

Investment Committee Agenda

REGULAR MEETING

TUESDAY, AUGUST 10, 2021

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

MEETING LOCATION:

In conformity with the Governor's Executive Order N-08-21 (June 11, 2021) and due to the concerns over COVID-19, the LACERS Investment Committee's August 10, 2021, meeting will be conducted via telephone and/or videoconferencing.

Important Message to the Public

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

Dial: (669) 900-6833 or (253) 215-8782

Meeting ID# 832 1042 6340

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 Committee Meetings can be heard at: (213) 621-CITY (Metro), (818) 904-9450 (Valley), (310) 471-CITY (Westside), and (310) 547-CITY (San Pedro Area).

Chair: Sung Won Sohn

Committee Members: Elizabeth Lee
Nilza R. Serrano

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

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

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

Disclaimer to Participants

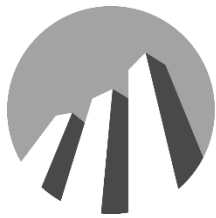
Please be advised that all LACERS Board and Committee Meeting proceedings are audio recorded.

[CLICK HERE TO ACCESS BOARD REPORTS](#)

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

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

- II. [APPROVAL OF MINUTES FOR THE MEETING OF JULY 13, 2021 AND POSSIBLE COMMITTEE ACTION](#)
- III. CHIEF INVESTMENT OFFICER VERBAL REPORT
- IV. [PRESENTATION BY LAZARD ASSET MANAGEMENT LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS CORE PORTFOLIO](#)
- V. [ASSET ALLOCATION AND PERFORMANCE REPORTS FOR POSTING ON LACERS WEBSITE AND POSSIBLE COMMITTEE ACTION](#)
- VI. [ANNUAL REPORT ON LACERS EMERGING INVESTMENT MANAGER PROGRAM](#)
- VII. OTHER BUSINESS
- VIII. NEXT MEETING: The next Regular meeting of the Investment Committee is scheduled for Tuesday, September 14, 2021, at 10:30 a.m., or immediately following the Board Meeting, at Edward R. Roybal BPW Session Room, 200 N. Spring Street, Room 350 City Hall, 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/Committee meetings while response to public health concerns relating to the novel coronavirus continue.
- IX. ADJOURNMENT



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



Board of Administration Agenda

SPECIAL MEETING

TUESDAY, AUGUST 10, 2021

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

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

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

Manager-Secretary: Todd Bouey

Executive Assistant: Ani Ghoukassian

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

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- IX. ADJOURNMENT

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

In conformity with the Governor's Executive Order N-08-21 (June 11, 2021)
 and due to the concerns over COVID-19, the
 LACERS Investment Committee
 July 13, 2021, Regular meeting was conducted
 via telephone and/or videoconferencing

July 13, 2021

11:12 a.m.

PRESENT via Videoconferencing: Chair:	Sung Won Sohn
Committee Member:	Elizabeth Lee Nilza R. Serrano
Manager-Secretary:	Neil M. Guglielmo
Legal Counselor:	James Napier
PRESENT at LACERS offices: 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 COMMITTEE'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** – Chair Sohn asked if any persons wished to speak on matters within the Committee's jurisdiction, to which there was no response.

II

APPROVAL OF MINUTES FOR THE MEETING OF JUNE 8, 2021 AND POSSIBLE COMMITTEE ACTION – Committee Member Serrano moved approval, and adopted by the following vote: Ayes, Committee Members Elizabeth Lee, Serrano and Chair Sohn -3; Nays, None.

III

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

- IC forward calendar
- Staff is working on the TAAP Policy and a new Opportunistic Policy

- Future agenda items: Investment Manager presentation, a contract item, asset allocation and performance reports posted on the LACERS website, and the Annual Emerging Manager Report

IV

CONTINUED DISCUSSION OF PRIVATE EQUITY BENCHMARK AND POSSIBLE COMMITTEE ACTION – Wilkin Ly, Investment Officer III, Robert King, Investment Officer I, and Kara King, with Aksia TorreyCove Partners LLC, presented and discussed this item with the Committee for 35 minutes. After discussion, Committee Member Serrano moved approval.

Committee Member Serrano left the Regular Meeting at 12:00 p.m.

After further discussion, Committee Member Elizabeth Lee motioned to table Committee Member Serrano's motion, adopted by the following vote: Ayes, Committee Member Elizabeth Lee and Chair Sohn -2; Nays, None.

Chair Sohn recessed the regular meeting at 12:04 p.m. to convene in Closed Session discussion.

Committee Member Serrano rejoined the Regular Meeting at 12:28 p.m.

V

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT TO BROOKFIELD STRATEGIC REAL ESTATE PARTNERS IV-B, L.P. AND POSSIBLE COMMITTEE ACTION

Chair Sohn reconvened the Regular Meeting at 12:34 p.m.

VI

OTHER BUSINESS – There was no other business.

VII

NEXT MEETING: The next Regular Meeting of the Investment Committee is scheduled for Tuesday, August 10, 2021, at 10:30 a.m. or immediately following the Board Meeting, at LACERS, 977 N. Broadway, Suite 260, Los Angeles, CA 90012, and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board/Committee meetings while responding to public health concerns relating to the novel coronavirus continue.

VIII

ADJOURNMENT – There being no further business before the Committee, Chair Sohn adjourned the meeting at 12:35 p.m.

Sung Won Sohn
Chair

Neil M. Guglielmo
Manager-Secretary

LAZARD INTERNATIONAL STRATEGIC EQUITY

Los Angeles City Employees' Retirement System

August 10, 2021

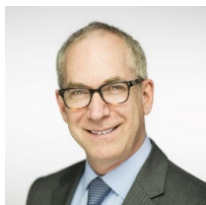
This presentation and all research and materials enclosed are property of Lazard Asset Management LLC. Information and opinions presented have been obtained or derived from sources believed by Lazard to be reliable. Lazard makes no representation as to their accuracy or completeness. All opinions expressed herein are as of the date of this presentation and are subject to change. Due to rounding, certain numbers presented herein may not add up precisely to totals provided and percentages may not precisely reflect absolute figures.

Please refer to the Important Information section for additional information about risks.

LAZARD
ASSET MANAGEMENT



LAZARD PRESENTERS



Michael A. Bennett

Managing Director, Portfolio Manager/Analyst
Lazard Asset Management LLC (New York)

Michael Bennett is a Managing Director of Lazard Asset Management and a Portfolio Manager/Analyst on various international equity teams. He is a member of the firm's Global Management Committee and leads the activities of the Investment Council. Michael began working in the investment field in 1986. Prior to joining Lazard in 1992, Michael was with G.E. Investment Corporation, Keith Lippert Associates and became a CPA while at Arthur Andersen. He has an MBA from University of Chicago and a BS in Accounting from New York University.



Thomas E. Franzese, CPA

Director, Marketing Representative
Lazard Asset Management LLC (New York)

Thomas Franzese is a Director of Lazard Asset Management LLC and is responsible for Client Service/Marketing. Prior to joining the Firm in 1983, he was an Assistant Vice President at Drexel Burnham Lambert Inc. Thomas has been working in the investment field since 1979. He has a BS from Nichols College.

Agenda



- A. Firm Overview
- B. Team, Investment Philosophy and Process
- C. Strategy Review
- D. Outlook
- E. Appendix

LAZARD BY THE NUMBERS

\$235.2B¹

Assets Under
Management

800+

Employees

300+

Investment
Personnel

17

Countries

1848

Lazard Frères
& Co. Founded

Offices around the world in:

THE AMERICAS

Boston
Montreal
New York
Palo Alto
San Francisco
Toronto

EUROPE

Amsterdam
Brussels
Dublin
Frankfurt
Geneva
Hamburg
London
Madrid
Milan
Zurich

ASIA

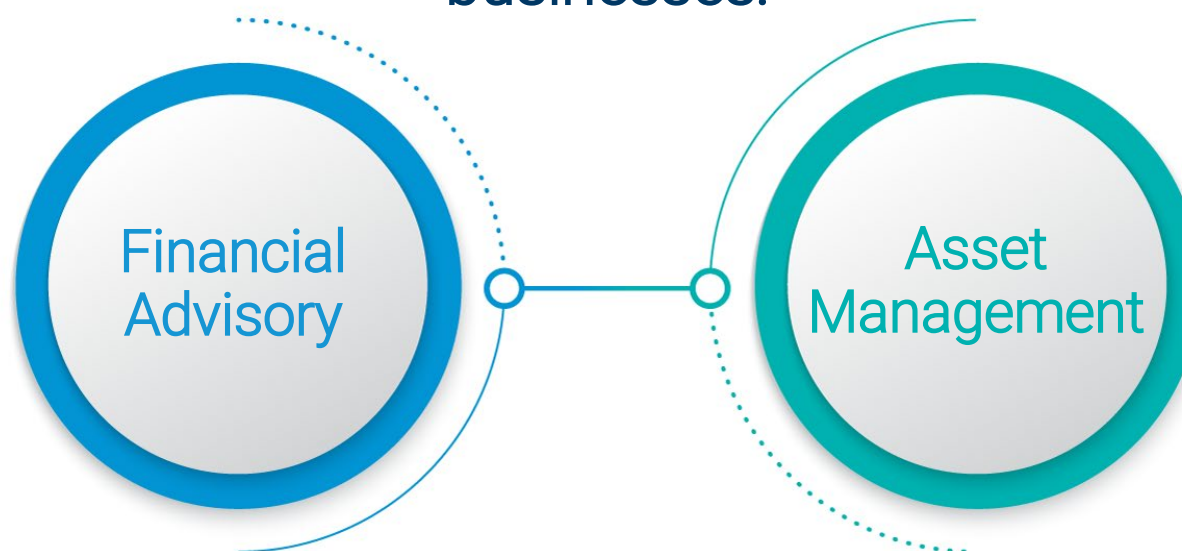
Dubai
Hong Kong
Melbourne
Riyadh
Seoul
Singapore
Sydney
Tokyo

¹As of 31 March 2021. Include those of Lazard Asset Management LLC (New York) and its affiliates, but do not include those of Lazard Frères Gestion (Paris) or other asset management businesses of Lazard Ltd.

BUSINESS MODEL

Lazard Ltd.'s advisory model differentiates us from most global financial institutions.

LAM's parent, Lazard Ltd.,
conducts two primary
businesses:



Our central focus is on providing advice, whether it is in the form of investment management, or in connection with a wide range of strategic and financial matters.

OUR INVESTMENT PLATFORM – MANAGEMENT AND OVERSIGHT

Global Management Committee

Senior management group responsible for:

- Making senior-level business decisions for the firm
- Overseeing matters related to the overall business

Oversight Committee

Management group for our investment platform responsible for:

- Oversight and reviewing of existing investment strategies
- Establishing reporting lines for investment professionals
- Approving new investment strategies



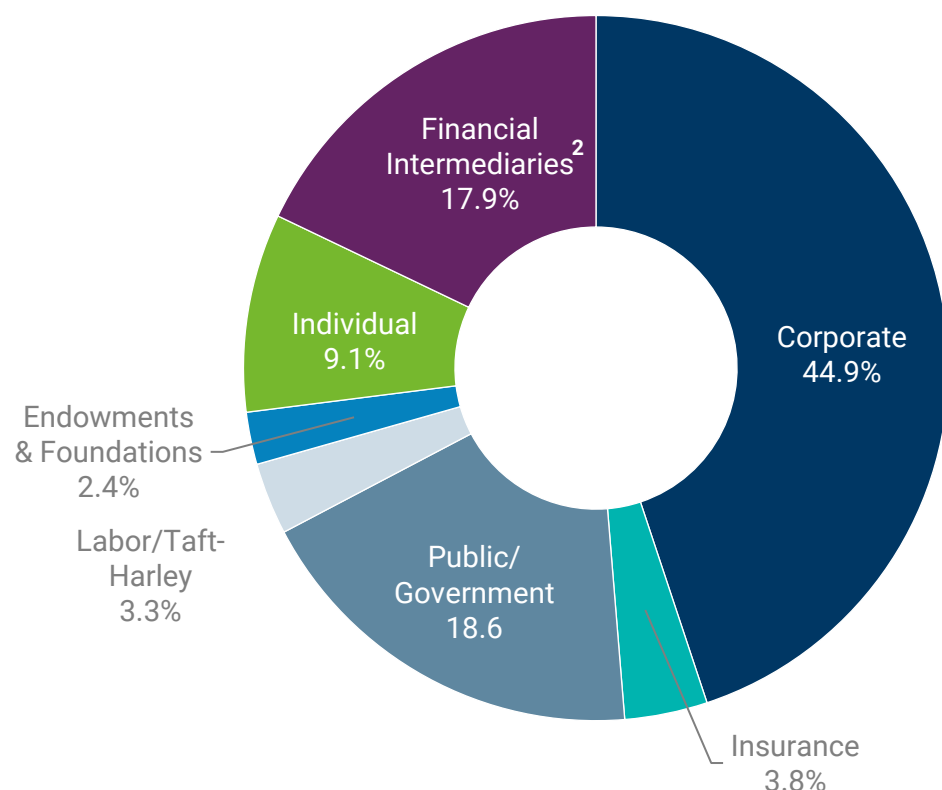
Investment Council

Senior investment professionals focused on:

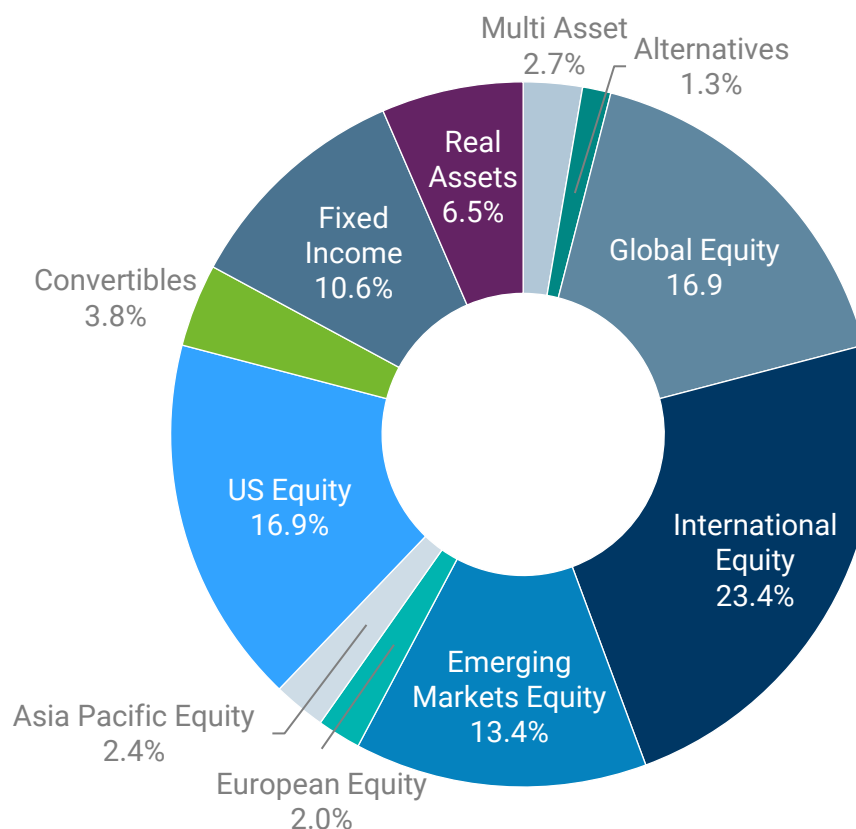
- Providing investment leadership and sharing insight
- Continuous improvement of investment communication, technology, and culture

ASSETS UNDER MANAGEMENT

By Client Type



By Investment Mandate



Total Firm Assets Under Management¹: \$235.2 billion

¹As of 31 March 2021. Assets under management include those of Lazard Asset Management LLC (New York) and its affiliates, but do not include those of Lazard Frères Gestion (Paris) or other asset management businesses of Lazard Ltd.

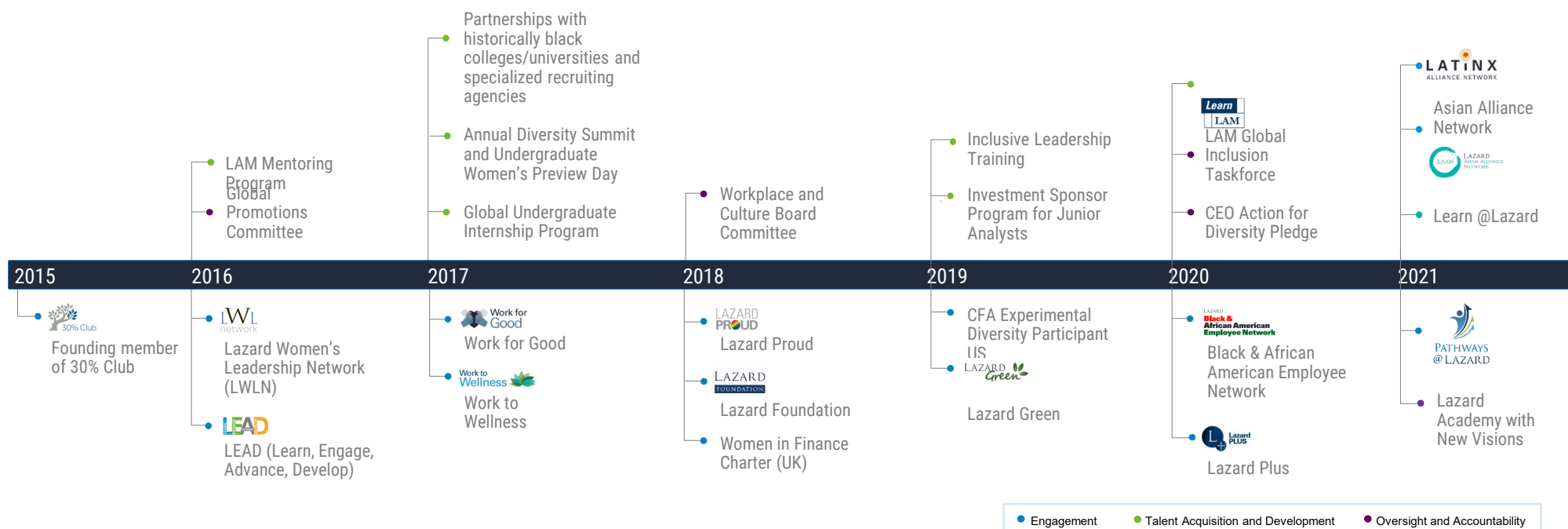
²Represents clients invested in hedge funds, mutual funds, and other investment vehicles for which client type is not reported.

OUR COMMITMENT TO DIVERSITY AND AN INCLUSIVE, EQUITABLE CULTURE



At Lazard Asset Management, we seek to cultivate an environment where everyone feels empowered to bring their full selves, experiences and ideas to work, and where we celebrate each other's differences.

—Ashish Bhutani, Chief Executive Officer



OUR PEOPLE SHAPE OUR CULTURE

Our commitment starts at the executive level and it is a strategic management initiative to cultivate a workplace environment that attracts a diversity of perspectives and exceptional talent.

Encouraging an engaged workplace where employees feel connected allows them to thrive personally and professionally. We believe inclusion, diversity, equity and allyship is a business imperative. Diversity can help us understand our clients' experiences and objectives, and even more importantly, we benefit from the power of cognitive diversity.

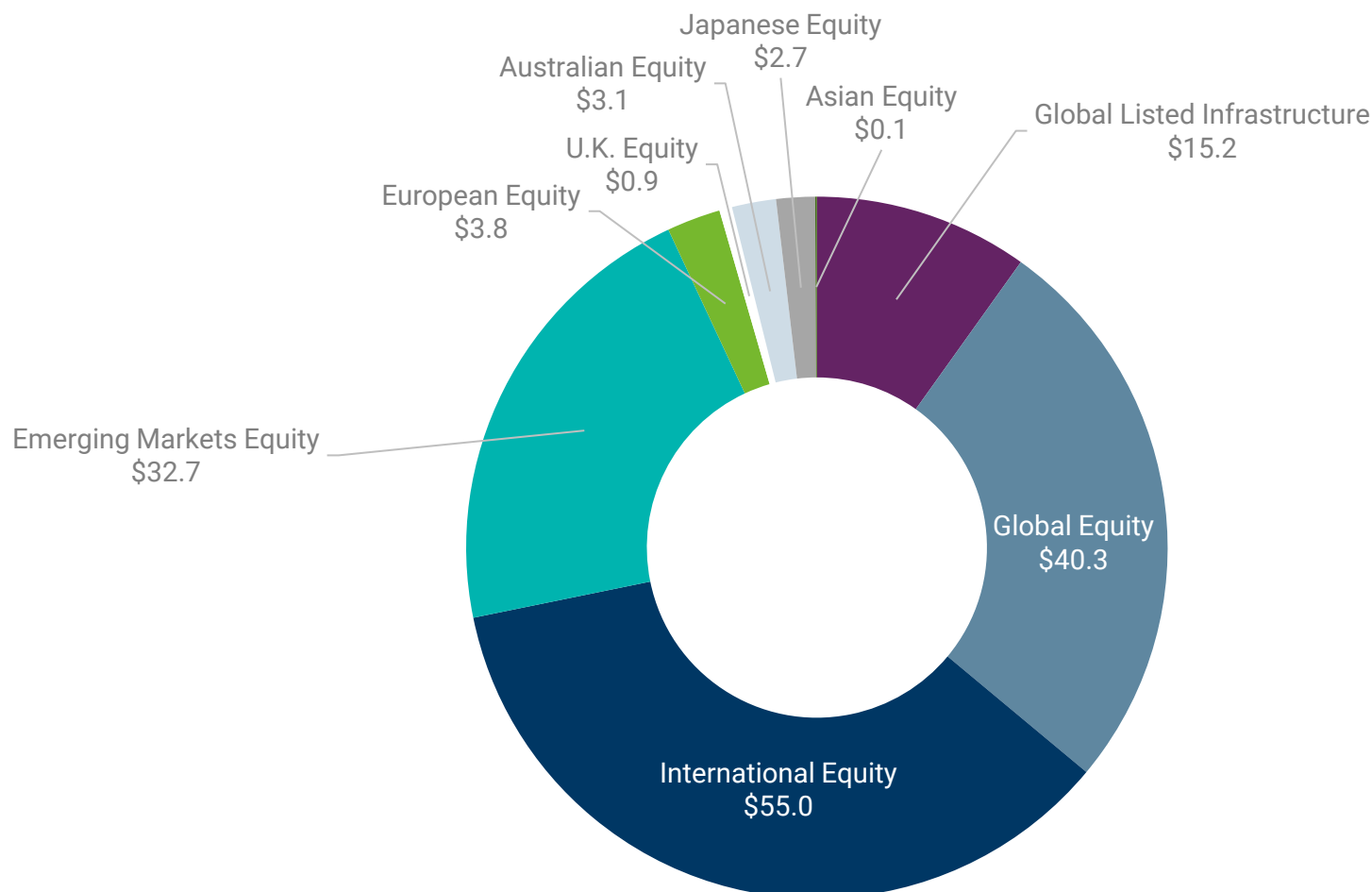
We are committed to increasing our diversity at all levels across the firm with an enhanced and more sustained and focused strategy. To ensure we achieve our overall goal, we have set the following aspirational firmwide cross business targets to increase our global diversity by 2026:

	Women Globally			Underrepresented Groups in the U.S.	
TARGETS 2026	45%	35%	50%	15%	15%
	Globally	WOMEN VP to MD levels	Analyst Recruits	BLACK/AFRICAN AMERICAN AND HISPANIC/LATINX Employees	Campus Recruits
LAZARD 2020	36%	26%	33%	12%	4%

Read more about Lazard's [Diversity and Inclusion Statement](#) and [Equal Opportunity, and Anti-Discrimination Policies](#).

ASSETS UNDER MANAGEMENT

Global/International Equity Assets (in \$US billions)







Total Global/International Equity Assets: \$153.9 billion; 65% of Total Firm Assets

As of 31 March 2021. Assets under management include those of Lazard Asset Management LLC (New York) and its affiliates, but do not include those of Lazard Frères Gestion (Paris) or other asset management businesses of Lazard Ltd.

PORTFOLIO MANAGEMENT

Lazard International Strategic Equity

Portfolio Management Team

	Joined Lazard	Years in Industry
 Mark Little Managing Director, Portfolio Manager/Analyst	1997	29
 Michael Bennett Managing Director, Portfolio Manager/Analyst	1992	35
 Robin Jones Managing Director, Portfolio Manager/Analyst	2002	19
 John Reinsberg Deputy Chairman, International and Global Strategies	1992	40

Focused Resources

International	Years in Industry	Years at Lazard
Léopold Arminjon	24	6
Aaron Barnfather	27	13
Nigel Barrett	32	14
Jimmie Bork	10	5
Rhett Brown	25	16
Natasha Cardale	6	2
Antoine Champenier	4	4
Nathan Cockrell	26	14
Giles Edwards	18	13
Marina Erskine-Leacock	20	17
Robert Failla	28	18
Michael Fry	40	16
Alistair Godrich	13	13
William Gore-Randall	14	3
Jenny Hardy	10	6
Philipp Hofflin	26	22
Peter Hunsberger	32	30
June Yon Kim	25	2
Ario Kishida	32	10
Ming Kwang	17	3
Edward Lund	6	6
Kevin Matthews	20	20
Neil Millar	15	15
Bret Miller	14	14
Jonathan Morris	32	13
Dennis Neveling	15	15
William Parry	5	5
Michael Powers	31	31
Mark Rooney	25	3
Lieke Rouwers	2	2
Daniel Rozier	10	10
Adam Rubinstein	16	16
Paul Selvey-Clinton	15	7
Christopher Whitney	23	23
Barnaby Wilson	23	22
Charmsol Yoon	6	1

Emerging Markets	Years in Industry	Years at Lazard
Thomas Boyle	24	11
Rohit Chopra	25	22
Elizabeth Chung	27	11
Myla Cruz	13	13
James Donald	38	25
Lada Emelianova	23	11
Donald Floyd	26	10
Peter Gillespie	29	14
Robert Horton III	28	10
Arif Joshi	23	11
Mark Lien	31	13
John Mariano	23	11
Andrei Morosanu	22	22
Kevin O'Hare	30	20
Stephen Russell	24	10
Monika Shrestha	24	18
Sookyum (Celine) Woo	17	11
Ben Wulfsohn	30	20

Regional Resources

Europe

US

Asia

Team membership is current as of the date of this document. Personnel data are calculated as of year-end 2020; YTD 2021 experience/tenure is not reflected.

INVESTMENT PHILOSOPHY, OBJECTIVES AND PROCESS

Our Investment Philosophy

- Focus on those companies that are financially productive and inexpensively valued
- Add value through stock selection and portfolio management

Our Investment Objectives

- Outperform relevant benchmark over a full market cycle
- Participate in rising markets; preserve capital in falling markets
- Outperform our investment competitors
- Seek consistent results

Our Investment Process



Lazard's investment process is presented here in sequential steps for illustrative purposes only. In practice, the process is not sequential and will, as needed, weigh certain criteria over others.

THREE LEVELS OF RISK MONITORING

A Solid Foundation

Risk Management

Portfolio Management Team

- Stock selection
 - Accounting validation
 - ESG integration
- Diversification
- Portfolio construction
 - Macro environment
 - Political factors

Oversight Committee

- Monitors investment strategy and portfolio

Risk Management Team

- Multi-factor sensitivity analysis
- Liquidity analysis
- Attribution analysis

LAZARD ESG: AN INTEGRATED APPROACH

Why ESG Matters?

- Structural trends having an increased impact upon company valuation and/or financial productivity
- Investment opportunities for active fundamental investors like Lazard

Differentiated ESG Investment Process

- Fully integrated across investment teams
- Identify, evaluate and price ESG risks and opportunities
- Engage with company management and boards

Integral to investment analysis and decision making

Note: Individual investment teams may take additional or different steps as part of their investment process.

DISTINGUISHING FEATURES

Lazard International Equity Strategies

Robust bottom up relative value culture and process

- Buy stocks, not markets
- Relative Value trade-off between financial productivity and valuation
- Borderless alpha generation
- Strong emerging markets expertise

Exploiting market inefficiencies

- Sustainability of returns
- Structural change
- Short term focus on news flow

Flexibility of implementation

- Market Cap
- Geography
- Sectors

Historically consistent and attractive pattern of performance

- Downside protection with upside participation
- Attractive risk-adjusted returns

WFH/BTO UPDATE:

Starting the week of September 13, most investment professionals will be in the office at least 3 days a week

- In person helps facilitate communication, collaboration, mentorship and teamwork
- Working from home allows a more flexible approach to work

We will be monitoring this balance carefully and will make changes if necessary

International investment professionals are based in London and New York so most Portfolio and Analyst meetings are video conferences in either scenario

More connected than ever before

MARKET SUMMARY – 2021 2Q

- International markets continued its extraordinary climb from March 2020 Covid low

Index	Since 3/23/20	1H2021	2Q2021
MSCI EAFE	+75.7%	+8.8%	+5.2%
MSCI ACW ex-US	+81.2%	+9.2%	+5.5%

- Low quality value stocks spiked following the November Pfizer announcement
- Value and quality stocks did well in March as extreme headwinds briefly faded
- Growth headwinds returned for the 2Q as recovery hopes were delayed

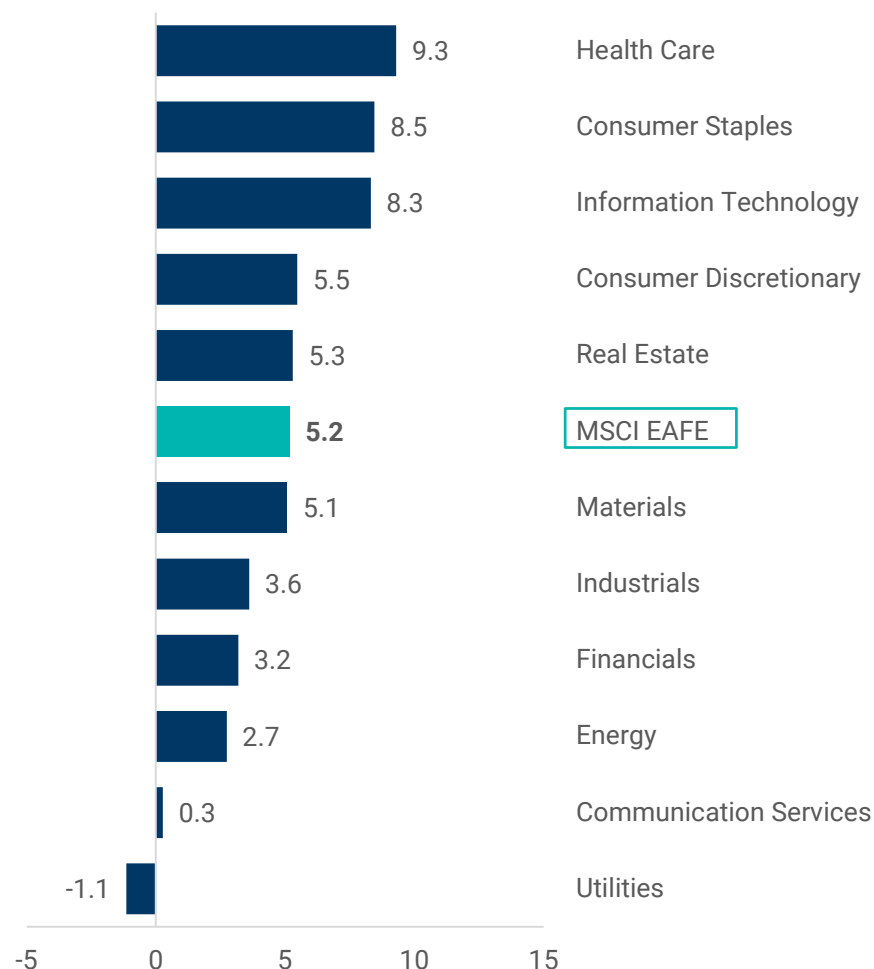
**Relative value phase trying to emerge as extremes fade
and market leadership broadens**

Information and opinions as of 30 June 2021 and are subject to change. All data in USD.
The indices listed above are unmanaged and have no fees. It is not possible to invest in an index.
The performance quoted represents past performance. Past performance is not a reliable indicator of future results.
Forecasts and estimates are no guarantee of future results and are subject to change.
Source: Lazard, MSCI

MARKET PERFORMANCE (US DOLLAR) – 2021 Q2

MSCI EAFE

MSCI EAFE Sector Performance



MSCI Country Performance



As of 30 June 2021.

The performance quoted represents past performance. Past performance is not a reliable indicator of future results. Allocations and security selection are subject to change.

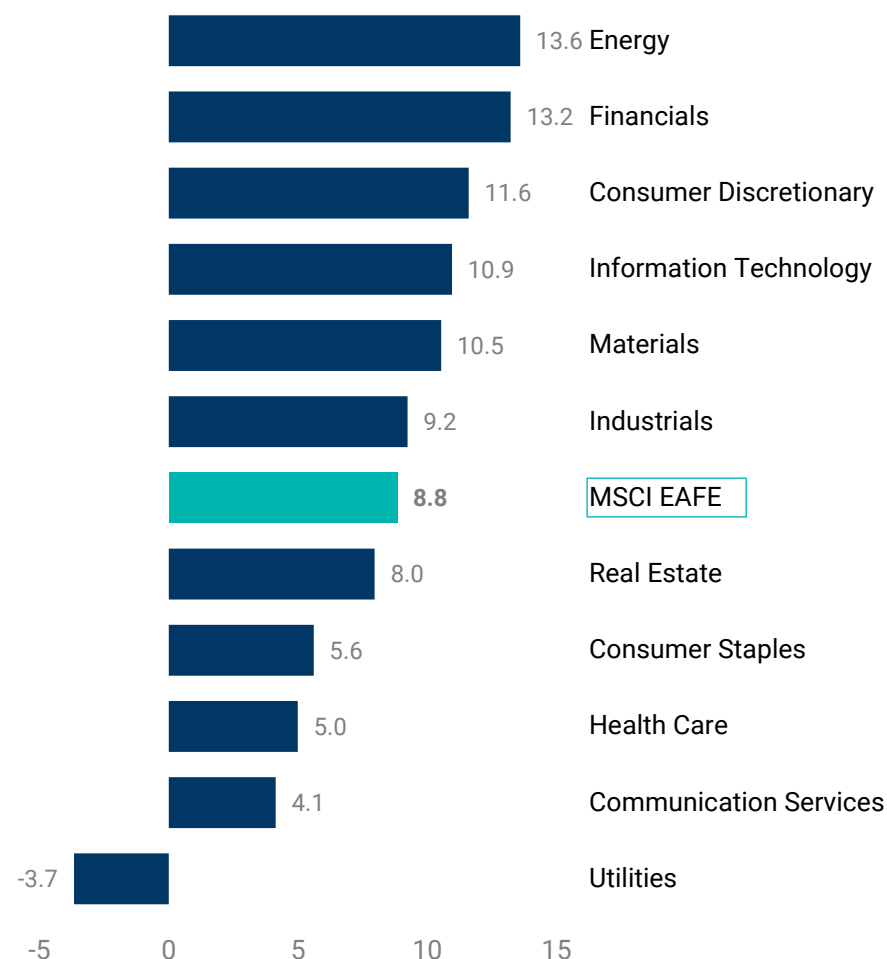
For illustrative purposes only. This information is not representative of any product or strategy managed by Lazard. The index is unmanaged and has no fees. One cannot invest directly in an index.

Source: MSCI

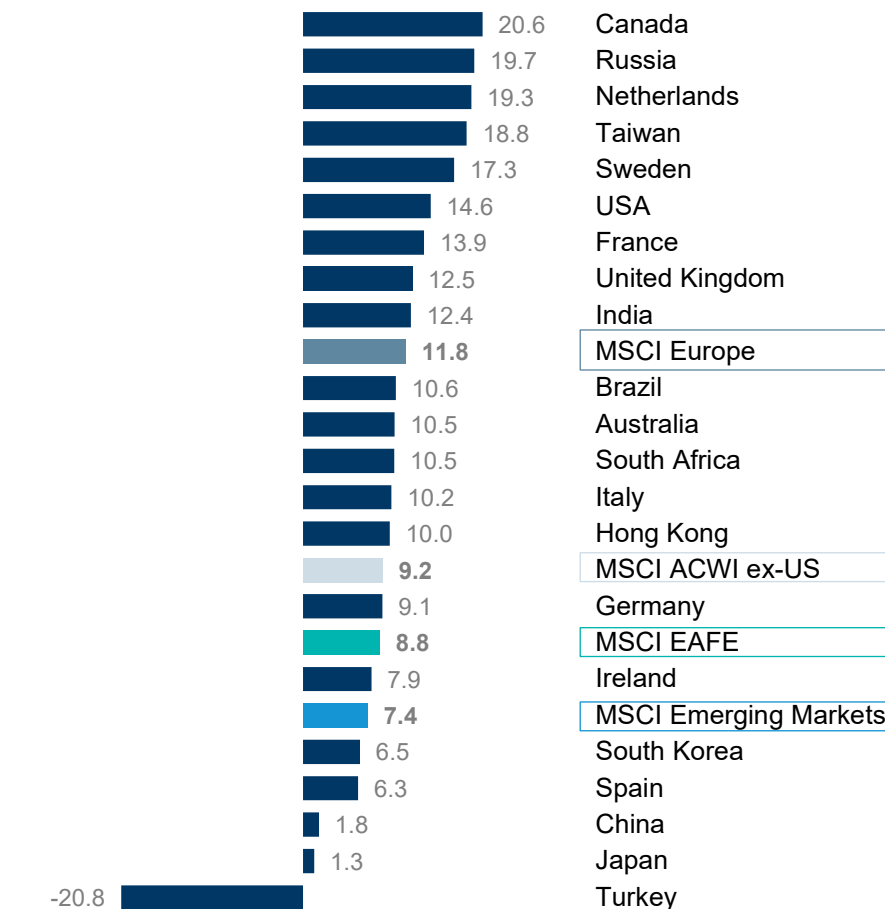
MARKET PERFORMANCE (US DOLLAR) – 2021 YTD

MSCI EAFE

MSCI EAFE Sector Performance



MSCI Country Performance



As of 30 June 2021

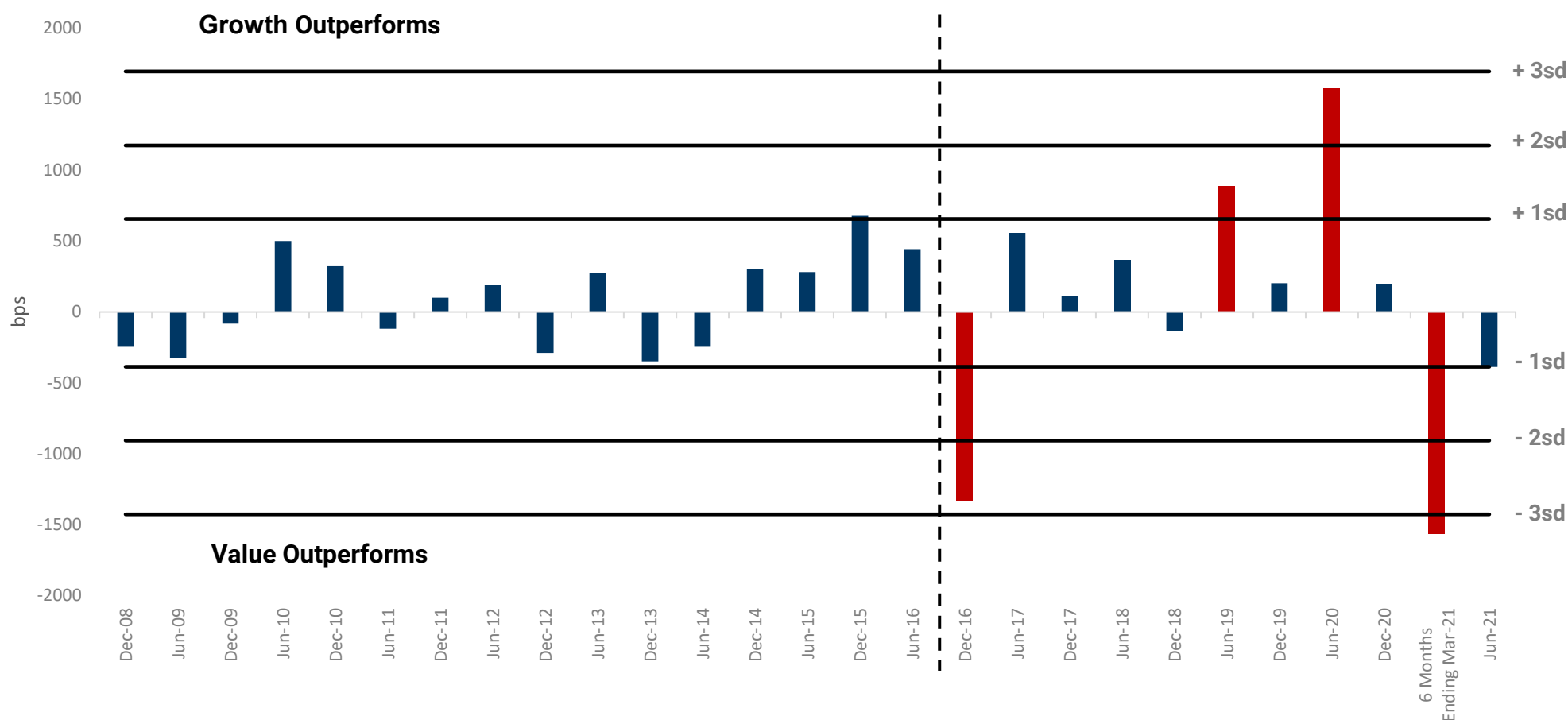
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Source: MSCI

MSCI EAFE GROWTH – EAFE VALUE

6-Month Performance Differential



Unprecedented style extremes are unlikely to continue

As of 30 June 2021.

Standard deviations exclude 6 month period ending 31 March 2021.

The performance quoted represents past performance. Past performance is not a reliable indicator of future results. The indices mentioned are unmanaged and has no fees. One cannot invest directly in an index. All data is in USD. Information and opinions presented have been obtained or derived from sources believed by Lazard to be reliable. Lazard makes no representation as to their accuracy or completeness. All opinions expressed herein are as of the published date and are subject to change.

Source: Lazard, Factset, MSCI

PERFORMANCE SUMMARY

Los Angeles City Employees' Retirement System

As of 30 June 2021 (%)

	2021 Q2	YTD	1 Year	Annualized		
				3 Years	5 Years	Since Inception (11/07/13)
Los Angeles City Employees' Retirement System (Gross)	3.84	7.76	33.96	9.28	10.39	6.96
MSCI EAFE Index	5.17	8.83	32.35	8.27	10.28	5.51
Excess Return (bps)	-133	-107	+161	+101	+11	+145

	2020	2019	2018	2017	2016	2015	2014
Los Angeles City Employees' Retirement System (Gross)	12.00	21.11	-10.30	28.14	-4.56	1.01	-0.26
MSCI EAFE Index	7.82	22.01	-13.79	25.03	1.00	-0.81	-4.90
Excess Return (bps)	+418	-90	+349	+311	-556	+182	+464

	Market Value	% of Portfolio
Equity	\$ 599,746,281	97.2%
Cash and Equivalents	\$ 17,579,233	2.8%
Total Portfolio	\$ 617,325,514	100.0%

As of 30 June 2021. Reporting Currency: USD

Performance is presented gross of fees. The performance quoted represents past performance. Past performance is not a reliable indicator of future results.

MSCI EUROPE INDEX

High ROE and Low ROE Performance



Low ROE stocks dominated after positive vaccine news

As of 30 June 2021. Highest and Lowest Quintile, by ROE NTM, rebalanced quarterly.
Source: Lazard Asset Management, MSCI, Factset

ATTRIBUTION BY SECTOR

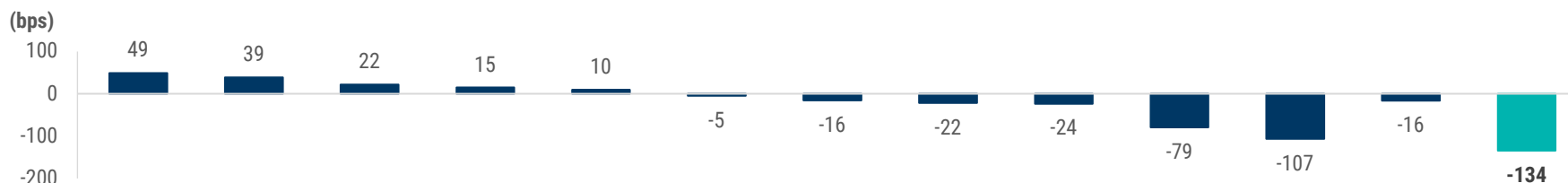
Los Angeles City Employees' Retirement System vs. MSCI EAFE Index

2021 YTD: (bps)



	Financials	Consumer Staples	Health Care	Materials	Energy	Consumer Discretionary	Information Technology	Real Estate	Utilities	Industrials	Comm. Services	Cash	Total
Active Weight (%) ¹	-0.2	0.9	-6.7	-3.0	-2.4	0.6	-4.2	-0.6	1.9	6.2	3.5	4.1	
Sector Allocation (bps)	1	-10	30	-9	-12	3	-3	-2	-26	1	-14	-35	-79
Stock Selection (bps)	64	66	11	29	21	1	1	-40	-22	-51	-109	0	-28
Total Effect (bps)	64	57	41	20	9	4	-3	-42	-48	-49	-123	-35	-107

2021 Q2:



	Consumer Staples	Industrials	Financials	Energy	Materials	Real Estate	Health Care	Information Technology	Utilities	Comm. Services	Consumer Discretionary	Cash	Total
Active Weight (%) ¹	0.7	6.9	0.0	-2.3	-2.5	-0.7	-6.6	-4.0	1.8	3.1	0.8	2.7	
Sector Allocation (bps)	2	-10	6	5	-1	-1	-25	-11	-12	-16	1	-16	-78
Stock Selection (bps)	47	48	16	10	11	-4	9	-11	-12	-63	-107	0	-56
Total Effect (bps)	49	39	22	15	10	-5	-16	-22	-24	-79	-107	-16	-134

As of 30 June 2021. All data shown in USD and reflects rounding.

¹Active weight reflects the Los Angeles City Employees' Retirement System portfolio average weight subtracted by the MSCI EAFE Index average weight.

Attribution is based upon the portfolio and is versus the benchmark noted. Attribution analysis is provided for illustrative purposes only, as values are calculated based on returns gross of fees.

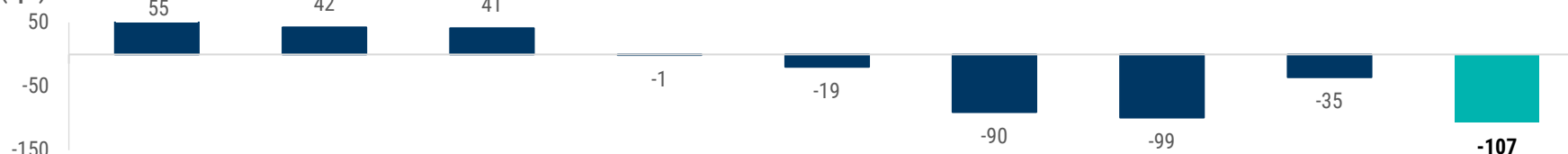
Performance would be lower if fees and expenses were included. Past performance is not a reliable indicator of future results.

Source: Lazard, MSCI

ATTRIBUTION BY REGION

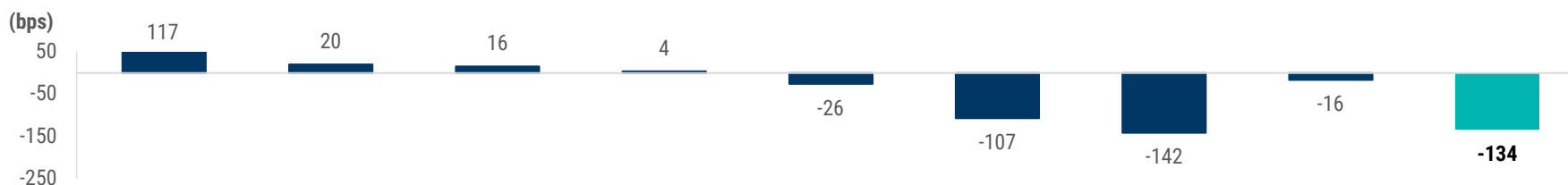
Los Angeles City Employees' Retirement System vs. MSCI EAFE Index

2021 YTD: (bps)



	Japan	North America	Middle East	Emerging Markets	Asia ex-Japan	Continental Europe	United Kingdom	Cash	Total
Active Weight (%) ¹	-11.1	3.8	1.8	1.9	-7.6	5.2	1.9	4.1	
Region Allocation (bps)	80	42	-7	-1	-6	14	8	-35	94
Stock Selection (bps)	-25	0	48	0	-13	-104	-107	0	-201
Total Effect (bps)	55	42	41	-1	-19	-90	-99	-35	-107

2021 Q2: (bps)



	Japan	Middle East	North America	Emerging Markets	Asia ex-Japan	United Kingdom	Continental Europe	Cash	Total
Active Weight (%) ¹	-10.0	1.9	4.0	1.8	-7.5	1.8	5.2	2.7	
Region Allocation (bps)	58	-1	16	4	3	3	15	-16	81
Stock Selection (bps)	59	21	0	0	-29	-110	-156	0	-215
Total Effect (bps)	117	20	16	4	-26	-107	-142	-16	-134

As of 30 June 2021. All data shown in USD and reflects rounding.

¹Active weight reflects the Los Angeles City Employees' Retirement System portfolio average weight subtracted by the MSCI EAFE Index average weight.

Attribution is based upon the portfolio and is versus the benchmark noted. Attribution analysis is provided for illustrative purposes only, as values are calculated based on returns gross of fees.

Performance would be lower if fees and expenses were included. Past performance is not a reliable indicator of future results.

Source: Lazard, MSCI

MSCI EAFE

YTD Top 5 Contributors to Total Return

Stock	Performance (%)	Starting P/E (x)	Starting ROE (%)
ASML	41.6	40.3	27.6
LVMH	26.1	36.2	16.4
AstraZeneca	22.1	19.1	48.5
Novo Nordisk	20.7	21.8	63.8
Commonwealth Bank (AU)	20.4	19.1	9.9

Market was led by High valuations or Low financial productivity

As of 30 June 2021

Forward Price/Earnings is defined as Price/Earnings NTM and Forward Return on Equity as Return on Equity NTM.

Source: Lazard, Factset, MSCI

ABB – AN ESG EXAMPLE

- Swiss power and automation industrial champion
- Thesis driven by cost self help and ESG driver
- Electrification division: 44% revenues, 49% operating profit (2020)
- ABB should benefit from significant demand for energy efficiency products
- Electrification growth is a material ESG opportunity underestimated by the market

Investment Team Base Case			
	Est. 2021	Est. 2022	Est. 2023
With cost reduction thesis			
Electrification Revenue Growth (%)	9%	3.5%	3.5%
Electrification Operating Profit Growth (%)	32%	10%	7%
With cost reduction and ESG driver			
Electrification Revenue Growth (%)	12%	6.5%	6%
Electrification Operating Profit Growth (%)	41%	15%	11%
Relative Value			
ABB Group P/E (x)	25.0x	20.0x	17.8x
ABB Group ROE (%)	17%	23%	22%

Thesis driven by material ESG impact on relative value

Information and opinions as of 30 June 2021 and are subject to change.

The Investment Team's Base Case (the "Base Case") is based upon a portion of the investment team's model that is designed to demonstrate the potential impact of electrification growth on a security's P/E and/or ROE. Electrification growth is only one factor that contributes to a security's relative value. Other factors that are not illustrated in the Base Case and incorporated in the investment team's model may materially change or negatively affect a security's P/E and/or ROE. The investment team's relative value forecast is illustrative in nature, is no guarantee of future results and is subject to change. Mention of these securities should not be considered a recommendation or solicitation to purchase or sell the securities. It should not be assumed that any investment in these securities was, or will prove to be, profitable, or that the investment decisions we make in the future will be profitable or equal to the investment performance of securities referenced herein. There is no assurance that any securities referenced herein are currently held in the portfolio or that securities sold have not been repurchased. The securities mentioned may not represent the entire portfolio.

Source: Lazard, MSCI

COVID ERA MARKET PROGRESSION

1Q20 Resilient businesses where virus impact was muted (stay at home)

2Q20 Strong franchises in “eye-of-storm” (recovery stocks)

3Q20 Quality value cyclicals

4Q20 Low quality value stocks

1Q21 Low quality value rally faded towards end of quarter

2Q21 Growth headwinds returned as recovery euphoria was delayed

2H21 Stock opportunities are more balanced

Extremes Lead to Stock Opportunities in 2H21

PURCHASES & SALES – 2Q 2021

Los Angeles City Employees' Retirement System

Purchased

- Allfunds
- Kobe Bussan
- Shimano
- SK hynix
- Swatch

Sold

- Partners

As of 30 June 2021. The securities identified are not necessarily held by Lazard Asset Management and should not be considered a recommendation or solicitation to purchase or sell these securities. It should not be assumed that any of the referenced securities were or will prove to be profitable, or that the investment decisions we make in the future will be profitable or equal to the investment performance of securities referenced herein. There is no assurance that any securities referenced herein are currently held in the account's portfolio or that securities sold have not been repurchased. The securities discussed may not represent the account's entire portfolio.

PORTFOLIO DIRECTION: SECTOR & REGIONAL ACTIVE WEIGHTS

Los Angeles City Employees' Retirement System vs. MSCI EAFE Index (%)

Region	Change in Active Weight	Ending Active Weight
Japan	3.7	-7.8
North America	0.5	4.0
Middle East	0.5	2.0
Asia ex-Japan	0.5	-7.1
Emerging Markets	-0.2	2.1
United Kingdom	-1.0	0.6
Continental Europe	-3.1	3.2
Cash & Equivalents	-1.2	2.8

Sector	Change in Active Weight	Ending Active Weight
Consumer Discretionary	1.9	2.1
Materials	1.5	-2.4
Industrials	1.1	7.2
Health Care	0.7	-6.8
Information Technology	0.4	-3.8
Energy	0.2	-2.2
Utilities	0.0	1.7
Real Estate	-0.5	-0.4
Financials	-0.7	-1.1
Consumer Staples	-0.8	0.6
Communication Services	-2.5	2.3
Cash & Equivalents	-1.2	2.8

As of 06/30/2021.

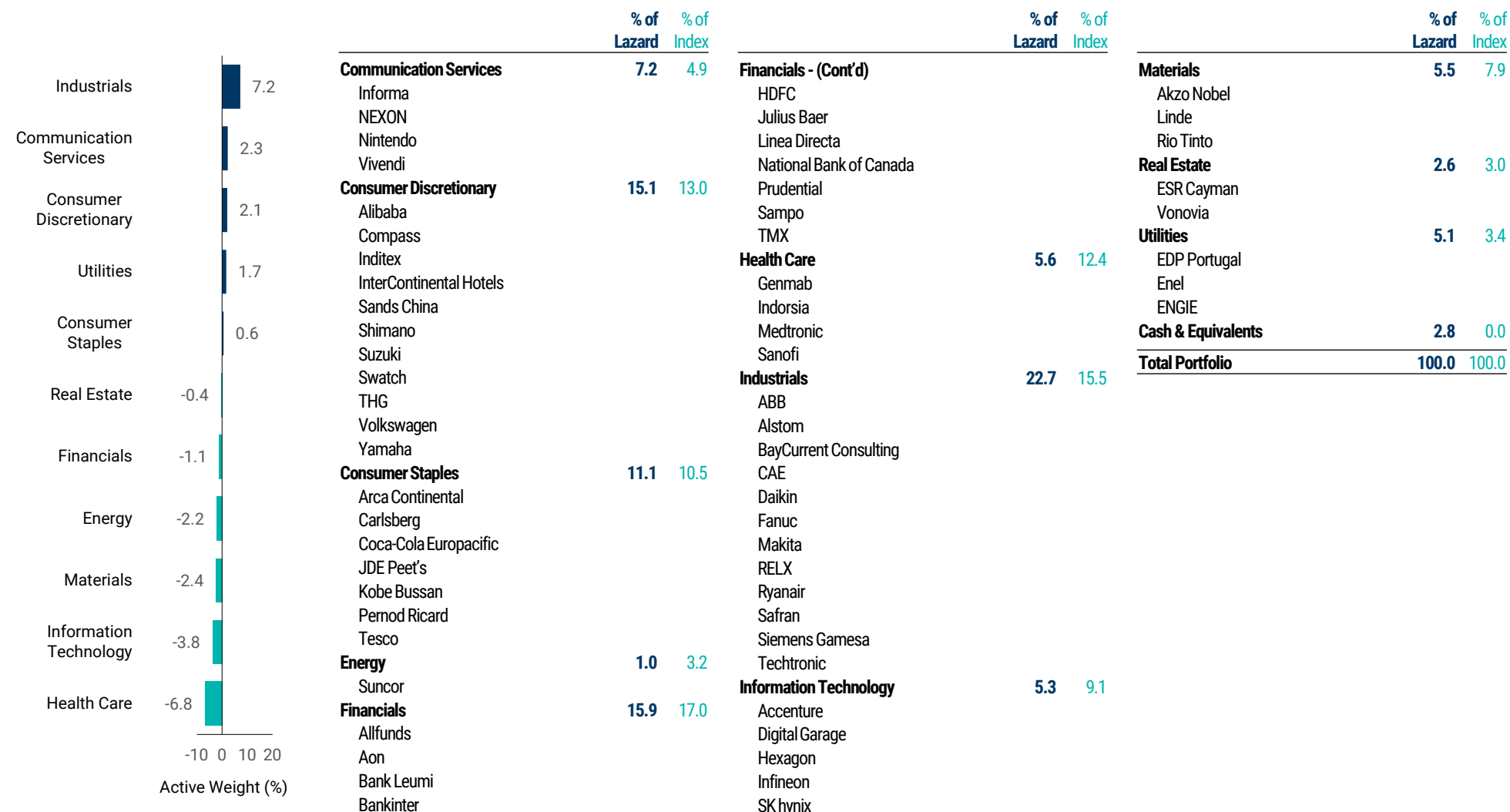
Assumes stocks are in the same sector/region the entire period (no rebalancing).

Allocations are subject to change.

Source: Lazard, MSCI

HOLDINGS BY SECTOR

Los Angeles City Employees' Retirement System vs. MSCI EAFE Index



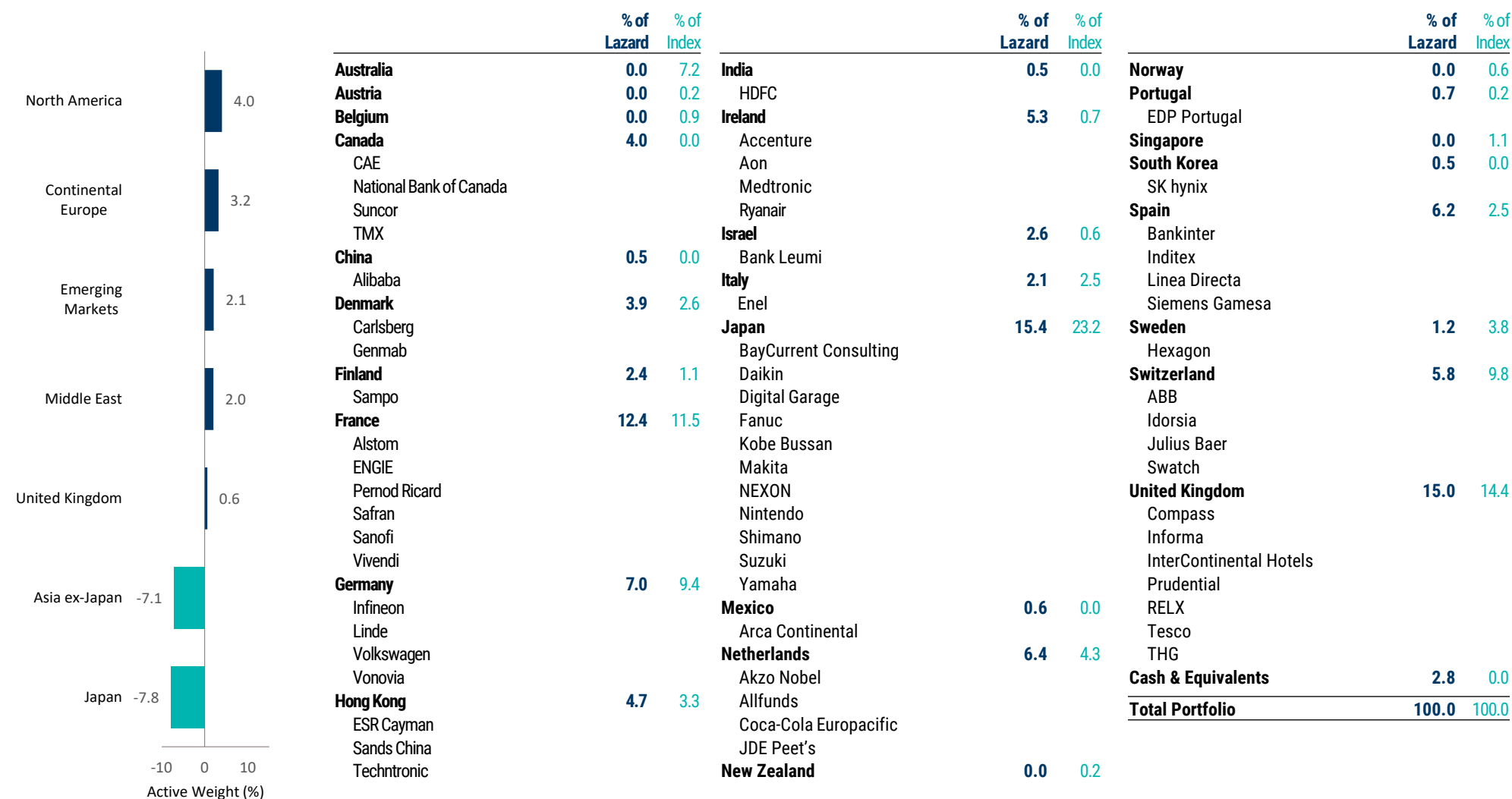
As of 30 June 2021. Allocations and security selection are subject to change.

The securities mentioned are not necessarily held by Lazard for all client portfolios, and their mention should not be considered a recommendation or solicitation to purchase or sell these securities. It should not be assumed that any investment in these securities was, or will prove to be, profitable, or that the investment decisions we make in the future will be profitable or equal to the investment performance of securities referenced herein. There is no assurance that any securities referenced herein are currently held in the portfolio or that securities sold have not been repurchased. The securities mentioned may not represent the entire portfolio.

Source: Lazard, MSCI

HOLDINGS BY COUNTRY

Los Angeles City Employees' Retirement System vs. MSCI EAFE Index



As of 30 June 2021. Allocations and security selection are subject to change.

The securities mentioned are not necessarily held by Lazard for all client portfolios, and their mention should not be considered a recommendation or solicitation to purchase or sell these securities. It should not be assumed that any investment in these securities was, or will prove to be, profitable, or that the investment decisions we make in the future will be profitable or equal to the investment performance of securities referenced herein. There is no assurance that any securities referenced herein are currently held in the portfolio or that securities sold have not been repurchased. The securities mentioned may not represent the entire portfolio.

Source: Lazard, MSCI

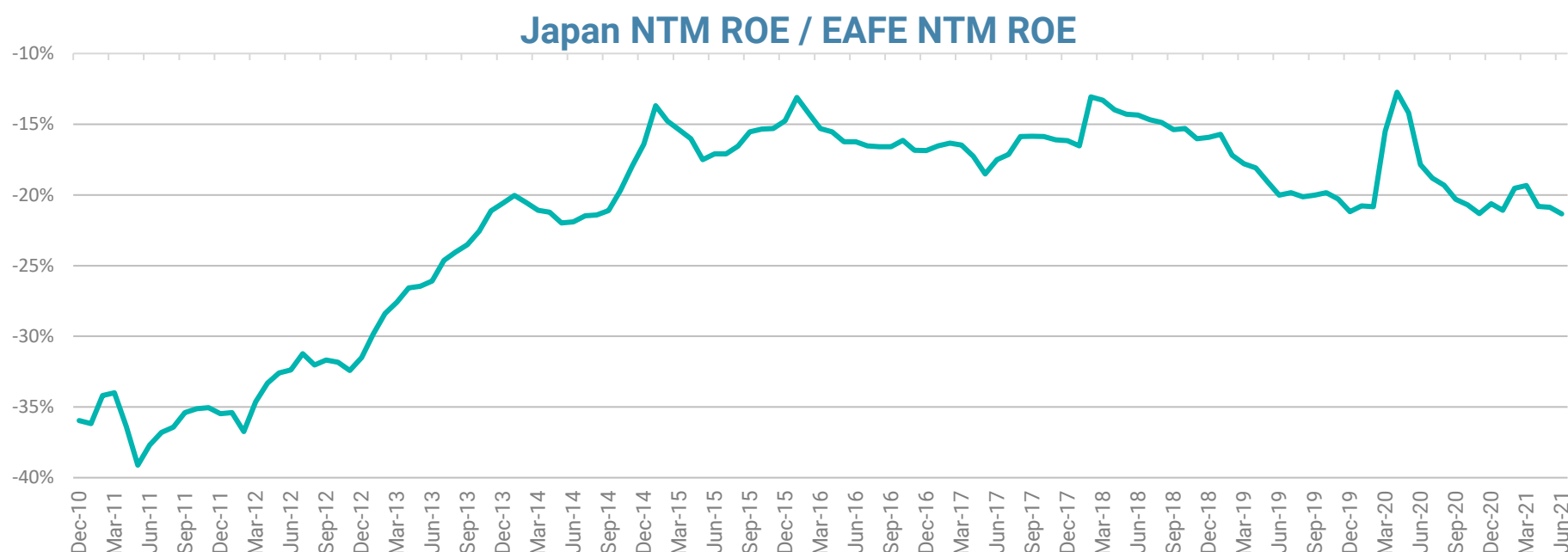
OUTLOOK

- Vaccine vs Virus variants playing out differently around the globe
- Low quality cyclicals are back to pre-Covid levels (priced in)
- Expensive growth headwinds are fading ... slowly
- Relative value in the sweet spot following several years of style extremes
- Huge opportunities in Europe and EM as Covid normalizes

Stock selection will be critical as extremes diminish

JAPAN

- Japan underperformed as Covid recovery was stronger elsewhere
- We expect weaker rebound to continue as virus trough was shallower
- While valuations are reasonable, financial productivity continues to be low by global standards.

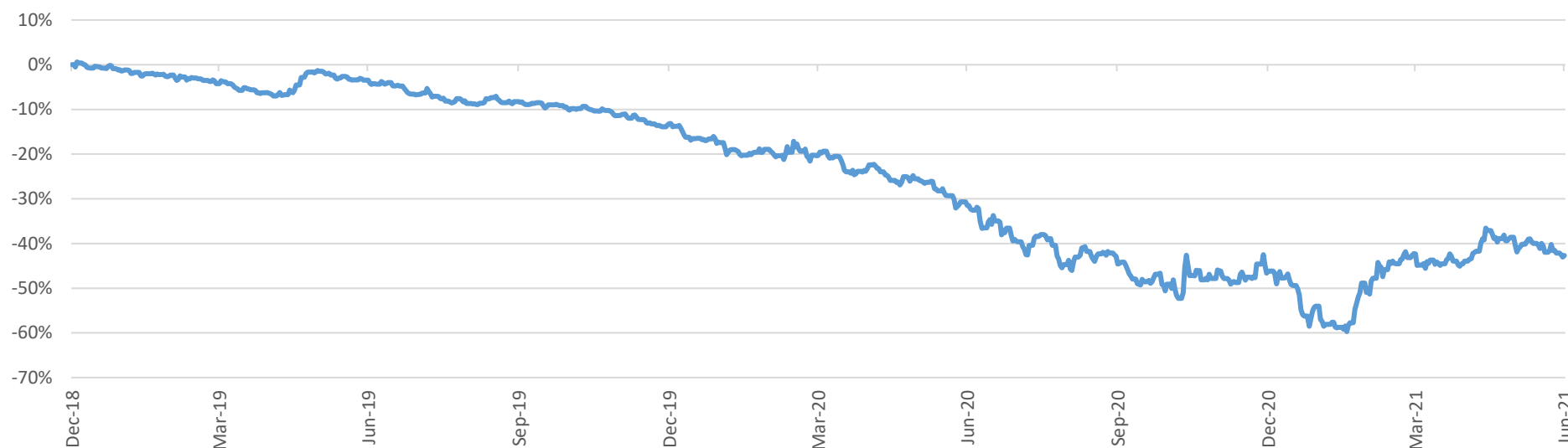


Attribution driven by stock selection; not allocation

Information and opinions as of 30 June 2021 and are subject to change.
Source: Lazard, Factset Market Aggregates, MSCI

EMERGING MARKETS

EM Value vs Growth Performance



- EM Value continued to rally from it's multi-year lows
- EM Value historically cheap vs EM Growth
- EM should benefit from post-Covid environment
- EM should benefit from stable or weaker US\$

Style dominance should diminish in 2021

Information and opinions as of 30 June 2021 and are subject to change

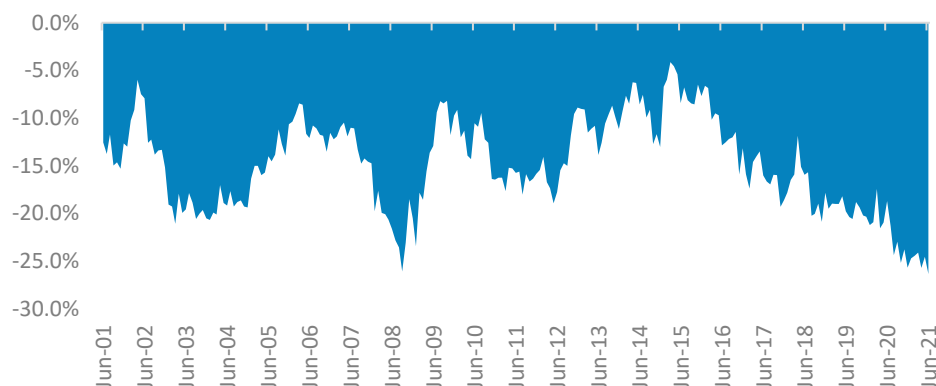
The performance quoted represents past performance. Past performance is not a reliable indicator of future results. Allocations and security selection are subject to change. For illustrative purposes only. This information is not representative of any product or strategy managed by Lazard. The index is unmanaged and has no fees. One cannot invest directly in an index.

Source: Lazard, Factset, MSCI

EUROPE

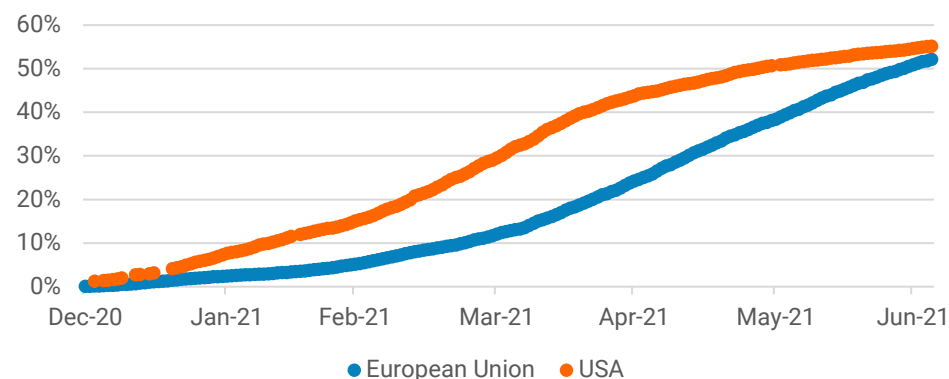
Valuation Support

Europe/US PE NTM Premium or Discount



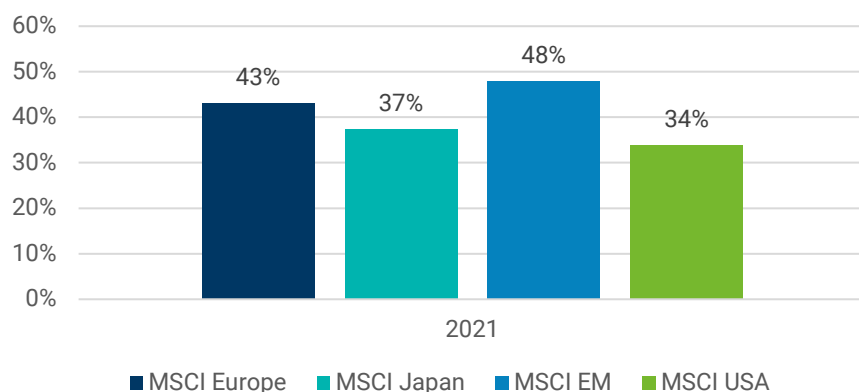
COVID-19 Vaccinations catching up

Share of people who received at least one dose of vaccine

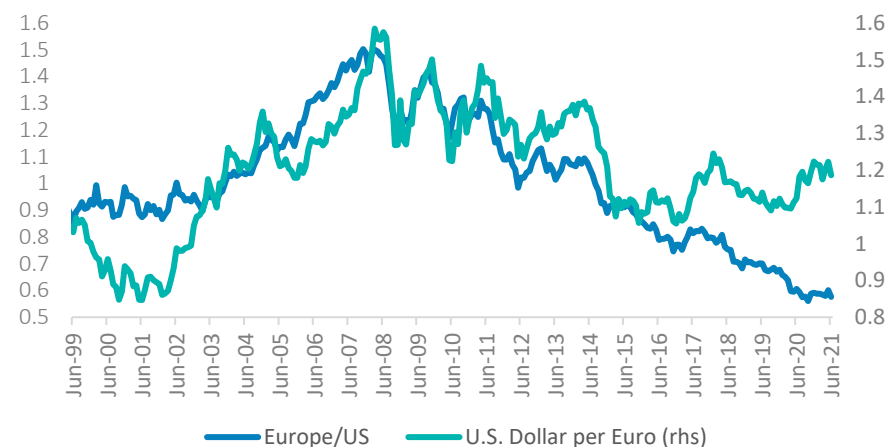


Strong Earnings Recovery

Regional EPS Growth Expectations



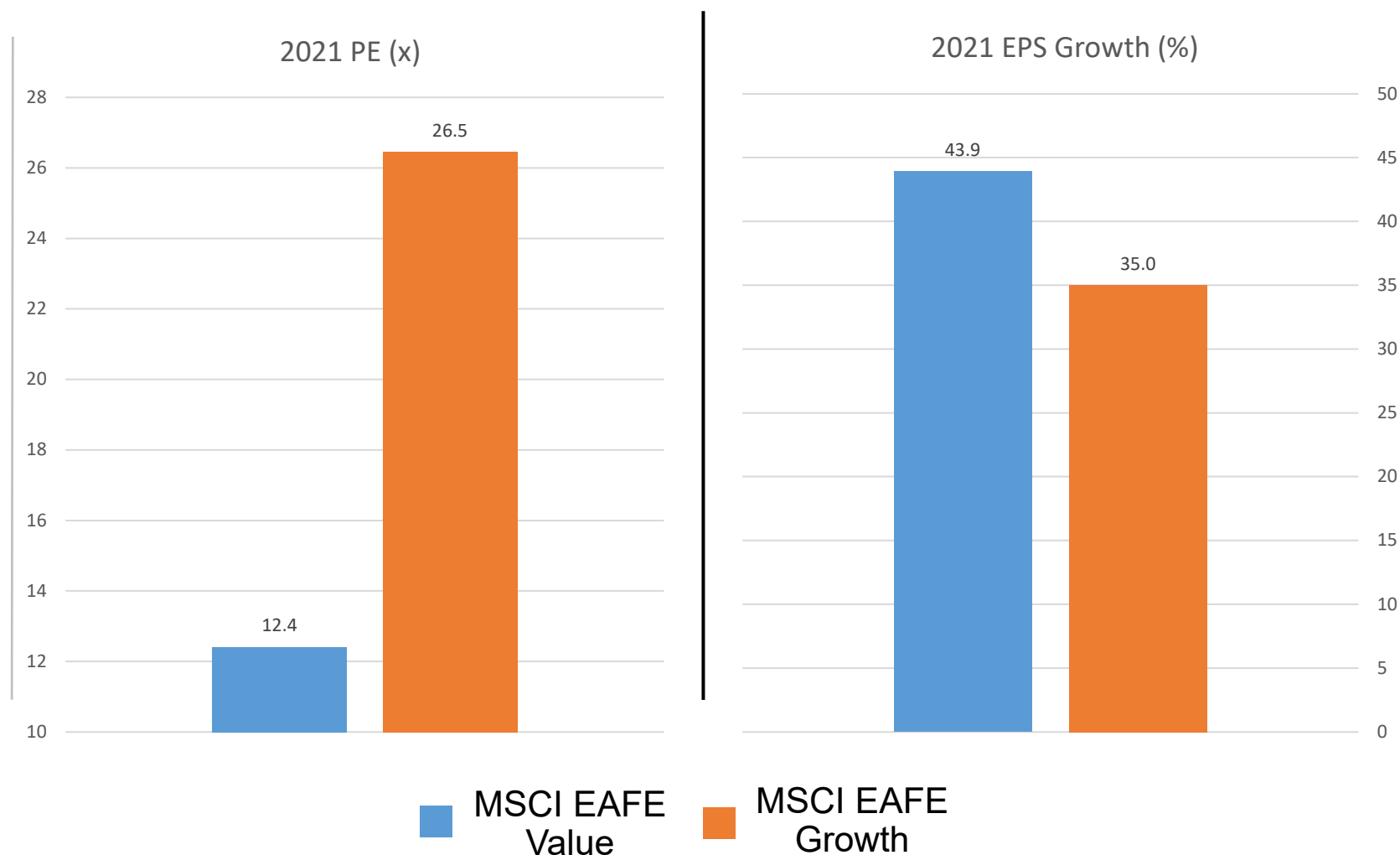
Euro strength could catalyze Europe outperformance



Catalysts are coming together that appear to support continued Europe outperformance

Information and opinions as of 30 June 2021 and are subject to change. Top Right Chart: Official data collated by "Our World in Data" <https://ourworldindata.org/covid-vaccinations>.
Source: Lazard, Factset, MSCI

EAFE STYLE VALUATIONS AND EARNINGS GROWTH

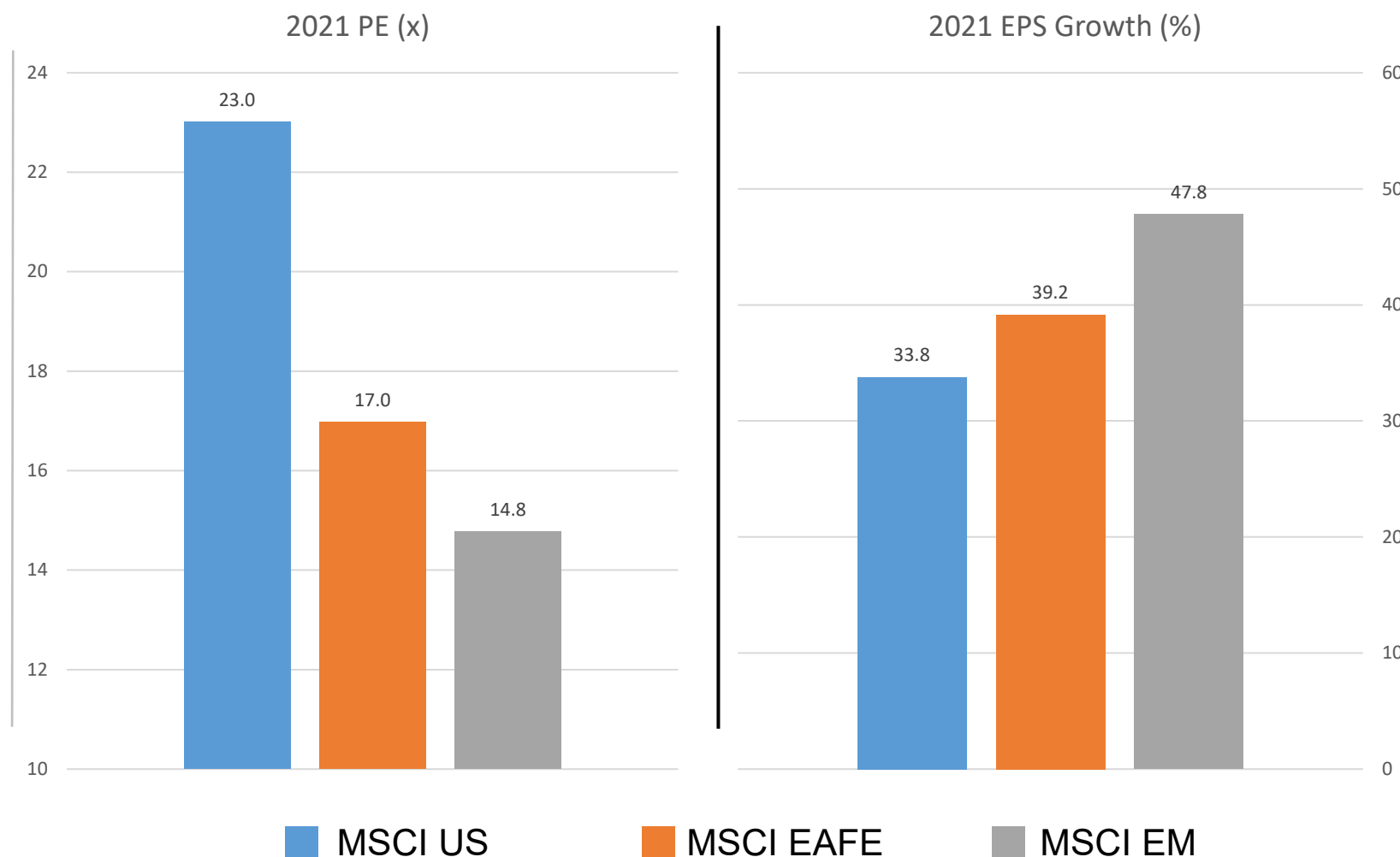


International value equities offer stronger earnings growth at much cheaper valuations

As of 30 June 2021

Source: Lazard, Factset Market Aggregates, MSCI

REGIONAL VALUATIONS AND EARNINGS GROWTH

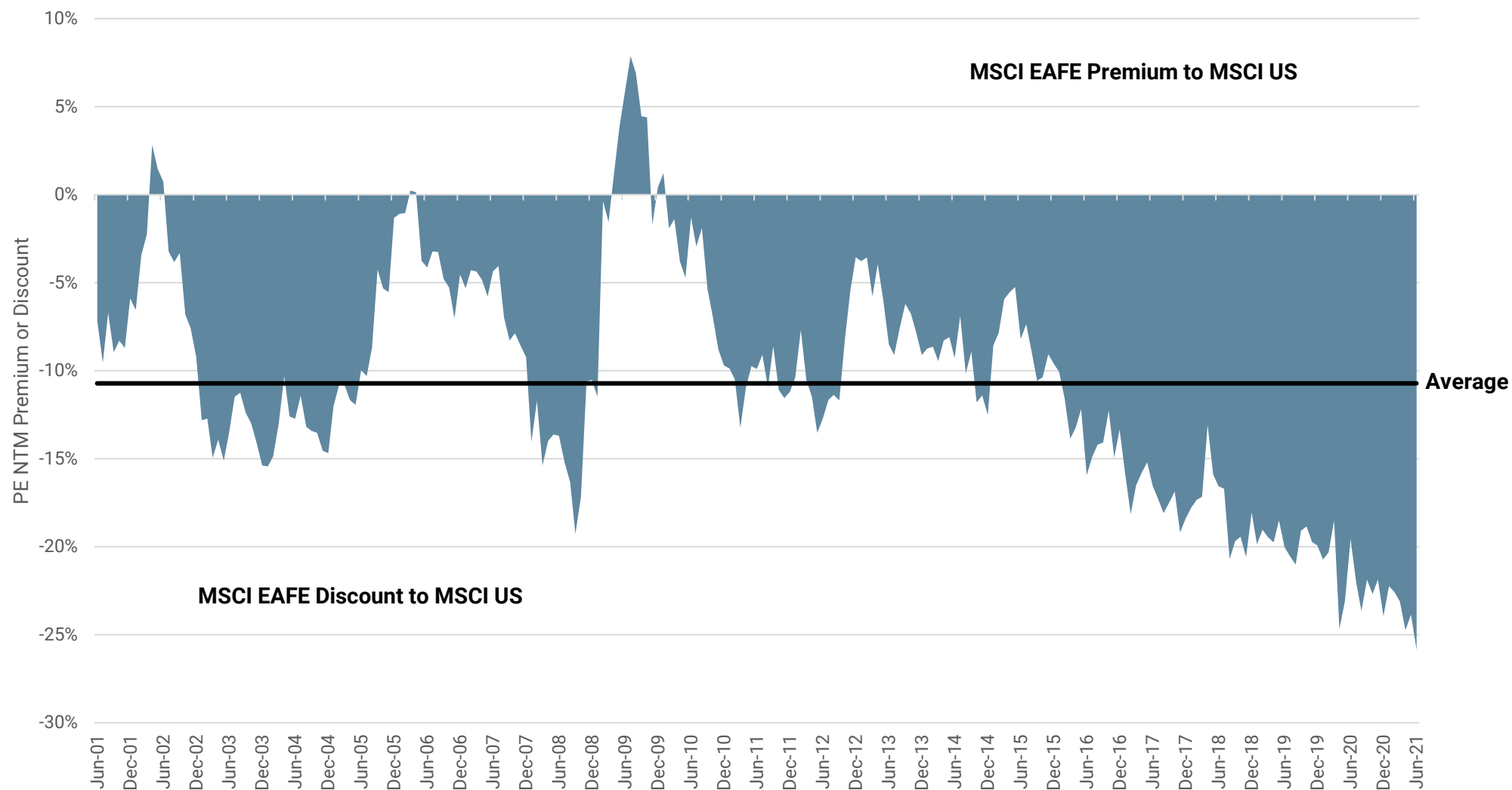


International equities offer stronger earnings growth at much cheaper valuations

As of 30 June 2021

Source: Lazard, Factset Market Aggregates, MSCI

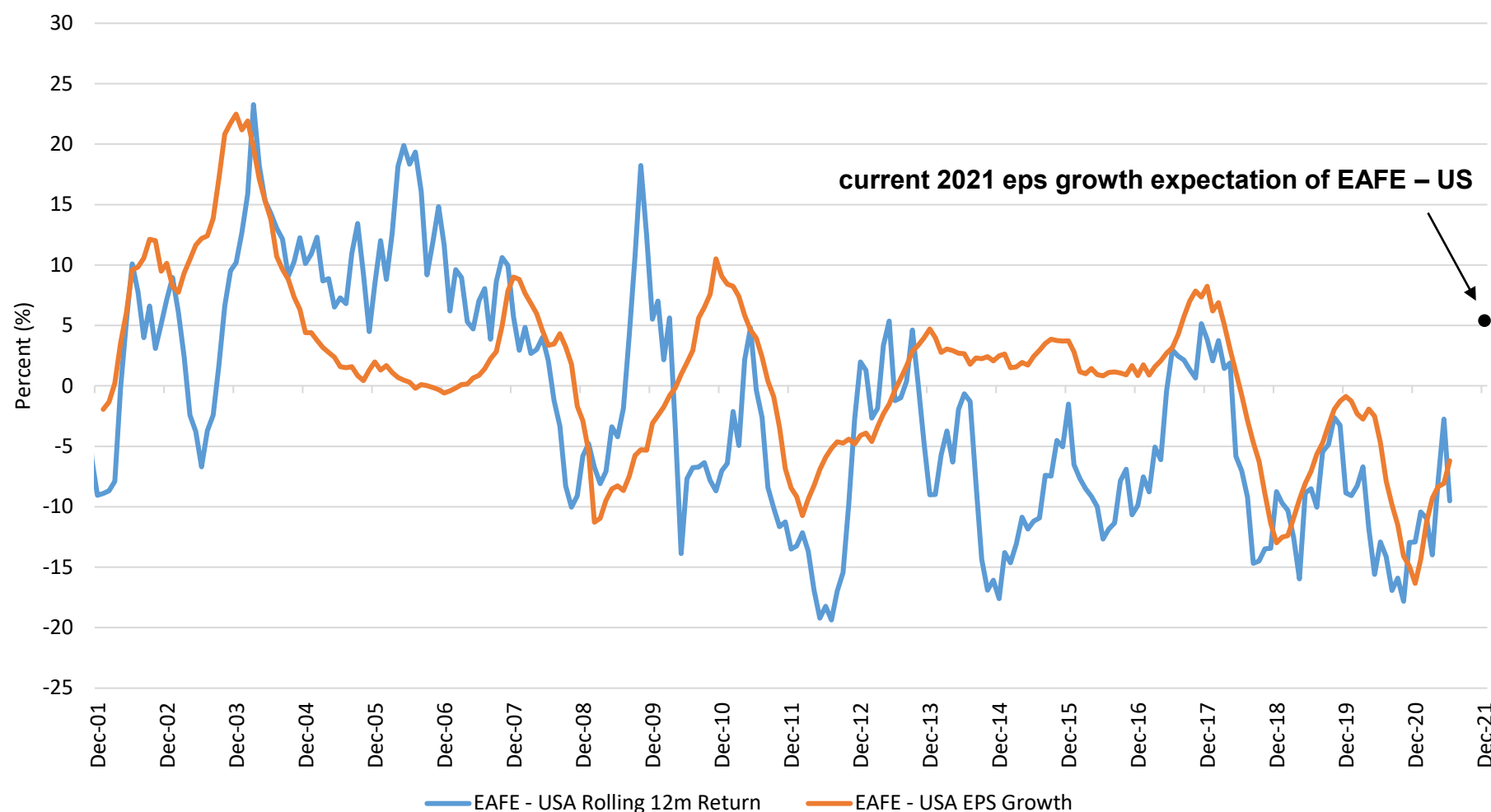
MSCI EAFE VS MSCI USA



EAFE continues to trade at 20 year low discount

As of 30 June 2021
Source: Factset, MSCI

EAFE HAS HISTORICALLY LED GLOBAL ECONOMIC RECOVERIES



EAFE relative performance generally follows relative strength in earnings growth

Information and opinions as of 30 June 2021 and are subject to change.
Source: Lazard, FactSet, MSCI

BIOGRAPHIES

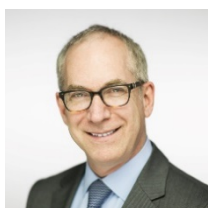
Lazard International Strategic Equity



Mark Little

Managing Director, Portfolio Manager/Analyst
Lazard Asset Management Limited (London)

Mark Little is a Portfolio Manager/Analyst on the International Strategic Equity, International Compounders, and Global Strategic Equity teams. He began working in the investment field in 1992. Prior to joining Lazard in 1997, he was a manager in the corporate finance practice of Coopers & Lybrand and earned his ACA qualification with Rees Pollock Chartered Accountants. Mark has an MA in Economics from Clare College, Cambridge University.



Michael A. Bennett

Managing Director, Portfolio Manager/Analyst
Lazard Asset Management LLC (New York)

Michael Bennett is a Managing Director of Lazard Asset Management and a Portfolio Manager/Analyst on various international equity teams. He is a member of the firm's Global Management Committee and leads the activities of the Investment Council. Michael began working in the investment field in 1986. Prior to joining Lazard in 1992, Michael was with G.E. Investment Corporation, Keith Lippert Associates and became a CPA while at Arthur Andersen. He has an MBA from University of Chicago and a BS in Accounting from New York University.



Robin O. Jones

Managing Director, Portfolio Manager/Analyst
Lazard Asset Management Limited (London)

Robin Jones is a Portfolio Manager/Analyst on the International Strategic Equity, International Compounders, and Global Strategic Equity teams. Robin began working in the investment field in 2002 at Lazard Asset Management, before leaving in 2006 for Bluecrest Capital Management where he worked as a Portfolio Manager. Robin re-joined Lazard in 2007. He has a BA Hons in Economics from Durham University and a PGCE in Mathematics from Cambridge University.



John R. Reinsberg

Deputy Chairman, International and Global Strategies
Lazard Asset Management LLC (New York)

John Reinsberg is Deputy Chairman of Lazard Asset Management responsible for oversight of the firm's international and global strategies. He is also a Portfolio Manager/Analyst on the Global Equity and International Equity portfolio teams. He began working in the investment field in 1981. Prior to joining Lazard in 1992, John was Executive Vice President with General Electric Investment Corporation and Trustee of the General Electric Pension Trust. He was also previously with Jardine Matheson (Hong Kong) and Hill & Knowlton, Inc. John has an MBA from Columbia University and a BA from the University of Pennsylvania. He is an Overseer of the University of Pennsylvania School of Arts and Sciences, Chairman of the University of Pennsylvania Huntsman Program Advisory Board, a Trustee of the NPR Foundation (National Public Radio), a Member of the Board of Directors of the Alliance for Cancer Gene Therapy, and a Member of the Board of Directors of the U.S. Institute (Institutional Investor).

BIOGRAPHIES

Client Service



Thomas E. Franzese, CPA

Director, Marketing Representative
Lazard Asset Management LLC (New York)

Thomas Franzese is a Director of Lazard Asset Management LLC and is responsible for Client Service/Marketing. Prior to joining the Firm in 1983, he was an Assistant Vice President at Drexel Burnham Lambert Inc. Thomas has been working in the investment field since 1979. He has a BS from Nichols College.



Nina Osenbroch

Vice President
Lazard Asset Management LLC (New York)

Nina Osenbroch is a Vice President in the institutional group and is primarily responsible for client service to Taft-Hartley and Public Pension Plans. She began working in the investment field in 2003. Prior to joining Lazard in 2009, Nina was an analyst in the investor relations group at Optima Fund Management. Prior to that, she was with the Clinton Group on their marketing and client service team. She has a BBA in Marketing from Baruch College, the Zicklin School of Business.

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LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



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

MEETING: AUGUST 10, 2021
ITEM: V

SUBJECT: ASSET ALLOCATION AND PERFORMANCE REPORTS FOR POSTING ON LACERS WEBSITE AND POSSIBLE COMMITTEE ACTION

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

Recommendation

That the Committee review and provide comments to the proposed monthly asset allocation and performance report for posting on LACERS' website.

Discussion

In order to provide more transparent investment portfolio information for LACERS Members and the general public, staff has created the attached monthly asset allocation and performance report for posting to LACERS' website. This report provides a general overview of the investment portfolio and performance in a simplified and user-friendly format for the Members and the public. Staff will aim to post this report to LACERS' website on the third Friday of each month. Staff requests that the Committee review this report and provide feedback.

Strategic Plan Impact Statement

The Asset Allocation and Performance Report for posting on LACERS' website aims to keep Members informed on how LACERS' Fund is performing on a monthly basis. The presentation and discussion of the report is consistent with Goal V, which aims to uphold good governance practices which affirm transparency, accountability, and fiduciary duty.

Prepared By: Ricky Mulawin, Management Analyst, Investment Division

NMG/RJ/BF/RM

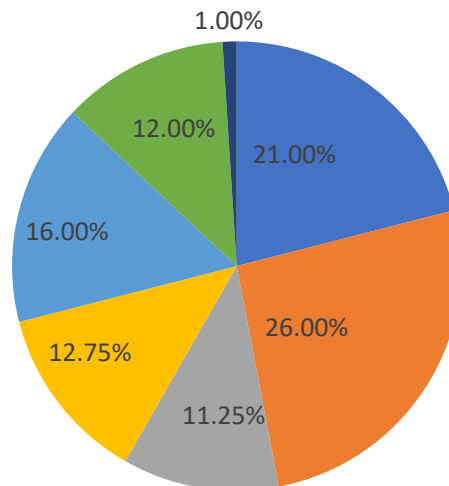
Attachment: 1. Asset Allocation and Performance Report

Monthly Performance as of May 31, 2021

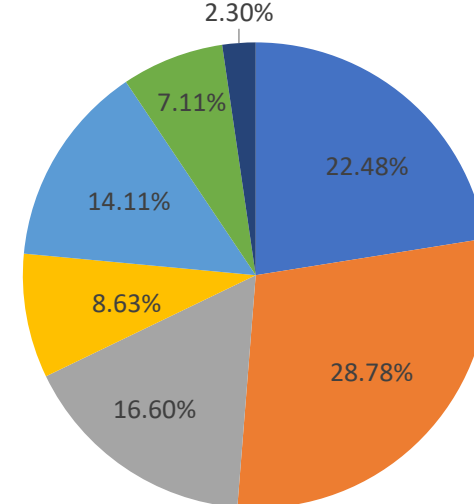
(Performance Data is Unaudited and Net of Fees)

Portfolio Value \$22.42 Billion ↑ \$0.47 Billion (monthly change)	Monthly Return 2.35%
FYTD Return ¹ 28.56%	10-Year Annualized Return 8.92%

Target Allocation ⓘ

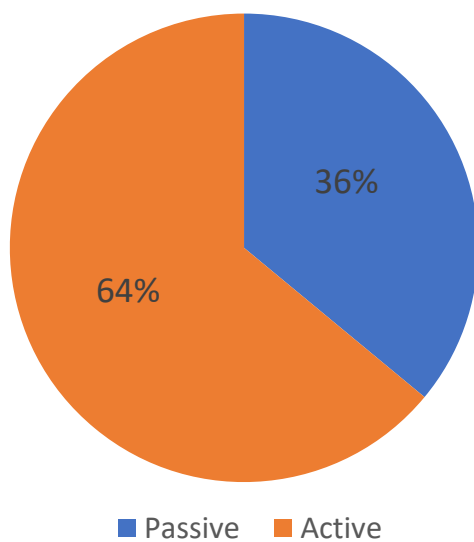


Actual Allocation



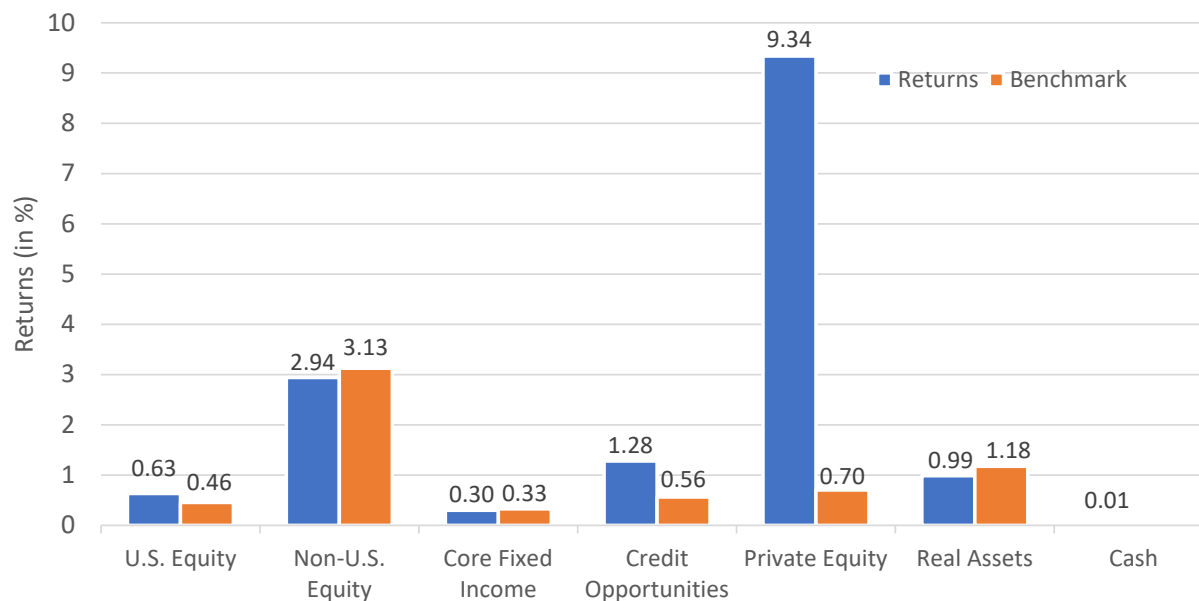
■ U.S. Equity ■ Non-U.S. Equity ■ Core Fixed Income ■ Credit Opportunities ■ Private Equity ■ Real Assets ■ Cash

% of Portfolio Passively
Managed vs Actively Managed



Asset Class Returns vs Benchmark

For the month ended May 31, 2021

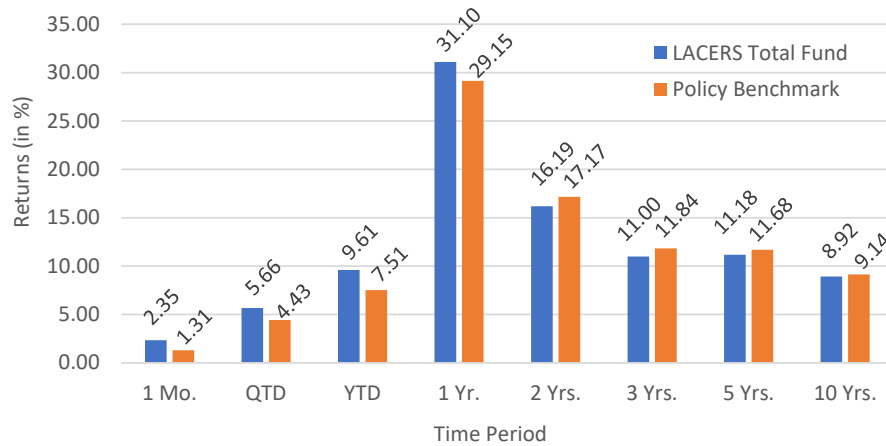


LACERS Total Fund Performance

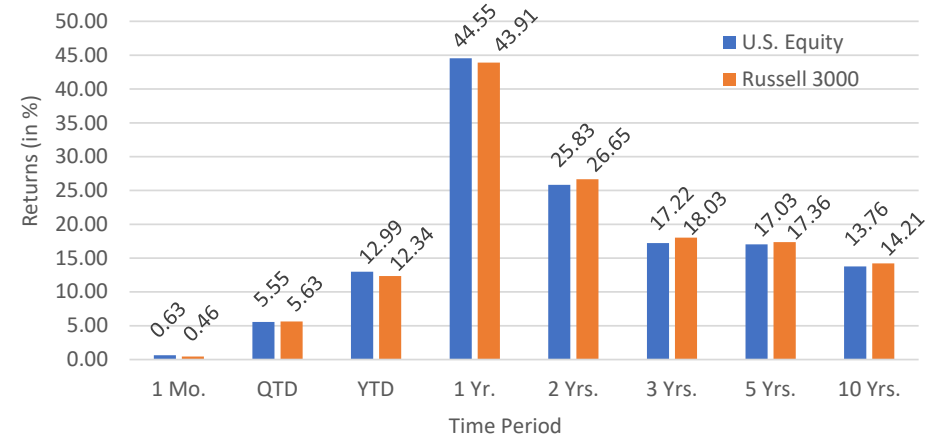
(Returns in %)

	Market Value (\$)	Month	Quarter to Date	Year to Date	1 Year	Annualized			
						2 Years	3 Years	5 Years	10 Years
Total LACERS Fund	22,507,595,987	2.35	5.66	9.61	31.10	16.19	11.00	11.18	8.92
U.S. Equity	4,827,430,677	0.63	5.55	12.99	44.55	25.83	17.22	17.03	13.76
Non-U.S. Equity	6,295,556,102	2.94	6.87	10.83	48.03	20.15	10.00	12.01	6.71
Core Fixed Income	3,564,039,623	0.30	1.12	-2.02	1.06	5.31	5.64	3.77	--
Credit Opportunities	1,856,666,657	1.28	3.00	0.93	14.02	6.16	5.99	6.39	--
Private Equity	3,064,538,754	9.34	13.48	27.34	54.00	21.73	19.07	17.02	13.77
Real Assets	2,406,861,527	0.99	3.02	5.16	10.47	5.74	5.36	5.45	7.28
Cash	492,502,647	0.01	0.01	0.05	0.18	0.95	1.43	1.31	0.73

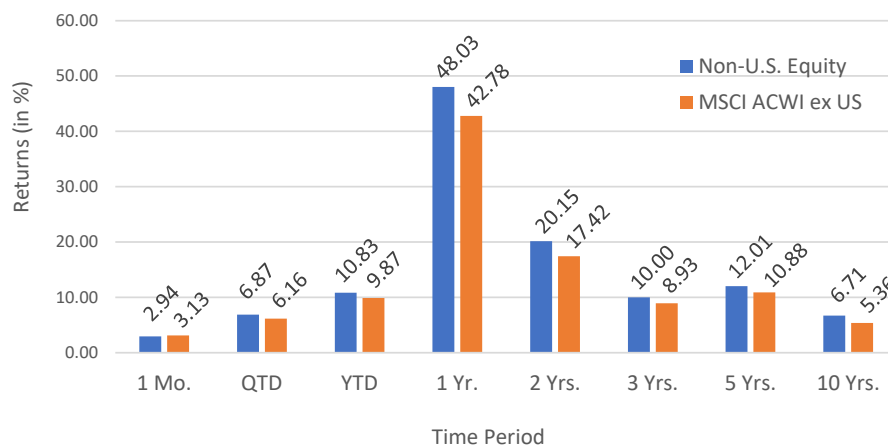
LACERS Total Fund



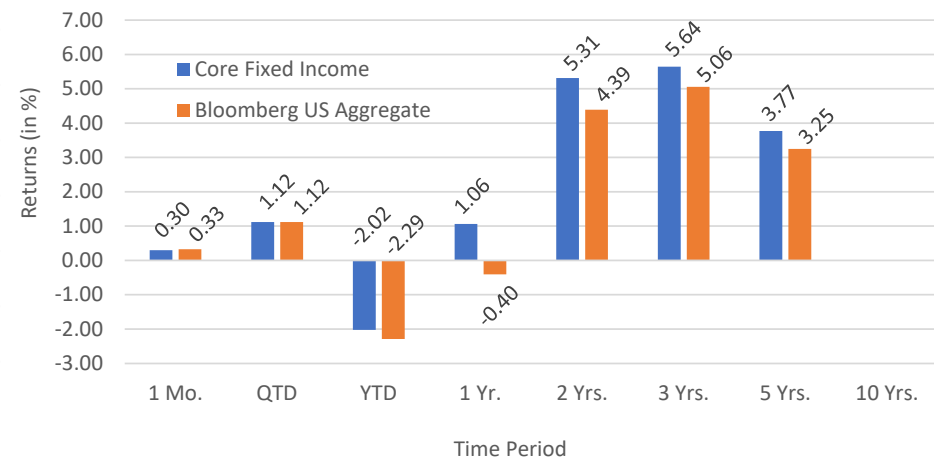
U.S. Equity



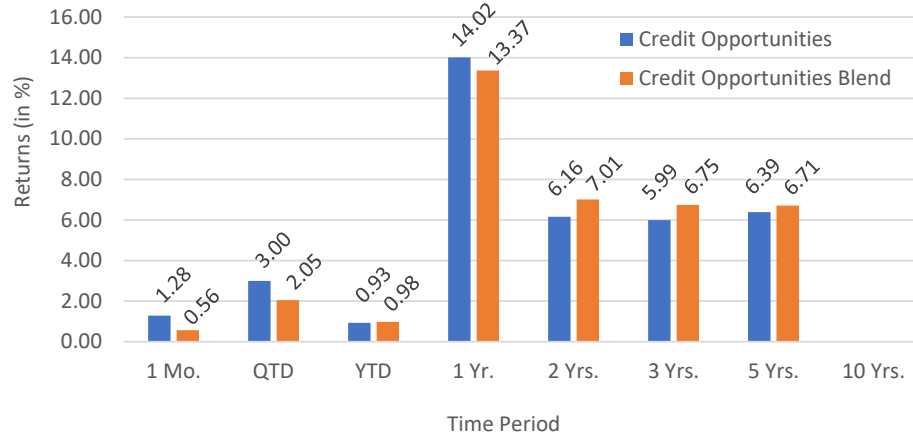
Non-U.S. Equity



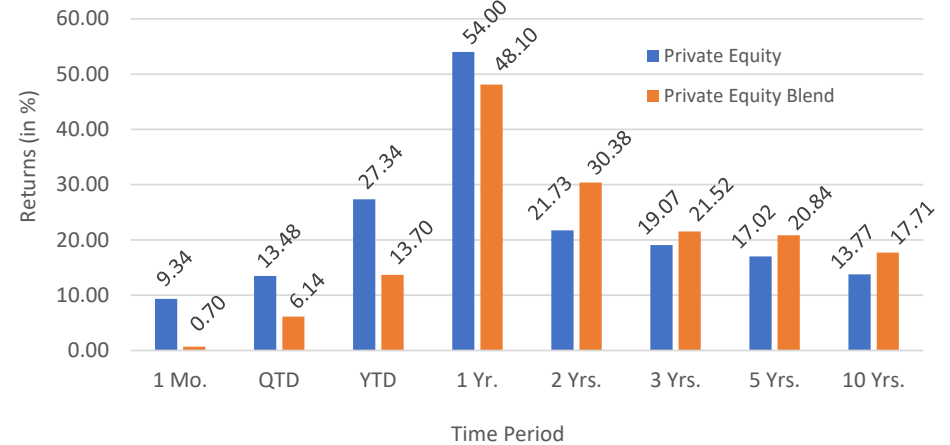
Core Fixed Income



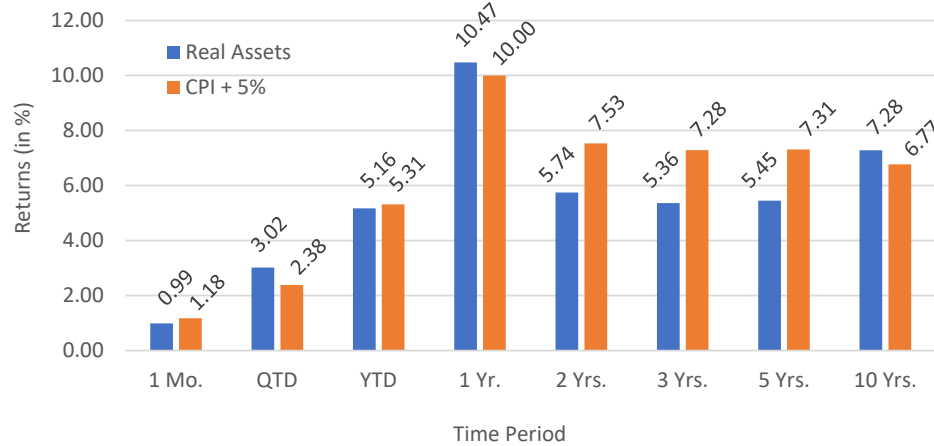
Credit Opportunities²



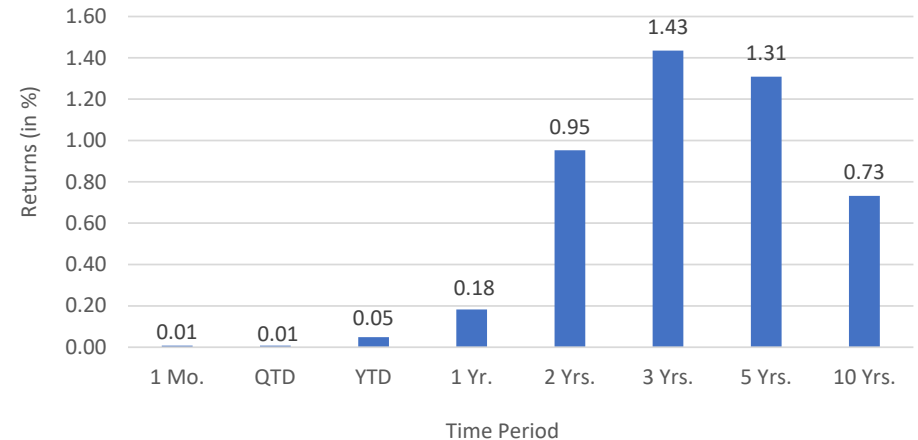
Private Equity³



Real Assets



Cash



1 FYTD = Fiscal Year to Date. For LACERS, the fiscal year begins on July 1 and ends on June 30 the following year.

2 Credit Opportunities Blend = 65% Bloomberg Barclays US High Yield 2% Issuer Cap TR / 35% JP Morgan EMBI Global Diversified July 1, 2014 to present; Bloomberg Barclays US High Yield 2% Issuer Cap TR prior to July 1, 2014.

3 Private Equity Blend = Russell 3000 + 3% July 1, 2012 to present; Russell 3000 + 4% prior to July 1, 2012.

Disclaimer: The financial information included in this presentation is preliminary, unaudited and subject to revision upon completion of LACERS' closing and audit processes.

Definitions for commonly used terms can be found by clicking [here](#).



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



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

MEETING: AUGUST 10, 2021
ITEM: VI

Bar

SUBJECT: ANNUAL REPORT ON LACERS EMERGING INVESTMENT MANAGER PROGRAM

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

Recommendation

That the Investment Committee receive and file this report.

Executive Summary

LACERS' Emerging Investment Manager Program aims to hire and retain Emerging Investment Managers in order to add value to the LACERS investment portfolio. This report highlights the Emerging Investment Manager firms hired, dollar amounts awarded, and staff and consultant efforts to increase Emerging Investment Manager representation in the LACERS investment portfolio in calendar year 2020.

Discussion

Background

LACERS' Emerging Investment Manager Policy (Policy) was adopted on February 14, 2012 and was most recently revised on April 13, 2021. The policy identifies guidelines and sets goals to hire and retain Emerging Managers that would otherwise not be identified in the standard LACERS investment manager search process in order to add value to the LACERS investment portfolio. Smaller investment management firms may generate superior performance returns due to increased market flexibility associated with smaller asset bases. The Policy sets a policy goal of funding Emerging Investment Managers at no less than 10% of available capital and provides minimum criteria for firms to qualify as an Emerging Investment Manager.

This annual report provides the status of the Emerging Investment Manager Policy for the year ending December 31, 2020, including the following information:

1. Names and dollar amounts awarded to Emerging Investment Managers
2. Report of Emerging Investment Manager Goal Metrics
3. List of all investment manager searches
4. Staff and consultant efforts to increase the visibility of LACERS investment manager searches and representation of Emerging Investment Managers in the LACERS investment portfolio

5. Performance data for funds managed by Emerging Investment Managers

1. Names and Dollar Amounts Awarded to Emerging Investment Managers in 2020

Manager	Style	Asset Class	Investment/ Commitment
OceanSound Partners Fund, LP	Medium Buyouts	Private Equity	\$20,000,000
Builders VC Fund II, LP	VC-Early Stage	Private Equity	\$10,000,000
Bernzott Capital Advisors ¹	Small Cap	Domestic Equity	\$140,000,000
Granahan Investment Management, Inc.	Small Cap	Domestic Equity	\$80,000,000

2. Emerging Investment Manager Goal Metrics

The Policy sets a goal for public and private market asset classes at no less than 10%.

Public Markets

For each public market asset class, there are two metrics for measuring Emerging Investment Manager exposure: 1) Asset Class Metric: the total market value of Emerging Investment Managers within a respective asset class divided by the total market value of the respective asset class; and 2) Manager Search Metric: total dollars awarded to Emerging Investment Managers in a particular public asset class manager search divided by the total dollars awarded for the respective manager search.

In calendar year 2020, there were no public market searches initiated. The U.S. Small Cap Equities, High Yield Fixed Income and Hybrid High Yield Fixed Income/ U.S. Floating Rate Bank Loan, Emerging Market Small Cap Equities, and Emerging Market Debt mandate searches were completed in 2020; \$220 million dollars were awarded to Emerging Investment Managers.

Public Market Asset Classes	Emerging Manager Exposure (Metric 1)	Public Markets Manager Searches (Metric 2)
U.S. Equity	4.8%	55.5%
Non-U.S. Equity	5.6%	0.0%
Fixed Income	0.0%	N/A
Credit Opportunities	0.0%	0.0%
Public Real Assets	0.0%	N/A

¹ Manager was terminated in November 2020.

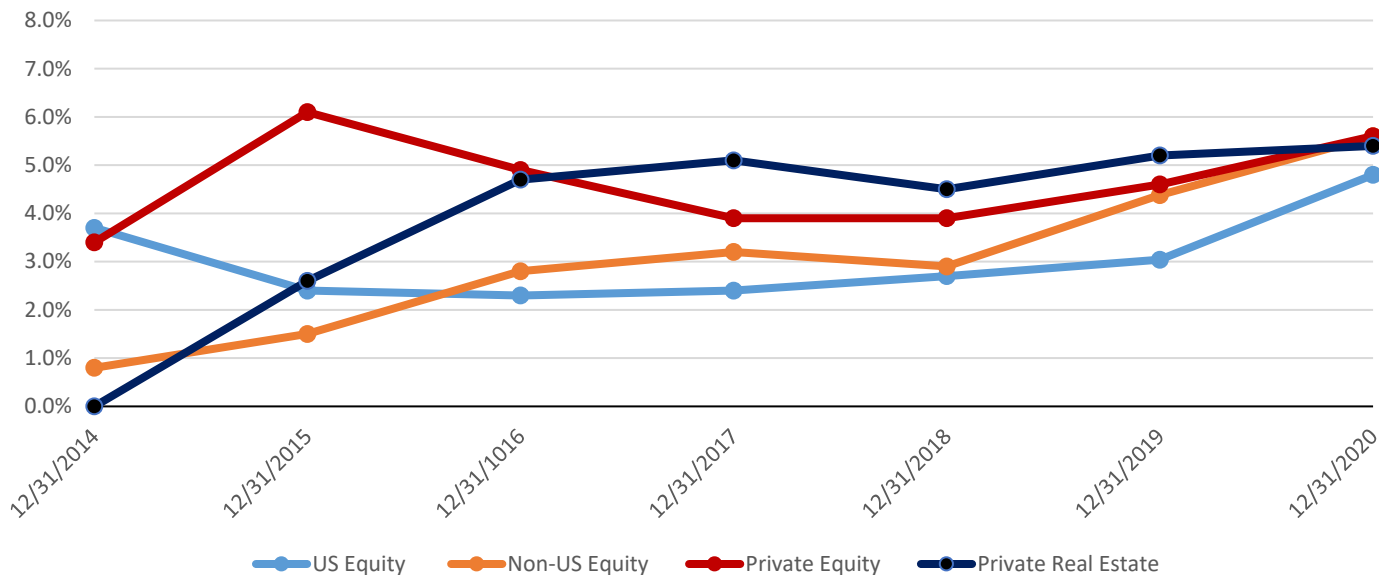
Private Markets

For each private market asset class, there are two metrics for measuring Emerging Investment Manager exposure: 1) Asset Class Metric: the total committed dollars of Emerging Investment Managers within a respective asset class divided by all the dollars within that respective asset class on a market value basis; and 2) Manager Search Metric: the total of all committed capital awarded to Emerging Investment Managers of completed searches within a respective private market asset class divided by all committed capital awarded within the respective private market asset class over a 36-month rolling period ending December 31, 2020.

Private Market Asset Classes	Asset Class (Metric 1)	Manager Search (Metric 2)
Private Equity	5.6%	5.9%
Private Real Estate	5.4%	13.3%

On a fund-number basis for the 36-month period ending December 31, 2020, LACERS authorized commitments to a total of seven private equity Emerging Investment Managers out of 57 private equity funds (12%) and two real estate Emerging Investment Managers out of nine real estate funds (22%).

Emerging Manager Exposure by Asset Class



Asset Class	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19	12/31/20
U.S. Equity	3.7%	2.4%	2.3%	2.4%	2.7%	3.0%	4.8%
Non-U.S. Equity	0.8%	1.5%	2.8%	3.2%	2.9%	4.4%	5.6%
Private Equity	3.4%	6.1%	4.9%	3.9%	3.9%	4.6%	5.6%
Private Real Estate	0.0%	2.6%	4.7%	5.1%	4.5%	5.2%	5.4%

3. Searches Conducted in 2020

Searches Initiated:

- N/A

Searches Completed:

- High Yield Fixed Income and Hybrid High Yield Fixed Income/ U.S. Floating Rate Bank Loan Mandate Search - \$470 million
- U.S. Small Cap Equities Mandate Search - \$550 million
- Emerging Market Small Cap Equities Mandate Search - \$230 million
- Emerging Market Debt Mandate Search - \$800 million

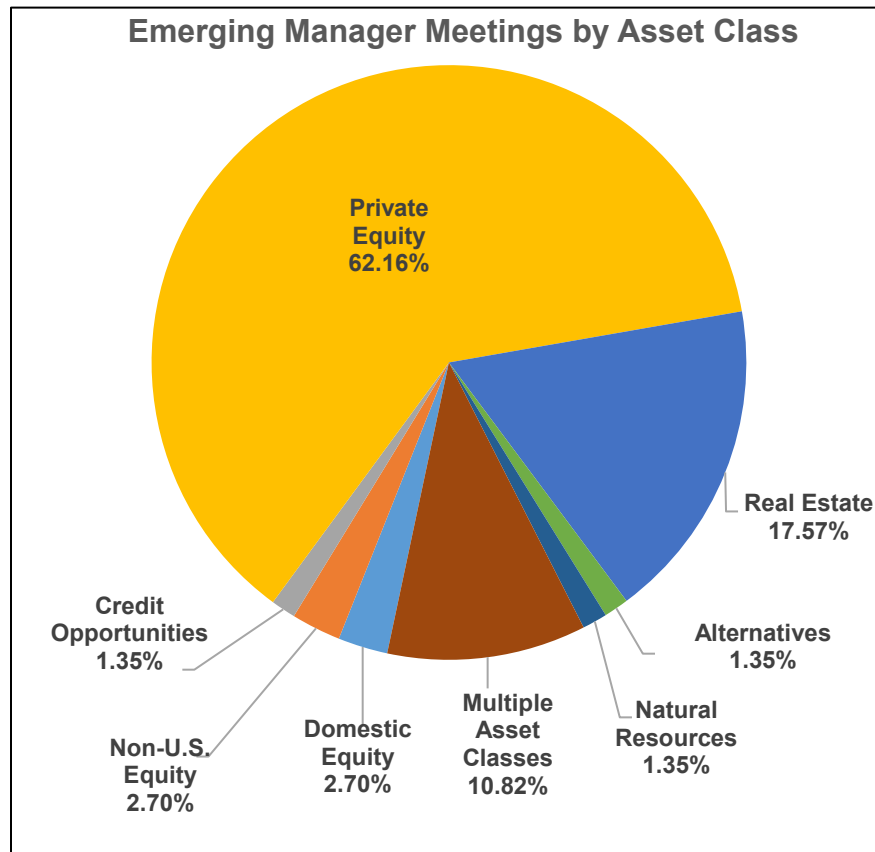
4. Efforts to Increase Visibility and Representation of Emerging Investment Managers

Staff

LACERS actively engages the emerging manager community to help achieve the policy objectives established by the Emerging Investment Manager Policy. During the calendar year 2020, staff participated in the following emerging manager events:

2020 Emerging Manager Events	
January	NASP Regional Conference
February	Texas Teachers, Texas TERS Emerging Manager Conference
March	Seizing Every Opportunity (SEO) – Alts Investment Conference
June	GCM Grosvenor Emerging Manager Consortium
August	Carmo Companies Private Markets Diversity Web Meeting
September	New American Alliance
October	National Association of Investment Companies
October	GCM Grosvenor/REEC
October	New American Alliance
October	Milken Institute
October	PIMCO/CalSTRS

In addition, staff regularly meets with emerging managers. During the calendar year 2020, staff held a total of 74 emerging manager meetings depicted by asset classes in the chart below.



Consultants

LACERS retains three investment consultants. The consultants' respective emerging manager activities for the one-year period ending December 31, 2020, are summarized below.

Consultant	Meetings or Calls	Emerging Manager Conferences	Awarded to Emerging Managers
NEPC, LLC (General)	206	15	\$4.3 billion / 17 managers
Aksia TorreyCove Partners, LLC (Private Equity)	47	14	\$600 million / 3 managers
The Townsend Group (Real Estate)	65	10	\$807 million / 11 managers

Note: The definition of "Emerging Manager" for this matrix is based on the emerging investment manager criteria unique to each consultant.

5. Performance Data of LACERS Emerging Investment Managers (as of 12/31/2020)

Public Markets Managers Performance (Net-of-Fees)	Inception Date	One Year	Two Years	Three Years	Five Years	Since Inception
Oberweis Asset Management, Inc. ² MSCI EAFE Small Cap Index	Jan-2014	64.55 12.35	43.78 18.49	16.37 4.85	16.21 9.40	12.58 7.06
<i>Excess Return</i>		52.20	25.29	11.52	6.81	5.52
EAM Investors LLC ³ Russell 2000 Growth Index	Sep-2015	44.11 34.63	38.13 31.52	23.44 16.20	19.28 16.36	18.65 16.46
<i>Excess Return</i>		9.48	6.61	7.24	2.92	2.19
Bernzott Capital Advisors ⁴ Russell 2000 Value Index	Aug-2020	- -	- -	- -	- -	20.56 33.36
<i>Excess Return</i>		-	-	-	-	-12.80
Granahan Investment Management, Inc. Russell 2000 Growth Index	Aug-2020	- -	- -	- -	- -	37.35 29.61
<i>Excess Return</i>		-	-	-	-	7.74

Public Markets Managers Peer Comparison	Universe	Number of Managers in Universe	5-Year Peer Ranking	5-Year Peer Median Performance
Oberweis Asset Management, Inc.	eV EAFE Small Cap Equity Net Median	50	4	8.75%
EAM Investors LLC	eV US Small Cap Growth Equity Net Median	122	49	19.2%
Bernzott Capital Advisors ^{4,5}	eV US Small Cap Growth Equity Net Median	177	1	19.4%
Granahan Investment Management, Inc. ⁵	eV US Small Cap Value Equity Net Median	240	5	9.6%

Private Real Estate Emerging Fund Managers	Vintage Year	Net IRR ⁶	Return Multiple	Sourced By
Gerrity Retail Fund 2, LP	2015	3.4%	1.10x	Townsend
Asana Partners Fund I, LP	2017	10.3%	1.30x	Townsend
Broadview Real Estate Partners Fund, LP	2019	12.3%	0.90x	Townsend

² Account funded on January 15, 2014. Manager no longer meets the LACERS definition of an emerging manager as of the fourth quarter of 2015; firm assets under management exceed \$2 billion.

³ Account funded on October 1, 2015. Manager no longer meets the LACERS definition of an emerging manager as of the third quarter of 2017; firm assets under management exceed \$2 billion.

⁴ Manager was terminated in November 2020.

⁵ Composite strategy performance was used to determine the 5-year peer rankings due to the limited track record of LACERS' accounts.

⁶ A private market fund typically yields a low or negative IRR during its early life "J Curve" period.

Private Equity Emerging Fund Managers	Vintage Year	Net IRR ⁶	Return Multiple	Sourced By
High Road Capital Partners Fund II, LP	2013	14.1%	1.65x	Hamilton Lane
Blue Sea Capital Fund I, LP	2014	14.9%	1.71x	Portfolio Advisors
Oak HC/FT Partners, LP	2014	29.6%	2.71x	Portfolio Advisors
1315 Capital, LP	2015	15.0%	1.61x	Portfolio Advisors
New Water Capital Partners, LP	2015	12.6%	1.40x	Portfolio Advisors
Angeles Equity Partners I, LP	2015	15.5%	1.58x	Portfolio Advisors
CenterGate Capital Partners I, LP	2015	12.8%	1.40x	Portfolio Advisors
Sunstone Partners I, LP	2016	34.1%	1.94x	Portfolio Advisors
Defy Partners I, LP	2016	10.8%	1.21x	Portfolio Advisors
NMS Fund III, LP	2017	21.7%	1.27x	Portfolio Advisors
Oak HC/FT Partners II, LP	2017	53.3%	2.16x	Portfolio Advisors
Astra Partners I, LP	2017	0.0%	1.00x	Portfolio Advisors
Mill Point Capital Partners, LP	2018	30.0%	1.60x	Portfolio Advisors
1315 Capital Fund II, LP	2018	-4.5%	0.95x	Portfolio Advisors
DEFY Partners II, LP	2019	74.1%	1.53x	Aksia TorreyCove
P4G Capital Partners I, LP	2019	-55.7%	0.60x	Aksia TorreyCove
Sunstone Partners II, LP	2019	0.0%	0.00x	Aksia TorreyCove
OceanSound Partners Fund, LP	2020	24.7%	1.12x	Aksia TorreyCove
Builders VC Fund II, LP	2020	-	-	Aksia TorreyCove

Strategic Plan Impact Statement

The Emerging Investment Manager Policy aims to add value to the LACERS investment portfolio by hiring Emerging Investment Managers, consistent with Goal IV, which aims to optimize long-term risk adjusted investment returns. The presentation and discussion of the Policy's goals, metrics, manager outreach and manager performance is consistent with Goal V, which aims to uphold good governance practices which affirm transparency, accountability, and fiduciary duty.

Prepared By: Ricky Mulawin, Management Analyst, Investment Division

NMG/RJ/BF/RM:jp

⁶ A private market fund typically yields a low or negative IRR during its early life "J Curve" period.