



Investment Committee Agenda

REGULAR MEETING

TUESDAY, FEBRUARY 8, 2022

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

MEETING LOCATION:

In accordance with Government Code Section 54953, subsections (e)(1) and (e)(3), and in light of the State of Emergency proclaimed by the Governor on March 4, 2020 relating to COVID-19 and ongoing concerns that meeting in person would present imminent risks to the health or safety of attendees and/or that the State of Emergency continues to directly impact the ability of members to meet safely in person, the LACERS Investment Committee's February 8, 2022 meeting will be conducted via telephone and/or videoconferencing.

Important Message to the Public

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

Dial: (669) 254-5252 or (669) 216-1590

Meeting ID# 161 532 7894

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

Chair: Sung Won Sohn

Committee Members: Elizabeth Lee
Nilza R. Serrano

Manager-Secretary: Neil M. Guglielmo

Executive Assistant: Ani Ghokassian

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.ghokassian@lacers.org.

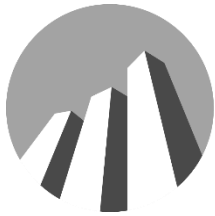
Disclaimer to Participants

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

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).

[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 JANUARY 11, 2022 AND POSSIBLE COMMITTEE ACTION](#)
- III. CHIEF INVESTMENT OFFICER VERBAL REPORT
- IV. [PRESENTATION BY COPELAND CAPITAL MANAGEMENT, LLC REGARDING THE MANAGEMENT OF AN ACTIVE U.S. SMALL CAP CORE EQUITIES PORTFOLIO](#)
- V. [INVESTMENT MANAGER CONTRACT WITH MFS INSTITUTIONAL ADVISORS, INC. REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS GROWTH PORTFOLIO AND POSSIBLE COMMITTEE ACTION](#)
- VI. [REAL ESTATE CONSULTING CONTRACT WITH TOWNSEND HOLDINGS LLC AND POSSIBLE COMMITTEE ACTION](#)
- VII. [SEMI-FINALISTS OF THE PASSIVE U.S., NON-U.S., AND GLOBAL INDEX STRATEGIES REQUEST FOR PROPOSAL AND POSSIBLE COMMITTEE ACTION](#)
- VIII. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT TO TPG REAL ESTATE PARTNERS IV, L.P. AND POSSIBLE COMMITTEE ACTION**
- IX. OTHER BUSINESS
- X. NEXT MEETING: The next Regular meeting of the Investment Committee is scheduled for Tuesday, March 8, 2022, at 10:30 a.m., or immediately following the Board Meeting, at LACERS, 202 West 1st Street, Suite 500, Los Angeles, CA 90012 and/or via telephone and/or videoconferencing. Please continue to view the LACERS website for updated information on public access to Board/Committee meetings while response to public health concerns relating to the novel coronavirus continue.
- XI. ADJOURNMENT



Board of Administration Agenda

SPECIAL MEETING

TUESDAY, FEBRUARY 8, 2022

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

MEETING LOCATION:

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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: Neil M. Guglielmo

Executive Assistant: Ani Ghoukassian

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

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- IV. PRESENTATION BY COPELAND CAPITAL MANAGEMENT, LLC REGARDING THE MANAGEMENT OF AN ACTIVE U.S. SMALL CAP CORE EQUITIES PORTFOLIO
- V. INVESTMENT MANAGER CONTRACT WITH MFS INSTITUTIONAL ADVISORS, INC. REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS GROWTH PORTFOLIO AND POSSIBLE COMMITTEE ACTION
- VI. REAL ESTATE CONSULTING CONTRACT WITH TOWNSEND HOLDINGS LLC AND POSSIBLE COMMITTEE ACTION
- VII. SEMI-FINALISTS OF THE PASSIVE U.S., NON-U.S., AND GLOBAL INDEX STRATEGIES REQUEST FOR PROPOSAL AND POSSIBLE COMMITTEE ACTION
- VIII. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT TO TPG REAL ESTATE PARTNERS IV, L.P. AND POSSIBLE COMMITTEE ACTION**
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- XI. ADJOURNMENT

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

In accordance with Government Code Section 54953, subsections (e)(1) and (e)(3), and in light of the State of Emergency proclaimed by the Governor on March 4, 2020 relating to COVID-19 and ongoing concerns that meeting in person would present imminent risks to the health or safety of attendees and/or that the State of Emergency continues to directly impact the ability of members to meet safely in person, the LACERS Investment Committee's January 11, 2022 meeting was conducted via telephone and/or videoconferencing.

January 11, 2022

12:50 p.m.

PRESENT via Videoconferencing:	Co-Chair:	Nilza R. Serrano
	Committee Member:	Elizabeth Lee
	Manager-Secretary:	Neil M. Guglielmo
	Legal Counselor:	Joshua Geller
	Executive Assistant:	Ani Ghoukassian
ABSENT:	Chair:	Sung Won Sohn

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** – Co-Chair Serrano 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 DECEMBER 14, 2021 AND POSSIBLE COMMITTEE ACTION – Committee Member Elizabeth Lee moved approval, and adopted by the following vote: Ayes, Committee Member Elizabeth Lee and Co-Chair Serrano -2; Nays, None.

III

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

- Investment Committee Meeting Forward Calendar
- Real Estate Consultant RFP would be heard later in the meeting

- Passive Investment Manager RFP will go to the IC on February 8, 2022
- Staff is working on several policies including the Unique Investment Opportunities Policy and the Private Equity Policy maximum dollar thresholds for new and follow-on funds

IV

PRESENTATION BY DIMENSIONAL FUND ADVISORS LP REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EMERGING MARKETS VALUE PORTFOLIO – Ethan Wren, Senior Portfolio Manager and Vice President and Joe Young, Regional Director and Vice President, with Dimensional Fund Advisors LP, presented and discussed this item with the Committee for 20 minutes.

V

PRESENTATION BY PRINCIPAL GLOBAL INVESTORS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE U.S. MID CAP CORE EQUITIES PORTFOLIO – Thomas Rozycki, Director of Research, Portfolio Manager and Hans Vander Plaats, Managing Director, Client Portfolio Manager, with Principal Global Investors, LLC, presented and discussed this item with the Committee for 15 minutes.

VI

SEMI-FINALISTS OF THE REAL ESTATE CONSULTANT REQUEST FOR PROPOSAL AND POSSIBLE COMMITTEE ACTION – Wilkin Ly, Investment Officer III, presented this item to the Committee. After a 10 minute discussion, Committee Member Elizabeth Lee moved approval, adopted by the following vote: Ayes, Committee Member Elizabeth Lee and Co-Chair Serrano -2; Nays, None.

VII

GENERAL FUND CONSULTANT CONTRACT WITH NEPC, LLC AND POSSIBLE COMMITTEE ACTION – Bryan Fujita, Investment Officer III, presented this item to the Committee. After a 10 minute discussion, Committee Member Elizabeth Lee moved approval, adopted by the following vote: Ayes, Committee Member Elizabeth Lee and Co-Chair Serrano -2; Nays, None.

VIII

PRIVATE EQUITY BENCHMARK CHANGE AND POSSIBLE COMMITTEE ACTION – Wilkin Ly, Investment Officer III, Robert King, Investment Officer II, and David Fann, Vice Chairman with Aksia TorreyCove Partners, presented and discussed this item with the Committee. After a seven minute discussion, Committee Member Elizabeth Lee moved approval, adopted by the following vote: Ayes, Committee Member Elizabeth Lee and Co-Chair Serrano -2; Nays, None.

IX

OTHER BUSINESS – There was no other business.

X

NEXT MEETING: The next Regular Meeting of the Investment Committee is scheduled for Tuesday, February 8, 2022, at 10:30 a.m. or immediately following the Board Meeting, at LACERS, 202 West 1st Street, Suite 500, Los Angeles, CA 90012, and/or via telephone and/or videoconferencing. Please

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XI

ADJOURNMENT – There being no further business before the Committee, Co-Chair Serrano adjourned the meeting at 1:57 p.m.

Nilza R. Serrano
Co-Chair

Neil M. Guglielmo
Manager-Secretary



Copeland Capital Management

Small Cap Dividend Growth

February 8th 2022

Presented to:



Headquarters

161 Washington Street, Suite 1325

Conshohocken, PA 19428

484-351-3700



Today's Presenters



Mark Giovanniello, CFA – Chief Investment Officer, Portfolio Manager

Mr. Giovanniello is the Chief Investment Officer and a Principal at Copeland Capital Management. Mark is a co-portfolio manager on all U.S. Strategies and the lead manager for the Mid Cap, Smid Cap, and Small Cap Strategies. He is responsible for research coverage of the Health Care, Materials and Energy sectors. Prior to joining Copeland in August 2009, Mark was the lead portfolio manager for the Mid Cap strategy at Rorer Asset Management. Before joining Rorer, Mark spent six years at The Colony Group as the portfolio manager of the firm's Mid Cap strategy as well as the Director of Research. He was responsible for overseeing all fundamental and quantitative research supporting the firm's large-cap, mid-cap and small-cap strategies. Earlier in his career, Mark was a senior associate at the public accounting firm PricewaterhouseCoopers, where he earned his CPA while working with clients in the technology, venture capital and mutual fund industries. Mark holds a BS degree from the Carroll School of Management at Boston College. He also holds the Chartered Financial Analyst (CFA®) designation and is a member of the Philadelphia Security Analyst Society.



Charles Barrett – Director of Sales & Marketing

Mr. Barrett is responsible for all sales and marketing initiatives for Copeland Capital Management. He is a Principal and a member of the Firm's Management Committee. He oversees distribution of Copeland's mutual fund products, hedge funds, institutional separate accounts and manages the firm's sub-advisory relationships. Prior to joining Copeland in November 2010, he was the National Sales Manager for MTB Investment Advisors and the MTB Group of Funds. At MTBIA he was responsible for the mutual fund distribution business as well as institutional consultant relationships. Before MTBIA, Chuck served in senior sales positions at John Hancock Funds and Alliance Bernstein. Chuck holds a BS in Finance from Albright College.



December 31, 2021 – Gross of Fees

Copeland Capital Management LLC
PERFORMANCE SUMMARY
GROSS OF FEES
Los Angeles City Empl Ret System

December 31, 2021

PORTFOLIO ASSET ALLOCATION				PORTFOLIO CHANGES			
	Market Value	% of Total	Current Yield				
Equity	253,530,290.91	97.8	1.6	Market Value as of 11-30-21		244,575,314.18	
Fixed Income	0.00	0.0	-	Net Additions/Withdrawals		-274,677.42	
Cash & Equivalents	5,659,013.28	2.2	0.0	Income Received		436,635.14	
Other	0.00	0.0	-	Market Appreciation		14,452,032.29	
Cash & Equity	0.00	0.0	-	Market Value as of 12-31-21		259,189,304.19	
Accrued Income	0.00	0.0	-	Realized Gains		2,657,027.09	
Total	259,189,304.19	100.0	1.5	Unrealized Gains		60,206,573.93	
PORTFOLIO PERFORMANCE							
	Month To Date	Quarter To Date	Year To Date	Last 1 Year	Annualized Last 3 Years	Annualized Last 5 Years	Annualized Inception To Date
Total Portfolio	6.09	8.49	26.87	26.87	-	-	40.81
Sector							
Equity	6.23	8.65	27.42	27.42	-	-	41.66
Sector							
Fixed Income	0.00	0.00	0.00	0.00	-	-	0.00
Sector							
Cash & Equivalents	0.00	0.02	0.19	0.19	-	-	0.19
Index							
Russell 2000 Total Return	2.23	2.14	14.82	14.82	-	-	38.86

Please compare the information in this statement with the account statement prepared by the custodian of your assets.



December 31, 2021 – Net of Fees

Copeland Capital Management LLC
PERFORMANCE SUMMARY
NET OF FEES
Los Angeles City Empl Ret System

December 31, 2021

PORTFOLIO ASSET ALLOCATION

PORTFOLIO CHANGES

	Market Value	% of Total	Current Yield		
Equity	253,530,290.91	97.8	1.6	Market Value as of 11-30-21	244,575,314.18
Fixed Income	0.00	0.0	-	Net Additions/Withdrawals	-269.98
Cash & Equivalents	5,659,013.28	2	0.0	Income Received	436,635.14
		2			
Other	0.00	0.0	-	Management Fees	-274,407.44
Cash & Equity	0.00	0.	-	Market Appreciation	14,452,032.29
		0			
Accrued Income	0.00	0.0	-	Market Value as of 12-31-21	259,189,304.19
				Realized Gains	2,657,027.09
				Unrealized Gains	60,206,573.93
Total	259,189,304.19	100.0	1.5		

Total Fees -274,407.44

PORTFOLIO PERFORMANCE

	Month To Date	Quarter To Date	Year To Date	Last 1 Year	Annualized Last 3 Years	Annualized Last 5 Years	Annualized Inception To Date
Total Portfolio	5.98	8.37	26.29	26.29	-	-	40.30
Sector Equity	6.23	8.65	27.42	27.42	-	-	41.66
Sector Fixed Income	0.00	0.00	0.00	0.00	-	-	0.00
Sector Cash & Equivalents	-4.81	-4.79	-22.15	-22.15	-	-	-18.10
Index Russell 2000 Total Return	2.23	2.14	14.82	14.82	-	-	38.86

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Firm Profile

- Copeland Capital Management is a 100% employee-owned firm specializing in Dividend Growth investing
- We manage U.S., International, and Global strategies across all capitalization ranges
- Our strategies are available as Separately Managed Accounts, Model Delivery, Mutual Funds and Private Funds
- Copeland Capital Management claims compliance with the Global Investment Performance Standards® (GIPS®)

2005 - Copeland Capital Management is founded by Eric Brown in Wellesley, MA

2009 - Key members of Rorer Asset Management join Copeland Capital
- Mark Giovannello, former Portfolio Manager at Rorer Asset Management, is named Chief Investment Officer
- Firm's headquarters moves from Wellesley, MA to Conshohocken, PA, just outside of Philadelphia

2010 - Copeland hires Chuck Barrett as Director of Sales and Marketing - Copeland launches its first mutual fund

2011 - Copeland hires Jeff Walkenhorst as Analyst/Portfolio Manager - Copeland's mutual fund launch raises \$150 million in year 1

2012 - Erik Granade joins Copeland to launch International and Global Dividend Growth strategies

2013 - Copeland hires Kenneth Lee as Analyst/Portfolio Manager to increase the firm's capabilities in International markets
- Copeland celebrates \$1 billion in assets

2014 - John Cummings joins the investment team as an Analyst

2015 - Steve Adams joins Copeland as Chief Operating and Financial Officer

2016 - Sofia Rosala is hired as Chief Compliance Officer and General Counsel

2017 - Tony Godonis joins Copeland Capital as Director of Trading and Willard Kwak is hired as a member of the International team

2018 - Copeland makes a key hire adding Michael Gebhardt as a senior member of the Sales and Marketing team

2019 - Dan Castrogiovanni joins Copeland's Trading and Operations team
- Copeland celebrates \$3 billion in assets

2020 - Jonathan Honda was added to the International team as a Research Analyst

2021 - Copeland becomes a signatory to the United Nations Principles for Responsible Investing (UN PRI)
- Copeland celebrates \$5.6 billion in assets



Representative Client List

Corporate DB/DC

Caterpillar Inc.
Cooperative Banks Employees Retirement Plan
General Dynamics
Liberty Utilities
Owens Illinois
Roche
Whitinsville Water Company

Public Funds

Chicago Transit Authority
City of Attleboro
City of Fort Lauderdale
Franklin Regional Retirement System
Los Angeles City Employees Retirement System
Philadelphia Gas Works
Pennsylvania Municipal Retirement System
St. Louis Firefighters

Religious

Christian Churches Pension Plan
Stewardship Asset Management

Taft-Hartley

IBEW Local 1
IBEW Local 269
Michigan Laborers Pension Fund
NY State Nurses Association Pension

Sub-Advisory

Amalgamated Bank of Chicago
JP Morgan Private Bank
New York Life
Russell Investments
SEI
The Colony Group

Insurance

Oil Investment Corporation Limited

Endowment & Foundation

Camden County College Foundation
Cook Children's Hospital
Cumberland County College Foundation

Advisory Platforms (Recommended Status)

Ameriprise
Bank of the West
Envestnet
Fieldpoint Private Bank
Morgan Stanley
Northern Trust
SmartX Advisory Solutions
Stifel
Wells Fargo Private Bank



Global Investment Team



Mark Giovannello, CFA – Chief Investment Officer, Portfolio Manager
Mr. Giovannello is the Chief Investment Officer of Copeland Capital Management, a Principal and member of the Firm's Management Committee. Prior to joining Copeland in 2009, Mark was the lead portfolio manager for the Mid Cap strategy at Rorer Asset Management. Prior to Rorer, he spent six years at The Colony Group as a portfolio manager and Director of Research. Earlier in his career, Mark was a senior associate at Pricewaterhouse Coopers, where he earned his CPA. Mark holds a BS degree from the Carroll School of Management at Boston College. He also holds the Chartered Financial Analyst (CFA®) designation and is a member of the Philadelphia Security Analyst Society.



Eric Brown, CFA – Founder, Chief Executive Officer, Portfolio Manager
Mr. Brown is the Founder and CEO of Copeland Capital Management. While founding Copeland, he developed a proprietary fundamental model to best evaluate dividend growth stocks. Prior to Copeland, Eric was a Senior Portfolio Manager with The Colony Group. He previously served as a Portfolio Manager with Bingham Legg Advisors. Earlier in his career, Mr. Brown worked in the municipal bond area at Bear Stearns & Company. Eric holds a BA in Political Science from Trinity College in Hartford, CT. He also holds the Chartered Financial Analyst (CFA®) designation. He is a member of the Boston Security Analysts Society and the American Mensa Society.



David McGonigle, CFA – Portfolio Manager
Mr. McGonigle is a Portfolio Manager and a Principal at Copeland Capital Management. Prior to joining Copeland in 2009, Dave spent ten years with Rorer Asset Management as a portfolio manager and analyst. Before Rorer, Dave was an Analyst at CapitalOne Financial Corp. He holds a BS in Business Administration, with a finance concentration, from the E. Claiborne Robins School of Business at the University of Richmond. Dave holds the Chartered Financial Analyst (CFA®) designation and is a member of the CFA Society of Philadelphia.



Jeffrey Walkenhorst, CFA – Portfolio Manager
Mr. Walkenhorst is a Portfolio Manager and a Principal at Copeland Capital Management. Prior to joining Copeland in 2011, Jeff was a Senior Analyst at The Research Board, an international think tank. Previously, Jeff was an Equity Research Analyst with Banc of America Securities and was on an Institutional Investor All-America Research Team. Prior to BAS, Jeff was engaged in strategic planning, and M&A, roles in the telecom and technology sectors. Jeff began his career in the Investment Banking Group at Prudential Securities. Jeff holds a BA degree in Economics from Stanford University. He also holds the Chartered Financial Analyst (CFA®) designation and is a member of the New York Society of Security Analysts.



John Cummings, CFA – Portfolio Manager
Mr. Cummings is a Portfolio Manager and a Principal at Copeland Capital Management. His primary responsibilities include coverage of the Industrials sector and helping to optimize Copeland's quantitative methodologies. Prior to joining Copeland in August 2014, John worked as a summer equity research analyst for Credit Suisse covering the consumer internet sector. Before that, John worked for Copeland Capital as a summer research analyst. During this time, he helped analyze and improve Copeland's quantitative screening methodologies. John holds a BA degree in both Mathematics and Economics with high honors from Haverford College. He also holds the Chartered Financial Analyst (CFA®) designation and is a member of the CFA Society of Philadelphia.



Erik Granade, CFA – Head of International Equities, Portfolio Manager
Mr. Granade is the Head of International Equities at Copeland Capital Management. He is a Principal and a member of the Firm's Management Committee. Prior to joining Copeland Capital Management in 2012, Erik was Chief Investment Officer and Portfolio Manager for Invesco's global equity team. While at Invesco, he had overall responsibility for the team's international equity, global equity, and emerging market equity strategies. Prior to joining Invesco, he was Head of International Equities at Cashman, Farrell & Associates in Philadelphia. Preceding that, Erik worked at PNC Bank as a Senior International Equity Manager for Provident Capital Management. Erik received his BA in economics from Trinity College in Hartford, CT and holds the Chartered Financial Analyst (CFA®) and Chartered Investment Counselor designations. He is a member of the CFA Institute and the CFA Society of Atlanta.



Kenneth T. Lee, MBA – Portfolio Manager
Mr. Lee is a Portfolio Manager and a Principal at Copeland Capital Management. Prior to joining Copeland in 2013, Ken was Portfolio Manager at Mercury Partners in Greenwich, CT. Ken managed Mercury's Asia Special Situations Fund. Prior to Mercury, Ken was a Vice President at Deutsche Bank and an Associate at Wachovia Securities where he focused on M&A in their Real Estate, Lodging & Gaming Investment Banking Group. Previously, Ken was a management consultant at McKinsey & Company where he specialized in corporate restructuring and turnarounds for Asian and European clients across various sectors. Ken holds a Master of Business Administration from Harvard Business School and a BA in Economic History from Dartmouth College.



Willard Kwak, CFA – Research Analyst
Mr. Kwak is a Research Analyst and a Principal at Copeland Capital Management. His primary responsibilities include conducting fundamental research across all sectors and optimizing Copeland's quantitative methodologies. Prior to joining Copeland in 2017, Willard performed research at the University of Chicago Department of Economics, developing data analytics and mining skills, working with various programming languages. Willard participated in the Research Experience as Undergraduate (REU) for mathematics, studying number theory. Willard holds a BS in Mathematics and BA in Economics from the University of Chicago. holds a BS degree from the Carroll School of Management at Boston College. He also holds the Chartered Financial Analyst (CFA®) designation.



Jonathan Honda - Research Analyst
Mr. Honda is a Research Analyst and a Principal at Copeland Capital Management. Prior to joining Copeland in February 2020, Jon worked as a Research Associate at the Capital Group in Los Angeles, CA. Prior to Capital, Jon was an Investment Professional at Interlaced Investment Advisors in Honolulu, HI where he conducted fundamental analysis across all sectors on the domestic team. Jon holds a BBA from the University of Hawaii where he majored in Finance and minored in Economics.



Philosophy

“We believe that stocks with sustainable dividend growth consistently outperform the market with less risk.”

- We believe that investing in companies that are committed to consistently growing their dividend aligns us with corporate management teams that are skilled allocators of capital
- In our view, management teams that are committed to raising their dividend every year make far fewer capital allocation mistakes than companies that don't have this requirement
- Our research shows us that avoiding capital allocation mistakes reduces exposure to stock specific blow ups and can substantially reduce volatility and downside exposure



We are not a Dividend Yield Manager!



- Dividend Growth is not dividend yield
 - Copeland strategies are not managed for yield
 - The most important consideration for us is the future rate of dividend growth of the companies in which we invest
-
- We offer U.S., International, and Global strategies across all capitalization ranges that are managed against core benchmarks
 - We aim to outperform each strategy's benchmark with less risk by investing in what we believe to be the best growth companies that have management teams committed to consistently increasing their dividends

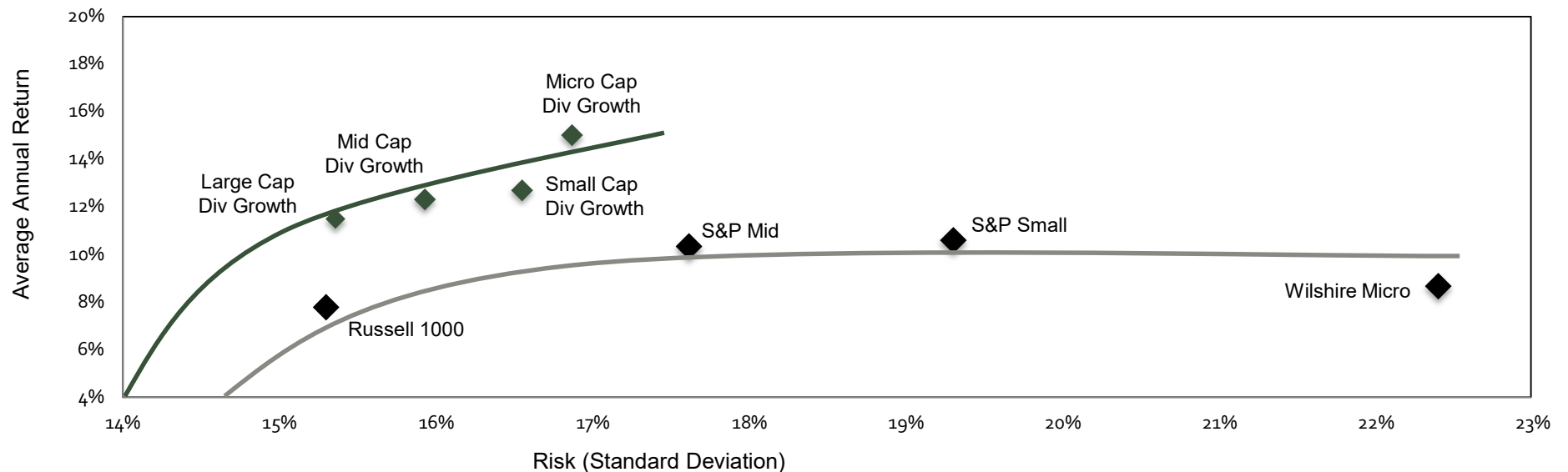
Past performance is no guarantee of future results.



Why Dividend Growth

- The illustration below shows the Efficient Frontier of Dividend Growth stocks compared to the Efficient Frontier of their respective benchmarks.
- We suggest that by only focusing on Dividend Growth stocks, we can offer strategies down the market cap spectrum with risk characteristics that are similar to Large Cap stocks.

Efficient Frontier: Dividend Growers vs. Benchmarks December 31, 1999 – December 31, 2021



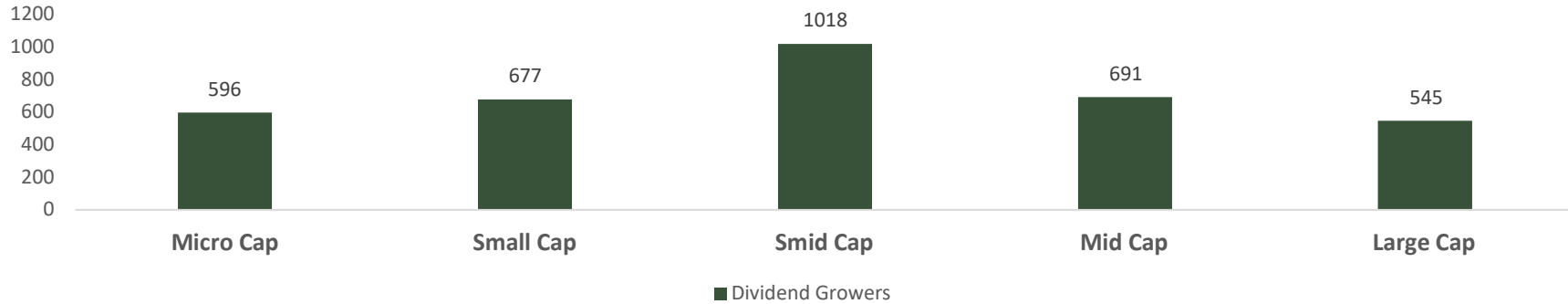
Sources: Ned Davis Research, Inc./ Copeland Capital Management. Past performance is no guarantee of future results. The information presented is intended to illustrate the return and volatility of Dividend Growers broken down by capitalization compared to their respective benchmarks. Returns shown include dividends reinvested. This is not the performance of any strategy overseen by Copeland and there is no guarantee that investors will experience the type of performance reflected in the information presented. Strategies managed by Copeland's investment team are subject to transaction costs, management fees, trading fees or other expenses not represented in the information presented. Dividend Growers included stocks that raised their existing dividend or initiated a new dividend during the previous 12 months. Standard deviation is a measure of the variability of returns-the higher the standard deviation, the greater the range of performance (i.e., volatility). You cannot invest directly in an Index. The Indices referenced above are the best performing Indices during the timeframe indicated herein. They may not be the benchmarks for the strategies to which they are compared, but are comparable to the strategies' actual benchmarks. For information on the Indices shown above as well as other important information, please refer to the Appendix.



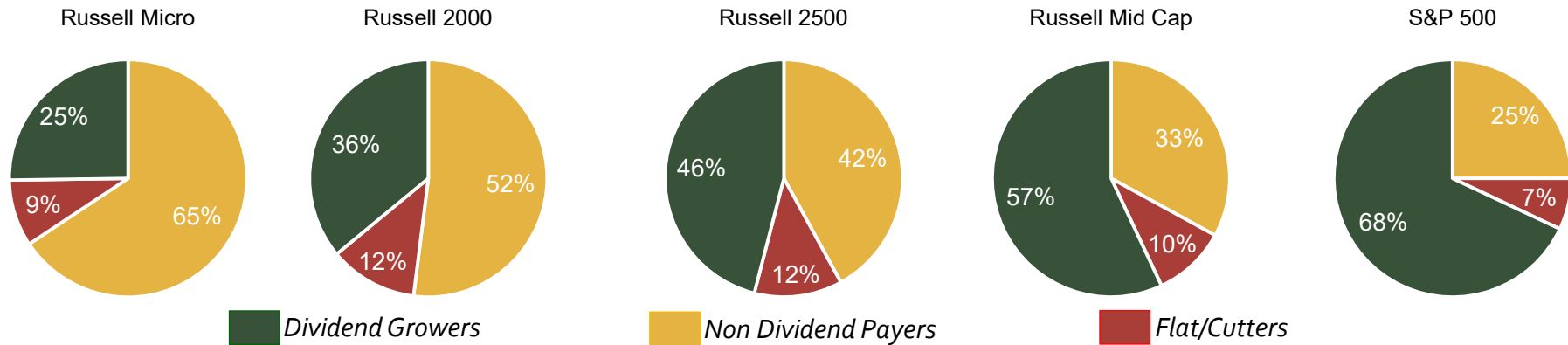
Looking Beyond Large Cap for Dividend Growth

While it might seem counterintuitive, there are far more Small Cap and Mid Cap companies that pay and grow their dividends than there are in the Large Cap universe.

Number of Dividend Growth companies across all market capitalizations as of December 31, 2021



Percentage breakdown of Dividend Policy by Benchmark

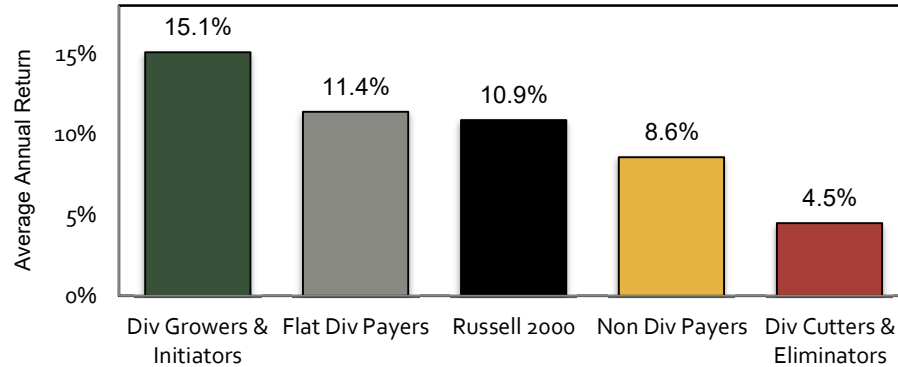


Source: FactSet as of 12/31/2021. Dividend Growers defined by companies in the capitalization range that have increased their dividends in the past year. The information presented is intended to illustrate the universe of holdings and is not the performance of any strategy overseen by Copeland. There is no guarantee that companies will declare dividends or, if declared, that they will remain at current levels or increase over time. Dividend Growers included stocks that raised their existing dividend or initiated a new dividend during the previous 12 months. Flat Dividend Payers included stocks that pay a dividend but have not raised or lowered their existing dividend during the previous 12 months. Non Dividend Payers included stocks that have not paid a dividend during the previous 12 months. Dividend Cutters included stocks that lowered their existing dividend or eliminated their dividend during the previous 12 months. You cannot invest directly in an Index. For information on the Indexes shown above as well as other important information, please refer to the Appendix.

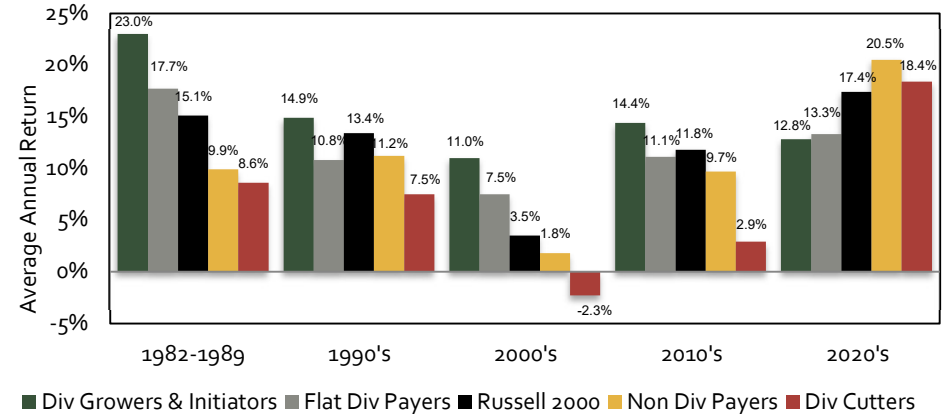


Dividend Growth at Work in Small Cap Stocks

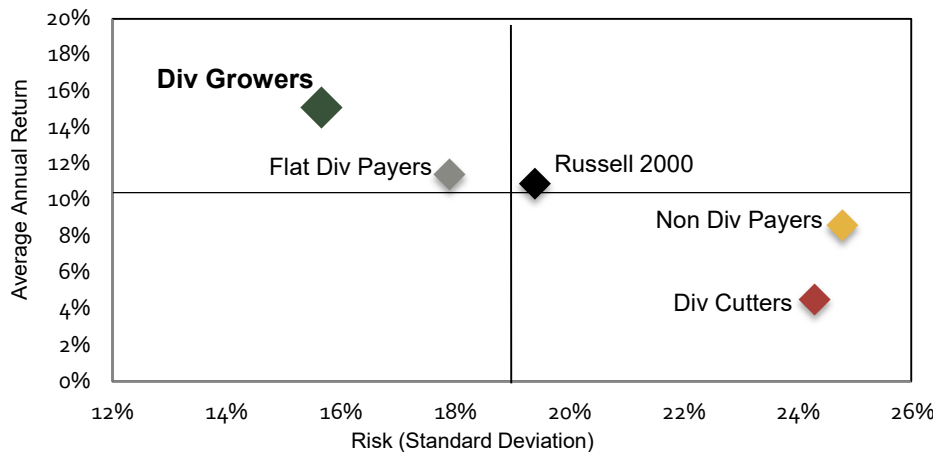
Small Cap Stocks: Sep 30, 1982 – Dec 31, 2021



Small Cap Dividend Growth by Decade



Small Cap Stocks: Sep 30, 1982 – Dec 31, 2021



9/30/1982 - 12/31/2021	Volatility (Standard Deviation)	Upside Capture	Downside Capture
Div Grower & Initiator	15.7%	84.6%	60.4%
Flat Div Payer	17.9%	87.0%	79.3%
Russell 2000	19.4%	100.0%	100.0%
Non Div Payer	24.8%	113.8%	129.2%
Div Cutter	24.3%	85.0%	106.3%

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Consistency of Dividend Growth – Small Cap

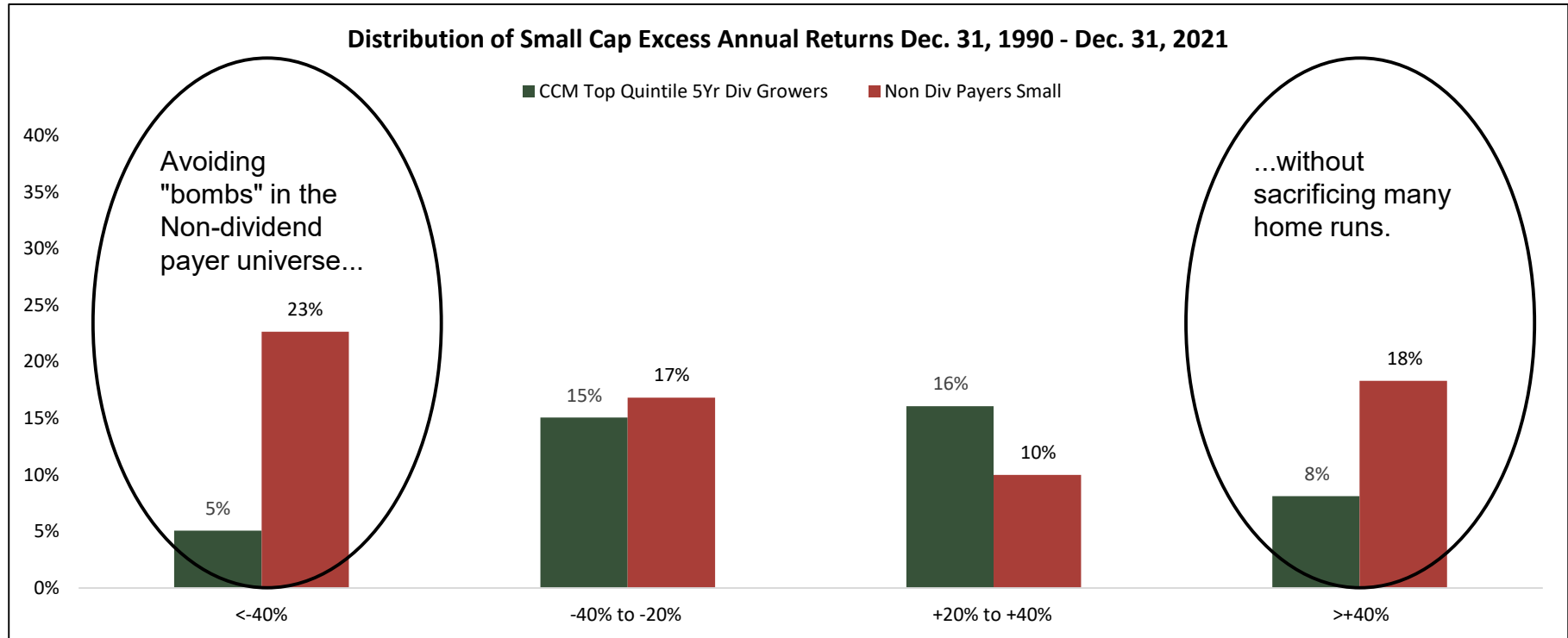
The table below shows the percentage of time Dividend Growth stocks outperform their respective benchmarks over rolling periods

Data as of 12/31/2021	Initiation Date	Benchmark (total return)	One Year Rolling	Three Year Rolling	Five Year Rolling	Ten Year Rolling
Small Cap Dividend Growers	9/30/1982	Russell 2000® Index	68%	77%	83%	99%
Small Cap Flat Dividend Payers	9/30/1982	Russell 2000® Index	46%	45%	38%	47%
Small Cap Non-Dividend Payers	9/30/1982	Russell 2000® Index	36%	24%	25%	19%
Small Cap Dividend Cutters	9/30/1982	Russell 2000® Index	27%	19%	19%	14%

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Avoiding “Blow Ups”



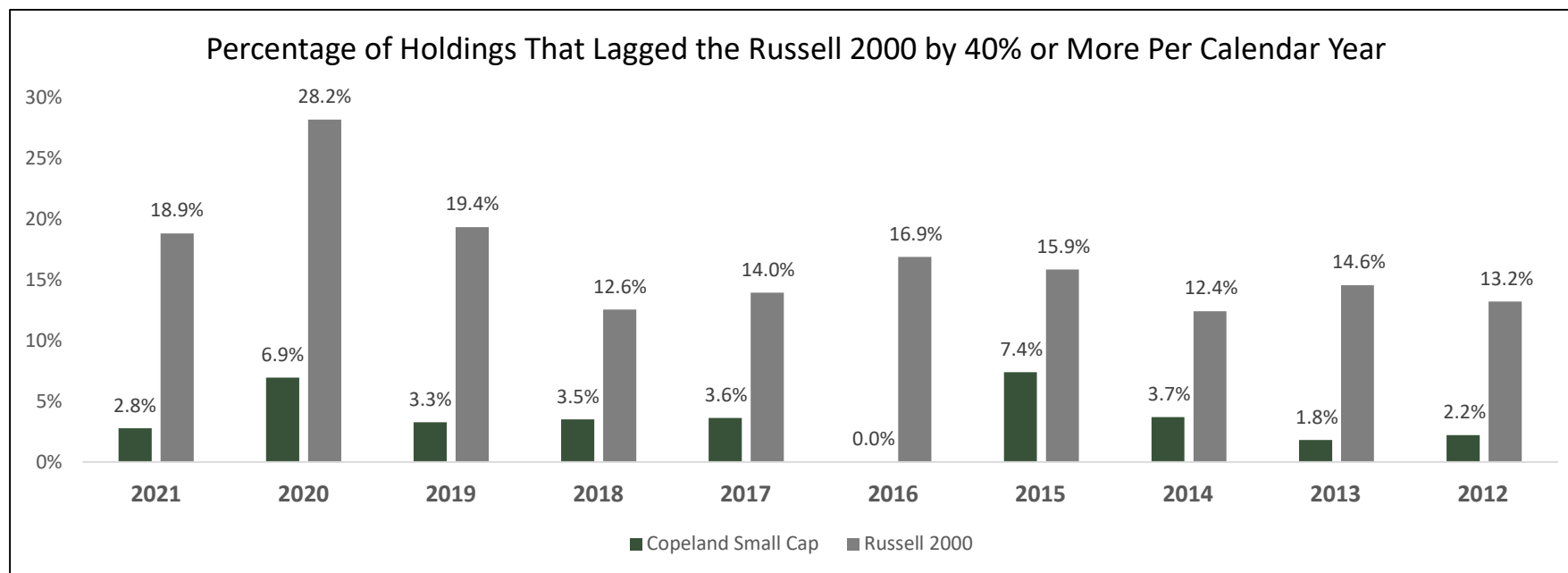
- The chart above illustrates the lower error rate via the distribution of relative returns for Small Cap Dividend Growth Stocks relative to non-dividend paying Small Cap stocks
- We gladly accept the likelihood of slightly fewer home runs in exchange for dramatically minimizing our exposure to "blow ups"

Source: FactSet and Copeland Capital Management. The information presented is intended to illustrate the performance of Small Cap stocks according to their dividend policy. Returns shown include dividends reinvested. **This is not the performance of any strategy overseen by Copeland and there is no guarantee that investors will experience the type of performance reflected in the information presented.** Strategies managed by Copeland's investment team are subject to transaction costs, management fees, trading fees or other expenses not represented in the information presented. Dividend Growers included stocks that raised their existing dividend or initiated a new dividend during the previous 12 months. Non Dividend Payers included stocks that have not paid a dividend during the previous 12 months. Five year dividend growers are stocks that have raised their dividends for five consecutive years, while Copeland's top quintile five year dividend growers are a subset of this group of stock that rank highest in Copeland's stock ranking model. There is no guarantee that companies will declare dividends or, if declared, that they will remain at current levels or increase over time. For other important information, please refer to the Appendix.



Percentage of “Blow Ups”

- The illustration below shows the percentage of holdings in the Copeland Small Cap strategy and the Russell 2000® that lagged the benchmark by 40 percentage points or more each calendar year.
- The numbers shown here differ from the previous page. That chart only illustrates the percentage of *Non-Dividend Payers* that lagged the benchmark by 40 percentage points or more. It did not show all stocks in the Russell 2000®.



Source: FactSet and Copeland Capital Management. The information presented is intended to illustrate the percentage of holdings in the Copeland Small Cap strategy and the Russell 2000® that lagged the benchmark by 40 percentage points or more each calendar year. **This is not the performance of any strategy overseen by Copeland and there is no guarantee that investors will experience the type of performance reflected in the information presented.** Strategies managed by Copeland’s investment team are subject to transaction costs, management fees, trading fees or other expenses not represented in the information presented. There is no guarantee that companies will declare dividends or, if declared, that they will remain at current levels or increase over time. You cannot invest directly in an Index. With respect to the comparison of the Copeland strategy to the Index referenced above, the total number of holdings within the Copeland strategy are significantly less than the Index, which will help explain the significant difference reflected in the comparison chart. For information on the Index shown above as well as other important information, please refer to the Appendix.

Common Misconception

For Copeland, a dividend increase is a signal of management's confidence in future growth



There is a widely held misconception that when a company issues or raises its dividend it is a signal that its investment prospects are poor and growth will be subpar. As shown in this presentation, this is not always the case.

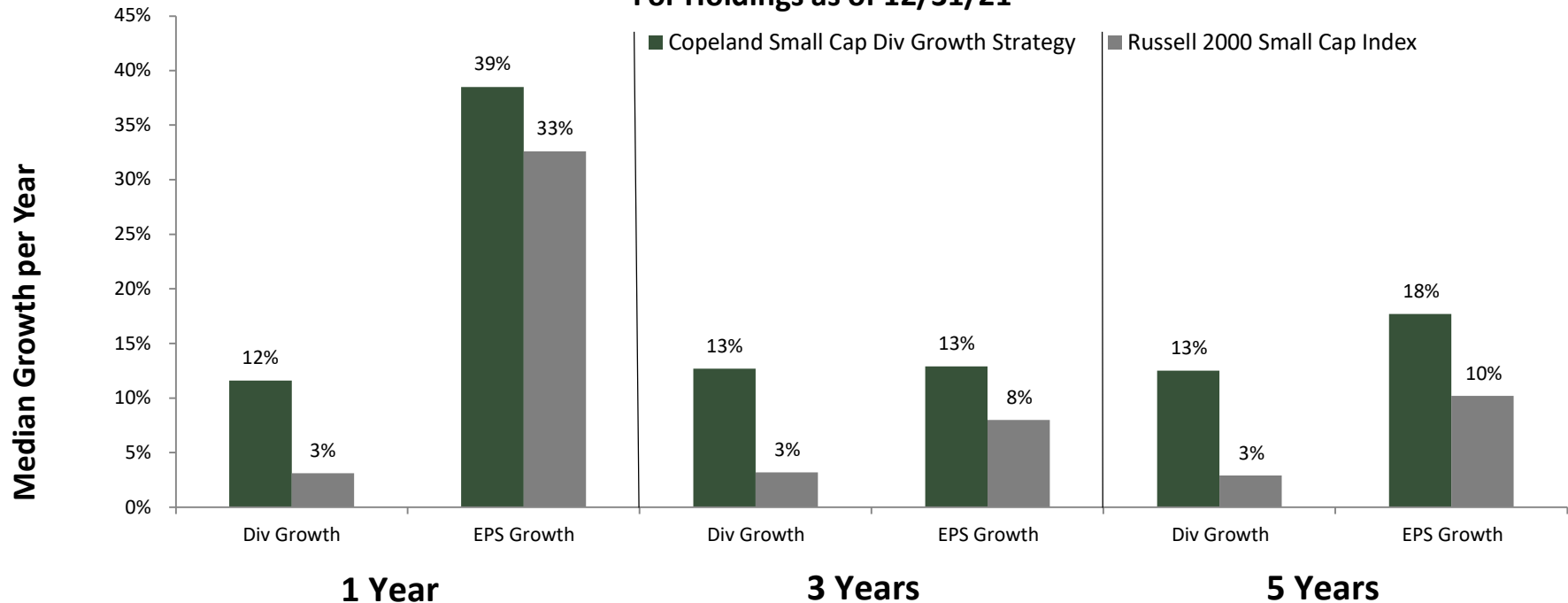
In our opinion, the best investments are in companies with a balanced attitude toward capital allocation and that pay out a growing dividend income stream while simultaneously reinvesting most of their earnings back into the business for growth.



Dividend Growth and Earnings Growth – Small Cap

- **Misconception:** When a company raises its dividend it is sacrificing the investment required for future growth
- **Reality:** Superior Dividend Growth is highly correlated with above average earnings growth

**Small Cap: Median Dividend and EPS Growth
For Holdings as of 12/31/21**

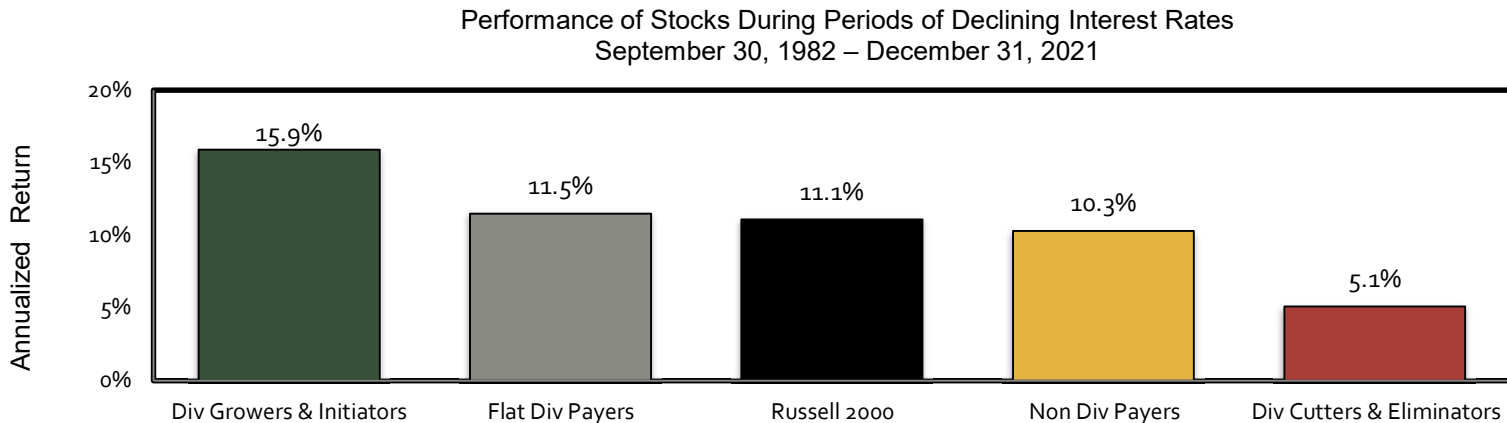
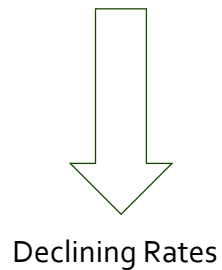
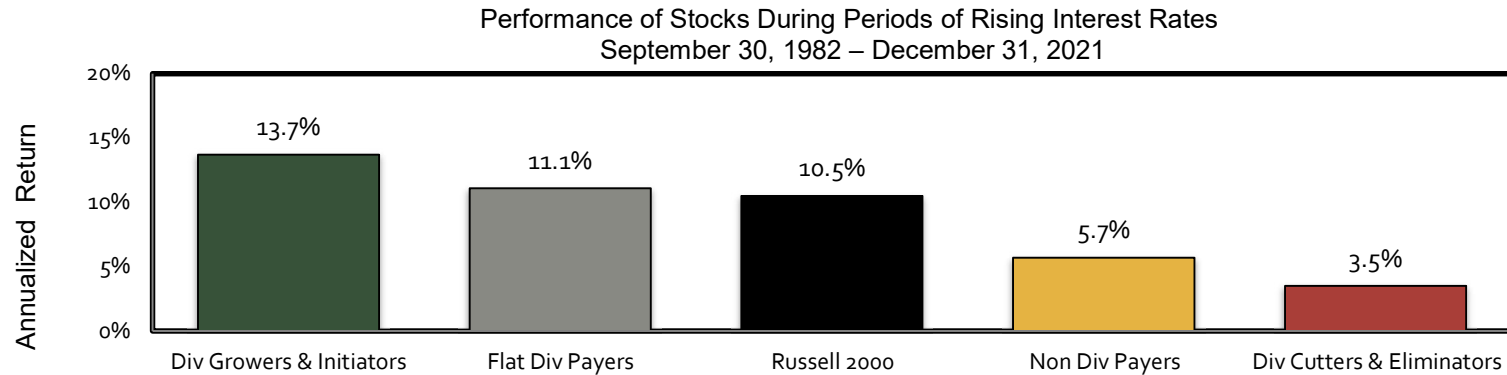
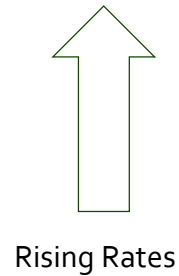


The chart above shows the median dividend growth and median earnings growth for the Copeland Small Cap Dividend Growth strategy and the Russell 2000® Index for 1, 3 and 5 years. EPS growth rates are based on 2021 Wall Street consensus EPS estimates for companies that have not yet reported full-year 2021 operating results.

Source: FactSet and Copeland Capital Management. *There is no guarantee that investors will experience the type of growth reflected in the information presented. Historical data does not guarantee similar future results. There is no guarantee that companies will declare dividends or, if declared, that they will remain at current levels or increase over time. You cannot invest directly in an Index. For information on the Index shown above as well as other important information, please refer to the Appendix.*



What Happens in Rising and Declining Rate Environments – Small Cap



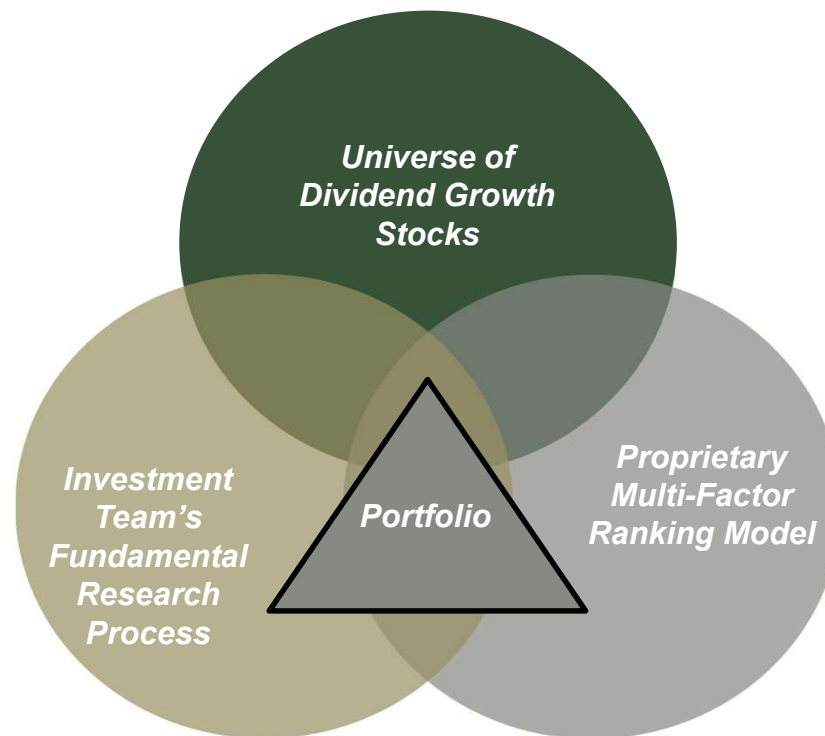
Copyright 2021 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. The information presented is intended to illustrate performance of Small Cap stocks according to their dividend policy during periods of rising and declining interest rates as determined by the Fed Funds rate. **Returns shown include dividends reinvested. This is not the performance of any strategy overseen by Copeland and there is no guarantee that investors will experience the type of performance reflected in the information presented.** Strategies managed by Copeland’s investment team are subject to transaction costs, management fees, trading fees or other expenses not represented in the information presented. Dividend Growers included stocks that raised their existing dividend or initiated a new dividend during the previous 12 months. Flat Dividend Payers included stocks that pay a dividend but have not raised or lowered their existing dividend during the previous 12 months. Non Dividend Payers included stocks that have not paid a dividend during the previous 12 months. Dividend Cutters included stocks that lowered their existing dividend or eliminated their dividend during the previous 12 months. There is no guarantee that companies will declare dividends or, if declared, that they will remain at current levels or increase over time. You cannot invest directly in an Index. For information on the Index shown above as well as other important information, please refer to the Appendix.



Three Components of Alpha Generation

There are three components to our Investment Process:

- 1) The universe of companies that have demonstrated consistent year over year Dividend Growth
- 2) Copeland's proprietary multi-factor ranking model
- 3) Robust fundamental research process



*There is no guarantee that companies will declare dividends or, if declared, that they will remain at current levels or increase over time.
Please refer to the Appendix for additional disclosures.*



Dividend Growth Leads the Way – Ranking Model

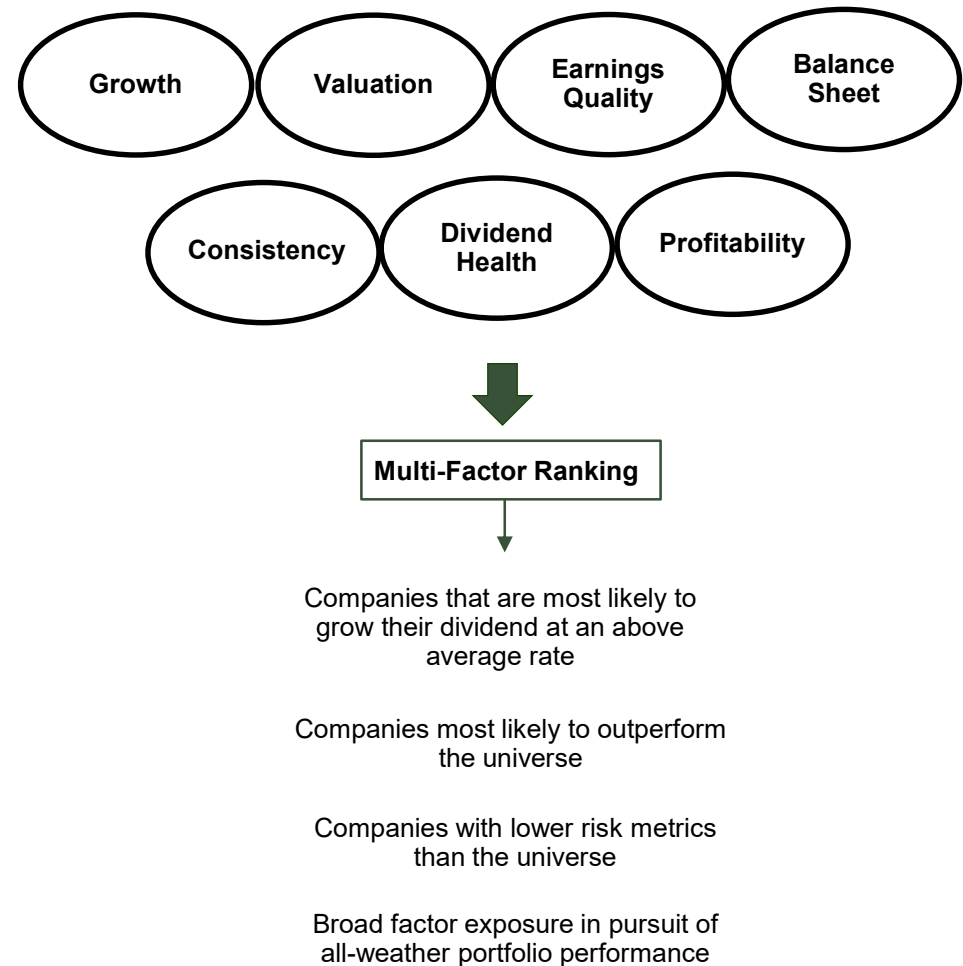
Dividend Growth defines our universe, drives our total return solution and is the centerpiece of our research process.

Dividend Growth stocks are ranked using a **proprietary fundamental ranking system** in an effort to establish each specific company's ability to grow its dividends in the future.

Factors we have found to be predictive of strong Dividend Growth and total return include:

- **Dividend Coverage**
- **Free Cash Flow Generation**
- **Growth in the Underlying Business**
- **Return on Capital**

Top-ranked stocks within the model are subject to deep fundamental analysis.

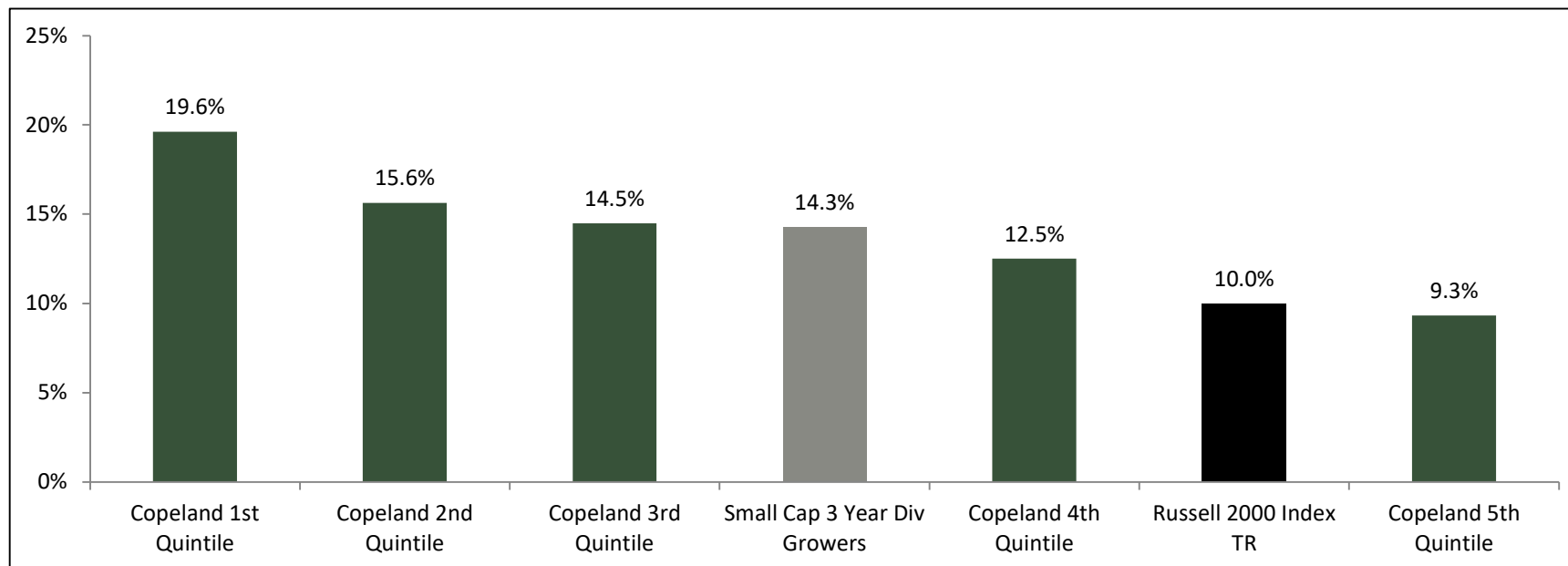


Past performance is no guarantee of future results. Please refer to the Appendix for additional disclosures.



Effectiveness of Copeland’s Multi-Factor Ranking Model (Small Cap)

Output of Copeland’s Proprietary Ranking Model of Small Cap Stocks from 12/31/1989 to 12/31/2021



- The above illustration shows the effectiveness of our proprietary multi-factor ranking model applied to Small Cap stocks from 12/31/89 to 12/31/21
- A singular focus on the highest ranked Dividend Growth companies has produced superior risk adjusted returns across all capitalization ranges

Source: FactSet/Morningstar Direct/Copeland Capital Management. The information presented is hypothetical and is intended to illustrate the performance of all Small Cap dividend growth stocks according to their ranking in our proprietary model. Returns shown include dividends reinvested. **This is not the performance of any strategy overseen by Copeland and there is no guarantee that investors will experience the type of performance reflected in the information presented.** CCM's proprietary ranking model has been applied retroactively for periods prior to the firm's inception in 2005. Therefore, the effectiveness or output of the model does not accurately account for all economic or market factors that might have had an impact on Copeland's decision-making when using the model to manage an actual fund prior to 2005. Strategies managed by Copeland's investment team are subject to transaction costs, management fees, trading fees or other expenses not represented in the information presented. There is no guarantee that companies will declare dividends or, if declared, that they will remain at current levels or increase over time. 3 Year Dividend Growers included stocks that raised their existing dividend for 3 consecutive years. You cannot invest directly in an Index. For information on the Index shown above as well as other important information, please refer to the Appendix.



Fundamental Analysis

Outline of Copeland's Fundamental Analysis Process

- Competitive advantage analysis
- Assessment of management's attitude toward capital allocation
- Sustainability of Dividend Growth
- Projection of future Dividend Growth
- Valuation
- Total return thesis



Mark Giovannello, CFA
• Healthcare, Energy,
Materials



Dave McGonigle, CFA
• Financials, Consumer
Discretionary



Jeffrey Walkenhorst, CFA
• Technology, Telecom,
Consumer Staples, REITs



Eric Brown, CFA
• Utilities, MLPs



John Cummings, CFA
• Industrials



Fundamental Analysis

Copeland's research process is designed to identify companies with strong competitive positions that support steadily rising dividends.

Substantial Growth Opportunities: Secular growth industries, market share gains, acquisition strategy, new verticals/products/services, etc.

Competitive Advantage: Low cost vs. differentiation strategies; scale, market share, pricing power, network effects, brands; high ROIC

Risk Analysis: Threats to competitive advantage, pricing power and ESG profile

Management's allocation of cash flow:

- Reinvest to defend and enhance competitive position, promote growth
- Distribute to stakeholders: rising dividends, buybacks, pay down debt

Assess the sustainability and pace of future Dividend Growth:

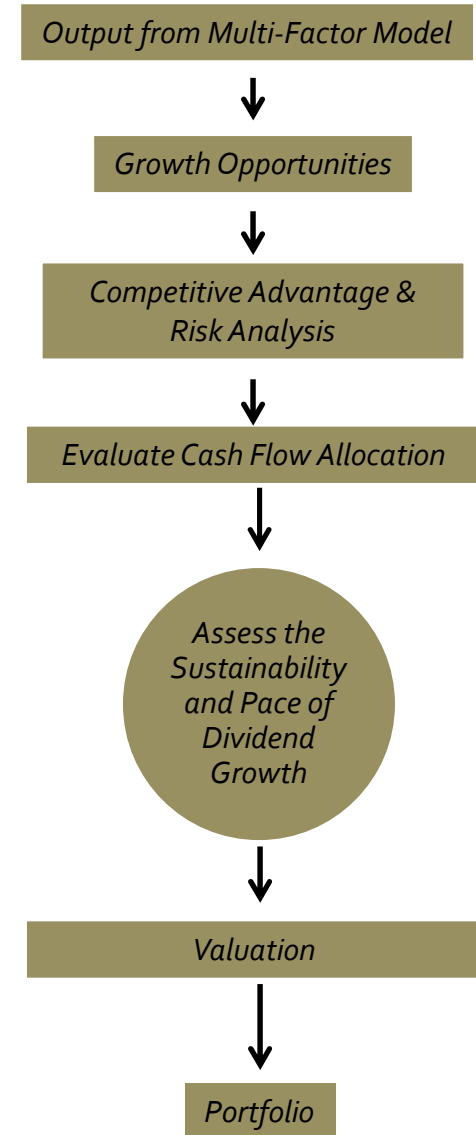
- Evaluate the success of reinvestment efforts: Consistency of ROIC
- Dividend coverage ratios; Business growth prospects; **Management's commitment to future dividend increases**

Valuation: Dividend yield relative to dividend growth projection, cash flow multiples, P/E's, etc.

Total return = Dividend yield + dividend growth +/- valuation change

The Dividend Guides Us: Dividend Growth defines our universe, supports our total return solution, and is the centerpiece of our research process.

Please refer to the Appendix for additional disclosures.





Fundamental Analysis

Investment Team Compensation

Each analyst needs to provide excess alpha above and beyond our ranking model in order to be eligible for bonus compensation.

- Analysts have a high hurdle in order to achieve bonus compensation
 - Simply outperforming the sector isn't enough

- Each analyst is graded against a blend of the 1st and 2nd quintiles of our ranking model over a combination of 1 and 3 year periods



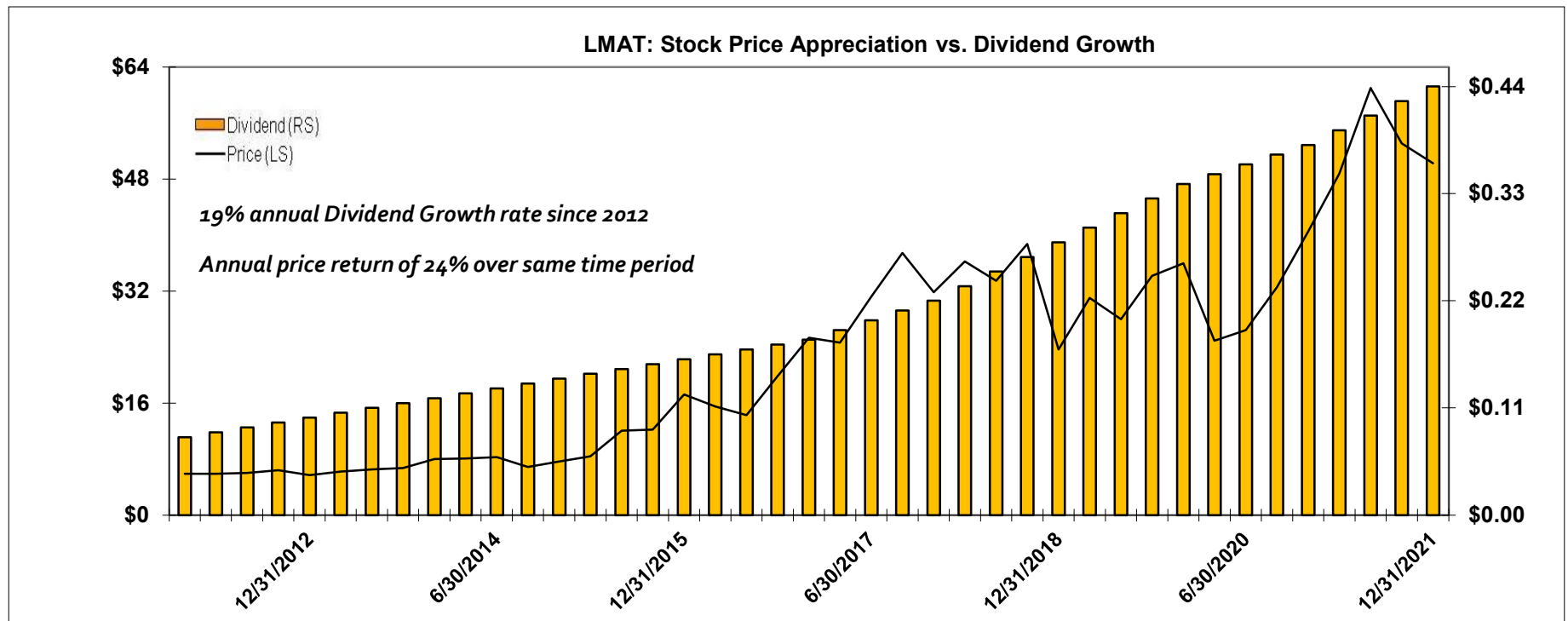
Dividend Growth: Small Cap Example

Lemaitre Vascular (LMAT, Health Care)

Div Yield: 0.9%, Payout Ratio: 33%

Dominance of a niche market: LMAT is a provider of vascular devices, implants and services to vascular surgeons. The company is well-positioned as the dominant player in a niche, largely ignored, market serving doctors performing open vascular surgery, while larger competitors prefer to target the higher growth market of service minimally invasive surgical procedures. The management team has a well-defined playbook for disciplined growth via acquisition and international expansion that has delivered both sales growth and substantial margin expansion in recent years.

Resilient, predictable results: 90% recurring revenue generated by the volume of open vascular procedures, increasingly via the use of LMAT's biologic products (animal or bovine tissue).



Source: FactSet Research. **Past performance is no guarantee of future results.** The information presented is intended to illustrate the performance of a single stock. This is not the performance of the firm and there is no guarantee that investors will experience the type of performance reflected in this graph. Copeland has not owned this stock during the entire period shown. Past performance is no guarantee of future results. Returns shown include dividends reinvested. There is no guarantee that companies will declare dividends or, if declared, that they will remain at current levels or increase over time. Holdings identified do not represent all of the securities purchased, sold, or recommended for the portfolio. A list of all recommendations made during the period is available upon request. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities identified herein.



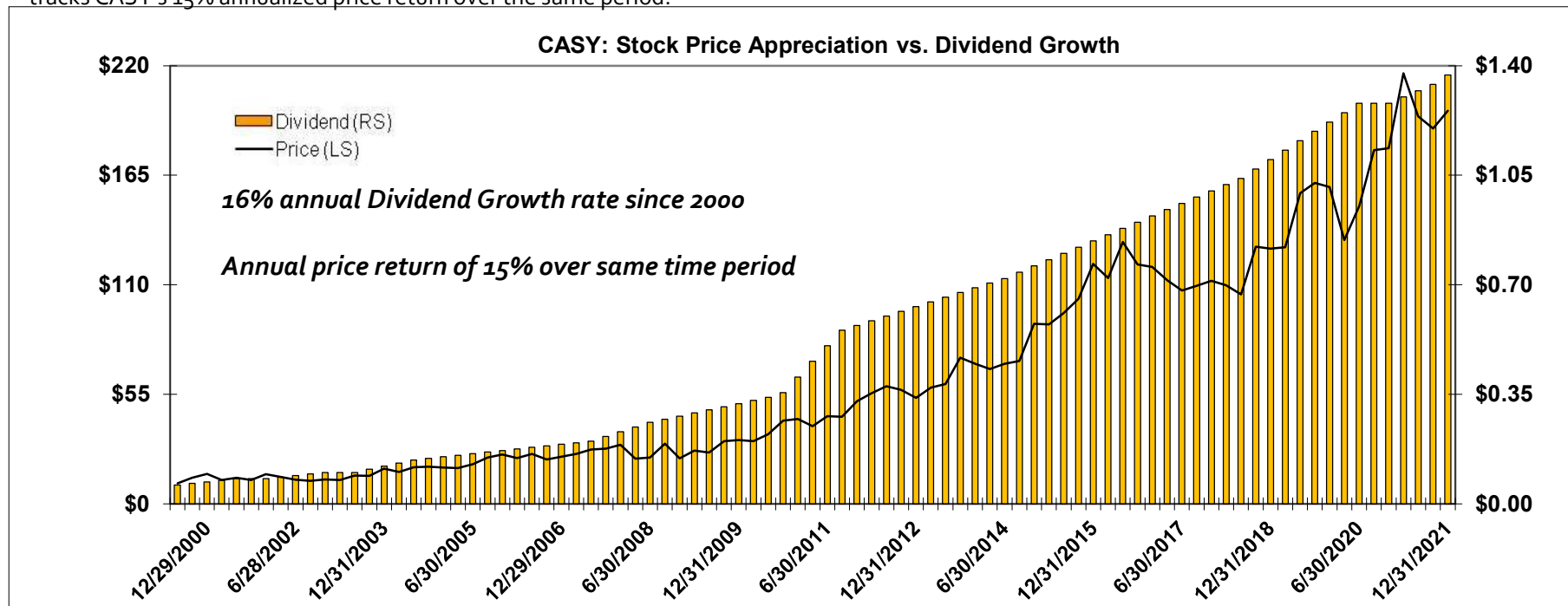
Dividend Growth: Small Cap Example

Casey's General Stores Inc. (CASY, Consumer Staples)

Div Yield: 0.8%, Payout Ratio: 17%

Attractive operating fundamentals: Casey's operates principally in rural parts of 16 Midwestern states, insulated from competition by bigger box grocers that can't function in low population density areas due to their high fixed overhead. With its on-going expansion into high margin prepared foods, continuing recovery of miles driven post-pandemic, and historically successful M&A track-record, returns should continue to improve, supporting a higher valuation.

Growing Dividends, Returning Capital to Shareholders: Casey's pays a 0.7% dividend, which it has raised at an 16% annual clip since 2000. This closely tracks CASY's 15% annualized price return over the same period.



Source: FactSet Research. **Past performance is no guarantee of future results.** The information presented is intended to illustrate the performance of a single stock. This is not the performance of the firm and there is no guarantee that investors will experience the type of performance reflected in this graph. Copeland has not owned this stock during the entire period shown. Past performance is no guarantee of future results. Returns shown include dividends reinvested. There is no guarantee that companies will declare dividends or, if declared, that they will remain at current levels or increase over time. Holdings identified do not represent all of the securities purchased, sold, or recommended for the portfolio. A list of all recommendations made during the period is available upon request. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities identified herein.



Sell Discipline

Stocks are sold for the following reasons:

- **Dividend Cut or Failure to Raise:** Any holding that cuts or even fails to raise its dividend is sold – No Exceptions!
- **Deterioration of Dividend Quality:** Portfolio candidates must meet minimum thresholds of cash flows and earnings supporting the dividend. Violations of these thresholds have been found to be predictive of a future dividend cut.
- **Low Quantitative Ranking:** Problems are often exhibited in the quantitative rankings when factors such as earnings momentum, cash flow or return on capital deteriorate. These are red flags for a detailed analyst review.
- **Fundamental Concerns:** Analysts are continuously questioning the competitive advantage of the company, as well as macro, regulatory or secular themes, with a focus on identifying risks to the dividend.
- **Cap Size Graduation:** If a security exceeds the maximum acceptable market cap ceiling for the strategy it is sold from the portfolio.



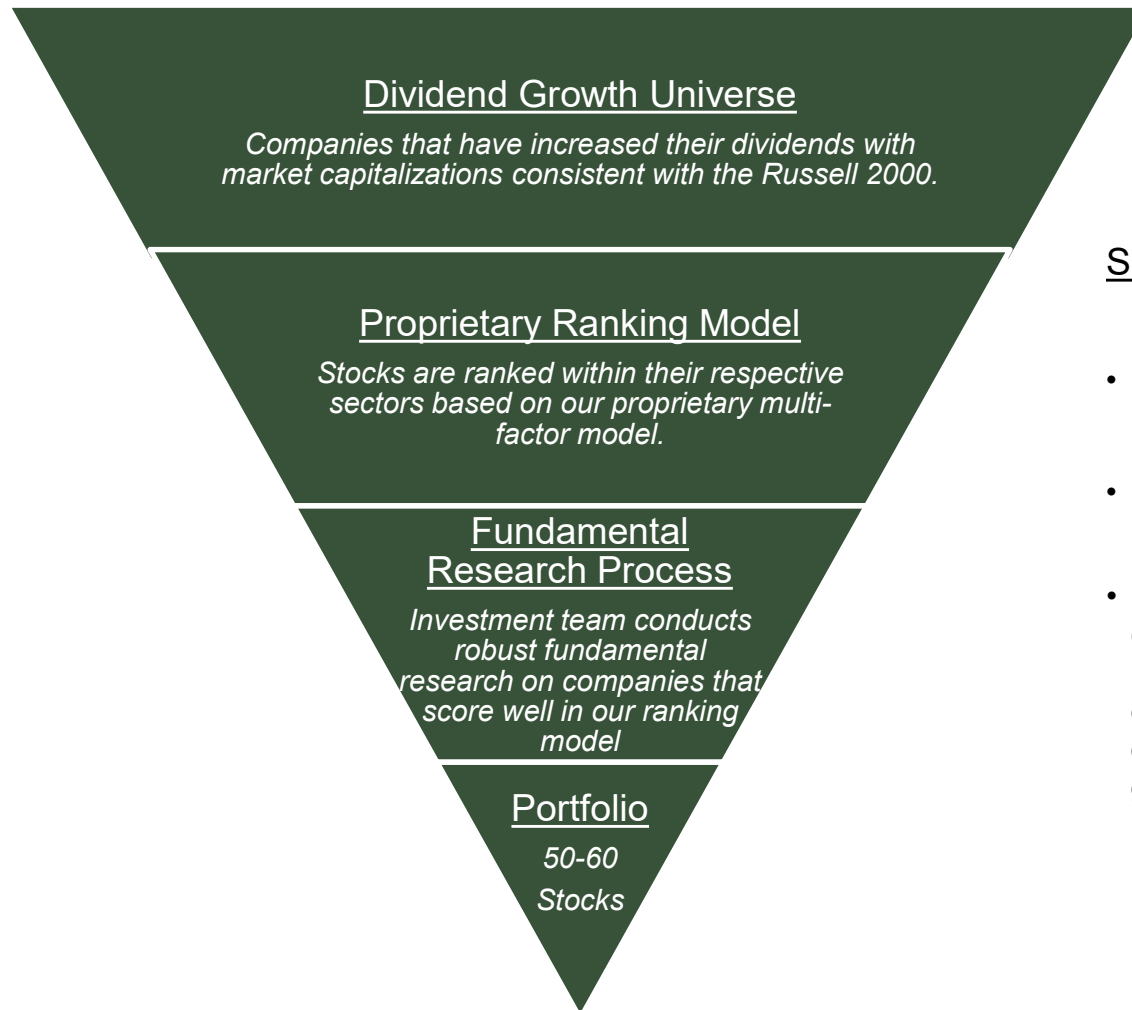
Summary

- Dividend Growth stocks have historically delivered superior returns with less risk than their respective benchmarks
- Issuing or increasing a dividend does not signal a company cannot grow anymore
- Paying attention to the dividend can help to avoid significant “blow ups”
- Dividend Growth stocks have historically been the best performing class of stocks during periods of rising interest rates

Please refer to the Appendix for additional disclosures and Net Performance



Small Cap



Small Cap Dividend Growth Strategy

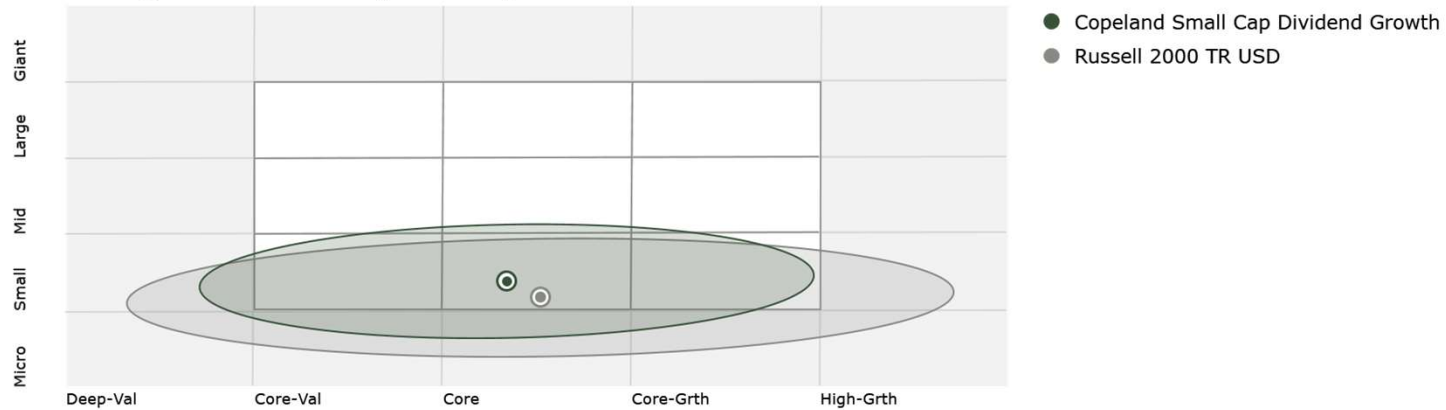
- **Benchmark:** Russell 2000® Index
- **Inception:** September 30, 2009
- **Description:** Focused on companies with market capitalizations consistent with the Russell 2000® Index that have consistently increased their dividends. Any stock that pays a dividend that, in our opinion, has strong prospects for dividend growth, qualifies for purchase.

There is no guarantee that companies will declare dividends or, if declared, that they will remain at current levels or increase over time. You cannot invest directly in an Index. For information on the Index shown above as well as other important information, please refer to the Appendix.



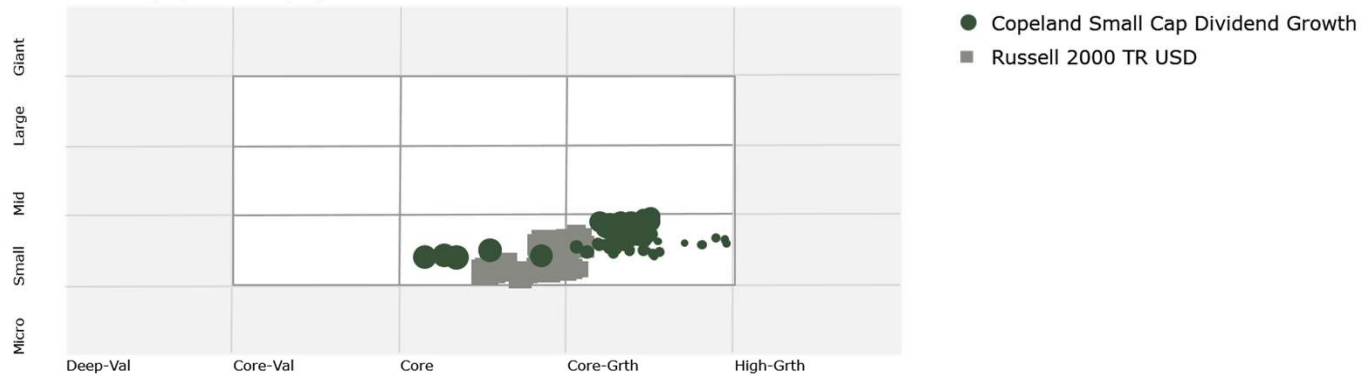
Small Cap Dividend Growth 12/31/21

Holdings-Based Style Map



Holdings-Based Style Trail

Time Period: 10/31/2009 to 12/31/2021

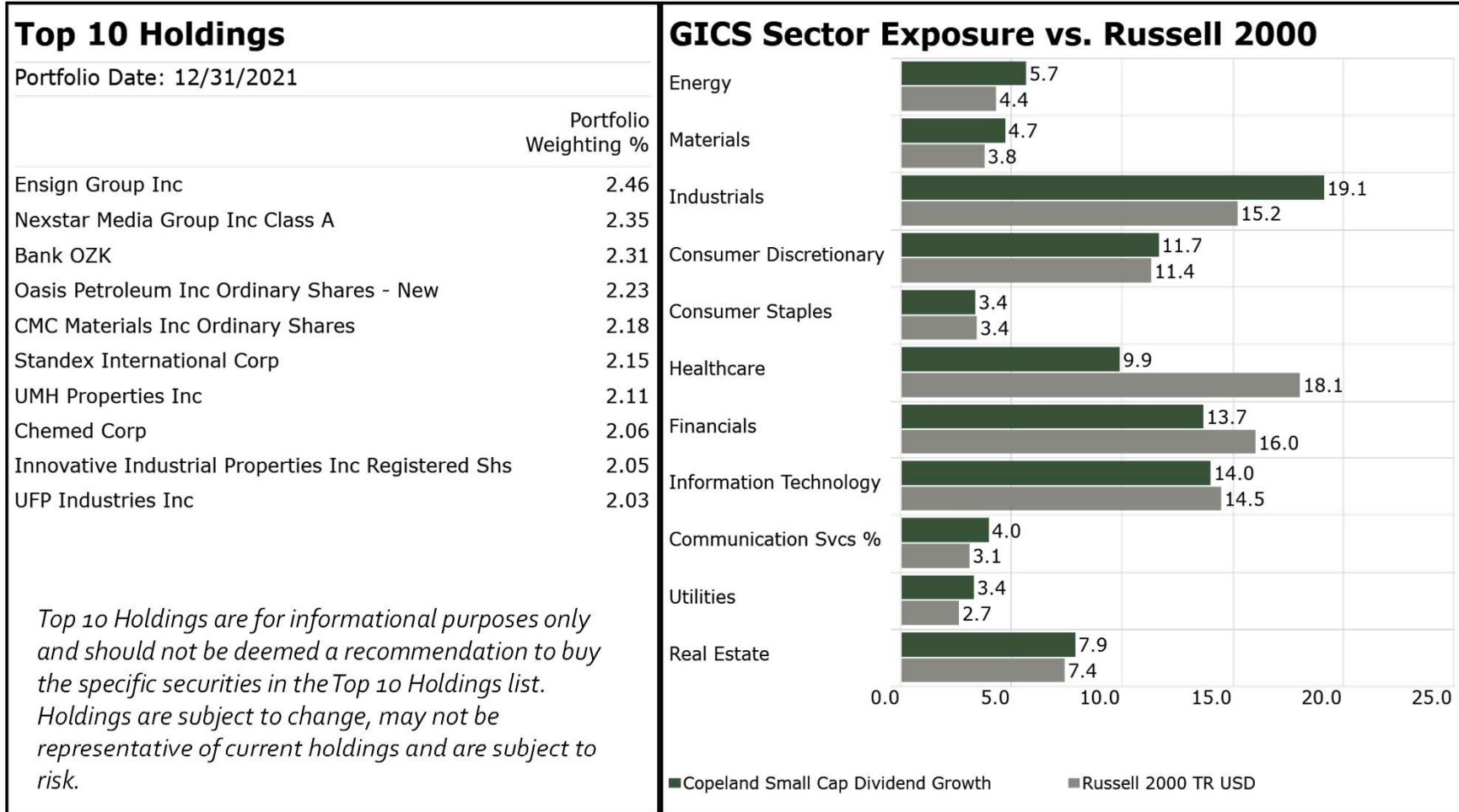


Source: Morningstar Direct

You cannot invest directly in an index. Please refer to the Appendix for information on the Index shown above as well as additional disclosures and Net Performance.



Small Cap Dividend Growth 12/31/21



Source: Morningstar Direct

The securities identified and described do not represent all of the securities purchased, sold or recommended for client accounts. The reader should not assume that an investment in the securities identified was or will be profitable. A complete list of securities recommended by Copeland for the time period is available upon request. You cannot invest directly in an Index. Please refer to the Appendix for additional information.

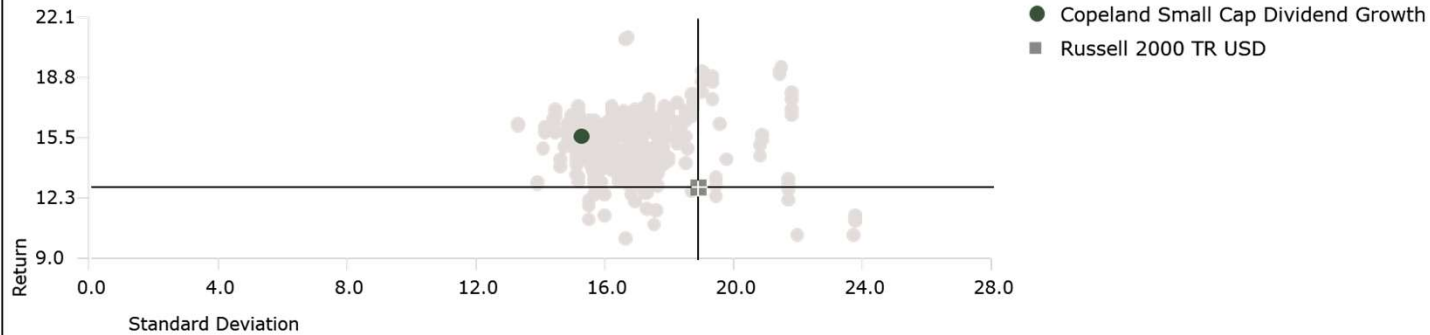


Small Cap Dividend Growth 12/31/21

Risk / Return

Time Period: 10/1/2009 to 12/31/2021

Source Data: Total, Monthly Return



Risk / Return Table

Time Period: Since Common Inception (10/1/2009) to 12/31/2021 Source Data: Total, Monthly Return

	Return (%)	Std Dev (%)	Beta vs. Market	Alpha vs. Market (%)	Appraisal Ratio	R-Squared vs. Market (%)	Sharpe Ratio	Tracking Error vs. Market (%)	Observs.
Copeland Small Cap Dividend Growth	15.64	15.24	0.77	4.97	0.31	90.72	0.99	6.36	147
Russell 2000 TR USD	12.81	18.86	1.00	0.00		100.00	0.65	0.00	147

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Source: Morningstar Direct

The data quoted in the charts above represents past performance and does not indicate future returns. Returns for periods of greater than one year are annualized. This presentation is intended as a one-on-one presentation and performance is reported gross of advisory fees. Client returns will be reduced by advisory and other expenses the client may incur. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, (d) 1% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over 10 years. Copeland's management fees are described herein and in Copeland's ADV Part 2A. After-tax results will vary from the returns presented here for those accounts subject to taxation. You cannot invest directly in an Index. Please refer to the Appendix for additional information and Net Performance.

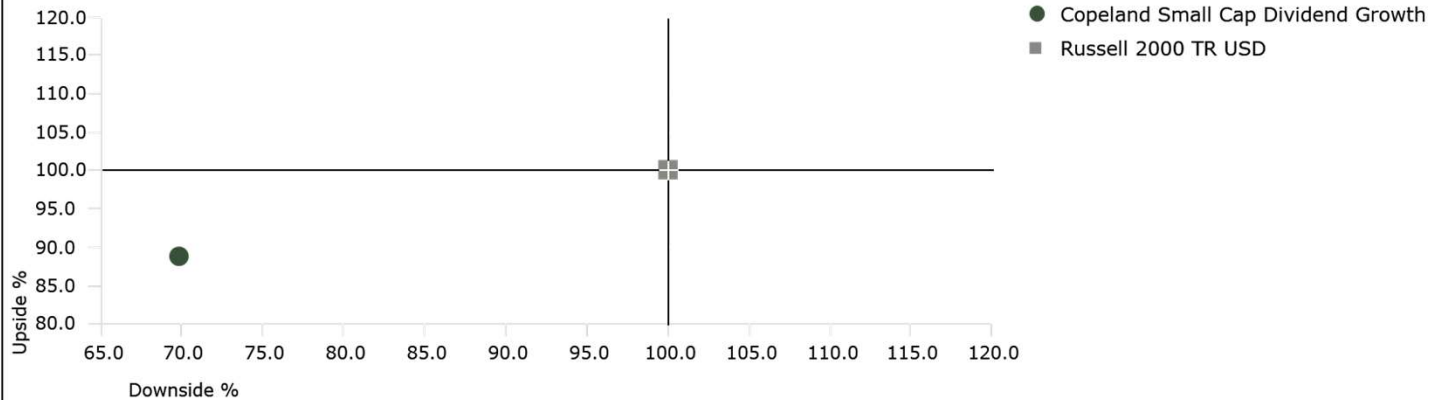


Small Cap Dividend Growth 12/31/21

Upside / Downside

Time Period: Since Common Inception (10/1/2009) to 12/31/2021

Source Data: Total, Monthly Return



Market Performance

Time Period: Since Common Inception (10/1/2009) to 12/31/2021 Source Data: Total, Monthly Return

	# of Months Up	# of Months Down	Up Capture Return	Down Capture Return	Alpha	Average Drawdown	Best Month	Worst Month	Best Quarter	Worst Quarter	Up Capture Ratio	Down Capture Ratio	R-Squared
Copeland Small Cap Dividend Growth	101	45	3.64	-3.19	4.97	-9.51	12.22	-18.43	21.13	-26.57	88.78	69.87	90.72
Russell 2000 TR USD	96	51	4.10	-4.56	0.00	-12.46	18.43	-21.73	31.37	-30.61	100.00	100.00	100.00

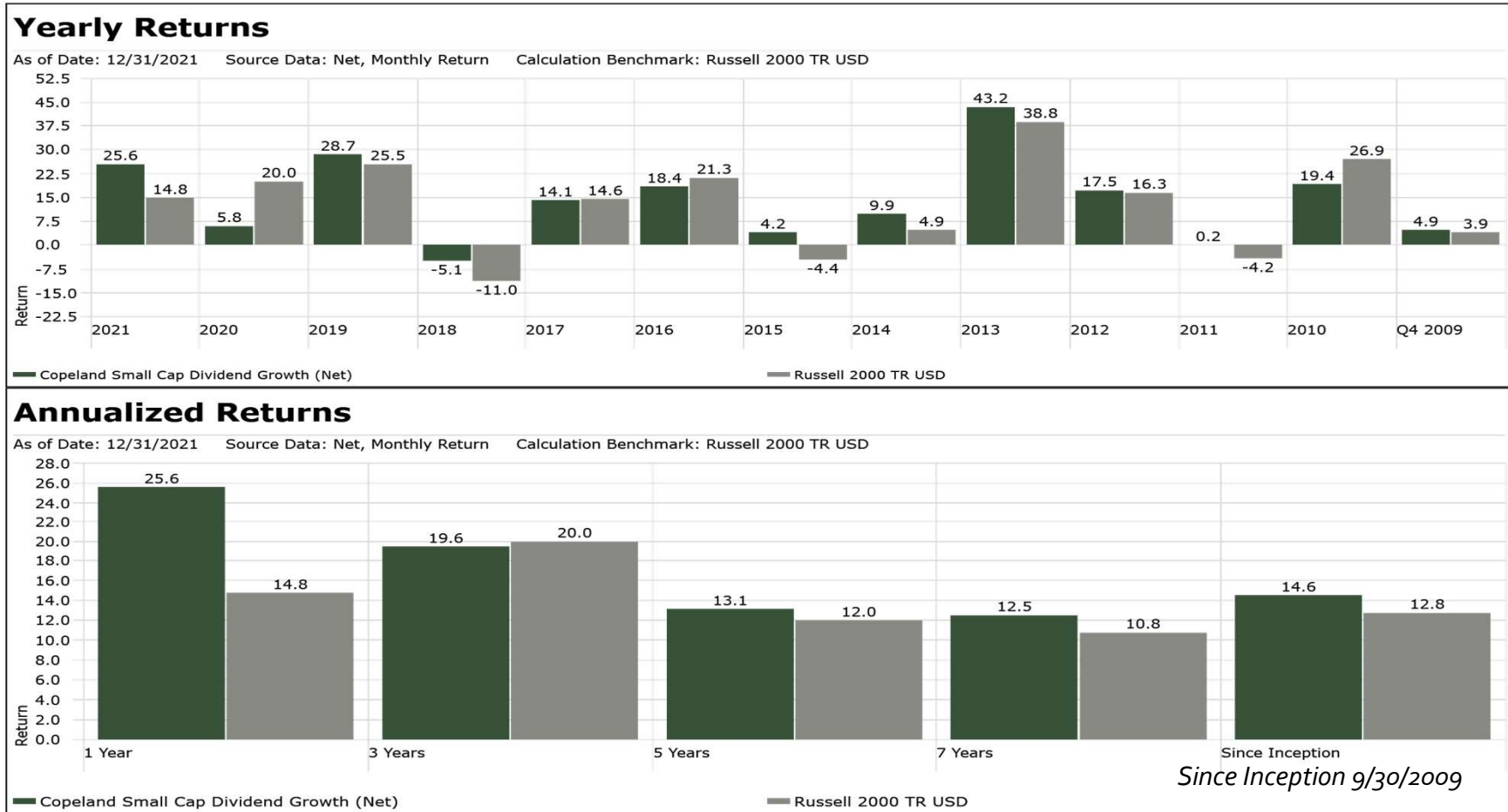
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Source: Morningstar Direct

The data quoted in the charts above represents past performance and does not indicate future returns. Returns for periods of greater than one year are annualized. This presentation is intended as a one-on-one presentation and performance is reported gross of advisory fees. Client returns will be reduced by advisory and other expenses the client may incur. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, (d) 1% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over 10 years. Copeland's management fees are described herein and in Copeland's ADV Part 2A. After-tax results will vary from the returns presented here for those accounts subject to taxation. You cannot invest directly in an Index. Please refer to the Appendix for additional information and Net Performance.



Small Cap Dividend Growth 12/31/21 – Net Returns – Standard Fee



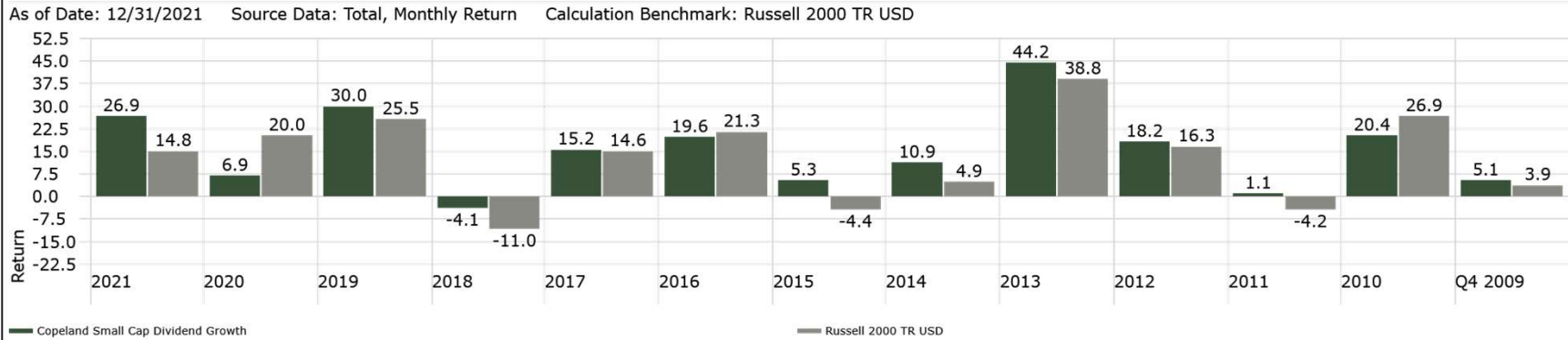
Source: Morningstar Direct

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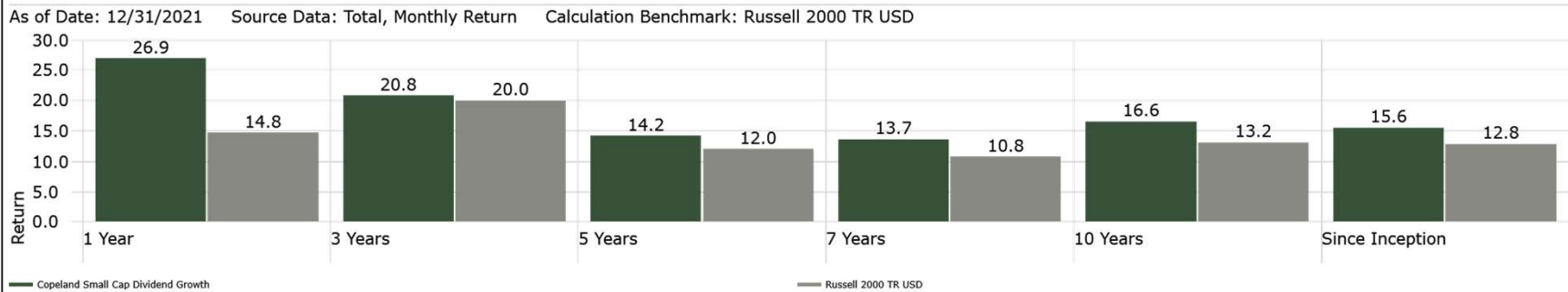


Small Cap Dividend Growth 12/31/21 – Gross Returns

Yearly Returns



Annualized Returns



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Since Inception 9/30/2009

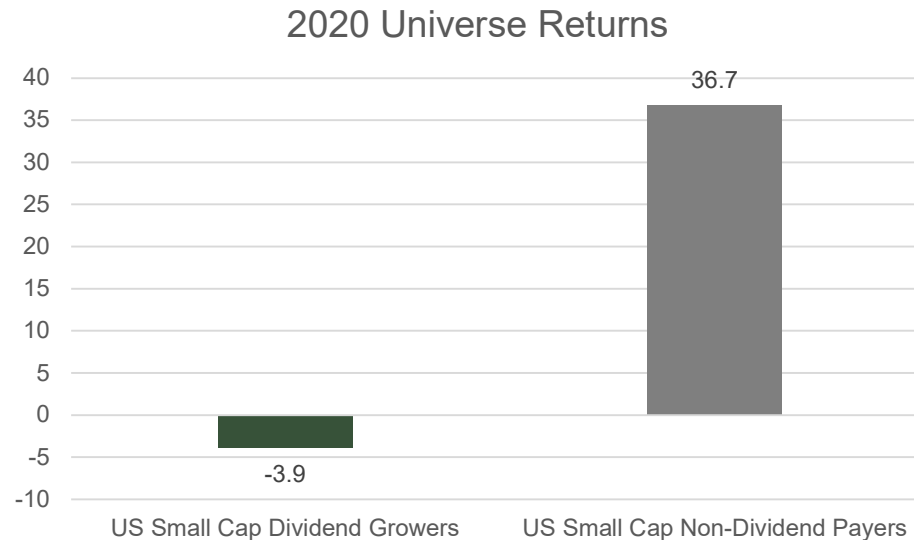
Source: Morningstar Direct

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Historic Style Headwind for Small Cap Dividend Growth 12/31/20

- 2020 saw the biggest disconnect ever between profitable, earnings resilient dividend growth companies, and less profitable, highly levered non-dividend paying stocks
- If you believe as we do, that ultimately earnings growth and dividend growth are what drive stock prices, we could be poised for substantial outperformance going forward

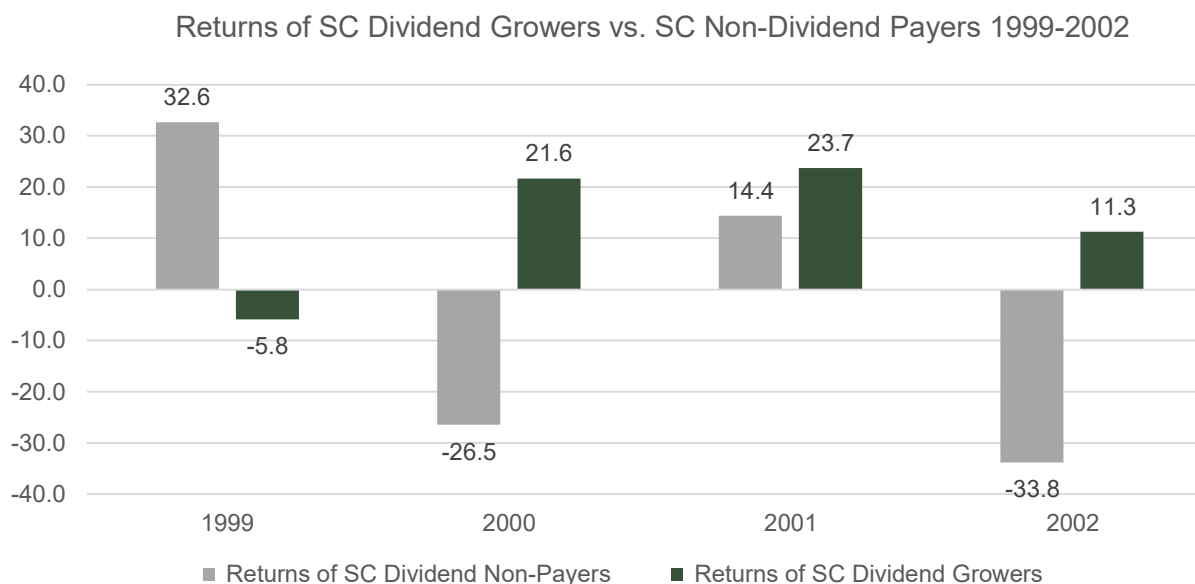


Data as of December 31, 2020. Copyright 2020 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. The information presented is intended to illustrate performance of US Small Cap stocks according to their dividend policy. Returns shown include dividends reinvested. **This is not the performance of any strategy overseen by Copeland and there is no guarantee that investors will experience the type of performance reflected in the information presented.** Strategies managed by Copeland's investment team are subject to transaction costs, management fees, trading fees or other expenses not represented in the information presented. Dividend Growers included stocks that raised their existing dividend or initiated a new dividend during the previous 12 months.



The Case for Small Cap Dividend Growth Now

- The last time we saw such a significant disparity between returns for Small Cap Dividend Growth stocks and non-dividend paying stocks was 1999
- The period that followed resulted in strong returns for Small Cap Dividend Growers compared with less profitable, highly levered non-dividend paying stocks

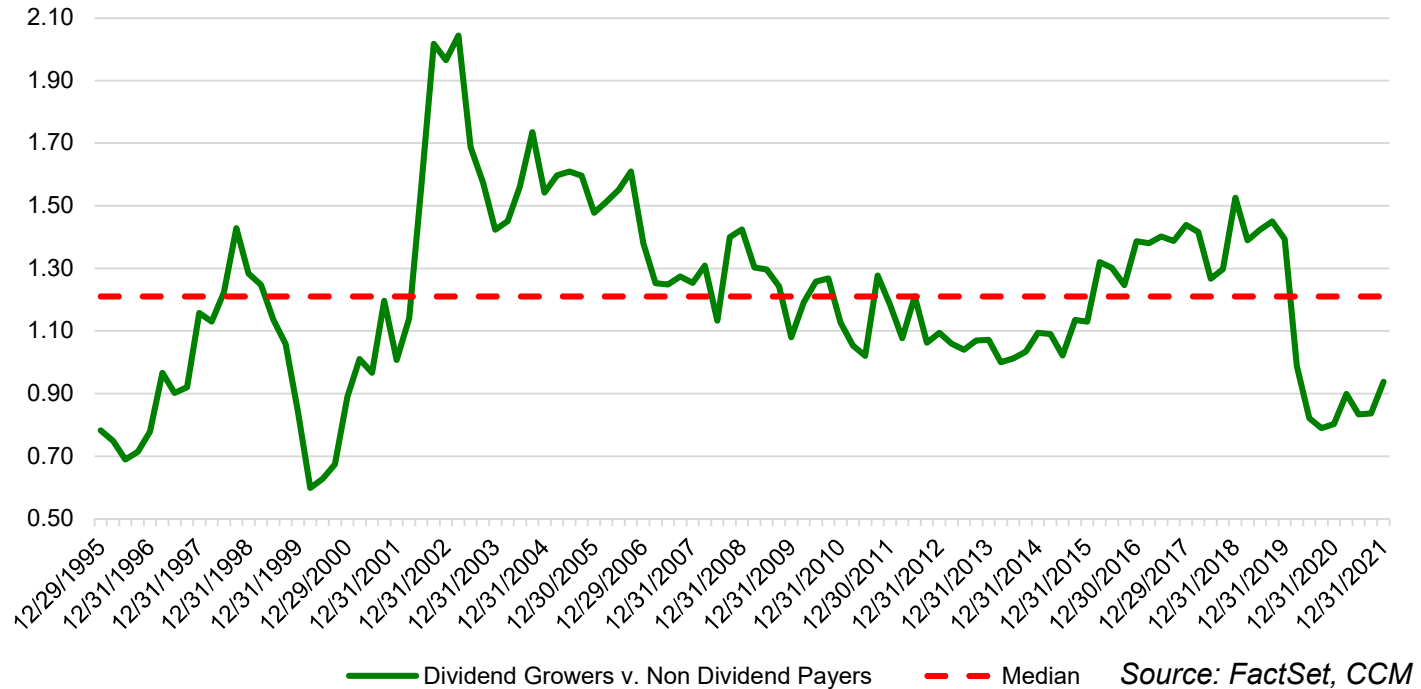


Copyright 2020 Ned Davis Research, Inc. Further distribution prohibited without prior permission. All Rights Reserved. The information presented is intended to illustrate performance of Small Cap stocks according to their dividend policy. Returns shown include dividends reinvested. **This is not the performance of any strategy overseen by Copeland and there is no guarantee that investors will experience the type of performance reflected in the information presented.** Strategies managed by Copeland's investment team are subject to transaction costs, management fees, trading fees or other expenses not represented in the information presented. Dividend Growers included stocks that raised their existing dividend or initiated a new dividend during the previous 12 months.



Attractive Valuation Opportunity – Small Cap

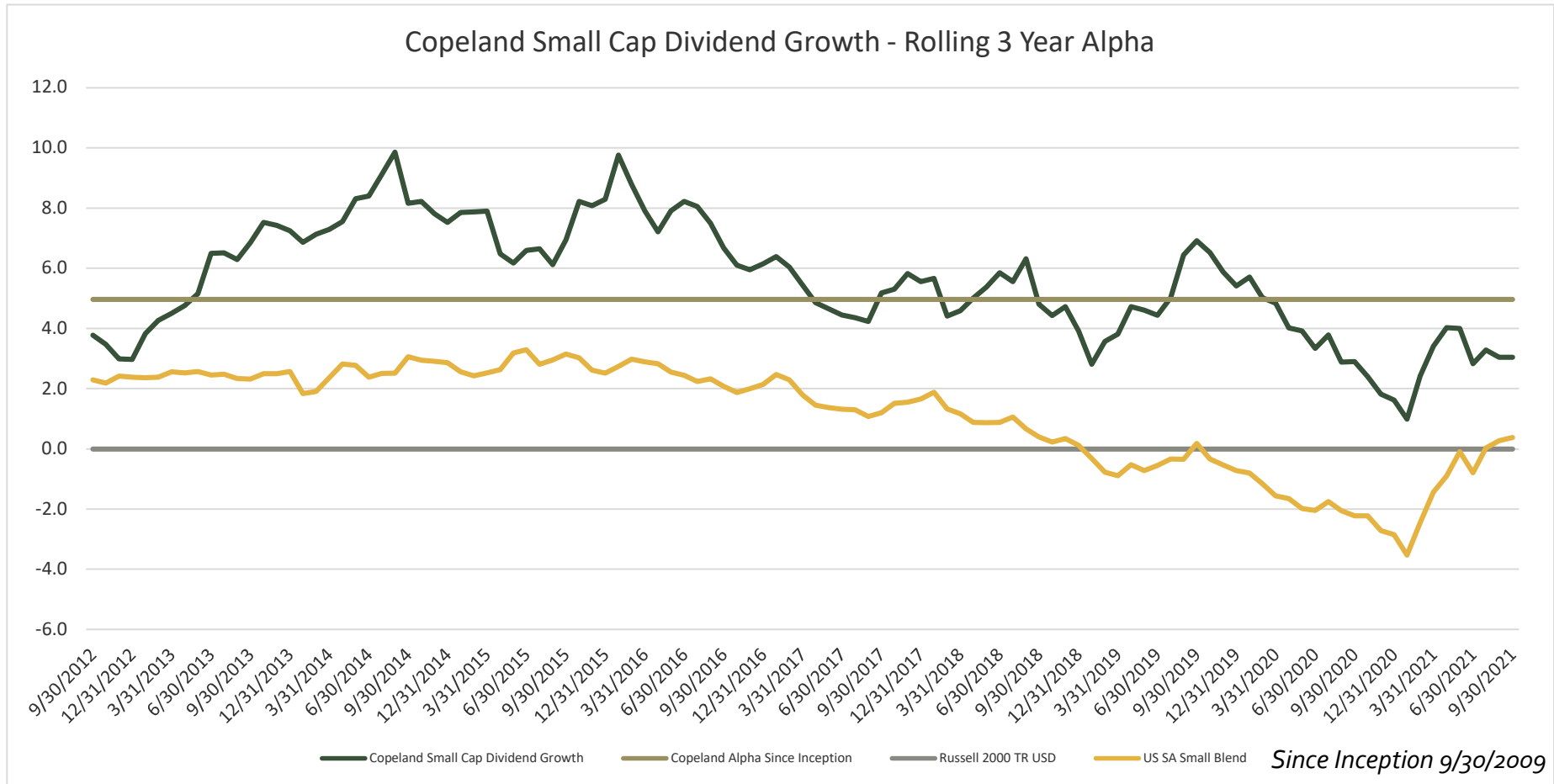
Pronounced Valuation Discount in Price to Next-Twelve-Month Sales for US Small Cap Three-Year Dividend Growers versus Non-Dividend Payers



Source: Factset. The data quoted in the charts above represents past performance and does not indicate future returns. Returns for periods of greater than one year are annualized. This presentation is intended as a one-on-one presentation and performance is reported gross of advisory fees. Client returns will be reduced by advisory and other expenses the client may incur. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, (d) 1% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over 10 years. Copeland's management fees are described herein and in Copeland's ADV Part 2A. After-tax results will vary from the returns presented here for those accounts subject to taxation. You cannot invest directly in an Index. Please refer to the Appendix for additional information.



Small Cap Dividend Growth – Rolling 3 Year Alpha 9/30/21

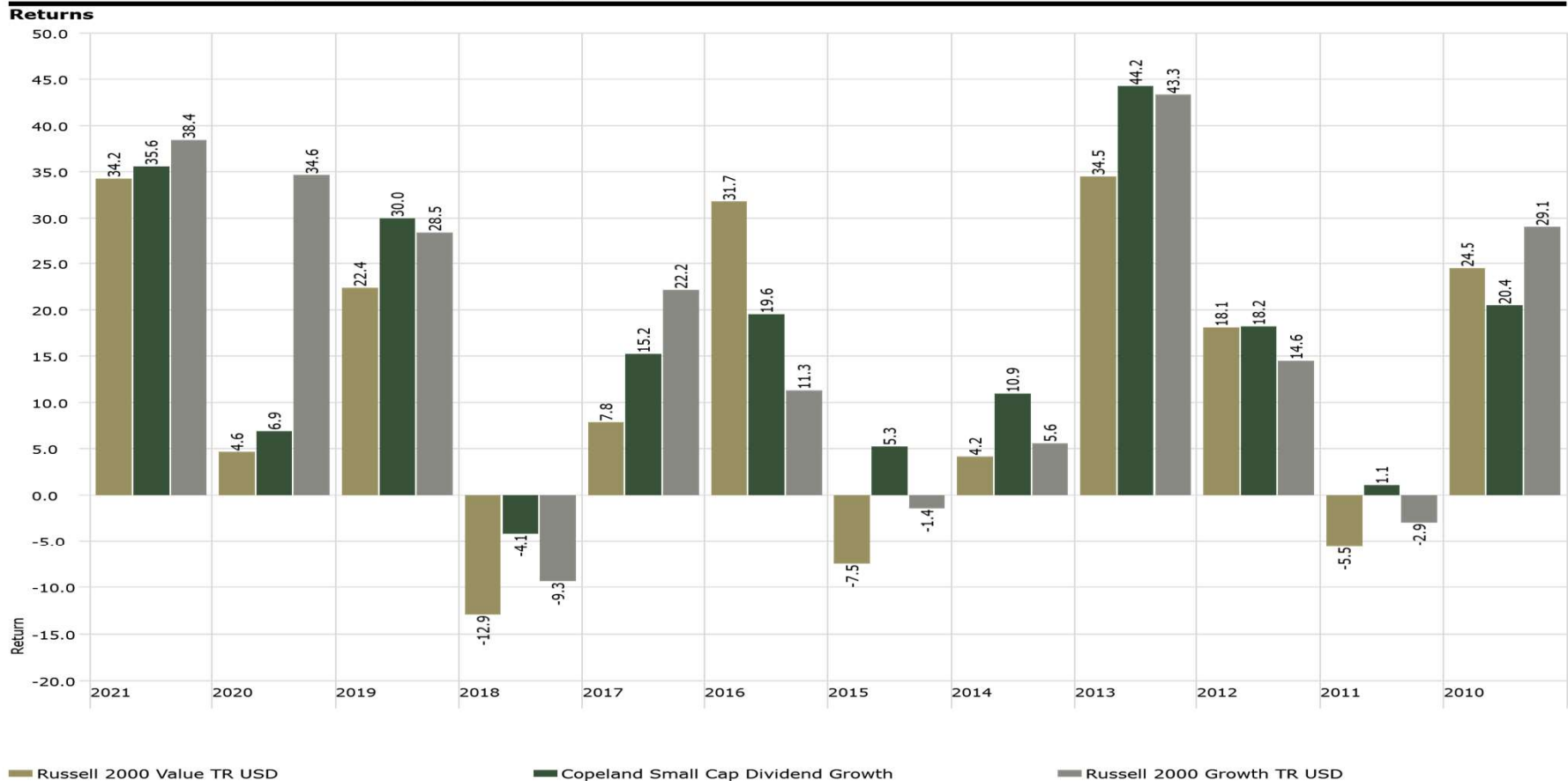


The data quoted in the charts above represents past performance and does not indicate future returns. Returns for periods of greater than one year are annualized. This presentation is intended as a one-on-one presentation and performance is reported gross of advisory fees. Client returns will be reduced by advisory and other expenses the client may incur. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, (d) 1% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over 10 years. Copeland's management fees are described herein and in Copeland's ADV Part 2A. After-tax results will vary from the returns presented here for those accounts subject to taxation. You cannot invest directly in an Index. Please refer to the Appendix for additional information and Net Performance.



Participation in Growth and Value Driven Cycles

- Why try to predict growth and value cycles and adjust allocations accordingly?
- As you can see below, our strategy has participated and delivered returns in both "Growth" and "Value" driven return cycles



Source: Morningstar Direct

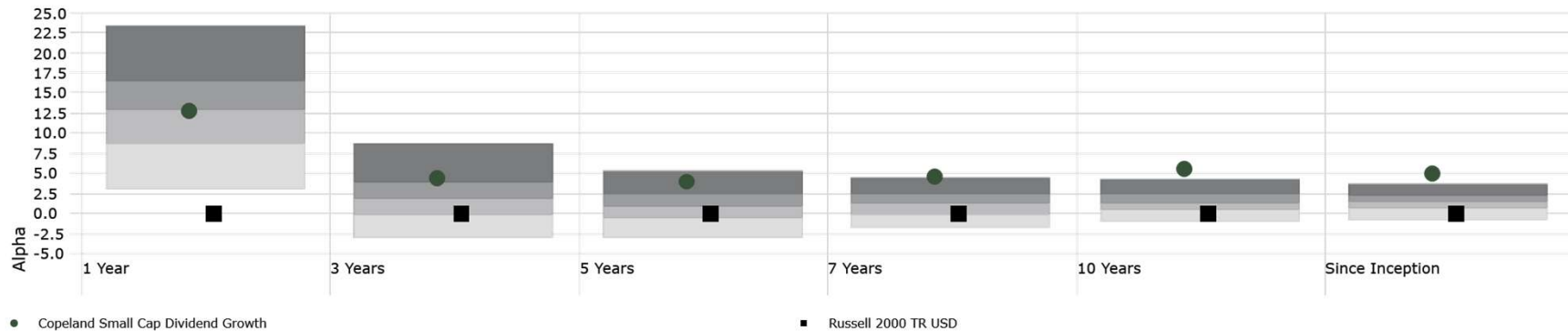
The data quoted in the charts above represents past performance and does not indicate future returns. Returns for periods of greater than one year are annualized. This presentation is intended as a one-on-one presentation and performance is reported gross of advisory fees. Client returns will be reduced by advisory and other expenses the client may incur. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, (d) 1% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over 10 years. Copeland's management fees are described herein and in Copeland's ADV Part 2A. After-tax results will vary from the returns presented here for those accounts subject to taxation. You cannot invest directly in an Index. Please refer to the Appendix for additional information and Net Performance.



Small Cap Dividend Growth 12/31/21

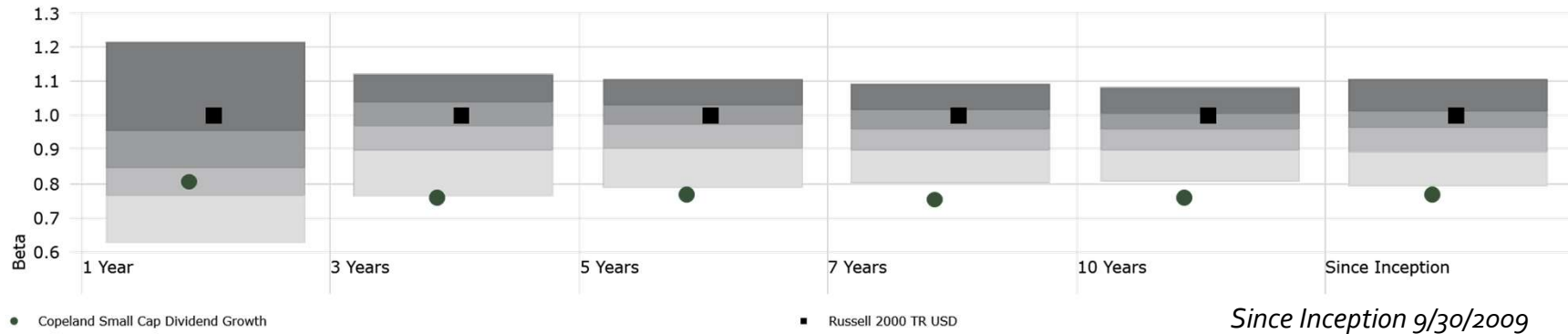
Alpha Relative to Peer Group

As of Date: 12/31/2021 Peer Group (5-95%): Separate Accounts - U.S. - Small Blend Source Data: Total, Monthly Return



Beta Relative to Peer Group

As of Date: 12/31/2021 Peer Group (5-95%): Separate Accounts - U.S. - Small Blend Source Data: Total, Monthly Return



Source: Morningstar Direct

Since Inception 9/30/2009

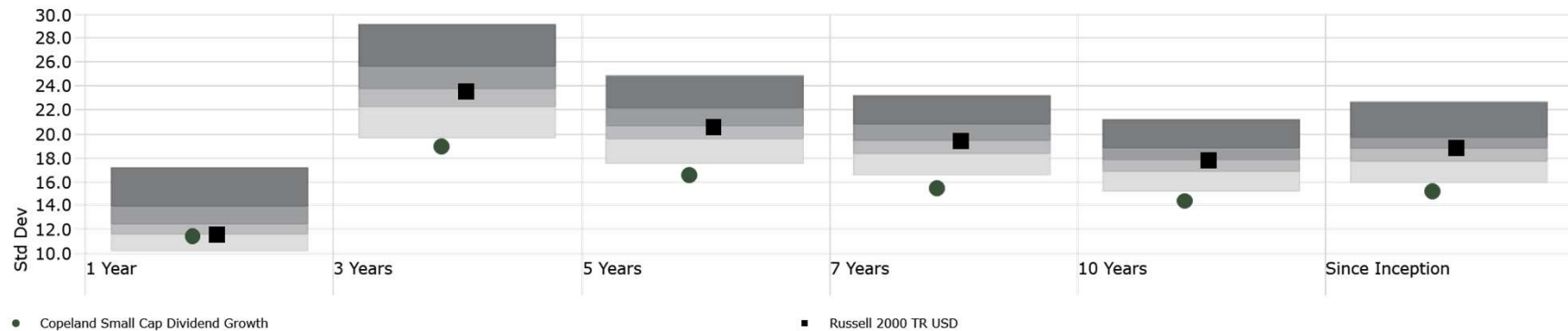
The data quoted in the charts above represents past performance and does not indicate future returns. Returns for periods of greater than one year are annualized. This presentation is intended as a one-on-one presentation and performance is reported gross of advisory fees. Client returns will be reduced by advisory and other expenses the client may incur. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, (d) 1% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over 10 years. Copeland's management fees are described herein and in Copeland's ADV Part 2A. After-tax results will vary from the returns presented here for those accounts subject to taxation. You cannot invest directly in an Index. Please refer to the Appendix for additional information and Net Performance.



Small Cap Dividend Growth 12/31/21

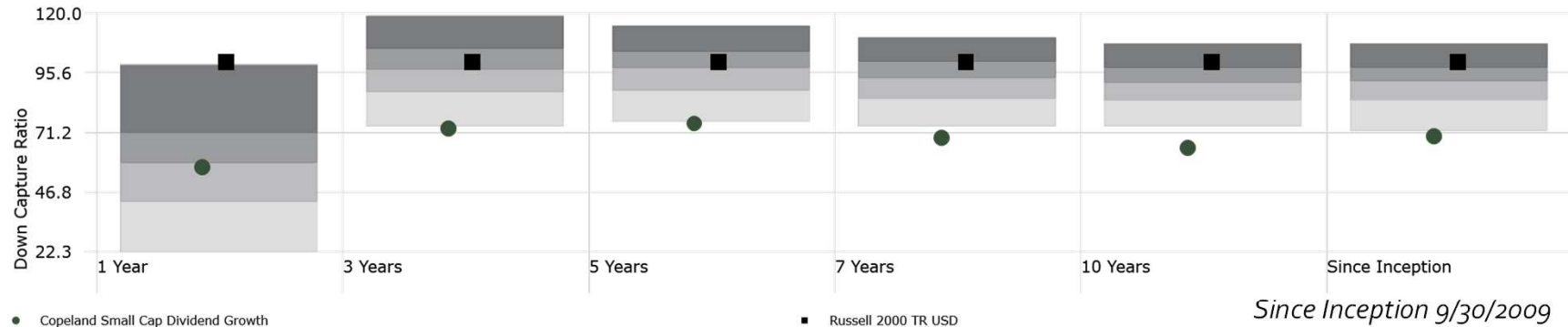
Standard Deviation Relative to Peer Group

As of Date: 12/31/2021 Peer Group (5-95%): Separate Accounts - U.S. - Small Blend Source Data: Total, Monthly Return



Downside Capture Relative to Peer Group

As of Date: 12/31/2021 Peer Group (5-95%): Separate Accounts - U.S. - Small Blend Source Data: Total, Monthly Return



Source: Morningstar Direct

The data quoted in the charts above represents past performance and does not indicate future returns. Returns for periods of greater than one year are annualized. This presentation is intended as a one-on-one presentation and performance is reported gross of advisory fees. Client returns will be reduced by advisory and other expenses the client may incur. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, (d) 1% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over 10 years. Copeland's management fees are described herein and in Copeland's ADV Part 2A. After-tax results will vary from the returns presented here for those accounts subject to taxation. You cannot invest directly in an Index. Please refer to the Appendix for additional information and Net Performance.



Portfolio Characteristics 12/31/21

	<u>Small Cap Dividend Growth</u>	<u>Russell 2000® Index</u>
Weighted Average Market Capitalization	\$4.1 Billion	\$3.5 Billion
P/E Ratio – NTM 12 Months	14.6x	17.1x
Dividend Yield	1.4%	1.07%
1 Year Dividend Growth Rate	11.6%	3.1%
Number of Holdings	58	2,038
Turnover – 1 year	31%	
Active Share	96.10	

Data shown: December 31, 2021

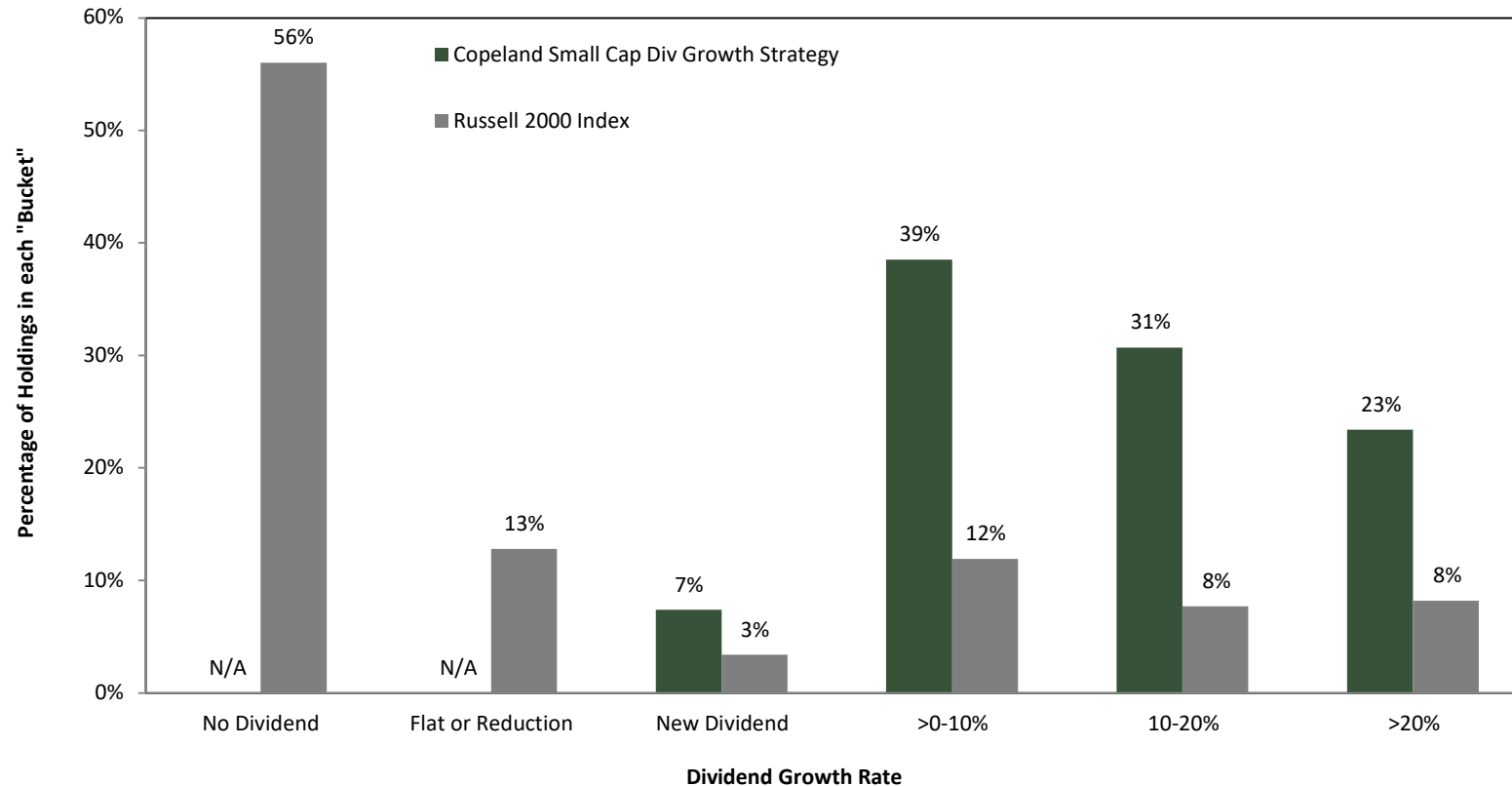
Source: FactSet, Russell Investments, Morningstar Direct

*The portfolio characteristics of the index may differ from other providers due to the source of the data and differences in calculation methodology. **Historical analytics are not indicative of future results.** You cannot invest directly in an index. Please refer to the Appendix for information on the index shown above as well as additional disclosures and Net Performance.*



Breakdown of Dividend Growth Rate

Portfolio Mix: One-Year Dividend Growth Profile "by Bucket"
Percentage of 12/31/21 Holdings in Each Category



Source: FactSet and Copeland Capital Management. The information presented is intended to compare the holdings by dividend policy of the Copeland Small Cap strategy and the Russell 2000® Index. Dividend Growers included stocks that raised their existing dividend or initiated a new dividend during the previous 12 months. Flat or Reduction Dividend Payers included stocks that pay a dividend but have not raised or have reduced their existing dividend during the previous 12 months. No Dividend Payers included stocks that have not paid a dividend during the previous 12 months. There is no guarantee that companies will declare dividends or, if declared, that they will remain at current levels or increase over time. You cannot invest directly in an Index. For information on the index shown above as well as other important information, please refer to the Appendix.



Appendix



Copeland's Commitment to Diversity and Inclusion

At Copeland, we are committed to helping create a more diverse and inclusive environment within the Financial Services industry. We believe the best way to accomplish this goal is by helping to fund education and to provide real life practical experience for women and minority students. Some highlights regarding our initiatives are as follows:

- Since 2012, Copeland has run a summer investment internship program with an emphasis on recruiting from local colleges
- Copeland's ongoing recruiting efforts are focused on empowering women and minorities in investing
- Since the program's inception, nearly one-third of our interns have been women
- In the last five years, more than half of our interns have been women - despite women being vastly underrepresented in our applicant pool
- Since the inception of the program, nearly two-thirds of our interns have been minorities; in the last five years, over 70% have been minorities
- In 2020, we partnered with Inroads, a non-profit organization, to help create an additional separate firmwide rotation-based internship designed to give minority college students the opportunity to work in all areas of the firm in order to gain exposure and knowledge across many areas of the asset management business (Research, Trading, Marketing, Finance, Compliance)
- In 2020, we partnered with the Thurgood Marshall College Fund, to establish and fund a college scholarship each year specifically designated for minority students studying Finance, Accounting, Economics, Mathematics, or Computer Science.



Copeland's Commitment to Diversity and Inclusion

- Copeland Capital Management is 100% employee owned with the equity widely distributed across the organization. 19 of our 28 employees are equity partners at the firm
- 16% of Copeland Capital Management is owned by employees who are persons of color, female or other minorities
- Copeland has a total of 28 employees. Our demographics breakdown as follows:
 - 18 % of our employees are female
 - 25% of our employees are minorities
- 14% of our Executive / C-Suite employees are female or minority
- 55% of our middle management and investment professionals are female or minority



Biographies

Edward C. Rorer - Chairman

Mr. Rorer serves as the Chairman of Copeland Capital Management. He is a Principal and a member of the firm's Management and Investment Policy committees. Prior to joining Copeland in August 2009, Ted was the Founder and Chief Investment Officer at Rorer Asset Management. At Rorer Asset Management, he developed and implemented the Relative Value methodology of portfolio management and brings his extensive investment expertise to Copeland. He began his career in the Philadelphia office of Blyth Eastman Dillon, where he served as Vice President. Along with his responsibilities at Copeland, Ted is a Trustee of the Bryn Mawr Hospital Foundation, as well as the former Chairman and current Trustee Emeritus at Chestnut Hill Academy. He also serves as a Trustee at Trinity College. Ted holds a BA degree from Trinity College in Hartford, CT, and an MBA from the Wharton School, University of Pennsylvania. Ted is a member of the CFA Society of Philadelphia.

Eric Brown, CFA – Founder, Chief Executive Officer, Portfolio Manager

Mr. Brown is the Founder and Chief Executive Officer of Copeland Capital Management. Eric is a Portfolio Manager and the lead manager for the Large Cap Strategies. He is responsible for research coverage of the Utilities and MLP sectors across all domestic portfolios. While founding Copeland, he developed a proprietary fundamental model to best evaluate dividend growth stocks. Prior to forming Copeland Capital Management in 2005, Eric was a Senior Portfolio Manager with The Colony Group. He previously served as a Portfolio Manager with Bingham Legg Advisors in Boston. Earlier in his career, Mr. Brown worked in municipal bond sales and trading at Bear Stearns & Company. Eric holds a BA in Political Science from Trinity College in Hartford, CT. He also holds the Chartered Financial Analyst (CFA®) designation. He is a member of the Boston Security Analysts Society and the American Mensa Society.

Mark Giovanniello, CFA – Chief Investment Officer, Portfolio Manager

Mr. Giovanniello is the Chief Investment Officer and a Principal at Copeland Capital Management. Mark is a co-portfolio manager on all U.S. Strategies and the lead manager for the Mid Cap, Smid Cap, and Small Cap Strategies. He is responsible for research coverage of the Health Care, Materials and Energy sectors. Prior to joining Copeland in August 2009, Mark was the lead portfolio manager for the Mid Cap strategy at Rorer Asset Management. Before joining Rorer, Mark spent six years at The Colony Group as the portfolio manager of the firm's Mid Cap strategy as well as the Director of Research. He was responsible for overseeing all fundamental and quantitative research supporting the firm's large-cap, mid-cap and small-cap strategies. Earlier in his career, Mark was a senior associate at the public accounting firm PricewaterhouseCoopers, where he earned his CPA while working with clients in the technology, venture capital and mutual fund industries. Mark holds a BS degree from the Carroll School of Management at Boston College. He also holds the Chartered Financial Analyst (CFA®) designation and is a member of the Philadelphia Security Analyst Society.

Erik Granade, CFA – Head of International Equities, Portfolio Manager

Mr. Granade is the Head of International Equities at Copeland Capital Management. He is a Principal and a member of the Firm's Management Committee. Erik is a Portfolio Manager for all of Copeland's International and Global strategies. Prior to joining Copeland Capital Management in July 2012, Erik was Chief Investment Officer and Portfolio Manager for Invesco's global equity team in Atlanta. While at Invesco, he had overall responsibility for the team's international equity, global equity, and emerging market equity strategies. Prior to joining Invesco, Erik was Head of International Equities at Cashman, Farrell & Associates in Philadelphia, PA. Preceding that, Erik worked at PNC Bank as a Senior International Equity Manager for Provident Capital Management, the firm's institutional money management business, and as a Securities Analyst. Erik received his BA in economics from Trinity College in Hartford, CT and holds the Chartered Financial Analyst (CFA®) and Chartered Investment Counselor designations. He is a member of the CFA Institute and the CFA Society of Atlanta.

David McGonigle, CFA – Portfolio Manager

Mr. McGonigle is a Portfolio Manager and a Principal at Copeland Capital Management. His primary coverage responsibilities are in the Consumer Discretionary and Financial sectors across all U.S. portfolios. Prior to joining Copeland in August 2009, Dave spent ten years with Rorer Asset Management, serving both as a portfolio manager and an analyst focused on the firm's mid cap portfolio with primary coverage responsibilities in the Consumer and Financial sectors. Before joining Rorer, Dave was a Financial Analyst with AmericaOne Communications, Inc., a subsidiary of CapitalOne Financial Corp., where he focused on financial forecasting, as well as the evaluation of potential acquisition candidates in the telecommunications space. He holds a BS in Business Administration, with a finance concentration, from the E. Claiborne Robins School of Business at the University of Richmond. Dave also holds the Chartered Financial Analyst (CFA®) designation and is a member of the CFA Society of Philadelphia.



Biographies Continued

Kenneth Lee – Portfolio Manager

Mr. Lee is a Portfolio Manager and a Principal at Copeland Capital Management. Ken is a Portfolio Manager for all of Copeland's International and Global strategies. Prior to joining Copeland in January 2013, Ken was Co-Founder and Managing Partner at Presidia Capital in Greenwich, CT where he managed Presidia's Asia Special Situations Fund. Prior to Presidia, Ken was Portfolio Manager and Managing Director at Mercury Partners in Greenwich, CT, a multi-strategy investment firm offering hedge fund and long-only equity strategies. Prior to Mercury, Ken was a Vice President at Deutsche Bank (New York) and an Associate at Wachovia Securities (New York), where he focused on Mergers & Acquisitions in their Real Estate, Lodging & Gaming Investment Banking Group. Previously, Ken was a management consultant at McKinsey & Company and AlixPartners, where he specialized in corporate restructuring and turnarounds for United States and Asian clients across consumer, technology, industrial, and telecommunications sectors. Ken holds a Master of Business Administration (MBA) from Harvard Business School and a BA in Economic History from Dartmouth College.

Jeffrey Walkenhorst, CFA – Portfolio Manager

Mr. Walkenhorst is a Portfolio Manager and a Principal at Copeland Capital Management. His primary coverage responsibilities are in the Consumer Staples, Real Estate, and Technology/Telecom sectors across all U.S. portfolios. Prior to joining Copeland in March 2011, Jeff was a Senior Research Analyst at The Research Board, an international think tank that performs business and strategy research for Chief Information Officers of the world's largest organizations. Previously, Jeff was a Vice President, Equity Research Analyst with Banc of America Securities LLC (BAS). At BAS, he covered the Technology sector, including several years on an Institutional Investor All-America Research Team. Prior to BAS, Jeff was engaged in strategic planning, M&A, and analysis roles in the telecom and technology sectors. Jeff began his career in the Real Estate Investment Banking Group at Prudential Securities Incorporated. Jeff holds a BA degree in Economics from Stanford University. He also holds the Chartered Financial Analyst (CFA®) designation and is a member of the New York Society of Security Analysts.

John Cummings, CFA – Portfolio Manager

Mr. Cummings is a Portfolio Manager and a Principal at Copeland Capital Management. His primary responsibilities include fundamental coverage of the Industrials sector and helping to optimize Copeland's quantitative methodologies. Prior to joining Copeland in August 2014, John worked as a summer equity research analyst for Credit Suisse covering the consumer internet sector. Before that, John worked for Copeland Capital as a summer research analyst. During this time, he helped analyze and improve Copeland's quantitative screening methodologies. John holds a BA degree in both Mathematics and Economics with high honors from Haverford College. He also holds the Chartered Financial Analyst (CFA®) designation and is a member of the CFA Society of Philadelphia.

Willard Kwak, CFA – Research Analyst

Mr. Kwak is a Research Analyst and a Principal at Copeland Capital Management. His primary responsibilities include conducting fundamental research across all sectors for the international team and helping to optimize Copeland's quantitative methodologies. Prior to joining Copeland in September 2017, Willard performed research at the University of Chicago Department of Economics, developing data analytics and mining skills, working with various programming languages. Before that, Willard participated in the Research Experience as Undergraduate (REU) for mathematics, studying number theory. Willard holds a BS in Mathematics and BA in Economics from the University of Chicago. He also holds the Chartered Financial Analyst (CFA®) designation.

Jonathan Honda - Research Analyst

Mr. Honda is a Research Analyst and a Principal at Copeland Capital Management. His primary responsibilities include conducting fundamental research across all sectors for the international team and helping to optimize Copeland's quantitative methodologies. Prior to joining Copeland in February 2020, Jon worked as a Research Associate at the Capital Group in Los Angeles, CA covering Industrial and Automotive stocks, eventually building an expertise in autonomous vehicles. Prior to Capital, Jon was an Investment Professional at Interlaced Investment Advisors in Honolulu, HI where he conducted fundamental analysis across all sectors on the domestic team. Jon holds a BBA from the University of Hawaii where he majored in Finance and minored in Economics. He is a Level III candidate in the CFA Program.

James Spencer, CIPM – Performance & Risk Analytics Manager

Mr. Spencer is a member of the investment policy committee and a Principal at Copeland Capital Management. He is responsible for performance reporting and risk monitoring, as well as a number of compliance functions. Prior to joining Copeland in August of 2009, Mr. Spencer was the Director of Fixed Income at Rorer Asset Management. Before joining Rorer, Jim was a Portfolio Manager for short-duration fixed income funds with CoreStates Investment Advisers and an Institutional Trust Officer for Meridian Asset Management. Jim holds an MBA from Saint Joseph's University and a BA with departmental honors from Washington College. He is a Chartered Market Technician, CIPM® certificant, a member of the Fixed Income Club of Philadelphia and a member of the CFA Society of Philadelphia.



Biographies Continued

Steven Adams – Chief Operating and Financial Officer

Mr. Adams is the Chief Operating & Financial Officer of Copeland Capital Management. He is a Principal and a member of the Firm's Management Committee. Prior to joining the firm, he was the Chief Financial Officer of AMG Funds and was previously a Principal, Senior Vice President, and Director of Finance at Rorer Asset Management. Steve began his career with PricewaterhouseCoopers where he was a Senior Manager and served clients in financial services. He is a Certified Public Accountant and a member of the American Institute of Certified Public Accountants (AICPA), the Pennsylvania Institute of Certified Public Accountants (PICPA), and the AICPA Technology Division. Steve earned a BS degree in accounting from the University of Utah.

Anthony Godonis - Director of Trading

Mr. Godonis is the Director of Trading and a Principal at Copeland Capital Management. He is responsible for global trade execution, trade cost analysis, policy, broker/vendor management, electronic connectivity, technology, operational oversight and commission management. Prior to joining Copeland in September 2017, Anthony spent 10 years at Aberdeen Standard Investments in Philadelphia, PA where he served as the Head of Trading – Americas. In this role, he oversaw execution of equities, fixed income, foreign currency and derivatives in North and South America. In the past, he also worked at Gartmore Global and Glenmede Investment Management as a Senior Trader responsible for program, small cap and international trading. He earned a BS degree from Shippensburg University with a concentration in Finance and an MBA in International Business from Drexel University.

Karen Kirk – Director of Operations

Ms. Kirk is the Director of Operations and a Principal at Copeland Capital Management. In this capacity, she is responsible for overseeing the portfolio management system and account database as well as equity trading. Prior to joining Copeland in August 2009, Karen was the Manager of Account Administration at Managers Investment Group. Before MIG, Karen was the Assistant Director of Operations at Rorer Asset Management. Prior to joining Rorer, she was the Director of Operations at Radnor Capital Management. She held various positions at Meridian Investment Company from 1988 to 1997 including as an Assistant Trader and Operations Assistant. Karen holds a BA from Immaculata University.

Daniel Castrogiovanni – Trading & Operations Specialist

Mr. Castrogiovanni is the Trading and Operations Specialist at Copeland Capital Management. He is responsible for operations and trading functions. Prior to joining Copeland in March 2019, Dan served as an Equity Portfolio analyst at PNC Capital Advisors in Philadelphia, PA. In this role, he supported the Large Cap Equity team in its research, trading, and portfolio management. Before that, Dan was Associate Equity Trader with Glenmede Investment Management and he began his career as an Analyst with SEI Investment Company. He holds a BA from the University of Pittsburgh. Dan is also a member of the Philadelphia Security Traders Association.

Sofia Rosala – General Counsel and Chief Compliance Officer

Ms. Rosala is the General Counsel and Chief Compliance Officer and a Principal of Copeland Capital Management. Her primary responsibility is to ensure compliance with all legal and regulatory requirements impacting Copeland and the investment management services it performs for its clients. In addition to her role as the CCO for Copeland, she also serves as Vice President, Chief Compliance Officer and Secretary to the Copeland Funds. Prior to joining Copeland in March 2016, Ms. Rosala served as Counsel, CCO and Deputy Head of Compliance at Aberdeen Asset Management Inc. Ms. Rosala started her career at SEI Investments, where she was Vice President and Corporate Counsel. Ms. Rosala also previously worked as a Senior Associate in the Investment Management Practice Group at Morgan, Lewis and Bockius, LLP. Ms. Rosala obtained her Juris Doctorate degree from Temple University School of Law and BA degree from the University of Pennsylvania.

Tarma Lawruk – Finance & Accounting Manager

Ms. Lawruk is the Finance and Accounting Manager and a Principal at Copeland Capital. Tarma has responsibilities in all aspects of the firm's financial and fund operations. She also provides operational support under the direction of the Chief Financial & Operating Officer. Prior to joining Copeland in November 2016, Tarma worked at AMG Funds for 7 years as a Product Finance Analyst and Accountant. Tarma holds a BBA in Accounting from Pace University.

Otto Rust - Director of Information Technology

Mr. Rust is the Director of Information Technology and a Principal at Copeland Capital Management. His responsibilities include the design, support and maintenance of all aspects of the company's technical infrastructure. Prior to joining Copeland in 2009, Otto was an independent consultant supporting small businesses and non-profit organizations for 6 years. Before that, Otto worked for American Pfeiffer Corporation as the Director of Information Technology overseeing network operations and communications with parent company Christian Pfeiffer's European headquarters and foundries in Germany, Austria and Italy. Earlier, Otto worked for Villanova University in Career Services as the Assistant Director for Systems Development and Administration, and earlier as the Assistant Director for Technology in the Music Activities Department. Otto holds a BS degree in Computer Science from Villanova University.

Pat Stoberl - Executive Assistant

Ms. Stoberl is an Executive Assistant at Copeland Capital Management. Prior to joining Copeland in April 2018, Pat was an Executive Assistant at AMG Funds for 19 years. Pat has over 30 years of experience supporting senior management in the Financial Services industry.



Biographies Continued

Charles Barrett – Director of Sales & Marketing

Mr. Barrett is responsible for all sales and marketing initiatives for Copeland Capital Management. He is a Principal and a member of the Firm's Management Committee. He oversees distribution of Copeland's mutual fund products, hedge funds, institutional separate accounts and manages the firm's sub-advisory relationships. Prior to joining Copeland in November 2010, he was the National Sales Manager for MTB Investment Advisors and the MTB Group of Funds. At MTBIA he was responsible for the mutual fund distribution business as well as institutional consultant relationships. Before MTBIA, Chuck served in senior sales positions at John Hancock Funds and Alliance Bernstein. Chuck holds a BS in Finance from Albright College.

Robin Lane, CFA – Marketing Manager

Ms. Lane is the Marketing Manager and a Principal at Copeland Capital Management. She is responsible for managing many of the firm's distribution relationships with Consultants, Broker Dealers, RIAs and TAMPs. Robin is also responsible for managing Copeland's RFP responses. Prior to joining to Copeland in January 2014, she worked at Clark Capital Management for three years as a member of the Key Accounts team. Before joining Clark Capital, Robin was a Portfolio Associate at Global Capital Management and a Senior Relationship Manager for Lockwood Advisors. Prior to joining Lockwood, Robin worked for Smith Barney as an Investment Consulting Analyst from 1993 to 1998. Robin received a BBA with a concentration in Economics from Washington University in St. Louis and an MBA in Finance from Temple University. In addition, she earned the Chartered Financial Analyst (CFA®) designation and is a member of the CFA Institute and the CFA Society of Philadelphia.

Rob Knowles - Senior Vice President - Regional Director

Mr. Knowles is a Regional Director at Copeland Capital Management. He is responsible for consultant relations and for the distribution of Copeland's SMA products across all channels throughout the western region. Prior to joining Copeland in January 2020, Rob was Senior VP – Institutional Markets at AMI Asset Management. Prior to AMI, Rob was Director of Sales and Marketing at Wall Street Associates, Director of Institutional Markets at Transamerica Investment Management and Senior Associate at consulting firm Wilshire Associates. Rob holds an Economics degree from San Diego State University and an MBA from Loyola Marymount University.

Neil Adams - Vice President - Regional Director

Mr. Adams is a Regional Director at Copeland Capital Management. He is responsible for the distribution of Copeland's suite of retail mutual funds and SMA products across all channels throughout the East Coast part of the country. Prior to joining Copeland in December of 2015, Neil was a sales representative at Eaton Vance in Boston. At Eaton Vance, he was responsible for financial advisor relationships in the Long Island and Southern Connecticut regions. Before Eaton Vance, Neil began his career in financial services industry with Fidelity Investments. He graduated from Southern New Hampshire University with a BS in Business Administration and Political Science and was a two-year captain of the men's ice hockey team.

Clayton Saltijeral, CAIA - Vice President - Regional Director

Mr. Saltijeral is a Regional Director at Copeland Capital Management. He is responsible for the distribution of Copeland's suite of retail mutual funds and SMA products across all channels throughout the Central part of the county. Prior to joining Copeland in December of 2018, Clayton spent 13 years at Dearborn Capital Management in Chicago. At Dearborn, he served in various roles on the distribution and compliance teams. Most recently Clayton was Regional Vice President of Business Development responsible for distribution in the Midwest and Great Lakes regions. Before Dearborn, he served as the Branch Manager at Levitt and Levitt Brokerage in Chicago responsible for all day-to-day operations, trading, and compliance. Clayton began his financial career managing the daily bond inventory on the municipal bond desk at Harris Bank in Chicago. He is a graduate of the University of Illinois Urbana-Champaign. In addition, Clayton earned the Chartered Alternative Investment Analyst (CAIA®) designation and is a member of the CAIA Institute and CAIA Chicago Chapter.

Michael Gebhardt, CFA - Vice President – Portfolio Specialist

Mr. Gebhardt is responsible for supporting sales and marketing initiatives for Copeland Capital Management. He supports the sales efforts of Copeland's products and helps manage the firm's institutional relationships. Prior to joining Copeland in September 2018, Michael worked as an Investment Analyst at Envestnet | PMC where he specialized in small cap asset manager due diligence as well as developing the firm's global research presence. Before Envestnet, he served as a Research Associate at Kummer Financial Strategies and supported the investment committee with their asset allocation and manager selection decisions. Michael received a BS in Finance from the University of Colorado at Boulder and an MBA with a specialization in Global Finance from the University of Denver. In addition, he earned the Chartered Financial Analyst (CFA®) designation and is a member of the CFA Institute and the CFA Society of Colorado.

Jon Forcheskie – Associate Regional Director

Mr. Forcheskie is an Associate Regional Director at Copeland Capital Management. He works in conjunction with our field sales team to build and maintain relationships with financial advisers. Prior to joining Copeland in October 2019, he worked at RBC Wealth Management as a Registered Client Associate. Before joining RBC Wealth Management, Jon was a Brokerage Investment Professional at Vanguard. Jon received a BS in Finance with a minor in Marketing and a concentration in Personal Financial Planning from Bloomsburg University of Pennsylvania.

Coby Schwartz – Associate Regional Director

Mr. Schwartz is an Associate Regional Director at Copeland Capital Management. He works in conjunction with our field sales team to build and maintain relationships with financial advisers. Prior to joining Copeland in October 2019, he worked at Janney Montgomery Scott as a member of the Wealth Management team. Before joining Janney, Coby was an Operations Analyst at SEI Investments. He holds a BS in Finance from the College of Saint Rose in Albany.



Footnotes and Disclosures: Small Cap Dividend Growth Broad Composite

Copeland Capital Management, LLC (CCM), a 100% employee-owned registered investment adviser, provides innovative dividend growth solutions to its clients. CCM claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. CCM has been independently verified for the periods January 1, 2006 through March 31, 2021 by Kreisler Miller. A firm that claims compliance with the GIPS standards must establish policies and procedures for complying with the applicable requirements of the GIPS standards. Verification provides assurance on whether the firm's policies and procedures related to the composite and pooled fund maintenance, as well as the calculation, presentation, and distribution of performance, have been designed in compliance with the GIPS standards and have been implemented on a firm-wide basis. The Small Cap Dividend Growth Broad Composite has had a performance examination for the periods October 1, 2009 through March 31, 2021. The verification and performance examination reports are available upon request. CCM created this composite on April 1, 2015, the composite inception date is October 1, 2009. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.

The Composite represents all discretionary managed accounts managed by CCM in the Small Cap Dividend Growth style. The composite represents accounts that are included in the Small Cap Dividend Growth Composite or the Small Cap Dividend Growth Non-MLP Composite. The Small Cap Dividend Growth Non-MLP Composite is the same as the Small Cap Dividend Growth Composite except that it does not hold MLPs. CCM uses a proprietary, quantitative model to screen companies, primarily included in the Russell 2000 Index(a), to identify those demonstrating the strongest cash flow and dividend growth for a portfolio of approximately 50 stocks. The computations of gross and net returns both assume the reinvestment of all dividends, interest, and capital gains. Gross returns include transaction costs but do not include CCM's management fees. Net returns reflect the deduction of the highest applicable model fee in effect for the respective time period and transaction costs from gross returns. Net returns for the period September 30, 2009 to March 31, 2012 reflect the deduction of a 1.00% model management fee. Net returns for the period March 31, 2012 to March 31, 2014 reflect the deduction of a 0.70% model management fee. Net returns after March 31, 2014 reflect the deduction of a 1.00% model management fee. Accounts are added to the composite in their first full calendar month after being invested in this style with CCM. Terminated accounts are removed from this composite after the final full month under CCM's management. A complete list of composite descriptions and a list of broad/limited distribution pooled fund descriptions are available upon request. Additional information regarding CCM's policies and procedures valuing portfolios, calculating performance, and preparing GIPS composite reports are available upon request. Past performance is not indicative of future performance. Performance results of the Composite are based on U.S. dollar returns.

Annual or Most Recent Quarter	# of Portfolios	Internal Dispersion ^(c)	Three Year Ex-Post Standard Deviation ^(b) Composite	Three Year Ex-Post Standard Deviation ^(b) Russell 2000	Strategy Market Value Advisory-Only-Assets (in millions)	Composite Market Value (in millions)	Total Firm Assets (in millions)	Annual Performance		
								Gross-of-Fees	Net-of-Fees	Russell 2000 Index ^(a)
2021	919	0.4%	18.8%	23.4%	\$843.5	\$1,711.4	\$3,970.5	26.9%	25.6%	14.8%
2020	721	0.8	20.0	25.3	559.0	1,268.7	2,635.0	6.9	5.8	19.9
2019	711	0.4	12.9	15.7	497.1	1,067.7	2,423.5	30.0	28.7	25.5
2018	656 ^(d)	0.4	12.1	15.8	336.4	880.3	1,677.0	-4.2	-5.2	-11.0
2017	1228	0.3	10.8	13.9	236.8	1,028.5	1,907.6	15.2	14.1	14.6
2016	1364	0.6	12.7	15.8	33.1	794.5	1,608.9	19.6	18.4	21.3
2015	1569	0.5	12.4	14.0	5.2	683.8	1,850.6	5.3	4.3	-4.4
2014	182	0.0	11.1	13.1	0.7	237.9	1,436.9	10.9	9.9	4.9
2013	3	N/A	12.8	16.5	N/A	4.3	1,038.1	44.2	43.2	38.8
2012	3	N/A	16.1	20.2	N/A	3.0	496.3	18.3	17.4	16.4
2011	2	N/A	N/A	N/A	N/A	1.1	281.2	1.1	0.1	-4.2
2010	2	N/A	N/A	N/A	N/A	1.1	115.9	20.4	19.2	26.9
4Q09	1	N/A	N/A	N/A	N/A	0.4	108.6	5.1	4.9	3.9

Footnotes:

- (a) The Russell 2000 Index is comprised of the smallest 2,000 companies in the Russell 3000 Index. The Russell 3000 Index measures the performance of the 3,000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market. The Portfolio's strategy differs from the composition of the Index, which is unmanaged, and the index returns do not reflect any fees, expenses or sales charges. You cannot invest directly in an index. (b) The three-year annualized standard deviation measures the variability of the gross of fee Composite and the benchmark returns over the preceding 36-month period. Ex-post calculations are not presented for periods less than 36 months. (c) Internal Dispersion is calculated using the asset-weighted standard deviation of gross-of-fees returns of all portfolios that were included in the composite for the entire period. With fewer than five accounts in the composite, a measure of dispersion is not applicable. (d) A large relationship moved to a bundled fee structure. As a result, those accounts moved to the Small Cap Dividend Growth Wrap Composite.

CCM's standard advisory fee schedule for Small Cap Dividend Growth is as follows: 1.00% on the first \$5 million of assets, 0.90% on the next \$5 million of assets and 0.80% above \$10 million of assets. This standard fee schedule is subject to change at the firm's discretion.



Disclosures

The data quoted in this presentation represents past performance and does not indicate future returns. Returns for periods of greater than one year are annualized. Gross returns include transaction costs, but do not reflect the deduction of investment advisory fees. A client's return will be reduced by the advisory fees and any other expenses it may incur in the management of its investment advisory account. Copeland's management fees are described herein and in Copeland's ADV Part 2A. Total return is calculated assuming reinvestment of all dividends, interest and capital gains. After-tax results will vary from the returns presented here for those accounts subject to taxation. Performance results of the composite are based on U.S. dollar returns. Accounts are added to the composite in their first full calendar month after being invested in this style with Copeland. Terminated accounts are removed from this composite after the final full month under Copeland management. A complete list and description of Copeland's composites is available upon request. Additional information regarding Copeland's policies and procedures for calculating and reporting performance is available upon request.

Performance is presented gross-of-fees. This presentation is intended as a one-on-one presentation and performance is reported gross of advisory fees. Client returns will be reduced by advisory and other expenses the client may incur. As an example, the effect of investment management fees on the total value of a client's portfolio assuming (a) quarterly fee assessment, (b) \$1,000,000 investment, (c) portfolio return of 8% a year, (d) 1% annual investment advisory fee would be \$10,416 in the first year, and cumulative effects of \$59,816 over five years and \$143,430 over 10 years.

The theoretical performance results shown do not represent the results of actual trading, but is based on historical performance of dividend growth stocks by means of retroactive application of CCM's proprietary ranking model. Theoretical and historical performance is not an indicator of future actual results. The results reflect performance of CCM's strategy not historically offered to investors and do not represent returns that any investor actually attained. Theoretical results are calculated by the retroactive application of CCM's model constructed on the basis of historical data and based on assumptions integral to the model. This information is provided for illustrative purposes only. Theoretical and historical performance has inherent limitations, such as not reflecting the effect of material economic and market factors on the decision-making process. Historical results may have under- or over-compensated for the impact, if any, of certain market factors.

GIPS® Compliance Standards - Ethical standards to be used by investment managers for creating performance presentations that ensure fair representation and full disclosure of investment performance results. Global Investment Professional Standards were created by the Chartered Financial Analyst Institute and governed by the GIPS Executive Committee. They are standardized guidelines for reporting the ability of an investment firm to make profits for investors. Verification reports can be obtained by calling 484-351-3700 and requesting a copy. Copeland Capital Management claims compliance with the Global Investment Performance Standards (GIPS®). To receive a list of composite descriptions of Copeland Capital Management and/or a presentation that complies with the GIPS standards, contact us at 484-351-3700 to request a copy.



Disclosures Continued

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Disclosures Continued

Average Market Capitalization - The average market cap gives you a measure of the size of the companies in which an equity fund invests.

Median Market Capitalization - A market capitalization figure where half of the securities in a portfolio have a higher market capitalization and half have a lower one.

Peer Group - The peer group is defined by an adjustable user setting. It may be a Morningstar Category or any user-defined group of investments. If a user defined peer group is selected, it will be designated on the report as a Custom List.

EPS Growth – Earnings Per Share Growth illustrates the growth of earnings per share over time.

P/E Ratio - The Price-to-Earnings Ratio of a stock is a measure of the price paid for a share relative to the annual net income or profit earned by the firm per share.

PEG Ratio - The Price/Earnings To Growth Ratio is a valuation metric for determining the relative trade-off between the price of a stock, the earnings generated per share (EPS), and the company's expected growth.

Dividend Yield - The company's total annual dividend payments divided by its market capitalization, or the dividend per share, divided by the price per share.

Dividend Growth Rate - The annualized percentage rate of growth that a particular stock's dividend undergoes over a period of time.

R-squared measures the strength of the linear relationship between the portfolio and the benchmark. R-squared at 1.00 implies perfect linear relationship and zero implies no relationship exists.

Annual Excess Return – the excess return is the rate of return above and beyond that of the risk-free rate, which is usually the t-bill rate.

Standard deviation is a measure of the variability of returns-the higher the standard deviation, the greater the range of performance (i.e., volatility).

Alpha is a measure of the difference between actual returns and expected performance, given the level of risk as measured by beta, where beta measures sensitivity to index movements.

Beta is a measure of the volatility, or systematic risk, of a security or a portfolio in comparison to the market as a whole.



Disclosures Continued

Appraisal Ratio is a measure of the quality of a fund's stock selection ability. It compares the funds' Alpha to its unsystematic risk.

Information Ratio is a measure of the risk-adjusted return of a security or a portfolio in comparison to the returns of a benchmark.

The **Sharpe ratio** is a risk-adjusted measure, calculated using standard deviation and excess return to determine reward per unit of risk. The higher the Sharpe ratio, the better the portfolio's historical adjusted performance.

The **Upside Capture ratio** measures the manager's overall performance to the benchmark's overall performance, considering only quarters that are positive in the benchmark. An Up Capture ratio of more than 1.0 indicates a manager who outperforms the relative benchmark in the benchmark's positive quarters.

The **Downside Capture ratio** is the ratio of the manager's overall performance to the benchmark's overall performance, considering only quarters that are negative in the benchmark. A Down Capture ratio of less than 1.0 indicates a manager that outperformed the benchmark in the benchmark's negative quarters.

Tracking Error is a measure of how closely a portfolio follows the index to which it is benchmarked.

The **Equity Style Box** from Morningstar reveals a fund's investment strategy as of the date noted on the report. The vertical axis shows the market capitalization of the long stocks owned and the horizontal axis shows investment style (value, blend or growth).

Dividend Growers included stocks that raised their existing dividend or initiated a new dividend during the previous 12 months. **3 Year Dividend Growers** included stocks that raised their existing dividend for 3 consecutive years. **Flat Dividend Payers** included stocks that pay a dividend but have not raised or lowered their existing dividend during the previous 12 months. **Non Dividend Payers** included stocks that have not paid a dividend during the previous 12 months. **Dividend Cutters** included stocks that lowered their existing dividend or eliminated their dividend during the previous 12 months. **There is no guarantee that companies will declare dividends or, if declared, that they will remain at current levels or increase over time.**

With respect to the comparison of the Copeland strategies to their comparative benchmarks, the number of holdings and volatility of an unmanaged Index is different from that of an actively managed portfolio of Dividend Growth stocks.



Disclosures Continued

Index Disclosures – You cannot invest directly in an Index. Indexes are unmanaged and do not account for any fees, commissions or other expenses that would be incurred. The portfolio characteristics of the indexes may differ from other providers due to the source of the data and differences in calculation methodology. Historical analytics are not indicative of future results.

The **S&P 500® Index** consists of 500 stocks chosen for market size, liquidity and industry group representation. It is a market value weighted index with each stock's weight in the Index proportionate to its market value.

The **Russell Mid Cap® Index** is comprised of the 800 smallest companies in the Russell 1000® Index.

The **Russell 1000® Index** measures the performance of the 1000 large cap U.S. companies based on total market capitalization, which represents approximately 90% of the investable U.S. equity market.

The **Russell 2000® Index** is comprised of the smallest 2000 companies in the Russell 3000® Index.

The **Russell 2500® Index** is comprised of the bottom 2500 companies in the Russell 3000® Index.

The **Russell 3000® Index** measures the performance of the 3000 largest U.S. companies based on total market capitalization, which represents approximately 98% of the investable U.S. equity market.

The **Russell Microcap® Index** measures the performance of the microcap segment of the U.S. equity market. It makes up less than 3% of the U.S. equity market. It includes 1,000 of the smallest securities in the Russell 2000® Index based on a combination of their market cap and current index membership and it includes the next 1,000 stocks.

The **iShares Micro Cap® Index ETF** seeks to track the investment results of the Russell Micro Cap® Index.

The **Credit Suisse Hedge Fund® Index** measures the aggregate performance of hedge funds diversified across ten style based sectors.

The **S&P MidCap 400® Index** is a market-capitalization-weighted index of the stocks of 400 medium-sized U.S. companies.

The **S&P Small-Cap 600® Index** is a market-capitalization-weighted index of the stocks of 600 small-capitalization U.S. companies.

The **Wilshire US Micro-Cap® Index** is a benchmark of the micro-sized (based on capitalization) companies in the U.S. equity market. The Wilshire US Micro-Cap® is a float-adjusted, market capitalization-weighted index of the issues ranked below 2,500 by market capitalization of the Wilshire 5000 Total Market® Index.



Disclosures Continued

Index Disclosures continued – You cannot invest directly in an Index. *The portfolio characteristics of the indexes may differ from other providers due to the source of the data and differences in calculation methodology. Historical analytics are not indicative of future results.*

*The **MSCI EAFE® Index** is an equity index which captures the performance of large and mid-cap securities across 21 developed markets, including countries in Europe, Australasia and the Far East, excluding the U.S. and Canada. The Index is available for a number of regions, market segments/sizes and covers approximately 85% of the free float-adjusted market capitalization in each of the 21 countries.*

*The **MSCI World ex-US Net® Index** is a global equity index created and maintained by MSCI Inc., formerly Morgan Stanley Capital International. It is a market capitalization-weighted index designed to provide a broad measure of stock performance net of foreign dividend withholdings throughout the developed world, excluding U.S. stocks.*

*The **MSCI World Ex-US Small Cap Net® Index** captures small cap representation across 22 of 23 Developed Markets (DM) countries (excluding the United States). With 2,437 constituents, the Index covers approximately 14% of the free float-adjusted market capitalization in each country. The index designed to provide a broad measure of stock performance net of foreign dividend withholdings throughout the developed world, excluding U.S. stocks.*

*The **MSCI World Net® Index** captures large and mid cap representation across 23 Developed Markets (DM) countries. With 1,649 constituents, the Index covers approximately 85% of the free float-adjusted market capitalization in each country. The index designed to provide a broad measure of stock performance net of foreign dividend withholdings throughout the developed world.*

*The **MSCI World Small Cap Net® Index** captures small cap representation across 23 Developed Markets (DM) countries. With 4,316 constituents, the Index covers approximately 14% of the free float-adjusted market capitalization in each country. The index designed to provide a broad measure of stock performance net of foreign dividend withholdings throughout the developed world, excluding U.S. stocks.*

Micro, Small and Medium Capitalization Risk: *The value of micro, small or medium capitalization company securities may be subject to more abrupt or erratic market movements than those of larger, more established companies or the market averages in general.*

Market Risk: *Overall securities market risks may affect the value of individual securities in which the Copeland strategies invest. Factors such as foreign and domestic economic growth and market conditions, interest rate levels, and political events affect the securities markets.*



For more information about Copeland Capital Management and any of our strategies please contact:

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LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



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

MEETING: FEBRUARY 8, 2022
ITEM: V

Neil M. Guglielmo

SUBJECT: INVESTMENT MANAGER CONTRACT WITH MFS INSTITUTIONAL ADVISORS, INC. REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EQUITIES DEVELOPED MARKETS GROWTH PORTFOLIO AND POSSIBLE COMMITTEE ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Committee recommend to the Board a three-year contract renewal with MFS Institutional Advisors, Inc. for management of an active non-U.S. equities developed markets growth portfolio.

Executive Summary

MFS Institutional Advisors, Inc. (MFS) has managed an active non-U.S. equities developed markets growth portfolio for LACERS since October 2013. LACERS' portfolio was valued at \$625 million as of December 31, 2021. MFS is in compliance with the LACERS Manager Monitoring Policy. Staff and NEPC, LLC (NEPC), LACERS' General Fund Consultant, recommend a three-year contract renewal.

Discussion

Background

MFS manages an active non-U.S. equities developed markets growth portfolio for LACERS benchmarked against the MSCI World ex-U.S. Growth Index. MFS employs a research-based investment strategy that focuses on companies with long-term, above-average growth. The portfolio is managed by a team of portfolio managers including Matthew Barrett (26 years of experience), Kevin Dwan (24 years of experience), Brett Fleishman (25 years of experience), and Gregory Johnsen (36 years of experience). LACERS' portfolio was valued at \$625 million as of December 31, 2021.

The Board hired MFS through the 2013 Active Non-U.S. Equities Developed Markets investment manager search process and authorized a three-year contract on June 11, 2013; the contract became effective on October 2, 2013. Subsequently, the Board authorized three-year contract renewals on June 28, 2016 and on June 11, 2019. The current contract expires on September 30, 2022. Representatives of MFS presented a portfolio review to the Investment Committee on September 14, 2021.

Organization

MFS is a global investment management firm with offices in Boston, Hong Kong, London, Mexico City, Sao Paulo, Singapore, Sydney, Tokyo, and Toronto. The firm is majority owned by Sun Life Financial of Canada (U.S.) Financial Services Holdings, Inc. (a subsidiary of Sun Life Financial, Inc.) and has over 1,993 employees, with 305 investment professionals. As of December 31, 2021, the firm managed over \$693 billion in total assets with over \$26 billion in the non-U.S. growth equity strategy.

Due Diligence

MFS' investment philosophy, strategy, and process have not changed over the contract period. In October 2019, David Antonelli, Vice Chair of MFS and Portfolio Manager, announced his retirement after 30 years at MFS; he officially retired on April 15, 2021. Staff and NEPC determined Mr. Antonelli's retirement to have no adverse impact to the non-U.S. growth equity strategy due to MFS' succession planning, team-based approach to portfolio management, and experience of the current portfolio managers.

Performance

As of December 31, 2021, MFS has outperformed the benchmark over the 3-month, 5-year, 7-year, and since inception periods, as presented in the table below. MFS is in compliance with the LACERS Manager Monitoring Policy.

Annualized Performance as of 12/31/21 (Net-of-Fees)							
	3-Month	1-Year	2-Year	3-Year	5-Year	7-Year	Since Inception ¹
MFS	4.61	10.58	12.34	17.24	14.14	10.51	8.59
MSCI World ex-U.S. Growth	4.27	11.57	14.94	19.11	13.37	9.34	7.83
<i>% of Excess Return</i>	<i>0.34</i>	<i>-0.99</i>	<i>-2.60</i>	<i>-1.87</i>	<i>0.77</i>	<i>1.17</i>	<i>0.76</i>

¹Performance inception date: 10/31/13.

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

Calendar Year Performance as of 12/31/21 (Net-of-Fees)									
	2021	2020	2019	2018	2017	2016	2015	2014	10/31/13-12/31/13
MFS	10.58	14.13	27.69	-8.91	32.00	1.93	1.90	-4.52	1.97
MSCI World ex-U.S. Growth	11.57	18.41	27.92	-13.14	27.61	-1.87	1.65	-3.26	2.39
<i>% of Excess Return</i>	<i>-0.99</i>	<i>-4.28</i>	<i>-0.23</i>	<i>4.23</i>	<i>4.39</i>	<i>3.80</i>	<i>0.25</i>	<i>-1.26</i>	<i>-0.42</i>

Fees

LACERS pays MFS an effective fee of 42 basis points (0.42%), which is approximately \$2,625,000 annually based on the value of LACERS' assets as of December 31, 2021. This fee ranks in the 10th percentile of fees charged by similar managers in the eVestment database (i.e., 90% of like-managers

have higher fees). Since inception, LACERS has paid MFS a total of \$19.5 million in investment management fees as of September 30, 2021.

General Fund Consultant Opinion

NEPC concurs with this recommendation.

Strategic Plan Impact Statement

A contract renewal with MFS will allow the fund to maintain a diversified exposure to the non-U.S. equities developed markets, which is expected to help optimize long-term risk adjusted investment returns (Goal IV). The discussion of the investment manager's organization, strategy, performance, and management fee structure aligns with the Strategic Plan Goal to uphold good governance practices that affirm transparency, accountability, and fiduciary duty (Goal V).

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

NMG/RJ/BF/EC:rm

Attachment: 1. Consultant Recommendation – NEPC, LLC



To: Los Angeles City Employees' Retirement System Investment Committee

From: NEPC, LLC

Date: January 24, 2022

Subject: MFS Investment Management – Contract Extension

Recommendation

NEPC recommends Los Angeles City Employees' Retirement System (LACERS) extend the contract that is currently in place with MFS Investment Management ('MFS') for a period of three years from the date of contract expiry.

Background

MFS was hired into the Non-U.S. Equity asset class in 2013 to provide the Plan with public equity exposure across international developed countries/markets. The portfolio's strategy is benchmarked against the MSCI World ex USA Growth Index and has a performance inception date of October 31, 2013. As of November 30, 2021, MFS managed \$598.8 million, or 2.5% of Plan assets in an international developed markets separately managed account. The performance objective is to outperform the MSCI World ex USA Index, net of fees, annualized over a full market cycle (normally three-to-five years). The MFS account is currently in good standing according to LACERS' manager monitoring policy.

Massachusetts Financial Services Company, commonly known as MFS Investment Management or MFS, has a history of money management dating back to 1924, when it created the first open-end U.S. mutual fund, Massachusetts Investors Trust. In 1932, MFS established one of the first in-house research departments in the investment management business. MFS and its predecessor organizations have been registered as an investment adviser under the Investment Advisers Act of 1940 (the "Advisers Act") since 1969, and began managing its first tax-exempt account in 1970. MFS subsequently formed a separate subsidiary, MFS Institutional Advisors, Inc., which registered as an investment adviser under the Advisers Act in 1994. MFS is a majority owned subsidiary of Sun Life of Canada (U.S.) Financial Services Holdings, Inc., which in turn is an indirect majority-owned subsidiary of Sun Life Financial, Inc. (a diversified financial services organization). MFS has been a subsidiary of Sun Life since 1982. While MFS operates with considerable autonomy, this partnership offers additional resources as it continues to expand its global research presence. As of December 31, 2021 the firm's assets under management totaled \$692.57 billion.

In 1996 MFS initiated an equity compensation program. The equity compensation program provides for the grant of long-term incentive awards to MFS senior management, investment personnel and other key employees who assist in the growth and financial success of the firm. The program permits the issuance of both restricted stock and stock options as equity-based awards up to a maximum of 20% of the fully diluted capital stock of MFS, and 2.5% of the fully diluted capital stock of MFS' immediate parent entity, Sun Life of Canada (US) Financial Services Holdings, Inc.

The International Growth Equity team includes Portfolio Managers Matthew Barrett, Kevin Dwan, and Institutional Portfolio Manager Brett Fleishman. Matthew joined MFS in 2000 as an equity

research analyst and joined the International Growth Equity team as a portfolio manager in 2015. Kevin joined MFS in 2005 as an equity research analyst and became a portfolio manager for International Growth Equity in 2012. Brett joined MFS in 2001 as a research analyst and has worked on the International Growth Equity strategy as an investment product specialist since 2002 and as an institutional portfolio manager since 2008. David Antonelli, Vice Chairman and Portfolio Manager on the strategy retired in April of 2021.

The International Growth Equity team's investment process encompasses three critical steps: idea generation, fundamental research and analysis and portfolio construction. Idea generation reduces the investable universe to approximately 70-100 companies and is supported by the firm's global research platform. The analysts on the platform are organized into eight international sector teams that include capital goods, consumer cyclicals, consumer staples, energy, financial services, health care, technology, and telecommunications & cable. The sector-team structure facilitates the sharing of information across geographies, as well as asset classes, resulting process that aims to be highly collaborative and integrated leveraging all the research by MFS. The portfolio construction process is conducted based on bottom-up, fundamental research. MFS determines position size in the portfolio based on the security's upside potential as compared to its downside risk and level of conviction in the idea. Sector, industry, country and regional weightings are the residual of the bottom-up stock selection process, rather than the result of any top-down, macroeconomic outlook.

Performance

Referring to Exhibit 1, since inception, the MFS portfolio outperformed the MSCI World ex USA Growth Index by 0.72%, returning 8.09%, net of fees, ending November 30, 2021. For 5 years ended November 30, 2021, the portfolio outperformed the benchmark by 0.81% returning 13.71%. Referring to Exhibit 2, since inception ended September 30, 2021, the portfolio outperformed the index by 0.73 % and ranked in the 43rd percentile in its peer group. Over the past five-years, ended September 30, 2021, the portfolio outperformed its benchmark by 0.77% and ranked in the 59th percentile among its peers. Referring to Exhibit 3, underperformance over the shorter time has eroded prior-period cumulative gains, however, gains against the benchmark still persist at a healthy level. This period of underperformance has been driven by stock selection in the Financials and Information Technology sectors and is an outcome of the strategy's focus on quality and fundamental research.

Fees

The MFS portfolio has an asset-based fee of 0.42% annually. The fee ranks in the 10th percentile among its peers in the eVestment EAFE All Cap Growth universe. In other words, 90% products included in the peer universe have a higher fee than the LACERS account.

Conclusion

MFS has performed well against its benchmark since inception and over the trailing 5 years. Over shorter periods of time MFS has struggled to outperform its benchmark. The firm has a well-established, stable team in place, in addition to executing well against its stated investment objectives. The portfolio's investment process and philosophy prioritizes quality, growth and fundamental research, which we believe can be well suited for long-term success. NEPC recommends a contract extension for a period of three years from the period of contract expiry.

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



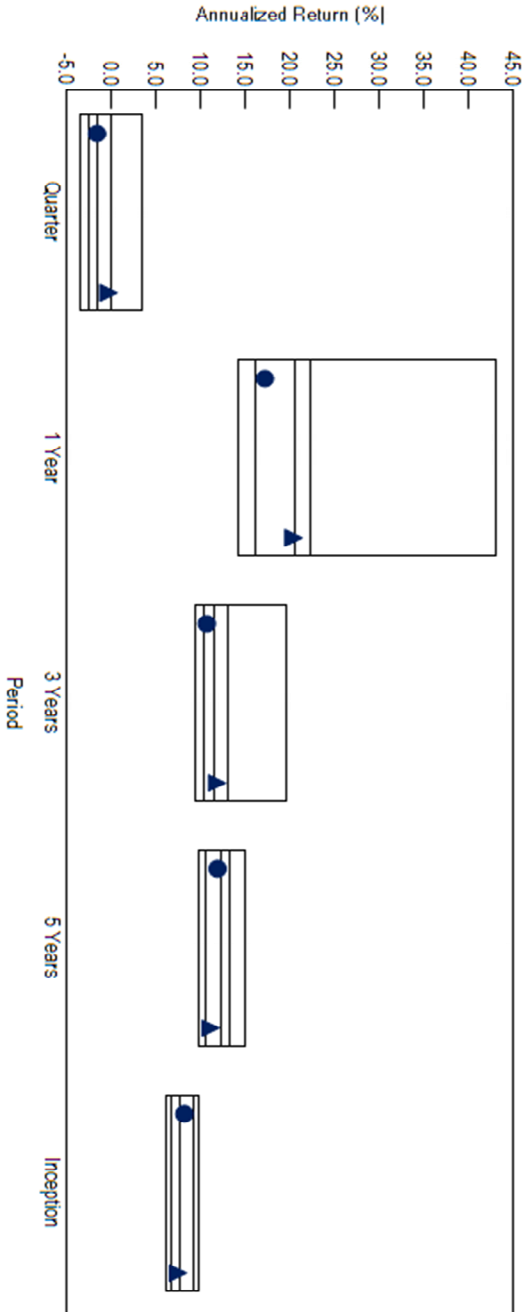
Exhibit 1: Performance Net of Fees Ending November 30, 2021

	Ending November 30, 2021					Inception (%)	Inception Date
	Market Value(\$)	3 Mo(%)	1 Yr(%)	3 Yrs(%)	5 Yrs(%)		
MFS Institutional Advisors	598,794,978	-3.47	10.68	13.9	13.71	8.09	13-Oct
MSCI World ex USA Growth NR USD		-3.93	12.27	15.48	12.9	7.37	13-Oct
Excess		0.46	-1.59	-1.58	0.81	0.72	



Exhibit 2: Portfolio Performance Universe Summary

eVFAFE All Cap Growth Net Return Comparison
 Ending September 30, 2021

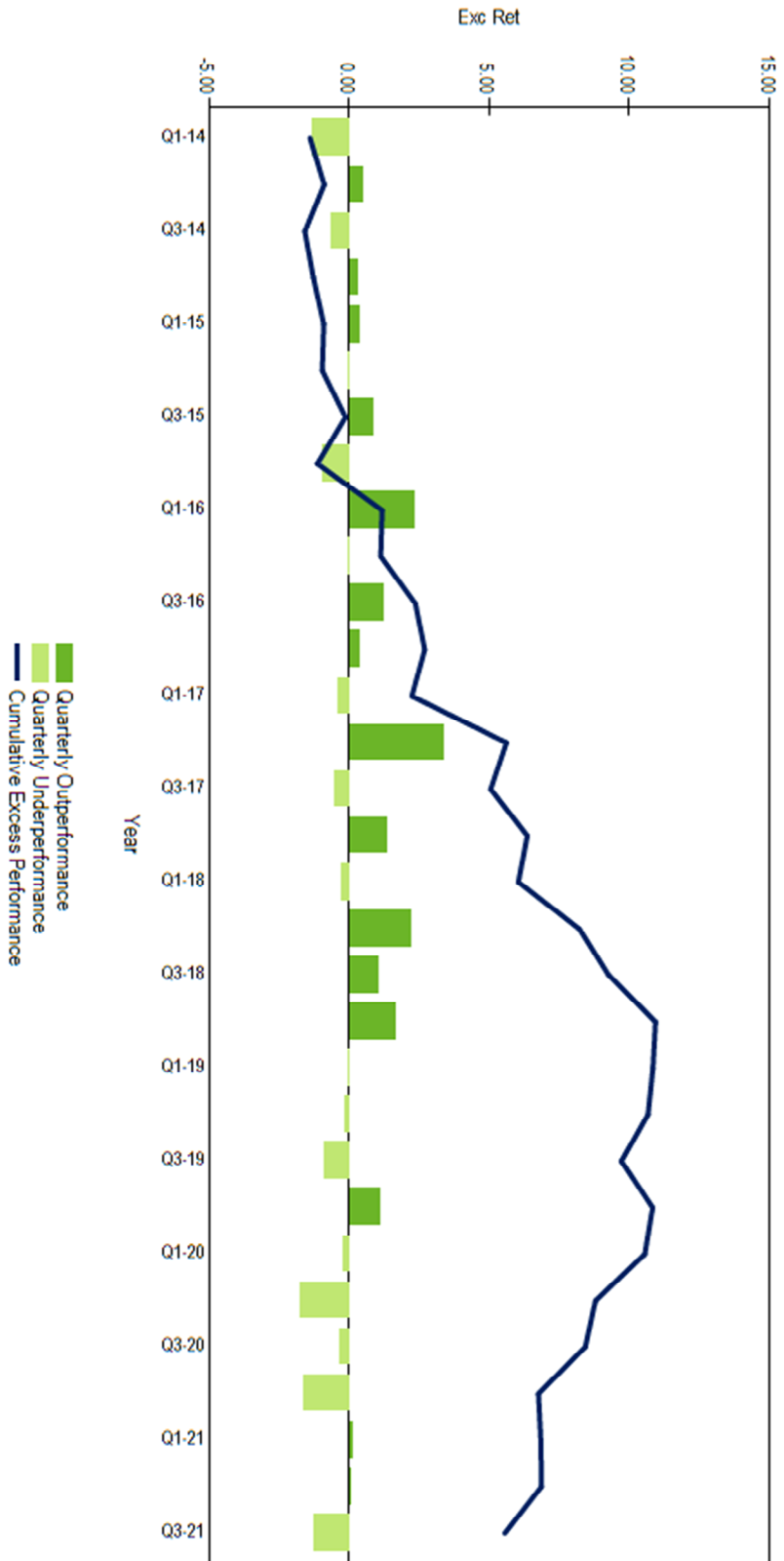


Return (Rank)	5th Percentile	25th Percentile	Median	75th Percentile	95th Percentile	# of Portfolios
3.47	0.06	-1.59	-2.52	-3.45	15	
43.16	22.35	20.53	16.21	14.28	15	
19.68	13.19	11.49	10.34	9.47	15	
15.08	13.30	12.28	10.67	9.75	14	
9.77	9.19	7.79	6.74	6.17	13	

Return (Rank)	MFS Institutional Advisors	MSCI World ex USA Growth NR USD
-1.56 (50)		
-0.25 (37)		
17.29 (64)		
20.50 (51)		
10.75 (57)		
11.92 (42)		
11.98 (59)		
11.21 (67)		
8.25 (43)		
7.52 (67)		



Exhibit 3: Cumulative Excess Performance by Quarter



Quarterly and Cumulative Excess Performance





LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



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

Neil M. Guglielmo

MEETING: FEBRUARY 8, 2022
ITEM: VI

SUBJECT: REAL ESTATE CONSULTANT CONTRACT WITH TOWNSEND HOLDINGS LLC AND POSSIBLE COMMITTEE ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Committee recommend to the Board a one-year contract extension with Townsend Holdings LLC.

Discussion

The Board hired Townsend Holdings LLC (Townsend) on November 26, 2013, to serve as LACERS' Real Estate Consultant under a three-year contract, which became effective on April 1, 2014. Subsequently, on November 15, 2016, the Board approved a five-year contract extension that expires on March 31, 2022.

On August 24, 2021, the Board approved a Real Estate Consultant Request for Proposal (RFP) to evaluate the marketplace of real estate consultants. To accommodate the proposed RFP timeline, which extends beyond the expiration date of Townsend's contract, staff recommends an extension to Townsend's contract for up to one year to ensure continued consultant coverage during the RFP search process; this proposed contract extension would expire on March 31, 2023. The current contract includes a 30-day termination provision in the event that another real estate consultant is selected as a result of the RFP process.

Strategic Plan Impact Statement

The real estate consultant assists LACERS in building a diversified private real estate portfolio to help the fund optimize long-term risk adjusted returns (Goal IV). Implementing a competitive bidding process by issuing an RFP upholds good governance practices which affirm transparency, accountability, and fiduciary duty (Goal V).

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

NMG/RJ/BF/WL/EP:rm



LACERS
 LA CITY EMPLOYEES'
 RETIREMENT SYSTEM



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

MEETING: FEBRUARY 8, 2022
ITEM: VII

Neil M. Guglielmo

SUBJECT: SEMI-FINALISTS OF THE PASSIVE U.S., NON-U.S., AND GLOBAL INDEX STRATEGIES REQUEST FOR PROPOSAL AND POSSIBLE COMMITTEE ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Committee concur with staff's recommendation to advance the following five managers as semi-finalists for the Passive U.S., Non-U.S., and Global Index Strategies investment manager search: BlackRock Institutional Trust Company, N.A.; Mellon Investments Corporation; Northern Trust Investments, Inc.; RhumbLine Advisers Limited Partnership; and State Street Global Advisors Trust Company.

Executive Summary

The Board-approved request for proposal (RFP) for the Passive U.S., Non-U.S., and Global Index Strategies investment manager search opened on September 9, 2021, and closed on November 9, 2021. A total of six proposals were received; no proposals were received by emerging investment manager firms. Following review, the following five firms met the minimum qualifications and were evaluated by staff and NEPC, LLC (NEPC), LACERS General Fund Consultant. All five firms are recommended to proceed as semi-finalists in this search: BlackRock Institutional Trust Company (incumbent manager), N.A., Mellon Investments Corporation, Northern Trust Investments, Inc., RhumbLine Advisers Limited Partnership (incumbent manager), and State Street Global Advisors Trust Company (incumbent manager).

Background

The Board approved a request for proposal (RFP) process to evaluate the current marketplace for passive U.S., non-U.S., and global index strategies investment managers on August 24, 2021. LACERS is seeking one or more investment managers to manage LACERS' current portfolio of passive strategies and provide additional passive strategy options for possible future investment needs. The following table provides the entire list of passive strategies requested via the RFP.

U.S. Equities	Non-U.S. Equities	Core Fixed Income	Real Assets
<ul style="list-style-type: none"> • S&P 500 • Russell 1000 • Russell 1000 Growth • Russell 1000 Value • Russell MidCap • Russell Mid Cap Growth • Russell Mid Cap Value • S&P Mid Cap 400 • S&P Mid Cap 400 Growth • S&P Mid Cap 400 Value • Russell 2000 • Russell 2000 Growth • Russell 2000 Value 	<ul style="list-style-type: none"> • MSCI World ex-U.S. IMI • MSCI World ex-U.S. Growth • MSCI World ex-U.S. Value • MSCI EAFE • MSCI EAFE Growth • MSCI EAFE Value • MSCI EAFE Small Cap • MSCI Emerging Markets • MSCI Emerging Markets Growth • MSCI Emerging Markets Value • MSCI Emerging Markets Small Cap 	<ul style="list-style-type: none"> • Bloomberg Barclays U.S. Aggregate Bond 	<ul style="list-style-type: none"> • Bloomberg Barclays U.S. TIPS • FTSE NAREIT All Equity REIT • Bloomberg Commodity Index • Bloomberg Roll Select Commodity Index

Note: Strategies in bolded and italicized font indicate strategies LACERS is currently invested in.

The search opened on September 9, 2021, and closed on November 9, 2021. The RFP was published on LACERS' website and NEPC's website. The search was advertised in the Pensions and Investments and Emerging Manager Monthly publications. The RFP was also advertised online through the following organizations: Association of Asian American Investment Managers, Accelerate Investors, National Association of Securities Professionals, and the New America Alliance. Further, the RFP was emailed to all contacts within the LACERS Investment RFP/RFI Subscription Service database.

Search Results

LACERS received a total of six proposals, each of which included multiple proposed passive strategies. None of the firms that submitted proposals qualified as an emerging investment manager pursuant to LACERS Emerging Investment Manager Policy. Following a review of the minimum qualifications (MQs) required to participate in the search, five proposals from the following firms met the MQs: BlackRock Institutional Trust Company, N.A. (incumbent manager), Mellon Investments Corporation, Northern Trust Investments, Inc., RhumbLine Advisers Limited Partnership (incumbent manager), and State Street Global Advisors Trust Company (incumbent manager). Page nine of NEPC's evaluation report (Attachment 1) provides the list of passive strategies proposed by each qualifying firm.

Evaluation criteria

Staff and NEPC evaluated the qualified proposals based on the methodology required by the LACERS Manager Search and Selection Policy (Policy). The scoring criteria and corresponding weightings established in the Policy and RFP are as follows:

<u>Evaluation Criteria - Passive</u>	<u>Weighting</u>
Qualitative Assessment	10%
<i>Organization/People</i>	50%
<i>Product AUM</i>	50%
Tracking Error	40%
Expected Fees	50%

The attached evaluation report (Attachment 1) includes the summary findings of all qualified firms. Staff and NEPC recommend advancing all five firms as semi-finalists in this search.

Upon Investment Committee concurrence of the proposed semi-finalist firms, staff will conduct additional due diligence, which may include on-site meetings and reference checks. Following completion of this assessment, staff will recommend finalists for interview and consideration for the Committee, consistent with the process approved by the Board on August 24, 2021.

Strategic Plan Impact Statement

The Request for Proposal (RFP) for investment management services will allow the fund to maintain investment options in passive strategies which is expected to optimize long-term risk adjusted investment returns (Goal IV). Implementing a competitive bidding process by issuing an RFP is in line with Goal V (uphold good governance practices which affirm transparency, accountability, and fiduciary duty).

Prepared By: Barbara Sandoval, Investment Officer II, Investment Division

NMG/RJ/BF/BS:rm

Attachment: 1. Candidate Evaluation Report by NEPC, LLC



MULTI-ASSET INDEX FUND SEARCH

LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM

FEBRUARY 8, 2022



MULTI-ASSET INDEX FUND SEARCH

SUMMARY

- **LACERS received six proposals for the multi-asset index search**
- **After a review of the minimum requirements, one proposal did not meet the minimum qualifications**
- **Using the scoring matrix from LACERS' Manager Search and Selection Policy for index funds, all five remaining firms qualify to move on to the next round**

REMAINING FIRMS

- **BlackRock**
- **Mellon Investments Corporation**
- **Northern Trust Investments, Inc.**
- **RhumbLine Advisors**
- **State Street Global Advisors**

FIRM DETAILS



BLACKROCK

Firm/Personnel Information	
Main Office	New York
Additional Offices	Servicing offices: San Francisco, Atlanta
Year Founded	1988
Ownership Structure	Publicly traded on the New York Stock Exchange.
Firm Assets (\$millions)	\$9,495,993
Number of Employees Firm	16,870
Number of Employees Dedicated to Passive Management	788

Fund Strategy	
Fund Strategies Offered	The firm offers all strategies requested with the exception of Growth and Value funds for the Russell Mid Cap, S&P Mid Cap, MSCI World ex-US IMI and Emerging Markets benchmarks.
Product Assets	S&P 500 – \$523,182 M Russell 2000 - \$23,167 M Russell 2000 Value – \$3,003 M MSCI World ex US IMI - \$4043 M MSCI EAFE Small Cap - \$2,867 M MSCI Emerging Mkts - \$22,122 M Bloomberg US Agg - \$110,601 M
Index Management	Majority of equity strategies are managed on a fully replicated basis. However, in instances where it is not beneficial to replicate fully, the firm employs an optimization approach in order to reduce transaction costs and avoid trading illiquid securities. All fixed income strategies are managed using a stratified sampling process. They focus on managing the distribution of the benchmark's statistics rather than matching the benchmark's average statistics.

Investment Fees/Tracking Error	
Fee Analysis	BlackRock did not provide a fee quote for separately managed accounts and in general their fees for CITs are higher than what LACERS pays today or what was quoted by other firms.
Tracking Error	BlackRock's index products have very favorable (minimal) tracking error. Products with higher tracking error numbers are likely due to the optimization strategy used. The firm sets tracking error limits at the individual stock level, industry level, regional/country level and cash level in order to deliver benchmark performance. Tax advantages, securities lending and custody fees are not included in the firm's "predicted tracking error estimates."

All data is as of 6/30/2021 unless otherwise noted.

Product Assets include separately managed accounts and commingled funds for the current index fund portfolios used by LACERS today. The firm also manages a substantial amount in ETFs and retail accounts which are not included in the totals.



MELLON INVESTMENTS CORPORATION

Firm/Personnel Information	
Main Office	Boston
Additional Offices	San Francisco, Pittsburgh
Year Founded	1933
Ownership Structure	Owned by The Bank of New York Mellon Corporation.
Firm Assets (\$millions)	\$673,275
Number of Employees Firm	215
Number of Employees Dedicated to Passive Management	29

Fund Strategy	
Fund Strategies Offered	The firm proposed fees for only five strategies for consideration by LACERS. They did indicate they are willing to manage a portfolio tied to any index listed in the RFP, with the exception of the Bloomberg Commodity Index and the Bloomberg Roll Select Commodity Index. However, the firm did not provide an indication of the fees they would charge.
Product Assets	S&P 500 – \$153,482 M Russell 2000 - \$4,628 M Russell 2000 Value – \$2,878 M MSCI Emerging Mkts - \$8,124 M Bloomberg US Agg - \$21,727 M
Index Management	Mellon considers the trade-off between optimal tracking error and transaction costs when evaluating which method of portfolio construction makes the most sense for which strategy. Mellon uses full replication to construct index portfolios that comprise large and mid-cap weighted strategies. The firm uses sampling for benchmarks that include small cap weighted securities, as well as countries with stock exchange, regulatory and operations constraints such as within Emerging Markets. In countries where direct investment is infeasible or cost prohibitive, the firm may use derivatives to gain exposure. For fixed income, a stratified sampling approach is used to control tracking error by matching the key risk characteristics of the index. The aggregate risk metrics of duration, yield/spread, sector, and quality are tightly controlled relative to the benchmark.

Investment Fees/Performance	
Fee Analysis	While the firm confirmed they are able to manage portfolios tied to a wide array of index funds, fees were provided for only five different strategies.
Tracking Error	The tracking error of the products provided have minimal tracking error. The small cap portfolio has a relatively higher tracking error due to the sampling technique used to build the portfolios. Additionally, trades may be executed slightly before or after an index change event.



All data is as of 6/30/2021 unless otherwise noted.
 Product Assets include separately managed accounts and commingled funds for the current index fund portfolios used by LACERS today.

NORTHERN TRUST INVESTMENTS, INC.

Firm/Personnel Information	
Main Office	Chicago
Additional Offices	West Palm Beach, Stamford, Toronto, London, Dublin, Hong Kong, etc.
Year Founded	1988 – NTI 1889 – Northern Trust Corporation
Ownership Structure	Owned by Northern Trust Corporation, a publicly traded company.
Firm Assets (\$millions)	\$1,285,084
Number of Employees Firm	939
Number of Employees Dedicated to Passive Management	72

Fund Strategy	
Fund Strategies Offered	The firm proposed fees for almost all of the products requested in the RFP. Growth and Value products for the S&P Mid Cap 400 and the non-US index products are not available. Additionally, no products for the Bloomberg Commodity indices were proposed.
Product Assets	S&P 500 – \$247,549 M Russell 2000 - \$25,728 M Russell 2000 Value – \$8,726 M MSCI World ex-US IMI - \$6,369 M MSCI EAFE Small Cap - \$2,861 M MSCI Emerging Mkts - \$21,689 M Bloomberg US Agg - \$46,997 M
Index Management	The firm uses a combination of full replication, optimization and stratified sampling when managing index fund portfolios. They state that they use an optimizer for all portfolios. However, they fully replicate all equity strategies with the exception of emerging markets and small cap emerging markets. They will manage portfolios around index change events meaning they may not simply trade on “Market on Close” when an index change occurs. The firm uses a stratified sampling technique for fixed income portfolios. Key portfolio characteristics are matched including interest-rate sensitivity (duration, convexity and maturity), sector and quality breakdown, option and prepayment characteristics, yield curve distribution, credit ratings and coupon makeup.

Investment Fees/Performance	
Fee Analysis	Fee quotes were provided covering separately managed accounts and collective trusts. In general, NTI’s fees fell between the middle of the pack and most favorable.
Tracking Error	The firm readily admits their domestic equity index funds have tracking error due to their track record including “fund of funds”. They also indicated that the use of “fair value adjustments” can create performance deviations for international equity portfolios. Accordingly, the MSCI World ex USA Index portfolio has relatively high tracking error.

All data is as of 6/30/2021 unless otherwise noted.
 Product Assets include separately managed accounts and commingled funds for the current index fund portfolios used by LACERS today.



RHUMBLINE ADVISERS

Firm/Personnel Information	
Main Office	Boston
Additional Offices	n/a
Year Founded	1990
Ownership Structure	100% employee-owned
Firm Assets (\$millions)	\$92,300
Number of Employees Firm	24
Number of Employees Dedicated to Passive Management	24

Fund Strategy	
Fund Strategies Offered	The firm currently manages index funds for all of the domestic equity indices outlined in the RFP. The firm's product offering in the non-US segment was minimal. No products for the Bloomberg Commodity indices were proposed.
Product Assets	S&P 500 – \$29,041 M Russell 2000 - \$2,618 M Russell 2000 Value – \$344 M MSCI Emerging Mkts - \$360 M Bloomberg US Agg - \$1,152 M
Index Management	The firm uses three approaches to construct and manage index portfolios including full replication, optimization and stratified sampling. They propose full replication for the S&P 500 index and other mid to large cap strategies. They are proposing an optimized approach for other equity mandates. They also propose an optimization process for the Bloomberg US Aggregate mandate. They would match portfolio characteristics such as duration, convexity and sector weights. They would also factor in issuer risk within the credit sector.

Investment Fees/Performance	
Fee Analysis	The firm offers CITs for several of the mandates requested by LACERS. RhumbLine's fee quote for the mandates they currently manage on behalf of LACERS is very competitive.
Tracking Error	The firm measures success as portfolios falling within pre-determined tracking error targets. The highest tracking error portfolio, on a relative basis, is the US Aggregate Bond portfolio with notably higher expected tracking error than competitors.



All data is as of 6/30/2021 unless otherwise noted.
 Product Assets include separately managed accounts and commingled funds for the current index fund portfolios used by LACERS today.

STATE STREET GLOBAL ADVISORS

Firm/Personnel Information	
Main Office	Boston
Additional Offices	28 additional offices
Year Founded	1978
Ownership Structure	Subsidiary of State Street Bank and Trust Company, a publicly traded firm on the New York Stock Exchange
Firm Assets (\$millions)	\$3,897,448
Number of Employees Firm	2,381
Number of Employees Dedicated to Passive Management	169

Fund Strategy	
Fund Strategies Offered	Proposal included every benchmark as outlined in proposal.
Product Assets	S&P 500 – \$704,655 M Russell 2000 - \$17,990 M Russell 2000 Value – \$797 M MSCI World ex-US IMI - \$19,026 M MSCI EAFE Small Cap - \$3,394 M MSCI Emerging Mkts - \$82,463 M Bloomberg US Agg - \$72,785 M
Index Management	<p>The firm uses multiple construction tools including replication and optimization. They further distinguish between full and “near-full” replication methods. Their commodity indexing strategies use a “near-full” replication technique. In their optimization method, they buy a subset of the securities held in the index and use an optimizer and a risk model to create a portfolio that mimics the underlying index. They use this method for smaller or liquidity constrained portfolios or in markets with higher transaction costs (i.e., small cap and emerging markets).</p> <p>The firm uses stratified sampling for the management of fixed income portfolios and they look to balance tracking error, liquidity and transaction costs. They divide the index into several portfolio characteristics in order to determine what needs to be replicated (i.e., sector, issuer exposure, credit quality, liquidity, relative value).</p>

Investment Fees/Performance	
Fee Analysis	The firm’s fee structure is revenue conscious as minimum fees required and not AUM drives the fee quote and as such scale matters.
Tracking Error	The firm exhibits consistently low tracking error relative to its competitors. The firm may allow for small mis-weights in the portfolio that have minimal impact on tracking error, if the cost of trading to avoid these mis-weights outweighs the potential reduction in tracking error. SSgA typically waits for announcements from index providers and structure their trades thereafter. In select index strategies, they may predict index changes and trade ahead of an announcement date should it be permitted in a strategy’s investment guidelines.



All data is as of 6/30/2021 unless otherwise noted.
 Product Assets include separately managed accounts and commingled funds for the current index fund portfolios used by LACERS today.

SUMMARY OF INDEX STRATEGY SCORING



SUMMARY OF PROPOSALS

Index	BlackRock	Mellon	Northern Trust	RhumbLine	SSgA
<u>Domestic Equity</u>					
S&P 500	x	x	x	x	x
Russell 1000	x		x	x	x
Russell 1000 Growth	x		x	x	x
Russell 1000 Value	x		x	x	x
Russell MidCap	Δ			x	x
Russell MidCap Growth	Δ		x	x	Δ
Russell MidCap Value	Δ			x	Δ
S&P Mid Cap 400			x	x	x
S&P Mid Cap 400 Growth	Δ			x	Δ
S&P Mid Cap 400 Value	Δ				Δ
Russell 2000	x	x	x	x	x
Russell 2000 Growth	x		x	x	x
Russell 2000 Value	x	x	x	x	x
<u>Non-US Equity</u>					
MSCI World ex-U.S. IMI	x		x		x
MSCI World ex-U.S. Growth					
MSCI World ex-U.S. Value					
MSCI EAFE	x		x	x	x
MSCI EAFE Growth	x				Δ
MSCI EAFE Value	x				Δ
MSCI EAFE Small Cap	x		x		x
MSCI Emerging Markets	x	x	x	x	x
MSCI Emerging Markets Growth					
MSCI Emerging Markets Value					
MSCI Emerging Markets Small Cap	x		x		x
<u>Fixed Income</u>					
Bloomberg U.S. Aggregate Bond	x	x	x	x	x
<u>Real Assets</u>					
Bloomberg U.S. TIPS	x		x	Δ	x
FTSE NAREIT All Equity REIT	Δ			Δ	Δ
Bloomberg Commodity Index	Δ				Δ
Bloomberg Roll Select Commodity	Δ				Δ

Note: Shaded lines indicate current index fund in LACERS portfolio. "X"s denote the strategies submitted and moving forward for further evaluation. "Δ"s denote strategies proposed that had incomplete data and will not be further evaluated.



APPENDIX

Scoring Methodology

Current Index Strategies

Additional Index Strategies



MANAGER SEARCH AND SELECTION POLICY

SCORING METHODOLOGY

- **Evaluation Criteria – Passive**
 - 10% Qualitative Assessment
 - 50% Organization/People
 - 50% Product AUM
 - 40% Tracking Error
 - 50% Expected Fees

INDEX STRATEGY SCORING

Current Index Strategies



S&P 500 INDEX SCORING

S&P 500	Qualitative (10%)			Expected Fees (50%)	Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)		
BlackRock	5.00	5.00	4.95	1.00	2.98
BNY Mellon	4.75	5.00	4.95	3.00	3.97
Northern Trust	4.75	5.00	4.65	4.50	4.60
RhumbLine	4.50	5.00	4.35	5.00	4.72
SSgA	5.00	5.00	5.00	3.00	4.00

Note: Strategies not submitted or incomplete were not scored.



RUSSELL 2000 INDEX SCORING

Russell 2000	Qualitative (10%)				Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)	Expected Fees (50%)	
BlackRock	5.00	5.00	4.85	1.00	2.94
BNY Mellon	4.75	5.00	3.75	3.00	3.49
Northern Trust	4.75	5.00	5.00	3.00	3.99
RhumbLine	4.50	5.00	5.00	5.00	4.98
SSgA	5.00	5.00	4.90	2.00	3.46



Note: Strategies not submitted or incomplete were not scored.

RUSSELL 2000 VALUE INDEX SCORING

Russell 2000 Value	Qualitative (10%)			Expected Fees (50%)	Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)		
BlackRock	5.00	5.00	3.90	1.00	2.56
BNY Mellon	4.75	5.00	5.00	3.00	3.99
Northern Trust	4.75	5.00	4.00	3.00	3.59
RhumbLine	4.50	2.00	4.60	5.00	4.67
SSgA	5.00	3.00	4.50	2.00	3.20



Note: Strategies not submitted or incomplete were not scored.

MSCI WORLD EX-USA IMI INDEX SCORING

MSCI World ex-USA IMI	Qualitative (10%)				Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)	Expected Fees (50%)	
BlackRock	5.00	4.00	4.50	1.00	2.75
Northern Trust	4.75	4.00	3.50	3.00	3.34
SSgA	5.00	5.00	4.75	5.00	4.90



Note: Strategies not submitted or incomplete were not scored.

MSCI EAFE SMALL CAP INDEX SCORING

MSCI EAFE Small Cap	Qualitative (10%)				Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)	Expected Fees (50%)	
BlackRock	5.00	5.00	5.00	1.00	3.00
Northern Trust	4.75	5.00	4.00	5.00	4.59
SSgA	5.00	5.00	4.60	3.00	3.84



Note: Strategies not submitted or incomplete were not scored.

MSCI EMERGING MARKETS INDEX SCORING

MSCI Emerging Markets	Qualitative (10%)			Expected Fees (50%)	Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)		
BlackRock	5.00	5.00	4.80	1.00	2.92
BNY Mellon	4.75	5.00	5.00	5.00	4.99
Northern Trust	4.75	5.00	4.00	3.00	3.59
RhumbLine	4.50	1.00	4.50	1.00	2.58
SSgA	5.00	5.00	4.75	3.00	3.90



Note: Strategies not submitted or incomplete were not scored.

BLOOMBERG US AGGREGATE INDEX SCORING

Bloomberg US Aggregate	Qualitative (10%)			Expected Fees (50%)	Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)		
BlackRock	5.00	5.00	4.80	4.00	4.42
BNY Mellon	4.75	5.00	4.90	4.00	4.45
Northern Trust	4.75	5.00	4.25	5.00	4.69
RhumbLine	4.50	1.00	4.00	2.00	2.88
SSgA	5.00	5.00	5.00	3.50	4.25



Note: Strategies not submitted or incomplete were not scored.

INDEX STRATEGY SCORING

Additional Index Strategies



RUSSELL 1000 INDEX SCORING

Russell 1000	Qualitative (10%)				Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)	Expected Fees (50%)	
BlackRock	5.00	5.00	5.00	4.00	4.50
Northern Trust	4.75	5.00	4.90	4.50	4.70
RhumbLine	4.50	4.00	4.25	5.00	4.63
SSgA	5.00	5.00	5.00	3.50	4.25



Note: Strategies not submitted or incomplete were not scored. For fee calculation purposes, a portfolio size of \$400 million was used.

RUSSELL 1000 GROWTH INDEX SCORING

Russell 1000 Growth	Qualitative (10%)				Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)	Expected Fees (50%)	
BlackRock	5.00	5.00	5.00	4.00	4.50
Northern Trust	4.75	5.00	4.95	4.50	4.72
RhumbLine	4.50	4.00	4.25	5.00	4.63
SSgA	5.00	5.00	4.90	3.50	4.21



Note: Strategies not submitted or incomplete were not scored. For fee calculation purposes, a portfolio size of \$400 million was used.

RUSSELL 1000 VALUE INDEX SCORING

Russell 1000 Value	Qualitative (10%)				Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)	Expected Fees (50%)	
BlackRock	5.00	5.00	4.90	4.00	4.46
Northern Trust	4.75	5.00	4.80	4.50	4.66
RhumbLine	4.50	4.50	4.70	5.00	4.83
SSgA	5.00	5.00	5.00	3.50	4.25



Note: Strategies not submitted or incomplete were not scored. For fee calculation purposes, a portfolio size of \$400 million was used.

RUSSELL MID CAP INDEX SCORING

Russell Mid Cap	Qualitative (10%)			Expected Fees (50%)	Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)		
RhumbLine	4.50	4.00	4.75	5.00	4.83
SSgA	5.00	3.00	5.00	3.00	3.90



Note: Strategies not submitted or incomplete were not scored.

RUSSELL MID CAP GROWTH INDEX SCORING

Russell Mid Cap Growth	Qualitative (10%)			Expected Fees (50%)	Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)		
Northern Trust	4.75	3.00	5.00	4.00	4.39
RhumbLine	4.50	5.00	4.50	5.00	4.78



Note: Strategies not submitted or incomplete were not scored. For fee calculation purposes, a portfolio size of \$200 million was used.

RUSSELL MID CAP VALUE INDEX SCORING

Russell Mid Cap Value	Qualitative (10%)			Expected Fees (50%)	Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)		
RhumbLine	4.50	5.00	4.50	5.00	4.78

Note: Strategies not submitted or incomplete were not scored. For fee calculation purposes, a portfolio size of \$200 million was used.



S&P MID CAP 400 INDEX SCORING

S&P Mid Cap 400	Qualitative (10%)				Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)	Expected Fees (50%)	
BlackRock	5.00	5.00	5.00	4.00	4.50
Northern Trust	4.75	5.00	4.90	4.00	4.45
RhumbLine	4.50	4.00	4.25	5.00	4.63
SSgA	5.00	5.00	5.00	3.00	4.00



Note: Strategies not submitted or incomplete were not scored. For fee calculation purposes, a portfolio size of \$200 million was used.

S&P MID CAP 400 GROWTH INDEX SCORING

S&P Mid Cap 400 Growth	Qualitative (10%)			Expected Fees (50%)	Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)		
RhumbLine	4.50	2.00	5.00	5.00	4.83



Note: Strategies not submitted or incomplete were not scored. For fee calculation purposes, a portfolio size of \$200 million was used.

RUSSELL 2000 GROWTH INDEX SCORING

Russell 2000 Growth	Qualitative (10%)				Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)	Expected Fees (50%)	
BlackRock	5.00	4.50	5.00	3.00	3.98
Northern Trust	4.75	5.00	4.40	4.00	4.25
RhumbLine	4.50	3.00	4.25	5.00	4.58
SSgA	5.00	4.00	4.50	3.00	3.75



Note: Strategies not submitted or incomplete were not scored. For fee calculation purposes, a portfolio size of \$250 million was used.

MSCI EAFE INDEX SCORING

MSCI EAFE	Qualitative (10%)				Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)	Expected Fees (50%)	
BlackRock	5.00	4.00	4.75	3.00	3.85
Northern Trust	4.75	5.00	4.00	5.00	4.59
RhumbLine	4.50	4.00	5.00	4.00	4.43
SSgA	5.00	5.00	4.85	3.00	3.94



Note: Strategies not submitted or incomplete were not scored. For fee calculation purposes, a portfolio size of \$417 million was used.

MSCI EAFE GROWTH INDEX SCORING

MSCI EAFE Growth	Qualitative (10%)				Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)	Expected Fees (50%)	
BlackRock	5.00	2.00	4.80	4.00	4.27



Note: Strategies not submitted or incomplete were not scored. For purposes of calculating fees, a portfolio size of \$400 million was used.

MSCI EAFE VALUE INDEX SCORING

MSCI EAFE Value	Qualitative (10%)			Expected Fees (50%)	Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)		
BlackRock	5.00	4.00	4.80	4.00	4.37



Note: Strategies not submitted or incomplete were not scored. For purposes of calculating fees, a portfolio size of \$400 million was used.

MSCI EMERGING MARKETS SMALL CAP INDEX SCORING

MSCI Emerging Markets Small Cap	Qualitative (10%)				Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)	Expected Fees (50%)	
BlackRock	5.00	5.00	4.90	4.00	4.46
Northern Trust	4.75	5.00	4.00	5.00	4.59
SSgA	5.00	5.00	4.50	4.50	4.55



Note: Strategies not submitted or incomplete were not scored. For fee calculation purposes, a portfolio size of \$143 million was used.

BLOOMBERG U.S. TIPS INDEX SCORING

Bloomberg U.S. TIPS	Qualitative (10%)			Expected Fees (50%)	Total
	Organization / People (50%)	Product AUM (50%)	Tracking Error (40%)		
BlackRock	5.00	5.00	4.50	5.00	4.80
Northern Trust	4.75	5.00	4.25	4.50	4.44
SSgA	5.00	5.00	4.80	4.00	4.42



Note: Strategies not submitted or incomplete were not scored. For fee calculation purposes, a portfolio size of \$230 million was used.

NEPC DISCLOSURES

Past performance is no guarantee of future results.

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

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