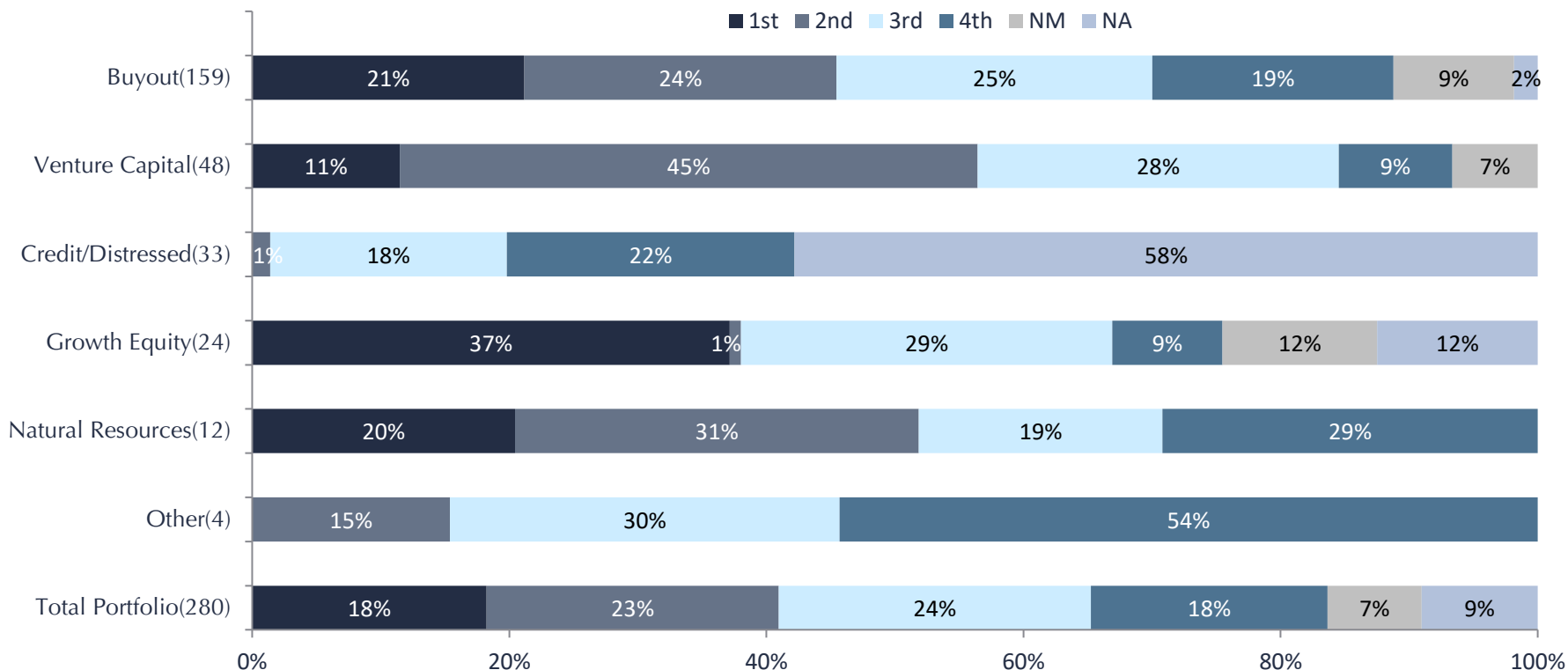
## Horizon Returns by Sub-Strategy



\*The 'Other' category includes LACERS' investments in Secondary Funds and Fund of Funds.

## Portfolio Strategy vs. Cambridge Associates<sup>1</sup>

% of Contributed Capital as of September 30, 2020

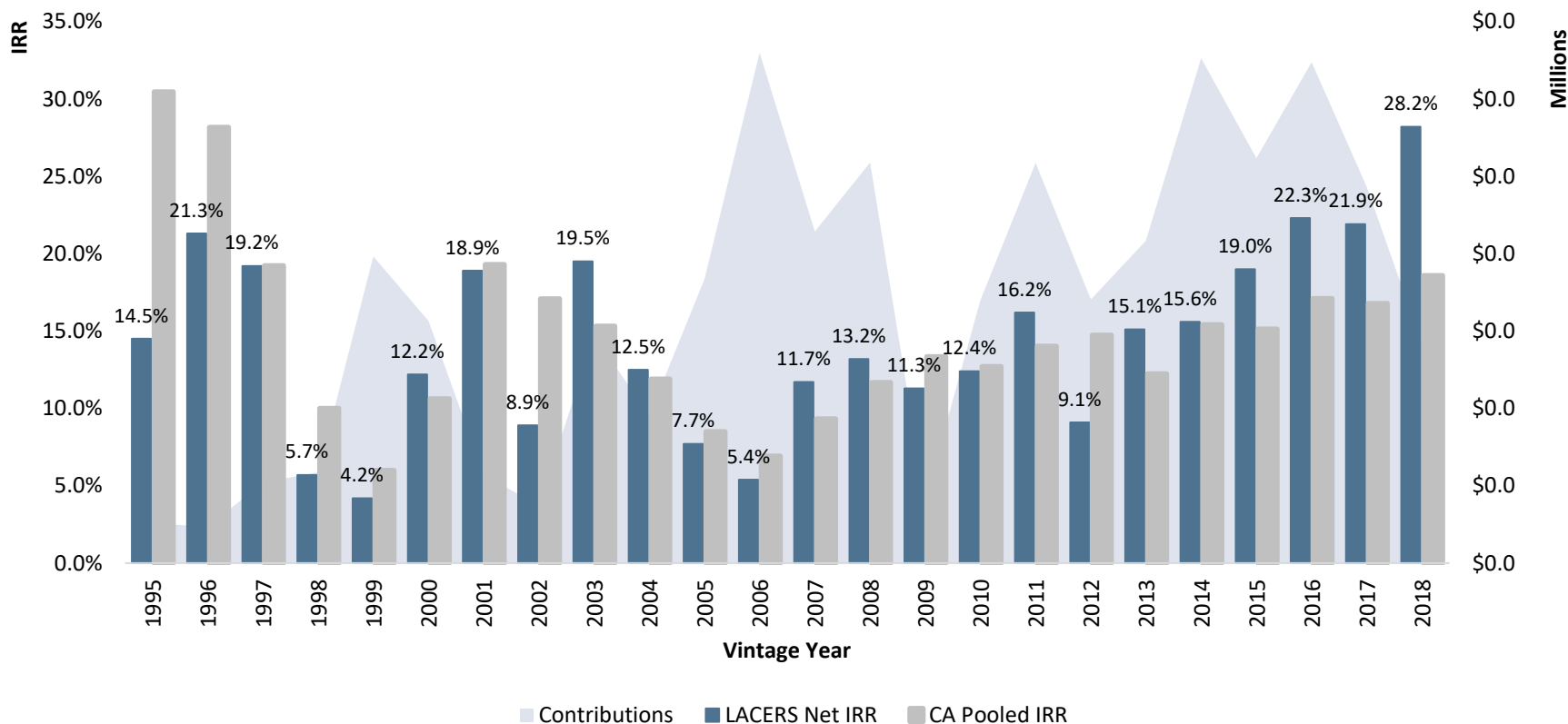


<sup>1</sup>All quartiles are based on Cambridge Associates data as of September 30, 2020. Funds where corresponding benchmark data is not available from Cambridge Associates are categorized as "NA" and funds where the first capital call date is younger than two years are categorized as "NM". Funds with total commitments equal to zero are excluded from the calculation. Cambridge Associates data is continually updated and subject to change.



# Portfolio Vintage Years vs. Cambridge Associates<sup>1</sup>

September 30, 2020



<sup>1</sup>Cambridge Associates pooled IRRs as of September 30, 2020. Pooled IRRs comprised of similar regions and strategies in the LACERS portfolio. IRRs of funds younger than two years are not considered meaningful and have been excluded.

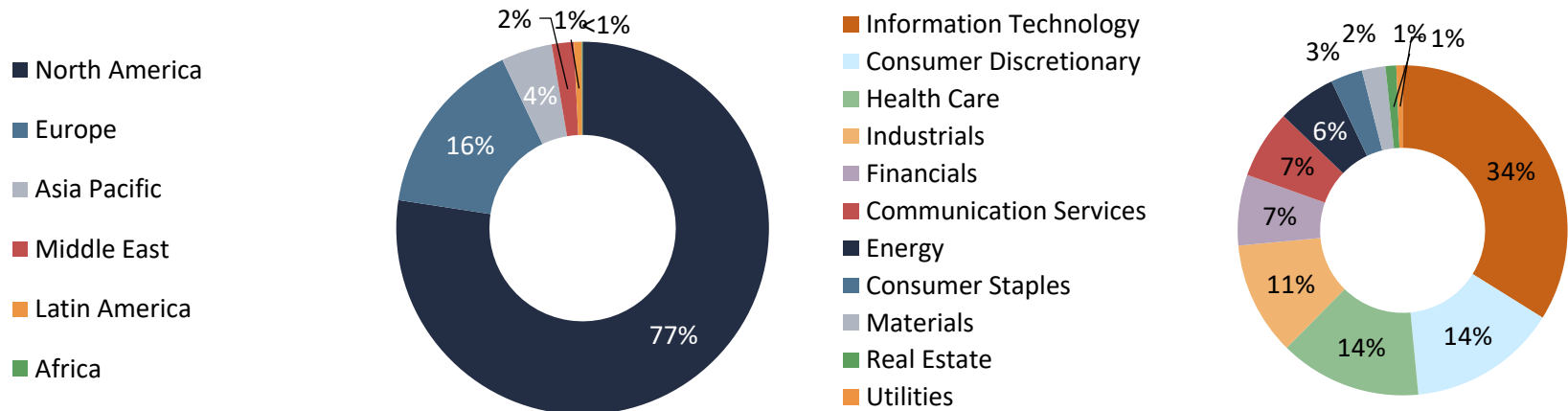
### Overall Exposure

- ❖ Private Equity exposure was 13.3% as of December 31, 2020
- ❖ Private Equity exposure target was 14.0% as of December 31, 2020\*

### Performance Since Inception

- ❖ The Aggregate Portfolio has generated a Net IRR of 11.8% and a TVPI of 1.64x
- ❖ The Core Portfolio has generated a Net IRR of 12.3% and a TVPI of 1.67x
- ❖ The Specialized Portfolio has generated a Net IRR of 2.0% and a TVPI of 1.13x

### Diversification

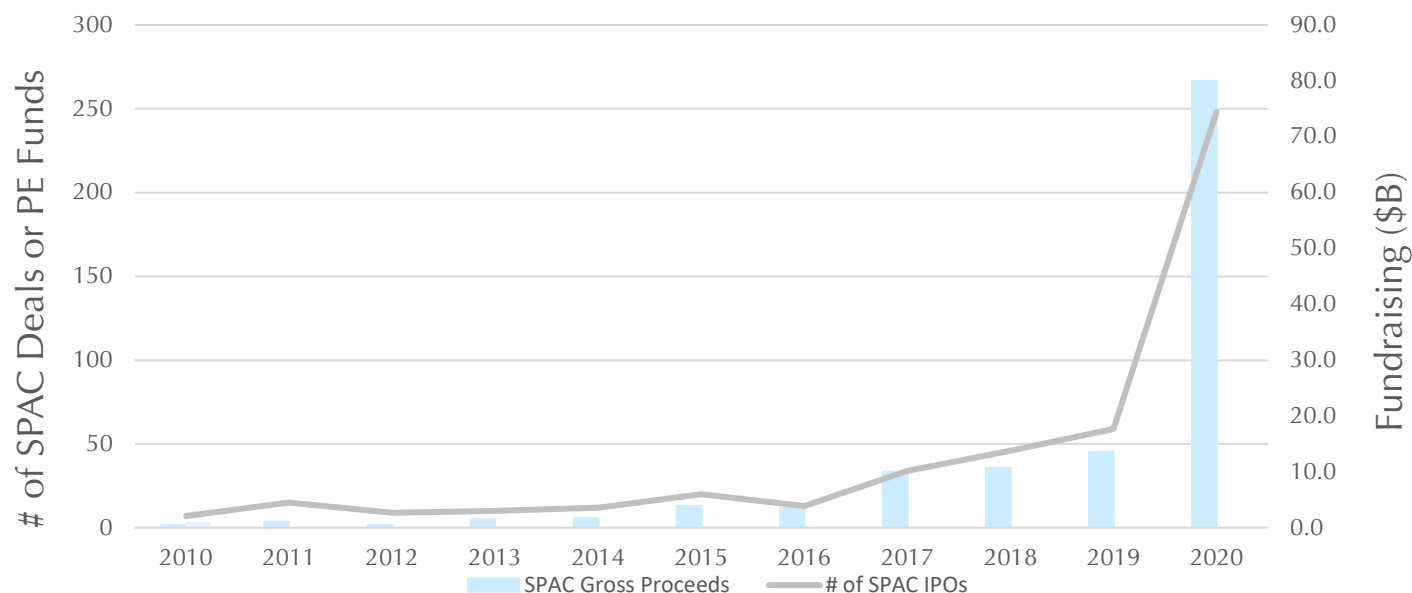


\* Note: Board voted at May 2021 meeting to raise PE allocation from 14.0% to 16.0%

## The Rise of SPACs (Special Purpose Acquisition Company)

### ❖ What is a SPAC?

- ❖ A company with no commercial operations that is formed strictly to raise capital through an IPO
- ❖ The purpose of a SPAC is to bring a private company to the public market. The process tends to take less time to complete than a traditional IPO and can be cheaper
- ❖ SPACs have been around for decades, but their use has recently skyrocketed



- ❖ The SPAC frenzy continues, with \$87.9 billion raised so far in 2021, already exceeding the total issuance in all of last year
- ❖ High profile recent SPACs include: Virgin Galactic (NYSE:SPCE), DraftKings (NASDAQ:DKNG), Iridium (NASDAQ:IRDM)

## APPENDIX

- Fund-By-Fund Returns
  - Active Core Portfolio
  - Liquidated Core Portfolio
  - Active Specialized Portfolio
  - Liquidated Specialized Portfolio

## CORE PORTFOLIO SUMMARY AS OF 12/31/2020 - ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Recommended
1315 Capital Fund	Venture Capital	Late Stage	2015	10,000,000	9,040,472	4,141,356	9,543,748	15.0%	Portfolio Advisors
1315 Capital Fund II	Venture Capital	Late Stage	2018	10,000,000	3,768,395	0	3,570,837	-4.5%	Portfolio Advisors
ABRY Advanced Securities Fund III	Credit/Distressed	Credit	2014	20,000,000	24,719,438	4,699,964	18,210,357	-3.3%	Portfolio Advisors
ABRY Advanced Securities Fund IV	Credit/Distressed	Credit	2018	40,000,000	21,753,115	4,126,111	18,685,091	5.8%	Portfolio Advisors
ABRY Heritage Partners	Buyout	Small	2016	10,000,000	6,340,219	2,939,350	5,499,179	16.8%	Portfolio Advisors
ABRY Partners IX	Buyout	Medium	2019	40,000,000	20,673,579	0	20,485,532	-1.0%	TorreyCove
ABRY Partners VIII	Buyout	Medium	2014	25,000,000	28,044,227	21,702,081	16,846,205	10.2%	Portfolio Advisors
ABRY Senior Equity V	Credit/Distressed	Mezzanine	2016	10,000,000	7,782,561	1,779,116	7,295,807	12.9%	Portfolio Advisors
ACON Equity Partners 3.5	Buyout	Medium	2012	20,000,000	18,034,492	19,203,704	417,029	1.9%	Hamilton Lane
ACON-Bastion Partners II	Buyout	Medium	2006	5,000,000	4,721,150	8,033,543	177,332	12.3%	Hamilton Lane
Advent Global Technology	Buyout	Medium	2019	15,000,000	6,675,000	0	8,274,651	59.0%	TorreyCove
Advent International GPE IX	Buyout	Large	2019	45,000,000	16,537,364	0	23,746,366	57.0%	TorreyCove
Advent International GPE VI A	Buyout	Medium	2008	20,000,000	20,000,000	39,591,910	2,555,920	16.7%	Hamilton Lane
Advent International GPE VII B	Buyout	Large	2012	30,000,000	28,200,000	32,498,484	21,217,670	15.3%	Hamilton Lane
Advent International GPE VIII B-2	Buyout	Large	2016	35,000,000	33,215,000	0	64,706,640	27.1%	Portfolio Advisors
AION Capital Partners	Credit/Distressed	Credit	2012	20,000,000	18,395,680	6,674,663	11,378,924	-0.7%	Hamilton Lane
American Securities Partners VII	Buyout	Medium	2016	25,000,000	22,956,641	3,469,561	23,917,770	7.0%	Portfolio Advisors
American Securities Partners VIII	Buyout	Large	2019	40,000,000	9,026,525	75,919	8,140,806	-12.4%	Portfolio Advisors
Angeles Equity Partners I	Credit/Distressed	Distressed	2015	10,000,000	5,111,641	1,306,282	5,001,774	9.0%	Portfolio Advisors
Apollo Investment Fund IV	Buyout	Large	1998	5,000,000	4,989,241	8,320,973	3,340	8.5%	Pathway
Apollo Investment Fund VI	Buyout	Large	2006	15,000,000	14,372,999	23,957,457	285,936	8.7%	Hamilton Lane
Apollo Investment Fund VII	Buyout	Large	2008	20,000,000	17,560,155	32,721,705	1,815,007	22.3%	Hamilton Lane
Apollo Investment Fund VIII	Buyout	Large	2013	40,000,000	34,778,286	18,799,481	31,555,120	10.5%	Hamilton Lane
Ascribe Opportunities Fund II	Credit/Distressed	Distressed	2010	20,000,000	30,537,420	31,037,274	2,199,854	3.2%	Hamilton Lane
Ascribe Opportunities Fund III	Credit/Distressed	Distressed	2014	30,000,000	48,294,143	36,701,654	7,117,443	-11.7%	Hamilton Lane
Ascribe Opportunities Fund IV	Credit/Distressed	Distressed	2019	25,000,000	236,533	233,474	-36,041	-71.0%	Portfolio Advisors
Astorg VI	Buyout	Medium	2015	25,625,875	21,228,378	6,047,454	23,174,822	12.6%	Portfolio Advisors
Astorg VII	Buyout	Medium	2019	36,123,864	12,914,665	0	13,091,547	2.9%	TorreyCove
Astra Partners I	Buyout	Small	2017	10,000,000	4,664,040	-28,358	4,690,808	0.0%	Portfolio Advisors
Austin Ventures VIII	Venture Capital	Multi-Stage	2001	8,300,000	8,300,000	13,588,900	143,828	6.9%	Pathway
Bain Capital Asia Fund III	Buyout	Large	2016	15,000,000	15,838,590	6,395,321	21,599,197	37.8%	Portfolio Advisors

\* Aksia TorreyCove is still in the process of verifying all of the performance information presented by General Partners; therefore, changes may occur.

## CORE PORTFOLIO SUMMARY AS OF 12/31/2020 - ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Recommended by
Bain Capital Double Impact Fund	Buyout	Small	2016	10,000,000	7,498,194	4,167,439	7,662,696	28.8%	Portfolio Advisors
BC European Capital IX	Buyout	Large	2011	18,146,966	19,127,319	19,025,221	23,071,069	17.6%	Hamilton Lane
BC European Capital X	Buyout	Large	2017	31,651,237	26,843,135	475,305	37,871,590	20.4%	Portfolio Advisors
BDCM Opportunity Fund IV	Credit/Distressed	Distressed	2015	25,000,000	29,746,694	9,170,808	27,524,908	8.3%	Portfolio Advisors
Blackstone Capital Partners V & V-S	Buyout	Large	2005	19,799,726	19,287,044	31,598,269	620,637	7.8%	Hamilton Lane
Blackstone Capital Partners VI	Buyout	Large	2011	20,000,000	19,234,467	20,729,415	12,755,175	12.4%	Hamilton Lane
Blackstone Energy Partners	Natural Resources	Energy	2011	25,000,000	23,618,850	29,595,885	6,650,609	9.7%	Hamilton Lane
Blue Sea Capital Fund I	Buyout	Small	2013	10,000,000	8,390,450	5,218,313	9,094,755	14.9%	Portfolio Advisors
Brentwood Associates Private Equity VI	Buyout	Medium	2017	25,000,000	14,036,048	187,573	17,712,503	27.8%	Portfolio Advisors
Carlyle Partners V	Buyout	Large	2007	30,000,000	26,714,020	47,774,338	2,967,040	13.6%	Hamilton Lane
CenterGate Capital Partners I	Buyout	Small	2015	10,000,000	4,128,108	1,529,345	4,020,208	12.8%	Portfolio Advisors
Charterhouse Capital Partners IX	Buyout	Large	2008	17,893,814	17,664,683	20,086,059	2,835,733	9.1%	Hamilton Lane
CHP III	Venture Capital	Early Stage	2006	15,000,000	15,000,000	18,901,748	10,170,484	8.5%	Hamilton Lane
Clearlake Capital Partners VI	Credit/Distressed	Distressed	2020	30,000,000	7,680,726	250,159	8,293,782	39.7%	TorreyCove
Coller International Partners VI	Other	Secondaries	2011	25,000,000	18,577,227	23,178,029	6,781,649	14.2%	Hamilton Lane
CVC Capital Partners VII	Buyout	Large	2017	28,567,140	17,365,637	350,703	22,125,635	24.9%	Portfolio Advisors
CVC Capital Partners VIII	Buyout	Large	2021	50,206,765	0	0	0	0.0%	TorreyCove
CVC European Equity Partners III	Buyout	Large	2001	15,000,000	14,776,341	41,619,578	962,401	41.0%	Pathway
CVC European Equity Partners IV	Buyout	Large	2005	26,008,211	23,250,007	46,514,557	33,473	16.7%	Hamilton Lane
CVC European Equity Partners V	Buyout	Large	2008	18,815,039	18,352,938	37,864,462	862,699	16.8%	Hamilton Lane
Defy Partners I	Venture Capital	Early Stage	2017	10,000,000	7,500,000	0	9,089,298	10.8%	Portfolio Advisors
Defy Partners II	Venture Capital	Early Stage	2019	18,010,000	4,142,300	0	6,335,279	74.1%	TorreyCove
DFJ Growth 2013	Growth Equity	Growth Equity	2013	25,000,000	25,126,311	13,136,181	65,684,372	24.3%	Portfolio Advisors
DFJ Growth III	Growth Equity	Growth Equity	2017	15,000,000	12,900,000	0	22,589,702	30.6%	Portfolio Advisors
EIG Energy Fund XVI	Natural Resources	Energy	2013	25,000,000	22,948,883	11,702,924	14,386,498	4.0%	Hamilton Lane
Encap Energy Capital Fund IX	Natural Resources	Energy	2012	30,000,000	28,855,100	20,925,814	10,217,789	2.6%	Hamilton Lane
Encap Energy Capital Fund VIII	Natural Resources	Energy	2010	15,000,000	14,933,115	7,642,841	3,321,600	-8.5%	Hamilton Lane
Encap Energy Capital Fund X	Natural Resources	Energy	2015	35,000,000	30,519,050	4,953,346	26,615,528	1.1%	Portfolio Advisors
Encap Energy Capital Fund XI	Natural Resources	Energy	2017	40,000,000	13,871,956	0	8,726,182	-26.3%	Portfolio Advisors
Energy Capital Partners II	Natural Resources	Energy	2009	20,000,000	14,934,322	20,349,894	1,197,455	9.3%	Hamilton Lane
Energy Capital Partners III	Natural Resources	Energy	2014	40,000,000	38,526,072	20,068,484	31,700,158	8.9%	Hamilton Lane

\* Aksia TorreyCove is still in the process of verifying all of the performance information presented by General Partners; therefore, changes may occur.

## CORE PORTFOLIO SUMMARY AS OF 12/31/2020 - ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Recommended by
Essex Woodlands Health Ventures Fund IV	Venture Capital	Late Stage	1998	4,000,000	4,000,000	5,184,021	657,027	7.4%	Pathway
Essex Woodlands Health Ventures Fund V	Venture Capital	Late Stage	2000	10,000,000	10,000,000	10,591,086	1,261,765	3.5%	Pathway
Essex Woodlands Health Ventures Fund VI	Venture Capital	Multi-Stage	2004	15,000,000	14,587,500	16,028,797	5,305,635	4.2%	Pathway
FIMI Opportunity V	Buyout	Medium	2012	20,000,000	18,194,334	17,027,619	14,165,000	11.4%	Hamilton Lane
First Reserve Fund XI	Natural Resources	Energy	2006	30,000,000	30,000,000	20,735,497	347,380	-7.9%	Hamilton Lane
First Reserve Fund XII	Natural Resources	Energy	2008	25,000,000	25,990,474	12,384,126	1,349,797	-14.4%	Hamilton Lane
Fortress Credit Opportunities V Expansion	Credit	Opportunistic Credit	2020	50,000,000	2,500,000	0	2,458,939	-35.1%	Aksia
FS Equity Partners VIII	Buyout	Medium	2019	25,000,000	7,792,889	13,260	6,912,212	-11.1%	TorreyCove
General Catalyst Group X - Early Venture	Venture Capital	Early Stage	2020	10,000,000	4,250,000	0	4,108,489	-12.5%	TorreyCove
General Catalyst Group X - Endurance	Venture Capital	Multi-Stage	2020	11,666,667	3,441,667	0	5,396,616	152.0%	TorreyCove
General Catalyst Group X - Growth Venture	Growth Equity	Growth Equity	2020	16,666,666	8,333,333	0	11,399,574	234.8%	TorreyCove
Genstar Capital Partners IX	Buyout	Medium	2019	25,000,000	9,814,138	583,334	12,361,075	38.0%	TorreyCove
Genstar IX Opportunities Fund I	Buyout	Large	2019	25,000,000	14,972,593	0	17,824,251	24.2%	TorreyCove
GGV Capital VIII	Venture Capital	Expansion Stage	2021	16,000,000	0	0	0	0.0%	Aksia
GGV Capital VIII Plus	Venture Capital	Expansion Stage	2021	4,000,000	0	0	0	0.0%	Aksia
Gilde Buy-Out Fund V	Buyout	Medium	2016	27,121,713	24,990,563	7,600,299	28,666,770	17.4%	Portfolio Advisors
Gilde Buy-Out Fund VI	Buyout	Medium	2019	39,684,790	3,842,293	0	2,896,592	-47.0%	TorreyCove
Glendon Opportunities Fund	Credit/Distressed	Distressed	2014	20,000,000	18,990,996	6,751,982	14,926,792	3.0%	Portfolio Advisors
Glendon Opportunities Fund II	Credit/Distressed	Distressed	2019	40,000,000	19,000,000	0	22,603,703	23.4%	Portfolio Advisors
Green Equity Investors V	Buyout	Large	2007	20,000,000	18,273,921	38,646,804	8,603,559	19.6%	Hamilton Lane
Green Equity Investors VI	Buyout	Large	2012	20,000,000	18,433,973	12,992,293	23,959,760	15.3%	Hamilton Lane
Green Equity Investors VII	Buyout	Large	2017	25,000,000	22,097,887	2,396,240	33,905,397	24.6%	Portfolio Advisors
GTCR Fund VIII	Buyout	Medium	2003	20,000,000	18,520,960	32,142,142	249,121	22.3%	Pathway
GTCR Fund XII-AB	Buyout	Medium	2017	40,000,000	26,186,935	7,658,457	27,386,588	25.8%	Portfolio Advisors
GTCR Fund XIII-AB	Buyout	Medium	2020	40,000,000	0	0	-26,427	0.0%	Aksia
H&F Arrow 1	Buyout	Large	2020	0	3,494,615	0	3,901,915	38.0%	Aksia
H&F Spock 1	Buyout	Large	2018	0	3,266,786	0	7,784,210	37.5%	Hamilton Lane
Halifax Capital Partners II	Buyout	Small	2005	10,000,000	8,104,233	10,703,687	159,827	7.6%	Hamilton Lane
Harvest Partners VII	Buyout	Medium	2016	20,000,000	19,365,265	379,083	25,805,332	13.0%	Portfolio Advisors
Harvest Partners VIII	Buyout	Medium	2019	50,000,000	27,729,000	1,501	32,622,475	28.7%	TorreyCove
Hellman & Friedman Capital Partners IX	Buyout	Large	2019	30,000,000	13,726,417	0	15,025,425	20.5%	Portfolio Advisors

\* Aksia TorreyCove is still in the process of verifying all of the performance information presented by General Partners; therefore, changes may occur.

## CORE PORTFOLIO SUMMARY AS OF 12/31/2020 - ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Recommended by
Hellman & Friedman Capital Partners VI	Buyout	Large	2006	20,000,000	19,344,481	35,824,299	358,138	12.9%	Hamilton Lane
Hellman & Friedman Capital Partners VII	Buyout	Large	2011	20,000,000	19,101,686	47,877,628	12,978,729	24.7%	Hamilton Lane
Hellman & Friedman Capital Partners VIII	Buyout	Large	2016	20,000,000	19,600,951	3,065,903	27,810,784	19.2%	Portfolio Advisors
Hg Genesis 9	Buyout	Medium	2020	19,295,500	0	0	-88,527	0.0%	TorreyCove
HgCapital Saturn Fund 2	Buyout	Large	2020	20,000,000	1,031,731	469,657	2,190,373	753.8%	TorreyCove
High Road Capital Partners Fund II	Buyout	Small	2013	25,000,000	19,425,755	10,107,355	21,872,690	14.1%	Hamilton Lane
Hony Capital Fund V	Buyout	Large	2011	25,000,000	25,939,413	5,561,980	17,320,971	-2.1%	Hamilton Lane
Incline Equity Partners IV	Buyout	Small	2017	10,000,000	6,892,078	34,293	9,998,817	23.9%	Portfolio Advisors
Insight Venture Partners IX	Growth Equity	Growth Equity	2015	25,000,000	25,581,482	10,843,161	68,744,082	32.2%	Portfolio Advisors
Insight Venture Partners VIII	Growth Equity	Growth Equity	2013	20,000,000	19,814,198	38,135,623	22,420,451	22.4%	Hamilton Lane
Institutional Venture Partners XV	Venture Capital	Late Stage	2015	20,000,000	20,000,000	4,509,665	35,951,028	22.2%	Portfolio Advisors
J.H. Whitney VII	Buyout	Medium	2010	25,000,000	24,652,068	23,685,719	29,899,823	15.6%	Hamilton Lane
Kelso Investment Associates VII	Buyout	Medium	2003	18,000,000	17,131,163	29,092,678	27,868	12.5%	Pathway
Kelso Investment Associates VIII	Buyout	Medium	2007	20,000,000	18,943,725	22,015,000	4,029,548	6.4%	Hamilton Lane
Khosla Ventures IV	Venture Capital	Early Stage	2011	20,000,000	19,620,000	31,005,636	50,038,947	26.0%	Hamilton Lane
KKR 2006 Fund	Buyout	Large	2006	30,000,000	30,277,425	48,533,716	7,589,589	9.4%	Hamilton Lane
KKR European Fund II	Buyout	Large	2005	15,000,000	15,497,844	20,962,595	107,184	4.7%	Hamilton Lane
KPS Special Situations Fund IV	Buyout	Medium	2014	25,000,000	21,233,258	4,970,557	23,906,526	16.7%	Hamilton Lane
KPS Special Situations Fund V	Buyout	Medium	2020	40,000,000	7,572,809	0	7,528,811	-1.6%	TorreyCove
KPS Special Situations Mid-Cap Fund	Buyout	Medium	2019	10,000,000	1,839,983	0	1,885,091	2.6%	TorreyCove
Levine Leichtman Capital Partners III	Buyout	Medium	2003	20,000,000	21,392,254	33,337,694	1,002	10.0%	Hamilton Lane
Levine Leichtman Capital Partners IV	Buyout	Medium	2008	20,000,000	16,448,126	28,973,102	2,680,899	18.1%	Hamilton Lane
Levine Leichtman Capital Partners V	Buyout	Medium	2013	30,000,000	26,890,789	15,824,955	31,853,613	13.6%	Hamilton Lane
Lindsay Goldberg III	Buyout	Large	2008	20,000,000	19,176,896	25,955,797	144,448	8.1%	Hamilton Lane
Longitude Venture Partners III	Venture Capital	Late Stage	2016	10,000,000	8,974,679	3,922,274	10,105,866	26.9%	Portfolio Advisors
Madison Dearborn Capital Partners IV	Buyout	Medium	2000	25,000,000	25,199,114	47,266,100	662,683	14.1%	Pathway
MBK Partners Fund V	Buyout	Large	2021	40,000,000	0	0	0	0.0%	TorreyCove
Menlo Ventures IX	Venture Capital	Multi-Stage	2001	20,000,000	20,000,000	20,254,444	476,915	0.6%	Pathway
Mill Point Capital Partners	Buyout	Small	2017	10,000,000	7,764,771	21,869	12,374,135	30.0%	Portfolio Advisors
Montagu VI	Buyout	Medium	2020	40,301,363	0	0	-727,437	0.0%	TorreyCove
Nautic Partners V	Buyout	Medium	2000	15,000,000	14,426,866	29,627,940	651,380	17.0%	Pathway

\* Aksia TorreyCove is still in the process of verifying all of the performance information presented by General Partners; therefore, changes may occur.



## CORE PORTFOLIO SUMMARY AS OF 12/31/2020 - ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Recommended by
New Enterprise Associates 13	Venture Capital	Multi-Stage	2009	15,000,000	15,000,000	28,831,801	10,863,412	17.5%	Hamilton Lane
New Enterprise Associates 15	Venture Capital	Multi-Stage	2015	20,000,000	18,900,000	4,613,701	37,696,863	23.2%	Portfolio Advisors
New Enterprise Associates 16	Venture Capital	Multi-Stage	2017	25,000,000	19,812,500	758,245	27,707,418	20.6%	Portfolio Advisors
New Enterprise Associates 17	Venture Capital	Multi-Stage	2019	35,000,000	12,250,000	0	14,649,241	26.9%	TorreyCove
New Mountain Partners III	Buyout	Large	2007	20,000,000	18,745,423	33,339,137	10,834,169	13.8%	Hamilton Lane
New Water Capital	Buyout	Small	2015	10,000,000	8,994,127	774,998	11,507,532	12.6%	Portfolio Advisors
NewBridge Asia IV	Buyout	Medium	2005	10,000,000	9,846,880	21,902,222	11,874	16.8%	Hamilton Lane
NGP Natural Resources XI	Natural Resources	Energy	2014	25,000,000	24,318,811	6,777,429	16,513,683	-1.4%	Portfolio Advisors
NMS Fund III	Buyout	Small	2017	10,000,000	6,804,720	624,798	7,872,744	21.7%	Portfolio Advisors
Nordic Capital V	Buyout	Medium	2003	14,043,460	14,308,101	42,446,076	115,815	20.8%	Pathway
Oak HC-FT Partners	Venture Capital	Late Stage	2014	10,000,000	9,567,180	4,549,787	21,345,300	29.6%	Portfolio Advisors
Oak HC-FT Partners II	Venture Capital	Late Stage	2017	10,000,000	7,887,653	858,083	16,197,434	53.3%	Portfolio Advisors
Oak HC-FT Partners III	Venture Capital	Multi-Stage	2019	25,000,000	16,168,060	0	22,483,034	94.5%	TorreyCove
Oak Investment Partners XII	Venture Capital	Multi-Stage	2006	15,000,000	14,999,762	13,112,866	1,608,071	-0.3%	Hamilton Lane
Oaktree Opportunities Fund X	Credit/Distressed	Distressed	2015	7,500,000	6,225,000	1,345,449	6,722,299	8.3%	Portfolio Advisors
Oaktree Opportunities Fund Xb	Credit/Distressed	Distressed	2018	17,500,000	9,625,000	0	10,854,606	11.5%	Portfolio Advisors
OceanSound Partners Fund	Buyout	Medium	2019	20,000,000	12,286,928	4,077,020	9,207,111	24.7%	TorreyCove
OCM Opportunities Fund V	Credit/Distressed	Distressed	2004	7,100,000	7,100,000	11,699,250	4,609	14.1%	Pathway
OCM Opportunities Fund VII	Credit/Distressed	Distressed	2007	10,000,000	10,000,000	13,717,066	79,489	7.3%	Hamilton Lane
OCM Opportunities Fund VIIIb	Credit/Distressed	Distressed	2008	10,000,000	9,000,000	15,565,673	19,065	16.5%	Hamilton Lane
Onex Partners	Buyout	Large	2003	20,000,000	19,048,408	58,437,674	71,747	38.4%	Pathway
P4G Capital Partners I	Buyout	Small	2018	10,000,000	1,564,781	13	964,787	-55.7%	TorreyCove
Palladium Equity Partners IV	Buyout	Medium	2012	25,000,000	25,090,631	12,030,853	20,788,710	8.5%	Portfolio Advisors
Palladium Equity Partners V	Buyout	Medium	2017	25,000,000	13,029,475	349,650	12,928,450	1.6%	Portfolio Advisors
Permira Europe III	Buyout	Large	2003	21,506,160	21,515,354	36,841,232	57,214	26.1%	Pathway
Pharos Capital Partners II-A	Buyout	Medium	2004	5,000,000	5,000,000	3,192,707	2,698,642	2.2%	Hamilton Lane
Platinum Equity Capital Partners III	Buyout	Large	2011	25,000,000	19,947,664	37,102,332	7,832,049	31.4%	Hamilton Lane
Platinum Equity Capital Partners IV	Buyout	Large	2016	15,000,000	14,047,686	5,184,349	16,565,462	24.1%	Portfolio Advisors
Platinum Equity Capital Partners V	Buyout	Large	2019	50,000,000	6,513,428	99,061	7,102,144	12.4%	TorreyCove
Platinum Equity Small Cap Fund	Buyout	Medium	2018	22,500,000	10,786,602	373,426	8,563,905	-21.7%	Portfolio Advisors
Polaris Growth Fund	Growth Equity	Growth Equity	2018	10,000,000	3,500,000	0	3,723,971	6.6%	Portfolio Advisors

\* Aksia TorreyCove is still in the process of verifying all of the performance information presented by General Partners; therefore, changes may occur.

## CORE PORTFOLIO SUMMARY AS OF 12/31/2020 - ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Recommended by
Polaris Partners VII	Venture Capital	Multi-Stage	2014	25,000,000	23,125,000	3,131,013	42,933,133	17.7%	Portfolio Advisors
Polaris Partners VIII	Venture Capital	Multi-Stage	2016	10,000,000	8,100,000	1,068,730	9,684,368	14.3%	Portfolio Advisors
Polaris Venture Partners V	Venture Capital	Multi-Stage	2006	15,000,000	14,700,000	18,452,809	9,189,537	8.9%	Hamilton Lane
Polaris Venture Partners VI	Venture Capital	Multi-Stage	2010	15,000,000	13,125,000	11,631,960	21,647,704	18.3%	Hamilton Lane
Providence Debt Fund III	Credit/Distressed	Distressed	2013	30,000,000	32,098,772	25,183,619	14,978,387	6.1%	Hamilton Lane
Providence Equity Partners V	Buyout	Large	2005	18,000,000	16,415,524	20,190,547	281,445	3.2%	Pathway
Providence Equity Partners VI	Buyout	Large	2007	30,000,000	28,959,198	32,210,798	9,877,971	5.7%	Hamilton Lane
Roark Capital Partners II Side Car	Buyout	Medium	2018	10,000,000	9,850,271	0	12,959,137	22.1%	TorreyCove
Roark Capital Partners V	Buyout	Large	2018	15,000,000	11,554,119	0	13,788,629	25.5%	TorreyCove
Samson Hockey 1	Buyout	Large	2020	0	3,369,537	0	3,377,479	11.3%	Aksia
Samson Shield 1	Buyout	Large	2020	0	11,369,859	0	11,396,027	11.1%	Aksia
Searchlight Capital II	Buyout	Medium	2015	25,000,000	20,572,681	13,813,600	22,807,336	23.1%	Portfolio Advisors
Spark Capital	Venture Capital	Early Stage	2005	9,000,000	8,820,000	11,937,038	468,871	8.2%	Hamilton Lane
Spark Capital Growth Fund	Growth Equity	Growth Equity	2014	10,000,000	10,000,000	6,176,514	23,395,614	24.2%	Portfolio Advisors
Spark Capital Growth Fund II	Growth Equity	Growth Equity	2017	15,000,000	13,425,000	0	17,865,934	14.3%	Portfolio Advisors
Spark Capital Growth Fund III	Growth Equity	Growth Equity	2020	26,750,000	6,553,750	0	6,024,719	-25.0%	TorreyCove
Spark Capital II	Venture Capital	Early Stage	2008	9,750,000	9,750,000	35,120,689	6,331,537	51.3%	Hamilton Lane
Spark Capital III	Venture Capital	Early Stage	2011	10,000,000	10,000,000	13,674,666	18,715,232	29.4%	Hamilton Lane
Spark Capital VI	Venture Capital	Early Stage	2020	13,250,000	2,517,500	0	2,245,585	-29.8%	TorreyCove
Spire Capital Partners III	Buyout	Small	2013	10,000,000	9,934,217	6,122,531	6,614,081	8.1%	Portfolio Advisors
SSG Capital Partners II	Credit/Distressed	Distressed	2012	15,914,286	15,221,733	16,642,316	1,086,429	4.1%	Hamilton Lane
Stellex Capital Partners II	Buyout	Medium	2021	30,000,000	0	0	0	0.0%	Aksia
StepStone Secondary Opportunities III	Other	Secondaries	2016	25,000,000	25,089,783	9,074,548	22,455,341	11.2%	Portfolio Advisors
Stripes III	Growth Equity	Growth Equity	2015	10,000,000	11,613,612	3,013,651	25,762,201	26.5%	Portfolio Advisors
Stripes IV	Growth Equity	Growth Equity	2017	10,000,000	9,492,554	1,776,229	20,737,453	60.0%	Portfolio Advisors
Sunstone Partners I	Growth Equity	Growth Equity	2015	7,500,000	5,922,754	4,174,616	7,307,973	34.1%	Portfolio Advisors
Sunstone Partners II	Growth Equity	Growth Equity	2020	10,000,000	0	0	-237,805	0.0%	TorreyCove
TA XI	Growth Equity	Growth Equity	2010	20,000,000	19,760,762	46,266,611	21,895,396	26.8%	Hamilton Lane
TA XII-A	Growth Equity	Growth Equity	2016	25,000,000	24,978,785	19,424,117	35,930,041	38.5%	Portfolio Advisors
TA XIII-A	Growth Equity	Growth Equity	2019	35,000,000	19,250,000	0	20,882,816	20.0%	TorreyCove
TCV IX	Growth Equity	Growth Equity	2016	10,000,000	7,938,000	3,271,818	17,202,394	45.8%	Portfolio Advisors

\* Aksia TorreyCove is still in the process of verifying all of the performance information presented by General Partners; therefore, changes may occur.

## CORE PORTFOLIO SUMMARY AS OF 12/31/2020 - ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Recommended by
TCV V	Venture Capital	Multi-Stage	2004	19,500,000	19,334,250	35,076,718	1,035,121	10.7%	Pathway
TCV VII	Growth Equity	Growth Equity	2008	20,000,000	19,689,394	52,573,033	9,337,665	23.5%	Hamilton Lane
TCV VIII	Growth Equity	Growth Equity	2014	30,000,000	26,152,505	3,927,420	65,316,006	21.4%	Hamilton Lane
TCV X	Growth Equity	Growth Equity	2019	25,000,000	15,857,500	0	26,426,037	65.7%	Portfolio Advisors
TCV XI	Growth Equity	Growth Equity	2021	40,000,000	0	0	0	0.0%	Aksia
TCW Crescent Mezzanine Partners V	Credit/Distressed	Mezzanine	2007	10,000,000	9,625,012	12,540,780	751,734	9.7%	Hamilton Lane
The Baring Asia Private Equity Fund VI, L.P. 1	Buyout	Medium	2015	25,000,000	26,061,623	6,275,295	34,700,649	15.8%	Portfolio Advisors
The Baring Asia Private Equity Fund VII	Buyout	Medium	2018	25,000,000	14,210,193	1,401,906	20,070,145	59.2%	Portfolio Advisors
Thoma Bravo Discover Fund II	Buyout	Medium	2018	10,000,000	7,969,886	130,594	11,988,551	41.3%	Portfolio Advisors
Thoma Bravo Discover Fund III	Buyout	Medium	2020	20,000,000	0	0	-33,015	0.0%	Aksia
Thoma Bravo Explore Fund	Buyout	Small	2020	10,000,000	1,910,770	0	2,008,277	652.7%	Aksia
Thoma Bravo Fund XI	Buyout	Medium	2014	15,000,000	13,400,392	25,946,124	24,954,499	31.3%	Portfolio Advisors
Thoma Bravo Fund XII	Buyout	Large	2016	25,000,000	24,945,879	5,805,695	37,237,392	18.8%	Portfolio Advisors
Thoma Bravo Fund XIII	Buyout	Large	2018	30,000,000	24,604,775	15,583,716	29,079,969	68.8%	Portfolio Advisors
Thoma Bravo Fund XIV	Buyout	Large	2021	30,000,000	0	0	0	0.0%	Aksia
Thoma Bravo Special Opportunities Fund II	Buyout	Medium	2015	10,000,000	9,200,691	8,327,052	13,673,749	20.8%	Portfolio Advisors
Threshold Ventures II	Venture Capital	Early Stage	2016	10,000,000	9,005,000	0	15,596,947	22.4%	Portfolio Advisors
TPG Growth II	Buyout	Medium	2011	30,000,000	29,681,430	44,355,884	19,644,761	16.9%	Hamilton Lane
TPG Partners IV	Buyout	Large	2003	25,000,000	27,436,973	52,493,884	296,136	15.2%	Pathway
TPG Partners V	Buyout	Large	2006	30,000,000	31,415,182	42,546,357	313,145	4.8%	Hamilton Lane
TPG Partners VI	Buyout	Large	2008	22,500,000	24,619,542	33,029,618	3,641,549	9.6%	Hamilton Lane
TPG STAR	Buyout	Medium	2006	20,000,000	21,635,099	24,896,346	2,895,370	6.2%	Hamilton Lane
Trident Capital Fund-VI	Buyout	Medium	2005	8,500,000	8,500,000	11,510,465	2,064,958	5.0%	Pathway
Upfront VI	Venture Capital	Early Stage	2017	20,000,000	12,775,596	515,659	14,733,751	10.5%	Portfolio Advisors
VantagePoint Venture Partners IV	Venture Capital	Multi-Stage	2000	15,000,000	15,000,000	13,873,002	344,704	-0.7%	Pathway
Vestar Capital Partners IV	Buyout	Medium	1999	17,000,000	16,585,106	29,291,945	114,229	13.4%	Pathway
Vista Equity Partners Fund III	Buyout	Medium	2007	25,000,000	23,252,044	60,172,877	2,057,465	26.7%	Hamilton Lane
Vista Equity Partners Fund IV	Buyout	Medium	2011	30,000,000	25,468,631	34,200,745	18,895,123	15.4%	Hamilton Lane
Vista Equity Partners Fund V	Buyout	Medium	2014	40,000,000	39,954,994	39,022,248	48,580,109	21.0%	Portfolio Advisors
Vista Equity Partners Fund VI	Buyout	Large	2016	30,000,000	33,569,816	18,511,160	41,454,813	21.8%	Portfolio Advisors
Vista Equity Partners Fund VII	Buyout	Large	2018	40,000,000	19,522,946	93,248	20,485,294	5.9%	Portfolio Advisors

\* Aksia TorreyCove is still in the process of verifying all of the performance information presented by General Partners; therefore, changes may occur.

## CORE PORTFOLIO SUMMARY AS OF 12/31/2020 - ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Recommended by
Vista Foundation Fund II	Buyout	Medium	2013	10,000,000	8,920,117	7,710,381	10,310,178	15.8%	Hamilton Lane
Vista Foundation Fund III	Buyout	Medium	2016	10,000,000	9,462,981	2,672,941	14,306,197	27.9%	Portfolio Advisors
Vista Foundation Fund IV	Buyout	Medium	2020	30,000,000	515,934	0	-42,162	-100.0%	TorreyCove
Vitruvian Investment Partnership IV	Buyout	Medium	2020	39,119,924	532,298	0	314,608	-100.0%	Aksia
Wynnchurch Capital Partners IV	Buyout	Medium	2015	10,000,000	8,867,866	2,432,927	10,144,979	16.1%	Portfolio Advisors
Yucaipa American Alliance Fund II	Buyout	Medium	2008	20,000,000	20,160,070	21,427,916	16,642,190	8.5%	Hamilton Lane
<b>Total - Active</b>				<b>4,637,819,166</b>	<b>3,353,170,344</b>	<b>2,796,043,194</b>	<b>2,766,543,570</b>	<b>13.6%</b>	

\* Aksia TorreyCove is still in the process of verifying all of the performance information presented by General Partners; therefore, changes may occur.

## CORE PORTFOLIO SUMMARY AS OF 12/31/2020 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Recommended by
Alchemy Plan (City of Angels)	Buyout	Medium	1999	38,194,245	40,196,637	50,322,714	0	5.7%	Pathway
Austin Ventures VII	Venture Capital	Multi-Stage	1999	17,000,000	17,000,000	13,721,970	0	-2.8%	Pathway
Avenue Europe Special Situations Fund II	Credit/Distressed	Distressed	2011	28,323,908	28,305,005	32,200,618	0	3.5%	Hamilton Lane
Avenue Special Situations Fund IV	Credit/Distressed	Distressed	2006	10,000,000	10,000,000	13,828,999	0	8.3%	Hamilton Lane
Avenue Special Situations Fund V	Credit/Distressed	Distressed	2007	10,000,000	9,950,262	13,312,819	0	11.5%	Hamilton Lane
Carlyle Partners IV	Buyout	Large	2005	20,000,000	19,634,189	39,897,415	0	13.0%	Pathway
CGW Southeast Partners III	Buyout	Small	1996	8,680,144	8,680,144	14,736,448	0	9.2%	Pathway
CGW Southeast Partners IV	Buyout	Medium	1999	10,000,000	8,707,914	13,398,877	0	8.3%	Pathway
Charterhouse Capital Partners VIII	Buyout	Large	2006	19,706,859	19,655,252	18,894,766	0	-0.6%	Hamilton Lane
Chisholm Partners IV	Buyout	Small	1999	9,000,000	8,841,055	9,376,669	0	0.7%	Pathway
CHS Private Equity V	Buyout	Medium	2005	20,000,000	20,145,530	35,432,176	0	9.9%	Pathway
CVC European Equity Partners	Buyout	Large	1996	10,000,000	9,686,071	24,345,254	0	23.2%	Pathway
CVC European Equity Partners II	Buyout	Large	1998	9,218,055	9,212,371	22,076,376	0	18.9%	Pathway
Enhanced Equity Fund	Buyout	Small	2006	10,000,000	10,000,000	10,776,209	0	1.1%	Hamilton Lane
Enhanced Equity Fund II	Buyout	Small	2010	10,000,000	9,570,165	5,253,831	0	-21.7%	Hamilton Lane
First Reserve Fund X	Natural Resources	Energy	2004	20,000,000	20,000,000	36,552,322	0	31.1%	Pathway
Golder, Thoma, Cressey, Rauner Fund V	Buyout	Medium	1997	10,000,000	10,000,000	18,226,074	0	11.0%	Pathway
GTCR Fund IX-A	Buyout	Medium	2006	15,000,000	14,288,203	25,808,785	0	13.8%	Hamilton Lane
GTCR Fund VI	Buyout	Medium	1998	10,000,000	10,000,000	8,890,791	0	-3.8%	Pathway
GTCR Fund VII	Buyout	Medium	2000	18,750,000	18,609,375	43,841,047	0	21.8%	Pathway
GTCR Fund VII-A	Buyout	Medium	2001	6,250,000	4,140,625	11,565,815	0	83.1%	Pathway
Hellman & Friedman Capital Partners V	Buyout	Large	2004	10,463,972	9,931,388	26,659,657	0	27.8%	Pathway
Highbridge Principal Strategies Senior Loan II	Credit/Distressed	Distressed	2010	50,000,000	40,883,273	47,651,965	0	7.9%	Pathway
InterWest VI	Venture Capital	Early Stage	1996	5,000,000	5,000,000	14,858,749	0	49.0%	Pathway
J.H. Whitney IV	Buyout	Medium	1999	22,448,463	22,448,463	9,422,111	0	-10.9%	Pathway
J.H. Whitney V	Buyout	Medium	2000	9,957,358	11,558,159	22,375,756	0	23.3%	Pathway
J.H. Whitney VI	Buyout	Medium	2005	15,000,000	14,884,557	14,590,780	0	-0.4%	Hamilton Lane
Kelso Investment Associates VI	Buyout	Medium	1998	4,309,418	4,309,418	5,982,794	0	9.3%	Pathway
KKR 1996 Fund	Buyout	Large	1997	25,000,000	26,194,438	46,838,314	0	13.2%	Pathway
Lindsay Goldberg & Bessemer II	Buyout	Large	2006	20,000,000	18,913,523	27,078,474	0	7.1%	Hamilton Lane
Madison Dearborn Capital Partners III	Buyout	Medium	1999	16,000,000	16,000,000	24,398,778	0	8.6%	Pathway

\* Aksia TorreyCove is still in the process of verifying all of the performance information presented by General Partners; therefore, changes may occur.

## CORE PORTFOLIO SUMMARY AS OF 12/31/2020 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Recommended by
Menlo Ventures VII	Venture Capital	Multi-Stage	1997	5,000,000	5,000,000	23,552,033	0	135.8%	Pathway
Menlo Ventures VIII	Venture Capital	Multi-Stage	1999	18,000,000	18,000,000	8,980,234	0	-8.9%	Pathway
OCM Opportunities Fund	Credit/Distressed	Distressed	1995	11,000,000	10,972,896	18,030,431	0	10.3%	Pathway
OCM Opportunities Fund II	Credit/Distressed	Distressed	1997	11,000,000	11,000,000	16,628,641	0	8.5%	Pathway
OCM Opportunities Fund III	Credit/Distressed	Distressed	1999	10,000,000	10,000,000	15,072,658	0	11.9%	Pathway
OCM Opportunities Fund IV	Credit/Distressed	Distressed	2001	10,000,000	10,000,000	16,503,319	0	28.4%	Pathway
Olympus Growth Fund IV	Buyout	Medium	2003	7,700,000	7,660,045	11,831,606	0	8.5%	Pathway
Permira Europe IV	Buyout	Large	2006	14,935,115	14,921,731	24,111,899	0	8.6%	Hamilton Lane
Providence TMT Debt Opportunity Fund II	Credit/Distressed	Distressed	2010	20,000,000	16,319,772	25,893,666	0	10.4%	Hamilton Lane
Richland Ventures III	Venture Capital	Late Stage	1999	18,000,000	18,000,000	15,261,276	0	-3.0%	Pathway
TA X	Growth Equity	Growth Equity	2006	6,000,000	6,186,689	8,025,046	0	5.2%	Hamilton Lane
TCW Crescent Mezzanine Partners IV	Credit/Distressed	Mezzanine	2006	10,000,000	8,712,805	9,998,443	0	2.9%	Hamilton Lane
The Resolute Fund	Buyout	Medium	2002	20,000,000	18,978,049	48,217,383	0	17.0%	Pathway
Thoma Cressey Fund VI	Buyout	Medium	1998	5,000,000	4,845,000	4,995,064	0	0.4%	Pathway
Thomas H. Lee Equity Fund V	Buyout	Medium	2000	15,000,000	15,260,867	26,333,190	0	14.2%	Pathway
Tibbar Holdings, LLC (FKA TH Lee IV)	Buyout	Medium	1998	7,000,000	6,314,197	5,484,109	0	-2.6%	Pathway
TPG Partners III	Buyout	Large	1999	25,000,000	22,442,286	56,580,977	0	24.4%	Pathway
Trident Capital Fund-V	Buyout	Medium	2000	14,369,679	14,001,728	24,077,173	0	8.6%	Pathway
Welsh, Carson, Anderson & Stowe IX	Buyout	Medium	2000	15,000,000	14,850,000	24,680,230	0	11.2%	Pathway
Welsh, Carson, Anderson & Stowe VII	Buyout	Medium	1995	15,000,000	15,000,000	32,633,357	0	17.7%	Pathway
Welsh, Carson, Anderson & Stowe VIII	Buyout	Medium	1998	15,000,000	15,000,000	19,322,526	0	3.1%	Pathway
Weston Presidio Capital IV	Growth Equity	Growth Equity	2000	18,040,488	17,537,531	20,886,797	0	3.3%	Pathway
<b>Total - Liquidated</b>				<b>779,347,704</b>	<b>757,749,615</b>	<b>1,159,417,411</b>	<b>0</b>	<b>10.3%</b>	
<b>Total - Core Portfolio</b>				<b>5,417,166,870</b>	<b>4,110,919,959</b>	<b>3,955,460,604</b>	<b>2,766,543,570</b>	<b>12.3%</b>	

\* Aksia TorreyCove is still in the process of verifying all of the performance information presented by General Partners; therefore, changes may occur.

## SPECIALIZED PORTFOLIO SUMMARY AS OF 12/31/2020 - ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Recommended by
Angeleno Investors III	Venture Capital	Late Stage	2009	10,000,000	10,686,144	1,290,117	8,377,038	-1.7%	PCA
DFJ Element	Venture Capital	Multi-Stage	2006	8,000,000	7,846,106	5,699,684	69,461	-3.4%	PCA
DFJ Frontier Fund II	Venture Capital	Early Stage	2007	5,000,000	5,002,783	1,790,549	3,634,969	1.0%	PCA
Element Partners Fund II	Venture Capital	Late Stage	2008	10,000,000	9,361,465	12,855,626	1,467,654	6.3%	PCA
NGEN Partners III	Venture Capital	Multi-Stage	2008	10,000,000	11,219,723	4,024,597	4,835,927	-3.4%	PCA
Palladium Equity Partners III	Buyout	Medium	2004	10,000,000	9,918,364	17,784,916	45,718	11.2%	PCA
Rustic Canyon/Fontis Partners	Growth Equity	Growth Equity	2005	5,000,000	3,671,248	1,973,943	745,913	-4.1%	PCA
Saybrook Corporate Opportunity Fund	Credit/Distressed	Distressed	2007	6,192,813	6,321,092	6,746,700	1,859,322	8.2%	PCA
St. Cloud Capital Partners II	Credit/Distressed	Mezzanine	2007	5,000,000	4,989,085	4,177,572	59,900	-3.8%	PCA
StarVest Partners II	Venture Capital	Late Stage	2007	5,000,000	4,965,849	2,271,106	2,275,152	-1.1%	PCA
StepStone Pioneer Capital II	Other	Fund of Funds	2006	10,000,000	9,427,148	18,239,341	24,938	9.1%	PCA
Sterling Venture Partners II	Venture Capital	Late Stage	2005	8,000,000	8,006,256	8,506,311	1,796,374	3.6%	PCA
Vicente Capital Partners Growth Equity Fund	Growth Equity	Growth Equity	2007	10,000,000	10,093,708	13,998,549	105,376	5.7%	PCA
Yucaipa American Alliance Fund I	Buyout	Medium	2002	10,000,000	10,000,000	12,451,100	600,786	4.4%	PCA
<b>Total - Active</b>				<b>112,192,813</b>	<b>111,508,969</b>	<b>111,810,111</b>	<b>25,898,528</b>	<b>3.4%</b>	

\* Aksia TorreyCove is still in the process of verifying all of the performance information presented by General Partners; therefore, changes may occur.

## SPECIALIZED PORTFOLIO SUMMARY AS OF 12/31/2020 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR	Recommended by
Ares Special Situations Fund	Credit/Distressed	Distressed	2008	10,000,000	10,166,166	17,497,244	0	13.1%	PCA
Carpenter Community BancFund-A	Buyout	Small	2008	10,000,000	9,692,231	16,376,097	0	8.2%	PCA
Craton Equity Investors I	Growth Equity	Growth Equity	2006	10,000,000	9,951,989	1,067,621	0	-32.7%	PCA
NGEN Partners II	Venture Capital	Multi-Stage	2005	7,750,702	7,750,702	515,126	0	-49.0%	PCA
Nogales Investors Fund II	Buyout	Medium	2006	4,100,000	3,603,436	398,586	0	-24.1%	PCA
Reliant Equity Partners	Buyout	Small	2002	7,920,417	8,008,449	55,772	0	-100.0%	PCA
Sector Performance Fund	Buyout	Medium	2007	9,297,735	9,502,443	8,466,553	0	-2.9%	PCA
Spire Capital Partners II	Buyout	Small	2007	10,000,000	9,025,654	17,699,807	0	15.6%	PCA
StepStone Pioneer Capital I	Other	Fund of Funds	2004	10,000,000	9,751,911	13,033,359	0	5.1%	PCA
<b>Total - Liquidated</b>				<b>79,068,854</b>	<b>77,452,981</b>	<b>75,110,165</b>	<b>0</b>	<b>-0.6%</b>	
<b>Total - Specialized Portfolio</b>				<b>191,261,667</b>	<b>188,961,951</b>	<b>186,920,276</b>	<b>25,898,528</b>	<b>2.0%</b>	

\* Aksia TorreyCove is still in the process of verifying all of the performance information presented by General Partners; therefore, changes may occur.





**TOWNSEND**<sup>®</sup>  
GROUP

an Aon company

Real Estate Portfolio

# Performance Review

FOURTH QUARTER 2020



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM

## Portfolio Funding Status

- The following slides provide a review of key information pertaining to the Los Angeles City Employees' Retirement System ("LACERS") Real Estate Portfolio (the "Portfolio") through December 31, 2020. A detailed performance report is also provided as **Exhibit A**.
- The System is below its 7.0% target to Real Estate as of quarter-end on a funded and committed basis. The target allocation was increased from 5.0% in April 2018.

	Market Value (\$ millions)*	% LACERS Plan*
<b>LACERS Total Plan Assets</b>	20,959	
<b>Real Estate Target</b>	1,467	7.0%
RE Market Value:		
Core	579	
Non-Core	179	
Timber	19	
<b>Total RE Market Value</b>	777	3.7%
Unfunded Commitments	274	1.3%
<b>RE Market Value &amp; Unfunded Commitments</b>	1051	5.0%
<b>Remaining Allocation</b>	416	2.0%

\*Figures may not add due to rounding.

## Real Estate Portfolio Composition

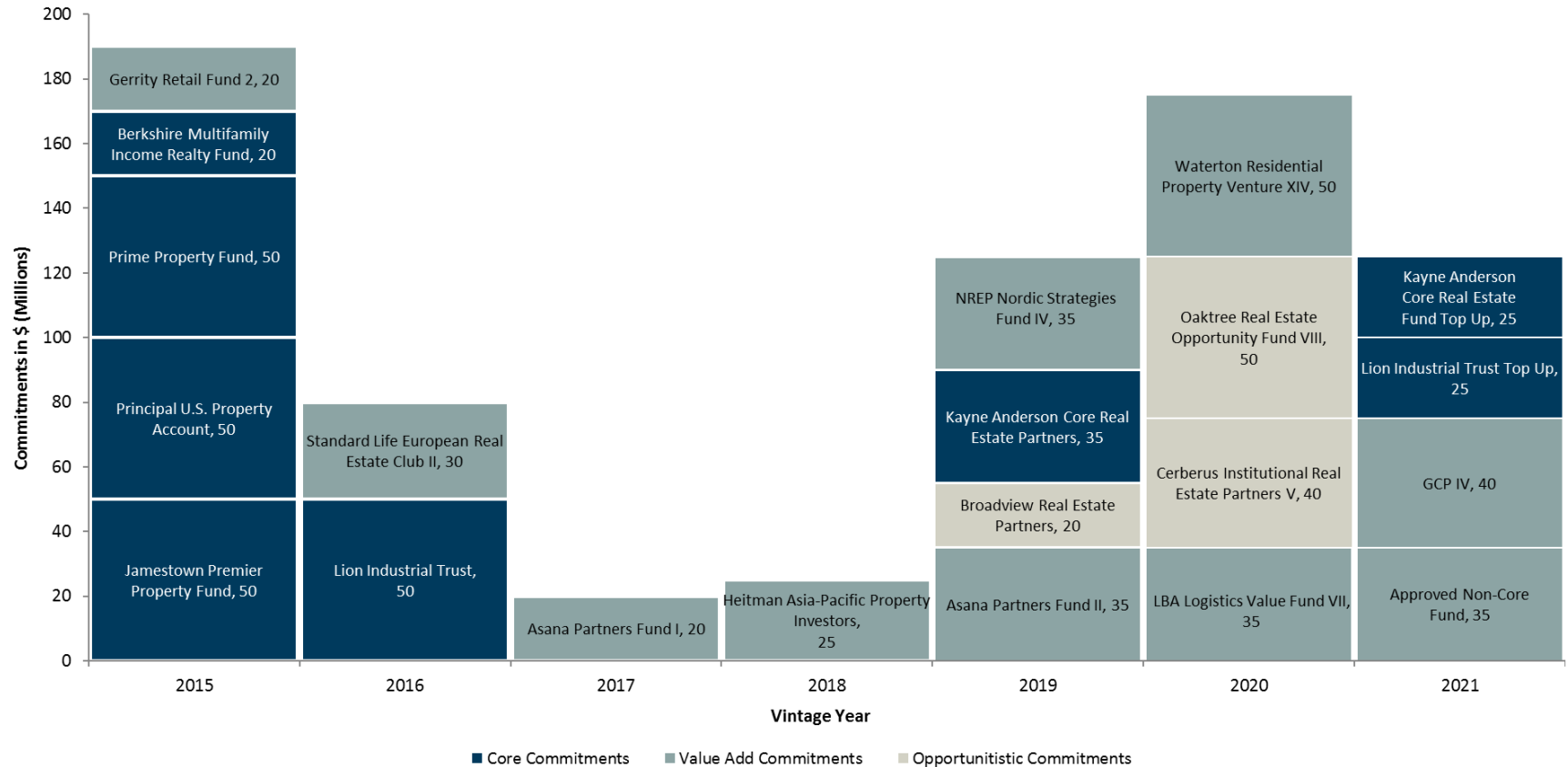
	Strategic Targets		Portfolio Composition (12/31/2020)*	
	Target Allocation	Tactical Range	Market Value	Market Value & Unfunded Commitments
<b>Core</b>	<b>60%</b>	<b>40% - 80%</b>	<b>74.6%</b>	<b>55.1%</b>
<b>Non-Core</b>	<b>40%</b>	<b>20% - 60%</b>	<b>23.0%</b>	<b>43.1%</b>
<i>Value Add Portfolio</i>	<i>N/A</i>	<i>N/A</i>	<i>13.5%</i>	<i>24.2%</i>
<i>Opportunistic Portfolio</i>	<i>N/A</i>	<i>N/A</i>	<i>9.5%</i>	<i>18.9%</i>
<b>Timber</b>	<b>N/A</b>	<b>N/A</b>	<b>2.4%</b>	<b>1.8%</b>

- In May 2014, the Board approved the strategic targets displayed above in order to reflect a more conservative risk profile going-forward. At the time, the Portfolio had 30% exposure to Core and 70% exposure to Non-Core.
- Since 2015, in an effort to transition the Portfolio, the LACERS Board has approved \$305 million in Core commitments, which have all been fully funded to date, with the exception of the Lion Industrial Trust Top-Up and Kayne Anderson Core Real Estate Fund Top-Up.
- The LACERS Board approved approximately \$435 million in Non-Core investments\*\* since 2015. These investments initially focused on Value Add strategies with pre-specified portfolios, embedded value and/or an element of current income, with recent commitments focused on blind pool opportunistic funds and strategies with attractive property type exposures.
- On a funded and committed basis, the LACERS Core and Non-Core allocations are near strategic targets, but significantly below the Non-Core target on a funded basis.
- The Core Portfolio utilizes 28.3% leverage, measured on a loan-to-value (LTV) basis, well below the 40.0% constraint.
- The Non-Core Portfolio has a 51.8% LTV ratio, well below the 75.0% constraint.

\*Figures may not add due to rounding.

\*\* Includes commitments approved subsequent to 12/31/2020.

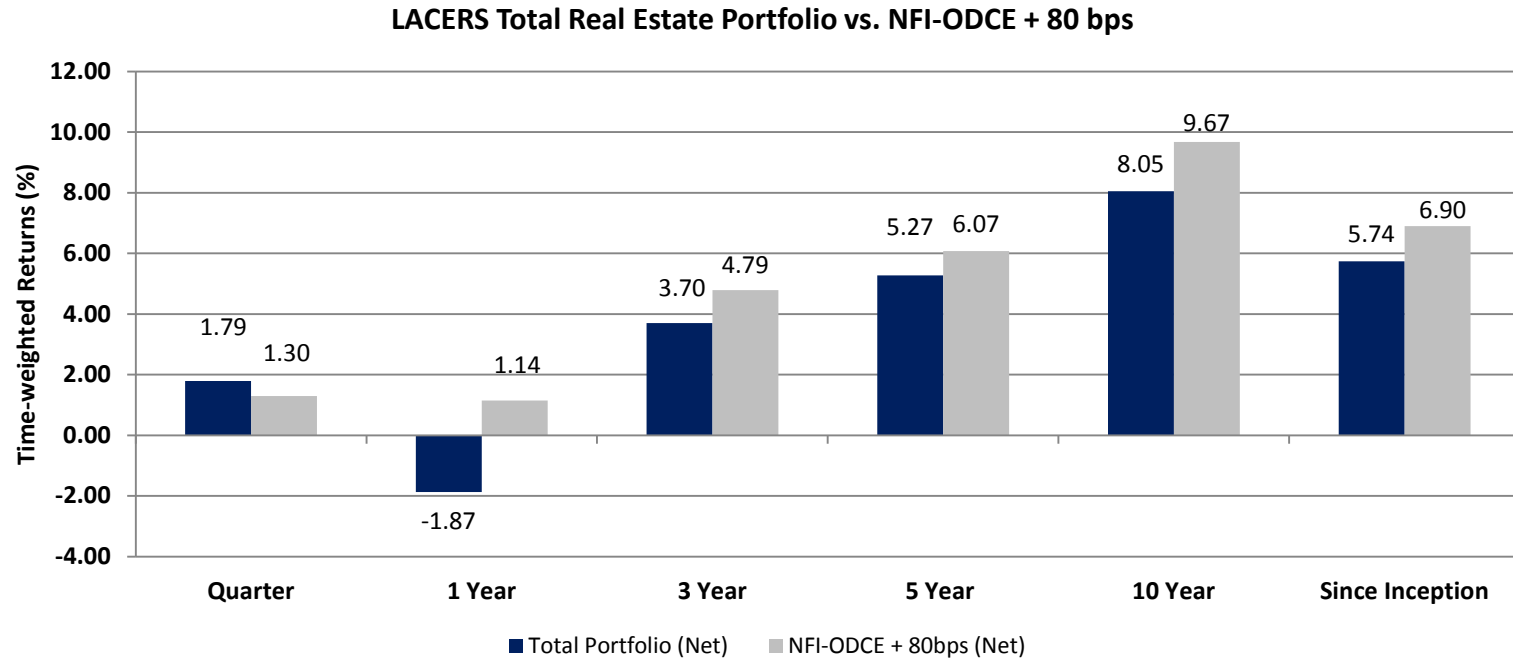
# LACERS Commitment Activity Under Townsend Advisory – Activity Since 2015



- LACERS has committed \$740 million\* since 2015, all of which has been Townsend-initiated activity.
- Four Non-Core commitments since 2015 (Gerrity, Asana I & II, and Broadview) met LACERS’ Emerging Manager guidelines.
  - In the Core Open-End Commingled Fund (OECF) space, there are currently no managers meeting these guidelines.
- Vintage year classifications are based on LACERS’ first capital call (or expected capital call), though commitments may have been approved in prior years.

\*Inclusive of all commitments approved by LACERS’ Board. 2021 commitments approved subsequent to quarter end.

## Total Portfolio Performance

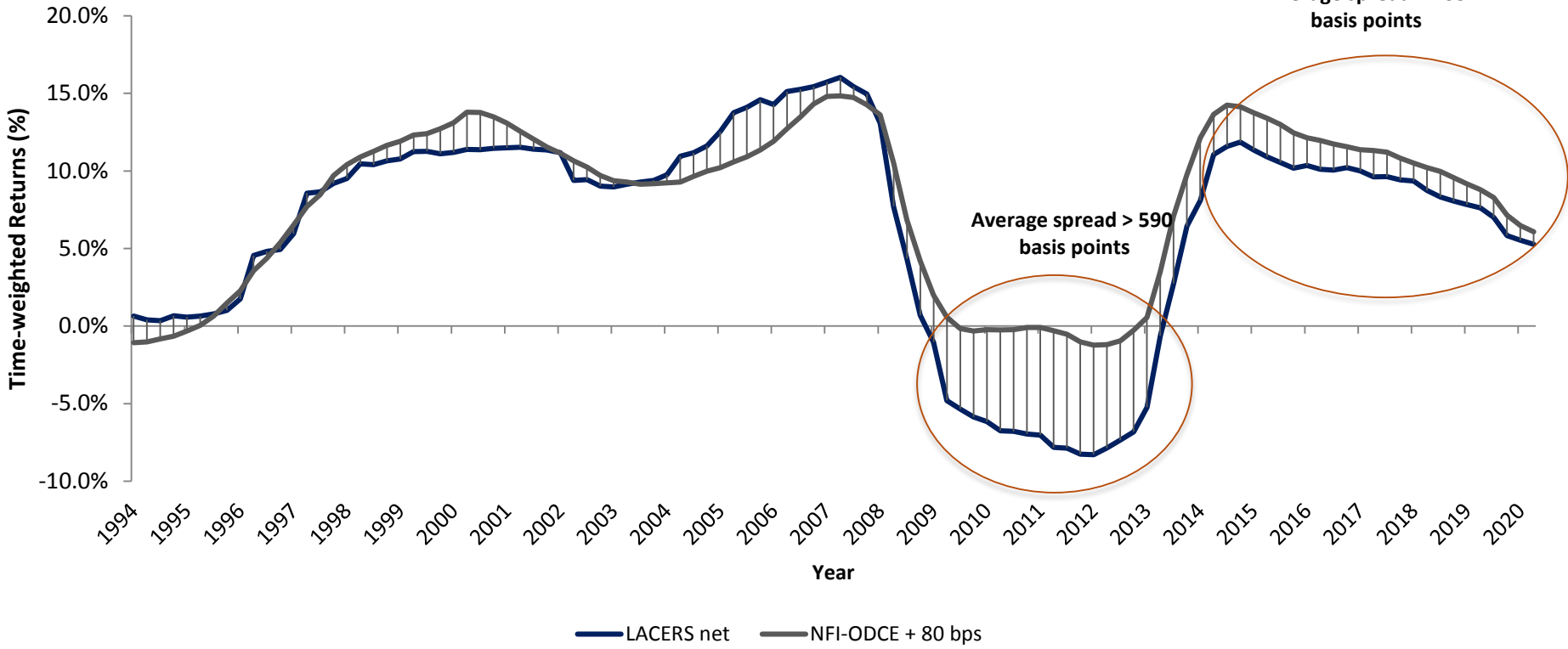


- The benchmark for the LACERS Total Real Estate Portfolio is the NCREIF Fund Index of Open-End Diversified Core Equity funds (NFI-ODCE) + 80 basis points (“bps”), measured over 5-year time periods, net of fees (defined below). LACERS has underperformed over all periods except the recent quarter, mostly due to weak performance of Non-Core legacy funds. However, investments made since 2014 are outperforming the benchmark over the three and five-year periods, as detailed on page 7.
- The NFI-ODCE is a Core index that includes Core open-end diversified funds with at least 95% of their investments in US markets. The NFI-ODCE is the first of the NCREIF Fund Database products, created in May 2005, and is an index of investment returns reporting on both a historical (back to 1978) and current basis (26 active vehicles), utilizing approximately 23.2% leverage.
  - The 80 basis point (“bps”) premium is a reflection of the incremental return expected from Non-Core exposure in the Portfolio, which is not included in the NFI-ODCE.



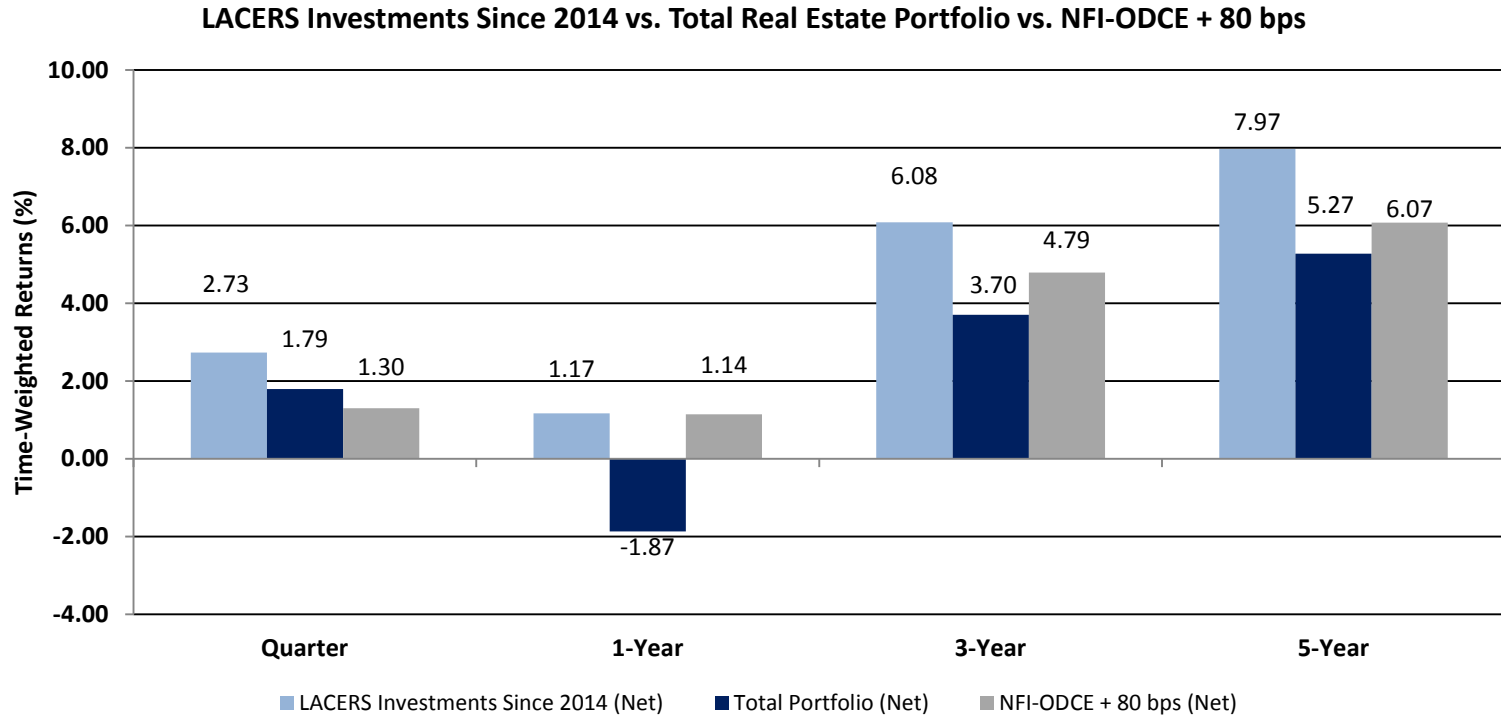
# Improving Relative Total Portfolio Performance

### LACERS Rolling Five Year Net Returns vs. NFI-ODCE + 80 bps



- The chart above displays rolling 5-year time-weighted returns for the Total LACERS Portfolio, net of fees, relative to the benchmark.
- While LACERS continues to underperform the benchmark on a rolling 5-year basis, LACERS' average spread to the benchmark is trending downwards. Performance should continue to improve as accretive investments approved since 2014 continue to fund into the Portfolio and legacy investments fully liquidate.

## Post-GFC Investments Accretive to Performance

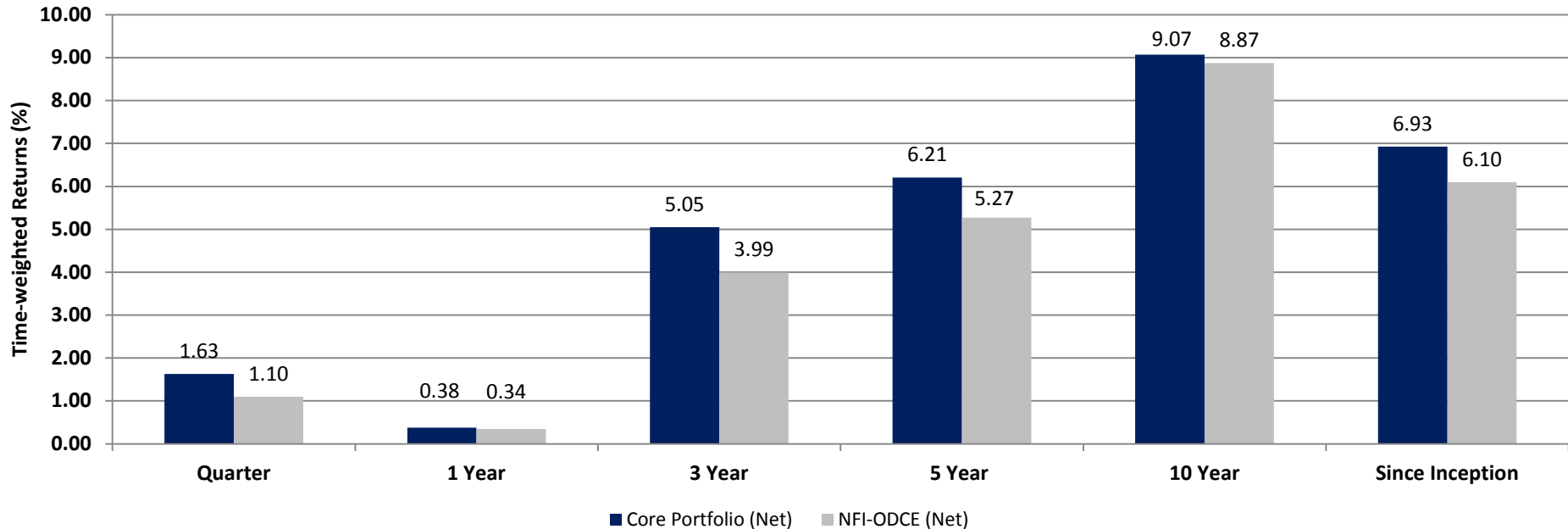


- Since 2014, Townsend has recommended twenty-three\* investments to LACERS staff and twenty-one (including four emerging managers) ultimately were approved by the Board. The first of these investments to call capital was Jamestown Premier Property Fund in 3Q15. Core investments include Berkshire, Jamestown, Lion Industrial Trust, Prime, Principal, and Kayne Anderson Core. Non-Core investments include Gerrity, Standard Life, Asana I and Asana II, Heitman Asia, Broadview Real Estate Partners, NREP, LBA, Waterton, Cerberus, Oaktree, and GCP.
- Performance of Townsend-advised investments since 2014 exceeds performance of the Total Portfolio and the benchmark over all periods. These investments are expected to drive performance going forward.

\*Includes commitments approved subsequent to 12/31/2020.

## Relative Performance by Strategy: Core

LACERS Core Real Estate Portfolio vs. NFI-ODCE

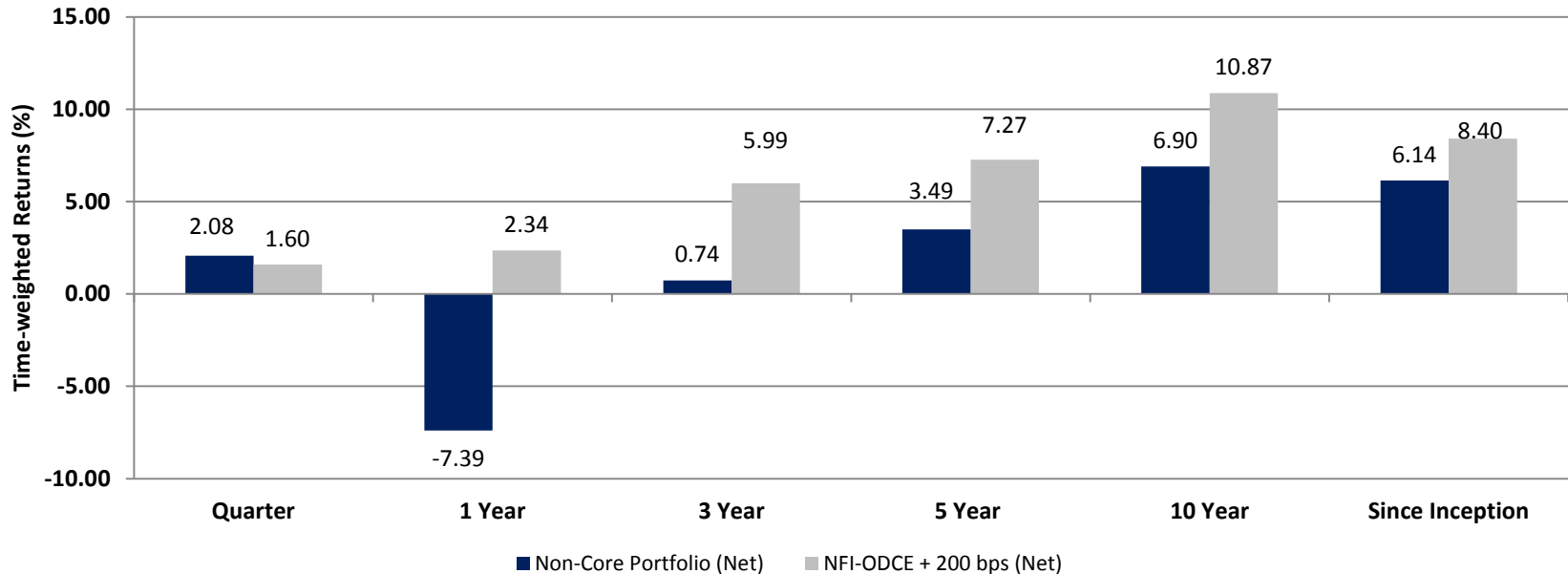


- The LACERS Core benchmark is the NFI-ODCE, measured over 5-year time periods, net of fees.
- The Core Portfolio has outperformed or matched the benchmark over all periods.
- On an absolute return and dollar-weighted basis Lion Industrial Trust was the largest positive contributor to Core performance over the quarter, outperforming the NFI-ODCE by 238 bps.
- Jamestown Premier Property Fund was the weakest performers, underperforming the NFI-ODCE by 265 basis points.
- Over the trailing year, returns were driven primarily by Lion Industrial Trust, which delivered a 11.6% net return.



## Relative Performance by Strategy: Non-Core

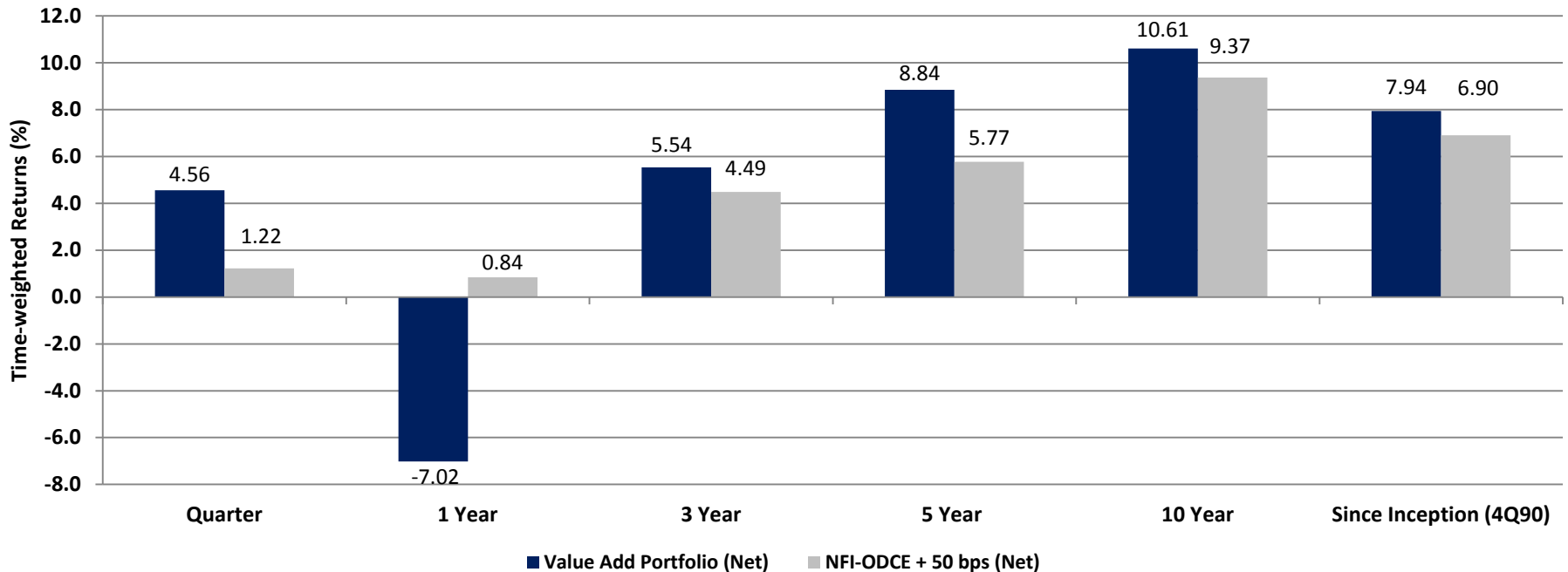
LACERS Non-Core Real Estate Portfolio vs. NFI-ODCE + 200 bps



- The LACERS Non-Core benchmark is the NFI-ODCE + 200 bps, measured over 5-year time periods, net of fees. The 200 bps premium is a reflection of the incremental return expected from the additional risk inherent in Non-Core strategies.
- The Non-Core Portfolio underperformed the NFI-ODCE + 200 bps benchmark over all time periods, except the most recent quarter. Underperformance over longer time periods is mostly due to Non-Core legacy funds that are due to liquidate over the next few years. As these funds liquidate and approved investments are funded, Non-Core portfolio performance is expected to improve.
- The Value Add Portfolio has achieved strong absolute and relative annualized returns over all periods except the one-year period, while the Opportunistic Portfolio has been the main reason for Non-Core underperformance. Both are discussed in more detail on the following pages.
- Negative performance over the 1-year period has been largely driven by the effects of COVID-19, which has weakened capital markets and real estate fundamentals, especially for non-core markets.
- During periods of distress, non-core funds generally contract in value quicker than NFI-ODCE funds. As a result, performance relative to LACERS' NFI-ODCE based benchmark will show greater divergence. Over longer periods, this divergence will decrease.

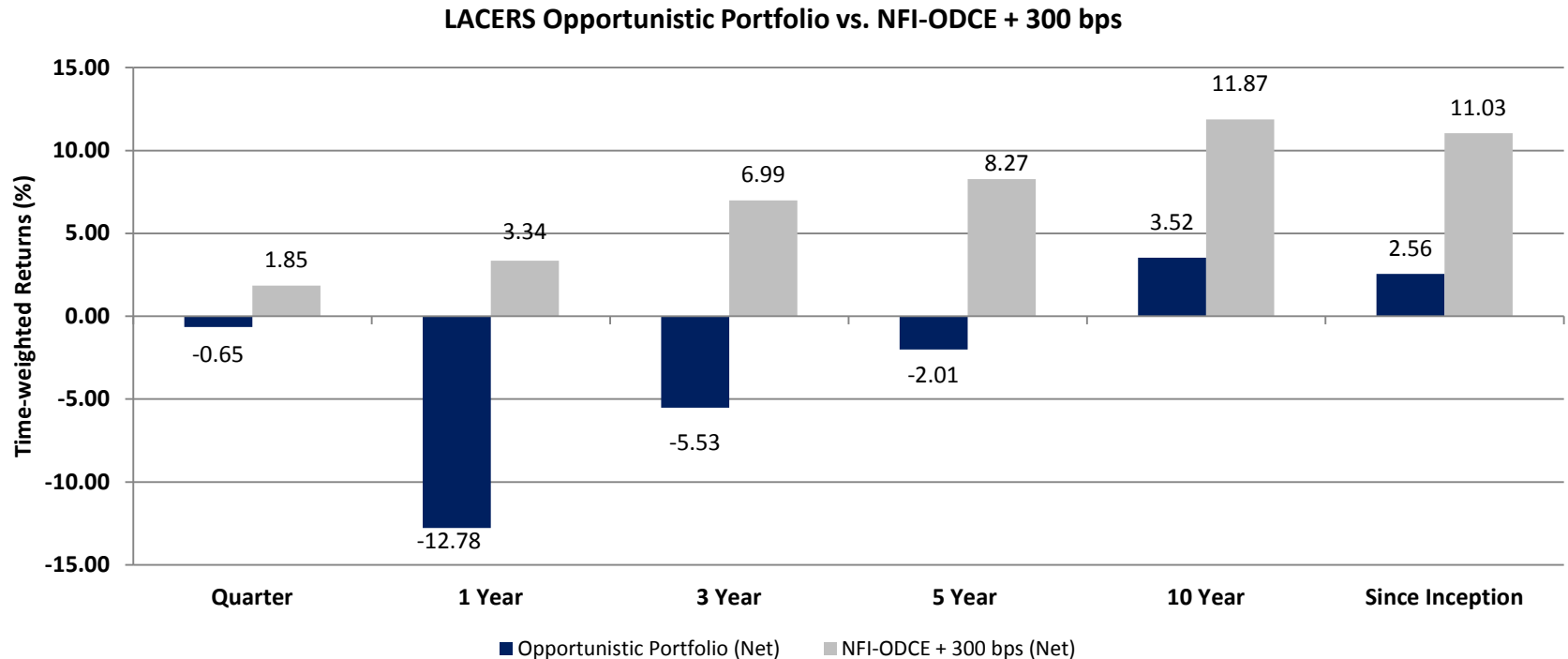
## Relative Performance by Strategy: Non-Core — Value Add

LACERS Value Add Real Estate Portfolio vs. NFI-ODCE + 50 basis points



- The LACERS Value Add benchmark is the NFI-ODCE + 50 bps, measured over 5-year time periods, net of fees. The 50 bps premium is a reflection of the incremental return expected from additional risk inherent in Value Add strategies
- The Value Add Portfolio outperformed the NFI-ODCE + 50 bps benchmark over all periods except for the one-year period.
  - Underperformance over the one-year period was driven by COVID-19 effects. The worst-hit holding was Asana Partners Fund II— a fund wholly allocated to retail assets— which delivered a -45.7% net one-year return. This is a product of the substantial negative effects to retail caused by shelter-in-place orders within the United States.
- DRA Growth and Income Fund VII, which delivered a 15.8% quarterly return, was the strongest driver of performance on an absolute return basis among seasoned funds.
- Over the trailing year, two (DRA Growth & Income VII and Heitman Asia-Pacific Property Investors) of seven seasoned Value Add investments outperformed the benchmark.
  - Some non-core funds took markdowns to their portfolio in 1Q20 when assets were valued internally. ODCE, as an externally appraised benchmark, tends to adjust values more slowly. As a result, ODCE valuations generally lag those of non-core funds.

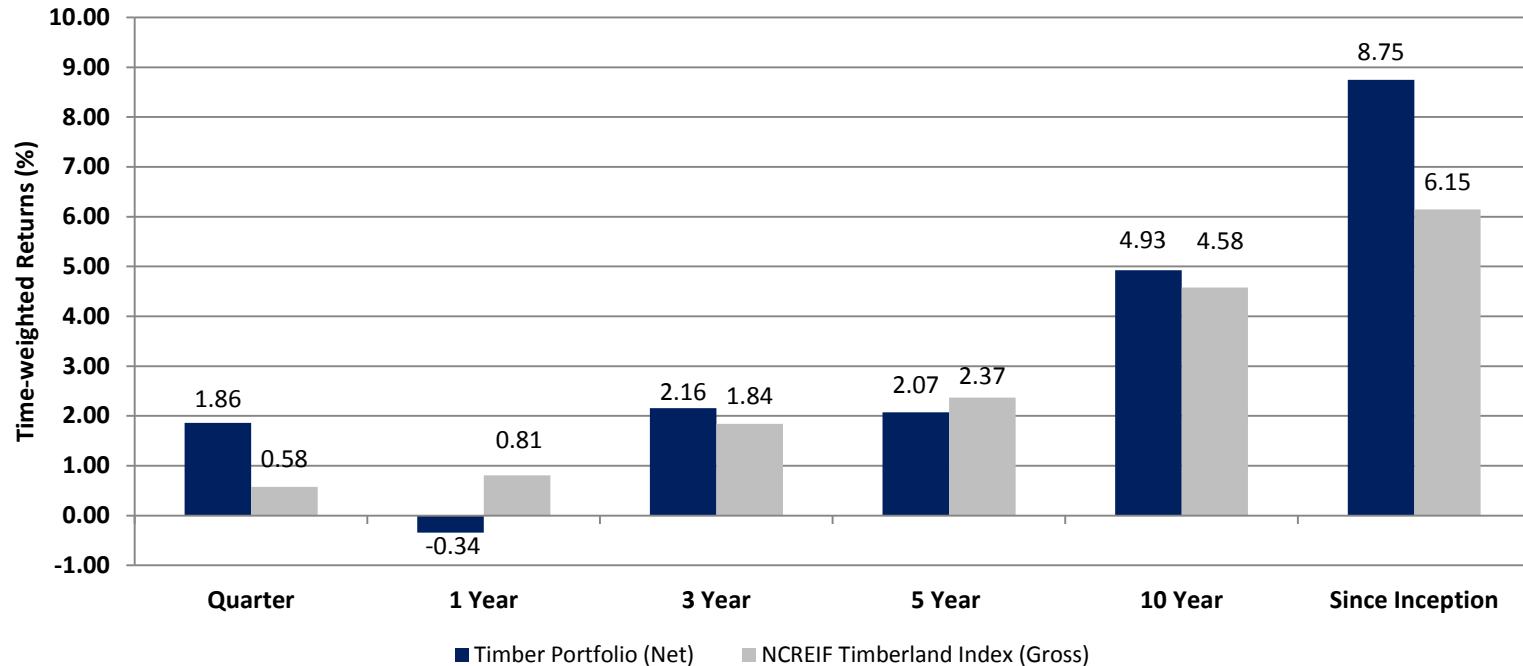
## Relative Performance by Strategy: Non-Core — Opportunistic



- The LACERS Opportunistic benchmark is the NFI-ODCE + 300 bps, measured over 5-year time periods, net of fees. The 300 bps premium is a reflection of the incremental return expected from additional risk inherent in Opportunistic strategies.
- The Opportunistic Portfolio underperformed the NFI-ODCE + 300 bps benchmark across all time periods. Underperformance over long time periods is mostly due to legacy funds that are due to liquidate over the next few years.
  - Similar to the Value Add portfolio, COVID-19 significantly impacted the returns of Opportunistic funds, which generally have higher leverage, vacancy, and operating risks.
- There are currently 8 Opportunistic funds in the portfolio that were committed to before the Global Financial Crisis. As these funds liquidate and approved investments are funded, Opportunistic portfolio performance is expected to improve.
- The only active outperforming Opportunistic funds over the trailing year were Bryanston Retail Opportunity Fund, Broadview Real Estate Partners and California Smart Growth Fund IV.

## Relative Performance by Strategy: Timber

LACERS Timber Portfolio vs. NCREIF Timberland Index

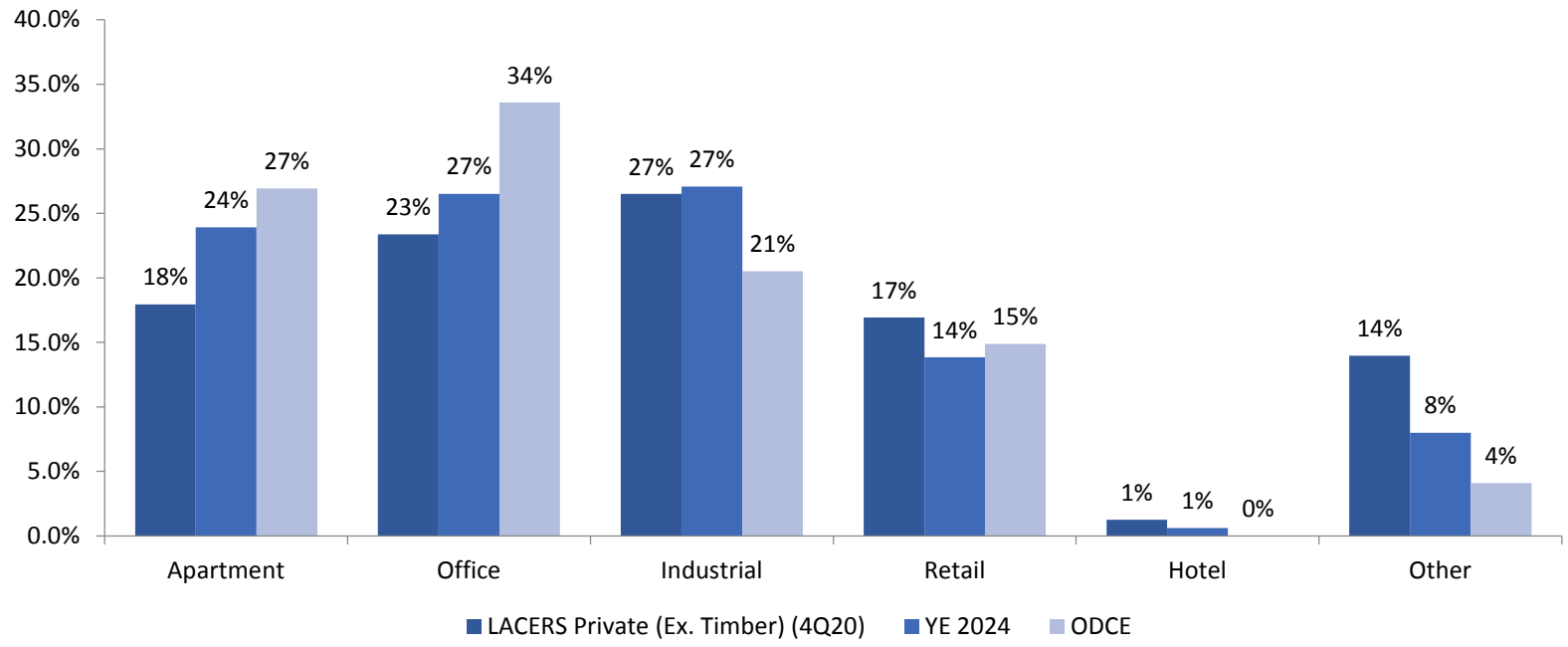


- The Timber Portfolio, net of fees, outperformed or matched its benchmark, the NCREIF Timberland Index, gross of fees, over all periods except for one-year and five-year periods.
- Outperformance over the long-term is mostly related to strong performance of Hancock ForesTree V, which was fully liquidated by year-end 2015.
- The LACERS active timberland investment is Hancock Timberland IX. The Fund's assets are located in the United States (split between the South and the Northwest) and Chile (14.8%). The Lake States region was the strongest performing region in the NCREIF Timberland Index over the quarter.
- Income returns for timber investments tend to be infrequent and are realized through harvest. To date, there has been no meaningful income from the fund due to limited harvest activity during a period of lower timber prices. This has impacted total returns.
- Further, all assets in Hancock Timberland IX are appraised at year-end, which is why appreciation usually remains relatively flat from the first quarter through the third quarter of each year. The effect of year-end appraisals is demonstrated in the annualized and quarterly returns.



# Real Estate Portfolio Diversification

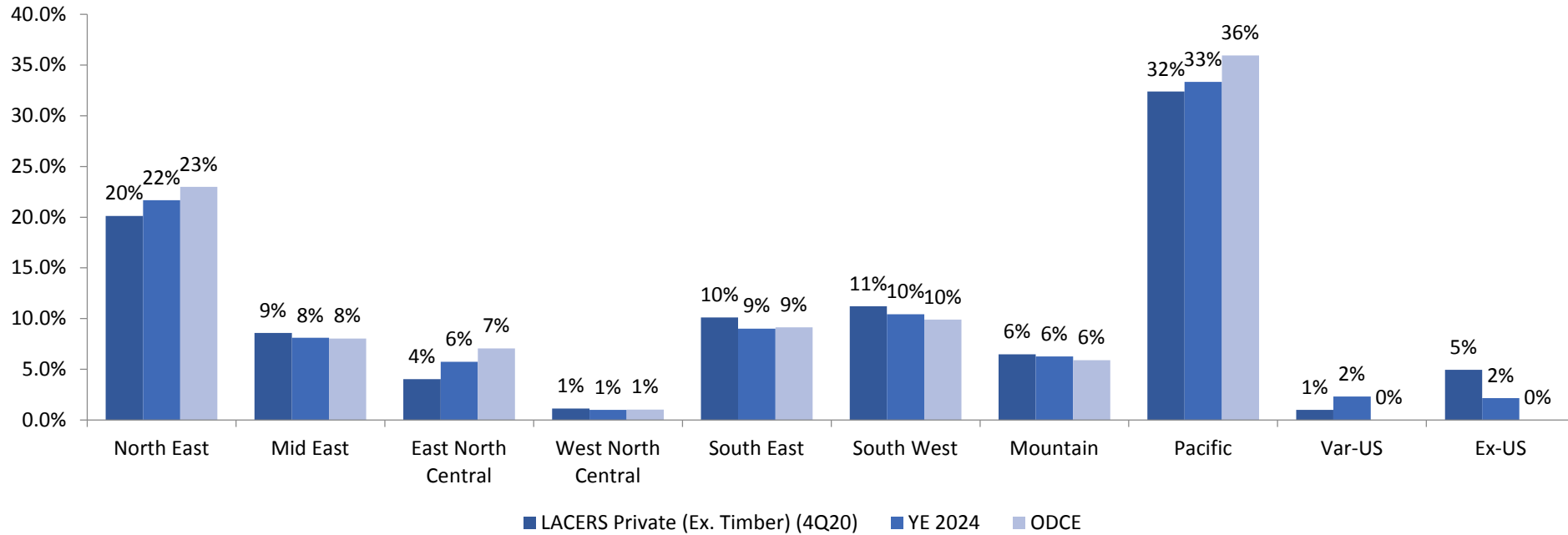
Private Real Estate Exposure - Property Type Diversification  
*Private Portfolio (Ex. Timber)*



- The diversification of the Private Portfolio is measured against the diversification of the NFI-ODCE ± 10.0%. Currently, the “Other” category includes investments in alternative property types including Self Storage, Student Housing, Senior Housing, For Sale Residential, and Land.
- Among the “Other” property types, LACERS’ portfolio has the greatest exposure to Medical Office (3.02%), Self-Storage (1.93%), Senior Housing (1.26%), Land (0.74%), Student Housing (0.39%), and Healthcare (0.36%).

# Real Estate Portfolio Diversification

**LACERS Projected Geographic Diversification**  
*Private Portfolio (Ex. Timber)*



- The diversification goal of the Private Portfolio is to be well diversified across the US. The only constraint is a 30.0% maximum allocation to Ex-US investments. NFI-ODCE diversification is provided as a benchmark.
- The Portfolio currently has an aggregate exposure to the Los Angeles metropolitan area of 7.5% as of 4Q20, with a 4.0% exposure to Los Angeles City. The NFI-ODCE’s exposure to the Los Angeles metropolitan area is 10.6%\*\*.
- The 5.0% Ex-US exposure is composed primarily of two large regional exposures: Asia (2.9%), Europe (1.1%).

\*Var-US includes any investments that are not directly tied to specific regions, such as real estate debt investments through Torchlight or entity-level investments through Almanac.

\*\*Collected by Townsend bi-annually, as of 3Q20. Based on % NAV.

## Exhibit A: Performance Flash Report



Portfolio Composition (\$)									
Total Plan Assets		Target Allocation		Market Value		Unfunded Commitments		Remaining Allocation	
\$20,959,422,719.00		1,467,159,590	7.0%	776,636,964	3.7%	274,434,704	1.3%	416,087,922	2.0%

Performance Summary	Quarter (%)		1 Year (%)		3 Year (%)		5 Year (%)	
	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
LACERS	2.3	1.8	0.8	1.9	5.0	3.7	6.6	5.3
NFI ODCE + 80 basis points	1.5	1.3	2.0	1.1	5.7	4.8	7.0	6.1

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
<b>Core Portfolio</b>	<b>1989</b>	<b>413,867,553</b>	<b>488,181,159</b>	<b>0</b>	<b>194,803,178</b>	<b>579,168,926</b>	<b>74.6</b>	<b>55.1</b>
<b>Non-Core Portfolio</b>	<b>1990</b>	<b>888,977,156</b>	<b>672,260,882</b>	<b>274,434,704</b>	<b>590,329,421</b>	<b>178,833,887</b>	<b>23.0</b>	<b>43.1</b>
Value Added Portfolio	1990	348,969,813	201,518,431	149,051,013	166,229,866	105,214,795	13.5	24.2
Opportunistic Portfolio	1996	540,007,343	470,742,448	125,383,692	424,099,555	73,619,090	9.5	18.9
<b>Timber Portfolio</b>	<b>1999</b>	<b>20,000,000</b>	<b>18,601,851</b>	<b>0</b>	<b>4,751,032</b>	<b>18,634,151</b>	<b>2.4</b>	<b>1.8</b>
<b>Total Current Portfolio</b>								
LACERS	1989	1,322,844,709	1,179,043,892	274,434,704	789,883,631	776,636,964	100.0	100.0



Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
<b>Core</b>								
Berkshire Multifamily Income Realty Fund	2015	20,000,000	20,000,000	0	7,507,015	20,236,754	2.6	1.9
CIM Commercial Trust Corporation ("CMCT")	2014	40,000,000	46,417,723	0	55,831,246	1	0.0	0.0
CIM VI (Urban REIT), LLC	2012	25,000,000	25,000,000	0	12,291,486	23,905,215	3.1	2.3
INVESCO Core Real Estate	2004	63,867,553	127,322,562	0	68,609,690	185,824,731	23.9	17.7
Jamestown Premier Property Fund	2015	50,000,000	51,264,835	0	25,920,051	35,319,168	4.5	3.4
JP Morgan Strategic Property Fund	2005	30,000,000	30,421,882	0	2,858,499	71,542,497	9.2	6.8
Kayne Anderson Core Real Estate Fund	2019	35,000,000	35,000,000	0	1,768,821	34,889,120	4.5	3.3
Lion Industrial Trust - 2007	2016	50,000,000	52,754,157	0	9,539,006	82,895,137	10.7	7.9
Prime Property Fund	2015	50,000,000	50,000,000	0	10,477,364	56,334,460	7.3	5.4
Principal U.S. Property Account	2015	50,000,000	50,000,000	0	0	68,221,845	8.8	6.5
<b>Core</b>	<b>1989</b>	<b>413,867,553</b>	<b>488,181,159</b>	<b>0</b>	<b>194,803,178</b>	<b>579,168,926</b>	<b>74.6</b>	<b>55.1</b>
<b>Timber</b>								
Hancock Timberland XI	2012	20,000,000	18,601,851	0	4,751,032	18,634,151	2.4	1.8
<b>Timber</b>	<b>1999</b>	<b>20,000,000</b>	<b>18,601,851</b>	<b>0</b>	<b>4,751,032</b>	<b>18,634,151</b>	<b>2.4</b>	<b>1.8</b>
<b>Value Added</b>								
Almanac Realty Securities VI	2012	25,000,000	15,475,571	0	17,062,272	2,979,018	0.4	0.3
Asana Partners Fund I	2017	20,000,000	17,461,629	2,855,220	681,663	22,149,130	2.9	2.4
Asana Partners Fund II	2019	35,000,000	11,593,750	23,406,250	0	10,188,591	1.3	3.2
DRA Growth and Income Fund VII	2011	25,000,000	26,640,000	0	56,628,422	3,314,863	0.4	0.3
DRA Growth and Income Fund VIII	2014	25,000,000	29,576,071	518,519	22,837,138	13,489,224	1.7	1.3
Gerrity Retail Fund 2	2015	20,000,000	20,077,854	0	4,151,128	18,225,116	2.3	1.7
Heitman Asia Pacific Property Investors	2018	25,000,000	20,073,533	5,344,232	1,097,459	20,527,821	2.6	2.5
LBA Logistics Value Fund VII	2020	35,000,000	10,885,957	24,114,043	0	11,538,616	1.5	3.4
Mesa West Real Estate Income Fund III	2013	25,000,000	18,939,181	5,000,000	23,199,128	1,070,414	0.1	0.6
NREP Nordic Strategies Fund IV	2019	35,437,928	2,384,090	36,732,171	0	1,691,404	0.2	3.7
Standard Life Investments European Real Estate Club II	2015	28,531,885	28,134,410	1,356,964	40,572,657	203,772	0.0	0.1
Waterton Residential Property Venture XIV, L.P.	2020	50,000,000	276,386	49,723,614	0	163,174	0.0	4.7
<b>Value Added</b>	<b>1990</b>	<b>348,969,813</b>	<b>201,518,432</b>	<b>149,051,013</b>	<b>166,229,867</b>	<b>105,214,795</b>	<b>13.5</b>	<b>24.2</b>
<b>Total Current Portfolio</b>								
<b>LACERS</b>	<b>1989</b>	<b>1,322,844,709</b>	<b>1,179,043,892</b>	<b>274,434,704</b>	<b>789,883,631</b>	<b>776,636,964</b>	<b>100.0</b>	<b>100.0</b>

Funding Status (\$)	Investment Vintage Year	Commitment Amount	Funded Amount	Unfunded Commitments	Capital Returned	Market Value	Market Value (%)	Market Value + Unfunded Commitments (%)
<b>Opportunistic</b>								
Apollo CPI Europe I	2006	25,533,001	22,385,238	1,816,882	11,493,929	558,367	0.1	0.2
Bristol Value II, L.P.	2012	20,000,000	23,342,404	2,149,335	11,750,672	18,913,205	2.4	2.0
Broadview Real Estate Partners Fund, L.P.	2019	20,000,000	1,825,850	18,174,150	0	1,678,822	0.2	1.9
Bryanston Retail Opportunity Fund	2005	10,000,000	4,271,584	5,885,919	11,288,977	5,471,385	0.7	1.1
California Smart Growth Fund IV	2006	30,000,000	31,522,663	33,153	34,900,841	2,465,840	0.3	0.2
Canyon Johnson Urban Fund II	2005	10,000,000	8,988,718	1,011,296	4,007,551	0	0.0	0.1
Cerberus Institutional Real Estate Partners V	2020	40,000,000	1,401,205	38,598,795	0	852,001	0.1	3.8
CIM Real Estate Fund III	2007	15,000,000	16,674,075	0	20,818,964	6,221,539	0.8	0.6
CityView LA Urban Fund I	2007	25,000,000	61,482,527	0	73,811,664	0	0.0	0.0
Colony Investors VIII	2007	30,000,000	28,963,224	1,023,167	12,378,404	515,906	0.1	0.1
DRA Growth and Income Fund VI	2007	25,000,000	16,788,945	0	27,602,518	670,276	0.1	0.1
Integrated Capital Hospitality Fund	2009	10,000,000	6,006,797	0	2,728,129	2,280,810	0.3	0.2
Latin America Investors III	2008	20,000,000	20,686,689	0	3,886,924	2,979,028	0.4	0.3
Lone Star Fund VII	2011	15,000,000	14,075,468	924,533	24,557,560	116,672	0.0	0.1
Lone Star Real Estate Fund II	2011	15,000,000	13,291,475	1,708,525	20,173,309	424,808	0.1	0.2
Oaktree Real Estate Opportunities Fund VIII L.P.	0	50,000,000	0	50,000,000	0	3,195,547	0.4	5.1
RECP Fund IV, L.P.	2008	40,000,000	52,011,256	750,435	35,596,772	21,382,572	2.8	2.1
Southern California Smart Growth Fund	2004	10,000,000	18,836,734	68,213	18,787,802	40,219	0.0	0.0
Stockbridge Real Estate Fund II	2006	30,000,000	30,000,000	0	11,519,224	2,198,104	0.3	0.2
Torchlight Debt Opportunity Fund IV	2013	24,474,342	24,483,106	0	30,834,057	4,192,200	0.5	0.4
Tuckerman Group Residential Income & Value Added Fund	2004	25,000,000	26,542,525	0	25,874,723	439,019	0.1	0.0
Walton Street Real Estate Fund V	2006	25,000,000	25,000,001	0	16,724,030	1,716,775	0.2	0.2
Walton Street Real Estate Fund VI	2009	25,000,000	22,161,966	3,239,288	25,363,504	7,825,673	1.0	1.1
<b>Opportunistic</b>	<b>1996</b>	<b>540,007,343</b>	<b>470,742,450</b>	<b>125,383,691</b>	<b>424,099,554</b>	<b>73,619,092</b>	<b>9.5</b>	<b>18.9</b>
<b>Private Real Estate Portfolio Only (ex. Timber)</b>	<b>1989</b>	<b>1,302,844,709</b>	<b>1,160,442,041</b>	<b>274,434,704</b>	<b>785,132,599</b>	<b>758,002,813</b>	<b>97.6</b>	<b>98.2</b>
<b>Non-Core Portfolio</b>	<b>1990</b>	<b>888,977,156</b>	<b>672,260,882</b>	<b>274,434,704</b>	<b>590,329,421</b>	<b>178,833,887</b>	<b>23.0</b>	<b>43.1</b>
<b>Total Current Portfolio</b>								
<b>LACERS</b>	<b>1989</b>	<b>1,322,844,709</b>	<b>1,179,043,892</b>	<b>274,434,704</b>	<b>789,883,631</b>	<b>776,636,964</b>	<b>100.0</b>	<b>100.0</b>

Returns (%)	Market Value (\$)	Quarter				1 Year				3 Year			
		INC <sup>2</sup>	APP <sup>2</sup>	TGRS <sup>2</sup>	TNET <sup>2</sup>	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET
<b>Core</b>													
Berkshire Multifamily Income Realty Fund	20,236,754	0.7	2.3	3.1	2.7	3.7	1.7	1.9	1.0	4.0	0.3	4.3	3.6
CIM Commercial Trust Corporation ("CMCT") <sup>1</sup>	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CIM VI (Urban REIT), LLC	23,905,215	0.6	0.2	0.4	0.1	2.9	7.7	5.0	6.3	3.2	0.2	3.4	2.0
INVESCO Core Real Estate	185,824,731	0.9	0.8	1.6	1.5	3.4	4.9	1.6	1.9	3.6	1.0	4.7	4.3
Jamestown Premier Property Fund	35,319,168	0.3	1.7	1.4	1.5	2.0	11.2	9.3	9.4	2.5	1.6	0.8	0.0
JP Morgan Strategic Property Fund	71,542,497	0.8	1.1	1.9	1.7	3.6	2.1	1.4	0.4	3.8	0.8	4.6	3.6
Kayne Anderson Core Real Estate Fund	34,889,120	1.2	0.8	2.0	1.8	5.1	1.0	4.0	3.5				
Lion Industrial Trust 2007	82,895,137	1.1	3.0	4.1	3.5	4.6	8.9	13.7	11.6	4.9	11.0	16.3	13.8
Prime Property Fund	56,334,460	0.9	0.8	1.7	1.5	3.4	1.3	2.1	1.3	3.7	2.4	6.1	5.1
Principal U.S. Property Account	68,221,845	0.9	1.0	1.9	1.7	4.0	2.4	1.6	0.6	4.3	1.5	5.9	4.9
<b>Core</b>	<b>579,168,926</b>	<b>0.9</b>	<b>1.0</b>	<b>1.9</b>	<b>1.6</b>	<b>3.6</b>	<b>-2.4</b>	<b>1.2</b>	<b>0.4</b>	<b>3.8</b>	<b>2.1</b>	<b>6.0</b>	<b>5.1</b>
<b>Timber</b>													
Hancock Timberland XI	18,634,151	0.5	1.6	2.1	1.9	0.5	0.0	0.6	0.3	0.6	2.5	3.1	2.2
<b>Timber</b>	<b>18,634,151</b>	<b>0.5</b>	<b>1.6</b>	<b>2.1</b>	<b>1.9</b>	<b>0.5</b>	<b>0.0</b>	<b>0.6</b>	<b>-0.3</b>	<b>0.6</b>	<b>2.5</b>	<b>3.1</b>	<b>2.2</b>
<b>Value Added</b>													
Almanac Realty Securities VI	2,979,018	5.1	1.1	6.2	6.5	2.1	34.1	32.1	32.9	6.8	18.2	12.3	13.0
Asana Partners Fund I	22,149,130	1.2	4.3	5.5	4.6	3.3	15.9	13.0	7.1	2.0	10.0	12.3	10.2
Asana Partners Fund II	10,188,591	0.2	9.7	9.5	7.9	5.4	31.1	36.4	45.7				
DRA Growth and Income Fund VII	3,314,863	4.4	14.6	19.0	15.8	11.4	36.4	51.2	40.5	9.1	39.6	51.4	41.4
DRA Growth and Income Fund VIII	13,489,224	3.7	0.1	3.6	4.1	1.6	18.6	16.6	17.1	7.3	5.3	1.8	0.1
Gerrity Retail Fund 2	18,225,116	1.2	3.1	1.8	2.2	5.5	16.3	11.5	12.7	6.2	4.0	2.0	0.6
Heitman Asia Pacific Property Investors	20,527,821	0.4	13.6	14.0	13.7	1.8	3.2	5.2	4.3				
LBA Logistics Value Fund VII	11,538,616	0.2	12.2	12.4									
Mesa West Real Estate Income Fund III	1,070,414	0.0	13.7	13.7	11.0	0.5	17.7	18.2	14.7	6.9	6.9	0.4	0.1
NREP Nordic Strategies Fund IV	1,691,404	3.1	76.0	72.9	31.1	31.1	54.2	7.3	118.4				
Standard Life Investments European Real Estate Club II <sup>4</sup>	203,772	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Waterton Residential Property Venture XIV, L.P.	163,174												
<b>Value Added</b>	<b>105,214,795</b>	<b>0.0</b>	<b>5.9</b>	<b>6.0</b>	<b>4.6</b>	<b>3.2</b>	<b>-8.2</b>	<b>-5.1</b>	<b>-7.0</b>	<b>5.6</b>	<b>3.1</b>	<b>8.8</b>	<b>5.5</b>
<b>Total Portfolio</b>													
<b>LACERS</b>	<b>776,636,964</b>	<b>0.7</b>	<b>1.6</b>	<b>2.3</b>	<b>1.8</b>	<b>3.2</b>	<b>-4.0</b>	<b>-0.8</b>	<b>-1.9</b>	<b>3.6</b>	<b>1.3</b>	<b>5.0</b>	<b>3.7</b>
<b>Indices</b>													
NFI ODCE (Core)		0.9	0.4	1.3	1.1	3.8	2.6	1.2	0.3	4.1	0.8	4.9	4.0
NFI ODCE + 80 bps (Total Portfolio)				1.5	1.3			2.0	1.1			5.7	4.8
NFI ODCE + 200 bps (Non Core Portfolio)				1.8	1.6			3.2	2.3			6.9	6.0
NFI ODCE + 50 bps (Value Add)				1.4	1.2			1.7	0.8			5.4	4.5
NFI ODCE + 300 bps (Opportunistic)				2.1	1.8			4.2	3.3			7.9	7.0
NCREIF Timberland Property Index "NTI"		0.8	0.2	0.6		2.5	1.7	0.8		2.8	0.9	1.8	

\* Net IRR and Equity Multiple may be missing due to hard coded data.

<sup>1</sup> Originally CIM IV. Data shown only reflects performance since the formation of CMCT. Combined, CIM IV/CMCT has achieved a 6.3% net IRR nad 1.3x net equity multiple since inception (1Q06).

<sup>2</sup> INC: Income Return; APP: Appreciation Return; TGRS: Total Gross Return; TNET: Total Net Return. Please refer to Exhibit C for more detailed definitions.

<sup>3</sup> Negative Market Value represents fees owed to the manager. No capital had been called as of quarter end.

<sup>4</sup> Liquidating investment. Time weighted returns are excluded as they are no longer meaningful.

Returns (%)	Market Value (\$)	5 Year				Inception				TWR Calculation Inception	Net IRR*	Equity Multiple*
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET			
<b>Core</b>												
Berkshire Multifamily Income Realty Fund	20,236,754	4.1	1.6	5.8	5.0	4.1	1.6	5.8	5.0	1Q16	7.3	1.4
CIM Commercial Trust Corporation ("CMCT") <sup>1</sup>	1	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1Q14	4.6	1.2
CIM VI (Urban REIT), LLC	23,905,215	3.5	0.1	3.6	2.4	3.6	4.1	7.8	6.4	3Q12	5.7	1.4
INVESCO Core Real Estate	185,824,731	3.7	2.5	6.3	6.0	5.0	2.5	7.6	7.2	4Q04	7.1	2.0
Jamestown Premier Property Fund	35,319,168	3.4	1.8	5.2	3.8	3.5	2.8	6.3	4.7	3Q15	5.3	1.2
JP Morgan Strategic Property Fund	71,542,497	4.0	1.8	5.8	4.8	5.1	1.9	7.1	6.0	4Q05	6.2	2.4
Kayne Anderson Core Real Estate Fund	34,889,120	5.1	1.6	6.8	6.2	5.1	1.6	6.8	6.2	1Q19	4.3	1.0
Lion Industrial Trust 2007	82,895,137	5.1	10.1	15.6	13.3	5.1	10.1	15.6	13.3	1Q16	13.3	1.8
Prime Property Fund	56,334,460	3.9	3.7	7.7	6.6	3.9	3.7	7.7	6.6	1Q16	6.7	1.3
Principal U.S. Property Account	68,221,845	4.5	2.7	7.3	6.3	4.5	2.9	7.6	6.6	4Q15	6.4	1.4
<b>Core</b>	<b>579,168,926</b>	<b>4.0</b>	<b>3.1</b>	<b>7.2</b>	<b>6.2</b>	<b>6.2</b>	<b>1.6</b>	<b>7.9</b>	<b>6.9</b>	<b>1Q89</b>	<b>5.7</b>	<b>1.5</b>
<b>Timber</b>												
Hancock Timberland XI	18,634,151	0.2	2.8	3.0	2.1	0.2	5.1	4.9	4.1	2Q12	3.7	1.3
<b>Timber</b>	<b>18,634,151</b>	<b>0.2</b>	<b>2.8</b>	<b>3.0</b>	<b>2.1</b>	<b>4.4</b>	<b>5.3</b>	<b>10.1</b>	<b>8.7</b>	<b>4Q99</b>	<b>9.4</b>	<b>1.7</b>
<b>Value Added</b>												
Almanac Realty Securities VI	2,979,018	7.0	11.2	4.8	5.6	8.0	2.9	4.9	3.2	1Q13	9.3	1.3
Asana Partners Fund I	22,149,130					1.9	12.5	14.7	11.1	2Q17	10.3	1.3
Asana Partners Fund II	10,188,591					9.1	15.7	24.2	37.9	4Q19	21.9	0.9
DRA Growth and Income Fund VII	3,314,863	9.6	32.6	44.5	35.9	11.3	19.9	33.0	26.6	1Q12	21.5	2.3
DRA Growth and Income Fund VIII	13,489,224	9.1	2.3	6.7	4.6	10.1	1.7	8.3	6.0	4Q14	7.3	1.2
Gerrity Retail Fund 2	18,225,116	7.4	0.2	7.2	5.2	7.4	0.2	7.2	5.0	4Q15	3.4	1.1
Heitman Asia Pacific Property Investors	20,527,821					1.8	0.1	1.8	0.8	3Q18	5.2	1.1
LBA Logistics Value Fund VII	11,538,616					0.2	12.2	12.4	11.0	4Q20	9.8	1.1
Mesa West Real Estate Income Fund III	1,070,414	8.9	4.2	4.3	3.6	10.1	2.8	7.0	5.0	4Q13	8.2	1.3
NREP Nordic Strategies Fund IV	1,691,404					31.1	54.2	7.3	118.4	1Q20	41.2	0.7
Standard Life Investments European Real Estate Club II <sup>4</sup>	203,772	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1Q16	15.6	1.4
Waterton Residential Property Venture XIV, L.P.	163,174									2Q21	0.0	0.6
<b>Value Added</b>	<b>105,214,795</b>	<b>6.4</b>	<b>5.2</b>	<b>11.8</b>	<b>8.8</b>	<b>7.4</b>	<b>2.4</b>	<b>10.0</b>	<b>7.9</b>	<b>4Q90</b>		
<b>Total Portfolio</b>												
<b>LACERS</b>	<b>776,636,964</b>	<b>4.0</b>	<b>2.5</b>	<b>6.6</b>	<b>5.3</b>	<b>6.0</b>	<b>1.4</b>	<b>7.4</b>	<b>5.7</b>	<b>1Q89</b>		
<b>Indices</b>												
NFI ODCE (Core)		4.2	1.9	6.2	5.3	6.6	0.5	7.1	6.1	1Q89		
NFI ODCE + 80 bps (Total Portfolio)				7.0	6.1			7.9	6.9	1Q89		
NFI ODCE + 200 bps (Non Core Portfolio)				8.2	7.3			9.4	8.4	4Q90		
NFI ODCE + 50 bps (Value Add)				6.7	5.8			7.9	6.9	4Q90		
NFI ODCE + 300 bps (Opportunistic)				9.2	8.3			12.1	11.0	4Q96		
NCREIF Timberland Property Index "NTI"		2.8	0.4	2.4		3.3	2.8	6.1		4Q99		

\* Net IRR and Equity Multiple may be missing due to hard coded data.

<sup>1</sup> Originally CIM IV. Data shown only reflects performance since the formation of CMCT. Combined, CIM IV/CMCT has achieved a 6.3% net IRR and 1.3x net equity multiple since inception (1Q06).

<sup>2</sup> INC: Income Return; APP: Appreciation Return; TGRS: Total Gross Return; TNET: Total Net Return. Please refer to Exhibit C for more detailed definitions.

<sup>3</sup> Negative Market Value represents fees owed to the manager. No capital had been called as of quarter end.

<sup>4</sup> Liquidating investment. Time weighted returns are excluded as they are no longer meaningful.

Returns (%)	Market Value (\$)	Quarter				1 Year				3 Year			
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET	INC	APP	TGRS	TNET
<b>Opportunistic</b>													
Apollo CPI Europe I <sup>1</sup>	558,367	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bristol Value II, L.P.	18,913,205	0.8	7.2	8.1	7.7	2.8	7.2	10.1	8.7	1.2	7.1	8.4	6.9
Broadview Real Estate Partners Fund, L.P.	1,678,822	2.2	30.2	28.0	21.6	115.5	289.0	82.4					
Bryanston Retail Opportunity Fund	5,471,385	0.9	26.5	27.4	27.3	0.8	50.3	51.2	50.8	0.2	30.0	30.2	29.7
California Smart Growth Fund IV	2,465,840	8.0	0.0	8.0	8.0	10.1	0.0	10.1	10.1	3.5	6.2	9.8	9.8
Canyon Johnson Urban Fund II <sup>1</sup>	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cerberus Institutional Real Estate Partners V	852,001												
CIM Real Estate Fund III <sup>12</sup>	6,221,539	1.1	1.0	2.1	2.5	1.8	15.6	17.2	18.5	1.5	5.7	4.2	5.6
CityView LA Urban Fund I <sup>1</sup>	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Colony Investors VIII <sup>12</sup>	515,906	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DRA Growth and Income Fund VI <sup>1</sup>	670,276	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Integrated Capital Hospitality Fund	2,280,810	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Latin America Investors III <sup>13</sup>	2,979,028	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lone Star Fund VII <sup>1</sup>	116,672	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lone Star Real Estate Fund II <sup>1</sup>	424,808	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Oaktree Real Estate Opportunities Fund VIII	3,195,547												
RECP Fund IV, L.P.	21,382,572	1.0	0.8	0.2	2.4	2.1	24.6	23.0	25.1	1.7	8.5	7.0	8.1
Southern California Smart Growth Fund <sup>1</sup>	40,219	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stockbridge Real Estate Fund II	2,198,104	0.0	1.1	1.2	1.0	0.6	6.7	6.2	6.6	0.9	4.3	3.5	3.8
Torchlight Debt Opportunity Fund IV	4,192,200	0.4	1.6	1.2	0.0	2.1	14.2	12.3	4.0	5.2	5.5	0.5	2.6
Tuckerman Group Residential Income & Value Added Fund <sup>1</sup>	439,019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walton Street Real Estate Fund V	1,716,775	0.6	0.3	0.9	0.9	2.2	6.6	8.7	8.7	0.4	14.1	14.5	14.7
Walton Street Real Estate Fund VI	7,825,673	1.0	1.5	0.5	0.8	1.2	11.2	10.0	11.0	3.6	4.9	1.5	2.5
<b>Opportunistic</b>	<b>73,619,092</b>	<b>0.5</b>	<b>0.1</b>	<b>0.7</b>	<b>-0.6</b>	<b>0.9</b>	<b>-12.1</b>	<b>-11.2</b>	<b>-12.8</b>	<b>1.2</b>	<b>-5.4</b>	<b>-4.2</b>	<b>-5.5</b>
<b>Private Real Estate Portfolio Only (ex. Timber)</b>	<b>758,002,813</b>	<b>0.7</b>	<b>1.6</b>	<b>2.3</b>	<b>1.8</b>	<b>3.3</b>	<b>-4.1</b>	<b>-0.9</b>	<b>-1.9</b>	<b>3.7</b>	<b>1.3</b>	<b>5.0</b>	<b>3.7</b>
<b>Non-Core Portfolio</b>	<b>178,833,887</b>	<b>0.4</b>	<b>2.8</b>	<b>3.2</b>	<b>2.1</b>	<b>2.7</b>	<b>-8.5</b>	<b>-6.0</b>	<b>-7.4</b>	<b>3.6</b>	<b>-0.8</b>	<b>2.7</b>	<b>0.7</b>
<b>Total Portfolio</b>													
<b>LACERS</b>	<b>776,636,964</b>	<b>0.7</b>	<b>1.6</b>	<b>2.3</b>	<b>1.8</b>	<b>3.2</b>	<b>-4.0</b>	<b>-0.8</b>	<b>-1.9</b>	<b>3.6</b>	<b>1.3</b>	<b>5.0</b>	<b>3.7</b>
<b>Indices</b>													
NFI ODCE (Core)		0.9	0.4	1.3	1.1	3.8	2.6	1.2	0.3	4.1	0.8	4.9	4.0
NFI ODCE + 80 bps (Total Portfolio)				1.5	1.3			2.0	1.1			5.7	4.8
NFI ODCE + 200 bps (Non Core Portfolio)				1.8	1.6			3.2	2.3			6.9	6.0
NFI ODCE + 50 bps (Value Add)				1.4	1.2			1.7	0.8			5.4	4.5
NFI ODCE + 300 bps (Opportunistic)				2.1	1.8			4.2	3.3			7.9	7.0
NCREIF Timberland Property Index "NTI"		0.8	0.2	0.6		2.5	1.7	0.8		2.8	0.9	1.8	

\* Net IRR and Equity Multiple may be missing due to hard coded data.

<sup>1</sup> Liquidating investment. Time weighted returns are excluded as they are no longer meaningful.

<sup>2</sup> Broken time weighted return since inception

<sup>3</sup> Negative Market Value represents fees owed to the manager. No capital had been called as of quarter end.

Returns (%)	Market Value (\$)	5 Year				Inception				TWR Calculation Inception	Net IRR*	Equity Multiple*
		INC	APP	TGRS	TNET	INC	APP	TGRS	TNET			
<b>Opportunistic</b>												
Apollo CPI Europe I <sup>1</sup>	558,367	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4Q06	9.0	0.5
Bristol Value II, L.P.	18,913,205	1.9	8.6	10.6	9.0	2.6	10.5	13.3	11.6	1Q13	9.5	1.3
Broadview Real Estate Partners Fund, L.P.	1,678,822					11.5	1133.5	N/A	N/A	4Q19	12.3	0.9
Bryanston Retail Opportunity Fund	5,471,385	0.1	10.9	10.9	10.5	6.5	24.4	30.5	27.5	2Q05	79.7	3.9
California Smart Growth Fund IV	2,465,840	3.9	5.9	9.9	9.5	2.7	1.1	3.9	1.9	1Q07	2.7	1.2
Canyon Johnson Urban Fund II <sup>1</sup>	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3Q05	10.4	0.4
Cerberus Institutional Real Estate Partners V	852,001									1Q21	43.4	0.6
CIM Real Estate Fund III <sup>12</sup>	6,221,539	3.6	3.7	0.0	1.4	8.1	N/A	N/A	N/A	1Q08	8.8	1.6
CityView LA Urban Fund I <sup>1</sup>	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3Q07	11.8	1.2
Colony Investors VIII <sup>12</sup>	515,906	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4Q07	11.6	0.4
DRA Growth and Income Fund VI <sup>1</sup>	670,276	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2Q08	10.7	1.7
Integrated Capital Hospitality Fund	2,280,810	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3Q11	0.0	0.1
Latin America Investors III <sup>13</sup>	2,979,028	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1Q09	0.0	0.0
Lone Star Fund VII <sup>1</sup>	116,672	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3Q11	50.2	1.8
Lone Star Real Estate Fund II <sup>1</sup>	424,808	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3Q11	26.4	1.5
Oaktree Real Estate Opportunities Fund VIII	3,195,547									2Q21	0.0	
RECP Fund IV, L.P.	21,382,572	1.9	2.1	0.3	1.7	3.2	7.4	4.5	7.8	4Q08	1.6	1.1
Southern California Smart Growth Fund <sup>1</sup>	40,219	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1Q05	0.0	1.0
Stockbridge Real Estate Fund II	2,198,104	0.8	0.0	0.8	0.3	7.9	9.0	16.0	18.1	4Q06	7.2	0.5
Torchlight Debt Opportunity Fund IV	4,192,200	7.1	2.0	4.9	5.7	8.0	0.5	7.4	7.1	4Q13	9.6	1.4
Tuckerman Group Residential Income & Value Added Fund <sup>1</sup>	439,019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4Q04	0.1	1.0
Walton Street Real Estate Fund V	1,716,775	1.3	9.0	7.8	8.4	1.7	3.6	1.9	3.4	4Q06	3.3	0.7
Walton Street Real Estate Fund VI	7,825,673	3.2	3.4	0.2	1.3	7.5	10.7	1.2	3.0	3Q09	7.9	1.5
<b>Opportunistic</b>	<b>73,619,092</b>	<b>2.1</b>	<b>-2.7</b>	<b>-0.6</b>	<b>-2.0</b>	<b>3.9</b>	<b>2.0</b>	<b>5.9</b>	<b>2.6</b>	<b>4Q96</b>	<b>1.8</b>	<b>1.1</b>
<b>Private Real Estate Portfolio Only (ex. Timber)</b>	<b>758,002,813</b>	<b>4.1</b>	<b>2.5</b>	<b>6.7</b>	<b>5.4</b>	<b>6.0</b>	<b>1.3</b>	<b>7.4</b>	<b>5.7</b>	<b>1Q89</b>		
<b>Non-Core Portfolio</b>	<b>178,833,887</b>	<b>4.2</b>	<b>1.2</b>	<b>5.5</b>	<b>3.5</b>	<b>6.3</b>	<b>2.3</b>	<b>8.6</b>	<b>6.1</b>	<b>4Q90</b>		
<b>Total Portfolio</b>												
<b>LACERS</b>	<b>776,636,964</b>	<b>4.0</b>	<b>2.5</b>	<b>6.6</b>	<b>5.3</b>	<b>6.0</b>	<b>1.4</b>	<b>7.4</b>	<b>5.7</b>	<b>1Q89</b>		
<b>Indices</b>												
NFI ODCE (Core)		4.2	1.9	6.2	5.3	6.6	0.5	7.1	6.1	1Q89		
NFI ODCE + 80 bps (Total Portfolio)				7.0	6.1			7.9	6.9	1Q89		
NFI ODCE + 200 bps (Non Core Portfolio)				8.2	7.3			9.4	8.4	4Q90		
NFI ODCE + 50 bps (Value Add)				6.7	5.8			7.9	6.9	4Q90		
NFI ODCE + 300 bps (Opportunistic)				9.2	8.3			12.1	11.0	4Q96		
NCREIF Timberland Property Index "NTI"		2.8	0.4	2.4		3.3	2.8	6.1		4Q99		

Net IRR and Equity Multiple may be missing due to hard coded data.

<sup>1</sup> Liquidating investment. Time weighted returns are excluded as they are no longer meaningful.

<sup>2</sup> Broken time weighted return since inception

<sup>3</sup> Negative Market Value represents fees owed to the manager. No capital had been called as of quarter end.

Returns (%)	Market Value (\$)	2020		2019		2018		2017		2016		2015	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
<b>Core</b>													
Berkshire Multifamily Income Realty Fund	20,236,754	3.1	2.7	5.0	4.2	6.2	5.6	5.4	4.7	10.4	9.5		
CIM Commercial Trust Corporation ("CMCT")	1	N/A	N/A	32.3	32.3	0.6	0.6	2.8	2.8	3.3	3.3	5.0	5.0
CIM VI (Urban REIT), LLC	23,905,215	0.4	0.1	5.3	3.9	10.4	8.9	5.2	3.7	2.6	2.4	13.4	11.0
INVESCO Core Real Estate	185,824,731	1.6	1.5	6.6	6.2	9.4	9.0	8.4	8.0	9.2	8.9	14.7	14.3
Jamestown Premier Property Fund	35,319,168	1.4	1.5	3.0	2.4	9.7	7.7	18.0	14.2	6.7	5.4	8.5	7.0
JP Morgan Strategic Property Fund	71,542,497	1.9	1.7	4.4	3.4	8.0	7.0	7.2	6.2	8.4	7.3	15.2	14.1
Kayne Anderson Core Real Estate Fund	34,889,120	2.0	1.8	9.6	9.0								
Lion Industrial Trust 2007	82,895,137	4.1	3.5	16.5	13.9	18.7	15.9	14.4	12.3	14.9	12.8		
Prime Property Fund	56,334,460	1.7	1.5	7.4	6.2	9.1	8.0	9.9	8.8	10.4	9.2		
Principal U.S. Property Account	68,221,845	1.9	1.7	7.0	6.0	9.1	8.1	9.1	8.1	10.1	9.0	3.0	2.8
<b>Core</b>	<b>579,168,926</b>	<b>1.9</b>	<b>1.6</b>	<b>7.2</b>	<b>6.3</b>	<b>9.8</b>	<b>8.7</b>	<b>9.2</b>	<b>8.1</b>	<b>8.7</b>	<b>7.9</b>	<b>13.4</b>	<b>12.7</b>
<b>Timber</b>													
Hancock Timberland XI	18,634,151	2.1	1.9	4.9	3.9	3.9	2.9	2.1	1.2	3.5	2.6	5.4	4.6
<b>Timber</b>	<b>18,634,151</b>	<b>2.1</b>	<b>1.9</b>	<b>3.9</b>	<b>2.9</b>	<b>2.1</b>	<b>1.2</b>	<b>3.5</b>	<b>2.6</b>	<b>5.4</b>	<b>4.5</b>	<b>8.1</b>	<b>4.5</b>
<b>Value Added</b>													
Almanac Realty Securities VI	2,979,018	6.2	6.5	2.5	3.2	2.0	1.3	0.4	0.3	15.2	14.3	23.5	21.2
Asana Partners Fund I	22,149,130	5.5	4.6	28.7	21.3	26.4	18.7	18.1	10.8				
Asana Partners Fund II	10,188,591	9.5	7.9	11.1	1.5								
DRA Growth and Income Fund VII	3,314,863	19.0	15.8	56.3	45.0	44.7	37.0	34.1	28.6	35.2	28.8	22.9	16.2
DRA Growth and Income Fund VIII	13,489,224	3.6	4.1	11.0	8.6	14.1	11.3	14.2	11.7	14.7	11.8	16.0	12.9
Gerrity Retail Fund 2	18,225,116	1.8	2.2	6.7	5.3	12.4	10.6	9.8	7.6	21.4	17.7	1.7	0.6
Heitman Asia Pacific Property Investors	20,527,821	14.0	13.7	4.1	3.3	4.7	5.2						
LBA Logistics Value Fund VII	11,538,616	12.4	0.0										
Mesa West Real Estate Income Fund III	1,070,414	13.7	11.0	4.2	3.5	15.8	12.8	12.6	10.1	11.2	8.8	13.0	10.2
NREP Nordic Strategies Fund IV	1,691,404	72.9	31.1										
Standard Life Investments European Real Estate Club II	203,772	N/A	N/A	54.8	41.9	2.0	2.7	33.8	32.6	8.1	7.1		
Waterton Residential Property Venture XIV, L.P.	163,174												
<b>Value Added</b>	<b>105,214,795</b>	<b>6.0</b>	<b>4.6</b>	<b>18.9</b>	<b>14.1</b>	<b>14.1</b>	<b>11.0</b>	<b>18.6</b>	<b>15.9</b>	<b>14.6</b>	<b>12.1</b>	<b>14.5</b>	<b>11.7</b>
<b>Total Portfolio</b>													
<b>LACERS</b>	<b>776,636,964</b>	<b>-0.8</b>	<b>-1.9</b>	<b>7.6</b>	<b>6.2</b>	<b>8.4</b>	<b>7.0</b>	<b>10.0</b>	<b>8.6</b>	<b>8.1</b>	<b>6.8</b>	<b>11.2</b>	<b>9.5</b>
<b>Indices</b>													
NFI ODCE (Core)		1.3	1.1	5.3	4.4	8.3	7.4	7.6	6.7	8.8	7.8	15.0	14.0
NFI ODCE + 80 bps (Total Portfolio)		1.5	1.3	6.1	5.2	9.1	8.2	8.4	7.5	9.6	8.6	15.8	14.8
NFI ODCE + 200 bps (Non Core Portfolio)		1.8	1.6	8.1	7.2	11.1	10.2	10.4	9.5	11.6	10.6	17.8	16.8
NFI ODCE + 50 bps (Value Add)		1.4	1.2	5.8	4.9	8.8	7.9	8.1	7.2	9.3	8.3	15.5	14.5
NFI ODCE + 300 bps (Opportunistic)		2.1	1.8	8.3	7.4	11.3	10.4	10.6	9.7	11.8	10.8	18.0	17.0
NCREIF Timberland Index (Timber)		0.6		3.4		3.6		2.7		5.0		10.5	

<sup>1</sup> Negative Market Value represents fees owed to the manager. No capital had been called as of quarter end.

<sup>2</sup> Liquidating investment. Time weighted returns are excluded as they are no longer meaningful.

Returns (%)	Market Value (\$)	2014		2013		2012		2011		2010		2009		2008	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
<b>Core</b>															
Berkshire Multifamily Income Realty Fund	20,236,754														
CIM Commercial Trust Corporation ("CMCT")	1	9.7	9.7												
CIM VI (Urban REIT), LLC	23,905,215	15.0	13.5	6.8	5.4	13.8	13.1								
INVESCO Core Real Estate	185,824,731	12.4	11.9	14.3	13.8	8.7	8.2	16.9	16.4	16.7	16.1	32.2	32.6	4.6	5.0
Jamestown Premier Property Fund	35,319,168														
JP Morgan Strategic Property Fund	71,542,497	11.1	10.1	15.9	14.8	12.1	11.0	15.9	14.8	14.1	13.0	26.5	27.4	8.1	9.0
Kayne Anderson Core Real Estate Fund	34,889,120														
Lion Industrial Trust 2007	82,895,137														
Prime Property Fund	56,334,460														
Principal U.S. Property Account	68,221,845														
<b>Core</b>	<b>579,168,926</b>	<b>11.8</b>	<b>11.3</b>	<b>13.3</b>	<b>12.5</b>	<b>9.6</b>	<b>8.9</b>	<b>15.6</b>	<b>14.8</b>	<b>16.1</b>	<b>15.2</b>	<b>-26.4</b>	<b>-27.1</b>	<b>-4.9</b>	<b>-5.6</b>
<b>Timber</b>															
Hancock Timberland XI	18,634,151	5.2	4.6	9.9	8.9	8.1	7.6								
<b>Timber</b>	<b>18,634,151</b>	<b>20.9</b>	<b>17.8</b>	<b>9.9</b>	<b>8.9</b>	<b>3.9</b>	<b>4.2</b>	<b>2.9</b>	<b>2.7</b>	<b>-7.4</b>	<b>-5.5</b>	<b>7.6</b>	<b>6.5</b>	<b>22.1</b>	<b>17.3</b>
<b>Value Added</b>															
Almanac Realty Securities VI	2,979,018	15.2	12.8	31.6	26.1										
Asana Partners Fund I	22,149,130														
Asana Partners Fund II	10,188,591														
DRA Growth and Income Fund VII	3,314,863	20.3	17.7	18.7	15.5	17.6	14.3								
DRA Growth and Income Fund VIII	13,489,224	2.7	2.1												
Gerrity Retail Fund 2	18,225,116														
Heitman Asia Pacific Property Investors	20,527,821														
LBA Logistics Value Fund VII	11,538,616														
Mesa West Real Estate Income Fund III	1,070,414	13.3	8.7	3.2	0.6										
NREP Nordic Strategies Fund IV	1,691,404														
Standard Life Investments European Real Estate Club II	203,772														
Waterton Residential Property Venture XIV, L.P.	163,174														
<b>Value Added</b>	<b>105,214,795</b>	<b>12.6</b>	<b>10.9</b>	<b>9.5</b>	<b>7.9</b>	<b>17.1</b>	<b>15.6</b>	<b>18.3</b>	<b>16.2</b>	<b>4.1</b>	<b>1.8</b>	<b>-38.5</b>	<b>-39.4</b>	<b>-20.7</b>	<b>-20.0</b>
<b>Total Portfolio</b>															
<b>LACERS</b>	<b>776,636,964</b>	<b>13.7</b>	<b>11.8</b>	<b>13.5</b>	<b>11.4</b>	<b>12.8</b>	<b>11.0</b>	<b>12.6</b>	<b>10.8</b>	<b>13.0</b>	<b>10.3</b>	<b>-34.4</b>	<b>-35.9</b>	<b>-22.5</b>	<b>-23.6</b>
<b>Indices</b>															
NFI ODCE (Core)		12.5	11.5	13.9	12.9	10.9	9.8	16.0	15.0	16.4	15.3	29.8	30.4	10.0	10.7
NFI ODCE + 80 bps (Total Portfolio)		13.3	12.3	14.7	13.7	11.7	10.6	16.8	15.8	17.2	16.1	29.0	29.6	9.2	9.9
NFI ODCE + 200 bps (Non Core Portfolio)		15.3	14.3	16.7	15.7	13.7	12.6	18.8	17.8	19.2	18.1	27.0	27.6	7.2	7.9
NFI ODCE + 50 bps (Value Add)		13.0	12.0	14.4	13.4	11.4	10.3	16.5	15.5	16.9	15.8	29.3	29.9	9.5	10.2
NFI ODCE + 300 bps (Opportunistic)		15.5	14.5	16.9	15.9	13.9	12.8	19.0	18.0	19.4	18.3	26.8	27.4	7.0	7.7
NCREIF Timberland Index (Timber)		9.7		7.8		1.6		0.1		4.7		9.5		18.4	

<sup>1</sup> Negative Market Value represents fees owed to the manager. No capital had been called as of quarter end.

<sup>2</sup> Liquidating investment. Time weighted returns are excluded as they are no longer meaningful.



Returns (%)	Market Value (\$)	2020		2019		2018		2017		2016		2015	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
<b>Opportunistic</b>													
Apollo CPI Europe I	558,367	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bristol Value II, L.P.	18,913,205	8.1	7.7	8.5	6.9	6.7	5.1	17.1	15.3	11.0	9.1	8.2	6.1
Broadview Real Estate Partners Fund, L.P.	1,678,822	28.0	21.6										
Bryanston Retail Opportunity Fund	5,471,385	27.4	27.3	N/A	N/A								
California Smart Growth Fund IV	2,465,840	8.0	8.0	18.3	17.9	23.5	22.9	22.1	22.4	2.5	2.8	144.0	142.1
Canyon Johnson Urban Fund II	0	N/A	N/A	28.3	28.3	6.1	6.1	14.3	12.8	5.9	5.4	20.3	19.2
Cerberus Institutional Real Estate Partners V	852,001			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CIM Real Estate Fund III	6,221,539	2.1	2.5	0.3	1.1	5.9	4.5	8.0	6.4	5.4	4.0	8.3	7.1
CityView LA Urban Fund I	0	N/A	N/A										
Colony Investors VIII	515,906	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DRA Growth and Income Fund VI	670,276	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Integrated Capital Hospitality Fund	2,280,810	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Latin America Investors III	2,979,028	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lone Star Fund VII	116,672	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lone Star Real Estate Fund II	424,808	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Oaktree Real Estate Opportunities Fund VIII	3,195,547			N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RECP Fund IV, L.P.	21,382,572	0.2	2.4	2.3	2.1	2.1	1.6	14.6	12.4	6.9	5.3	8.3	6.2
Southern California Smart Growth Fund	40,219	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stockbridge Real Estate Fund II	2,198,104	1.2	1.0	4.6	5.0	0.6	0.2	21.2	20.6	4.7	5.5	3.9	2.6
Torchlight Debt Opportunity Fund IV	4,192,200	1.2	0.0	2.2	1.5	14.8	10.7	15.2	11.3	11.8	9.8	12.0	9.8
Tuckerman Group Residential Income & Value Added Fund	439,019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walton Street Real Estate Fund V	1,716,775	0.9	0.9	17.9	18.1	16.6	17.1	4.5	3.5	2.1	0.7	11.9	10.4
Walton Street Real Estate Fund VI	7,825,673	0.5	0.8	2.0	1.0	4.2	3.1	9.2	7.9	5.4	6.6	13.5	12.2
<b>Opportunistic</b>	<b>73,619,092</b>	<b>0.7</b>	<b>-0.6</b>	<b>0.1</b>	<b>-0.8</b>	<b>-1.1</b>	<b>-2.5</b>	<b>7.5</b>	<b>5.8</b>	<b>2.8</b>	<b>1.3</b>	<b>7.2</b>	<b>5.3</b>
<b>Private Real Estate Portfolio Only (ex. Timber)</b>	<b>758,002,813</b>	<b>2.3</b>	<b>1.8</b>	<b>7.7</b>	<b>6.3</b>	<b>8.6</b>	<b>7.1</b>	<b>10.2</b>	<b>8.8</b>	<b>8.2</b>	<b>6.9</b>	<b>11.3</b>	<b>9.6</b>
<b>Non-Core Portfolio</b>	<b>178,833,887</b>	<b>3.2</b>	<b>2.1</b>	<b>8.9</b>	<b>6.6</b>	<b>5.8</b>	<b>3.7</b>	<b>12.1</b>	<b>10.0</b>	<b>7.5</b>	<b>5.6</b>	<b>9.8</b>	<b>7.6</b>
<b>Total Portfolio</b>													
<b>LACERS</b>	<b>776,636,964</b>	<b>-0.8</b>	<b>-1.9</b>	<b>7.6</b>	<b>6.2</b>	<b>8.4</b>	<b>7.0</b>	<b>10.0</b>	<b>8.6</b>	<b>8.1</b>	<b>6.8</b>	<b>11.2</b>	<b>9.5</b>
<b>Indices</b>													
NFI ODCE (Core)		1.3	1.1	5.3	4.4	8.3	7.4	7.6	6.7	8.8	7.8	15.0	14.0
NFI ODCE + 80 bps (Total Portfolio)		1.5	1.3	6.1	5.2	9.1	8.2	8.4	7.5	9.6	8.6	15.8	14.8
NFI ODCE + 200 bps (Non Core Portfolio)		1.8	1.6	8.1	7.2	11.1	10.2	10.4	9.5	11.6	10.6	17.8	16.8
NFI ODCE + 50 bps (Value Add)		1.4	1.2	5.8	4.9	8.8	7.9	8.1	7.2	9.3	8.3	15.5	14.5
NFI ODCE + 300 bps (Opportunistic)		2.1	1.8	8.3	7.4	11.3	10.4	10.6	9.7	11.8	10.8	18.0	17.0
NCREIF Timberland Index (Timber)		0.6		3.4		3.6		2.7		5.0		10.5	

<sup>1</sup> Liquidating investment. Time weighted returns are excluded as they are no longer meaningful.

<sup>2</sup> Negative Market Value represents fees owed to the manager. No capital had been called as of quarter end.

Returns (%)	Market Value (\$)	2014		2013		2012		2011		2010		2009		2008	
		TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET	TGRS	TNET
<b>Opportunistic</b>															
Apollo CPI Europe I	558,367	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Bristol Value II, L.P.	18,913,205	12.4	10.6	35.0	33.0										
Broadview Real Estate Partners Fund, L.P.	1,678,822														
Bryanston Retail Opportunity Fund	5,471,385														
California Smart Growth Fund IV	2,465,840	7.3	5.8	50.5	47.5	40.1	37.2	4.3	7.2	20.9	18.3	12.8	10.2	73.9	69.4
Canyon Johnson Urban Fund II	0	17.9	16.2	13.1	11.6	19.9	18.3	26.7	24.6	20.1	17.0	34.6	38.0	46.3	48.6
Cerberus Institutional Real Estate Partners V	852,001	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
CIM Real Estate Fund III	6,221,539	11.0	9.8	11.1	9.9	20.8	19.4	21.8	19.8	15.3	13.8	53.5	83.5	117.3	113.8
CityView LA Urban Fund I	0														
Colony Investors VIII	515,906	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
DRA Growth and Income Fund VI	670,276	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Integrated Capital Hospitality Fund	2,280,810	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Latin America Investors III	2,979,028	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lone Star Fund VII	116,672	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Lone Star Real Estate Fund II	424,808	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Oaktree Real Estate Opportunities Fund VIII	3,195,547	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
RECP Fund IV, L.P.	21,382,572	6.4	4.6	8.5	6.7	23.4	21.1	2.4	1.4	12.5	4.3	45.6	54.8	40.0	40.0
Southern California Smart Growth Fund	40,219	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stockbridge Real Estate Fund II	2,198,104	24.4	22.8	46.5	43.7	3.2	0.7	7.2	4.2	21.8	16.8	86.3	86.8	83.4	84.0
Torchlight Debt Opportunity Fund IV	4,192,200	13.9	10.4	3.6	3.0										
Tuckerman Group Residential Income & Value Added Fund	439,019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Walton Street Real Estate Fund V	1,716,775	13.2	11.7	12.9	11.2	9.5	7.8	10.1	8.0	48.0	44.0	27.8	31.1	47.7	48.7
Walton Street Real Estate Fund VI	7,825,673	14.8	13.4	16.0	14.3	12.1	10.4	14.3	12.3	173.3	162.1	78.1	84.0		
<b>Opportunistic</b>	<b>73,619,092</b>	<b>15.7</b>	<b>12.9</b>	<b>15.3</b>	<b>12.2</b>	<b>12.5</b>	<b>10.1</b>	<b>8.8</b>	<b>6.5</b>	<b>17.1</b>	<b>12.6</b>	<b>-39.0</b>	<b>-41.6</b>	<b>-36.6</b>	<b>-39.2</b>
<b>Private Real Estate Portfolio Only (ex. Timber)</b>	<b>758,002,813</b>	<b>13.8</b>	<b>12.0</b>	<b>13.4</b>	<b>11.3</b>	<b>12.8</b>	<b>11.1</b>	<b>12.8</b>	<b>10.9</b>	<b>13.3</b>	<b>10.5</b>	<b>-35.1</b>	<b>-36.7</b>	<b>-23.1</b>	<b>-24.3</b>
<b>Non-Core Portfolio</b>	<b>178,833,887</b>	<b>14.7</b>	<b>12.2</b>	<b>13.6</b>	<b>10.9</b>	<b>14.0</b>	<b>11.9</b>	<b>11.9</b>	<b>9.6</b>	<b>12.2</b>	<b>8.5</b>	<b>-38.8</b>	<b>-40.7</b>	<b>-30.0</b>	<b>-31.3</b>
<b>Total Portfolio</b>															
<b>LACERS</b>	<b>776,636,964</b>	<b>13.7</b>	<b>11.8</b>	<b>13.5</b>	<b>11.4</b>	<b>12.8</b>	<b>11.0</b>	<b>12.6</b>	<b>10.8</b>	<b>13.0</b>	<b>10.3</b>	<b>-34.4</b>	<b>-35.9</b>	<b>-22.5</b>	<b>-23.6</b>
<b>Indices</b>															
NFI ODCE (Core)		12.5	11.5	13.9	12.9	10.9	9.8	16.0	15.0	16.4	15.3	29.8	30.4	10.0	10.7
NFI ODCE + 80 bps (Total Portfolio)		13.3	12.3	14.7	13.7	11.7	10.6	16.8	15.8	17.2	16.1	29.0	29.6	9.2	9.9
NFI ODCE + 200 bps (Non Core Portfolio)		15.3	14.3	16.7	15.7	13.7	12.6	18.8	17.8	19.2	18.1	27.0	27.6	7.2	7.9
NFI ODCE + 50 bps (Value Add)		13.0	12.0	14.4	13.4	11.4	10.3	16.5	15.5	16.9	15.8	29.3	29.9	9.5	10.2
NFI ODCE + 300 bps (Opportunistic)		15.5	14.5	16.9	15.9	13.9	12.8	19.0	18.0	19.4	18.3	26.8	27.4	7.0	7.7
NCREIF Timberland Index (Timber)		9.7		7.8		1.6		0.1		4.7		9.5		18.4	

<sup>1</sup> Liquidating investment. Time weighted returns are excluded as they are no longer meaningful.

<sup>2</sup> Negative Market Value represents fees owed to the manager. No capital had been called as of quarter end.

Quarterly Cash Flow Activity (\$)	Beginning Market Value	Contributions	Distributions	Withdrawals	Gross Income	Manager Fees	Appreciation	Ending Market Value	LTV (%)
<b>Core</b>									
Berkshire Multifamily Income Realty Fund	19,760,039	0	47,629	0	146,181	79,823	457,986	20,236,754	39.8
CIM Commercial Trust Corporation ("CMCT")	240	0	248	0	7	0	0	1	0.0
CIM VI (Urban REIT), LLC	30,265,001	0	6,381,125	0	172,615	99,455	51,821	23,905,215	17.8
INVESCO Core Real Estate	182,975,727	1,498,281	1,502,950	0	1,585,748	150,991	1,418,916	185,824,731	26.0
Jamestown Premier Property Fund	35,939,078	53,909	117,225	0	102,955	39,140	620,409	35,319,168	45.0
JP Morgan Strategic Property Fund	70,354,590	0	0	0	567,486	178,748	799,169	71,542,497	23.6
Kayne Anderson Core Real Estate Fund	34,637,713	0	382,217	0	419,589	48,453	262,488	34,889,120	43.7
Lion Industrial Trust 2007	80,419,980	249,019	572,648	0	869,164	495,869	2,425,491	82,895,137	30.8
Prime Property Fund	56,061,104	0	553,267	0	505,868	117,728	438,483	56,334,460	19.1
Principal U.S. Property Account	67,097,124	0	0	0	607,363	161,574	678,931	68,221,845	20.0
<b>Core</b>	<b>577,510,596</b>	<b>1,801,209</b>	<b>9,557,309</b>	<b>0</b>	<b>4,976,976</b>	<b>1,371,781</b>	<b>5,809,234</b>	<b>579,168,926</b>	<b>28.3</b>
<b>Timber</b>									
Hancock Timberland XI	18,436,961	0	145,737	0	97,965	43,210	288,172	18,634,151	0.0
<b>Timber</b>	<b>18,436,961</b>	<b>0</b>	<b>145,737</b>	<b>0</b>	<b>97,965</b>	<b>43,210</b>	<b>288,172</b>	<b>18,634,151</b>	<b>0.0</b>
<b>Value Added</b>									
Almanac Realty Securities VI	3,186,939	0	0	0	162,457	9,360	36,104	2,979,018	47.8
Asana Partners Fund I	20,833,207	357,000	0	0	241,653	183,079	900,349	22,149,130	46.9
Asana Partners Fund II	6,097,733	3,543,750	0	0	16,258	109,375	672,741	10,188,591	52.1
DRA Growth and Income Fund VII	5,098,729	0	2,438,102	0	182,415	131,168	602,989	3,314,863	59.0
DRA Growth and Income Fund VIII	15,005,112	0	925,926	0	524,669	77,452	12,159	13,489,224	70.0
Gerrity Retail Fund 2	18,705,513	0	76,510	0	229,184	60,290	572,782	18,225,116	57.6
Heitman Asia Pacific Property Investors	18,194,459	340,399	480,201	0	70,386	36,805	2,439,583	20,527,821	51.0
LBA Logistics Value Fund VII	7,387,044	3,298,775	0	0	19,343	112,489	945,944	11,538,616	60.0
Mesa West Real Estate Income Fund III	1,202,205	0	0	0	111	32,949	164,629	1,070,414	0.0
NREP Nordic Strategies Fund IV	1,290,404	0	0	0	40,008	539,261	980,269	1,691,404	43.0
Standard Life Investments European Real Estate Club II	211,569	0	0	0	15,904	645	8,752	203,772	0.0
Waterton Residential Property Venture XIV, L.P.	292,403	276,386	0	0	46,273	117,900	75,530	163,174	0.0
<b>Value Added</b>	<b>96,920,511</b>	<b>7,816,310</b>	<b>3,920,739</b>	<b>0</b>	<b>29,847</b>	<b>1,344,875</b>	<b>5,713,741</b>	<b>105,214,795</b>	<b>51.8</b>
<b>Total Portfolio</b>									
<b>LACERS</b>	<b>763,163,894</b>	<b>12,130,113</b>	<b>15,523,392</b>	<b>30,865</b>	<b>6,268,267</b>	<b>4,477,886</b>	<b>15,106,830</b>	<b>776,636,964</b>	<b>32.8</b>

Quarterly Cash Flow Activity (\$)	Beginning Market Value	Contributions	Distributions	Withdrawals	Gross Income	Manager Fees	Appreciation	Ending Market Value	LTV (%)
<b>Opportunistic</b>									
Apollo CPI Europe I	492,932	0	0	0	44,072	0	21,363	558,367	0.0
Bristol Value II, L.P.	17,686,872	203,175	345,397	0	146,851	60,759	1,282,463	18,913,205	35.7
Broadview Real Estate Partners Fund, L.P.	1,033,642	393,604	0	0	25,859	75,000	352,435	1,678,822	0.0
Bryanston Retail Opportunity Fund	4,325,078	0	0	30,865	37,344	2,901	1,142,728	5,471,385	48.4
California Smart Growth Fund IV	2,282,848	0	0	0	182,992	0	0	2,465,840	0.0
Canyon Johnson Urban Fund II	33,344	0	32,899	0	445	0	0	0	0.0
Cerberus Institutional Real Estate Partners V	335,475	1,401,205	0	0	137,431	144,568	68,270	852,001	62.9
CIM Real Estate Fund III	6,382,193	0	0	0	69,222	27,795	63,637	6,221,539	37.1
CityView LA Urban Fund I	0	0	0	0	0	0	0	0	0.0
Colony Investors VIII	454,777	0	0	0	227	0	61,356	515,906	0.0
DRA Growth and Income Fund VI	626,301	0	0	0	26,344	7,761	25,392	670,276	60.0
Integrated Capital Hospitality Fund	207,569	0	0	0	62,607	9,467	2,416,305	2,280,810	69.5
Latin America Investors III	2,758,777	0	0	0	70,560	44,526	105,165	2,979,028	23.9
Lone Star Fund VII	111,390	0	0	0	4,956	395	721	116,672	0.0
Lone Star Real Estate Fund II	404,436	0	0	0	12,667	827	33,866	424,808	42.0
Oaktree Real Estate Opportunities Fund VIII	0	0	0	0	781,173	798,887	3,213,261	3,195,547	10.4
RECP Fund IV, L.P.	22,561,501	514,610	1,166,463	0	216,366	573,948	169,494	21,382,572	51.4
Southern California Smart Growth Fund	38,753	0	0	0	1,466	0	0	40,219	0.0
Stockbridge Real Estate Fund II	2,217,352	0	41,664	0	802	3,216	24,829	2,198,104	15.2
Torchlight Debt Opportunity Fund IV	4,192,256	0	0	0	15,252	51,687	66,995	4,192,200	12.9
Tuckerman Group Residential Income & Value Added Fund	437,656	0	0	0	1,798	483	3,644	439,019	0.0
Walton Street Real Estate Fund V	2,014,289	0	313,184	0	11,117	0	4,553	1,716,775	0.0
Walton Street Real Estate Fund VI	7,886,889	0	0	0	75,560	19,174	117,602	7,825,673	0.0
<b>Opportunistic</b>	<b>70,295,826</b>	<b>2,512,594</b>	<b>1,899,607</b>	<b>30,865</b>	<b>1,163,479</b>	<b>1,718,020</b>	<b>3,295,683</b>	<b>73,619,092</b>	<b>33.8</b>
<b>Private Real Estate Portfolio Only (ex. Timber)</b>	<b>744,726,933</b>	<b>12,130,113</b>	<b>15,377,655</b>	<b>30,865</b>	<b>6,170,302</b>	<b>4,434,676</b>	<b>14,818,658</b>	<b>758,002,813</b>	<b>33.4</b>
<b>Non-Core Portfolio</b>	<b>167,216,337</b>	<b>10,328,904</b>	<b>5,820,346</b>	<b>30,865</b>	<b>1,193,326</b>	<b>3,062,895</b>	<b>9,009,424</b>	<b>178,833,887</b>	<b>45.7</b>
<b>Total Portfolio</b>									
<b>LACERS</b>	<b>763,163,894</b>	<b>12,130,113</b>	<b>15,523,392</b>	<b>30,865</b>	<b>6,268,267</b>	<b>4,477,886</b>	<b>15,106,830</b>	<b>776,636,964</b>	<b>32.8</b>

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
<b>Core</b>						
Berkshire Multifamily Income Realty Fund	100.0					
CIM Commercial Trust Corporation ("CMCT")		81.7			14.5	3.8
CIM VI (Urban REIT), LLC	48.9	36.5		14.5		
INVESCO Core Real Estate	26.7	34.0	20.9	13.4		5.0
Jamestown Premier Property Fund		70.7		21.6		7.6
JP Morgan Strategic Property Fund	22.1	35.3	19.5	20.8		2.2
Kayne Anderson Core Real Estate Fund						100.0
Lion Industrial Trust 2007			100.0			
Prime Property Fund	25.6	29.4	25.4	9.2		10.4
Principal U.S. Property Account	20.5	36.1	25.1	14.0		4.3
<b>Core</b>	<b>21.4</b>	<b>26.9</b>	<b>31.4</b>	<b>10.8</b>	<b>-</b>	<b>9.5</b>
<b>Timber</b>						
Hancock Timberland XI						100.0
<b>Timber</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>100.0</b>
<b>Value Added</b>						
Almanac Realty Securities VI	26.3				71.0	2.7
Asana Partners Fund I				100.0		
Asana Partners Fund II				100.0		
DRA Growth and Income Fund VII	57.3	29.9		12.7		
DRA Growth and Income Fund VIII	8.6	42.0	11.4	38.0		
Gerrity Retail Fund 2				100.0		
Heitman Asia Pacific Property Investors		46.1	16.3	15.6		22.1
LBA Logistics Value Fund VII			93.1			6.9
NREP Nordic Strategies Fund IV	25.6		14.7	11.1	21.5	27.1
Mesa West Real Estate Income Fund III	100.0					
Standard Life Investments European Real Estate Club II						
Waterton Residential Property Venture XIV, L.P.	100.0					
<b>Value Added</b>	<b>5.6</b>	<b>13.2</b>	<b>13.4</b>	<b>58.3</b>	<b>3.2</b>	<b>6.2</b>
<b>Total Portfolio</b>						
<b>Los Angeles City Employees' Retirement System</b>	<b>17.6</b>	<b>22.9</b>	<b>26.0</b>	<b>16.6</b>	<b>1.2</b>	<b>15.7</b>
<b>Indices</b>						
<b>NFI-ODCE*</b>	<b>26.6</b>	<b>32.9</b>	<b>21.6</b>	<b>14.2</b>	<b>-</b>	<b>4.4</b>

\*NCREIF changed the basis of diversification for the NFI ODCE from Net Real Estate Assets to Gross Real Estate Assets effective 1Q2020.

Property Type Diversification (%)	Apartment	Office	Industrial	Retail	Hotel	Other
<b>Opportunistic</b>						
Apollo CPI Europe I						34.5
Bristol Value II, L.P.	13.4	52.2				
Broadview Real Estate Partners Fund, L.P.			63.0			37.0
Bryanston Retail Opportunity Fund				100.0		
California Smart Growth Fund IV			56.7			43.3
Canyon Johnson Urban Fund II						
Cerberus Institutional Real Estate Partners V		4.1	63.2		1.1	31.6
CIM Real Estate Fund III	21.0	19.5		9.7	24.3	25.4
CityView LA Urban Fund I						
Colony Investors VIII				100.0		
DRA Growth and Income Fund VI		100.0				
Integrated Capital Hospitality Fund					100.0	
Latin America Investors III		25.1				74.9
Lone Star Fund VII						100.0
Lone Star Real Estate Fund II		27.0				73.0
RECP Fund IV, L.P.	18.8	5.0	10.0		18.8	47.3
Southern California Smart Growth Fund			100.0			
Stockbridge Real Estate Fund II						100.0
Torchlight Debt Opportunity Fund IV	14.2	1.9	0.1	33.5	32.2	18.0
Tuckerman Group Residential Income & Value Added Fund						
Walton Street Real Estate Fund V				1.8	18.2	80.0
Walton Street Real Estate Fund VI	1.9	0.3		16.1	7.6	74.1
<b>Opportunistic</b>	<b>10.1</b>	<b>13.0</b>	<b>10.8</b>	<b>8.3</b>	<b>7.0</b>	<b>50.8</b>
<b>Private Real Estate Portfolio Only (ex. Timber)</b>	<b>18.0</b>	<b>23.4</b>	<b>26.5</b>	<b>16.9</b>	<b>1.3</b>	<b>14.0</b>
<b>Non-Core Portfolio</b>	<b>7.2</b>	<b>12.2</b>	<b>11.3</b>	<b>24.0</b>	<b>4.6</b>	<b>40.7</b>
<b>Total Portfolio</b>						
<b>Los Angeles City Employees' Retirement System</b>	<b>17.6</b>	<b>22.9</b>	<b>26.0</b>	<b>16.6</b>	<b>1.2</b>	<b>15.7</b>
<b>Indices</b>						
<b>NFI-ODCE*</b>	<b>26.6</b>	<b>32.9</b>	<b>21.6</b>	<b>14.2</b>	<b>-</b>	<b>4.4</b>

\*NCREIF changed the basis of diversification for the NFI ODCE from Net Real Estate Assets to Gross Real Estate Assets effective 1Q2020.

Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Var-US	Ex-US
<b>Core</b>										
Berkshire Multifamily Income Realty Fund	6.1	4.7	10.3	3.9	26.1	12.8	7.8	28.2		
CIM Commercial Trust Corporation ("CMCT")									100.0	
CIM VI (Urban REIT), LLC	38.8	18.9				24.9		17.4		
INVESCO Core Real Estate	18.4	7.3	2.0	0.6	2.1	14.1	10.9	44.6		
Jamestown Premier Property Fund	30.2	31.2			3.9			34.7		
JP Morgan Strategic Property Fund	20.4	5.8	4.6	0.1	4.5	16.1	3.0	45.6		
Kayne Anderson Core Real Estate Fund	7.7	8.4	14.0	6.6	32.9	16.9	8.1	5.3		
Lion Industrial Trust 2007	20.8	1.9	6.8	1.4	15.3	13.8	6.1	34.0		
Prime Property Fund	26.5	6.0	9.0	1.0	12.9	8.3	4.9	31.5		
Principal U.S. Property Account	13.4	9.1	2.7	1.2	9.3	15.6	11.1	37.7		
<b>Core</b>	<b>19.6</b>	<b>7.9</b>	<b>4.7</b>	<b>1.2</b>	<b>9.1</b>	<b>13.6</b>	<b>7.4</b>	<b>36.5</b>	-	-
<b>Timber</b>										
Hancock Timberland XI								22.4	62.7	14.8
<b>Timber</b>	-	-	-	-	-	-	-	<b>22.4</b>	<b>62.7</b>	<b>14.8</b>
<b>Value Added</b>										
Almanac Realty Securities VI									100.0	
Asana Partners Fund I	10.2	40.2			21.6	21.3		6.7		
Asana Partners Fund II	12.6	21.3		1.9	22.9	0.3	22.9	18.1		
DRA Growth and Income Fund VII		13.7	11.4	0.0	45.7	6.6	6.1	16.6		
DRA Growth and Income Fund VIII	10.0	7.2	26.0	10.9	18.5	8.0		19.3		
Gerrity Retail Fund 2								100.0		
Heitman Asia Pacific Property Investors										100.0
LBA Logistics Value Fund VII	8.4	30.9	15.5		18.8	4.8	3.4	18.1		
Mesa West Real Estate Income Fund III	100.0									
NREP Nordic Strategies Fund IV										100.0
Standard Life Investments European Real Estate Club II										100.0
Waterton Residential Property Venture XIV, L.P.					74.3			25.7		
<b>Value Added</b>	<b>6.7</b>	<b>15.7</b>	<b>4.6</b>	<b>1.5</b>	<b>13.2</b>	<b>5.8</b>	<b>4.4</b>	<b>22.0</b>	<b>2.5</b>	<b>23.6</b>
<b>Total Portfolio</b>										
<b>LACERS</b>	<b>19.7</b>	<b>8.4</b>	<b>3.9</b>	<b>1.1</b>	<b>9.9</b>	<b>11.0</b>	<b>6.3</b>	<b>32.2</b>	<b>2.2</b>	<b>5.2</b>
<b>Indices</b>										
<b>NFI-ODCE</b>	<b>23.0</b>	<b>8.0</b>	<b>7.1</b>	<b>1.0</b>	<b>9.1</b>	<b>9.9</b>	<b>5.9</b>	<b>36.0</b>	-	-

\*NCREIF changed the basis of diversification for the NFI ODCE from Net Real Estate Assets to Gross Real Estate Assets effective 1Q2020.

Geographic Diversification (%)	North East	Mid East	East North Central	West North Central	South East	South West	Mountain	Pacific	Var-US	Ex-US
<b>Opportunistic</b>										
Apollo CPI Europe I									100.0	
Bristol Value II, L.P.	49.8				41.6		8.6			
Broadview Real Estate Partners Fund, L.P.			34.0		66.0					
Bryanston Retail Opportunity Fund	16.5	0.0	9.9	0.2	1.5	11.9	13.6	46.5		
California Smart Growth Fund IV								100.0		
Canyon Johnson Urban Fund II									100.0	
Cerberus Institutional Real Estate Partners V								9.8	17.3	72.9
CIM Real Estate Fund III	16.6		7.4		31.9	12.9		31.3		
CityView LA Urban Fund I									100.0	
Colony Investors VIII										100.0
DRA Growth and Income Fund VI	100.0									
Integrated Capital Hospitality Fund		100.0								
Latin America Investors III										100.0
Lone Star Fund VII			100.0							
Lone Star Real Estate Fund II									100.0	
RECP Fund IV, L.P.	17.4	21.9				1.6		19.4		39.6
Southern California Smart Growth Fund								100.0		
Stockbridge Real Estate Fund II								100.0		
Torchlight Debt Opportunity Fund IV									100.0	
Tuckerman Group Residential Income & Value Added Fund									100.0	
Walton Street Real Estate Fund V					4.5		0.1	6.9		88.8
Walton Street Real Estate Fund VI	105.4	1.9	13.7	1.4	1.1	2.6	1.0	0.3		3.8
<b>Opportunistic</b>	<b>38.8</b>	<b>4.8</b>	<b>-0.8</b>	<b>0.3</b>	<b>12.9</b>	<b>2.6</b>	<b>3.1</b>	<b>18.1</b>	<b>5.4</b>	<b>14.7</b>
<b>Private Real Estate Portfolio Only (ex. Timber)</b>	<b>20.1</b>	<b>8.6</b>	<b>4.0</b>	<b>1.1</b>	<b>10.1</b>	<b>11.2</b>	<b>6.5</b>	<b>32.4</b>	<b>1.0</b>	<b>5.0</b>
<b>Non-Core Portfolio</b>	<b>20.2</b>	<b>9.3</b>	<b>4.1</b>	<b>1.8</b>	<b>15.3</b>	<b>6.6</b>	<b>2.9</b>	<b>18.1</b>	<b>3.6</b>	<b>18.1</b>
<b>Total Portfolio</b>										
<b>LACERS</b>	<b>19.7</b>	<b>8.4</b>	<b>3.9</b>	<b>1.1</b>	<b>9.9</b>	<b>11.0</b>	<b>6.3</b>	<b>32.2</b>	<b>2.2</b>	<b>5.2</b>
<b>Indices</b>										
<b>NFI-ODCE</b>	<b>23.0</b>	<b>8.0</b>	<b>7.1</b>	<b>1.0</b>	<b>9.1</b>	<b>9.9</b>	<b>5.9</b>	<b>36.0</b>	<b>-</b>	<b>-</b>

\*NCREIF changed the basis of diversification for the NFI ODCE from Net Real Estate Assets to Gross Real Estate Assets effective 1Q2020.



Advisory Disclosures and Definitions

**Disclosure**

Trade Secret and Confidential.

Past performance is not indicative of future results.

Investing involves risk, including the possible loss of principal.

Returns are presented on a time weighted basis and shown both gross and net of underlying third party fees and expenses and may include income, appreciation and/or other earnings. In addition, investment level Net IRR's and equity multiples are reported.

The Townsend Group, on behalf of its client base, collects quarterly limited partner/client level performance data based upon inputs from the underlying investment managers. Data collection is for purposes of calculating investment level performance as well as aggregating and reporting client level total portfolio performance. Quarterly limited partner/client level performance data is collected directly<sup>1</sup> from the investment managers via a secure data collection site.

<sup>1</sup>In select instances where underlying investment managers have ceased reporting limited partner/client level performance data directly to The Townsend Group via a secure data collection site, The Townsend Group may choose to input performance data on behalf of its client based upon the investment managers quarterly capital account statements which are supplied to The Townsend Group and the client alike.

**Benchmarks**

The potential universe of available real asset benchmarks are infinite. Any one benchmark, or combination thereof, may be utilized on a gross or net of fees basis with or without basis point premiums attached. These benchmarks may also utilize a blended composition with varying weighting methodologies, including market weighted and static weighted approaches.

## Exhibit B: Real Estate Market Update



# United States Real Estate Market Update (4Q20)

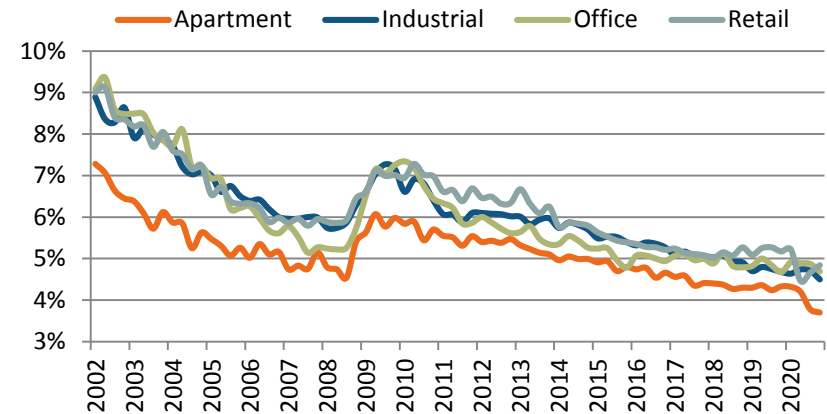
## General

- On March 13, 2020, President Trump declared a national emergency. National, state, and local governments across the world implemented stay-at-home orders, which caused a near complete halt of the world economy. Governments have dramatically expanded expenditures in order to protect people and businesses from large-scale disruption. In 4Q20, equity markets continued to bounce back from the March rout and even exceeded prior highs, and the S&P 500 produced a gross total return of 12.1%. The MSCI US REIT index continued to rebound and produced a return of 11.5% but remains down -7.5% YTD.
- The U.S. entered a recession in February 2020; GDP contracted at an annualized rate of -31.4% in the 2<sup>nd</sup> quarter 2020 but rebounded and grew at annualized rate 33.1% in the 3<sup>rd</sup> quarter. In the 4<sup>th</sup> quarter, GDP grew at an annualized rate of 4.0% and was hindered by a second wave of COVID-19. The unemployment rate peaked in April at 14.7% and has since declined to 6.7% at quarter end 4Q20. The Federal Reserve has acted aggressively via quantitative easing and rate cuts, thus far financial markets have stabilized. The CARES Act provided \$1.5 trillion of stimulus to the economy. The Bloomberg average forecast has projected that the world economy will shrink by -3.9% in 2020.

## Commercial Real Estate

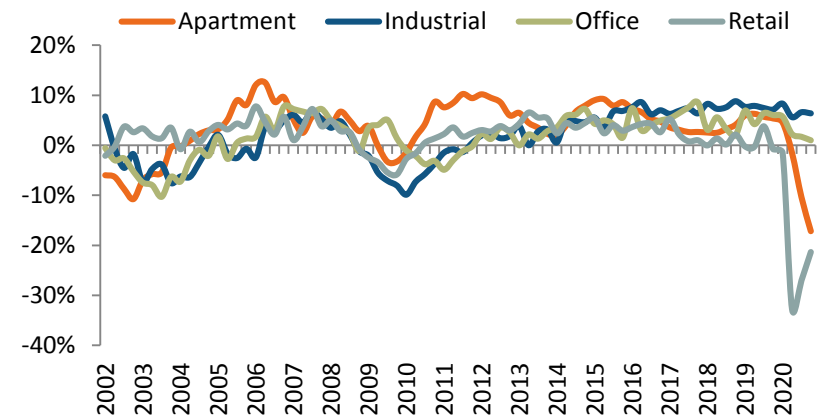
- Shelter in place orders and social distancing have restricted the ability to complete due diligence and acquire assets. Through January 2021, transaction volume was down by 58% YoY. Transactions have primarily occurred in the apartment and industrial sectors.
- Transaction cap rates (5.5%) expanded +60 bps during the quarter. Current valuation cap rates declined for apartments (-8 bps), office (-18 bps), and industrial (-21 bps). A lack of transactions continues to limit evidence to revalue real estate.
- NOI growth has substantially diverged between property sectors due to the impacts of COVID-19. Retail NOI has contracted substantially (-21%) YoY as rent collections declined and retailers were shutdown. Apartment NOI contracted (-17%), primarily driven by declines in effective market rents and a nearly 2% increase in vacancy rates YoY. Public market signals have been divergent by property type.
- In the fourth quarter of 2020, \$39 bn of aggregate capital was raised by real estate funds. There continues to be substantial dry powder, ~\$353 billion, seeking exposure to private real estate.
- 10-year treasury bond yields remained rose 20 bps to 0.9% during the quarter.

Current Value Cap Rates by Property Type



Source: NCREIF

4 Quarter Rolling NOI Growth



Source: NCREIF

# United States Property Matrix (4Q20)

## INDUSTRIAL

- In 4Q20, industrial properties were the highest returning sector at 4.7% and outperformed the NPI by 355 bps.
- Transaction volumes increased to \$40.2 billion in the fourth quarter of the year, resulting in a 9.0% increase year-over-year. Individual asset sales increased 28.0% year-over-year, while portfolio purchases turned in a year-over-year volume decrease of 14.0%. At slightly over \$40 billion, the industrial sector turned in its second highest quarterly transaction volume value to date and increased a significant \$23.3 billion quarter-over-quarter.
- The industrial sector turned in NOI growth of 6.4% over the past year, a decrease from the prior periods TTM growth of 6.6% in 3Q20. Market rent growth is expected to decelerate compared to its recent pace but remains strong.
- Vacancy increased by 10 bps year-over-year to 3.4%, remaining close to all-time historic lows. E-commerce continues to drive demand.
- Industrial cap rates compressed approximately 20 bps from a year ago, to 4.5%. Industrial overall fundamentals still top all property sectors.

## MULTIFAMILY

- The apartment sector delivered a 1.0% return during the quarter, underperforming the NPI by 15 bps.
- Transaction volume in the fourth quarter of 2020 rose to \$60.3 billion, resulting in an increase of 7.0% year-over-year. This volume continues to make multifamily the most actively traded sector for the fourteenth straight quarter.
- Cap rates decreased to 3.7%, compressing 65 bps year-over-year. Multifamily cap rates continue falling to their lowest in years, driven by continued decrease in NOI and increases in valuation.
- The multifamily sector has seen increasing vacancy rates due to the pandemic but continues to hold steady relatively speaking, vacancy has increased 185 bps from a year ago. Various rent concessions have helped managers to maintain tenants through out the pandemic, these concessions will have various impacts on NOI over the next few quarters. The aging millennials have begun shifting their desires to suburban living, but continued home price appreciation has deterred the full effect of this migratory trend.

## OFFICE

- The office sector returned 0.5% in 4Q20, 65 bps below the NPI return over the period.
- Transaction volumes decreased by 29.0% year-over-year in the fourth quarter. Transaction volume equaled \$30.0 billion for the quarter, an increase of \$15.4 billion quarter-over-quarter. Single asset transactions accounted for 71.0% of volume.
- Office sector vacancy rates have expanded since the beginning of the pandemic due to work from home orders and uncertainty revolving around the future of office space. Office continues to be the highest vacancy property type at close to 11.2%.
- NOI growth continued to fall for the office sector to 1.0% in the last year, a decrease of 75 bps and 125 bps from 3Q20 and 2Q20, respectively. Due to work from home orders and rent deferrals/relief, NOI growth is expected to continue being compressed.
- Office cap rates expanded from a year ago to approximately 4.7%, an expansion of just 2 bps. Office-using job growth has been stunted significantly in 2020 due to many work from home orders.

## RETAIL

- As of 4Q20, the retail sector delivered a quarterly return of -1.2%, performing 240 bps below the NPI.
- Transaction volumes totaled \$13.7 billion in the fourth quarter, falling 34% year-over-year. Single asset transactions accounted for just over 68.8% of all sales volume for the quarter.
- Cap rates have compressed approximately 35 bps within the sector over the last year, to 4.8%. The current valuation cap rate did expand quarter-over-quarter by 20 bps due to downward valuation adjustments made across the sector in general.
- NOI growth slightly increased though still significantly negative, -21.3% over the last year. This is a 5.8% increase from last quarter. Retail is expected to continue to suffer from the shift towards e-commerce and hesitance of the consumer.
- Retail vacancy rates increased 185 bps over the past year to 9.0%. Many big box stores have closed as the need for retail space shrinks, translating to a negative outlook for rent growth. Paired with the global economic crisis that has had a significant negative impact on this sector.

## Global Real Estate Market Update (4Q20)

- Global investment activity during the fourth quarter of 2020 was up significantly relative to 3Q20 but was down by 20% over the year compared to 2019. During 4Q20, Transaction volumes recovered significantly in the US and APAC regions while the EU continued to experience significant depression.
- Despite resurgence in COVID cases in certain regions, globally COVID case declines and increased availability of the vaccine have driven an uptick in investor appetite. Interest has been concentrated primarily on industrial, logistics and data center assets with heightened attention given to multifamily properties in certain regions.
- Investment activity in the Americas witnessed a sharp decline and fell by 32% year-over-year. Despite a continued rise in COVID cases, the roll out of the vaccine helped spur investment. Transaction volume in the US increased 97% relative to 3Q20.
- In the Asia Pacific region, volumes were down year-over-year, but transaction activity continued to recover rising 41% relative to 3Q20. Japan and Hong Kong saw improvement in the Q420 due to the execution of several large office deals. Mainland China and Australia investment improved but remained significantly depressed over the year. Korea investment remained strong driven by active domestic real estate funds.
- Although investment activity dropped in the EMEA region, it dropped less than the Americas, with a 25% year-over-year decline. Germany, the largest market, witnessed only a 5% decline.
- In the office sector, global leasing activity declined by over 43% year-over-year and vacancy rates increased by 80 bps to 12.9%. The declines represent an uncertainty about future office space needs. The US witnessed a 90 bps increase in vacancy reaching 15% in Q420. Across the main European markets, rents decreased by 378 bps y-o-y hitting -1.7% in Q420. In the APAC region, despite improvement, net absorption remained depressed.
- Despite a recovery in sales, the retail sector continued to suffer globally as the shutdowns and social distancing measures of the COVID-19 outbreak posed challenges for operators. The bifurcation between property types (necessity-based vs malls/street retail) and markets (urban vs suburban) has significantly widen.
- Despite the multifamily market recording a significant decrease in investments globally, the sector remains the most liquid in commercial real estate highlighting its attractiveness. In the U.S., absorption beat expectations posting an increase in vacancy of only 10 bps to 4.5%, with suburban assets performing above average. However, in Europe investment was up 7% year-over-year. In the APAC, a resurgence of demand occurred as lock-downs ebbed resulting in a 26% y-o-y increase in transaction volumes.
- Industrial yields continued to compress due to strong market fundamentals and heightened demand. US investment volumes recovered in Q420 but still fell by 1.3% compared to 4Q19. EMEA investment volumes performed better than expectations with 4Q20 outpacing 3Q19 by 11%. In the Asia Pacific, rent remained flat y-o-y but values increased slightly by 1.8%.

### Global Total Commercial Real Estate Volume - 2019 - 2020

\$ US Billions	Q4 2020	Q4 2019	% Change		2020	2019	% Change Full Year
			Q4 20 - Q4 19	2020			
Americas	141	166	-15%	367	540	-32%	
EMEA	89	145	-39%	285	380	-25%	
Asia Pacific	227	216	5%	770	855	-10%	
<b>Total</b>	<b>457</b>	<b>528</b>	<b>-13%</b>	<b>1422</b>	<b>1775</b>	<b>-20%</b>	

Source: Real Capital Analytics, Inc., Q4' 20

### Global Outlook - GDP (Real) Growth % pa, 2020-2022

	2020	2021	2022
<b>Global</b>	<b>-3.5</b>	<b>5.4</b>	<b>4.2</b>
<b>Asia Pacific</b>	<b>0.3</b>	<b>5.1</b>	<b>5.0</b>
Australia	-2.8	3.8	3.3
China	2.3	8.4	5.5
India	-7.5	10.0	6.0
Japan	-4.8	2.7	2.1
<b>North America</b>	<b>-3.7</b>	<b>4.9</b>	<b>3.6</b>
US	-3.5	4.9	3.7
<b>Middle East</b>	<b>-3.6</b>	<b>3.1</b>	<b>3.7</b>
<b>European Union</b>	<b>-6.4</b>	<b>4.3</b>	<b>4.2</b>
France	-8.1	5.8	4.0
Germany	-4.9	3.4	3.9
UK	-10.2	4.6	5.5

Source: Bloomberg

# Exhibit C: Glossary



## Cash Flow Statement

<b>Beginning Market Value:</b>	<b>Value of real estate, cash and other holdings from prior period end.</b>
Contributions:	Cash funded to the investment for acquisition and capital items (i.e., initial investment cost or significant capital improvements).
Distributions:	Actual cash returned from the investment, representing distributions of income from operations.
Withdrawals:	Cash returned from the investment, representing returns of capital or net sales proceeds.
Ending Market Value:	The value of an investment as determined by actual sales dollars invested and withdrawn plus the effects of appreciation and reinvestment; market value is equal to the ending cumulative balance of the cash flow statement (NAV).
Unfunded Commitments:	Capital allocated to managers which remains to be called for investment. Amounts are as reported by managers.
Remaining Allocation	The difference between the ending market value + the unfunded commitments and the target allocation. This figure represents dollars available for allocation.

## Style Groups

<b>The Style Groups consist of returns from commingled funds with similar risk/return investment strategies. Investor portfolios/investments are compared to comparable style groupings.</b>	
Core:	Direct investments in operating, fully leased, office, retail, industrial, or multifamily properties using little or no leverage (normally less than 30%).
Value-Added:	Core returning investments that take on moderate additional risk from one or more of the following sources: leasing, re-development, exposure to non-traditional property types, the use of leverage (typically between 40% and 65%).
Opportunistic:	Investments that take on additional risk in order to achieve a higher return. Typical sources of risks are: development, land investing, operating company investing, international exposure, high leverage (typically between 50% and 65% or higher), distressed properties.



## Indices

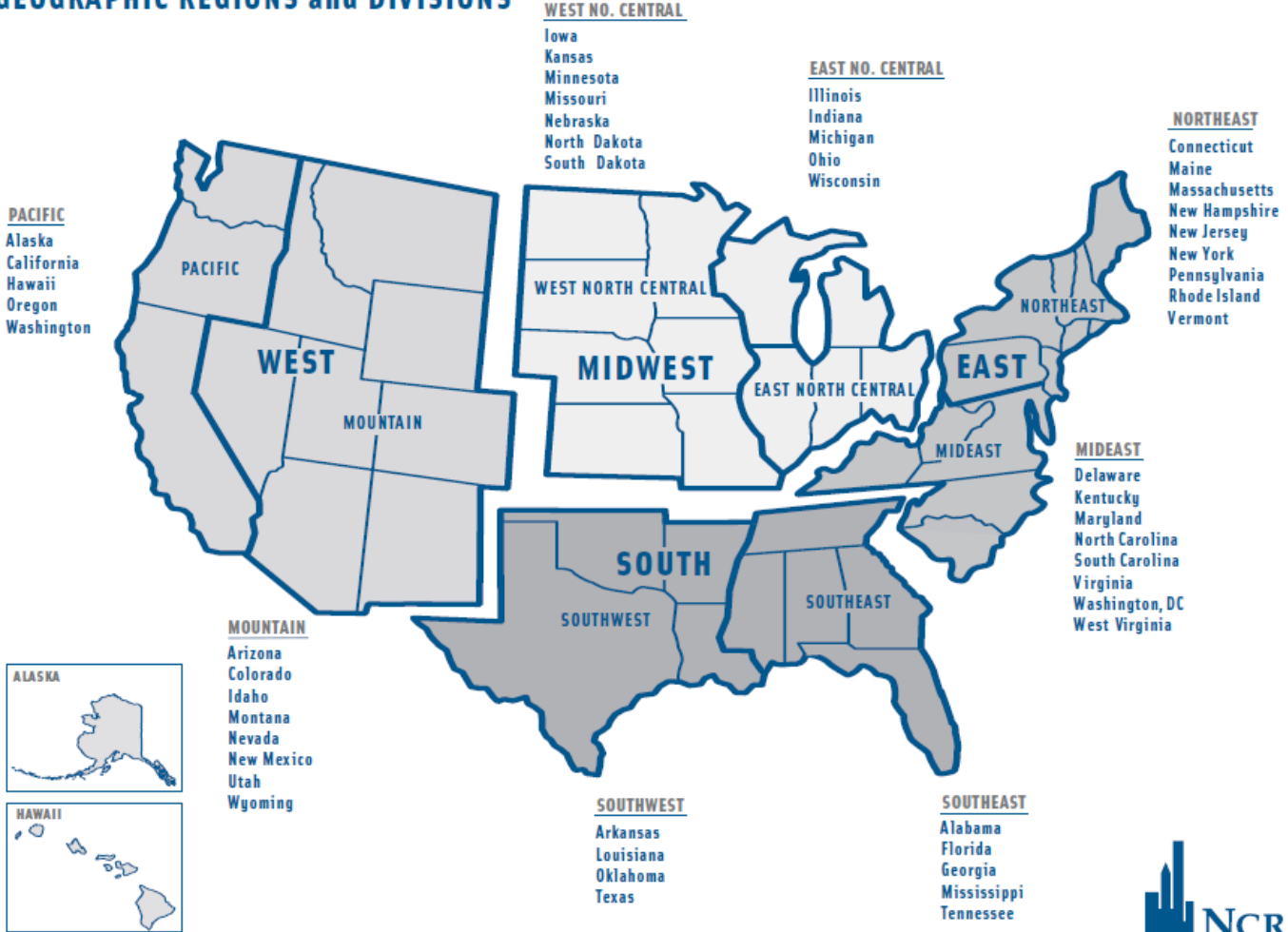
<b>Stylized Index:</b>	<b>Weights the various style group participants so as to be comparable to the investor portfolio holdings for each period.</b>
Open-End Diversified Core Equity Index (“ODCE”):	A core index that includes only open-end diversified core strategy funds with at least 95% of their investments in U.S. markets. The ODCE is the first of the NCREIF Fund Database products, created in May 2005, and is an index of investment returns reporting on both a historical and current basis (25 active vehicles). The ODCE Index is capitalization-weighted and is reported gross and net of fees. Measurement is time-weighted and includes leverage.
NCREIF Timberland Index (“NTI”):	National Index comprised of a large pool of individual timber properties owned by institutions for investment purposes.
NCREIF Property Index (“NPI”):	National Property Index comprised of core equity real estate assets owned by institutions.

## Performance

<b>Income Return (“INC”):</b>	<b>Net operating income net of debt service before deduction of capital items (e.g., roof replacement, renovations, etc.)</b>
Appreciation Return (“APP”):	Increase or decrease in investment's value based on internal or third party appraisal, recognition of capital expenditures which did not add value or uncollectible accrued income, or realized gain or loss from sales.
Total Gross Return (“TGRS”):	The sum of the income return and appreciation return before adjusting for fees paid to and/or accrued by the manager.
Total Net Return (“TNET”):	Total gross return less Advisor fees reported. All fees are requested (asset management, accrued incentives, paid incentives). No fee data is verified. May not include any fees paid directly by the investor as opposed to those paid from cash flows.
Inception Returns <sup>1</sup> :	The total net return for an investment or portfolio over the period of time the client has funds invested. Total portfolio Inception Returns may include returns from investments no longer held in the current portfolio.
Net IRR:	IRR after advisory fees, incentive and promote. This includes actual cash flows and a reversion representing the LP Net Assets at market value as of the period end reporting date.
Equity Multiple:	The ratio of Total Value to Paid-in-Capital (TVPIC). It represents the Total Return of the investment to the original investment not taking into consideration the time invested. Total Value is computed by adding the Residual Value and Distributions. It is calculated net of all investment advisory and incentive fees and promote.

<sup>1</sup> Portfolio level returns include historical returns of managers no longer with assets under management. All returns are calculated on a time-weighted basis.

### GEOGRAPHIC REGIONS and DIVISIONS





**REPORT TO BOARD OF ADMINISTRATION**  
**From: Neil M. Guglielmo, General Manager**

**MEETING: JUNE 8, 2021**  
**ITEM: IX – D**

*Neil M. Guglielmo*

---

**SUBJECT: CONTINUED DISCUSSION OF TEMPORARY ASSET ALLOCATION AND REBALANCING POLICIES AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

---

### **Recommendation**

That the Board:

1. Allow the temporary waiver to the asset allocation policy to hold up to 5% cash in the Unallocated Cash Account (UCA) to expire on June 30, 2021;
2. Allow the temporary waiver that provides staff discretion to defer rebalancing of the asset allocation to expire on June 30, 2021.

### **Executive Summary**

This report provides a status update on the temporary modifications to the Asset Allocation Policy and Rebalancing Policy approved by the Board on March 24, 2020 and extended by the Board on October 27, 2020. Staff recommends discontinuation of these policy waivers as market conditions have normalized. Staff will restore the current asset allocation and rebalancing policies effective July 1, 2021.

### **Discussion**

#### *Background*

On March 24, 2020, the Board approved temporary modifications to the Asset Allocation Policy and Rebalancing Policy, which authorized (1) an increase in cash held in the UCA from a maximum 2% weighting of total fund assets to a maximum 5% weighting of total fund assets; and (2) a deferment of rebalancing as deemed appropriate by staff. These modifications were made to ensure operational liquidity for on-going cash obligations and to reduce the risk of trading securities in extreme market conditions caused by the COVID-19 pandemic. On October 27, 2020, the Board extended these policy waivers through the fiscal year ending June 30, 2021. The Board also directed staff to provide this follow up report to update the Board on the status of these waivers prior to the fiscal year ending June 30, 2021.

### *Update on UCA Cash Balances and Rebalancing Activity*

The month-end cash balances of the UCA from October 31, 2020 to April 30, 2021 and as of May 26, 2021 are presented in the following table. The month-end weightings of each asset class are presented in Attachment 2 for reference.

	10/31/20	11/30/20	12/31/20	1/31/21	2/28/21	3/31/21	4/30/21	5/26/21
UCA (in millions)	\$812.6	\$753.6	\$719.3	\$406.1	\$529.9	\$325.8	\$222.1	\$577.1
UCA (% of total fund)	4.3%	3.7%	3.4%	2.0%	2.5%	1.5%	1.0%	2.6%

Subsequent to the Board's extension of the policy modifications in October 2020, staff continued to hold the UCA balance above a 2% weighting for five of the last eight months. Accordingly, from October 2020 through January 2021, staff allowed the UCA balance to decline from a 4.3% weighting to a 2% weighting. In February 2021, staff increased the UCA balance to 2.5% due to a termination of an investment manager and subsequently allowed cash to decline to the policy target allocation of 1%. In May 2021, staff again increased cash levels above the 2% weighting due to a portfolio rebalancing out of U.S. equities into credit opportunities, real assets, and cash.

It has been over a year since the beginning of the COVID-19 pandemic when the CBOE Volatility Index (VIX) reached a high of 82.69 on March 16, 2020. As of May 18, 2021, the VIX closed at 21.34, returning closer towards its long term average. Although market volatility may still be above its pre-pandemic range, staff does not anticipate extreme market volatility moving forward and recommends restoring the current asset allocation and rebalancing policies. Staff anticipates that the UCA balance will return to within the target policy range of 1% to 2% by June 30, 2021, as routine cash obligations are paid throughout the month.

### **Strategic Alignment**

Adhering to LACERS' Asset Allocation Policy and Rebalancing Policy aligns with both the Strategic Plan Goals to optimize long-term risk adjusted investment returns (Goal IV) and to uphold good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: James Wang, Investment Officer I, Investment Division

NMG/RJ/BF/JW:jp

Attachments:       1. October 27, 2020 Board Report  
                          2. Asset Allocation Chart – March 31, 2020 to May 26, 2021



**LACERS**  
LOS ANGELES CITY EMPLOYEES'  
RETIREMENT SYSTEM



**REPORT TO BOARD OF ADMINISTRATION**  
**From: Neil M. Guglielmo, General Manager**

*Neil M. Guglielmo*

**MEETING: OCTOBER 27, 2020**  
**ITEM: VII – E**

---

**SUBJECT: CONTINUED DISCUSSION OF TEMPORARY ASSET ALLOCATION AND REBALANCING POLICIES AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

---

### **Recommendation**

That the Board:

1. Authorize staff to continue to hold up to 5% cash in the Unallocated Cash Account (UCA) to increase operational liquidity through the fiscal year ending June 30, 2021; and,
2. Authorize staff to continue to defer rebalancing of the asset allocation through the fiscal year ending June 30, 2021 if deemed appropriate; and,
3. Direct staff to report to the Board prior to the fiscal year ending June 30, 2021 on the status of the Asset Allocation Policy and Rebalancing Policy waivers.

### **Executive Summary**

This report provides a status update on the temporary modifications to the Asset Allocation Policy and Rebalancing Policy approved by the Board on March 24, 2020. Staff recommends continuing with these policy waivers through the fiscal year ending June 30, 2021.

### **Discussion**

#### *Background*

On March 24, 2020, the Board approved temporary modifications to the Asset Allocation Policy and Rebalancing Policy, which authorized (1) an increase in cash held in the UCA from a maximum 2% weighting of total fund assets to a maximum 5% weighting of total fund assets; and (2) a deferment of rebalancing as deemed appropriate. These modifications were made to ensure operational liquidity for on-going cash obligations and to reduce the risk of trading securities in extreme market conditions caused by the COVID-19 pandemic. The Board also directed staff to provide this six-month follow up report to update the Board on the status of these waivers.

*Update on UCA Cash Balances and Rebalancing Activity*

The month-end cash balances of the UCA from March 31, 2020 to September 30, 2020 and as of October 16, 2020 are presented in the following table. The month-end weightings of each asset class are presented in Attachment 2 for reference.

2020	Mar 31	Apr 30	May 31	Jun 30	Jul 31	Aug 31	Sept 30	Oct 16
UCA (in millions)	\$111	\$297	\$367	\$281	\$329	\$238	\$165	\$989
UCA (% of total fund)	0.6%	1.7%	2.1%	1.6%	1.7%	1.2%	0.9%	5.0%

Subsequent to the Board’s approval of the policy modifications, staff increased the UCA cash balance above a 2% weighting in four of the last six months, on or around the following dates: April 15, 2020 (2.1%), May 29, 2020 (2.1%), July 20, 2020 (2.2%), and October 16, 2020 (5.0%). In April and May of 2020, staff increased the cash balance in the UCA to approximately 2.1% of total fund assets by rebalancing \$600 million cash from the core fixed income asset class, which had exceeded the upper bound of its target asset allocation range (refer to Attachment 2 for month-by-month asset allocation weightings). The need for increased operational liquidity tempered in the following months as market volatility gradually declined and the volume of private market capital calls normalized to pre-pandemic levels. Staff paused on further increasing the UCA cash balance until July 2020, when the City made its annual cash contribution of approximately \$647 million. Of this amount, \$147 million was allocated to the UCA, increasing the weighting to approximately 2.2%; the remaining balance of the City contribution was invested across the total fund portfolio.

Staff paused again on raising additional cash for the UCA until the current month (October 2020). Public equities asset classes have rallied above pre-pandemic levels, with domestic equities briefly breaching the upper bound of its target asset allocation range in September. Thus, staff initiated a rebalance action in the current month by raising \$821 million from the domestic equities and non-U.S. equities asset classes to increase the UCA to the temporary maximum weighting of 5% (\$989 million on October 16, 2020) to provide near-term funding of investment managers hired from recently completed searches and to provide sufficient cash for routine operational needs over the next several months. Staff anticipates the UCA to return to a maximum 2% allocation by calendar year end 2020.

While extreme volatility that characterized the early months of the pandemic has subsided, market volatility remains elevated. As of October 16, 2020, the VIX index closed at 26.85, which is nearly double its closing value from one year prior. Staff anticipates this heightened market volatility to persist through at least the first half of calendar year 2021 corresponding to political and economic uncertainty. Therefore, staff recommends continuing with the temporary modifications to hold up to 5% in the UCA and defer rebalancing of the asset allocation as deemed appropriate. Additionally, staff recommends that these modifications remain in effect through the fiscal year ending June 30, 2021. Should the Board approve these recommendations, staff would provide the Board with another status report prior to the conclusion of the fiscal year, and make an appropriate recommendation to either extend these modifications or restore current policy.

## **Strategic Alignment**

The temporary modification of LACERS' Asset Allocation Policy and Rebalancing Policy under the current unusual and volatile market conditions aligns with both the Strategic Plan Goals to optimize long-term risk adjusted investment returns (Goal IV) and to uphold good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: James Wang, Investment Officer I, Investment Division

NMG/RJ/BF/JW:ap

Attachments:           1. March 24, 2020 Board Report  
                                  2. Asset Allocation Chart – March 31, 2020 to October 16, 2020





**LACERS**  
LOS ANGELES CITY EMPLOYEES'  
RETIREMENT SYSTEM



**REPORT TO BOARD OF ADMINISTRATION**

From: Lita Payne, Executive Officer *Lita Payne*

**MEETING: MARCH 24, 2020**

**ITEM: IX – B**

**SUBJECT: TEMPORARY MODIFICATIONS TO THE ASSET ALLOCATION AND REBALANCING POLICIES AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board:

1. Authorize staff to hold up to 5% cash in the Unallocated Cash Account (UCA) to increase operational liquidity; and,
2. Authorize staff to defer rebalancing of the asset allocation if deemed appropriate; and,
3. Report to the Board in six months on the status of the Asset Allocation Policy and Rebalancing Policy waivers.

**Discussion**

LACERS' Board of Administration (Board) approves and updates an Asset Allocation Policy and a Rebalancing Policy as a part of the Investment Policy Statement (IPS), which provides staff an implementation and asset management framework to achieve performance objectives and control risk. The Board approved the current Investment Policy Statement on February 12, 2019.

The Investment Policy Statement is designed to address varying market conditions by controlling asset allocation implementation and initiating rebalancing by staff. The current market conditions are unusual and volatility is well-beyond historical averages. The VIX, a popular measure of the stock market's expected volatility, was approximately 74 on March 17, 2020, well above the historical normalized market conditions figure of approximately 20. In such volatile markets, even the best designed asset allocation model and rebalancing may need special consideration and discussion, prior to actions (that are normally part of routine implementation and rebalancing of assets) being taken.

*Cash Asset Class Weighting (Unallocated Cash Account or UCA)*

Staff believes that while extreme market volatility is present and owing to the decline in the total portfolio value to \$15.7 billion, shoring up liquidity within the UCA is important to ensure that LACERS can readily meet on-going cash flow obligations of approximately \$95 million per month that includes retirement

payroll, health insurance premiums, private market capital calls, and staffing and operational expenses while at the same time reduce risk associated with trading securities in extreme market conditions.

While staff believes that having multiples of monthly liquidity readily available during volatile market conditions is prudent to ensure a timely and possibly more cost-effective approach to cash management, there are risks of moving materially away from the established policy weightings. Staff and NEPC, LLC (NEPC), LACERS' general fund consultant, believe holding higher cash balances in the UCA will not have a material impact on LACERS' ability to further implement the current asset allocation initiatives under the asset allocation policy approved by the Board in April 2018. As this recommended increase above 2% is temporary, staff will report back to the Board in six months on status of the temporary increased cash (UCA) weighting and make an appropriate recommendation to either extend this recommendation (with or without weighting adjustments) or restore the current policy weighting of 2%. The table below illustrates various cash weighting scenarios and the numerical deviation away from the 2% cash policy weighting.

Cash (UCA) Weighting	Maximum Cash (millions)	Difference from 2% Policy	Multiple of monthly cash obligations
1.4%	\$220	(30%) <sup>1</sup>	2.3 x
<b>2.0%</b>	<b>\$314</b>	<b>0%</b>	<b>3.3 x</b>
3.0%	\$471	50%	4.9 x
4.0%	\$628	100%	6.6 x
5.0%	\$785	150%	8.3 x

<sup>1</sup> Difference below the 2% current cash policy weight%.

*Rebalancing*

Staff and NEPC believe that having the option to suspend rebalancing during extreme periods of volatility is prudent. As previously mentioned, the IPS is designed to address most market conditions; and history has proven that rebalancing is an effective tool to ensure compliance with expected performance and risk characteristics of the total investment portfolio. In volatile periods, there is a possibility that the asset allocation policy requires a rebalancing between or among asset classes. However, understanding that an out-of-balance asset class due to large market swings may later “self-rebalance” due to a stabilization of the market may help prevent a premature rebalancing that may incur costly market impact and transaction costs. For this reason, staff and NEPC believe that allowing staff to defer any required rebalancing during extreme market volatility will result in reducing market volatility risk and transaction costs. Staff proposes that any required rebalancing occur when market conditions are more favorable as reflected by lower volatility; staff will seek the concurrence of NEPC at that time, and report back to the Board of any deferred and actual rebalancing activities during subsequent CIO’s reports.

**Strategic Plan Impact Statement**

Temporarily modifying the LACERS asset allocation and rebalancing policies under the current unusual and volatile market conditions may assist LACERS with optimizing long-term risk adjusted investment

returns (Goal IV); upholding good governance practices which affirm transparency, accountability and fiduciary duty (Goal V); and maximizing organizational effectiveness and efficiency (Goal VI).

Prepared By: Rod June, Chief Investment Officer

RJ/BF/WL/jp

Attachments:

1. Investment Policy – Sections IV & V (pages 169 to 173)
2. Asset Allocation – March 16, 2020
3. VIX Historical Graphs (2 pages)

## Section 1 INVESTMENT POLICY

6. Report situations where accurate security pricing, valuation, and accrued income are either not possible or subject to considerable uncertainty.
7. Assist the System to complete such activities as the annual audit, transaction verification, or unique issues as required by the Board.
8. Manage a securities lending program to enhance income if directed by the Board. If the securities lending program is managed externally, full cooperation must be provided.

### E. Duties of the General Fund Consultant

The General Fund Consultant shall be responsible for the following:

1. Review quarterly performance including performance attribution on the Board's managers and total assets, including a check on guideline compliance and adherence to investment style and discipline.
2. Make recommendations for Board presentation regarding investment policy and strategic asset allocation.
3. Assist the Board in the selection of qualified investment managers and in the review of existing managers, including monitoring changes in personnel, ownership and the investment process.
4. Assist the Board in the selection of a qualified custodian if necessary.
5. Provide topical research and education on investment subjects as requested by the Board or Investment Staff.

### F. Duties of Parties Involved in LACERS' Matters

The Board is committed to maintaining a workplace that is free of sexual harassment and illegal discrimination. Investment managers, consultants, and other contractors assisting with the implementation of the Board's investment program shall adopt written policies prohibiting sexual harassment and illegal discrimination of any kind to ensure a safe working environment and to protect the System's assets from business risks arising from such misconduct.

Pursuant to this commitment, prior to finalizing its contract with the Board, every public markets contractor shall disclose to the Board all current, pending, and anticipated litigation concerning sexual harassment or related discrimination claims that may have a material impact on the Board's investment(s) managed by said contractor. This disclosure requirement is mandatory for such contracts or amendments dated March 1, 2019 or later.

## IV. ASSET ALLOCATION POLICY

The policies and procedures of the Board's investment program are designed to maximize the probability that the investment goals will be fulfilled. Investment policies will evolve as the System's conditions change and as investment conditions warrant. The Board reviews the Asset Allocation Policy strategically approximately every three years and on a tactical basis more frequently.

## Section 1 INVESTMENT POLICY

The Board adopts and implements the Asset Allocation Policy that is predicated on a number of factors, including:

- A. A projection of actuarial assets, liabilities, benefit payments, and required contributions;
- B. Historical and expected long-term capital market risk and return behavior;
- C. An assessment of future economic conditions, including inflation and interest rate levels;  
and
- D. The current and projected funding status of the System.

This policy provides for diversification of assets in an effort to maximize the investment return of the System consistent with market conditions. Asset allocation modeling identifies the asset classes the System will utilize and the percentage that each class represents of the total plan assets. Due to the fluctuation of market values, positioning within a specified range is acceptable and constitutes compliance with the policy. It is anticipated that an extended period of time may be required to fully implement the Asset Allocation Policy and that periodic revisions will occur. The Board will monitor and assess the actual asset allocation versus policy and will rebalance as appropriate.

The Board will implement the Asset Allocation Policy using investment managers to invest the assets of the System's portfolio components subject to investment guidelines. Equity managers may not hold more than 10% of the market value of their portfolios in cash without Board approval, unless otherwise specified in their manager guidelines. The long-term asset allocation targets and ranges for the investments of the System's assets are presented in the latest Board-approved Asset Liability Study and Asset Allocation Policy.

The Board will allocate segments of the System's assets to each investment manager and specify guidelines, objectives and standards of performance, which are to apply to each manager's portfolio. These decisions will encompass allocating segments of the System assets, and segments of individual asset classes, between active and passive investment management, the active risk of the portfolio and to provide broad market exposure.

### V. INVESTMENT POLICY

The Board will retain external investment managers to manage the System's assets using a specific style and methodology. Public external investment managers have been delegated authority for determining investment strategy, security selection, and timing. Public external investment managers are subject to the Board's policy and individual investment manager guidelines, legal restrictions, and other Board direction. Performance objectives will also be developed for each manager. The performance of each portfolio will be monitored and evaluated on a regular basis relative to each portfolio component's benchmark return and, if available, relative to a peer group of managers following similar investment styles. Private market investment managers shall manage the System's assets pursuant to the respective asset class policy and the partnership fund's limited partnership agreement or other applicable legal documents.

## Section 1 INVESTMENT POLICY

Investment actions are expected to comply with "prudent person" standards. Each investment manager will be expected to know the rules of the Board and comply with those rules. It is each manager's responsibility to identify policies that have an adverse impact on performance and to initiate discussion toward possible improvement of the rules of the Board.

The Board will also review each investment manager's adherence to its investment policy and any material changes in the manager's organization (e.g., personnel changes, new business developments, etc.). The investment managers retained by the Board will be responsible for informing the Board of such material changes within a reasonable timeframe as articulated within their respective investment guidelines.

Investment managers under contract to the Board shall have discretion to establish and execute transactions with securities broker/dealer(s). The investment managers will attempt to obtain best execution with respect to every portfolio transaction. The following transactions will be prohibited: net short sales; selling on margin; writing options other than covered options; "prohibited transactions" as defined under the Employee Retirement Income Security Act (ERISA); and, transactions that involve a broker acting as a "principal," where such broker is also the investment manager making the transaction. The investments of the Board's assets will be subject to the following general policies.

### A. Manager Selection

The selection of investment managers is accomplished in accordance with all applicable local, state, and federal laws and regulations. Each investment manager, consultant, and custodian functions under a formal contract that delineates responsibilities and appropriate performance expectations. Section VII describes LACERS' Manager Search and Selection Policy which articulates the process that will be employed for each public markets manager search.

### B. Manager Authority

The Board's investment managers shall direct and manage the investment and reinvestment of assets allocated to their accounts in accordance with this document; Board rules or direction, applicable local, state, and federal statutes and regulations and individual management investment plans and executed contracts.

### C. Brokerage Policy

The Board directs all investment managers trading public securities to utilize brokers who shall fulfill brokerage transactions for System assets in accordance with best execution. Subsequently, all LACERS public equity managers are to utilize commission recapture brokers on a best efforts basis. Commission recapture is a program designed to reduce fund expenses and increase cash flow by returning a portion of the commissions that external investment managers pay to brokers. Staff will provide to the Board an annual report summarizing commission and recapture activity for the fiscal year. The report will be presented within four months following the end of the fiscal year.

## Section 1 INVESTMENT POLICY

### D. Proxy Voting

Proxy voting rights will be managed with the same care, skill, diligence, and prudence as is exercised in managing other assets. Proxy voting rights will be exercised in the sole interest of the System's members and beneficiaries in accordance with all applicable statutes consistent with the Board Proxy Voting Policy, which is found in Section XIV of this policy statement.

### E. Securities Lending

The Board has authorized the execution of a "Securities Lending Program," which may be managed by the Board's custodian or delegated to a third-party provider. The Board will monitor and review the program. This program is described in the Securities Lending Policy (Section XV of this document) and in the Securities Lending Agreement of the securities lending provider. The initial collateral levels will not be less than 102% of the market value of the borrowed securities, or not less than 105% if the borrowed securities and collateral are denominated in different currencies. Marking to market is performed every business day, and the borrower is required to deliver additional collateral when necessary. Stringent cash and non-cash collateral guidelines specify eligible investments, credit quality standards, and diversification, maturity and liquidity requirements.

### F. Derivatives

The Board's investment managers may be permitted, under the terms of individual investment guidelines, to use derivative instruments as set forth in each manager's investment guidelines to control portfolio risk. Derivatives are contracts or securities whose returns are derived from the movement of the pricing of other securities. The returns are to be consistent with the manager's mandate from the returns of other securities, indices, or allowable derivative instruments that include, but are not limited to, futures and forwards. Examples of appropriate applications of derivative strategies include hedging interest rates and currency risks, maintaining exposure to a desired asset class while effecting asset allocation changes, and adjusting portfolio duration for fixed income. In no circumstances can managers borrow funds to purchase derivatives. Managers must ascertain and carefully monitor the creditworthiness of any counterparties involved in derivative transactions.

### G. Rebalancing

The investment portfolio shall, on an ongoing basis in accordance with market fluctuations, be rebalanced to remain within the range of targeted allocations and distributions among investment advisors. The Board has a long-term investment horizon and utilizes an asset allocation that encompasses a strategic, long-run perspective of capital markets. It is recognized that a strategic long-run asset allocation plan implemented in a consistent and disciplined manner will be the major determinant of the System's investment performance.

Rebalancing is not primarily intended to be used for tactical asset allocation. The Board will not attempt to time the rise or fall of the investment markets by moving away from long-term targets because (1) market timing may result in lower returns than buy-and-hold strategies; (2) there is little or no evidence that one can consistently and accurately predict market timing opportunities; and (3) rebalancing too often may result in excessive transaction costs. However,

**Section 1 INVESTMENT POLICY**

the Board may authorize staff to rebalance assets within or among asset classes without breaching Board-established asset allocation policy threshold bands. Such rebalancing would be subject to an annually approved Tactical Asset Allocation Plan (TAAP) in order to enhance incremental performance during periods of market dislocations. The Board will consider the approval of a new TAAP or renewal of an existing TAAP within three months prior to the start of each fiscal year. The approved TAAP will be effective on July 1 of each year. Should the Board choose not to renew a TAAP, the existing TAAP may continue to be implemented; however, new TAA positions may not be introduced until a new TAAP is approved by the Board.

The Board delegates the responsibility of rebalancing to the Chief Investment Officer, who will seek the concurrence of the General Fund Consultant. Rebalancing generally will occur when the market values of asset classes (e.g., equities, fixed income, etc.) or sub-asset classes (e.g., large cap value, emerging markets, etc.) exceed their respective thresholds as established by the Board's approved asset allocation and asset class risk budgets.

The portfolio will be monitored daily, but reviewed by senior investment staff (i.e., Chief Investment Officer or Chief Operating Officer) at the beginning of each month to determine the need to rebalance asset classes or sub-asset classes within approved policy bands. Rebalancing will be conducted in a timely manner, taking into consideration associated costs and operational circumstances and market conditions. Rebalancing will be accomplished by using routine cash flows, such as contributions and benefit payments, by reallocating assets across asset classes, investment mandates, and investment managers.

Asset classes temporarily may remain outside of their ranges due to operational and implementation circumstances to include, but not limited to, illiquidity that prevents immediate rebalancing of certain asset classes such as private equity and private real estate; potential asset shifts pending in the portfolio over the next 12 months such as hiring/termination of a manager(s); an asset allocation review of the entire portfolio; or a structural review of a given asset class.

The Chief Investment Officer shall inform the Board in a timely manner of all rebalancing activity.

**H. Evaluation of Policy**

The Investment Policy Statement shall be reviewed by the Board at least annually, with the assistance of the Staff and investment consultant(s), and revised as necessary.

**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>
Domestic Equity	Russell 3000
Non-U.S. Equity	MSCI ACWI ex-U.S.





CLASS	STYLE	BENCHMARK	CURRENT MKT VALUE \$	CURRENT MKT VALUE %	POLICY TARGET %	POLICY TARGET \$	TARGET \$ mm diff	Lower threshold %	Upper threshold %	EFFECTIVE FEES (in bps)
<b>U.S. EQUITY</b>		<b>Russell 3000</b>	<b>3,356.6</b>	<b>21.3%</b>	<b>19.0%</b>	<b>2,990.0</b>	<b>(366.5)</b>	<b>12.0%</b>	<b>26.0%</b>	
Rhumblin	Index	S&P 500	2,700.7	17.2%						0.58
Rhumblin	Index	Russell 1000 Growth	0.0	0.0%						
Principal Global	Mid Cap	Russell Mid Cap	153.2	1.0%						38.26
Rhumblin	Index	Russell 2000	175.1	1.1%						0.58
Rhumblin	Index	Russell 2000 Growth	96.8	0.6%						0.58
EAM Investors	Small Cap Growth	Russell 2000 Growth	93.7	0.6%						73.01
Rhumblin	Index	Russell 2000 Value	137.2	0.9%						0.58
<b>NON-U.S. EQUITY</b>		<b>MSCI All Country World Index</b>	<b>4,038.6</b>	<b>25.7%</b>	<b>27.0%</b>	<b>4,249.0</b>	<b>210.4</b>	<b>18.0%</b>	<b>36.0%</b>	
State Street	Index	MSCI World Ex-US	1,301.9	8.3%						2.38
Lazard	Dev Mkts Core	MSCI EAFE	451.4	2.9%						53.86
MFS	Dev Mkts Growth	MSCI World Ex-US Growth	509.4	3.2%						42.45
Barrow Hanley	Dev Mkts Value	MSCI EAFE Value	367.5	2.3%						49.78
Oberweis	Dev Mkts Small Cap	MSCI EAFE Small Cap	172.7	1.1%						88.68
AQR Capital	Dev Mkts Small Cap	MSCI EAFE Small Cap	198.5	1.3%						68.82
QMA	Emg Mkts Core	MSCI Emerging Markets	351.2	2.2%						37.12
Axiom International	Emg Mkts Growth	MSCI EM Growth	365.5	2.3%						62.74
DFA	Emg Mkts Value	MSCI Emg Mkts Value	320.3	2.0%						51.56
<b>CORE FIXED INCOME</b>		<b>BBG BC US Aggregate</b>	<b>3,295.3</b>	<b>20.9%</b>	<b>13.8%</b>	<b>2,163.8</b>	<b>(1,131.5)</b>	<b>10.8%</b>	<b>16.8%</b>	
State Street	Index	BBG BC US Aggregate	955.0	6.1%						4.16
Baird	Active Core	BBG BC Gvt/Crdt Intermediate	350.3	2.2%						11.71
Loomis	Active Core	BBG BC US Aggregate	838.6	5.3%						12.38
LM Capital	Active Core	BBG BC US Aggregate	332.1	2.1%						11.55
Neuberger Berman	Active Core	BBG BC US Aggregate	819.3	5.2%						13.39
<b>CREDIT OPPORTUNITIES</b>		<b>65% BBG BC US HY/35% JPM EMBI GD</b>	<b>928.2</b>	<b>5.9%</b>	<b>12.3%</b>	<b>1,927.8</b>	<b>999.5</b>	<b>8.3%</b>	<b>16.3%</b>	
AEGON	High Yield Bonds	BBG BC U.S. High Yield 2% Capped	333.2	2.1%						40.75
Prudential	Emerging Mkt Bonds	JPM EMBI Global Diversified	379.1	2.4%						39.62
Bain	Bank Loans	CSFB Leveraged Loan Index	215.9	1.4%						42.20
<b>PRIVATE EQUITY</b>		<b>Russell 3000 + 300 bps</b>	<b>2,063.3</b>	<b>13.1%</b>	<b>14.0%</b>	<b>2,203.2</b>	<b>139.8</b>	<b>N/A</b>	<b>N/A</b>	
<b>PUBLIC REAL ASSETS</b>			<b>1,105.7</b>	<b>7.0%</b>	<b>6.0%</b>	<b>944.2</b>	<b>(161.5)</b>	<b>4.0%</b>	<b>8.0%</b>	
DFA	TIPS	BBG BC U.S. TIPS Index	754.1	4.8%						5.33
CoreCommodities	Commodities	Bloomberg Commodities Index	180.8	1.1%						60.00
Centersquare	REITS	FTSE NAREIT All Equity REIT Index	170.9	1.1%						44.39
<b>REAL ESTATE</b>		<b>NFI + 80 bps</b>	<b>814.2</b>	<b>5.2%</b>	<b>7.0%</b>	<b>1,101.6</b>	<b>287.4</b>	<b>N/A</b>	<b>N/A</b>	
<b>TRANSITION ACCOUNT</b>			<b>0.1</b>	<b>0.0%</b>						
<b>CASH</b>			<b>134.9</b>	<b>0.9%</b>	<b>1.0%</b>	<b>157.4</b>	<b>22.4</b>	<b>0.0%</b>	<b>2.0%</b>	
<b>TOTAL PORTFOLIO</b>			<b>15,737.0</b>	<b>100.0%</b>	<b>100.0%</b>					

Holdings as of

March 16, 2020

Securities Lending 2,198.4 Util Rate 17%

# CBOE Volatility Index (VIX) 1991-March 17, 2020

Published on TradingView.com, March 17, 2020 17:29:01 UTC  
CBOE:VIX, M 76.52 ▼ -6.17 (-7.46%) O: 34.86 H: 84.83 L: 24.93 C: 76.52



# CBOE Volatility Index (VIX)

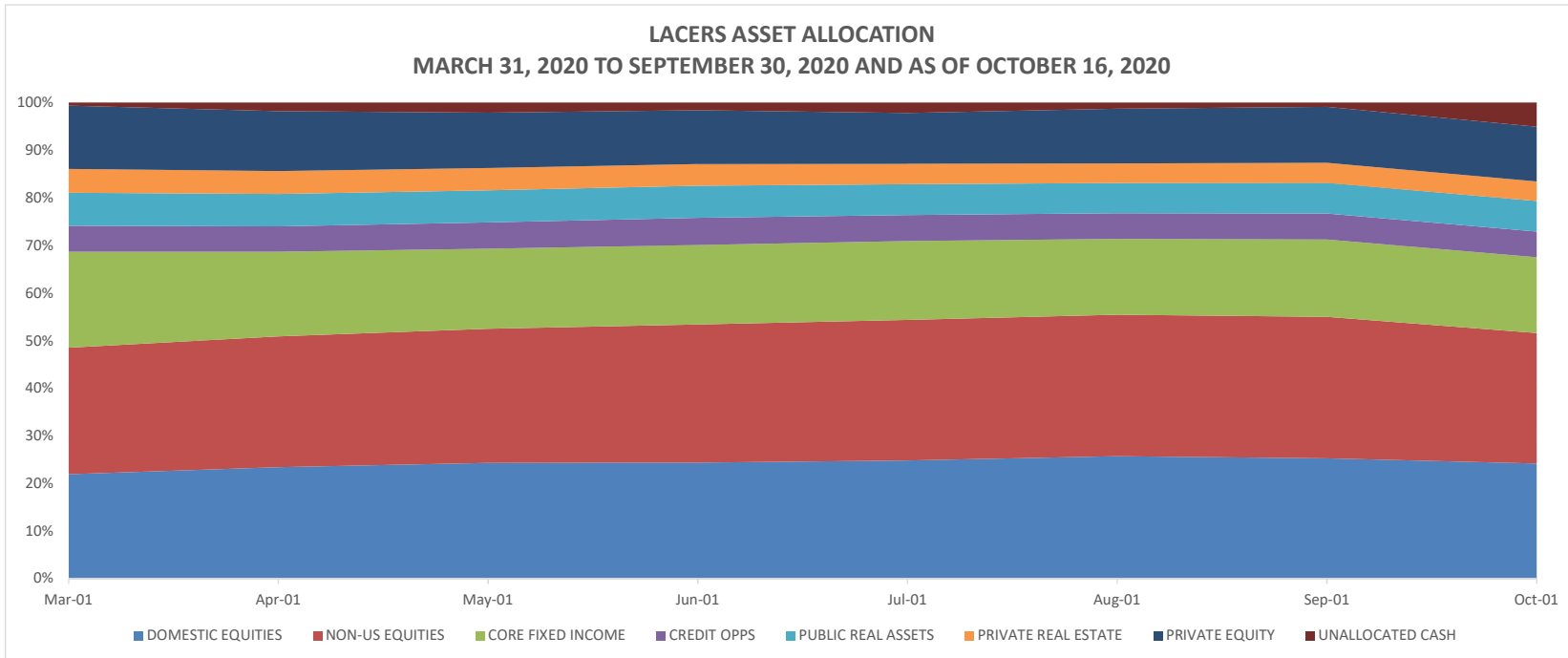
## May 2019-March 17, 2020

Published on TradingView.com, March 17, 2020 17:27:36 UTC  
CBOE:VIX, D 76.19 ▼ -6.50 (-7.86%) O:82.69 H:84.83 L:70.37 C:76.19



LACERS ASSET ALLOCATION  
MARCH 31, 2020 TO SEPTEMBER 30, 2020 AND AS OF OCTOBER 16, 2020

ASSET CLASS	Actual (%)									Target	Min	Max
	Mar-31	Apr-30	May-31	Jun-30	Jul-31	Aug-31	Sep-30	Oct-16				
DOMESTIC EQUITIES	21.93%	23.45%	24.29%	24.40%	24.81%	25.72%	25.29%	24.18%	19.00%	12.00%	26.00%	
NON-US EQUITIES	26.57%	27.45%	28.19%	28.98%	29.55%	29.75%	29.75%	27.43%	27.00%	18.00%	36.00%	
CORE FIXED INCOME	20.2%	17.8%	16.9%	16.7%	16.6%	15.9%	16.2%	15.9%	13.75%	10.80%	16.80%	
CREDIT OPPS	5.42%	5.32%	5.52%	5.70%	5.48%	5.38%	5.44%	5.44%	12.25%	8.30%	16.30%	
PUBLIC REAL ASSETS	6.9%	6.8%	6.8%	6.8%	6.5%	6.4%	6.5%	6.4%	6.00%	4.00%	8.00%	
PRIVATE REAL ESTATE	5.0%	4.8%	4.7%	4.6%	4.3%	4.1%	4.2%	4.1%	7.00%	NA	NA	
PRIVATE EQUITY	13.3%	12.6%	11.5%	11.2%	10.7%	11.5%	11.8%	11.5%	14.00%	NA	NA	
UNALLOCATED CASH	0.6%	1.7%	2.1%	1.6%	2.2%	1.2%	0.9%	5.0%	1.00%	0.00%	5.00%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>			



LACERS ASSET ALLOCATION  
MARCH 31, 2020 TO APRIL 30, 2021 AND AS OF MAY 26, 2021

ASSET CLASS	Actual (%)															Target*	Min	Max
	3/31/20	4/30/20	5/31/20	6/30/20	7/31/20	8/31/20	9/30/20	10/31/20	11/30/20	12/31/20	1/31/21	2/28/21	3/31/21	4/30/21	5/26/21			
DOMESTIC EQUITIES	21.93%	23.45%	24.29%	24.40%	24.81%	25.72%	25.29%	23.50%	24.40%	25.00%	25.00%	25.60%	26.10%	26.60%	21.40%	19.00%	12.00%	26.00%
NON-US EQUITIES	26.57%	27.45%	28.19%	28.98%	29.55%	29.75%	29.75%	27.00%	28.40%	26.90%	27.00%	27.40%	27.50%	27.70%	27.80%	27.00%	18.00%	36.00%
CORE FIXED INCOME	20.22%	17.83%	16.86%	16.73%	16.57%	15.92%	16.24%	16.40%	15.60%	16.60%	16.60%	16.20%	16.50%	16.20%	15.90%	13.75%	10.80%	16.80%
CREDIT OPPS	5.42%	5.32%	5.52%	5.70%	5.48%	5.38%	5.44%	6.00%	5.80%	5.70%	7.40%	7.20%	7.00%	6.90%	8.20%	12.25%	8.30%	16.30%
PUBLIC REAL ASSETS	6.93%	6.80%	6.77%	6.77%	6.50%	6.41%	6.47%	6.50%	6.20%	6.20%	6.30%	5.20%	5.10%	5.10%	6.80%	6.00%	4.00%	8.00%
PRIVATE REAL ESTATE	5.02%	4.78%	4.70%	4.56%	4.26%	4.09%	4.19%	4.20%	4.00%	3.90%	3.90%	3.90%	3.90%	3.80%	3.90%	7.00%	NA	NA
PRIVATE EQUITY	13.32%	12.65%	11.55%	11.25%	10.67%	11.51%	11.75%	12.00%	11.90%	11.80%	11.80%	11.90%	12.30%	12.60%	13.50%	14.00%	NA	NA
UNALLOCATED CASH	0.59%	1.73%	2.12%	1.60%	2.15%	1.22%	0.87%	4.30%	3.70%	3.40%	2.00%	2.50%	1.50%	1.00%	2.60%	1.00%	0.00%	5.00%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>		

\*Targets based on the April 10, 2018 Board approved asset allocation policy. On May 11, 2021, the Board approved a new asset allocation policy; the Unallocated Cash target remains at 1%.

