LACERS
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

Board of Administration Agenda

REGULAR MEETING

TUESDAY, SEPTEMBER 8, 2020

TIME: 10:00 A.M.

MEETING LOCATION:

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

Important Message to the Public

Information to call-in to participate:
Dial: (669) 900-6833 or (253) 215-8782
Meeting ID# 959 0123 2810

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

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

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

President:	Cynthia M. Ruiz
Vice President:	Sung Won Sohn
Commissioners:	Annie Chao Elizabeth Lee Sandra Lee Nilza R. Serrano Michael R. Wilkinson
Manager-Secretary:	Neil M. Guglielmo
Executive Assistant:	Ani Ghoukassian
Legal Counsel:	City Attorney's Office Public Pensions General Counsel Division

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

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

Sign Language Interpreters, 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.ghoukassian@lacers.org***.

CLICK HERE TO ACCESS BOARD REPORTS

I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – *THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT* - **PRESS *9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD**

II. BOARD PRESIDENT VERBAL REPORT

III. GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS

B. UPCOMING AGENDA ITEMS

IV. RECEIVE AND FILE ITEMS

A. MARKETING CESSATION NOTIFICATION TO THE BOARD

B. BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER

C. EDUCATION AND TRAVEL EXPENDITURE REPORT FOR THE FISCAL YEAR 2019-20

V. INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT

B. FINALIST FIRMS OF THE EMERGING MARKET DEBT INVESTMENT MANAGER SEARCH AND POSSIBLE BOARD ACTION

C. DISCUSSION OF PROPOSED AMENDMENTS TO THE LACERS PROXY VOTING POLICY AND POSSIBLE BOARD ACTION

D. CONTINUED DISCUSSION OF IMPLEMENTATION OF PRIVATE EQUITY INVESTMENT MANAGEMENT – CO-INVESTMENTS AND SECONDARIES

VI. BOARD/DEPARTMENT ADMINISTRATION

A. PRESENTATION BY INVESCO REAL ESTATE OF THE 977 N. BROADWAY PROJECT REPORT FOR THE QUARTER ENDING JUNE 30, 2020 FOR LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

VII. DISABILITY RETIREMENT APPLICATION(S)

A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) FOR CONSIDERATION OF THE DISABILITY RETIREMENT APPLICATION OF ABEL BURBOA AND POSSIBLE BOARD ACTION (HEARING)

B. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957(b) FOR CONSIDERATION OF THE DISABILITY RETIREMENT APPLICATION OF MARJORIE MOSS AND POSSIBLE BOARD ACTION**

C. CONSIDERATION OF THE DISABILITY RETIREMENT APPLICATION OF DOUGLAS WATSON AND POSSIBLE BOARD ACTION (HEARING)

D. ADOPTION OF FINDINGS OF FACT FOR VIVECA BUTLER AND POSSIBLE BOARD ACTION

VIII. LEGAL/LITIGATION

A. LEGAL UPDATE REGARDING CALIFORNIA SUPREME COURT DECISION IN *ALAMEDA COUNTY DEPUTY SHERIFF'S ASS'N V. ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASS'N* (S247095)

IX. OTHER BUSINESS

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

XI. ADJOURNMENT

Agenda of: SEPTEMBER 8, 2020

Item No: IV-A

MARKETING CESSATION REPORT
NOTIFICATION TO THE BOARD

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

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

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

ATTACHMENT 1

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

CONTRACTS UNDER CONSIDERATION FOR RENEWAL

NO.	VENDOR / CONSULTANT	DESCRIPTION	INCEPTION DATE	EXPIRATION DATE	MARKETING CESSATION STATUS	RESTRICTED PERIOD*	
						START	END
ADMINISTRATIVE OPERATIONS BUREAU							
1.	Box, Inc.	Box Portal Implementation Consulting Services	Pending	Pending	Board approved on 7/14/2020; contract under review for execution.	7/9/2020	11/30/2020
HEALTH BENEFITS ADMINISTRATION							
2.	Anthem 2020	Medical HMO & PPO	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020
3.	Anthem Blue View Vision 2020	Vision Services Contract	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020
4.	Delta Dental 2020	Dental PPO and HMO	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020

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FOR THE SEPTEMBER 8, 2020 BOARD MEETING

CONTRACTS UNDER CONSIDERATION FOR RENEWAL

NO.	VENDOR / CONSULTANT	DESCRIPTION	INCEPTION DATE	EXPIRATION DATE	MARKETING CESSATION STATUS	RESTRICTED PERIOD*	
						START	END
5.	Kaiser 2020	Medical HMO	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020
6.	SCAN 2020	Medical HMO	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020
7.	United Healthcare 2020	Medical HMO	1/1/2020	12/31/2020	Board approved on 8/27/2019; contract under review for execution.	1/1/2020	12/31/2020
INTERNAL AUDIT							
8.	Moss Adams	External Auditor	7/1/2020	6/30/2023	Board approved on 6/23/2020; contract under review for execution.	4/1/2023	9/30/2023

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CONTRACTS UNDER CONSIDERATION FOR RENEWAL

NO.	VENDOR / CONSULTANT	DESCRIPTION	INCEPTION DATE	EXPIRATION DATE	MARKETING CESSATION STATUS	RESTRICTED PERIOD*	
						START	END
			INVESTMENTS				
9.	Axiom International Investors, LLC	Active Non-U.S. Equities Emerging Markets Growth	1/1/2014	12/31/2020	Board approved contract extension on 7/28/2020; contract execution in progress.	7/9/2020	3/31/2021
10.	Quantitative Management Associates, LLC	Active Non-U.S. Equities Emerging Markets Core	1/1/2014	12/31/2020	Pending Investment Committee review.	8/6/2020	3/31/2021

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

End Date - The estimated end date of the restricted period is three (3) months following the expiration date of the current contract. For investment-related contracts, the estimated end date is normally six (6) months following the expiration of the current contract. For health carrier contracts, the estimated end date is normally one (1) year following the expiration of the current contract. Estimated dates are based on contract negotiation periods from prior years.

ATTACHMENT 2

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

ACTIVE RFPs AND RFQs

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
		CITY ATTORNEY
1	Outside Fiduciary Counsel	**RFP Release Date:** February 7, 2020 **Submission Deadline:** February 28, 2020 **Status:** On June 23, 2020, the Board awarded contracts to: Kutak Rock LLP, Nossaman LLP, and Olson Remcho LLP. Contracts out for signatures. **List of Respondents:** Barnes & Thornburg LLP, Foley & Lardner LLP, Kutak Rock LLP, Olson Remcho LLP, Reed Smith LLP, Nossaman LLP, Hanson Bridgett LLP, Encore Law Group LLP
		INVESTMENTS
2	Core Fixed Income Mandate Search	**RFP Release Date:** August 19, 2019 **Submission Deadline:** October 4, 2019 **Status:** In progress **List of Respondents:** Amundi Pioneer Institutional Asset Management, Inc., Baird Advisors, BlackRock, Inc., BMO Global Asset Management, Brown Brothers Harriman & Co., C.S. McKee, L. P., Calvert Research and Management (Calvert or CRM),Conning, Dimensional Fund Advisors LP, Dodge & Cox, EARNEST Partners, LLC, FIAM LLC, Galliard Capital Management, Garcia Hamilton & Associates, L.P., Goldman Sachs Asset Management L.P., Guggenheim Partners Investment Management, LLC, Income Research & Management, Integrity Fixed Income, Management, LLC, Invesco Advisers, Inc., J.P. Morgan Asset Management, Jennison Associates LLC, Lazard Asset Management LLC, LM Capital Group, LLC, Longfellow Investment Management Co., LLC, Loomis, Sayles & Company, L.P, Manulife Investment Management, MFS Institutional Advisors, Inc., Morgan Stanley Investment Management, National Investment Services, Neuberger Berman, Nuveen, LLC, Payden & Rygel, PGIM Fixed Income, Piedmont Investment Advisors, Inc., PIMCO, Princeton Asset Management, LLC, Progress Investment Management Company, LLC, Pugh Capital Management, Inc,. Quadratic Capital Management LLC, Ramirez Asset Management, Schroder Investment Management North America Inc., Securian Asset Management, Inc., Segall Bryant & Hamill, Sit Investment Associates, Inc. (Sit), SLC Management, Smith Graham & Co., Investment Advisors, L.P., Sterling Capital Management LLC, T. Rowe Price Associates, Inc., TCW Group, Inc., The Capital Group Companies,Inc., Voya Investment Management (Voya IM), Wellington Management Company LLP, Wells Fargo Asset Management, Western Asset Management Company, LLC

ATTACHMENT 2

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

ACTIVE RFPs AND RFQs

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
3	Emerging Market Debt Mandate Search	**RFP Release Date:** June 19, 2019 **Submission Deadline:** July 22, 2019 **Status:** On February 11, 2020, the Investment Committee advanced four firms as semi-finalists: Ashmore Investment Management; Wellington Management Company LLP; PGIM Fixed Income; Schroder Investment Management North America Inc. **List of Respondents:** Eaton Vance Management, Ashmore Investment Management, Capital Group, Fidelity Institutional Asset Management, GAM USA, INC., Northwest Passage Capital Advisors LLC, Payden & Rygel, PGIM Fixed Income, Schroder Investment Management North America Inc., Stone Harbor Investment Partners LP, LM Capital Group, Wellington Management Company LLP, Manulife Investment Management, Global Evolution USA LLC, GoldenTree Asset Management LP, Goldman Sachs Asset Management L.P., Investec Asset Management, Nuveen, A TIAA Company
4	Emerging Market Small Cap Equities Mandate Search	**RFP Release Date:** June 10, 2019 **Submission Deadline:** July 22, 2019 **Status:** On July 28, 2020, Board awarded contract to Wasatch Advisors, Inc. Negotiations in progress. **List of Respondents:** LMCG Investments, LLC, AQR Capital Management, LLC, Dimensional Fund Advisors LP, EAM Investors, LLC, Ashmore, Cedar Street Asset Management LLC, Copper Rock Capital Partners, LLC, FIAM LLC, Macquarie Investment Management, RBC Global Management, Inc., Capital, River and Mercantile LLC, Schroder Investment Management North America Inc., Somerset Capital Management LLP, Wasatch Advisors, Inc., Kayne Anderson Rudnick Investment Management, Franklin Templeton Investments, Globeflex Capital, LP, Quantitative Management Associates, LLC, State Street Global Advisors Distributor, LLC

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

ACTIVE RFPs AND RFQs

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
5	High Yield Fixed Income and Hybrid High Yield Fixed Income / U.S. Floating Rate Bank Loan Mandate Search	**RFP Release Date:** February 25, 2019 **Submission Deadline:** April 12, 2019 **Status:** On February 11, 2020, the Board awarded contracts to: High Yield Fixed Income - Loomis, Sayles & Company, L.P. Hybrid Fixed Income/Bank Loans - DDJ Capital Management, LLC Negotiations in progress. **List of Respondents:** Ares Management LLC, Arena Capital Advisors, LLC, Guggenheim Partners Investment Management, LLC, Aegon Asset Management US, MacKay Shields LLC, Post Advisory Group, LLC, Diamond Hill Capital Management, Inc., AXA Investment Managers, Pacific Asset Management, Mesirow Financial Investment Management, Inc., DDJ Capital Management, LLC, Par-Four Investment Management, LLC, PGIM Fixed Income, Beach Point Capital Management LP, KKR Credit, Barrings LLC, Eaton Vance Management, Brigade Capital Management, LP, Morgan Stanley Investment Management, Lord, Abbett & Co. LLC, BlackRock, Inc., L & S Advisors, Inc., Mellon Investments Corporation, Seix Investment Advisors LLC, Legal & General Investment Management, Principal Global, Bain Capital Credit, LP, Princeton Asset Management, LLC, Symphony Asset Management, LLC, PIMCO, The Capital Group Companies, Inc., Loomis, Sayles & Company, L.P., Credit Suisse Asset Management, LLC, J.P. Morgan Asset Management, Hotchkis and Wiley Capital Management, LLC, Northern Trust, CVC Credit Partners, LLC

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

ACTIVE RFPs AND RFQs

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
6	U.S. Small Cap Equities Mandate Search	**RFP Release Date:** February 25, 2019 **Submission Deadline:** April 12, 2019 **Status:** On January 28, 2020, the Board awarded contracts to the following five firms: Core - Copeland Capital Management, LLC Growth - EAM Investors, LLC; Granahan Investment Management Value - Bernzott Capital Advisors; Segall Bryant & Hamill Negotiations in progress. **List of Respondents:** 361 Capital, LLC, Aberdeen Standard Investments Inc., Acuitas Investments, LLC, Alliance Bernstein AB, Allianz Global Investors AllianzGI, AltraVue Capital, LLC , American Century Investment Management, Inc., AMI Asset Management Corporation, Anchor Capital Advisors LLC, Ariel Investments, LLC, Aristotle Capital Boston, LLC, Axiom Investors , Baron Capital, Barrow, Hanley, Mewhinney, Strauss, LLC, Bernzott Capital Advisors, Bivium Capital Partners, LLC, BlackRock, Inc., BMO Global Asset Management, BNP Paribas Asset Management USA Inc., Boston Advisors, LLC, Boston Partners Global Investors, Inc., Bridge City Capital, LLC, Cadence Capital Management LLC, Capital Impact Advisors, LLC, Capital Prospects LLC, Ceredex Value Advisors LLC, ClearBridge Investments, LLC, Copeland Capital Management, LLC, Dimensional Fund Advisors LP, Driehaus Capital Management LLC, Eagle Asset Management, EAM Investors, LLC, EARNEST Partners, LLC, Eastern Shore Capital Management, a Division of Moody Aldrich Partners, LLC, Eaton Vance Management, Elk Creek Partners LLC, Falcon Point Capital, LLC, Federated MDTA, LLC, FIAM LLC, Fisher Investments, Franklin Advisers, Inc., Frontier Capital Management Company, LLC, Goldman Sachs Asset Management, Granahan Investment Management , Granite Investment Partners, LLC, Great Lakes Advisors, LLC, GW&K Investment Management, LLCHotchkis and Wiley Capital Management, LLC, Investment Counselors of Maryland, LLC, Jacobs Levy Equity Management, Inc., Jennison Associates, JP Morgan, Kayne Anderson Rudnick Investment Management, LLC, Legato Capital Management, LLC, Legion Partners Asset Management, LLC, Lisanti Capital Growth, LLC, LMCG Investments, Loomis, Sayles & Company, L.P., Los Angeles Capital Management and Equity Research, Inc., Macquarie Investment Management, Manulife Asset Management, Matarin Capital Management, Mellon Investments Corporation, MFS Institutional Advisors, Inc., Monarch Partners Asset Management, LLC, Morgan Stanley Investment Management, Neuberger Berman, NewSouth Capital Management, Inc., Next Century Growth Investors, LLC, Northern Trust Investments, Inc., OFI Global Institutions, Inc., Pacific Ridge Capital Partners, LLC, Pacific View Asset Management, LLC, Palisade Capital Management, LLC, PanAgora Asset Management, Inc., Peregrine Capital Management, LLC, Perkins Investment Management LLC, Pier Capital, LLC, PIMCO, Portolan Capital Management LLC, Principal Global, Pzena Investment Management, QMA LLC, Ranger Investment Management, LP, Riverbridge Partners, LLC, RockCreek, Rothschild & Co Asset Management, Sapient Investments, LLC, Schroder Investment Management North America Inc., Segall Bryant & Hamill, Seizert Capital Partners, Smith Asset Management Group, Snyder Capital Management, L.P., Summit Creek Advisors, LLC, Systematic Financial Management, L.P., T. Rowe Price Associates, Inc., Teton Advisors, Inc., THB Asset Management, Tygh Capital Management, Vantagepoint Discovery, Victory Capital Management Inc., Voya Investment Management, Walkthausen & Co., LLC, Wasatch Advisors, Weatherbie Capital, LLC, Wedge Capital Management, Wellington Management Company LLP, Wells Fargo Asset Management, Westfield Capital Management Company, L.P., William Blair Investment Management, LLC, WisdomTree Asset Management, Inc., Zacks Investment Management

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

ACTIVE RFPs AND RFQs

NO.	DESCRIPTION	MARKETING CESSATION STATUS AND VENDOR RESPONSES
7	Private Credit Mandate Search	**RFP Release Date:** December 10, 2018 **Submission Deadline:** January 18, 2019 **Status:** On July 23, 2019, the Board awarded contracts to Alcentra Limited, Benefit Street Partners L.L.C., Crescent Capital Group LP, and Monroe Capital LLC. On May 26, 2020, the Board rescinded the contract award to Alcentra Limited. Negotiations in progress. **List of Respondents:** 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 Advisors, Magnetar Capital LLC, MC Credit Partners LP, Oaktree Capital Management, L.P., THL Credit Advisors LLC, White Oak Global Advisors, LLC, Benefit Street Partners L.L.C., EntrustPermal / Blue Ocean GP LLC, Willow Tree Credit Partners LP, Monroe Capital LLC, Runway Growth Capital LLC, Stellus Capital Management, LLC

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

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

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

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM IV-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

Member Name	Service	Department	Classification
Arevalo, Danny Fernando	30	PW - Sanitation	Ref Coll Truck Oper
Bartels, Claire Thompson	32	Office of Finance	Dir Of Finance
Beaulieu, Kevin M	21	Dept. of Bldg. & Safety	Build Mech Inspector
Boone, Bonnie L	32	City Attorney's Office	Legal Secretary
Brand, Rosie A	8	Dept. of Rec. & Parks	Recreation Asst
Carrillo, Maria G	40	Dept. of Bldg. & Safety	Clerk Steno
Case, Daniel	20	Harbor Dept.	Deck Hand
Castillo, Marilyn Usita	26	PW - Sanitation	Chemist
Chu, Glender Kuang Lin	30	LA Housing Dept.	Management Analyst
Cole, Robert Alan	38	Dept. of Bldg. & Safety	Sr Build Inspector
Comins, Terryle M	9	Dept. of Transportation	Traf Officer
Duncanson, John Courtney	32	PW - Street Services	St Svc Investigator
Dunn, Bob Ray	20	Dept. of Bldg. & Safety	Sr Build Mech Inspectr
Escal, Mercedita Bartolome	31	GSD - Printing Revolving	Bindery Worker
Esguerra, Wilfredo De Leon	29	PW - Sanitation	Instrument Mech Supv
Gay, Melanie Elise	21	Police Dept. - Civilian	Sr Administrative Clerk
Gomez, Juan P	21	Dept. of Rec. & Parks	Building Repairer
Gonzales, Benjamin C	30	PW - Sanitation	Ref Coll Truck Oper
Gutierrez, Edward L	31	PW - St. Maint.	Motor Sweeper Operator
Hanor, Danny Lee	20	GSD - Bldg. Svcs.	Roofer
Herrera, Nancy	35	EWDD	Sr Mgmt Analyst
Hodges, Jack D	6	Dept. of Rec. & Parks	Recreation Asst
Hsu, Shu Yuan Cindy	6	Harbor Dept.	Landscape Arch Assoc
Ibanez, Roselyn Estepa	20	LA Housing Dept.	Project Coordinator
Johnson, Blake R	35	Dept. of Rec. & Parks	Sr Gardener
Johnson, Larry M	3	Dept. of Rec. & Parks	Asst Park Svcs Attnd
Jreije, Marie Ther F	0.1	Dept. of Airports	Airport Guide
Keller, Eric J	16	PW - Engineering	Civil Engineer
Legaspi, Victoria Fauni	21	PW - Admin Div.	Accounting Clerk
Loudd, Sharon L	29	Office of Finance	Sr Mgmt Analyst
Lowe, Troy	35	PW - St. Maint.	Equipmnt Operator
Macera, Eva Alicia	25	Police Dept.	Sr Mgmt Analyst
Maldonado, Larry	19	GSD - Bldg. Fac Mgmt.	Custodian
Malieitulua, Niuvela Masa	30	Police Dept. - Civilian	Police Service Rep

Martyniuk, Peter Z	10	PW - Sanitation	Painter
Matsunaga, Scott H	30	LA Housing Dept.	Management Analyst
Molloy, Marilyn M	5	Police Dept. - Civilian	Sr Admin Clerk
Muchnick, Joanne Lynn	32	Police Dept. - Civilian	Sr Admin Clerk
Newton, Mary Alice	33	Police Dept. - Civilian	Police Service Rep
Orland, Gregory P	28	City Attorney's Office	Deputy City Atty
Ott, Patricia L	25	Dept. of Animal Svcs.	Animal Care Tech Supv
Patterson, Robert	35	PW - Sanitation	W/Wtr Trmt Oper
Perez, Arthur Lara	19	GSD - Printing Revolving	Printing Press Oper
Perkins, Glendra Rene	33	Dept. of Airports	Management Analyst
Porter, Hezorn	28	PW - Sanitation	Ref Coll Truck Oper
Ramos, Norma S	19	PW - Admin Div.	Sr Administrative Clerk
Romero, Ricardo Mora	26	PW - Sanitation	Ref Coll Truck Oper
Rothmann, Thomas	26	City Planning Dept.	Pr City Planner
Uy, Marcelito Totto	30	Police Dept. - Civilian	Sr Detention Officer
Velazquez, Gilberto	17	Dept. of Rec. & Parks	Sr Gardener
Zabala, Silvanita B	6	Personnel Dept.	Workers Comp Analyst
Zavala, Maria G	4	Dept. of Rec. & Parks	Special Prog Asst

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM IV-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	
Ackel, Daniel L	Virginia Frankum for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Barbour, Keith Tyree (Deceased Active)	Estate Of Keith Barbour for the payment of the Accumulated Contributions
Boardman, Agnes	Frank M Boardman for the payment of the Accrued But Unpaid Continuance Allowance
Carroll, Marie H	Andrew F Carroll for the payment of the Accrued But Unpaid Continuance Allowance
Chu, Allen	Julie Michele Vasquez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Copeland, Fred	Roberta R Copeland for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Crawford, Barbara J	John W Crawford for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Favarote, Eunice	Cecyl L Favarote for the payment of the Burial Allowance
	Regina R Favarote for the payment of the Burial Allowance
Frierson, John W	Demetra Ingram for the payment of the Accrued But Unpaid Service Retirement Allowance
	Jeffrey Frierson for the payment of the Accrued But Unpaid Continuance Allowance Accrued But Unpaid Service Retirement Allowance
	Joslyn L Wright for the payment of the Accrued But Unpaid Continuance Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance
Fuller, Marjorie E	Elizabeth A Blume for the payment of the Accrued But Unpaid Continuance Allowance
	Jane E Luciani for the payment of the Accrued But Unpaid Continuance Allowance

Gan, Joseph C	Jamie C Gan for the payment of the Accrued But Unpaid Continuance Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
	Jason C Gan for the payment of the Accrued But Unpaid Continuance Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
	Johann C Gan for the payment of the Accrued But Unpaid Continuance Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance Unused Contributions
Garaniel, Romeo A	Socorro Garaniel for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Gerard, Helen E	Dennis Gerard for the payment of the Accrued But Unpaid Continuance Allowance
Gerola, Christian A	Florence Shackleton for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Regina Daxon for the payment of the Accrued But Unpaid Service Retirement Allowance
Gutierrez, Miguel F	Francisca Gutierrez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Harice, Irene	Debra D Harice for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hubbard, Jackaline	Yolanda Cook for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Iberri, David	Janye L Iberri for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Johnson, M B	Benjamin William Measures for the payment of the Accrued But Unpaid Continuance Allowance
June, Vernell M	Mary A Walker for the payment of the Accrued But Unpaid Continuance Allowance
	Susie Meekins for the payment of the Accrued But Unpaid Continuance Allowance
	Willie G Walker for the payment of the Accrued But Unpaid Continuance Allowance
Kelley, Carol A	Troy Kelley for the payment of the Accrued But Unpaid Continuance Allowance
Klink, Richard N	Matthew N Klink for the payment of the Burial Allowance

Kosche, Esther M	Henry Anthony Arambula for the payment of the Accrued But Unpaid Continuance Allowance Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Krotinger, Nathan	Eve B Panush for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Michelle Wolf for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Langston, Drue E	Barbara Jackson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Lee, Rumell G	Maxine L Kelly for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Lipus, Solveig	Carol Erle for the payment of the Accrued But Unpaid Continuance Allowance Christine Hammond for the payment of the Accrued But Unpaid Continuance Allowance Craig B Lipus for the payment of the Accrued But Unpaid Continuance Allowance
McCool, Gwendolyn Irene	Nicole Charlette McCool-Contreras for the payment of the Accrued But Unpaid Continuance Allowance

Million, Inez M	Lisa M Million for the payment of the Accrued But Unpaid Continuance Allowance
Morgan, Doris	Jeffrey Morgan for the payment of the Accrued But Unpaid Continuance Allowance Terri Dismuke for the payment of the Accrued But Unpaid Continuance Allowance
Mullally, Don P	Mary E Patterson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Newborn, James E	The Newborn Living Trust for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Norris, William J	Gail T Griffin for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Joseph Ray Norris for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Pamela A Norris for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Olson, Dale W	Estelle S Olson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Palaszewski, Raymond J	Teena M Portier for the payment of the Accrued But Unpaid Continuance Allowance
Reeser, Jo Ann	Brenda Reeser for the payment of the Accrued But Unpaid Continuance Allowance
Renteria, Concepcion	Ramona Medina for the payment of the Accrued But Unpaid Continuance Allowance
Reyes, Juanita G	Maryellen Padilla for the payment of the Accrued But Unpaid Continuance Allowance
Rice, Anne	Debra Lee Rice for the payment of the Accrued But Unpaid Continuance Allowance
Rousso, Mico I	Xiuling Zhao Rousso for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Roy, Willie	Verna D Roy for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Samonte, Oswaldo Martin	Patricia S Scott for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Sandoval, Franklin	Marites P Sandoval for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Schafer, Brian Edward	Maria Victoria Schafer for the payment of the Accrued But Unpaid Service Retirement Allowance
Schartau, Martin R	Shelly Renee Schartau for the payment of the Accrued But Unpaid Service Retirement Allowance
Shields, Mattie	Brenda Joyce Shields for the payment of the Accrued But Unpaid Survivorship (Retirement) Allowance Terry Lynn Johnson for the payment of the Accrued But Unpaid Survivorship (Retirement) Allowance
Takahashi, Elma A	Donna Takahashi for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance Teresa Takahashi for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Thompson, Willa M	Carrie Allen for the payment of the Accrued But Unpaid Service Retirement Allowance
Tillman, Donald C	Donald C Tillman Jr for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Torres, Albert E (Deceased Active)	Cheryl L Torres for the payment of the Survivor Contributions Death Refund
Torres, Roberto A	Jacqueline I Rodriguez for the payment of the Burial Allowance
Tortorice, Connie K	Angele Tortorice for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Triplett, Verlene (Deceased Active)	Kenitha Elizabeth Pulliam for the payment of the Accumulated Contributions
Vaughn, Norma J	La Donna J Vaughn for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Lee'neasha Myjoy Wilds for the payment of the Accrued But Unpaid Service Retirement Allowance
Vierra, Albert F	Albert F Vierra for the payment of the Burial Allowance
	Audrey Fong Vierra for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
	Marjorie F Vierra Gorai for the payment of the Burial Allowance
Wada, Mariko	Nancy Wada-Mckee for the payment of the Accrued But Unpaid Continuance Allowance

Weatherspoon, Sidney	Julius Anthony Weatherspoon for the payment of the Accrued But Unpaid Service Retirement Allowance Raymond Lee Weatherspoon for the payment of the Burial Allowance
White, Kenneth A	Kenneth A White for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Wilson, Vernon	Johnnie Etta Wilson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

TIER 3
NONE

LACERS
LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM

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

MEETING: SEPTEMBER 8, 2020
ITEM: IV – C

SUBJECT: **EDUCATION AND TRAVEL EXPENDITURE REPORT FOR FISCAL YEAR 2019 - 2020**

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

Recommendation

That the Board receive and file this report.

Executive Summary

A report of Board and staff travel expenditures is provided to the Board on a quarterly basis pursuant to the Board Education and Travel Policy. The total travel expenditure for the quarter ending June 30, 2020 was $7,220.59 or 6.3% of the $114,845 total adjusted budget for FY 2019-20, while the annual total travel expenditure was $104,527.84 or 91.0% of the total adjusted budget.

	FY 2019-20 Budget	Quarter Ending 06/30/20		Year-to-Date	
		Amount	Budget %	Amount	Budget %
Board	$ 20,600.00	$ 6,293.79	30.6%	$ 20,649.54	100.2%
Staff	$ 48,995.00	$ 926.80	1.9%	$ 48,802.84	99.6%
Investment Administration	$ 45,250.00	$ 0.00	0.0%	$ 35,075.46	77.5%
Total	$114,845.00	$ 7,220.59	6.3%	$104,527.84	91.0%

Discussion

The attached report details the travel expenses for educational conferences attended by Board Members; investment due diligence visits conducted by Investment Division staff; and educational conferences and training courses attended by Los Angeles City Employees' Retirement System

(LACERS) staff during the Fiscal Year 2019-20. The reported costs include registration and airfare expenditures paid directly by LACERS, as well as the amount reimbursed to Board Members and staff.

All travels scheduled for the quarter ending June 30, 2020 were cancelled, however, LACERS had paid registration and airfares in advance. As of the reporting date, LACERS received appropriate airfare credits and had claimed for refund of the registration for the said cancelled travels.

Additionally, this report reflects the adjusted budget amount for travel of $114,845, reduced from the adopted budget amount of $245,845. The reduction in budget by $131,000 was part of the year-end budget reallocation in Fiscal Year 2019-20 as approved by the Board.

This report was prepared by Jo Ann Peralta, Principal Accountant II.

NG:TB:JP:LB

Attachment: 1) LACERS Board and Staff Education, Training, Investment Administration Related Travel Quarterly Expenditure Report

Attachment 1

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
BOARD MEMBERS' EDUCATION AND RELATED TRAVEL REPORT
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020

BOARD MEMBER	TRAVEL EXPENDITURES QE 06/30/20	TRAVEL EXPENDITURES YTD AS OF 06/30/20	ANNUAL MAX. AMT./TRUSTEE[1]	BALANCE TO ANNUAL MAX. LIMIT
CYNTHIA RUIZ	$ -	$ 4,722.26	$ 10,000.00	$ 5,277.74
ANNIE CHAO	-	3,006.44	10,000.00	6,993.56
ELIZABETH LEE	6,293.79	10,357.90	10,000.00	(357.90)
SANDRA LEE	-	12.00	10,000.00	9,988.00
NILZA SERRANO	-	-	10,000.00	10,000.00
SUNG WON SOHN	-	1,210.64	10,000.00	8,789.36
MICHAEL WILKINSON	-	1,340.30	10,000.00	8,659.70
TOTAL BOARD MEMBERS' TRAVEL EXP. & ANNUAL LIMIT	**$ 6,293.79**	**$ 20,649.54**	**$ 70,000.00**	**N/A**
TOTAL BOARD MEMBERS' TRAVEL EXPENSE BUDGET (%)[2]	**30.6%**	**100.2%**		

[1] Annual maximum travel expenditures limit per trustee is set at $10,000.
[2] Calculated as a percentage of the $20,600 FY20 budget allocation for Board travel.

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
BOARD MEMBERS' EDUCATION AND RELATED TRAVEL EXPENDITURE REPORT
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020

NAME	ORGANIZATION	CONFERENCE TITLE	LOCATION	START DATE	END DATE	REGISTRATION	AIRFARE	LODGING	OTHER TRAVEL EXP.	TOTAL EXPENSE
ELIZABETH LEE	STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS (SACRS)	MODERN INVESTMENT THEORY & PRACTICE FOR RETIREMENT SYSTEMS	BERKELEY, CA	07/21/19	07/24/19	$ 2,500.00	$ 186.96	$ 1,093.74	$ 283.41	$ 4,064.11
CYNTHIA RUIZ	PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI) ASSOCIATION	PRI IN PERSON 2019	PARIS, FRANCE	09/08/19	09/13/19	1,302.45	1,449.03	1,343.90	626.88	4,722.26
ANNIE CHAO	NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS (NCPERS)	2019 PUBLIC PENSION FUNDING FORUM	NEW YORK, NY	09/10/19	09/13/19	685.00	296.60	1,177.47	378.72	2,537.79
SANDRA LEE[1]	COUNCIL OF INSTITUTIONAL INVESTORS (CII)	PENSION FUND TRUSTEE TRAINING - FIDUCIARY FITNESS	BERKELEY, CA	10/03/19	10/04/19	-	12.00	-	-	12.00
MICHAEL WILKINSON[2]	STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS (SACRS)	SACRS FALL 2019 CONFERENCE	MONTEREY, CA	11/12/19	11/15/19	120.00	136.08	673.74	410.48	1,340.30
ANNIE CHAO	CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS (CALAPRS)	CALAPRS GENERAL ASSEMBLY 2020	RANCHO MIRAGE, CA	03/08/20	03/09/20	-	-	271.15	197.50	468.65
SUNG WON SOHN	CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS (CALAPRS)	CALAPRS GENERAL ASSEMBLY 2020	RANCHO MIRAGE, CA	03/08/20	03/10/20	-	-	403.88	236.76	640.64
SUNG WON SOHN[3]	INTERNATIONAL ATLANTIC ECONOMIC SOCIETY (IAES)	89TH INTERNATIONAL ATLANTIC ECONOMIC CONFERENCE	ROME, ITALY	03/24/20	03/29/20	480.00	-	-	90.00	570.00
ELIZABETH LEE[4]	INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS (IFEBP)	PORTFOLIO CONCEPTS AND MANAGEMENT	PHILADELPHIA, PA	04/19/20	04/23/20	5,495.00	798.79	-	-	6,293.79
BOARD MEMBERS' EDUCATION AND RELATED TRAVEL EXPENDITURES FOR THE 1ST QUARTER ENDING 09/30/19:						**$ 4,487.45**	**$ 1,932.59**	**$ 3,615.11**	**$ 1,289.01**	**$ 11,324.16**
BOARD MEMBERS' EDUCATION AND RELATED TRAVEL EXPENDITURES FOR THE 2ND QUARTER ENDING 12/31/19:						**$ 120.00**	**$ 148.08**	**$ 673.74**	**$ 410.48**	**$ 1,352.30**
BOARD MEMBERS' EDUCATION AND RELATED TRAVEL EXPENDITURES FOR THE 3RD QUARTER ENDING 03/31/20:						**$ 480.00**	**$ -**	**$ 675.03**	**$ 524.26**	**$ 1,679.29**
BOARD MEMBERS' EDUCATION AND RELATED TRAVEL EXPENDITURES FOR THE 4TH QUARTER ENDING 06/30/20:						**$ 5,495.00**	**$ 798.79**	**$ -**	**$ -**	**$ 6,293.79**
YTD TRAVEL EXPENDITURES / ANNUAL BUDGET FOR BOARD EDUCATION AND TRAVEL (AMOUNT & %):						**$20,649.54**		**$20,600.00**		**100.2%**
YTD BOARD MEMBERS' TRAVEL EXPENDITURES / ANNUAL BUDGET FOR ALL DEPARTMENT TRAVEL (AMOUNT & %):						**$20,649.54**		**$114,845.00**		**18.0%**

[1] Event and airfare were cancelled. Only $12 booking fee was charged.
[2] Registration excluded $10 Fun Run fee paid back to LACERS by the traveller.
[3] Event was cancelled. Registration fee of $480 will be refunded. A credit was given for the $90 non-refundable Abstract fee.
[4] Event was cancelled. Registration fee of $5,495 will be refunded. American Airlines credit with expiration date of 02/04/21, was received for the airfare paid excluding the $12 service fee.

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
STAFF EDUCATION AND RELATED TRAVEL EXPENDITURE REPORT
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020

NAME	ORGANIZATION	CONFERENCE TITLE	LOCATION	START DATE	END DATE	REGISTRATION	AIRFARE	LODGING	OTHER TRAVEL EXP.	TOTAL EXPENSE
MIGUEL BAHAMON[1]	INSTITUTIONAL LIMITED PARTNERS ASSOCIATION (ILPA)	THE ILPA INSTITUTE LEVEL II MODULE 1	CHICAGO, IL	07/14/19	07/16/19	$ 1,499.00	$ 487.60	$ 467.26	$ 235.85	$ 2,689.71
BRIAN CHA[1]	INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS (IFEBP)	FRAUD PREVENTION INSTITUTE FOR EMPLOYEE BENEFIT PLANS	CHICAGO, IL	07/14/19	07/16/19	-	462.60	97.78	244.34	804.72
JULIE GUAN	HYLAND	HYLAND COMMUNITY LIVE	CLEVELAND, OH	09/14/19	09/19/19	2,395.00	420.60	1,042.70	454.56	4,312.86
LAURIE TRAN[2]	HYLAND	HYLAND COMMUNITY LIVE	CLEVELAND, OH	09/14/19	09/20/19	2,395.00	440.60	1,251.24	383.96	4,470.80
BRIAN CHA	LRS RETIREMENT SOLUTIONS	PENSIONGOLD TEAMING CONFERENCE 2019	SPRINGFIELD, IL	09/16/19	09/19/19	-	495.83	369.51	265.75	1,131.09
TODD BOUEY	LRS RETIREMENT SOLUTIONS	PENSIONGOLD TEAMING CONFERENCE 2019	SPRINGFIELD, IL	09/16/19	09/19/19	-	671.04	369.51	416.78	1,457.33
LIN LIN	INTERNATIONAL PUBLIC MANAGEMENT ASSOCIATION FOR HUMAN RESOURCES (IPMA-HR)	2019 IPMA-HR INTERNATIONAL TRAINING CONFERENCE & EXPO	MIAMI, FL	09/22/19	09/25/19	669.00	537.00	505.11	213.33	1,924.44
CHARLENA FREEMAN	INTERNATIONAL PUBLIC MANAGEMENT ASSOCIATION FOR HUMAN RESOURCES (IPMA-HR)	2019 IPMA-HR INTERNATIONAL TRAINING CONFERENCE & EXPO	MIAMI, FL	09/22/19	09/25/19	669.00	537.00	-	199.00	1,405.00
JOHN KOONTZ	DISASTER RECOVERY JOURNAL (DRJ)	DRJ FALL 2019	PHOENIX, AZ	09/29/19	10/02/19	1,345.50	-	790.23	533.13	2,668.86
TODD BOUEY	BOXWORKS	BOXWORKS 2019	SAN FRANCISCO, CA	10/02/19	10/04/19	100.00	197.64	608.58	235.76	1,141.98
ALELI CAPATI	BOXWORKS	BOXWORKS 2019	SAN FRANCISCO, CA	10/02/19	10/04/19	100.00	176.60	649.14	197.13	1,122.87
ISAIAS CANTU	BOXWORKS	BOXWORKS 2019	SAN FRANCISCO, CA	10/02/19	10/04/19	100.00	216.52	792.94	263.98	1,373.44
LITA PAYNE[3]	CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS (CALAPRS)	CALAPRS INTERMEDIATE COURSE IN RETIREMENT PLAN ADMINISTRATION	SAN JOSE, CA	10/16/19	10/17/19	-	12.00	280.67	101.79	394.46

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
STAFF EDUCATION AND RELATED TRAVEL EXPENDITURE REPORT
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020

NAME	ORGANIZATION	CONFERENCE TITLE	LOCATION	START DATE	END DATE	REGISTRATION	AIRFARE	LODGING	OTHER TRAVEL EXP.	TOTAL EXPENSE
TODD BOUEY	CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS (CALAPRS)	CALAPRS INTERMEDIATE COURSE IN RETIREMENT PLAN ADMINISTRATION	SAN JOSE, CA	10/16/19	10/18/19	-	334.55	616.30	147.00	1,097.85
LADY SMITH	INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS (IFEBP)	65TH ANNUAL EMPLOYEE BENEFITS CONFERENCE	SAN DIEGO, CA	10/19/19	10/23/19	1,595.00	-	1,077.40	437.88	3,110.28
BRUCE BERNAL	INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS (IFEBP)	65TH ANNUAL EMPLOYEE BENEFITS CONFERENCE	SAN DIEGO, CA	10/20/19	10/23/19	1,595.00	-	808.05	370.88	2,773.93
DELIA HERNANDEZ[4]	NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS (NCPERS)	2019 PUBLIC SAFETY CONFERENCE	NEW ORLEANS, LA	10/26/19	10/26/19	-	322.18	-	-	322.18
ANNA INGRAM[4]	NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS (NCPERS)	2019 PUBLIC SAFETY CONFERENCE	NEW ORLEANS, LA	10/26/19	10/26/19	-	322.18	-	-	322.18
FERRALYN SNEED	NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS (NCPERS)	2019 PUBLIC SAFETY CONFERENCE	NEW ORLEANS, LA	10/27/19	10/30/19	715.00	322.18	839.16	268.50	2,144.84
ANN SEALES	NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS (NCPERS)	2019 PUBLIC SAFETY CONFERENCE	NEW ORLEANS, LA	10/27/19	10/30/19	715.00	322.18	839.16	269.00	2,145.34
MARIA REJUSO	ASSOCIATION OF PUBLIC PENSION FUND AUDITORS (APPFA)	PROFESSIONAL DEVELOPMENT CONFERENCE	LAKE TAHOE, CA	10/27/19	10/30/19	425.00	279.60	338.96	381.68	1,425.24
TIFFANY OBEMBE	LACERS	2020 OPEN ENROLLMENT MEETING	LAS VEGAS, NV	11/06/19	11/07/19	-	156.60	79.09	168.26	403.95
GABRIEL PEREZ	LACERS	2020 OPEN ENROLLMENT MEETING	LAS VEGAS, NV	11/06/19	11/07/19	-	207.96	79.09	144.91	431.96
HEATHER RAMIREZ	LACERS	2020 OPEN ENROLLMENT MEETING	LAS VEGAS, NV	11/06/19	11/07/19	-	-	79.09	375.74	454.83
JESUS NAVARRO	LACERS	2020 OPEN ENROLLMENT MEETING	LAS VEGAS, NV	11/06/19	11/07/19	-	187.56	79.09	151.34	417.99
KRISTAL BALDWIN	LACERS	2020 OPEN ENROLLMENT MEETING	LAS VEGAS, NV	11/06/19	11/07/19	-	303.96	79.09	145.50	528.55

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
STAFF EDUCATION AND RELATED TRAVEL EXPENDITURE REPORT
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020

NAME	ORGANIZATION	CONFERENCE TITLE	LOCATION	START DATE	END DATE	REGISTRATION	AIRFARE	LODGING	OTHER TRAVEL EXP.	TOTAL EXPENSE
BRUCE BERNAL	LACERS	2020 OPEN ENROLLMENT MEETING	LAS VEGAS, NV	11/06/19	11/07/19	-	-	79.09	367.73	446.82
VIKRAM JADHAV	MSE PARTNERS, LLC	EXPERIENCE AND LOYALTY FORUM	TAMPA, FL	11/13/19	11/16/19	-	274.00	483.64	348.78	1,106.42
NEIL GUGLIELMO[5]	SAHAR GLOBAL SUMMITS	3RD ANNUAL PRIVATE EQUITY INVESTOR SUMMIT	NEW YORK, NY	12/02/19	12/04/19	-	578.61	-	-	578.61
ANYA FREEDMAN	NATIONAL ASSOCIATION OF PUBLIC PENSION ATTORNEYS (NAPPA)	2020 WINTER SEMINAR	TEMPE, AZ	02/18/20	02/20/20	485.00	189.96	522.44	186.95	1,384.35
MIGUEL BAHAMON	NATIONAL ASSOCIATION OF PUBLIC PENSION ATTORNEYS (NAPPA)	2020 WINTER SEMINAR	TEMPE, AZ	02/18/20	02/20/20	585.00	233.03	564.65	182.21	1,564.89
JAMES NAPIER	NATIONAL ASSOCIATION OF PUBLIC PENSION ATTORNEYS (NAPPA)	2020 WINTER SEMINAR	TEMPE, AZ	02/18/20	02/21/20	555.00	241.45	783.66	274.36	1,854.47
TODD BOUEY[6]	C40 CITIES	C40 DIVEST/INVEST FORUM WORKSHOP	NEW YORK, NY	03/15/20	03/18/20	-	463.80	-	-	463.80
JOSHUA GELLER[7]	INSTITUTIONAL LIMITED PARTNERS ASSOCIATION (ILPA)	2020 ILPA PRIVATE EQUITY LEGAL CONFERENCE	WASHINGTON, DC	04/13/20	04/16/20	-	926.80	-	-	926.80
TOTAL STAFF TRAVEL EXPENDITURES FOR THE 1ST QUARTER ENDING 09/30/19:						**$ 8,972.50**	**$ 4,052.27**	**$ 4,893.34**	**$ 2,946.70**	**$ 20,864.81**
TOTAL STAFF TRAVEL EXPENDITURES FOR THE 2ND QUARTER ENDING 12/31/19:						**$ 5,345.00**	**$ 4,214.32**	**$ 7,808.54**	**$ 4,375.86**	**$ 21,743.72**
TOTAL STAFF TRAVEL EXPENDITURES FOR THE 3RD QUARTER ENDING 03/31/20:						**$ 1,625.00**	**$ 1,128.24**	**$ 1,870.75**	**$ 643.52**	**$ 5,267.51**
TOTAL STAFF TRAVEL EXPENDITURES FOR THE 4TH QUARTER ENDING 06/30/20:						**$ -**	**$ 926.80**	**$ -**	**$ -**	**$ 926.80**
YTD TRAVEL EXPENDITURES / ANNUAL BUDGET FOR STAFF TRAVEL (AMOUNT & %):						**$48,802.84**		**$48,995.00**		**99.6%**
YTD STAFF TRAVEL EXPENDITURES / ANNUAL BUDGET FOR ALL DEPARTMENT TRAVEL (AMOUNT & %):						**$48,802.84**		**$114,845.00**		**42.5%**

[1] Funded by the Travel Budget of Fiscal Year 2018-19.
[2] Includes $12 service fees erroneously charged by the travel agency which was credited later.
[3] Airfare credit of $107.96 was applied for this travel.
[4] Travels were cancelled. Southwest airline credits with expiration date of 08/10/20, were received for the airfare paid excluding the $12 service fees.
[5] Travel was cancelled. United Airlines credit with expiration date of 08/08/20, was received for the airfare paid excluding the $12 service fee.
[6] Travel was cancelled. Jet Blue Airways credit with expiration date of 02/13/21, was received for the airfare paid excluding the $12 service fee.
[7] Travel was cancelled. American Airlines credit with expiration date of 02/28/21, was received for the airfare paid excluding the $12 service fee.

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
STAFF EDUCATION AND RELATED TRAVEL EXPENDITURE REPORT
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020

NAME	ORGANIZATION	CONFERENCE TITLE	LOCATION	START DATE	END DATE	REGISTRATION	AIRFARE	LODGING	OTHER TRAVEL EXP.	TOTAL EXPENSE

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT ADMINISTRATION AND RELATED TRAVEL EXPENDITURE REPORT
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020

NAME	ORGANIZATION	CONFERENCE TITLE	LOCATION	START DATE	END DATE	REGISTRATION	AIRFARE	LODGING	OTHER TRAVEL EXP.	TOTAL EXPENSE
EDUARDO PARK	THE PENSION BRIDGE	THE PRIVATE EQUITY EXCLUSIVE	CHICAGO, IL	07/22/19	07/24/19	$ -	$ 438.61	$ 716.16	$ 229.12	$ 1,383.89
RODNEY JUNE	THE ASSOCIATION OF ASIAN AMERICAN INVESTMENT MANAGERS (AAAIM)	AAAIM NATIONAL CONFERENCE 2019	NEW YORK, NY	09/03/19	09/05/19	-	461.60	299.90	227.00	988.50
WILKIN LY	NOSSAMAN LLP / INSTITUTIONAL LIMITED PARTNERS ASSOCIATION (ILPA)	NOSSAMAN'S 2019 PUBLIC PENSIONS AND INVESTMENTS FIDUCIARIES' FORUM / ILPA MEETING	BERKELEY, CA / OAKLAND, CA	09/04/19	09/06/19	395.00	206.60	359.34	219.78	1,180.72
BARBARA SANDOVAL	EAM INVESTORS, LLC	DUE DILIGENCE	CARDIFF-BY-THE-SEA, CA	09/11/19	09/11/19	-	-	-	78.50	78.50
BRYAN FUJITA	EAM INVESTORS, LLC	DUE DILIGENCE	CARDIFF-BY-THE-SEA, CA	09/11/19	09/11/19	-	-	-	60.67	60.67
ROBERT KING	EAM INVESTORS, LLC	DUE DILIGENCE	CARDIFF-BY-THE-SEA, CA	09/11/19	09/11/19	-	-	-	85.25	85.25
BARBARA SANDOVAL	WILLIAM BLAIR INVESTMENT MANAGEMENT / SEGALL BRYANT & HAMILL	DUE DILIGENCE	CHICAGO, IL	09/23/19	09/25/19	-	358.61	990.91	257.89	1,607.41
RODNEY JUNE	INSTITUTIONAL LIMITED PARTNERS ASSOCIATION (ILPA)	3RD ANNUAL CIO SYMPOSIUM	CAMBRIDGE, MA	09/24/19	09/25/19	-	315.30	-	195.77	511.07
EDUARDO PARK[1]	ASANA PARTNERS	2019 ASANA PARTNERS ANNUAL MEETING	DALLAS, TX	09/25/19	09/26/19	-	393.61	356.15	165.87	915.63
EDUARDO PARK	INVESTMENT COUNSELORS OF MARYLAND, LLC, CLEARBRIDGE INVESTMENTS, LLC, AND COPELAND CAPITAL MGT, LLC	DUE DILIGENCE	BALTIMORE, MD AND CONSHOHOCKEN, PA	10/01/19	10/03/19	-	479.30	212.53	434.80	1,126.63
EDUARDO PARK	GRANAHAN INVESTMENT MGT., WESTFIELD CAPITAL MGT, LISANTI CAPITAL GROWTH, LLC, AND QMA LLC	DUE DILIGENCE	WALTHAM, MA; BOSTON, MA; NEW YORK, NY; NEWARK, NJ	10/07/19	10/11/19	-	682.60	1,397.35	634.66	2,714.61
ROBERT KING	TORREYCOVE CAPITAL PARTNERS, LLC	DUE DILIGENCE	SAN DIEGO, CA	10/10/19	10/10/19	-	-	-	118.09	118.09
RODNEY JUNE	PACIFIC CENTER FOR ASSET MANAGEMENT (PCAM)	DUE DILIGENCE	LA JOLLA, CA	10/11/19	10/11/19	-	-	-	49.00	49.00
EDUARDO PARK	PENSION REAL ESTATE ASSOCIATION (PREA)	29TH ANNUAL INSTITUTIONAL INVESTOR CONFERENCE	WASHINGTON, DC	10/15/19	10/18/19	150.00	609.60	827.64	387.32	1,974.56

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT ADMINISTRATION AND RELATED TRAVEL EXPENDITURE REPORT
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020

NAME	ORGANIZATION	CONFERENCE TITLE	LOCATION	START DATE	END DATE	REGISTRATION	AIRFARE	LODGING	OTHER TRAVEL EXP.	TOTAL EXPENSE
RODNEY JUNE	CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS (CALAPRS)	CALAPRS INTERMEDIATE COURSE IN RETIREMENT PLAN ADMINISTRATION	SAN JOSE, CA	10/17/19	10/17/19	-	87.96	-	73.91	161.87
WILKIN LY	VISTA EQUITY PARTNERS	2019 VISTA ANNUAL GENERAL MEETING	NEW YORK, NEW YORK	10/23/19	10/24/19	-	540.59	-	158.60	699.19
BRYAN FUJITA	KKR CREDIT	DUE DILIGENCE	SAN FRANCISCO, CA	10/28/19	10/28/19	-	410.60	-	44.30	454.90
ROBERT KING	KKR CREDIT AND MARKETS GROUP	DUE DILIGENCE & 3RD ANNUAL PRIVATE EQUITY FALL FORUM	SAN FRANCISCO, CA	10/28/19	10/30/19	-	309.60	392.68	262.09	964.37
BRYAN FUJITA	MORGAN STANLEY	DUE DILIGENCE	NEW YORK, NY	11/04/19	11/05/19	-	476.60	308.94	195.50	981.04
ROBERT KING	LOOMIS SAYLES & CO; RHUMBLINE; DDJ CAPITAL MGT., LLC	DUE DILIGENCE	BOSTON, MA	11/04/19	11/07/19	-	452.60	943.79	393.38	1,789.77
EDUARDO PARK	INVESCO CORE REAL ESTATE	2019 INVESCO CORE REAL ESTATE GLOBAL CLIENT CONFERENCE	LA JOLLA, CA	11/05/19	11/07/19	-	82.20	-	136.50	218.70
RODNEY JUNE	KPS CAPITAL PARTNERS, LP	DUE DILIGENCE	MIAMI, FL	11/05/19	11/08/19	-	411.00	-	195.18	606.18
ROBERT KING	GROSVENOR CAPITAL MANAGEMENT (GCM)	GCM GROSVENOR SMALL & EMERGING MANAGERS CONFERENCE	CHICAGO, IL	11/13/19	11/15/19	-	408.60	523.62	265.24	1,197.46
RODNEY JUNE	GROSVENOR CAPITAL MANAGEMENT (GCM)	GCM GROSVENOR SMALL & EMERGING MANAGERS CONFERENCE	CHICAGO, IL	11/14/19	11/15/19	-	350.60	362.77	176.50	889.87
ROBERT KING	AEGON ASSET MANAGEMENT	DUE DILIGENCE	CEDAR RAPIDS, IA	11/18/19	11/19/19	-	904.00	97.58	187.15	1,188.73
RODNEY JUNE	SAHAR GLOBAL SUMMIT	3RD ANNUAL PRIVATE EQUITY INVESTOR SUMMIT	NEW YORK, NY	12/02/19	12/04/19	-	541.60	690.92	265.46	1,497.98
BARBARA SANDOVAL	OPAL GROUP	PUBLIC FUNDS SUMMIT	SCOTTSDALE, AZ	01/06/20	01/08/20	-	356.00	495.99	221.75	1,073.74
RODNEY JUNE	NATIONAL ASSOCIATION OF SECURITIES PROFESSIONALS (NASP)	DIVERSE & EMERGING MANAGER FORUM & KICK OFF RECEPTION	CHICAGO, IL	01/15/20	01/17/20	-	317.60	174.93	200.50	693.03
RODNEY JUNE	NEPC, LLC	2020 PUBLIC FUNDS WORKSHOP	TEMPE, AZ	02/03/20	02/05/20	-	157.96	563.40	125.25	846.61

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT ADMINISTRATION AND RELATED TRAVEL EXPENDITURE REPORT
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020

NAME	ORGANIZATION	CONFERENCE TITLE	LOCATION	START DATE	END DATE	REGISTRATION	AIRFARE	LODGING	OTHER TRAVEL EXP.	TOTAL EXPENSE
EDUARDO PARK	MACQUARIE CAPITAL	DUE DILIGENCE	SAN DIEGO, CA	02/10/20	02/10/20	-	-	-	94.07	94.07
BRYAN FUJITA	MACQUARIE CAPITAL	DUE DILIGENCE	SAN DIEGO, CA	02/10/20	02/10/20	-	-	-	68.66	68.66
ELLEN CHEN	PENSION BRIDGE	PENSION BRIDGE ESG SUMMIT 2020	SAN DIEGO, CA	02/10/20	02/11/20	-	-	350.63	252.14	602.77
BRYAN FUJITA	AKSIA & MACQUARIE CAPITAL	DUE DILIGENCE	NEW YORK, NY & PHILADELPHIA, PA	02/11/20	02/13/20	-	805.60	376.07	508.35	1,690.02
WILKIN LY	TEACHER RETIREMENT SYSTEM OF TEXAS (TRST); EMPLOYEES RETIREMENT SYSTEM OF TEXAS (ERST); DIMENSIONAL FUND ADVISORS (DFA)	2020 EMERGING MANAGER CONFERENCE; DUE DILIGENCE - DFA	AUSTIN, TEXAS	02/25/20	02/27/20	-	367.79	351.00	262.91	981.70
RODNEY JUNE	ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)	DUE DILIGENCE / ESG IQ FORUM	NEW YORK, NY	02/25/20	02/27/20	-	266.80	109.81	246.50	623.11
EDUARDO PARK	COPPER ROCK CAPITAL PARTNERS LLC	DUE DILIGENCE	BOSTON, MA	02/26/20	02/27/20	-	468.80	257.60	244.27	970.67
EDUARDO PARK	WASATCH ADVISORS INC	DUE DILIGENCE	SALT LAKE CITY, UT	03/01/20	03/02/20	-	268.81	163.90	188.28	620.99
ROBERT KING	THOMA BRAVO	DUE DILIGENCE	SAN FRANCISCO, CA	03/02/20	03/03/20	-	200.80	295.96	133.30	630.06
RODNEY JUNE	SEIZING EVERY OPPORTUNITY (SEO)	11TH ANNUAL SEO ALTERNATIVE INVESTMENTS CONFERENCE	NEW YORK, NY	03/03/20	03/04/20	-	306.80	170.29	185.50	662.59
EDUARDO PARK[2]	RBC GLOBAL ASSET MANAGEMENT; LAZARD ASSET MANAGEMENT; ASHMORE INVESTMENT MANAGEMENT	DUE DILIGENCE	LONDON, ENGLAND, UK	03/07/20	03/12/20	-	2,060.85	-	-	2,060.85
CLARK HOOVER[3]	DEFY PARTNERS	DUE DILIGENCE	WOODSIDE, CA	03/09/20	03/10/20	-	12.00	-	-	12.00

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT ADMINISTRATION AND RELATED TRAVEL EXPENDITURE REPORT
FOR THE PERIOD JULY 1, 2019 TO JUNE 30, 2020

NAME	ORGANIZATION	CONFERENCE TITLE	LOCATION	START DATE	END DATE	REGISTRATION	AIRFARE	LODGING	OTHER TRAVEL EXP.	TOTAL EXPENSE
INVESTMENT ADMINISTRATION TRAVEL EXPENDITURES FOR THE 1ST QUARTER ENDING 09/30/19:						$ 395.00	$ 2,174.33	$ 2,722.46	$ 1,519.85	$ 6,811.64
INVESTMENT ADMINISTRATION TRAVEL EXPENDITURES FOR THE 2ND QUARTER ENDING 12/31/19:						$ 150.00	$ 6,747.45	$ 5,757.82	$ 3,977.68	$ 16,632.95
INVESTMENT ADMINISTRATION TRAVEL EXPENDITURES FOR THE 3RD QUARTER ENDING 03/31/20:						$ -	$ 5,589.81	$ 3,309.58	$ 2,731.48	$ 11,630.87
INVESTMENT ADMINISTRATION TRAVEL EXPENDITURES FOR THE 4TH QUARTER ENDING 06/30/20:						$ -	$ -	$ -	$ -	$ -
YTD TRAVEL EXPENDITURES / ANNUAL BUDGET FOR INVESTMENT ADMINISTRATION TRAVEL EXPENDITURES (AMOUNT & %):						$35,075.46		$45,250.00		77.5%
YTD INVESTMENT ADMIN. TRAVEL EXPENDITURES / ANNUAL BUDGET FOR ALL DEPARTMENT TRAVEL (AMOUNT & %):						$35,075.46		$114,845.00		30.5%

[1] Airfare, lodging, and ground transportation costs for $828.63 are reimbursed by Asana Partners on 01/06/20.
[2] Travel was cancelled. British Airways credit with expiration date of 02/25/21, was received for the airfare paid excluding the $12 service fee.
[3] Travel was cancelled. Airfare cost was fully refunded excluding the $12 service fee.

Event/Organization	
AAAIM	THE ASSOCIATION OF ASIAN AMERICAN INVESTMENT MANAGERS
APPFA	ASSOCIATION OF PUBLIC PENSION FUND AUDITORS
CALAPRS	CALIFORNIA ASSOCIATION OF PUBLIC RETIREMENT SYSTEMS
DFA	DIMENSIONAL FUND ADVISORS
CII	COUNCIL OF INSTITUTIONAL INVESTORS
DRJ	DISASTER RECOVERY JOURNAL
ERST	EMPLOYEES RETIREMENT SYSTEM OF TEXAS
ESG	ENVIRONMENTAL, SOCIAL AND GOVERNANCE
GCM	GROSVENOR CAPITAL MANAGEMENT
HEALTH OPEN ENROLLMENT	LACERS ANNUAL HEALTH PLAN OPEN ENROLLMENT
IFEBP	INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS
IAES	INTERNATIONAL ATLANTIC ECONOMIC SOCIETY (IAES)
ILPA	INSTITUTIONAL LIMITED PARTNERS ASSOCIATION
IPMA-HR	INTERNATIONAL PUBLIC MANAGEMENT ASSOCIATION FOR HUMAN RESOURCES
KPS	KPS ANNUAL INVESTOR MEETING
LRS RETIREMENT SOLUTIONS	LEVI, RAY & SHOUP RETIREMENT SOLUTIONS
NAPPA	NATIONAL ASSOCIATION OF PUBLIC PENSION ATTORNEYS
NASP	NATIONAL ASSOCIATION OF SECURITIES PROFESSIONALS
NCPERS	NATIONAL CONFERENCE ON PUBLIC EMPLOYEE RETIREMENT SYSTEMS
NEPC	NEPC, LLC
PCAM	PACIFIC CENTER FOR ASSET MANAGEMENT
PREA	PENSION REAL ESTATE ASSOCIATION
PRI	PRINCIPLES FOR RESPONSIBLE INVESTMENT
SACRS	STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS
SEO	SPONSORS FOR EDUCATIONAL OPPORTUNITY ALTERNATIVE INVESTMENTS
TRST	TEACHER RETIREMENT SYSTEM OF TEXAS

LACERS
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION

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

MEETING: SEPTEMBER 8, 2020
ITEM: V – B

SUBJECT: **FINALIST FIRMS OF THE ACTIVE EMERGING MARKET DEBT INVESTMENT MANAGER SEARCH AND POSSIBLE BOARD ACTION**

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

Recommendation

That the Board:

1. Award contracts for three-year terms for the Active Emerging Market Debt Mandate Search to PGIM, Inc. and Wellington Management Company LLP.

2. Authorize the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

3. Provide staff the discretion to allocate the approximate $800 million mandate between the two awardees.

Executive Summary

On August 19, 2020, the Committee interviewed the three finalist firms for the Active Emerging Market Debt Mandate Search: Ashmore Investment Management Limited (Ashmore); PGIM, Inc. (PGIM); and Wellington Management Company LLP (Wellington). In concurrence with staff and NEPC, LLC (NEPC), LACERS' General Fund Consultant, the Committee recommends that the mandate of approximately $800 million be awarded to and allocated between PGIM and Wellington.

Discussion

The Board-approved request for proposal (RFP) for emerging market blended local and hard currency debt investment managers opened on June 10, 2019, and closed on July 22, 2019. A total of 19 proposals were received, representing 19 firms, including one emerging investment manager. Following review by staff and NEPC, LLC (NEPC), LACERS' General Fund Consultant, 16 of 19 firms met the minimum qualifications and four firms were recommended to advance as semi-finalists. Staff and NEPC conducted further due diligence on each semi-finalist and recommended Ashmore, PGIM, and Wellington to advance as finalists.

On August 19, 2020, the Committee interviewed the three finalist firms. The Committee inquired about various aspects of the firms and strategies including currency management, ESG implementation in the investment process, portfolio turnover, investment management fees, and client relationship management. After a discussion with staff and NEPC, the Committee determined that PGIM and Wellington are the best-fit candidates for LACERS due to these firms' organizational strength, depth of investment resources, and consistent track record of adding value. The Committee recommends that three-year contracts be awarded to PGIM and Wellington. Staff anticipates allocating the mandate of approximately $800 million evenly between the two managers. However, the Committee recommends providing staff the discretion to allocate funds between the two managers in light of possible capacity constraints of Wellington's strategy. The funding for this mandate will be derived from all assets allocated to the existing PGIM emerging market debt hard currency strategy (approximately $440 million) and through a rebalancing of other asset classes.

Strategic Alignment

The RFP for active emerging market blended local and hard currency debt investment managers aligns with the Strategic Plan Goal to optimize long-term risk adjusted investment returns (Goal IV); and advances the Asset Allocation Business Plan Initiative.

Prepared by: Jimmy Wang, Investment Officer I, Investment Division
Jeremiah Paras, Investment Officer I, Investment Division

NMG/RJ/BF/JW/JP

Attachments: 1. Investment Committee Recommendation Report dated August 19, 2020
2. Proposed Resolutions

LACERS
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO INVESTMENT COMMITTEE **MEETING: AUGUST 19, 2020**
From: Neil M. Guglielmo, General Manager **ITEM: II**

SUBJECT: **FINALIST FIRMS OF THE ACTIVE EMERGING MARKET DEBT INVESTMENT MANAGER SEARCH AND POSSIBLE COMMITTEE ACTION**

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

Recommendation

That the Committee:

1. Interview the following three firms as finalists for the Active Emerging Market Debt Mandate Search:
   - Ashmore Investment Management Limited
   - PGIM, Inc. (current LACERS manager)
   - Wellington Management Company LLP
2. Recommend one or more finalists to the Board for contract award.

Executive Summary

The Board-approved request for proposal (RFP) for emerging market blended local and hard currency debt investment managers opened on June 10, 2019, and closed on July 22, 2019. A total of 19 proposals were received, representing 19 firms, including one emerging investment manager. Following review by staff and NEPC, LLC (NEPC), LACERS General Fund Consultant, 16 of 19 firms met the minimum qualifications and four firms were recommended to advance as semi-finalists. Staff and NEPC conducted further due diligence on each semi-finalist. Of the four semi-finalists, three firms are recommended to advance as finalists.

Discussion

Background
The Board approved an RFP process to evaluate the current marketplace for active emerging market blended local and hard currency debt investment managers on October 23, 2018. Based upon the asset allocation targets approved by the Board on April 10, 2018, approximately $800 million (4.50% of total fund assets) will be allocated to this mandate. LACERS seeks one or more qualified investment

management firms to actively manage a publicly-traded emerging market blended local and hard currency debt investment strategy.

The search opened on June 10, 2019, and closed on July 22, 2019. The search was advertised in the Pensions and Investments and Emerging Manager Monthly publications. The RFP was published on LACERS' website and the websites of NEPC, Association of Asian American Investment Managers, and New America Alliance. Further, the RFP was emailed to all contacts within the LACERS Investment RFP/RFI Notification System database.

Search Results
A total of 19 proposals were received, representing 19 firms, including one emerging investment manager. Following a review of the minimum qualifications (MQs) required to participate in the search, 16 of 19 proposals met the MQs, including the proposal of the emerging investment manager.

On February 11, 2020, the Committee reviewed NEPC's candidate evaluation report and concurred with the staff recommendation to advance the following four firms as semi-finalists in the search:

- Ashmore Investment Management Limited
- PGIM, Inc. (current LACERS manager)[1]
- Schroder Investment Management North America Inc.
- Wellington Management Company LLP

Additional Due Diligence Activities
Staff and NEPC conducted due diligence meetings with all four firms to obtain a better understanding of potential investment and organizational risks. Staff and NEPC interviewed various professionals on topics including, but not limited to, overall business strategy and growth, organization and reporting structure, staffing and compensation, investment philosophy and strategy, trading, risk management, compliance and controls, and technology. Staff also conducted reference checks and conferred with NEPC's manager research team.

Based upon these due diligence activities, staff recommends the following three firms as the proposed finalists to consider for hire:

- Ashmore Investment Management Limited
- PGIM, Inc. (current LACERS manager)
- Wellington Management Company LLP

These firms exhibit organizational stability, strong management teams, well-articulated investment strategies consistent with LACERS' objectives, well-defined risk management and compliance practices, and track records of adding value. Staff also received positive feedback from references for these firms. NEPC concurs with staff's recommendation.

[1]Manages approximately $436 million for LACERS in an emerging market hard currency debt strategy as of July 31, 2020.

Strategic Plan Impact Statement

The RFP for active emerging market blended local and hard currency debt investment managers assists the fund with optimizing long-term risk adjusted investment returns (Goal IV). Implementing a competitive bidding process by issuing an RFP upholds good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared by: Jimmy Wang, Investment Officer I, Investment Division
Jeremiah Paras, Investment Officer I, Investment Division

RJ/BF/JW/JP

Attachments:
1. Finalist Information Matrix and Performance Returns
2. Presentation by Ashmore Investment Management Limited
3. Presentation by PGIM, Inc.
4. Presentation by Wellington Management Company LLP

FINALISTS OF THE ACTIVE EMERGING MARKET DEBT INVESTMENT MANAGER SEARCH
FINALIST INFORMATION MATRIX as of June 30, 2020

Firm Name	**Ashmore Investment Management Limited**	**PGIM, Inc.**	**Wellington Management Company LLP**
Strategy Name	Emerging Markets Blended Debt Total Return Strategy	Emerging Markets Debt - Hard/Local Currency Blend	Blended Opportunistic Emerging Markets Debt
Main Office	London, United Kingdom	Newark, NJ	Boston, MA
Ownership Structure	Subsidiary of Ashmore Group plc, a United Kingdom-based publicly-traded firm	Wholly-owned sudsidiary of Prudential Financial, Inc., a publicly-traded firm	Private limited liability partnership owned by 165 partners
Year Founded	1992	1875 (PFI), 1984 (PGIM)	1933
Emerging Manager	No	No	No
Fim Assets	$83.6 billion	$1.445 trillion	$1.121 trillion
Strategy Assets	$12.2 billion	$15.9 billion	$5.5 billion
Number of Firm Employees	307	3,973	2,695
Number of Professionals on Strategy	33	36	31
Key Team Members	Mark Coombs, Chairman, Investment Commitee Ricardo Xavier, Deputy Chairman and Head of Local Currency Jan Dehn, Global Head of Research Herbert Saller, Head of External Debt Robin Forrest, Head of Corporate Debt Fernando Assad, Head of Multi-Asset	Cathy Hepworth, Senior PM Mariusz Banasiak, Senior PM	Jim Valone, Lead PM Kevin Murphy, PM Evan Ouellette, PM
Strategy Description	The firm uses a top-down macroeconomic prognosis with a strong focus on country risk in order to determine which asset classes should perform well in the macro environment it envisages, aiming to take advantage of the full spectrum of the emerging market debt universe. Once a base macroeconomic background is established, the process proceeds to evaluate and compare the specific credit and foreign exchange risks of the investment universe. The process is ultimately value driven: absolute and relative price developments across External Debt, Corporate Debt, and Local Currency are reviewed and are used as inputs to the asset allocation decision. Active liquidity management is also seen to contribute to alpha generation and risk control.	The firm's investment process starts with the top-down approach of assessing the global appetite for risk. The second step of the process is a comprehensive fundamental analysis of each of the countries as PGIM deems country allocation as a primary determinant of returns. Internal country ratings, which are used to determine value and capture conviction of country views, are the output of this second step. The third step of the process is security selection, the implementation of country allocations through mix of securities that best express country view and offer best relative value. Risk management guided by dynamic risk budgeting comprises the investment process' fourth step. The investment approach also seeks to add value through currency active management and yield curve management.	The investment process begins with a thorough assessment of global economics and market conditions in order to develop a market outlook that sets the overall risk of the portfolio. An assessment of countries' ability and willingness to service external debt is formalized by a country score output. The country score serves as a measure of the probability of default and is used to identify relative value opportunities for portfolios. The firm also employs bottom-up corporate credit research. Currency is also treated as a separate sector allocation strategy. Local debt research and yield curve management are also seen as additive to return.
Typical Number of Issuers	300-500	~550	200-300
Typical Turnover/Holding Period	100%-200%	25%-55%	75%-100%
Investment Vehicle	Separate Account	Separate Account	Separate Account
PRI Signatory/Year Signed	Yes / 2013	Yes / 2015	Yes / 2012
Proposed Fee	First $100m: 50 bps Next $150m: 45 bps Balance: 40 bps	First $100m: 40 bps Next $150m: 35 bps Balance: 30 bps	First $200m: 55 bps Next $200m: 45 bps Balance: 40 bps
Effective Fee	42 bps	32 bps	45 bps

FINALISTS OF THE ACTIVE EMERGING MARKET DEBT INVESTMENT MANAGER SEARCH
Annualized Returns and Risk as of June 30, 2020
Gross of Fees

Firm Name	Inception Date	1 Year	3 Years	5 Years	10 Years	Since Inception	5 Year Tracking Error	5 Year Information Ratio
Ashmore Investment Management Limited	6/30/2003	-8.73%	0.48%	4.01%	4.44%	8.24%	3.95%	0.04
PGIM, Inc.	12/1/2007	-3.11%	2.17%	4.44%	4.96%	5.68%	2.89%	0.19
Wellington Management Company LLP	2/28/2009	0.65%	3.86%	5.37%	5.51%	8.57%	1.06%	1.39
50% JPM EMBI Global Diversified/50% JPM GBI-EM Global Diversified	-	*-1.10%*	*2.43%*	*3.89%*	*3.89%*	-	-	-

FINALISTS OF THE ACTIVE EMERGING MARKET DEBT INVESTMENT MANAGER SEARCH
Calendar Year Returns as of June 30, 2020
Gross of Fees

Firm Name	Inception Date	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD 2020
Ashmore Investment Management Limited	6/30/2003	17.72%	1.28%	19.76%	-5.71%	-3.45%	-4.40%	18.45%	14.23%	-4.48%	11.45%	-9.47%
PGIM, Inc.	12/1/2007	17.42%	1.25%	22.76%	-7.41%	1.63%	-5.60%	11.84%	15.83%	-6.48%	16.81%	-7.22%
Wellington Management Company LLP	2/28/2009	16.43%	2.35%	21.97%	-5.48%	2.02%	-6.72%	12.55%	14.56%	-5.34%	17.28%	-4.11%
50% JPM EMBI Global Diversified/50% JPM GBI-EM Global Diversified	-	*14.02%*	*2.79%*	*17.21%*	*-7.10%*	*0.71%*	*-7.14%*	*10.16%*	*12.74%*	*-5.15%*	*14.31%*	*-4.80%*

Ashmore




Presentation to Los Angeles City Employees' Retirement System

Ashmore Emerging Markets Blended Debt

August 2020

LACERS
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
Securing Your Tomorrows

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Ashmore

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Contents

Group overview

Section 1

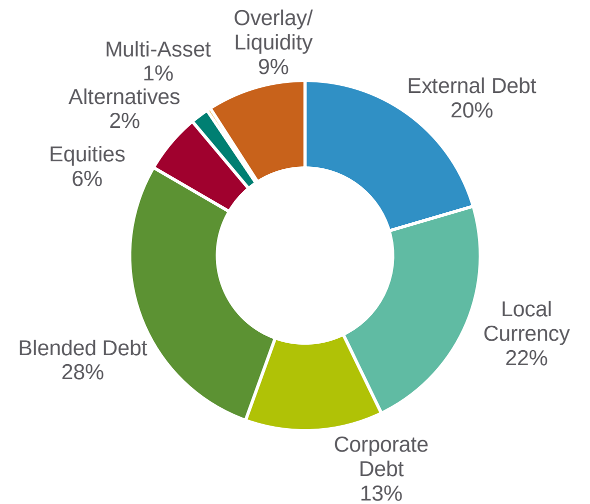
Ashmore: A leading Emerging Markets asset manager

Ashmore

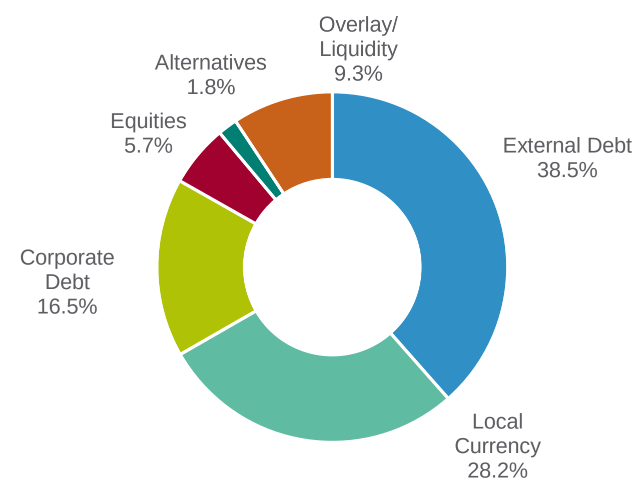
Emerging Markets specialist with long-term experience and a proven track record

- Ashmore's roots can be traced back to 1980s with a team of professionals working in Emerging Markets.
- In 1992 Ashmore was originally a division of the Australia and New Zealand Banking Group ("ANZ").
  - Management buyout in 1999
  - Ashmore Group listed on the London Stock Exchange in October 2006
  - FTSE-250 company
  - Strong employee equity ownership culture
- Headquartered in London with 307 employees globally
  - 98 investment professionals
  - Presence in China, Colombia, India, Indonesia, Ireland, Japan, Peru, Saudi Arabia, Singapore, UAE, UK and USA
- AuM of USD 83.6bn[1] across eight investment themes

AuM theme split – by primary theme



AuM by theme as invested[2]



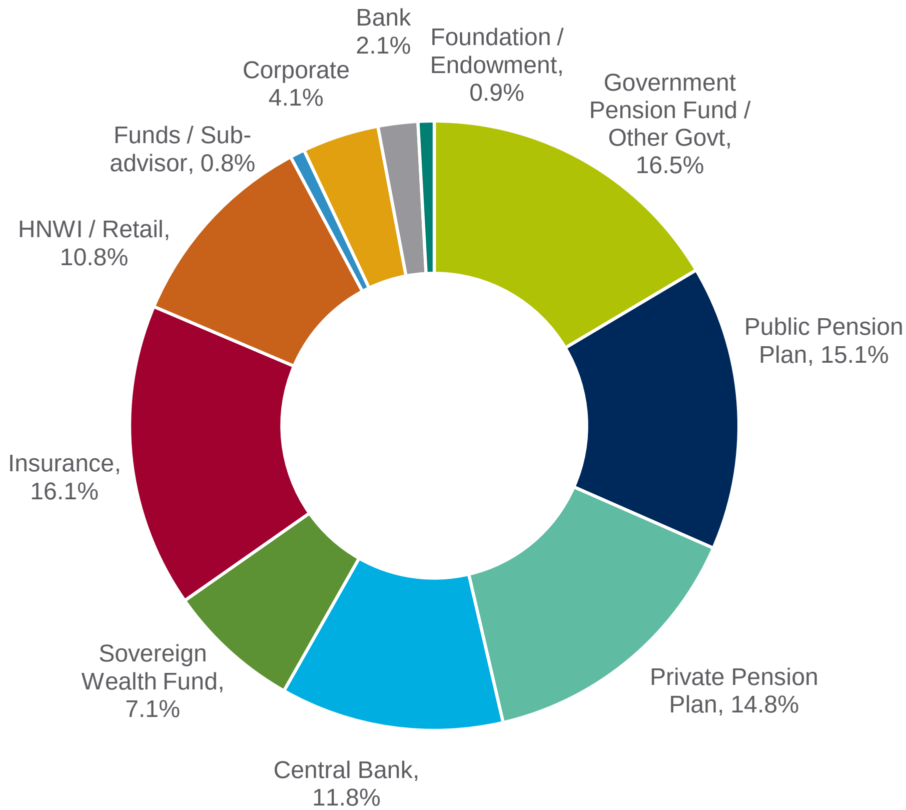
Source: Ashmore.
(1) Data as at 30-Jun-20.
(2) Some funds are permitted to invest into other themes and AuM shown is as invested (aggregate of investments made across all funds).

Diversified investor base

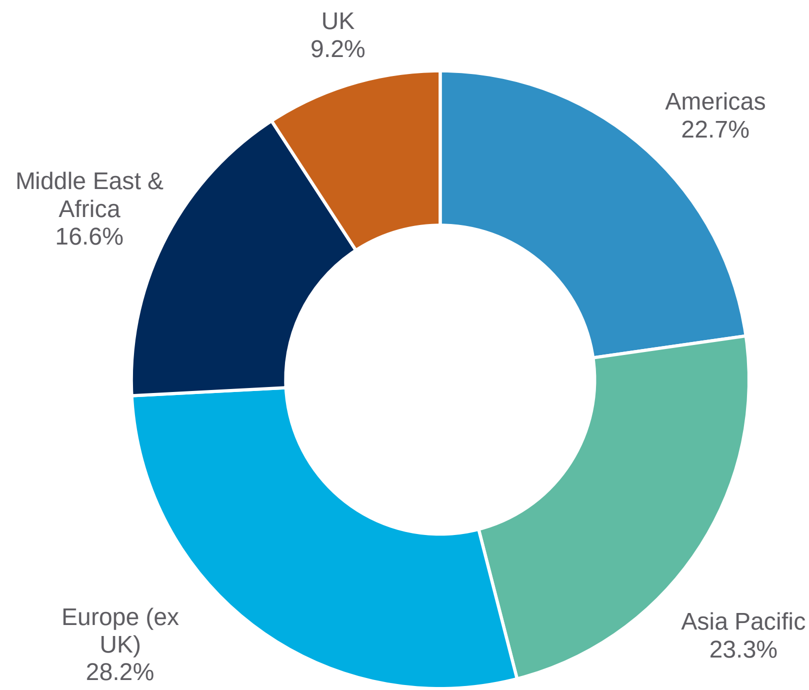
Ashmore

Institutional asset base represents 89% of AuM and is diversified across investor types and geographies

AuM breakdown by investor type



AuM breakdown by investor geographies



Source: Ashmore. Data as at 30-Jun-20. Estimates only; unaudited figures. The above may not sum to 100% due to rounding.

Investment themes & funds

Ashmore

Ashmore manages capital across eight different investment themes with dedicated strategies under each theme providing either global Emerging Markets exposure or specific regional or country exposure.

	External Debt (USD 32.2bn)	Local Currency (USD 23.6bn)	Corporate Debt (USD 13.8bn)	Equities (USD 4.7bn)	Alternatives (USD 1.5bn)	Overlay/ Liquidity (USD 7.8bn)
Global Emerging Markets Sub-themes	• Broad • Sovereign • Sovereign, investment grade • Short duration	• Bonds • Bonds (Broad) • FX+ • Investment grade • Bonds, Volatility managed	• Broad • High yield • Investment grade • Local currency • Private Debt • Short duration	• EM Active • EM Equity • EM Small Cap • EM ESG • EM Frontier	• Private Equity • *Healthcare* • Infrastructure • Special Situations • Distressed Debt • Real Estate	• Overlay • Hedging • Cash Management
	Blended Debt (USD 23.3bn) • Blended • Investment grade • Absolute return • ESG					
Regional / Country focused Sub-themes	• Indonesia	• China • Indonesia	• Latin America • Asia	• Africa • Middle East • Saudi Arabia • Colombia • India • Indonesia	• Andean • Middle East (GCC)	
	Multi-Asset (USD 0.3bn) • Global					

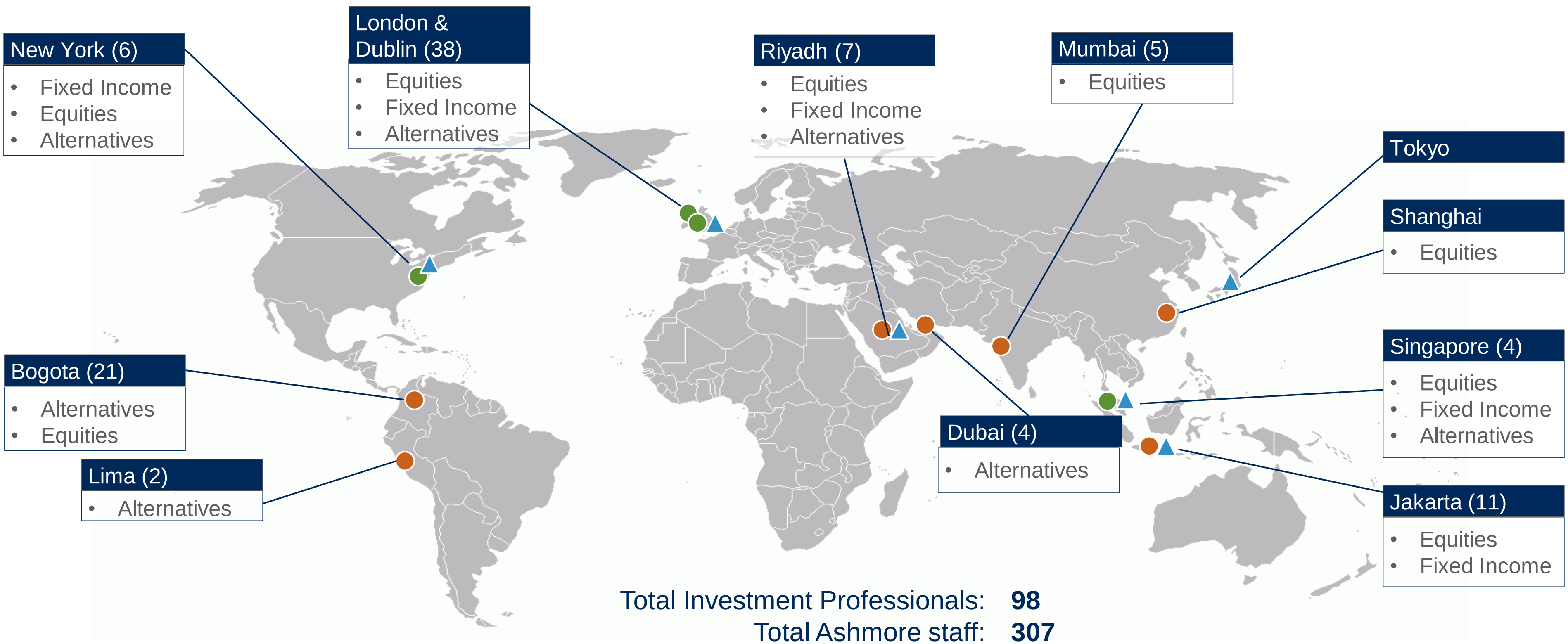
NB. All data as at 30-Jun-20.
Some funds are permitted to invest into other themes and AuM shown is as invested (aggregate of investments made across all funds). Blended Debt and Multi-Asset AuM figures are therefore also included within the respective individual themes within which they invest. Double count is removed for purposes of Group reporting.

Local market presence

Ashmore

Ashmore has a global footprint, with local presence in some of the largest Emerging Markets

- Local knowledge in a global firm brings a competitive advantage as the value added is critical to understanding local markets
- Local offices benefit from the support and resources of a global firm
- Integration of local offices through Ashmore's global infrastructure facilitates efficient communication and dissemination of information throughout the firm



Global asset management platform | Local asset management platform | Distribution office | **(x)** number of investment professionals

Source: Ashmore. As at 30-Jun-20.

Consistent three-phase strategy to capitalise on Emerging Markets growth trends

1. Establish Emerging Markets asset class

Ashmore is recognised as an established specialist Emerging Markets manager, and is therefore well positioned to capture investors' rising allocations to the asset classes

2. Diversify developed world capital sources and themes

Ashmore is diversifying its revenue mix to provide greater revenue stability through the cycle. There is particular focus on growing intermediary, equity and alternatives AuM

3. Mobilize Emerging Markets capital

Ashmore's growth will be enhanced by accessing rapidly growing pools of investable capital in Emerging Markets

The opportunity in Emerging Markets ‘Blended’ Fixed Income portfolios

Section 2

Tactical asset allocation

Ashmore

Returns per calendar year

Annual returns

2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD 2020
22.2%	23.0%	10.2%	15.2%	18.1%	-3.8%	34.9%	15.7%	7.4%	17.4%	-0.6%	7.4%	1.3%	10.2%	15.2%	-1.7%	15.0%	-0.2%
16.9%	14.8%	6.3%	12.3%	16.0%	-5.2%	29.8%	13.1%	2.3%	16.8%	-2.0%	5.0%	1.2%	9.9%	11.5%	-3.3%	13.5%	-2.8%
16.2%	11.6%	6.1%	9.9%	6.2%	-12.0%	22.0%	12.2%	-1.8%	15.0%	-5.3%	-5.7%	-7.6%	9.7%	10.3%	-4.3%	13.2%	-5.3%
15.8%	10.3%	3.2%	6.5%	3.9%	-15.9%	11.7%	5.7%	-5.2%	7.5%	-9.0%	-7.0%	-14.9%	3.5%	8.0%	-6.2%	5.2%	-6.9%

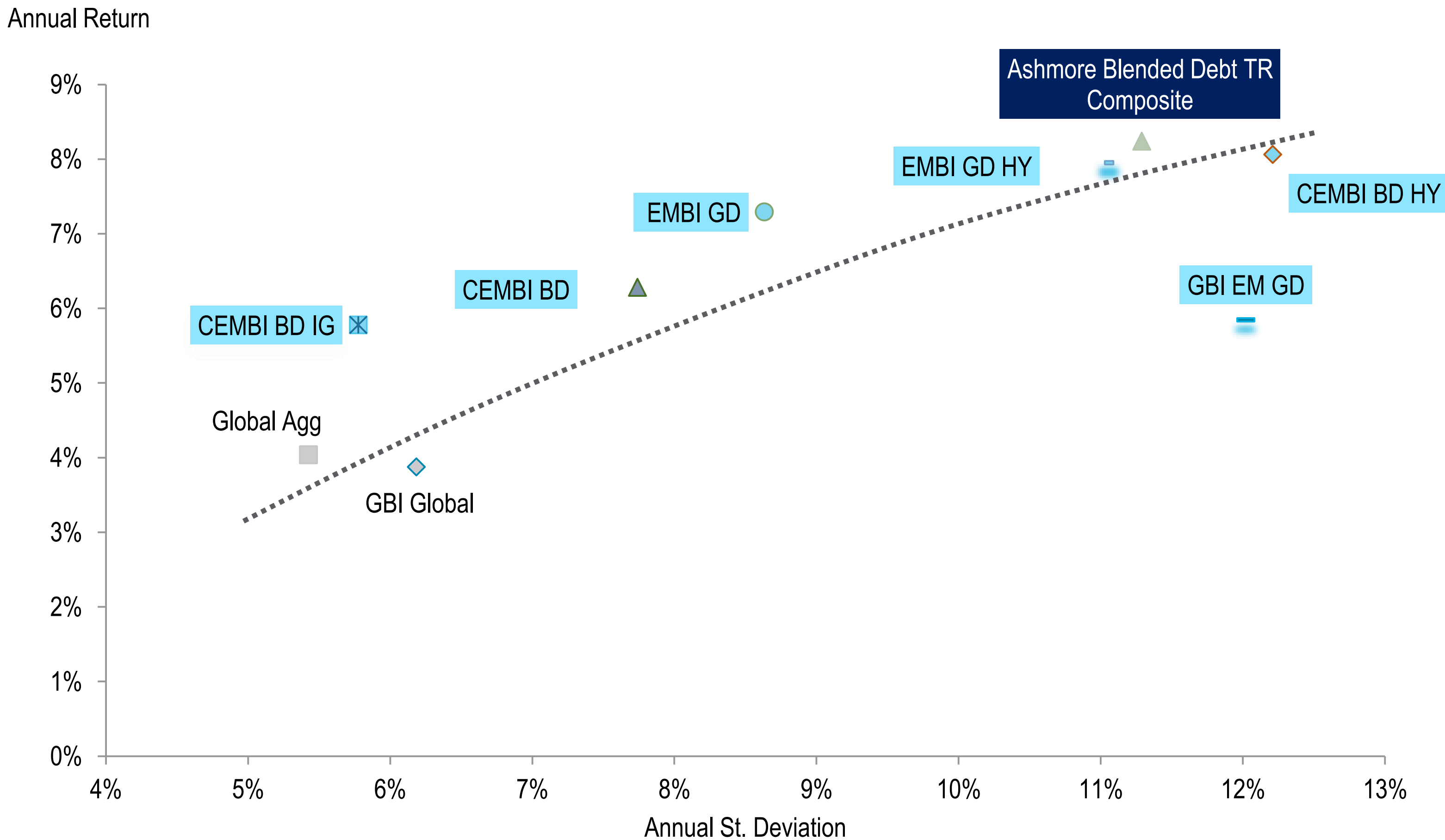
Key:

External Debt JPM EMBI GD	Local Currency Bonds JPM GBI-EM GD	EM Corporate Debt JPM CEMBI BD	FX JPM ELMI+

Source: JP Morgan. Data as at 30-Jun-20.

Ashmore's Blended Debt Total Return strategy has superior risk-adjusted returns relative to global and EM bond indices

Risk Adjusted Return (Jun 2003* – Jun 2020)



*Since composite inception (30-Jun-03).
**50% JPM EMBI GD; 25% JPM GBI-EM GD; 25% JPM ELMI+.
Source: JP Morgan, Bloomberg. Data as at 30-Jun-20.

Ashmore

Emerging Markets Blended Debt: Key asset class characteristics

Size, growth & inflows	• Historically superior risk-adjusted returns to individual EM debt sub-asset classes • Largest opportunity set within EM debt at roughly USD 29.6 trillion[1] • Ashmore's blended debt AuM was USD 23.3 billion as at 30-Jun-20
Liquidity	• Liquidity is important even in this large market; Ashmore has particular focus and expertise in managing liquidity • Asymmetric market – pure quant or passive approaches that do not consider market liquidity are riskier
Structural change	• Change in investor base in Emerging Markets debt is structural (high local savings increasingly invested locally) • Structurally lower developed world growth accelerates trend of diversification away from developed world
Political and economic development	• Similar to the developed world, EM Central banks are largely independent and well managed • Macro policy improvements in Emerging Markets over the last decade have led to lower inflation, more stability and better creditworthiness • Deficits turn to surpluses through prudent policy mix
Spreads/returns	• Returns from asset allocation across sub-asset classes and alpha generated by yields, FX and credit • Superior growth rates compared to developed markets; carry and liquidity support higher prices • JPM EMBI GD index spreads are attractive (currently c.474bps[2]) compared to other credit products • US policy/base rates are likely to stay lower for longer
Risk	• Strong Emerging Markets economic fundamentals underpinning robust corporate earnings and cash flows • Expectations of greater alignment of risk premiums • In periods of global equity and expected USD weakness, investors benefit from reduced exposure to G7 currencies, in favour of appreciating Emerging Market currencies, i.e. a portfolio hedge • Risk of UST widening to more 'normal' levels, which could impact EM external debt prices in the short term
Diversification	• Emerging Markets debt provides strong diversification away from traditional asset classes • Returns are a function of multiple factors including top-down (primary), tactical and bottom-up • Broad exposure across different instruments and asset types in addition to allocations to more than 60 countries • Specialist themes include EM FX, hard currency bonds, local currency bonds, corporate credit, all in long or short duration and investment grade or high yield or a combination

(1) Source: Ashmore, BIS, data as at end-2019 (2) As of 30-Jun-20.

Ashmore's Blended Debt capabilities

Emerging Markets specialist	• First dedicated fund launched in 2003 • Invests across US dollar and local currency denominated debt instruments • Instruments used are primarily sovereign bonds, corporates and foreign exchange • Derivatives exposure can be used to gain access to local Emerging Markets
Key facts	• As at 30-Jun-20, Ashmore managed USD 23.3bn in dedicated blended debt products • 42 vehicles[1], including pooled funds and segregated accounts • A variety of blended indices utilised
Performance of composite: Blended Debt Total Return as at 30-Jun-20	• Annualised gross return of 8.24% since inception (Jun-03) • Sharpe ratio of 0.66 since inception (Jun-03)

Source: Ashmore. See appendices for composite tables and "gross of fee" disclosure. (1) Including portfolios not part of composites overleaf (due to client restrictions).

Ashmore

Ashmore's approach to managing 'Blended' Fixed Income funds

Section 3

Global Investment Team

Ashmore

All Ashmore portfolios are managed collectively by the Investment Team. Portfolio Managers have dual portfolio management and research responsibilities and also specialise by investment theme and geography

Total Investment Professionals (98)

Global Fixed Income & Asset Allocation Team (33)

Investment Committee Members:

Chairman

Deputy Chair/Head of Local Ccy

Head of External Debt

Head of Corporate Debt

Head of Multi Asset

Head of Research

Local Currency Team

External Debt Team

Corporate Debt Team

Multi-Asset Team

Equity research helps shape country and credit views

Global Equity Team (31)*

Alternatives and Local Offices (34)

Provide specialist industry knowledge and contacts

'On the ground' insight from local offices:
Colombia, India, Indonesia, Peru, Saudi Arabia, Singapore, UAE

*Does not include Portfolio Managers with cross-asset responsibilities to avoid double counting.
Source Ashmore as at 30-Jun-20. (x) number of investment professionals.

Ashmore

Investment Philosophy:
Specialist, value-driven, macro top-down active manager

Macro top down

- Forward looking analysis of global and local macro-economics, politics, interest rate and currency dynamics
- Analysis of the drivers of market prices
- Scenario planning

Credit focus

- Analysis of credit risk of the assets:
  - Ability to pay - financial analysis and policy analysis
  - Willingness to pay - local politics
- ESG integration: use of Country ESG Performance scores
- Scenario planning: weighing political and policy outcomes

Value driven

- Look for divergence between market prices and credit risk
- Tolerance for mark-to-market volatility
- In-house research, integrated in portfolio management team

Active management

- Collective, team-based approach and institutionalised investment process, unchanged since 1992
- Focus on exploiting the structural changes in Emerging Market instruments
- Investment life cycle - analysis, execution, management and exit

Liquidity obsessed

- Robust risk management culture
- Liquidity integral to every investment decision
- Liquidity embedded in portfolio construction

Ashmore

Investment Committee Process

Investment Committee (IC)

Global macro overview → **Risk call**
- Market exposure — add vs. reduce
- Long-term and tactical views

Country / corporate updates → **Updated credit views**
- Country and corporate credit review
- ESG integration: review of Country ESG Performance scores
- Impact on credit risk, FX and interest rates implications

Theme relative value → **Theme allocation**

Risks and opportunities across themes:
- External vs. Local Currency
- Corporate vs. Sovereign

Sub-committee meetings
- Local Currency
- External Debt
- Corporate Debt
- Blended Debt
- Multi-Asset

Portfolio construction (within theme) → **Changes to model portfolios**
- Changes in target exposures (credits, FX, duration) across model portfolios
- Revision of theme allocation, cash and leverage where appropriate

Instrument selection → **Investment decisions**
- Buy and sell decisions on specific assets
- Price targets where appropriate

Trading / execution

Execution process → **Execution**
- Timely execution (within 24 hours of IC meeting)
- Pre / Post trade compliance
- Trades reviewed with reference to IC minutes in the following IC meeting

Investment Theme evolution Ashmore SICAV EM Total Return Fund

Source: Ashmore.

ESG in Ashmore's Investment Process

Ashmore

Integrated Approach	• ESG factor assessment fully integrated into Ashmore's investment process • The portfolio manager undertaking the financial analysis carries out ESG assessment • Full incorporation of ESG risks and opportunities into decision-making provides a more comprehensive analysis of investment opportunities
Proprietary Methodology	• Unified approach and scoring system by issuer in all global public markets strategies – sovereign, corporate debt and equities • Internal research (research trips and meetings with issuers) complemented by external data sources • Portfolio Managers complete Enhanced Financial Analysis (PRI Academy CFA Certified) training to undertake ESG assessment
Investment Decisions	• ESG score for each issuer reviewed and discussed at the relevant theme sub-IC as part of investment approval • ESG scores are reviewed annually at the respective theme sub-IC. Additional reviews triggered on an event-led basis • ESG risk / opportunity is incorporated through financial estimates and/or the valuation assessment
ESG Governance	• Sustainability and ESG integration across the firm led by the Head of Sustainability and ESG Integration • Integration approach and scoring methodology overseen by ESG Committee, chaired by the CIO with representation from each investment committee • Any ESG scores not reviewed for over 12 months will be flagged at the relevant theme sub-Investment Committee • Stewardship and engagement processes monitored by the Head of Sustainability and ESG Integration

Holistic View of Risk Management

Ashmore does not view these risks as independent and takes a multi-dimensional view in managing them.

- Market Risk measurements contribute to the management of liquidity risk associated with potential margin calls
- Maintaining strong relationships with counterparties provides market access (capacity) and liquidity
- The Principal Risk Review includes Controls and Mitigants associated with the key risk components listed below

Investment Risk (Market / Liquidity & Capacity / Credit)	• Holistic approach to risk management; key focus of weekly Investment Committee meetings • Ex-ante risk forecasts; ex-post performance attribution; stress testing / scenario analysis • Liquidity analysis including monitoring and stress testing • Flexibility to use different financial instruments to express views, in line with mandate guidelines • Review of capacity by theme on a periodic basis • Weighted Average Credit Rating Score of Fund against Benchmark
Counterparty Risk	• All fully approved trading counterparties have minimum credit rating of BBB+ (S&P long term rating or equivalent) per instrument type • Active and on-going review of existing counterparties by Risk Management team as well as formal quarterly reviews • Close dialogue with key contacts at counterparties • Exposure monitored and mitigated by 2-way CSA where documented • Clearing of derivatives to reduce direct exposure to counterparties
Principal Risk (incl. Operational)	• Key area of focus of the Risk & Compliance Committee in its regular monthly meeting • As part of its oversight of operational risk, this committee periodically reviews the appropriateness of its policies and procedures, training and competence, systems and data security, key risk indicators (“KRIs”) and business continuity planning • Formal quarterly review of assigned controls/ mitigants for principal risks • Included in Group’s annual report

Ashmore

Performance summary & portfolio characteristics

Section 4

Performance summary (Preliminary July 2020): Ashmore EM Blended Debt Total Return Composite

Overview

Objective: To achieve total return through a combination of income and capital appreciation by investing in a portfolio of both external debt and local currency debt

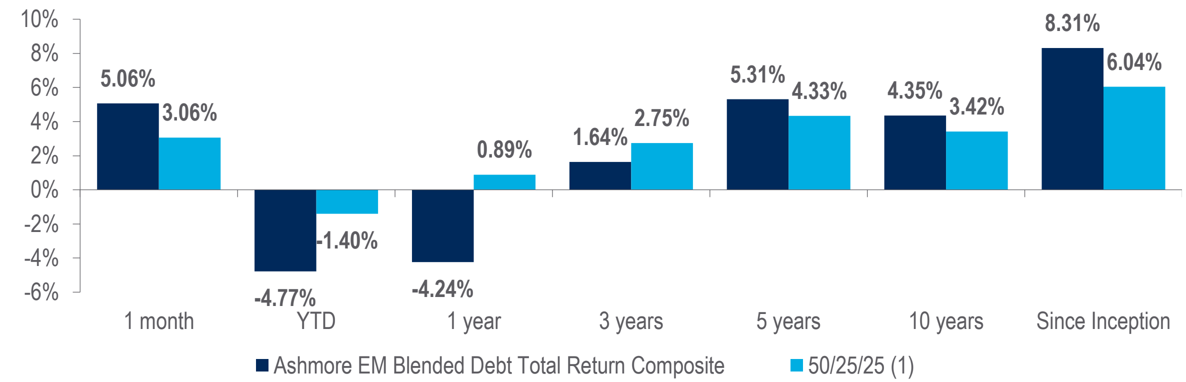
Mandate: Emerging Market Blended Debt

Benchmark: 50% JP Morgan EMBI GD, 25% JP Morgan ELMI+ and 25% JP Morgan GBI-EM GD

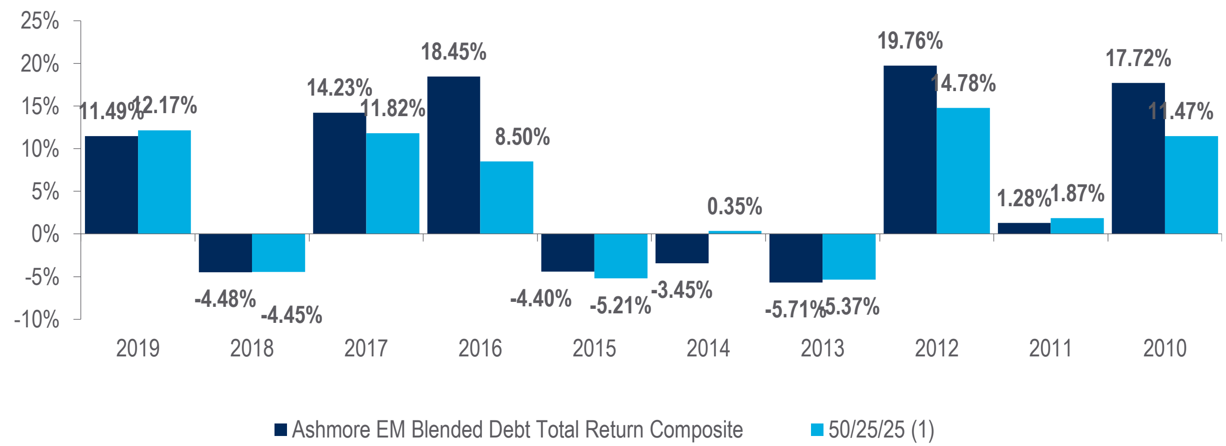
Inception date: June 2003

Size: USD 12.2bn

Historical annualised returns



Historical calendar year returns



The historical gross annualised and calendar year returns presented are 1) supplemental information for the purpose of GIPS and must be used in conjunction with the compliant presentation in the appendices, 2) preliminary and subject to changes prior to compliant presentation over the same period being made available.

Sources: Ashmore, Bloomberg. Data estimated as at 31-July-20. Periods greater than one year are annualised. See appendices for composite tables and “gross of fee” disclosure.
(1) Benchmark is 50% JP Morgan EMBI GD, 25% JP Morgan ELMI+ and 25% JP Morgan GBI-EM GD.

Performance summary (June 2020): Ashmore EM Blended Debt Total Return Composite

Overview

Objective: To achieve total return through a combination of income and capital appreciation by investing in a portfolio of both external debt and local currency debt

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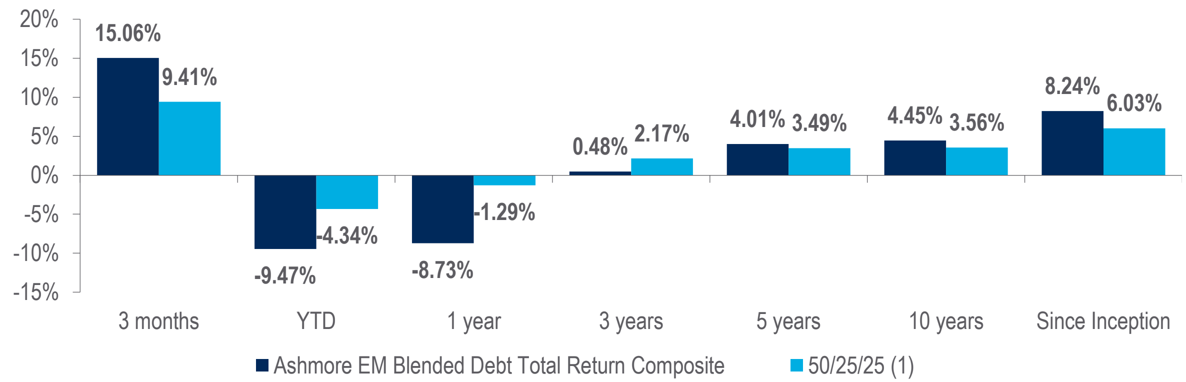
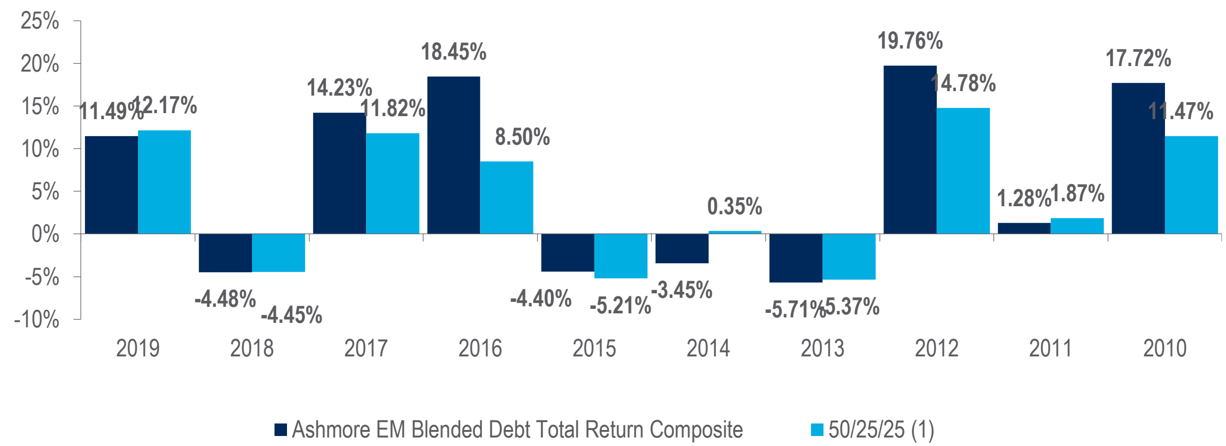


Historical calendar year returns



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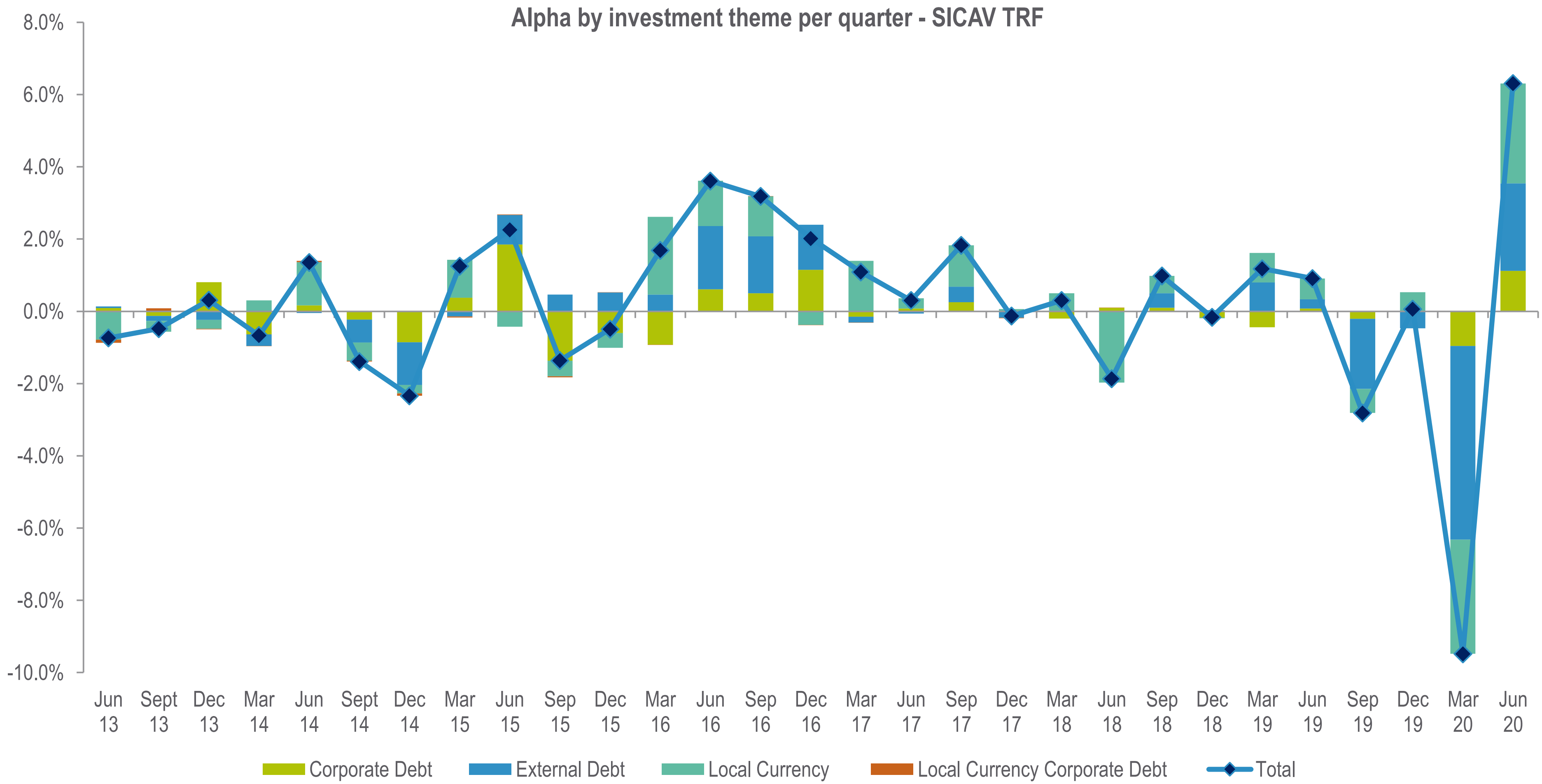
(1) Benchmark is 50% JP Morgan EMBI GD, 25% JP Morgan ELMI+ and 25% JP Morgan GBI-EM GD.

Ashmore

Representative Blended strategy: Performance analysis

Sources of returns have varied over time across our main investment 'themes' (External Debt, Local Currency Bonds and FX, Corporate Debt).



Source: Ashmore. Data as at 30-Jun-20.

Ashmore

Portfolio attribution: 1 year to 30-Jun-20
Ashmore SICAV Emerging Markets Total Return Fund

1Y Theme attribution

	Fund and benchmark weights			Total return contribution analysis			Relative return attribution analysis			
1Y Theme	Fund weight	Benchmark weight	Active weight	Fund contribution	Benchmark contribution	Excess contribution	Asset allocation	Security selection	Currency effect	Total
External Debt	62.06%	50.00%	12.06%	-6.58%	0.32%	-6.91%	-0.02%	-6.51%	-	-6.53%
Corporate Debt	11.70%	-	11.70%	-0.06%	0.00%	-0.06%	-0.32%	0.08%	-	-0.24%
Local Currency	46.05%	50.00%	-3.95%	-3.17%	-1.61%	-1.55%	0.53%	-1.74%	-	-1.21%
Cash/Cash Management	-17.21%	-	-17.21%	-0.15%	-	-0.15%	-0.69%	-	-	-0.69%
			Portfolio	-9.95%	-1.29%	-8.67%	-0.51%	-8.16%	-	-8.67%

Prospective investors should obtain and review the offering documents relating to the units or shares of any Fund, including the description of risk factors/investment considerations contained in the offering documents, prior to making any decision to invest in such units or shares.

Ashmore

Portfolio attribution: 1 year to 30-Jun-20
Ashmore SICAV Emerging Markets Total Return Fund

1Y Country attribution

	Fund and benchmark weights			Total return contribution analysis			Relative return attribution analysis			
1Y Country	Fund weight	Benchmark weight	Active weight	Fund contribution	Benchmark contribution	Excess contribution	Asset allocation	Security selection	Currency effect	Total
Top 10 contributors										
South Africa	3.10%	3.54%	-0.43%	-0.13%	-0.49%	0.36%	-0.01%	0.02%	0.38%	0.39%
China	6.56%	5.63%	0.93%	0.22%	0.15%	0.07%	0.18%	0.13%	0.04%	0.34%
Ukraine	4.30%	1.25%	3.05%	0.39%	0.11%	0.28%	0.19%	-0.02%	0.00%	0.18%
Egypt	2.15%	1.27%	0.88%	0.13%	0.04%	0.09%	-0.04%	0.12%	0.03%	0.11%
Malaysia	1.27%	4.21%	-2.94%	0.04%	0.11%	-0.07%	0.00%	0.07%	0.01%	0.08%
Sri Lanka	0.56%	0.68%	-0.12%	-0.23%	-0.31%	0.08%	0.10%	-0.03%	-	0.07%
Peru	3.00%	2.61%	0.39%	0.18%	0.16%	0.02%	0.00%	0.04%	0.02%	0.06%
South Korea	3.17%	2.50%	0.67%	-0.12%	-0.08%	-0.03%	0.07%	-0.01%	0.00%	0.06%
United Arab Emirates	0.64%	1.70%	-1.06%	0.34%	0.11%	0.22%	0.00%	0.04%	-	0.04%
Saudi Arabia	1.36%	1.96%	-0.60%	0.16%	0.20%	-0.04%	-0.05%	0.09%	-	0.04%
Top 10 detractors										
Ecuador	3.86%	0.54%	3.32%	-3.04%	-0.67%	-2.36%	-2.76%	0.18%	-	-2.58%
Venezuela	0.46%	-	0.46%	-2.24%	-0.12%	-2.12%	-1.55%	-0.71%	-	-2.26%
Lebanon	0.78%	0.20%	0.59%	-2.26%	-0.67%	-1.59%	-1.77%	0.05%	-	-1.72%
Brazil	10.03%	4.79%	5.24%	-2.00%	-0.84%	-1.16%	0.31%	-0.55%	-0.98%	-1.22%
Argentina	4.14%	0.58%	3.55%	-1.30%	-0.64%	-0.66%	-0.69%	0.58%	-0.68%	-0.79%
Russia	5.95%	5.61%	0.34%	-0.02%	0.29%	-0.31%	-0.26%	0.27%	-0.22%	-0.21%
Turkey	3.24%	3.45%	-0.21%	0.07%	0.24%	-0.17%	-0.11%	-0.05%	0.05%	-0.11%
Indonesia	8.07%	5.57%	2.50%	0.32%	0.40%	-0.08%	0.06%	-0.02%	-0.14%	-0.10%
El Salvador	1.19%	0.42%	0.77%	-0.12%	-0.06%	-0.06%	-0.08%	-0.01%	-	-0.09%
Poland	2.60%	4.16%	-1.57%	-0.23%	0.01%	-0.24%	-0.02%	0.05%	-0.11%	-0.08%
			Portfolio	-9.95%	-1.29%	-8.67%	-6.97%	0.20%	-1.90%	-8.67%

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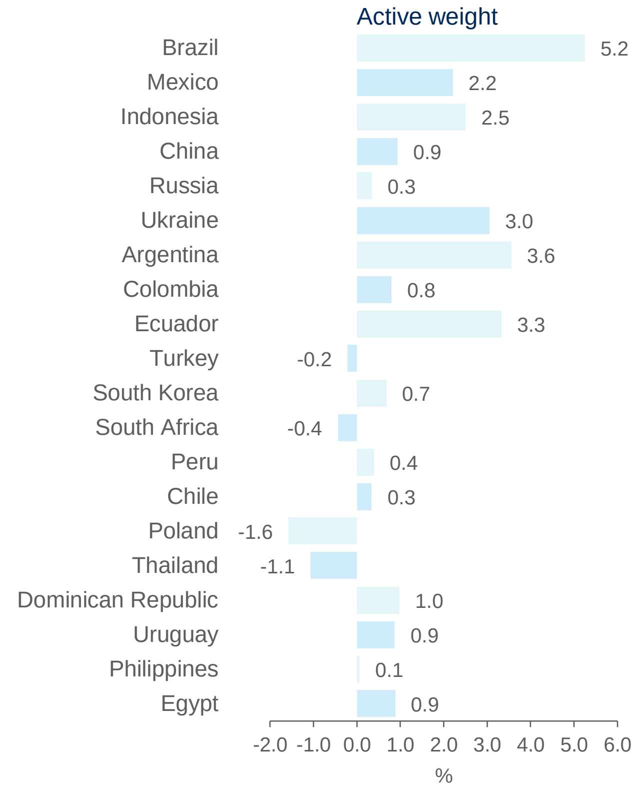
Portfolio characteristics as at 30-Jun-20: Ashmore SICAV Emerging Markets Total Return Fund

Largest country positions

Top 20 Countries	Fund	Benchmark	Active weight
Brazil	10.0%	4.8%	5.2%
Mexico	9.3%	7.1%	2.2%
Indonesia	8.1%	5.6%	2.5%
China	6.6%	5.6%	0.9%
Russia	6.0%	5.6%	0.3%
Ukraine	4.3%	1.3%	3.0%
Argentina	4.1%	0.6%	3.6%
Colombia	3.9%	3.1%	0.8%
Ecuador	3.9%	0.5%	3.3%
Turkey	3.2%	3.5%	-0.2%
South Korea	3.2%	2.5%	0.7%
South Africa	3.1%	3.5%	-0.4%
Peru	3.0%	2.6%	0.4%
Chile	2.7%	2.4%	0.3%
Poland	2.6%	4.2%	-1.6%
Thailand	2.5%	3.5%	-1.1%
Dominican Republic	2.2%	1.2%	1.0%
Uruguay	2.2%	1.3%	0.9%
Philippines	2.2%	2.1%	0.1%
Egypt	2.2%	1.3%	0.9%
Total number of countries	62	79	
Total number of countries (look-through)	62	79	



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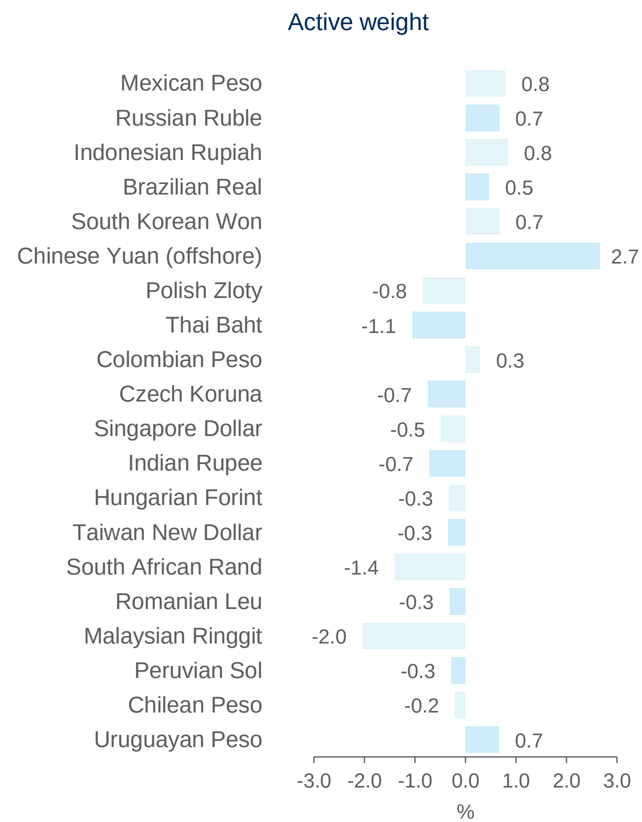
Ashmore

Portfolio characteristics as at 30-Jun-20: Ashmore SICAV Emerging Markets Total Return Fund

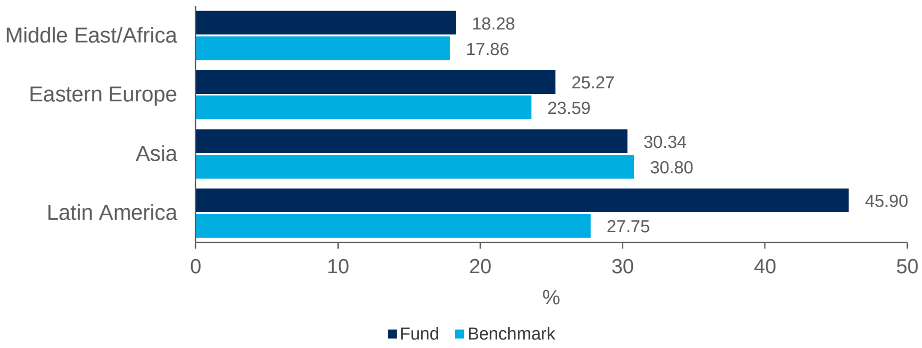
Largest local currency positions

Top 20 EM currency exposure	Fund	Benchmark	Active weight
Mexican Peso	5.6%	4.8%	0.8%
Russian Ruble	4.5%	3.8%	0.7%
Indonesian Rupiah	4.1%	3.3%	0.8%
Brazilian Real	3.8%	3.3%	0.5%
South Korean Won	3.2%	2.5%	0.7%
Chinese Yuan (offshore)	2.7%	0.0%	2.7%
Polish Zloty	2.6%	3.4%	-0.8%
Thai Baht	2.5%	3.5%	-1.1%
Colombian Peso	2.0%	1.7%	0.3%
Czech Koruna	1.4%	2.2%	-0.7%
Singapore Dollar	1.4%	1.9%	-0.5%
Indian Rupee	1.3%	2.0%	-0.7%
Hungarian Forint	1.2%	1.5%	-0.3%
Taiwan New Dollar	1.1%	1.5%	-0.3%
South African Rand	0.9%	2.3%	-1.4%
Romanian Leu	0.9%	1.2%	-0.3%
Malaysian Ringgit	0.8%	2.8%	-2.0%
Peruvian Sol	0.8%	1.1%	-0.3%
Chilean Peso	0.7%	0.9%	-0.2%
Uruguayan Peso	0.7%	0.0%	0.7%
Total number of currencies	28	24	
Total number of currencies (look-through)	28	24	



Portfolio characteristics as at 30-Jun-20:
Ashmore SICAV Emerging Markets Total Return Fund

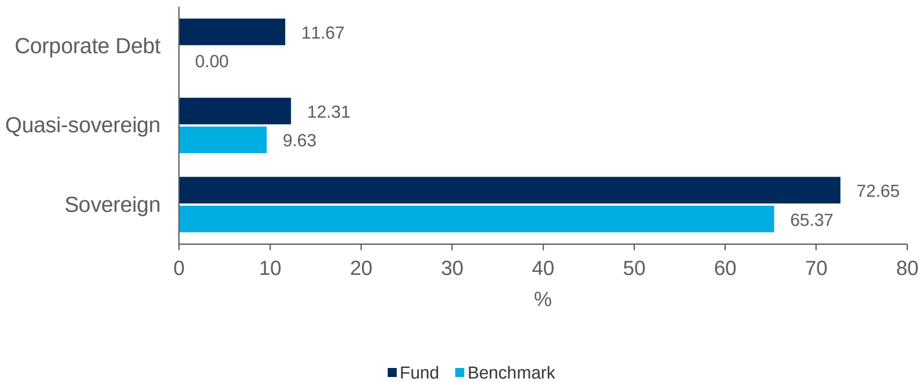
Region



Rating

Credit rating %	Fund	Benchmark	Active weight
AAA	0.0	0.0	0.0
AA	3.3	7.3	-4.0
A	9.2	21.4	-12.2
BBB	32.3	36.4	-4.1
BB	20.3	20.1	0.2
B	19.6	12.0	7.6
<B	15.0	2.4	12.6
Not rated	0.3	0.4	-0.1
Average credit rating	BB	BBB	

Issuer type



Credit rating %	Fund	Benchmark	Active weight
Investment grade	44.8	65.1	-20.3
High yield	54.9	34.5	20.4

Appendices

Presenters and Biographies

Ashmore

Mark Coombs, Chief Executive Officer of Ashmore Group plc and Chairman of the Investment Committees. Mark has been involved in Emerging Markets since joining Grindlays Bank plc in 1983. Following its acquisition by Australia and New Zealand Banking Group Limited (ANZ) Mark was appointed Head of Emerging Markets Group for ANZ Merchant Bank Limited in 1988 and, in 1991, became Head of the International Merchant Banking Division of ANZ Grindlays Bank plc and, in 1997, Head of Markets for ANZ Group. He was appointed to the Board of Emerging Markets Trade Association in 1993 and Co-Chair in 2001. Ashmore was the subject of an MBO from ANZ in 1999 and listed on the London Stock Exchange in 2006. He has been Chairman of the Investment Committee since he established the business within ANZ in 1992, and is responsible for setting the overall investment strategy of funds managed. Mark holds an MA (Hons) in Law from Cambridge University.

Ted Smith, joined Ashmore in July 2011. He works with consultants and institutional investors in North America. Prior to joining Ashmore, Ted worked since 2002 at Delaware Investments. At Delaware, Ted performed a number of roles, responsible at different times for Wealth Management, Strategic Partners, Retail Products and Financial Institutions. Prior to joining Delaware, Ted worked at Foliofn Inc. from 2000 to 2002 and at Latham and Watkins as an attorney focusing on venture capital, M&A and corporate finance transactions from 1999 to 2000. After qualifying in 1994 as a US attorney Ted spent the initial part of his career practicing law in Russia for Latham and Watkins assisting multinational corporations and private equity funds with their investments in the former Soviet Union. He subsequently joined the staff of a private equity fund, Sector Capital. Ted holds a BA in Economics from Duke University and qualified Juris Doctor from the University of California.

Ashmore EM Blended Debt Total Return Composite

Ashmore

March 31, 2020 (please refer to 'Notes' on the next page)

Period	Composite Gross Return	Benchmark Return	Number of Portfolios	Annual Composite Dispersion	Total Assets at End of Period (USD million)	Firm Assets at End of Period (USD million)	Percentage of Firm's Assets	3 Year Std. Deviation Composite	3 Year Std. Deviation Benchmark
2003*	10.82%	6.19%	1	NA	277	4,920	5.63%	NA	NA
2004	22.09%	15.24%	1	NA	560	8,100	6.91%	NA	NA
2005	17.29%	7.49%	2	NA	827	16,800	4.92%	NA	NA
2006	16.29%	11.85%	2	NA	958	26,800	3.57%	7.79%	5.81%
2007	12.66%	11.53%	2	NA	1,508	36,400	4.14%	6.41%	5.19%
2008	-15.78%	-8.21%	2	NA	1,068	24,500	4.36%	13.01%	11.49%
2009	35.49%	23.24%	2	NA	1,670	31,300	5.34%	14.01%	12.29%
2010	17.72%	11.47%	2	NA	1,759	45,900	3.83%	14.77%	12.78%
2011	1.28%	1.87%	5	NA	2,497	52,600	4.75%	10.97%	8.89%
2012	19.76%	14.78%	7	1.78%	4,179	64,600	6.47%	10.09%	8.32%
2013	-5.71%	-5.37%	12	0.46%	6,671	74,500	8.95%	9.61%	8.59%
2014	-3.45%	0.35%	13	0.56%	5,766	63,100	9.14%	8.59%	7.80%
2015	-4.40%	-5.21%	13	0.71%	4,090	48,500	8.43%	8.11%	6.89%
2016	18.45%	8.50%	13	1.68%	4,680	50,700	9.23%	9.53%	7.31%
2017	14.23%	11.82%	16	0.93%	8,557	66,600	12.85%	8.43%	6.52%
2018	-4.48%	-4.45%	16	0.45%	10,294	73,100	14.08%	8.37%	6.72%
2019	11.45%	12.17%	17	0.79%	14,025	90,900	15.43%	7.24%	5.59%
Mar-20	-21.31%	-12.57%	17	NA	10,968	69,100	15.87%	14.23%	8.91%

*partial period return since inception (1st Jul 03).

Prospective investors should obtain and review the offering documents relating to the units or shares of any Fund, including the description of risk factors/investment considerations contained in the offering documents, prior to making any decision to invest in such units or shares.

Ashmore EM Blended Debt Total Return Composite

Ashmore

Notes

1. The Firm is defined as all portfolios managed by Ashmore Group plc and its majority owned subsidiaries, or any entities that utilise the Ashmore Global Operating Model. ("Ashmore") The firm definition was changed in June 2017 to include entities on the Ashmore Global Operating Model. There was no change to reported AUM or returns prior to this date.
2. Ashmore claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Ashmore has been independently verified from 1 January 2014 to 30 June 2019. Prior to 31 December 2013, Ashmore's separate investment advisory businesses Ashmore Investment Management Ltd ("AIML") and Ashmore Equities Investment Management (US) LLC ("AEIM") existed as two separate Firms which were compliant as separate entities to 31 December 2013 and were independently verified from 25 February 1999 until 31 December 2013 and from 1 January 1994 until 31 December 2013 respectively. The verification report(s) is/are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.
3. The Blended Debt Total Return Composite includes all discretionary portfolios that invest primarily in Global Emerging Market hard and local currency denominated debt across sovereign, quasi-sovereign and corporate instruments. The composite only includes portfolios with reference benchmarks that have an equal weighted split of hard and local currency components.
4. This composite was created in January 2018.
5. The benchmark presented is a monthly rebalanced composite benchmark (50% JP Morgan Emerging Market Bond Index Global Diversified; 25% JP Morgan Emerging Local Markets Index Plus; 25% JP Morgan Government Bond Index Emerging Markets Global Diversified). Ashmore is benchmark-aware and the benchmark is shown for information purposes only.
6. Composite and benchmark performance presented is in USD.
7. Composite results for the full historical period are time-weighted and include reinvestment of dividends and other earnings.
8. Returns are presented gross of management (advisory) fees, performance fees (where relevant), custodial fees and other expenses but net of all trading expenses and non-reclaimable withholding taxes. Actual returns and performance for each investor will vary depending on the applicable fee schedule. For example, if $100,000 were invested and experienced a 10% annual return compounded quarterly for ten years, its ending dollar value without giving effect to the deduction of advisory fees would be $268,506 with an annualised compounded return of 10.38%. If an advisory fee of 1.50% of average net assets per year were deducted quarterly for the ten-year period, the annualised compounded return would be 8.77% and the ending dollar value would be $231,890. Additional information about advisory fees is found in Part II of AIML's Form ADV.
9. For the underlying funds/accounts, the highest applicable standard fixed management fee is 1.10% per annum (performance fees may apply).
10. The policies for valuing the underlying funds/accounts which are set out in each respective prospectus/scheme particulars/investment management agreement and the methodology for calculating performance and preparing compliant presentations are available upon request.
11. Composites may deal in certain derivative instruments and/or sell investments (including currencies) short for efficient portfolio management purposes or to hedge. Borrowing may be permitted within restrictions imposed by the component portfolios as set out in each fund's scheme particulars/account's investment management agreement. The use of repurchase arrangements in certain circumstances will constitute borrowing. Leverage may be employed by the strategy in a range from 100% to 200%. Since inception of the strategy the historical leverage employed has been between 100% to 150%. Leverage increases the sensitivity to market volatility and increases the potential or realised gains and/or losses.
12. The dispersion of the composite is measured using equal-weighted standard deviation and has only been calculated for periods where there are more than 5 portfolios in the composite with full-period annual returns.
13. The three-year annualised ex-post standard deviation measures the variability of the composite (gross) and the benchmark returns over the preceding 36-month period where available and the calculation assumes the composite and the benchmark time weighted return follows a log-normal distribution.
14. Additional information regarding the firm's full set of composites and their description is available upon request - please contact Ashmore Marketing Services (Tel: +44 20 3077 6000; Email: ashmail@ashmoregroup.com).

Los Angeles City Employees Retirement System

Emerging Markets Debt—Blend

Signatory of:

PRI Principles for Responsible Investment

August 2020

PGIM FIXED INCOME

Table of Contents

1 Firm Overview

Presenter Biographies

Cathy L. Hepworth, CFA, is a Managing Director and Head of PGIM Fixed Income's Emerging Markets Debt Team. Ms. Hepworth co-founded the Firm's emerging markets debt management effort in 1995. Previously, Ms. Hepworth was an analyst in the credit unit group of the Firm's Capital Management Group, focusing on various sovereign, financial and corporate sectors. Prior to joining the Firm in 1989, she held analyst positions at Bankers Trust, Merrill Lynch, and Golembe Associates. Ms. Hepworth received a BSFS from Georgetown University, School of Foreign Service. She holds the Chartered Financial Analyst (CFA) designation.

Peter Taggart is Principal, Client Advisory for PGIM Fixed Income. Mr. Taggart works with our largest institutional investors in developing fixed income solutions to meet their needs. Mr. Taggart has more than 20 years of experience in the investment management business, structuring and managing portfolios for U.S. and international institutions. Prior to joining PGIM Fixed Income in 2002, Mr. Taggart was Executive Director of Marketing with WestAM. Previously, Mr. Taggart was Managing Director with Forstmann-Leff, where he was responsible for marketing equity, fixed income and private equity investment services to institutions. Prior to Forstmann-Leff, Mr. Taggart was with Salomon Brothers Asset Management for nine years, in both bond portfolio management and client relations positions and at First Boston Asset Management, where he was a bond Portfolio Manager. Mr. Taggart received a BA in Computer Science from Colgate University.

Steven Ahrens, CFA, is a Vice President in Client Management for PGIM Fixed Income. Mr. Ahrens is responsible for providing ongoing service to PGIM Fixed Income's institutional clients. This includes development of customized client communication plans, responding to daily inquiries, and coordination of activity with our clients' other service providers. Mr. Ahrens has been with the Firm since 1991 and has held positions in Finance, General Account Portfolio Management, and most recently Mutual Fund Product Management where he was the product manager for the Dryden family of fixed income mutual funds. Mr. Ahrens received an MBA in Finance from Rutgers University. He holds the Chartered Financial Analyst (CFA) designation.

For purposes of the biographies, the "Firm" is defined as Prudential Financial, Inc. ("PFI"). All PGIM and Prudential named entities are subsidiaries or affiliates of PFI. PFI. of the United States is not affiliated in any manner with Prudential plc, incorporated in the United Kingdom or with Prudential Assurance Company, a subsidiary of M&G plc, incorporated in the United Kingdom.

BOARD Meeting: 09/08/20
Item V-B
Attachment 1

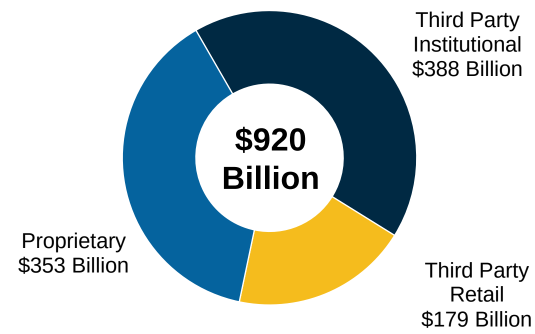
IC Meeting: 08/19/20
Item II
Attachment 3

Assets Under Management

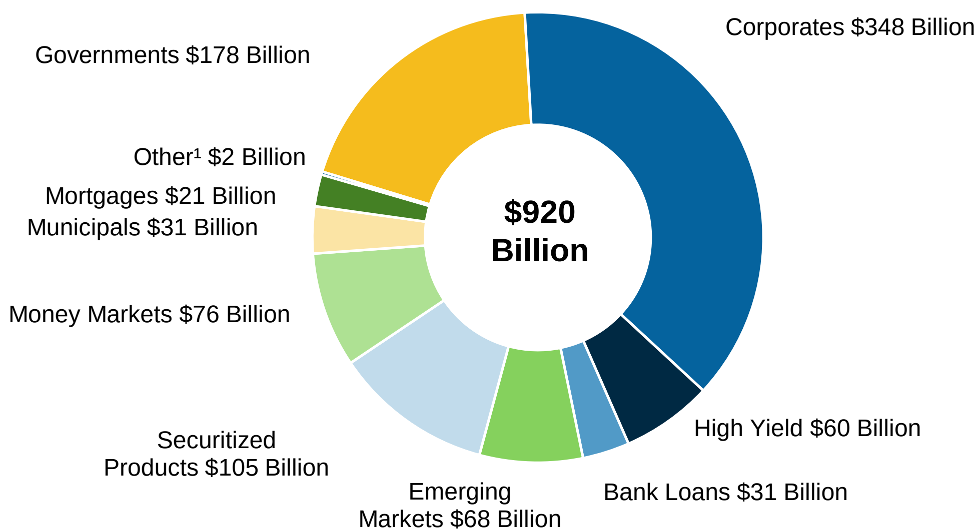
Firm Overview: Active Strategies Across Global Fixed Income Markets

- Scale and breadth of capabilities
- Global experience, stability and continuity
- 304 investment professionals
- 821 institutional clients, 949 employees
- Collegial culture with a heritage of honest debate
- Attract, develop, retain and promote diverse talent
- ESG factors are also integrated into our fundamental opinions, and are reflected in our proprietary ESG ratings framework

Assets Under Management



Expertise Across a Broad Range of Sectors



Assets as of June 30, 2020. Staffing as of March 31, 2020. ***Please see the Notice section for important disclosures, including risk.*** *Source: PGIM Fixed Income. Assets under management (AUM) are based on company estimates and are subject to change. PGIM Fixed Income's AUM includes the following businesses: (i) the PGIM Fixed income unit within PGIM, Inc, located in the USA; (ii) the public fixed income unit within PGIM Limited, located in London; (iii) PGIM Netherlands B.V. located in Amsterdam; (iv) locally managed assets of PGIM Japan Co., Ltd. ("PGIM Japan"), located in Tokyo; and (v) the public fixed income unit within PGIM (Singapore) Pte. Ltd., located in Singapore. Asset class breakdown based on company estimates and is subject to change. [1]Other includes Japanese equities and Japanese real estate equities.*

Our Vision, Mission, Strategy and Culture

Vision

- To be widely regarded as the premier active global fixed income manager

Mission

- To provide consistent strong risk-adjusted returns and excellent service to our clients
- To generate superior value for our stakeholders

Strategy

- Protect the strength of our investment culture, processes and philosophy to generate consistently strong investment performance
- Demonstrate commitment to our clients by being both proactive and highly responsive
- Build and refine our product mix to meet market needs
- Refine our distribution strategy globally
- Focus on global integration of our business
- Invest in technology and infrastructure to support growth
- Focus on talent and culture

Culture

An environment centered around mutual respect, trust in each other, collegiality, teamwork, meritocracy, intellectual honesty, transparency, and an unwavering commitment to our clients.

2

Emerging Markets Hard/ Local Currency Blend Strategy

Why PGIM for Emerging Markets Debt

What Makes Us Different

1 **Strong Track Record since 1996 from Diversified Sources of Alpha**

- Dedicated emerging markets strategies in hard and local currency sovereign, blend, and corporates
- Investing in local markets since 2003

2 **A Well Resourced Investment Management Team with Extensive Experience and Tenure**

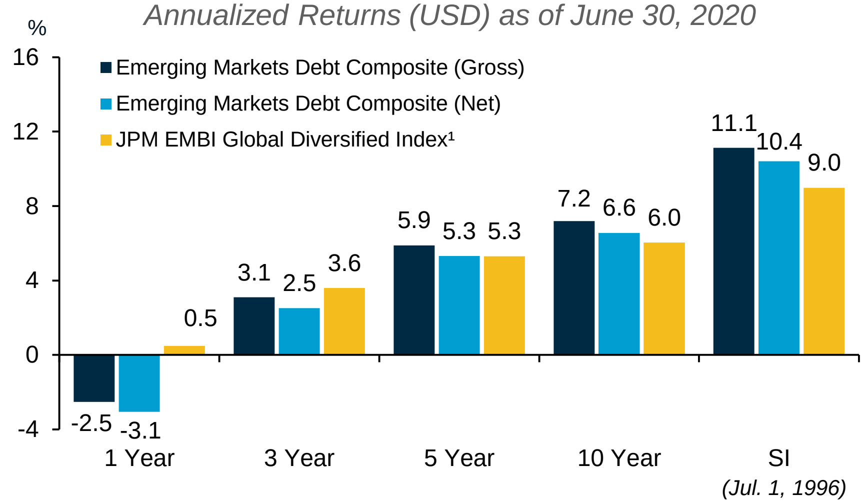
- 35 specialists in portfolio management, economics/sovereign analysts, and corporate credit provide ability to nimbly extract alpha from numerous sources
- Senior members started PGIM's emerging markets effort in 1995
- Proprietary sovereign analysis incorporates ESG assessments

3 **A Deep Culture of Risk Management, Quantitative Research, and Bottom Up Credit Research**

- Independent risk management/quantitative research team of 60
- Extensive credit research team of 84

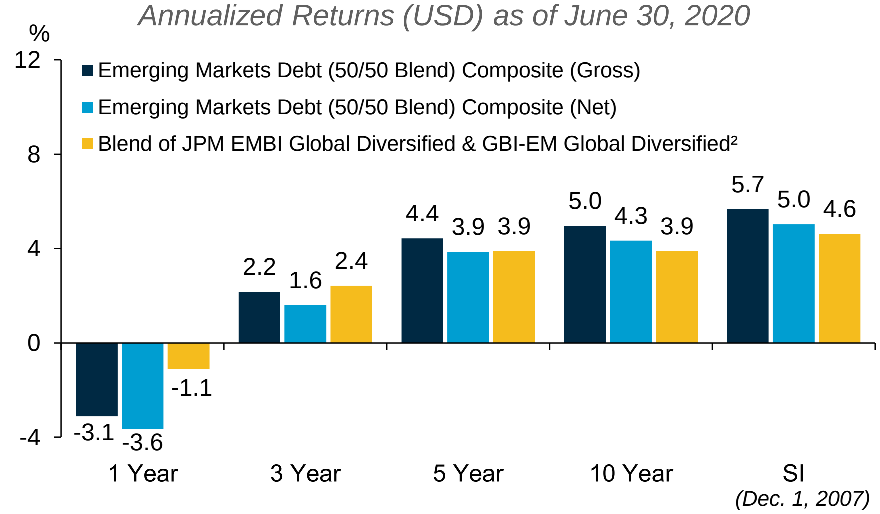
Long-Standing Hard Currency Track Record

Annualized Returns (USD) as of June 30, 2020



Emerging Markets Blend Track Record

Annualized Returns (USD) as of June 30, 2020



Past performance is not a guarantee or a reliable indicator of future results. Please see the Reference section for important disclosures, including risk, net returns and benchmark descriptions. *The value of investments can go down as well as up. Where overseas investments are held the rate of currency exchange may cause the value of investments to fluctuate. If applicable, investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets and non-USD securities are converted to USD using a spot rate conversion. All return periods longer than one year are annualized. Gross returns do not reflect the deduction of investment advisory fees and other expenses. Net returns reflect the deduction of investment advisory fees and other expenses. Gross and net performance have been calculated in U.S. dollars and reflect the deduction of transaction costs and withholding taxes, if any, and the reinvestment of income. Source PGIM Fixed Income. Source of benchmark: JP Morgan. Staff as of March 31, 2020. [1]The benchmark represents the JPM EMBI+ Index from July 1, 1996 – February 28, 2006 and the JPM EMBI Global Diversified Index going forward. [2]The benchmark for this composite is an even blend of JPM EMBI Global Diversified & GBI-EM Global Diversified.*

Emerging Markets Debt Philosophy

We Believe….

A long-term investment perspective contributes to strong long-term performance

- Our deep credit, macroeconomic and investment resources allow us to establish long-term views of opportunities within hard, local and FX emerging markets within and across countries
- Typically, we do not actively sell on bad news—trading is expensive and once news is released it is priced in for all managers, regardless of size

High confidence, contrarian investing can capture attractive, undervalued opportunities when consistent with long-term investment views

- When other market participants are selling, we utilize our deep investment resources to build high conviction positions at attractive entry points

The "barbell" can capture the upside while minimizing the downside

- We invest in higher yielding securities in short term tenors with an eye toward holding to maturity
- We complement those investments with less volatile, high conviction, higher quality relative value positions in longer tenors

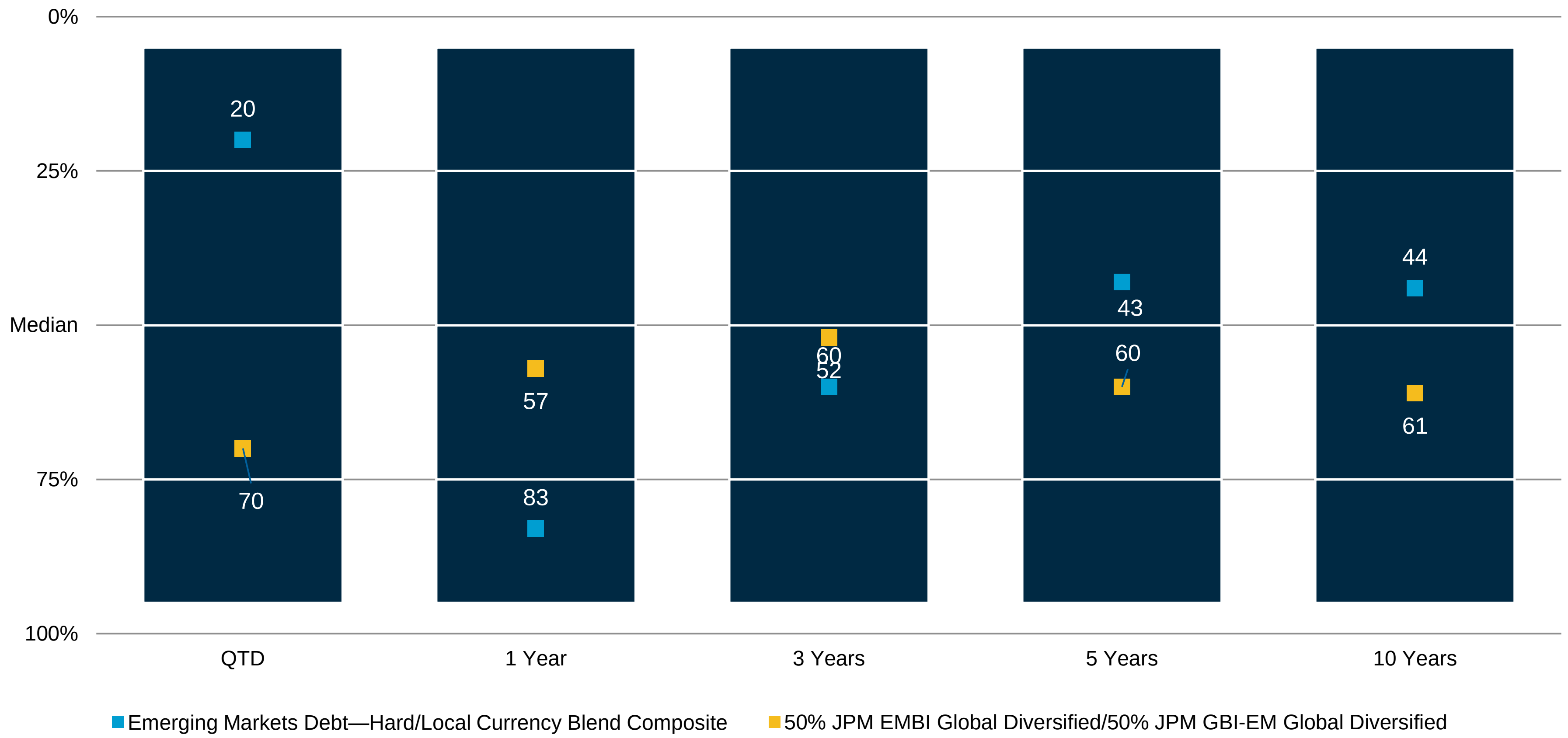
Diversification and conviction win in the long term

- Emerging markets debt securities can be volatile—we believe holding overly concentrated positions is sub-optimal
- We believe a key to long-term success in emerging markets is to establish highly diversified portfolios with the largest investments in our highest relative value convictions

Emerging Markets Debt Blend—Peer Rankings

Long-Standing Blend Track Record

eVestment Emerging Markets Fixed Income – Blend Universe
Gross Return Rankings vs. Peers as of June 30, 2020



Source of Peer Performance Data: eVestment. Global Emerging Mkts Fixed Income – Blended Currency: Emerging Markets Fixed Income products that have allocation to both "Hard" and "Local" currency denominated bonds. This universe category will also include Total Return strategies. Common benchmarks include the 50% JPM GBI-EM Global Div/50% JPM EMBI Global Div.

Diversified Sources of Alpha

Sources of Alpha

For the Representative Emerging Markets Hard/Local Currency Blend Portfolio (Gross) vs. Benchmark[1]
As of June 30, 2020

Contribution (bps)	2Q20	1Q20	2020 YTD	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Country Selection	**+362**	**-339**	**-80**	**+61**	**-95**	**+122**	**+185**	**+156**	**-62**	**0**	**+259**	**-48**	**+260**	**+514**	**-393**
Security Selection	**+87**	**-157**	**-85**	**+151**	**+21**	**+182**	**+62**	**-149**	**+95**	**-12**	**+212**	**-119**	**+93**	**+350**	**-82**
Hard Currency Selection	+50	-115	-53	+62	+18	+151	+48	-57	+97	-21	+52	+24	-20	+83	+28
Local Currency Selection	+33	-24	-28	+92	+2	+23	+6	-51	+48	-84	+89	-44	+48	+153	+24
Corporates Selection	+3	-18	-4	-3	+1	+8	+8	-40	-50	+93	+70	-99	+65	+114	-134
Currency Selection	**+5**	**-16**	**-37**	**+37**	**-66**	**+30**	**-50**	**+127**	**+73**	**-5**	**+108**	**+10**	**+33**	**+33**	**+20**
Total Alpha	**+454**	**-512**	**-203**	**+249**	**-141**	**+335**	**+198**	**+135**	**+106**	**-18**	**+579**	**-158**	**+386**	**+897**	**-455**

Commodity Price Shock

Major Drivers 2014 Performance	
• Overweight Russia during sanctions	-47 bps
• Barbell of short maturity, lower-rated positions and longer maturity, higher-rated positions	+97 bps
• Overweight oil-related corporates	-50 bps
• Long duration in oversold local bond markets	+48 bps
• Long USD vs. EMFX	+73 bps

Taper Tantrum

Major Drivers 2013 Performance	
• Overweight in higher yielding lower-rated countries	+57 bps
• Overweight in long maturity hard currency bonds in investment grade countries	-36 bps
• Overweight EM corporates	+93 bps
• Overweight duration in local Brazil, Mexico, Indonesia, etc.	-84 bps
• All losses were temporary and recouped in subsequent year	

European Debt Crisis

Major Drivers 2011 Performance	
• Overweight in lower quality countries during risk aversion	-72 bps
• Overweight EM corporates	-99 bps
• All losses were temporary and recouped in subsequent year	

U.S. Financial Crisis

Major Drivers 2008 Performance	
• Underweight high quality treasury-sensitive countries	-164 bps
• Overweight Ivory Coast, debt restructuring postponed	-126 bps
• Overweight EM corporates	-134 bps
• All losses were temporary and recouped in subsequent year	

Past performance is not a guarantee or a reliable indicator of future results. Please see the Reference section for important disclosures, including risk, net returns and benchmark descriptions. *The value of investments can go down as well as up. Where overseas investments are held the rate of currency exchange may cause the value of investments to fluctuate. If applicable, investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets and non-USD securities are converted to USD using a spot rate conversion. All return periods longer than one year are annualized. Source of benchmark: JPMorgan. Supplemental information. The table above compares performance of the Emerging Markets Debt (50/50) Blend representative portfolio relative to its benchmark. Attribution shown above is based on gross returns. Gross return attributions do not take into consideration the deduction of investment advisory fees or other relevant expenses, which will reduce returns. Totals may not sum due to rounding. All rights reserved. [1]The benchmark for the representative portfolio is an even blend of JPM EMBI Global Diversified & GBI-EM Global Diversified.*

PGIM FIXED INCOME

Emerging Markets Debt Investment Team

Experienced and Stable Team

- Investment team averages 12 years with the firm and 17 years investment experience
- Approach leverages full resources of the firm

Senior Portfolio Manager

Cathy Hepworth, CFA
Head of Emerging Markets Debt
34 yrs Investment Experience

Portfolio Management

Hard Currency and Blend

Cathy Hepworth, CFA
Senior Portfolio Manager
34 yrs Investment Experience

- Zulfi Ali — *Portfolio Manager, LATAM* — *25 yrs inv exp.*
- Johnny Mak — *Portfolio Manager, Asia* — *20 yrs inv exp.*
- Todd Petersen — *Portfolio Manager, EMEA* — *15 yrs inv exp.*
- Aayush Sonthalia, CFA — *Portfolio Manager, EM Corporates* — *20 yrs inv exp.*
- Denis Cole — *Product Specialist, EMD* — *15 yrs inv exp.*
- Mark Thurgood[1] — *Portfolio Manager, EM Hard Currency* — *22 yrs inv exp.*
- Eric Giza — *Portfolio Manager, EM Hard Currency* — *13 yrs inv exp.*
- Rodrigo Navarro, CFA — *Portfolio Manager, EM Hard Currency* — *12 yrs inv exp.*

Local Currency and Blend

Mariusz Banasiak, CFA
Senior Portfolio Manager
16 yrs Investment Experience

- Pradeep Kumar, PhD, CFA — *Portfolio Manager, Local Rates/FX* — *23 yrs inv exp.*
- David DiChiacchio — *Portfolio Manager and Trader, Local Rates/ FX* — *7 yrs inv exp.*
- Zan Huang, PhD, CFA — *Quantitative Portfolio Manager, Rates and FX* — *9 yrs inv exp.*
- Charles Wells[1] — *Trader, Local Rates / FX* — *8 yrs inv exp*
- Markus Zehnder — *Trader, Local Rates / FX* — *20 yrs inv exp.*
- Monika Patel — *Trader, Local Rates / FX* — *6 yrs inv exp*
- Luke Zhou — *Portfolio Manager, Asset Selection* — *9 yrs inv exp.*

Global Macroeconomic Research & Investment Strategy

U.S.

- Nathan Sheets, PhD — *Chief Economist and Head of Global Macroeconomic Research* — *27 yrs inv exp.*
- Robert Tipp, CFA — *Chief Inv. Strategist and Head of Global Bonds* — *36 yrs inv exp.*
- Kishlaya Pathak, CFA — *Investment Strategist* — *20 yrs inv exp.*
- Mehill Marku — *Investment Strategist* — *21 yrs inv exp.*
- Jurgen Odenius, PhD — *Economic Counselor* — *27 yrs inv exp.*

U.S.

- Ellen Gaske, PhD, CFA — *Lead Economist, G10* — *31 yrs inv exp.*
- Gerwin Bell, PhD — *Lead Economist, Asia* — *28 yrs inv exp.*
- Francisco Campos-Ortiz, PhD — *Lead Economist, LATAM* — *8 yrs inv exp.*

London

- Katharine Neiss[1] — *Chief Economist, Europe* — *21 yrs inv exp.*
- Giancarlo Perasso[1] — *Lead Economist, CEEMEA* — *33 yrs inv exp.*

Emerging Market Corporate Debt Research

U.S.

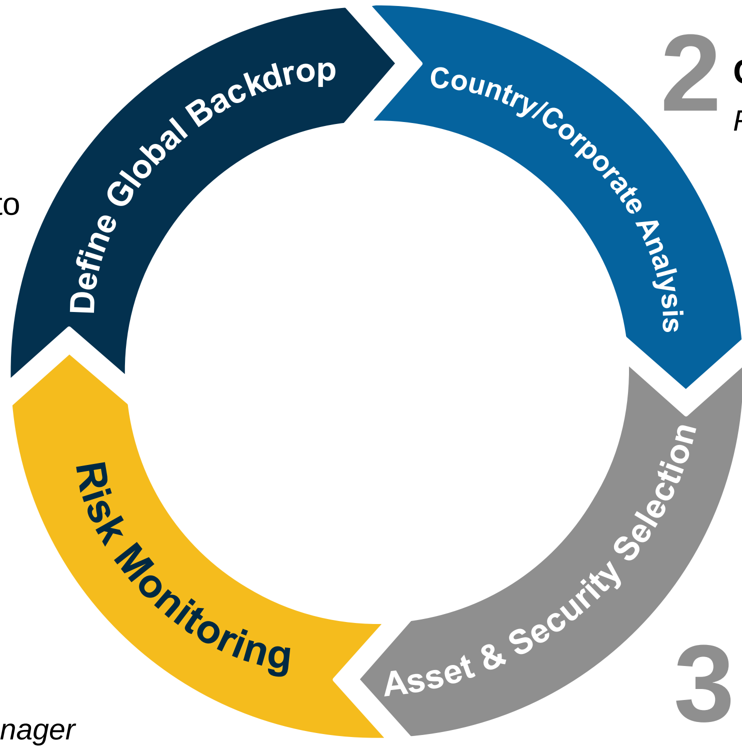
- Nick Ivanov, CFA[2] — *Head of Emerging Markets Corporate Bond Research* — *26 yrs inv exp.*
- Elizabeth Gunning, CFA — *Analyst, EMEA/LATAM Corporates* — *20 yrs inv exp.*
- Omari Douglas-Hall — *Analyst, EMEA/LATAM Corporates* — *10 yrs inv exp.*
- Michael Pettit, CFA — *Analyst, EMEA/LATAM Corporates* — *8 yrs inv exp.*

Singapore

- Juan Otero, CFA[3] — *Portfolio Manager/Analyst, Asian Corporates* — *14 yrs inv exp.*
- Umar Manzoor[3] — *Portfolio Manager/Analyst, Asian Corporates* — *20 yrs inv exp.*
- Yanru Chen[3] — *Analyst, Asian Corporates* — *15 yrs inv exp.*

Staff as of May 2020. Years of experience as of March 31, 2020. [1]European Team members are employees of a PGIM affiliate providing services to PGIM, Inc. who have been providing services to PGIM Limited, a UK subsidiary that is authorized and regulated by the Financial Conduct Authority. [2]Member of PGIM Fixed Income's credit research group. [3]Employee of a wholly-owned subsidiary of PGIM, Inc., PGIM (Singapore) Pte. Ltd.

A Disciplined Approach



1 Global Backdrop & Portfolio Strategy

Senior Portfolio Manager

- Assess global risk appetite to determine portfolio risk profile and refine portfolio positioning, leveraging firm's resources

2 Country & Corporate Analysis

Regional Economists/ Corp Analysts

- Develop comprehensive economic outlook by country
- Evaluate each country from quantitative and qualitative perspective and assign an internal rating
- Analyze EM corporates and assign an internal rating
- ESG integration and engagement on countries and corporates

3 Asset & Security Selection

Regional Portfolio Managers/Economists/Analysts

- Seek to determine best risk/reward opportunities across markets: hard currency (sovereign, quasi-sovereign, corporates), local rates, and FX
- Use proprietary tools to highlight relative value opportunities within markets
- Relative value assessment incorporates ESG factors

4 Risk Monitoring

Senior Portfolio Manager/Risk Manager

- Employ a rigorous process to tightly monitor risk at all levels
- Use proprietary tools to verify performance achieved is appropriate for risk taken

Determining Portfolio Risk Profile And Positioning

Define Current Global Backdrop

Economic Indicators
- Global Macro Outlook/Commodity Price Trends/Global Liquidity Outlook

Valuations In Other Markets
- Emerging Market Equities/High Yield and BBB Spreads/Currencies

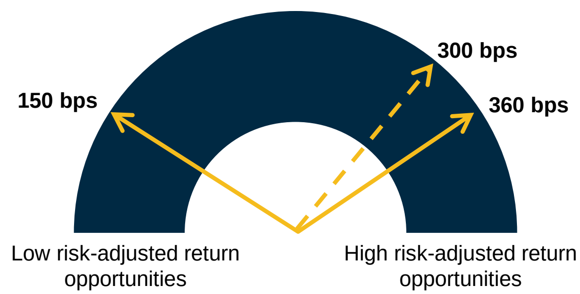
Technical Factors
- Cash Levels, Positioning, Flows/ Seasonal Trends/Local Market Color

Evaluate Risk Positions Weekly in Context of Global View and Refine Tracking Error

Strategy	Rate Risk	Currency Risk	Spread Risk
Blend	49 bps	56 bps	213 bps

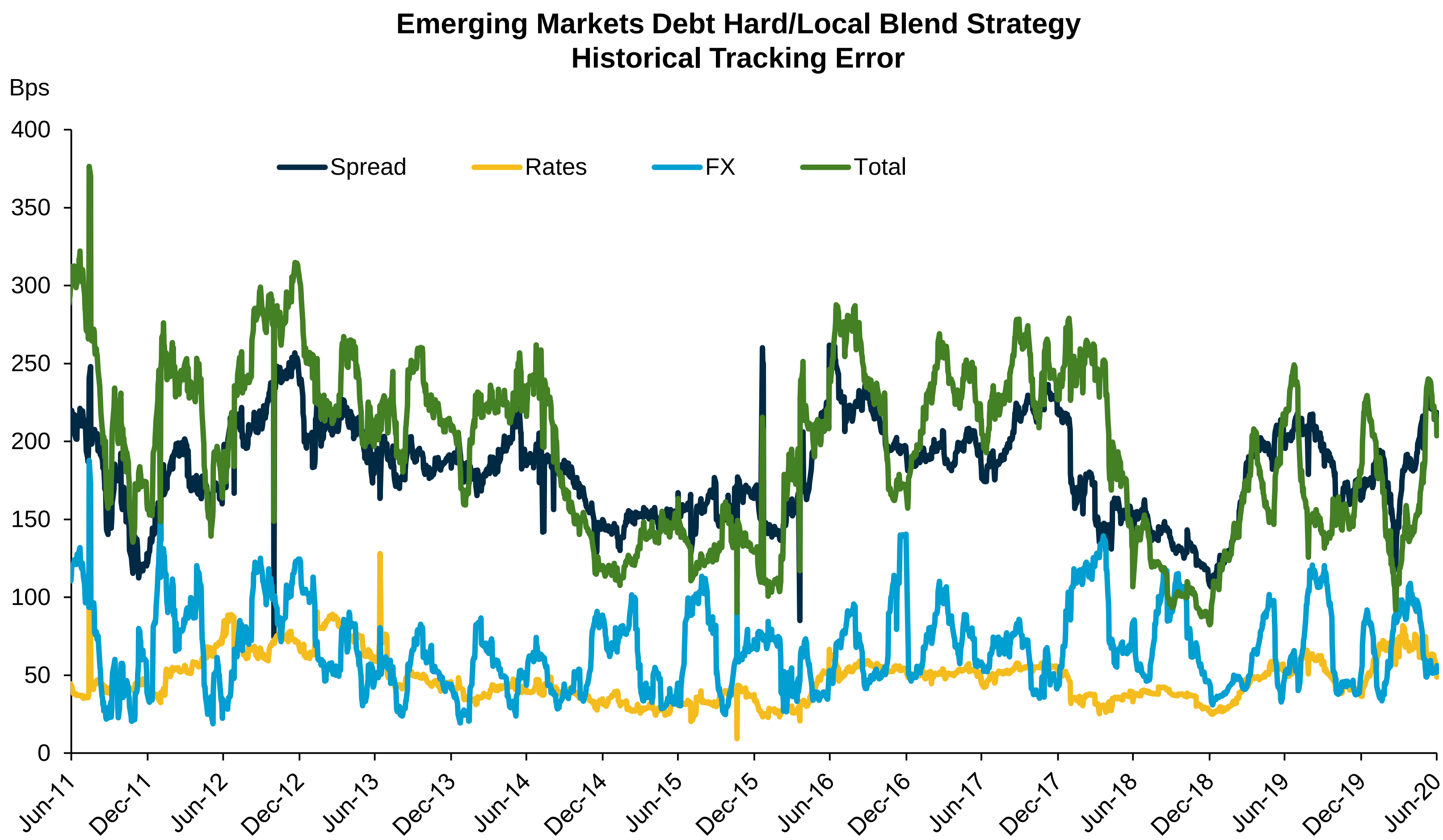
- Detailed summary of changes to portfolio
- Client-specific risk allocation

Typical Tracking Error Range



As of June 30, 2020. For illustrative purposes only. There can be no guarantee that this target will be met.

Historical Tracking Error By Asset Class



As of June 30, 2020. Source: PGIM Fixed Income. Shown for illustrative purposes only. Supplemental information for a representative portfolio within the Emerging Markets Debt (50/50 Blend) Composite versus its benchmark. The representative portfolio changed in 2019. Data prior to January 1, 2019 reflects the prior representative portfolio. Past performance is not a guarantee or a reliable indicator of future results. Please see composite for important disclosures.

Develop Comprehensive Fundamental View of Each Country

Qualitative Factors

Political Risk
Election Cycle
Strength of Support Base

Policy Consistency
Fiscal Policy
Central Bank Credibility
FX Policy

Structural Imbalances
Institutional Strengths & Weaknesses
Capital Controls /Other Distortionary Policies
Financial Sector Health
Ability to Adjust to Shocks

ESG Evaluation
Conduct our Own ESG Research
Focus on ESG Integration, Engagement, Relative Value
Assign ESG Ratings to all Sovereigns and EM Corporate Issuers

COUNTRY FUNDAMENTAL VIEW

Quantitative Factors

External Solvency
External Debt, % GDP
External-Debt-to-Export Multiple
Current Account Balance, % GDP
IIP Deviation from 5 Year Average

External Liquidity
REER Deviation from 10 Year Average
FX Reserve Coverage: Months of Imports
FX Reserve Coverage: M2
FX Reserve Coverage: External Short-Term Debt

Sustainable Growth
CPI, YoY%
CPI Deviation from 5 Year Average
GDP Per Capita USD Nominal
Heritage Foundation Overall Score

Fiscal Stability
Public Debt, % GDP
Debt-to-Revenue Ratio
Primary Balance, % GDP
Public Debt Stabilizing Fiscal Gap

Financial Stability
Credit Stock, % GDP
Real Credit Growth, YoY %
Private-Sector-Credit to M2 Multiple
Regulatory Tier 1 Capital to Risk-Weighted Assets (EOP, %)

Internal Country Rating Assigned

	Internal Rating	Average Agency Rating	Difference in Notches
Czech	AA	AA-	1
South Korea	AA-	AA	-1
Israel	A	A+	-1
Poland	A-	A-	0
Hungary	BBB+	BBB	1
Chile	BBB	A+	-4
Malaysia	BBB	A-	-2
Mexico	BBB	BBB+	-1
China	BBB	A+	-4
Peru	BBB	BBB+	-1
Romania	BBB-	BBB-	0
Thailand	BBB	BBB+	-1
Philippines	BBB	BBB	0
Russia	BBB	BBB-	1
Colombia	BBB-	BBB	-1
Indonesia	BBB-	BBB	-1
India	BB+	BBB-	-1
Brazil	BB	BB-	1
South Africa	BB	BB+	-1
Turkey	B+	B+	0
Ukraine	B+	B-	2
Argentina	CCC	CCC-	0
Venezuela	SD	C	0

= Example of Internal Rating Higher than Average

= Example of Internal Rating Lower than Average

Internal rating used to determine value and capture conviction of country view

As of November 2019. Source: PGIM Fixed Income. Provided for discussion purposes solely as an illustration of our country evaluation process Does not constitute a recommendation regarding the merits of investing in securities of any of the issuers referenced therein or a complete listing of issuers analysed. Does not constitute a recommendation regarding the merits of any investments. Does not constitute investment advice and should not be used as the basis of any investment decision. Does not constitute a representation that PGIM Fixed Income would purchase any securities of the countries referenced or that an investment in any securities of such countries would be profitable. There can be no assurance that the matrix will be effective in evaluating countries or that opportunities identified within the matrix can be effectively implemented.

Our ESG Framework

The ESG Committee

- The PGIM Fixed Income ESG Committee has been established to act as the internal governing body for directing and overseeing the firm's ESG-related activities
- The Committee is composed of both investment professionals and senior executives and is responsible for policy development
- Committee Voting Members: Senior Fundamental Analysts, Head of ESG Research, Head of Credit, and Head of Fixed Income
- They are responsible for:
  - The development of all policies and procedures that integrate ESG factors into the firm's investment process, both generally and with respect to specific PGIM Fixed Income products
  - Establishing the methodology for PGIM Fixed Income's internal ESG rating framework
  - Overseeing the assignment of all ESG ratings
  - Monitoring ESG-related engagement with individual issuers
  - Establishing and maintaining guidelines for ESG-related funds managed by PGIM Fixed Income

ESG Specialists and Our Fundamental Credit Analysts

- An ESG Specialist team is in development which includes a new role—Head of ESG Research—reporting directly to the Head of Credit
- Our team of more than 100 fundamental credit analysts are responsible for ESG ratings on all issuers that they cover, and will be supported by the ESG specialist team

Source: PGIM Fixed Income. Staff as of March 31, 2020.

ESG Potential Issues & Engagement are Logged and Reviewed

ESG Potential Issues / Opportunities

Note Number	Name	Level	Subject	Category	Author	Publish Time	Created By
1	SASOL LTD	Issuer	Sasol: South Africa relaxes sulfur dioxide emissions regulations	ESG-potential issues	Michael Pettit	3/30/2020	MP
2	ANGOLA	Issuer	Anti-corruption efforts	ESG-potential issues	Giancarlo Perasso	2/24/2020	GP
3	KENYA	Issuer	Kenya and World Bank plan $150mm off-grid solar power project	ESG-potential issues	Giancarlo Perasso	2/24/2020	GP
4	KLABIN SA	Issuer	Klabin- Opportunity from China’s ban on single use plastic	ESG-potential issues	Michael Pettit	1/30/2020	MP
5	KENYA	Issuer	Kenyan government vow to move toward cleaner fuel alternatives by 2030	ESG-potential issues	Giancarlo Perasso	12/19/2019	GP

ESG Engagement

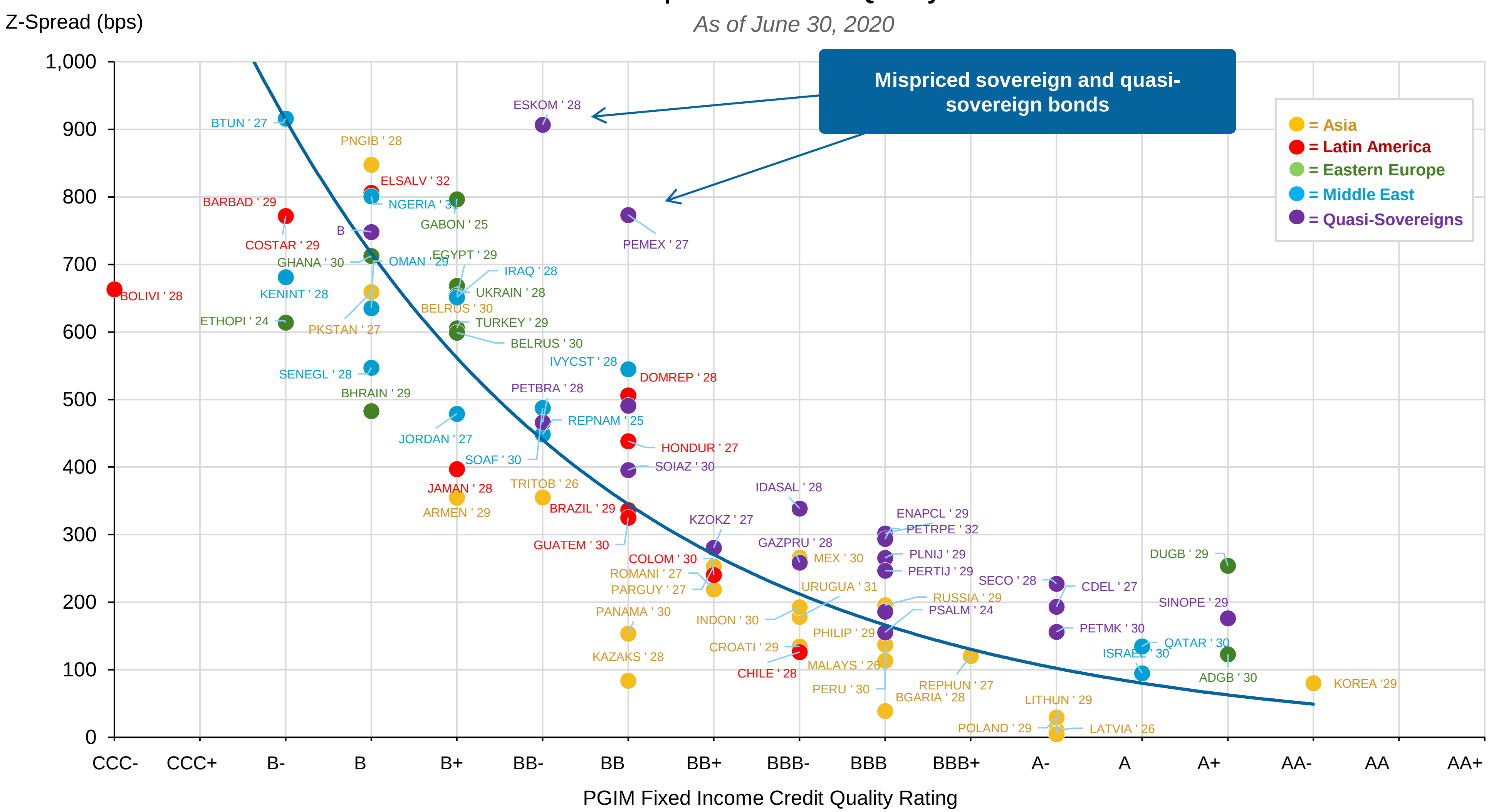
Note Number	Name	Level	Subject	Category	Author	Publish Time	Created By
1	NEMAK SAB DE CV	Issuer	Nemak ESG Engagement	ESG-Engagement	Michael Pettit	5/12/2020	MP
2	VOLCAN COMPANIA MINERA SA	Issuer	Volcan Coronavirus Impact Call	ESG-Engagement	Elizabeth Gunning	4/2/2020	EG
3	MEXICO	Issuer	ESG Engagement: Corruption, Poverty Reduction, Renewable Energy	ESG-Engagement	Francisco Campos-Ortiz	3/13/2020	FCO
4	ANGOLA	Issuer	Angola Active ESG Engagement	ESG-engagement	Giancarlo Perasso	2/24/2020	GP
5	PERU	Issuer	Peru Considering Green / Social Bond	ESG-Engagement	Elizabeth Doppelt	02/03/2020	ED

Source: PGIM Fixed Income as of May 2020.. The above information is shown for illustrative purposes only and is not inclusive of all ESG potential issues and engagement. Any reference to a specific issuer or security does not constitute a recommendation to buy, sell or hold a security. The information should not be construed as investment advice. The views and opinions expressed may differ from those of PGIM Fixed Income's affiliated businesses. This information may not be current and PGIM Fixed Income has no obligation to provide any updates or changes. It should not be relied upon in making an investment decision. Past performance is not a guarantee or are liable indicator of future results and an investment could lose value.

Select Sovereigns that Reflect Country Views and Offer Best Relative Value

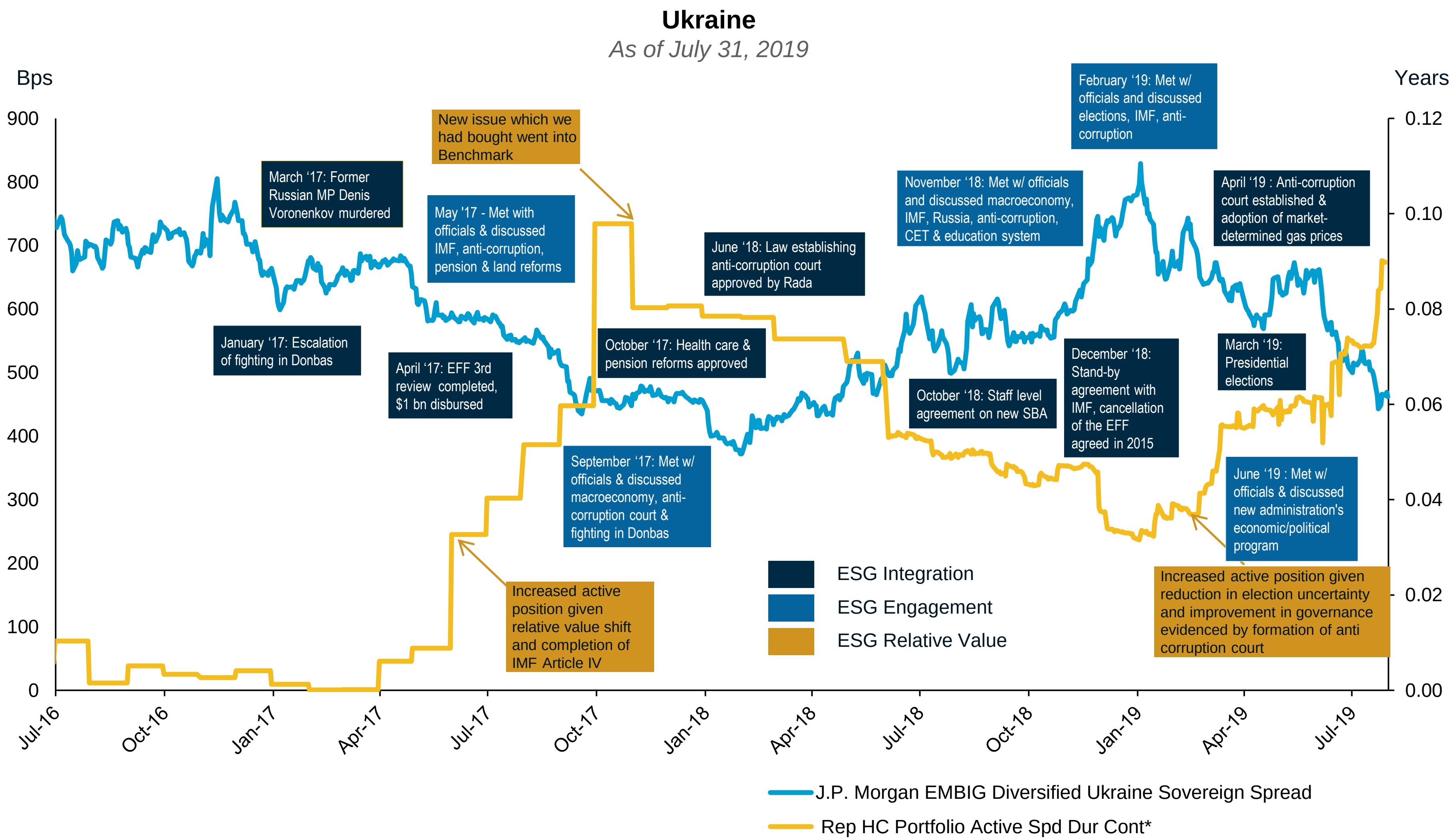
Spread vs. Credit Quality

As of June 30, 2020



Source: PGIM Fixed Income. Z-Spreads represent normalized yields in the 10-year tenor (where available) and are as of June 30, 2020. Source: Bloomberg. Ratings are shown in S&P comparative format and are as of June 30, 2020. Provided for discussion purposes solely as an illustration of our issuer evaluation process and of the output of PGIM Fixed Income's proprietary models. Does not constitute a recommendation regarding the merits of investing in the securities of any of the issuers referenced. The sample model output provided above may not be representative of PGIM Fixed Income's current views regarding the issuers discussed, does not constitute investment advice, and should not be used as the basis for any investment decision. Does not constitute a representation that PGIM Fixed Income has purchased or would purchase any securities of the issuers referenced or that an investment in any securities of such issuers would be profitable. An investment cannot be made in a model. There can be no assurance that the model will be effective in evaluating issuers or securities or that opportunities identified by the model can be effectively implemented.

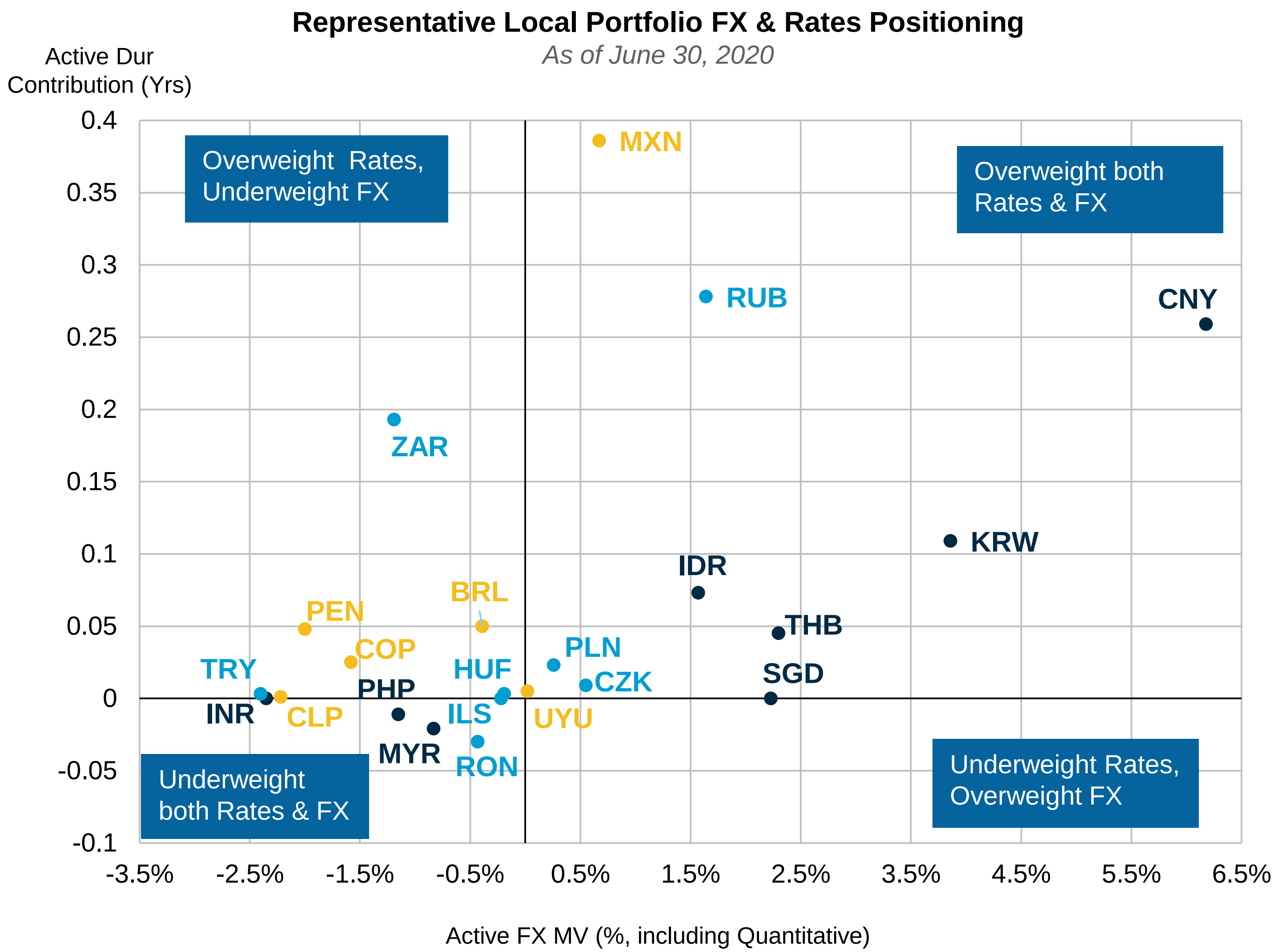
ESG Relative Value Timeline—Ukraine



Source: PGIM Fixed Income as of July 31, 2019. The above information is shown for illustrative purposes only. Does not constitute a recommendation to buy, sell or hold a security. The information should not be construed as investment advice. This information may not be current and PGIM Fixed Income has no obligation to provide any updates or changes. It should not be relied upon in making an investment decision.

**Active spread contribution of the Ukraine investments contained in the representative portfolio of the PGIM Fixed Income EM Hard Currency Composite. The Active spread duration contribution data shown is of a representative account, is for informational purposes only and is not indicative of future portfolio characteristics/returns. Actual results may vary for each client due to specific client guidelines and other factors. Please see the Reference section for additional disclosures.*

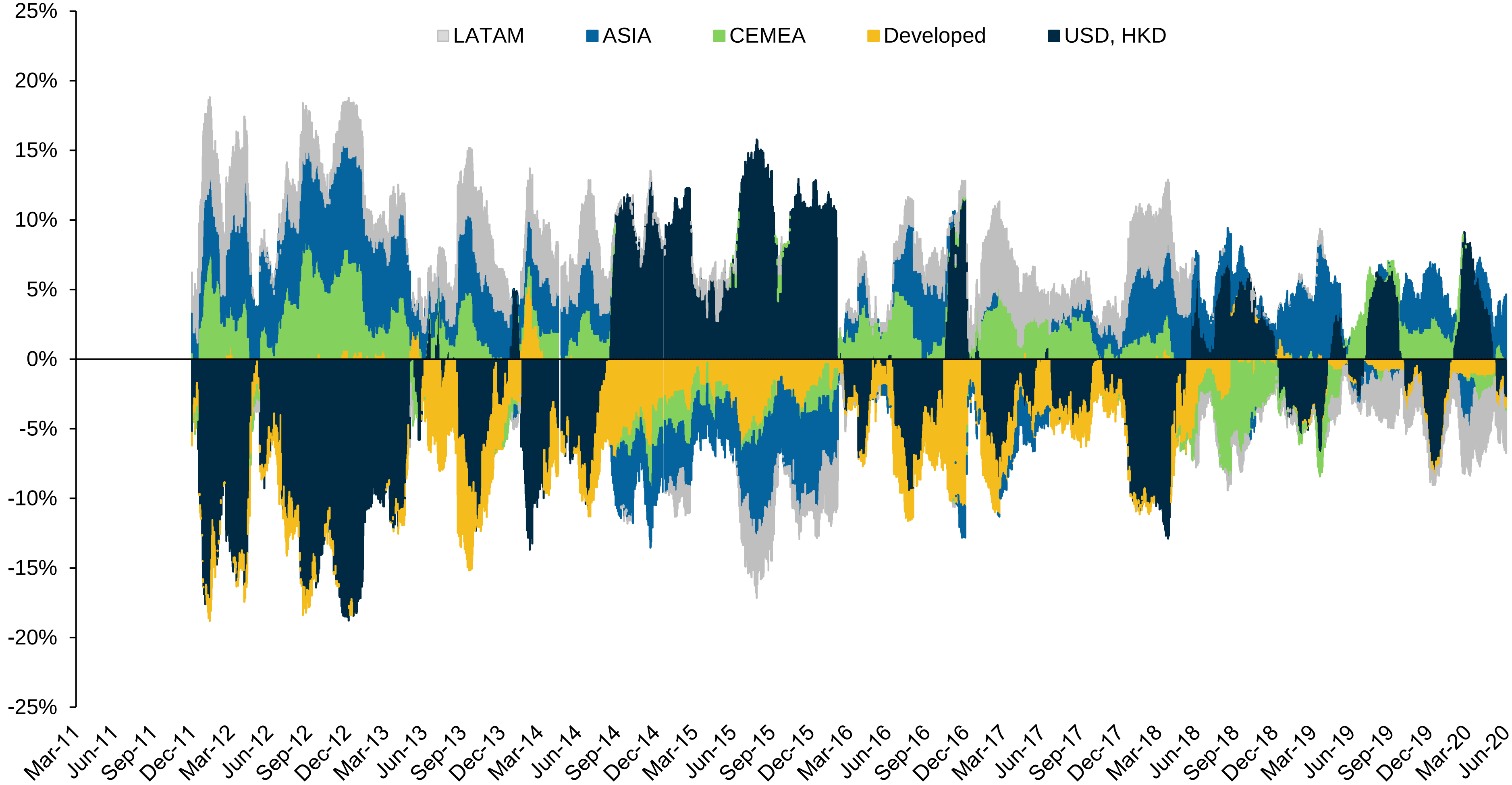
Relative Positioning Between FX & Rates



Source: PGIM Fixed Income. Provided for discussion purposes solely as an illustration of our issuer evaluation process and of the output of PGIM Fixed Income's proprietary models. Does not constitute a recommendation regarding the merits of investing in the securities of any of the issuers referenced. The sample model output provided above may not be representative of PGIM Fixed Income's current views regarding the issuers discussed, does not constitute investment advice, and should not be used as the basis for any investment decision. Does not constitute a representation that PGIM Fixed Income has purchased or would purchase any securities of the issuers referenced or that an investment in any securities of such issuers would be profitable. An investment cannot be made in a model. There can be no assurance that the model will be effective in evaluating issuers or securities or that opportunities identified by the model can be effectively implemented.

Fundamentals & Technicals Drive FX Positions

FX Liquidity Allows Active Positioning Within Portfolio
Representative Portfolio as of June 30, 2020



Source: PGIM Fixed Income. Supplemental information. The chart compares characteristics of the representative portfolio within the Emerging Markets Debt Composite relative its benchmark. Representative portfolio foreign exchange exposure is subject to change and may not represent current or future portfolio composition. Actual results may vary for each client due to specific client guidelines and other factors. Shown for illustrative purposes only. Does not constitute a recommendation regarding the merits of any investments. Does not constitute investment advice and should not be used as the basis of any investment decision. Does not constitute a representation that PGIM Fixed Income has purchased or would purchase any of the investments referenced or that any such investments would be profitable. Please see the Reference section for important disclosures.

Risk Framework Designed to Focus Risk in Areas of Potential Reward and Manage Downside Risks

- Helps establish a diversified set of strategies
- Seeks to limit "tail" risk from idiosyncratic positions
- Thresholds designed to prompt discussion between risk and portfolio managers—they are not intended to be absolute limits
- Updates to risk components are typically infrequent—however, they are subject to change to adapt to long-term market and investment trends

Sample Emerging Markets Hard/Local Currency Blend Risk Budget

Tracking Error Threshold: 300 bps[1]

Curve/Currency/Spread 265 bps		Country/Industry/Issuer 141 bps	
Systematic Risk Thresholds[2]		*Non-Systematic "Tail" Risk Thresholds[3]*	
Rate Risk	**90 bps**	**Country Stress Exposure:**	200 bps
		Liquidity Stress Exposure:	212 bps
Currency Risk	**130 bps**	**Industry Stress Exposure:**	105 bps
		Corporate Issuer Exposure:[4]	
		BBB *(%MV)*	2.5%
Spread Risk	**225 bps**	BB *(%MV)*	2.0%
		B *(%MV)*	1.5%

Please see the Reference section for important disclosures regarding the information contained herein. *For illustrative purposes only. Note that the risk thresholds shown here are intended as a basis for discussion between the risk management and portfolio management teams. They are not intended to be absolute limits in a portfolio. All risk thresholds are subject to change. There can be no guarantee that this objective will be achieved.*

1. *Total tracking error is less than the sum of the systematic and non-systematic tracking error because these two major sources of tracking error tend to diversify with each other, thus lowering total tracking error:* $\sqrt{265 + 141^2} = 300$
2. *Under most market conditions, returns associated with these market risk factors tend to undergo small and independent day-to-day fluctuations, implying that mean and variance measures explain most of the distribution of returns therefore we manage these risks via tracking error measures.*
3. *These risk factors generally carry substantial skew or tail risk. Because returns from these items are not adequately described by mean and variance, we supplement tracking error measures with country and industry stress tests and issuer risk thresholds to monitor and manage the tail risk.*
4. *Issuer exposure is based on market implied ratings.*

A Trade Idea From Start To Finish

Sample Trade—Buy Ukraine Sovereign/Quasi-Sovereign

1 Global Backdrop & Portfolio Strategy

Weekly Portfolio Strategy Meeting

- Selloff in emerging markets assets after U.S. presidential election creates attractive buying opportunity

Outcome: Senior portfolio manager sets formal risk positioning by increasing spread and FX risk within each EMD strategy

Strategy	Rate Risk	FX Risk	Spread Risk
Blend	40 bps	49 bps	260 bps

2 Country Analysis

On-Going

- Regional economist visits Ukraine in December 2016, comes back more optimistic on IMF program and on anti-corruption efforts (Social and Governance relevant)

Outcome: Regional economists assign an internal Ukraine rating higher than agency rating based on improved fundamentals and improved ESG outlook.

Country	Internal Rating	Average Agency Rating	Difference in Notches
Singapore	A	AAA	-5
South Korea	AA-	AA-	0
Ukraine	B-	CCC	+2

3 Asset and Security Selection

Daily

- Regional PMs determine Ukraine is mispriced relative to internal rating
- Regional PMs determine Ukraine 2023's offer best relative value on sovereign curve
- Regional PMs and credit analysts determine Exim Ukraine offers high excess spread for its incremental credit risk

Outcome: EM portfolio managers purchase Ukraine 2023's and Exim Ukraine 2025's from broker offering best price and execution. Also added to basket of emerging market currencies.

4 Risk Monitoring

Daily

- Risk team and senior portfolio manager review risk positioning

Outcome: Risk team and senior portfolio manager verify exposure to Ukraine is within risk thresholds. Through this purchase, as well as others, the team achieved its objective of increasing portfolio risk

Strategy	Rate Risk	FX Risk	Spread Risk
Blend	46 bps	84 bps	295 bps

__Please see the Reference section for important disclosures.__ As of February 2018. Source: PGIM Fixed Income. Shown for illustrative purposes only. Does not constitute a recommendation regarding the merits of any investments. Does not constitute investment advice and should not be used as the basis of any investment decision. Does not constitute a representation that PGIM Fixed Income has purchased or would purchase any of the investments referenced or that any such investments would be profitable.

PGIM FIXED INCOME

Performance Attribution

Each Basis Point of Performance Attributed and Analyzed

Performance Attribution Summary

2nd Quarter 2020

	Returns
Representative Emerging Markets Debt (50/50 Blend) Portfolio (Gross)	15.59%
Representative Emerging Markets Debt (50/50 Blend) Portfolio (Net)	15.08%
Benchmark: Blend of JPM EMBI Global Diversified & GBI-EM Global Diversified	11.05%
Gross Excess Return	**+454 bps**
Net Excess Return	**+403 bps**

Contributors to Excess Return (bps)

Hard Currency Selection	+355 bps

- Long spread duration in Mexico, Angola, South Africa, Malaysia, Brazil and Russia contributed to performance. Much of the themes that drove negative performance in the 1st quarter reversed in the 2nd; Oil-sensitive and higher-beta names rebounded strongly from March lows. Short spread duration in Chile, UAE, Philippines, Uruguay, Paraguay and Panama detracted from performance. Being underweight spread duration detracted as spreads rallied strongly across the EM market.
- Sovereign positioning in the front-end of Angola and Ecuador along with the long-end of Mexico and Chile contributed to performance. Positioning in the long-end of Oman and Ivory Coast detracted.
- Corporate and quasi-sovereign positioning in South Africa, Mexico, Argentina, and Brazil contributed. Positioning in Venezuela detracted.

Local Currency Selection	+111 bps

- Long duration in South Africa, Mexico, Russia, and Indonesia contributed to performance. South Africa's Reserve Bank cut its benchmark rate in May for the fourth time in four months. Short duration in Malaysia, Colombia, Philippines and Romania along with long duration in China detracted from performance.
- Off-benchmark positioning in Ukraine along with positioning in the 5-year part of the Brazil curve contributed to performance. Positioning in South Africa, Czech Republic, Indonesia and India detracted from performance.

FX Selection	+5 bps

- Long positioning in the Indonesian rupiah and Russian ruble along with underweight positioning in the Brazilian real drove positive performance. The rupiah advanced as the central bank unconventionally began purchasing government bonds in the primary market as part of its stimulus efforts. Underweight positioning in the Chilean peso, Colombian peso, and Australian dollar offset some of these gains.

Trading	-17 bps

Attribution by Country

2nd Quarter 2020

	Hard Currency						Local Currency					FX		Total
Country	Active MV%	Active Spread Dur Contrib	Interest Rate Impact	Country Impact	Issue Selection	Total HC (bps)	Active MV%	Active Dur Contrib	Duration Impact	Curve & Issue	Total LC (bps)	Active MV%	Total Currency Selection (bps)	Total Excess Return
Argentina	1.3%	0.02	0	28	12	40	0.0%	0.00	0	0	0	0.0%	0	40
Barbados	0.0%	0.00	0	0	0	0	0.0%	0.00	0	0	0	0.0%	0	0
Belize	0.0%	0.00	0	0	0	0	0.0%	0.00	0	0	0	0.0%	0	0
Bolivia	-0.1%	-0.01	0	0	0	0	0.0%	0.00	0	0	0	0.0%	0	0
Brazil	1.3%	0.12	1	4	12	17	-3.8%	0.02	0	9	8	-1.2%	18	44
Chile	-1.4%	-0.15	-1	-16	1	-16	0.1%	0.01	0	1	1	-2.9%	-21	-36
Colombia	-0.3%	-0.01	0	-1	1	1	-0.6%	-0.02	-4	-1	-5	-1.2%	-12	-16
Costa Rica	0.3%	0.02	0	2	-1	1	0.0%	0.00	0	0	0	0.0%	0	1
Dominican Repub	0.2%	0.00	0	0	1	1	0.0%	0.00	0	0	0	0.0%	0	1
Ecuador	0.2%	0.00	0	-1	10	8	0.0%	0.00	0	0	0	0.0%	0	8
El Salvador	0.3%	0.01	0	0	0	0	0.0%	0.00	0	0	0	0.0%	0	0
Guatemala	-0.2%	-0.01	0	-1	0	-2	0.0%	0.00	0	0	0	0.0%	0	-2
Honduras	0.3%	0.01	0	4	2	6	0.0%	0.00	0	0	0	0.0%	0	6
Jamaica	0.2%	0.00	0	0	1	1	0.0%	0.00	0	0	0	0.0%	0	1
Mexico	1.2%	0.10	1	15	28	44	-3.6%	0.26	32	13	45	-0.1%	-9	80
Panama	-0.6%	-0.07	0	-6	2	-3	0.0%	0.00	0	0	0	0.0%	0	-3
Paraguay	-0.3%	-0.02	0	-3	0	-3	0.0%	0.00	0	0	0	0.0%	0	-3
Peru	-0.4%	-0.03	0	-2	-3	-5	0.3%	0.02	3	-1	2	0.3%	1	-2
Suriname	0.0%	0.00	0	0	1	1	0.0%	0.00	0	0	0	0.0%	0	1
Trinidad and Tobago	-0.2%	-0.01	0	-2	0	-2	0.0%	0.00	0	0	0	0.0%	0	-2
Uruguay	-0.6%	-0.08	0	-7	0	-7	0.0%	0.00	0	0	0	0.0%	0	-7
Venezuela	0.1%	0.00	0	0	-10	-10	0.0%	0.00	0	0	0	0.0%	0	-10
LATAM	**1.3%**	**-0.11**	**1**	**13**	**57**	**72**	**-7.7%**	**0.29**	**30**	**20**	**51**	**-5.1%**	**-23**	**100**
China	-0.8%	0.01	-1	0	4	3	0.1%	0.15	-2	-1	-3	0.7%	1	1
India	0.6%	0.04	0	7	1	7	0.0%	0.04	2	-2	0	0.4%	2	9
Indonesia	0.9%	0.10	0	12	4	17	0.0%	0.03	7	-5	2	1.2%	28	47
Korea	0.0%	0.00	0	0	0	0	0.0%	0.12	5	-1	3	-0.5%	1	4
Malaysia	0.1%	0.02	0	4	8	12	-0.7%	-0.09	-6	1	-5	-0.7%	-1	6
Mongolia	0.0%	0.00	0	-1	0	0	0.0%	0.00	0	0	0	0.0%	0	0
Pakistan	0.6%	0.02	0	9	1	10	0.8%	0.00	0	0	0	0.7%	3	13
Papua New Guinea	0.2%	0.01	0	1	0	1	0.0%	0.00	0	0	0	0.0%	0	1
Philippines	-1.0%	-0.07	-1	-5	0	-6	-0.1%	-0.01	-2	1	-1	-0.7%	-2	-9
Singapore	0.0%	0.00	0	0	0	0	0.0%	0.00	0	0	0	1.6%	2	2
Sri Lanka	0.8%	0.02	0	6	4	10	0.0%	0.00	0	0	0	0.0%	0	10
Taiwan	0.0%	0.00	0	0	0	0	0.0%	0.00	0	0	0	-1.0%	-1	-1
Tajikistan	0.0%	0.00	0	-1	0	-1	0.0%	0.00	0	0	0	0.0%	0	-1
Thailand	0.0%	0.00	0	0	0	0	-0.8%	0.02	0	-1	-1	0.6%	5	4
Uzbekistan	0.0%	0.00	0	0	0	0	0.0%	0.00	0	0	0	0.0%	0	0
Vietnam	0.0%	0.00	0	0	0	0	0.0%	0.00	0	0	0	0.0%	0	0
ASIA	**1.4%**	**0.16**	**-1**	**32**	**22**	**53**	**-0.7%**	**0.28**	**4**	**-9**	**-5**	**2.4%**	**37**	**85**
Total				**260**	**100**	**355**			**107**	**4**	**111**		**5**	**454**

Past performance is not a guarantee or reliable indicator of future results. Please see the Reference section for important disclosures, including net returns and benchmark descriptions. The value of investments can go down as well as up. Where overseas investments are held the rate of currency exchange may cause the value of investments to fluctuate. If applicable, investments in emerging markets are by their nature higher risk and potentially more volatile than those inherent in some established markets and non-USD securities are converted to USD using a spot rate conversion. All return periods longer than one year are annualized. Gross returns do not reflect the deduction of investment advisory fees and other expenses. Net returns reflect the deduction of investment advisory fees and other expenses. Gross and net performance have been calculated in U.S. dollars and reflect the deduction of transaction costs and withholding taxes, if any, and the reinvestment of income. Source: PGIM Fixed Income. Source of benchmark data: JPMorgan. Excess returns and attribution based on gross returns. Supplemental information. Based on the representative portfolio within the Emerging Markets Debt (50/50 Blend) representative portfolio relative to its benchmark. Please see the Reference section for important disclosures, including net returns and benchmark descriptions. Does not constitute investment advice and should not be used as the basis for any investment decision. There is no assurance that investments in the issuers referenced will be profitable. [1]Benchmark returns are calculated from internal attribution model, therefore, may differ slightly from published return. [2]Returns are calculated based on internal attribution model which incorporates day-weighting effect.

PGIM FIXED INCOME

Emerging Markets Hard/Local Currency Blend

Portfolio Composition

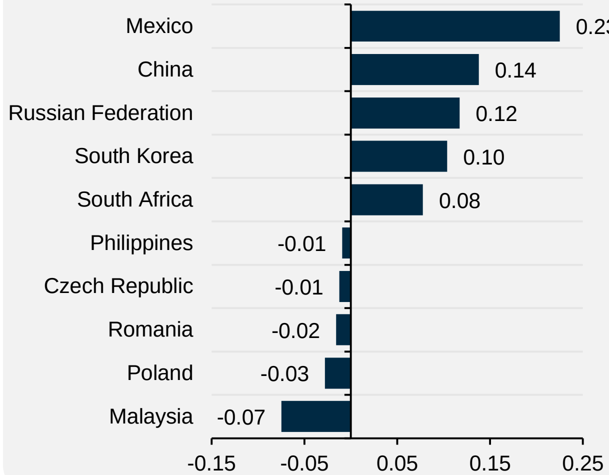
Representative Portfolio Positioning

As of June 30, 2020

Hard Currency Bonds		
Issuer	**Active Weight** *(%)*	**Active Duration Contribution** *(yrs)*
Ukraine	1.87	0.11
Argentina	1.39	0.00
Brazil	1.35	0.13
Mexico	1.24	0.09
Sri Lanka	1.10	0.02
Poland	-0.72	-0.02
Saudi Arabia	-0.74	0.00
China	-0.80	0.00
Philippines	-0.89	-0.05
Chile	-1.36	-0.16

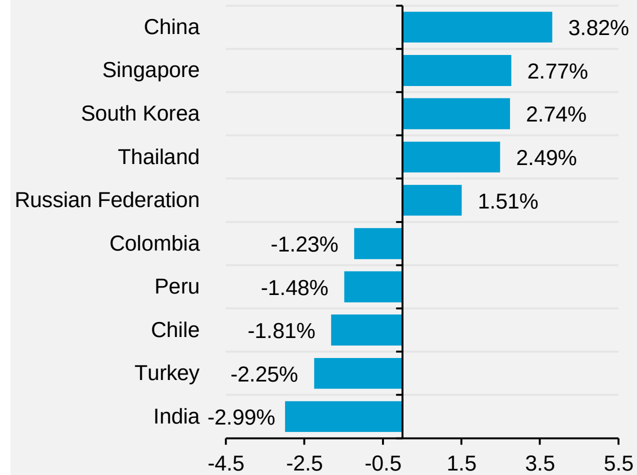
Local Currency Bonds

Active Duration Contribution (yrs)



Currency Exposure

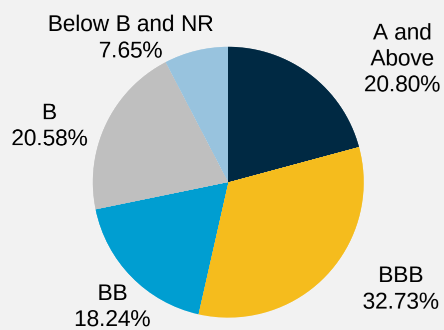
Active Weight (%)



Sector Breakdown[1]	**Portfolio** *(% MV)*	**Benchmark** *(% MV)*
Hard Currency	**58.3**	**50.0**
Sovereign	43.3	40.2
Quasi-Sovereign	13.1	9.7
Corporates	1.8	0.1
Local Currency	**36.4**	**50.0**
Sovereign	35.9	50.0
Corporates	0.0	0.0
Quasi-Sovereign	0.5	0.0

Quality Breakdown[2]

Portfolio Weight (%)



Characteristics[3]	**Portfolio**	**Benchmark**
Effective Duration *(years)*	7.43	6.51
Effective Yield *(%)*	5.55	4.52
Average Maturity *(WAL years)*	11.78	9.83
Option Adjusted Spread *(bps)*	328	205
Average Rating *(Moody's)*	Ba1	Baa3

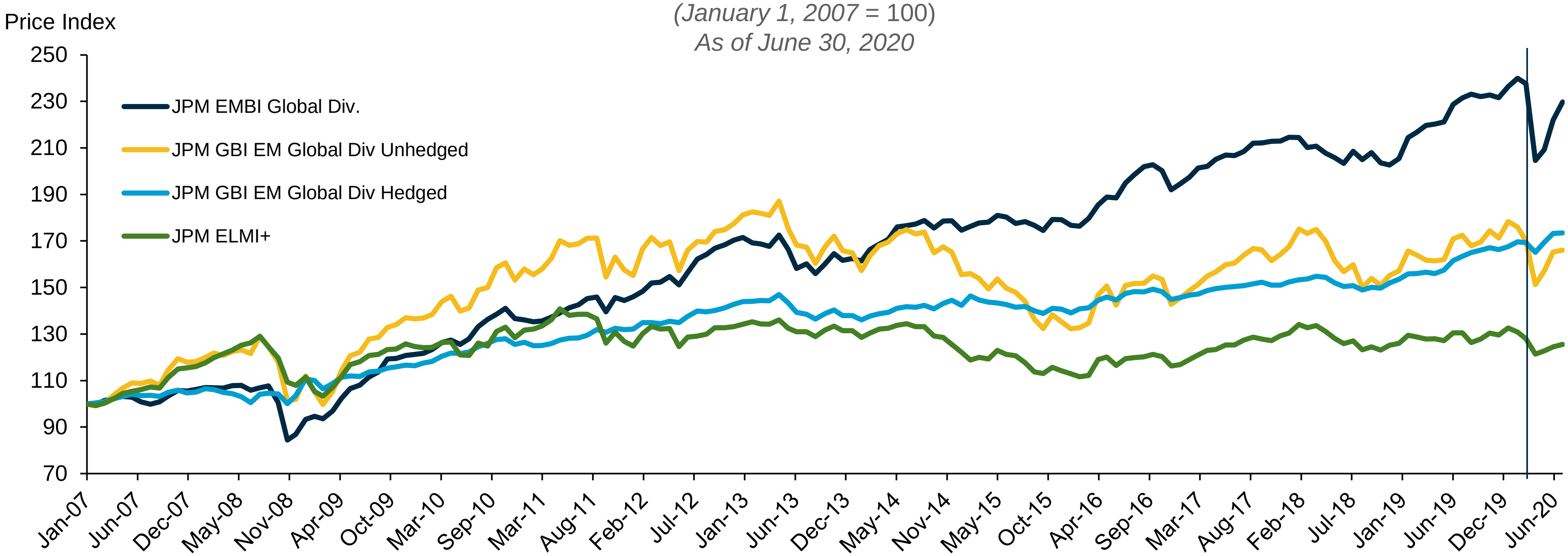
Source: PGIM Fixed Income. Source of Benchmark: JP Morgan Indices. The above table and graph compare characteristics of the representative portfolio within the Emerging Markets Debt (50/50 Blend) Composite relative to its benchmark. The data shown is subject to change and may not be indicative of future portfolio characteristics. Actual results may vary for each client due to specific client guidelines and other factors and should not be construed as investment advice. There is no assurance that investments in the issuers referenced will be profitable. Please see the Reference section for important disclosures, including net returns and benchmark descriptions..[1]Excludes Cash & Cash Equivalents. [2]Quality breakdown methodology: middle of Moody's, S&P, & Fitch, but is shown in S&P equivalent ratings. Cash is included in A and Above. [3]Yield is calculated excluding the yield impact of foreign exchange positions and derivatives (other than interest rate futures, which are included in the calculation).

Emerging Markets Debt—Performance

Emerging Market Returns

Emerging Market Debt Returns Normalized

(January 1, 2007 = 100)
As of June 30, 2020



Emerging Market Debt Returns (Annual)

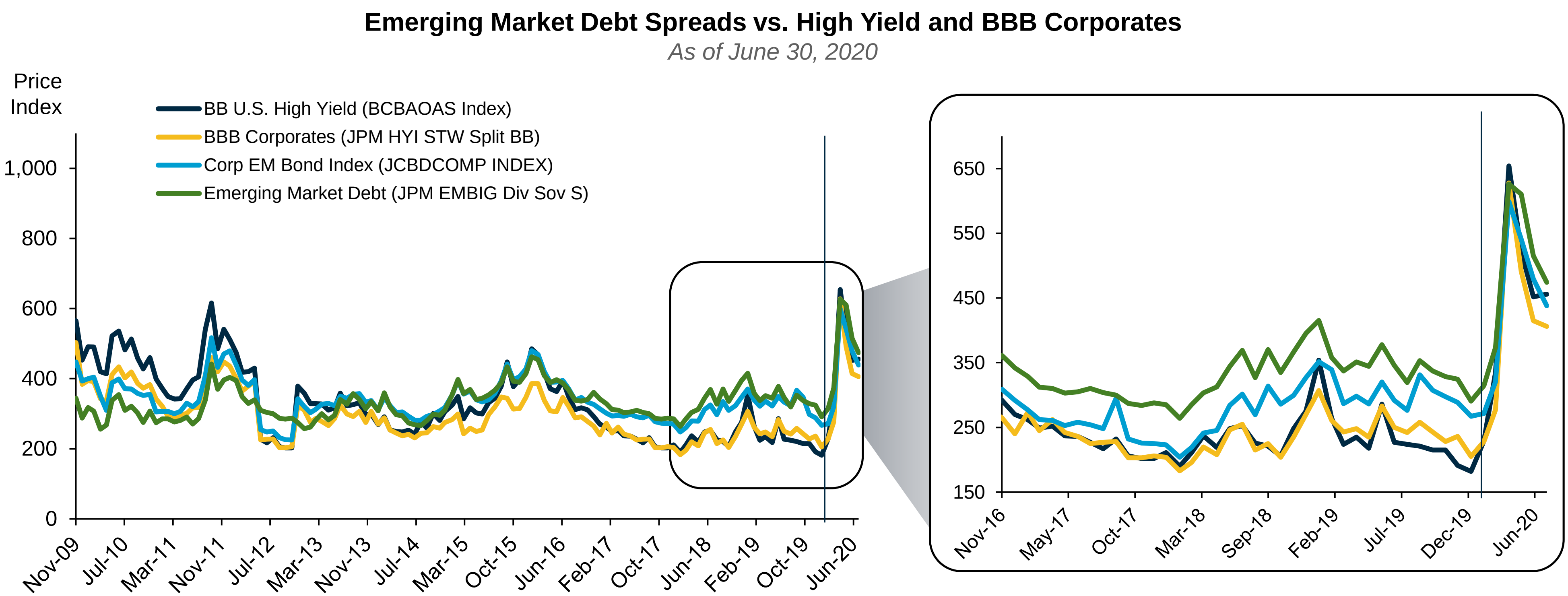
Index	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD 2020 (6/30/20)
EM FX	-3.85%	11.69%	5.68%	-5.19%	7.45%	-2.04%	-7.03%	-7.61%	3.54%	11.54%	-3.33%	5.20%	-5.34%
Hard Currency Sovereigns	-12.03%	29.82%	12.24%	7.35%	17.44%	-5.25%	7.43%	1.18%	10.15%	10.26%	-4.26%	15.04%	-2.76%
Hedged Local Currency Sovereigns	5.38%	5.20%	8.62%	4.49%	8.94%	-4.19%	3.15%	-2.24%	4.70%	4.63%	0.75%	9.14%	3.51%
Hard Currency Corporates	-15.86%	34.88%	13.08%	2.32%	15.01%	-0.60%	4.96%	1.30%	9.65%	7.96%	-1.65%	13.09%	-0.16%

Current Fixed Income Yields

Index	Yield (as of 6/30/20)
Hard Currency Sovereigns	5.52%
Local Currency Sovereigns (Unhedged)	4.51%
Global Aggregate Index	0.95%

Past performance is not a guarantee or reliable indicator of future results. Please see the Reference section for important disclosures. *The value of investments can go down as well as up. Where overseas investments are held the rate of currency exchange may cause the value of investments to fluctuate. If applicable, investments in emerging markets are by their nature higher risk and more volatile than those inherent in some established markets and non-USD securities are converted to USD using spot rate conversion. All returns longer than one year are annualized. Source of all charts: Bloomberg. An investment cannot be made directly in an index. J.P. Morgan index information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval.*

Emerging Market Spreads

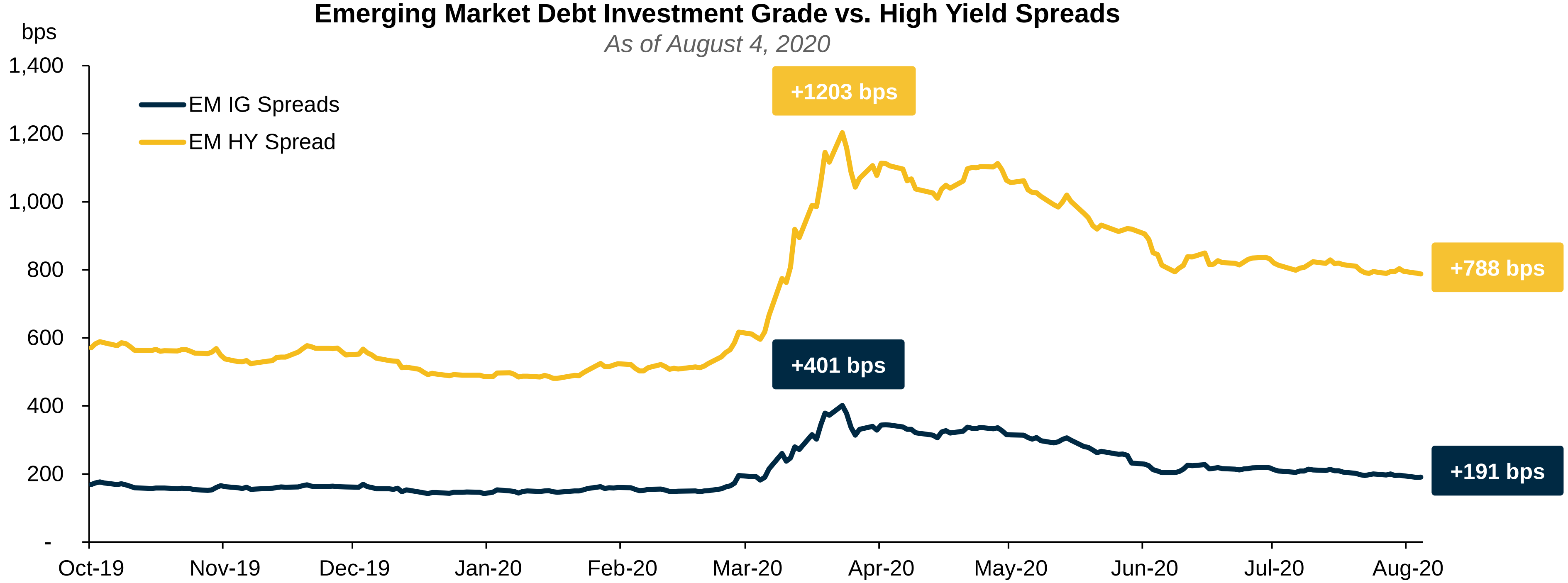


Credit Spreads (bps)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	6/30/20
BB U.S. High Yield	1,211	453	399	512	359	269	324	417	270	211	354	182	456
Split BBB Corporates	1,024	384	342	436	310	271	283	347	240	204	307	205	406
Emerging Market Debt	748	288	274	404	257	308	353	415	342	285	415	291	474
EM Corporate	952	393	305	480	321	311	353	428	314	271	371	267	439

Source of all charts: Bloomberg. Past performance is not a guarantee or a reliable indicator of future results. An investment cannot be made directly in an index. J.P. Morgan index information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval.

Only Partial Retracement, So Far, in EM Investment Grade and High Yield



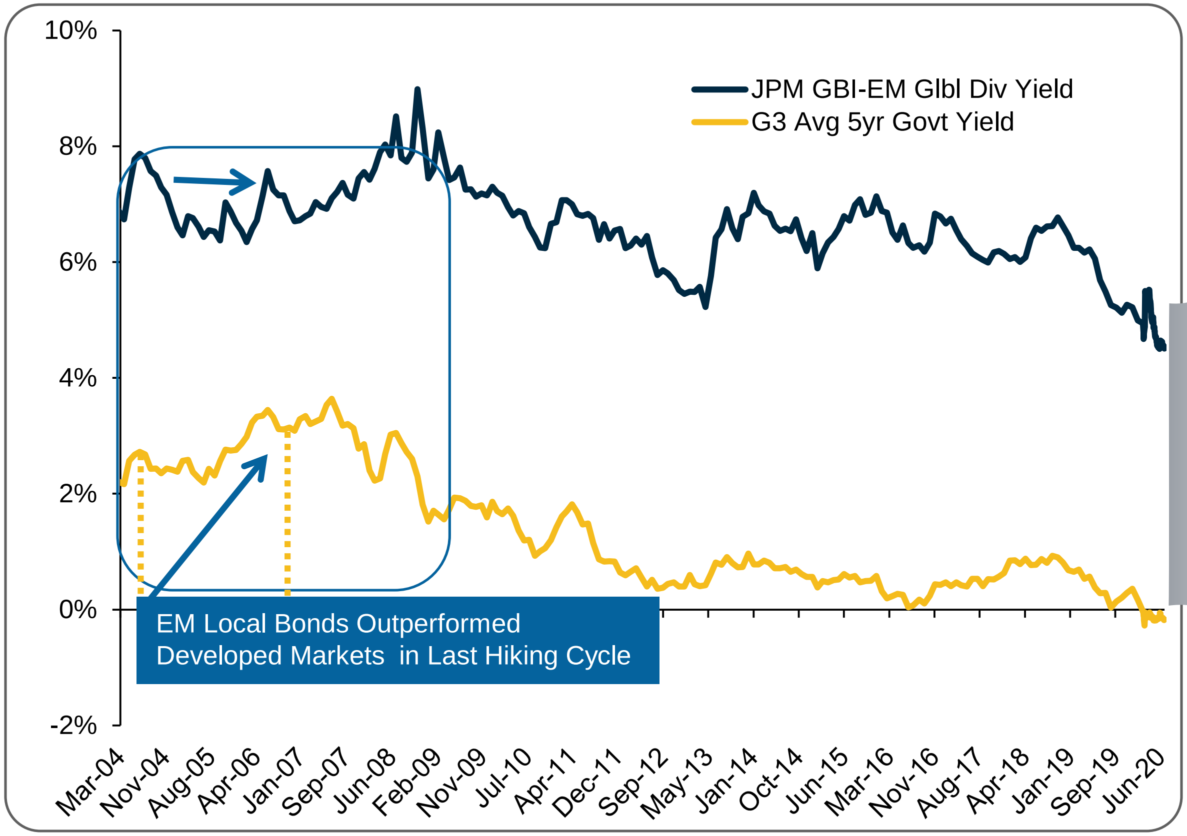
Spreads by Rating*

	8/4/20	3/23/20	2/3/20
A	157	305	124
AA	140	315	114
BBB	214	450	178
BB	478	707	295
B	707	1,198	480
C	2,645	4,154	1,922
Not Rated	415	1,086	314

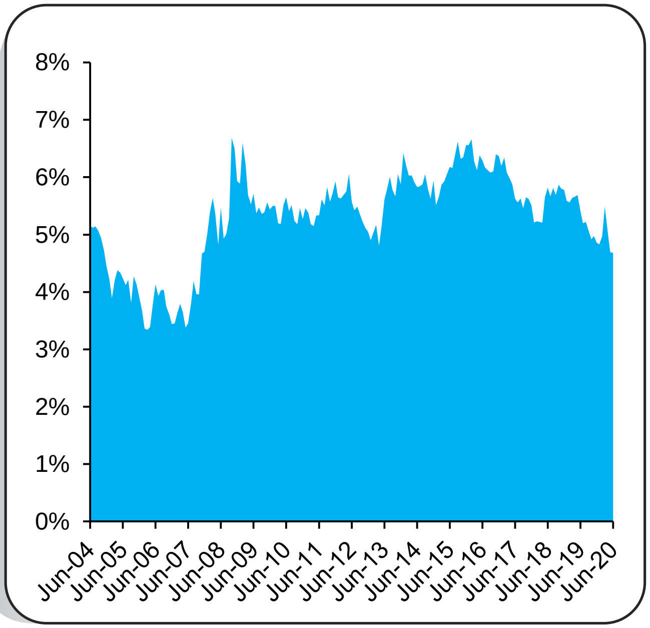
*Source: Bloomberg. *EMBI Global Diversified sub-indices by rating.*

Local Bond Yields Are Still Wide Compared to Developed Markets

Emerging Markets Yields vs. 5-Year G3 Government Yield
As of June 30, 2020



Yield Differential
As of June 30, 2020



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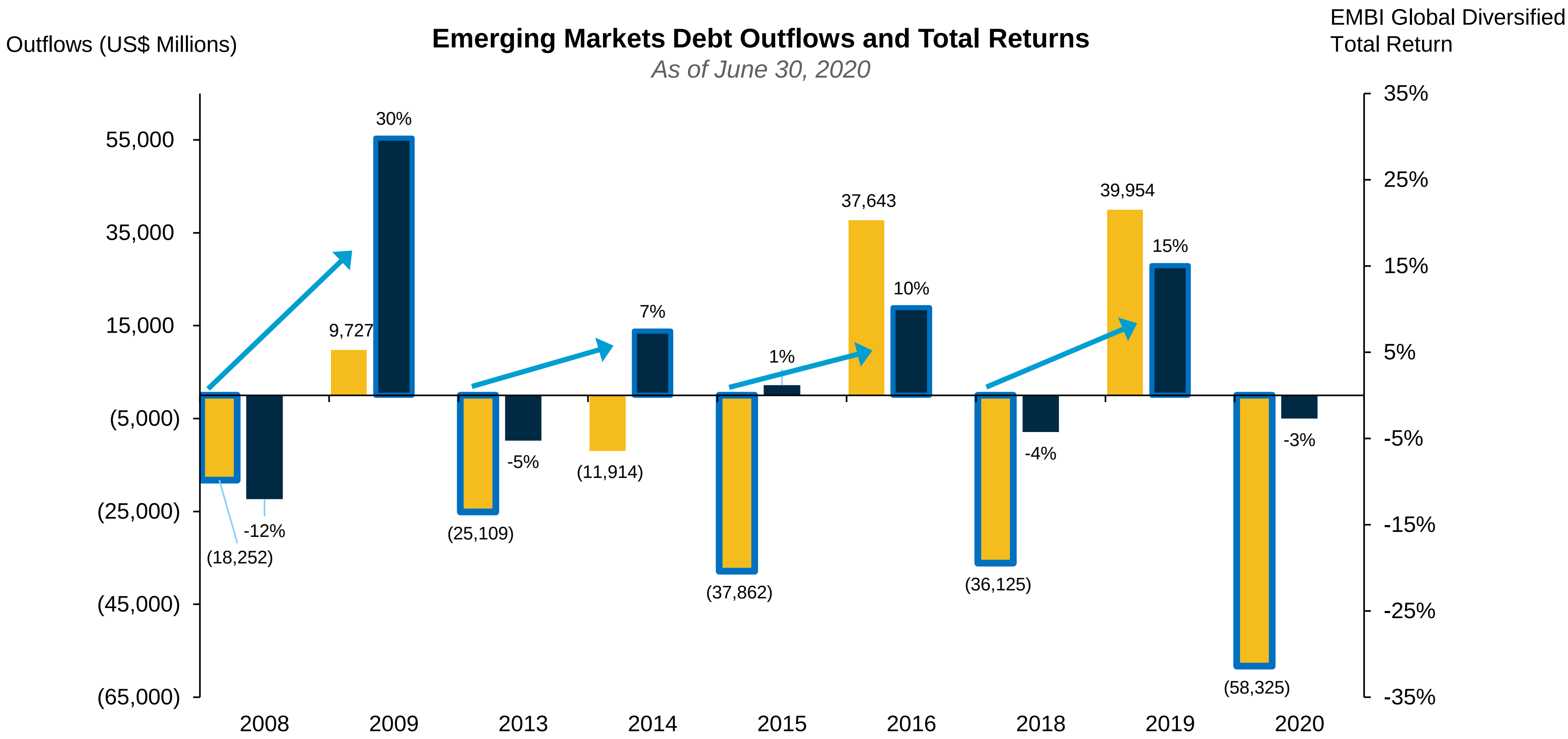
Emerging Markets Debt Outflows and Total Returns

High Total Returns Tend to Follow Years with Outflows

- Over the last 12 years, emerging markets debt has previously experienced significant net outflows in 4 years (2008, 2013, 2015, 2018). In each instance, the following years EMBI Global Diversified total return was high



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3 Reference

Senior Leadership Team

PGIM Fixed Income
Michael Lillard, CFA, Head of Fixed Income and CIO

Quantitative Analysis and Risk Management
Stephen Warren

Securitized Products
John Vibert

Credit
Richard Greenwood, CFA

Multi-Sector, Liquidity and Strategy
Craig Dewling, Deputy CIO

Emerging Markets and FX
Cathy Hepworth, CFA

Client Advisory Group
Brad Blalock, CFA

Chief Operating Officer
Paul Parseghian

Chief Business Officer
Daniel Malooly

PGIM Japan
Taisaku Kunisawa

Human Resources
Gill Murphy[1]

Finance
Vasel Vataj[1]

Legal
Yogesh Rai[1]

Compliance
Matthew Fitzgerald[1]

[1]Dedicated functional teams that have a direct, independent reporting relationship to corporate senior management of the company.
As of July 2020.

Balanced and Deep Organization, Integrated Process

949 Employees Based Globally:

- 304 Investment Professionals
- 151 Client Advisory Group Professionals
- 358 Operations, Technology and Data Professionals
- 84 Business Management, Finance and Administrative Staff
- 52 Legal and Compliance Professionals

Team	Number of Investment Professionals	Average Firm Tenure	Average Investment Experience
Portfolio Management[1]	126	19 Years	25 Years
Fundamental Research	118	14 Years	24 Years
Risk Management & Quantitative Research	60	15 Years	23 Years

Fundamental Research
- Global Macroeconomics
- Investment Grade Corporates
- High Yield
- Bank Loans
- Emerging Market Corporates
- Municipals
- Securitized Products

Portfolio Management[1]
- Global Rates and Securitized Products
- Corporates
- Emerging Markets
- Leveraged Finance
- Municipals
- Long/Short
- Money Markets
- Multi-Sector
- Insurance
- Liability Driven Investing

Quantitative Analysis and Risk Management
- Risk Management
- Quantitative Research
- Portfolio Analysis

Staff as of March 31, 2020. [1]Includes senior executives and product managers. Portfolio Management average years of experience and years at firm calculated at principal level and above

ESG Factors Important Drivers of Sovereign and Corporate Analysis

Issuer	Key ESG Factors	Overall Rating Implication	Investment Decision
China	Highly centralized decision making without voice and accountability and large disincentives for contrarian views/messaging has significant economic cost (e.g. premature capital account opening in 2015, suppressing news of Wuhan virus outbreak)	Rating multiple notches lower than agencies	Underweight
Eletrobras	The company has worked to improve its Board structure and added environmental and social initiatives.	Kept internal ratings consistent with the agencies	Participated in New Issue
Ghana	Stable democracy, good governance. Smooth political transitions	PGIM rating higher than Moody's rating	Overweight
Philippines	Historic high levels of inequal access to public services and income have resulted in electoral victory of a President who at times stretches constitutional limits, though institutions have so far been resilient and social outcomes are improving	Consistent with rating Agencies	Underweight
South Africa	Negative outlier on social and related growth concerns	Rating was consistently sub-investment grade prior to rating agency downgrades	Positioning focused away from sovereign; instead owning Quasis which trade significantly wide.
Turkey	Concerns over governance; loss of technocratic expertise; lack of press freedom	Consistently lower rating than agencies; multiple downgrades	Reduced duration in sovereign
Ukraine	Formation of anti corruption court, increased gas prices, passed budget	PGIM rating 2-3 notches higher than agency ratings	Maintained Overweight

Source: PGIM Fixed Income as of May 2020. The above information is shown for illustrative purposes only and is not inclusive of all ESG potential issues and engagement. Any reference to a specific issuer or security does not constitute a recommendation to buy, sell or hold a security. The information should not be constructed as investment advice. The views and opinions expressed may differ from those of PGIM Fixed Income's affiliated businesses. This information may not be current and PGIM Fixed Income has no obligation to provide any updates or changes. It should not be relied upon in making an investment decision. Past performance is not a guarantee or indicator of future results and an investment could lose value.

Emerging Markets Debt Strategy Has Outperformed in 19 of the Last 24 Years[1]

Emerging Markets Debt Strategy Annual Returns

	Emerging Markets Debt Composite Gross(%)	Emerging Markets Debt Composite Net(%)	JPM EMBI Global Diversified Index (%)[2]	Gross Difference (bps)
2020 YTD	-5.77	-6.03	-2.76	**-301**
2019	16.46	15.82	15.04	**+142**
2018	-5.57	-6.09	-4.26	**-131**
2017	14.48	13.85	10.26	**+422**
2016	12.77	12.15	10.15	**+262**
2015	2.16	1.60	1.18	**+98**
2014	7.50	6.91	7.43	**+7**
2013	-4.73	-5.25	-5.25	**+52**
2012	23.69	22.83	17.44	**+625**
2011	6.45	5.71	7.35	**-90**
2010	15.17	14.37	12.24	**+293**
2009	38.54	37.58	29.82	**+872**
2008	-17.70	-18.27	-12.03	**-567**
2007	7.17	6.42	6.16	**+101**
2006	12.97	12.18	10.29	**+268**
2005	17.78	16.96	11.86	**+592**
2004	17.05	16.23	11.77	**+528**
2003	37.01	36.05	28.82	**+818**
2002	16.40	15.59	14.24	**+216**
2001	8.13	7.38	-0.79	**+892**
2000	16.62	15.80	15.66	**+96**
1999	28.33	27.49	25.97	**+235**
1998	-14.53	-15.04	-14.35	**-19**
1997	14.60	13.92	13.02	**+157**
1996 *(Jul. 1 – Dec. 31)*	23.05	22.68	20.64	**+241**

Emerging Markets Debt (50/50 Blend) Strategy Annual Gross Returns

	Emerging Markets Debt (50/50 Blend) Composite Gross (%)	Emerging Markets Debt (50/50 Blend) Composite Net (%)	Blend of JPM EMBI Global Diversified & GBI-EM Global Diversified (%)[3]	Gross Difference (bps)
2020 YTD	-7.22	-7.48	-4.80	**-242**
2019	16.81	16.17	14.31	**+250**
2018	-6.48	-6.99	-5.15	**-133**
2017	15.83	15.20	12.74	**+309**
2016	11.84	11.22	10.16	**+167**
2015	-5.60	-6.12	-7.14	**+154**
2014	1.63	1.08	0.71	**+92**
2013	-7.41	-7.92	-7.10	**-31**
2012	22.76	21.90	17.21	**+555**
2011	1.25	0.55	2.79	**-154**
2010	17.42	16.60	14.02	**+340**
2009	33.96	33.03	25.99	**+797**
2008	-12.72	-13.33	-8.62	**-410**
2007 *(Dec. 1 – Dec. 31)*	0.64	0.58	0.41	**+23**

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PGIM FIXED INCOME

Notes To Performance

Gross returns do not reflect the deduction of investment advisory fees or other expenses it may incur in the management of its investment advisory account, but are after transaction costs. A client's return will be reduced by such advisory fees and other management expenses. For example, a 1.00% management fee deducted quarterly would result in the following cumulative compounded reduction in portfolio time-weighted rate of return: 1 year = 1.004%, 3 year = 3.042%, 5 year = 5.121% and 10 year = 10.5%. The investment advisory fees are described in Part 2A of the Adviser's Form ADV which is publicly available on the SEC's website at www.sec.gov, and available upon request. Fees represent the highest standard advisory fees currently in effect and may have been higher or lower historically. Fees may be higher for commingled accounts, insurance company separate accounts, and trust, corporate, or bank-owned life insurance products. Performance has been calculated in US dollars, unless otherwise noted in composite descriptions, and reflects the deduction of transaction costs and withholding taxes, if any, and the reinvestment of income.

Core Conservative Composite Net Disclosure (Inception Date: January 1, 1989)— An investment management fee of 0.12% would have reduced the since inception annualized return ending June 30, 2020 from 6.53% to 6.42%.

Core Composite Net Disclosure (Inception Date: January 1, 1991)— An investment management fee of 0.28% would have reduced the since inception annualized return ending June 30, 2020 from 6.49% to 6.16%.

Japan Total Core Bond Composite Net Disclosure (Inception Date: January 1, 2003)— An investment management fee of 0.25% would have reduced the since inception annualized return ending June 30, 2020 from 1.90% to 1.56%.

Global Core Composite Net Disclosure (Inception Date: September 1, 2008)— An investment management fee of 0.30% would have reduced the since inception annualized return ending June 30, 2020 from 4.92% to 4.57%.

Core Plus Composite Net Disclosure (Inception Date: January 1, 1996)— An investment management fee of 0.30% would have reduced the since inception annualized return ending June 30, 2020 from 6.37% to 6.02%.

Global Total Return Composite Net Disclosure (Inception Date: November 1, 2002)— An investment management fee of 0.35% would have reduced the since inception annualized return ending June 30, 2020 from 6.81% to 6.36%. Effective January 1, 2020, the Global Aggregate Plus Composite was renamed the Global Total Return Composite.

Absolute Return Composite Net Disclosure (Inception Date: May 1, 2011)— An investment management fee of 0.40% would have reduced the since inception annualized return ending June 30, 2020 from 3.27% to 2.81%.

Multi-Asset Credit Composite Net Disclosure (Inception Date: November 1, 2016)— An investment management fee of 0.40% would have reduced the since inception annualized return ending June 30, 2020 from 3.95% to 3.53%.

Strategic Bond Composite Net Disclosure (Inception Date: September 1, 2015)— An investment management fee of 0.45% would have reduced the since inception annualized return ending June 30, 2020 from 7.00% to 6.52%. Effective March 1, 2019, the Unconstrained Bond Composite was renamed the Strategic Bond Composite. The strategy benchmark also changed from the ICE LIBOR 3-Month Average to the Bloomberg Barclays Intermediate U.S. Aggregate Bond Index.

Global Dynamic Bond Composite Net Disclosure (Inception Date: January 1, 2016)— An investment management fee of 0.45% would have reduced the since inception annualized return ending June 30, 2020 from 6.82% to 6.31%.

Short Duration Core Plus Composite Net Disclosure (Inception Date: February 1, 2014)— An investment management fee of 0.30% would have reduced the since inception annualized return ending June 30, 2020 from 3.25% to 2.94%.

Short Term Corporate Composite Net Disclosure (Inception Date: January 1, 1994)— An investment management fee of 0.30% would have reduced the since inception annualized return ending June 30, 2020 from 5.18% to 4.88%.

U.S. Short Duration Higher Quality High Yield Composite Net Disclosure (Inception Date: December 1, 2012)— An investment management fee of 0.50% would have reduced the since inception return ending June 30, 2020 from 4.77% to 4.25%.

Long Duration (Government/Credit) Composite Net Disclosure (Inception Date: December 1, 2009)— An investment management fee of 0.28% would have reduced the since inception return ending June 30, 2020 from 8.71% to 8.40%.

Corporate Fixed Income (Long Duration) Composite Net Disclosure (Inception Date: July 1, 2008)— An investment management fee of 0.30% would have reduced the since inception annualized return ending June 30, 2020 from 9.65% to 9.32%.

Long Duration Custom LDI Composite Net Disclosure (Inception Date: July 1, 1998)— An investment management fee of 0.30% would have reduced the since inception return ending June 30, 2020 from 7.60% to 7.29%.

Securitized Product (Unconstrained) Composite Net Disclosure (Inception Date: January 1, 2016)— An investment management fee of 0.40% would have reduced the since inception return ending June 30, 2020 from 3.86% to 3.45%.

Corporate Fixed Income Composite Net Disclosure (Inception Date: July 1, 1991)— An investment management fee of 0.30% would have reduced the since inception annualized return ending June 30, 2020 from 7.55% to 7.20%.

European Corporate (USD Hedged) Composite Net Disclosure (Inception Date: February 1, 2008)— An investment management fee of 0.30% would have reduced the since inception annualized return ending June 30, 2020 from 5.76% to 5.45%.

Global Corporate (Unhedged) Composite Net Disclosure (Inception Date: May 1, 2010)— An investment management fee of 0.30% would have reduced the since inception annualized return ending June 30, 2020 from 5.05% to 4.74%.

Notes To Performance

Gross returns do not reflect the deduction of investment advisory fees or other expenses it may incur in the management of its investment advisory account, but are after transaction costs. A client's return will be reduced by such advisory fees and other management expenses. For example, a 1.00% management fee deducted quarterly would result in the following cumulative compounded reduction in portfolio time-weighted rate of return: 1 year = 1.004%, 3 year = 3.042%, 5 year = 5.121% and 10 year = 10.5%. The investment advisory fees are described in Part 2A of the Adviser's Form ADV which is publicly available on the SEC's website at www.sec.gov, and available upon request. Fees represent the highest standard advisory fees currently in effect and may have been higher or lower historically. Fees may be higher for commingled accounts, insurance company separate accounts, and trust, corporate, or bank-owned life insurance products. Performance has been calculated in US dollars, unless otherwise noted in composite descriptions, and reflects the deduction of transaction costs and withholding taxes, if any, and the reinvestment of income.

U.S. Higher Quality High Yield Composite Net Disclosure (Inception Date: July 1, 1998)—An investment management fee of 0.50% would have reduced the since inception annualized return ending June 30, 2020 from 7.51% to 6.98%.

U.S. Broad Market High Yield Composite Net Disclosure (Inception Date: March 1, 2002)—An investment management fee of 0.50% would have reduced the since inception annualized return ending June 30, 2020 from 8.09% to 7.53%.

U.S. Senior Secured Loans (Unconstrained) Composite Net Disclosure (Inception Date: May 1, 2007)—An investment management fee of 0.55% would have reduced the since inception annualized return ending June 30, 2020 from 4.36% to 3.79%.

European High Yield Composite Net Disclosure (Inception Date: November 1, 2010)—An investment management fee of 0.50% would have reduced the since inception annualized return ending June 30, 2020 from 7.50% to 6.96%. Performance shown in EUR.

European Senior Secured Debt (Constrained) Composite Net Disclosure (Inception Date: July 1, 2006)—An investment management fee of 0.55% would have reduced the since inception annualized return ending June 30, 2020 from 4.60% to 4.03%. Performance shown in EUR.

Global High Yield (Euro Hedged) Composite Net Disclosure (Inception Date: May 1, 2002)—An investment management fee of 0.50% would have reduced the since inception annualized return ending June 30, 2020 from 7.41% to 6.85%. Performance shown in EUR.

Global Senior Secured Loans Composite Net Disclosure (Inception Date: December 1, 2011)—An investment management fee of 0.55% would have reduced the since inception annualized return ending June 30, 2020 from 5.05% to 4.43%.

Emerging Markets Debt Composite Net Disclosure (Inception Date: July 1, 1996)—An investment management fee of 0.55% would have reduced the since inception annualized return ending June 30, 2020 from 11.12% to 10.41%.

Emerging Markets Blend Composite Net Disclosure (Inception Date: December 1, 2007)—An investment management fee of 0.55% would have reduced the since inception annualized return ending June 30, 2020 from 5.68% to 5.03%.

Emerging Markets Blend Plus Composite Net Disclosure (Inception Date: August 1, 2014)—An investment management fee of 0.75% plus the actual incentive and certain other applicable fees and expenses would have reduced the since inception return ending June 30, 2020 from 3.61% to 1.86%.

Emerging Markets Local Currency Composite Net Disclosure (Inception Date: January 1, 2011)—An investment management fee of 0.55% would have reduced the since inception annualized return ending June 30, 2020 from 0.90% to 0.31%.

Emerging Markets Corporate Debt Composite Net Disclosure (Inception Date: March 1, 2013)—An investment management fee of 0.55% would have reduced the since inception annualized return ending June 30, 2020 from 4.71% to 4.13%.

National Municipal Bond Composite Net Disclosure (Inception Date: January 1, 1994)—An investment management fee of 0.28% would have reduced the since inception annualized return ending June 30, 2020 from 5.17% to 4.88%.

High Income Municipal Bond Composite Net Disclosure (Inception Date: January 1, 1994)—An investment management fee of 0.32% would have reduced the since inception annualized return ending June 30, 2020 from 5.75% to 5.41%.

U.S. Liquidity Relative Value Composite Net Disclosure (Inception Date: July 1, 2002)—An investment management fee of 0.50% plus the actual incentive and certain other applicable fees and expenses would have reduced the since inception return ending June 30, 2020 from 7.40% to 5.41%. Effective April 1, 2020 the Benchmark changed to the ICE BofA U.S. 3-Month Treasury Bill Index, prior to that the Benchmark was 3-Month U.S. Dollar LIBOR. As of 6/1/2020 net returns were retroactively restated to reflect model management fees.

Global Liquidity Relative Value Composite Net Disclosure (Inception Date: July 1, 2014)—An investment management fee of 1.00% plus the actual incentive and certain other applicable fees and expenses would have reduced the since inception return ending June 30, 2020 from 8.62% to 6.23%. Effective April 1, 2020 the Benchmark changed to the ICE BofA U.S. 3-Month Treasury Bill Index, prior to that the Benchmark was 3-Month U.S. Dollar LIBOR. As of 6/1/2020 net returns were retroactively restated to reflect model management fees.

Emerging Markets Debt Long/Short Composite Net Disclosure (Inception Date: November 1, 2007)—An investment management fee of 0.75% plus the actual incentive and certain other applicable fees and expenses would have reduced the since inception return ending June 30, 2020 from 8.68% to 6.06%. Effective April 1, 2020 the Benchmark changed to the ICE BofA U.S. 3-Month Treasury Bill Index, prior to that the Benchmark was 3-Month U.S. Dollar LIBOR. As of 6/1/2020 net returns were retroactively restated to reflect model management fees.

U.S. Liquidity Relative Value (S&P 500 Overlay) Composite Net Disclosure (Inception Date: April 1, 2014)—An investment management fee of 0.50% plus the actual incentive and certain other applicable fees and expenses would have reduced the since inception return ending June 30, 2020 from 13.81% to 12.46%.

Benchmark Descriptions

Bloomberg Barclays U.S. Aggregate Bond Index (Bloomberg Barclays U.S. Aggregate Index)
(Core Fixed Income, Core Plus, Core Conservative)
The Bloomberg Barclays U.S. Aggregate Index covers the USD-denominated, investment-grade, fixed-rate or step up, taxable bond market of SEC-registered securities and includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS, and CMBS sectors. Securities included in the index must have at least 1 year until final maturity and be rated investment-grade (Baa3/ BBB-/BBB-) or better using the middle rating of Moody's, S&P, and Fitch.

Nomura-BPI Overall (Nomura-BPI Overall Index)
(Japan Core Bond)
The Nomura-BPI Overall index tracks total returns of all fixed income securities in the Japanese bond market that meet certain criteria. The intellectual property rights and any other rights in Nomura-BPI Overall Index belong to Nomura Securities Co., Ltd. Nomura Securities Co., Ltd. does not guarantee accuracy, completeness, reliability, usefulness, marketability, merchantability and fitness of the Index, and does not account for performance of the fund with the use of the Index. This disclaimer is applicable to Nomura-BPI Overall Index referenced herein.

Bloomberg Barclays Global Aggregate Bond Index USD Unhedged (Bloomberg Barclays Global Aggregate Index)
(Global Core, Global Total Return)
The Bloomberg Barclays Global Aggregate Index provides a broad-based measure of the global investment-grade fixed income markets. The three major components of this index are the U.S. Aggregate, the Pan-European Aggregate, and the Asian-Pacific Aggregate Indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian government, agency and corporate securities, and USD investment-grade 144A securities. Securities included in the index must have at least 1 year until final maturity and be rated investment-grade (Baa3/ BBB-/BBB) or better using the middle rating of Moody's, S&P, and Fitch.

FTSE World Government Bond Index
(Former benchmark for Global Total Return)
FTSE World Government Bond Index is a market-capitalization-weighted benchmark that tracks the performance of the government bond markets. The composition of the index consists of sovereign debt denominated in the domestic currency. Securities must be rated BBB-/Baa3 by S& P or Moody's.

ICE LIBOR 3-Month Average (ICE LIBOR 3-Month Average Index)
(Absolute Return, Multi-Asset Credit, Global Dynamic Bond)
The 3 Month LIBOR (London Interbank Offered Rate) is the stated rate of interest at which banks in the London wholesale money markets may borrow funds from one another for three months. The 90-day average of the daily rates set by the Intercontinental Exchange Benchmark Administration Ltd ("IBA") is used to derive the return for the month. ICE Data Indices, LLC, used with permission. ICE Data Indices, LLC is licensing the ICE Data Indices and related data "as is," makes no warranties regarding same, does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE Data Indices or any data included in, related to, or derived therefrom, assumes no liability in connection with their use, and does not sponsor, endorse, or recommend PGIM Fixed Income, or any of its products or services. Effective March 1, 2019, the Unconstrained Bond Composite was renamed the Strategic Bond Composite. The strategy benchmark also changed from the ICE LIBOR 3-Month Average to the Bloomberg Barclays Intermediate U.S. Aggregate Bond Index.

Bloomberg Barclays Intermediate U.S. Aggregate Bond Index (Bloomberg Barclays Intermediate U.S. Aggregate Bond Index)
(*Strategic Bond Composite)*
The Bloomberg Barclays Intermediate U.S. Aggregate Bond Index covers the USD-denominated, investment-grade, fixed-rate or step up, taxable bond market of SEC-registered securities with maturities of 1-10 years. The index includes bonds from the Treasury, Government-Related, Corporate, MBS (agency fixed-rate and hybrid ARM passthroughs), ABS and CMBS sectors. Securities must be rated investment-grade (Baa3/BBB-/BBB- or above) using the middle rating of Moody's, S&: and Fitch and have at least 1 year until final maturity.

Bloomberg Barclays U.S. 1-3 Year Government/Credit Bond Index (Bloomberg Barclays U.S. 1-3 Year Government/Credit Index)
(Short Duration Core Plus)
Bloomberg Barclays U.S. 1-3 Year Government/Credit Bond Index covers USD-denominated and nonconvertible, publicly issued U.S. Government or investment-grade securities that are fixed-rate or step ups. Bonds must have a maturity from 1 up to (but not including) 3 years and be rated investment-grade (Baa3/ BBB-/BBB-) or better using the middle rating of Moody's, S&P, and Fitch.

Bloomberg Barclays U.S. 1-5 Year Credit Bond Index (Bloomberg Barclays U.S. 1-5 Year Credit Index)
(Short Term Corporate)
Bloomberg Barclays U.S. 1-5 Year Credit Bond Index is a subset of the Bloomberg Barclays Credit Index with maturities of 1-5 years. The U.S. Credit Index is comprised of the U.S. Corporate Index and the non-native currency subcomponent of the U.S. Government-Related Index. The U.S. Credit Index includes publicly issued U.S. corporates, specified foreign debentures and secured notes denominated in USD. Securities must be rated investment-grade (Baa3/BBB-/BBB- or above) using the middle rating of Moody's, S&P, and Fitch, respectively.

Bloomberg Barclays U.S. High Yield 1-5 Year Ba/B 1% Issuer Constrained Index (Bloomberg Barclays U.S. HY 1-5 Year Ba/B 1% Issuer Capped Index)
(U.S. Short Duration Higher Quality High Yield)
The Bloomberg Barclays U.S. 1-5 Yr High Yield Ba-B 1% Issuer Constrained Index is an issuer-constrained version of the U.S. Corporate High-Yield Index that covers the 1-5 year maturing USD-denominated, non-investment-grade, fixed-rate, taxable corporate bond market. The U.S. HY 1% Issuer Capped Index limits issuer exposures to a maximum 1% and redistributes the excess market value index-wide on a pro-rata basis. Securities must be rated Ba/B using the middle rating of Moody's, S&P, and Fitch, and have at least 1 year until final maturity.

Benchmark Descriptions (cont'd)

Bloomberg Barclays U.S. Long Duration Government/Credit Index (Bloomberg Barclays U.S. Long Govt/Credit Index)
(Long Duration Government/Credit)
The Bloomberg Barclays U.S. Long Government/Credit Index covers USD-denominated and non-convertible, publicly issued U.S. Government or investment-grade securities that are fixed rate or step ups. Securities must have a maturity of 10 years or greater and be rated investment-grade (Baa3/ BBB-/BBB-) or better using the middle rating of Moody's, S&P, and Fitch.

Bloomberg Barclays U.S. Long Corporate Bond Index (Bloomberg Barclays U.S. Long Corporate Index)
(Long Duration Corporate)
The Bloomberg Barclays U.S. Long Corporate Bond Index covers USD-denominated and non-convertible, publicly issued securities that are fixed-rate or step ups. Securities must have a maturity of 10 years and be rated investment-grade (Baa3/ BBB-/BBB-) or better using the middle rating of Moody's, S&P, and Fitch.

Client-Directed Liability Based Benchmark
(Long Duration LDI)
The customized benchmark for the Long Duration Custom Composite is the weighted average of each composite member's benchmark return rebalanced monthly. The benchmarks are market based indices/sub-indices constructed to reflect the liabilities of the portfolios. The benchmarks consists of various weights of the sub indices of the Bloomberg Barclays Intermediate (maturities from 1 up to but not including10 years), and Long (maturities of 10+ years) Government/Credit and US Corporate Indices. All securities must be rated investment-grade (Baa3/ BBB-/BBB-) or above using the middle rating of Moody's, S&P, and Fitch.

ICE BofA 3-Month Deposit Offered Rate Constant Maturity Index
(Securitized Products)
The ICE BofA 3-Month Deposit Offered Rate Constant Maturity Index tracks the performance of a synthetic asset paying Libor to a stated maturity. The index is based on the assumed purchase at par of a synthetic instrument having exactly its stated maturity and with a coupon equal to that day's fixing rate. That issue is assumed to be sold the following business day (priced at a yield equal to the current day fixing rate) and rolled into a new instrument.

Bloomberg Barclays U.S. Credit Bond Index (Bloomberg Barclays U.S. Credit Index)
(Investment Grade Corporates)
The Bloomberg Barclays U.S. Credit Index is comprised of the U.S. Corporate Index and the non-native currency subcomponent of the U.S. Government-Related Index. The U.S. Credit Index includes publicly issued U.S. corporate, specified foreign debentures and secured notes denominated in USD. Securities included in the index must have at least 1 year until final maturity and be rated investment-grade (Baa3/ BBB-/BBB-) or better using the middle rating of Moody's, S&P, and Fitch.

Bloomberg Barclays Euro Aggregate Corporate Index USD Hedged (Bloomberg Barclays Euro Aggregate Corporate Index USD Hedged)
(European Corporate Fixed Income (USD Hedged))
The Bloomberg Barclays Euro Aggregate Corporate Index USD Hedged Index is a benchmark that measures the corporate component of the Bloomberg Barclays Euro Aggregate Bond Index, a broad-based flagship benchmark that measures the investment grade, euro-denominated, fixed-rate bond market, including treasuries, government-related, corporate and securitized issues. Inclusion is based on currency denomination of a bond and not country of risk of the issuer. The index is hedged to USD. As of January 1, 2020 composite benchmark was changed to the Barclays Euro Aggregate Corporate USD Hedged Index from the iBoxx Euro Corporate (USD Hedged) Index.

iBoxx Euro Corporate Index 100% USD Hedged (iBoxx Euro Corporate Index (USD Hedged))
(Former benchmark for European Corporate Fixed Income (USD Hedged))
The iBoxx EUR benchmark is made up of only fixed-rate bonds or step ups whose cash flow can be determined in advance. The indices are comprised solely of bonds. Treasury Bills and other money market instruments are not eligible. The iBoxx EUR indices include only Euro and legacy currency denominated bonds. Securities must be rated investment-grade (Baa3/ BBB-/BBB-) or above by at least one of the following rating agencies: Standard & Poor's, Moody's or Fitch and have at least 1 year until final maturity at the rebalancing date.

Bloomberg Barclays Global Aggregate Corporate Index Unhedged (Bloomberg Barclays Global Corporate Index (Unhedged))
(Global Corporate (Unhedged))
The Bloomberg Barclays Global Corporate Aggregate Index is a component of the Global Aggregate Index that includes the global investment-grade, fixed-rate or step up, taxable securities sold by industrial, utility and financial issuers. The three major components of this index are the U.S. Aggregate Corporate, the Pan-European Aggregate Corporate, and the Asian-Pacific Aggregate Corporate indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian corporate securities, and USD investment-grade 144A securities. Securities included in the index must have at least 1 year until final maturity and be rated investment-grade (Baa3/ BBB-/BBB-) or better using the middle rating of Moody's, S&P, and Fitch.

Bloomberg Barclays Global Aggregate Corporate Bond Index (USD Hedged) (Bloomberg Barclays Global Corporate Index (USD Hedged))
(Global Corporate (USD Hedged)
The Bloomberg Barclays Global Aggregate Corporate Bond Index (USD Hedged) is a component of the Global Aggregate Index that includes the global investment-grade, fixed-rate or step up, taxable securities sold by industrial, utility and financial issuers. The three major components of this index are the U.S. Aggregate Corporate, the Pan-European Aggregate Corporate, and the Asian-Pacific Aggregate Corporate indices. The index also includes Eurodollar and Euro-Yen corporate bonds, Canadian corporate securities, and USD investment-grade 144A securities. Securities included in the index must have at least 1 year until final maturity and be rated investment-grade (Baa3/ BBB-/BBB-) or better using the middle rating of Moody's, S&P, and Fitch. The index is hedged to USD.

Benchmark Descriptions (cont'd)

Bloomberg Barclays U.S. Corporate High Yield Ba/B 1% Issuer Capped Bond Index (Bloomberg Barclays U.S. High Yield Ba/B 1% Issuer Capped Index)
(Higher Quality High Yield)
The Bloomberg Barclays U.S. High Yield Ba/B 1% Issuer Capped Index is an issuer-constrained version of the Bloomberg Barclays U.S. High Yield Index that covers the USD-denominated, non-investment-grade, fixed-rate, taxable corporate bond market. The Bloomberg Barclays U.S. High Yield 1% Ba/B Issuer Capped Index limits issuer exposures to a maximum 1% and redistributes the excess market value index-wide on a pro-rata basis. Securities must be rated below investment-grade (Ba1/BB+/BB+ or below) using the middle rating of Moody's, S&P, and Fitch, and have at least a one year until final maturity.

Bloomberg Barclays U.S. Corporate High Yield Bond Index (Bloomberg Barclays U.S. High Yield Index)
(Broad Market High Yield)
Bloomberg Barclays U.S. Corporate High Yield Bond Index covers the USD-denominated, non-investment grade, fixed-rate or step ups, taxable corporate bond market. The index excludes Emerging Markets debt. Securities must be rated below investment-grade (Ba1/BB+/BB+ or below) using the middle rating of Moody's, S&P, and Fitch, respectively and have at least 1 year until final maturity.

Credit Suisse Leveraged Loan Index (CS Leveraged Loan Index)
(U.S. Senior Secured Loans)
The Credit Suisse Leveraged Loan Index is a representative, unmanaged index of tradable, U.S. dollar denominated floating rate senior secured loans and is designed to mirror the investable universe of the U.S. dollar denominated leveraged loan market. The Index return does not reflect the impact of principal repayments in the current month.

ICE BofAML European Currency High Yield ex Finance 2% Constrained Index (ML Euro HY ex Finance 2% Constrained Index)
(European High Yield (Euro Hedged))
The ICE BofAML European High Yield ex Finance 2% Constrained Index tracks the performance of EUR and GBP denominated below investment grade corporate debt publicly issued in the eurobond, sterling domestic or euro domestic markets. Qualifying securities must have a below investment grade rating and an investment grade country of risk. The index contains all non-Financial securities but caps issuer exposure at 2%. Source: ICE Data Indices, LLC, used with permission. ICE Data Indices, LLC is licensing the ICE Data Indices and related data "as is," makes no warranties regarding same, does not guarantee the suitability, quality, accuracy, timeliness, and/or completeness of the ICE Data Indices or any data included in, related to, or derived therefrom, assumes no liability in connection with their use, and does not sponsor, endorse, or recommend PGIM Fixed Income, or any of its products or services.

Credit Suisse Western European Leveraged Loan Index (EUR Hedged) (CS Western European Leveraged Loan Index (EUR Hedged)
(European Senior Secured Debt)
Credit Suisse Western European Leveraged Loan Index: All Denominations Euro Hedged. The Index is a representative, unmanaged index of tradable, floating rate senior secured loans designed to mirror the investable universe of the European leveraged loan market. The index is hedged to EUR. The Index return does not reflect the impact of principal repayments in the current month.

Bloomberg Barclays Global High Yield Index (Euro Hedged)
(Global High Yield (Euro Hedged))
The Bloomberg Barclays Global High Yield Index provides a broad-based measure of the global high yield fixed income markets. It includes U.S. high yield, Pan-European high yield, U.S. emerging markets high yield, and Pan-European emerging markets high yield indices. Securities included in the index must be fully taxable, have at least on year until final maturity, and be rated high yield (Ba//BB+/BB+ or below) using the middle rating of Moody's S&P and Fitch.

CS Blend Lev. Loan & West European Lev. Loan: Euro Denominated (USD Hedged)
(Global Senior Secured Loans)
The custom benchmark for this composite is comprised of the Credit Suisse Leveraged Loan Index and the Credit Suisse Western European Leveraged Loan Index Euro Denominated (hedged to USD) and is rebalanced monthly. As of December 31, 2019, the weights are 83% and 17%, respectively. The Credit Suisse indices are representative unmanaged indices of tradeable, floating rate senior secured loans designed to mirror the investable universe of the U.S. and European Leveraged Loan markets.

JP Morgan Emerging Markets Bond Index Global Diversified (JPM EMBI Global Diversified Index)
(Emerging Markets Debt)
The Emerging Markets Bond Index Global Diversified (EMBI Global) tracks total returns for USD-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, and Eurobonds. It limits the weights of those index countries with larger debt stocks by only including specified portions of these countries' eligible current face amounts of debt outstanding. To be deemed an emerging market by the EMBI Global Diversified Index, a country must be rated Baa1/BBB+ or below by Moody's/S&P rating agencies. Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval.

Blend: JPM EMBI Global Diversified & GBI-EM Global Diversified
(Emerging Markets Blend, Emerging Markets Blend Plus)
The customized benchmark for this composite is an even blend of the JPMorgan Government Bond Index-Emerging Markets Global Diversified Index and the JPMorgan Emerging Markets Bond Index Global Diversified Index. The Government Bond Index-Emerging Markets Global Diversified Index (GBI-EM Global) tracks total returns for local currency bonds issued by emerging market governments while the Emerging Markets Bond Index Global Diversified (EMBI Global) tracks total returns for USD-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, and Eurobonds. It limits the weights of those index countries with larger debt stocks by only including specified portions of these countries' eligible current face amounts of debt outstanding.

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Benchmark Descriptions (cont'd)

JPMorgan Government Bond Index-Emerging Markets Global Diversified Index (JPM GBI-EM Global Diversified Index)
(Emerging Markets Debt (Local Currency))
The Government Bond Index-Emerging Markets Global Diversified Index (GBI-EM Global) tracks total returns for local currency bonds issued by emerging market governments.

JPMorgan Corporate Emerging Markets Bond Index Broad Diversified (JPM CEMBI Broad Diversified)
(Emerging Markets Corporate Debt)
The CEMBI tracks total returns of US dollar-denominated debt instruments issued by corporate entities in Emerging Markets countries. The CEMBI Broad is the most comprehensive corporate benchmark followed by the CEMBI, which consists of an investable universe of corporate bonds.

Bloomberg Barclays US 1-15 Year Municipal Index
(National Municipal Bond)
The Bloomberg Barclays US 1-15 Year Municipal Index covers the USD-denominated long term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The bonds must be fixed-rate or step ups, have a dated date after Dec. 13, 1990, and must have a maturity from 1 up to (but not including) 15 years. Non-credit enhanced bonds (municipal debt without a guarantee) must be rated investment-grade (Baa3/ BBB-/BBB-) or better by the middle rating of Moody's, S&P, and Fitch. Effective April 1, 2020 the Benchmark changed to the Bloomberg Barclays 1-15 Yr. Muni Unhedged Index, prior to that the Benchmark was the Bloomberg Barclays Municipal Bond index

Bloomberg Barclays Municipal Bond Index
(Former benchmark for National Municipal Bond)
The index covers the USD-denominated long term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The bonds must be fixed-rate or step ups, have a dated date after Dec. 13, 1990, and must be at least 1 year from their maturity date. Non-credit enhanced bonds (municipal debt without a guarantee) must be rated investment grade (Baa3/BBB-/BBB- or better) by the middle rating of Moody's, S&P, and Fitch.

Blend: Bloomberg Barclays Muni High Income/Muni Index
(High Income Municipal Bond)
The customized benchmark for this composite is an even blend of the Bloomberg Barclays Municipal High Yield Bond Index and Bloomberg Barclays Municipal Bond Index. The Bloomberg Barclays Municipal Bond Index covers the USD-denominated long term tax exempt bond market. The index has four main sectors: state and local general obligation bonds, revenue bonds, insured bonds, and pre-refunded bonds. The bonds must be fixed-rate or step ups, have a dated date after Dec. 13, 1990, and must be at least 1 year from their maturity date. Non-credit enhanced bonds (municipal debt without a guarantee) must be rated investment-grade (Baa3/ BBB-/BBB- or better) by the middle rating of Moody's, S&P, and Fitch. The Bloomberg Barclays Municipal High Yield Bond Index is the high yield component of the Bloomberg Barclays Municipal Bond Index.

ICE BofA US 3-Month Treasury Bill Index
(U.S. Liquidity Relative Value, Emerging Markets Long/Short, Global Liquidity Relative Value)
ICE BofA US 3-Month Treasury Bill Index is comprised of a single issue purchased at the beginning of the month and held for a full month. At the end of the month that issue is sold and rolled into a newly selected issue. The issue selected at each month-end rebalancing is the outstanding Treasury Bill that matures closest to, but not beyond, three months from the rebalancing date. To qualify for selection, an issue must have settled on or before the month-end rebalancing date. Effective April 1, 2020 the Benchmark changed to the ICE BofA U.S. 3-Month Treasury Bill Index, prior to that the Benchmark was 3-Month U.S. Dollar LIBOR.

3 Month U.S. Dollar ICE LIBOR Reset Weekly
(Former benchmark for U.S. Liquidity Relative Value)
The 3 Month U.S. Dollar ICE LIBOR Reset Weekly, ICE LIBOR (formerly known as BBA LIBOR), is a widely used benchmark for short-term interest rates, providing an indication of the average rates at which LIBOR panel banks could obtain wholesale, unsecured funding for set periods in particular currencies. It is produced for five currencies (CHF, EUR, GBP, JPY and USD) and seven tenors (Overnight/Spot Next, 1 Week, 1 Month, 2 Months, 3 Months, 6 Months and 12 Months) based on submissions from a reference panel of between 11 and 16 banks for each currency, resulting in the publication of 35 rates every applicable London business day. The benchmark for the Composite uses the 3 Month USD rate on the 8th, 15th, 23rd and month end to derive the return for the subsequent period. If a reset day is a weekend or holiday then the rate of the preceding business day is used.

3-Month U.S. Dollar ICE LIBOR Reset Monthly
(Former benchmark for Emerging Markets Long/Short, Global Liquidity Relative Value)
The 3-Month U.S. Dollar ICE LIBOR Reset Monthly, ICE LIBOR (formerly known as BBA LIBOR), is a widely used benchmark for short-term interest rates, providing an indication of the average rates at which LIBOR panel banks could obtain wholesale, unsecured funding for set periods in particular currencies. It is produced for five currencies (CHF, EUR, GBP, JPY and USD) and seven tenors (Overnight/Spot Next, 1 Week, 1 Month, 2 Months, 3 Months, 6 Months and 12 Months) based on submissions from a reference panel of between 11 and 16 banks for each currency, resulting in the publication of 35 rates every applicable London business day. The benchmark for the Composite uses the 3 Month USD rate of the prior month end to derive the return for the current month.

S&P 500 Total Return Index (S&P 500 Index)
(U.S. Liquidity Relative Value (S&P 500 Overlay))
S&P 500 Total Return Index is a commonly recognized, market capitalization weighted index of 500 widely held equity securities, designed to measure broad U.S. equity performance.

PGIM FIXED INCOME

Emerging Markets Debt (50/50 Blend) Composite

As of December 31, 2019

Year	Composite (Gross %)	Composite (Net %)	Benchmark (%)	Composite 3 Year St Dev (%)	Benchmark 3 Year St Dev (%)	# of Portfolios	Internal Dispersion	Composite Market Value $(000s)	Firm Assets Under Mgmt $(in billions)
2019	16.81	16.17	14.31	7.70	6.51	fewer than 5	NM	1,419,676	850.54
2018	-6.48	-6.99	-5.15	8.86	7.83	fewer than 5	NM	1,169,517	743.47
2017	15.83	15.20	12.74	8.30	7.61	fewer than 5	NM	792,332	708.58
2016	11.84	11.22	10.16	9.48	8.60	fewer than 5	NM	599,973	637.20
2015	-5.60	-6.12	-7.14	9.19	8.12	fewer than 5	NM	350,080	574.77
2014	1.63	1.08	0.71	10.54	9.06	fewer than 5	NM	360,565	543.29
2013	-7.41	-7.92	-7.10	11.86	9.64	fewer than 5	NM	1,064,668	405.16
2012	22.76	21.90	17.21	11.35	8.97	fewer than 5	NM	1,068,069	394.75
2011	1.25	0.55	2.79	11.60	9.72	fewer than 5	NM	787,174	335.31
2010	17.42	16.60	14.01	14.84	13.75	fewer than 5	NM	621,869	269.74
2009	33.96	33.03	25.99			fewer than 5	NM	573,299	231.88
2008	-12.72	-13.33	-8.62			fewer than 5	NM	434,932	198.16
2007-12 - 2007-12	0.64	0.58	0.41			fewer than 5	NM	74,153	201.78

	Period Ending 12/31/2019	Composite (Gross %)	Composite (Net %)	Benchmark (%)
	1 Year	16.81	16.17	14.31
	3 Year	8.16	7.57	6.92
	5 Year	5.96	5.38	4.57
	10 Year	6.26	5.63	4.86
Since	December 1, 2007	6.57	5.92	5.26

The inception date of the composite is December 1, 2007.

PGIM Fixed Income claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. PGIM Fixed Income has been independently verified for the periods January 1, 1993 through December 31, 2018.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Emerging Markets Debt Blend composite has been examined for the periods December 1, 2007 through December 31, 2018. The verification and performance examination reports are available upon request.

PGIM FIXED INCOME

Emerging Markets Debt (50/50 Blend) Composite

As of December 31, 2019

Notes

1. PGIM Fixed Income (the "Firm") is a global asset manager primarily focused on public fixed income investments whose U.S. business operates as a unit of PGIM, Inc. PGIM, Inc. is an investment adviser registered with the United States Securities and Exchange Commission. The Firm is headquartered in Newark, New Jersey and also includes the following businesses: (i) the public fixed income unit within PGIM Limited, located in London; (ii) locally managed assets of PGIM Japan Co., Ltd ("PGIM Japan"), located in Tokyo; and (iii) the public fixed income unit within PGIM (Singapore) Pte. Ltd., located in Singapore. PGIM Japan has been included within the Firm as of June 30, 2014, resulting in an increase in assets under management (AUM) of approximately $105 billion. The Firm's list of composite descriptions is available upon request.

2. The Emerging Markets Debt Blend Composite (previously known as the Emerging Markets Debt (50/50 Blend) Composite) includes all discretionary portfolios whose investment objective is to achieve high risk-adjusted returns and outperform a diversified emerging markets debt index comprised of both sovereign and quasi-sovereign debt issues. Portfolios in this composite will seek to achieve this objective by investing in emerging markets sovereign and quasi-sovereign debt denominated in both hard and local currency debt. Portfolios will be managed to a blended benchmark with at least 40% including local bond components. Portfolios in this composite cannot be levered. Composite returns may include securities lending income. This composite was created on October 1, 2009.

3. Performance results are stated gross and net of model fees. Gross returns do not reflect the deduction of investment advisory fees or any other expenses that may be incurred in the management of the account. Model net returns are calculated monthly by geometrically linking 1/12th of the highest standard advisory fee in effect for the respective period to the gross composite return. The standard advisory fee schedule currently in effect is as follows: 0.55% on the first $100 million, 0.47% on the next $100 million and 0.40% thereafter. Actual client fees may vary depending on, among other things, the applicable fee schedule and portfolio size. Returns for each client will be reduced by such fees and expenses as described in their individual contract. The Firm's advisory fees (other than fees related to PGIM Japan) are disclosed in PGIM Fixed Income's SEC Form ADV Part 2A, which is available upon request. Fees related to PGIM Japan are also available upon request. Fees may be higher for commingled accounts, insurance company separate accounts, and trust, corporate, or bank-owned life insurance products. The composite shown may include accounts that are group annuity or life insurance products issued by The Prudential Insurance Company of America and/or its affiliated insurance subsidiaries. Performance has been calculated in US dollars and reflects the deduction of transaction costs and withholding taxes, if any, and the reinvestment of income. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance is not a guarantee or a reliable indicator of future results.

4. The internal dispersion of annual returns is measured by the standard deviation across the asset-weighted returns of portfolios represented in the composite for a full year. For periods where 5 or fewer accounts were included in the composite for the full year, internal dispersion is not disclosed, as it is not considered meaningful (NM). The three-year annualized standard deviation is calculated using monthly returns and measures the variability of the gross composite and benchmark returns over the preceding 36-month period. The three-year annualized ex-post standard deviation of the composite and benchmark are not presented for periods where 36 monthly returns are not available.

5. The customized benchmark for this composite is an even blend of the JPMorgan Government Bond Index-Emerging Markets Global Diversified Index and the JPMorgan Emerging Markets Bond Index Global Diversified Index rebalanced monthly. The Government Bond Index-Emerging Markets Global Diversified Index (GBI-EM Global) tracks total returns for local currency bonds issued by emerging market governments while the Emerging Markets Bond Index Global Diversified (EMBI Global) tracks total returns for USD-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, and Eurobonds. It limits the weights of those index countries with larger debt stocks by only including specified portions of these countries' eligible current face amounts of debt outstanding. Source of the benchmarks: JP Morgan. The financial indices referenced herein are provided for informational purposes only. The manager's holdings and portfolio characteristics may differ from those of the benchmark(s). Additional factors impacting the performance displayed herein may include portfolio-rebalancing, the timing of cash flows, and differences in volatility, none of which impact the performance of the financial indices. Financial indices reflect the reinvestment of income, if any, but do not reflect the impact of fees, applicable taxes or trading costs which may reduce the returns shown. You cannot invest directly in an index. The statistical data regarding such indices has been obtained from sources believed to be reliable. Benchmark returns are not covered by the report of independent verifiers.

6. Investing in foreign securities presents certain unique risks not associated with domestic investments such as currency fluctuation and political and economic changes. This may result in greater price volatility. Investing in emerging markets is generally riskier than investing in developed markets. Emerging market countries may have unstable governments and/or economies that are subject to sudden change. These changes may be magnified by the countries' emergent financial markets resulting in significant volatility to investments in these countries. These countries also may lack the legal, business, and social framework to support securities markets.

7. Currency and fixed income derivatives may be used in managing the portfolios. These may include forward currency contracts, currency and bond futures, swaps and options. These investments are both exchange-traded and traded over-the-counter with approved counter parties, which minimizes liquidity risk. These instruments are used in the portfolios for three purposes: timing to catch immediate market moves, providing the cheapest means of gaining or reducing interest rate and currency exposure, and creating an asymmetrical risk/return profile during times of heightened volatility. Derivatives are not used for purposes of leverage.

8. Information has been obtained from sources believed to be reliable but J.P. Morgan does not warrant its completeness or accuracy. The Index is used with permission. The Index may not be copied, used, or distributed without J.P. Morgan's prior written approval.

PGIM FIXED INCOME

Emerging Markets Debt Composite

As of December 31, 2019

Year	Composite (Gross %)	Composite (Net %)	Benchmark (%)	Composite 3 Year St Dev (%)	Benchmark 3 Year St Dev (%)	# of Portfolios	Internal Dispersion	Composite Market Value $(000s)	Firm Assets Under Mgmt $(in billions)
2019	16.46	15.82	15.04	5.94	4.85	12	0.25	4,793,704	850.54
2018	-5.57	-6.09	-4.26	6.47	5.46	11	0.22	4,426,961	743.47
2017	14.48	13.85	10.26	5.90	5.04	10	0.13	4,060,787	708.58
2016	12.77	12.15	10.15	6.82	5.78	8	NM	2,470,942	637.20
2015	2.16	1.60	1.18	7.46	6.51	10	0.54	3,965,915	574.77
2014	7.50	6.91	7.43	8.30	7.03	10	0.95	3,697,001	543.29
2013	-4.73	-5.25	-5.25	9.13	7.39	9	0.51	3,503,117	405.16
2012	23.69	22.83	17.44	8.24	6.27	8	0.54	3,091,779	394.75
2011	6.45	5.71	7.35	8.81	7.09	8	0.54	2,339,791	335.31
2010	15.17	14.37	12.24	15.36	13.03	7	0.46	1,675,266	269.74
2009	38.54	37.58	29.82	15.12	12.74	7	NM	1,702,299	231.88
2008	-17.70	-18.27	-12.03	14.44	11.99	6	4.61	789,293	198.16
2007	7.17	6.42	6.16	6.82	5.15	7	NM	1,473,904	201.78
2006	12.97	12.18	10.29	7.93	6.75	fewer than 5	NM	653,416	187.45
2005	17.78	16.96	11.86	8.62	7.95	fewer than 5	NM	195,701	170.28
2004	17.05	16.23	11.77	11.57	11.38	fewer than 5	NM	76,720	143.77
2003	37.01	36.05	28.82	12.06	12.26	fewer than 5	NM	61,455	150.79
2002	16.40	15.59	14.24	12.67	12.74	fewer than 5	NM	44,452	150.45
2001	8.13	7.38	-0.79	12.69	12.38	fewer than 5	NM	38,189	140.04
2000	16.62	15.80	15.66	21.14	21.57	fewer than 5	NM	35,317	129.31
1999	28.33	27.49	25.97	21.85	22.39	fewer than 5	NM	59,875	185.30
1998	-14.53	-15.04	-14.35			fewer than 5	NM	168,118	130.90
1997	14.60	13.92	13.02			fewer than 5	NM	54,612	119.50
1996-07 - 1996-12	23.05	22.68	20.64			fewer than 5	NM	12,943	105.60

	Period Ending 12/31/2019	Composite (Gross %)	Composite (Net %)	Benchmark (%)
	1 Year	16.46	15.82	15.04
	3 Year	7.98	7.39	6.69
	5 Year	7.72	7.13	6.24
	10 Year	8.46	7.82	6.90
Since	July 1, 1996	11.65	10.94	9.31

The inception date of the composite is July 1, 1996.

PGIM Fixed Income claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. PGIM Fixed Income has been independently verified for the periods January 1, 1993 through December 31, 2018.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Emerging Markets Debt composite has been examined for the periods July 1, 1996 through December 31, 2018. The verification and performance examination reports are available upon request.

Emerging Markets Debt Composite

As of December 31, 2019

Notes

1. PGIM Fixed Income (the "Firm") is a global asset manager primarily focused on public fixed income investments whose U.S. business operates as a unit of PGIM, Inc. PGIM, Inc. is an investment adviser registered with the United States Securities and Exchange Commission. The Firm is headquartered in Newark, New Jersey and also includes the following businesses: (i) the public fixed income unit within PGIM Limited, located in London; (ii) locally managed assets of PGIM Japan Co., Ltd ("PGIM Japan"), located in Tokyo; and (iii) the public fixed income unit within PGIM (Singapore) Pte. Ltd., located in Singapore. PGIM Japan has been included within the Firm as of June 30, 2014, resulting in an increase in assets under management (AUM) of approximately $105 billion. The Firm's list of composite descriptions is available upon request.

2. The Emerging Markets Debt Composite includes all discretionary portfolios whose investment objective is to achieve high risk-adjusted returns and outperform a diversified emerging markets debt index comprised of sovereign and quasi-sovereign issues. Portfolios in this composite will seek to achieve this objective by investing in the full range of sovereign, quasi-sovereign, and corporate emerging markets debt securities denominated in both hard and local currencies, and are managed against standard US$-denominated emerging markets benchmarks. As of April 1, 2016, the Emerging Markets Debt Composite was redefined to exclude portfolios that do not have the ability to take net short positions in emerging market currencies. This change was made to better reflect the strategy of the composite. Composite returns may include securities lending income. This composite was created on September 1, 2006.

3. Performance results are stated gross and net of model fees. Gross returns do not reflect the deduction of investment advisory fees or any other expenses that may be incurred in the management of the account. Model net returns are calculated monthly by geometrically linking 1/12th of the highest standard advisory fee in effect for the respective period to the gross composite return. The standard advisory fee schedule currently in effect is as follows: 0.55% on the first $100 million, 0.47% on the next $100 million and 0.40% thereafter. Actual client fees may vary depending on, among other things, the applicable fee schedule and portfolio size. Returns for each client will be reduced by such fees and expenses as described in their individual contract. The Firm's advisory fees (other than fees related to PGIM Japan) are disclosed in PGIM Fixed Income's SEC Form ADV Part 2A, which is available upon request. Fees related to PGIM Japan are also available upon request. Fees may be higher for commingled accounts, insurance company separate accounts, and trust, corporate, or bank-owned life insurance products. The composite shown may include accounts that are group annuity or life insurance products issued by The Prudential Insurance Company of America and/or its affiliated insurance subsidiaries. Performance has been calculated in US dollars and reflects the deduction of transaction costs and withholding taxes, if any, and the reinvestment of income. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request. Past performance is not a guarantee or a reliable indicator of future results.

4. The internal dispersion of annual returns is measured by the standard deviation across the asset-weighted returns of portfolios represented in the composite for a full year. For periods where 5 or fewer accounts were included in the composite for the full year, internal dispersion is not disclosed, as it is not considered meaningful (NM). The three-year annualized standard deviation is calculated using monthly returns and measures the variability of the gross composite and benchmark returns over the preceding 36-month period. The three-year annualized ex-post standard deviation of the composite and benchmark are not presented for periods where 36 monthly returns are not available.

5. As of March 1, 2006 the benchmark for this composite is the JP Morgan EMBI Global Diversified. The Emerging Markets Bond Index Global Diversified (EMBI Global) tracks total returns for USD-denominated debt instruments issued by emerging market sovereign and quasi-sovereign entities: Brady bonds, loans, and Eurobonds. It limits the weights of those index countries with larger debt stocks by only including specified portions of these countries' eligible current face amounts of debt outstanding. Source of the benchmark: JP Morgan. Prior to March 1, 2006 the benchmark for this composite was the JP Morgan Emerging Markets Bond Index Plus. This index is a liquid US-dollar emerging markets debt benchmark that tracks total returns for actively traded external debt instruments issued by emerging market sovereign entities: US-dollar denominated Brady bonds, Eurobonds, and loans. Countries included in the index must be rated Baa1/BBB+ or below by Moody's/S&P rating agencies. Source of the benchmark: JP Morgan. The change in benchmark was made to more accurately reflect the strategy of the composite. The financial indices referenced herein are provided for informational purposes only. The manager's holdings and portfolio characteristics may differ from those of the benchmark(s). Additional factors impacting the performance displayed herein may include portfolio-rebalancing, the timing of cash flows, and differences in volatility, none of which impact the performance of the financial indices. Financial indices reflect the reinvestment of income, if any, but do not reflect the impact of fees, applicable taxes or trading costs which may reduce the returns shown. You cannot invest directly in an index. The statistical data regarding such indices has been obtained from sources believed to be reliable. Benchmark returns are not covered by the report of independent verifiers.

6. Investing in foreign securities presents certain unique risks not associated with domestic investments such as currency fluctuation and political and economic changes. This may result in greater price volatility. Investing in emerging markets is generally riskier than investing in developed markets. Emerging market countries may have unstable governments and/or economies that are subject to sudden change. These changes may be magnified by the countries' emergent financial markets resulting in significant volatility to investments in these countries. These countries also may lack the legal, business, and social framework to support securities markets.

7. Currency and fixed income derivatives may be used in managing the portfolios. These may include forward currency contracts, currency and bond futures, swaps and options. These investments are both exchange-traded and traded over-the-counter with approved counter parties, which minimizes liquidity risk. These instruments are used in the portfolios for three purposes: timing to catch immediate market moves, providing the cheapest means of gaining or reducing interest rate and currency exposure, and creating an asymmetrical risk/return profile during times of heightened volatility. Derivatives are not used for purposes of leverage.

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Los Angeles City Employees' Retirement System

WELLINGTON MANAGEMENT®

Blended Opportunistic Emerging Markets Debt

19 August 2020

Kevin Murphy Partner and Fixed Income Portfolio Manager
Maura A. Neely, CFA Partner and Investment Director
Akin N. Greville, CFA Managing Director and Business Development Manager

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Agenda

WELLINGTON
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Our distinctive strengths

A singular focus on investment management

Long-term perspective of a partnership structure

Comprehensive capabilities

Rigorous proprietary research

Open, collaborative culture

A commitment to bringing the right resources to each client

Our mission is simple: We seek to exceed the investment objectives and service expectations of our clients worldwide.

WELLINGTON
MANAGEMENT®

Wellington Management today

Diversified asset base

USD 1,121 billion in client assets under management

42% equity, 41% fixed income, 17% multi-strategy – including ~ USD 27.6 billion in alternatives[1]

Global resources

2,695 employees

847 investment professionals

14 offices with investment and relationship personnel in key financial centers

Globally integrated research since 1972

We serve as a trusted adviser and strategic partner to investors worldwide.

[1]Alternatives data as of 30 April 2020 | As of 30 June 2020

Emerging markets investing at Wellington Management

Collaborative boutiques supported by central research resources

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MANAGEMENT®

Emerging markets research resources at a glance

Dedicated resources in the US, Europe, and Asia

Portfolio managers averaging 23 years of experience

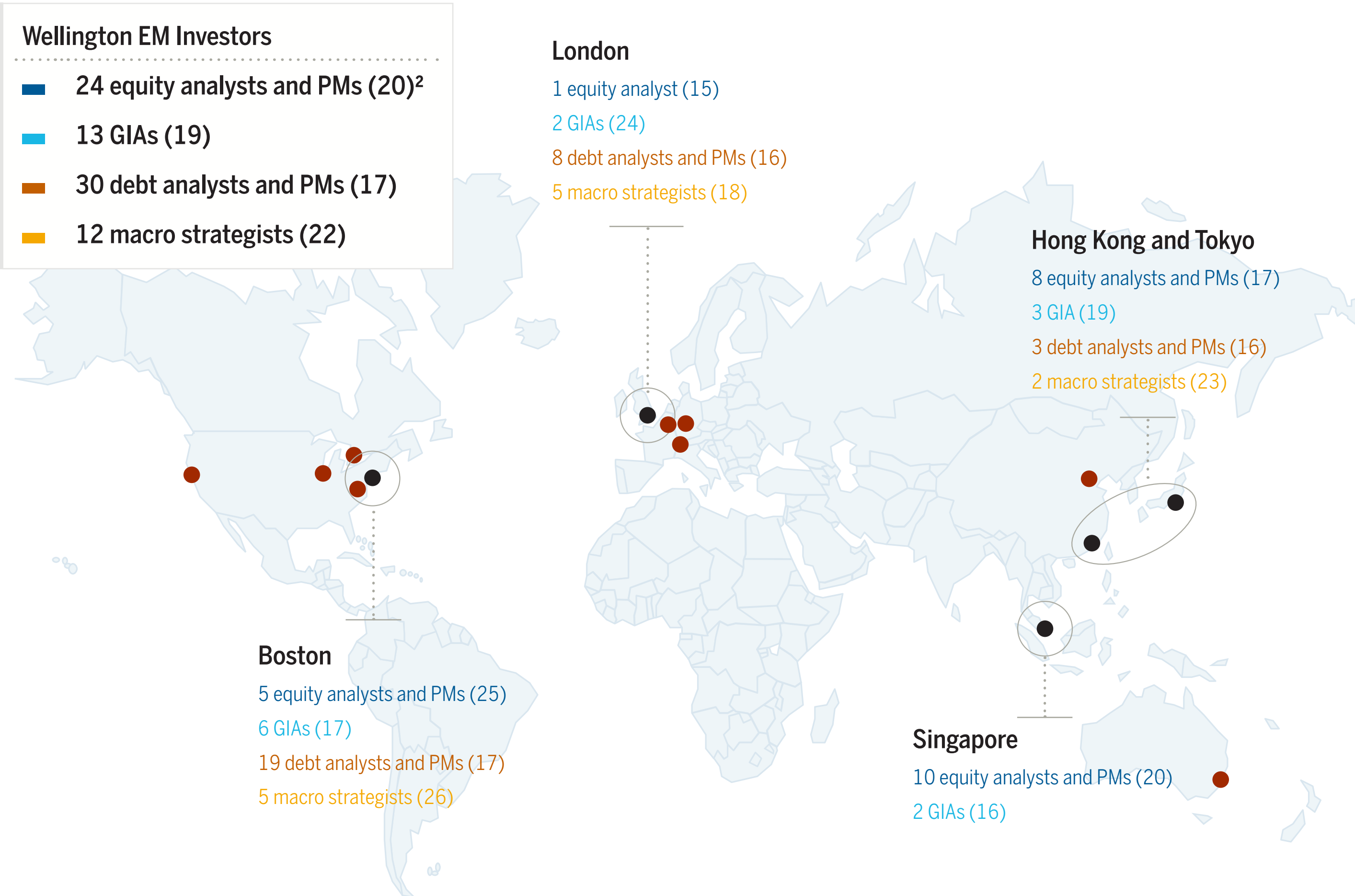
25 languages spoken[1]

Nearly 1,000 EM stocks covered by our equity researchers

Over 80 emerging countries rated by our fixed income analysts

Nearly 400 emerging corporate issuers covered by the fixed income team

Specialized emerging markets fixed income trading and new issue syndicate team



● Wellington office with EM investment personnel
● Other Wellington office locations

[1]Languages data as of 31 March 2020 | [2]Average number of years professional experience | As of 30 June 2020

WELLINGTON MANAGEMENT®

Representative client list

Corporations

AbbVie Inc.
Allfunds Bank
American Electric Power System
BT Pension Scheme
Canadian Pacific
Canada Post Pension Plan
Cargill, Inc.
CoINVEST Limited
Dow Chemical
Graymont, Inc.
Hallmark Cards, Inc.
International Paper Company
Laerernes Pension
Medtronic, Inc.
Merck & Company
MKS Instruments
Northrop Grumman Corporation
PG&E Corporation
Royal Bank of Canada
Siemens Corporation
SPF Beheer
TELUS
Textron, Inc.
Trans-Canada Capital
TransCanada PipeLines
United Technologies Corporation

Insurance (general account assets)

Assured Guaranty Corp.
Hiscox
Mortgage Guaranty Insurance Corporation
UHG

Endowments, Foundations, and Family Offices

Chicago Symphony Orchestra
Children's Medical Center
Diocese of Portland
Jewish Foundation of Greater Toronto
Massachusetts Institute of Technology
Renaissance Charitable Foundation
Stanhope Capital
University Hospitals Health System
University of Kentucky
Wespath Benefits and Investments

Public Sector, Sovereign, and Taft-Hartley

Alberta Teachers' Retirement Fund
Flintshire County Council
Government of Bermuda
Hospital Authority Provident Fund Scheme
Massachusetts Laborers' Pension Fund
Mississippi Public Employees Retirement System
Ohio Carpenters' Pension Fund
Oklahoma Teachers Retirement System
Ontario Teachers' Pension Plan (OTPP)
Oregon Laborers – Employers Pension Trust Fund
Retail Employees Superannuation Trust
State of Oregon
Treasurer of the State of North Carolina

Subadvisory Relationships

GAM
Nikko Asset Management
UOB Asset Management Ltd
Vanguard

As of 30 June 2020 | Clients included on the list above were selected based on client type, account size, and/or other nonperformance-based criteria to show a list of representative clients. This list does not represent an endorsement of the firm or its services.

Why Wellington Management Opportunistic Emerging Markets Debt

WELLINGTON MANAGEMENT®

Experience

Wellington Management has been investing in emerging markets debt since the inception of the asset class in the early 1990s

Comprehensive Research, Collaborative Culture

Our 35 member emerging markets debt investment team is supported by colleagues in equities, fixed income, commodities, and currencies

- Enables us to develop multi-dimensional views of the countries in which we invest
- Helps us keep emerging markets in a broader global context

Disciplined, systematic investment process

We combine quantitative and fundamental research in a disciplined, consistent investment process to identify attractive opportunities

Consistent performance[1]

Our Blended Opportunistic Emerging Markets Debt approach has consistently outperformed its benchmark on a gross rolling three-year basis since its inception

[1]When evaluating long-term historical performance, we have selected the rolling three year periods as they are generally considered to capture full market cycles. Based on the gross of fee composite returns through 30 June 2020 for the Blended Opportunistic Emerging Markets Debt Composite since its inception date of 28 February 2009. | Benchmark is a blend of JPM EMBI Gbl Div (50%) & JPM GBI-EM Gbl Div (50%) | **PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS AND AN INVESTMENT CAN LOSE VALUE.** Gross performance results are net of commissions and other direct expenses, but before (gross of) advisory fees, custody charges, withholding taxes, and other indirect expenses, and include reinvestment of dividends and other earnings. If all expenses were reflected, the performance shown would be lower. Actual fees will vary depending on, among other things, the applicable fee schedule and account size. For example, if US$100,000 was invested and experienced a 10% annual return compounded monthly for ten years, its ending value, without giving effect to the deduction of advisory fees, would be US$270,704 with an annualized compounded return of 10.47%. If an advisory fee of 0.95% of average net assets per year were deducted monthly for the ten-year period, the annualized compounded return would be 9.43% and the ending dollar value would be US$246,355. Information regarding the firm's advisory fees is available upon request. Composite returns have the potential to be adjusted until reviewed and finalized 30 days following each calendar quarter end period. For use in one-on-one presentations only. This supplemental information complements the GIPS® compliant presentation provided in the attachment.

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Emerging Markets Debt at Wellington Management

- **Early 1990s** — First Brady Bond investments
- **Mid 1990s** — First local market investments
- **1999** — Emerging Markets Debt
- **2004** — Emerging Local Currency
- **2006** — Emerging Markets Debt Long/Short Fund
- **2007** — Opportunistic Emerging Markets Debt
- **2007** — Emerging Local Debt
- **2009** — Blended Opportunistic Emerging Markets Debt
- **2011** — Emerging Markets Corporate Debt
- **2015** — ELD Advanced Beta

US$32.5 billion in dedicated assets

US$5.5 billion in Blended Opp EMD strategy

Long history of emerging markets debt investing

Deep and experienced investment team

Thoughtful capacity management

June 2020

WELLINGTON
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Blended Opportunistic Emerging Markets Debt

Objective, approach, and key characteristics

Description

Blended Opportunistic Emerging Markets Debt is a benchmark aware, emerging markets debt approach that invests across the full EM fixed income spectrum

Objective

Outperform the benchmark over a full market cycle

Benchmark

50% JPMorgan EMBI Global Diversified
50% JPMorgan GBI-EM Global Diversified

Investment universe

External sovereign debt
Local sovereign debt
Corporate debt
EM currencies
Developed market bonds and currencies
Swaps, futures, forwards, options

Typical characteristics[1]

Average credit quality	BBB/BB
Portfolio duration (yrs)	±2
Expected turnover (%)	75 – 100

Historical sector ranges[2]

	Average (%)	Range (%)
External debt	57	40 – 70
Local markets[3]	56	45 – 70
Corporate debt	7	0 – 20

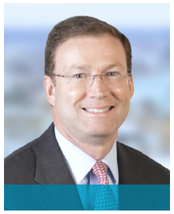
[1]The below characteristics are sought during the portfolio management process. Actual experience may not reflect all of these characteristics, or may be outside of stated ranges. | [2]Historical ranges based on trailing 10 year month-end data and have been rounded to the nearest 5%. | [3]Local market exposure represents the combination of local debt and local currency exposure. Local market exposure at the portfolio level is the sum of the local market exposure calculations done at the individual country level.

WELLINGTON MANAGEMENT®

Emerging Markets Debt

Investment team and resources

Jim Valone, CFA
Portfolio Manager
32 years experience



Kevin Murphy
Portfolio Manager
33 years experience

Evan Ouellette
Portfolio Manager
20 years experience

Maura Neely
Investment Director
30 years experience

Additional Portfolio Management Resources

Julian Dwek
Portfolio Manager
20 years experience

Michael Henry
Portfolio Manager
24 years experience

Eric Lambi
Portfolio Manager
19 years experience

Alonso Perez-Kakabadse, PhD
Portfolio Manager
20 years experience

Schuyler Reece, CFA
Portfolio Manager
12 years experience

Dedicated resources

Sovereign Research

Ludvig Söderling, PhD
Macro Strategist

Gillian Edgeworth
Macro Strategist

Matt Hildebrandt
Macro Strategist

Corporate Research

Alwyn Pang, CFA
Credit Analyst

Desmond Lee, CFA
Credit Analyst

Sam Epee-Bounya
Credit Analyst

Dmitry Sentchoukov
Credit Analyst

Xena Dai
Credit Analyst

Quantitative Strategists

Kazim Kazimov, PhD
FI Strategist – EM Rates

Roger Liao
Fixed Income Strategist

Yi Wang, PhD
FI Strategist – EM Currencies

Sauli Nathan, PhD
Quantitative – Portfolio Manager

Marlyn Anthonyrajah
Fixed Income Strategist

Portfolio Analysts

Nick Ouellette
Solutions Portfolio Manager

Emma Baron
Portfolio Analyst

Steve Lee
Portfolio Analyst

Connie Torrens-Spence
Portfolio Analyst

Risk Management

Bill Schmitt, PhD
Investment Risk Manager

Trading

Marc MacLachlan, CFA
Trader

Sean Hayes
Trader

Dominic Godfrey
Trader

Katie O'Hare
Trader

Brett McClenning
Trader

Product Management

Maura Neely, CFA
Investment Director

Darren Capeloto
Investment Director

Marena Hnat-Dembitz
Investment Specialist

Patricia Goodstadt, PhD
Investment Director

Shared resources

Global Perspectives: Macro Strategy

North America

Toby Johnston
Macro Strategist

Mike Medeiros, CFA
Macro Strategist

Juhi Dhawan, PhD
Macro Strategist

Europe

John Butler
Macro Strategist

Jens Larsen, PhD
Macro Strategist

Eoin O'Callaghan
Macro Strategist

Asia

Paul Cavey
Macro Strategist

Tushar Poddar, PhD
Macro Strategist

Market Insights: Portfolio Management

Fixed Income

Campe Goodman, CFA
US Broad Market
Portfolio Manager

Chris Jones, CFA
Global High Yield
Portfolio Manager

Equity

Vera Trojan, CFA
Team Leader, Emerging Markets

Technical Analysis

Brian Decker
Market Strategist

Commodities

David Chang, CFA
Portfolio Manager

June 2020

WELLINGTON MANAGEMENT®

Opportunistic Emerging Markets Debt investment philosophy

View emerging markets with a global perspective

The global economic cycle can have an important impact on emerging markets' economic performance

Seek to capture market inefficiencies with disciplined research

Market segmentation in this asset class is generally high given the global investor base

A disciplined research approach that incorporates macroeconomic, currency, interest rate, and credit analysis can uncover value in emerging debt markets

Manage risk

Apply both quantitative and fundamental risk assessments to bonds, currencies, and derivatives

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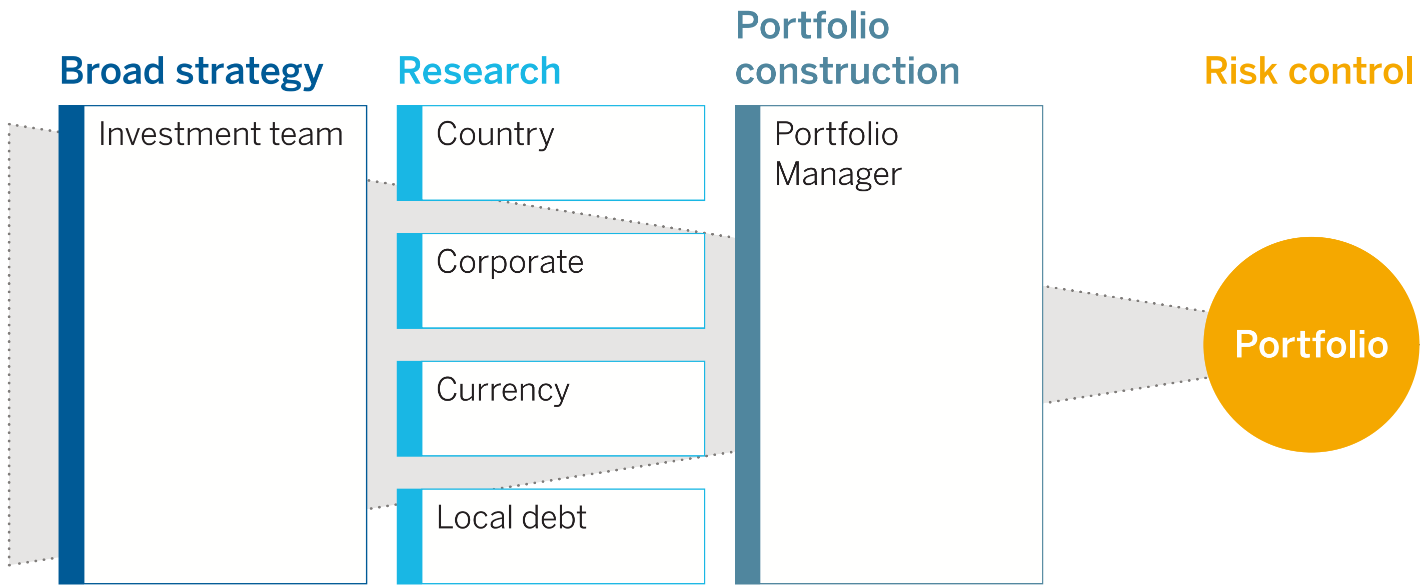
Opportunistic Emerging Markets Debt investment process



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Fundamental research and quantitative relative valuation

Broad strategy

Inputs
- Secular trends
- Economic cycle
- Relative value

Outputs
- Portfolio risk
- Sector allocations
- Local exposure

Research

Inputs
- Economic forecasts
- Quantitative models
- Site visits
- ESG analysis

Outputs
- Country scores
- Corporate spreads
- Currency targets
- Rate forecasts

Portfolio construction

Inputs
- Expected returns
- Relative valuations
- Investment conviction

Outputs
- Country weights
- Corporate holdings
- Currency positions
- Instrument selection

Risk control

Inputs
- Expected volatilities
- Correlation assumptions
- Downside scenarios

Outputs
- Value-at-Risk
- Sensitivity analysis
- Stress tests

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Emerging Markets Debt

Our ESG philosophy

ESG factors are a critical component of the fundamental research we conduct for emerging markets issuers

All else equal, we believe that issuers with stronger ESG characteristics will deliver stronger long term returns

We seek to be compensated for both financial and ESG risks when making investment decisions for portfolios

We do not automatically screen out issuers solely on the basis of ESG concerns

We believe both the level and trajectory of ESG characteristics are important

We will invest in issuers with weaker scores if we believe that the trend is positive or if valuations compensate for the risks

Constructive engagement with issuers is the most effective way to improve ESG standards

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Emerging Markets Debt: outlook snapshot

Global liquidity supports EM assets

Unprecedented global stimulus moderates economic weakness

EM debt valuations attractive, even after recent retracement

Impact of COVID-19 and oil price shock will vary by country

Risk factors to watch

DM policy response

EM policy response

EMD valuations

Covid-19 spread

Oil markets

Conclusion: Moderately pro-risk with emphasis on country differentiation

Views of the Emerging Markets Debt Team are based on available information and are subject to change without notice. Information contained within the Outlook section contains estimates and forecasts. Actual results may differ significantly from information shown. Individual portfolio management teams may hold different views. This is not to be construed as investment advice or a recommendation to buy or sell any security or asset class.

BOARD Meeting: 09/08/20
Item V-B
Attachment 1

IC Meeting: 08/19/20
Item II
Attachment 4

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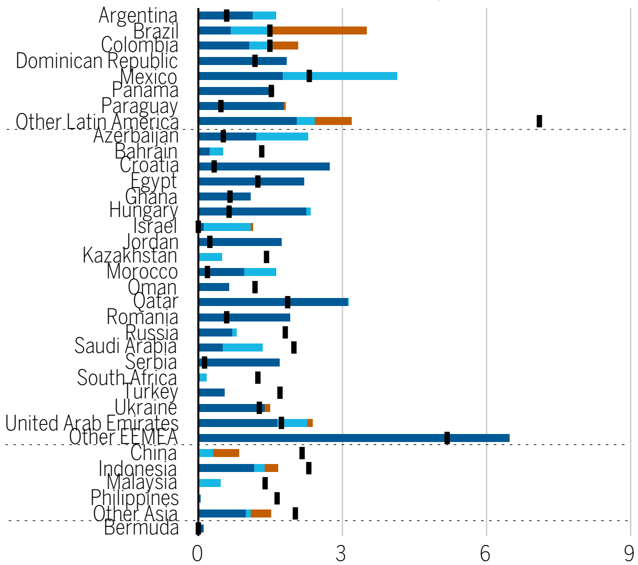
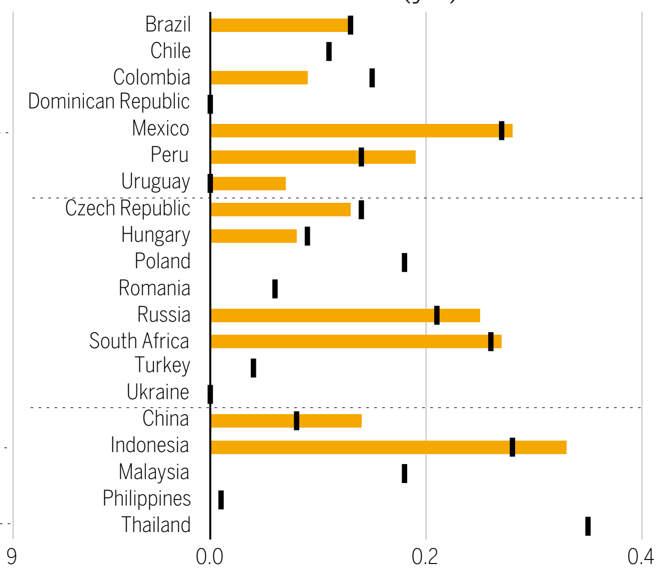
Blended Opportunistic Emerging Markets Debt

Representative account
Portfolio characteristics as of 30 June 2020

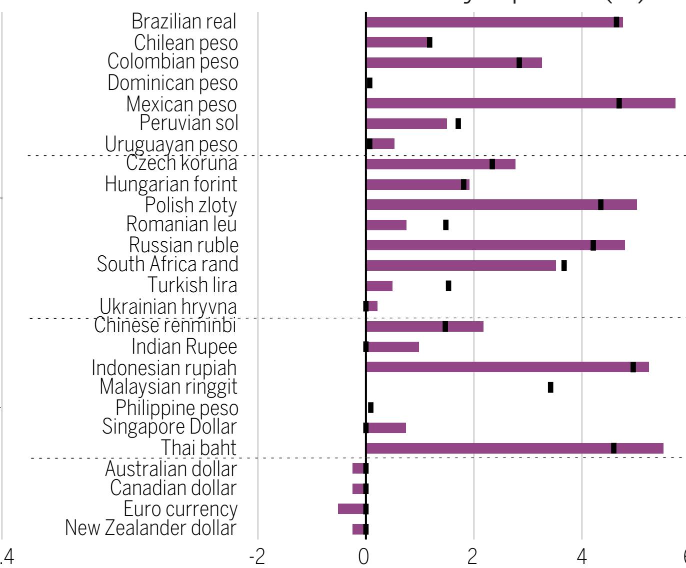
EM external debt exposure (%)



Local debt CTD (yrs)[1]



Currency exposure (%)[2]



External sovereign | External quasi-sovereign | External corporate | Local sovereign | Currency | Benchmark

	Yield (%)	Credit spread duration (yrs)	Effective duration (yrs)	Cash balance	External debt exposure (%)[3]	Local debt exposure (%)[4]	EM Currency exposure (%)	Corporate exposure (%)	Supranational exposure (%)	Moody's average rating	S&P average rating
Representative account	4.9	4.2	6.7	4.6	56.3	30.2	51.1	5.3	1.9	Baa3	BBB
JPM EMBI Glbl Div (50%) & GBI EM Glbl Div (50%) Blend	4.4	3.8	6.6	–	50.0	50.0	50.0	–	–	Baa2	BBB

[1]Includes local sovereign, may include local quasi-sovereign and local corporate, excludes supranational | [2]US dollar exposure of 50.17% is excluded from the currency chart | [3]External debt exposure represents the combination of external sovereign and external quasi-sovereign debt, not including external corporate debt | [4]Local debt exposure represents the combination of local sovereign and local quasi-sovereign debt, not including local corporate debt | Futures are excluded from the chart. DM government bond futures are used for interest rate management purposes. | EM CDX exposure is excluded and may consist of sovereign, quasi-sovereign, and/or corporate exposure | The data shown is of a representative account, is for informational purposes only, is subject to change, and is not indicative of future portfolio characteristics or returns. The representative account shown was designated on 1 January 2018 and was selected because it has minimal investment restrictions and most closely conforms to the Blended Opportunistic Emerging Markets Debt strategy. Each client account is individually managed; individual holdings will vary for each account and there is no guarantee that a particular account will have the same characteristics as described. Actual results may vary for each client due to specific client guidelines, holdings, and other factors. In certain circumstances, the designated representative account may have changed over time, for reasons including, but not limited to, account termination, imposition of significant investment restrictions or material asset size fluctuations. Representative account information is supplemental to the GIPS® compliant presentation for the Opportunistic Emerging Markets Debt – Blended Index Composite which is provided in the attachment. | Portfolio characteristics are based on the underlying holdings of the representative account and are subject to change. This data may be sourced internally or externally depending on the specific approach, availability of internal data, underlying holdings characteristics, and other factors. Projected or forward looking characteristics are based on a number of assumptions and the use of alternative assumptions could yield significantly different results. Additional information on this data is available upon request. | Sources: Wellington Management, JPMorgan

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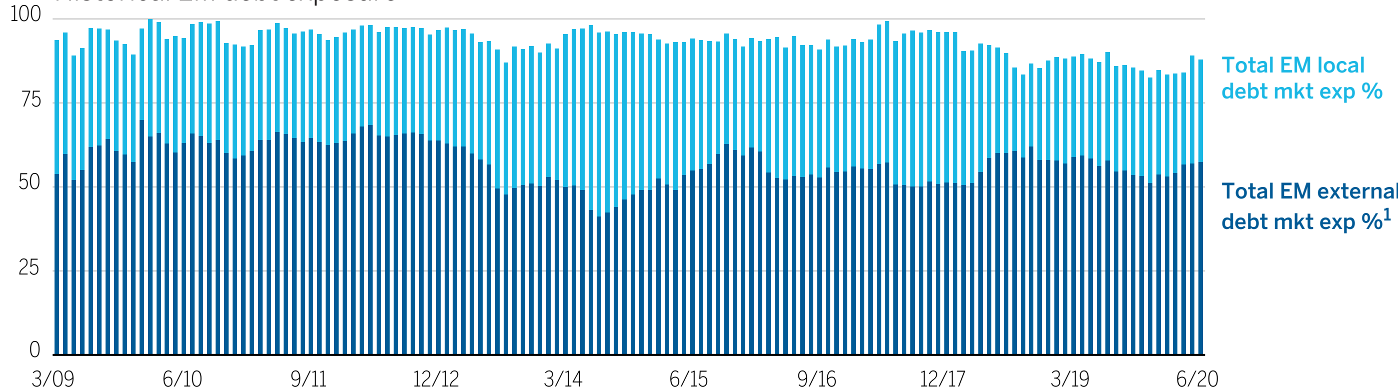
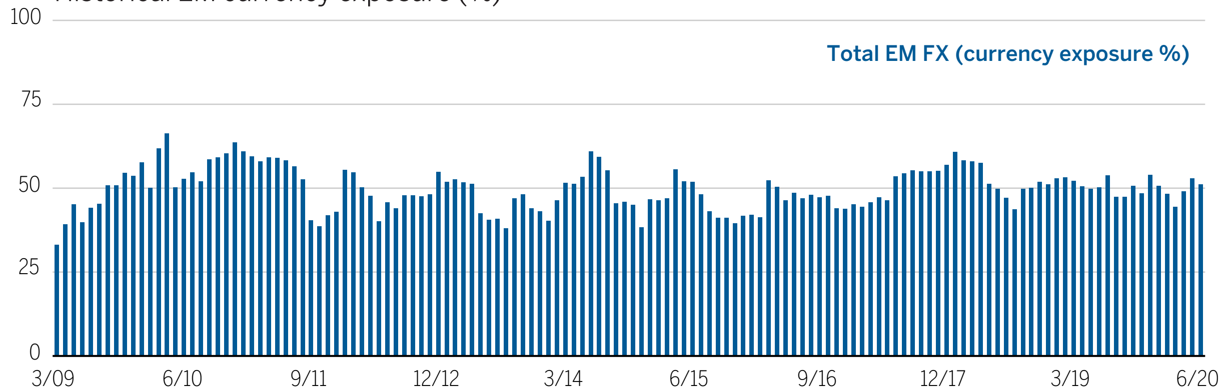
Blended Opportunistic EMD representative account

Historical allocations through 30 June 2020

Blended Opportunistic EMD
Historical EM debt exposure



Blended Opportunistic EMD
Historical EM currency exposure (%)



	Avg Corp Exp (%)	Corp Max	Corp Min	Avg EM External Mkt Exp (%)[1]	External Max	External Min	Avg EM Local Mkt Exp (%)	Local Max	Local Min	Avg EM Currency Exposure (%)	EM Currency Max	EM Currency Min
Blended Opp EMD	7	20	1	57	70	41	56	72	44	50	66	33

[1]Includes CDX; both local and external include corporate holdings | Data shown since inception of the Opportunistic Emerging Markets Debt – Blended Index which is 1 March 2009 | Local market exposure represents the combination of local debt and local currency exposure. Local market exposure at the portfolio level is the sum of the local market exposure calculations done at the individual country level. | EM External Debt exposure includes emerging markets sovereign, quasi sovereign and corporate debt in hard currency | Currency exposure only includes exposure to emerging market currencies | The data shown is of a representative account, is for informational purposes only, is subject to change, and is not indicative of future portfolio characteristics or returns. The representative account shown was designated on 1 January 2018 and was selected because it has minimal investment restrictions and most closely conforms to the Blended Opportunistic Emerging Markets Debt strategy. Each client account is individually managed; individual holdings will vary for each account and there is no guarantee that a particular account will have the same characteristics as described. Actual results may vary for each client due to specific client guidelines, holdings, and other factors. In certain circumstances, the designated representative account may have changed over time, for reasons including, but not limited to, account termination, imposition of significant investment restrictions or material asset size fluctuations. Representative account information is supplemental to the GIPS® compliant presentation for the Opportunistic Emerging Markets Debt – Blended Index Composite which is provided in the attachment. | Chart data: March 2009 – June 2020

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Blended Opportunistic Emerging Markets Debt Composite

Investment returns (US$) through 30 June 2020

			Annualized returns (%)				
	YTD	3 mos	1 yr	3 yrs	5 yrs	10 yrs	Since inception[1]
Blended Opportunistic Emerging Markets Debt Composite (gross)	**-4.11**	**12.23**	**0.65**	**3.86**	**5.37**	**5.51**	**8.57**
JP EMBI Gbl Div (50%) & GBI-EM Gbl Div (50%) Blend	-4.80	11.05	-1.10	2.43	3.89	3.89	6.49
Active return (gross vs benchmark)	0.69	1.18	1.75	1.42	1.48	1.63	2.08

	Calendar year returns (%)				
	2019	2018	2017	2016	2015
Blended Opportunistic Emerging Markets Debt Composite (gross)	**17.28**	**-5.34**	**14.56**	**12.55**	**-6.72**
JP EMBI Gbl Div (50%) & GBI-EM Gbl Div (50%) Blend	14.31	-5.15	12.74	10.16	-7.14
Active return (gross vs benchmark)	2.97	-0.19	1.82	2.39	0.43

	Calendar year returns (%)				
	2014	2013	2012	2011	2010
Blended Opportunistic Emerging Markets Debt Composite (gross)	**2.02**	**-5.48**	**21.97**	**2.35**	**16.43**
JP EMBI Gbl Div (50%) & GBI-EM Gbl Div (50%) Blend	0.71	-7.10	17.21	2.79	14.02
Active return (gross vs benchmark)	1.32	1.63	4.77	-0.44	2.41

[1]Inception date of the composite is 28 February 2009. | Composite returns are preliminary and have the potential to be adjusted until reviewed and finalized 30 days following each calendar quarter end period. | Performance returns for periods one year or less are not annualized. | **PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS AND AN INVESTMENT CAN LOSE VALUE.** Gross performance results are net of commissions and other direct expenses, but before (gross of) advisory fees, custody charges, withholding taxes, and other indirect expenses, and include reinvestment of dividends and other earnings. If all expenses were reflected, the performance shown would be lower. Actual fees will vary depending on, among other things, the applicable fee schedule and account size. For example, if US$100,000 was invested and experienced a 10% annual return compounded monthly for ten years, its ending value, without giving effect to the deduction of advisory fees, would be US$270,704 with an annualized compounded return of 10.47%. If an advisory fee of 0.95% of average net assets per year were deducted monthly for the ten-year period, the annualized compounded return would be 9.43% and the ending dollar value would be US$246,355. Information regarding the firm's advisory fees is available upon request. Composite returns have the potential to be adjusted until reviewed and finalized 30 days following each calendar quarter end period. For use in one-on-one presentations only. This supplemental information complements the GIPS® compliant presentation provided in the attachment. | Totals may not add due to rounding.

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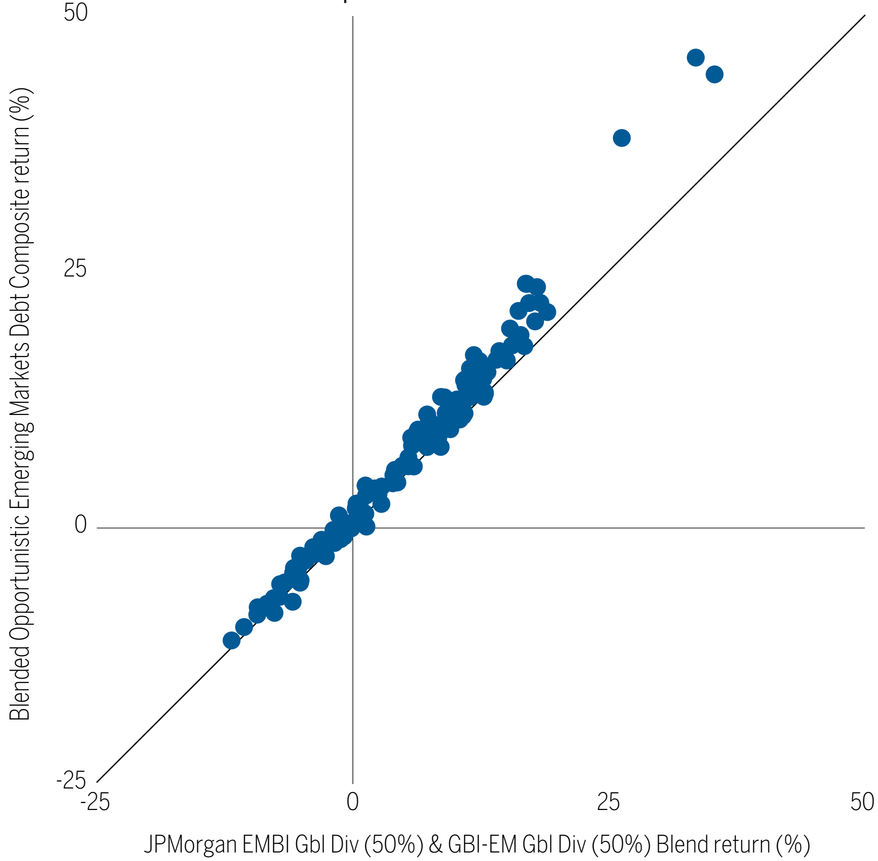
Blended Opportunistic Emerging Markets Debt Composite

Consistent historical gross returns

Rolling twelve-month gross annualized returns by month since inception[1] ended 30 June 2020



[1]Inception date of the Blended Opportunistic Emerging Markets Debt composite is 28 February 2009 | Gross performance results are net of commissions and other direct expenses, but before (gross of) advisory fees, custody charges, withholding taxes, and other indirect expenses, and include reinvestment of dividends. If all expenses were reflected, the performance shown would be lower. Actual fees will vary depending on, among other things, the applicable fee schedule and account size. For example, if US$100,000 was invested and experienced a 10% annual return compounded monthly for ten years, its ending value, without giving effect to the deduction of advisory fees, would be US$270,704 with an annualized compounded return of 10.47%. If an advisory fee of 0.95% of average net assets per year were deducted monthly for the ten-year period, the annualized compounded return would be 9.43% and the ending dollar value would be US$246,355. Information regarding the firm's advisory fees is available upon request. Composite returns have the potential to be adjusted until reviewed and finalized 30 days following each calendar quarter end period. Past performance is no guarantee of future results. For use in one-on-one presentations only. This supplemental information complements the GIPS® compliant presentation provided in the attachment. | **PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS AND AN INVESTMENT CAN LOSE VALUE**

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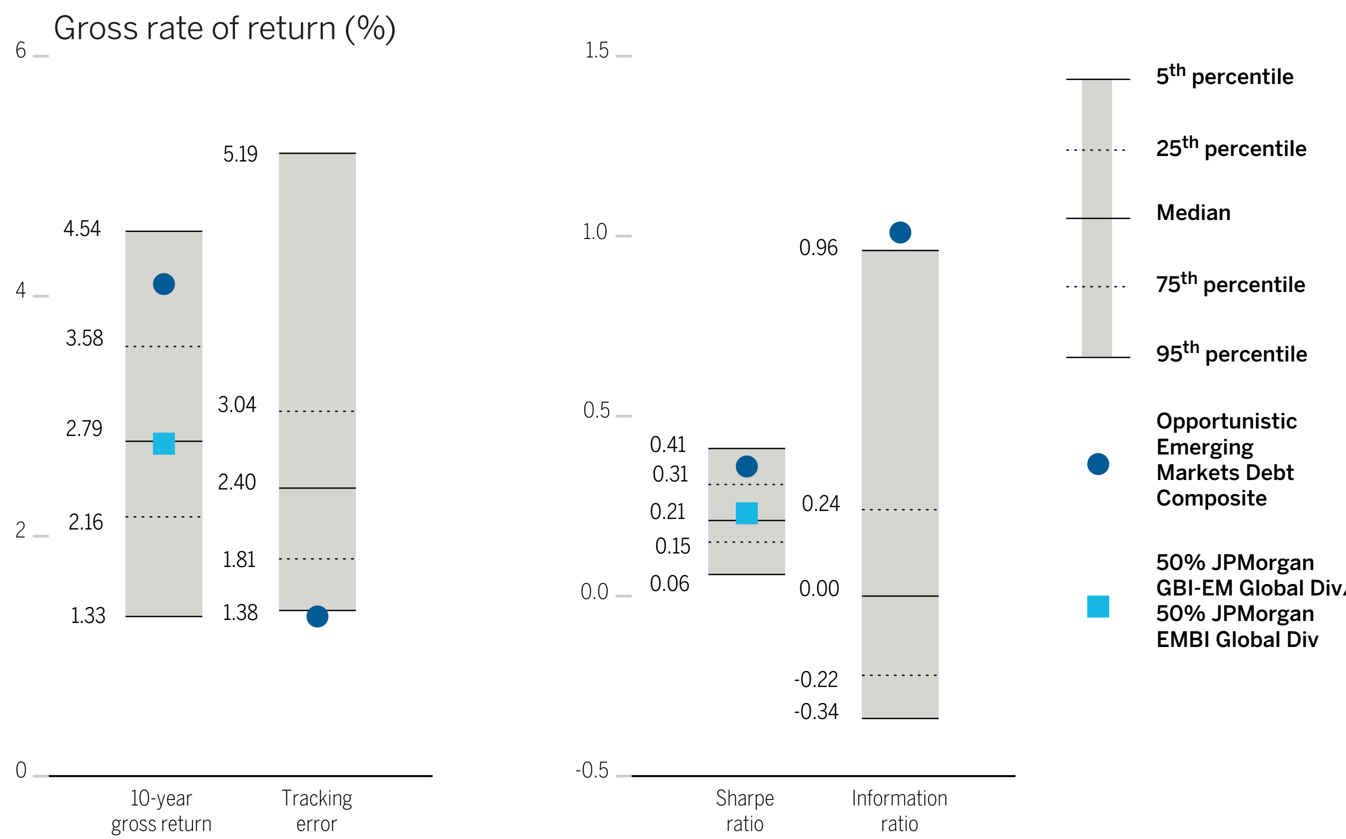
Blended Opportunistic Emerging Markets Debt Composite

Competitive peer group[1] analysis as of 31 March 2020
10-year risk analysis



	1 year	3 years	5 years	10 years
Return (gross) percentile rank	9	7	10	8
# of constituents	44	44	38	14

[1]The Emerging Markets Fixed Income – Blended Currency manager returns are presented in USD for the 1, 3, 5, and 10 years ended 31 March 2020 | Source: eVestment Alliance. The inception of the Emerging Markets Debt Composite (the "Adviser") was 28 February 2009. The peer group comparison represents percentile rankings, which are based on gross of fee returns and reflects where those returns fall within the indicated eVestment Alliance universe. The custom Blended Filtered Universe includes strategies within The Global Emerging Markets Fixed Income– Blended Currency universe includes portfolios deemed appropriate by eVestment Alliance and that use any blended benchmark (custom blended EM benchmark or the traditional 50/50, 25/25/50, and 1/3 splits), excluding benchmark agnostic strategies and those that use rates such as LIBOR and EURIBOR. Constituent observations are as of 7 May 2020. The Advisor did not pay a fee to be included in the rankings. Data is that of a third party. While data is believed to be reliable, no assurance is being provided as to its accuracy or completeness. | **PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS AND AN INVESTMENT CAN LOSE VALUE.** Gross performance results are net of commissions and other direct expenses, but before (gross of) advisory fees, custody charges, withholding taxes, and other indirect expenses, and include reinvestment of dividends. If all expenses were reflected, the performance shown would be lower. This supplemental information complements the GIPS® compliant presentation provided in the attachment.

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Blended Opportunistic Emerging Markets Debt

Key guidelines

Fully discretionary Blended Opportunistic Emerging Markets Debt portfolios will be managed according to the following guidelines

Preferred benchmark	50% JPMorgan EMBI Global Diversified and 50% JPMorgan GBI Emerging Markets Global Diversified
Interest rate risk	Duration range: Index 0 – 10 years
Credit risk	Ability to use the full quality spectrum
Diversification risk	Single country/currency max: 25% of portfolio assets
Currency risk	Ability to take currency exposure via fx forwards and options
Derivatives usage	Includes forwards, swaps, options, futures Used to manage risk and for efficient portfolio management
Ability to short	May be done synthetically, subject to other guideline limits
Out of index exposure	Permitted, including both EM and DM

Portfolios with guidelines different from those noted above may generate different performance results

Please refer to the standard guidelines for the approach for a comprehensive discussion of strategy guidelines

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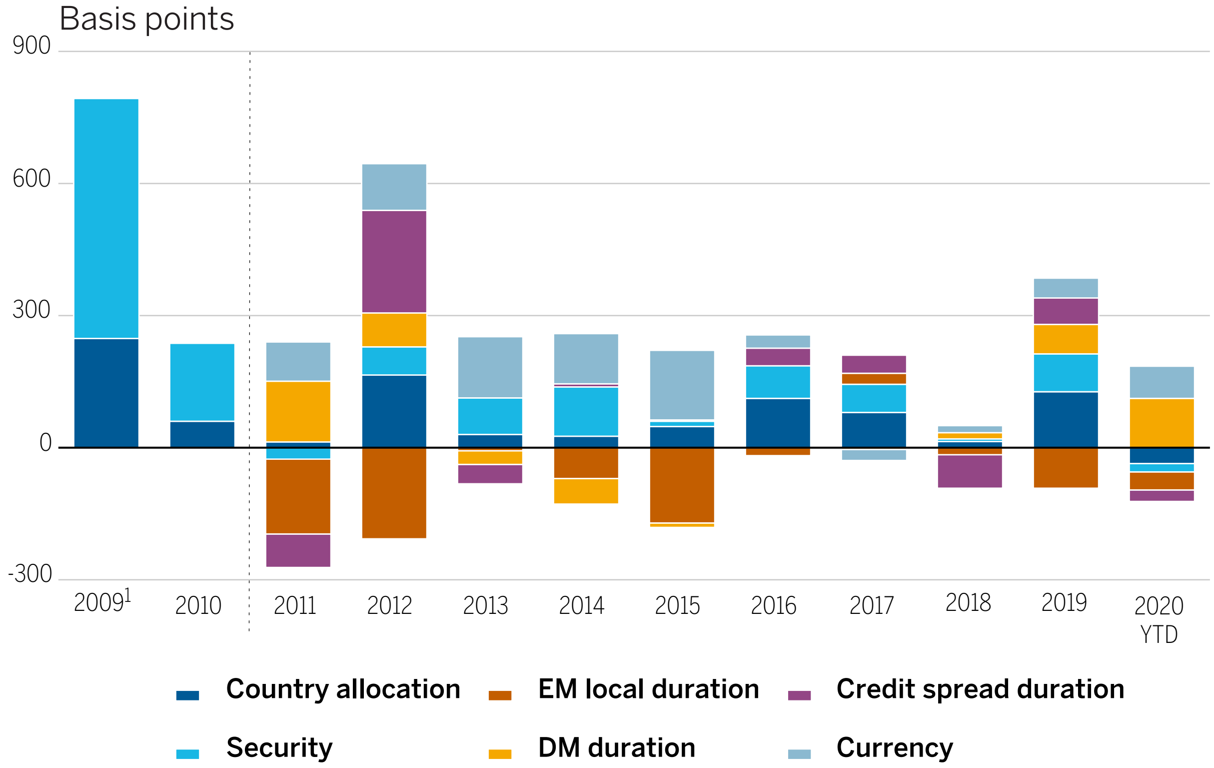
Blended Opportunistic Emerging Markets Debt

Representative account
Performance attribution (USD) through 30 June 2020



[1]From March 2009 to December 2009 | Inception date is 1 March 2009 | Wellington Management's proprietary attribution methodology was updated in 2017 with backdated analysis available to 2011. The new methodology is a duration based approach. Prior to that point, we used an equity based model based on market value exposures. | Portfolio attribution is calculated for a representative account, is for informational purposes only, is subject to change, and is not indicative of future portfolio characteristics or returns. The representative account shown was designated on 1 January 2018 and was selected because it has minimal investment restrictions and most closely conforms to the Blended Opportunistic Emerging Markets Debt strategy. Each client account is individually managed; individual holdings will vary for each account and there is no guarantee that a particular account will have the same characteristics as described. Actual results may vary for each client due to specific client guidelines, holdings, and other factors. In limited circumstances, the designated representative account may have changed over time, for reasons including, but not limited to, account termination, imposition of significant investment restrictions or material asset size fluctuations. **PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE RESULTS AND AN INVESTMENT CAN LOSE VALUE.** Gross performance results are net of commissions and other direct expenses, but before (gross of) advisory fees, custody charges, withholding taxes, and other indirect expenses, and include reinvestment of dividends and other earnings. If all expenses were reflected, the performance shown would be lower. For use in one-on-one presentations only. This supplemental information complements the GIPS® compliant presentation in the attachment.

BOARD Meeting: 09/08/20
Item V-B
Attachment 4

IC Meeting: 08/19/20
Item II
Attachment 4

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COUNTRY ANALYSIS

Quantitative and qualitative country analysis

Estimating default probability

Quantitative and qualitative inputs

Debt sustainability
Level, cost, and growth of debt burden

Vulnerability to shocks
External accounts
Reserves trends
Banking sector health

Governance
Strength of institutions
Quality of policies
Politics

Initial country score

Qualitative judgement

Capture country nuances outside of framework factors
Political cycle trends
Exchange rate regimes
Convergence potential
Relative country rankings
Environmental factors
Social stability trends

Final country score

Probability of default

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COUNTRY

Country relative value in action

5-year cash bonds (basis points)

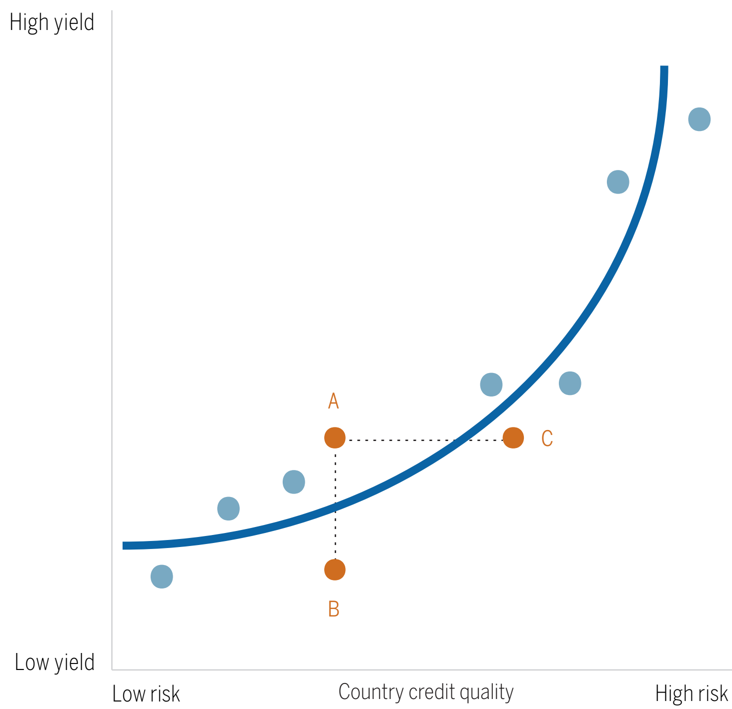

Chart marker	Country	Country score	Fair value spread	Market spread	Spread difference
A	Uruguay	53	460	479	19
B	Panama	53	460	429	-31
C	Costa Rica	58	567	479	-88

Seek to anticipate changes in shape and level of spread curve

Determine appropriate Country Risk ranking to compare valuations

The above illustration is meant to demonstrate how the investment team identifies potential relative value opportunities between countries as part of the investment process. There is no guarantee that relative value opportunities identified by this approach will result in an actual investment in client portfolios.

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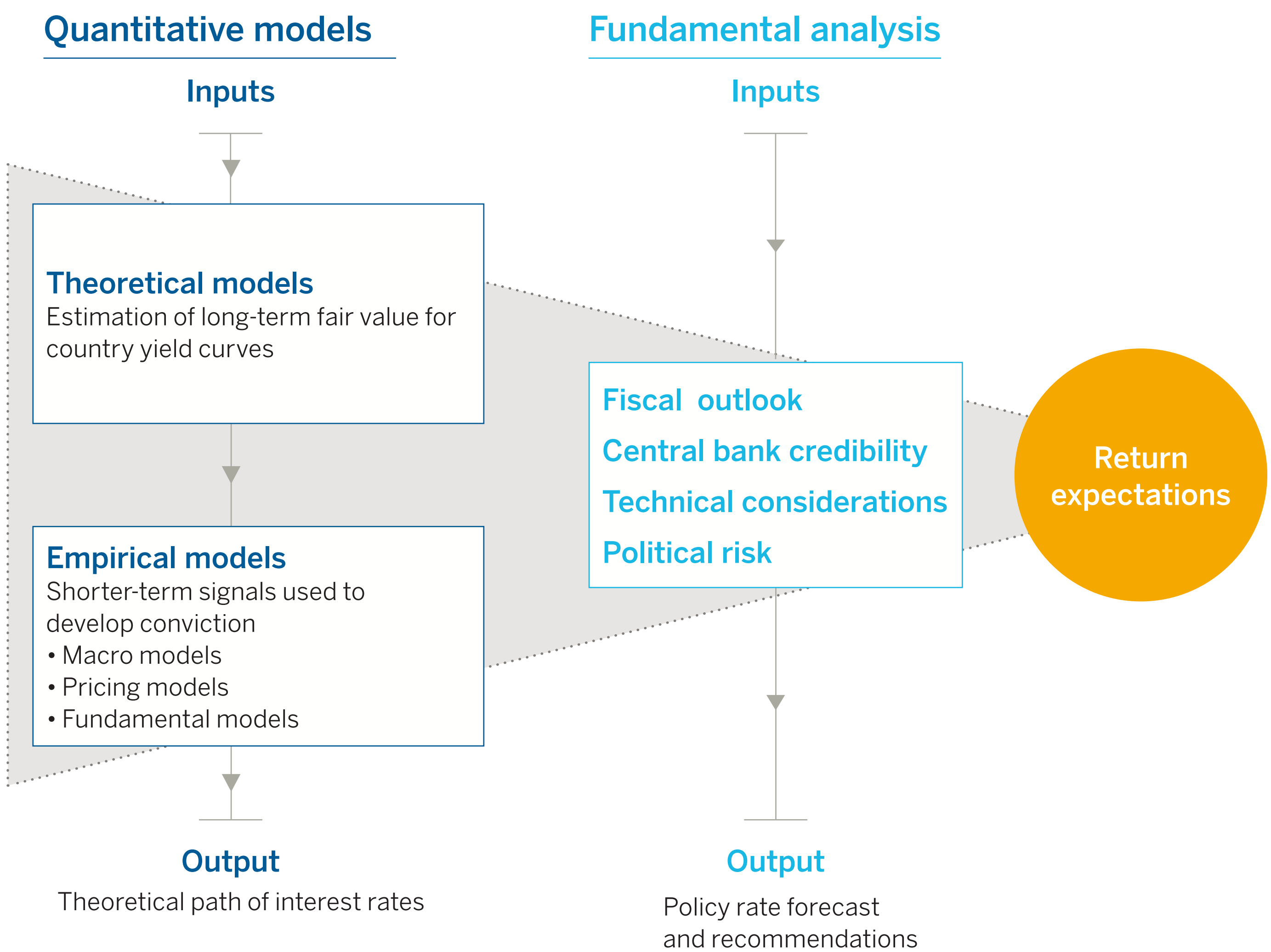
LOCAL RATES

Emerging Local Debt

Differentiated approach to local debt



BOARD Meeting: 09/08/20
Item V-B
Attachment 1

IC Meeting: 08/19/20
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Attachment 4

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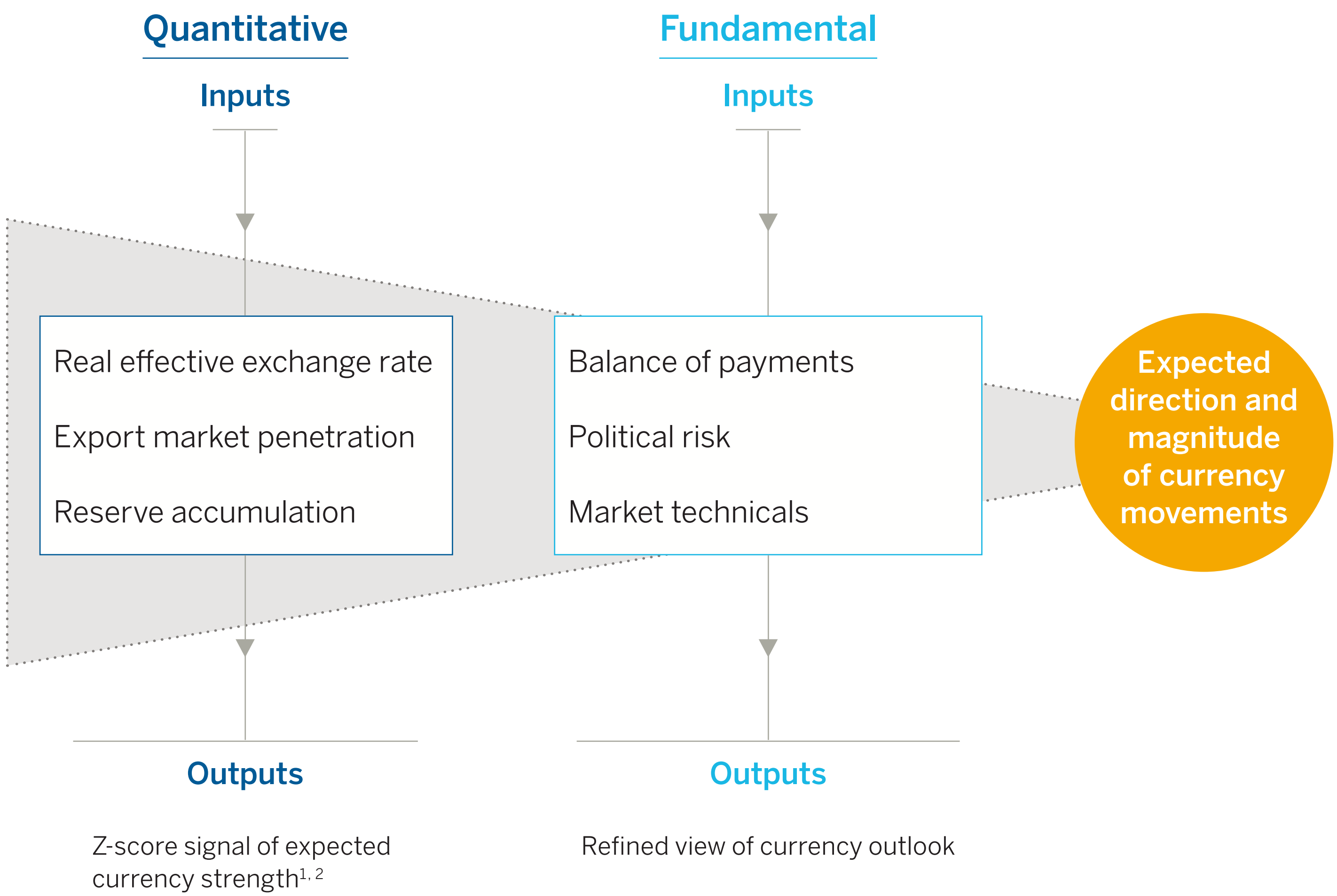
CURRENCY

Disciplined framework to evaluate currencies



[1]Z-Score definition: A statistical method of rescaling and standardising data to enable easier comparison. A Z-score measures the number of standard deviations an observation is away from the mean, or average, of all observations. A positive Z-score indicates the observed value is above the mean of all values, while a negative Z-score indicates the observed value is below the mean of all values | [2]A positive Z-score signal indicates that this particular country is performing better than the global average for this input factor

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CORPORATE

Fundamental assessment translated into valuation targets

Fundamental analysis

Inputs

Quantitative
- Leverage ratios/capital structure
- Issuer liquidity/free cash flow

Qualitative
- Management quality/Credibility
- Transparency
- Industry analysis

Corporate analysts

Relative value

Inputs

Comparable valuation analysis across and within
- Countries
- Regions
- Sectors
- EM vs DM
- Corporate vs Sovereign

Corporate analysts, portfolio managers

Credit rating, trend, target spread

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PORTFOLIO CONSTRUCTION

Typical portfolio strategies

Country rotation	Buy Colombia/sell Panama
Security selection	Buy long maturity Turkey Sell short maturity Turkey
Local currency	Buy local Brazil debt Take long position in Mexican peso
Credit strategies	Buy quasi-sovereign or corporate debt

For illustrative purposes only. Not representative of an actual investment.

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RISK
MANAGEMENT

Managing risk in all dimensions

Risk	Control
Market risk	Manage portfolio beta and active risk contributions Monitor portfolio sensitivity to key market factors
Country risk	Seek to identify high risk countries
Currency risk	Diversify exposure across countries and regions • Monitor volatility and convertibility risks
Corporate risk	Use corporate bonds • Consider country fundamentals • Single-issuer exposure limits
Concentration risk	Aim to maximize diversification subject to liquidity constraints

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Diversity and Inclusion
What is our philosophy?

As a global asset management firm, we believe that diversity and inclusion enable us to deliver better investment results and innovative solutions for clients.

Four competitive advantages
to having a globally diverse and inclusive firm

Enhances our ability to **understand clients' goals** and needs

Attracts, develops, and retains **exceptional talent** around the world

Introduces **new perspectives** and fosters constructive debate

Strengthens our ability to **adapt and innovate** in a complex global market

DIFFERENTIATED APPROACH

- Business led with firm-wide involvement
- Regional office and functional team diversity and inclusion commitments
- Diversity dashboard and talent engagement survey
- Broad definition of diversity with a focus on areas for improvement
- Dedicated resources[1]

OUTCOMES

- Assess client needs and increase service alpha to existing clients while acquiring new ones
- Provide differentiated investment performance and innovative business solutions
- Become a talent magnet for individuals that thrive in a client focused, high performance, and collaborative team environment
- Mitigate risk in all investment, business or talent decisions

[1]Including a Global Diversity Committee, 13 business networks with regional chapters, and a director of Global Diversity and Inclusion

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Diversity and Inclusion
What is our philosophy?

Global employees
- 14% of partners globally are people of color

26% of employees are located outside the US

50+ languages are spoken across the firm

42%

of global employees are female

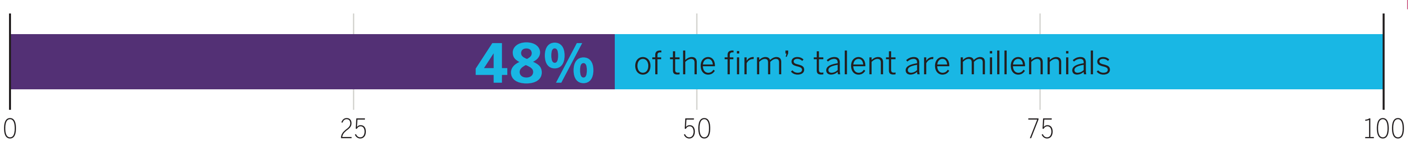
32% of senior leadership team (CEO leadership team) are female
20% of partners globally are female
26% of managing directors are female
34% of officers are female
27% of investment professionals are female

30% of US-based employees are **people of color**
- **21%** Asian
- **4%** Black or African American
- **4%** Hispanic or Latino
- **1%** Identify as American Indian or Alaskan Native, Native Hawaiian or Other Pacific Islander, or "Two or more races"

14% of managing directors are people of color

25% of officers are people of color

24% of investment professionals are people of color



As of 1 January 2020

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Biographies

Kevin Murphy
Senior Managing Director, Partner, and Fixed Income Portfolio Manager

As a portfolio manager, Kevin works closely with our Emerging Markets Debt Investment Team to develop investment strategy in the sector.

Kevin joined Wellington Management in 2016. Prior to that, he worked at Putnam (1999 –2016) as the lead portfolio manager responsible for all external sovereign and corporate emerging market debt investments across a range of different strategies, as well as the lead portfolio manager for the investment-grade corporate credit exposure in all of Putnam's funds. In addition, he co-led a credit team based in Boston and London.

Prior to joining Putnam, Kevin worked at BancBoston (1996 – 1999) as a managing director on the Emerging Markets Derivative Products Group and at ING Baring Securities in New York City (1991 – 1996) as the vice president of the Commodity Finance, Commodity Derivatives, and Structured Asset Groups. Earlier in his career, he was an assistant treasurer for the Emerging Markets trading team at ING and a senior consultant for investment banks at Andersen Consulting in Chicago.

Kevin received his BS in electrical engineering from Columbia University's School of Engineering and Applied Science (1987).

Maura A. Neely, CFA
Senior Managing Director, Partner, and Investment Director

As an investment director in Investment Products and Strategies, Maura works closely with fixed income investors to help ensure the integrity of their investment approaches. This includes meeting regularly with investment teams and overseeing portfolio positioning, performance, and risk exposures. In addition, she contributes to developing new products and client solutions and managing business issues such as capacity, fees, and guidelines. She also meets with clients, prospects, and consultants to communicate our investment philosophy, strategy, positioning, and performance.

Prior to joining the firm in 2006, Maura worked in a variety of roles at Standish Mellon Asset Management, including quantitative analyst for Global Fixed Income and sovereign analyst for Emerging Markets Debt (1991 – 2005). She has also worked at State Street Bank and Trust (1990 – 1991).

Maura earned her MBA from Babson College (Olin, 1998) and her BA in economics and Russian studies from Wellesley College (1990). Additionally, she holds the Chartered Financial Analyst designation and is a member of the CFA Institute.

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Biographies

Akin N. Greville, CFA
Managing Director and Business Development Manager

Akin is a business development manager in the Global Relationship Group at Wellington Management. He is responsible for introducing the firm's capabilities to public, endowment and foundation, and family office organizations in the western US region. Akin is located in the San Francisco office.

Before joining Wellington Management in 2007, Akin was a vice president on the Marketing and Product Management team at TimesSquare Capital Management, LLC (2002 – 2007). While there, he was responsible for developing and managing relationships with pension plan sponsors, endowments and foundations, consultants, and the subadvisory market.

Akin earned his BA in international relations from Johns Hopkins University (2000). Additionally, he holds the Chartered Financial Analyst designation and is a member of the CFA Society San Francisco.

Wellington Management
Composite: Blended Opportunistic EMD
Schedule of Performance Returns from 01 January 2010 to 31 December 2019

Period	*Gross Return (%)*	*Net Return (%)*	*Benchmark Return (%)*	*Number of Portfolios*	*Internal Dispersion (%)*	*Composite Mkt.Value (USD Mil)*	*Total Firm Assets (USD Mil)*
2010	16.43	15.57	14.02	< 6	N/M	860	633,922
2011	2.35	1.59	2.79	< 6	N/M	2,114	651,496
2012	21.97	21.08	17.21	< 6	N/M	2,789	757,903
2013	-5.48	-6.19	-7.10	< 6	N/M	1,368	834,441
2014	2.02	1.26	0.71	< 6	N/M	1,395	914,109
2015	-6.72	-7.42	-7.14	< 6	N/M	1,466	926,949
2016	12.55	11.71	10.16	< 6	N/M	1,750	979,210
2017	14.56	13.71	12.74	< 6	N/M	2,276	1,080,307
2018	-5.34	-6.05	-5.15	< 6	N/M	3,199	1,003,389
2019	17.28	16.42	14.31	< 6	N/M	4,845	1,154,735

Benchmark: JP EMBI Gbl Div (50%) & GBI-EM Gbl Div (50%) Blend

N/M: For years where there are less than six portfolios throughout the performance period, Internal Dispersion is not meaningful.

Composite Description: Portfolios included in the Blended Opportunistic EMD Composite seek to generate returns in excess of a blended benchmark of emerging markets hard and local currency-denominated bond indices such as 50% JP Morgan EMBI Global Diversified and 50% JP Morgan GBI EM Global Diversified or similar through investment in a diversified portfolio of emerging markets sovereign, corporate, and local market instruments. This is a less constrained, best ideas emerging markets debt approach. Investment in less regulated markets carries increased political, economic, and issuer risk.

Composite Creation Date: The composite creation date is June 2009.

Composite Membership: All fully discretionary, fee paying portfolios are eligible for inclusion in the composite.

Fee Schedule: The institutional separate account fee schedule for this product is:

Market Value	Annual Fee
On the first US$200 million	0.75%
Over US$200 million	0.55

Benchmark Description: As of 31 December 2019, the JP EMBI Gbl Div (50%) & GBI-EM Gbl Div (50%) Blend benchmark for Blended Opportunistic EMD is comprised of: 50.00% JP Morgan Govt Bond Index - Emerging Markets Global Div; 50.00% JPM EMBI Global Diversified. Prior allocations are available upon request. The benchmark's weights are rebalanced monthly.

Benchmark Definition: JPM EMBI Global Diversified is a uniquely weighted USD-denominated emerging markets sovereign index. It has a distinct distribution scheme which allows a more even distribution of weights among the countries in the index.

JP Morgan Govt Bond Index - Emerging Markets Global Div is a market capitalization weighted Index that is designed to measure the performance of local currency government bonds issued in emerging markets. The Index includes only the countries which give access to their capital market to foreign investors.

Composite Name Change: As of April 2019, the composite name changed from Opportunistic EMD - Blended Index to Blended Opportunistic EMD. The name change has not resulted in any material changes to the investment philosophy or process.

Derivatives/Leverage/Shorts: Derivative instruments are used only when and as client guidelines permit. Portfolios in the composite may use exchange-traded and over-the-counter derivative instruments, including interest rate, index and currency futures; interest rate, total rate of return, credit default and currency swaps; currency, bond and swap options; deliverable and non-deliverable currency forward contracts; bonds for forward settlement, forward rate agreements and other derivative instruments for risk management purposes and otherwise in pursuit of the investment objective of the portfolios in the composite.

Typically, portfolios in the composite will use derivative instruments for hedging purposes and in the pursuit of approved investment strategies. Derivative instruments are used either as a substitute for underlying cash or bond positions or to hedge the risk of a portfolio in the composite in a way that is consistent with client investment guidelines. In particular, derivative instruments are used as an efficient alternative to cash bonds in the implementation of security selection and country rotation strategies.

The Portfolio may hold outright short positions in these derivative instruments, but short sales of physical securities are prohibited.

Firm: For purposes of GIPS® compliance, the Firm is defined as all portfolios managed by Wellington Management Company LLP, an independently owned, SEC-registered investment adviser, as well as its affiliates (collectively, Wellington Management). Wellington Management provides investment advisory services to institutions around the world.

GIPS®: Wellington Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Wellington Management has been independently verified for the periods 1 January 1993 to 31 December 2018. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards.

Performance Calculation: Gross performance results are net of trading expenses. Returns are gross of withholding taxes on dividends, interest and capital gains. Returns, market values, and assets are reported in USD except when otherwise noted. Returns, market values and assets reported in currencies other than USD are calculated by converting the USD monthly return and assets using the appropriate exchange rate (official 4:00 p.m. London closing spot rates). Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

Net of fees performance reflects the deduction of the highest tier investment management fee ("model fee") that would be charged based on the fee schedule appropriate to you for this mandate, without the benefit of breakpoints and is calculated by subtracting 1/12th of the model fee from monthly gross composite returns. In certain instances Wellington Management may charge certain clients a fee in excess of the standard model fee, such as to legacy clients or clients receiving additional investment services. Performance net of model fees is intended to provide the most appropriate example of the impact management fees would have for you.

Pool investors will experience costs in excess of investment management fees, such as operating expenses and custodial fees. These indirect costs are not reflected in the model fee, or net of fees performance.

Wellington Management
Composite: Blended Opportunistic EMD
Schedule of Performance Returns from 01 January 2010 to 31 December 2019

Internal Dispersion: The dispersion measure presented is the asset-weighted standard deviation. The asset-weighted standard deviation measures the dispersion of individual portfolio returns relative to the asset-weighted composite return. Only portfolios that have been included in the composite for the full period are included in the standard deviation calculation. Limitations imposed by client guidelines or by law on a portfolio's ability to invest in certain securities or instruments, such as IPO securities, and/or implementation of the firm's Trade Allocation Policies and Procedures, may cause the portfolio's performance to differ from that of the composite.

External Dispersion: The dispersion measure presented is the three-year annualized ex-post standard deviation. It measures the variability of the composite and the benchmark(s) over the preceding 36-month period. For periods prior to 1 January 2011, the Firm was not required to present the three-year annualized ex-post standard deviation.

	3-Year Standard Deviation (%)								
Year	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*	*2018*	*2019*
Composite	N/A*	9.96	10.11	8.99	7.86	8.45	7.54	7.98	6.95
Benchmark	N/A*	8.97	9.64	9.06	8.12	8.60	7.61	7.83	6.51

**N/A for performance periods with less than 36 months of data based on composite inception date.*

Composite Listing: Wellington Management's list of composite descriptions is available upon request.

Other Matters: This material contains summary information regarding the investment approach described herein and is not a complete description of the investment objectives, policies, guidelines, or portfolio management and research that supports this investment approach. Any decision to engage Wellington Management should be based upon a review of the terms of the investment management agreement and the specific investment objectives, policies, and guidelines that apply under the terms of such agreement.

Past Performance: Past results are not necessarily indicative of future results and an investment can lose value.

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Important notice

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Blended Opportunistic Emerging Markets Debt
Investment risks

PRINCIPAL RISKS

Credit Risk – The value of a fixed income security may decline due to an increased risk that the issuer or guarantor of that security may fail to pay interest or principal when due, as a result of adverse changes to the issuer's or guarantor's financial status and/or business. In general, lower-rated securities carry a greater degree of credit risk than higher-rated securities.

Currency Risk – Active investments in currencies are subject to the risk that the value of a particular currency will change in relation to one or more other currencies. Active currency risk may be taken in an absolute, or a benchmark relative basis. Currency markets can be volatile, and may fluctuate over short periods of time.

Emerging Markets Risk – Investments in emerging and frontier countries may present risks such as changes in currency exchange rates; less liquid markets and less available information; less government supervision of exchanges, brokers, and issuers; increased social, economic, and political uncertainty; and greater price volatility. These risks are likely greater relative to developed markets.

Fixed Income Securities Risk – Fixed income security market values are subject to many factors, including economic conditions, government regulations, market sentiment, and local and international political events. In addition, the market value of fixed income securities will fluctuate in response to changes in interest rates, and the creditworthiness of the issuer.

Interest Rate Risk – Generally, the value of fixed income securities will change inversely with changes in interest rates, all else equal. The risk that changes in active interest rates will adversely affect fixed income investments will be greater for longer-term fixed income securities than for shorter-term fixed income securities.

Non-Investment Grade Risk – Lower rated securities have a greater risk of default in payments of interest and/or principal than the risk of default for investment grade securities. The secondary market for lower rated securities is typically less liquid than the market for investment grade securities, frequently with more volatile prices and larger spreads between bid and asked price in trading.

ADDITIONAL RISKS

Commingled Fund Risk – Investments in funds or other pooled vehicles generally will indirectly incur a portion of that fund's operating expenses and/or fees and will inherit a proportion of the funds investment risks. Funds may have different liquidity profiles based on their dealing terms, and the types of instruments in the fund. In the event a fund holds illiquid instruments, it is possible that a full redemption from the fund could result in taking custody of illiquid instruments that could not be sold in the market.

Commodities Risk – Commodities markets may be more volatile than investments in traditional equity or fixed income securities. The value of commodity-linked derivative instruments may be affected by changes in overall market movements, commodity index volatility, commodity price volatility, interest rate changes or events affecting a particular commodity or industry. Instruments used to invest in commodities include forward contracts, futures contracts, options, and swap agreements.

Concentration Risk – Concentration risk is the risk of amplified losses that may occur from having a large percentage of your investments in a particular security, issuer, industry, or country. The investments may move in the same direction in reaction to the conditions of the industries, sectors, countries and regions of investment, and a single security or issuer could have a significant impact on the portfolio's risk and returns.

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Contingent Convertible Securities Risk – Contingent capital securities (CoCos) are fixed income securities that, under certain circumstances, either convert into common stock of the issuer or undergo a principal write-down by a predetermined percentage if the issuer's capital ratio falls below a predetermined trigger level. Due to contingent write-down, write-off, and conversion features of contingent capital and contingent convertible securities, such high-yielding instruments may have substantially greater risk than other forms of securities in times of credit stress. This action could result in a partial or complete loss even if the issuer remains in existence. In full principal write-downs of CoCos, for instance, bondholders could theoretically lose the value of their investment completely, even though the common equity of the bank retains (and perhaps eventually recovers) some value.

Credit Derivatives Risk – Credit derivatives transfer price, spread and/or default risks from one party to another and are subject to additional risks including liquidity, loss of value, and counterparty risk. Payments under credit derivatives are generally triggered by credit events such as bankruptcy, default, restructuring, failure to pay, or acceleration. The market for credit derivatives may be illiquid, and there are considerable risks that it may be difficult to either buy or sell the instruments as needed or at reasonable prices. The value and risks of a credit derivative instrument depends largely the underlying credit asset. These risks may include price, spread, default, and counterparty.

Derivatives Risk – Derivatives can be volatile and involve various degrees of risk. The value of derivative instruments may be affected by changes in overall market movements, the business or financial condition of specific companies, index volatility, changes in interest rates, or factors affecting a particular industry or region. Derivative instruments may provide more market exposure than the money paid or deposited when the transaction is entered into. As a result, a relatively small adverse market movement can not only result in the loss of the entire investment, but may also expose a portfolio to the possibility of a loss exceeding the original amount invested. Derivatives may also be imperfectly correlated with the underlying securities or indices it represents, and may be subject to additional liquidity and counterparty risk. Examples include futures, options and swaps.

Liquidity Risk – Investments with low liquidity may experience market value volatility because they are thinly traded (such as small cap and private equity or private placement bonds). Since there is no guarantee that these securities could be sold at fair value, sales may occur at a discount. In the event of a full liquidation, these securities may need to be held after liquidation date.

Model Risk – Model risk occurs when systematic and/or quantitative investment models used in investment decision making fail. These models may evolve over time and have risks related to mistakes in software or data inputs that could go undetected for a period of time before rectified. Models may fail to adequately measure or predict market risks or outcomes and could result in a loss of value or opportunity cost.

Options Risk – An option on a security (or index) is a derivative contract that gives the holder of the option, in return for the payment of a "premium," the right, but not the obligation, to buy from (in the case of a call option) or sell to (in the case of a put option) the writer of the option the security underlying the option (or the cash value of the index) at a specified exercise price prior to the expiration date of the option. Purchasing an option involves the risk that the underlying instrument will not change price in the manner expected, so that the investor loses the premium paid. However, the seller of an option takes on the potentially greater risk of the actual price movement in the underlying instrument, which could result in a potentially unlimited loss rather than only the loss of the premium payment received. Over-the-counter options also involve counterparty risk.

Restricted Security Risk – Restricted securities are securities acquired in unregistered, private sales from the issuing company or from an affiliate of the issuer. These securities may not be transferable until certain criteria are met and under the federal securities laws, generally may be resold only to qualified institutional buyers, resulting in liquidity risk.

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Investment risks

Additional performance information

Past results are not necessarily indicative of future results. There can be no assurance nor should it be assumed that future investment performance of any strategy will conform to any performance examples set forth in this material or that the portfolio's underlying investments will be able to avoid losses. The investment results and any portfolio compositions set forth in this material are provided for illustrative purposes only and may not be indicative of the future investment results or future portfolio composition. The composition, size of, and risks associated with an investment in the strategy may differ substantially from the examples set forth in this material. An investment can lose value.

CONTRACT AUTHORIZATION
PGIM, INC.
ACTIVE EMERGING MARKET DEBT
PORTFOLIO MANAGEMENT

PROPOSED RESOLUTION

WHEREAS, on October 23, 2018, the Board of Administration (Board) authorized a Request for Proposal process to evaluate the current marketplace for active emerging market blended local and hard currency debt investment managers pursuant to the asset allocation policy approved by the Board on April 10, 2018; and,

WHEREAS, staff and NEPC, LLC (NEPC), LACERS' General Fund Consultant, performed an evaluation of the 19 proposals submitted; and,

WHEREAS, on February 11, 2020, the Investment Committee reviewed NEPC's evaluation report of the proposals and concurred with the staff recommendation to advance four firms as semi-finalists in the search; and,

WHEREAS, staff and NEPC conducted further due diligence on the four semi-finalists; and,

WHEREAS, on August 19, 2020, the Investment Committee interviewed the three finalists recommended by staff: Ashmore Investment Management Limited; PGIM, Inc.; and Wellington Management Company LLP; and recommended PGIM, Inc. to the Board for consideration for hire; and,

WHEREAS, on September 8, 2020, the Board approved the Investment Committee's recommendation to award a contract to PGIM, Inc.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes the General Manager to execute the necessary documents, subject to satisfactory business and legal terms and consistent with the following services and terms:

Company Name:	PGIM, Inc.
Service Provided:	Active Emerging Market Debt
Estimated Effective Date:	November 1, 2020 through October 31, 2023
Duration:	Three years
Benchmark:	50% JPM EMBI Global Diversified and 50% JPM GBI-EM Global Diversified
Estimated Allocation:	$400 million

September 8, 2020

CONTRACT AUTHORIZATION
WELLINGTON MANAGEMENT COMPANY LLP
ACTIVE EMERGING MARKET DEBT
PORTFOLIO MANAGEMENT

PROPOSED RESOLUTION

WHEREAS, on October 23, 2018, the Board of Administration (Board) authorized a Request for Proposal process to evaluate the current marketplace for active emerging market blended local and hard currency debt investment managers pursuant to the asset allocation policy approved by the Board on April 10, 2018; and,

WHEREAS, staff and NEPC, LLC (NEPC), LACERS' General Fund Consultant, performed an evaluation of the 19 proposals submitted; and,

WHEREAS, on February 11, 2020, the Investment Committee reviewed NEPC's evaluation report of the proposals and concurred with the staff recommendation to advance four firms as semi-finalists in the search; and,

WHEREAS, staff and NEPC conducted further due diligence on the four semi-finalists; and,

WHEREAS, on August 19, 2020, the Investment Committee interviewed the three finalists recommended by staff: Ashmore Investment Management Limited; PGIM, Inc.; and Wellington Management Company LLP; and recommended Wellington Management Company LLP to the Board for consideration for hire; and,

WHEREAS, on September 8, 2020, the Board approved the Investment Committee's recommendation to award a contract to Wellington Management Company LLP.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby authorizes the General Manager to execute the necessary documents, subject to satisfactory business and legal terms and consistent with the following services and terms:

Company Name:	Wellington Management Company LLP
Service Provided:	Active Emerging Market Debt
Estimated Effective Date:	November 1, 2020 through October 31, 2023
Duration:	Three years
Benchmark:	50% JPM EMBI Global Diversified and 50% JPM GBI-EM Global Diversified
Estimated Allocation:	$400 million

September 8, 2020

LACERS
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO BOARD OF ADMINISTRATION

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

MEETING: SEPTEMBER 8, 2020
ITEM: V – C

SUBJECT: **DISCUSSION OF PROPOSED AMENDMENTS TO THE LACERS PROXY VOTING POLICY AND POSSIBLE BOARD ACTION**

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

Recommendation

That the Board consider and approve the proposed amendments to the LACERS Proxy Voting Policy.

Executive Summary

As good corporate governance practices are widely believed to increase shareholder value, the LACERS Proxy Voting Policy (Policy) requires Board-review of the Policy on a bi-annual basis. The Committee concurs with staff's proposed revisions for the 2020 Policy review, which were based on an analysis conducted in conjunction with Institutional Shareholder Services Inc. (ISS), LACERS' current proxy voting agent.

Discussion

At its meeting on August 25, 2020, the Committee considered and discussed several Policy revisions recommended by staff for the 2020 Policy review. Staff, with the assistance of ISS, conducted a gap analysis between the Policy and the ISS 2020 benchmark policy, leading to the following proposed amendments:

1. No. 1.14 – Lack of Women Representation on Corporate Boards
LACERS generally supports the election of women directors to corporate boards and will generally vote against or withhold voting from a nominating committee chair on a board with no women or plan for gender diversification. (Page 235 of Attachment 1)

2. No. 1.15 – Director Attendance at Board and Committee Meetings
LACERS generally supports attendance of board directors of at least 75 percent of meetings unless compelling reasons exist for absences. (Page 236 of Attachment 1)

3. No. 5.8 – Reverse Stock Splits
   LACERS supports reverse stock splits when the number of authorized shares is proportionally reduced. (Page 247 of Attachment 1)

4. No. 8.8 – Gender, Race, or Ethnicity Pay Gap
   LACERS supports shareholder requests for companies to provide reports on pay data categorized by gender, race, and ethnicity and reports on policies and goals to reduce pay gaps. (Page 251 of Attachment 1)

5. No. 8.9 – Reports on Employee Diversity
   LACERS supports shareholder requests for companies to prepare diversity reports according to gender and race based on Equal Employment Opportunity Commission job categories. (Page 251 of Attachment 1)

In addition, staff recommends the following administrative changes to the Policy:

1. Section 8. Social & Environmental
   Modification of the introduction of this section to reflect LACERS' current PRI Signatory Status and renumbering of Issues column to accommodate inclusion of new policy items. (Page 250 of Attachment 1)

2. Section 9. Issues Not Addressed by Policy
   Revision of all references to "Corporate Governance Committee" to "Governance Committee" and other minor edits. (Page 252 of Attachment 1)

3. Entire Policy Document
   Deletion of all outdated and unnecessary footnotes.

The Committee concurs with staff's recommendations. Upon the Board's approval of the amendments to the Policy, staff may make additional minor administrative edits to be incorporated in the final version.

Strategic Alignment

Review and amendment of the LACERS Proxy Voting Policy aligns with the Strategic Plan Goals to optimize long-term risk adjusted investment returns (Goal IV) and uphold good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V).

Prepared By: Ellen Chen, Investment Officer I, Investment Division

NMG/RJ/BF/EC:jp

Attachments: 1. Proxy Voting Policy – Proposed Revisions (Redline Version)
2. Proxy Voting Policy – Original Version as of February 12, 2019

XIV. PROXY VOTING POLICY

A. Introduction

As good corporate governance practices are widely believed to increase shareholder value, public retirement systems across the country are becoming more active in encouraging good corporate governance practices among companies in which they own stock.

As such the core objectives of LACERS Proxy Policy are:

1. Manage proxy voting rights with the same care, skill, diligence and prudence as is exercised in managing other assets.
2. Exercise proxy voting rights in the sole interest of the System's members and beneficiaries in accordance with all applicable statutes consistent with the Board proxy policy.
3. Provide a framework for voting shares responsibly and in a well-reasoned manner.
4. Align the interests of shareowners and corporate management to build long-term sustainable growth in shareholder value for the benefit of the System.

These primary objectives shall be considered whenever the Board and/or Corporate Governance Committee considers policy, reviews proxy voting issues, recommends corporate governance investment activities, or takes other corporate governance-related actions.

B. Statement of Purpose

The Board has formulated this policy to provide a guideline for proxy voting. This policy is set forth in the best interest of LACERS investment program to support sound corporate governance practices that maximize shareholder value.

All applications of this policy are executed by an outside proxy voting agent. The policy will be reviewed on a bi-annual basis. The proxy voting agent provides quarterly voting reports summarizing all votes cast during that time period. These reports are reviewed for compliance with the proxy voting policy.

Section 9 PROXY VOTING POLICY

1. BOARD OF DIRECTORS

Electing directors is the single most important stock ownership right that shareholders can exercise. Shareholders can promote healthy corporate governance practices and influence long-term shareholder value by electing directors who share shareholder views. In evaluating proxy items related to a company's board, director accountability, independence and competence are of prime importance to ensure that directors are fit for the role and best able to serve shareholders' interests.

No.	Issue	LACERS Position	Rationale
1.1	ELECTION OF DIRECTORS IN UNCONTESTED ELECTIONS	LACERS supports company management in principle VOTING AGENT'S DISCRETION	It is prudent to vote for the prescribed full slate of directors as long as the slate of directors will conduct themselves in the best interest of the shareholders. Director nominees should be evaluated based on accountability, responsiveness to shareholders, independence from company management, and competence and performance.
1.2	BOARD INDEPENDENCE	FOR	At a minimum, a majority of the board should consist of directors who are independent. Corporate boards should strive to obtain board composition made up of a substantial majority (at least two-thirds) of independent directors.~~[5]~~
1.3	MAJORITY THRESHOLD VOTING FOR THE ELECTION OF DIRECTORS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Under a plurality system, a board-backed nominee in an uncontested election needs to receive only a single affirmative vote to claim his or her seat in the boardroom. Even if holders of a substantial majority of the votes cast "withhold" support, the director nominee wins the seat. Under the majority vote standard, a director nominee must receive support from holders of a majority of the votes cast in order to be elected (or re-elected) to the board. In contested elections where there are more nominees than seats, a carve-out provision for plurality should exist.
1.4	SEPARATE CHAIR AND CEO	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	A CEO who also heads a board is less accountable than one who must answer to an independent chairman as well as fellow directors. However, there could be times when it makes sense for one person to wear two hats. On balance, there appears to be more gained and less lost from separating the two jobs at major companies. The Board generally favors the separation of the chairman and CEO. However, the Board believes it may be in the best interests of a corporation and the shareholders to have one person fulfilling both positions in smaller companies.

~~[5] CalPERS. Global Principles of Accountable Corporate Governance. February 16, 2010. 8.~~

Section 9 PROXY VOTING POLICY

No.	Issue	LACERS Position	Rationale
1.5	LIMITING BOARD SIZE	FOR	Proposals that allow management to increase or decrease the size of the board at its own discretion are often used by companies as a takeover defense. Shareholders should support management proposals to fix the size of the board at a specific number of directors, thereby preventing management (when facing a proxy contest) from increasing the size of the board without shareholder approval.
1.6	COMMITTEE INDEPENDENCE	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	The key board committees – audit, compensation, and nominating committees – should be composed exclusively of independent directors if they currently do not meet that standard. The company's board (not the CEO) should appoint the committee chairs and members. Committees should be able to select their own service providers to assist them in decision making.
1.7	DIRECTOR QUALIFICATIONS AND RESTRICTIONS Requires directors to own a minimum amount of stock; impose tenure limits; establishing a minimum or maximum age requirement	AGAINST	Establishing a minimum amount of stock ownership could preclude very qualified candidates from sitting on the board. Tenure limits and age restrictions could force out experienced and knowledgeable board members.
1.8	LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS	CASE-BY-CASE VOTING AGENT'S DISCRETION	This indemnifies corporate officers and directors against personal liability suits as a result of their official status. This indemnification is necessary to attract and keep the best-qualified individuals. However, officers' and directors' liability should not be limited or fully indemnified for acts that are serious violations of fiduciary obligations such as gross negligence or intentional misconduct.
1.9	OBLIGATION OF BOARDS TO ACT ON SHAREHOLDER PROPOSALS RECEIVING MAJORITY SUPPORT To ensure that the voices of the owners of the firm are heard.	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Boards are responsible for ensuring that the voices of the owners of the firm are heard. If the majority of shareholders have indicated they desire a particular governance change, the board should support the proposal in question.
1.10	DIRECTOR REMOVAL BY SHAREHOLDERS	FOR	Shareholders should have the right to remove directors or fill director vacancies. Lack of such a policy could allow management to protect themselves from various shareholder initiatives.

Section 9 PROXY VOTING POLICY

No.	Issue	LACERS Position	Rationale
1.11	SHAREHOLDER ADVISORY COMMITTEES	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	It is often difficult for directors to communicate to and hear from shareholders, because shareholders tend to be numerous, unidentified, dispersed, and silent. This proposal establishes committees of shareholders to make communication easier and more effective. However, establishment of such committees can be time consuming and expensive. The Board prefers the establishment of such committees where there is no other available mechanism to communicate with the company boards.
1.12	PROXY CONTESTS	CASE-BY-CASE VOTING AGENT'S DISCRETION	A proxy contest is a strategy that involves using shareholders' proxy votes to replace the existing members of a company's board of directors. By removing existing board members, the person or company launching the proxy contest can establish a new board of directors that is better aligned with their objectives. Proxy contests should be examined on a case-by-case basis considering factors such as the company's performance relative to peers, strategy of incumbents vs. dissidents, experience of director candidates, current management's track record, etc.
1.13	REIMBURSEMENT OF PROXY SOLICITATION EXPENSES	CASE-BY-CASE VOTING AGENT'S DISCRETION	Most expenditures incurred by incumbents in a proxy contest are paid by the company. In contrast, dissidents are generally reimbursed only for proxy solicitation expenses, if they gain control of the company. Dissidents who have only gained partial representation may also be reimbursed in cases where the board and a majority of shareholders approve. In successful proxy contests, new management will often seek shareholder approval for the use of company funds to reimburse themselves for the costs of proxy solicitation.
1.14	LACK OF WOMEN REPRESENTATION ON CORPORATE BOARDS	CASE-BY-CASE VOTING AGENT'S DISCRETION	LACERS supports the election of women directors to corporate boards. For companies in the Russell 3000 or S&P 1500 indices, generally vote against or withhold from the chair of the nominating committee (or other directors on a case-by-case basis) at companies where there are no women on the company's board unless the company has provided a firm commitment, with measurable goals, to achieve gender diversity by the following year.

1.15	DIRECTOR ATTENDANCE AT BOARD AND COMMITTEE MEETINGS	CASE-BY-CASE VOTING AGENT'S DISCRETION	Absent compelling, publicly disclosed reasons, directors who attend fewer than 75 percent of board and board-committee meetings for two consecutive years should not be renominated. Companies should disclose individual director attendance figures for board and committee meetings.

2. AUDIT-RELATED

Shareholders must rely on company-produced financial statements to assess company performance and the values of their investments. External auditors play an important role by certifying the integrity of these financial reports provided to shareholders. To ensure that an external auditor is acting in shareholders' best interest, the auditor must be independent, objective, and free of potential conflicts of interest.

No.	Issue	LACERS Position	Rationale
2.1	RATIFYING AUDITORS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	The Board generally supports a company's choice of audit firms unless an auditor has a financial interest in or association with the company and is therefore not independent; there is reason to believe that the independent auditor has rendered an inaccurate opinion of the company's financial position; or fees are excessive as defined by ISS (Non-audit fee > audit fees + audit related fees + tax compliance/preparation fees).
2.2	LIMITING NON-AUDIT SERVICES BY AUDITORS	FOR	Auditor independence may be impaired if an auditor provides both audit-related and non-audit related services to a company and generates significant revenue from these non-audit services. The Board believes that a company should have policies in place to limit non-audit services and prevent conflicts of interest.
2.3	ROTATION OF AUDITORS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	A long-standing relationship between a company and an audit firm may compromise auditor independence for various reasons including an auditor's closeness to client management, lack of attention to detail due to staleness and redundancy, and eagerness to please the client.~~[6]~~ Enron and Anderson is a prime example of this situation. The Board believes it may be prudent to rotate auditors every 5 to 7 years.
2.4	ELECTION OF THE AUDIT COMMITTEE Section 404 of the Sarbanes-Oxley Act requires that companies document and assess the effectiveness of their internal controls. The Audit Committee should be comprised of the independent directors	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Companies with significant material weaknesses identified in the Section 404 disclosures potentially have ineffective internal financial reporting controls, which may lead to inaccurate financial statements, hampering shareholder's ability to make informed investment decisions, and may lead to the destruction in public confidence and shareholder value. The Audit Committee is ultimately responsible for the integrity and reliability of the company's financial information, and its system of internal controls, and should be held accountable.

~~[6] Arel, Barbara, Brody, Richard G. & Pany, Kurt. "Audit Firm Rotation and Audit Quality. "The CPA Journal (January 2005). November 12, 2010.~~

3. COMPENSATION

The Board endorses executive compensation plans that align management and shareholders' interest. Executive pay programs should be fair, competitive, reasonable, and appropriate. Pay-for-performance plans should be a central tenet of executive compensation and plans should be designed with the intent of increasing long-term shareholder value. Executives should not be incentivized to take excessive risks that could threaten long-term corporate viability and shareholder value.

No.	Issue	LACERS Position	Rationale
3.1	EXECUTIVE COMPENSATION APPROVED BY THE BOARD OF DIRECTORS	FOR	While some corporations allow compensation issues to be left to management, it is more prudent to have a compensation committee, composed of independent directors, approve, on an annual basis, executive compensation, including the right to receive any bonus, severance or other extraordinary payment. If a company does not have a compensation committee, then executive compensation should be approved by a majority vote of independent directors. The Board normally prefers to support the company's recommendation of executive compensation issues.
3.2	INDEPENDENT COMPENSATION CONSULTANT	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	A company's board and/or compensation committee should have the power to hire an independent consultant – separate from the compensation consultants working with corporate management – to assist with executive compensation issues to avoid conflicts of interest. Disclosure should be provided about the company's, board's, and/or compensation committee's use of compensation consultants, such as company name, business relationship(s) and fees paid.
3.3	PAY FOR PERFORMANCE	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	A significant portion of an executive's pay should be tied to performance over time through the use of short and long-term performance-based incentives to align management and shareholders' interests. From a shareholders' perspective, performance is gauged by the company's stock performance over time. The attainment of executives' incentive goals should ultimately translate into superior shareholder returns in the long-term. Standard stock options and time-vested restricted stock are not considered performance-based since general market volatility alone can increase their value.
3.4	ADVISORY VOTES ON COMPENSATION (SAY ON PAY) – SHAREHOLDER PROPOSALS	FOR	A non-binding "say on pay" vote would encourage the board's compensation committee to be more careful about doling out unduly rich rewards that promote excessive risk-taking. It also would be a quick and effective way for a board to gauge whether shareowners think the company's compensation practices are in their best interests.~~[7]~~

~~[7] "Executive Compensation." Council of Institutional Investors. 2008. November 12, 2010.~~

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No.	Issue	LACERS Position	Rationale
3.5	ADVISORY VOTES ON COMPENSATION (SAY ON PAY) – MANAGEMENT PROPOSALS	CASE-BY-CASE VOTING AGENT'S DISCRETION	The advent of "say on pay" votes for shareholders in the U.S. is providing a new communication mechanism and impetus for constructive engagement between shareholders and managers/directors on pay issues. In general, the management say on pay (MSOP) ballot item is the primary focus of voting on executive pay practices -- dissatisfaction with compensation practices can be expressed by voting against MSOP rather than withholding or voting against the compensation committee.~~[8]~~
3.6	SAY ON PAY BALLOT FREQUENCY	FOR	The Board supports an annual MSOP for many of the same reasons it supports annual director elections rather than a classified board structure: because it provides the highest level of accountability and direct communication by enabling the MSOP vote to correspond to the information presented in the accompanying proxy statement for the annual shareholders' meeting. Having MSOP votes only every two or three years, potentially covering all actions occurring between the votes, would make it difficult to create meaningful and coherent communication that the votes are intended to provide.
3.7	STOCK OPTION PLANS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Stock options align the interests of management with the interests of shareholders. The Board prefers that options should be issued at or above fair market value. There should be no re-pricing of underwater options (stock options with little or no value due to poor performance), nor should there be a replenishment feature (automatic increases in the shares available for grant each year). Management must monitor the amount of dilution that stock options create. The total cost of the stock option plan should be reasonable relative to peer companies. The Board normally supports the use of stock options as a part of executive and management compensation.
3.8	HOLDING PERIOD FOR EQUITY COMPENSATION AWARDS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Executives should be required to hold a substantial portion of their equity awards, including shares received from option exercises, while they are employed at a company or even into retirement. Equity compensation awards are intended to align management interests with those of shareholders, and allowing executives to sell or hedge these shares while they are employees of the company undermines this purpose.~~[9]~~
3.9	EXCLUDING PENSION FUND INCOME	FOR	Earnings generated by a pension plan should not be included for executive compensation purposes.

~~[8] Institutional Shareholder Services. 2010 U.S. Proxy Voting Guidelines Summary. February 25, 2010. 38.~~
~~[9] Institutional Shareholder Services. 2010 Public Fund U.S. Proxy Voting Guidelines. 25.~~

Section 9 PROXY VOTING POLICY

No.	Issue	LACERS Position	Rationale
3.10	CLAWBACK OF INCENTIVE PAY	FOR	A company should recoup incentive payments made to executives and former executives if it is determined that the incentives were calculated from erroneous data, such as fraudulent or misstated financial results, and these incentive payments would not have been earned if correctly calculated.
3.11	GOLDEN PARACHUTES Golden parachutes are compensation arrangements that pay corporate managers after they leave their positions.	LACERS opposes this issue in principle VOTING AGENT'S DISCRETION	Golden parachutes can have a number of positive results: they can reduce management resistance to change, they help attract and retain competent talent, and they provide appropriate severance. Excessive golden parachutes not offered to other employees can damage their morale and can have a dilutive effect on shareholder wealth. A general rule is that the parachute should not exceed three times base salary. The Board is opposed to the payment of excessive executive compensation. Therefore, golden parachute agreements should be submitted to shareholders for ratification.
3.12	CHANGE OF CONTROL TRIGGERING UNJUSTIFIED ACCRUAL OF BENEFITS	LACERS opposes this issue in principle VOTING AGENT'S DISCRETION	A change of control event should not result in an acceleration of vesting of all unvested stock options or lapsing of vesting/performance requirements on restricted stock/performance shares, unless there is a loss of employment or substantial change in job duties for an executive.
3.13	GOLDEN COFFINS	LACERS opposes this issue in principle VOTING AGENT'S DISCRETION	Golden coffins are death-benefit packages awarded to the heirs of high ranking executives who die during employment with a company. Benefits awarded can include, but are not limited to, unearned salary and bonuses, accelerated stock options and perquisites. The Board is against excessive executive compensation, but recognizes that offering golden coffin benefits may be necessary to attract top talent.
3.14	SUPPLEMENTAL EXECUTIVE RETIREMENT PLANS (SERPS)	LACERS opposes this issue in principle VOTING AGENT'S DISCRETION	SERPs are executive-only retirement plans designed as a supplement to employee-wide plans. These plans may be structured to contain special provisions not offered in employee-wide plans such as above market interest rates and excess service credits. Incentive compensation may also be used in calculating retirement benefits, resulting in better benefit formulas than employee-wide plans and increased costs to the company. The Board supports SERPs if these plans do not contain excessive benefits beyond what is offered under employee-wide plans.
3.15	PROPOSALS TO LIMIT EXECUTIVE COMPENSATION OR OTHER BENEFITS	AGAINST	Executive pay should not have a blanket limit such as being capped at a specified multiple of other workers' pay. There should not be an absolute limit to retirement benefits, nor a mandate that stipulates that there be salary reductions based on corporate performance.

Section 9 PROXY VOTING POLICY

No.	Issue	LACERS Position	Rationale
3.16	DIRECTOR COMPENSATION	LACERS supports company management in principle VOTING AGENT'S DISCRETION	This is normally automatically approved unless the program is exceptional or abusive. Directors should be compensated with a mix of cash and stock, with the majority, but not all, of the compensation in stock to align their interests with shareholders. There should be no blanket limits on directors' compensation, but pay should be commensurate with expected duties and experience. The Board normally prefers to support company management's decision. The Board prefers that compensation issues be decided by a majority vote of the independent directors.
3.17	NON-EMPLOYEE DIRECTOR RETIREMENT BENEFITS	AGAINST	Since non-employee directors are elected representatives of shareholders and not company employees, they should not be offered retirement benefits, such as defined benefit plans or deferred stock awards, nor should they be entitled to special post-retirement perquisites.~~[10]~~
3.18	DISCLOSURE OF EXECUTIVE COMPENSATION	FOR	The Board supports shareholder proposals seeking additional disclosure of executive compensation.
3.19	EMPLOYEE STOCK OWNERSHIP PROGRAMS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	On one hand, ESOPs have the potential for motivating and rewarding employees. On the other hand, there is concern about their use as management entrenchment devices and their potential dilutive effects on existing shareholder value. The Board believes that future purchasers must bear the same risk as current shareholders. Employee wealth obtained through stock ownership should be tied to shareholder value. The Board prefers no retroactive compensation. The Board supports the use of ESOPs.
3.20	401(K) EMPLOYEE BENEFIT PLANS	FOR	A 401(k) plan provides a highly visible benefit to employees that can be used to attract and retain quality personnel. The Board supports proposals to implement a 401(k) savings plan for employees.
3.21	OMNIBUS BUDGET RECONCILIATION ACT (OBRA) OF 1993 - RELATED COMPENSATION PROPOSALS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	IRS Section 162(m) of OBRA, prohibits a company from deducting more than $1 million of an executive's compensation for tax purposes unless certain prescribed actions are taken to link compensation to performance such as establishment of performance goals by a compensation committee of outside directors and shareholder approval of the compensation plan. The Board generally supports proposals to approve new compensation plans or amend existing compensation plans to comply with Section 162(m) if the company can obtain tax benefits and increase shareholder value, and the plans do not result in excessive executive compensation.

~~[10] Council of Institutional Investors. Corporate Governance Policies. 22.~~

4. SHAREHOLDER RIGHTS & TAKEOVER DEFENSES

Companies should feature shareholder rights in their corporate governance principles to allow shareholders the opportunity to participate directly in monitoring management. A 2003 study by the National Bureau of Economic Research found that "firms with weaker shareholder rights earned significantly lower returns, were valued lower, had poor operating performance, and engaged in greater capital expenditure and takeover activity."~~[11]~~

No.	Issue	LACERS Position	Rationale
4.1	ACCESS TO PROXY PROCESS	FOR	Access proposals allow shareholders who own a significant number of shares to access management's proxy material to evaluate and propose voting recommendations on proxy proposals and director nominees, and to nominate their own candidates to the board. These proposals are based on the belief that shareholder access rights provide for increased corporate accountability and healthy communication.
4.2	ADVANCE NOTICE REQUIREMENTS	LACERS supports this issue in principle. VOTING AGENT'S DISCRETION	Advance notice bylaws, holding requirements, disclosure rules and any other company imposed regulations on the ability of shareholders to solicit proxies beyond those required by law should not be so onerous as to deny sufficient time or otherwise make it impractical for shareholders to submit nominations or proposals and distribute supporting proxy materials.~~[12]~~
4.3	CLASSIFIED BOARDS AND STAGGERED BOARDS A structure for a board of directors in which a portion of the directors serve for different term lengths.	LACERS opposes this issue in principle. VOTING AGENT'S DISCRETION	Although shareholders need some form of protection from hostile takeover attempts, and boards need tools and leverage in order to negotiate effectively with potential acquirers, a classified board tips the balance of power too much toward incumbent management at the price of potentially ignoring shareholder interests.
4.4	CONFIDENTIAL VOTING A shareholder's voting position is kept confidential.	FOR	Shareholders over whom management have some power (for example, employee shareholders, money managers who stand to gain or lose company business, banks, insurance companies and companies with interlocking boards) may be deterred from voting against management if they know their votes will become known to management. Companies that can discover who is voting in which way prior to the meeting also have an advantage not enjoyed by any shareholder supporting or opposing any issue on the ballot, and in targeting those shareholders who vote against management and pressuring them to change their votes.

~~[11] Gompers, Paul, Ishii, Joy & Metrick, Andrew. 2003. "Corporate Governance and Equity Prices," The Quarterly Journal of Economics, MIT Press, vol. 118(1), pages 107-155, February.~~

~~[12] Council of Institutional Investors. Corporate Governance Policies. 8.~~

Section 9 PROXY VOTING POLICY

No.	Issue	LACERS Position	Rationale
4.5	CUMULATIVE VOTING Allows each shareholder to take the voting rights he or she has with respect to director candidates and accumulates them to vote for only one director, or for a smaller number of directors.	FOR	Cumulative voting enhances shareholders' abilities to elect a single director or a small number of directors, thus increasing their ability to have a voice on the board even when they lack the voting power to affect change-in-control or other major decisions. Some fear that allowing cumulative voting can allow or encourage disruptive or predatory shareholders.
4.6	SHAREHOLDER'S RIGHT TO ACT INDEPENDENTLY OF MANAGEMENT -- CALLING SPECIAL MEETINGS AND ACTING BY WRITTEN CONSENT	FOR	These include giving shareholders the ability to call a special meeting of shareholders without management's consent, and the ability to act by written consent (saving the costs and difficulties of holding a meeting). Most corporations support the retention, restoration, or creation of these rights. Shareholders need realistic mechanisms to protect their interests in situations where their interests are not aligned with management interest.
4.7	SUPERMAJORITY PROVISIONS Voting majority that is higher than those set by state law.	AGAINST	Sets a level of approval for specified actions that is higher than the minimum set by state law. These requirements often exceed the level of shareholder participation at a meeting, making action that requires a supermajority all but impossible.
4.8	LINKED (BUNDLED) PROPOSALS Combining more than one proposal.	LACERS opposes this issue in principle VOTING AGENT'S DISCRETION	Linked proposals often include "sweeteners" to entice shareholders to vote for a proposal (that includes other items) that may not be in the shareholders' best interest. The Board normally opposes linked proposals where one or more of the linked proposals is in opposition to the Board's proxy position.
4.9	VOTES TO ABSTAIN MEANS A CASTED VOTE	FOR	Counting abstained votes in the total pool of all votes cast.
4.10	BROKER VOTING RESTRICTIONS	FOR	Broker non-votes and abstentions should be counted only for purposes of a quorum.
4.11	FAIR PRICING	FOR	Fair price provisions prevent two-tier tender offers in which a buyer offers a premium price for only enough shares to obtain a controlling interest. It is unfair to pay some shareholders (those that did not tender in the first group) less than other shareholders.
4.12	GREEN MAIL Greenmail is the practice of shareholders accumulating a large block of stock in a company, then selling the stock back to the company at an above market price in exchange for agreeing not to attempt to take control for a lengthy period of time.	AGAINST	A vote of the holders of a majority of the outstanding shares of common stock, regardless of class, shall be required to approve any corporate decision related to the finances of a company which will have a material effect upon the financial position of the company and the position of the company's shareholders.

No.	Issue	LACERS Position	Rationale
4.13	POISON PILLS A method used by boards, which prevent anyone from acquiring a large portion of the company stock for a corporate takeover.	LACERS opposes this issue in principle VOTING AGENT'S DISCRETION	Poison pills can consist of a wide variety of provisions adopted by boards without shareholder approval, designed to make it financially unattractive – indeed, often financially devastating – for a shareholder to purchase more than a small percentage of the company's stock, often by triggering the creation of a large number of new stocks or warrants that dilute the offending shareholder's interest to the point of making it virtually valueless. The Board is normally opposed to the use of poison pills.
4.14	NET OPERATING LOSS (NOL) POISON PILLS See 4.13 for poison pill definition.	CASE-BY-CASE VOTING AGENT'S DISCRETION	NOLs may be used to reduce future income tax payments and have become valuable assets to many corporations. If a corporation experiences an ownership change as defined by Section 382 of the tax code, then its ability to use a pre-change NOL in a post-change period could be substantially limited or delayed.~~[13]~~ NOL pills are adopted as a takeover deterrent to preserve the tax benefit of NOLs.
4.15	POISON PILLS – ALLOW FOR SHAREHOLDER VOTE	FOR	Since poison pills ultimately impact the wealth of shareholders, the Board supports voting measures that allow for the shareholders to vote on matters pertaining to the use of poison pills.
4.16	RE-INCORPORATION	LACERS supports company management in principle VOTING AGENT'S DISCRETION	Corporations may wish to reincorporate in another state to take advantage of favorable corporate law, while providing maximized shareholder values and operational flexibility. On the other hand, reincorporation laws of other states could be such as to limit shareholder rights or reduce shareholder wealth. The Board normally supports company management's decisions on re-incorporation matters.
4.17	STATE ANTI-TAKEOVER LAWS	CASE-BY-CASE VOTING AGENT'S DISCRETION	State anti-takeover laws seek to deter hostile takeover attempts of state-based corporations with the intent of keeping target companies locally based and preserving jobs. These laws may also complicate friendly mergers and impose great costs and delays on shareholders and stakeholders in the corporation. Most state anti-takeover provisions allow companies to "opt in" or "opt out" of coverage via shareholder vote.
4.18	TARGETED SHARE PLACEMENTS Placing stock in the hands of friendly investors	LACERS supports company management in principle VOTING AGENT'S DISCRETION	Targeted share placements (or "White Squire" placements) occur when a company puts large blocks of stock or convertible securities into the hands of a friendly investor or group of investors. This is often an inexpensive method of raising cash for a company. The Board prefers that company management seeks

~~[13] Nathan, Charles. "Recent Poison Pill Development and Trends." May 12, 2009. The Harvard Law School Forum on Corporate Governance and Financial Regulation.~~

			authorization before establishing a targeted share placement but supports this corporate action.

5. CAPITAL STRUCTURE

Corporate financing decisions can have a significant impact on shareholder value, particularly when these decisions may result in common share dilution. As a result, shareholders must analyze all management proposals to modify capital structure to determine whether these financing decisions are in their best interests.

No.	Issue	LACERS Position	Rationale
5.1	INCREASES IN THE NUMBER OF AUTHORIZED SHARES OF STOCK	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Companies need the flexibility of issuing additional shares for stock splits, stock dividends, financings, acquisitions, employee benefit plans and general corporate purposes. The Board prefers that increases should not exceed three times the number of existing outstanding shares and that the company specify a purpose for the proposed increase.
5.2	ONE SHARE, ONE VOTE Each share of common stock, regardless of its class, shall be entitled to vote in proportion to its relative share of the total common stock equity of the corporation.	FOR	The right to vote is inviolate and may not be abridged by any circumstances or by any action of any person. Each share of common stock, regardless of its class, shall be treated equally in proportion to its relative share in the total common stock equity of the corporation, with respect to any dividend, distribution, redemption, tender or exchange offer. In matters reserved for shareholder action, procedural fairness and full disclosure are required.
5.3	PAR VALUE ADJUSTMENT OF COMMON STOCK	FOR	In extraordinary cases when a stock price falls below its par value, a company wishing to issue additional stock would be unable to do so without reducing par value. Companies may also propose reductions in par value to conform to state legislative changes in the required minimum level of par value.~~[14]~~
5.4	PREEMPTIVE RIGHTS Provides current stockholders an option to maintain their relative ownership position.	AGAINST	Preemptive rights require a company issuing new shares to offer them to their existing shareholders first, in proportion to their existing holdings. This gives current shareholders the ability to maintain their relative equity position as a shareholder. Preemptive rights generally have limited importance, given the increase in the size and liquidity of the secondary market and their potential for abuse.
5.5	DEBT RESTRUCTURING	CASE-BY-CASE VOTING AGENT'S DISCRETION	As part of a debt restructuring plan, a company may propose to increase and issue common and/or preferred shares. These proposals should be evaluated considering dilution to existing shareholders, potential changes in company control, the company's current financial position, terms of the offer, whether bankruptcy is imminent and alternatives.

~~[14] Institutional Shareholder Services. U.S. Proxy Voting Manual. 2006. November 12, 2010.~~

Section 9 PROXY VOTING POLICY

No.	Issue	LACERS Position	Rationale
5.6	CONVERSION OF SECURITIES	CASE-BY-CASE VOTING AGENT'S DISCRETION	Proposals to convert securities, such as converting preferred stock to common shares, should be evaluated based on the dilution to existing shareholders, the conversion price relative to market value, financial issues, control issues, termination penalties, and conflicts of interest.
5.7	SHARE REPURCHASES Corporations buy back a portion of the outstanding shares.	FOR	The Board normally favors of share repurchase plans if the company boards feel that the stock is undervalued or there is a legitimate corporate purpose.
5.8	REVERSE STOCK SPLITS	FOR ONLY IF THE NUMBER OF AUTHORIZED SHARES IS PROPORTIONATELY REDUCED. OTHERWISE, VOTING AGENT'S DISCRETION.	A reverse stock split reduces the number of shares owned and increases the share price proportionately. A reverse stock split has no effect on the value of what shareholders own. Companies often reverse split their stock when they believe the price of their stock is too low to attract investors to buy their stock or to avoid being delisted.~~[15]~~ If the number of authorized shares is not proportionately reduced with a reverse stock split, then LACERS treats these proposals as a request to increase authorized shares.
5.9	BLANK CHECK PREFERRED STOCK Blank check preferred stock is authorized stock over which the board has complete discretion to set voting rights, dividend rates, and redemption and conversion privileges.	AGAINST	There is the potential for abusing this kind of stock by the board. Although some guidelines note that blank check preferred stock gives management great flexibility, and this might be valuable and in the corporate interest, in general it is felt that this kind of flexibility, free of shareholder control, is insufficient justification for the creation of this type of stock.

~~[15] "Reverse Stock Splits." Securities and Exchange Commission. 2000. November 12, 2010. <http://www.sec.gov/answers/reversesplit.htm>.~~

6. CORPORATE RESTRUCTURINGS

Corporate restructurings, such as mergers and leveraged buyouts, can have a major effect on shareholder value. Many of these transactions require shareholder approval and must be examined carefully to determine whether they are in the best financial interests of the shareholders.

No.	Issue	LACERS Position	Rationale
6.1	ASSET SALES	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Asset sales should be evaluated based on the impact on the balance sheet/working capital, value received for the asset, and potential elimination of inefficiencies. The Board generally supports management decisions to sell assets.
6.2	GOING PRIVATE TRANSACTIONS (LEVERAGED BUYOUTS AND MINORITY SQUEEZEOUTS)	CASE-BY-CASE VOTING AGENT'S DISCRETION	Going private transactions such as leveraged buyouts and minority squeezeouts should be evaluated on a case-by-case basis taking into account the following: offer price and imbedded premium, fairness opinion, how the deal was negotiated, conflicts of interest, other alternatives/offers considered, and the risk to shareholders if the attempt to take the company private fails.
6.3	LIQUIDATIONS	CASE-BY-CASE VOTING AGENT'S DISCRETION	Liquidation proposals are generally bad news for long-term investors. They usually occur after a prolonged period of declines in earnings and share prices. However, liquidation may be an attractive option if the sale of the firm's assets on a piece-meal basis can be accomplished at a higher-than-market price. Liquidation proposals should be evaluated based on management's efforts to pursue other alternatives, appraised value of assets, the compensation plan for executives managing the liquidation, and the likelihood of bankruptcy if the liquidation proposal is not approved.~~[16]~~
6.4	MERGERS AND ACQUISITIONS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Case-by-case votes are recommended on mergers or acquisitions since the circumstances by which they arise are unique. The Board supports the company management's decision on mergers and acquisitions when such decision is based upon the findings of a thorough due diligence process and is in the best interest of the shareholders.
6.5	SPIN-OFFS	CASE-BY-CASE VOTING AGENT'S DISCRETION	Corporations may seek to streamline their operations by spinning off less productive or unrelated subsidiary businesses. The spun-off companies are expected to be worth more as independent entities than as parts of a larger business. Spin-offs are evaluated case-by-case depending on the tax and regulatory advantages, planned use of sale proceeds, managerial incentives, valuation of spinoff, fairness opinion, benefits to the parent company, conflicts of interest, corporate governance changes, and changes in the capital structure.

~~[16] Institutional Shareholder Services. U.S. Proxy Voting Manual. 2006. November 12, 2010.~~

7. MISCELLANEOUS CORPORATE GOVERNANCE			
No.	**Issue**	**LACERS Position**	**Rationale**
7.1	ANNUAL MEETING DATE & LOCATION	LACERS supports company management in principle VOTING AGENT'S DISCRETION	Mandatory rotation of the annual meeting would not significantly increase stockholders' access to management since there are convenient alternatives available to interested stockholders. It would decrease the company's flexibility without a material benefit to stockholders. The Board normally supports company management's decision on this issue.
7.2	CORPORATE NAME CHANGE	FOR	A company may seek a name change to better portray its strategic image or re-brand itself. The Board supports company management's decision on this issue.
7.3	CORPORATION CHARTER & BYLAW AMENDMENTS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Charters and bylaws should not be amended without shareholder approval unless the changes are of a housekeeping nature such as minor corrections or updates.

8. SOCIAL & ENVIRONMENTAL

~~On November 13, 2007, the Board adopted the United Nations Principles for Responsible Investment ("Principles"), a policy of global best practices for environmental, social, and governance ("ESG") investing.~~On April 9, 2019, the Board of Administration approved becoming a signatory of the Principles for Responsible Investing ("PRI"), a policy of global best practices for environmental, social, and governance ("ESG") investing. LACERS officially became a PRI signatory on September 3, 2019. LACERS current proxy voting agent, Institutional Shareholder Services, ("ISS"), is a signatory to the ~~Principles~~ PRI and incorporates them into its proxy analysis process. Therefore, when considering how to vote on most ESG proposals, investment staff relies on the research expertise and voting recommendations of ISS.

No.	Issue	LACERS Position	Rationale
8.1	DIVERSIFICATION OF BOARDS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Women and minorities have played major and responsible roles not only in government, higher education, law and medicine, but also in communications, electronics, and finance. The Board normally prefers to support diversification on company boards. However, the Board recognizes that such a mandate carried out without regard to the selection of the most highly qualified candidates might not be in the best interest of these companies.
8.2	CORPORATE BOARD MEMBERS SHOULD WEIGH SOCIO-ECONOMIC, LEGAL AND FINANCIAL FACTORS WHEN EVALUATING TAKEOVER BIDS	CASE-BY-CASE BASIS. VOTING AGENT'S DISCRETION	While broad social and environmental issues are of concern to everyone, institutional shareholders acting as representatives of their beneficiaries must consider, specifically, the impact of the proposal on the target company. A decision on whether to support or oppose such proposals shall focus on the financial aspects of social and environmental proposals. If a proposal would have a negative impact on the company's financial position or adversely affect important operations, LACERS would oppose the resolution. Conversely, if a proposal would have a clear and beneficial impact on the company's finances or operations, LACERS would support the proposal.
8.3	INDEPENDENT REVIEW OF COMPANY OR PLANT OPERATIONS	AGAINST	An independent review of company or plant operations which will be provided at company expense to the shareholders to consider the cost of and alternatives to the present or proposed projects on the primary operation. This process would be costly and time-consuming.
8.4	DISCLOSURE OF OFFICERS, DIRECTORS AND INVOLVED OUTSIDERS' GOVERNMENTAL AFFILIATIONS	AGAINST	Miscellaneous issues include disclosures of lists of officers, directors and involved outsiders who have served in any governmental capacity during the previous five years. In addition, disclosure includes the lists of law firms employed by the companies, rundowns on fees and the revelation as to whether any elected or appointed official have partnership interest in the retained law firms. To the extent that potential conflicts of interest cannot be controlled by corporate procedures, professional ethics, and law, these disclosures will make no difference.

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No.	Issue	LACERS Position	Rationale
8.5	CORPORATE AFFIRMATION OF ITS NON-COERCIVE POLITICAL PRACTICES	AGAINST	This affirmation is intended to ensure that the corporation avoids a number of coercive political practices such as distribution of contribution cards in favor of one political party. Since these practices are illegal, the issue is moot.
8.6	LIMITING CORPORATE PHILANTHROPY	AGAINST	These proposals place restrictions and additional reporting obligations upon management's right to make corporate contributions to charitable, educational, community or related organizations. Most companies give money to charity. Because most companies must compete, those that do not contribute to charity risk damaging their good names.
8.7	STAKEHOLDERS' INTEREST BEFORE OR EQUAL WITH SHAREHOLDERS' INTEREST	ABSTAIN	Stakeholders include customers, suppliers, employees, communities, creditors and shareholders. Stakeholders are important to the success of the corporation and therefore the interests of each must be considered by directors and management. However, boards should not put the non-shareholder/stakeholder interests ahead of or on an equal footing with shareholders in terms of the corporation's ultimate purpose.
8.8	GENDER, RACE, OR ETHNICITY PAY GAP	FOR	Companies should provide reports on its pay data categorized by gender, race, or ethnicity and reports on a company's policies and goals to reduce any gender, race, or ethnicity pay gaps.
8.9	REPORTS ON EMPLOYEE DIVERSITY	FOR	Companies should provide diversity reports identifying employees according to their gender and race in each of the nine Equal Employment Opportunity Commission (EEOC) defined job categories.
~~8.~~10 ~~8~~	ALL OTHER ESG ISSUES	VOTING AGENT'S DISCRETION	Investment staff relies on the research expertise and voting recommendations of ISS for other ESG issues not addressed by this 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 make shall determine whether the item requires ~~Corporate~~ 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~~her~~ designee.

The designated staff person will be the Chief Investment Officer (CIO). The designated Board member will be the Chair of the ~~Corporat~~e 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 ~~Corporate~~ Governance Committee, the Board Chair will become the designated Board member.

Section 9 PROXY VOTING POLICY

XIV. PROXY VOTING POLICY

A. **Introduction**

As good corporate governance practices are widely believed to increase shareholder value, public retirement systems across the country are becoming more active in encouraging good corporate governance practices among companies in which they own stock.

As such the core objectives of LACERS Proxy Policy are:

1. Manage proxy voting rights with the same care, skill, diligence and prudence as is exercised in managing other assets.
2. Exercise proxy voting rights in the sole interest of the System's members and beneficiaries in accordance with all applicable statutes consistent with the Board proxy policy.
3. Provide a framework for voting shares responsibly and in a well-reasoned manner.
4. Align the interests of shareowners and corporate management to build long-term sustainable growth in shareholder value for the benefit of the System.

These primary objectives shall be considered whenever the Board and/or Corporate Governance Committee considers policy, reviews proxy voting issues, recommends corporate governance investment activities, or takes other corporate governance-related actions.

B. **Statement of Purpose**

The Board has formulated this policy to provide a guideline for proxy voting. This policy is set forth in the best interest of LACERS investment program to support sound corporate governance practices that maximize shareholder value.

All applications of this policy are executed by an outside proxy voting agent. The policy will be reviewed on a bi-annual basis. The proxy voting agent provides quarterly voting reports summarizing all votes cast during that time period. These reports are reviewed for compliance with the proxy voting policy.

Section 9 PROXY VOTING POLICY

1. BOARD OF DIRECTORS

Electing directors is the single most important stock ownership right that shareholders can exercise. Shareholders can promote healthy corporate governance practices and influence long-term shareholder value by electing directors who share shareholder views. In evaluating proxy items related to a company's board, director accountability, independence and competence are of prime importance to ensure that directors are fit for the role and best able to serve shareholders' interests.

No.	Issue	LACERS Position	Rationale
1.1	ELECTION OF DIRECTORS IN UNCONTESTED ELECTIONS	LACERS supports company management in principle VOTING AGENT'S DISCRETION	It is prudent to vote for the prescribed full slate of directors as long as the slate of directors will conduct themselves in the best interest of the shareholders. Director nominees should be evaluated based on accountability, responsiveness to shareholders, independence from company management, and competence and performance.
1.2	BOARD INDEPENDENCE	FOR	At a minimum, a majority of the board should consist of directors who are independent. Corporate boards should strive to obtain board composition made up of a substantial majority (at least two-thirds) of independent directors.[5]
1.3	MAJORITY THRESHOLD VOTING FOR THE ELECTION OF DIRECTORS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Under a plurality system, a board-backed nominee in an uncontested election needs to receive only a single affirmative vote to claim his or her seat in the boardroom. Even if holders of a substantial majority of the votes cast "withhold" support, the director nominee wins the seat. Under the majority vote standard, a director nominee must receive support from holders of a majority of the votes cast in order to be elected (or re-elected) to the board. In contested elections where there are more nominees than seats, a carve-out provision for plurality should exist.
1.4	SEPARATE CHAIR AND CEO	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	A CEO who also heads a board is less accountable than one who must answer to an independent chairman as well as fellow directors. However, there could be times when it makes sense for one person to wear two hats. On balance, there appears to be more gained and less lost from separating the two jobs at major companies. The Board generally favors the separation of the chairman and CEO. However, the Board believes it may be in the best interests of a corporation and the shareholders to have one person fulfilling both positions in smaller companies.

[5] CalPERS. Global Principles of Accountable Corporate Governance. February 16, 2010. 8.

No.	Issue	LACERS Position	Rationale
1.5	LIMITING BOARD SIZE	FOR	Proposals that allow management to increase or decrease the size of the board at its own discretion are often used by companies as a takeover defense. Shareholders should support management proposals to fix the size of the board at a specific number of directors, thereby preventing management (when facing a proxy contest) from increasing the size of the board without shareholder approval.[6]
1.6	COMMITTEE INDEPENDENCE	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	The key board committees – audit, compensation, and nominating committees – should be composed exclusively of independent directors if they currently do not meet that standard. The company's board (not the CEO) should appoint the committee chairs and members. Committees should be able to select their own service providers to assist them in decision making.
1.7	DIRECTOR QUALIFICATIONS AND RESTRICTIONS Requires directors to own a minimum amount of stock; impose tenure limits; establishing a minimum or maximum age requirement	AGAINST	Establishing a minimum amount of stock ownership could preclude very qualified candidates from sitting on the board. Tenure limits and age restrictions could force out experienced and knowledgeable board members.
1.8	LIABILITY AND INDEMNIFICATION OF OFFICERS AND DIRECTORS	CASE-BY-CASE VOTING AGENT'S DISCRETION	This indemnifies corporate officers and directors against personal liability suits as a result of their official status. This indemnification is necessary to attract and keep the best-qualified individuals. However, officers' and directors' liability should not be limited or fully indemnified for acts that are serious violations of fiduciary obligations such as gross negligence or intentional misconduct.
1.9	OBLIGATION OF BOARDS TO ACT ON SHAREHOLDER PROPOSALS RECEIVING MAJORITY SUPPORT To ensure that the voices of the owners of the firm are heard.	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Boards are responsible for ensuring that the voices of the owners of the firm are heard. If the majority of shareholders have indicated they desire a particular governance change, the board should support the proposal in question.
1.10	DIRECTOR REMOVAL BY SHAREHOLDERS	FOR	Shareholders should have the right to remove directors or fill director vacancies. Lack of such a policy could allow management to protect themselves from various shareholder initiatives.

[6] LACERA. Domestic Proxy Voting Guidelines. April 22, 2009. 21.

Section 9 PROXY VOTING POLICY

No.	Issue	LACERS Position	Rationale
1.11	SHAREHOLDER ADVISORY COMMITTEES	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	It is often difficult for directors to communicate to and hear from shareholders, because shareholders tend to be numerous, unidentified, dispersed, and silent. This proposal establishes committees of shareholders to make communication easier and more effective. However, establishment of such committees can be time consuming and expensive. The Board prefers the establishment of such committees where there is no other available mechanism to communicate with the company boards.
1.12	PROXY CONTESTS	CASE-BY-CASE VOTING AGENT'S DISCRETION	A proxy contest is a strategy that involves using shareholders' proxy votes to replace the existing members of a company's board of directors. By removing existing board members, the person or company launching the proxy contest can establish a new board of directors that is better aligned with their objectives. Proxy contests should be examined on a case-by-case basis considering factors such as the company's performance relative to peers, strategy of incumbents vs. dissidents, experience of director candidates, current management's track record, etc.
1.13	REIMBURSEMENT OF PROXY SOLICITATION EXPENSES	CASE-BY-CASE VOTING AGENT'S DISCRETION	Most expenditures incurred by incumbents in a proxy contest are paid by the company. In contrast, dissidents are generally reimbursed only for proxy solicitation expenses, if they gain control of the company. Dissidents who have only gained partial representation may also be reimbursed in cases where the board and a majority of shareholders approve. In successful proxy contests, new management will often seek shareholder approval for the use of company funds to reimburse themselves for the costs of proxy solicitation.

2. AUDIT-RELATED

Shareholders must rely on company-produced financial statements to assess company performance and the values of their investments. External auditors play an important role by certifying the integrity of these financial reports provided to shareholders. To ensure that an external auditor is acting in shareholders' best interest, the auditor must be independent, objective, and free of potential conflicts of interest.

No.	Issue	LACERS Position	Rationale
2.1	RATIFYING AUDITORS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	The Board generally supports a company's choice of audit firms unless an auditor has a financial interest in or association with the company and is therefore not independent; there is reason to believe that the independent auditor has rendered an inaccurate opinion of the company's financial position; or fees are excessive as defined by ISS (Non-audit fee > audit fees + audit related fees + tax compliance/preparation fees).
2.2	LIMITING NON-AUDIT SERVICES BY AUDITORS	FOR	Auditor independence may be impaired if an auditor provides both audit-related and non-audit related services to a company and generates significant revenue from these non-audit services. The Board believes that a company should have policies in place to limit non-audit services and prevent conflicts of interest.
2.3	ROTATION OF AUDITORS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	A long-standing relationship between a company and an audit firm may compromise auditor independence for various reasons including an auditor's closeness to client management, lack of attention to detail due to staleness and redundancy, and eagerness to please the client.[7] Enron and Anderson is a prime example of this situation. The Board believes it may be prudent to rotate auditors every 5 to 7 years.
2.4	ELECTION OF THE AUDIT COMMITTEE Section 404 of the Sarbanes-Oxley Act requires that companies document and assess the effectiveness of their internal controls. The Audit Committee should be comprised of the independent directors	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Companies with significant material weaknesses identified in the Section 404 disclosures potentially have ineffective internal financial reporting controls, which may lead to inaccurate financial statements, hampering shareholder's ability to make informed investment decisions, and may lead to the destruction in public confidence and shareholder value. The Audit Committee is ultimately responsible for the integrity and reliability of the company's financial information, and its system of internal controls, and should be held accountable.

[7] Arel, Barbara, Brody, Richard G. & Pany, Kurt. "Audit Firm Rotation and Audit Quality. "The CPA Journal (January 2005). November 12, 2010.

3. COMPENSATION

The Board endorses executive compensation plans that align management and shareholders' interest. Executive pay programs should be fair, competitive, reasonable, and appropriate. Pay-for-performance plans should be a central tenet of executive compensation and plans should be designed with the intent of increasing long-term shareholder value. Executives should not be incentivized to take excessive risks that could threaten long-term corporate viability and shareholder value.

No.	Issue	LACERS Position	Rationale
3.1	EXECUTIVE COMPENSATION APPROVED BY THE BOARD OF DIRECTORS	FOR	While some corporations allow compensation issues to be left to management, it is more prudent to have a compensation committee, composed of independent directors, approve, on an annual basis, executive compensation, including the right to receive any bonus, severance or other extraordinary payment. If a company does not have a compensation committee, then executive compensation should be approved by a majority vote of independent directors. The Board normally prefers to support the company's recommendation of executive compensation issues.
3.2	INDEPENDENT COMPENSATION CONSULTANT	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	A company's board and/or compensation committee should have the power to hire an independent consultant – separate from the compensation consultants working with corporate management – to assist with executive compensation issues to avoid conflicts of interest. Disclosure should be provided about the company's, board's, and/or compensation committee's use of compensation consultants, such as company name, business relationship(s) and fees paid.
3.3	PAY FOR PERFORMANCE	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	A significant portion of an executive's pay should be tied to performance over time through the use of short and long-term performance-based incentives to align management and shareholders' interests. From a shareholders' perspective, performance is gauged by the company's stock performance over time. The attainment of executives' incentive goals should ultimately translate into superior shareholder returns in the long-term. Standard stock options and time-vested restricted stock are not considered performance-based since general market volatility alone can increase their value.
3.4	ADVISORY VOTES ON COMPENSATION (SAY ON PAY) – SHAREHOLDER PROPOSALS	FOR	A non-binding "say on pay" vote would encourage the board's compensation committee to be more careful about doling out unduly rich rewards that promote excessive risk-taking. It also would be a quick and effective way for a board to gauge whether shareowners think the company's compensation practices are in their best interests.[8]

[8] "Executive Compensation." Council of Institutional Investors. 2008. November 12, 2010.

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No.	Issue	LACERS Position	Rationale
3.5	ADVISORY VOTES ON COMPENSATION (SAY ON PAY) – MANAGEMENT PROPOSALS	CASE-BY-CASE VOTING AGENT'S DISCRETION	The advent of "say on pay" votes for shareholders in the U.S. is providing a new communication mechanism and impetus for constructive engagement between shareholders and managers/directors on pay issues. In general, the management say on pay (MSOP) ballot item is the primary focus of voting on executive pay practices -- dissatisfaction with compensation practices can be expressed by voting against MSOP rather than withholding or voting against the compensation committee.[9]
3.6	SAY ON PAY BALLOT FREQUENCY	FOR	The Board supports an annual MSOP for many of the same reasons it supports annual director elections rather than a classified board structure: because it provides the highest level of accountability and direct communication by enabling the MSOP vote to correspond to the information presented in the accompanying proxy statement for the annual shareholders' meeting. Having MSOP votes only every two or three years, potentially covering all actions occurring between the votes, would make it difficult to create meaningful and coherent communication that the votes are intended to provide.
3.7	STOCK OPTION PLANS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Stock options align the interests of management with the interests of shareholders. The Board prefers that options should be issued at or above fair market value. There should be no re-pricing of underwater options (stock options with little or no value due to poor performance), nor should there be a replenishment feature (automatic increases in the shares available for grant each year). Management must monitor the amount of dilution that stock options create. The total cost of the stock option plan should be reasonable relative to peer companies. The Board normally supports the use of stock options as a part of executive and management compensation.
3.8	HOLDING PERIOD FOR EQUITY COMPENSATION AWARDS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Executives should be required to hold a substantial portion of their equity awards, including shares received from option exercises, while they are employed at a company or even into retirement. Equity compensation awards are intended to align management interests with those of shareholders, and allowing executives to sell or hedge these shares while they are employees of the company undermines this purpose.[10]
3.9	EXCLUDING PENSION FUND INCOME	FOR	Earnings generated by a pension plan should not be included for executive compensation purposes.

[9] Institutional Shareholder Services. 2010 U.S. Proxy Voting Guidelines Summary. February 25, 2010. 38.
[10] Institutional Shareholder Services. 2010 Public Fund U.S. Proxy Voting Guidelines. 25.

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No.	Issue	LACERS Position	Rationale
3.10	CLAWBACK OF INCENTIVE PAY	FOR	A company should recoup incentive payments made to executives and former executives if it is determined that the incentives were calculated from erroneous data, such as fraudulent or misstated financial results, and these incentive payments would not have been earned if correctly calculated.
3.11	GOLDEN PARACHUTES Golden parachutes are compensation arrangements that pay corporate managers after they leave their positions.	LACERS opposes this issue in principle VOTING AGENT'S DISCRETION	Golden parachutes can have a number of positive results: they can reduce management resistance to change, they help attract and retain competent talent, and they provide appropriate severance. Excessive golden parachutes not offered to other employees can damage their morale and can have a dilutive effect on shareholder wealth. A general rule is that the parachute should not exceed three times base salary. The Board is opposed to the payment of excessive executive compensation. Therefore, golden parachute agreements should be submitted to shareholders for ratification.
3.12	CHANGE OF CONTROL TRIGGERING UNJUSTIFIED ACCRUAL OF BENEFITS	LACERS opposes this issue in principle VOTING AGENT'S DISCRETION	A change of control event should not result in an acceleration of vesting of all unvested stock options or lapsing of vesting/performance requirements on restricted stock/performance shares, unless there is a loss of employment or substantial change in job duties for an executive.
3.13	GOLDEN COFFINS	LACERS opposes this issue in principle VOTING AGENT'S DISCRETION	Golden coffins are death-benefit packages awarded to the heirs of high ranking executives who die during employment with a company. Benefits awarded can include, but are not limited to, unearned salary and bonuses, accelerated stock options and perquisites. The Board is against excessive executive compensation, but recognizes that offering golden coffin benefits may be necessary to attract top talent.
3.14	SUPPLEMENTAL EXECUTIVE RETIREMENT PLANS (SERPS)	LACERS opposes this issue in principle VOTING AGENT'S DISCRETION	SERPs are executive-only retirement plans designed as a supplement to employee-wide plans. These plans may be structured to contain special provisions not offered in employee-wide plans such as above market interest rates and excess service credits. Incentive compensation may also be used in calculating retirement benefits, resulting in better benefit formulas than employee-wide plans and increased costs to the company. The Board supports SERPs if these plans do not contain excessive benefits beyond what is offered under employee-wide plans.
3.15	PROPOSALS TO LIMIT EXECUTIVE COMPENSATION OR OTHER BENEFITS	AGAINST	Executive pay should not have a blanket limit such as being capped at a specified multiple of other workers' pay. There should not be an absolute limit to retirement benefits, nor a mandate that stipulates that there be salary reductions based on corporate performance.

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No.	Issue	LACERS Position	Rationale
3.16	DIRECTOR COMPENSATION	LACERS supports company management in principle VOTING AGENT'S DISCRETION	This is normally automatically approved unless the program is exceptional or abusive. Directors should be compensated with a mix of cash and stock, with the majority, but not all, of the compensation in stock to align their interests with shareholders. There should be no blanket limits on directors' compensation, but pay should be commensurate with expected duties and experience. The Board normally prefers to support company management's decision. The Board prefers that compensation issues be decided by a majority vote of the independent directors.
3.17	NON-EMPLOYEE DIRECTOR RETIREMENT BENEFITS	AGAINST	Since non-employee directors are elected representatives of shareholders and not company employees, they should not be offered retirement benefits, such as defined benefit plans or deferred stock awards, nor should they be entitled to special post-retirement perquisites.[11]
3.18	DISCLOSURE OF EXECUTIVE COMPENSATION	FOR	The Board supports shareholder proposals seeking additional disclosure of executive compensation.
3.19	EMPLOYEE STOCK OWNERSHIP PROGRAMS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	On one hand, ESOPs have the potential for motivating and rewarding employees. On the other hand, there is concern about their use as management entrenchment devices and their potential dilutive effects on existing shareholder value. The Board believes that future purchasers must bear the same risk as current shareholders. Employee wealth obtained through stock ownership should be tied to shareholder value. The Board prefers no retroactive compensation. The Board supports the use of ESOPs.
3.20	401(K) EMPLOYEE BENEFIT PLANS	FOR	A 401(k) plan provides a highly visible benefit to employees that can be used to attract and retain quality personnel. The Board supports proposals to implement a 401(k) savings plan for employees.
3.21	OMNIBUS BUDGET RECONCILIATION ACT (OBRA) OF 1993 - RELATED COMPENSATION PROPOSALS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	IRS Section 162(m) of OBRA, prohibits a company from deducting more than $1 million of an executive's compensation for tax purposes unless certain prescribed actions are taken to link compensation to performance such as establishment of performance goals by a compensation committee of outside directors and shareholder approval of the compensation plan. The Board generally supports proposals to approve new compensation plans or amend existing compensation plans to comply with Section 162(m) if the company can obtain tax benefits and increase shareholder value, and the plans do not result in excessive executive compensation.

[11] Council of Institutional Investors. Corporate Governance Policies. 22.

4. SHAREHOLDER RIGHTS & TAKEOVER DEFENSES

Companies should feature shareholder rights in their corporate governance principles to allow shareholders the opportunity to participate directly in monitoring management. A 2003 study by the National Bureau of Economic Research found that "firms with weaker shareholder rights earned significantly lower returns, were valued lower, had poor operating performance, and engaged in greater capital expenditure and takeover activity."[12]

No.	Issue	LACERS Position	Rationale
4.1	ACCESS TO PROXY PROCESS	FOR	Access proposals allow shareholders who own a significant number of shares to access management's proxy material to evaluate and propose voting recommendations on proxy proposals and director nominees, and to nominate their own candidates to the board. These proposals are based on the belief that shareholder access rights provide for increased corporate accountability and healthy communication.
4.2	ADVANCE NOTICE REQUIREMENTS	LACERS supports this issue in principle. VOTING AGENT'S DISCRETION	Advance notice bylaws, holding requirements, disclosure rules and any other company imposed regulations on the ability of shareholders to solicit proxies beyond those required by law should not be so onerous as to deny sufficient time or otherwise make it impractical for shareholders to submit nominations or proposals and distribute supporting proxy materials.[13]
4.3	CLASSIFIED BOARDS AND STAGGERED BOARDS A structure for a board of directors in which a portion of the directors serve for different term lengths.	LACERS opposes this issue in principle. VOTING AGENT'S DISCRETION	Although shareholders need some form of protection from hostile takeover attempts, and boards need tools and leverage in order to negotiate effectively with potential acquirers, a classified board tips the balance of power too much toward incumbent management at the price of potentially ignoring shareholder interests.
4.4	CONFIDENTIAL VOTING A shareholder's voting position is kept confidential.	FOR	Shareholders over whom management have some power (for example, employee shareholders, money managers who stand to gain or lose company business, banks, insurance companies and companies with interlocking boards) may be deterred from voting against management if they know their votes will become known to management. Companies that can discover who is voting in which way prior to the meeting also have an advantage not enjoyed by any shareholder supporting or opposing any issue on the ballot, and in targeting those shareholders who vote against management and pressuring them to change their votes.

[12] Gompers, Paul, Ishii, Joy & Metrick, Andrew. 2003. "Corporate Governance and Equity Prices," The Quarterly Journal of Economics, MIT Press, vol. 118(1), pages 107-155, February.

[13] Council of Institutional Investors. Corporate Governance Policies. 8.

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No.	Issue	LACERS Position	Rationale
4.5	CUMULATIVE VOTING Allows each shareholder to take the voting rights he or she has with respect to director candidates and accumulates them to vote for only one director, or for a smaller number of directors.	FOR	Cumulative voting enhances shareholders' abilities to elect a single director or a small number of directors, thus increasing their ability to have a voice on the board even when they lack the voting power to affect change-in-control or other major decisions. Some fear that allowing cumulative voting can allow or encourage disruptive or predatory shareholders.
4.6	SHAREHOLDER'S RIGHT TO ACT INDEPENDENTLY OF MANAGEMENT -- CALLING SPECIAL MEETINGS AND ACTING BY WRITTEN CONSENT	FOR	These include giving shareholders the ability to call a special meeting of shareholders without management's consent, and the ability to act by written consent (saving the costs and difficulties of holding a meeting). Most corporations support the retention, restoration, or creation of these rights. Shareholders need realistic mechanisms to protect their interests in situations where their interests are not aligned with management interest.
4.7	SUPERMAJORITY PROVISIONS Voting majority that is higher than those set by state law.	AGAINST	Sets a level of approval for specified actions that is higher than the minimum set by state law. These requirements often exceed the level of shareholder participation at a meeting, making action that requires a supermajority all but impossible.
4.8	LINKED (BUNDLED) PROPOSALS Combining more than one proposal.	LACERS opposes this issue in principle VOTING AGENT'S DISCRETION	Linked proposals often include "sweeteners" to entice shareholders to vote for a proposal (that includes other items) that may not be in the shareholders' best interest. The Board normally opposes linked proposals where one or more of the linked proposals is in opposition to the Board's proxy position.
4.9	VOTES TO ABSTAIN MEANS A CASTED VOTE	FOR	Counting abstained votes in the total pool of all votes cast.
4.10	BROKER VOTING RESTRICTIONS	FOR	Broker non-votes and abstentions should be counted only for purposes of a quorum.
4.11	FAIR PRICING	FOR	Fair price provisions prevent two-tier tender offers in which a buyer offers a premium price for only enough shares to obtain a controlling interest. It is unfair to pay some shareholders (those that did not tender in the first group) less than other shareholders.
4.12	GREEN MAIL Greenmail is the practice of shareholders accumulating a large block of stock in a company, then selling the stock back to the company at an above market price in exchange for agreeing not to attempt to take control for a lengthy period of time.	AGAINST	A vote of the holders of a majority of the outstanding shares of common stock, regardless of class, shall be required to approve any corporate decision related to the finances of a company which will have a material effect upon the financial position of the company and the position of the company's shareholders.

No.	Issue	LACERS Position	Rationale
4.13	POISON PILLS A method used by boards, which prevent anyone from acquiring a large portion of the company stock for a corporate takeover.	LACERS opposes this issue in principle VOTING AGENT'S DISCRETION	Poison pills can consist of a wide variety of provisions adopted by boards without shareholder approval, designed to make it financially unattractive – indeed, often financially devastating – for a shareholder to purchase more than a small percentage of the company's stock, often by triggering the creation of a large number of new stocks or warrants that dilute the offending shareholder's interest to the point of making it virtually valueless. The Board is normally opposed to the use of poison pills.
4.14	NET OPERATING LOSS (NOL) POISON PILLS See 4.13 for poison pill definition.	CASE-BY-CASE VOTING AGENT'S DISCRETION	NOLs may be used to reduce future income tax payments and have become valuable assets to many corporations. If a corporation experiences an ownership change as defined by Section 382 of the tax code, then its ability to use a pre-change NOL in a post-change period could be substantially limited or delayed.[14] NOL pills are adopted as a takeover deterrent to preserve the tax benefit of NOLs.
4.15	POISON PILLS – ALLOW FOR SHAREHOLDER VOTE	FOR	Since poison pills ultimately impact the wealth of shareholders, the Board supports voting measures that allow for the shareholders to vote on matters pertaining to the use of poison pills.
4.16	RE-INCORPORATION	LACERS supports company management in principle VOTING AGENT'S DISCRETION	Corporations may wish to reincorporate in another state to take advantage of favorable corporate law, while providing maximized shareholder values and operational flexibility. On the other hand, reincorporation laws of other states could be such as to limit shareholder rights or reduce shareholder wealth. The Board normally supports company management's decisions on re-incorporation matters.
4.17	STATE ANTI-TAKEOVER LAWS	CASE-BY-CASE VOTING AGENT'S DISCRETION	State anti-takeover laws seek to deter hostile takeover attempts of state-based corporations with the intent of keeping target companies locally based and preserving jobs. These laws may also complicate friendly mergers and impose great costs and delays on shareholders and stakeholders in the corporation. Most state anti-takeover provisions allow companies to "opt in" or "opt out" of coverage via shareholder vote.
4.18	TARGETED SHARE PLACEMENTS Placing stock in the hands of friendly investors	LACERS supports company management in principle VOTING AGENT'S DISCRETION	Targeted share placements (or "White Squire" placements) occur when a company puts large blocks of stock or convertible securities into the hands of a friendly investor or group of investors. This is often an inexpensive method of raising cash for a company. The Board prefers that company management seeks authorization before establishing a targeted share placement but supports this corporate action.

[14] Nathan, Charles. "Recent Poison Pill Development and Trends." May 12, 2009. The Harvard Law School Forum on Corporate Governance and Financial Regulation.

5. CAPITAL STRUCTURE

Corporate financing decisions can have a significant impact on shareholder value, particularly when these decisions may result in common share dilution. As a result, shareholders must analyze all management proposals to modify capital structure to determine whether these financing decisions are in their best interests.

No.	Issue	LACERS Position	Rationale
5.1	INCREASES IN THE NUMBER OF AUTHORIZED SHARES OF STOCK	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Companies need the flexibility of issuing additional shares for stock splits, stock dividends, financings, acquisitions, employee benefit plans and general corporate purposes. The Board prefers that increases should not exceed three times the number of existing outstanding shares and that the company specify a purpose for the proposed increase.
5.2	ONE SHARE, ONE VOTE Each share of common stock, regardless of its class, shall be entitled to vote in proportion to its relative share of the total common stock equity of the corporation.	FOR	The right to vote is inviolate and may not be abridged by any circumstances or by any action of any person. Each share of common stock, regardless of its class, shall be treated equally in proportion to its relative share in the total common stock equity of the corporation, with respect to any dividend, distribution, redemption, tender or exchange offer. In matters reserved for shareholder action, procedural fairness and full disclosure are required.
5.3	PAR VALUE ADJUSTMENT OF COMMON STOCK	FOR	In extraordinary cases when a stock price falls below its par value, a company wishing to issue additional stock would be unable to do so without reducing par value. Companies may also propose reductions in par value to conform to state legislative changes in the required minimum level of par value.[15]
5.4	PREEMPTIVE RIGHTS Provides current stockholders an option to maintain their relative ownership position.	AGAINST	Preemptive rights require a company issuing new shares to offer them to their existing shareholders first, in proportion to their existing holdings. This gives current shareholders the ability to maintain their relative equity position as a shareholder. Preemptive rights generally have limited importance, given the increase in the size and liquidity of the secondary market and their potential for abuse.
5.5	DEBT RESTRUCTURING	CASE-BY-CASE VOTING AGENT'S DISCRETION	As part of a debt restructuring plan, a company may propose to increase and issue common and/or preferred shares. These proposals should be evaluated considering dilution to existing shareholders, potential changes in company control, the company's current financial position, terms of the offer, whether bankruptcy is imminent and alternatives.

[15] Institutional Shareholder Services. U.S. Proxy Voting Manual. 2006. November 12, 2010.

Section 9 PROXY VOTING POLICY

No.	Issue	LACERS Position	Rationale
5.6	CONVERSION OF SECURITIES	CASE-BY-CASE VOTING AGENT'S DISCRETION	Proposals to convert securities, such as converting preferred stock to common shares, should be evaluated based on the dilution to existing shareholders, the conversion price relative to market value, financial issues, control issues, termination penalties, and conflicts of interest.
5.7	SHARE REPURCHASES Corporations buy back a portion of the outstanding shares.	FOR	The Board normally favors of share repurchase plans if the company boards feel that the stock is undervalued or there is a legitimate corporate purpose.
5.8	REVERSE STOCK SPLITS	FOR	A reverse stock split reduces the number of shares owned and increases the share price proportionately. A reverse stock split has no effect on the value of what shareholders own. Companies often reverse split their stock when they believe the price of their stock is too low to attract investors to buy their stock or to avoid being delisted.[16] If the number of authorized shares is not proportionately reduced with a reverse stock split, then LACERS treats these proposals as a request to increase authorized shares.
5.9	BLANK CHECK PREFERRED STOCK Blank check preferred stock is authorized stock over which the board has complete discretion to set voting rights, dividend rates, and redemption and conversion privileges.	AGAINST	There is the potential for abusing this kind of stock by the board. Although some guidelines note that blank check preferred stock gives management great flexibility, and this might be valuable and in the corporate interest, in general it is felt that this kind of flexibility, free of shareholder control, is insufficient justification for the creation of this type of stock.

[16] “Reverse Stock Splits.” Securities and Exchange Commission. 2000. November 12, 2010. <http://www.sec.gov/answers/reversesplit.htm>.

6. CORPORATE RESTRUCTURINGS

Corporate restructurings, such as mergers and leveraged buyouts, can have a major effect on shareholder value. Many of these transactions require shareholder approval and must be examined carefully to determine whether they are in the best financial interests of the shareholders.

No.	Issue	LACERS Position	Rationale
6.1	ASSET SALES	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Asset sales should be evaluated based on the impact on the balance sheet/working capital, value received for the asset, and potential elimination of inefficiencies. The Board generally supports management decisions to sell assets.
6.2	GOING PRIVATE TRANSACTIONS (LEVERAGED BUYOUTS AND MINORITY SQUEEZEOUTS)	CASE-BY-CASE VOTING AGENT'S DISCRETION	Going private transactions such as leveraged buyouts and minority squeezeouts should be evaluated on a case-by-case basis taking into account the following: offer price and imbedded premium, fairness opinion, how the deal was negotiated, conflicts of interest, other alternatives/offers considered, and the risk to shareholders if the attempt to take the company private fails.
6.3	LIQUIDATIONS	CASE-BY-CASE VOTING AGENT'S DISCRETION	Liquidation proposals are generally bad news for long-term investors. They usually occur after a prolonged period of declines in earnings and share prices. However, liquidation may be an attractive option if the sale of the firm's assets on a piece-meal basis can be accomplished at a higher-than-market price. Liquidation proposals should be evaluated based on management's efforts to pursue other alternatives, appraised value of assets, the compensation plan for executives managing the liquidation, and the likelihood of bankruptcy if the liquidation proposal is not approved.[17]
6.4	MERGERS AND ACQUISITIONS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Case-by-case votes are recommended on mergers or acquisitions since the circumstances by which they arise are unique. The Board supports the company management's decision on mergers and acquisitions when such decision is based upon the findings of a thorough due diligence process and is in the best interest of the shareholders.
6.5	SPIN-OFFS	CASE-BY-CASE VOTING AGENT'S DISCRETION	Corporations may seek to streamline their operations by spinning off less productive or unrelated subsidiary businesses. The spun-off companies are expected to be worth more as independent entities than as parts of a larger business. Spin-offs are evaluated case-by-case depending on the tax and regulatory advantages, planned use of sale proceeds, managerial incentives, valuation of spinoff, fairness opinion, benefits to the parent company, conflicts of interest, corporate governance changes, and changes in the capital structure.

[17] Institutional Shareholder Services. U.S. Proxy Voting Manual. 2006. November 12, 2010.

7. MISCELLANEOUS CORPORATE GOVERNANCE

No.	Issue	LACERS Position	Rationale
7.1	ANNUAL MEETING DATE & LOCATION	LACERS supports company management in principle VOTING AGENT'S DISCRETION	Mandatory rotation of the annual meeting would not significantly increase stockholders' access to management since there are convenient alternatives available to interested stockholders. It would decrease the company's flexibility without a material benefit to stockholders. The Board normally supports company management's decision on this issue.
7.2	CORPORATE NAME CHANGE	FOR	A company may seek a name change to better portray its strategic image or re-brand itself. The Board supports company management's decision on this issue.
7.3	CORPORATION CHARTER & BYLAW AMENDMENTS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Charters and bylaws should not be amended without shareholder approval unless the changes are of a housekeeping nature such as minor corrections or updates.

8. SOCIAL & ENVIRONMENTAL

On November 13, 2007, the Board adopted the United Nations Principles for Responsible Investment ("Principles"), a policy of global best practices for environmental, social, and governance ("ESG") investing. LACERS current proxy voting agent, Institutional Shareholder Services, ("ISS"), is a signatory to the Principles and incorporates them into its proxy analysis process. Therefore, when considering how to vote on most ESG proposals, investment staff relies on the research expertise and voting recommendations of ISS.

No.	Issue	LACERS Position	Rationale
8.1	DIVERSIFICATION OF BOARDS	LACERS supports this issue in principle VOTING AGENT'S DISCRETION	Women and minorities have played major and responsible roles not only in government, higher education, law and medicine, but also in communications, electronics, and finance. The Board normally prefers to support diversification on company boards. However, the Board recognizes that such a mandate carried out without regard to the selection of the most highly qualified candidates might not be in the best interest of these companies.
8.2	CORPORATE BOARD MEMBERS SHOULD WEIGH SOCIO-ECONOMIC, LEGAL AND FINANCIAL FACTORS WHEN EVALUATING TAKEOVER BIDS	CASE-BY-CASE BASIS. VOTING AGENT'S DISCRETION	While broad social and environmental issues are of concern to everyone, institutional shareholders acting as representatives of their beneficiaries must consider, specifically, the impact of the proposal on the target company. A decision on whether to support or oppose such proposals shall focus on the financial aspects of social and environmental proposals. If a proposal would have a negative impact on the company's financial position or adversely affect important operations, LACERS would oppose the resolution. Conversely, if a proposal would have a clear and beneficial impact on the company's finances or operations, LACERS would support the proposal.
8.3	INDEPENDENT REVIEW OF COMPANY OR PLANT OPERATIONS	AGAINST	An independent review of company or plant operations which will be provided at company expense to the shareholders to consider the cost of and alternatives to the present or proposed projects on the primary operation. This process would be costly and time-consuming.
8.4	DISCLOSURE OF OFFICERS, DIRECTORS AND INVOLVED OUTSIDERS' GOVERNMENTAL AFFILIATIONS	AGAINST	Miscellaneous issues include disclosures of lists of officers, directors and involved outsiders who have served in any governmental capacity during the previous five years. In addition, disclosure includes the lists of law firms employed by the companies, rundowns on fees and the revelation as to whether any elected or appointed official have partnership interest in the retained law firms. To the extent that potential conflicts of interest cannot be controlled by corporate procedures, professional ethics, and law, these disclosures will make no difference.

Section 9 PROXY VOTING POLICY

No.	Issue	LACERS Position	Rationale
8.5	CORPORATE AFFIRMATION OF ITS NON-COERCIVE POLITICAL PRACTICES	AGAINST	This affirmation is intended to ensure that the corporation avoids a number of coercive political practices such as distribution of contribution cards in favor of one political party. Since these practices are illegal, the issue is moot.
8.6	LIMITING CORPORATE PHILANTHROPY	AGAINST	These proposals place restrictions and additional reporting obligations upon management's right to make corporate contributions to charitable, educational, community or related organizations. Most companies give money to charity. Because most companies must compete, those that do not contribute to charity risk damaging their good names.
8.7	STAKEHOLDERS' INTEREST BEFORE OR EQUAL WITH SHAREHOLDERS' INTEREST	ABSTAIN	Stakeholders include customers, suppliers, employees, communities, creditors and shareholders. Stakeholders are important to the success of the corporation and therefore the interests of each must be considered by directors and management. However, boards should not put the non-shareholder/stakeholder interests ahead of or on an equal footing with shareholders in terms of the corporation's ultimate purpose.
8.8	ALL OTHER ESG ISSUES	VOTING AGENT'S DISCRETION	Investment staff relies on the research expertise and voting recommendations of ISS for other ESG issues not addressed by this 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 make shall determine whether the item requires Corporate 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 her designee. The designated staff person will be the Chief Investment Officer (CIO). The designated Board member will be the Chair of the Corporate 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 Corporate Governance Committee, the Board Chair will become the designated Board member.

Aksia TorreyCove Partners LLC

Secondary and Co-Investment Update

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- Slides 3 – 8:
  - Secondary Update & Recommendation
- Slides 9 – 13:
  - Co-Investment Update & Recommendation

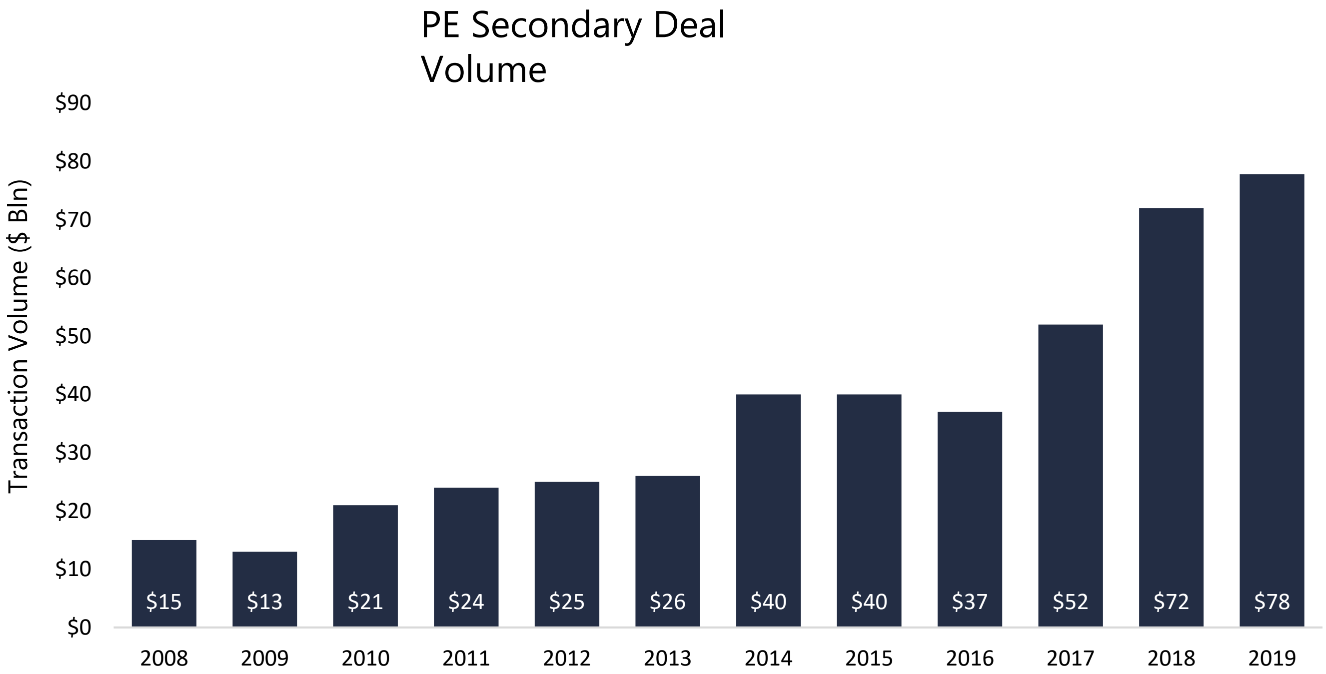
Reminder – Why Investors Buy Secondary Fund Interests

Benefits to Buyers	
Potential Returns	• Opportunity to buy assets at a discount to Net Asset Value ("NAV")
Additive to Portfolio Construction	• Ability to manage the portfolio diversification by manager, vintage, geography, strategy, etc.
Helps Alleviate J-Curve Effects	• If purchased at a discount, value creation could be immediate • Focuses on shorter duration investments
Mitigate Blind Pool Risks	• Focus on an existing portfolio and valuations • Maturing assets may provide visibility on potential exits

Reminder – Why Investors Sell Secondary Fund Interests

Benefits to Sellers	
Manage Portfolio Exposure Proactively	• Realign sub-asset class exposure • Realign underlying geographic or industry exposure • Reduce vintage year risk • Proactively manage exposure to regulatory, strategic or other unexpected changes
Refocus on Best GPs	• Ability to exit poorly performing managers • Increase exposure to core relationships
Lock In Returns	• Capture returns achieved through existing portfolios • Redeploy capital into more productive assets
Increase Liquidity	• Immediate liquidity rather than orderly sell down of portfolio
Reduce Administrative Burden	• Reduce the number of GP relationships that must be managed

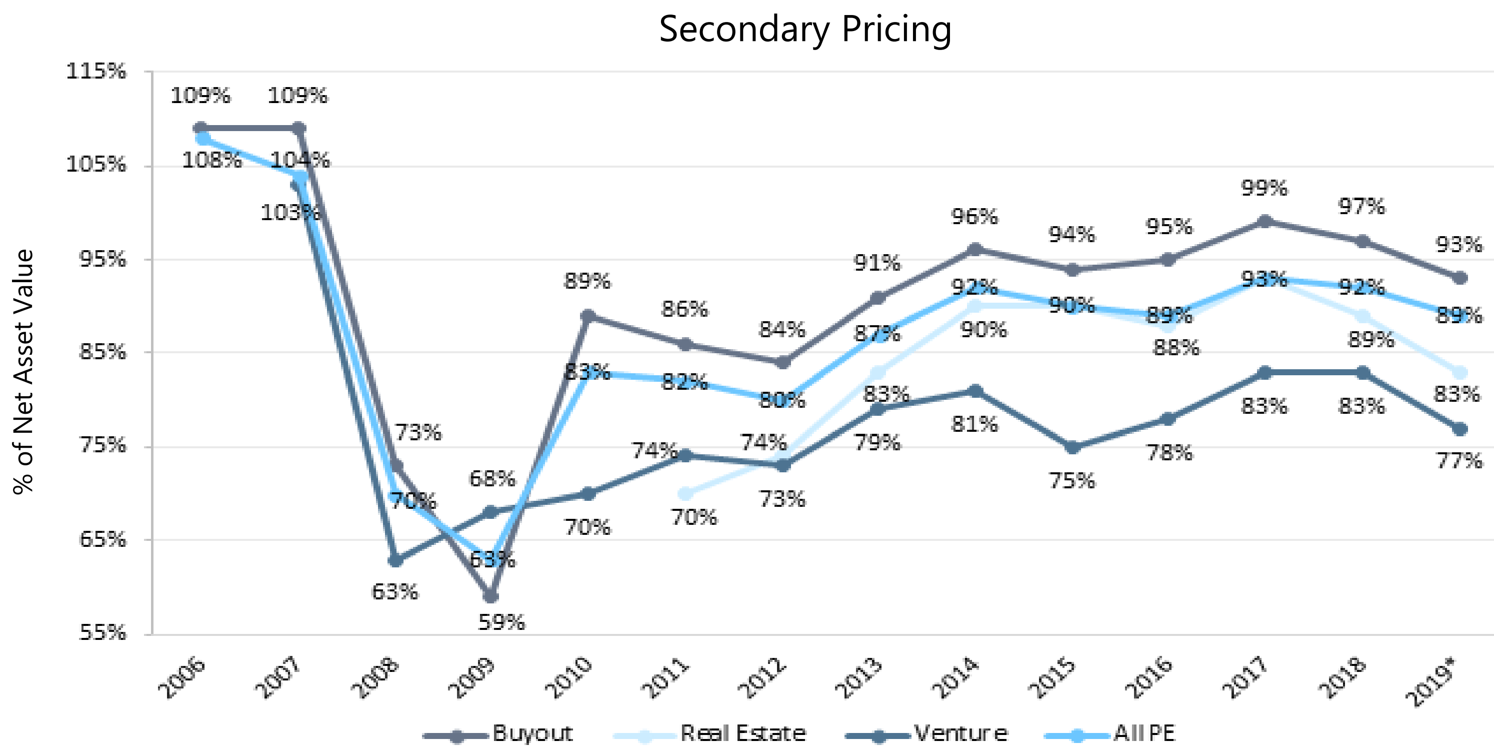
Secondary Deal Volume Has Increased over the Last Decade



Sources: 2008 – 2018: Coller Capital, "The Private Equity Secondary Market," 2020; 2019 :Setter Capital, "Volume Report FY 2019."

- In 2019, there was ~$78 billion of PE secondary transaction volume - a record year marking the third consecutive annual increase
- However, it appears that COVID-19 has created uncertainty about future valuations, write-downs, and potential write-offs – which has shifted the dynamics in the secondary market
- With this uncertainty, buyers and sellers are understandably having a difficult time agreeing on pricing

The Secondary Market Has Shifted in the First Half of 2020



Sources: Coller Capital, "The Private Equity Secondary Market," 2020 and Greenhill "Global Secondary Market Trends and Outlook," January 2020.

- Average discounts for the first half of 2020 have not been reported yet
- Some LP's are under significantly more pressure than others, with forced sellers having to accept large discounts
- GP led restructurings have increased and are expected to continue to accelerate

The Secondary Market Has Shifted in the First Half of 2020

Summary of Recent Developments

- During the Global Financial Crisis, private equity secondary transaction volume dropped due to the pricing volatility and uncertain conditions at the time
- While information for the first half of 2020 isn't available yet, we believe COVID-19's impact on the economy has been significant – with both Limited Partners and General Partners feeling the effects
- COVID-19 has created uncertainty about future valuations, write-downs, and no one knows what the ultimate shape of the recovery will look like
- This uncertainty has fundamentally shifted the dynamics in the secondary market

The Secondary Market Has Shifted in the First Half of 2020

Updated Recommendation

- We believe a portfolio sale in this environment could potentially demand a large discount to net asset value and should no longer be a near term priority
- Today may be more of a “Buyers Market” as opposed to a “Sellers Market”
- Transactions that occur during the near-term (prior to the release of Q2 valuations) are likely to be attributable to distressed parties forced to sell assets (likely at a large discount)
- Therefore, we believe a tactical shift is warranted – it is time to consider committing capital to a secondary fund as opposed to pursuing a portfolio sale
- Of note, LACERS has invested in secondary funds historically, so this would not represent a change in strategy

Reminder – Potential Benefits of Co-Investing

- Direct co-investments are investments sourced by Limited Partners, where the Limited Partner invests capital directly alongside a General Partner in a specific deal
- Indirect co-investments are investments made by Limited Partners into 3rd party vehicles where the 3rd party sources and executes multiple co-investments on behalf of the Limited Partner

Economic Incentives	• Direct PE co-investments are often done on a no fee, no carry basis or at least a reduced fee basis • Indirect co-investments can often be accessed at lower fees than traditional private equity funds

Ability to Manage Exposures Proactively	• Allows for greater control over:
	  • The pace of investment
	  • Vintage year exposure
	  • Geographic and sector exposures

Increased Appeal as a Limited Partner	• Co-investments help bridge a "gap" for General Partners, allowing them to pursue larger investments while maintaining diversification at the fund-level • Participating in a co-investment may help with primary fund access
Ancillary Due Diligence Benefits	• Co-investing alongside a private equity firm can provide insight into that firm's processes, investment insights and execution
Alleviation of the J-Curve	• There is effectively no j-curve effect for most co-investments, which helps mitigate the j-curve of the broader portfolio

Aksia

Recommended Co-Investment Approach – Walk Before We Run

Approach	Description	Key Benefits	Issues to Consider
In-House Approach	• 100% internal program, typically with a dedicated pool of capital • Dedicated staff resources (typically 2+ professionals) required to source, evaluate, and execute investments • Deal flow driven by Staff using Client's primary commitments as well as other GP's	• Staff evaluates each opportunity independently and has complete control • Typically no management fee or carried interest on PE investments • Dedicated staff adds depth to the investment team	• Change in LACERS' PE Policy required • Significant resources required to develop internal processes, policies, and controls • Added expense of a dedicated team • Less diversification than a commingled vehicle
Third Party Approach ***Recommended Approach***	• **Can pursue either commingled funds or Separately Managed Accounts ("SMA")** • **Deal flow largely driven by the Third Party, with limited Staff involvement** • **Third Party evaluates each opportunity and largely has discretion**	• **Once engaged, a third party approach can be implemented relatively quickly** • **Typically generates a wider funnel of deal flow than other approaches** • **Typically no management fee or carried interest on primary PE fund investments** • **Results in diversified portfolio of co-investments** • **Third Party interests are aligned**	• **Third Party typically receives a combination of reduced management fee and / or reduced carry** • **Limited control over investments once capital has been committed**
Harvest From Core Relationships Approach	• Consultant and Staff identify pre-established investment parameters • Deal flow driven by Client's primary commitments only • Deals that meet specified parameters are executed	• Typically focuses on a core group of Client's high conviction managers that have been re-underwritten within last few years • Effectively gains additional exposure to deals already in Client's portfolio, at the lowest price point • Typically no management fee or carried interest on PE investments	• Relying primarily on the initial fund-level diligence • No guarantee that deal flow will ultimately emerge • Less diversification than a commingled vehicle

While Similar, Commingled Funds and SMAs Have Important Differences

	Description	Key Benefits	Issues to Consider
Separately Managed Account ("SMA")	• A SMA or "Fund of One" is managed at arms length by a 3rd party with input from the LP – similar to a traditional GP / LP relationship • Some combination of management fee and carried interest are associated with a commitment • Typically larger commitment threshold (>$100M)	• Tailored to Client's specifications • Single fund structure, with LPA customized to Client's requirements • Potentially lower fees and better terms depending on commitment amount and negotiating power • LP's can commit set amount of capital • Higher levels of deal flow compared to in-house approach	• Additional layer of fees • Potential commitment size requirements • Limited control after setting out initial parameters
Commingled Co-Investment Fund	• Traditional GP / LP relationship • 3rd party manager uses their own relationships to find and secure co-investments • Possibly tied to a fund-of-funds business or larger asset management platform • Management fee and carried interest associated with a commitment	• Few LP resources required • Likely a more diversified portfolio • LP's can commit a set amount of capital • Higher levels of deal flow compared to in-house approach • May contain fund level leverage, needs due diligence	• Additional layer of fees • Very limited control overall • Risk of allocation issues and adverse selection

Aksia

Commingled Funds and SMAs Are Similar to Traditional PE Funds from a Governance Standpoint

Approach	Similarities	Differences

Separately Managed Account ("SMA")	• Traditional GP / LP relationship governed by a limited partnership agreement
	• One commitment is made upfront and capital is drawn down over time
	• Capital is returned over time as investments are realized
		• LP's can have meaningfully more control over how and when capital is deployed, including:
		  ◦ Number and size of investments
		  ◦ Sectors and geographies of focus
		  ◦ GP relationships to target
		  ◦ Deployment rate
		• LPs can typically negotiate veto rights on all investments
		• LPs may have the ability to negotiate better terms depending on the size of investment
		• Ability to terminate the relationship is higher

Commingled Co-Investment Fund	• Traditional GP / LP relationship governed by a limited partnership agreement • One commitment is made upfront and capital is drawn down over time at the GP's discretion • Capital is returned over time as investments are realized • LP has limited control or ability to influence investments once a commitment is made • Typically, most LP's are "term takers" • Ability to terminate the relationship is limited	• Typically a shorter investment period (~3-5 years) compared to traditional PE funds (~5-6 years) • Typically a shorter term (~7-10 years) compared to traditional PE funds (~10-12 years)

Co-Investment Approach – Updated Recommendation

Commingled Fund vs. SMA

- We believe pursuing a Commingled Fund makes the most sense at this point in time
- Commitment amount should be in line with the commitments to traditional PE funds
- Potentially target firms that provide both Commingled Funds and SMAs, leaving open the possibility of migrating to an SMA at some point in the future
- Leverage the relationship for staff and the Board to learn more about co-investments as a subset of the private equity market

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PRESENTATION BY INVESCO REAL ESTATE OF THE 977 N. BROADWAY PROJECT REPORT FOR THE QUARTER ENDING JUNE 30, 2020 FOR LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

TABLE OF CONTENTS

EXECUTIVE SUMMARY

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

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

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

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

4th QUARTER (FY 19/20) UPDATE

Following are highlights from the 4th Quarter:

- Fiscal Year 2020/2021 Budget was approved by LACERS, including the Capital Improvement Budget for LACERS HQ Occupancy;
- A total of $88,809 in capital as expended by Fiscal Year End 2019/2020, related to the 2nd floor build out;

The management team made operational adjustments to address COVID-19 that included the following:

- LACERS employees in 977 continued abiding by Safer at Home directive.
- Non-LACERS tenants staggered staff and majority of their employees continued to telecommute.
- Due to the reduction in occupancy, services were continued on a scaled back schedule including:

Reef Parking: Parking services suspended.

CCS Commercial: Day porter & janitorial services were scaled back.

4th QUARTER (FY 19/20) UPDATE

Allied Universal: The increased security coverage to 24/7 remained in effect to monitor all building activities.

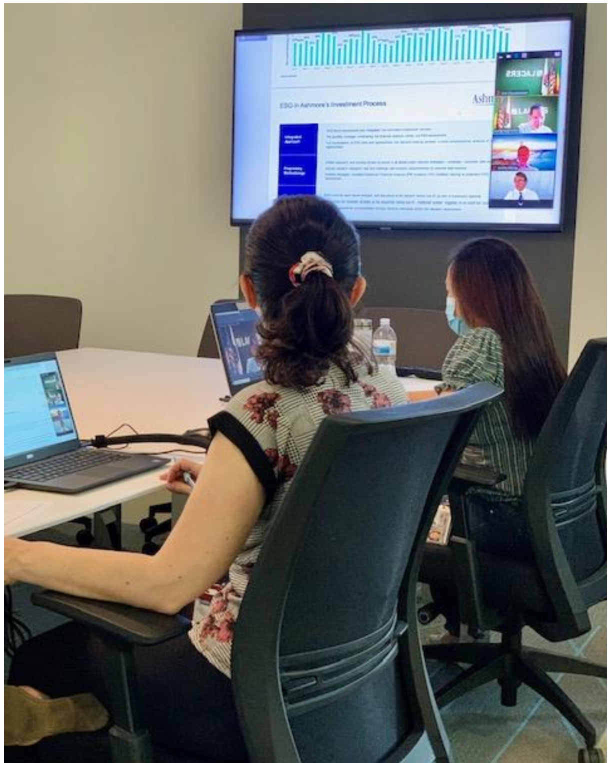
Landsco: Landscaping remained minimal.

PacShore/C&W: Staff on a part-time schedule to address all LACERS day-to-day needs.

During the recent period of COVID-19 Safer at Home and social justice demonstrations, LACERS utilized the 977 building safely and efficiently.

Staff process mail in 977 while Civic Center area had limited access. Staff practiced social distancing and wore masks.

Additionally, 977 has been used for remote LACERS Board meetings.



4th QUARTER (FY 19/20) UPDATE

LACERS is working with other City departments to contract City services for 977.

Contracted for removal of rubbish and recycling. Services began in June of 2020.

Worked with the Los Angeles Department of Transportation to expand the loading zone parking area in front of 977.

Worked with General Services Department to try to coordinate furniture salvage, moving services preparing for Phase 1 move and Separation Incentive Program reconfigurations at LA Times. However, GSD Salvage and Moving Services are closed due to COVID-19. Continue to work with GSD to get LACERS' fleet vehicles maintained.

Working with General Services Department – Custodial Services to get a quote for day porter and maintenance services.

LAPD performed an informal threat assessment of the building. A formal threat assessment to follow once the building plans are closer to completion. Explored piggybacking on Los Angeles Police Department's security services contract for 24/7 security services. However, LACERS discontinued these efforts as the contract rates did not provide a financial benefit for LACERS.

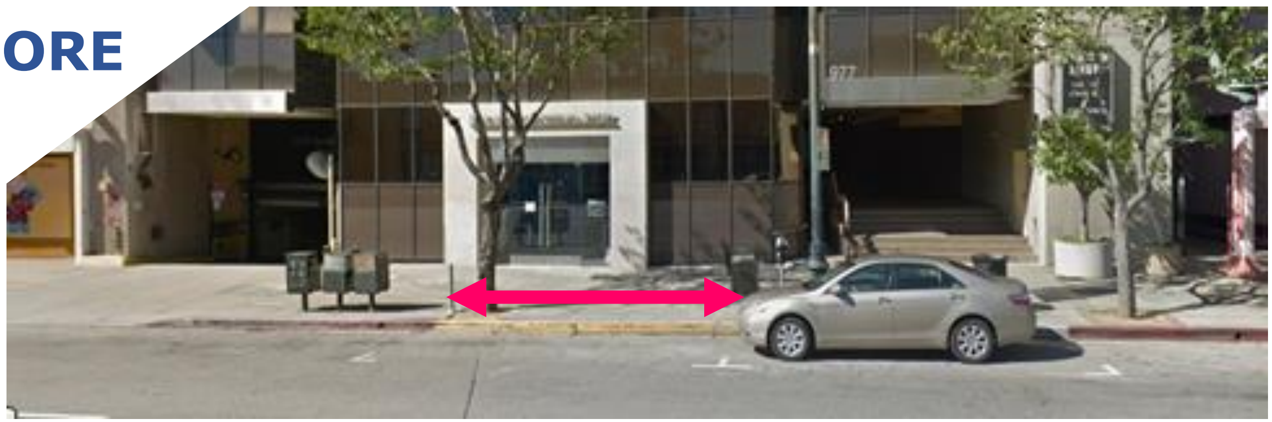
4th QUARTER (FY 19/20) UPDATE

Invesco

LADOT

LACERS' staff worked with LADOT to expand the Loading Zone in front of the building to provide ample room for deliveries to be made when fully occupied, without affecting the parking stalls available to the community.

BEFORE



AFTER

4th QUARTER (FY 19/20) UPDATE

Invesco is in the process of finalizing contracts for design and capital work on 977. Additional information for each contractor is available in **Appendix A**.

Architect: After a bid process and subsequent interviews with three firms, HOK, was engaged as the lead interior architect & design firm. The contract was executed and a kick off meeting was held end of June.

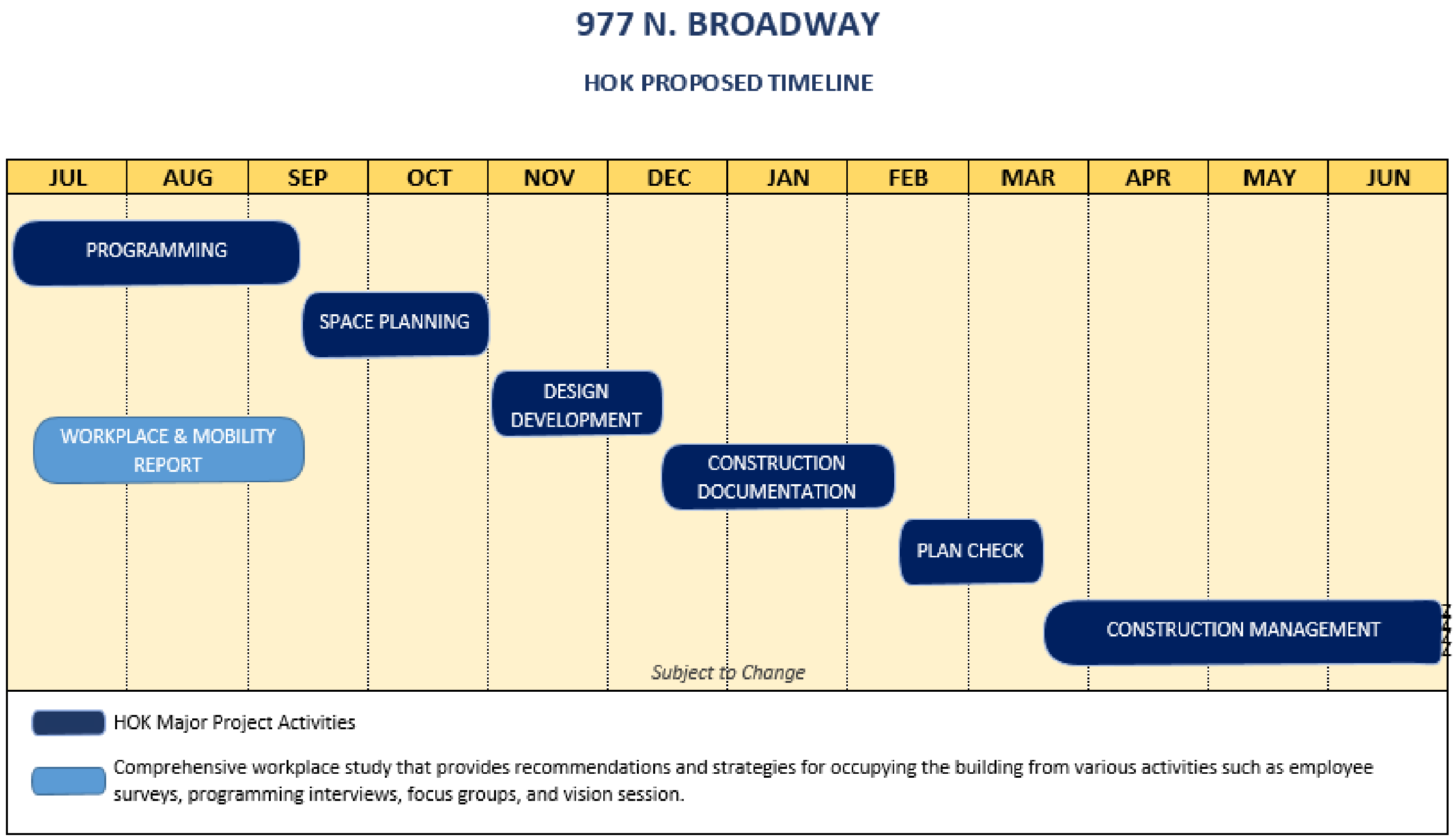
Structural Engineer: Work is related to developing As Built drawings which will then be updated to assess and design seismic upgrades. Contract will be executed next quarter.

Roof/Access/Façade Consultant: WJE is developing a scope of work related to roof replacement, façade access related to code as well as potential façade improvements. The scope developed will be used to bid out the project. Schedule of work/timing of deliverables.

Mechanical/Plumbing/Engineering Design: They will be follow other consultants, providing specifications on generator options/pricing.

TIMELINE

A high-level timeline of the work to be performed on the building is represented below. Based on the complexity of occupancy as well as the new overlay of COVID-19-related changes to metrics, this schedule will likely be pushed to the 1st Quarter of FY 21/22. LACERS' occupancy is estimated to be end of 2nd Quarter of FY 21/22.



PROPERTY FINANCIAL OVERVIEW – FY ENDING 6/30/2020

Invesco

Unaudited Budget Expense (July 2019 – June 2020)

	YTD Actual	YTD Budget	Variance	% Var	Variance Commentary
Total Income	669,824.86	660,954.70	8,870.16	1.34	
Total Expenses	1,182,804.39	1,058,896.49	-123,907.90	-11.70	Majority of variance caused by Non-reimbursable expenses; Phase I equipment costs, furniture rental, and Essentials On-Premium subscription.
NOI/(NOL)	-512,979.53	-397,941.79	-115,037.74	-28.91	
Advisory & Other Fees	120,000.00	120,000.00	0.00	0.00	Invesco Advisory Fees from Nov 2019 - June 2020
Ownership Expense	26,500.00	0.00	-26,500.00	N/A	Year end re-class of ownership audit expenses
Net Income/(Loss) From Operations	-659,479.53	-487,941.79	-171,537.74	-35.16	
Other Capital	88,809.76	951,822.89	863,013.13	90.67	Many capital items for LACERS 2nd floor occupany project not incurred in FY20. Will be pushed to FY21 budget.
Total Capital Expenditures	88,809.76	951,822.89	863,013.13	90.67	
NI/(NL) from Operations Less Cap-Ex	-748,289.29	-1,439,764.68	691,475.39	48.03	

On this table, the “Total Expenses” line includes $290,213 of expenses that were originally budgeted as Capital and were later reclassified as operating expenses. This amount consists of Phase I expenses including furniture rental, cabling work, and building the network infrastructure.

1st QUARTER (FY 20/21) GOALS

The Fiscal Year 20/21 Budget includes a total of $17.1M in capital. The capital is primarily focused on upgrades for safety, technology and occupancy. See below the table that outlines by project, the summary of approved capital.

Project Description	Project Scope	Project Budget
Tenant Improvement	Interior design and construction of office space for occupancy by LACERS. Includes design (architecture, furniture support, mechanical, electrical & plumbing support ("MEP"), Structural Engineering, LEED and WELL Building Certification, Lighting, Acoustics, Experience Design, Workplace Strategy, Change Management, Plant Design and Artwork/Accessories), construction and furniture.	$6,494,861
Structural Reinforcement	Base building structural analysis, design and construction to reinforce existing system to meet current codes and guidelines.	$3,114,100
Exterior Renovations	Design and construction of façade, breezeway and rear patio areas of property to upgrade appearance.	$3,698,255
Curtain Wall Seal	Design and construction of new curtain wall sealant system.	$612,700
Roof Replacement	Design and construction of new roof system.	$759,000
Owner Technology	Design and construction of new owner technology platform at property including emergency power, server room and equipment.	$2,014,816
Project Management	Project Management Consulting for entire project.	$392,700

Subtotal **$17,086,432**

1st QUARTER (FY 20/21) GOALS

Tenant Improvements: Build out estimate for multiple categories for occupancy – based on HOK's prior knowledge of the building and average market costs: $120 psf. During the next two quarters, HOK and LACERS will develop an occupancy model, costs, and timeline to facilitate a complete move into the building.

The balance of the projects are currently in the design phase. Once the design phase is complete, a scope of work will be outlined and the work will be bid out for each project, followed by construction. A more accurate analysis of the cost will be developed once these actual costs are available.

1st QUARTER (FY 20/21) GOALS

The team will be focusing on the critical paths to both the capital projects as well as LACERS full occupancy of the building.

Steps To Be Taken in the Following Quarter Include:

- Production of audited year-end financial statements
- HOK Space Planning Phase – Continue to meet with LACERS on an on-going basis to develop occupancy plan
- Continue finalizing contracts for Occupier Services & building improvements (MHP, WJS, ARC Engineering)
- Engage seismic consultant to design specifications and proposals for seismic work
- Engage curtain wall/roofing consultant to develop specifications for building envelope renovations
- Identify and engage an IT consultant
- Complete special maintenance and repair projects scheduled for 2020/2021 including replacement of existing water source heat pumps and Reg IV testing/repairs of fire protection equipment
- Other special projects:
  - Installation of card readers
  - Installation of mail box
  - Complete DWP electrical quality evaluation
  - Install IDF room vent

APPENDIX A – RESPONSES TO BOARD MEMBER QUESTIONS FROM JUNE 9, 2020

Questions from Prior Board Meeting and Responses:

Q: Do the consultants plan to subcontract out portions of the work?
A: The only contractor likely to do that is HOK, specifically a lighting and/or acoustic vendor, expertise they do not have in-house.

Q: Do the contractors mark up their pricing?
A: No – these contracts were negotiated to be all inclusive, were reviewed by LACERS and Invesco's in house construction consultant – pricing and scope deemed appropriate and market.

Q: Do the Project Management Fees seem high as a soft cost?
A: LACERS staff discussed the project and project budget with the Deputy City Engineer and he was in agreement that the costs as represented are both reasonable and well within the range expected for such projects.

The Deputy City Engineer referred us to a California Multi-Agency CIP Benchmarking Study that involves the sharing of ideas and data between several of the largest cities in California. The performance benchmarking was conducted to establish relationships between project delivery costs and total construction costs (TCC).

APPENDIX A – RESPONSES TO BOARD MEMBER QUESTIONS FROM JUNE 9, 2020

The Capital Budget adopted by the Board included $2,760,635 in design delivery costs (or soft costs) or **16%** of the LACERS HQ TCC. According to the study, the 2019 average percentage of delivery costs for municipal facilities is 24%.

Table 1-1 Average Project Delivery Costs by Project Type (% of TCC) (Full Range of TCC)

Type	Design [1,2]	Construction Management [1,2]	Total Project Delivery [1,2]	Median Total Construction Cost ($MM)	Number of Projects [3]
Municipal Facilities	24%	18%	42%	2.70	46
Parks	27%	20%	47%	0.78	51
Pipe Systems	22%	21%	43%	1.30	279
Streets	30%	20%	51%	0.91	179
Water/Wastewater Treatment Plants	24%	21%	45%	3.59	41
All Types	**25%**	**20%**	**46%**	**1.23**	**596**

Notes:

1. Project Delivery percentages represent arithmetic averages of the individual projects and do not represent the results from the regression analyses.
2. Project Delivery percentages vary from year to year based on the selection and the composition of the projects in the database.
3. Total excludes projects delivered by alternative delivery mechanisms such a design-build, JOC, and CM@ Risk. Projects delivered by alternative techniques are retained in the database but not analyzed. These projects are not included in the projects selected for analysis in the *Study*.

Source: Page 2, California Multi-Agency CIP Benchmarking Study Annual Report – Update 2019 https://eng.lacity.org/sites/g/files/wph726/f/2019_Final%20Report.pdf

APPENDIX A – RESPONSES TO BOARD MEMBER QUESTIONS FROM JUNE 9, 2020

The Capital Budget adopted by the Board included $2,760,635 in design delivery costs (or soft costs) or **16%** of the LACERS HQ TCC. According to the study, for municipal facility projects with a TCC between $10 million and $75 million, the average percentage of delivery costs for municipal facilities from 2014-2018 was **17%**.

Table 3-9
Municipal Facilities (2014-2018)
Project Delivery Percentage based on Cost Ranges of TCC

Dollar Ranges of Projects based on TCC		Number of Projects	AVERAGE of projects between Cost X and Cost Y, % TCC		
$X	$Y		Design %	Const Mang %	Project Delivery %
100,000	800,000	10	29%	13%	42%
800,000	3,000,000	16	29%	23%	52%
3,000,000	10,000,000	11	17%	19%	36%
10,000,000	75,000,000	9	17%	13%	30%

Source: Page 23, California Multi-Agency CIP Benchmarking Study Annual Report – Update 2019
https://eng.lacity.org/sites/g/files/wph726/f/2019_Final%20Report.pdf

Q: Are the firms Los Angeles based?

Global architecture firm, with strong presence in City of Los Angeles, has extensive experience working with public agencies.

Structural engineering firm with over 40 years of expertise, based out of Long Beach, California and operates in multiple states.

Roof/Access/Façade Consultant: Wiss, Janney, Elstner Associates (WJE") is an engineering consulting firm based out of Chicago. The firm has had a strong presence in Southern California for decades, and has been on the forefront of seismic retrofits in the region.

Mechanical/Plumbing/Engineering consultants: They are locally based out of Burbank and El Segundo.