



## *Board of Administration Agenda*

### REGULAR MEETING

**TUESDAY, DECEMBER 14, 2021**

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

### MEETING LOCATION:

In accordance with Government Code Section 54953, subsections (e)(1) and (e)(3), and in light of the State of Emergency proclaimed by the Governor on March 4, 2020 relating to COVID-19 and ongoing concerns that meeting in person would present imminent risks to the health or safety of attendees and/or that the State of Emergency continues to directly impact the ability of members to meet safely in person, the LACERS Board of Administration's December 14, 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) 254-5252 or (669) 216-1590

**Meeting ID#** 161 252 6171

**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).

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).

**Disclaimer to Participants**

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

- 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 MEETINGS OF [OCTOBER 26, 2021](#) AND [NOVEMBER 9, 2021](#) AND POSSIBLE BOARD ACTION
- III. BOARD PRESIDENT VERBAL REPORT
- IV. GENERAL MANAGER VERBAL REPORT
  - A. REPORT ON DEPARTMENT OPERATIONS
  - B. UPCOMING AGENDA ITEMS
  - C. RECOGNITION OF SERVICE FOR ALEX RABRENOVICH
  - D. RECOGNITION OF SERVICE FOR VINCENT KOELLER
- V. RECEIVE AND FILE ITEMS
  - A. [ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD](#)
  - B. [BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER](#)
  - C. [COMMISSIONER RUIZ EDUCATION EVALUATION ON 50/50 WOMEN ON BOARDS CONVERSATIONS ON BOARD DIVERSITY; VIRTUAL; NOVEMBER 3 & 5, 2021](#)
  - D. [COMMISSIONER SERRANO EDUCATION EVALUATION ON 50/50 WOMEN ON BOARDS CONVERSATIONS ON BOARD DIVERSITY; VIRTUAL; NOVEMBER 3 & 5, 2021](#)
  - E. [COMMISSIONER ELIZABETH LEE EDUCATION EVALUATION ON STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS \(SACRS\) FALL CONFERENCE; HOLLYWOOD, CA; NOVEMBER 9-12, 2021](#)
  - F. [LEGISLATIVE UPDATE OF DECEMBER 2021](#)
  - G. [MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR OCTOBER 2021](#)
- VI. COMMITTEE REPORT(S)
  - A. INVESTMENT COMMITTEE MEETING VERBAL REPORT FOR THE MEETING ON NOVEMBER 9, 2021
- VII. BOARD/DEPARTMENT ADMINISTRATION

- A. [FINDINGS TO CONTINUE TELECONFERENCE MEETINGS AND DETERMINATION THAT COVID-19 STATE OF EMERGENCY CONTINUES TO DIRECTLY IMPACT THE ABILITY OF MEMBERS TO MEET SAFELY IN PERSON, AND POSSIBLE BOARD ACTION](#)
- B. [CONTRACT EXTENSION WITH ALLIANT INSURANCE SERVICES, INC. \(ALLIANT\) FOR INSURANCE BROKERAGE SERVICES, AND POSSIBLE BOARD ACTION](#)
- C. [LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM COVID-19 BOARD MEETING SAFETY STANDARDS, AND POSSIBLE BOARD ACTION](#)
- D. LACERS *WELL* UPDATE – VERBAL REPORT

VIII. INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT
- B. [PRESENTATION BY NEPC, LLC OF THE PORTFOLIO PERFORMANCE REVIEW FOR THE QUARTER ENDING SEPTEMBER 30, 2021](#)
- C. [PRIVATE EQUITY PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING JUNE 30, 2021](#)
- D. [PRIVATE EQUITY PROGRAM 2022 STRATEGIC PLAN AND POSSIBLE BOARD ACTION](#)
- E. [PRIVATE CREDIT CONSULTANT RFP AND POSSIBLE BOARD ACTION](#)
- F. [CONTINUED DISCUSSION OF THE RESPONSIBLE INVESTMENT POLICY AND POSSIBLE BOARD ACTION](#)
- G. [UPDATE ON TRANSITION FROM LIBOR TO SECURED OVERNIGHT FINANCING RATE](#)
- H. [DISCLOSURE OF FEES, EXPENSES, AND CARRIED INTEREST OF ALTERNATIVE INVESTMENT VEHICLES FOR THE FISCAL YEAR ENDING JUNE 30, 2021 PURSUANT TO GOVERNMENT CODE SECTION 7514.7](#)

IX. LEGAL/LITIGATION

- A. [BOARD EDUCATION: FIDUCIARY LEADERSHIP IN INVESTMENT CONTRACTING \(PART 2\)](#)
- B. [APPROVAL OF ONE-YEAR EXTENSION TO CONTRACTS WITH SECURITIES MONITORING COUNSEL; REQUEST FOR PROPOSALS FOR OUTSIDE SECURITIES MONITORING COUNSEL AND LITIGATION COUNSEL TO BE PUBLISHED IN 2022, AND POSSIBLE BOARD ACTION](#)

X. OTHER BUSINESS

XI. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, December 28, 2021 at 10:00 a.m. at LACERS, 202 West 1<sup>st</sup> Street, Suite 500, 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 accordance with Government Code Section 54953, subsections (e)(1) and (e)(3), and in light of the State of Emergency proclaimed by the Governor on March 4, 2020 relating to COVID-19 and ongoing concerns that meeting in person would present imminent risks to the health or safety of attendees and/or that the State of Emergency continues to directly impact the ability of members to meet safely in person, the LACERS Board of Administration's October 26, 2021 meeting will be conducted via telephone and/or videoconferencing.

October 26, 2021

10:00 a.m.

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|                                |                      |   |
|--------------------------------|----------------------|---|
| PRESENT via Videoconferencing: | President:           | Cynthia M. Ruiz   |
|                                | Vice President:      | Sung Won Sohn   |
|                                | Commissioners:       | Annie Chao<br>Elizabeth Lee<br>Sandra Lee<br>Nilza R. Serrano<br>Michael R. Wilkinson |
|                                | Manager-Secretary:   | Neil M. Guglielmo   |
|                                | Legal Counselor:     | Anya Freedman   |
| PRESENT at LACERS Office:      | Executive Assistant: | Ani Ghoukassian   |

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

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – *THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT* – **PRESS \*9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD** – President Ruiz asked if any persons wanted to make a general public comment to which there was no response.

II

APPROVAL OF MINUTES FOR THE REGULAR MEETING OF SEPTEMBER 28, 2021 AND POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

### III

BOARD PRESIDENT VERBAL REPORT – President Ruiz thanked all the participants and staff involved with the first LACERS Emerging Manager Symposium held virtually on October 20, 2021.

### IV

#### GENERAL MANAGER VERBAL REPORT

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

- Two audits in process: 5-year audit and IT Security audit
- New IRS Tax Withholding W-4P forms for 2022
- Update on 977 Broadway building
- Open Enrollment began on October 15, 2021
- Member Services update
- Member Communications statistics
- LACERS 1<sup>st</sup> in-person webinar since pandemic held on October 21, 2021
- Upcoming Wellness Events

B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board of the following items:

- 977 N. Broadway Project Quarterly Report
- Actuarial Valuations as of June 30, 2021

C. INTRODUCTION OF NEW DEPUTY CITY ATTORNEYS TO PUBLIC PENSIONS GENERAL COUNSEL DIVISION – Neil M. Guglielmo, General Manager and Anya Freedman, Assistant City Attorney, introduced the two newest Deputy City Attorney's in the Public Pensions General Counsel Division. Gina DiDomenico and Sheri Cheung briefly introduced themselves to the Board.

### V

#### RECEIVE AND FILE ITEMS

A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR SEPTEMBER 2021 – This report was received by the Board and filed.

### VI

#### COMMITTEE REPORT(S)

A. INVESTMENT COMMITTEE MEETING VERBAL REPORT FOR THE MEETING ON OCTOBER 12, 2021 – Vice President Sohn reported that the Committee listened to a presentation by Blackrock Institutional Trust Company. The Committee approved the private

credit pacing implementation plan, the investment manager contract with Axiom Investors, LLC, and the Tactical Asset Allocation Policy. The Committee also considered a commitment to LBA Logistics Value Fund IX, L.P.

## VII

### BOARD/DEPARTMENT ADMINISTRATION

- A. FINDINGS TO CONTINUE TELECONFERENCE MEETINGS AND DETERMINATION THAT COVID-19 STATE OF EMERGENCY CONTINUES TO DIRECTLY IMPACT THE ABILITY OF MEMBERS TO MEET SAFELY IN PERSON, POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval of the following Resolution:

#### **CONTINUE HOLDING LACERS BOARD AND COMMITTEE MEETINGS VIA TELECONFERENCE AND/OR VIDEOCONFERENCE**

##### **RESOLUTION 211026-A**

WHEREAS, LACERS is committed to preserving public access and participation in meetings of the Board of Administration; and

WHEREAS, all LACERS Board and Committee meetings are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate as the LACERS Board and Committees conduct their business; and

WHEREAS, the Brown Act, Government Code Section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, subject to the existence of certain conditions; and

WHEREAS, the COVID-19 State of Emergency proclaimed by the Governor on March 4, 2020 remains active; and

WHEREAS, on October 12, 2021, the Board met via teleconference and determined by majority vote, pursuant to Government Code Section 54953(e)(1)(B)-(C), that due to the COVID-19 State of Emergency, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS the Board has reconsidered the circumstances of the State of Emergency; and

WHEREAS, COVID-19 remains a public health concern in Los Angeles, with high levels of community transmission.

NOW THEREFORE, BE IT RESOLVED that pursuant to Government Code Section 54953(e)(1)(B)-(C), the Board finds that holding Board and Committee meetings in person would present imminent risks to the health or safety of attendees.

BE IT FURTHER RESOLVED that pursuant to Government Code Section 54953(e)(3)(A) and (B)(i), the Board finds that the COVID-19 State of Emergency continues to directly impact the ability of Board and Committee members to meet safely in person.

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

IX

LEGAL/LITIGATION

- A. APPROVAL OF REQUEST FOR PROPOSALS FOR OUTSIDE TAX COUNSEL AND POSSIBLE BOARD ACTION – Miguel Bahamon, Deputy City Attorney, presented this item to the Board. After discussion, Commissioner Wilkinson moved approval, 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.

X

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$23.91 billion as of October 25, 2021. Mr. June discussed the following items:
- ILPA letter has 39 signatories and contained several amendments to align with requirements under California’s AB2833 transparency law
  - Pacific Center for Asset Management to be held on January 20, 2022. A maximum of three LACERS trustees can attend this event.
  - Future Agenda Items: Private Real Estate Performance Review of the period ending June 30, 2021, presentation by NEPC, Aksia, and Townsend on their Emerging Manager efforts, Private Credit Consultant RFP, Responsible Investment Policy, PRI Board Election and Ballot Measures, Real Estate notification, and Private Equity notifications.
- B. PRIVATE CREDIT PACING IMPLEMENTATION PLAN AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, Robert King, Investment Officer I, Carolyn Smith, Partner, and Colton Lavin, Senior Research Analyst, with NEPC, presented and discussed this item with the Board for 20 minutes. After discussion, Commissioner Elizabeth Lee moved approval, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.
- C. INVESTMENT MANAGER CONTRACT WITH AXIOM INVESTORS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EMERGING MARKETS GROWTH EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION – Bryan Fujita, Investment Officer III, provided the Board with an update to the report that did not have any effect on staff’s recommendation. After a brief discussion, Commissioner Serrano moved approval of the following Resolution:

**CONTRACT EXTENSION  
AXIOM INVESTORS, LLC  
ACTIVE NON-U.S. EMERGING MARKETS GROWTH EQUITIES**

## PORTFOLIO MANAGEMENT

### RESOLUTION 211026-C

WHEREAS, LACERS' current one-year contract extension with Axiom Investors, LLC (Axiom) for active non-U.S. emerging markets growth equities portfolio management expires on December 31, 2021; and,

WHEREAS, Axiom is currently "On Watch" for a benchmark change and organizational changes pursuant to the LACERS Manager Monitoring Policy; and,

WHEREAS, a one-year contract extension will provide the necessary time to evaluate Axiom's performance with its stated growth strategy relative to its benchmark as well as evaluate the organizational structure of the firm; and,

WHEREAS, on October 26, 2021, the Board approved the Investment Committee's recommendation to approve a one-year contract extension.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract subject to satisfactory business and legal terms and consistent with the following services and terms:

|   |   |
|---|---|
| <u>Company Name:</u>                        | Axiom Investors, LLC  |
| <u>Service Provided:</u>                    | Active Non-U.S. Emerging Markets Growth Equities Portfolio Management |
| <u>Effective Dates:</u>                     | January 1, 2022 through December 31, 2022                             |
| <u>Duration:</u>                            | One year  |
| <u>Benchmark:</u>                           | MSCI Emerging Markets Index   |
| <u>Allocation as of September 30, 2021:</u> | \$401 million   |

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

- D. TACTICAL ASSET ALLOCATION POLICY AND POSSIBLE BOARD ACTION – Vice President Sohn moved approval, 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. CONTRACT WITH CEM BENCHMARKING INC. AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval of the following Resolution:

**CONTRACT FOR  
CEM BENCHMARKING INC.  
INVESTMENT BENCHMARKING SERVICES**

**RESOLUTION 211026-D**

WHEREAS, the CEM Benchmarking Inc. (CEM) study will provide LACERS with an objective analysis of investment management and administration services costs and investment performance and risk covering the five year period ending December 31, 2021;

WHEREAS, LACERS staff lacks the expertise necessary to perform this work;

WHEREAS, CEM has expertise in this area that is unique and such comparable services cannot be acquired from any other provider;

WHEREAS, the one-time fee of \$40,000 covers the cost of the benchmarking study;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves payment of a one-time fee of \$40,000 to CEM to perform an objective investment cost and performance benchmarking analysis of the LACERS portfolio; and, authorizes the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

|                          |                         |
|--------------------------|-------------------------|
| <u>Company Name:</u>     | CEM Benchmarking Inc.   |
| <u>Service Provided:</u> | Investment Benchmarking |
| <u>Duration:</u>         | One-time occurrence     |

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

President Ruiz recessed the Regular Meeting at 11:15 a.m. to convene in Closed Session discussion.

*Item VIII-A taken out of order.*

VIII

CLOSED SESSION

**A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8**

PROPERTY: 977 N. BROADWAY, LOS ANGELES, CA 90012

AGENCY NEGOTIATOR: LACERS GENERAL MANAGER NEIL M. GUGLIELMO AND MICHAEL PRAHBU OF TWENTY ONE 11 VENTURES LLC

NEGOTIATING PARTIES: RICHARD KLEIN, ON BEHALF OF TENANT ALLIES FOR EVERY CHILD

UNDER NEGOTIATION: RENEGOTIATION OF LEASE

X

INVESTMENTS

**F. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF ALICIA GARIBAY AND POSSIBLE BOARD ACTION**

XI

DISABILITY RETIREMENT APPLICATION(S)

**A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) TO CONSIDER THE DISABILITY RETIREMENT APPLICATION OF ALICIA GARIBAY AND POSSIBLE BOARD ACTION**

President Ruiz reconvened the Regular Meeting at 11:41 a.m. and announced that the Board unanimously approved the Disability Retirement Application of Alicia Garibay.

XII

OTHER BUSINESS – There was no other business.

XIII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, November 9, 2021, at 10:00 a.m. at LACERS, 202 W. 1<sup>st</sup> Street, Suite 500, 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.

XIV

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 11:42 a.m.

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Cynthia M. Ruiz  
President

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Neil M. Guglielmo  
Manager-Secretary

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

In accordance with Government Code Section 54953, subsections (e)(1) and (e)(3), and in light of the State of Emergency proclaimed by the Governor on March 4, 2020 relating to COVID-19 and ongoing concerns that meeting in person would present imminent risks to the health or safety of attendees and/or that the State of Emergency continues to directly impact the ability of members to meet safely in person, the LACERS Board of Administration's November 9, 2021 meeting will be conducted via telephone and/or videoconferencing.

November 9, 2021

10:00 a.m.

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|                                |                      |                      |
|--------------------------------|----------------------|----------------------|
| PRESENT via Videoconferencing: | President:           | Cynthia M. Ruiz      |
|                                | Vice President:      | Sung Won Sohn        |
|                                | Commissioners:       | Annie Chao           |
|                                |                      | Elizabeth Lee        |
|                                | (left at 11:55 a.m)  | Sandra Lee           |
|                                |                      | Nilza R. Serrano     |
|                                |                      | Michael R. Wilkinson |
|                                | Manager-Secretary:   | Neil M. Guglielmo    |
|                                | Legal Counselor:     | Anya Freedman        |
| PRESENT at LACERS Office:      | Executive Assistant: | Ani Ghoukassian      |

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

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – *THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT* – **PRESS \*9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD** – President Ruiz asked if any persons wanted to make a general public comment to which there was no response.

II

APPROVAL OF MINUTES FOR THE REGULAR MEETING OF OCTOBER 12, 2021 AND SPECIAL MEETING OF OCTOBER 20, 2021 AND POSSIBLE BOARD ACTION – Commissioner Serrano moved approval, seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

III

BOARD PRESIDENT VERBAL REPORT – President Ruiz recognized Native American Heritage Month.

*Item IX-A taken out of order.*

IX

DISABILITY RETIREMENT APPLICATION(S)

- A. CONSIDERATION OF DISABILITY RETIREMENT APPLICATION FOR RICARDO AGUILAR AND POSSIBLE BOARD ACTION – Carol Rembert, Management Assistant, presented this item to the Board. Ms. Fabian Schwin, Court Reporter, recorded the proceedings and member Ricardo Aguilar was present during the discussion of this item. Commissioner Elizabeth Lee moved approval, seconded by Commissioner Serrano, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

IV

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- Update on City’s COVID response and vaccination requirements
  - Diversity, Equity, and Inclusion at LACERS
  - LACERS awarded the Public Pension Coordinating Council’s (PPCC) Standards Award for 2021
  - Update on 977 Broadway Building
  - Retirement Services updates
  - Health Benefits Administration updates
  - YouTube videos
  - Upcoming Webinars
  - Upcoming Wellness Events
- B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- Presentation of LACERS’ Audited Year End Financial Statements

V

RECEIVE AND FILE ITEMS

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

VI

COMMITTEE REPORT(S)

- A. BENEFITS ADMINISTRATION COMMITTEE MEETING VERBAL REPORT FOR THE MEETING ON OCTOBER 26, 2021 – Commissioner Wilkinson stated that the Committee approved amendment to the Benefits Administration Committee Charter and revisions to LACERS Board Rules. He stated that they also received an operational update from Dale Wong-Nguyen, Assistant General Manager.

VII

BOARD/DEPARTMENT ADMINISTRATION

- A. FINDINGS TO CONTINUE TELECONFERENCE MEETINGS AND DETERMINATION THAT COVID-19 STATE OF EMERGENCY CONTINUES TO DIRECTLY IMPACT THE ABILITY OF MEMBERS TO MEET SAFELY IN PERSON, AND POSSIBLE BOARD ACTION – Commissioner Chao moved approval of the following Resolution:

**CONTINUE HOLDING LACERS BOARD AND COMMITTEE MEETINGS  
VIA TELECONFERENCE AND/OR VIDEOCONFERENCE**

**RESOLUTION 211109-A**

WHEREAS, LACERS is committed to preserving public access and participation in meetings of the Board of Administration; and

WHEREAS, all LACERS Board and Committee meetings are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate as the LACERS Board and Committees conduct their business; and

WHEREAS, the Brown Act, Government Code Section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, subject to the existence of certain conditions; and

WHEREAS, the COVID-19 State of Emergency proclaimed by the Governor on March 4, 2020 remains active; and

WHEREAS, on October 12, 2021, the Board met via teleconference and determined by majority vote, pursuant to Government Code Section 54953(e)(1)(B)-(C), that due to the COVID-19 State of Emergency, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, the Board has reconsidered the circumstances of the State of Emergency; and

WHEREAS, COVID-19 remains a public health concern in Los Angeles, with high levels of community transmission.

NOW THEREFORE, BE IT RESOLVED that pursuant to Government Code Section 54953(e)(1)(B)-(C), the Board finds that holding Board and Committee meetings in person would present imminent risks to the health or safety of attendees.

BE IT FURTHER RESOLVED that pursuant to Government Code Section 54953(e)(3)(A) and (B)(i), the Board finds that the COVID-19 State of Emergency continues to directly impact the ability of Board and Committee members to meet safely in person.

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

B. PRESENTATION BY SEGAL CONSULTING OF THE ACTUARIAL VALUATIONS AS OF JUNE 30, 2021 AND PROPOSED CITY CONTRIBUTION RATES FOR FISCAL YEAR 2022-23 AND POSSIBLE BOARD ACTION – Paul Angelo and Andy Yeung, Actuaries with Segal Consulting, presented and discussed this item with the Board for 55 minutes. After discussion, Commissioner Elizabeth Lee moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.

C. 977 N. BROADWAY PROJECT REPORT FOR THE QUARTER ENDING SEPTEMBER 30, 2021 AND POSSIBLE BOARD ACTION – Commissioner Elizabeth Lee moved approval of the following Resolution:

**AUTHORIZATION TO TRANSFER FUNDS  
FROM THE HQ PROJECT'S CAPITAL BUDGET ACCOUNT  
TO THE ADMINISTRATIVE BUDGET ACCOUNT**

**RESOLUTION 211109-B**

WHEREAS, on October 23, 2019, LACERS closed escrow on the 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; and

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

WHEREAS, LACERS Board of Administration (Board) previously approved \$19,577,987 for the Capital Budget, including \$2,700,000 for the Owner Technology portion line item within the Capital Budget; and WHEREAS, the funds for the purchase of technology was originally approved by the Board as part of the Capital Budget Account; and

WHEREAS, \$114,497.43 in funds from the Administrative Budget Account were used to procure pre-migration server equipment in order to leverage the City's contract and discount prices with Dell Technologies; and

WHEREAS, the purchase of the server equipment would require a transfer of \$114,497.43 from the Capital Budget Account to the Administration Budget Account; and

WHEREAS, the Board approved \$42,187.00 in funds in the Administration Budget Account for necessary moving services that would be required for the HQ Project; and

WHEREAS, initiating a competitive bidding process for moving services would not be advantageous for LACERS due to the time and effort needed to implement the process; and

WHEREAS, Charter Sections 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"; and

WHEREAS, LACERS' contract with the Broadway Building Property Managers, Cushman & Wakefield (C&W), includes the use of competitive bidding processes for specialty contractors such as moving services; and

WHEREAS, C&W contracting for the moving services would require an ability to pay for the services and the Administration Budget Account is not accessible by C&W; and

WHEREAS, a transfer of \$42,187.00 from the Administration Budget Account to the Capital Budget Account is required in order for C&W to pay for the moving services; and

WHEREAS, the concurrent transfers from Capital Budget Account to Administration Budget Account and vice-versa, create a net difference of \$72,310.43; and

WHEREAS, the net of these concurrent transfers is \$72,310.43 transferred from the Administrative Budget Account to the Capital Budget Account; and

WHEREAS, pursuant to the City Charter, the Board has full control of LACERS' budget,  
NOW, THEREFORE, BE IT RESOLVED, that the Board:

1. Make a determination that a competitive bidding process for moving services would not be advantageous pursuant to City Charter Section 371 (e)(8) and Section 371(e)(10); and
2. Approve the reallocation of \$72,310.43 from HQ Project in the Capital Budget to the Administrative Budget by increasing Appropriation 167300 – Furniture, Office, and Technical Equipment by \$114,497.43 and decreasing Appropriation 163040 – Contractual Services by \$42,187.00; and
3. Authorize the General Manager to correct any clerical or typographical errors in this document.

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

- D. AMENDMENT TO THE BENEFITS ADMINISTRATION COMMITTEE CHARTER AND POSSIBLE BOARD ACTION – Estella Priebe, Senior Benefits Analyst, presented this item to the Board. Commissioner Wilkinson moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.
- E. REVISIONS TO LACERS BOARD RULES AND POSSIBLE BOARD ACTION – Commissioner Wilkinson moved approval, seconded by Commissioner Chao, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Sandra Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -7; Nays, None.
- F. WEBSITE REDESIGN CONTRACT AMENDMENT WITH DIGITAL DEPLOYMENT INC. AND POSSIBLE BOARD ACTION – Nathan Herkelrath, Benefits Analyst, presented and discussed this item with the Board. After discussion, Commissioner Chao moved approval of the following Resolution:

**CONTRACT AMENDMENT WITH  
DIGITAL DEPLOYMENT INC.  
FOR WEBSITE DESIGN AND SUPPORT SERVICES**

**RESOLUTION 211109-C**

WHEREAS, on March 12, 2019, the Board approved contracting with DIGITAL DEPLOYMENT INC. for website design and support services for the contract term beginning April 1, 2019 through April 30, 2022, not to exceed \$188,750;

WHEREAS, implementation of the website occurred earlier than expected, and an additional ad-hoc project entitled “Homepage Hero Enhancement – Carousel” which created a prominent carousel on the LACERS.org homepage was completed;

WHEREAS, an additional \$20,000 is needed for the remainder of the contract term for maintenance and support services;

WHEREAS, it is LACERS’ desire to continue providing ease of access to information and resources to its members;

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to negotiate and execute a contract amendment subject to satisfactory business and legal terms; and to make any necessary clerical, typographical, or technical corrections to this document.

|                                     |   |
|-------------------------------------|---|
| <u>Company Name:</u>                | DIGITAL DEPLOYMENT INC.                           |
| <u>Service Provided:</u>            | Website Design<br>Website Maintenance and Support |
| <u>Term Dates:</u>                  | April 1, 2019 through April 30, 2022              |
| <u>Total Expenditure Authority:</u> | \$208,750   |

Which motion was seconded by Commissioner Serrano, 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

### INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, reported on the portfolio value of \$24.17 billion as of November 8, 2021. Mr. June discussed the following items:
- David Atkin – Appointed CEO of PRI to succeed Fiona Reynolds
  - Barbara Sandoval, Investment Officer II, presented an update on the Emerging Manager Symposium feedback surveys
  - Received six responses to the Real Estate Consultant RFP as of November 8, 2021 deadline
  - Passive Manager search closed on November 9, 2021
  - Future Agenda items: Performance Review of Total Fund, period ending September 30, 2021, Private Equity Performance, period ending June 30, 2021, Private Equity 2022 Strategic Plan, Private Credit Consultant RFP, staff presentation of the Secured Overnight Financing Rate, and Disclosure of Fees, Expenses, and Carried Interest of Alternative Investments pursuant to Government Code Section 7514.7
- B. PRIVATE REAL ESTATE PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING JUNE 30, 2021 – Felix Fels, Vice President with Townsend Group, presented and discussed this item with the Board for 15 minutes.

President Ruiz recessed the Regular Meeting at 11:55 a.m. for a break. Commissioner Sandra Lee left the Regular Meeting at 11:55 a.m. President Ruiz reconvened the Regular Meeting at 12:00 p.m.

- C. PRESENTATION BY NEPC, LLC, AKSIA TORREYCOVE PARTNERS LLC, AND TOWNSEND HOLDINGS LLC REGARDING LACERS EMERGING MANAGER PROGRAM – Carolyn Smith, Partner with NEPC, David Fann, Vice Chairman with Aksia TorreyCove Partners, and Felix Fels, Vice President with Townsend Group, presented and discussed this item with the Board for 30 minutes.
- D. PRI BOARD ELECTION AND BALLOT MEASURES AND POSSIBLE BOARD ACTION – Ellen Chen, Investment Officer I, presented this item to the Board. Commissioner Chao moved approval, seconded by Vice President Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Elizabeth Lee, Serrano, Wilkinson, Vice President Sohn, and President Ruiz -6; Nays, None.
- E. RESPONSIBLE INVESTMENT POLICY AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, and Ellen Chen, Investment Officer I, presented and discussed this item with the Board. The Board requested City Attorney review this policy and it be brought back to the Board after review. There was no action taken on this item.
- F. NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN LBA LOGISTICS VALUE FUND IX, L.P. – This report was received by the Board and filed.

- G. NOTIFICATION OF COMMITMENT OF UP TO \$30 MILLION IN ADVENT GLOBAL TECHNOLOGY II, L.P. – This report was received by the Board and filed.
- H. NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN HARBOURVEST PARTNERS CO-INVESTMENT FUND VI L.P. – This report was received by the Board and filed.
- I. NOTIFICATION OF COMMITMENT OF UP TO \$25 MILLION IN BARINGS EMERGING GENERATION FUND, L.P. – This report was received by the Board and filed.
- J. NOTIFICATION OF COMMITMENT OF UP TO \$75 MILLION IN CLEARLAKE CAPITAL PARTNERS VII, L.P. – This report was received by the Board and filed.
- K. NOTIFICATION OF COMMITMENT OF UP TO \$50 MILLION IN TPG RISE CLIMATE, L.P. – This report was received by the Board and filed.

President Ruiz recessed the Regular Meeting at 12:50 p.m. to convene in Closed Session discussion.

X

#### LEGAL/LITIGATION

- A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(A) AND (D)(1) TO CONFER WITH, AND/OR RECEIVE ADVICE FROM, LEGAL COUNSEL REGARDING PENDING LITIGATION (TWO CASES): IN RE ASHINC CORP, ET AL. V. YUCAIPA AMERICAN ALLIANCE FUND I, LLC, ET AL. (D. DEL. CASE NO. 12-11564) AND YOUNGMAN V. YUCAIPA AMERICAN ALLIANCE FUND I, LLC, ET AL. (LASC CASE NO. 21STCV37137), AND POSSIBLE BOARD ACTION**

President Ruiz reconvened the Regular Meeting at 1:05 p.m. and announced that the Board conferred with legal counsel.

XI

OTHER BUSINESS – There was no other business.

XII

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, November 23, 2021, at 10:00 a.m. at LACERS, 202 W. 1<sup>st</sup> Street, Suite 500, 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.

XIII

ADJOURNMENT – There being no further business before the Board, President Ruiz adjourned the Meeting at 1:06 p.m.

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Cynthia M. Ruiz  
President

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Neil M. Guglielmo  
Manager-Secretary

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

**RESTRICTED SOURCES**

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

| <b>Name</b>                      | <b>Description</b>                                      | <b>Inception</b>   | <b>Expiration</b>  | <b>Division</b>                |
|----------------------------------|---|--------------------|--------------------|--------------------------------|
| Agility Recovery                 | Business Continuity Services                            | September 20, 2021 | September 19, 2022 | Administration                 |
| Alliant Insurance Services, Inc. | Insurance Brokerage Services                            | January 1, 2021    | December 31, 2023  | Administration                 |
| K&L Gates LLP                    | Outside Investment & Real Estate Counsel                | N/A                | N/A                | City Attorneys                 |
| Anthem                           | Medical HMO & PPO                                       | January 1, 2021    | December 31, 2021  | Health Benefits Administration |
| Kaiser                           | Medical HMO   | January 1, 2021    | December 31, 2021  | Health Benefits Administration |
| SCAN                             | Medical HMO   | January 1, 2021    | December 31, 2021  | Health Benefits Administration |
| United Healthcare                | Medical HMO   | January 1, 2021    | December 31, 2021  | Health Benefits Administration |
| Delta Dental                     | Dental PPO and HMO                                      | January 1, 2021    | December 31, 2021  | Health Benefits Administration |
| Anthem Blue View Vision          | Vision Services Contract                                | January 1, 2021    | December 31, 2021  | Health Benefits Administration |
| Mom’s Computer, Inc              | Technology, Virtual Meeting, and Video Support Services | January 1, 2022    | December 31, 2022  | Health Benefits Administration |
| Axiom Investors, LLC             | Active Growth Non-U.S. Emerging Markets Equities        | January 1, 2021    | December 31, 2021  | Investments                    |
| CEM Benchmarking, Inc.           | Investment Benchmarking Services                        | January 1, 2022    | December 31, 2022  | Investments                    |

Also viewable online [here](#).

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

|                             |  |                    |                   |                 |
|-----------------------------|--|--------------------|-------------------|-----------------|
| Sapphire Business Solutions | Printing, Mailing, Website, and Graphic Design Services  | July 1, 2021       | June 30, 2024     | Member Services |
| California Marketing        | Printing, Mailing, Website, and Graphic Design Services  | July 1, 2021       | June 30, 2024     | Member Services |
| Box, Inc.                   | Retirement Application Portal Custom Consulting Services | December 1, 2021   | November 30, 2022 | Systems         |
| The Henson Group, Inc.      | Cloud Service Provider                                   | September 23, 2021 | December 31, 2022 | Systems         |

Also viewable online [here](#).

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

**ACTIVE RFPs**

| Description  | Respondents   | Inception         | Expiration        | Division    |
|--|---|-------------------|-------------------|-------------|
| Private Credit Mandate Search                              | 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 & 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 Advisers, 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 | January 1, 2021   | December 31, 2023 | Investments |
| Real Estate Consultant                                     | Aksia LLC, ORG Portfolio Management LLC, RCLCO Fund Advisors, RVK, Inc., StepStone Group LP, The Townsend Group   | September 8, 2021 | November 8, 2021  | Investments |
| Passive U.S., Non-U.S., and Global Index Strategies Search | Blackrock, Inc., Mellon Investments Corporation, Northern Trust Securities, Inc., RhumbLine Advisers, State Street Global Advisors, Xponance, Inc.  | September 9, 2021 | November 9, 2021  | Investments |

Also viewable online [here](#).

**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>    |
|-----------------------------|----------------|-----------------------------|--------------------------|
| Kawase, Eric K              | 42             | PW - Sanitation             | W/Wtr Trmt Oper          |
| Creason, Glen C             | 41             | Library Dept.               | Librarian                |
| Abracia, Aurora Christine   | 41             | Office of the CAO           | Ch Admin Analyst         |
| Crenshaw, Joe A             | 36             | PW - St. Maint.             | St Svcs Supvr            |
| Starostenko, Walter G       | 35             | GSD - Standards             | Matl Tst Engrg Assc      |
| Jackson, Mark H             | 34             | Dept. of Rec. & Parks       | Sr Park Maint Supvr      |
| Claudio, Carlito Villanueva | 34             | Police Dept. - Civilian     | Sr Detention Officer     |
| Huynh, Kim T                | 33             | PW - Admin Div.             | Management Analyst       |
| Russell, Rosalind           | 33             | City Attorney's Office      | Deputy City Atty         |
| Mungra, Ramnik              | 33             | PW - Engineering            | Sr Civil Engineer        |
| Myles, Spencer Hardy        | 32             | Dept. of Transportation     | Traf Officer             |
| Oh, Seung Tag               | 32             | PW - Sanitation             | Sr Envrmtl Engineer      |
| Rodriguez, Dan              | 32             | PW - Clean Water            | W/Wtr Coll Supervisor    |
| Smith, Anthony T            | 32             | PW - Sanitation             | Ref Coll Truck Oper      |
| Correa, William Arellano    | 32             | Police Dept. - Civilian     | Security Officer         |
| Staten, Caprice A           | 31             | Harbor Dept.                | Sr Administrative Clerk  |
| Bell, Robert Lee            | 31             | PW - Sanitation             | Ref Coll Truck Oper      |
| Gomez, Adrian Angel         | 30             | GSD - Fleet Services        | Heavy Duty Equip Mech    |
| Martin, Patricia            | 30             | Dept. of Airports           | Sr Admin Clerk           |
| Griffin, India R            | 27             | GSD - Bldg. Svcs.           | Build Con & Mt Gn Sup    |
| Vidican, Marc C             | 26             | Harbor Dept.                | Port Electrical Mechanic |
| Smith, Anthony Lescell      | 26             | Police Dept. - Civilian     | Sr Detention Officer     |
| Moody, Eric Lance           | 26             | Council - As needed         | Council Aide             |
| Urssery, Bobby Joe          | 25             | PW - Sanitation             | Ref Coll Truck Oper      |
| Machado, Maria Esther       | 22             | Dept. of Airports           | Custodian Airport        |
| Nickell, Cheryl Louise      | 21             | Police Dept. - Civilian     | Police Service Rep       |
| Dunkle, Roxanne Marie       | 20             | EWDD                        | Administrative Clerk     |
| Shiner, Lisabeth A          | 19             | City Attorney's Office      | Deputy City Atty         |
| Montantes, Cheryl R         | 19             | Dept. of Airports           | Custodian Supervisor     |
| Sheldon, Raquel K           | 18             | Dept. of Animal Svcs.       | Animal Control Ofcr      |
| Luna, Julius P              | 18             | PW - Sanitation             | Office Engrg Tech        |
| Phillips, Rickey Eugene     | 15             | Dept. of Bldg. & Safety     | Electrcl Inspector       |
| Gamez, Margarita            | 14             | Dept. of Airports           | Custodian Airport        |
| Olson, Brian Glen           | 14             | Dept. of Bldg. & Safety     | Build Inspector          |
| Saraee, Juliet              | 13             | Dept. of Airports           | Airport Guide            |
| Johnson, John               | 13             | PW - Resurf & Reconstr Div. | Heavy Duty Truck Oper    |

|                                |    |                       |                      |
|--------------------------------|----|-----------------------|----------------------|
| Jacob, Ashebir                 | 12 | Harbor Dept.          | Civil Engrg Assoc    |
| Ultreras, Juana G              | 12 | Harbor Dept.          | Custodian - Harbor   |
| Chesaneck, Tyrone J            | 11 | PW - Engineering      | Civil Eng Associate  |
| Dixon, Christine D             | 10 | Council - As needed   | Council Aide         |
| Mendoza, Lourdes T             | 10 | Dept. of Rec. & Parks | Administrative Clerk |
| Ochoa, Arturo J                | 9  | Dept. of Rec. & Parks | Special Prog Asst    |
| Stringfield, Cynthia Elizabeth | 8  | Zoo Dept.             | Zoo Veterinarian     |
| Panajotovic, Elena M           | 7  | Library Dept.         | Librarian            |
| Murray, Kenneth Tyrome         | 7  | GSD - Bldg. Fac Mgmt. | Custodian            |
| Padilla, Canda L               | 6  | Dept. of Rec. & Parks | Child Care Associate |
| Rose, Eric W                   | 5  | Council               | Council Aide         |
| Ziman, Loreen H                | 4  | Library Dept.         | Librarian            |
| Mordi, Sussy Osayabamwe        | 3  | Personnel Dept.       | Correctional Nurse   |

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**

**Retired**

Alexander, Margaret R

Royal J Alexander for the payment of the  
DRO Lump Sum

Ara, John

Maria Pilar Ara for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Arps, Michael L

Cherrel Susan Arps for the payment of the  
Burial Allowance

Michael Arps for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Unused Contributions

Aung, Tun

Thuza Aung for the payment of the  
Accrued But Unpaid Service Retirement Allowance  
Burial Allowance

Barnett, Phyllis

Phillip E Barnett for the payment of the  
Accrued But Unpaid Continuance Allowance

|                       |  |
|-----------------------|--|
| Campbell, Sarah E     | Demetria R Campbell for the payment of the<br>Accrued But Unpaid Continuance Allowance   |
| Caprio, Nita J        | Patrick Caprio for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance<br>Unused Contributions                                       |
| Carter, Wilson C      | The Wilson Carter And Kathleen Carter Joint Trust for the<br>payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance<br>Unused Contributions |
| Chaney, Jane M        | Jane M Chaney Trust for the payment of the<br>Accrued But Unpaid Continuance Allowance<br>Accrued But Unpaid Service Retirement Allowance                                  |
| Clark, Marjorie L     | Rebekah Amber Clark for the payment of the<br>Accrued But Unpaid Disability Continuance Allowance  |
| Clevenger, Junedell D | Sharon K Williams for the payment of the<br>Accrued But Unpaid Continuance Allowance   |
| David, Linda Lee      | Joan M Berkwitz for the payment of the<br>Accrued But Unpaid Disability Continuance Allowance  |
| Don, Alice F          | Leroy David Don for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance  |

|                       |   |
|-----------------------|---|
| Enos, Elizabeth C     | James S Noriego for the payment of the<br>Accrued But Unpaid Survivorship (Disability) Allowance  |
| Enriquez, Francisco H | Amada V Enriquez for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance  |
| Fernandez, Julio      | Christee Ann Fernandez for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br><br>Daniel J Fernandez for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br><br>Melodee Fernandez-Lukas for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance |
| Garner, Charles J     | John Edward Garner for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance  |
| Gastelum, Dora M      | Alfred R Gastelum for the payment of the<br>Accrued But Unpaid Continuance Allowance<br><br>Susan J Gastelum for the payment of the<br>Accrued But Unpaid Continuance Allowance   |
| Gillmer, Donald H     | Gillmer Family Trust for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance  |
| Greene, Fredrick M    | Barbara J Press for the payment of the<br>Accrued But Unpaid Service Retirement Allowance   |

|                     |   |
|---------------------|---|
| Greenleaf, James    | Debra L. Greenleaf for the payment of the Burial Allowance  |
| Gutierrez, Carmen M | Christina Maria Reyes for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance |
|                     | Leticia Formoso for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance       |
|                     | Thomas Gutierrez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance      |
|                     | Maria Gutierrez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance       |
| Hamilton, John S    | Madeline D Hamilton for the payment of the Accrued But Unpaid Service Retirement Allowance                    |
| Hardin, Glenn H     | Kamrul Nisha Abdullah for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance |
| Hendon, Patricia A. | William J Dennis for the payment of the Accrued But Unpaid Continuance Allowance                              |
| Hoffman, Jonni L    | Jonni Lynn Hoffman Estate for the payment of the Accrued But Unpaid Service Retirement Allowance              |

|                     |   |
|---------------------|---|
| Hofsommer, Paula L  | Delphine L Yougurtjian for the payment of the<br>Accrued But Unpaid Vested Retirement Allowance<br>Burial Allowance   |
| Howard, Lorraine N  | Lorraine N Howard Revocable Trust for the payment of the<br>Accrued But Unpaid Continuance Allowance                  |
| Huang, Lee          | Chin-Lien Lai for the payment of the<br>Accrued But Unpaid Service Retirement Allowance                               |
| Jacobs, Gilda       | Kimberly Fransisca Hernandez for the payment of the<br>Accrued But Unpaid Continuance Allowance                       |
| Johnson, Helenese C | Helenese Carroll Johnson Revocable Living Trust for the<br>payment of the<br>Accrued But Unpaid Continuance Allowance |
| Kennedy, Jon K      | Susan Elizabeth Kennedy for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance |
| Kotzman, Dennis L   | Cynthia P Kotzman for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance       |
| Langford, Judy A    | John D Langford for the payment of the<br>Accrued But Unpaid Disability Retirement Allowance<br>Burial Allowance      |

|                         |  |
|-------------------------|--|
| Lanham, Johnny B        | Estate Of Johnny Barr Lanham for the payment of the Accrued But Unpaid Service Retirement Allowance<br><br>Patrick Lanham Sr for the payment of the Burial Allowance |
| Lemelin, Margaret M     | Margaret M Smith for the payment of the Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance  |
| Lopez, Roxanne          | Francisco Lopez for the payment of the Accrued But Unpaid Vested Retirement Allowance<br>Burial Allowance  |
| Martinez, John          | Pamela Carla Martinez for the payment of the Accrued But Unpaid Service Retirement Allowance   |
| Martinez, Lucy          | Gloria J King for the payment of the Accrued But Unpaid Continuance Allowance  |
| Matheson, Julie Ann     | Stephen Matheson for the payment of the Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance  |
| Matterer, Matthew D     | Veronica Patricia Matterer for the payment of the Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance  |
| Mc Carthy, Dorothy Cleo | Deborah Robinson for the payment of the Accrued But Unpaid Continuance Allowance   |

|                    |   |
|--------------------|---|
| Metcalf, Catherine | Carley Anderson for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance             |
|                    | Michael Metcalf for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance             |
|                    | Milan Gary Metcalf for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance          |
| Millstein, Don M   | Gerald Earl Millstein for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance       |
| Ministeri, James J | James J Ministeri for the payment of the<br>Burial Allowance  |
| Misaka, Randall H  | Lucinda Misaka for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance              |
| Montes, Vincente   | Rosalina Montes for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance             |
| Nellum, Elbert L   | Camren Nathaniel Nellum for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Unused Contributions |
| Norwood, Milton    | Jennifer V. Norwood for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance         |

|                    |   |
|--------------------|---|
| Parayno, Emilda A  | Harlika P O'balles for the payment of the Burial Allowance<br><br>Xenia N Murillo for the payment of the Accrued But Unpaid Service Retirement Allowance                |
| Partlow, Albert D  | Cedric B Partlow for the payment of the Accrued But Unpaid Service Retirement Allowance   |
| Portello, Maria L  | David H Portello for the payment of the Accrued But Unpaid Continuance Allowance<br><br>Dennis Portello for the payment of the Accrued But Unpaid Continuance Allowance |
| Pregler, Alvin H   | Nancy D Pregler for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance   |
| Reed, John L       | Michael Reed for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance   |
| Reyes, Claro M     | Eulogia E Reyes for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance   |
| Robinson, Elnora H | Sescillie D Berry for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance   |

|                     |   |
|---------------------|---|
| Russell, Pat        | Steven Russell for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance  |
| Sanchez, Rustico T  | Margie E Sanchez for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance  |
| Sandoval, Antonia A | Carrol Rinaldi-Lemieux for the payment of the<br>DRO Lump Sum   |
| Seig, Rodna E       | Paul Arthur Seig for the payment of the<br>Accrued But Unpaid Continuance Allowance<br><br>Stephen Fred Seig for the payment of the<br>Accrued But Unpaid Continuance Allowance |
| Smith, Cecil        | Sonya D. Smith for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance  |
| Smith, Wesley       | 1986 Smith Living Trust for the payment of the<br>Burial Allowance<br><br>Leslie Renee Smith for the payment of the<br>Accrued But Unpaid Service Retirement Allowance          |
| Stock, Marie        | Denise Hays for the payment of the<br>Accrued But Unpaid Survivorship (Retirement) Allowance<br>Unused Contributions  |
| Stokes, Cathie A    | Daniel Raymond Stokes for the payment of the<br>Accrued But Unpaid Continuance Allowance  |

|                           |  |
|---------------------------|--|
| Stone, Linda              | Celestina R Stone for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance<br>Unused Contributions      |
|                           | Danielle L Stone for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Unused Contributions                           |
| Stosel, Stanley Lewis     | Stanley L Stosel Trust for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance<br>Unused Contributions |
| Stray, Patricia           | Pamela Ciullo for the payment of the<br>Accrued But Unpaid Continuance Allowance   |
| Streeter, Garland W       | Michael P Streeter for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance                             |
| Tanaka Castro, Joy Kiyoko | Daniel F Castro for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance                                |
| Thomas, June              | Robyn Macadams for the payment of the<br>Accrued But Unpaid Continuance Allowance  |
| Tobin, John R             | Tobin Family Trust for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance                             |

|                          |  |
|--------------------------|--|
| Urban, Jean W            | Kathy W Urban for the payment of the<br>Accrued But Unpaid Continuance Allowance                                 |
| Vallejos, Stella         | Mitchell Vallejos for the payment of the<br>Accrued But Unpaid Continuance Allowance                             |
| Villareal, Daniel C      | Daniel C Villareal for the payment of the<br>Accrued But Unpaid Service Retirement Allowance<br>Burial Allowance |
| Villareal, Lydia C       | Daniel C Villareal for the payment of the<br>Accrued But Unpaid Continuance Allowance                            |
| Vitek, Judith            | Marine Ter-Pogosyan for the payment of the<br>Accrued But Unpaid Vested Retirement Allowance                     |
| Westbrooke, James Robert | Bridgette C. Small for the payment of the<br>Accrued But Unpaid Service Retirement 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

TIER 1

Active

Anker, Judy A  
(Deceased Active)

Beneficiary/Payee

Neil Michael Stoliar for the payment of the  
Accumulated Contributions

Arevalo, Adolfo H  
(Deceased Active)

Rosa Linda Gonzalez for the payment of the  
Accumulated Contributions

Brinkerhoff, Steve C  
(Deceased Active)

Theresa Brinkerhoff for the payment of the  
Disability Retirement Survivorship Allowance

Capriel, Carlos  
(Deceased Active)

Ana Capriel for the payment of the  
Accumulated Contributions

Carter, William  
(Deceased Active)

Zachary V Carter for the payment of the  
Accumulated Contributions

Dozier, Thomas Leroy  
(Deceased Active)

Gloria Dozier for the payment of the  
Vested Retirement Survivorship Allowance

Greer, Michael Dean  
(Deceased Active)

Jimmy Greer for the payment of the  
Accumulated Contributions

Gyimesi, Bela A  
(Deceased Active)

Tina Marie Gonzales for the payment of the  
Disability Retirement Survivorship Allowance

Haldeman, John A  
(Deceased Active)

Max Ian Haldeman for the payment of the  
Accumulated Contributions

Phillip Laurence Haldeman for the payment of the  
Accumulated Contributions

Hanzy, Samantha O  
(Deceased Active)

Antoinette O Hanzy for the payment of the  
Accumulated Contributions

Horta, Jose G  
(Deceased Active)

Rebecca Janice Horta for the payment of the  
Accumulated Contributions

Thomas Horta Montoya for the payment of the  
Accumulated Contributions

Pagan, Ditravia Rhubec  
(Deceased Active)

Joshena Andrews for the payment of the  
Disability Retirement Survivorship Allowance

Perez, Edgardo Manuel  
(Deceased Active)

Marvin Roberto Canales for the payment of the  
Accumulated Contributions

Rodriguez, Edith M  
(Deceased Active)

Orestes Moises Rodriguez for the payment of the  
Accumulated Contributions

Rodriguez, Michael A  
(Deceased Active)

Stephanie Rodriguez for the payment of the  
Service Retirement Survivorship Allowance

Tavera, Eduardo P  
(Deceased Active)

Alejandra Tavera for the payment of the  
Accumulated Contributions  
Limited Pension

Walton, Terree Sue  
(Deceased Active)

Terree Sue Walton Rvoc Living Trust for the payment of the  
Accumulated Contributions

Winton, Troy Nathaniel  
(Deceased Active)

Roshauna Sherrance Kennedy for the payment of the  
Accumulated Contributions

**TIER 3**

Ruiz, Eduardo Alfredo  
(Deceased Active)

Liliana G Castro 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**

|  |                           |
|--|---------------------------|
| Name of Attendee: Cynthia Ruiz         |                           |
| Title of Conference/Seminar: 50/50 WOB |                           |
| Location: Virtual                      | No. of Education Hours: 4 |
| Event Sponsor:                         | Date(s) Held: 11/3 & 11/5 |

Report for:

- Travel  
 Conference/Seminar Attendance Only

---

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

II. Significant Information Gained:

The 50/50 WOB had high level speakers talking about women on boards which has a direct connection to our ESG policy. Currently there are only 4% of women of Color which sit on Corporate Boards

III. Benefits to LACERS:

Having a understandin of trends with women on boards helps us have an better unstanding of our ESG policies as we move forward.

IV. Additional Comments:

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

|  |                                       |
|--|---------------------------------------|
| Name of Attendee: Nilza Serrano  |                                       |
| Title of Conference/Seminar: 50/50 Women on Board - Conversations on Board Diversity |                                       |
| Location: Virtual  | No. of Education Hours:               |
| Event Sponsor:   | Date(s) Held:<br>November 3 & 5, 2021 |

Report for:

- Travel  
 Conference/Seminar Attendance Only

---

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

Women on Boards

II. Significant Information Gained:

Leadership

III. Benefits to LACERS:

Leadership, mentoring and board coalition

IV. Additional Comments:

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

|   |                                   |
|---|-----------------------------------|
| Name of Attendee: Elizabeth Lee   |                                   |
| Title of Conference/Seminar: State Association of County Retirement Systems (SACRS) Fall Conference |                                   |
| Location: Hollywood, CA   | No. of Education Hours: 12.0      |
| Event Sponsor: SACRS  | Date(s) Held: 11/9/21 to 11/12/21 |

Report for:

- Travel  
 Conference/Seminar Attendance Only

---

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

II. Significant Information Gained:

I attended the following training on various topics: ethics training for trustees; Los Angeles UCLA and Farmers Insurance CIO best investment practices and strategies; leadership; building the best team facilitated by David Burkus; Manulife Chief Economist Frances Donald economic update; ESG; trends in urban real estate; and institutional considerations for investing in cryptocurrencies.

III. Benefits to LACERS:

As a member of the Board and Investment Committee, the seminar keeps me well informed and updated to assist me in fulfilling my role as a trustee.

IV. Additional Comments:



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

**MEETING: December 14, 2021**  
**ITEM: V – F**

*Neil M. Guglielmo*

**SUBJECT: LEGISLATIVE UPDATE OF DECEMBER 2021**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board receive and file this report.

**Executive Summary**

The California State Legislature adjourned on September 10, 2021, and October 10, 2021, was the last day for the Governor to sign or veto bills. The 1<sup>st</sup> legislative session of the 117<sup>th</sup> Congress will adjourn in January 2022. This report provides a year-end summary on legislation that may be of interest to the Board, including a couple of major funding bills and continuing legislation efforts on reforming retirement provisions and amendments to Social Security provisions.

The updated Legislative Watch List is attached. Notably, one Federal bill and one State Bill were passed and signed into law. The current Watch List includes three State, eleven Federal, and eleven City Council proposals.

At this time, it is not recommended for the Board to take a position on any other specific proposed legislation.

**Discussion**

**BILLS PASSED INTO LAW**

The following bill passed into law and will be removed from the future Legislative Watch List. Staff will work with respective consultants and legal counsel toward operational and legal compliance, as necessary.

***A.B. 361 – Open Meetings: Local Agencies: Teleconferences (Virtual Meetings Only for Declared Local Emergencies)***

This bill was passed and signed into law by the Governor on September 16, 2021. This bill, until January 1, 2024, allows virtual meetings with streamlined procedures only if the purpose of the meeting is to

declare a local emergency or if the meeting occurs during a period of a declared local emergency. This means the Board may hold teleconference meetings held within the next 30 days without needing to comply to existing Brown Act rules.

Impact on LACERS: LACERS Board and Committee meetings are being held and is in compliance.

### ***H.R. 3684 – Infrastructure Investment and Jobs Act***

H.R. 3684, Infrastructure Investment and Jobs Act also known as the Bipartisan Infrastructure Framework, was signed into law on November 15, 2021. Estimated at \$1.2 trillion, the bill addresses provisions related to federal-aid highway, transit, highway safety, motor carrier, research, hazardous materials, and rail programs of the Department of Transportation (DOT).

Impact on LACERS: Public Pensions General Counsel and LACERS will monitor this bill for any major impact in investments or health care.

## **BILLS AND/OR CITY PROPOSALS ADDED TO THE WATCHLIST**

The following are recently identified Federal bills of interest.

### ***H.R. 5376 –Build Back Better Act***

Passed by the House of Representatives by a vote of 220-213 on November 19, 2021, this bill, with an estimated cost of \$1.7 trillion, includes a wide range of budget and spending provisions in areas such as education, labor, child care, health care, taxes, immigration, and the environment.

Impact on LACERS: Public Pensions General Counsel and LACERS will monitor this bill for any major impact in taxes or healthcare.

### ***H.R. 5832 – Retirement Savings Lost and Found Act of 2021***

Introduced on November 3, 2021, this bill seeks to establish an online searchable database known as the Retirement Savings Lost and Found, allowing individuals to search for their former employers, find contact information for the plan administrator and claim their retirement benefits.

Impact on LACERS: Public Pensions General Counsel and LACERS will continue to monitor.

### ***H.R. 5834 – Equal Treatment of Public Servants Act of 2021***

Introduced on November 4, 2021, this bill seeks to repeal the current Windfall Elimination Provision (WEP) with a formula equalizing benefits for retired public servants.

Impact on LACERS: Public Pensions General Counsel and LACERS will continue to monitor.

The following are four City proposals of interest. LACERS will continue to monitor for any major impact. Details of the status can be found on the updated Legislative Watch List attached.

***C.F. 21-0846 – COVID-19 Virus / City Employees and Contractors / Vaccination Requirement / Condition of Employment***

Motion: Introduced on July 28, 2021. The City Administrative Officer, Chief Legislative Analyst, Director of Personnel and City Attorney, in consultation with labor representatives, report back in fifteen (15) days on a proposed policy to require that all City employees and contractors, as a condition of employment, (1) be fully vaccinated from the COVID-19 virus; and (2) report their COVID-19 vaccination status to the appropriate City department.

***C.F. 21-0551-S1 – Local Business Contracting / Job Creation / Sales Tax Revenue / Local Investment / Procurement Process***

Motion: Introduced on June 15, 2021. The Controller to report on its letter to the Mayor and City Council, dated May 20, 2021, which recommended a series of measures to increase contracting with local businesses, create jobs, and boost sales tax revenue to pay for additional city services

***C.F. 21-1116 – Facebook and Affiliated Companies / Photo-Sharing Program / Body Image / Mental Health Crisis / City Pension Funds Divestment***

Motion: Introduced on October 5, 2021. The City's three pension fund systems and any other City investment entity, in coordination with the City Administrative Officer and the Office of Finance, be directed to begin the process of divestment of any of the City's funds which may be currently invested in Facebook and its affiliated companies.

***C.F. 21-0565 – Part-Time Employees / Pro-Rated Benefits / Economic Assessment***

Motion: Introduced on May 25, 2021. The City Council instruct the Personnel Department with the assistance of the City Administrative Officer to report on the steps necessary to provide prorated benefits to all part-time employees of the City of Los Angeles as well as an economic assessment of providing these benefits.

**INFORMATIONAL**

The following bills did not pass or have no significant impact to LACERS and will be removed from the Legislative Watch List.

- A.B. 339 – Local Government: Open and Public Meetings (Mandatory Virtual Meetings with Closed Captions and Translation). This bill was vetoed by the Governor on October 7, 2021. No impact on LACERS.

## **Strategic Plan Impact Statement**

The Board's action on this item aligns with the Strategic Plan Goal to uphold good governance practices which affirm transparency, accountability, and fiduciary duty.

Prepared By: Chhintana Kurimoto, Management Analyst, Administration Division

NMG/TB/CK

Attachment: LACERS Legislative Watch List

Agenda of: DEC. 14, 2021

Item No: V-G

**MONTHLY REPORT ON SEMINARS AND CONFERENCES  
ATTENDED BY BOARD MEMBERS ON BEHALF OF LACERS  
(FOR THE MONTH OF OCTOBER 2021)**

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

**BOARD MEMBER:**

Commissioner Nilza R. Serrano

| <b>DATE(S) OF EVENT</b> | <b>SEMINAR / CONFERENCE TITLE</b>  | <b>EVENT SPONSOR<br/>(ORGANIZATION)</b> | <b>LOCATION<br/>(CITY, STATE)</b> |
|-------------------------|--|---|-----------------------------------|
| Oct. 17-19, 2021        | <b>Society of Human Resource Management (SHRM) – Visionaries Summit: “The Future of Belonging”</b> | SHRM and The Aspen Institute            | Washington. D.C.                  |
| October 29, 2021        | <b>CALAPRS Trustees Roundtable</b>   | CALAPRS                                 | Virtual                           |



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

**MEETING: DECEMBER 14, 2021**  
**ITEM: VII-A**

*Neil M. Guglielmo*

**SUBJECT: FINDINGS TO CONTINUE TELECONFERENCE MEETINGS AND DETERMINATION THAT COVID-19 STATE OF EMERGENCY CONTINUES TO DIRECTLY IMPACT THE ABILITY OF MEMBERS TO MEET SAFELY IN PERSON AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board approve continuing to hold LACERS Board and Committee meetings via teleconference and/or videoconference, under Government Code Sections 54953(e)(1)(B)-(C) and 54953(e)(3)(A) and (B)(i).

**Discussion**

LACERS is committed to preserving public access and participation in meetings of the Board of Administration. All LACERS Board and Committee meetings are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate as the LACERS Board and Committees conduct their business. The Brown Act, Government Code Section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, subject to the existence of certain conditions. The COVID-19 State of Emergency proclaimed by the Governor on March 4, 2020 remains active: COVID-19 remains a public health concern in Los Angeles, with high levels of community transmission.

The Board met via teleconference on October 12, 2021, and determined by majority vote, pursuant to Government Code Section 54953(e)(1)(B)-(C), that due to the COVID-19 State of Emergency, meeting in person would present imminent risks to the health or safety of attendees.

**Strategic Plan Impact Statement**

The Board’s action on this item aligns with the LACERS Strategic Plan Goal to uphold good governance practices which affirm transparency, accountability, and fiduciary duty.

Prepared By: Ani Ghoukassian, Commission Executive Assistant II

Attachment: Proposed Resolution

CONTINUE HOLDING LACERS BOARD AND COMMITTEE MEETINGS  
VIA TELECONFERENCE AND/OR VIDEOCONFERENCE

PROPOSED RESOLUTION

WHEREAS, LACERS is committed to preserving public access and participation in meetings of the Board of Administration; and

WHEREAS, all LACERS Board and Committee meetings are open and public, as required by the Ralph M. Brown Act (Cal. Gov. Code 54950 – 54963), so that any member of the public may attend and participate as the LACERS Board and Committees conduct their business; and

WHEREAS, the Brown Act, Government Code Section 54953(e), makes provisions for remote teleconferencing participation in meetings by members of a legislative body, subject to the existence of certain conditions; and

WHEREAS, the COVID-19 State of Emergency proclaimed by the Governor on March 4, 2020 remains active; and

WHEREAS, on October 12, 2021, the Board met via teleconference and determined by majority vote, pursuant to Government Code Section 54953(e)(1)(B)-(C), that due to the COVID-19 State of Emergency, meeting in person would present imminent risks to the health or safety of attendees; and

WHEREAS, the Board has reconsidered the circumstances of the State of Emergency; and

WHEREAS, COVID-19 remains a public health concern in Los Angeles, with high levels of community transmission;

NOW THEREFORE, BE IT RESOLVED that pursuant to Government Code Section 54953(e)(1)(B)-(C), the Board finds that holding Board and Committee meetings in person would present imminent risks to the health or safety of attendees.

BE IT FURTHER RESOLVED that pursuant to Government Code Section 54953(e)(3)(A) and (B)(i), the Board finds that the COVID-19 State of Emergency continues to directly impact the ability of Board and Committee members to meet safely in person.



**REPORT TO BOARD OF ADMINISTRATION**

From: Neil M. Guglielmo, General Manager

*Neil M. Guglielmo*

**MEETING: DECEMBER 14, 2021**

**ITEM: VII – B**

**SUBJECT: CONTRACT EXTENSION WITH ALLIANT INSURANCE SERVICES, INC. (ALLIANT) FOR INSURANCE BROKERAGE SERVICES, AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board:

1. Make a determination that a competitive bidding process for insurance brokerage services would not be advantageous pursuant to City Charter Section 371(e)(10);
2. Approve a two-year extension to LACERS' contract with Alliant Insurance Services, Inc. for insurance brokerage services, for the period beginning January 1, 2022, and ending December 31, 2023;
3. Authorize the General Manager to approve and execute the necessary contract amendment documents with Alliant Insurance Services, Inc., subject to the approval of the City Attorney as to form and make any necessary clerical, typographical, or technical corrections to this document.

**Summary**

In October of 2020, LACERS implemented a request for information process for a consultant that would recommend insurance coverage and solicit quotes for commercial property, liability, environmental, Directors and Officers Side A, and cyber liability insurance policies. As a result of that competitive bidding process, the LACERS Board of Administration awarded Alliant Insurance Services, Inc. ("Alliant") a one-year contract for these services. This one-year contract is due to expire December 31, 2021. LACERS requests that the Board approve an extension of two additional years for the contract with Alliant.

**Discussion**

LACERS continues to require an experienced insurance broker to educate, consult, and advise on insurance products and only recently went through the lengthy process of implementing a competitive bidding process that resulted in Alliant being awarded its first contract with LACERS. It is recommended by staff to extend the contract with Alliant for two additional years. The contract for insurance brokerage services includes compensation for Alliant that is capped at 7% commission to be paid by the carrier.

Any commission beyond 7% would be rebated back to LACERS through reduced premium invoices or a return check. Comparatively, this was at least 2% points lower than all other commission rates for proposals received for the competitive bidding process with the exception of one vendor that would have charged LACERS a flat fee of \$40k.

Thus far, LACERS' contract with Alliant has resulted in the following insurance policy purchases.

| <b>Policy Type</b>                          | <b>Policy Term</b>          | <b>Cost</b>         |
|---|-----------------------------|---------------------|
| <b>Commercial Property</b>                  | Mar 3, 2021 – Jul 1, 2021   | \$7,025.91          |
|   | Jul 1, 2021 – Jul 1, 2022   | \$33,367.35         |
| <b>General Liability</b>                    | Apr 1, 2021 – Sep 29, 2022  | \$10,154.28         |
|   | Sep 29,2021 – Sep 29,2022   | \$20,593.85         |
| <b>Difference in Condition (Earthquake)</b> | Mar 11, 2021 – Mar 11, 2022 | \$67,695.63         |
| <b>Fiduciary Liability (Side A)</b>         | Jun 23, 2020 – Jun 23, 2021 | \$33,175.00         |
|   | Jun 23, 2021 – Jun 23,2022  | \$35,650.00         |
| <b>Cyber Liability</b>                      | Jun 15, 2021 – Jun 15, 2022 | \$51,125.27         |
| <b>TOTAL</b>                                |                             | <b>\$258,787.29</b> |

Given the recency of the previous competitive bidding process, LACERS requests that the Board make the determination that initiating a competitive bidding process for these services would not be advantageous for LACERS as provided by Charter Section 371 (e)(10) which provides exemption from the competitive bidding process when the process is “undesirable, impractical or impossible”.

In general, staff has found Alliant’s performance to be satisfactory. Alliant staff has been responsive to requests for insurance policy quotes. They have taken time to explain and rate the carrier quotes to LACERS staff. Alliant staff made themselves available to help coordinate the insurance coverage transition from our Asset Manager insurance policy. LACERS is pleased with their level of service, their accessibility, and their staff’s level of expertise on the insurance market.

**Strategic Plan Impact Statement**

This contract amendment request conforms to LACERS Strategic Plan Board Governance Goal to increase organizational effectiveness, efficiency, and resiliency.

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

NMG/TB:ic

- Attachments: 1. Proposed Board Resolution  
 2. Contract Amendment with Alliant Insurance Services, Inc. for Insurance Brokerage Services

CONTRACT EXTENSION WITH ALLIANT INSURANCE SERVICES, INC. (ALLIANT)  
FOR INSURANCE BROKERAGE SERVICES

PROPOSED RESOLUTION

WHEREAS, LACERS has a one-year contract from January 1, 2021 to December 31, 2021 with Alliant to recommend insurance coverage and solicit insurance quotes for commercial property, liability, environmental, Directors & Officers Side A, and Cyber Liability insurance policies;

WHEREAS, LACERS implemented a competitive bidding process about a year ago that resulted in the selection of Alliant to provide insurance brokerage services;

WHEREAS, Alliant solicited and secured insurance policies for LACERS for all of the aforementioned liabilities at a reasonable price and in a timely manner;

WHEREAS, LACERS continues to require an experienced insurance broker, acting in a fiduciary capacity to LACERS, to educate, consult, and advise on insurance products;

WHEREAS, Charter Section 371(e)(10) provides exemption from the competitive bidding process for contracts that are “undesirable, impractical or impossible”;

WHEREAS, LACERS and Alliant Insurance Services, Inc. are both amenable to the extension of the current contract and existing terms for an additional two years; and

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

1. Make a determination that a competitive bidding process for insurance brokerage services would not be advantageous pursuant to City Charter Section 371(e)(10);
2. Approves a two-year extension to LACERS’ contract with Alliant Insurance Services, Inc. for insurance brokerage services, for the period beginning January 1, 2022, and ending December 31, 2023;
3. Authorize the General Manager to approve and execute the necessary contract amendment documents with Alliant Insurance Services, Inc., subject to the approval of the City Attorney as to form and make any necessary clerical, typographical, or technical corrections to this document.

**CONTRACT AMENDMENT NO. 1  
CONTRACT NO. 4229**

for

**Insurance Brokerage Services**

between

***ALLIANT INSURANCE SERVICES, INC.***

and

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

Effective: January 1, 2021, through December 31, 2024



**CONTRACT NO. 4229  
AMENDMENT NO. 1**

**ALLIANT INSURANCE SERVICES, INC. FOR INSURANCE BROKERAGE SERVICES**

**WHEREAS**, Contract No. 4229 is presently in force between The Board of Administration of the Los Angeles City Employees' Retirement System (the "Board") and ALLIANT INSURANCE SERVICES, INC. (the "Contractor"), pursuant to which the Contractor has agreed to provide insurance brokerage services to the Los Angeles City Employees' Retirement System (hereinafter referred to as "LACERS"); and

**WHEREAS**, the Board and the Contractor mutually desire to amend Contract No. 4229 as provided in this Amendment No. 1.

**NOW, THEREFORE, CONTRACT NO. 4229 IS HEREBY AMENDED AS FOLLOWS:**

1. **Section XIII. TERM** is hereby amended to read:

"The term of this AGREEMENT shall be effective from January 1, 2021 and ending 12:01 a.m. December 31, 2024 (i.e., three years), unless cancelled pursuant to termination provisions set forth herein."

2. **Section VI. NOTICES** is hereby amended to read:

"Any invoice, notice, demand, consent, amendment, approval, request, or other communication required or permitted under this AGREEMENT shall be submitted electronically to LACERS at OfficeServices@lacers.org and the primary and secondary Contract Liaison listed below. These shall include the name of the Contract Liaison and contract number 4229 for reference. Except as otherwise provided herein, all invoices, notices, demands, consents, amendments, approvals, requests, or other communication under this AGREEMENT shall be addressed to the intended recipient as set forth below:

LACERS

Los Angeles City Employees'  
Retirement System  
Attn: Neil M. Guglielmo  
202 West First Street, Suite 500

CONTRACTOR

Alliant Insurance Services, Inc.  
Robert Lowe  
333 South Hope Street, Suite 3750  
Los Angeles, CA 90071

Los Angeles, CA 90012  
Neil.Guglielmo@lacers.org  
With a copy to:

Robert.Lowe@alliant.com  
With a copy to:

Los Angeles City Employees'  
Retirement System  
Attn: Isaias Cantú  
202 West First Street, Suite 500  
Los Angeles, CA 90012  
Isaias.Cantu@lacers.org

Alliant Insurance Services, Inc.  
Attn: General Counsel  
701 B Street, 6<sup>th</sup> Floor  
San Diego, CA 92101

**3. The list of Exhibits of Section XXVII. INCORPORATION OF DOCUMENTS is hereby amended to read:**

“Exhibits Required Compliance Documents as part of the Contract:

- Exhibit 1: Proof of Insurance
- Exhibit 2: Copy of Los Angeles Business Tax Registration Certificate
- Exhibit 3: Completed IRS W-9 Form
- Exhibit 4: Completed Vender Request Form – ACH
- Exhibit 5: Contractor Disclosure Policy Reporting Form
- Exhibit 6: Completed MBE & WBE Disclosure Form”

**4. Section XXVII. COMPLIANCE WITH THE CITY’S COVID-19 VACCINE MANDATE is added to the contract and reads:**

**“XXVII. COMPLIANCE WITH THE CITY’S COVID-19 VACCINE MANDATE**

Employees of Contractor and/or persons working on its behalf, including, but not limited to, subcontractors (collectively, “Contractor Personnel”) must be fully vaccinated against the novel coronavirus 2019 (“COVID-19”) prior to (1) interacting in person with City employees, contractors, or volunteers, (2) working on City property while performing services under this Agreement, and/or (3) coming into contact with the public while performing services under this Agreement (collectively, “In-Person Services”). “Fully vaccinated” means that 14 or more days have passed since Contractor Personnel has received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention. Prior to assigning Contractor Personnel to perform In-Person Services, Contractor shall obtain proof that such Contractor Personnel has been fully vaccinated. The contractor shall retain such proof for the document retention period set

forth in this Agreement. The contractor shall grant medical or religious exemptions to Contractor Personnel as required by law.”

5. The list of Services in **ADDENDUM A** is hereby amended to read:

“1.Commercial Property;  
2.General Liability;  
3.Difference in Condition (Earthquake);  
4.Fiduciary Liability (Directors & Officers Side A);  
5.Cyber Liability”

6. The list of Key Personnel in **ADDENDUM B** is hereby amended to read:

“Team Coordinator: \*Robert Lowe

Account Manager: \*Kristen DesCombes

Marketing and Risk Management Specialists: \*Susan Leung \*Shawn Kraatz

Claims Services: Robert Frey

\*Denotes KEY PERSONNEL”

Except as amended hereby, all provisions of Contract No. 4229 shall remain in full force and effect.

*(Signature Page to Follow)*

**DIGITAL DEPLOYMENT, INC.**

**BOARD OF ADMINISTRATION  
LOS ANGELES CITY EMPLOYEES'  
RETIREMENT SYSTEM**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Neil M. Guglielmo, General Manager

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Approved as to form:

MICHAEL N. FEUER,

City Attorney, City of Los Angeles

By:  \_\_\_\_\_

Anya Freedman, Assistant City Attorney,  
City of Los Angeles

Date: \_\_11/10/21\_\_\_\_\_



**REPORT TO BOARD OF ADMINISTRATION**

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

*Neil M. Guglielmo*

**MEETING: DECEMBER 14, 2021**

**ITEM: VII – C**

**SUBJECT: LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM COVID-19 BOARD MEETING SAFETY STANDARDS, AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board:

1. Adopt the Los Angeles City Employees' Retirement System (LACERS) COVID-19 Board Meeting Safety Standards; and,
2. Authorize LACERS General Manager to make necessary updates, subject to City Attorney review, to the LACERS COVID-19 Board Meeting Safety Standards based on changes in federal, state, and local regulatory mandates, including City ordinances.

**Executive Summary**

The Los Angeles City Employees' Retirement System COVID-19 Board Meeting Safety Standards (CVSS) is to promote the health, safety, and welfare of its Board members, Members, staff, contractors, and the public, by requiring proof of full vaccination with a COVID-19 vaccine to enter Board and Committee meetings that routinely allow for higher-risk interaction for those in attendance. These standards will be periodically updated based on changes in federal, state, and local regulatory mandates, including City ordinances.

LACERS requests that the Board approve the CVSS and request that LACERS implement these standards for Board and Committee meetings.

**Discussion**

The COVID-19 pandemic remains a significant challenge in the City of Los Angeles, particularly considering the Center for Disease Control and Prevention's (CDC) classification of the Omicron variant as a Variant of Concern and recent confirmation of the Omicron variant being found in California.

On August 24, 2021, the County of Los Angeles' Department of Public Health (DPH) issued a memorandum titled "Evaluation of COVID-19 Vaccine Requirements for Indoor Public Spaces," which explained that "because Los Angeles is and has remained at a level of high community transmission, additional layers of protection in certain indoor settings where COVID-19 transmission is more likely to occur must be considered to avoid further negative impacts to the populous and business community." DPH recommended a vaccination requirement for "indoor public settings that present a higher risk of transmission...because of exceptions to the universal indoor masking requirement, increased levels of physical exertion by customers, or large numbers of people at an establishment or the close proximity of employees and/or customers for long periods of time." DPH allowed for municipalities to require more stringent measures.

On September 17, 2021, DPH issued an Order titled "Responding Together at Work and in the Community" (Order) with the stated goal of slowing the continuously high trends in and level of transmission of COVID-19. The Order advises "[t]he best way to reduce the current level of community transmission and to prevent future surges is for everyone who is eligible, including those who have recovered from a COVID-19 infection, to get fully vaccinated as soon as possible." Specifically, the DPH Order mandates proof of vaccination or a negative COVID-19 test for Mega Events defined as event with large crowds, including indoor events with greater than 1,000 attendees and outdoor events with greater than 10,000 attendees. The DPH Order also requires proof of vaccination for all indoor spaces at bars, breweries, wineries, distilleries, nightclubs, and lounges. The locations covered under the DPH Order are required to follow the mandates of the Order. The Order also strongly recommends that operators of all restaurants verify the COVID-19 vaccination status of their patrons for indoor service. The Order does not supersede any stricter limitation imposed by a local public entity and, in announcing the Order, the DPH applauded cities across the County for creating additional safeguards in spaces where people are intermingling with the use of targeted vaccination mandates.

On October 6, 2021, City Council adopted Ordinance No. 187219 requiring proof of vaccination with a COVID-19 vaccine to enter certain indoor public locations, large events, and City buildings. The ordinance seeks to promote the health, safety, and welfare of its workers, contractors, and the public and to encourage vaccination, by requiring proof of full vaccination with a COVID-19 vaccine to enter recreational locations and events within the City that routinely allow for higher-risk interaction, and City buildings where City workers and contractors put themselves at risk to provide services to the general public. On the premises of these establishments, implementation of a vaccination requirement is critical to protect the City's employees, contractors, residents, visitors, and businesses, while also attempting to avoid future shutdowns and maintain the City's economic recovery.

The CVSS closely reflect the standards provided by City Council as part of Ordinance No. 187219. Specifically, it provides the following measures meant to protect Board Members, staff, contractors, Members, and the public and prevent the spread of COVID-19. The standards define the types of requirements that Board Members, staff, contractors, Members, and the public must follow to enter the LACERS Headquarters for Board and Committee meetings including providing proof of vaccination, wearing a face covering, and maintaining social distancing.

Should any member of the public not be able to meet the standards for entry into Board or Committee meetings, LACERS provides alternative means for participating in these meetings including virtually and by phone. The majority of LACERS staff and consultants are anticipated to continue to connect virtually to LACERS Board and Committee meetings beyond the resumption of in-person meetings.

The CVSS is not meant to be LACERS' comprehensive organizational approach to preventing exposure to and the spread of COVID-19. Rather, it is one of many steps taken with this goal in mind. As LACERS returns to providing in-person services, LACERS plans to develop additional measures that contain other LACERS functions wherein Board Members, staff, contractors, Members, and members of the public can feel safe from the spread of COVID-19. LACERS will continue to monitor available sources for COVID-19 best practices implemented by other agencies dealing with similar circumstances and build upon these standards. As new practices and policies are identified, LACERS will seek modification of the CVSS by the Board. LACERS staff does seek authority to make legally mandated changes to the CVSS as necessary, subject to City Attorney review.

Beyond the standards, LACERS protects Board Members, staff, contractors, Members, and the public by providing disinfecting and cleaning materials and supplies, providing protective barriers, providing personal protective equipment to those without them, and air purifiers during Board and Committee meetings. Moreover, staff has worked on preparing seating space for Board and Committee meeting in-person attendees that provide social distancing. With social distancing in place, Board and Committee meetings at LACERS Boardroom should be able to accommodate approximately 12 in-person attendees, aside from those present at the Board table.

As it is not clear when the Governor's Executive Order N-08-21 waiving portions of the Brown Act that require the physical presence of the Board Members at Board and Committee meetings and allowing for public meetings entirely via teleconferencing, accessible telephonically or otherwise electronically to all members of the public seeking to observe and to address the Board, could expire, and in the interest of keeping LACERS Board and Committee in-person attendees safe, LACERS requests that the Board adopt the CVSS. LACERS has included a draft of the CVSS for the Board's consideration as part of this report.

### **Strategic Plan Impact Statement**

The Board's action on this item aligns with the LACERS Strategic Plan Goal of Board Governance to uphold good governance practices which affirm transparency, accountability, and fiduciary duty.

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

NMG/TB:ic

Attachments: 1. Proposed LACERS COVID-19 Board Meeting Safety Standards  
2. Proposed Resolution

# LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

## COVID-19 BOARD MEETING SAFETY STANDARDS

December 14, 2021

**Notice:** These standards will be periodically updated based on changes in federal, state, and local regulatory mandates, including City ordinances, adopted in response to conditions caused by the COVID-19 (SARS-CoV-2) pandemic.

\*\*\*\*\*

The Los Angeles City Employees' Retirement System's (LACERS) COVID-19 Board Meeting Safety Standards are established to protect the health and safety of individuals participating in or attending-in-person meetings conducted by the LACERS Board of Administration (Board) and all Committees of the Board (Committees).

LACERS is subject to various authorities that include, but are not limited to:

- California Department of Public Health (CDPH)
- California Occupational Safety Health Administration (Cal/OSHA)
- Los Angeles County Department of Public Health (DPH)
- City Ordinance No. 187134, "*COVID-19 Vaccination Requirement for All Current and Future City Employees*"

For department questions about LACERS' COVID-19 Board Meeting and Workplace Safety Standards, please email:

[OfficeServices@lacers.org](mailto:OfficeServices@lacers.org)

## **A. VACCINATION STATUS AND INFORMATION COLLECTION**

1. **COVID-19 Vaccination Status.** All individuals who are physically present at a Board or Committee meeting (“in-person attendees”) must provide proof that they are fully vaccinated for COVID-19 in order to enter a LACERS Board of Administration or Committee meeting and the LACERS Headquarters.
2. **Verification.** LACERS requires verification of vaccination status of all in-person attendees prior to admittance to any Board or Committee meeting. All in-person attendees must present to LACERS’ designated staff or representative a vaccination card, mobile vaccination verification, and/or medical provider documentation and photo identification for review. Neither COVID-19 test results nor vaccination exemptions will be accepted for in-person entry to a Board or Committee meeting.
3. **Confidentiality.** LACERS will not retain copies of vaccination cards, mobile vaccination verifications, medical provider documentation, or any other verification information and will treat all vaccination records as confidential.
4. **Disclosure.** All individuals must report their vaccination status to LACERS’ designated representative prior to admittance to LACERS Board or Committee meeting.
5. These Vaccination Status and Information Collection requirements do not apply to City Employees and contractors subject to and compliant with City Ordinance No. 187134, “COVID-19 Vaccination Requirement for All Current and Future City Employees.

## **B. FACE COVERINGS**

1. **All Attendees.** All in-person attendees at a LACERS Board or Committee meeting are required to wear a face covering that always covers both the nose and mouth at all times, except while actively eating or drinking, provided a physical distance of six or more feet from other individuals is maintained. LACERS does not permit any other exception to this requirement.
2. **Requesting Face Coverings.** All in-person attendees can request a face covering from LACERS at no cost and without fear of retaliation.

## **C. PHYSICAL DISTANCING**

Physical distancing (of six or more feet) is required in indoor settings under the following situations:

1. Individuals who are actively eating or drinking;
2. All exposed individuals in the event of a major outbreak; and
3. All exposed individuals when determined necessary in the event of a non-major outbreak.

## **D. ENTRY SELF-SCREENING**

1. **Compliance with DPH Orders.** LACERS will utilize daily self-screening protocols as

ordered by the DPH.

2. **Self-Screening.** All Board or Committee in-person attendees shall evaluate their own symptoms before reporting to the LACERS Headquarters.

## **E. EXPOSURE NOTIFICATION**

1. **Timing of Notice.** Within one (1) business day from the time LACERS knows of a COVID-19 case, written notification will be given to all in-person attendees (where possible) who may have been present at the Board or Committee meeting during the high-risk exposure period.
2. **Manner of Notice.** Notice may be provided via email, personal service, or text.
3. **Notice to Public Health Officials.** LACERS will notify local health officials of outbreaks as required by DPH.

## **F. ALTERNATE OPTIONS FOR PARTICIPATION**

1. For individuals who cannot verify their vaccination status, LACERS will provide alternate methods for accessing and participating in Board and Committee meetings, including link(s) to teleconferencing and dial-in options.
2. Alternate methods for accessing and participating in Board and Committee meetings will be provided on the meeting agenda. LACERS will provide instructions on how to use those alternate methods.

## G. DEFINITIONS

1. **“LACERS Headquarters”** means the Indoor Portion of LACERS’ office space within the LA Times building at 202 W. First Street, Suite 500, Los Angeles, CA 90012.
2. **“Close contact”** “Close contact” means being within six feet of a COVID-19 case for a cumulative total of 15 minutes or greater in any 24-hour period within or overlapping with the high-risk exposure period. This definition applies regardless of the use of face coverings. EXCEPTION: Individuals have not had a close contact if they wore a respirator required by the employer and used in compliance with California Code of Regulations, Title 8, Section 5144 Respiratory Protection, whenever they were within six feet of the COVID-19 case during the high-risk exposure period.
3. **“COVID-19 case”** means a Board or Committee in-person attendee who:
  - a. Has a positive “COVID-19 test;” or
  - b. Has a positive COVID-19 diagnosis from a licensed healthcare provider; or
  - c. Is subject to a COVID-19-related order to isolate issued by a local or state health official; or
  - d. Has died due to COVID-19, in the determination of a local health department or per inclusion in the COVID-19 statistics of a county.
4. **“COVID-19 hazard”** means potentially infectious material that may contain SARS-CoV-2, the virus that causes COVID-19. Potentially infectious materials include airborne droplets, small particle aerosols, and airborne droplet nuclei, which most commonly result from a person or persons exhaling, talking or vocalizing, or coughing, or sneezing, or from procedures performed on persons which may aerosolize saliva or respiratory tract fluids. This also includes objects or surfaces that may be contaminated with SARS-CoV-2.
5. **“COVID-19 symptoms”** means fever of 100.4 degrees Fahrenheit or higher, chills, cough, shortness of breath or difficulty breathing, fatigue, muscle or body aches, headache, new loss of taste or smell, sore throat, congestion or runny nose, nausea or vomiting, or diarrhea, unless a licensed health care professional determines the person's symptoms were caused by a known condition other than COVID-19.
6. **“COVID-19 test”** means a viral test for SARS-CoV-2 that is: (A) Approved by the United States Food and Drug Administration (FDA) or has an Emergency Use Authorization from the FDA to diagnose current infection with the SARS-CoV-2 virus; and (B) Administered in accordance with the FDA approval or the FDA Emergency Use Authorization as applicable.
7. **“Employees”** means full, part-time, and as-needed LACERS employees regardless of appointment type, volunteers, interns, hiring hall, appointed officers, board members, and 120-day retired employees.

8. **“Face coverings”** means face coverings that comply with OSHA standards including surgical masks, medical procedure masks, voluntary-use respirators (such as N95s), and masks made of tightly-woven fabric or non-woven material of at least two layers. A face covering has no visible holes or openings and must cover the nose and mouth. Bandanas, balaclavas, scarves, ski masks, and masks with a single layer of fabric are not acceptable face coverings. [Note. Surgical masks and medical procedure masks that meet the FDA requirements for fluid barrier protection and particulate filtration would not be single-layered. Masks with a single layer of fabric that look like a surgical mask or medical procedure mask will likely not provide the protection intended for wearing face coverings.]
9. **“Fully vaccinated”** means 14 days or more after an individual received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen). [Note. For persons (foreign visitor or traveler), who are fully vaccinated outside the United States, COVID-19 vaccine must be listed for emergency use or approved by the World Health Organization (WHO).]
10. **“High-risk exposure period”** means the following time period:
  - a. For COVID-19 cases who develop COVID-19 symptoms, from two days before they first develop symptoms until all of the following are true: it has been 10 days since symptoms first appeared; 24 hours have passed with no fever, without the use of fever-reducing medications; and symptoms have improved.
  - b. For COVID-19 cases who never develop COVID-19 symptoms, from two days before until 10 days after the specimen for their first positive test for COVID-19 was collected.
11. **“Identification”** means a valid (unexpired) driver’s license or government issued identification card or a current work or school identification card which contains the individual’s name and photograph.
12. **“Individual”** means any and all in-person attendees at a LACERS Board of Administration meeting or Committee meeting.
13. **“Isolation”** means separating those infected with a contagious disease from people who are not infected.
14. **“Major Outbreak”** means 20 or more COVID-19 cases among workers at the same worksite within a 30-day period.
15. **“Outbreak”** means at least three COVID-19 cases among workers at the same worksite within a 14-day period.
16. **“Partially Vaccinated”** means those who have received at least one dose of a COVID-19 vaccine, but do not meet the definition of fully vaccinated as defined herein.

17. **“Quarantine”** means to restrict the movement of persons who were exposed to COVID-19 in case they become infected.
18. **“Respirator”** means a respiratory protection device approved by the National Institute for Occupational Safety and Health (NIOSH) to protect the wearer from particulate matter, such as an N95 filtering face-piece respirator.
19. **“Unvaccinated”** means individuals who have not received any doses of COVID-19 vaccine or whose status is unknown.
20. **“Worksite”** means the building, store, facility, agricultural field, or other location where a COVID-19 case was present during the high-risk exposure period. It does not apply to buildings, floors, or other locations that a COVID-19 case did not enter.

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
COVID-19 BOARD MEETING SAFETY STANDARDS

PROPOSED RESOLUTION

WHEREAS, the COVID-19 pandemic remains a significant challenge in the City of Los Angeles as COVID-19 daily cases and community transmission remain high and, according to health experts, are likely to increase during the coming months because respiratory viruses spread more easily in the fall and winter months; and,

WHEREAS, on October 6, 2021, City Council adopted Ordinance No. 187219 requiring proof of vaccination with a COVID-19 vaccine to enter certain indoor public locations, large events, and City buildings to promote the health, safety, and welfare of its workers, contractors, and the public and to encourage vaccination, by requiring proof of full vaccination with a COVID-19 vaccine; and,

WHEREAS, implementation of a vaccination requirement is critical to protect the City's employees, contractors, residents, visitors, and businesses, while also attempting to avoid future shutdowns and maintain the City's economic recovery; and,

WHEREAS, recent emergence of the Omicron variant further emphasizes the importance of vaccination, boosters, and general prevention strategies needed to protect against COVID-19; and,

WHEREAS, it is not clear when the Governor's Executive Order N-08-21 waiving portions of the Brown Act that require the physical presence of the Board Members at Board and Committee meetings and allowing for public meetings entirely via teleconferencing, could expire; and,

WHEREAS, LACERS is preparing for the return to in-person Board and Committee meetings,

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

1. Adopt the Los Angeles City Employees' Retirement System (LACERS) COVID-19 Board Meeting Safety Standards; and,
2. Authorize LACERS General Manager to make necessary updates, subject to City Attorney review, to the LACERS COVID-19 Board Meeting Safety Standards based on changes in federal, state, and local regulatory mandates, including City ordinances.



# PORTFOLIO PERFORMANCE REVIEW

LOS ANGELES CITY EMPLOYEES'  
RETIREMENT SYSTEM

QUARTER ENDING SEPTEMBER 30, 2021



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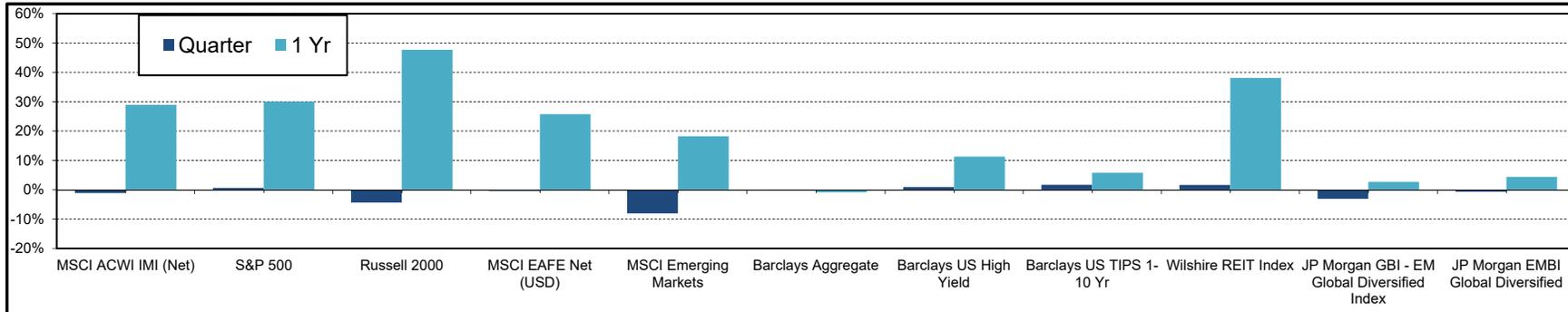


# EXECUTIVE SUMMARY



# PERFORMANCE OVERVIEW

## Q3 Market Summary – Risk Assets Turn In Mixed Results



|   | Market Value     | 3 Mo Rank | YTD Rank | 1 Yr Rank | 3 Yrs Rank | 5 Yrs Rank | 10 Yrs Rank | 15 Yrs Rank | Inception | Inception Date |    |        |    |       |    |       |        |
|---|------------------|-----------|----------|-----------|------------|------------|-------------|-------------|-----------|----------------|----|--------|----|-------|----|-------|--------|
| LACERS Master Trust                       | \$23,313,360,970 | 1.47%     | 34       | 11.94%    | 41         | 23.49%     | 41          | 11.18%      | 38        | 10.93%         | 41 | 10.66% | 20 | 7.57% | 37 | 8.65% | Oct-94 |
| Policy Index                              |                  | -0.38%    | 95       | 8.25%     | 99         | 19.98%     | 83          | 11.05%      | 49        | 10.90%         | 44 | 10.50% | 34 | 7.45% | 41 | 8.58% | Oct-94 |
| InvMetrics Public DB \$5-50B Gross Median |                  | 1.11%     |          | 11.38%    |            | 22.28%     |             | 11.03%      |           | 10.75%         |    | 10.20% |    | 7.38% |    | 8.50% | Oct-94 |

Note: Performance is gross of fees

**Global equities turned in mixed performance for the quarter and closed with a streak of volatility as inflationary pressures fueled concerns around economic growth and tapering of monetary stimulus.**

Non-US Equity and Private Equity composites outperformed their benchmarks due to manager performance

**Fixed-income markets ended the quarter mostly flat despite an uptick in volatility.**

The Core Fixed Income and Credit Fixed Income composites outperformed due to manager performance

**The wide range of outcomes associated with COVID-19 places a greater focus on strategic beliefs.**



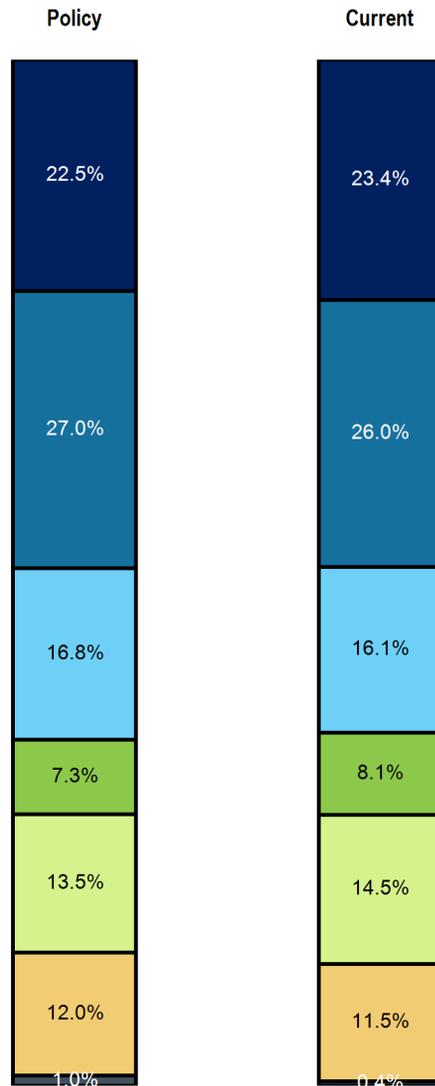


# ASSET CLASS POLICY OVERVIEW



# Los Angeles City Employees' Retirement System

## TOTAL FUND ASSET ALLOCATION VS. POLICY



| Asset Allocation vs. Target |                         |                |                     |              |                 |     |
|-----------------------------|-------------------------|----------------|---------------------|--------------|-----------------|-----|
|                             | Current                 | Policy         | Current Difference* | Policy Range | Within Range    |     |
| U.S. Equity                 | \$5,447,216,255         | 22.50%         | 23.37%              | 0.87%        | 16.50% - 28.50% | Yes |
| Non-US Equity               | \$6,069,681,623         | 27.00%         | 26.04%              | -0.96%       | 21.00% - 33.00% | Yes |
| Core Fixed Income           | \$3,758,101,505         | 16.75%         | 16.12%              | -0.63%       | 13.25% - 20.00% | Yes |
| Credit Opportunities        | \$1,879,011,306         | 7.25%          | 8.06%               | 0.81%        | 7.25% - 12.75%  | Yes |
| Private Equity              | \$3,386,441,112         | 13.50%         | 14.53%              | 1.03%        | N/A             | Yes |
| Real Assets                 | \$2,670,728,919         | 12.00%         | 11.46%              | -0.54%       | N/A             | Yes |
| Cash                        | \$102,180,250           | 1.00%          | 0.44%               | -0.56%       | 0.00% - 2.00%   | Yes |
| <b>Total</b>                | <b>\$23,313,360,970</b> | <b>100.00%</b> | <b>100.00%</b>      |              |                 |     |

\*Difference between Policy and Current Allocation

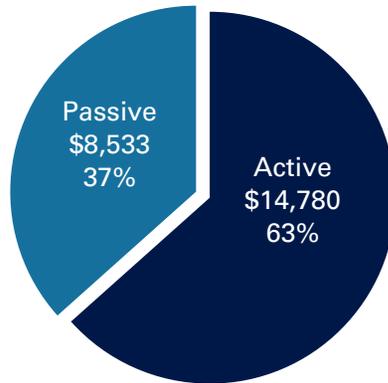
Note: Policy target asset allocation reflects the interim policy allocation adopted on September 14, 2021. See Pages 155 and 156 for policy index definitions and interim policy targets.



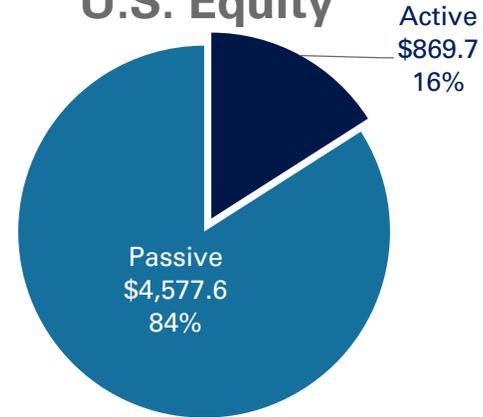
# ACTIVE AND PASSIVE MANAGER BREAKDOWN

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

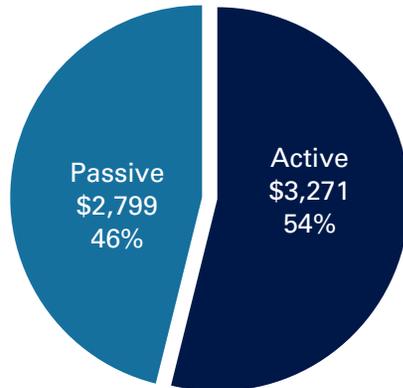
## Total Fund



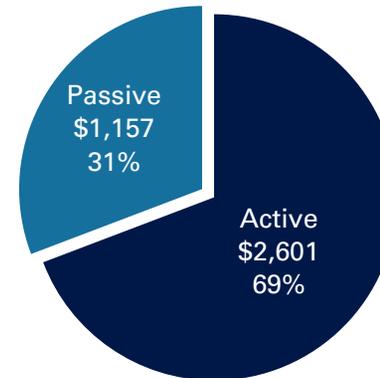
## U.S. Equity



## Non-U.S. Equity



## Core Fixed Income



- LACERS allocated 63% to active managers and 37% to passive managers.
- Credit Opportunities, Private Equity, and Real Assets programs are active and therefore are not shown.





# PERFORMANCE OVERVIEW



# TOTAL FUND PERFORMANCE SUMMARY

## GROSS OF FEES

|   | Market Value            | 3 Mo         | Rank      | YTD           | Rank      | 1 Yr          | Rank      | 3 Yrs         | Rank      | 5 Yrs         | Rank      | 10 Yrs        | Rank      | 15 Yrs       | Rank      | Inception    | Inception Date |
|---|-------------------------|--------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|--------------|-----------|--------------|----------------|
| <b>LACERS Master Trust</b>                | <b>\$23,313,360,970</b> | <b>1.47%</b> | <b>34</b> | <b>11.94%</b> | <b>41</b> | <b>23.49%</b> | <b>41</b> | <b>11.18%</b> | <b>38</b> | <b>10.93%</b> | <b>41</b> | <b>10.66%</b> | <b>20</b> | <b>7.57%</b> | <b>37</b> | <b>8.65%</b> | <b>Oct-94</b>  |
| Policy Index                              |                         | -0.38%       | 95        | 8.25%         | 99        | 19.98%        | 83        | 11.05%        | 49        | 10.90%        | 44        | 10.50%        | 34        | 7.45%        | 41        | 8.58%        | Oct-94         |
| InvMetrics Public DB \$5-50B Gross Median |                         | 1.11%        |           | 11.38%        |           | 22.28%        |           | 11.03%        |           | 10.75%        |           | 10.20%        |           | 7.38%        |           | 8.50%        | Oct-94         |

Over the past five years the Fund return of 10.93% outperformed the policy index by 0.03%. This return ranks in the 41<sup>st</sup> percentile within the Public Funds \$5 Billion- \$50 Billion universe. The Fund's volatility of 8.83% ranked in the 74<sup>th</sup> percentile over this period. The Fund's risk-adjusted performance, as measured by the Sharpe Ratio ranks in the 70<sup>th</sup> percentile and the Sortino Ratio ranks in the 67<sup>th</sup> percentile. Both measures outperform the benchmark indicating that active management benefited the Plan.

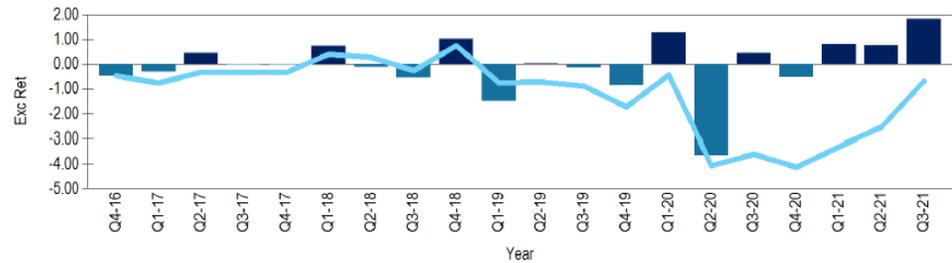
Over the past three years the Fund return of 11.18% outperformed the policy index by 0.13% and ranked in the 38<sup>th</sup> percentile in its peer group. The Fund's volatility ranks in the 75<sup>th</sup> percentile and the Sharpe Ratio of 0.92 ranks in the 72<sup>nd</sup> percentile. The Sortino Ratio of 1.13 ranks in the 67<sup>th</sup> percentile.

In the one-year ended September 30, 2021, assets increased from \$19.23 billion a year ago to \$23.31 billion. The Fund returned 23.49% and outperformed the policy index by 3.51%. The Fund's return above median, 41<sup>st</sup>, in its peer group.

All asset classes were within policy range as of September 30, 2021.

*The InvMetrics Public Funds \$5-\$50 Billion Universe contains 28 observations in the period ending September 30, 2021.*

### Quarterly and Cumulative Excess Performance



### 5 Years Ending September 30, 2021

|   | Annualized Return (%) | Rank | Annualized Standard Deviation | Rank | Sharpe Ratio | Rank | Sortino Ratio RF | Rank |
|---|-----------------------|------|-------------------------------|------|--------------|------|------------------|------|
| LACERS Master Trust                       | 10.93%                | 41   | 8.83%                         | 74   | 1.11         | 70   | 1.23             | 67   |
| Policy Index                              | 10.90%                | 44   | 10.01%                        | 99   | 0.98         | 94   | 1.09             | 81   |
| InvMetrics Public DB \$5-50B Gross Median | 10.75%                | --   | 7.86%                         | --   | 1.17         | --   | 1.27             | --   |

### 3 Years Ending September 30, 2021

|   | Annualized Return (%) | Rank | Annualized Standard Deviation | Rank | Sharpe Ratio | Rank | Sortino Ratio RF | Rank |
|---|-----------------------|------|-------------------------------|------|--------------|------|------------------|------|
| LACERS Master Trust                       | 11.18%                | 38   | 10.97%                        | 75   | 0.92         | 72   | 1.13             | 67   |
| Policy Index                              | 11.05%                | 49   | 12.48%                        | 99   | 0.80         | 89   | 1.01             | 74   |
| InvMetrics Public DB \$5-50B Gross Median | 11.03%                | --   | 9.71%                         | --   | 0.99         | --   | 1.22             | --   |

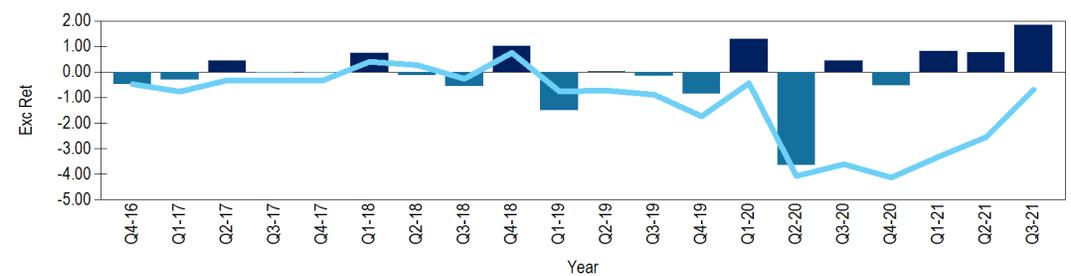


# Los Angeles City Employees' Retirement System

## PERFORMANCE SUMMARY (GROSS) \$1-50B UNIVERSE

|   | Market Value            | 3 Mo         | Rank      | YTD           | Rank      | 1 Yr          | Rank      | 3 Yrs         | Rank      | 5 Yrs         | Rank      | 10 Yrs        | Rank      | 15 Yrs       | Rank      | Inception    | Inception Date |
|---|-------------------------|--------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|---------------|-----------|--------------|-----------|--------------|----------------|
| <b>LACERS Master Trust</b>                | <b>\$23,313,360,970</b> | <b>1.47%</b> | <b>16</b> | <b>11.94%</b> | <b>22</b> | <b>23.49%</b> | <b>35</b> | <b>11.18%</b> | <b>30</b> | <b>10.93%</b> | <b>33</b> | <b>10.66%</b> | <b>28</b> | <b>7.57%</b> | <b>32</b> | <b>8.65%</b> | <b>Oct-94</b>  |
| Policy Index                              |                         | -0.38%       | 82        | 8.25%         | 89        | 19.98%        | 79        | 11.05%        | 34        | 10.90%        | 34        | 10.50%        | 33        | 7.45%        | 39        | 8.58%        | Oct-94         |
| InvMetrics Public DB \$1-50B Gross Median |                         | 0.30%        |           | 9.89%         |           | 21.90%        |           | 10.56%        |           | 10.35%        |           | 10.01%        |           | 7.26%        |           | 8.24%        | Oct-94         |

### Quarterly and Cumulative Excess Performance



#### 5 Years Ending September 30, 2021

|   | Annualized Return (%) | Rank | Annualized Standard Deviation | Rank | Sharpe Ratio | Rank | Sortino Ratio RF | Rank |
|---|-----------------------|------|-------------------------------|------|--------------|------|------------------|------|
| LACERS Master Trust                       | 10.93%                | 33   | 8.83%                         | 55   | 1.11         | 39   | 1.23             | 30   |
| Policy Index                              | 10.90%                | 34   | 10.01%                        | 87   | 0.98         | 67   | 1.09             | 48   |
| InvMetrics Public DB \$1-50B Gross Median | 10.35%                | --   | 8.76%                         | --   | 1.05         | --   | 1.08             | --   |

#### 3 Years Ending September 30, 2021

|   | Annualized Return (%) | Rank | Annualized Standard Deviation | Rank | Sharpe Ratio | Rank | Sortino Ratio RF | Rank |
|---|-----------------------|------|-------------------------------|------|--------------|------|------------------|------|
| LACERS Master Trust                       | 11.18%                | 30   | 10.97%                        | 56   | 0.92         | 41   | 1.13             | 34   |
| Policy Index                              | 11.05%                | 34   | 12.48%                        | 87   | 0.80         | 66   | 1.01             | 43   |
| InvMetrics Public DB \$1-50B Gross Median | 10.56%                | --   | 10.82%                        | --   | 0.85         | --   | 0.98             | --   |



# Los Angeles City Employees' Retirement System

## TOTAL FUND PERFORMANCE DETAIL (GROSS)

|                                     | Market Value<br>(\$)  | % of<br>Portfolio | 3 Mo<br>(%)  | YTD<br>(%)   | 1 Yr<br>(%)  | 3 Yrs<br>(%) | 5 Yrs<br>(%) | 10 Yrs<br>(%) | 20 Yrs<br>(%) | Inception<br>(%) | Inception<br>Date |
|-------------------------------------|-----------------------|-------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|------------------|-------------------|
| <b>LACERS Master Trust</b>          | <b>23,313,360,970</b> | <b>100.00</b>     | <b>1.47</b>  | <b>11.94</b> | <b>23.49</b> | <b>11.18</b> | <b>10.93</b> | <b>10.66</b>  | <b>8.32</b>   | <b>8.65</b>      | <b>Oct-94</b>     |
| <i>Policy Index</i>                 |                       |                   | <u>-0.38</u> | <u>8.25</u>  | <u>19.98</u> | <u>11.05</u> | <u>10.90</u> | <u>10.50</u>  | <u>8.00</u>   | <u>8.58</u>      | <u>Oct-94</u>     |
| Over/Under                          |                       |                   | 1.85         | 3.69         | 3.51         | 0.13         | 0.03         | 0.16          | 0.32          | 0.07             |                   |
| <b>U.S. Equity</b>                  | <b>5,447,216,255</b>  | <b>23.37</b>      | <b>-0.01</b> | <b>15.44</b> | <b>33.09</b> | <b>15.22</b> | <b>16.48</b> | <b>16.58</b>  | <b>10.19</b>  | <b>11.27</b>     | <b>Oct-94</b>     |
| <i>U.S. Equity Blend</i>            |                       |                   | <u>-0.10</u> | <u>14.99</u> | <u>31.87</u> | <u>16.00</u> | <u>16.85</u> | <u>16.60</u>  | <u>9.85</u>   | <u>10.34</u>     | <u>Oct-94</u>     |
| Over/Under                          |                       |                   | 0.09         | 0.45         | 1.22         | -0.78        | -0.37        | -0.02         | 0.34          | 0.93             |                   |
| <b>Non-U.S. Equity</b>              | <b>6,069,681,623</b>  | <b>26.04</b>      | <b>-1.19</b> | <b>8.83</b>  | <b>28.90</b> | <b>10.40</b> | <b>10.85</b> | <b>9.41</b>   | <b>8.32</b>   | <b>5.94</b>      | <b>Nov-94</b>     |
| <i>MSCI ACWI ex USA</i>             |                       |                   | <u>-2.99</u> | <u>5.90</u>  | <u>23.91</u> | <u>8.03</u>  | <u>8.94</u>  | <u>7.48</u>   | <u>7.15</u>   | <u>5.50</u>      | <u>Nov-94</u>     |
| Over/Under                          |                       |                   | 1.80         | 2.93         | 4.99         | 2.37         | 1.91         | 1.93          | 1.17          | 0.44             |                   |
| <b>Core Fixed Income</b>            | <b>3,758,101,505</b>  | <b>16.12</b>      | <b>0.13</b>  | <b>-1.03</b> | <b>0.13</b>  | <b>6.08</b>  | <b>3.54</b>  | <b>--</b>     | <b>--</b>     | <b>3.68</b>      | <b>Jul-12</b>     |
| <i>Core Fixed Income Blend</i>      |                       |                   | <u>0.05</u>  | <u>-1.55</u> | <u>-0.90</u> | <u>5.36</u>  | <u>2.94</u>  | <u>3.19</u>   | <u>4.53</u>   | <u>2.98</u>      | <u>Jul-12</u>     |
| Over/Under                          |                       |                   | 0.08         | 0.52         | 1.03         | 0.72         | 0.60         |               |               | 0.70             |                   |
| <b>Credit Opportunities</b>         | <b>1,879,011,306</b>  | <b>8.06</b>       | <b>-0.32</b> | <b>1.00</b>  | <b>7.07</b>  | <b>5.70</b>  | <b>5.29</b>  | <b>--</b>     | <b>--</b>     | <b>5.46</b>      | <b>Jun-13</b>     |
| <i>Credit Opportunities Blend</i>   |                       |                   | <u>-0.57</u> | <u>1.53</u>  | <u>7.84</u>  | <u>6.16</u>  | <u>5.41</u>  | <u>--</u>     | <u>--</u>     | <u>5.82</u>      | <u>Jun-13</u>     |
| Over/Under                          |                       |                   | 0.25         | -0.53        | -0.77        | -0.46        | -0.12        |               |               | -0.36            |                   |
| <b>Real Assets</b>                  | <b>2,670,728,919</b>  | <b>11.46</b>      | <b>1.97</b>  | <b>8.83</b>  | <b>12.02</b> | <b>6.55</b>  | <b>5.79</b>  | <b>7.42</b>   | <b>5.26</b>   | <b>6.33</b>      | <b>Nov-94</b>     |
| <i>Real Assets Policy Benchmark</i> |                       |                   | <u>3.16</u>  | <u>10.24</u> | <u>11.67</u> | <u>8.27</u>  | <u>7.91</u>  | <u>7.25</u>   | <u>--</u>     | <u>--</u>        | <u>Nov-94</u>     |
| Over/Under                          |                       |                   | -1.19        | -1.41        | 0.35         | -1.72        | -2.12        | 0.17          |               |                  |                   |
| <b>Public Real Assets</b>           | <b>1,733,301,828</b>  | <b>7.43</b>       | <b>1.72</b>  | <b>10.23</b> | <b>14.97</b> | <b>8.62</b>  | <b>5.36</b>  | <b>--</b>     | <b>--</b>     | <b>3.99</b>      | <b>Jun-14</b>     |
| <i>Public Real Assets Blend</i>     |                       |                   | <u>1.22</u>  | <u>12.89</u> | <u>20.74</u> | <u>7.56</u>  | <u>4.76</u>  | <u>--</u>     | <u>--</u>     | <u>2.26</u>      | <u>Jun-14</u>     |
| Over/Under                          |                       |                   | 0.50         | -2.66        | -5.77        | 1.06         | 0.60         |               |               | 1.73             |                   |
| <b>Private Equity</b>               | <b>3,386,441,112</b>  | <b>14.53</b>      | <b>12.22</b> | <b>43.32</b> | <b>56.78</b> | <b>21.72</b> | <b>19.26</b> | <b>14.80</b>  | <b>12.18</b>  | <b>11.77</b>     | <b>Nov-95</b>     |
| <i>Private Equity Blend</i>         |                       |                   | <u>0.64</u>  | <u>17.53</u> | <u>35.74</u> | <u>19.44</u> | <u>20.31</u> | <u>20.14</u>  | <u>13.71</u>  | <u>13.98</u>     | <u>Nov-95</u>     |
| Over/Under                          |                       |                   | 11.58        | 25.79        | 21.04        | 2.28         | -1.05        | -5.34         | -1.53         | -2.21            |                   |
| <b>Cash</b>                         | <b>102,180,250</b>    | <b>0.44</b>       |              |              |              |              |              |               |               |                  |                   |

- Policy Index = Policy target asset allocation reflects interim asset allocation policy targets adopted on September 14, 2021. 22.5% Russell 3000+ 27% MSCI ACWI ex USA + 16.75% BBgBarc US Aggregate TR+ 7.25% Credit Opportunities Blend+ 12% Real Assets Policy Benchmark+ 13.5% Private Equity Blend+ 1% 91 Day T-Bills
  - U.S. Equity Blend = Russell 3000
  - Core Fixed Income Blend = Bloomberg US AggregateBond Index TR
  - Credit Opportunities Blend = 20.7%Bloomberg US High Yield 2% Issuer Cap TR+ Credit Suisse Leveraged Loan Index 20.7% + 55% Blended emerging Markets Debt Index + 3.6% Credit Suisse Leveraged Loan Index Lagged
  - Real Assets Policy Benchmark = 41.67% Bloomberg US TIPS Index + 25% FTSE NAREIT ALL Equity REIT Index + 33.33% Real Estate Blended Benchmark
  - Public Real Assets Blend = 62.5% Bloomberg US TIPS Index + 37.5% FTSE NAREIT ALL Equity REIT Index
  - Private Equity Blend = Russell 3000 + 300bps
- Please refer to the Appendix and/or investment policy for a full description and composition of blended indices



# Los Angeles City Employees' Retirement System

## TOTAL FUND PERFORMANCE DETAIL (NET)

|                              | Market Value<br>(\$)  | % of<br>Portfolio | 3 Mo<br>(%)  | YTD<br>(%)   | 1 Yr<br>(%)  | 3 Yrs<br>(%) | 5 Yrs<br>(%) | 10 Yrs<br>(%) | 20 Yrs<br>(%) | Inception<br>(%) | Inception<br>Date |
|------------------------------|-----------------------|-------------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|------------------|-------------------|
| <b>LACERS Master Trust</b>   | <b>23,313,360,970</b> | <b>100.00</b>     | <b>1.43</b>  | <b>11.82</b> | <b>23.30</b> | <b>11.00</b> | <b>10.74</b> | <b>10.47</b>  | <b>8.12</b>   | --               | <b>Oct-94</b>     |
| Policy Index                 |                       |                   | <u>-0.38</u> | <u>8.25</u>  | <u>19.98</u> | <u>11.05</u> | <u>10.90</u> | <u>10.50</u>  | <u>8.00</u>   | <u>8.58</u>      | <u>Oct-94</u>     |
| Over/Under                   |                       |                   | 1.81         | 3.57         | 3.32         | -0.05        | -0.16        | -0.03         | 0.12          |                  |                   |
| <b>U.S. Equity</b>           | <b>5,447,216,255</b>  | <b>23.37</b>      | <b>-0.03</b> | <b>15.37</b> | <b>32.99</b> | <b>15.15</b> | <b>16.41</b> | <b>16.45</b>  | <b>10.00</b>  | --               | <b>Oct-94</b>     |
| U.S. Equity Blend            |                       |                   | <u>-0.10</u> | <u>14.99</u> | <u>31.87</u> | <u>16.00</u> | <u>16.85</u> | <u>16.60</u>  | <u>9.85</u>   | <u>10.34</u>     | <u>Oct-94</u>     |
| Over/Under                   |                       |                   | 0.07         | 0.38         | 1.12         | -0.85        | -0.44        | -0.15         | 0.15          |                  |                   |
| <b>Non-U.S. Equity</b>       | <b>6,069,681,623</b>  | <b>26.04</b>      | <b>-1.26</b> | <b>8.57</b>  | <b>28.48</b> | <b>10.02</b> | <b>10.45</b> | <b>9.05</b>   | <b>7.95</b>   | --               | <b>Nov-94</b>     |
| MSCI ACWI ex USA             |                       |                   | <u>-2.99</u> | <u>5.90</u>  | <u>23.91</u> | <u>8.03</u>  | <u>8.94</u>  | <u>7.48</u>   | <u>7.15</u>   | <u>5.50</u>      | <u>Nov-94</u>     |
| Over/Under                   |                       |                   | 1.73         | 2.67         | 4.57         | 1.99         | 1.51         | 1.57          | 0.80          |                  |                   |
| <b>Core Fixed Income</b>     | <b>3,758,101,505</b>  | <b>16.12</b>      | <b>0.11</b>  | <b>-1.08</b> | <b>0.06</b>  | <b>5.98</b>  | <b>3.44</b>  | --            | --            | <b>3.56</b>      | <b>Jul-12</b>     |
| Core Fixed Income Blend      |                       |                   | <u>0.05</u>  | <u>-1.55</u> | <u>-0.90</u> | <u>5.36</u>  | <u>2.94</u>  | <u>3.19</u>   | <u>4.53</u>   | <u>2.98</u>      | <u>Jul-12</u>     |
| Over/Under                   |                       |                   | 0.06         | 0.47         | 0.96         | 0.62         | 0.50         |               |               | 0.58             |                   |
| <b>Credit Opportunities</b>  | <b>1,879,011,306</b>  | <b>8.06</b>       | <b>-0.40</b> | <b>0.81</b>  | <b>6.80</b>  | <b>5.41</b>  | <b>4.97</b>  | --            | --            | <b>5.13</b>      | <b>Jun-13</b>     |
| Credit Opportunities Blend   |                       |                   | <u>-0.57</u> | <u>1.53</u>  | <u>7.84</u>  | <u>6.16</u>  | <u>5.41</u>  | --            | --            | <u>5.82</u>      | <u>Jun-13</u>     |
| Over/Under                   |                       |                   | 0.17         | -0.72        | -1.04        | -0.75        | -0.44        |               |               | -0.69            |                   |
| <b>Real Assets</b>           | <b>2,670,728,919</b>  | <b>11.46</b>      | <b>1.94</b>  | <b>8.72</b>  | <b>11.87</b> | <b>6.39</b>  | <b>5.63</b>  | <b>7.27</b>   | <b>5.11</b>   | --               | <b>Nov-94</b>     |
| Real Assets Policy Benchmark |                       |                   | <u>3.16</u>  | <u>10.24</u> | <u>11.67</u> | <u>8.27</u>  | <u>7.91</u>  | <u>7.25</u>   | --            | --               | <u>Nov-94</u>     |
| Over/Under                   |                       |                   | -1.22        | -1.52        | 0.20         | -1.88        | -2.28        | 0.02          |               |                  |                   |
| <b>Public Real Assets</b>    | <b>1,733,301,828</b>  | <b>7.43</b>       | <b>1.69</b>  | <b>10.09</b> | <b>14.78</b> | <b>8.41</b>  | <b>5.13</b>  | --            | --            | <b>3.78</b>      | <b>Jun-14</b>     |
| Public Real Assets Blend     |                       |                   | <u>1.22</u>  | <u>12.89</u> | <u>20.74</u> | <u>7.56</u>  | <u>4.76</u>  | --            | --            | <u>2.26</u>      | <u>Jun-14</u>     |
| Over/Under                   |                       |                   | 0.47         | -2.80        | -5.96        | 0.85         | 0.37         |               |               | 1.52             |                   |
| <b>Private Equity</b>        | <b>3,386,441,112</b>  | <b>14.53</b>      | <b>12.22</b> | <b>43.33</b> | <b>56.79</b> | <b>21.73</b> | <b>19.27</b> | <b>14.81</b>  | <b>12.11</b>  | --               | <b>Nov-95</b>     |
| Private Equity Blend         |                       |                   | <u>0.64</u>  | <u>17.53</u> | <u>35.74</u> | <u>19.44</u> | <u>20.31</u> | <u>20.14</u>  | <u>13.71</u>  | <u>13.98</u>     | <u>Nov-95</u>     |
| Over/Under                   |                       |                   | 11.58        | 25.80        | 21.05        | 2.29         | -1.04        | -5.33         | -1.60         |                  |                   |
| <b>Cash</b>                  | <b>102,180,250</b>    | <b>0.44</b>       |              |              |              |              |              |               |               |                  |                   |

- Policy Index = Policy target asset allocation reflects interim asset allocation policy targets adopted on September 14, 2021. 22.5% Russell 3000+ 27% MSCI ACWI ex USA + 16.75% BBgBarc US Aggregate TR+ 7.25% Credit Opportunities Blend+ 12% Real Assets Policy Benchmark+ 13.5% Private Equity Blend+ 1% 91 Day T-Bills
  - U.S. Equity Blend = Russell 3000
  - Core Fixed Income Blend = Bloomberg US AggregateBond Index TR
  - Credit Opportunities Blend = 20.7%Bloomberg US High Yield 2% Issuer Cap TR+ Credit Suisse Leveraged Loan Index 20.7% + 55% Blended emerging Markets Debt Index + 3.6% Credit Suisse Leveraged Loan Index Lagged
  - Real Assets Policy Benchmark = 41.67% Bloomberg US TIPS Index + 25% FTSE NAREIT ALL Equity REIT Index + 33.33% Real Estate Blended Benchmark
  - Public Real Assets Blend = 62.5% Bloomberg US TIPS Index + 37.5% FTSE NAREIT ALL Equity REIT Index
  - Private Equity Blend = Russell 3000 + 300bps
- Please refer to the Appendix and/or investment policy for a full description and composition of blended indices



## Los Angeles City Employees' Retirement System

# TOTAL FUND RISK STATISTICS (GROSS) \$5-50B UNIVERSE

3 Years Ending September 30, 2021

|                      | % of Total MV (%) | Annualized Return (%) | Rank | Annualized Standard Deviation | Rank | Annualized Alpha Jensen (%) | Rank | Information Ratio | Rank | Sortino Ratio RF | Rank | Tracking Error | Rank |
|----------------------|-------------------|-----------------------|------|-------------------------------|------|-----------------------------|------|-------------------|------|------------------|------|----------------|------|
| LACERS Master Trust  | 100.00%           | 11.18%                | 38   | 10.97%                        | 75   | 1.44%                       | 44   | 0.06              | 66   | 1.13             | 67   | 2.31%          | 39   |
| Total Equity         | 49.40%            | 12.57%                | 37   | 18.73%                        | 74   | 0.19%                       | 29   | 0.17              | 29   | 0.78             | 50   | 1.09%          | 21   |
| U.S. Equity          | 23.37%            | 15.22%                | 38   | 19.62%                        | 42   | -0.72%                      | 45   | -0.83             | 67   | 0.92             | 39   | 0.93%          | 18   |
| Non-U.S. Equity      | 26.04%            | 10.40%                | 21   | 18.42%                        | 65   | 2.13%                       | 24   | 1.39              | 9    | 0.66             | 24   | 1.71%          | 30   |
| Developed ex-U.S.    | 19.29%            | 9.84%                 | 40   | 18.90%                        | 77   | 1.84%                       | 46   | 0.98              | 23   | 0.63             | 42   | 2.27%          | 32   |
| Emerging Markets     | 6.75%             | 11.77%                | 10   | 19.25%                        | 51   | 3.32%                       | 13   | 1.14              | 9    | 0.75             | 14   | 2.80%          | 21   |
| Core Fixed Income    | 16.12%            | 6.08%                 | 29   | 3.57%                         | 17   | 0.74%                       | 30   | 1.21              | 7    | 3.14             | 7    | 0.59%          | 16   |
| Credit Opportunities | 8.06%             | 5.70%                 | --   | 10.77%                        | --   | -0.98%                      | --   | -0.25             | --   | 0.34             | --   | 1.86%          | --   |
| Real Assets          | 11.46%            | 6.55%                 | 50   | 4.22%                         | 1    | -2.14%                      | 76   | -0.44             | 95   | 1.57             | 26   | 3.92%          | 4    |
| Public Real Assets   | 7.43%             | 8.62%                 | --   | 6.74%                         | --   | 3.38%                       | --   | 0.26              | --   | 1.25             | --   | 4.13%          | --   |
| Private Real Estate  | 3.94%             | 3.68%                 | 89   | 2.81%                         | 29   | 2.13%                       | 15   | -0.81             | 94   | 1.09             | 92   | 5.23%          | 93   |
| Private Equity       | 14.53%            | 21.72%                | 43   | 12.02%                        | 43   | 20.44%                      | 15   | 0.10              | 44   | 2.96             | 68   | 22.83%         | 86   |

5 Years Ending September 30, 2021

|                      | % of Total MV (%) | Annualized Return (%) | Rank | Annualized Standard Deviation | Rank | Annualized Alpha Jensen (%) | Rank | Information Ratio | Rank | Sortino Ratio RF | Rank | Tracking Error | Rank |
|----------------------|-------------------|-----------------------|------|-------------------------------|------|-----------------------------|------|-------------------|------|------------------|------|----------------|------|
| LACERS Master Trust  | 100.00%           | 10.93%                | 41   | 8.83%                         | 74   | 1.28%                       | 48   | 0.01              | 78   | 1.23             | 67   | 1.85%          | 35   |
| Total Equity         | 49.40%            | 13.39%                | 30   | 15.02%                        | 60   | 0.34%                       | 27   | 0.36              | 17   | 0.91             | 35   | 0.93%          | 15   |
| U.S. Equity          | 23.37%            | 16.48%                | 39   | 15.83%                        | 36   | -0.35%                      | 39   | -0.44             | 52   | 1.08             | 34   | 0.85%          | 19   |
| Non-U.S. Equity      | 26.04%            | 10.85%                | 22   | 15.16%                        | 58   | 1.67%                       | 18   | 1.25              | 1    | 0.81             | 19   | 1.53%          | 25   |
| Developed ex-U.S.    | 19.29%            | 10.57%                | 38   | 15.38%                        | 72   | 1.43%                       | 40   | 0.89              | 12   | 0.79             | 42   | 1.99%          | 26   |
| Emerging Markets     | 6.75%             | 11.34%                | 15   | 16.67%                        | 55   | 2.18%                       | 15   | 0.92              | 1    | 0.85             | 18   | 2.29%          | 12   |
| Core Fixed Income    | 16.12%            | 3.54%                 | 53   | 3.28%                         | 18   | 0.64%                       | 45   | 1.19              | 9    | 1.32             | 6    | 0.50%          | 16   |
| Credit Opportunities | 8.06%             | 5.29%                 | --   | 8.56%                         | --   | -0.55%                      | --   | -0.08             | --   | 0.40             | --   | 1.51%          | --   |
| Real Assets          | 11.46%            | 5.79%                 | 47   | 3.40%                         | 1    | -1.74%                      | 88   | -0.66             | 99   | 1.59             | 22   | 3.19%          | 3    |
| Public Real Assets   | 7.43%             | 5.36%                 | --   | 5.67%                         | --   | 1.83%                       | --   | 0.18              | --   | 0.95             | --   | 3.36%          | --   |
| Private Real Estate  | 3.94%             | 5.61%                 | 87   | 2.47%                         | 27   | 4.60%                       | 11   | -0.56             | 92   | 1.86             | 85   | 4.95%          | 90   |
| Private Equity       | 14.53%            | 19.26%                | 45   | 9.66%                         | 34   | 18.01%                      | 16   | -0.06             | 53   | 2.96             | 75   | 18.44%         | 86   |



## Los Angeles City Employees' Retirement System

# TOTAL FUND RISK STATISTICS (GROSS) \$1-50B UNIVERSE

### 3 Years Ending September 30, 2021

|                      | % of Total MV (%) | Annualized Return (%) | Rank | Annualized Standard Deviation | Rank | Annualized Alpha Jensen (%) | Rank | Information Ratio | Rank | Sortino Ratio RF | Rank | Tracking Error | Rank |
|----------------------|-------------------|-----------------------|------|-------------------------------|------|-----------------------------|------|-------------------|------|------------------|------|----------------|------|
| LACERS Master Trust  | 100.00%           | 11.18%                | 30   | 10.97%                        | 56   | 1.44%                       | 24   | 0.06              | 66   | 1.13             | 34   | 2.31%          | 64   |
| Total Equity         | 49.40%            | 12.57%                | 37   | 18.73%                        | 74   | 0.19%                       | 29   | 0.17              | 29   | 0.78             | 50   | 1.09%          | 21   |
| U.S. Equity          | 23.37%            | 15.22%                | 38   | 19.62%                        | 42   | -0.72%                      | 45   | -0.83             | 67   | 0.92             | 39   | 0.93%          | 18   |
| Non-U.S. Equity      | 26.04%            | 10.40%                | 21   | 18.42%                        | 65   | 2.13%                       | 24   | 1.39              | 9    | 0.66             | 24   | 1.71%          | 30   |
| Developed ex-U.S.    | 19.29%            | 9.84%                 | 40   | 18.90%                        | 77   | 1.84%                       | 46   | 0.98              | 23   | 0.63             | 42   | 2.27%          | 32   |
| Emerging Markets     | 6.75%             | 11.77%                | 10   | 19.25%                        | 51   | 3.32%                       | 13   | 1.14              | 9    | 0.75             | 14   | 2.80%          | 21   |
| Core Fixed Income    | 16.12%            | 6.08%                 | 29   | 3.57%                         | 17   | 0.74%                       | 30   | 1.21              | 7    | 3.14             | 7    | 0.59%          | 16   |
| Credit Opportunities | 8.06%             | 5.70%                 | --   | 10.77%                        | --   | -0.98%                      | --   | -0.25             | --   | 0.34             | --   | 1.86%          | --   |
| Real Assets          | 11.46%            | 6.55%                 | 50   | 4.22%                         | 1    | -2.14%                      | 76   | -0.44             | 95   | 1.57             | 26   | 3.92%          | 4    |
| Public Real Assets   | 7.43%             | 8.62%                 | --   | 6.74%                         | --   | 3.38%                       | --   | 0.26              | --   | 1.25             | --   | 4.13%          | --   |
| Private Real Estate  | 3.94%             | 3.68%                 | 89   | 2.81%                         | 29   | 2.13%                       | 15   | -0.81             | 94   | 1.09             | 92   | 5.23%          | 93   |
| Private Equity       | 14.53%            | 21.72%                | 43   | 12.02%                        | 43   | 20.44%                      | 15   | 0.10              | 44   | 2.96             | 68   | 22.83%         | 86   |

### 5 Years Ending September 30, 2021

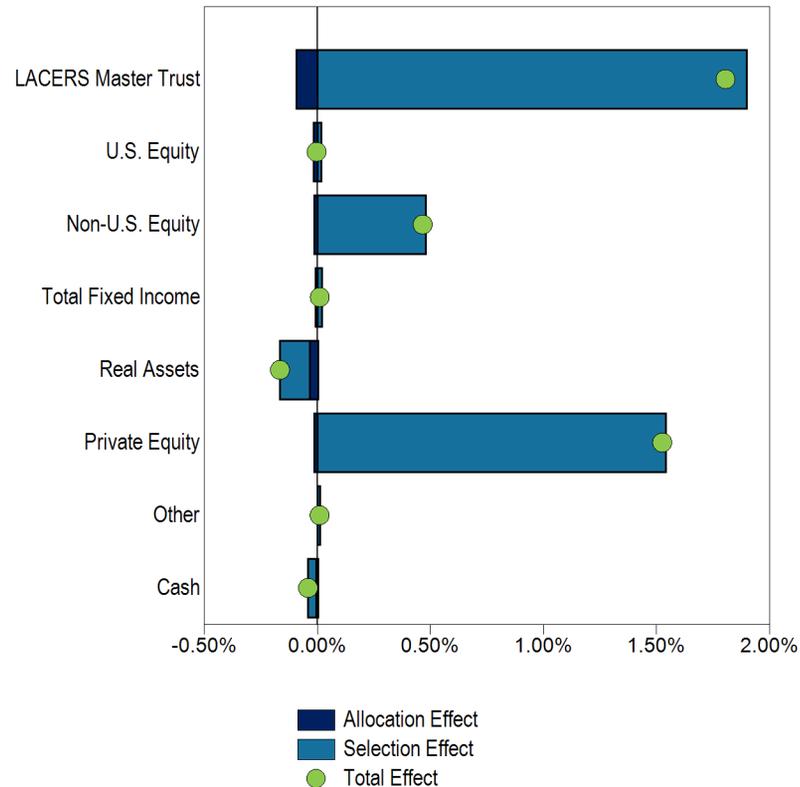
|                      | % of Total MV (%) | Annualized Return (%) | Rank | Annualized Standard Deviation | Rank | Annualized Alpha Jensen (%) | Rank | Information Ratio | Rank | Sortino Ratio RF | Rank | Tracking Error | Rank |
|----------------------|-------------------|-----------------------|------|-------------------------------|------|-----------------------------|------|-------------------|------|------------------|------|----------------|------|
| LACERS Master Trust  | 100.00%           | 10.93%                | 33   | 8.83%                         | 55   | 1.28%                       | 27   | 0.01              | 74   | 1.23             | 30   | 1.85%          | 57   |
| Total Equity         | 49.40%            | 13.39%                | 30   | 15.02%                        | 60   | 0.34%                       | 27   | 0.36              | 17   | 0.91             | 35   | 0.93%          | 15   |
| U.S. Equity          | 23.37%            | 16.48%                | 39   | 15.83%                        | 36   | -0.35%                      | 39   | -0.44             | 52   | 1.08             | 34   | 0.85%          | 19   |
| Non-U.S. Equity      | 26.04%            | 10.85%                | 22   | 15.16%                        | 58   | 1.67%                       | 18   | 1.25              | 1    | 0.81             | 19   | 1.53%          | 25   |
| Developed ex-U.S.    | 19.29%            | 10.57%                | 38   | 15.38%                        | 72   | 1.43%                       | 40   | 0.89              | 12   | 0.79             | 42   | 1.99%          | 26   |
| Emerging Markets     | 6.75%             | 11.34%                | 15   | 16.67%                        | 55   | 2.18%                       | 15   | 0.92              | 1    | 0.85             | 18   | 2.29%          | 12   |
| Core Fixed Income    | 16.12%            | 3.54%                 | 53   | 3.28%                         | 18   | 0.64%                       | 45   | 1.19              | 9    | 1.32             | 6    | 0.50%          | 16   |
| Credit Opportunities | 8.06%             | 5.29%                 | --   | 8.56%                         | --   | -0.55%                      | --   | -0.08             | --   | 0.40             | --   | 1.51%          | --   |
| Real Assets          | 11.46%            | 5.79%                 | 47   | 3.40%                         | 1    | -1.74%                      | 88   | -0.66             | 99   | 1.59             | 22   | 3.19%          | 3    |
| Public Real Assets   | 7.43%             | 5.36%                 | --   | 5.67%                         | --   | 1.83%                       | --   | 0.18              | --   | 0.95             | --   | 3.36%          | --   |
| Private Real Estate  | 3.94%             | 5.61%                 | 87   | 2.47%                         | 27   | 4.60%                       | 11   | -0.56             | 92   | 1.86             | 85   | 4.95%          | 90   |
| Private Equity       | 14.53%            | 19.26%                | 45   | 9.66%                         | 34   | 18.01%                      | 16   | -0.06             | 53   | 2.96             | 75   | 18.44%         | 86   |



# Los Angeles City Employees' Retirement System

## TOTAL FUND ATTRIBUTION ANALYSIS (NET)

### Attribution Effects 3 Months Ending September 30, 2021



| Attribution Summary<br>3 Months Ending September 30, 2021 |                    |                   |               |                  |                   |               |
|---|--------------------|-------------------|---------------|------------------|-------------------|---------------|
|   | Wtd. Actual Return | Wtd. Index Return | Excess Return | Selection Effect | Allocation Effect | Total Effects |
| U.S. Equity   | -0.03%             | -0.10%            | 0.07%         | 0.01%            | -0.01%            | 0.01%         |
| Non-U.S. Equity   | -1.26%             | -2.99%            | 1.72%         | 0.47%            | 0.00%             | 0.47%         |
| Total Fixed Income  | -0.06%             | -0.14%            | 0.08%         | 0.02%            | -0.01%            | 0.01%         |
| Real Assets   | 1.94%              | 3.13%             | -1.19%        | -0.13%           | -0.03%            | -0.16%        |
| Private Equity  | 12.22%             | 0.64%             | 11.58%        | 1.54%            | -0.02%            | 1.52%         |
| Other   |                    |                   |               |                  |                   |               |
| Cash  | -3.93%             | 0.01%             | -3.94%        | -0.03%           | -0.01%            | -0.04%        |
| <b>Total</b>  | <b>1.43%</b>       | <b>-0.38%</b>     | <b>1.82%</b>  | <b>1.89%</b>     | <b>-0.07%</b>     | <b>1.82%</b>  |

Wtd. = Weighted

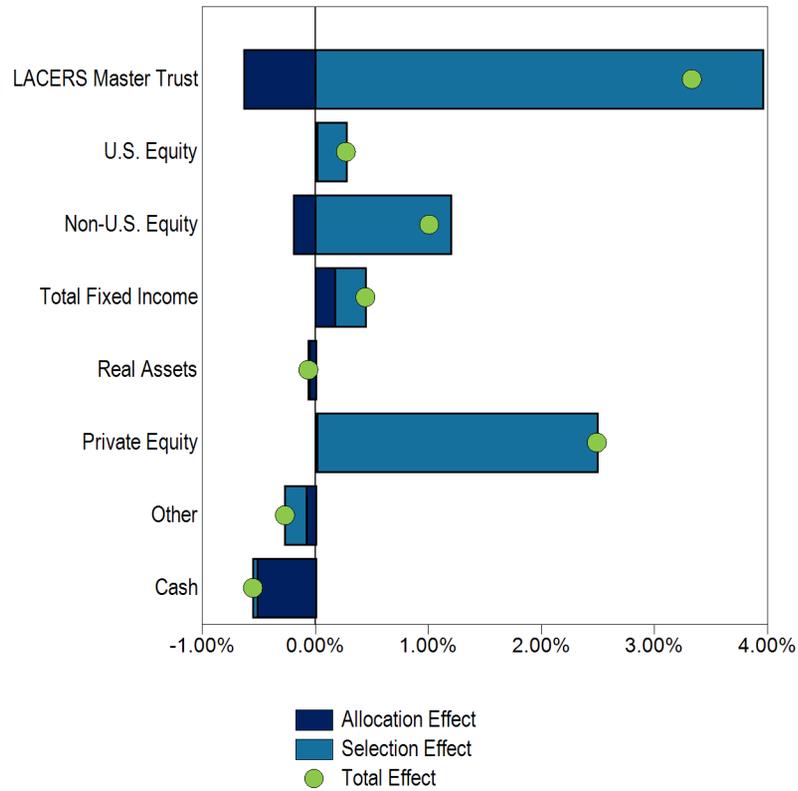
Other composite is comprised of securities lending income, tax reclaims and other miscellaneous transactions.



# Los Angeles City Employees' Retirement System

## TOTAL FUND ATTRIBUTION ANALYSIS (NET)

**Attribution Effects**  
1 Year Ending September 30, 2021



| Attribution Summary              |                    |                   |               |                  |                   |               |
|----------------------------------|--------------------|-------------------|---------------|------------------|-------------------|---------------|
| 1 Year Ending September 30, 2021 |                    |                   |               |                  |                   |               |
|                                  | Wtd. Actual Return | Wtd. Index Return | Excess Return | Selection Effect | Allocation Effect | Total Effects |
| U.S. Equity                      | 32.99%             | 31.87%            | 1.11%         | 0.25%            | 0.02%             | 0.27%         |
| Non-U.S. Equity                  | 28.48%             | 23.91%            | 4.57%         | 1.19%            | -0.19%            | 1.01%         |
| Total Fixed Income               | 1.80%              | 0.82%             | 0.98%         | 0.27%            | 0.18%             | 0.44%         |
| Real Assets                      | 11.87%             | 11.65%            | 0.22%         | 0.00%            | -0.06%            | -0.06%        |
| Private Equity                   | 56.79%             | 35.74%            | 21.05%        | 2.47%            | 0.02%             | 2.49%         |
| Other                            |                    |                   |               |                  |                   |               |
| Cash                             | -3.83%             | 0.04%             | -3.88%        | -0.04%           | -0.51%            | -0.55%        |
| <b>Total</b>                     | <b>23.31%</b>      | <b>19.98%</b>     | <b>3.33%</b>  | <b>3.96%</b>     | <b>-0.63%</b>     | <b>3.33%</b>  |

Wtd. = Weighted

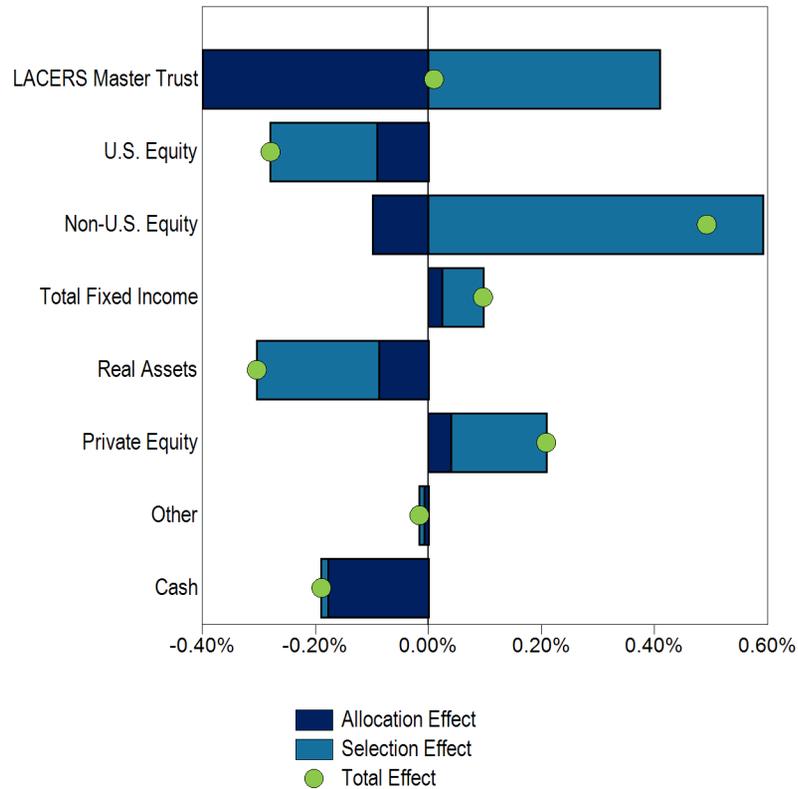
Other composite is comprised of securities lending income, tax reclaims and other miscellaneous transactions.



# Los Angeles City Employees' Retirement System

## TOTAL FUND ATTRIBUTION ANALYSIS (NET)

### Attribution Effects 3 Years Ending September 30, 2021



| Attribution Summary<br>3 Years Ending September 30, 2021 |                    |                   |               |                  |                   |               |
|--|--------------------|-------------------|---------------|------------------|-------------------|---------------|
|  | Wtd. Actual Return | Wtd. Index Return | Excess Return | Selection Effect | Allocation Effect | Total Effects |
| U.S. Equity  | 15.15%             | 16.00%            | -0.85%        | -0.19%           | -0.07%            | -0.26%        |
| Non-U.S. Equity  | 10.02%             | 8.03%             | 1.99%         | 0.58%            | -0.10%            | 0.47%         |
| Total Fixed Income                                       | 5.93%              | 5.58%             | 0.36%         | 0.07%            | 0.02%             | 0.09%         |
| Real Assets  | 6.39%              | 8.26%             | -1.87%        | -0.22%           | -0.08%            | -0.30%        |
| Private Equity   | 21.73%             | 19.44%            | 2.29%         | 0.17%            | 0.04%             | 0.21%         |
| Other  |                    |                   |               |                  |                   |               |
| Cash   | -0.15%             | 1.04%             | -1.19%        | -0.01%           | -0.18%            | -0.19%        |
| <b>Total</b>   | <b>11.00%</b>      | <b>11.05%</b>     | <b>-0.04%</b> | <b>0.36%</b>     | <b>-0.40%</b>     | <b>-0.04%</b> |

Wtd. = Weighted

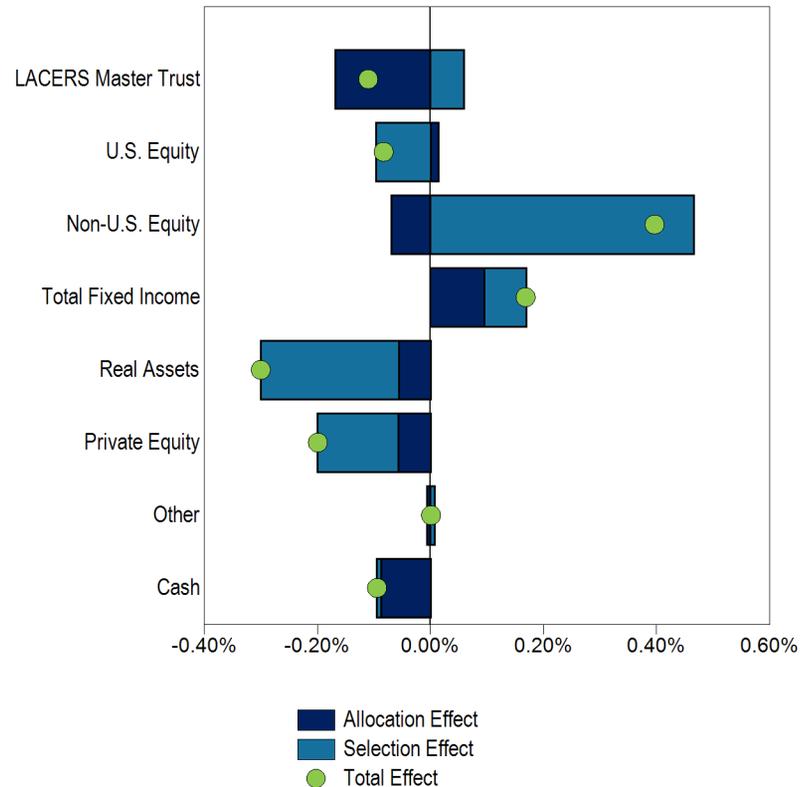
Other composite is comprised of securities lending income, tax reclaims and other miscellaneous transactions.



# Los Angeles City Employees' Retirement System

## TOTAL FUND ATTRIBUTION ANALYSIS (NET)

### Attribution Effects 5 Years Ending September 30, 2021



| Attribution Summary<br>5 Years Ending September 30, 2021 |                    |                   |               |                  |                   |               |
|--|--------------------|-------------------|---------------|------------------|-------------------|---------------|
|  | Wtd. Actual Return | Wtd. Index Return | Excess Return | Selection Effect | Allocation Effect | Total Effects |
| U.S. Equity  | 16.41%             | 16.85%            | -0.44%        | -0.10%           | 0.02%             | -0.07%        |
| Non-U.S. Equity  | 10.45%             | 8.94%             | 1.51%         | 0.46%            | -0.07%            | 0.39%         |
| Total Fixed Income                                       | 3.82%              | 3.49%             | 0.34%         | 0.07%            | 0.09%             | 0.16%         |
| Real Assets  | 5.63%              | 7.90%             | -2.27%        | -0.24%           | -0.05%            | -0.30%        |
| Private Equity   | 19.27%             | 20.31%            | -1.04%        | -0.14%           | -0.06%            | -0.20%        |
| Other  |                    |                   |               |                  |                   |               |
| Cash   | 0.47%              | 1.10%             | -0.63%        | -0.01%           | -0.09%            | -0.09%        |
| <b>Total</b>   | <b>10.75%</b>      | <b>10.90%</b>     | <b>-0.15%</b> | <b>0.03%</b>     | <b>-0.18%</b>     | <b>-0.15%</b> |

Wtd. = Weighted

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



# PRIVATE MARKETS PERFORMANCE

AS OF JUNE 30, 2021

| Private Equity         | 10 Year IRR | Since Inception IRR | Since Inception Multiple |
|------------------------|-------------|---------------------|--------------------------|
| Aggregate Portfolio    | 14.6%       | 12.7%               | 1.77x                    |
| Core Portfolio         | 15.3%       | 13.2%               | 1.80x                    |
| Specialized Portfolio  | 3.5%        | 2.2%                | 1.15x                    |
| Russell 3000 + 300 bps | 17.7%       | 13.1%               | N/A                      |

| Real Estate                        | 10 Year Return (Net) | Since Inception Return (Net) |
|------------------------------------|----------------------|------------------------------|
| Total Portfolio (TWR) <sup>1</sup> | 7.98%                | 5.85%                        |
| NFI-ODCE + 80 basis points (TWR)   | 9.40%                | 6.98%                        |

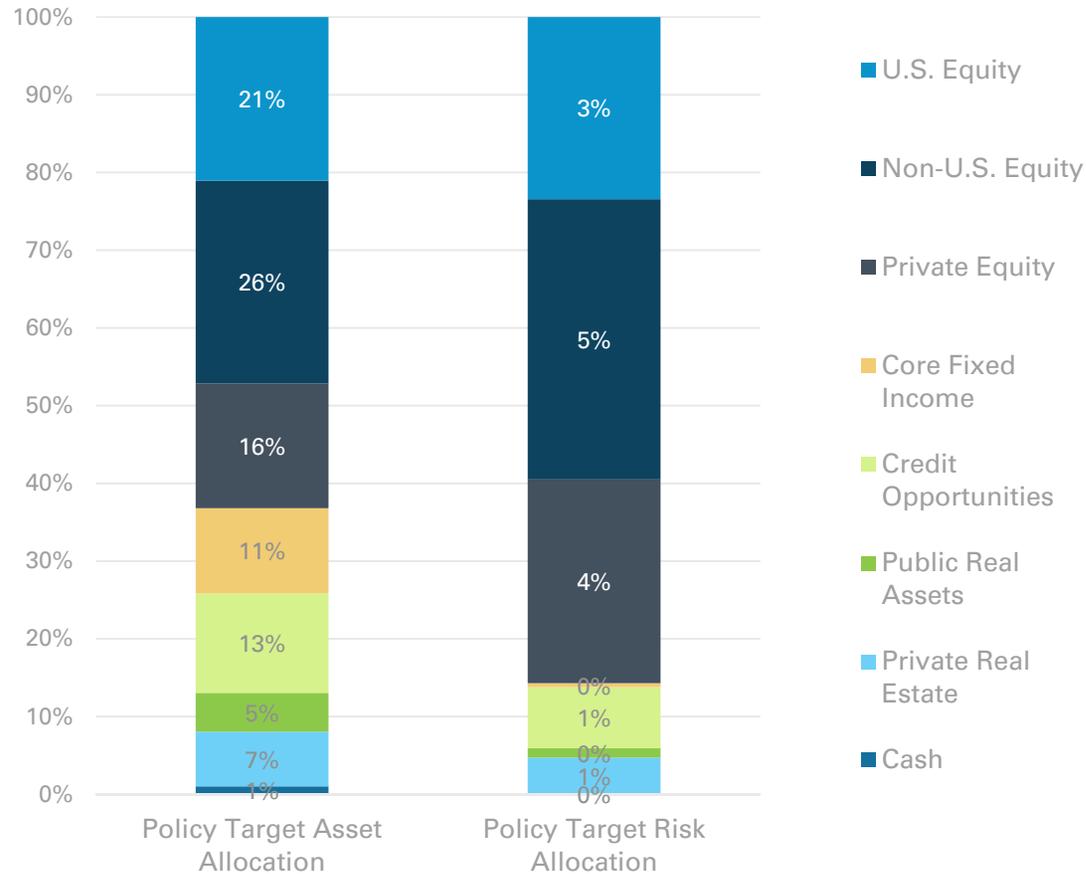
Note: The Total Value to Paid-In Ratio (TVPI) is a multiple that relates the current value of the private equity portfolio plus all distributions received to date with the total amount of capital contributed.

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



# TOTAL FUND RISK ALLOCATION

## ASSET ALLOCATION VS. RISK ALLOCATION



- Public and Private Equity policy target asset allocation is 63%; accounts for 86% of the policy target portfolio risk.
  - Core Fixed Income and Credit Opportunities policy allocation is 24%, accounting for 8% of the policy target portfolio risk.
  - Real Assets (Private Real Estate and Public Real Assets) policy allocation is 12%, accounting for 5% of policy target portfolio risk.
- \* Adopted May 11, 2021



# PUBLIC MARKETS RISK BUDGET COMPARISON

AS OF SEPTEMBER 30, 2021

| Public Markets Asset Class | Target Risk Budget | Actual 3 Yr Tracking Error |
|----------------------------|--------------------|----------------------------|
| U.S. Equity                | 1.25%              | 0.93%                      |
| Non-U.S. Equity            | 1.75%              | 1.71%                      |
| Core Fixed Income          | 1.75%              | 0.60%                      |
| Credit Opportunities       | 3.50%              | 1.87%                      |
| Public Real Assets*        | 1.25%              | 4.14%                      |

- Current public market asset class composite tracking error statistics are compared to asset class target risk budgets to ensure active risks are within expectations.
- Risk budgets are to be evaluated over three-year periods, at minimum, to reflect a full market cycle.
- All equity public markets asset classes are within an appropriately narrow range of their respective risk budgets.
- Both Core Fixed Income and Credit Opportunities have exhibited lower than expected active risk.
- The Public Real Assets composite is not at its target strategy allocation.
- Note: The target Risk Budget was approved by the Board on June 22, 2021, and is reflected in the table above. Implementation of the new asset allocation is in progress.

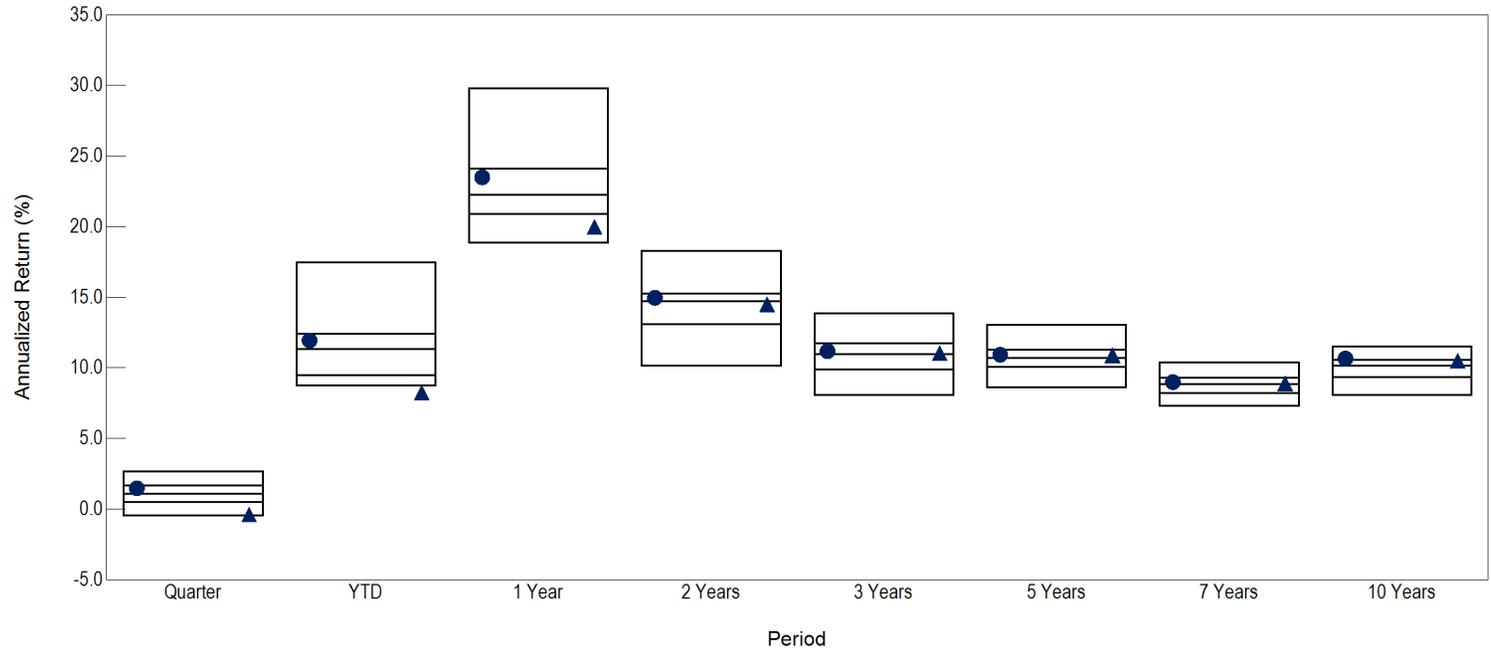
\* The benchmark for the Public Real Assets composite is a custom policy benchmark that is comprised of the target weights of the public real asset components: 62.5% Bloomberg Barclays US TIPS and 37.5% FTSE NAREIT All Equity REIT Index. Historical composition can be found in the investment policy statement.



# Los Angeles City Employees' Retirement System

## TOTAL FUND RETURN SUMMARY VS. \$5-50B UNIVERSE

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



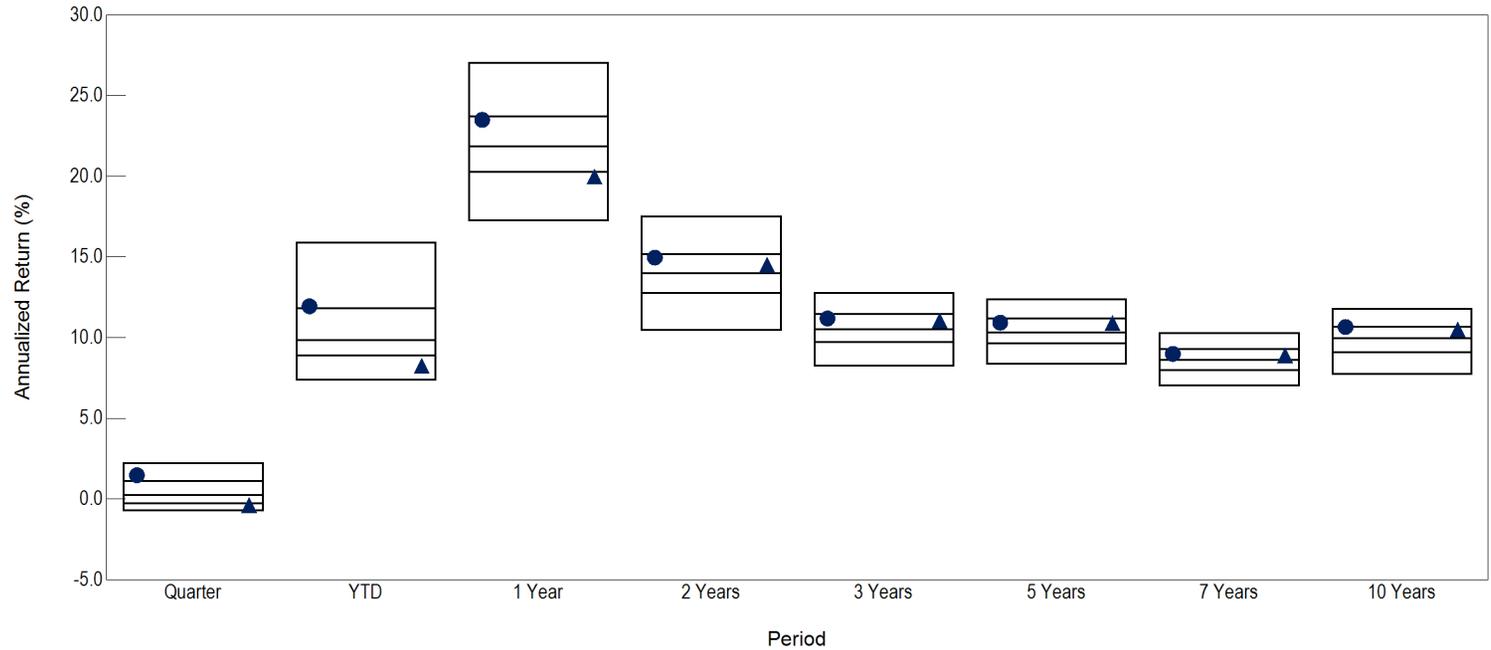
|                       | Return (Rank) |       |       |       |       |       |       |       |       |      |       |      |      |      |       |      |
|-----------------------|---------------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|------|------|------|-------|------|
| 5th Percentile        | 2.65          | 17.46 | 29.82 | 18.28 | 13.85 | 13.05 | 10.38 | 11.49 |       |      |       |      |      |      |       |      |
| 25th Percentile       | 1.70          | 12.45 | 24.15 | 15.31 | 11.80 | 11.32 | 9.34  | 10.61 |       |      |       |      |      |      |       |      |
| Median                | 1.11          | 11.38 | 22.28 | 14.75 | 11.03 | 10.75 | 8.91  | 10.20 |       |      |       |      |      |      |       |      |
| 75th Percentile       | 0.52          | 9.54  | 20.95 | 13.14 | 9.94  | 10.11 | 8.24  | 9.41  |       |      |       |      |      |      |       |      |
| 95th Percentile       | -0.43         | 8.80  | 18.92 | 10.20 | 8.11  | 8.68  | 7.36  | 8.14  |       |      |       |      |      |      |       |      |
| # of Portfolios       | 28            | 28    | 28    | 28    | 28    | 28    | 27    | 26    |       |      |       |      |      |      |       |      |
| ● LACERS Master Trust | 1.47          | (34)  | 11.94 | (41)  | 23.49 | (41)  | 14.96 | (34)  | 11.18 | (38) | 10.93 | (41) | 8.99 | (47) | 10.66 | (20) |
| ▲ Policy Index        | -0.38         | (95)  | 8.25  | (99)  | 19.98 | (83)  | 14.51 | (55)  | 11.05 | (49) | 10.90 | (44) | 8.90 | (52) | 10.50 | (34) |



# Los Angeles City Employees' Retirement System

## TOTAL FUND RETURN SUMMARY VS. \$1-50B UNIVERSE

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



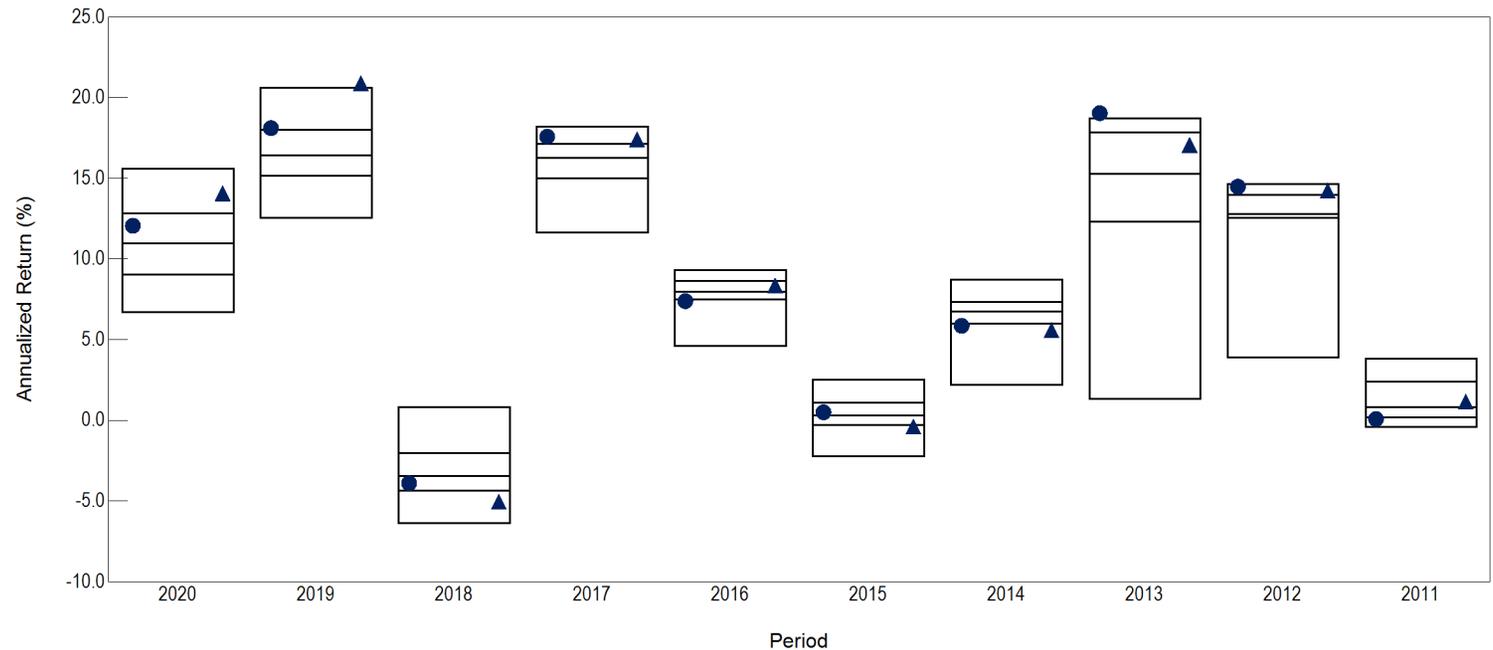
|                       | Return (Rank) |       |       |       |       |       |       |       |       |      |       |      |      |      |       |      |
|-----------------------|---------------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|------|------|------|-------|------|
| 5th Percentile        | 2.21          | 15.90 | 27.03 | 17.49 | 12.77 | 12.38 | 10.29 | 11.77 |       |      |       |      |      |      |       |      |
| 25th Percentile       | 1.14          | 11.86 | 23.77 | 15.21 | 11.52 | 11.22 | 9.31  | 10.70 |       |      |       |      |      |      |       |      |
| Median                | 0.30          | 9.89  | 21.90 | 14.05 | 10.56 | 10.35 | 8.65  | 10.01 |       |      |       |      |      |      |       |      |
| 75th Percentile       | -0.24         | 8.95  | 20.33 | 12.79 | 9.75  | 9.67  | 8.01  | 9.14  |       |      |       |      |      |      |       |      |
| 95th Percentile       | -0.66         | 7.42  | 17.30 | 10.50 | 8.29  | 8.44  | 7.06  | 7.80  |       |      |       |      |      |      |       |      |
| # of Portfolios       | 79            | 79    | 79    | 79    | 79    | 79    | 78    | 75    |       |      |       |      |      |      |       |      |
| ● LACERS Master Trust | 1.47          | (16)  | 11.94 | (22)  | 23.49 | (35)  | 14.96 | (29)  | 11.18 | (30) | 10.93 | (33) | 8.99 | (37) | 10.66 | (28) |
| ▲ Policy Index        | -0.38         | (82)  | 8.25  | (89)  | 19.98 | (79)  | 14.51 | (41)  | 11.05 | (34) | 10.90 | (34) | 8.90 | (39) | 10.50 | (33) |



# Los Angeles City Employees' Retirement System

## TOTAL FUND RETURN SUMMARY VS. \$5-50B UNIVERSE

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



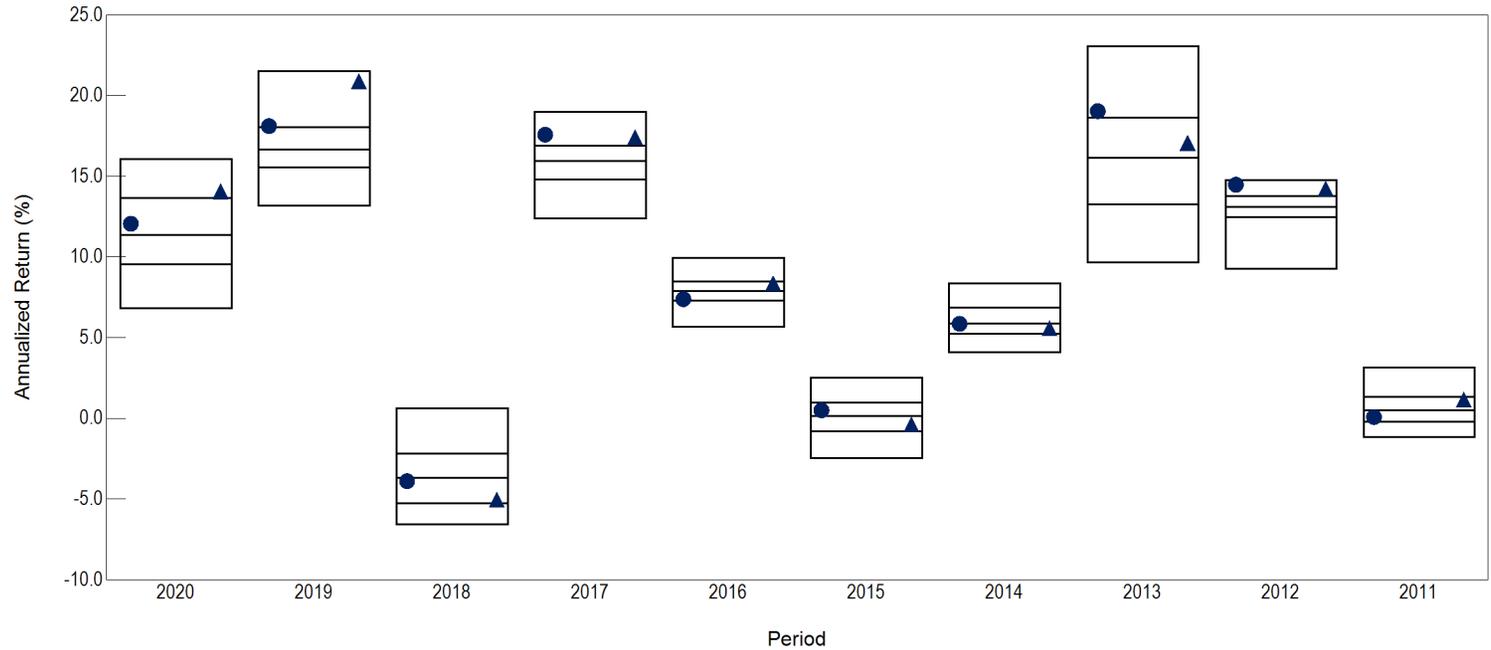
|                       | Return (Rank) |       |       |       |       |       |       |       |       |       |       |      |      |      |       |      |       |      |      |      |
|-----------------------|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|-------|------|-------|------|------|------|
| 5th Percentile        | 15.58         | 20.62 | 0.81  | 18.21 | 9.30  | 2.50  | 8.72  | 18.69 | 14.65 | 3.83  |       |      |      |      |       |      |       |      |      |      |
| 25th Percentile       | 12.88         | 18.02 | -1.99 | 17.15 | 8.68  | 1.12  | 7.38  | 17.86 | 14.01 | 2.41  |       |      |      |      |       |      |       |      |      |      |
| Median                | 11.01         | 16.46 | -3.40 | 16.29 | 7.99  | 0.35  | 6.79  | 15.31 | 12.83 | 0.86  |       |      |      |      |       |      |       |      |      |      |
| 75th Percentile       | 9.06          | 15.18 | -4.32 | 15.05 | 7.51  | -0.24 | 6.04  | 12.36 | 12.58 | 0.21  |       |      |      |      |       |      |       |      |      |      |
| 95th Percentile       | 6.73          | 12.57 | -6.33 | 11.68 | 4.65  | -2.20 | 2.25  | 1.36  | 3.92  | -0.37 |       |      |      |      |       |      |       |      |      |      |
| # of Portfolios       | 32            | 27    | 25    | 46    | 30    | 24    | 24    | 23    | 16    | 16    |       |      |      |      |       |      |       |      |      |      |
| ● LACERS Master Trust | 12.05         | (44)  | 18.10 | (23)  | -3.89 | (67)  | 17.57 | (12)  | 7.38  | (78)  | 0.49  | (41) | 5.85 | (81) | 19.03 | (4)  | 14.47 | (7)  | 0.08 | (89) |
| ▲ Policy Index        | 14.06         | (19)  | 20.88 | (5)   | -5.04 | (84)  | 17.41 | (14)  | 8.35  | (41)  | -0.39 | (77) | 5.58 | (87) | 17.06 | (31) | 14.23 | (21) | 1.17 | (44) |



# Los Angeles City Employees' Retirement System

## TOTAL FUND RETURN SUMMARY VS. \$1-50B UNIVERSE

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



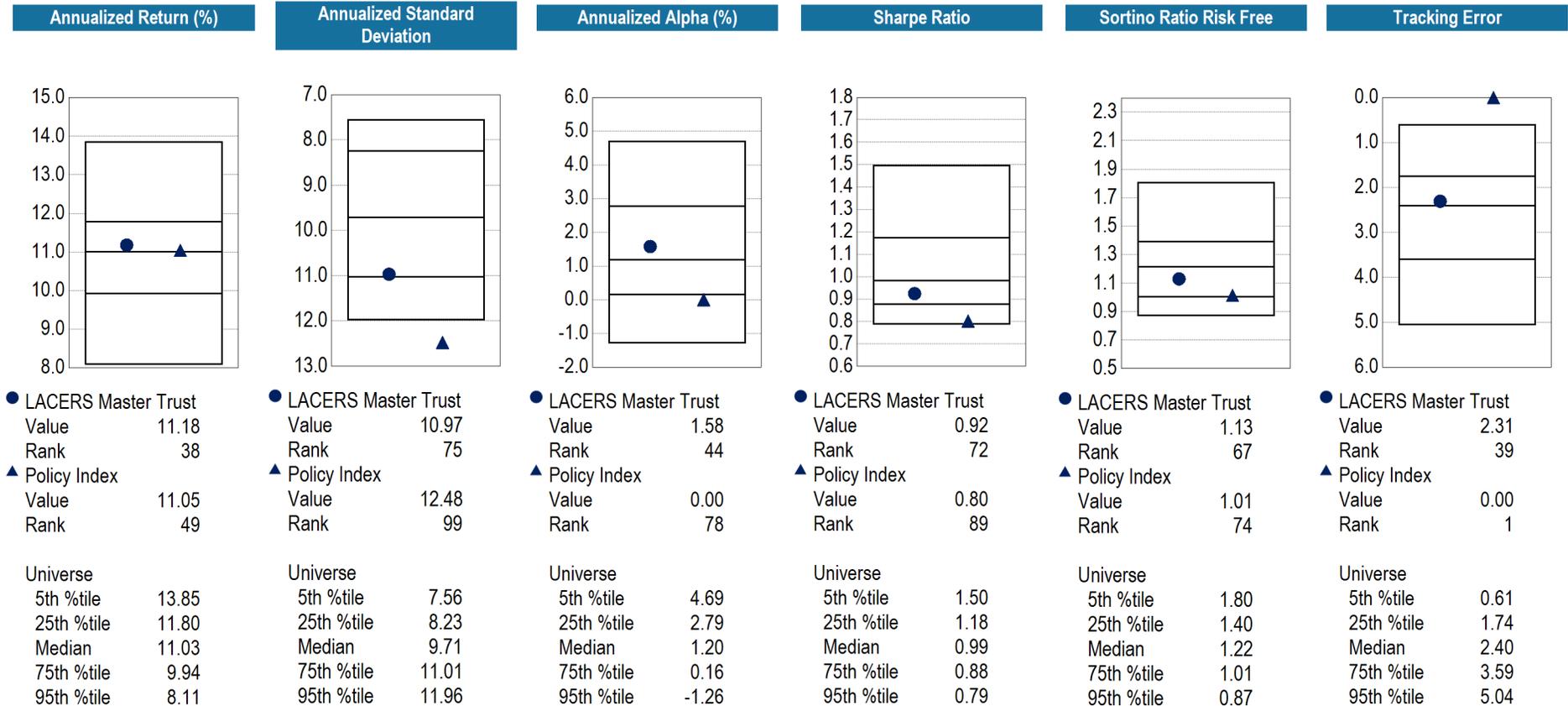
|                       | Return (Rank) |       |       |       |       |       |       |       |       |       |       |      |      |      |       |      |       |      |      |      |
|-----------------------|---------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|-------|------|-------|------|------|------|
| 5th Percentile        | 16.05         | 21.49 | 0.60  | 19.00 | 9.95  | 2.50  | 8.38  | 23.05 | 14.75 | 3.13  |       |      |      |      |       |      |       |      |      |      |
| 25th Percentile       | 13.67         | 18.08 | -2.13 | 16.94 | 8.51  | 1.00  | 6.90  | 18.67 | 13.81 | 1.37  |       |      |      |      |       |      |       |      |      |      |
| Median                | 11.41         | 16.68 | -3.64 | 15.99 | 7.91  | 0.20  | 5.93  | 16.17 | 13.15 | 0.53  |       |      |      |      |       |      |       |      |      |      |
| 75th Percentile       | 9.59          | 15.61 | -5.22 | 14.83 | 7.34  | -0.77 | 5.28  | 13.30 | 12.50 | -0.16 |       |      |      |      |       |      |       |      |      |      |
| 95th Percentile       | 6.87          | 13.20 | -6.53 | 12.43 | 5.71  | -2.43 | 4.12  | 9.70  | 9.31  | -1.14 |       |      |      |      |       |      |       |      |      |      |
| # of Portfolios       | 89            | 77    | 78    | 78    | 78    | 77    | 77    | 76    | 75    | 74    |       |      |      |      |       |      |       |      |      |      |
| ● LACERS Master Trust | 12.05         | (43)  | 18.10 | (25)  | -3.89 | (60)  | 17.57 | (15)  | 7.38  | (72)  | 0.49  | (35) | 5.85 | (53) | 19.03 | (23) | 14.47 | (10) | 0.08 | (68) |
| ▲ Policy Index        | 14.06         | (21)  | 20.88 | (9)   | -5.04 | (71)  | 17.41 | (16)  | 8.35  | (35)  | -0.39 | (68) | 5.58 | (61) | 17.06 | (35) | 14.23 | (18) | 1.17 | (32) |



# Los Angeles City Employees' Retirement System

## TOTAL FUND RISK STATISTICS VS. \$5-50B UNIVERSE

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



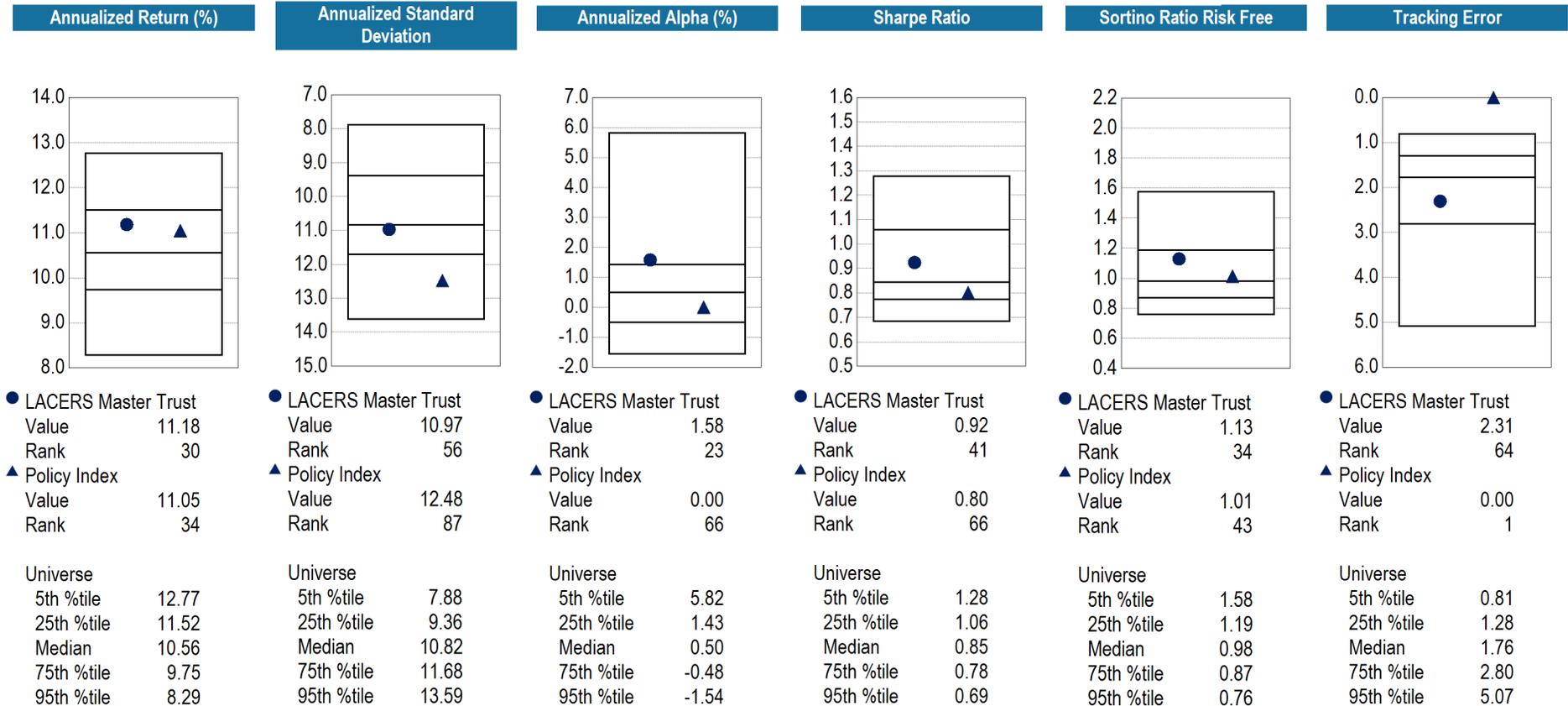
Sortino Ratio RF = Sortino Ratio Risk Free. The risk free rate is the Citi 91 Day T-Bill Index.



# Los Angeles City Employees' Retirement System

## TOTAL FUND RISK STATISTICS VS. \$1-50B UNIVERSE

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



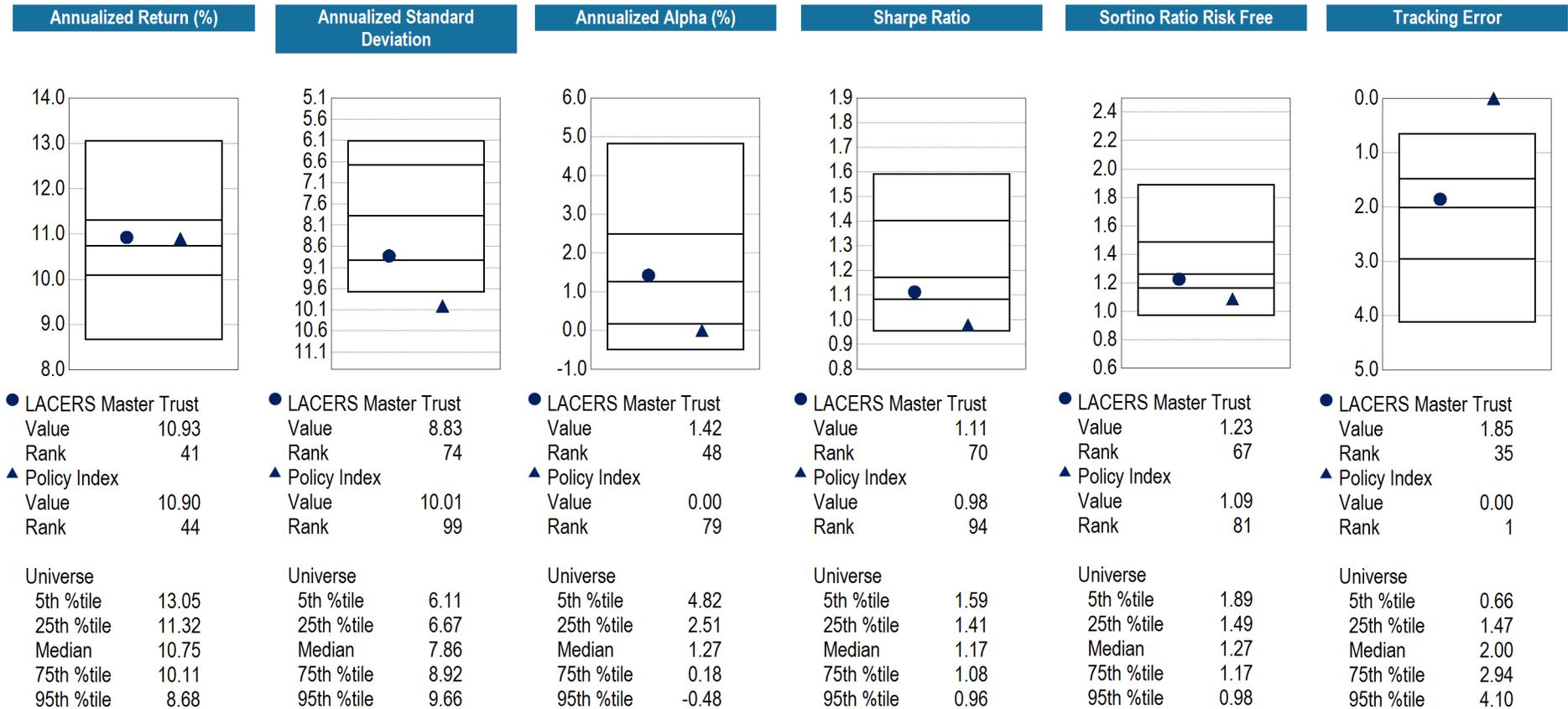
Sortino Ratio RF = Sortino Ratio Risk Free. The risk free rate is the Citi 91 Day T-Bill Index.



# Los Angeles City Employees' Retirement System

## TOTAL FUND RISK STATISTICS VS. \$5-50B UNIVERSE

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



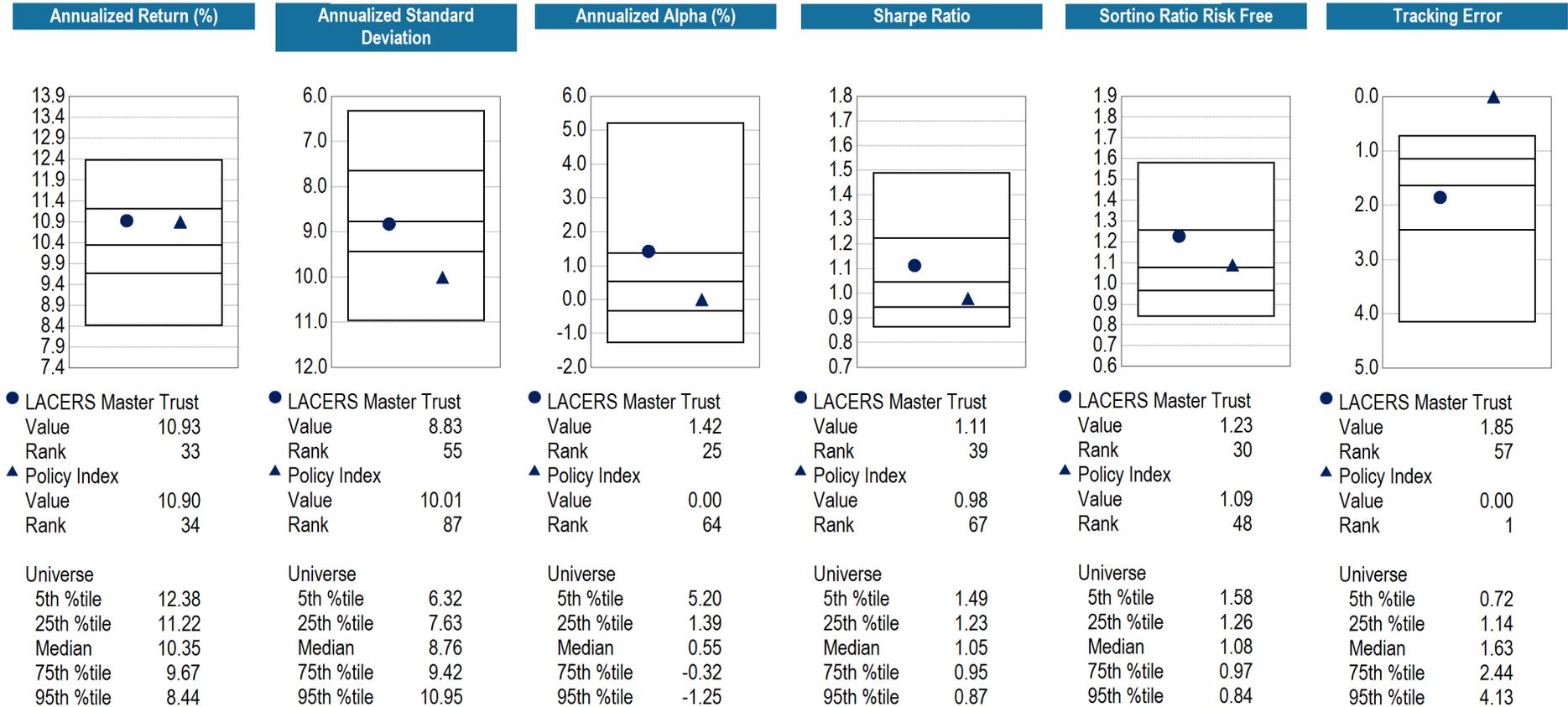
Sortino Ratio RF = Sortino Ratio Risk Free. The risk free rate is the Citi 91 Day T-Bill Index.



# Los Angeles City Employees' Retirement System

## TOTAL FUND RISK STATISTICS VS. \$1-50B UNIVERSE

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



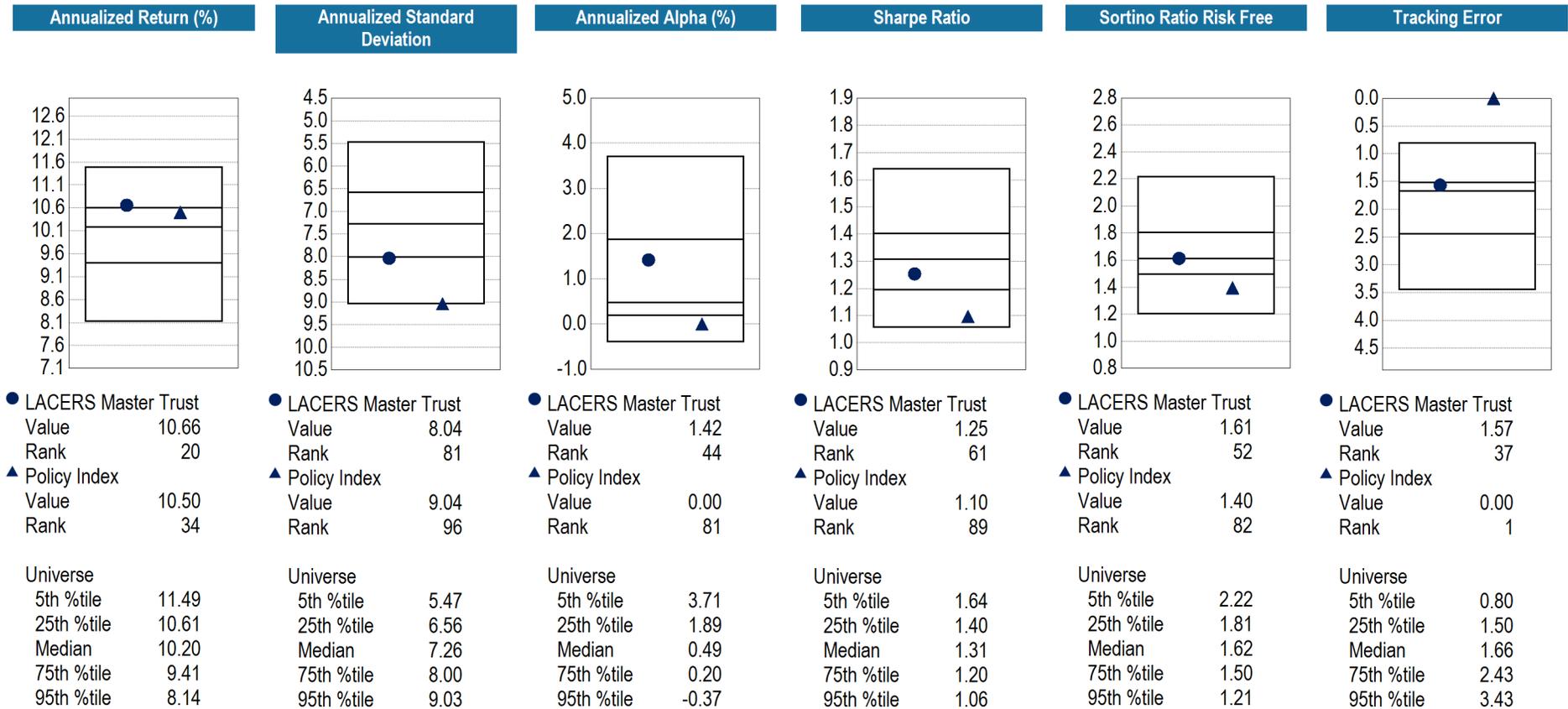
Sortino Ratio RF = Sortino Ratio Risk Free. The risk free rate is the Citi 91 Day T-Bill Index.



# Los Angeles City Employees' Retirement System

## TOTAL FUND RISK STATISTICS VS. \$5-50B UNIVERSE

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



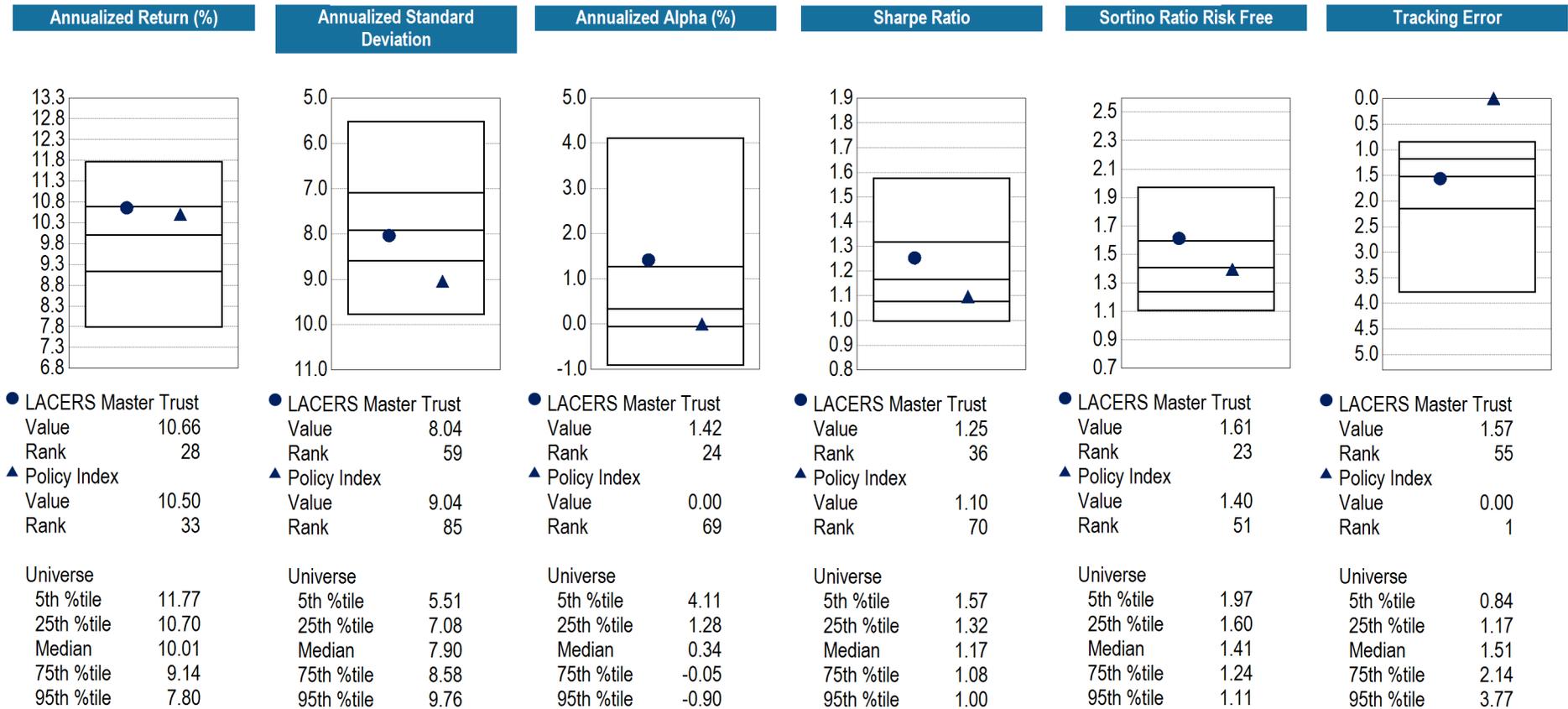
Sortino Ratio RF = Sortino Ratio Risk Free. The risk free rate is the Citi 91 Day T-Bill Index.



# Los Angeles City Employees' Retirement System

## TOTAL FUND RISK STATISTICS VS. \$1-50B UNIVERSE

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

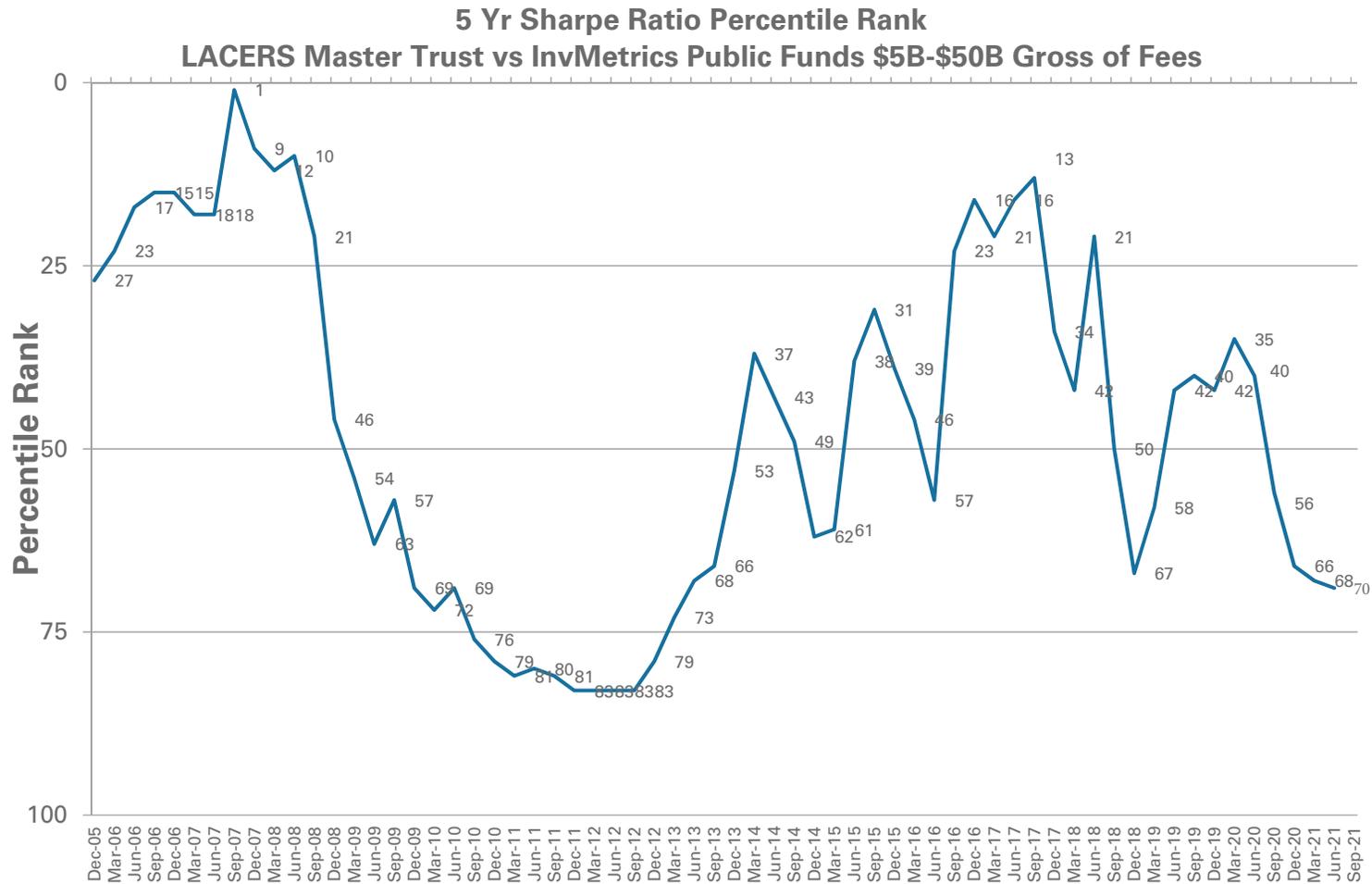


Sortino Ratio RF = Sortino Ratio Risk Free. The risk free rate is the Citi 91 Day T-Bill Index.



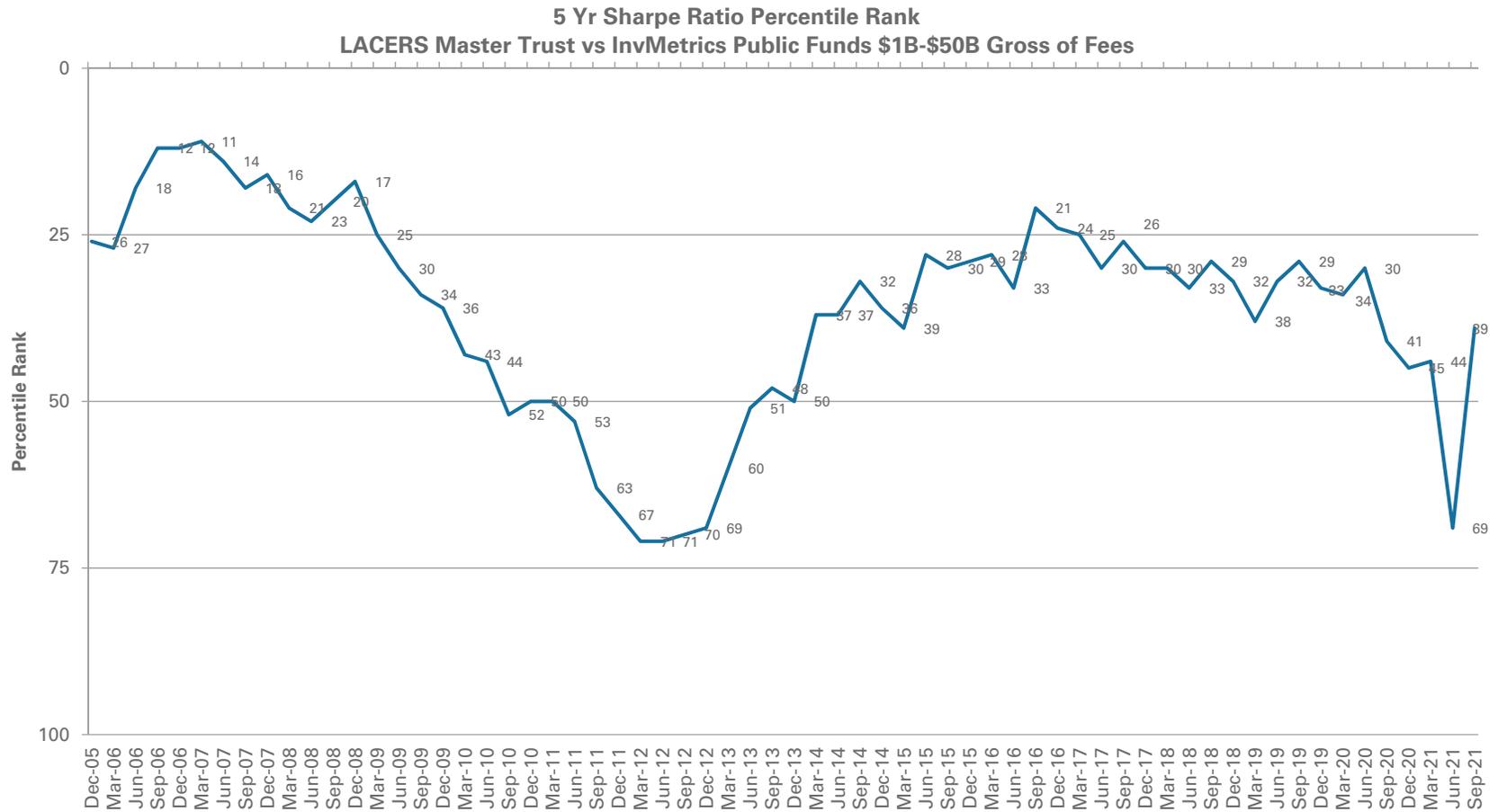
# HISTORICAL RISK ADJUSTED RETURN

## UNIVERSE COMPARISON (\$5-\$50 B GROSS OF FEES)



# HISTORICAL RISK ADJUSTED RETURN

## UNIVERSE COMPARISON (\$1-\$50 B GROSS OF FEES)





# U.S. EQUITY MANAGER PERFORMANCE



# Los Angeles City Employees' Retirement System

## U.S. EQUITY (GROSS)

|   | Market Value<br>(\$) | % of<br>Portfolio | 3 Mo<br>(%)  | YTD<br>(%)   | 1 Yr<br>(%)  | 3 Yrs<br>(%) | 5 Yrs<br>(%) | 10 Yrs<br>(%) | Inception<br>(%) | Inception<br>Date |
|---|----------------------|-------------------|--------------|--------------|--------------|--------------|--------------|---------------|------------------|-------------------|
| <b>U.S. Equity</b>                                | <b>5,447,216,255</b> | <b>100.00</b>     | <b>-0.01</b> | <b>15.44</b> | <b>33.09</b> | <b>15.22</b> | <b>16.48</b> | <b>16.58</b>  | <b>11.27</b>     | <b>Oct-94</b>     |
| U.S. Equity Blend <sup>1</sup>                    |                      |                   | -0.10        | 14.99        | 31.87        | 16.00        | 16.85        | 16.60         | 10.34            | Oct-94            |
| Over/Under  |                      |                   | 0.09         | 0.45         | 1.22         | -0.78        | -0.37        | -0.02         | 0.93             |                   |
| RhumbLine Advisers Russell 2000                   | 354,332,355          | 6.50              | -4.36        | 12.36        | 47.56        | 10.58        | 13.47        | --            | 10.50            | Apr-15            |
| Russell 2000                                      |                      |                   | -4.36        | 12.41        | 47.68        | 10.54        | 13.45        | 14.63         | 10.55            | Apr-15            |
| Over/Under  |                      |                   | 0.00         | -0.05        | -0.12        | 0.04         | 0.02         | --            | -0.05            |                   |
| Rhumblin Advisers Russell 2000 Value <sup>2</sup> | 155,008,466          | 2.85              | -2.98        | 22.78        | --           | --           | --           | --            | 22.78            | Jan-21            |
| Russell 2000 Value                                |                      |                   | -2.98        | 22.92        | 63.92        | 8.58         | 11.03        | 13.22         | 22.92            | Jan-21            |
| Over/Under  |                      |                   | 0.00         | -0.14        | --           | --           | --           | --            | -0.14            |                   |
| EAM Investors                                     | 115,861,669          | 2.13              | -4.58        | -0.83        | 27.11        | 13.07        | 19.12        | --            | 16.69            | Sep-15            |
| Russell 2000 Growth                               |                      |                   | -5.65        | 2.82         | 33.26        | 11.70        | 15.34        | 15.74         | 14.79            | Sep-15            |
| Over/Under  |                      |                   | 1.07         | -3.65        | -6.15        | 1.37         | 3.78         | --            | 1.90             |                   |
| Principal Global Investors <sup>2</sup>           | 319,914,642          | 5.87              | 1.00         | 14.77        | 32.57        | 19.89        | 19.01        | --            | 16.21            | Aug-14            |
| Russell MidCap                                    |                      |                   | -0.93        | 15.17        | 38.11        | 14.21        | 14.39        | 15.52         | 12.06            | Aug-14            |
| Over/Under  |                      |                   | 1.93         | -0.40        | -5.54        | 5.68         | 4.62         | --            | 4.15             |                   |
| RhumbLine Advisers S&P 500                        | 4,068,184,136        | 74.68             | 0.58         | 15.86        | 30.03        | 15.83        | 16.80        | 16.55         | 10.57            | Feb-93            |
| S&P 500   |                      |                   | 0.58         | 15.92        | 30.00        | 15.99        | 16.89        | 16.63         | 10.43            | Feb-93            |
| Over/Under  |                      |                   | 0.00         | -0.06        | 0.03         | -0.16        | -0.09        | -0.08         | 0.14             |                   |
| Copeland Capital Management <sup>2</sup>          | 239,385,586          | 4.39              | -1.82        | 16.83        | 41.51        | --           | --           | --            | 41.51            | Oct-20            |
| Russell 2000                                      |                      |                   | -4.36        | 12.41        | 47.68        | 10.54        | 13.45        | 14.63         | 47.68            | Oct-20            |
| Over/Under  |                      |                   | 2.54         | 4.42         | -6.17        | --           | --           | --            | -6.17            |                   |
| Granahan Investment Management <sup>2</sup>       | 104,339,696          | 1.92              | 2.01         | 14.41        | 57.14        | --           | --           | --            | 57.14            | Oct-20            |
| Russell 2000 Growth                               |                      |                   | -5.65        | 2.82         | 33.26        | 11.70        | 15.34        | 15.74         | 33.26            | Oct-20            |
| Over/Under  |                      |                   | 7.66         | 11.59        | 23.88        | --           | --           | --            | 23.88            |                   |
| Segall, Bryant & Hamill <sup>2</sup>              | 90,163,085           | 1.66              | -2.73        | 12.24        | 43.89        | --           | --           | --            | 43.89            | Oct-20            |
| Russell 2000 Value                                |                      |                   | -2.98        | 22.92        | 63.92        | 8.58         | 11.03        | 13.22         | 63.92            | Oct-20            |
| Over/Under  |                      |                   | 0.25         | -10.68       | -20.03       | --           | --           | --            | -20.03           |                   |

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

2- Portfolio has a mid-month inception date. Since inception return is calculated from the first full month of performance Benchmark composition as of 7/1/2021 unless otherwise noted.



# Los Angeles City Employees' Retirement System

## U.S. EQUITY (NET)

|   | Market Value (\$)    | % of Portfolio | 3 Mo (%)     | Rank      | YTD (%)      | Rank      | 1 Yr (%)     | Rank      | 3 Yrs (%)    | Rank      | 5 Yrs (%)    | Rank      | 10 Yrs (%)   | Rank      | Inception (%) | Inception Date |
|---|----------------------|----------------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|---------------|----------------|
| <b>U.S. Equity</b>  | <b>5,447,216,255</b> | <b>100.00</b>  | <b>-0.03</b> | <b>36</b> | <b>15.37</b> | <b>47</b> | <b>32.99</b> | <b>52</b> | <b>15.15</b> | <b>38</b> | <b>16.41</b> | <b>44</b> | <b>16.45</b> | <b>23</b> | <b>--</b>     | <b>Oct-94</b>  |
| <i>U.S. Equity Blend<sup>1</sup></i>                              |                      |                | <i>-0.10</i> | <i>40</i> | <i>14.99</i> | <i>58</i> | <i>31.87</i> | <i>78</i> | <i>16.00</i> | <i>15</i> | <i>16.85</i> | <i>20</i> | <i>16.60</i> | <i>14</i> | <i>10.34</i>  | <i>Oct-94</i>  |
| Over/Under  |                      |                | 0.07         |           | 0.38         |           | 1.12         |           | -0.85        |           | -0.44        |           | -0.15        |           |               |                |
| <i>InvMetrics Public DB &gt; \$1 Billion US Equity Net Median</i> |                      |                | -0.31        |           | 15.25        |           | 32.99        |           | 14.78        |           | 16.32        |           | 16.08        |           | 10.16         | <i>Oct-94</i>  |
| RhumblLine Advisers Russell 2000                                  | 354,332,355          | 6.50           | -4.36        | 89        | 12.36        | 71        | 47.55        | 58        | 10.58        | 53        | 13.46        | 52        | --           | --        | 10.49         | Apr-15         |
| <i>Russell 2000</i>   |                      |                | <i>-4.36</i> | <i>89</i> | <i>12.41</i> | <i>71</i> | <i>47.68</i> | <i>58</i> | <i>10.54</i> | <i>54</i> | <i>13.45</i> | <i>53</i> | <i>14.63</i> | <i>52</i> | <i>10.55</i>  | <i>Apr-15</i>  |
| Over/Under  |                      |                | 0.00         |           | -0.05        |           | -0.13        |           | 0.04         |           | 0.01         |           |              |           | -0.06         |                |
| <i>eV US Small Cap Equity Net Median</i>                          |                      |                | -1.79        |           | 16.79        |           | 49.67        |           | 10.98        |           | 13.69        |           | 14.70        |           | 10.74         | <i>Apr-15</i>  |
| RhumblLine Advisers Russell 2000 Value <sup>2</sup>               | 155,008,466          | 2.85           | -2.98        | 76        | 22.78        | 35        | --           | --        | --           | --        | --           | --        | --           | --        | 22.78         | Jan-21         |
| <i>Russell 2000 Value</i>   |                      |                | <i>-2.98</i> | <i>76</i> | <i>22.92</i> | <i>34</i> | <i>63.92</i> | <i>11</i> | <i>8.58</i>  | <i>62</i> | <i>11.03</i> | <i>52</i> | <i>13.22</i> | <i>56</i> | <i>22.92</i>  | <i>Jan-21</i>  |
| Over/Under  |                      |                | 0.00         |           | -0.14        |           |              |           |              |           |              |           |              |           | -0.14         |                |
| <i>eV US Small-Mid Cap Value Equity Net Median</i>                |                      |                | -1.96        |           | 19.85        |           | 52.64        |           | 9.12         |           | 11.35        |           | 13.34        |           | 19.85         | <i>Jan-21</i>  |
| EAM Investors   | 115,861,669          | 2.13           | -4.72        | 87        | -1.34        | 96        | 26.23        | 93        | 12.29        | 82        | 18.28        | 59        | --           | --        | 15.88         | Sep-15         |
| <i>Russell 2000 Growth</i>  |                      |                | <i>-5.65</i> | <i>90</i> | <i>2.82</i>  | <i>89</i> | <i>33.26</i> | <i>75</i> | <i>11.70</i> | <i>84</i> | <i>15.34</i> | <i>85</i> | <i>15.74</i> | <i>83</i> | <i>14.79</i>  | <i>Sep-15</i>  |
| Over/Under  |                      |                | 0.93         |           | -4.16        |           | -7.03        |           | 0.59         |           | 2.94         |           |              |           | 1.09          |                |
| <i>eV US Small Cap Growth Equity Net Median</i>                   |                      |                | -1.93        |           | 9.55         |           | 38.76        |           | 17.09        |           | 19.83        |           | 17.74        |           | 18.60         | <i>Sep-15</i>  |
| Principal Global Investors <sup>2</sup>                           | 319,914,642          | 5.87           | 0.94         | 26        | 14.51        | 50        | 32.17        | 64        | 19.49        | 22        | 18.60        | 32        | --           | --        | 15.81         | Aug-14         |
| <i>Russell MidCap</i>   |                      |                | <i>-0.93</i> | <i>64</i> | <i>15.17</i> | <i>45</i> | <i>38.11</i> | <i>43</i> | <i>14.21</i> | <i>47</i> | <i>14.39</i> | <i>53</i> | <i>15.52</i> | <i>45</i> | <i>12.06</i>  | <i>Aug-14</i>  |
| Over/Under  |                      |                | 1.87         |           | -0.66        |           | -5.94        |           | 5.28         |           | 4.21         |           |              |           | 3.75          |                |
| <i>eV US Mid Cap Equity Net Median</i>                            |                      |                | -0.25        |           | 14.51        |           | 35.60        |           | 13.65        |           | 14.52        |           | 15.23        |           | 11.59         | <i>Aug-14</i>  |
| RhumblLine Advisers S&P 500                                       | 4,068,184,136        | 74.68          | 0.58         | 29        | 15.85        | 42        | 30.03        | 47        | 15.82        | 39        | 16.79        | 35        | 16.55        | 31        | --            | Feb-93         |
| <i>S&amp;P 500</i>  |                      |                | <i>0.58</i>  | <i>29</i> | <i>15.92</i> | <i>42</i> | <i>30.00</i> | <i>47</i> | <i>15.99</i> | <i>39</i> | <i>16.89</i> | <i>34</i> | <i>16.63</i> | <i>30</i> | <i>10.43</i>  | <i>Feb-93</i>  |
| Over/Under  |                      |                | 0.00         |           | -0.07        |           | 0.03         |           | -0.17        |           | -0.10        |           | -0.08        |           |               |                |
| <i>eV US Large Cap Equity Net Median</i>                          |                      |                | -0.06        |           | 15.06        |           | 29.41        |           | 13.96        |           | 14.99        |           | 15.07        |           | 10.75         | <i>Feb-93</i>  |

1 - U.S. Equity Blend = Russell 3000 from 1/1/2000 to present; 33.75% S&P 500/ 35% Russell 1000 Value/ 12.50% Russell 1000 Growth/ 12.50% Russell 2000 Value/ 6.25% Russell 2000 Growth prior to 1/1/200.

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

eV = eVestment

Benchmark composition as of 7/1/2021 unless otherwise noted.



# Los Angeles City Employees' Retirement System

## U.S. EQUITY (NET)

|   | Market Value (\$) | % of Portfolio | 3 Mo (%)     | Rank | YTD (%)      | Rank | 1 Yr (%)     | Rank | 3 Yrs (%)    | Rank | 5 Yrs (%)    | Rank | 10 Yrs (%)   | Rank | Inception (%) | Inception Date |
|---|-------------------|----------------|--------------|------|--------------|------|--------------|------|--------------|------|--------------|------|--------------|------|---------------|----------------|
| Copeland Capital Management <sup>1</sup>        | 239,385,586       | 4.39           | -1.93        | 54   | 16.54        | 51   | 41.16        | 73   | --           | --   | --           | --   | --           | --   | 41.16         | Oct-20         |
| <i>Russell 2000</i>                             |                   |                | <u>-4.36</u> | 89   | <u>12.41</u> | 71   | <u>47.68</u> | 58   | <u>10.54</u> | 54   | <u>13.45</u> | 53   | <u>14.63</u> | 52   | <u>47.68</u>  | Oct-20         |
| Over/Under                                      |                   |                | 2.43         |      | 4.13         |      | -6.52        |      |              |      |              |      |              |      | -6.52         |                |
| <i>eV US Small Cap Equity Net Median</i>        |                   |                | -1.79        |      | 16.79        |      | 49.67        |      | 10.98        |      | 13.69        |      | 14.70        |      | 49.67         | Oct-20         |
| Granahan Investment Management <sup>1</sup>     | 104,339,696       | 1.92           | 1.82         | 11   | 13.76        | 20   | 56.24        | 8    | --           | --   | --           | --   | --           | --   | 56.24         | Oct-20         |
| <i>Russell 2000 Growth</i>                      |                   |                | <u>-5.65</u> | 90   | <u>2.82</u>  | 89   | <u>33.26</u> | 75   | <u>11.70</u> | 84   | <u>15.34</u> | 85   | <u>15.74</u> | 83   | <u>33.26</u>  | Oct-20         |
| Over/Under                                      |                   |                | 7.47         |      | 10.94        |      | 22.98        |      |              |      |              |      |              |      | 22.98         |                |
| <i>eV US Small Cap Growth Equity Net Median</i> |                   |                | -1.93        |      | 9.55         |      | 38.76        |      | 17.09        |      | 19.83        |      | 17.74        |      | 38.76         | Oct-20         |
| Segall, Bryant & Hamill <sup>1</sup>            | 90,163,085        | 1.66           | -2.89        | 71   | 11.68        | 94   | 43.17        | 89   | --           | --   | --           | --   | --           | --   | 43.17         | Oct-20         |
| <i>Russell 2000 Value</i>                       |                   |                | <u>-2.98</u> | 73   | <u>22.92</u> | 46   | <u>63.92</u> | 33   | <u>8.58</u>  | 51   | <u>11.03</u> | 46   | <u>13.22</u> | 51   | <u>63.92</u>  | Oct-20         |
| Over/Under                                      |                   |                | 0.09         |      | -11.24       |      | -20.75       |      |              |      |              |      |              |      | -20.75        |                |
| <i>eV US Small Cap Value Equity Net Median</i>  |                   |                | -1.95        |      | 21.98        |      | 57.98        |      | 8.62         |      | 10.88        |      | 13.24        |      | 57.98         | Oct-20         |

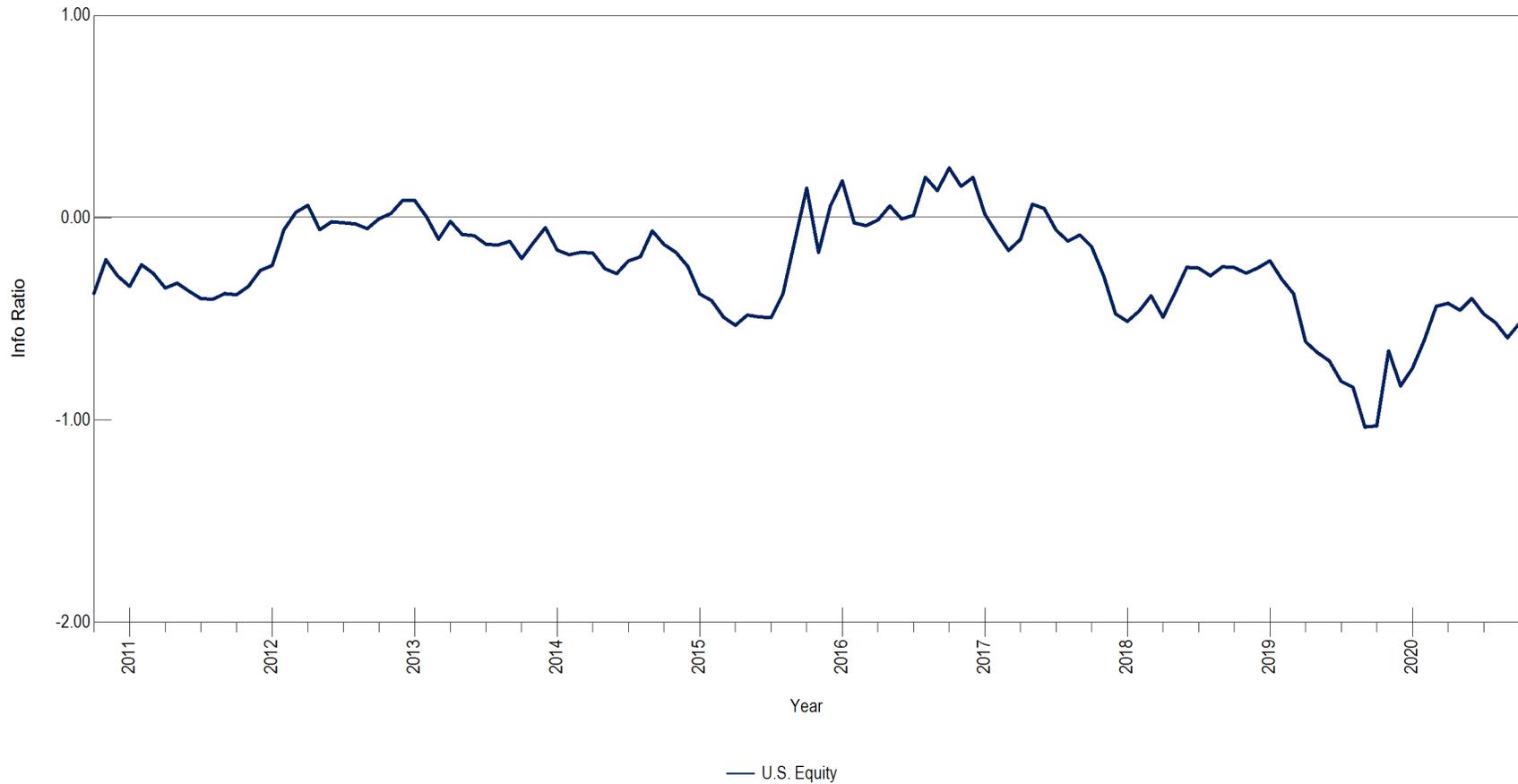
1- Portfolio has a mid-month inception date. Since inception return is calculated from the first full month of performance.  
eA = eVestment Alliance



# Los Angeles City Employees' Retirement System

## U.S. EQUITY ROLLING 5 YEAR INFORMATION RATIO

Rolling 5 Year Information Ratio



\*Returns are net of fees.



# INVESTMENT MANAGER REPORT CARD

## U.S. EQUITY

| U.S. Equity Managers       | Inception Date | Mandate          | Current Quarter (Net) |          | One Year (Net) |          | Three Years (Net) |          | Five Years (Net) |          | Since Inception (Net) | Annual Mgt Fee Paid \$ (000) | Comments   |
|----------------------------|----------------|------------------|-----------------------|----------|----------------|----------|-------------------|----------|------------------|----------|-----------------------|------------------------------|--|
|                            |                |                  | Index                 | Universe | Index          | Universe | Index             | Universe | Index            | Universe | Index                 |                              |  |
| Principal Global Investors | Jul-14         | Mid Cap          | ✓                     | ✓        | ✗              | ✗        | ✓                 | ✓        | ✓                | ✓        | ✓                     | 811.7                        | Performance compliant with LACERS' Manager Monitoring Policy |
| EAM Investors              | Sep-15         | Small Cap Growth | ✓                     | ✗        | ✗              | ✗        | ✓                 | ✗        | ✓                | ✗        | ✓                     | 839.4                        | Performance compliant with LACERS' Manager Monitoring Policy |
| Copeland                   | Oct-20         | Small Cap Core   | ✓                     | ✗        | ✗              | ✗        | N/A               | N/A      | N/A              | N/A      | ✗                     | 810.8                        | Newly hired manager.   |
| Granahan                   | Oct-20         | Small Cap Growth | ✓                     | ✓        | ✓              | ✓        | N/A               | N/A      | N/A              | N/A      | ✓                     | 605.3                        | Newly hired manager.   |
| Segall Bryant & Hamill     | Oct-20         | Small Cap Value  | ✓                     | ✗        | ✗              | ✗        | N/A               | N/A      | N/A              | N/A      | ✗                     | 454.8                        | On Watch as of 2/9/21 due to organizational changes.         |
| RhumbLine (Passive)        | Dec-20         | R2000 Value      | =                     | ✗        | N/A            | N/A      | N/A               | N/A      | N/A              | N/A      | ✗                     | 7.1                          | Newly hired manager.   |
| RhumbLine (Passive)        | Feb-93         | S&P 500          | =                     | ✓        | ✓              | ✓        | ✗                 | ✓        | ✗                | ✓        | ✓✓                    | 214.2                        | Performance compliant with LACERS' Manager Monitoring Policy |
| RhumbLine (Passive)        | Jun-15         | R2000            | =                     | ✗        | ✗              | ✗        | ✓                 | ✗        | ✓                | ✗        | ✗                     | 13.2                         | Performance compliant with LACERS' Manager Monitoring Policy |

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

- Annual Management Fee Paid as of fiscal year ending June 30, 2021.
- \* Where net of fees performance is not available gross of fee returns are evaluated.

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





# NON-U.S. EQUITY MANAGER PERFORMANCE



# Los Angeles City Employees' Retirement System

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

|   | Market Value<br>(\$) | % of<br>Portfolio | 3 Mo<br>(%)  | YTD<br>(%)   | 1 Yr<br>(%)  | 3 Yrs<br>(%) | 5 Yrs<br>(%) | 10 Yrs<br>(%) | Inception<br>(%) | Inception<br>Date |
|---|----------------------|-------------------|--------------|--------------|--------------|--------------|--------------|---------------|------------------|-------------------|
| <b>Non-U.S. Equity</b>                          | <b>6,069,681,623</b> | <b>100.00</b>     | <b>-1.19</b> | <b>8.83</b>  | <b>28.90</b> | <b>10.40</b> | <b>10.85</b> | <b>9.41</b>   | <b>5.94</b>      | <b>Nov-94</b>     |
| <i>MSCI ACWI ex USA</i>                         |                      |                   | <u>-2.99</u> | <u>5.90</u>  | <u>23.91</u> | <u>8.03</u>  | <u>8.94</u>  | <u>7.48</u>   | <u>5.50</u>      | <u>Nov-94</u>     |
| Over/Under                                      |                      |                   | 1.80         | 2.93         | 4.99         | 2.37         | 1.91         | 1.93          | 0.44             |                   |
| <b>Developed ex-U.S.</b>                        | <b>4,496,453,353</b> | <b>74.08</b>      | <b>-0.33</b> | <b>9.34</b>  | <b>27.75</b> | <b>9.84</b>  | <b>10.57</b> | <b>--</b>     | <b>9.56</b>      | <b>Jun-12</b>     |
| <i>MSCI EAFE</i>                                |                      |                   | <u>-0.45</u> | <u>8.35</u>  | <u>25.73</u> | <u>7.62</u>  | <u>8.81</u>  | <u>8.10</u>   | <u>8.06</u>      | <u>Jun-12</u>     |
| Over/Under                                      |                      |                   | 0.12         | 0.99         | 2.02         | 2.22         | 1.76         |               | 1.50             |                   |
| Barrow Hanley <sup>1</sup>                      | 505,516,993          | 8.33              | -1.11        | 13.17        | 36.61        | 8.29         | 9.28         | --            | 5.25             | Nov-13            |
| <i>MSCI EAFE Value</i>                          |                      |                   | <u>-0.97</u> | <u>9.61</u>  | <u>30.66</u> | <u>3.04</u>  | <u>5.96</u>  | <u>5.97</u>   | <u>2.55</u>      | <u>Nov-13</u>     |
| Over/Under                                      |                      |                   | -0.14        | 3.56         | 5.95         | 5.25         | 3.32         |               | 2.70             |                   |
| Lazard Asset Management <sup>1</sup>            | 620,160,207          | 10.22             | 0.20         | 8.06         | 25.61        | 9.02         | 9.92         | --            | 6.76             | Nov-13            |
| <i>MSCI EAFE</i>                                |                      |                   | <u>-0.45</u> | <u>8.35</u>  | <u>25.73</u> | <u>7.62</u>  | <u>8.81</u>  | <u>8.10</u>   | <u>5.18</u>      | <u>Nov-13</u>     |
| Over/Under                                      |                      |                   | 0.65         | -0.29        | -0.12        | 1.40         | 1.11         |               | 1.58             |                   |
| MFS Institutional Advisors                      | 597,849,208          | 9.85              | -1.46        | 6.02         | 17.74        | 11.21        | 12.47        | --            | 8.74             | Oct-13            |
| <i>MSCI World ex USA Growth NR USD</i>          |                      |                   | <u>-0.25</u> | <u>6.99</u>  | <u>20.50</u> | <u>11.92</u> | <u>11.21</u> | <u>9.63</u>   | <u>7.52</u>      | <u>Oct-13</u>     |
| Over/Under                                      |                      |                   | -1.21        | -0.97        | -2.76        | -0.71        | 1.26         |               | 1.22             |                   |
| Oberweis Asset Mgmt <sup>1</sup>                | 345,253,660          | 5.69              | 0.78         | 8.95         | 33.67        | 21.25        | 18.35        | --            | 14.18            | Jan-14            |
| <i>MSCI EAFE Small Cap</i>                      |                      |                   | <u>0.89</u>  | <u>10.02</u> | <u>29.02</u> | <u>9.05</u>  | <u>10.38</u> | <u>10.73</u>  | <u>8.15</u>      | <u>Jan-14</u>     |
| Over/Under                                      |                      |                   | -0.11        | -1.07        | 4.65         | 12.20        | 7.97         |               | 6.03             |                   |
| SSgA World ex US IMI                            | 2,084,702,211        | 34.35             | -0.34        | 9.82         | 28.45        | 8.79         | 9.68         | 8.69          | 6.21             | Aug-93            |
| <i>MSCI World ex USA IMI NR USD<sup>2</sup></i> |                      |                   | <u>-0.45</u> | <u>9.43</u>  | <u>27.04</u> | <u>8.10</u>  | <u>9.09</u>  | <u>8.17</u>   | <u>5.89</u>      | <u>Aug-93</u>     |
| Over/Under                                      |                      |                   | 0.11         | 0.39         | 1.41         | 0.69         | 0.59         | 0.52          | 0.32             |                   |
| State Street EAFE SC <sup>1</sup>               | 342,968,752          | 5.65              | 0.90         | 10.04        | --           | --           | --           | --            | 10.04            | Jan-21            |
| <i>MSCI EAFE Small Cap</i>                      |                      |                   | <u>0.89</u>  | <u>10.02</u> | <u>29.02</u> | <u>9.05</u>  | <u>10.38</u> | <u>10.73</u>  | <u>10.02</u>     | <u>Jan-21</u>     |
| Over/Under                                      |                      |                   | 0.01         | 0.02         |              |              |              |               | 0.02             |                   |

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

2 - Since inception return sourced from SSgA.

eV = eVestment



# Los Angeles City Employees' Retirement System

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

|  | Market Value<br>(\$) | % of<br>Portfolio | 3 Mo<br>(%)  | YTD<br>(%)   | 1 Yr<br>(%)  | 3 Yrs<br>(%) | 5 Yrs<br>(%) | 10 Yrs<br>(%) | Inception<br>(%) | Inception<br>Date |
|--|----------------------|-------------------|--------------|--------------|--------------|--------------|--------------|---------------|------------------|-------------------|
| <b>Emerging Markets</b>                    | <b>1,573,228,269</b> | <b>25.92</b>      | <b>-3.63</b> | <b>7.44</b>  | <b>31.23</b> | <b>11.77</b> | <b>11.34</b> | <b>--</b>     | <b>6.65</b>      | <b>Jun-12</b>     |
| <i>MSCI Emerging Markets</i>               |                      |                   | <u>-8.09</u> | <u>-1.25</u> | <u>18.20</u> | <u>8.58</u>  | <u>9.23</u>  | <u>6.09</u>   | <u>5.66</u>      | <u>Jun-12</u>     |
| Over/Under                                 |                      |                   | 4.46         | 8.69         | 13.03        | 3.19         | 2.11         |               | 0.99             |                   |
| Axiom Emerging Markets                     | 400,881,020          | 6.60              | -7.66        | -2.16        | 18.70        | 14.22        | 12.48        | --            | 8.58             | May-14            |
| <i>MSCI Emerging Markets</i>               |                      |                   | <u>-8.09</u> | <u>-1.25</u> | <u>18.20</u> | <u>8.58</u>  | <u>9.23</u>  | <u>6.09</u>   | <u>5.65</u>      | <u>May-14</u>     |
| Over/Under                                 |                      |                   | 0.43         | -0.91        | 0.50         | 5.64         | 3.25         |               | 2.93             |                   |
| <i>MSCI Emerging Markets Growth NR USD</i> |                      |                   | -10.95       | -6.47        | 9.28         | 12.15        | 11.36        | 8.23          | 7.87             | May-14            |
| DFA Emerging Markets                       | 457,370,963          | 7.54              | -3.29        | 11.99        | 37.53        | 6.81         | 8.61         | --            | 3.50             | Aug-14            |
| <i>MSCI Emerging Markets Value NR USD</i>  |                      |                   | <u>-5.08</u> | <u>4.43</u>  | <u>28.43</u> | <u>4.77</u>  | <u>6.87</u>  | <u>3.79</u>   | <u>2.09</u>      | <u>Aug-14</u>     |
| Over/Under                                 |                      |                   | 1.79         | 7.56         | 9.10         | 2.04         | 1.74         |               | 1.41             |                   |
| State Street Emerging Markets <sup>1</sup> | 371,313,062          | 6.12              | -8.38        | -1.58        | --           | --           | --           | --            | -1.58            | Jan-21            |
| <i>MSCI Emerging Markets</i>               |                      |                   | <u>-8.09</u> | <u>-1.25</u> | <u>18.20</u> | <u>8.58</u>  | <u>9.23</u>  | <u>6.09</u>   | <u>-1.25</u>     | <u>Jan-21</u>     |
| Over/Under                                 |                      |                   | -0.29        | -0.33        |              |              |              |               | -0.33            |                   |
| Wasatch Global Investors <sup>1</sup>      | 343,658,632          | 5.66              | 7.31         | 27.85        | --           | --           | --           | --            | 27.85            | Jan-21            |
| <i>MSCI Emerging Markets Small Cap</i>     |                      |                   | <u>-2.16</u> | <u>17.20</u> | <u>43.24</u> | <u>13.11</u> | <u>9.75</u>  | <u>7.21</u>   | <u>17.20</u>     | <u>Jan-21</u>     |
| Over/Under                                 |                      |                   | 9.47         | 10.65        |              |              |              |               | 10.65            |                   |

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

eA = eVestment



# Los Angeles City Employees' Retirement System

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

|                                      | Market Value (\$)    | % of Portfolio | 3 Mo (%)     | Rank      | YTD (%)     | Rank      | 1 Yr (%)     | Rank      | 3 Yrs (%)    | Rank      | 5 Yrs (%)    | Rank      | 10 Yrs (%)  | Rank      | Inception (%) | Inception Date |
|--------------------------------------|----------------------|----------------|--------------|-----------|-------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|-------------|-----------|---------------|----------------|
| <b>Non-U.S. Equity</b>               | <b>6,069,681,623</b> | <b>100.00</b>  | <b>-1.26</b> | <b>15</b> | <b>8.57</b> | <b>17</b> | <b>28.48</b> | <b>12</b> | <b>10.02</b> | <b>29</b> | <b>10.45</b> | <b>23</b> | <b>9.05</b> | <b>24</b> | <b>--</b>     | <b>Nov-94</b>  |
| MSCI ACWI ex USA                     |                      |                | -2.99        | 61        | 5.90        | 64        | 23.91        | 67        | 8.03         | 77        | 8.94         | 72        | 7.48        | 87        | 5.50          | Nov-94         |
| Over/Under                           |                      |                | 1.73         |           | 2.67        |           | 4.57         |           | 1.99         |           | 1.51         |           | 1.57        |           |               |                |
| <b>Developed ex-U.S.</b>             | <b>4,496,453,353</b> | <b>74.08</b>   | <b>-0.39</b> | <b>36</b> | <b>9.13</b> | <b>36</b> | <b>27.41</b> | <b>30</b> | <b>9.51</b>  | <b>48</b> | <b>10.24</b> | <b>44</b> | <b>--</b>   | <b>--</b> | <b>9.26</b>   | <b>Jun-12</b>  |
| MSCI EAFE                            |                      |                | -0.45        | 40        | 8.35        | 56        | 25.73        | 64        | 7.62         | 84        | 8.81         | 83        | 8.10        | 80        | 8.06          | Jun-12         |
| Over/Under                           |                      |                | 0.06         |           | 0.78        |           | 1.68         |           | 1.89         |           | 1.43         |           |             |           | 1.20          |                |
| InvMetrics Public DB > \$1 Billion   |                      |                | -0.70        |           | 8.93        |           | 26.87        |           | 9.40         |           | 9.88         |           | 9.33        |           | 9.26          | Jun-12         |
| Dev Mkt ex-US Eq Net Median          |                      |                |              |           |             |           |              |           |              |           |              |           |             |           |               |                |
| Barrow Hanley <sup>1</sup>           | 505,516,993          | 8.33           | -1.23        | 38        | 12.77       | 18        | 36.00        | 34        | 7.78         | 14        | 8.75         | 16        | --          | --        | 4.74          | Nov-13         |
| MSCI EAFE Value                      |                      |                | -0.97        | 36        | 9.61        | 51        | 30.66        | 54        | 3.04         | 84        | 5.96         | 72        | 5.97        | 86        | 2.55          | Nov-13         |
| Over/Under                           |                      |                | -0.26        |           | 3.16        |           | 5.34         |           | 4.74         |           | 2.79         |           |             |           | 2.19          |                |
| eV EAFE Value Equity Net Median      |                      |                | -1.64        |           | 9.72        |           | 31.71        |           | 5.21         |           | 6.59         |           | 7.54        |           | 4.20          | Nov-13         |
| Lazard Asset Management <sup>1</sup> | 620,160,207          | 10.22          | 0.08         | 28        | 7.68        | 64        | 25.03        | 58        | 8.48         | 44        | 9.37         | 46        | --          | --        | 6.21          | Nov-13         |
| MSCI EAFE                            |                      |                | -0.45        | 40        | 8.35        | 58        | 25.73        | 53        | 7.62         | 53        | 8.81         | 54        | 8.10        | 75        | 5.18          | Nov-13         |
| Over/Under                           |                      |                | 0.53         |           | -0.67       |           | -0.70        |           | 0.86         |           | 0.56         |           |             |           | 1.03          |                |
| eV All EAFE Equity Net Median        |                      |                | -0.82        |           | 9.12        |           | 26.02        |           | 7.86         |           | 9.01         |           | 9.17        |           | 6.18          | Nov-13         |
| MFS Institutional Advisors           | 597,849,208          | 9.85           | -1.56        | 50        | 5.70        | 49        | 17.29        | 64        | 10.75        | 57        | 11.98        | 59        | --          | --        | 8.25          | Oct-13         |
| MSCI World ex USA Growth NR USD      |                      |                | -0.25        | 37        | 6.99        | 28        | 20.50        | 51        | 11.92        | 42        | 11.21        | 67        | 9.63        | 86        | 7.52          | Oct-13         |
| Over/Under                           |                      |                | -1.31        |           | -1.29       |           | -3.21        |           | -1.17        |           | 0.77         |           |             |           | 0.73          |                |
| eV EAFE All Cap Growth Net Median    |                      |                | -1.59        |           | 5.55        |           | 20.53        |           | 11.49        |           | 12.28        |           | 10.30       |           | 7.79          | Oct-13         |
| Oberweis Asset Mgmt <sup>1</sup>     | 345,253,660          | 5.69           | 0.59         | 37        | 8.26        | 76        | 32.58        | 35        | 20.28        | 2         | 17.37        | 4         | --          | --        | 13.24         | Jan-14         |
| MSCI EAFE Small Cap                  |                      |                | 0.89         | 30        | 10.02       | 72        | 29.02        | 56        | 9.05         | 49        | 10.38        | 52        | 10.73       | 68        | 8.15          | Jan-14         |
| Over/Under                           |                      |                | -0.30        |           | -1.76       |           | 3.56         |           | 11.23        |           | 6.99         |           |             |           | 5.09          |                |
| eV EAFE Small Cap Equity Net Median  |                      |                | -0.04        |           | 12.43       |           | 29.64        |           | 9.02         |           | 10.84        |           | 11.36       |           | 8.23          | Jan-14         |

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



# Los Angeles City Employees' Retirement System

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

|  | Market Value (\$)    | % of Portfolio | 3 Mo (%)     | Rank      | YTD (%)      | Rank      | 1 Yr (%)     | Rank      | 3 Yrs (%)    | Rank      | 5 Yrs (%)    | Rank      | 10 Yrs (%)   | Rank      | Inception (%) | Inception Date |
|--|----------------------|----------------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|---------------|----------------|
| SSgA World ex US IMI   | 2,084,702,211        | 34.35          | -0.34        | 42        | 9.81         | 47        | 28.43        | 30        | 8.77         | 41        | 9.66         | 40        | 8.66         | 68        | --            | Aug-93         |
| <i>MSCI World ex USA IMI NR USD</i>                                |                      |                | <u>-0.45</u> | 47        | <u>9.43</u>  | 52        | <u>27.04</u> | 42        | <u>8.10</u>  | 49        | <u>9.09</u>  | 51        | <u>8.17</u>  | 83        | --            | Aug-93         |
| Over/Under   |                      |                | 0.11         |           | 0.38         |           | 1.39         |           | 0.67         |           | 0.57         |           | 0.49         |           |               |                |
| <i>eV EAFE Core Equity Net Median</i>                              |                      |                | -0.59        |           | 9.58         |           | 25.21        |           | 7.95         |           | 9.12         |           | 9.19         |           | 7.13          | Aug-93         |
| State Street EAFE SC <sup>1</sup>                                  | 342,968,752          | 5.65           | 0.89         | 30        | 10.02        | 72        | --           | --        | --           | --        | --           | --        | --           | --        | 10.02         | Jan-21         |
| <i>MSCI EAFE Small Cap</i>   |                      |                | <u>0.89</u>  | 30        | <u>10.02</u> | 72        | <u>29.02</u> | 56        | <u>9.05</u>  | 49        | <u>10.38</u> | 52        | <u>10.73</u> | 68        | <u>10.02</u>  | Jan-21         |
| Over/Under   |                      |                | 0.00         |           | 0.00         |           |              |           |              |           |              |           |              |           | 0.00          |                |
| <i>eV EAFE Small Cap Equity Net Median</i>                         |                      |                | -0.04        |           | 12.43        |           | 29.64        |           | 9.02         |           | 10.84        |           | 11.36        |           | 12.43         | Jan-21         |
| <b>Emerging Markets</b>  | <b>1,573,228,269</b> | <b>25.92</b>   | <b>-3.75</b> | <b>11</b> | <b>7.06</b>  | <b>20</b> | <b>30.66</b> | <b>25</b> | <b>11.23</b> | <b>20</b> | <b>10.79</b> | <b>22</b> | <b>--</b>    | <b>--</b> | <b>6.04</b>   | <b>Jun-12</b>  |
| <i>MSCI Emerging Markets</i>                                       |                      |                | <u>-8.09</u> | 75        | <u>-1.25</u> | 80        | <u>18.20</u> | 79        | <u>8.58</u>  | 51        | <u>9.23</u>  | 34        | <u>6.09</u>  | 42        | <u>5.66</u>   | Jun-12         |
| Over/Under   |                      |                | 4.34         |           | 8.31         |           | 12.46        |           | 2.65         |           | 1.56         |           |              |           | 0.38          |                |
| <i>InvMetrics Public DB &gt; \$1 Billion Emg Mkt Eq Net Median</i> |                      |                | -6.31        |           | 3.03         |           | 22.58        |           | 8.61         |           | 8.48         |           | 5.42         |           | 4.81          | Jun-12         |
| Axiom Emerging Markets   | 400,881,020          | 6.60           | -7.79        | 62        | -2.70        | 74        | 17.90        | 68        | 13.48        | 25        | 11.73        | 23        | --           | --        | 7.87          | May-14         |
| <i>MSCI Emerging Markets</i>                                       |                      |                | <u>-8.09</u> | 65        | <u>-1.25</u> | 66        | <u>18.20</u> | 67        | <u>8.58</u>  | 63        | <u>9.23</u>  | 54        | <u>6.09</u>  | 70        | <u>5.65</u>   | May-14         |
| Over/Under   |                      |                | 0.30         |           | -1.45        |           | -0.30        |           | 4.90         |           | 2.50         |           |              |           | 2.22          |                |
| <i>MSCI Emerging Markets Growth NR USD</i>                         |                      |                | -10.95       | 91        | -6.47        | 89        | 9.28         | 96        | 12.15        | 32        | 11.36        | 27        | 8.23         | 23        | 7.87          | May-14         |
| <i>eV Emg Mkts Equity Net Median</i>                               |                      |                | -6.84        |           | 1.41         |           | 21.38        |           | 9.68         |           | 9.48         |           | 6.66         |           | 6.17          | May-14         |
| DFA Emerging Markets <sup>1</sup>                                  | 457,370,963          | 7.54           | -3.40        | 21        | 11.60        | 17        | 36.90        | 17        | 6.28         | 89        | 8.08         | 72        | --           | --        | 3.00          | Aug-14         |
| <i>MSCI Emerging Markets Value NR USD</i>                          |                      |                | <u>-5.08</u> | 31        | <u>4.43</u>  | 36        | <u>28.43</u> | 29        | <u>4.77</u>  | 96        | <u>6.87</u>  | 85        | <u>3.79</u>  | 99        | <u>2.09</u>   | Aug-14         |
| Over/Under   |                      |                | 1.68         |           | 7.17         |           | 8.47         |           | 1.51         |           | 1.21         |           |              |           | 0.91          |                |
| <i>eV Emg Mkts Equity Net Median</i>                               |                      |                | -6.84        |           | 1.41         |           | 21.38        |           | 9.68         |           | 9.48         |           | 6.66         |           | 5.37          | Aug-14         |
| State Street Emerging Markets <sup>1</sup>                         | 371,313,062          | 6.12           | -8.39        | 69        | -1.60        | 68        | --           | --        | --           | --        | --           | --        | --           | --        | -1.60         | Jan-21         |
| <i>MSCI Emerging Markets</i>                                       |                      |                | <u>-8.09</u> | 65        | <u>-1.25</u> | 66        | <u>18.20</u> | 67        | <u>8.58</u>  | 63        | <u>9.23</u>  | 54        | <u>6.09</u>  | 70        | <u>-1.25</u>  | Jan-21         |
| Over/Under   |                      |                | -0.30        |           | -0.35        |           |              |           |              |           |              |           |              |           | -0.35         |                |
| <i>eV Emg Mkts Equity Net Median</i>                               |                      |                | -6.84        |           | 1.41         |           | 21.38        |           | 9.68         |           | 9.48         |           | 6.66         |           | 1.41          | Jan-21         |

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



# Los Angeles City Employees' Retirement System

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

|                                       | Market Value<br>(\$) | % of<br>Portfolio | 3 Mo<br>(%) | Rank | YTD<br>(%) | Rank | 1 Yr<br>(%) | Rank | 3 Yrs<br>(%) | Rank | 5 Yrs<br>(%) | Rank | 10 Yrs<br>(%) | Rank | Inception<br>(%) | Inception<br>Date |
|---------------------------------------|----------------------|-------------------|-------------|------|------------|------|-------------|------|--------------|------|--------------|------|---------------|------|------------------|-------------------|
| Wasatch Global Investors <sup>1</sup> | 343,658,632          | 5.66              | 7.06        | 1    | 27.32      | 2    | --          | --   | --           | --   | --           | --   | --            | --   | 27.32            | Jan-21            |
| MSCI Emerging Markets Small Cap       |                      |                   | -2.16       | 34   | 17.20      | 26   | 43.24       | 14   | 13.11        | 54   | 9.75         | 65   | 7.21          | 81   | 17.20            | Jan-21            |
| Over/Under                            |                      |                   | 9.22        |      | 10.12      |      |             |      |              |      |              |      |               |      | 10.12            |                   |
| eV Emg Mkts Small Cap Equity          |                      |                   |             |      |            |      |             |      |              |      |              |      |               |      |                  |                   |
| Net Median                            |                      |                   | -3.43       |      | 14.29      |      | 37.06       |      | 13.32        |      | 10.83        |      | 8.47          |      | 14.29            | Jan-21            |

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



# Los Angeles City Employees' Retirement System

## NON-U.S. EQUITY COUNTRY ALLOCATION

| Versus MSCI ACWI ex USA - Quarter Ending September 30, 2021 |                                    |                                  |
|---|------------------------------------|----------------------------------|
|   | Manager<br>Ending Allocation (USD) | Index<br>Ending Allocation (USD) |
| <b>Europe</b>   |                                    |                                  |
| Austria   | 0.1%                               | 0.1%                             |
| Belgium   | 0.2%                               | 0.6%                             |
| Croatia**   | 0.0%                               | 0.0%                             |
| Czech Republic*   | 0.0%                               | 0.0%                             |
| Denmark   | 1.6%                               | 1.7%                             |
| Estonia**   | 0.0%                               | 0.0%                             |
| Finland   | 1.9%                               | 0.7%                             |
| France  | 10.6%                              | 7.1%                             |
| Germany   | 5.7%                               | 5.7%                             |
| Greece*   | 0.0%                               | 0.1%                             |
| Hungary*  | 0.2%                               | 0.1%                             |
| Ireland   | 2.2%                               | 0.4%                             |
| Italy   | 1.5%                               | 1.6%                             |
| Lithuania**   | 0.0%                               | 0.0%                             |
| Luxembourg  | 0.3%                               | 0.0%                             |
| Netherlands   | 2.3%                               | 3.1%                             |
| Norway  | 0.8%                               | 0.4%                             |
| Poland*   | 0.0%                               | 0.2%                             |
| Portugal  | 0.0%                               | 0.1%                             |
| Romania**   | 0.0%                               | 0.0%                             |
| Russia*   | 0.5%                               | 1.1%                             |
| Serbia**  | 0.0%                               | 0.0%                             |
| Slovenia**  | 0.0%                               | 0.0%                             |
| Spain   | 1.8%                               | 1.5%                             |
| Sweden  | 2.6%                               | 2.3%                             |
| Switzerland   | 5.8%                               | 6.0%                             |
| United Kingdom  | 14.1%                              | 9.1%                             |
| <b>Total-Europe</b>   | <b>52.2%</b>                       | <b>42.0%</b>                     |

| Versus MSCI ACWI ex USA - Quarter Ending September 30, 2021 |                                    |                                  |
|---|------------------------------------|----------------------------------|
|   | Manager<br>Ending Allocation (USD) | Index<br>Ending Allocation (USD) |
| <b>Americas</b>   |                                    |                                  |
| Argentina*  | 0.2%                               | 0.0%                             |
| Brazil*   | 0.4%                               | 1.3%                             |
| Canada  | 4.3%                               | 7.1%                             |
| Colombia*   | 0.3%                               | 0.1%                             |
| Mexico*   | 1.1%                               | 0.6%                             |
| United States   | 3.1%                               | 0.0%                             |
| <b>Total-Americas</b>                                       | <b>9.5%</b>                        | <b>9.2%</b>                      |
| <b>AsiaPacific</b>  |                                    |                                  |
| Australia   | 1.5%                               | 4.4%                             |
| China*  | 3.8%                               | 10.1%                            |
| Hong Kong   | 3.3%                               | 1.9%                             |
| India*  | 2.4%                               | 3.6%                             |
| Indonesia*  | 0.2%                               | 0.4%                             |
| Japan   | 15.8%                              | 15.3%                            |
| Korea*  | 2.6%                               | 3.7%                             |
| Malaysia*   | 0.0%                               | 0.4%                             |
| New Zealand   | 0.1%                               | 0.2%                             |
| Singapore   | 1.6%                               | 0.7%                             |
| Taiwan*   | 2.7%                               | 4.4%                             |
| Thailand*   | 0.2%                               | 0.5%                             |
| <b>Total-AsiaPacific</b>                                    | <b>34.1%</b>                       | <b>45.8%</b>                     |
| <b>Other</b>  |                                    |                                  |
| Israel  | 1.1%                               | 0.4%                             |
| Other Countries   | 1.0%                               | 0.0%                             |
| South Africa*   | 0.5%                               | 0.9%                             |
| <b>Total-Other</b>  | <b>2.6%</b>                        | <b>3.1%</b>                      |
| <b>Totals</b>   |                                    |                                  |
| Developed   | 82.4%                              | 70.5%                            |
| Emerging*   | 15.1%                              | 29.5%                            |
| Other   | 1.0%                               |                                  |
| Cash  | 1.5%                               |                                  |

\* = Emerging Market

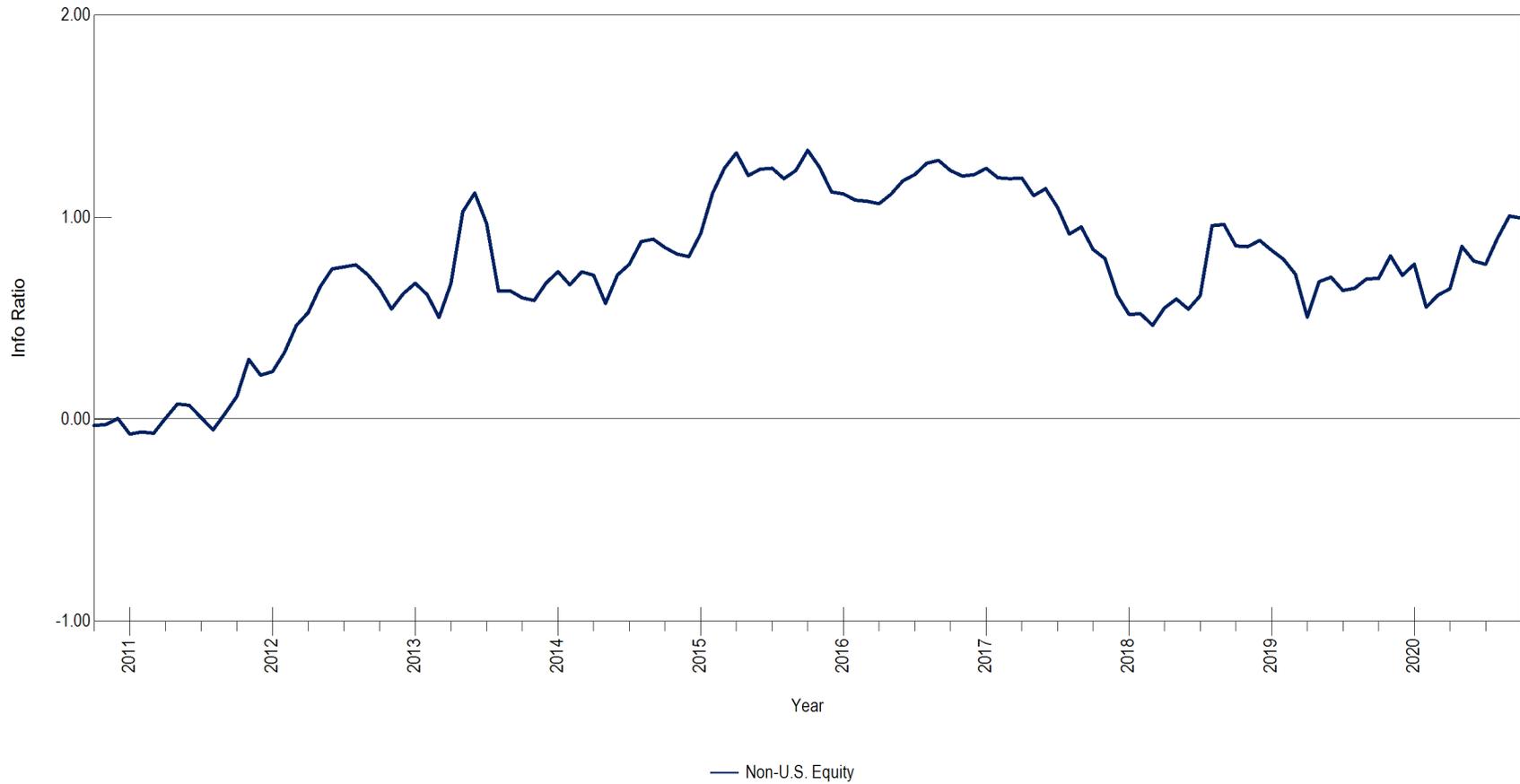
\*\* = Frontier Market



# Los Angeles City Employees' Retirement System

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

Rolling 5 Year Information Ratio



\*Returns are net of fees



# INVESTMENT MANAGER REPORT CARD

## NON-U.S. EQUITY

| Non-U.S. Equity Managers            | Inception Date | Mandate                      | Current Quarter (Net) |          | One Year (Net) |          | Three Years (Net) |          | Five Years (Net) |          | Since Inception (Net) | Annual Mgt Fee Paid \$ (000) | Comments   |
|-------------------------------------|----------------|------------------------------|-----------------------|----------|----------------|----------|-------------------|----------|------------------|----------|-----------------------|------------------------------|--|
|                                     |                |                              | Index                 | Universe | Index          | Universe | Index             | Universe | Index            | Universe | Index                 |                              |  |
| SsgA (Passive)                      | Dec-20         | Emerging Markets             | ✓                     | ✓        | N/A            | N/A      | N/A               | N/A      | N/A              | N/A      | *                     | 86.1                         | Newly hired manager.   |
| Axiom International                 | Mar-14         | Emerging Markets             | ✓                     | *        | *              | *        | ✓                 | ✓        | ✓                | ✓        | ✓                     | 2,708.7                      | On Watch in August 2020 due to benchmark change, Watch status extended in October 2020 due to CIO change, Watch status extended in October 2021 due to departure of President. |
| DFA Emerging Markets                | Jul-14         | Emerging Markets             | ✓                     | ✓        | ✓              | ✓        | ✓                 | *        | ✓                | *        | ✓                     | 1,948.4                      | Performance compliant with LACERS' Manager Monitoring Policy   |
| Wasatch                             | Dec-20         | Emerging Markets Small Cap   | ✓                     | ✓        | N/A            | N/A      | N/A               | N/A      | N/A              | N/A      | ✓                     | 1,139.1                      | Newly hired manager  |
| Oberweis Asset Mgt.                 | Jan-14         | Non-U.S. Developed           | *                     | ✓        | ✓              | ✓        | ✓                 | ✓        | ✓                | ✓        | ✓                     | 2,856.8                      | Performance compliant with LACERS' Manager Monitoring Policy   |
| Barrow, Hanley, Mewhinney & Strauss | Nov-13         | Non-U.S. Developed           | *                     | ✓        | ✓              | ✓        | ✓                 | ✓        | ✓                | ✓        | ✓                     | 2,351.1                      | On Watch in August 2020 due to organizational change, Watch status extended in August 2021 due to organizational change and AUM Strategy Concentration.                        |
| Lazard Asset Mgt.                   | Nov-13         | Non-U.S. Developed           | ✓                     | ✓        | *              | *        | ✓                 | ✓        | ✓                | ✓        | ✓                     | 2,946.6                      | On Watch since August 2021 due to performance.   |
| MFS Institutional Advisors          | Oct-13         | Non-U.S. Developed           | *                     | =        | *              | *        | *                 | ✓        | ✓                | *        | ✓                     | 2,419.3                      | Performance compliant with LACERS' Manager Monitoring Policy   |
| SsgA (Passive)                      | Dec-20         | Non-U.S. Developed Small Cap | =                     | ✓        | N/A            | N/A      | N/A               | N/A      | N/A              | N/A      | ✓                     | 69.7                         | Newly hired manager  |
| SsgA (Passive)                      | Aug-93         | Non-U.S. Developed           | ✓                     | ✓        | ✓              | ✓        | ✓                 | ✓        | ✓                | ✓        | ✓✓                    | 401.7                        | Performance compliant with LACERS' Manager Monitoring Policy   |

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

- Annual Management Fee Paid as of fiscal year ending June 30, 2021.
- \* Where net of fees performance is not available gross of fee returns are evaluated.

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





# CORE FIXED INCOME MANAGER PERFORMANCE



# Los Angeles City Employees' Retirement System

## CORE FIXED INCOME (GROSS)

|   | Market Value<br>(\$) | % of<br>Portfolio | 3 Mo<br>(%) | YTD<br>(%)   | 1 Yr<br>(%)  | 3 Yrs<br>(%) | 5 Yrs<br>(%) | 10 Yrs<br>(%) | Inception<br>(%) | Inception<br>Date |
|---|----------------------|-------------------|-------------|--------------|--------------|--------------|--------------|---------------|------------------|-------------------|
| <b>Core Fixed Income</b>                      | <b>3,758,101,505</b> | <b>100.00</b>     | <b>0.13</b> | <b>-1.03</b> | <b>0.13</b>  | <b>6.08</b>  | <b>3.54</b>  | <b>--</b>     | <b>3.68</b>      | <b>Jul-12</b>     |
| <i>Core Fixed Income Blend</i>                |                      |                   | <i>0.05</i> | <i>-1.55</i> | <i>-0.90</i> | <i>5.36</i>  | <i>2.94</i>  | <i>3.19</i>   | <i>2.98</i>      | <i>Jul-12</i>     |
| Over/Under                                    |                      |                   | 0.08        | 0.52         | 1.03         | 0.72         | 0.60         |               | 0.70             |                   |
| Loomis Sayles & Co. Core Fixed Income         | 653,752,622          | 17.40             | 0.16        | -1.09        | 0.27         | 6.73         | 4.15         | 4.51          | 8.87             | Jul-80            |
| <i>Loomis Custom Benchmark</i>                |                      |                   | <i>0.05</i> | <i>-1.55</i> | <i>-0.90</i> | <i>5.36</i>  | <i>2.94</i>  | <i>3.19</i>   | <i>7.39</i>      | <i>Jul-80</i>     |
| Over/Under                                    |                      |                   | 0.11        | 0.46         | 1.17         | 1.37         | 1.21         | 1.32          | 1.48             |                   |
| SSgA U.S. Aggregate Bond                      | 1,156,661,101        | 30.78             | 0.06        | -1.53        | -0.85        | 5.41         | 2.98         | --            | 3.28             | Aug-14            |
| <i>Bloomberg US Aggregate TR</i>              |                      |                   | <i>0.05</i> | <i>-1.55</i> | <i>-0.90</i> | <i>5.36</i>  | <i>2.94</i>  | <i>3.01</i>   | <i>3.24</i>      | <i>Aug-14</i>     |
| Over/Under                                    |                      |                   | 0.01        | 0.02         | 0.05         | 0.05         | 0.04         |               | 0.04             |                   |
| Baird Advisors Core Fixed Income <sup>1</sup> | 651,050,272          | 17.32             | 0.23        | --           | --           | --           | --           | --            | 0.23             | Jul-21            |
| <i>Bloomberg US Aggregate TR</i>              |                      |                   | <i>0.05</i> | <i>-1.55</i> | <i>-0.90</i> | <i>5.36</i>  | <i>2.94</i>  | <i>3.01</i>   | <i>0.05</i>      | <i>Jul-21</i>     |
| Over/Under                                    |                      |                   | 0.18        |              |              |              |              |               | 0.18             |                   |
| Garcia Hamilton & Associates <sup>1</sup>     | 430,404,184          | 11.45             | -0.03       | --           | --           | --           | --           | --            | -0.03            | Jul-21            |
| <i>Bloomberg US Aggregate TR</i>              |                      |                   | <i>0.05</i> | <i>-1.55</i> | <i>-0.90</i> | <i>5.36</i>  | <i>2.94</i>  | <i>3.01</i>   | <i>0.05</i>      | <i>Jul-21</i>     |
| Over/Under                                    |                      |                   | -0.08       |              |              |              |              |               | -0.08            |                   |
| JP Morgan Investment Management <sup>1</sup>  | 431,831,861          | 11.49             | 0.18        | --           | --           | --           | --           | --            | 0.18             | Jul-21            |
| <i>Bloomberg US Aggregate TR</i>              |                      |                   | <i>0.05</i> | <i>-1.55</i> | <i>-0.90</i> | <i>5.36</i>  | <i>2.94</i>  | <i>3.01</i>   | <i>0.05</i>      | <i>Jul-21</i>     |
| Over/Under                                    |                      |                   | 0.13        |              |              |              |              |               | 0.13             |                   |
| Income Research & Management <sup>1</sup>     | 434,094,254          | 11.55             | 0.19        | --           | --           | --           | --           | --            | 0.19             | Jul-21            |
| <i>Bloomberg US Aggregate TR</i>              |                      |                   | <i>0.05</i> | <i>-1.55</i> | <i>-0.90</i> | <i>5.36</i>  | <i>2.94</i>  | <i>3.01</i>   | <i>0.05</i>      | <i>Jul-21</i>     |
| Over/Under                                    |                      |                   | 0.14        |              |              |              |              |               | 0.14             |                   |

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



# Los Angeles City Employees' Retirement System

## CORE FIXED INCOME (NET)

|   | Market Value (\$)    | % of Portfolio | 3 Mo (%)    | Rank      | YTD (%)      | Rank      | 1 Yr (%)    | Rank      | 3 Yrs (%)   | Rank      | 5 Yrs (%)   | Rank      | 10 Yrs (%) | Rank      | Inception (%) | Inception Date |
|---|----------------------|----------------|-------------|-----------|--------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|------------|-----------|---------------|----------------|
| <b>Core Fixed Income</b>                                      | <b>3,758,101,505</b> | <b>100.00</b>  | <b>0.11</b> | <b>48</b> | <b>-1.08</b> | <b>64</b> | <b>0.06</b> | <b>64</b> | <b>5.98</b> | <b>33</b> | <b>3.44</b> | <b>54</b> | <b>--</b>  | <b>--</b> | <b>3.56</b>   | <b>Jul-12</b>  |
| Core Fixed Income Blend                                       |                      |                | 0.05        | 63        | -1.55        | 83        | -0.90       | 84        | 5.36        | 61        | 2.94        | 93        | 3.19       | 84        | 2.98          | Jul-12         |
| Over/Under  |                      |                | 0.06        |           | 0.47         |           | 0.96        |           | 0.62        |           | 0.50        |           |            |           | 0.58          |                |
| InvMetrics Public DB > \$1 Billion US Fixed Income Net Median |                      |                | 0.08        |           | -0.85        |           | 1.07        |           | 5.52        |           | 3.71        |           | 3.83       |           | 3.54          | Jul-12         |
| Loomis Sayles & Co. Core Fixed Income                         | 653,752,622          | 17.40          | 0.16        | 14        | -1.15        | 40        | 0.18        | 31        | 6.61        | 4         | 4.02        | 3         | 4.38       | 5         | --            | Jul-80         |
| Loomis Custom Benchmark                                       |                      |                | 0.05        | 38        | -1.55        | 65        | -0.90       | 70        | 5.36        | 76        | 2.94        | 78        | 3.19       | 68        | 7.39          | Jul-80         |
| Over/Under  |                      |                | 0.11        |           | 0.40         |           | 1.08        |           | 1.25        |           | 1.08        |           | 1.19       |           |               |                |
| eV US Core Fixed Inc Net Median                               |                      |                | 0.02        |           | -1.34        |           | -0.37       |           | 5.64        |           | 3.23        |           | 3.36       |           | --            | Jul-80         |
| SSgA U.S. Aggregate Bond                                      | 1,156,661,101        | 30.78          | 0.06        | 37        | -1.55        | 65        | -0.88       | 69        | 5.37        | 74        | 2.94        | 78        | --         | --        | 3.24          | Aug-14         |
| Bloomberg US Aggregate TR                                     |                      |                | 0.05        | 38        | -1.55        | 65        | -0.90       | 70        | 5.36        | 76        | 2.94        | 78        | 3.01       | 82        | 3.24          | Aug-14         |
| Over/Under  |                      |                | 0.01        |           | 0.00         |           | 0.02        |           | 0.01        |           | 0.00        |           |            |           | 0.00          |                |
| eV US Core Fixed Inc Net Median                               |                      |                | 0.02        |           | -1.34        |           | -0.37       |           | 5.64        |           | 3.23        |           | 3.36       |           | 3.44          | Aug-14         |
| Baird Advisors Core Fixed Income <sup>1</sup>                 | 651,050,272          | 17.32          | 0.23        | 6         | --           | --        | --          | --        | --          | --        | --          | --        | --         | --        | 0.23          | Jul-21         |
| Bloomberg US Aggregate TR                                     |                      |                | 0.05        | 38        | -1.55        | 65        | -0.90       | 70        | 5.36        | 76        | 2.94        | 78        | 3.01       | 82        | 0.05          | Jul-21         |
| Over/Under  |                      |                | 0.18        |           |              |           |             |           |             |           |             |           |            |           | 0.18          |                |
| eV US Core Fixed Inc Net Median                               |                      |                | 0.02        |           | -1.34        |           | -0.37       |           | 5.64        |           | 3.23        |           | 3.36       |           | 0.02          | Jul-21         |
| Garcia Hamilton & Associates <sup>1</sup>                     | 430,404,184          | 11.45          | -0.03       | 64        | --           | --        | --          | --        | --          | --        | --          | --        | --         | --        | -0.03         | Jul-21         |
| Bloomberg US Aggregate TR                                     |                      |                | 0.05        | 38        | -1.55        | 65        | -0.90       | 70        | 5.36        | 76        | 2.94        | 78        | 3.01       | 82        | 0.05          | Jul-21         |
| Over/Under  |                      |                | -0.08       |           |              |           |             |           |             |           |             |           |            |           | -0.08         |                |
| eV US Core Fixed Inc Net Median                               |                      |                | 0.02        |           | -1.34        |           | -0.37       |           | 5.64        |           | 3.23        |           | 3.36       |           | 0.02          | Jul-21         |
| JP Morgan Investment Management <sup>1</sup>                  | 431,831,861          | 11.49          | 0.17        | 14        | --           | --        | --          | --        | --          | --        | --          | --        | --         | --        | 0.17          | Jul-21         |
| Bloomberg US Aggregate TR                                     |                      |                | 0.05        | 38        | -1.55        | 65        | -0.90       | 70        | 5.36        | 76        | 2.94        | 78        | 3.01       | 82        | 0.05          | Jul-21         |
| Over/Under  |                      |                | 0.12        |           |              |           |             |           |             |           |             |           |            |           | 0.12          |                |
| eV US Core Fixed Inc Net Median                               |                      |                | 0.02        |           | -1.34        |           | -0.37       |           | 5.64        |           | 3.23        |           | 3.36       |           | 0.02          | Jul-21         |
| Income Research & Management <sup>1</sup>                     | 434,094,254          | 11.55          | 0.19        | 10        | --           | --        | --          | --        | --          | --        | --          | --        | --         | --        | 0.19          | Jul-21         |
| Bloomberg US Aggregate TR                                     |                      |                | 0.05        | 38        | -1.55        | 65        | -0.90       | 70        | 5.36        | 76        | 2.94        | 78        | 3.01       | 82        | 0.05          | Jul-21         |
| Over/Under  |                      |                | 0.14        |           |              |           |             |           |             |           |             |           |            |           | 0.14          |                |
| eV US Core Fixed Inc Net Median                               |                      |                | 0.02        |           | -1.34        |           | -0.37       |           | 5.64        |           | 3.23        |           | 3.36       |           | 0.02          | Jul-21         |

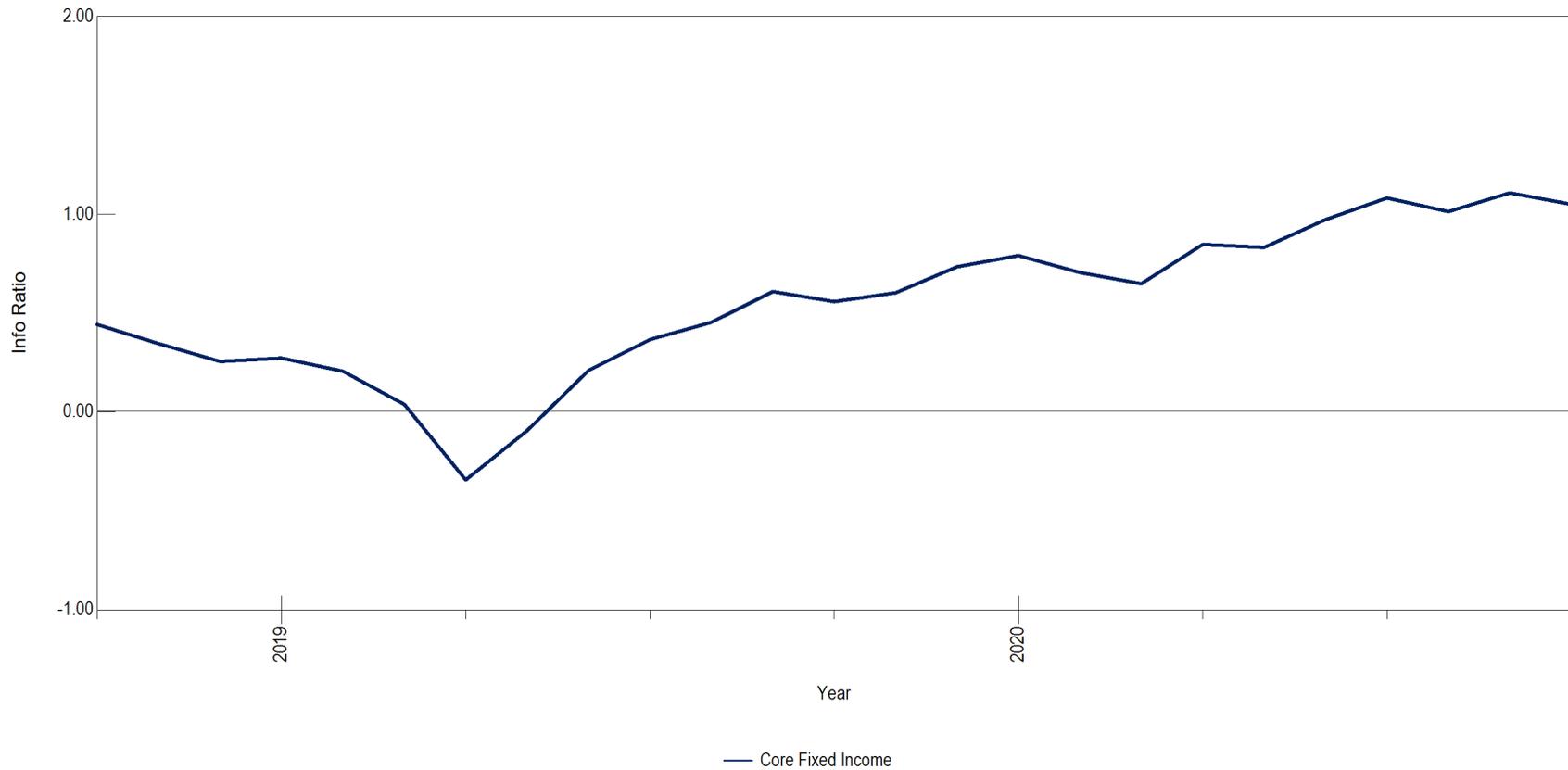
<sup>1</sup> Portfolio has a mid-month inception date. Since inception return is calculated from the first full month of performance.  
eV = eVestment



# Los Angeles City Employees' Retirement System

## CORE FIXED INCOME 3 YEAR INFORMATION RATIO

Rolling 3 Year Information Ratio

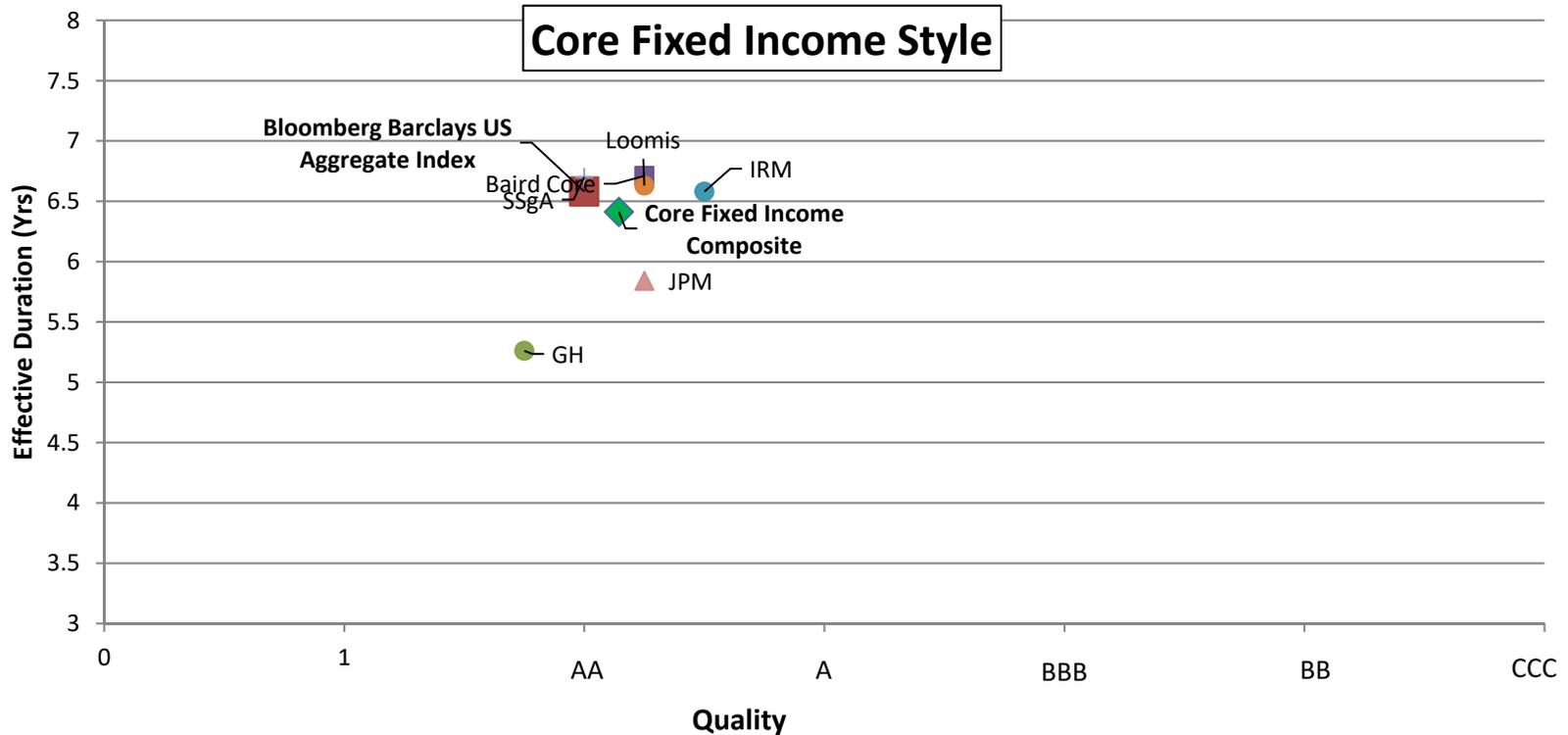


\*Returns are net of fees



# CORE FIXED INCOME

## STYLE ANALYSIS



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



# INVESTMENT MANAGER REPORT CARD

## CORE FIXED INCOME

| Core Fixed Income Managers | Inception Date | Mandate | Current Quarter (Net) |          | One Year (Net) |          | Three Years (Net) |          | Five Years (Net) |          | Since Inception (Net) | Annual Mgt Fee Paid \$ (000) | Comments   |
|----------------------------|----------------|---------|-----------------------|----------|----------------|----------|-------------------|----------|------------------|----------|-----------------------|------------------------------|--|
|                            |                |         | Index                 | Universe | Index          | Universe | Index             | Universe | Index            | Universe | Index                 |                              |  |
|                            |                |         | Loomis Sayles         | Jul-80   | Core           | ✓        | ✓                 | ✓        | ✓                | ✓        | ✓                     |                              |  |
| Baird Advisors             | Jun-21         | Core    | ✓                     | ✓        | N/A            | N/A      | N/A               | N/A      | N/A              | N/A      | ✓                     | 23.5                         | Newly hired manager.   |
| Garcia Hamilton            | Jun-21         | Core    | ✘                     | ✘        | N/A            | N/A      | N/A               | N/A      | N/A              | N/A      | ✘                     | 12.7                         | Newly hired manager.   |
| IR&M                       | Jul-21         | Core    | ✓                     | ✓        | N/A            | N/A      | N/A               | N/A      | N/A              | N/A      | ✓                     | N/A                          | Newly hired manager.   |
| J.P. Morgan                | Jun-21         | Core    | ✓                     | ✓        | N/A            | N/A      | N/A               | N/A      | N/A              | N/A      | ✓                     | 14.2                         | Newly hired manager.   |
| SSgA (Passive)             | Aug-14         | Core    | =                     | ✘        | ✓              | ✘        | ✓                 | ✘        | ✘                | ✘        | =                     | 243.1                        | Performance compliant with LACERS' Manager Monitoring Policy |

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

- Annual Management Fee Paid as of fiscal year ending June 30, 2021.
- \* Where net of fees performance is not available gross of fee returns are evaluated.

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





# CREDIT OPPORTUNITIES MANAGER PERFORMANCE



# Los Angeles City Employees' Retirement System

## CREDIT OPPORTUNITIES (GROSS)

|   | Market Value<br>(\$) | % of<br>Portfolio | 3 Mo<br>(%)  | YTD<br>(%)   | 1 Yr<br>(%)  | 3 Yrs<br>(%) | 5 Yrs<br>(%) | 10 Yrs<br>(%) | Inception<br>(%) | Inception<br>Date |
|---|----------------------|-------------------|--------------|--------------|--------------|--------------|--------------|---------------|------------------|-------------------|
| <b>Credit Opportunities</b>   | <b>1,879,011,306</b> | <b>100.00</b>     | <b>-0.32</b> | <b>1.00</b>  | <b>7.07</b>  | <b>5.70</b>  | <b>5.29</b>  | <b>--</b>     | <b>5.46</b>      | <b>Jun-13</b>     |
| <i>Credit Opportunities Blend<sup>1</sup></i>   |                      |                   | <i>-0.57</i> | <i>1.53</i>  | <i>7.84</i>  | <i>6.16</i>  | <i>5.41</i>  | <i>--</i>     | <i>5.82</i>      | <i>Jun-13</i>     |
| Over/Under  |                      |                   | 0.25         | -0.53        | -0.77        | -0.46        | -0.12        |               | -0.36            |                   |
| PGIM Blended <sup>2</sup>   | 500,635,482          | 26.64             | -1.43        | --           | --           | --           | --           | --            | -2.58            | Feb-21            |
| <i>50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified</i>               |                      |                   | <i>-1.91</i> | <i>-3.88</i> | <i>3.52</i>  | <i>4.70</i>  | <i>3.02</i>  | <i>3.47</i>   | <i>-2.84</i>     | <i>Feb-21</i>     |
| Over/Under  |                      |                   | 0.48         |              |              |              |              |               | 0.26             |                   |
| Wellington <sup>2</sup>   | 497,562,288          | 26.48             | -1.69        | --           | --           | --           | --           | --            | -2.28            | Feb-21            |
| <i>50% JPM EMBI Global Diversified/ 50% JPM GBI-EM Global Diversified</i>               |                      |                   | <i>-1.91</i> | <i>-3.88</i> | <i>3.52</i>  | <i>4.70</i>  | <i>3.02</i>  | <i>3.47</i>   | <i>-2.84</i>     | <i>Feb-21</i>     |
| Over/Under  |                      |                   | 0.22         |              |              |              |              |               | 0.56             |                   |
| Bain Capital Senior Loan Fund, LP*  | 242,713,106          | 12.92             | 1.54         | 6.20         | 11.11        | 5.24         | 5.28         | --            | 4.71             | Jun-15            |
| <i>Credit Suisse Leveraged Loans</i>  |                      |                   | <i>1.13</i>  | <i>4.65</i>  | <i>8.46</i>  | <i>4.09</i>  | <i>4.64</i>  | <i>5.04</i>   | <i>4.36</i>      | <i>Jun-15</i>     |
| Over/Under  |                      |                   | 0.41         | 1.55         | 2.65         | 1.15         | 0.64         |               | 0.35             |                   |
| DDJ Capital Management <sup>2</sup>   | 301,327,369          | 16.04             | 1.45         | 5.80         | --           | --           | --           | --            | 10.19            | Nov-20            |
| <i>50% BBgBarc US High Yield 2% Issuer Cap / 50% Credit Suisse Leveraged Loan Index</i> |                      |                   | <i>1.01</i>  | <i>4.60</i>  | <i>9.87</i>  | --           | --           | --            | <i>9.50</i>      | <i>Nov-20</i>     |
| Over/Under  |                      |                   | 0.44         | 1.20         |              |              |              |               | 0.69             |                   |
| Loomis Sayles & Co. High Yield <sup>2</sup>   | 302,414,270          | 16.09             | 0.59         | 4.14         | --           | --           | --           | --            | 11.23            | Nov-20            |
| <i>Bloomberg US High Yield 2% Issuer Cap TR</i>   |                      |                   | <i>0.89</i>  | <i>4.54</i>  | <i>11.27</i> | <i>6.89</i>  | <i>6.50</i>  | <i>7.42</i>   | <i>10.73</i>     | <i>Nov-20</i>     |
| Over/Under  |                      |                   | -0.30        | -0.40        |              |              |              |               | 0.50             |                   |
| Benefit Street Partners LLC   | 34,358,784           | 1.83              | 0.00         | 0.08         | --           | --           | --           | --            | 0.08             | Dec-20            |
| <i>Credit Suisse Leveraged Loan Qtr Lag</i>   |                      |                   | <i>1.44</i>  | <i>7.24</i>  | <i>11.67</i> | <i>4.36</i>  | <i>5.04</i>  | <i>4.52</i>   | <i>7.98</i>      | <i>Dec-20</i>     |
| Over/Under  |                      |                   | -1.44        | -7.16        |              |              |              |               | -7.90            |                   |

1 - Credit Opportunities Blend = 20.7% Bloomberg US High Yield 2% Issuer Cap + 20.7% Credit Suisse Leveraged Loan Index + 55% Emerging Markets Debt Blend + 3.6% Credit Suisse Leveraged Loan Index (One Quarter Lagged).

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

Benchmark composition as of 7/1/2021 unless otherwise noted.

eV= eVestment Alliance

\* Net of fee return since vehicle is commingled.



# Los Angeles City Employees' Retirement System

## CREDIT OPPORTUNITIES (NET)

|   | Market Value (\$)    | % of Portfolio | 3 Mo (%)     | Rank      | YTD (%)      | Rank      | 1 Yr (%)    | Rank      | 3 Yrs (%)   | Rank      | 5 Yrs (%)   | Rank      | 10 Yrs (%)  | Rank      | Inception (%) | Inception Date |
|---|----------------------|----------------|--------------|-----------|--------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|-------------|-----------|---------------|----------------|
| <b>Credit Opportunities</b>   | <b>1,879,011,306</b> | <b>100.00</b>  | <b>-0.40</b> | <b>--</b> | <b>0.81</b>  | <b>--</b> | <b>6.80</b> | <b>--</b> | <b>5.41</b> | <b>--</b> | <b>4.97</b> | <b>--</b> | <b>--</b>   | <b>--</b> | <b>5.13</b>   | <b>Jun-13</b>  |
| <i>Credit Opportunities Blend<sup>1</sup></i>                                 |                      |                | <i>-0.57</i> | <i>--</i> | <i>1.53</i>  | <i>--</i> | <i>7.84</i> | <i>--</i> | <i>6.16</i> | <i>--</i> | <i>5.41</i> | <i>--</i> | <i>--</i>   | <i>--</i> | <i>5.82</i>   | <i>Jun-13</i>  |
| Over/Under  |                      |                | 0.17         |           | -0.72        |           | -1.04       |           | -0.75       |           | -0.44       |           |             |           | -0.69         |                |
| PGIM Blended <sup>2</sup>   | 500,635,482          | 26.64          | -1.55        | 67        | --           | --        | --          | --        | --          | --        | --          | --        | --          | --        | -2.69         | Feb-21         |
| <i>50% JPM EMBI Global Diversified/<br/>50% JPM GBI-EM Global Diversified</i> |                      |                | <i>-1.91</i> | <i>71</i> | <i>-3.88</i> | <i>75</i> | <i>3.52</i> | <i>82</i> | <i>4.70</i> | <i>67</i> | <i>3.02</i> | <i>69</i> | <i>3.47</i> | <i>66</i> | <i>-2.84</i>  | <i>Feb-21</i>  |
| Over/Under  |                      |                | 0.36         |           |              |           |             |           |             |           |             |           |             |           | 0.15          |                |
| <i>eV All Emg Mkts Fixed Inc Net<br/>Median</i>                               |                      |                | <i>-0.89</i> |           | <i>-1.44</i> |           | <i>5.44</i> |           | <i>5.69</i> |           | <i>3.97</i> |           | <i>5.02</i> |           | <i>-0.55</i>  | <i>Feb-21</i>  |
| Wellington <sup>2</sup>   | 497,562,288          | 26.48          | -1.80        | 70        | --           | --        | --          | --        | --          | --        | --          | --        | --          | --        | -2.45         | Feb-21         |
| <i>50% JPM EMBI Global Diversified/<br/>50% JPM GBI-EM Global Diversified</i> |                      |                | <i>-1.91</i> | <i>71</i> | <i>-3.88</i> | <i>75</i> | <i>3.52</i> | <i>82</i> | <i>4.70</i> | <i>67</i> | <i>3.02</i> | <i>69</i> | <i>3.47</i> | <i>66</i> | <i>-2.84</i>  | <i>Feb-21</i>  |
| Over/Under  |                      |                | 0.11         |           |              |           |             |           |             |           |             |           |             |           | 0.39          |                |
| <i>eV All Emg Mkts Fixed Inc Net<br/>Median</i>                               |                      |                | <i>-0.89</i> |           | <i>-1.44</i> |           | <i>5.44</i> |           | <i>5.69</i> |           | <i>3.97</i> |           | <i>5.02</i> |           | <i>-0.55</i>  | <i>Feb-21</i>  |
| Bain Capital Senior Loan Fund, LP   | 242,713,106          | 12.92          | 1.54         | 11        | 6.20         | 11        | 11.11       | 7         | 5.24        | 4         | 5.28        | 7         | --          | --        | 4.71          | Jun-15         |
| <i>Credit Suisse Leveraged Loans</i>  |                      |                | <i>1.13</i>  | <i>22</i> | <i>4.65</i>  | <i>27</i> | <i>8.46</i> | <i>28</i> | <i>4.09</i> | <i>24</i> | <i>4.64</i> | <i>16</i> | <i>5.04</i> | <i>25</i> | <i>4.36</i>   | <i>Jun-15</i>  |
| Over/Under  |                      |                | 0.41         |           | 1.55         |           | 2.65        |           | 1.15        |           | 0.64        |           |             |           | 0.35          |                |
| <i>eV US Float-Rate Bank Loan Fixed<br/>Inc Net Median</i>                    |                      |                | <i>0.98</i>  |           | <i>4.00</i>  |           | <i>7.60</i> |           | <i>3.51</i> |           | <i>4.02</i> |           | <i>4.50</i> |           | <i>3.84</i>   | <i>Jun-15</i>  |

1 - Credit Opportunities Blend = 20.7% Bloomberg US High Yield 2% Issuer Cap + 20.7% Credit Suisse Leveraged Loan Index + 55% Emerging Markets Debt Blend + 3.6% Credit Suisse Leveraged Loan Index (One Quarter Lagged).

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

Benchmark composition as of 7/1/2021 unless otherwise noted.

eV= eVestment Alliance

\* Net of fee return since vehicle is commingled.



# Los Angeles City Employees' Retirement System

## CREDIT OPPORTUNITIES (NET)

|  | Market Value<br>(\$) | % of<br>Portfolio | 3 Mo<br>(%) | Rank | YTD<br>(%)  | Rank | 1 Yr<br>(%)  | Rank | 3 Yrs<br>(%) | Rank | 5 Yrs<br>(%) | Rank | 10 Yrs<br>(%) | Rank | Inception<br>(%) | Inception<br>Date |
|--|----------------------|-------------------|-------------|------|-------------|------|--------------|------|--------------|------|--------------|------|---------------|------|------------------|-------------------|
| DDJ Capital Management <sup>1</sup>  | 301,327,369          | 16.04             | 1.34        | 7    | 5.47        | 24   | --           | --   | --           | --   | --           | --   | --            | --   | 9.84             | Nov-20            |
| 50% BBgBarc US High Yield 2%<br>Issuer Cap / 50% Credit Suisse<br>Leveraged Loan Index |                      |                   | <u>1.01</u> | 19   | <u>4.60</u> | 41   | <u>9.87</u>  | 62   | --           | --   | --           | --   | --            | --   | <u>9.50</u>      | Nov-20            |
| Over/Under   |                      |                   | 0.33        |      | 0.87        |      |              |      |              |      |              |      |               |      | 0.34             |                   |
| eV US High Yield Fixed Inc Net<br>Median   |                      |                   | 0.77        |      | 4.21        |      | 10.38        |      | 6.37         |      | 5.98         |      | 6.84          |      | 9.93             | Nov-20            |
| Loomis Sayles & Co. High Yield <sup>1</sup>  | 302,414,270          | 16.09             | 0.59        | 76   | 4.00        | 62   | --           | --   | --           | --   | --           | --   | --            | --   | 11.07            | Nov-20            |
| Bloomberg US High Yield 2% Issuer<br>Cap TR  |                      |                   | <u>0.89</u> | 29   | <u>4.54</u> | 42   | <u>11.27</u> | 34   | <u>6.89</u>  | 30   | <u>6.50</u>  | 29   | <u>7.42</u>   | 19   | <u>10.73</u>     | Nov-20            |
| Over/Under   |                      |                   | -0.30       |      | -0.54       |      |              |      |              |      |              |      |               |      | 0.34             |                   |
| eV US High Yield Fixed Inc Net<br>Median   |                      |                   | 0.77        |      | 4.21        |      | 10.38        |      | 6.37         |      | 5.98         |      | 6.84          |      | 9.93             | Nov-20            |
| Benefit Street Partners LLC <sup>1</sup>   | 34,358,784           | 1.83              | 0.00        | --   | 0.08        | --   | --           | --   | --           | --   | --           | --   | --            | --   | 0.08             | Dec-20            |
| Credit Suisse Leveraged Loan Qtr<br>Lag  |                      |                   | <u>1.44</u> | --   | <u>7.24</u> | --   | <u>11.67</u> | --   | <u>4.36</u>  | --   | <u>5.04</u>  | --   | <u>4.52</u>   | --   | <u>7.98</u>      | Dec-20            |
| Over/Under   |                      |                   | -1.44       |      | -7.16       |      |              |      |              |      |              |      |               |      | -7.90            |                   |

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

eV= eVestment Alliance

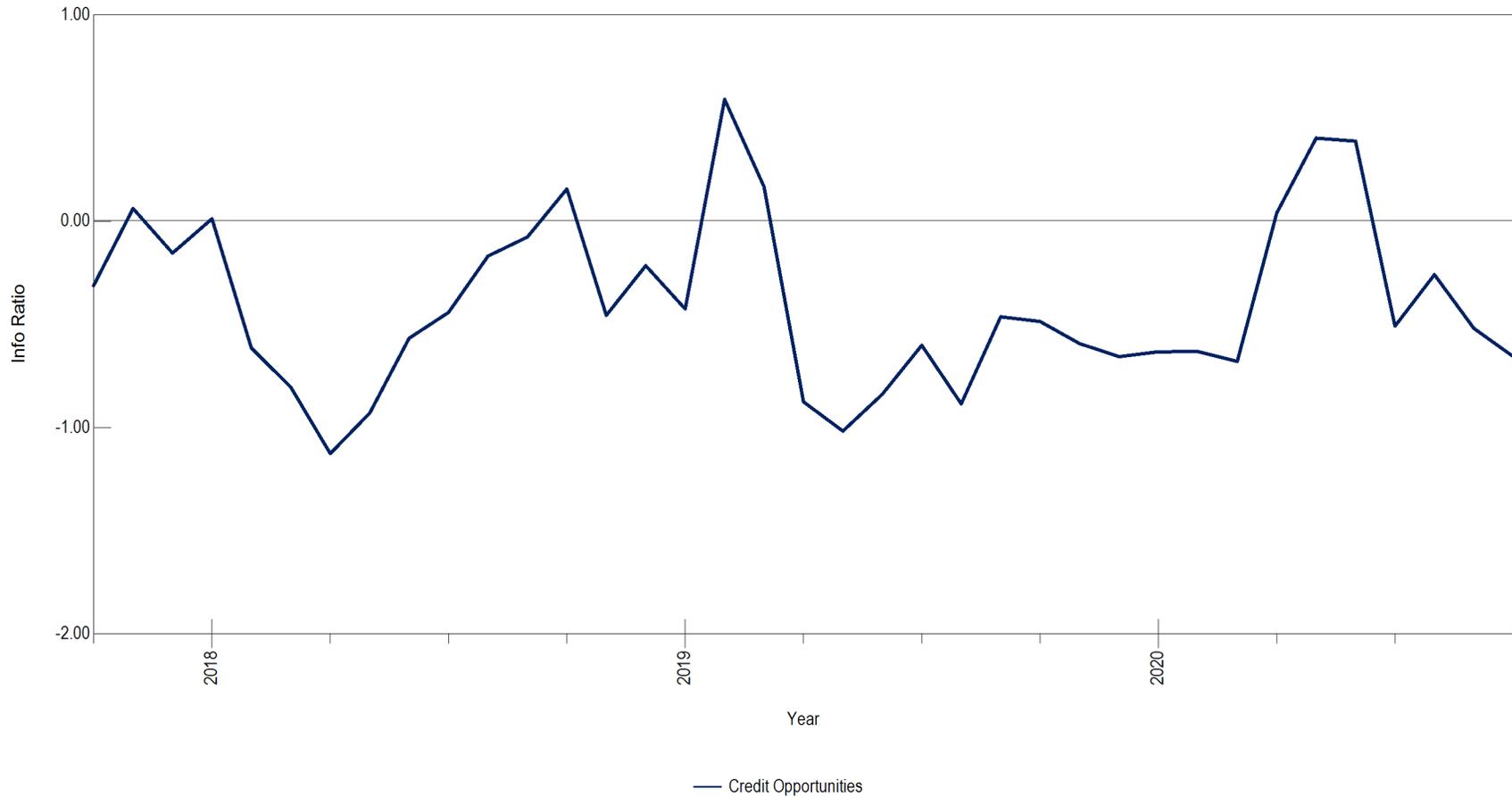
\* Net of fee return since vehicle is commingled.



# Los Angeles City Employees' Retirement System

## CREDIT OPPORTUNITIES ROLLING 3 YEAR

Rolling 3 Year Information Ratio



\*Returns are net of fees



# INVESTMENT MANAGER REPORT CARD

## CREDIT OPPORTUNITIES

| Credit Opportunities Managers | Inception Date | Mandate                      | Current Quarter (Net) |          | One Year (Net)               |          | Three Years (Net) |          | Five Years (Net) |          | Since Inception (Net) | Annual Mgt Fee Paid \$ (000) | Comments   |
|-------------------------------|----------------|------------------------------|-----------------------|----------|------------------------------|----------|-------------------|----------|------------------|----------|-----------------------|------------------------------|--|
|                               |                |                              | Index                 | Universe | Index                        | Universe | Index             | Universe | Index            | Universe | Index                 |                              |  |
|                               |                |                              | PGIM                  | Feb-21   | Emerging Market Debt Blended | ✓        | *                 | N/A      | N/A              | N/A      | N/A                   |                              |  |
| Wellington                    | Feb-21         | Emerging Market Debt Blended | ✓                     | *        | N/A                          | N/A      | N/A               | N/A      | N/A              | N/A      | ✓                     | 882.3                        | Newly hired manager.   |
| Bain                          | Jun-15         | Bank Loans                   | ✓                     | ✓        | ✓                            | ✓        | ✓                 | ✓        | ✓                | ✓        | ✓                     | 876.9                        | Performance compliant with LACERS' Manager Monitoring Policy |
| Benefit Street Partners       | Dec-20         | Private Credit               | *                     | N/A      | N/A                          | N/A      | N/A               | N/A      | N/A              | N/A      | N/A                   | N/A                          | Newly hired manager.   |
| Loomis Sayles                 | Nov-20         | High Yield                   | *                     | *        | N/A                          | N/A      | N/A               | N/A      | N/A              | N/A      | ✓                     | 654.2                        | Newly hired manager.   |
| DDJ                           | Oct-21         | High Yield/Bank Loan         | ✓                     | ✓        | N/A                          | N/A      | N/A               | N/A      | N/A              | N/A      | ✓                     | 861.6                        | Newly hired manager.   |

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

- Annual Management Fee Paid as of fiscal year ending June 30, 2021.
- \* Where net of fees performance is not available gross of fee returns are evaluated.

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





# REAL ASSETS MANAGER PERFORMANCE



# Los Angeles City Employees' Retirement System

## REAL ASSETS (GROSS)

|   | Market Value<br>(\$) | % of<br>Portfolio | 3 Mo<br>(%) | YTD<br>(%)   | 1 Yr<br>(%)  | 3 Yrs<br>(%) | 5 Yrs<br>(%) | 10 Yrs<br>(%) | Inception<br>(%) | Inception<br>Date |
|---|----------------------|-------------------|-------------|--------------|--------------|--------------|--------------|---------------|------------------|-------------------|
| <b>Real Assets</b>                        | <b>2,670,728,919</b> | <b>100.00</b>     | <b>1.97</b> | <b>8.83</b>  | <b>12.02</b> | <b>6.55</b>  | <b>5.79</b>  | <b>7.42</b>   | <b>6.33</b>      | <b>Nov-94</b>     |
| Real Assets Policy Benchmark <sup>1</sup> |                      |                   | 3.16        | 10.24        | 11.67        | 8.27         | 7.91         | 7.25          | --               | Nov-94            |
| Over/Under                                |                      |                   | -1.19       | -1.41        | 0.35         | -1.72        | -2.12        | 0.17          |                  |                   |
| <b>Public Real Assets</b>                 | <b>1,733,301,828</b> | <b>64.90</b>      | <b>1.72</b> | <b>10.23</b> | <b>14.97</b> | <b>8.62</b>  | <b>5.36</b>  | <b>--</b>     | <b>3.99</b>      | <b>Jun-14</b>     |
| Public Real Assets Blend <sup>2</sup>     |                      |                   | 1.22        | 12.89        | 20.74        | 7.56         | 4.76         | --            | 2.26             | Jun-14            |
| Over/Under                                |                      |                   | 0.50        | -2.66        | -5.77        | 1.06         | 0.60         |               | 1.73             |                   |
| <b>TIPS</b>                               | <b>1,280,016,547</b> | <b>47.93</b>      | <b>2.04</b> | <b>3.65</b>  | <b>5.40</b>  | <b>8.04</b>  | <b>4.59</b>  | <b>--</b>     | <b>3.66</b>      | <b>Jul-14</b>     |
| Bloomberg US TIPS TR                      |                      |                   | 1.75        | 3.51         | 5.19         | 7.45         | 4.34         | 3.12          | 3.50             | Jul-14            |
| Over/Under                                |                      |                   | 0.29        | 0.14         | 0.21         | 0.59         | 0.25         |               | 0.16             |                   |
| DFA US TIPS <sup>3</sup>                  | 1,280,016,547        | 47.93             | 2.04        | 3.65         | 5.40         | 8.04         | 4.59         | --            | 3.76             | Aug-14            |
| Bloomberg US TIPS TR                      |                      |                   | 1.75        | 3.51         | 5.19         | 7.45         | 4.34         | 3.12          | 3.50             | Aug-14            |
| Over/Under                                |                      |                   | 0.29        | 0.14         | 0.21         | 0.59         | 0.25         |               | 0.26             |                   |
| <b>REITS</b>                              | <b>453,285,270</b>   | <b>16.97</b>      | <b>0.75</b> | <b>23.95</b> | <b>34.98</b> | <b>14.59</b> | <b>10.26</b> | <b>--</b>     | <b>10.33</b>     | <b>Mar-15</b>     |
| FTSE NAREIT All Equity REIT               |                      |                   | 0.23        | 21.63        | 31.53        | 11.73        | 8.41         | 12.13         | 8.14             | Mar-15            |
| Over/Under                                |                      |                   | 0.52        | 2.32         | 3.45         | 2.86         | 1.85         |               | 2.19             |                   |
| CenterSquare US Real Estate <sup>3</sup>  | 453,285,270          | 16.97             | 0.75        | 23.95        | 34.98        | 14.59        | 10.26        | --            | 11.00            | May-15            |
| FTSE NAREIT All Equity REIT               |                      |                   | 0.23        | 21.63        | 31.53        | 11.73        | 8.41         | 12.13         | 9.11             | May-15            |
| Over/Under                                |                      |                   | 0.52        | 2.32         | 3.45         | 2.86         | 1.85         |               | 1.89             |                   |
| <b>Private Real Estate</b>                | <b>919,173,966</b>   | <b>34.42</b>      | <b>2.53</b> | <b>7.36</b>  | <b>8.31</b>  | <b>3.68</b>  | <b>5.61</b>  | <b>8.07</b>   | <b>6.56</b>      | <b>Oct-94</b>     |
| Real Estate Blend <sup>4</sup>            |                      |                   | 6.80        | 13.78        | 15.49        | 7.90         | 8.35         | 10.44         | 9.74             | Oct-94            |
| Over/Under                                |                      |                   | -4.27       | -6.42        | -7.18        | -4.22        | -2.74        | -2.37         | -3.18            |                   |
| <b>Timber</b>                             | <b>18,253,125</b>    | <b>0.68</b>       | <b>0.28</b> | <b>2.72</b>  | <b>0.86</b>  | <b>2.66</b>  | <b>2.51</b>  | <b>5.28</b>   | <b>8.64</b>      | <b>Sep-99</b>     |

1 - Real Assets Policy Benchmark = 41.67% Bloomberg US TIPS Index + 25% FTSE NAREIT ALL Equity REIT Index + 33.33% Real Estate Blended Benchmark

2 - Public Real Assets Blend = 62.5% Bloomberg US TIPS Index + 37.5% FTSE NAREIT ALL Equity REIT Index

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

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

Benchmark composition as of 7/1/2021 unless otherwise noted.



# Los Angeles City Employees' Retirement System

## REAL ASSETS (NET)

|   | Market Value (\$)    | % of Portfolio | 3 Mo (%)    | Rank      | YTD (%)      | Rank      | 1 Yr (%)     | Rank      | 3 Yrs (%)    | Rank      | 5 Yrs (%)   | Rank      | 10 Yrs (%)  | Rank      | Inception (%) | Inception Date |
|---|----------------------|----------------|-------------|-----------|--------------|-----------|--------------|-----------|--------------|-----------|-------------|-----------|-------------|-----------|---------------|----------------|
| <b>Real Assets</b>                                      | <b>2,670,728,919</b> | <b>100.00</b>  | <b>1.94</b> | <b>63</b> | <b>8.72</b>  | <b>79</b> | <b>11.87</b> | <b>71</b> | <b>6.39</b>  | <b>47</b> | <b>5.63</b> | <b>42</b> | <b>7.27</b> | <b>29</b> | --            | <b>Nov-94</b>  |
| <i>Real Assets Policy Benchmark<sup>1</sup></i>         |                      |                | 3.16        | 42        | 10.24        | 68        | 11.67        | 72        | 8.27         | 25        | 7.91        | 9         | 7.25        | 30        | --            | Nov-94         |
| Over/Under  |                      |                | -1.22       |           | -1.52        |           | 0.20         |           | -1.88        |           | -2.28       |           | 0.02        |           |               |                |
| <i>InvMetrics Public DB &gt; \$1 Billion</i>            |                      |                |             |           |              |           |              |           |              |           |             |           |             |           |               |                |
| <i>Real Assets/Commodities Net Median</i>               |                      |                | 2.76        |           | 11.29        |           | 16.29        |           | 5.89         |           | 5.27        |           | 5.34        |           | --            | Nov-94         |
| <b>Public Real Assets</b>                               | <b>1,733,301,828</b> | <b>64.90</b>   | <b>1.69</b> | <b>--</b> | <b>10.09</b> | <b>--</b> | <b>14.78</b> | <b>--</b> | <b>8.41</b>  | <b>--</b> | <b>5.13</b> | <b>--</b> | <b>--</b>   | <b>--</b> | <b>3.78</b>   | <b>Jun-14</b>  |
| <i>Public Real Assets Blend<sup>2</sup></i>             |                      |                | 1.22        | --        | 12.89        | --        | 20.74        | --        | 7.56         | --        | 4.76        | --        | --          | --        | 2.26          | Jun-14         |
| Over/Under  |                      |                | 0.47        |           | -2.80        |           | -5.96        |           | 0.85         |           | 0.37        |           |             |           | 1.52          |                |
| <b>TIPS</b>   | <b>1,280,016,547</b> | <b>47.93</b>   | <b>2.03</b> | <b>--</b> | <b>3.62</b>  | <b>--</b> | <b>5.35</b>  | <b>--</b> | <b>7.99</b>  | <b>--</b> | <b>4.54</b> | <b>--</b> | <b>--</b>   | <b>--</b> | <b>3.61</b>   | <b>Jul-14</b>  |
| <i>Bloomberg US TIPS TR</i>                             |                      |                | 1.75        | --        | 3.51         | --        | 5.19         | --        | 7.45         | --        | 4.34        | --        | 3.12        | --        | 3.50          | Jul-14         |
| Over/Under  |                      |                | 0.28        |           | 0.11         |           | 0.16         |           | 0.54         |           | 0.20        |           |             |           | 0.11          |                |
| <b>DFA US TIPS<sup>3</sup></b>                          | <b>1,280,016,547</b> | <b>47.93</b>   | <b>2.03</b> | <b>7</b>  | <b>3.62</b>  | <b>45</b> | <b>5.35</b>  | <b>46</b> | <b>7.99</b>  | <b>14</b> | <b>4.54</b> | <b>49</b> | <b>--</b>   | <b>--</b> | <b>3.71</b>   | <b>Aug-14</b>  |
| <i>Bloomberg US TIPS TR</i>                             |                      |                | 1.75        | 31        | 3.51         | 47        | 5.19         | 63        | 7.45         | 33        | 4.34        | 60        | 3.12        | 47        | 3.50          | Aug-14         |
| Over/Under  |                      |                | 0.28        |           | 0.11         |           | 0.16         |           | 0.54         |           | 0.20        |           |             |           | 0.21          |                |
| <i>eV US TIPS / Inflation Fixed Inc Net Median</i>      |                      |                | 1.63        |           | 3.47         |           | 5.32         |           | 7.28         |           | 4.52        |           | 3.09        |           | 3.41          | Aug-14         |
| <b>REITS</b>  | <b>453,285,270</b>   | <b>16.97</b>   | <b>0.68</b> | <b>--</b> | <b>23.63</b> | <b>--</b> | <b>34.50</b> | <b>--</b> | <b>14.14</b> | <b>--</b> | <b>9.80</b> | <b>--</b> | <b>--</b>   | <b>--</b> | <b>9.88</b>   | <b>Mar-15</b>  |
| <i>FTSE NAREIT All Equity REIT</i>                      |                      |                | 0.23        | --        | 21.63        | --        | 31.53        | --        | 11.73        | --        | 8.41        | --        | 12.13       | --        | 8.14          | Mar-15         |
| Over/Under  |                      |                | 0.45        |           | 2.00         |           | 2.97         |           | 2.41         |           | 1.39        |           |             |           | 1.74          |                |
| <b>CenterSquare US Real Estate<sup>3</sup></b>          | <b>453,285,270</b>   | <b>16.97</b>   | <b>0.68</b> | <b>72</b> | <b>23.63</b> | <b>34</b> | <b>34.50</b> | <b>49</b> | <b>14.14</b> | <b>27</b> | <b>9.80</b> | <b>20</b> | <b>--</b>   | <b>--</b> | <b>10.54</b>  | <b>May-15</b>  |
| <i>FTSE NAREIT All Equity REIT</i>                      |                      |                | 0.23        | 84        | 21.63        | 65        | 31.53        | 76        | 11.73        | 65        | 8.41        | 47        | 12.13       | 50        | 9.11          | May-15         |
| Over/Under  |                      |                | 0.45        |           | 2.00         |           | 2.97         |           | 2.41         |           | 1.39        |           |             |           | 1.43          |                |
| <i>eV US REIT Net Median</i>                            |                      |                | 1.16        |           | 22.37        |           | 34.14        |           | 12.66        |           | 8.09        |           | 12.12       |           | 8.92          | May-15         |
| <b>Private Real Estate</b>                              | <b>919,173,966</b>   | <b>34.42</b>   | <b>2.50</b> | <b>91</b> | <b>7.28</b>  | <b>88</b> | <b>8.21</b>  | <b>89</b> | <b>3.59</b>  | <b>90</b> | <b>5.52</b> | <b>87</b> | <b>7.96</b> | <b>72</b> | <b>--</b>     | <b>Oct-94</b>  |
| <i>Real Estate Blend<sup>4</sup></i>                    |                      |                | 6.80        | 3         | 13.78        | 10        | 15.49        | 14        | 7.90         | 8         | 8.35        | 7         | 10.44       | 19        | 9.74          | Oct-94         |
| Over/Under  |                      |                | -4.30       |           | -6.50        |           | -7.28        |           | -4.31        |           | -2.83       |           | -2.48       |           |               |                |
| <i>InvMetrics Public DB Real Estate Priv Net Median</i> |                      |                | 5.26        |           | 11.31        |           | 13.13        |           | 6.20         |           | 7.15        |           | 9.12        |           | 7.15          | Oct-94         |
| <b>Timber</b>   | <b>18,253,125</b>    | <b>0.68</b>    | <b>0.28</b> | <b>--</b> | <b>2.72</b>  | <b>--</b> | <b>0.86</b>  | <b>--</b> | <b>2.66</b>  | <b>--</b> | <b>2.51</b> | <b>--</b> | <b>5.13</b> | <b>--</b> | <b>--</b>     | <b>Sep-99</b>  |

1 - Real Assets Policy Benchmark = 41.67% Bloomberg US TIPS Index + 25% FTSE NAREIT ALL Equity REIT Index + 33.33% Real Estate Blended Benchmark

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

Benchmark composition as of 7/1/2021 unless otherwise noted.



# INVESTMENT MANAGER REPORT CARD

## REAL ASSETS

| Real Assets Managers | Inception Date | Mandate   | Current Quarter (Net) |          | One Year (Net) |          | Three Years (Net) |          | Five Years (Net) |          | Since Inception (Net) | Annual Mgt Fee Paid \$ (000) | Comments   |
|----------------------|----------------|-----------|-----------------------|----------|----------------|----------|-------------------|----------|------------------|----------|-----------------------|------------------------------|--|
|                      |                |           | Index                 | Universe | Index          | Universe | Index             | Universe | Index            | Universe | Index                 |                              |  |
| DFA                  | Jul-14         | U.S. TIPS | ✓                     | ✓        | ✓              | ✓        | ✓                 | ✓        | ✓                | ✓        | ✓                     | 420.3                        | Performance compliant with LACERS' Manager Monitoring Policy |
| CenterSquare         | Apr-15         | REITS     | ✓                     | *        | ✓              | ✓        | ✓                 | ✓        | ✓                | ✓        | ✓                     | 1,100.5                      | Performance compliant with LACERS' Manager Monitoring Policy |

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

- Annual Management Fee Paid as of fiscal year ending June 30, 2021.
- \* Where net of fees performance is not available gross of fee returns are evaluated.

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



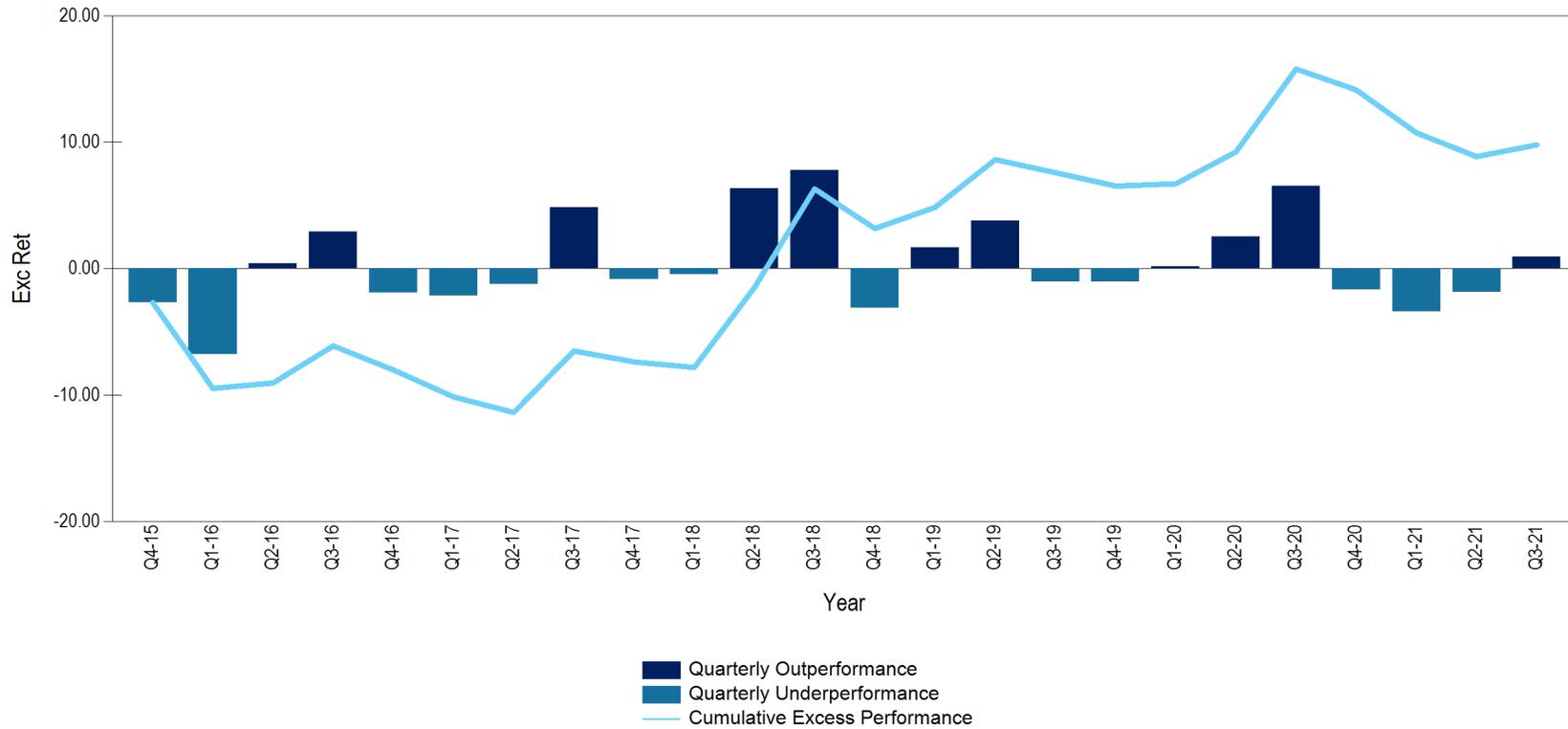


# U.S. EQUITY MANAGER PERFORMANCE



# Los Angeles City Employees' Retirement System EAM INVESTORS

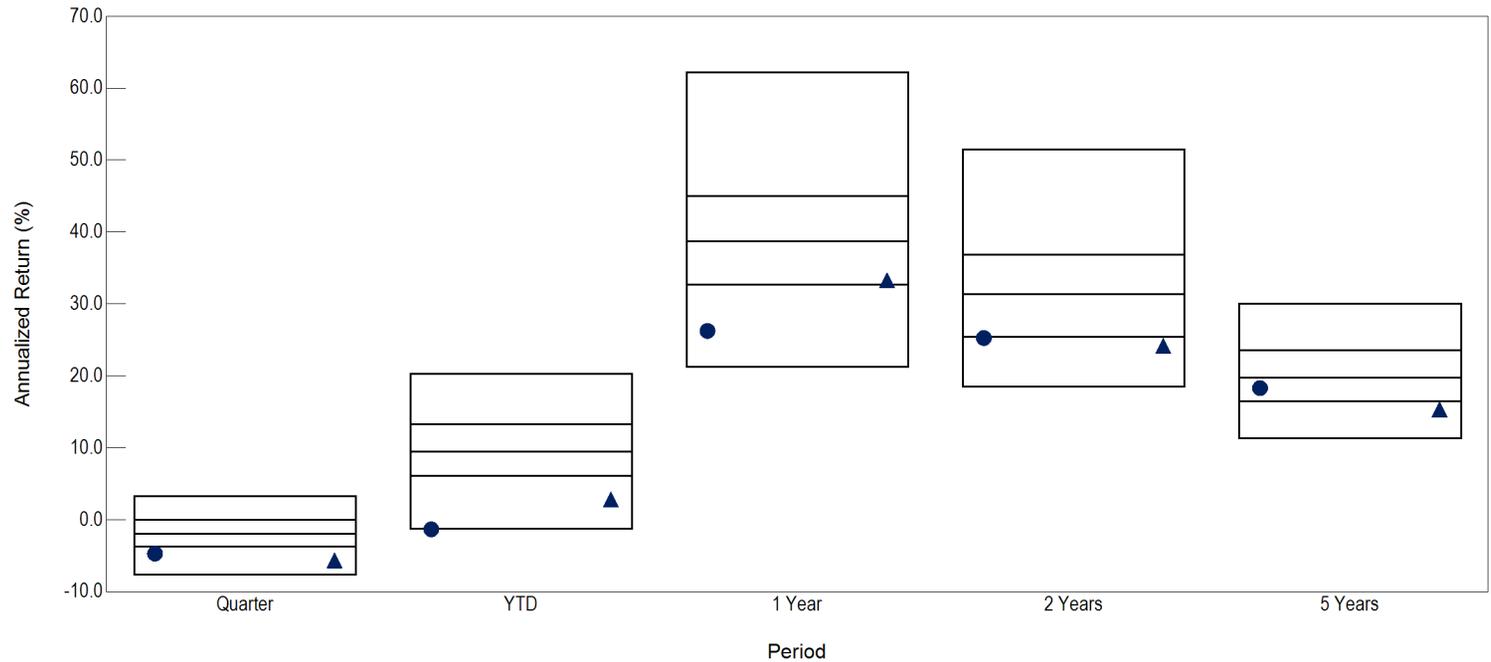
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## EAM INVESTORS

EAM Investors vs. eV US Small Cap Growth Equity Net

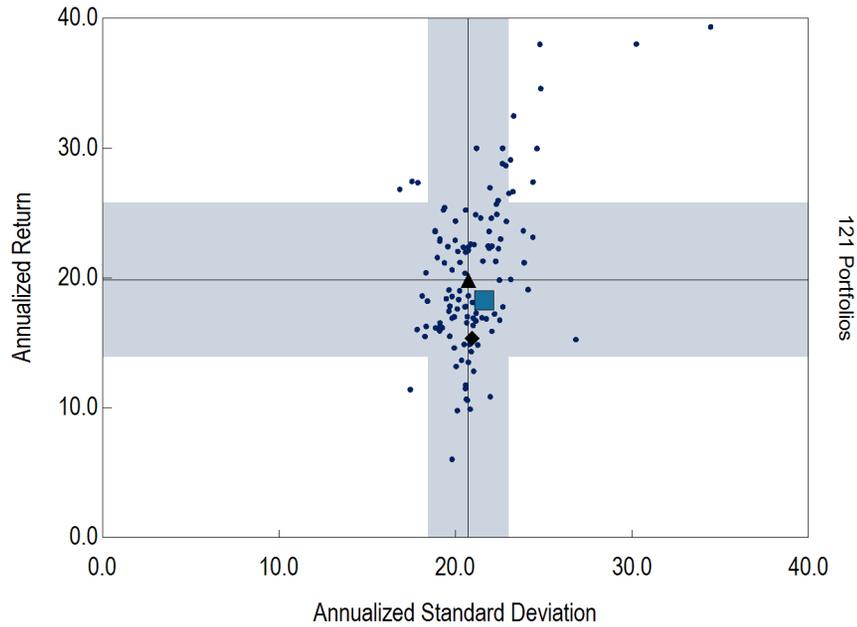


|                       | Return (Rank) |      |       |      |       |      |       |      |       |      |
|-----------------------|---------------|------|-------|------|-------|------|-------|------|-------|------|
| 5th Percentile        | 3.24          |      | 20.25 |      | 62.13 |      | 51.48 |      | 29.99 |      |
| 25th Percentile       | 0.07          |      | 13.33 |      | 45.07 |      | 36.90 |      | 23.62 |      |
| Median                | -1.93         |      | 9.55  |      | 38.76 |      | 31.41 |      | 19.83 |      |
| 75th Percentile       | -3.62         |      | 6.21  |      | 32.73 |      | 25.47 |      | 16.54 |      |
| 95th Percentile       | -7.54         |      | -1.18 |      | 21.35 |      | 18.55 |      | 11.40 |      |
| # of Portfolios       | 129           |      | 129   |      | 129   |      | 128   |      | 121   |      |
| ● EAM Investors       | -4.72         | (87) | -1.34 | (96) | 26.23 | (93) | 25.25 | (77) | 18.28 | (59) |
| ▲ Russell 2000 Growth | -5.65         | (90) | 2.82  | (89) | 33.26 | (75) | 24.18 | (82) | 15.34 | (85) |

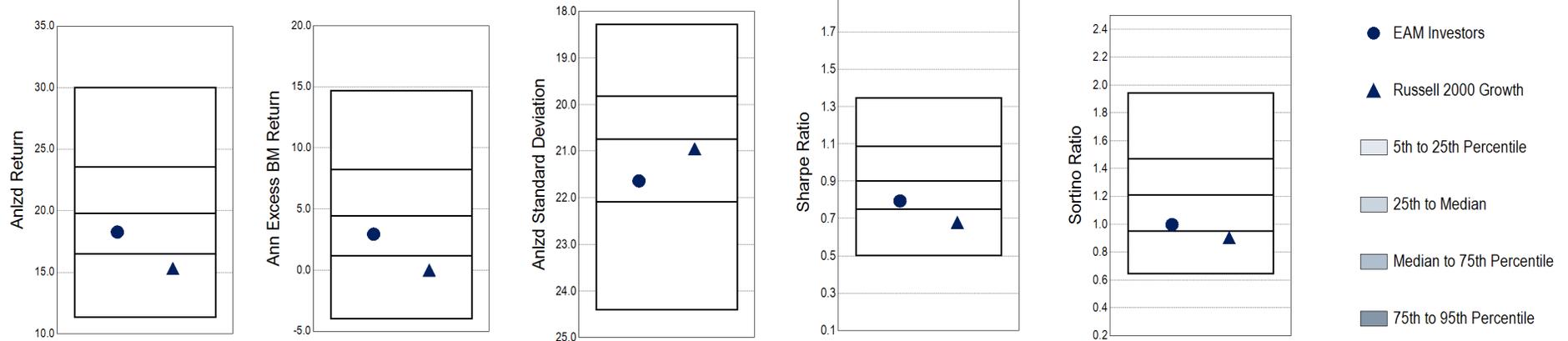
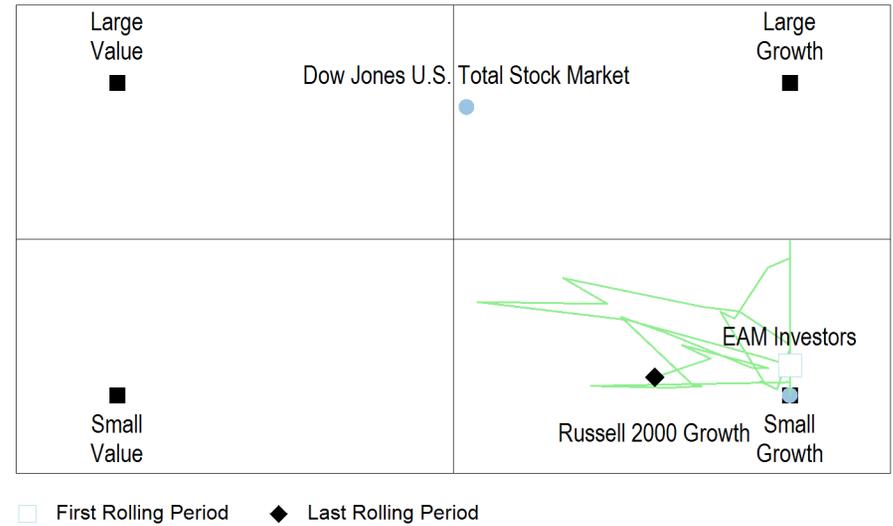


# Los Angeles City Employees' Retirement System EAM INVESTORS

5 Years Ending September 30, 2021

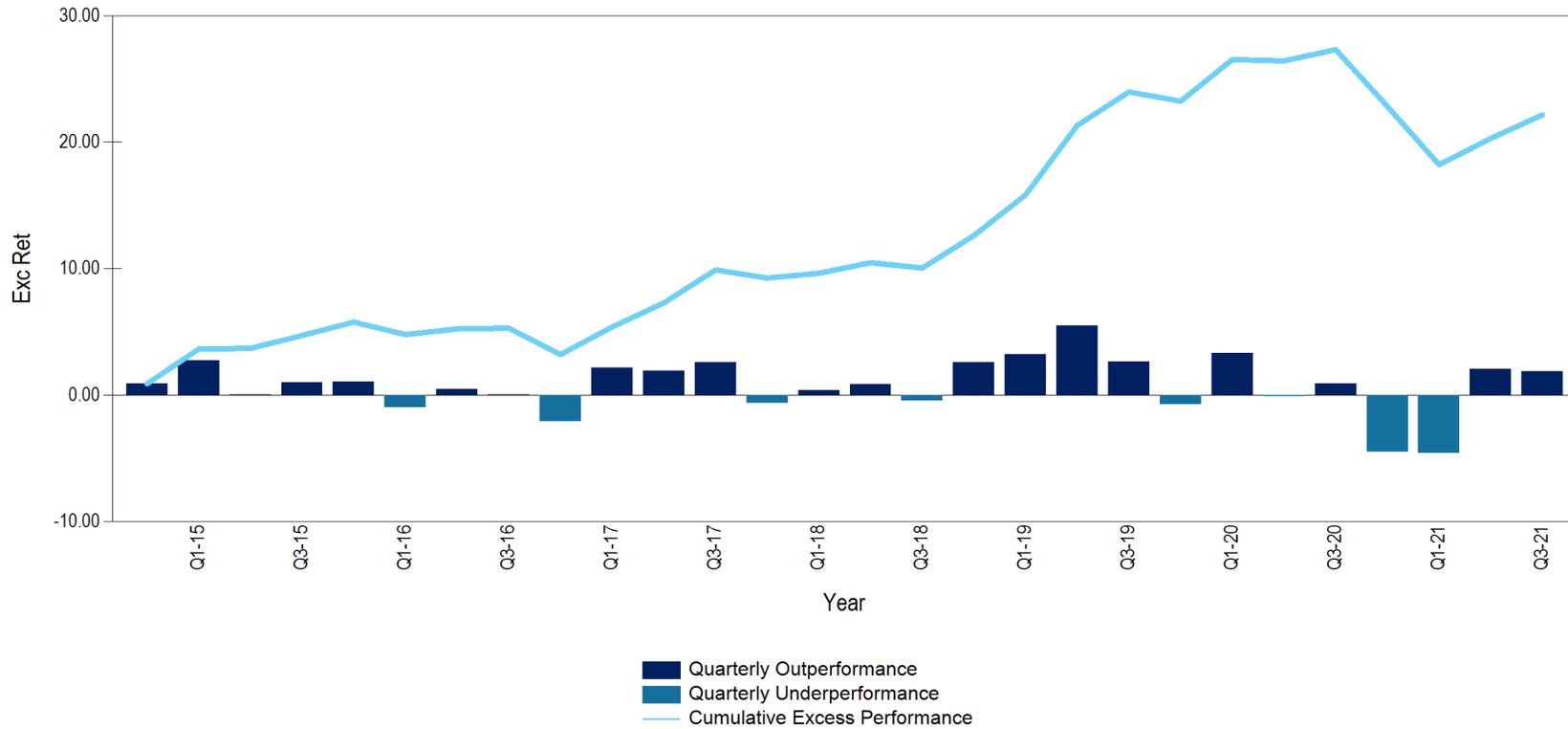


5 Years Ending September 30, 2021



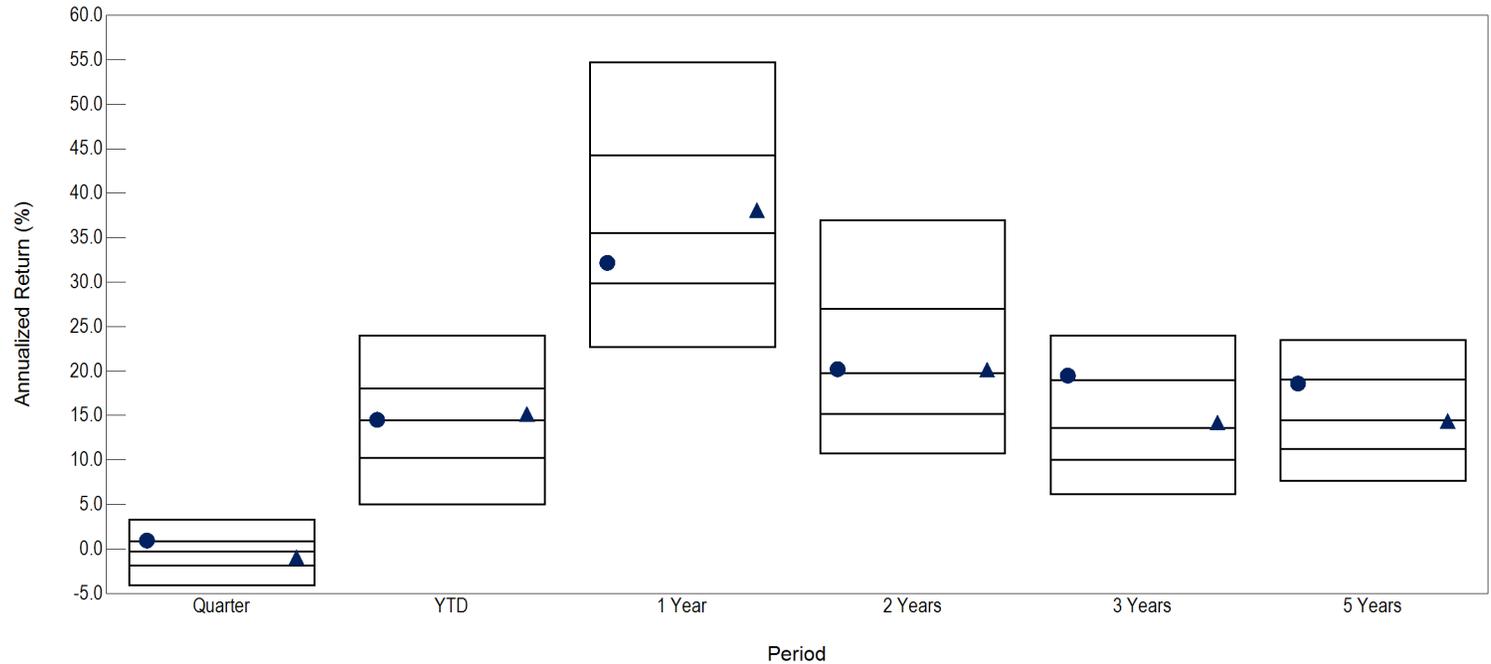
# Los Angeles City Employees' Retirement System PRINCIPAL GLOBAL INVESTORS

Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System PRINCIPAL GLOBAL INVESTORS

Principal Global Investors vs. eV US Mid Cap Equity Net

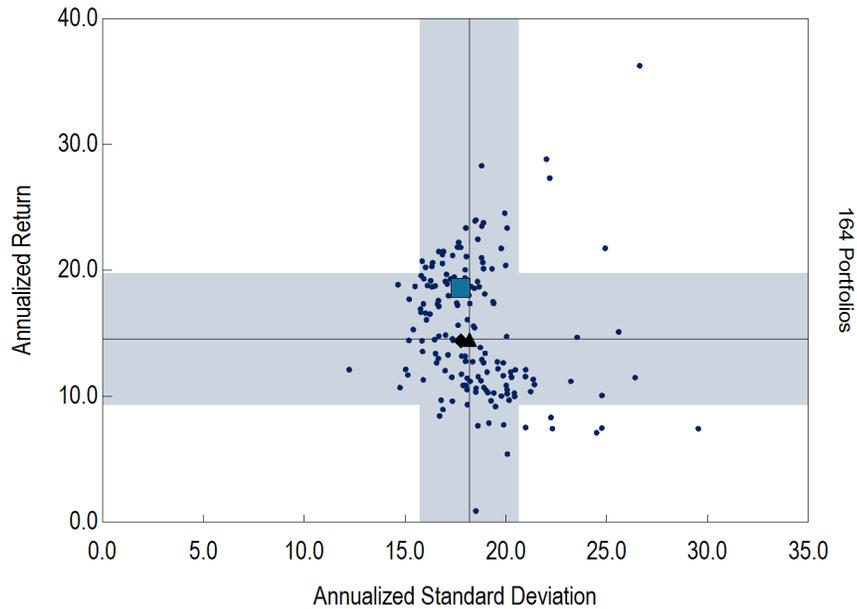


|                              | Return (Rank) |      |       |      |       |      |       |      |       |      |       |      |
|------------------------------|---------------|------|-------|------|-------|------|-------|------|-------|------|-------|------|
| 5th Percentile               | 3.28          |      | 24.01 |      | 54.69 |      | 36.96 |      | 23.99 |      | 23.49 |      |
| 25th Percentile              | 0.96          |      | 18.11 |      | 44.30 |      | 27.08 |      | 19.06 |      | 19.13 |      |
| Median                       | -0.25         |      | 14.51 |      | 35.60 |      | 19.82 |      | 13.65 |      | 14.52 |      |
| 75th Percentile              | -1.80         |      | 10.28 |      | 29.96 |      | 15.25 |      | 10.07 |      | 11.28 |      |
| 95th Percentile              | -4.03         |      | 5.10  |      | 22.78 |      | 10.83 |      | 6.23  |      | 7.75  |      |
| # of Portfolios              | 177           |      | 177   |      | 176   |      | 173   |      | 172   |      | 164   |      |
| ● Principal Global Investors | 0.94          | (26) | 14.51 | (50) | 32.17 | (64) | 20.21 | (48) | 19.49 | (22) | 18.60 | (32) |
| ▲ Russell MidCap             | -0.93         | (64) | 15.17 | (45) | 38.11 | (43) | 20.16 | (48) | 14.21 | (47) | 14.39 | (53) |

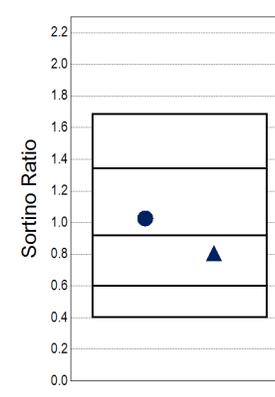
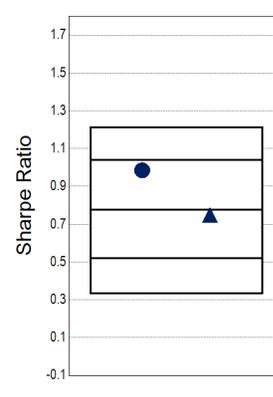
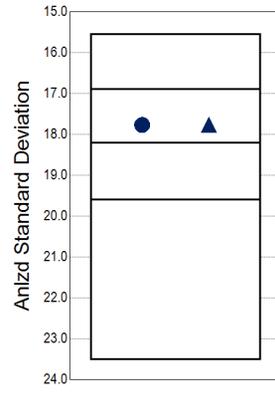
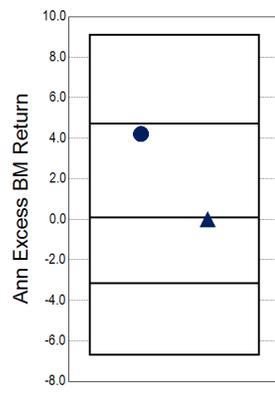
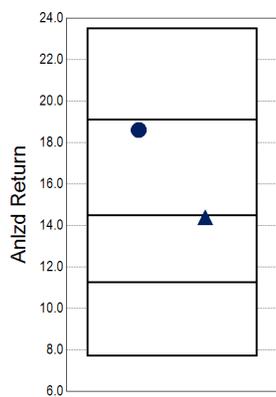
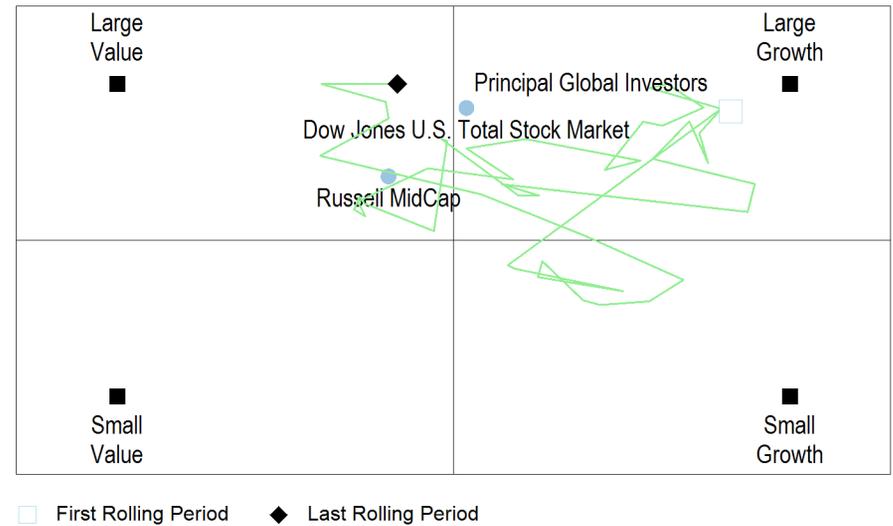


# Los Angeles City Employees' Retirement System PRINCIPAL GLOBAL INVESTORS

5 Years Ending September 30, 2021



5 Years Ending September 30, 2021

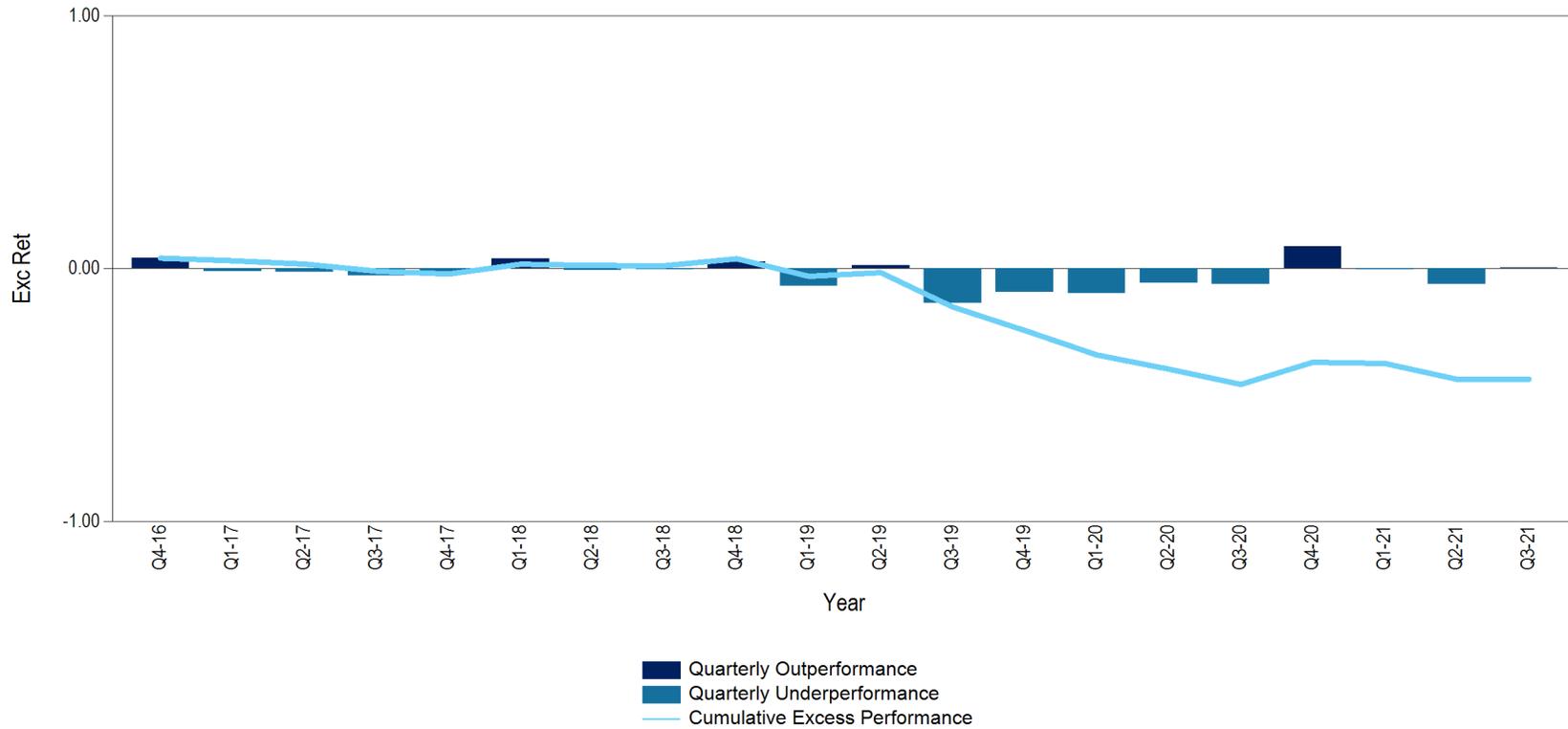


- Principal Global Investors
- ▲ Russell MidCap
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System RHUMBLINE ADVISORS S&P 500

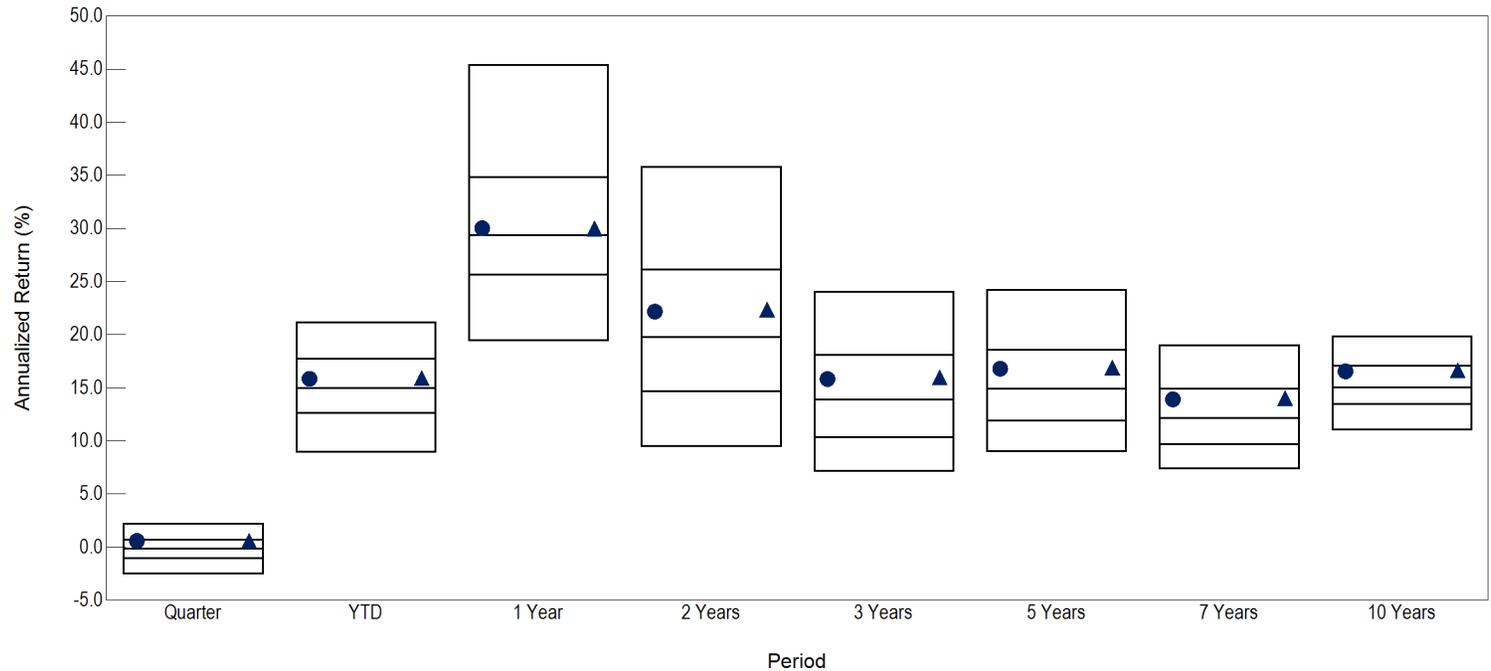
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## RHUMBLINE ADVISORS S&P 500

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



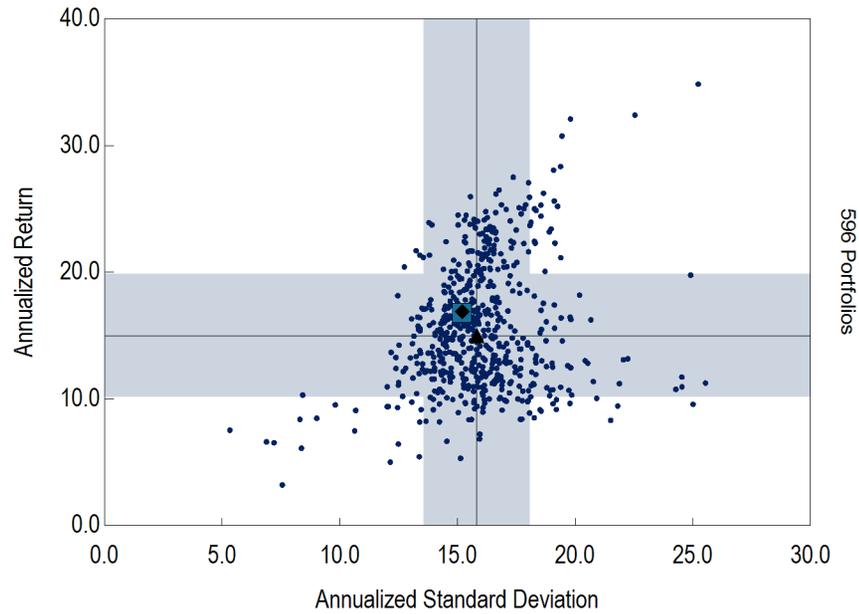
|                              | Return (Rank) |       |       |       |       |       |       |       |       |      |       |      |       |      |       |      |
|------------------------------|---------------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|------|-------|------|-------|------|
| 5th Percentile               | 2.21          | 21.13 | 45.42 | 35.77 | 24.02 | 24.22 | 19.01 | 19.83 |       |      |       |      |       |      |       |      |
| 25th Percentile              | 0.74          | 17.78 | 34.87 | 26.20 | 18.14 | 18.66 | 14.99 | 17.16 |       |      |       |      |       |      |       |      |
| Median                       | -0.06         | 15.06 | 29.41 | 19.82 | 13.96 | 14.99 | 12.23 | 15.07 |       |      |       |      |       |      |       |      |
| 75th Percentile              | -0.99         | 12.67 | 25.71 | 14.76 | 10.42 | 11.99 | 9.74  | 13.54 |       |      |       |      |       |      |       |      |
| 95th Percentile              | -2.41         | 9.02  | 19.54 | 9.57  | 7.23  | 9.13  | 7.48  | 11.13 |       |      |       |      |       |      |       |      |
| # of Portfolios              | 656           | 656   | 655   | 641   | 632   | 596   | 556   | 481   |       |      |       |      |       |      |       |      |
| ● RhumbLine Advisers S&P 500 | 0.58          | (29)  | 15.85 | (42)  | 30.03 | (47)  | 22.17 | (39)  | 15.82 | (39) | 16.79 | (35) | 13.91 | (33) | 16.55 | (31) |
| ▲ S&P 500                    | 0.58          | (29)  | 15.92 | (42)  | 30.00 | (47)  | 22.35 | (38)  | 15.99 | (39) | 16.89 | (34) | 14.01 | (32) | 16.63 | (30) |



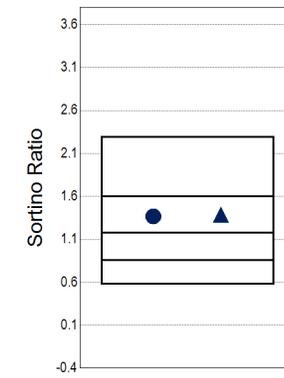
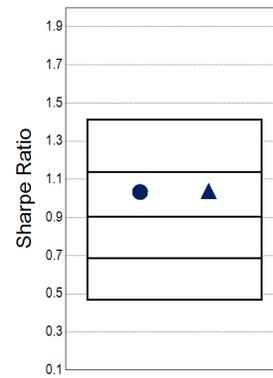
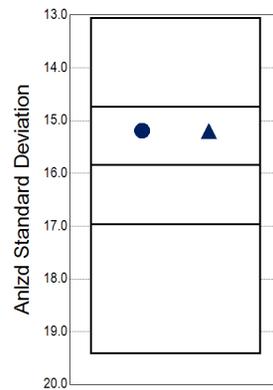
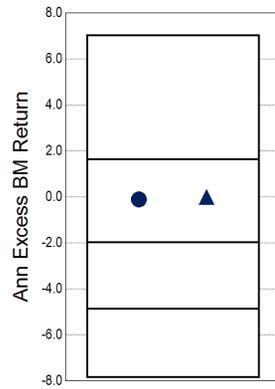
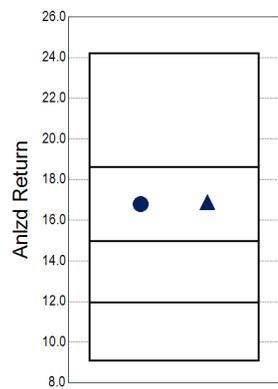
# Los Angeles City Employees' Retirement System

## RHUMBLINE ADVISORS S&P 500

5 Year Risk Return



5 Year Style Map

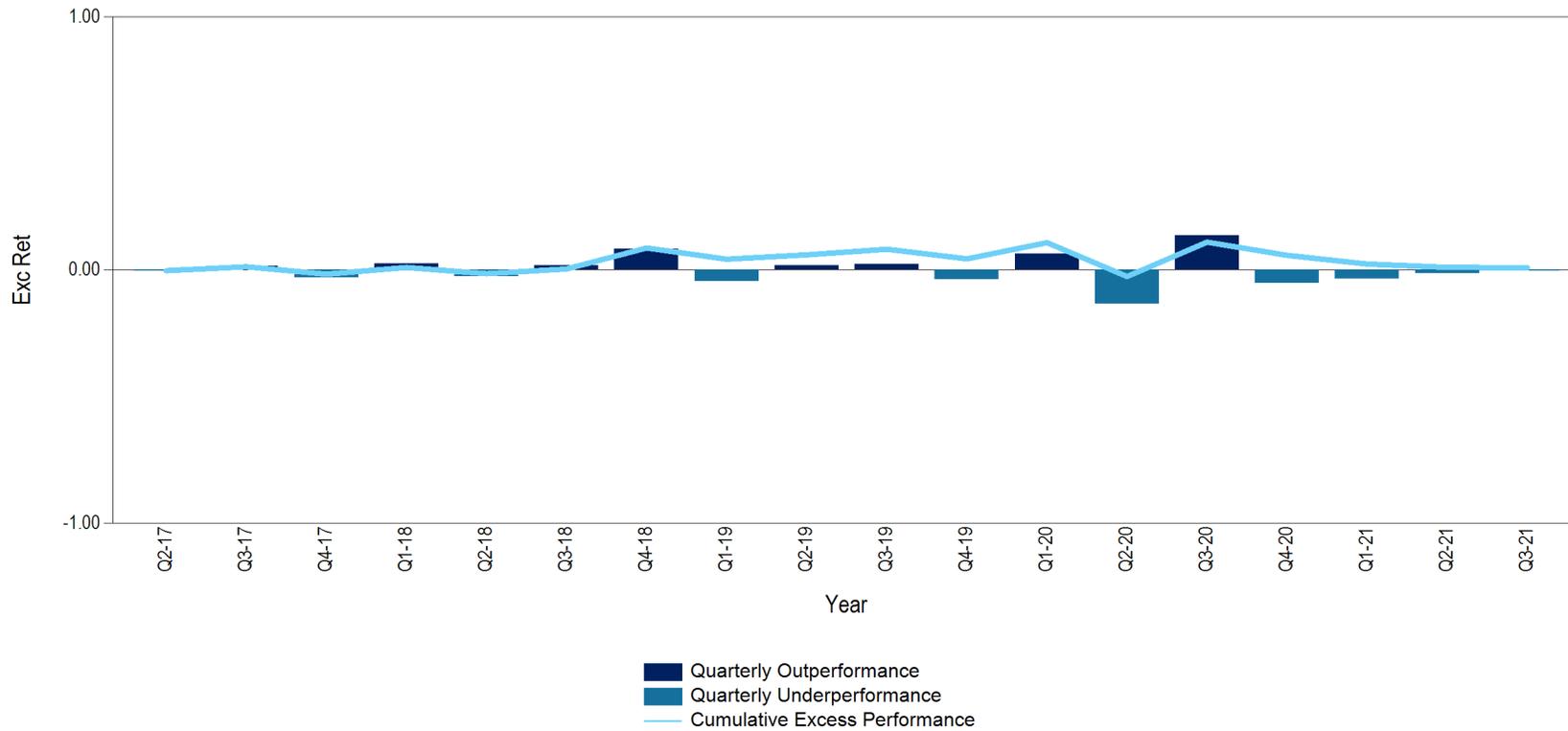


- RhumbLine Advisers S&P 500
- ▲ S&P 500
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System RHUMBLINE ADVISORS RUSSELL 2000

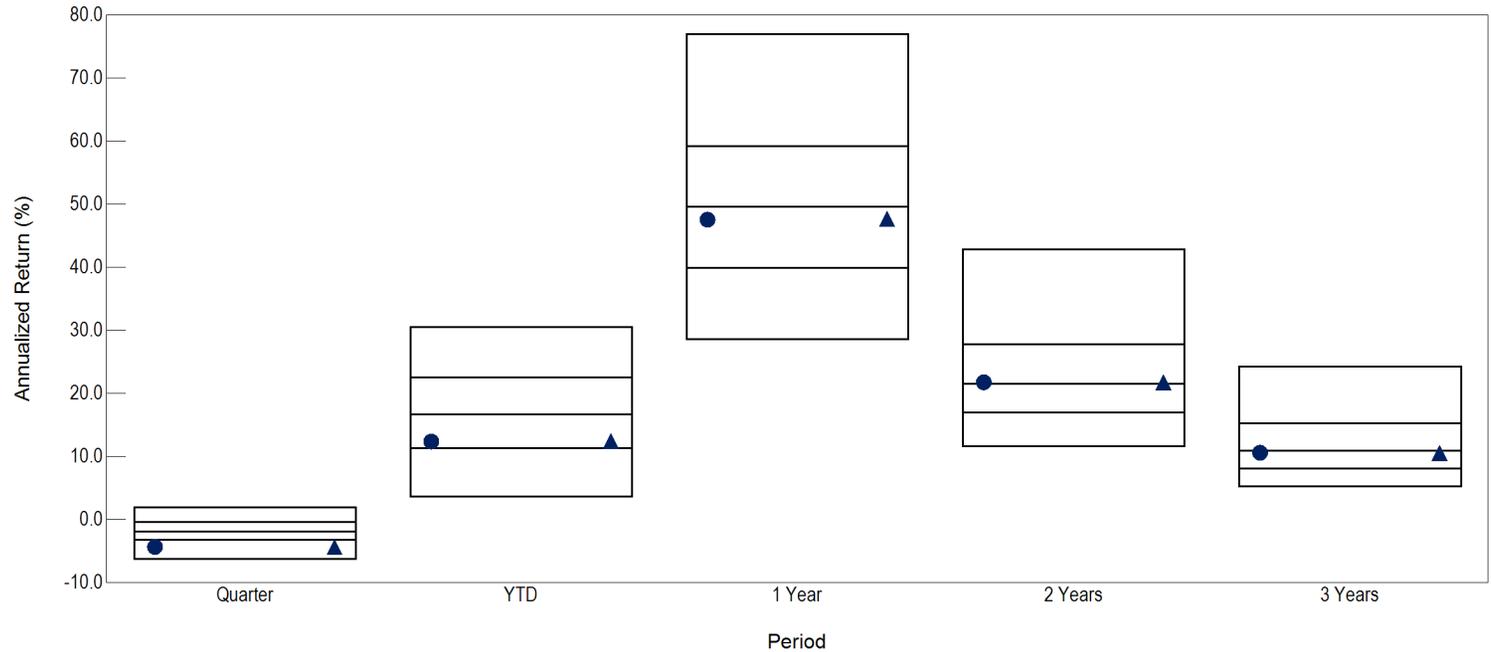
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## RHUMBLINE ADVISORS RUSSELL 2000

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



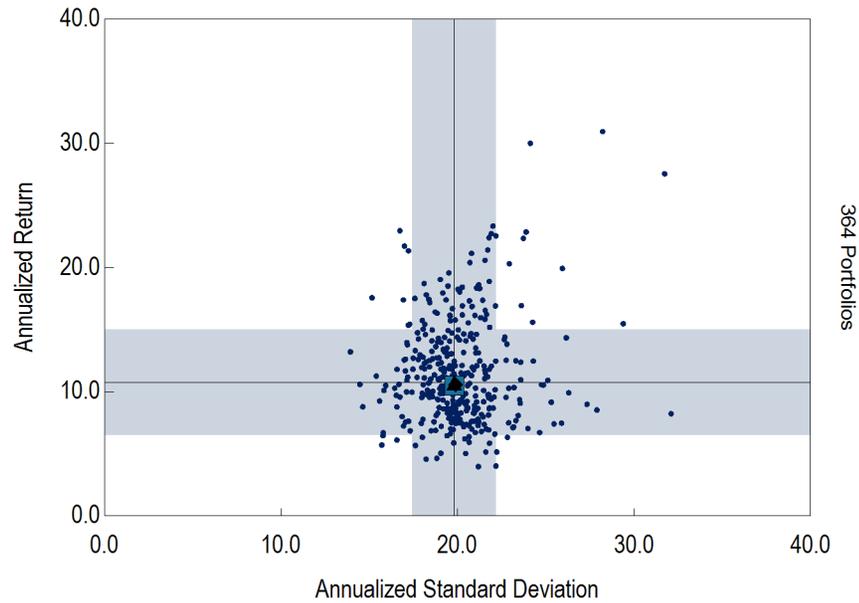
|                                   | Return (Rank) |      |       |      |       |      |       |      |       |      |
|-----------------------------------|---------------|------|-------|------|-------|------|-------|------|-------|------|
| 5th Percentile                    | 1.95          |      | 30.51 |      | 76.98 |      | 42.84 |      | 24.26 |      |
| 25th Percentile                   | -0.32         |      | 22.60 |      | 59.35 |      | 27.93 |      | 15.40 |      |
| Median                            | -1.79         |      | 16.79 |      | 49.67 |      | 21.62 |      | 10.98 |      |
| 75th Percentile                   | -3.11         |      | 11.38 |      | 40.02 |      | 17.04 |      | 8.22  |      |
| 95th Percentile                   | -6.14         |      | 3.69  |      | 28.73 |      | 11.73 |      | 5.34  |      |
| # of Portfolios                   | 414           |      | 414   |      | 413   |      | 409   |      | 403   |      |
| ● RhumbLine Advisers Russell 2000 | -4.36         | (89) | 12.36 | (71) | 47.55 | (58) | 21.76 | (50) | 10.58 | (53) |
| ▲ Russell 2000                    | -4.36         | (89) | 12.41 | (71) | 47.68 | (58) | 21.76 | (50) | 10.54 | (54) |



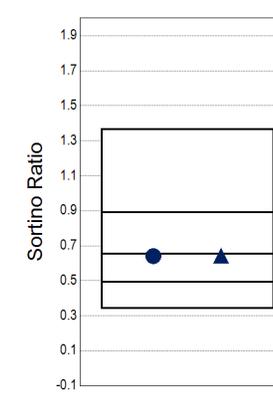
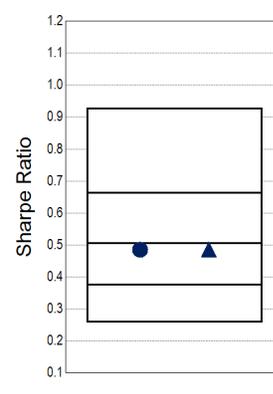
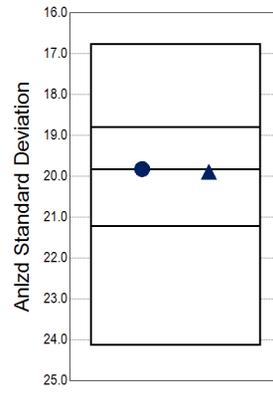
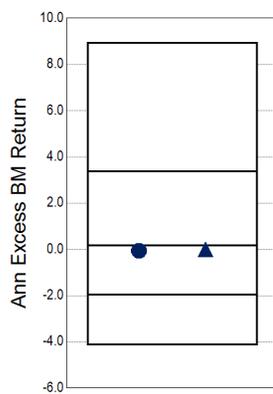
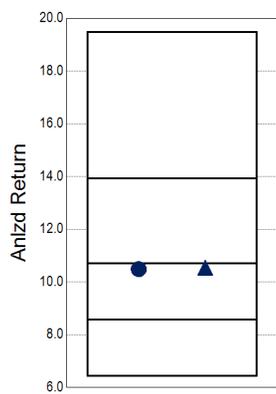
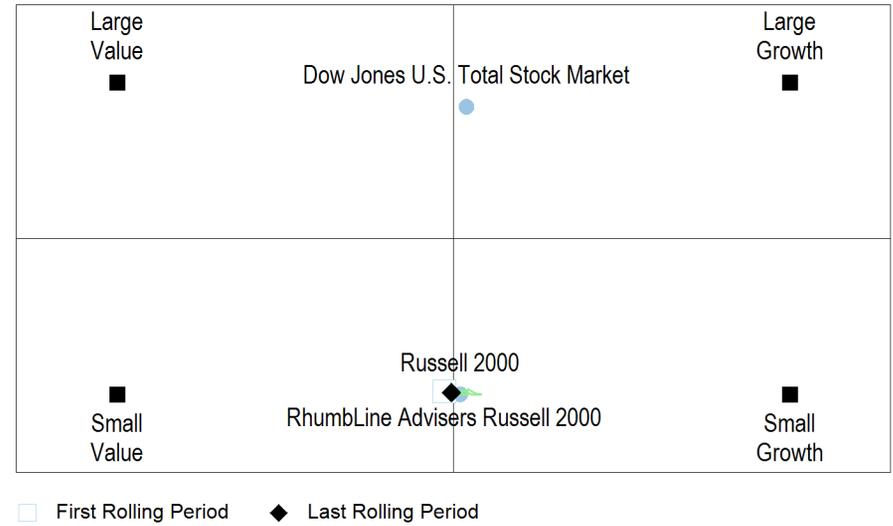
# Los Angeles City Employees' Retirement System

## RHUMBLINE ADVISORS RUSSELL 2000

Since Inception Risk Return



Since Inception Style Map

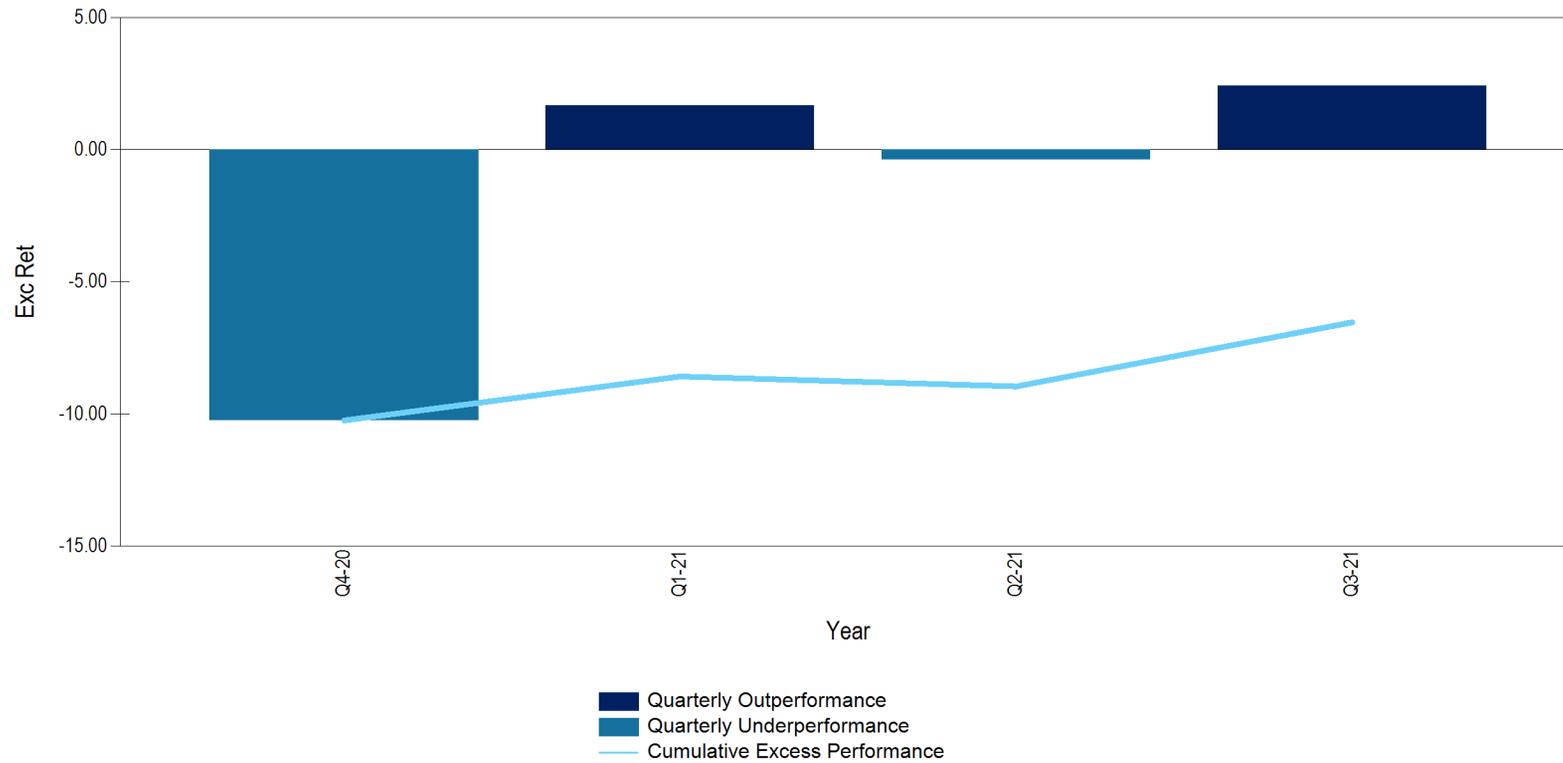


- RhumbLine Advisers Russell 2000
- ▲ Russell 2000
- 5th to 25th Percentile
- ▒ 25th to Median
- ▓ Median to 75th Percentile
- 75th to 95th Percentile



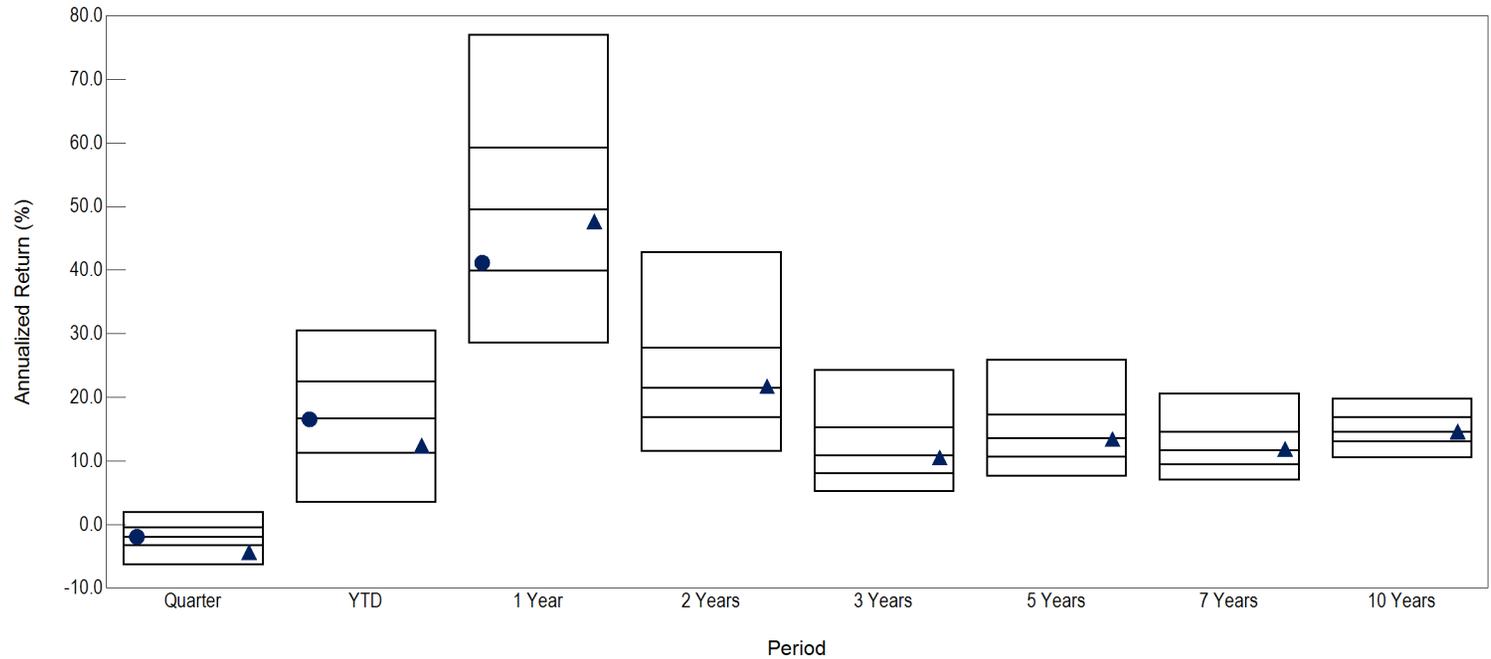
# Los Angeles City Employees' Retirement System COPELAND CAPITAL MANAGEMENT

Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System COPELAND CAPITAL MANAGEMENT

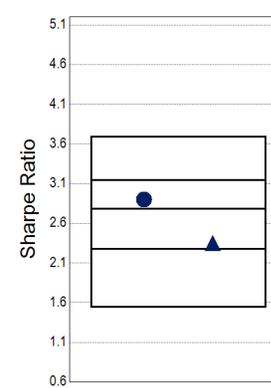
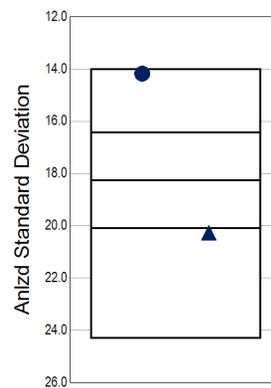
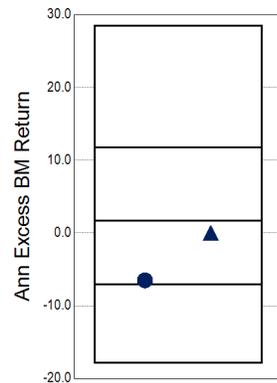
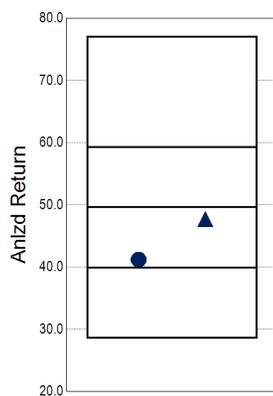
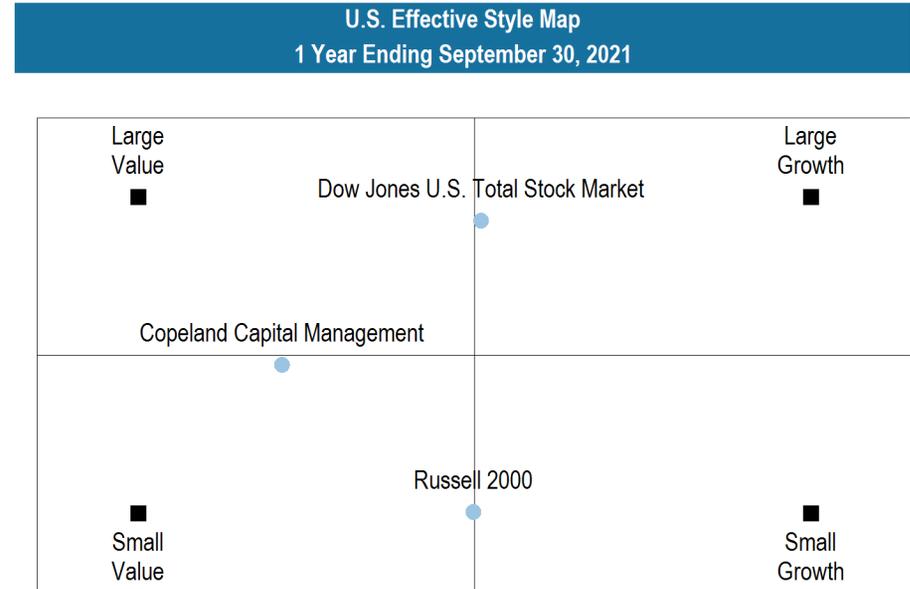
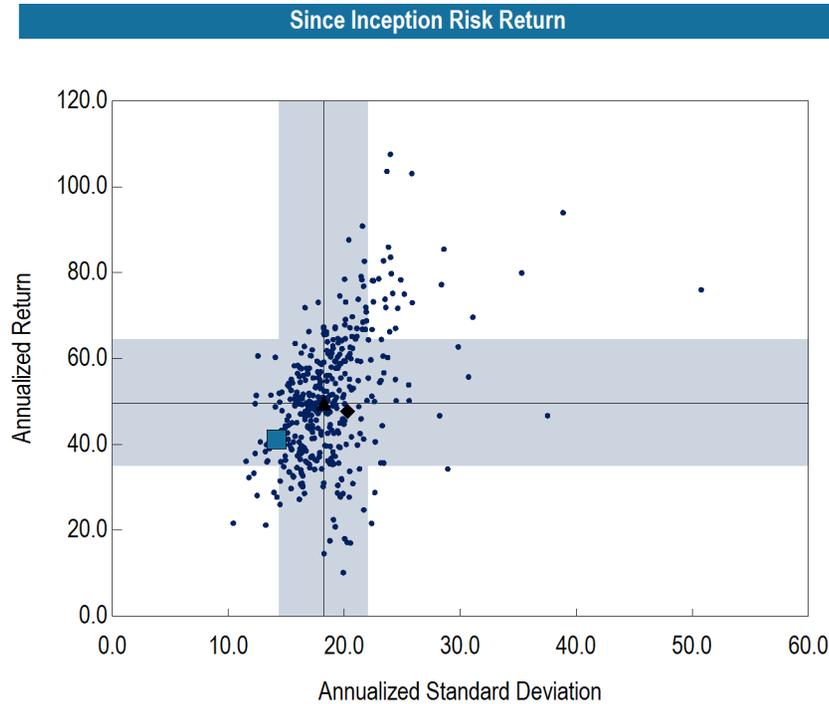
Copeland Capital Management vs. eV US Small Cap Equity Net



|                               | Return (Rank) |       |       |       |       |       |       |       |       |      |       |      |       |      |       |      |
|-------------------------------|---------------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|------|-------|------|-------|------|
| 5th Percentile                | 1.95          | 30.51 | 76.98 | 42.84 | 24.26 | 25.88 | 20.64 | 19.81 |       |      |       |      |       |      |       |      |
| 25th Percentile               | -0.32         | 22.60 | 59.35 | 27.93 | 15.40 | 17.36 | 14.70 | 16.95 |       |      |       |      |       |      |       |      |
| Median                        | -1.79         | 16.79 | 49.67 | 21.62 | 10.98 | 13.69 | 11.77 | 14.70 |       |      |       |      |       |      |       |      |
| 75th Percentile               | -3.11         | 11.38 | 40.02 | 17.04 | 8.22  | 10.83 | 9.56  | 13.15 |       |      |       |      |       |      |       |      |
| 95th Percentile               | -6.14         | 3.69  | 28.73 | 11.73 | 5.34  | 7.79  | 7.22  | 10.67 |       |      |       |      |       |      |       |      |
| # of Portfolios               | 414           | 414   | 413   | 409   | 403   | 387   | 356   | 321   |       |      |       |      |       |      |       |      |
| ● Copeland Capital Management | -1.93         | (54)  | 16.54 | (51)  | 41.16 | (73)  | --    | (--)  | --    | (--) | --    | (--) | --    | (--) | --    | (--) |
| ▲ Russell 2000                | -4.36         | (89)  | 12.41 | (71)  | 47.68 | (58)  | 21.76 | (50)  | 10.54 | (54) | 13.45 | (53) | 11.90 | (49) | 14.63 | (52) |



# Los Angeles City Employees' Retirement System COPELAND CAPITAL MANAGEMENT

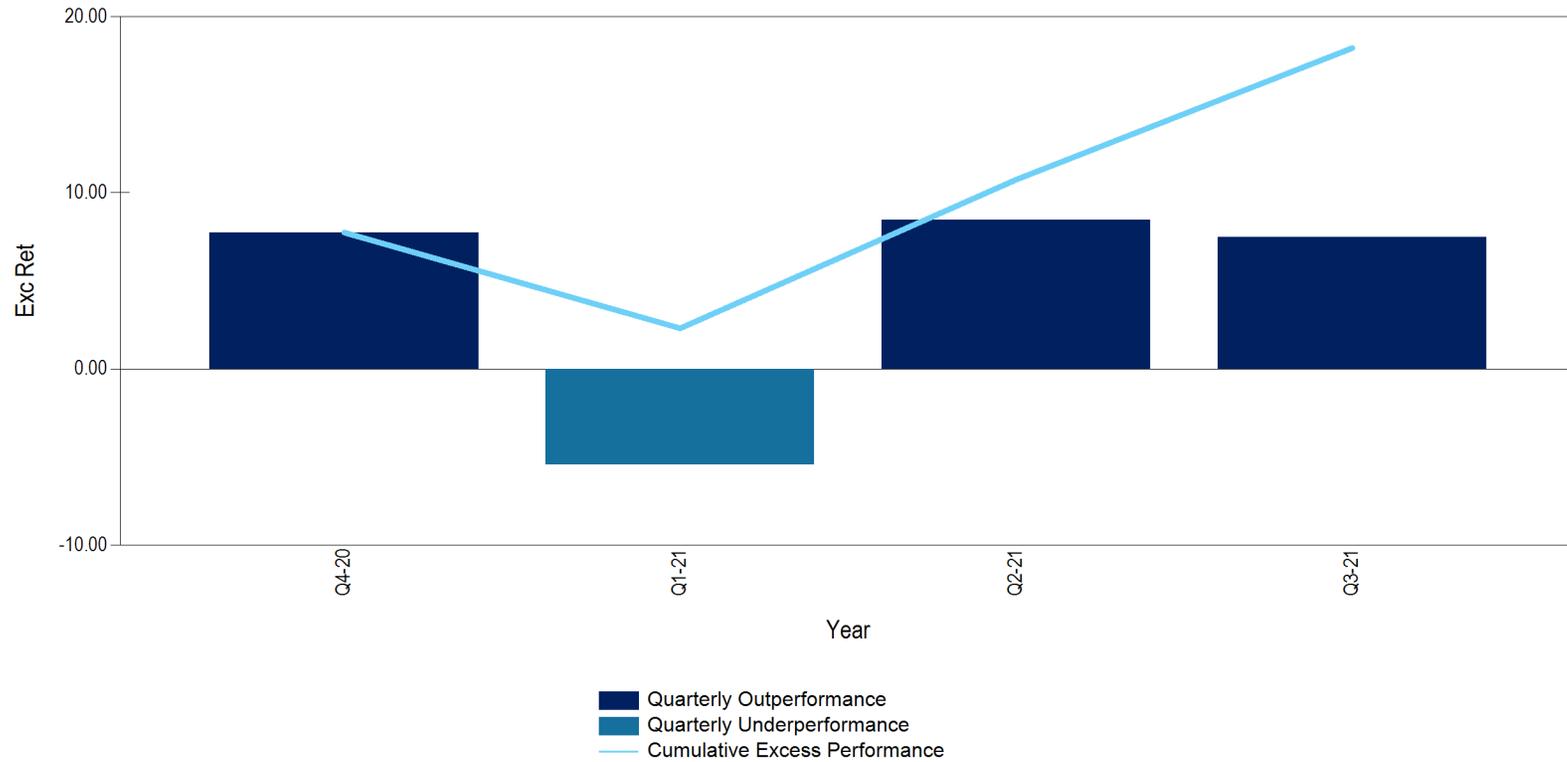


- Copeland Capital Management
- ▲ Russell 2000
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System GRANAHAN INVESTMENT MANAGEMENT

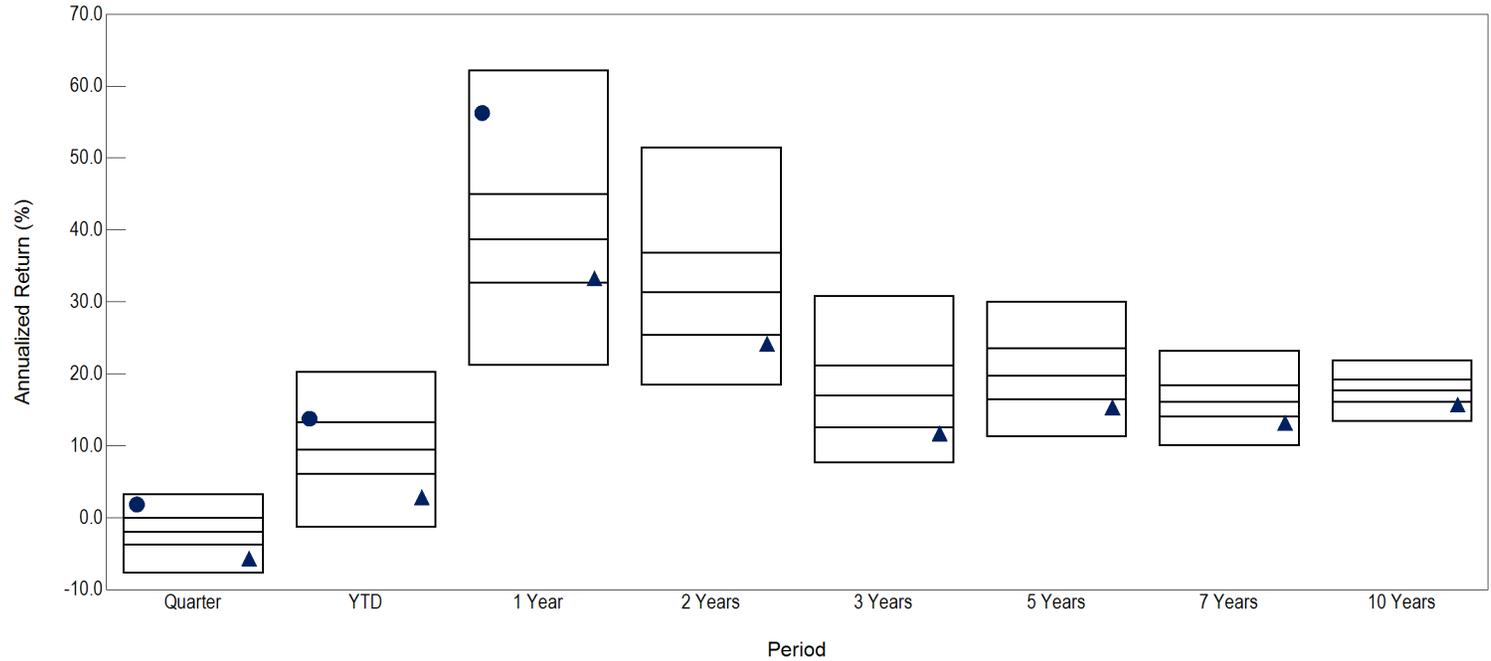
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## GRANAHAN INVESTMENT MANAGEMENT

Granahan Investment Management vs. eV US Small Cap Growth Equity Net

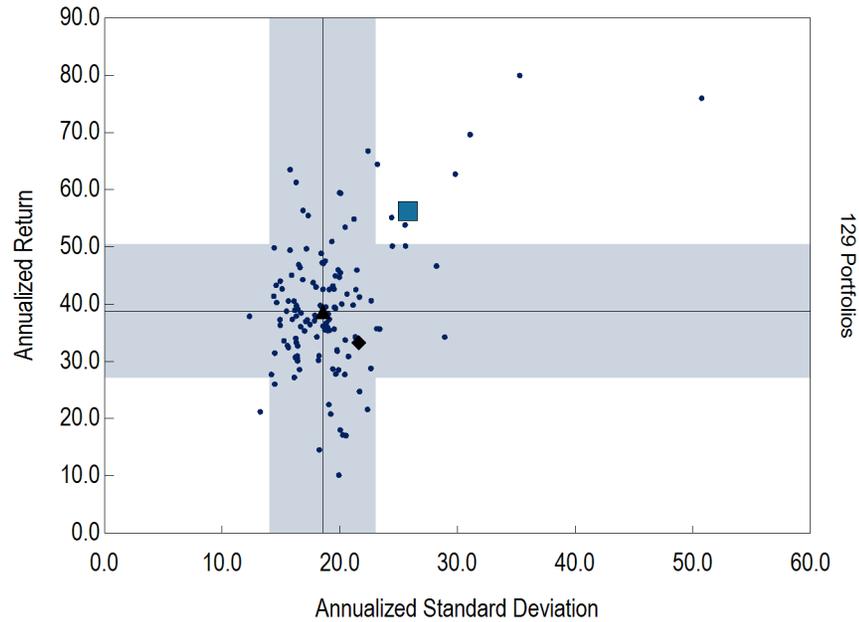


|                                  | Return (Rank) |       | Return (Rank) |       | Return (Rank) |       | Return (Rank) |       | Return (Rank) |      | Return (Rank) |      | Return (Rank) |      |
|----------------------------------|---------------|-------|---------------|-------|---------------|-------|---------------|-------|---------------|------|---------------|------|---------------|------|
| 5th Percentile                   | 3.24          | 20.25 | 62.13         | 51.48 | 30.85         | 29.99 | 23.16         | 21.89 |               |      |               |      |               |      |
| 25th Percentile                  | 0.07          | 13.33 | 45.07         | 36.90 | 21.27         | 23.62 | 18.53         | 19.30 |               |      |               |      |               |      |
| Median                           | -1.93         | 9.55  | 38.76         | 31.41 | 17.09         | 19.83 | 16.19         | 17.74 |               |      |               |      |               |      |
| 75th Percentile                  | -3.62         | 6.21  | 32.73         | 25.47 | 12.68         | 16.54 | 14.18         | 16.22 |               |      |               |      |               |      |
| 95th Percentile                  | -7.54         | -1.18 | 21.35         | 18.55 | 7.77          | 11.40 | 10.13         | 13.49 |               |      |               |      |               |      |
| # of Portfolios                  | 129           | 129   | 129           | 128   | 127           | 121   | 109           | 100   |               |      |               |      |               |      |
| ● Granahan Investment Management | 1.82          | (11)  | 13.76         | (20)  | 56.24         | (8)   | --            | (--)  | --            | (--) | --            | (--) | --            | (--) |
| ▲ Russell 2000 Growth            | -5.65         | (90)  | 2.82          | (89)  | 33.26         | (75)  | 24.18         | (82)  | 11.70         | (84) | 15.34         | (85) | 13.19         | (82) |

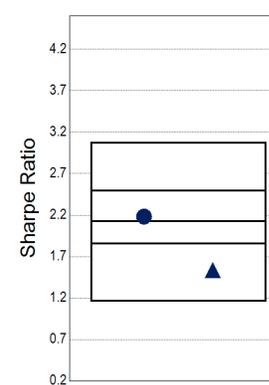
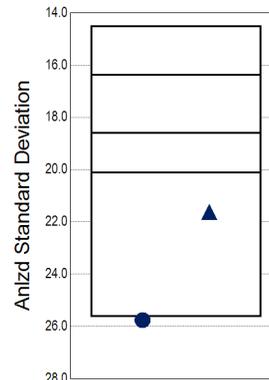
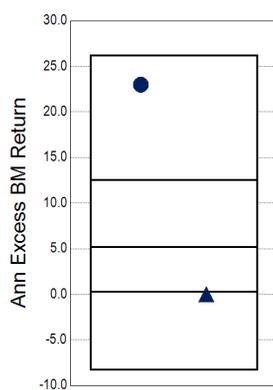
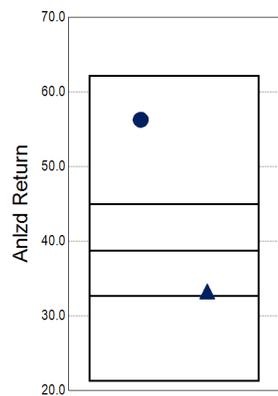
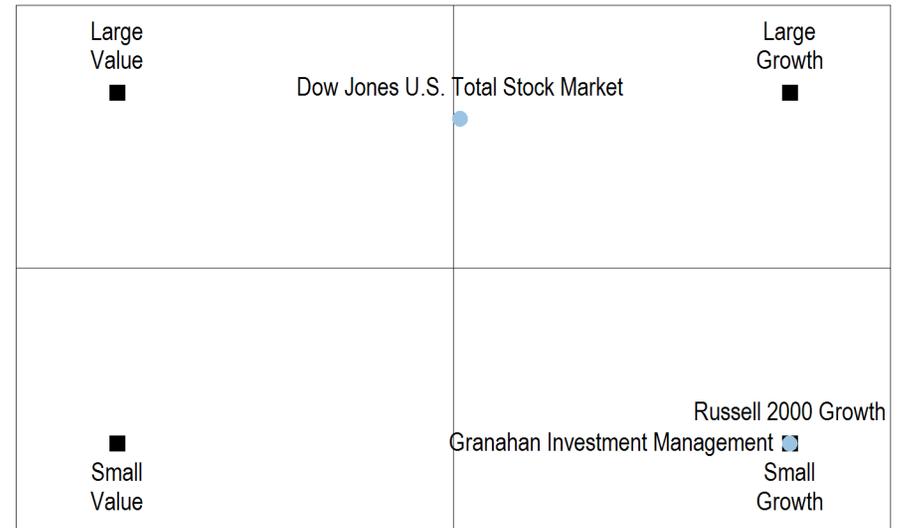


# Los Angeles City Employees' Retirement System GRANAHAN INVESTMENT MANAGEMENT

Since Inception Risk Return



U.S. Effective Style Map



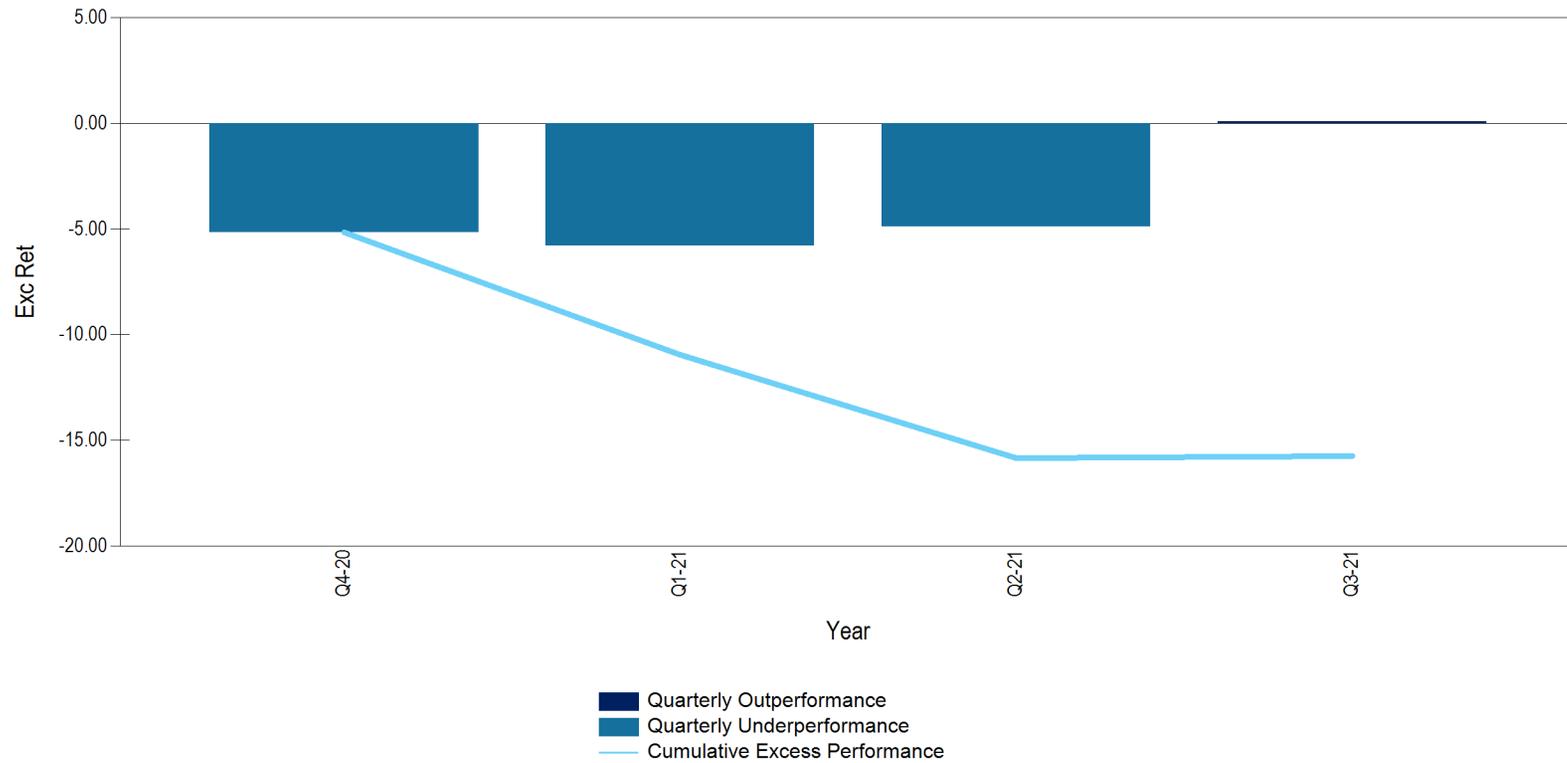
- Granahan Investment Mana...
- ▲ Russell 2000 Growth
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System

## SEGALL, BRYANT & HAMILL

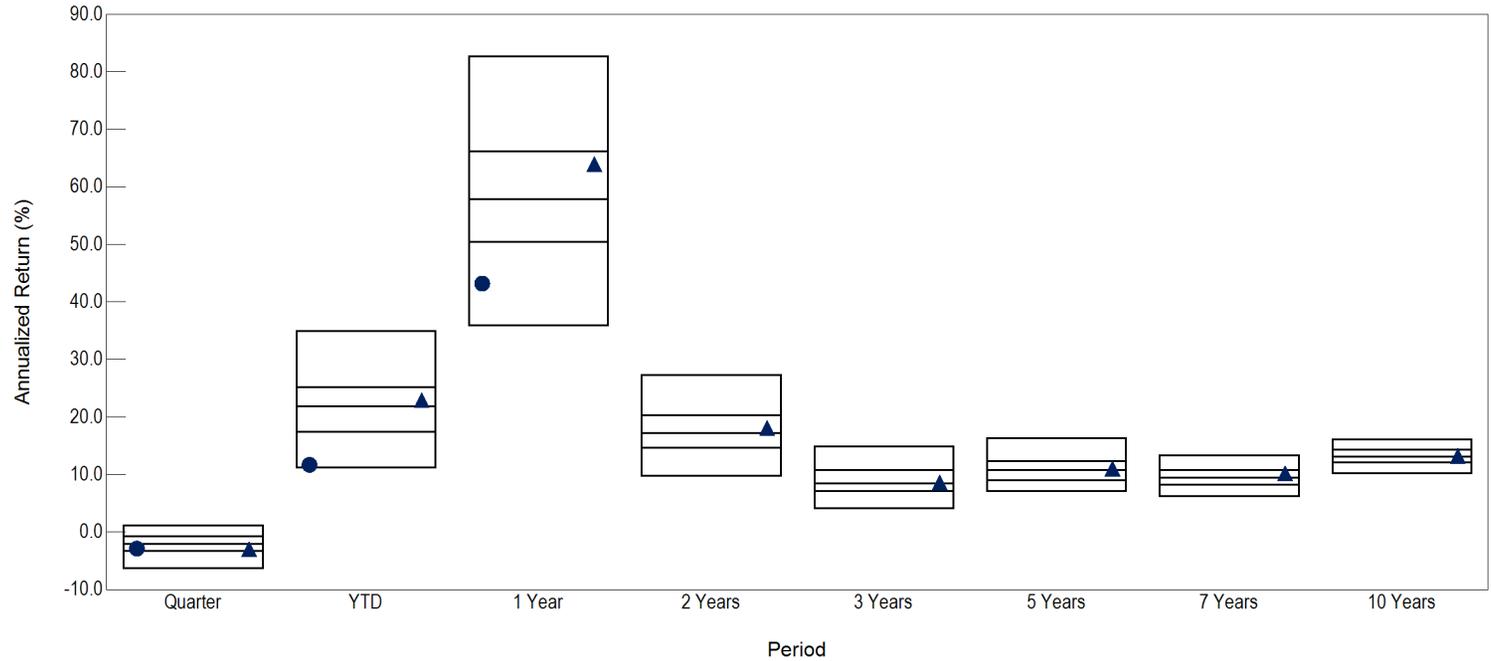
### Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## SEGALL, BRYANT & HAMILL

Segall, Bryant & Hamill vs. eV US Small Cap Value Equity Net



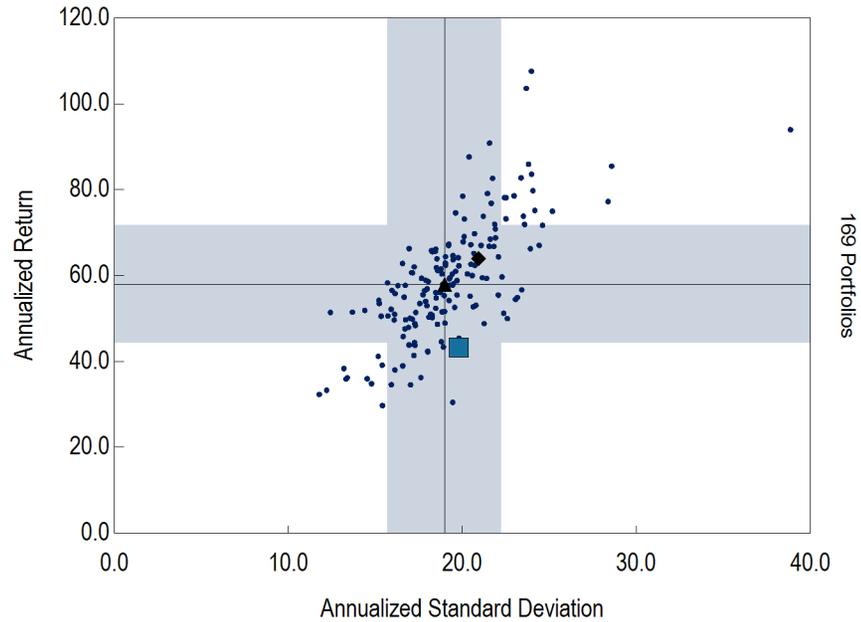
|                           | Return (Rank) |       |       |       |       |       |       |       |      |      |       |      |       |      |
|---------------------------|---------------|-------|-------|-------|-------|-------|-------|-------|------|------|-------|------|-------|------|
| 5th Percentile            | 1.13          | 34.91 | 82.70 | 27.33 | 14.84 | 16.26 | 13.29 | 16.14 |      |      |       |      |       |      |
| 25th Percentile           | -0.67         | 25.28 | 66.28 | 20.46 | 10.85 | 12.41 | 10.84 | 14.38 |      |      |       |      |       |      |
| Median                    | -1.95         | 21.98 | 57.98 | 17.34 | 8.62  | 10.88 | 9.51  | 13.24 |      |      |       |      |       |      |
| 75th Percentile           | -3.15         | 17.56 | 50.58 | 14.72 | 7.26  | 9.15  | 8.29  | 12.16 |      |      |       |      |       |      |
| 95th Percentile           | -6.14         | 11.28 | 36.04 | 9.85  | 4.21  | 7.22  | 6.36  | 10.28 |      |      |       |      |       |      |
| # of Portfolios           | 170           | 170   | 169   | 167   | 164   | 160   | 147   | 135   |      |      |       |      |       |      |
| ● Segall, Bryant & Hamill | -2.89         | (71)  | 11.68 | (94)  | 43.17 | (89)  | --    | (--)  | --   | (--) | --    | (--) | --    | (--) |
| ▲ Russell 2000 Value      | -2.98         | (73)  | 22.92 | (46)  | 63.92 | (33)  | 18.12 | (46)  | 8.58 | (51) | 11.03 | (46) | 10.19 | (37) |



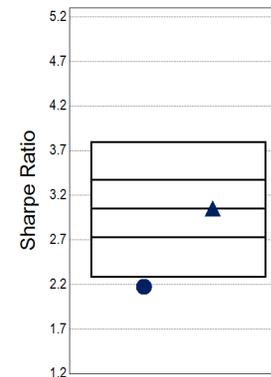
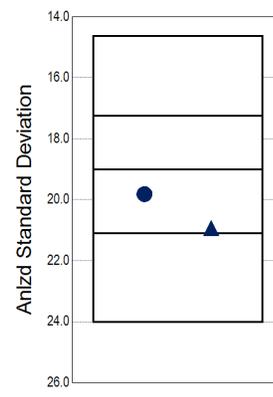
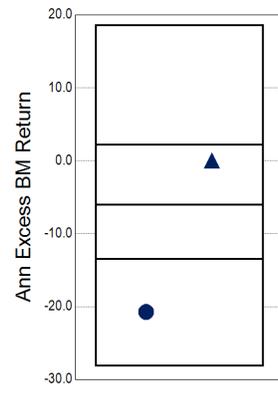
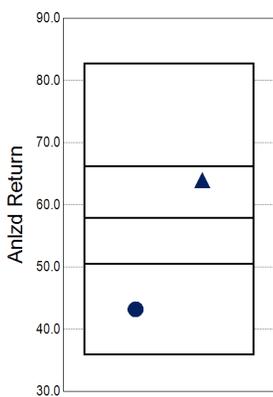
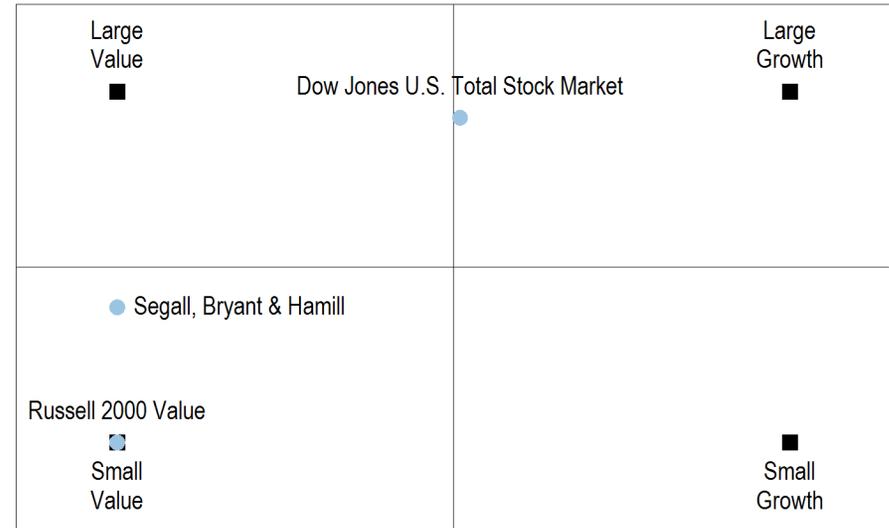
# Los Angeles City Employees' Retirement System

## SEGALL, BRYANT & HAMILL

Since Inception Risk Return



U.S. Effective Style Map



- Segall, Bryant & Hamill
- ▲ Russell 2000 Value
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile





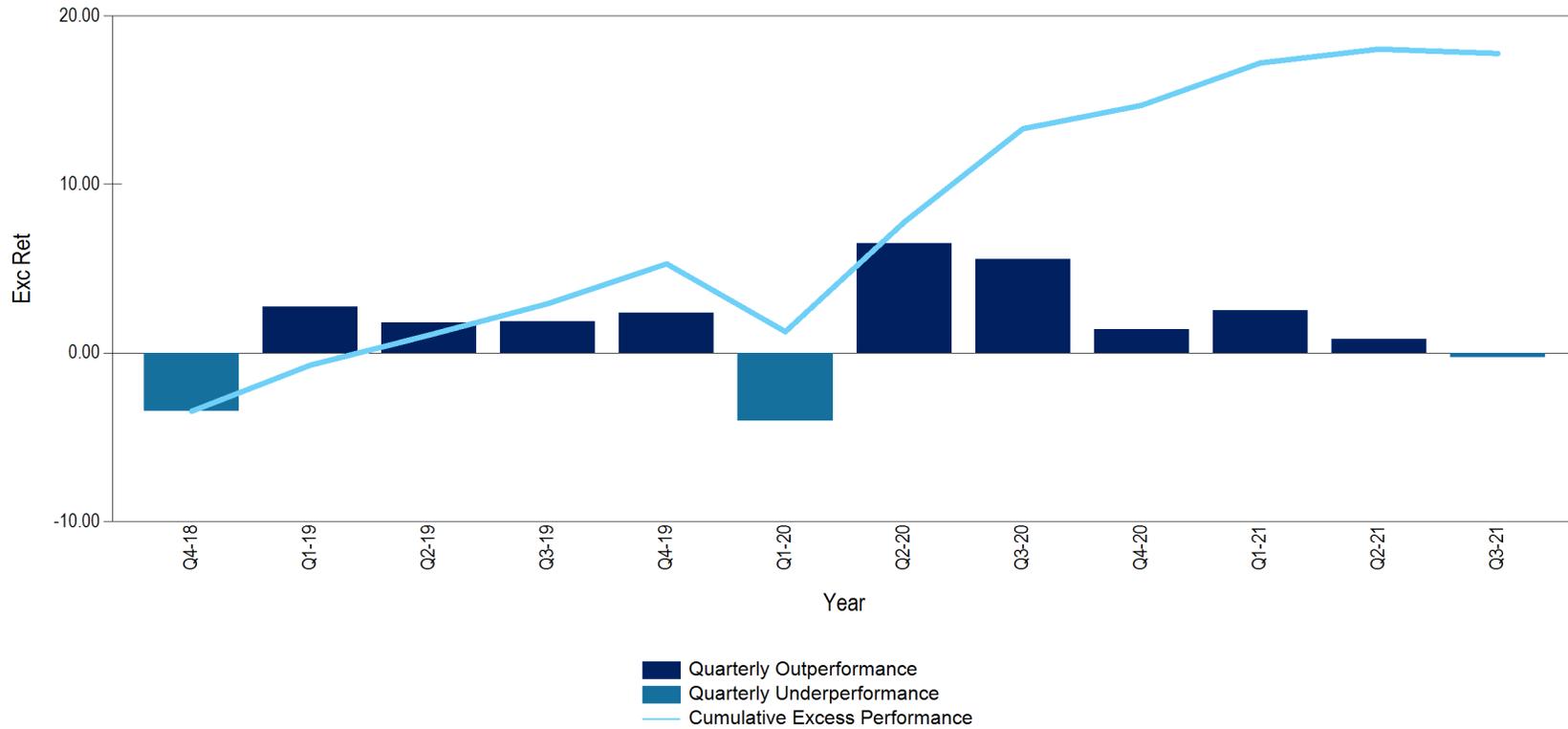
# NON-U.S. EQUITY MANAGER PERFORMANCE



# Los Angeles City Employees' Retirement System

## BARROW HANLEY

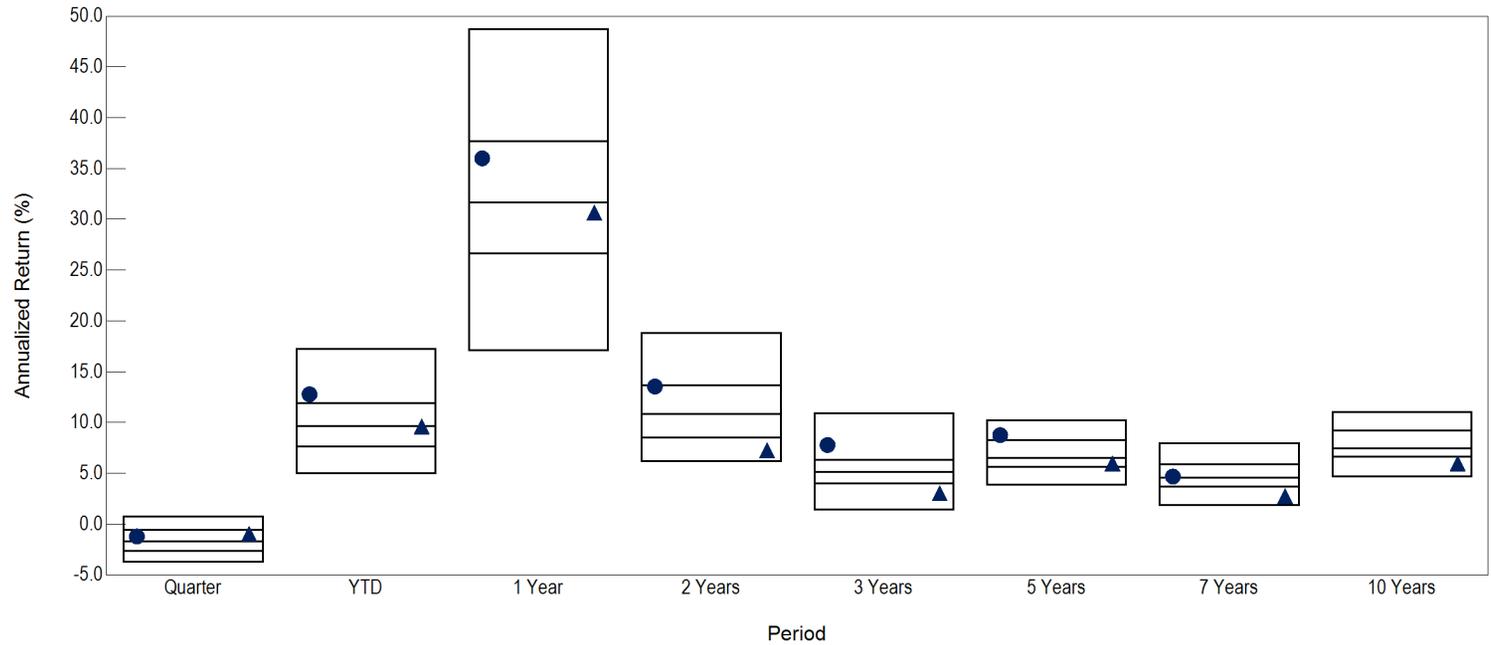
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## BARROW HANLEY

Barrow Hanley vs. eV EAFE Value Equity Net



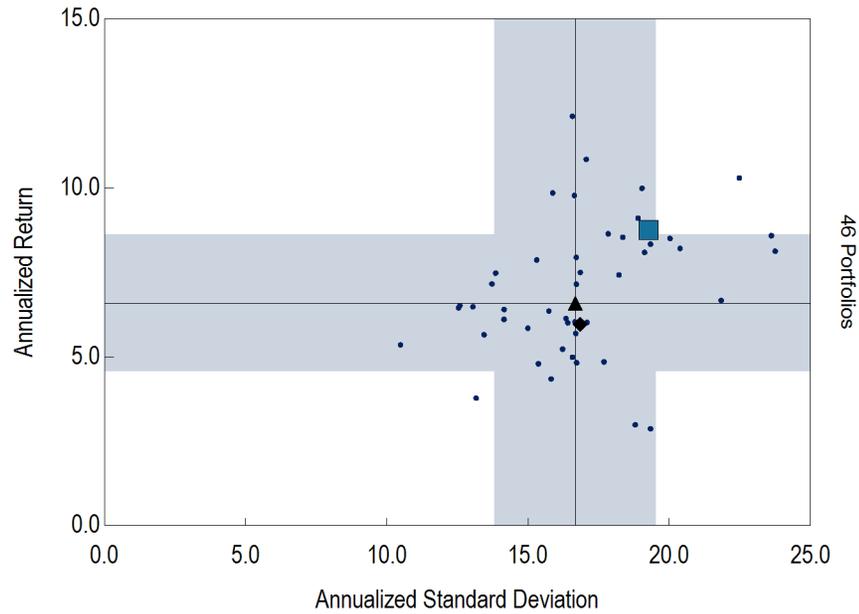
|                   | Return (Rank) |       |       |       |       |       |       |       |      |      |      |      |      |      |      |      |
|-------------------|---------------|-------|-------|-------|-------|-------|-------|-------|------|------|------|------|------|------|------|------|
| 5th Percentile    | 0.77          | 17.21 | 48.70 | 18.83 | 10.87 | 10.22 | 7.93  | 11.00 |      |      |      |      |      |      |      |      |
| 25th Percentile   | -0.52         | 11.97 | 37.73 | 13.73 | 6.38  | 8.30  | 5.92  | 9.25  |      |      |      |      |      |      |      |      |
| Median            | -1.64         | 9.72  | 31.71 | 10.92 | 5.21  | 6.59  | 4.63  | 7.54  |      |      |      |      |      |      |      |      |
| 75th Percentile   | -2.59         | 7.71  | 26.74 | 8.60  | 4.08  | 5.73  | 3.75  | 6.70  |      |      |      |      |      |      |      |      |
| 95th Percentile   | -3.66         | 5.08  | 17.17 | 6.23  | 1.47  | 3.92  | 1.93  | 4.74  |      |      |      |      |      |      |      |      |
| # of Portfolios   | 62            | 62    | 62    | 56    | 54    | 46    | 42    | 37    |      |      |      |      |      |      |      |      |
| ● Barrow Hanley   | -1.23         | (38)  | 12.77 | (18)  | 36.00 | (34)  | 13.54 | (29)  | 7.78 | (14) | 8.75 | (16) | 4.67 | (44) | --   | (--) |
| ▲ MSCI EAFE Value | -0.97         | (36)  | 9.61  | (51)  | 30.66 | (54)  | 7.27  | (87)  | 3.04 | (84) | 5.96 | (72) | 2.74 | (86) | 5.97 | (86) |



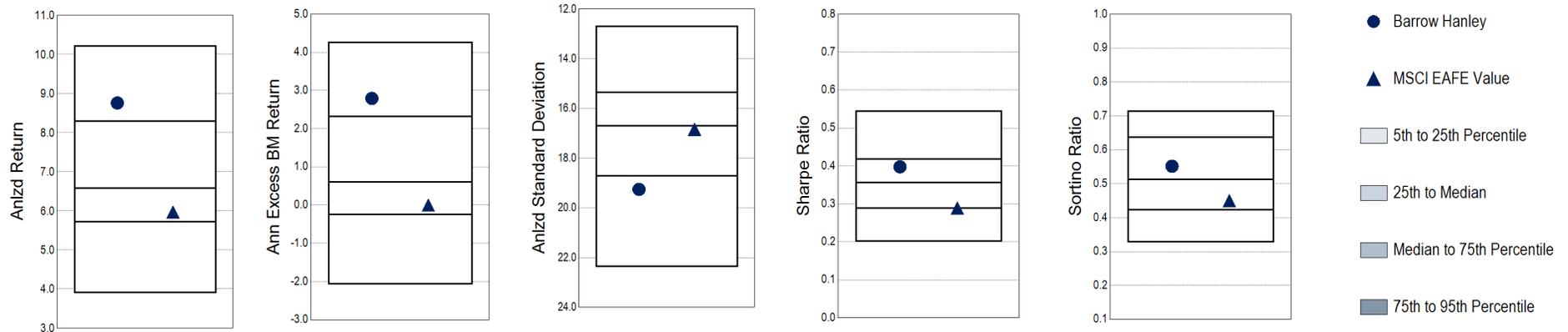
# Los Angeles City Employees' Retirement System

## BARROW HANLEY

5 Year Risk Return

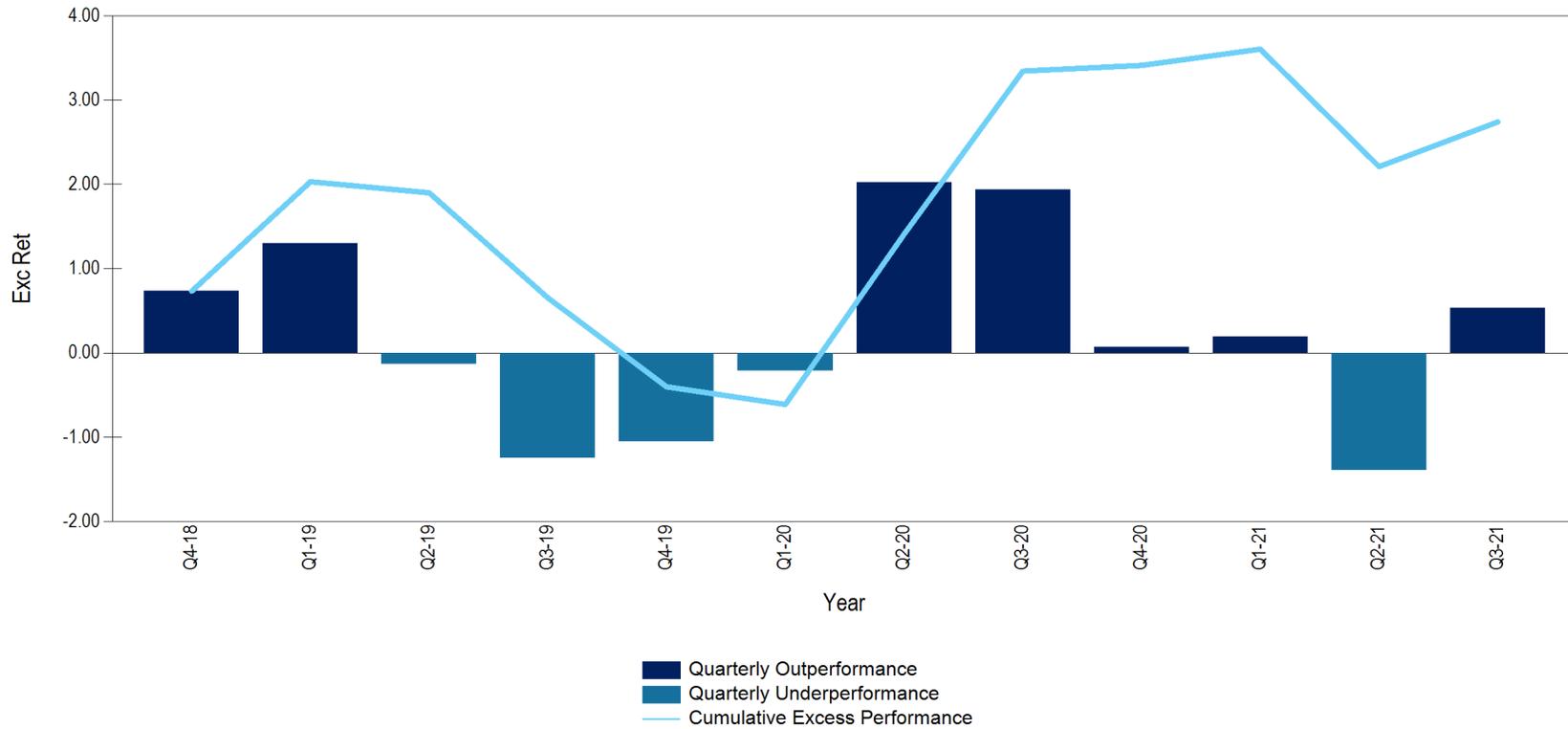


5 Year Style Map



# Los Angeles City Employees' Retirement System LAZARD ASSET MANAGEMENT

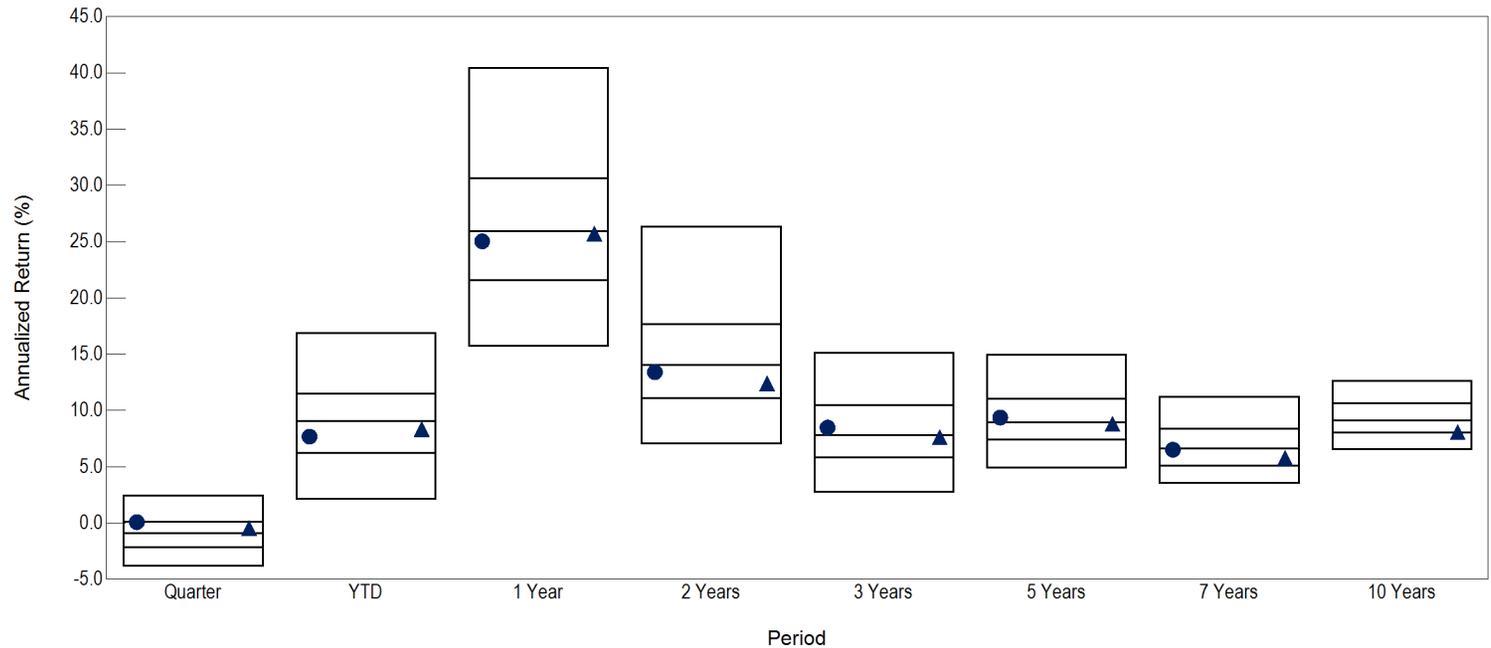
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## LAZARD ASSET MANAGEMENT

Lazard Asset Management vs. eV All EAFE Equity Net

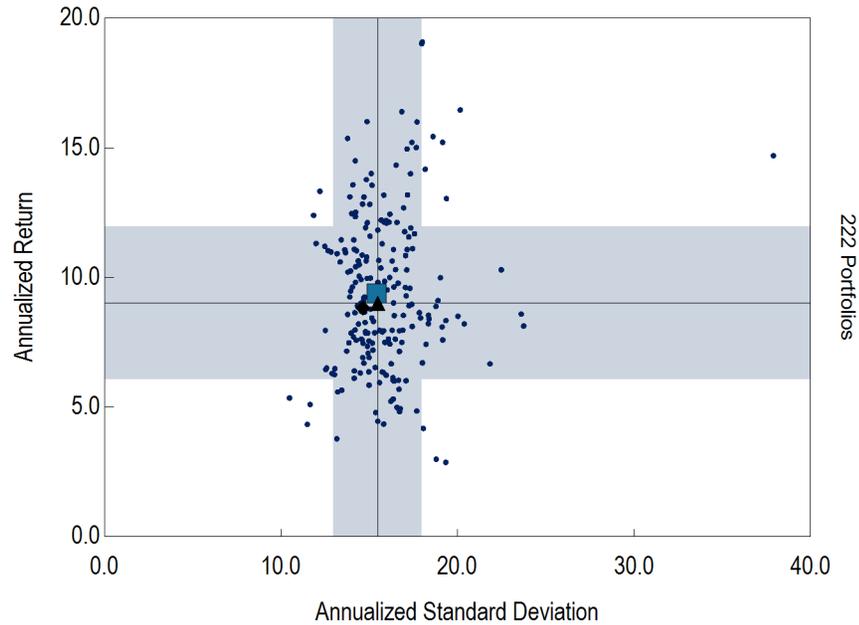


|                           | Return (Rank) |       |       |       |       |       |       |       |      |      |      |      |      |      |      |      |
|---------------------------|---------------|-------|-------|-------|-------|-------|-------|-------|------|------|------|------|------|------|------|------|
| 5th Percentile            | 2.42          | 16.88 | 40.42 | 26.34 | 15.14 | 14.94 | 11.21 | 12.63 |      |      |      |      |      |      |      |      |
| 25th Percentile           | 0.15          | 11.57 | 30.72 | 17.75 | 10.56 | 11.11 | 8.43  | 10.71 |      |      |      |      |      |      |      |      |
| Median                    | -0.82         | 9.12  | 26.02 | 14.11 | 7.86  | 9.01  | 6.71  | 9.17  |      |      |      |      |      |      |      |      |
| 75th Percentile           | -2.10         | 6.29  | 21.65 | 11.18 | 5.91  | 7.49  | 5.15  | 8.09  |      |      |      |      |      |      |      |      |
| 95th Percentile           | -3.72         | 2.18  | 15.82 | 7.16  | 2.85  | 4.99  | 3.61  | 6.61  |      |      |      |      |      |      |      |      |
| # of Portfolios           | 251           | 251   | 251   | 244   | 241   | 222   | 189   | 154   |      |      |      |      |      |      |      |      |
| ● Lazard Asset Management | 0.08          | (28)  | 7.68  | (64)  | 25.03 | (58)  | 13.40 | (60)  | 8.48 | (44) | 9.37 | (46) | 6.51 | (53) | --   | (--) |
| ▲ MSCI EAFE               | -0.45         | (40)  | 8.35  | (58)  | 25.73 | (53)  | 12.41 | (68)  | 7.62 | (53) | 8.81 | (54) | 5.80 | (67) | 8.10 | (75) |

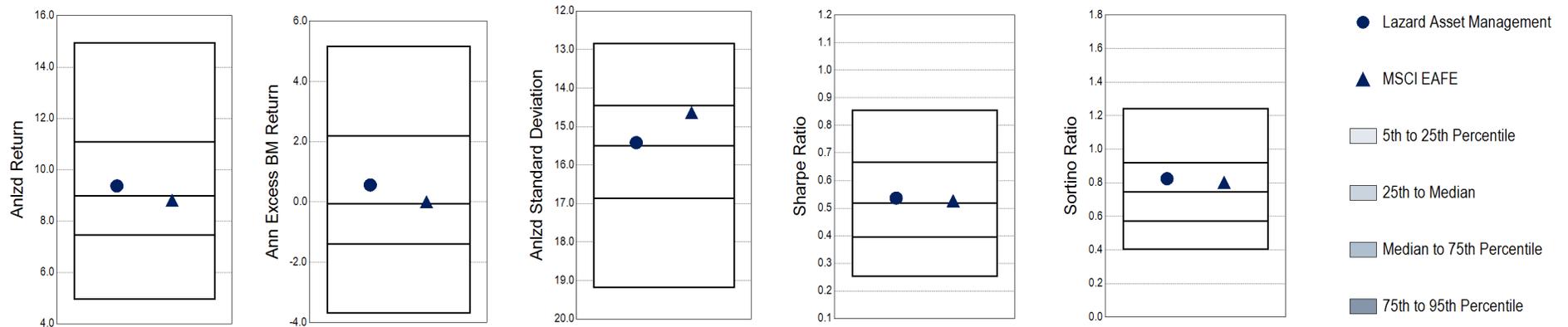
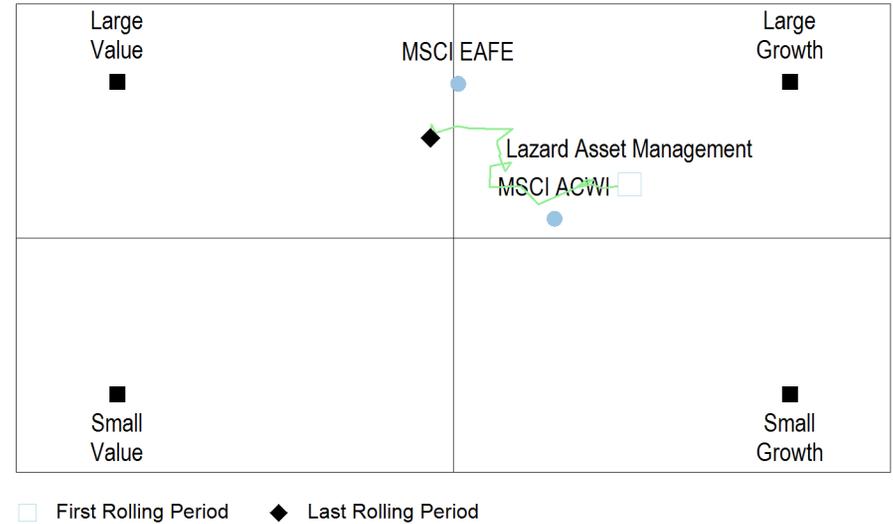


# Los Angeles City Employees' Retirement System LAZARD ASSET MANAGEMENT

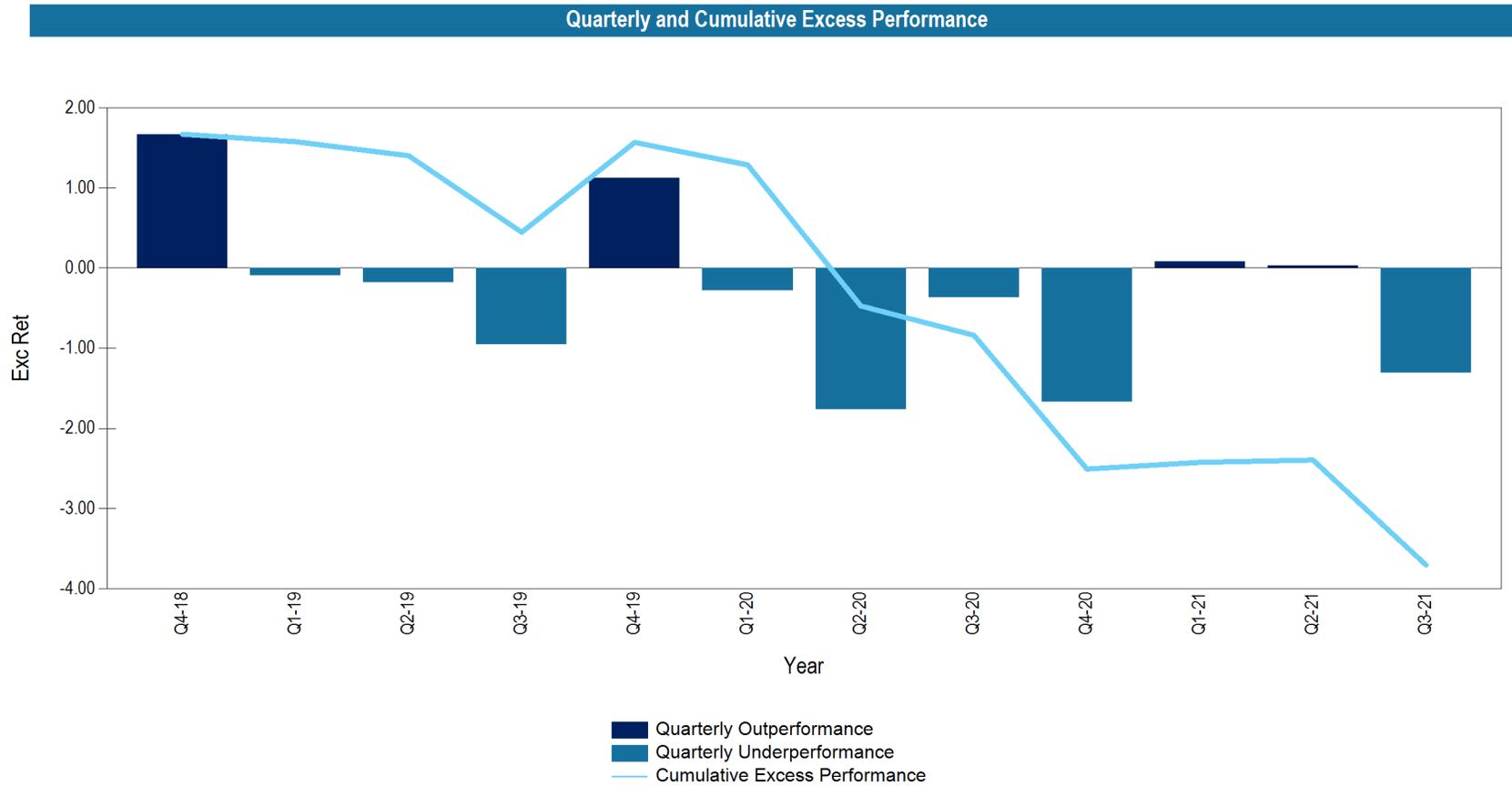
5 Year Risk Return



5 Year Style Map



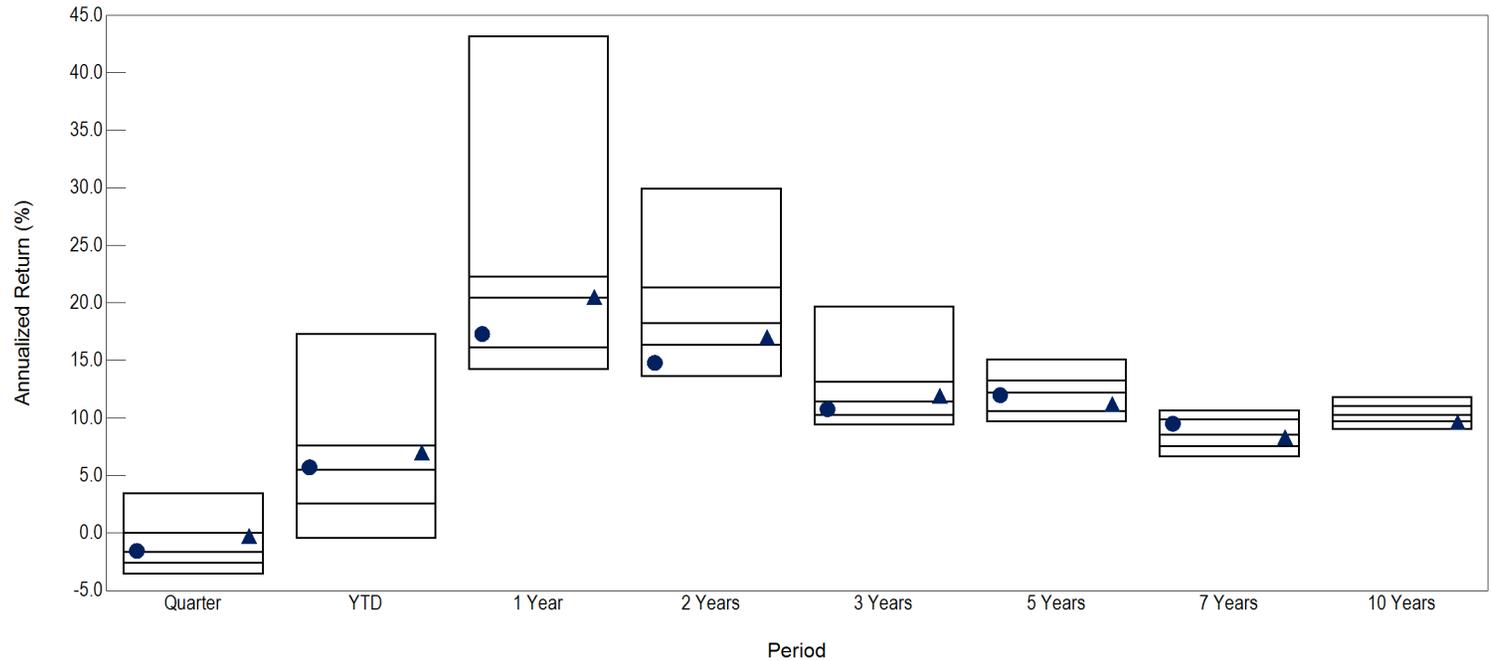
# Los Angeles City Employees' Retirement System MFS INSTITUTIONAL ADVISORS



# Los Angeles City Employees' Retirement System

## MFS INSTITUTIONAL ADVISORS

MFS Institutional Advisors vs. eV EAFE All Cap Growth Net

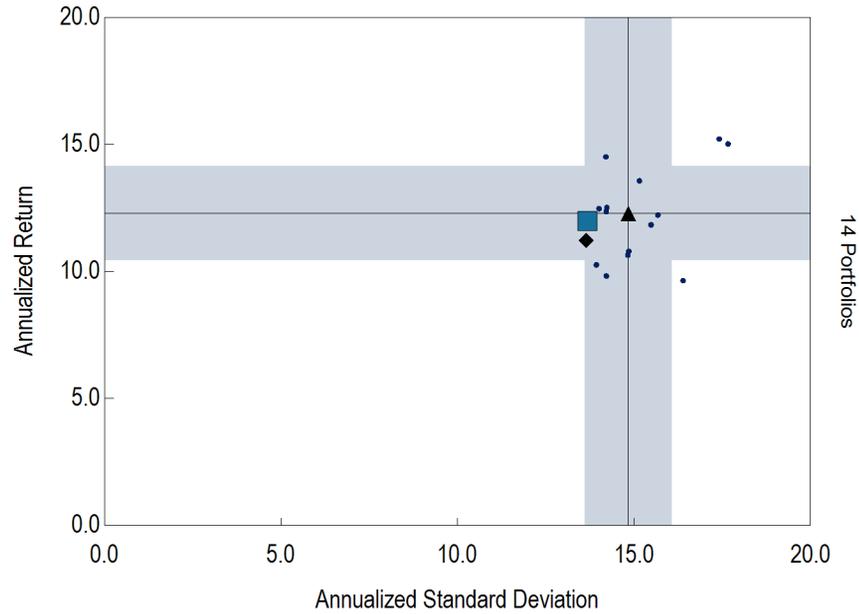


|                                   | Return (Rank) |       |       |       |       |       |       |       |       |      |       |      |      |      |      |      |
|-----------------------------------|---------------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|------|------|------|------|------|
| 5th Percentile                    | 3.47          | 17.27 | 43.16 | 29.90 | 19.68 | 15.08 | 10.63 | 11.82 |       |      |       |      |      |      |      |      |
| 25th Percentile                   | 0.06          | 7.67  | 22.35 | 21.37 | 13.19 | 13.30 | 9.95  | 11.07 |       |      |       |      |      |      |      |      |
| Median                            | -1.59         | 5.55  | 20.53 | 18.31 | 11.49 | 12.28 | 8.59  | 10.30 |       |      |       |      |      |      |      |      |
| 75th Percentile                   | -2.52         | 2.63  | 16.21 | 16.38 | 10.34 | 10.67 | 7.59  | 9.76  |       |      |       |      |      |      |      |      |
| 95th Percentile                   | -3.45         | -0.39 | 14.28 | 13.68 | 9.47  | 9.75  | 6.72  | 9.11  |       |      |       |      |      |      |      |      |
| # of Portfolios                   | 15            | 15    | 15    | 15    | 15    | 14    | 13    | 13    |       |      |       |      |      |      |      |      |
| ● MFS Institutional Advisors      | -1.56         | (50)  | 5.70  | (49)  | 17.29 | (64)  | 14.78 | (93)  | 10.75 | (57) | 11.98 | (59) | 9.50 | (42) | --   | (--) |
| ▲ MSCI World ex USA Growth NR USD | -0.25         | (37)  | 6.99  | (28)  | 20.50 | (51)  | 17.02 | (64)  | 11.92 | (42) | 11.21 | (67) | 8.34 | (62) | 9.63 | (86) |

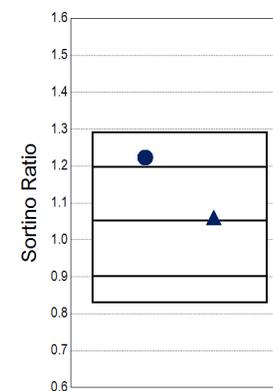
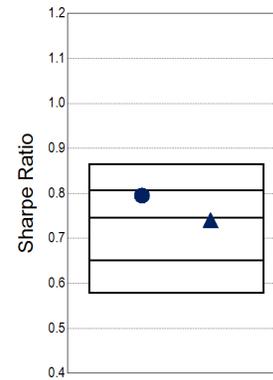
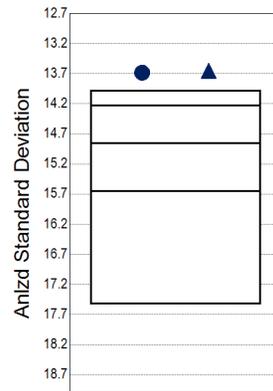
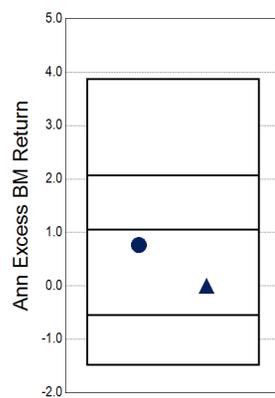
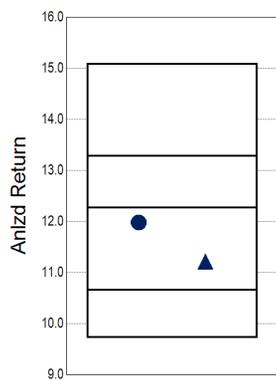
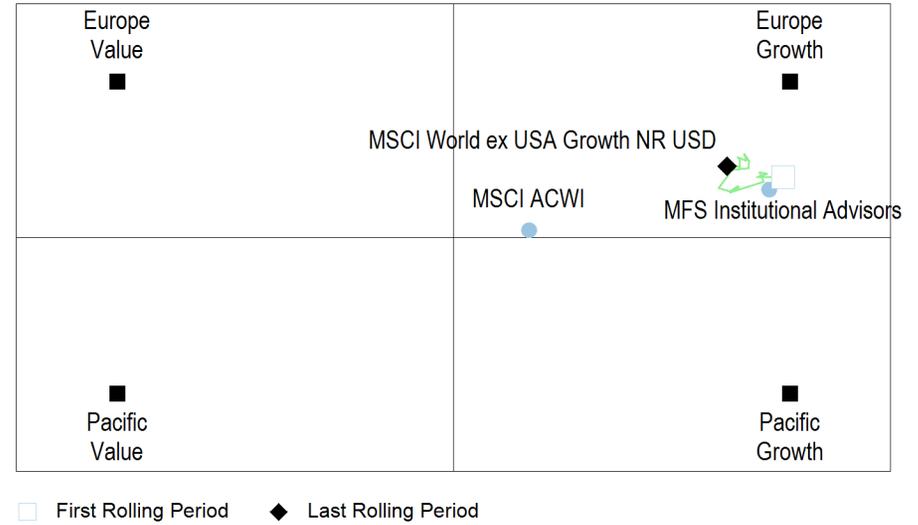


# Los Angeles City Employees' Retirement System MFS INSTITUTIONAL ADVISORS

5 Year Risk Return



5 Year Style Map

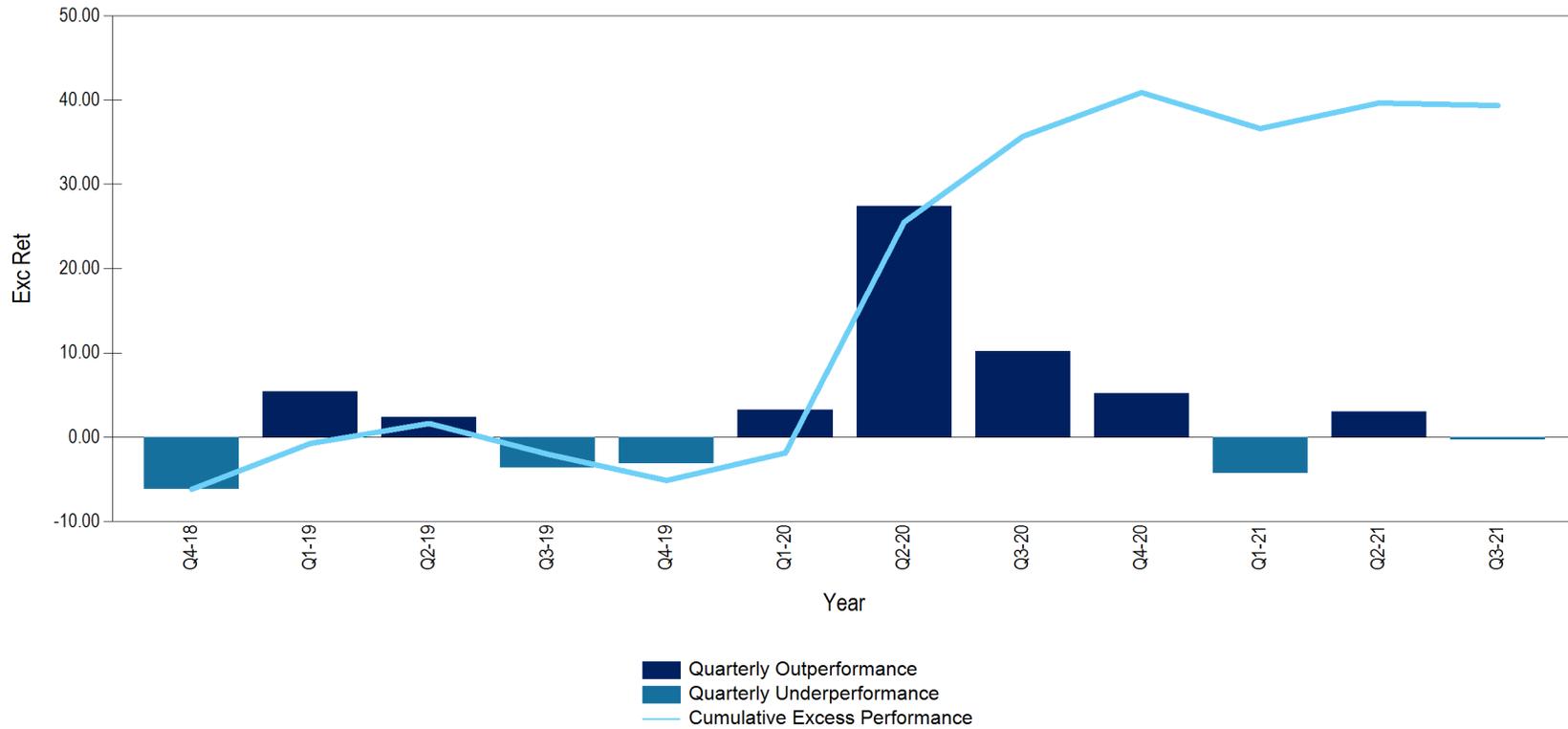


- MFS Institutional Advisors
- ▲ MSCI World ex USA Growth NR USD
- 5th to 25th Percentile
- ▒ 25th to Median
- ▓ Median to 75th Percentile
- 75th to 95th Percentile



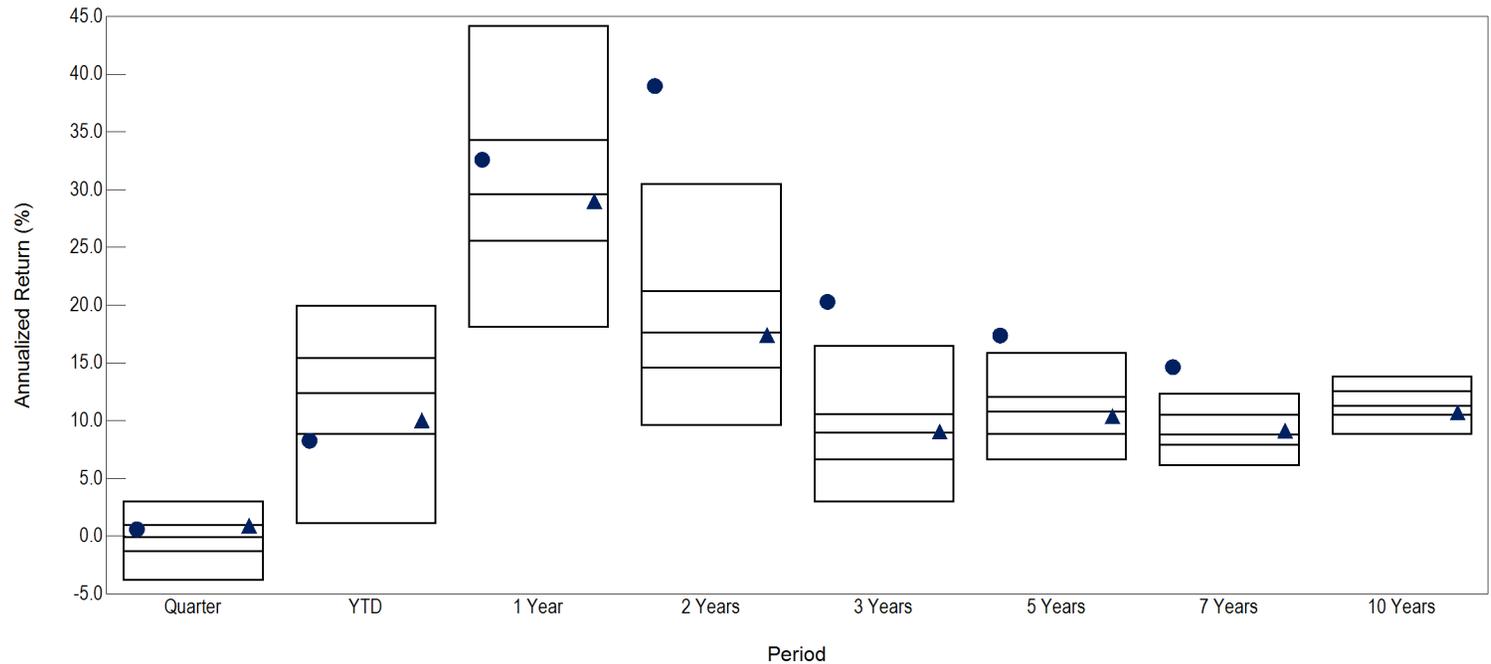
# Los Angeles City Employees' Retirement System OBERWEIS ASSET MGMT

Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System OBERWEIS ASSET MGMT

Oberweis Asset Mgmt vs. eV EAFE Small Cap Equity Net

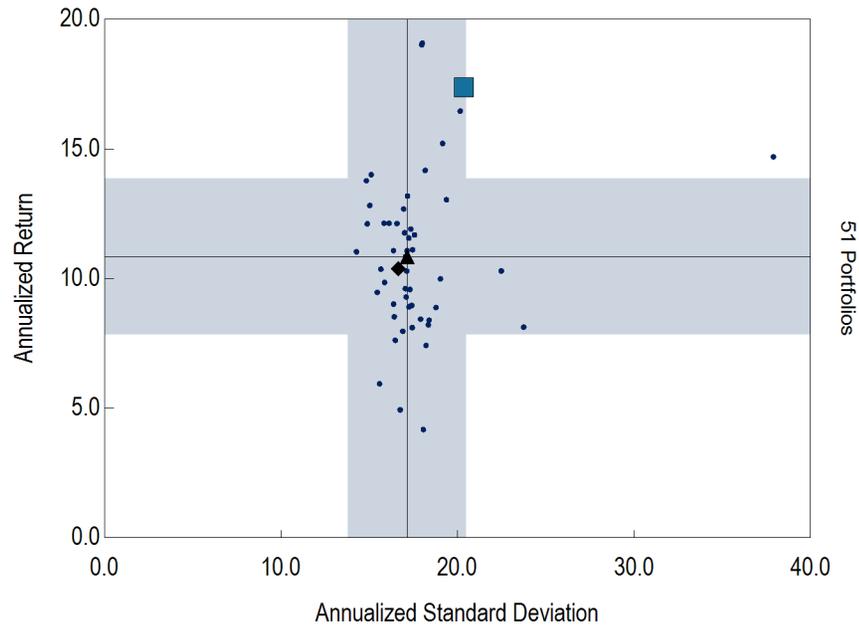


|                       | Return (Rank) |       |       |       |       |       |       |       |       |      |       |      |       |      |       |      |
|-----------------------|---------------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|------|-------|------|-------|------|
| 5th Percentile        | 2.98          | 19.96 | 44.15 | 30.46 | 16.49 | 15.84 | 12.31 | 13.81 |       |      |       |      |       |      |       |      |
| 25th Percentile       | 1.02          | 15.47 | 34.37 | 21.26 | 10.62 | 12.13 | 10.59 | 12.63 |       |      |       |      |       |      |       |      |
| Median                | -0.04         | 12.43 | 29.64 | 17.68 | 9.02  | 10.84 | 8.88  | 11.36 |       |      |       |      |       |      |       |      |
| 75th Percentile       | -1.27         | 8.91  | 25.61 | 14.63 | 6.70  | 8.90  | 7.94  | 10.56 |       |      |       |      |       |      |       |      |
| 95th Percentile       | -3.74         | 1.20  | 18.17 | 9.70  | 3.06  | 6.68  | 6.21  | 8.91  |       |      |       |      |       |      |       |      |
| # of Portfolios       | 60            | 60    | 60    | 57    | 57    | 51    | 37    | 29    |       |      |       |      |       |      |       |      |
| ● Oberweis Asset Mgmt | 0.59          | (37)  | 8.26  | (76)  | 32.58 | (35)  | 38.97 | (2)   | 20.28 | (2)  | 17.37 | (4)  | 14.63 | (1)  | --    | (--) |
| ▲ MSCI EAFE Small Cap | 0.89          | (30)  | 10.02 | (72)  | 29.02 | (56)  | 17.41 | (53)  | 9.05  | (49) | 10.38 | (52) | 9.15  | (47) | 10.73 | (68) |

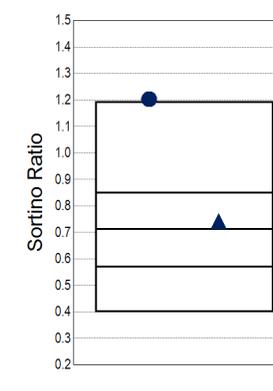
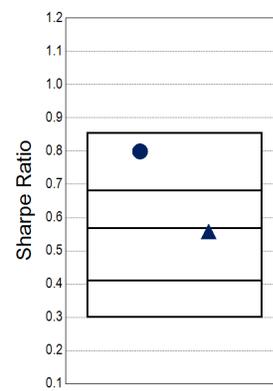
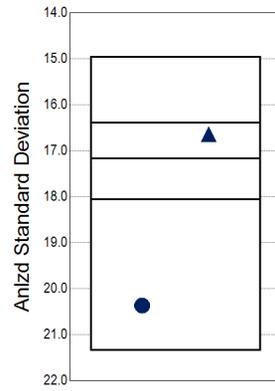
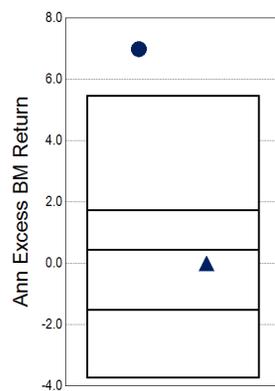
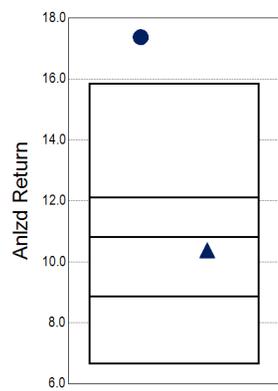
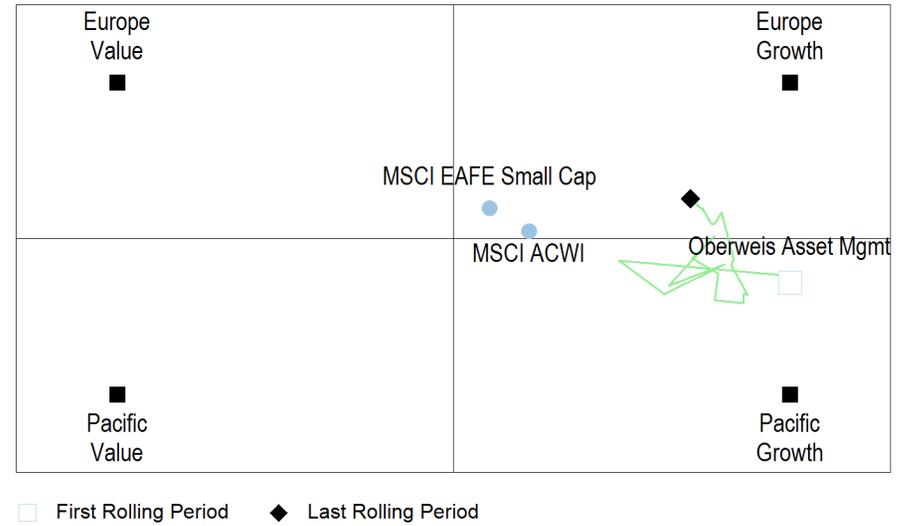


# Los Angeles City Employees' Retirement System OBERWEIS ASSET MGMT

5 Year Risk Return



5 Year Style Map

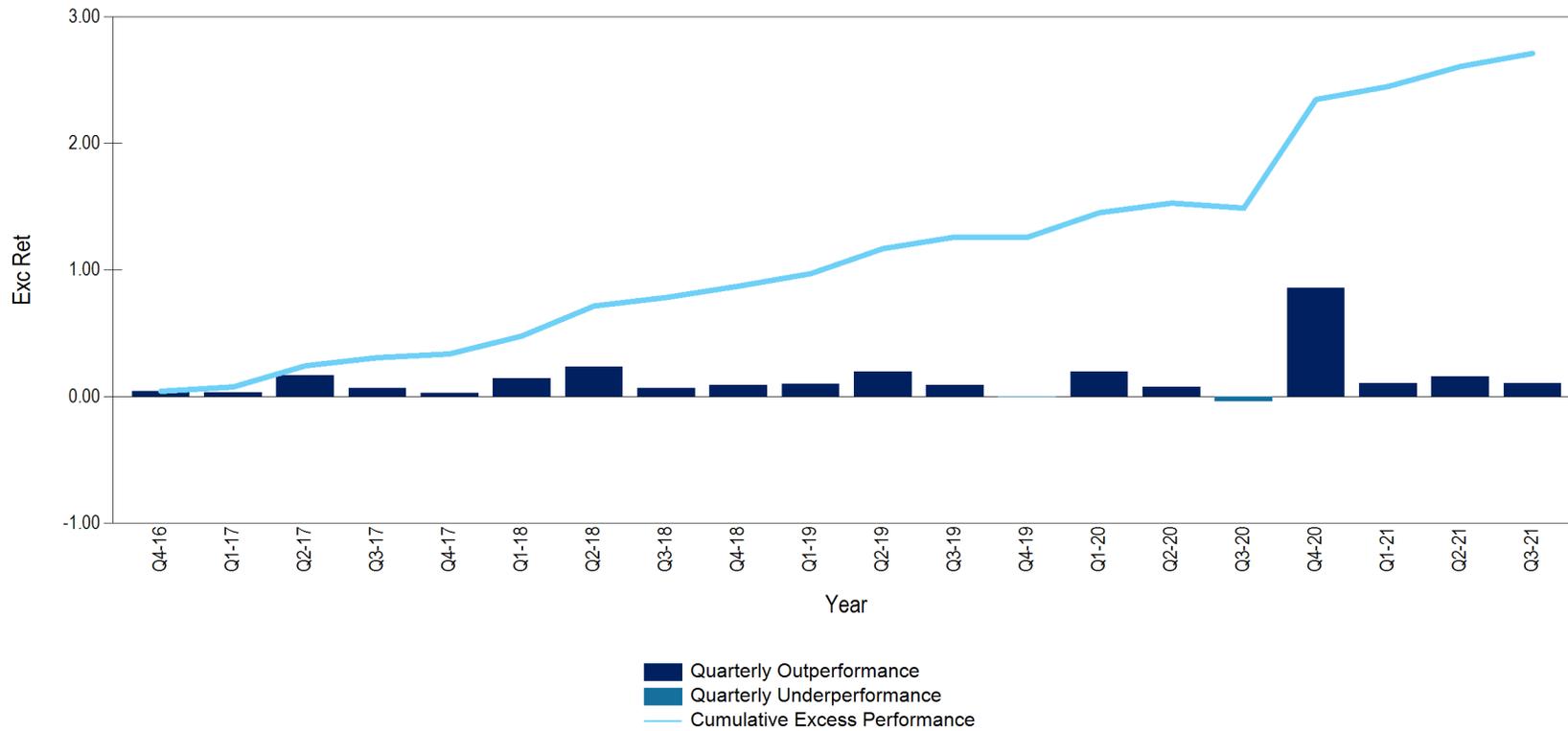


- Oberweis Asset Mgmt
- ▲ MSCI EAFE Small Cap
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System SSGA WORLD EX US IMI

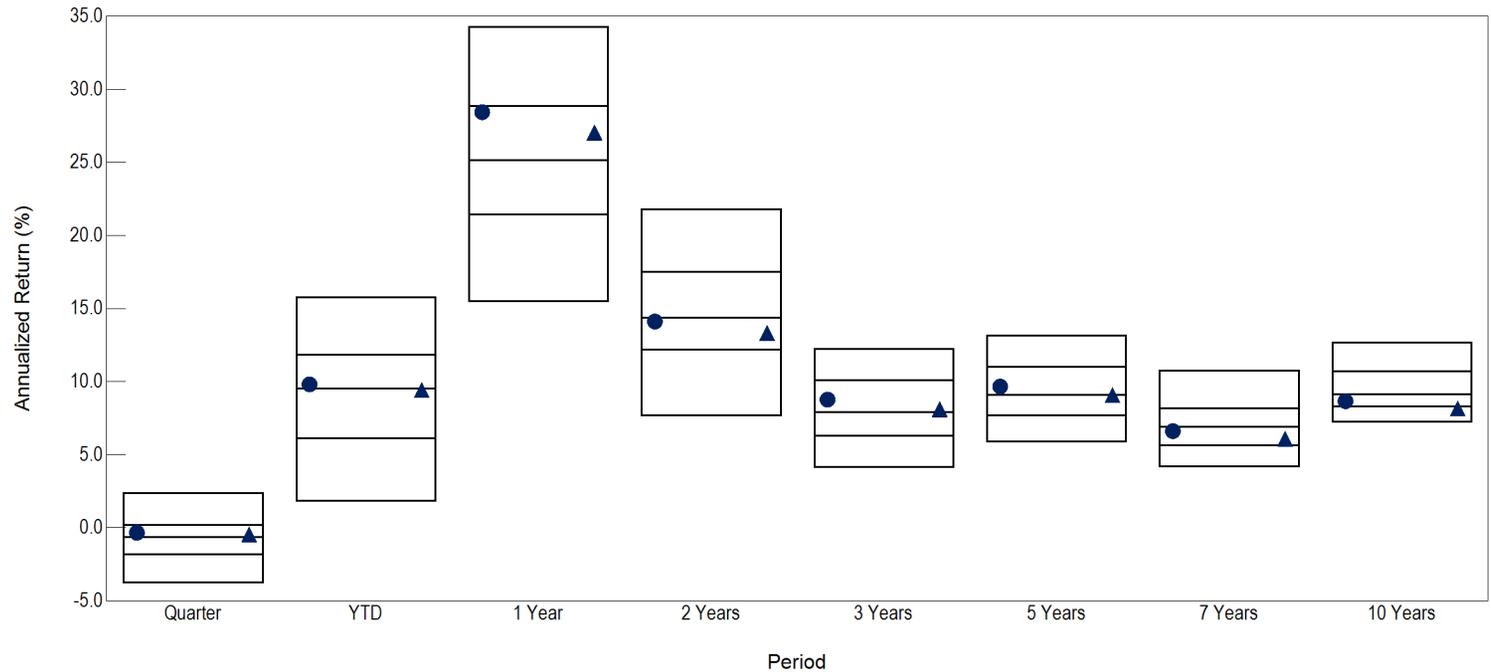
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## SSGA WORLD EX US IMI

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



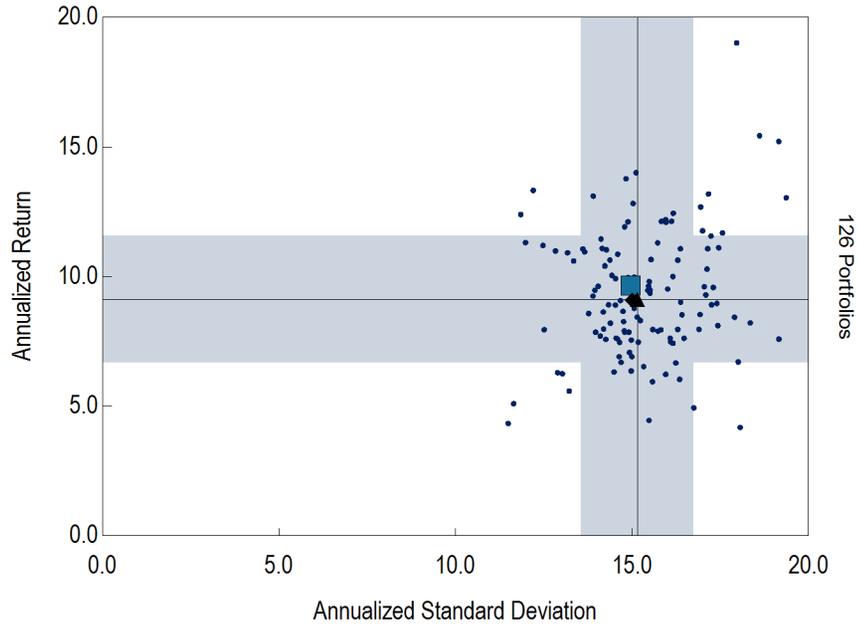
|                                | Return (Rank) |      |       |      |        |      |         |      |         |      |         |      |         |      |          |      |
|--------------------------------|---------------|------|-------|------|--------|------|---------|------|---------|------|---------|------|---------|------|----------|------|
|                                | Quarter       |      | YTD   |      | 1 Year |      | 2 Years |      | 3 Years |      | 5 Years |      | 7 Years |      | 10 Years |      |
| 5th Percentile                 | 2.37          |      | 15.78 |      | 34.29  |      | 21.79   |      | 12.22   |      | 13.17   |      | 10.74   |      | 12.68    |      |
| 25th Percentile                | 0.25          |      | 11.87 |      | 28.89  |      | 17.55   |      | 10.12   |      | 11.06   |      | 8.23    |      | 10.76    |      |
| Median                         | -0.59         |      | 9.58  |      | 25.21  |      | 14.42   |      | 7.95    |      | 9.12    |      | 6.96    |      | 9.19     |      |
| 75th Percentile                | -1.76         |      | 6.18  |      | 21.48  |      | 12.24   |      | 6.35    |      | 7.74    |      | 5.70    |      | 8.35     |      |
| 95th Percentile                | -3.71         |      | 1.90  |      | 15.57  |      | 7.74    |      | 4.19    |      | 5.97    |      | 4.23    |      | 7.29     |      |
| # of Portfolios                | 136           |      | 136   |      | 136    |      | 136     |      | 135     |      | 126     |      | 108     |      | 84       |      |
| ● SSGA World ex US IMI         | -0.34         | (42) | 9.81  | (47) | 28.43  | (30) | 14.11   | (53) | 8.77    | (41) | 9.66    | (40) | 6.61    | (56) | 8.66     | (68) |
| ▲ MSCI World ex USA IMI NR USD | -0.45         | (47) | 9.43  | (52) | 27.04  | (42) | 13.33   | (65) | 8.10    | (49) | 9.09    | (51) | 6.09    | (65) | 8.17     | (83) |



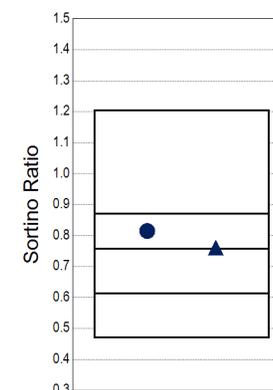
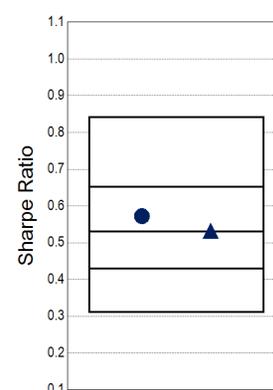
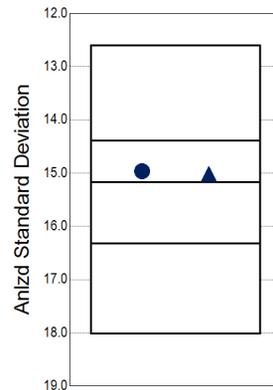
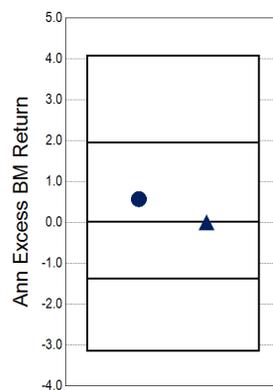
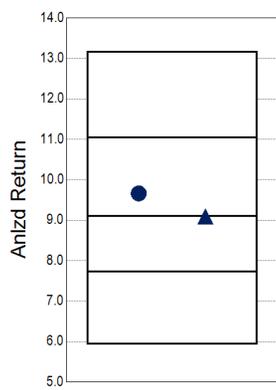
# Los Angeles City Employees' Retirement System

## SSGA WORLD EX US IMI

5 Years Ending September 30, 2021



Non U.S. Regional Effective Style Map  
5 Years Ending September 30, 2021

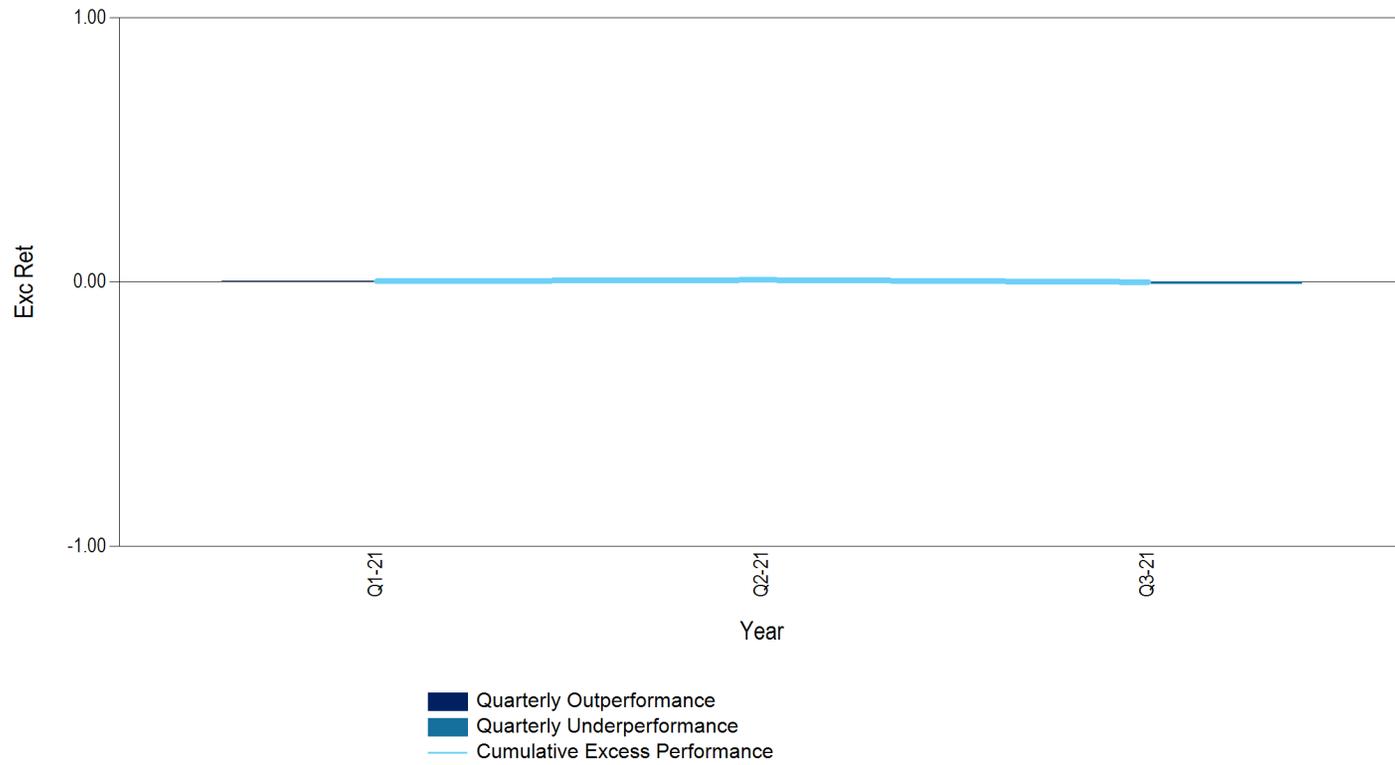


- SSGA World ex US IMI
- ▲ MSCI World ex USA IMI NR USD
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System SSGA EAFE SC

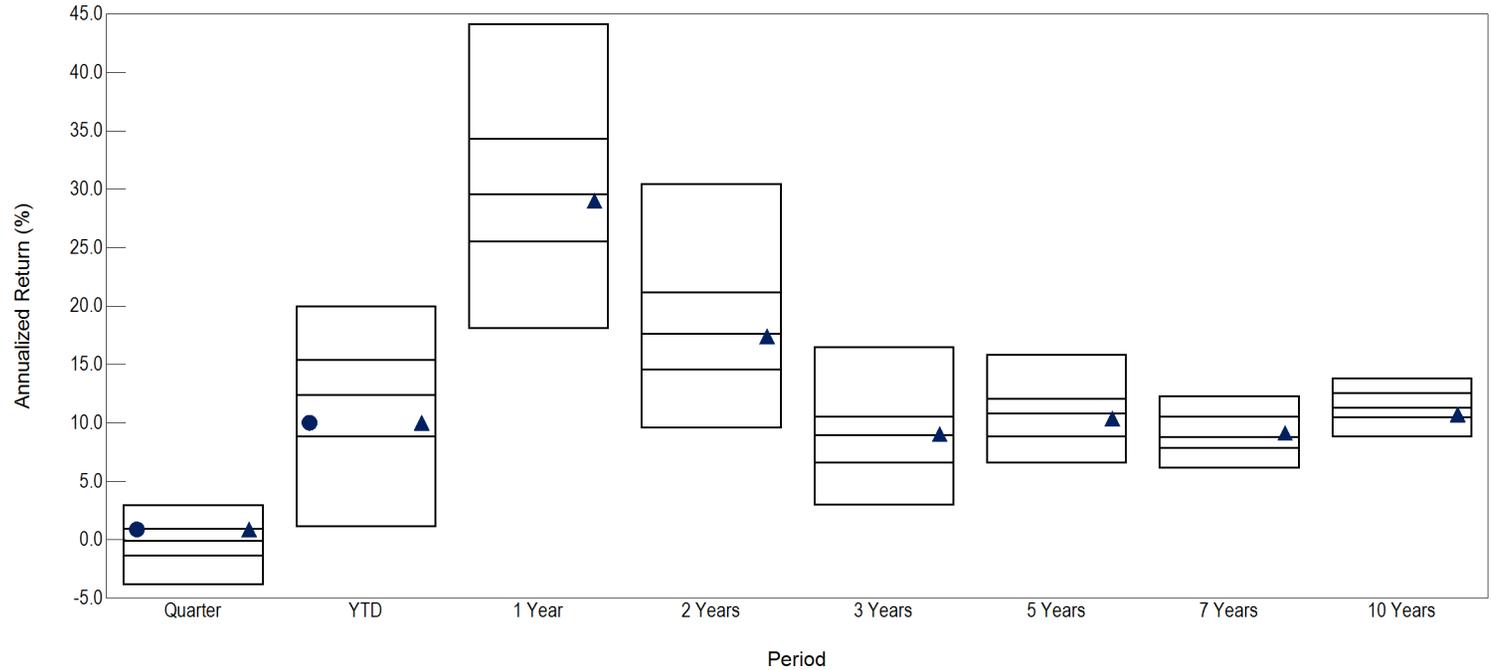
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## SSGA EAFE SC

State Street EAFE SC vs. eV EAFE Small Cap Equity Net



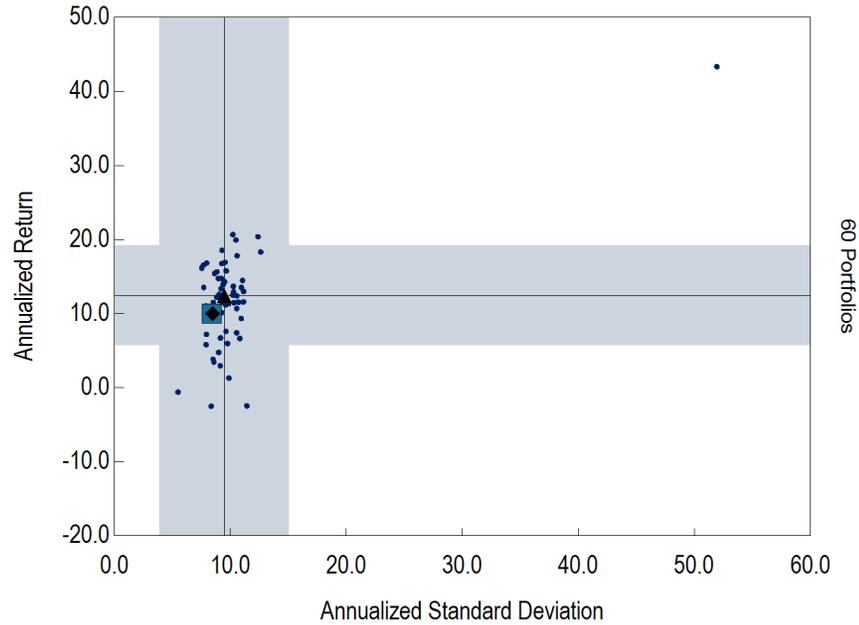
|                        | Return (Rank) |       |       |       |       |       |       |       |      |      |       |      |      |      |       |      |
|------------------------|---------------|-------|-------|-------|-------|-------|-------|-------|------|------|-------|------|------|------|-------|------|
| 5th Percentile         | 2.98          | 19.96 | 44.15 | 30.46 | 16.49 | 15.84 | 12.31 | 13.81 |      |      |       |      |      |      |       |      |
| 25th Percentile        | 1.02          | 15.47 | 34.37 | 21.26 | 10.62 | 12.13 | 10.59 | 12.63 |      |      |       |      |      |      |       |      |
| Median                 | -0.04         | 12.43 | 29.64 | 17.68 | 9.02  | 10.84 | 8.88  | 11.36 |      |      |       |      |      |      |       |      |
| 75th Percentile        | -1.27         | 8.91  | 25.61 | 14.63 | 6.70  | 8.90  | 7.94  | 10.56 |      |      |       |      |      |      |       |      |
| 95th Percentile        | -3.74         | 1.20  | 18.17 | 9.70  | 3.06  | 6.68  | 6.21  | 8.91  |      |      |       |      |      |      |       |      |
| # of Portfolios        | 60            | 60    | 60    | 57    | 57    | 51    | 37    | 29    |      |      |       |      |      |      |       |      |
| ● State Street EAFE SC | 0.89          | (30)  | 10.02 | (72)  | --    | (--)  | --    | (--)  | --   | (--) | --    | (--) | --   | (--) | --    | (--) |
| ▲ MSCI EAFE Small Cap  | 0.89          | (30)  | 10.02 | (72)  | 29.02 | (56)  | 17.41 | (53)  | 9.05 | (49) | 10.38 | (52) | 9.15 | (47) | 10.73 | (68) |



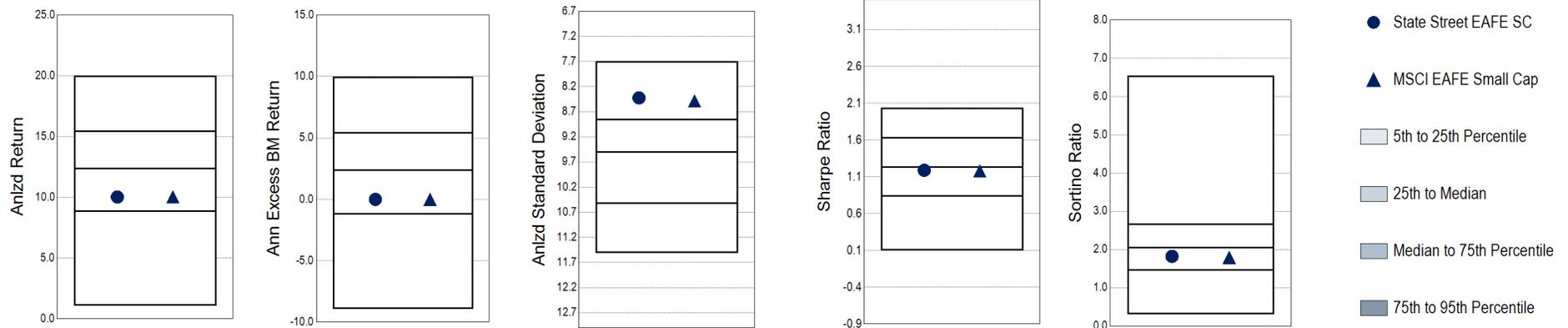
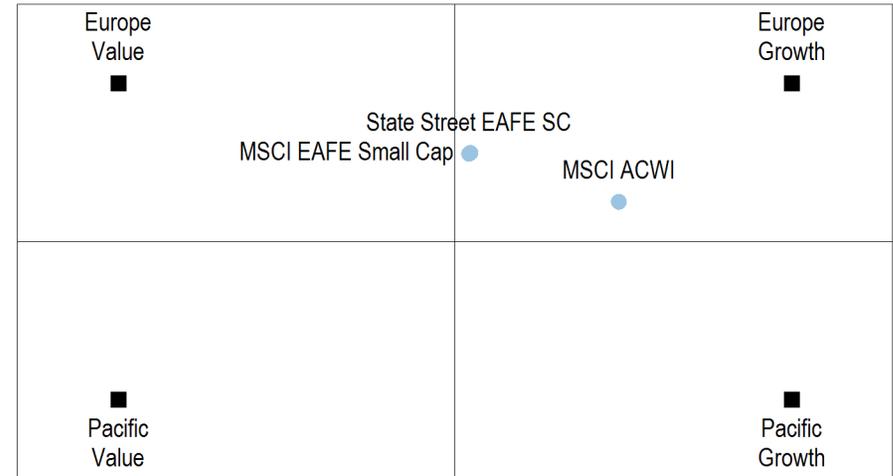
# Los Angeles City Employees' Retirement System

## SSGA EAFE SC

Since Inception Risk Return

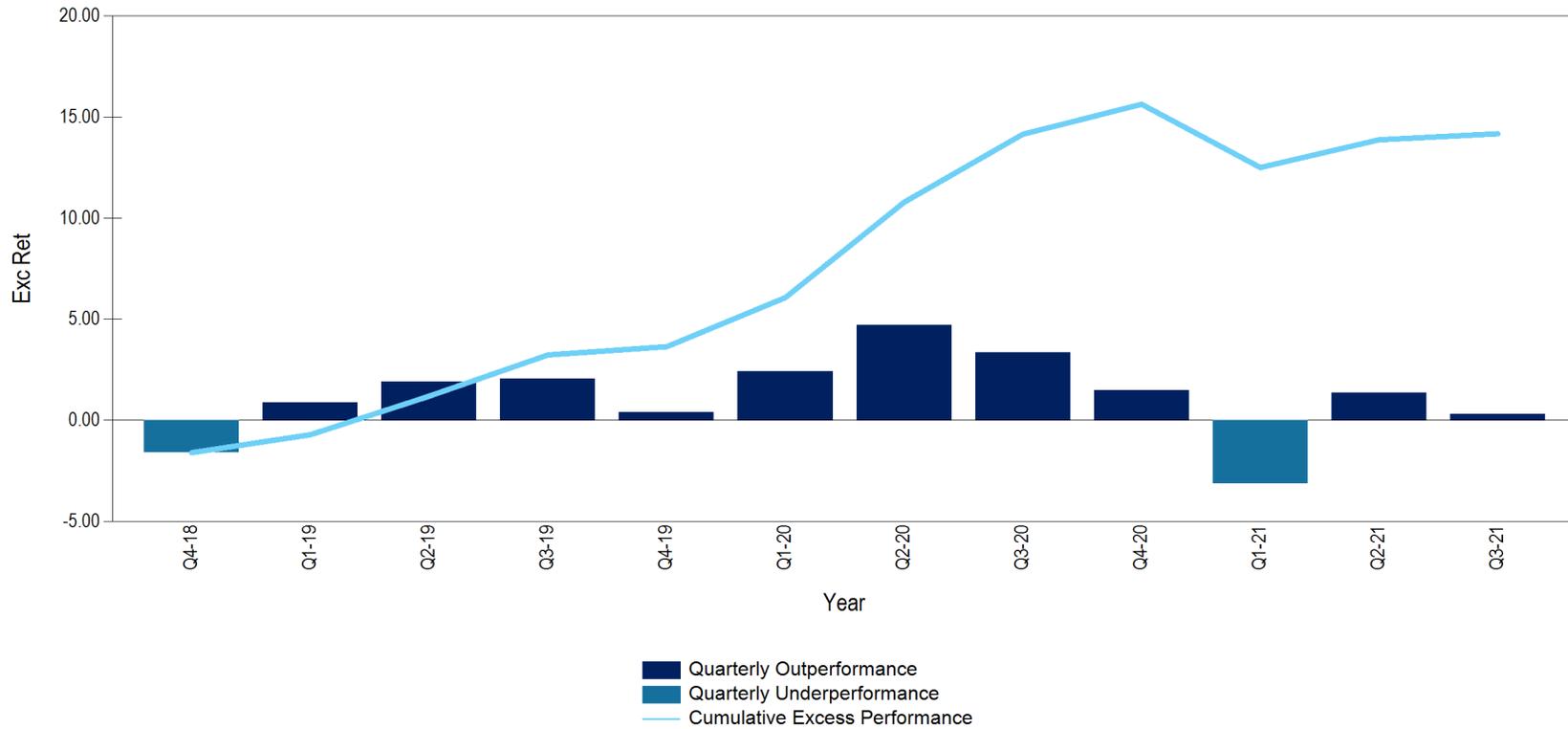


Non U.S. Regional Effective Style Map  
Since Inception Ending September 30, 2021



# Los Angeles City Employees' Retirement System AXIOM EMERGING MARKETS

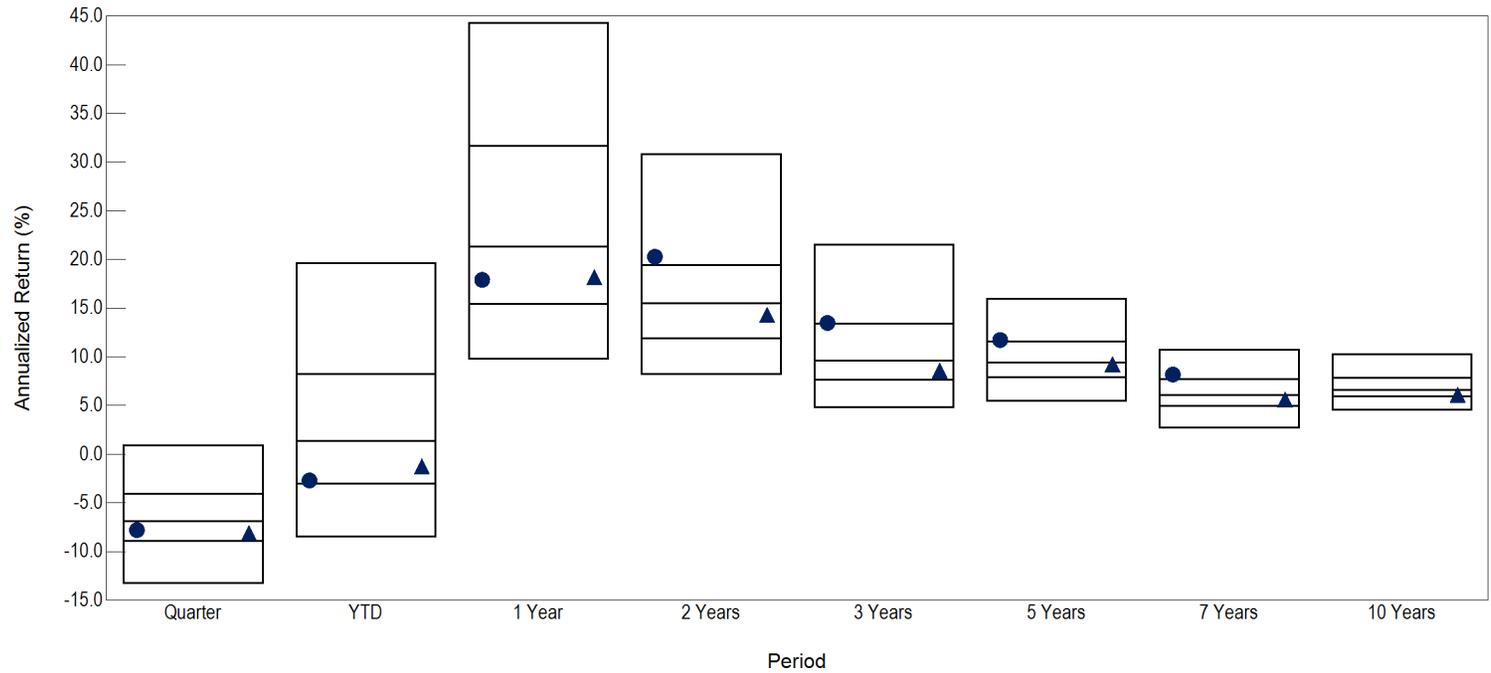
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## AXIOM EMERGING MARKETS

Axiom Emerging Markets vs. eV Emg Mkts Equity Net



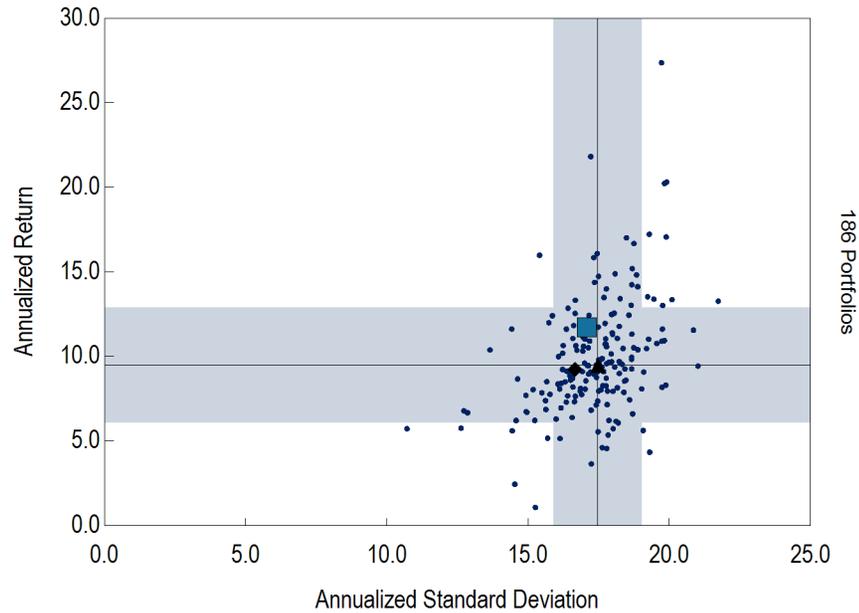
|                          | Return (Rank) |       |       |       |       |       |       |       |       |      |       |      |      |      |      |      |
|--------------------------|---------------|-------|-------|-------|-------|-------|-------|-------|-------|------|-------|------|------|------|------|------|
| 5th Percentile           | 0.91          | 19.63 | 44.28 | 30.83 | 21.51 | 15.94 | 10.74 | 10.25 |       |      |       |      |      |      |      |      |
| 25th Percentile          | -4.00         | 8.32  | 31.73 | 19.52 | 13.44 | 11.61 | 7.80  | 7.89  |       |      |       |      |      |      |      |      |
| Median                   | -6.84         | 1.41  | 21.38 | 15.59 | 9.68  | 9.48  | 6.15  | 6.66  |       |      |       |      |      |      |      |      |
| 75th Percentile          | -8.86         | -2.99 | 15.47 | 11.97 | 7.68  | 7.95  | 5.00  | 5.99  |       |      |       |      |      |      |      |      |
| 95th Percentile          | -13.19        | -8.36 | 9.84  | 8.28  | 4.92  | 5.56  | 2.77  | 4.62  |       |      |       |      |      |      |      |      |
| # of Portfolios          | 234           | 233   | 231   | 223   | 211   | 186   | 159   | 113   |       |      |       |      |      |      |      |      |
| ● Axiom Emerging Markets | -7.79         | (62)  | -2.70 | (74)  | 17.90 | (68)  | 20.27 | (24)  | 13.48 | (25) | 11.73 | (23) | 8.18 | (24) | --   | (--) |
| ▲ MSCI Emerging Markets  | -8.09         | (65)  | -1.25 | (66)  | 18.20 | (67)  | 14.31 | (58)  | 8.58  | (63) | 9.23  | (54) | 5.62 | (59) | 6.09 | (70) |



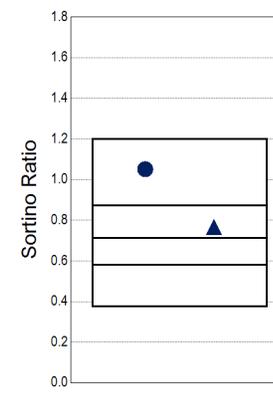
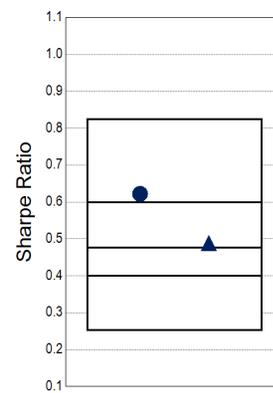
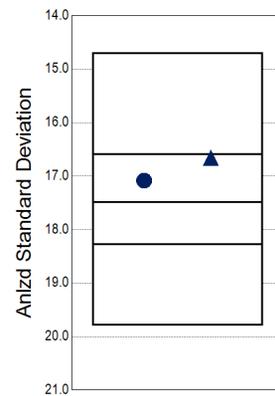
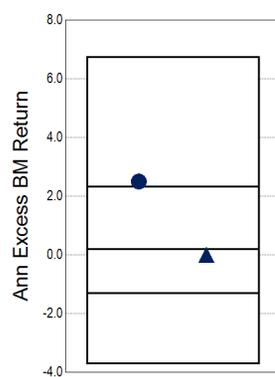
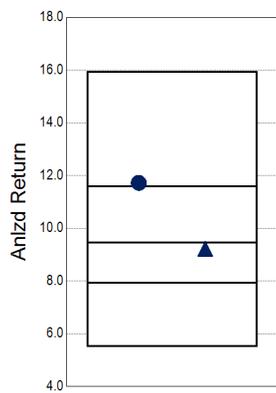
# Los Angeles City Employees' Retirement System

## AXIOM EMERGING MARKETS

5 Year Risk Return



5 Year Style Map

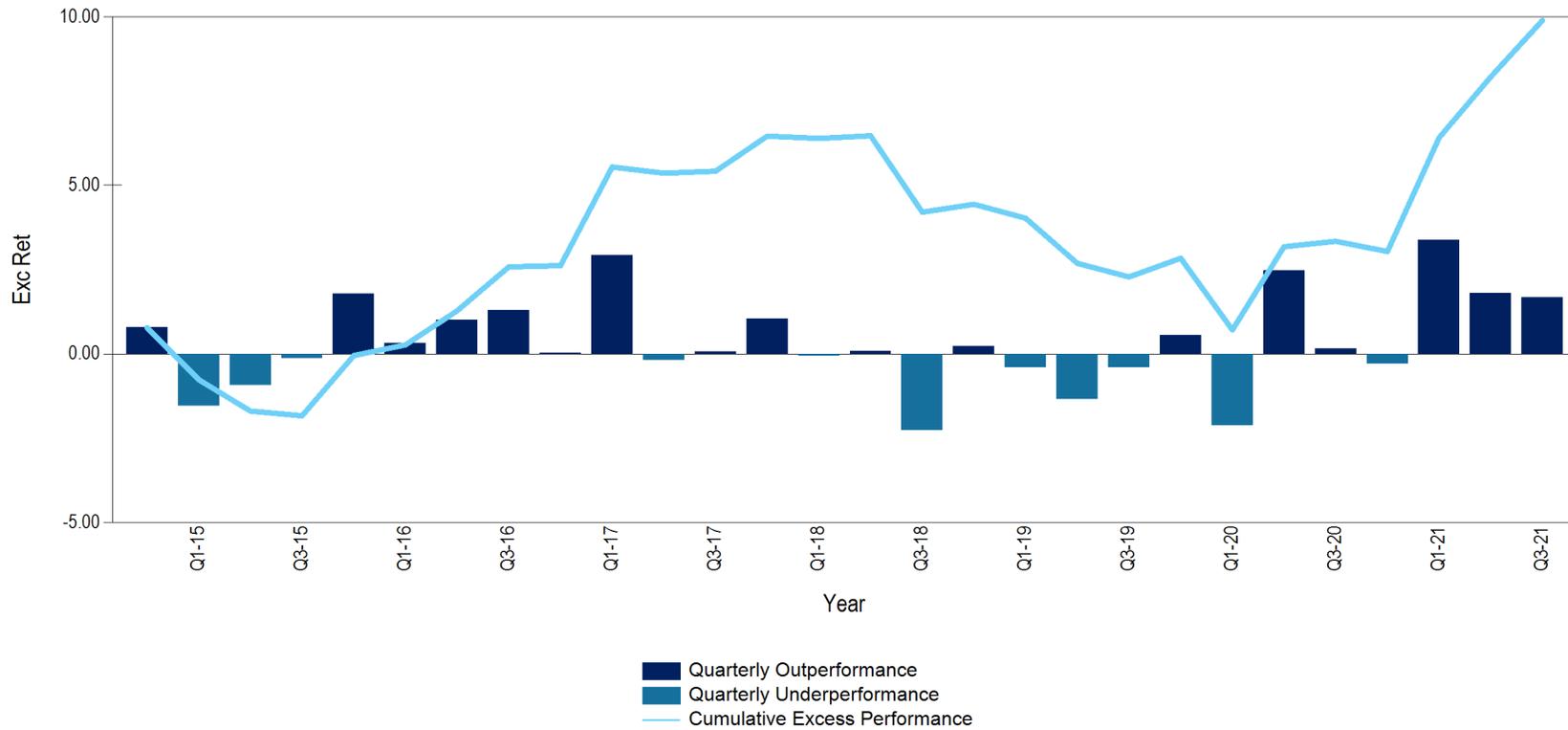


- Axiom Emerging Markets
- ▲ MSCI Emerging Markets
- 5th to 25th Percentile
- ▒ 25th to Median
- ▓ Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System DFA EMERGING MARKETS

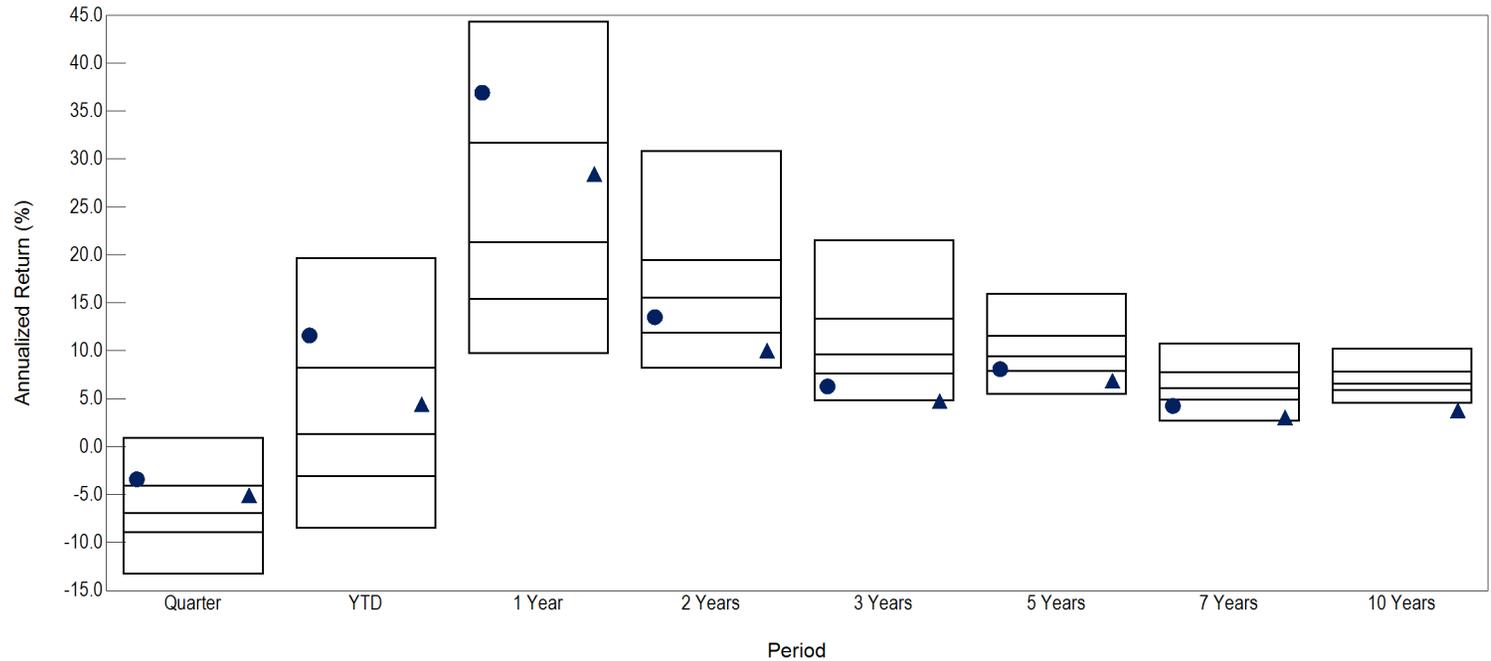
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## DFA EMERGING MARKETS

DFA Emerging Markets vs. eV Emg Mkts Equity Net



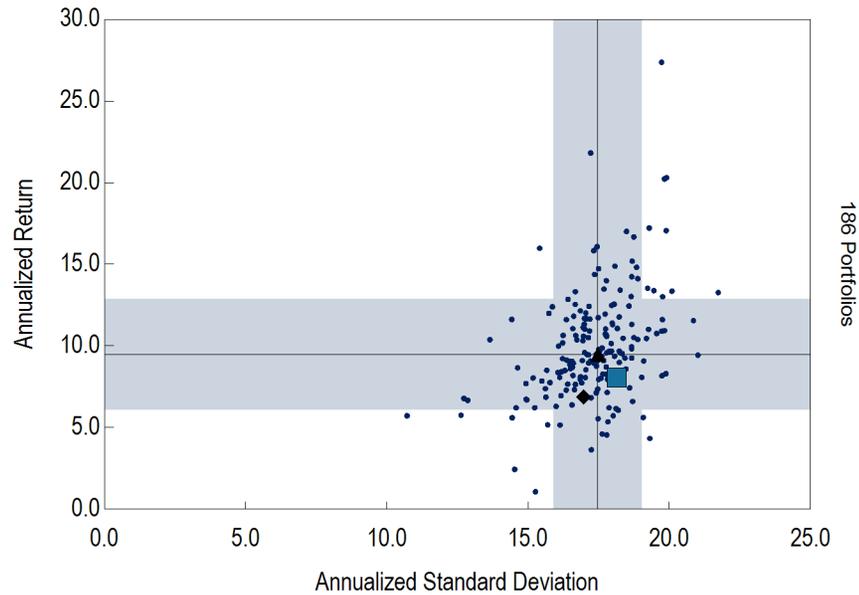
|                                      | Return (Rank) |       |       |       |       |       |       |       |      |      |      |      |      |      |      |      |
|--------------------------------------|---------------|-------|-------|-------|-------|-------|-------|-------|------|------|------|------|------|------|------|------|
| 5th Percentile                       | 0.91          | 19.63 | 44.28 | 30.83 | 21.51 | 15.94 | 10.74 | 10.25 |      |      |      |      |      |      |      |      |
| 25th Percentile                      | -4.00         | 8.32  | 31.73 | 19.52 | 13.44 | 11.61 | 7.80  | 7.89  |      |      |      |      |      |      |      |      |
| Median                               | -6.84         | 1.41  | 21.38 | 15.59 | 9.68  | 9.48  | 6.15  | 6.66  |      |      |      |      |      |      |      |      |
| 75th Percentile                      | -8.86         | -2.99 | 15.47 | 11.97 | 7.68  | 7.95  | 5.00  | 5.99  |      |      |      |      |      |      |      |      |
| 95th Percentile                      | -13.19        | -8.36 | 9.84  | 8.28  | 4.92  | 5.56  | 2.77  | 4.62  |      |      |      |      |      |      |      |      |
| # of Portfolios                      | 234           | 233   | 231   | 223   | 211   | 186   | 159   | 113   |      |      |      |      |      |      |      |      |
| ● DFA Emerging Markets               | -3.40         | (21)  | 11.60 | (17)  | 36.90 | (17)  | 13.51 | (66)  | 6.28 | (89) | 8.08 | (72) | 4.25 | (84) | --   | (--) |
| ▲ MSCI Emerging Markets Value NR USD | -5.08         | (31)  | 4.43  | (36)  | 28.43 | (29)  | 10.05 | (88)  | 4.77 | (96) | 6.87 | (85) | 3.05 | (92) | 3.79 | (99) |



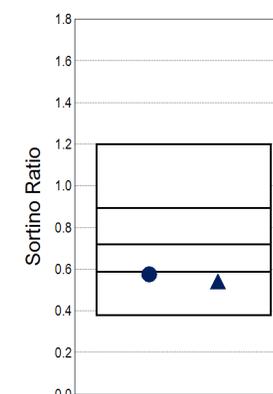
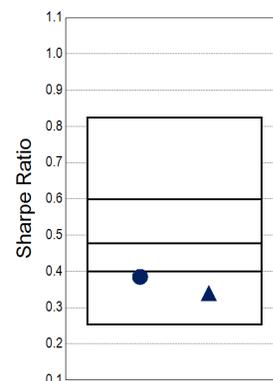
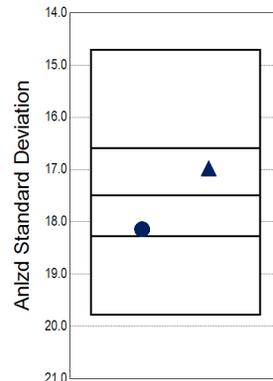
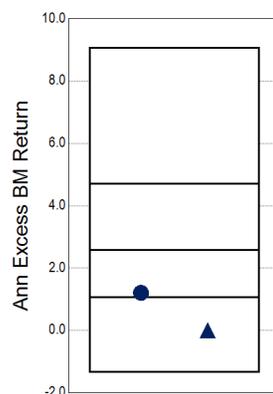
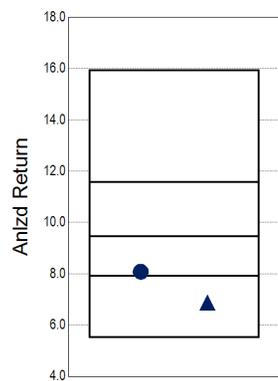
# Los Angeles City Employees' Retirement System

## DFA EMERGING MARKETS

5 Year Risk Return



5 Year Style Map

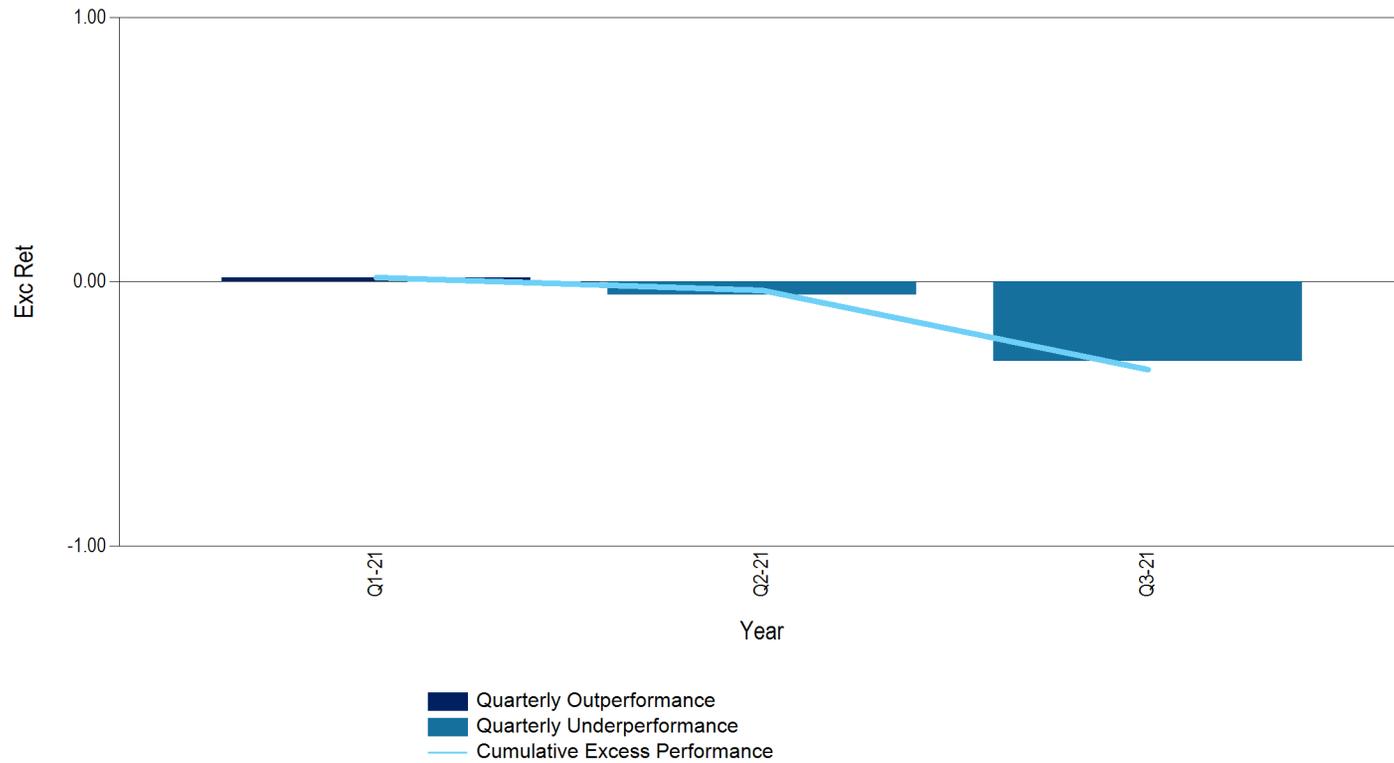


- DFA Emerging Markets
- ▲ MSCI Emerging Markets Value NR USD
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System SSGA EMERGING MARKETS

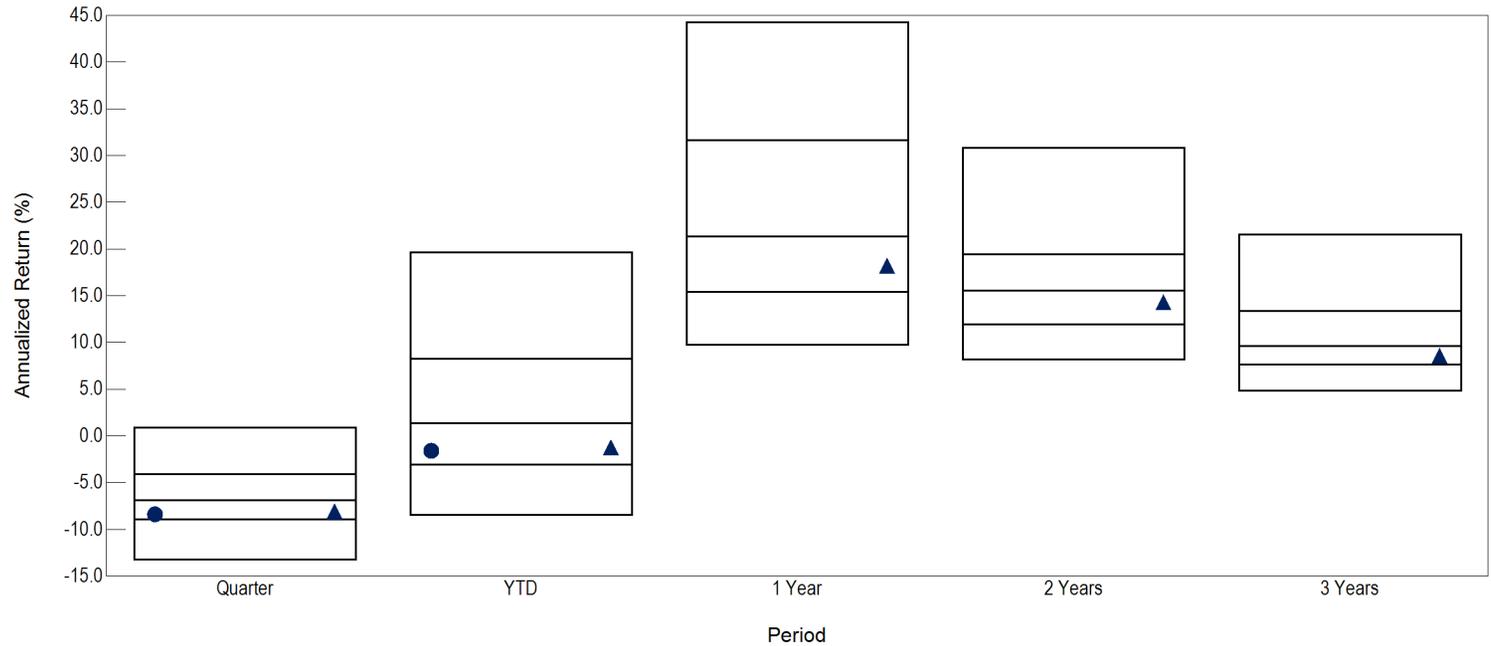
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## SSGA EMERGING MARKETS

State Street Emerging Markets vs. eV Emg Mkts Equity Net



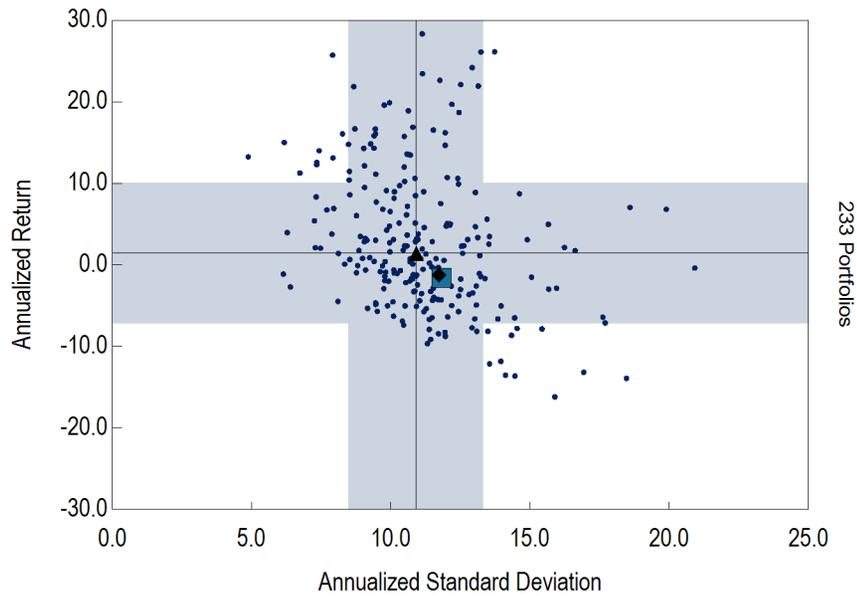
|                                 | Return (Rank) |      |       |      |       |      |       |      |       |      |
|---------------------------------|---------------|------|-------|------|-------|------|-------|------|-------|------|
| 5th Percentile                  | 0.91          |      | 19.63 |      | 44.28 |      | 30.83 |      | 21.51 |      |
| 25th Percentile                 | -4.00         |      | 8.32  |      | 31.73 |      | 19.52 |      | 13.44 |      |
| Median                          | -6.84         |      | 1.41  |      | 21.38 |      | 15.59 |      | 9.68  |      |
| 75th Percentile                 | -8.86         |      | -2.99 |      | 15.47 |      | 11.97 |      | 7.68  |      |
| 95th Percentile                 | -13.19        |      | -8.36 |      | 9.84  |      | 8.28  |      | 4.92  |      |
| # of Portfolios                 | 234           |      | 233   |      | 231   |      | 223   |      | 211   |      |
| ● State Street Emerging Markets | -8.39         | (69) | -1.60 | (68) | --    | (--) | --    | (--) | --    | (--) |
| ▲ MSCI Emerging Markets         | -8.09         | (65) | -1.25 | (66) | 18.20 | (67) | 14.31 | (58) | 8.58  | (63) |



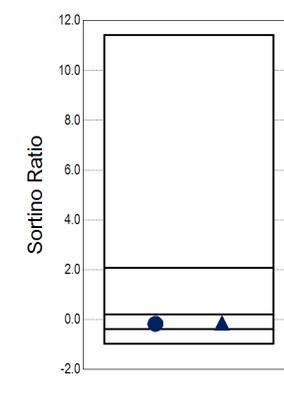
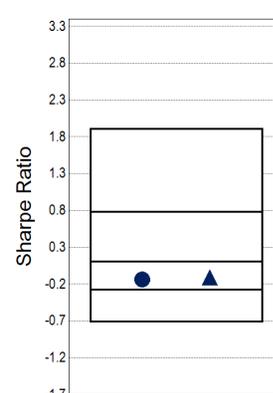
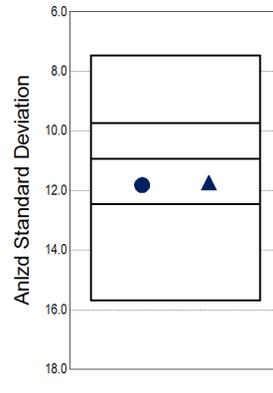
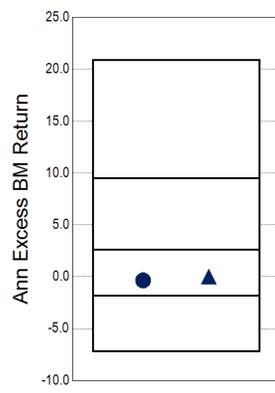
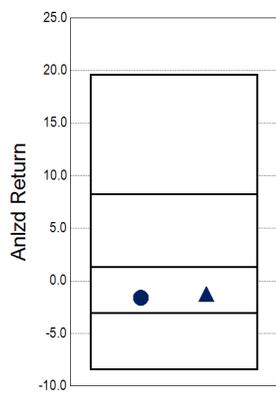
# Los Angeles City Employees' Retirement System

## SSGA EMERGING MARKETS

Since Inception Risk Return



Non U.S. Regional Effective Style Map

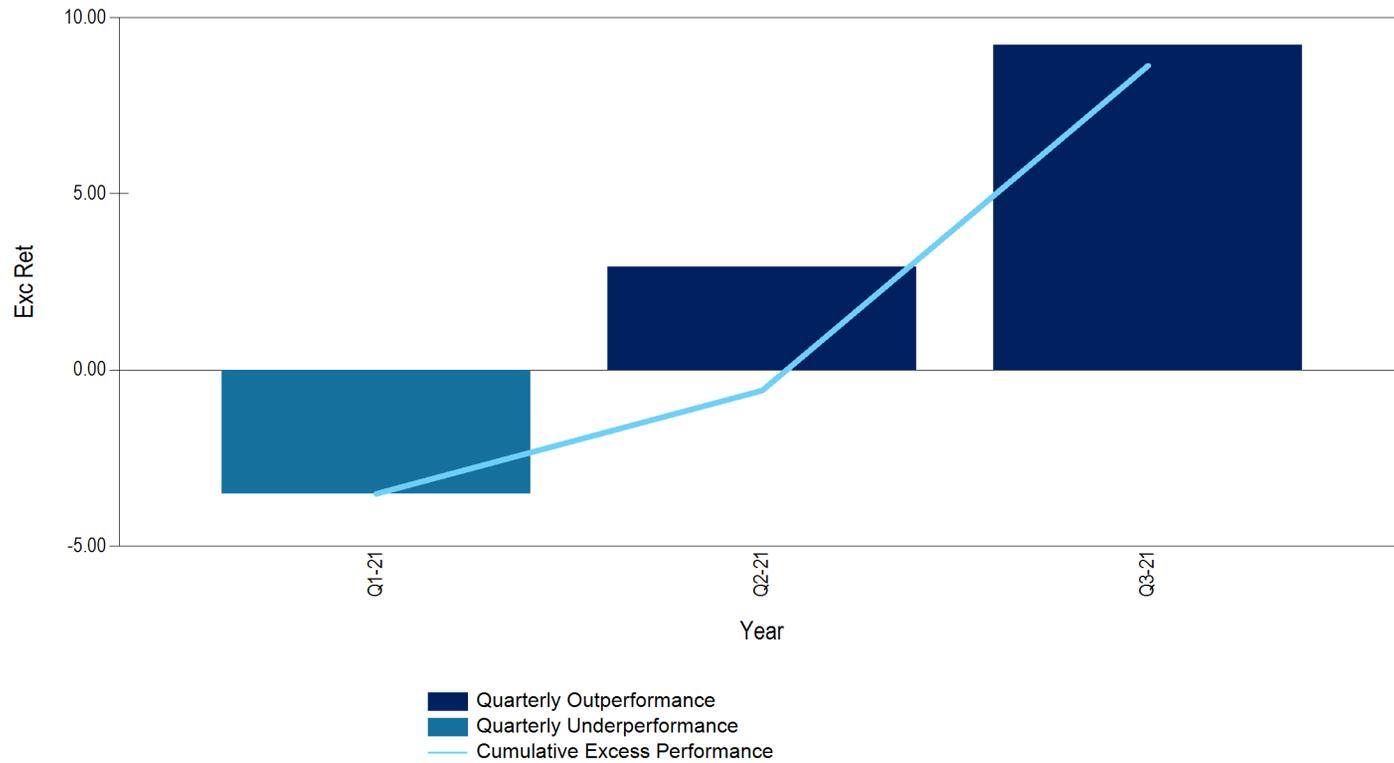


- State Street Emerging Markets
- ▲ MSCI Emerging Markets
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



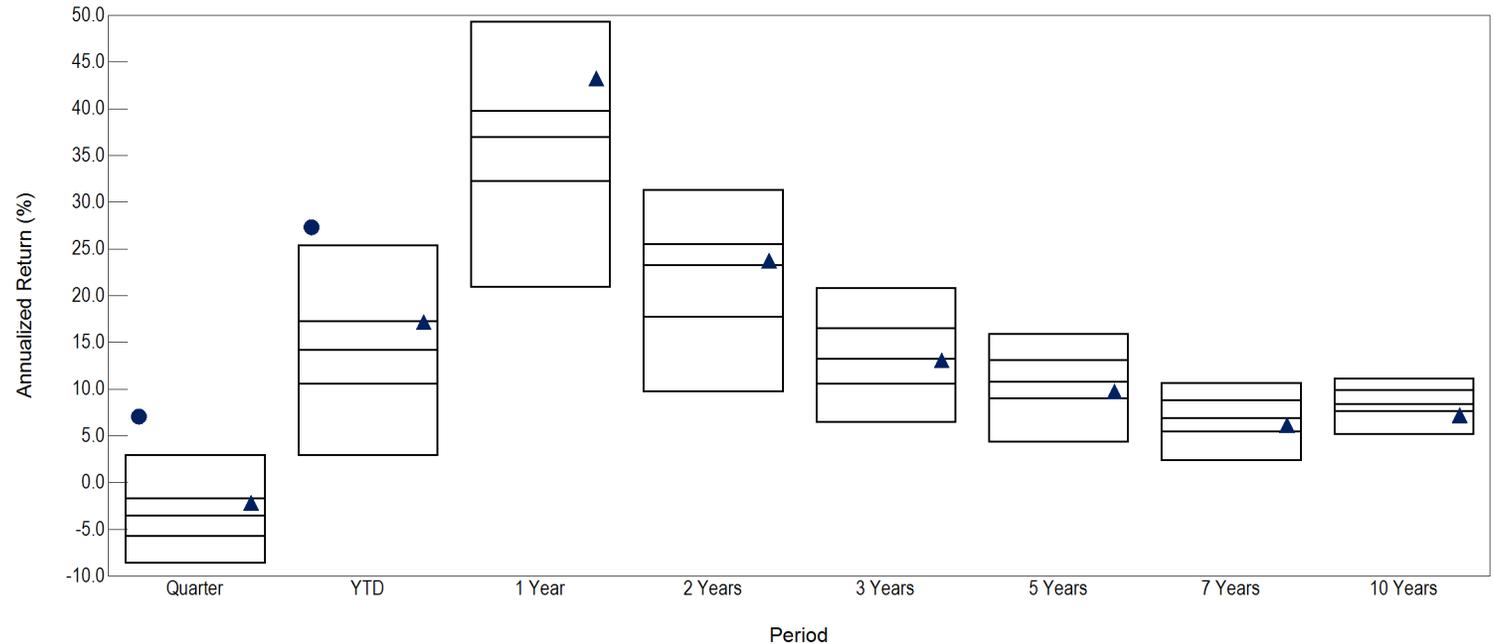
# Los Angeles City Employees' Retirement System WASATCH GLOBAL INVESTORS

Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System WASATCH GLOBAL INVESTORS

Wasatch Global Investors vs. eV Emg Mkts Small Cap Equity Net

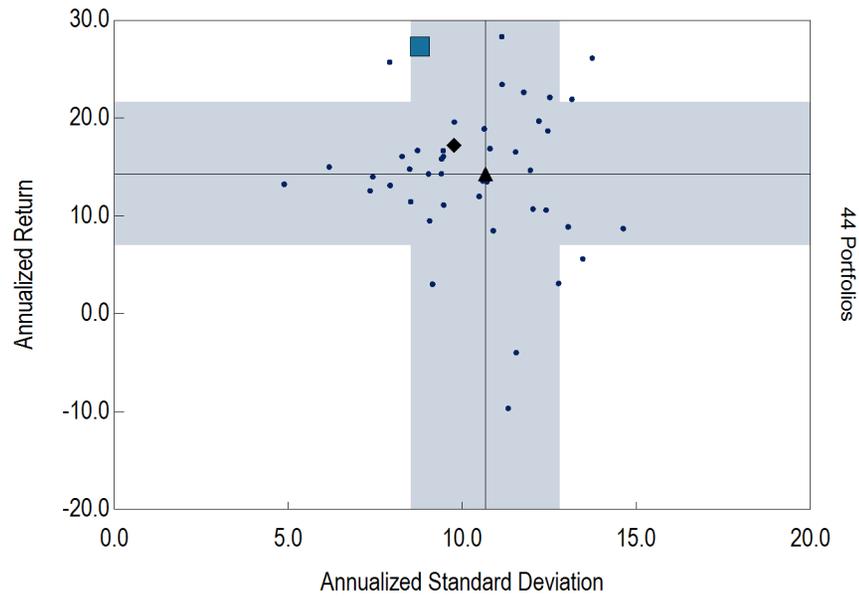


|                                   | Return (Rank) |       |       |       |       |       |       |       |       |      |      |      |      |      |      |      |
|-----------------------------------|---------------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|------|------|------|------|
| 5th Percentile                    | 2.95          | 25.37 | 49.33 | 31.30 | 20.80 | 15.91 | 10.69 | 11.15 |       |      |      |      |      |      |      |      |
| 25th Percentile                   | -1.60         | 17.32 | 39.85 | 25.61 | 16.57 | 13.15 | 8.91  | 9.98  |       |      |      |      |      |      |      |      |
| Median                            | -3.43         | 14.29 | 37.06 | 23.33 | 13.32 | 10.83 | 6.97  | 8.47  |       |      |      |      |      |      |      |      |
| 75th Percentile                   | -5.62         | 10.67 | 32.33 | 17.82 | 10.63 | 9.06  | 5.54  | 7.73  |       |      |      |      |      |      |      |      |
| 95th Percentile                   | -8.49         | 3.03  | 21.03 | 9.81  | 6.57  | 4.43  | 2.47  | 5.28  |       |      |      |      |      |      |      |      |
| # of Portfolios                   | 44            | 44    | 43    | 42    | 40    | 30    | 26    | 9     |       |      |      |      |      |      |      |      |
| ● Wasatch Global Investors        | 7.06          | (1)   | 27.32 | (2)   | --    | (--)  | --    | (--)  | --    | (--) | --   | (--) | --   | (--) | --   | (--) |
| ▲ MSCI Emerging Markets Small Cap | -2.16         | (34)  | 17.20 | (26)  | 43.24 | (14)  | 23.74 | (47)  | 13.11 | (54) | 9.75 | (65) | 6.17 | (67) | 7.21 | (81) |

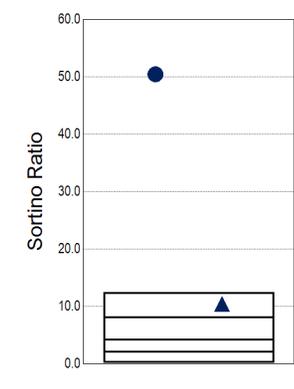
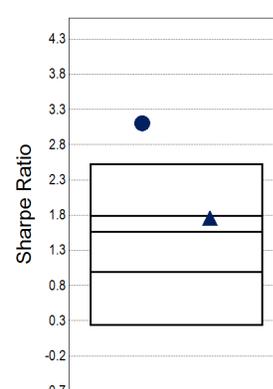
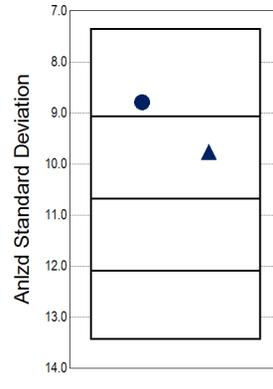
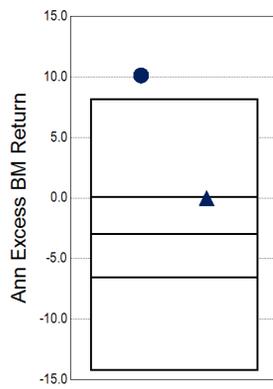
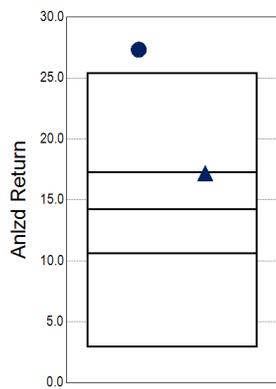


# Los Angeles City Employees' Retirement System WASATCH GLOBAL INVESTORS

Since Inception Risk Return



Non U.S. Regional Effective Style Map



- Wasatch Global Investors
- ▲ MSCI Emerging Markets Small Cap
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile





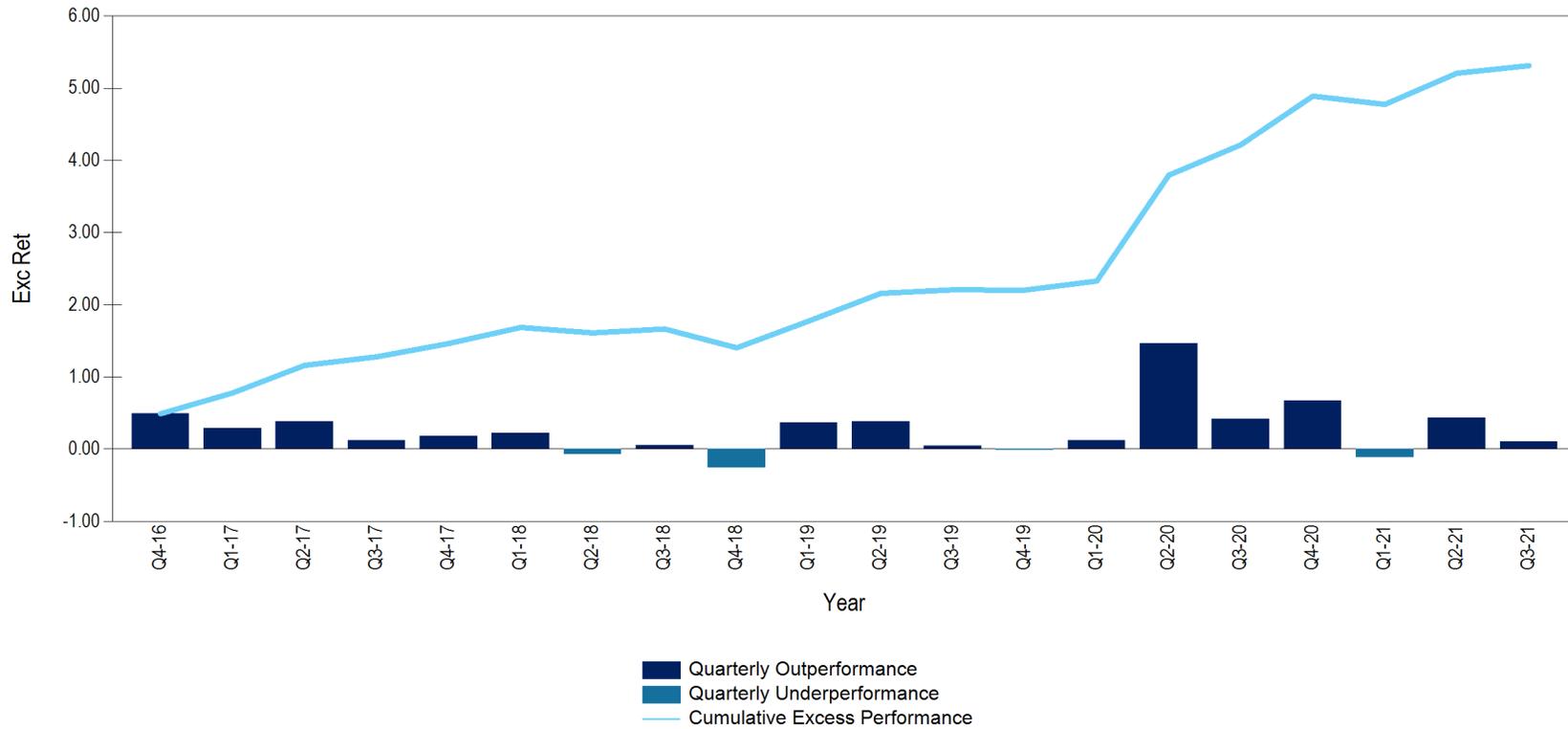
# CORE FIXED INCOME MANAGER PERFORMANCE



# Los Angeles City Employees' Retirement System

## LOOMIS SAYLES & CO. CORE FIXED INCOME

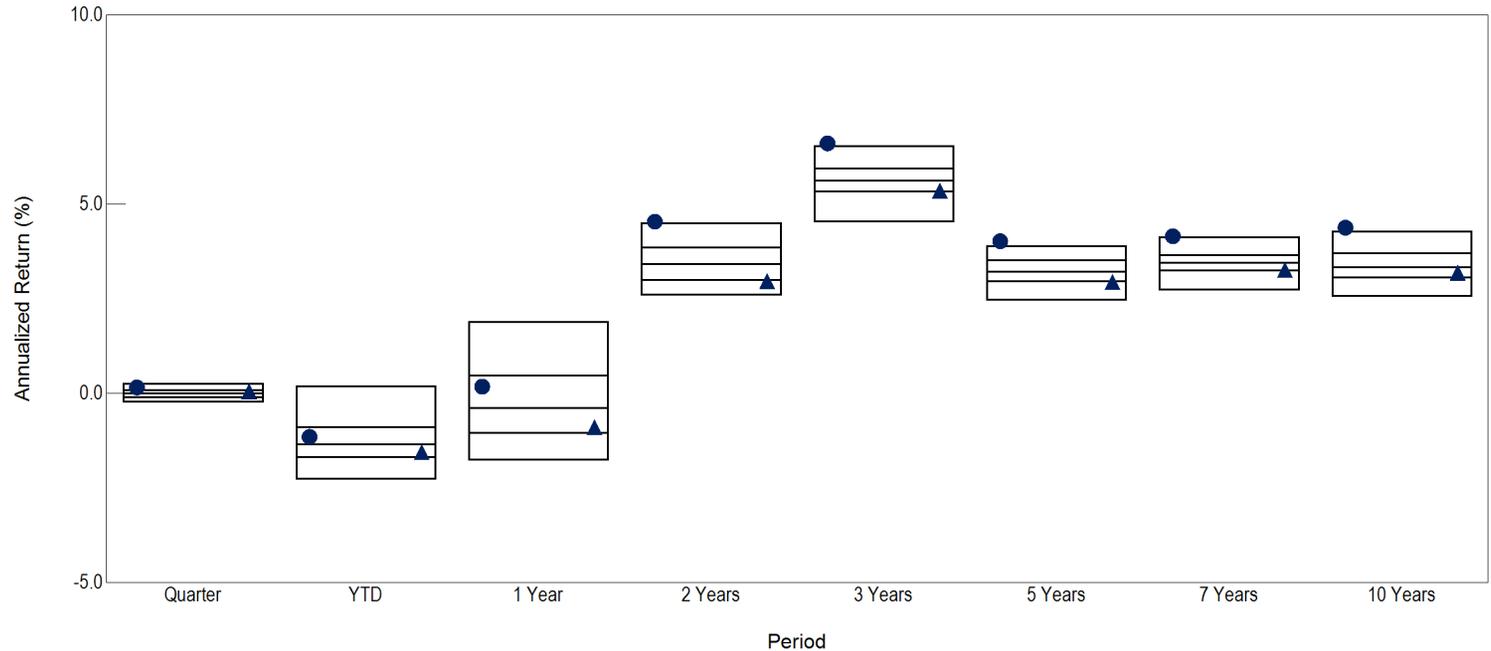
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## LOOMIS SAYLES & CO. CORE FIXED INCOME

Loomis Sayles & Co. Core Fixed Income vs. eV US Core Fixed Inc Net



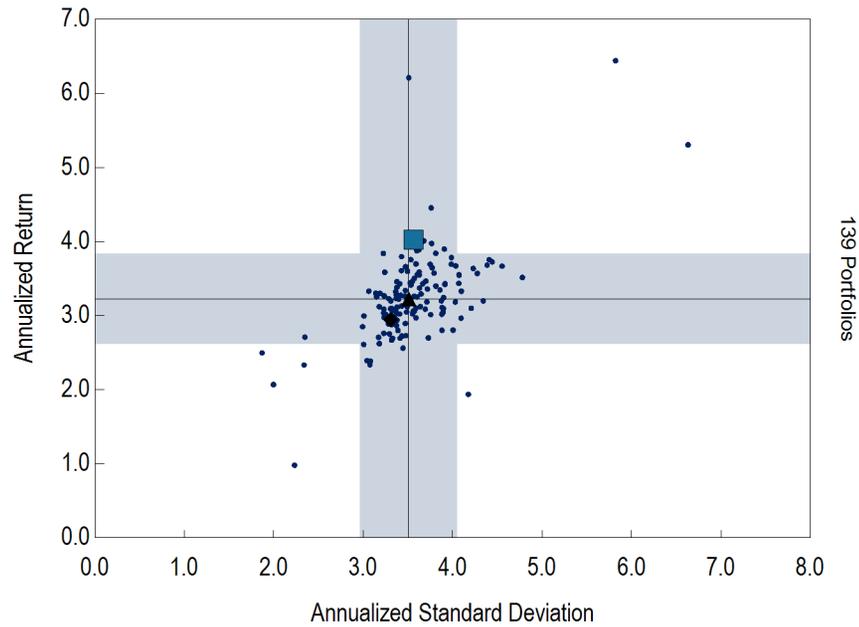
|   | Return (Rank) |       |       |      |       |      |      |      |      |      |      |      |      |      |      |      |
|---|---------------|-------|-------|------|-------|------|------|------|------|------|------|------|------|------|------|------|
| 5th Percentile                          | 0.26          | 0.18  | 1.89  | 4.50 | 6.54  | 3.89 | 4.13 | 4.27 |      |      |      |      |      |      |      |      |
| 25th Percentile                         | 0.11          | -0.87 | 0.48  | 3.87 | 5.96  | 3.53 | 3.67 | 3.73 |      |      |      |      |      |      |      |      |
| Median                                  | 0.02          | -1.34 | -0.37 | 3.43 | 5.64  | 3.23 | 3.47 | 3.36 |      |      |      |      |      |      |      |      |
| 75th Percentile                         | -0.08         | -1.67 | -1.02 | 3.01 | 5.36  | 2.98 | 3.27 | 3.07 |      |      |      |      |      |      |      |      |
| 95th Percentile                         | -0.20         | -2.23 | -1.74 | 2.63 | 4.56  | 2.49 | 2.76 | 2.59 |      |      |      |      |      |      |      |      |
| # of Portfolios                         | 148           | 147   | 146   | 143  | 141   | 139  | 134  | 126  |      |      |      |      |      |      |      |      |
| ● Loomis Sayles & Co. Core Fixed Income | 0.16          | (14)  | -1.15 | (40) | 0.18  | (31) | 4.54 | (5)  | 6.61 | (4)  | 4.02 | (3)  | 4.15 | (5)  | 4.38 | (5)  |
| ▲ Loomis Custom Benchmark               | 0.05          | (38)  | -1.55 | (65) | -0.90 | (70) | 2.97 | (80) | 5.36 | (76) | 2.94 | (78) | 3.26 | (76) | 3.19 | (68) |



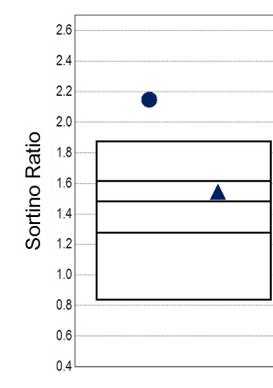
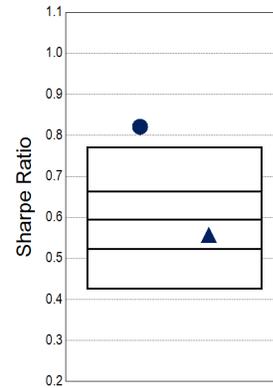
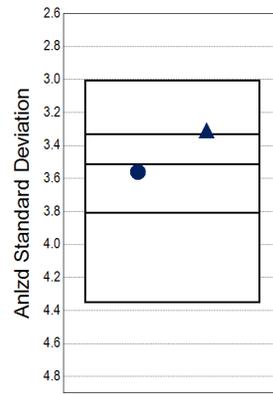
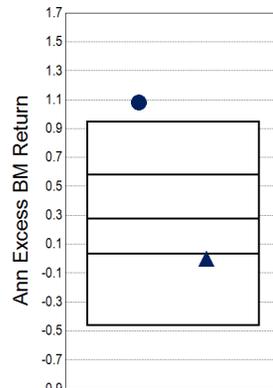
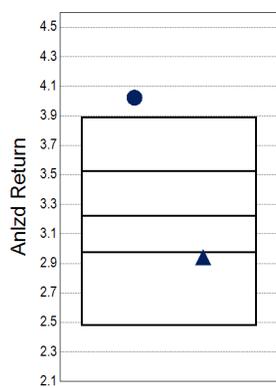
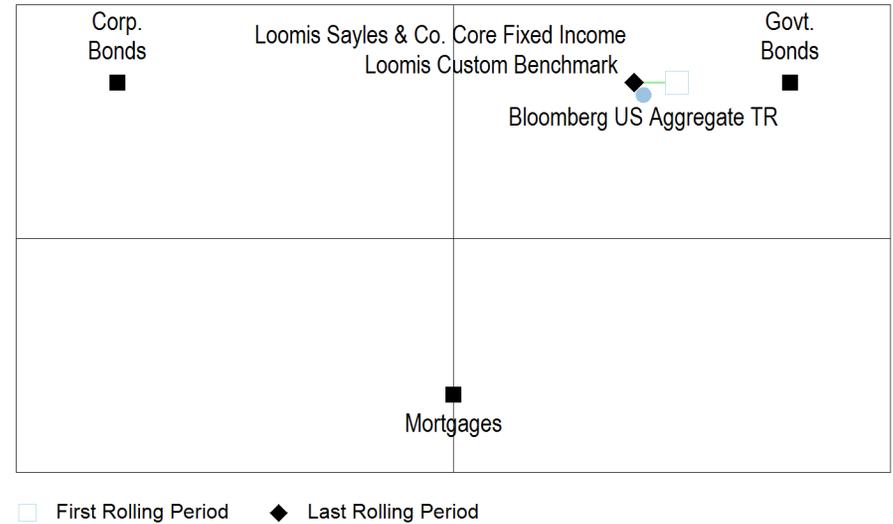
# Los Angeles City Employees' Retirement System

## LOOMIS SAYLES & CO. CORE FIXED INCOME

5 Year Risk Return



5 Year Style Map

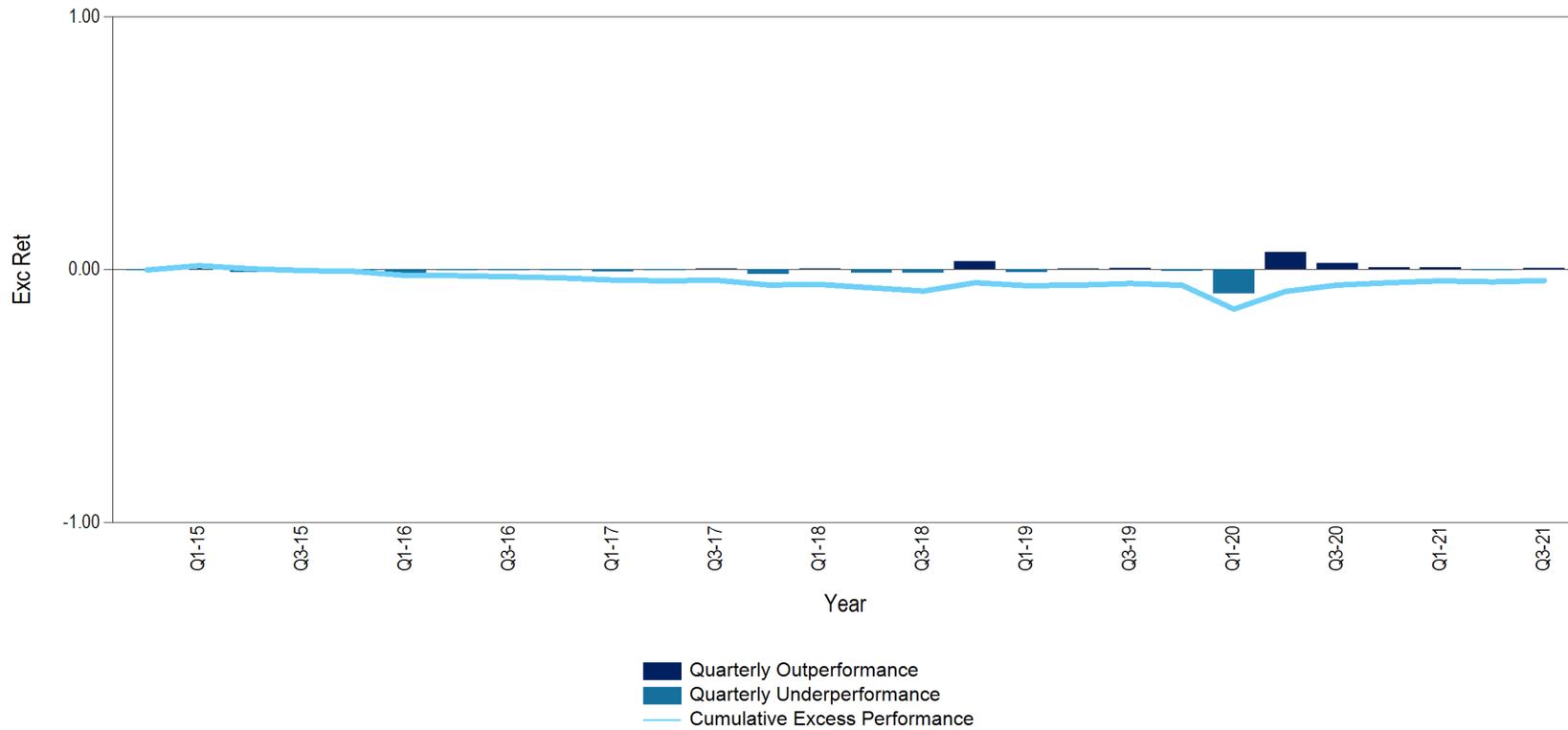


- Loomis Sayles & Co. Core Fixed Income
- ▲ Loomis Custom Benchmark
- 5th to 25th Percentile
- ▒ 25th to Median
- ▓ Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System SSGA U.S. AGGREGATE BOND

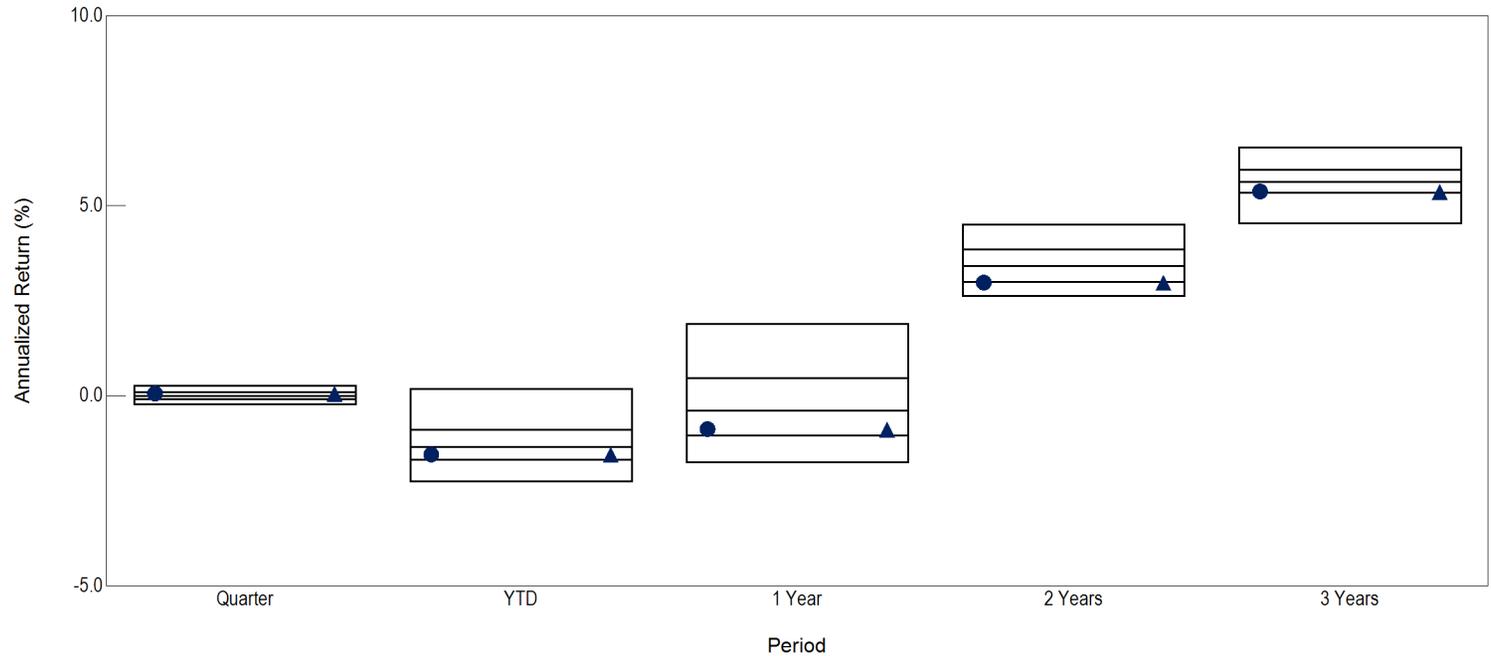
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## SSGA U.S. AGGREGATE BOND

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



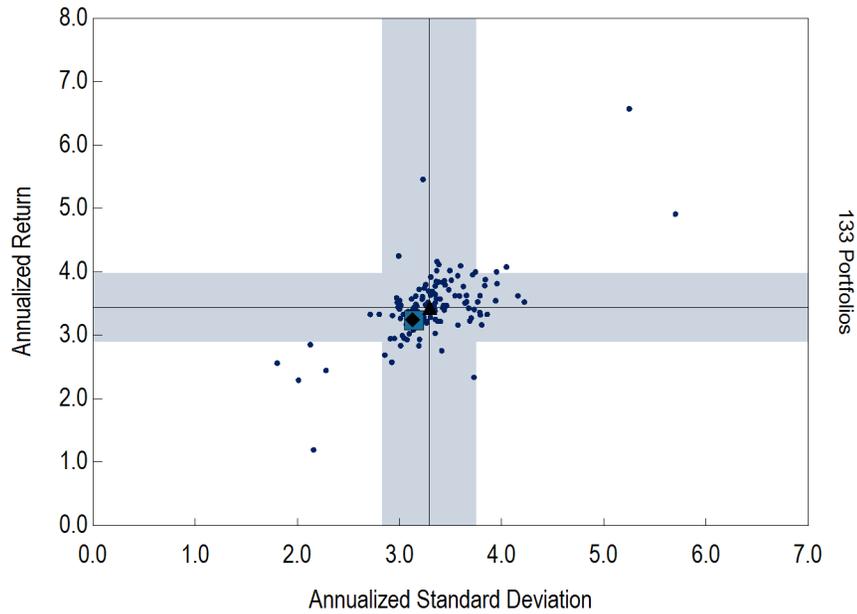
|                             | Return (Rank) |      |       |      |       |      |      |      |      |      |
|-----------------------------|---------------|------|-------|------|-------|------|------|------|------|------|
| 5th Percentile              | 0.26          |      | 0.18  |      | 1.89  |      | 4.50 |      | 6.54 |      |
| 25th Percentile             | 0.11          |      | -0.87 |      | 0.48  |      | 3.87 |      | 5.96 |      |
| Median                      | 0.02          |      | -1.34 |      | -0.37 |      | 3.43 |      | 5.64 |      |
| 75th Percentile             | -0.08         |      | -1.67 |      | -1.02 |      | 3.01 |      | 5.36 |      |
| 95th Percentile             | -0.20         |      | -2.23 |      | -1.74 |      | 2.63 |      | 4.56 |      |
| # of Portfolios             | 148           |      | 147   |      | 146   |      | 143  |      | 141  |      |
| ● SSGA U.S. Aggregate Bond  | 0.06          | (37) | -1.55 | (65) | -0.88 | (69) | 2.98 | (79) | 5.37 | (74) |
| ▲ Bloomberg US Aggregate TR | 0.05          | (38) | -1.55 | (65) | -0.90 | (70) | 2.97 | (80) | 5.36 | (76) |



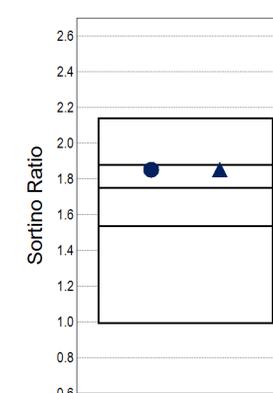
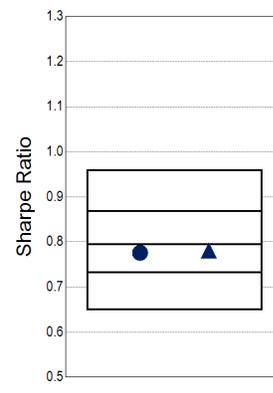
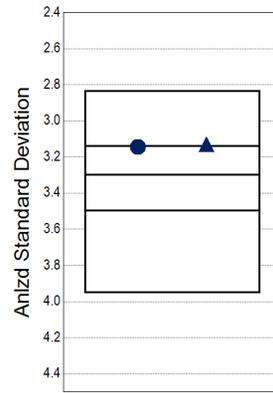
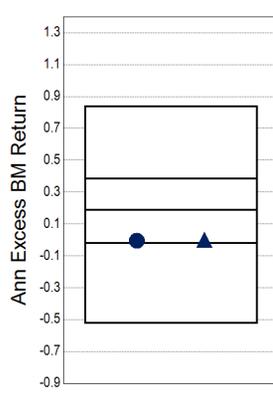
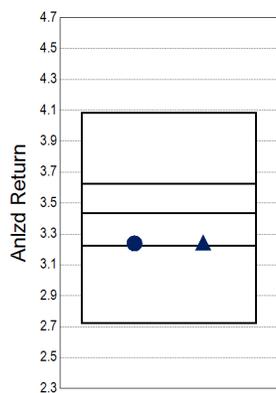
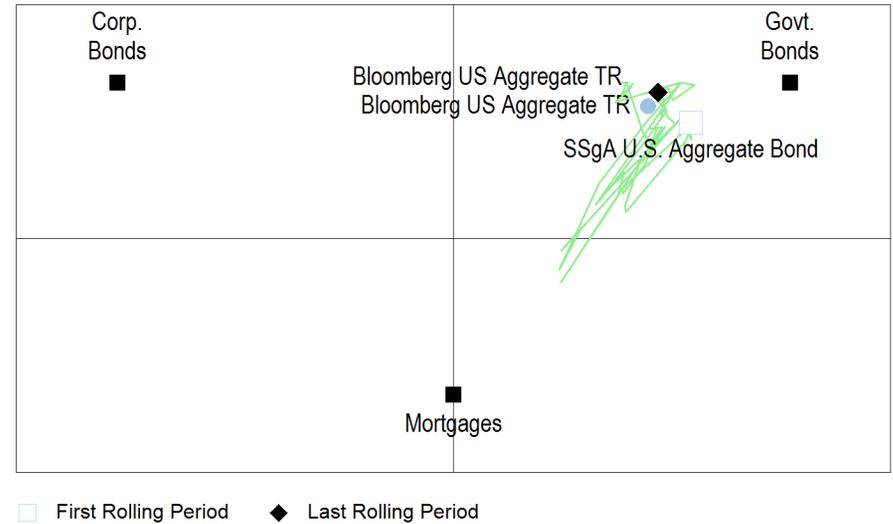
# Los Angeles City Employees' Retirement System

## SSGA U.S. AGGREGATE BOND

Since Inception Risk Return



Since Inception Style Map

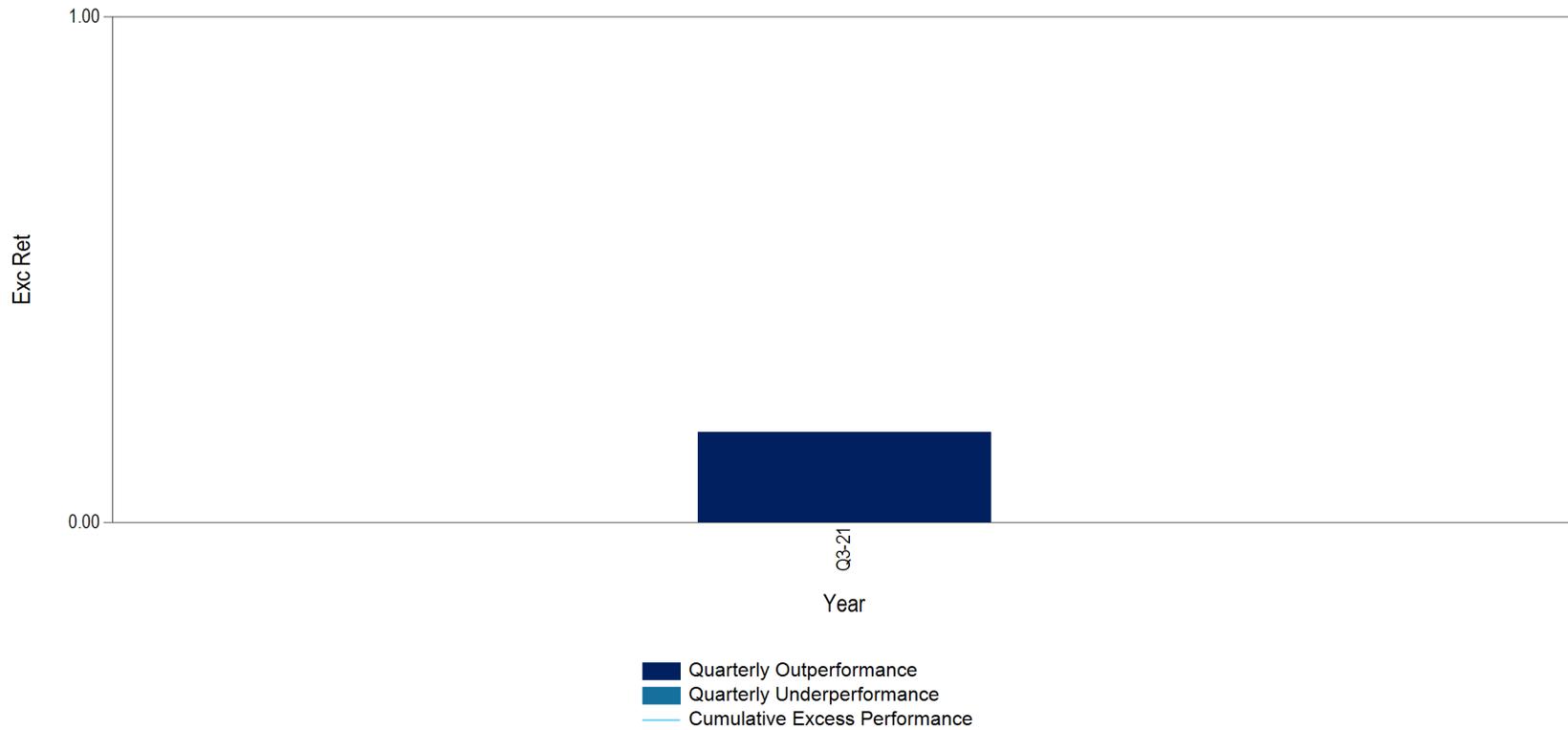


- SSGA U.S. Aggregate Bond
- ▲ Bloomberg US Aggregate TR
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System BAIRD ADVISORS CORE FIXED INCOME

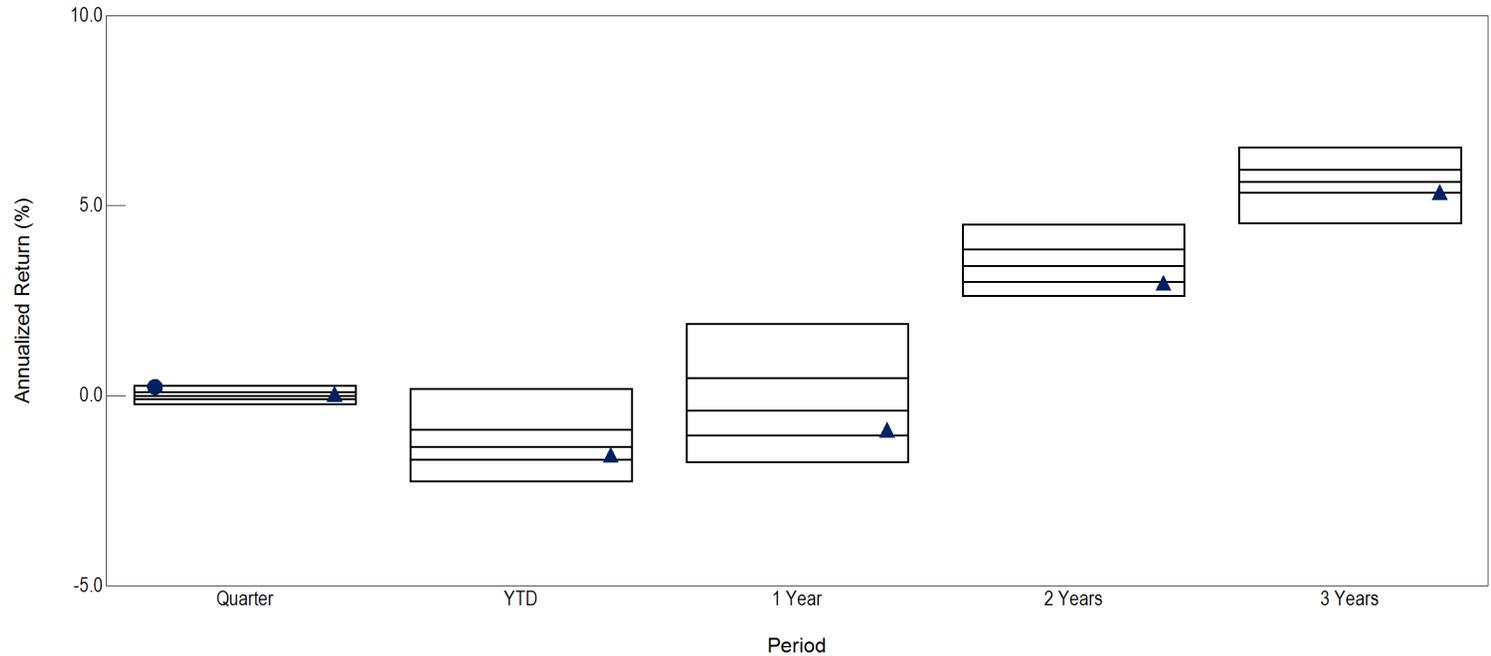
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## BAIRD ADVISORS CORE FIXED INCOME

Baird Advisors Core Fixed Income vs. eV US Core Fixed Inc Net

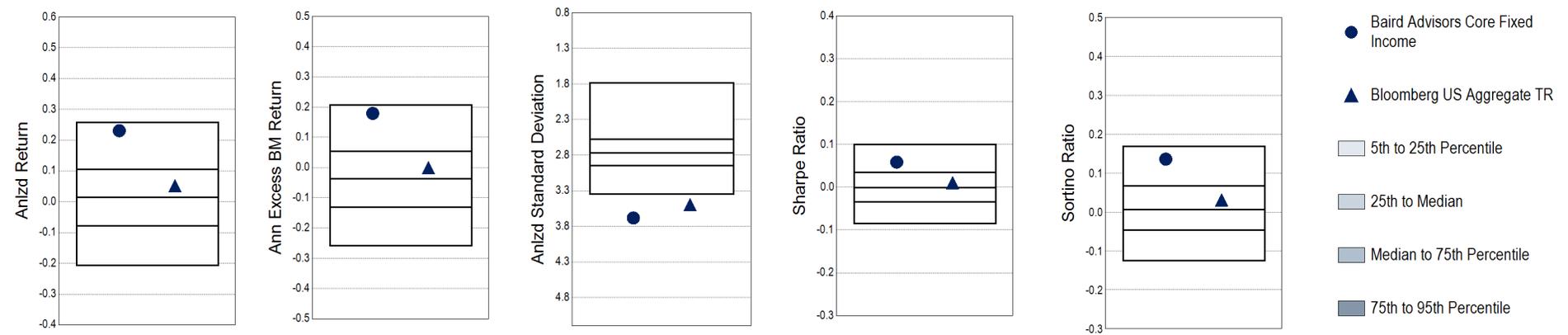
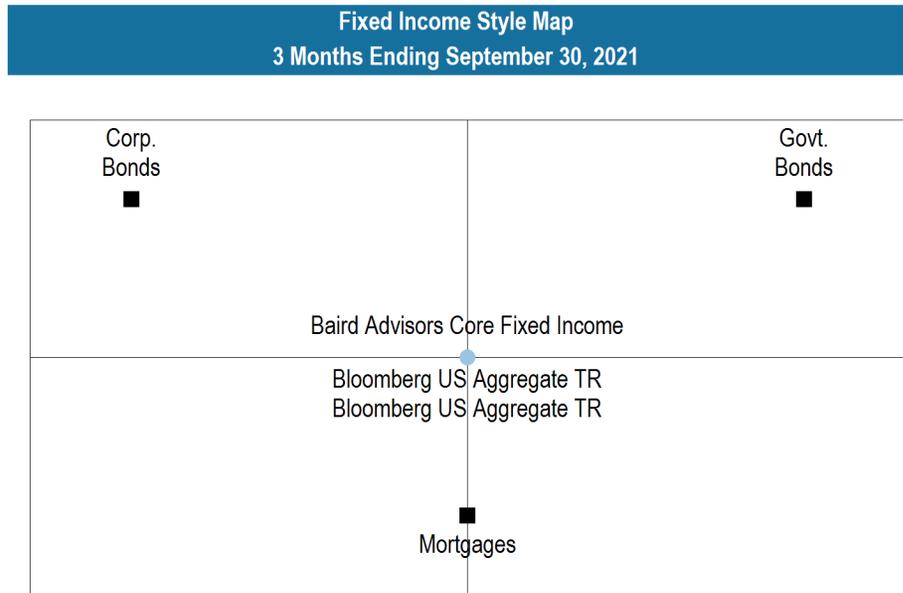
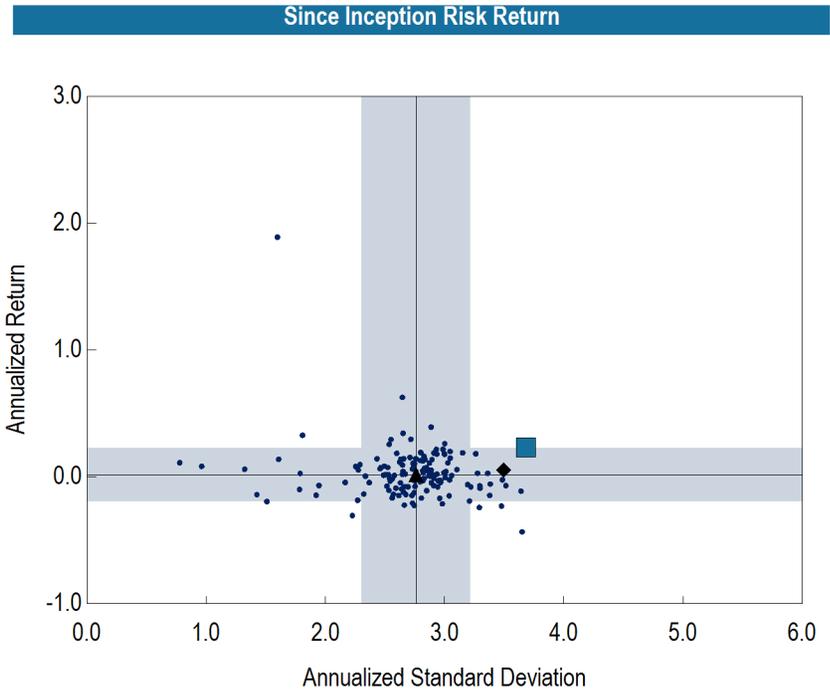


|                                    | Return (Rank) |      |       |      |       |      |      |      |      |      |
|------------------------------------|---------------|------|-------|------|-------|------|------|------|------|------|
| 5th Percentile                     | 0.26          |      | 0.18  |      | 1.89  |      | 4.50 |      | 6.54 |      |
| 25th Percentile                    | 0.11          |      | -0.87 |      | 0.48  |      | 3.87 |      | 5.96 |      |
| Median                             | 0.02          |      | -1.34 |      | -0.37 |      | 3.43 |      | 5.64 |      |
| 75th Percentile                    | -0.08         |      | -1.67 |      | -1.02 |      | 3.01 |      | 5.36 |      |
| 95th Percentile                    | -0.20         |      | -2.23 |      | -1.74 |      | 2.63 |      | 4.56 |      |
| # of Portfolios                    | 148           |      | 147   |      | 146   |      | 143  |      | 141  |      |
| ● Baird Advisors Core Fixed Income | 0.23          | (6)  | --    | (--) | --    | (--) | --   | (--) | --   | (--) |
| ▲ Bloomberg US Aggregate TR        | 0.05          | (38) | -1.55 | (65) | -0.90 | (70) | 2.97 | (80) | 5.36 | (76) |



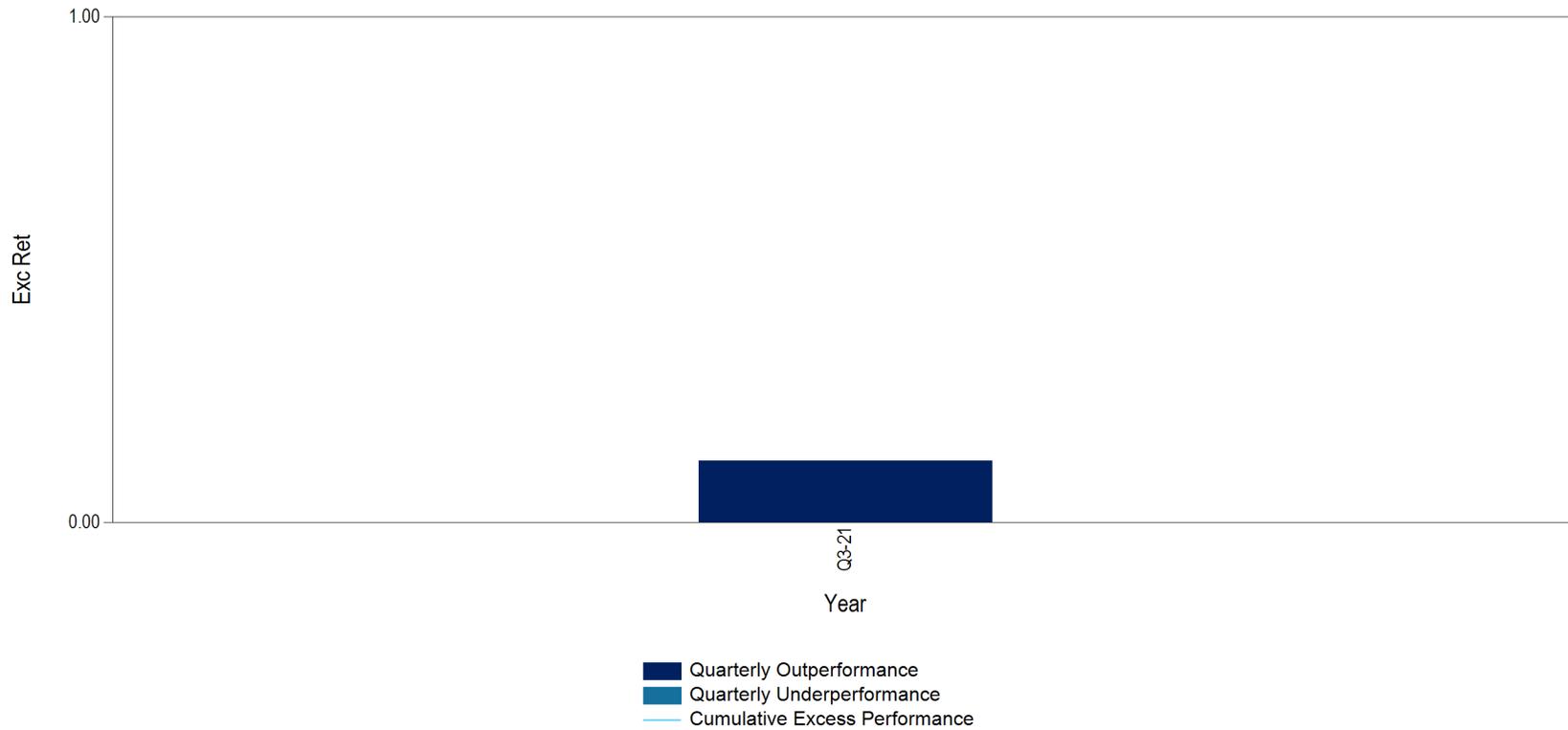
# Los Angeles City Employees' Retirement System

## BAIRD ADVISORS CORE FIXED INCOME



# Los Angeles City Employees' Retirement System JP MORGAN INVESTMENT MANAGEMENT

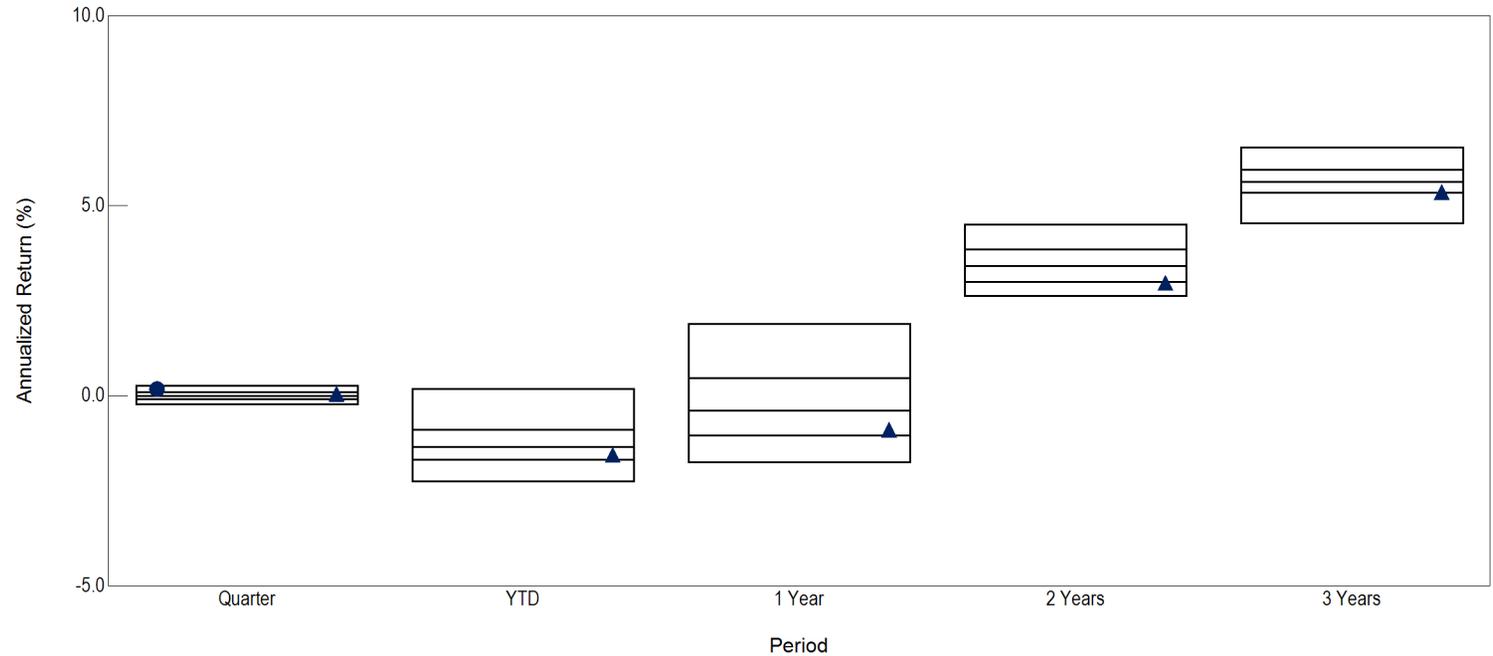
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## JP MORGAN INVESTMENT MANAGEMENT

JP Morgan Investment Management vs. eV US Core Fixed Inc Net



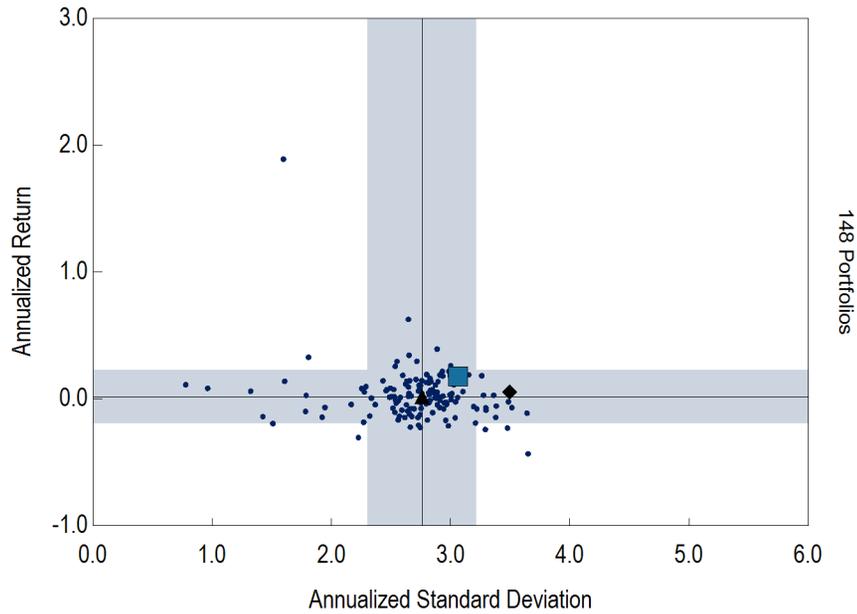
|                                   | Return (Rank) |      |       |      |       |      |      |      |      |      |
|-----------------------------------|---------------|------|-------|------|-------|------|------|------|------|------|
| 5th Percentile                    | 0.26          |      | 0.18  |      | 1.89  |      | 4.50 |      | 6.54 |      |
| 25th Percentile                   | 0.11          |      | -0.87 |      | 0.48  |      | 3.87 |      | 5.96 |      |
| Median                            | 0.02          |      | -1.34 |      | -0.37 |      | 3.43 |      | 5.64 |      |
| 75th Percentile                   | -0.08         |      | -1.67 |      | -1.02 |      | 3.01 |      | 5.36 |      |
| 95th Percentile                   | -0.20         |      | -2.23 |      | -1.74 |      | 2.63 |      | 4.56 |      |
| # of Portfolios                   | 148           |      | 147   |      | 146   |      | 143  |      | 141  |      |
| ● JP Morgan Investment Management | 0.17          | (14) | --    | (--) | --    | (--) | --   | (--) | --   | (--) |
| ▲ Bloomberg US Aggregate TR       | 0.05          | (38) | -1.55 | (65) | -0.90 | (70) | 2.97 | (80) | 5.36 | (76) |



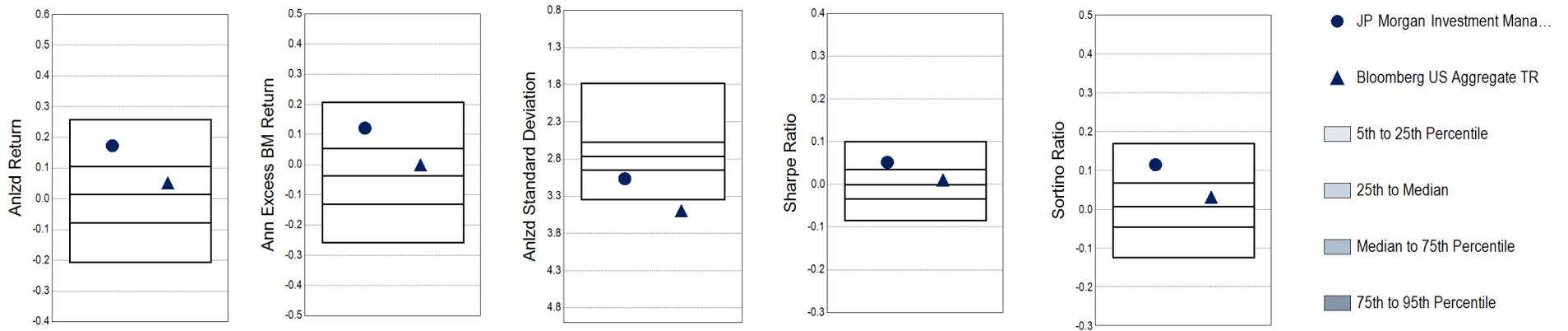
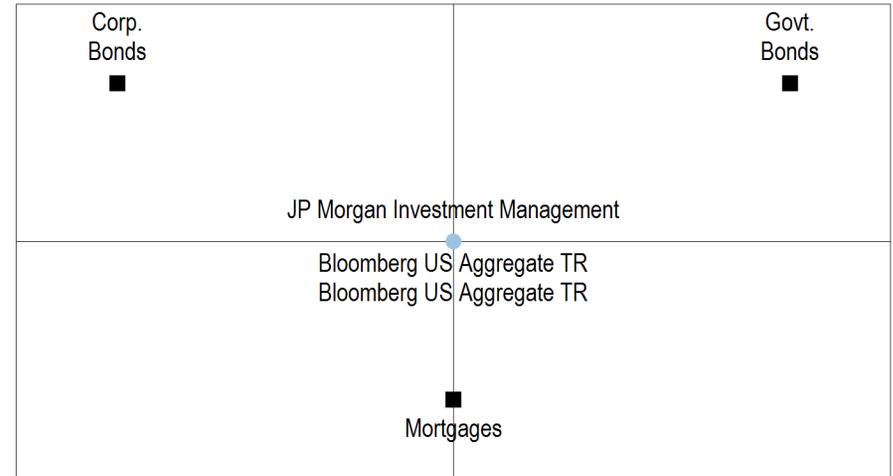
# Los Angeles City Employees' Retirement System

## JP MORGAN INVESTMENT MANAGEMENT

Since Inception Risk Return



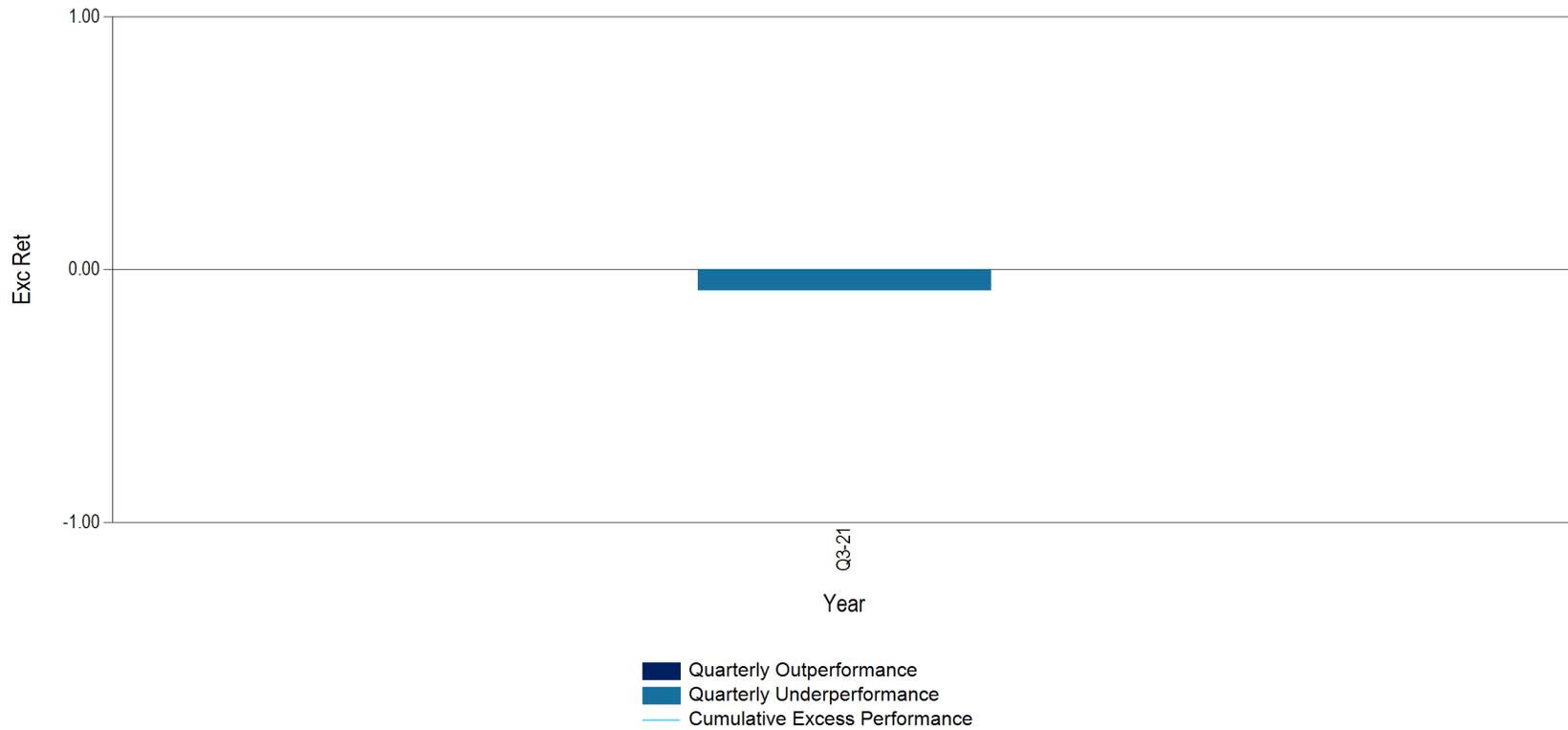
Fixed Income Style Map  
3 Months Ending September 30, 2021



# Los Angeles City Employees' Retirement System

## GARCIA HAMILTON & ASSOCIATES

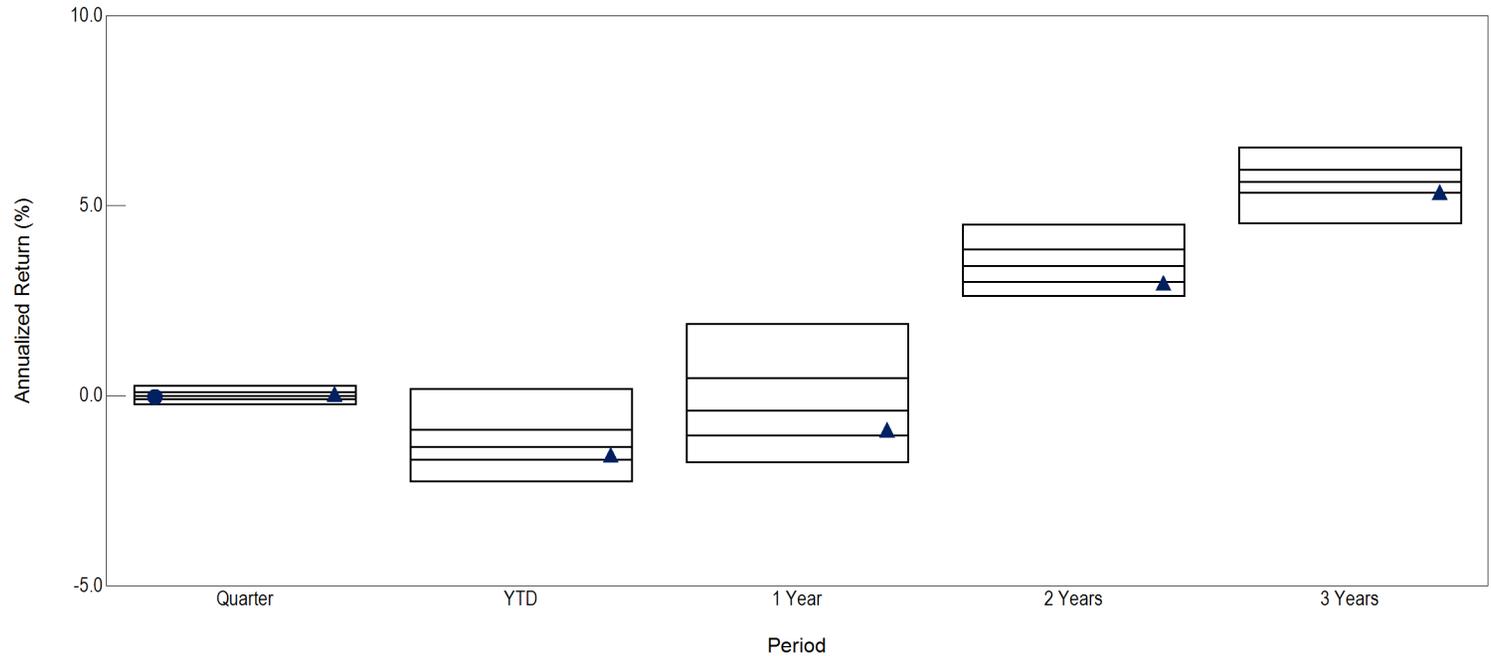
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## GARCIA HAMILTON & ASSOCIATES

Garcia Hamilton & Associates vs. eV US Core Fixed Inc Net



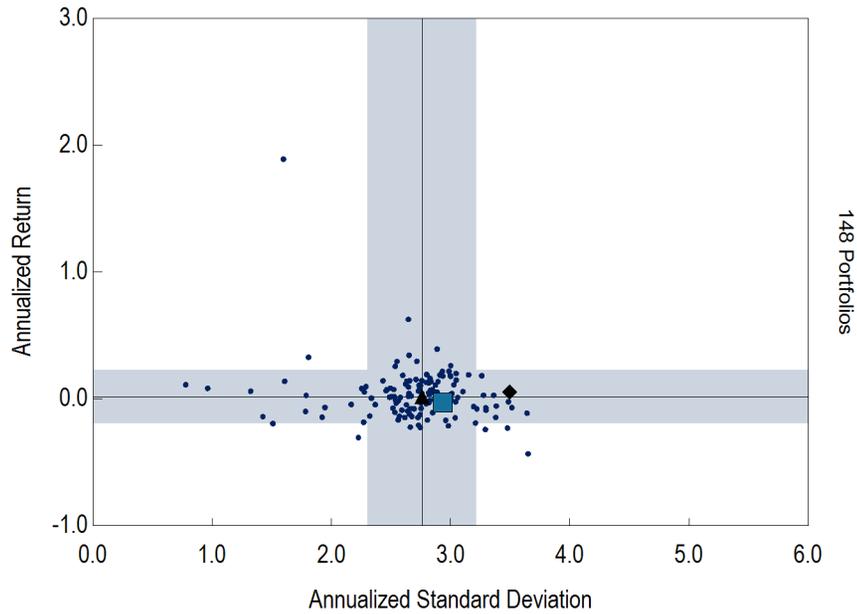
|                                | Return (Rank) |      |       |      |       |      |      |      |      |      |
|--------------------------------|---------------|------|-------|------|-------|------|------|------|------|------|
| 5th Percentile                 | 0.26          |      | 0.18  |      | 1.89  |      | 4.50 |      | 6.54 |      |
| 25th Percentile                | 0.11          |      | -0.87 |      | 0.48  |      | 3.87 |      | 5.96 |      |
| Median                         | 0.02          |      | -1.34 |      | -0.37 |      | 3.43 |      | 5.64 |      |
| 75th Percentile                | -0.08         |      | -1.67 |      | -1.02 |      | 3.01 |      | 5.36 |      |
| 95th Percentile                | -0.20         |      | -2.23 |      | -1.74 |      | 2.63 |      | 4.56 |      |
| # of Portfolios                | 148           |      | 147   |      | 146   |      | 143  |      | 141  |      |
| ● Garcia Hamilton & Associates | -0.03         | (64) | --    | (--) | --    | (--) | --   | (--) | --   | (--) |
| ▲ Bloomberg US Aggregate TR    | 0.05          | (38) | -1.55 | (65) | -0.90 | (70) | 2.97 | (80) | 5.36 | (76) |



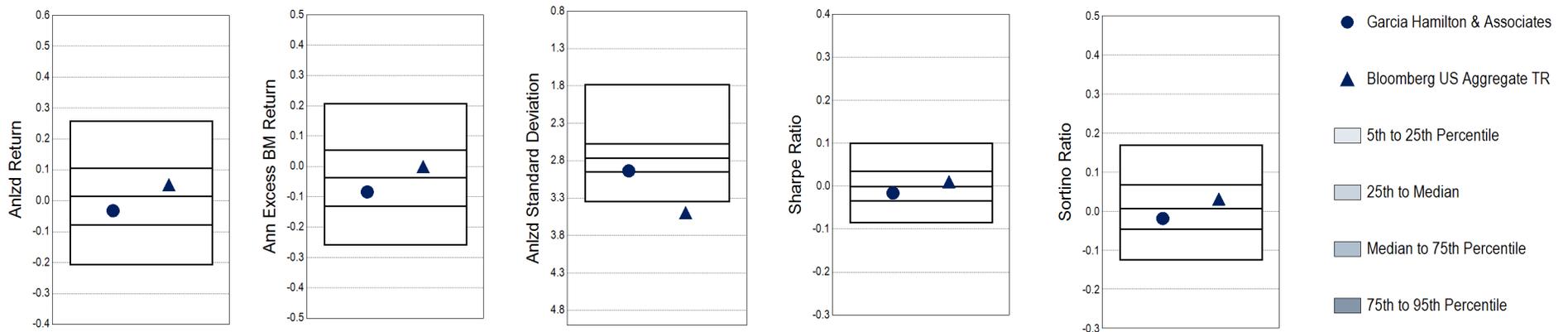
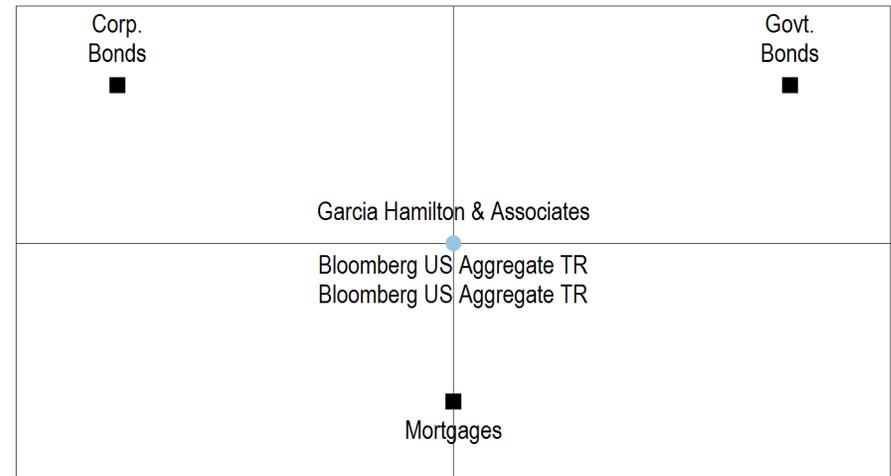
# Los Angeles City Employees' Retirement System

## GARCIA HAMILTON & ASSOCIATES

Since Inception Risk Return



Fixed Income Style Map  
3 Months Ending September 30, 2021



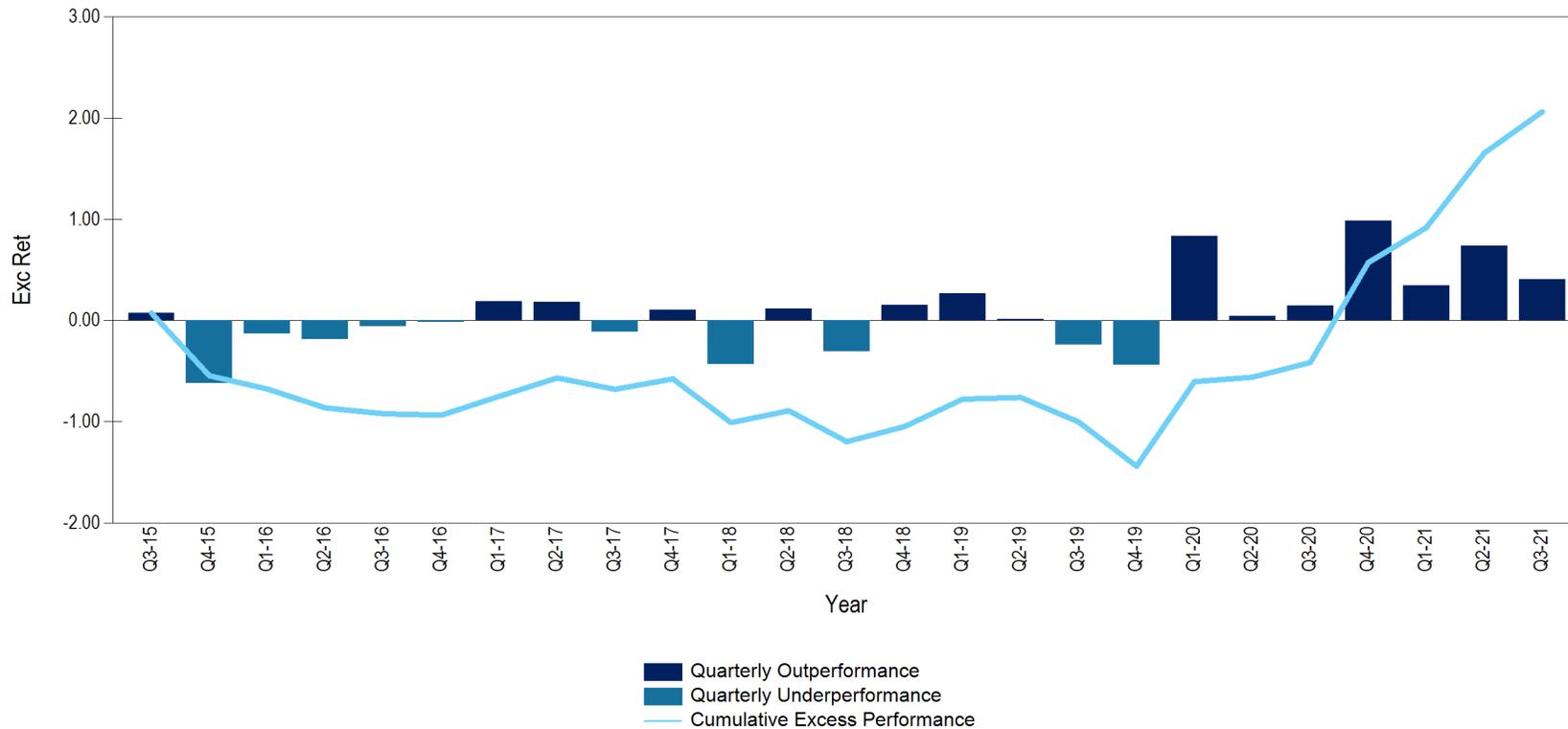


# CREDIT OPPORTUNITIES MANAGER PERFORMANCE



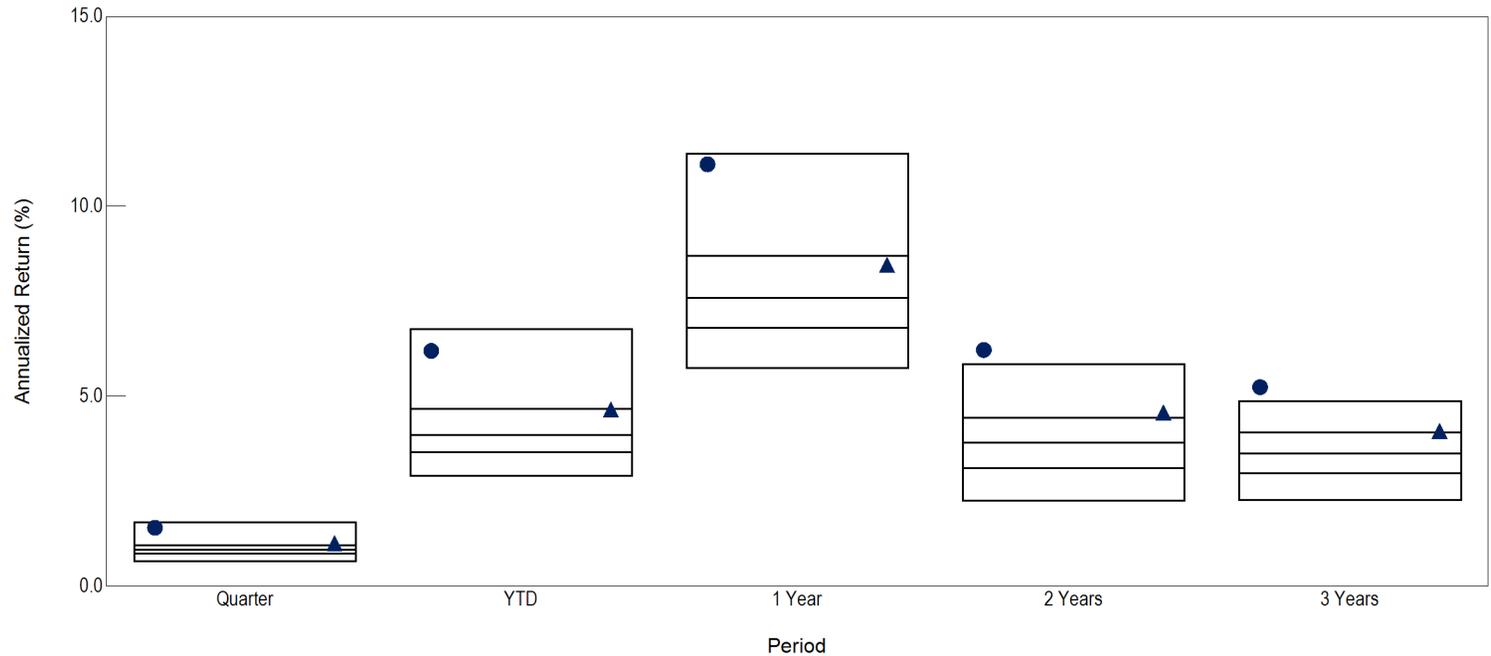
# Los Angeles City Employees' Retirement System BAIN CAPITAL SENIOR LOAN FUND, LP

Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System BAIN CAPITAL SENIOR LOAN FUND, LP

Bain Capital Senior Loan Fund, LP vs. eV US Float-Rate Bank Loan Fixed Inc Net



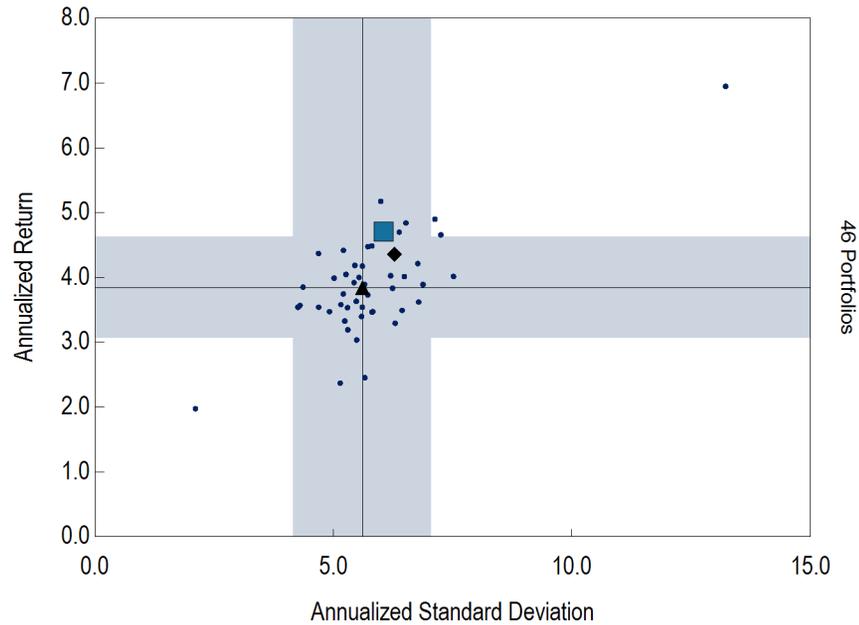
|                                     | Return (Rank) |      |      |      |       |      |      |      |      |      |
|-------------------------------------|---------------|------|------|------|-------|------|------|------|------|------|
| 5th Percentile                      | 1.69          |      | 6.77 |      | 11.38 |      | 5.85 |      | 4.87 |      |
| 25th Percentile                     | 1.10          |      | 4.69 |      | 8.72  |      | 4.46 |      | 4.06 |      |
| Median                              | 0.98          |      | 4.00 |      | 7.60  |      | 3.80 |      | 3.51 |      |
| 75th Percentile                     | 0.88          |      | 3.54 |      | 6.81  |      | 3.13 |      | 3.00 |      |
| 95th Percentile                     | 0.67          |      | 2.92 |      | 5.76  |      | 2.27 |      | 2.29 |      |
| # of Portfolios                     | 52            |      | 52   |      | 52    |      | 52   |      | 52   |      |
| ● Bain Capital Senior Loan Fund, LP | 1.54          | (11) | 6.20 | (11) | 11.11 | (7)  | 6.22 | (4)  | 5.24 | (4)  |
| ▲ Credit Suisse Leveraged Loans     | 1.13          | (22) | 4.65 | (27) | 8.46  | (28) | 4.58 | (25) | 4.09 | (24) |



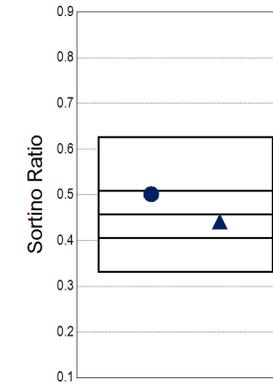
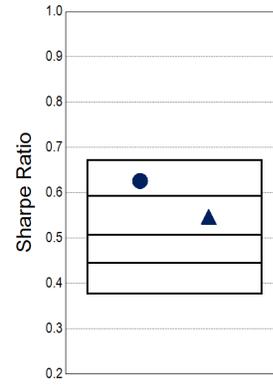
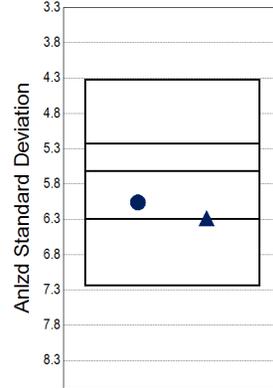
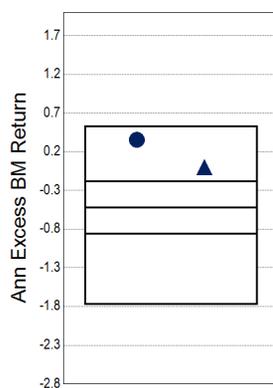
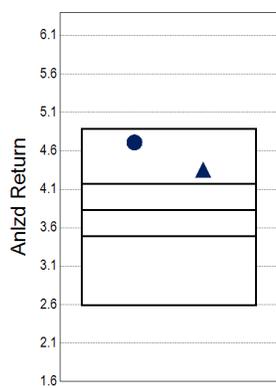
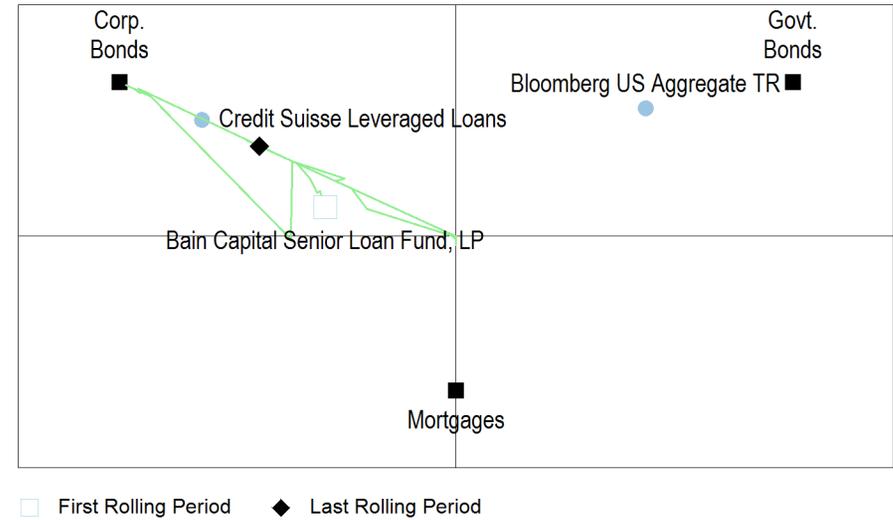
# Los Angeles City Employees' Retirement System

## BAIN CAPITAL SENIOR LOAN FUND, LP

Since Inception Risk Return



Since Inception Style Map

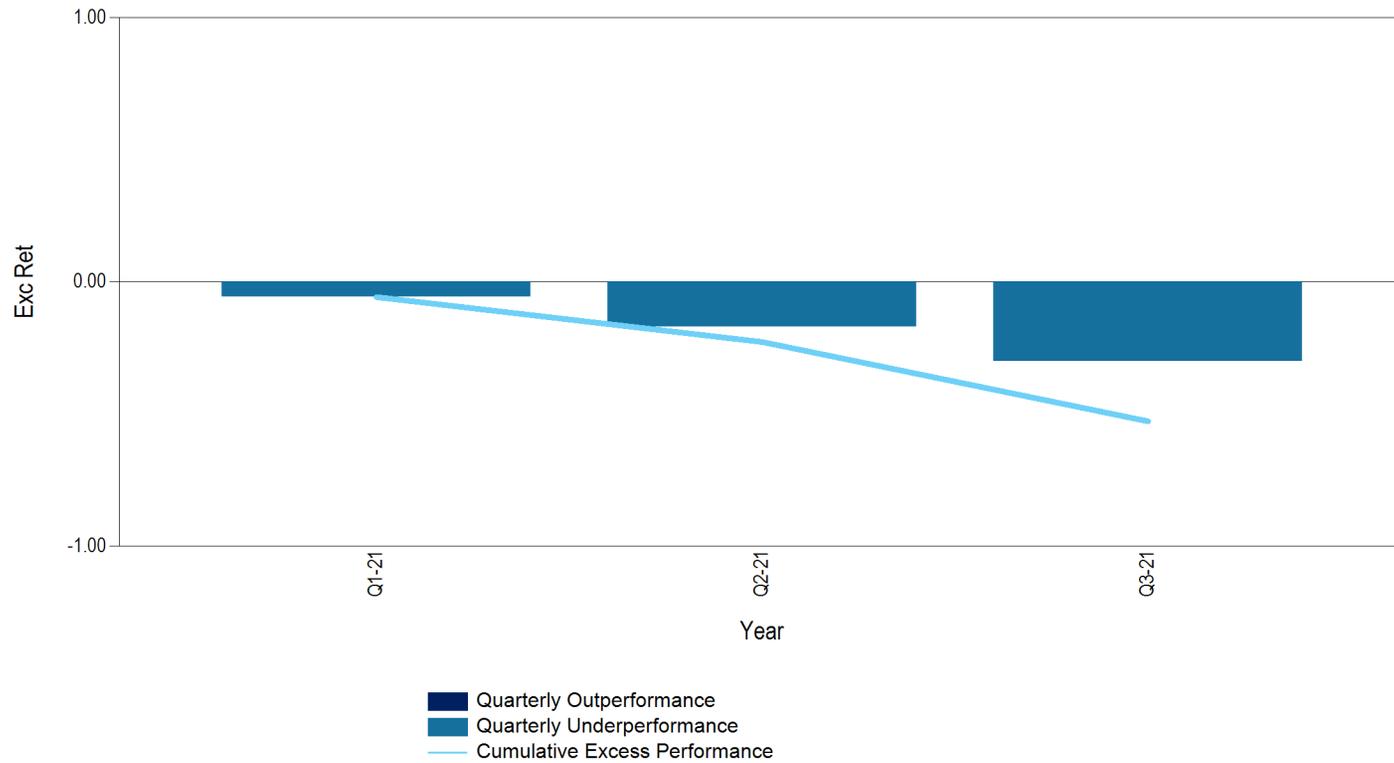


- Bain Capital Senior Loan Fund, LP
- ▲ Credit Suisse Leveraged Lo...
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System LOOMIS SAYLES & CO. HIGH YIELD

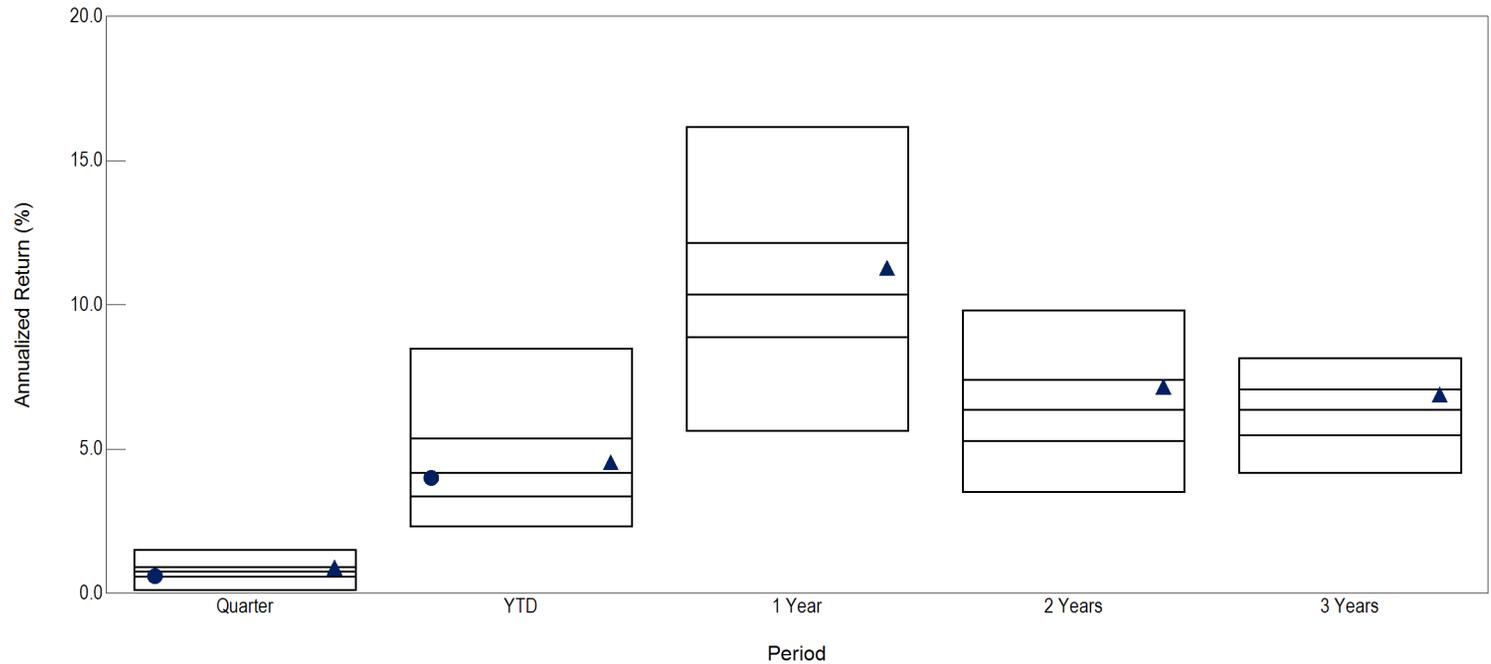
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## LOOMIS SAYLES & CO. HIGH YIELD

Loomis Sayles & Co. High Yield vs. eV US High Yield Fixed Inc Net

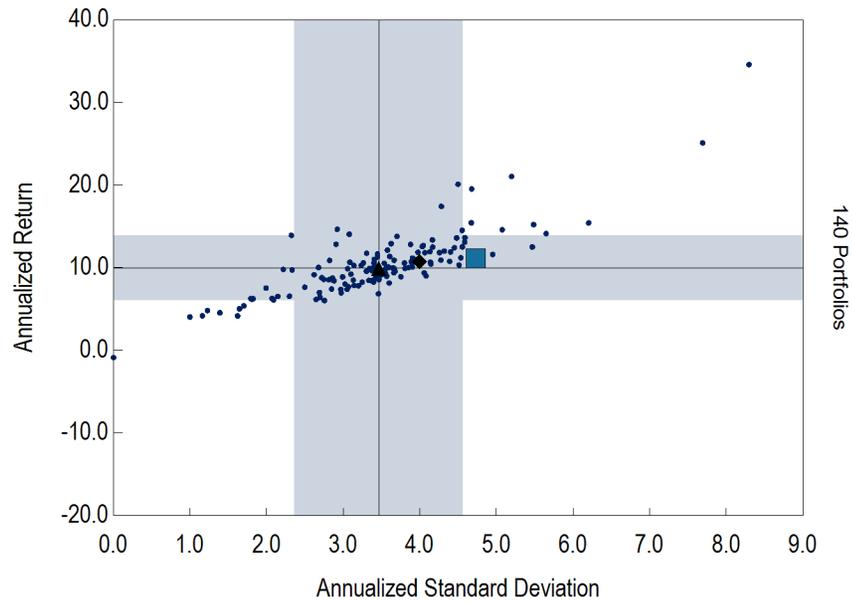


|  | Return (Rank) |      |      |      |       |      |      |      |      |      |
|--|---------------|------|------|------|-------|------|------|------|------|------|
| 5th Percentile                             | 1.51          |      | 8.48 |      | 16.16 |      | 9.80 |      | 8.14 |      |
| 25th Percentile                            | 0.93          |      | 5.38 |      | 12.17 |      | 7.42 |      | 7.08 |      |
| Median                                     | 0.77          |      | 4.21 |      | 10.38 |      | 6.39 |      | 6.37 |      |
| 75th Percentile                            | 0.61          |      | 3.37 |      | 8.89  |      | 5.29 |      | 5.49 |      |
| 95th Percentile                            | 0.14          |      | 2.34 |      | 5.66  |      | 3.52 |      | 4.19 |      |
| # of Portfolios                            | 140           |      | 140  |      | 140   |      | 140  |      | 137  |      |
| ● Loomis Sayles & Co. High Yield           | 0.59          | (76) | 4.00 | (62) | --    | (--) | --   | (--) | --   | (--) |
| ▲ Bloomberg US High Yield 2% Issuer Cap TR | 0.89          | (29) | 4.54 | (42) | 11.27 | (34) | 7.16 | (31) | 6.89 | (30) |

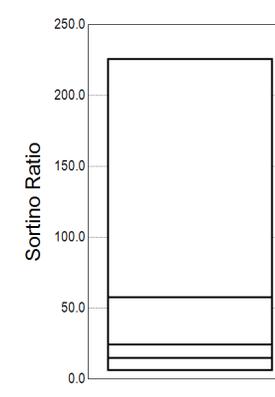
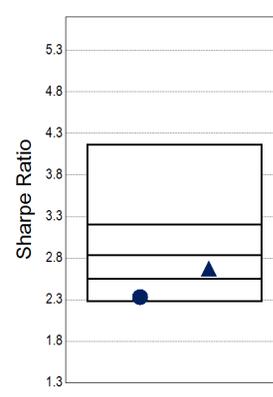
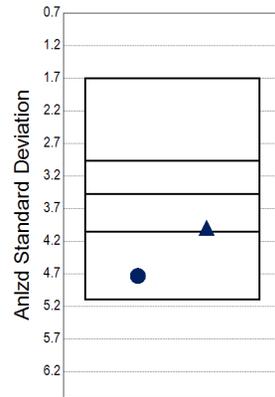
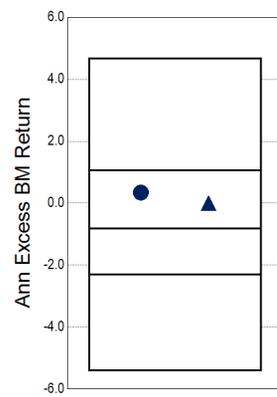
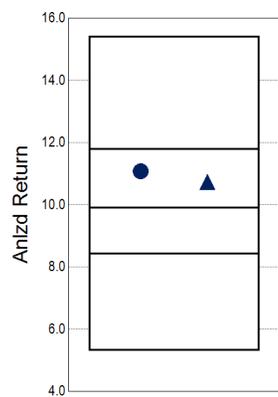
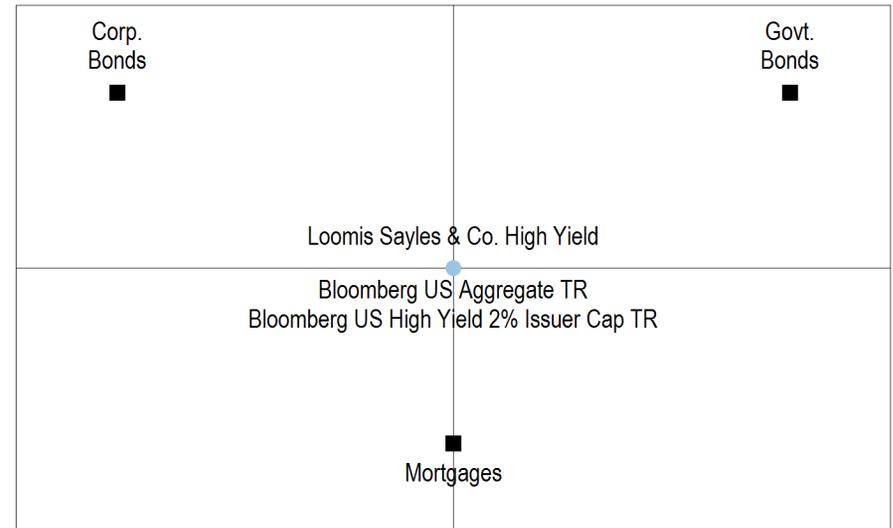


# Los Angeles City Employees' Retirement System LOOMIS SAYLES & CO. HIGH YIELD

Since Inception Risk Return



Fixed Income Style Map

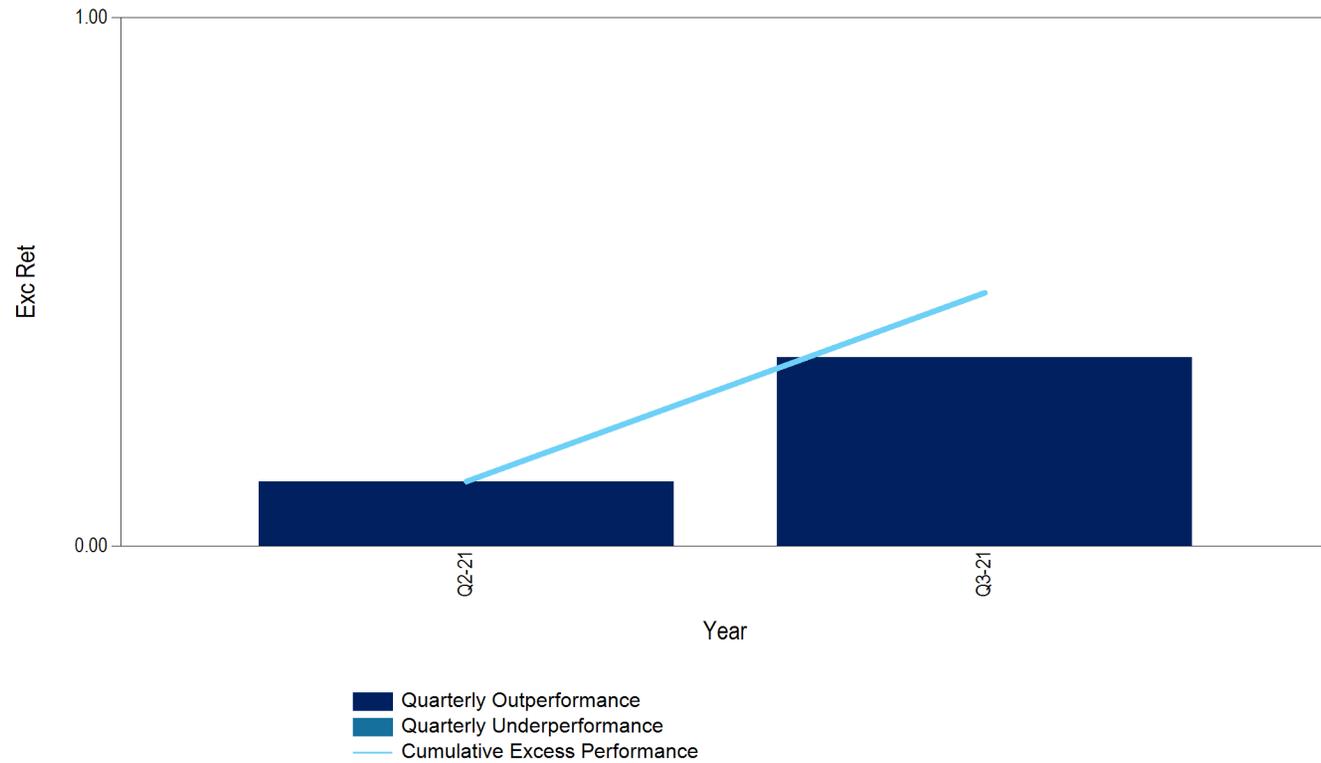


- Loomis Sayles & Co. High Yield
- ▲ Bloomberg US High Yield 2% Issuer Cap TR
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



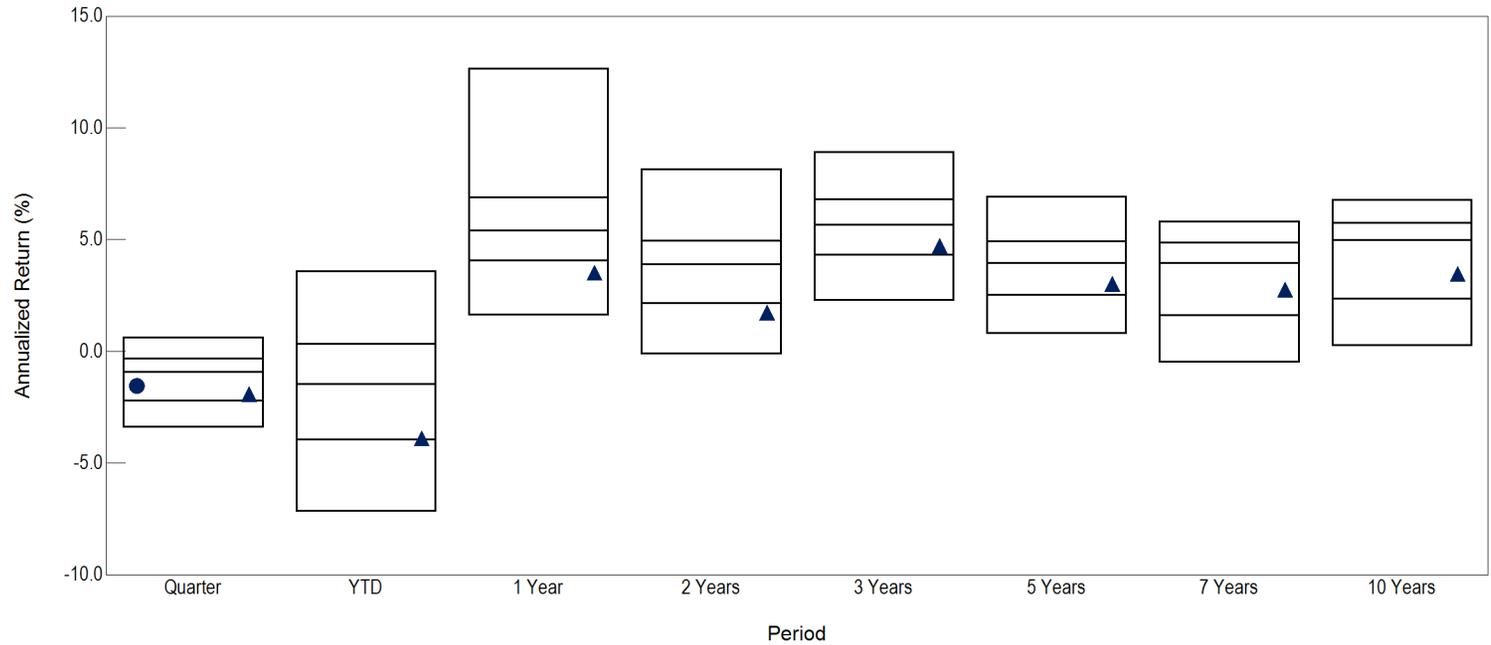
# Los Angeles City Employees' Retirement System PGIM BLENDED

Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System PGIM BLENDED

PGIM Blended vs. eV All Emg Mkts Fixed Inc Net



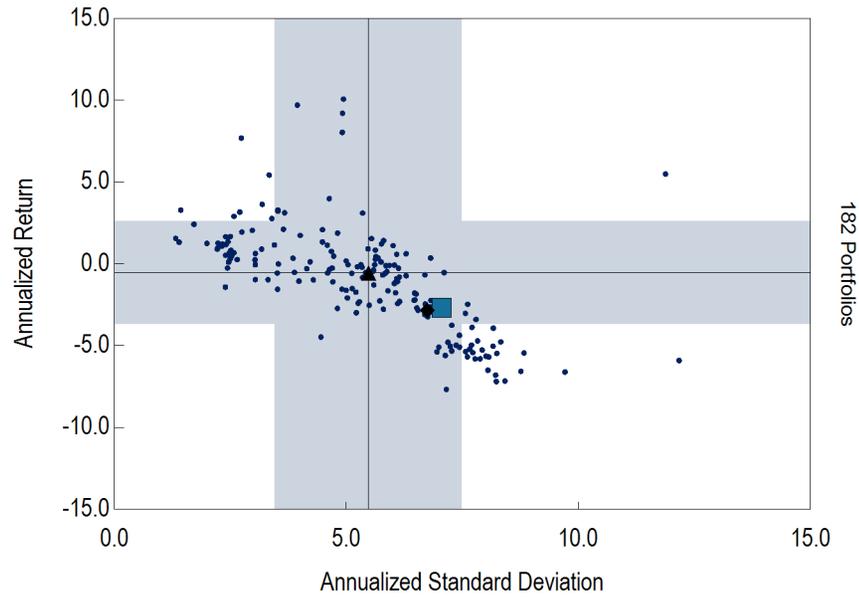
|  | Return (Rank) |       |       |       |      |      |       |      |      |      |      |      |      |      |      |      |
|--|---------------|-------|-------|-------|------|------|-------|------|------|------|------|------|------|------|------|------|
| 5th Percentile                             | 0.61          | 3.59  | 12.65 | 8.15  | 8.91 | 6.93 | 5.80  | 6.79 |      |      |      |      |      |      |      |      |
| 25th Percentile                            | -0.30         | 0.37  | 6.93  | 4.99  | 6.84 | 4.96 | 4.88  | 5.78 |      |      |      |      |      |      |      |      |
| Median                                     | -0.89         | -1.44 | 5.44  | 3.92  | 5.69 | 3.97 | 3.99  | 5.02 |      |      |      |      |      |      |      |      |
| 75th Percentile                            | -2.16         | -3.92 | 4.10  | 2.20  | 4.36 | 2.56 | 1.63  | 2.39 |      |      |      |      |      |      |      |      |
| 95th Percentile                            | -3.35         | -7.10 | 1.68  | -0.06 | 2.34 | 0.84 | -0.45 | 0.30 |      |      |      |      |      |      |      |      |
| # of Portfolios                            | 182           | 182   | 182   | 175   | 166  | 152  | 129   | 87   |      |      |      |      |      |      |      |      |
| ● PGIM Blended                             | -1.55         | (67)  | --    | (--)  | --   | (--) | --    | (--) | --   | (--) | --   | (--) | --   | (--) | --   | (--) |
| ▲ 50% JPM EMBI Global Diversified/ 50% JPM | -1.91         | (71)  | -3.88 | (75)  | 3.52 | (82) | 1.73  | (80) | 4.70 | (67) | 3.02 | (69) | 2.77 | (65) | 3.47 | (66) |



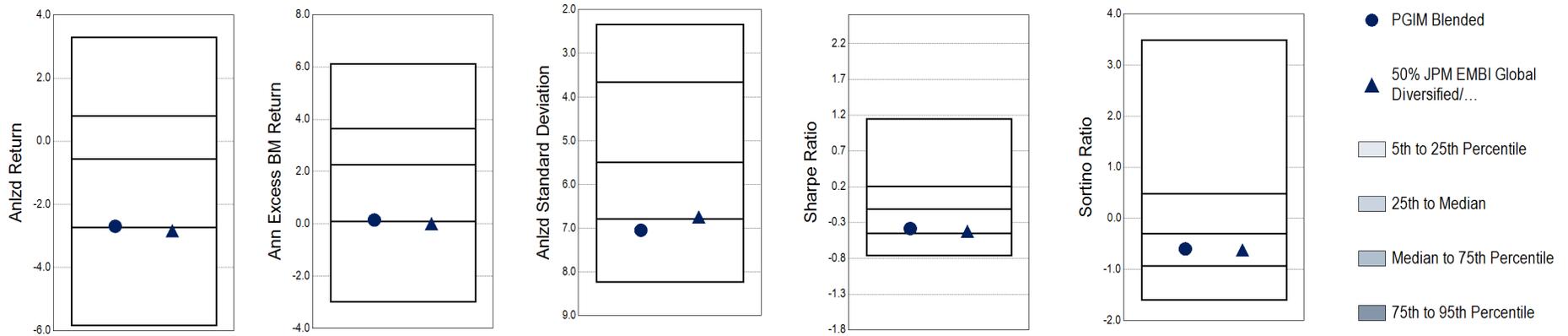
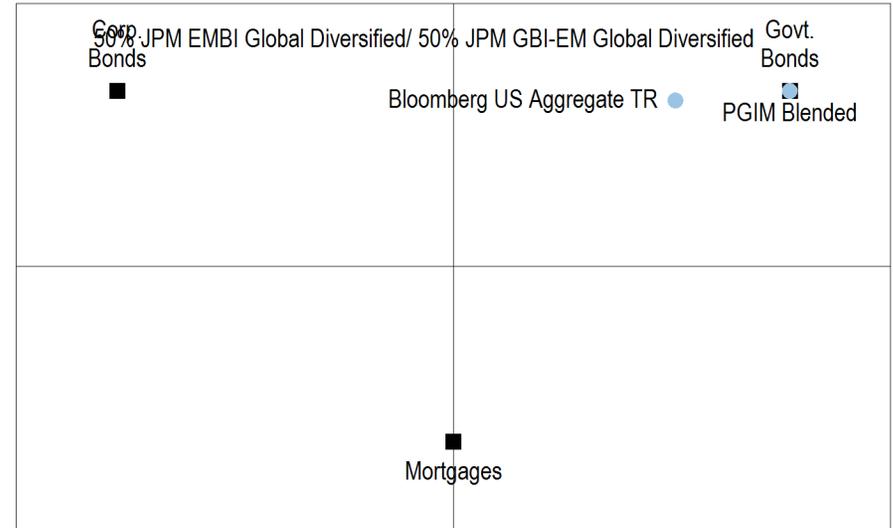
# Los Angeles City Employees' Retirement System

## PGIM BLENDED

Since Inception Risk Return

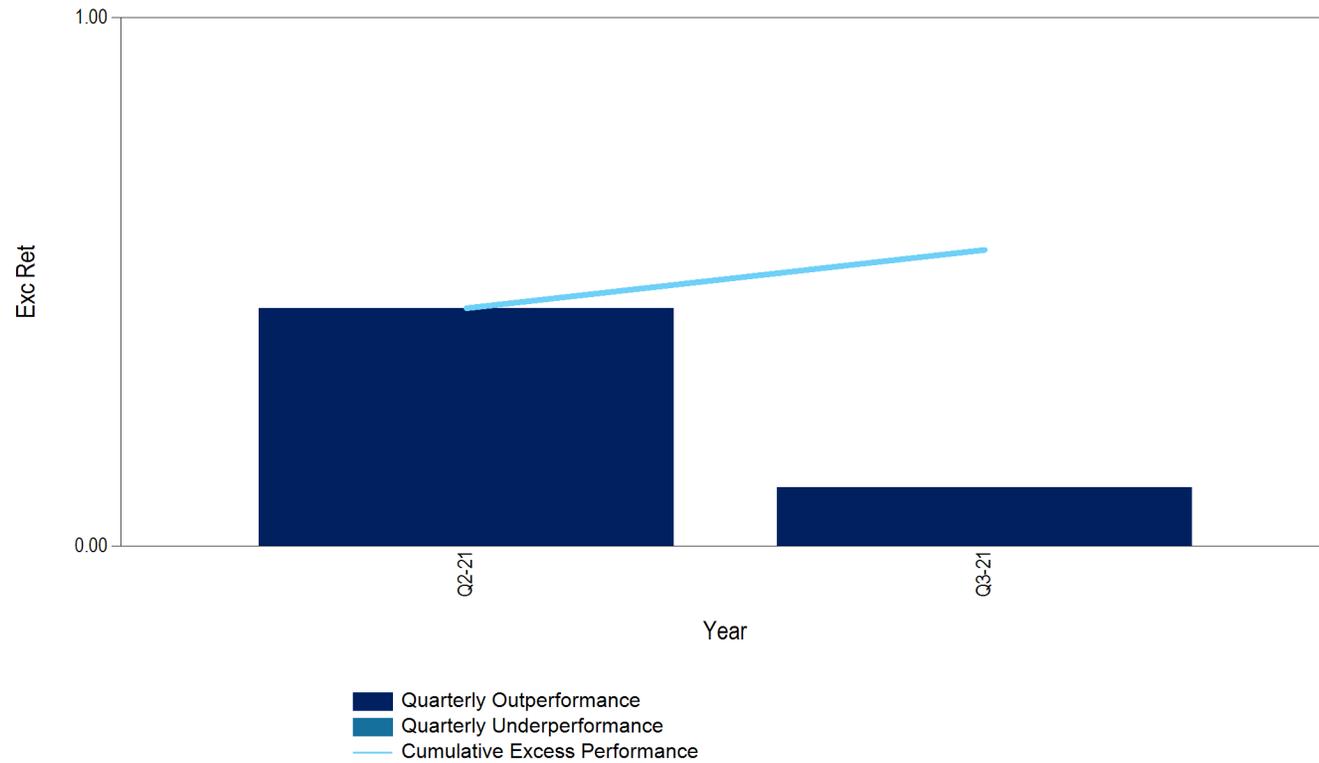


Fixed Income Style Map



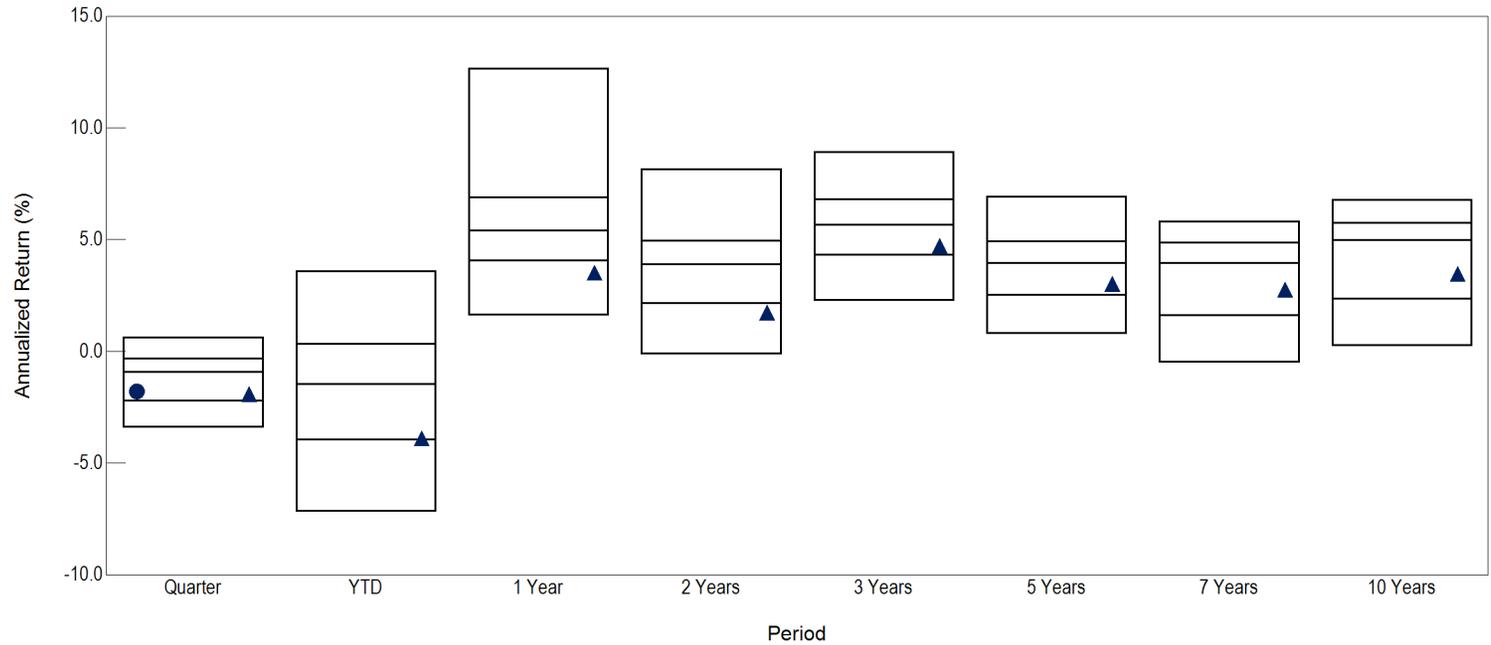
# Los Angeles City Employees' Retirement System WELLINGTON

Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System WELLINGTON

Wellington vs. eV All Emg Mkts Fixed Inc Net

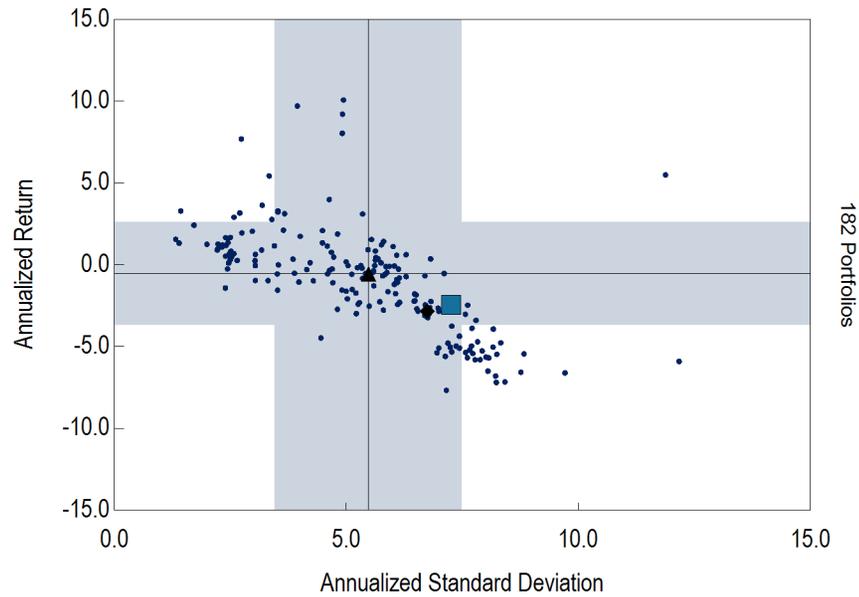


|  | Return (Rank) |       |       |       |      |      |       |      |      |      |      |      |      |      |      |      |
|--|---------------|-------|-------|-------|------|------|-------|------|------|------|------|------|------|------|------|------|
| 5th Percentile                             | 0.61          | 3.59  | 12.65 | 8.15  | 8.91 | 6.93 | 5.80  | 6.79 |      |      |      |      |      |      |      |      |
| 25th Percentile                            | -0.30         | 0.37  | 6.93  | 4.99  | 6.84 | 4.96 | 4.88  | 5.78 |      |      |      |      |      |      |      |      |
| Median                                     | -0.89         | -1.44 | 5.44  | 3.92  | 5.69 | 3.97 | 3.99  | 5.02 |      |      |      |      |      |      |      |      |
| 75th Percentile                            | -2.16         | -3.92 | 4.10  | 2.20  | 4.36 | 2.56 | 1.63  | 2.39 |      |      |      |      |      |      |      |      |
| 95th Percentile                            | -3.35         | -7.10 | 1.68  | -0.06 | 2.34 | 0.84 | -0.45 | 0.30 |      |      |      |      |      |      |      |      |
| # of Portfolios                            | 182           | 182   | 182   | 175   | 166  | 152  | 129   | 87   |      |      |      |      |      |      |      |      |
| ● Wellington                               | -1.80         | (70)  | --    | (--)  | --   | (--) | --    | (--) | --   | (--) | --   | (--) | --   | (--) | --   | (--) |
| ▲ 50% JPM EMBI Global Diversified/ 50% JPM | -1.91         | (71)  | -3.88 | (75)  | 3.52 | (82) | 1.73  | (80) | 4.70 | (67) | 3.02 | (69) | 2.77 | (65) | 3.47 | (66) |

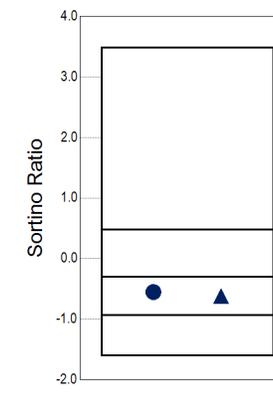
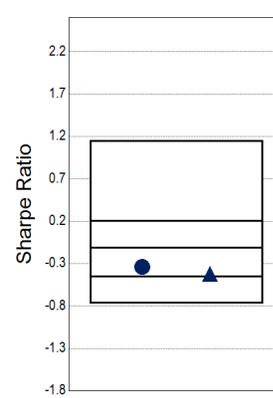
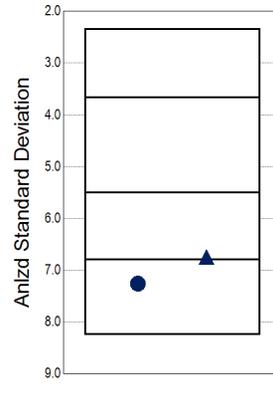
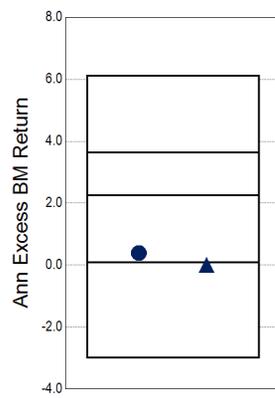
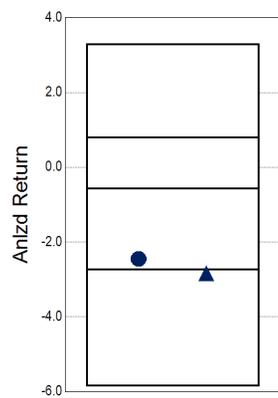
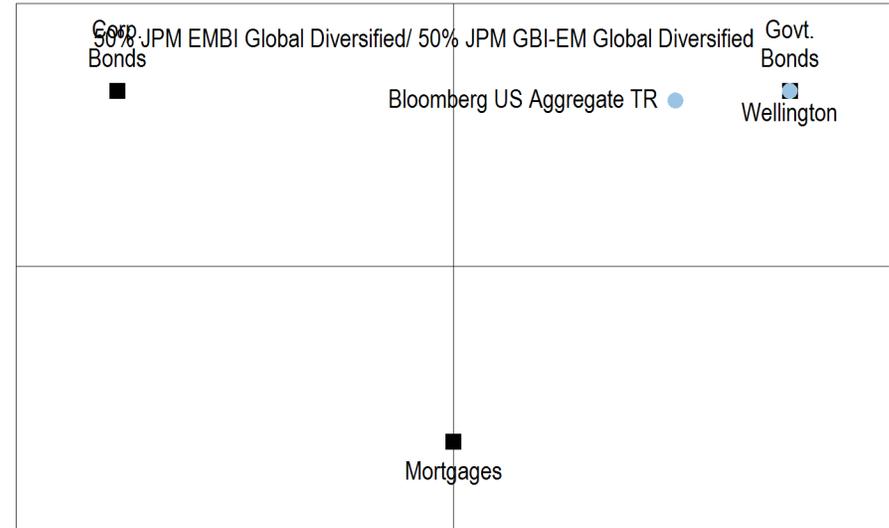


# Los Angeles City Employees' Retirement System WELLINGTON

Since Inception Risk Return



Fixed Income Style Map

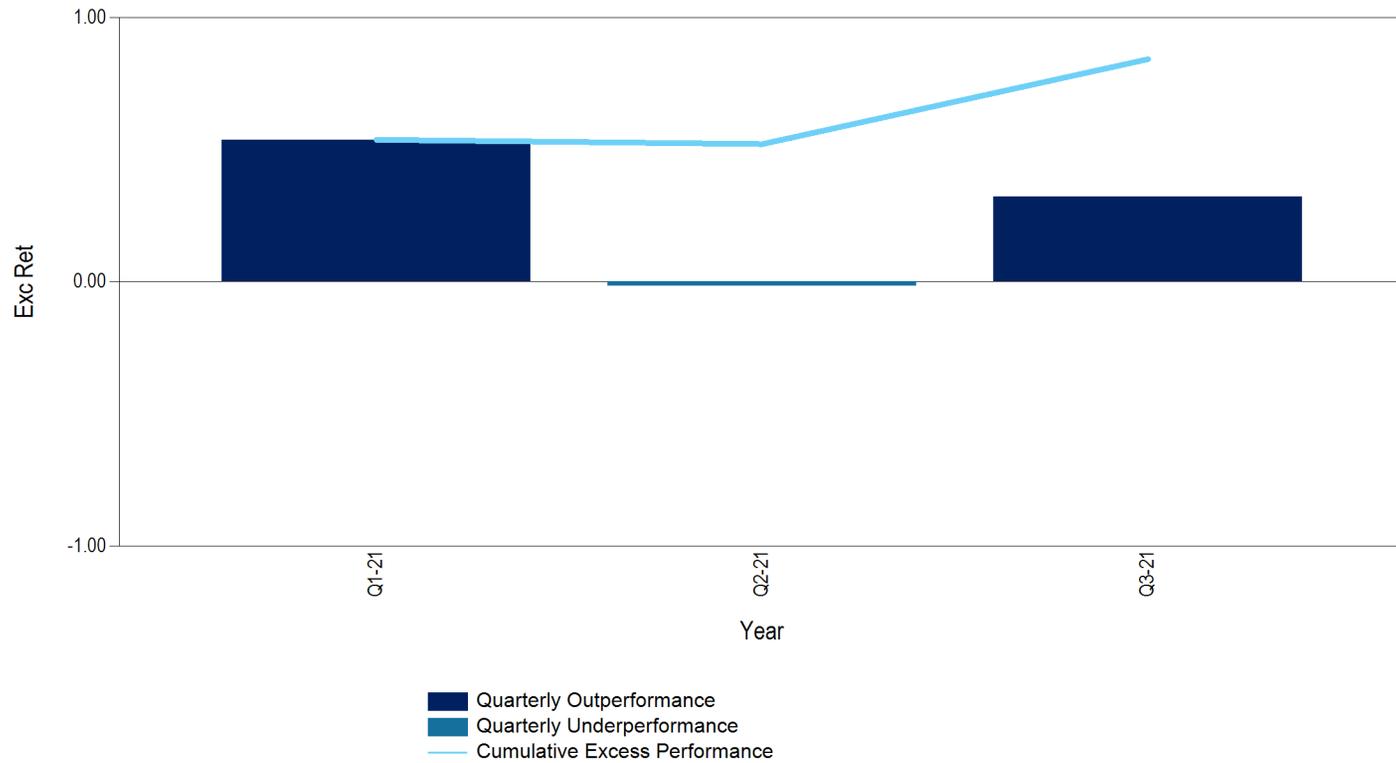


- Wellington
- ▲ 50% JPM EMBI Global Diversified/...
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System DDJ CAPITAL MANAGEMENT

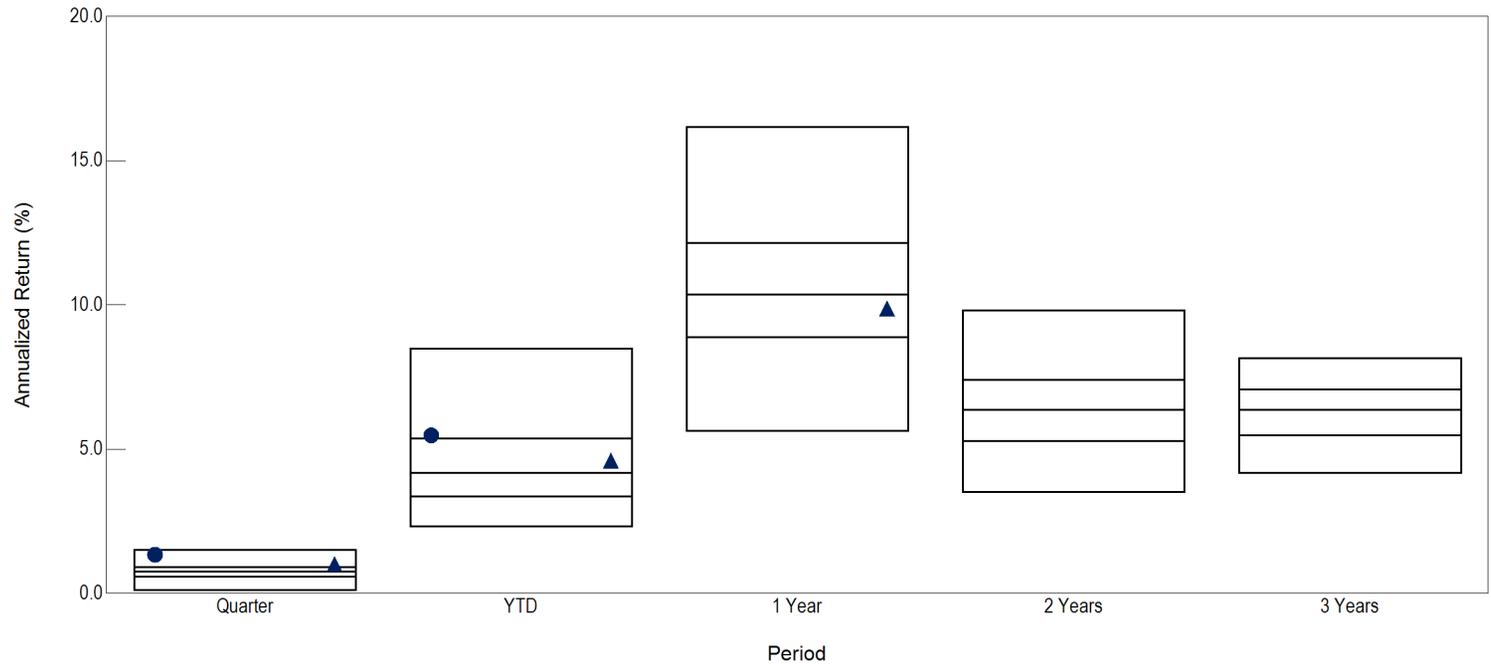
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## DDJ CAPITAL MANAGEMENT

DDJ Capital Management vs. eV US High Yield Fixed Inc Net

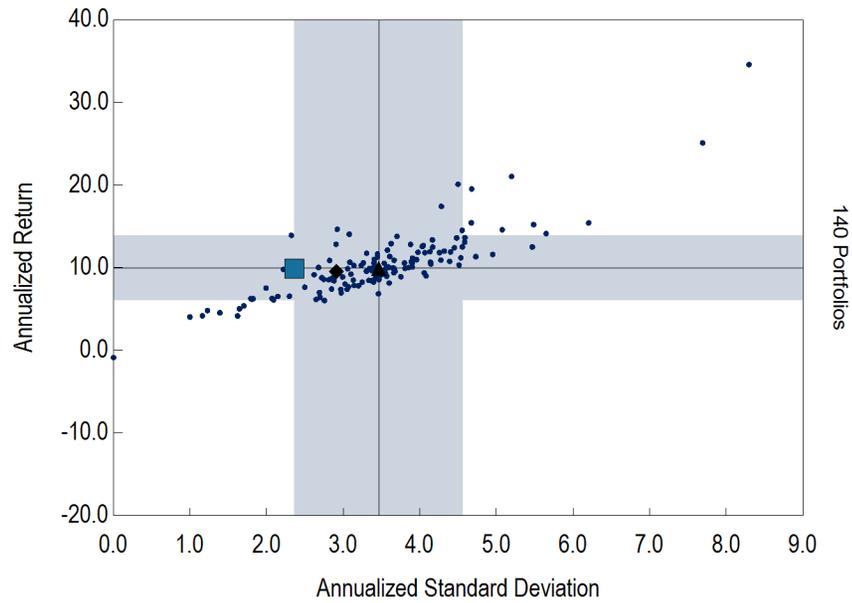


|   | Return (Rank) |      |      |      |       |      |      |      |      |      |
|---|---------------|------|------|------|-------|------|------|------|------|------|
| 5th Percentile                              | 1.51          |      | 8.48 |      | 16.16 |      | 9.80 |      | 8.14 |      |
| 25th Percentile                             | 0.93          |      | 5.38 |      | 12.17 |      | 7.42 |      | 7.08 |      |
| Median                                      | 0.77          |      | 4.21 |      | 10.38 |      | 6.39 |      | 6.37 |      |
| 75th Percentile                             | 0.61          |      | 3.37 |      | 8.89  |      | 5.29 |      | 5.49 |      |
| 95th Percentile                             | 0.14          |      | 2.34 |      | 5.66  |      | 3.52 |      | 4.19 |      |
| # of Portfolios                             | 140           |      | 140  |      | 140   |      | 140  |      | 137  |      |
| ● DDJ Capital Management                    | 1.34          | (7)  | 5.47 | (24) | --    | (--) | --   | (--) | --   | (--) |
| ▲ 50% BBgBarc US High Yield 2% Issuer Cap / | 1.01          | (19) | 4.60 | (41) | 9.87  | (62) | --   | (--) | --   | (--) |

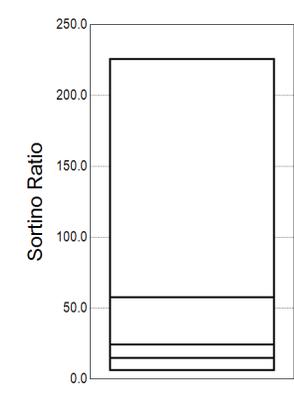
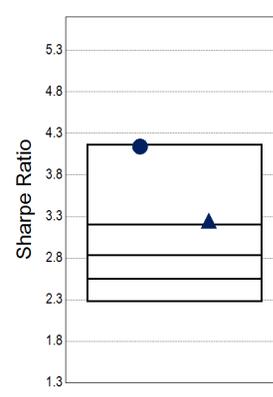
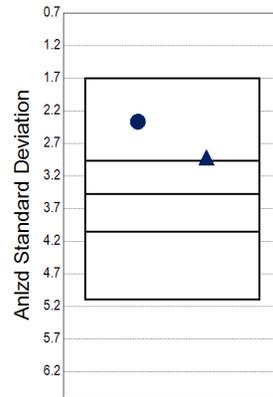
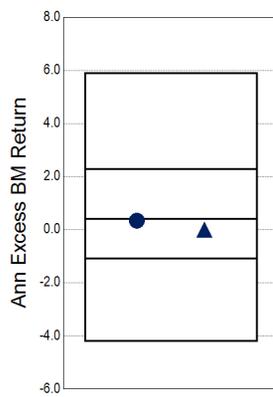
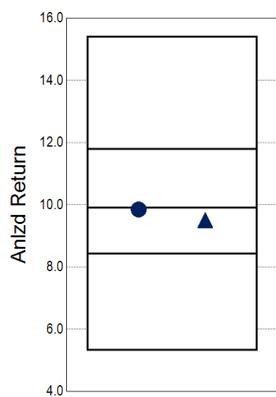
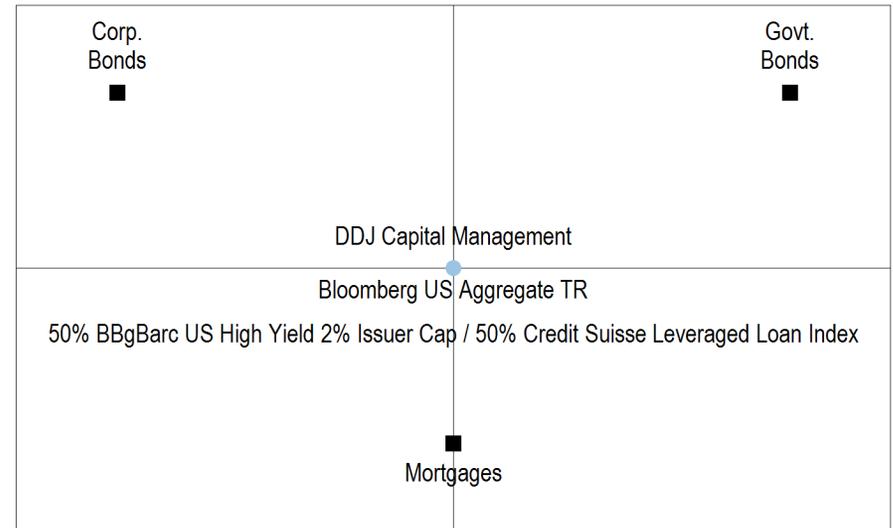


# Los Angeles City Employees' Retirement System DDJ CAPITAL MANAGEMENT

Since Inception Risk Return



Fixed Income Style Map



- DDJ Capital Management
- ▲ 50% BBgBarc US High Yield 2% Issuer Cap / 50% Credit Suisse Leveraged Loan Index
- 5th to 25th Percentile
- 25th to Median
- Median to 75th Percentile
- 75th to 95th Percentile



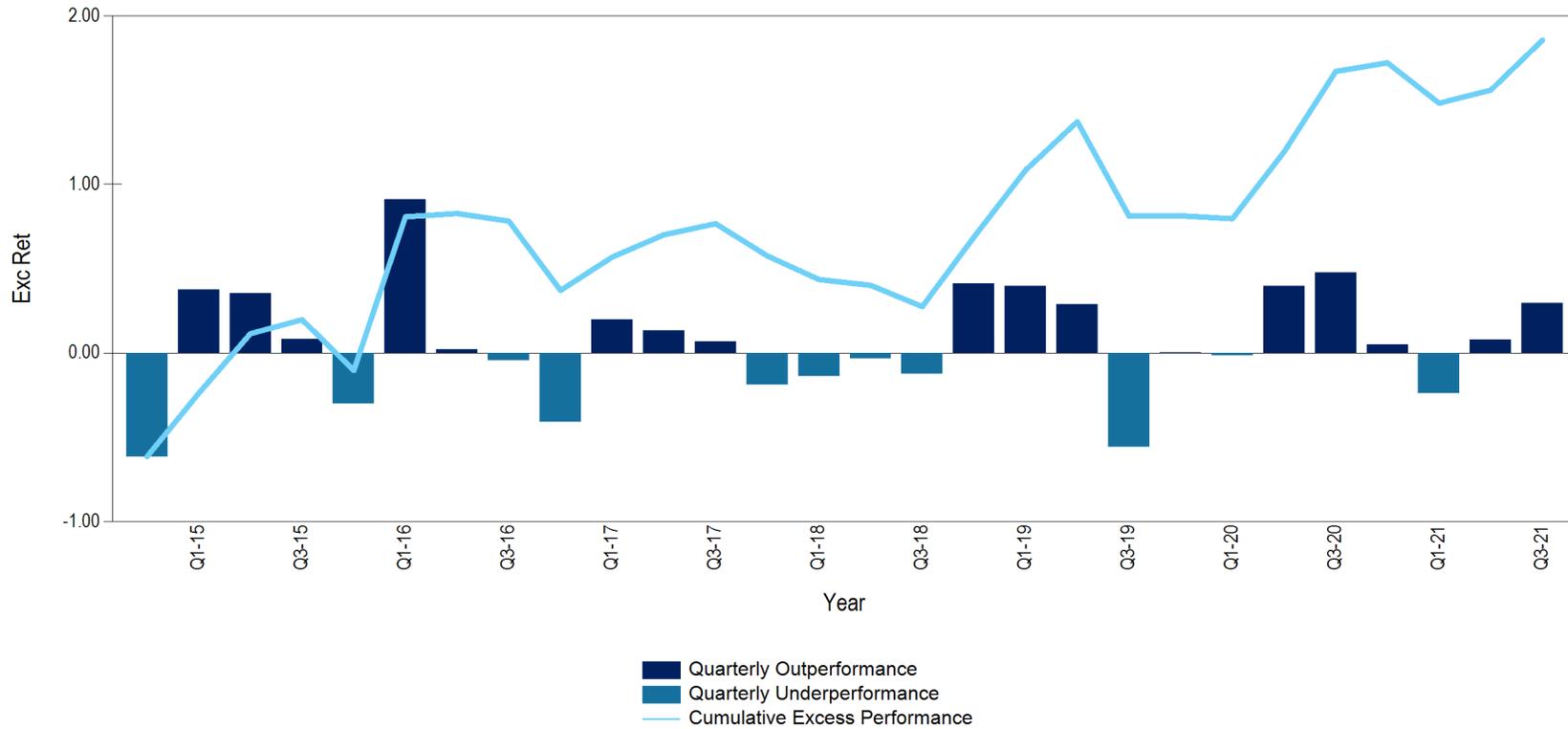


# REAL ASSETS MANAGER PERFORMANCE



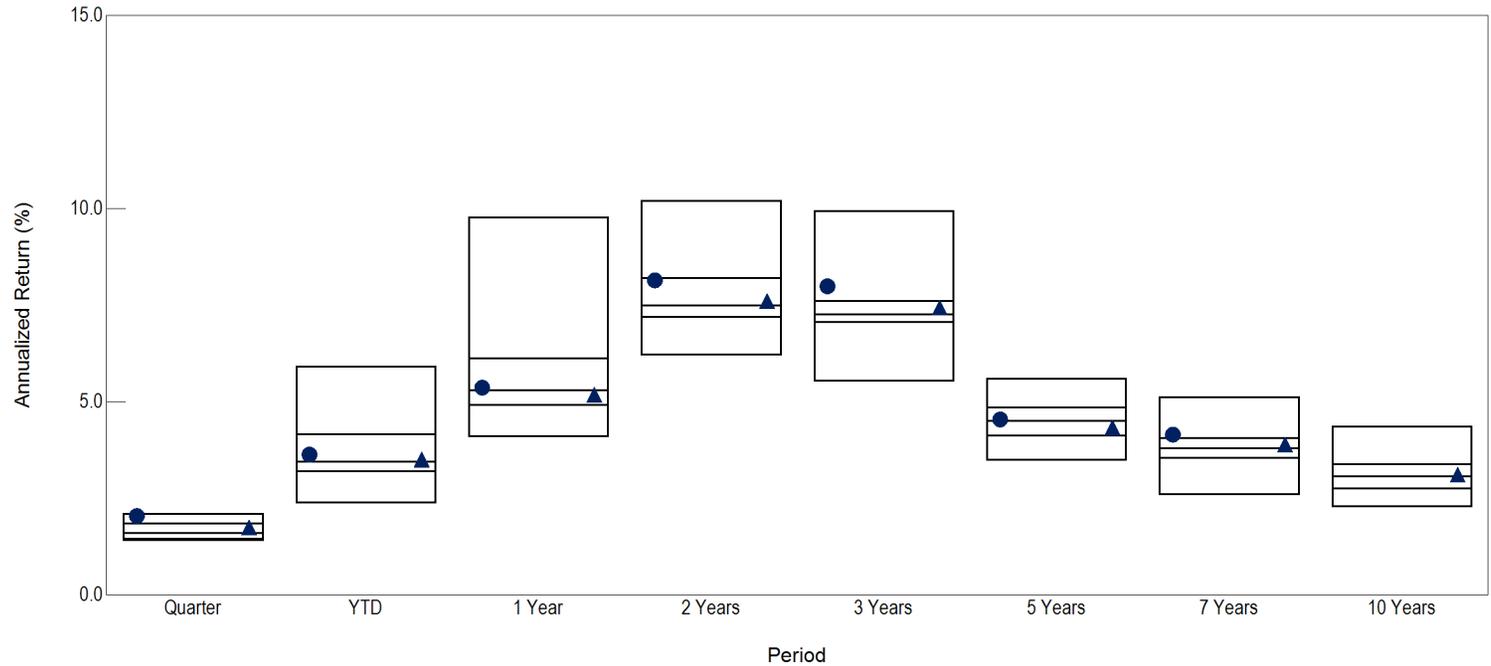
# Los Angeles City Employees' Retirement System DFA US TIPS

Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System DFA US TIPS

DFA US TIPS vs. eV US TIPS / Inflation Fixed Inc Net

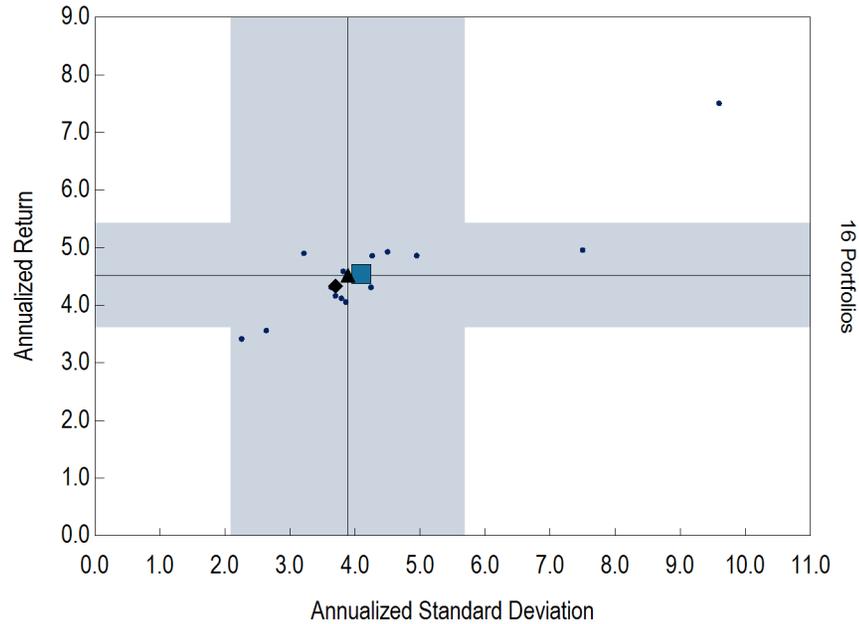


|                        | Return (Rank) |      |      |      |      |      |       |      |      |      |      |      |      |      |      |      |
|------------------------|---------------|------|------|------|------|------|-------|------|------|------|------|------|------|------|------|------|
| 5th Percentile         | 2.10          |      | 5.91 |      | 9.78 |      | 10.20 |      | 9.94 |      | 5.59 |      | 5.12 |      | 4.37 |      |
| 25th Percentile        | 1.88          |      | 4.18 |      | 6.15 |      | 8.22  |      | 7.63 |      | 4.87 |      | 4.08 |      | 3.41 |      |
| Median                 | 1.63          |      | 3.47 |      | 5.32 |      | 7.52  |      | 7.28 |      | 4.52 |      | 3.81 |      | 3.09 |      |
| 75th Percentile        | 1.47          |      | 3.23 |      | 4.94 |      | 7.22  |      | 7.09 |      | 4.15 |      | 3.57 |      | 2.77 |      |
| 95th Percentile        | 1.43          |      | 2.41 |      | 4.13 |      | 6.25  |      | 5.57 |      | 3.53 |      | 2.63 |      | 2.32 |      |
| # of Portfolios        | 16            |      | 16   |      | 16   |      | 16    |      | 16   |      | 16   |      | 15   |      | 13   |      |
| ● DFA US TIPS          | 2.05          | (6)  | 3.64 | (44) | 5.37 | (46) | 8.15  | (32) | 7.99 | (14) | 4.55 | (49) | 4.15 | (24) | --   | (--) |
| ▲ Bloomberg US TIPS TR | 1.75          | (31) | 3.51 | (47) | 5.19 | (63) | 7.61  | (46) | 7.45 | (33) | 4.34 | (60) | 3.90 | (29) | 3.12 | (47) |

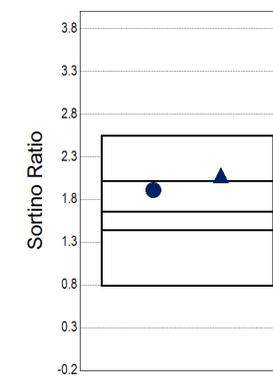
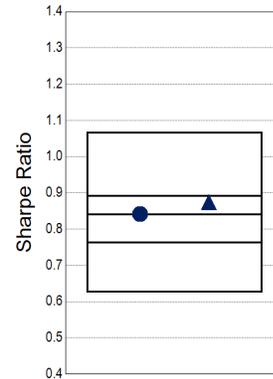
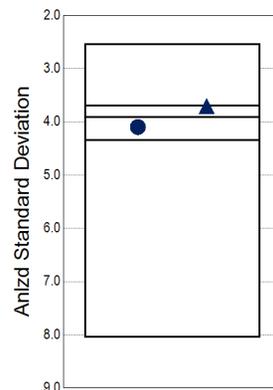
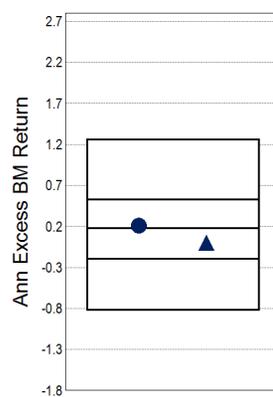
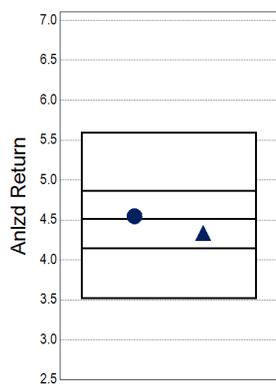
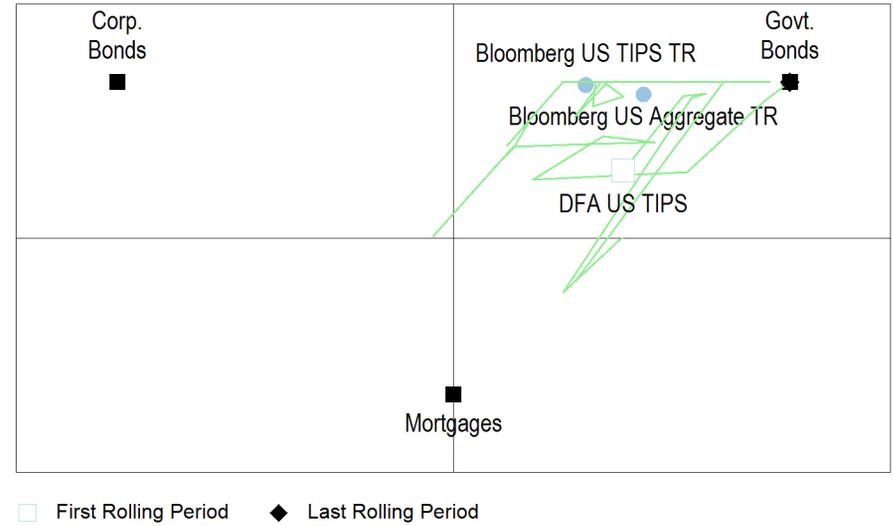


# Los Angeles City Employees' Retirement System DFA US TIPS

5 Years Ending September 30, 2021



5 Years Ending September 30, 2021

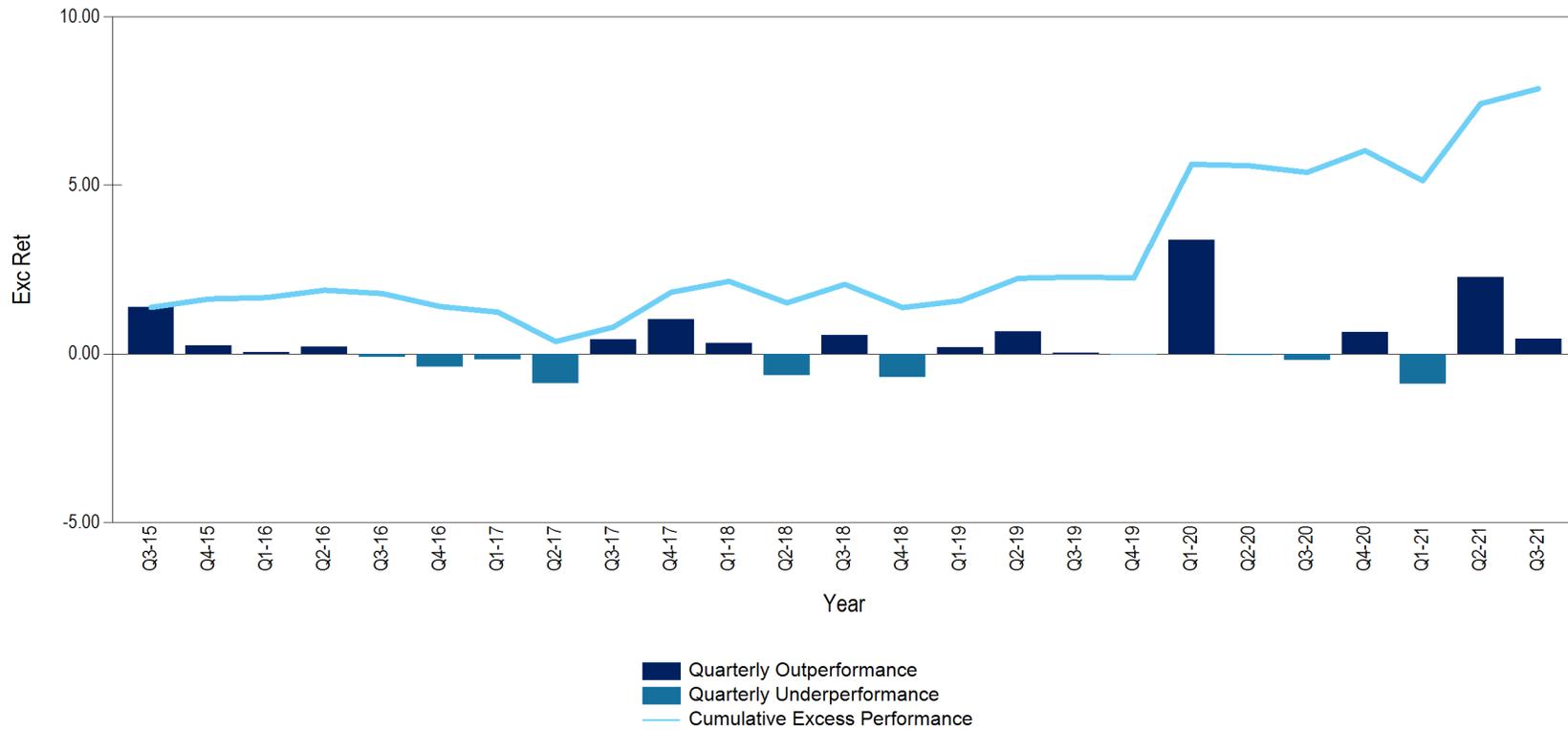


- DFA US TIPS
- ▲ Bloomberg US TIPS TR
- 5th to 25th Percentile
- ▒ 25th to Median
- ▓ Median to 75th Percentile
- 75th to 95th Percentile



# Los Angeles City Employees' Retirement System CENTERSQUARE US REAL ESTATE

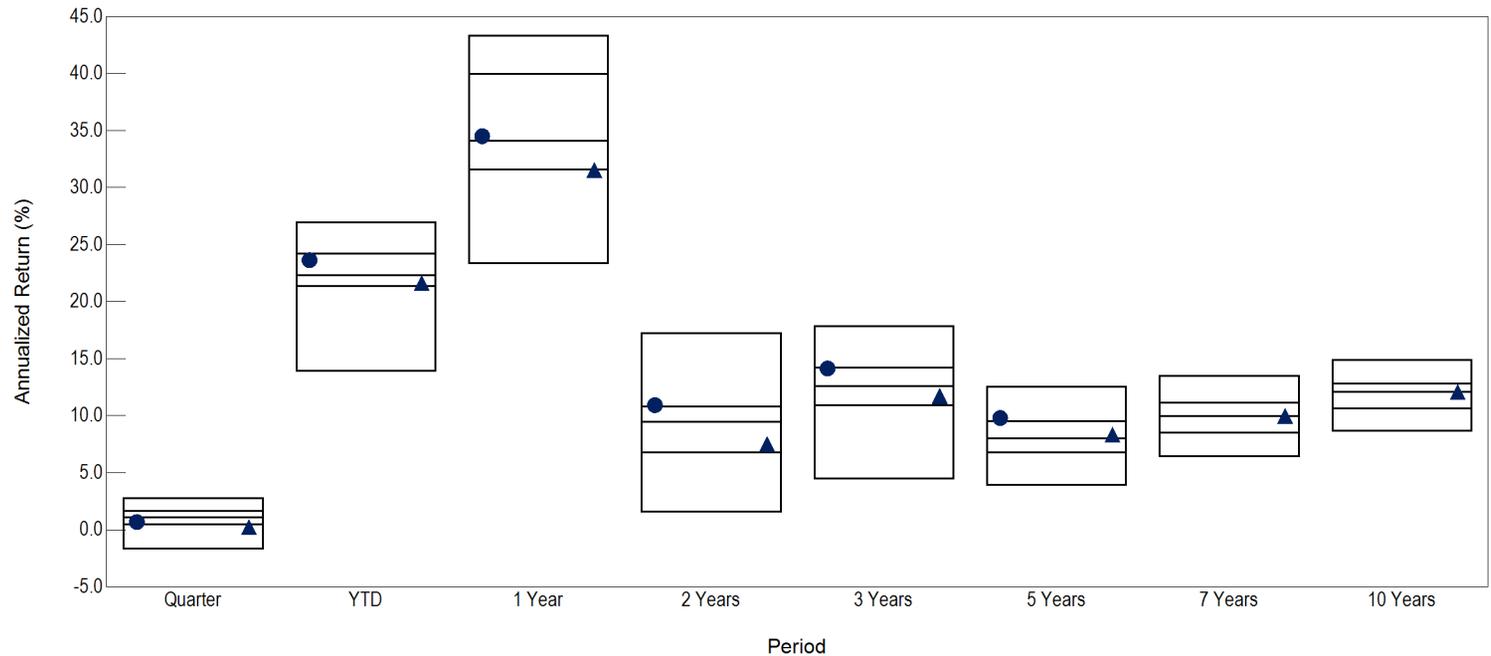
Quarterly and Cumulative Excess Performance



# Los Angeles City Employees' Retirement System

## CENTERSQUARE US REAL ESTATE

CenterSquare US Real Estate vs. eV US REIT Net



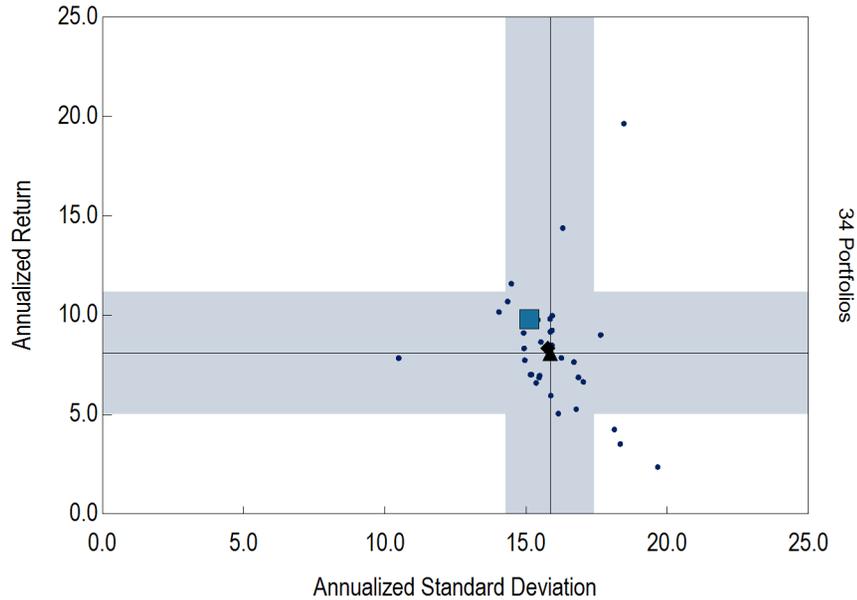
|                               | Return (Rank) |       |       |       |       |       |       |       |       |      |      |      |      |      |       |      |
|-------------------------------|---------------|-------|-------|-------|-------|-------|-------|-------|-------|------|------|------|------|------|-------|------|
| 5th Percentile                | 2.79          | 26.97 | 43.30 | 17.26 | 17.85 | 12.56 | 13.48 | 14.89 |       |      |      |      |      |      |       |      |
| 25th Percentile               | 1.70          | 24.24 | 40.00 | 10.88 | 14.26 | 9.59  | 11.21 | 12.88 |       |      |      |      |      |      |       |      |
| Median                        | 1.16          | 22.37 | 34.14 | 9.54  | 12.66 | 8.09  | 10.04 | 12.12 |       |      |      |      |      |      |       |      |
| 75th Percentile               | 0.51          | 21.42 | 31.62 | 6.85  | 10.98 | 6.87  | 8.57  | 10.69 |       |      |      |      |      |      |       |      |
| 95th Percentile               | -1.57         | 13.98 | 23.45 | 1.62  | 4.56  | 4.00  | 6.50  | 8.74  |       |      |      |      |      |      |       |      |
| # of Portfolios               | 38            | 38    | 38    | 37    | 36    | 34    | 30    | 27    |       |      |      |      |      |      |       |      |
| ● CenterSquare US Real Estate | 0.68          | (72)  | 23.63 | (34)  | 34.50 | (49)  | 10.93 | (25)  | 14.14 | (27) | 9.80 | (20) | --   | (--) | --    | (--) |
| ▲ FTSE NAREIT All Equity REIT | 0.23          | (84)  | 21.63 | (65)  | 31.53 | (76)  | 7.50  | (72)  | 11.73 | (65) | 8.33 | (49) | 9.98 | (52) | 12.09 | (53) |



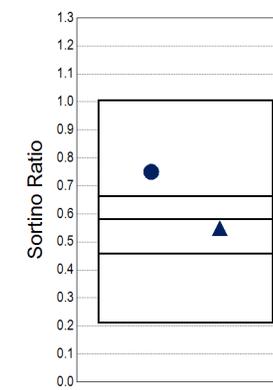
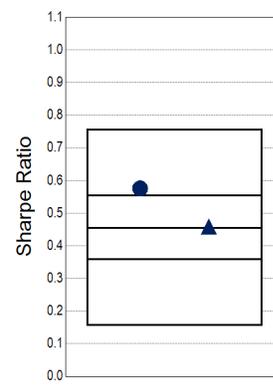
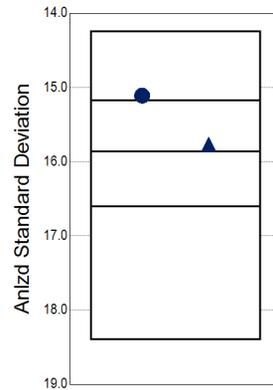
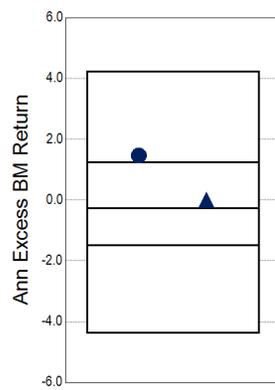
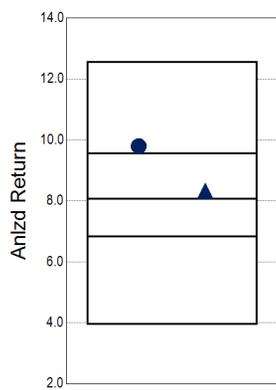
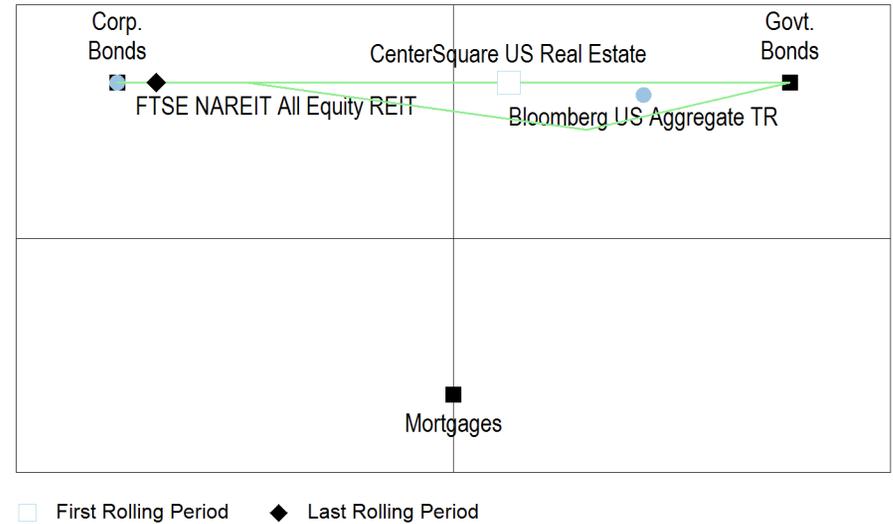
# Los Angeles City Employees' Retirement System

## CENTERSQUARE US REAL ESTATE

5 Years Ending September 30, 2021



5 Years Ending September 30, 2021



- CenterSquare US Real Estate
- ▲ FTSE NAREIT All Equity REIT
- 5th to 25th Percentile
- ▒ 25th to Median
- ▓ Median to 75th Percentile
- 75th to 95th Percentile





# DEFINITIONS

# POLICY INDEX DEFINITIONS

**Policy Index: Current (Interim policy composition)** 22.5% Russell 3000 Index, 27% MSCI ACWI ex USA Net Index, 16.75% Bbg Barclays U.S. Aggregate Bond Index, 7.25% Credit Opportunities Blend, 12% Real Assets Blend, 13.5% Private Equity Blend, 1% Citi 3 Month T-Bill Index

**U.S. Equity Blend:** July 1, 2011 - Current: Russell 3000 Index; September 30, 1994 - December 31, 1999 S&P 500 Index 33.75, Russell 1000 Value Index 35%, Russell 1000 Growth 12.5%, Russell 2000 Value 12.5%, Russell 2000 Growth 6.25%

**Core Fixed Income Blend:** July 1, 2013 – Current: Bbg Barclays U.S. Aggregate Bond Index

**Credit Opportunities Blend:** 20.7% Bloomberg US High Yield 2% Issuer Capped Index, 20.7% Credit Suisse Leveraged Loan Index, 55% Blended Emerging Markets Debt Blend, 3.6% Credit Suisse Leveraged Loan Index One Quarter Lagged

**Emerging Markets Debt Blend:** 50% JPM EMBI Global Diversified, 50% JPM GBI-EM Global Diversified

**Real Assets Blend:** 41.67% Bloomberg US TIPS Index, 25% FTSE NAREIT All Equity Index, 33.33% Real Estate Blend

**Public Real Assets Blend:** 62.5% Bloomberg US TIPS Index, 37.5% FTSE NAREIT All Equity Index

**Real Estate Blend:** July 1, 2014 - Current NCREIF ODCE + 0.80%; July 1, 2012 - June 30, 2014 NCREIF Property Index Lagged +1%; October 1, 1994 - June 30, 2012 NCREIF Property Index Lagged

**Private Equity Blend:** February 1, 2012 – current: Russell 3000 + 3%; Inception – January 31, 2012: Russell 3000 + 4%

Note: See Investment Policy for a full description of the indices listed.



# POLICY INDEX DEFINITIONS

INTERIM POLICY TARGETS ADOPTED ON SEPTEMBER 14, 2021

| Asset Class          | Policy Target % | Interim Policy Targets |        |        |        |        |
|----------------------|-----------------|------------------------|--------|--------|--------|--------|
|                      |                 | 2021                   | 2022   | 2023   | 2024   | 2025   |
| U.S. Equity          | 21.00%          | 22.50%                 | 22.00% | 21.50% | 21.40% | 21.00% |
| Non-U.S. Equity      | 26.00%          | 27.00%                 | 27.00% | 26.50% | 26.10% | 26.00% |
| Private Equity       | 16.00%          | 13.50%                 | 14.00% | 15.00% | 15.50% | 16.00% |
| Core Fixed Income    | 11.25%          | 16.75%                 | 16.00% | 14.75% | 13.25% | 11.25% |
| Credit Opportunities | 12.75%          | 7.25%                  | 8.00%  | 9.25%  | 10.75% | 12.75% |
| Public Real Assets   | 5.00%           | 8.00%                  | 7.50%  | 7.00%  | 6.00%  | 5.00%  |
| Real Estate          | 7.00%           | 4.00%                  | 4.50%  | 5.00%  | 6.00%  | 7.00%  |
| Cash                 | 1.00%           | 1.00%                  | 1.00%  | 1.00%  | 1.00%  | 1.00%  |



# GLOSSARY OF INVESTMENT TERMINOLOGY

- **# Of Portfolios/Observations<sup>1</sup>**
  - The total number of data points that make up a universe or sample.
- **Allocation Index<sup>3</sup>**
  - The Allocation Index measures the value added to (or subtracted from) each portfolio by active management. It is calculated monthly: The portfolio weight allocated to each category from the prior month-end is multiplied by a specified market index return.
- **Asset Allocation Effect<sup>2</sup>**
  - Measures an investment manager's ability to effectively allocate their portfolio's assets to various sectors. The allocation effect determines whether the overweighting or underweighting of sectors relative to a benchmark contributes positively or negatively to the overall portfolio return. Positive allocation occurs when the portfolio is over weighted in a sector that outperforms the benchmark and underweighted in a sector that underperforms the benchmark. Negative allocation occurs when the portfolio is over weighted in a sector that underperforms the benchmark and under weighted in a sector that outperforms the benchmark.
- **Agency Bonds (Agencies)<sup>3</sup>**
  - The full faith and credit of the United States government is normally not pledged to payment of principal and interest on the majority of government agencies issuing these bonds, with maturities of up to ten years. Their yields, therefore, are normally higher than government and their marketability is good, thereby qualifying them as a low risk-high liquidity type of investment. They are eligible as security for advances to the member banks by the Federal Reserve, which attests to their standing.
- **Asset Backed Securities (ABS)<sup>3</sup>**
  - Bonds which are similar to mortgage-backed securities but are collateralized by assets other than mortgages; commonly backed by credit card receivables, auto loans, or other types of consumer financing.
- **Attribution<sup>3</sup>**
  - Attribution is an analytical technique used to evaluate the performance of a portfolio relative to a benchmark. A proper attribution highlights where value was added or subtracted as a result of the manager's decisions.
- **Average Effective Maturity<sup>4</sup>**
  - For a single bond, it is a measure of maturity that takes into account the possibility that a bond might be called back to the issuer.

For a portfolio of bonds, average effective maturity is the weighted average of the maturities of the underlying bonds. The measure is computed by weighing each bond's maturity by its market value with respect to the portfolio and the likelihood of any of the bonds being called. In a pool of mortgages, this would also account for the likelihood of prepayments on the mortgages.
- **Batting Average<sup>1</sup>**
  - A measurement representing an investment manager's history in surpassing an index.  
*Formula: Divide the number of days (or months, quarters, etc.) in which the manager beat or matched the index by the total number of days (or months, quarters, etc.) in the time period, and multiply that factor by 100.*
- **Brinson Fachler (BF) Attribution<sup>1</sup>**
  - The BF methodology is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance. The main advantage of the BF methodology is that rather than using the overall return of the benchmark, it goes a level deeper than BHB and measures whether the benchmark sector, country, etc. outperformed/or underperformed the overall benchmark.

Source: <sup>1</sup>InvestorForce, <sup>2</sup>Interaction Effect Performance Attribution, <sup>3</sup>NEPC, LLC, <sup>4</sup>Investopedia, <sup>5</sup>Hedgeco.net



# GLOSSARY OF INVESTMENT TERMINOLOGY

- **Brinson Hood Beebower (BHB) Attribution<sup>1</sup>**
  - The BHB methodology shows that excess return must be equal to the sum of all other factors (i.e., allocation effect, selection effect, interaction effect, etc.). The advantage to using the BHB methodology is that it is a highly accepted industry standard for calculating the allocation, selection, and interaction effects within a portfolio that collectively explains a portfolio's underlying performance.
- **Corporate Bond (Corp)<sup>4</sup>**
  - A debt security issued by a corporation and sold to investors. The backing for the bond is usually the payment ability of the company, which is typically money to be earned from future operations. In some cases, the company's physical assets may be used as collateral for bonds.
- **Correlation<sup>1</sup>**
  - A range of statistical relationships between two or more random variables or observed data values. A correlation is a single number that describes the degree of relationship between variables.
- **Coupon<sup>4</sup>**
  - The interest rate stated on a bond when it is issued. The coupon is typically paid semiannually. This is also referred to as the "coupon rate" or "coupon percent rate."
- **Currency Effect<sup>1</sup>**
  - The effect that changes in currency exchange rates over time affect excess performance.
- **Derivative Instrument<sup>3</sup>**
  - A financial obligation that derives its precise value from the value of one or more other instruments (or assets) at the same point of time. For example, the relationship between the value of an S&P 500 futures contract (the derivative instrument in this case) is determined by the value of the S&P 500 Index and the value of a U.S. Treasury bill that matures at the expiration of the futures contract.
- **Downside Deviation<sup>1</sup>**
  - The standard deviation of negative return or the measure of downside risk focusing on the standard deviation of negative returns.  
*Formula: Annualized Standard Deviation (Fund Return - Average Fund Return) where average fund return is greater than individual fund returns, monthly or quarterly.*
- **Duration<sup>3</sup>**
  - Duration is a measure of interest rate risk. The greater the duration of a bond, or a portfolio of bonds, the greater its price volatility will be in response to a change in interest rates. A bond's duration is inversely related to interest rates and directly related to time to maturity.
- **Equity/Debt/Cash Ratio<sup>1</sup>**
  - The percentage of an investment or portfolio that is in Equity, Debt, and/or Cash (i.e. a 7/89/4 ratio represents an investment that is made up of 7% Equity, 89% Debt, and 4% Cash).
- **Foreign Bond<sup>3</sup>**
  - A bond that is issued in a domestic market by a foreign entity, in the domestic market's currency. A foreign bond is most often issued by a foreign firm to raise capital in a domestic market that would be most interested in purchasing the firm's debt. For foreign firms doing a large amount of business in the domestic market, issuing foreign bonds is a common practice.
- **Hard Hurdle<sup>5</sup>**
  - A rate of return that, once beaten, allows a fund manager to charge a performance fee on returns above the specified hurdle rate.
- **High-Water Mark<sup>4</sup>**
  - The highest value that an investment fund/account has reached. This term is often used in the context of fund manager compensation, which is performance-based. Some performance-based fees only get paid when fund performance exceeds the high-water mark. The high-water mark ensures that the manager does not get paid large sums for poor performance.

# GLOSSARY OF INVESTMENT TERMINOLOGY

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- **Hurdle Rate<sup>4</sup>**
  - The minimum rate of return on an investment required for a manager to collect incentive fees from the investor, which is usually tied to a benchmark.
- **Interaction Effect<sup>2</sup>**
  - The Interaction Effect measures the combined impact of an investment manager's selection and allocation decisions within a sector. For example, if an investment manager had superior selection and overweighted that particular sector, the interaction effect is positive. If an investment manager had superior selection, but underweighted that sector, the interaction effect is negative. In this case, the investment manager did not take advantage of the superior selection by allocating more assets to that sector. Since many investment managers consider the interaction effect to be part of the selection or the allocation, it is often combined with either effect.
- **Median<sup>3</sup>**
  - The value that exceeds one-half of the values in a population and that is exceeded by one-half of the values. The median has a percentile rank of 50.
- **Modified Duration<sup>3</sup>**
  - The percentage change in the price of a fixed income security that results from a change in yield.
- **Mortgage Backed Securities (MBS)<sup>3</sup>**
  - Bonds which are a general obligation of the issuing institution but are also collateralized by a pool of mortgages.
- **Municipal Bond (Muni)<sup>4</sup>**
  - A debt security issued by a state, municipality or county to finance its capital expenditures.
- **Net Investment Change<sup>1</sup>**
  - The change in an investment after accounting for all Net Cash Flows.
- **Performance Fee<sup>4</sup>**
  - A payment made to a fund manager for generating positive returns. The performance fee is generally calculated as a percentage of investment profits, often both realized and unrealized.
- **Policy Index<sup>3</sup>**
  - A custom benchmark designed to indicate the returns that a passive investor would earn by consistently following the asset allocation targets set forth in the investment policy statement.
- **Price to Book (P/B)<sup>4</sup>**
  - A ratio used to compare a stock's market value to its book value. It is calculated by dividing the current closing price of the stock by the latest quarter's book value per share, also known as the "price-equity ratio".
- **Price to Earnings (P/E)<sup>3</sup>**
  - The weighted equity P/E is based on current price and trailing 12 months earnings per share (EPS).
- **Price to Sales (P/S)<sup>4</sup>**
  - A ratio for valuing a stock relative to its own past performance, other companies, or the market itself. Price to sales is calculated by dividing a stock's current price by its revenue per share for the trailing 12 months.
- **Quartile<sup>3</sup>**
  - One of four segments of a distribution. The top quartile consists of observations that rank from 1 to 25, the second quartile consists of observations that rank between 25 and 50, etc.



# GLOSSARY OF INVESTMENT TERMINOLOGY

- **Rank<sup>3</sup>**
  - The relative position of a single observation in a larger population. Universe rankings range from 1 to 100, with 1 being the best and 100 the worst.
- **Return on Equity (ROE)<sup>4</sup>**
  - The amount of net income returned as a percentage of shareholders equity. Return on equity measures a corporation's profitability by revealing how much profit a company generates with the money shareholders have invested.
- **Selection (or Manager) Effect<sup>2</sup>**
  - Measures the investment manager's ability to select securities within a given sector relative to a benchmark. The over or underperformance of the portfolio is weighted by the benchmark weight, therefore, selection is not affected by the manager's allocation to the sector. The weight of the sector in the portfolio determines the size of the effect: The larger the sector, the larger the effect, positive or negative.
- **Soft Hurdle<sup>5</sup>**
  - A rate of return that, once beaten, allows a fund manager to charge a performance fee based on the entire annualized return.
- **Tiered Fee<sup>1</sup>**
  - A fee structure that is paid to fund managers based on the size of the investment (i.e. 1.00% fee on the first \$10M invested, 0.90% on the next \$10M, and 0.80% on the remaining balance).
- **Total Effect<sup>2</sup>**
  - The active management (total) effect is the sum of the selection, allocation, and interaction effects. It is also the difference between the total portfolio return and the total benchmark return. You can use the active management effect to determine the amount the investment manager has added to a portfolio's return.
- **Total Return<sup>1</sup>**
  - The actual rate of return of an investment over a specified time period. Total return includes interest, capital gains, dividends, and distributions realized over the time period.
- **Universe<sup>3</sup>**
  - The list of all assets eligible for inclusion in a portfolio, or group of portfolios eligible for inclusion in a distribution.
- **Upside Deviation<sup>1</sup>**
  - Standard Deviation of Positive Returns
- **Weighted Average Market Cap.<sup>4</sup>**
  - A stock market index weighted by the market capitalization of each stock in the index. In such a weighting scheme, larger companies account for a greater portion of the index. Most indexes are constructed in this manner, with the best example being the S&P 500.
- **Yield (%)<sup>3</sup>**
  - The current yield of a security is the current indicated annual dividend rate divided by current price.
- **Yield to Maturity<sup>3</sup>**
  - The discount rate that equates the present value of cash flows, both principal and interest, to market price.

# DISCLAIMERS & DISCLOSURES

Past performance is no guarantee of future results.

Returns for pooled funds, e.g. mutual funds and collective investment trusts, are collected from third parties; they are not generally calculated by NEPC. Returns for separate accounts, with some exceptions, are calculated by NEPC. Returns are reported net of manager fees unless otherwise noted.

A “since inception” return, if reported, begins with the first full month after funding, although actual inception dates (e.g. the middle of a month) and the timing of cash flows are taken into account in Composite return calculations.

NEPC’s preferred data source is the plan’s custodian bank or record-keeper. If data cannot be obtained from one of the preferred data sources, data provided by investment managers may be used. Information on market indices and security characteristics is received from additional providers. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within. In addition, some index returns displayed in this report or used in calculation of a policy index, allocation index or other custom benchmark may be preliminary and subject to change.

All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.

The opinions presented herein represent the good faith views of NEPC as of the date of this presentation and are subject to change at any time. Neither fund performance nor universe rankings contained in this report should be considered a recommendation by NEPC.

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Source of private fund performance benchmark data: Cambridge Associates, via Refinitiv



Aksia LLC

Private Equity Portfolio Performance Report  
As of June 30, 2021



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

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## Aggregate Portfolio Summary As Of June 30, 2021

- The aggregate portfolio's fair market value of ~\$3.4 billion represented 15.2% of Total Plan Assets

| Aggregate Portfolio Private Equity Exposure Summary |                  |
|---|------------------|
| Total Plan Market Value                             | \$22,554,463,073 |
| Private Equity Exposure Target (%)                  | 16.0%*           |
| Private Equity Exposure Target (\$)                 | \$3,608,714,091  |
| Private Equity Exposure (%)                         | 15.2%            |
| Fair Market Value ("FMV")                           | \$3,434,578,813  |

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

## Aggregate Portfolio Snapshot Year-Over-Year

- LACERS has committed \$6.1 billion to 313 partnerships since the inception of its private equity program in 1995; 250 of those partnerships remain active as of 6/30/21
- Distributions for the year (\$642mm) outpaced contributions for the same time period (\$547mm)
- The fair market value of the portfolio increased by \$1,213 million over the last twelve months
- The aggregate portfolio has generated a total value of 1.77x and a Net IRR of 12.7% since inception

| Aggregate Portfolio Snapshot (\$ millions) |         |         |              |
|--|---------|---------|--------------|
| Portfolio Since Inception                  | 6/30/21 | 6/30/20 | Change (+/-) |
| Partnerships                               | 313     | 290     | + 23         |
| Active                                     | 250     | 234     | + 16         |
| Inactive                                   | 63      | 56      | + 7          |
| Sponsors                                   | 140     | 115     | + 25         |
| Investment To Date Contributions           | \$4,584 | \$4,037 | + \$547      |
| Investment To Date Distributions           | \$4,526 | \$3,884 | + \$642      |
| Fair Market Value                          | \$3,435 | \$2,222 | + \$1,213    |
| TVPI <sup>1</sup>                          | 1.77x   | 1.53x   | + 0.24x      |
| Net IRR                                    | 12.7%   | 10.9%   | + 1.8%       |

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 (\$192.7 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 (\$1,435.2 million of fair market value with vintage years ranging from 2010-2015)
  - Net TVPI increased .48x while the Net IRR increased by ~4.0%
  - 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 (\$1,806.7 million of fair market value with vintage years ranging from 2016-2021)
  - Net TVPI increased .43x while the Net IRR increased by ~17.5%
  - Significant potential for growth or decline to occur in these investments
  - Bulk of the near-term contributions are likely to come from the “Developing” bucket

| Vintage Years             | \$'s in millions                  |                  |                  |                  |                      |              |                          |               |                          |
|---------------------------|-----------------------------------|------------------|------------------|------------------|----------------------|--------------|--------------------------|---------------|--------------------------|
|                           | LTM <sup>1</sup><br>Contributions | ITD <sup>1</sup> | LTM <sup>1</sup> | ITD <sup>1</sup> | Fair Market<br>Value | 6/30/21      | Year Over Year<br>Change | 6/30/21       | Year Over Year<br>Change |
|                           | Contributions                     | Contributions    | Distributions    | Distributions    | Market Value         | Net TVPI     | Net TVPI                 | Net IRR       | Net IRR                  |
| Mature<br>(1995-2009)     | \$0.8                             | \$1,879.6        | \$71.6           | \$2,935.8        | \$192.7              | 1.67x        | 0.05x                    | 10.59%        | 0.19%                    |
| Maturing<br>(2010-2015)   | \$24.0                            | \$1,409.0        | \$399.2          | \$1,349.6        | \$1,435.2            | 2.07x        | 0.48x                    | 16.78%        | 3.98%                    |
| Developing<br>(2016-2021) | \$521.9                           | \$1,295.3        | \$170.7          | \$240.1          | \$1,806.7            | 1.62x        | 0.43x                    | 29.91%        | 17.51%                   |
| <b>Total Portfolio</b>    | <b>\$546.7</b>                    | <b>\$4,583.9</b> | <b>\$641.5</b>   | <b>\$4,525.5</b> | <b>\$3,434.6</b>     | <b>1.77x</b> | <b>0.24x</b>             | <b>12.67%</b> | <b>1.77%</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 33.2% of aggregate portfolio exposure and 22.3% 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 | 3.5%            | \$252,140,365             | 4.9%                | 2.20x | 22.2%   |
| Thoma Bravo                   | 8               | \$150,000,000 | 2.5%            | \$214,517,495             | 4.1%                | 2.17x | 28.2%   |
| Technology Crossover Ventures | 6               | \$144,500,000 | 2.4%            | \$189,777,650             | 3.7%                | 2.46x | 17.6%   |
| Spark Management Partners     | 7               | \$93,750,000  | 1.5%            | \$171,942,350             | 3.3%                | 2.97x | 30.0%   |
| Advent International          | 5               | \$145,000,000 | 2.4%            | \$167,680,745             | 3.2%                | 2.04x | 19.9%   |
| TA Associates*                | 5               | \$146,000,000 | 2.4%            | \$164,749,610             | 3.2%                | 2.41x | 23.3%   |
| Hellman & Friedman            | 11              | \$140,463,972 | 2.3%            | \$156,088,740             | 3.0%                | 2.02x | 21.1%   |
| New Enterprise Associates     | 4               | \$95,000,000  | 1.6%            | \$141,784,731             | 2.7%                | 2.24x | 22.5%   |
| ABRY Partners                 | 6               | \$145,000,000 | 2.4%            | \$138,655,789             | 2.7%                | 1.23x | 8.2%    |
| Oak HC/FT*                    | 4               | \$85,000,000  | 1.4%            | \$128,171,395             | 2.5%                | 2.18x | 41.4%   |

\*New to 10 largest sponsor relationship list as of 6/30/21.

## New Investments made in 1H 2021

| Commitments from 1/1/2021 to 6/30/2021 |  |  |                                       |                 |                                |                                  |
|--|--|--|---------------------------------------|-----------------|--------------------------------|----------------------------------|
| Closing Date                           | Sponsor  | Partnership  | Fund Size <sup>1</sup><br>(\$million) | New or Existing | Investment Strategy            | Commitment Amount<br>(\$million) |
| 1/8/2021                               | <a href="#">Ulu Ventures<sup>2</sup></a>                 | Ulu Ventures Fund III  | \$100                                 | New             | Venture Capital                | \$10.0                           |
| 1/28/2021                              | <a href="#">Mill Point Capital<sup>2</sup></a>           | Mill Point Capital Partners II                               | \$675                                 | Existing        | Small Buyouts                  | \$11.0                           |
| 2/4/2021                               | <b>H.I.G. Capital</b>                                    | H.I.G. Europe Middle Market LBO Fund                         | \$2,000                               | New             | Medium Buyouts                 | \$49.6                           |
| 2/16/2021                              | <b>New MainStream Capital (NMS)</b>                      | NMS Fund IV  | \$600                                 | Existing        | Small Buyouts                  | \$40.0                           |
| 2/17/2021                              | <b>Oak HC/FT</b>   | Oak HC-FT Partners IV  | \$1,100                               | Existing        | Venture Capital                | \$40.0                           |
| 3/23/2021                              | <b>Roark Capital Group</b>                               | Roark Capital Partners VI                                    | \$5,000                               | Existing        | Large Buyouts                  | \$40.0                           |
| 4/1/2021                               | <b>Genstar Capital Partners</b>                          | Genstar Capital Partners X<br>Genstar X Opportunities Fund I | \$8,000                               | Existing        | Large Buyouts<br>Large Buyouts | \$32.5<br>\$25.0                 |
| 5/7/2021                               | <b>Orchid Asia Group Management</b>                      | Orchid Asia VIII   | \$1,600                               | New             | Growth Equity                  | \$50.0                           |
| 5/10/2021                              | <b>Hellman &amp; Friedman</b>                            | Hellman & Friedman Capital Partners X                        | \$20,000                              | Existing        | Large Buyouts                  | \$40.0                           |
| 5/27/2021                              | <b>TA Associates</b>                                     | TA XIV-A   | \$10,500                              | Existing        | Growth Equity                  | \$60.0                           |
| 6/21/2021                              | <b>Intermediate Capital Group ("ICG")</b>                | ICG Strategic Equity Fund IV                                 | \$5,000                               | New             | Secondaries                    | \$50.0                           |
| 6/30/2021                              | <a href="#">Avance Investment Management<sup>2</sup></a> | Avance Investments Partners I                                | \$500                                 | New             | Small Buyouts                  | \$20.0                           |
| <b>Total</b>                           | <b>12</b>  | <b>13</b>  |                                       |                 |                                | <b>\$468.1</b>                   |

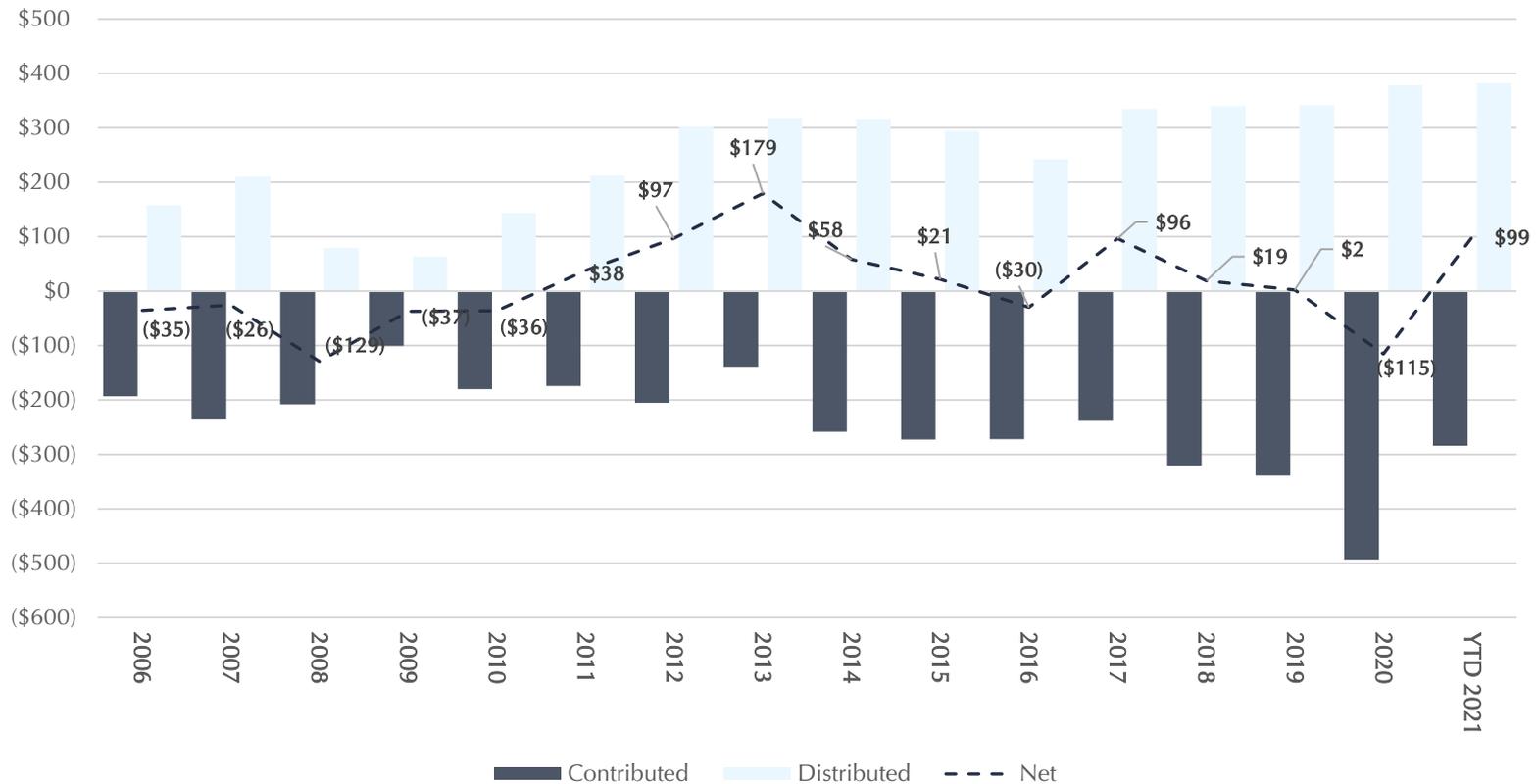
<sup>1</sup> Based on target fund size.<sup>2</sup> Qualifies as an Emerging Manager based on LACERS' definition.

## Commitment Statistics

- Commitments were made to 12 different Sponsors totaling \$468.1 million in total commitments
  - Seven commitments were made to existing Sponsor relationships (\$288.5 million)
  - Five commitments were made to new Sponsor relationships (\$179.6 million)
  - The average commitment amount was ~\$43.7 million per Sponsor (excluding Emerging Managers)
- ~55% of commitments went to Buyout focused firms; ~34% of commitments went to Venture Capital and Growth Equity focused firms; ~11% of commitments went to a secondaries fund
  - ‘Large Buyouts’ accounted for ~29% of commitments to buyout funds during the first half of the year
  - ‘Medium Buyouts’ accounted for ~21% of commitments to buyout funds during the first half of the year
  - ‘Small Buyouts’ accounted for ~4% of commitments to buyout funds during the first half of the year
  - ‘Growth Equity’ accounted for ~24% of commitments while venture capital accounted for ~11% of commitments
- 3 of the 12 Sponsor Commitments were made to a Sponsor that qualifies as an Emerging Manager under LACERS’ definition

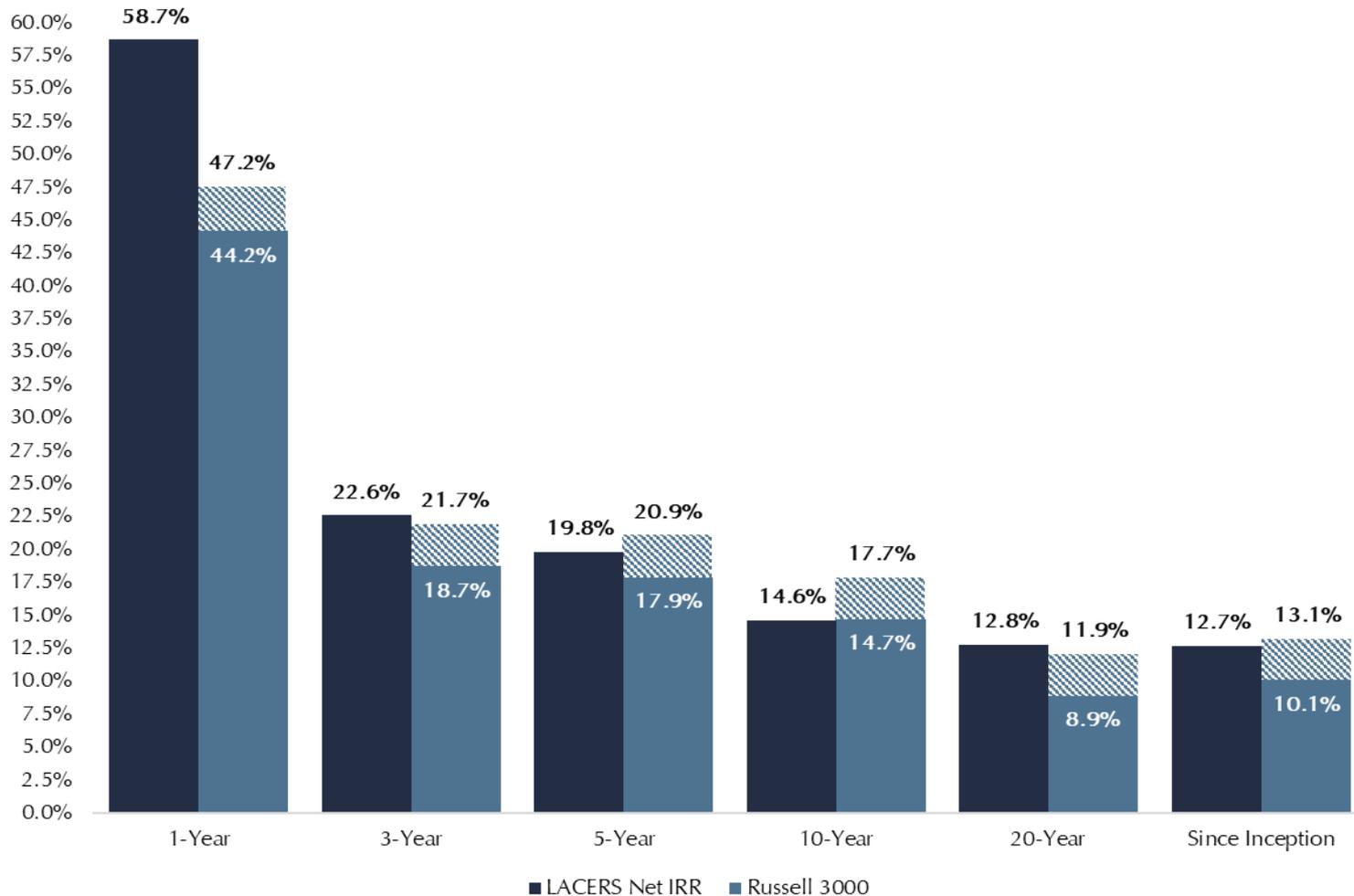
## Private Equity Program Cash Flow Profile Over Time

- 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

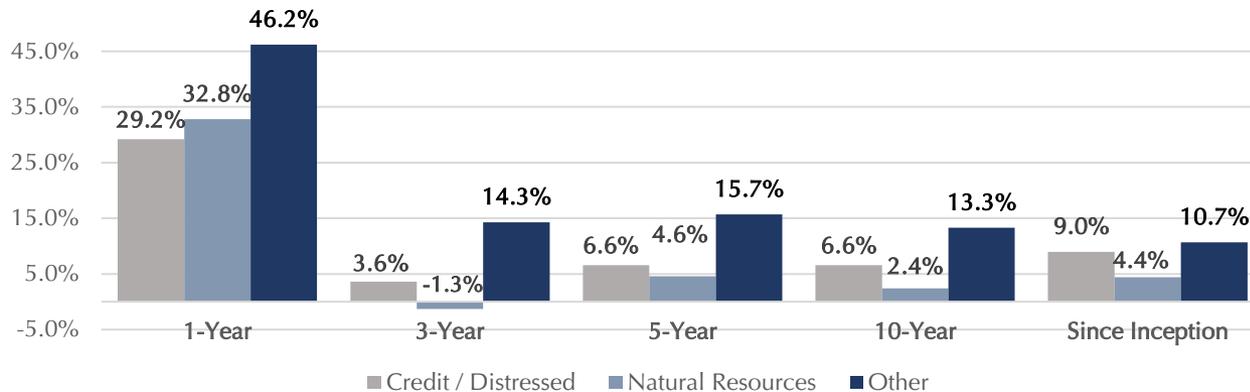
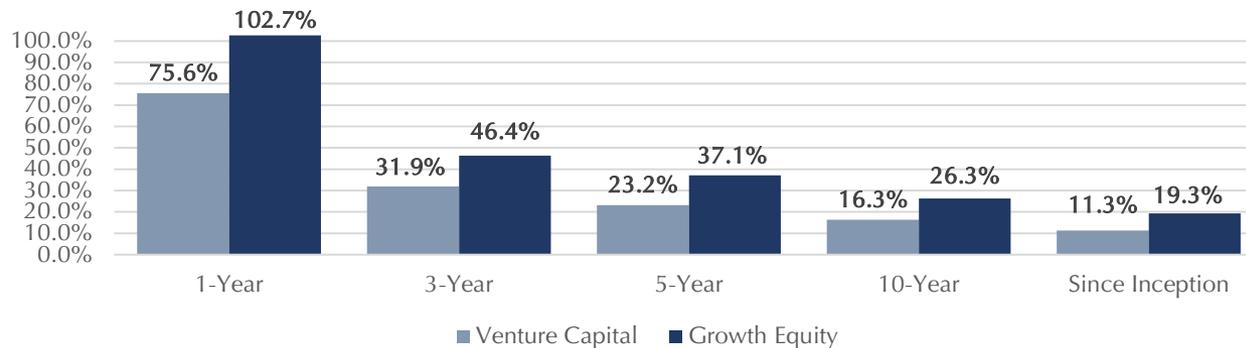
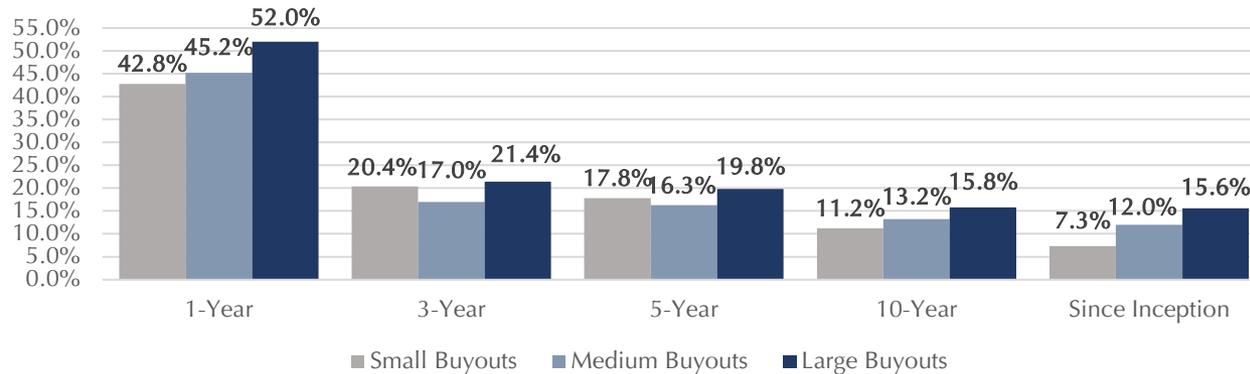
- LACERS Benchmark is the Russell 3000 + 300bps



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

| Sub-Strategy                     | Commitment             | Contributions          | Percent Called | Distributions          | Percent Distributed | Fair Market Value      | TVPI         | Net IRR      |
|----------------------------------|------------------------|------------------------|----------------|------------------------|---------------------|------------------------|--------------|--------------|
| Large                            | \$1,589,687,889        | \$1,206,458,410        | 75.89%         | \$1,383,479,502        | 87.03%              | \$803,344,692          | 1.84x        | 15.6%        |
| Medium                           | \$1,876,246,313        | \$1,349,302,417        | 71.91%         | \$1,418,454,710        | 75.60%              | \$870,181,947          | 1.73x        | 12.0%        |
| Small                            | \$240,600,561          | \$176,768,244          | 73.47%         | \$137,646,910          | 57.21%              | \$113,334,798          | 1.44x        | 7.3%         |
| <b>Buyouts Total</b>             | <b>\$3,706,524,763</b> | <b>\$2,732,529,071</b> | <b>73.72%</b>  | <b>\$2,939,581,122</b> | <b>79.31%</b>       | <b>\$1,786,861,438</b> | <b>1.76x</b> | <b>13.0%</b> |
| Credit                           | \$80,000,000           | \$66,867,583           | 83.58%         | \$16,933,150           | 21.17%              | \$51,795,822           | 1.03x        | 1.2%         |
| Distressed                       | \$524,531,007          | \$435,059,323          | 82.94%         | \$410,851,400          | 78.33%              | \$154,553,212          | 1.36x        | 9.8%         |
| Mezzanine                        | \$35,000,000           | \$32,793,814           | 93.70%         | \$29,473,025           | 84.21%              | \$10,002,801           | 1.21x        | 5.1%         |
| <b>Credit / Distressed Total</b> | <b>\$639,531,007</b>   | <b>\$534,720,720</b>   | <b>83.61%</b>  | <b>\$457,257,575</b>   | <b>71.50%</b>       | <b>\$216,351,835</b>   | <b>1.31x</b> | <b>9.0%</b>  |
| Growth Equity                    | \$564,957,154          | \$372,491,310          | 65.93%         | \$358,144,385          | 63.39%              | \$628,057,047          | 2.68x        | 19.3%        |
| <b>Growth Equity Total</b>       | <b>\$564,957,154</b>   | <b>\$372,491,310</b>   | <b>65.93%</b>  | <b>\$358,144,385</b>   | <b>63.39%</b>       | <b>\$628,057,047</b>   | <b>2.68x</b> | <b>19.3%</b> |
| Energy                           | \$330,000,000          | \$295,019,867          | 89.40%         | \$206,208,565          | 62.49%              | \$138,712,664          | 1.17x        | 4.4%         |
| <b>Natural Resources Total</b>   | <b>\$330,000,000</b>   | <b>\$295,019,867</b>   | <b>89.40%</b>  | <b>\$206,208,565</b>   | <b>62.49%</b>       | <b>\$138,712,664</b>   | <b>1.17x</b> | <b>4.4%</b>  |
| Fund of Funds                    | \$20,000,000           | \$19,179,059           | 95.90%         | \$31,288,795           | 156.44%             | \$0                    | 1.63x        | 7.4%         |
| Secondaries                      | \$100,000,000          | \$44,470,594           | 44.47%         | \$37,618,184           | 37.62%              | \$34,861,323           | 1.77x        | 16.6%        |
| <b>Other Total</b>               | <b>\$120,000,000</b>   | <b>\$63,649,653</b>    | <b>53.04%</b>  | <b>\$68,906,979</b>    | <b>57.42%</b>       | <b>\$34,861,323</b>    | <b>1.72x</b> | <b>10.7%</b> |
| Early Stage                      | \$175,010,000          | \$128,585,559          | 73.47%         | \$146,102,231          | 83.48%              | \$214,347,932          | 2.81x        | 43.2%        |
| Expansion Stage                  | \$20,000,000           | \$3,320,000            | 16.60%         | -                      | N/A                 | \$2,764,526            | 0.83x        | (78.8%)      |
| Late Stage                       | \$135,000,000          | \$127,380,217          | 94.36%         | \$100,228,151          | 74.24%              | \$129,745,183          | 1.82x        | 8.7%         |
| Multi-Stage                      | \$395,217,369          | \$326,184,113          | 82.53%         | \$249,027,957          | 63.01%              | \$282,876,866          | 1.63x        | 8.3%         |
| <b>Venture Capital Total</b>     | <b>\$725,227,369</b>   | <b>\$585,469,889</b>   | <b>80.73%</b>  | <b>\$495,358,339</b>   | <b>68.30%</b>       | <b>\$629,734,506</b>   | <b>1.93x</b> | <b>11.3%</b> |
| <b>Total</b>                     | <b>\$6,086,240,293</b> | <b>\$4,583,880,512</b> | <b>75.32%</b>  | <b>\$4,525,456,965</b> | <b>74.36%</b>       | <b>\$3,434,578,813</b> | <b>1.77x</b> | <b>12.7%</b> |

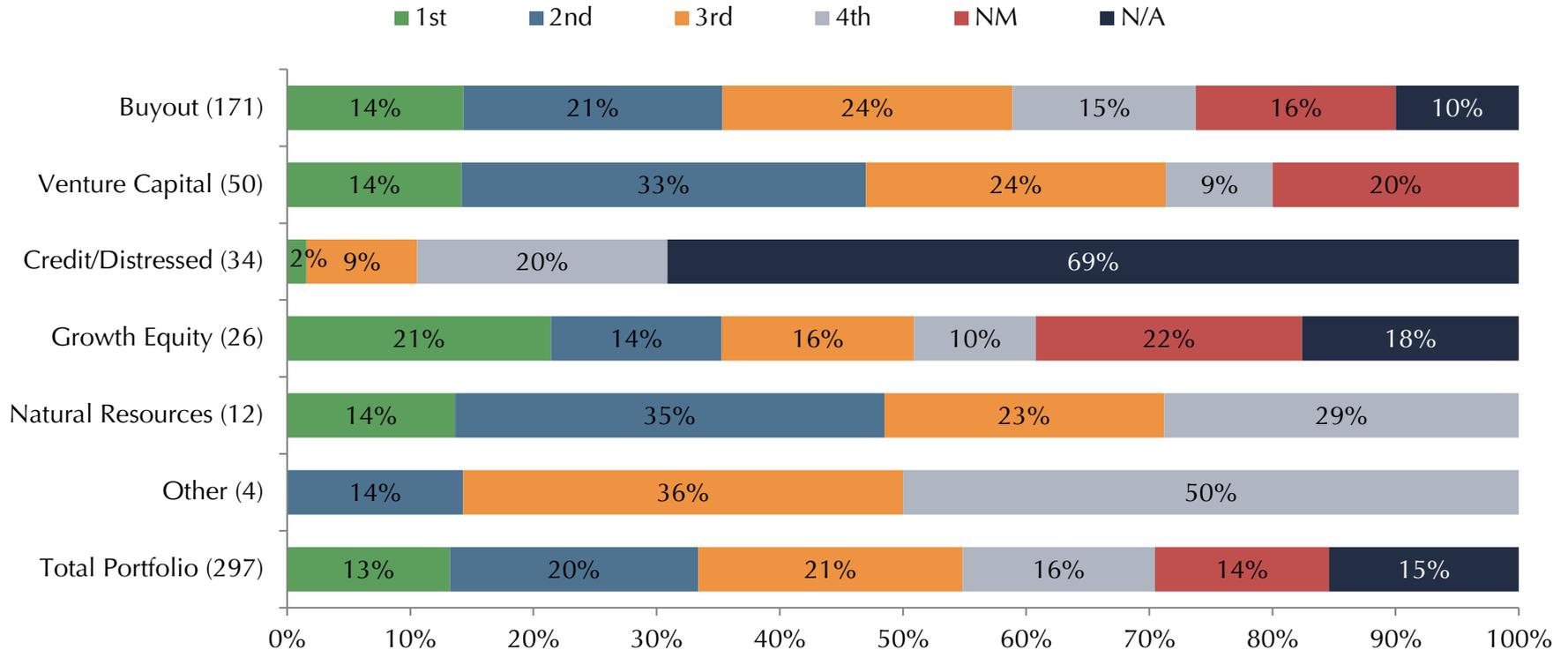
## Horizon Returns by Sub-Strategy



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

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

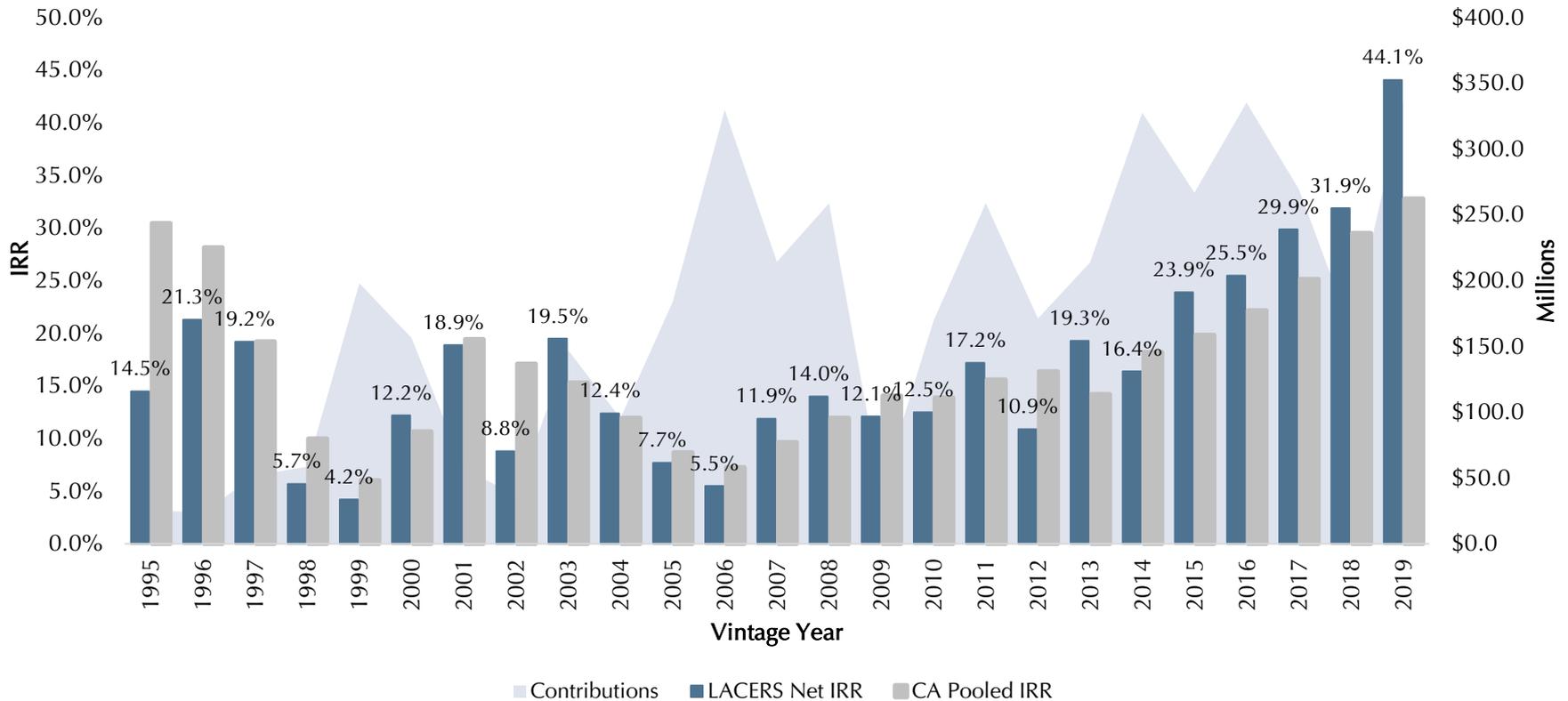
% of Contributed Capital as of June 30, 2021



<sup>1</sup>All quartiles are based on Cambridge Associates data as of March 31, 2021. 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.

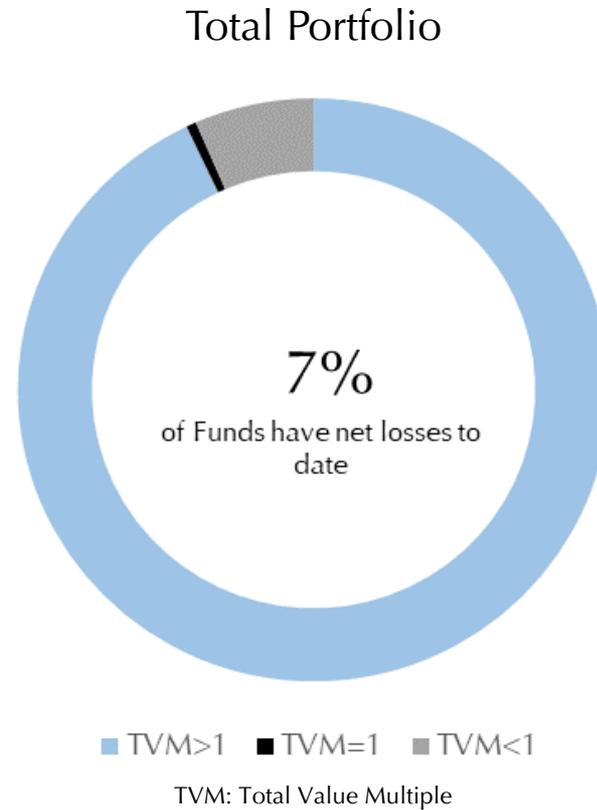
# Portfolio Vintage Years vs. Cambridge Associates<sup>1</sup>

June 30, 2021



<sup>1</sup>Cambridge Associates pooled IRRs as of March 31, 2021. 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.

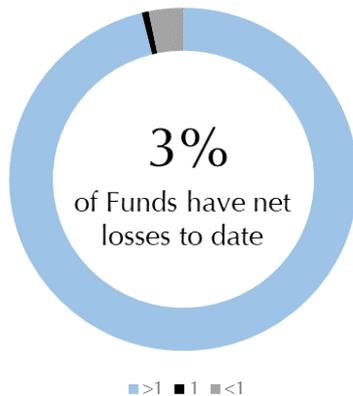
- The LACERS Private Equity Portfolio consists of 184 funds to date, 12 of which have net losses



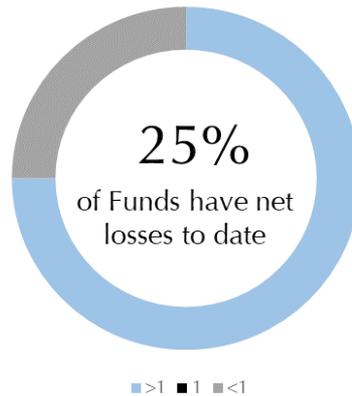
\* Note: Excludes 2019, 2020, and 2021 vintage years to control for the J-curve

\*\* Note: Analysis only includes funds with available underlying security detail

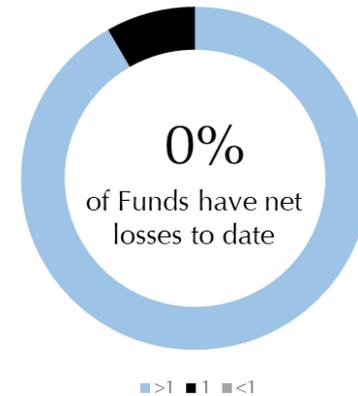
Core Portfolio ex. Credit/Distressed and Natural Resources



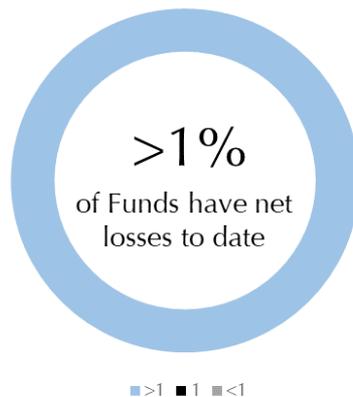
Specialized Portfolio



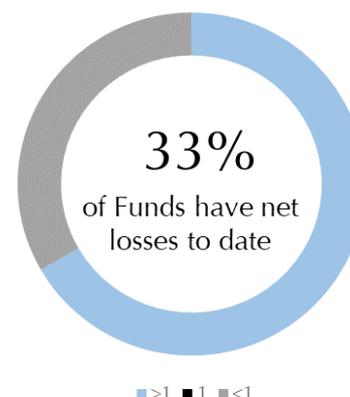
Emerging Manager Portfolio



Credit/Distressed

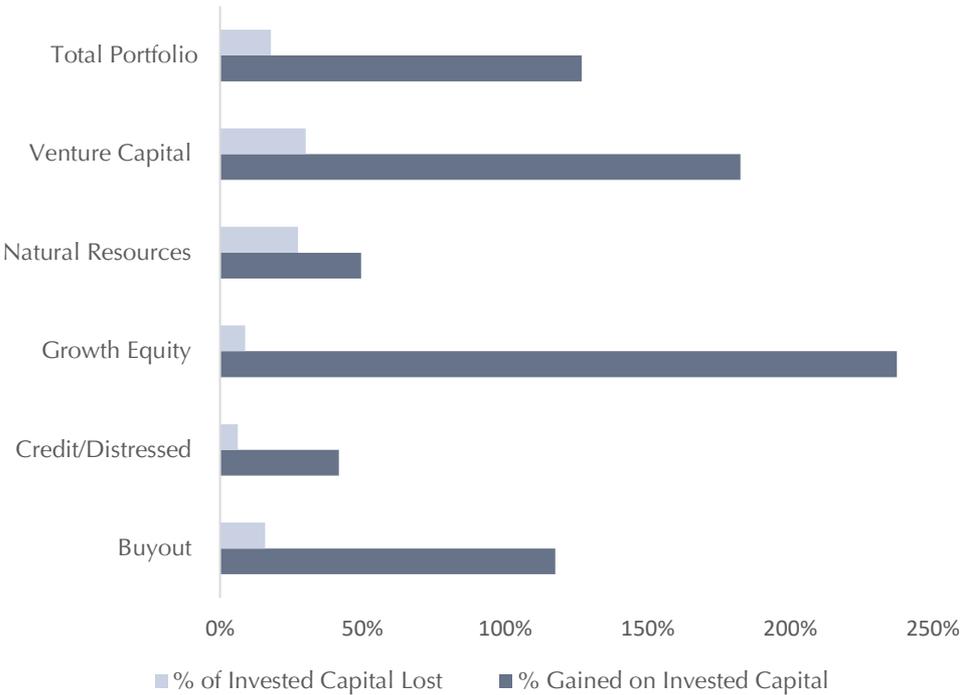


Natural Resources



\* Note: Excludes 2019, 2020, and 2021 vintage years to control for the J-curve  
 \*\* Note: Analysis only includes funds with available underlying security detail  
 \*\*\* Note: Core and Credit/Distressed segments are inclusive of Emerging Manager funds

# Total Portfolio

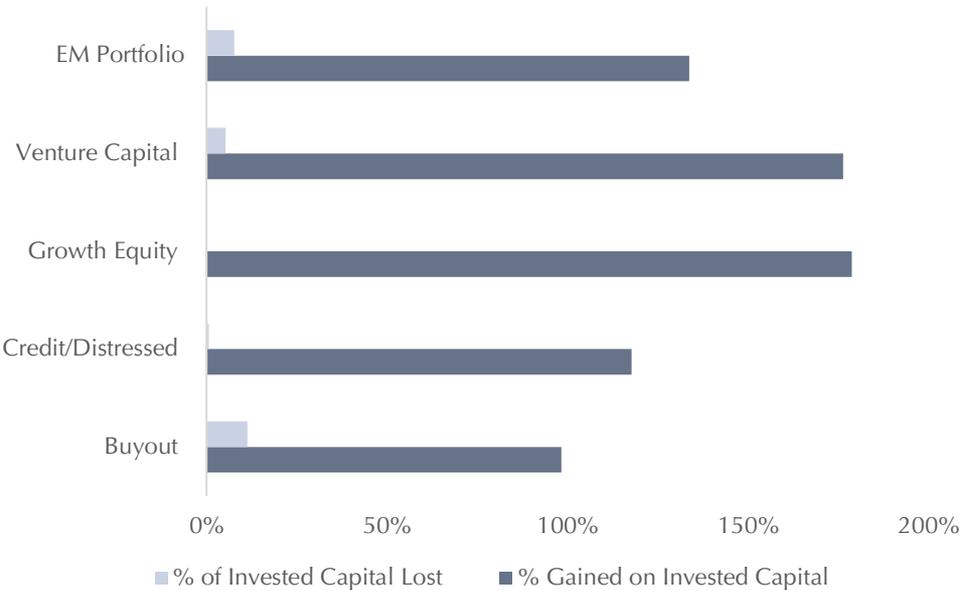


| Strategy               | % gained on Invested Capital | % lost on Invested Capital | Ratio of % gained / % lost |
|------------------------|------------------------------|----------------------------|----------------------------|
| <b>Total Portfolio</b> | <b>127%</b>                  | <b>18%</b>                 | <b>7.12</b>                |
| Buyout                 | 118%                         | 16%                        | 7.43                       |
| Growth Equity          | 237%                         | 9%                         | 27.01                      |
| Venture Capital        | 183%                         | 30%                        | 6.09                       |
| Natural Resources      | 49%                          | 27%                        | 1.81                       |
| Credit/Distressed      | 42%                          | 6%                         | 6.74                       |

\* Note: Excludes 2019, 2020, and 2021 vintage years to control for the J-curve

\*\* Note: Analysis only includes funds with available underlying security detail

# Emerging Manager Portfolio



| Strategy          | % gained on Invested Capital | % lost on Invested Capital | Ratio of % gained / % lost |
|-------------------|------------------------------|----------------------------|----------------------------|
| EM Portfolio      | 134%                         | 8%                         | 17.43                      |
| Buyout            | 98%                          | 11%                        | 8.74                       |
| Growth Equity     | 179%                         | 0%                         | -                          |
| Venture Capital   | 176%                         | 5%                         | 34.00                      |
| Credit/Distressed | 118%                         | 1%                         | 200.65                     |

\* Note: Excludes 2019, 2020, and 2021 vintage years to control for the J-curve

\*\* Note: Analysis only includes funds with available underlying security detail

\*\*\*Note: "Emerging Manager" is abbreviated to "EM"

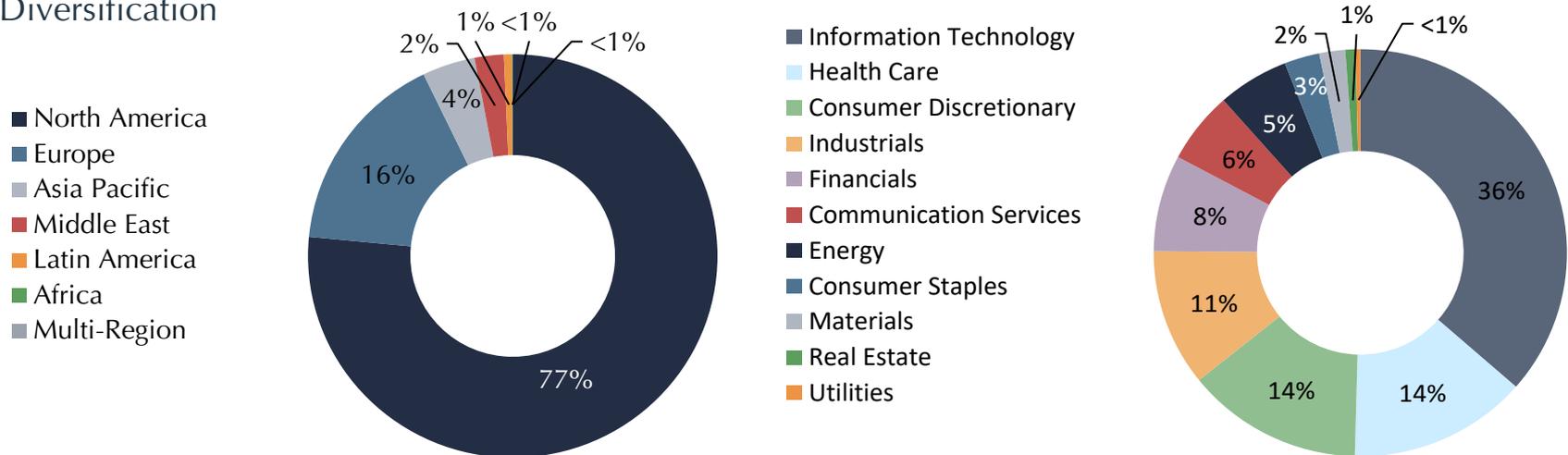
### Overall Exposure

- Private Equity exposure was 15.2% as of June 30, 2021
- Private Equity exposure target was 16.0% as of June 30, 2021\*

### Performance Since Inception

- The Aggregate Portfolio has generated a Net IRR of 12.7% and a TVPI of 1.77x
- The Core Portfolio has generated a Net IRR of 13.2% and a TVPI of 1.80x
- The Specialized Portfolio has generated a Net IRR of 2.2% and a TVPI of 1.15x

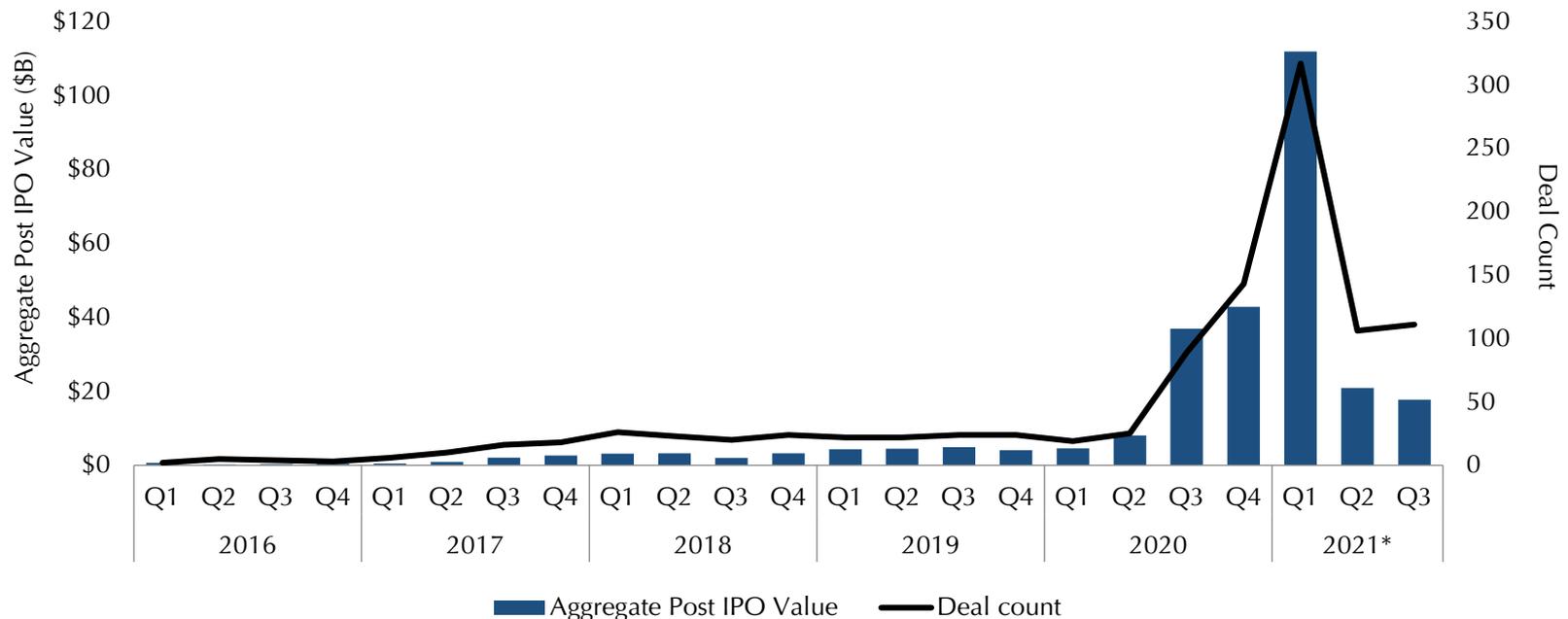
### Diversification



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

## The Rise and Fall 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 skyrocketed the last year and have recently cooled down
- The future of SPACs is uncertain – while recent performance and regulatory scrutiny are potential headwinds to SPAC issuance, many hedge fund and private equity managers continue to view them as a viable financing option

## APPENDIX

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

## CORE PORTFOLIO SUMMARY AS OF 6/30/2021 - ACTIVE

| Fund                              | Strategy          | Sub-Strategy | Vintage Year | USD Commitment | USD ITD Contributions | USD ITD Distributions | USD Fair Market Value | Net IRR | Recommended by     |
|-----------------------------------|-------------------|--------------|--------------|----------------|-----------------------|-----------------------|-----------------------|---------|--------------------|
| 1315 Capital Fund                 | Venture Capital   | Late Stage   | 2015         | 10,000,000     | 9,124,984             | 4,195,601             | 11,811,179            | 18.3%   | Portfolio Advisors |
| 1315 Capital Fund II              | Venture Capital   | Late Stage   | 2018         | 10,000,000     | 5,375,390             | 0                     | 6,949,661             | 22.2%   | Portfolio Advisors |
| ABRY Advanced Securities Fund III | Credit/Distressed | Credit       | 2014         | 20,000,000     | 24,719,438            | 4,699,964             | 19,665,636            | -0.5%   | Portfolio Advisors |
| ABRY Advanced Securities Fund IV  | Credit/Distressed | Credit       | 2018         | 40,000,000     | 23,752,465            | 5,558,522             | 20,786,193            | 9.3%    | Portfolio Advisors |
| ABRY Heritage Partners            | Buyout            | Small        | 2016         | 10,000,000     | 8,548,658             | 4,574,193             | 7,916,104             | 23.2%   | Portfolio Advisors |
| ABRY Partners IX                  | Buyout            | Medium       | 2019         | 40,000,000     | 22,232,119            | 1,765,981             | 21,832,752            | 4.6%    | TorreyCove         |
| ABRY Partners VIII                | Buyout            | Medium       | 2014         | 25,000,000     | 28,168,957            | 28,945,897            | 11,370,227            | 10.9%   | Portfolio Advisors |
| ABRY Senior Equity V              | Credit/Distressed | Mezzanine    | 2016         | 10,000,000     | 9,466,913             | 2,039,664             | 9,894,871             | 17.1%   | Portfolio Advisors |
| ACON Equity Partners 3.5          | Buyout            | Medium       | 2012         | 20,000,000     | 18,034,492            | 19,912,616            | 415,396               | 2.7%    | Hamilton Lane      |
| ACON-Bastion Partners II          | Buyout            | Medium       | 2006         | 5,000,000      | 4,721,150             | 8,195,721             | 13,796                | 12.3%   | Hamilton Lane      |
| Advent Global Technology          | Buyout            | Medium       | 2019         | 15,000,000     | 8,962,500             | 0                     | 11,460,934            | 36.3%   | TorreyCove         |
| Advent International GPE IX       | Buyout            | Large        | 2019         | 45,000,000     | 19,017,933            | 3,598,202             | 33,222,356            | 74.7%   | TorreyCove         |
| Advent International GPE VI A     | Buyout            | Medium       | 2008         | 20,000,000     | 20,000,000            | 40,162,749            | 2,075,134             | 16.6%   | Hamilton Lane      |
| Advent International GPE VII B    | Buyout            | Large        | 2012         | 30,000,000     | 28,200,000            | 34,715,417            | 22,991,466            | 16.1%   | Hamilton Lane      |
| Advent International GPE VIII B-2 | Buyout            | Large        | 2016         | 35,000,000     | 33,215,000            | 12,182,005            | 62,326,288            | 28.5%   | Portfolio Advisors |
| AION Capital Partners             | Credit/Distressed | Credit       | 2012         | 20,000,000     | 18,395,680            | 6,674,663             | 11,343,993            | -0.7%   | Hamilton Lane      |
| American Securities Partners VII  | Buyout            | Medium       | 2016         | 25,000,000     | 23,552,390            | 4,668,071             | 29,122,987            | 12.6%   | Portfolio Advisors |
| American Securities Partners VIII | Buyout            | Large        | 2019         | 40,000,000     | 15,612,407            | 340,966               | 17,894,922            | 21.7%   | Portfolio Advisors |
| Angeles Equity Partners I         | Credit/Distressed | Distressed   | 2015         | 10,000,000     | 5,185,897             | 1,308,182             | 7,308,010             | 18.7%   | Portfolio Advisors |
| Apollo Investment Fund IV         | Buyout            | Large        | 1998         | 5,000,000      | 4,989,241             | 8,320,973             | 1,686                 | 8.5%    | Pathway            |
| Apollo Investment Fund VI         | Buyout            | Large        | 2006         | 15,000,000     | 14,372,999            | 23,957,457            | 282,646               | 8.7%    | Hamilton Lane      |
| Apollo Investment Fund VII        | Buyout            | Large        | 2008         | 20,000,000     | 17,573,751            | 33,483,107            | 2,083,403             | 22.6%   | Hamilton Lane      |
| Apollo Investment Fund VIII       | Buyout            | Large        | 2013         | 40,000,000     | 34,834,746            | 29,017,803            | 28,674,333            | 13.1%   | Hamilton Lane      |
| Ascribe Opportunities Fund II     | Credit/Distressed | Distressed   | 2010         | 20,000,000     | 30,537,420            | 31,202,934            | 2,949,713             | 4.0%    | Hamilton Lane      |
| Ascribe Opportunities Fund III    | Credit/Distressed | Distressed   | 2014         | 30,000,000     | 49,012,976            | 36,939,408            | 5,735,238             | -17.2%  | Hamilton Lane      |
| Ascribe Opportunities Fund IV     | Credit/Distressed | Distressed   | 2019         | 25,000,000     | 236,533               | 233,474               | -55,057               | -100.0% | Portfolio Advisors |
| Astorg VI                         | Buyout            | Medium       | 2015         | 25,625,875     | 21,228,378            | 7,012,776             | 25,274,702            | 14.5%   | Portfolio Advisors |
| Astorg VII                        | Buyout            | Medium       | 2019         | 36,123,864     | 20,487,335            | 0                     | 24,760,310            | 31.1%   | TorreyCove         |
| Astra Partners I                  | Buyout            | Small        | 2017         | 10,000,000     | 6,187,040             | -28,358               | 6,130,739             | -1.1%   | Portfolio Advisors |
| Austin Ventures VIII              | Venture Capital   | Multi-Stage  | 2001         | 8,300,000      | 8,300,000             | 13,661,275            | 70,870                | 6.9%    | Pathway            |
| Avance Investment Partners        | Buyout            | Small        | 2021         | 20,000,000     | 0                     | 0                     | -156,623              | 0.0%    | Aksia              |

## CORE PORTFOLIO SUMMARY AS OF 6/30/2021 - 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 Asia Fund III             | Buyout            | Large         | 2016         | 15,000,000     | 16,137,739            | 9,629,643             | 18,727,328            | 32.0%   | Portfolio Advisors |
| Bain Capital Double Impact Fund        | Buyout            | Small         | 2016         | 10,000,000     | 8,169,178             | 5,256,558             | 8,624,593             | 30.3%   | Portfolio Advisors |
| BC European Capital IX                 | Buyout            | Large         | 2011         | 18,146,966     | 19,180,654            | 19,025,221            | 22,378,475            | 16.6%   | Hamilton Lane      |
| BC European Capital X                  | Buyout            | Large         | 2017         | 31,651,237     | 26,843,135            | 1,137,245             | 40,146,524            | 19.5%   | Portfolio Advisors |
| BDCM Opportunity Fund IV               | Credit/Distressed | Distressed    | 2015         | 25,000,000     | 30,909,685            | 14,795,723            | 25,487,984            | 9.6%    | Portfolio Advisors |
| Blackstone Capital Partners V & V-S    | Buyout            | Large         | 2005         | 19,799,726     | 19,287,044            | 31,989,536            | 663,391               | 7.9%    | Hamilton Lane      |
| Blackstone Capital Partners VI         | Buyout            | Large         | 2011         | 20,000,000     | 19,266,690            | 22,178,632            | 12,944,841            | 12.8%   | Hamilton Lane      |
| Blackstone Energy Partners             | Natural Resources | Energy        | 2011         | 25,000,000     | 23,623,075            | 31,784,541            | 6,956,060             | 10.8%   | Hamilton Lane      |
| Blue Sea Capital Fund I                | Buyout            | Small         | 2013         | 10,000,000     | 9,168,182             | 6,029,347             | 11,987,624            | 18.4%   | Portfolio Advisors |
| Brentwood Associates Private Equity VI | Buyout            | Medium        | 2017         | 25,000,000     | 19,680,185            | 4,974,920             | 20,952,714            | 27.4%   | Portfolio Advisors |
| Builders VC Fund II                    | Venture Capital   | Early Stage   | 2021         | 10,000,000     | 1,500,000             | 0                     | 1,371,130             | -18.3%  | Aksia              |
| Carlyle Partners V                     | Buyout            | Large         | 2007         | 30,000,000     | 26,714,020            | 47,812,815            | 4,030,547             | 13.8%   | Hamilton Lane      |
| CenterGate Capital Partners I          | Buyout            | Small         | 2015         | 10,000,000     | 4,576,238             | 1,533,609             | 6,187,577             | 20.8%   | Portfolio Advisors |
| Charterhouse Capital Partners IX       | Buyout            | Large         | 2008         | 17,652,644     | 17,664,683            | 20,086,059            | 3,894,215             | 9.9%    | Hamilton Lane      |
| CHP III                                | Venture Capital   | Early Stage   | 2006         | 15,000,000     | 15,000,000            | 19,605,269            | 13,298,466            | 9.7%    | Hamilton Lane      |
| Clearlake Capital Partners VI          | Credit/Distressed | Distressed    | 2020         | 30,000,000     | 14,556,094            | 250,159               | 21,190,727            | 84.0%   | TorreyCove         |
| Coller International Partners VI       | Other             | Secondaries   | 2011         | 25,000,000     | 18,660,764            | 24,603,789            | 7,876,379             | 15.5%   | Hamilton Lane      |
| CVC Capital Partners VII               | Buyout            | Large         | 2017         | 28,567,140     | 17,365,637            | 466,552               | 27,853,012            | 34.2%   | Portfolio Advisors |
| CVC Capital Partners VIII              | Buyout            | Large         | 2021         | 50,206,765     | 0                     | 0                     | -101,399              | 0.0%    | TorreyCove         |
| CVC European Equity Partners III       | Buyout            | Large         | 2001         | 15,000,000     | 14,776,341            | 41,619,578            | 1,000,139             | 41.0%   | Pathway            |
| CVC European Equity Partners IV        | Buyout            | Large         | 2005         | 26,008,211     | 23,257,642            | 46,522,191            | 41,639                | 16.7%   | Hamilton Lane      |
| CVC European Equity Partners V         | Buyout            | Large         | 2008         | 18,815,039     | 18,352,938            | 37,864,462            | 930,074               | 16.8%   | Hamilton Lane      |
| Defy Partners I                        | Venture Capital   | Early Stage   | 2017         | 10,000,000     | 7,500,000             | 2,251,655             | 7,823,127             | 13.5%   | Portfolio Advisors |
| Defy Partners II                       | Venture Capital   | Early Stage   | 2019         | 18,010,000     | 6,483,600             | 0                     | 9,025,758             | 44.9%   | TorreyCove         |
| DFJ Growth 2013                        | Growth Equity     | Growth Equity | 2013         | 25,000,000     | 25,126,311            | 81,672,945            | 63,285,849            | 35.6%   | Portfolio Advisors |
| DFJ Growth III                         | Growth Equity     | Growth Equity | 2017         | 15,000,000     | 13,830,000            | 3,313,895             | 25,862,657            | 35.7%   | Portfolio Advisors |
| EIG Energy Fund XVI                    | Natural Resources | Energy        | 2013         | 25,000,000     | 23,629,284            | 12,557,439            | 15,214,575            | 4.8%    | Hamilton Lane      |
| Encap Energy Capital Fund IX           | Natural Resources | Energy        | 2012         | 30,000,000     | 28,980,230            | 21,525,619            | 15,481,616            | 7.4%    | Hamilton Lane      |
| Encap Energy Capital Fund VIII         | Natural Resources | Energy        | 2010         | 15,000,000     | 14,933,115            | 7,917,016             | 4,547,202             | -4.3%   | Hamilton Lane      |
| Encap Energy Capital Fund X            | Natural Resources | Energy        | 2015         | 35,000,000     | 32,452,633            | 9,895,496             | 30,538,600            | 6.9%    | Portfolio Advisors |
| EnCap Energy Capital Fund XI           | Natural Resources | Energy        | 2017         | 40,000,000     | 17,293,210            | 0                     | 14,831,087            | -8.6%   | Portfolio Advisors |

## CORE PORTFOLIO SUMMARY AS OF 6/30/2021 - ACTIVE

| Fund                                      | Strategy          | Sub-Strategy    | Vintage Year | USD Commitment | USD ITD Contributions | USD ITD Distributions | USD Fair Market Value | Net IRR | Recommended by     |
|---|-------------------|-----------------|--------------|----------------|-----------------------|-----------------------|-----------------------|---------|--------------------|
| Energy Capital Partners II                | Natural Resources | Energy          | 2009         | 20,000,000     | 14,934,322            | 20,349,894            | 1,227,276             | 9.3%    | Hamilton Lane      |
| Energy Capital Partners III               | Natural Resources | Energy          | 2014         | 40,000,000     | 38,652,643            | 24,437,924            | 29,100,945            | 9.1%    | Hamilton Lane      |
| Essex Woodlands Health Ventures Fund IV   | Venture Capital   | Late Stage      | 1998         | 4,000,000      | 4,000,000             | 5,227,551             | 511,740               | 7.3%    | Pathway            |
| Essex Woodlands Health Ventures Fund V    | Venture Capital   | Late Stage      | 2000         | 10,000,000     | 10,000,000            | 10,591,086            | 1,302,192             | 3.6%    | Pathway            |
| Essex Woodlands Health Ventures Fund VI   | Venture Capital   | Multi-Stage     | 2004         | 15,000,000     | 14,587,500            | 16,028,797            | 4,334,132             | 3.7%    | Pathway            |
| FIMI Opportunity V                        | Buyout            | Medium          | 2012         | 20,000,000     | 18,194,334            | 18,243,886            | 16,852,000            | 13.2%   | Hamilton Lane      |
| First Reserve Fund XI                     | Natural Resources | Energy          | 2006         | 30,000,000     | 30,000,000            | 21,071,746            | 37,376                | -7.9%   | Hamilton Lane      |
| First Reserve Fund XII                    | Natural Resources | Energy          | 2008         | 25,000,000     | 25,990,474            | 12,402,233            | 1,456,477             | -13.7%  | Hamilton Lane      |
| Fortress Credit Opportunities V Expansion | Credit/Distressed | Distressed      | 2020         | 50,000,000     | 7,500,000             | 0                     | 8,040,984             | 33.9%   | Aksia              |
| FS Equity Partners VIII                   | Buyout            | Medium          | 2019         | 25,000,000     | 10,493,671            | 13,260                | 11,853,601            | 10.5%   | TorreyCove         |
| General Catalyst Group X - Early Venture  | Venture Capital   | Early Stage     | 2020         | 10,000,000     | 7,600,000             | 0                     | 13,470,606            | 176.0%  | TorreyCove         |
| General Catalyst Group X - Endurance      | Venture Capital   | Multi-Stage     | 2020         | 11,666,667     | 9,683,334             | 0                     | 14,041,178            | 102.8%  | TorreyCove         |
| General Catalyst Group X - Growth Venture | Growth Equity     | Growth Equity   | 2020         | 16,666,666     | 13,833,333            | 0                     | 24,964,717            | 177.1%  | TorreyCove         |
| Genstar Capital Partners IX               | Buyout            | Medium          | 2019         | 25,000,000     | 15,430,327            | 583,334               | 22,754,080            | 54.4%   | TorreyCove         |
| Genstar Capital Partners X                | Buyout            | Large           | 2021         | 32,500,000     | 0                     | 0                     | 0                     | 0.0%    | Aksia              |
| Genstar IX Opportunities Fund I           | Buyout            | Large           | 2019         | 25,000,000     | 19,622,739            | 0                     | 25,526,904            | 28.8%   | TorreyCove         |
| Genstar X Opportunities Fund I            | Buyout            | Large           | 2021         | 25,000,000     | 0                     | 0                     | 0                     | 0.0%    | Aksia              |
| GGV Capital VIII                          | Venture Capital   | Expansion Stage | 2021         | 16,000,000     | 2,880,000             | 0                     | 2,764,526             | -25.7%  | Aksia              |
| GGV Capital VIII Plus                     | Venture Capital   | Expansion Stage | 2021         | 4,000,000      | 440,000               | 0                     | 0                     | -100.0% | Aksia              |
| Gilde Buy-Out Fund V                      | Buyout            | Medium          | 2016         | 27,121,713     | 25,598,101            | 8,120,191             | 35,547,340            | 21.7%   | Portfolio Advisors |
| Gilde Buy-Out Fund VI                     | Buyout            | Medium          | 2019         | 39,684,790     | 8,102,829             | 0                     | 7,553,186             | -12.9%  | TorreyCove         |
| Glendon Opportunities Fund                | Credit/Distressed | Distressed      | 2014         | 20,000,000     | 18,990,996            | 12,873,778            | 14,445,756            | 7.7%    | Portfolio Advisors |
| Glendon Opportunities Fund II             | Credit/Distressed | Distressed      | 2019         | 40,000,000     | 24,000,000            | 0                     | 34,623,793            | 38.9%   | Portfolio Advisors |
| Green Equity Investors V                  | Buyout            | Large           | 2007         | 20,000,000     | 18,343,638            | 46,457,009            | 1,000,833             | 19.5%   | Hamilton Lane      |
| Green Equity Investors VI                 | Buyout            | Large           | 2012         | 20,000,000     | 18,486,311            | 13,779,830            | 32,444,077            | 18.6%   | Hamilton Lane      |
| Green Equity Investors VII                | Buyout            | Large           | 2017         | 25,000,000     | 22,141,341            | 5,666,420             | 39,864,044            | 30.2%   | Portfolio Advisors |
| GTCR Fund VIII                            | Buyout            | Medium          | 2003         | 20,000,000     | 18,520,960            | 32,142,142            | 257,414               | 22.3%   | Pathway            |
| GTCR Fund XII-AB                          | Buyout            | Medium          | 2017         | 40,000,000     | 29,302,935            | 8,610,109             | 39,117,486            | 36.4%   | Portfolio Advisors |
| GTCR Fund XIII-AB                         | Buyout            | Medium          | 2020         | 40,000,000     | 0                     | 0                     | 834,796               | 0.0%    | Aksia              |
| H&F Arrow 1                               | Buyout            | Large           | 2020         | 0              | 3,499,536             | 0                     | 5,026,293             | 54.1%   | Aksia              |
| H&F Spock 1                               | Buyout            | Large           | 2018         | 0              | 3,266,786             | 0                     | 9,416,712             | 38.9%   | Hamilton Lane      |

## CORE PORTFOLIO SUMMARY AS OF 6/30/2021 - ACTIVE

| Fund                                     | Strategy        | Sub-Strategy  | Vintage Year | USD Commitment | USD ITD Contributions | USD ITD Distributions | USD Fair Market Value | Net IRR  | Recommended by     |
|--|-----------------|---------------|--------------|----------------|-----------------------|-----------------------|-----------------------|----------|--------------------|
| H.I.G. Europe Middle Market LBO Fund     | Buyout          | Medium        | 2020         | 49,552,926     | 1,200,799             | -22,783               | -282,960              | -100.0%  | Aksia              |
| Halifax Capital Partners II              | Buyout          | Small         | 2005         | 10,000,000     | 8,104,233             | 10,703,687            | 158,192               | 7.5%     | Hamilton Lane      |
| Harvest Partners VII                     | Buyout          | Medium        | 2016         | 20,000,000     | 19,365,265            | 379,083               | 34,271,624            | 21.4%    | Portfolio Advisors |
| Harvest Partners VIII                    | Buyout          | Medium        | 2019         | 50,000,000     | 32,247,148            | 5,883,334             | 37,860,805            | 35.4%    | TorreyCove         |
| Hellman & Friedman Capital Partners IX   | Buyout          | Large         | 2019         | 30,000,000     | 21,011,506            | 62,198                | 26,531,970            | 34.6%    | Portfolio Advisors |
| Hellman & Friedman Capital Partners VI   | Buyout          | Large         | 2006         | 20,000,000     | 19,344,481            | 35,824,299            | 365,954               | 12.9%    | Hamilton Lane      |
| Hellman & Friedman Capital Partners VII  | Buyout          | Large         | 2011         | 20,000,000     | 19,109,150            | 53,197,257            | 10,517,303            | 25.0%    | Hamilton Lane      |
| Hellman & Friedman Capital Partners VIII | Buyout          | Large         | 2016         | 20,000,000     | 19,707,945            | 4,958,555             | 34,349,493            | 25.4%    | Portfolio Advisors |
| Hellman & Friedman Capital Partners X    | Buyout          | Large         | 2021         | 40,000,000     | 0                     | 0                     | -35,211               | 0.0%     | Aksia              |
| HgCapital Genesis 9                      | Buyout          | Medium        | 2020         | 19,295,500     | 1,108,492             | 0                     | 2,576,837             | 44081.4% | TorreyCove         |
| HgCapital Saturn 2                       | Buyout          | Large         | 2020         | 20,000,000     | 5,815,674             | 465,839               | 10,596,600            | 246.5%   | TorreyCove         |
| High Road Capital Partners Fund II       | Buyout          | Small         | 2013         | 25,000,000     | 19,725,617            | 18,444,247            | 17,328,647            | 15.7%    | Hamilton Lane      |
| Hony Capital Fund V                      | Buyout          | Large         | 2011         | 25,000,000     | 26,030,842            | 6,701,601             | 17,525,545            | -1.1%    | Hamilton Lane      |
| ICG Strategic Equity Fund IV             | Secondaries     | Secondaries   | 2021         | 50,000,000     | 0                     | 0                     | 0                     | 0.0%     | Aksia              |
| Incline Equity Partners IV               | Buyout          | Small         | 2017         | 10,000,000     | 7,808,793             | 3,759,139             | 8,631,788             | 26.9%    | Portfolio Advisors |
| Insight Venture Partners IX              | Growth Equity   | Growth Equity | 2015         | 25,000,000     | 25,581,482            | 17,587,587            | 86,210,405            | 36.3%    | Portfolio Advisors |
| Insight Venture Partners VIII            | Growth Equity   | Growth Equity | 2013         | 20,000,000     | 19,814,198            | 41,466,719            | 21,647,606            | 22.5%    | Hamilton Lane      |
| Institutional Venture Partners XV        | Venture Capital | Late Stage    | 2015         | 20,000,000     | 20,000,000            | 25,238,310            | 39,519,284            | 33.8%    | Portfolio Advisors |
| J.H. Whitney VII                         | Buyout          | Medium        | 2010         | 25,000,000     | 24,652,068            | 24,633,776            | 25,846,748            | 14.1%    | Hamilton Lane      |
| Kelso Investment Associates VII          | Buyout          | Medium        | 2003         | 18,000,000     | 17,131,163            | 29,092,678            | 26,674                | 12.5%    | Pathway            |
| Kelso Investment Associates VIII         | Buyout          | Medium        | 2007         | 20,000,000     | 18,974,646            | 23,895,094            | 3,520,405             | 7.1%     | Hamilton Lane      |
| Khosla Ventures IV                       | Venture Capital | Early Stage   | 2011         | 20,000,000     | 19,620,000            | 46,144,848            | 44,726,924            | 26.7%    | Hamilton Lane      |
| KKR 2006 Fund                            | Buyout          | Large         | 2006         | 30,000,000     | 30,252,454            | 50,487,838            | 5,879,721             | 9.4%     | Hamilton Lane      |
| KKR European Fund II                     | Buyout          | Large         | 2005         | 15,000,000     | 15,497,844            | 20,962,595            | 107,077               | 4.7%     | Hamilton Lane      |
| KPS Special Situations Fund IV           | Buyout          | Medium        | 2014         | 25,000,000     | 21,233,258            | 4,970,557             | 30,110,594            | 22.2%    | Hamilton Lane      |
| KPS Special Situations Fund V            | Buyout          | Medium        | 2020         | 40,000,000     | 10,227,600            | 1,097,626             | 9,146,769             | 0.3%     | TorreyCove         |
| KPS Special Situations Mid-Cap Fund      | Buyout          | Medium        | 2019         | 10,000,000     | 2,833,495             | 0                     | 2,999,949             | 5.8%     | TorreyCove         |
| Levine Leichtman Capital Partners III    | Buyout          | Medium        | 2003         | 20,000,000     | 21,392,254            | 33,337,694            | -290                  | 10.0%    | Hamilton Lane      |
| Levine Leichtman Capital Partners IV     | Buyout          | Medium        | 2008         | 20,000,000     | 16,448,126            | 28,973,102            | 2,675,328             | 18.0%    | Hamilton Lane      |
| Levine Leichtman Capital Partners V      | Buyout          | Medium        | 2013         | 30,000,000     | 30,531,362            | 33,848,512            | 29,247,485            | 17.3%    | Hamilton Lane      |
| Lindsay Goldberg III                     | Buyout          | Large         | 2008         | 20,000,000     | 19,209,236            | 25,994,800            | 157,985               | 8.1%     | Hamilton Lane      |

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| Fund                                 | Strategy          | Sub-Strategy  | Vintage Year | USD Commitment | USD ITD Contributions | USD ITD Distributions | USD Fair Market Value | Net IRR | Recommended by     |
|--------------------------------------|-------------------|---------------|--------------|----------------|-----------------------|-----------------------|-----------------------|---------|--------------------|
| Longitude Venture Partners III       | Venture Capital   | Late Stage    | 2016         | 10,000,000     | 9,449,622             | 5,205,596             | 9,244,826             | 22.6%   | Portfolio Advisors |
| Madison Dearborn Capital Partners IV | Buyout            | Medium        | 2000         | 25,000,000     | 25,199,114            | 47,266,100            | 787,693               | 14.1%   | Pathway            |
| MBK Partners Fund V                  | Buyout            | Large         | 2021         | 40,000,000     | 3,630,988             | 0                     | 6,288,610             | 1199.5% | TorreyCove         |
| Menlo Ventures IX                    | Venture Capital   | Multi-Stage   | 2001         | 20,000,000     | 20,000,000            | 20,254,444            | 476,218               | 0.6%    | Pathway            |
| Mill Point Capital Partners          | Buyout            | Small         | 2017         | 10,000,000     | 9,237,837             | 89,062                | 15,268,527            | 28.9%   | Portfolio Advisors |
| Mill Point Capital Partners II       | Buyout            | Medium        | 2021         | 11,000,000     | 672,118               | 0                     | 550,374               | -99.0%  | Aksia              |
| Montagu VI                           | Buyout            | Medium        | 2020         | 40,301,363     | 4,192,685             | 0                     | 3,844,970             | -29.6%  | TorreyCove         |
| Nautic Partners V                    | Buyout            | Medium        | 2000         | 15,000,000     | 14,426,866            | 29,627,940            | 1,166,619             | 17.0%   | Pathway            |
| New Enterprise Associates 13         | Venture Capital   | Multi-Stage   | 2009         | 15,000,000     | 15,000,000            | 33,015,722            | 8,719,320             | 17.9%   | Hamilton Lane      |
| New Enterprise Associates 15         | Venture Capital   | Multi-Stage   | 2015         | 20,000,000     | 18,900,000            | 7,807,886             | 48,308,832            | 28.3%   | Portfolio Advisors |
| New Enterprise Associates 16         | Venture Capital   | Multi-Stage   | 2017         | 25,000,000     | 21,125,000            | 758,245               | 35,331,160            | 25.8%   | Portfolio Advisors |
| New Enterprise Associates 17         | Venture Capital   | Multi-Stage   | 2019         | 35,000,000     | 16,975,000            | 996,190               | 26,425,419            | 58.9%   | TorreyCove         |
| New Mountain Partners III            | Buyout            | Large         | 2007         | 20,000,000     | 18,749,195            | 33,405,260            | 15,647,737            | 14.8%   | Hamilton Lane      |
| New Water Capital                    | Buyout            | Small         | 2015         | 10,000,000     | 9,508,478             | 5,757,015             | 9,638,374             | 17.8%   | Portfolio Advisors |
| NewBridge Asia IV                    | Buyout            | Medium        | 2005         | 10,000,000     | 9,846,880             | 21,902,222            | 39,169                | 16.8%   | Hamilton Lane      |
| NGP Natural Resources XI             | Natural Resources | Energy        | 2014         | 25,000,000     | 24,530,881            | 7,714,334             | 19,321,450            | 2.9%    | Portfolio Advisors |
| NMS Fund III                         | Buyout            | Small         | 2017         | 10,000,000     | 8,422,231             | 1,112,549             | 10,858,919            | 29.1%   | Portfolio Advisors |
| NMS Fund IV                          | Buyout            | Medium        | 2020         | 40,000,000     | 3,686,165             | 0                     | 3,136,249             | -96.0%  | Aksia              |
| Nordic Capital V                     | Buyout            | Medium        | 2003         | 14,043,460     | 14,309,865            | 42,506,404            | 49,641                | 20.8%   | Pathway            |
| Oak HC-FT Partners                   | Venture Capital   | Late Stage    | 2014         | 10,000,000     | 9,567,180             | 6,983,727             | 19,776,580            | 27.8%   | Portfolio Advisors |
| Oak HC-FT Partners II                | Venture Capital   | Late Stage    | 2017         | 10,000,000     | 8,843,328             | 2,601,845             | 24,118,831            | 66.7%   | Portfolio Advisors |
| Oak HC-FT Partners III               | Venture Capital   | Multi-Stage   | 2019         | 25,000,000     | 19,467,149            | 0                     | 37,524,756            | 107.6%  | TorreyCove         |
| Oak HC-FT Partners IV                | Venture Capital   | Multi-Stage   | 2021         | 40,000,000     | 6,911,706             | 0                     | 6,540,591             | -31.7%  | Aksia              |
| Oak Investment Partners XII          | Venture Capital   | Multi-Stage   | 2006         | 15,000,000     | 14,999,762            | 13,311,363            | 1,020,767             | -0.7%   | Hamilton Lane      |
| Oaktree Opportunities Fund X         | Credit/Distressed | Distressed    | 2015         | 7,500,000      | 6,225,000             | 2,144,199             | 6,553,956             | 9.6%    | Portfolio Advisors |
| Oaktree Opportunities Fund Xb        | Credit/Distressed | Distressed    | 2018         | 17,500,000     | 10,500,000            | 0                     | 13,507,250            | 17.9%   | Portfolio Advisors |
| OceanSound Partners Fund             | Buyout            | Medium        | 2019         | 20,000,000     | 11,437,286            | 4,244,847             | 10,145,803            | 33.8%   | TorreyCove         |
| OCM Opportunities Fund VII           | Credit/Distressed | Distressed    | 2007         | 10,000,000     | 10,000,000            | 13,726,793            | 70,872                | 7.3%    | Hamilton Lane      |
| OCM Opportunities Fund VIIb          | Credit/Distressed | Distressed    | 2008         | 10,000,000     | 9,000,000             | 15,576,000            | 8,956                 | 16.5%   | Hamilton Lane      |
| Onex Partners                        | Buyout            | Large         | 2003         | 20,000,000     | 19,048,408            | 58,437,674            | 71,747                | 38.4%   | Pathway            |
| Orchid Asia VIII                     | Growth Equity     | Growth Equity | 2021         | 50,000,000     | 0                     | 0                     | -131,195              | 0.0%    | Aksia              |

## CORE PORTFOLIO SUMMARY AS OF 6/30/2021 - ACTIVE

| Fund                                 | Strategy          | Sub-Strategy  | Vintage Year | USD Commitment | USD ITD Contributions | USD ITD Distributions | USD Fair Market Value | Net IRR | Recommended by     |
|--------------------------------------|-------------------|---------------|--------------|----------------|-----------------------|-----------------------|-----------------------|---------|--------------------|
| P4G Capital Partners I               | Buyout            | Small         | 2018         | 10,000,000     | 1,522,582             | 1,328                 | 914,280               | -36.4%  | TorreyCove         |
| Palladium Equity Partners IV         | Buyout            | Medium        | 2012         | 25,000,000     | 25,767,567            | 12,555,434            | 23,347,744            | 9.7%    | Portfolio Advisors |
| Palladium Equity Partners V          | Buyout            | Medium        | 2017         | 25,000,000     | 14,022,123            | 605,619               | 15,986,093            | 11.3%   | Portfolio Advisors |
| Permira Europe III                   | Buyout            | Large         | 2003         | 21,506,160     | 21,515,354            | 36,841,232            | 86,472                | 26.1%   | Pathway            |
| Pharos Capital Partners II-A         | Buyout            | Medium        | 2004         | 5,000,000      | 5,000,000             | 3,192,707             | 2,543,794             | 1.8%    | Hamilton Lane      |
| Platinum Equity Capital Partners III | Buyout            | Large         | 2011         | 25,000,000     | 19,947,664            | 38,374,999            | 8,091,848             | 31.6%   | Hamilton Lane      |
| Platinum Equity Capital Partners IV  | Buyout            | Large         | 2016         | 15,000,000     | 14,015,494            | 6,080,698             | 19,347,062            | 27.7%   | Portfolio Advisors |
| Platinum Equity Capital Partners V   | Buyout            | Large         | 2019         | 50,000,000     | 16,737,436            | 130,417               | 20,260,297            | 32.3%   | TorreyCove         |
| Platinum Equity Small Cap Fund       | Buyout            | Medium        | 2018         | 22,500,000     | 13,232,865            | 433,445               | 13,432,390            | 4.3%    | Portfolio Advisors |
| Polaris Growth Fund                  | Growth Equity     | Growth Equity | 2018         | 10,000,000     | 3,500,000             | 0                     | 8,011,989             | 69.4%   | Portfolio Advisors |
| Polaris Partners VII                 | Venture Capital   | Multi-Stage   | 2014         | 25,000,000     | 23,125,000            | 3,131,013             | 46,664,165            | 17.8%   | Portfolio Advisors |
| Polaris Partners VIII                | Venture Capital   | Multi-Stage   | 2016         | 10,000,000     | 8,100,000             | 2,849,946             | 13,277,894            | 29.3%   | Portfolio Advisors |
| Polaris Venture Partners V           | Venture Capital   | Multi-Stage   | 2006         | 15,000,000     | 14,700,000            | 18,785,996            | 9,752,126             | 9.1%    | Hamilton Lane      |
| Polaris Venture Partners VI          | Venture Capital   | Multi-Stage   | 2010         | 15,000,000     | 13,125,000            | 12,326,028            | 22,901,812            | 18.3%   | Hamilton Lane      |
| Providence Debt Fund III             | Credit/Distressed | Distressed    | 2013         | 30,000,000     | 32,098,772            | 28,961,408            | 12,768,801            | 6.8%    | Hamilton Lane      |
| Providence Equity Partners V         | Buyout            | Large         | 2005         | 18,000,000     | 16,415,595            | 20,374,892            | 97,195                | 3.2%    | Pathway            |
| Providence Equity Partners VI        | Buyout            | Large         | 2007         | 30,000,000     | 28,959,198            | 39,907,264            | 2,391,813             | 5.7%    | Hamilton Lane      |
| Roark Capital Partners II Side Car   | Buyout            | Medium        | 2018         | 10,000,000     | 9,874,986             | 0                     | 16,589,090            | 31.4%   | TorreyCove         |
| Roark Capital Partners V             | Buyout            | Large         | 2018         | 15,000,000     | 12,501,540            | 1,767,734             | 16,594,854            | 36.7%   | TorreyCove         |
| Roark Capital Partners VI            | Buyout            | Large         | 2021         | 40,000,000     | 7,742,107             | 2,729                 | 7,702,007             | -2.3%   | Aksia              |
| Samson Brunello 1                    | Buyout            | Large         | 2021         | 0              | 2,542,520             | 0                     | 2,983,647             | 56.2%   | Aksia              |
| Samson Hockey 1                      | Buyout            | Large         | 2020         | 0              | 3,377,909             | 0                     | 4,170,701             | 50.3%   | Aksia              |
| Samson Shield 1                      | Buyout            | Large         | 2020         | 0              | 11,373,473            | 2,125,231             | 11,159,430            | 38.5%   | Aksia              |
| Searchlight Capital II               | Buyout            | Medium        | 2015         | 25,000,000     | 20,512,471            | 22,174,634            | 18,427,523            | 24.7%   | Portfolio Advisors |
| Spark Capital                        | Venture Capital   | Early Stage   | 2005         | 9,000,000      | 8,820,000             | 11,937,038            | 442,289               | 8.2%    | Hamilton Lane      |
| Spark Capital Growth Fund            | Growth Equity     | Growth Equity | 2014         | 10,000,000     | 10,000,000            | 6,176,514             | 29,008,327            | 26.2%   | Portfolio Advisors |
| Spark Capital Growth Fund II         | Growth Equity     | Growth Equity | 2017         | 15,000,000     | 14,100,000            | 4,056,556             | 30,226,181            | 40.8%   | Portfolio Advisors |
| Spark Capital Growth Fund III        | Growth Equity     | Growth Equity | 2020         | 26,750,000     | 17,521,250            | 0                     | 20,942,343            | 48.8%   | TorreyCove         |
| Spark Capital II                     | Venture Capital   | Early Stage   | 2008         | 9,750,000      | 9,750,000             | 35,120,689            | 32,830,463            | 52.4%   | Hamilton Lane      |
| Spark Capital III                    | Venture Capital   | Early Stage   | 2011         | 10,000,000     | 10,000,000            | 13,674,666            | 35,339,860            | 33.9%   | Hamilton Lane      |
| Spark Capital VI                     | Venture Capital   | Early Stage   | 2020         | 13,250,000     | 5,631,250             | 0                     | 5,225,387             | -14.5%  | TorreyCove         |

## CORE PORTFOLIO SUMMARY AS OF 6/30/2021 - ACTIVE

| Fund   | Strategy          | Sub-Strategy  | Vintage Year | USD Commitment | USD ITD Contributions | USD ITD Distributions | USD Fair Market Value | Net IRR | Recommended by     |
|--|-------------------|---------------|--------------|----------------|-----------------------|-----------------------|-----------------------|---------|--------------------|
| Spire Capital Partners III                     | Buyout            | Small         | 2013         | 10,000,000     | 10,060,708            | 6,139,702             | 7,102,794             | 8.3%    | Portfolio Advisors |
| SSG Capital Partners II                        | Credit/Distressed | Distressed    | 2012         | 15,914,286     | 15,287,483            | 17,769,013            | 50,435                | 4.1%    | Hamilton Lane      |
| Stellex Capital Partners II                    | Buyout            | Medium        | 2021         | 30,000,000     | 3,320,539             | 0                     | 2,943,720             | -47.1%  | Aksia              |
| StepStone Secondary Opportunities III          | Other             | Secondaries   | 2016         | 25,000,000     | 25,809,830            | 13,014,395            | 26,984,944            | 18.7%   | Portfolio Advisors |
| Stripes III                                    | Growth Equity     | Growth Equity | 2015         | 10,000,000     | 12,179,349            | 4,423,911             | 34,353,885            | 31.4%   | Portfolio Advisors |
| Stripes IV                                     | Growth Equity     | Growth Equity | 2017         | 10,000,000     | 11,507,826            | 1,776,229             | 34,807,521            | 73.1%   | Portfolio Advisors |
| Sunstone Partners I                            | Growth Equity     | Growth Equity | 2015         | 7,500,000      | 6,545,536             | 5,307,044             | 9,150,819             | 37.8%   | Portfolio Advisors |
| Sunstone Partners II                           | Growth Equity     | Growth Equity | 2020         | 10,000,000     | 894,533               | 0                     | 642,799               | -89.7%  | TorreyCove         |
| TA XI  | Growth Equity     | Growth Equity | 2010         | 20,000,000     | 19,778,812            | 52,119,837            | 20,600,578            | 27.1%   | Hamilton Lane      |
| TA XII-A                                       | Growth Equity     | Growth Equity | 2016         | 25,000,000     | 24,978,785            | 24,727,682            | 43,934,626            | 43.0%   | Portfolio Advisors |
| TA XIII-A                                      | Growth Equity     | Growth Equity | 2019         | 35,000,000     | 26,950,000            | 6,125,000             | 31,614,406            | 56.7%   | TorreyCove         |
| TA XIV-A                                       | Growth Equity     | Growth Equity | 2021         | 60,000,000     | 0                     | 0                     | 0                     | 0.0%    | Aksia              |
| TCV IX   | Growth Equity     | Growth Equity | 2016         | 10,000,000     | 7,938,000             | 3,717,554             | 18,134,147            | 41.7%   | Portfolio Advisors |
| TCV V  | Venture Capital   | Multi-Stage   | 2004         | 19,500,000     | 19,334,250            | 35,371,107            | 693,052               | 10.7%   | Pathway            |
| TCV VII  | Growth Equity     | Growth Equity | 2008         | 20,000,000     | 19,689,394            | 55,216,879            | 7,124,098             | 23.4%   | Hamilton Lane      |
| TCV VIII                                       | Growth Equity     | Growth Equity | 2014         | 30,000,000     | 26,152,505            | 3,927,420             | 68,238,281            | 20.3%   | Hamilton Lane      |
| TCV X  | Growth Equity     | Growth Equity | 2019         | 25,000,000     | 17,621,349            | 0                     | 42,252,153            | 84.2%   | Portfolio Advisors |
| TCV XI   | Growth Equity     | Growth Equity | 2021         | 40,000,000     | 7,507,483             | 0                     | 7,069,506             | -33.7%  | Aksia              |
| TCW Crescent Mezzanine Partners V              | Credit/Distressed | Mezzanine     | 2007         | 10,000,000     | 9,625,012             | 13,257,347            | 50,913                | 9.7%    | Hamilton Lane      |
| The Baring Asia Private Equity Fund VI, L.P. 1 | Buyout            | Medium        | 2015         | 25,000,000     | 26,061,623            | 8,657,411             | 41,473,516            | 20.1%   | Portfolio Advisors |
| The Baring Asia Private Equity Fund VII        | Buyout            | Medium        | 2018         | 25,000,000     | 14,373,800            | 3,095,849             | 21,360,081            | 50.3%   | Portfolio Advisors |
| Thoma Bravo Discover Fund II                   | Buyout            | Medium        | 2018         | 10,000,000     | 9,901,801             | 1,821,484             | 14,698,878            | 42.4%   | Portfolio Advisors |
| Thoma Bravo Discover Fund III                  | Buyout            | Medium        | 2020         | 20,000,000     | 6,784,137             | 0                     | 6,837,846             | 16.4%   | Aksia              |
| Thoma Bravo Explore Fund                       | Buyout            | Small         | 2020         | 10,000,000     | 1,910,770             | 0                     | 2,743,263             | 100.3%  | Aksia              |
| Thoma Bravo Fund XI                            | Buyout            | Medium        | 2014         | 15,000,000     | 13,400,392            | 28,097,993            | 27,426,440            | 31.8%   | Portfolio Advisors |
| Thoma Bravo Fund XII                           | Buyout            | Large         | 2016         | 25,000,000     | 26,413,456            | 5,820,459             | 42,047,244            | 18.8%   | Portfolio Advisors |
| Thoma Bravo Fund XIII                          | Buyout            | Large         | 2018         | 30,000,000     | 29,778,694            | 15,583,716            | 37,604,752            | 57.5%   | Portfolio Advisors |
| Thoma Bravo Fund XIV                           | Buyout            | Large         | 2021         | 30,000,000     | 11,798,788            | 7                     | 11,735,708            | -8.1%   | Aksia              |
| Thoma Bravo Special Opportunities Fund II      | Buyout            | Medium        | 2015         | 10,000,000     | 9,200,691             | 9,265,348             | 13,733,273            | 20.6%   | Portfolio Advisors |
| Threshold Ventures II                          | Venture Capital   | Early Stage   | 2016         | 10,000,000     | 9,510,000             | 0                     | 24,718,400            | 35.3%   | Portfolio Advisors |
| TPG Growth II                                  | Buyout            | Medium        | 2011         | 30,000,000     | 29,801,737            | 51,335,971            | 19,001,856            | 18.1%   | Hamilton Lane      |

## CORE PORTFOLIO SUMMARY AS OF 6/30/2021 - ACTIVE

| Fund                              | Strategy        | Sub-Strategy | Vintage Year | USD Commitment       | USD ITD Contributions | USD ITD Distributions | USD Fair Market Value | Net IRR      | Recommended by     |
|-----------------------------------|-----------------|--------------|--------------|----------------------|-----------------------|-----------------------|-----------------------|--------------|--------------------|
| TPG Partners IV                   | Buyout          | Large        | 2003         | 25,000,000           | 27,436,973            | 52,741,423            | 40,268                | 15.2%        | Pathway            |
| TPG Partners V                    | Buyout          | Large        | 2006         | 30,000,000           | 31,415,182            | 42,679,767            | 79,654                | 4.8%         | Hamilton Lane      |
| TPG Partners VI                   | Buyout          | Large        | 2008         | 22,500,000           | 24,691,367            | 34,400,066            | 2,473,070             | 9.6%         | Hamilton Lane      |
| TPG STAR                          | Buyout          | Medium       | 2006         | 20,000,000           | 21,635,099            | 25,624,152            | 2,252,812             | 6.2%         | Hamilton Lane      |
| Trident Capital Fund-V            | Buyout          | Medium       | 2000         | 14,369,679           | 14,001,728            | 24,077,173            | 145,584               | 8.6%         | Pathway            |
| Trident Capital Fund-VI           | Buyout          | Medium       | 2005         | 8,500,000            | 8,500,000             | 11,600,511            | 2,481,454             | 5.3%         | Pathway            |
| Ulu Ventures Fund III             | Venture Capital | Early Stage  | 2020         | 10,000,000           | 3,000,000             | 0                     | 2,875,324             | -13.4%       | Aksia              |
| Upfront VI                        | Venture Capital | Early Stage  | 2017         | 20,000,000           | 14,167,926            | 718,768               | 19,567,991            | 18.4%        | Portfolio Advisors |
| VantagePoint Venture Partners IV  | Venture Capital | Multi-Stage  | 2000         | 15,000,000           | 15,000,000            | 14,283,515            | 125,069               | -0.5%        | Pathway            |
| Vestar Capital Partners IV        | Buyout          | Medium       | 1999         | 17,000,000           | 16,585,106            | 29,291,945            | 114,869               | 13.4%        | Pathway            |
| VIP IV                            | Buyout          | Medium       | 2020         | 39,119,924           | 532,298               | 0                     | -190,361              | -100.0%      | Aksia              |
| Vista Equity Partners Fund III    | Buyout          | Medium       | 2007         | 25,000,000           | 23,269,637            | 60,172,877            | 2,631,717             | 26.7%        | Hamilton Lane      |
| Vista Equity Partners Fund IV     | Buyout          | Medium       | 2011         | 30,000,000           | 25,571,062            | 34,200,745            | 21,914,632            | 15.8%        | Hamilton Lane      |
| Vista Equity Partners Fund V      | Buyout          | Medium       | 2014         | 40,000,000           | 40,163,490            | 39,022,248            | 56,727,439            | 21.7%        | Portfolio Advisors |
| Vista Equity Partners Fund VI     | Buyout          | Large        | 2016         | 30,000,000           | 34,531,498            | 19,723,447            | 46,239,393            | 22.2%        | Portfolio Advisors |
| Vista Equity Partners Fund VII    | Buyout          | Large        | 2018         | 40,000,000           | 25,242,237            | 93,248                | 28,969,997            | 12.6%        | Portfolio Advisors |
| Vista Foundation Fund II          | Buyout          | Medium       | 2013         | 10,000,000           | 8,982,150             | 7,720,359             | 12,437,368            | 17.1%        | Hamilton Lane      |
| Vista Foundation Fund III         | Buyout          | Medium       | 2016         | 10,000,000           | 11,010,216            | 8,996,606             | 11,348,262            | 28.6%        | Portfolio Advisors |
| Vista Foundation Fund IV          | Buyout          | Medium       | 2020         | 30,000,000           | 8,692,434             | 0                     | 7,816,790             | -30.7%       | TorreyCove         |
| Wynnchurch Capital Partners IV    | Buyout          | Medium       | 2015         | 10,000,000           | 8,895,796             | 3,082,358             | 16,930,845            | 31.7%        | Portfolio Advisors |
| Yucaipa American Alliance Fund II | Buyout          | Medium       | 2008         | 20,000,000           | 20,160,070            | 21,586,883            | 17,880,277            | 8.7%         | Hamilton Lane      |
| <b>Total - Active</b>             |                 |              |              | <b>5,097,900,601</b> | <b>3,644,036,793</b>  | <b>3,190,947,645</b>  | <b>3,405,619,376</b>  | <b>14.8%</b> |                    |

## CORE PORTFOLIO SUMMARY AS OF 6/30/2021 - 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        |

## CORE PORTFOLIO SUMMARY AS OF 6/30/2021 - 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        |
| OCM Opportunities Fund V                | Credit/Distressed | Distressed    | 2004         | 7,100,000            | 7,100,000             | 11,703,269            | 0                     | 14.1%        | 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        |
| 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>772,078,025</b>   | <b>750,847,886</b>    | <b>1,147,043,507</b>  | <b>0</b>              | <b>10.4%</b> |                |
| <b>Total - Core Portfolio</b>           |                   |               |              | <b>5,869,978,626</b> | <b>4,394,884,679</b>  | <b>4,337,991,152</b>  | <b>3,405,619,376</b>  | <b>13.2%</b> |                |

## SPECIALIZED PORTFOLIO SUMMARY AS OF 6/30/2021 - 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             | 11,343,259            | 2.6%        | PCA            |
| DFJ Element                                 | Venture Capital   | Multi-Stage   | 2006         | 8,000,000         | 7,846,106             | 5,699,684             | 71,460                | -3.4%       | PCA            |
| DFJ Frontier Fund II                        | Venture Capital   | Early Stage   | 2007         | 5,000,000         | 5,002,783             | 1,790,549             | 3,632,207             | 1.0%        | PCA            |
| Element Partners Fund II                    | Venture Capital   | Late Stage    | 2008         | 10,000,000        | 9,361,465             | 12,855,626            | 1,348,024             | 6.2%        | PCA            |
| NGEN III                                    | Venture Capital   | Multi-Stage   | 2008         | 10,000,000        | 11,253,605            | 3,977,383             | 6,598,045             | -0.8%       | PCA            |
| Palladium Equity Partners III               | Buyout            | Medium        | 2004         | 10,000,000        | 9,918,364             | 17,784,916            | 47,331                | 11.2%       | PCA            |
| Saybrook Corporate Opportunity Fund         | Credit/Distressed | Distressed    | 2007         | 6,192,813         | 6,321,092             | 6,746,700             | 1,865,794             | 8.1%        | PCA            |
| St. Cloud Capital Partners II               | Credit/Distressed | Mezzanine     | 2007         | 5,000,000         | 4,989,085             | 4,177,572             | 57,017                | -3.8%       | PCA            |
| StarVest Partners II                        | Venture Capital   | Late Stage    | 2007         | 5,000,000         | 4,965,849             | 2,271,106             | 2,271,098             | -1.1%       | PCA            |
| Sterling Venture Partners II                | Venture Capital   | Late Stage    | 2005         | 8,000,000         | 8,006,256             | 8,506,311             | 1,548,509             | 3.3%        | PCA            |
| Vicente Capital Partners Growth Equity Fund | Growth Equity     | Growth Equity | 2007         | 10,000,000        | 10,093,708            | 13,998,549            | 105,349               | 5.7%        | PCA            |
| Yucaipa American Alliance Fund I            | Buyout            | Medium        | 2002         | 10,000,000        | 10,000,000            | 12,451,100            | 71,344                | 3.8%        | PCA            |
| <b>Total - Active</b>                       |                   |               |              | <b>97,192,813</b> | <b>98,444,455</b>     | <b>91,549,613</b>     | <b>28,959,437</b>     | <b>3.2%</b> |                |

## SPECIALIZED PORTFOLIO SUMMARY AS OF 6/30/2021 - 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            |
| Rustic Canyon/Fontis Partners        | Growth Equity     | Growth Equity | 2005         | 5,000,000          | 3,671,248             | 2,550,599             | 0                     | -5.1%       | 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            |
| StepStone Pioneer Capital II         | Other             | Fund of Funds | 2006         | 10,000,000         | 9,427,148             | 18,255,436            | 0                     | 9.1%        | PCA            |
| <b>Total - Liquidated</b>            |                   |               |              | <b>94,068,854</b>  | <b>90,551,378</b>     | <b>95,916,200</b>     | <b>0</b>              | <b>1.0%</b> |                |
| <b>Total - Specialized Portfolio</b> |                   |               |              | <b>191,261,667</b> | <b>188,995,833</b>    | <b>187,465,813</b>    | <b>28,959,437</b>     | <b>2.2%</b> |                |



**REPORT TO BOARD OF ADMINISTRATION**

**From: Investment Committee**  
Sung Won Sohn, Chair  
Elizabeth Lee  
Nilza R. Serrano

**MEETING: DECEMBER 14, 2021**  
**ITEM: VIII - D**

**SUBJECT: PRIVATE EQUITY PROGRAM 2022 STRATEGIC PLAN AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board adopt the Private Equity Program 2022 Strategic Plan.

**Discussion**

On November 9, 2021, the Committee considered the attached report regarding the Private Equity Program 2022 Strategic Plan. The Committee heard a presentation from David Fann, Jeffrey Goldberger, and Trevor Jackson of Aksia TorreyCove Partners LLC (Aksia), LACERS' Private Equity Consultant. The plan, developed by Aksia with input from staff, establishes strategic objectives and investment plan recommendations for the next calendar year. Aksia will be present at the Board meeting of December 14, 2021, should the Board desire to hear a presentation of the proposed plan.

**Strategic Plan Impact Statement**

The annual private equity strategic plan assists the Board in building a diversified private equity and total fund portfolio and aligns with the Strategic Plan Goals of optimizing long-term risk adjusted investment returns (Goal IV) and promoting good governance practices (Goal V).

Prepared By: Wilkin Ly, Investment Officer III, Investment Division

NMG/RJ/BF/WL:rm

Attachment: 1. Investment Committee Report dated November 9, 2021



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

**MEETING: NOVEMBER 9, 2021**  
**ITEM: V**

*Neil M. Guglielmo*

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**SUBJECT: PRIVATE EQUITY PROGRAM 2022 STRATEGIC PLAN AND POSSIBLE COMMITTEE ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

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**Recommendation**

That the Committee recommend to the Board the adoption of the Private Equity Program 2022 Strategic Plan.

**Discussion**

Aksia TorreyCove Partners LLC (Aksia), LACERS' Private Equity Consultant, with input from staff, has developed the proposed Private Equity Program 2022 Strategic Plan, which considers strategic objectives and investment plan recommendations for calendar year 2022. Staff has reviewed the plan and recommends its adoption. Aksia will present the proposed plan.

**Strategic Plan Impact Statement**

The annual private equity strategic plan assists the Board in building a diversified private equity and total fund portfolio and aligns with the Strategic Plan Goals of optimizing long-term risk adjusted investment returns (Goal IV) and promoting good governance practices (Goal V).

Prepared by: Wilkin Ly, Investment Officer III, Investment Division.

NMG/RJ/BF/WL:rm

Attachment: 1. LACERS Private Equity Program 2022 Strategic Plan – Aksia TorreyCove Partners LLC

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Aksia LLC

# LACERS Private Equity Program 2022 Strategic Plan



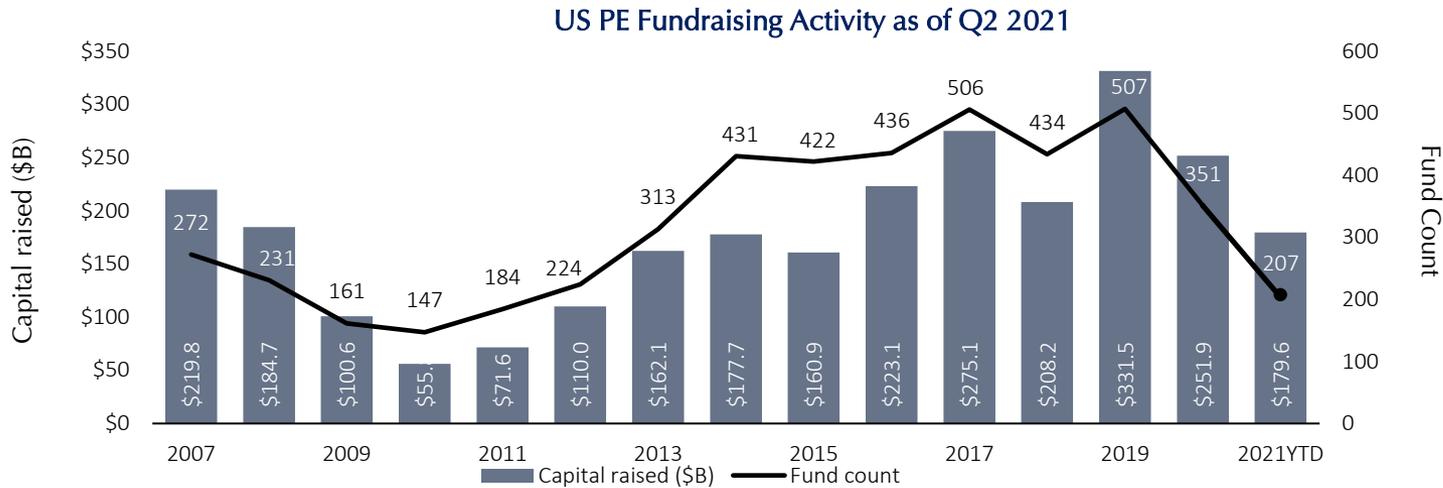
[www.aksia.com](http://www.aksia.com)



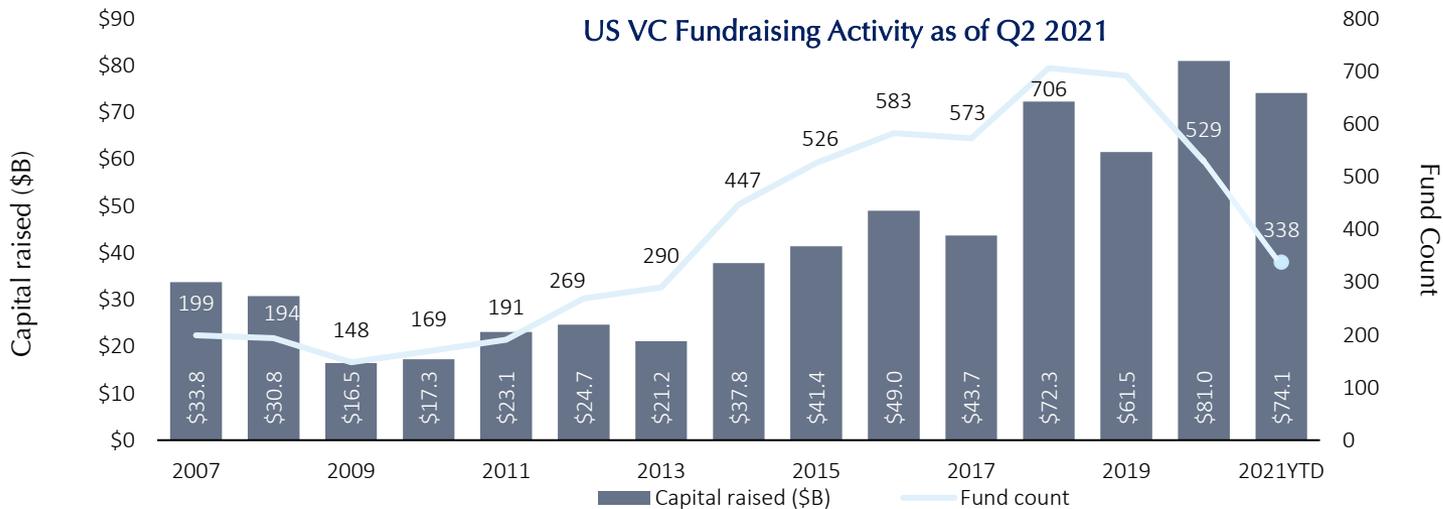
|                                       |       |
|---------------------------------------|-------|
| ▪ Private Equity Market Overview      | 3-10  |
| ▪ 2021 Strategic Plan Refresher       | 11-15 |
| ▪ 2022 Pacing Analysis                | 16    |
| ▪ LACERS Portfolio Exposures          | 17-22 |
| ▪ 2022 Strategic Plan Recommendations | 23-27 |



## Private Equity Industry Fundraising Update



- YTD PE Fundraising is pacing much higher than 2020

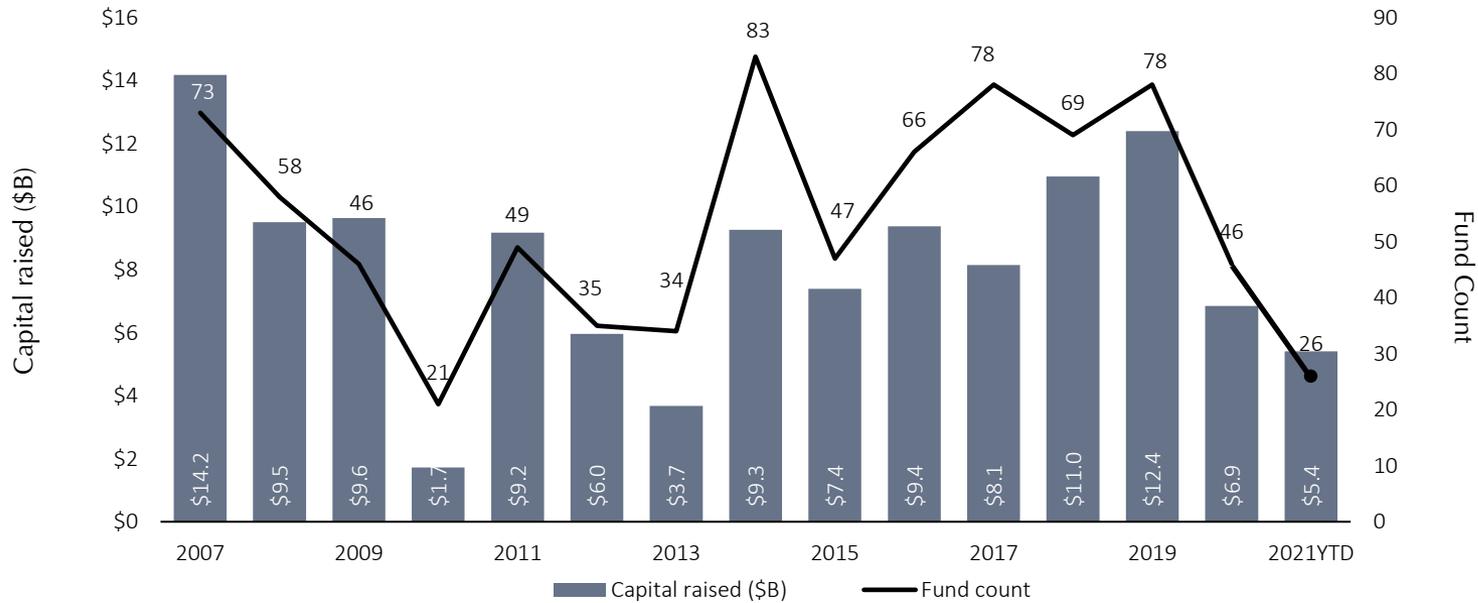


- Commitments to venture investments remain at historical highs



Private Equity Industry Fundraising Update

US PE First-Time Fundraising Activity as of Q2 2021



- YTD fundraising for first time PE funds are currently outpacing 2020 asset raises



# Private Equity Industry Deal Activity Update

## US PE Deal Activity



## US VC Deal Activity



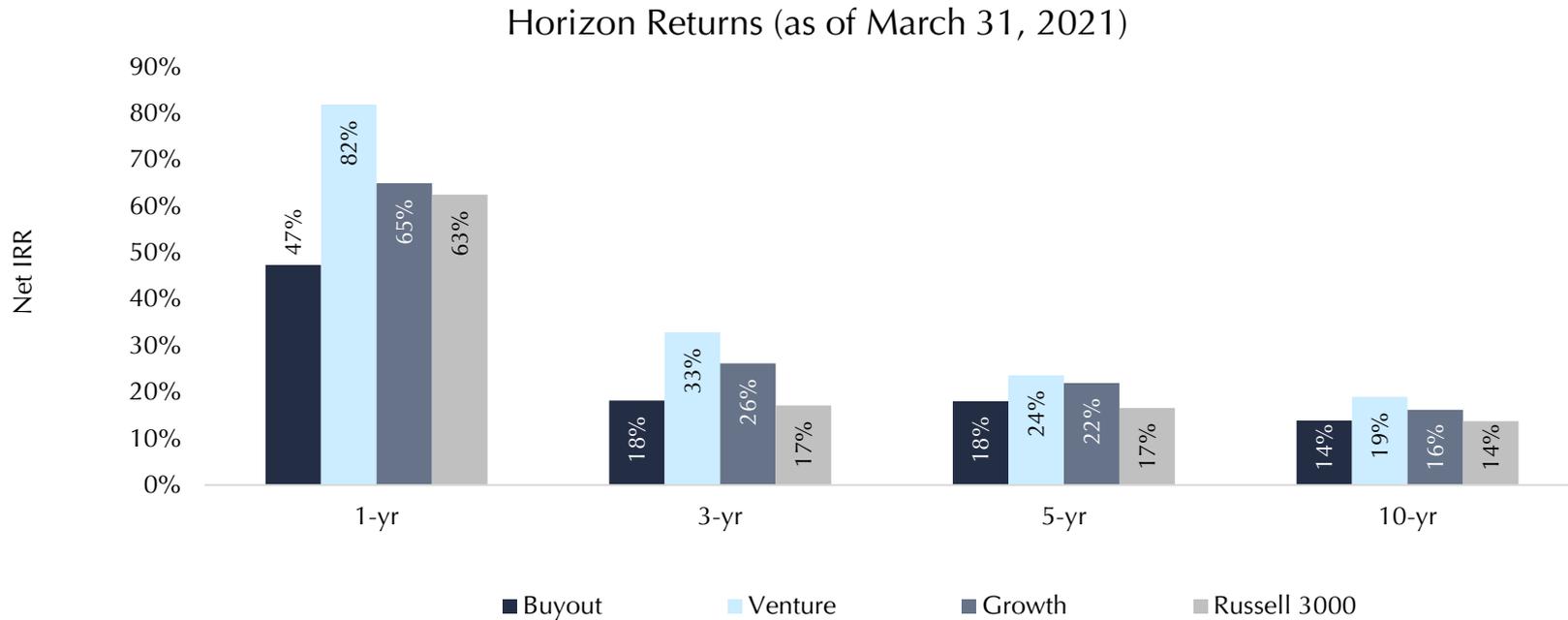
Overall, deal values are at all time highs for 2021 YTD

\*PitchBook adjustment for pending data

Source: PitchBook, PitchBook definition of PE includes Buyouts, Growth Equity, Mezzanine, Restructuring, and Diversified PE.

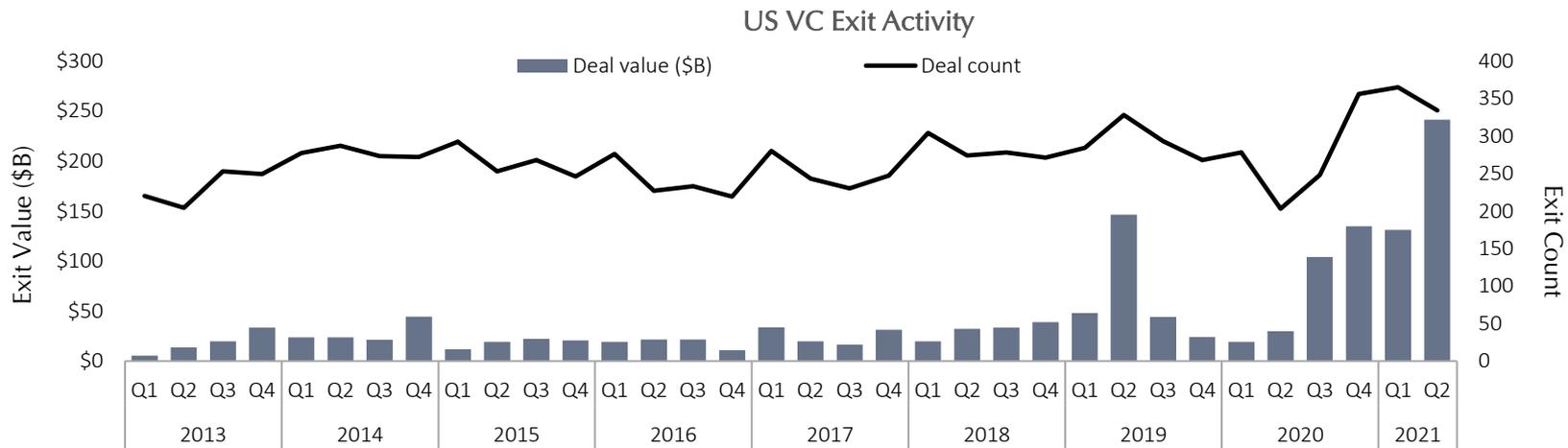
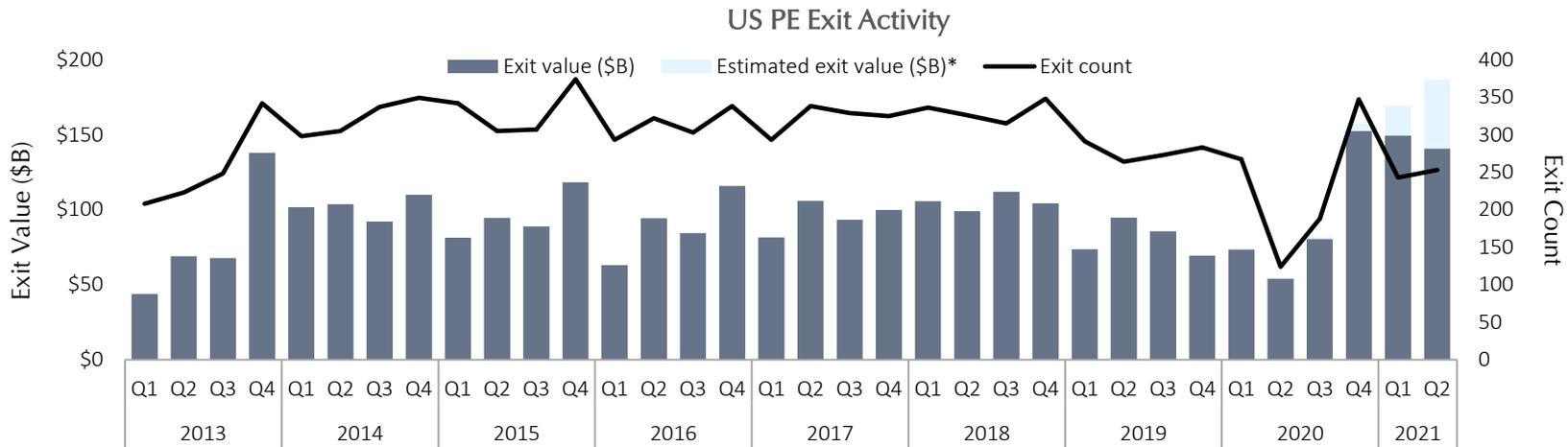
## Private Equity Industry Returns Relative to Public Markets

- Venture and growth equity have outperformed buyouts and public equity over all time horizons
- All private equity strategies outperformed public equity over 3-year and 5-year time horizons





## Private Equity Industry Deal Exit Update



\*PitchBook adjustment for pending data.

Source: PitchBook, PitchBook definition of PE includes Buyouts, Growth Equity, Mezzanine, Restructuring, and Diversified PE.



Private Equity Industry Deal Exit Update

US PE Exits by Type



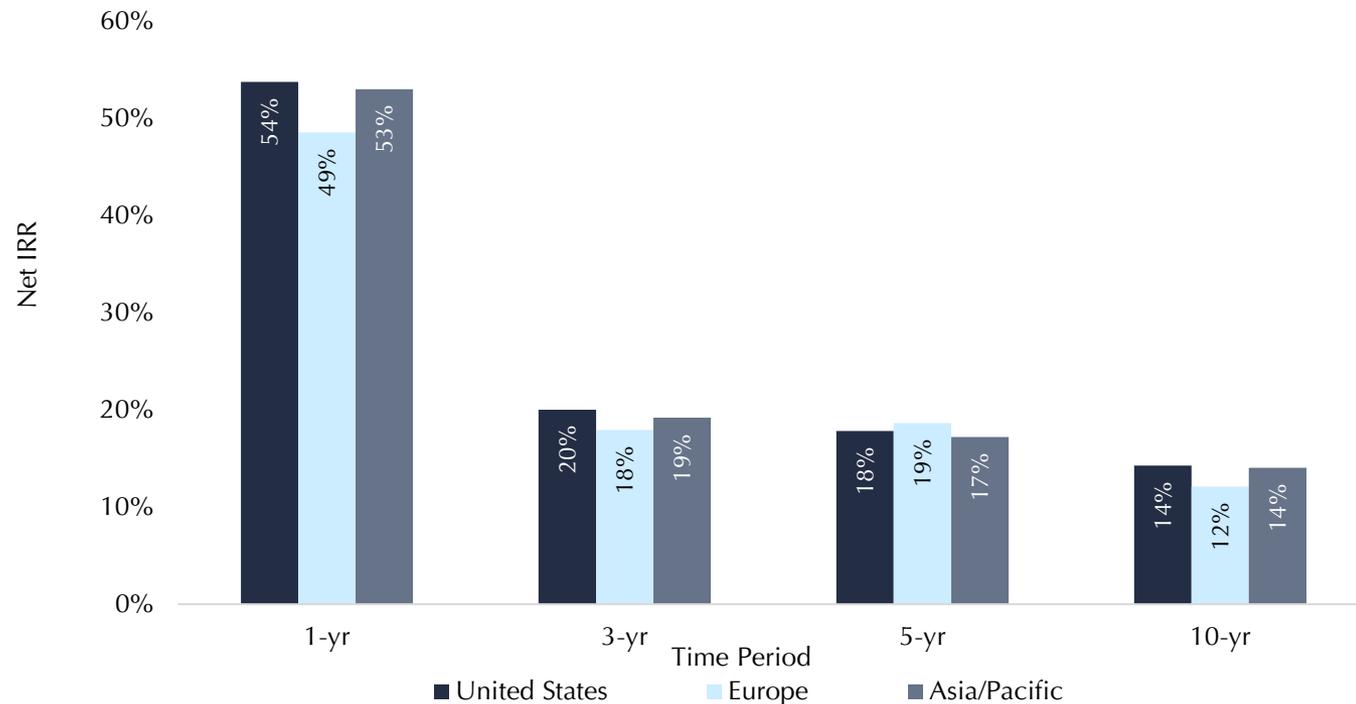
Source: PitchBook, PitchBook definition of PE includes Buyouts, Growth Equity, Mezzanine, Restructuring, and Diversified PE.



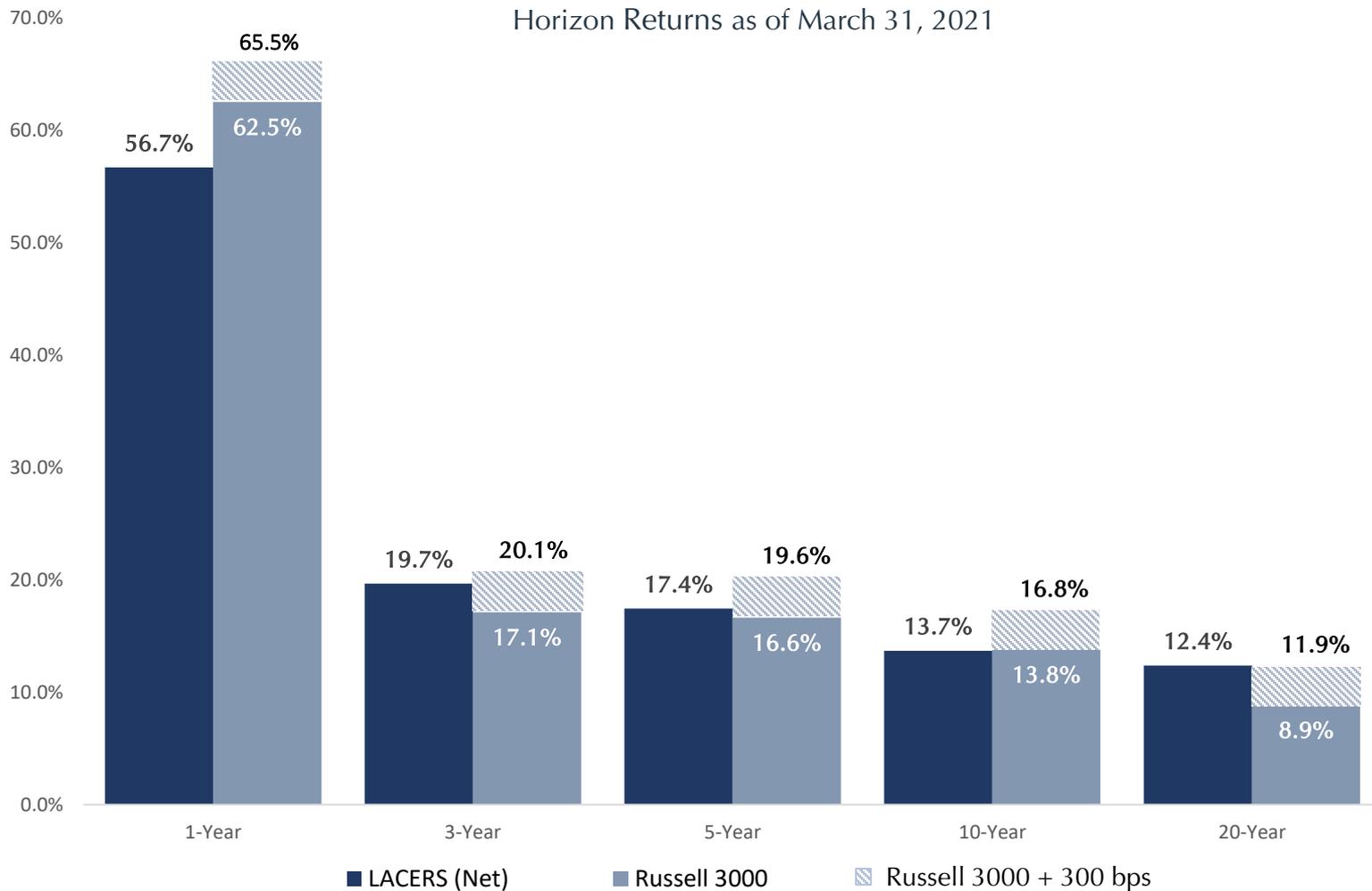
## Horizon Returns By Geography

- Over the 1-year 3-year and 10-year time periods to March 31, 2021, U.S. Private Equity outperformed both Europe and Asia/Pacific
- Over the 5-year time period to March 31, 2021, Europe Private Equity outperformed both the U.S. and Asia/Pacific

Horizon Returns By Geography (as of March 31, 2021)



- While risk varies by specific geography, broadly speaking, Europe and Asia/Pacific appear to offer commensurate returns with the U.S.
- Adding international exposure can improve diversity in LACERS PE portfolio without sacrificing expected returns



\* LACERS Benchmark is the Russell 3000 + 300bps.

## 2021 Strategic Plan - Refresher

- Initial Pacing Recommendations\*
  - Commitment plan of \$675 - \$750 million proposed for 2021.
  - Commitments with 14 -18 firms with a target size of \$50 - \$70 million per commitment / relationship.
    - Includes ~5 investments of up to \$20 million in various Emerging Managers
  
- Long Term Investment Recommendations
  - Develop a framework for the implementation of a co-investment program – from both from an investment and policy perspective
  - Develop a framework for a potential Secondary sale – from both from an investment and policy perspective
  
- Tactical Investment Recommendations
  - Selectively add exposure internationally – primarily to Europe and Asia
  - Increase exposure to Buyouts relative to other sub-asset classes and decrease Venture Capital exposure
  - Consolidate commitments with top performing managers
  - Continue to manage underlying sector exposures
  - Add exposure to strategies designed to outperform in down markets – i.e. Value-Oriented Managers, Turnaround Managers, Distressed Managers

\*Updated in 2021 to account for increased target allocation and plan asset growth.

## 2021 Summary Statistics

### Commitment Statistics

- \$564 million in total commitments through June 30, 2021
- Annual target is \$1.1 billion for 2021 Strategic Plan\*

#### ▪ Geographic Breakdown of Commitments\*\*

- ~63% to North American focused funds
- ~9% to European focused funds
- ~9% to Globally focused funds
- ~3% to Multi-Region focused funds
- ~16% to Asia Pacific focused funds

#### ▪ Sub-Sector Breakdown of Commitments\*\*

- ~52% to Buyout focused funds
  - ~79% Large Buyout funds
  - ~14% to Medium Buyout funds
  - ~7% to Small Buyout funds
- ~39% to Venture / Growth focused funds
- ~9% to Secondaries focused funds

\*Approved at September 28, 2021 Board meeting due to increased target allocation and plan asset growth.

\*\*Allocation percentages includes all commitments as of June 30, 2021.

## Aggregate Portfolio Summary As Of March 31, 2021

- As of March 31, 2021 the aggregate portfolio's fair market value of \$3.1 billion represents 14.6% of Total Plan Assets

| Aggregate Portfolio Private Equity Exposure Summary |          |
|---|----------|
| Total Plan Market Value                             | \$21.5bn |
| Private Equity Exposure Target (%)                  | 16.0%    |
| Private Equity Exposure Target (\$)                 | \$3.4bn  |
| Private Equity Exposure (%)                         | 14.6%    |
| Fair Market Value ("FMV")                           | \$3.1bn  |



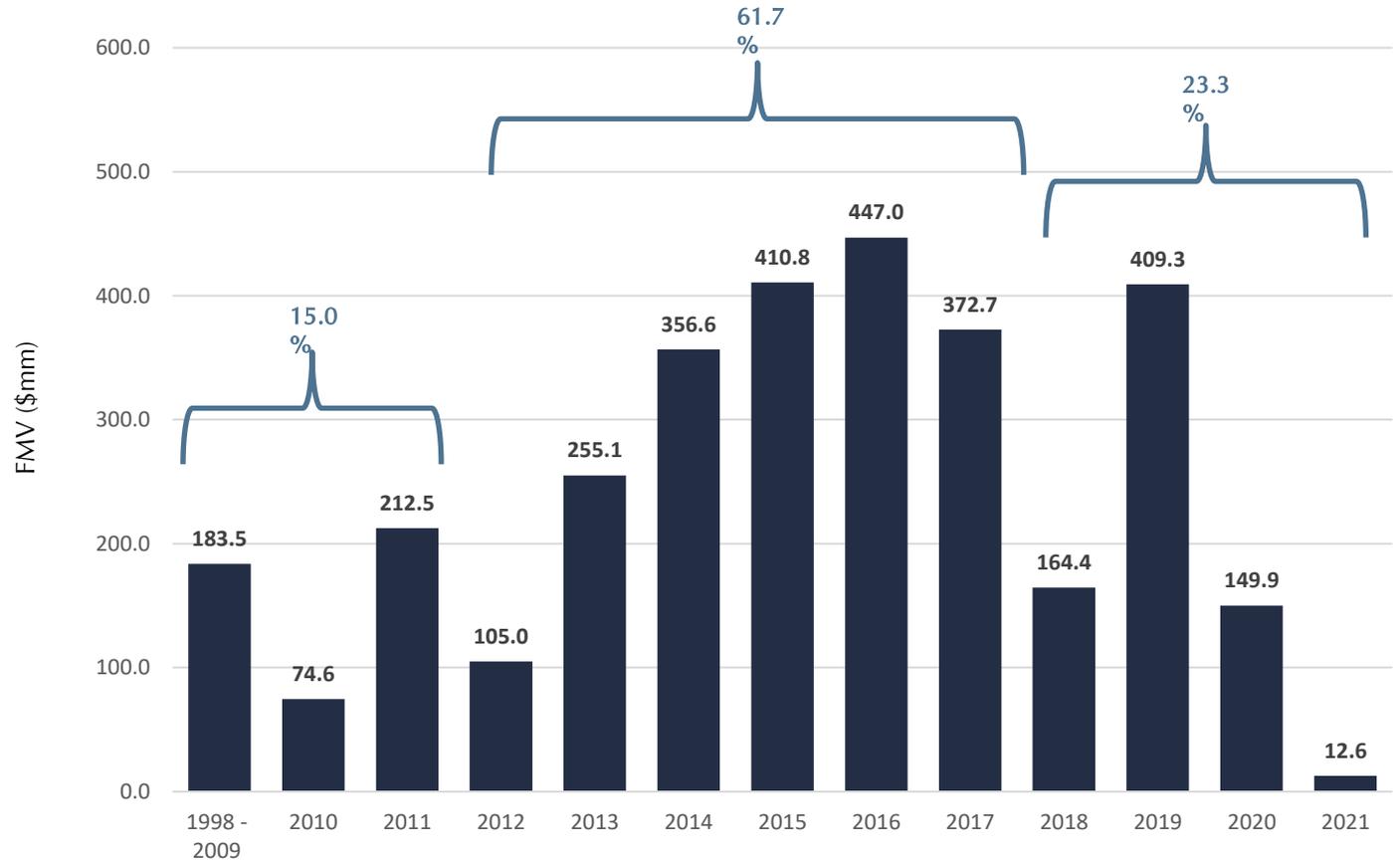
- Since inception (1995), LACERS has committed more than \$5.8 billion to private equity.
- At the current target of 16.0%, the target exposure to private equity is ~\$3.4 billion.





## LACERS Private Equity Program - Fair Market Value By Vintage Year

- Legacy exposure (1998 – 2011) accounts for ~15.0% of LACERS total private equity exposure
- The bulk of LACERS current private equity exposure (61.7%) is from funds with vintage years from 2012 – 2017

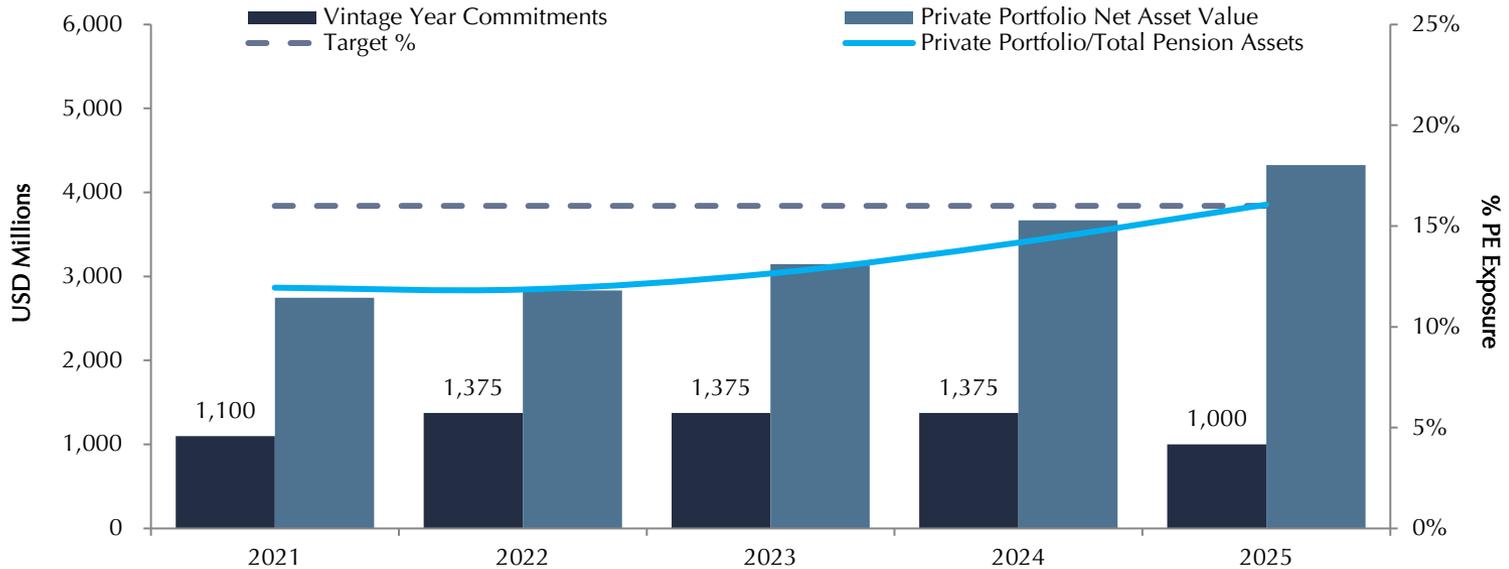




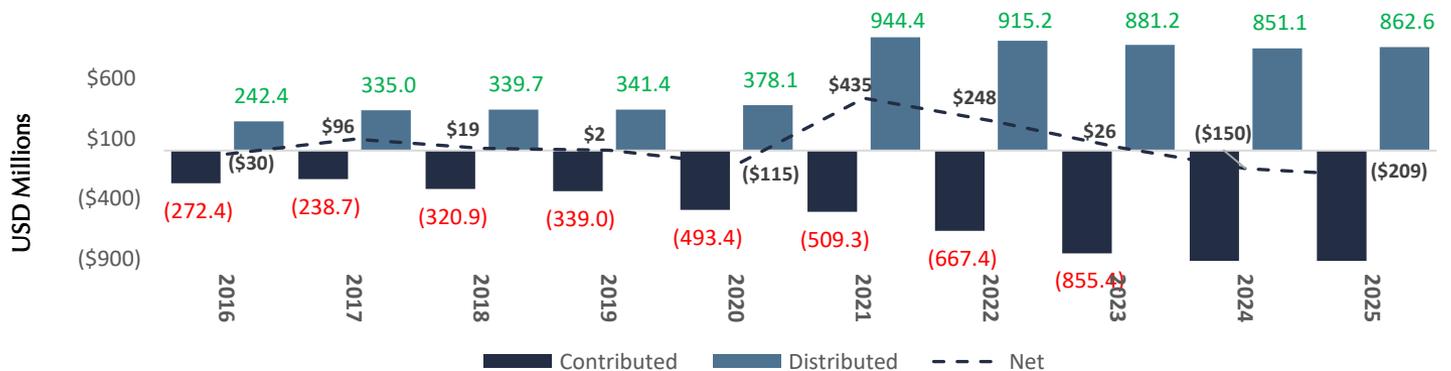
## Updated Pacing Model – As of December 30, 2020

- The performance of public markets in the last two years has contributed to LACERS being underweight in PE
- The updated pacing plan has LACERS hitting it's 16.0% target in ~2025 (assumed 4% total plan growth)

### Pacing Plan



### Cash Flow Profile



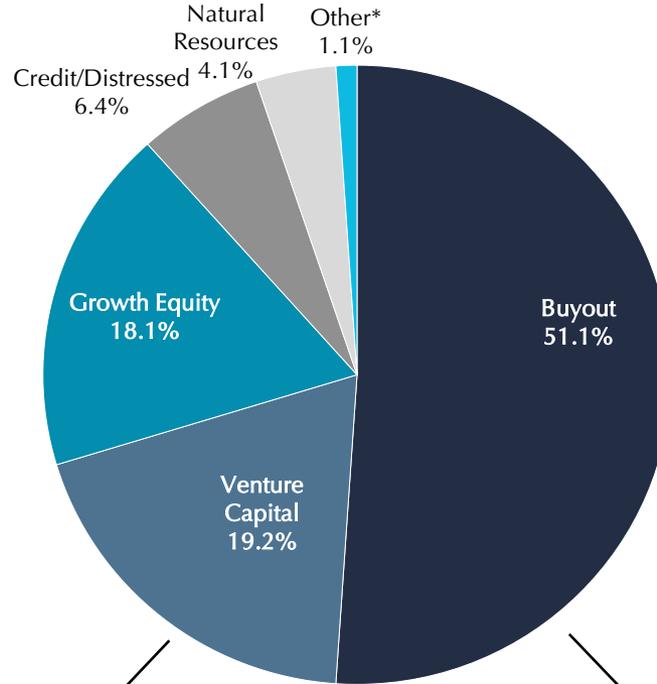
## LACERS Private Equity Long Term Targets

| Private Equity Asset and Sub-Asset Classes | LACERS Exposure (%) | Aksia's Recommended Long-Term Target |
|--|---------------------|--------------------------------------|
| <b>Buyouts</b>                             | <b>52.6%</b>        | <b>50% – 65%</b>                     |
| Large Buyouts                              | 22.4%               |                                      |
| Medium Buyouts                             | 26.6%               |                                      |
| Small Buyouts                              | 3.5%                |                                      |
| <b>Venture Capital / Growth Equity</b>     | <b>36.7%</b>        | <b>10% – 40%</b>                     |
| Venture Capital                            | 18.5%               |                                      |
| Growth Equity                              | 18.2%               |                                      |
| <b>Credit / Distressed</b>                 | <b>5.6%</b>         | <b>0% – 15%</b>                      |
| <b>Natural Resources / Other</b>           | <b>5.2%</b>         | <b>0% – 5%</b>                       |

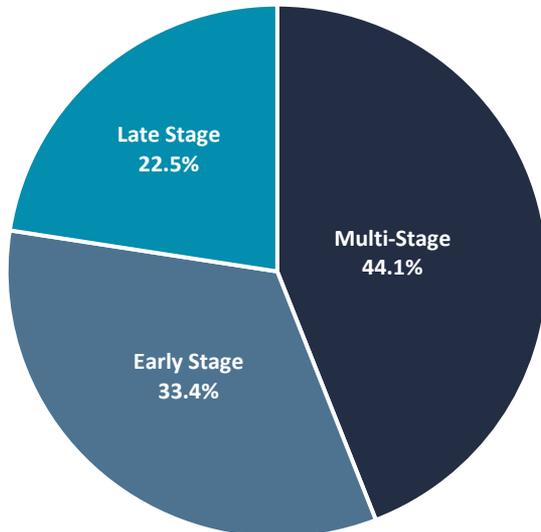


# LACERS Exposures by Asset Class

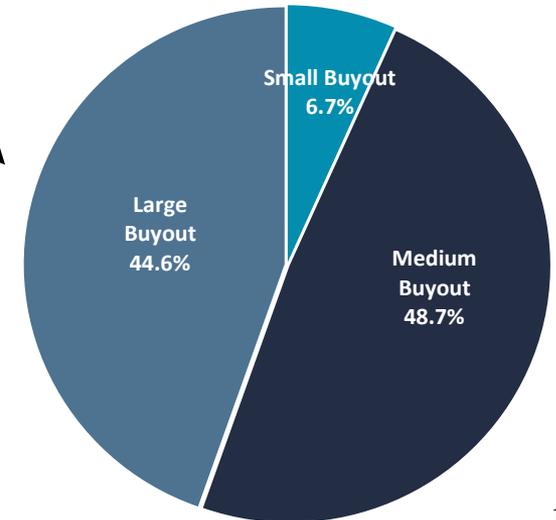
Current Exposure – By Asset Class



Venture Exposures



Buyout Exposures

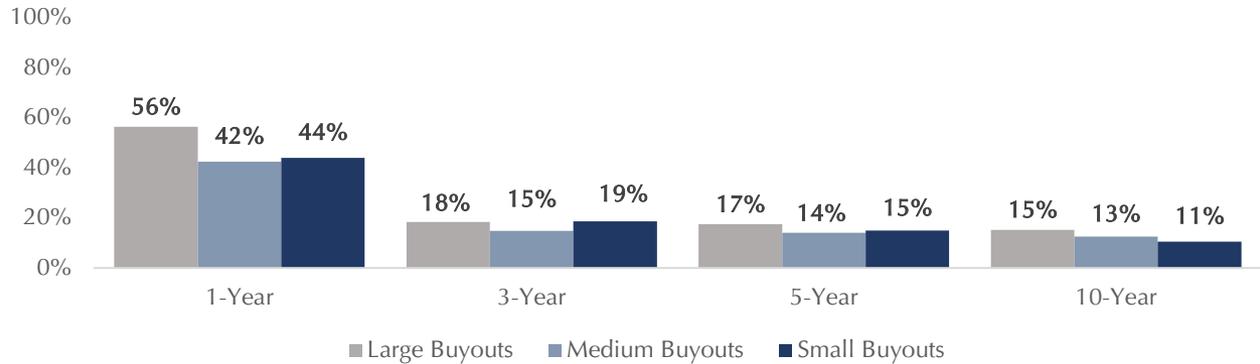


\*Other includes Secondaries funds and Fund of Funds.

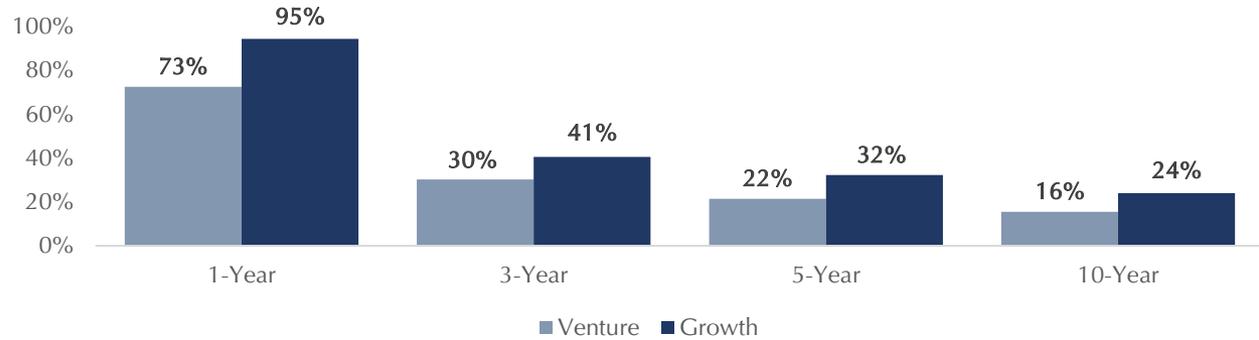


## LACERS Horizon Returns by Sub-Strategy

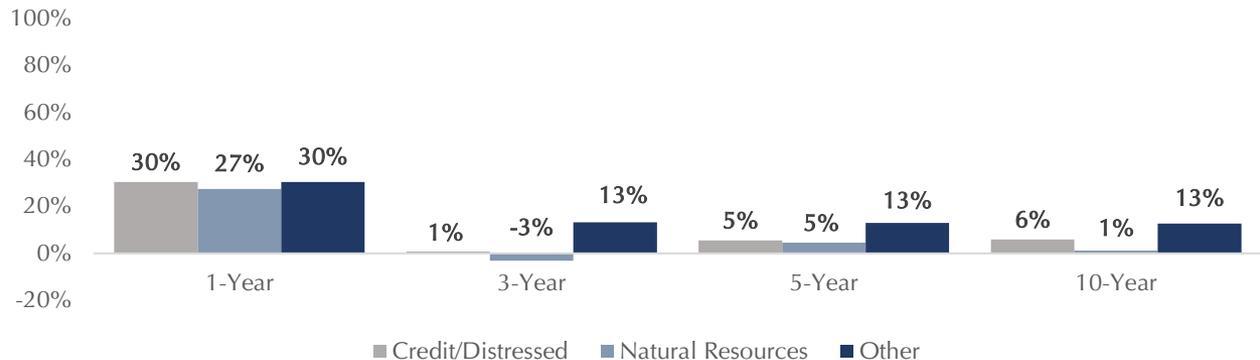
- LACERS' Large Buyout funds have outperformed Small and Medium Buyout funds over time



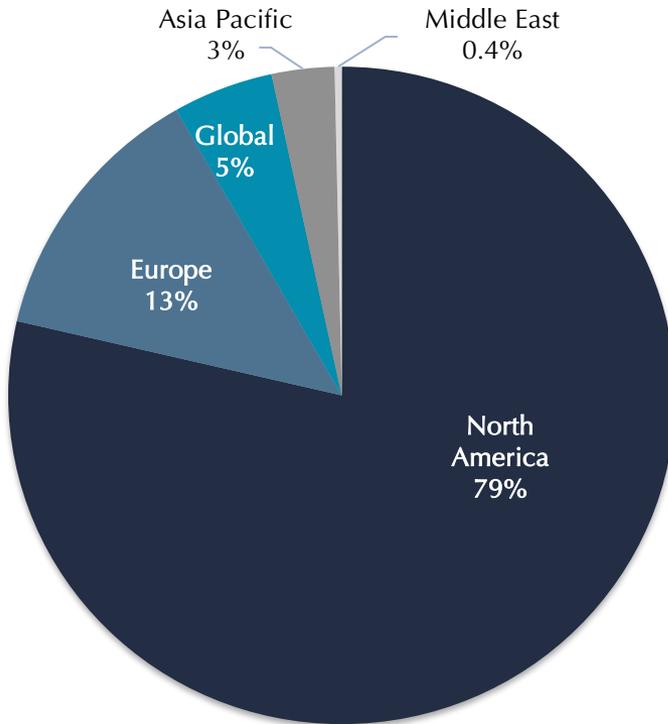
- LACERS' Growth Equity investments have outperformed Venture Capital over various time horizons



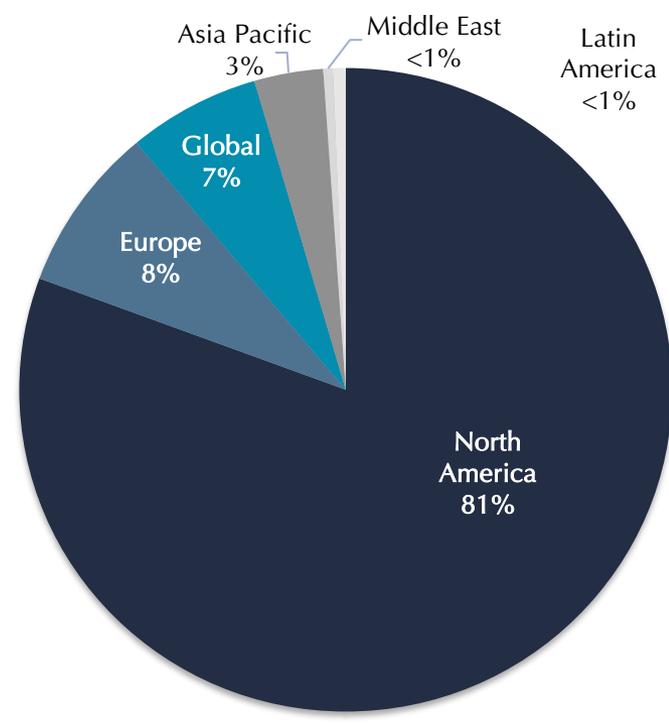
- LACERS' Natural Resources funds have been challenged over most time horizons



2021 Fund Commitments –  
By Geography

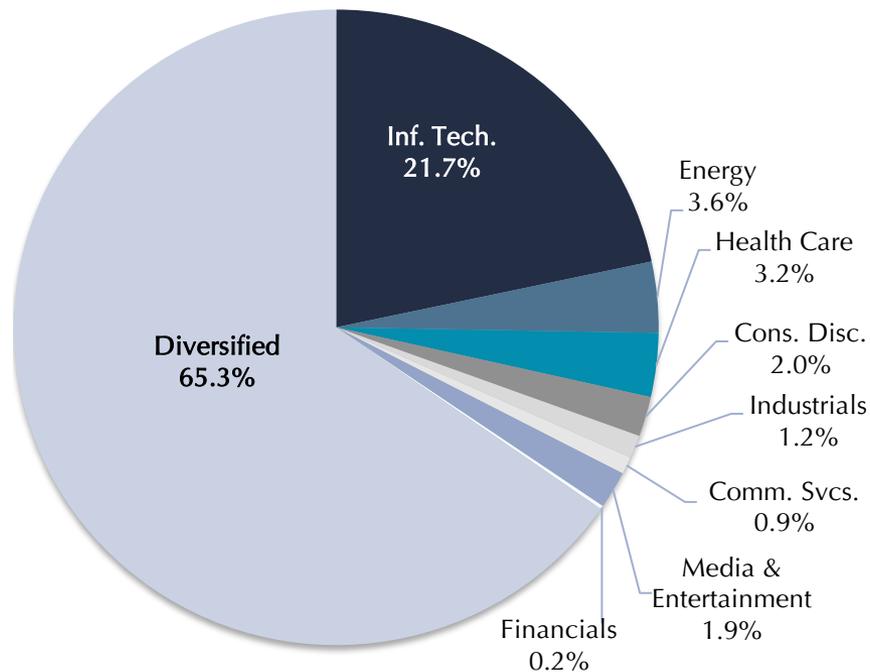


2021 Underlying Exposure –  
By Geography

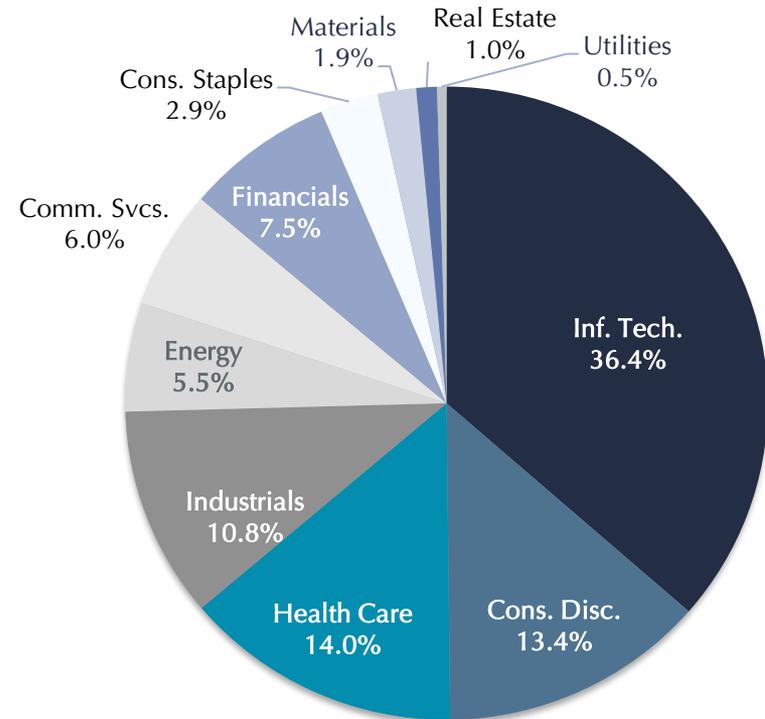




2021 Fund Commitments –  
By Geography



2021 Underlying Exposure –  
By Geography



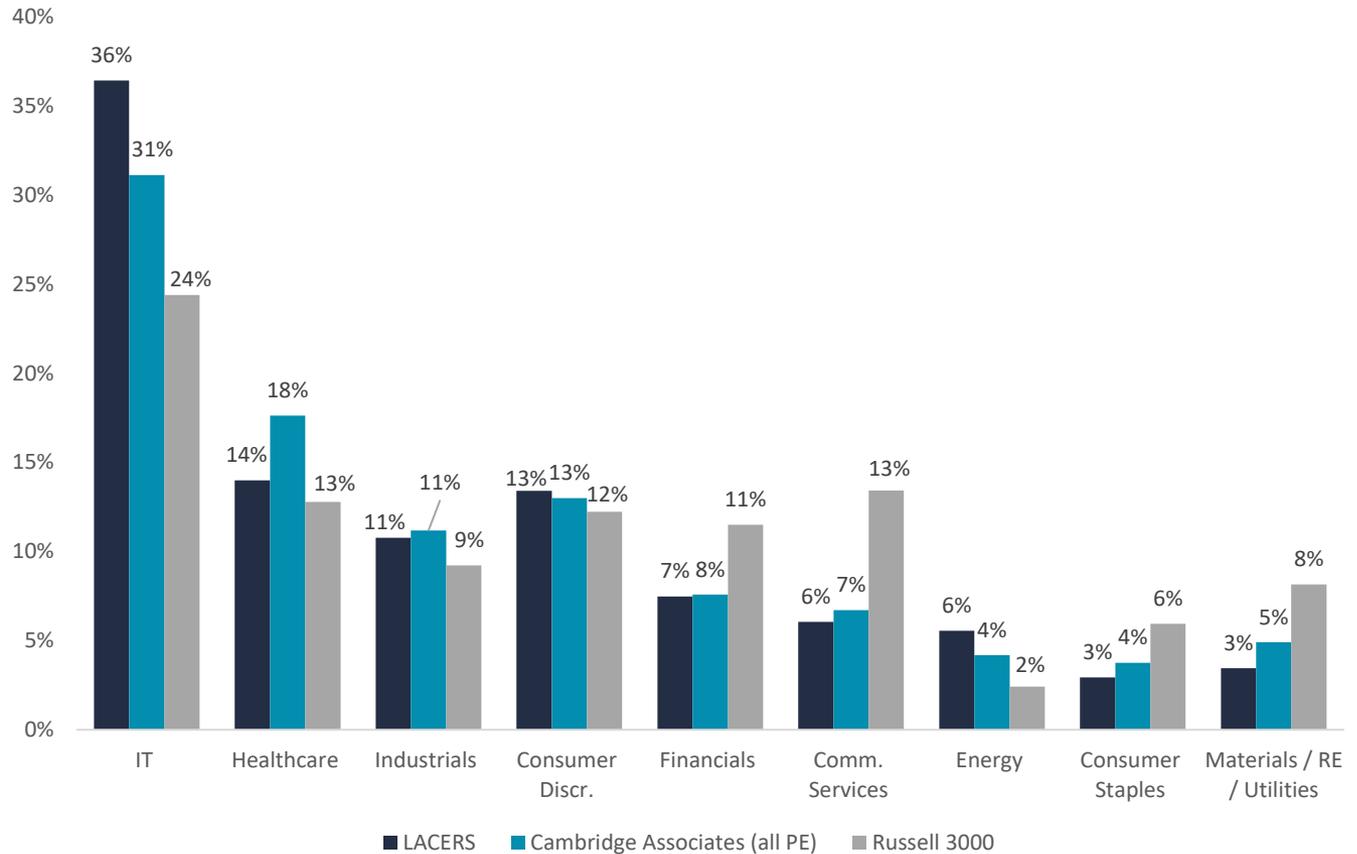
Inf. Tech. – Information Technology  
 Cons. Disc. – Consumer Discretionary  
 Cons. Staples – Consumer Staples  
 Comm. Svcs. – Communication Services



## LACERS Exposure by Sector vs. Benchmarks

LACERS Sector Exposure vs. Benchmarks

- When compared to public and private benchmarks, LACERS is overweight in the Information Technology sector
- When compared to private benchmarks, LACERS is under-weight in the Healthcare sector
- LACERS biggest mismatch with public markets is in the Financials sector



IT – Information Technology  
 Consumer Discr. – Consumer Discretionary  
 Comm. Services. – Communication Services  
 RE – Real Estate

## SWOT Analysis – Strengths & Weaknesses

### Strengths

- Existing GP Relationships: LACERS currently maintains relationships with several high-quality GPs that should continue to scale over time
- Brand / Reputation: LACERS has a reputation in the market as a long-term investor with a sophisticated investment staff, which should open doors to high-quality established and emerging firms. Recent new investment relationships have been either capacity constrained funds or emerging managers who have shown a desire to partner with LACERS
- Disciplined Investment Process: LACERS investment process allows for disciplined decision making and consistent deployment regardless of market dislocations
- Flexible Mandate: LACERS has the ability to invest selectively across a variety of sub-sectors within private equity
- Sector Exposure: LACERS PE portfolio's largest sector weights are to Information Technology (36%), Healthcare (14%), Consumer Discretionary (13%), and Industrials (11%), - a diversified core of sector exposures with IT allocation above representative benchmark and Healthcare currently below the benchmark but increasing. These core sectors have proven to be resilient through the recent COVID-driven downturn and should benefit going forward from secular market trends

### Weaknesses

- Over Diversification: LACERS has an overdiversified private equity portfolio, with a large enough number of relationships that returns may exhibit reversion to the mean. The LACERS staff continues to explore reducing the number of funds in the portfolio as well as increasing allocation sizes to core funds
- Legacy Performance: The legacy portfolio will continue to be a drag on performance, including the Specialized Portfolio, until those funds either run off or get sold in the secondary market
- Co-Investment Program: Despite receiving Board approval on new co-investment policy language in 2021, LACERS does not yet have an active co-investment program. LACERS has made progress in this area with recent commitment to a co-investment commingled and continued evaluation of how best to provide co-investment exposure in the private equity portfolio

## SWOT Analysis – Opportunities & Threats

### Opportunities

- Portfolio Consolidation: LACERS has existing relationships with several high-quality GPs, and has the potential to develop longer-term relationships with these GPs by increasing subsequent fund allocation size, while not repping with non-strategic GPs
- Co-Investments: Pursuing co-investments in-house and through third parties, which LACERS initiated a new co-investment policy in 2021, can increase exposure to core GP's while simultaneously helping to mitigate costs
- Secondary Transactions: The secondary market has evolved to the point that it can be viewed as a potential investment as well as a portfolio management tool to help reduce the number of funds in the portfolio and overdiversification
- Emerging Managers: Today's emerging managers may be the new generation of top-tier performers. The ability to invest in these managers early on in their life may help with long-term access to outperforming emerging managers. LACERS staff and Aksia continue to increase the number of emerging managers in the portfolio with a goal of at least 10% of the total private equity portfolio

### Threats

- Broad Co-Investment Appetite: Many LP's are seeking co-investments and are fostering relationships with GP's or third parties to secure access to desirable (typically no fee or no/minimal carry) co-investments; investments that enhance overall PE portfolio returns
- Late Market Cycle: The public markets have been fairly robust; a significant drop in public markets can impact valuations of existing portfolio companies and the private equity portfolio overall
- High Pricing: Entry Multiples in 2019 and even 2020 surpassed 2007 highs; this high valuation environment continue to persist today
- Disclosures / Regulations: AB2833 and other reporting requirements may be disagreeable to certain top-quartile GPs; a bigger issue in Venture Capital vs. Buyouts sub-sector

## 2022 Strategic Plan Recommendations

### Pacing

- Maintain consistent incremental increases in annual commitments until LACERS reaches its private equity target of 16.0%
- Commitment plan of \$1.375 billion proposed for 2022
- Commitments to 18-25 firms with a target size of \$50-\$100 million per commitment / relationship
- Includes 5-7 investments of at least 10% of commitments to various Emerging Managers

### Broad Portfolio Considerations

- Continue consolidating commitments with top performing managers
- Continue to selectively add exposure internationally – primarily to Europe, Asia, and Latin America
- Continue increasing exposure to Buyouts relative to other sub-asset classes
- Continue to manage underlying sector exposures
- Monitor Information Technology exposure to make sure it doesn't become too large in portfolio
- Continue to diversify sector exposure, including Healthcare and other select sectors
- Continue to add exposure to strategies designed to outperform in down, sideways, late cycle markets – i.e. Value-Oriented Managers, Turnaround Managers, Distressed Managers

## 2022 Strategic Plan Recommendations

### Lean Into the Strengths

- Existing GP Relationships: Increase exposure to existing, high conviction managers that are back in market in 2022; this would include the re-evaluation of the strategic and performance value of these relationships to the overall portfolio
- Brand / Reputation: Leverage LACERS reputation to initiate new relationships of scale with high quality GPs that are in market in 2022 and where the relationship can be scaled over time
- Flexible Mandate: Leverage LACERS ability to invest across sub-asset classes and take advantage of the full spectrum of private equity activities
  - Continue developing a framework for the implementation of co-investment program
    - Leverage relationship with commingled co-Investment fund in 2022 and discuss broader strategic conversations
  - Continue developing a framework for the implementation of a secondary program and/or secondary fund sales
    - Leverage relationship with commingled secondary fund in 2022 and begin broader strategic conversations
    - Continue exploring potential secondary sales when conditions are favorable and possible valuation discounts minimal
- Sector Exposures: Continue to monitor Information Technology sector portfolio weights while maintaining appropriate diversity across other sectors (i.e. healthcare, industrials, consumer)

## 2022 Strategic Plan Recommendations

### Capitalize on Opportunities

- Market Volatility and late cycle: Continue to review and potentially invest with value-oriented, turnaround, and distressed investment managers
- Co-Investments: Leverage existing 3<sup>rd</sup> party co-investment managers learn more and continue to develop LACERS co-investment program
- Secondaries: Continue building a framework for to address secondary transactions – both on the “buy” and the “sell” side  
Leverage existing 3<sup>rd</sup> party relationships to learn more and continue to develop LACERS secondaries program
- Emerging Managers: Continue targeting high-quality first-time managers / spin-outs / diverse managers

### Minimize Weaknesses / Counter Threats

- Over Diversification: Continue to trim relationships and consolidate capital with higher-conviction managers
- Legacy Performance: Continue to consider and lay the groundwork for a portfolio secondary sale when appropriate



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

**MEETING: DECEMBER 14, 2021**  
**ITEM: VIII - E**

*Neil M. Guglielmo*

**SUBJECT: PRIVATE CREDIT CONSULTANT RFP AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board:

1. Approve the proposed draft for the Private Credit Consultant Request for Proposal (RFP), substantially in the form attached hereto, and the process for evaluating candidates;
2. Authorize the General Manager to advertise the RFP in various print and digital media, as presented in this report.

**Executive Summary**

Staff recommends that the Board conduct a search for a specialist, non-discretionary private credit consultant to assist staff with building the LACERS Private Credit Program and providing expertise to improve portfolio diversification and increase risk adjusted returns. The proposed consultant will be responsible for sourcing new relationships, conducting due diligence, constructing the portfolio, monitoring existing relationships, recommending annual pacing, advising staff on policy and procedural matters, and developing an annual strategic plan. LACERS' current roster of investment consultants and emerging consultant firms are encouraged to bid on the private credit consultant mandate. Staff will outreach to potential bidders through widely-read print and electronic media (including those focused on the emerging manager community) and through LACERS' RFP/RFI Subscription Service database.

**Discussion**

*Portfolio Background*

Private credit is a relatively new strategy in the LACERS' portfolio and resides in the Credit Opportunities asset class. The initial target of 3.75% was approved by the LACERS' Board at the April 10, 2018 meeting. The Board subsequently approved an RFP to identify private credit managers on October 9, 2018, which at the time amounted to approximately \$670 million. This RFP targeted senior secured, unlevered debt mandates with a geographic emphasis in the United States and Europe and

moderate risk-return profiles that were expected to outperform the Credit Suisse Leveraged Loan Index by 200 basis points over a full market cycle.

On July 23, 2019, following the completion of the RFP process, the Board approved contracts in the amount of \$100 million each with Benefit Street Partners L.L.C. (Benefit Street), Crescent Capital Group LP (Crescent), and Monroe Capital LLC (Monroe). Due to complexities related to negotiating contract terms and determining a suitable fund structure, the on-boarding of these managers was delayed, with execution of the three contracts occurring in September 2020, September 2021, and November 2021, respectively. Combined private credit commitments are \$300 million or about 1.3% of the total LACERS portfolio as of November 30, 2021, of which \$36 million is invested.

#### *Asset Allocation Change and Pacing Plan*

The Board approved a new asset allocation plan on May 11, 2021, which is projected by LACERS' general fund consultant, NEPC, LLC (NEPC) to increase the expected return of the total fund portfolio and improve the plan's funded status, while also improving key risk metrics such as the Sharpe Ratio. One element of this plan was to expand LACERS' exposure to private credit over time from a previous target of 3.75% to a new target of 5.75%.

NEPC developed a pacing plan to deploy these additional commitments over time, taking into consideration the need for adequate vintage year diversification and other risks while also sufficiently minimizing opportunity costs. The plan's calculated pacing approach, which accounts for capital calls, distributions, and LACERS' fund growth, projects achieving the 5.75% target by 2025. The Board approved this pacing plan on October 26, 2021.

This plan also calls for increased diversification of LACERS' private credit strategies beyond the current focus on unlevered senior secured direct lending, with higher yielding strategies such as opportunistic or distressed lending needed to achieve a targeted private credit portfolio return of 6.1%. While somewhat more complex, combining multiple strategies can improve portfolio performance through a range of market conditions by enabling expert investment managers to take advantage of the best opportunities available.

#### *Consultant RFP Rationale*

LACERS' increased allocation to private credit and corresponding expansion into new private credit strategies to achieve targeted returns will require significant time, attention, and resources from both staff and the consultant. While LACERS has excellent existing private credit coverage from general fund consultant NEPC, these new requirements are above and beyond the current contract terms. Staff's discussions with other local public pension plans have revealed that many plans with similar target allocations have chosen to engage specialist private credit consultants.

While the proposed consulting relationship would require additional financial resources, staff believes that outsourced assistance to identify the best managers and construct a resilient and dynamic portfolio is well justified by potential risks that drive credit cycles, such as interest rate shocks, recessions, and foreign currency crises. Staff believe that the overall cost of the consulting relationship can be reduced through a non-discretionary contract in which the LACERS Investment Committee and Board retain decision-making authority, similar to the existing process for private real estate. A more streamlined discretionary model, similar to the existing process for private equity, may be considered in the future if time pressures or other factors limit LACERS' ability to access to funds.

Accordingly, staff recommend that the Board approve the attached RFP for a three-year contract with a non-discretionary private credit consultant.

*Proposed Candidate Evaluation Process – Board, Investment Committee, and Staff Roles*

The roles of the Board, Investment Committee, and staff related to the private credit consultant search process are outlined below:

Board:

- Interview, evaluate, and select a private credit consultant from the list of finalist candidates.

Investment Committee:

- Consider and approve staff’s list of semifinalist candidates.
- Interview qualifying semifinalist candidates.
- Select finalist candidates for Board interview.

Staff:

- Evaluate and score all candidates that meet the minimum qualifications. Evaluation and scoring will be based on the criteria set forth in the RFP.
- Provide the Investment Committee with an evaluation report and list of the semifinalist candidates.
- Conduct due diligence on all semifinalist candidates and evaluate them.
- Develop a list of finalist candidates based on due diligence findings.

*RFP and Proposed Timeline of Events*

Attached is a proposed RFP for the Board’s consideration. Consistent with the anticipated RFP timeline, staff expects the search process to be completed by August 2022, plus an approximate one-month contracting period, as presented below:

| Step | Responsibility | Activity                                     | Proposed Target Date                    |
|------|----------------|--|---|
| 1    | Board          | Private Credit Consultant RFP authorization. | Tuesday, December 14, 2021              |
| 2    | Staff          | Public release of RFP.                       | Monday, January 24, 2022                |
| 3    | Proposers      | Due date for questions from proposers.       | Friday, February 11, 2022<br>5:00 pm PT |
| 4    | Staff          | LACERS’ responses to questions posted.       | Friday, February 25, 2022<br>5:00 pm PT |
| 5    | Proposers      | Deadline to submit proposals.                | Friday, March 25, 2022<br>5:00 pm PT    |

|    |                      |   |                      |
|----|----------------------|---|----------------------|
| 6  | Staff                | <p>Review all proposals and dismiss candidates that do not meet the minimum qualifications.</p> <p>Report to Investment Committee on total number of proposals received and number of qualified candidates. Score proposals of qualified candidates.</p> <p>Create evaluation report and develop a list not to exceed four semifinalist candidates.</p> | April 2022           |
| 7  | Investment Committee | Review staff's evaluation report and consider the list of semifinalist candidates for further due diligence.  | May 2022             |
| 8  | Staff                | <p>Conduct due diligence on semifinalists.</p> <p>Develop a list of no less than two qualifying semifinalist candidates for further consideration by Investment Committee.</p>  | May 2022 – June 2022 |
| 9  | Investment Committee | <p>Interview qualifying semifinalist candidates.</p> <p>Select finalist candidates for Board interview.</p>   | July 2022            |
| 10 | Board                | <p>Interview and evaluate finalist candidates.</p> <p>Award contract.</p>   | July 2022            |
| 11 | Staff                | Contract negotiations and execution.  | August 2022          |

### **Strategic Plan Impact Statement**

The private credit consultant will assist LACERS in building a diversified private credit portfolio to help the fund achieve a satisfactory long-term risk adjusted return (Goal IV). Implementing a competitive bidding process by issuing a Request of Proposal (RFP) is in line with Goal V (uphold good governance practices which affirm transparency, accountability, and fiduciary duty).

Prepared By: Robert King, Investment Officer II, Investment Division

NMG/RJ/BF/WL/RK:rm

Attachment: Proposed Private Credit Consultant Request for Proposal



**LACERS**

**LA CITY EMPLOYEES'  
RETIREMENT SYSTEM**

**PRIVATE CREDIT CONSULTANT  
REQUEST FOR PROPOSAL**

**INITIATION: JANUARY 24, 2022  
RESPONSE DEADLINE: MARCH 25, 2022**



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## A. INTRODUCTION

The Los Angeles City Employees' Retirement System (LACERS) is seeking proposals from qualified organizations to provide **full service, non-discretionary** private credit consulting services. This Request for Proposal (RFP) details the services sought and instructs interested proposers on the application and selection process. All firms meeting the minimum qualifications outlined in Section D of this RFP are invited to respond. LACERS intends to award a three-year full retainer contract to one firm that best meet LACERS' needs. However, LACERS reserves the rights to contract with additional firm(s) when it deems necessary.

## B. BACKGROUND

LACERS is a defined benefit public retirement system established by City Charter in 1937 to provide a retirement benefits to the civilian employees of the City of Los Angeles. Currently LACERS provides services to over 27,000 active employees and provides benefits to over 20,000 retirees and their beneficiaries. LACERS is governed by the Board of Administration ("Board"), which consists of seven commissioners - four appointed by the Mayor of Los Angeles and three elected by active and retired members of LACERS.

As of June 30, 2021, LACERS total investment portfolio was valued at \$22.5 billion with target allocations as follows:

| Asset Class          | Target |
|----------------------|--------|
| U.S. Equity          | 21.00% |
| Non-U.S. Equity      | 26.00% |
| Core Fixed Income    | 11.25% |
| Credit Opportunities | 12.75% |
| Private Equity       | 16.00% |
| Real Assets          | 12.00% |
| Cash                 | 1.00%  |

LACERS' current private credit portfolio is made up of three private credit fund of one's, which are non-leveraged and focus primarily on first lien, senior secured debt. The private credit allocation has a target allocation of 5.75% or approximately \$1.3 billion as of June 30, 2021, and is included in the Credit Opportunities asset class in the table above. As of September 30, 2021, LACERS' private credit portfolio had a market value of \$34.4 million and unfunded commitments of \$165.6 million.

For further information, LACERS Performance Reports can be accessed online at:

<https://www.lacERS.org/performance-reports>

## C. SCOPE OF SERVICES

The firm selected as a result of this RFP will be responsible for managing and monitoring LACERS aggregate private credit portfolio. The services to be provided by the firm shall include, but not be limited to, the following:



## 1. GENERAL

- 1.1. Assist the Board and Staff in the development of an appropriately structured private credit investment program, including the establishment of investment objectives, strategies, risk management, and performance/benchmark standards. Provide recommendations and submit an annual plan on how your firm will help LACERS achieve its Emerging Manager private credit commitment and exposure goals.
- 1.2. Develop and/or review the Board's private credit investments policies, Emerging Investment Manager Policy, guidelines, procedures, and strategic investment plan on an annual basis and make recommendations for modifications, as necessary.
- 1.3. Provide investment research and publications on private credit market conditions and opportunities.
- 1.4. Provide educational and/or training sessions on private credit investing to the Board and staff as requested.
- 1.5. Expected to attend regularly scheduled Board and Investment Committee meetings and other meetings as requested by the Board and/or staff at the Consultant's expense.
- 1.6. Present the performance of the private credit investment program to the Board as soon as practicable for the second quarter and the fourth quarter of each calendar year. The Board retains the rights to change the frequency of performance reporting.
- 1.7. Available at anytime to answer ad-hoc questions, either by phone or by email.
- 1.8. Conduct special projects or other activities as requested by the Board and/or staff.
- 1.9. Coordinate and communicate with the broader LACERS organization and other LACERS consultants and advisors as appropriate to ensure effective administration of the private credit investment program.

## 2. INVESTMENT SOURCING AND SELECTION

- 2.1. Develop a structured, on-going process to screen the global universe of available private credit investments and identify those opportunities which are consistent with LACERS' investment policy and private credit strategic investment plan; provide monthly reports to LACERS staff summarizing screening activity.
- 2.2. Evaluate prospective investments, including those that may be sourced by staff. If appropriate, engage in comprehensive due diligence that may include general partner site visits and background and reference checking. Consultant will utilize the manager search procedure approved in the investment policy.
- 2.3. Present investment recommendation reports to the Investment Committee, Board, and staff. Reports shall include, but not be limited to, full results of the Consultant's comprehensive due diligence, strategic considerations, partnership reviews,



commitment amount, fees, and how the investments complement and/or fit into the overall private credit portfolio.

- 2.4. Provide assistance to staff and the Board's legal counsel to negotiate, in the best interests of LACERS, relevant fees and investment terms. The Board acknowledges that the Consultant is not providing any legal advice or consultation; the Board shall look solely to its legal counsel for such advice or consultation.

### **3. PORTFOLIO MANAGEMENT AND PERFORMANCE MEASUREMENT**

- 3.1. Provide on-going monitoring and regular updates/assessments of relevant operational and/or strategic changes with investment managers, including, but not limited to, performance, organization, ownership, investment products, and disclosure issues. The Board shall retain the exclusive right to engage or terminate managers.
- 3.2. Ensure that investment managers comply with the terms of their contracts.
- 3.3. Notify the Board of any identified material issues that may impact investment performance and recommend a course of action to enhance returns or mitigate risk.
- 3.4. Assist and advise staff with work-out situations, breaches or violations of limited partnership and side letter provisions, and fund dissolutions as may arise.
- 3.5. Maintain information on portfolio exposure to vintage years, strategies, geographic diversification, and leverage by portfolio type.
- 3.6. Maintain historical information on all cash flow, net asset values, commitments (total, funded, and unfunded), fee payments, cost basis and returns on each investment.
- 3.7. Calculate performance metrics including IRR and multiple calculations measured against performance benchmarks.
- 3.8. Review capital calls and distribution notices.
- 3.9. Prepare quarterly performance reports for the total portfolio. The reports shall include, at a minimum: market overview and outlook, allocation breakdown by geography, strategy, update on each fund, listing of each fund by strategy, date of commitment to each fund, commitment amount to each fund, drawdown amounts by fund, outstanding commitment by fund, distribution amounts by fund, fund net asset values, and IRR and multiples of each fund.
- 3.10. Provide on-line, real-time client access to review cash flows and performance data by individual investment, strategy, and portfolio type.
- 3.11. Provide assistance with compiling appropriate information to satisfy public information requests or public reporting requirements in accordance with applicable state laws, including, without limitation, Cal. Govt. Code §6254.26(b) and Cal. Govt. Code §7514.7.



- 3.12. Provide market value, performance reconciliation and in-depth reporting, and verification of management fees and expenses.

**D. MINIMUM QUALIFICATIONS**

A proposing firm (Proposer) must meet all of the following minimum qualifications to LACERS satisfaction to be given further consideration. The Proposer must complete the *Minimum Qualification Certification (Attachment 2)* substantiating that the Proposer satisfies all minimum qualifications and requirements. Failure to satisfy each of the minimum qualifications may result in the immediate rejection of the proposal.

1. The firm must be a registered investment advisor under the Investment Advisers Act of 1940 and must be a fiduciary to LACERS. Please provide the most recent copy of your firm’s ADV part I and II.
2. The firm (or founding team) must have been in business for at least three (3) years providing **full service, non-discretionary** private credit consulting services and have a minimum of \$1 billion in private credit assets under advisement.
3. The firm (or founding team) must consult for at least one (1) defined benefit U.S. public pension fund client with at least \$500 million in committed capital.
4. The primary consultant assigned to the LACERS relationship must have a minimum of three (3) years of private credit consulting experience with defined benefit U.S. public pension plans, and have been employed by the firm or predecessor firm for at least three (3) years.
5. The firm must be directly responsible for the management of the account, and all personnel responsible for the account must be employees of the firm.
6. The firm must not have existing or potential material conflict of interests to the LACERS Board, staff, actuary, auditor, investment managers, or other consultants.
7. The firm must carry the following insurance coverage or must have applied for it by the contract execution date:

|   |         |              |
|---|---------|--------------|
| a. Error and Omissions (Professional Liability)   | ---     | \$ 5,000,000 |
| b. General Liability                              | --- Min | \$ 1,000,000 |
| c. Workers’ Compensation and Employer’s Liability | --- Min | \$ 1,000,000 |

LACERS reserves the right to require a higher and/or additional insurance coverage, if it deems necessary.

All minimum qualifications, except for no. 7 – insurance coverage, must be met as of  
 March 25, 2022 – 5:00 P.M. Pacific Time (PT).



**E. PROPOSED SCHEDULE**

|   |                                  |
|---|----------------------------------|
| RFP Available to Prospective Proposers:   | January 24, 2022                 |
| Written Questions Submission by email:  | February 11, 2022 - 5:00 p.m. PT |
| Should a firm need further clarification on the questions or specifications contained in the RFP, the Proposer must e-mail questions to <b>lacers.invest@lacers.org</b> .<br><br>The <u>subject line</u> of the e-mail should show the <b>name of your firm</b> and <b>“2022 Private Credit Consultant RFP”</b> |                                  |
| Response to Written Questions posted on LACERS website, www.lacers.org:   | February 25, 2022 - 5:00 p.m. PT |
| <b>Final Date for Proposal Submission:</b>  | March 25, 2022 - 5:00 p.m. PT    |
| Interview of Finalists:   | July 2022 (tentative)            |
| Contract Start Date:  | August 2022 (tentative)          |

**F. SUBMISSION REQUIREMENTS**

- a. **Response Format.** To be eligible for evaluation, a proposal must adhere strictly to the format set forth below. Failure to do so may result in disqualification. Proposers must address each of the required sections indicated below. Completeness, clarity and brevity are stressed in proposals.

Within each section of the proposal, the proposer should address the items in the RFP in the order in which they appear in the RFP. Furthermore, repeat and bold-type each question number and question in the RFP before providing your answer.

Responses to the RFP in the Word document should be in standard 12 point Arial font (or its equivalent), non-bold and non-italicized. All questions requesting asset under advisement must be stated in U.S. Dollars only.

All forms, the RFP Questionnaire, and the electronic versions in Word and Excel provided in this RFP must be completely filled out. If a question does not apply to you, please write in “not applicable” and then state the reason why the question does not apply to your firm.

The content and sequence of the proposal must be as follows:

| <u>Section</u> | <u>Title</u>          |
|----------------|-----------------------|
| I              | Cover Page            |
| II             | Table of Contents     |
| III            | Letter of Transmittal |
| IV             | Required Documents    |

- I. Cover Page  
 Title for cover page: **“2022 Private Credit Consultant RFP”**.



II. Table of Contents

Immediately following the cover page, there must be a comprehensive Table of Contents of the material included in the proposal. The Table of Contents must clearly identify the proposal section/subsection and the applicable page numbers.

III. Letter of Transmittal

A letter of transmittal must accompany all responses to this RFP and placed as the first page of the proposal. The letter of transmittal must further state that the proposal is valid for nine (9) months subsequent to the proposal due date.

The letter of transmittal MUST:

- a. identify the proposal as “2022 Private Credit Consultant RFP”;
- b. identify the submitting organization;
- c. identify the name and title of the person authorized by the organization to contractually obligate the organization;
- d. identify the names, titles, telephone numbers, and e-mail addresses of persons to be contacted for clarification;
- e. certify that your firm has fully complied with all provisions of the RFP and that all statements are true and accurate, and that the firm has not knowingly made any false or misleading statements in its proposal;
- f. be signed by a person authorized to contractually obligate the organization.

IV. Required Documents

1. Company Questionnaire (*see Attachment 1*)
2. Minimum Qualification Certification (*see Attachment 2*)
3. RFP Questionnaire (*see Attachment 3*) including requested Exhibits:
  - A. Organizational charts of respondent’s organization and consulting unit.
  - B. Firm Policy on Conflicts of Interests.
  - C. Sample Private Credit Investment Policy.
  - D. Firm Policy for Allocating Private Credit Investments.
  - E. Two (2) Recent Due Diligence Reports (one recommending an investment opportunity and one rejecting an opportunity).
  - F. Sample Performance Report.
  - G. ESG Policy
  - H. Sample White Papers/Research on Private Credit
  - I. The most recent Form ADV Part I and Part II (including brochure).
4. Fee Proposal (*see Attachment 4*).
5. Compliance Documents (*see Attachment 5 – PDF format*):
  - a. Warranty/Affidavit.
  - b. Proposer Disclosure Form.
  - c. Bidder Certification – City Ethics Commission Form 50.
  - d. Bidder Certification – City Ethics Commission Form 55.
  - e. Sexual Harassment Policy Disclosure Form.
  - f. Gender Equity Disclosure Form.

As instructed in attachment 5 – General Conditions and Compliance, do not include the completed Organizational Diversity Survey (ODS) as part of the RFP response. The completed ODS must be separately uploaded to the following link:



<https://lacers.app.box.com/f/279a89bd1e6447098377af4d45d50fa1>

- b. **Word (or PDF) and Excel Electronic Versions.** Please provide the proposal and the responses in Microsoft Word (or PDF) and in Microsoft Excel.

The Excel spreadsheet containing questions and answers to the RFP must be submitted in the format specified in the downloaded Excel RFP Questionnaire and saved with a file name using the prescribed file name format found in the spreadsheet. We strongly advise against copy and paste answers from the Word document directly to the Excel document as it may change the integrity of the formatted Excel cells.

Note that the Excel spreadsheet may have maximum word limits that are not necessarily found in the Word document. In such cases, we would expect respondents to summarize the answers while maintaining the same meaning and consistency with the Word document responses, where applicable. **Please carefully follow the instructions located at the top of the formatted Excel spreadsheet.**

- c. **Authorization to Bind Organization.** Proposals must be signed by an individual with the authority to bind the Proposer organization and the authority of the individual signing must be stated thereon (see “Company Questionnaire” form).
- d. **Confidentiality of Responses.** The word **CONFIDENTIAL** should be stamped and must be clearly designated on every page in the proposal containing proprietary or trade secret information. Proposers should be aware that LACERS is subject to the Public Records Act, but will endeavor to keep these materials private.
- e. **Deadline.** All materials from the final proposals must be emailed to lacers.invest@lacers.org by 5:00 P.M. Pacific Time (PT) on March 25, 2022. Date and time will be recorded on the proposals upon their arrival. Late proposals will not be considered.

**G. EVALUATION PROCESS**

**1. Minimum Qualifications Evaluation.**

LACERS will only evaluate proposals from firms that meet all of the minimum qualifications as specified in Section D of this RFP. Proposals from firms that fail to meet all of the minimum qualifications will not be considered.

**2. Proposal Evaluation.**

Proposals from firms that satisfy all of the minimum qualifications will be evaluated and ranked based on the following broad scoring categories:

| Criteria   | Weight |
|--|--------|
| Ability of firm to provide the services referred to in this RFP                | 35%    |
| Experience, depth, and strength of firm and consulting team assigned to LACERS | 25%    |
| Soundness of investment philosophy and approach to meeting LACERS needs        | 30%    |
| Fee proposal   | 10%    |



A semifinalist list, consisting of no more than the four highest scoring firms, will be established.

**3. Due Diligence and Reference Checks.**

LACERS staff will conduct due diligence and reference checks on semifinalist firms for further evaluation.

**4. Interviews.**

Semifinalist firms that satisfactorily pass LACERS due diligence and reference checks will be considered finalists and invited to interview with LACERS Board of Administration and Investment Committee. In evaluating finalists, the Board may consider, but is not limited to, factors such as a firm's service offerings, quality and experience of the firm and consulting team, investment philosophy and approach, reasonableness of fees, etc.

**5. Award of Contract.**

LACERS' Board of Administration will select one firm to provide private credit consulting services. However, the Board reserves the rights to contract with additional firm(s) when it deems necessary.



ATTACHMENT 1

**COMPANY QUESTIONNAIRE**

\_\_\_\_\_  
Proposer Firm Name

\_\_\_\_\_  
Organization's Legal Name

\_\_\_\_\_  
Type of Business (Corporation, Partnerships, Individual, etc.)

\_\_\_\_\_  
Website Address

\_\_\_\_\_  
Headquarters Address

\_\_\_\_\_  
Address of Office Managing the Account (if different)

\_\_\_\_\_  
RFP Contact Name

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
RFP Back-up Contact Name

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Email Address

\_\_\_\_\_  
Signer (authorized to contractually bind the Organization)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Title of Authorized Signer (Please print)

\_\_\_\_\_  
Signer (authorized to contractually bind the Organization)

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name and Title of Authorized Signer (Please print)



ATTACHMENT 2

**MINIMUM QUALIFICATIONS CERTIFICATION**

\_\_\_\_\_  
Proposer Firm Name

The Proposer must substantiate that the firm satisfies **all**, except no. 7 – insurance coverage, of the minimum qualifications stated in Section D of this RFP, to LACERS' satisfaction, to be given further consideration. The statement must contain sufficient information as prescribed to assure LACERS of its accuracy. **Failure to satisfy each of the minimum qualifications as specifically stated in the Minimum Qualifications Certification at the time that RFP is submitted, based on LACERS' sole judgment, will result in the immediate rejection of the proposal.**

The signature of the authorized representative of the proposer firm represents and warrants that the proposer has met **all**, except no.7 – insurance coverage, of the minimum qualifications by March 25, 2022. The insurance coverage requirement must be met by contract execution date.

1. The firm is a registered investment advisor under the Investment Advisors Act of 1940 and must be a fiduciary to LACERS.
2. The firm has been in business for at least three (3) years providing full service, non-discretionary private credit consulting services and has a minimum of \$1 billion in private credit assets under advisement.

Number of years firm has been in business: \_\_\_\_\_

Amount of private credit assets under advisement:

3. The firm has consulted for at least one (1) defined benefit U.S. public pension fund client with at least \$500 million in committed capital.

Name(s) of client(s):

4. The primary consultant assigned to the LACERS relationship has a minimum of three (3) years of private credit consulting experience with defined benefit U.S. public pension plans, and has been employed by the firm or predecessor firm for at least three (3) years.

Name of primary consultant:

Number of years of experience with U.S. public pension plans:

Years employed with firm:

5. The firm is directly responsible for the management of the account, and all personnel responsible for the account are employees of the firm.



ATTACHMENT 2

**MINIMUM QUALIFICATIONS CERTIFICATION (Continued)**

6. The firm does not have existing or potential material conflict of interests with the LACERS Board, staff, actuary, auditor, investment managers, or other consultants.
7. The firm carries the insurance coverage as stated in item D.7 as of March 25, 2022. If the firm does not currently carry the required coverage, it will carry the coverage or must have applied for it by the contract execution date.

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



ATTACHMENT 3

**REQUEST OF PROPOSAL (RFP) QUESTIONNAIRE**

**A. Organization**

1. Provide the address of the office that will service this account. If you have other office locations, provide the address and telephone number for each office, and briefly explain the primary functions performed within these offices.
2. Give a brief history of your firm, including (*maximum of 2 pages*):
  - a. Year of inception.
  - b. Number of years of providing full service, non-discretionary private credit consulting.
  - c. Number of years of providing full service, discretionary private credit consulting to U.S. public pension plans?
  - d. Business philosophy and goals.
  - e. Historical and current ownership structure, including parent company, affiliations and subsidiaries. Attach as **Exhibit A**, the organizational chart for current ownership structure, including the private credit consulting unit.
  - f. Name and title of any one owner who controls more than 50% of the firm and/or has an equity stake in the organization.
  - g. Significant organizational development for the past 5 (five) years, if any.
  - h. Present and future business plan/strategy as it relates to ownership structure and private credit consulting services. Describe your plans for managing the future growth of your firm in terms of staffing, maximum assets, number of clients, etc. and how this impacts your ability and commitment to servicing your existing clients.
3. What are your firm's consulting specialties, strengths, and limitations? Why LACERS should hire your firm rather than your competitors? Please list your top 5 competitors using the format below:

| No. | Name of competitors |
|-----|---------------------|
| 1   |                     |
| 2   |                     |
| 3   |                     |
| 4   |                     |
| 5   |                     |

4. For the past 5 (five) calendar years, please list all services provided by the firm and the revenues generated by these services using the following format:



|   | Source of Revenue (US\$ in thousands)                 | 2020       |                    | 2019       |                    | 2018       |                    | 2017       |                    | 2016       |                    |
|---|---|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|
|   |   | \$ Revenue | % of total Revenue |
| 1 | Private Credit Consulting: Discretionary <sup>1</sup> |            |                    |            |                    |            |                    |            |                    |            |                    |
| 2 | Private Credit Consulting: Non-Discretionary          |            |                    |            |                    |            |                    |            |                    |            |                    |
| 3 | Non-consulting services                               |            |                    |            |                    |            |                    |            |                    |            |                    |
|   | Total Revenue   |            |                    |            |                    |            |                    |            |                    |            |                    |

<sup>1</sup>This amount should tie with the total revenues for the discretionary services shown below.

For discretionary service, please complete the following table:

|   | Source of Revenue (US\$ in thousands)     | 2020       |                    | 2019       |                    | 2018       |                    | 2017       |                    | 2016       |                    |
|---|---|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|------------|--------------------|
|   |   | \$ Revenue | % of total Revenue |
| 1 | Fund-of-funds                             |            |                    |            |                    |            |                    |            |                    |            |                    |
| 2 | Brokerage                                 |            |                    |            |                    |            |                    |            |                    |            |                    |
| 3 | Other discretionary Services <sup>2</sup> |            |                    |            |                    |            |                    |            |                    |            |                    |
|   | a.  |            |                    |            |                    |            |                    |            |                    |            |                    |
|   | b.  |            |                    |            |                    |            |                    |            |                    |            |                    |
|   | c.  |            |                    |            |                    |            |                    |            |                    |            |                    |
|   | d.  |            |                    |            |                    |            |                    |            |                    |            |                    |
|   | e.  |            |                    |            |                    |            |                    |            |                    |            |                    |
|   | f.  |            |                    |            |                    |            |                    |            |                    |            |                    |
|   | Total Discretionary Revenue               |            |                    |            |                    |            |                    |            |                    |            |                    |

<sup>2</sup>Please list those services that represent more than 10% of your total discretionary revenues.

- If your firm is an affiliate or subsidiary of an organization, what percentage of the organization's total revenue does your division generate?
- Does your firm subcontract or outsource any parts of your private credit consulting business? Please describe in detail which functions are performed externally and reason for doing so. Please provide the names of the providers, office locations, number of years in business, and the qualifications of the specific people who will be working on our account.



7. If your firm provides discretionary consulting service, what percentage of the firm’s total committed capital is discretionary and what percentage is non-discretionary? How has this service arrangement between discretionary and non-discretionary evolved since the firm’s founding? Has your firm moved away from non-discretionary (or discretionary) engagements within the last 10 years? If so, please explain why.

**B. Standards of Conduct**

8. Disclose any financial or other relationship you have or have had with any LACERS Board member, consultant, or LACERS employees. If there are no conflicts of interest, please state, “There are no conflicts of interest to report.”
9. Disclose any gifts (meals, tickets, anything of value over \$50, etc.) that you have given to any LACERS Board member, consultant, or LACERS employee in the last 12 months. If ‘Yes’, please disclose them using the format below:

| No. | Date (mm/dd/yy) | Given to | Description of Gifts <sup>1</sup> | Value (US\$) |
|-----|-----------------|----------|-----------------------------------|--------------|
|     |                 |          |                                   |              |
|     |                 |          |                                   |              |
|     |                 |          |                                   |              |

<sup>1</sup> Gifts could be in the form of meals, tickets, paid travel, anything of value over \$50, etc.

10. Does your firm provide private credit consulting services to private credit managers (i.e., fund-of-fund managers, discretionary private credit managers)? If so, please explain how you manage conflicts of interests.
11. Does your firm (includes the affiliates/subsidiaries) or your employee have relationships with private credit managers that you recommend, consider for recommendations, or otherwise mention to the plan for our consideration? If so, describe the relationships.
12. Does your firm (includes the affiliates/subsidiaries) or your employee receive any payments from private credit managers that you recommend, consider for recommendation, or otherwise mention to the plan for our consideration? If so, what is the extent of these payments in relation to your other income (revenue)?
13. What potential conflicts of interest are posed by other activities undertaken by the organization, if any? How are these addressed?
14. Do you have any written policies or procedures to address conflicts of interest, including but not limited to the payment of fees or other consideration from other clients, relationships, or entities that may compromise your fiduciary duty to your clients? If so, please provide a copy as **Exhibit B**.
15. For the past 10 years has the firm, its officers or principals or any affiliate ever:
  - a. been the focus of a non-routine Securities and Exchange Commission (SEC) inquiry or investigation or a similar inquiry or investigation from any similar federal, state or self regulatory body or organization,



- b. been a party to or settled any litigation concerning breach of fiduciary responsibility or other investment related matters, or
- c. submitted a claim to your error & omission, fiduciary liability and/or fidelity bond insurance carrier(s)?

If 'yes' to any of the above, please provide details and the current status or disposition.

16. Has any employee of the firm been convicted of a misdemeanor or felony in the past 5 years? Please explain.
17. Has the firm adopted the CFA Code of Ethics and Standards of Professional Conduct? Does the firm have a written code of conduct or set of standards for professional behavior? If so, how is employee compliance monitored?
18. Does your firm have a dedicated, full-time compliance officer? If "yes," please provide a brief biography of this person including name, title, and compliance experience. If "no," please explain who manages conflicts.
19. Does the firm hold or sponsor private credit investment managers or client conferences? If yes, describe such events occurring in the last year, their usual frequency, and whether the costs of such events are paid by the firm or event attendees?
20. Describe any financial relationships that exist with other organizations such as brokerage firms, insurance companies, commercial banks, investment banks, investment management firms, etc.
21. What is your firm's position on third-party placement agents and do you currently engage or do business with such service providers? What is the policy for disclosure of placement agents? When and who is responsible for paying the placement agent fees? Is there one-for-one reduction in management fee of the fund for the placement agent fee?
22. Does the firm keep a record of all recommendations made to clients? How are consultants' recommendations to clients reviewed and monitored by your organization?

**C. Clients**

23. Provide the number of institutional clients with assets at least \$1 billion which the firm has serviced in a full-retainer capacity for the past 5 years using the following format:

|  | 12/31/20 | 12/31/19 | 12/31/18 | 12/31/17 | 12/31/16 |
|--|----------|----------|----------|----------|----------|
| <b>Number of Clients</b>                             |          |          |          |          |          |
| U.S. Public Pension Plan                             |          |          |          |          |          |
| Corporate Pension Plan                               |          |          |          |          |          |
| Endowments/Foundations                               |          |          |          |          |          |
| Others (please specify) *                            |          |          |          |          |          |
| <b>Total Number of Clients</b>                       |          |          |          |          |          |
| <b>Total Asset Under Advisement (US\$ thousands)</b> |          |          |          |          |          |
| U.S. Public Pension Plan                             |          |          |          |          |          |
| Corporate Pension Plan                               |          |          |          |          |          |
| Endowments/Foundations                               |          |          |          |          |          |
| Others (please specify) *                            |          |          |          |          |          |
| <b>Total Asset Under Advisement</b>                  |          |          |          |          |          |



\*For example: fund-of-funds, money management, project/transaction-based.

24. Provide a list of U.S. public pension plan clients to whom your firm has provided specific project consulting (no long-term retainer) in the last three (3) years and briefly describe the type of assignment (i.e. investment policy, market study, etc.) using the format below:

| No. | Client Name | Year Service Provided | Type of assignment |
|-----|-------------|-----------------------|--------------------|
| 1.  |             |                       |                    |
| 2.  |             |                       |                    |
| 3.  |             |                       |                    |

25. For the U.S. public pension plan clients (as indicated in your response to question no. 23), please state the total asset under advisement, using the following format (if there is an overlap, please specify):

| Investment Vehicles                                  | 12/31/20 | 12/31/19 | 12/31/18 | 12/31/17 | 12/31/16 |
|--|----------|----------|----------|----------|----------|
| Direct investment                                    |          |          |          |          |          |
| Commingled funds (open and closed-end)               |          |          |          |          |          |
| Firm's managed Fund-of-funds                         |          |          |          |          |          |
| Firm's managed 3rd party Fund-of-Fund                |          |          |          |          |          |
| Co-investments                                       |          |          |          |          |          |
| Other (please specify)                               |          |          |          |          |          |
| <b>Total Asset Under Advisement (US\$ thousands)</b> |          |          |          |          |          |

26. Provide the number of full-retainer clients gained and/or lost for the periods listed below.

|                                     | 12/31/20 | 12/31/19 | 12/31/18 | 12/31/17 | 12/31/16 |
|-------------------------------------|----------|----------|----------|----------|----------|
| Number of Clients Gained            |          |          |          |          |          |
| Number of Clients Lost              |          |          |          |          |          |
| Total Number of Clients at Year End |          |          |          |          |          |

27. For the number of clients lost (as indicated in your response to question no. 26), provide the information using the format below:

| No. | Client Name | Type of Plan* | Asset Under Advisement at time of termination (US\$000) | Reason(s) for Termination |
|-----|-------------|---------------|---|---------------------------|
| 1   |             |               |   |                           |
| 2   |             |               |   |                           |
| 3   |             |               |   |                           |
|     |             |               |   |                           |

\* Public, Corporate, Endowment/Foundation, etc.

28. Provide references, using the format below, for U.S. public pension plan or institutional clients (if U.S. public pension plan is unavailable) with assets over \$1 billion for whom you provide full service, non-discretionary private credit consulting services comparable to the services requested in this RFP. These references should be the current clients of your proposed primary and back-up consultants for the LACERS account.



Please secure advanced permission to contact at least three (3) of these references. If there are fewer than three (3) references, then include all.

| No. | Client Name | Type of Plan * | FR or P ** | Relationship (# of years) | Contact | Title | Telephone # | Email |
|-----|-------------|----------------|------------|---------------------------|---------|-------|-------------|-------|
| 1.  |             |                |            |                           |         |       |             |       |
| 2.  |             |                |            |                           |         |       |             |       |
| 3.  |             |                |            |                           |         |       |             |       |
| 4.  |             |                |            |                           |         |       |             |       |
| 5.  |             |                |            |                           |         |       |             |       |

\* Public, Corporate, Endowment/Foundation, etc.

\*\* Full-Retainer (FR) or Project-based (P).

For each reference listed above, please complete the following tables:

| No. | Client Name | Total Plan Size (US\$ millions) | Private Credit Program Size* (US\$ millions) | Number of Managers monitored |
|-----|-------------|---------------------------------|--|------------------------------|
| 1.  |             |                                 |  |                              |
| 2.  |             |                                 |  |                              |
| 3.  |             |                                 |  |                              |
| 4.  |             |                                 |  |                              |
| 5.  |             |                                 |  |                              |
| 6.  |             |                                 |  |                              |

\* Total capital commitments as of December 31, 2020.

| No. | Client Name | List major strategies* | List major geographic locations** |
|-----|-------------|------------------------|-----------------------------------|
| 1.  |             |                        |                                   |
| 2.  |             |                        |                                   |
| 3.  |             |                        |                                   |
| 4.  |             |                        |                                   |
| 5.  |             |                        |                                   |

\* For example: Direct lending, Mezzanine, Special Opportunities, Distressed, etc. Major indicates > 20% of the private credit program size.

\*\* For example: North America, South America, Europe, Asia, etc. Major indicates > 10% of the private credit program size.

#### D. Professional Staff

29. Complete the following table for all professionals within your organization who are responsible for providing private credit consulting services. Indicate those professionals who would have direct responsibility for the LACERS account by placing a “\*” next to their name.

| Name and Title | Job Function | Primary Office Location | Years with Firm | Total Years of Private Credit Consulting Experience |
|----------------|--------------|-------------------------|-----------------|---|
|                |              |                         |                 |   |
|                |              |                         |                 |   |
|                |              |                         |                 |   |
|                |              |                         |                 |   |



30. Complete the table below for the **primary consultant(s), backup consultant(s), and support personnel** who would be responsible for the LACERS account.

For **primary consultant(s) and backup consultant(s)**, provide brief biographies on each individual including: academic and professional credentials, relevant experience, number of years in current position and total years of private credit consulting experience.

For **support personnel**, provide brief description of responsibilities for each individual.

Identify and explain the role of backup consultant and other contingency plans in the case of key professionals and/or primary personnel leaving.

| Name and Title | Primary (P), Backup (B), or Support (S)? | Total Number of Accounts Assigned | Years with Firm * | Total Years of Private Credit Consulting Experience |
|----------------|--|-----------------------------------|-------------------|---|
|                |  |                                   |                   |   |
|                |  |                                   |                   |   |
|                |  |                                   |                   |   |
|                |  |                                   |                   |   |

\* Refer to the Minimum Qualification on Section D.

31. How does your firm determine which primary consultant(s), backup consultant, and support personnel will be assigned to a particular account?

32. For the proposed **primary** and **backup** consultants assigned to the LACERS account, using the format below, provide the client name, plan type (i.e. public, corporate, endowment/foundation, etc.), role of the consultant(s), length of relationship with the stated client, client's total plan size and client's private credit program size (based on total commitments as of December 31, 2020).

| No. | Client Name                  | Plan Type | Role (Primary or Backup) | Length of Relationship (in years) | Total Plan Size (US \$ millions) | Private Credit Program Size (US \$ millions) |
|-----|------------------------------|-----------|--------------------------|-----------------------------------|----------------------------------|--|
|     | <b>Primary Consultant(s)</b> |           |                          |                                   |                                  |  |
| 1.  |                              |           |                          |                                   |                                  |  |
| 2.  |                              |           |                          |                                   |                                  |  |
| 3.  |                              |           |                          |                                   |                                  |  |
| 4.  |                              |           |                          |                                   |                                  |  |
| 5.  |                              |           |                          |                                   |                                  |  |
|     | <b>Backup Consultant(s)</b>  |           |                          |                                   |                                  |  |
| 1.  |                              |           |                          |                                   |                                  |  |
| 2.  |                              |           |                          |                                   |                                  |  |
| 3.  |                              |           |                          |                                   |                                  |  |
| 4.  |                              |           |                          |                                   |                                  |  |
| 5.  |                              |           |                          |                                   |                                  |  |

33. What policies are in place to control the workload and the number of clients serviced by each consultant? Is there a limit on the number of accounts that a consultant may handle?

34. Explain how junior level staff are trained or developed to assume more senior level positions and cite the criteria used to promote them.



35. Briefly describe your firm’s compensation and incentive program for hiring and retaining consultants and other key professionals. How does the firm tie client performance and satisfaction to a consultant’s performance?
36. For the last 5 years and using the following format, describe the turnover in key professionals in the following categories:
  - a. Client consultants.
  - b. Key technical and research personnel.
  - c. Management professionals.

| Name & Title | Position | Year Joined/Left Firm | Years with Firm | Replacement | Reason(s) for leaving |
|--------------|----------|-----------------------|-----------------|-------------|-----------------------|
|              |          |                       |                 |             |                       |
|              |          |                       |                 |             |                       |
|              |          |                       |                 |             |                       |
|              |          |                       |                 |             |                       |
|              |          |                       |                 |             |                       |

**E. Services**

37. List all services provided in a typical private credit full service consulting and performance monitoring relationship. List the special services that you have provided to meet needs of other clients including any service mentioned or referenced in this RFP. Which of those services are in addition to the Scope of Services described in this RFP? Also, indicate which services mentioned or referenced in this RFP that you will not provide.
38. Briefly summarize your philosophy relating to the consultant’s relationship with Board members, staff and private credit managers.
39. What approaches does your firm use to communicate with your clients? What should a client expect from you in terms of client service? If awarded a contract, what is your plan for ensuring that the relationship with LACERS is successful?
40. Do you attend annual manager or partnership meetings on behalf of your clients? If not, will you participate at a client’s specific request and will there be a charge for this service?
41. How do you typically assist clients with co-investment underwriting opportunities?

**F. Philosophy and Approach**

42. Describe the firm’s philosophy and approach with respect to private credit consulting for a defined benefit U.S. public pension plan. Has this philosophy and approach changed in light of the COVID-19 pandemic amid concerns about private credit liquidity, possibility of increase in interest rate, inflation, changes in fund valuations, and funded status? (*maximum 1 page*).
43. Does your firm favor or specialize in any particular strategy (direct lending, mezzanine, special opportunities, distressed) of the private credit market? Please elaborate on the pros and cons of the various strategies and how you might position LACERS’ private credit



portfolio to gain diversification and achieve high levels of risk-adjusted returns (*maximum 1 page*).

44. Briefly explain your firm's approach to risk management internally and on your clients' accounts. What does your firm see as the key risks that should be managed in a private credit program, especially in a defined benefit U.S. public pension fund? (*maximum 1 page*).

### **G. Investment Policy & Asset Allocation**

45. Describe your defined benefit U.S. public pension fund experience and approach in:
  - a. developing investment policy and objectives for a diversified pension fund, particularly within the context of a comprehensive strategic plan.
  - b. assisting the Board in monitoring investment policy, strategy and diversification.
  - c. analyzing a client's portfolio structure and for recommending changes.

Provide an example of a private credit investment policy (*maximum 2 pages*). In the policy, briefly address any economic/market assumptions and how the strategy achieves its objectives given the current and future changes in interest rates, inflation, supply and demand constraints, etc. Please attach this policy as **Exhibit C**.

46. What does your firm consider to be the crucial issue regarding an investment policy?
47. What is your outlook on some of the key global events in the U.S., Latin America, Europe, Asia, Africa and the Middle East? How does this outlook influence your views on private credit programs and policy?
48. Based on your knowledge of LACERS and its Investment Policy Statement, provide the approach you would take in revising the LACERS Investment Policy in terms of direction, performance, and risk of the total program (*maximum 1 page*).
49. What is your internal policy for allocating private credit investment opportunities across clients? How do you allocate over-subscribed investment opportunities across clients? Please attach this policy as **Exhibit D**.

### **H. Firm Capabilities & Investment Process**

50. Indicate the types of investment strategies and vehicles that the firm has experience with for defined benefit U.S. public pension fund clients. Describe the optimal situation for using one of the following investment vehicle type versus the others (*maximum 1 page*):
  - a. Open-End Commingled Funds
  - b. Closed-End Commingled Funds
  - c. Separately Managed Accounts
  - d. Co-investment Opportunities
51. Describe the approach, frequency, and staffing assigned to the following services for a full service, non-discretionary private credit engagement (*maximum 4 pages*):
  - a. Partnership or fund sourcing.
  - b. Desk review and on-site due diligence including preparation of comprehensive due diligence reports.
  - c. On-going fund and GP monitoring.



- d. Strategic and tactical planning and commitment pacing.
  - e. Asset allocation and risk management advisory for private credit programs.
  - f. Terms and conditions negotiation.
  - g. Work-out situations.
  - h. Performance reporting.
  - i. Private credit program policy development and program structuring assistance.
  - j. Cash flow modeling.
  - k. Capital call and distribution notice review and checks and balances process.
  - l. Other services (please elaborate).
52. Explain the firm’s overall investment process for a full service, non-discretionary relationship. Include how do you construct portfolios to optimize diversification across the number of general partner relationships, number of fund commitments, capital commitment per fund, strategy, etc.?
53. How does the firm source and develop new relationships with general partners prior to making a commitment? Does your firm prefer to strengthen existing relationships and do follow-on funds or seek new general partners to find added value?
54. Using the format below, indicate the number of general partners (GPs) you have met with annually:

| As of             | Number of meetings with General Partners (GPs) |                     |           |
|-------------------|--|---------------------|-----------|
|                   | In your office                                 | At the GPs' offices | Virtually |
| December 31, 2020 |  |                     |           |
| December 31, 2019 |  |                     |           |
| December 31, 2018 |  |                     |           |

55. Using the format below, list a sample (if allowable or conceal names as appropriate) of the “top quartile” funds that your firm has made commitments to for (and prior to) vintage year 2017 for U.S. public pension plan clients.

| Top Quartile Funds | Vintage Year | Strategy | Gross IRR As of 12/31/20 |
|--------------------|--------------|----------|--------------------------|
|                    |              |          |                          |
|                    |              |          |                          |
|                    |              |          |                          |

56. How would you assist LACERS in developing new relationships with “top quartile” general partners while maintaining strong relationships with LACERS existing top performing general partners?
57. What is your process for identifying and analyzing first-time funds? How many first-time funds have you made commitments to within each of the last five years? Using the format below, list a sample (if allowable or conceal names as appropriate) of the first-time funds you have made commitments to.

| First-time Funds | Vintage Year | Strategy | Gross IRR As of 12/31/20 |
|------------------|--------------|----------|--------------------------|
|                  |              |          |                          |



|  |  |  |  |
|--|--|--|--|
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |

58. Describe the firm’s actual investment commitments (in terms of vintage year, total USD amount, fund strategy, etc.) made in the following markets (*maximum 2 pages*). Briefly state reason if you do not invest in any of these markets.
- a. North America
  - b. Europe
  - c. Asia
  - d. Emerging Markets
59. Over the next three to five years, which of the markets listed in the previous question do you intend to make new investments in or exit? Why do you believe opportunities exist or do not exist in these markets? If LACERS awarded the private credit consulting services contract to you, what would you project the committed capital weights (in percentage terms and adding to 100%) of LACERS private credit portfolio to be for each of the markets above in the year 2024? 2029?
60. Explain how the firm determines its private credit strategic allocation policy (i.e., the allocation between strategies) for defined benefit U.S. public pension plans like LACERS. Is the allocation policy similar for all of your defined benefit U.S. public pension plan clients or customized to meet specific client needs? Please explain briefly.
61. Briefly describe the firm’s due diligence process for investments. Please attach (1) a copy of a recent due diligence report recommending a commitment and (2) a recent due diligence report where an investment was declined. Redacted reports are acceptable. Attach as **Exhibit E**.
62. What is your approach to allow the client to source its own partnerships funds for referral to the private credit consultant? Please describe any experience your firm may have in this arrangement?
63. Briefly describe the firm’s approach to evaluating non-U.S. and non-Western European private credit investments. How does the firm’s process for evaluating these investments differ from U.S. and Western European investments?
64. Describe the firm’s experience with emerging managers. What is your definition of an “emerging manager”? How do you source these types of funds? (*maximum 2 pages*)  
 Using the format below, provide list a sample of emerging managers you have made commitments to.

| Fund Name | Emerging Manager Firms | Vintage Year | Strategy | Gross IRR As of 12/31/20 |
|-----------|------------------------|--------------|----------|--------------------------|
|           |                        |              |          |                          |
|           |                        |              |          |                          |
|           |                        |              |          |                          |
|           |                        |              |          |                          |



65. Under what circumstances would your firm recommend investing in a fund-of-funds private credit vehicle versus investing directly in limited partnership funds? What would be an optimal percentage between the two for a client like LACERS? Briefly explain.
66. Does your firm manage its own private credit fund-of-funds? If so, describe the strategy and return expectation of these fund-of-funds. Would your firm ever recommend a fund-of-funds managed by another investment manager over your own fund-of-funds? Also, how does your firm allocate private credit investment opportunities between your separate account clients and the fund-of-funds that you manage and ensure that there are no conflicts of interests? Does your firm manage any other types of assets besides private credit fund-of-funds?

### **I. Manager Database**

67. Describe your database that is used for manager searches:
  - a. How many of the followings do you maintain?
    - i. Managers/advisors
    - ii. Emerging managers
    - iii. Direct Investments/Co-Investments
    - iv. Commingled funds (open-end and closed-end)
    - v. Fund-of-funds
    - vi. Secondaries
    - vii. Co-investments
  - b. Is your database purchased or proprietary?
  - c. How do you gather, verify, analyze, and update manager information? How frequently do you update manager information?
  - d. How many years of performance data is on the system, and are simulated returns included?
  - e. What level of detail is included in your database for screening purposes (e.g., assets under management, client information, staffing information, research capabilities, ownership fees, organizational changes, etc.)?
  - f. What are the specific criteria used to determine the investment strategy (core, value, opportunistic) for an investment manager or product?
  - g. What criteria and/or benchmark do you use in evaluating managers in order to determine "top-quartile"?
68. Do you receive a fee or other consideration from investment managers who wish to be maintained on your database? Do you sell database information? Do you receive compensation directly or indirectly from the sale of this information? What percentage of your revenue do you derive from sales to or subscriptions from investment managers on your database?

### **J. General Partner Searches**

69. Using the format below, please list the firm's top 5 existing general partner relationships where your firm has made a commitment to at least two or more of their funds. For confidentiality purposes, instead of using actual fund names, you may list them as "Fund 1, Fund 2, etc." Briefly explain why each of these general partners is a top 5 relationship for your firm.



| General Partners | Funds | Vintage year | Strategy | Reason |
|------------------|-------|--------------|----------|--------|
|                  |       |              |          |        |
|                  |       |              |          |        |
|                  |       |              |          |        |
|                  |       |              |          |        |
|                  |       |              |          |        |

70. How are potential private credit investment opportunities identified? How many private credit investment opportunities have been evaluated per year since 2016?

| Private Credit Investment Opportunities | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|------|------|------|------|------|
| # of investment opportunities evaluated |      |      |      |      |      |
| # of investment opportunities committed |      |      |      |      |      |

71. Discuss the number of individuals assigned to monitoring investment products and frequency of both their internal and external manager visits.

72. What percentage of time would each of the key staff assigned to the LACERS account spend meeting with general partners as part of the due diligence process? How many due diligence site visits are conducted each year by each of these key staff?

**K. Portfolio Management and Reporting**

73. Describe any comprehensive program-level risk management tools you use to understand and evaluate the various types of risk associated with a client’s private credit program. Do these tools allow for look-through to portfolio companies?

74. Describe your performance measurement system:

- What categories are tracked in the system? Provide the specific characteristics unique to each category, as well as concise definitions.
- Is the portfolio company level information used for commingled fund analysis?
- Is the system proprietary/internally developed or an “off-the-shelf” product? Do you plan to make any changes to the current system?
- How many years of useable performance data are in your database?
- Source of information (other than databases and managers) you use for providing performance measurement data.
- Does your firm follow the Global Investment Performance Standards (GIPS)? If not, please explain why.
- How do you verify and reconcile the investment managers’ returns?
- How are total fund numbers calculated?

75. Briefly describe your methodology in computing partnership returns including the actual formula utilized, the frequency of calculation, and the treatment of cash flows, and fees.

76. What is the basis for portfolio valuations? Do you utilize the general partners’ valuations? Do you independently verify the reasonableness of general partners’ valuations and what tools or service do you use to do this?



77. What benchmark(s) do you recommend for evaluating the performance of a defined benefit U.S. public pension plan's private credit program?
78. Does the firm provide clients with an online web portal? How long has this website been in use? Describe in detail the information that is available to clients on this website (e.g., partnership names, commitments, aggregate IRR by investment type, etc.). Can clients download data from this website and what format is the data available in (e.g. Excel, PDF, etc.)? Describe the flexibility available to customize reports (*maximum 1 page*).
79. Describe how your organization identifies problems with general partner activities and performance. Include the process by which steps are taken to rectify problems.
80. Describe the steps you have taken on behalf of your clients who have partnership investments that are performing poorly, have legal issues, or where there is a non-performing general partner.
81. Please provide a sample of your firm's performance report and other standard reports. Attach as **Exhibit F**.
82. What impact has ASC 820 had on your business? What challenges do you have in reporting valuations back to your clients on a timely basis? Please describe some of the issues that your firm has encountered with reporting for defined benefit U.S. public pension plan clients. What issues have your clients raised with you on this matter?
83. List the major custodian banks that your firm currently works with.

#### **L. Environmental, Social & Governance (ESG) Disclosure**

84. Does your Firm integrate analysis of financially material environmental, social, and governance issues into its investment process? If so, please explain. If not, please explain.
85. What is your firm's philosophy on ESG and how is that integrated into your decision-making processes?
86. Briefly describe the effectiveness of incorporating ESG to your approach?
87. Is your firm a PRI signatory? If so, when did your firm become a signatory? If yes, in what year did it become a signatory? Please attach your Firm's ESG Policy as **Exhibit G**.
88. Does your Firm generate a Responsible Investing Transparency Report? If no, are there any plans in the future to do so?
89. Does your Firm promote any Socially Responsible Investing Funds? If so, please describe how it is promoted to your clients.

#### **M. Other**

90. Describe the firm's policy or position regarding requests pursuant to the Freedom of Information Act and other public disclosure laws.



91. Explain the transition process of moving an active private credit program from the incumbent consultant to your firm. What issues would arise and what problems might be incurred as a result of the transition? Please be as specific as possible.
92. Please describe your business continuity plan. Have you ever had to activate any parts of the plan? If so, describe the effectiveness of the plan and any post-activity modifications to that plan.
93. Please provide samples of no more than three white papers or short research communications on private credit provided to your clients. If available, one of the topic shall address the outlook on some of the key global events in the U.S., Latin America, Europe, Asia, Africa and the Middle East and how this outlook influence your views on private credit programs and policy. Attach as **Exhibit H**.



ATTACHMENT 4

**FEE PROPOSAL**

\_\_\_\_\_  
Proposer Firm Name

Provide your lowest proposed fees in **US\$** for non-discretionary, full-retainer private credit consulting services presented in the format shown below. The contract term is expected to be three (3) years. Scope of Services (detailed in Section C) should form the basis of your proposed fees. Proposed fees must include travel, taxes, and all other expenses.

| Year              | Annual Fee (US\$) |
|-------------------|-------------------|
| 1                 | \$                |
| 2                 | \$                |
| 3                 | \$                |
| <b>Total Fee:</b> | <b>\$</b>         |

Are the fees presented above negotiable?

What is your hourly rate for project consulting?

| Year 1 | Year 2 | Year 3 |
|--------|--------|--------|
|        |        |        |

Once a consultant has been selected, negotiations of the fee may become necessary. In no case will the negotiations result in a fee that is higher than the fee contained in the proposal.



ATTACHMENT 5  
**GENERAL CONDITIONS AND COMPLIANCE**

All Proposers are to review the following documents:

1. Appendix A - General Conditions
  - Attachment 1 - Confidentiality & Non-Disclosure of Member Information
  - Attachment 2 - RFP Warranty/Affidavit
  - Attachment 3 - Ethical Contract Compliance Policy
  - Attachment 4 - Ethical Contract Compliance Proposer Disclosure Form
  - Attachment 5 - Bidder Certification – City Ethics Commission Form 50
  - Attachment 6 - Bidder Certification – City Ethics Commission Form 55
  - Attachment 7 - Form 700 Filers
2. Appendix B - Standard Provisions for City Contracts
3. Appendix C - Additional Forms
  - Attachment 1 – Gender Equity Disclosure Form
  - Attachment 2 – Sexual Harassment Policy Disclosure Form
  - Attachment 3 – Organizational Diversity Survey (ODS)

Please refer to the LACERS Emerging Investment Manager Policy within the LACERS Investment Policy Manual for further details regarding the ODS. The policy is located on LACERS website at:

[https://www.lacers.org/sites/main/files/file-attachments/lacers\\_board\\_manual.pdf?1627588543](https://www.lacers.org/sites/main/files/file-attachments/lacers_board_manual.pdf?1627588543)

4. Appendix D – Sample of LACERS Contract

All Proposers are to complete the following **forms** and include as attachment 5 of your response:

1. Warranty/Affidavit (Appendix A, Attachment 2). The document must be signed and notarized.
2. Proposer Disclosure Form (Appendix A, Attachment 4).
3. Bidder Certification – City Ethics Commission Form 50 (Appendix A, Attachment 5). Please leave BAVN number section blank.
4. Bidder Certification – City Ethics Commission Form 55 (Appendix A, Attachment 6). Please leave BAVN number section blank.
5. Gender Equity Disclosure Form (Appendix C, Attachment 1).



6. Sexual Harassment Policy Disclosure Form (Appendix C, Attachment 2).

Additionally, all proposers are requested to complete an Organization Diversity Survey (ODS). **Do not include the completed ODS form as part of attachment 5 of your RFP response.** Pursuant to the LACERS Emerging Investment Manager Policy, completed ODS forms are to be submitted separately to:

<https://lacers.app.box.com/f/279a89bd1e6447098377af4d45d50fa1>

**FAILURE TO COMPLY WITH THE INSTRUCTIONS FOR COMPLETING AND SUBMITTING THE ABOVE DOCUMENTS MAY DEEM YOUR PROPOSAL AS NON-RESPONSIVE AND REMOVE YOUR PROPOSAL FROM FURTHER CONSIDERATION.**



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

**MEETING: DECEMBER 14, 2021**  
**ITEM: VIII - F**

*Neil M. Guglielmo*

**SUBJECT: CONTINUED DISCUSSION OF THE RESPONSIBLE INVESTMENT POLICY AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board:

- 1) Adopt the proposed Responsible Investment (RI) Policy;
- 2) Repeal the Geo-Political Risk Policy; and
- 3) Repeal the Corporate Governance Action Protocol.

**Executive Summary**

As a signatory of the Principles for Responsible Investment (PRI), LACERS has committed to incorporating environmental, social, and governance (ESG) risk factors into investment decisions and the investment process. Pursuant to LACERS' PRI signatory status, PRI Action Plan, and ESG Risk Framework, staff has developed a draft RI Policy to serve as the master policy framework for LACERS' ESG program.

**Discussion**

At the November 9, 2021 Board meeting, staff presented an initial draft of the Responsible Investment Policy (RI Policy) for the Board's review and consideration. The RI Policy, if adopted, would serve as LACERS' master policy framework for LACERS' ESG program and addresses the following topics:

- LACERS and the Board's commitment to integrating ESG risk factors in a manner consistent with fiduciary responsibilities
- Roles and responsibilities of the Board, staff, consultants, and other parties
- Implementation of the six Principles of PRI
- Process for identifying and mitigating material ESG risks within the investment portfolio
- Reporting requirements

After a short discussion of the initial draft policy, the Board directed staff to seek a review of the policy by the City Attorney's Office and deferred further discussion to a future meeting.

The attached draft of the RI Policy (Attachment 1) has been reviewed by the City Attorney's Office, and has undergone another review by NEPC, LLC, LACERS ESG Consultant; their feedback has been incorporated into the draft policy. Staff has also incorporated the following major revisions since the draft presented on November 9, 2021:

- 1) Split the former "Section E. Purpose" into "Section C. Goals" and "Section D. Responsible Investment Framework"
- 2) Expanded "Section H. Scope" to emphasize that risk factors listed are not all encompassing and that risk factors may impact more than one broad ESG category
- 3) Revised "Section J. Engagement Campaigns" to specify that authority is delegated to the General Manager, Chief Investment Officer, and Board President if a letter campaign deadline does not permit adequate time to bring the letter to the Board for consideration
- 4) Revised "Section L. Scope of Reporting" to include a review of the RI Policy on an annual basis or more frequently as needed.

A redline version of the draft policy showing all changes made since the November 9, 2021 draft is attached as Attachment 2.

Should the Board adopt the RI Policy, it would supersede the existing Geopolitical Risk Policy (Attachment 3) and Corporate Governance Action Protocol (Attachment 4). The goals and objectives of these two policies have been integrated into the RI Policy as sections H, I, and J (pages 9 to 11 of Attachment 1). Further, the language of these policies has been modified in the RI Policy to more effectively meet the objectives of LACERS' ESG program.

Upon the Board's adoption of the RI Policy, staff may make additional minor administrative edits to be incorporated in the revised version of the LACERS Investment Policy.

### **Strategic Plan Impact Statement**

Adopting the LACERS RI Policy will 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: Ellen Chen, ESG Risk Officer, Investment Officer I, Investment Division

NMG/RJ/BF/EC:rm

- Attachments:
1. Responsible Investment Policy – Clean Version
  2. Responsible Investment Policy – Redlined Version
  3. Geopolitical Risk Policy

4. Corporate Governance Action Protocol
5. Report to Board of Administration dated November 9, 2021

**Section 8 RESPONSIBLE INVESTMENT (RI) POLICY**

**VII. RESPONSIBLE INVESTMENT (RI) POLICY**

The Responsible Investment (RI) Policy is LACERS' master policy framework that addresses Environmental, Social, and Governance (ESG) issues that are consistent with the Board's fiduciary standards and the overarching Investment Policy. The primary purpose of this policy is to outline various forms of ESG risk and to identify strategic paths and actions that can add long-term value to LACERS investments. Given the broad nature of ESG issues, the RI Policy also makes references to other existing LACERS policies and documents that specifically address environmental risk factors such as climate transition and renewable energy; social risk factors such as human rights and employment conditions; and governance risk factors such as proxy voting and influencing the behavior of corporate leadership. Conscientious development and thoughtful implementation of the RI Policy will ensure that LACERS capital will be invested and managed in a responsible manner that meets the Board's fiduciary obligations.

**A. Definitions**

*Environmental, Social, and Governance (ESG)* – refers to three broad categories of risk factors that measure the sustainability and societal impact of an investment. Please refer to Section H Scope for examples.

*Responsible Investment (RI)* – is the strategy and practice to incorporate material risk and return ESG factors in investment decisions and active ownership.

*Principles for Responsible Investment (PRI)* - a signatory membership organization comprised of global investors who have committed to understanding the investment implications of ESG factors and incorporating these factors into their investment decisions.

*Sustainability* – is the balance between the environment, equity, and economy. The United Nations World Commission on Environment and Development defines sustainable development as the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

*ESG Integration* – is the process of assessing the effect of ESG factors on investment risks and returns throughout the investment life-cycle and across all asset classes.

**B. LACERS and Board's Commitment to Responsible Investing**

LACERS and the Board are committed to integrating ESG risk factors into its management of the System in a manner that is consistent with the Board and Staff's fiduciary responsibilities to act in the best interest of the members, retirees, and beneficiaries of the System. This is consistent with LACERS' role as a prudent, long-term, responsible investor.

LACERS has long recognized the importance of addressing ESG risks in order to protect and enhance investment returns of the portfolio. Since the mid-1980s, LACERS has adopted several

## Section 8 RESPONSIBLE INVESTMENT (RI) POLICY

policies to address ESG risks<sup>1</sup>; engaged with both listed and privately-held companies, its own investment managers, regulatory bodies, and membership organizations to improve ESG-related practices; and collaborated with like-minded institutional investors to better understand and mitigate ESG risks.

LACERS ushered in a new era in its understanding and importance of ESG when it applied to the PRI for signatory status on June 25, 2019, and was later granted signatory status on September 3, 2019. Signatories to PRI make this commitment:

“As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).”

Consistent with the PRI framework, LACERS bases its own ESG practices and process in order to become a more responsible investor that, in meeting its fiduciary responsibilities to its members and beneficiaries, is cognizant of how the broader societal impact of its investment decisions can likewise affect investment returns.

### C. Goals

The Goals of the RI Program are:

- 1) That the Board of Administration fulfills its fiduciary obligations as provided by California State Constitution, Section 1106 of the City Charter, and LACERS Policies;
- 2) Consider material ESG risk and return factors in order to achieve superior risk-adjusted returns;
- 3) Explore and consider sustainable investment initiatives that align with LACERS' fiduciary duties and the RI Policy;
- 4) Collaborate with like-minded organizations and entities that are progressing towards responsible investing through multiple investment approaches;
- 5) Provide periodic progress reports to the Board.

### D. Responsible Investment Framework

The RI Program serves to fulfill the goals and objectives set forth in the RI Policy and is governed by Board-approved program documents, to include:

- 1) Responsible Investment Policy

The RI Policy formalizes LACERS' ESG policies and procedures to ensure that LACERS follows the direction set forth by the Board through the ESG Risk Framework, Proxy Voting Policy, Emerging Investment Manager Policy, and other subsequent Board policies and directives that may be incorporated into the RI Policy. This Policy will provide program guidance on integrating material ESG factor considerations within LACERS' Investment Program.

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<sup>1</sup> Policies include the Geopolitical Risk Policy (which will be superseded by this Responsible Investment Policy), Proxy Voting Policy, and Emerging Investment Manager Policy.

**Section 8 RESPONSIBLE INVESTMENT (RI) POLICY**

2) Proxy Voting Policy

LACERS' Proxy Voting Policy supports sound corporate governance practices by aligning the interests of shareholders and corporations to build long-term sustainable growth in shareholder value. This policy provides LACERS' position and rationale for shareholder votes regarding corporate topics and issues to include (but not limited to) environmental and social issues, board of directors, election of the audit committee and appointment of external auditors, compensation of executives, shareholder rights and takeover defenses, capital structure, and corporate restructuring.

Proxy votes are cast by a proxy voting agent with the voting results monitored by staff and reported to the Board annually. Investment staff relies on research expertise and voting recommendations of its proxy voting agent when LACERS' Proxy Voting Policy is either silent or not directly applicable to the issue as stated on the proxy ballot.

3) Emerging Investment Manager Policy

The objective of LACERS Emerging Manager Policy is to identify investment firms with the potential to add value to the LACERS' investment portfolio that otherwise would not be identified by LACERS standard investment manager search and selection process. The Board believes that smaller investment organizations may generate superior returns because of the increased market flexibility associated with smaller asset bases.

4) PRI Action Plan

To ensure that LACERS continues to advance, progress, and continually develop its RI Program, an operational PRI Action Plan ("Plan") developed by staff was approved by the Board on November 12, 2019, with subsequent amendments. The Plan outlines initiatives and recurring activities that LACERS may pursue over a near-term horizon of approximately four years. The Plan is divided among broad functional categories: 1) policy; 2) operational; 3) research; and 4) collaboration and promotion. The Plan does not contain an exhaustive list of ESG initiatives that LACERS could pursue, but a feasible set of initiatives and actions that will allow LACERS to maintain a commitment to PRI and ultimately its ardent support of ESG. The Plan is updated and reviewed by the Board on an annual basis.

5) ESG Risk Framework

The Framework is a dynamic document, subject to changes based on economic outlook, market assumptions, and the Board's sensitivity and prioritization of material ESG issues. As LACERS continues to integrate and assess material and relevant ESG factors through this critical risk lens, staff will continue to adopt best practices and recommend to the Board appropriate Framework adjustments to keep its Investment Program and ESG initiatives focused squarely on the best interests of LACERS members and beneficiaries.

**E. Responsible Parties and Roles**

The roles and responsibilities surrounding the RI Policy are defined by the Board; several of those responsibilities are delegated to staff (including staff of the City Attorney's Office), consultants

ARTICLE III. BOARD INVESTMENT POLICIES

**Section 8 RESPONSIBLE INVESTMENT (RI) POLICY**

and advisers, and investment managers to ensure a cost-efficient and effective implementation, as outlined in the matrix below.

| Responsible Parties and Roles   |  |   |   |
|---|--|---|---|
| Board   | Staff  | Consultants / Advisers  | Investment Managers   |
| <ul style="list-style-type: none"> <li>- Governance</li> <li>- Policy Setting</li> <li>- Oversight</li> </ul> | <ul style="list-style-type: none"> <li>- Due Diligence</li> <li>- Engagement</li> <li>- Implementation and Compliance</li> <li>- Policy Recommendations</li> <li>- Legal Guidance and Opinions via City Attorney’s Office</li> </ul> | <ul style="list-style-type: none"> <li>- Provide ESG education to the Board and Staff</li> <li>- Furnish research reports, customized reports, and other tools to understand current trends in ESG</li> <li>- Advise on Policy Matters</li> </ul> | <ul style="list-style-type: none"> <li>- Implement ESG directives and actions</li> <li>- Interpret and assess ESG risks and its impact on LACERS portfolio</li> <li>- Inform LACERS staff of any material ESG issues</li> <li>- Report ESG activities to LACERS to meet PRI Reporting requirements</li> </ul> |

**F. Legal Framework**

1. Fiduciary Responsibilities

Consistent with the California Constitution, the City Charter, and City Administrative Codes, and as set forth in the LACERS Investment Policy Statement, the Board must follow the standards set for all retirement board commissioners.

The Constitution imposes fiduciary responsibility on the commissioners of the Board to:

1. Administer the System’s assets;
2. Exercise a high degree of care, skill, prudence and diligence;
3. Diversify investments to minimize risk and maximize return; and,
4. Specifically emphasizes that their duty to the System’s members and beneficiaries takes precedence over any other duty.

The System is sensitive to concerns that ESG and other risk factors may affect the performance of investment portfolios (through time and to varying degrees across companies, sectors, regions, and asset classes). Investments shall not be selected or rejected based solely on ESG or other risk factors. However, consideration of material ESG risk factors alongside traditional financial factors should provide a better understanding of the risk and return characteristics of sustainable investments. Sustainable returns over long periods of time are in the economic interest of the System. Importantly, the System’s ownership of securities in a corporation does not signify approval of any or all of a company’s policies, products, or actions.

**Section 8 RESPONSIBLE INVESTMENT (RI) POLICY**

The System establishes this investment policy in accordance with Section 1106 of the Charter of the City of Los Angeles and Article XVI, Section 17 of the California Constitution for the systematic administration of the City Employees' Retirement Fund. Since its creation, the Board's activities have been directed toward fulfilling the required purpose of the System, as mandated by the City Charter:

"(1) to provide benefits to system participants and their beneficiaries and to assure prompt delivery of those benefits and related services; (2) to minimize City contributions; and (3) to defray the reasonable expenses of administering the system."<sup>2</sup>

The Board's "duty to system participants and their beneficiaries shall take precedence over any other duty."<sup>3</sup> In furtherance of this purpose, the Board shall have "sole and exclusive fiduciary responsibility over the assets of its system which are held in trust for the exclusive purposes of: (1) providing benefits to system participants and their beneficiaries; and (2) defraying the reasonable expenses of administering the system."<sup>4</sup>

The System is a department of the City government and is governed by a seven member Board of Administration and assisted by a general manager. In the formation of this investment policy and goal statement, the primary consideration of the Board has been its implementation of the stated purpose of the System. The Board's investment activities are designed and executed in a manner that will fulfill these goals.

This policy statement is designed to allow for sufficient flexibility in the management oversight process to capture investment opportunities as they may occur, while setting forth reasonable parameters to ensure that prudence and care is taken in the execution of the investment program.

2. Performance Priority

LACERS has a fiduciary duty to act in the best long-term interests of the System's beneficiaries. In this fiduciary role, LACERS is sensitive to concerns that ESG issues may affect the performance of the investment portfolio. Through the years, the Board has adopted various policies to address ESG risks, with an emphasis on social and governance issues.

The System's general investment goals are broad in nature. The following goals are adopted to be consistent with the above described purpose, the City Charter, the State Constitution, and applicable federal law:

A. The overall goal of the System's investment assets is to provide plan participants with post-retirement benefits as set forth in the System documents. This will be accomplished through a carefully planned and executed investment program.

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<sup>2</sup> L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).

<sup>3</sup> L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).

<sup>4</sup> L.A. Charter § 1106(b); Cal. Const. Art. XVI, §17(a).

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- B. A secondary objective is to achieve an investment return that will allow the percentage of covered payroll the City must contribute to the System to be maintained or reduced, and will provide for an increased funding of the System's liabilities.
- C. All transactions undertaken will be for the sole benefit of the System's participants and beneficiaries and for the exclusive purpose of providing benefits to them and defraying reasonable administrative expenses associated with the System.<sup>5</sup>
- D. The System's assets will be managed on a total return basis. While the System recognizes the importance of the preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. The Board's investment policy has been designed to produce a total portfolio, long-term real (above inflation) positive return above the Policy benchmark on a net-of-fee basis as referenced in the quarterly Portfolio Performance Review ("PPR"). Consequently, prudent risk-taking is warranted within the context of overall portfolio diversification. As a result, investment strategies are considered primarily in light of their impacts on total plan assets subject to the provisions set forth in Section 1106 of the City Charter with consideration of the Board's responsibility and authority as established by Article XVI, Section 17 of the California State Constitution.
- E. The System's investment program shall, at all times, comply with existing applicable local, state, and federal regulations.
- F. The System has a long-term investment horizon and uses an asset allocation, which 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.
- G. Investment actions are expected to comply with "prudent person" standard, with all duties discharged:
  - "...with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims." <sup>6</sup>

This "standard of care" will encompass investment and management decisions evaluated not in isolation but in the context of the portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably assigned. The circumstances that the System may consider in investing and managing the investment assets include any of the following:

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<sup>5</sup> L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).

<sup>6</sup> L.A. Charter § 1106(c); Cal. Const. Art. XVI, §17(c); ERISA § 404(a)(1)(B).

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1. General economic conditions;
2. The possible effect of inflation or deflation;
3. The role that each investment or course of actions plays within the overall portfolio;
4. The expected total return from income and the appreciation of capital;
5. Needs for liquidity, regularity of income, and preservation or appreciation of capital;
6. A reasonable effort to verify facts relevant to the investment and management of assets.

H. The System is required to “[d]iversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.”<sup>7</sup>

**3. Impact Priorities**

In conjunction with LACERS’ fiduciary responsibilities, Staff will also take into consideration the materiality of the ESG risk in LACERS’ investment. The Board shall decide whether to address these issues in a particular case based on the size of the interest that the System holds in the business and the effect of the business’ violation of the System’s ESG risk factors on investment returns.

**G. Responsible Investment Mobilization Framework**

Consistent with its fiduciary responsibilities, LACERS supports ESG within an implementation framework based on the Six Principles of PRI outlined below with examples of how LACERS supports these Principles:

**Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.**

- Staff will seek to incorporate relevant and material ESG considerations into LACERS’ investment due diligence, decision-making, and monitoring processes for all of its external managers. Investment recommendations consider the manager’s ESG policies and practices, focusing on the risks, opportunities, and standards relevant to the investment under consideration. LACERS’ Investment Consultants will be directed to include relevant ESG commentaries in their independent diligence documentation.
- LACERS will support development of ESG-related tools, metrics, and analyses; investment service providers (such as financial analysts, consultants, brokers, research firms, or rating companies) are encouraged to integrate ESG factors into evolving research and analysis.

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<sup>7</sup> L.A. Charter § 1106(d); Cal. Const. Art. XVI, §17(d).

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**Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices.**

- LACERS' RI Policy is updated annually or more frequently as needed to consider new ESG issues and evolving risk factors.
- LACERS' PRI Action Plan, which is a living document, outlines proposed multi-year actions for each of the Six Principles, and is updated annually.
- LACERS' Emerging Investment Manager Policy supports emerging investment managers with successful histories of generating positive alpha at an appropriate level of active risk.
- LACERS' Proxy Voting Policy provides proxy voting guidance on ESG risks and is updated annually.
- Staff will participate in the development of ESG and ESG-related policies, standard setting (such as promoting and protecting shareholder rights), file shareholder resolutions consistent with long-term ESG considerations, engage with companies on ESG issues, either through intervention with investment managers or directly to the company, and participate in collaborative engagement initiatives such as securities litigation.
- LACERS will advocate ESG training for the Board and staff as well as attend ESG-related conferences.

**Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.**

- Staff and/or Consultants will consider standardized questionnaires to Investment Managers for ESG disclosures.
- LACERS will support shareholder initiatives and resolutions promoting ESG disclosure.

**Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.**

- Individually and in collaboration with other investors and thought-leadership organizations, LACERS will promote acceptance and implementation of ESG best practices within the investment industry.
- LACERS' division letterhead and website will highlight LACERS PRI Signatory Status. LACERS may provide press releases, include principles-related

**Section 8 RESPONSIBLE INVESTMENT (RI) POLICY**

requirements in requests for proposals (RFPs), and sit on ESG conference panels to reflect LACERS’ promotion and acceptance of ESG.

**Principle 5: We will work together to enhance our effectiveness in implementing the Principles.**

- Staff will keep abreast of PRI Reporting changes and provide (at a minimum) an annual staff report to the Board and submit recommendations for Board consideration to improve its implementation of ESG actions.
- LACERS will support and participate in networks and information platforms to share tools, pool resources, make use of investor reporting as a source of learning, and develop or support appropriate collaborative initiatives.

**Principle 6: We will each report on our activities and progress towards implementing the Principles.**

- As part of its commitment to the PRI, LACERS shall report its progress in implementing the PRI’s Six Principles through both the PRI Annual Report and LACERS annual PRI Action Plan Report to the Board.
- LACERS shall continue to foster open communication with LACERS members by responding to the Freedom of Information Act (FOIA) and California Public Records Act (CPRA) Requests.

**H. Scope**

The scope of the RI Policy encompasses the entire investment portfolio to the extent it is prudent and practicable. The broad and specific ESG Risk Factors provided in the table below are examples and additional risk factors may not have been specifically listed below. The risk factors may have varying degrees of risk impact and unique risk mitigation measures depending on the asset class or investment strategy type. In addition, specific ESG risk factors are dynamic and may be impactful to more than one broad ESG risk factor.

*Broad and Specific ESG Risk Factors*

|   |
|---|
| <p><b>Environmental</b></p> <ul style="list-style-type: none"> <li>• Climate Change</li> <li>• Resource Depletion</li> <li>• Waste</li> <li>• Pollution</li> <li>• Deforestation</li> </ul> |
| <p><b>Social</b></p> <ul style="list-style-type: none"> <li>• Human Rights</li> <li>• Modern Slavery</li> </ul>   |

ARTICLE III. BOARD INVESTMENT POLICIES

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|   |
|---|
| <ul style="list-style-type: none"> <li>• Child Labor</li> <li>• Working Conditions</li> <li>• Employee Relations</li> <li>• Diversity, Equity, and Inclusion</li> <li>• Gender and Sexual Orientation Pay Equality</li> <li>• Discrimination based on Race, Gender including Women, Age including Senior Citizens and Children, Sex, Sexual Orientation, LGBTQIA+, Disability, Veterans Status, Language, or Social Status</li> <li>• Freedom of Speech and Press</li> <li>• Right to Civil Liberties including Speech and Press, Peaceful Assembly and Association, Freedom of Religion, National Origin /Racial/Ethnic Minorities, Freedom of Movement within a Country, Foreign Travel, Emigration, and Repatriation</li> <li>• Freedom of Civil Unions/Same Sex Marriage</li> </ul> |
| <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Bribery and Corruption</li> <li>• Executive Pay</li> <li>• Board Diversity and Structure</li> <li>• Political Lobbying and Donations</li> <li>• Tax Strategy</li> <li>• Right of Citizens to Change their Government</li> </ul>   |

**I. Identifying and Mitigating Material ESG Risks within the Portfolio**

LACERS staff will research and keep the Board apprised of material and relevant ESG issues, initiatives, and collaboration opportunities, and take into account actions of other like prudent investors using the process outlined below:

1. Once ESG risks factors of material significance within the portfolio have been identified and discussed with the ESG Consultant, staff will bring such risks to the attention of the Board.
2. LACERS Board may decide at any point after considering research and staff findings that further action of various degrees of magnitude and impact may be appropriate and necessary to mitigate risk factors. This Policy identifies four distinct action levels that may be implemented, subject to Board direction:

| Action Level | Possible Action(s) to include but not limited to:   | Responsible Parties  | Estimated Risk to Plan Assets  |
|--------------|---|--|--|
| 1            | <p><i>Relationship Initiatives:</i></p> <ul style="list-style-type: none"> <li>Collaboration with other Agencies</li> <li>Engagement/Advocacy Letters</li> <li>Joint-Agency Endorsements</li> <li>Company Presentations to LACERS Board</li> <li>Disassociation with Misaligned Organizations</li> <li>Outreach/Association with Emerging Managers</li> </ul> | <ul style="list-style-type: none"> <li>Staff</li> <li>Consultants</li> <li>Industry Organizations</li> <li>Agencies</li> </ul> | <p><b>None</b></p> <p>Level 1 actions do not include any portfolio restructurings resulting in virtually no discernable adverse risks to portfolio valuations.</p> |

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|   |  |  |   |
|---|--|--|---|
|   | Discussion at Advisory Board Meetings or Annual Meetings of Private Market Funds   |  |   |
| 2 | <i>Policy Implications/Contractual:</i><br>Proxy Voting Amendments<br>Investment Manager Guidelines<br>Investment Policy Amendments<br>Contract Side Letter Provisions                                   | Staff<br>Consultant(s)<br>Investment Managers<br>Proxy Voting Agent<br>City Attorney   | <b>None to Medium</b><br>Level 2 actions do not include significant portfolio restructurings but may have an indirect impact on portfolio management, investment valuations, or investment manager relationships.   |
| 3 | <i>Strategic Investment Approaches:</i><br>ESG-Sensitive Strategies<br>Climate-related Investment Strategies<br>Socially Responsible Investment Strategies<br>Corporate Governance Investment Strategies | Staff<br>Consultant(s)<br>Investment Mangers   | <b>Low to Medium</b><br>Level 3 actions may have a direct impact on individual portfolios due to removal, substitution, or addition of mandates. Such actions may impact performance; implementation risk and costs; fee structures; tracking error; create opportunity costs.  |
| 4 | <i>Restructure:</i><br>Security/Securities Divestment<br>Sale of Partnership Interests<br>Portfolio Restructure<br>Termination of Investment Managers  | Staff<br>Consultant(s)<br>Investment Managers<br>Transition Managers<br>Bank Custodian | <b>Medium to High</b><br>Level 4 actions may lead to immediate and significant realized losses due to market illiquidity; tracking error; transition management risk; timing and implementation risks; create opportunity costs; sub-optimal asset allocation structure misaligned with approved Asset Allocation Policy. |

3. The Board will consider such investment actions only to the extent they are consistent with the Board’s fiduciary duties.
4. Staff will implement Board investment actions in an orderly, cost- efficient, and risk-mitigating manner.
5. Staff will provide the Board with periodic verbal updates or formal written reports on investment action status.
6. Staff will communicate Board decisions to the System’s active public investment managers to adhere to the Board’s actions going forward and work with its bank custodian to assist with further monitoring of ESG risk factors. If consistent with existing contractual agreements and appropriate to the investment mandate, such Board decisions will be communicated to appropriate private market investment managers.
7. The Board may wish to pursue other options to mitigate ESG risk factors and/or enhance the Investment Program through long-term ESG investment approaches.

**Section 8 RESPONSIBLE INVESTMENT (RI) POLICY**

**J. Engagement Campaigns**

Engagement with other like-minded organizations helps LACERS leverage its beliefs and promotion of ESG principles for the benefit of its beneficiaries. As LACERS becomes aware of engagement opportunities via letter campaigns (Campaigns), staff will bring the most impactful Campaign requests to the Board for review and consideration. Campaigns may request several actions including LACERS placing its name on the Campaign sponsor's master letter or request that LACERS send an independent letter to the targeted organization. If a Campaign deadline does not permit adequate time to bring the letter request to the Board for consideration, the Board delegates specific authority to the General Manager (GM), the Chief Investment Officer (CIO), and the LACERS Board President to support and endorse a Campaign. If the GM, CIO, and Board President reach consensus to support a Campaign, the CIO shall report the action to the Board at its next meeting. If the GM, CIO, and Board President do not reach a consensus on a Campaign, LACERS will take no action.

**K. ESG Education**

To stay apprised of ESG-related matters, LACERS will leverage research and education provided by industry organizations, investment managers, investment consultants, membership organizations, and peer plans. LACERS will actively participate at ESG conferences to understand better the evolving ESG landscape. Additionally, LACERS will participate in industry working groups to explore and research ESG issues to include (but not limited to) diversity, equity, and inclusion within the investment industry and the impact of regulatory reform on corporate governance and shareholders.

Staff, in conjunction with LACERS' ESG Consultant and investment managers, will invite leaders in ESG to provide further education to the Board including latest trends, regulations, issues, and best practices.

**L. Scope of Reporting**

To monitor the implementation of LACERS RI Program and ensure that it continues to develop and evolve, this policy will be provided to the Board or the appropriate Committee for review on an annual basis or more frequently as needed.

The following reports will be reported accordingly:

- 1) PRI Progress Board Report – LACERS is required to complete the annual PRI Questionnaire about LACERS portfolio and ESG efforts. Once results of the Questionnaire are provided to LACERS, the Board will be provided a summary of the findings.
- 2) PRI Action Plan – The Plan will be reviewed with the Board once a year to ensure that LACERS is meeting its ESG goals.

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- 3) ESG Risk Framework – Staff will monitor the status of initiatives and on-going actions against time-bound objectives. These initiatives and actions will be incorporated into the PRI Action Plan. The Framework will be reviewed in conjunction with the PRI Action Plan review.
- 4) Proxy Voting Report – The Annual Proxy Voting Report contains an account of LACERS voting history and is provided annually to the Investment Committee.
- 5) Emerging Investment Manager Report – The Annual Emerging Investment Manager Report contains program information specific to LACERS Emerging Managers, and includes capital exposure statistics, investment manager performance, and staff and consultant meetings and other encounters with Emerging Managers. In addition to the aforementioned, an Organizational Diversity Survey (ODS) is completed by prospective and contracted investment managers of LACERS that captures workforce, board, and ownership diversity. The Emerging Investment Manager Report is provided annually to the Investment Committee; the ODS is managed pursuant to the Emerging Investment Manager Policy.

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**VII. RESPONSIBLE INVESTMENT (RI) POLICY**

The Responsible Investment (RI) Policy is LACERS' master policy framework that addresses Environmental, Social, and Governance (ESG) issues that are consistent with the Board's without ~~compromising~~ fiduciary standards and the overarching Investment Policy. The primary purpose of this policy is to outline~~mitigate~~ various forms of ESG risk and to identify strategic paths and actions that can add long-term value to LACERS investments. Given the broad nature of ESG issues, the RI Policy also makes references to other existing LACERS policies and documents that specifically address environmental risk factors such as climate transition and renewable energy; social risk factors such as human rights and employment conditions; and governance risk factors such as proxy voting and influencing the behavior of corporate leadership. Conscientious development and thoughtful implementation of the RI Policy will ensure that LACERS capital will be invested and managed in a responsible manner that meets the Board's fiduciary obligations.

**A. Definitions**

*Environmental, Social, and Governance (ESG)* – refers to three broad categories of ~~non-financial~~ risk factors that measure the sustainability and societal impact of an investment. Please refer to Section HG Scope for examples.

*Responsible Investment (RI)* – is the strategy and practice to incorporate material risk and return ESG factors in investment decisions and active ownership.

*Principles for Responsible Investment (PRI)* - a signatory membership organization comprised of global investors who have committed to understanding the investment implications of ESG factors and incorporating these factors into their investment decisions.

*Sustainability* – is the balance between the environment, equity, and economy. The United Nations World Commission on Environment and Development defines sustainable development as the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

*ESG Integration* – is the process of assessing the effect of ESG factors on investment risks and returns throughout the investment life-cycle and across all asset classes.

**B. LACERS and Board's Commitment to Responsible Investing**

LACERS and the Board are committed to integrating ESG risk factors into its management of the System in a manner that is consistent with the Board and Staff's fiduciary responsibilities to act in the best interest of the members, retirees, and beneficiaries of the System. This is consistent with LACERS' role as a prudent, long-term, responsible investor.

LACERS has long recognized the importance of addressing ESG risks in order to protect and enhance investment returns of the portfolio. Since the mid-1980s, LACERS has adopted several

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policies to address ESG risks<sup>1</sup>; engaged with both listed and privately-held companies, its own investment managers, regulatory bodies, and membership organizations to improve ESG-related practices; and collaborated with like-minded institutional investors to better understand and mitigate ESG risks.

LACERS ushered in a new era in its understanding and importance of ESG when it applied to the PRI for signatory status on June 25, 2019, and was later granted signatory status on September 3, 2019. Signatories to PRI make this commitment:

“As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).”

~~Consistent with~~~~It is through~~ the PRI framework that LACERS bases its own ESG practices and process in order to become a more responsible investor that, ~~in first,~~~~meetings~~ its fiduciary responsibilities to its members and beneficiaries, is cognizant of how societal impact of its investment decisions can likewise affect investment returns. ~~and then attempts to be sensitive to investment decisions that may have a broader impact on society.~~

### C. Goals~~E. Purpose~~

The Goals of the RI Program are:

- 1) That the Board of Administration fulfills its fiduciary obligations as provided by California State Constitution, Section 1106 of the City Charter, and LACERS Policies;
- 2) Consider material ESG risk and return factors in order to achieve superior risk-adjusted returns;
- 3) Explore and consider sustainable investment initiatives that align with LACERS' fiduciary duties and the RI Policy;
- 4) Collaborate with like-minded organizations and entities that are progressing towards responsible investing through multiple investment approaches;
- 5) Provide periodic progress reports to the Board.

### D. Responsible Investment Framework

The RI Program serves to fulfill the goals and objectives set forth in the RI Policy and~~The RI Program is governed by this Policy and Board-approved program documents, to include; but not limited to:~~

#### 1) ~~The~~ Responsible Investment Policy

The RI Policy formalizes LACERS' ESG policies and procedures to ensure that LACERS follows the direction set forth by the Board through the ESG Risk Framework, Proxy Voting Policy, Emerging Investment Manager Policy, and other subsequent Board policies and directives that may be incorporated into the RI Policy. This Policy will provide program

<sup>1</sup> Policies include the Geopolitical Risk Policy (which will be superseded by this Responsible Investment Policy), Proxy Voting Policy, and Emerging Investment Manager Policy.

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guidance on integrating material ESG factor considerations within LACERS' Investment Program.

2) Proxy Voting Policy

LACERS' Proxy Voting Policy supports sound corporate governance practices by aligning the interests of shareholders and corporations to build long-term sustainable growth in shareholder value. This policy provides LACERS' position and rationale for shareholder votes regarding corporate topics and issues to include (but not limited to) environmental and social issues, board of directors, election of the audit committee and appointment of external auditors, compensation of executives, shareholder rights and takeover defenses, capital structure, and corporate restructuring.

Proxy votes are cast by a proxy voting agent with the voting results monitored by staff and reported to the Board annually. Investment staff relies on research expertise and voting recommendations of its proxy voting agent when LACERS' Proxy Voting Policy is either silent or not directly applicable to the issue as stated on the proxy ballot.

3) Emerging Investment Manager Policy

The objective of LACERS Emerging Manager Policy is to identify investment firms with the potential to add value to the LACERS' investment portfolio that otherwise would not be identified by LACERS standard investment manager search and selection process. The Board believes that smaller investment organizations may generate superior returns because of the increased market flexibility associated with smaller asset bases.

4) PRI Action Plan

To ensure that LACERS continues to advance, progress, and continually develop its RI Program, an operational PRI Action Plan ("Plan") developed by staff was approved by the Board on November 12, 2019, with subsequent amendments. The Plan outlines initiatives and recurring activities that LACERS may pursue over a near-term horizon of approximately four years. The Plan is divided among broad functional categories: 1) policy; 2) operational; 3) research; and 4) collaboration and promotion. The Plan does not contain an exhaustive list of ESG initiatives that LACERS could pursue, but a feasible set of initiatives and actions that will allow LACERS to maintain a commitment to PRI and ultimately its ardent support of ESG. The Plan is updated and reviewed by the Board on an annual basis.

5) ESG Risk Framework

The Framework is a dynamic document, subject to changes based on economic outlook, market assumptions, and the Board's sensitivity and prioritization of material ESG issues. As LACERS continues to integrate and assess material and relevant ESG factors through this critical risk lens, staff will continue to adopt best practices and recommend to the Board appropriate Framework adjustments to keep its Investment Program and ESG initiatives focused squarely on the best interests of LACERS members and beneficiaries.

**Section 8 RESPONSIBLE INVESTMENT (RI) POLICY**

**EG. Responsible Parties and Roles**

The roles and responsibilities surrounding the RI Policy are defined by the Board; several of those responsibilities are delegated to staff (including staff of the City Attorney’s Office), consultants and advisers, and investment managers to ensure a cost-efficient and effective implementation, as outlined in the matrix below.

| Responsible Parties and Roles   |  |  |  |
|---|--|--|--|
| Board   | Staff  | Consultants  | Investment Managers  |
| <ul style="list-style-type: none"> <li>- Governance</li> <li>- Policy Setting</li> <li>- Oversight</li> </ul> | <ul style="list-style-type: none"> <li>- Due Diligence</li> <li>- Engagement</li> <li>- Implementation and Compliance</li> <li>- Policy Recommendations</li> <li>- Legal Guidance and Opinions via City Attorney’s Office</li> </ul> | <ul style="list-style-type: none"> <li>- Provide ESG education to the Board and Staff-</li> <li>- Furnish research reports, customized reports, and other tools to understand current trends in ESG</li> <li>- Advise on Policy Matters</li> </ul> | <ul style="list-style-type: none"> <li>- Implement ESG directives and actions</li> <li>- Interpret and assess ESG risks and its impact on LACERS portfolio-</li> <li>- Inform LACERS staff of any material ESG issues</li> <li>- Report ESG activities to LACERS to meet PRI Reporting requirements</li> </ul> |

**FD. Legal Framework**

1. Fiduciary Responsibilities

Consistent with the California Constitution, the City Charter, and City Administrative Codes, and as set forth in the LACERS Investment Policy Statement, the Board must follow the standards set for all retirement board commissioners.

The Constitution imposes fiduciary responsibility on the commissioners of the Board to:

1. Administer the System’s assets;
2. Exercise a high degree of care, skill, prudence and diligence;
3. Diversify investments to minimize risk and maximize return; and,
4. Specifically emphasizes that their duty to the System’s members and beneficiaries come first, takes precedence over ~~before~~ any other duty.

The System is sensitive to concerns that ESG and other risk factors may affect the performance of investment portfolios (through time and to varying degrees across companies, sectors, regions, and asset classes). Investments shall not be selected or rejected based solely on ESG or other risk factors. However, consideration of material

## Section 8 RESPONSIBLE INVESTMENT (RI) POLICY

ESG risk factors alongside traditional financial factors should ~~therefore~~ provide a better understanding of the risk and return characteristics of sustainable investments. Sustainable returns over long periods of time are in the economic interest of the System. Importantly, the System's ownership of securities in a corporation does not signify approval of any or all of a company's policies, products, or actions.

The System establishes this investment policy in accordance with Section 1106 of the Charter of the City of Los Angeles and Article XVI, Section 17 of the California Constitution for the systematic administration of the City Employees' Retirement Fund. Since its creation, the Board's activities have been directed toward fulfilling the required purpose of the System, as mandated by the City Charter:

"(1) to provide benefits to system participants and their beneficiaries and to assure prompt delivery of those benefits and related services; (2) to minimize City contributions; and (3) to defray the reasonable expenses of administering the system."<sup>2</sup>

The Board's "duty to system participants and their beneficiaries shall take precedence over any other duty."<sup>3</sup> In furtherance of this purpose, the Board shall have "sole and exclusive fiduciary responsibility over the assets of its system which are held in trust for the exclusive purposes of: (1) providing benefits to system participants and their beneficiaries; and (2) defraying the reasonable expenses of administering the system."<sup>4</sup>

The System is a department of the City government and is governed by a seven member Board of Administration and assisted by a general manager. In the formation of this investment policy and goal statement, the primary consideration of the Board has been its implementation of the stated purpose of the System. The Board's investment activities are designed and executed in a manner that will fulfill these goals.

This policy statement is designed to allow for sufficient flexibility in the management oversight process to capture investment opportunities as they may occur, while setting forth reasonable parameters to ensure that prudence and care is taken in the execution of the investment program.

### 2. Performance Priority

LACERS has a fiduciary duty to act in the best long-term interests of the System's beneficiaries. In this fiduciary role, LACERS is sensitive to concerns that ESG issues may affect the performance of the investment portfolio. Through the years, the Board has adopted various policies to address ESG risks, with an emphasis on social and governance issues.

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<sup>2</sup> L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).

<sup>3</sup> L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).

<sup>4</sup> L.A. Charter § 1106(b); Cal. Const. Art. XVI, §17(a).

**Section 8 RESPONSIBLE INVESTMENT (RI) POLICY**

The System's general investment goals are broad in nature. The following goals are adopted to be consistent with the above described purpose, the City Charter, the State Constitution, and applicable federal law:

- A. The overall goal of the System's investment assets is to provide plan participants with post-retirement benefits as set forth in the System documents. This will be accomplished through a carefully planned and executed investment program.
- B. A secondary objective is to achieve an investment return that will allow the percentage of covered payroll the City must contribute to the System to be maintained or reduced, and will provide for an increased funding of the System's liabilities.
- C. All transactions undertaken will be for the sole benefit of the System's participants and beneficiaries and for the exclusive purpose of providing benefits to them and defraying reasonable administrative expenses associated with the System.<sup>5</sup>
- D. The System's assets will be managed on a total return basis. While the System recognizes the importance of the preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. The Board's investment policy has been designed to produce a total portfolio, long-term real (above inflation) positive return above the Policy benchmark on a net-of-fee basis as referenced in the quarterly Portfolio Performance Review ("PPR"). Consequently, prudent risk-taking is warranted within the context of overall portfolio diversification. As a result, investment strategies are considered primarily in light of their impacts on total plan assets subject to the provisions set forth in Section 1106 of the City Charter with consideration of the Board's responsibility and authority as established by Article XVI, Section 17 of the California State Constitution.
- E. The System's investment program shall, at all times, comply with existing applicable local, state, and federal regulations.
- F. The System has a long-term investment horizon and uses an asset allocation, which 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.
- G. Investment actions are expected to comply with "prudent person" standard, with all duties discharged:
  - "...with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims." <sup>6</sup>

<sup>5</sup> L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).

<sup>6</sup> L.A. Charter § 1106(c); Cal. Const. Art. XVI, §17(c); ERISA § 404(a)(1)(B).

**Section 8 RESPONSIBLE INVESTMENT (RI) POLICY**

This “standard of care” will encompass investment and management decisions evaluated not in isolation but in the context of the portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably assigned. The circumstances that the System may consider in investing and managing the investment assets include any of the following:

1. General economic conditions;
2. The possible effect of inflation or deflation;
3. The role that each investment or course of actions plays within the overall portfolio;
4. The expected total return from income and the appreciation of capital;
5. Needs for liquidity, regularity of income, and preservation or appreciation of capital;
6. A reasonable effort to verify facts relevant to the investment and management of assets.

H. The System is required to “[d]iversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.”<sup>7</sup>

3. Impact Priorities

In ~~conjunction with~~~~addition to~~ LACERS’ fiduciary responsibilities, Staff will also take into consideration the materiality of the ESG risk in LACERS’ investment. The Board shall decide whether to address these issues in a particular case based on the size of the interest that the System holds in the business and the effect of the business’ violation of the System’s ESG risk factors on investment returns.

**~~E. Purpose~~**

~~The Goals of the RI Program are~~

- ~~1) That the Board of Administration fulfills its fiduciary obligations as provided by California State Constitution, Section 1106 of the City Charter, and LACERS Policies;~~
- ~~2)1) Consider material ESG risk and return factors in order to achieve superior risk-adjusted returns;~~
- ~~3)1) Explore and consider sustainable investment initiatives that align with LACERS’ fiduciary duty and the RI Policy;~~
- ~~4)1) Collaborate with like-minded organizations and entities that are progressing towards responsible investing through multiple investment approaches;~~
- ~~5)1) Provide periodic progress reports to the Board.~~

<sup>7</sup> L.A. Charter § 1106(d); Cal. Const. Art. XVI, §17(d).

## Section 8 RESPONSIBLE INVESTMENT (RI) POLICY

~~The RI Program serves to fulfill the goals and objectives set forth in the RI Policy. The RI Program is governed by this Policy and Board approved program documents, to include but not limited to:~~

### ~~1) The RI Policy~~

~~The RI Policy formalizes LACERS' ESG policies and procedures to ensure that LACERS follows the direction set forth by the Board through the ESG Risk Framework, Proxy Voting Policy, Emerging Investment Manager Policy, and other subsequent Board policies and directives that may be incorporated into the RI Policy. This Policy will provide program guidance on integrating material ESG factor considerations within LACERS' Investment Program.~~

### ~~2) Proxy Voting Policy~~

~~LACERS' Proxy Voting Policy supports sound corporate governance practices by aligning the interests of shareholders and corporations to build long-term sustainable growth in shareholder value. This policy provides LACERS' position and rationale for shareholder votes regarding corporate topics and issues to include (but not limited to) environmental and social issues, board of directors, election of the audit committee and appointment of external auditors, compensation of executives, shareholder rights and takeover defenses, capital structure, and corporate restructuring.~~

~~Proxy votes are cast by a proxy voting agent with the voting results monitored by staff and reported to the Board annually. Investment staff relies on research expertise and voting recommendations of its proxy voting agent when LACERS' Proxy Voting Policy is either silent or not directly applicable to the issue as stated on the proxy ballot.~~

### ~~3) Emerging Investment Manager Policy~~

~~The objective of LACERS Emerging Manager Policy is to identify investment firms with the potential to add value to the LACERS' investment portfolio that otherwise would not be identified by LACERS standard investment manager search and selection process. The Board believes that smaller investment organizations may generate superior returns because of the increased market flexibility associated with smaller asset bases.~~

### ~~4) PRI Action Plan~~

~~To ensure that LACERS continues to advance, progress, and continually develop its RI Program, an operational PRI Action Plan ("Plan") developed by staff was approved by the Board on November 12, 2019, with subsequent amendments. The Plan outlines initiatives and recurring activities that LACERS may pursue over a near-term horizon of approximately four years. The Plan is divided among broad functional categories: 1) policy; 2) operational; 3) research; and 4) collaboration and promotion. The Plan does not contain an exhaustive list of ESG initiatives that LACERS could pursue, but a feasible set of initiatives and actions that will allow LACERS to maintain a commitment to PRI and ultimately its ardent support of ESG. The Plan is updated and reviewed by the Board on an annual basis.~~

## Section 8 RESPONSIBLE INVESTMENT (RI) POLICY

### ~~5) ESG Risk Framework~~

~~The Framework is a dynamic document, subject to changes based on economic outlook, market assumptions, and the Board's sensitivity and prioritization of material ESG issues. As LACERS continues to integrate and assess material and relevant ESG factors through this critical risk lens, staff will continue to adopt best practices and recommend to the Board appropriate Framework adjustments to keep its Investment Program and ESG initiatives focused squarely on the best interests of LACERS members and beneficiaries.~~

### **GF. Responsible Investment Mobilization Framework**

Consistent with its fiduciary responsibilities, LACERS supports ESG within an implementation framework based on the Six Principles of PRI outlined below with examples of how LACERS supports these Principles:

#### **Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.**

- Staff will seek to incorporate relevant and material ESG considerations into LACERS' investment due diligence, decision-making, and monitoring processes for all of its external managers. Investment recommendations consider the manager's ESG policies and practices, focusing on the risks, opportunities, and standards relevant to the investment under consideration. LACERS' Investment Consultants will be directed to include relevant ESG commentaries in their independent diligence documentation.
- LACERS will support development of ESG-related tools, metrics, and analyses; investment service providers (such as financial analysts, consultants, brokers, research firms, or rating companies) are encouraged to integrate ESG factors into evolving research and analysis.

#### **Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices**

- LACERS' RI Policy is updated annually or more frequently as needed~~periodically~~ to consider new ESG issues and evolving risk factors.
- LACERS' PRI Action Plan, which is a living document, outlines proposed multi-year actions for each of the Six Principles, and is updated annually.
- LACERS' Emerging Investment Manager Policy supports emerging investment managers with successful histories of generating positive alpha at an appropriate level of active risk.
- LACERS' Proxy Voting Policy provides proxy voting guidance on ESG risks and is updated annually.

**Section 8 RESPONSIBLE INVESTMENT (RI) POLICY**

- Staff will participate in the development of ESG and ESG-related policies, standard setting (such as promoting and protecting shareholder rights), file shareholder resolutions consistent with long-term ESG considerations, engage with companies on ESG issues, either through intervention with investment managers or directly to the company, and participate in collaborative engagement initiatives such as securities litigation.
- LACERS will advocate ESG training for the Board and staff as well as attend ESG-related conferences.

**Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.**

- Staff and/or Consultants will consider standardized questionnaires to Investment Managers for ESG disclosures.
- LACERS will support shareholder initiatives and resolutions promoting ESG disclosure.

**Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.**

- Individually and in collaboration with other investors and thought-leadership organizations, LACERS will promote acceptance and implementation of ESG best practices within the investment industry.
- LACERS' division letterhead and website will highlight LACERS PRI Signatory Status. LACERS may provide press releases, include principles-related requirements in requests for proposals (RFPs), and sit on ESG conference panels to reflect LACERS' promotion and acceptance of ESG.

**Principle 5: We will work together to enhance our effectiveness in implementing the Principles.**

- Staff will keep abreast of PRI Reporting changes and provide (at a minimum) an annual staff report to the Board and submit recommendations for Board consideration to improve its implementation of ESG actions.
- LACERS will support and participate in networks and information platforms to share tools, pool resources, make use of investor reporting as a source of learning, and develop or support appropriate collaborative initiatives.

**Section 8 RESPONSIBLE INVESTMENT (RI) POLICY**

**Principle 6: We will each report on our activities and progress towards implementing the Principles.**

- As part of its commitment to the PRI, LACERS shall report its progress in implementing the PRI's Six Principles through both the PRI Annual Report and LACERS annual PRI Action Plan Report to the Board.
- LACERS shall continue to foster open communication with LACERS members by responding to the Freedom of Information Act (FOIA) and California Public Records Act (CPRA) Requests.

**HG. Scope**

The scope of the RI Policy encompasses the entire investment portfolio to the extent it is prudent and practicable. The broad and specific ESG Risk Factors provided in the table below are examples and additional risk factors may not have been specifically listed below. The risk factors may have varying degrees of risk impact and unique risk mitigation measures depending on the asset class or investment strategy type. In addition, specific ESG risk factors are dynamic and may be impactful to more than one broad ESG risk factor. ~~be applied to asset classes differently in materiality or magnitude, depending on the sensitivity of the asset and the feasibility of implementation.~~

~~Broad and Specific ESG Risk Factors~~ ~~ESG risk factors include, but are not limited to, the following:~~

|  |
|--|
| <b>Environmental</b> <ul style="list-style-type: none"><li>• Climate Change</li><li>• Resource Depletion</li><li>• Waste</li><li>• Pollution</li><li>• Deforestation</li></ul>   |
| <b>Social</b> <ul style="list-style-type: none"><li>• Human Rights</li><li>• Modern Slavery</li><li>• Child Labor</li><li>• Working Conditions</li><li>• Employee Relations</li><li>• Diversity, Equity, and Inclusion</li><li>• Gender and Sexual Orientation Pay Equality</li><li>• Discrimination based on Race, Gender including Women, Age including Senior Citizens and Children, Sex, Sexual Orientation, LGBTQIA+, Disability, Veterans Status, Language, or Social Status</li><li>• Freedom of Speech and Press</li></ul> |

ARTICLE III. BOARD INVESTMENT POLICIES

**Section 8 RESPONSIBLE INVESTMENT (RI) POLICY**

|   |
|---|
| <ul style="list-style-type: none"> <li>• Right to Civil Liberties including Speech and Press, Peaceful Assembly and Association, Freedom of Religion, National Origin /Racial/Ethnic Minorities, Freedom of Movement within a Country, Foreign Travel, Emigration, and Repatriation</li> <li>• Freedom of Civil Unions/Same Sex Marriage</li> </ul> |
| <p><b>Governance</b></p> <ul style="list-style-type: none"> <li>• Bribery and Corruption</li> <li>• Executive Pay</li> <li>• Board Diversity and Structure</li> <li>• Political Lobbying and Donations</li> <li>• Tax Strategy</li> <li>• Right of Citizens to Change their Government</li> </ul>   |

**I.H. Identifying and Mitigating Material ESG Risks within the Portfolio**

LACERS Staff will research and keep the Board apprised of material and relevant ESG issues, initiatives, and collaboration opportunities, and take into account actions of other like prudent investors using the process outlined below:

1. Once ESG risks factors of material significance within the portfolio have been identified ~~by Staff~~ and discussed with the ESG Consultant, ~~s~~Staff will bring such risks to the attention of the Board.
2. LACERS Board may decide at any point after considering research and staff findings that further action of various degrees of magnitude and impact may be appropriate and necessary to mitigate risk factors. This Policy identifies four distinct action levels that may be implemented, subject to Board direction:

| Action Level | Possible Action(s) to include but not limited to:   | Responsible Parties  | Estimated Risk to Plan Assets   |
|--------------|---|--|---|
| 1            | <i>Relationship Initiatives:</i><br>Collaboration with other Agencies<br>Engagement/Advocacy Letters<br>Joint-Agency Endorsements<br>Company Presentations to LACERS Board<br>Disassociation with Misaligned Organizations<br>Outreach/Association with Emerging Managers<br>Discussion at Advisory Board Meetings or Annual Meetings of Private Market Funds | Staff<br>Consultants<br>Industry Organizations<br>Agencies | <b>None</b><br>Level 1 actions do not include any portfolio restructurings resulting in virtually no discernable adverse risks to portfolio valuations. |
| 2            | <i>Policy Implications/Contractual:</i><br>Proxy Voting Amendments  | Staff<br>Consultant(s)                                     | <b>None to Medium</b>   |

ARTICLE III. BOARD INVESTMENT POLICIES

**Section 8 RESPONSIBLE INVESTMENT (RI) POLICY**

|   |   |  |  |
|---|---|--|--|
|   | Investment Manager Guidelines<br>Investment Policy Amendments<br>Contract Side Letter Provisions  | Investment Managers<br>Proxy Voting Agent<br>City Attorney                             | Level 2 actions do not include significant portfolio restructurings but may have an indirect impact <del>of minor influence</del> on portfolio management, investment valuations, or investment manager relationships.   |
| 3 | <i>Strategic Investment Approaches:</i><br>ESG-Sensitive Strategies<br>Climate-related Investment Strategies<br>Socially Responsible Investment Strategies<br>Corporate Governance Investment Strategies<br><del>Exclusionary Strategies (e.g., certain industries)</del> | Staff<br>Consultant(s)<br>Investment Managers  | <b>Low to Medium</b><br>Level 3 actions may have a direct impact on individual portfolios due to removal, substitution, or addition of mandates. Such actions may impact performance; implementation risk and costs; fee structure <del>impact</del> ; tracking error; <del>create</del> opportunity costs.                          |
| 4 | <i>Restructure:</i><br>Security / <del>Security</del> Divestment<br>Sale of Partnership Interests<br>Portfolio Restructure<br>Termination of Investment Managers<br><del>Active/Passive Investment Management Shifts</del>  | Staff<br>Consultant(s)<br>Investment Managers<br>Transition Managers<br>Bank Custodian | <b>Medium to High</b><br>Level 4 actions may lead to immediate and significant realized losses due to market illiquidity; tracking error; transition management risk; timing and implementation risks; <del>create</del> opportunity costs; sub-optimal asset allocation structure misaligned with approved Asset Allocation Policy. |

3. The Board will consider such investment actions only to the extent they are consistent with the Board’s fiduciary duties.

3.4. Staff will implement Board investment actions in an orderly, cost- efficient, and risk-mitigating manner.

4.5. Staff will provide the Board with periodic verbal updates or formal written reports on investment action status.

5.6. Staff will communicate Board decisions to the System’s active public investment managers to adhere to the Board’s actions going forward and work with its bank custodian to assist with further monitoring of ESG risk factors. If consistent with existing contractual agreements and appropriate to the investment mandate, such Board decisions will be communicated to appropriate private market investment managers.

6.7. The Board may wish to pursue other options to mitigate ESG risk factors and/or enhance the Investment Program through long-term ESG investment approaches.

**J. Engagement Campaigns**

## Section 8 RESPONSIBLE INVESTMENT (RI) POLICY

Engagement with other like-minded organizations helps LACERS leverage its beliefs and promotion of ESG principles for the benefit of its beneficiaries. As LACERS becomes aware of engagement opportunities via letter campaigns (Campaigns), sStaff will bring the most impactful Campaign requests to the Board for review and consideration. Campaigns may request several actions including LACERS placing its name on the Campaign sponsor's master letter or request that LACERS send an independent letter to the targeted organization. If a Campaign deadline does not permit adequate time to bring the letter request to the Board for consideration, the Board delegates specific authority to the General Manager (GM), ~~and the~~ Chief Investment Officer (CIO), and the LACERS Board President to support and endorse a Campaign. If the GM, ~~and CIO, and~~ Board President reach consensus to support a Campaign, the ~~GM will notify the Board President as soon as practicable and the~~ CIO shall report the action to the Board at its next meeting. If the GM, ~~and CIO, and~~ Board President do not reach a consensus on a Campaign, LACERS will take no action.

### KJ. ESG Education

To stay apprised of ESG-related matters, LACERS will leverage research and education provided by industry organizations, investment managers, investment consultants, membership organizations, and peer plans. LACERS will actively participate at ESG conferences to understand better the evolving ESG landscape. Additionally, LACERS will participate in industry working groups to explore and research ESG issues to include (but not limited to) diversity, equity, and inclusion within the investment industry and the impact of regulatory reform on corporate governance and shareholders.

Staff, in conjunction with LACERS' ESG Consultant and investment managers, will invite leaders in ESG to provide further education to the Board including latest trends, regulations, issues, and best practices.

### LK. Scope of Reporting

To monitor the implementation of LACERS RI Program and ensure that it continues to develop and evolve, ~~this policye following reports~~ will be provided to the Board or the appropriate Committee for review on an annual basis or more frequently as needed.

- 1) PRI Progress Board Report – LACERS is required to complete the annual PRI Questionnaire about LACERS portfolio and ESG efforts. Once results of the Questionnaire are provided to LACERS, the Board will be provided a summary of the findings.
- 2) PRI Action Plan – The Plan will be reviewed with the Board once a year to ensure that LACERS is meeting its ESG goals.
- 3) ESG Risk Framework – Staff will monitor the status of initiatives and on-going actions against time-bound objectives. These initiatives and actions will be incorporated into the PRI Action Plan. The Framework will be reviewed in conjunction with the PRI Action Plan review.

ARTICLE III. BOARD INVESTMENT POLICIES

**Section 8 RESPONSIBLE INVESTMENT (RI) POLICY**

- 4) Proxy Voting Report – The Annual Proxy Voting Report contains an account of LACERS voting history and is provided annually to the Investment Committee.
  
- 5) Emerging Investment Manager Report – The Annual Emerging Investment Manager Report contains program information specific to LACERS Emerging Managers, and includes capital exposure statistics, investment manager performance, and staff and consultant meetings and other encounters with Emerging Managers. In addition to the aforementioned, an Organizational Diversity Survey (ODS) is completed by prospective and contracted investment managers of LACERS that captures workforce, board, and ownership diversity. The Emerging Investment Manager Report is provided annually to the Investment Committee; the ODS is managed pursuant to the Emerging Investment Manager Policy.

**Section 8 GEOPOLITICAL RISK INVESTMENT POLICY**

**XIII. GEOPOLITICAL RISK INVESTMENT POLICY**

**A. Introduction**

This policy is intended to provide a framework to address such issues as social unrest, labor standards, human rights violations, and environmental concerns.

**B. LACERS Board's Fiduciary Responsibilities**

Consistent with the California Constitution, the City Charter, and City Administrative Codes, and as set forth in the LACERS Investment Policy Statement, the Board must follow the standards set for all retirement board commissioners.

The Constitution imposes fiduciary responsibility on the commissioners of the Board to:

1. Administer the System's assets;
2. Exercise a high degree of care, skill, prudence and diligence;
3. Diversify investments to minimize risk and maximize return; and,
4. Specifically emphasizes that their duty to the System's members come first, before any other duty.

The System is sensitive to concerns that environmental, social, and corporate governance geopolitical issues may affect the performance of investment portfolios (through time and to varying degrees across companies, sectors, regions, and asset classes). Importantly, the System's ownership of securities in a corporation does not signify approval of all of a company's policies, products, or actions.

Investments shall not be selected or rejected based solely on geopolitical risk factors. Accordingly, a company's possible risky geopolitical conduct can only be taken into consideration if the conduct is deemed to demonstrate a negative effect on the investment performance of the company, and ultimately the System.

**C. Process for Identifying and Mitigating Corporate Governance Geopolitical Risks to the LACERS Portfolio**

1. The LACERS Staff will keep the Board apprised of geopolitical problems and issues, and take into account actions of other like prudent investors.
2. Once identified, the Board shall decide whether to address these issues in a particular case based on the size of the interest that the System holds in the business and the effect of the business' violation of the System's Geopolitical Risk Factors on investment returns.
3. The Board will direct the Staff to solicit feedback from the investment managers holding the security exposed to geopolitical risk as well as conduct independent study to research the impact of the risk.

ARTICLE III. BOARD INVESTMENT POLICIES

**Section 8 GEOPOLITICAL RISK INVESTMENT POLICY**

4. Upon the Board determination of a company’s behavior presenting a potential investment loss to the System, the Board shall promptly direct the Staff to seek a change in the company’s behavior.
5. Staff will engage, in a constructive manner, corporate management whose actions are inconsistent with this Policy to seek a change in corporate behavior.
6. After all reasonable efforts have been made to engage management constructively, the Board may determine whether it is prudent to hold such investments or whether it is prudent to sell such investments.
7. At such time, the System will work with the investment manager whose portfolio holds the investment, consultant(s) and fiduciary counsel to determine a prudent course of action.
8. Should the Board decide to take action to divest, Staff will communicate the decision to all of the System’s investment managers to adhere to the Board’s actions going forward.

**D. Geopolitical Risk Factors**

|  |
|--|
| <p><b>Respect for Human Rights</b></p> <ul style="list-style-type: none"> <li>• Judicial System</li> <li>• Arbitrary or Unlawful Deprivation of Life</li> <li>• Disappearance</li> <li>• Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment</li> <li>• Arbitrary Arrest, Detention, or Exile</li> <li>• Arbitrary Interference with Privacy, Family, Home, or Correspondence</li> <li>• Use of Excessive Force and Violations of Humanitarian Law in Internal Conflicts</li> <li>• Governmental Attitude Regarding International and Non-Governmental Investigation of Alleged Violations of Human Rights</li> </ul> |
| <p><b>Respect for Civil Liberties</b></p> <ul style="list-style-type: none"> <li>• Freedom of Speech and Press</li> <li>• Freedom of Peaceful Assembly and Association</li> <li>• Freedom of Religion</li> <li>• Freedom of Movement Within the Country, Foreign Travel, Emigration, and Repatriation</li> <li>• Civil Unions/Same Sex Marriage</li> </ul>   |
| <p><b>Respect for Political Rights</b></p> <ul style="list-style-type: none"> <li>• The Right of Citizens to Change Their Government</li> </ul>  |
| <p><b>Discrimination Based on Race, Sex, Sexual Orientation, Disability, Language, or Social Status</b></p> <ul style="list-style-type: none"> <li>• Women/Gender</li> <li>• Children</li> <li>• Persons With Disabilities</li> <li>• National/Racial/Ethnic Minorities</li> <li>• Indigenous People</li> </ul>  |

ARTICLE III. BOARD INVESTMENT POLICIES

**Section 8 GEOPOLITICAL RISK INVESTMENT POLICY**

|  |
|--|
| <ul style="list-style-type: none"><li>• Gender Identity</li><li>• Age Discrimination</li></ul>   |
| <b>Worker Rights</b> <ul style="list-style-type: none"><li>• The Right of Association</li><li>• The Right to Organize and Bargain Collectively</li><li>• Prohibition of Forced or Bonded Labor</li><li>• Status of Child Labor Practices and Minimum Age for Employment</li><li>• Acceptable Conditions of Work</li><li>• Trafficking in Persons</li></ul> |
| <b>Environmental</b> <ul style="list-style-type: none"><li>• Air Quality</li><li>• Water Quality</li><li>• Climate Change</li><li>• Land Protection</li></ul>  |
| <b>War/Conflicts/Acts of Terrorism</b> <ul style="list-style-type: none"><li>• Internal/External Conflict</li><li>• War</li><li>• Acts of Terrorism</li><li>• Party to International Conventions and Protocols</li></ul>   |

**Section 9 PROXY VOTING POLICY****9. ISSUES NOT ADDRESSED BY POLICY**

For proxy issues not addressed by this policy that are market specific, operational or administrative in nature, and likely non-substantive in terms of impact, LACERS gives ISS discretion to vote these items.

Substantive issues not covered by this policy and which may potentially have a significant economic impact for LACERS shall be handled accordingly:

- 1) ISS shall alert investment staff of substantive proxy issue not covered by policy as soon as practicable;
- 2) Investment staff and/or the General Manager shall determine whether the item requires Governance Committee ("Committee") and/or Board of Administration ("Board") consideration;
- 3) If the issue does not require Committee and Board consideration, then staff will vote the issue based on available research;
- 4) If the issue requires Committee and Board consideration, then the item will be prepared and presented to the Committee and Board for consideration. Following Committee and Board action, staff will then have the issue voted accordingly.
- 5) If time constraints prevent a formal gathering of the Committee and Board, then LACERS Board approved Corporate Governance Actions Protocol, as reprinted below, shall apply and staff will then have the issue voted accordingly.

**CORPORATE GOVERNANCE ACTIONS POLICY**

Board Adopted December 2008

From time to time LACERS receives requests from other pension funds or from affiliated organizations for support of various corporate governance actions. Many of the actions requested, such as requests to sign action letters, would otherwise appear to be consistent with existing Board policy. However, occasionally there is not adequate time to convene a Committee or Board meeting in advance to consider the matter.

The proposed Corporate Governance Actions Policy requires that one staff member plus one Board member both agree that the subject to be voted/acted on falls within the letter or spirit of adopted Board policy. If both agree, the measure will be executed by the General Manager or authorized designee.

The designated staff person will be the Chief Investment Officer (CIO). The designated Board member will be the Chair of the Governance Committee. In the absence of the CIO, the General Manager will become the designated staff member. In the absence of the Chair of the Governance Committee, the Board Chair will become the designated Board member.



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

**MEETING: NOVEMBER 9, 2021**  
**ITEM: ITEM VIII-E**

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**SUBJECT: RESPONSIBLE INVESTMENT POLICY AND POSSIBLE BOARD ACTION**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

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### **Recommendation**

That the Board consider and adopt the proposed Responsible Investment (RI) Policy.

### **Executive Summary**

As a signatory of the Principles for Responsible Investment (PRI), LACERS has committed to incorporating environmental, social, and governance (ESG) risk factors into investment decisions and the investment process. Pursuant to LACERS' PRI signatory status, PRI Action Plan, and ESG Risk Framework, staff has developed a draft RI Policy to serve as the master policy framework for LACERS' ESG program.

### **Discussion**

Responsible investing incorporates ESG risk factors into investment decisions and the investment process to better manage risks and generate sustainable, long-term outperformance. On April 9, 2019, the Board of Administration approved becoming a signatory of the PRI. LACERS officially became a PRI signatory on September 3, 2019.

As a signatory, LACERS has agreed to consider ESG risk factors by abiding to the six voluntary and aspirational PRI Principles, to the extent that such actions are consistent with the Board's fiduciary responsibilities. Specifically, LACERS has committed to incorporating ESG factors into investment analysis and decision-making, engaging with other asset owners, seeking more transparent disclosure of ESG risks, reporting on LACERS' ESG program activities, and collaborating with other like-minded investors to promote ESG risk factors within the investment industry.

Consistent with LACERS' PRI signatory status, PRI Action Plan, and ESG Risk Framework, staff has drafted a proposed RI Policy (Attachment 1), which would serve as LACERS' master policy framework for LACERS' ESG program. The RI Policy addresses the following topics:

- LACERS and the Board's commitment to integrating ESG risk factors in a manner consistent with fiduciary responsibilities

- Roles and responsibilities of the Board, staff, consultants, and other parties
- Implementation of the six Principles of PRI
- Process for identifying and mitigating material ESG risks within the investment portfolio
- Reporting requirements

Staff conducted extensive research to develop this policy, including review of 11 ESG policies and review of ESG strategy documents of seven ESG-focused cities across North America. Staff also conducted meetings with other pension plans with ESG programs. In addition, NEPC, LLC, LACERS' ESG Consultant, reviewed the draft policy and provided valuable feedback, which has been incorporated into the attached policy.

Should the Board adopt the RI Policy, it would supersede the existing Geopolitical Risk Policy (Attachment 2) and Corporate Governance Action Protocol (Attachment 3). The goals and objectives of these two policies have been integrated into the RI Policy as sections G, H, and I (pages 9 to 12 of Attachment 1). Further, the language of these policies has been modified in the RI Policy to more effectively meet the objectives of LACERS' ESG program.

Upon the Board's adoption of the RI Policy, staff may make additional minor administrative edits to be incorporated in the revised version of the LACERS Investment Policy.

### **Strategic Plan Impact Statement**

Adopting the LACERS RI Policy will 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: Ellen Chen, ESG Risk Officer, Investment Officer I, Investment Division

NMG/RJ/BF/EC:rm

Attachments:       1. Responsible Investment Policy  
                          2. Geopolitical Risk Policy  
                          3. Corporate Governance Action Protocol

**Section 8 RESPONSIBLE INVESTMENT (RI) POLICY**

**VII. RESPONSIBLE INVESTMENT (RI) POLICY**

The Responsible Investment Policy is LACERS' master policy framework that addresses Environmental, Social, and Governance (ESG) issues without compromising fiduciary standards. The primary purpose of this policy is to mitigate various forms of ESG risk and to identify strategic paths and actions that can add long-term value to LACERS investments. Given the broad nature of ESG issues, the RI Policy also makes references to other existing LACERS policies and documents that specifically address environmental risk factors such as climate transition and renewable energy; social risk factors such as human rights and employment conditions; and governance risk factors such as proxy voting and influencing the behavior of corporate leadership. Conscientious development and thoughtful implementation of the RI Policy will ensure that LACERS capital will be invested and managed in a responsible manner that meets the Board's fiduciary obligations.

**A. Definitions**

*Environmental, Social, and Governance (ESG)* – refers to three broad categories of non-financial risk factors that measure the sustainability and societal impact of an investment. Please refer to Section G Scope for examples.

*Responsible Investment (RI)* – is the strategy and practice to incorporate material risk and return ESG factors in investment decisions and active ownership.

*Principles for Responsible Investment (PRI)* - a signatory membership organization comprised of global investors who have committed to understanding the investment implications of ESG factors and incorporating these factors into their investment decisions.

*Sustainability* – is the balance between the environment, equity, and economy. The United Nations World Commission on Environment and Development defines sustainable development as the “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”

*ESG Integration* – is the process of assessing the effect of ESG factors on investment risks and returns throughout the investment life-cycle and across all asset classes.

**B. LACERS and Board's Commitment to Responsible Investing**

LACERS and the Board are committed to integrating ESG risk factors into its management of the System in a manner that is consistent with the Board and Staff's fiduciary responsibilities to act in the best interest of the members, retirees, and beneficiaries of the System. This is consistent with LACERS' role as a prudent, long-term, responsible investor.

LACERS has long recognized the importance of addressing ESG risks in order to protect and enhance investment returns of the portfolio. Since the mid-1980s, LACERS has adopted several

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policies to address ESG risks<sup>1</sup>; engaged with both listed and privately-held companies, its own investment managers, regulatory bodies, and membership organizations to improve ESG-related practices; and collaborated with like-minded institutional investors to better understand and mitigate ESG risks.

LACERS ushered in a new era in its understanding and importance of ESG when it applied to the PRI for signatory status on June 25, 2019, and was later granted signatory status on September 3, 2019. Signatories to PRI make this commitment:

“As institutional investors, we have a duty to act in the best long-term interests of our beneficiaries. In this fiduciary role, we believe that environmental, social, and corporate governance (ESG) issues can affect the performance of investment portfolios (to varying degrees across companies, sectors, regions, asset classes and through time).”

It is through the PRI framework that LACERS bases its own ESG practices and process in order to become a more responsible investor that, first, meets its fiduciary responsibilities to its members and beneficiaries, and then attempts to be sensitive to investment decisions that may have a broader impact on society.

**C. Responsible Parties and Roles**

The roles and responsibilities surrounding the RI Policy are defined by the Board; several of those responsibilities are delegated to staff (including staff of the City Attorney’s Office), consultants and advisers, and investment managers to ensure a cost-efficient and effective implementation, as outlined in the matrix below.

| Responsible Parties and Roles   |  |  |  |
|---|--|--|--|
| Board   | Staff  | Consultants  | Investment Managers  |
| <ul style="list-style-type: none"> <li>- Governance</li> <li>- Policy Setting</li> <li>- Oversight</li> </ul> | <ul style="list-style-type: none"> <li>- Due Diligence</li> <li>- Engagement</li> <li>- Implementation and Compliance</li> <li>- Policy Recommendations</li> <li>- Legal Guidance and Opinions via City Attorney’s Office</li> </ul> | <ul style="list-style-type: none"> <li>- Provide ESG education to the Board and Staff.</li> <li>- Furnish research reports, customized reports, and other tools to understand current trends in ESG</li> <li>- Advise on Policy Matters</li> </ul> | <ul style="list-style-type: none"> <li>- Implement ESG directives and actions</li> <li>- Interpret and assess ESG risks and its impact on LACERS portfolio.</li> <li>- Inform LACERS staff of any material ESG issues</li> <li>- Report ESG activities to LACERS to meet PRI Reporting requirements</li> </ul> |

<sup>1</sup> Policies include the Geopolitical Risk Policy (which will be superseded by this Responsible Investment Policy), Proxy Voting Policy, and Emerging Investment Manager Policy.

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**D. Legal Framework**

1. Fiduciary Responsibilities

Consistent with the California Constitution, the City Charter, and City Administrative Codes, and as set forth in the LACERS Investment Policy Statement, the Board must follow the standards set for all retirement board commissioners.

The Constitution imposes fiduciary responsibility on the commissioners of the Board to:

1. Administer the System's assets;
2. Exercise a high degree of care, skill, prudence and diligence;
3. Diversify investments to minimize risk and maximize return; and,
4. Specifically emphasizes that their duty to the System's members come first, before any other duty.

The System is sensitive to concerns that ESG and other risk factors may affect the performance of investment portfolios (through time and to varying degrees across companies, sectors, regions, and asset classes). Investments shall not be selected or rejected based solely on ESG or other risk factors. However, consideration of material ESG risk factors alongside traditional financial factors should therefore provide a better understanding of the risk and return characteristics of sustainable investments. Sustainable returns over long periods of time are in the economic interest of the System. Importantly, the System's ownership of securities in a corporation does not signify approval of any or all of a company's policies, products, or actions.

The System establishes this investment policy in accordance with Section 1106 of the Charter of the City of Los Angeles and Article XVI, Section 17 of the California Constitution for the systematic administration of the City Employees' Retirement Fund. Since its creation, the Board's activities have been directed toward fulfilling the required purpose of the System, as mandated by the City Charter:

"(1) to provide benefits to system participants and their beneficiaries and to assure prompt delivery of those benefits and related services; (2) to minimize City contributions; and (3) to defray the reasonable expenses of administering the system."<sup>2</sup>

The Board's "duty to system participants and their beneficiaries shall take precedence over any other duty."<sup>3</sup> In furtherance of this purpose, the Board shall have "sole and exclusive fiduciary responsibility over the assets of its system which are held in trust for

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<sup>2</sup> L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).

<sup>3</sup> L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).

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the exclusive purposes of: (1) providing benefits to system participants and their beneficiaries; and (2) defraying the reasonable expenses of administering the system.”<sup>4</sup>

The System is a department of the City government and is governed by a seven member Board of Administration and assisted by a general manager. In the formation of this investment policy and goal statement, the primary consideration of the Board has been its implementation of the stated purpose of the System. The Board’s investment activities are designed and executed in a manner that will fulfill these goals.

This policy statement is designed to allow for sufficient flexibility in the management oversight process to capture investment opportunities as they may occur, while setting forth reasonable parameters to ensure that prudence and care is taken in the execution of the investment program.

### 2. Performance Priority

LACERS has a fiduciary duty to act in the best long-term interests of the System’s beneficiaries. In this fiduciary role, LACERS is sensitive to concerns that ESG issues may affect the performance of the investment portfolio. Through the years, the Board has adopted various policies to address ESG risks, with an emphasis on social and governance issues.

The System’s general investment goals are broad in nature. The following goals are adopted to be consistent with the above described purpose, the City Charter, the State Constitution, and applicable federal law:

- A. The overall goal of the System’s investment assets is to provide plan participants with post-retirement benefits as set forth in the System documents. This will be accomplished through a carefully planned and executed investment program.
- B. A secondary objective is to achieve an investment return that will allow the percentage of covered payroll the City must contribute to the System to be maintained or reduced, and will provide for an increased funding of the System’s liabilities.
- C. All transactions undertaken will be for the sole benefit of the System’s participants and beneficiaries and for the exclusive purpose of providing benefits to them and defraying reasonable administrative expenses associated with the System.<sup>5</sup>
- D. The System’s assets will be managed on a total return basis. While the System recognizes the importance of the preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns. The Board’s investment policy has been designed to produce a total portfolio, long-term real (above inflation) positive return above the Policy benchmark on a net-of-fee basis as referenced in the quarterly Portfolio Performance Review (“PPR”).

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<sup>4</sup> L.A. Charter § 1106(b); Cal. Const. Art. XVI, §17(a).

<sup>5</sup> L.A. Charter § 1106(a); Cal. Const. Art. XVI, §17(b).

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Consequently, prudent risk-taking is warranted within the context of overall portfolio diversification. As a result, investment strategies are considered primarily in light of their impacts on total plan assets subject to the provisions set forth in Section 1106 of the City Charter with consideration of the Board's responsibility and authority as established by Article XVI, Section 17 of the California State Constitution.

- E. The System's investment program shall, at all times, comply with existing applicable local, state, and federal regulations.
- F. The System has a long-term investment horizon and uses an asset allocation, which 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.
- G. Investment actions are expected to comply with "prudent person" standard, with all duties discharged:

"...with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims." <sup>6</sup>

This "standard of care" will encompass investment and management decisions evaluated not in isolation but in the context of the portfolio as a whole and as part of an overall investment strategy having risk and return objectives reasonably assigned. The circumstances that the System may consider in investing and managing the investment assets include any of the following:

- 1. General economic conditions;
- 2. The possible effect of inflation or deflation;
- 3. The role that each investment or course of actions plays within the overall portfolio;
- 4. The expected total return from income and the appreciation of capital;
- 5. Needs for liquidity, regularity of income, and preservation or appreciation of capital;
- 6. A reasonable effort to verify facts relevant to the investment and management of assets.

- H. The System is required to "[d]iversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so."<sup>7</sup>

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<sup>6</sup>L.A. Charter § 1106(c); Cal. Const. Art. XVI, §17(c); ERISA § 404(a)(1)(B).

<sup>7</sup> L.A. Charter § 1106(d); Cal. Const. Art. XVI, §17(d).

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### 3. Impact Priorities

In addition to LACERS' fiduciary responsibility, Staff will also take into consideration the materiality of the ESG risk in LACERS' investment. The Board shall decide whether to address these issues in a particular case based on the size of the interest that the System holds in the business and the effect of the business' violation of the System's ESG risk factors on investment returns.

### E. Purpose

The Goals of the RI Program are

- 1) That the Board of Administration fulfills its fiduciary obligations as provided by California State Constitution, Section 1106 of the City Charter, and LACERS Policies;
- 2) Consider material ESG risk and return factors in order to achieve superior risk-adjusted returns;
- 3) Explore and consider sustainable investment initiatives that align with LACERS' fiduciary duty and the RI Policy;
- 4) Collaborate with like-minded organizations and entities that are progressing towards responsible investing through multiple investment approaches;
- 5) Provide periodic progress reports to the Board.

The RI Program serves to fulfill the goals and objectives set forth in the RI Policy. The RI Program is governed by this Policy and Board-approved program documents, to include but not limited to:

#### 1) The RI Policy

The RI Policy formalizes LACERS' ESG policies and procedures to ensure that LACERS follows the direction set forth by the Board through the ESG Risk Framework, Proxy Voting Policy, Emerging Investment Manager Policy, and other subsequent Board policies and directives that may be incorporated into the RI Policy. This Policy will provide program guidance on integrating material ESG factor considerations within LACERS' Investment Program.

#### 2) Proxy Voting Policy

LACERS' Proxy Voting Policy supports sound corporate governance practices by aligning the interests of shareholders and corporations to build long-term sustainable growth in shareholder value. This policy provides LACERS' position and rationale for shareholder votes regarding corporate topics and issues to include (but not limited to) environmental and social issues, board of directors, election of the audit committee and appointment of external auditors, compensation of executives, shareholder rights and takeover defenses, capital structure, and corporate restructuring.

Proxy votes are cast by a proxy voting agent with the voting results monitored by staff and reported to the Board annually. Investment staff relies on research expertise and voting recommendations of its proxy voting agent when LACERS' Proxy Voting Policy is either silent or not directly applicable to the issue as stated on the proxy ballot.

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### 3) Emerging Investment Manager Policy

The objective of LACERS Emerging Manager Policy is to identify investment firms with the potential to add value to the LACERS' investment portfolio that otherwise would not be identified by LACERS standard investment manager search and selection process. The Board believes that smaller investment organizations may generate superior returns because of the increased market flexibility associated with smaller asset bases.

### 4) PRI Action Plan

To ensure that LACERS continues to advance, progress, and continually develop its RI Program, an operational PRI Action Plan ("Plan") developed by staff was approved by the Board on November 12, 2019, with subsequent amendments. The Plan outlines initiatives and recurring activities that LACERS may pursue over a near-term horizon of approximately four years. The Plan is divided among broad functional categories: 1) policy; 2) operational; 3) research; and 4) collaboration and promotion. The Plan does not contain an exhaustive list of ESG initiatives that LACERS could pursue, but a feasible set of initiatives and actions that will allow LACERS to maintain a commitment to PRI and ultimately its ardent support of ESG. The Plan is updated and reviewed by the Board on an annual basis.

### 5) ESG Risk Framework

The Framework is a dynamic document, subject to changes based on economic outlook, market assumptions, and the Board's sensitivity and prioritization of material ESG issues. As LACERS continues to integrate and assess material and relevant ESG factors through this critical risk lens, staff will continue to adopt best practices and recommend to the Board appropriate Framework adjustments to keep its Investment Program and ESG initiatives focused squarely on the best interests of LACERS members and beneficiaries.

## F. Responsible Investment Mobilization Framework

Consistent with fiduciary responsibilities, LACERS supports ESG within an implementation framework based on the Six Principles of PRI outlined below with examples of how LACERS supports these Principles:

### **Principle 1: We will incorporate ESG issues into investment analysis and decision-making processes.**

- Staff will seek to incorporate relevant and material ESG considerations into LACERS' investment due diligence, decision-making, and monitoring processes for all of its external managers. Investment recommendations consider the manager's ESG policies and practices, focusing on the risks, opportunities, and standards relevant to the investment under consideration. LACERS' Investment Consultants will be directed to include relevant ESG commentaries in their independent diligence documentation.
- LACERS will support development of ESG-related tools, metrics, and analyses; investment service providers (such as financial analysts, consultants, brokers,

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research firms, or rating companies) are encouraged to integrate ESG factors into evolving research and analysis.

### **Principle 2: We will be active owners and incorporate ESG issues into our ownership policies and practices**

- LACERS' RI Policy is updated periodically to consider new ESG issues and evolving risk factors.
- LACERS' PRI Action Plan, which is a living document, outlines proposed multi-year actions for each of the Six Principles, and is updated annually.
- LACERS' Emerging Investment Manager Policy supports emerging investment managers with successful histories of generating positive alpha at an appropriate level of active risk.
- LACERS' Proxy Voting Policy provides proxy voting guidance on ESG risks and is updated annually.
- Staff will participate in the development of ESG and ESG-related policies, standard setting (such as promoting and protecting shareholder rights), file shareholder resolutions consistent with long-term ESG considerations, engage with companies on ESG issues, either through intervention with investment managers or directly to the company, and participate in collaborative engagement initiatives such as securities litigation.
- LACERS will advocate ESG training for the Board and staff as well as attend ESG-related conferences.

### **Principle 3: We will seek appropriate disclosure on ESG issues by the entities in which we invest.**

- Staff and/or Consultants will consider standardized questionnaires to Investment Managers for ESG disclosures.
- LACERS will support shareholder initiatives and resolutions promoting ESG disclosure.

### **Principle 4: We will promote acceptance and implementation of the Principles within the investment industry.**

- Individually and in collaboration with other investors and thought-leadership organizations, LACERS will promote acceptance and implementation of ESG best practices within the investment industry.

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- LACERS' division letterhead and website will highlight LACERS PRI Signatory Status. LACERS may provide press releases, include principles-related requirements in requests for proposals (RFPs), and sit on ESG conference panels to reflect LACERS' promotion and acceptance of ESG.

**Principle 5: We will work together to enhance our effectiveness in implementing the Principles.**

- Staff will keep abreast of PRI Reporting changes and provide (at a minimum) an annual staff report to the Board and submit recommendations for Board consideration to improve its implementation of ESG actions.
- LACERS will support and participate in networks and information platforms to share tools, pool resources, make use of investor reporting as a source of learning, and develop or support appropriate collaborative initiatives.

**Principle 6: We will each report on our activities and progress towards implementing the Principles.**

- As part of its commitment to the PRI, LACERS shall report its progress in implementing the PRI's Six Principles through both the PRI Annual Report and LACERS annual PRI Action Plan Report to the Board.
- LACERS shall continue to foster open communication with LACERS members by responding to the Freedom of Information Act (FOIA) and California Public Records Act (CPRA) Requests.

**G. Scope**

The scope of the RI Policy encompasses the entire investment portfolio to the extent it is prudent and practicable. ESG Risk Factors may be applied to asset classes differently in materiality or magnitude, depending on the sensitivity of the asset and the feasibility of implementation.

ESG risk factors include, but are not limited to, the following:

|  |
|--|
| <b>Environmental</b> <ul style="list-style-type: none"><li>• Climate Change</li><li>• Resource Depletion</li><li>• Waste</li><li>• Pollution</li><li>• Deforestation</li></ul> |
| <b>Social</b> <ul style="list-style-type: none"><li>• Human Rights</li></ul>   |

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- Modern Slavery
- Child Labor
- Working Conditions
- Employee Relations
- Diversity, Equity, and Inclusion
- Gender and Sexual Orientation Pay Equality
- Discrimination based on Race, Gender including Women, Age including Senior Citizens and Children, Sex, Sexual Orientation, LGBTQIA+, Disability, Veterans Status, Language, or Social Status
- Freedom of Speech and Press
- Right to Civil Liberties including Speech and Press, Peaceful Assembly and Association, Freedom of Religion, National Origin /Racial/Ethnic Minorities, Freedom of Movement within a Country, Foreign Travel, Emigration, and Repatriation
- Freedom of Civil Unions/Same Sex Marriage

**Governance**

- Bribery and Corruption
- Executive Pay
- Board Diversity and Structure
- Political Lobbying and Donations
- Tax Strategy
- Right of Citizens to Change their Government

**H. Identifying and Mitigating Material ESG Risks within the Portfolio**

LACERS Staff will research and keep the Board apprised of material and relevant ESG issues, initiatives, and collaboration opportunities, and take into account actions of other like prudent investors using the process outlined below:

1. Once ESG risks factors of material significance within the portfolio have been identified by Staff and discussed with the ESG Consultant, Staff will bring such risks to the attention of the Board.
2. LACERS Board may decide at any point after considering research and staff findings that further action of various degrees of magnitude and impact may be appropriate and necessary to mitigate risk factors. This Policy identifies four distinct action levels that may be implemented, subject to Board direction:

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| Action Level | Possible Action(s) to include but not limited to:   | Responsible Parties  | Estimated Risk to Plan Assets  |
|--------------|---|--|--|
| 1            | <i>Relationship Initiatives:</i><br>Collaboration with other Agencies<br>Engagement/Advocacy Letters<br>Joint-Agency Endorsements<br>Company Presentations to LACERS Board<br>Disassociation with Misaligned Organizations<br>Outreach/Association with Emerging Managers<br>Discussion at Advisory Board Meetings or Annual Meetings of Private Market Funds | Staff<br>Consultants<br>Industry Organizations<br>Agencies                             | <b>None</b><br>Level 1 actions do not include any portfolio restructurings resulting in virtually no discernable adverse risks to portfolio valuations.  |
| 2            | <i>Policy Implications/Contractual:</i><br>Proxy Voting Amendments<br>Investment Manager Guidelines<br>Investment Policy Amendments<br>Contract Side Letter Provisions  | Staff<br>Consultant(s)<br>Investment Managers<br>Proxy Voting Agent<br>City Attorney   | <b>None to Medium</b><br>Level 2 actions do not include significant portfolio restructurings but may have an indirect impact or minor influence on portfolio management, investment valuations, or investment manager relationships.   |
| 3            | <i>Strategic Investment Approaches:</i><br>ESG-Sensitive Strategies<br>Climate-related Investment Strategies<br>Socially Responsible Investment Strategies<br>Corporate Governance Investment Strategies<br>Exclusionary Strategies (e.g., certain industries)  | Staff<br>Consultant(s)<br>Investment Mangers   | <b>Low to Medium</b><br>Level 3 actions may have a direct impact on individual portfolios due to removal, substitution, or addition of mandates. Such actions may impact performance; implementation risk and costs; fee structure impact; tracking error; opportunity costs.                                      |
| 4            | <i>Restructure:</i><br>Security Divestment<br>Sale of Partnership Interests<br>Portfolio Restructure<br>Termination of Investment Managers<br>Active/Passive Investment Management Shifts   | Staff<br>Consultant(s)<br>Investment Managers<br>Transition Managers<br>Bank Custodian | <b>Medium to High</b><br>Level 4 actions may lead to immediate and significant realized losses due to market illiquidity; tracking error; transition management risk; timing and implementation risks; opportunity costs; sub-optimal asset allocation structure misaligned with approved Asset Allocation Policy. |

3. Staff will implement Board investment actions in an orderly, cost- efficient, and risk-mitigating manner.
4. Staff will provide the Board with periodic verbal updates or formal written reports on investment action status.
5. Staff will communicate Board decisions to the System’s active public investment managers to adhere to the Board’s actions going forward and work with its bank custodian to assist

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with further monitoring of ESG risk factors. If consistent with existing contractual agreements and appropriate to the investment mandate, such Board decisions will be communicated to appropriate private market investment managers.

6. The Board may wish to pursue other options to mitigate ESG risk factors and/or enhance the Investment Program through long-term ESG investment approaches.

### I. Engagement Campaigns

Engagement with other like-minded organizations helps LACERS leverage its beliefs and promotion of ESG principles. As LACERS becomes aware of engagement opportunities via letter campaigns (Campaigns), Staff will bring the most impactful Campaign requests to the Board for review and consideration. Campaigns may request several actions including LACERS placing its name on the Campaign sponsor's master letter or request that LACERS send an independent letter to the targeted organization. If a Campaign deadline does not permit adequate time to bring the letter request to the Board for consideration, the Board delegates specific authority to the General Manager (GM) and Chief Investment Officer (CIO) to support and endorse a Campaign. If the GM and CIO reach consensus to support a Campaign, the GM will notify the Board President as soon as practicable and the CIO shall report the action to the Board at its next meeting. If the GM and CIO do not reach a consensus on a Campaign, LACERS will take no action.

### J. ESG Education

To stay apprised of ESG-related matters, LACERS will leverage research and education provided by industry organizations, investment managers, investment consultants, membership organizations, and peer plans. LACERS will actively participate at ESG conferences to understand better the evolving ESG landscape. Additionally, LACERS will participate in industry working groups to explore and research ESG issues to include (but not limited to) diversity, equity, and inclusion within the investment industry and the impact of regulatory reform on corporate governance and shareholders.

Staff, in conjunction with LACERS' ESG Consultant and investment managers, will invite leaders in ESG to provide further education to the Board including latest trends, regulations, issues, and best practices.

### K. Scope of Reporting

To monitor the implementation of LACERS RI Program and ensure that it continues to develop and evolve, the following reports will be provided to the Board or the appropriate Committee for review.

- 1) PRI Progress Board Report – LACERS is required to complete the annual PRI Questionnaire about LACERS portfolio and ESG efforts. Once results of the Questionnaire are provided to LACERS, the Board will be provided a summary of the findings.

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- 2) PRI Action Plan – The Plan will be reviewed with the Board once a year to ensure that LACERS is meeting its ESG goals.
- 3) ESG Risk Framework – Staff will monitor the status of initiatives and on-going actions against time-bound objectives. These initiatives and actions will be incorporated into the PRI Action Plan. The Framework will be reviewed in conjunction with the PRI Action Plan review.
- 4) Proxy Voting Report – The Annual Proxy Voting Report contains an account of LACERS voting history and is provided annually to the Investment Committee.
- 5) Emerging Investment Manager Report – The Annual Emerging Investment Manager Report contains program information specific to LACERS Emerging Managers, and includes capital exposure statistics, investment manager performance, and staff and consultant meetings and other encounters with Emerging Managers. In addition to the aforementioned, an Organizational Diversity Survey (ODS) is completed by prospective and contracted investment managers of LACERS that captures workforce, board, and ownership diversity. The Emerging Investment Manager Report is provided annually to the Investment Committee; the ODS is managed pursuant to the Emerging Investment Manager Policy.

## Section 8 GEOPOLITICAL RISK INVESTMENT POLICY

### XIII. GEOPOLITICAL RISK INVESTMENT POLICY

#### A. Introduction

This policy is intended to provide a framework to address such issues as social unrest, labor standards, human rights violations, and environmental concerns.

#### B. LACERS Board's Fiduciary Responsibilities

Consistent with the California Constitution, the City Charter, and City Administrative Codes, and as set forth in the LACERS Investment Policy Statement, the Board must follow the standards set for all retirement board commissioners.

The Constitution imposes fiduciary responsibility on the commissioners of the Board to:

1. Administer the System's assets;
2. Exercise a high degree of care, skill, prudence and diligence;
3. Diversify investments to minimize risk and maximize return; and,
4. Specifically emphasizes that their duty to the System's members come first, before any other duty.

The System is sensitive to concerns that environmental, social, and corporate governance geopolitical issues may affect the performance of investment portfolios (through time and to varying degrees across companies, sectors, regions, and asset classes). Importantly, the System's ownership of securities in a corporation does not signify approval of all of a company's policies, products, or actions.

Investments shall not be selected or rejected based solely on geopolitical risk factors. Accordingly, a company's possible risky geopolitical conduct can only be taken into consideration if the conduct is deemed to demonstrate a negative effect on the investment performance of the company, and ultimately the System.

#### C. Process for Identifying and Mitigating Corporate Governance Geopolitical Risks to the LACERS Portfolio

1. The LACERS Staff will keep the Board apprised of geopolitical problems and issues, and take into account actions of other like prudent investors.
2. Once identified, the Board shall decide whether to address these issues in a particular case based on the size of the interest that the System holds in the business and the effect of the business' violation of the System's Geopolitical Risk Factors on investment returns.
3. The Board will direct the Staff to solicit feedback from the investment managers holding the security exposed to geopolitical risk as well as conduct independent study to research the impact of the risk.

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4. Upon the Board determination of a company’s behavior presenting a potential investment loss to the System, the Board shall promptly direct the Staff to seek a change in the company’s behavior.
5. Staff will engage, in a constructive manner, corporate management whose actions are inconsistent with this Policy to seek a change in corporate behavior.
6. After all reasonable efforts have been made to engage management constructively, the Board may determine whether it is prudent to hold such investments or whether it is prudent to sell such investments.
7. At such time, the System will work with the investment manager whose portfolio holds the investment, consultant(s) and fiduciary counsel to determine a prudent course of action.
8. Should the Board decide to take action to divest, Staff will communicate the decision to all of the System’s investment managers to adhere to the Board’s actions going forward.

**D. Geopolitical Risk Factors**

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|--|
| <b>Respect for Human Rights</b> <ul style="list-style-type: none"><li>• Judicial System</li><li>• Arbitrary or Unlawful Deprivation of Life</li><li>• Disappearance</li><li>• Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment</li><li>• Arbitrary Arrest, Detention, or Exile</li><li>• Arbitrary Interference with Privacy, Family, Home, or Correspondence</li><li>• Use of Excessive Force and Violations of Humanitarian Law in Internal Conflicts</li><li>• Governmental Attitude Regarding International and Non-Governmental Investigation of Alleged Violations of Human Rights</li></ul> |
| <b>Respect for Civil Liberties</b> <ul style="list-style-type: none"><li>• Freedom of Speech and Press</li><li>• Freedom of Peaceful Assembly and Association</li><li>• Freedom of Religion</li><li>• Freedom of Movement Within the Country, Foreign Travel, Emigration, and Repatriation</li><li>• Civil Unions/Same Sex Marriage</li></ul>  |
| <b>Respect for Political Rights</b> <ul style="list-style-type: none"><li>• The Right of Citizens to Change Their Government</li></ul>   |
| <b>Discrimination Based on Race, Sex, Sexual Orientation, Disability, Language, or Social Status</b> <ul style="list-style-type: none"><li>• Women/Gender</li><li>• Children</li><li>• Persons With Disabilities</li><li>• National/Racial/Ethnic Minorities</li><li>• Indigenous People</li></ul>   |

**Section 8 GEOPOLITICAL RISK INVESTMENT POLICY**

|  |
|--|
| <ul style="list-style-type: none"><li>• Gender Identity</li><li>• Age Discrimination</li></ul>   |
| <b>Worker Rights</b> <ul style="list-style-type: none"><li>• The Right of Association</li><li>• The Right to Organize and Bargain Collectively</li><li>• Prohibition of Forced or Bonded Labor</li><li>• Status of Child Labor Practices and Minimum Age for Employment</li><li>• Acceptable Conditions of Work</li><li>• Trafficking in Persons</li></ul> |
| <b>Environmental</b> <ul style="list-style-type: none"><li>• Air Quality</li><li>• Water Quality</li><li>• Climate Change</li><li>• Land Protection</li></ul>  |
| <b>War/Conflicts/Acts of Terrorism</b> <ul style="list-style-type: none"><li>• Internal/External Conflict</li><li>• War</li><li>• Acts of Terrorism</li><li>• Party to International Conventions and Protocols</li></ul>   |

## Section 9 PROXY VOTING POLICY

### 9. ISSUES NOT ADDRESSED BY POLICY

For proxy issues not addressed by this policy that are market specific, operational or administrative in nature, and likely non-substantive in terms of impact, LACERS gives ISS discretion to vote these items.

Substantive issues not covered by this policy and which may potentially have a significant economic impact for LACERS shall be handled accordingly:

- 1) ISS shall alert investment staff of substantive proxy issue not covered by policy as soon as practicable;
- 2) Investment staff and/or the General Manager shall determine whether the item requires Governance Committee ("Committee") and/or Board of Administration ("Board") consideration;
- 3) If the issue does not require Committee and Board consideration, then staff will vote the issue based on available research;
- 4) If the issue requires Committee and Board consideration, then the item will be prepared and presented to the Committee and Board for consideration. Following Committee and Board action, staff will then have the issue voted accordingly.
- 5) If time constraints prevent a formal gathering of the Committee and Board, then LACERS Board approved Corporate Governance Actions Protocol, as reprinted below, shall apply and staff will then have the issue voted accordingly.

#### CORPORATE GOVERNANCE ACTIONS POLICY

Board Adopted December 2008

From time to time LACERS receives requests from other pension funds or from affiliated organizations for support of various corporate governance actions. Many of the actions requested, such as requests to sign action letters, would otherwise appear to be consistent with existing Board policy. However, occasionally there is not adequate time to convene a Committee or Board meeting in advance to consider the matter.

The proposed Corporate Governance Actions Policy requires that one staff member plus one Board member both agree that the subject to be voted/acted on falls within the letter or spirit of adopted Board policy. If both agree, the measure will be executed by the General Manager or authorized designee.

The designated staff person will be the Chief Investment Officer (CIO). The designated Board member will be the Chair of the Governance Committee. In the absence of the CIO, the General Manager will become the designated staff member. In the absence of the Chair of the Governance Committee, the Board Chair will become the designated Board member.



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

**MEETING: DECEMBER 14, 2021**  
**ITEM: VIII – G**

*Neil M. Guglielmo*

**SUBJECT: UPDATE ON TRANSITION FROM LIBOR TO SECURED OVERNIGHT FINANCING RATE**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

**Recommendation**

That the Board receive and file this report.

**Executive Summary**

This report provides background information on the pending cessation of LIBOR and the transition to the Secured Overnight Financing Rate (SOFR) and other alternative interest rates. Based on research conducted by staff, the LACERS investment managers and custodian bank have some exposure to LIBOR-referencing securities and derivatives; they are well-prepared for this event and expect a smooth transition. The transition is anticipated to have minimal impact to the LACERS portfolio.

**Discussion**

*Background on LIBOR*

LIBOR is the interest rate at which banks lend to one another for short-term unsecured loans. It is the prevalent reference rate used in the settlement of financial instruments in the cash, loan, securities and derivatives markets. LIBOR is currently calculated for five currencies (U.S. dollar, British pound sterling, euro, Swiss franc and Japanese yen) and for seven tenors (Overnight, One Week, One Month, Two Months, Three Months, Six Months and 12 Months) for each of the five currencies, resulting in the daily publication of 35 individual rates.

LIBOR serves multiple purposes within the financial markets. As a reference interest rate, LIBOR is used in a wide variety of financial instruments. LIBOR is often referenced in money market instruments, bonds, loans, and structured products with a spread reflective of the credit risk of the borrower. LIBOR is also widely referenced in interest rate derivatives and used as a benchmark for asset managers. As of the end of 2020, it is estimated that there was about \$224 trillion of gross notional exposure to U.S. dollar (USD) LIBOR across all LIBOR-based financial products with about \$74 trillion expected to mature after June 2023.<sup>i</sup> Within the LACERS investment portfolio, exposure to LIBOR-based securities, loans, and derivatives is primarily found within the Credit Opportunities, Private Equity, Private Real Estate, and Private Credit asset/sub-asset classes and within the custodian bank's short term investment fund, where LACERS' excess cash is invested overnight.

Over the last decade, LIBOR has come under scrutiny for reasons discussed in the following section of this report. For several years, regulatory agencies and financial services entities across the globe have been working to transition from LIBOR to alternative reference rates. On March 5, 2021, the Financial Conduct Authority (FCA), the financial regulatory body of the United Kingdom, formally announced the dates of the cessation all 35 LIBOR settings. All seven tenors for the British pound sterling (GBP), euro, Swiss franc, and Japanese yen (JPY), as well as One Week and Two Month USD LIBOR, will cease to be published immediately after December 31, 2021 (with some GBP and JPY settings to continue on a synthetic basis). The remaining five tenors of USD LIBOR (Overnight, One Month, Three Month, Six Month and 12 Month) will cease to be published immediately after June 30, 2023. Financial regulators have mandated that no new LIBOR-referencing securities may be issued after December 31, 2021.

### *Why is LIBOR being phased out?*

To understand the reasoning for the cessation of LIBOR, it is necessary to briefly discuss the calculation methodology of LIBOR. In order to determine daily LIBOR rates, ICE Benchmark Administration Limited (ICE), the current administrator of LIBOR, collects interest rate data from a panel of 11 to 16 banks. Data submitted by these banks may be based on actual unsecured borrowing transactions or, in the absence of eligible transaction data, estimates determined by the bank.

Following the 2007-2009 Global Financial Crisis, unsecured borrowing transactions by banks declined. As a result, the calculation of LIBOR has become reliant on banks' estimates of funding costs and less on actual transaction data, raising the concern as to whether LIBOR rates are truly reflective of banks' borrowing rates. Calculating LIBOR based on estimates also makes LIBOR vulnerable to manipulation, as had been revealed by the LIBOR Scandal exposed in 2012. Multi-jurisdictional investigations by various financial regulators found that bankers at a number of major financial institutions were manipulating LIBOR; rate submissions by panel banks had been falsely inflated or deflated in order to benefit trading books. In the ensuing fallout, which saw the imposition of multi-billion dollar fines and the filing of criminal charges, the integrity of LIBOR had been put into question by financial regulators, consequently also bringing forth the need for reform and an alternative rate(s) to LIBOR.

### *Planning for the Cessation of LIBOR*

The FCA's announcement of the cessation of LIBOR in March 2021 was not a surprise to the market and had been anticipated for several years. Since 2014, the U.S. Federal Reserve and its Alternative Reference Rates Committee (ARRC) have been planning for the cessation of USD LIBOR and transition to an alternative rate. The ARRC, comprised of a diverse set of private-sector entities and official-sector entities, including banking and financial regulators, was convened to identify best practices for alternative reference rates to USD LIBOR, create recommended language for contracts to allow for a transition to alternative rates, and develop an adoption plan that included metrics of success and a timeline. Other countries and jurisdictions have formed similar working groups to address the other currencies in which LIBOR is quoted.

In June 2017, after considering the input of a wide range of market participants, the ARRC selected the SOFR as its preferred alternative reference rate to USD LIBOR. SOFR is a broad measure of the cost of borrowing cash overnight collateralized by Treasury securities and is published daily by the New York Fed. It is based on actual Treasury repurchase (repo) transaction data and is calculated as a volume-weighted median of repo data collected from three markets: tri-party repo data from the Bank

of New York Mellon, General Collateral Finance repo transaction data, and bilateral Treasury repo transactions cleared through the Fixed Income Clearing Corporation.

The ARRC selected SOFR as its preferred alternative to USD LIBOR noting the depth of its underlying market, its likely robustness over time, and the rate's usefulness to market participants. The transaction volume underlying SOFR is substantial at approximately \$1 trillion daily. SOFR better reflects the current market for financial institutional funding – secured and collateralized as opposed to USD LIBOR which reflects the cost of unsecured funding. Since SOFR is entirely transaction-based, it is more transparent than LIBOR and far less susceptible to manipulation.

After selecting SOFR as the preferred alternative reference rate, the ARRC developed the Paced Transition Plan<sup>ii</sup>, outlining specific steps and timelines designed to encourage adoption of SOFR. The plan was focused on usage of SOFR-based financial products in the market and on creating forward-looking term rates based on SOFR (since SOFR itself is based on historical data and is backward looking) with the aim of developing sufficient liquidity. On July 29, 2021, the ARRC formally recommended the Chicago Mercantile Exchange Group's (CME) Term SOFR Rates marking the completion of its Paced Transition Plan. The ARRC also developed and published a set of recommended best practices to assist market participants in transitioning away from USD LIBOR. This document<sup>iii</sup> outlines key transition milestones and recommended timelines for when contractual fallback provisions (a provision that allows for use of an alternative rate to LIBOR) should be incorporated, and target dates after which no new USD LIBOR-based activity should be conducted.

#### *Other Regulatory and Legislative Action to Promote Transition Away From LIBOR*

In June 2020, the U.S. Securities and Exchange Commission's Office of Compliance Inspections and Examinations (OCIE) announced examinations of SEC-registered firms to assess their preparations for the expected discontinuation of LIBOR and the transition to an alternative reference rate. In October 2020, the International Swaps and Derivatives Association (ISDA), a trade organization that promotes safe and efficient derivatives markets primarily through its template derivative contracts, launched the IBOR Fallbacks Protocol and IBOR Fallbacks Supplement. These led to the incorporation of fallback provisions in all new derivative contracts executed after January 25, 2021. These also allowed counterparties to amend legacy derivative contracts to incorporate fallback provisions if both parties agree or both adhere to the Protocol.

In April 2021, New York and Alabama passed respective legislation which stipulated statutory fallbacks for USD LIBOR state law-governed contracts and securities with inadequate or missing benchmark fallback provisions. On a federal level, Representative Brad Sherman (D-CA) introduced the Adjustable Interest Rate (LIBOR) Act of 2021 (H.R. 4616). The Bill primarily provides for U.S. law-governed contracts that reference USD LIBOR but do not contain fallback provisions to transition into a rate to be selected by the Federal Reserve Board. The House's Committee on Financial Services voted to advance the bill in July 2021.

#### *Other Alternative Reference Rates*

Some market participants point to SOFR's lack of a credit-sensitive component the way LIBOR as an unsecured rate did, adding that it may not reflect the true cost of funding especially during times of market stress. Led by the Bloomberg Short-Term Bank Yield Index (BSBY), IBA's Bank Yield Index (IBYI) and the American Financial Exchange's American Interbank Offered Rate (Ameribor), the market saw increased use of these credit-sensitive alternative rates in the earlier half of 2021 only for clamor

to weaken following the ARRC's formal recommendation of CME Term SOFR Rates at the end of July 2021. Regulators have also cautioned against the limited transaction volumes underpinning the calculation methodologies behind some of these credit-sensitive alternative rates.

#### *The Impact of the LIBOR Transition to the LACERS Portfolio*

Staff conducted research with LACERS investment managers, custodian bank, and consultants to assess the potential impact of the transition from LIBOR to SOFR and other alternatives reference rates to the LACERS portfolio. Within the public markets portfolio, all of LACERS' fixed income managers have been preparing for the transition for several years, with most having established internal working groups focused on the LIBOR transition process. LIBOR exposure in the LACERS portfolio is mainly contained within the Credit Opportunities asset class, specifically in the active U.S. bank loan strategy managed by Bain Capital Credit, LP (Bain) and the active hybrid high yield fixed income and floating rate bank loan strategy managed by DDJ Capital Management, LLC (DDJ). Both of these strategies have considerable investments in bank loans, which are generally variable rate and tied to LIBOR. As of October 31, 2021, Bain's bank loan portfolio was valued at \$244 million. DDJ's hybrid high yield and bank loan portfolio was valued \$300 million, with approximately \$108 million (or 36%) invested in loans tied to LIBOR. As part of their transition plans, Bain and DDJ conducted extensive reviews of existing loan agreements for fallback provisions, and amended agreements as necessary to ensure a smooth transition from LIBOR. According to Bain and DDJ, the transition will not prompt changes to the firms' respective investment strategies, nor is the transition anticipated to have a negative financial impact to the strategies.

Under the Core Fixed Income asset class, Income Research + Management (IRM) and JP Morgan Investment Management (JPMIM) hold minimal positions tied to LIBOR. As of October 31, 2021, both IRM and JPMIM hold variable rate bank securities which have fixed coupons until one year before maturity, at which point they convert to variable rate, LIBOR-based coupons. These securities are anticipated to be called by the issuers prior to the conversion date and will not be affected by the LIBOR transition. Of IRM's \$434 million portfolio, approximately \$4.8 million (or 1.1%) is invested in these securities; of JPMIM's \$429 million portfolio, approximately \$3.4 million (or 0.8%) is invested in these securities. Both managers also have small allocations to floating rate bonds referencing LIBOR; IRM has approximately \$10.9 million (or 2.5%) invested in floating rate bonds and JPMIM has approximately \$2.6 million (or 0.6%) invested. These bonds either mature prior to the applicable LIBOR cessation date or are covered by sufficient fallback provisions. Thus, the expected impact by the cessation of LIBOR to the Core Fixed Income asset class is none to minimal.

Under the Public Real Assets asset class, CenterSquare Investment Management LLC (CenterSquare) confirms that the REITS (Real Estate Investment Trust Securities) strategy it manages for LACERS has not seen any measurable negative impact from the transition. CenterSquare notes that only about 10% of the financing of the REITS in the LACERS portfolio is floating rate debt; appropriate measures have been put in place to transition these from LIBOR to SOFR.

The U.S. Equities and Non-U.S. Equities asset classes have no exposure to LIBOR-referencing securities or derivatives and are not expected to be impacted by the cessation of LIBOR.

### *Private Markets*

Aksia TorreyCove Partners LLC (Aksia TorreyCove), LACERS' Private Equity Consultant, has determined that the LIBOR transition to SOFR will have a negligible impact on the private equity asset class. In particular, Aksia TorreyCove stated that LIBOR-based financing for private equity deals should transition to alternative interest rates without much concern.

The Townsend Group (Townsend), LACERS Real Estate Consultant, cites that 77% of LACERS' real estate portfolio is classified as Core and that 84% of debt used by Core real estate funds is fixed rate and will not be impacted by the cessation of LIBOR. As for the remainder of the portfolio that potentially has exposure to LIBOR, Townsend has determined that most, if not all, real estate managers are prepared for the transition, noting that the work to have legacy loans incorporate fallback provisions to allow lenders to use an alternate rate has been underway for years.

Staff also surveyed LACERS' Private Credit managers about their LIBOR transition preparedness. The loans within the U.S. private credit portfolio managed by Benefit Street Partners LLC (Benefit Street) are currently LIBOR-based, but are covered by sufficient fallback provisions within the loan agreements. These loans, as well as new deals going forward, are expected to transition to SOFR in 2022. For the non-U.S. (Europe-focused) private credit portfolio managed by Crescent Capital Group LP, which began calling capital in November 2021, all loans in the portfolio will reference either Euribor (Euro Interbank Offered Rate), SONIA (Sterling Overnight Index Average), or SOFR depending on the currency in which the loans are denominated.

### *Cash and Securities Lending*

The Northern Trust Company, LACERS' Custodian Bank, invests LACERS' cash reserves on an overnight basis in the Northern Trust Collective Short Term Investment Fund (STIF), which is comprised of high-quality, short-term, money market instruments. Some of these short-term securities are tied to LIBOR. As of November 30, 2021, none of the LIBOR-based securities within the STIF mature beyond the applicable LIBOR cessation dates and the transition will have no impact on these securities. Given that no new LIBOR securities will be issued after December 31, 2021, LIBOR securities within the STIF will be completely phased-out by June 30, 2023, if not earlier.

Within the Securities Lending Program, 50% of the Cash Collateral investment portfolio was invested in STIF as of November 30, 2021. There was no exposure to LIBOR-based securities in the remaining 50% of the portfolio. New investments are also not expected to reference LIBOR. Staff will monitor securities lending activity for any LIBOR exposure during the final days of the transition period to SOFR.

Based on this research, staff believes that LACERS investment managers and custodian bank are well prepared for the LIBOR cessation and transition to SOFR (or other alternative rates); staff anticipates that this transition will have a minimal impact to the LACERS portfolio. NEPC, LLC, LACERS' General Fund Consultant, concurs with this assessment.

### **Strategic Plan Impact Statement**

This discussion report on the transition from LIBOR to SOFR and its potential impact to the LACERS portfolio aligns with the Strategic Plan goal of upholding good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: Jeremiah Paras, Investment Officer I, Investment Division

NMG/RJ/BF/JP:rm

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<sup>i</sup> <https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/USD-LIBOR-transition-progress-report-mar-21.pdf>

<sup>ii</sup> <https://www.newyorkfed.org/medialibrary/microsites/arrc/files/paced-timeline-plan.pdf>

<sup>iii</sup> <https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2020/ARRC-factsheet.pdf>



**LACERS**  
LA CITY EMPLOYEES'  
RETIREMENT SYSTEM



**REPORT TO BOARD OF ADMINISTRATION**

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

*Neil M. Guglielmo*

**MEETING: DECEMBER 14, 2021**

**ITEM: VIII - H**

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**SUBJECT: DISCLOSURE REPORT OF FEES, EXPENSES, AND CARRIED INTEREST OF ALTERNATIVE INVESTMENT VEHICLES FOR THE FISCAL YEAR ENDING JUNE 30, 2021 PURSUANT TO GOVERNMENT CODE SECTION 7514.7**

ACTION:  CLOSED:  CONSENT:  RECEIVE & FILE:

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**Recommendation**

That the Board receive and file this report.

**Executive Summary**

California Government Code Section 7514.7 requires LACERS to disclose specific fee, expense, and other information for private markets funds committed to on and after January 1, 2017. Funds that LACERS committed to prior to January 1, 2017, are not required to disclose this information but may do so on a voluntary basis. The attachments to this report provide the appropriate disclosures.

**Discussion**

*Background*

California Government Code Section 7514.7 (enacted into law by the passage of Assembly Bill 2833) requires LACERS to obtain and disclose specific fee, expense, and other information relating to alternative investment vehicles within the LACERS investment portfolio. The law defines an alternative investment vehicle as a private equity fund, venture fund, hedge fund, or absolute return fund; LACERS considers private credit funds and private real estate funds to fall within the scope of the alternative investment vehicles definition. Pursuant to Section 7514.7, the following information must be disclosed by LACERS at least annually at a meeting open to the public:

1. The fees and expenses that LACERS pays directly to the alternative investment vehicle, the management company or related parties.
2. LACERS' pro rata share of fees and expenses not included in (1) that are paid from the alternative investment vehicle to the management company or related parties.
3. LACERS' pro rata share of carried interest distributed by the alternative investment vehicle to the management company or related parties.

4. LACERS' pro rata share of aggregate fees and expenses paid by all of the portfolio companies held by the alternative investment vehicle to the fund manager or related parties.
5. The gross and net internal rate of return of the fund, since inception.
6. Any additional information described in the California Public Records Act [Government Code Section 6254.26 (b)]:
  - i. The name, address, and vintage year of each alternative investment vehicle.
  - ii. The dollar amount of the commitment made by LACERS to each alternative investment vehicle since inception.
  - iii. The dollar amount of cash contributions made by LACERS to each alternative investment vehicle since inception.
  - iv. The dollar amount, on a fiscal year-end basis, of cash distributions received by LACERS from each alternative investment vehicle.
  - v. The dollar amount, on a fiscal year-end basis, of cash distributions received by LACERS plus remaining value of partnership assets attributable to LACERS investment in each alternative investment vehicle.
  - vi. The net internal rate of return of each alternative investment vehicle since inception.
  - vii. The investment multiple of each alternative investment vehicle since inception.
  - viii. The dollar amount of the total management fees and costs paid on an annual fiscal year-end basis, by LACERS to each alternative investment vehicle.
  - ix. The dollar amount of cash profit received by LACERS from each alternative investment vehicle on a fiscal year-end basis.

The law applies to funds committed to on and after January 1, 2017. Through the fiscal year ending June 30, 2021, 89 private equity funds, 11 real estate funds, and one private credit fund within the LACERS portfolio were required by contract to comply with Section 7514.7.

In addition, the law provides for voluntary reporting of information for funds committed to prior to January 1, 2017, and for which no new capital commitments have been made (pre-2017 funds), subject to LACERS using reasonable effort to acquire the information. LACERS' private equity and real estate consultants, Aksia TorreyCove Partners LLC and The Townsend Group contacted 87 pre-2017 private equity funds and 31 real estate funds, respectively, requesting information in accordance with Section 7514.7. Of these funds, 54 private equity funds and 25 real estate funds voluntarily provided the data.

The attached report contains LACERS alternative investments disclosures for the fiscal year ending June 30, 2021, pursuant to Section 7514.7.

### **Strategic Plan Impact Statement**

The annual reporting of specific fees, expense and other information of LACERS private market funds aligns with the Strategic Plan Goal of upholding good governance practices (Goal V).

Prepared By: Eduardo Park, Investment Officer II, Investment Division.

NMG/RJ/BF/WL/EP:rm

- Attachments:
1. Mandatory Disclosure Report for Private Equity Funds
  2. Voluntary Disclosure Report for Private Equity Funds
  3. Mandatory Disclosure Report for Real Estate Funds
  4. Voluntary Disclosure Report for Real Estate Funds
  5. Mandatory Disclosure Report for Private Credit Funds

MANDATORY DISCLOSURE BY FUNDS COMMITTED TO ON OR AFTER JANUARY 1, 2017

| Fund                                   | Address  | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|--|--|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| 1315 Capital Fund II                   | 2929 Walnut Street Philadelphia, PA 19104          | USD            | 2018         | 213,554                                       | 284  | -                                     | -  | 10,000,000    | 5,375,390                        | 4,624,610                               | -                                | 4,624,610  | -  | 36.6%   | 22.2%                                       | 1.29x                               |
| ABRY Advanced Securities Fund IV       | 888 Boylston St Boston, MA 02199                   | USD            | 2018         | 605,599                                       | -  | -                                     | -  | 40,000,000    | 23,752,465                       | 21,809,318                              | 2,848,837                        | 24,658,156   | -  | 18.8%   | 9.3%  | 1.14x                               |
| ABRY Partners IX                       | 888 Boylston St Boston, MA 02199                   | USD            | 2019         | 888,671                                       | -  | -                                     | -  | 40,000,000    | 22,232,119                       | 19,533,862                              | 1,765,981                        | 21,299,844   | -  | 10.5%   | 4.6%  | 1.07x                               |
| ABRY Senior Equity V                   | 888 Boylston St Boston, MA 02199                   | USD            | 2016         | 90,919  | 30,385   | -                                     | 28,963   | 10,000,000    | 9,466,913                        | 1,233,230                               | 1,042,761                        | 2,275,991  | 245,679  | 27.6%   | 17.1%                                       | 1.28x                               |
| Advent Global Technology               | 800 Boylston Street Boston, MA 02199-8069          | USD            | 2019         | 290,816                                       | -  | -                                     | -  | 15,000,000    | 8,962,500                        | 6,037,500                               | -                                | 6,037,500  | -  | 43.0%   | 36.3%                                       | 1.28x                               |
| Advent International GPE IX            | 800 Boylston Street Boston, MA 02199-8069          | USD            | 2019         | 893,736                                       | -  | -                                     | -  | 45,000,000    | 19,017,933                       | 25,982,067                              | 3,598,202                        | 29,580,269   | 2,451,823  | 100.0%  | 74.7%                                       | 1.94x                               |
| American Securities Partners VIII      | 299 Park Avenue New York, NY 10171                 | USD            | 2019         | 571,122                                       | 71,924   | -                                     | 193,170  | 40,000,000    | 15,612,407                       | 24,670,350                              | 340,966                          | 25,011,316   | 47,600   | 37.0%   | 21.7%                                       | 1.17x                               |
| Ascribe Opportunities Fund IV          | 299 Park Avenue New York, NY 10171                 | USD            | 2019         | 59,819  | -  | -                                     | -  | 25,000,000    | 236,533                          | 24,939,265                              | 233,474                          | 25,172,739   | 53,976   | 209.8%  | -100.0%                                     | 0.04x                               |
| Astorg VII                             | 68 rue du Faubourg Saint-Honore Paris, 75008       | EUR            | 2019         | 770,707                                       | 212,044  | -                                     | -  | 36,123,864    | 20,487,335                       | 17,222,085                              | -                                | 17,222,085   | -  | 30.8%   | 31.1%                                       | 1.21x                               |
| Astra Partners I                       | 900 16th Street NW Washington, D.C., 20006         | USD            | 2017         | 240,557                                       | 22,079   | -                                     | 22,079   | 10,000,000    | 6,187,040                        | 3,690,337                               | -                                | 3,690,337  | -  | 8.5%  | -1.1%                                       | 0.99x                               |
| Avance Investment Partners             | 650 Fifth Ave New York, NY 10019                   | USD            | 2021         | 156,623                                       | (126,667)  | -                                     | -  | 20,000,000    | -                                | 20,000,000                              | -                                | 20,000,000   | -  | N/A   | N/A   | NA                                  |
| Brentwood Associates Private Equity VI | 11150 Santa Monica Boulevard Los Angeles, CA 90025 | USD            | 2017         | 421,674                                       | 261,478  | -                                     | 304,047  | 25,000,000    | 19,680,185                       | 10,294,736                              | 4,870,760                        | 15,165,495   | 240,746  | 26.4%   | 27.4%                                       | 1.42x                               |

MANDATORY DISCLOSURE BY FUNDS COMMITTED TO ON OR AFTER JANUARY 1, 2017

| Fund                                      | Address   | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|---|---|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| Builders VC Fund II                       | 201 Mission Street<br>San Francisco, CA 94105     | USD            | 2021         | 117,830                                       | -  | -                                     | 16,370   | 10,000,000    | 1,500,000                        | 8,500,000                               | -                                | 8,500,000  | -  | NM  | -18.3%                                      | 0.91x                               |
| Clearlake Capital Partners VI             | 233 Wilshire Boulevard<br>Santa Monica, CA 90401  | USD            | 2020         | 866,708                                       | -  | -                                     | -  | 30,000,000    | 14,556,094                       | 15,531,378                              | 249,101                          | 15,780,479   | 12,170   | 87.8%   | 84.0%                                       | 1.48x                               |
| CVC Capital Partners VII                  | 111 Strand<br>London, WC2R 0AG                    | EUR            | 2017         | 616,046                                       | 328  | -                                     | 346  | 28,567,140    | 17,365,637                       | 10,486,508                              | 230,219                          | 10,716,726   | (4,298)  | 33.1%   | 34.2%                                       | 1.65x                               |
| CVC Capital Partners VIII                 | 111 Strand<br>London, WC2R 0AG                    | EUR            | 2021         | -   | -  | -                                     | -  | 50,206,765    | -                                | 54,345,214                              | -                                | 54,345,214   | -  | N/A   | N/A   | NA                                  |
| Defy Partners I                           | 2973 Woodside Road<br>Woodside, CA 94062          | USD            | 2017         | 264,193                                       | -  | -                                     | -  | 10,000,000    | 7,500,000                        | 2,500,000                               | 2,251,655                        | 4,751,655  | -  | 24.3%   | 13.5%                                       | 1.34x                               |
| Defy Partners II                          | 2973 Woodside Road<br>Woodside, CA 94062          | USD            | 2019         | 441,371                                       | 82,332   | -                                     | -  | 18,010,000    | 6,483,600                        | 11,526,400                              | -                                | 11,526,400   | -  | 119.6%  | 44.9%                                       | 1.39x                               |
| EnCap Energy Capital Fund XI              | 1100 Louisiana Street<br>Houston, TX 77002        | USD            | 2017         | 604,770                                       | (0)  | -                                     | -  | 40,000,000    | 17,293,210                       | 22,706,790                              | -                                | 22,706,790   | -  | -   | -8.6%                                       | 0.86x                               |
| Fortress Credit Opportunities V Expansion | 1345 Avenue of the Americas<br>New York, NY 10105 | USD            | 2020         | 102,791                                       | -  | -                                     | -  | 50,000,000    | 7,500,000                        | 42,500,000                              | -                                | 42,500,000   | -  | 21.1%   | 33.9%                                       | 1.07x                               |
| FS Equity Partners VIII                   | 11100 Santa Monica Blvd<br>Los Angeles, CA 90025  | USD            | 2019         | 459,188                                       | 29,701   | -                                     | -  | 25,000,000    | 10,493,671                       | 14,513,458                              | 6,757                            | 14,520,215   | -  | 23.4%   | 10.5%                                       | 1.13x                               |
| General Catalyst Group X - Early Venture  | 20 University Road<br>Cambridge, MA 02138         | USD            | 2020         | 276,316                                       | 230  | -                                     | -  | 10,000,000    | 7,600,000                        | 2,400,000                               | -                                | 2,400,000  | -  | 213.1%  | 176.0%                                      | 1.77x                               |
| General Catalyst Group X - Endurance      | 20 University Road<br>Cambridge, MA 02138         | USD            | 2020         | 21,491  | -  | -                                     | -  | 11,666,667    | 9,683,334                        | 1,983,333                               | -                                | 1,983,333  | -  | 209.1%  | 102.8%                                      | 1.45x                               |
| General Catalyst Group X - Growth Venture | 20 University Road<br>Cambridge, MA 02138         | USD            | 2020         | 377,634                                       | 642  | -                                     | -  | 16,666,666    | 13,833,333                       | 2,833,333                               | -                                | 2,833,333  | -  | 109.6%  | 177.1%                                      | 1.80x                               |

MANDATORY DISCLOSURE BY FUNDS COMMITTED TO ON OR AFTER JANUARY 1, 2017

| Fund                            | Address  | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|---------------------------------|--|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| Genstar Capital Partners IX     | Four Embarcadero Center San Francisco, CA HM 11      | USD            | 2019         | 547,281                                       | 12,593   | -                                     | -  | 25,000,000    | 15,430,327                       | 10,146,752                              | 93,254                           | 10,240,006   | 6,256  | NM  | 54.4%                                       | 1.53x                               |
| Genstar Capital Partners X      | Four Embarcadero Center San Francisco, CA 94111-4191 | USD            | 2021         | -   | -  | -                                     | -  | 32,500,000    | -                                | 32,500,000                              | -                                | 32,500,000   | -  | N/A   | N/A   | NA                                  |
| Genstar IX Opportunities Fund I | Four Embarcadero Center San Francisco, CA HM 11      | USD            | 2019         | 159,804                                       | -  | -                                     | -  | 25,000,000    | 19,622,739                       | 5,377,261                               | -                                | 5,377,261  | -  | NM  | 28.8%                                       | 1.30x                               |
| Genstar X Opportunities Fund I  | Four Embarcadero Center San Francisco, CA HM 11      | USD            | 2,021        | -   | -  | -                                     | -  | 25,000,000    | -                                | 25,000,000                              | -                                | 25,000,000   | -  | N/A   | N/A   | N/A                                 |
| GGV Capital VIII                | 3000 Sand Hill Road Menlo Park, CA 94025             | USD            | 2021         | 519,633                                       | -  | -                                     | -  | 16,000,000    | 2,880,000                        | 13,120,000                              | -                                | 13,120,000   | -  | -25.6%  | -25.7%                                      | 0.96x                               |
| GGV Capital VIII Plus           | 3000 Sand Hill Road Menlo Park, CA 94025             | USD            | 2021         | -   | -  | -                                     | -  | 4,000,000     | 440,000                          | 3,560,000                               | -                                | 3,560,000  | -  | NM  | -100.0%                                     | -                                   |
| Gilde Buy-Out Fund VI           | Herculesplein 104 Utrecht, 3584 AA                   | EUR            | 2019         | 750,927                                       | -  | -                                     | -  | 39,684,790    | 8,102,829                        | 33,297,641                              | -                                | 33,297,641   | -  | 13.6%   | -12.9%                                      | 0.93x                               |
| Glendon Opportunities Fund II   | 1620 26th Street Santa Monica, CA 90404              | USD            | 2019         | 479,747                                       | 144,294  | -                                     | 46,931   | 40,000,000    | 24,000,000                       | 16,000,000                              | -                                | 16,000,000   | -  | 50.8%   | 38.9%                                       | 1.44x                               |
| GTCR Fund XII-AB                | 300 N. LaSalle St., Suite 5600 Chicago, IL 60654     | USD            | 2017         | 901,838                                       | 33,458   | -                                     | 90,042   | 40,000,000    | 29,302,935                       | 13,637,226                              | 7,828,753                        | 21,465,979   | 3,558,493  | 33.1%   | 36.4%                                       | 1.64x                               |
| GTCR Fund XIII-AB               | 300 N. LaSalle St., Suite 5600 Chicago, IL 60654     | USD            | 2020         | -   | -  | -                                     | -  | 40,000,000    | -                                | 40,000,000                              | -                                | 40,000,000   | -  | N/A   | N/A   | NA                                  |
| H&F Arrow 1                     | 415 Mission Street San Francisco, CA 94105           | USD            | 2020         | 4,549   | -  | -                                     | -  | -             | 3,499,536                        | -                                       | -                                | -  | -  | NM  | 54.1%                                       | 1.44x                               |
| H&F Spock 1                     | 415 Mission Street San Francisco, CA 94105           | USD            | 2018         | 521   | -  | -                                     | -  | -             | 3,266,786                        | -                                       | -                                | -  | -  | 40.0%   | 38.9%                                       | 2.88x                               |

MANDATORY DISCLOSURE BY FUNDS COMMITTED TO ON OR AFTER JANUARY 1, 2017

| Fund                                   | Address  | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|--|--|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| H.I.G. Europe Middle Market LBO Fund   | 1450 Brickell Avenue<br>Miami, FL 33131                    | EUR            | 2020         | 1,484,702                                     | -  | -                                     | -  | 49,552,926    | 1,200,799                        | 47,207,369                              | (22,783)                         | 47,184,586   | -  | NM  | -100.0%                                     | -                                   |
| Harvest Partners VIII                  | 280 Park Avenue<br>New York, NY 10017                      | USD            | 2019         | 265,267                                       | 1,658,788  | -                                     | -  | 50,000,000    | 32,247,148                       | 23,634,685                              | 5,881,833                        | 29,516,518   | -  | 38.4%   | 35.4%                                       | 1.44x                               |
| Hellman & Friedman Capital Partners IX | 415 Mission Street<br>San Francisco, CA 94105              | USD            | 2019         | 612,938                                       | 217  | -                                     | 315  | 30,000,000    | 21,011,506                       | 9,050,692                               | 62,198                           | 9,112,890  | -  | 38.0%   | 34.6%                                       | 1.27x                               |
| Hellman & Friedman Capital Partners X  | 415 Mission Street<br>San Francisco, CA 94105              | USD            | 2021         | 130,815                                       | -  | -                                     | -  | 40,000,000    | -                                | 40,000,000                              | -                                | 40,000,000   | -  | N/A   | N/A   | NA                                  |
| Hg Genesis 9                           | 2 More London Riverside<br>London, SE1 2AP                 | EUR            | 2020         | 351,923                                       | -  | -                                     | -  | 19,295,500    | 1,108,492                        | 19,647,615                              | -                                | 19,647,615   | -  | 88.0%   | 44081.4%                                    | 2.32x                               |
| HgCapital Saturn Fund 2                | 2 More London Riverside<br>London, SE1 2AP                 | USD            | 2020         | 363,342                                       | 123  | -                                     | -  | 20,000,000    | 5,815,674                        | 14,650,165                              | 465,839                          | 15,116,004   | -  | 94.0%   | 246.5%                                      | 1.98x                               |
| ICG Strategic Equity Fund IV           | Procession House,<br>London, EC4M 7JW                      | USD            | 2021         | 341,167                                       | -  | -                                     | -  | 50,000,000    | -                                | 50,000,000                              | -                                | 50,000,000   | -  | N/A   | N/A   | NA                                  |
| KPS Special Situations Fund V          | 485 Lexington Avenue, 31st<br>Floor<br>New York, NY 10017  | USD            | 2020         | 173,296                                       | 421,447  | -                                     | 1,048,268  | 40,000,000    | 10,227,600                       | 29,988,785                              | 1,097,626                        | 31,086,411   | 79,537   | 4.0%  | 0.3%  | 1.00x                               |
| KPS Special Situations Mid-Cap Fund    | 485 Lexington Avenue, 31st<br>Floor<br>New York, NY 10017  | USD            | 2019         | 69,384  | 31,250   | -                                     | 55,836   | 10,000,000    | 2,833,495                        | 7,166,505                               | -                                | 7,166,505  | -  | 16.4%   | 5.8%  | 1.06x                               |
| MBK Partners Fund V                    | 22nd Fl., D Tower D1, 17<br>Jongno 3-gil<br>Seoul, 110-130 | USD            | 2021         | 271,509                                       | -  | -                                     | -  | 40,000,000    | 3,630,988                        | 36,369,012                              | -                                | 36,369,012   | -  | NM  | 1199.5%                                     | 1.73x                               |
| Mill Point Capital Partners            | 1177 Avenue of the Americas<br>New York, NY 10036          | USD            | 2017         | 139,019                                       | 85,919   | -                                     | 158,928  | 10,000,000    | 9,237,837                        | 847,506                                 | 67,193                           | 914,699  | 41,229   | 36.0%   | 28.9%                                       | 1.67x                               |
| Mill Point Capital Partners II         | 1177 Avenue of the Americas<br>New York, NY 10036          | USD            | 2021         | 121,744                                       | 7,542  | -                                     | -  | 11,000,000    | 672,118                          | 10,327,882                              | -                                | 10,327,882   | -  | NM  | -99.0%                                      | 0.82x                               |

MANDATORY DISCLOSURE BY FUNDS COMMITTED TO ON OR AFTER JANUARY 1, 2017

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| Montagu VI                   | 2 More London Riverside London, SE1 2AP              | EUR            | 2020         | 995,033                                       | 1,313  | -                                     | 1,520  | 40,301,363    | 4,192,685                        | 37,806,180                              | -                                | 37,806,180   | -  | 22.1%   | -29.6%                                      | 0.92x                               |
| New Enterprise Associates 16 | 5425 Wisconsin Ave Chevy Chase, MD 20815             | USD            | 2017         | 283,177                                       | 40,439   | -                                     | 2,935  | 25,000,000    | 21,125,000                       | 3,875,000                               | 310,519                          | 4,185,519  | 172,573  | 37.0%   | 25.8%                                       | 1.71x                               |
| New Enterprise Associates 17 | 5425 Wisconsin Ave Chevy Chase, MD 20815             | USD            | 2019         | 375,229                                       | 85,956   | -                                     | -  | 35,000,000    | 16,975,000                       | 18,025,000                              | 996,190                          | 19,021,190   | 394,473  | 96.7%   | 58.9%                                       | 1.62x                               |
| NMS Fund III                 | 32 Old Slip New York, NY 10005                       | USD            | 2017         | 69,824  | 96,549   | -                                     | 108,267  | 10,000,000    | 8,422,231                        | 2,657,419                               | 487,751                          | 3,145,170  | -  | 39.0%   | 29.1%                                       | 1.48x                               |
| NMS Fund IV                  | 32 Old Slip New York, NY 10005                       | USD            | 2020         | 300,779                                       | 63,051   | -                                     | 63,051   | 40,000,000    | 3,686,165                        | 36,313,835                              | -                                | 36,313,835   | -  | NM  | -96.0%                                      | 0.85x                               |
| Oak HC-FT Partners II        | Three Pickwick Plaza Greenwich, CT 06830             | USD            | 2017         | 243,100                                       | -  | -                                     | -  | 10,000,000    | 8,843,328                        | 1,156,672                               | 2,601,845                        | 3,758,517  | 1,928,382  | 77.2%   | 66.7%                                       | 3.02x                               |
| Oak HC-FT Partners III       | Three Pickwick Plaza Greenwich, CT 06830             | USD            | 2019         | 561,211                                       | -  | -                                     | -  | 25,000,000    | 19,467,149                       | 5,532,851                               | -                                | 5,532,851  | -  | 112.1%  | 107.6%                                      | 1.93x                               |
| Oak HC-FT Partners IV        | Three Pickwick Plaza Greenwich, CT 06830             | USD            | 2021         | 373,249                                       | -  | -                                     | -  | 40,000,000    | 6,911,706                        | 33,088,294                              | -                                | 33,088,294   | -  | NM  | -31.7%                                      | 0.95x                               |
| OceanSound Partners Fund     | 320 Park Avenue, 8th Floor New York, NY 10022        | USD            | 2019         | 985,174                                       | 129,649  | -                                     | -  | 20,000,000    | 11,437,286                       | 12,756,938                              | 4,244,847                        | 17,001,785   | 108,962  | 49.1%   | 33.8%                                       | 1.40x                               |
| Orchid Asia VIII             | Suite 2901, 29/F, The Center Hong Kong,              | USD            | 2021         | -   | -  | -                                     | -  | 50,000,000    | -                                | 50,000,000                              | -                                | 50,000,000   | -  | N/A   | N/A   | NA                                  |
| P4G Capital Partners I       | 455 Market Street, Suite 620 San Francisco, CA 94105 | USD            | 2018         | 134,123                                       | 86,822   | -                                     | -  | 10,000,000    | 1,522,582                        | 8,471,427                               | 1,315                            | 8,472,742  | -  | -   | -36.4%                                      | 0.58x                               |
| Palladium Equity Partners V  | Rockefeller Center New York, NY 10020                | USD            | 2017         | 529,368                                       | 85,922   | -                                     | 86,384   | 25,000,000    | 14,022,123                       | 11,485,774                              | 386,273                          | 11,872,048   | -  | 29.3%   | 11.3%                                       | 1.19x                               |

MANDATORY DISCLOSURE BY FUNDS COMMITTED TO ON OR AFTER JANUARY 1, 2017

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| Platinum Equity Capital Partners V | 360 N. Crescent Dr. Beverly Hills, CA 90210 | USD            | 2019         | 813,224                                       | (106,633)  | 3,556                                 | -  | 50,000,000    | 16,737,436                       | 33,392,981                              | 130,417                          | 33,523,398   | 1,976  | 72.9%   | 32.3%                                       | 1.22x                               |
| Platinum Equity Small Cap Fund     | 360 N. Crescent Dr. Beverly Hills, CA 90210 | USD            | 2018         | 170,885                                       | (107,619)  | -                                     | -  | 22,500,000    | 13,232,865                       | 9,700,580                               | 60,019                           | 9,760,599  | 60,019   | 16.9%   | 4.3%  | 1.05x                               |
| Polaris Growth Fund                | One Marina Park Drive Boston, MA 02210      | USD            | 2018         | 309,424                                       | -  | -                                     | -  | 10,000,000    | 3,500,000                        | 6,500,000                               | -                                | 6,500,000  | -  | 72.1%   | 69.4%                                       | 2.29x                               |
| Roark Capital Partners II Side Car | 1180 Peachtree Street NE Atlanta, GA 30309  | USD            | 2018         | 42,139  | -  | -                                     | -  | 10,000,000    | 9,874,986                        | 246,815                                 | -                                | 246,815  | -  | 33.9%   | 31.4%                                       | 1.68x                               |
| Roark Capital Partners V           | 1180 Peachtree Street NE Atlanta, GA 30309  | USD            | 2018         | 276,859                                       | 554  | -                                     | 555  | 15,000,000    | 12,501,540                       | 4,039,499                               | 1,767,734                        | 5,807,233  | 910,769  | 56.3%   | 36.7%                                       | 1.54x                               |
| Roark Capital Partners VI          | 1180 Peachtree Street NE Atlanta, GA 30309  | USD            | 2021         | 40,102  | 120,822  | -                                     | -  | 40,000,000    | 7,742,107                        | 32,257,893                              | 2,729                            | 32,260,622   | -  | NM  | -2.3%                                       | 1.00x                               |
| Samson Brunello 1                  | 415 Mission Street San Francisco, CA 94105  | USD            | 2021         | 1,462   | -  | -                                     | -  | -             | 2,542,520                        | -                                       | -                                | -  | -  | NM  | 56.2%                                       | 1.17x                               |
| Samson Hockey 1                    | 415 Mission Street San Francisco, CA 94105  | USD            | 2020         | 4,702   | -  | -                                     | -  | -             | 3,377,909                        | -                                       | -                                | -  | -  | NM  | 50.3%                                       | 1.23x                               |
| Samson Shield 1                    | 415 Mission Street San Francisco, CA 94105  | USD            | 2020         | 3,817   | -  | -                                     | -  | -             | 11,373,473                       | -                                       | 2,125,231                        | 2,125,231  | -  | NM  | 38.5%                                       | 1.17x                               |
| Spark Capital Growth Fund III      | 137 Newbury St. #8 Boston, MA 02116         | USD            | 2020         | 692,123                                       | -  | -                                     | -  | 26,750,000    | 17,521,250                       | 9,228,750                               | -                                | 9,228,750  | -  | 116.6%  | 48.8%                                       | 1.20x                               |
| Spark Capital VI                   | 137 Newbury St. #8 Boston, MA 02116         | USD            | 2020         | 348,387                                       | -  | -                                     | -  | 13,250,000    | 5,631,250                        | 7,618,750                               | -                                | 7,618,750  | -  | 1.9%  | -14.5%                                      | 0.93x                               |
| Stellex Capital Partners II        | 900 Third Avenue New York, NY 10022         | USD            | 2021         | 405,296                                       | 18,581   | -                                     | 18,581   | 30,000,000    | 3,320,539                        | 26,679,461                              | -                                | 26,679,461   | -  | -   | -47.1%                                      | 0.89x                               |

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| Stripes IV                              | 402 West 13th Street<br>New York, NY 10014   | USD            | 2017         | 224,875                                       | 18,864   | 150,004                               | -  | 10,000,000    | 11,507,826                       | 268,403                                 | 1,235,907                        | 1,504,310  | 738,412  | 87.0%   | 73.1%                                       | 3.58x                               |
| Sunstone Partners II                    | 400 S El Camino Real<br>San Mateo, CA 94402  | USD            | 2020         | 226,053                                       | 16,687   | -                                     | -  | 10,000,000    | 894,533                          | 9,105,467                               | -                                | 9,105,467  | -  | -92.7%  | -89.7%                                      | 0.72x                               |
| TA XIII-A                               | 200 Clarendon Street<br>Boston, MA 02116     | USD            | 2019         | 781,781                                       | (43,786)   | 297,770                               | -  | 35,000,000    | 26,950,000                       | 8,050,000                               | 6,125,000                        | 14,175,000   | 2,291,275  | 73.7%   | 56.7%                                       | 1.40x                               |
| TA XIV-A                                | 200 Clarendon Street<br>Boston, MA 02116     | USD            | 2021         | -   | -  | -                                     | -  | 60,000,000    | -                                | 60,000,000                              | -                                | 60,000,000   | -  | N/A   | N/A   | NA                                  |
| TCV X                                   | 250 Middlefield Road<br>Menlo Park, CA 94025 | USD            | 2019         | 594,274                                       | 4,003  | -                                     | 4,003  | 25,000,000    | 17,621,349                       | 7,378,651                               | -                                | 7,378,651  | -  | 77.3%   | 84.2%                                       | 2.40x                               |
| TCV XI                                  | 250 Middlefield Road<br>Menlo Park, CA 94025 | USD            | 2021         | 287,343                                       | 63,403   | -                                     | -  | 40,000,000    | 7,507,483                        | 32,492,518                              | -                                | 32,492,518   | -  | NM  | -33.7%                                      | 0.94x                               |
| The Baring Asia Private Equity Fund VII | Suite 3801 Two IFC<br>Hong Kong,             | USD            | 2018         | 611,931                                       | 29,254   | -                                     | -  | 25,000,000    | 14,373,800                       | 13,722,049                              | 1,983,025                        | 15,705,074   | 927,904  | 50.0%   | 50.3%                                       | 1.89x                               |
| Thoma Bravo Discover Fund II            | 150 N. Riverside Plaza<br>Chicago, IL 60606  | USD            | 2018         | 158,376                                       | 37,649   | 1,643,297                             | 35,789   | 10,000,000    | 9,901,801                        | 1,919,683                               | 1,821,484                        | 3,741,167  | 954,201  | 54.3%   | 42.4%                                       | 1.82x                               |
| Thoma Bravo Discover Fund III           | 150 N. Riverside Plaza<br>Chicago, IL 60606  | USD            | 2020         | 272,133                                       | 113,914  | -                                     | 131  | 20,000,000    | 6,784,137                        | 13,215,863                              | -                                | 13,215,863   | -  | 51.6%   | 16.4%                                       | 1.01x                               |
| Thoma Bravo Explore Fund                | 150 N. Riverside Plaza<br>Chicago, IL 60606  | USD            | 2020         | 276,820                                       | 1,064  | -                                     | 44,988   | 10,000,000    | 1,910,770                        | 8,089,230                               | -                                | 8,089,230  | -  | 118.1%  | 100.3%                                      | 1.44x                               |
| Thoma Bravo Fund XIII                   | 150 N. Riverside Plaza<br>Chicago, IL 60606  | USD            | 2018         | 47,935  | 414,541  | -                                     | 144,331  | 30,000,000    | 29,778,694                       | 9,400,965                               | 15,576,773                       | 24,977,738   | 11,677,954                                       | 67.6%   | 57.5%                                       | 2.14x                               |
| Thoma Bravo Fund XIV                    | 150 N. Riverside Plaza<br>Chicago, IL 60606  | USD            | 2021         | 63,080  | 148,750  | -                                     | -  | 30,000,000    | 11,798,788                       | 18,201,212                              | 7                                | 18,201,219   | -  | 34.5%   | -8.1%                                       | 0.99x                               |

MANDATORY DISCLOSURE BY FUNDS COMMITTED TO ON OR AFTER JANUARY 1, 2017

| Fund                           | Address                                   | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|--------------------------------|---|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| Ulu Ventures Fund III          | 115 Everett Avenue<br>Palo Alto, CA 94301 | USD            | 2020         | 283,230                                       | -  | -                                     | -  | 10,000,000    | 3,000,000                        | 7,000,000                               | -                                | 7,000,000  | -  | 24.5%   | -13.4%                                      | 0.96x                               |
| Upfront VI                     | 1314 7th Street<br>Santa Monica, CA 90401 | USD            | 2017         | 423,109                                       | -  | -                                     | -  | 20,000,000    | 14,167,926                       | 6,550,400                               | 718,768                          | 7,269,168  | 48,311   | 29.8%   | 18.4%                                       | 1.45x                               |
| VIP IV                         | 105 Wigmore Street<br>London, W1U 1QY     | EUR            | 2020         | 5,330   | -  | -                                     | -  | 39,119,924    | 532,298                          | 41,269,643                              | -                                | 41,269,643   | -  | -   | -100.0%                                     | -                                   |
| Vista Equity Partners Fund VII | 401 Congress Avenue<br>Austin, TX 78701   | USD            | 2018         | 644,467                                       | 11,520   | 1,067                                 | -  | 40,000,000    | 25,242,237                       | 14,822,060                              | 4,587                            | 14,826,647   | 5,343  | 24.4%   | 12.6%                                       | 1.15x                               |
| Vista Foundation Fund IV       | 401 Congress Avenue<br>Austin, TX 78701   | USD            | 2020         | 620,127                                       | 6,778  | -                                     | -  | 30,000,000    | 8,692,434                        | 21,307,566                              | -                                | 21,307,566   | -  | NM  | -30.7%                                      | 0.90x                               |

**VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO BEFORE JANUARY 1, 2017**

| Fund                              | Address  | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|-----------------------------------|--|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| 1315 Capital Fund                 | 2929 Walnut Street Philadelphia, PA 19104          | USD            | 2015         | 186,518                                       | 1,379  | -                                     | -  | 10,000,000    | 9,124,984                        | 2,324,146                               | 1,968,818                        | 4,292,964  | -  | 26.7%   | 18.3%                                       | 1.90x                               |
| ABRY Advanced Securities Fund III | 888 Boylston St Boston, MA 02199                   | USD            | 2014         | 415,175                                       | (3,797)  | 137,203                               | -  | 20,000,000    | 24,719,438                       | -                                       | -                                | -  | -  | 5.2%  | -0.5%                                       | 0.98x                               |
| ABRY Heritage Partners            | 888 Boylston St Boston, MA 02199                   | USD            | 2016         | 159,830                                       | -  | 104,379                               | -  | 10,000,000    | 8,548,658                        | 2,918,846                               | 1,894,401                        | 4,813,247  | 59,399   | NP  | 23.2%                                       | 1.56x                               |
| ABRY Partners VIII                | 888 Boylston St Boston, MA 02199                   | USD            | 2014         | 55,388  | 1,343  | -                                     | 4,124  | 25,000,000    | 28,168,957                       | 1,694,749                               | 10,158,080                       | 11,852,829   | 4,109,712  | NP  | 10.9%                                       | 1.52x                               |
| ACON Equity Partners 3.5          | 1133 Connecticut Avenue NW Washington, D.C., 20036 | USD            | 2012         | 3,842   | NP   | NP                                    | NP   | 20,000,000    | 18,034,492                       | -                                       | 807,397                          | 807,397  | -  | NP  | 2.7%  | 1.13x                               |
| ACON-Bastion Partners II          | 1133 Connecticut Avenue NW Washington, D.C., 20036 | USD            | 2006         | (5,334)                                       | -  | (33,059)                              | NP   | 5,000,000     | 4,721,150                        | 352,035                                 | 191,325                          | 543,360  | -  | NP  | 12.3%                                       | 1.74x                               |
| Advent International GPE VI A     | 800 Boylston Street Boston, MA 02199-8069          | USD            | 2008         | 33,876  | 287  | 29,160                                | 286  | 20,000,000    | 20,000,000                       | -                                       | 1,130,839                        | 1,130,839  | 902,455  | 23.0%   | 16.6%                                       | 2.11x                               |
| Advent International GPE VII B    | 800 Boylston Street Boston, MA 02199-8069          | USD            | 2012         | 201,865                                       | 1,338  | 1,045,611                             | 1,338  | 30,000,000    | 28,200,000                       | 1,800,000                               | 5,509,396                        | 7,309,396  | 4,151,384  | 22.0%   | 16.1%                                       | 2.05x                               |
| Advent International GPE VIII B-2 | 800 Boylston Street Boston, MA 02199-8069          | USD            | 2016         | 481,738                                       | 141  | 1,555,498                             | 141  | 35,000,000    | 33,215,000                       | 1,785,000                               | 12,182,005                       | 13,967,005   | 11,652,753                                       | 36.0%   | 28.5%                                       | 2.24x                               |
| AION Capital Partners             | Global Headquarters New York, NY 10019             | USD            | 2012         | NP  | NP   | NP                                    | NP   | 20,000,000    | 18,395,680                       | 2,108,153                               | 25,881                           | 2,134,034  | -  | NP  | -0.7%                                       | 0.98x                               |
| American Securities Partners VII  | 299 Park Avenue New York, NY 10171                 | USD            | 2016         | 356,482                                       | NP   | -                                     | NP   | 25,000,000    | 23,552,390                       | 1,447,610                               | 1,685,825                        | 3,133,435  | 172,260  | 17.2%   | 12.6%                                       | 1.43x                               |
| Angeleno Investors III            | 2029 Century Park East Los Angeles, CA 90067       | USD            | 2009         | 128,033                                       | 14,842   | -                                     | -  | 10,000,000    | 10,686,144                       | -                                       | 324,719                          | 324,719  | 142,876  | NP  | 2.6%  | 1.19x                               |

VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO BEFORE JANUARY 1, 2017

| Fund                            | Address   | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|---------------------------------|---|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| Angeles Equity Partners I       | 2425 Olympic Boulevard<br>Santa Monica, CA 90404    | USD            | 2015         | 157,625                                       | 77,283   | -                                     | 106,057  | 10,000,000    | 5,185,897                        | 6,046,398                               | 838,405                          | 6,884,803  | 185  | 34.0%   | 18.7%                                       | 1.87x                               |
| Apollo Investment Fund IV       | Global Headquarters<br>New York, NY 10019           | USD            | 1998         | NP  | -  | NP                                    | NP   | 5,000,000     | 4,989,241                        | 10,759                                  | -                                | 10,759   | -  | NP  | 8.5%  | 1.67x                               |
| Apollo Investment Fund VI       | Global Headquarters<br>New York, NY 10019           | USD            | 2006         | 4,781   | (0)  | -                                     | (1,296,124)  | 15,000,000    | 14,372,999                       | 627,001                                 | -                                | 627,001  | -  | 12.0%   | 8.7%  | 1.69x                               |
| Apollo Investment Fund VII      | Global Headquarters<br>New York, NY 10019           | USD            | 2008         | 18,351  | 6,275  | -                                     | 17,950   | 20,000,000    | 17,573,751                       | 2,421,779                               | 1,415,348                        | 3,837,127  | 886,324  | 33.0%   | 22.6%                                       | 2.02x                               |
| Apollo Investment Fund VIII     | Global Headquarters<br>New York, NY 10019           | USD            | 2013         | 195,018                                       | 46,274   | 1,256,230                             | 46,274   | 40,000,000    | 34,834,746                       | 5,459,741                               | 13,107,748                       | 18,567,489   | 8,206,195  | 19.0%   | 13.1%                                       | 1.66x                               |
| Ascribe Opportunities Fund II   | 299 Park Avenue<br>New York, NY 10171               | USD            | 2010         | -   | NP   | -                                     | NP   | 20,000,000    | 30,537,420                       | 3,159,347                               | 204,207                          | 3,363,554  | 8,561  | 9.3%  | 4.0%  | 1.20x                               |
| Ascribe Opportunities Fund III  | 299 Park Avenue<br>New York, NY 10171               | USD            | 2014         | 334,823                                       | NP   | -                                     | NP   | 30,000,000    | 49,012,976                       | 6,903,179                               | 391,849                          | 7,295,028  | 7,028  | -7.8%   | -17.2%                                      | 0.73x                               |
| Astorg VI                       | 68 rue du Faubourg Saint-<br>Honore<br>Paris, 75008 | EUR            | 2015         | 684,175                                       | 124,227  | -                                     | -  | 25,625,875    | 21,228,378                       | 5,217,520                               | 3,912,393                        | 9,129,913  | -  | 16.8%   | 14.5%                                       | 1.56x                               |
| Austin Ventures VIII            | 835 West 6th Street<br>Austin, TX 78703-5421        | USD            | 2001         | NP  | NP   | NP                                    | NP   | 8,300,000     | 8,300,000                        | -                                       | 72,375                           | 72,375   | -  | 8.5%  | 6.9%  | 1.65x                               |
| Bain Capital Asia Fund III      | 200 Clarendon Street<br>Boston, MA 02116            | USD            | 2016         | 256,185                                       | -  | 732,992                               | NP   | 15,000,000    | 16,137,739                       | 1,604,279                               | 4,721,919                        | 6,326,198  | 1,124,727  | NP  | 32.0%                                       | 1.91x                               |
| Bain Capital Double Impact Fund | 200 Clarendon Street<br>Boston, MA 02116            | USD            | 2016         | 417,021                                       | -  | -                                     | NP   | 10,000,000    | 8,169,178                        | 3,775,216                               | 3,993,720                        | 7,768,936  | 3,232,530  | NP  | 30.3%                                       | 1.93x                               |
| BC European Capital IX          | 40 Portman Square<br>London, W1H 6DA                | EUR            | 2011         | 459,230                                       | (327,511)  | (116,885)                             | (16,704)   | 18,146,966    | 19,180,654                       | 1,088,090                               | 701,864                          | 1,789,954  | 651,373  | 23.3%   | 16.6%                                       | 2.16x                               |

VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO BEFORE JANUARY 1, 2017

| Fund                                | Address  | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|-------------------------------------|--|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| BC European Capital X               | 40 Portman Square<br>London, W1H 6DA                           | EUR            | 2017         | 847,388                                       | (394,329)  | -                                     | (5,623)  | 31,651,237    | 26,843,135                       | 4,538,534                               | 661,940                          | 5,200,474  | 57,050   | 20.1%   | 19.5%                                       | 1.56x                               |
| BDCM Opportunity Fund IV            | 2187 Atlantic Street, 9th<br>Floor<br>Stamford, CT 06902       | USD            | 2015         | 446,058                                       | NP   | NP                                    | NP   | 25,000,000    | 30,909,685                       | 3,428,763                               | 6,075,593                        | 9,504,356  | 1,482,272  | NP  | 9.6%  | 1.41x                               |
| Blackstone Capital Partners V & V-S | 345 Park Avenue<br>New York, NY 10154                          | USD            | 2005         | -   | -  | 41,575                                | NP   | 19,799,726    | 19,287,044                       | 999,381                                 | 523,121                          | 1,522,502  | 373,083  | 10.4%   | 7.9%  | 1.69x                               |
| Blackstone Capital Partners VI      | 345 Park Avenue<br>New York, NY 10154                          | USD            | 2011         | 53,708  | 7,082  | 740,125                               | 7,082  | 20,000,000    | 19,266,690                       | 2,235,041                               | 4,141,860                        | 6,376,902  | 2,825,706  | 17.4%   | 12.8%                                       | 1.83x                               |
| Blackstone Energy Partners          | 345 Park Avenue<br>New York, NY 10154                          | USD            | 2011         | 12,578  | 37,659   | 1,396,838                             | 45,189   | 25,000,000    | 23,623,075                       | 2,364,145                               | 7,537,277                        | 9,901,422  | 5,745,934  | 14.4%   | 10.8%                                       | 1.64x                               |
| Blue Sea Capital Fund I             | 222 Lakeview Ave., Ste<br>1700<br>West Palm Beach, FL<br>33401 | USD            | 2013         | 66,294  | NP   | NP                                    | NP   | 10,000,000    | 9,168,182                        | 832,541                                 | 811,034                          | 1,643,575  | 995,067  | 26.5%   | 18.4%                                       | 1.97x                               |
| Carlyle Partners V                  | 1001 Pennsylvania Ave.,<br>NW<br>Washington, D.C., 20004       | USD            | 2007         | 208   | 2,944  | 40,757                                | 8,485  | 30,000,000    | 26,714,020                       | 1,064,557                               | 238,966                          | 1,303,523  | 193,480  | NP  | 13.8%                                       | 1.94x                               |
| CenterGate Capital Partners I       | 900 S. Capital of Texas<br>Hwy<br>Austin, TX 78746             | USD            | 2015         | 70,661  | 76,714   | -                                     | NP   | 10,000,000    | 4,576,238                        | 5,971,707                               | 4,264                            | 5,975,971  | -  | 37.5%   | 20.8%                                       | 1.78x                               |
| Charterhouse Capital Partners IX    | 7th Floor, Warwick Court<br>London, EC4M 7DX                   | EUR            | 2008         | 7,199   | -  | -                                     | -  | 17,652,644    | 17,664,683                       | 1                                       | 56,002                           | 56,003   | -  | 20.8%   | 9.9%  | 1.36x                               |
| CHP III                             | 230 Nassau Street<br>Princeton, NJ 08542                       | USD            | 2006         | NP  | NP   | NP                                    | NP   | 15,000,000    | 15,000,000                       | -                                       | 1,233,611                        | 1,233,611  | -  | NP  | 9.7%  | 2.19x                               |
| Coller International Partners VI    | Park House<br>London, W1K 6AF                                  | USD            | 2011         | 180,051                                       | -  | 230,143                               | -  | 25,000,000    | 18,660,764                       | 7,430,817                               | 2,339,409                        | 9,770,226  | 2,569,552  | 18.0%   | 15.5%                                       | 1.75x                               |

VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO BEFORE JANUARY 1, 2017

| Fund                             | Address  | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|----------------------------------|--|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| CVC European Equity Partners III | 111 Strand London, WC2R 0AG                      | USD            | 2001         | NP  | NP   | NP                                    | NP   | 15,000,000    | 14,776,341                       | 222,957                                 | -                                | 222,957  | -  | NP  | 41.0%                                       | 2.88x                               |
| CVC European Equity Partners IV  | 111 Strand London, WC2R 0AG                      | EUR            | 2005         | 2,567   | -  | -                                     | NP   | 26,008,211    | 23,257,642                       | 2,749,172                               | 7,635                            | 2,756,806  | -  | 22.6%   | 16.7%                                       | 2.00x                               |
| CVC European Equity Partners V   | 111 Strand London, WC2R 0AG                      | EUR            | 2008         | 2,798   | -  | 228,843                               | NP   | 18,815,039    | 18,352,938                       | 2,348,807                               | 1,764,028                        | 4,112,835  | 907,978  | 26.4%   | 16.8%                                       | 2.28x                               |
| DFJ Element                      | 565 E. Swedesford Road Wayne, PA 19087           | USD            | 2006         | NP  | NP   | NP                                    | NP   | 8,000,000     | 7,846,106                        | 164,000                                 | 42,264                           | 206,264  | 7,212  | NP  | -3.4%                                       | 0.74x                               |
| DFJ Frontier Fund II             | 3300 N. Ashton Blvd. Lehi, UT 84043              | USD            | 2007         | NP  | NP   | NP                                    | NP   | 5,000,000     | 5,002,783                        | -                                       | -                                | -  | -  | NP  | 1.0%  | 1.08x                               |
| DFJ Growth 2013                  | 2882 Sand Hill Road Menlo Park, CA 94025         | USD            | 2013         | 522,729                                       | -  | 20,735,844                            | NP   | 25,000,000    | 25,126,311                       | -                                       | 69,924,463                       | 69,924,463   | 62,216,650                                       | 0.0%  | 35.6%                                       | 5.77x                               |
| DFJ Growth III                   | 2882 Sand Hill Road Menlo Park, CA 94025         | USD            | 2017         | 357,529                                       | -  | 5,115,507                             | NP   | 15,000,000    | 13,830,000                       | 1,170,000                               | 3,313,895                        | 4,483,895  | 3,002,702  | NP  | 35.7%                                       | 2.11x                               |
| EIG Energy Fund XVI              | 600 New Hampshire Ave NW Washington, D.C., 20037 | USD            | 2013         | 229,691                                       | NP   | NP                                    | NP   | 25,000,000    | 23,629,284                       | 6,509,004                               | 2,292,200                        | 8,801,204  | 156,875  | 7.4%  | 4.8%  | 1.18x                               |
| Element Partners Fund II         | 565 E. Swedesford Road Wayne, PA 19087           | USD            | 2008         | 23,950  | NP   | NP                                    | NP   | 10,000,000    | 9,361,465                        | 636,905                                 | 72,842                           | 709,747  | 91,053   | NP  | 6.2%  | 1.52x                               |
| Encap Energy Capital Fund IX     | 1100 Louisiana Street Houston, TX 77002          | USD            | 2012         | 236,801                                       | -  | -                                     | -  | 30,000,000    | 28,980,230                       | 1,379,611                               | 866,332                          | 2,245,943  | 252,204  | 10.7%   | 7.4%  | 1.28x                               |
| Encap Energy Capital Fund VIII   | 1100 Louisiana Street Houston, TX 77002          | USD            | 2010         | 21,593  | -  | -                                     | -  | 15,000,000    | 14,933,115                       | -                                       | 274,175                          | 274,175  | 55,487   | -2.0%   | -4.3%                                       | 0.83x                               |
| Encap Energy Capital Fund X      | 1100 Louisiana Street Houston, TX 77002          | USD            | 2015         | 353,061                                       | -  | -                                     | -  | 35,000,000    | 32,452,633                       | 2,702,836                               | 5,173,573                        | 7,876,408  | 2,788,940  | 9.5%  | 6.9%  | 1.25x                               |

VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO BEFORE JANUARY 1, 2017

| Fund                                    | Address                                       | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|---|---|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| Energy Capital Partners II              | 40 Beechwood Road Summit, NJ 07901            | USD            | 2009         | NP  | NP   | NP                                    | NP   | 20,000,000    | 14,934,322                       | 5,949,821                               | -                                | 5,949,821  | -  | 15.0%   | 9.3%  | 1.45x                               |
| Energy Capital Partners III             | 40 Beechwood Road Summit, NJ 07901            | USD            | 2014         | NP  | NP   | NP                                    | NP   | 40,000,000    | 38,652,643                       | 6,472,330                               | 15,175,849                       | 21,648,179   | 2,392,844  | 15.0%   | 9.1%  | 1.43x                               |
| Essex Woodlands Health Ventures Fund IV | 335 Bryant Street Palo Alto, CA 94301         | USD            | 1998         | NP  | NP   | NP                                    | NP   | 4,000,000     | 4,000,000                        | -                                       | 43,530                           | 43,530   | -  | NP  | 7.3%  | 1.43x                               |
| Essex Woodlands Health Ventures Fund V  | 335 Bryant Street Palo Alto, CA 94301         | USD            | 2000         | NP  | NP   | NP                                    | NP   | 10,000,000    | 10,000,000                       | -                                       | -                                | -  | -  | 11.3%   | 3.6%  | 1.19x                               |
| Essex Woodlands Health Ventures Fund VI | 335 Bryant Street Palo Alto, CA 94301         | USD            | 2004         | NP  | NP   | NP                                    | NP   | 15,000,000    | 14,587,500                       | -                                       | 332,131                          | 332,131  | -  | NP  | 3.7%  | 1.40x                               |
| FIMI Opportunity V                      | 98 Yigal Alon Street Tel Aviv, 6789141        | USD            | 2012         | NP  | NP   | NP                                    | NP   | 20,000,000    | 18,194,334                       | 1,805,666                               | 10,849,104                       | 12,654,770   | 7,840,408  | NP  | 13.2%                                       | 1.93x                               |
| First Reserve Fund XI                   | First Reserve Greenwich, CT 06902             | USD            | 2006         | 6,203   | -  | -                                     | -  | 30,000,000    | 30,000,000                       | -                                       | 336,249                          | 336,249  | -  | -7.8%   | -7.9%                                       | 0.70x                               |
| First Reserve Fund XII                  | First Reserve Greenwich, CT 06902             | USD            | 2008         | 8,632   | -  | -                                     | -  | 25,000,000    | 25,990,474                       | -                                       | 192,285                          | 192,285  | -  | -15.5%  | -13.7%                                      | 0.53x                               |
| Gilde Buy-Out Fund V                    | Herculesplein 104 Utrecht, 3584 AA            | EUR            | 2016         | NP  | NP   | NP                                    | NP   | 27,121,713    | 25,598,101                       | 809,165                                 | 519,892                          | 1,329,057  | -  | 23.2%   | 21.7%                                       | 1.71x                               |
| Glendon Opportunities Fund              | 1620 26th Street Santa Monica, CA 90404       | USD            | 2014         | 272,962                                       | 14,696   | -                                     | 14,696   | 20,000,000    | 18,990,996                       | 5,846,683                               | 8,372,457                        | 14,219,141   | -  | NP  | 7.7%  | 1.85x                               |
| Green Equity Investors V                | 11111 Santa Monica Blvd Los Angeles, CA 90025 | USD            | 2007         | 52,918  | 2,653  | 1,350,994                             | NP   | 20,000,000    | 18,343,638                       | 1,731,094                               | 8,127,294                        | 9,858,388  | 6,755,860  | 24.3%   | 19.5%                                       | 2.59x                               |
| Green Equity Investors VI               | 11112 Santa Monica Blvd Los Angeles, CA 90025 | USD            | 2012         | 110,313                                       | 14,927   | 285,415                               | -  | 20,000,000    | 18,486,311                       | 1,592,824                               | 1,708,334                        | 3,301,158  | 1,093,277  | 24.2%   | 18.6%                                       | 2.51x                               |

VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO BEFORE JANUARY 1, 2017

| Fund                                     | Address   | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|--|---|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| Green Equity Investors VII               | 11113 Santa Monica Blvd<br>Los Angeles, CA 90025  | USD            | 2017         | 343,576                                       | 7,247  | 443,255                               | -  | 25,000,000    | 22,141,341                       | 7,916,267                               | 5,442,478                        | 13,358,745   | 1,902,707  | 39.3%   | 30.2%                                       | 2.37x                               |
| GTCR Fund VIII                           | 300 N. LaSalle St., Suite<br>5600<br>Chicago, IL 60654  | USD            | 2003         | 11,644  | -  | -                                     | -  | 20,000,000    | 18,520,960                       | 1,495,040                               | -                                | 1,495,040  | -  | NP  | 22.3%                                       | 1.75x                               |
| Halifax Capital Partners II              | 1133 Connecticut<br>Avenue, NW Suite 300<br>Washington, D.C., 20036   | USD            | 2005         | 4,239   | -  | -                                     | -  | 10,000,000    | 8,104,233                        | 1,895,767                               | -                                | 1,895,767  | -  | 18.0%   | 7.5%  | 1.34x                               |
| Harvest Partners VII                     | 280 Park Avenue<br>New York, NY 10017   | USD            | 2016         | NP  | NP   | NP                                    | NP   | 20,000,000    | 19,365,265                       | 1,013,818                               | -                                | 1,013,818  | -  | 24.5%   | 21.4%                                       | 1.81x                               |
| Hellman & Friedman Capital Partners VI   | 415 Mission Street<br>San Francisco, CA 94105   | USD            | 2006         | NP  | NP   | NP                                    | NP   | 20,000,000    | 19,344,481                       | 578,558                                 | 639,216                          | 1,217,774  | 349,943  | 18.0%   | 12.9%                                       | 1.87x                               |
| Hellman & Friedman Capital Partners VII  | 415 Mission Street<br>San Francisco, CA 94105   | USD            | 2011         | 142,222                                       | (117,560)  | 5,367,867                             | 430  | 20,000,000    | 19,109,150                       | 889,501                                 | 24,619,502                       | 25,509,003   | 26,394,817                                       | 31.0%   | 25.0%                                       | 3.33x                               |
| Hellman & Friedman Capital Partners VIII | 415 Mission Street<br>San Francisco, CA 94105   | USD            | 2016         | 135,085                                       | 662  | 141,086                               | 662  | 20,000,000    | 19,707,945                       | 1,083,697                               | 3,631,864                        | 4,715,561  | 1,622,168  | 29.0%   | 25.4%                                       | 2.04x                               |
| High Road Capital Partners Fund II       | 1251 Avenue of the<br>Americas<br>New York, NY 10020  | USD            | 2013         | 157,878                                       | 157,205  | 1,382,827                             | NP   | 25,000,000    | 19,725,617                       | 5,275,876                               | 8,365,031                        | 13,640,907   | 7,082,388  | 22.3%   | 15.7%                                       | 1.81x                               |
| Hony Capital Fund V                      | 6th floor, South Tower C,<br>Raycom InfoTech Park,<br>No. 2, Ke Xue Yuan Nan<br>Lu, Haidian District<br>Beijing, 100190 | USD            | 2011         | 317,379                                       | NP   | NP                                    | NP   | 25,000,000    | 26,030,842                       | 2,053,272                               | 6,223,818                        | 8,277,091  | -  | 2.0%  | -1.1%                                       | 0.92x                               |
| Incline Equity Partners IV               | EQT Plaza – Suite 2300<br>Pittsburgh, PA 15222  | USD            | 2017         | 86,362  | 86,860   | 171,423                               | 107,381  | 10,000,000    | 7,808,793                        | 2,906,388                               | 3,724,846                        | 6,631,233  | -  | 39.4%   | 26.9%                                       | 1.65x                               |
| Insight Venture Partners IX              | 1114 Avenue of the<br>Americas<br>New York, NY 10036  | USD            | 2015         | 418,356                                       | 9,029  | 1,715,973                             | -  | 25,000,000    | 25,581,482                       | 1,015,445                               | 11,455,518                       | 12,470,963   | 11,829,390                                       | 45.0%   | 36.3%                                       | 4.26x                               |

VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO BEFORE JANUARY 1, 2017

| Fund                                  | Address  | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
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| Insight Venture Partners VIII         | 1114 Avenue of the Americas<br>New York, NY 10036  | USD            | 2013         | 125,416                                       | 5,360  | 3,484,470                             | NP   | 20,000,000    | 19,814,198                       | 408,345                                 | 13,757,438                       | 14,165,783   | 14,923,612                                       | 28.0%   | 22.5%                                       | 3.23x                               |
| Institutional Venture Partners XV     | 3000 Sand Hill Road<br>Menlo Park, CA 94025        | USD            | 2015         | 504,377                                       | 116  | NP                                    | NP   | 20,000,000    | 20,000,000                       | -                                       | 21,104,465                       | 21,104,465   | 20,889,300                                       | NP  | 33.8%                                       | 3.24x                               |
| J.H. Whitney VII                      | 130 Main Street<br>New Canaan, CT 06840            | USD            | 2010         | 27,885  | 125,324  | 733,885                               | NP   | 25,000,000    | 24,652,068                       | 553,517                                 | 5,706,772                        | 6,260,289  | 3,914,415  | 19.7%   | 14.1%                                       | 2.05x                               |
| Kelso Investment Associates VII       | 320 Park Avenue, 24th floor<br>New York, NY 10022  | USD            | 2003         | NP  | NP   | -                                     | NP   | 18,000,000    | 17,131,163                       | -                                       | -                                | -  | -  | 17.2%   | 12.5%                                       | 1.70x                               |
| Kelso Investment Associates VIII      | 320 Park Avenue, 24th floor<br>New York, NY 10022  | USD            | 2007         | 31,211  | -  | 205,390                               | 13,663   | 20,000,000    | 18,974,646                       | 1,035,430                               | 1,899,122                        | 2,934,552  | 510,243  | 11.6%   | 7.1%  | 1.45x                               |
| Khosla Ventures IV                    | 2128 Sand Hill Road<br>Menlo Park, CA 94025        | USD            | 2011         | NP  | -  | NP                                    | NP   | 20,000,000    | 19,620,000                       | 380,000                                 | 15,839,212                       | 16,219,212   | 16,618,490                                       | 35.9%   | 26.7%                                       | 4.63x                               |
| KKR 2006 Fund                         | 30 Hudson Yards<br>New York, NY 10001              | USD            | 2006         | 5,661   | NP   | 479,983                               | NP   | 30,000,000    | 30,252,454                       | 494,468                                 | 4,178,519                        | 4,672,987  | 2,806,830  | 12.0%   | 9.4%  | 1.86x                               |
| KKR European Fund II                  | 30 Hudson Yards<br>New York, NY 10001              | USD            | 2005         | 727   | NP   | -                                     | NP   | 15,000,000    | 15,497,844                       | -                                       | -                                | -  | -  | NP  | 4.7%  | 1.36x                               |
| KPS Special Situations Fund IV        | 485 Lexington Ave., 31st Flr<br>New York, NY 10017 | USD            | 2014         | 35,046  | 180,626  | 5                                     | NP   | 25,000,000    | 21,233,258                       | 3,398,287                               | 15,804                           | 3,414,090  | -  | 40.1%   | 22.2%                                       | 1.66x                               |
| Levine Leichtman Capital Partners III | 345 North Maple Drive<br>Beverly Hills, CA 90210   | USD            | 2003         | NP  | NP   | NP                                    | NP   | 20,000,000    | 21,392,254                       | -                                       | 97,880                           | 97,880   | 97,880   | NP  | 10.0%                                       | 1.56x                               |
| Levine Leichtman Capital Partners IV  | 345 North Maple Drive<br>Beverly Hills, CA 90210   | USD            | 2008         | NP  | -  | NP                                    | NP   | 20,000,000    | 16,448,126                       | 3,652,523                               | 7,224                            | 3,659,747  | 7,224  | NP  | 18.0%                                       | 1.93x                               |
| Levine Leichtman Capital Partners V   | 345 North Maple Drive<br>Beverly Hills, CA 90210   | USD            | 2013         | 518,887                                       | -  | 3,221,158                             | NP   | 30,000,000    | 30,531,362                       | 3,448,894                               | 19,319,266                       | 22,768,161   | 11,568,772                                       | NP  | 17.3%                                       | 2.23x                               |

VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO BEFORE JANUARY 1, 2017

| Fund                                 | Address  | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
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| Lindsay Goldberg III                 | 630 Fifth Avenue<br>New York, NY 10111           | USD            | 2008         | 11,207  | -  | 64,116                                | -  | 20,000,000    | 19,209,236                       | 850,420                                 | 39,003                           | 889,423  | 39,003   | NP  | 8.1%  | 1.36x                               |
| Longitude Venture Partners III       | 2740 Sand Hill Road<br>Menlo Park, CA 94025      | USD            | 2016         | 179,667                                       | 22,011   | 171,048                               | 22,011   | 10,000,000    | 9,449,622                        | 1,425,318                               | 4,768,965                        | 6,194,283  | 603,114  | 35.0%   | 22.6%                                       | 1.58x                               |
| Madison Dearborn Capital Partners IV | 70 W. Madison Street<br>Chicago, IL 60602        | USD            | 2000         | 6,000   | -  | 218                                   | NP   | 25,000,000    | 25,199,114                       | 651,339                                 | 228,576                          | 879,915  | -  | 19.2%   | 14.1%                                       | 1.91x                               |
| Menlo Ventures IX                    | 2884 Sand Hill Road<br>Menlo Park, CA 94025      | USD            | 2001         | 745   | -  | 69,300                                | NP   | 20,000,000    | 20,000,000                       | -                                       | -                                | -  | -  | NP  | 0.6%  | 1.04x                               |
| Nautic Partners V                    | 50 Kennedy Plaza<br>Providence, RI 02903         | USD            | 2000         | 828   | NP   | (0)                                   | (1)  | 15,000,000    | 14,426,866                       | 477,187                                 | -                                | 477,187  | -  | 27.7%   | 17.0%                                       | 2.13x                               |
| New Enterprise Associates 13         | 5425 Wisconsin Ave<br>Chevy Chase, MD 20815      | USD            | 2009         | 133,510                                       | 73,300   | 5,260,799                             | 1,202  | 15,000,000    | 15,000,000                       | -                                       | 12,399,219                       | 12,399,219   | 11,529,441                                       | 21.4%   | 17.9%                                       | 2.78x                               |
| New Enterprise Associates 15         | 5425 Wisconsin Ave<br>Chevy Chase, MD 20815      | USD            | 2015         | 240,778                                       | 20,286   | -                                     | 3,050  | 20,000,000    | 18,900,000                       | 1,100,000                               | 3,522,797                        | 4,622,797  | 2,411,043  | 36.4%   | 28.3%                                       | 2.97x                               |
| New Mountain Partners III            | 787 7th Avenue<br>New York, NY 10019             | USD            | 2007         | NP  | NP   | NP                                    | 8,220  | 20,000,000    | 18,749,195                       | 1,284,102                               | 6,957,364                        | 8,241,466  | 5,295,630  | NP  | 14.8%                                       | 2.62x                               |
| New Water Capital                    | 2424 N Federal Hwy #418<br>Boca Raton, FL 33431  | USD            | 2015         | 57,720  | NP   | NP                                    | NP   | 10,000,000    | 9,508,478                        | 2,641,464                               | 5,286,666                        | 7,928,130  | 3,568,489  | 24.4%   | 17.8%                                       | 1.80x                               |
| NewBridge Asia IV                    | 345 California Street<br>San Francisco, CA 94104 | USD            | 2005         | 15,210  | -  | 36,014                                | NP   | 10,000,000    | 9,846,880                        | 655,734                                 | 185,070                          | 840,804  | -  | 23.0%   | 16.8%                                       | 2.23x                               |
| NGEN III                             | 733 Third Avenue<br>New York, NY 10017           | USD            | 2008         | 97,772  | -  | NP                                    | NP   | 10,000,000    | 11,253,605                       | 112,721                                 | 1,436,337                        | 1,549,058  | -  | NP  | -0.8%                                       | 0.93x                               |
| NGP Natural Resources XI             | 2850 N. Harwood Street<br>Dallas, TX 75201       | USD            | 2014         | 268,065                                       | 502  | -                                     | NP   | 25,000,000    | 24,530,881                       | 749,989                                 | 1,493,823                        | 2,243,812  | (548,298)  | 6.0%  | 2.9%  | 1.10x                               |

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| Nordic Capital V              | Mäster Samuelsgatan 21<br>Stockholm, SE - 111 44 | EUR            | 2003         | NP  | NP   | NP                                    | NP   | 14,043,460    | 14,309,865                       | -                                       | 60,328                           | 60,328   | (82,938)   | NP  | 20.8%                                       | 2.97x                               |
| Oak HC-FT Partners            | Three Pickwick Plaza<br>Greenwich, CT 06830      | USD            | 2014         | 227,065                                       | -  | -                                     | -  | 10,000,000    | 9,567,180                        | 432,820                                 | 2,433,940                        | 2,866,760  | 1,551,553  | 35.8%   | 27.8%                                       | 2.80x                               |
| Oak Investment Partners XII   | Three Pickwick Plaza<br>Greenwich, CT 06830      | USD            | 2006         | NP  | NP   | NP                                    | NP   | 15,000,000    | 14,999,762                       | -                                       | 1,887,006                        | 1,887,006  | 1,316,719  | NP  | -0.7%                                       | 0.96x                               |
| Oaktree Opportunities Fund X  | 333 South Grand Avenue<br>Los Angeles, CA 90071  | USD            | 2015         | 123,115                                       | 74   | (13,174)                              | 1,735  | 7,500,000     | 6,225,000                        | 1,275,000                               | 1,226,250                        | 2,501,250  | -  | 15.8%   | 9.6%  | 1.40x                               |
| Oaktree Opportunities Fund Xb | 333 South Grand Avenue<br>Los Angeles, CA 90071  | USD            | 2018         | 432,543                                       | 3,924  | 71,907                                | 8,952  | 17,500,000    | 10,500,000                       | 7,000,000                               | -                                | 7,000,000  | -  | 26.3%   | 17.9%                                       | 1.29x                               |
| OCM Opportunities Fund VII    | 333 South Grand Avenue<br>Los Angeles, CA 90071  | USD            | 2007         | 3,160   | -  | -                                     | -  | 10,000,000    | 10,000,000                       | -                                       | 9,727                            | 9,727  | -  | 10.0%   | 7.3%  | 1.38x                               |
| OCM Opportunities Fund VIIb   | 333 South Grand Avenue<br>Los Angeles, CA 90071  | USD            | 2008         | 1,065   | -  | 2,314                                 | -  | 10,000,000    | 9,000,000                        | 500,000                                 | 10,327                           | 510,327  | -  | 21.8%   | 16.5%                                       | 1.73x                               |
| Onex Partners                 | 161 Bay Street<br>Toronto, M5J2S1                | USD            | 2003         | NP  | NP   | NP                                    | NP   | 20,000,000    | 19,048,408                       | 935,344                                 | -                                | 935,344  | -  | NP  | 38.4%                                       | 3.07x                               |
| Palladium Equity Partners III | Rockefeller Center<br>New York, NY 10020         | USD            | 2004         | NP  | (0)  | NP                                    | NP   | 10,000,000    | 9,918,364                        | 72,759                                  | 197,377                          | 270,136  | 6,420  | 21.6%   | 11.2%                                       | 1.80x                               |
| Palladium Equity Partners IV  | Rockefeller Center<br>New York, NY 10020         | USD            | 2012         | 229,945                                       | 38,953   | -                                     | 43,181   | 25,000,000    | 25,767,567                       | 1,669,593                               | 545,517                          | 2,215,110  | -  | 17.1%   | 9.7%  | 1.43x                               |
| Permira Europe III            | 80 PALL MALL<br>London, SW1Y5ES                  | EUR            | 2003         | 1,891   | -  | -                                     | -  | 21,506,160    | 21,515,354                       | -                                       | -                                | -  | -  | 29.0%   | 26.1%                                       | 1.72x                               |
| Pharos Capital Partners II-A  | 8 Cadillac Drive<br>Brentwood, TN 37027          | USD            | 2004         | 55,826  | -  | -                                     | NP   | 5,000,000     | 5,000,000                        | -                                       | -                                | -  | -  | 8.3%  | 1.8%  | 1.15x                               |

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| Platinum Equity Capital Partners III | 360 N. Crescent Dr. Beverly Hills, CA 90210       | USD            | 2011         | NP  | NP   | NP                                    | NP   | 25,000,000    | 19,947,664                       | 5,396,339                               | 8,055,650                        | 13,451,989   | 6,500,176  | 51.1%   | 31.6%                                       | 2.34x                               |
| Platinum Equity Capital Partners IV  | 360 N. Crescent Dr. Beverly Hills, CA 90210       | USD            | 2016         | 64,026  | -  | 223,597                               | -  | 15,000,000    | 14,015,494                       | 2,841,565                               | 1,347,964                        | 4,189,529  | 1,062,708  | 35.8%   | 27.7%                                       | 1.94x                               |
| Polaris Partners VII                 | One Marina Park Drive Boston, MA 02210            | USD            | 2014         | NP  | NP   | NP                                    | NP   | 25,000,000    | 23,125,000                       | 1,875,000                               | -                                | 1,875,000  | -  | NP  | 17.8%                                       | 2.15x                               |
| Polaris Partners VIII                | One Marina Park Drive Boston, MA 02210            | USD            | 2016         | NP  | NP   | NP                                    | NP   | 10,000,000    | 8,100,000                        | 1,900,000                               | 1,781,216                        | 3,681,216  | 1,603,094  | NP  | 29.3%                                       | 1.99x                               |
| Polaris Venture Partners V           | One Marina Park Drive Boston, MA 02210            | USD            | 2006         | (22,564)                                      | NP   | NP                                    | NP   | 15,000,000    | 14,700,000                       | 300,000                                 | 1,786,084                        | 2,086,084  | 1,548,900  | NP  | 9.1%  | 1.94x                               |
| Polaris Venture Partners VI          | One Marina Park Drive Boston, MA 02210            | USD            | 2010         | NP  | NP   | NP                                    | NP   | 15,000,000    | 13,125,000                       | 1,875,000                               | 2,939,583                        | 4,814,583  | 2,498,237  | NP  | 18.3%                                       | 2.68x                               |
| Providence Debt Fund III             | 50 Kennedy Plaza, 18th Floor Providence, RI 02903 | USD            | 2013         | NP  | NP   | NP                                    | NP   | 30,000,000    | 32,098,772                       | 13,417,576                              | 6,666,779                        | 20,084,355   | -  | 8.2%  | 6.8%  | 1.58x                               |
| Providence Equity Partners V         | 50 Kennedy Plaza, 18th Floor Providence, RI 02903 | USD            | 2005         | 2,671   | -  | -                                     | -  | 18,000,000    | 16,415,595                       | 1,584,405                               | 184,345                          | 1,768,750  | -  | 5.0%  | 3.2%  | 1.25x                               |
| Providence Equity Partners VI        | 50 Kennedy Plaza, 18th Floor Providence, RI 02903 | USD            | 2007         | 117,554                                       | -  | -                                     | -  | 30,000,000    | 28,959,198                       | 1,112,233                               | 8,332,880                        | 9,445,113  | 6,092,809  | 8.0%  | 5.7%  | 1.46x                               |
| Saybrook Corporate Opportunity Fund  | 85 Indian Rock Road New Canaan, CT 06840          | USD            | 2007         | 26,190  | -  | -                                     | NP   | 6,192,813     | 6,321,092                        | 780,144                                 | -                                | 780,144  | -  | NP  | 8.1%  | 1.42x                               |
| Searchlight Capital II               | 745 Fifth Avenue New York, NY 10151               | USD            | 2015         | 240,343                                       | 35,174   | 2,707,357                             | 19,815   | 25,000,000    | 20,512,471                       | 7,354,723                               | 18,721,651                       | 26,076,374   | 18,951,905                                       | 35.0%   | 24.7%                                       | 2.14x                               |
| Spark Capital                        | 137 Newbury St. #8 Boston, MA 02116               | USD            | 2005         | NP  | -  | -                                     | NP   | 9,000,000     | 8,820,000                        | 180,000                                 | -                                | 180,000  | -  | 16.9%   | 8.2%  | 1.40x                               |

VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO BEFORE JANUARY 1, 2017

| Fund                                  | Address   | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|---------------------------------------|---|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| Spark Capital Growth Fund             | 137 Newbury St. #8 Boston, MA 02116                 | USD            | 2014         | NP  | NP   | 81,786                                | NP   | 10,000,000    | 10,000,000                       | -                                       | 6,176,514                        | 6,176,514  | 5,144,623  | 35.7%   | 26.2%                                       | 3.52x                               |
| Spark Capital Growth Fund II          | 137 Newbury St. #8 Boston, MA 02116                 | USD            | 2017         | NP  | NP   | 865,090                               | NP   | 15,000,000    | 14,100,000                       | 900,000                                 | 4,056,556                        | 4,956,556  | 3,954,487  | 59.5%   | 40.8%                                       | 2.43x                               |
| Spark Capital II                      | 137 Newbury St. #8 Boston, MA 02116                 | USD            | 2008         | NP  | -  | -                                     | NP   | 9,750,000     | 9,750,000                        | -                                       | -                                | -  | -  | 72.2%   | 52.4%                                       | 6.97x                               |
| Spark Capital III                     | 137 Newbury St. #8 Boston, MA 02116                 | USD            | 2011         | NP  | NP   | -                                     | NP   | 10,000,000    | 10,000,000                       | -                                       | -                                | -  | -  | 46.9%   | 33.9%                                       | 4.90x                               |
| Spire Capital Partners III            | 1500 Broadway #1811 New York, NY 10036              | USD            | 2013         | 99,399  | 23,861   | 1                                     | NP   | 10,000,000    | 10,060,708                       | 1,787,729                               | 56,680                           | 1,844,409  | 56,680   | 14.3%   | 8.3%  | 1.33x                               |
| SSG Capital Partners II               | 15 Queen's Road Hong Kong,                          | USD            | 2012         | 21,521  | NP   | -                                     | NP   | 15,914,286    | 15,287,483                       | 1,258,258                               | 2,533,475                        | 3,791,733  | (2,300,725)                                      | 8.1%  | 4.1%  | 1.17x                               |
| St. Cloud Capital Partners II         | 10866 Wilshire Blvd, Ste 1450 Los Angeles, CA 90024 | USD            | 2007         | NP  | -  | -                                     | NP   | 5,000,000     | 4,989,085                        | 149,623                                 | -                                | 149,623  | -  | NP  | -3.8%                                       | 0.85x                               |
| StarVest Partners II                  | 650 Madison Ave, 20th Floor New York, NY 10022      | USD            | 2007         | 35,233  | -  | -                                     | -  | 5,000,000     | 4,965,849                        | 52,266                                  | 119,615                          | 171,881  | -  | NP  | -1.1%                                       | 0.91x                               |
| StepStone Secondary Opportunities III | 4275 Executive Square La Jolla, CA 92037            | USD            | 2016         | NP  | NP   | NP                                    | NP   | 25,000,000    | 25,809,830                       | 7,035,168                               | 6,544,779                        | 13,579,947   | 2,595,391  | 25.0%   | 18.7%                                       | 1.79x                               |
| Sterling Venture Partners II          | 401 N. Michigan Ave Chicago, IL 60611               | USD            | 2005         | 25,641  | 5,361  | (0)                                   | -  | 8,000,000     | 8,006,256                        | -                                       | 148,786                          | 148,786  | -  | 5.1%  | 3.3%  | 1.26x                               |
| Stripes III                           | 402 West 13th Street New York, NY 10014             | USD            | 2015         | 198,936                                       | -  | 335,487                               | -  | 10,000,000    | 12,179,349                       | 814,272                                 | 1,410,260                        | 2,224,532  | 1,187,994  | 38.3%   | 31.4%                                       | 3.90x                               |
| Sunstone Partners I                   | 400 S El Camino Real San Mateo, CA 94402            | USD            | 2015         | 200,166                                       | 12,913   | -                                     | NP   | 7,500,000     | 6,545,536                        | 958,109                                 | 1,544,264                        | 2,502,373  | -  | NP  | 37.8%                                       | 2.21x                               |

VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO BEFORE JANUARY 1, 2017

| Fund   | Address   | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|--|---|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| TA XI  | 200 Clarendon Street<br>Boston, MA 02116          | USD            | 2010         | 63,564  | 823  | 2,545,750                             | NP   | 20,000,000    | 19,778,812                       | 300,000                                 | 13,767,532                       | 14,067,532   | 11,461,385                                       | NP  | 27.1%                                       | 3.68x                               |
| TA XII-A                                       | 200 Clarendon Street<br>Boston, MA 02116          | USD            | 2016         | 399,866                                       | 8,696  | 2,520,652                             | NP   | 25,000,000    | 24,978,785                       | 250,000                                 | 9,297,865                        | 9,547,865  | 6,625,347  | 57.4%   | 43.0%                                       | 2.76x                               |
| TCV IX   | 250 Middlefield Road<br>Menlo Park, CA 94025      | USD            | 2016         | 228,414                                       | -  | -                                     | NP   | 10,000,000    | 7,938,000                        | 2,062,000                               | 3,168,065                        | 5,230,065  | -  | 44.6%   | 41.7%                                       | 2.75x                               |
| TCV V  | 250 Middlefield Road<br>Menlo Park, CA 94025      | USD            | 2004         | NP  | NP   | NP                                    | NP   | 19,500,000    | 19,334,250                       | 165,750                                 | 294,389                          | 460,139  | -  | 14.7%   | 10.7%                                       | 1.87x                               |
| TCV VII  | 250 Middlefield Road<br>Menlo Park, CA 94025      | USD            | 2008         | 81,948  | (74,701)   | 1,142,404                             | -  | 20,000,000    | 19,689,394                       | 320,000                                 | 3,458,003                        | 3,778,003  | 2,471,010  | 31.4%   | 23.4%                                       | 3.17x                               |
| TCV VIII                                       | 250 Middlefield Road<br>Menlo Park, CA 94025      | USD            | 2014         | 555,028                                       | -  | -                                     | NP   | 30,000,000    | 26,152,505                       | 3,847,495                               | -                                | 3,847,495  | -  | 24.8%   | 20.3%                                       | 2.76x                               |
| TCW Crescent Mezzanine Partners V              | 11100 Santa Monica Blvd.<br>Los Angeles, CA 90025 | USD            | 2007         | NP  | NP   | NP                                    | NP   | 10,000,000    | 9,625,012                        | 708,308                                 | 789,825                          | 1,498,133  | 508,297  | NP  | 9.7%  | 1.39x                               |
| The Baring Asia Private Equity Fund VI, L.P. 1 | Suite 3801 Two IFC<br>Hong Kong,                  | USD            | 2015         | 544,255                                       | NP   | -                                     | -  | 25,000,000    | 26,061,623                       | 2,629,252                               | 2,382,116                        | 5,011,369  | 2,019,140  | 24.0%   | 20.1%                                       | 2.01x                               |
| Thoma Bravo Fund XI                            | 150 N. Riverside Plaza<br>Chicago, IL 60606       | USD            | 2014         | 154,464                                       | 58,264   | 1,189,470                             | (722,538)  | 15,000,000    | 13,400,392                       | 1,601,735                               | 6,263,524                        | 7,865,259  | 5,036,411  | 39.6%   | 31.8%                                       | 4.14x                               |
| Thoma Bravo Fund XII                           | 150 N. Riverside Plaza<br>Chicago, IL 60606       | USD            | 2016         | 183,644                                       | 170,935  | 405,405                               | (431,096)  | 25,000,000    | 26,413,456                       | 4,405,481                               | 4,878,853                        | 9,284,334  | 1,550,366  | 25.5%   | 18.8%                                       | 2.04x                               |
| Thoma Bravo Special Opportunities Fund II      | 150 N. Riverside Plaza<br>Chicago, IL 60606       | USD            | 2015         | 14,333  | 67,781   | 163,298                               | NP   | 10,000,000    | 9,200,691                        | 855,922                                 | 1,454,769                        | 2,310,691  | 150,702  | 26.3%   | 20.6%                                       | 2.51x                               |
| Threshold Ventures II                          | 2882 Sand Hill Road<br>Menlo Park, CA 94025       | USD            | 2016         | 265,776                                       | -  | -                                     | NP   | 10,000,000    | 9,510,000                        | 490,000                                 | -                                | 490,000  | -  | 47.0%   | 35.3%                                       | 2.60x                               |

VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO BEFORE JANUARY 1, 2017

| Fund  | Address   | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|---|---|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| TPG Growth II                               | 345 California Street<br>San Francisco, CA 94104        | USD            | 2011         | 158,968                                       | -  | 1,638,456                             | NP   | 30,000,000    | 29,801,737                       | 1,036,117                               | 9,845,616                        | 10,881,733   | 7,856,065  | 22.0%   | 18.1%                                       | 2.37x                               |
| TPG Partners IV                             | 345 California Street<br>San Francisco, CA 94104        | USD            | 2003         | 7,562   | -  | 60,946                                | NP   | 25,000,000    | 27,436,973                       | 106,723                                 | 247,539                          | 354,262  | 153,877  | 20.0%   | 15.2%                                       | 1.92x                               |
| TPG Partners V                              | 345 California Street<br>San Francisco, CA 94104        | USD            | 2006         | NP  | NP   | NP                                    | NP   | 30,000,000    | 31,415,182                       | 584,242                                 | 534,008                          | 1,118,250  | 372,027  | 6.0%  | 4.8%  | 1.36x                               |
| TPG Partners VI                             | 345 California Street<br>San Francisco, CA 94104        | USD            | 2008         | 15,760  | -  | 314,077                               | NP   | 22,500,000    | 24,691,367                       | 638,832                                 | 2,053,062                        | 2,691,894  | 1,638,253  | 14.0%   | 9.6%  | 1.50x                               |
| TPG STAR                                    | 345 California Street<br>San Francisco, CA 94104        | USD            | 2006         | 15,176  | -  | -                                     | NP   | 20,000,000    | 21,635,099                       | 1,711                                   | 727,806                          | 729,517  | 21,447   | 13.0%   | 6.2%  | 1.29x                               |
| Trident Capital Fund-V                      | 400 S. El Camino Real<br>San Mateo, CA 94402            | USD            | 2000         | NP  | NP   | NP                                    | NP   | 14,369,679    | 14,001,728                       | -                                       | -                                | -  | -  | NP  | 8.6%  | 1.73x                               |
| Trident Capital Fund-VI                     | 400 S. El Camino Real<br>San Mateo, CA 94402            | USD            | 2005         | NP  | -  | NP                                    | NP   | 8,500,000     | 8,500,000                        | -                                       | 90,046                           | 90,046   | -  | NP  | 5.3%  | 1.66x                               |
| VantagePoint Venture Partners IV            | 1111 Bayhill Drive<br>San Bruno, CA 94066               | USD            | 2000         | NP  | NP   | NP                                    | NP   | 15,000,000    | 15,000,000                       | -                                       | 1,115,256                        | 1,115,256  | -  | NP  | -0.5%                                       | 0.96x                               |
| Vestar Capital Partners IV                  | 245 Park Avenue<br>New York, NY 10167                   | USD            | 1999         | 1,731   | -  | -                                     | -  | 17,000,000    | 16,585,106                       | 17,714                                  | -                                | 17,714   | -  | 20.0%   | 13.4%                                       | 1.77x                               |
| Vicente Capital Partners Growth Equity Fund | 11726 San Vicente<br>Boulevard<br>Los Angeles, CA 90049 | USD            | 2007         | NP  | NP   | NP                                    | NP   | 10,000,000    | 10,093,708                       | -                                       | 1,820,011                        | 1,820,011  | 498,502  | NP  | 5.7%  | 1.40x                               |
| Vista Equity Partners Fund III              | 401 Congress Avenue<br>Austin, TX 78701                 | USD            | 2007         | 38,390  | -  | (485,270)                             | NP   | 25,000,000    | 23,269,637                       | 1,947,291                               | -                                | 1,947,291  | -  | 35.8%   | 26.7%                                       | 2.71x                               |
| Vista Equity Partners Fund IV               | 401 Congress Avenue<br>Austin, TX 78701                 | USD            | 2011         | 215,102                                       | -  | 2,933,883                             | NP   | 30,000,000    | 25,571,062                       | 4,686,999                               | 13,527                           | 4,700,526  | 12,971   | 20.6%   | 15.8%                                       | 2.21x                               |

**VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO BEFORE JANUARY 1, 2017**

| Fund                              | Address  | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|-----------------------------------|--|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| Vista Equity Partners Fund V      | 401 Congress Avenue<br>Austin, TX 78701                | USD            | 2014         | 395,460                                       | 24,702   | 1,761,436                             | -  | 40,000,000    | 40,163,490                       | 8,892,484                               | -                                | 8,892,484  | -  | 28.8%   | 21.7%                                       | 2.79x                               |
| Vista Equity Partners Fund VI     | 401 Congress Avenue<br>Austin, TX 78701                | USD            | 2016         | 468,359                                       | 1,524  | 2,713,356                             | -  | 30,000,000    | 34,531,498                       | 4,641,690                               | 12,104,832                       | 16,746,522   | 11,223,901                                       | 28.9%   | 22.2%                                       | 2.24x                               |
| Vista Foundation Fund II          | 401 Congress Avenue<br>Austin, TX 78701                | USD            | 2013         | 130,219                                       | -  | 592,414                               | -  | 10,000,000    | 8,982,150                        | 4,980,680                               | 1,910,389                        | 6,891,069  | 1,899,853  | 23.8%   | 17.1%                                       | 3.22x                               |
| Vista Foundation Fund III         | 401 Congress Avenue<br>Austin, TX 78701                | USD            | 2016         | 207,038                                       | 12,008   | 1,825,333                             | -  | 10,000,000    | 11,010,216                       | 2,775,997                               | 7,501,005                        | 10,277,002   | 6,282,168  | 40.3%   | 28.6%                                       | 2.29x                               |
| Wynnchurch Capital Partners IV    | 6250 North River Road<br>Rosemont, IL 60018            | USD            | 2015         | 89,876  | 46,202   | 127,195                               | 57,824   | 10,000,000    | 8,895,796                        | 1,068,660                               | 1,390,351                        | 2,459,011  | 75,693   | 42.8%   | 31.7%                                       | 2.25x                               |
| Yucaipa American Alliance Fund I  | 9130 West Sunset<br>Boulevard<br>Los Angeles, CA 90069 | USD            | 2002         | NP  | NP   | NP                                    | NP   | 10,000,000    | 10,000,000                       | -                                       | -                                | -  | -  | NP  | 3.8%  | 1.25x                               |
| Yucaipa American Alliance Fund II | 9130 West Sunset<br>Boulevard<br>Los Angeles, CA 90069 | USD            | 2008         | NP  | NP   | NP                                    | NP   | 20,000,000    | 20,160,070                       | 20                                      | 2,516,478                        | 2,516,498  | 1,359,497  | NP  | 8.7%  | 1.96x                               |

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
CA GOVERNMENT CODE §7514.7 DISCLOSURE REPORT FOR ALTERNATIVE INVESTMENT VEHICLES  
FOR FISCAL YEAR ENDING JUNE 30, 2021

MANDATORY DISCLOSURE BY FUNDS COMMITTED TO ON OR AFTER JANUARY 1, 2017

| Fund  | Address   | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|---|---|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| Asana Partners Fund II                          | 1616 Camden Road Suite 210 Charlotte, NC 28203            | USD            | 2017         | 437,500                                       | -  | -                                     | -  | 35,000,000    | 12,556,250                       | 13,326,794                              | -                                | 13,326,794   | (1,591,160)                                      | -   | -   | 1.06x                               |
| Broadview Real Estate Partners Fund LP          | 300 Atlantic Street Suite 310 Stamford, CT 06901          | USD            | 2019         | 300,000                                       | 40,147   | -                                     | -  | 20,000,000    | 2,718,839                        | 2,621,529                               | 393,604                          | 3,015,133  | 378,305  | -   | -   | 1.11x                               |
| Cerberus Institutional Real Estate Partners V   | 875 Third Avenue NY, NY 10022                             | USD            | 2021         | 821,031                                       | -  | -                                     | (1,166)  | 40,000,000    | 10,585,184                       | 10,411,400                              | -                                | 10,411,400   | 66,950   | N/A   | -   | 0.98x                               |
| GLP Capital Partners IV                         | 100 Wilshire Blvd #1400, Santa Monica, CA 90401           | USD            | 2021         | 429,808                                       | -  | -                                     | -  | 40,000,000    | 25,800,094                       | 24,315,780                              | 320,130                          | 24,635,910   | (2,270)  | -   | -   | 0.95x                               |
| Heitman Asia-Pacific Property Investors         | 1745 Shea Center Dr., Suite 400 Highlands Ranch, CO 80129 | USD            | 2017         | 140,748                                       | -  | -                                     | -  | 25,000,000    | 21,732,939                       | 22,085,744                              | 1,315,903                        | 23,401,647   | -  | -   | -   | 1.08x                               |
| Kayne Anderson Core Real Estate Fund*           | 1800 Avenue of the Stars, 3rd Floor LA, CA 90067          | USD            | 2019         | 195,868                                       | -  | -                                     | 75,418   | 60,000,000    | 35,000,000                       | 35,912,857                              | 2,606,191                        | 38,519,048   | N/A  | N/A   | -   | 1.10x                               |
| LBA Logistics Value Fund VII                    | 3347 Michelson Dr., Suite 200 Irvine, CA 92612            | USD            | 2019         | 368,837                                       | 830,374  | -                                     | 71,072   | 35,000,000    | 14,184,731                       | 17,116,369                              | 379,359                          | 17,495,728   | -  | -   | -   | 1.23x                               |
| NREP Nordic Strategies Fund IV**                | Southamptongade 4, 2150, Copenhagen                       | EUR            | 2019         | 536,376                                       | -  | -                                     | -  | 35,437,928    | 7,496,750                        | 6,887,942                               | -                                | 6,887,942  | (1,214,687)                                      | -   | -   | 0.92x                               |
| Oaktree Real Estate Opportunities Fund VIII     | 333 S. Grand Ave., 28th Floor LA, CA 90071                | USD            | 2020         | 318,860                                       | 641,734  | 262,272                               | -  | 50,000,000    | -                                | 2,566,933                               | 262,272                          | 2,829,205  | 2,000,625  | N/A   | N/A   | N/A                                 |
| Waterton Residential Property Venture XIV, L.P. | 30 South Wacker Drive 36th Floor Chicago, IL 60606        | USD            | 2020         | 457,881                                       | -  | -                                     | -  | 50,000,000    | 7,806,409                        | 8,060,803                               | -                                | 8,060,803  | -  | -   | -   | 1.03x                               |
| Wolff Credit Partners                           | 6710 E. Camelback Road, Suite 100 Scottsdale, AZ 82521    | USD            | 2021         | (393,684)                                     | -  | -                                     | -  | 35,000,000    | -                                | (278,471)                               | -                                | (278,471)  | -  | N/A   | N/A   | N/A                                 |

N/A = Not Available

VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO BEFORE JANUARY 1, 2017

| Fund                                     | Address   | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|--|---|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| Almanac Realty Securities VI             | 1140 Avenue of the Americas, 17th Floor NY, NY 10036      | USD            | 2012         | 37,186  | (2,643)  | -                                     | -  | 25,000,000    | 15,475,571                       | 3,273,666                               | 17,062,272                       | 20,335,938   | -  | 13.3%   | 9.5%  | 1.31x                               |
| Apollo CPI Europe I                      | 2000 Avenue of the Stars, Suite 510N LA, CA 90071         | EUR            | 2006         | -   | -  | -                                     | -  | 25,533,001    | 22,385,238                       | 538,557                                 | 11,493,929                       | 12,032,486   | -  | 0.0%  | -9.0%                                       | 0.54x                               |
| Asana Partners Fund I                    | 1616 Camden Road Suite 210, Charlotte, NC 28203           | USD            | 2016         | 231,716                                       | 1,337,286  | -                                     | -  | 20,000,000    | 18,301,629                       | 26,713,339                              | 681,663                          | 27,395,002   | 2,366,678  | 18.7%   | 13.8%                                       | 1.50x                               |
| Berkshire Multifamily Income Realty Fund | 601 California Street, Suite 1750 San Francisco, CA 94108 | USD            | 2015         | 132,734                                       | -  | -                                     | -  | 20,000,000    | 20,000,000                       | 21,252,217                              | 7,641,955                        | 28,894,172   | 8,937  | 8.4%  | 7.6%  | 1.40x                               |
| Bristol Value II, L.P.                   | 400 350 Sansome Street Suite 900 San Francisco, CA 94104  | USD            | 2011         | 208,991                                       | (39,671)   | -                                     | -  | 20,000,000    | 23,493,261                       | 19,282,395                              | 11,799,942                       | 31,082,337   | -  | 10.6%   | 8.9%  | 1.32x                               |
| Bryanston Retail Opportunity Fund        | 35 E. Wacker Dr., Suite 2900 Chicago, IL 60601            | USD            | 2004         | 11,604  | -  | 161,453                               | 6,479  | 10,000,000    | 4,271,584                        | 6,102,753                               | 11,350,707                       | 17,453,460   | 658,464  | 106.7%  | 79.6%                                       | 4.09x                               |
| California Smart Growth Fund IV          | 10100 Santa Monica Blvd., Suite 1000 LA, CA 90067         | USD            | 2005         | -   | -  | -                                     | -  | 30,000,000    | 31,522,663                       | 2,636,995                               | 34,900,841                       | 37,537,836   | 36,233   | 5.4%  | 2.7%  | 1.19x                               |
| CIM Real Estate Fund III                 | 4700 Wilshire Blvd LA, CA 90010                           | USD            | 2007         | 111,384                                       | -  | -                                     | -  | 15,000,000    | 16,674,075                       | 6,101,764                               | 20,818,964                       | 26,920,728   | 36,696   | 11.1%   | 8.6%  | 1.61x                               |
| CIM VI (Urban REIT), LLC                 | 4700 Wilshire Blvd LA, CA 90010                           | USD            | 2014         | 352,292                                       | -  | -                                     | 327,299  | 25,000,000    | 25,000,000                       | 23,526,153                              | 12,429,788                       | 35,955,941   | 6,570,343  | 6.9%  | 5.3%  | 1.44x                               |
| Colony Investors VIII                    | 515 S Flower, 44th Floor LA, CA 90071                     | USD            | 2006         | -   | -  | -                                     | -  | 30,000,000    | 28,963,224                       | 504,748                                 | 12,378,404                       | 12,883,152   | (16,093,485)                                     | N/A   | -11.5%                                      | 0.44x                               |

VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO BEFORE JANUARY 1, 2017

| Fund                              | Address   | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|-----------------------------------|---|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| DRA Growth and Income Fund VI     | 220 East 42nd Street, 27th Floor<br>NY, NY 10017          | USD            | 2007         | -   | 4,154  | 6,000                                 | -  | 25,000,000    | 16,788,945                       | 655,834                                 | 27,568,518                       | 28,224,352   | -  | 13.4%   | 10.7%                                       | 1.68x                               |
| DRA Growth and Income Fund VII    | 220 East 42nd Street, 27th Floor<br>NY, NY 10017          | USD            | 2011         | 57,423  | 476,632  | 672,574                               | 5,766  | 25,000,000    | 26,640,000                       | 2,421,100                               | 58,383,913                       | 60,805,013   | -  | 24.6%   | 21.6%                                       | 2.28x                               |
| DRA Growth and Income Fund VIII   | 220 East 42nd Street, 27th Floor<br>NY, NY 10017          | USD            | 2014         | 303,096                                       | (24,776)   | -                                     | -  | 25,000,000    | 29,576,071                       | 11,998,061                              | 26,115,441                       | 38,113,502   | (1,333,116)                                      | 10.7%   | 8.3%  | 1.29x                               |
| Gerrity Retail Fund 2             | 977 Lomas Sante Fe, Suite A<br>Solana Beach, CA 92075     | USD            | 2015         | 242,279                                       | -  | -                                     | 229,011  | 20,000,000    | 20,077,854                       | 18,713,238                              | 4,151,128                        | 22,864,366   | -  | 0.0%  | 3.6%  | 1.14x                               |
| Hancock Timberland XI LP          | 197 Clarendon Street, C-08-99<br>Boston, MA 02116         | USD            | 2012         | 171,985                                       | -  | -                                     | -  | 20,000,000    | 18,601,851                       | 18,568,888                              | 4,964,780                        | 23,533,668   | (11,778)   | 0.0%  | 3.6%  | 1.27x                               |
| INVESCO Core Real Estate          | 2001 Ross Ave, Ste 3400<br>Dallas, TX 75201               | USD            | 2004         | 619,393                                       | -  | -                                     | -  | 63,867,553    | 130,351,624                      | 197,380,551                             | 71,673,343                       | 269,053,894  | -  | NA  | 7.3%  | 2.06x                               |
| Jamestown Premier Property Fund   | 675 Ponce de Leon Ave. NE<br>7th Flr<br>Atlanta, GA 30308 | USD            | 2011         | 214,078                                       | (151,216)  | -                                     | 404,419  | 50,000,000    | 51,369,114                       | 33,656,936                              | 26,151,267                       | 59,808,203   | (1,868,852)                                      | 0.0%  | 4.2%  | 1.16x                               |
| JP Morgan Strategic Property Fund | 270 Park Ave.<br>NY, NY 10017                             | USD            | 2005         | 711,901                                       | -  | -                                     | -  | 30,000,000    | 30,421,882                       | 74,632,992                              | 2,858,499                        | 77,491,491   | 249,669  | 7.4%  | 6.3%  | 2.55x                               |
| Latin America Investors III       | 10880 Wilshire Blvd., #950<br>LA, CA 90024                | USD            | 2008         | -   | -  | -                                     | -  | 20,000,000    | 20,686,689                       | (1,069,992)                             | 3,886,924                        | 2,816,932  | -  | 0.0%  | 0.0%  | 0.14x                               |
| Lion Industrial Trust             | 1717 McKinney Ave., Suite<br>1900<br>Dallas, TX 75202     | USD            | 2002         | -   | -  | -                                     | -  | 75,000,000    | 54,088,289                       | 94,095,625                              | 10,688,215                       | 104,783,840  | -  | 0.0%  | 14.6%                                       | 1.94x                               |

VOLUNTARY DISCLOSURE BY FUNDS COMMITTED TO BEFORE JANUARY 1, 2017

| Fund   | Address   | Local Currency | Vintage Year | Fees & Expenses Paid Directly Fiscal Year End | Fees & Expenses Paid From The Fund Fiscal Year End | Carried Interest Paid Fiscal Year End | Fees & Expenses Paid By All Portfolio Companies Fund Fiscal Year End | \$ Commitment | \$ Contributions Since Inception | \$ Remaining Value of LACERS Investment | \$ Distributions Fiscal Year End | \$ Distributions+ Remaining Value of Partnership Fiscal Year End | \$ Profit (Realized Gain / Loss) Fiscal Year End | Gross Internal Rate of Return Since Inception (Provided by General Partner) | Net Internal Rate of Return Since Inception | Investment Multiple Since Inception |
|--|---|----------------|--------------|---|--|---------------------------------------|--|---------------|----------------------------------|---|----------------------------------|--|--|---|---|-------------------------------------|
| Lone Star Fund VII                                     | 2711 North Haskell Avenue, Suite 1700 Dallas, TX 75204        | USD            | 2010         | -   | -  | -                                     | -  | 15,000,000    | 14,075,468                       | 85,123                                  | 24,609,660                       | 24,694,783   | -  | 0.0%  | 50.2%                                       | 1.75x                               |
| Lone Star Real Estate Fund II                          | 2711 North Haskell Avenue, Suite 1700 Dallas, TX 75204        | USD            | 2013         | -   | -  | -                                     | -  | 15,000,000    | 13,291,475                       | 49,855                                  | 20,480,482                       | 20,530,337   | -  | 0.0%  | 26.3%                                       | 1.54x                               |
| Mesa West Real Estate Income Fund III                  | 11755 Wilshire Blvd., Suite 210 LA, CA 90025                  | USD            | 2013         | -   | 21,548   | -                                     | -  | 25,000,000    | 18,939,181                       | 20,265                                  | 24,280,805                       | 24,301,070   | -  | 12.6%   | 8.2%  | 1.28x                               |
| Prime Property Fund                                    | 1585 Broadway, 37th Floor NY, NY 10036                        | USD            | 2015         | 473,056                                       | -  | -                                     | -  | 50,000,000    | 50,000,000                       | 57,874,497                              | 11,592,919                       | 69,467,416   | N/A  | N/A   | 7.0%  | 1.39x                               |
| Principal U.S. Property Account                        | 625 Maryville Centre Dr, Suite 125 St. Louis, MO 63141        | USD            | 2015         | -   | -  | -                                     | -  | 50,000,000    | 50,000,000                       | 72,417,649                              | -                                | 72,417,649   | -  | 0.0%  | 7.0%  | 1.45x                               |
| RECP Fund IV, L.P.                                     | 1123 Boradway, 2nd Floor NY, NY 10010                         | USD            | 2008         | 183,266                                       | -  | -                                     | -  | 40,000,000    | 52,011,256                       | 21,129,551                              | 35,596,772                       | 56,726,323   | -  | 0.0%  | 1.5%  | 1.09x                               |
| Southern California Smart Growth Fund                  | 10100 Santa Monica Blvd., Suite 1000 LA, CA 90067             | USD            | 2004         | -   | -  | -                                     | -  | 10,000,000    | 18,836,734                       | 38,214                                  | 18,787,802                       | 18,826,016   | -  | 3.5%  | 0.0%  | 1.00x                               |
| Standard Life Investments European Real Estate Club II | 80, Route d'Esch, L-1470 Luxembourg, BP.403 L-2014 Luxembourg | EUR            | 2015         | -   | -  | -                                     | -  | 28,531,885    | 28,134,410                       | 246,413                                 | 40,572,657                       | 40,819,070   | -  | 0.0%  | 15.7%                                       | 1.45x                               |
| Stockbridge Real Estate Fund II                        | 4 Embarcadero Center, Suite 3300 San Francisco, CA 94111      | USD            | 2005         | 13,064  | -  | -                                     | -  | 30,000,000    | 30,000,000                       | 2,149,858                               | 11,819,224                       | 13,969,082   | (8,340,927)                                      | -5.8%   | -7.0%                                       | 0.47x                               |
| Torchlight Debt Opportunity Fund IV                    | 475 5th Avenue NY, NY 10017                                   | USD            | 2012         | 60,825  | (170,871)  | -                                     | -  | 24,474,342    | 24,483,106                       | 4,289,934                               | 30,834,057                       | 35,123,991   | 1,701  | 12.0%   | 9.6%  | 1.43x                               |
| Walton Street Real Estate Fund VI                      | 900 North Michigan Avenue, Suite 1900 Chicago, IL 60606       | USD            | 2009         | 68,496  | 196,306  | -                                     | -  | 25,000,000    | 22,161,966                       | 8,338,582                               | 25,363,504                       | 33,702,086   | 2,787,751  | 10.8%   | 8.0%  | 1.52x                               |

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM  
CA GOVERNMENT CODE §7514.7 DISCLOSURE REPORT FOR ALTERNATIVE INVESTMENT VEHICLES  
FOR FISCAL YEAR ENDING JUNE 30, 2021

**MANDATORY DISCLOSURE BY FUNDS COMMITTED TO ON OR AFTER JANUARY 1, 2017**

| Fund                               | Address                                    | Local<br>Currency | Vintage<br>Year | Fees &<br>Expenses<br>Paid<br>Directly<br>Fiscal Year<br>End | Fees &<br>Expenses<br>Paid From<br>The Fund<br>Fiscal Year<br>End | Carried<br>Interest<br>Paid<br>Fiscal<br>Year End | Fees &<br>Expenses<br>Paid By All<br>Portfolio<br>Companies<br>Fund Fiscal<br>Year End | \$ Commitment | \$<br>Contributions<br>Since<br>Inception | \$ Remaining<br>Value of<br>LACERS<br>Investment | \$<br>Distributions<br>Fiscal Year<br>End | \$<br>Distributions+<br>Remaining<br>Value of<br>Partnership<br>Fiscal Year<br>End | \$ Profit<br>(Realized<br>Gain /<br>Loss) Fiscal<br>Year End | Gross Internal<br>Rate of<br>Return Since<br>Inception<br>(Provided by<br>General<br>Partner) | Net<br>Internal<br>Rate of<br>Return<br>Since<br>Inception | Investment<br>Multiple<br>Since<br>Inception |
|------------------------------------|--|-------------------|-----------------|--|---|---|--|---------------|---|--|---|--|--|---|--|--|
| Benefit Street Partners SMA-L L.P. | 1209 Orange Street<br>Wilmington, DE 19801 | USD               | 2020            | 97,214   | 674,719   | -   | -  | 100,000,000   | 24,750,025                                | 25,056,948                                       | 108,308                                   | 25,165,256   | 108,308  | -   | -  | 1.03x  |



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# FIDUCIARY LEADERSHIP IN CONTRACTS AND INVESTMENTS

Part I: Ethical Contract Compliance Policy and the Ethics Ordinance, LAMC 49.5.11(A)

Part II: The Prudent Expert Rule and Principles of Prudent Delegation  
(Part 2)

Anya Freedman, Assistant City Attorney  
Public Pensions General Counsel Division

December 14, 2021



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## PUBLIC PENSIONS GENERAL COUNSEL DIVISION

### Learning Objectives

After this training, you will:

- Foresee** the legal and ethical lines in contacts with contractors and gracefully avoid them.
- Understand** the fiduciary principles governing investment decisions, including the prudent expert rule and prudent delegation.
- Apply** those fiduciary principles and legal rules to Board decisions regarding contracts and investments.



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## PUBLIC PENSIONS GENERAL COUNSEL DIVISION

### FUND GOVERNANCE BEST PRACTICES

“The principal function of a public pension fund trustee is to work with his/her peers on the board to establish the **strategic direction** of the system, to **hire** the necessary staff and consultants with the **expertise** to carry out that direction and administer the system on a day-to-day basis, and then to **oversee** the work being done to **ensure that the direction is carried out.**”

Clapman Report 2.0 (Stanford)

Available here: [https://law.stanford.edu/index.php?webauth-document=event/392911/media/slspublic/ClapmanReport\\_6-6-13.pdf](https://law.stanford.edu/index.php?webauth-document=event/392911/media/slspublic/ClapmanReport_6-6-13.pdf)



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### 3. The Prudent Expert Rule



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### Fundamental Fiduciary Duties

- Duty of Primary Loyalty
- Exclusive Benefit Rule
- Prudent Expert Rule (Duty of Care)
- Obey the Law and the Board's Policies



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### Prudent Person = Expert Investor

- Fiduciary duty of care
- Board must make all LACERS decisions as a “prudent person”
- For investment decisions, this means a prudent expert (i.e. an investment professional)



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### Charter Section 1106(c)

Board must “Discharge its duties with respect to its system with the **care, skill, prudence, and diligence** under the circumstances then prevailing that a prudent person **acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.**”



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Cal. Const. art. VI, Section 17(c)

“The members of the retirement board of a public pension system shall discharge their duties with respect to the system with the **care, skill, prudence and diligence** under the circumstances then prevailing that a prudent person **acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.**”



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## **PUBLIC PENSIONS GENERAL COUNSEL DIVISION**

### **4. Principles of Prudent Delegation**



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### What is Delegation?

- A grant of authority from the Board to another person or entity
- Does not extinguish the authority of the Board or absolve the Board of legal responsibility
- “Fiduciary buck” still stops with the Board





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### Delegation in Investments

- From Board (plenary authority) 
- GM/CIO/Investment Staff
- Investment Managers
- Investment Consultants
  - General Fund Consultant
  - Private Equity Consultant
  - Real Estate Consultant



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### When is Delegation Prudent?

“...In deciding whether, to whom and in what manner to delegate fiduciary authority in the administration of a trust, and thereafter, in supervising or monitoring agents, the trustee has a duty to exercise **fiduciary discretion** and to act as a prudent person of comparable skill would act in similar circumstances.”

Third Restatement of the Law of Trusts



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### Principles of Prudent Delegation

1. For complex, sophisticated investments, it may be prudent for Boards to delegate some or all parts of the decision making process to experts.
2. Governance consideration: What is the best and most effective use of the Board members' time?
3. LACERS Board members generally *may not* personally perform due diligence due to ethics ordinance, Board policy.
4. Delegation is *not* abdication: fiduciary duties at outset; ongoing duty to monitor.



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### Prudent Delegation: At the Outset

- ✓ Duty of loyalty: make selection based on interests of LACERS participants and beneficiaries
- ✓ Duty of care: Make selection as prudent expert
- ✓ Delegate prudently: clear scope, accountability, monitoring



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## PUBLIC PENSIONS GENERAL COUNSEL DIVISION

### Scope of Delegation to Consultant

- Discretionary or advisory
- Evaluation/selection of managers and vendors
- Portfolio construction
- Asset allocation
- Risk management/compliance
- Standard of care & other contract terms
- Relationship with the Board and Staff



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### Scope of Delegation to Manager

- GP or service provider
- Standard of care
- Investment policy adherence
- Risk management/compliance
- Reporting responsibilities, transparency
- All addressed in LPA/side letter, or IMA





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### Monitoring Consultants

- Total fund/asset class performance
- Manager performance
- Qualitative measures
- Systematic annual evaluation process
- Corrective actions, including termination



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## PUBLIC PENSIONS GENERAL COUNSEL DIVISION

### Monitoring Managers

- Performance reporting
- Benchmark selection
- Qualitative measures
- Regular evaluation process
- Corrective Actions
  - Watchlist
  - GP removal?
  - Exit/termination provisions



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### Questions for the Board to Ask

1. Are the **roles** of the Board, Staff, consultants, managers, and others **clear** to the Board and clearly **documented**?
2. Is the **degree of control appropriate** for the Board and those to whom it has delegated?
3. Does the policy include **regular reporting** to the Board for **performance** and **compliance**?
4. Is the policy **regularly reviewed** to consider appropriate changes or corrective actions?



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## **PUBLIC PENSIONS GENERAL COUNSEL DIVISION**

5. Hypothetical!









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Hearing an announcement that your flight has been delayed, you flag the bartender for another drink and order a vegan burger.

You begin chatting with Alex about the food scene in LA, and how much better it is than NYC.







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Alex says LACERS' Real Estate Consultant has already met with the TRUKZ General Partners but it seems to be taking too long.

Alex thinks the Real Estate Consultant and CIO are at the early stages of due diligence but have not yet decided whether to recommend that LACERS make a commitment.



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Alex asks if you will call the Chief Investment Officer and “just check in on the status” of the due diligence process and when the fund may be before the Board. Alex says the fund is *already oversubscribed* so if LACERS doesn’t move fast it will lose out.

Alex gives you a business card.



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What do you think:

Has this conversation with Alex crossed a line yet?

- A. Yes, Alex has violated the Ethical Contract Compliance Policy.
- B. Yes, you have violated Ethics Ordinance 49.5.11(A)
- C. Yes, you have violated Board Policies
- D. No, you each paid your own bar tabs.
- E. A, B, and C.



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You arrive in NYC, and remember that the Real Estate Consultant is headquartered there.

You decide to drop in on the Consultant's offices and say a friendly hello, especially since the Consultant's contract is up for renewal at the next Board meeting.



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## PUBLIC PENSIONS GENERAL COUNSEL DIVISION

You take the Consultant to dinner at Sparks Steak House, and over rib eyes you discuss recent trends in the emerging manager space.



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Over dessert, you ask the Consultant about TRUKZ, and encourage her to bring this great opportunity to the Board as soon as possible so LACERS doesn't miss out.





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Sensing your enthusiasm and aware that her contract is up for renewal, the Consultant instructs her staff to skip the remaining due diligence and recommend TRUKZ to the Board immediately.



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In the taxi back to La Guardia, you call the CIO and the GM to encourage them to bring this opportunity to the Board.

You politely request that they “streamline” the lengthy due diligence process typically required by Board policies so LACERS doesn’t lose out.









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The third Commissioner, an elected member, says, “I haven’t even looked at the agenda packet yet but sure, I’ll vote with you on this TRUKZ thing if you agree to keep the assumed rate of return at no lower than 7%, because lowering it will cost my people raises.”



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## PUBLIC PENSIONS GENERAL COUNSEL DIVISION

What do you think:  
What concerns are raised by the  
fourth Commissioner's response?

- A. Duty of Primary Loyalty
- B. Prudent Expert Rule
- C. Brown Act
- D. All of the above



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At the meeting, only four Commissioners are present.

Concerned about losing a quorum, the Board President bangs the gavel repeatedly, telling the Internal Auditor to skip her disclosure report on the Consultant's contract renewal and on TRUKZ and "move things along."



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What do you think:

If the Internal Auditor had been able to make her report, what contacts should have been disclosed by Alex and the Consultant under the Board's policies?



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You move to renew the Consultant's contract for another term, saying there is no need for an interview, based on her demonstrated commitment to the emerging manager program and her responsiveness to Commissioners.

The motion passes.



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## PUBLIC PENSIONS GENERAL COUNSEL DIVISION

In closed session, you move to approve a \$5 million commitment to TRUKZ.

But, the Board loses a quorum before the vote.

The meeting ends.



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After the meeting, you call the CIO on his personal cell phone and order him to make the commitment to TRUKZ anyway. You tell him it will be a breach of his duties to let this incredible opportunity pass.

The CIO figures he is covered, having been ordered to act by a Commissioner. LACERS makes the commitment.



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What do you think:

Was your order to the CIO to make the commitment a prudent delegation of the Board's plenary authority over trust fund investments?

- A. Definitely. This delegation was LACERS' only opportunity to make this investment.
- B. No way. There was nothing prudent about this action.





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THANK YOU!

More questions?  
[Anya.Freedman@lacity.org](mailto:Anya.Freedman@lacity.org)



Board Mtg. 12/14/2021  
Item No. IX-B

**MICHAEL N. FEUER**  
City Attorney

**DATE:** December 14, 2021

**TO:** Board of Administration of the Los Angeles Employees' Retirement System

**CC:** Neil Guglielmo, General Manager

**FROM:** Anya Freedman, Assistant City Attorney *AF*  
Gina Di Domenico, Deputy City Attorney *GD*  
Miguel Bahamon, Deputy City Attorney *MGB*

**SUBJECT:** Outside Securities Monitoring and Litigation Counsel

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### RECOMMENDATIONS AND EXECUTIVE SUMMARY

We recommend that the Board:

1. Approve one-year contract extensions with current Outside Securities Monitoring Counsel Bernstein Litowitz Berger & Grossman LLP and Bleichmar Fonti & Auld LLP to expire as extended on February 28, 2023; and
2. Authorize the General Manager to execute such contract amendments on behalf of the Board, subject to the City Attorney's approval as to form; and
3. Authorize the City Attorney's Office to publish a Request for Proposals (RFP) for Securities Monitoring and Litigation Counsel on or around February 28, 2022 in substantially the form included as Attachment A, with the target of executing new three-year contracts with firms jointly approved by the Board and the City Attorney pursuant to Charter Section 275, on or before July 1, 2022.

Postponing the kickoff of the new RFP process by several months enables the Board and the Plan to focus on important organizational transitions and policy initiatives that will facilitate a robust, successful, and competitive solicitation in 2022. The Plan is working through a busy period as the year ends, and there is no need for the additional burden of an RFP at this time. The current monitoring counsel are performing well and the legal services are provided at no cost to the Plan. Consistent with the process previously approved by the Board, any retainer for a securities litigation matter would continue to require a separate competitive solicitation and the approval of the Board. Fees for securities litigation matters are on a contingency basis and subject to the approval of the Board, our Office, and the court. All outside counsel contracts provide the Board

with the right to terminate without cause by providing thirty (30) days' notice to the firm. To streamline the process and ensure the highest and best use of the Board's time during Board meetings, we have prepared the draft RFP for the Board's review and approval today, for publication on or around February 28, 2022, with the target of presenting finalist firms for the Board's consideration on June 7, 2022 and executing new contracts effective in the new fiscal year.

## **BACKGROUND**

The Plan and the City Attorney's Office (Office) have long utilized the specialized services and resources of outside securities monitoring and litigation firms to recover losses and, where prudent, actively litigate as lead plaintiff in a federal securities class action or as an independent plaintiff in an opt-out case. These are two distinct, but complementary roles:

- *Monitoring Counsel:* Performed at no cost to the Plan, Monitoring Counsel has access to the Plan's portfolio through the custodian bank. Counsel is responsible for actively tracking and reporting on potential derivative cases, pending domestic securities cases, non-U.S. securities, and the Plan's losses in the affected securities. Counsel recommends to the Board whether to take an active role in litigation.
- *Litigation Counsel:* This is a pre-approved list that includes the firms selected as Monitoring Counsel, plus additional qualified litigation firms. These firms are vetted and pre-approved by our Office and the Board to receive targeted solicitations and submit proposals to represent the Plan, with the concurrence of the City Attorney's Office pursuant to Section 275 of the City Charter, when the Board has made a determination to seek an active role in a specific litigation matter by serving as lead plaintiff in a domestic securities class action, by initiating an independent opt-out action, or by initiating a derivative action alleging corporate harm and demand futility. The Board would execute a separate contract once the firm is selected, and the firm would work on a contingency fee-only basis, with fees subject to court approval.

The current securities monitoring counsel contracts were originally scheduled to expire on February 28, 2021. Early in 2021, the Board approved an extension of these contracts until February 28, 2022. This extension was approved for several reasons: (i) Plan staff and the Public Pensions General Counsel Division (Division) were experiencing a steep increase in workload due to retirements precipitated by the ongoing COVID-19 pandemic; (ii) the Board and our Division would have needed to expend a great deal of resources to issue an RFP, review responses, and conduct interviews of qualified respondents; (iii) the Board was satisfied with the current panel of securities monitoring counsel and securities litigation counsel; and (iv) there were no financial reasons or Administrative Code requirements for issuing an RFP.

For similar reasons as those presented to the Board earlier this year, we believe it is prudent to extend the current securities monitoring counsel and securities litigation counsel for several months, up to one year, and pursue an RFP in 2022 when our Division and the Board have the time and resources appropriate to conduct a truly successful, diligent competitive selection process. The bench of securities monitoring firms have continued to provide a high-level of service over the past year and there are no financial considerations or legal requirements for

proceeding with an RFP at this time in order to execute successor agreements before February 28, 2022.

Our Division recognizes that the Board is working through a busy transitional period. In addition to the unique challenges posed by the ongoing COVID-19 pandemic and resulting complications for LACERS at the new headquarters building, our Division and Plan staff will be conducting an Outside Tax Counsel RFP in the final months of 2021. This will require Staff resources and Board review in the early months of 2022. That separate outside counsel RFP is urgently needed—as the Board recognized in approving our recommendation to publish it as soon as practicable—to secure a new bench of firms with specialized tax law expertise, and should therefore be our priority.

Given these important projects and the strong performance of our current bench of monitoring firms, we recommend that the Board execute extensions with Bernstein Litowitz Berger & Grossman LLP and Bleichmar Fonti & Auld LLP, delay the securities monitoring counsel and securities litigation counsel RFP process several months, and approve the attached RFP with any changes the Board may have today, so that the City Attorney may publish it in 2022.

## **DISCUSSION**

### **1. We recommend that the Board Extend by One Year the Current Securities Monitoring Counsel Contracts with Bernstein Litowitz Berger & Grossman LLP and Bleichmar Fonti & Auld LLP**

#### **a. The Current Securities Monitoring Counsel and Securities Litigation Counsel Are Providing a High Level of Service**

The securities monitoring and litigation firms currently under contract are performing well and meeting the expectations and needs of the Plan. The current monitoring counsel are:

- (1) Bernstein Litowitz Berger & Grossman LLP
- (2) Bleichmar Fonti & Auld LLP

These firms actively track and report to us on pending securities cases and the Plan's losses in the affected securities, and recommend to our Office and the Board whether to take an active role in litigation.

The current pre-approved litigation counsel candidates include both of the firms above, as well as:

- (1) Bernstein Liebhard LLP & Quinn Emanuel Urquhart & Sullivan, LLP (jointly)
- (2) Cohen Milstein Sellers & Toll PLLC
- (3) Kessler Topaz Meltzer & Check LLP
- (4) Robbins Geller Rudman & Dowd LLP

Collectively, these firms are generally recognized as among the top securities litigation counsel in the country. For representation in a specific matter, counsel is selected by the Board with the concurrence of our Office following a competitive solicitation process.

**b. There are No Financial Considerations or Administrative Code Restrictions that Preclude Delaying the RFP**

The covered securities monitoring services are performed at no cost to the Plan. Additionally, to represent the Board in any specific matter, the securities litigation firm candidates must submit competitive bids and seek the joint approval of the Board and our Office. The selected litigation firm for a specific case performs all litigation work on a contingency fee-only basis, with fees agreed upon by the Board and our Office pursuant to the negotiated retainer, and fees are also subject to court approval at the conclusion of the litigation. Therefore, there are no financial incentives for issuing an RFP earlier than our recommended timetable.

Moreover, while a one-year extension would extend the term of these contracts further beyond the initial three-year terms, it is permissible to extend the contracts without issuing an RFP or going to Council under the Administrative Code because these services are performed at no cost. *See Ad. Code §10.5(b)(2)*.

**c. Postponing the Publication of the RFP Will Allow LACERS to Focus on Important Organizational Needs, Facilitating a Robust, Successful, Competitive Process in 2022**

The ongoing COVID-19 pandemic continues to pose challenges for the Board and Plan staff as it has resulted in complications for the construction of its new headquarters building at 977 Broadway in Chinatown. As such, LACERS' bandwidth and ability to evaluate an RFP for new securities monitoring counsel and litigation counsel would be limited at this time. Pandemic-related challenges continue to delay the renovation of its new headquarters space because of supply chain issues and a holdover tenant. Allowing the Board to concentrate on these urgent organizational needs and policy decisions now will enable it to participate meaningfully in the RFP process later with a clearer vision for the needs and priorities of the Plan with regard to this important outside counsel mandate. The outside securities monitoring counsel and securities litigation counsel RFP usually generates at least twenty responses. The Plan would be better served by delaying this RFP for several additional months, enabling the Board and our Office to devote more time and attention to this important selection process, and improving the prospect of conducting in-person interviews post-pandemic.

**d. The Plan Is Currently Conducting a Tax Counsel RFP**

The Board recently approved an RFP for outside tax counsel, which will require substantial time and attention for Plan staff and our Office. The tax counsel RFP and selection process will ramp up at the end of 2021 and continue into the early months of 2022, when Plan staff and our Office will review proposals, conduct interviews, and bring recommended finalist firms to the Board for its final approval. As we previously shared with the Board, this tax counsel RFP is necessary now because the Plan only has one outside tax counsel at this time and we believe having more than one firm allows the Plan to seek competitive bids for projects and ensures a broader base of

tax expertise, including expertise in California tax law. As discussed above, in contrast to the urgency of the tax counsel RFP, the Plan already has a deep bench of capable securities monitoring and litigation counsel. We believe it is therefore appropriate to prioritize the tax RFP.

## **2. We Ask the Board to Approve an RFP and Selection Process for Outside Securities Monitoring Counsel and Securities Litigation Counsel to Begin in 2022**

We recommend approving an RFP and following the previously approved process outlined below to engage outside counsel in this specialized field.

The City Attorney's Office would first publish one RFP in substantially the form included as Attachment A that would seek proposals from qualified law firms to serve as securities litigation monitoring counsel, and/or to be approved as a candidate to represent one or more of the City's three independent pension plans in an individual securities-related action in which one of the pension boards has made a decision to seek an active role. Respondents could submit proposals for one or both roles. Although the RFP process would be coordinated with the other pension plans, LACERS will, as it has in past cycles, make its own independent decisions and is not bound by the preferences of the other City plans. The evaluation and selection process for firms to fulfill each of the two roles would then proceed as follows.

### **a. We Will Work with LACERS to Conduct a Competitive Selection Process for Securities Monitoring Counsel**

Our Division, assisted by designated executive and/or investment staff, would evaluate the firms that submitted written proposals. We would then conduct panel interviews of qualified firms, and bring consensus recommendations for the most qualified firms to the Board.

The Board would then (if it desired) interview finalist firms and select one or more such firms (ideally, between two and four firms) to be engaged as outside securities monitoring counsel subject to the written consent of the City Attorney's Office.

Once engaged, outside securities monitoring counsel would be provided with the Plan's securities litigation policy guidelines (including the threshold damages figure that would trigger a Board decision as to whether to seek an active role) and would be authorized to receive access to the Plan's securities holdings and transaction information from the custodian bank. The securities monitoring counsel would assist staff and the Division to make recommendations to the Board concerning whether to seek an active role in a particular case in which LACERS has suffered losses and where an active role would be consistent with the Board's policies. A copy of the relevant Board policy is enclosed for the Board's reference here as Attachment B.

### **b. We Will Work with LACERS to Conduct a Competitive Selection Process for the Securities Litigation Counsel Bench**

Our Division and designated Plan staff would also evaluate and interview the firms that submitted proposals to be approved as a candidate to represent the Board in a securities-related action in which the Board has sought to serve as lead plaintiff in a class action case, as plaintiff in an opt-out case, or as plaintiff in a derivative action. We would then recommend the most qualified firms to the Board.

The Board would then select five to ten such firms to be placed on a list of approved lead counsel candidates that would be eligible to receive a targeted solicitation and submit proposals to represent the Plan in a particular case in which the Board has decided to seek an active role.

**c. This Bench of Selected Securities Litigation Counsel Are Then Eligible to Submit Proposals to Represent LACERS in Specific Litigation Through a Targeted Solicitation Process**

Once the Board has made a determination, consistent with its Board policies, to seek an active role in a particular case, the City Attorney's Office would prepare a targeted solicitation and would distribute it by e-mail to the firms that have been placed on the list of approved securities litigation candidates. The Division and Plan staff would evaluate the responses and recommend finalists to the Board. The Board would then make a recommendation, subject to the written consent of the City Attorney's Office, to engage a firm to represent the Plan in the litigation. Litigation Counsel would be compensated solely on a contingency fee basis, as a percentage of the final recovery, and counsel would advance all fees and costs for the duration of the case.

During the litigation, the Division will actively supervise the firm appointed as lead counsel. Such supervision may include participation in significant motions and settlement discussions and filing objections concerning attorney fees. The Division also provides the Board with status reports as needed to keep the Board apprised of major developments in the case, and to discuss and receive direction from the Board regarding strategic decisions in prosecuting the litigation.

**CONCLUSION**

For the reasons stated above, we recommend extending the current securities monitoring contracts for one year and publishing the attached RFP in 2022.

AJF/MGB/GMD:np

Encls.

**ATTACHMENT A**  
**DRAFT RFP FOR**  
**SECURITIES MONITORING COUNSEL AND SECURITIES LITIGATION COUNSEL**

**Notice and Request for Proposals by the City of Los Angeles for Legal  
Services Regarding Securities Monitoring Counsel and Securities Litigation  
Counsel**

**Proposals Due By: March 14, 2022**

**LOS ANGELES CITY ATTORNEY'S OFFICE  
200 N. MAIN ST, 8<sup>TH</sup> FLOOR  
LOS ANGELES, CA 90012  
ATTENTION: ANNE HALEY  
PHONE: (213) 978-8100  
FAX: (213) 978-2093**

TO: PROSPECTIVE COUNSEL  
FROM: LOS ANGELES CITY ATTORNEY'S OFFICE  
DATE: February 28, 2022  
RE: REQUEST FOR PROPOSALS FOR SECURITIES MONITORING  
COUNSEL AND SECURITIES LITIGATION COUNSEL

## **1.0 PROPOSALS**

The Los Angeles City Attorney's Office (the "City Attorney's Office") is soliciting proposals for qualified law firms ("proposer" or "firm") to assist the City Attorney's Office in providing legal services to the three Los Angeles City pension plans and their respective boards of trustees: The Fire and Police Pension Plan ("LAFPP"), the Los Angeles City Employees' Retirement System ("LACERS"), and the Water and Power Employees' Retirement Plan ("WPERP") (hereinafter referred to collectively as the "Plans"). The City Attorney may choose one or more firms for this role. Counsel should have extensive expertise advising public pension plans in Securities Monitoring and/or Securities Litigation matters.

Please submit your proposals electronically, in one tabbed, searchable pdf, by e-mail, to all of the following:

- (1) [anne.haley@lacity.org](mailto:anne.haley@lacity.org)
- (2) [anya.freedman@lacity.org](mailto:anya.freedman@lacity.org)
- (3) [miguel.bahamon@lacity.org](mailto:miguel.bahamon@lacity.org)
- (4) [gina.m.didomenico@lacity.org](mailto:gina.m.didomenico@lacity.org)
- (5) [nicole.paul@lacity.org](mailto:nicole.paul@lacity.org)
- (6) [aimee.sevilla@lacity.org](mailto:aimee.sevilla@lacity.org)
- (7) [ray.ciranna@lafpp.com](mailto:ray.ciranna@lafpp.com)
- (8) [ray.joseph@lafpp.com](mailto:ray.joseph@lafpp.com)
- (9) [neil.guglielmo@lacers.org](mailto:neil.guglielmo@lacers.org)
- (10) [rod.june@lacers.org](mailto:rod.june@lacers.org)
- (11) [investments@ladwp.com](mailto:investments@ladwp.com)

The subject line of the e-mail must state **"RFP for Counsel re: SECURITIES MONITORING AND/OR SECURITIES LITIGATION COUNSEL FOR CITY OF LOS ANGELES RETIREMENT PLANS"**

**Proposals must be received no later than 5:00 p.m. PST on March 14, 2022.**  
All submitted materials shall become part of the proposal, and may be

incorporated in a subsequent contract between the City of Los Angeles and the selected proposer(s). It is the proposer's sole responsibility to ensure that the proposal is submitted in a timely manner.

**All forms referred to in this Request For Proposals ("RFP") are available at LABAVN.org. You are required to register your firm at LABAVN.org and complete the necessary contracting forms in order to be deemed responsive to this RFP.**

Questions regarding this RFP shall be submitted by e-mail and directed only to Deputy City Attorney Gina Di Domenico at [gina.m.didomenico@lacity.org](mailto:gina.m.didomenico@lacity.org). All questions must be sent before March 14, 2022.

## **2.0 SCOPE OF WORK**

The Public Pensions General Counsel Division of the City Attorney's Office is general counsel to the Plans. Collectively, the Plans' boards serve as trustees for over \$75 billion in trust fund assets and administer retirement, disability, and health benefits for tens of thousands of Los Angeles City retirees and their beneficiaries.

From time to time, upon recommendation of one of the Plan's retirement boards and the written consent of the Los Angeles City Attorney, pursuant to Section 275 of the City Charter, the City may contract with outside counsel to assist the Los Angeles City Attorney's Office in providing certain specialized legal services to the Plans. One of the areas in which specialized legal services are required is securities monitoring and securities litigation. The retirement plans and the Los Angeles City Attorney's Office now seek proposals from outside counsel to assist the Los Angeles City Attorney's Office in providing one or both of the following services:

- Monitoring potential derivative cases, pending domestic securities cases, non-U.S. securities cases, and the City pension plans' losses in the affected securities, and recommending whether a plan should take an active role in litigation or other appropriate legal action ("Monitoring Counsel"); and
- Representing, with the supervision of the Los Angeles City Attorney's Office, a plan in securities and/or derivative litigation in which a pension board has decided to seek an active role ("Litigation Counsel").

Counsel should have substantial experience, expertise, and adequate resources to fund and prosecute as lead counsel (a) a major securities class action or opt-

out case alleging, without limitation, violations of the Securities Act of 1933 and the Securities Exchange Act of 1934; and/or (b) a derivative action alleging corporate harm and demand futility.

If your firm is selected as Monitoring Counsel for one or more of the pension plans, your firm would execute a three-year contract for those services, to be performed at no cost to the City or retirement plan. Monitoring Counsel serve as fiduciaries to the plan and provide ongoing advice and recommendations to the Public Pensions General Counsel Division of the City Attorney's Office and to the pension plan boards, regarding the most prudent course of action in deciding, among other things, whether to pursue appointment as lead counsel in a domestic securities class action, whether to opt in to participate in a foreign securities action, whether to pursue an independent opt-out action, and whether to serve a demand for books and records pursuant to Section 220 of the Delaware General Corporation Law. Monitoring Counsel may also choose to serve as candidates for Litigation Counsel, and shall be considered during the targeted solicitation process for a particular case, along with other candidates on the Litigation Counsel list.

If your firm is approved as a Litigation Counsel candidate, but is not selected as Monitoring Counsel, your firm will be placed on an approved Litigation Counsel list for one or more of the pension plans. If and when one of the pension boards has decided to seek an active role in a particular securities or derivative case, firms on the approved list will receive a targeted solicitation by e-mail seeking proposals to represent the plan as lead counsel in that particular case. The processes for the LACERS and LAFPP Plans to monitor, evaluate, and participate in securities class actions and other securities related litigation are outlined in those Plans' securities litigation policies, included as Attachments B through C.

### **3.0 EVALUATION CRITERIA**

The selection of the firm(s) will be based on the experience and capability of each firm to provide the services described above. Only responses from firms which have significant experience litigating cases under the Private Securities Litigation Reform Act ("PSLRA") will be accepted. Selection may be based upon, but is not exclusively limited to, the following general criteria:

- The quality and responsiveness of the firm's proposal.
- The quality of responses provided to the questions set forth below and to the questions asked during any interview.

- The firm's trial and complex litigation track record – the firm's specific expertise in and experience with securities class actions, opt-out cases, and derivative cases.
- The lead trial lawyer(s) who may be assigned to a case if the firm were to be selected as Litigation Counsel in a particular case, including the specific experience of those lawyers in representing plaintiffs in securities class actions, opt-out cases, and derivative cases.
- The willingness and demonstrated ability of the firm to finance prosecution of a major securities class action, opt-out case, or derivative case without relying on outside funding sources.
- The firm's litigation resources, including the quality and experience of the firm's investigative and financial analyst staff.
- Any unique analytic or investigative tools or personnel identified in the proposal.
- The capacity to monitor and independently advise U.S. institutional investor clients on non-U.S. cases.
- Experience supervising a foreign law firm as liaison counsel or directly litigating non-U.S. securities actions.

All proposals submitted will be reviewed by appropriate City Attorney staff and representatives of the Plans. Thereafter, City Attorney staff will schedule interviews with selected firms. Due to ongoing pandemic and related emergency orders and public health concerns, interviews may be conducted via videoconference. Representatives of the Plans may also participate in the interviews, and each Board reserves the right to conduct interviews with finalists prior to awarding any contracts.

#### **4.0 CONFIDENTIALITY**

Should any attorney or firm receiving this RFP reasonably believe that a waiveable potential conflict may exist by reason of its representation of some other entity, the Los Angeles City Attorney's Office requests that this RFP not be shared with any other represented entity, and if a question exists regarding any potential conflict of interest pursuant to Rule 3-310 of the California Rules of Professional Conduct, that the firm scrupulously observe the requirements of Section 6068(e) of the California Business and Professions Code and uncompromisingly maintain full confidentiality of this document. Any questions in connection with issues of conflicts of interest should be addressed to Assistant City Attorney Anne Haley at [anne.haley@lacity.org](mailto:anne.haley@lacity.org).

## **5.0 CONTENT OF RESPONSE**

### **5.1 Cover Letter**

Each response to this RFP must be accompanied by a cover letter that contains a general statement of the purposes for submission and include the following information:

- (a) Name, address, telephone number, and legal business status (individual, limited liability partnership, corporation, etc.) of the proposer.
- (b) Whether the proposer seeks consideration as Monitoring Counsel, Litigation Counsel, or both.
- (c) Name, title, address and telephone number of the person(s) authorized to represent the proposer in order to enter into negotiations with the City Attorney's Office with respect to the RFP and any subsequently awarded contract. The cover letter shall also indicate any limitation of authority for the person named.
- (d) A representative or officer of the proposer must sign the cover letter. That representative shall have been authorized to bind the firm to all provisions of this RFP, any subsequent changes to it, and to the contract if an award is made.
- (e) If the respondent is a partnership, the response must be signed by a general partner in the name of the partnership. If the respondent is a corporation, the response must be signed on behalf of the corporation by two authorized officers (a Chairman of the Board, President or Vice-President, and a Secretary, Treasurer or Chief Financial Officer) or an officer authorized by the Board of Directors to execute such documents on behalf of the corporation.
- (f) The cover letter should be addressed to:

Anne Haley  
Assistant City Attorney  
Los Angeles City Attorney's Office  
200 North Main Street  
8<sup>th</sup> Floor CHE  
Los Angeles, California 90012

### **5.2 Additional Information**

- (a) Briefly describe your firm's background, size, and history pertinent to the services requested in this RFP for which your firm is seeking the assignment. How many attorneys work full-time in your securities

litigation practice? Which office serves as the headquarters of your securities litigation practice?

- (b) Describe your firm's non-attorney resources for monitoring and prosecuting securities litigation class actions, including paralegals, financial analysts, investigators, and other personnel.
- (c) Does your firm have an online monitoring platform for clients? If so, what do you think distinguishes your platform from your competitors? Please provide trial access information to this platform for the RFP selection panel.
- (d) Does your firm provide claims filing and/or claims auditing services? If so, please describe your experience and the scope of these services, including whether you would provide these services at no cost if selected as Monitoring Counsel.
- (e) Does your firm have any unique analytical or investigative tools or personnel that you believe distinguish your firm in the area of Monitoring Counsel or Litigation Counsel, as applicable?
- (f) Describe how your firm has responded to the challenges presented by the novel coronavirus pandemic, including examples demonstrating your firm's ability to use technology to communicate with and serve its clients, litigate complex cases efficiently and effectively, and win trials and successful resolutions for its clients.
- (g) What sets your firm's written work product apart from your competitors? Please submit two (non-privileged or appropriately redacted) exemplars that demonstrate the quality of the firm's written work, including one objective advice memorandum and one brief or motion.
- (h) Does your firm have any financial or contractual relationships with funding groups that would undermine your ability to provide objective advice to the City's pension plans concerning how to proceed in a non-U.S. action?
- (i) Describe your firm's experience supervising a foreign law firm as liaison counsel or directly litigating non-U.S. securities actions.
- (j) What unique expertise and resources, if any, has your firm dedicated to monitoring and advising U.S. clients on non-U.S. securities cases?
- (k) Does your firm have a City of Los Angeles business tax registration certificate? If yes, what is the number and expiration date?

- (l) Describe the relevant special services your firm provides, particularly those that may not be offered by other law firms.
- (m) Within the past three years, have there been any significant developments in your firm, such as changes in ownership or restructuring? Do you anticipate any significant changes in the future? Please describe.
- (n) Describe your firm's procedures in the event one or more assigned attorneys leave the firm.
- (o) Does your firm provide services similar to those proposed in this RFP to any other public sector clients?
- (p) Identify all public sector clients, including public pension systems, who have terminated their working relationship with your firm in the past three years and a brief statement of your understanding of their reasons for doing so. Provide each such client's in-house counsel's (or, if none, CEO's) name, address, telephone number, and e-mail address.
- (q) Describe your firm's policies and practices regarding the payment of referral fees to attorneys who are not partners or employees of the firm.
- (r) How does your firm identify and manage conflicts of interest? Please describe the programs and processes you have implemented, including the measures taken to identify and inform clients regarding potential conflicts and circumstances presenting a risk of reputational harm to the firm and its clients.
- (s) Within the past five years, has your firm, or a partner or attorney in your firm, been involved in litigation or other legal proceedings relating to provision of legal services? If so, provide an explanation and indicate the current status or disposition.
- (t) Does your firm have a sexual harassment policy? Please enclose the policy and summarize any pending or anticipated litigation against the firm, its employees, or partners, involving allegations of sexual harassment or sexual misconduct.
- (u) Does your firm have a policy relating to the promotion of Diversity, Equity, and Inclusion ("DEI")? Does your firm have an attorney or committee that develops initiatives and evaluates practices to advance DEI in the workplace? How are attorneys and support staff involved in this process? Please enclose the policy and summarize any related firm initiatives or programs.

- (v) Within the past five years, has your firm, any partner or owner of the firm, or any attorney employed by or associated with the firm, been the subject of a judgment involving findings of FRCP 11 or similar state court sanctions, violations of state bar rules, material omissions or misrepresentations to the court or a client, violations of state bar rules or other rules governing attorney legal ethics, or any impropriety or non-disclosure? If so, please describe the underlying circumstances and provide an explanation.
- (w) Is your firm presently involved in any litigation involving the City of Los Angeles? If so, provide the jurisdiction, case name and number and a brief description of the matter. In responding to this question, and any other question in this RFP, please include all City entities, including, for example, Los Angeles World Airports, the Los Angeles Department of Water and Power, the Port of Los Angeles, LAFPP, LACERS, and WPERP.
- (x) Confirm that:
- a. all employees of your firm and/or persons working on your behalf, including, but not limited to, subcontractors (collectively, "Proposer Personnel") shall be fully vaccinated against the novel coronavirus 2019 ("COVID-19") prior to (1) interacting in person with City employees, contractors, or volunteers; (2) working on City property while performing the services requested in this RFP; and/or (3) coming into contact with the public while performing the services requested in this RFP (collectively, "In-Person Services"). "Fully vaccinated" means that 14 or more days have passed since Proposer Personnel have received the final dose of a two-dose COVID-19 vaccine series (Moderna or Pfizer-BioNTech) or a single dose of a one-dose COVID-19 vaccine (Johnson & Johnson/Janssen) and all booster doses recommended by the Centers for Disease Control and Prevention;
  - b. prior to assigning Proposer Personnel to perform In-Person Services, your firm shall obtain proof that such Proposer Personnel have been Fully Vaccinated;
  - c. your firm shall retain such proof of vaccination for the document retention period set forth in any agreement for provision of the services requested in this RFP; and
  - d. your firm shall grant medical and religious exemptions to Proposer Personnel as required by law.

With regard to proposals for Litigation Counsel (you may omit if your firm is submitting a proposal for Monitoring Counsel *only*):

- (y) Identify the lead trial attorney(s) who may be assigned to a case if your firm were to be selected to represent one of the plans as Litigation Counsel in a particular securities class action or opt-out case, and provide the bar numbers and a résumé for each.
- (z) For the attorneys identified above, state in detail the experience each attorney has in prosecuting securities class action lawsuits, opt-out cases, and/or derivative actions, identifying each matter handled and, in each, specifying: (a) case name; (b) month and year filed; (c) identity of lead plaintiff; (d) identity of co-counsel, if any; (e) total loss, if any; (f) disposition of the case; (g) gross amount of recovery, if any; (h) amount of recovery, if any, net of fees and expenses; (i) for derivative actions, significant corporate governance reforms; and (j) any other information which reflects favorably on the attorney's or your firm's expertise in prosecuting securities class actions, opt-out cases, and/or derivative actions.
- (aa) Describe your firm's ability and willingness to finance the prosecution of major securities class action, opt-out cases, and/or derivative actions, including whether you would rely on any source of financing outside of the firm's partnership.
- (bb) Describe a case that demonstrates your firm's ability to prosecute creative and/or novel theories of liability to increase recoveries for clients who have suffered significant market losses caused by corporate wrongdoing.
- (cc) Describe a case that demonstrates your firm's ability to successfully prosecute a civil action while a parallel criminal or regulatory enforcement investigation is pending.
- (dd) Describe any novel or meaningful corporate governance reforms enacted in response to a derivative action that your firm investigated and/or litigated.

## **6.0 CONFLICTS OF INTEREST**

Provide information on whether your firm represents any interests that may constitute a conflict of interest in your representation of the City of Los Angeles (alternatively, the "City"), LACERS, WPERP, LAFPP (collectively, the "Plans", the Port of Los Angeles, Los Angeles World Airports, the Los Angeles Department of Water and Power, the Community Redevelopment Agency ("CRA"), the Housing Authority of the City of Los Angeles, the Community Development Department ("CDD"), or any other City agency or affiliated entity.

Outside Counsel understands and agrees that it shall not apply for, accept or enter into any contract with any City department or office for any non-outside counsel legal services for the duration of this or any other outside counsel contract with the City, unless Outside Counsel first obtains the written approval of the Chief Deputy of the Office of the City Attorney. This is in addition to the approval by the City awarding authority of the non-outside counsel legal services contract.

## **7.0 MANDATORY CITY REQUIREMENTS**

Sections 8.1 through 8.13 describe mandatory requirements for contracting with the City of Los Angeles. Please access more detailed information and forms which must be completed by the proposer at the City's contracting website: LABAVN.org.

### **8.1 City Contracts Held Within the Last Ten (10) Years:**

Please list all of the City contracts held by the respondent within the past ten (10) years, In addition, please specify the following information:

- The City entity or department that administered the contract;
- The contract number;
- The dollar amount of the contract;
- Date and periods during which the contract was in effect; and
- A short description of the services provided.

### **8.2 Information on Business Locations and Workforce**

It is the policy of the City of Los Angeles to encourage businesses to locate or remain in the City. Therefore, the Los Angeles City Council requires all City departments to gather information on the headquarters address and certain information on the employees of the firms contracting with the City (Council File No.92-0021). The following information is to be included in each proposal:

- The headquarters address or respondent's firm and the total number of people employed by the firm, regardless of work location;
- The percentage of the respondent's total work force employed within the City of Los Angeles and the percentage residing within the City; and

- The address of any branch offices located within the City of Los Angeles and the total number employed in each Los Angeles branch office. The percentage of the work force in each Los Angeles branch office that is employed within the City and the percentage residing within the City.

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### 8.3 Statement of Non-Collusion

With each response, a statement shall be submitted and signed by the respondent under penalty of perjury that:

- The response is genuine, not a sham or collusive;
- The response is not made in the interest or on behalf of any person not named therein;
- The respondent has not directly or indirectly induced or solicited any person to submit a false or sham response or to refrain from responding; and
- The respondent has not in any manner sought by collusion to secure an advantage over any other respondent.

### 8.4 Minority Business Enterprise (“MBE”) and Women-owned Business Enterprise (“WBE”) Program and Other Business Enterprise (“OBE”) Outreach Requirements

It is the policy of the City to provide Minority Business Enterprises, Women Business Enterprises, and Other Business Enterprises an equal opportunity to participate in the contractual process. All respondents are strongly encouraged to make an effort to include members of these groups in any subcontracting work to be performed if awarded the contract. Information regarding this policy can be found at the City Attorney Office website, identified above.

### 8.5 Non-Discrimination, Equal Employment Practices and Affirmative Action Policies

Respondent awarded a contract pursuant to the RFP must comply with the Nondiscrimination Policy, Equal Employment Practices and Affirmative Action Programs set forth in Section 10.8 et seq. of the Los Angeles Administrative Code. The respondent must sign and submit with the response a Nondiscrimination, Equal Employment Practices and Affirmative Action Certification Declaration, Composition of Total Workforce Report, and a signed version of one of the following affirmative action plans: a) the respondent’s own affirmative action plan which meets all the requirements of the City’s Affirmative Action Plan. If the respondent elects to submit its own plan, it must be submitted to the Office of Contract Compliance for approval. Respondents should refer to the City Attorney website identified above for additional information, forms and instructions.

#### 8.6 Child Care Policy

It is the policy of the City of Los Angeles to encourage businesses to adopt childcare policies and practices. Consistent with this policy, all responses must contain a completed "Child Care Declaration Statement." Respondents should refer to the City Attorney website identified above for additional information, instructions and the certification.

#### 8.7 Service Contract Worker Retention and Living Wage Ordinances

The Service Contract Worker Retention Ordinance (Los Angeles Administrative Code, Section 10.36 et seq.) and the Living Wage Ordinance (Los Angeles Administrative Code, Section 10.37 et seq.) (collectively, the "Ordinances") provide that all employers (except those specifically exempted) under contracts primarily for the furnishing of services to or for the City and that involve an expenditure or receipt in excess of \$25,000 and a contract term of at least three (3) months, or certain recipients of city financial assistance, shall comply with provisions of said Ordinances. Respondents should refer to the City Attorney website identified above for further information regarding these Ordinances.

#### 8.8 Equal Benefits Ordinance

Unless otherwise exempt, any contract award pursuant to the RFP is subject to the Equal Benefits Ordinance (Los Angeles Administrative Code Section 10.89.2.1 et seq.), which applies to contracts in excess of \$5,000.00 and requires that contractors provide the same benefits to domestic partners of employees that are provided to spouses or employees. Respondents must complete and return with their response, a Certification of Compliance Form and, if appropriate, the Reasonable Measures Certification or the Substantial Compliance Certification. Respondents should refer to the City Attorney website identified above to access these forms.

#### 8.9 Insurance and Indemnification

If awarded a contract, the respondent will furnish the City evidence of insurance coverage as follows: \$1,000,000 for General liability; \$250,000 for Workers' Compensation; and \$300,000 for Automobile Liability. The contractor will be required to indemnify the City in accordance with the provisions set forth in PSC-18 of the Standard Provisions for City Contracts. Details regarding insurance requirements are in the Standard Provisions for City Contracts, which may be accessed at the City Attorney website identified above.

In addition, insurance forms which must be completed and approved by the City Attorney Insurance and Bonds Section prior to contract execution are also available at the website. These forms are for information only and do not need to be returned with the response.

#### 8.10 Support Assignment Orders

Respondents are advised that any contract awarded pursuant to this RFP will be subject to the applicable provisions of Los Angeles Administrative Code Section 10.10, Child Support Assignment Orders. Respondents shall access the City Attorney website identified above for further information and must submit it with the response the Certification with Child Support Obligations contained therein.

#### 8.11 Contractor Responsibility Ordinance

Every Request for Proposal, Request for Bid, Request for Qualifications or other procurement process is subject to the provisions of the Contractor Responsibility Ordinance, Section 10.40 et seq., of Article 14, Chapter 1 of Division 10 of the Los Angeles Administrative Code, unless exempt pursuant to the provisions of the Contractor Responsibility Ordinance.

This Contractor Responsibility Ordinance requires that all respondents complete and return, with their response, the responsibility questionnaire for service contracts. This questionnaire, and additional information about the ordinance, may be accessed at the City Attorney website identified above. Failure to return the completed questionnaire may result in the response being deemed non-responsive. The Contractor Responsibility Ordinance also requires that if a contract is awarded pursuant to this procurement, that the contractor must update responses to the questionnaire, within thirty calendar days, after any changes to the responses previously provided if such change would affect contractor's fitness and ability to continue performing the contract. Pursuant to the Contractor Responsibility Ordinance, by executing a contract with the City, the contractor pledges, under penalty of perjury, to comply with all applicable federal, state and local laws in performance of the contract, including but not limited to laws regarding health and safety, labor and employment, wage and hours, and licensing laws which affect employees. Further, the Contractor Responsibility Ordinance requires each contractor to: (1) notify the awarding authority within thirty calendar days after receiving notification that any governmental agency has initiated an investigation which may result in a finding that the contractor is not in compliance with Section 10.40.3 (a) of the Contractor Responsibility Ordinance; and (2) notify the awarding authority within thirty calendar days of all findings by a government agency or court of competent jurisdiction

that the contractor has violated Section 10.40.3 (a) of the Contractor Responsibility Ordinance.

#### 8.12 Americans with Disabilities Act

The City is a covered entity under Title II of the Americans with Disabilities Act, 42 U.S.C.A. Section 12131 et seq. Respondents awarded a contract through this RFP must comply with the Americans with Disabilities Act and execute a certification regarding compliance with the Americans with Disabilities Act prior to the execution of a contract. For further information, respondents should refer to the website identified above (Standard Provisions for City Contracts).

#### 8.13 Recycled Paper

Outside Counsel shall submit all written documents on paper with a minimum of 30 percent post-consumer recycled content. Existing Outside Counsel letterhead or stationery that accompanies these documents is exempt from this requirement. Pages should be double-sided. Neon or fluorescent paper shall not be used in any written documents submitted.

### **8.0 GENERAL CITY RESERVATIONS**

- (a) City reserves the right to verify the information in the response.
- (b) If a firm knowingly and willfully submits false information or other data, the City reserves the right to reject that response. If a contract was awarded as a result of false statements or other data submitted in response to this RFP, the City reserves the right to terminate that contract.
- (c) Submission of a response to this RFP shall constitute acknowledgment and acceptance of the terms and conditions set forth herein. Responses and the offers contained therein shall remain valid for a period of one hundred and twenty (120) days from the date set for receipt of responses. Firms awarded a contract pursuant to this RFP will be required to enter into a written contract with the City approved as to form by the City Attorney. This RFP and response, or any parts thereof, may be incorporated into and made a part of the final contract. The City reserves the right to further negotiate the terms and conditions of the contract. The final contract offer of the City may contain additional terms or terms different from those set forth herein.
- (d) Late responses will not be considered. The City, in its sole discretion, reserves the right to determine the timeliness of all responses submitted.

- (e) The City reserves the right to waive any informality in the process when to do so is in the best interest of the City.
- (f) The City reserves the right to withdraw this RFP at any time without prior notice and the right to reject any and all Responses. The City makes no representation that any contract will be awarded to any firm responding to this RFP. The City reserves the right to extend the deadline for submission. Firms will have the right to revise their response in the event the deadline is extended. Each proposer must send an e-mail address to [nicole.paul@lacity.org](mailto:nicole.paul@lacity.org) with a copy to [gina.m.didomenico@lacity.org](mailto:gina.m.didomenico@lacity.org) as soon as possible, so that the City Attorney may contact any proposer if necessary to amend this RFP or for any other reason. Failure to provide such an e-mail address will preclude the City Attorney's ability to contact the proposer, but will not excuse the proposer from being required to comply with any amendments. The City would not, in that case, be liable for the proposer's failure to receive such notice and any resultant non-responsiveness or noncompliance on your part. If a proposer does not have an e-mail address, please provide a postal address for this purpose.
- (g) A proposer may withdraw its response prior to the specified due date and time. A written request to withdraw, signed by an authorized representative of the proposer, must be submitted to the City Attorney's Office at the address specified herein for submittal of proposal. After withdrawing a previously submitted proposal, the proposer may submit another proposal at any time prior to the specified submission deadline.
- (h) All costs of response preparation shall be borne by the proposer. The City shall not, in any event, be liable for any pre-contractual expenses incurred by the proposer in the preparation and/or submission of the response.
- (i) Unnecessarily elaborate or lengthy responses or other presentations beyond those needed to give sufficient and clear response to all of the RFP requirements are not desired.
- (j) The response must set forth accurate and complete information as required in this RFP. Unclear, incomplete, and/or inaccurate documentation may not be considered for contract award.
- (k) Responses shall be reviewed and rated by the City as submitted. Firms may make no changes or additions after the deadline for receipt.
- (l) A firm will not be recommended for a contract award, regardless of the merits of the response submitted, if it has a history of contract

noncompliance with the City or other funding source or poor past or current performance with the City or other funding source.

- (m) The City reserves the right to retain all responses submitted and the responses shall become the property of the City. Any department or agency of the City has the right to use any of the ideas presented in the responses submitted in response to this RFP. All responses received by the City will be considered public records subject to disclosure under the Public Records Act. (California Government Code Section 6250 et seq.) Applicants must identify any material they claim is exempt from disclosure under the Public Records Act. In the event such exemption is claimed, the proposer is required to state in the response that it will defend and indemnify the City in any action brought against the City for its refusal to disclose such material to any party making a request thereof. *Failure to include such a statement shall constitute a waiver of proposer's right to exemption from disclosure.*
- (n) Upon completion of all work under this contract, ownership and title of all reports, documents, plans, drawings, specifications, and estimates produced as part of this contract will automatically be vested in the City of Los Angeles, and no further agreement will be necessary to transfer ownership to any City agency. Copies made for the contractor's records shall not be furnished to others without written authorization from the City Attorney.
- (o) Any contract awarded pursuant to this RFP is subject to the Contractor Evaluation Ordinance, Los Angeles Administrative Code Section 10.39, which requires awarding authorities to evaluate contractor's performance and retain such evaluative information in a data bank for future reference.
- (p) The contract awarded from this RFP is expected to begin as soon as the selection process is complete and last up to three years, subject to extensions as agreed upon by the parties.
- (q) The City may award a contract on the basis of proposals submitted, without discussions, or may negotiate further with those proposers within a competitive range. Proposals should be submitted on the most favorable terms the proposer can provide.

## **9.0 CLARIFICATION**

If additional information is needed to interpret this RFP, written questions shall be submitted to [gina.m.didomenico@lacity.org](mailto:gina.m.didomenico@lacity.org). All respondents shall have and provide an active e-mail address to receive responses to the questions.

## **10.0 SIGNATURES AND DECLARATIONS**

Each proposal must be signed on behalf of the proposer by an officer authorized to bind the proposer, and must include the following declaration:

“This proposal is genuine, and not sham or collusive, nor made in the interest or on behalf of any person not named therein; the proposer has not directly or indirectly induced or solicited any other proposer to put in a sham bid, or any other person, firm or corporation to refrain from submitting a proposal, and the proposer has not in any manner sought by collusion to secure for themselves an advantage over any other proposer.”

## **11.0 INDEMNIFICATION**

In addition to the insurance requirements, as set forth in this RFP, the proposer must undertake and agree to defend, indemnify and hold harmless the City, its Departments and any and all of City's boards, officers, agents, employees, assigns and successors in interest from and against all suits and causes of action, claims, losses, demands and expenses, including, but not limited to, attorney's fees and costs of litigation, damage or liability of any nature whatsoever, for death or injury to any person, including proposer's employees and agents, or damage to or destruction of any property of either party hereto or of third persons, in any manner arising by reason of or incident to the performance of the contract on the part of proposer, its officers, directors, agents, servants, employees, contractors, whether or not contributed to by any act or omission of the City or any of the City's boards, officers, agents or employees.

## **13.0 EXPENSE, OWNERSHIP AND DISPOSITION**

City shall not be responsible in any manner for the costs associated with the submission of the proposals in response to this RFP. All proposals, including all drawings, plans, photos, and narrative material, shall become the property of the City upon receipt by City. City shall have the right to copy, reproduce, publicize, or otherwise dispose of each proposal in any way that City selects. City shall be free to use as its own, without payment of any kind or liability therefore, any idea, concept, scheme, technique, suggestion, or plan received during this proposal process.

## **14.0 ATTORNEY FEES**

If City shall be made a party to any litigation commenced by or against proposer arising out of proposer's operations and as a result of which proposer is held liable, in whole or in part, by settlement, adjudication, or otherwise, then proposer shall pay all costs and reasonable attorney fees incurred by or imposed upon

City in connection with such litigation. Each party shall give prompt notice to the other of any claim or suit instituted against it that may affect the other party.

#### **15.0 BIDDER CONTRIBUTIONS – CITY CHARTER SECTION 470(C)(12)**

Persons who submit a response to this solicitation (bidders) are subject to Charter section 470(c)(12) and related ordinances. As a result, bidders may not make campaign contributions to and or engage in fundraising for certain elected City officials or candidates for elected City office from the time they submit the response until either the contract is approved or, for successful bidders, 12 months after the contract is signed. The bidder's principals and subcontractors performing \$100,000 or more in work on the contract, as well as the principals of those subcontractors, are also subject to the same limitations on campaign contributions and fundraising.

***Bidders must submit CEC Form 50 and CEC Form 55*** (available at [LABAVN.org](http://LABAVN.org)) to the awarding authority at the same time the response is submitted. Form 55 requires bidders to identify their principals, their subcontractors performing \$100,000 or more in work on the contract, and the principals of those subcontractors. Bidders must also notify their principals and subcontractors in writing of the restrictions and include the notice in contracts with subcontractors. Responses submitted without completed CEC Forms 50 and 55 shall be deemed nonresponsive. Bidders who fail to comply with City law may be subject to penalties, termination of contract, and debarment. Additional information regarding these restrictions and requirements may be obtained from the City Ethics Commission at (213) 978-1960 or [ethics.lacity.org](http://ethics.lacity.org).

**ATTACHMENT B**  
**LACERS SECURITIES LITIGATION POLICY**

**Section 11 SECURITIES LITIGATION POLICY****XVI. SECURITIES LITIGATION POLICY****A. Purpose**

The Board adopts this Securities Litigation Policy to establish procedures and guidelines for monitoring, evaluating, and participating in both securities class actions and other securities-related litigation as appropriate to protect and maximize the recovery value of LACERS' assets.

**B. Objective**

The objective of the Securities Litigation Policy is to carry out the Board's fiduciary obligation to monitor securities class actions and other securities-related litigation in which LACERS has an interest, and to participate in such actions and recover damages when appropriate to protect and maximize the recovery value of LACERS' assets.

**C. Guidelines****1. Use of Outside Experts As Needed**

LACERS may engage the services of its custodian bank, third-party vendors, and with the concurrence of the City Attorney's Office, outside counsel, to assist LACERS to monitor securities litigation cases in which LACERS may have an interest, evaluate LACERS' potential losses, provide recommendations concerning whether to take an active role in the litigation, and/or represent LACERS in cases in which the Board has agreed to seek an active role.

**2. Threshold for Determinations by the Board to Actively Participate****a) Domestic Securities Actions**

The Board shall make a determination, based upon the analysis and recommendation provided by Staff and the City Attorney's Office, whether to take an active role in a particular domestic securities class action, including whether to seek lead plaintiff status or pursue an independent action, where: (1) the estimated recoverable damages to LACERS exceed two million dollars (\$2,000,000.00); or (2) the estimated recoverable damages to LACERS exceed one million dollars (\$1,000,000.00) and LACERS joins with one or more City of Los Angeles retirement plans in pursuing an independent action. In making its determination, the Board shall weigh the potential damages incurred by the Plan, the potential recovery that may be obtained if such claim is pursued, and the likelihood of the plaintiffs' success in the action based upon the merits of the action.

**ATTACHMENT C**  
**LAFPP SECURITIES LITIGATION POLICY**

## **Los Angeles Fire & Police Pension System**

### **10.0 - SECURITIES LITIGATION POLICY**

#### **PURPOSE**

- 10.1 The Board of Los Angeles Fire and Police Pension Commissioners (the “Board”) recognizes its obligation to make prudent efforts to preserve and protect the assets of the Plan. The Board acknowledges that securities claims are an asset of the Plan and that the pursuit of litigation may become necessary or appropriate in order to maximize the Plan’s recovery of assets.

The purpose of the Board’s securities litigation policy is to establish procedures and guidelines for monitoring and participating in both securities class actions and other securities related litigation when appropriate to protect the Plan’s assets.

#### **CLAIMS EVALUATION PROCESS AND PARTICIPATION AS LEAD PLAINTIFF**

- 10.2 In order to fully and objectively evaluate the Plan’s position in connection with any potential claim, the Board has developed the following process:
- A. Unless the Plan incurs potential damages (loss net of gain) in excess of Three Million Dollars (\$3,000,000.00) in connection with any investment that has given rise to securities litigation, the Plan shall proceed as a member of a domestic securities class action or, if no class action has been filed, the Board shall determine if it should proceed with an independent action based upon review and recommendation by Staff, the City Attorney’s Office and outside counsel.
  - B. If the potential losses exceed Seven Million Dollars (\$7,000,000.00), the Board shall determine if the Plan should seek lead plaintiff status, pursue an independent action, or remain a member of the class. The Board’s decision shall be based upon review and recommendation by Staff, the City Attorney’s Office and outside counsel.
  - C. When determining whether to seek a leadership role in a particular securities lawsuit, the Board may consider relevant factors to guide its fiduciary decision making, including an estimate of the magnitude of the potential damages incurred by the Plan, the nature and severity of the misconduct alleged in the case, the potential recovery that may be obtained if such claim is pursued, and the merits of such claim. The Board shall consider and determine if it is in the Plan’s best interest to pursue lead plaintiff status or proceed with individual litigation. In determining whether to seek lead plaintiff status, the factors to be considered shall include whether the Plan’s participation or action will increase the net monetary value of settlement; the potential effect on the value of the Plan’s investment portfolio; and whether the Plan’s active participation is significantly likely to add value to the potential class recovery.

- D. A foreign securities action is a lawsuit pending or proposed to be filed outside the United States involving securities purchased on a foreign securities exchange or other non-domestic transactions by the Plan or on its behalf. In contrast to domestic securities class actions in which the Plan may remain a passive class member and receive its pro rata share of any recovery, participation as a class member in foreign securities action generally requires the Plan to “opt-in” through registration or other affirmative action by the Plan. In foreign securities actions:

The City Attorney and Staff, after input from outside counsel, shall make a decision whether to participate (opt-in). Such consensus recommendation shall be based on core considerations concerning damages, administrative burdens, and liability. Additionally, if participation in a particular international securities litigation would not be on terms substantially similar to a domestic class action case, the consensus recommendation shall include consideration of whether the cost to participate is too high as to reduce recovery below the point where participation is prudent, the merits of the case and likelihood of recovery, and any other risks to the Plan.

When making a determination whether to opt-in, in addition to the core considerations described in Section 10.2.C above, the City Attorney and Staff shall also weigh the quality and financial stability of the foreign legal counsel and the defense cost funding guarantor, foreign jurisdiction law, and language translation.

### **SELECTION OF SECURITIES LITIGATION COUNSEL**

- 10.3 The Board and the City Attorney shall use a Request for Proposal (RFP) process to select one or more law firms to monitor and review the Plan’s investment portfolio for the filing of class actions. Any law firms selected for such monitoring shall require the approval of the City Attorney. The selected law firms shall make recommendations to the City Attorney, Staff, and, subject to the criteria set forth in Section 10.2 of this Policy, the Board, regarding whether potential or actual securities litigation cases are meritorious and worthy of further investigation, including seeking lead plaintiff status. The monitoring and review service shall be performed at no cost to the Plan.

When the Board has made a determination to pursue an active role in domestic securities litigation, the Board and the City Attorney shall use a Request for Proposal (RFP) process, targeted to the list of law firms previously approved by the Board and the City Attorney, to select a law firm to represent the Plan in connection with a specific securities litigation case. Any law firm selected for such representation shall require the approval of the City Attorney. The selected law firm shall advise the Plan regarding whether the Plan should seek lead plaintiff status or recovery on a joint or individual basis in an action that is not a class action and represent the Plan in litigation in connection with such cases. (Amended 04/16/2020)

### **MONITORING ACTIONS**

- 10.4 The City Attorney in conjunction with outside counsel shall provide ongoing status

reports to the Board on all securities litigation cases in which the Plan sought to be appointed or was appointed as lead plaintiff in a class action or in a case in which the Plan has filed an independent action. These reports shall include a summary of all major developments in connection with such cases. All strategic decisions in such litigation shall be made by the Board.

**HISTORY**

10.5 Adopted: August 21, 2003

Revised:

10/01/2009 09/06/2018

09/18/2014 12/20/2018

10/06/2016 04/16/2020