

LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM

**Investment Committee Agenda
REGULAR MEETING
TUESDAY, OCTOBER 13, 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

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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.

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

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REQUEST FOR SERVICES

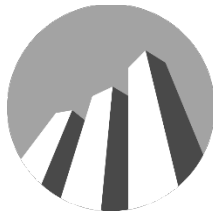
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- I. PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA
- II. APPROVAL OF MINUTES FOR THE MEETING ON SEPTEMBER 8, 2026 AND POSSIBLE COMMITTEE ACTION
- III. CHIEF INVESTMENT OFFICER VERBAL REPORT
- IV. INVESTMENT MANAGER CONTRACT WITH CENTERSQUARE INVESTMENT MANAGEMENT LLC REGARDING THE MANAGEMENT OF AN ACTIVE U.S. REITS PORTFOLIO AND POSSIBLE COMMITTEE ACTION
- V. INVESTMENT MANAGER CONTRACT WITH LOOMIS, SAYLES & COMPANY, L.P. REGARDING THE MANAGEMENT OF AN ACTIVE CORE FIXED INCOME PORTFOLIO AND POSSIBLE COMMITTEE ACTION
- VI. BROKERAGE ACTIVITY REPORT FOR THE PERIOD JULY 1, 2025 TO JUNE 30, 2026
- 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**
- VIII. 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



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM

**Board of Administration Agenda
SPECIAL MEETING
TUESDAY, OCTOBER 13, 2026
10:30 A.M., OR IMMEDIATELY FOLLOWING
THE BOARD MEETING
LACERS BOARDROOM
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: October 13, 2026
Item No.: II
MINUTES OF THE REGULAR MEETING
INVESTMENT COMMITTEE
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
September 8, 2026
11:57 A.M.

Present:

Thuy Huynh, Chair

Gaylord "Rusty" Roten, Committee Member

Absent:

Susan Liem, 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 AUGUST 11, 2026 AND POSSIBLE COMMITTEE ACTION – Committee Member Roten moved approval, and adopted by the following vote: Ayes, Committee Members Roten, and Chair Huynh -2; Nays, None.

III

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

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

FUTURE AGENDA ITEMS:

- a. Infrastructure RFP semi-finalist interviews
- b. Public contract renewals
- c. Brokerage Activity Report

IV

SEMI-FINALISTS OF THE ACTIVELY AND PASSIVELY MANAGED GLOBAL LISTED INFRASTRUCTURE PORTFOLIO MANAGEMENT SEARCH AND POSSIBLE COMMITTEE ACTION – Wendy Norman, Investment Officer I, DeAnna Jones, Senior Consultant, and Matthew Ritter, Partner, with NEPC, LLC, presented and discussed this item with the Committee for 42 minutes. Committee Member Roten moved approval, and adopted by the following vote: Ayes, Committee Members Roten, and Chair Huynh -2; Nays, None.

V

PROXY VOTING 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 three minutes. This report was received by the Board and filed.

VI

OTHER BUSINESS – There was no other business.

VII

NEXT MEETING: The next Regular meeting of the Investment Committee is scheduled for Tuesday, October 13, 2026, at 10:30 A.M., or immediately following the Board Meeting in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, CA 90012-1728.

VIII

ADJOURNMENT – There being no further business before the Committee, Chair Huynh adjourned the meeting at 12:46 P.M.

Thuy Huynh, Chair

Todd Bouey, Manager-Secretary



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
<i>% of Excess Return</i>	<i>0.37</i>	<i>1.31</i>	<i>1.45</i>	<i>1.20</i>	<i>1.76</i>	<i>1.34</i>

¹Inception 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)
5 th Percentile	13.3	18.8	22.6	13.6	6.7	8.0	8.7
1 st 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
3 rd Quartile	9.9	13.0	12.8	9.5	3.7	5.4	6.3
95 th Percentile	8.6	11.5	10.0	7.3	1.6	3.8	4.5
Population	57	57	57	55	52	44	43



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LA CITY EMPLOYEES'
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REPORT TO INVESTMENT COMMITTEE

MEETING: OCTOBER 13, 2026

FROM: TODD BOUEY, GENERAL MANAGER

ITEM: V

**SUBJECT: INVESTMENT MANAGER CONTRACT WITH LOOMIS,
SAYLES & COMPANY, L.P. 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 Loomis, Sayles & Company, L.P. for management of an active core fixed income portfolio.

Executive Summary

Loomis, Sayles & Company, L.P. (Loomis) has managed a fixed income portfolio for LACERS since July 1980. LACERS' portfolio was valued at approximately \$695 million as of August 31, 2026. Loomis' current contract expires on May 31, 2027. Loomis 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 Loomis.

Discussion

Background

Loomis manages an active core fixed income portfolio for LACERS benchmarked against the Bloomberg U.S. Aggregate Bond Index. The investment approach seeks to add value through sector rotation and security selection based on macroeconomic analysis and fundamental research. Portfolio Managers John Hyll (43 years industry experience, 39 with Loomis) and Neil Burke (35 years industry experience, 29 with Loomis) lead the portfolio management team and are supported by the firm's comprehensive research and trading platforms. LACERS' portfolio was valued at \$695 million as of August 31, 2026.

Loomis has managed a fixed income mandate for LACERS since July 1980 and has undergone several mandate changes since the time of hire. The Board rehired Loomis under 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 March 26, 2024. The current contract expires on May 31, 2027.

Loomis also currently manages an active high yield fixed income portfolio for LACERS benchmarked against the Bloomberg U.S. Corporate High Yield 2% Issuer Capped Index. As of August 31, 2026, this high yield fixed income portfolio was valued at \$427 million.

Organization

Loomis is headquartered in Boston and has over 800 employees; approximately half are investment personnel. Loomis is a wholly-owned subsidiary of Natixis S.A. (Natixis), a publicly traded France-based firm offering corporate and investment banking, asset and wealth management, financial investments, payments, and insurance services. Natixis, in turn, is a wholly-owned subsidiary of Groupe BPCE, France's second-largest banking group. As of June 30, 2026, Loomis managed over \$434 billion in total assets with about \$30 billion in core fixed income strategies.

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 Loomis' headquarters in March 2026. During the onsite meeting, staff heard several presentations and engaged in discussions with key personnel across the organization. Staff concluded that Loomis' investment philosophy, strategy, and process have not changed materially over the contract period. This finding supports staff's assessment that Loomis remains capable of consistency in managing LACERS assets and that the firm can meet its stated investment objectives.

In September 2026, Loomis announced that John Hyll will step down from portfolio management in February 2027 and remain in an advisory role through June 2027 upon his retirement. The Investment Grade Corporate & Credit Team and the Long Duration Fixed Income Team will be combined into a single, integrated investment team within the Relative Return platform called the Investment Grade Credit Team. Neil Burke, Devon McKenna (20 years industry experience, 20 with Loomis), and Rick Raczkowski (37 years industry experience, 25 with Loomis) will constitute the portfolio management team across the combined team's portfolios. The transition is positioned as a succession and platform-strengthening event, not a change in process or philosophy. The benchmark, objectives, guidelines, and investment approach are expected to remain intact. LACERS and NEPC will closely monitor and evaluate strategy and portfolio results over time to determine the impact of this transition.

Performance

As presented in the following table, as of August 31, 2026, Loomis has underperformed its benchmark over the 3-month, 1-year, and 3-year time periods. Over longer periods of time, Loomis is outperforming its benchmark, with positive net excess returns over the 5-year, 10-year, 20-year, and since inception time periods.

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

Time Period	3-Month	1-Year	3-Year	5-Year	10-Year	20-Year	Since Inception ^{1,2}
Loomis	-0.90	1.59	3.87	-0.26	1.93	3.91	7.89
Bloomberg U.S. Aggregate Bond Index ³	-0.68	1.89	4.08	-0.29	1.40	3.19	6.57
% of Excess Return	-0.22	-0.30	-0.21	0.03	0.53	0.72	1.32

¹ Inception date: 7/1/1980

² Indicates gross returns

³ The benchmark has changed several times since inception due to mandate changes: 7/1/1980 – 8/31/1993: Lehman Brothers Government Credit Bond Index; 8/31/1993 – 6/30/2000: Lehman Brothers Long Term Government Credit Bond Index; 6/30/2000 – 6/30/2013: Barclays U.S. Universal Bond Index; 6/30/2013 – Present: Bloomberg U.S. Aggregate Bond Index.

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

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
Loomis	-0.49	7.03	1.26	5.75	-12.97	-0.83	10.36	9.56	-0.04
Bloomberg U.S. Aggregate Bond Index ³	-0.31	7.30	1.25	5.53	-13.01	-1.54	7.51	8.72	0.01
% of Excess Return	-0.18	-0.27	0.01	0.22	0.04	0.71	2.85	0.84	-0.05

³ The benchmark has changed several times since inception due to mandate changes: 7/1/1980 – 8/31/1993: Lehman Brothers Government Credit Bond Index; 8/31/1993 – 6/30/2000: Lehman Brothers Long Term Government Credit Bond Index; 6/30/2000 – 6/30/2013: Barclays U.S. Universal Bond Index; 6/30/2013 – Present: Bloomberg U.S. Aggregate Bond Index.

Loomis is in compliance with the LACERS Manager Monitoring Policy.

Fees

LACERS pays Loomis an effective fee of 13 basis points (0.13%), which is approximately \$897,000 annually based on the value of LACERS' assets as of August

31, 2026. This fee ranks in the 16th percentile of fees charged by similar managers in the eVestment database (i.e., 84% of like-managers have higher 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: OCTOBER 13, 2026

ITEM: V

ATTACHMENT: 1



To: Los Angeles City Employees' Retirement System Investment Committee

From: NEPC, LLC

Date: October 13, 2026

Subject: Loomis, Sayles & Company, L.P. – Contract Renewal

Recommendation

NEPC recommends Los Angeles City Employees' Retirement System (LACERS) renew the contract for core fixed income services that is currently in place with Loomis, Sayles & Company, L.P. ('Loomis' or 'Loomis Sayles') for a period of three years from the date of contract expiry.

Background

Loomis was hired into the fixed income asset class on July 1, 1980 to provide the Plan with U.S. investment grade public markets fixed income exposure. Since 1980 the mandate has changed multiple times, including a combination of government and corporate bonds and stand-alone government and corporate mandates. The portfolio is currently managed as a Core Fixed Income strategy for LACERS.

As of August 31, 2026, Loomis managed \$695.5 million, or 2.4% of Plan assets. The portfolio is benchmarked against the Bloomberg U.S. Aggregate 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 Loomis portfolio is currently compliant with LACERS' manager monitoring policy.

Loomis traces its origins back to January 1926, when Robert H. Loomis and Ralph T. Sayles formed a partnership and established Loomis Sayles as an investment management company in Boston, Massachusetts. Since 2008, the firm is wholly owned by Natixis Investment Managers, a subsidiary of a firm formed by two shareholders Caisse Nationale des Caisses d'Epargne ("CNCE") and Banque Federale des Banques Populaires ("BFBP") who together form an entity named Groupe BPCE; a large banking group based in France. Groupe BPCE is the single voice of governance and strategic direction for Natixis. In 2021, Groupe BPCE completed a tender offer to purchase all outstanding public shares of Natixis. Loomis manages \$435 billion and employs 834 people as of June 30, 2026.

Loomis Sayles is one of over 15 investment affiliates wholly owned by Natixis. Loomis counts on Natixis for a distribution network outside the US. Loomis' client base is 29% retail and 71% institutional as of December 31, 2025. Relative to other Natixis affiliates, Loomis is strong in fixed income, but faces tougher competition for shelf space in the Natixis line-up on the equities side. From an incentive alignment standpoint, Loomis'

ownership structure is stable and functioning. Natixis allows Loomis significant autonomy, permitting them control of investment decisions and day-to-day operations. Pre-bonus income, with certain adjustments, is split evenly with Natixis.

The core fixed income strategy is run with a benchmark aware focus and broad diversification is key to the Loomis investment philosophy that prioritizes a belief in fundamental security analysis in identifying value. Investment flexibility is restrained to the investment grade portion of the US fixed income markets. Sector selection is developed in concert with individual security selection and fundamental industry analysis. The investment team seeks to take advantage of those sectors that appear to be broadly undervalued given the potential for recovery. Sector teams are responsible for forecasting overall return prospects and outlooks for their particular market sector and recommending specific credits in their segments of the market. Portfolio managers use these forecasts to generate a portfolio structure that overweights expected higher performing sectors and underweights expected underperforming sectors.

Recent Investment Team Update

The LACERS core bond portfolio is managed within the Government/Credit team, a segment of the Relative Return platform of strategies and is overseen by two portfolio managers; John Hyll and Neil Burke. Both are responsible for government and credit, long duration credit, long duration corporate bonds and customized liability driven investment solutions. The portfolio management team and investment process is supported by sector specialist researchers across all major sectors of the fixed income universe defined by Loomis as: US Yield Curve, Investment Grade/ Global Credit, Mortgage & Securitized Finance, US Government, High Yield/ Bank Loans, Emerging Markets, Convertibles, Global Asset Allocation and Developed Non-US Markets. The core fixed income team, while having the ability to utilize resources from the sector research specialists as a whole, is most engaged with the Credit Research team. This team has over 50 employees made up of one Director, Senior Analysts, Analysts, Research Associates and Research Assistants.

In September 2026, Loomis announced that portfolio manager John Hyll will retire at the end of June 2027 after forty years with the firm. He will step down as a portfolio manager on the LACERS account effective February 5, 2027, remain in an advisory role through June 2027, and then fully retire. After John steps down, the LACERS account will be managed by three named portfolio managers: Neil Burke, Devon McKenna, and Rick Raczkowski. Neil provides continuity, having worked with John on the LACERS portfolio for roughly 25 years and served as a named portfolio manager throughout the account's evolution. Rick leads the Relative Return platform, serves on Loomis's board, and brings deep credit expertise. Devon joined Loomis in 2007, is currently a portfolio manager on the Investment Grade Corporate & Credit strategy, and adds further credit experience to oversee the LACERS core fixed income portfolio.

The LACERS account will shift toward a small-committee management structure rather than a lead-PM model. All three portfolio managers will participate in portfolio construction and capital allocation decisions. Disagreements trigger additional research and trader input before implementation, which Loomis views as a more rigorous, consensus-based process.

Overall, the transition is positioned as a succession and platform-strengthening event, not a change in process or philosophy. The benchmark, objectives, guidelines, and investment approach are expected to remain intact for the LACERS account. NEPC's initial opinion is that no major concerns exist and that LACERS should not take any action as a result of this announcement. With that said, NEPC will closely monitor the strategy and portfolio results over time to ensure a smooth transition is executed.

Performance

Referring to Exhibit 1, as of August 31, 2026, since the portfolio's inception date of July 1, 1980, the portfolio has outperformed its benchmark by 1.3%. Over the past 10 years, the portfolio has outperformed the benchmark by 0.5%. Over the past five-years the portfolio matched the benchmark return. Over the last one-year period, the portfolio returned 1.6%, underperforming its benchmark by 0.3%.

Referring to Exhibit 2, as of June 30, 2026, since the portfolio's inception date of July 1, 1980, the portfolio has outperformed its benchmark by 1.2%. Over the past 10 years, the portfolio has outperformed the benchmark by 0.7% and ranked in the 13th percentile among its peers. Over the past five-years the portfolio outperformed its benchmark by 0.1% and ranked in the 62nd percentile in its peer group. Over the last one-year period, the portfolio returned 3.6%, underperformed its benchmark by 0.2% and ranked in the 79th percentile.

Recent underperformance is primarily attributed to sector allocation decisions, while security selection has detracted to a lesser extent. An overweight to US Treasuries detracted for the one- and three-year periods as credit spreads compressed. The team maintains this strategic allocation as a source of liquidity and flexibility to take advantage of future opportunities. An underweight allocation to securitized agency securities, specifically Agency MBS, also detracted from relative performance for both periods. Spreads have held in a relatively tight range with narrow valuations in the later stages of the credit cycle. As a result, the team has been keeping a more defensive risk posture with beta positioned at the low end of its risk range.

Fees

The portfolio has an asset-based fee of 0.13% annually. This fee ranks in the 16th percentile among its peers in the eVestment US Core Fixed Income universe. In other words, 84% of the products included in the peer universe have a higher fee than the LACERS account.

Conclusion

Despite modest near-term underperformance, Loomis has consistently added value for LACERS and outperformed its benchmark index over longer-term periods. The strategy has also played a key role in the long-term stability of the fixed income portfolio for LACERS for over 45 years. NEPC's initial view of John Hyll's impending retirement in 2027 does not elicit major concerns at this time. The thoughtful succession planning and strength of the investment process and philosophy, paired with significant resources, suggests that Loomis will be able to continue executing on their stated investment objectives going forward. NEPC will continue to monitor the strategy and performance impact of the team change over time, and 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 August 31, 2026

This table compares Loomis Sayles with the Loomis Custom Benchmark 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 July 1, 1980. The table also includes an over/under row showing the difference between the strategy and benchmark. Loomis Sayles outperforms the benchmark for the 10-yr and since inception periods.

Strategy vs. Benchmark	1 Mo %	FYTD %	YTD %	1 YR %	3 YR %	5 YR %	10 YR %	Inception
Loomis Sayles Core Fixed Income	0.3	-1.2	-0.5	1.6	3.9	-0.3	1.9	7.8
Loomis Custom Benchmark	0.4	-0.9	-0.3	1.9	4.1	-0.3	1.4	6.5
Over/Under	-0.1	-0.2	-0.2	-0.3	-0.2	0.0	0.5	1.3

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

Loomis Sayles Core Fixed Income 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, 10 years, and since inception as of June 30, 2026. The inception period begins on July 1, 1980. The table shows how Loomis Sayles and the benchmark rank within the broader peer universe over time, with population sizes ranging from 182 to 212. 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
Loomis Sayles Core Fixed Income	0.8 (34)	0.7 (59)	3.6 (79)	4.0 (86)	0.2 (62)	2.2 (13)	7.8
Loomis Custom Benchmark	0.7 (70)	0.6 (67)	3.8 (64)	4.2 (78)	0.1 (78)	1.5 (84)	6.6
5 th Percentile	1.2	1.2	4.8	5.3	1.2	2.4	N/A
1 st Quartile	0.9	0.9	4.1	4.7	0.4	2.0	N/A
Median	0.7	0.7	3.9	4.4	0.2	1.9	N/A
3 rd Quartile	0.7	0.6	3.7	4.2	0.1	1.7	N/A
95 th Percentile	0.4	0.3	3.1	3.6	-0.3	1.3	N/A
Population	212	212	212	208	203	182	N/A



LACERS

LA CITY EMPLOYEES'
RETIREMENT SYSTEM

REPORT TO INVESTMENT COMMITTEE

MEETING: OCTOBER 13, 2026

FROM: TODD BOUEY GENERAL MANAGER

ITEM: VI

SUBJECT: BROKERAGE ACTIVITY REPORT FOR THE PERIOD JULY 1, 2025 TO JUNE 30, 2026

☐ ACTION ☐ CLOSED ☐ CONSENT ☒ RECEIVE & FILE

Recommendation

That the Committee receive and file the Brokerage Activity Report and attachment for the period July 1, 2025 to June 30, 2026.

Discussion

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

Brokerage Policy

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

LACERS' investment managers are directed by policy and contract to use brokerage services that reduce trading costs and commissions that impact net performance. Commission recapture brokers are utilized to the extent that such brokers' costs are equal to or less than the net cost of non-recapture brokers. Pursuant to policy, LACERS' commissions and amounts recaptured for the period July 1, 2025 to June 30, 2026, are presented in Attachment 1 to this report.

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

TB:WL:EC:RM:WN

ATTACHMENT(S): 1. LACERS' Commissions Paid and Recaptured for the period July
1, 2025 to June 30, 2026

INVESTMENT COMMITTEE MEETING: OCTOBER 13, 2026

ITEM: VI

ATTACHMENT: 1

LACERS' COMMISSIONS PAID AND RECAPTURED

JULY 1, 2025 TO JUNE 30, 2026

Asset Class	Manager	Strategy	Total Commissions Paid (\$)	Recaptured Commissions (\$)
Domestic Equities	Copeland Capital Management, LLC	Small Cap Growth	127,882.77	0
Domestic Equities	Granahan Investment Management, Inc.	Small Cap Growth	202,269.85	0
Domestic Equities	Informed Momentum, LLC	Small Cap Growth	264,936.23	0
Domestic Equities	Principal Global Investors, LLC	Mid Cap Core	49,960.33	0
Domestic Equities	RhumbLine Advisers Limited Partnership	S&P 500 Index	74,732.09	0
Domestic Equities	RhumbLine Advisers Limited Partnership	Russell 2000 Index	27,160.07	0
Domestic Equities	RhumbLine Advisers Limited Partnership	Russell 2000 Value Index	12,771.05	0
Domestic Equities	Segall, Bryant, & Hamill, LLC	Small Cap Value	156,128.16	14,032.25
Domestic Equities	Subtotal	N/A	915,840.55	14,032.25
Non-U.S. Equities	Axiom Investors, LLC	Emerging Markets Growth	244,203.13	3,505.08
Non-U.S. Equities	Barrow, Hanley, Mewhinney & Strauss, LLC	Developed Markets Growth	490,942.62	0
Non-U.S. Equities	Dimensional Fund Advisors LP	Emerging Markets Value	101,290.60	0
Non-U.S. Equities	Lazard Asset Management LLC	Developed Markets Core	806,131.32	0
Non-U.S. Equities	MFS Institutional Advisors, Inc.	Developed Markets Growth	120,018.33	0
Non-U.S. Equities	Oberweis Asset Management, Inc.	Small Cap Core	979,689.84	0
Non-U.S. Equities	State Street Global Advisors Trust Company	MSCI World ex-U.S. Index	78,340.83	0
Non-U.S. Equities	Wasatch Advisors, Inc.	Emerging Markets Small Cap	1,045,435.44	0
Non-U.S. Equities	Subtotal	N/A	3,866,052.11	3,505.08

Asset Class	Manager	Strategy	Total Commissions Paid (\$)	Recaptured Commissions (\$)
Public Real Assets	Center Square Investment Management LLC	U.S. REITS	281,837.28	0
Public Real Assets	Subtotal	N/A	281,837.28	0
Credit Opportunities	Loomis High Yield	High Yield	88.87	0
Credit Opportunities	Subtotal	N/A	88.87	0
Other	Liquidation of Stock Distributions	Other	11,995.96	0
Other	Subtotal	N/A	11,995.96	0
All Assets	Combined Total	N/A	5,075,814.77	17,537.33