

Investment Committee Agenda

REGULAR MEETING

TUESDAY, DECEMBER 9, 2025

**TIME: 10:30 A.M. OR IMMEDIATELY
FOLLOWING THE REGULAR
BOARD MEETING**

MEETING LOCATION:

LACERS Boardroom
977 N. Broadway
Los Angeles, California 90012

Important Message to the Public

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

Members of the public who do not wish to attend the meeting in person may listen to the live meeting via YouTube streaming at the following link: [LACERS Livestream](#).

Disclaimer to Participants

Please be advised that all LACERS Committee meetings are recorded.

LACERS Website Address/link:
www.LACERS.org

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

Chair: Thuy Huynh

Committee Members: Susan Liem
Gaylord "Rusty" Roten

Manager-Secretary: Todd Bouey

Executive Assistant: Ani Ghoukassian

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

Notice to Paid Representatives

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

Request for Services

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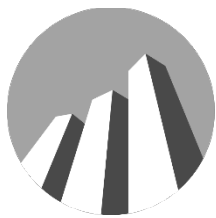
Sign Language Interpreters, Communication Access Real-Time Transcription, Assisted Listening Devices, or other auxiliary aids and/or services may be provided upon request. To ensure availability, please make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in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

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

For additional information, please contact: Board of Administration Office at (213) 855-9348 and/or email at lacers.board@lacers.org.

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- I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA
- II. [APPROVAL OF MINUTES FOR THE MEETING ON OCTOBER 14, 2025 AND POSSIBLE COMMITTEE ACTION](#)
- III. CHIEF INVESTMENT OFFICER VERBAL REPORT
- IV. [PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PROGRAM 2026 STRATEGIC PLAN AND POSSIBLE COMMITTEE ACTION](#)
- V. [LIMITED TERM RETIREMENT PLAN INVESTMENT OPTION CHANGES AND POSSIBLE COMMITTEE ACTION](#)
- VI. [BROKERAGE ACTIVITY REPORT FOR THE PERIOD JULY 1, 2024 TO JUNE 30, 2025](#)
- VII. OTHER BUSINESS
- VIII. NEXT MEETING: The next Regular meeting of the Investment Committee is scheduled for Tuesday, January 13, 2026, at 10:30 A.M., or immediately following the Board Meeting in the LACERS Boardroom at 977 N. Broadway, Los Angeles, CA 90012-1728.
- IX. ADJOURNMENT



Board of Administration Agenda

SPECIAL MEETING

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Los Angeles, California 90012

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President: Annie Chao
Vice President: Janna Sidley

Commissioners: Thuy Huynh
Susan Liem
Thomas Moutes
Gaylord "Rusty" Roten
Sung Won Sohn

Manager-Secretary: Todd Bouey

Executive Assistant: Ani Ghokassian

Legal Counsel: City Attorney's Office
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- IX. ADJOURNMENT

MINUTES OF THE REGULAR MEETING
INVESTMENT COMMITTEE
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

October 14, 2025

10:01 a.m.

PRESENT:	Chair:	Thuy Huynh
	Committee Member:	Susan Liem Gaylord "Rusty" Roten
	Legal Counselor:	Miguel Bahamon
	Manager-Secretary:	Todd Bouey
	Executive Assistant:	Ani Ghoukassian

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

Chair Huynh welcomed Commissioner Susan Liem to the Investment Committee.

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – Chair Huynh asked if any persons wished to speak on matters within the Committee's jurisdiction, to which there were no public comment cards submitted.

II

APPROVAL OF MINUTES FOR THE MEETING OF SEPTEMBER 9, 2025 AND POSSIBLE COMMITTEE ACTION – Committee Member Roten moved approval, and adopted by the following vote: Ayes, Committee Members Liem, Roten, and Chair Huynh -3; Nays, None.

III

CHIEF INVESTMENT OFFICER VERBAL REPORT – Rod June, Chief Investment Officer, discussed the following item:

- Distribution of Investment Committee Forward Calendar.
- Distribution and review of the revised Public Markets Manager Watch List Report.

IV

PRESENTATION BY NORTHERN TRUST REGARDING SECURITIES LENDING ACTIVITY REPORT FOR THE PERIOD JULY 1, 2024 TO JUNE 30, 2025 – Todd Wandell, Vice President, Senior

Relationship Manager, with Northern Trust, presented and discussed this item with the Committee for 28 minutes.

V

Chair Huynh recessed the Regular meeting at 1:50 p.m. to convene in closed session.

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER SALE OF TWO PARTICULAR, SPECIFIC REAL ESTATE INVESTMENTS AND POSSIBLE COMMITTEE ACTION

Chair Huynh reconvened the Regular meeting at 2:07 p.m. with nothing to report.

VI

OTHER BUSINESS – There was no other business.

VII

NEXT MEETING: The next Regular Meeting of the Investment Committee is scheduled for Tuesday, November 11, 2025, at 10:30 a.m., or immediately following the Board Meeting in the LACERS Boardroom at 977 N. Broadway, Los Angeles, CA 90012-1728.

VIII

ADJOURNMENT – There being no further business before the Committee, Chair Huynh adjourned the meeting at 2:08 p.m.

Thuy Huynh
Chair

Todd Bouey
Manager-Secretary



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO INVESTMENT COMMITTEE

From: Todd Bouey, General Manager

T. Bouey

MEETING: DECEMBER 9, 2025

ITEM: IV

SUBJECT: PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PROGRAM 2026 STRATEGIC PLAN AND POSSIBLE COMMITTEE ACTION

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

Recommendation

That the Committee recommend to the Board the adoption of the Private Equity Program 2026 Strategic Plan.

Discussion

Aksia LLC (Aksia), LACERS' Private Equity Consultant, with input from staff, has developed the proposed Private Equity Program 2026 Strategic Plan, which considers strategic objectives and investment plan recommendations for calendar year 2026. Staff has reviewed the plan and recommends its adoption. Aksia will present the proposed plan.

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

TB:RJ:WL:RM:EC:EP

Attachment: 1. LACERS Private Equity Program 2026 Strategic Plan – Aksia LLC

Aksia LLC

LACERS Private Equity Program 2026 Strategic Plan

December 9, 2025



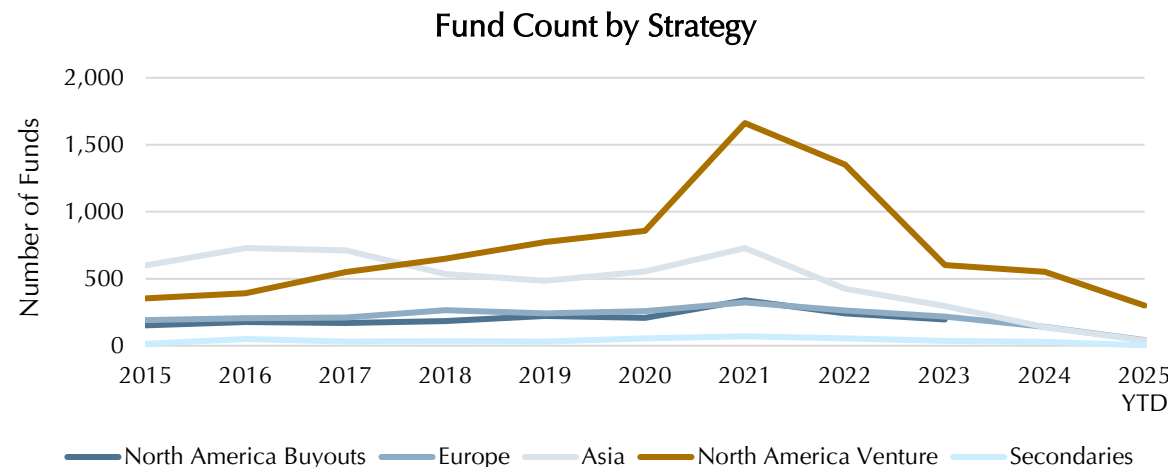
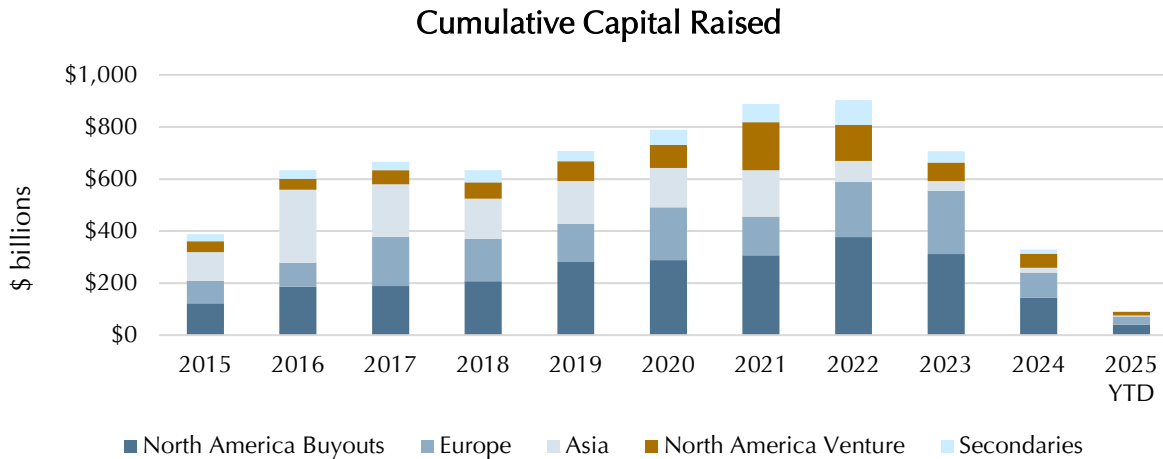
www.aksia.com

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Fundraising

- The fundraising environment remained challenged during the first half of 2025, continuing the trend from 2024.

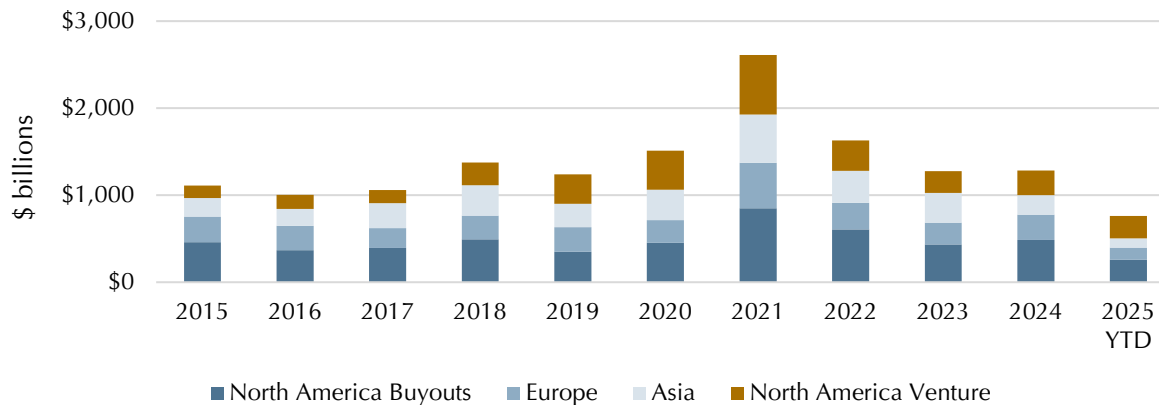


- Through the first half of 2025, North American buyout funds raised 43% of total capital, with the 15 largest funds contributing 78% of this amount and averaging \$2.1 billion in fund size.
- North American VC funds captured 15% of total capital raised, with the top 30 funds contributing 82% of that amount and averaging \$355 million in fund size.
- In Europe, the ten largest funds accounted for 71% of the total capital raised through the first half of 2025.
- North American funds represented nearly 60% of the capital raised in 1H 2025 and accounted for more than 80% of the total fund count, whereas European funds raised one-third of total capital but represented only 9% of total fund count.
- The number of funds and capital raised in Asia decreased year-over-year.

Investment Activity

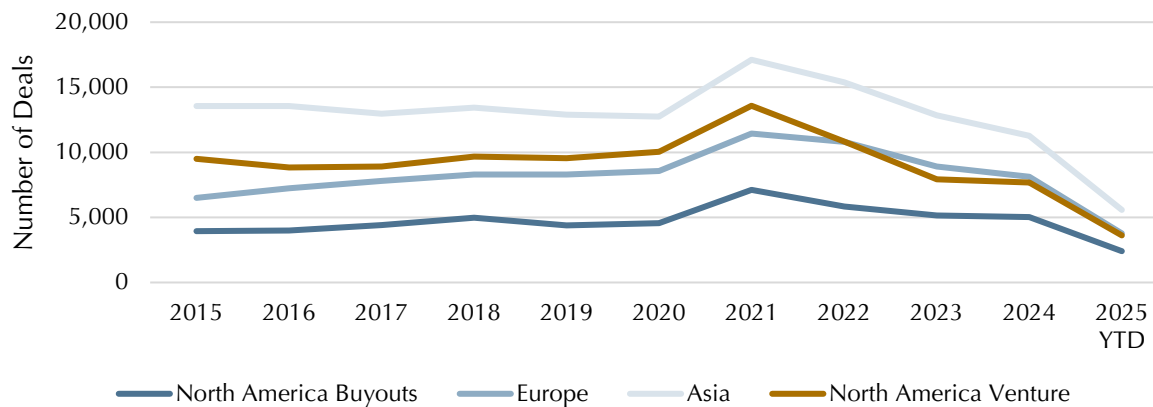
- PE investment activity has declined for three consecutive years since the peak in 2021, but total deal activity in 2024 was similar to pre-COVID levels and consistent with its 10-year average. Looking forward, we believe the total deal activity in 2025 will remain uncertain and be materially influenced by macroeconomic conditions in the U.S. and global trade policies.

Investment Value



- In Q2'25, the total investment value in North America buyouts increased by 11% compared to Q2'24, despite a 12% decline in deal count.
- Similarly, North America VC recorded a 31% increase in investment value but saw a 18% decline in deal count compared to the same quarter last year.

Deal Count

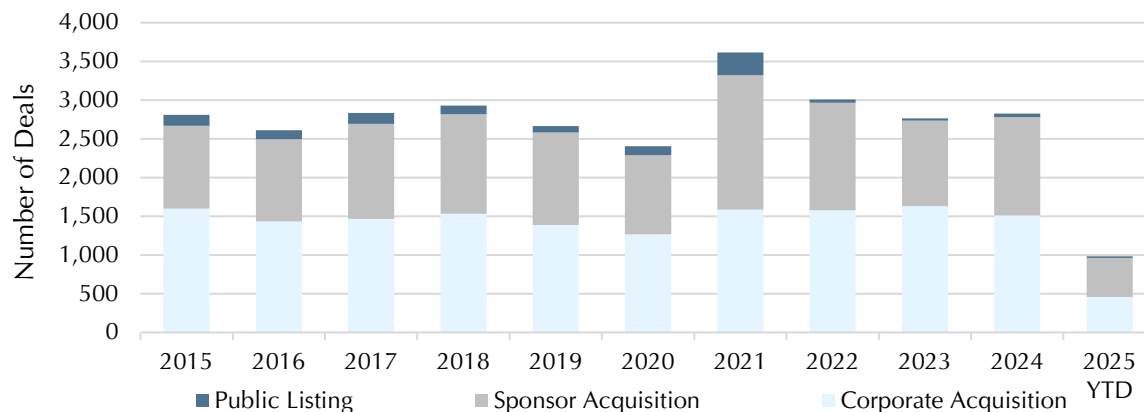


- Europe experienced a modest 5% increase in year-over-year deal value despite a 12% decline in year-over-year deal volume in Q2'25.
- Asia recorded a 6% increase in deal value compared to Q2'24, while the number of deals remained relatively stable.

Exit Activity

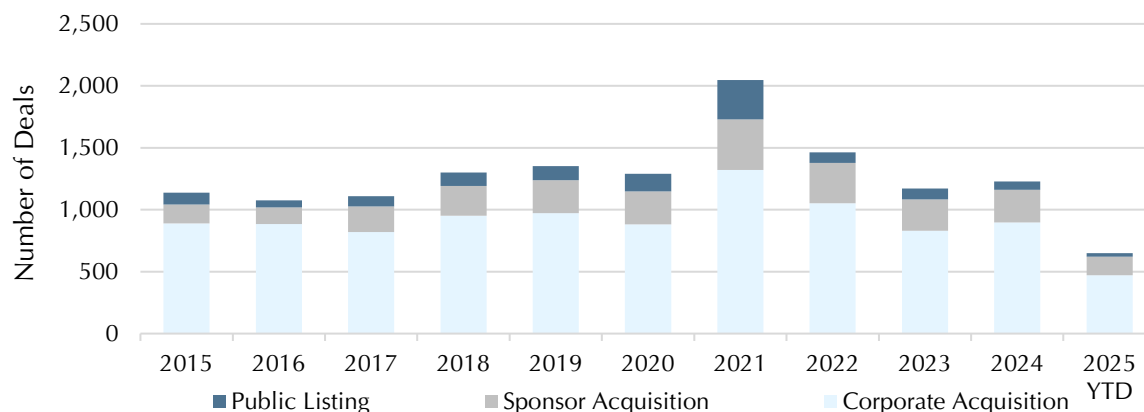
- PE investment activity has declined for three consecutive years since the peak in 2021, but total deal activity in 2024 was similar to pre-COVID levels and consistent with its 10-year average. Looking forward, we believe the total deal activity in 2025 will remain uncertain and be materially influenced by macroeconomic conditions in the U.S. and global trade policies.

Private Equity-Backed Exits



Source: Pitchbook, as of June 30, 2025. Values refer to US and Europe markets.

Venture Capital-Backed Exits

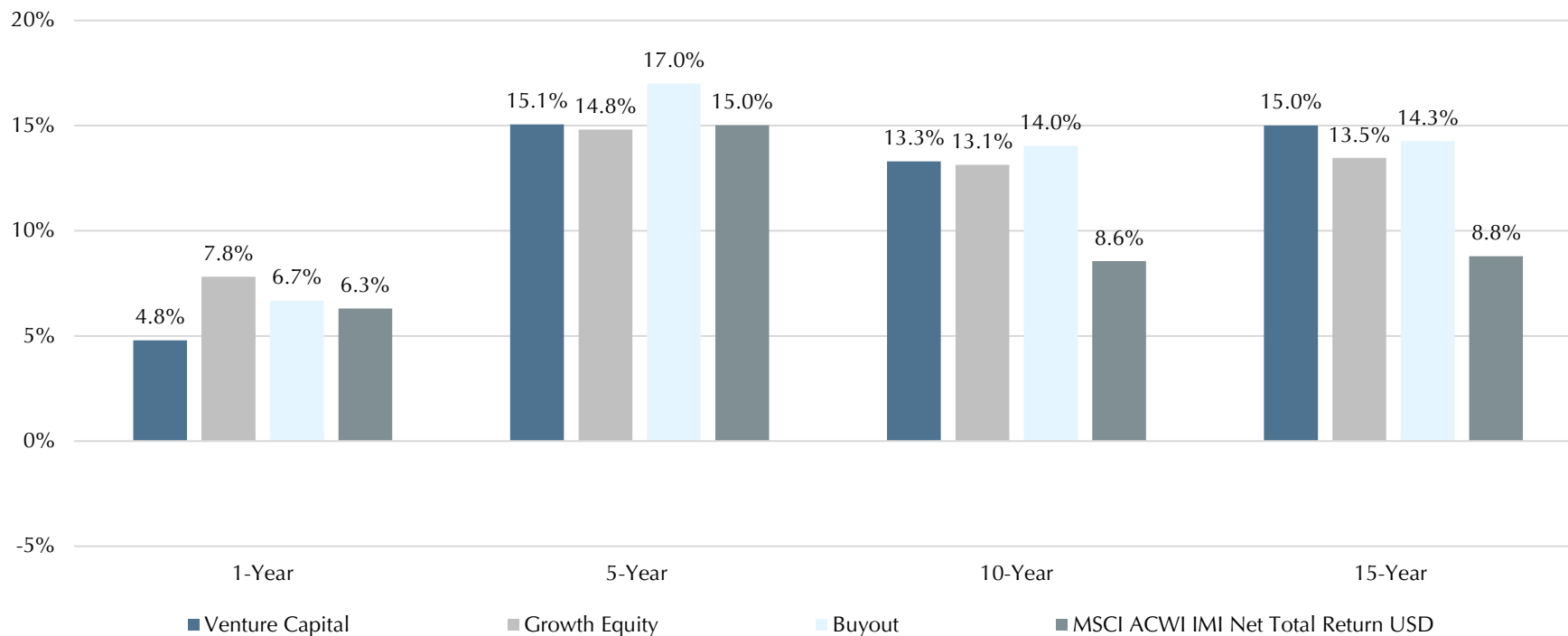


Source: Pitchbook & National Venture Capital Association, as of June 30, 2025.

- PE-backed exits in the first half of 2025 represented 35% of the total number of deals recorded in 2024. We anticipate total deal activity in 2025 will likely remain subdued given the macro uncertainty surrounding U.S. trade policy changes enacted in April 2025.
- In the first half of 2025, corporate acquisitions accounted for about half of all private equity-backed exits and over two-thirds of venture capital-backed exits.
- Through the first half of 2025, public listings across PE- and VC-backed exits represented 40% of the total exit value in 2024. While still well below the peak in 2021, this is promising sign that public markets are reopening.
- Looking ahead, we anticipate fund managers will continue to utilize alternative liquidity mechanisms such as minority sales, continuation funds, NAV loans, and dividend recaps throughout 2025 given the slower exit environment and uncertain market backdrop.

Global Market Performance

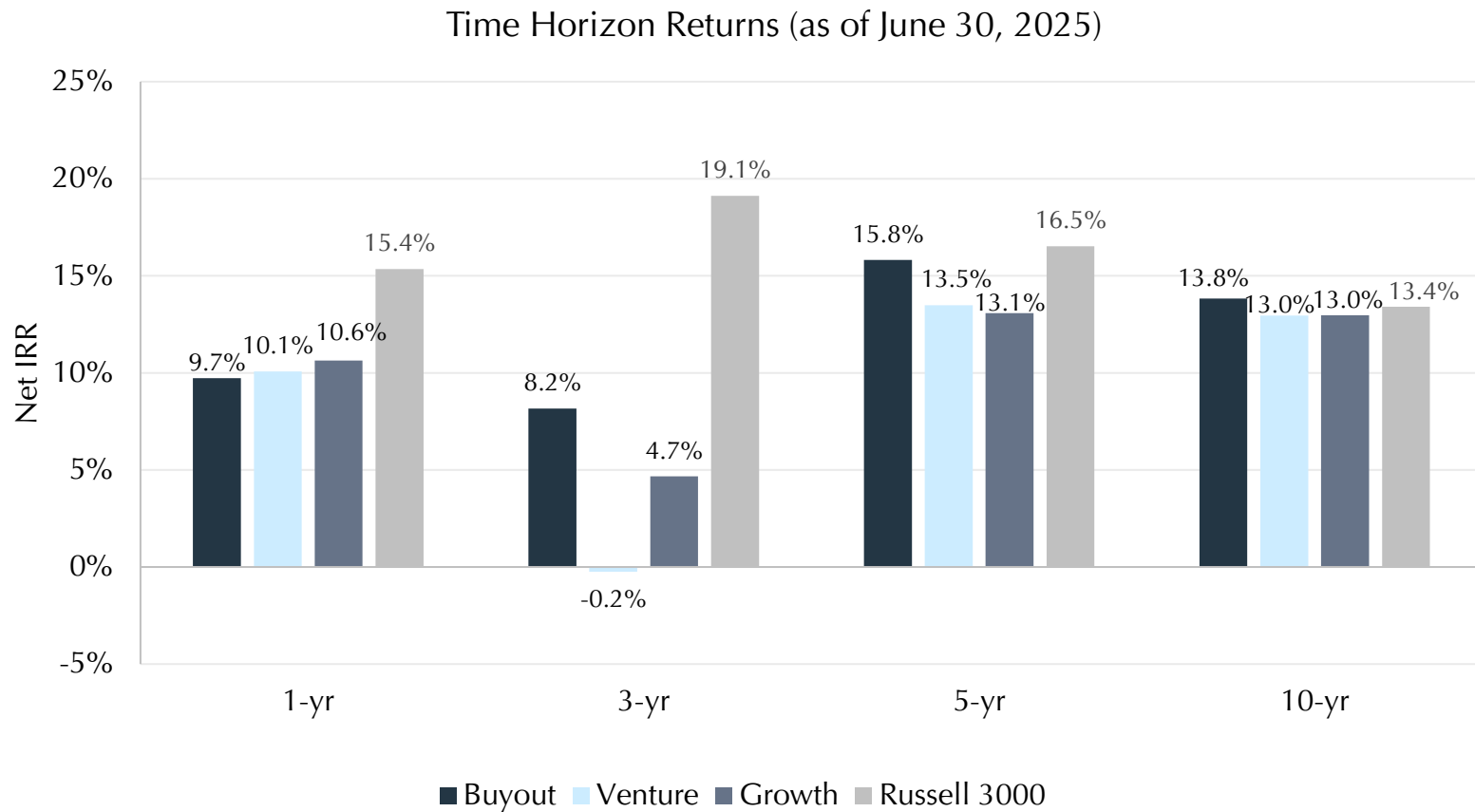
Returns by Sector & Strategy



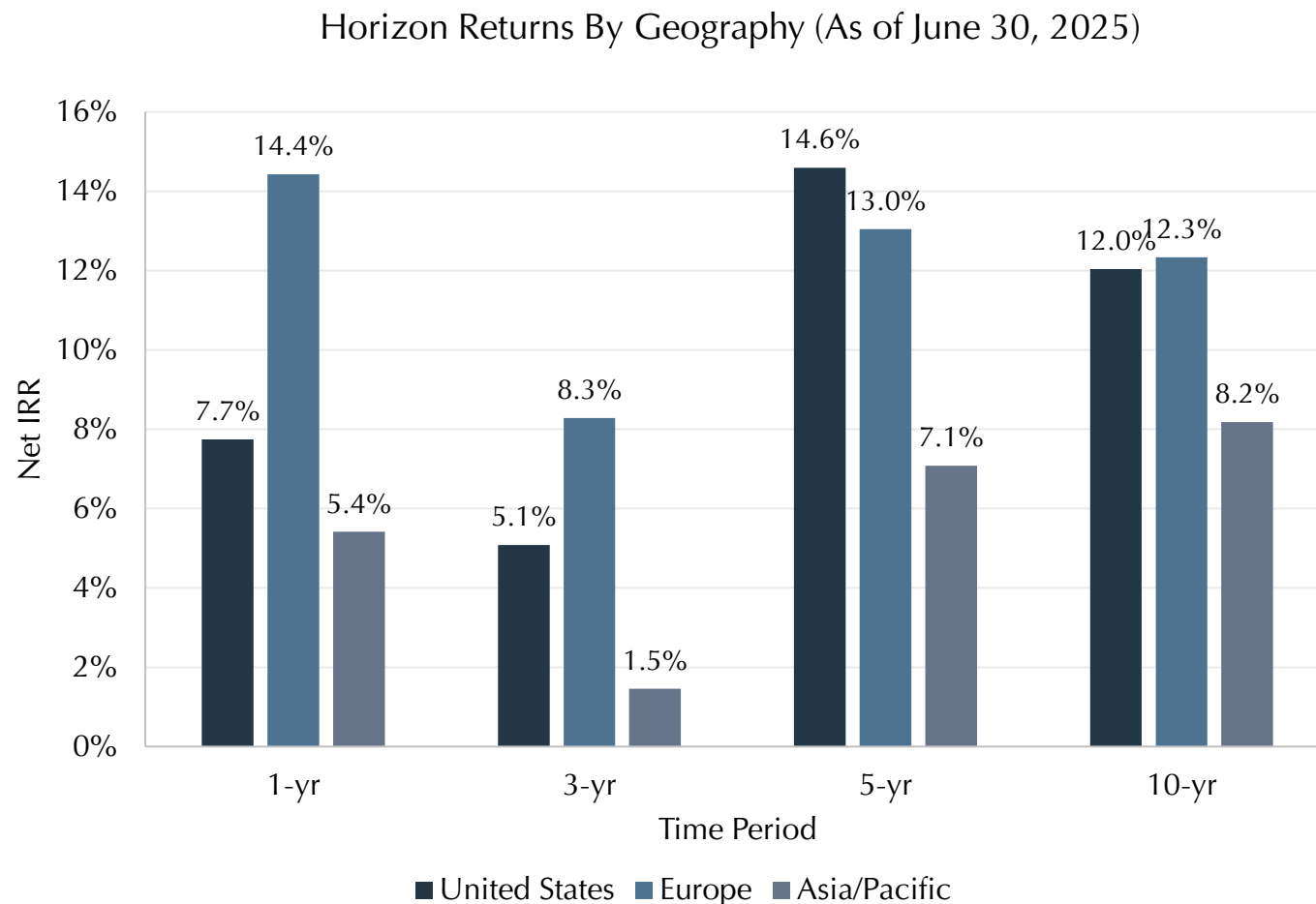
- Over longer time horizons (in 10- and 15-year horizons), private markets have outperformed the MSCI ACWI IMI Net Total Return USD by approximately 400 to 600 basis points. While this outperformance was partly influenced by accommodative monetary policies that may not recur, we believe private markets will continue to provide investors with illiquidity and small-cap premiums.

Private Equity Industry Returns Relative to Public Markets

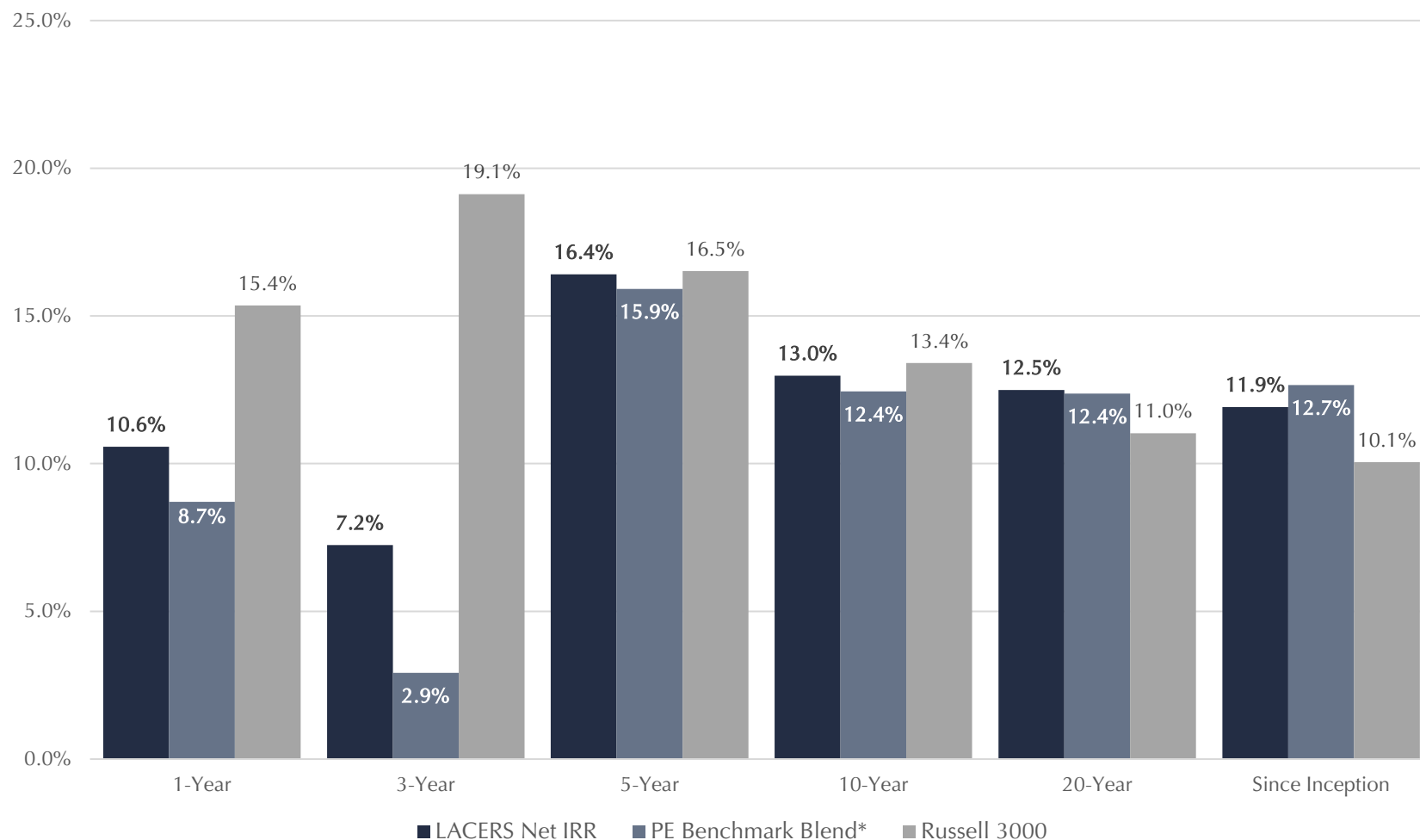
- Buyouts has outperformed Venture and growth in 3, 5 and 10-Year period
- All private equity strategies underperformed vs. the Russell 3000 over all time horizons excluding the 10-Year period where Buyouts overperformed



- As of June 30, 2025, U.S. private equity outperformed Asia/Pacific private equity over the 1-, 3-, 5-, and 10-year periods.
- While Europe outperformed in the short term, long-term returns across regions appear broadly comparable, with the U.S. maintaining similar performance over the 10-year horizon.
- International exposure can improve diversity in LACERS' PE portfolio without sacrificing risk adjusted returns



Horizon Returns as of June 30, 2025



* PE Benchmark Blend includes the Russell 3000 Index + 400bps (inception – January 31, 2012), the Russell 3000 Index + 300bps (February 1, 2012 – December 31, 2021), and the Cambridge Associates Global PE and VC Index beginning January 1, 2022.

2025 Strategic Plan - Refresher

▪ Initial Pacing Recommendations

- Commitment plan of up to \$600 - \$700 million proposed for 2025
- Commitments in 10-15 firms with a target size of \$40-\$75 million per commitment / relationship
 - Includes 3-5 investments to various Emerging Managers, achieving no less than 10% of the total commitments, subject to the LACERS Emerging Investment Manager Policy.

▪ Long-Term Investment Recommendations

- Implementation of a co-investment program – both from an investment and policy perspective
- Develop a framework for a potential secondary sale – both from an investment and policy perspective

▪ Tactical Investment Recommendations

- Selectively add exposure internationally – primarily to Europe and Developed Asia
- Continue to increase exposure to lower middle market buyout funds
- Consolidate commitments with top performing managers
- Continue to manage underlying sector exposures
- Add exposure to strategies designed to outperform in down markets – i.e. Value-Oriented Managers, Turnaround Managers, Distressed Managers

Commitment Statistics

2025 Summary Statistics

- \$325 million in total commitments through September 30, 2025
- Annual target is \$600 million - \$700 million per 2025 Strategic Plan

- Geographic Breakdown of ITD Commitments
 - 74.3% to North American-focused funds
 - 12.6% to European-focused funds
 - 10.2% to Globally-focused funds
 - 2.9% to Asia Pacific-focused funds

Data as of June 2025

- Sector Breakdown of ITD Commitments
 - 58.5% to Buyout funds
 - 24.2% to Venture and Growth Equity funds
 - 17.2% to Credit/Distressed funds, Real Asset funds, Secondaries, and Fund of Funds

Data as of June 2025

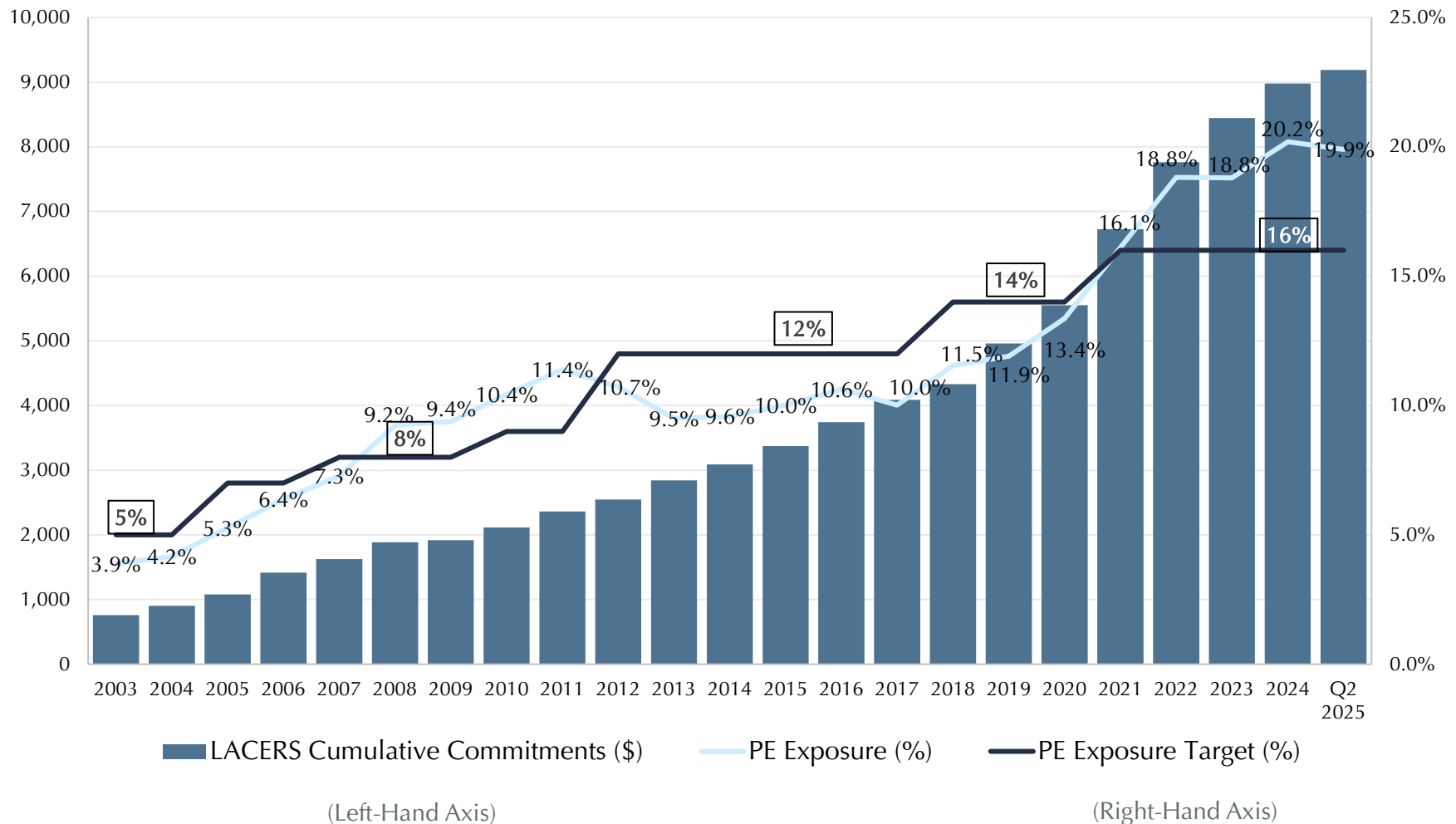
Aggregate Portfolio Summary As Of June 30, 2025

- As of June 30, 2025 the aggregate portfolio's fair market value of \$5.0 billion represents 19.9% of Total Plan Assets

Aggregate Portfolio Private Equity Exposure Summary	
Total Plan Market Value	\$25.2bn
Private Equity Exposure Target (%)	16.0%
Private Equity Exposure Target (\$)	\$3.7bn
Private Equity Exposure (%)	19.9%
Fair Market Value ("FMV")	\$5.0bn

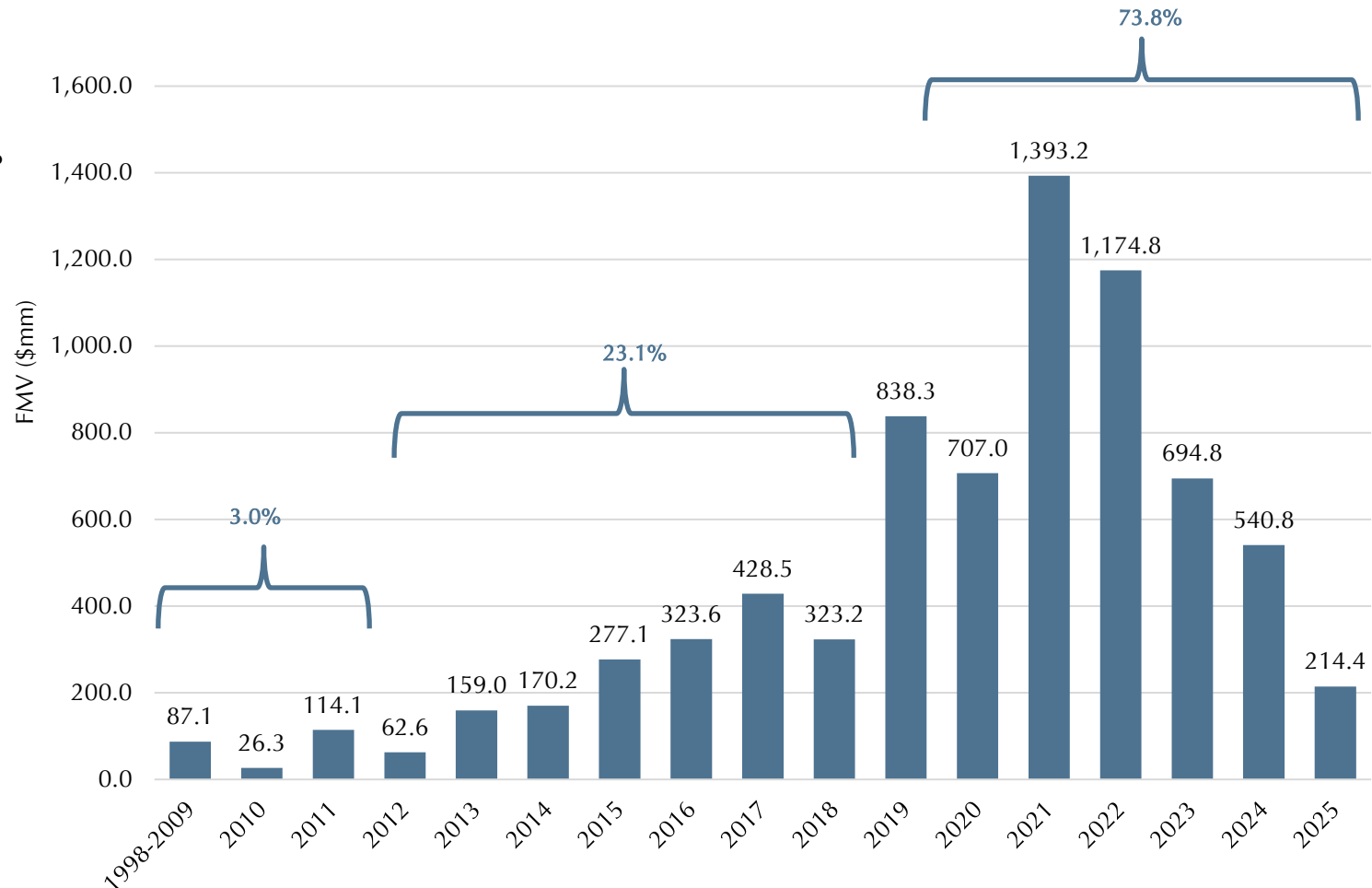
- As of June 30, 2025, total plan assets increased year-over-year by ~9.3% to ~\$25.2 billion. This translates to private equity exposure of ~19.9% (based on private equity fair market value as of 06/30/25)
- Public equity markets and total plan assets continued to rise in 2025. However, there have been slower exits and capital distributions in private markets, leading to private equity exposure being above the target allocation. 2026 commitment pacing is targeting between \$550mm and \$650mm

- Since inception (1995), LACERS has committed approximately \$9.2 billion to private equity
- Target exposure to private equity is 16.0%



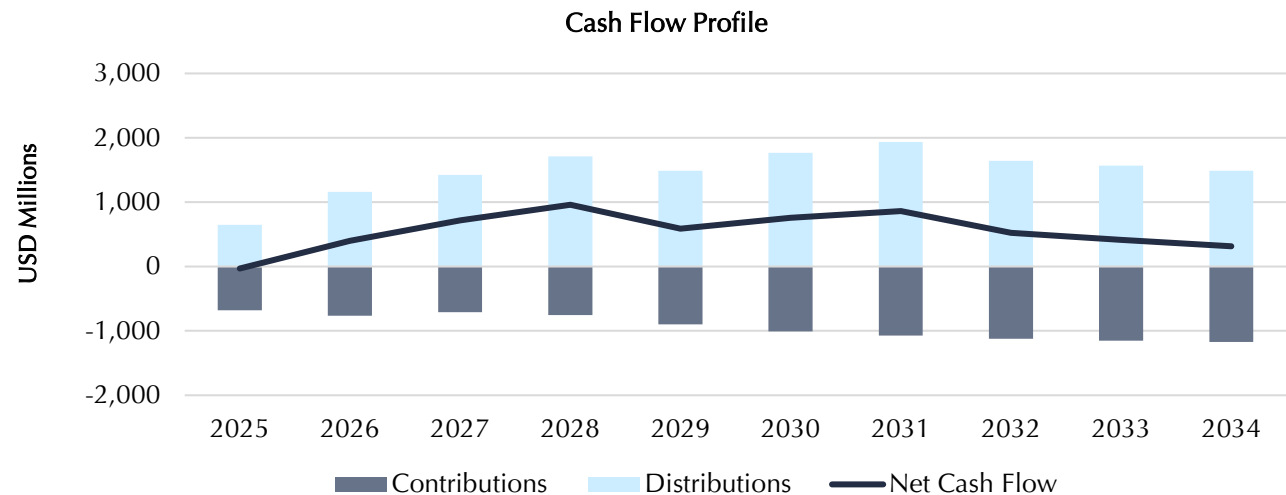
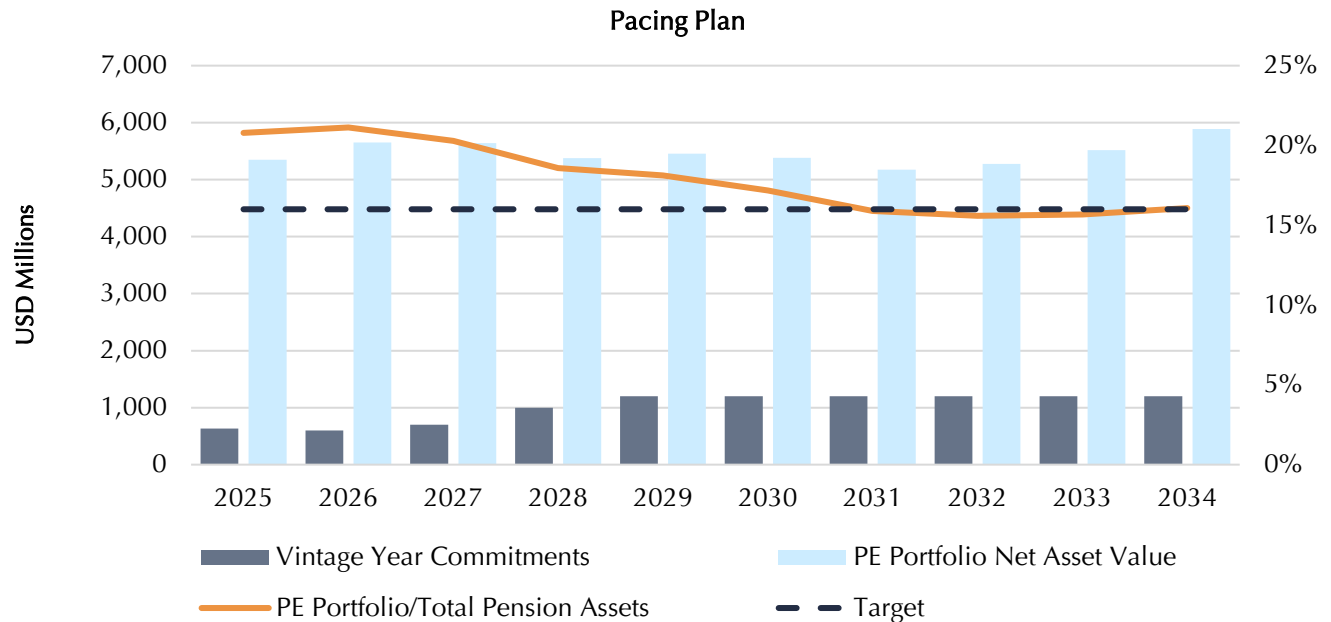
LACERS Private Equity Program - Fair Market Value By Vintage Year

- Legacy exposure (1998 – 2011) accounts for ~3.0% of LACERS total private equity exposure
- The bulk of LACERS current private equity exposure (73.8%) is from funds with vintage years from 2019 – 2025



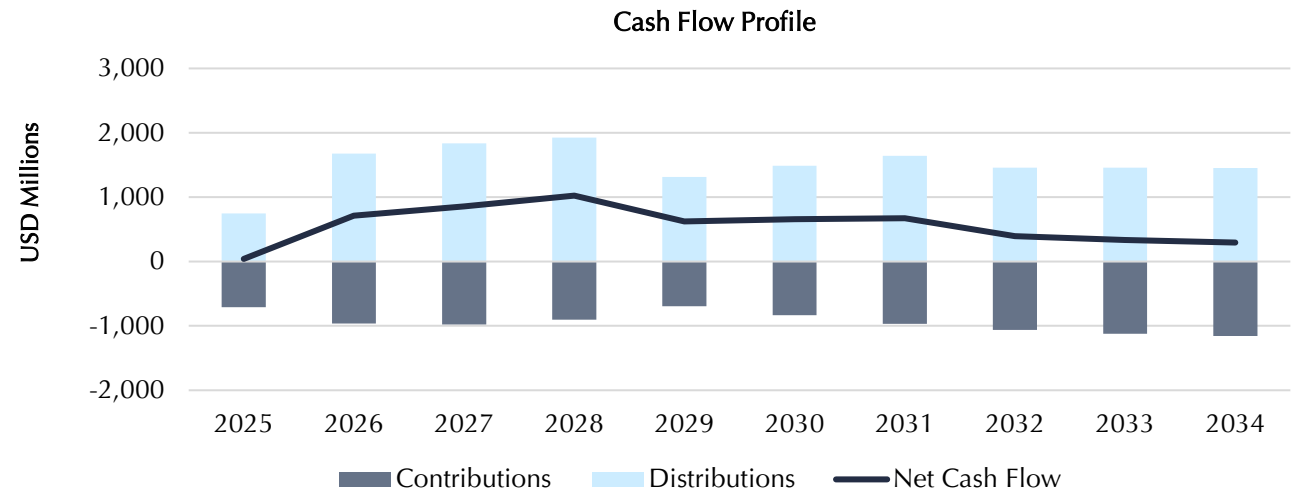
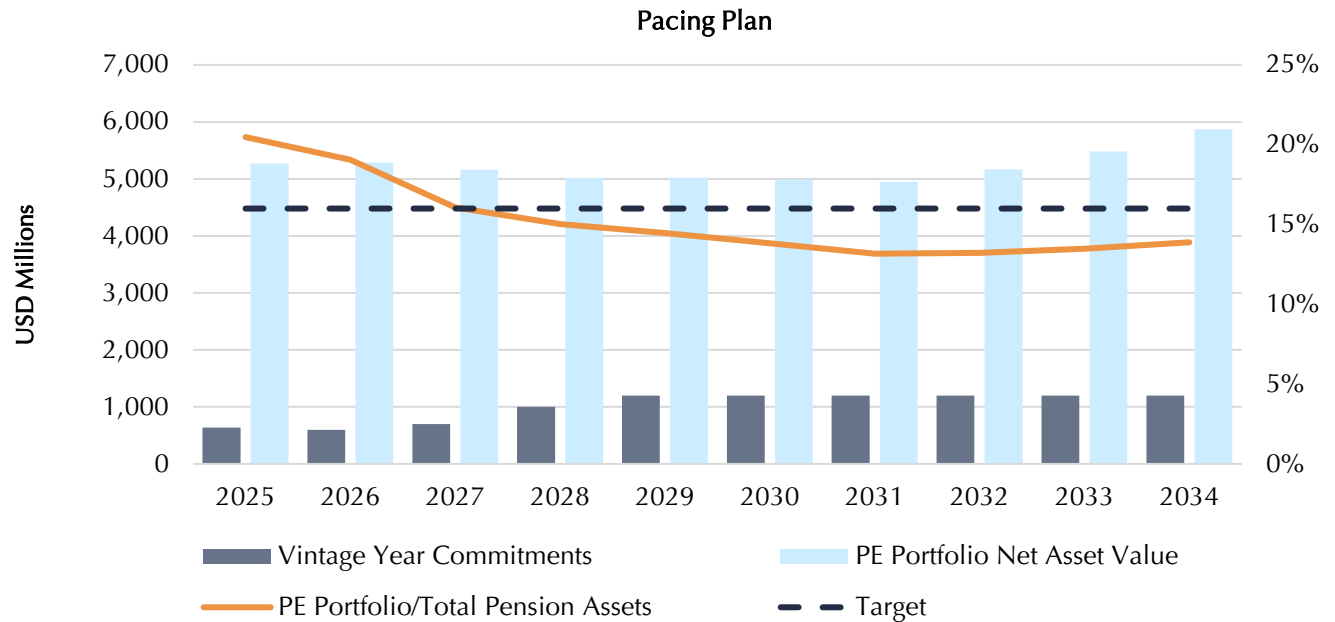
Updated Pacing Model (Base - Slower Distributions Scenario) – As of June 30, 2025

- Assumes 4% long-term pension growth
- Assumes a decreased expected distributions activity in 2026 and 2027
- Slowdown in exits and distribution activity has contributed to LACERS being overweight in PE



Updated Pacing Model (Upside Scenario) – As of June 30, 2025

- Assumes 4% long-term pension growth
- Maintaining vintage year diversification is a key component of a successful long-term program
- If distributions see a significant increase in 2026 and 2027, the Plan will hit target in a shorter time period

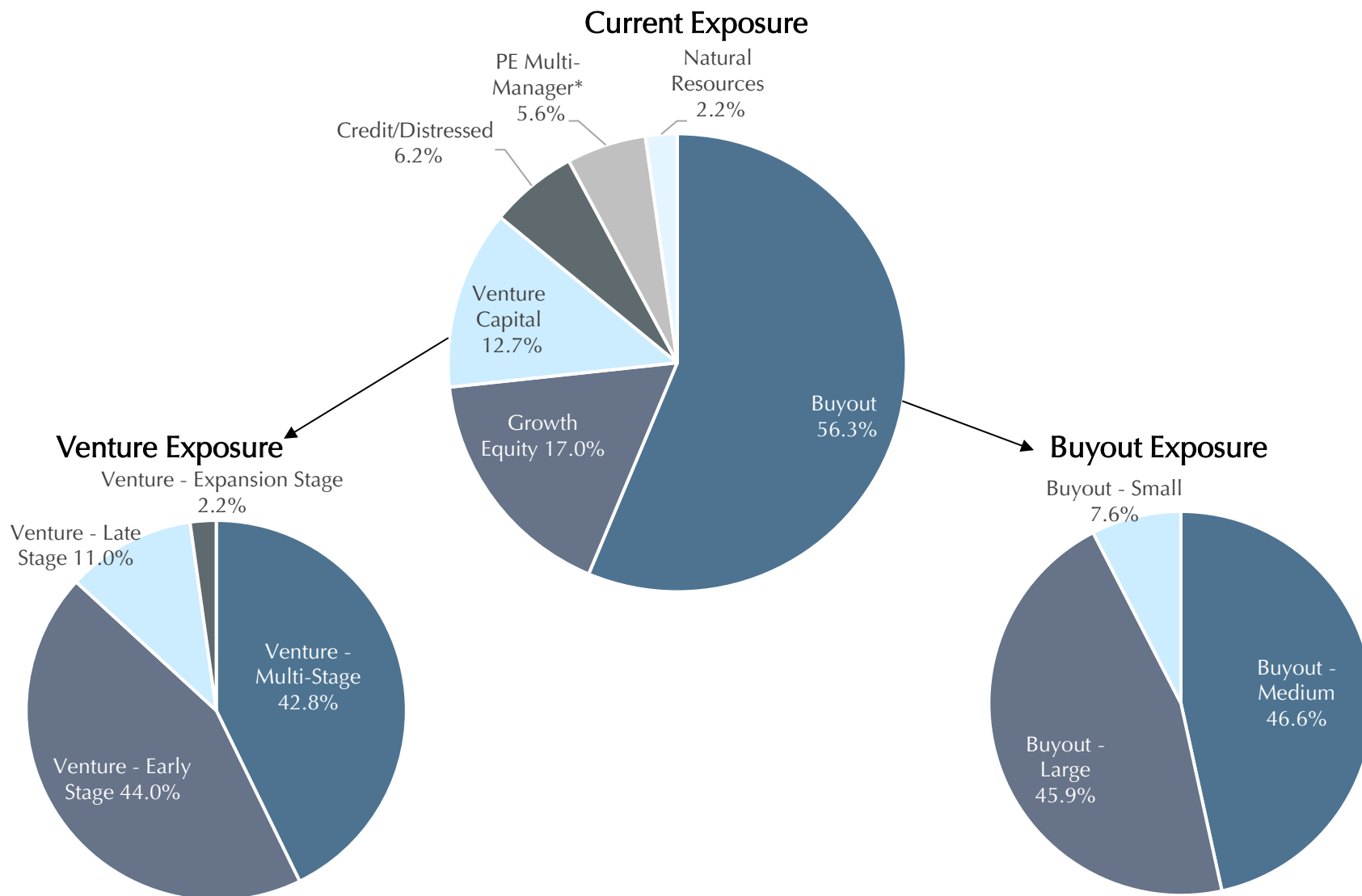


LACERS Private Equity Long-Term Targets

Private Equity Asset and Sub-Asset Classes	LACERS Exposure ¹ (%)	Aksia's Suggested Long-Term Target
Buyouts	56.3%	60% – 80%
Large Buyouts	25.8%	
Medium Buyouts	26.2%	
Small Buyouts	4.3%	
Venture Capital / Growth Equity	29.6%	20% – 40%
Venture Capital	17.0%	
Growth Equity	12.7%	
Credit / Distressed	6.2%	0% - 10%
Natural Resources / PE Multi-Manager*	7.8%	0% – 10%
	100%	
Emerging Managers	9.4%	0% – 10%

¹Exposure = Fair Market Value + Unfunded.*The PE Multi-Manager category includes LACERS' investments in Co-Investment Funds, Secondary Funds and Fund of Funds.
All percentages rounded.

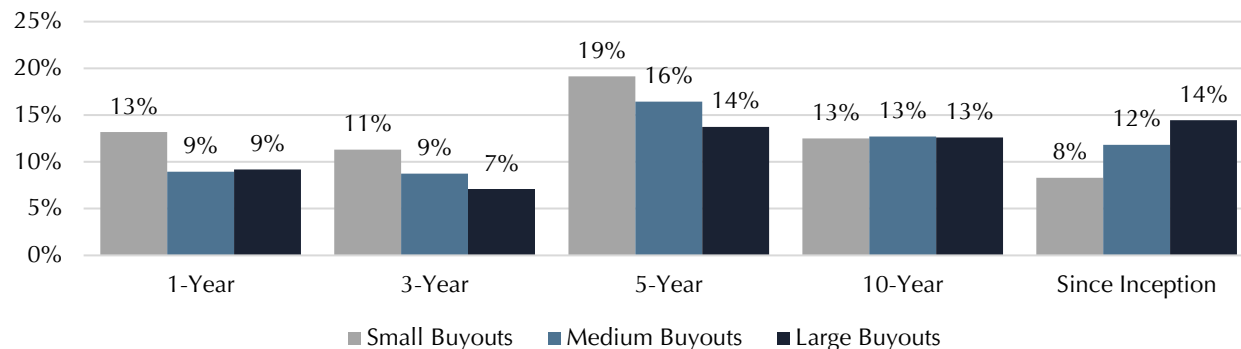
LACERS Exposure by Asset Class



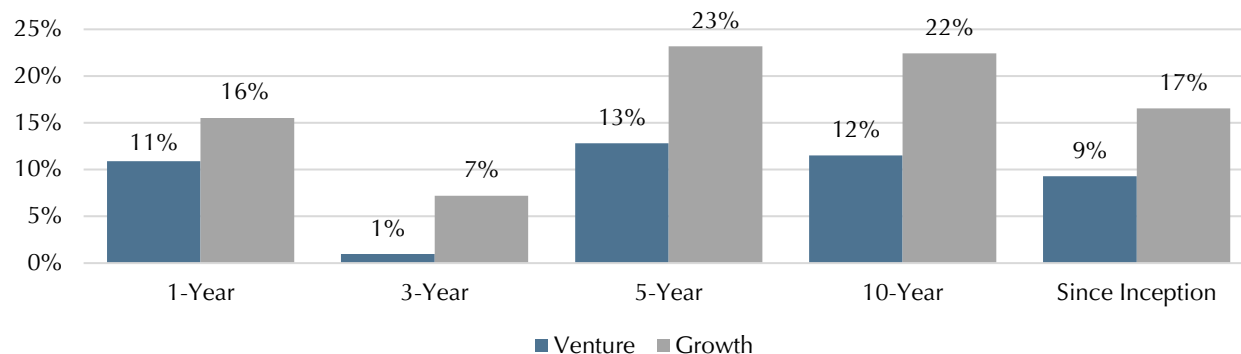
*The PE Multi-Manager category includes LACERS' investments in Co-Investment Funds, Secondary Funds and Fund of Funds.
All percentages rounded to first decimal.

LACERS Horizon Returns by Sub-Strategy

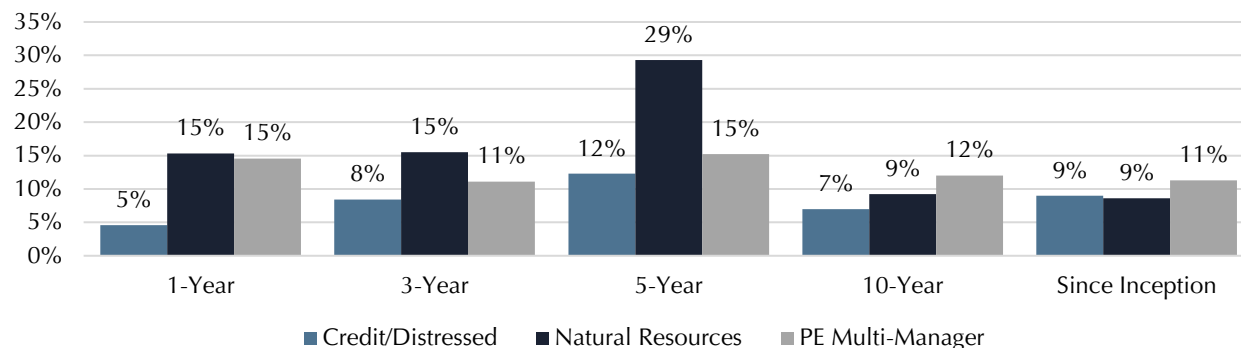
- LACERS' Large Buyout funds underperformed Small and Medium Buyout funds in the short term (3-Year, and 5-Year)



- LACERS' Growth Equity investments have continued to outperform Venture Capital over various time horizons



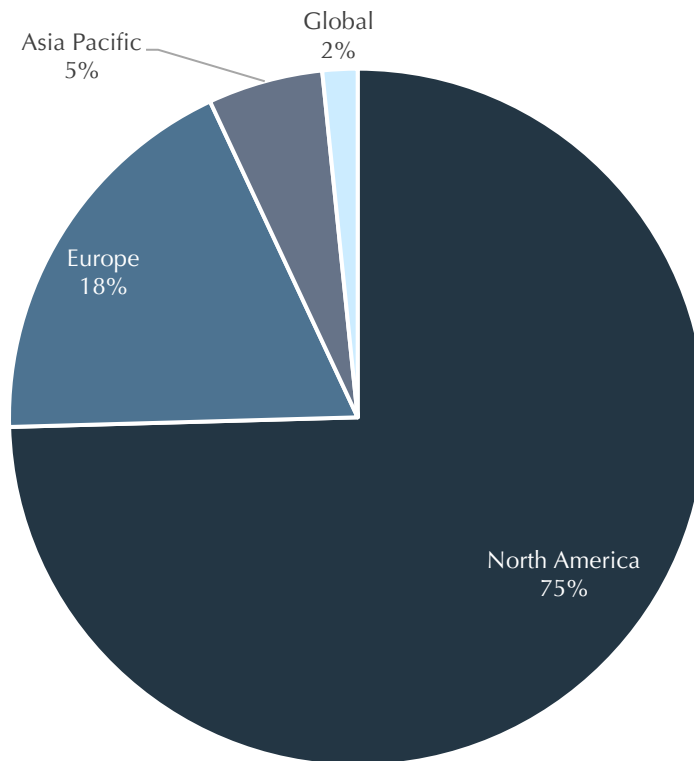
- LACERS' Natural Resources have delivered strong performance in the near term (1-Year, 3-Year and 5-Year)



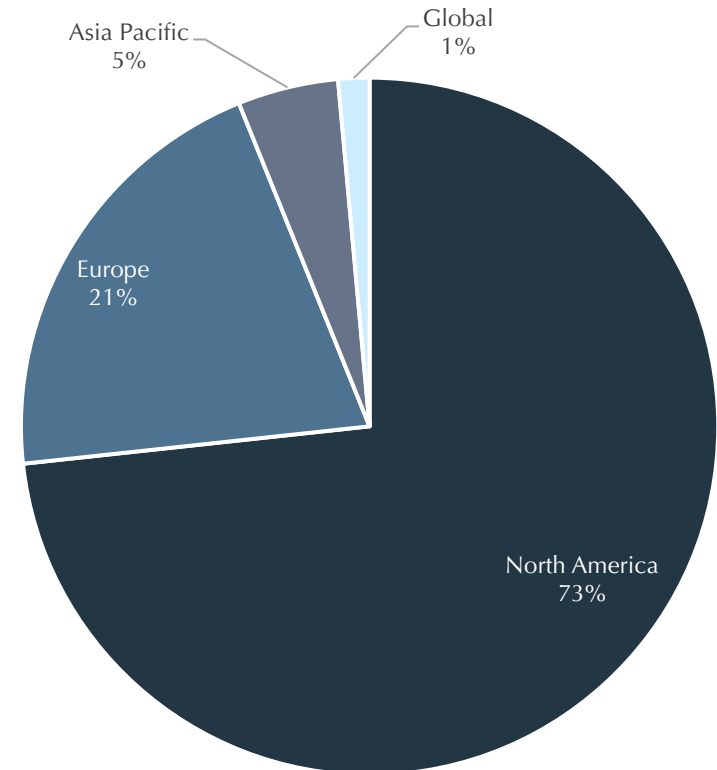
*The PE Multi-Manager category includes LACERS' investments in Co-Investment Funds, Secondary Funds and Fund of Funds.
Reporting Period: As of June 2025

LACERS Commitments and Exposure by Geography

Fund Commitments – By Geography



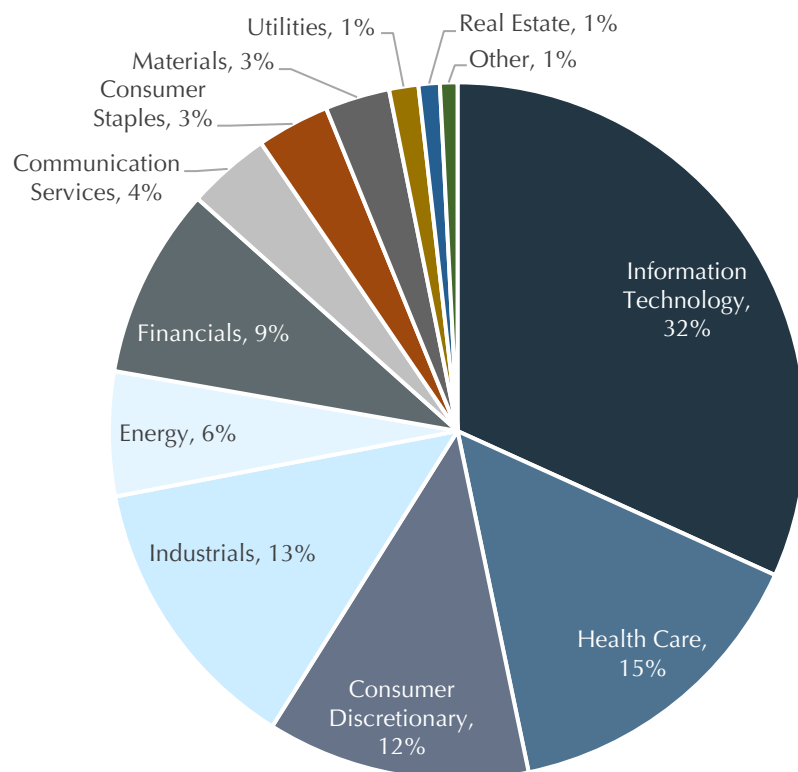
Current Exposure – By Geography



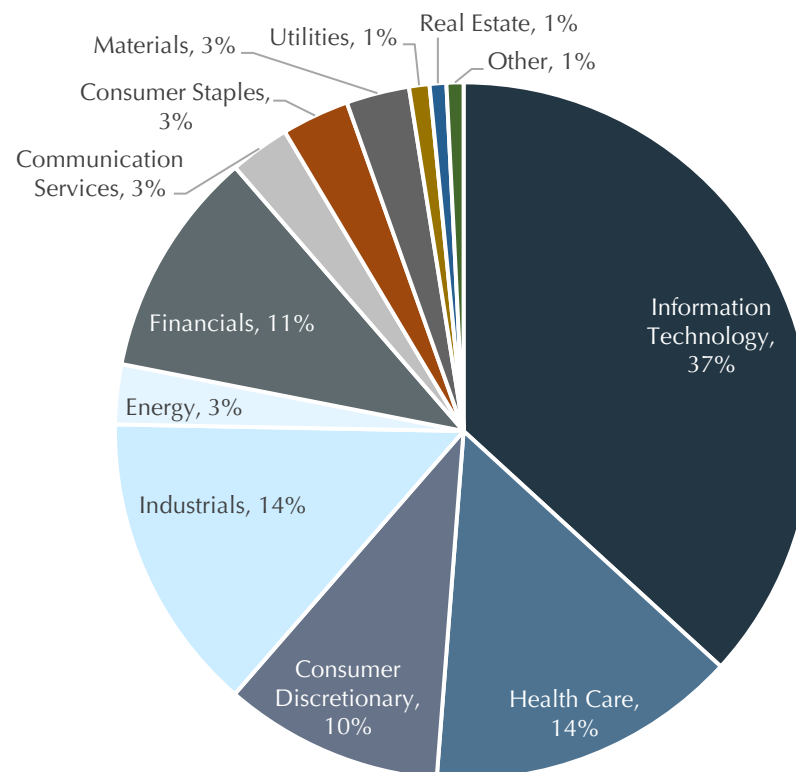
All percentages rounded.
Portfolio company level data as of June 2025

LACERS Commitments and Exposure by Sector

Fund Commitments – By Sector



Current Exposure – By Sector

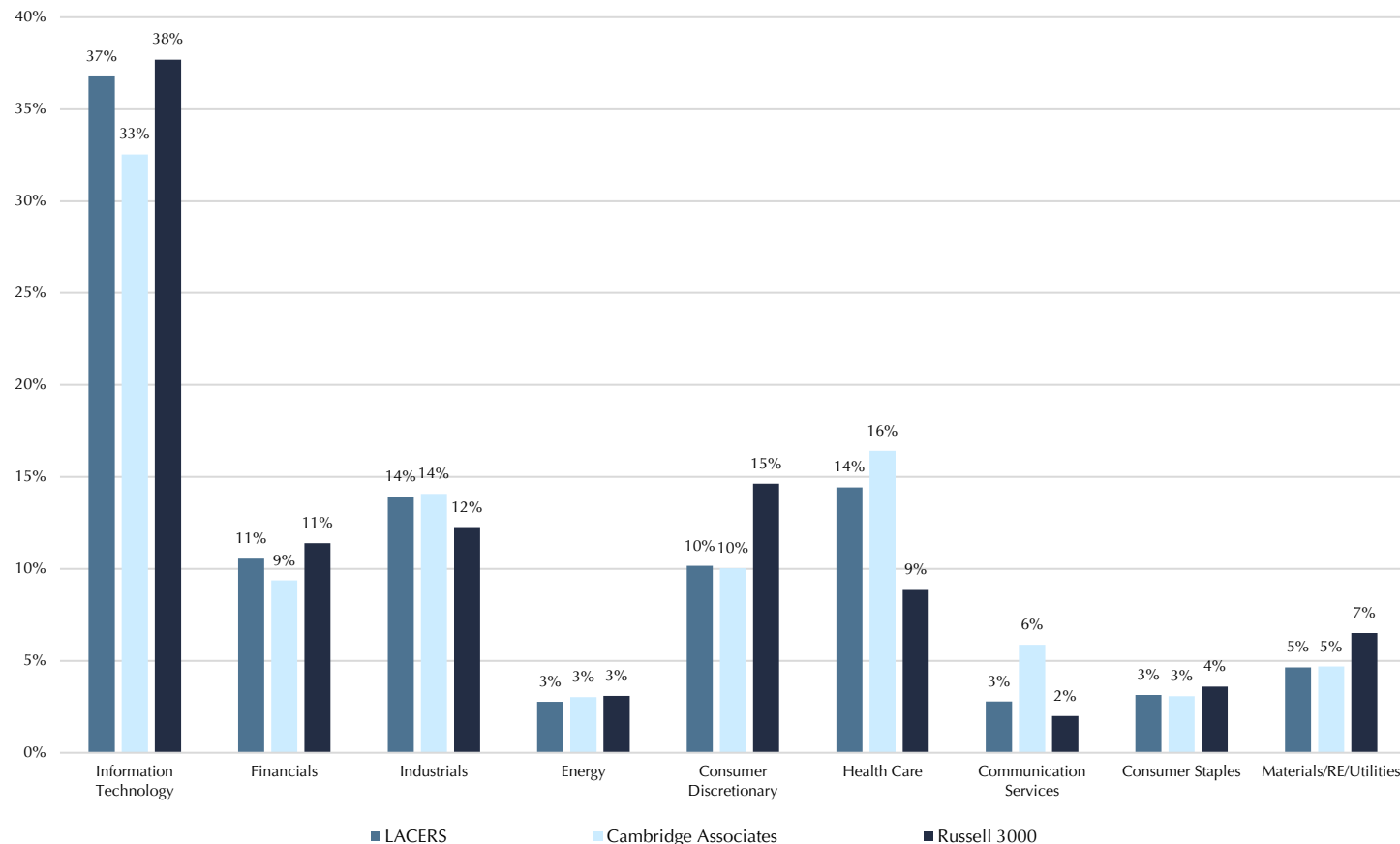


All percentages rounded.
Portfolio company level data as of June 2025

LACERS Exposure by Sector vs. Benchmarks

- While LACERS has been overweight to Information Technology relative to the private benchmark, LACERS' allocation is still lower than the public benchmark in the sector
- LACERS remains diversified across sectors with growing allocations to value oriented areas like Industrials and Financials
- LACERS is equal to the private benchmark in Consumer Discretionary, Energy, Consumer Staples, and Materials/RE/Utilities

LACERS Sector Exposure vs. Benchmarks



Long-Term SWOT Analysis – Strengths & Weaknesses

Strengths

- GP Relationships: Given its reputation as a long-term sophisticated investor, LACERS currently fosters relationships with several high-quality GPs both established and emerging in key sectors with longer term secular growth
- Disciplined Investment Process: LACERS investment process allows for disciplined decision making and consistent deployment regardless of market dislocations
- Flexible Mandate: LACERS has the capacity to strategically invest across a variety of sub-sectors within private equity. This includes value-oriented buyout strategies (e.g. Industrials) and emerging technologies/categories (e.g. AI, healthcare) mostly represented through venture and growth allocations
- Liquidity: LACERS has considerable plan liquidity to sustain the current pace of private equity commitments
- Co-Investment Program: LACERS committed to HarbourVest co-investment program in 2024 which aimed to reduce the overall PE fee structure while investing in private companies directly; the program will wrap-up its initial commitment capital in 2026

Weaknesses

- Extensive Manager Line-up: LACERS has a substantial network of relationships that increases the administrative burden and may lead to portfolio complexity and return compression over time
- Legacy Performance: The legacy portfolio will continue to be a drag on performance, including the Specialized Portfolio, this has become less with each subsequent year
- Size of Plan: While having sizable assets can be beneficial for scaling a program, it can also constrain the Plan's ability to invest in firms with smaller and emerging asset base
- Over-Allocation: Given that the program remains above target due to less portfolio distributions, the plan will be constrained on how much exposure it can truly have in burgeoning technologies/categories

Long-Term SWOT Analysis – Opportunities & Threats

Opportunities

- Portfolio Consolidation: While LACERS has existing relationships with high-quality GP's, there is an opportunity to further upgrade the portfolio with high conviction and traditionally hard to access GPs given slow/stalled fundraises and LACERS increased portfolio size
- Co-Investments: LACERS recent implementation of a co-investment program should enhance exposure to core GPs and mitigate costs. Many of LACERS' GPs provide co-investment opportunities
- Secondary Transactions: A robust secondary market offers LACERS a strategic opportunity to proactively sell or restructure legacy fund interests, freeing up capital for redeployment into newer, higher-conviction strategies
- Emerging Managers: Today's emerging manager may tomorrow's top tier GP. As result, LACERS has and will continue to support emerging managers where applicable from a strategy and overall portfolio construction perspective
- Market Volatility: Maintaining steady private equity commitment pacing during times of market volatility has historically led to some of the strongest vintage year performance for private equity portfolios. Additionally, a slowing market and reduced could provide a good backdrop for buyouts

Threats

- Market Volatility: Extreme market increases and decreases have affected consistent annual commitments needed to meet longer-term target allocations
- Geopolitical Landscape: Changes in regulation, compliance requirements, and tariffs will continue to put pressure on particular companies, sectors, and geographic regions
- Disclosures / Regulations: While the asset management community has become increasingly more comfortable with certain private market transparency requirements, it remains a sensitive issue for many top tier venture capital firms
- Political Concern on US IP in certain markets: Given domestic concern on the use of US intellectual property, including AI, by China and others, there will need to be significant review of managers involved in these type of investments in these regions; China's own technologic ambitions will require adroit political maneuvering by the Trump administration
- Tariffs: Given the Trump administration's use of tariffs in international trade discussions towards the longer-term realignment of trade deficits, the impact on certain sectors will likely require private equity portfolio companies to modify certain operating cost structures that in turn could adversely affect corporate margins
- Expansion of Private Markets to Retail Investors: Government policies are just the beginning of an overall push for retail investors to gain access to private markets. This influx could increase dispersion of performance and increase market volatility given a less sophisticated investor base that doesn't have the necessary portfolio oversight experience

2026 Long-Term Strategic Plan Recommendations

- **Pacing**
 - Pair back pacing slightly while maintaining a relatively consistent longer-term pacing despite market volatility
 - Commitment plan of up to \$550 - \$650 million proposed for 2026
 - Commitments to 8-12 firms with a target size of \$40-\$75 million per commitment, excluding co-investment program
 - 2-3 investments to Emerging Managers representing at least 10% of total annual commitments

- **Broad Portfolio Considerations**
 - Continue consolidating commitments with top performing managers
 - Continue to selectively add exposure internationally – primarily to Europe and Developed Asia
 - Continue to increase exposure to lower middle market buyout funds
 - Continue to manage underlying sector exposures
 - Monitor IT exposure across buyout, growth, and venture
 - Continue to diversify sector exposure, including healthcare and other select cyclical and value-oriented sectors
 - Continue to add exposure to strategies designed to outperform in down, sideways, late cycle markets – i.e. value-oriented managers, turnaround managers, distressed managers that may be less influenced by a higher cost structure environment (i.e. increased tariffs)

2026 Short-Term Tactical Recommendations

- **Lean Into the Strengths**

- Existing GP Relationships: maintain exposure to existing, high conviction managers that are back in market in 2026 where possible; this would include the re-evaluation of the strategic and performance value of these relationships to the overall portfolio
- Brand / Reputation: Leverage LACERS reputation to initiate new relationships of scale with high quality GPs that are in market in 2026 and where the relationship can be scaled over time; Given portfolio value and market volatility, it will be challenging to allocate capital to all key existing relationships while also adding new ones.
- Flexible Mandate: Leverage LACERS ability to invest across sub-asset classes and take advantage of the full spectrum of private equity activities
 - Continue developing a framework as it offers benefit in the short-term
 - Leverage relationships with commingled secondary funds and potential secondary transaction vendors
- Sector Exposures: Continue the implementation of a secondary program and/or secondary fund sales as needed given sector exposures; specifically, monitor IT sector portfolio weights while maintaining appropriate diversification across other sectors (i.e. healthcare, industrials, consumer)

2026 Short-Term Tactical Recommendations

- **Capitalize on Opportunities**
 - Market Volatility and Geopolitical Landscape: Continue to review and potentially invest with value-oriented, turnaround, and distressed investment managers with a global perspective; a market slowdown and some rate cuts will be a benefit for private equity irrespective of increased input costs driven by operating bottlenecks and higher cost of trade (i.e. tariffs)
 - Co-investment Program: Monitor and oversee co-investment program, capitalizing on LACERS deal flow, while evaluating and investing in proposed opportunities from HarbourVest
 - Emerging Managers: Continue targeting high-quality first-time managers / spin-outs / diverse managers; leverage preferred economics if available; this will be less applicable given the portfolio overweight versus target
 - Aggregation Benefits: For managers where overlap exists or could exist between the PE portfolio and PC portfolio, consider ways in which LACERS' scale could be leveraged for broader negotiating benefits where applicable
- **Minimize Weaknesses / Counter Threats**
 - Over-Diversification: Continue to trim relationships and consolidate capital with managers in whom there is greater conviction
 - Legacy Performance: Explore any viable secondary portfolio sales to streamline fund relationships, improve portfolio liquidity, and recycle capital into higher conviction strategies



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO INVESTMENT COMMITTEE

From: Todd Bouey, General Manager

T. Bouey

MEETING: DECEMBER 9, 2025

ITEM: V

SUBJECT: LIMITED TERM RETIREMENT PLAN INVESTMENT OPTION CHANGES AND POSSIBLE COMMITTEE ACTION

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

Recommendation

That the Committee recommend to the Board the investment option changes under the Limited Term Retirement Plan.

Executive Summary

One of the existing investment options under the Limited Term Retirement Plan (LTRP), the Northern Funds - U.S. Treasury Index Fund, closed down and ceased to be investable as of March 31, 2025. Staff researched and evaluated multiple funds to find a suitable replacement. Based upon its findings, staff recommends the selection of the Fidelity Intermediate Treasury Bond Index Fund as the replacement investment option under the LTRP. This fund's characteristics, management, cost, and risk parameters—discussed below—make it a prudent investment option for the LTRP.

Discussion

The Limited Term Retirement Plan, established on July 1, 1997, provides portable retirement benefits for certain elected officials of the City of Los Angeles whose terms are limited by the Charter of the City of Los Angeles (Charter). The Charter mandates that the LTRP is a qualified plan under Section 401(a) of the Internal Revenue Code. As part of the Board's management and administration of the LTRP, the Board invests the assets of the fund according to the direction provided by participants, applicable to the investments allocated to the participants' respective accounts. Participant directives are made according to investment options and procedures determined by the Board.

The LTRP is required by the Internal Revenue Service to meet the investment options requirements for like plans. Such options should provide a suite of strategy funds with various risk/return profiles, sufficient for participants to make selections aligned with their investment goals.

One of the existing investment options under the LTRP, the Northern Funds - U.S. Treasury Index Fund (BTIAX), closed down and ceased to be investable as of March 31, 2025. BTIAX, managed by Northern Trust Asset Management, invested substantially all (and at least 80%) of its net assets in a

representative sample of U.S. Treasury obligations, in weightings that approximated the relative composition of securities included in the Bloomberg U.S. Treasury Index. No LTRP participant was affected by the liquidation of BTIAX.

Among the LTRP investment options, as listed in Table 1 below, BTIAX provided a passive, U.S. Fixed Income investment option. A replacement fund would need to provide similar exposure and closely align with BTIAX's investment characteristics.

Table 1. LTRP Investment Options

Fund Type	Active/Passive	Asset Class	Inception Date
Short Bond Fund	Active	U.S. Fixed Income	1/1/1993
U.S. Treasury Index Fund (<i>Inactive</i>)	Passive	U.S. Fixed Income	1/1/1993
Fixed Income Fund	Active	U.S. Fixed Income	4/1/1994
Global Tactical Asset Allocation Fund	Active	Global Equity and Fixed Income	7/1/1993
Stock Index Fund	Passive	U.S. Equity	10/7/1996
Small Cap Index Fund	Passive	U.S. Equity	9/3/1999
International Equity Index Fund	Passive	International Equity	3/22/2005

Northern Trust, LACERS' custodian bank, which also services the LTRP, recommended a comparable fund to replace the liquidated BTIAX fund in the menu of existing investment options under the LTRP; however, staff found several features to be misaligned with BTIAX. Further research was conducted to find an appropriate replacement that closely aligned with the legacy BTIAX fund's investment goals and characteristics from among other investment products available in the market. As part of the research process, staff evaluated more than 21 replacement options that seemed to have varying degrees of fit with BTIAX including an assessment of suitability according to various parameters such as fund vehicle (must be a mutual fund), management style (must be passively managed), assets under management, manager reputation and infrastructure, management fees (should be below 0.20%), performance track record (no less than 10 years), and fund ratings. The fund options were also filtered to only include U.S. Dollar denominated funds with no minimum investment requirements. The selection process also honed in on characteristics such as investment set and strategy, fund duration, and benchmarks; ensuring that these are similar or comparable to those of the liquidated investment option.

Staff recommends the adoption of the Fidelity Intermediate Treasury Bond Index Fund (FUAMX) as the replacement investment option under the LTRP. FUAMX seeks to track the performance of the Bloomberg US 5-10 Year Treasury Bond Index by following a passively managed, index-sampling approach, aiming to provide current income with high credit quality. FUAMX has closely tracked the performance of its benchmark since its inception in 2005, and at a low cost with an expense ratio of 0.03%. Fact sheets for FUAMX and BTIAX are attached to this report.

Upon approval by the Board, staff shall work with the custodian on the administrative setup of the replacement investment option under the LTRP. Staff will also update documents and communicate the addition of the new investment option to plan participants.

Beyond this current exercise of replacing a legacy investment option as part of the sufficient investment options requirement, staff believes it is worth conducting a comprehensive review of the entire roster of investment options under the LTRP, which was established in 1997 under different investment market conditions and risk/return expectations. Staff also recommends that the Board consider exploring a third-party plan administrator for the LTRP to provide an enhanced, technology-based interface and customer experience with the LTRP participants.

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

TB:RJ:WL:JP

Attachments: 1. BTIAX Fact Sheet
 2. FUAMX Fact Sheet

NORTHERN FUNDS

U.S. TREASURY INDEX FUND

FIXED INCOME

MUTUAL FUND

AS OF 4Q24

Investment Objective

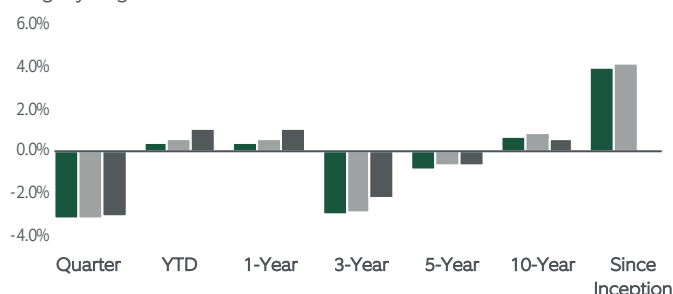
The Fund seeks to provide investment results approximating the performance of the Bloomberg U.S. Treasury Index (the Index).

Investment Approach

The Fund will invest substantially all (and at least 80%) of its net assets in a representative sample of U.S. Treasury obligations, in weightings that approximate the relative composition of securities included in the Bloomberg U.S. Treasury Index.

INVESTMENT PERFORMANCE % — AS OF 12/31/24

- Northern Funds U.S. Treasury Index Fund
- Bloomberg U.S. Treasury Index¹
- Morningstar Category Avg Intermediate Government



Average Annual Returns

	Quarter	YTD	1-Year	3-Year	5-Year	10-Year	Since Inception
Fund	-3.20	0.40	0.40	-3.03	-0.83	0.66	3.94
Benchmark ¹	-3.14	0.58	0.58	-2.88	-0.68	0.83	4.13
Morningstar	-3.10	1.04	1.04	-2.26	-0.66	0.61	—

Performance quoted represents past performance and does not guarantee future results.

Investment return and principal value will fluctuate so that shares, when redeemed, may be worth more or less than their original cost. Current performance may be lower or higher than that shown here. Performance data current to the most recent month end is available by calling 800-595-9111.

In the absence of applicable expense reimbursements and fee waivers, fund performance and returns since inception and dividends would have been reduced. Total return is based on net change in NAV assuming reinvestment of distributions.

*The 30-day SEC yield w/waivers represents the annualization of the Fund's net investment income, excluding capital gain income and includes contractual expense reimbursements. It would be lower without those reimbursements. Negative 30-Day SEC Yield results when accrued expenses of the past 30 days exceed the income collected during the past 30 days. The 30-day SEC yield w/o waivers represents the annualization of the Fund's net investment income, excluding capital gain income and excludes contractual expense reimbursements, resulting in a lower yield. Negative 30-Day SEC Yield results when accrued expenses of the past 30 days exceed the income collected during the past 30 days.

Please see following pages for calendar year returns, index definitions and investment terms.

FUND

OVERVIEW

Benchmark/Index	Fund Bloomberg U.S. Treasury Index ¹
Morningstar Category	Intermediate Government
Inception Date	1/11/93
Total Net Assets	\$67.7 Million
Symbol/CUSIP	BTIAX
Dividend Schedule	Monthly
Expense Ratio - Gross (%)	0.27
Expense Ratio - Net (%)	0.16

The Gross and Net Expense Ratios are as of the most recent prospectus. The Net Expense Ratio includes contractual expense reimbursements by the advisor through at least July 31, 2025. Please read the current prospectus for more complete information on fees and expenses.

FUND

CHARACTERISTICS

	Fund
Number of Holdings	287
30-Day SEC Yield w/ Waivers (%)*	4.27
30-Day SEC Yield w/o Waivers (%)*	4.16
Effective Duration	5.79 Years
Average Maturity	7.62 Years

NOT FDIC INSURED

MAY LOSE VALUE

NO BANK GUARANTEE

U.S. TREASURY INDEX FUND

CALENDAR YEAR RETURNS %

U.S. Treasury Index Fund

Benchmark¹

Morningstar Intermediate Government

2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
0.40	3.90	-12.58	-2.42	7.81	6.67	0.68	2.13	0.85	0.68
0.58	4.05	-12.46	-2.32	8.00	6.86	0.86	2.31	1.04	0.84
1.04	4.42	-11.27	-1.88	5.65	5.88	0.51	1.58	0.89	0.49

Performance quoted represents past performance and does not guarantee future results.

MATURITY DISTRIBUTION %

Maturity Range	Fund	Fund
0-1 Year	0.2	7-10 Years 10.0
1-2 Years	19.8	10-15 Years 0.6
2-3 Years	14.1	15-20 Years 8.0
3-5 Years	23.1	20-25 Years 3.7
5-7 Years	13.2	25-30 Years 7.4

PORTFOLIO MANAGEMENT

Refer to Northern Trust's website for more information on the Portfolio Management Team managing this fund.

DISCLOSURE

All data is as of date indicated and subject to change.

¹Bloomberg U.S. Treasury Index is an unmanaged index of prices of U.S. Treasury bonds with maturities of one to 30 years. It is not possible to invest directly in an index.

QUALITY DISTRIBUTION %

Quality Rating	Fund	Benchmark ¹
AA	99.8	100.0
Cash & Cash Equivalents	0.2	0.0

SECTOR WEIGHTINGS %

Economic Sector	Fund	Benchmark ¹
Treasury	99.8	100.0
Cash	0.2	0.0



U.S. TREASURY INDEX FUND

DEFINITIONS AND RISKS

Characteristics: Benchmark and Fund analytics have been calculated using a third party vended model. All material has been obtained from sources believed to be reliable, but the accuracy, completeness and interpretation cannot be guaranteed. Information contained herein is current as of the date appearing in this material only and is subject to change without notice. Certain benchmark calculations may not match the published benchmark characteristics.

Distribution Calculations: All distribution calculations (Maturity Distribution, Sector Weightings and Quality Distribution) are measured on a trade date basis and are adjusted for uninvested cash from the market value used to compute the percentage calculations.

Effective Duration: Effective Duration measures percent change in price for 100 basis point parallel shift.

Quality Distribution: Credit quality ratings are based on Moody's, Standard & Poor's and Fitch ratings. If ratings from all three rating agencies disagree, the security is assigned the middle rating. If two of the three agree, the security is assigned the rating from those two. If two of these rating agencies have assigned different ratings, the security is assigned the lower rating from those two. If none of these three rating agencies have assigned a rating, the security is assigned a rating of not rated. The ratings, expressed in Standard & Poor's nomenclature, range from AAA (extremely strong capacity to meet its financial commitment) to D (in default). Short-term ratings, when applicable, are expressed in Standard & Poor's nomenclature, range from A-1 (obligors capacity to meet its financial commitment on the obligation is strong) to A-3 (exhibits adequate protection parameters). The ratings represent the rating agencies opinions of the quality of the securities they rate. Ratings are relative and subjective and are not absolute standards of quality.

Bond Risk: Bond funds will tend to experience smaller fluctuations in value than stock funds. However, investors in any bond fund should anticipate fluctuations in price, especially for longer-term issues and in environments of rising interest rates.

Index Fund Risk: The risk that that the Fund would not necessarily buy or sell a security unless that security is added or removed, respectively, from the Index, even if that security generally is underperforming, because unlike many investment companies, the Fund does not utilize an investing strategy that seeks returns in excess of the Index. Additionally, the Fund rebalances its portfolio in accordance with the Index, and, therefore, any changes to the Index's rebalance schedule will result in corresponding changes to the Fund's rebalance schedule.

Tracking Risk: The risk that the Fund's performance may vary from the performance of the index it tracks as a result of share purchases and redemptions, transaction costs, expenses and other factors. Market disruptions, regulatory restrictions or other abnormal market conditions could have an adverse effect on the Fund's ability to adjust its exposure to required levels in order to track its Index or cause delays in the Index's rebalancing schedule. During any such delay, it is possible that the Index, and, in turn, the Fund will deviate from the Index's stated methodology and therefore experience returns different than those that would have been achieved under a normal rebalancing schedule.

U.S. Government Guarantee: U.S. government guarantees apply only to the underlying securities of a Fund's portfolio and not the Fund's shares.



Please carefully read the prospectus and summary prospectus and consider the investment objectives, risks, charges and expenses of Northern Funds carefully before investing. Call 800-595-9111 to obtain a prospectus and summary prospectus, which contain this and other information about the funds.

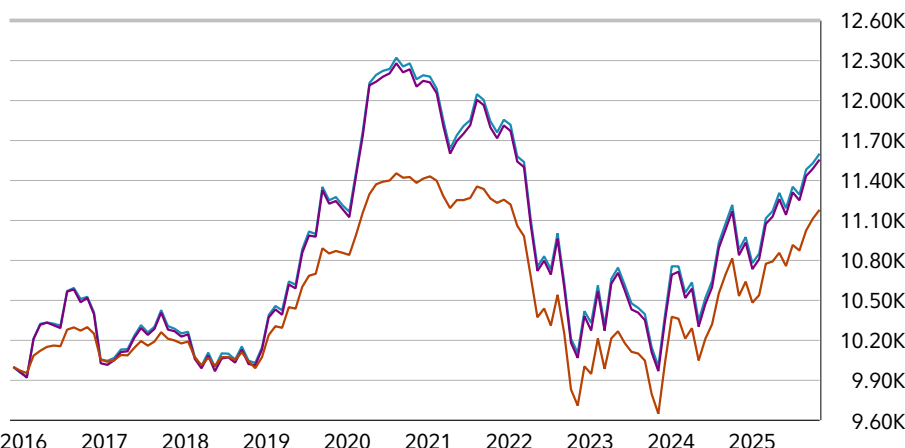
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Fidelity® Intermediate Treasury Bond Index Fund (FUAMX)

NTF No Transaction Fee²IC Meeting: 12/9/25
ITEM V
Attachment 2

Hypothetical Growth of \$10,000^{4,5}

AS OF 10/31/2025 ; Intermediate Government

● FUAMX : \$11,557 ● Bloomberg US 5-10 Year Treasury Bond Index : \$11,601
Intermediate Government : \$11,180

The performance data featured represents past performance, which is no guarantee of future results. Investment return and principal value of an investment will fluctuate; therefore, you may have a gain or loss when you sell your shares. Current performance may be higher or lower than the performance data quoted.

Performance^{3,4,6,10}

AS OF 10/31/2025

Monthly	YTD (Monthly)	Average Annual Total Returns				
		1 Yr	3 Yrs	5 Yrs	10 Yrs	Life
Fidelity® Intermediate Treasury Bond Index Fund	7.66%	6.63%	4.70%	-0.92%	1.46%	3.34%
BBg 5-10 TSY	7.62%	6.63%	4.70%	-0.94%	1.50%	3.42%
Intermediate Government	6.33%	5.71%	4.45%	-0.67%	1.16%	--
Rank in Morningstar Category		4%	38%	62%	30%	--
# of Funds in Morningstar Category		109	101	97	78	--

Quarter-End (AS OF 09/30/2025)

Fidelity® Intermediate Treasury Bond Index Fund	2.86%	4.11%	-1.25%	1.34%	3.32%
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Calendar Year Returns^{3,4,6,10}

AS OF 10/31/2025

	2021	2022	2023	2024	2025
Fidelity® Intermediate Treasury Bond Index Fund	-3.00%	-12.73%	4.06%	0.40%	7.66%
BBg 5-10 TSY	-2.97%	-12.58%	4.11%	0.22%	7.62%
Intermediate Government	-1.88%	-11.27%	4.42%	1.04%	6.33%

Morningstar® Snapshot*¹¹

AS OF 10/31/2025

Morningstar Category Intermediate Government

Risk of this Category



Overall Rating



Returns



Expenses



*Data provided by Morningstar

Details

Morningstar Category Intermediate Government

Fund Inception 12/20/2005

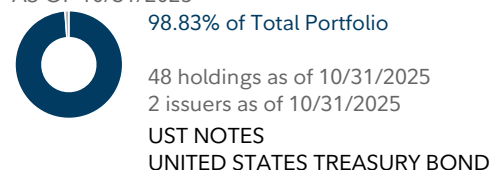
NAV \$9.90
11/18/2025Exp Ratio (Gross) 0.03%
04/29/2025Exp Ratio (Net) 0.03%
04/29/2025

Minimum to Invest \$0.00

Turnover Rate 45.00%
08/31/2025Portfolio Net Assets (\$M) \$7,414.82
10/31/2025

Top 5 Issuers⁷

AS OF 10/31/2025



Fund Manager(s)

Co-Manager : Brandon C Bettencourt (since 05/19/2014)
Co-Manager : Mark Lande (since 10/01/2024)
Co-Manager : Van Eswara (since 10/01/2025)

Portfolio Data

30-Day Yield^a 3.85%
10/31/2025Yield To Worst 3.90%
10/31/2025

Portfolio Diversification^{1,7}

AS OF 10/31/2025

U.S. Treasury	98.83%
U.S. Agency	0.00%
Other Government Related (U.S. & Non-U.S.)	0.00%
Corporate	0.00%
MBS Pass-Through	0.00%
ABS	0.00%
CMBS	0.00%
CMOs	0.00%
Cash	0.46%
Net Other Assets	0.71%

Additional Diversification

AS OF 10/31/2025

Futures, Options, and Swaps	0.00%
FX Forwards	--

Regional Diversification⁷

AS OF 10/31/2025

	Portfolio Weight
U.S.	98.83%
Foreign	1.17%

Fund Overview

Objective

Seeks a high level of current income.

Strategy

Normally investing at least 80% of assets in securities included in the Bloomberg 5-10 Year U.S. Treasury Bond Index. Normally maintaining a dollar-weighted average maturity of five to 10 years. Engaging in transactions that have a leveraging effect on the fund.

Risk

Bond funds contain interest rate risk (as interest rates rise bond prices usually fall); the risk of issuer default; and inflation risk. Leverage can increase market exposure and magnify investment risk.

Additional Disclosures

This description is only intended to provide a brief overview of the mutual fund. Read the fund's prospectus for more detailed information about the fund.

The Bloomberg U.S. Treasury 5-10 Year Index is a market value-weighted index of investment-grade fixed-rate public obligations of the U.S. Treasury with maturities between five and ten years.

Weighted average maturity (WAM) is the weighted average of all the maturities of the securities held in a fund. WAM for money market funds can be used as a measure of sensitivity to interest

Weighted Average Coupon	3.48%
10/31/2025	

Weighted Average Market Price	IC Meeting: 12/9/25 ITEM V Attachment 2
10/31/2025	

Duration	6.03 Years
10/31/2025	

Convexity	43.87 years-squared
10/31/2025	

Weighted Avg Maturity	7.00 Years
10/31/2025	

Volatility Measures

Beta	1.00
10/31/2025	

R ²	1.00
10/31/2025	

Sharpe Ratio	-0.05
10/31/2025	

Standard Deviation	6.52
10/31/2025	

Morningstar Ratings

AS OF 10/31/2025

Morningstar Category: Intermediate Government

Overall	★★★★★ Out of 101 funds
---------	---------------------------

3 Yrs	★★★★★ Out of 101 funds
-------	---------------------------

5 Yrs	★★★★★ Out of 97 funds
-------	--------------------------

10 Yrs	★★★★★ Out of 78 funds
--------	--------------------------

The Morningstar Rating™ for funds, or "star rating", is calculated for funds with at least a three-year history. (Exchange-traded funds and open-end mutual funds are considered a single population for comparative purposes.) It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a fund's monthly excess performance (excluding the effect of sales charges, if any), placing more emphasis on downward variations and rewarding consistent performance. The top 10% of funds in each fund category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star.

Past performance is no guarantee of future results.

Fund Overview (continued)

Additional Disclosures (continued)

rate changes. Generally, the longer the maturity, the greater the sensitivity. WAM for money market funds is based on the dollar-weighted average length of time until principal payments must be paid, taking into account any call options exercised by the issuer and any permissible maturity shortening devices, such as demand features and interest rate resets. For bond funds, WAM can be used as a measure of sensitivity to the markets. Generally, the longer the maturity, the greater the sensitivity. The WAM calculation for bond funds excludes interest rate resets and only takes into account issuer call options if it is probable that the issuer of the instrument will take advantage of such options.

Returns prior to October 4, 2017 are those of the Premium Class and reflect the Premium Class' expense ratio. Had the Institutional Premium Class' expense ratio been reflected, total returns would have been higher.

Credit Quality^{7,9}

AS OF 10/31/2025

		Portfolio Weight
U.S. Government		8.83%
AAA		0.00%
AA		0.00%
A		0.00%
BBB		0.00%
BB		0.00%
B		0.00%
CCC & Below		0.00%
Short-Term Rated		0.00%
Not Rated/Not Available		0.00%
Cash & Net Other Assets		1.17%

IC Meeting: 12/9/25
Attachment 2

Glossary Of Terms

30-Day Yield: A standard yield calculation developed by the Securities and Exchange Commission for bond funds. The yield is calculated by dividing the net investment income per share earned during the 30-day period by the maximum offering price per share on the last day of the period. The yield figure reflects the dividends and interest earned during the 30-day period, after the deduction of the fund's expenses and includes any applicable waiver or reimbursement. Absent such waivers or reimbursements, the returns would have been lower. It is sometimes referred to as "SEC 30-Day Yield" or "standardized yield."

Beta: A measure of a portfolio's sensitivity to market movements (as represented by a benchmark index). The benchmark index has a beta of 1.0. A beta of more (less) than 1.0 indicates that a fund's historical returns have fluctuated more (less) than the benchmark index. Beta is a more reliable measure of volatility when used in combination with a high R^2 which indicates a high correlation between the movements in a fund's returns and movements in a benchmark index.

Bloomberg US 5-10 Year Treasury Bond Index: Bloomberg U.S. 5-10 Year Treasury Bond Index is a market value-weighted index of investment-grade fixed-rate public obligations of the U.S. Treasury with maturities between five and ten years.

Convexity: A measure of the sensitivity of a security's duration to interest rate changes. Convexity is used to manage the amount of market risk to which a bond portfolio is exposed.

Duration: Duration is a measure of a security's price sensitivity to changes in interest rates. Duration differs from maturity in that it considers a security's interest payments in addition to the amount of time until the security reaches maturity, and also takes into account certain maturity shortening features (e.g., demand features, interest rate resets, and call options) when applicable. Securities with longer durations generally tend to be more sensitive to interest rate changes than securities with shorter durations. A fund with a longer average duration generally can be expected to be more sensitive to interest rate changes than a fund with a shorter average duration.

Expense Ratio (Gross): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the gross expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus (before waivers or reimbursements). This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

Expense Ratio (Net): Expense ratio is a measure of what it costs to operate an investment, expressed as a percentage of its assets, as a dollar amount, or in basis points. These are costs the investor pays through a reduction in the investment's rate of return. For a mutual fund, the net expense ratio is the total annual fund or class operating expenses directly paid by the fund from the fund's most recent prospectus, after any fee waiver and/or expense reimbursements that will reduce any fund operating expenses. This ratio also includes Acquired Fund Fees and Expenses, which are expenses indirectly incurred by a fund through its ownership of shares in other investment companies. This number does not include any fee waiver arrangement or expense reimbursement that may be terminated without agreement of the fund's board of trustees during the one-year period. If the investment option is not a mutual fund, the expense ratio may be calculated using methodologies that differ from those used for mutual funds.

Futures, Options, and Swaps: Financial instruments sometimes used by mutual funds for a number of different purposes, including hedging certain types of risk, make speculative investments on the movement of the value of an underlying asset, to obtain exposure to an area that it is not possible to invest in directly, or create optionability where the value of the derivative is linked to a specific condition or event.

Intermediate Government: Intermediate-government portfolios have at least 90% of their bond holdings in bonds backed by the U.S. government or by government-linked agencies. This backing minimizes the credit risk of these portfolios, as the U.S. government is unlikely to default on its debt. These portfolios have durations typically between 3.5 and 6.0 years. Consequently, the group's performance and its level of volatility tends to fall between that of the short government and long government bond categories. Morningstar calculates monthly breakpoints using the effective duration of the Morningstar Core Bond Index in determining duration assignment. Intermediate is defined as 75% to 125% of the three-year average effective duration of the MCB. I.

Net Asset Value (NAV): The dollar value of one mutual fund's share, excluding any sales charges or redemption fees. The NAV is calculated by subtracting liabilities from the value of a fund's total assets and dividing it by the number of fund's shares outstanding.

Portfolio Net Assets (\$M): The difference between a portfolio's total assets and liabilities, including all share classes of the fund.

R^2 : A measurement of how closely the portfolio's performance correlates with the performance of the fund's primary benchmark index or equivalent. R^2 is a proportion which ranges between 0.00 and 1.00. An R^2 of 1.00 indicates perfect correlation to the benchmark index, that is, all of the portfolio's fluctuations are explained by performance fluctuations of the index, while an R^2 of 0.00 indicates no correlation. Therefore, the lower the R^2 , the more the fund's performance is affected by factors other than the market as measured by that benchmark index. An R^2 value of less than 0.5 indicates that the Annualized Alpha and Beta are not reliable performance statistics.

Share Class Inception: The date on which the share class was formed.

Sharpe Ratio: The Sharpe ratio is a measure of historical risk-adjusted performance. It is calculated by dividing the fund's excess returns (the fund's average annual return for the period minus the 3-month "risk free" return rate) and dividing it by the standard deviation of the fund's returns. The higher the ratio, the better the fund's return per unit of risk. The three month "risk free" rate used is the 90-day Treasury Bill rate.

Standard Deviation: Statistical measure of how much a return varies over an extended period of time. The more variable the returns, the larger the standard deviation. Investors may examine historical standard deviation in conjunction with historical returns to decide whether an investment's volatility would have been acceptable given the returns it would have produced. A higher standard deviation indicates a wider dispersion of past returns and thus greater historical volatility. Standard deviation does not indicate how an investment actually performed, but it does indicate the volatility of its returns over time. Standard deviation is annualized. The returns used for this calculation are not load-adjusted.

Turnover Rate: The lesser of amounts of purchases or sales of long-term portfolio securities divided by the monthly average value of long-term securities owned by the fund.

Weighted Average Coupon: Coupon of each bond weighted by its relative size (excluding derivatives). Weighted average coupon indicates the fund's interest rate to be received on an annualized basis.

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Glossary Of Terms(continued)

Weighted Average Market Price: Market price of each bond weighted by its relative size (excluding derivatives). Weighted average market price indicates whether the fund's bonds are trading at a premium or discount.

Weighted Average Maturity (WAM): This is a weighted average of all the maturities of the securities held in a fund. WAM can be used as a measure of sensitivity to interest rate changes and markets changes. Generally, the longer the maturity, the greater the sensitivity to such changes. WAM is based on the dollar-weighted average length of time until principal payments must be paid. Depending on the types of securities held in a fund, certain maturity shortening devices (e.g., demand features, interest rate resets, and call options) may be taken into account when calculating the WAM.

Yield to Worst: The expected lowest potential rate of return for a bond taking into account maturity shortening features such as call options. Yield to worst is used to evaluate potential worst-case scenarios for yield to help investors manage risks and ensure specific income requirements are met.

Important Information

1. Net Other Assets can include fund receivables, fund payables, and offsets to other derivative positions, as well as certain assets that do not fall into any of the Portfolio Composition categories. Depending on the extent to which the fund invests in derivatives and the number of positions that are held for future settlement, Net Other Assets can be a negative number.
 3. Long-term fund performance returns (e.g. 1 Yr, 3 Yrs, 5 Yrs, 10 Yrs) may not be available due to the fund inception date.
 4. The Morningstar Category Average is the average return for the peer group based on the returns of each individual fund within the group, for the period shown. This average assumes reinvestment of dividends.
 5. This chart illustrates the performance of a hypothetical \$10,000 investment made in this investment product (and a benchmark or category average, if shown) from the beginning date shown or on the inception date of the product (whichever is later). The inception date used for products with underlying funds, or multiple shares classes, or are offered as a separate account, strategy or sub account, may be the inception date of the underlying fund, the earliest share class of the product, or the date composite performance for the product was first made available. The product's returns may not reflect all its expenses. Any fees not reflected would lower the returns. Benchmark returns include reinvestment of capital gains and dividends, if any, but do not reflect any fees or expenses. It is not possible to invest in an index. Past performance is no guarantee of future results. This chart is not intended to imply any future performance of the investment product.
 6. Percent Rank in Category is the fund's total-return percentile rank relative to all funds that have the same Morningstar Category. The highest (or most favorable) percentile rank is 1 and the lowest (or least favorable) percentile rank is 100. The top-performing fund in a category will always receive a rank of 1.
 7. Any holdings, asset allocation, diversification breakdowns or other composition data shown are as of the date indicated and are subject to change at any time. They may not be representative of the fund's current or future investments. The Top Ten Holdings and Top 5 Issuers do not include money market instruments or futures contracts, if any. Depository receipts are normally combined with the underlying security. Some breakdowns may be intentionally limited to a particular asset class or other subset of the fund's entire portfolio, particularly in multi-asset class funds where the attributes of the equity and fixed income portions are different.
- Under the asset allocation section, international (or foreign) assets may be reported differently depending on how an investment option reports its holdings. Some do not report international (or foreign) holdings here, but instead report them in a "Regional Diversification" section. Some report them in this section in addition to the equity, bond and other allocation shown. Others report international (or foreign) holding as a subset of the equity and bond allocations shown. If the allocation without the foreign component equals (or rounds to) 100%, then international (or foreign) is a subset of the equity and bond percentage shown.
- Any remaining country allocations comprising less than one percent of the portfolio are combined in the OTHER category.
9. Credit ratings for a rated issuer or security are categorized using the highest credit rating among the following three Nationally Recognized Statistical Rating Organizations ("NRSRO"): Moody's Investors Service (Moody's); Standard & Poor's Rating Services (S&P); or Fitch, Inc. Securities that are not rated by any of these three NRSRO's (e.g. equity securities, if held) are categorized as Not Rated. All U.S. government securities are included in the U.S. Government category. The table information is based on the combined investments of the fund and its pro rata share of any investments in other Fidelity funds.
 10. Total returns are historical and may include change in share value and reinvestment of dividends and capital gains, if any. Cumulative total returns are reported as of the period indicated. Life of fund figures are reported as of the commencement date to the period indicated and are cumulative if the fund is less than one year old. Total returns do not reflect the fund's [%] sales charge. If sales charges were included, total returns would have been lower.

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Important Information (continued)

11. Risk of this Category: Morningstar calculates these risk levels by looking at the Morningstar Risk of the funds in the Category over the previous 5-year period. Morningstar Risk is the difference between the Morningstar Return, based on fund total returns, and the Morningstar Risk Adjusted Return, based on fund total returns adjusted for performance volatility. The Category Risk Level is based on the equal weighted average Morningstar Risk of the funds in the category. Morningstar's Research Committee evaluates the Category Morningstar Risk and assigns the Category Risk Level after further qualitative judgment.

Overall Rating: The Overall Morningstar Rating™ for a fund is derived from a weighted average of the performance figures associated with its 3-, 5-, and 10-year (if applicable) Morningstar Rating metrics, which are based on risk-adjusted returns, as of the date stated.

Returns: This rating is based on a fund's Morningstar Return (its annualized return in excess to the return of the 90-day U.S. Treasury bill over a three-, five-, or ten-year period). The Morningstar Returns in each category are then scored against each other on a bell curve. In each Morningstar Category:

- top 10% - High
- next 22.5% - Above Average
- middle 35% - Average
- next 22.5% - Below Average
- bottom 10% - Low

Expenses: This Morningstar data point compares the fund's net expense ratio to the net expense ratio of all the other funds within its Morningstar Category grouping.

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LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO INVESTMENT COMMITTEE

From: Todd Bouey, General Manager

Bouey

MEETING: DECEMBER 09, 2025

ITEM: VI

SUBJECT: BROKERAGE ACTIVITY REPORT FOR THE PERIOD JULY 1, 2024 TO JUNE 30, 2025

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

Recommendation

That the Committee receive and file this report.

Discussion

The LACERS Investment Policy, Section 1.V.C, states:

Brokerage Policy

The Board directs all investment managers trading public securities to utilize brokers who shall fulfill brokerage transactions for System assets in accordance with best execution. Subsequently, all LACERS public equity managers are to utilize commission recapture brokers on a best-efforts basis. Commission recapture is a program designed to reduce fund expenses and increase cash flow by returning a portion of the commissions that external investment managers pay to brokers. Staff will provide the Board with an annual report summarizing commission and recapture activity for the fiscal year. The report will be presented within four months following the end of the fiscal year.

LACERS' investment managers are directed by policy and contract to use brokerage services that reduce trading costs and paid commissions that impact net performance. Commission recapture brokers are utilized to the extent that such brokers' costs are equal or less than the net cost of non-recapture brokers. Pursuant to policy, LACERS' brokerage commissions paid and amounts recaptured for the period July 1, 2024 to June 30, 2025, are presented in Attachment 1 to this report.

Prepared By: Wendy E. Norman, Investment Officer I, Investment Division.

TB:RJ:WL:RM:WN

Attachment: 1. LACERS' Commissions Paid and Recaptured, July 1, 2024, to June 30, 2025

LACERS' COMMISSIONS PAID AND RECAPTURED
July 1, 2024 to June 30, 2025

Asset Class/Manager	Strategy	Total Commissions Paid (\$)	Recaptured Commissions (\$)
Domestic Equities			
Copeland Capital Management, LLC	Small Cap Growth	80,251.28	
Granahan Investment Management, Inc.	Small Cap Growth	147,115.27	
Informed Momentum, LLC	Small Cap Growth	247,711.93	
Principal Global Investors, LLC	Mid Cap Core	40,482.33	
RhumbLine Advisers Limited Partnership	S&P 500 Index	34,217.02	
	Russell 2000 Index	53,026.43	
	Russell 2000 Value Index	8,668.56	
Segall, Bryant, & Hamill, LLC	Small Cap Value	90,775.31	9,619.24
Sub-total		\$702,248.13	\$9,619.24
Non-U.S Equities			
Axiom Investors, LLC	Emerging Markets Growth	563,462.71	8,042.23
Barrow, Hanley, Mewhinney & Strauss, LLC	Developed Markets Value	465,552.91	
Dimensional Fund Advisors LP	Emerging Markets Value	101,028.52	
Lazard Asset Management LLC	Developed Markets Core	607,521.79	
MFS Institutional Advisors, Inc.	Developed Markets Growth	89,279.45	
Oberweis Asset Management, Inc.	Small Cap Core	948,092.10	
State Street Global Advisors Trust Company	MSCI World ex-U.S. Index	120,940.12	
Wasatch Advisors, Inc.	Emerging Markets Small Cap	398,899.38	
Sub-total		\$3,294,776.98	\$8,042.23

Asset Class/Manager	Strategy	Total Commissions Paid (\$)	Recaptured Commissions (\$)
Public Real Assets			
Center Square Investment Management LLC	U.S. REITS	285,380.81	
Sub-total		\$285,380.81	
Private Equity			
Khosla Ventures IV	Private Equity	430.30	
Sub-total		\$430.30	
Other			
Liquidation of Stock Distributions		6,733.46	
Sub-total		\$6,733.46	
Combined total		\$4,289,569.68	\$17,661.47