



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



Board of Administration Agenda

REGULAR MEETING

TUESDAY, FEBRUARY 28, 2023

TIME: 10:00 A.M.

MEETING LOCATION:

In accordance with Government Code Section 54953, subsections (e)(1) and (e)(3), and in light of the State of Emergency proclaimed by the Governor on March 4, 2020 relating to COVID-19 and ongoing concerns that meeting in person would present imminent risks to the health or safety of attendees and/or that the State of Emergency continues to directly impact the ability of members to meet safely in person, the LACERS Board of Administration's February 28, 2023 meeting will be conducted via telephone and/or videoconferencing.

Important Message to the Public

Information to call-in to listen and or participate:

Dial: (669) 254-5252 or (415) 449-4000

Meeting ID# 160 660 8850

Instructions for call-in participants:

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

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

President: Nilza R. Serrano

Vice President: Elizabeth Lee

Commissioners: Annie Chao
Thuy Huynh
Janna Sidley
Sung Won Sohn
Michael R. Wilkinson

Manager-Secretary: Neil M. Guglielmo

Executive Assistant: Ani Ghokassian

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

LACERS Website Address/link:

www.LACERS.org

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.ghokassian@lacers.org.

Disclaimer to Participants

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

- I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – *THIS WILL BE THE ONLY OPPORTUNITY FOR PUBLIC COMMENT - PRESS *9 TO RAISE HAND DURING PUBLIC COMMENT PERIOD*
- II. BOARD PRESIDENT VERBAL REPORT
- III. GENERAL MANAGER VERBAL REPORT
 - A. REPORT ON DEPARTMENT OPERATIONS
 - B. UPCOMING AGENDA ITEMS
- IV. RECEIVE AND FILE ITEMS
 - A. [2022 ANNUAL REPORT ON LACERS ORGANIZATION DIVERSITY SURVEY](#)
 - B. [SEMI-ANNUAL REPORT OF BUSINESS PLAN INITIATIVES FOR THE PERIOD ENDING DECEMBER 31, 2022](#)
 - C. [MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR JANUARY 2023](#)
 - D. [BOARD MEETING PROCEDURES PURSUANT TO ASSEMBLY BILL 2449](#)
- V. CONSENT ITEM(S)
 - A. [APPROVAL OF MINUTES FOR THE MEETING OF JANUARY 24, 2023 AND POSSIBLE BOARD ACTION](#)
 - B. [UPDATE TO GENERAL MANAGER DESIGNEE SIGNATURE AUTHORITY AND POSSIBLE BOARD ACTION](#)
- VI. COMMITTEE REPORTS
 - A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON FEBRUARY 14, 2023
 - B. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON FEBRUARY 28, 2023
- VII. BOARD/DEPARTMENT ADMINISTRATION
 - A. [DESIGNATION OF LOCATION FOR REGULAR LACERS BOARD AND COMMITTEE MEETINGS EFFECTIVE MARCH 14, 2023: 977 N. BROADWAY, LOS ANGELES, CALIFORNIA 90012, AND POSSIBLE BOARD ACTION](#)
- VIII. INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS
- B. [INVESTMENT MANAGER CONTRACT WITH SEGALL BRYANT & HAMILL REGARDING THE MANAGEMENT OF AN ACTIVE U.S. SMALL CAP VALUE EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION](#)
- C. [INVESTMENT MANAGER CONTRACT WITH COPELAND CAPITAL MANAGEMENT, LLC REGARDING THE MANAGEMENT OF AN ACTIVE U.S. SMALL CAP CORE EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION](#)
- D. [NOTIFICATION OF COMMITMENT OF UP TO €76.0 MILLION \(APPROXIMATELY \\$75.0 MILLION\) IN VITRUVIAN INVESTMENT PARTNERSHIP V](#)
- E. [NOTIFICATION OF COMMITMENT OF UP TO \\$60 MILLION IN GTCR FUND XIV/A LP AND GTCR FUND XIV/B LP](#)

IX. OTHER BUSINESS

- X. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, March 14, 2023 at 10:00 a.m. The meeting location will be posted on the agenda for March 14, 2023 and the LACERS website.

XI. ADJOURNMENT



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

Neil M. Guglielmo

MEETING: FEBRUARY 28, 2023

ITEM: IV – A

SUBJECT: 2022 ANNUAL REPORT ON LACERS' ORGANIZATION DIVERSITY SURVEY

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this report regarding the statistical findings of the Organization Diversity Survey (ODS) data collected from investment managers.

Executive Summary

LACERS presents the Board with the inaugural Annual Report of the Emerging Investment Manager ODS in accordance with Board Manual Article III – Board Investment Policies, Section 4.0; IX (E) and (F). The information will serve as the first complete calendar year of survey data the Board can review to further LACERS' research objectives. The surveys included in this report were for mandates that had been completed¹ during the 2022 calendar year.

Discussion

On February 23, 2021, the Governance Committee considered and concurred with the staff's proposed revisions to the LACERS Emerging Investment Manager Policy (Policy) governing the use of the ODS. On May 25, 2021, the LACERS Board voted to amend the LACERS Emerging Investment Manager Policy to codify the use of the ODS. On August 23, 2022, LACERS presented the Board a partial report that included surveys received from the time the policy was adopted by the Board to December 31, 2021. In accordance with Board Manual Article III – Board Investment Policies, Section 4.0; IX (F) requiring reports every calendar year, this report includes surveys for mandates that had been completed between January 1, 2022 and December 31, 2022.

In collecting the data for this report, LACERS utilized the ODS and the ODS Guidelines as adopted by the Board and set forth in Board Manual Article III – Board Investment Policies, Section 4.0; IX (E). The ODS Guidelines and ODS Survey are attached to this report as Attachment 1 and Attachment 2, respectively. The data was secured in a password-protected folder known only to Administration

¹ In accordance with ODS Guideline #4, collected ODS surveys are to be examined once all "contracts within a specific mandate have been executed." As such, an ODS survey for mandate "A" may have been received in January of 2021, but could not be reported to the Board until all contracts for mandate "A" have been executed, which could be in another calendar year.

Division staff and access was restricted from individuals who were part of the procurement selection process for each mandate and who might have a perceived conflict of interest. In preparing the statistical data responsive to Board Manual Article III – Board Investment Policies, Section 4.0; IX (F)(7) regarding the status of Emerging Investment Managers hired and retained for Calendar Year 2022 in this report, LACERS protected each firm’s response to prevent their information from being disclosed to individuals who were part of the procurement selection process.

For Calendar Year 2022, LACERS received a total of thirty-four surveys. Of the thirty-four surveys received, twenty-five were submitted in the ODS survey for the following mandates. The nine surveys that were deemed “unusable” and not included in this report were not submitted in the ODS survey format or had been modified by the firms to include additional fields or categories. The inclusion of the atypical data categories would have produced varying data outcomes potentially skewing the results by creating inconsistent and outlying data categories year after year.

Mandate	Count
Multi Passive Request for Proposal (RFP)	5
Private Consultant RFP	4
Transition Management RFP	7
Private Equity	9
Total	25

In terms of the twenty-five ODS surveys, the data is illustrated in aggregate and separately by Multi Passive RFP, Private Credit Consultant RFP, Transition Management RFP, and Private Equity as represented below. Firms were asked to provide information regarding the ethnic and gender diversity of their employees, executives, and owners. Although surveys were submitted for each separate mandate, surveys did not always include responses to all ODS categories. The graphs below identify how many of the surveys provided data for each specific ODS category.

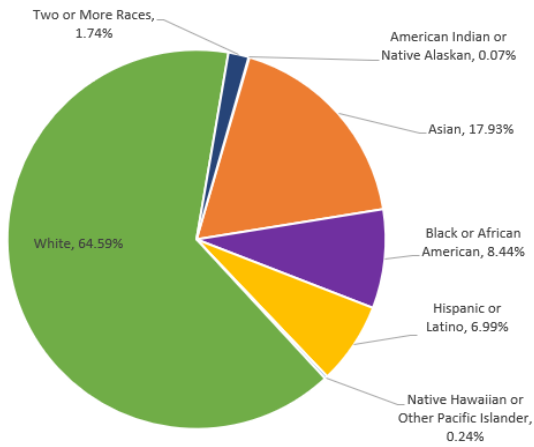
Aggregate

The following graphs represent the data collected for the average² ethnic and gender diversity of their employees, executives, owners, and members of their boards.

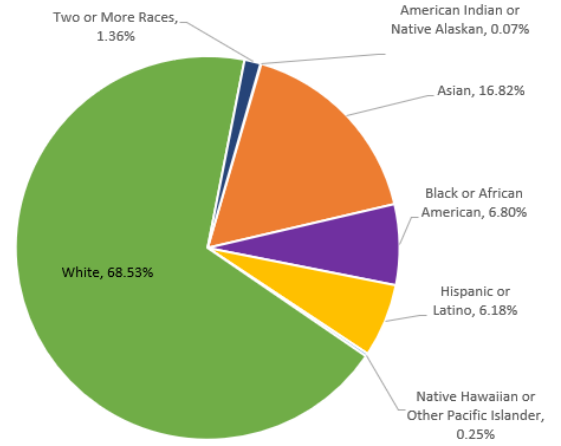
² Average was calculated by calculating each manager’s percent of each DEI category (i.e. Ethnicity, Gender). Thereafter, the percents for an individual subcategory were added up and divided by the number of surveys received. For example, LACERS would calculate ethnic composition percentages for Firm A. Thereafter, LACERS added up the percentage of Hispanic/Latino employees for Firms A, B, C, D, and E. The sum of this percentage would then be divided by five as there are five firms that responded (for the purposes of this example). The result would be the average used for the graphs.

Average Ethnic Diversity (25 SURVEYS)

Employee

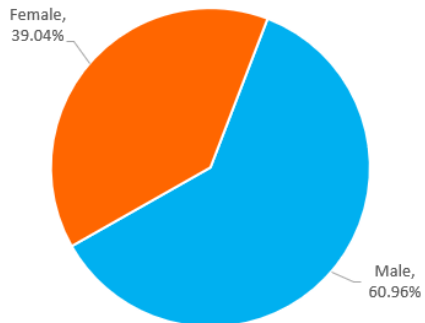


Senior Officials

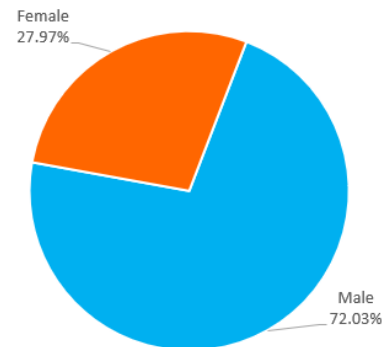


Average Gender Diversity (25 SURVEYS)

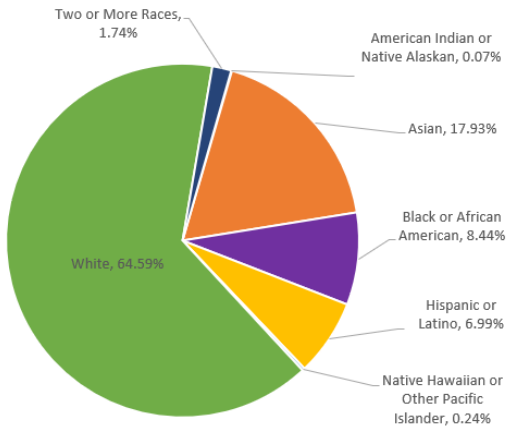
Employee



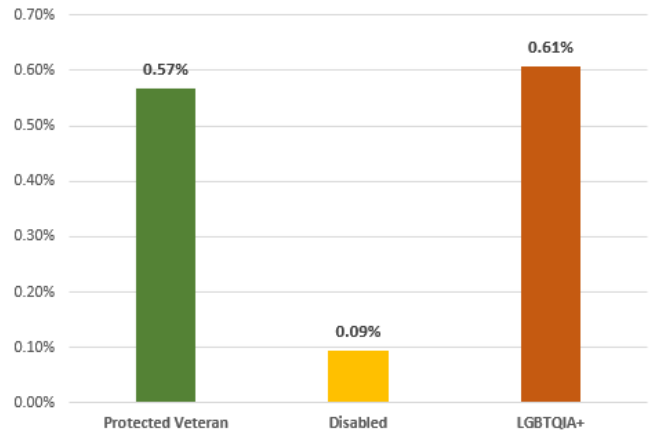
Senior Officials



Average Ownership Diversity
(13 Surveys)



Average Number of Employees with Veteran/Disability/LGBTQIA+ Status
(25 Surveys)

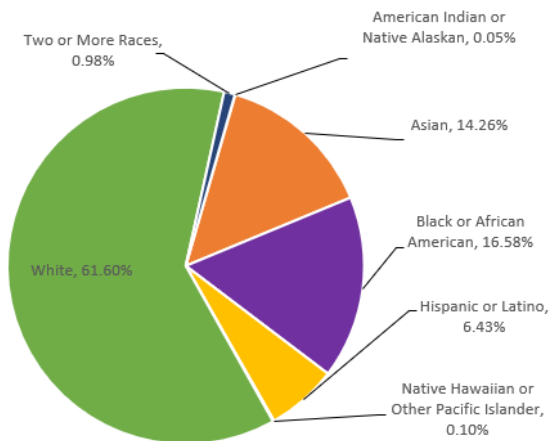


Multi Passive RFP Respondents

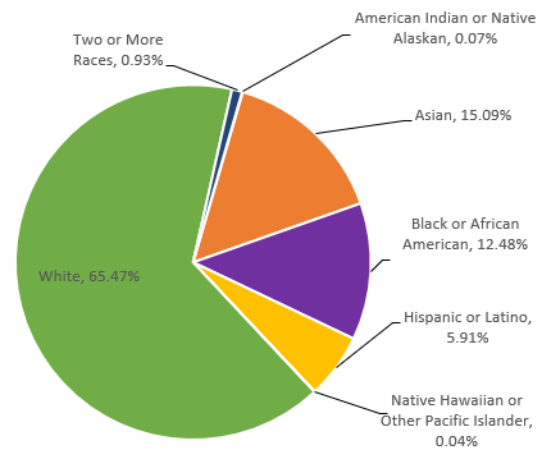
For the Investment Procurement Solicitation Respondents, six firms submitted ODS surveys. Of the six submitted surveys, one was unusable. The following graphs represent the data collected for the average ethnic and gender diversity of their employees, executives, owners, and members of their boards.

Average Ethnic Diversity (5 SURVEYS)

Employee

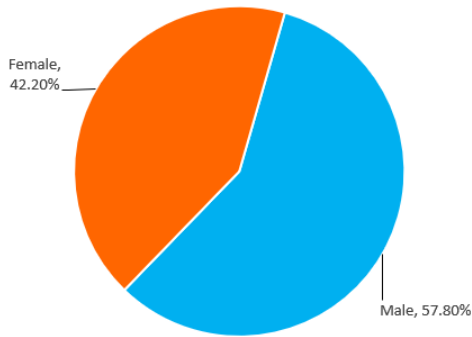


Senior Officials

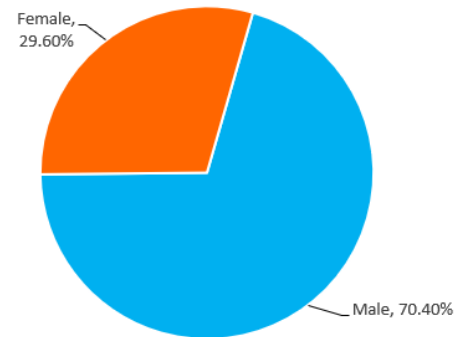


Average Gender Diversity (5 SURVEYS)

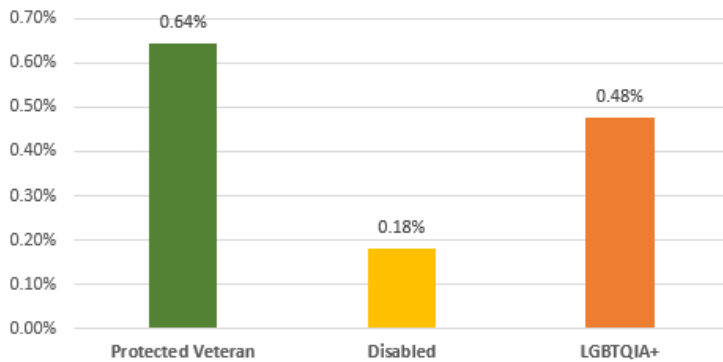
Employee



Senior Officials



Average Number of Employees with Veteran/Disability/LGBTQIA+ Status (5 Surveys)



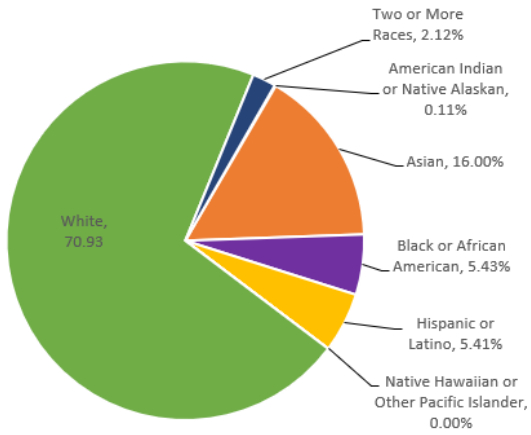
Multi Passive RFPs did not have enough respondents to the Average Ownership Diversity survey question to provide data.

Private Credit Consultant RFP Respondents

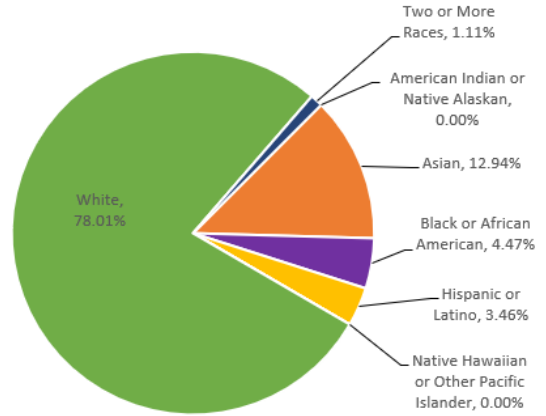
For the Private Credit Consultant RFP Respondents, four firms submitted ODS surveys. The following graphs represent the data collected for the average ethnic and gender diversity of their employees, executives, owners, and members of their boards.

Average Ethnic Diversity (4 SURVEYS)

Employee

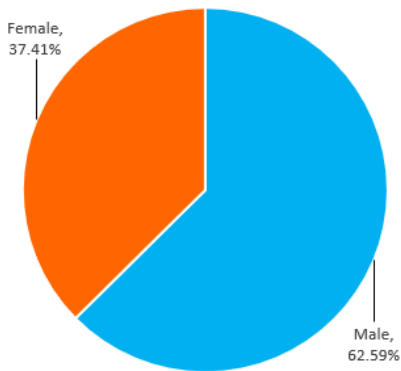


Senior Officials

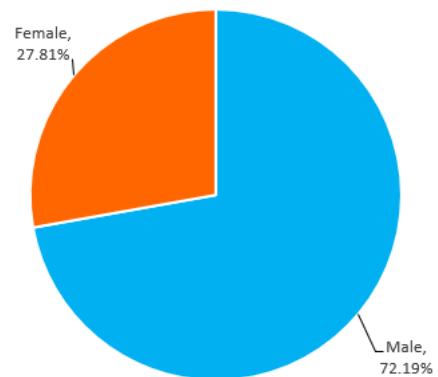


Average Gender Diversity (4 SURVEYS)

Employee

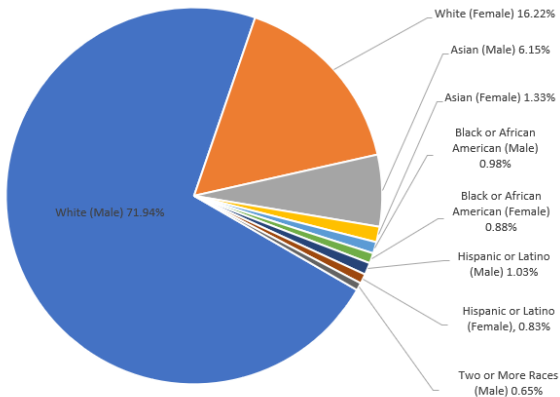


Senior Officials



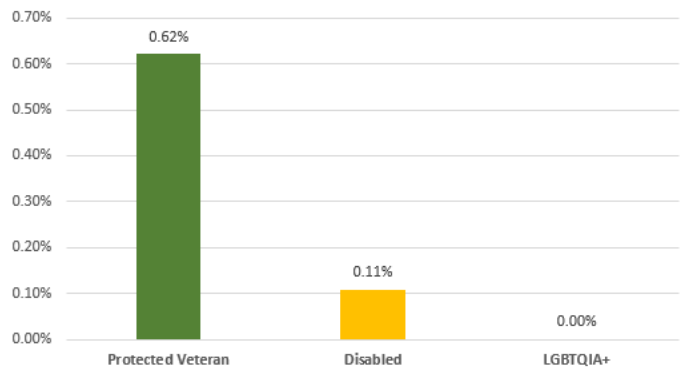
Average Ownership Diversity

(4 Surveys)



Average Number of Employees with Veteran/Disability/LGBTQIA+ Status

(4 Surveys)

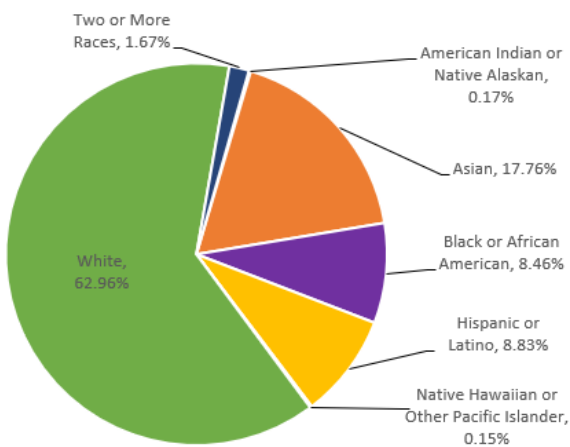


Transition Management RFP

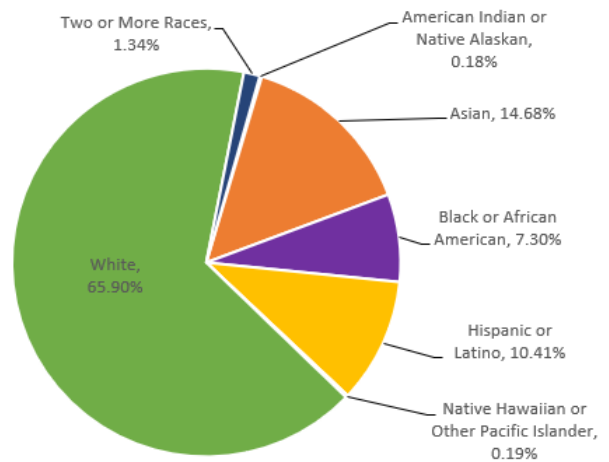
For the Transition Management RFP, eight firms submitted ODS surveys. Of the eight submitted surveys, one was unusable. The following graphs represent the data collected for the average ethnic and gender diversity of their employees, executives, owners, and members of their boards.

Average Ethnic Diversity (7 SURVEYS)

Employee

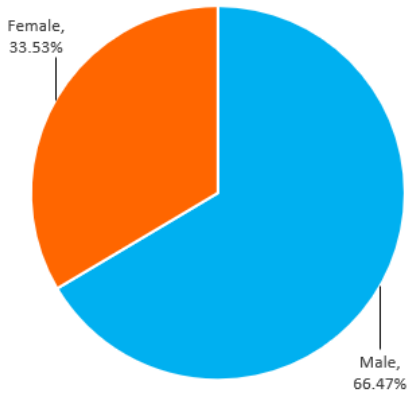


Senior Officials

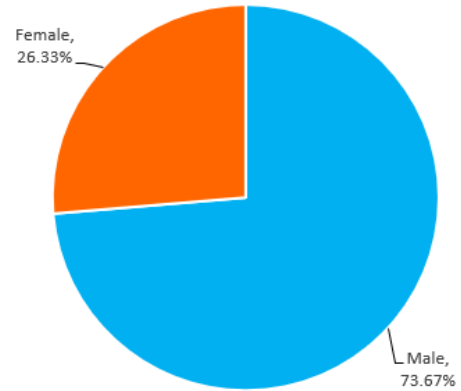


Average Gender Diversity (7 SURVEYS)

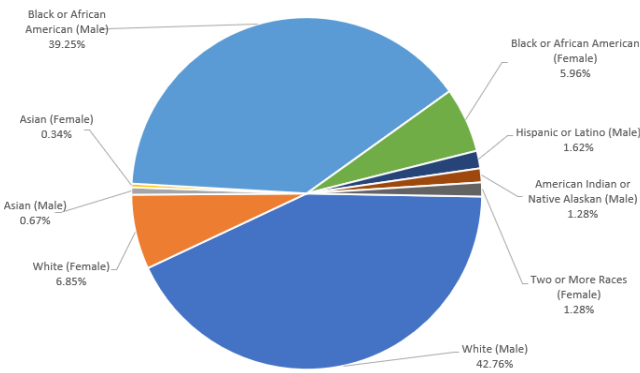
Employee



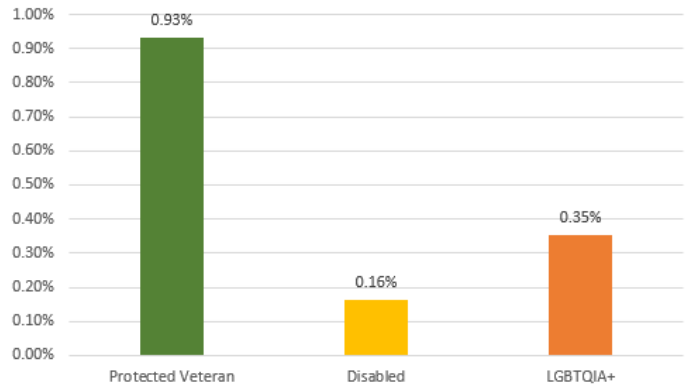
Senior Officials



Average Ownership Diversity
(2 Surveys)



Average Number of Employees with Veteran/Disability/LGBTQIA+ Status
(7 Surveys)

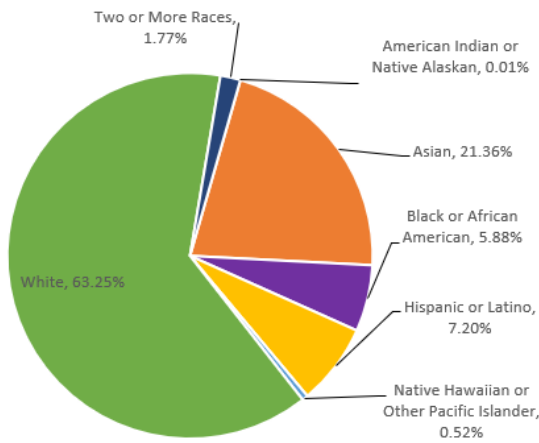


Private Equity

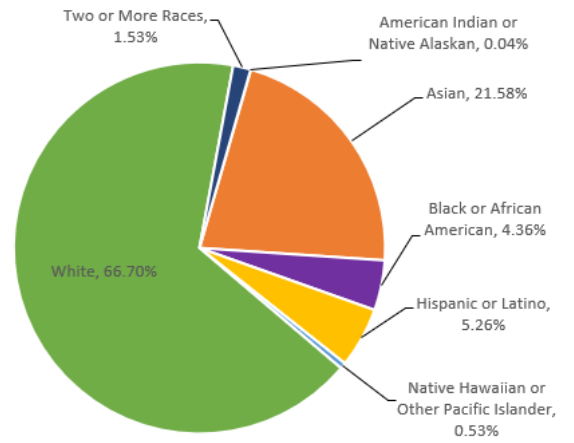
For the Private Equity, thirteen firms submitted ODS surveys. Of the thirteen submitted surveys, four were unusable. The following graphs represent the data collected for the average ethnic and gender diversity of their employees, executives, owners, and members of their boards.

Average Ethnic Diversity (9 SURVEYS)

Employee

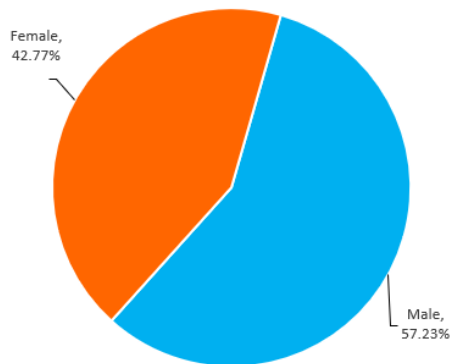


Senior Officials

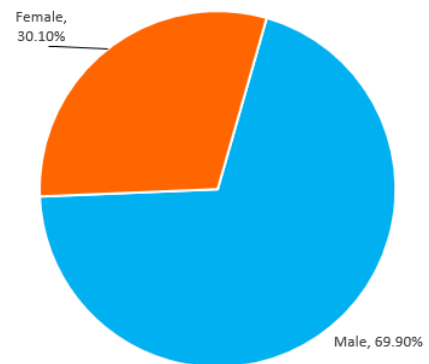


Average Gender Diversity (9 SURVEYS)

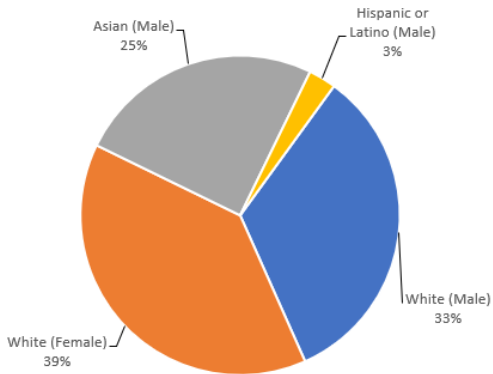
Employee



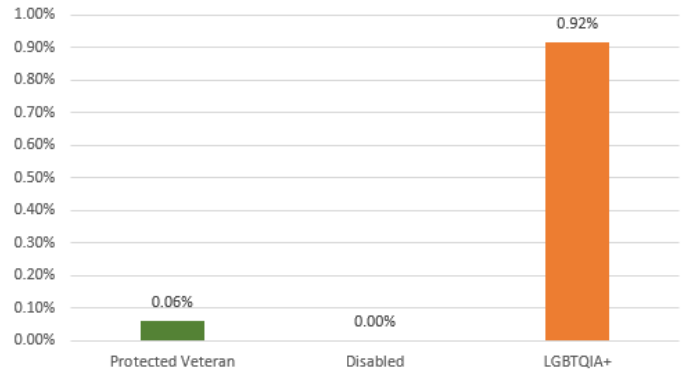
Senior Officials



Average Ownership Diversity
(6 Surveys)



Average Number of Employees with Veteran/Disability/LGBTQIA+ Status
(9 Surveys)



DEI Recruitment Programs/Strategy

In terms of the data collected from the surveys for all mandates specific to written DEI programs, firms generally responded with examples of ways in which the firm was making efforts to adjust their employment and personnel practices to incorporate DEI initiatives. These included practices such as the creation of a DEI board or committee, establishing partnerships with DEI organizations and professional networks, convening forums to identify DEI challenges, and contracting with employment agencies that specialize in DEI-focused recruitment.

Strategic Plan Impact Statement

The provision of the Annual Report of the Emerging Investment Manager ODS aligns with the Strategic Plan Goals to optimize long-term risk-adjusted investment returns (Goal IV), to uphold good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V), and to maximize organizational effectiveness and efficiency (Goal VI).

Prepared By: Isaias Cantú, Senior Management Analyst II

NMG/TB/RJ/EA:ic

- Attachments: 1. Organization Diversity Guidelines
2. Organization Diversity Survey

Section 4 EMERGING INVESTMENT MANAGER POLICY

To achieve this end, the Board may direct Staff to conduct research to include (but not limited to) the issuance of surveys and questionnaires, attendance at educational conferences and academically-sponsored events, and participation in discussions with industry experts and peer organizations.

The Board has identified the use of LACERS' Organization Diversity Survey (ODS) as one particular tool that can be useful in the gathering information to further LACERS' research objectives. The ODS is attached to this policy as Exhibit 1. In conducting research using the ODS, LACERS Board and Staff will adhere to the ODS Guidelines set forth below:

1. Request in an investment procurement solicitation that each participating firm complete and submit an ODS prior to the RFP submission deadline; and for private market investments, request on a best efforts basis that each general partner complete and submit an ODS prior to, or within a reasonable period following, LACERS' participation in its fund closing;
2. Direct each firm to return the completed ODS to an email address under the Administrative Services Division (ASD) of LACERS (or other designated division or unit outside the Investment Division);
3. Ensure that each ODS remains in a secured and password-protected folder known only to designated ASD staff and that an appropriate firewall be maintained to control access;
4. Examine collected ODS's once all contracts within a specific mandate have been executed;
5. Authorize the General Manager or designee to assign particular LACERS staff to review ODS's and conduct analyses of collected data once all contracts within a specific mandate have been executed;
6. Limit access to the ODS to particular individuals (Board members, General Manager, Chief Investment Officer, and other such staff as determined by the General Manager) who are part of a mandate's procurement selection process so as to avoid real or perceived conflicts of interest;
7. Protect the identity of each firm's ODS to those individuals named in ODS Guideline #6 and from public disclosure;
8. Report statistical findings of ODS's collected data within the last calendar year as part of the Annual Report of the Emerging Investment Managers reporting requirement under Section F.7 of this Policy or more frequently as directed by the Board or General Manager.

F. Reporting

Staff will report to the Board on the status of Emerging Investment Managers hired and retained on an annual calendar year basis. The annual report will include:

1. Names of Emerging Investment Manager firms hired during the calendar year.
2. Dollar amounts awarded to Emerging Managers.

Section 4 EMERGING INVESTMENT MANAGER POLICY – EXHIBIT 1

**Los Angeles City Employees' Retirement System
 Organization Diversity Survey (ODS)**

The ODS is used for statistical purposes and is separate and apart from the RFP selection process. The surveys are opened and examined by LACERS staff only after the contract(s) is(are) awarded for the mandate. Please refer to the LACERS Emerging Investment Manager Policy, Section E, for more information on the use of the ODS.

Organization Information

Firm Name: _____
 Address: _____
 Base of Operations (City/State/Country): _____
 This completed ODS is connected with the following RFP search (if applicable): _____
 Firm AUM in \$000,000: _____

As of Date: _____

Organization Workforce Composition

Total Number of Firm Employees: _____
 Number of U.S.-Based Employees: _____

Instructions: Provide employee count under the applicable Race/Ethnicity and Gender (columns) and under the applicable workforce category (rows). Grand total should equal total number of firm employees. For Veteran Status, Disability Status and LGBTQIA+ Status, provide employee count as classifiable under these statuses and under the applicable workforce category.

	American Indian or Native Alaskan		Asian		Black or African American		Hispanic or Latino		Native Hawaiian or Other Pacific Islander		White		Two or More Races		TOTAL		Veteran Status	Disability Status	LGBTQIA+ Status	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Protected Veteran	Disabled	LGBTQIA+	
Exec / Sr Officials & Managers															0	0				
Investment Professionals															0	0				
SUBTOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Professionals - Operations, Compliance, etc.															0	0				
Professional - Sales / Marketing & Client Services															0	0				
Administrative Support, Office/Clerical															0	0				
Other Non-Professionals															0	0				
SUBTOTAL	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
TOTALS	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
	0		0		0		0		0		0		0		0					
	0																			

Section 4 EMERGING INVESTMENT MANAGER POLICY – EXHIBIT 1

Board of Directors Composition

Number of Directors on the Firm's Board of Directors: _____

Instructions: Provide Board Director count under the applicable Race/Ethnicity and Gender (columns). Grand total should equal total number of Directors on the Board of Directors. For Veteran Status, Disability Status and LGBTQIA+ Status, provide Director count as classifiable under these statuses.

	American Indian or Native Alaskan		Asian		Black or African American		Hispanic or Latino		Native Hawaiian or Other Pacific Islander		White		Two or More Races		TOTAL		Veteran Status	Disability Status	LGBTQIA+ Status
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Protected Veteran	Disabled	LGBTQIA+
Board Members															0	0			
TOTALS	0		0		0		0		0		0		0		0				

American Indian or Native Alaskan A person having origins in any of the original peoples of North and South America (including Central America), and who maintain tribal affiliation or community attachment.
Asian A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian Subcontinent, including, but not limited to, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand and Vietnam.
Black or African American A person having origins in any of the black racial groups of Africa.
Hispanic or Latino A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race.
Native Hawaiian or Other Pacific Islander A person having origins in any of the peoples of Hawaii, Guam, Samoa or other Pacific Islands.
White A person having origins in any of the original peoples of Europe, the Middle East or North Africa.

Firm Ownership

Percentage of Firm Owned by Employees: _____

Instructions: Provide percentage of employee ownership under the applicable Race/Ethnicity and Gender. Grand total should equal percentage of firm owned by employees. For Veteran Status, Disability Status and LGBTQIA+ Status, provide percentage of ownership of employees as classifiable under these statuses.

	American Indian or Native Alaskan		Asian		Black or African American		Hispanic or Latino		Native Hawaiian or Other Pacific Islander		White		Two or More Races		TOTAL		Veteran Status	Disability Status	LGBTQIA+ Status
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Protected Veteran	Disabled	LGBTQIA+
Employee Ownership (Percentage)															0.00%	0.00%			
TOTALS	0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%		0.00%				

Section 4 EMERGING INVESTMENT MANAGER POLICY – EXHIBIT 1

Questionnaire

Is the firm majority-owned by women, racial or ethnic minorities, or other underrepresented groups? Please identify ownership composition in the space below.

Response:

Does the firm focus recruitment of women, racial or ethnic minorities, or other underrepresented populations particularly for senior-level positions? Please discuss successes and/or challenges in the space below.

Response:

Does the firm have a written Diversity and Inclusion Recruiting Program/Strategy? (i.e. outreach, hiring, mentoring and/or scholarship programs designed to create a pipeline of minority and women professional talent to the firm or promotion of such groups to senior-level positions within the firm). If Yes, please list initiatives or actions carried out by the firm under this program/strategy in the space below.

Response:

Please provide any additional explanation to the completion of the ODS and/or the aforementioned questions in the space below.

Response:

Contact Information

Completed by: _____

Position/Title: _____

Phone Number: _____

E-mail Address: _____

Date Completed: _____



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

Neil M. Guglielmo

MEETING: FEBRUARY 28, 2023

ITEM: IV-B

**SUBJECT: SEMI-ANNUAL REPORT OF BUSINESS PLAN INITIATIVES FOR THE PERIOD
ENDING DECEMBER 31, 2022**

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this report.

Discussion

This semi-annual report of the business plan initiatives (BPIs) for Fiscal Year 2022-23 presents progress on nine priority initiatives during the reporting period from July to December 2022, with three continuing initiatives and six new initiatives.

The Environmental, Social and Governance Investing (ESG) BPI continues to engage ESG to optimize long-term risk adjusted returns. Last fiscal year, the Diversity, Equity, and Inclusion (DEI) BPI partnered with a professor-led graduate student group from California State University Los Angeles to explore DEI strategies. This fiscal year, the Workforce Diversity, Equity, and Inclusion BPI will engage with a vendor to develop a LACERS Fellowship Program supporting LACERS goal in promoting professional growth and maximizing opportunities for all staff. The Headquarters Move BPI completed its first significant move at the end of the 2nd Quarter and continues to resolve permitting delays to ensure full occupancy this fiscal year.

New BPIs include further enhancements in service delivery to Members with two Member Services BPIs, the Member Service Modernization BPI with integration and adoption of tools in improving customer service, and the Member Services Metrics BPI by updating the Member Service Agreement (MSA). Supplementing the Member Services initiatives is the Language Access Plan BPI, prompted by Mayor Garcetti's Executive Directive 32 - Strengthening Language Access in the City of Los Angeles. LACERS seeks to develop a Language Access Plan this fiscal year and begin implementation in the upcoming new fiscal year.

To further enhance operational efficiency and sustain a high-performance workforce, led by Benefits Administration divisions, the Knowledge Transfer BPI strategizes institutional knowledge management and transfer within the organization, while the Diversity in Hiring BPI, led by the Investment Division,

seeks to establish an Investment Officer Bridge Class to cultivate interest and advancement in the Investment career path.

The Governance BPI seeks to affirm and strengthen LACERS' mission, vision, and goals in three areas: the development of a new LACERS Strategic Plan in defining the organizations' direction for the next three to five years, the Triennial Board Policy Review to ensure current policies are updated and reflected appropriately, and hosting of a Pension Symposium in educating our stakeholders and members.

The following provides a brief highlight of each BPI. An Asterisk (*) denotes a new BPI.

***Governance BPI - on-track**

ENGAGING IN SOUND GOVERNANCE PRACTICES BY STRENGTHENING LACERS EFFECTIVENESS AND EFFICIENCY AS AN ORGANIZATION

Team Leads: Edwin Avanesian and John Koontz

- Project sponsor: Todd Bouey
- Total project budget: \$40,000
- Project duration: July 2022 and ongoing

***Member Service Modernization BPI - on-track**

IMPROVING CUSTOMER SERVICE AND STAFF EFFECTIVENESS THROUGH DEPARTMENT-WIDE INTEGRATION AND ADOPTION OF TECHNOLOGY ENGAGEMENT TOOLS

Team Leads: Tiffany Obembe, Gabriel J. Perez, and Heather Ramirez

- Project sponsor: Dale Wong-Nguyen
- Total project budget: \$75,000
- Project duration: July 2022 to June 2023

Headquarters Move BPI - off-track

PREPARING AND ENSURING A SMOOTH TRANSITION TO THE NEW HEADQUARTERS

Team Leads: Isaias Cantú and Horacio Arroyo

- Project sponsor: Todd Bouey
- Total project budget: \$21,593,773
- Project duration: November 2019 to June 2023

Workforce Diversity Equity and Inclusion - *on-track*

IMPLEMENTING A TWO-YEAR MIXED-MEDIA FELLOWSHIP PROGRAM TO HELP BUILD A MORE TRANSPARENT AND RESPONSIVE ORGANIZATION WHILE ALSO GUIDING THE PROFESSIONAL SUCCESS OF LACERS STAFF

Team Leads: Vikram Jadhav and Charlena Freeman

- Project sponsor: Neil M. Guglielmo
- Total project budget: \$75,000
- Project duration: September 2021 and ongoing

Environmental, Social, and Governance Investing (ESG) BPI - *on-target*

ENHANCING LACERS INVESTMENT PORTFOLIO GUIDED BY THE RESPONSIBLE INVESTMENT POLICY AND ESG RISK FRAMEWORK

Team Leads: James Wang

- Project sponsor: Rod June
- Total project budget: \$18,125
- Project duration: July 2021 and ongoing

Knowledge Transfer - *on-track

IMPLEMENTING A COMPREHENSIVE TWO-PHASED TRAINING PROGRAM TO EXPEDITE KNOWLEDGE TRANSFER OF RETIREMENT AND HEALTH BENEFITS PROCESSING BETWEEN SENIOR AND NEWER STAFF

Team Leads: Ferralyn Sneed, Delia Hernandez, Audrey Dymally, and Stephanie Smith

- Project sponsor: Dale Wong-Nguyen
- Total project budget: \$7,500
- Project duration: July 2022 and ongoing

Language Access Plan - *on-track

PROVIDING TIMELY AND MEANINGFUL LANGUAGE ACCESS, INCLUDING THE DEAF AND HARD OF HEARING, TO PROGRAMS, SERVICES, INFORMATION, AND PARTICIPATORY PROCESSES

Team Leads: Taneda K. Larios

- Project sponsor: Neil M. Guglielmo
- Total project budget: No budget this Fiscal Year
- Project duration: July 2022 and ongoing

***Member Services Metrics - on-target**

AMENDING THE MEMBER SERVICE AGREEMENT (MSA) WITH DEFINED METRICS AND DEVELOPING DATA TRACKING SYSTEMS AND DASHBOARDS TO BETTER INFORM RESOURCE NEEDS AND PERFORMANCE

Team Leads: Taneda K. Larios and Vikram Jadhav

- Project sponsor: Neil M. Guglielmo, Todd Bouey, and Dale Wong-Nguyen
- Total project budget: No budget this Fiscal Year
- Project duration: July 2022 to June 2023

***Diversity in Hiring BPI - on-target**

LEADING THE CITY OF LA IN DEVELOPING AN INVESTMENT OFFICER BRIDGE CLASS TO INCREASE HIRING OPPORTUNITY IN INVESTMENT DIVISION

Team Leads: Clark Hoover and Vikram Jadhav

- Project sponsor: Neil M. Guglielmo and Rod June
- Total project budget: No budget this Fiscal Year
- Project duration: July 2022 and ongoing

Strategic Plan Impact Statement

The BPI Program seeks to enhance the Strategic Plan Goal of greater organizational effectiveness, efficiency, and resiliency.

Prepared By: Chhintana Kurimoto, Management Analyst

NMG/TB/LL/CK

Attachment: Semi-Annual Report of Business Plan Initiatives Fiscal Year 2022-23 for the reporting period ending December 31, 2022



BOARD Meeting: 2/28/2023
Item: IV-B
Attachment

FY2023

Business Plan

Initiatives

Semi-Annual Report of Business Plan Initiatives
for the Period Ending December 31, 2022

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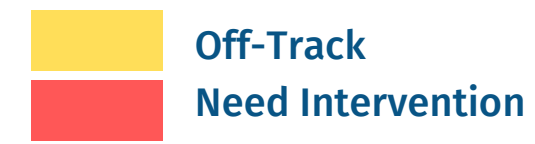
- 01** LACERS Goals
- 02** Executive Summary Dashboard
- 03** Business Plan Initiative Dashboards
 - 03** Governance
 - 06** Member Service Modernization
 - 09** Headquarters Move
 - 12** Workforce Diversity, Equity, and Inclusion
 - 14** Environmental, Social, and Governance
 - 16** Knowledge Transfer
 - Retirement Services Division (RSD)
 - Health, Wellness, and Buyback Division (HWABD)
 - 19** Language Access Plan
 - 21** Member Services Metrics
 - 23** Diversity in Hiring
- 25** Appendix A - Business Plan Initiative Template

LACERS Goals



- **Customer Service** - To provide outstanding customer service
- **Benefits Delivery** - To deliver accurate and timely Member benefits
- **Health and Wellness** - Improve value and minimize costs of Members' health and wellness benefits
- **Investment** - To optimize long-term risk adjusted returns through superior investments
- **Governance** - To uphold good governance practices which affirm transparency, accountability, and fiduciary duty
- **Organization** - To increase organizational effectiveness, efficiency, and resiliency
- **Workforce** - To recruit, retain, mentor, empower, and promote a high-performing workforce

Executive Summary Dashboard



	INITIATIVES	GOALS	STATUS	EXECUTIVE SPONSORS	INITIATIVE LEADS
1.	Governance	Governance		Todd Bouey	Edwin Avanesian & John Koontz
2.	Member Service Modernization	Customer Service, Benefits Delivery, & Organization		Dale Wong-Nguyen	Tiffany Obembe, Gabriel J. Perez, & Heather Ramirez
3.	Headquarters Move	Customer Service, Benefits Delivery, & Organization		Todd Bouey	Isaias Cantu & Horacio Arroyo
4.	Workforce Diversity, Equity, and Inclusion	Organization & Workforce		Neil Guglielmo	Vikram Jadhav & Charlena Freeman
5.	Environmental, Social, and Governance Investing	Governance & Investment		Rod June	James Wang
6.	Knowledge Transfer	Customer Service, Benefits Delivery, Organization, & Workforce		Dale Wong-Nguyen	Ferralyn Sneed, Delia Hernandez, Audrey Dymally, & Stephanie Smith
7.	Language Access Plan	Customer Service, Benefits Delivery, Governance, & Organization		Neil Guglielmo	Taneda Larios
8.	Member Service Metrics	Customer Service & Organization		Neil Guglielmo, Todd Bouey, Dale Wong-Nguyen	Taneda K. Larios & Vikram Jadhav
9.	Diversity in Hiring	Workforce		Neil Guglielmo & Rod June	Clark Hoover & Vikram Jadhav

INITIATIVE: GOVERNANCE

DIVISION(S)/SECTION: ADMINISTRATION / PROJECT MANAGEMENT OFFICE / MEMBER SERVICES

STRATEGIC GOAL(S): GOVERNANCE

STATUS: ON-TRACK

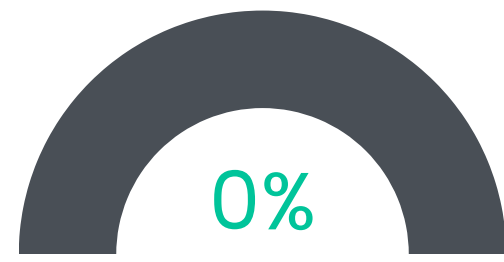
REPORT MONTHS: JULY 2022 - DECEMBER 2022

LEAD(S): EDWIN AVANESSIAN, JOHN KOONTZ

TEAM: CHHINTANA KURIMOTO, LISA LI, KHIA MOORE, NATHAN HERKELRATH, GABRIEL PEREZ, TIFFANY OBEMBE, HEATHER RAMIREZ, AND TANEDA K. LARIOS

INITIATIVE PURPOSE: SET THE COURSE FOR RISK MANAGEMENT AND STRATEGIC VISION FOR THE NEXT 3 TO 5 YEARS.

BUDGET



Appropriation	\$40,000
Expense:	\$0
Unspent:	\$40,000

KEY METRICS

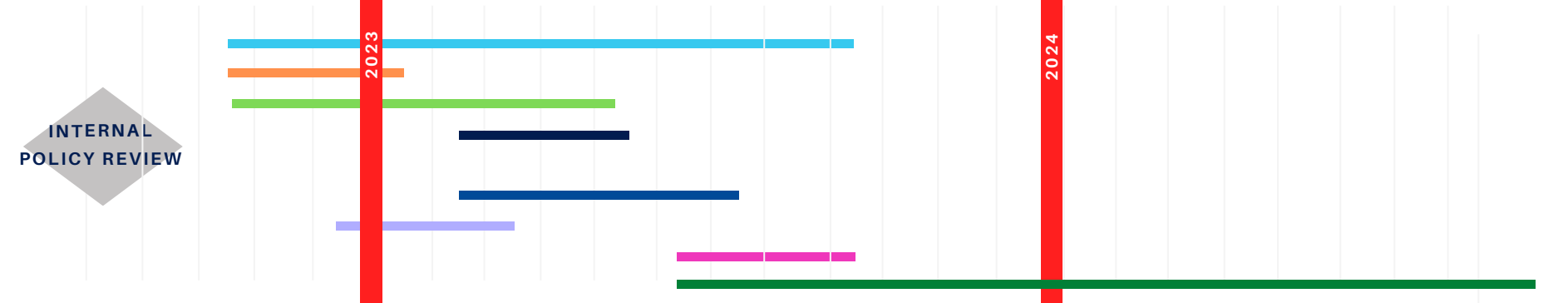


AREAS OF IMPROVEMENT

Improvement Area	Progress
Organization	Schedule has been created to list key deadlines for each task.
Flexibility	Increased flexibility towards meeting and reporting frequencies.
Quality of Work	Routine reviews of each major task to ensure that work is completed accurately and aligning with LACERS' mission.

BOARD GOVERNANCE STATEMENT

- 1.0 Governance Principles
 - 2.0 Governing Statues
 - 3.0 Duties and Responsibilities
 - 4.0 Board Procedures
- BOARD ADMIN POLICIES**
- 1.0 Guidance for Board Members
 - 2.0 Contract Administration
 - 5.0 Other
 - 6.0 New Policies



MILESTONES OF KEY ACTIVITIES

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Strategic Plan	2019 Strategic Plan Stats Gathered	Submission of Strategic Plan Budget Package	Development of RFP	RFP Posted to RAMPLA
Symposium	Tentative Agenda Created	Speakers Secured	Host Symposium	N/A
Triennial Board Policy Review	Perform Internal Policy Review	Initiate Policy Review Process with Board	Continue Policy Review Process with the Board	Continue Policy Review Process with the Board

INITIATIVE: GOVERNANCE

DIVISION(S)/SECTION: ADMINISTRATION / PROJECT MANAGEMENT OFFICE / MEMBER SERVICES

STRATEGIC GOAL(S): GOVERNANCE

REPORT MONTHS: JULY 2022 – DECEMBER 2022

LEAD(S): EDWIN AVANESSIAN, JOHN KOONTZ

TEAM: CHHINTANA KURIMOTO, LISA LI, KHIA MOORE, NATHAN HERKELRATH, GABRIEL PEREZ, TIFFANY OBEMBE, HEATHER RAMIREZ, AND TANEDA K. LARIOS

INITIATIVE PURPOSE: SET THE COURSE FOR RISK MANAGEMENT AND STRATEGIC VISION FOR THE NEXT 3 TO 5 YEARS

PROGRESS

Strategic Plan

LACERS has met with other pension peers to discuss their Strategic Planning process, from the procurement of the Consultant to the development of the Strategic Plan. The discussion led to the realization that additional funding would be needed to potentially secure an experienced consultant with a strong pension background. Therefore, for the FY24 budget preparation, a budget package of \$150k was submitted for consideration for FY24. In the meantime, staff has collected statistical information for the current Strategic Plan that will later be provided to the consultant once they have been onboarded.

Pension Symposium

LACERS has routinely met every month to discuss the direction of the symposium and the type of topics that should be covered. Q2 yielded the result of a finalized agenda with symposium speakers secured as well. Admin and the Exec team has also worked closely with the Member Engagement team to conduct testing with the webinar feature of Zoom to ensure a successful symposium.

PROGRESS CONT.

Triennial Board Policy Review

LACERS presented the Board with a plan and timeline for performing the triennial review of the Board Policy. The plan and timeline were adopted by the Board on November 8, 2022. Since, progress on the Triennial Board Policy Review has remained on schedule including Board review of Sections 2.0. Work on the review is scheduled to continue until September of 2024.

CHALLENGES

Strategic Plan

Upon discussing with other pension peers, whom had recently contracted with a consultant for their Strategic Plan, a series of challenges were identified.

1. Lack of Qualified Consultants – RFPs had received minimal responses and the final selected Consultant usually did not provide sufficient support to the entire Strategic Planning process
2. Insufficient Funding – To develop a robust strategic plan with a consultant that has a strong Pensions background, a significant amount of funding is needed. LACERS currently only has \$25k budgeted which will likely not be able to yield any desirable results for this fiscal year.

Pension Symposium

As the development of the symposium is a collaborative effort with multiple divisions and sections, scheduling to meet was a rising challenge due to competing priorities of different sections. Benefits Bureau had a massive influx of cases due to Open Enrollment and Administration Bureau had initiated preparation for the HQ move and budget preparation, which led to increased difficulties in coordinating. However, increased flexibility towards meeting frequencies enabled everyone to meet at least once a month for the review of symposium materials.

Triennial Board Policy Review

As the review continues, the principal challenge LACERS can anticipate would involve extended discussion of a specific topic that might delay the timeline. Although prolonged discussions may extend the timeline, the product of these discussions are in the long-term policy interests of the Board and LACERS.

INITIATIVE: GOVERNANCE

DIVISION(S)/SECTION: ADMINISTRATION / PROJECT MANAGEMENT OFFICE / MEMBER SERVICES

STRATEGIC GOAL(S): GOVERNANCE

REPORT MONTHS: JULY 2022 – DECEMBER 2022

LEAD(S): EDWIN AVANESSIAN, JOHN KOONTZ

TEAM: CHHINTANA KURIMOTO, LISA LI, KHIA MOORE, NATHAN HERKELRATH, GABRIEL PEREZ, TIFFANY OBEMBE, HEATHER RAMIREZ, AND TANEDA K. LARIOS

INITIATIVE PURPOSE: SET THE COURSE FOR RISK MANAGEMENT AND STRATEGIC VISION FOR THE NEXT 3 TO 5 YEARS

NEXT STEPS

Strategic Plan

If the budget package is approved with the \$150k, Admin team will be able to move forward to develop a RFP that will fully meet LACERS' requirements for a strategic plan. Staff will also continue to compile any past information that LACERS had conducted for the development of the 2019 strategic plan, so there may be a point of reference that the consultant can start off with when working with staff. It is anticipated that the RFP will be released late FY23 to successfully onboard the consultant by the end of Q1 FY24.

Pension Symposium

With the symposium agenda finalized, staff are developing presentations for their respective topics. A training and an actual symposium test run is expected to happen toward the end of January 2023 to provide practice to all speakers and panelists.

Triennial Board Policy Review

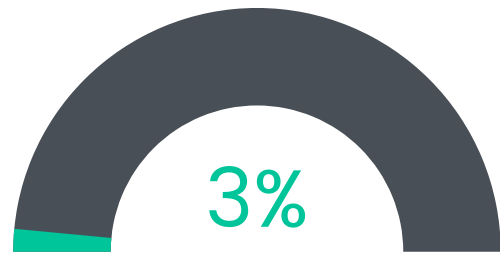
The Board's Policy Review is scheduled to continue over the course of two fiscal years including FY23 and FY24. Future reviews include Sections 1, 3, 4 of the Board Governance Statement and Sections 1, 2, and 5 of the Board Administration Policies (BAP). Sections 3 and 4 of the BAP were previously reviewed in 2021.

INITIATIVE: MEMBER SERVICE MODERNIZATION
DIVISION(S)/SECTION: COMMUNICATIONS & STAKEHOLDER RELATIONS DIVISION
STRATEGIC GOAL(S): CUSTOMER SERVICE, BENEFITS DELIVERY, & ORGANIZATION

STATUS: ON-TRACK
REPORT MONTHS: JULY 2022 - DECEMBER 2022
LEAD(S): TIFFANY OBEMBE, GABRIEL J PEREZ, AND HEATHER RAMIREZ
TEAM: JENNIFER ROMERO, GINA HENDERSON, SANDRA JAMES, NATHAN HERKELRATH, CARLOS JOVEL JR., KHIA MOORE

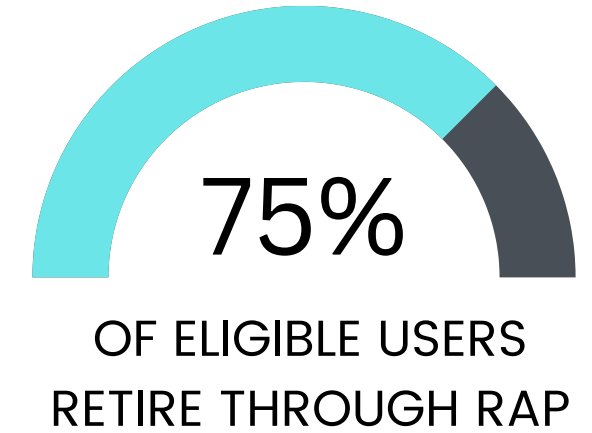
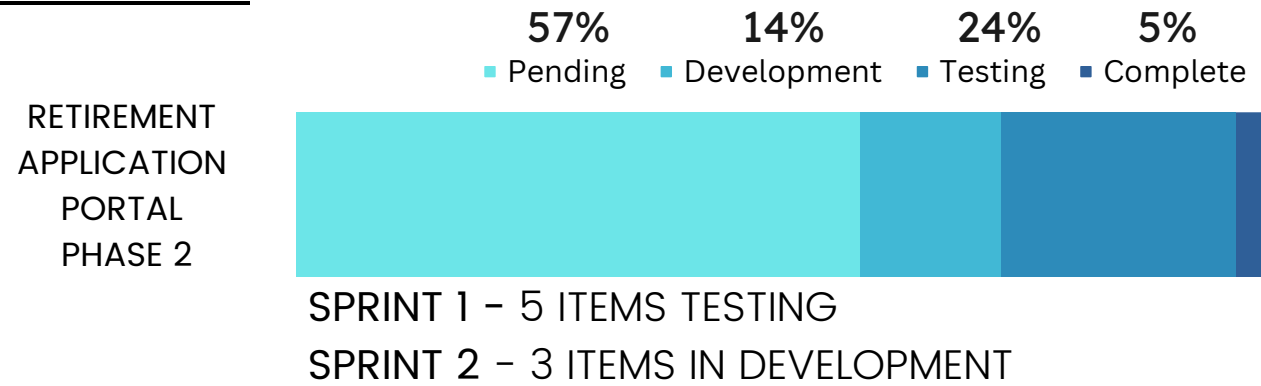
INITIATIVE PURPOSE: THE RETIREMENT APPLICATION PORTAL (RAP) WILL PROVIDE MORE EFFICIENCY FOR OUR STAFF, AND A BETTER USER EXPERIENCE FOR MEMBERS. AMAZON CONNECT ACROSS THE DEPT WILL ALLOW US TO PROVIDE BETTER CUSTOMER SERVICE THROUGH THE TOOLS BUILT IN.

BUDGET



Appropriation	\$75,000
Expense:	\$2,322
Unspent:	\$72,678

KEY METRICS



AREAS OF IMPROVEMENT

Improvement Area	Progress
Amazon Connect	
Coordination	Due to competing priorities coordination and support could pose as a challenge. Therefore, the team will prioritize high-level items for discussion.
Implementation	Additional testing to be conducted to ensure a smooth implementation

Improvement Area	Progress
RAP Phase 2	
Collaboration	Increased flexibility towards meeting frequencies and new channels of communication created
Box Testing	Additional input from units to identify bugs and reduce code drops and versioning for system stability

MILESTONES OF KEY ACTIVITIES

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Retirement Application Portal (RAP)	Established and Approved Statement of Work (SOW) with Box.com	Prioritize fixes and enhancements begin	Continue with Box in 2 week sprints, with testing in Demo environment	Final testing and Code drop into Production Environment
Department-wide Amazon Connect	Testing of Quick Connect functionality	Draft proposal for Executive review	Proposal approval by Exec, report and LACERS-wide notification	Staff Training and Platform Implementation

INITIATIVE: MEMBER SERVICE MODERNIZATION

DIVISION(S)/SECTION: COMMUNICATIONS & STAKEHOLDER RELATIONS DIVISION

STRATEGIC GOAL(S): CUSTOMER SERVICE, BENEFITS DELIVERY, & ORGANIZATION

REPORT MONTHS: JULY 2022 – DECEMBER 2022

LEAD(S): TIFFANY OBEMBE, GABRIEL J PEREZ, AND HEATHER RAMIREZ

TEAM: JENNIFER ROMERO, GINA HENDERSON, SANDRA JAMES, NATHAN HERKELRATH, CARLOS JOVEL JR., KHIA MOORE

INITIATIVE PURPOSE: THE RETIREMENT APPLICATION PORTAL (RAP) WILL PROVIDE MORE EFFICIENCY FOR OUR STAFF, AND A BETTER USER EXPERIENCE FOR MEMBERS. AMAZON CONNECT ACROSS THE DEPT WILL ALLOW US TO PROVIDE BETTER CUSTOMER SERVICE THROUGH THE TOOLS BUILT IN.

PROGRESS

RAP

In the second quarter the Statement of Work (SOW) was established and approved. One item has been completed so far, the Tax Withholding changes. Our lead, Gabriel Perez, meets weekly with Box to discuss clarifications, updates, and changes. The team is currently in the middle of sprint two with five of the 23 items currently in the test phase.

Amazon Connect

During the first quarter the team tested the ability to use the quick connect technology. During the second quarter the team began drafting the memo to submit to Executive for approval.

CHALLENGES

RAP

- To incorporate all the units, a Phase 2 Team channel has been created where updates will be provided weekly to keep them in the loop, and as-needed where unit input may be required
- Box has not been able to duplicate all of the bugs reported. Unit input will be necessary in order for LACERS to provide as much documentation as possible of the reported issues and ensure that the bugs are fixed.
- To reduce the number of code drops and splintering of applications, versioning will be applied to the demo environment, which will allow testing at each sprint without negatively affecting the sample applications in the test environment.
- To minimize the impact on the live environment, the project will culminate in a single code drop at the completion.

Amazon Connect

- More testing is needed with the internal and external quick connect set-ups in the Amazon Connect portal as the initial testing did not run as smoothly as anticipated.
- With the extended move to 977, we anticipate more challenges to come as we try to coordinate testing with other units and ask for systems support when other priorities may take precedence.

INITIATIVE: MEMBER SERVICE MODERNIZATION

DIVISION(S)/SECTION: COMMUNICATIONS & STAKEHOLDER RELATIONS DIVISION

STRATEGIC GOAL(S): CUSTOMER SERVICE, BENEFITS DELIVERY, & ORGANIZATION

REPORT MONTHS: JULY 2022 – DECEMBER 2022

LEAD(S): TIFFANY OBEMBE, GABRIEL J PEREZ, AND HEATHER RAMIREZ

TEAM: JENNIFER ROMERO, GINA HENDERSON, SANDRA JAMES,
NATHAN HERKELRATH, CARLOS JOVEL JR., KHIA MOORE

INITIATIVE PURPOSE: THE RETIREMENT APPLICATION PORTAL (RAP) WILL PROVIDE MORE EFFICIENCY FOR OUR STAFF, AND A BETTER USER EXPERIENCE FOR MEMBERS. AMAZON CONNECT ACROSS THE DEPT WILL ALLOW US TO PROVIDE BETTER CUSTOMER SERVICE THROUGH THE TOOLS BUILT IN.

NEXT STEPS

RAP

The team will continue to work with Box on the features and bug fixes in a series of sprints that include weekly meetings to check in, provide additional information and direction as needed, and testing of the implemented fixes. These sprints will culminate in a single code drop to the production environment at the completion of the project.

Amazon Connect

The immediate next steps are to finalize the Amazon Connect memo and send it for Executive approval by the end of January. If approved, the BPI team will reach out to the Systems staff to start coordinating the technical implantation of Amazon Connect LACERS-wide in February. Strategies and a timeline for further testing will be discussed and finalized at the next BPI team meeting. A communications campaign will be developed by the Member Engagement team to inform staff of the upcoming rollout of Amazon Connect which will include, emails and possible infographics. A tentative date for implementation to begin would be March 2023/ or whenever feasibly possible based on the 977 move and Systems staff availability.

INITIATIVE: HQ MOVE

DIVISION(S)/SECTION: ADMINISTRATION/ADMINISTRATION SERVICES OFFICE

STRATEGIC GOAL(S): CUSTOMER SERVICE, BENEFITS DELIVERY, & ORGANIZATION

STATUS: **OFF-TRACK**

REPORT MONTHS: JULY 2022 - DECEMBER 2022

LEAD(S): ISAIAS CANTÚ AND HORACIO ARROYO

TEAM: KRISTEN SZANTO

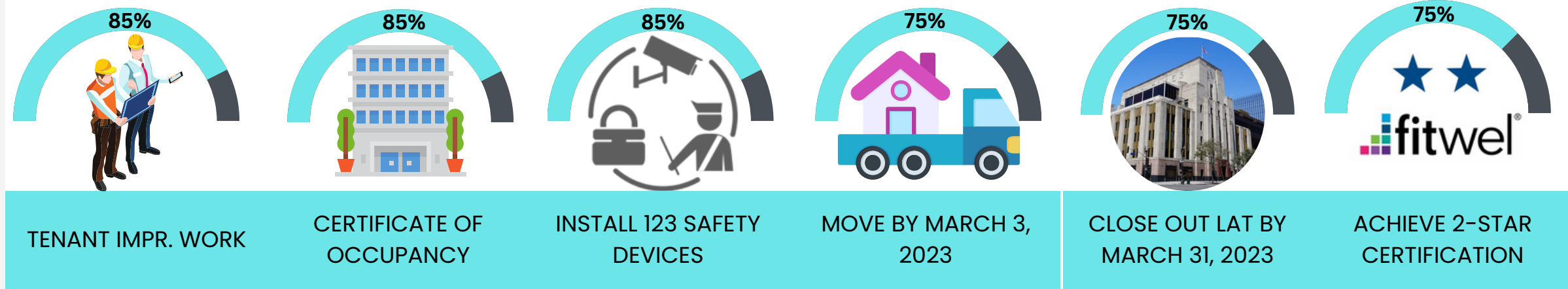
INITIATIVE PURPOSE: THE HEADQUARTERS (HQ) MOVE INITIATIVE SEEKS TO RELOCATE LACERS TO ITS NEW HOME AT 977 N BROADWAY. WITH CONSTRUCTION UNDERWAY, THE PROJECT INVOLVES CONSULTANTS, CONTRACTORS, AND KEY LACERS REPRESENTATIVES THAT WORK TOGETHER TO BUILD LACERS' NEW HOME FOR STAFF AND MEMBERS.

BUDGET

APPROPRIATION: \$21,593,773
 EXPENSE: \$18,052,773
 UNSPENT: \$ 3,541,343

83.6%

KEY METRICS



AREAS OF IMPROVEMENT

Improvement Area	Progress
Streamline review with LADBS and LAFD	Established direct lines of communications with both departments
Anticipate supply-chain delays	Streamlined purchase approvals for items with long lead times and identified alternative sources for purchases
Close out operations at LA Times	Completed initial move; maintained work space in LA Times for limited operation

MILESTONES OF KEY ACTIVITIES

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Complete Tenant Improvement Work	Floors 3-5 completed	Floors 1 and 2 completed	Complete punch-walk; transfer bldg and train	
Furnish building	furniture received in warehouse	workstation furniture installed; Board room table assembled	Install remaining furniture (conf. rms, common areas)	
Move LACERS Staff and Operations	Contract with move vendor	Complete significant move on Dec 22	Finalize move; decommission and surrender LA Times	Identify and address post-occupancy issues
FitWel certification	Gather submission documents	Submit application; received 1-Star points;	Achieve 2-Star points	Post FitWel building certification
Pass all building inspections to achieve occupancy	Fire Pump permitting delays	Parking striping and security gate delays	Clear all LADBS and LAFD inspections	Present final HQ Project Report
Install building security devices	Security cameras installed	Card readers delayed; gate permitting delay	Security trainings and equip configuration	

INITIATIVE: HQ MOVE

DIVISION(S)/SECTION: ADMINISTRATION /ADMINISTRATIVE SERVICES OFFICE (ASO)

STRATEGIC GOAL(S): CUSTOMER SERVICE, BENEFITS DELIVERY, & ORGANIZATION

REPORT MONTHS: JULY 2022 – DECEMBER 2022

LEAD(S): ISAIAS CANTÚ AND HORACIO ARROYO

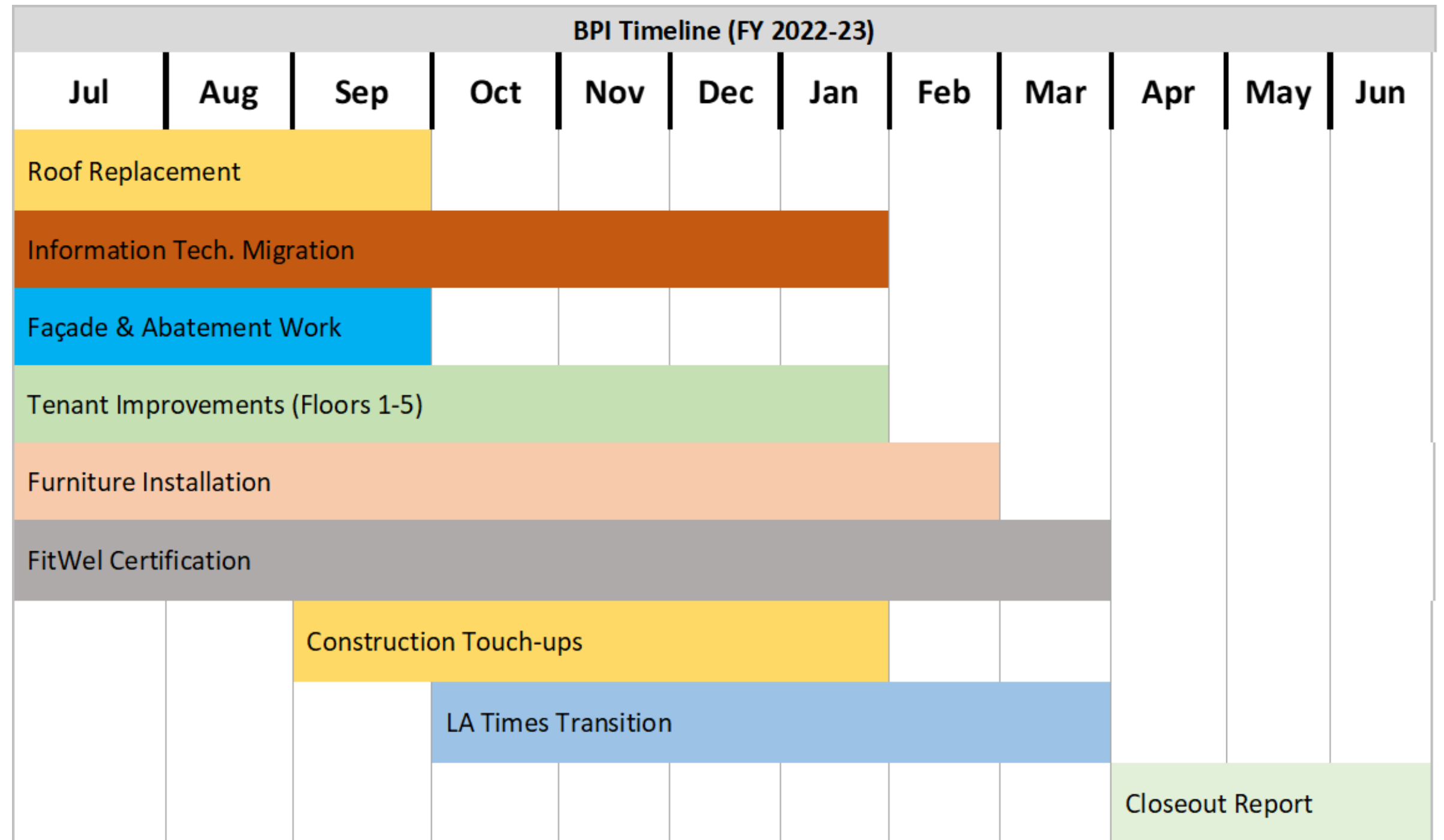
TEAM: KRISTEN SZANTO

INITIATIVE PURPOSE: THE HEADQUARTERS (HQ) MOVE INITIATIVE SEEKS TO RELOCATE LACERS TO ITS NEW HOME AT 977 N BROADWAY. WITH CONSTRUCTION UNDERWAY, THE PROJECT INVOLVES CONSULTANTS, CONTRACTORS, AND KEY LACERS REPRESENTATIVES THAT WORK TOGETHER TO BUILD LACERS' NEW HOME FOR STAFF AND MEMBERS.

PROGRESS

The Headquarters Move Project has accomplished the following:

- Design Scope
- Building Enclosure Work
- New roof installation
- Abatement Work
- Seismic Strengthening
- Server Room Turnover
- Carpet Installation
- Installation of new back up generator
- Dec 22 Move
- Installation of workstation furniture
- Building Painting Scope
- Lighting Systems installation
- Submission of FitWel application



INITIATIVE: HQ MOVE

DIVISION(S)/SECTION: ADMINISTRATION/ADMINISTRATIVE SERVICES OFFICE

STRATEGIC GOAL(S): CUSTOMER SERVICE, BENEFITS DELIVERY, & ORGANIZATION

REPORT MONTHS: JULY 2022 – DECEMBER 2022

LEAD(S): ISAIAS CANTÚ AND HORACIO ARROYO

TEAM: KRISTEN SZANTO

INITIATIVE PURPOSE: THE HEADQUARTERS (HQ) MOVE INITIATIVE SEEKS TO RELOCATE LACERS TO ITS NEW HOME AT 977 N BROADWAY. WITH CONSTRUCTION UNDERWAY, THE PROJECT INVOLVES CONSULTANTS, CONTRACTORS, AND KEY LACERS REPRESENTATIVES THAT WORK TOGETHER TO BUILD LACERS' NEW HOME FOR STAFF AND MEMBERS.

CHALLENGES

- **PERMITTING DELAYS** - Significant delays encountered through LAFD/LADBS inspections for Fire Pump Replacement, Breezeway Gate, parking space requirements, and Fire & Life Safety requirements. These delays triggered supplemental permitting needs, contractor extensions, and additional costs.
- **SUPPLY CHAIN DELAYS** - The COVID-19 supply-chain delay continues to impact the project in the ability to secure security devices (card readers and related equipment). Certain furniture pieces and technology components also delayed the completion of the furniture installation scope.
- **DELAY IN OCCUPANCY** - Both permitting and supply-chain delays have impacted LACERS' occupancy date. While no clear date has been identified thus far, LACERS must address all LADBS and LAFD corrections prior to occupancy.
- **IMMINENT SURRENDER OF EXISTING LEASE** - LACERS continues to make preparations in anticipation of the March 31, 2023 deadline to surrender the LA Times leased space including decommissioning and lease-required repairs.
- **ADDITIONAL COSTS** - The 977 HQ Project delays continue to trigger additional costs that require the commitment of contingency funds to pay for consultant work, contract extensions, permit fees, and equipment/supply costs.

NEXT STEPS



Limited "Gap Period"

Operations

Maintain small operation at LA Times for on-site staff until we achieve occupancy approval.



Coordinate with LAFD and LADBS Depts.

To identify efficient solutions and timeframes to remaining permitting concerns.



Furniture Removal & Decommissioning

Work with GSD Salvage to decommission working furniture; return loaned items



Coordinate Second Move to 977

Following approval to occupy 977, a final move will completely move LACERS out of LA Times



Exit LA Times Lease

Work with Onni and vendor to decommission and surrender LA Times lease



New Tech Trainings

Following the turnover of the building, LACERS will be trained on AV, security, and conferencing solutions



Welcome Home Activities

Conduct a Welcome Orientation for staff



New Building, New Badge

Design a LACERS badge for 977 employees as part of the building's new card reader access control system

INITIATIVE: WORKFORCE DEI

DIVISION(S)/SECTION: EXECUTIVE / HUMAN RESOURCES

STRATEGIC GOAL(S): ORGANIZATION & WORKFORCE

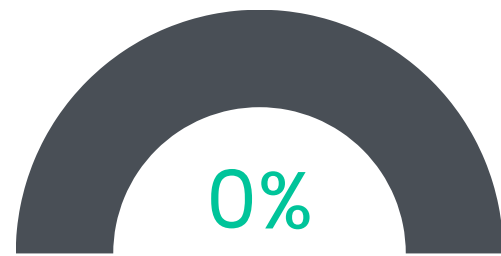
STATUS: **ON TRACK**

REPORT MONTHS: JULY 2022 - DECEMBER 2022

LEAD(S)/TEAM: VIKRAM JADHAV AND CHARLENA FREEMAN

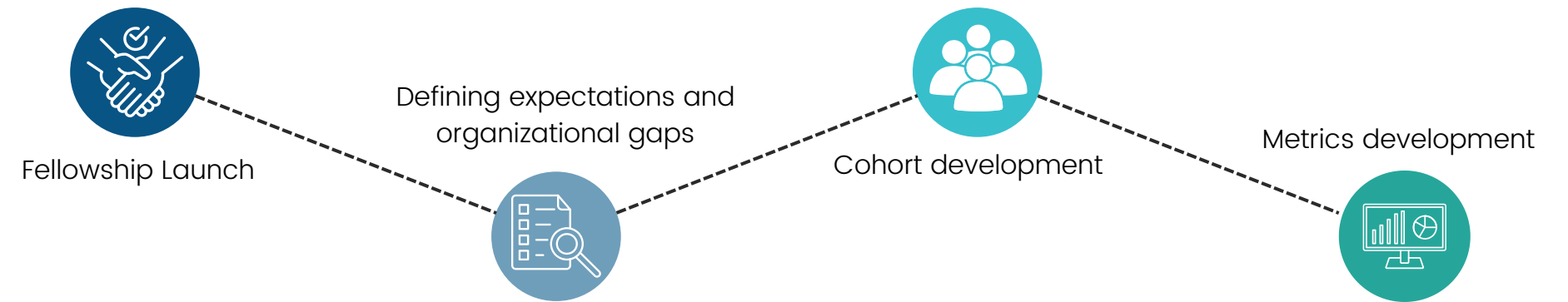
INITIATIVE PURPOSE: IDENTIFY PROCESS AND LEADERSHIP GAPS CURRENTLY INHIBITING ORGANIZATIONAL EFFECTIVENESS AND RESILIENCY WHILE PROMOTING A HIGH-PERFORMING WORKFORCE THROUGH A COHORT BASED PROGRAM DESIGNED TO ADDRESS PROFESSIONAL GROWTH NEEDS OF STAFF

BUDGET



Appropriation	\$75,000
Expense:	\$0.00
Unspent:	\$75,000

KEY METRICS



First year of the Fellowship launch with Senior Managers and Executive in defining expectations and organizational gaps, while setting parameters for growth opportunities within the department.

Employee sentiment will be baselined at the start of the program and will be measured on a bi-annual basis to measure progress along a variety of categories. Creation of these metrics is on-going.

AREAS OF IMPROVEMENT

Improvement Area	Progress
Identify organizational and leadership gaps	Senior Manger specific cohort
Identify and resolve employee growth needs	Staff specific cohort
Mentor and retain future staff	Create learning materials for future use
Resolve organizational and leadership gaps for employee growth	Roadmap for necessary interventions

MILESTONES OF KEY ACTIVITIES

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Project Charter	Established initiative goals and objectives		N/A	N/A
Request for Proposal	Develop RFP	RFP Release and Vendor Selection	N/A	N/A
Project Kick-Off	N/A	N/A	Project Launch with first cohort of Management Staff	Phase 2 TBD

INITIATIVE: WORKFORCE DEI
DIVISION(S)/SECTION: EXECUTIVE/HUMAN RESOURCES
STRATEGIC GOAL(S): ORGANIZATION & WORKFORCE

REPORT MONTHS: JULY 2022 – DECEMBER 2022
LEAD(S)/TEAM: VIKRAM JADHAV AND CHARLENA FREEMAN

INITIATIVE PURPOSE: IDENTIFY PROCESS AND LEADERSHIP GAPS CURRENTLY INHIBITING ORGANIZATIONAL EFFECTIVENESS AND RESILIENCY WHILE PROMOTING A HIGH-PERFORMING WORKFORCE THROUGH A COHORT BASED PROGRAM DESIGNED TO ADDRESS PROFESSIONAL GROWTH NEEDS OF STAFF

PROGRESS

2022 – DEI Committee

- DEI Committee Formed to explore use cases and potential LACERS initiatives
- LACERS fellowship idea proposed, vetted, and approved by group

2022 – LACERS Fellowship Sub-committee Formed

- Sub-committee formed to develop RFP
- DEI Committee review and approves RFP

2022 – RFP Release

- RFP released and receives four qualified responses
- RFP panel committee selects vendor for presentation to Board

2022 – Board Presentation and Approval

- RFP presented to Board to approve contract with selected vendor
- Board approved

CHALLENGES

As an organization, our goal is to be clear with staff on professional expectations of LACERS employees, but also to create pathways and opportunities for all staff to advance in their careers. If executed as designed, we intend to see:

- Employees defining their goals and their professional brand as aligned with LACERS
- The LACERS organization adjusting management practices in alignment with staff needs
- Greater transparency of considerations used by the organization to promote staff
- Specialized training resources to help staff meet their career and earnings goals

NEXT STEPS

Fiscal Year 23/24 will engage all staff, segmented into relevant cohorts, to participate in the learning program co-developed by LACERS and the consultant. Upon completion of the Fellowship program, all usable content will be embedded into the LACERS learning management system and built upon for advanced training, both for current and incoming staff.

INITIATIVE: ENVIRONMENTAL, SOCIAL, AND GOVERNANCE INVESTING

DIVISION(S)/SECTION: INVESTMENTS

STRATEGIC GOAL(S): GOVERNANCE & INVESTMENT

STATUS: **ON TRACK**

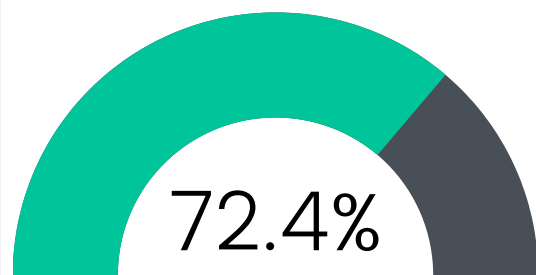
REPORT MONTHS: JULY 2022 - DECEMBER 2022

LEAD(S): JAMES WANG

TEAM: CLARK HOOVER, JEREMIAH PARAS

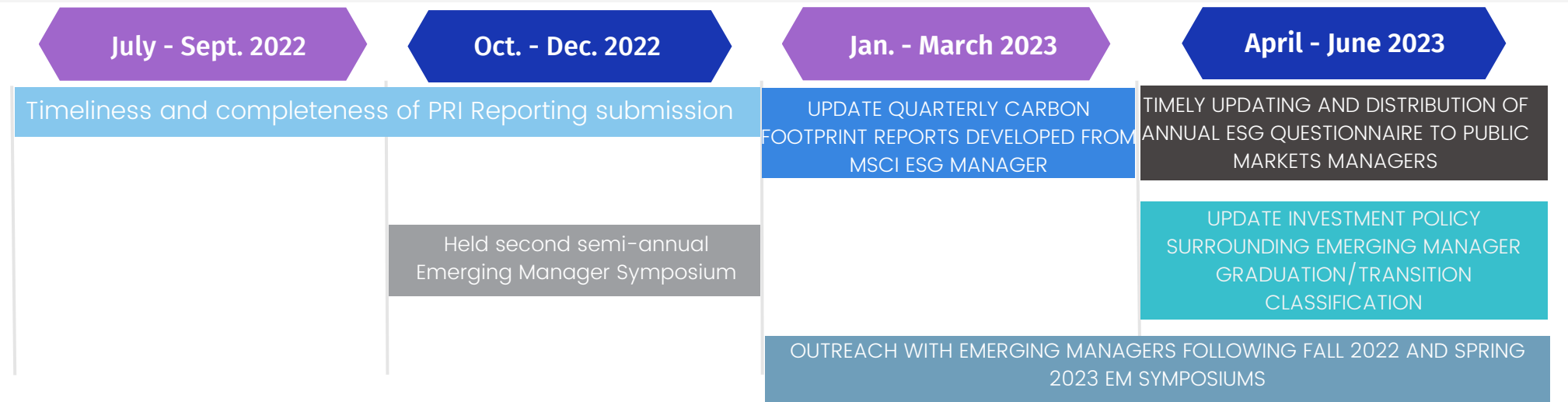
INITIATIVE PURPOSE: ENHANCE THE LONG-TERM RISK ADJUSTED RETURNS OF THE LACERS INVESTMENT PORTFOLIO THROUGH THE IMPLEMENTATION OF A ROBUST ESG PROGRAM GUIDED BY A COMPREHENSIVE RESPONSIBLE INVESTMENT POLICY, AN ESG RISK FRAMEWORK, THE PRINCIPLES FOR RESPONSIBLE INVESTMENT, AND DIRECTIONS OF THE BOARD.

BUDGET



Appropriation	\$18,125
Expense:	\$15,717
Unspent:	\$2,408

KEY METRICS



AREAS OF IMPROVEMENT

Improvement Area	Progress
Further incorporate ESG Risk Factors into the investment manager selection process	Staff updated and reviewed ESG questions
Continue to develop LACERS ESG investment risk exposure reporting through internal and third-party software.	Developing fossil fuel exposure reporting with MSCI.
Continue to develop LACERS ESG database and reporting functionalities.	Staff is exploring various vendors.
Expand network of like-minded institutional investors and organizations to collaborate on ESG matters.	Staff served on ESG panels, participated in several meetings exchanging ESG ideas with other institutional investors and industry organizations.
Review and update Responsible Investment Policy, ESG Risk Framework Action Plan, Proxy Voting Policy, and PRI Action Plan.	Staff is in continuous liaison with PRI to discuss reporting and data portal updates and to review PRI Questionnaire results for LACERS.

MILESTONES OF KEY ACTIVITIES

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Fall 2022 Emerging Manager Symposium	Completed 11/2022			
Evaluation of additional third-party ESG analytical tools and resources	Ongoing	Ongoing	Ongoing	Ongoing
Development of analysis and metrics reporting from MSCI ESG Manager	Ongoing	Ongoing	Ongoing	Ongoing
Review of PRI and ESG Risk Framework Action Plans and delegation of subtasks	Ongoing	Ongoing	Ongoing	Ongoing
Review PRI Assessment and Transparency Report			Targeted for Completion	
Review of Emerging Investment Manager Policy (to incorporate graduation/transition classification)				Targeted for Completion
Update of Annual ESG Questionnaire for public markets managers				Targeted for Completion
PRI Reporting				Report starting Q4
Spring 2023 Emerging Manager Symposium				Scheduled for Q4

INITIATIVE: ENVIRONMENTAL, SOCIAL, AND GOVERNANCE INVESTING

DIVISION(S)/SECTION: INVESTMENTS

STRATEGIC GOAL(S): GOVERNANCE & INVESTMENT

REPORT MONTHS: JULY 2022 – DECEMBER 2022

LEAD(S): JAMES WANG

TEAM: CLARK HOOVER, JEREMIAH PARAS

INITIATIVE PURPOSE: ENHANCE THE LONG-TERM RISK ADJUSTED RETURNS OF THE LACERS INVESTMENT PORTFOLIO THROUGH THE IMPLEMENTATION OF A ROBUST ESG PROGRAM GUIDED BY A COMPREHENSIVE RESPONSIBLE INVESTMENT POLICY, AN ESG RISK FRAMEWORK, THE PRINCIPLES FOR RESPONSIBLE INVESTMENT, AND DIRECTIONS OF THE BOARD.

PROGRESS

- Staff updated and reviewed ESG questions in the manager selection process
- Developing useful ESG reporting with MSCI
- Expand access to additional ESG related databases
- Staff served on ESG panels and participated in several meetings exchanging ESG ideas with other institutional investors and industry organizations
- Continue to engage in thought leadership in the ESG space. For example, developing LACERS ESG Risk Framework and contributing to PRI DEI due diligence questionnaires.

CHALLENGES

- Keeping up with new guidelines established by industry organizations such as PRI.
- Challenges to compare against benchmarks due to lack of data.
- Cost and availability issues. Staff is exploring various vendors.
- Travel and operational constraints to attend further meetings.
- Staying ahead of what potential ESG issues could be material to LACERS.

NEXT STEPS

- Identify ESG risk factors that are most relevant to investment returns and incorporate into manager selection process.
- Continue to explore LACERS ESG exposure metrics and identify best metrics to capture.
- Continue to develop LACERS ESG reporting and explore further data sources and vendors.
- Continue to engage ESG organizations and attend future ESG conferences.
- Continue to explore LACERS DEI initiatives.
- Explore ESG based strategies from current and potential investment managers.
- Continue to update ESG questionnaires based on PRI guidelines.
- Explore progress measures for environmental, social, and governance aspects in LACERS portfolio.

INITIATIVE: KNOWLEDGE TRANSFER

DIVISION(S)/SECTION: RETIREMENT SERVICES DIVISION (RSD)

STRATEGIC GOAL(S): CUSTOMER SERVICE, BENEFITS DELIVERY, ORGANIZATION, & WORKFORCE

STATUS: ON-TRACK

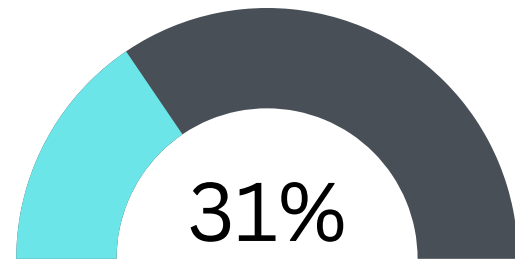
REPORT MONTHS: JULY 2022 - DECEMBER 2022

LEAD(S): FERRALYN SNEED, DELIA HERNANDEZ, AUDREY DYMALLY

TEAM: LADY Y. SMITH, ESTELLA PRIEBE, SUSANN HERNANDEZ, CAROL REMBERT

INITIATIVE PURPOSE: DEPLOY A TWO-PHASED APPROACH FOR INSTITUTIONAL KNOWLEDGE TRANSFER FROM RETIRING SENIOR STAFF TO NEW STAFF. THIS BPI IS A CROSS-DIVISIONAL COLLABORATION BETWEEN DIVISIONS WITHIN THE BENEFITS ADMINISTRATION, THEREFORE, THE BUDGET FOR THIS INITIATIVE IS SHARED.

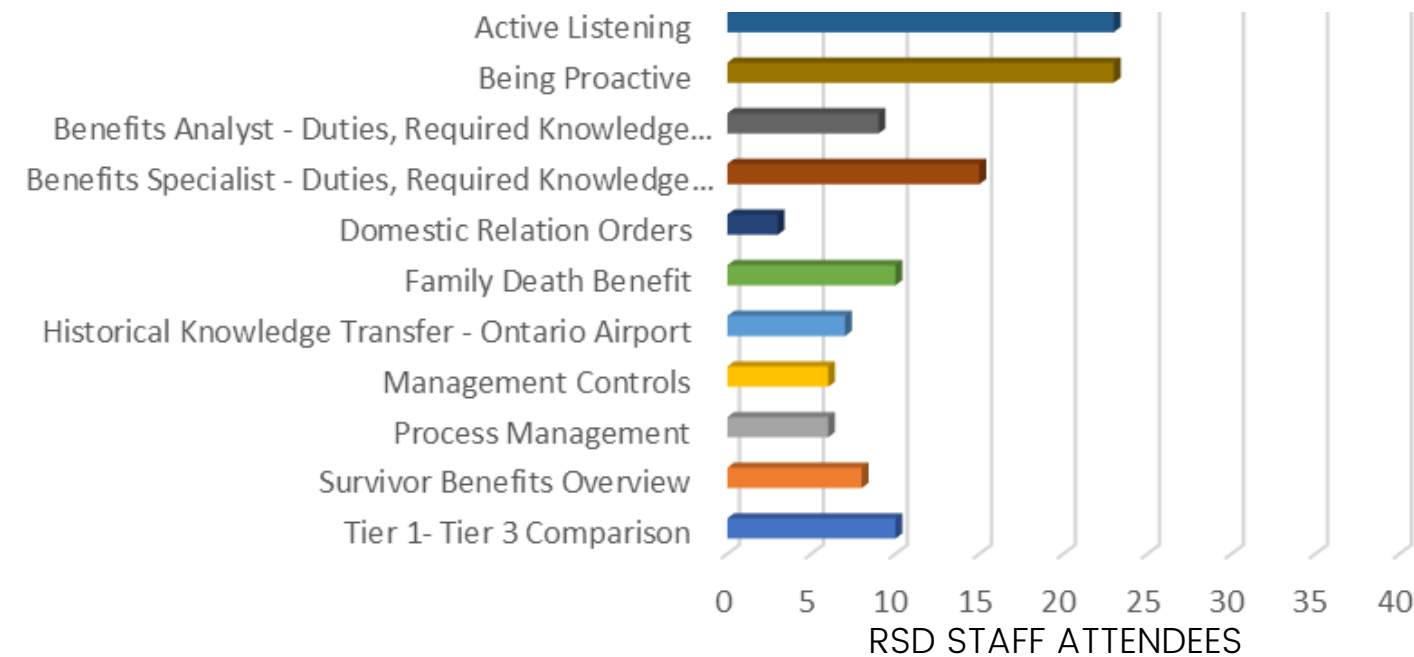
BUDGET



Appropriation	\$7,500
Expense	\$2,300
Unspent	\$5,200

KEY METRICS

Retirement Services Division (RSD) Training Q1 and Q2



**Targeted trainings to specific unit and specific staff

AREAS OF IMPROVEMENT

Improvement Area

Progress

Develop knowledge management application to provide on demand training for all future staff while reducing strain on Senior Managers	Board approved \$20,000 expenditure in January 2023 to retain vendor
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MILESTONES OF KEY ACTIVITIES

✓ General Staff
✓ Senior Staff

Subject Area	Training Materials	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Active Listening	✓	✓			
Being Proactive	✓	✓			
Domestic Relation Orders	✓	✓			
Management Controls	✓	✓			
Process Management	✓	✓			
Survivor Benefits Overview	✓	✓			

Subject Area	Training Materials	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Benefits Analyst - Duties, Required Knowledge Base and Expectations	✓		✓		
Benefits Specialist - Duties, Required Knowledge Base and Expectations	✓		✓		
Family Death Benefit	✓		✓		
Historical Knowledge - Ontario Airport	✓		✓		
Tier 1 - Tier 3 Comparison	✓		✓		

INITIATIVE: KNOWLEDGE TRANSFER

DIVISION(S)/SECTION: HEALTH, WELLNESS, AND BUYBACK DIVISION (HWABD)

STRATEGIC GOAL(S): CUSTOMER SERVICE, BENEFITS DELIVERY, ORGANIZATION, & WORKFORCE

STATUS: **ON-TRACK**

REPORT MONTHS: JULY 2022 – DECEMBER 2022

LEAD(S): STEPHANIE SMITH

TEAM: RAINBOW SUN, ANNI QUACH, MARICEL MARTIN, JAMES KAWASHIMA, ADA LOK, GLEN MALABUYOC, EDELIZA FANG, MARGARET DRENK

INITIATIVE PURPOSE: DEPLOY A TWO-PHASED APPROACH FOR INSTITUTIONAL KNOWLEDGE TRANSFER FROM RETIRING SENIOR STAFF TO NEW STAFF. THIS BPI IS A CROSS-DIVISIONAL COLLABORATION BETWEEN DIVISIONS WITHIN THE BENEFITS ADMINISTRATION, THEREFORE, THE BUDGET FOR THIS INITIATIVE IS SHARED.

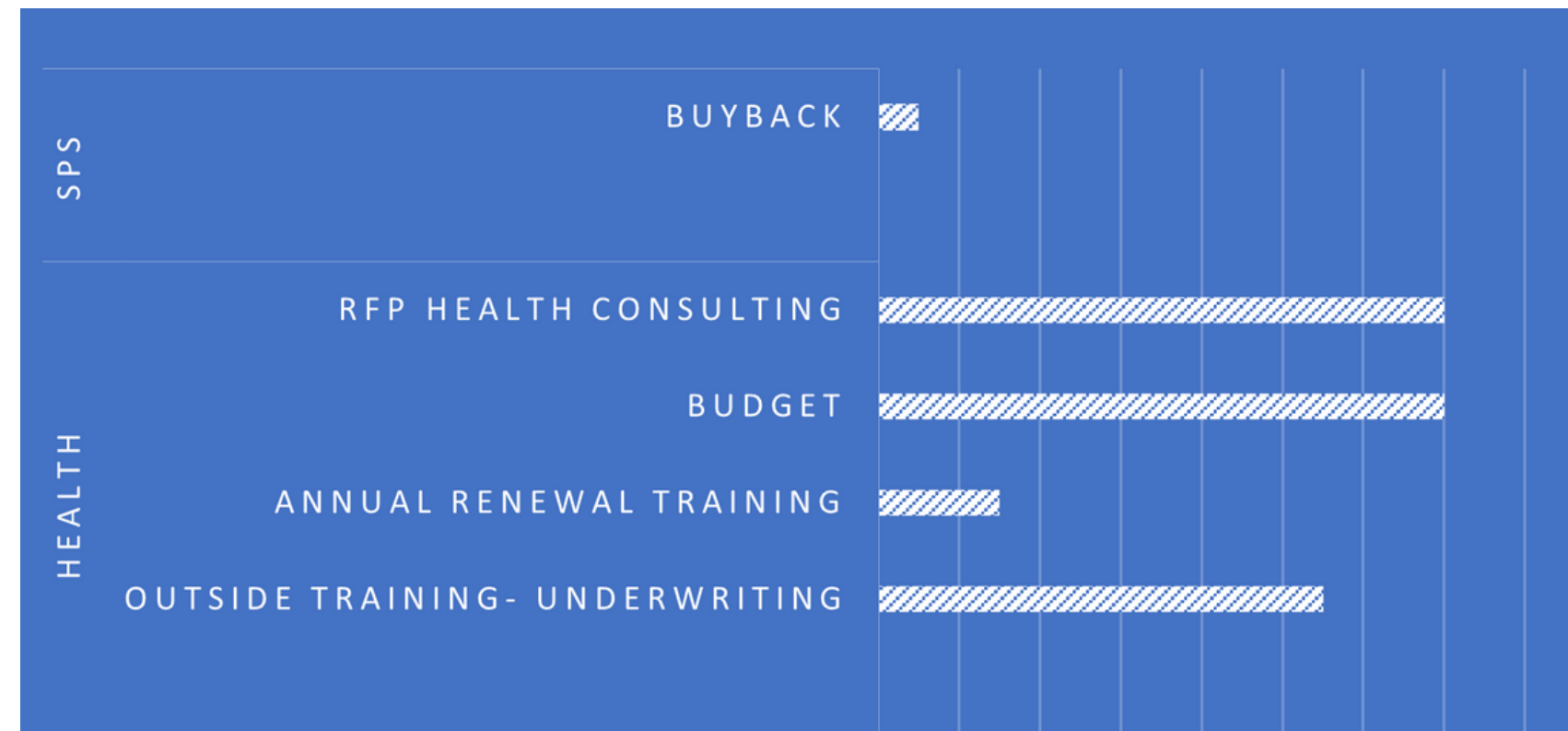
BUDGET

Please see budget in RSD's Knowledge Transfer Dashboard as this is a shared budget.

AREAS OF IMPROVEMENT

Improvement Area	Progress
Develop knowledge management application to provide on demand training for all future staff while reducing strain on Senior Managers	Board approved \$20,000 expenditure in January 2023 to retain vendor

KEY METRICS



**Targeted trainings to specific unit and specific staff

MILESTONES OF KEY ACTIVITIES

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Completed Trainings	Completed 11/25 Trainings Planned for FY2023			
Upcoming Trainings			<ul style="list-style-type: none"> Organizational skills & Culture Training Formal Policies and Procedures Internal Supervisory Training Geriatrics Medicare 	

INITIATIVE: KNOWLEDGE TRANSFER

DIVISION(S)/SECTION: RSD AND HWABD

STRATEGIC GOAL(S): CUSTOMER SERVICE, BENEFITS DELIVERY, ORGANIZATION, & WORKFORCE

REPORT MONTHS: JULY 2022 – DECEMBER 2022

LEAD(S): FERRALYN SNEED, DELIA HERNANDEZ, AUDREY DYMALLY, AND STEPHANIE SMITH

TEAM: LADY Y. SMITH, ESTELLA PRIEBE, SUSANN HERNANDEZ, CAROL REMBERT, RAINBOW SUN, ANNI QUACH, MARICEL MARTIN, JAMES KAWASHIMA, ADA LOK, GLEN MALABUYOC, EDELIZA FANG, MARGARET DRENK

INITIATIVE PURPOSE: DEPLOY A TWO-PHASED APPROACH FOR INSTITUTIONAL KNOWLEDGE TRANSFER FROM RETIRING SENIOR STAFF TO NEW STAFF. THIS BPI IS A CROSS-DIVISIONAL COLLABORATION BETWEEN DIVISIONS WITHIN THE BENEFITS ADMINISTRATION, THEREFORE, THE BUDGET FOR THIS INITIATIVE IS SHARED.

PROGRESS

The Team deployed a series of trainings to staff with senior personnel currently building out training manuals for Tier 1 and Tier 1E, planned for in the near future.

To ensure institutional knowledge is captured by the organization for use of future staff, a proposal to build out a knowledge base in the cloud was approved by the Board in January 2023. The vendor has been selected and the contract process is in motion.

CHALLENGES

Completing the contracting process and training the AI enabled knowledge base for use by staff via Teams will require coordination and speed.

NEXT STEPS

The vendor will be secured in February 2023, with project kick-off commencing shortly after.

The key next steps include:

- Secure Vendor
- Assemble project team
- Schedule kick-off
- Hand-over all training material to vendor for inclusion into knowledge base
- Senior managers train AI over a 6 week period

INITIATIVE: LANGUAGE ACCESS PLAN

DIVISION(S)/SECTION: COMMUNICATIONS & STAKEHOLDER RELATIONS

STRATEGIC GOAL(S): CUSTOMER SERVICE, BENEFITS DELIVERY, GOVERNANCE, & ORGANIZATION

STATUS: ON - TRACK

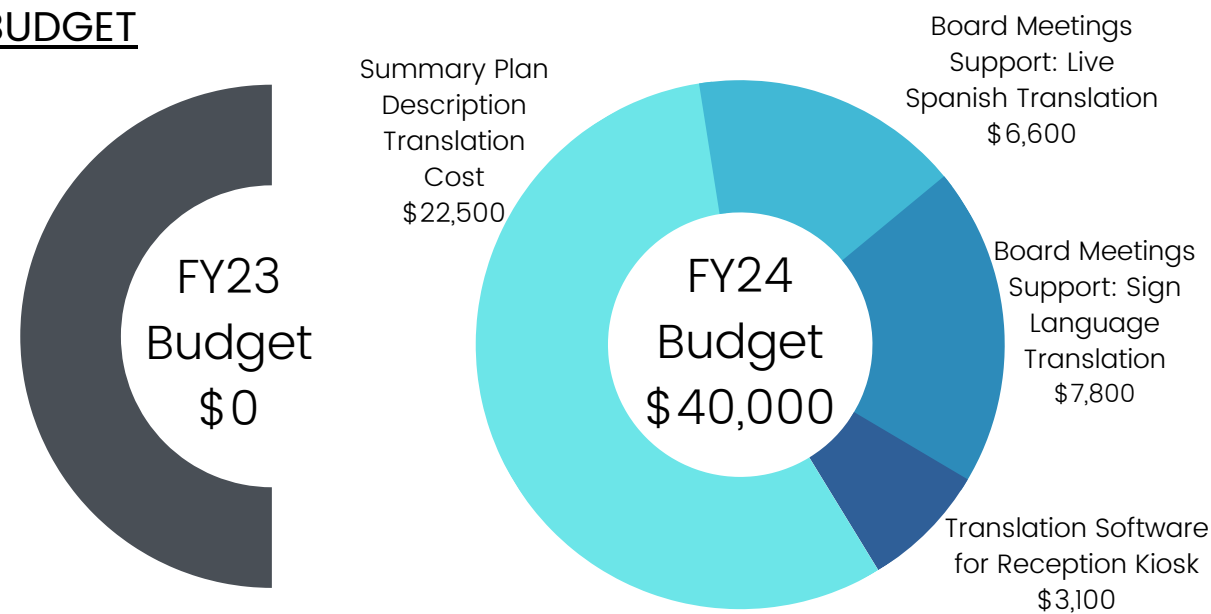
REPORT MONTHS: JULY 2022 - DECEMBER 2022

LEAD(S): TANEDA K. LARIOS

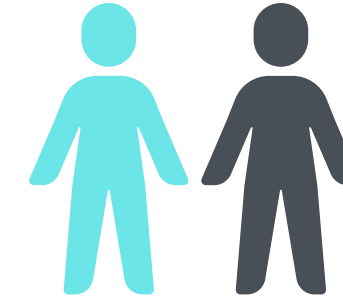
TEAM: HEATHER RAMIREZ, TIFFANY OBEMBE, CARLOS JOVEL JR., AND JESUS NAVARRO

INITIATIVE PURPOSE: CREATE A LACERS LANGUAGE ACCESS PLAN (LAP) THAT GOVERNS THE PROCESS FOR PROVIDING MULTILINGUAL SERVICES TO OUR THRESHOLD POPULATIONS. THIS WILL RESOLVE ACCESS ISSUES TO INFORMATION AND FURTHER OUR COMMITMENT TO SERVING ALL PERSONS WITHIN OUR DIVERSE POPULATION.

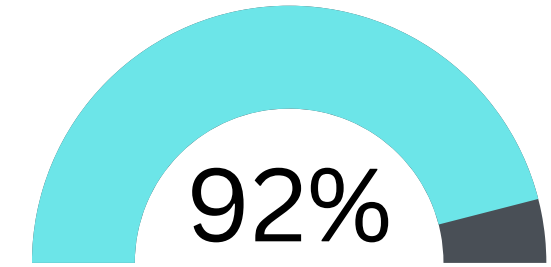
BUDGET



KEY METRICS



Spanish and American Sign Language have been identified as the most requested services



Survey response rate from 2nd-level bilingual staff

MILESTONES OF KEY ACTIVITIES

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Language Access Plan	<ul style="list-style-type: none"> Review Mayoral Directive Determine first steps 	<ul style="list-style-type: none"> Develop Spanish Glossary of Terms Prepare and send Survey for LACERS Bilingual Staff Submit Future Budget Request 	<ul style="list-style-type: none"> Submit Final Plan to Executive Team Submit Final Plan to Office of Immigrant Affairs 	<ul style="list-style-type: none"> Develop Plan for Implementation and Prioritize Translation Tasks

AREAS OF IMPROVEMENT

Improvement Area	Progress
Budget	Budget package submitted with a better approximation of the costs for the procurement of a vendor to provide translation costs.
Coordination	Increased flexibility towards meeting and reporting frequencies.

INITIATIVE: LANGUAGE ACCESS PLAN

DIVISION(S)/SECTION: COMMUNICATIONS & STAKEHOLDER RELATIONS

STRATEGIC GOAL(S): CUSTOMER SERVICE, BENEFITS DELIVERY, GOVERNANCE, & ORGANIZATION

REPORT MONTHS: JULY 2022 – DECEMBER 2022

LEAD(S): TANEDA K. LARIOS

TEAM: HEATHER RAMIREZ, TIFFANY OBEMBE, CARLOS JOVEL JR., AND JESUS NAVARRO

INITIATIVE PURPOSE: CREATE A LACERS LANGUAGE ACCESS PLAN (LAP) THAT GOVERNS THE PROCESS FOR PROVIDING MULTILINGUAL SERVICES TO OUR THRESHOLD POPULATIONS. THIS WILL RESOLVE ACCESS ISSUES TO INFORMATION AND FURTHER OUR COMMITMENT TO SERVING ALL PERSONS WITHIN OUR DIVERSE POPULATION.

PROGRESS

The team has met twice a month to review the Language Access Plan Mayoral Directive. During the second quarter, a Spanish Glossary of Terms was created, and a survey was developed and sent to the LACERS bilingual staff.

CHALLENGES

- With the move to 977, staff resources have been a challenge. The team distributed a survey to gather information on translation requests received from Members. However, the team had to follow up more than what is typical to achieve the desired result.
- As we coordinate the various units and their bilingual staff, we will continue communicating and following up with them to ensure they complete the necessary items to keep this project moving forward.
- Funding to implement this initiative is being requested during the FY24 budget process. The amount allocated will determine how quickly and how many services can be provided.
- For translation verification, the bilingual LACERS' staff will work with the selected vendors to verify that the translated materials are correct where that expertise is not available at LACERS.

NEXT STEPS

Our immediate next steps are to analyze the survey results. Additionally, we will complete the Four-Factor Analysis as outlined in the Citywide Language Access Plan Template to determine which language(s) to provide services for (likely Spanish and American Sign Language). The budget request for FY24 has been reduced based on preliminary research of costs on an existing contract for translation services. A plan to prioritize assets from translation is also being developed and is contingent upon the final allocated budget amount for FY24.

INITIATIVE: MEMBER SERVICES METRICS

DIVISION(S)/SECTION: ALL

STRATEGIC GOAL(S): CUSTOMER SERVICE & ORGANIZATION

STATUS: ON-TRACK

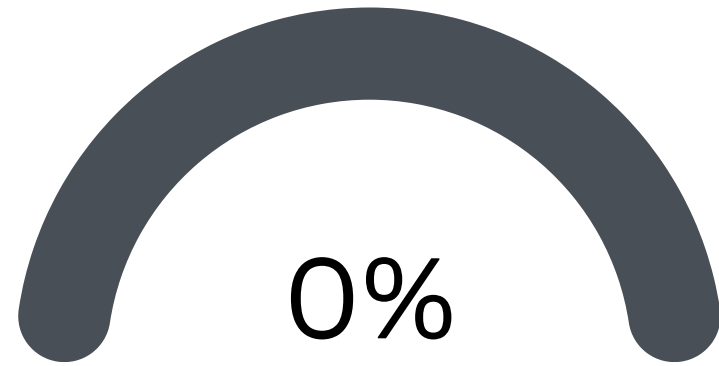
REPORT MONTHS: JULY 2022 - DECEMBER 2022

LEAD(S): TANEDA K. LARIOS, AND VIKRAM JADHAV

TEAM: AUDREY DYMALLY, CARLOS JOVEL, KHIA MOORE, LAUREN MCCALL, NATHAN HERKELRATH, SANDRA FORD-JAMES

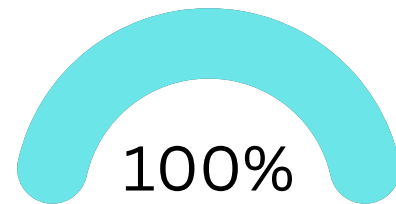
INITIATIVE PURPOSE: UPDATE THE CURRENT MEMBER SERVICE AGREEMENT WITH DEFINED METRICS THAT WOULD ENABLE REAL TIME TRACKING AND DASHBOARDING TO FACILITATE RESOURCE AND BUDGET NEEDS.

BUDGET - Not Applicable

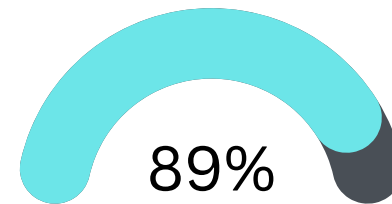


KEY METRICS

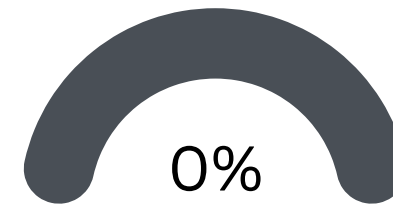
Establish Committee



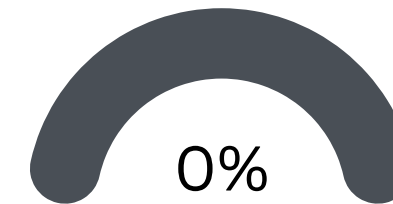
Survey Responses Recv'd



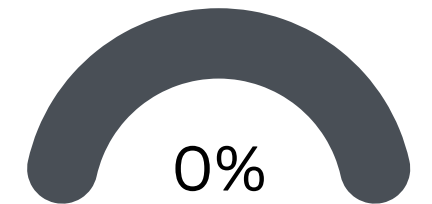
Adopt Metrics



Revise MSA



Create Dashboards



AREAS OF IMPROVEMENT

Improvement Area

Progress

Non-responsive participants	Routine Follow-up, Further escalation
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MILESTONES OF KEY ACTIVITIES

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Unit Metrics	Establish roles, Create plan	Develop Survey, Hold Unit Feedback Mtg	Send/Collect/Analyze Survey Responses	Finalize Metrics with Exec Approval
Service Commitments	Review Service Level Agreements	Create Plan for Revision	Identify New Metrics Based on Surveys	Finalize MSA w/Exec approval and publish

INITIATIVE: MEMBER SERVICES METRICS
DIVISION(S)/SECTION: ALL
STRATEGIC GOAL(S): CUSTOMER SERVICE

REPORT MONTHS: JULY 2022 -DECEMBER 2022
LEAD(S): TANEDA K. LARIOS AND VIKRAM JADHAV
TEAM: AUDREY DYMALLY, CARLOS JOVEL, KHIA MOORE, LAUREN MCCALL,
NATHAN HERKELRATH, SANDRA FORD-JAMES

INITIATIVE PURPOSE: UPDATE THE CURRENT MEMBER SERVICE AGREEMENT WITH DEFINED METRICS THAT ENABLE REAL-TIME TRACKING AND DASHBOARDING TO FACILITATE RESOURCING AND BUDGETING NEEDS.

PROGRESS

The Team created a survey and held a briefing for all involved parties, typically Sr. Benefits Analyst and above, to provide an overview of the BPI goals, their roles, tasks, and associated deadlines. The survey was created on a Monday.com board and discussed amongst the team, finalized, and distributed to staff. Each Team member was assigned to be the liaison to three units and assist them with any questions staff had in completing the survey.

CHALLENGES

Competing workloads caused some minor delays in response times. However, all units have ultimately responded.

NEXT STEPS

The Team has commenced their analysis of their assigned units' responses, which will provide them with the necessary information to assist the units in identifying critical components of their work that are the most impactful to member service. This work lays the foundation for each unit to determine its performance metric(s) and establish baseline workload standards that will inform the budget process and identify efficiencies and new work that can be accomplished as a result of any efficiency in the process gained. Once the metrics have been defined and adopted, the BPI Team will work with LACERS Chief Data Officer to create dashboards from the Central Repository (in development).

In short, the immediate next steps are:

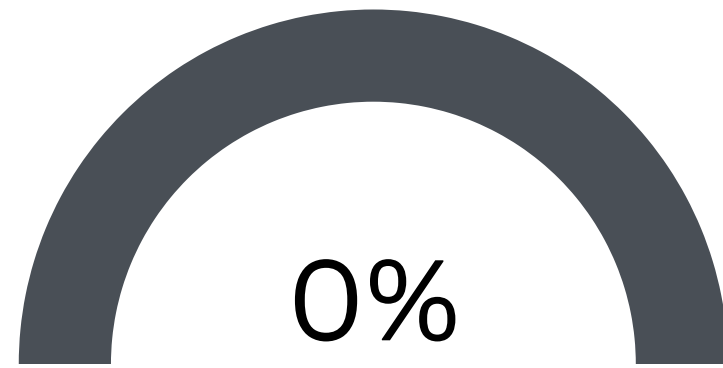
- Define and adopt metrics
- Dashboarding and report templating
- Tools integration support (if necessary)

INITIATIVE: DIVERSITY IN HIRING
DIVISION(S)/SECTION: INVESTMENTS
STRATEGIC GOAL(S): WORKFORCE

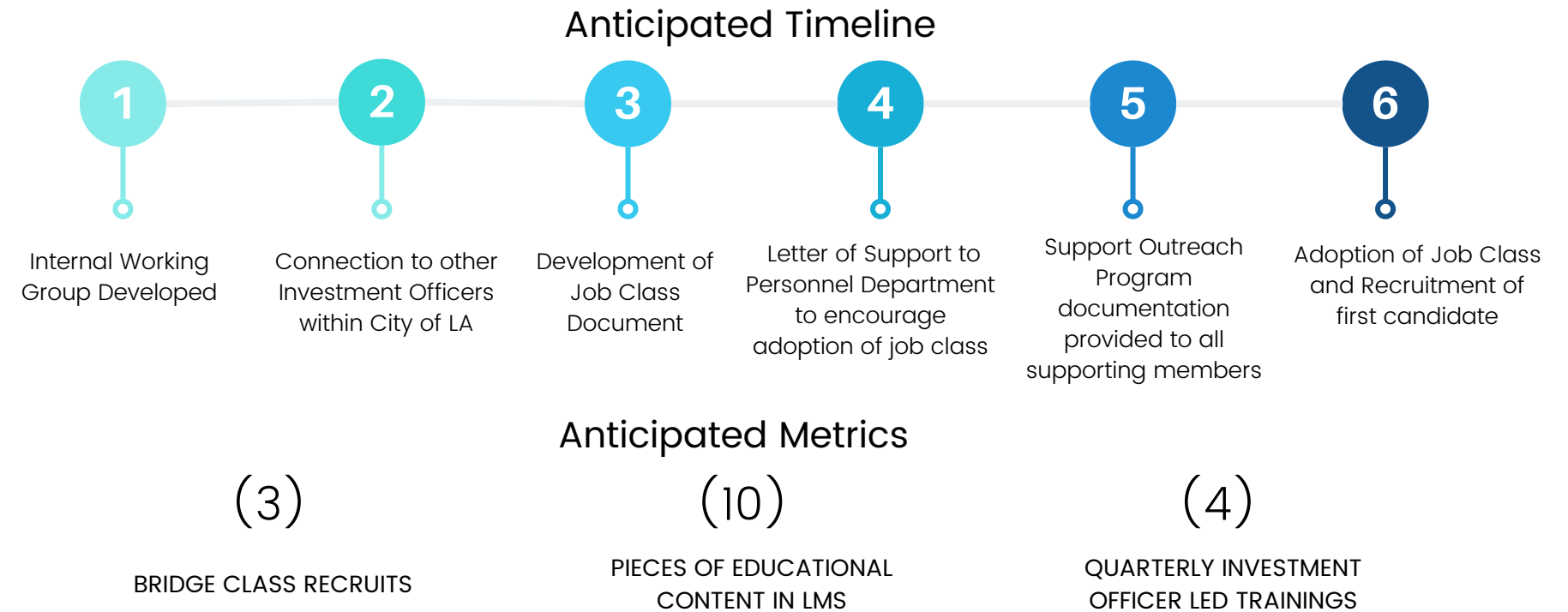
STATUS: **ON-TRACK**
REPORT MONTHS: JULY 2022 – DECEMBER 2022
LEAD(S)/TEAM: CLARK HOOVER AND VIKRAM JADHAV

INITIATIVE PURPOSE: DEVELOP INVESTMENT OFFICER BRIDGE CLASS TO RECRUIT NON-TRADITIONAL CANDIDATES AND DEVELOP DIGITAL LEARNING PROGRAM AND EDUCATIONAL OPPORTUNITIES FOR BRIDGE CLASS STAFF TO MATRICULATE INTO THE INVESTMENT OFFICER CLASS

BUDGET - Not Applicable



KEY METRICS



AREAS OF IMPROVEMENT

Improvement Area	Progress
Bridge Class Templates	Retrieve current examples of bridge job class specifications
Pension Plans Engagement	Form coalition to demonstrate pension wide interest in developing a Bridge Class

MILESTONES OF KEY ACTIVITIES

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Form working group	LACERS internal working group formed.			
Engagement with Pension Peers			Ongoing	Ongoing
Research and Requirements Gathering for Bridge Job Class Specification			Ongoing	Ongoing

INITIATIVE: DIVERSITY IN HIRING
DIVISION(S)/SECTION: INVESTMENTS
STRATEGIC GOAL(S): WORKFORCE

REPORT MONTHS: JULY 2022 – DECEMBER 2022
LEAD(S)/TEAM: CLARK HOOVER AND VIKRAM JADHAV

INITIATIVE PURPOSE: DEVELOP INVESTMENT OFFICER BRIDGE CLASS TO RECRUIT NON-TRADITIONAL CANDIDATES AND DEVELOP DIGITAL LEARNING PROGRAM AND EDUCATIONAL OPPORTUNITIES FOR BRIDGE CLASS STAFF TO MATRICULATE INTO THE INVESTMENT OFFICER CLASS

PROGRESS

LACERS has created an internal working group Led by a revolving volunteer group of Investment staff, with support from the Project Management Office (PMO).

The working group has met to discuss the roadmap of how the adoption of the job class should proceed and will continue to meet until a solid framework has been developed.

CHALLENGES

- Developing wide spread support across City to create Bridge Class
- Recruiting throughout the City for qualified Bridge Class candidates
- Adoption of Bridge Class specifications into City job classes

NEXT STEPS

The working group will continue efforts in the following:

- Source and draft Bridge Class specifications
- Assemble City wide coalition members
- Begin procedures to adopt Bridge Class specifications

Continuing into Fiscal Year 2024:

- Adopt Bridge Class
- Begin Recruiting for Qualified Bridge Class Candidates

INITIATIVE: [NAME OF BUSINESS PLAN INITIATIVE]
DIVISION(S)/SECTION: [DIVISION NAME/SECTION UNIT]
STRATEGIC GOAL(S): [ASSOCIATED STRATEGIC GOAL AREAS]

COMPLETED
ON-TRACK
OFF-TRACK
INTERVENTION NEEDED



STATUS: **ON TRACK**
REPORT MONTHS: [REPORTING MONTHS AND YEAR]
LEAD(S): [FIRST AND LAST NAMES]
TEAM: [FIRST AND LAST NAMES]

INITIATIVE PURPOSE (BRIEF DESCRIPTION)

BUDGET

[Appropriation]
 [Expense]
 [Unspent]

KEY METRICS

[Provide measurements of successful implementation]

AREAS OF IMPROVEMENT

Improvement Area	Progress
[Organization]	
[Flexibility]	

MILESTONES OF KEY ACTIVITIES

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
[Milestone #1]				
[Milestone #2]				
[Milestone #3]				
[Milestone #4]				

Agenda of: FEB. 28, 2023

Item No: IV-C

**MONTHLY REPORT ON SEMINARS AND CONFERENCES
ATTENDED BY BOARD MEMBERS ON BEHALF OF LACERS
(FOR THE MONTH OF JANUARY 2023)**

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

BOARD MEMBERS:

President Nilza R. Serrano
Vice President Elizabeth Lee

Commissioner Annie Chao
Commissioner Thuy Huynh
Commissioner Janna Sidley
Commissioner Sung Won Sohn
Commissioner Michael R. Wilkinson

DATE(S) OF EVENT	SEMINAR / CONFERENCE TITLE	EVENT SPONSOR (ORGANIZATION)	LOCATION (CITY, STATE)
	NOTHING TO REPORT		



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

Neil M. Guglielmo

MEETING: FEBRUARY 28, 2023

ITEM: IV-D

SUBJECT: BOARD MEETING PROCEDURES PURSUANT TO ASSEMBLY BILL 2449

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this report.

Executive Summary

In response to the COVID-19 pandemic, Brown Act teleconferencing requirements were suspended in March 2020 by means of the Governor’s Executive Order N-29-20, allowing the Board to meet remotely. As the Executive Order was set to expire, Assembly Bill 361 (AB 361) was passed in September 2021 to extend continued flexibility for remote meetings during the COVID-19 State of Emergency.

In October 2022, the Governor announced the COVID-19 State of Emergency will end on February 28, 2023, ending the flexibility for remote meetings afforded by AB 361. In November 2022, to prepare for this change, the Board was presented an additional but limited option to participate in meetings via teleconference under Assembly Bill 2449 (AB 2449).

Discussion

Effective March 1, 2023, Board members will be able to meet remotely only under two California provisions. These are: 1) Brown Act Provisions that existed before the pandemic, and 2) AB 2449 provisions that are effective beginning January 1, 2023 through December 31, 2025. This Report summarizes these provisions and outlines procedures and technical solutions to conduct hybrid in-person/remote Board meetings pursuant to AB 2449.

Attachment 1 compares the requirements to meet remotely under each provision. Visually, teleconferencing requirements under the Brown Act may appear to be less complex. However, in regard to Board agendas: publishing the address of each remote location on the agenda, posting the agenda at each location, and providing public access at each remote location would be a burdensome task.

AB 2449 provides additional but limited options and new rules for teleconferencing and requires the below conditions to be met:

1. Having a quorum in-person in the Boardroom;
2. Allowing the public access via two-way audio and the ability to visually observe the meeting;
3. Commissioners requesting remote participation to establish Just Cause/Emergency Circumstances (“Exceptional Conditions”);
4. Board approval by majority vote for Commissioners who have requested to participate remotely due to Emergency Circumstances; and,
5. Commissioners to follow protocols that may be difficult for staff to monitor from the Boardroom (i.e., Commissioners participating remotely must keep their audio and video on for the duration of the meeting and disclose if any person 18 years or older is in the room and the nature of their relationship).

To manage the thresholds in items 1 and 3 above, staff has prepared a draft survey (see Attachment 2) which will be emailed to Commissioners in advance of Board meetings each month. Responses will be collected and stored. Upon review, the Commission Executive Assistant (CEA) will determine if there will be an in-person quorum and if the Commissioner requesting remote participation is within the “Exceptional Conditions” limits for the calendar year (remote participation cannot exceed three consecutive months or four regular meetings and no more than two meetings for Just Cause). The CEA will also follow up with Commissioners who are requesting remote participation if there is no in-person quorum or if they are no longer eligible due to having reached the annual maximum number of Exceptional Conditions for remote participation.

Staff is aware that Commissioners may not always be able to give notice of remote participation prior to the time the agenda is posted and may on occasion have last-minute requests for teleconferencing on the morning of the meeting. As such, in order to comply with threshold items 2 and 4 above as well as maintain a consistent order of business during each Board meeting:

1. The *Important Message to the Public* section of each agenda will be modified to address how the Board meetings are compliant with AB 2449 audiovisual public access requirements.

Staff intends to provide a combination of audiovisual services, including: the Council Phone system, Zoom, and livestreaming for every Board Meeting. For those not wishing to make public comment, the Council Phone system (audio-only) will provide the ability to listen to the meeting. Zoom two-way audio-only telephone numbers will continue to be provided for those who wish to make public comment. A livestream will provide the public the ability to listen and visually observe the meeting in compliance with AB 2449; video and audio will be enabled in March 2023.

This will:

- Allow remote participation by Commissioners, whether Exceptional Conditions notification is received prior to the agenda being published or the morning of the meeting; and
- Fulfill the requirement to allow the public to visually observe the meeting (note: Members of the public do not need to be “seen” on Zoom).

The use of Zoom as a two-way audiovisual platform remains reserved for Commissioners, presenters, and staff to discuss agenda items.

2. The first items of the agenda will be expanded:
 - Rollcall by the CEA to differentiate calling roll for those Commissioners participating on-site and those participating remotely and confirming an in-person quorum;
 - Followed by the Board President announcing “Received and Filed” items, including notifications by eligible Commissioners who intend to participate remotely at a future meeting due to previously approved travel for conference/education; and
 - The Board President taking Commissioner requests for remote participation in that morning’s meeting.

Lastly, to address requirement item 5 above, a script will be prepared for the Board President and the CEA to remind Commissioners of their AB 2449 responsibility to keep their audio and video on throughout the meeting and to disclose if a person over 18 years old is present in the room and the general nature of their relationship. It will be communicated immediately after rollcall and upon returning from breaks. If there is any disruption that prevents broadcasting the meeting or public comment, then the Board cannot take further action until it is restored.

Strategic Plan Impact Statement

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

Prepared By: Julie Guan, Management Analyst, Administration Division

NMG/TB/EA:jg

Attachments: 1. Comparing Requirements to Meet Remotely
2. Draft Board Attendance Survey

Requirements to Meet Remotely

	Brown Act	AB 2449
Quorum	Quorum of Board must participate from locations within the boundaries of the City of Los Angeles.	Quorum of the Board must be present in the Boardroom.
Exceptional Conditions	N/A	Commissioner MUST meet either: 1) Just Cause or 2) Emergency Circumstances
Agendas & Postings	Agenda MUST identify all remote locations (e.g. home address). Agenda to be posted consistent with Brown Act requirements at each remote location.	Agenda is NOT required to identify remote locations. Agenda MUST provide real time public participation options (i.e. phone, Internet).
Locations & the Public	Public MUST be allowed access at each remote location.	Public access is NOT required at each remote location. Remote Commissioner MUST disclose if person 18 years or older is in room, and general relation.
Audio / Visual	N/A	Remote member MUST keep audio and video on for the duration of the Board meeting. Members of the public MUST be able to visually observe meeting. Board may NOT take any action if broadcast or public's ability to comment is disrupted.
Board Action	N/A	If ALL the above conditions have been met, the Board President should at the start of the meeting: 1) 'Receive and File' Commissioner remote participation due to 'Just Cause,' and 2) Vote on requests from Commissioner(s) to participate remotely due to 'Emergency Circumstances'.
Voting	All remote members may vote. ALL votes taken shall be by rollcall.	All remote members may vote. ALL votes taken shall be by rollcall.



Board Attendance Survey

1. Select your name*

Select your answer



2. Attend in Person*

Will you attend this board meeting in person?

Select your answer



3. Request Videoconference*

Will you request to videoconference into this board meeting?

5. Just Cause

If you selected Just Cause, please select the reason.

Select your answer



6. Emergency

If you selected Emergency, please type a brief description excluding personal information (20 words or less).

The survey will guide Commissioners through a series of questions. Information resulting from the submissions will prompt the CEA to determine if there will be an in-person quorum, and to follow up with Commissioners who are requesting remote participation.

Images shown are drafts—subject to final approval

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

In accordance with Government Code Section 54953, subsections (e)(1) and (e)(3), and in light of the State of Emergency proclaimed by the Governor on March 4, 2020 relating to COVID-19 and ongoing concerns that meeting in person would present imminent risks to the health or safety of attendees and/or that the State of Emergency continues to directly impact the ability of members to meet safely in person, the LACERS Board of Administration's January 24, 2023 meeting will be conducted via telephone and/or videoconferencing.

January 24, 2023

10:01 a.m.

PRESENT via Videoconferencing:	President:	Nilza R. Serrano
	Vice President:	Elizabeth Lee
	Commissioners:	Annie Chao Thuy Huynh Janna Sidley Sung Won Sohn Michael R. Wilkinson
	Legal Counselor:	Anya Freedman
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian

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

I

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

II

BOARD PRESIDENT VERBAL REPORT – President Serrano welcomed everyone to the meeting.

III

GENERAL MANAGER VERBAL REPORT

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

- Executive Directive 35
- LACERS Pension Symposium scheduled for February 22, 2023
- New Employee Engagement, Communication, and Training Tools
- LA Times Building Flooding
- LACERS HQ Updates
- Health Benefits Administration updates
- Member Services updates
- Upcoming events

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

- Review of Safety Standards for a Return to In Person Meetings and Services
- Benefits Administration Committee: Board Rule Revisions and Benefits Administration Resource Needs

IV

RECEIVE AND FILE ITEMS

A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR OCTOBER 2022 – This report was received by the Board and filed.

B. ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR) AND POPULAR ANNUAL FINANCIAL REPORT (PAFR) FOR FISCAL YEAR ENDED JUNE 30, 2022 – This report was received by the Board and filed.

V

COMMITTEE REPORT(S)

A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON JANUARY 10, 2023 – Vice President Lee stated the Committee listened to a presentation by EAM Investors, LLC regarding the management of an Active U.S. Small Cap Growth Equities Portfolio and approved investment manager contracts with Principal Global Investors, LLC and Dimensional Fund Advisors LP.

B. BENEFITS ADMINISTRATION COMMITTEE VERBAL REPORT FOR THE MEETING ON JANUARY 24, 2023 – Commissioner Wilkinson stated the Committee were provided with verbal updates on health, wellness, and buyback and public safety officer, enhanced benefits.

VI

CONSENT ITEM(S)

Commissioner Chao moved approval of Consent Agenda Items VI-A, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano -7; Nays, None.

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

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

RESOLUTION 230124-A

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

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

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

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

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

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

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

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

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

VII

BOARD/DEPARTMENT ADMINISTRATION

- A. TRAVEL AUTHORITY – COMMISSIONER SUNG WON SOHN; 95TH INTERNATIONAL ATLANTIC ECONOMIC CONFERENCE, ROME, ITALY; MARCH 22-25, 2023 AND POSSIBLE BOARD ACTION – After a 10 minute discussion, Commissioner Sidley moved approval of the following Resolution:

**TRAVEL AUTHORITY
95th INTERNATIONAL ATLANTIC ECONOMIC SOCIETY CONFERENCE
MARCH 22-25, 2023
ROME, ITALY**

RESOLUTION 230124-B

WHEREAS, Board approval is required for all international travel requests and travel not included in the Approved List of Educational Seminars;

WHEREAS, the International Atlantic Economic Society (IAES) 95th International Atlantic Economic Conference in Rome, Italy is an international travel request and therefore requires individual approval;

WHEREAS, the sound management of the assets and liabilities of a trust fund imposes a continuing need for all Board Members to attend professional and educational conferences, seminars, and other educational events that will better prepare them to perform their fiduciary duties;

WHEREAS, the Board Policy states that Trustees shall not exceed \$10,000 per fiscal year for conference fees and travel expenses. Commissioner Sohn's remaining educational travel budget for the fiscal year is \$4,750, therefore the Board's approval will allow for a slight increase of \$250 to Commissioner Sohn's annual education travel allotment;

THEREFORE, BE IT RESOLVED, that Commissioner Sohn is hereby authorized to attend the IAES 95th International Atlantic Economic Conference from March 22-25, 2023 in Rome, Italy;

BE IT FURTHER RESOLVED, that the reimbursement of up to \$5,000 is hereby authorized for reasonable expenses in connection with participation.

Which motion was seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, and President Serrano -5; Nays, Commissioner Wilkinson and Vice President Lee -2.

- B. ADOPTION OF 2023 EMPLOYEE MEMBER OF THE BOARD ELECTION CALENDAR AND POSSIBLE BOARD ACTION – Ani Ghoukassian, Commission Executive Assistant II, provided the Board with a brief report. Vice President Lee moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano -7; Nays, None.
- C. APPROVAL OF A ONE-YEAR CONTRACT TO EXPERIENCE INSTITUTE, LLC FOR MIXED MEDIA DEI FELLOWSHIP PROGRAM CONSULTING SERVICES AND POSSIBLE BOARD ACTION – Vikram Jadhav, Development and Marketing Director, presented this item to the Board. After a brief discussion, Vice President Lee moved approval of the following Resolution:

**CONTRACT AWARD TO EXPERIENCE INSTITUTE, LLC
FOR MIXED MEDIA DEI FELLOWSHIP PROGRAM CONSULTING SERVICES**

RESOLUTION 230124-C

WHEREAS, on October 27, 2022 LACERS released the Mixed Media Diversity, Equity and Inclusion (DEI) Fellowship Program Consulting Services Request for Proposal (RFP) for a contract with a learning studio to design and administer a mixed-media Fellowship program;

WHEREAS, on December 2, 2022, four firms submitted proposals, three of which were deemed to be complete;

WHEREAS, selected LACERS Human Resources and DEI Committee participants served as reviewers and analyzed and evaluated each firm's proposal with the criteria set forth in the RFP;

WHEREAS, the result of the review concluded that Experience Institute demonstrated understanding of LACERS needs and goals, has the requisite breadth and depth of experience to consult and address challenges facing LACERS; has demonstrated and proven the quality and value of service in past and current services; and offers the best value of cost for their proposal; and,

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby approves a contract with Experience Institute, LLC for the LACERS' Mixed Media DEI Fellowship Program Consulting Services, and authorize the General Manager to negotiate and execute the necessary documents, within the following terms, subject to City Attorney review:

CONSULTANT:	Experience Institute, LLC
TERM:	One Year
AMOUNT:	Not to exceed \$75,000

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

VIII

INVESTMENTS

- A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS – Rod June, Chief Investment Officer, reported on the portfolio value of \$21.58 billion as of January 23, 2023. Mr. June discussed the following items:
- Staff continues to research the appropriateness of including a graduation provision in the Emerging Investment Manager Policy.
 - Contract status was provided for recent searches: Index Managers, Private Equity Consultant, and Transition Managers
 - Future Agenda Items: Annual Review of PRI Transparency and Assessment Report

Mr. June shared that as of January 24, 2023, Russian exposure for LACERS was 1.4 basis points and there were no material changes since January 10, 2023.

- B. PRESENTATION BY TOWNSEND HOLDINGS LLC OF THE PRIVATE REAL ESTATE PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING JUNE 30, 2022 – Felix Fels, Associate Partner, and Chae Hong, Partner, with The Townsend Group, presented and discussed this item with the Board for 20 minutes.
- C. INVESTMENT MANAGER CONTRACT WITH PRINCIPAL GLOBAL INVESTORS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE U.S. MID CAP CORE EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION – Barbara Sandoval, Investment Officer II, presented this item to the Board. Commissioner Chao moved approval of the following Resolution:

**CONTRACT RENEWAL
PRINCIPAL GLOBAL INVESTORS, LLC
ACTIVE U.S. MID CAP CORE EQUITIES
PORTFOLIO MANAGEMENT**

RESOLUTION 230124-D

WHEREAS, LACERS' current three-year contract with Principal Global Investors, LLC (Principal) for active U.S. mid cap core equities portfolio management expires on June 30, 2023; and,

WHEREAS, Principal is in compliance with the LACERS Manager Monitoring Policy; and,

WHEREAS, a contract renewal with Principal will allow the LACERS total portfolio to maintain a diversified exposure to U.S. mid cap core equities; and,

WHEREAS, on January 24, 2023, the Board approved the Investment Committee's recommendation to approve a three-year contract renewal with Principal.

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

<u>Company Name:</u>	Principal Global Investors, LLC (Principal)
<u>Service Provided:</u>	Active U.S. Mid Cap Core Equities Portfolio Management
<u>Effective Dates:</u>	July 1, 2023 through June 30, 2026
<u>Duration:</u>	Three years
<u>Benchmark:</u>	Russell Midcap Index
<u>Allocation as of</u>	

November 30, 2022: \$293 million

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

D. INVESTMENT MANAGER CONTRACT WITH DIMENSIONAL FUND ADVISORS LP REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EMERGING MARKETS VALUE EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION – Ellen Chen, Investment Officer II, presented this item to the Board. Vice President Lee moved approval of the following Resolution:

**CONTRACT RENEWAL
DIMENSIONAL FUND ADVISORS LP
ACTIVE NON-U.S. EMERGING MARKETS VALUE EQUITIES
PORTFOLIO MANAGEMENT**

RESOLUTION 230124-E

WHEREAS, LACERS' current three-year contract with Dimensional Fund Advisors LP (DFA) for active non-U.S. emerging markets value equities portfolio management expires on June 30, 2023; and,

WHEREAS, DFA is in compliance with the LACERS Manager Monitoring Policy; and,

WHEREAS, a contract renewal with DFA will allow the LACERS total portfolio to maintain a diversified exposure to non-U.S. emerging markets equities; and,

WHEREAS, on January 24, 2023, the Board approved the Investment Committee's recommendation to approve a three-year contract renewal with DFA.

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

<u>Company Name:</u>	Dimensional Fund Advisors LP
<u>Service Provided:</u>	Active Non-U.S. Emerging Markets Value Equities Portfolio Management
<u>Effective Dates:</u>	July 1, 2023 through June 30, 2026
<u>Duration:</u>	Three years
<u>Benchmark:</u>	MSCI Emerging Markets Value Index
<u>Allocation as of November 30, 2022:</u>	\$471 million

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

IX

DISABILITY RETIREMENT APPLICATION(S)

- A. CONSIDERATION OF DISABILITY RETIREMENT APPLICATION FOR TIP WHITING AND POSSIBLE BOARD ACTION – Susan Hernandez, Benefits Analyst, presented this item to the Board. Vice President Lee moved approval, seconded by Commissioner Sohn, and adopted by the following vote: Ayes, Commissioners Chao, Huynh, Sidley, Sohn, Wilkinson, Vice President Lee, and President Serrano -7; Nays, None.

X

OTHER BUSINESS – There was no other business.

XI

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, February 14, 2023, at 10:00 a.m. at LACERS, 202 W. 1st Street, Suite 500, Los Angeles, CA 90012, and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board meetings while response to public health concerns relating to the novel coronavirus continue.

XII

ADJOURNMENT – There being no further business before the Board, President Serrano adjourned the Meeting at 11:22 a.m.

Nilza R. Serrano
President

Neil M. Guglielmo
Manager-Secretary



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

Neil M. Guglielmo

MEETING: FEBRUARY 28, 2023

ITEM: V-B

SUBJECT: UPDATE TO GENERAL MANAGER DESIGNEE SIGNATURE AUTHORITY AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board adopt the proposed General Manager Designee Signature Authority Resolution, effective upon adoption, superseding prior delegations.

Discussion

The General Manager has the authority to administer the affairs of the department as its Chief Administrative Officer inclusive of certification of expenditures pursuant to the Los Angeles City Charter (LACC) Section 509, and authority to execute contracts delegated by the Board. The Board may also delegate authority, under LACC Section 511(a), to the necessary deputies, assistants, and employees of the department and define their duties. In the event that the General Manager is absent or unable to act, assigning signature authority to General Manager Designees would assure that business transactions are addressed promptly and ensure the continuity of services.

Staffing changes necessitate the update of the General Manager Designee Signature Authority. This resolution reflects the following personnel due to job classification or division assignment changes.

Taneda Larios, Chief Benefits Analyst
Edwin Avanessian, Chief Management Analyst
Heather Ramirez, Senior Benefits Analyst II
Audrey Dymally, Senior Benefits Analyst II

Isaias Cantú, Senior Management Analyst II
Kevin Hirose, Senior Benefits Analyst I
Sevan Simonian, Senior Benefits Analyst I
John Koontz, Senior Management Analyst I

Strategic Plan Impact Statement

The update of the General Manager Designee Signature Authority supports the Strategic Plan Board Governance Goal to uphold good governance practices which affirm transparency, accountability, and fiduciary duty. Additionally, it corresponds with the Strategic Plan Organizational Goal of maximizing organizational effectiveness and efficiency.

Prepared By: Lisa Li, Management Assistant, Administration Division

NMG/TB/EA:LL

Attachment: Signature Authority for General Manager Designees Proposed Resolution

**SIGNATURE AUTHORITY
FOR GENERAL MANAGER DESIGNEES**

PROPOSED RESOLUTION

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

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

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

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

1. Assistant General Manager(s) – for the approval of contracts in compliance with the contracting limitations established in the LACC; approval of expenditures; and approval of benefit payments and related transactions;
2. Chief Management Analyst of Administration Division (AD) – for the approval of contracts in compliance with the contracting limitations established in the LACC; for the approval of expenditures within the authorized AD budget, Performance Management Office budget, and the Actuarial program budget. The Chief Management Analyst may delegate to the Senior Management Analysts I and II in the Administrative Services Office the approval of expenditures within the established thresholds specified in the memorandum submitted to the Chief Accounting Employee of LACERS.

3. Chief Benefits Analyst of Health, Wellness, and Buyback Division (HWABD) – for the approval of benefit payments and related transactions; and approval of expenditures within the authorized HWABD budget. The Chief Benefits Analyst may further delegate to the Senior Benefits Analysts I and II in the HWABD the approval of expenditures within the authorized HWABD budget. The Chief Benefits Analyst may further delegate to the Senior Benefits Analysts I and II in the Service Purchase Section the approval and execution of service purchase contracts, certifications of service, and related transactions; and delegate to the Senior Benefits Analysts I and II in the Health Benefits Administration the approval of retiree health benefits and related transactions.
4. Chief Benefits Analyst of Retirement Services Division (RSD) – for the approval of benefit payments and related transactions; and approval of expenditures within the authorized RSD budget. The Chief Benefits Analyst may further delegate to the Senior Benefits Analysts I and II in the RSD the approval of expenditures within the authorized RSD budget.
5. Chief Benefits Analyst of Communications and Stakeholder Relations Division (CSRD) – for the approval of expenditures within the authorized CSRD budget. The Chief Benefits Analyst may further delegate to the Senior Benefits Analysts I and II in the CSRD the approval of expenditures within the established CSRD budget.
6. Information Systems Manager – for the approval of expenditures within the authorized Systems Division budget.
7. Chief Investment Officer or Investment Officer III – for the approval of investment transactions required within the scope of the contracts approved by the Board; and approval of expenditures within the authorized Investment Division budget.
8. Personnel Director or Senior Personnel Analyst II – for the approval of expenditures within the authorized Human Resources budget. The Personnel Director or Senior Personnel Analyst II may delegate to the Senior Personnel Analyst I in Human Resources Unit the approval of expenditures within the established Human Resources budget.
9. Departmental Audit Manager – for the approval of expenditures within the authorized Internal Audit budget.
10. Member Stewardship Section (MSS) Manager or Senior Benefits Analyst II – comprised of Active Member Accounts (AMA) and the Member Processing Unit (MPU) – for the approval of expenditures within the authorized budget. The MSS Senior Benefits Analyst II may further delegate to the Senior Benefits Analysts I the approval of expenditures within the established MSS budget.
11. Systems Operations Support Manager (SOS) or Senior Benefits Analyst II – for the approval of expenditures within the authorized SOS budget. The SOS Manager or Senior Benefits Analyst II may delegate to the Senior Benefits Analyst I in the SOS section the approval of expenditures within the established SOS budget.

Endorsed: _____
Todd Bouey
Assistant General Manager

Endorsed: _____
Dale Wong-Nguyen
Assistant General Manager

Endorsed: _____
Ferralyn Sneed
Chief Benefits Analyst of Retirement Services Division

Endorsed: _____
Karen Freire
Chief Benefits Analyst of Health, Wellness, and Buyback Division

Endorsed: _____
Taneda Larios
Chief Benefits Analyst of Communications and Stakeholder Relations Division

Endorsed: _____
Rodney June
Chief Investment Officer

Endorsed: _____
Edwin Avanesian
Chief Management Analyst of Administration Division

Endorsed: _____
Melani Rejuso
Departmental Audit Manager

Endorsed: _____
Thomas Ma
Information System Manager II

Endorsed: _____
Bryan Fujita
Investment Officer III

Endorsed: _____
Wilkin Ly
Investment Officer III

Endorsed: _____
Delia Hernandez
Senior Benefits Analyst II

Endorsed: _____
Audrey Dymally
Senior Benefits Analyst II

Endorsed: _____
Edeliza Fang
Senior Benefits Analyst II

Endorsed: _____
Margaret Drenk
Senior Benefits Analyst II

Endorsed: _____
Heather Ramirez
Senior Benefits Analyst II

Endorsed: _____
Lauren McCall
Senior Benefits Analyst II

Endorsed: _____
Isaias Cantú
Senior Management Analyst II

Endorsed: _____
Lin Lin
Senior Personnel Analyst II

Endorsed: _____
Brittany Cotton
Senior Benefits Analyst I

Endorsed: _____
Ada Lok
Senior Benefits Analyst I

Endorsed: _____
Glen Malabuyoc
Senior Benefits Analyst

Endorsed: _____
James Kawashima
Senior Benefits Analyst I

Endorsed: _____
Lourdes Quintos
Senior Benefits Analyst I

Endorsed: _____
Maricel Martin
Senior Benefits Analyst I

Endorsed: _____
Tiffany Obembe
Senior Benefits Analyst I

Endorsed: _____
Brian Cha
Senior Benefits Analyst I

Endorsed: _____
Kevin Hirose
Senior Benefits Analyst I

Endorsed: _____
Sevan Simonian
Senior Benefits Analyst I

Endorsed: _____
Horacio Arroyo
Senior Management Analyst I

Endorsed: _____
John Koontz
Senior Management Analyst I



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

Neil M. Guglielmo

MEETING: FEBRUARY 28, 2023

ITEM: VII-A

SUBJECT: DESIGNATION OF LOCATION FOR REGULAR LACERS BOARD AND COMMITTEE MEETINGS EFFECTIVE MARCH 14, 2023: 977 N. BROADWAY, LOS ANGELES, CALIFORNIA 90012 AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation:

Staff proposes the LACERS Board of Administration designate the use of 977 N. Broadway, Los Angeles, California 90012, as the regular meeting location for Board of Administration meetings held on the 2nd and 4th Tuesdays of each calendar month at 10:00 AM, effective March 14, 2023. Staff further proposes that the same location be designated as the regular meeting location for Committee meetings, to be held on the 2nd and 4th Tuesdays of each calendar month, at times to be publicly noticed by the Board.

Executive Summary:

Due to the expiration of Governor Newsom's Executive Order N-08-21, item #42 (06/11/2021) at the end of February 2023, the Board will resume in person meetings beginning with the first Board and Committee meetings in March 2023. The prior regular meeting location in the former Los Angeles Times building is no longer available due to the final stages of preparation to fully vacate and move out of the leased space.¹ LACERS new headquarters building located at 977 N. Broadway, Los Angeles, California 90012 is proposed to be designated as the Board's regular meeting location.

Discussion:

The Ralph M. Brown Act, specifically Government Code Section 54954, subsection (a), requires the formal designation of a regular meeting room for the legislative bodies such as the LACERS Board of Administration and Committee meetings. As the location of LACERS new headquarters building, 977 N. Broadway, Los Angeles, California 90012 is a suitable location for LACERS to conduct regular Board and Committee meetings. The relevant statutory section is as follows: Each legislative body of a local agency, except for advisory committees or standing committees, shall provide, by ordinance, resolution,

¹ On September 14, 2021, the Board designated an alternate regular meeting location, the Board of Public Works Room, 22 N. Spring Street, Room 350, Los Angeles, California 90012, for meetings effective October 12, 2012. The recommended Board action designating 977 N. Broadway, Los Angeles, CA 90012, would supersede that prior designation.

bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings. Meetings of advisory committees or standing committees, for which an agenda is posted at least 72 hours in advance of the meeting pursuant to subdivision (a) of Section 54954.2, shall be considered for purposes of this chapter as regular meetings of the legislative body.

Prepared By: Erin Knight, Executive Administrative Assistant II

NMG/TB:ek

Attachment: Proposed Resolution

**DESIGNATION OF LOCATION FOR REGULAR LACERS BOARD AND COMMITTEE MEETINGS
EFFECTIVE MARCH 14, 2023: 977 N. BROADWAY, LOS ANGELES, CALIFORNIA 90012
AND POSSIBLE BOARD ACTION**

PROPOSED RESOLUTION

WHEREAS, the proposed designation of regular meeting location will aid LACERS in conducting business and provide effective and efficient Plan administration;

WHEREAS, the Ralph M. Brown Act, specifically Government Code Section 54954, subsection (a); states Each legislative body of a local agency, except for advisory committees or standing committees, shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings. and,

NOW, THEREFORE, BE IT RESOLVED that the Board hereby adopts the proposed Regular Meeting Location of 977 N. Broadway, Los Angeles, California 90012 effective March 14, 2023, providing the Board of Administration and Committees a Regular Meeting Location.



REPORT TO BOARD OF ADMINISTRATION

From: Investment Committee
Elizabeth Lee, Chair
Nilza R. Serrano
Janna Sidley

MEETING: FEBRUARY 28, 2023
ITEM: VIII - B

SUBJECT: INVESTMENT MANAGER CONTRACT WITH SEGALL BRYANT & HAMILL REGARDING THE MANAGEMENT OF AN ACTIVE U.S. SMALL CAP VALUE EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board:

1. Approve a three-year contract renewal with Segall Bryant & Hamill for management of an active U.S. small cap value equities portfolio.
2. Authorize the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Discussion

On February 14, 2023, the Committee considered the attached staff report (Attachment 1) recommending a three-year contract renewal with Segall Bryant & Hamill (SBH). SBH has managed an active U.S. small cap value equities portfolio for LACERS since September 2020; the current contract expires on July 31, 2023. LACERS' portfolio was valued at approximately \$107 million as of December 31, 2022. SBH is in compliance with the LACERS Manager Monitoring Policy. Since inception, LACERS has paid SBH a total of \$1.2 million in investment fees.

Staff discussed the organization, investment strategy, performance, and fees. In particular, staff noted that SBH was placed under watch status in February 2021 for an initial one-year monitoring period due to a change in ownership following the acquisition of SBH by CI Financial. Staff removed SBH from watch status in May 2022 upon determining that the change in ownership did not detrimentally impact the firm's investment capabilities. The Committee also inquired about the strategy's underperformance relative to its benchmark. Staff explained that the underperformance stems from the post-pandemic rallies of low-quality stocks in the benchmark, which the strategy avoids given its bias toward higher quality stocks. Additionally, the Committee encouraged staff to continue its discussions with the

manager about possibly lowering the contracted investment management fees. Following the discussion, the Committee concurred with the staff recommendation.

Strategic Plan Impact Statement

A contract renewal with SBH will allow the LACERS total portfolio to maintain a diversified exposure to the U.S. small cap value equities markets, which is expected to help optimize long-term risk adjusted investment returns (Goal IV). The discussion of the investment manager's profile, strategy, performance, and management fee structure is consistent with Goal V (uphold good governance practices which affirm transparency, accountability, and fiduciary duty).

Prepared By: Jeremiah Paras, Investment Officer I, Investment Division

NMG/RJ/BF/BS/JP:rm

Attachments: 1. Investment Committee Recommendation Report dated February 14, 2023
 2. Proposed Resolution



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



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

MEETING: FEBRUARY 14, 2023
ITEM: VI

Neil M. Guglielmo

SUBJECT: INVESTMENT MANAGER CONTRACT WITH SEGALL BRYANT & HAMILL REGARDING THE MANAGEMENT OF AN ACTIVE U.S. SMALL CAP VALUE EQUITIES PORTFOLIO AND POSSIBLE COMMITTEE ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Committee recommend to the Board a three-year contract renewal with Segall Bryant & Hamill for management of an active U.S. small cap value equities portfolio.

Executive Summary

Segall Bryant & Hamill (SBH) has managed an active U.S. small cap value equities portfolio for LACERS since September 2020. LACERS' portfolio was valued at approximately \$107 million as of December 31, 2022. SBH is in compliance with the LACERS Manager Monitoring Policy. Staff and NEPC, LLC (NEPC), LACERS' General Fund Consultant, recommend a three-year contract renewal.

Discussion

Background

SBH manages an active U.S. small cap value equities portfolio for LACERS benchmarked to the Russell 2000 Value Index. SBH uses a fundamental, bottom-up security selection process to identify companies with improving return on invested capital, which SBH believes is the largest driver of long-term shareholder value. The team managing the LACERS small cap strategy is comprised of six professionals, each of whom have sector-specific, fundamental research responsibilities. Mark Dickherber, CFA, CPA, Principal and Director of Small Cap Strategies, serves as the lead portfolio manager. Senior Portfolio Manager Shaun Nicholson co-manages the strategy with Mark; both portfolio managers have at least two decades of experience in the investment profession.

The Board hired SBH through the 2019-2020 Active U.S. Small Cap Equities manager search process and authorized a three-year contract on January 28, 2020; the contract became effective on August 1, 2020. The current contract expires on July 31, 2023. LACERS' portfolio was valued at approximately \$107 million as of December 31, 2022.

Organization

SBH is headquartered in Chicago and has 125 employees of which 61 are investment personnel. At the time of its hiring, SBH was 53% employee-owned with the remaining 47% owned by private equity firm Thoma Bravo, LLC through one of its funds. In April 2021, Toronto-based CI Financial Corp (CI Financial), a publicly listed financial services and investment management firm, acquired SBH as a wholly owned subsidiary. SBH continues to operate autonomously from its parent CI Financial. As of December 31, 2022, SBH managed approximately \$22.2 billion in total assets, with \$2.1 billion in the small cap value strategy.

Due Diligence

Staff conducts routine due diligence of the manager; since inception of the contract, quarterly due diligence meetings have been conducted virtually. Based upon these due diligence activities as well as staff's and NEPC's continuous monitoring, SBH's investment philosophy, strategy, and process have not changed materially over the contract period. The next comprehensive onsite due diligence visit to SBH's headquarters is currently being planned for the second calendar quarter of 2023.

As to the aforementioned change in SBH's ownership, staff placed SBH under watch status in February 2021 pursuant to the LACERS Manager Monitoring Policy following the announcement of CI Financial's planned acquisition of SBH. During this evaluation period, staff and NEPC closely monitored the firm's integration progress and performance against specific standards set forth by policy. In May 2022, staff removed SBH from watch status upon determining that the change in ownership did not detrimentally impact the firm's investment capabilities.

Staff and NEPC continue to deem SBH capable of managing assets for LACERS under its small cap value equities strategy.

Performance

As of December 31, 2022, SBH underperformed its benchmark, net-of-fees, over the 1-year, 2-year, and since inception time periods and outperformed in the most recent 3-month time period as presented in the table below.

Annualized Performance as of 12/31/2022 (Net-of-Fees)				
	3-Month	1-Year	2-Year	Since Inception ¹
Segall Bryant & Hamill	11.48	-14.67	-0.09	11.59
Russell 2000 Value Index	8.42	-14.48	4.73	18.42
<i>% of Excess Return</i>	<i>3.06</i>	<i>-0.19</i>	<i>-4.82</i>	<i>-6.83</i>

¹Performance inception date: 9/30/2020. Strategy was funded after contract inception date of 8/1/2020.

As discussed in NEPC's recommendation report (Attachment 1), SBH's since inception underperformance relative to the benchmark is mostly attributed to the fourth quarter of 2020 during which low-quality stocks began a post-pandemic price run up. The 2-year underperformance is largely

driven by the meme stock rallies in the first and second quarters of 2021. During these time periods, the strategy underperformed given its bias toward higher quality stocks relative to the benchmark.

Calendar year performance is presented in the table below as supplemental information.

Calendar Year Performance as of 12/31/2022 (Net-of-Fees)			
	2022	2021	9/30/2020- 12/31/2020
Segall Bryant & Hamill	-14.67	16.99	28.20
Russell 2000 Value Index	-14.48	28.27	33.36
<i>% of Excess Return</i>	<i>-0.19</i>	<i>-11.28</i>	<i>-5.16</i>

SBH is in compliance with the LACERS Manager Monitoring Policy.

Fees

LACERS pays SBH an effective fee of 62 basis points (0.62%), which is approximately \$663,400 annually based on the value of LACERS' assets as of December 31, 2022. This fee ranks in the 10th percentile among its peers in the eVestment U.S. Small Cap Value Universe (i.e., 90% of like-managers have higher fees). From contract inception on August 1, 2020 to December 31, 2022, LACERS has paid SBH a total of \$1.2 million in investment fees.

General Fund Consultant Opinion

NEPC concurs with this recommendation.

Strategic Plan Impact Statement

A contract renewal with SBH will allow the LACERS total portfolio to maintain a diversified exposure to the U.S. small cap value equities markets, which is expected to help optimize long-term risk adjusted investment returns (Goal IV). The discussion of the investment manager's profile, strategy, performance, and management fee structure is consistent with Goal V (uphold good governance practices which affirm transparency, accountability, and fiduciary duty).

Prepared By: Barbara Sandoval, Investment Officer II, Investment Division
Jeremiah Paras, Investment Officer I, Investment Division

NMG/RJ/BF/BS/JP:rm

Attachment: 1. Consultant Recommendation – NEPC



To: Los Angeles City Employees' Retirement System Investment Committee

From: NEPC, LLC

Date: February 14, 2023

Subject: Segall Bryant & Hamill LLC – Small Cap Value Contract Renewal

Recommendation

NEPC recommends Los Angeles City Employees' Retirement System (LACERS) renew the contract with Segall Bryant & Hamill ('SBH') for a period of three years from the date of contract expiry.

Background

SBH was funded on September 30, 2020 to provide active investment management within the U.S. equity small cap value style of the market. As of November 30, 2022, SBH managed \$112.0 million, or 0.5% of Plan assets. The performance objective is to outperform the Russell 2000 Value Index, net of fees, annualized over a full market cycle (normally three-to-five years). The account is currently in good standing based on LACERS' Manager Monitoring Policy.

SBH is an SEC Registered investment Adviser established in October 1994 by co-founders Ralph Segall, Alfred Bryant, Jonathan Hamill, and Jeffrey Slepian. The firm is headquartered in Chicago, with additional offices in Denver, Philadelphia, St. Louis, and Naples, Florida. The firm serves clientele which include public funds, Taft-Hartley benefit funds, corporations, endowments, foundations, associations, and high-net-worth individuals. SBH provides fee-based investment management of equity, fixed income, and alternative investment portfolios on a discretionary and non-discretionary basis. CI Financial Corp. ("CI"), a publicly listed financial services firm located in Toronto Canada, acquired 100% the firm on April 30, 2021 and as a result, the firm was put on Watch according the LACERS Manager Monitoring policy. Prior to the CI acquisition, SBH was 47% owned by Thoma Bravo (a private equity firm) in their Thoma Bravo Fund X. The remaining 53% ownership was owned by employees throughout the SBH organization. Thoma Bravo had been an equity holder of SBH since 2014 when it purchased Doherty Financial Group's stake in SBH. SBH was taken off of Watch status as of May 6, 2022, citing a level of comfort with the new ownership structure after a period of monitoring for potential changes at the firm. The former equity owners of SBH feel well-compensated and continue to feel supported. SBH continues to operate autonomously and little has changed for the investment teams at SBH. As of December 31, 2022, SBH managed \$22.2 billion and had 125 employees.

The Small Cap team is comprised of six professionals, each of whom have sector-specific, fundamental research responsibilities. The team is led Mark Dickherber, CFA, CPA, Principal and Director of Small Cap Strategies. Mr. Dickherber is also the lead portfolio manager for the Small Cap Value strategy. Mark has research coverage in Health Care, Utilities, REITs, and in a generalist capacity. Senior Portfolio Manager Shaun Nicholson co-manages the strategy with Mr. Dickherber and is the Lead Portfolio Manager for Small Cap Value Select. Shaun has research coverage in Financials, Industrials, Materials, and in a generalist capacity. Jeffrey Paulis is a Senior Portfolio Manager and Lead Portfolio Manager for SMID Cap and Small Cap Core strategies. Jeff has research coverage in Industrials and in a generalist capacity. Zachary Rosenstock is a Senior Equity Analyst /

Assistant Portfolio Manager. Zachary has research coverage in Health Care and Information Technology. Eric Hines is an Equity Analyst with coverage in Consumer Staples and Consumer Discretionary. Michelle Waller is an Equity Analyst and works in a generalist capacity on the team.

The firm added Michelle Waller to the team in late 2021. Michelle was an opportunistic hire for the team, and it is expected for Michelle to eventually have coverage within Information Technology and other areas over time. Michelle joined from Needham & Company, where she was a sell side analyst focused on semi-conductors. Mark and Shaun are based in St. Louis. The two moved offices in April 2019. The remainder of the team is based in Chicago.

SBH's Small Cap Value strategy begins with a belief that the small cap market is inefficient, particularly among companies that operate multiple divisions. This philosophy is rooted in behavioral finance, which points to the tendency of investors to extrapolate positive and/or negative company data and therefore become too bullish/bearish on a stock, resulting in the price being overvalued or undervalued. The portfolio holds 70-85 stocks. Sector weights range from 0-125% versus the Russell 2000 Value benchmark. The strategy tends to emphasize Industrials, Materials, Technology, and Consumer Staples where companies tend to operate multiple divisions and/or have a fixed cost basis. Conversely, the portfolio typically underweights REITs because they are money recyclers and insurance companies because the team rarely is comfortable with the downside risk. The portfolio holds ~1/3 of assets in early turnarounds, ~1/3 in companies that have turned around and are producing returns at the cost of capital, and ~1/3 in late turnarounds that are still underappreciated by the market. Average annual turnover has ranged from 50% to 70%.

Performance

Referring to Exhibit 1, as of November 30, 2022, since the portfolio's inception date of October 1, 2020, the portfolio has underperformed its benchmark by 8.4%. Over the last year, ended November 30, 2022, the portfolio has underperformed its benchmark by 0.6%. Year-to-date, ended November 30, 2022, the portfolio has underperformed its benchmark by 1.8%.

Referring to Exhibit 2, as of September 30, 2022, the portfolio underperformed its benchmark by 9.1% and ranked in the 76th percentile in its peer group of U.S. small cap value managers since October 1, 2020. In the past year, ended September 30, 2022, the portfolio underperformed its benchmark by 2.1% and ranked in the 55th percentile in its peer group. A significant amount of the underperformance in the portfolio can be attributed to three quarters when looking back through to the inception date of October 1, 2020. The fourth quarter of 2020, the first quarter in which the portfolio was funded, marked the beginning of the post pandemic run-up in price of low quality stocks (those stocks with less stable earnings, less strong balance sheets and lower margins) and SBH's portfolio has a bias toward quality resulting in 5.16% of underperformance. In the first quarter of 2021, the portfolio underperformed 5.80% as the SBH avoided participation in the meme stock rally given the bias to not invest in low quality names. In the second quarter of 2021, the portfolio underperformed 4.89% due to non-participation in the meme stock mania in the Communication Services sector and stock selection in the Industrials and Real Estate sector.

Fees

The portfolio has an asset-based fee of 0.61% annually. This fee ranks in the 10th percentile among its peers in the eVestment U.S. Small Cap Value universe. In other words, 90% of the products included in the peer universe have a higher fee than the LACERS account.



Conclusion

SBH has experienced strong underperformance when compared to its benchmark index since inception of the portfolio on October 1, 2020 through November 30, 2022. Though performance has been disappointing, the cause of the underperformance is understandable given the portfolio’s emphasis on higher quality names which were not in favor over the course of the pandemic where SBH avoided certain areas of the market. We believe additional time should be provided in order for SBH’s strategy to experience a full market cycle. The team has remained stable through the sale of the firm and is in good standing according to the LACERS Manager Monitoring Policy. NEPC recommends a three-year contract renewal.

The following tables provide specific performance information, net of fees referenced above.

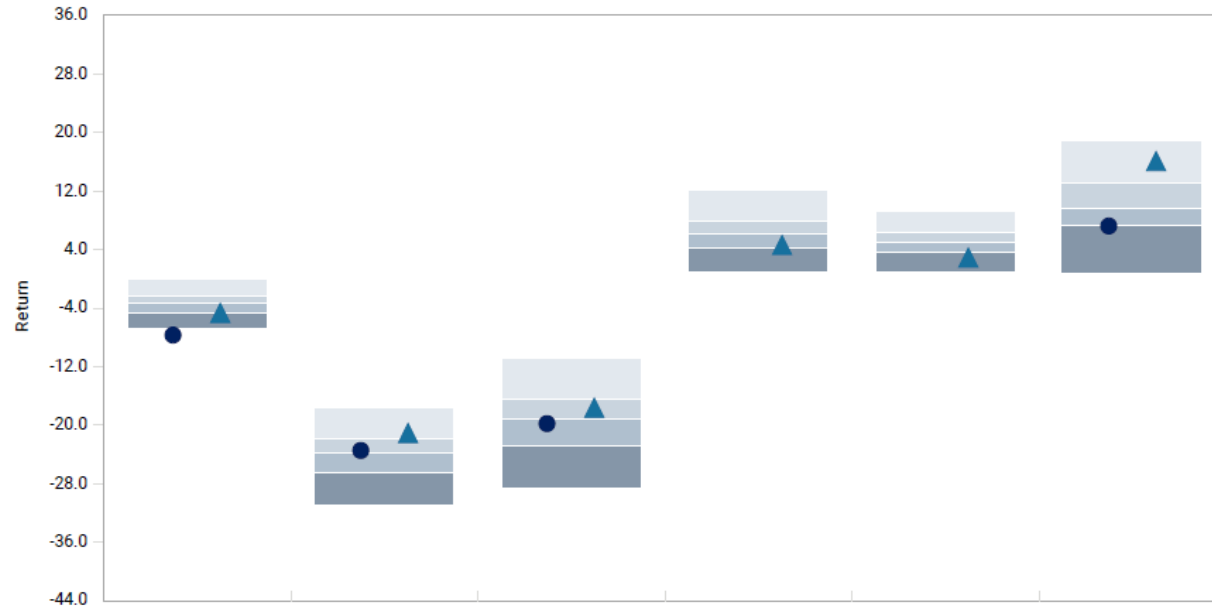
Exhibit 1: Performance Comparison Net of Fees as of November 30, 2022

	Market Value (\$)	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
Segall Bryant & Hamill	111,992,820	7.0	-10.3	-5.3	-	-	14.6	Oct-20
Russell 2000 Value Index		4.2	-8.5	-4.7	-	-	23.0	
Over/Under		2.8	-1.8	-0.6	-	-	-8.4	





Exhibit 2: Universe Performance Comparison Net of Fees as of November 30, 2022



	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Inception (%)
● Segall, Bryant & Hamill	-7.6 (97)	-23.5 (45)	-19.8 (55)			7.1 (76)
▲ Russell 2000 Value Index	-4.6 (77)	-21.1 (20)	-17.7 (35)	4.7 (68)	2.9 (84)	16.2 (15)
5th Percentile	-0.2	-17.7	-10.9	12.2	9.2	19.0
1st Quartile	-2.2	-21.8	-16.6	8.0	6.5	13.0
Median	-3.3	-23.8	-19.2	6.2	5.2	9.6
3rd Quartile	-4.5	-26.5	-22.8	4.3	3.6	7.2
95th Percentile	-6.8	-31.0	-28.7	1.1	1.1	0.8
Population	168	168	168	161	156	166

CONTRACT RENEWAL
SEGALL BRYANT & HAMILL
ACTIVE U.S. SMALL CAP VALUE EQUITIES
PORTFOLIO MANAGEMENT

PROPOSED RESOLUTION

WHEREAS, LACERS' current three-year contract with Segall Bryant & Hamill (SBH) for active U.S. small cap value equities portfolio management expires on July 31, 2023; and,

WHEREAS, SBH is in compliance with the LACERS Manager Monitoring Policy; and,

WHEREAS, a contract renewal with SBH will allow the LACERS total portfolio to maintain a diversified exposure to U.S. small cap value equities; and,

WHEREAS, on February 28, 2023, the Board approved the Investment Committee's recommendation to approve a three-year contract renewal with SBH.

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

<u>Company Name:</u>	Segall Bryant & Hamill
<u>Service Provided:</u>	Active U.S. Small Cap Value Equities Portfolio Management
<u>Effective Dates:</u>	August 1, 2023 through July 31, 2026
<u>Duration:</u>	Three years
<u>Benchmark:</u>	Russell 2000 Value Index
<u>Allocation as of December 31, 2022:</u>	\$107 million

February 28, 2023



REPORT TO BOARD OF ADMINISTRATION

From: Investment Committee
Elizabeth Lee, Chair
Nilza R. Serrano
Janna Sidley

MEETING: FEBRUARY 28, 2023
ITEM: VIII - C

SUBJECT: INVESTMENT MANAGER CONTRACT WITH COPELAND CAPITAL MANAGEMENT, LLC REGARDING THE MANAGEMENT OF AN ACTIVE U.S. SMALL CAP CORE EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board:

1. Approve a three-year contract renewal with Copeland Capital Management, LLC for management of an active U.S. small cap core equities portfolio.
2. Authorize the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Discussion

On February 14, 2023, the Committee considered the attached staff report (Attachment 1) recommending a three-year contract renewal with Copeland Capital Management, LLC (Copeland). Copeland has managed an active U.S. small cap core equities portfolio for LACERS since September 2020; the current contract expires on July 31, 2023. LACERS' portfolio was valued at approximately \$226 million as of December 31, 2022. Copeland is in compliance with the LACERS Manager Monitoring Policy. Since inception, LACERS has paid Copeland a total of \$2.2 million in investment fees.

Staff discussed the investment strategy, performance, and fees. The Committee noted the strategy's outperformance relative to its benchmark but also emphasized the importance of cost efficiency and thus encouraged staff to continue its discussions with the manager about possibly lowering the contracted investment management fees. Following the discussion, the Committee concurred with the staff recommendation.

Strategic Plan Impact Statement

A contract renewal with Copeland will allow the LACERS total portfolio to maintain a diversified exposure to the U.S. small cap core equities markets, which is expected to help optimize long-term risk adjusted investment returns (Goal IV). The discussion of the investment manager's profile, strategy, performance, and management fee structure is consistent with Goal V (uphold good governance practices which affirm transparency, accountability, and fiduciary duty).

Prepared By: Jeremiah Paras, Investment Officer I, Investment Division

NMG/RJ/BF/BS/JP:rm

Attachments: 1. Investment Committee Recommendation Report dated February 14, 2023
 2. Proposed Resolution



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

MEETING: FEBRUARY 14, 2023
ITEM: VII

Neil M. Guglielmo

SUBJECT: INVESTMENT MANAGER CONTRACT WITH COPELAND CAPITAL MANAGEMENT, LLC REGARDING THE MANAGEMENT OF AN ACTIVE U.S. SMALL CAP CORE EQUITIES PORTFOLIO AND POSSIBLE COMMITTEE ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Committee recommend to the Board a three-year contract renewal with Copeland Capital Management, LLC for management of an active U.S. small cap core equities portfolio.

Executive Summary

Copeland Capital Management, LLC (Copeland) has managed an active U.S. small cap core equities portfolio for LACERS since September 2020. LACERS' portfolio was valued at approximately \$226 million as of December 31, 2022. Copeland is in compliance with the LACERS Manager Monitoring Policy. Staff and NEPC, LLC (NEPC), LACERS' General Fund Consultant, recommend a three-year contract renewal.

Discussion

Background

Copeland manages an active U.S. small cap core equities portfolio for LACERS benchmarked to the Russell 2000 Index. Copeland's small cap strategy is founded on the belief that stocks with sustainable dividend growth consistently outperform the market with less risk. Copeland believes that companies that raise their dividends annually are run by corporate management teams with superior capital allocation skills relative to companies which do not have a dividend growth commitment. Copeland's research shows that its strategy's incidental avoidance of corporate capital allocation mistakes reduces stock specific downside and volatility exposure.

The strategy is managed by a five-person team headed by Lead Portfolio Manager Mark Giovanniello, who also serves as the firm's Chief Investment Officer. The investment team has depth of experience, with four of the five members approaching three decades each in the investment profession. There has been no turnover within the investment team since the inception of the strategy in 2009.

The Board hired Copeland through the 2019-2020 Active U.S. Small Cap Equities manager search process and authorized a three-year contract on January 28, 2020; the contract became effective on

August 1, 2020. The current contract expires on July 31, 2023. LACERS' portfolio was valued at approximately \$226 million as of December 31, 2022.

Organization

Copeland is headquartered in Conshohocken, Pennsylvania and has 28 employees, nine of which are investment personnel. The firm is 100% employee-owned and equity is shared broadly across the organization with the investment team holding the most significant ownership percentages. As of December 31, 2022, Copeland managed approximately \$5.5 billion in total assets, with \$2.8 billion in the small cap equities strategy.

Due Diligence

Staff conducts routine due diligence of the manager; in addition to meeting virtually for quarterly portfolio reviews, LACERS staff conducted an onsite meeting at Copeland's headquarters in October 2022 to interview key personnel across the organization. Based upon these due diligence activities as well as staff's and NEPC's continuous monitoring, Copeland's organization, investment philosophy, strategy, and process have not changed materially over the contract period. Staff and NEPC continue to deem Copeland capable of managing assets for LACERS under its small cap core equities strategy.

Performance

As of December 31, 2022, Copeland outperformed its benchmark, net-of-fees, over the 3-month, 1-year, 2-year, and since inception time periods as presented in the table below.

Annualized Performance as of 12/31/2022 (Net-of-Fees)				
	3-Month	1-Year	2-Year	Since Inception ¹
Copeland	10.11	-13.06	4.79	13.51
Russell 2000 Index	6.23	-20.44	-4.42	8.45
<i>% of Excess Return</i>	<i>3.88</i>	<i>7.38</i>	<i>9.21</i>	<i>5.06</i>

¹Performance inception date: 9/30/2020. Strategy was funded after contract inception date of 8/1/2020.

Calendar year performance is presented in the table below as supplemental information.

Calendar Year Performance as of 12/31/2022 (Net-of-Fees)			
	2022	2021	9/30/2020-12/31/2020
Copeland	-13.06	26.31	21.12
Russell 2000 Index	-20.44	14.82	31.37
<i>% of Excess Return</i>	<i>7.38</i>	<i>11.49</i>	<i>-10.25</i>

Copeland is in compliance with the LACERS Manager Monitoring Policy.

Fees

LACERS pays Copeland an effective fee of 47 basis points (0.43%), which is approximately \$1.1 million annually based on the value of LACERS' assets as December 31, 2022. This fee ranks in the 8th percentile among its peers in the eVestment U.S. Small Cap Core Universe (i.e., 92% of like-managers have higher fees). From contract inception on August 1, 2020 to December 31, 2022, LACERS has paid Copeland a total of \$2.2 million in investment fees.

General Fund Consultant Opinion

NEPC concurs with this recommendation.

Strategic Plan Impact Statement

A contract renewal with Copeland will allow the LACERS total portfolio to maintain a diversified exposure to the U.S. small cap core equities markets, which is expected to help optimize long-term risk adjusted investment returns (Goal IV). The discussion of the investment manager's profile, strategy, performance, and management fee structure is consistent with Goal V (uphold good governance practices which affirm transparency, accountability, and fiduciary duty).

Prepared By: Barbara Sandoval, Investment Officer II, Investment Division
Jeremiah Paras, Investment Officer I, Investment Division

NMG/RJ/BF/BS/JP:rm

Attachment: 1. Consultant Recommendation – NEPC



To: Los Angeles City Employees' Retirement System Investment Committee

From: NEPC, LLC

Date: February 14, 2023

Subject: Copeland Capital Management, LLC – Small Cap Dividend Growth Equity Contract Renewal

Recommendation

NEPC recommends Los Angeles City Employees' Retirement System (LACERS) renew the contract with Copeland Capital Management, LLC ('Copeland') for a period of three years from the date of contract expiry.

Background

Copeland was funded on September 30, 2020 to provide active investment management within the core U.S. equity small cap segment. As of November 30, 2022, Copeland managed \$238.9 million, or 1.1% of Plan assets. The performance objective is to outperform the Russell 2000 Index, net of fees, annualized over a full market cycle (normally three-to-five years). The account is currently in good standing based on LACERS' Manager Monitoring Policy.

Copeland was founded in 2005 by Eric Brown in Wellesley, Massachusetts and today is headquartered in Conshohocken, Pennsylvania. The firm is 100% employee owned and was founded to invest capital based upon a dividend growth investment philosophy. The firm's clients include corporate pension plans, educational and religious endowments, charitable foundations, health care institutions, municipalities and high net worth individuals. The firm seeks to have broad based ownership with 19 out of 28 total employees having ownership in the firm. Everyone working on their U.S. strategies and international strategies have ownership in the firm. The firm has also never lost anyone on their investment team. As of December 31, 2022, the firm's total assets under management was \$5.53 billion with a total of \$2.85 billion managed in the Small Cap Dividend Growth Equity product.

The investment team at Copeland consists of nine individuals, seven named portfolio managers and two research analysts. Mark Govanniello covers Health Care, Energy, and Materials. Dave McGonigle covers Financials and Consumer Discretionary. Jeffrey Walkenhorst covers Technology, Telecom, Consumer Staples, and REITs. Eric Brown covers Utilities and MLPs. John Cummings covers Industrials. These five individuals are named portfolio managers on the Small Cap Dividend Growth strategy, but Mark Giovanniello is the lead portfolio manager on the Small Cap Dividend Growth, Smid Cap Dividend Growth, and Mid Cap Dividend Growth. Mark Giovanniello is also the firm's Chief Investment Officer (CIO). Mark has final decision-making authority for the strategy. Decisions among the team are collaborative with the largest weightings in the portfolio going to the highest conviction names.

Copeland focuses on dividend growth, not dividend level, given their belief that companies with sustainable dividend growth are more likely to outperform the market and with less risk. The firm only invests in companies that exhibit consistent dividend growth and are believed to be able to

continue to increase their dividends over time. The firm screens and ranks eligible stocks using a fundamental ranking system. Their initial universe consists of companies that have increased their dividends with market capitalizations between \$250 million and \$4 billion. The Small Cap Dividend Growth product requires 80% or more of their companies to have 3-years of dividend growth. The research team will perform further fundamental analysis on companies that pass and rank favorably in their screen. Fundamental analysis focuses on identifying companies with strong competitive advantages and are believed to have the ability to steadily increase their dividend over time. Examples of competitive advantages include low cost versus differentiation strategies, scale, market share, pricing power, network effects, brands, and high return on invested capital (ROIC).

Performance

Referring to Exhibit 1, as of November 30, 2022, since the portfolio’s inception date of October 1, 2020, the portfolio has outperformed its benchmark by 4.9%. Over the last year, ended November 30, 2022, the portfolio has outperformed its benchmark by 10.6%. Year-to-date, ended November 30, 2022, the portfolio has outperformed its benchmark by 7.0%.

Referring to Exhibit 2, since inception ending September 30, 2022, the portfolio has outperformed its benchmark by 3.6% and ranked in the 48th percentile in its peer group of U.S. small cap investment managers. In the past year, ended September 30, 2022, the portfolio outperformed its benchmark by 9.1% and ranked in the 22nd percentile in its peer group. In the year-to-date period, ended September 30, 2022, the portfolio outperformed its benchmark by 4.1% and ranked in the 29th percentile among peers. Over past year, the portfolio outperformed its benchmark due to both stock selection and active allocation choices. Resultant from the firm’s focus on sustainable dividend growth, the bulk of the portfolio’s stock selection outperformance was driven by investments in the Healthcare, Industrials and Information Technology sectors. The portfolio also experienced strong outperformance from its active positioning across the Energy, Healthcare, Industrials and Information Technology sectors which made up approximately 40% of the portfolio’s outperformance.

Fees

The portfolio has an asset-based fee of 0.47% annually. This fee ranks in the 8th percentile among its peers in the eVestment U.S. Small Cap Core universe. In other words, 92% of the products included in the peer universe have a higher fee than the LACERS account.

Conclusion

Copeland has outperformed its benchmark index over the shorter-term and since being funded on September 30, 2020. The team at Copeland has been remarkably stable and their philosophy to portfolio management has benefitted the Plan. NEPC recommends a three-year contract renewal.

The following tables provide specific performance information, net of fees referenced above.

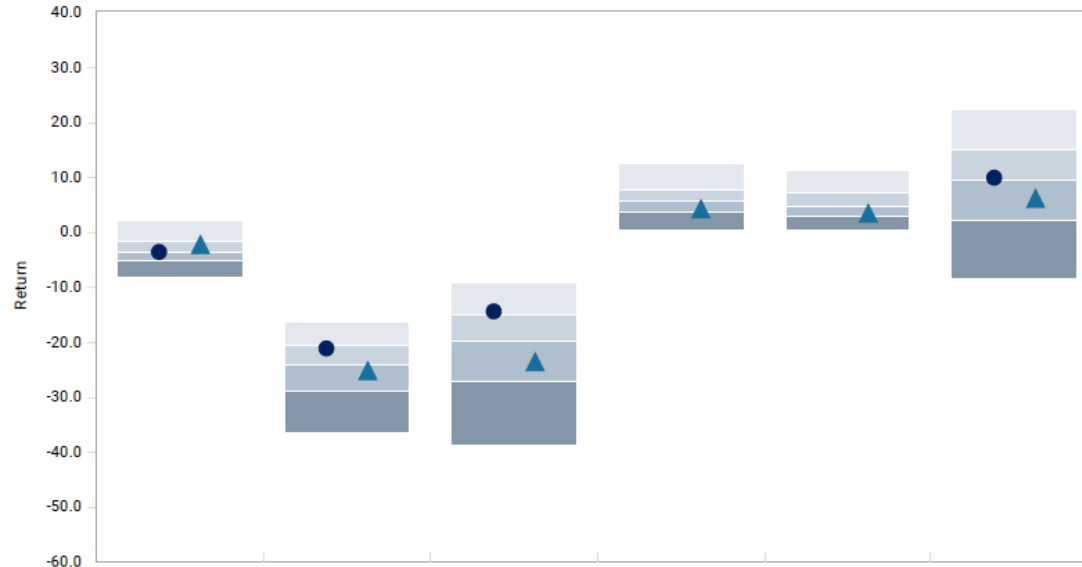
Exhibit 1: Performance Comparison Net of Fees as of November 30, 2022

	Market Value (\$)	3 Months	YTD	1 Year	3 Years	5 Years	Since Inception	Inception Date
Copeland Capital Management	238,901,341	6.5	-7.9	-2.4	-	-	17.1	Oct-20
Russell 2000 Value Index		2.7	-14.9	-13.0	-	-	12.2	
Over/Under		3.8	7.0	10.6	-	-	4.9	





Exhibit 2: Universe Performance Comparison Net of Fees as of September 30, 2022



	3 Mo (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Inception (%)
● Copeland Capital Management	-3.5 (51)	-21.0 (29)	-14.4 (22)			9.9 (48)
▲ Russell 2000 Index	-2.2 (30)	-25.1 (56)	-23.5 (66)	4.3 (67)	3.6 (67)	6.3 (65)
5th Percentile	2.2	-16.1	-9.2	12.6	11.3	22.4
1st Quartile	-1.6	-20.4	-15.0	7.8	7.2	15.2
Median	-3.5	-24.0	-19.7	5.6	4.8	9.5
3rd Quartile	-5.2	-28.9	-26.9	3.7	3.0	2.2
95th Percentile	-8.2	-36.5	-38.5	0.6	0.5	-8.5
Population	543	539	539	525	506	533

CONTRACT RENEWAL
COPELAND CAPITAL MANAGEMENT, LLC
ACTIVE U.S. SMALL CAP CORE EQUITIES
PORTFOLIO MANAGEMENT

PROPOSED RESOLUTION

WHEREAS, LACERS' current three-year contract with Copeland Capital Management, LLC (Copeland) for active U.S. small cap core equities portfolio management expires on July 31, 2023; and,

WHEREAS, Copeland is in compliance with the LACERS Manager Monitoring Policy; and,

WHEREAS, a contract renewal with Copeland will allow the LACERS total portfolio to maintain a diversified exposure to U.S. small cap core equities; and,

WHEREAS, on February 28, 2023, the Board approved the Investment Committee's recommendation to approve a three-year contract renewal with Copeland.

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

<u>Company Name:</u>	Copeland Capital Management, LLC
<u>Service Provided:</u>	Active U.S. Small Cap Core Equities Portfolio Management
<u>Effective Dates:</u>	August 1, 2023 through July 31, 2026
<u>Duration:</u>	Three years
<u>Benchmark:</u>	Russell 2000 Index
<u>Allocation as of December 31, 2022:</u>	\$226 million

February 28, 2023



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

Neil M. Guglielmo

MEETING: FEBRUARY 28, 2023

ITEM: VIII - D

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO €76.0 MILLION (APPROXIMATELY \$75.0 MILLION) IN VITRUVIAN INVESTMENT PARTNERSHIP V

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this notice of the commitment of up to €76 million (approximately \$75 million) in Vitruvian Investment Partnership V.

Executive Summary

Vitruvian Investment Partnership V will focus on technology companies and technology-enabled service companies.

Discussion

Consultant Recommendation

Aksia CA LLC (Aksia), LACERS' Private Equity Consultant, recommended a commitment of up to €76 million in Vitruvian Investment Partnership V (the Fund), a technology-focused growth strategy managed by Vitruvian Partners, LLP (the Firm or Vitruvian). Fund management and incentive fees are comparable to similar strategies and the Firm, as general partner, will invest alongside limited partners, providing alignment of interests. This recommendation is consistent with the Private Equity Program 2023 Strategic Plan adopted by the Board on November 22, 2022.

Background

Vitruvian Partners has €10 billion in assets under management and was one the first private equity firms of scale to focus exclusively on technology and technology-enabled investments across Europe. The firm was founded in 2006 by Toby Wyles, Ian Riley, Mike Risman, David Nahama, and Mark Harford to pursue growth investments and growth buyouts in the European middle market. Prior to co-founding Vitruvian, Messrs. Wyles, Risman, and Nahama worked together at Apax Partners, whereas Messrs. Riley and Harford were investment professionals at BC Partners and Bridgepoint Capital, respectively. Today, Vitruvian is led by Messrs. Risman, Managing Partner, and Nahama, Senior Partner.

The firm has offices in London (headquarters), Munich, Stockholm, Luxembourg, San Francisco, Madrid, and Shanghai.

Vitruvian is an existing general partner relationship for LACERS. LACERS previously committed €35.24 million to Vitruvian Investment Partnership IV, which has earned a net internal rate of return (IRR) of 18.0%.^{1,2}

Investment Thesis

Vitruvian has focused on making equity investments in technology companies and technology-enabled service companies for more than a decade. Consistent with prior funds, Vitruvian Investment Partnership V will invest in high-growth middle market businesses throughout Europe. A portion of the Fund may invest in companies domiciled outside of Europe. Vitruvian is a thematic investor and pursues roughly 10 to 12 investment themes at any given time. Themes typically fall within the technology, healthcare, business services, and financial services sectors.

Placement Agent

The GP does not outsource its fundraising and does not use placement agents.

Staff Recommendation

Staff concurred with Aksia's recommendation. The commitment has been consummated pursuant to the Discretion in a Box (Roles and Responsibilities) section of the Private Equity Investment Policy; no Board action is required.

Strategic Plan Impact Statement

Investment in Vitruvian Investment Partnership V will allow LACERS to maintain exposure to private equity, pursuant to the Private Equity Program 2023 Strategic Plan, and aligns with the Strategic Plan Goal of optimizing long-term risk adjusted investment returns (Goal IV).

Prepared By: Eduardo Park, Investment Officer II, Investment Division

NMG/RJ/BF/WL/EP:rm

Attachments: 1. Aksia Investment Notification
 2. Discretion in a Box

¹ Performance as of June 30, 2022

² Performance data (1) does not necessarily accurately reflect the current or expected future performance of the Fund(s) or the fair value of LACERS' interest in the Fund(s), (2) should not be used to compare returns among multiple private equity funds and (3) has not been calculated, reviewed, verified or in any way sanctioned or approved by the general partner(s) or manager(s).

Aksia LLC

Vitruvian Investment Partnership V Investment Notification



www.aksia.com

Vitruvian Investment Partnership V

General Partner	• Vitruvian Partners, LLP
Fund	• Vitruvian Investment Partnership V, L.P.
Firm Founded	• 2006
Strategy	• Growth Equity & Buyouts
Sub-Strategy	• Growth Equity & Medium Buyouts
Geography	• Primarily Pan-European with opportunistic investments in North America and Asia
Team	• ~145 professionals
Senior Partners	• Mike Risman, Ian Riley, David Nahama
Office Locations	• London, Munich, Madrid, Stockholm, Luxembourg, San Francisco, Shanghai
Industries	• Primarily technology, tech-enabled services, and healthcare-tech
Target Fund Size	• €6.5 billion
LACERS Investment	• €76 million (\$75 million)

Investment Highlights

- Vitruvian is one of the first private equity firms to focus almost exclusively on high-growth, technology-oriented businesses in the European middle market. This focus has led to an established network and made Vitruvian a well-known investor in the space.
- The Firm employs a flexible approach to portfolio construction with balanced exposure to various sectors, geographies, transaction types, and portfolio company stages.
- Vitruvian’s senior leadership team is supported by 13 Partners who have an average tenure of nine year at the Firm.
- The Firm has largely generated first and second quartile returns since inception as of June 30, 2022.

Vitruvian Investment Partnership V

Firm and Background

- Vitruvian Partners was founded in 2006 by Toby Wyles, Ian Riley, Mike Risman, David Nahama, and Mark Harford to pursue growth equity and growth buyout investments in the European middle market.
- Over time, Toby Wyles, Mark Harford, and Ian Riley scaled back their involvement and Mike Risman rose to become the day-to-day leader while David Nahama became the most senior Partner behind Risman.
- Today, Vitruvian continues to be led by Risman and Nahama with support from a group of investment professionals that includes 13 Partners, five Managing Directors, and over 60 additional investment professionals.

Investment Strategy

- The Fund will target high-growth middle market business in Europe (60-70% of invested capital) and opportunistically in North America and Asia (15-20% in each region). Vitruvian has historically deployed the most capital in the U.K., Nordics, U.S., and DACH regions.
- Vitruvian is a thematic investor and pursues roughly 10 to 12 investment themes at any given time. Themes typically fall within the technology, tech-enabled services, and healthcare-tech sectors.
- Investments are classified as either Core or Cortex investments. Core investments consist of controlling stakes in cash-generative, middle-market businesses. The Cortex portfolio is comprised of minority stakes in disruptive technology companies that are expected to be synergistic to the Core portfolio.
- The Fund is expected to hold 22 to 25 Core deals and seven to nine Cortex platforms, each of which generally consist of several smaller investments managed as one unit. Enterprise values for each deal will typically range between €100 million and €750 million. Each investment will generally require between €50 million and €500 million of equity.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE PERFORMANCE.

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INTERESTS IN THE FUND HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER ANY STATE OR OTHER SECURITIES LAWS OR THE LAWS OF ANY NON-U.S. JURISDICTION. THE INTERESTS WILL BE OFFERED AND SOLD FOR INVESTMENT ONLY TO QUALIFYING INVESTORS PURSUANT TO THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS OF THE STATES AND OTHER JURISDICTIONS (INCLUDING NON-U.S. JURISDICTIONS) WHERE THE OFFERING WILL BE MADE. THERE WILL BE NO PUBLIC MARKET FOR INTERESTS IN THE FUND, AND THERE IS NO OBLIGATION ON THE PART OF ANY PERSON TO REGISTER THE INTERESTS UNDER THE SECURITIES ACT. INTERESTS IN THE FUND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE SECURITIES ACT AND ANY APPLICABLE NON-U.S. SECURITIES LAWS, PURSUANT TO REGISTRATION OR AN EXEMPTION THEREFROM. THE TRANSFERABILITY OF THE INTERESTS WILL BE FURTHER RESTRICTED BY THE TERMS OF THE FUND'S GOVERNING DOCUMENTS. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF AN INVESTMENT IN THE FUND FOR AN INDEFINITE PERIOD OF TIME.

NONE OF THE INFORMATION CONTAINED HEREIN WAS PREPARED BY THE FUND OR ANY UNDERLYING PORTFOLIO FUNDS IDENTIFIED HEREIN, IF ANY, THE GENERAL PARTNERS THEREOF OR ANY OF THEIR RESPECTIVE AFFILIATES. BY ACCEPTING THESE MATERIALS, YOU HEREBY ACKNOWLEDGE AND AGREE TO ALL OF THE TERMS AND CONDITIONS IN THESE DISCLOSURES.

ARTICLE III. BOARD INVESTMENT POLICIES

Section 5 PRIVATE EQUITY INVESTMENT POLICY

F. Roles and Responsibilities

	Role of the Board	Role of Staff	Role of the Private Equity Consultant
Strategy/Policy	<ul style="list-style-type: none"> Select Private Equity Consultant. Approve asset class funding level. Review and approve the Private Equity Annual Strategic Plan which includes allocation targets and ranges. 	<ul style="list-style-type: none"> In consultation with Private Equity Consultant and General Fund Consultant, develop policies, procedures, guidelines, allocation targets, ranges, assumptions for recommendation to the Board. 	<ul style="list-style-type: none"> Help develop policies, procedures, guidelines, allocation targets, ranges, assumptions for recommendation to the Board.
Investment Management and Monitoring	<ul style="list-style-type: none"> Review quarterly, annual, and other periodic monitoring reports and plans. Review Commitment Notification Reports. 	<ul style="list-style-type: none"> Review quarterly, annual and other periodic monitoring reports prepared by the Private Equity Consultant. Conduct meetings with existing managers periodically. Attend annual partnership meetings when appropriate. Fund capital calls and manage distributions. Review Private Equity Consultant's recommendations on partnership amendments and consents. Execute partnership amendments and consents. Manage and approve the wind-down and/or dissolve private equity fund investment(s) with private equity consultant's concurrence. Manage and execute the sale of partnership interest on the secondary market or to other limited partner(s) or potential buyer(s). Prepare Commitment Notification Reports for Board. 	<ul style="list-style-type: none"> Maintain regular contact with existing managers in the portfolio to ascertain significant events within the portfolio. Recommend amendments and consents to Staff for approval. Provide quarterly, annual, and other periodic monitoring reports and plans.

ARTICLE III. BOARD INVESTMENT POLICIES

Section 5 PRIVATE EQUITY INVESTMENT POLICY

Investment Selection	Role of the Board	Role of Staff	Role of the Private Equity Consultant
	<ul style="list-style-type: none"> • Review investment analysis reports. • Review and approve investments in partnerships of amounts greater than \$150 million prior to investment. • Review and approve direct co-investment opportunities that exceed \$50 million. • Review and approve the sale of any one existing partnership fund on the secondary market exceeding \$50 million in Fair Market Value. • Review and approve a simultaneous sale of multiple partnership fund interests in a packaged structure. 	<ul style="list-style-type: none"> • Refer investments and forward to Private Equity Consultant for preliminary screening. • Conduct meetings with prospective or existing general partners representing new investment opportunities. • Conduct due diligence with general partners to better ascertain risk and return profile, as determined by the Chief Investment Officer. • In conjunction with Private Equity Consultant, invest up to and including \$150 million in partnerships without Board approval. If Staff opposes and Private Equity Consultant disagrees, refer to Board for decision. • In conjunction with Private Equity Consultant, make recommendations to Board for approval for investments over \$150 million. • In conjunction with Private Equity Consultant, review and concur with direct co-investment opportunities up to and including \$50 million. • In conjunction with Private Equity Consultant, review and concur with the approval of sale of existing partnership funds on the secondary market up to and including \$50 million in Fair Market Value. • General Manager or designee with signature authority will execute agreements and other legal or business documents to effectuate the transaction closing. • Ensure review of relevant fund documents by the City Attorney and/or external legal counsel. 	<ul style="list-style-type: none"> • Conduct appropriate analysis and due diligence on investments. • Prepare investment reports for Board consideration on investments exceeding \$150 million. • With Staff concurrence, approve investments of up to and including \$150 million. • With Staff concurrence, approve direct co-investment opportunities up to and including \$50 million. • Present to Staff recommendations pertaining to the sale of existing partnership funds on the secondary market exceeding \$50 million in Fair Market Value. Such transactions shall be brought to the Board for review and approval. • Provide investment analysis reports for each new investment and for sales of partnership fund interest on the secondary market or to other limited partner(s) or potential buyer(s). • Communicate with Staff regarding potential investment opportunities undergoing analysis and due diligence. • Coordinate meetings with general partners at the request of Staff. • Advise on and negotiate investment terms.



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



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

MEETING: FEBRUARY 28, 2023
ITEM: VIII - E

Neil M. Guglielmo

**SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO \$60 MILLION IN GTCR FUND XIV/A LP
AND GTCR FUND XIV/B LP**

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this notice of the commitment of up to \$60 million in GTCR Fund XIV/A LP and GTCR Fund XIV/B LP.

Executive Summary

GTCR Fund XIV/A LP and GTCR Fund XIV/B LP will focus on control-oriented investments in North American large and middle market companies within the technology, media, and telecommunications; financial services technology; healthcare; and growth business services sectors.

Discussion

Consultant Recommendation

Aksia CA LLC (Aksia), LACERS' Private Equity Consultant, recommended a commitment of up to \$60 million in GTCR Fund XIV/A LP and GTCR Fund XIV/B LP (the Funds), which are large and middle market buyout funds managed by GTCR LLC (GTCR or the GP). The GP will allocate LACERS' commitment between the Funds based on investment type: GTCR Fund XIV/A LP will generally make investments in corporations, while GTCR Fund XIV/B LP will generally make investments in flow-through entities such as partnerships and LLCs. Fund management and incentive fees are comparable to similar strategies; the GP will invest alongside limited partners, providing alignment of interest. This recommendation is consistent with the Private Equity Program 2023 Strategic Plan adopted by the Board on November 22, 2022.

Background

GTCR is a successor to Golder Thoma & Co. (Golder Thoma), which was founded in 1980 by Stanley Golder and Carl Thoma. Golder Thoma subsequently became Golder, Thoma, Cressey, Rauner (GTCR). Many of the firm's senior investment professionals started at GTCR as associates and have been promoted from within. The firm is led by Co-CEOs Dean Mihas and Collin Roche, who have been at GTCR since 2001 and 1996, respectively. The GP is headquartered in Chicago and has more than 140 professionals.

GTCR is an existing general partner relationship for LACERS, with previous LACERS commitments to the following funds:

Fund Name	Vintage Year	Commitment Size	Net IRR^{1,2,3}
GTCR Fund VI LP	1998	\$ 10.00 million	-3.8%
GTCR Fund VII LP	2000	\$ 18.75 million	21.8%
GTCR Fund VII-A LP	2001	\$ 6.25 million	83.1%
GTCR Fund VIII LP	2003	\$ 20.00 million	22.3%
GTCR Fund IX-A LP	2006	\$ 15.00 million	13.8%
GTCR Fund XII-AB LP	2017	\$ 40.00 million	32.0%
GTCR Fund XIII-AB LP	2020	\$ 40.00 million	n.m.

Investment Thesis

The Funds will focus on investing in U.S.-domiciled, large and middle market companies within the technology, media, and telecommunications; financial services technology; healthcare; and growth business services sectors. GTCR seeks businesses within these sectors that have sufficient scale, infrastructure, customer base, and strategic position to serve as platforms for further add-on acquisitions. The GP adds value by assisting portfolio companies with strategy development, executive recruiting, mergers and acquisitions, and capital structure management.

Placement Agent

The GP did not use a placement agent in connection with LACERS' investment.

Staff Recommendation

Staff concurred with Aksia's recommendation. The commitment has been consummated pursuant to the Discretion in a Box (Roles and Responsibilities) section of the Private Equity Investment Policy; no Board action is required.

Strategic Alignment

Investments in GTCR Fund XIV/A LP and GTCR Fund XIV/B LP will allow LACERS to maintain exposure to private equity, pursuant to the Private Equity Program 2023 Strategic Plan, and aligns with the Strategic Plan Goal of optimizing long-term risk adjusted investment returns (Goal IV).

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

NMG/RJ/BF/WL/RK:rm

Attachments: 1. Aksia Investment Notification
 2. Discretion in a Box

¹ Performance as of June 30, 2022

² Performance data (1) does not necessarily accurately reflect the current or expected future performance of the Fund(s) or the fair value of LACERS' interest in the Fund(s), (2) should not be used to compare returns among multiple private equity funds and (3) has not been calculated, reviewed, verified or in any way sanctioned or approved by the general partner(s) or manager(s).

³ n.m. = not meaningful

Aksia LLC

GTCR Fund XIV/A LP and GTCR Fund XIV/B LP Investment Notification



www.aksia.com

GTCR Fund XIV/A LP and GTCR Fund XIV/B LP

General Partner	• GTCR LLC (“GTCR” or the “Firm”)
Fund	• GTCR Fund XIV/A LP and GTCR Fund XIV/B LP (“Fund XIV” or the “Fund”)
Firm Founded	• 1980
Strategy	• North American Buyouts
Sub-Strategy	• Large Cap Buyouts
Geography	• North America
Team	• ~140 total professionals
Senior Partners	• Dean Mihas and Collin Roche
Office Locations	• Chicago, IL; New York City, NY; West Palm Beach, FL
Industries	• Technology, Financial Services, Healthcare, Business Services, and Consumer
Target Fund Size	• \$9.25 billion
LACERS Investment	• \$60.0 million

Investment Highlights

- Experienced and cohesive team
- Larger GP commitment
- Management start-up strategy
- Buy-and-build approach
- Overall track record

GTCR Fund XIV/A LP and GTCR Fund XIV/B LP

Firm and Background

- GTCR's roots trace back to its predecessor, Golder Thoma & Co., which was originally founded in 1980 by Stanley Golder who previously led First Chicago Corporation's private equity group. In 1997, the firm separated into two organizations – Thoma Cressey Equity Partners (which has since split into Thoma Bravo and Cressy & Company) and GTCR Golder Rauner, now known as GTCR.
- Since its founding, GTCR and its predecessor entities have raised 13 flagship buyout funds and expanded on its investment activities by establishing a Strategic Growth platform in 2021.
- GTCR sold a minority ownership stake to Blackstone in 2021.
- Today, GTCR is led by Co-CEOs Dean Mihas and Collin Roche and has grown to more than 140 total professionals.

Investment Strategy

- The Fund will primarily invest in control-oriented investments in North American middle market and large and companies within the technology, media, telecommunications, financials, healthcare, business services, and consumer industries.
- Transactions will typically take the form of traditional buyouts, recapitalizations, buy-and-builds, management start-ups, and carve-outs.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE PERFORMANCE.

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ARTICLE III. BOARD INVESTMENT POLICIES

Section 5 PRIVATE EQUITY INVESTMENT POLICY

F. Roles and Responsibilities

	Role of the Board	Role of Staff	Role of the Private Equity Consultant
Strategy/Policy	<ul style="list-style-type: none"> Select Private Equity Consultant. Approve asset class funding level. Review and approve the Private Equity Annual Strategic Plan which includes allocation targets and ranges. 	<ul style="list-style-type: none"> In consultation with Private Equity Consultant and General Fund Consultant, develop policies, procedures, guidelines, allocation targets, ranges, assumptions for recommendation to the Board. 	<ul style="list-style-type: none"> Help develop policies, procedures, guidelines, allocation targets, ranges, assumptions for recommendation to the Board.
Investment Management and Monitoring	<ul style="list-style-type: none"> Review quarterly, annual, and other periodic monitoring reports and plans. Review Commitment Notification Reports. 	<ul style="list-style-type: none"> Review quarterly, annual and other periodic monitoring reports prepared by the Private Equity Consultant. Conduct meetings with existing managers periodically. Attend annual partnership meetings when appropriate. Fund capital calls and manage distributions. Review Private Equity Consultant's recommendations on partnership amendments and consents. Execute partnership amendments and consents. Manage and approve the wind-down and/or dissolve private equity fund investment(s) with private equity consultant's concurrence. Manage and execute the sale of partnership interest on the secondary market or to other limited partner(s) or potential buyer(s). Prepare Commitment Notification Reports for Board. 	<ul style="list-style-type: none"> Maintain regular contact with existing managers in the portfolio to ascertain significant events within the portfolio. Recommend amendments and consents to Staff for approval. Provide quarterly, annual, and other periodic monitoring reports and plans.

ARTICLE III. BOARD INVESTMENT POLICIES

Section 5 PRIVATE EQUITY INVESTMENT POLICY

Investment Selection	Role of the Board	Role of Staff	Role of the Private Equity Consultant
	<ul style="list-style-type: none"> • Review investment analysis reports. • Review and approve investments in partnerships of amounts greater than \$150 million prior to investment. • Review and approve direct co-investment opportunities that exceed \$50 million. • Review and approve the sale of any one existing partnership fund on the secondary market exceeding \$50 million in Fair Market Value. • Review and approve a simultaneous sale of multiple partnership fund interests in a packaged structure. 	<ul style="list-style-type: none"> • Refer investments and forward to Private Equity Consultant for preliminary screening. • Conduct meetings with prospective or existing general partners representing new investment opportunities. • Conduct due diligence with general partners to better ascertain risk and return profile, as determined by the Chief Investment Officer. • In conjunction with Private Equity Consultant, invest up to and including \$150 million in partnerships without Board approval. If Staff opposes and Private Equity Consultant disagrees, refer to Board for decision. • In conjunction with Private Equity Consultant, make recommendations to Board for approval for investments over \$150 million. • In conjunction with Private Equity Consultant, review and concur with direct co-investment opportunities up to and including \$50 million. • In conjunction with Private Equity Consultant, review and concur with the approval of sale of existing partnership funds on the secondary market up to and including \$50 million in Fair Market Value. • General Manager or designee with signature authority will execute agreements and other legal or business documents to effectuate the transaction closing. • Ensure review of relevant fund documents by the City Attorney and/or external legal counsel. 	<ul style="list-style-type: none"> • Conduct appropriate analysis and due diligence on investments. • Prepare investment reports for Board consideration on investments exceeding \$150 million. • With Staff concurrence, approve investments of up to and including \$150 million. • With Staff concurrence, approve direct co-investment opportunities up to and including \$50 million. • Present to Staff recommendations pertaining to the sale of existing partnership funds on the secondary market exceeding \$50 million in Fair Market Value. Such transactions shall be brought to the Board for review and approval. • Provide investment analysis reports for each new investment and for sales of partnership fund interest on the secondary market or to other limited partner(s) or potential buyer(s). • Communicate with Staff regarding potential investment opportunities undergoing analysis and due diligence. • Coordinate meetings with general partners at the request of Staff. • Advise on and negotiate investment terms.