LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

Investment Committee Agenda
REGULAR MEETING
TUESDAY, NOVEMBER 10, 2026
10:30 A.M., OR IMMEDIATELY FOLLOWING THE BOARD MEETING
LACERS BOARDROOM
977 N. Broadway
Los Angeles, CA 90012

Chair:

Thuy Huynh

Committee Members:

Susan Liem

Gaylord "Rusty" Roten

Manager-Secretary:

Todd Bouey

Executive Assistant:

Ani Ghoukassian

Legal Counsel:

City Attorney's Office Public Pensions General Counsel Division

ACCESS TO LACERS BOARD AND COMMITTEE MEETING REPORTS

IMPORTANT MESSAGES TO THE PUBLIC

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

Members of the public who do not wish to attend the meeting in person may listen to the live meeting via YouTube streaming at the following link: **LACERS YouTube Livestream Link for Board/Committee meeting audio – only accessible during meetings**.

The Committee may take action on any item appearing on this agenda, regardless of whether it is listed as an action item. Cal. Gov. Code § 54954.2.

DISCLAIMER TO PARTICIPANTS

Please be advised that all open session LACERS Board/Committee meetings are recorded.

LACERS WEBSITE ADDRESS/LINK: www.LACERS.org

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

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

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

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

II. APPROVAL OF MINUTES FOR THE MEETING ON OCTOBER 13, 2026 AND POSSIBLE COMMITTEE ACTION

III. CHIEF INVESTMENT OFFICER VERBAL REPORT

IV. PRESENTATION BY NORTHERN TRUST REGARDING SECURITIES LENDING ACTIVITY REPORT FOR THE PERIOD JULY 1, 2025 TO JUNE 30, 2026

V. CONTINUED DISCUSSION OF INVESTMENT MANAGER CONTRACT WITH CENTERSQUARE INVESTMENT MANAGEMENT LLC REGARDING THE MANAGEMENT OF AN ACTIVE U.S. REITS PORTFOLIO AND POSSIBLE COMMITTEE ACTION

VI. INVESTMENT MANAGER CONTRACT WITH J.P. MORGAN INVESTMENT MANAGEMENT, INC. REGARDING THE MANAGEMENT OF AN ACTIVE CORE FIXED INCOME PORTFOLIO AND POSSIBLE COMMITTEE ACTION

VII. PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PROGRAM 2027 STRATEGIC PLAN AND POSSIBLE COMMITTEE ACTION

VIII. OTHER BUSINESS

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X. ADJOURNMENT

LACERS
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977 N. Broadway
Los Angeles, CA 90012

President:

Janna Sidley

Vice President:

Sung Won Sohn

Commissioners:

Thuy Huynh

Susan Liem

Thomas Moutes

Gaylord "Rusty" Roten

Vacant

Manager-Secretary:

Todd Bouey

Executive Assistant:

Ani Ghoukassian

Legal Counsel:

City Attorney's Office Public Pensions General Counsel Division

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X. ADJOURNMENT

Committee Agenda of: November 10, 2026
Item No.: II
MINUTES OF THE REGULAR MEETING
INVESTMENT COMMITTEE
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
October 13, 2026
11:01 A.M.

Present:

Thuy Huynh, Chair

Susan Liem, Committee Member

Gaylord "Rusty" Roten, Committee Member

Legal Counselor:

Miguel Bahamon

Manager-Secretary:

Todd Bouey

Executive Assistant:

Ani Ghoukassian

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

I

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

II

APPROVAL OF MINUTES FOR THE MEETING ON SEPTEMBER 8, 2026 AND POSSIBLE COMMITTEE ACTION – Committee Member Liem moved approval, and adopted by the following vote: Ayes, Committee Members Liem, Roten, and Chair Huynh -3; Nays, None.

III

CHIEF INVESTMENT OFFICER VERBAL REPORT – Wilkin Ly, Acting Chief Investment Officer, discussed the following items:

a. Updates to the Manager Watch List
b. Distribution of Investment Committee Forward Calendar
c. Distribution of the Manager Watch List Report

IV

INVESTMENT MANAGER CONTRACT WITH CENTERSQUARE INVESTMENT MANAGEMENT LLC REGARDING THE MANAGEMENT OF AN ACTIVE U.S. REITS PORTFOLIO AND POSSIBLE COMMITTEE ACTION – Wendy Norman, Investment Officer I, presented and discussed this item with the Committee. Committee Member Liem moved to approve staff to go back and discuss the fees with the consultant and bring back to the Committee, and adopted by the following vote: Ayes, Committee Members Liem, Roten, and Chair Huynh -3; Nays, None.

V

INVESTMENT MANAGER CONTRACT WITH LOOMIS, SAYLES & COMPANY, L.P. REGARDING THE MANAGEMENT OF AN ACTIVE CORE FIXED INCOME PORTFOLIO AND POSSIBLE COMMITTEE ACTION – Jeremiah Paras, Investment Officer II, presented and discussed this item with the Committee for six minutes. Committee Member Roten moved approval, and adopted by the following vote: Ayes, Committee Members Liem, Roten, and Chair Huynh -3; Nays, None.

VI

BROKERAGE ACTIVITY REPORT FOR THE PERIOD JULY 1, 2025 TO JUNE 30, 2026 – Wendy Norman, Investment Officer I, presented and discussed this item with the Committee for one minute. This report was received by the Committee and filed.

Chair Huynh recessed the Regular meeting at 11:24 A.M. to convene in closed Session.

VII

CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER AN ADDITIONAL COMMITMENT TO CRESCENT LACERS SMA PARTNERSHIP, LP AND POSSIBLE COMMITTEE ACTION

Chair Huynh reconvened the Regular meeting at 11:52 A.M. with nothing to report.

VIII

OTHER BUSINESS – There was no other business.

IX

NEXT MEETING: The next Regular meeting of the Investment Committee is scheduled for Tuesday, November 10, 2026, at 10:30 A.M., or immediately following the Board Meeting in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, CA 90012-1728.

X

ADJOURNMENT – There being no further business before the Committee, Chair Huynh adjourned the meeting at 11:53 A.M.

Thuy Huynh, Chair
Todd Bouey, Manager-Secretary

IC Meeting: 11/10/2026

ITEM IV

NORTHERN TRUST

Northern Trust Global Securities Lending

Prepared for: Los Angeles City Employees' Retirement System (LACERS)

Reporting Date: July 1st 2025 – June 30th 2026

PRESENTED BY:

Francesco Squillacioti

North America Head of Client Management, Securities Finance

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Biography

Francesco “Cesco” Squillacioti is Head of North America Client Management for Northern Trust’s Securities Finance business, where he is responsible for driving client strategy and engagement across the region. He works closely with clients across the various segments to deliver integrated financing solutions. Prior to his current role, Cesco was part of the Client Solutions team, where he works to bring the depth and breadth of Northern’s Banking and Markets products to Northern’s global client base, with particular focus on securities finance.

Prior to joining Northern Trust, Cesco spent 33 years at State Street, including 23 of those years in securities finance. His most recent roles were Senior Managing Director, Global Head of Client Management for Securities Finance, and Global Head of Agency Lending. Cesco spent 24 years in Asia, and held a number of senior roles in Tokyo and Hong Kong, including leading various State Street Global Markets entities and businesses in the region.

Cesco is a graduate of Tufts University, with a Bachelor of Arts degree in Economics. He also completed a one-year intensive Japanese language program at International Christian University in Tokyo.



Francesco Squillacioti

Sr Vice President,

North America Client Management Head,

Securities Finance, Asset Servicing

Securities Lending Defined

Securities transferred on a temporary basis from a lender to a borrower with the latter obliged to return the securities either on demand or at the end of a specific period.



Step 1

Securities are temporarily borrowed by the borrower from the lender.

Step 2

The borrower provides collateral with an agreed margin in exchange for the securities and pay a rebate or fee for the transaction.

Step 3

Cash provided as collateral is invested according to agreed investment guidelines and provides an additional revenue opportunity. Noncash collateral is held but not reinvested.

Step 4

The value of loaned securities is marked-to-market daily by the lending agent, resulting in the borrower providing further collateral if prices increase or the lending agent returning collateral if prices decline.

Step 5

The loan is unwound when the client sells the security or asked for it back or the borrower returns the security. Collateral is then returned. Lending revenue less expenses is posted monthly.

PARTIES TO A LOAN:

LACERS (Lender) - beneficial owner of the securities

Borrower - to whom the assets are being lent, usually a broker-dealer

Lending Agent (Northern Trust) - the party negotiating and facilitating the loan

Re-investment manager - portfolio manager/team who invests the cash collateral

How Revenue is Generated

Example: Northern Trust lends $25 million of US Equity

Non-Cash Loan

The $25 million market value loan is for 30 days collateralized by a US Treasury.

1	Receive non-cash collateral valued at **$25,500,000** (102%)	
2	Fee charged to borrower on the value of the loan (20 bps)	$4,167
3	Gross revenue (gross spread 20 bps) credited to client monthly	$4,167
4	Monthly lender's fee (@ 30%)	$1,250
5	**Net client earnings**	$2,917

Cash Loan

The $25 million market value loan is for 30 days collateralized with cash (OBFR at 5.30%).

1	Receive cash collateral valued at **$25,500,000** (102%)	
2	Cash collateral invested in a collateral pool at yield of 5.50%	$116,875
3	Rebate paid to borrower at rate of 5.20%	$(110,500)
4	Gross Revenue (gross spread 30 bps)	$6,375
5	Monthly lender's fee (@ 30%)	$1,913
6	**Net client earnings**	$4,462

Global Securities Lending

Designed to enhance the return of an overall investment program without interfering with the investment strategy.

We strive to extract the highest amount of intrinsic value from each loan, while mitigating risk for the benefit of our clients.



WHO WE ARE

A core business within Northern Trust and an industry leader in terms of size, scale and innovation.

412
CLIENTS FROM 31 COUNTRIES

$2.11T
OF LENDABLE SECURITIES*

$245B
OF LOANS OUTSTANDING*

63
APPROVED BORROWERS AT PARENT LEVEL

WHAT WE DO

- Cash Management
- Risk Management
- Customized participation and collateral selection
- Lend in 35 countries and 42 markets worldwide Equity & Fixed Income markets
- 24-hour trading
  - Supported by our single, multi-currency proprietary platform
  - Locations in Hong Kong, London, Toronto, Sydney and Chicago

WHO WE SERVE

- Corporations
- Endowments and Foundations
- Public Funds
- Mutual Funds
- Insurance
- Government
- Taft Hartley

*Average for June 2026. **CSD Central Security Depository.

Managing Risk

Risk management is instrumental to our program

BORROWER

Borrower defaults and collateral is not sufficient to cover

Mitigating factors:

- Credit review of borrowers
- Over-collateralization / Daily marking
- Indemnification
- Risk Analysis tools





INTEREST RATE

Loan rebate rate exceeds earnings on cash collateral investments

Mitigating factors:

- Weekly gap analysis
- Shared risk
- Stress testing of portfolio

TRADE SETTLEMENT

Fund sells securities and borrower doesn't return in time for trade to settle

Mitigating factors:

- Timely communication
- Automated reallocations
- Trade settlement protection





CASH COLLATERAL REINVESTMENT

Cash collateral investment becomes impaired or decreases value

Mitigating factors:

- Client approved guidelines
- Dedicated team of fixed income research analysts
- Daily automated compliance

Investment Profile: LACERS Custom Cash Collateral Fund

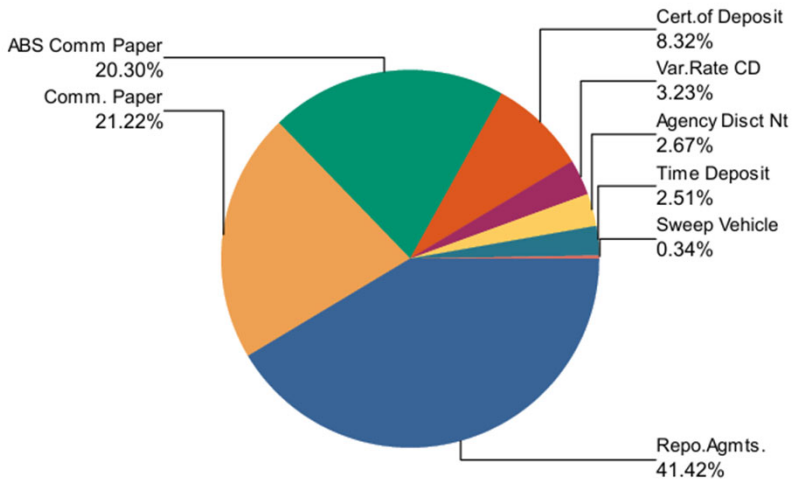
June 30, 2026

LACERSCF - LACERS Custom Fund - USD

Characteristics		
Total Book Value (in USD)	557,698,562	
Weighted Average Maturity (Interest Reset Date)	44 Days	
Weighted Average Maturity (Maturity Date)	67 Days	
Average Equivalent Quality Rating	A1+	
Total Number of Issues	54	
Quality Distribution	**Percentage**	
A1+ (SHORT TERM)	86.56%	
A1 (SHORT TERM)	13.1%	
Cash Equiv (LONG TERM)	.34%	
Maturity Breakdown Distribution	**Interest Reset**	**Maturity Date**
Overnight	52.48%	44.12%
16 - 30 Days	4.09%	4.09%
31 - 60 Days	14.90%	14.90%
61 - 97 Days	12.33%	12.33%
98 - 180 Days	12.26%	13.87%
181 - 270 Days	2.14%	2.14%
271 - 366 Days	1.79%	8.54%

Industry/Sector Distribution	Percentage
Banking Ind.	35.62%
Broker/Dealer	41.42%
Finance & Ins	20.30%
Govt Agencies	2.67%

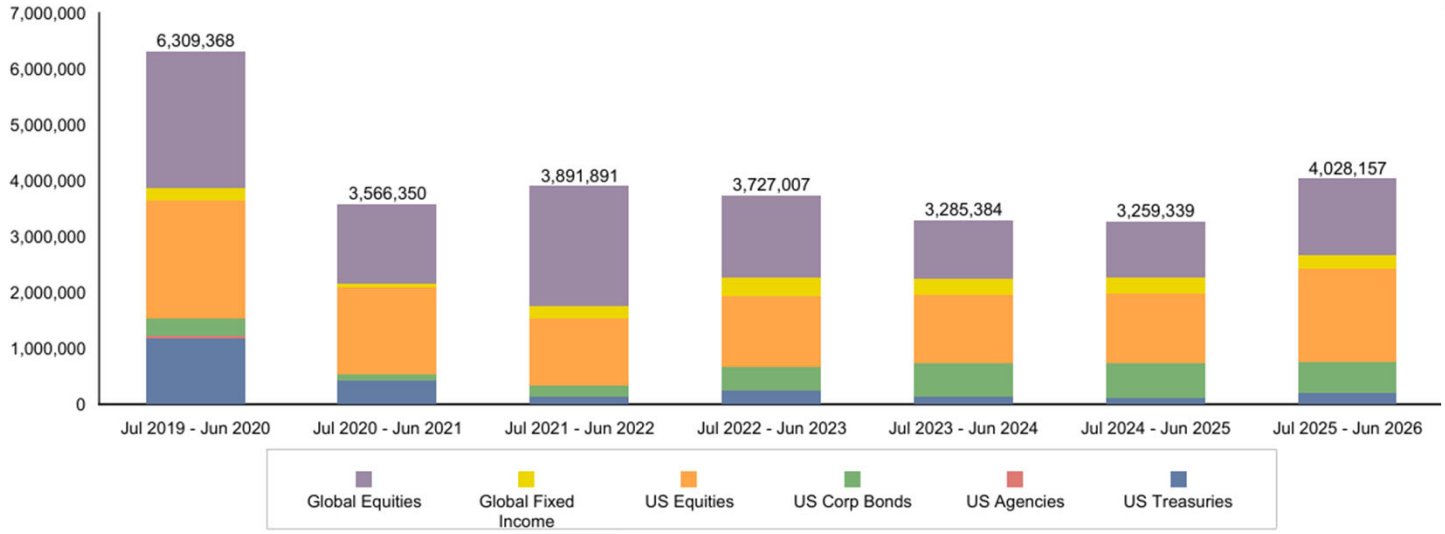
Cash Collateral Asset Class Breakdown



NOTE: This information was created using the best unaudited data available to us and may not be completely reliable, accurate, or timely. Data is prepared on a settled basis, which may differ from traded basis data on the Cash Collateral Holdings report. “Traded Basis” reflects pending trades.

Historical Earnings Summary – 7 Years

Net Earnings



Notes:

- Los Angeles City Employees' Retirement System (LACERS) has historically received 85% of the total revenue and Northern Trust receiving 15%.
- Fee split has since been amended to 80% / 20% as of the new lending agreement effective August 1st, 2025.
- Cash collateral guidelines were adjusted to align risk profile with standard program parameters in March 2026
- Equities are accepted as collateral against equities loans only.

$33,285,204

GROSS REVENUE (SINCE FY 2019)

$28,067,494

NET REVENUE (SINCE FY 2019)

USD Cash, US Treasuries and Agencies, OECD Debt and Equities

COLLATERAL ACCEPTANCE

Lending Limit and Limited Acceptance of Equities Collateral

RESTRICTIONS

PERFORMANCE SCORECARD

July 1st 2025 – June 30th 2026

Security Type	Market Value (USD) Avg. on Loan	Avg. Available	% on Loan	Gross Earnings (USD)	On Loan Spread (bp)	Gross BP Return (bp) *	Net Earnings (USD)
US Treasuries	219,377,010	1,873,040,148	11.7%	235,030	10.6	1.2	188,715
US Agencies	0	75,421,326	0.0%	0	0.0	0.0	0
US Corp Bonds	125,820,307	954,944,353	13.2%	711,887	55.8	7.4	571,615
US Equities	861,777,298	6,499,299,215	13.3%	2,081,878	23.8	3.2	1,675,589
Global Fixed Income	75,565,779	1,211,177,203	6.2%	284,833	37.2	2.3	228,997
Global Equities	402,913,995	4,192,156,951	9.6%	1,697,471	41.6	4.0	1,363,239
Total	**1,685,454,389**	**14,806,039,196**	**11.4%**	**5,011,099**	**29.3**	**3.3**	**4,028,157**

July 1st 2026 – August 30th 2026 (2 months)

Security Type	Market Value (USD) Avg. on Loan	Avg. Available	% on Loan	Gross Earnings (USD)	On Loan Spread (bp)	Gross BP Return (bp) *	Net Earnings (USD)
US Treasuries	347,709,062	1,955,963,739	17.8%	57,371	9.6	1.7	45,904
US Agencies	0	77,243,455	0.0%	0	0.0	0.0	0
US Corp Bonds	234,138,723	1,006,916,171	23.3%	161,096	40.0	9.3	128,898
US Equities	1,188,877,024	6,915,176,317	17.2%	527,732	25.8	4.4	422,325
Global Fixed Income	103,058,659	1,485,776,113	6.9%	54,672	30.8	2.1	43,744
Global Equities	452,311,341	4,317,743,087	10.5%	325,291	41.8	4.4	260,269
Total	**2,326,094,808**	**15,758,818,881**	**14.8%**	**1,126,161**	**28.1**	**4.1**	**901,140**

PERFORMANCE SCORECARD: DATE RANGE COMPARISON

Security Type	Market Value (USD) Avg. on Loan	Avg. Available	% on Loan	Gross Earnings (USD)	On Loan Spread (bp)	Gross BP Return (bp) *	Net Earnings (USD)
From July, 2025 to June, 2026							
US Treasuries	219,377,010	1,873,040,148	11.7%	235,030	10.6	1.2	188,715
US Agencies	0	75,421,326	0.0%	0	0.0	0.0	0
US Corp Bonds	125,820,307	954,944,353	13.2%	711,887	55.8	7.4	571,615
US Equities	861,777,298	6,499,299,215	13.3%	2,081,878	23.8	3.2	1,675,589
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Global Equities	402,913,995	4,192,156,951	9.6%	1,697,471	41.6	4.0	1,363,239
Total	**1,685,454,389**	**14,806,039,196**	**11.4%**	**5,011,099**	**29.3**	**3.3**	**4,028,157**
From July, 2024 to June, 2025							
US Treasuries	110,715,799	1,727,305,585	6.4%	126,964	11.3	0.7	107,936
US Agencies	0	72,379,692	0.0%	0	0.0	0.0	0
US Corp Bonds	96,867,319	914,460,847	10.6%	750,735	76.4	8.1	638,188
US Equities	532,571,617	5,548,657,475	9.6%	1,440,911	26.7	2.6	1,225,283
Global Fixed Income	90,723,559	1,032,631,152	8.8%	342,973	37.3	3.3	291,563
Global Equities	279,015,782	3,977,451,287	7.0%	1,171,985	41.4	2.9	996,368
Total	**1,109,894,076**	**13,272,886,038**	**8.4%**	**3,833,567**	**34.1**	**2.8**	**3,259,339**
Variance							
US Treasuries	108,661,211	145,734,563	5.3%	108,067	-0.7	0.5	80,780
US Agencies	0	3,041,634	0.0%	0	0.0	0.0	0
US Corp Bonds	28,952,989	40,483,505	2.6%	-38,848	-20.6	-0.7	-66,573
US Equities	329,205,682	950,641,740	3.7%	640,967	-2.9	0.6	450,306
Global Fixed Income	-15,157,780	178,546,051	-2.5%	-58,140	-0.1	-1.0	-62,566
Global Equities	123,898,213	214,705,664	2.6%	525,487	0.1	1.1	366,871
Total	**575,560,314**	**1,533,153,158**	**3.0%**	**1,177,532**	**-4.7**	**0.5**	**768,818**

PERFORMANCE SCORECARD: TOP TEN EARNING SECURITIES

Top 10 Earning Securities

Security Name	CUSIP	Average Lendable	Utilisation	Average On Loan	Average Spread	Net Earnings
THEON INTL PLC EUR0.01		2,777,747	96.8%	2,687,610	607.47	132,425
CAMTEK LTD COM STK	M20791105	7,558,056	94.5%	7,140,176	159.50	92,741
INDIE SEMICONDUCTOR INC COM CL A	45569U101	5,918,615	91.5%	5,415,817	195.60	86,425
SAIPEM SPA NPV (POST SPLIT)		11,338,455	91.8%	10,407,812	88.78	74,967
PVTPL CAESARS ENTERTAINMENT INC 6.0% 10-	12769GAD2	3,232,631	94.1%	3,041,952	302.35	74,601
YORK SPACE SYS INC COM	987084100	1,113,793	91.0%	1,013,115	788.37	64,785
LAOPU GOLD CO LTD		1,095,380	43.2%	472,991	1,495.69	57,382
#REORG/PARAMOUNT GLOB MERGER PARAMOUNT S	92556H206	56,690	38.8%	21,983	30,739.51	54,813
PVTPL GRAFTECH FINANCE INC 4.625%	384311AC0	590,318	70.5%	416,450	1,268.05	43,217
VISA INC COM CL A STK	92826C839	42,604,148	77.4%	32,963,443	14.98	40,315
Total		**76,285,833**	**83.3%**	**63,581,348**	**139.64**	**721,671**
Grand Total		**14,806,039,203**	**11.4%**	**1,685,454,397**	**29.32**	**4,028,157**

Potential Program Enhancements

Drive higher lending utilization of lower-earning securities by enhancing their attractiveness to borrowers

1

Enhancing US equity utilization

- NT proposes to lend a portion of LACER's US Equities to a non-traditional counterparty (DE Shaw) to increase utilization and revenue to the program.
- By working with a less traditional counterparty, we're able to tap into a new and differentiated source of borrowing demand.
- Expected to drive a meaningful increase in utilization for US equity lending (currently ~17%), as your program would be the sole beneficiary rather than competing within a broader NT program queue.
- Loans remain fully indemnified (i.e. NT continues to consume all the counterparty risk)
- Indicative annual net revenue to LACER = $440k - $880k

2

Raising/Lifting of Limits on Loan to Borrowers

- Increase the maximum allowable value of Borrowed Securities to a single Borrower (including affiliated entities) from the current 20% threshold to a higher limit, enhancing flexibility in borrower engagement.
- Expanded loan volumes to qualified borrowers generate incremental lending revenue
- No change to existing borrower default indemnification; current protections remain in place

3

Omnibus Pledge

- International borrowers seek to reduce capital costs, making Omnibus Pledge structure attractive
- Clients approving this model may protect or increase their general collateral utilization (impacts may vary by portfolio and borrower approvals)
- No change to existing borrower default indemnification; current protections remain in place
- No additional risk for clients compared to Title Transfer

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LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO INVESTMENT COMMITTEE
MEETING: NOVEMBER 10, 2026
FROM: TODD BOUEY, GENERAL MANAGER
ITEM: V

SUBJECT: CONTINUED DISCUSSION OF INVESTMENT MANAGER CONTRACT WITH CENTERSQUARE INVESTMENT MANAGEMENT LLC REGARDING THE MANAGEMENT OF AN ACTIVE U.S. REITS PORTFOLIO AND POSSIBLE COMMITTEE ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation

That the Committee recommend to the Board a three-year contract renewal with CenterSquare Investment Management LLC (CenterSquare) for management of an active U.S. REITS (Real Estate Investment Trust Securities) portfolio.

Discussion

On October 13, 2026, the Committee considered the attached report (Attachment 1) recommending a three-year contract renewal with CenterSquare. CenterSquare has managed an active REIT portfolio for LACERS since January 2015. LACERS' portfolio was valued at $679 million as of August 31, 2026. CenterSquare's current contract expires on March 31, 2027. CenterSquare is in compliance with the LACERS Manager Monitoring Policy.

Staff provided an overview of the organization and notable performance metrics, including fund performance to date. The Committee requested staff to ask CenterSquare for a fee reduction before reconsidering the contract renewal. Staff was able to secure an investment management fee concession from the manager.

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

TB:WL:EC:RM:WN

ATTACHMENT(S): 1. Investment Committee Recommendation Report dated October 13, 2026

INVESTMENT COMMITTEE MEETING: NOVEMBER 10, 2026
ITEM: V
ATTACHMENT: 1

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO INVESTMENT COMMITTEE
MEETING: OCTOBER 13, 2026
FROM: TODD BOUEY, GENERAL MANAGER
ITEM: IV

SUBJECT: INVESTMENT MANAGER CONTRACT WITH CENTERSQUARE INVESTMENT MANAGEMENT LLC REGARDING THE MANAGEMENT OF AN ACTIVE U.S. REITS PORTFOLIO AND POSSIBLE COMMITTEE ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation
That the Committee recommend to the Board a three-year contract renewal with CenterSquare Investment Management LLC for management of an active U.S. REITS (Real Estate Investment Trust Securities) portfolio.

Executive Summary
CenterSquare Investment Management LLC (CenterSquare) has managed an active U.S. REITS portfolio for LACERS since April 2015. LACERS' portfolio was valued at approximately $679 million as of August 31, 2026. CenterSquare's current contract expires on March 31, 2027. Staff and NEPC, LLC (NEPC), LACERS General Fund Consultant, recommend a three-year contract renewal with CenterSquare.

Discussion

Background

The Board hired CenterSquare in January 2015 to manage an active U.S. REITS portfolio benchmarked against the FTSE NAREIT All Equity REITS Index. CenterSquare utilizes proprietary research and analytics to identify mispriced investment opportunities in the public REITS market. These securities provide high current income, liquidity, and real estate sector diversification. The portfolio management team is led by Dean Frankel, Global Head of Real Estate Securities and co-Chief Investment Officer. Mr. Frankel has 28 years of real estate experience, all of which have been at CenterSquare. LACERS' portfolio was valued at approximately $679 million as of August 31, 2026. The current contract expires on March 31, 2027.

Organization

CenterSquare was founded in 1987 and is privately held with employees at the firm owning 49% of the firm, Lovell Minnick Partners owning a 48% equity stake, and the 3% balance held by external parties. The firm currently has 110 employees and is headquartered in Conshohocken, Pennsylvania, with offices in Newport Beach, New York, London, and Singapore. As of the most recent quarter ending June 30, 2026, CenterSquare managed approximately $16.4 billion of total assets, with $11.5 billion of assets in the U.S. REITS strategy.

Due Diligence

Staff conducts routine due diligence of the manager that includes quarterly portfolio reviews and ad hoc investment discussions. LACERS staff conducted an onsite meeting at CenterSquare's headquarters in early October 2026, which included interviews with key personnel across the organization. Staff concluded that CenterSquare's investment philosophy, strategy, and process have not changed materially since the most recent contract renewal. In December 2025, the firm moved away from a dual CEO/CIO model, with Todd Briddell focusing solely on his role as CEO, while Robert Holuba and Dean Frankel serve as Co-Chief Investment Officers. Robert Holuba oversees private real estate and Dean Frankel oversees publicly listed real estate. In January 2026, CenterSquare merged its private equity and debt teams under one umbrella.

Performance

As of August 31, 2026, CenterSquare outperformed its benchmark over all time periods as presented in the table below.

Annualized Performance as of 8/31/2026 (Net-of-Fees)

Time Period	3-Month	1-Year	3-Year	5-Year	7-Year	Since Inception[1]
CenterSquare	1.50	13.83	11.90	3.53	6.73	7.70
FTSE NAREIT All Equity REITS Index	1.13	12.52	10.45	2.33	4.97	*6.36*
% of Excess Return	*0.37*	*1.31*	*1.45*	*1.20*	*1.76*	*1.34*

[1]*Inception date 4/15/15*

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

Calendar Year Performance as of 8/31/2026 (Net-of-Fees)

Time Period	1/1/26-8/31/26	2025	2024	2023	2022	2021	2020	2019	2018
CenterSquare	15.51	2.22	7.90	12.53	-23.50	42.13	-0.58	29.74	-4.80
FTSE NAREIT All Equity REITS Index	14.49	2.27	4.92	11.36	-24.95	41.30	-5.12	28.66	-4.04
% of Excess Return	*1.02*	*-0.05*	*2.98*	*1.17*	*1.45*	*0.83*	*4.54*	*1.08*	*-0.76*

CenterSquare is in compliance with the LACERS Manager Monitoring Policy.

Fees

LACERS pays CenterSquare an effective fee of 38 basis points (0.38%), which is approximately $2.6 million annually based on the value of LACERS' assets as of August 31, 2026. The fee ranks in the 16th percentile of fees charged by similar REITS managers in the eVestment database (i.e., 84% of like-managers have higher fees). Since inception, LACERS has paid CenterSquare a total of $13.68 million in investment management fees as of June 30, 2026.

General Fund Consultant Opinion

NEPC concurs with this recommendation.

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

TB:WL:EC:RM:WN

ATTACHMENT(S): 1. Consultant Recommendation – NEPC, LLC

INVESTMENT COMMITTEE MEETING: OCTOBER 13, 2026
ITEM: IV
ATTACHMENT: 1

To: Los Angeles City Employees' Retirement System Investment Committee

From: NEPC, LLC

Date: October 13, 2026

Subject: CenterSquare Investment Management, Inc. – Contract Renewal

Recommendation

NEPC recommends Los Angeles City Employees' Retirement System ('LACERS') renew the investment management contract in place with CenterSquare Investment Management Inc. ('CenterSquare') for a period of 3 years from the date of contract expiry.

Background

CenterSquare has been an active U.S. Real Estate Investment Trust (REIT) manager for LACERS since April 2015. As of July 31, 2026, CenterSquare managed $698.5 million, or 2.4%, of Plan assets. The performance objective is to outperform the FTSE NAREIT All Equity REITs Index, net of fees, annualized over a full market cycle (normally three-to-five years).

CenterSquare was founded in 1987 to provide private real estate investment management services to institutional investors and has been managing U.S. listed real estate securities portfolios since 1995. Since January 2, 2018, CenterSquare has been owned by its employees and private equity firm Lovell Minnick after a buyout from owner BNY Mellon, who bought the firm in 2006. Employees at CenterSquare own 49% of the firm while Lovell Minnick owns the remaining 48% and 3% is owned by external parties. The firm manages approximately $16.4 billion as of June 30, 2026.

The philosophy of the U.S. Real Estate Securities portfolio is based on three principles: first, that attractive relative valuations provide both downside protection and potential for upside growth; second, that REITs are 'hybrid' investments that should be valued on a number of factors, only one of which is a company's underlying real estate value; and third, that REITs are capable of trading at implied real estate valuations which are materially different from the private real estate market. The result is a portfolio that allows CenterSquare to compare valuations across the REIT universe on a like-for-like basis over time, and identify over- and underpriced stocks across sectors, regions, and the investment universe as a whole.

Scott Crowe, President and Chief Investment Strategist, resigned from the firm in early November, 2023. Mr. Crowe's primary role was leading the firm's capital raising efforts (Capital Markets) and coordinating thought leadership. Scott Maguire, Head of Investor Relations, took over Capital Markets, a position he held from 2007-2018. Coordination

of thought leadership moved to Uma Moriarity who was promoted to Senior Investment Strategist in 2022. While Scott did not have any day-to-day investment responsibility, his participation on various investment committees were passed to Rob Holuba, Managing Director, Jeff Reder, Managing Director and Uma Moriarity.

Dean Frankel and Robert Holuba were named co-Chief Investment Officers in December 2025. Dean Frankel has been at CenterSquare for 28 years and was previously the Global Head of Real Estate Securities, while Robert Holuba has been with the firm for 12 years and was a Managing Director of Private Equity Real Estate. Both Dean and Robert will continue to lead their respective segments of the business alongside their co-CIO duties. Previously, E. Todd Briddell served as both CEO and CIO of CenterSquare; he will continue to serve as CEO.

Performance

Referring to Exhibit 1, as of August 31, 2026, since inception (May 1, 2015) the portfolio has outperformed its index by 1.3%, returning 8.0%, net of fees. Over the last five years, the portfolio has outperformed its benchmark by 1.2%, returning 3.5%. In the last one and three years, the portfolio outperformed its benchmark by 1.3% and 1.5%, respectively.

Referring to Exhibit 2, as of June 30, 2026, since inception (May 1, 2015) the portfolio has outperformed its index by 1.4%, returning 8.2%, net of fees, and the strategy ranked in the 8th percentile in its peer universe. Over the last five years, the portfolio has outperformed its benchmark by 1.3%, returning 5.0% and ranked in the 33rd percentile in its peer group. In the last three years, the portfolio outperformed its benchmark by 1.5% and ranked in the 32nd percentile while over the last one year the portfolio outperformed its index by 1.3%, returning 16.7% and ranked in the 47th percentile.

The portfolio has added value for the majority of calendar years since inception. Outperformance has primarily been a result of security selection, while sector allocation contributed to a lesser degree. For the five-year period ending June 30, 2026, an underweight position to telecom tower REITs and overweight positions to healthcare and retail REITs were additive to performance.

Fees

The portfolio has an asset-based fee of 0.38% (38 basis points) annually. This fee ranks in the 16th percentile among its peers in the eVestment US REIT Universe. In other words, 84% of the products included in the peer universe have a higher fee than the LACERS account.

Conclusion

CenterSquare has outperformed the index since inception and has shown consistent outperformance throughout the years. Their risk-aware investment philosophy, strong investment process and stock selection skill are the basis for continued confidence in the portfolio. NEPC recommends a three-year contract renewal from time of contract expiry.

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

Exhibit 1: Performance Comparison Net of Fees as of August 31, 2026

This table compares CenterSquare with the FTSE NAREIT All Equity REITs Index across 1 month, FYTD, YTD, 1 year, 3 years, 5 years, 10 years, and since inception as of August 31, 2026. The inception period begins on May 1, 2015. The table also includes an over/under row showing the difference between the strategy and benchmark. CenterSquare outperforms the benchmark for the YTD and longer time periods.

Strategy vs. Benchmark	1 Mo %	FYTD %	YTD %	1 YR %	3 YR %	5 YR %	10 YR %	Inception
CenterSquare	-2.8	-0.4	15.5	13.8	11.9	3.5	7.0	8.0
FTSE NAREIT All Equity REITs Index	-2.7	-0.4	14.5	12.5	10.4	2.3	5.8	6.7
Over/Under	-0.1	-0.1	1.0	1.3	1.5	1.2	1.2	1.3

Exhibit 2: Universe Performance Comparison Net of Fees Ending June 30, 2026

CenterSquare vs. eV US REIT

This table provides the detailed returns, percentile rankings, peer universe breakpoints, and population counts across 3 months, YTD, 1 year, 3 years, 5 years, 10 years, and since inception as of June 30, 2026. The inception period begins on May 1, 2015. The table shows how CenterSquare and the benchmark rank within the broader peer universe over time, with population sizes ranging from 43 to 57. Percentile rankings are indicated in parentheses with 1 indicating the highest ranking and 100 the lowest ranking.

Strategy vs. Benchmark and Universe	3 Mo %	YTD %	1 YR %	3 YR %	5 YR %	10 YR %	Inception
CenterSquare	11.4 (47)	16.0 (45)	16.7 (47)	11.6 (32)	5.0 (33)	7.1 (11)	8.2 (8)
FTSE NAREIT All Equity REITs Index	10.7 (60)	14.9 (51)	15.4 (55)	10.1 (68)	3.7 (74)	5.9 (58)	6.8 (58)
5th Percentile	13.3	18.8	22.6	13.6	6.7	8.0	8.7
1st Quartile	12.1	17.4	20.3	12.0	5.4	6.9	7.6
Median	11.2	14.9	16.0	10.8	4.6	6.3	7.1
3rd Quartile	9.9	13.0	12.8	9.5	3.7	5.4	6.3
95th Percentile	8.6	11.5	10.0	7.3	1.6	3.8	4.5
Population	57	57	57	55	52	44	43

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO INVESTMENT COMMITTEE
MEETING: NOVEMBER 10, 2026
FROM: TODD BOUEY, GENERAL MANAGER
ITEM: VI

SUBJECT: INVESTMENT MANAGER CONTRACT WITH J.P. MORGAN INVESTMENT MANAGEMENT INC. REGARDING THE MANAGEMENT OF AN ACTIVE CORE FIXED INCOME PORTFOLIO AND POSSIBLE COMMITTEE ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation
That the Committee recommend to the Board a three-year contract renewal with J.P. Morgan Investment Management Inc. for management of an active core fixed income portfolio.

Executive Summary
J.P. Morgan Investment Management Inc. (J.P. Morgan) has managed an active core fixed income portfolio for LACERS since June 2021. LACERS' portfolio was valued at approximately $522 million as of September 30, 2026. J.P. Morgan's current contract expires on May 31, 2027. J.P. Morgan is in compliance with the LACERS Manager Monitoring Policy. Staff and NEPC, LLC (NEPC), LACERS' General Fund Consultant, recommend a three-year contract renewal with J.P. Morgan.

Discussion

Background

J.P. Morgan, marketed under the name J.P. Morgan Asset Management, manages an active core fixed income portfolio for LACERS benchmarked against the Bloomberg U.S. Aggregate Bond Index. The strategy uses a bottom-up approach that is based on finding undervalued securities and sectors to provide incremental yield and total return versus the benchmark. The security selection process emphasizes the securitized sectors based upon the belief that the market is less efficient at pricing these securities. Duration management is the firm's primary risk control measure. Richard Figuly (33 years industry experience and years with the firm) serves as the lead portfolio manager

for the J.P. Morgan Core Bond Strategy, and the strategy is managed on a team basis to incorporate a range of opinions into the investment process. Team members include portfolio managers, traders, research analysts, and risk management professionals. LACERS' portfolio was valued at $522 million as of September 30, 2026.

Since 2005, LACERS has also been invested in the J.P. Morgan Strategic Property Fund (SPF) within the private real estate portfolio. SPF is managed within J.P. Morgan's Global Real Assets division. As of December 31, 2025, LACERS' investment in SPF was valued at $76 million.

The Board hired J.P. Morgan through the 2019-2021 Active Core Fixed Income search process and authorized a three-year contract on January 26, 2021; the contract became effective on June 1, 2021. The Board approved a three-year contract renewal on February 27, 2024. The current contract expires on May 31, 2027.

Organization

J.P. Morgan is a wholly-owned subsidiary of JP Morgan Chase & Co., a publicly-traded company (NYSE ticker symbol JPM). The firm has approximately 8,900 employees, over 1,300 of whom are investment professionals. As of June 30, 2026, J.P. Morgan managed approximately $4.6 trillion of total assets, with $121 billion of assets in the Core Bond strategy.

Due Diligence

Staff conducts routine due diligence of the manager. In addition to meeting virtually for quarterly portfolio reviews and ad hoc investment discussions, LACERS staff conducted an on-site meeting at J.P. Morgan's headquarters in October 2026. During the on-site meeting, staff heard several presentations and engaged in discussions with key personnel across the organization. Based on ongoing due diligence, staff concludes that J.P. Morgan's investment philosophy, strategy, and process have not changed materially over the contract period. This finding supports staff's assessment that J.P. Morgan remains capable of consistency in managing LACERS assets and that the firm can meet its stated investment objectives.

Performance

As presented in the following table, as of September 30, 2026, J.P. Morgan is outperforming its benchmark across all performance periods.

Annualized Performance as of 9/30/2026 (Net-of-Fees)

Time Period	3-Month	1-Year	3-Year	5-Year	Since Inception[1]
J.P. Morgan	-3.42	-1.65	4.42	-0.17	0.16
Bloomberg U.S. Aggregate Bond Index	-3.51	-1.84	4.06	-0.64	-0.57
% of Excess Return	*0.09*	*0.19*	*0.36*	*0.47*	*0.73*

[1] *Inception date: 6/22/2021*

Calendar year returns are presented as supplemental information in the following table.

Calendar Year Performance as of 9/30/2026 (Net-of-Fees)

Time Period	1/1/26-9/30/26	2025	2024	2023	2022	6/22/21-12/31/21
J.P. Morgan	-2.72	7.59	2.02	5.81	-12.16	1.61
Bloomberg U.S. Aggregate Bond Index	-2.91	7.30	1.25	5.53	-13.01	0.22
% of Excess Return	*0.19*	*0.29*	*0.77*	*0.28*	*0.85*	*1.39*

J.P. Morgan is in compliance with the LACERS Manager Monitoring Policy.

Fees

LACERS pays J.P. Morgan an effective fee of 11.5 basis points (0.115%), which is approximately $600,000 annually based on the value of LACERS' assets as of September 30, 2026. The fee ranks in the 11th percentile of fees charged by similar core fixed income managers in the eVestment database (i.e., 89% of like-managers have higher fees). Since inception, LACERS has paid J.P. Morgan a total of $2.6 million in investment management fees.

General Fund Consultant Opinion

NEPC concurs with this recommendation.

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

TB:WL:EC:RM:JP

ATTACHMENT(S): 1. Consultant Recommendation – NEPC, LLC

INVESTMENT COMMITTEE MEETING: NOVEMBER 10, 2026
ITEM: VI
ATTACHMENT: 1

To: Los Angeles City Employees' Retirement System Investment Committee

From: NEPC, LLC

Date: November 10, 2026

Subject: JP Morgan – Contract Renewal

Recommendation

NEPC recommends Los Angeles City Employees' Retirement System ('LACERS') renew the contract with JP Morgan ('JPM') for a period of three years from the date of contract expiry.

Background

The JPM Core Bond portfolio was funded on June 22, 2021 to provide asset management services within LACERS' core fixed income allocation. As of September 30, 2026, JPM managed $521.6 million, or 1.8% of Plan assets. The portfolio is benchmarked against the Bloomberg U.S. Aggregate Bond Index and has a performance objective of outperforming the benchmark, net of fees, annualized over a full market cycle (normally three-to-five years). The account is currently in good standing according to LACERS' manager monitoring policy.

JP Morgan Asset Management ('JPMAM') manages assets for individuals, advisors and institutions with history dating back to 1863. JPMAM began its most recent period of development in the year 2000 with the establishment of their parent group, JP Morgan Chase or JPMC, following the merger of J.P. Morgan & Co. Incorporated and The Chase Manhattan Corporation. JPMC merged with Bank One Corporation in 2004. On May 1, 2023, JPMC acquired the substantial majority of assets and assumed the deposits and certain other liabilities of First Republic Bank from the Federal Deposit Insurance Corporation (FDIC). JPMAM is the brand name of the group of companies that constitute the investment management business of JPMC and its affiliates worldwide and has its headquarters in New York. JP Morgan Investment Management Inc., is an SEC-registered investment advisor and an indirect wholly owned subsidiary of JPMC, a publicly traded corporation that is listed on the New York Stock Exchange (Ticker: JPM). JPMAM has $4.6 trillion in AUM as of June 30, 2026.

The JPM Core Bond portfolio is managed on a team basis to incorporate a range of opinions into the investment process. Team members include 9 portfolio managers, in addition to traders, research analysts and risk management professionals. All members of the team contribute new ideas. JPM believes that this open communication allows individuals on the team to expand their horizons and reach for creative new ideas that are then put through our disciplined process to determine if the idea adds value. Each

portfolio manager takes the recommendations of the team and selects or sells the appropriate securities in their portfolios. Richard Figuly is the lead portfolio manager and has ultimate decision-making authority.

JPM believes inefficiencies in the fixed income market are pervasive and will continue. However, the identification of individual undervalued securities is difficult and requires advanced analytical skills and extensive experience to capitalize successfully on inefficiencies. JPM identifies inefficiencies through a combination of active investment management and disciplined risk control. The portfolio incorporates a bottom-up, value-oriented approach to fixed income investment management and central to this approach is: Identifying securities that are priced inefficiently; Making sector allocation decisions based on a broad sector outlook, utilizing expected return and valuation analysis; Managing yield curve, with an emphasis on evaluating relative risk/reward relationships along the yield curve and; Managing portfolio duration used primarily as a risk control measure.

The investment process for the Strategy combines the consistent application of a value-oriented framework and the ongoing review, monitoring and control of key portfolio characteristics. Areas of emphasis in managing the strategy include security selection, sector allocation and yield curve and duration management in concert with the overall maintenance of a high-quality portfolio. Security selection is the hallmark of the strategy whereby JPM identifies high-quality individual issues with an emphasis on identifying undervalued securities. Security selection includes all sectors of the Bloomberg U.S. Aggregate Index including: corporate bonds, mortgage-backed securities, asset-backed securities, treasury securities and agency bonds. Although the fixed income investment process is driven largely by a bottom-up approach emphasizing security selection, close attention is paid to sector and sub-sector valuations and weightings. Sectors are analyzed and their relative attractiveness is based on an assessment of economic and industry factors as well as supply and demand conditions.

Performance

Referring to Exhibit 1, as of September 30, 2026 since the portfolio's inception date of July 1, 2021[1], the portfolio has outperformed its benchmark by 0.5%. Over the last one-year, the portfolio has outperformed the benchmark by 0.2%. Over the last three- and five-year periods, the portfolio has outperformed by 0.4% and 0.5%, respectively.

Referring to Exhibit 2, as of June 30, 2026, since inception the portfolio outperformed the benchmark by 0.4% and ranked in the 23rd percentile in its peer group. Over the one-year period, the portfolio outperformed by 0.1% and ranked in the 48th percentile in its peer group. Over the three- and five-year periods, the portfolio outperformed the

[1] NEPC sets portfolio inception dates to the beginning of the next month if a portfolio is not funded on the first business day of the month.

benchmark by 0.4% and 0.5%, respectively, ranking in the 35th and 17th percentiles respectively for both time periods.

Drivers of performance have included duration, sector allocation and security selection decisions. This has allowed the strategy to perform well across a wide variety of market environments. The strategy has outperformed its benchmark in all calendar years since LACERS' inception.

Fees

The portfolio has an asset-based fee of 0.12% annually. This fee ranks in the 11th percentile among peers in the eVestment Core Fixed Income universe. In other words, 89% of the products included in the peer universe have a higher fee than the LACERS account.

Conclusion

JPM has outperformed its benchmark and has executed on its mandate in providing core bond asset management services. The firm, portfolio management team and strategy have been stable. NEPC recommends a contract renewal for a period of three years from the period of contract expiry.

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

Exhibit 1: Performance Comparison Net of Fees as of September 30, 2026

This table compares JP Morgan with the Bloomberg U.S. Aggregate Index across 3 months, YTD, 1 year, 3 years, 5 years, and since inception as of September 30, 2026. The inception period begins on July 1, 2021[2]. The table also includes an over/under row showing the difference between the strategy and benchmark. JP Morgan outperforms the benchmark for all time periods shown.

Strategy vs. Benchmark	3 Mo %	YTD %	1 YR %	3 YR %	5 YR %	Inception
JP Morgan	-3.4	-2.7	-1.7	4.4	-0.2	-0.1
Bloomberg U.S. Aggregate Index	-3.5	-2.9	-1.8	4.1	-0.6	-0.6
Over/Under	0.1	0.2	0.2	0.4	0.5	0.5

[2] NEPC sets portfolio inception dates to the beginning of the next month if a portfolio is not funded on the first business day of the month.

Exhibit 2: Universe Performance Comparison Net of Fees Ending June 30, 2026

JP Morgan vs. eV US Core Fixed Income

This table provides the detailed returns, percentile rankings, peer universe breakpoints, and population counts across 3 months, YTD, 1 year, 3 years, 5 years, and since inception as of June 30, 2026. The inception period begins on July 1, 2021. The table shows how JP Morgan and the benchmark rank within the broader peer universe over time, with population sizes ranging from 208 to 220. Percentile rankings are indicated in parentheses with 1 indicating the highest ranking and 100 the lowest ranking.

Strategy vs. Benchmark and Universe	3 Mo %	YTD %	1 YR %	3 YR %	5 YR %	Inception
JP Morgan	0.7 (72)	0.7 (44)	3.9 (48)	4.6 (35)	0.6 (17)	0.6 (23)
Bloomberg U.S. Aggregate Index	0.7 (71)	0.6 (69)	3.8 (66)	4.2 (78)	0.1 (77)	0.2 (79)
5th Percentile	1.2	1.2	4.8	5.3	1.2	1.3
1st Quartile	0.9	0.8	4.1	4.7	0.4	0.5
Median	0.7	0.7	3.9	4.4	0.2	0.4
3rd Quartile	0.7	0.6	3.7	4.2	0.1	0.3
95th Percentile	0.4	0.3	3.1	3.6	-0.3	-0.2
Population	220	220	219	215	208	208

LACERS
LA CITY EMPLOYEES' RETIREMENT SYSTEM

REPORT TO INVESTMENT COMMITTEE
MEETING: NOVEMBER 10, 2026
FROM: TODD BOUEY, GENERAL MANAGER
ITEM: VII

SUBJECT: PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PROGRAM 2027 STRATEGIC PLAN AND POSSIBLE COMMITTEE ACTION

☒ ACTION ☐ CLOSED ☐ CONSENT ☐ RECEIVE & FILE

Recommendation
That the Committee recommend to the Board the adoption of the Private Equity Program 2027 Strategic Plan.

Discussion
Aksia LLC (Aksia), LACERS' Private Equity Consultant, with input from staff, has developed the proposed Private Equity Program 2027 Strategic Plan, which considers strategic objectives and investment plan recommendations for calendar year 2027. Staff has reviewed the plan and recommends its adoption. Aksia will present the proposed plan.

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

TB:WL:EC:RM:EP

ATTACHMENT(S): 1. LACERS Private Equity Program 2027 Strategic Plan – Aksia LLC

INVESTMENT COMMITTEE MEETING: NOVEMBER 10, 2026
ITEM: VII
ATTACHMENT: 1

Aksia LLC

LACERS Private Equity Program
2027 Strategic Plan

November 10, 2026

Aksia
New York • London • Tokyo

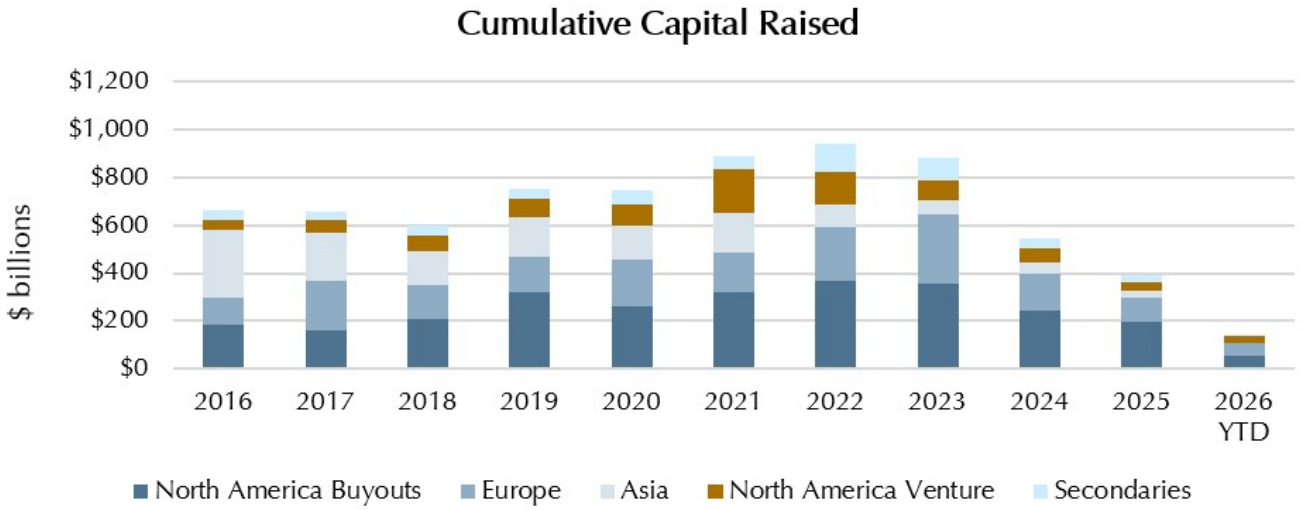
www.aksia.com

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- LACERS Portfolio Exposures 17
- 2027 Strategic Plan Recommendations 25

Fundraising

- In our view, the fundraising slowdown is a liquidity math problem, not purely a confidence problem. LPs are structurally overallocated because distributions have run below the 10-year average for years, leaving less capital to commit to new vehicles.



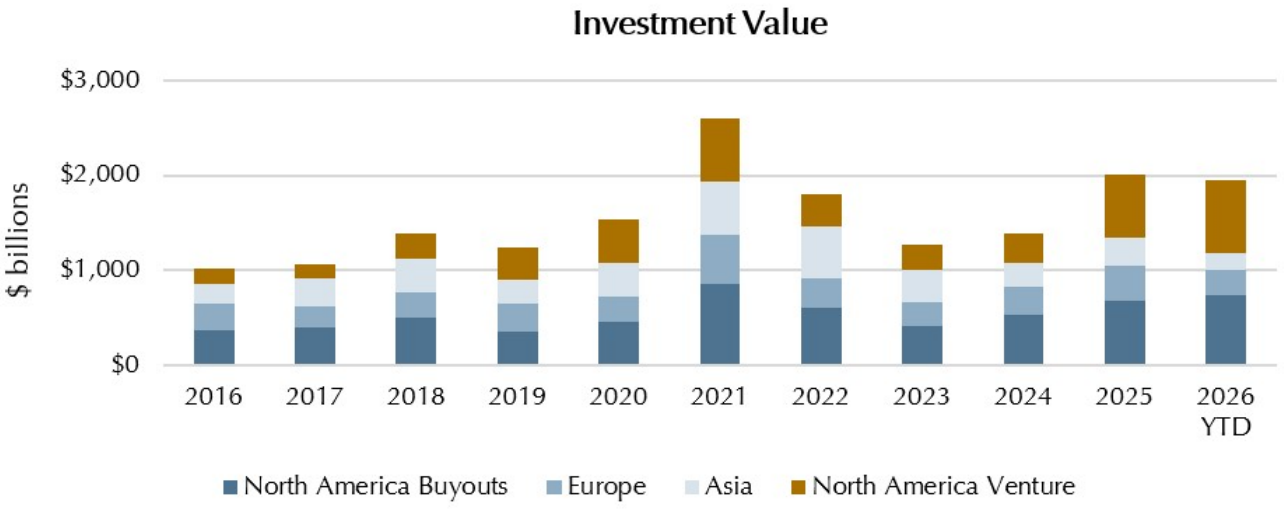


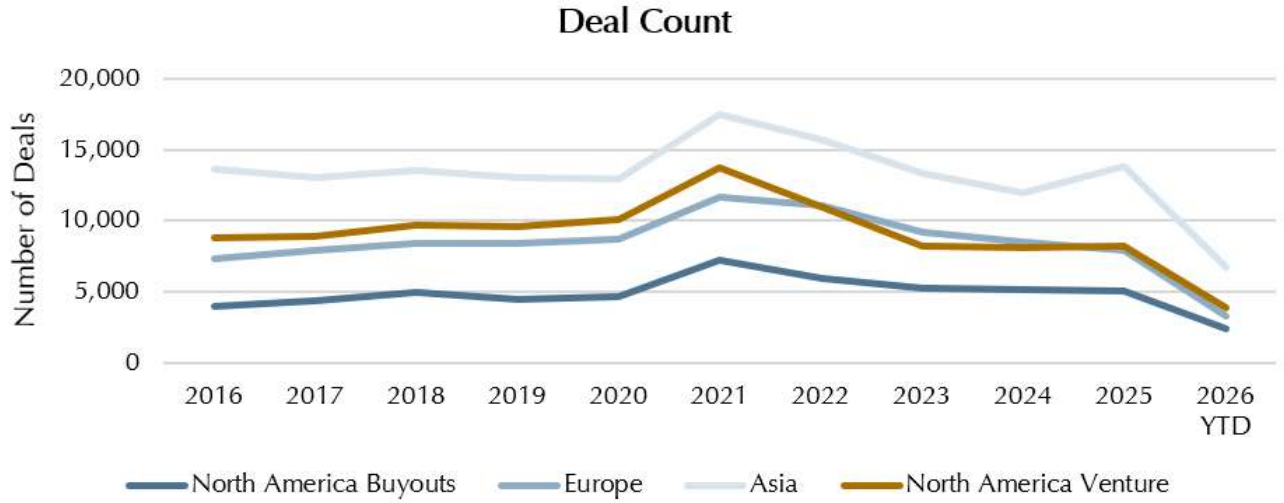
- Beneath the head numbers, capital is flowing away from Asia-Pacific and consolidating into a narrower set of scale managers across North America and Europe: 20 funds captured the majority of North American buyout capital raised, while Europe raised about a third of total capital from only 8% of fund count.
- Directionally, we have seen GPs with stronger Distributed to Paid-In Capital ("DPI") have found greater success fundraising relative to those where distributions have lagged, which reinforces that manager selection, not asset-class timing, is increasingly important.
- The practical takeaway is that LPs have more bargaining power with managers outside of the top quartile for enhanced terms or co-investment rights. LPs can also seek out seasoned primaries that help mitigate potential blind-pool risk.

Source: Preqin, as of August 24, 2026. Data has not been reviewed by Preqin analysts. The above represents Aksia's market observations. Observations are subject to change.

Investment Activity

- Selective deployment is a rational response to the same pressures driving the fundraising slowdown: managers are concentrating capital on deals where they have conviction because elevated interest rates and valuations leave limited margin for error, and disciplined execution here is what ultimately produces the DPI track record LPs reward at fundraising.

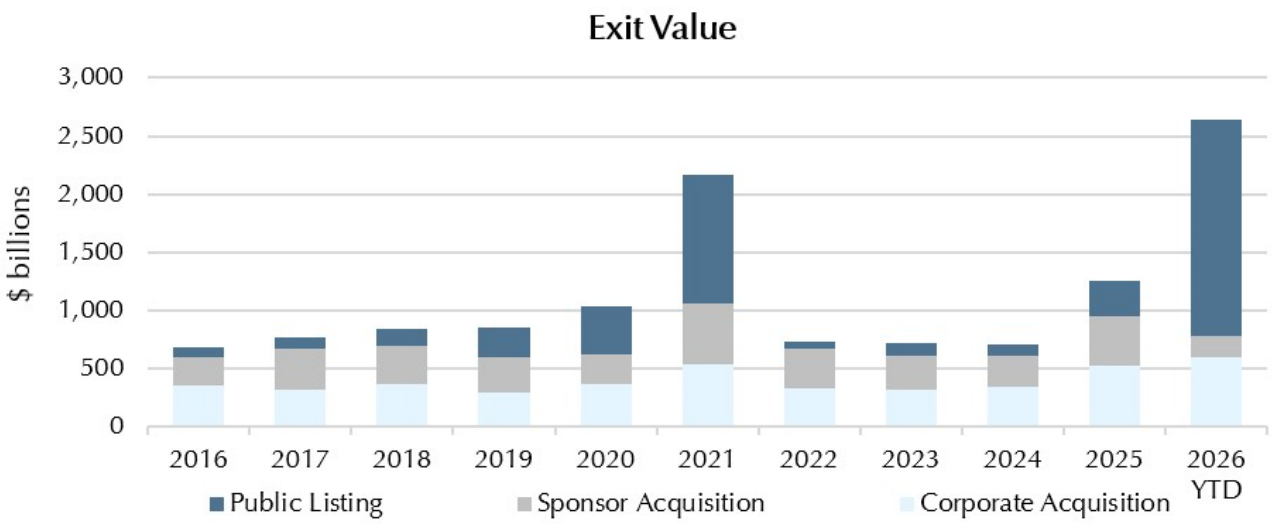


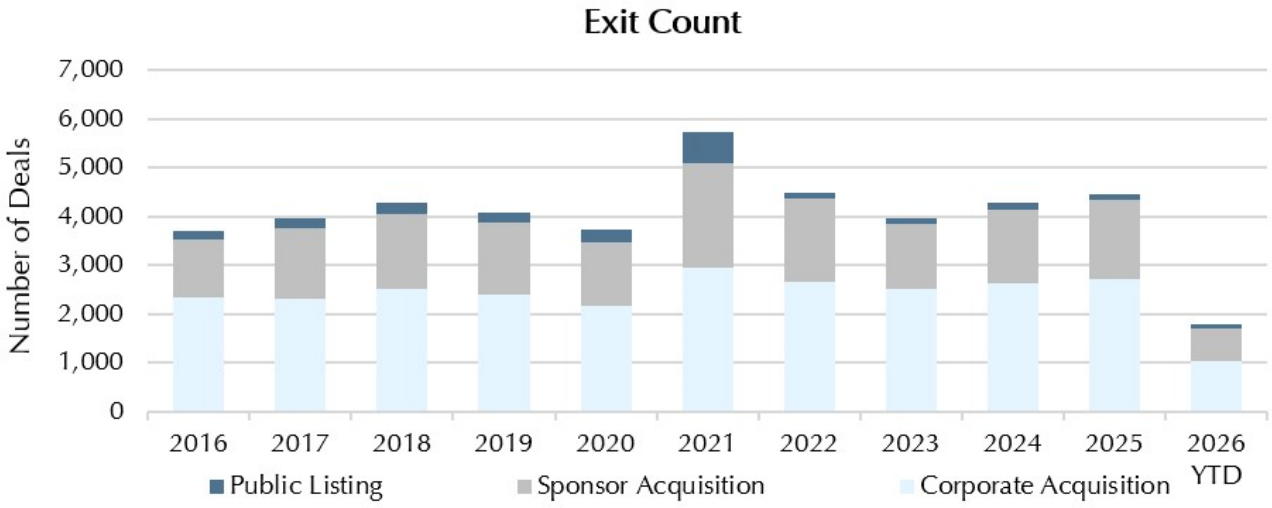


- We have seen capital directionally rotating toward businesses with physical operations that may be less exposed to AI disruption, and toward companies with domestically-oriented revenue that can be more insulated from geopolitical volatility. From our vantage point, confidence in a specific business model may be more important than the sector label.
- In our view, this environment rewards operationally oriented managers underwriting EBITDA growth with attractive entry multiples, which argues for tilting new commitments toward small and mid-market specialists rather than mega-cap generalists competing for the same shrinking pool of trophy assets
- Overall YTD 2026 investment value was up by over 100% compared to the same period in 2025, driven by fewer, larger buyouts and venture capital deals in North America.

Source: Preqin, as of August 24, 2026; Bain & Company, Private Equity Midyear Report 2026. Data has not been reviewed by Preqin analysts. The above represents Aksia's market observations. Observations are subject to change.

Exit Activity

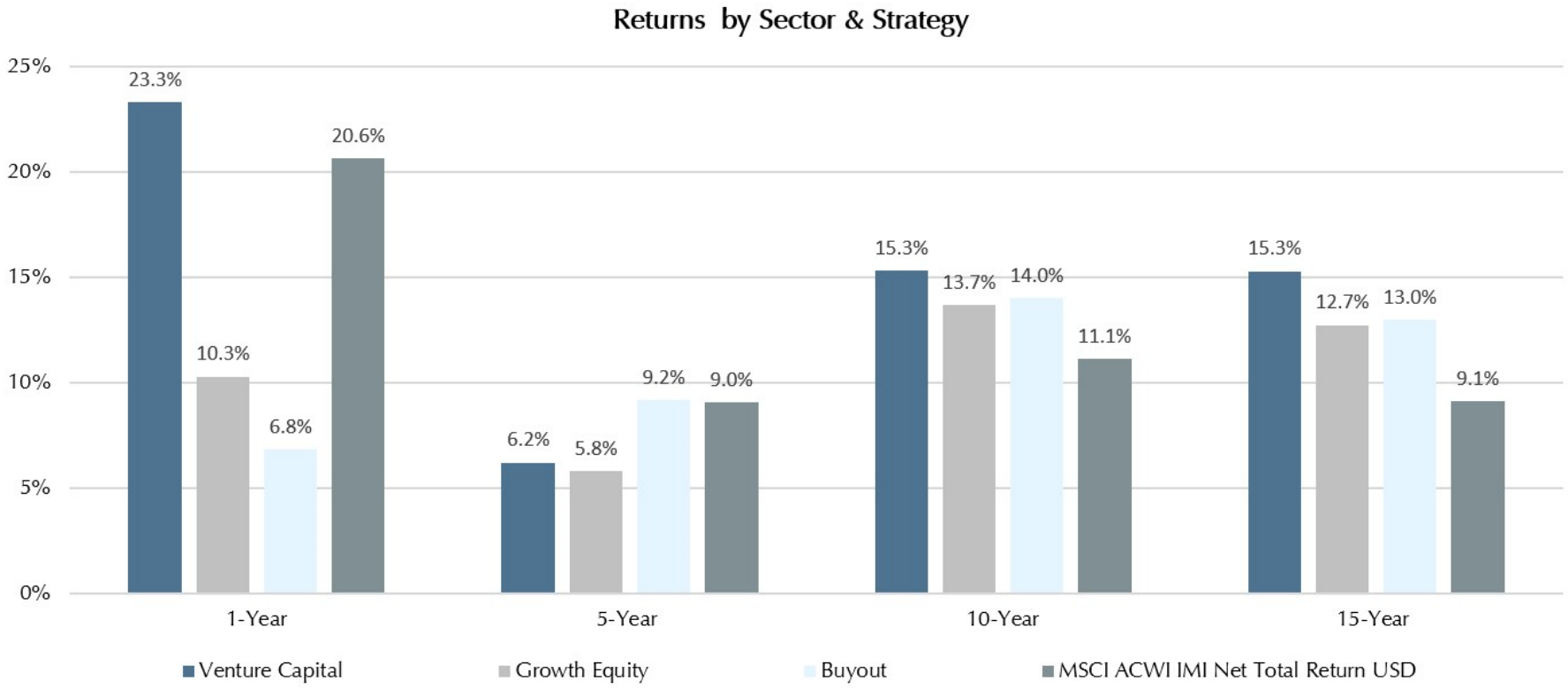




- The roughly seven-year capital cycle, longer than the typical five-year holding period in private equity, is one of the main forces behind slower fundraising, aging dry powder, and near-term return compression relative to public markets.
- There are early signs of improvement, with GPs broadly expecting exit momentum to build through the back half of 2026, but that improvement needs to spread well beyond a handful of head deals before LPs should expect a shorter capital cycle.
- Public listings' dominance of exit value is almost entirely the SpaceX effect: a single record-breaking listing, not a broad reopening of the IPO window. Strip that one deal out and the exit environment for the typical private company remains as constrained as the exit count numbers suggest.
- We view continuation vehicles as a release valve, not a fix: LP tolerance for repeated annual use is limited.

Source: Pitchbook & National Venture Capital Association, as of June 30, 2026. Data has not been reviewed by Pitchbook analysts. Values refer to US and Europe markets.
The above represents Aksia's market observations. Observations are subject to change.

Global Market Performance

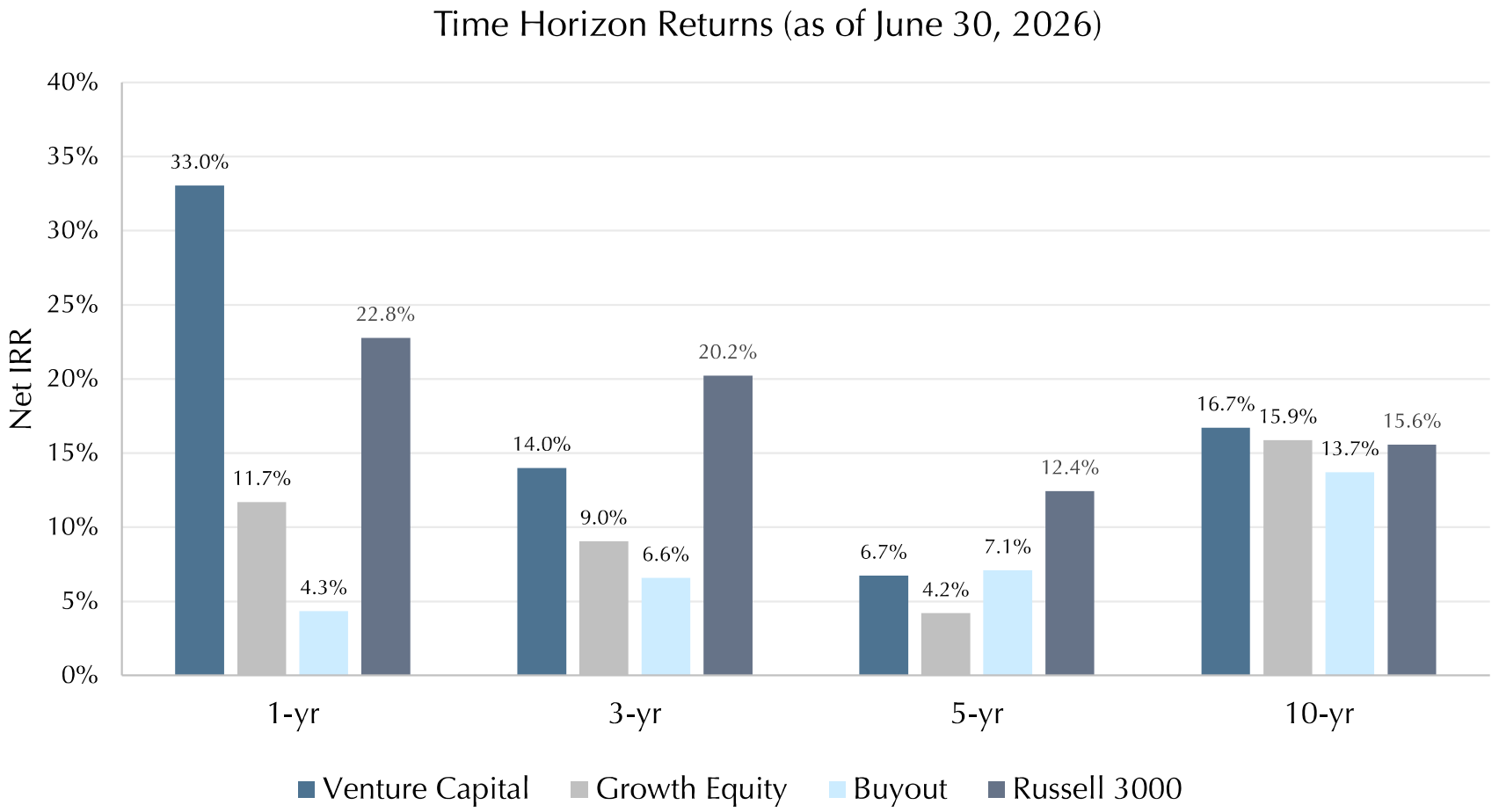


- The valuation challenges and extended hold periods have a direct impact on returns: when companies acquired at peak multiples are held longer and distributions are delayed, returns compress, resulting in PE's near-term return convergence with public equities.
- While near-term return parity with public equity deserves acknowledgment, the comparison is distorted by the Magnificent 7's outsized contribution to the public equity rally. Over 10- and 15-year horizons PE has outperformed the MSCI ACWI IMI by approximately 250-600 basis points, a premium underpinned by illiquidity and small-cap premia that are difficult for public markets to replicate.
- In our view, this is not a moment to reduce PE allocations based on near-term return noise. LPs have an opportunity to upgrade portfolio quality by rotating toward managers with genuine operational value-creation platforms, overweighting small and mid-market strategies where alpha generation is more compelling, and actively using the secondary market to prune peak-vintage exposure.

Source: Cambridge Associates via Refinitiv, as of March 31, 2026. Data has not been reviewed by Cambridge Associates analysts. The above represents Aksia's market observations. Observations are subject to change.

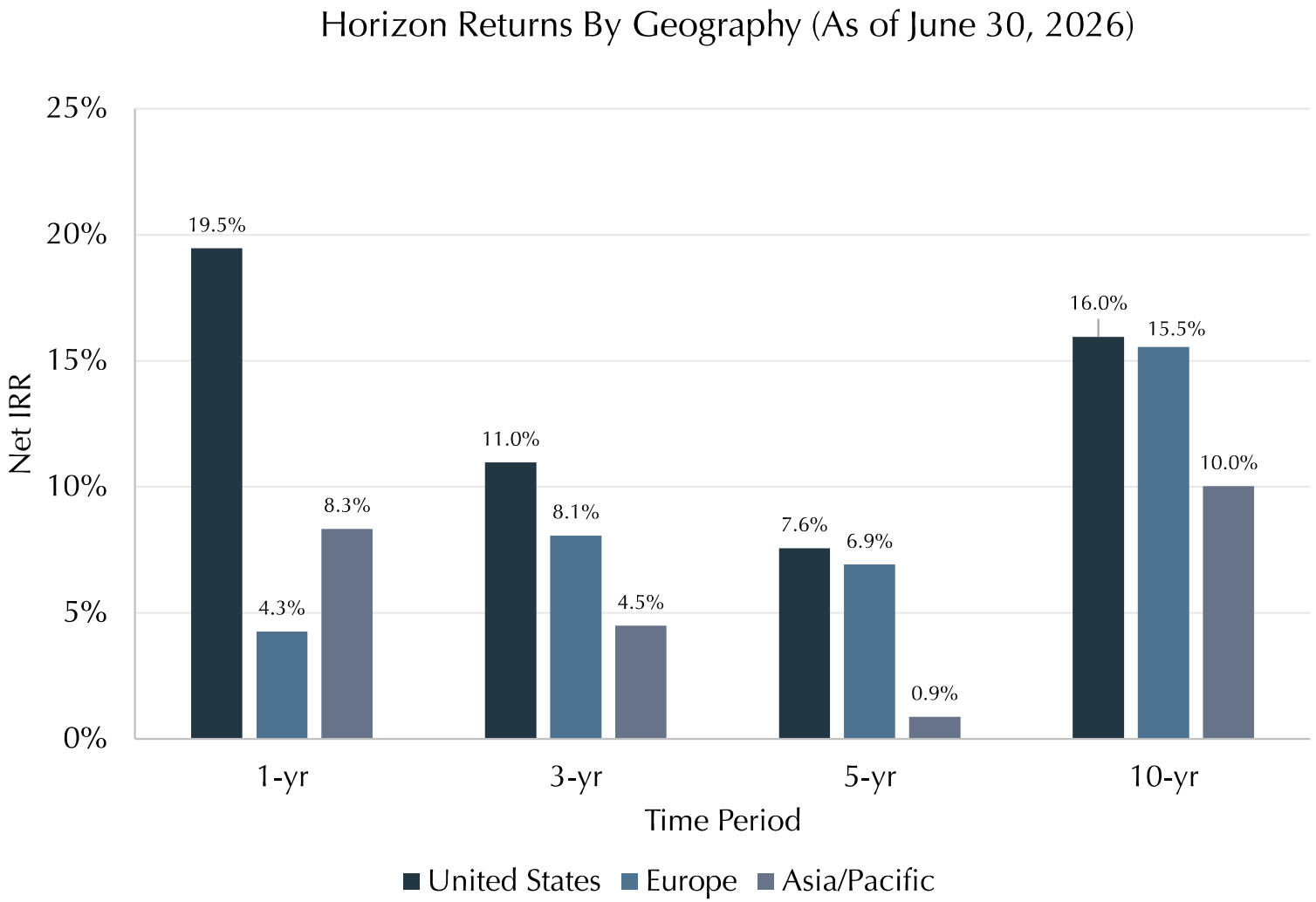
Private Equity Industry Returns Relative to U.S. Public Markets

- Venture capital has outperformed growth equity and buyout in all periods excluding 5-year.
- All private equity strategies underperformed vs. the Russell 3000 over 3-year and 5 –year periods; venture capital overperformed in 1-year and 10-year periods.

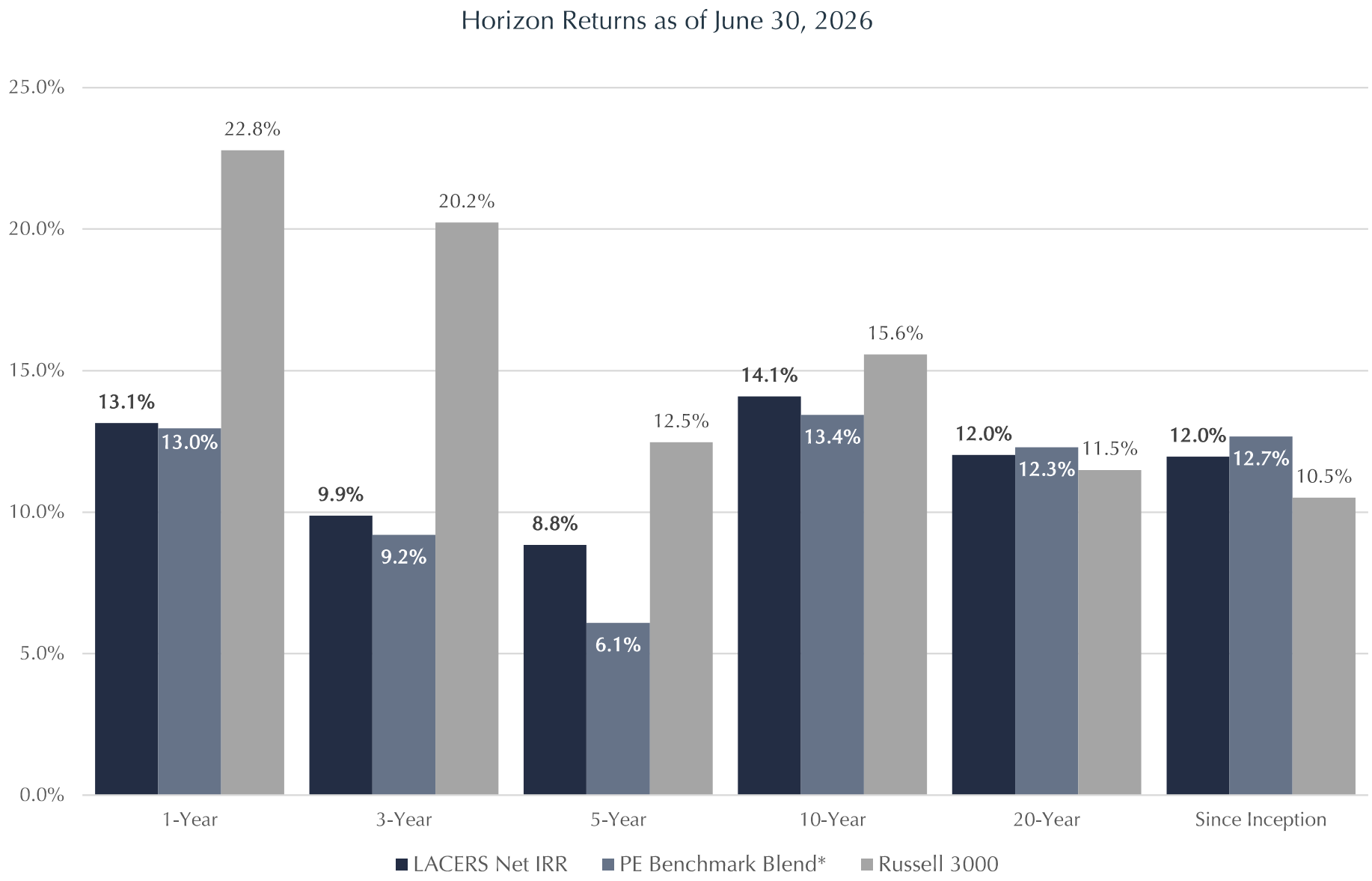


Source: Cambridge Associates data as of June 2026.

- As of June 30, 2026, U.S. private equity outperformed Europe and Asia/Pacific private equity over all periods.
- International exposure can improve diversity in LACERS' private equity portfolio without sacrificing risk adjusted returns over time.



Source: Cambridge Associates data as of June 2026.



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

2026 Strategic Plan - Refresher

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

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

Commitment Statistics

- **2026 Summary Statistics**

- $419 million in total commitments through September 30, 2026
- Annual target is $550 million - $650 million per 2026 Strategic Plan

- Geographic Breakdown of ITD Commitments
  - 74.2% to North American-focused funds
  - 13.1% to European-focused funds
  - 10.0% to Globally-focused funds
  - 2.7% to Asia Pacific-focused funds

Data as of June 2026

- Sector Breakdown of ITD Commitments
  - 57.4% to Buyout funds
  - 25.9% to Venture and Growth Equity funds
  - 16.8% to Credit/Distressed funds, Real Asset funds, Secondaries, and Fund of Funds

Data as of June 2026

Aggregate Portfolio Summary As Of June 30, 2026

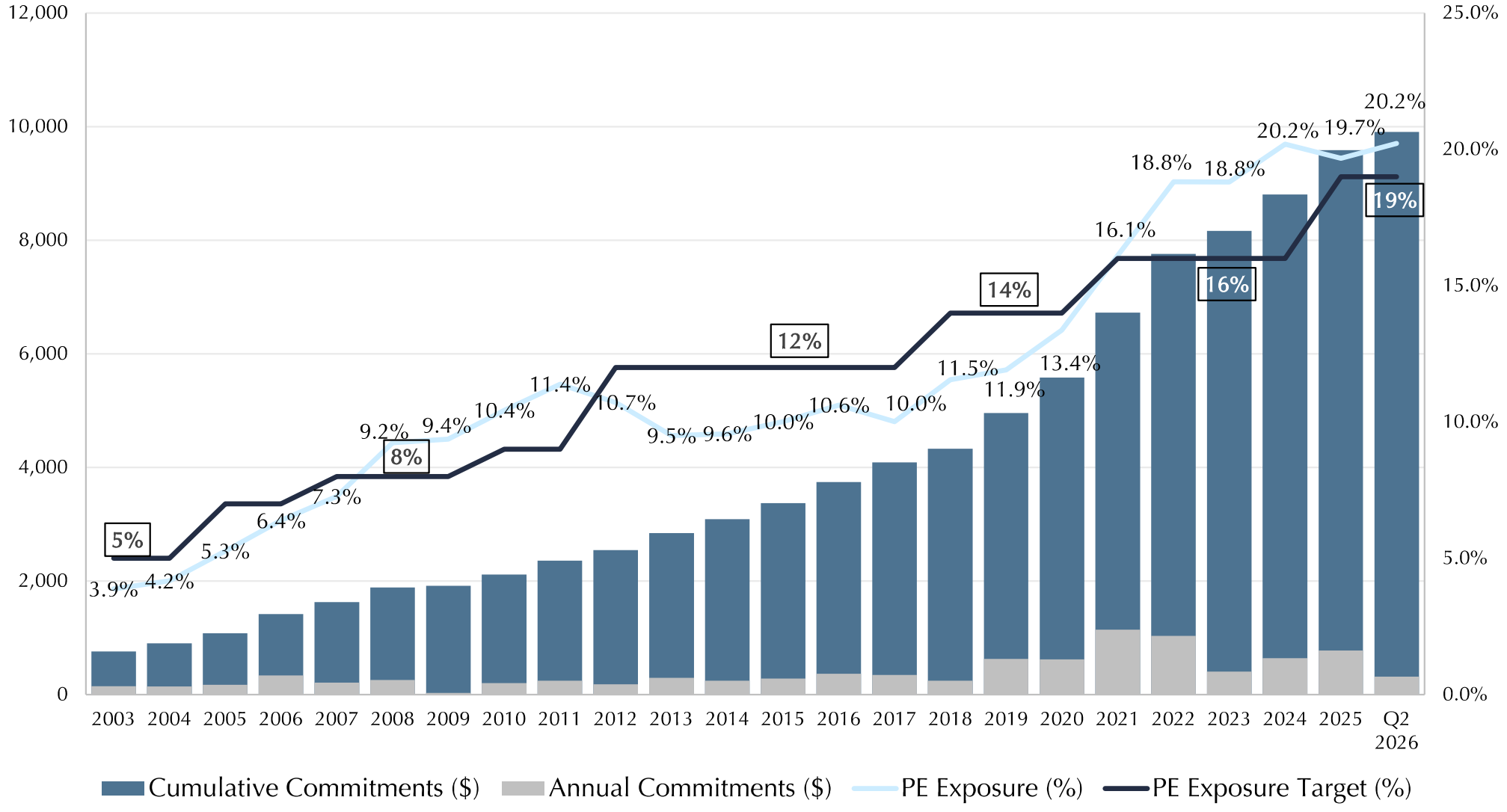
- As of June 30, 2026 the private equity portfolio's fair market value of $5.6 billion represented 20.0% of total plan assets, slightly above the interim 19.0% policy target for 2026.

Aggregate Portfolio Private Equity Exposure Summary	
Total Plan Assets	$28.1bn
Private Equity Fair Market Value ("FMV")	$5.6bn
Private Equity Exposure (%)	20.0%
Interim 2026 Private Equity Exposure Target* (%)	19.0%
Long-Term Private Equity Exposure Target (%)	16.0%
Long-Term Private Equity Exposure Target ($)	$4.5bn

- Public equity markets and total plan assets continued to rise in 2026, with plan assets increasing ~11.4% year-over-year. However, private markets continued to experience slower exits and capital distributions.
- Commitment plan of up to $650 million to $750 million proposed for 2027, with a target of $700 million.

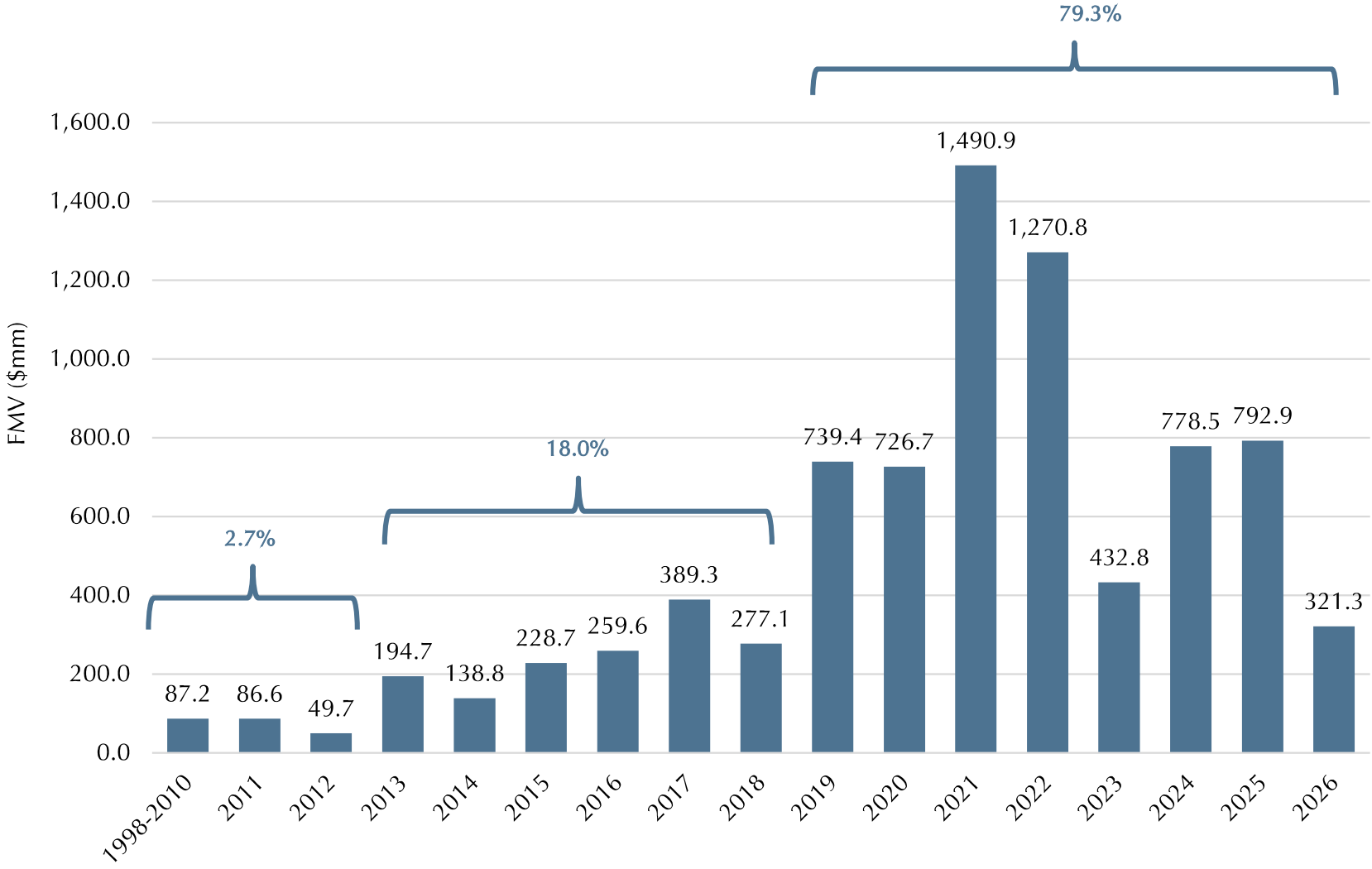
*The interim private equity exposure target reflects the interim asset allocation policy targets adopted June 2025: 19.0% effective 7/1/25; 19.0% effective 7/1/26; 18.0% effective 7/1/27; 17.0% effective 7/1/28; and 16.0% thereafter

- Since inception (1995), LACERS has committed approximately $9.9 billion to private equity
- The interim 2026 exposure target to private equity is 19.0% with a long-term target of 16.0%



LACERS Private Equity Program - Fair Market Value By Vintage Year

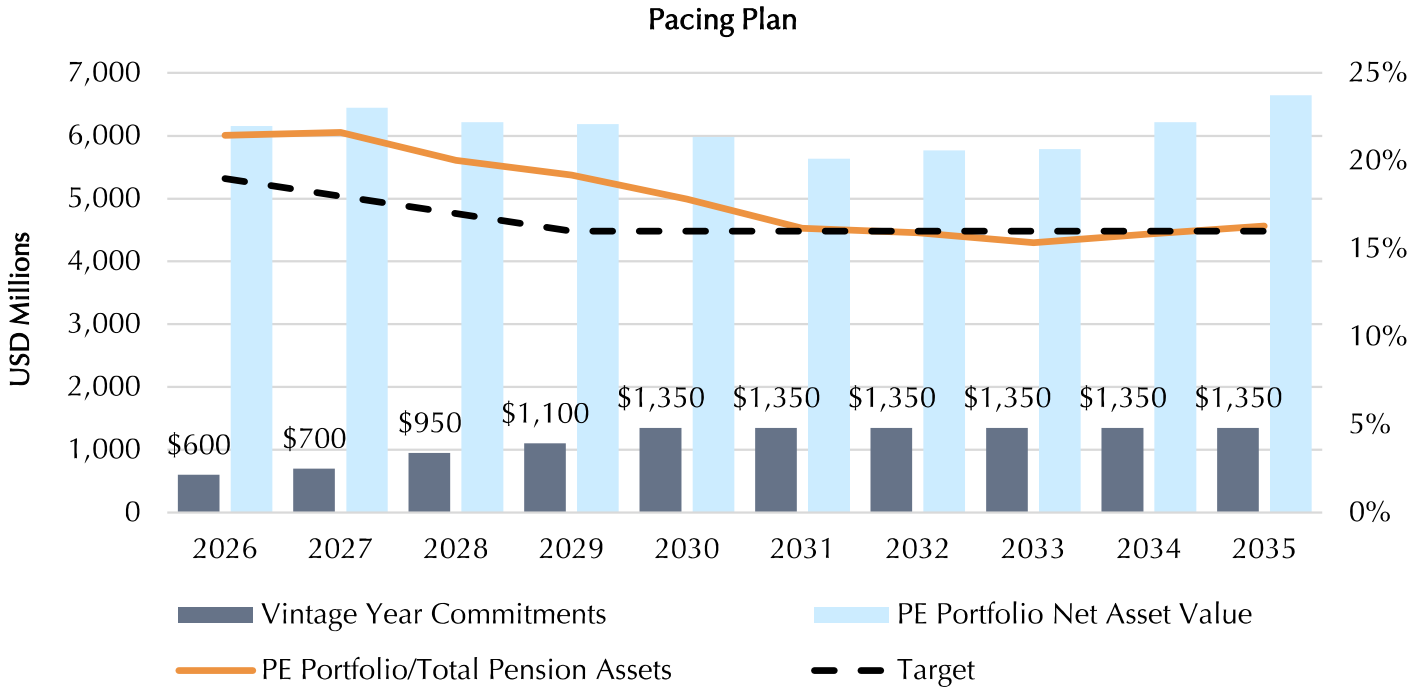
- Legacy exposure (1998 – 2012) accounts for ~2.7% of LACERS total private equity exposure
- The bulk of LACERS current private equity exposure (~79.3%) is from funds with vintage years from 2019 – 2026

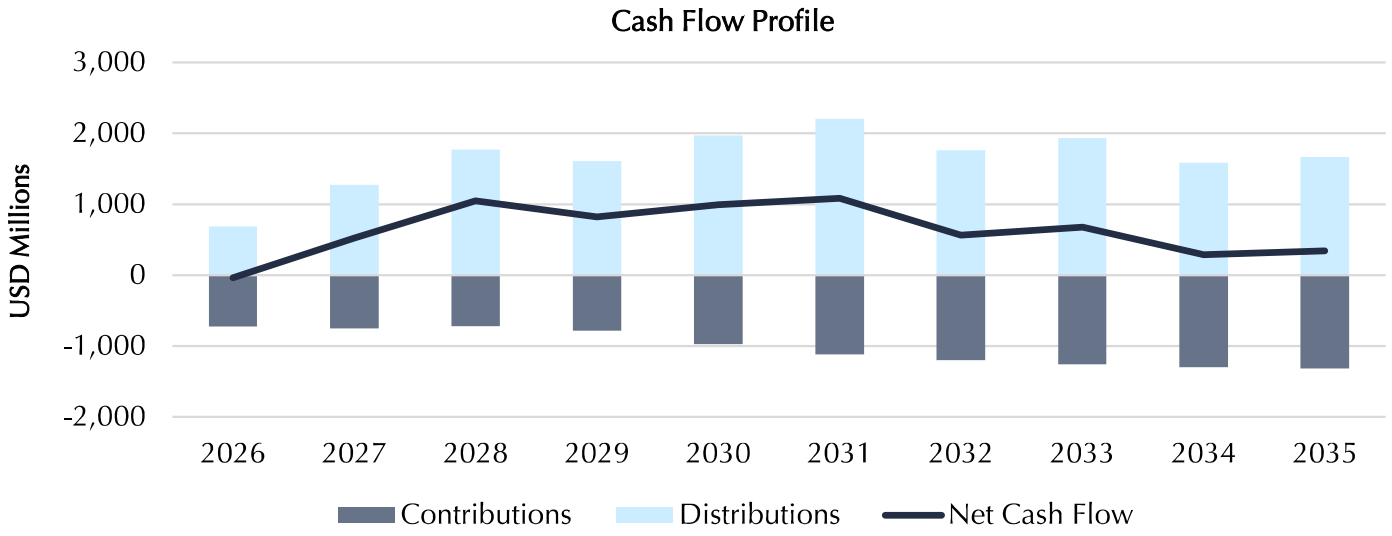


All percentages rounded.

Updated Pacing Model (Base - Slower Distributions Scenario) – As of June 30, 2026

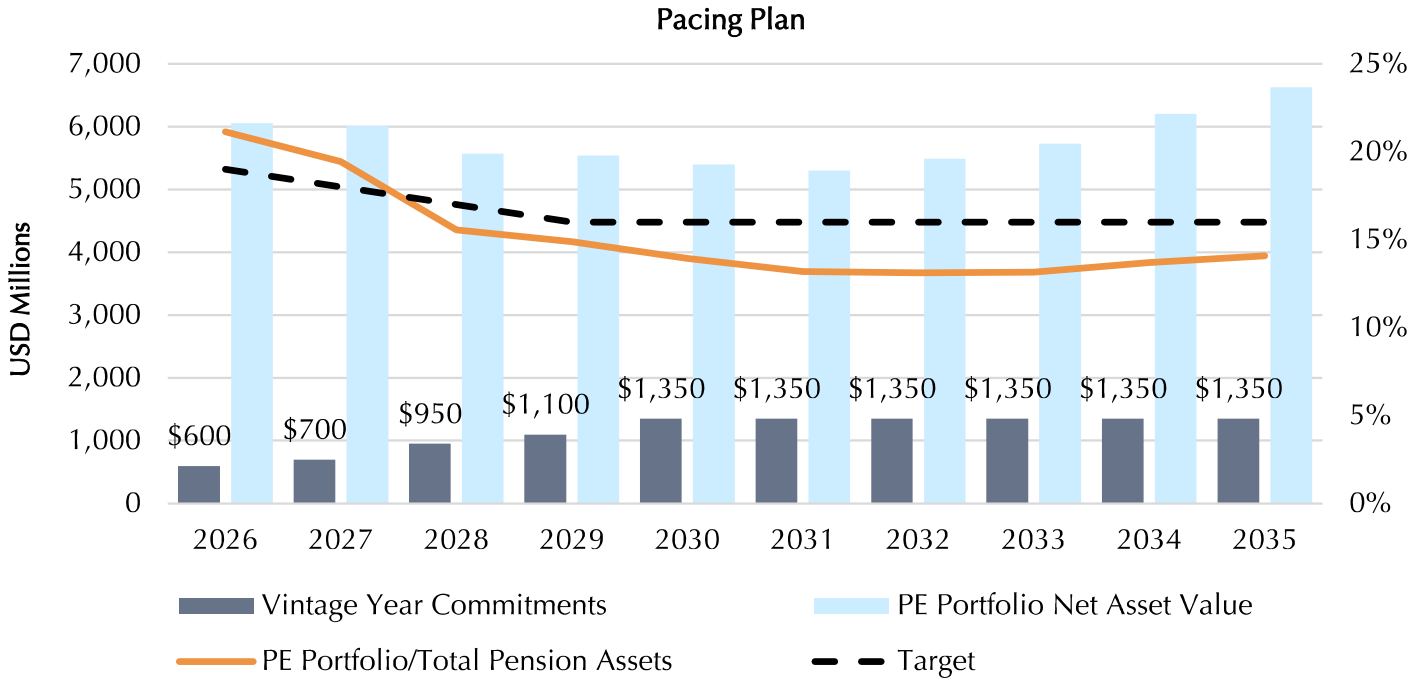
- Assumes 4% long-term pension growth
- Assumes decreased distributions activity in 2027 and 2028

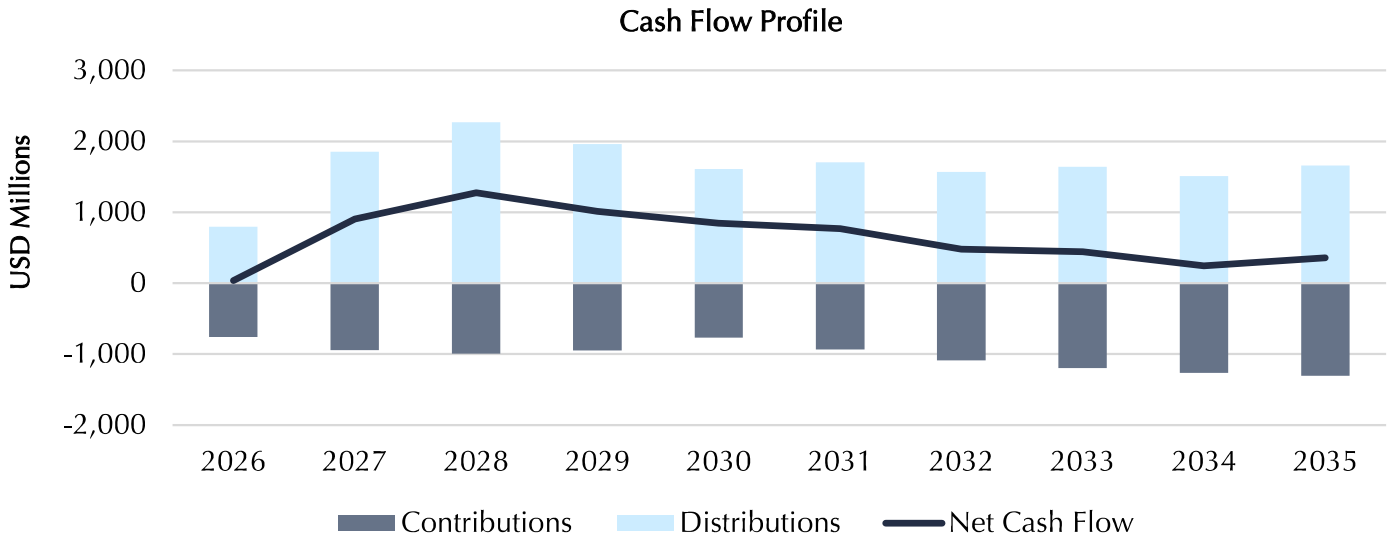




Updated Pacing Model (Upside Scenario) – As of June 30, 2026

- Assumes 4% long-term pension growth
- Maintaining vintage year diversification is a key component of a successful long-term program
- If distributions significantly increase in 2027 and 2028, the Plan will drop below target, reaching a low of ~13% allocation



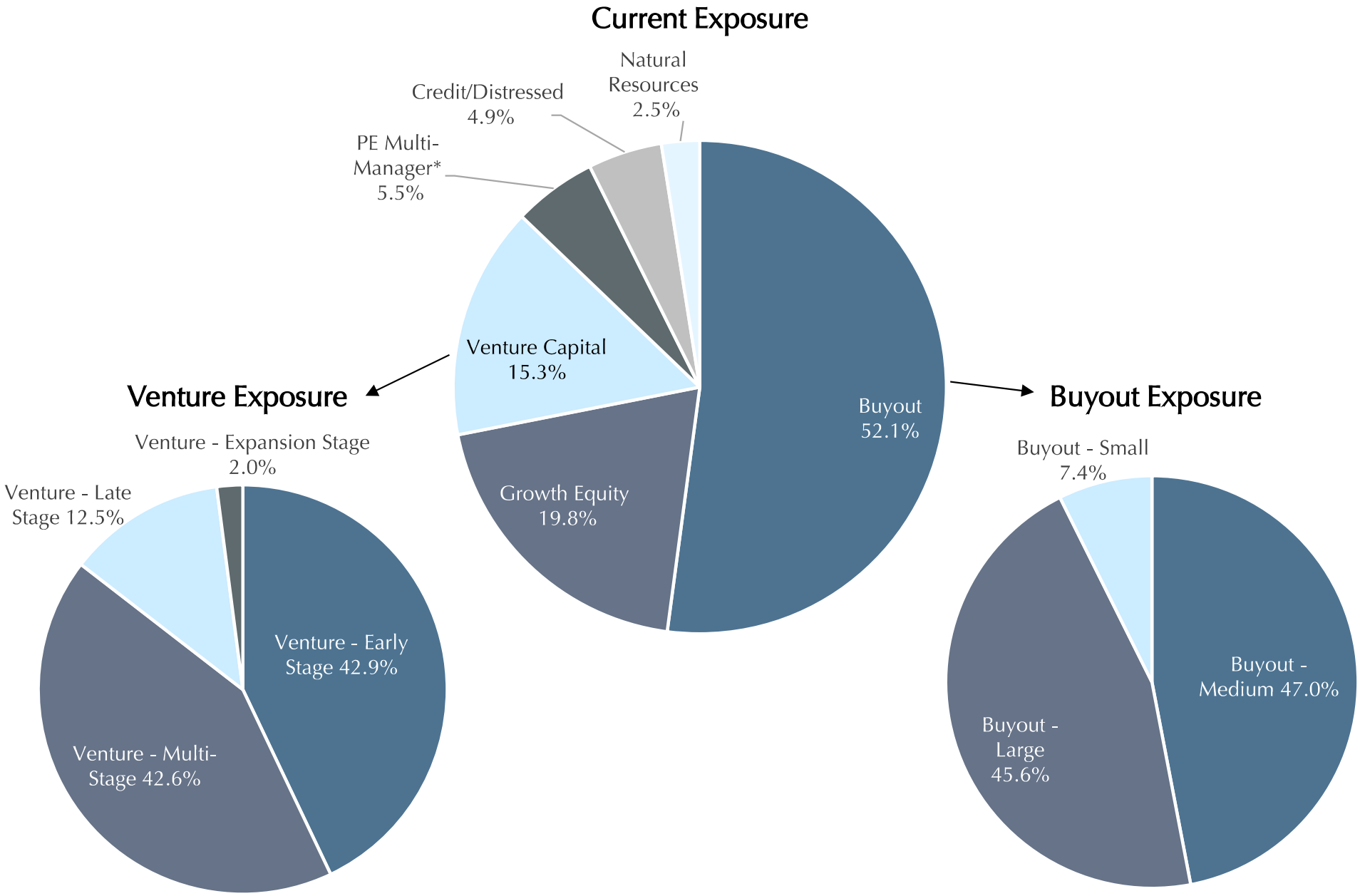


LACERS Private Equity Long-Term Targets

Private Equity Asset and Sub-Asset Classes	LACERS Exposure[1] (%)	Aksia's Suggested Long-Term Target
Buyouts	**52.1%**	**60% – 80%**
Large Buyouts	23.8%	
Medium Buyouts	24.5%	
Small Buyouts	3.8%	
Venture Capital / Growth Equity	**35.0%**	**20% – 40%**
Growth Equity	19.8%	
Venture Capital	15.3%	
Credit / Distressed	**4.9%**	**0% - 10%**
Natural Resources / PE Multi-Manager*	**8.0%**	**0% – 10%**
	100%	
Emerging Managers	***9.0%***	***0% – 10%***

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

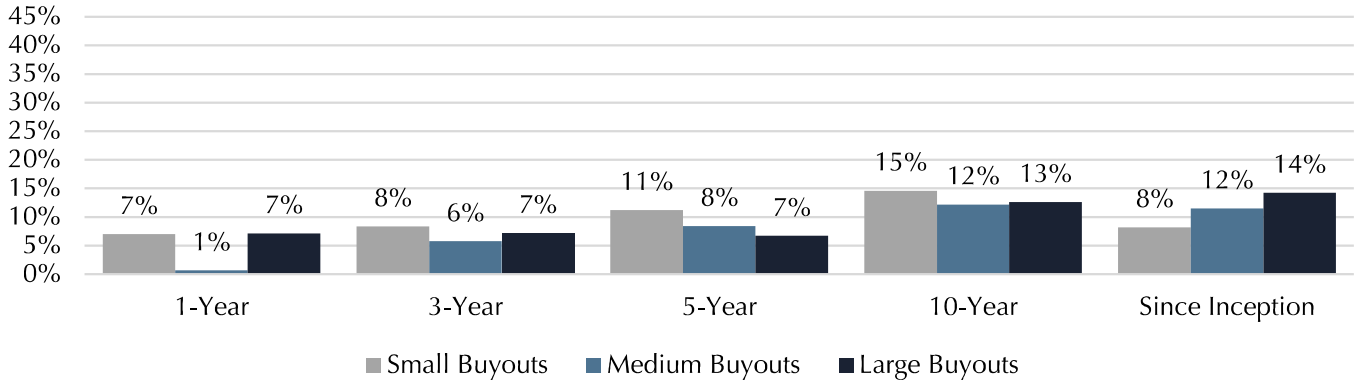
LACERS Exposure by Asset Class



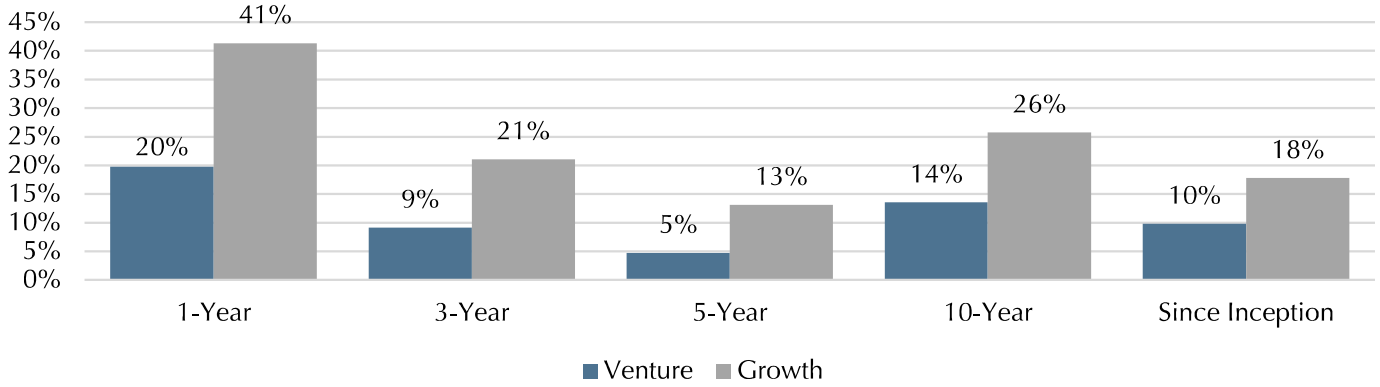
*The PE Multi-Manager category includes LACERS' investments in Co-Investment Funds, Secondary Funds and Fund of Funds.
Due to rounding, percentages may not total 100%.

LACERS Horizon Returns by Sub-Strategy

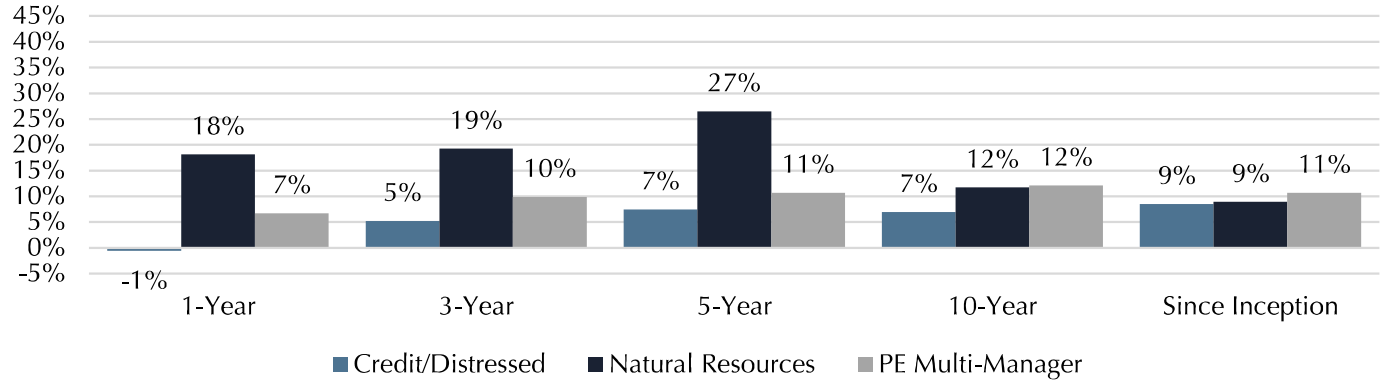
- LACERS' Medium Buyout funds underperformed Small and Large Buyout funds in the short term (1-Year, and 3-Year)



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



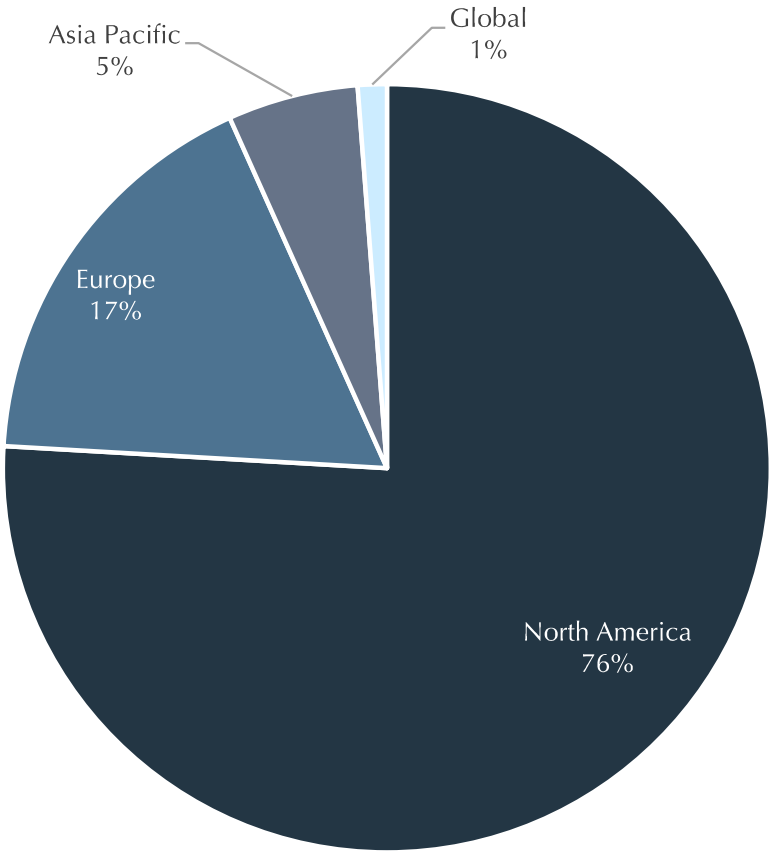
- LACERS' Natural Resources have delivered strong performance in the near term (1-Year, 3-Year and 5-Year)



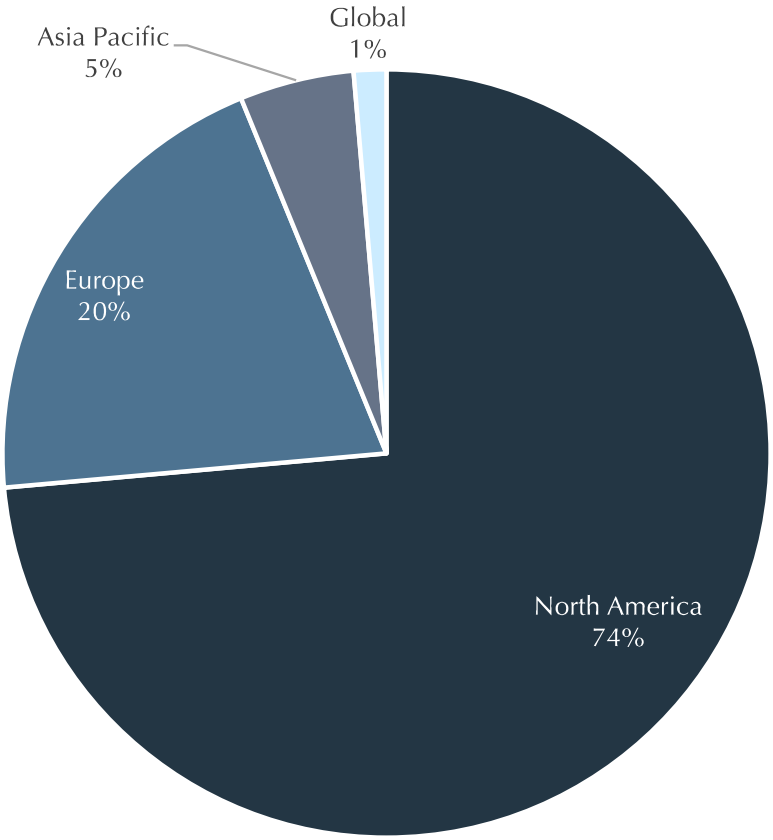
*The PE Multi-Manager category includes LACERS' investments in Co-Investment Funds, Secondary Funds and Fund of Funds.
Reporting Period: As of June 2026

LACERS Commitments and Exposure by Geography

Fund Commitments – By Geography



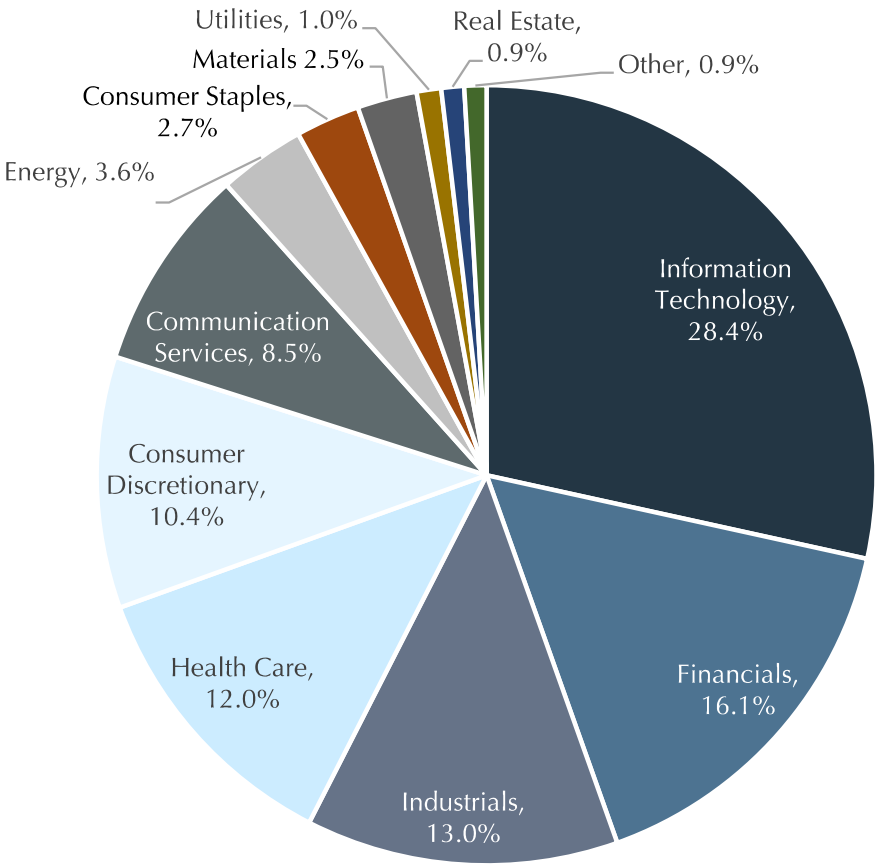
Current Exposure – By Geography



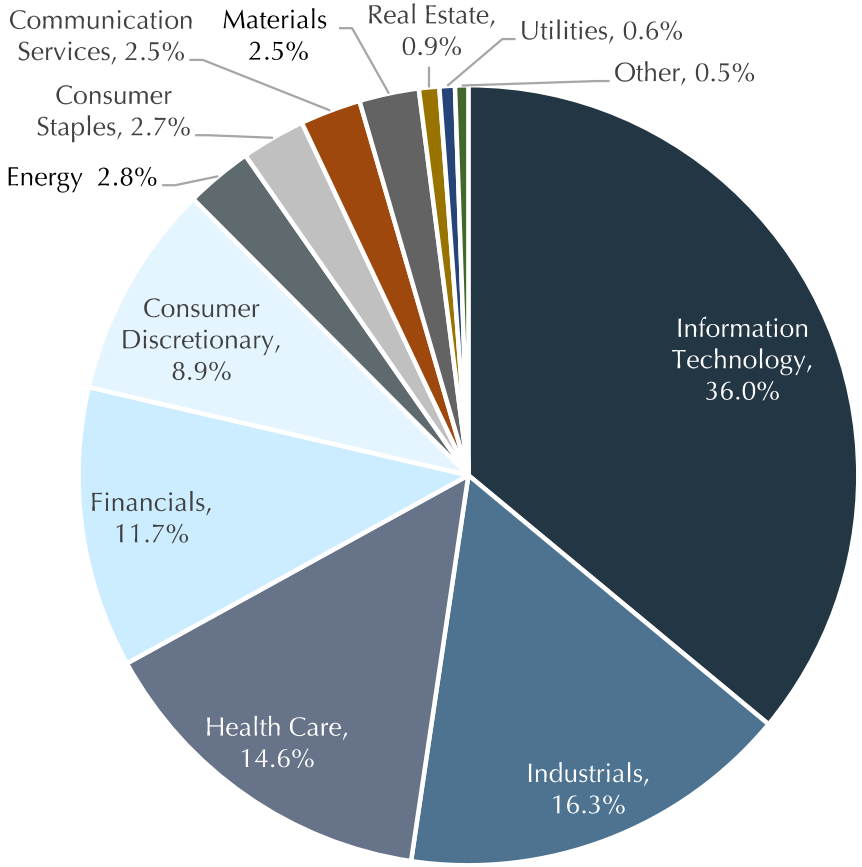
Due to rounding, percentages may not total 100%.
Portfolio company level data as of June 2026.

LACERS Commitments and Exposure by Sector

Fund Commitments – By Sector



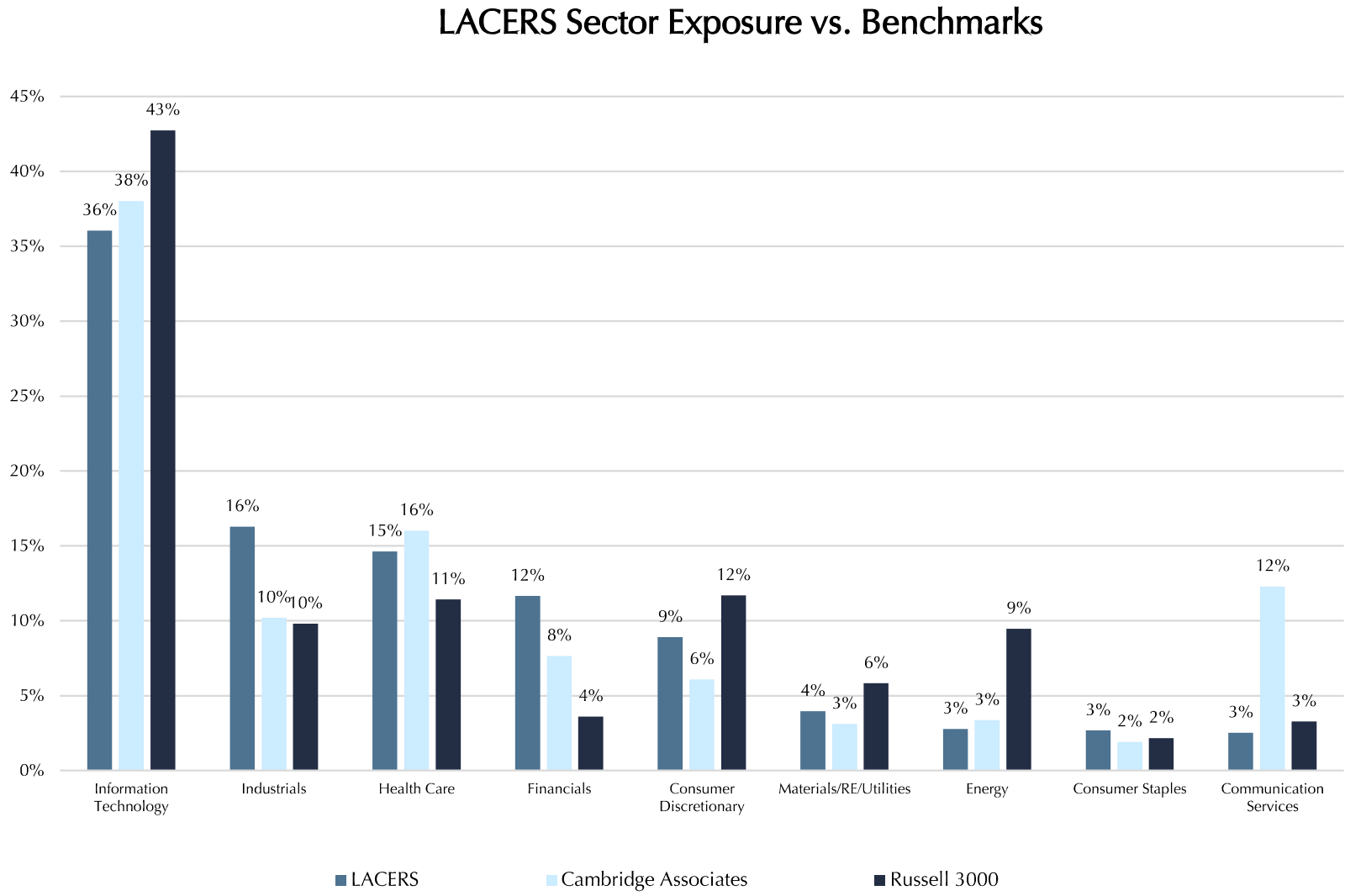
Current Exposure – By Sector



Due to rounding, percentages may not total 100%.
Portfolio company level data as of June 2026.

LACERS Exposure by Sector vs. Benchmarks

- LACERS is slightly underweight to Information Technology relative to the LACERS private benchmark and even further underweight relative to the public benchmark
- LACERS remains diversified across sectors with strong relative allocations to the private and public benchmarks in Industrials, Healthcare, and Financials
- LACERS is relatively in line with the private benchmark in Energy, Consumer Staples, and Materials/RE/Utilities



Due to rounding, percentages may not total 100%.
Source: Cambridge / Aksia research.

Long-Term SWOT Analysis – Strengths & Weaknesses

Strengths

- GP Relationships: Given its reputation as a long-term sophisticated investor, LACERS currently fosters relationships with several high-quality GPs both established and emerging in key sectors with longer term secular growth; in many recent instances LACERS has been one of a small group of pension plans able to gain allocation to hard to access lower mid-market and emerging GPs
- Disciplined Investment Process: LACERS investment process allows for disciplined decision making and consistent deployment regardless of market dislocations
- Flexible Mandate: LACERS has the capacity to strategically invest across a variety of sub-sectors within private equity. This includes value-oriented buyout strategies (e.g. industrials) and emerging technologies/categories (e.g. AI, healthcare) - represented in venture, growth, and buyout allocations
- Liquidity: LACERS has considerable plan liquidity to sustain the current pace of private equity commitments
- Co-Investment Program: LACERS maintains a co-investment program that utilizes active management sourced from current GPs as well outside GPs. Co-investments help reduce the overall PE fee structure by removing a layer of fees in most cases with no fee/no carry

Weaknesses

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

Long-Term SWOT Analysis – Opportunities & Threats

Opportunities

- Portfolio Consolidation: While LACERS has existing relationships with high-quality GP's, there is an opportunity to further upgrade the portfolio with high conviction and traditionally hard to access GPs given slow/stalled fundraises and LACERS increased portfolio size
- Co-Investments: LACERS' implementation of a co-investment program enhances exposure to core GPs and mitigates cost. Many of LACERS' GPs provide co-investment opportunities as the opportunity set and level of capital required for some growing technologies makes co-investment more needed
- Secondary Transactions: A robust secondary market offers LACERS a strategic opportunity to proactively sell or restructure legacy fund interests, freeing up capital for redeployment into newer, higher-conviction strategies
- Emerging Managers: Today's emerging manager may be tomorrow's top tier GP. As result, LACERS has and will continue to support emerging managers where applicable from a strategy and overall portfolio construction perspective
- Market Volatility: Maintaining steady private equity commitment pacing during times of market volatility has historically led to some of the strongest vintage year performance for private equity portfolios. This is especially true in the current hyper growth in technology and aspects of healthcare

Threats

- Market Volatility: Extreme market increases and decreases have affected consistent annual commitments needed to meet longer-term target allocations; annual pacing revisits is crucial
- Geopolitical Landscape: Changes in regulation, compliance requirements, tariffs, and resource constrains due to regional disputes will continue to put pressure on particular companies and sectors
- Disclosures / Regulations: While the asset management community has become increasingly more comfortable with certain private market transparency requirements, it remains a sensitive issue for many top tier venture capital firms
- Political Concern on US IP in certain markets: Given domestic concern on the use of US intellectual property, cyber security threats, and a growing technology race with China in AI and other technologies, certain GPs and portfolio companies will undoubtedly be caught in the crossfire
- Tariffs: While some of the Trump administration's rhetoric has subsided, trade tariffs discussions and brief country dust-ups remain which continues to bring uncertainty to input costs for many private equity companies and intern company margins
- Expansion of Private Markets to Retail Investors: Government policies are just the beginning of an overall push for retail investors to gain access to private markets. This influx could increase dispersion of performance and increase market volatility given a less sophisticated investor base that doesn't have the necessary portfolio oversight experience; this will be a multi-year threat

2027 Long-Term Strategic Plan Recommendations

- **Pacing**
  - While LACERS has pared back pacing the last few years, given significant gains in the overall portfolio (mainly in public markets), there needs to be a measured increase in pacing to maintain a relatively consistent longer-term pacing despite market volatility
  - Commitment plan of up to $650 million to $750 million proposed for 2027, with a target of $700 million
  - Commitments to 8-12 firms with a target size of $40-$75 million per commitment, excluding co-investment program
  - 2-4 investments to emerging managers representing a goal of at least 10% of total annual commitments

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

2027 Short-Term Tactical Recommendations

- **Lean Into the Strengths & Opportunities**
  - Existing GP Relationships: maintain exposure to existing, high conviction managers that are back in market in 2027 where possible; this includes re-evaluation of the strategic and performance value of these relationships to the overall portfolio
  - Brand / Reputation: Leverage LACERS reputation to selectively initiate a handful of new relationships of scale with high-quality GPs. LACERS is not looking to add just any GP – the LACERS portfolio is mature and looking to add GPs leading the next period of growth
  - Flexible Mandate: Leverage LACERS ability to invest across sub-asset classes that take advantage of the full spectrum of PE activities
    - Given significant tailwinds in AI, Healthcare, and manufacturing development, LACERS needs to be ready to invest in GPs at the forefront of these tailwinds
    - Continue to explore and eventually execute needed secondary transaction for long-tail legacy assets and less core strategies/GPs
    - Continue to review and potentially invest with value-oriented, turnaround, and distressed investment managers with a global perspective
  - Emerging Managers: Continue targeting high-quality first-time managers / spin-outs / diverse managers; leverage preferred economics if available; this will be less applicable given the portfolio overweight versus target
  - Aggregation Benefits: For managers where overlap exists or could exist between the PE portfolio and PC portfolio, consider ways in which LACERS' scale could be leveraged for broader negotiating benefits where applicable
- **Minimize Weaknesses / Counter Threats**
  - Over-Diversification: Continue to trim relationships and consolidate capital with managers in whom there is greater conviction
  - Legacy Performance: Explore any viable secondary portfolio sales to stream fund relationships, improve portfolio liquidity, and recycle capital into higher conviction strategies