



LACERS
 LA CITY EMPLOYEES'
 RETIREMENT SYSTEM



Board of Administration Agenda

REGULAR MEETING
TUESDAY, NOVEMBER 28, 2023
TIME: 10:00 A.M.
MEETING LOCATION:
 LACERS Boardroom
 977 N. Broadway
 Los Angeles, California 90012

Important Message to the Public

An opportunity for the public to address the Board 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 one-way audio on Council Phone by calling (213) 621-CITY (Metro), (818) 904-9450 (Valley), (310) 471-CITY (Westside) or (310) 547-CITY (San Pedro Area).

Disclaimer to Participants

Please be advised that all LACERS Board meetings are recorded.

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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 non-exempt record related to an item on the agenda, please call (213) 855-9348 or email at lacers.board@lacers.org.

President: Annie Chao
 Vice President: Sung Won Sohn

 Commissioners: Thuy Huynh
 Elizabeth Lee
 Gaylord "Rusty" Roten
 Janna Sidley
 Michael R. Wilkinson

 Manager-Secretary: Neil M. Guglielmo

 Executive Assistant: Ani Ghoukassian

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

Notice to Paid Representatives

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

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[CLICK HERE TO ACCESS BOARD REPORTS](#)

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

- II. GENERAL MANAGER VERBAL REPORT
 - A. REPORT ON DEPARTMENT OPERATIONS
 - B. UPCOMING AGENDA ITEMS
- III. RECEIVE AND FILE ITEMS
 - A. [MONTHLY REPORT ON SEMINARS AND CONFERENCE FOR OCTOBER 2023](#)
- IV. CONSENT ITEM(S)
 - A. [APPROVAL OF MINUTES FOR THE REGULAR MEETING OF OCTOBER 24, 2023 AND POSSIBLE BOARD ACTION](#)
- V. COMMITTEE REPORT(S)
 - A. INVESTMENT COMMITTEE VERBAL REPORT FOR THE MEETING ON NOVEMBER 14, 2023
 - B. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON NOVEMBER 28, 2023
- VI. CLOSED SESSION
 - A. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.81 TO CONSIDER A COMMITMENT TO KAYNE ANDERSON CORE REAL ESTATE, L.P. AND POSSIBLE BOARD ACTION**
- VII. INVESTMENTS
 - A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS
 - B. [PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PORTFOLIO PERFORMANCE REVIEW FOR THE PERIOD ENDING JUNE 30, 2023](#)
 - C. [PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PROGRAM 2024 STRATEGIC PLAN AND POSSIBLE BOARD ACTION](#)
 - D. [APPROVAL OF 1-YEAR CONTRACT EXTENSION WITH AXIOM INVESTORS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EMERGING MARKETS GROWTH EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION](#)
 - E. [NOTIFICATION OF COMMITMENT OF UP TO \\$40 MILLION IN ALTARIS HEALTH PARTNERS VI, L.P.](#)
- VIII. OTHER BUSINESS

- IX. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, December 12, 2023, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

- X. ADJOURNMENT

Agenda of: NOV. 28, 2023

Item No: III-A

**MONTHLY REPORT ON SEMINARS AND CONFERENCES
ATTENDED BY BOARD MEMBERS ON BEHALF OF LACERS
(FOR THE MONTH OF OCTOBER 2023)**

In accordance with Section V.H.2 of the approved Board Education and Travel Policy, Board Members are required to report to the Board, on a monthly basis at the last Board meeting of each month, seminars and conferences they attended as a LACERS representative or in the capacity of a LACERS Board Member which are either complimentary (no cost involved) or with expenses fully covered by the Board Member. This monthly report shall include all seminars and conferences attended during the 4-week period preceding the Board meeting wherein the report is to be presented.

BOARD MEMBERS:

President Annie Chao
Vice President Sung Won Sohn

Commissioner Thuy Huynh
Commissioner Elizabeth Lee
Commissioner Gaylord "Rusty" Roten
Commissioner Janna Sidley
Commissioner Michael R. Wilkinson

DATE(S) OF EVENT	SEMINAR / CONFERENCE TITLE	EVENT SPONSOR (ORGANIZATION)	LOCATION (CITY, STATE)
	NOTHING TO REPORT		

MINUTES OF THE REGULAR MEETING
BOARD OF ADMINISTRATION
LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM

October 24, 2023

10:03 a.m.

PRESENT:	President:	Annie Chao
	Vice President:	Sung Won Sohn
	Commissioners:	Thuy Huynh Elizabeth Lee Gaylord "Rusty" Roten Janna Sidley Michael R. Wilkinson
	Legal Counselor:	Anya Freedman
	Manager-Secretary:	Neil M. Guglielmo
	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 BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – President Chao asked if any persons wanted to make a general public comment to which there were six public comment cards received. The following members of the public made comments with respect to LACERS investment in Advent International and in support of restaurant/hotel workers: Jordan Fein, Carlos Moreira, Ana Salinas, Maria Tinoco, Brian Woods, and Felipe Laceres.

II

GENERAL MANAGER VERBAL REPORT

A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:

- Communication with General Partner Advent International
- Discretionary COLA Update
- 977 N. Broadway HQ Update
- Internal Audit Survey
- Monthly Benefit Payroll

- Retirement Services Division updates
- Health Benefit Administration updates
- Open Enrollment Update
- Kaiser Mental Health Services
- Anthem Member Rebate
- Wellness Champion Program
- Communications and Stakeholder Relations
- Upcoming Events

B. UPCOMING AGENDA ITEMS – Neil M. Guglielmo, General Manager, advised the Board of the following items:

- Board Meeting of 11/14 - Actuarial Valuation for period ending 6/30/2023

Item I taken out of order and reopened.

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – Jordan Fein, member of the public, made an additional comment and requested a copy of the letter that LACERS sent to Advent International and any response from Advent International to the letter.

III

RECEIVE AND FILE ITEMS

- A. MONTHLY REPORT ON SEMINARS AND CONFERENCES FOR OCTOBER 2023 – This report was received by the Board and filed.
- B. COMMISSIONER HUYNH EDUCATION EVALUATION ON INSTITUTIONAL INVESTOR 2023 ROUNDTABLE FOR CONSULTANTS & INSTITUTIONAL INVESTORS; CHICAGO, IL; OCTOBER 3-5, 2023 – This report was received by the Board and filed.

IV

Commissioner Wilkinson moved approval of Consent Agenda Item IV-A, seconded by Vice President Sohn, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sidley, Wilkinson, Vice President Sohn, and President Chao -7; Nays, None.

CONSENT ITEM(S)

- A. APPROVAL OF MINUTES FOR THE REGULAR MEETING OF OCTOBER 24, 2023 AND POSSIBLE BOARD ACTION

President Chao recessed the Regular Meeting at 10:43 a.m. to convene in Closed Session discussion.

V

CLOSED SESSION

A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957 (b): GENERAL MANAGER 2022-23 PERFORMANCE EVALUATION AND POSSIBLE BOARD ACTION

President Chao reconvened the Regular Meeting at 11:30 a.m.

VI

BOARD/DEPARTMENT ADMINISTRATION

A. CONSIDERATION OF 2023 GENERAL MANAGER'S MERIT PAY AND POSSIBLE BOARD ACTION – Commissioner Sidley moved approval of the following Resolution:

**SALARY COMPENSATION FOR
GENERAL MANAGER
NEIL M. GUGLIELMO**

RESOLUTION 231024-A

WHEREAS, the Board of Administration has authorization to set the salary for the position of General Manager-LACERS; and

WHEREAS, the salary is consistent with the range allowable and set by City Council;

BE IT RESOLVED, that the Board of Administration approves a yearly salary at 5% higher than the current salary for Neil M. Guglielmo, General Manager, to be effective on July 1, 2023, pursuant to Charter Section 1108(c).

In addition, BE IT RESOLVED, that the Board of Administration directs staff to request the Mayor and City Council designate the LACERS General Manager's salary range be set at M-11.

Which motion was seconded by Commissioner Lee, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sidley, Wilkinson, Vice President Sohn, and President Chao -7; Nays, None.

B. LACERS 2022 ANTHEM BLUE CROSS MEDICAL, BLUE VIEW VISION, AND DELTA DENTAL PPO YEAR-END ACCOUNTING AND POSSIBLE BOARD ACTION – Commissioner Lee moved approval of staff's recommendation, seconded by Commissioner Roten, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sidley, Wilkinson, Vice President Sohn, and President Chao -7; Nays, None.

C. COMMUNICATIONS & STAKEHOLDER RELATIONS DIVISION YEAR-END OVERVIEW AND HIGHLIGHTS – Taneda Larios, Chief Benefits Analyst, and Gabriel Perez, Benefits Analyst, presented and discussed this item with the Board for 20 minutes.

VII

INVESTMENTS

A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS – Rod June, Chief Investment Officer, reported on the portfolio value of \$21.187 billion as of October 23, 2023. Mr. June discussed the following items:

- Policy update – Investment governance process evaluation
- Israel Exposure \$133 million
- China Exposure \$240 million, approximately \$24 million in technology
- Russia Exposure \$1.26 million, 0.6 basis points
- Report of the Government Employees Pension Fund of South Africa Conference
- Future Agenda Items: PRI Board Election and Ballot Measures, Notification of Commitment to a Private Markets Investment, Responsible Investment Policy and LACERS ESG Engagement Process

Commissioner Sidley left the meeting at 12:22 p.m.

B. CONSENT OF ASSIGNMENT OF ENERGY CAPITAL PARTNERS CONTRACT AND POSSIBLE BOARD ACTION – Commissioner Lee moved approval of the following Resolution:

**CONSENT TO ASSIGN CONTRACT WITH
ENERGY CAPITAL PARTNERS MANAGEMENT, L.P.**

RESOLUTION 231024-B

WHEREAS, LACERS has a private equity investment in Energy Capital Partners III, L.P., which is managed by Energy Capital Partners Management, L.P. (ECP); and,

WHEREAS, ECP has entered into an agreement to be acquired by Bridgepoint Group plc (Bridgepoint), a United Kingdom-based private asset investor; and,

WHEREAS, under the Investment Advisers Act of 1940 and pursuant to LACERS' contract with ECP, the change in control of ECP is deemed to be a contract assignment that requires written consent of the Board; and,

WHEREAS, staff has conducted appropriate due diligence on the acquisition of ECP.

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby consents to the assignment of LACERS' existing contract with ECP to Bridgepoint; and, authorizes the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Which motion was seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Wilkinson, Vice President Sohn, and President Chao -6; Nays, None.

Commissioner Sidley returned to the meeting at 12:23 p.m. President Chao recessed the regular meeting at 12:23 p.m. for a break. President Chao reconvened the regular meeting at 12:30 p.m.

- C. PRESENTATION BY NEPC, LLC REGARDING ASSET ALLOCATION EDUCATION – Carolyn Smith, Partner, and Kevin Novak, Principal, with NEPC, LLC presented and discussed this item with the Board for 1.5 hours.

VIII

OTHER BUSINESS – Commissioner Wilkinson requested future discussion on Active vs. Passive investments. Commissioner Sidley stated that she now agreed that the letter from LACERS to Advent International must remain confidential.

IX

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, November 14, 2023, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

X

ADJOURNMENT – There being no further business before the Board, President Chao adjourned the Meeting at 1:46 p.m.

Annie Chao
President

Neil M. Guglielmo
Manager-Secretary

Aksia LLC

Los Angeles City Employees' Retirement System
Private Equity Portfolio Performance Report
As of June 30, 2023



www.aksia.com

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Aggregate Portfolio Summary As of June 30, 2023

- As of June 30, 2023, the aggregate portfolio's fair market value of ~\$4.2 billion represented 19.3% of Total Plan Assets

Aggregate Portfolio Private Equity Exposure Summary	
Total Plan Market Value	\$21,578,749,399
Private Equity Exposure Target (%)	16.0%
Private Equity Exposure Target (\$)	\$3,452,599,904
Private Equity Exposure (%)	19.3%
Fair Market Value ("FMV")	\$4,159,944,173

- As of June 30, 2023, Total Plan assets increased quarter-over-quarter by ~1.2% to ~\$21.6 billion. This translates to private equity exposure of ~19.5% (based on private equity fair market value as of 03/31/23)
- Public equity markets continue to recover in 2023 although Total Plan assets have not returned to early 2022 levels. This along with a slower distribution environment has resulted in private equity representing a larger portion of the total portfolio. The commitment will be between \$800mm and \$850mm in accordance with the pacing plan which called for up to \$850 in commitments in 2023.

Aggregate Portfolio Snapshot Year-Over-Year (6/30/2022 through 6/30/2023)

- Since the inception of the LACERS private equity program in 1995, LACERS has committed \$8.0 billion to 367 partnerships, of which 285 remain active as of 6/30/23
- For the year, contributions (\$639 million) outpaced distributions (\$436 million)
- Over this same period, the fair market value of the private equity portfolio increased by \$402 million
- Since inception, the aggregate portfolio has generated a total value of 1.65x and a Net IRR of 12.2%

Aggregate Portfolio Snapshot (\$ millions)			
Portfolio Since Inception	6/30/2023	6/30/2022	Change (+/-)
Partnerships	367	347	+20
Active	285	274	+11
Inactive	82	73	+9
Sponsors	153	150	+3
Investment To Date Contributions	\$5,999	\$5,360	+\$639
Investment To Date Distributions	\$5,732	\$5,296	+\$436
Fair Market Value	\$4,160	\$3,758	+\$402
TVPI ¹	1.65x	1.69x	-0.04x
Net IRR	12.2%	12.5%	-0.3%

¹Total Value to Paid In Capital ("TVPI"): (Cumulative Distributions + Fair Market Value) / (Cumulative Contributions)

The Aggregate Portfolio Can Be Grouped Into Vintage Year Buckets

- “Mature” bucket (\$81.1 million of fair market value with vintage years 1995-2009)
 - Minimal change year-over-year with respect to Net TVPI and Net IRR
 - Will have limited impact going forward given the small value relative to other buckets
- “Maturing” bucket (\$962.5 million of fair market value with vintage years 2010-2015)
 - Net TVPI increased 0.02x while the Net IRR decreased by 0.6%
 - Potential for growth or decline to occur in these investments
 - Bulk of any near-term distributions are likely to come from the “Maturing” bucket
- “Developing” bucket (\$3,116.5 million of fair market value with vintage years 2016-2023)
 - Net TVPI decreased 0.1x while the Net IRR decreased by 6.0%
 - Significant potential for growth or decline to occur in these investments
 - Bulk of the near-term contributions are likely to come from the “Developing” bucket

\$ millions									
Vintage Years	LTM ¹ Contributions	ITD ² Contributions	LTM ¹ Distributions	ITD ² Distributions	Fair Market Value	6/30/2023 Net TVPI	Year Over Year Change Net TVPI	6/30/2023 Net IRR	Year Over Year Change Net IRR
Mature (1995-2009)	\$0.1	\$1,879.4	\$28.5	\$3,036.1	\$81.1	1.66x	0.00x	10.51%	-0.02%
Maturing (2010-2015)	\$19.5	\$1,450.7	\$198.8	\$1,948.4	\$962.5	2.01x	0.02x	15.17%	-0.59%
Developing (2016-2023)	\$619.6	\$2,668.8	\$208.3	\$747.4	\$3,116.5	1.45x	-0.06x	18.65%	-5.97%
Total Portfolio	\$639.3	\$5,998.9	\$435.5	\$5,731.9	\$4,159.9	1.65x	-0.04x	12.23%	-0.31%

¹Last 12 Months (“LTM”)

²Inception to Date (“ITD”)

PRIVATE EQUITY PORTFOLIO OVERVIEW

10 Largest Sponsor Relationships (by total exposure)

- The top ten Sponsors by exposure account for 32.8% of aggregate portfolio exposure and 27.6% of active portfolio commitments

Firm	Number of Active Funds	Active Commitments	% of Total Active Commitments	Exposure (FMV + Unfunded)	% of Total Exposure	TVPI ¹	Net IRR ¹
Thoma Bravo LP	10	\$275,000,000	4.0%	\$324,730,100	4.9%	1.57x	19.8%
Vista Equity Partners Management LLC	8	\$215,000,000	3.1%	\$240,448,518	3.7%	2.01x	20.2%
Advent International Corporation	7	\$235,000,000	3.4%	\$224,703,950	3.4%	1.66x	16.2%
Platinum Equity Advisors LLC	5	\$187,500,000	2.7%	\$212,068,496	3.2%	1.73x	27.4%
Hellman & Friedman LLC	10	\$160,000,001	2.3%	\$208,724,262	3.2%	1.87x	19.8%
TA Associates	5	\$200,000,000	2.9%	\$198,835,123	3.0%	2.02x	21.9%
TCV (Technology Crossover Ventures)	6	\$185,000,000	2.7%	\$193,325,934	2.9%	2.04x	14.9%
Genstar Capital Management LLC	6	\$167,500,000	2.4%	\$190,291,216	2.9%	1.50x	24.8%
Spark Management Partners	9	\$143,750,000	2.1%	\$189,453,697	2.9%	2.62x	28.1%
Oak HC/FT	5	\$135,000,000	2.0%	\$179,736,688	2.7%	1.80x	26.4%

¹Inception-to-date performance includes liquidated holdings.

SUMMARY OF Q1 2023 & Q2 2023 ACTIVITY

New Investments made in Q1 2023 & Q2 2023

Closing Date	Sponsor	Partnership	Fund Size ² (\$ millions)	New or Existing	Investment Strategy	Commitment Amount (\$ millions)
6/30/2023	KPS Capital Partners LP	KPS Special Situations Fund VI	\$7,200	Existing	Buyout - Large	\$40
6/30/2023	KPS Capital Partners LP	KPS Special Situations Mid-Cap Fund II	\$1,500	Existing	Buyout - Medium	\$20
5/12/2023	OceanSound Partners¹	OceanSound Partners Fund II	\$399	Existing	Buyout - Small	\$25
5/5/2023	Ulu Ventures¹	Ulu Ventures Fund IV	\$142	Existing	Venture - Early Stage	\$20
4/26/2023	Genstar Capital Management LLC	Genstar Capital Partners XI	\$12,583	Existing	Buyout - Large	\$35
4/26/2023	Genstar Capital Management LLC	Genstar XI Opportunities Fund	\$1,500	Existing	Buyout - Large	\$25
4/26/2023	Intermediate Capital Group PLC	ICG Strategic Equity Fund V	\$6,000	Existing	Secondaries	\$30
4/24/2023	Mayfield	Mayfield Select III	\$375	New	Venture - Late Stage	\$5
4/24/2023	Mayfield	Mayfield XVII	\$580	New	Venture - Early Stage	\$5
3/31/2023	Hellman & Friedman LLC	Hellman & Friedman Capital Partners XI	\$20,000	Existing	Buyout - Large	\$50
3/30/2023	TA Associates	TA XV	\$17,820	Existing	Growth Equity	\$60
3/1/2023	Barings LLC	Barings Emerging Generation Fund II	\$200	Existing	Fund of Funds	\$25
1/18/2023	GGV Capital	GGV Capital IX	\$1,600	Existing	Venture - Multi-Stage	\$40
1/18/2023	GGV Capital	GGV Capital IX Plus	\$400	Existing	Venture - Multi-Stage	\$10
Total	14	14				\$390

¹Qualifies as an Emerging Manager based on LACERS' definition.

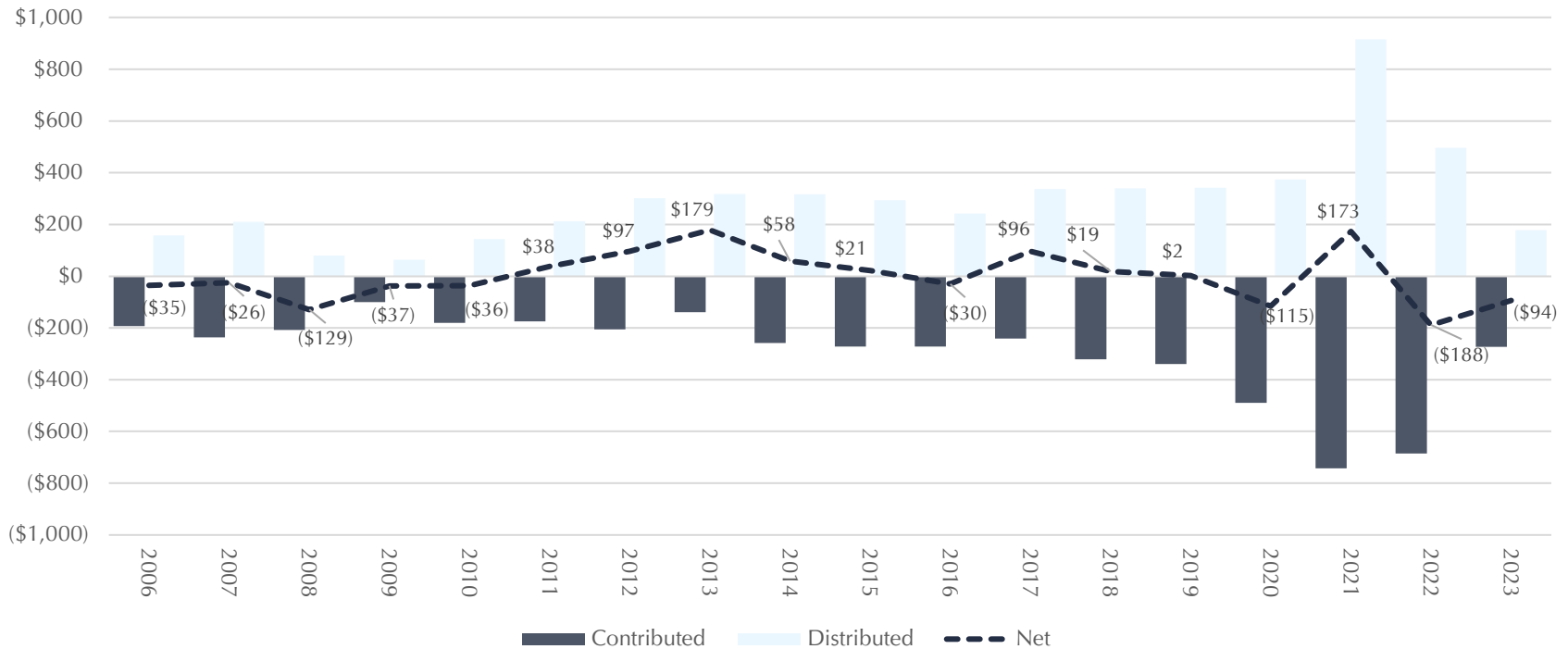
²Total capital raised as confirmed by the general partner. If the general partner has yet to provide closing data, the fund size will represent the target fund size.

Commitment Statistics

- Commitments were made to 14 different funds totaling \$390.0 million
 - 12 commitments were made to existing sponsor relationships (\$380.0 million)
 - The average commitment amount was \$39.0 million per sponsor
 - 2 commitments were made to emerging managers (\$45.0mm) and 1 commitment was made to an emerging manager dedicated Fund-of-Funds (\$25.0mm)

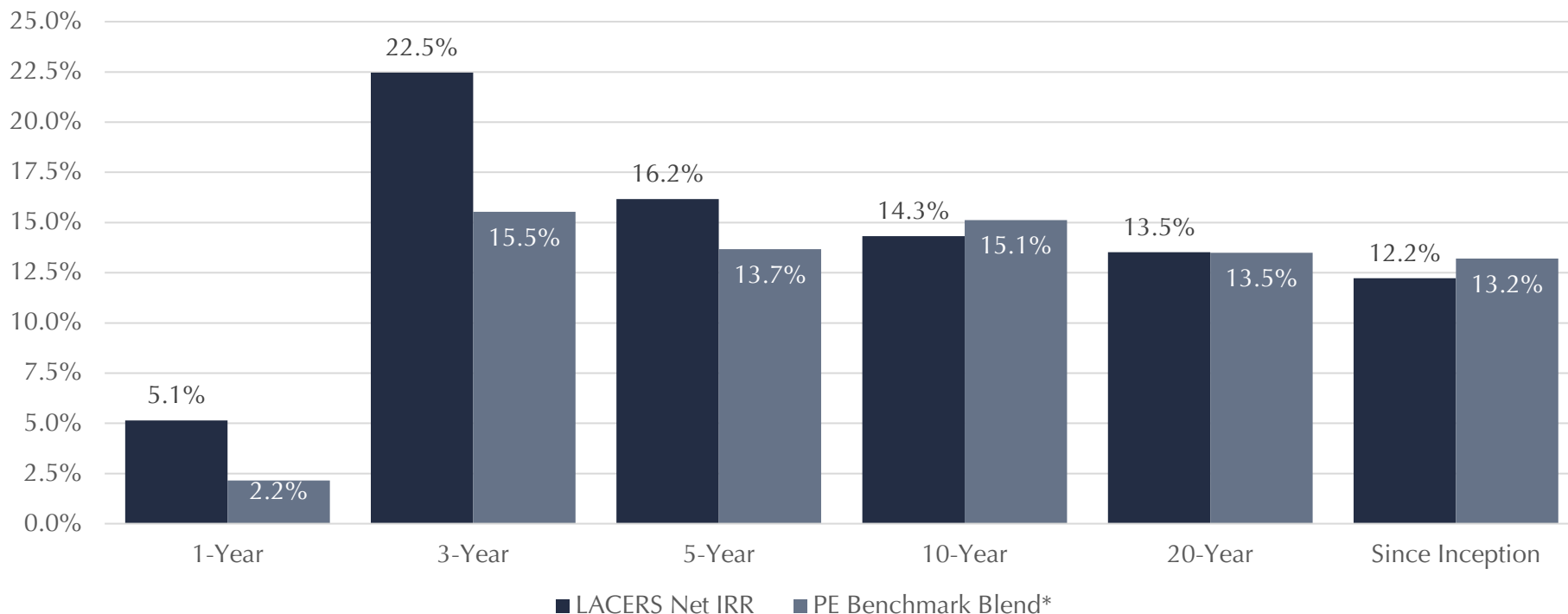
Private Equity Program Cash Flow Profile Over Time

- LACERS' private equity portfolio is relatively mature and has been largely cash flow positive over the last decade even with higher capital calls the last three years



Horizon Returns for LACERS' Private Equity Program vs. PE Benchmark Blend

- LACERS Private Equity Benchmark is a historical blend of the Russell 3000 and Cambridge Associates benchmarks

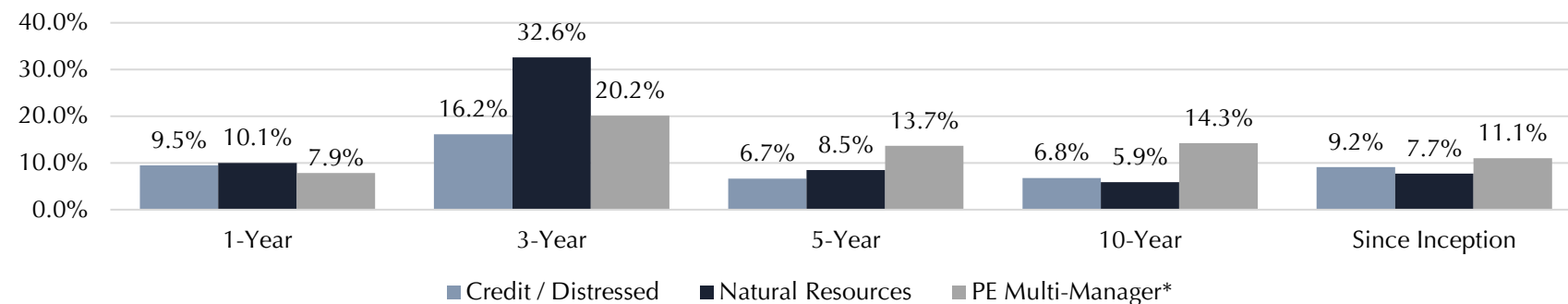
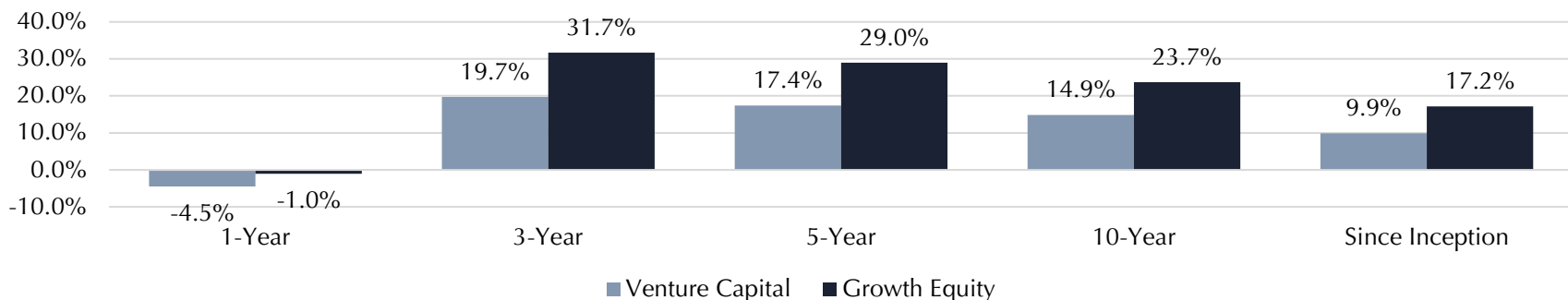
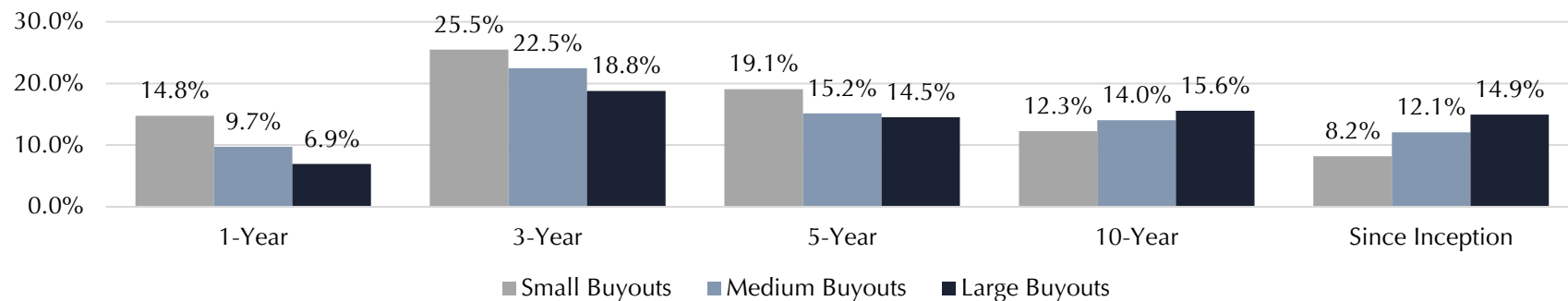


* Note: On January 25, 2022, the Board approved a benchmark change to the Cambridge Associates Global Private Equity and Venture Capital Index. The new benchmark includes the Russell 3000 Index + 400bps (inception – January 31, 2012), the Russell 3000 Index + 300bps (February 1, 2012 – December 31, 2021), and the Cambridge Associates Global PE and VC Index, beginning January 1, 2022. Portfolio data are as of June 30, 2023. CA data are preliminary and 99% complete, as of June 30, 2023.

Performance by Strategy and Sub-Strategy (Inception-to-Date)

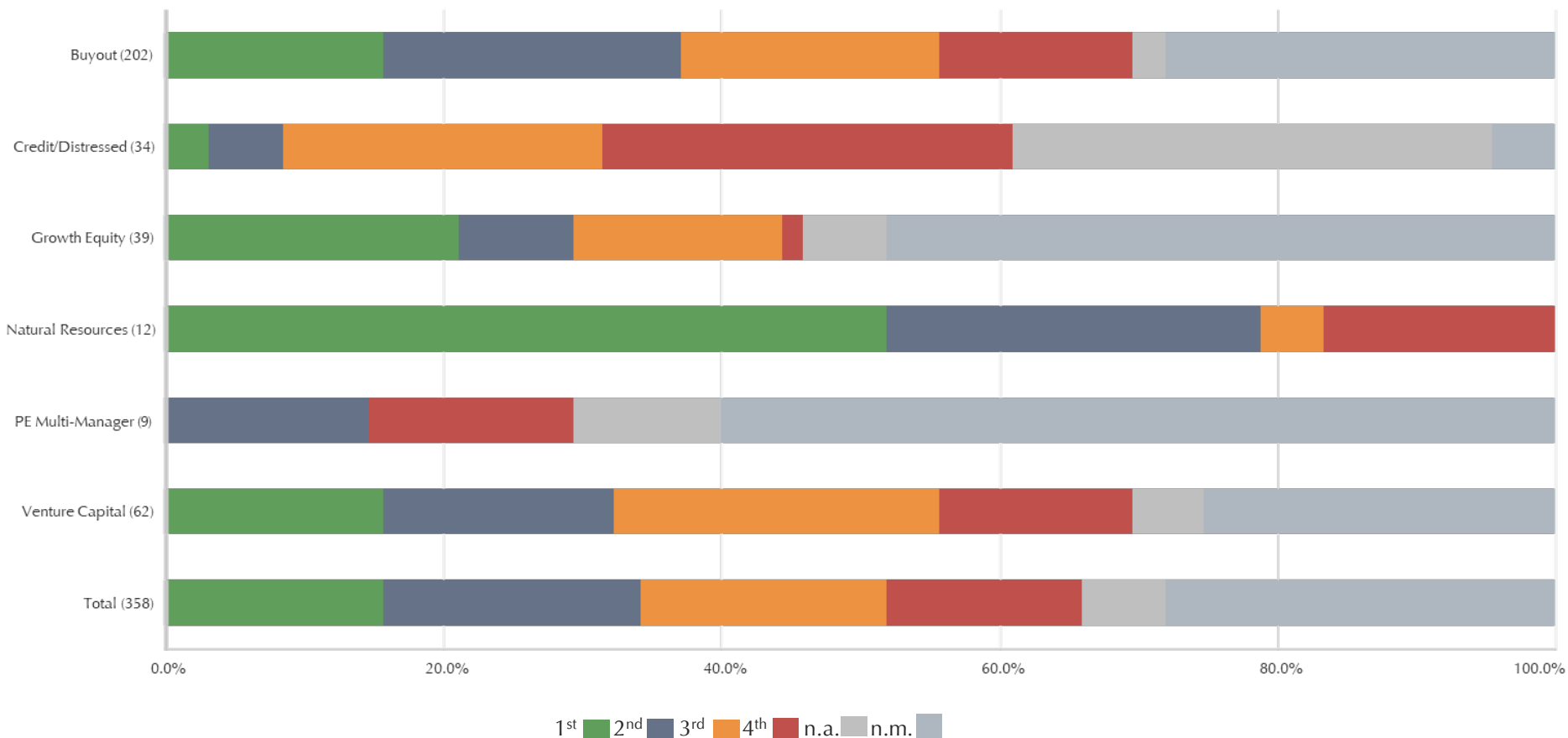
Sub-Strategy	Commitment	Contributions	Percent Called	Distributions	Percent Distributed	Fair Market Value	TVPI	IRR
Large	\$2,288,559,850	\$1,607,922,547	70.26%	\$1,612,344,782	70.45%	\$1,080,985,080	1.68x	14.9%
Medium	\$2,188,746,313	\$1,768,302,198	80.79%	\$1,793,345,896	81.93%	\$1,150,997,494	1.67x	12.1%
Small	\$300,600,562	\$239,808,990	79.78%	\$201,427,794	67.01%	\$152,089,537	1.47x	8.2%
Buyouts Total	\$4,777,906,725	\$3,616,033,735	75.68%	\$3,607,118,472	75.50%	\$2,384,072,111	1.66x	12.8%
Credit	\$80,000,000	\$81,868,746	102.34%	\$42,909,607	53.64%	\$44,238,445	1.06x	2.0%
Distressed	\$514,531,008	\$505,385,190	98.22%	\$461,428,855	89.68%	\$219,417,158	1.35x	10.1%
Mezzanine	\$65,000,000	\$62,983,029	96.90%	\$31,564,211	48.56%	\$40,708,921	1.15x	5.3%
Credit / Distressed Total	\$659,531,008	\$650,236,964	98.59%	\$535,902,673	81.26%	\$304,364,524	1.29x	9.2%
Growth Equity	\$992,400,354	\$561,180,333	56.55%	\$562,822,210	56.71%	\$625,044,044	2.12x	17.2%
Growth Equity Total	\$992,400,354	\$561,180,333	56.55%	\$562,822,210	56.71%	\$625,044,044	2.12x	17.2%
Energy	\$330,000,000	\$316,860,511	96.02%	\$314,750,742	95.38%	\$131,548,434	1.41x	7.7%
Natural Resources Total	\$330,000,000	\$316,860,511	96.02%	\$314,750,742	95.38%	\$131,548,434	1.41x	7.7%
Fund of Funds	\$45,000,000	\$20,370,008	45.27%	\$31,288,815	69.53%	\$1,101,434	1.59x	7.3%
Secondaries	\$225,000,000	\$118,931,223	52.86%	\$53,018,728	23.56%	\$111,523,641	1.38x	15.6%
PE Multi-Manager Total	\$270,000,000	\$139,301,231	51.59%	\$84,307,544	31.23%	\$112,625,075	1.41x	11.1%
Early Stage	\$292,670,000	\$179,337,693	61.28%	\$195,925,158	66.94%	\$223,359,855	2.34x	42.7%
Expansion Stage	\$20,000,000	\$11,200,000	56.00%	\$0	0.00%	\$12,435,275	1.11x	7.1%
Late Stage	\$140,000,000	\$134,184,411	95.85%	\$145,138,423	103.67%	\$106,242,421	1.87x	8.5%
Multi-Stage	\$535,217,369	\$390,608,455	72.98%	\$285,902,259	53.42%	\$260,252,433	1.40x	6.2%
Venture Capital Total	\$987,887,369	\$715,330,558	72.41%	\$626,965,841	63.47%	\$602,289,984	1.72x	9.9%
Total	\$8,017,725,456	\$5,998,943,332	74.82%	\$5,731,867,481	71.49%	\$4,159,944,173	1.65x	12.2%

Horizon Net Returns by Sub-Strategy



*The PE Multi-Manager category includes LACERS' investments in Secondary Funds and Fund of Funds.

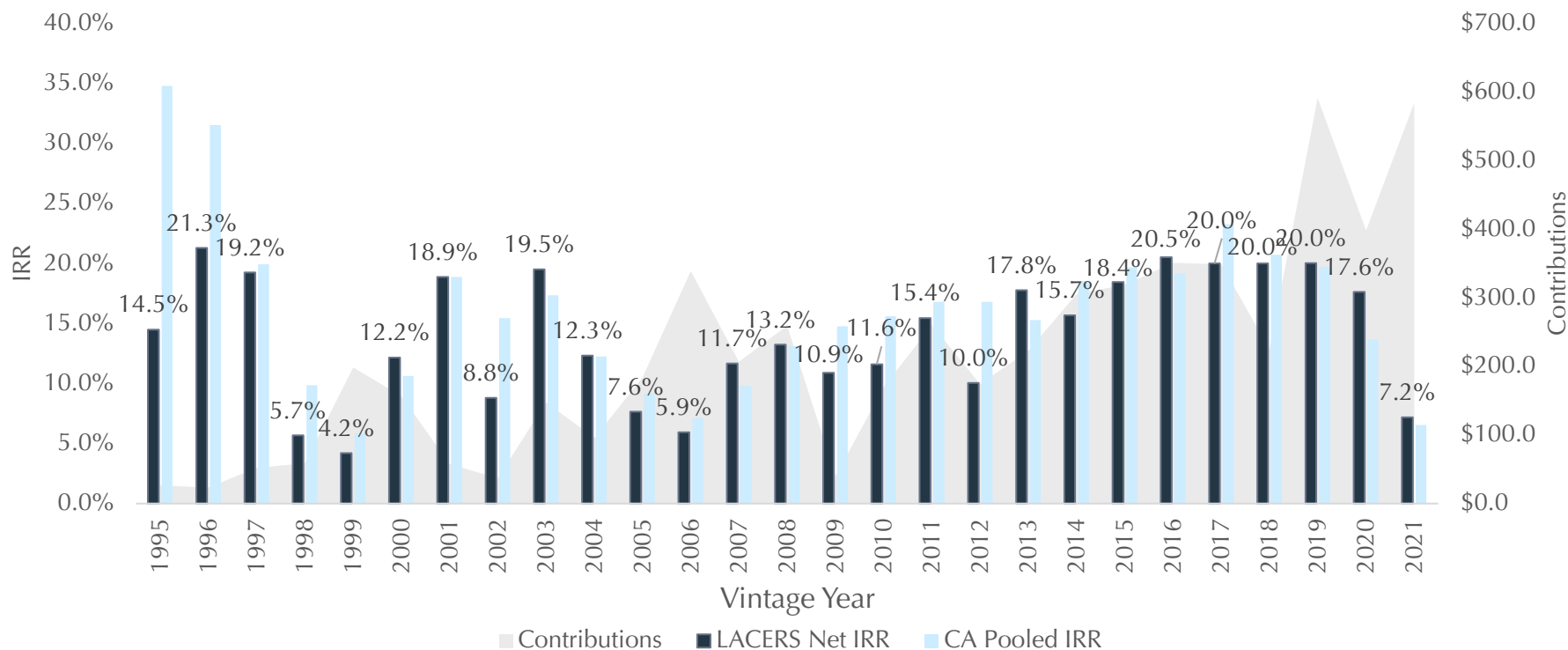
Portfolio Strategy vs. Cambridge Associates¹ % of Contributed Capital As of June 30, 2023



¹All quartiles are based on Cambridge Associates data as of March 31, 2023. Funds where corresponding benchmark data is not available from Cambridge Associates Benchmark are categorized as "NA" and funds where the first capital call date is younger than two years are categorized as "NM". Funds with total commitments equal to zero are excluded from the calculation. Cambridge Associates data is continually updated and subject to change.

Portfolio Vintage Years vs. Cambridge Associates¹

June 30, 2023



¹Cambridge Associates pooled Net IRRs are preliminary and 99% complete, as of June 30, 2023. Pooled IRRs are comprised of similar regions and strategies as those in the LACERS portfolio. IRRs of funds younger than two years are not considered meaningful and have been excluded.

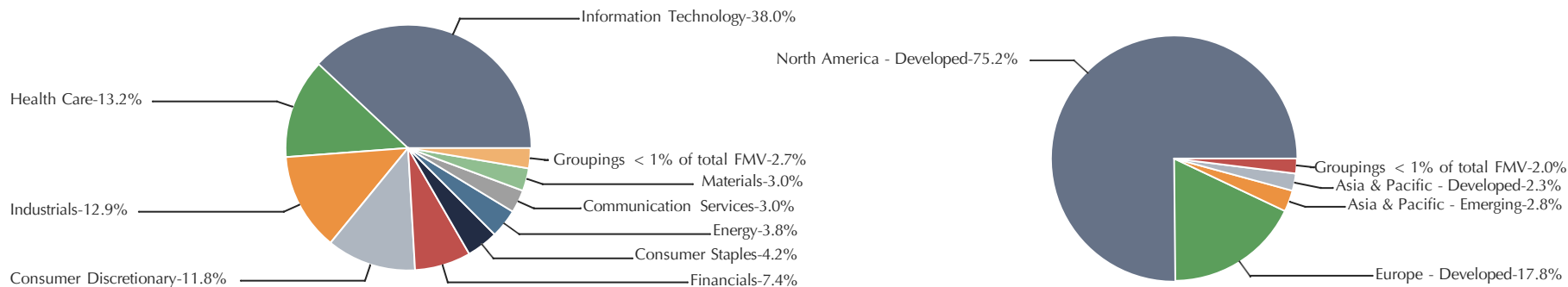
Overall Exposure

- Private Equity exposure was 19.3% as of June 30, 2023, versus 16.0% target

Performance Since Inception

- The Aggregate Portfolio has generated a Net IRR of 12.2% and a TVPI of 1.65x
- The Core Portfolio has generated a Net IRR of 12.7% and a TVPI of 1.67x
- The Specialized Portfolio has generated a Net IRR of 1.8% and a TVPI of 1.12x

Diversification



*Other: Represents the total of investments in sectors or geographies that constitute <1% of the NAV.

APPENDIX

- Fund-By-Fund Returns – Q2 2023
- Performance Drilldown – Q1 2023
- Fund-By-Fund Returns – Q1 2023

CORE PORTFOLIO SUMMARY AS OF 6/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
1315 Capital Fund	Venture Capital	Venture - Late Stage	2015	10,000,000	10,274,113	8,258,568	12,509,912	17.8%
1315 Capital Fund II	Venture Capital	Venture - Late Stage	2018	10,000,000	8,828,557	5,583,174	7,153,822	18.6%
1315 Capital Fund III	Growth Equity	Growth Equity	2022	30,000,000	3,278,243	-	2,878,721	n.m.
ABRY Advanced Securities Fund III	Credit/Distressed	Credit	2014	20,000,000	25,948,891	13,247,028	12,522,139	-0.2%
ABRY Advanced Securities Fund IV	Credit/Distressed	Credit	2018	40,000,000	36,347,783	14,078,769	24,728,255	3.3%
ABRY Heritage Partners	Buyout	Buyout - Small	2016	10,000,000	10,317,232	10,419,396	8,694,117	27.5%
ABRY Partners IX	Buyout	Buyout - Medium	2019	40,000,000	40,008,569	11,846,875	47,251,409	18.5%
ABRY Partners VIII	Buyout	Buyout - Medium	2015	25,000,000	28,624,392	35,958,331	4,538,678	10.0%
ABRY Senior Equity V	Credit/Distressed	Mezzanine	2016	10,000,000	10,352,985	4,191,577	10,949,785	14.5%
ACON Equity Partners 3.5	Buyout	Buyout - Medium	2012	20,000,000	18,034,492	19,912,616	430,167	2.7%
Advent Global Technology	Buyout	Buyout - Medium	2019	15,000,000	14,324,999	-	17,619,610	9.2%
Advent Global Technology II	Buyout	Buyout - Medium	2021	30,000,000	10,960,512	-	13,391,888	21.5%
Advent International GPE IX	Buyout	Buyout - Large	2019	45,000,000	42,077,875	4,498,202	58,354,544	22.2%
Advent International GPE VI A	Buyout	Buyout - Medium	2008	20,000,000	20,000,000	40,162,749	1,597,402	16.4%
Advent International GPE VII B	Buyout	Buyout - Large	2012	30,000,000	28,800,000	46,774,310	5,518,924	13.4%
Advent International GPE VIII B-2	Buyout	Buyout - Large	2016	35,000,000	35,000,000	27,551,973	45,098,751	18.6%
Advent International GPE X	Buyout	Buyout - Large	2022	60,000,000	13,950,000	-	13,236,217	n.m.
AION Capital Partners	Credit/Distressed	Credit	2012	20,000,000	19,572,071	15,583,810	6,988,051	3.6%
American Securities Partners VII	Buyout	Buyout - Medium	2016	25,000,000	24,238,042	12,892,318	33,265,122	15.2%
American Securities Partners VIII	Buyout	Buyout - Large	2019	40,000,000	35,714,505	2,781,077	50,173,046	21.9%
Angeles Equity Partners I	Buyout	Buyout - Small	2015	10,000,000	9,369,127	6,927,839	7,466,281	18.0%
Apollo Investment Fund IV	Buyout	Buyout - Large	1998	5,000,000	4,989,241	8,320,973	2,641	8.5%
Apollo Investment Fund VI	Buyout	Buyout - Large	2006	15,000,000	14,372,999	23,957,457	270,003	8.6%
Apollo Investment Fund VII	Buyout	Buyout - Large	2008	20,000,000	17,566,884	35,647,822	205,516	22.6%
Apollo Investment Fund VIII	Buyout	Buyout - Large	2013	40,000,000	36,030,062	40,203,911	14,327,827	9.7%
Arsenal Capital Partners VI	Buyout	Buyout - Medium	2021	50,000,000	22,201,115	7,631,640	12,252,344	-20.6%

IRRs of investments held less than two years generally is not a meaningful indicator of performance and are therefore labeled "n.m."

CORE PORTFOLIO SUMMARY AS OF 6/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Ascribe Opportunities Fund II	Credit/Distressed	Distressed	2010	20,000,000	30,537,420	31,202,934	1,204,320	2.3%
Ascribe Opportunities Fund III	Credit/Distressed	Distressed	2014	30,000,000	50,591,896	42,046,859	749,226	-18.6%
Ascribe Opportunities Fund IV	Credit/Distressed	Distressed	2019	25,000,000	26,758,719	6,446,051	22,297,749	9.5%
Astorg VI	Buyout	Buyout - Medium	2015	25,625,875	21,228,378	24,439,629	11,025,172	13.6%
Astorg VII	Buyout	Buyout - Medium	2019	36,123,864	33,810,449	(85,178)	43,786,322	13.3%
Astra Partners I	Buyout	Buyout - Small	2017	10,000,000	8,190,510	(28,358)	9,511,515	5.7%
Auldbrass Partners Secondary Opportunity Fund III	PE Multi-Manager	Secondaries	2021	20,000,000	5,716,879	-	4,776,576	n.m.
Avance Investment Partners	Buyout	Buyout - Small	2021	20,000,000	10,896,024	2,005,407	9,441,436	5.7%
Bain Capital Asia Fund III	Buyout	Buyout - Large	2016	15,000,000	15,505,749	11,502,735	15,713,111	20.0%
Bain Capital Double Impact Fund	Buyout	Buyout - Small	2016	10,000,000	10,819,474	10,229,260	8,594,201	23.4%
Barings Emerging Generation Fund	PE Multi-Manager	Secondaries	2021	25,000,000	14,608,728	(333,543)	18,259,186	17.3%
Barings Emerging Generation Fund II	PE Multi-Manager	Fund of Funds	2023	25,000,000	1,190,949	-	1,101,434	n.m.
BC European Capital IX	Buyout	Buyout - Large	2011	17,665,048	19,437,617	23,972,107	8,119,336	10.8%
BC European Capital X	Buyout	Buyout - Large	2017	31,651,237	29,787,340	7,512,206	36,437,217	10.4%
BDCM Opportunity Fund IV	Credit/Distressed	Distressed	2015	25,000,000	35,202,938	23,512,482	45,789,410	17.9%
Bessemer Venture Partners XII Institutional Fund	Venture Capital	Venture - Early Stage	2022	25,000,000	-	-	-	n.m.
Biospring Partners Fund	Growth Equity	Growth Equity	2020	20,000,000	12,189,647	2,853,929	7,766,394	-14.6%
Blackstone Capital Partners V & V-S	Buyout	Buyout - Large	2005	19,799,726	19,297,575	32,500,517	167,125	7.9%
Blackstone Capital Partners VI	Buyout	Buyout - Large	2011	20,000,000	19,372,042	29,547,299	7,075,520	12.4%
Blackstone Energy Partners	Natural Resources	Energy	2011	25,000,000	23,690,761	36,043,337	5,255,093	11.3%
Blue Sea Capital Fund I	Buyout	Buyout - Small	2013	10,000,000	9,410,689	14,825,595	7,070,781	19.8%
Brentwood Associates Private Equity VI	Buyout	Buyout - Medium	2017	25,000,000	30,136,411	11,755,029	35,412,791	23.6%
Builders VC Fund II	Venture Capital	Venture - Early Stage	2021	10,000,000	4,150,000	-	4,441,736	4.9%
Carlyle Partners V	Buyout	Buyout - Large	2007	30,000,000	26,714,020	51,186,907	1,433,129	13.8%
CenterGate Capital Partners I	Buyout	Buyout - Small	2015	10,000,000	8,003,240	5,806,672	7,636,288	21.6%
Charterhouse Capital Partners IX	Buyout	Buyout - Large	2008	17,650,992	17,448,610	23,292,546	281,027	9.6%

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CORE PORTFOLIO SUMMARY AS OF 6/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
CHP III	Venture Capital	Venture - Early Stage	2006	15,000,000	15,000,000	43,122,417	2,134,614	12.5%
Clearlake Capital Partners VI	Credit/Distressed	Distressed	2020	30,000,000	30,356,218	2,512,913	45,897,335	26.2%
Clearlake Capital Partners VII	Buyout	Buyout - Large	2021	75,000,000	38,530,084	1,826	40,193,209	4.9%
Coller International Partners VI	PE Multi-Manager	Secondaries	2011	25,000,000	18,944,201	29,452,343	3,423,204	14.8%
CVC Capital Partners VII	Buyout	Buyout - Large	2017	28,567,140	26,166,606	9,325,689	37,680,442	23.1%
CVC Capital Partners VIII	Buyout	Buyout - Large	2021	50,206,765	28,510,288	165,002	30,976,110	9.1%
CVC European Equity Partners III	Buyout	Buyout - Large	2001	15,000,000	14,776,341	41,619,578	1,098,781	41.0%
CVC European Equity Partners IV	Buyout	Buyout - Large	2005	26,008,211	23,257,442	46,521,992	34,712	16.7%
CVC European Equity Partners V	Buyout	Buyout - Large	2008	18,815,039	18,352,938	38,287,800	404,001	16.7%
Defy Partners I	Venture Capital	Venture - Early Stage	2017	10,000,000	9,500,000	2,251,655	10,626,306	9.4%
Defy Partners II	Venture Capital	Venture - Early Stage	2019	18,010,000	11,166,200	-	15,547,303	16.7%
Defy Partners III	Venture Capital	Venture - Early Stage	2021	20,000,000	3,000,000	-	2,411,837	-32.4%
DFJ Growth 2013	Growth Equity	Growth Equity	2013	25,000,000	25,126,311	113,760,276	30,391,882	32.9%
DFJ Growth III	Growth Equity	Growth Equity	2017	15,000,000	14,685,000	8,137,930	23,958,048	23.4%
EIG Energy Fund XVI	Natural Resources	Energy	2013	25,000,000	23,872,311	16,136,420	13,929,536	5.3%
Encap Energy Capital Fund IX	Natural Resources	Energy	2012	30,000,000	29,193,824	34,848,387	10,041,000	10.4%
Encap Energy Capital Fund VIII	Natural Resources	Energy	2010	15,000,000	14,935,640	9,524,520	5,851,030	0.5%
Encap Energy Capital Fund X	Natural Resources	Energy	2015	35,000,000	34,092,679	40,311,572	25,329,080	15.5%
EnCap Energy Capital Fund XI	Natural Resources	Energy	2017	40,000,000	36,162,970	13,045,253	42,156,751	18.8%
Energy Capital Partners III	Natural Resources	Energy	2014	40,000,000	39,786,001	52,928,497	10,316,610	11.1%
Essex Woodlands Health Ventures Fund IV	Venture Capital	Venture - Late Stage	1998	4,000,000	4,000,000	5,227,551	524,439	7.2%
Essex Woodlands Health Ventures Fund V	Venture Capital	Venture - Late Stage	2000	10,000,000	10,000,000	10,591,086	1,205,530	3.3%
Essex Woodlands Health Ventures Fund VI	Venture Capital	Venture - Multi-Stage	2004	15,000,000	14,587,500	16,028,797	4,422,200	3.6%
FIMI Opportunity V	Buyout	Buyout - Medium	2012	20,000,000	18,194,334	27,458,121	6,973,000	11.5%
First Reserve Fund XI	Natural Resources	Energy	2006	30,000,000	30,000,000	21,071,746	9,458	-7.9%
First Reserve Fund XII	Natural Resources	Energy	2008	25,000,000	25,990,474	12,742,874	26,181	-17.8%

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CORE PORTFOLIO SUMMARY AS OF 6/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage	USD	USD ITD	USD ITD	USD Fair Market	Net IRR
			Year	Commitment	Contributions	Distributions	Value	
Fortress Credit Opportunities V Expansion	Credit/Distressed	Distressed	2020	50,000,000	22,192,281	5,279,258	19,703,040	9.6%
Francisco Partners Agility III	Buyout	Buyout - Medium	2022	17,500,000	-	-	-	n.m.
Francisco Partners VII	Buyout	Buyout - Medium	2021	50,000,000	-	-	-	n.m.
FS Equity Partners VIII	Buyout	Buyout - Medium	2019	25,000,000	20,232,343	688,936	31,966,416	23.2%
General Catalyst Group X - Early Venture	Venture Capital	Venture - Early Stage	2020	10,000,000	9,650,000	-	17,004,492	27.8%
General Catalyst Group X - Endurance	Venture Capital	Venture - Multi-Stage	2020	11,666,667	11,666,667	-	11,662,833	0.0%
General Catalyst Group X - Growth Venture	Growth Equity	Growth Equity	2020	16,666,666	16,083,333	-	17,946,925	4.7%
General Catalyst Group XI - Creation LP	Venture Capital	Venture - Early Stage	2021	13,000,000	4,540,360	-	4,815,958	7.4%
General Catalyst Group XI - Endurance LP	Growth Equity	Growth Equity	2021	44,000,000	31,021,624	7,971	29,652,002	-3.8%
General Catalyst Group XI - Ignition LP	Venture Capital	Venture - Early Stage	2021	18,000,000	11,818,822	1,993	10,972,768	-7.0%
Genstar Capital Partners IX	Buyout	Buyout - Medium	2019	25,000,000	23,870,713	11,653,898	33,970,491	33.3%
Genstar Capital Partners X	Buyout	Buyout - Large	2021	32,500,000	20,714,948	62,859	21,406,400	4.2%
Genstar Capital Partners XI	Buyout	Buyout - Large	2023	35,000,000	-	-	-	n.m.
Genstar IX Opportunities Fund I	Buyout	Buyout - Large	2019	25,000,000	21,567,622	10,671,944	28,787,970	25.3%
Genstar X Opportunities Fund I	Buyout	Buyout - Large	2021	25,000,000	16,030,563	48,714	16,788,426	4.7%
Genstar XI Opportunities Fund	Buyout	Buyout - Large	2023	25,000,000	-	-	-	n.m.
GGV Capital IX	Venture Capital	Venture - Multi-Stage	2023	40,000,000	-	-	-	n.m.
GGV Capital IX Plus	Venture Capital	Venture - Multi-Stage	2023	10,000,000	-	-	-	n.m.
GGV Capital VIII	Venture Capital	Venture - Expansion Stage	2021	16,000,000	9,360,000	-	10,525,973	8.1%
GGV Capital VIII Plus	Venture Capital	Venture - Expansion Stage	2021	4,000,000	1,840,000	-	1,909,302	2.3%
Gilde Buy-Out Fund V	Buyout	Buyout - Medium	2016	27,121,713	25,802,808	54,539,150	11,050,109	27.9%
Gilde Buy-Out Fund VI	Buyout	Buyout - Medium	2019	39,684,790	26,131,005	1,042,379	31,321,553	15.1%
Glendon Opportunities Fund	Credit/Distressed	Distressed	2014	20,000,000	18,990,996	24,802,279	4,588,872	8.3%
Glendon Opportunities Fund II	Credit/Distressed	Distressed	2019	40,000,000	34,000,000	-	48,451,491	14.8%
Green Equity Investors V	Buyout	Buyout - Large	2007	20,000,000	18,309,607	46,669,621	294,218	19.4%
Green Equity Investors VI	Buyout	Buyout - Large	2012	20,000,000	18,910,285	20,155,714	23,183,876	14.5%

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CORE PORTFOLIO SUMMARY AS OF 6/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Green Equity Investors VII	Buyout	Buyout - Large	2017	25,000,000	23,897,951	19,735,855	31,403,068	22.0%
GTCR Fund XII-AB	Buyout	Buyout - Medium	2017	40,000,000	40,978,021	25,396,657	42,925,801	24.0%
GTCR Fund XIII-AB	Buyout	Buyout - Medium	2020	40,000,000	20,458,202	4,357,526	19,941,199	19.1%
GTCR Fund XIV	Buyout	Buyout - Large	2022	60,000,000	-	-	-	n.m.
H&F Arrow 1	Buyout	Buyout - Large	2020	-	3,502,497	-	6,913,361	27.1%
H&F Spock 1	Buyout	Buyout - Large	2018	-	3,266,786	335,718	10,490,006	26.1%
H.I.G. Europe Middle Market LBO Fund	Buyout	Buyout - Medium	2020	49,552,926	10,729,251	216,856	16,507,734	63.1%
Halifax Capital Partners II	Buyout	Buyout - Small	2005	10,000,001	8,104,233	10,703,687	218,230	7.6%
HarbourVest Partners Co-Investment Fund VI	PE Multi-Manager	Secondaries	2021	50,000,000	25,000,000	-	26,245,932	10.1%
Harvest Partners IX	Buyout	Buyout - Medium	2021	50,000,000	12,642,762	1,018,259	10,551,451	n.m.
Harvest Partners VII	Buyout	Buyout - Medium	2016	20,000,000	19,457,451	17,911,712	11,632,976	11.5%
Harvest Partners VIII	Buyout	Buyout - Medium	2019	50,000,000	51,700,010	18,249,754	55,991,181	18.2%
Hellman & Friedman Capital Partners IX	Buyout	Buyout - Large	2019	30,000,000	29,805,523	781,732	40,961,241	14.8%
Hellman & Friedman Capital Partners VII	Buyout	Buyout - Large	2011	20,000,000	19,117,835	60,085,495	4,358,358	24.7%
Hellman & Friedman Capital Partners VIII	Buyout	Buyout - Large	2016	20,000,000	19,926,586	10,224,917	25,210,124	14.0%
Hellman & Friedman Capital Partners X	Buyout	Buyout - Large	2021	40,000,000	28,853,359	68,179	30,683,460	5.4%
Hellman & Friedman Capital Partners XI	Buyout	Buyout - Large	2023	50,000,000	-	-	-	n.m.
Hg Genesis 10 A	Buyout	Buyout - Large	2022	39,182,400	4,373,601	-	4,575,288	n.m.
Hg Genesis 9	Buyout	Buyout - Medium	2020	19,295,500	17,215,550	3,270,810	18,489,989	25.4%
Hg Saturn 3 A	Buyout	Buyout - Large	2022	40,000,000	4,895,136	-	5,179,683	n.m.
HgCapital Saturn Fund 2	Buyout	Buyout - Large	2020	20,000,000	17,457,626	6,570,947	15,882,182	22.7%
High Road Capital Partners Fund II	Buyout	Buyout - Small	2013	25,000,000	24,070,394	29,169,267	14,149,046	15.0%
Hony Capital Fund V	Buyout	Buyout - Large	2011	25,000,000	26,141,123	8,617,037	11,316,854	-3.5%
ICG Strategic Equity Fund IV	PE Multi-Manager	Secondaries	2021	50,000,000	27,767,530	4,058,825	36,565,957	30.1%
ICG Strategic Equity Fund V	PE Multi-Manager	Secondaries	2024	30,000,000	-	-	(140,975)	n.m.
Incline Equity Partners IV	Buyout	Buyout - Small	2017	10,000,000	9,918,656	6,810,670	11,002,114	24.0%

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CORE PORTFOLIO SUMMARY AS OF 6/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Insight Venture Partners IX	Growth Equity	Growth Equity	2015	25,000,000	26,467,536	33,067,890	62,819,522	25.5%
Insight Venture Partners VIII	Growth Equity	Growth Equity	2013	20,000,000	20,652,344	45,868,693	19,129,904	20.9%
Institutional Venture Partners XV	Venture Capital	Venture - Late Stage	2015	20,000,000	20,120,007	36,924,253	24,826,199	26.8%
J.H. Whitney VII	Buyout	Buyout - Medium	2010	25,000,000	24,667,457	31,855,151	19,243,794	12.7%
Kelso Investment Associates VII	Buyout	Buyout - Medium	2003	18,000,000	17,131,163	29,092,678	32,534	12.5%
Kelso Investment Associates VIII	Buyout	Buyout - Medium	2007	20,000,000	19,002,679	27,187,340	821,467	7.3%
Khosla Ventures IV	Venture Capital	Venture - Early Stage	2011	20,000,000	19,620,000	55,914,954	30,134,141	23.8%
KKR 2006 Fund	Buyout	Buyout - Large	2006	30,000,000	30,219,403	56,261,664	9,875	9.3%
KKR European Fund II	Buyout	Buyout - Large	2005	15,000,000	15,497,844	20,962,595	105,898	4.7%
KPS Special Situations Fund IV	Buyout	Buyout - Medium	2014	25,000,000	21,705,533	34,719,142	10,976,806	24.2%
KPS Special Situations Fund V	Buyout	Buyout - Medium	2020	40,000,000	22,862,472	3,915,036	31,798,856	26.3%
KPS Special Situations Fund VI	Buyout	Buyout - Large	2023	40,000,000	-	-	-	n.m.
KPS Special Situations Mid-Cap Fund	Buyout	Buyout - Medium	2019	10,000,000	6,222,197	912,012	8,513,703	22.9%
KPS Special Situations Mid-Cap Fund II	Buyout	Buyout - Medium	2023	20,000,000	-	-	-	n.m.
L2 Point Opportunities I	Credit/Distressed	Mezzanine	2022	30,000,000	29,303,142	(60,727)	29,660,531	1.2%
Levine Leichtman Capital Partners IV	Buyout	Buyout - Medium	2008	20,000,000	16,448,126	28,973,102	1,931,925	17.5%
Levine Leichtman Capital Partners V	Buyout	Buyout - Medium	2013	30,000,000	31,466,904	60,485,561	10,904,507	17.4%
LightBay Investment Partners II	Buyout	Buyout - Small	2022	25,000,000	2,237,330	-	1,587,931	n.m.
Longitude Venture Partners III	Venture Capital	Venture - Late Stage	2016	10,000,000	10,268,436	10,339,712	6,727,983	19.7%
Mayfield Select III	Venture Capital	Venture - Late Stage	2023	5,000,000	-	-	-	n.m.
MBK Partners Fund V	Buyout	Buyout - Large	2021	40,000,000	21,711,835	483,831	31,328,639	40.7%
Menlo Ventures IX	Venture Capital	Venture - Multi-Stage	2001	20,000,000	20,000,000	20,254,444	351,664	0.5%
Mill Point Capital Partners	Buyout	Buyout - Small	2017	10,000,000	10,287,052	8,746,565	13,672,645	26.2%
Mill Point Capital Partners II	Buyout	Buyout - Medium	2021	11,000,000	9,589,079	2,482,874	8,577,826	23.9%
Montagu VI	Buyout	Buyout - Medium	2020	40,301,363	30,160,185	11,640,052	20,521,454	6.4%
Nautic Partners V	Buyout	Buyout - Medium	2000	15,000,000	14,376,238	29,742,872	1,068,762	17.0%

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CORE PORTFOLIO SUMMARY AS OF 6/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
NEA 18 Venture Growth Equity	Growth Equity	Growth Equity	2022	35,000,000	10,850,000	-	7,913,439	-24.1%
New Enterprise Associates 13	Venture Capital	Venture - Multi-Stage	2009	15,000,000	15,000,000	36,433,375	3,518,793	17.0%
New Enterprise Associates 15	Venture Capital	Venture - Multi-Stage	2015	20,000,000	18,900,000	18,326,811	16,755,273	12.4%
New Enterprise Associates 16	Venture Capital	Venture - Multi-Stage	2017	25,000,000	22,750,000	3,955,903	27,658,705	8.9%
New Enterprise Associates 17	Venture Capital	Venture - Multi-Stage	2019	35,000,000	27,475,000	3,117,748	28,464,631	6.6%
New Enterprise Associates 18	Venture Capital	Venture - Multi-Stage	2022	40,000,000	10,200,000	-	10,534,830	3.8%
New Mountain Partners III	Buyout	Buyout - Large	2007	20,000,000	19,583,991	48,649,824	955,659	14.5%
New Water Capital	Buyout	Buyout - Small	2015	10,000,000	10,175,888	10,973,864	4,201,403	12.7%
NGP Natural Resources XI	Natural Resources	Energy	2014	25,000,000	25,178,656	21,113,881	18,633,696	10.1%
NMS Fund III	Buyout	Buyout - Small	2017	10,000,000	9,152,334	3,612,515	12,474,156	22.2%
NMS Fund IV	Buyout	Buyout - Medium	2020	40,000,000	22,598,752	5,083,114	24,626,224	31.9%
Nordic Capital Fund XI	Buyout	Buyout - Large	2022	47,663,400	-	-	(909,058)	n.m.
Nordic Capital V	Buyout	Buyout - Medium	2003	14,043,460	14,312,613	42,509,152	51,708	20.8%
Oak HC-FT Partners	Venture Capital	Venture - Late Stage	2014	10,000,000	9,663,325	19,622,897	20,059,407	30.4%
Oak HC-FT Partners II	Venture Capital	Venture - Late Stage	2017	10,000,000	10,000,000	4,422,049	23,671,137	34.3%
Oak HC-FT Partners III	Venture Capital	Venture - Multi-Stage	2019	25,000,000	25,081,217	2,328,199	38,417,864	22.1%
Oak HC-FT Partners IV	Venture Capital	Venture - Multi-Stage	2021	40,000,000	34,401,949	163,684	38,724,940	8.5%
Oak HC-FT Partners V	Venture Capital	Venture - Multi-Stage	2022	50,000,000	6,851,597	41	7,369,566	n.m.
Oak Investment Partners XII	Venture Capital	Venture - Multi-Stage	2006	15,000,000	14,999,762	13,930,627	264,117	-0.8%
Oaktree Opportunities Fund X	Credit/Distressed	Distressed	2015	7,500,000	6,225,000	5,031,699	4,585,405	9.4%
Oaktree Opportunities Fund Xb	Credit/Distressed	Distressed	2018	17,500,000	13,125,000	-	19,715,655	14.5%
OceanSound Partners Fund	Buyout	Buyout - Medium	2019	20,000,000	15,158,743	135,072	23,797,888	22.1%
OceanSound Partners Fund II	Buyout	Buyout - Small	2023	25,000,000	8,663,503	-	8,148,307	n.m.
OCM Opportunities Fund VII	Credit/Distressed	Distressed	2007	10,000,000	10,000,000	13,744,793	89,156	7.3%
OCM Opportunities Fund VIIb	Credit/Distressed	Distressed	2008	10,000,000	9,000,000	15,582,552	3,949	16.5%
Onex Partners	Buyout	Buyout - Large	2003	20,000,000	19,048,408	58,437,674	86,350	38.4%

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CORE PORTFOLIO SUMMARY AS OF 6/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Orchid Asia VIII	Growth Equity	Growth Equity	2021	50,000,000	15,144,334	1,077,796	11,261,112	-32.2%
P4G Capital Partners I	Buyout	Buyout - Small	2018	10,000,000	7,996,244	272,746	8,725,810	9.6%
Palladium Equity Partners IV	Buyout	Buyout - Medium	2012	25,000,000	26,170,381	17,841,387	24,246,412	10.4%
Palladium Equity Partners V	Buyout	Buyout - Medium	2017	25,000,000	20,049,269	4,647,708	22,194,478	12.1%
Permira Europe III	Buyout	Buyout - Large	2003	21,506,160	21,573,836	36,917,803	57,495	26.1%
Pharos Capital Partners II-A	Buyout	Buyout - Medium	2004	5,000,000	5,000,000	3,192,707	2,126,154	0.8%
Platinum Equity Capital Partners III	Buyout	Buyout - Large	2011	25,000,000	19,970,410	41,331,474	5,058,868	30.6%
Platinum Equity Capital Partners IV	Buyout	Buyout - Large	2016	15,000,000	15,681,229	14,628,376	16,563,598	23.5%
Platinum Equity Capital Partners V	Buyout	Buyout - Large	2019	50,000,000	52,381,720	8,729,203	69,369,635	23.1%
Platinum Equity Capital Partners VI	Buyout	Buyout - Large	2022	75,000,000	6,754,974	370,994	6,112,586	n.m.
Platinum Equity Small Cap Fund	Buyout	Buyout - Medium	2018	22,500,000	17,834,023	4,105,972	28,371,442	26.9%
Polaris Growth Fund	Growth Equity	Growth Equity	2018	10,000,000	4,880,000	3,514,286	10,114,272	50.5%
Polaris Partners VII	Venture Capital	Venture - Multi-Stage	2014	25,000,000	23,125,000	6,262,289	39,123,364	11.2%
Polaris Partners VIII	Venture Capital	Venture - Multi-Stage	2016	10,000,000	8,100,000	5,224,901	12,551,577	21.1%
Polaris Venture Partners V	Venture Capital	Venture - Multi-Stage	2006	15,000,000	14,700,000	19,764,786	8,472,525	8.5%
Polaris Venture Partners VI	Venture Capital	Venture - Multi-Stage	2010	15,000,000	13,125,000	17,803,532	10,047,814	12.7%
Providence Debt Fund III	Credit/Distressed	Distressed	2013	30,000,000	32,098,772	35,690,838	6,047,448	6.2%
Providence Equity Partners V	Buyout	Buyout - Large	2005	18,000,000	16,415,595	20,374,892	100,389	3.2%
Providence Equity Partners VI	Buyout	Buyout - Large	2007	30,000,000	28,967,876	42,974,272	441,910	6.0%
Reverence Capital Partners Opportunities Fund V (PE III)	Buyout	Buyout - Medium	2021	50,000,000	18,417,802	1,215,116	17,641,644	3.5%
Roark Capital Partners II Side Car	Buyout	Buyout - Medium	2018	10,000,000	9,974,541	1,703,566	17,444,986	19.5%
Roark Capital Partners V	Buyout	Buyout - Large	2018	15,000,000	13,769,299	3,108,247	18,938,749	18.9%
Roark Capital Partners VI	Buyout	Buyout - Large	2021	40,000,000	13,381,089	580,075	15,901,175	14.7%
Samson Brunello 1	Buyout	Buyout - Large	2021	-	2,546,878	-	7,355,060	56.8%
Samson Hockey 1	Buyout	Buyout - Large	2020	-	3,380,241	1,104,330	6,446,940	43.6%
Samson Shield 1	Buyout	Buyout - Large	2020	-	11,378,440	2,125,231	12,378,594	12.0%

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CORE PORTFOLIO SUMMARY AS OF 6/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Searchlight Capital II	Buyout	Buyout - Medium	2015	25,000,000	24,303,945	31,612,305	13,481,642	21.5%
Spark Capital	Venture Capital	Venture - Early Stage	2005	9,000,000	8,820,000	11,937,038	435,967	8.1%
Spark Capital Growth Fund	Growth Equity	Growth Equity	2014	10,000,000	10,000,000	29,931,719	34,317,529	33.1%
Spark Capital Growth Fund II	Growth Equity	Growth Equity	2017	15,000,000	15,000,000	14,852,371	17,419,072	23.4%
Spark Capital Growth Fund III	Growth Equity	Growth Equity	2020	26,750,000	26,750,000	4,703,069	39,180,194	27.6%
Spark Capital Growth Fund IV	Growth Equity	Growth Equity	2021	33,340,000	9,501,900	-	8,167,309	-16.4%
Spark Capital II	Venture Capital	Venture - Early Stage	2008	9,750,000	9,750,000	45,726,125	7,299,695	51.5%
Spark Capital III	Venture Capital	Venture - Early Stage	2011	10,000,000	10,000,000	17,733,069	24,696,403	28.3%
Spark Capital VI	Venture Capital	Venture - Early Stage	2020	13,250,000	10,136,250	-	14,742,181	19.6%
Spark Capital VII	Venture Capital	Venture - Early Stage	2021	16,660,000	5,331,200	-	4,734,697	-10.5%
Spire Capital Partners III	Buyout	Buyout - Small	2013	10,000,000	10,520,110	6,139,702	8,896,940	8.4%
Stellex Capital Partners II	Buyout	Buyout - Medium	2021	30,000,000	20,346,135	1,390,723	20,732,278	8.1%
StepStone Secondary Opportunities III	PE Multi-Manager	Secondaries	2016	25,000,000	26,893,885	19,841,103	22,393,761	13.8%
Stripes III	Growth Equity	Growth Equity	2015	10,000,000	12,832,144	15,630,747	16,479,122	19.1%
Stripes IV	Growth Equity	Growth Equity	2017	10,000,000	13,775,813	10,469,148	29,171,129	37.3%
Sunstone Partners I	Growth Equity	Growth Equity	2015	7,500,000	7,650,162	10,320,364	11,174,730	35.9%
Sunstone Partners II	Growth Equity	Growth Equity	2020	10,000,000	9,124,580	-	10,807,350	15.7%
Sunstone Partners III	Growth Equity	Growth Equity	2022	20,000,000	1,021,782	-	618,142	n.m.
TA XI	Growth Equity	Growth Equity	2010	20,000,000	19,778,812	71,041,586	3,480,023	26.8%
TA XII-A	Growth Equity	Growth Equity	2016	25,000,000	25,017,785	45,641,682	29,895,225	36.7%
TA XIII-A	Growth Equity	Growth Equity	2019	35,000,000	34,352,705	12,827,705	44,691,855	29.2%
TA XIV-A	Growth Equity	Growth Equity	2021	60,000,000	39,600,000	-	36,580,520	-8.2%
TA XV	Growth Equity	Growth Equity	2023	60,000,000	-	-	-	n.m.
TCV IX	Growth Equity	Growth Equity	2016	10,000,000	7,953,739	7,984,348	8,886,547	20.8%
TCV VII	Growth Equity	Growth Equity	2008	20,000,000	19,745,900	62,174,983	586,728	23.4%
TCV VIII	Growth Equity	Growth Equity	2014	30,000,000	26,152,505	19,755,954	37,382,784	12.2%

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CORE PORTFOLIO SUMMARY AS OF 6/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
TCV X	Growth Equity	Growth Equity	2019	25,000,000	18,763,324	2,292,833	36,178,216	24.9%
TCV XI	Growth Equity	Growth Equity	2021	40,000,000	20,473,902	-	18,299,390	-6.6%
TCV XII	Growth Equity	Growth Equity	2022	60,000,000	-	-	-	n.m.
TCW Crescent Mezzanine Partners V	Credit/Distressed	Mezzanine	2007	10,000,000	9,625,012	13,257,347	55,104	9.7%
The Baring Asia Private Equity Fund VI, L.P. 1	Buyout	Buyout - Medium	2015	25,000,000	26,585,530	26,824,541	22,146,613	14.5%
The Baring Asia Private Equity Fund VII	Buyout	Buyout - Medium	2018	25,000,000	25,359,317	15,873,009	25,196,334	27.8%
The Eighth Cinven Fund	Buyout	Buyout - Large	2022	72,746,600	-	-	-	n.m.
Thoma Bravo Discover Fund II	Buyout	Buyout - Medium	2018	10,000,000	10,405,421	5,136,277	14,108,117	24.3%
Thoma Bravo Discover Fund III	Buyout	Buyout - Medium	2020	20,000,000	19,939,175	259,587	21,775,686	6.4%
Thoma Bravo Discover Fund IV	Buyout	Buyout - Medium	2022	45,000,000	14,963,286	-	15,636,460	n.m.
Thoma Bravo Explore Fund	Buyout	Buyout - Small	2020	10,000,000	7,859,253	538,135	10,598,336	24.5%
Thoma Bravo Fund XI	Buyout	Buyout - Medium	2014	15,000,000	13,400,392	34,733,049	17,783,687	27.0%
Thoma Bravo Fund XII	Buyout	Buyout - Large	2016	25,000,000	26,512,090	27,551,836	27,037,635	16.3%
Thoma Bravo Fund XIII	Buyout	Buyout - Large	2018	30,000,000	36,733,975	18,190,859	47,855,775	29.4%
Thoma Bravo Fund XIV	Buyout	Buyout - Large	2021	30,000,000	29,551,865	7	32,081,939	4.7%
Thoma Bravo Fund XV	Buyout	Buyout - Large	2022	80,000,000	54,320,945	17,335	53,594,484	-2.0%
Thoma Bravo Special Opportunities Fund II	Buyout	Buyout - Medium	2015	10,000,000	9,200,691	11,185,600	11,030,090	16.5%
Threshold Ventures II	Venture Capital	Venture - Early Stage	2016	10,000,000	9,795,000	1,519,757	32,375,734	28.4%
TPG Growth II	Buyout	Buyout - Medium	2011	30,000,000	30,016,445	56,250,920	16,633,314	17.5%
TPG Partners IV	Buyout	Buyout - Large	2003	25,000,000	27,436,973	52,741,423	46,457	15.2%
TPG Partners V	Buyout	Buyout - Large	2006	29,610,505	31,415,182	42,739,813	30,470	4.8%
TPG Partners VI	Buyout	Buyout - Large	2008	22,500,000	24,691,367	36,375,239	320,769	9.4%
TPG Rise Climate	Growth Equity	Growth Equity	2021	50,000,000	15,865,744	376,069	18,421,238	32.4%
TPG STAR	Buyout	Buyout - Medium	2006	20,000,000	21,635,099	25,871,189	2,108,691	6.1%
Trident Capital Fund-VI	Buyout	Buyout - Medium	2005	8,500,000	8,500,000	11,600,511	1,845,776	4.7%
Ulu Ventures Fund III	Venture Capital	Venture - Early Stage	2020	10,000,000	9,000,000	-	8,496,806	-4.0%

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CORE PORTFOLIO SUMMARY AS OF 6/30/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Ulu Ventures Fund IV	Venture Capital	Venture - Early Stage	2023	20,000,000	-	-	-	n.m.
Upfront VI	Venture Capital	Venture - Early Stage	2017	20,000,000	18,057,078	1,068,853	28,463,646	15.0%
VantagePoint Venture Partners IV	Venture Capital	Venture - Multi-Stage	2000	15,000,000	15,000,000	14,430,192	26,534	-0.5%
Vista Equity Partners Fund III	Buyout	Buyout - Medium	2007	25,000,000	23,297,865	62,074,275	1,083,911	26.6%
Vista Equity Partners Fund IV	Buyout	Buyout - Medium	2011	30,000,000	25,177,008	34,524,726	21,840,443	14.5%
Vista Equity Partners Fund V	Buyout	Buyout - Medium	2014	40,000,000	40,925,088	49,657,996	54,428,879	19.3%
Vista Equity Partners Fund VI	Buyout	Buyout - Large	2016	30,000,000	37,494,593	35,756,328	43,116,361	19.5%
Vista Equity Partners Fund VII	Buyout	Buyout - Large	2018	40,000,000	35,995,798	3,868,771	42,363,123	10.2%
Vista Foundation Fund II	Buyout	Buyout - Medium	2013	10,000,000	9,270,848	15,774,959	4,752,953	15.1%
Vista Foundation Fund III	Buyout	Buyout - Medium	2016	10,000,000	11,297,554	11,770,759	9,983,509	22.6%
Vista Foundation Fund IV	Buyout	Buyout - Medium	2020	30,000,000	22,469,183	5,779	22,122,578	-1.0%
Vitruvian Investment Partnership IV	Buyout	Buyout - Medium	2020	39,119,924	30,721,555	-	35,881,782	15.2%
Vitruvian Investment Partnership V	Growth Equity	Growth Equity	2022	75,103,200	-	-	(627,899)	n.m.
Wynnchurch Capital Partners IV	Buyout	Buyout - Medium	2015	10,000,000	9,708,944	10,131,021	15,069,572	27.3%
Yucaipa American Alliance Fund II	Buyout	Buyout - Medium	2008	20,000,000	20,160,070	22,423,693	16,485,948	7.9%
LACERS - Active Core				6,834,139,174	4,853,294,753	4,040,991,821	4,143,945,331	14.2%
LACERS Core				7,821,463,788	5,809,780,085	5,535,767,675	4,143,945,331	12.7%

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CORE PORTFOLIO SUMMARY AS OF 6/30/2023 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage	USD	USD ITD	USD ITD	USD Fair Market	
			Year	Commitment	Contributions	Distributions	Value	Net IRR
ACON-Bastion Partners II	Buyout	Buyout - Medium	2006	5,000,000	4,721,150	8,209,699	-	12.3%
Alchemy Plan (City of Angels)	Buyout	Buyout - Medium	1999	38,194,245	40,196,637	50,322,714	-	5.7%
Austin Ventures VII	Venture Capital	Venture - Multi-Stage	1999	17,000,000	17,000,000	13,726,439	-	-2.8%
Austin Ventures VIII	Venture Capital	Venture - Multi-Stage	2001	8,300,000	8,300,000	13,730,002	-	6.8%
Avenue Europe Special Situations Fund II	Credit/Distressed	Distressed	2011	28,323,908	28,305,005	32,200,618	-	3.5%
Avenue Special Situations Fund IV	Credit/Distressed	Distressed	2006	10,000,000	10,000,000	13,828,999	-	8.3%
Avenue Special Situations Fund V	Credit/Distressed	Distressed	2007	10,000,000	9,950,262	13,312,819	-	11.5%
Carlyle Partners IV	Buyout	Buyout - Large	2005	20,000,000	19,634,189	39,897,415	-	13.0%
CGW Southeast Partners III	Buyout	Buyout - Small	1996	8,680,144	8,680,144	14,736,448	-	9.2%
CGW Southeast Partners IV	Buyout	Buyout - Medium	1999	10,000,000	8,707,914	13,398,877	-	8.3%
Charterhouse Capital Partners VIII	Buyout	Buyout - Large	2006	19,869,483	19,656,305	18,895,820	-	-0.6%
Chisholm Partners IV	Buyout	Buyout - Small	1999	9,000,000	8,841,055	9,376,669	-	0.7%
CHS Private Equity V	Buyout	Buyout - Medium	2005	20,000,000	20,145,530	35,432,176	-	9.9%
CVC European Equity Partners	Buyout	Buyout - Large	1996	10,000,000	9,686,071	24,345,254	-	23.2%
CVC European Equity Partners II	Buyout	Buyout - Large	1998	9,218,055	9,212,371	22,076,376	-	18.9%
Energy Capital Partners II	Natural Resources	Energy	2009	20,000,000	13,957,194	20,431,934	-	9.1%
Enhanced Equity Fund	Buyout	Buyout - Small	2006	10,000,000	10,000,000	10,776,209	-	1.1%
Enhanced Equity Fund II	Buyout	Buyout - Small	2010	10,000,000	9,570,165	5,253,831	-	-21.7%
First Reserve Fund X	Natural Resources	Energy	2004	20,000,000	20,000,000	36,552,322	-	31.0%
Golder, Thoma, Cressey, Rauner Fund V	Buyout	Buyout - Medium	1997	10,000,000	10,000,000	18,226,074	-	11.0%
GTCR Fund IX-A	Buyout	Buyout - Medium	2006	15,000,000	14,288,203	25,808,785	-	13.8%
GTCR Fund VI	Buyout	Buyout - Medium	1998	10,000,000	10,000,000	8,890,791	-	-3.8%
GTCR Fund VII	Buyout	Buyout - Medium	2000	18,750,000	18,609,375	43,841,047	-	21.8%
GTCR Fund VIII	Buyout	Buyout - Medium	2003	20,000,000	18,520,960	32,408,009	-	22.3%
GTCR Fund VII-A	Buyout	Buyout - Medium	2001	6,250,000	4,140,625	11,565,815	-	83.1%
Hellman & Friedman Capital Partners V	Buyout	Buyout - Large	2004	10,463,972	9,931,388	26,659,657	-	27.8%

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CORE PORTFOLIO SUMMARY AS OF 6/30/2023 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Hellman & Friedman Capital Partners VI	Buyout	Buyout - Large	2006	20,000,000	19,252,237	36,202,495	-	12.9%
Highbridge Principal Strategies Senior Loan II	Credit/Distressed	Distressed	2010	50,000,000	40,883,273	47,651,965	-	7.9%
InterWest VI	Venture Capital	Venture - Early Stage	1996	5,000,000	5,000,000	14,858,749	-	49.0%
J.H. Whitney IV	Buyout	Buyout - Medium	1999	22,448,463	22,448,463	9,422,111	-	-10.9%
J.H. Whitney V	Buyout	Buyout - Medium	2000	9,957,358	11,558,159	22,375,756	-	23.3%
J.H. Whitney VI	Buyout	Buyout - Medium	2005	15,000,000	14,884,557	14,590,780	-	-0.4%
Kelso Investment Associates VI	Buyout	Buyout - Medium	1998	4,309,418	4,309,418	5,982,794	-	9.3%
KKR 1996 Fund	Buyout	Buyout - Large	1997	25,000,000	26,194,438	46,838,314	-	13.2%
Levine Leichtman Capital Partners III	Buyout	Buyout - Medium	2003	20,000,000	21,392,254	33,354,346	-	10.0%
Lindsay Goldberg & Bessemer II	Buyout	Buyout - Large	2006	20,000,000	18,913,523	27,078,474	-	7.1%
Lindsay Goldberg III	Buyout	Buyout - Large	2008	20,000,000	19,232,884	26,175,344	-	8.1%
Madison Dearborn Capital Partners III	Buyout	Buyout - Medium	1999	16,000,000	16,000,000	24,398,778	-	8.6%
Madison Dearborn Capital Partners IV	Buyout	Buyout - Medium	2000	25,000,000	25,199,114	48,054,335	-	14.1%
Menlo Ventures VII	Venture Capital	Venture - Multi-Stage	1997	5,000,000	5,000,000	23,552,033	-	135.8%
Menlo Ventures VIII	Venture Capital	Venture - Multi-Stage	1999	18,000,000	18,000,000	8,980,234	-	-8.9%
NewBridge Asia IV	Buyout	Buyout - Medium	2005	10,000,000	9,846,880	21,943,320	-	16.8%
OCM Opportunities Fund	Credit/Distressed	Distressed	1995	11,000,000	10,972,896	18,030,431	-	10.3%
OCM Opportunities Fund II	Credit/Distressed	Distressed	1997	11,000,000	11,000,000	16,628,641	-	8.4%
OCM Opportunities Fund III	Credit/Distressed	Distressed	1999	10,000,000	10,000,000	15,072,658	-	11.9%
OCM Opportunities Fund IV	Credit/Distressed	Distressed	2001	10,000,000	10,000,000	16,503,319	-	28.4%
OCM Opportunities Fund V	Credit/Distressed	Distressed	2004	7,100,000	7,100,000	11,703,269	-	14.1%
Olympus Growth Fund IV	Buyout	Buyout - Medium	2003	7,700,000	7,660,045	11,831,606	-	8.5%
Permira Europe IV	Buyout	Buyout - Large	2006	14,935,115	14,921,731	24,111,899	-	8.6%
Providence TMT Debt Opportunity Fund II	Credit/Distressed	Distressed	2010	20,000,000	16,319,772	25,893,666	-	10.4%
Richland Ventures III	Venture Capital	Venture - Late Stage	1999	18,000,000	18,000,000	15,261,276	-	-3.0%

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CORE PORTFOLIO SUMMARY AS OF 6/30/2023 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
SSG Capital Partners II	Credit/Distressed	Distressed	2012	15,914,286	15,287,483	17,803,371	-	4.1%
TA X	Growth Equity	Growth Equity	2006	6,000,000	6,186,689	8,025,046	-	5.2%
TCV V	Venture Capital	Venture - Multi-Stage	2004	19,500,000	19,334,250	35,783,445	-	10.6%
TCW Crescent Mezzanine Partners IV	Credit/Distressed	Mezzanine	2006	10,000,000	8,712,805	9,998,443	-	2.9%
The Resolute Fund	Buyout	Buyout - Medium	2002	20,000,000	18,978,049	48,217,383	-	17.0%
Thoma Cressey Fund VI	Buyout	Buyout - Medium	1998	5,000,000	4,845,000	4,995,064	-	0.4%
Thomas H. Lee Equity Fund V	Buyout	Buyout - Medium	2000	15,000,000	15,260,867	26,333,190	-	14.2%
Tibbar Holdings, LLC (FKA TH Lee IV)	Buyout	Buyout - Medium	1998	7,000,000	6,314,197	5,484,109	-	-2.6%
TPG Partners III	Buyout	Buyout - Large	1999	25,000,000	22,442,286	56,580,977	-	24.4%
Trident Capital Fund-V	Buyout	Buyout - Medium	2000	10,587,999	10,627,045	17,742,590	-	7.7%
Trident Capital Fund-V (Secondary)	Buyout	Buyout - Medium	2000	3,781,680	3,374,683	6,480,167	-	12.1%
Vestar Capital Partners IV	Buyout	Buyout - Medium	1999	17,000,000	16,590,256	29,407,769	-	13.4%
Welsh, Carson, Anderson & Stowe IX	Buyout	Buyout - Medium	2000	15,000,000	14,850,000	24,680,230	-	11.2%
Welsh, Carson, Anderson & Stowe VII	Buyout	Buyout - Medium	1995	15,000,000	15,000,000	32,633,357	-	17.7%
Welsh, Carson, Anderson & Stowe VIII	Buyout	Buyout - Medium	1998	15,000,000	15,000,000	19,322,526	-	3.1%
Weston Presidio Capital IV	Growth Equity	Growth Equity	2000	15,000,000	14,764,721	17,365,533	-	3.0%
Weston Presidio Capital IV (Secondary)	Growth Equity	Growth Equity	2000	3,040,488	2,772,810	3,521,264	-	5.2%
LACERS - Liquidated Core				987,324,614	956,485,331	1,494,775,855	-	10.6%
LACERS Core				7,821,463,788	5,809,780,085	5,535,767,675	4,143,945,331	12.7%

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SPECIALIZED PORTFOLIO SUMMARY AS OF 6/30/2023 - ACTIVE

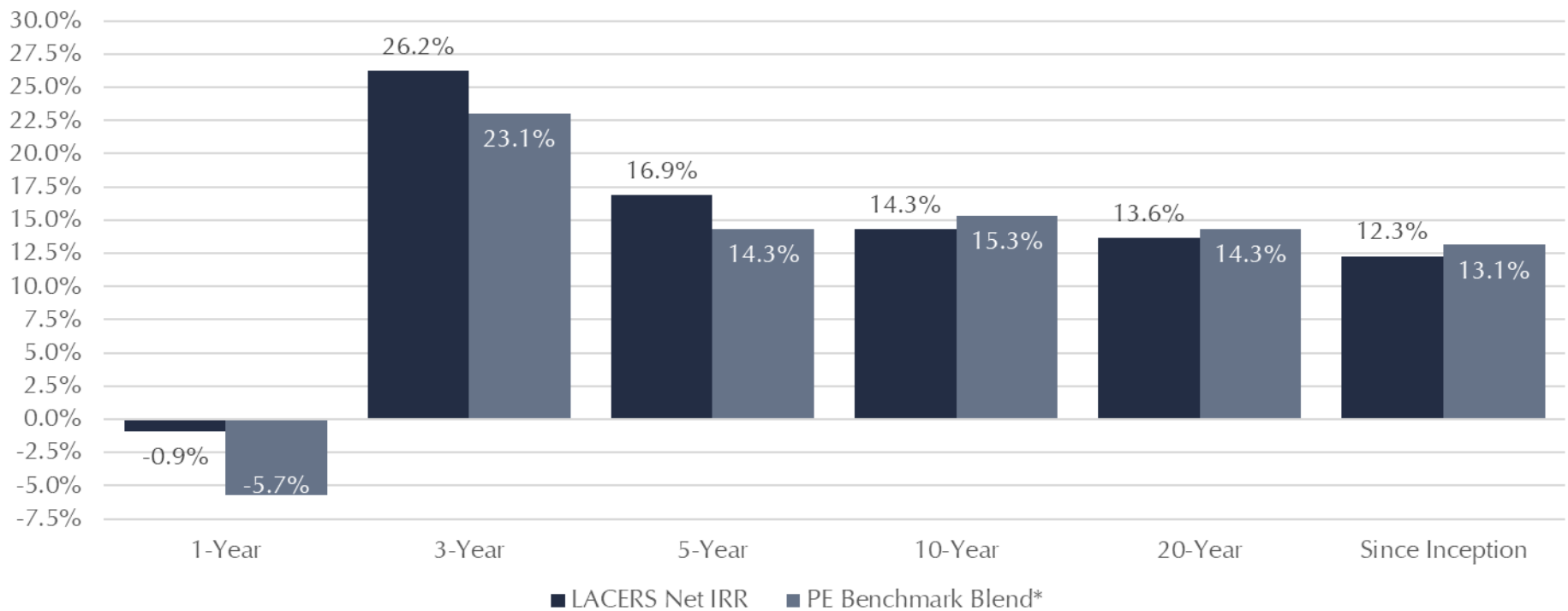
Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Angeleno Investors III	Venture Capital	Venture - Late Stage	2009	10,000,000	10,686,144	2,321,282	9,230,830	1.0%
DFJ Frontier Fund II	Venture Capital	Venture - Early Stage	2007	5,000,000	5,002,783	1,790,549	4,025,571	1.6%
Element Partners Fund II	Venture Capital	Venture - Late Stage	2008	10,000,000	9,361,465	13,653,478	333,162	5.9%
NGEN III	Venture Capital	Venture - Multi-Stage	2008	10,000,000	11,413,705	5,824,676	1,885,203	-5.2%
Palladium Equity Partners III	Buyout	Buyout - Medium	2004	10,000,000	9,915,419	17,816,861	12,511	11.2%
Saybrook Corporate Opportunity Fund	Credit/Distressed	Distressed	2007	6,192,814	6,321,092	9,449,199	294,102	9.8%
St. Cloud Capital Partners II	Credit/Distressed	Mezzanine	2007	5,000,000	4,989,085	4,177,572	43,501	-3.9%
Vicente Capital Partners Growth Equity Fund	Growth Equity	Growth Equity	2007	10,000,000	10,093,708	13,998,549	102,619	5.7%
Yucaipa American Alliance Fund I	Buyout	Buyout - Medium	2002	10,000,000	10,000,000	12,451,100	71,344	3.8%
LACERS - Specialized Active				76,192,814	77,783,399	81,483,265	15,998,843	3.8%
LACERS Specialized				191,261,668	189,163,248	196,099,806	15,998,843	1.8%

SPECIALIZED PORTFOLIO SUMMARY AS OF 6/30/2023 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Ares Special Situations Fund	Credit/Distressed	Distressed	2008	10,000,000	10,166,166	17,497,244	-	13.1%
Carpenter Community BancFund-A	Buyout	Buyout - Small	2008	10,000,000	9,692,231	16,376,097	-	8.2%
Craton Equity Investors I	Growth Equity	Growth Equity	2006	10,000,000	9,951,989	1,067,621	-	-32.7%
DFJ Element	Venture Capital	Venture - Multi-Stage	2006	8,000,000	7,846,106	5,764,976	-	-3.4%
NGEN Partners II	Venture Capital	Venture - Multi-Stage	2005	7,750,702	7,750,702	515,126	-	-49.0%
Nogales Investors Fund II	Buyout	Buyout - Medium	2006	4,100,000	3,603,436	398,586	-	-24.1%
Reliant Equity Partners	Buyout	Buyout - Small	2002	7,920,417	8,008,449	55,772	-	-100.0%
Rustic Canyon/Fontis Partners	Growth Equity	Growth Equity	2005	5,000,000	3,671,248	2,552,846	-	-5.0%
Sector Performance Fund	Buyout	Buyout - Medium	2007	9,297,735	9,502,443	8,466,553	-	-2.9%
Spire Capital Partners II	Buyout	Buyout - Small	2006	10,000,000	9,025,654	17,699,807	-	15.6%
StarVest Partners II	Venture Capital	Venture - Late Stage	2007	5,000,000	4,976,109	2,919,313	-	-7.0%
StepStone Pioneer Capital I	PE Multi-Manager	Fund of Funds	2004	10,000,000	9,751,911	13,033,359	-	5.1%
StepStone Pioneer Capital II	PE Multi-Manager	Fund of Funds	2006	10,000,000	9,427,148	18,255,456	-	9.1%
Sterling Venture Partners II	Venture Capital	Venture - Late Stage	2005	8,000,000	8,006,256	10,013,785	-	3.2%
Liquidated				115,068,854	111,379,849	114,616,541	-	0.5%
LACERS Specialized				191,261,668	189,163,248	196,099,806	15,998,843	1.8%

Horizon Returns for LACERS' Private Equity Program vs. PE Benchmark Blend

- LACERS Private Equity Benchmark is a historical blend of the Russell 3000 and Cambridge Associates benchmarks



* Note: On January 25, 2022, the Board approved a benchmark change to the Cambridge Associates Global Private Equity and Venture Capital Index. The new benchmark 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. Portfolio data are as of March 31, 2023. CA data are preliminary and 99% complete, as of March 31, 2023.

CORE PORTFOLIO SUMMARY AS OF 3/31/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
1315 Capital Fund	Venture Capital	Venture - Late Stage	2015	10,000,000	10,106,080	8,258,568	11,550,083	17.4%
1315 Capital Fund II	Venture Capital	Venture - Late Stage	2018	10,000,000	8,530,466	5,573,024	6,959,149	20.2%
1315 Capital Fund III	Growth Equity	Growth Equity	2022	30,000,000	3,278,243	-	2,621,943	n.m.
ABRY Advanced Securities Fund III	Credit/Distressed	Credit	2014	20,000,000	25,948,891	11,972,846	13,354,010	-0.6%
ABRY Advanced Securities Fund IV	Credit/Distressed	Credit	2018	40,000,000	38,625,211	13,393,165	26,046,889	1.2%
ABRY Heritage Partners	Buyout	Buyout - Small	2016	10,000,000	10,226,073	10,419,396	7,987,516	27.3%
ABRY Partners IX	Buyout	Buyout - Medium	2019	40,000,000	37,960,025	6,129,078	50,694,372	20.2%
ABRY Partners VIII	Buyout	Buyout - Medium	2014	25,000,000	28,624,392	35,958,331	5,277,758	10.4%
ABRY Senior Equity V	Credit/Distressed	Mezzanine	2016	10,000,000	10,352,985	4,191,577	11,026,989	15.7%
ACON Equity Partners 3.5	Buyout	Buyout - Medium	2012	20,000,000	18,034,492	19,912,616	432,621	2.7%
Advent Global Technology	Buyout	Buyout - Medium	2019	15,000,000	14,249,999	-	17,003,852	8.7%
Advent Global Technology II	Buyout	Buyout - Medium	2021	30,000,000	10,060,511	-	11,574,544	18.1%
Advent International GPE IX	Buyout	Buyout - Large	2019	45,000,000	40,952,885	4,498,202	56,554,500	24.4%
Advent International GPE VI A	Buyout	Buyout - Medium	2008	20,000,000	20,000,000	40,162,749	2,050,566	16.5%
Advent International GPE VII B	Buyout	Buyout - Large	2012	30,000,000	28,800,000	46,324,310	6,160,698	13.5%
Advent International GPE VIII B-2	Buyout	Buyout - Large	2016	35,000,000	35,000,000	25,565,736	45,016,587	18.6%
Advent International GPE X	Buyout	Buyout - Large	2022	60,000,000	4,500,000	-	3,677,350	n.m.
AION Capital Partners	Credit/Distressed	Credit	2012	20,000,000	19,572,071	15,583,810	6,653,224	3.3%
American Securities Partners VII	Buyout	Buyout - Medium	2016	25,000,000	24,239,779	12,637,826	34,084,734	16.1%
American Securities Partners VIII	Buyout	Buyout - Large	2019	40,000,000	35,714,505	1,493,319	50,759,968	24.2%
Angeles Equity Partners I	Buyout	Buyout - Small	2015	10,000,000	9,192,318	6,927,839	7,176,849	18.5%
Apollo Investment Fund IV	Buyout	Buyout - Large	1998	5,000,000	4,989,241	8,320,973	2,649	8.5%
Apollo Investment Fund VI	Buyout	Buyout - Large	2006	15,000,000	14,372,999	23,957,457	269,937	8.6%
Apollo Investment Fund VII	Buyout	Buyout - Large	2008	20,000,000	17,566,884	35,637,034	226,026	22.6%
Apollo Investment Fund VIII	Buyout	Buyout - Large	2013	40,000,000	36,030,062	40,203,911	14,881,042	10.0%
Arsenal Capital Partners VI	Buyout	Buyout - Medium	2021	50,000,000	22,201,115	7,631,640	14,514,088	n.m.

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CORE PORTFOLIO SUMMARY AS OF 3/31/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Ascribe Opportunities Fund II	Credit/Distressed	Distressed	2010	20,000,000	30,537,420	31,202,934	1,763,051	2.8%
Ascribe Opportunities Fund III	Credit/Distressed	Distressed	2014	30,000,000	50,591,896	42,046,859	776,022	-18.7%
Ascribe Opportunities Fund IV	Credit/Distressed	Distressed	2019	25,000,000	25,084,041	4,694,223	21,830,778	9.2%
Astorg VI	Buyout	Buyout - Medium	2015	25,625,875	21,228,378	24,439,629	10,567,374	13.5%
Astorg VII	Buyout	Buyout - Medium	2019	36,123,864	31,977,722	-	40,646,982	13.4%
Astra Partners I	Buyout	Buyout - Small	2017	10,000,000	7,100,832	(28,358)	8,174,435	5.2%
Auldbrass Partners Secondary Opportunity Fund III	PE Multi-Manager	Secondaries	2021	20,000,000	3,705,696	-	2,615,836	n.m.
Avance Investment Partners	Buyout	Buyout - Small	2021	20,000,000	8,587,313	1,974,799	7,050,417	5.6%
Bain Capital Asia Fund III	Buyout	Buyout - Large	2016	15,000,000	15,505,749	11,502,735	15,353,982	20.4%
Bain Capital Double Impact Fund	Buyout	Buyout - Small	2016	10,000,000	10,819,474	7,152,119	9,404,317	19.6%
Barings Emerging Generation Fund	PE Multi-Manager	Secondaries	2021	25,000,000	13,652,888	(333,543)	17,108,315	20.6%
Barings Emerging Generation Fund II	PE Multi-Manager	Fund of Funds	2023	25,000,000	-	-	-	n.m.
BC European Capital IX	Buyout	Buyout - Large	2011	17,665,048	19,437,617	23,972,107	7,847,681	10.7%
BC European Capital X	Buyout	Buyout - Large	2017	31,651,237	29,787,340	6,289,572	36,991,754	10.5%
BDCM Opportunity Fund IV	Credit/Distressed	Distressed	2015	25,000,000	35,202,938	23,512,482	44,016,230	17.9%
Bessemer Venture Partners XII Institutional Fund	Venture Capital	Venture - Early Stage	2022	25,000,000	-	-	-	n.m.
Biospring Partners Fund	Growth Equity	Growth Equity	2020	20,000,000	12,189,647	2,853,929	8,115,137	-14.2%
Blackstone Capital Partners V & V-S	Buyout	Buyout - Large	2005	19,799,726	19,297,288	32,498,987	166,717	7.9%
Blackstone Capital Partners VI	Buyout	Buyout - Large	2011	20,000,000	19,351,310	28,258,116	8,156,808	12.4%
Blackstone Energy Partners	Natural Resources	Energy	2011	25,000,000	23,687,129	35,502,706	5,469,460	11.2%
Blue Sea Capital Fund I	Buyout	Buyout - Small	2013	10,000,000	9,410,689	14,825,595	6,724,914	19.8%
Brentwood Associates Private Equity VI	Buyout	Buyout - Medium	2017	25,000,000	30,136,411	11,536,850	35,164,506	25.3%
Builders VC Fund II	Venture Capital	Venture - Early Stage	2021	10,000,000	3,500,000	-	3,791,959	6.0%
Carlyle Partners V	Buyout	Buyout - Large	2007	30,000,000	26,714,020	51,138,955	1,479,838	13.8%
CenterGate Capital Partners I	Buyout	Buyout - Small	2015	10,000,000	7,989,243	5,792,675	7,382,096	21.9%
Charterhouse Capital Partners IX	Buyout	Buyout - Large	2008	17,650,992	17,448,610	23,150,497	415,665	9.6%

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Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
CHP III	Venture Capital	Venture - Early Stage	2006	15,000,000	15,000,000	40,931,994	3,921,847	12.5%
Clearlake Capital Partners VI	Credit/Distressed	Distressed	2020	30,000,000	30,356,218	2,512,913	45,121,408	28.9%
Clearlake Capital Partners VII	Buyout	Buyout - Large	2021	75,000,000	38,530,084	1,826	39,919,027	n.m.
Coller International Partners VI	PE Multi-Manager	Secondaries	2011	25,000,000	18,944,201	29,249,843	3,711,774	14.9%
CVC Capital Partners VII	Buyout	Buyout - Large	2017	28,567,140	26,166,606	6,824,544	38,222,383	23.1%
CVC Capital Partners VIII	Buyout	Buyout - Large	2021	50,206,765	28,510,288	165,002	30,524,682	10.2%
CVC European Equity Partners III	Buyout	Buyout - Large	2001	15,000,000	14,776,341	41,619,578	1,041,795	41.0%
CVC European Equity Partners IV	Buyout	Buyout - Large	2005	26,008,211	23,257,442	46,521,992	35,239	16.7%
CVC European Equity Partners V	Buyout	Buyout - Large	2008	18,815,039	18,352,938	38,267,571	388,184	16.7%
Defy Partners I	Venture Capital	Venture - Early Stage	2017	10,000,000	9,500,000	2,251,655	10,860,575	10.6%
Defy Partners II	Venture Capital	Venture - Early Stage	2019	18,010,000	10,265,700	-	14,773,074	19.3%
Defy Partners III	Venture Capital	Venture - Early Stage	2021	20,000,000	2,000,000	-	1,533,092	n.m.
DFJ Growth 2013	Growth Equity	Growth Equity	2013	25,000,000	25,126,311	109,292,904	33,965,049	33.0%
DFJ Growth III	Growth Equity	Growth Equity	2017	15,000,000	14,505,000	8,137,930	23,343,112	24.2%
EIG Energy Fund XVI	Natural Resources	Energy	2013	25,000,000	23,774,570	15,586,022	14,613,692	5.6%
Encap Energy Capital Fund IX	Natural Resources	Energy	2012	30,000,000	29,193,824	31,320,999	13,312,323	10.4%
Encap Energy Capital Fund VIII	Natural Resources	Energy	2010	15,000,000	14,933,115	9,354,237	6,118,192	0.7%
Encap Energy Capital Fund X	Natural Resources	Energy	2015	35,000,000	33,779,294	30,248,630	33,767,223	15.4%
EnCap Energy Capital Fund XI	Natural Resources	Energy	2017	40,000,000	34,503,484	5,778,052	46,239,914	19.2%
Energy Capital Partners II	Natural Resources	Energy	2009	20,000,000	13,957,194	20,431,934	-	9.1%
Energy Capital Partners III	Natural Resources	Energy	2014	40,000,000	39,584,501	52,019,810	10,226,094	10.9%
Essex Woodlands Health Ventures Fund IV	Venture Capital	Venture - Late Stage	1998	4,000,000	4,000,000	5,227,551	524,439	7.2%
Essex Woodlands Health Ventures Fund V	Venture Capital	Venture - Late Stage	2000	10,000,000	10,000,000	10,591,086	1,299,174	3.5%
Essex Woodlands Health Ventures Fund VI	Venture Capital	Venture - Multi-Stage	2004	15,000,000	14,587,500	16,028,797	4,422,200	3.6%
FIMI Opportunity V	Buyout	Buyout - Medium	2012	20,000,000	18,194,334	27,458,121	6,973,000	11.6%
First Reserve Fund XI	Natural Resources	Energy	2006	30,000,000	30,000,000	21,071,746	13,528	-7.9%

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CORE PORTFOLIO SUMMARY AS OF 3/31/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
First Reserve Fund XII	Natural Resources	Energy	2008	25,000,000	25,990,474	12,742,874	30,484	-17.8%
Fortress Credit Opportunities V Expansion	Credit/Distressed	Distressed	2020	50,000,000	20,591,954	5,279,258	17,794,844	10.1%
Francisco Partners Agility III	Buyout	Buyout - Medium	2022	17,500,000	-	-	-	n.m.
Francisco Partners VII	Buyout	Buyout - Medium	2021	50,000,000	-	-	-	n.m.
FS Equity Partners VIII	Buyout	Buyout - Medium	2019	25,000,000	20,232,343	688,936	32,718,998	27.3%
General Catalyst Group X - Early Venture	Venture Capital	Venture - Early Stage	2020	10,000,000	9,650,000	-	17,441,760	33.1%
General Catalyst Group X - Endurance	Venture Capital	Venture - Multi-Stage	2020	11,666,667	11,666,667	-	12,021,084	1.4%
General Catalyst Group X - Growth Venture	Growth Equity	Growth Equity	2020	16,666,666	16,083,333	-	19,637,064	9.7%
General Catalyst Group XI - Creation LP	Venture Capital	Venture - Early Stage	2021	13,000,000	3,156,814	-	3,507,847	12.5%
General Catalyst Group XI - Endurance LP	Growth Equity	Growth Equity	2021	44,000,000	31,021,624	7,971	30,171,243	-3.0%
General Catalyst Group XI - Ignition LP	Venture Capital	Venture - Early Stage	2021	18,000,000	10,574,471	1,993	9,797,114	-8.2%
Genstar Capital Partners IX	Buyout	Buyout - Medium	2019	25,000,000	23,791,370	10,735,640	33,656,120	34.9%
Genstar Capital Partners X	Buyout	Buyout - Large	2021	32,500,000	18,447,597	-	19,502,848	8.1%
Genstar IX Opportunities Fund I	Buyout	Buyout - Large	2019	25,000,000	21,567,622	9,405,413	30,381,888	27.7%
Genstar X Opportunities Fund I	Buyout	Buyout - Large	2021	25,000,000	14,867,229	-	15,752,744	6.8%
GGV Capital IX	Venture Capital	Venture - Multi-Stage	2023	40,000,000	-	-	-	n.m.
GGV Capital IX Plus	Venture Capital	Venture - Multi-Stage	2023	10,000,000	-	-	-	n.m.
GGV Capital VIII	Venture Capital	Venture - Expansion Stage	2021	16,000,000	9,040,000	-	10,276,803	10.3%
GGV Capital VIII Plus	Venture Capital	Venture - Expansion Stage	2021	4,000,000	1,840,000	-	1,909,700	2.8%
Gilde Buy-Out Fund V	Buyout	Buyout - Medium	2016	27,121,713	25,802,808	54,539,150	11,371,517	28.3%
Gilde Buy-Out Fund VI	Buyout	Buyout - Medium	2019	39,684,790	26,131,005	1,042,379	31,153,266	17.6%
Glendon Opportunities Fund	Credit/Distressed	Distressed	2014	20,000,000	18,990,996	24,802,279	4,510,091	8.3%
Glendon Opportunities Fund II	Credit/Distressed	Distressed	2019	40,000,000	32,000,000	-	46,131,711	16.0%
Green Equity Investors V	Buyout	Buyout - Large	2007	20,000,000	18,309,607	46,669,621	306,889	19.4%
Green Equity Investors VI	Buyout	Buyout - Large	2012	20,000,000	18,910,285	20,103,702	21,368,526	14.1%
Green Equity Investors VII	Buyout	Buyout - Large	2017	25,000,000	23,897,951	19,735,855	31,021,629	22.6%

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GTCR Fund VIII	Buyout	Buyout - Medium	2003	20,000,000	18,520,960	32,142,142	262,659	22.3%
GTCR Fund XII-AB	Buyout	Buyout - Medium	2017	40,000,000	40,978,021	25,396,657	42,708,538	25.4%
GTCR Fund XIII-AB	Buyout	Buyout - Medium	2020	40,000,000	20,458,202	4,357,526	19,403,699	21.1%
GTCR Fund XIV	Buyout	Buyout - Large	2022	60,000,000	-	-	-	n.m.
H&F Arrow 1	Buyout	Buyout - Large	2020	-	3,502,074	-	6,761,878	29.0%
H&F Spock 1	Buyout	Buyout - Large	2018	-	3,266,786	335,718	10,405,015	27.3%
H.I.G. Europe Middle Market LBO Fund	Buyout	Buyout - Medium	2020	49,552,926	10,729,251	216,856	12,623,001	33.8%
Halifax Capital Partners II	Buyout	Buyout - Small	2005	10,000,001	8,104,233	10,703,687	219,415	7.6%
HarbourVest Partners Co-Investment Fund VI	PE Multi-Manager	Secondaries	2021	50,000,000	17,500,000	-	18,196,718	n.m.
Harvest Partners IX	Buyout	Buyout - Medium	2021	50,000,000	7,528,546	305,725	6,283,404	n.m.
Harvest Partners VII	Buyout	Buyout - Medium	2016	20,000,000	19,457,451	17,911,712	12,249,231	12.4%
Harvest Partners VIII	Buyout	Buyout - Medium	2019	50,000,000	52,000,868	10,095,569	62,850,075	18.8%
Hellman & Friedman Capital Partners IX	Buyout	Buyout - Large	2019	30,000,000	29,805,523	781,732	39,786,832	15.1%
Hellman & Friedman Capital Partners VII	Buyout	Buyout - Large	2011	20,000,000	19,117,835	59,948,054	4,214,847	24.7%
Hellman & Friedman Capital Partners VIII	Buyout	Buyout - Large	2016	20,000,000	19,871,086	10,205,985	24,411,389	14.0%
Hellman & Friedman Capital Partners X	Buyout	Buyout - Large	2021	40,000,000	28,785,180	-	29,360,390	2.1%
Hellman & Friedman Capital Partners XI	Buyout	Buyout - Large	2023	50,000,000	-	-	-	n.m.
Hg Genesis 10 A	Buyout	Buyout - Large	2022	39,182,400	497,867	-	464,253	n.m.
Hg Genesis 9	Buyout	Buyout - Medium	2020	19,295,500	14,792,460	3,270,810	15,815,659	29.6%
Hg Saturn 3 A	Buyout	Buyout - Large	2022	40,000,000	402,192	-	890,604	n.m.
HgCapital Saturn Fund 2	Buyout	Buyout - Large	2020	20,000,000	17,360,313	6,570,947	15,036,551	22.8%
High Road Capital Partners Fund II	Buyout	Buyout - Small	2013	25,000,000	23,211,019	29,169,267	12,243,803	14.7%
Hony Capital Fund V	Buyout	Buyout - Large	2011	25,000,000	26,141,123	7,383,230	12,774,093	-3.5%
ICG Strategic Equity Fund IV	PE Multi-Manager	Secondaries	2021	50,000,000	27,767,530	4,058,825	36,178,810	35.2%
Incline Equity Partners IV	Buyout	Buyout - Small	2017	10,000,000	9,873,913	6,810,670	10,967,930	25.3%
Insight Venture Partners IX	Growth Equity	Growth Equity	2015	25,000,000	26,387,482	30,141,047	64,040,933	25.9%

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Insight Venture Partners VIII	Growth Equity	Growth Equity	2013	20,000,000	20,412,344	44,331,077	19,147,341	20.9%
Institutional Venture Partners XV	Venture Capital	Venture - Late Stage	2015	20,000,000	20,120,007	35,865,714	27,928,150	27.9%
J.H. Whitney VII	Buyout	Buyout - Medium	2010	25,000,000	24,667,457	31,855,151	18,247,215	12.5%
Kelso Investment Associates VII	Buyout	Buyout - Medium	2003	18,000,000	17,131,163	29,092,678	32,990	12.5%
Kelso Investment Associates VIII	Buyout	Buyout - Medium	2007	20,000,000	19,002,679	27,187,340	889,931	7.4%
Khosla Ventures IV	Venture Capital	Venture - Early Stage	2011	20,000,000	19,620,000	55,914,954	29,520,073	23.9%
KKR 2006 Fund	Buyout	Buyout - Large	2006	30,000,000	30,219,403	56,261,664	22,960	9.3%
KKR European Fund II	Buyout	Buyout - Large	2005	15,000,000	15,497,844	20,962,595	106,665	4.7%
KPS Special Situations Fund IV	Buyout	Buyout - Medium	2014	25,000,000	21,691,942	34,267,271	11,427,257	24.6%
KPS Special Situations Fund V	Buyout	Buyout - Medium	2020	40,000,000	22,862,472	3,915,036	31,013,849	28.4%
KPS Special Situations Mid-Cap Fund	Buyout	Buyout - Medium	2019	10,000,000	6,212,627	801,632	8,303,421	23.7%
L2 Point Opportunities I	Credit/Distressed	Mezzanine	2022	30,000,000	29,262,419	(60,727)	29,478,239	n.m.
Levine Leichtman Capital Partners IV	Buyout	Buyout - Medium	2008	20,000,000	16,448,126	28,973,102	1,894,343	17.6%
Levine Leichtman Capital Partners V	Buyout	Buyout - Medium	2013	30,000,000	31,466,904	60,404,557	10,171,165	17.3%
LightBay Investment Partners II	Buyout	Buyout - Small	2022	25,000,000	2,237,330	-	1,783,497	n.m.
Longitude Venture Partners III	Venture Capital	Venture - Late Stage	2016	10,000,000	10,268,436	10,339,712	6,642,704	20.2%
MBK Partners Fund V	Buyout	Buyout - Large	2021	40,000,000	19,555,663	483,831	26,941,259	41.5%
Menlo Ventures IX	Venture Capital	Venture - Multi-Stage	2001	20,000,000	20,000,000	20,254,444	350,845	0.5%
Mill Point Capital Partners	Buyout	Buyout - Small	2017	10,000,000	10,287,052	8,746,565	12,946,418	26.3%
Mill Point Capital Partners II	Buyout	Buyout - Medium	2021	11,000,000	7,614,115	2,482,874	5,652,894	11.6%
Montagu VI	Buyout	Buyout - Medium	2020	40,301,363	29,418,578	11,419,975	19,925,696	7.3%
Nautic Partners V	Buyout	Buyout - Medium	2000	15,000,000	14,376,238	29,742,872	1,144,715	17.0%
NEA 18 Venture Growth Equity	Growth Equity	Growth Equity	2022	35,000,000	9,625,000	-	6,374,439	-32.8%
New Enterprise Associates 13	Venture Capital	Venture - Multi-Stage	2009	15,000,000	15,000,000	36,433,375	3,377,917	17.0%
New Enterprise Associates 15	Venture Capital	Venture - Multi-Stage	2015	20,000,000	18,900,000	16,937,226	18,008,780	12.6%
New Enterprise Associates 16	Venture Capital	Venture - Multi-Stage	2017	25,000,000	22,750,000	3,261,239	27,254,676	8.4%

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New Enterprise Associates 17	Venture Capital	Venture - Multi-Stage	2019	35,000,000	27,475,000	3,117,748	28,686,506	7.7%
New Enterprise Associates 18	Venture Capital	Venture - Multi-Stage	2022	40,000,000	9,800,000	-	9,892,983	1.4%
New Mountain Partners III	Buyout	Buyout - Large	2007	20,000,000	19,467,373	48,649,824	839,675	14.5%
New Water Capital	Buyout	Buyout - Small	2015	10,000,000	10,175,888	10,973,864	4,305,887	13.2%
NGP Natural Resources XI	Natural Resources	Energy	2014	25,000,000	25,054,149	20,458,972	19,134,813	10.3%
NMS Fund III	Buyout	Buyout - Small	2017	10,000,000	8,769,554	3,578,888	12,414,835	24.5%
NMS Fund IV	Buyout	Buyout - Medium	2020	40,000,000	17,947,637	2,849,161	19,760,106	26.7%
Nordic Capital Fund XI	Buyout	Buyout - Large	2022	47,663,400	-	-	(549,313)	n.m.
Nordic Capital V	Buyout	Buyout - Medium	2003	14,043,460	14,312,613	42,509,152	52,270	20.8%
Oak HC-FT Partners	Venture Capital	Venture - Late Stage	2014	10,000,000	9,663,325	19,622,897	20,049,489	31.0%
Oak HC-FT Partners II	Venture Capital	Venture - Late Stage	2017	10,000,000	9,850,023	4,422,049	23,251,487	36.1%
Oak HC-FT Partners III	Venture Capital	Venture - Multi-Stage	2019	25,000,000	25,081,217	2,328,199	37,700,390	23.6%
Oak HC-FT Partners IV	Venture Capital	Venture - Multi-Stage	2021	40,000,000	32,813,972	163,684	36,601,697	9.0%
Oak HC-FT Partners V	Venture Capital	Venture - Multi-Stage	2022	50,000,000	4,905,753	41	5,615,366	n.m.
Oak Investment Partners XII	Venture Capital	Venture - Multi-Stage	2006	15,000,000	14,999,762	13,930,627	280,077	-0.8%
Oaktree Opportunities Fund X	Credit/Distressed	Distressed	2015	7,500,000	6,225,000	4,769,199	4,840,011	9.7%
Oaktree Opportunities Fund Xb	Credit/Distressed	Distressed	2018	17,500,000	13,125,000	-	19,396,005	15.2%
OceanSound Partners Fund	Buyout	Buyout - Medium	2019	20,000,000	15,038,684	69,692	22,919,217	22.9%
OCM Opportunities Fund VII	Credit/Distressed	Distressed	2007	10,000,000	10,000,000	13,744,793	89,457	7.3%
OCM Opportunities Fund VIIb	Credit/Distressed	Distressed	2008	10,000,000	9,000,000	15,582,552	3,885	16.5%
Onex Partners	Buyout	Buyout - Large	2003	20,000,000	19,048,408	58,437,674	86,350	38.4%
Orchid Asia VIII	Growth Equity	Growth Equity	2021	50,000,000	8,527,715	6,077	6,352,728	-32.8%
P4G Capital Partners I	Buyout	Buyout - Small	2018	10,000,000	7,976,029	1,328	7,541,892	-5.6%
Palladium Equity Partners IV	Buyout	Buyout - Medium	2012	25,000,000	26,170,381	17,749,121	23,300,982	10.2%
Palladium Equity Partners V	Buyout	Buyout - Medium	2017	25,000,000	16,184,538	4,540,643	16,575,711	9.8%
Permira Europe III	Buyout	Buyout - Large	2003	21,506,160	21,573,836	36,917,803	56,969	26.1%

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Pharos Capital Partners II-A	Buyout	Buyout - Medium	2004	5,000,000	5,000,000	3,192,707	2,411,109	1.4%
Platinum Equity Capital Partners III	Buyout	Buyout - Large	2011	25,000,000	19,970,410	41,331,474	4,690,549	30.6%
Platinum Equity Capital Partners IV	Buyout	Buyout - Large	2016	15,000,000	15,520,267	14,628,376	17,115,601	25.0%
Platinum Equity Capital Partners V	Buyout	Buyout - Large	2019	50,000,000	52,014,370	8,657,007	67,627,980	25.0%
Platinum Equity Capital Partners VI	Buyout	Buyout - Large	2022	75,000,000	5,075,396	-	3,941,818	n.m.
Platinum Equity Small Cap Fund	Buyout	Buyout - Medium	2018	22,500,000	16,673,886	4,051,972	27,869,064	30.4%
Polaris Growth Fund	Growth Equity	Growth Equity	2018	10,000,000	4,880,000	3,514,286	9,664,719	52.5%
Polaris Partners VII	Venture Capital	Venture - Multi-Stage	2014	25,000,000	23,125,000	5,950,304	37,845,454	11.0%
Polaris Partners VIII	Venture Capital	Venture - Multi-Stage	2016	10,000,000	8,100,000	5,224,901	12,433,267	21.9%
Polaris Venture Partners V	Venture Capital	Venture - Multi-Stage	2006	15,000,000	14,700,000	19,542,036	8,665,802	8.5%
Polaris Venture Partners VI	Venture Capital	Venture - Multi-Stage	2010	15,000,000	13,125,000	17,803,532	10,213,415	12.9%
Providence Debt Fund III	Credit/Distressed	Distressed	2013	30,000,000	32,098,772	33,369,100	8,392,116	6.2%
Providence Equity Partners V	Buyout	Buyout - Large	2005	18,000,000	16,415,595	20,374,892	78,287	3.2%
Providence Equity Partners VI	Buyout	Buyout - Large	2007	30,000,000	28,967,876	42,862,672	725,559	6.0%
Reverence Capital Partners Opportunities Fund V (PE III)	Buyout	Buyout - Medium	2021	50,000,000	12,351,362	1,215,116	10,199,934	n.m.
Roark Capital Partners II Side Car	Buyout	Buyout - Medium	2018	10,000,000	9,962,544	1,703,566	15,806,512	17.9%
Roark Capital Partners V	Buyout	Buyout - Large	2018	15,000,000	13,719,924	3,102,455	17,770,809	18.3%
Roark Capital Partners VI	Buyout	Buyout - Large	2021	40,000,000	11,890,654	563,294	13,672,479	13.4%
Samson Brunello 1	Buyout	Buyout - Large	2021	-	2,543,594	-	5,682,137	46.4%
Samson Hockey 1	Buyout	Buyout - Large	2020	-	3,380,241	1,104,330	6,045,605	45.0%
Samson Shield 1	Buyout	Buyout - Large	2020	-	11,378,440	2,125,231	11,849,607	11.2%
Searchlight Capital II	Buyout	Buyout - Medium	2015	25,000,000	21,858,643	31,612,305	11,633,494	22.2%
Spark Capital	Venture Capital	Venture - Early Stage	2005	9,000,000	8,820,000	11,937,038	435,592	8.1%
Spark Capital Growth Fund	Growth Equity	Growth Equity	2014	10,000,000	10,000,000	29,931,719	34,530,970	33.8%
Spark Capital Growth Fund II	Growth Equity	Growth Equity	2017	15,000,000	14,625,000	14,852,371	17,116,402	24.3%
Spark Capital Growth Fund III	Growth Equity	Growth Equity	2020	26,750,000	26,750,000	3,526,069	40,331,169	31.3%

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Spark Capital Growth Fund IV	Growth Equity	Growth Equity	2021	33,340,000	8,668,400	-	7,546,165	-18.6%
Spark Capital II	Venture Capital	Venture - Early Stage	2008	9,750,000	9,750,000	45,726,125	7,299,580	51.5%
Spark Capital III	Venture Capital	Venture - Early Stage	2011	10,000,000	10,000,000	17,733,069	24,814,563	28.7%
Spark Capital VI	Venture Capital	Venture - Early Stage	2020	13,250,000	10,003,750	-	10,407,796	2.2%
Spark Capital VII	Venture Capital	Venture - Early Stage	2021	16,660,000	5,331,200	-	4,838,774	-11.2%
Spire Capital Partners III	Buyout	Buyout - Small	2013	10,000,000	10,520,110	6,139,702	8,547,616	8.1%
Stellex Capital Partners II	Buyout	Buyout - Medium	2021	30,000,000	18,543,926	1,127,717	18,903,142	8.6%
StepStone Secondary Opportunities III	PE Multi-Manager	Secondaries	2016	25,000,000	26,893,885	19,841,103	21,863,402	13.9%
Stripes III	Growth Equity	Growth Equity	2015	10,000,000	12,832,144	13,437,358	18,805,932	19.7%
Stripes IV	Growth Equity	Growth Equity	2017	10,000,000	13,529,013	8,101,575	31,825,700	40.1%
Sunstone Partners I	Growth Equity	Growth Equity	2015	7,500,000	7,650,162	10,320,364	10,973,221	36.7%
Sunstone Partners II	Growth Equity	Growth Equity	2020	10,000,000	9,124,580	-	10,884,705	21.1%
Sunstone Partners III	Growth Equity	Growth Equity	2022	20,000,000	-	-	-	n.m.
TA XI	Growth Equity	Growth Equity	2010	20,000,000	19,778,812	69,250,373	5,083,713	26.8%
TA XII-A	Growth Equity	Growth Equity	2016	25,000,000	25,017,785	45,641,682	28,968,835	37.1%
TA XIII-A	Growth Equity	Growth Equity	2019	35,000,000	34,352,705	12,827,705	43,477,178	31.0%
TA XIV-A	Growth Equity	Growth Equity	2021	60,000,000	34,800,000	-	31,741,151	-10.8%
TA XV	Growth Equity	Growth Equity	2023	60,000,000	-	-	-	n.m.
TCV IX	Growth Equity	Growth Equity	2016	10,000,000	7,938,000	7,558,919	8,797,737	20.7%
TCV VII	Growth Equity	Growth Equity	2008	20,000,000	19,745,900	62,174,983	572,579	23.4%
TCV VIII	Growth Equity	Growth Equity	2014	30,000,000	26,152,505	19,755,954	35,828,886	12.1%
TCV X	Growth Equity	Growth Equity	2019	25,000,000	18,763,324	2,292,833	33,387,552	24.0%
TCV XI	Growth Equity	Growth Equity	2021	40,000,000	20,473,902	-	18,598,179	-6.7%
TCV XII	Growth Equity	Growth Equity	2022	60,000,000	-	-	-	n.m.
TCW Crescent Mezzanine Partners V	Credit/Distressed	Mezzanine	2007	10,000,000	9,625,012	13,257,347	53,556	9.7%
The Baring Asia Private Equity Fund VI, L.P. 1	Buyout	Buyout - Medium	2015	25,000,000	26,522,842	24,656,591	24,946,099	15.1%

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The Baring Asia Private Equity Fund VII	Buyout	Buyout - Medium	2018	25,000,000	25,331,757	15,383,618	25,575,533	29.9%
The Eighth Cinven Fund	Buyout	Buyout - Large	2022	72,746,600	-	-	-	n.m.
Thoma Bravo Discover Fund II	Buyout	Buyout - Medium	2018	10,000,000	10,405,421	5,136,277	13,231,006	24.0%
Thoma Bravo Discover Fund III	Buyout	Buyout - Medium	2020	20,000,000	18,748,521	259,587	20,189,549	6.2%
Thoma Bravo Discover Fund IV	Buyout	Buyout - Medium	2022	45,000,000	14,963,286	-	15,444,773	n.m.
Thoma Bravo Explore Fund	Buyout	Buyout - Small	2020	10,000,000	7,859,253	538,135	9,793,149	22.4%
Thoma Bravo Fund XI	Buyout	Buyout - Medium	2014	15,000,000	13,400,392	32,390,572	18,173,400	26.8%
Thoma Bravo Fund XII	Buyout	Buyout - Large	2016	25,000,000	26,512,090	27,551,836	26,197,059	16.4%
Thoma Bravo Fund XIII	Buyout	Buyout - Large	2018	30,000,000	36,733,975	18,190,859	45,132,024	29.6%
Thoma Bravo Fund XIV	Buyout	Buyout - Large	2021	30,000,000	29,551,865	7	29,422,454	-0.3%
Thoma Bravo Fund XV	Buyout	Buyout - Large	2022	80,000,000	42,935,696	17,335	42,689,420	n.m.
Thoma Bravo Special Opportunities Fund II	Buyout	Buyout - Medium	2015	10,000,000	9,200,691	11,185,600	10,716,293	16.6%
Threshold Ventures II	Venture Capital	Venture - Early Stage	2016	10,000,000	9,795,000	1,519,757	32,411,239	29.9%
TPG Growth II	Buyout	Buyout - Medium	2011	30,000,000	30,016,445	56,250,920	15,803,081	17.4%
TPG Partners IV	Buyout	Buyout - Large	2003	25,000,000	27,436,973	52,741,423	49,152	15.2%
TPG Partners V	Buyout	Buyout - Large	2006	29,610,505	31,415,182	42,679,767	90,105	4.8%
TPG Partners VI	Buyout	Buyout - Large	2008	22,500,000	24,691,367	36,352,894	349,527	9.4%
TPG Rise Climate	Growth Equity	Growth Equity	2021	50,000,000	13,575,960	256,941	15,671,400	n.m.
TPG STAR	Buyout	Buyout - Medium	2006	20,000,000	21,635,099	25,871,189	2,339,842	6.3%
Trident Capital Fund-VI	Buyout	Buyout - Medium	2005	8,500,000	8,500,000	11,600,511	2,321,400	5.0%
Ulu Ventures Fund III	Venture Capital	Venture - Early Stage	2020	10,000,000	8,000,000	-	7,749,563	-2.4%
Upfront VI	Venture Capital	Venture - Early Stage	2017	20,000,000	17,911,850	1,037,868	29,415,106	17.3%
VantagePoint Venture Partners IV	Venture Capital	Venture - Multi-Stage	2000	15,000,000	15,000,000	14,430,192	24,006	-0.5%
Vista Equity Partners Fund III	Buyout	Buyout - Medium	2007	25,000,000	23,294,531	60,189,165	2,915,303	26.6%
Vista Equity Partners Fund IV	Buyout	Buyout - Medium	2011	30,000,000	25,969,693	34,223,953	22,322,143	14.5%
Vista Equity Partners Fund V	Buyout	Buyout - Medium	2014	40,000,000	40,925,088	49,657,996	53,166,676	19.5%

IRRs of investments held less than two years generally is not a meaningful indicator of performance and are therefore labeled "n.m."

CORE PORTFOLIO SUMMARY AS OF 3/31/2023- ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Vista Equity Partners Fund VI	Buyout	Buyout - Large	2016	30,000,000	37,338,889	31,368,858	45,519,371	19.6%
Vista Equity Partners Fund VII	Buyout	Buyout - Large	2018	40,000,000	35,995,798	3,868,771	41,907,052	10.7%
Vista Foundation Fund II	Buyout	Buyout - Medium	2013	10,000,000	9,270,848	15,774,959	4,623,910	15.2%
Vista Foundation Fund III	Buyout	Buyout - Medium	2016	10,000,000	11,297,554	11,770,759	9,917,088	23.2%
Vista Foundation Fund IV	Buyout	Buyout - Medium	2020	30,000,000	22,469,183	5,779	21,669,690	-2.9%
Vitruvian Investment Partnership IV	Buyout	Buyout - Medium	2020	39,119,924	25,622,274	-	30,057,052	16.5%
Vitruvian Investment Partnership V	Growth Equity	Growth Equity	2022	75,103,200	-	-	-	n.m.
Wynnchurch Capital Partners IV	Buyout	Buyout - Medium	2015	10,000,000	9,708,944	10,131,021	14,425,430	27.6%
Yucaipa American Alliance Fund II	Buyout	Buyout - Medium	2008	20,000,000	20,160,070	22,423,693	16,318,053	7.9%
LACERS - Active Core				6,674,139,174	4,744,968,175	3,992,321,779	4,019,390,407	14.3%
LACERS Core				7,621,463,788	5,668,975,352	5,434,257,690	4,019,390,407	12.7%

CORE PORTFOLIO SUMMARY AS OF 3/31/2023 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage	USD	USD ITD	USD ITD	USD Fair Market	
			Year	Commitment	Contributions	Distributions	Value	Net IRR
ACON-Bastion Partners II	Buyout	Buyout - Medium	2006	5,000,000	4,721,150	8,209,699	-	12.3%
Alchemy Plan (City of Angels)	Buyout	Buyout - Medium	1999	38,194,245	40,196,637	50,322,714	-	5.7%
Austin Ventures VII	Venture Capital	Venture - Multi-Stage	1999	17,000,000	17,000,000	13,726,439	-	-2.8%
Austin Ventures VIII	Venture Capital	Venture - Multi-Stage	2001	8,300,000	8,300,000	13,730,002	-	6.8%
Avenue Europe Special Situations Fund II	Credit/Distressed	Distressed	2011	28,323,908	28,305,005	32,200,618	-	3.5%
Avenue Special Situations Fund IV	Credit/Distressed	Distressed	2006	10,000,000	10,000,000	13,828,999	-	8.3%
Avenue Special Situations Fund V	Credit/Distressed	Distressed	2007	10,000,000	9,950,262	13,312,819	-	11.5%
Carlyle Partners IV	Buyout	Buyout - Large	2005	20,000,000	19,634,189	39,897,415	-	13.0%
CGW Southeast Partners III	Buyout	Buyout - Small	1996	8,680,144	8,680,144	14,736,448	-	9.2%
CGW Southeast Partners IV	Buyout	Buyout - Medium	1999	10,000,000	8,707,914	13,398,877	-	8.3%
Charterhouse Capital Partners VIII	Buyout	Buyout - Large	2006	19,869,483	19,656,305	18,895,820	-	-0.6%
Chisholm Partners IV	Buyout	Buyout - Small	1999	9,000,000	8,841,055	9,376,669	-	0.7%
CHS Private Equity V	Buyout	Buyout - Medium	2005	20,000,000	20,145,530	35,432,176	-	9.9%
CVC European Equity Partners	Buyout	Buyout - Large	1996	10,000,000	9,686,071	24,345,254	-	23.2%
CVC European Equity Partners II	Buyout	Buyout - Large	1998	9,218,055	9,212,371	22,076,376	-	18.9%
Enhanced Equity Fund	Buyout	Buyout - Small	2006	10,000,000	10,000,000	10,776,209	-	1.1%
Enhanced Equity Fund II	Buyout	Buyout - Small	2010	10,000,000	9,570,165	5,253,831	-	-21.7%
First Reserve Fund X	Natural Resources	Energy	2004	20,000,000	20,000,000	36,552,322	-	31.0%
Golder, Thoma, Cressey, Rauner Fund V	Buyout	Buyout - Medium	1997	10,000,000	10,000,000	18,226,074	-	11.0%
GTCR Fund IX-A	Buyout	Buyout - Medium	2006	15,000,000	14,288,203	25,808,785	-	13.8%
GTCR Fund VI	Buyout	Buyout - Medium	1998	10,000,000	10,000,000	8,890,791	-	-3.8%
GTCR Fund VII	Buyout	Buyout - Medium	2000	18,750,000	18,609,375	43,841,047	-	21.8%
GTCR Fund VII-A	Buyout	Buyout - Medium	2001	6,250,000	4,140,625	11,565,815	-	83.1%
Hellman & Friedman Capital Partners V	Buyout	Buyout - Large	2004	10,463,972	9,931,388	26,659,657	-	27.8%
Hellman & Friedman Capital Partners VI	Buyout	Buyout - Large	2006	20,000,000	19,252,237	36,202,495	-	12.9%
Highbridge Principal Strategies Senior Loan II	Credit/Distressed	Distressed	2010	50,000,000	40,883,273	47,651,965	-	7.9%

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CORE PORTFOLIO SUMMARY AS OF 3/31/2023 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
InterWest VI	Venture Capital	Venture - Early Stage	1996	5,000,000	5,000,000	14,858,749	-	49.0%
J.H. Whitney IV	Buyout	Buyout - Medium	1999	22,448,463	22,448,463	9,422,111	-	-10.9%
J.H. Whitney V	Buyout	Buyout - Medium	2000	9,957,358	11,558,159	22,375,756	-	23.3%
J.H. Whitney VI	Buyout	Buyout - Medium	2005	15,000,000	14,884,557	14,590,780	-	-0.4%
Kelso Investment Associates VI	Buyout	Buyout - Medium	1998	4,309,418	4,309,418	5,982,794	-	9.3%
KKR 1996 Fund	Buyout	Buyout - Large	1997	25,000,000	26,194,438	46,838,314	-	13.2%
Levine Leichtman Capital Partners III	Buyout	Buyout - Medium	2003	20,000,000	21,392,254	33,354,346	-	10.0%
Lindsay Goldberg & Bessemer II	Buyout	Buyout - Large	2006	20,000,000	18,913,523	27,078,474	-	7.1%
Lindsay Goldberg III	Buyout	Buyout - Large	2008	20,000,000	19,232,884	26,175,344	-	8.1%
Madison Dearborn Capital Partners III	Buyout	Buyout - Medium	1999	16,000,000	16,000,000	24,398,778	-	8.6%
Madison Dearborn Capital Partners IV	Buyout	Buyout - Medium	2000	25,000,000	25,199,114	48,054,335	-	14.1%
Menlo Ventures VII	Venture Capital	Venture - Multi-Stage	1997	5,000,000	5,000,000	23,552,033	-	135.8%
Menlo Ventures VIII	Venture Capital	Venture - Multi-Stage	1999	18,000,000	18,000,000	8,980,234	-	-8.9%
NewBridge Asia IV	Buyout	Buyout - Medium	2005	10,000,000	9,846,880	21,943,320	-	16.8%
OCM Opportunities Fund	Credit/Distressed	Distressed	1995	11,000,000	10,972,896	18,030,431	-	10.3%
OCM Opportunities Fund II	Credit/Distressed	Distressed	1997	11,000,000	11,000,000	16,628,641	-	8.4%
OCM Opportunities Fund III	Credit/Distressed	Distressed	1999	10,000,000	10,000,000	15,072,658	-	11.9%
OCM Opportunities Fund IV	Credit/Distressed	Distressed	2001	10,000,000	10,000,000	16,503,319	-	28.4%
OCM Opportunities Fund V	Credit/Distressed	Distressed	2004	7,100,000	7,100,000	11,703,269	-	14.1%
Olympus Growth Fund IV	Buyout	Buyout - Medium	2003	7,700,000	7,660,045	11,831,606	-	8.5%
Permira Europe IV	Buyout	Buyout - Large	2006	14,935,115	14,921,731	24,111,899	-	8.6%
Providence TMT Debt Opportunity Fund II	Credit/Distressed	Distressed	2010	20,000,000	16,319,772	25,893,666	-	10.4%
Richland Ventures III	Venture Capital	Venture - Late Stage	1999	18,000,000	18,000,000	15,261,276	-	-3.0%
SSG Capital Partners II	Credit/Distressed	Distressed	2012	15,914,286	15,287,483	17,803,371	-	4.1%
TA X	Growth Equity	Growth Equity	2006	6,000,000	6,186,689	8,025,046	-	5.2%
TCV V	Venture Capital	Venture - Multi-Stage	2004	19,500,000	19,334,250	35,783,445	-	10.6%

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CORE PORTFOLIO SUMMARY AS OF 3/31/2023 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
TCW Crescent Mezzanine Partners IV	Credit/Distressed	Mezzanine	2006	10,000,000	8,712,805	9,998,443	-	2.9%
The Resolute Fund	Buyout	Buyout - Medium	2002	20,000,000	18,978,049	48,217,383	-	17.0%
Thoma Cressey Fund VI	Buyout	Buyout - Medium	1998	5,000,000	4,845,000	4,995,064	-	0.4%
Thomas H. Lee Equity Fund V	Buyout	Buyout - Medium	2000	15,000,000	15,260,867	26,333,190	-	14.2%
Tibbar Holdings, LLC (FKA TH Lee IV)	Buyout	Buyout - Medium	1998	7,000,000	6,314,197	5,484,109	-	-2.6%
TPG Partners III	Buyout	Buyout - Large	1999	25,000,000	22,442,286	56,580,977	-	24.4%
Trident Capital Fund-V	Buyout	Buyout - Medium	2000	10,587,999	10,627,045	17,742,590	-	7.7%
Trident Capital Fund-V (Secondary)	Buyout	Buyout - Medium	2000	3,781,680	3,374,683	6,480,167	-	12.1%
Vestar Capital Partners IV	Buyout	Buyout - Medium	1999	17,000,000	16,590,256	29,407,769	-	13.4%
Welsh, Carson, Anderson & Stowe IX	Buyout	Buyout - Medium	2000	15,000,000	14,850,000	24,680,230	-	11.2%
Welsh, Carson, Anderson & Stowe VII	Buyout	Buyout - Medium	1995	15,000,000	15,000,000	32,633,357	-	17.7%
Welsh, Carson, Anderson & Stowe VIII	Buyout	Buyout - Medium	1998	15,000,000	15,000,000	19,322,526	-	3.1%
Weston Presidio Capital IV	Growth Equity	Growth Equity	2000	15,000,000	14,764,721	17,365,533	-	3.0%
Weston Presidio Capital IV (Secondary)	Growth Equity	Growth Equity	2000	3,040,488	2,772,810	3,521,264	-	5.2%
LACERS - Liquidated Core				947,324,614	924,007,177	1,441,935,912	-	10.5%
LACERS Core				7,621,463,788	5,668,975,352	5,434,257,690	4,019,390,407	12.7%

IRRs of investments held less than two years generally is not a meaningful indicator of performance and are therefore labeled "n.m."

SPECIALIZED PORTFOLIO SUMMARY AS OF 3/31/2023 - ACTIVE

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Angeleno Investors III	Venture Capital	Venture - Late Stage	2009	10,000,000	10,686,144	2,321,282	9,226,026	1.0%
DFJ Frontier Fund II	Venture Capital	Venture - Early Stage	2007	5,000,000	5,002,783	1,790,549	4,027,967	1.6%
Element Partners Fund II	Venture Capital	Venture - Late Stage	2008	10,000,000	9,361,465	13,653,478	310,665	5.9%
NGEN III	Venture Capital	Venture - Multi-Stage	2008	10,000,000	11,405,108	5,757,073	2,666,380	-4.0%
Palladium Equity Partners III	Buyout	Buyout - Medium	2004	10,000,000	9,915,419	17,816,861	12,511	11.2%
Saybrook Corporate Opportunity Fund	Credit/Distressed	Distressed	2007	6,192,814	6,321,092	9,449,199	288,959	9.8%
St. Cloud Capital Partners II	Credit/Distressed	Mezzanine	2007	5,000,000	4,989,085	4,177,572	44,969	-3.9%
StarVest Partners II	Venture Capital	Venture - Late Stage	2007	5,000,000	4,965,849	2,508,899	1,302,163	-3.1%
Vicente Capital Partners Growth Equity Fund	Growth Equity	Growth Equity	2007	10,000,000	10,093,708	13,998,549	104,616	5.7%
Yucaipa American Alliance Fund I	Buyout	Buyout - Medium	2002	10,000,000	10,000,000	12,451,100	71,344	3.8%
LACERS - Specialized Active				81,192,814	82,740,651	83,924,561	18,055,600	3.4%
LACERS Specialized				191,261,668	189,144,391	195,621,789	18,055,600	1.9%

SPECIALIZED PORTFOLIO SUMMARY AS OF 3/31/2023 - LIQUIDATED

Fund	Strategy	Sub-Strategy	Vintage Year	USD Commitment	USD ITD Contributions	USD ITD Distributions	USD Fair Market Value	Net IRR
Ares Special Situations Fund	Credit/Distressed	Distressed	2008	10,000,000	10,166,166	17,497,244	-	13.1%
Carpenter Community BancFund-A	Buyout	Buyout - Small	2008	10,000,000	9,692,231	16,376,097	-	8.2%
Craton Equity Investors I	Growth Equity	Growth Equity	2006	10,000,000	9,951,989	1,067,621	-	-32.7%
DFJ Element	Venture Capital	Venture - Multi-Stage	2006	8,000,000	7,846,106	5,764,976	-	-3.4%
NGEN Partners II	Venture Capital	Venture - Multi-Stage	2005	7,750,702	7,750,702	515,126	-	-49.0%
Nogales Investors Fund II	Buyout	Buyout - Medium	2006	4,100,000	3,603,436	398,586	-	-24.1%
Reliant Equity Partners	Buyout	Buyout - Small	2002	7,920,417	8,008,449	55,772	-	-100.0%
Rustic Canyon/Fontis Partners	Growth Equity	Growth Equity	2005	5,000,000	3,671,248	2,552,846	-	-5.0%
Sector Performance Fund	Buyout	Buyout - Medium	2007	9,297,735	9,502,443	8,466,553	-	-2.9%
Spire Capital Partners II	Buyout	Buyout - Small	2006	10,000,000	9,025,654	17,699,807	-	15.6%
StepStone Pioneer Capital I	PE Multi-Manager	Fund of Funds	2004	10,000,000	9,751,911	13,033,359	-	5.1%
StepStone Pioneer Capital II	PE Multi-Manager	Fund of Funds	2006	10,000,000	9,427,148	18,255,456	-	9.1%
Sterling Venture Partners II	Venture Capital	Venture - Late Stage	2005	8,000,000	8,006,256	10,013,785	-	3.2%
Liquidated				110,068,854	106,403,740	111,697,228	-	0.8%
LACERS Specialized				191,261,668	189,144,391	195,621,789	18,055,600	1.9%



REPORT TO BOARD OF ADMINISTRATION

From: Investment Committee
Elizabeth Lee, Chair
Annie Chao
Gaylord "Rusty" Roten

MEETING: NOVEMBER 28, 2023
ITEM: VII - C

SUBJECT: PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PROGRAM 2024 STRATEGIC PLAN AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board adopt the Private Equity Program 2024 Strategic Plan.

Discussion

On November 14, 2023, the Committee considered the attached report regarding the Private Equity Program 2024 Strategic Plan. The Committee heard a presentation from Jeffrey Goldberger and Trevor Jackson of Aksia LLC (Aksia), LACERS' Private Equity Consultant. The plan, developed by Aksia with input from staff, establishes strategic objectives and investment plan recommendations for the next calendar year. Aksia will be present at the Board meeting of November 28, 2023, should the Board desire to hear a presentation of the proposed plan.

Strategic Plan Impact Statement

The annual private equity strategic plan assists the Board in building a diversified private equity and total fund portfolio and aligns with the Strategic Plan Goals of optimizing long-term risk adjusted investment returns (Goal IV) and promoting good governance practices (Goal V).

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

NMG/RJ/WL/EC/EP:jp

Attachment: 1. Report to Investment Committee Dated November 14, 2023



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



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

MEETING: NOVEMBER 14, 2023
ITEM: IV

Neil M. Guglielmo

SUBJECT: PRESENTATION BY AKSIA LLC OF THE PRIVATE EQUITY PROGRAM 2024 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 2024 Strategic Plan.

Discussion

Aksia LLC (Aksia), LACERS' Private Equity Consultant, with input from staff, has developed the proposed Private Equity Program 2024 Strategic Plan, which considers strategic objectives and investment plan recommendations for calendar year 2024. Staff has reviewed the plan and recommends its adoption. Aksia will present the proposed plan.

Strategic Plan Impact Statement

The annual private equity strategic plan assists the Board in building a diversified private equity and total fund portfolio and aligns with the Strategic Plan Goals of optimizing long-term risk adjusted investment returns (Goal IV) and promoting good governance practices (Goal V).

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

NMG/RJ/WL/EC/EP:rm

Attachment: 1. LACERS Private Equity Program 2024 Strategic Plan – Aksia LLC

Aksia LLC

IC Meeting: 11/14/23
Item IV
Attachment 1

LACERS Private Equity Program
2024 Strategic Plan
November 2023



www.aksia.com

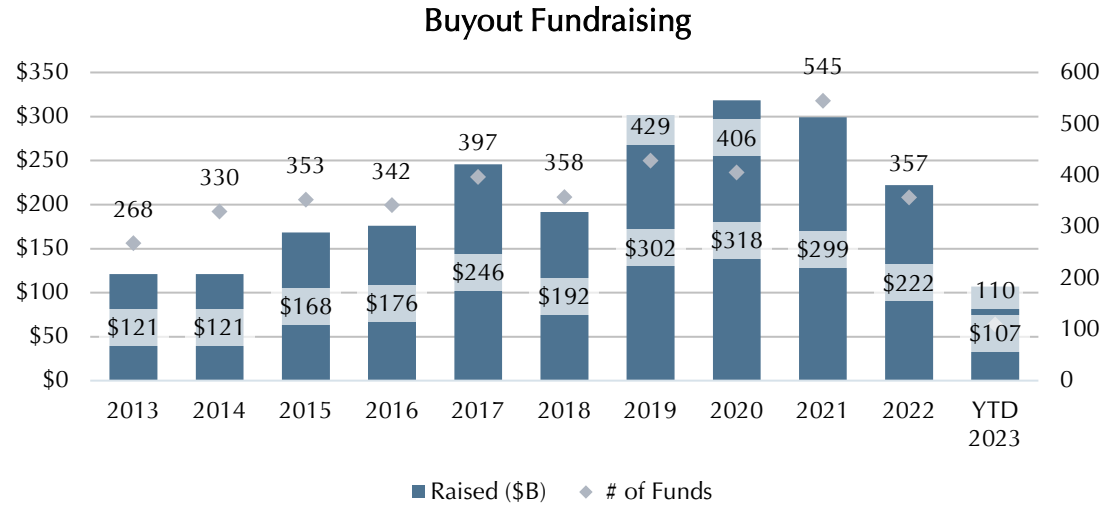
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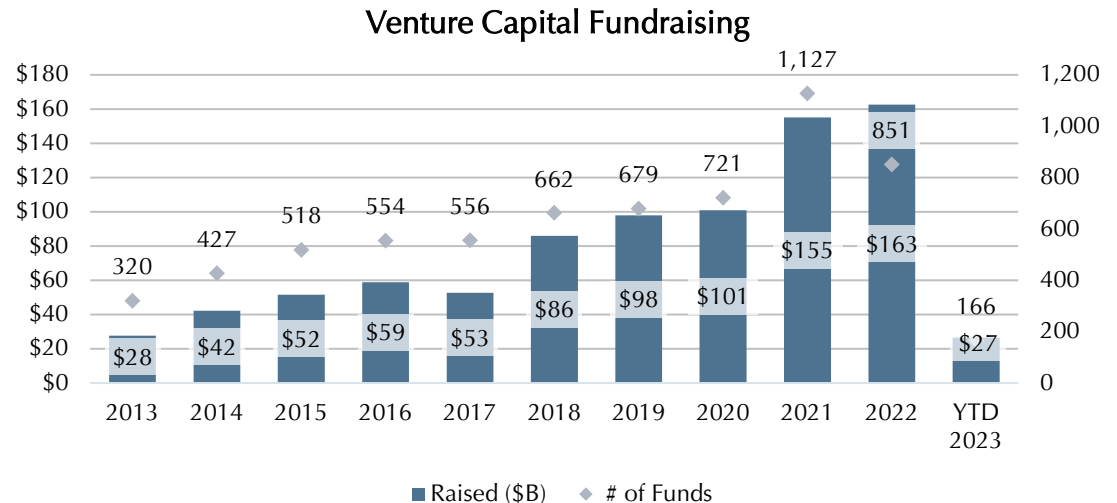
Fundraising Activity – North America

IC Meeting: 11/14/23
Item IV
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- Buyout fundraising continues to face challenges in 2023 as investors grapple with economic uncertainty. This has resulted in a crowded fundraising market with some managers extending timelines and falling short of targets.



- We have seen larger managers garner more capital as LPs have concentrated their relationships.
- The amount of funds and capital raised during 1H 2023 was approximately one-third the amount raised in 1H 2022. Total 2023 fundraising is on track to be lower.

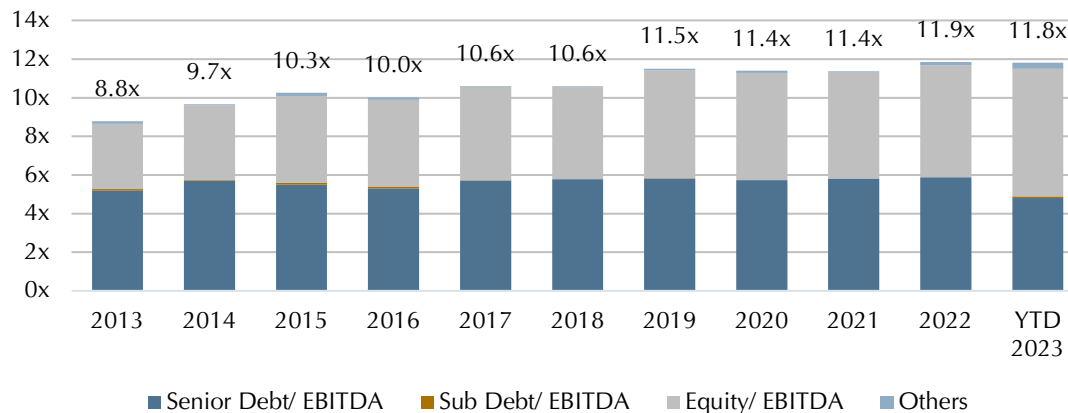


Investment Activity – North America

IC Meeting: 11/14/23
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Attachment 1

- Private market valuation multiples have remained relatively stable despite the volatility in public equity markets and the increased cost of financing.
- Buyers and sellers' expectations remain wide and as such, higher quality companies have been the main drivers of recent buyout activity.

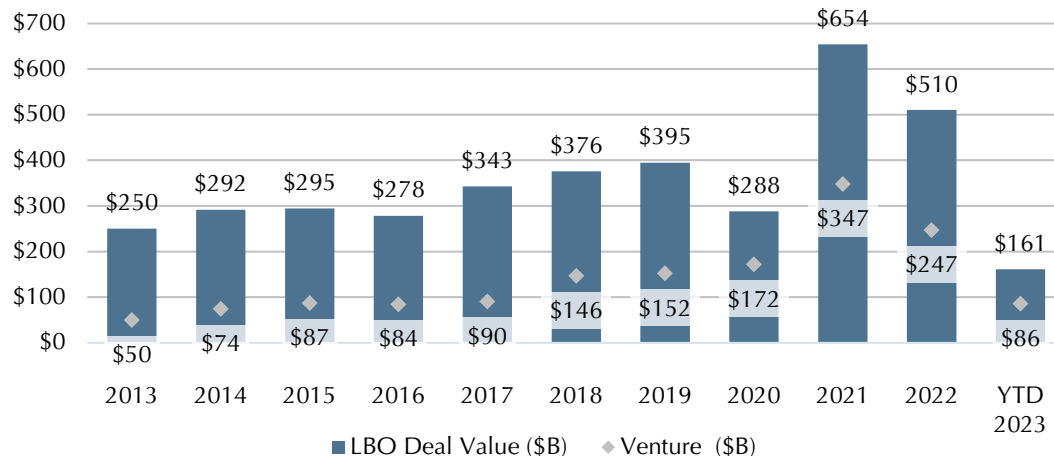
LBO Sources of Proceeds/EBITDA & Equity Contribution: All Loans



Source: Leveraged Commentary & Data (LCD), Pitchbook as of June 30, 2023

- Within VC, we noticed founders have avoided down rounds and extended cash runways; however, managers generally expect investment activity to pick up in the second half of 2023.

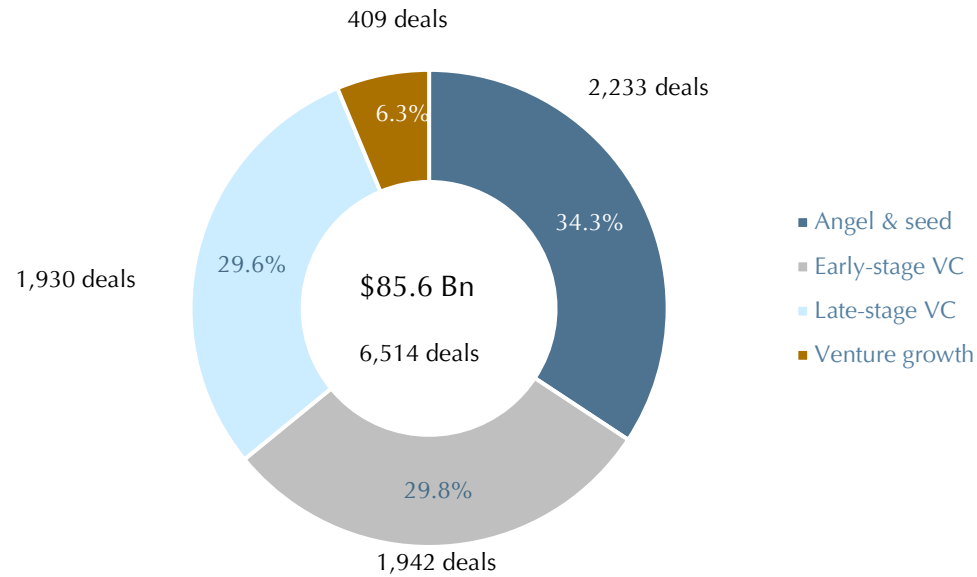
U.S. LBO & VC Investment Activity



Investment Activity – U.S.

IC Meeting: 11/14/23
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U.S. Q2 2023 Venture Investment by Stage

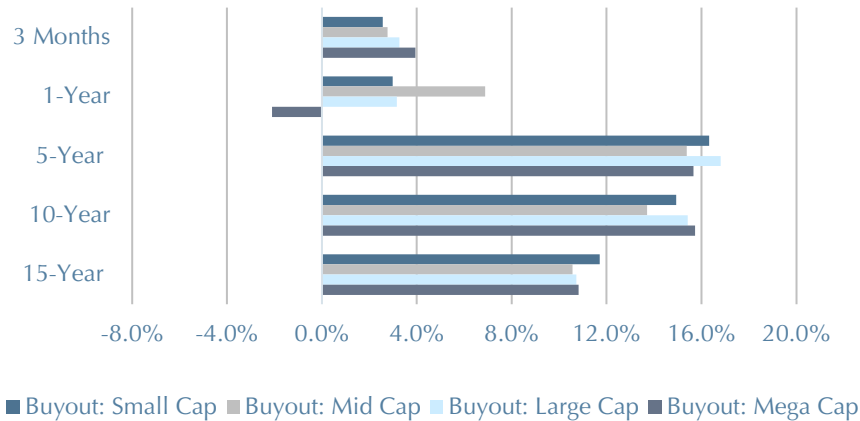


- There has been a slowdown in venture investment activity in 2023; however, capital deployed by VC stage has not changed meaningfully.

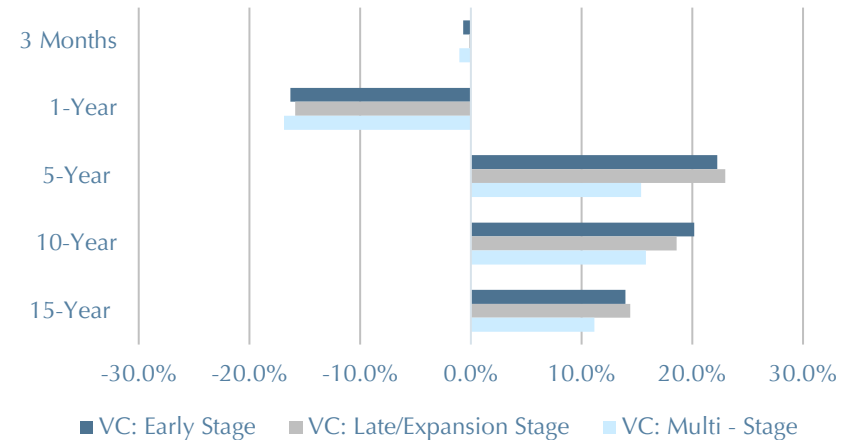
Global Market Performance

IC Meeting: 11/14/23
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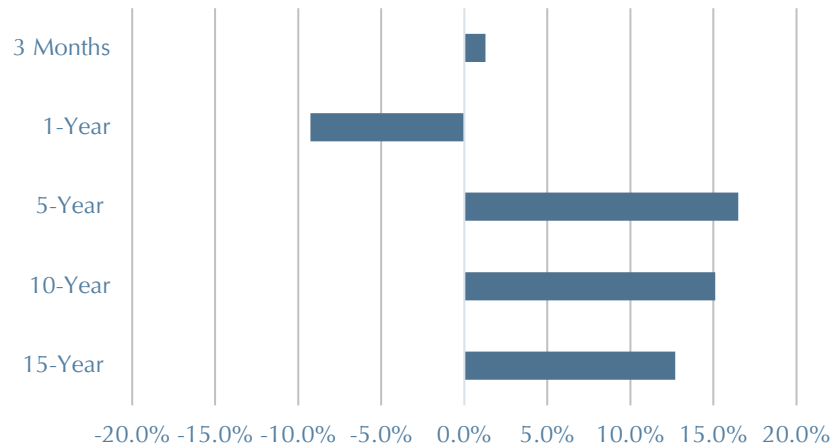
Buyout Returns



Venture Capital Returns



Growth Equity Returns



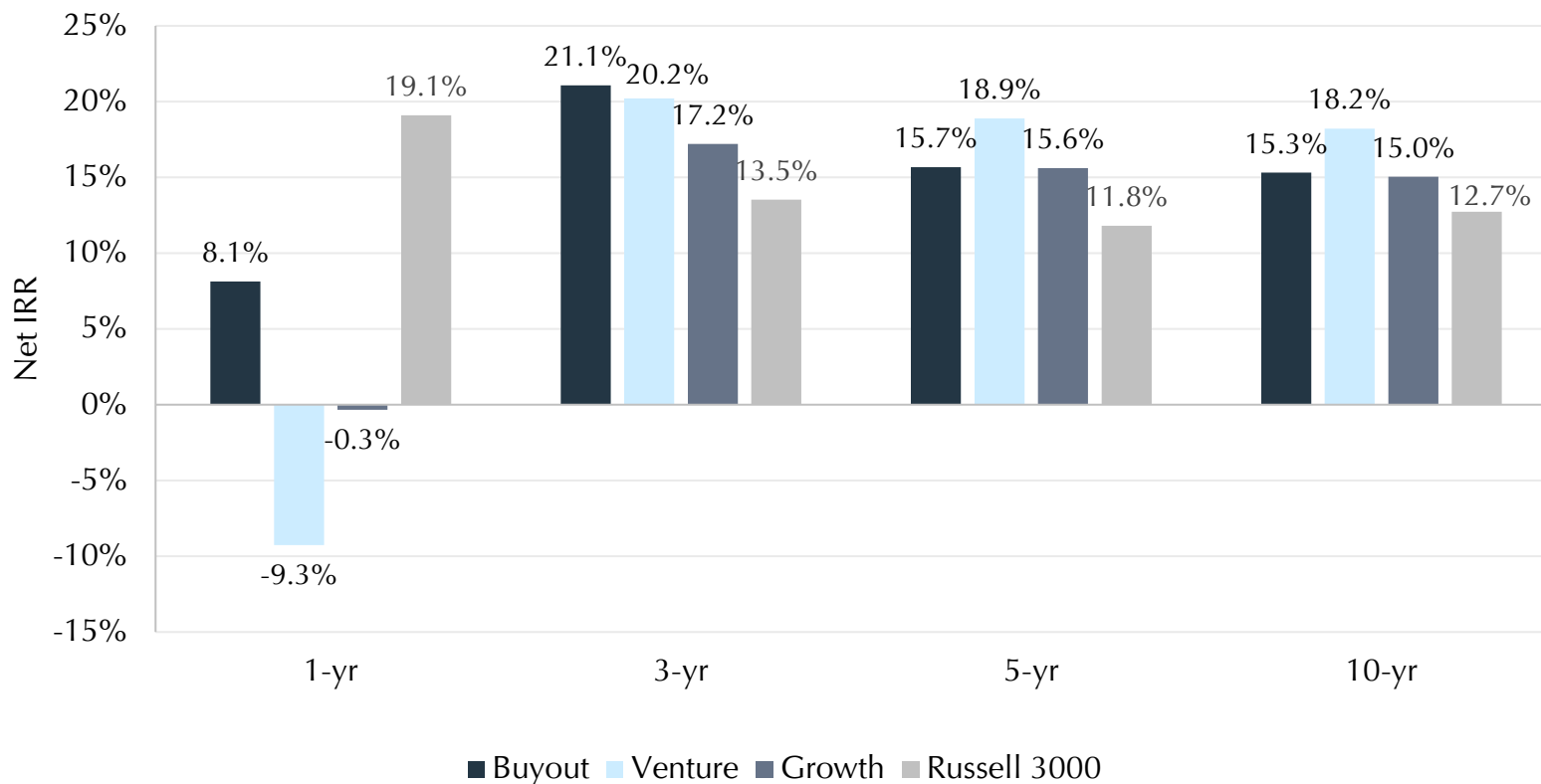
- Returns across all buyout segments were largely positive; however, the recent volatility of mega cap funds (both three-month and one-year returns) was in-part driven by its exposure and adjacency to public markets.
- After a steep decline in 2022, both growth equity and venture capital returns were relatively flat over the last three months.

Private Equity Industry Returns Relative to Public Markets

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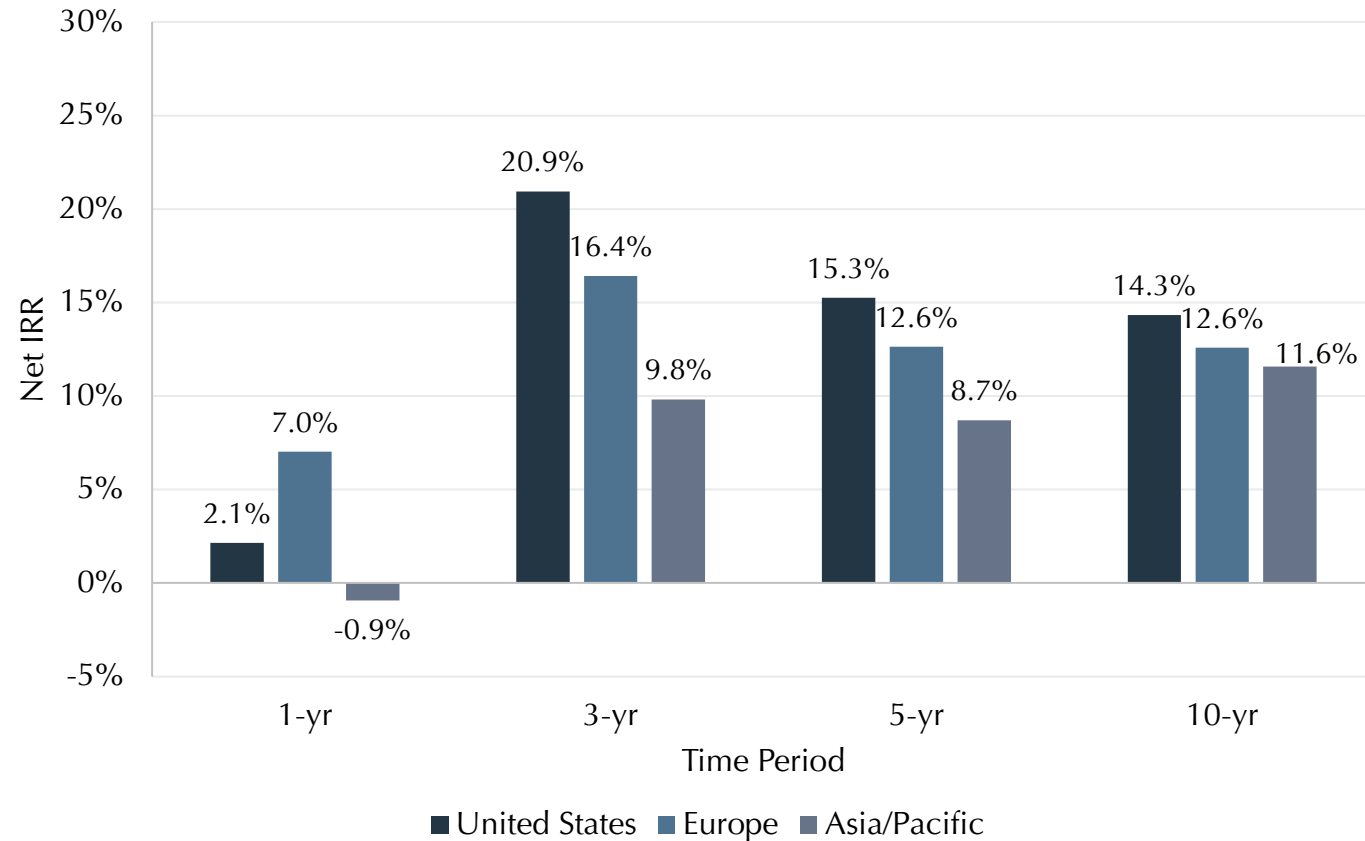
- Venture has outperformed buyouts and public equity in 5Y and 10Y periods
- All private equity strategies outperformed the Russell 3000 over most time horizons excluding 1Y period

Time Horizon Returns (as of June 30, 2023)



- U.S. Private Equity outperformed both Europe and Asia/Pacific private equity across most time periods as of June 30, 2023, excluding 1Y period
- While risk varies by specific geography, broadly speaking, Europe and Asia/Pacific appear to offer commensurate returns with the U.S. when looking at longer-term returns (i.e. 10-year)
- Adding international exposure can improve diversity in LACERS' PE portfolio without sacrificing risk adjusted returns

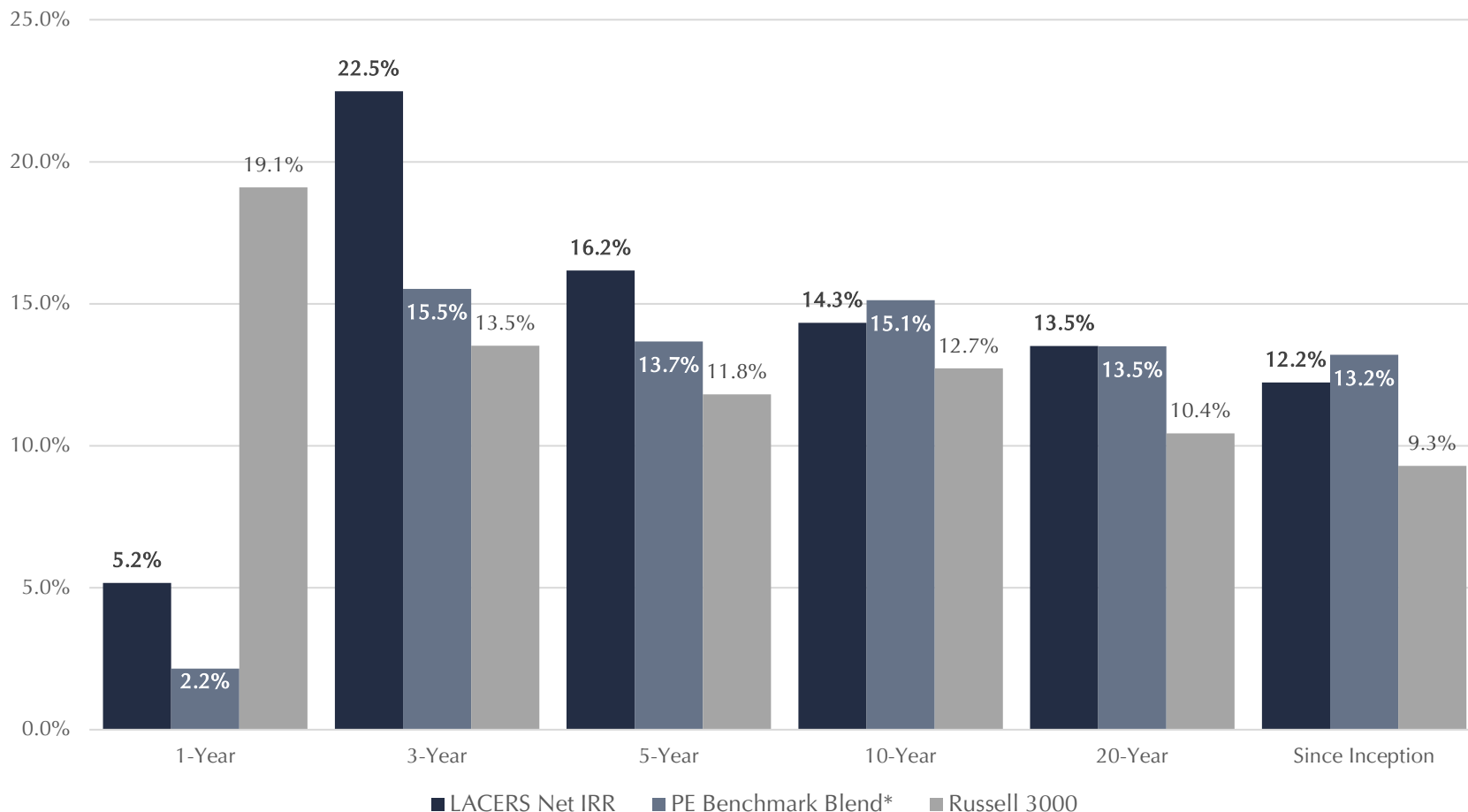
Horizon Returns By Geography (As of June 30, 2023)



Source: Cambridge Associates.

IC Meeting: 11/14/23
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Attachment 1

Horizon Returns as of June 30, 2023



* 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.

2023 Strategic Plan - Refresher

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- Initial Pacing Recommendations
 - Commitment plan of up to \$850 million proposed for 2023
 - Commitments in 10-15 firms with a target size of \$40-\$75 million per commitment / relationship
 - Includes 3-5 investments to various Emerging Managers, achieving no less than 10% of the total commitments, subject to the LACERS Emerging Investment Manager Policy.
- Long-Term Investment Recommendations
 - Develop a framework for the implementation of a co-investment program – both from an investment and policy perspective
 - Develop a framework for a potential secondary sale – both from an investment and policy perspective
- Tactical Investment Recommendations
 - Selectively add exposure internationally – primarily to Europe and Developed Asia
 - Increase exposure to Buyouts relative to other sub-asset classes
 - Consolidate commitments with top performing managers
 - Continue to manage underlying sector exposures
 - Add exposure to strategies designed to outperform in down markets – i.e. Value-Oriented Managers, Turnaround Managers, Distressed Managers

Commitment Statistics

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2023 Summary Statistics

- \$430 million in total commitments through September 30, 2023
- Annual target is up to \$850 million per 2023 Strategic Plan

Geographic Breakdown of ITD Commitments

- ~75% to North American-focused funds
- ~13% to European-focused funds
- ~9% to Globally-focused funds
- ~3% to Asia Pacific-focused funds

Sector Breakdown of ITD Commitments

- 60% to Buyout funds
- 25% to Venture and Growth Equity funds
- 16% to Credit funds, Real Asset funds, Secondaries, and Fund of Funds

Aggregate Portfolio Summary As Of June 30, 2023

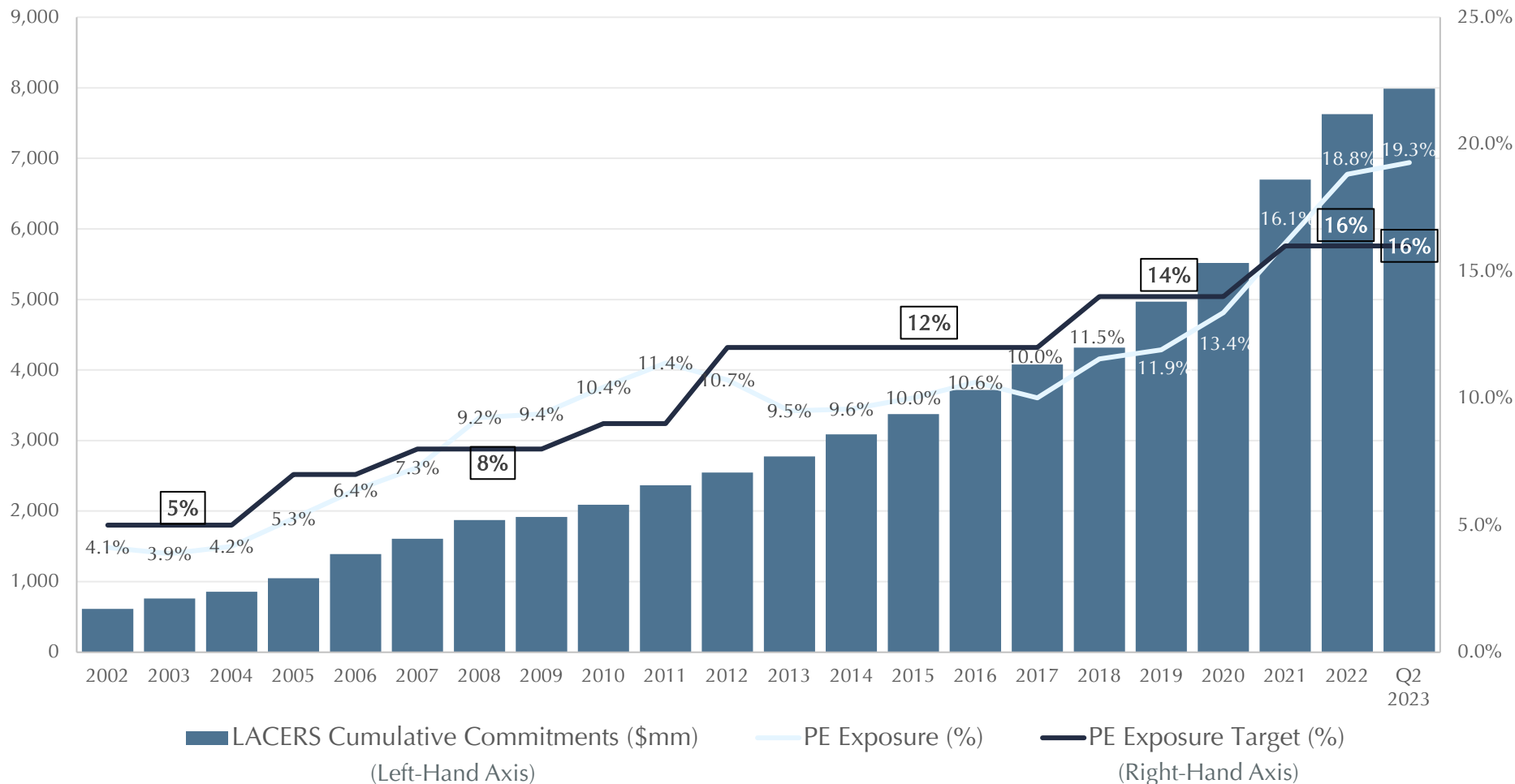
IC Meeting: 11/14/23
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- As of June 30, 2023 the aggregate portfolio's fair market value of \$4.2 billion represents 19.3% of Total Plan Assets

Aggregate Portfolio Private Equity Exposure Summary	
Total Plan Market Value	\$21.6bn
Private Equity Exposure Target (%)	16.0%
Private Equity Exposure Target (\$)	\$3.5bn
Private Equity Exposure (%)	19.3%
Fair Market Value ("FMV")	\$4.2bn

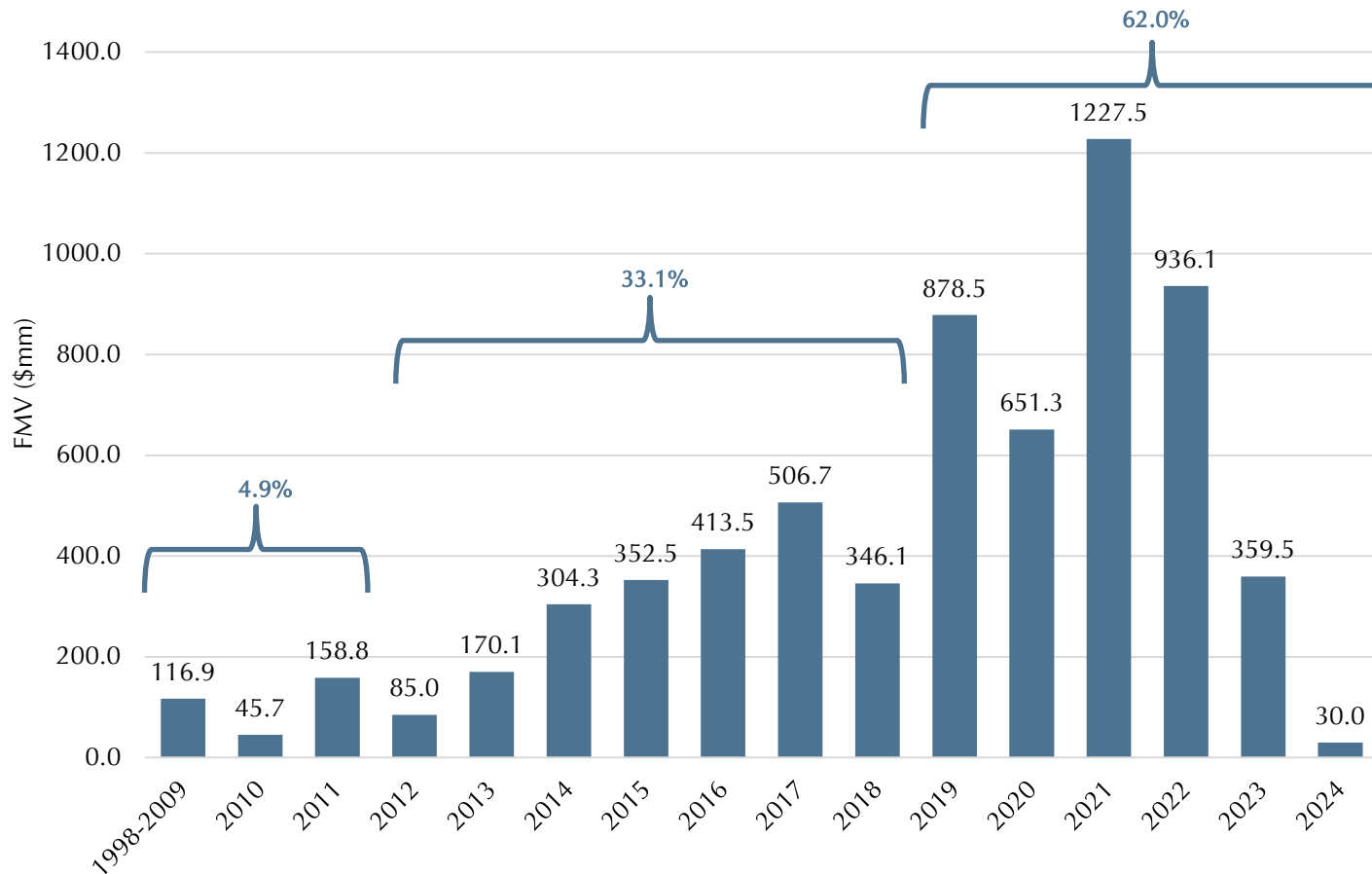
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- Since inception (1995), LACERS has committed approximately \$8.0 billion to private equity
- Target exposure to private equity is 16.0%



LACERS Private Equity Program - Fair Market Value By Vintage Year

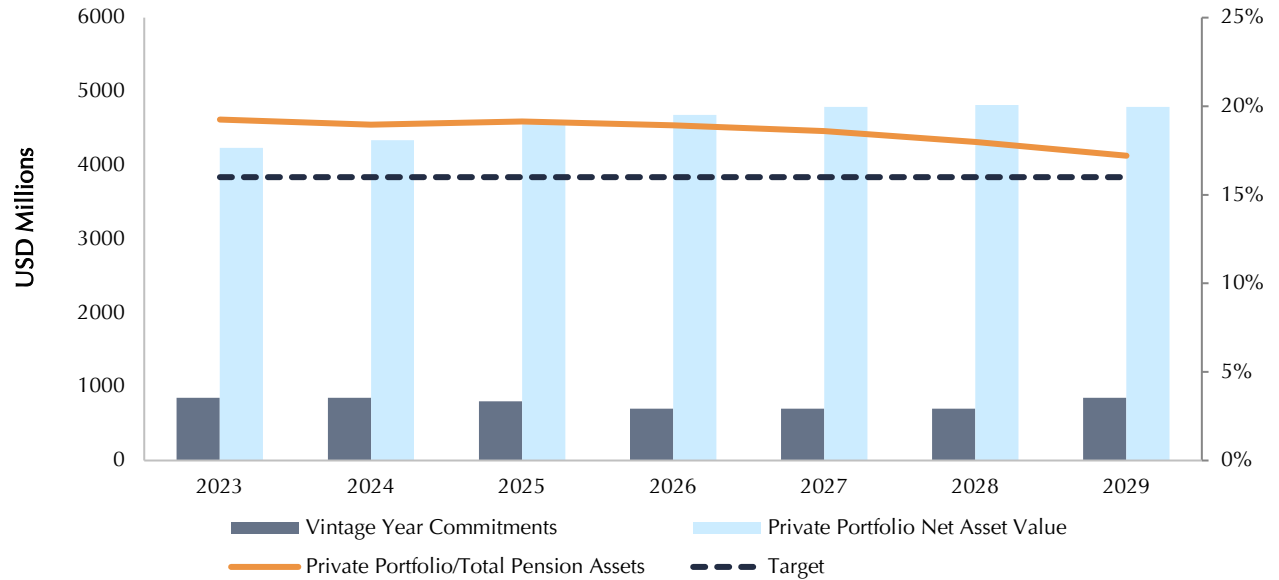
- Legacy exposure (1998 – 2011) accounts for ~4.9% of LACERS total private equity exposure
- The bulk of LACERS current private equity exposure (62.0%) is from funds with vintage years from 2019 – 2024



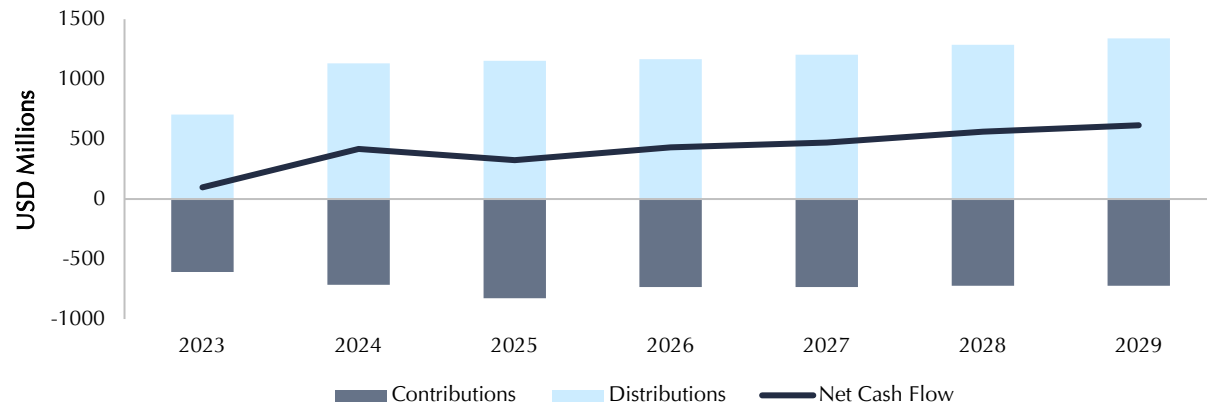
Updated Pacing Model (Base Case) – As of June 30, 2023

IC Meeting: 11/14/23
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Pacing Plan



Cash Flow Profile



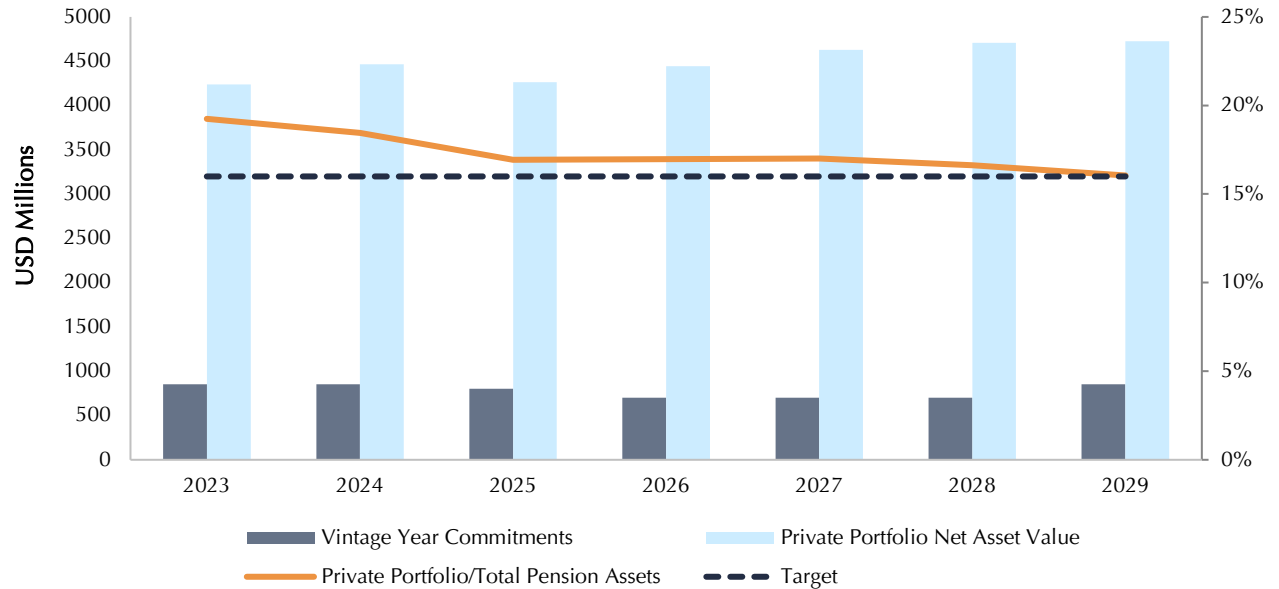
- Assumes 4% long-term pension growth
- Includes a \$150mm commitment to a co-investment SMA in Q4 2023
- The performance of public markets in the past year and slowdown in distribution activity has contributed to LACERS being overweight in PE
- Maintaining vintage year diversification is a key component of a successful long-term program

Updated Pacing Model (Recovery Scenario) – As of June 30, 2023

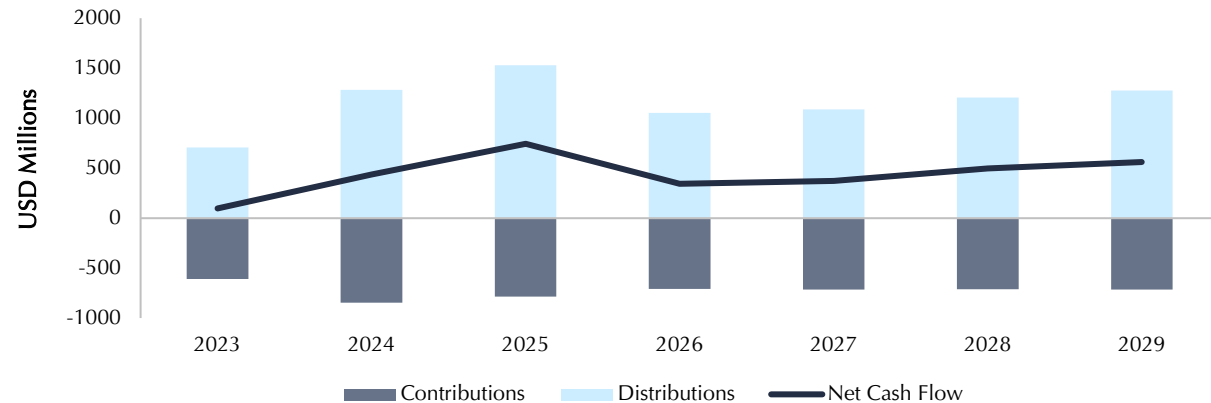
IC Meeting: 11/14/23
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- Assumes 4% long-term pension growth
- Includes a \$150mm commitment to a co-investment SMA in Q4 2023
- Assumes an increase in distribution activity in 2024/2025 and recovery in pension value in 2024

Pacing Plan



Cash Flow Profile



LACERS Private Equity Long-Term Targets

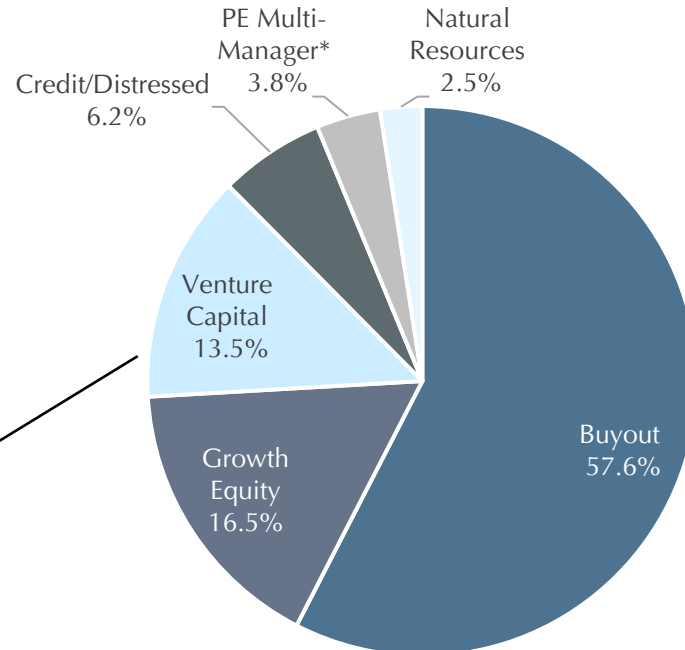
Private Equity Asset and Sub-Asset Classes	LACERS Exposure (%)	Aksia’s Suggested Long-Term Target
Buyouts	57.6%	60% – 80%
Large Buyouts	28.3%	
Medium Buyouts	25.7%	
Small Buyouts	3.5%	
Venture Capital / Growth Equity	30.0%	20% – 40%
Venture Capital	13.5%	
Growth Equity	16.5%	
Credit / Distressed	6.2%	0% - 10%
Natural Resources / PE Multi-Manager*	6.2%	0% – 10%

*PE Multi-Manager includes Secondary funds and Fund of Funds.

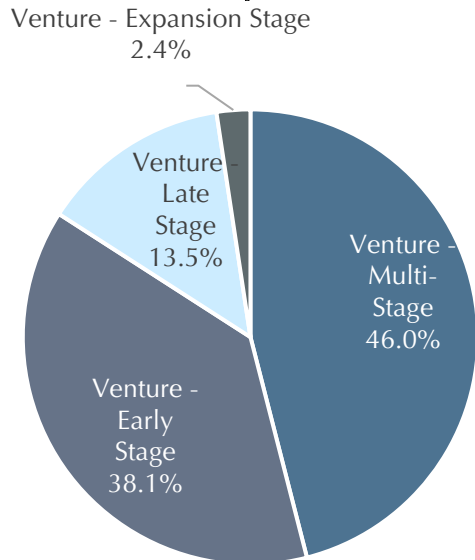
LACERS Exposure / Commitments by Asset Class

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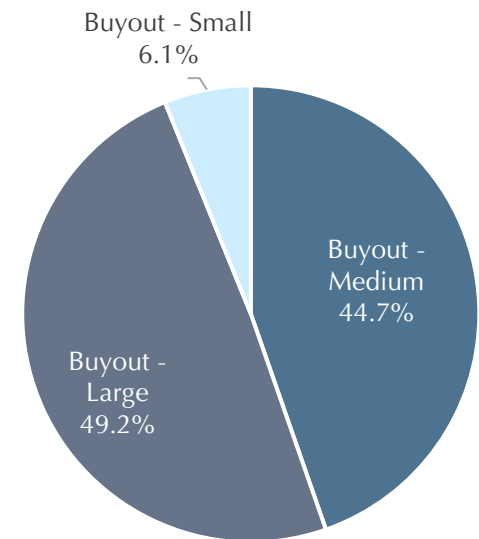
Current Exposure



Venture Exposure



Buyout Exposure

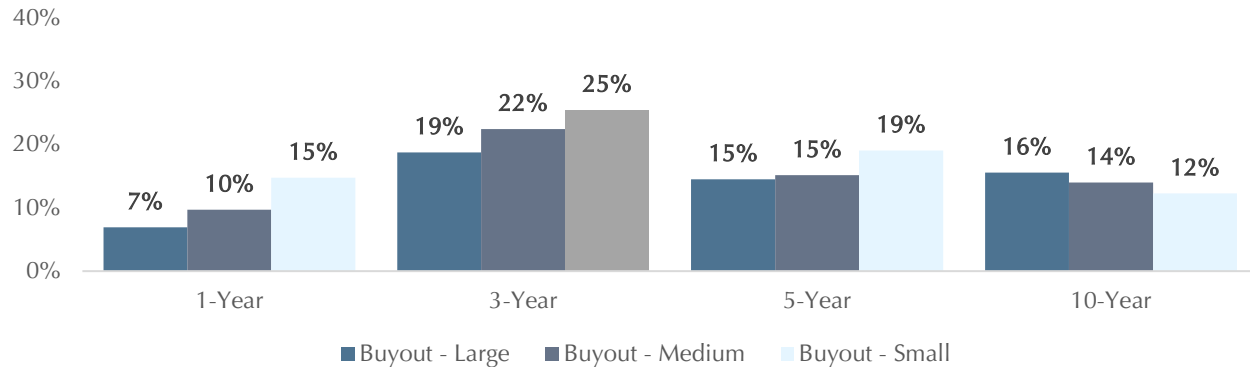


All percentages rounded to first decimal. *PE Multi-Manager includes Secondary funds and Fund of Funds.

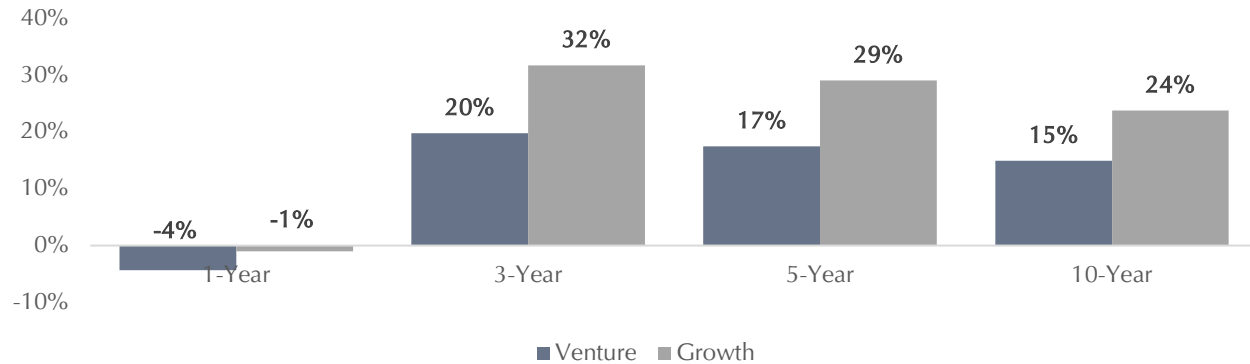
LACERS Horizon Returns by Sub-Strategy

IC Meeting: 11/14/23
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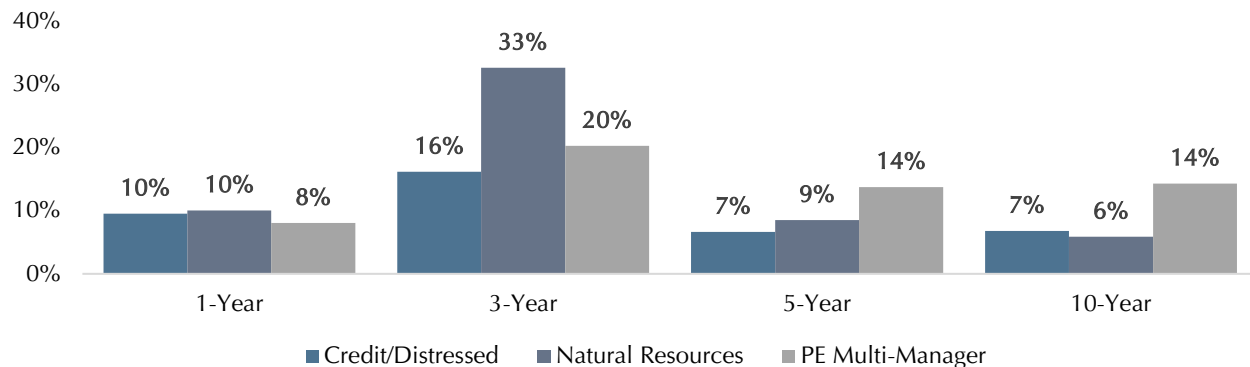
- LACERS' Large Buyout funds underperformed Small and Medium Buyout funds in the short term, but long term periods have shown outperformance (10-year)



- LACERS' Growth Equity investments have outperformed Venture Capital over various time horizons

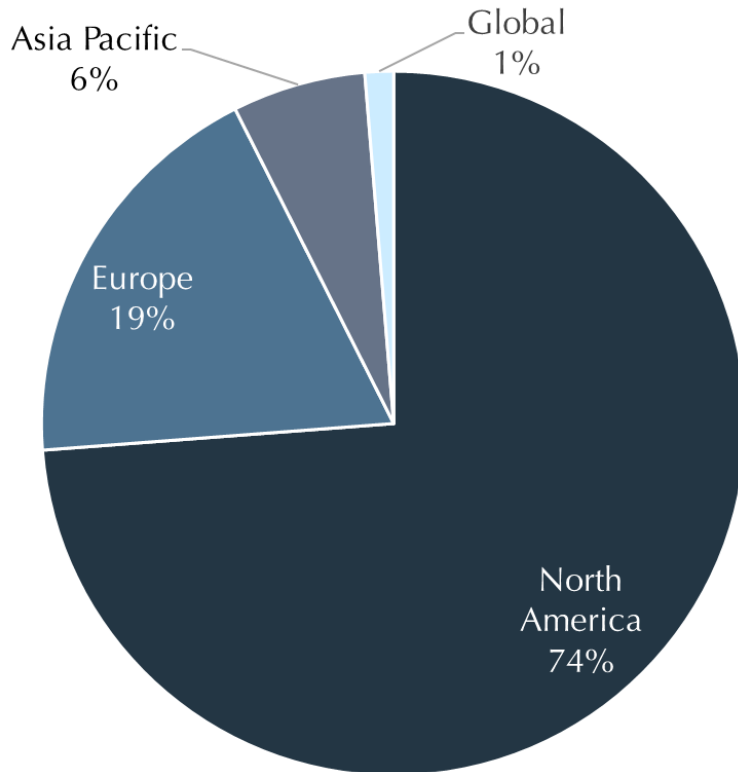


- LACERS' Credit funds have been challenged over the recent years

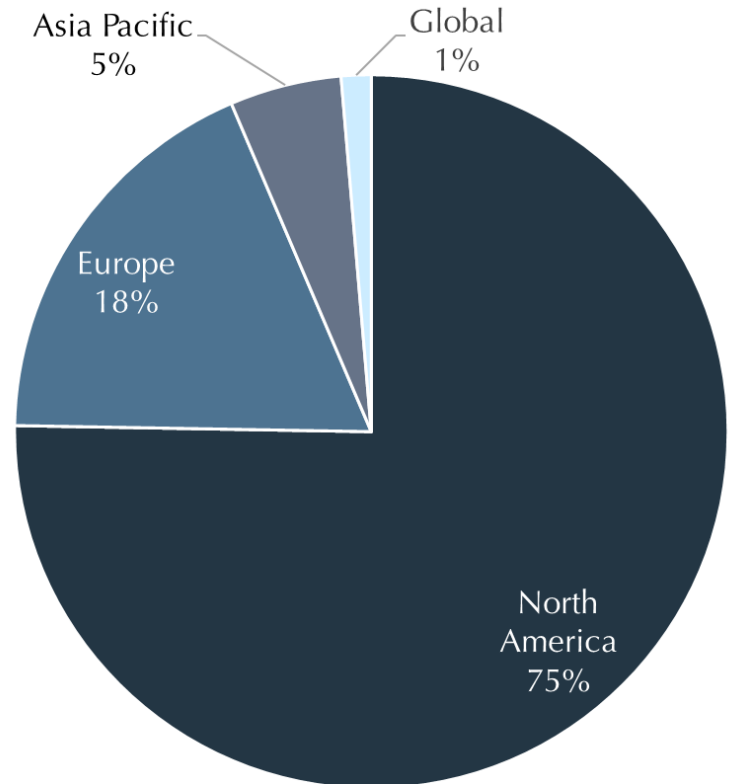


LACERS Commitments by Geography

Fund Commitments – By Geography



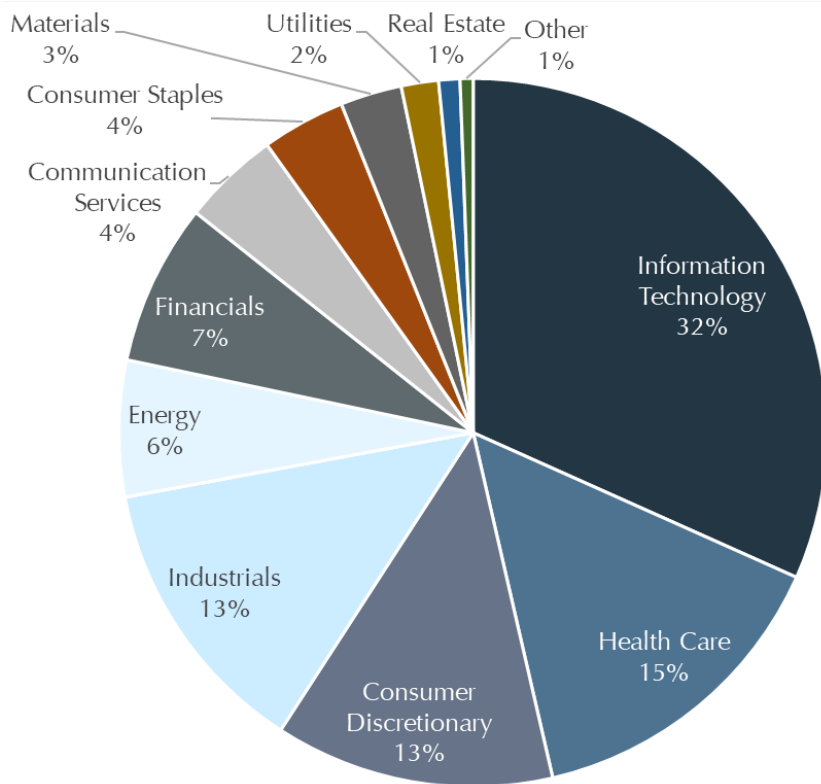
Current Exposure – By Geography



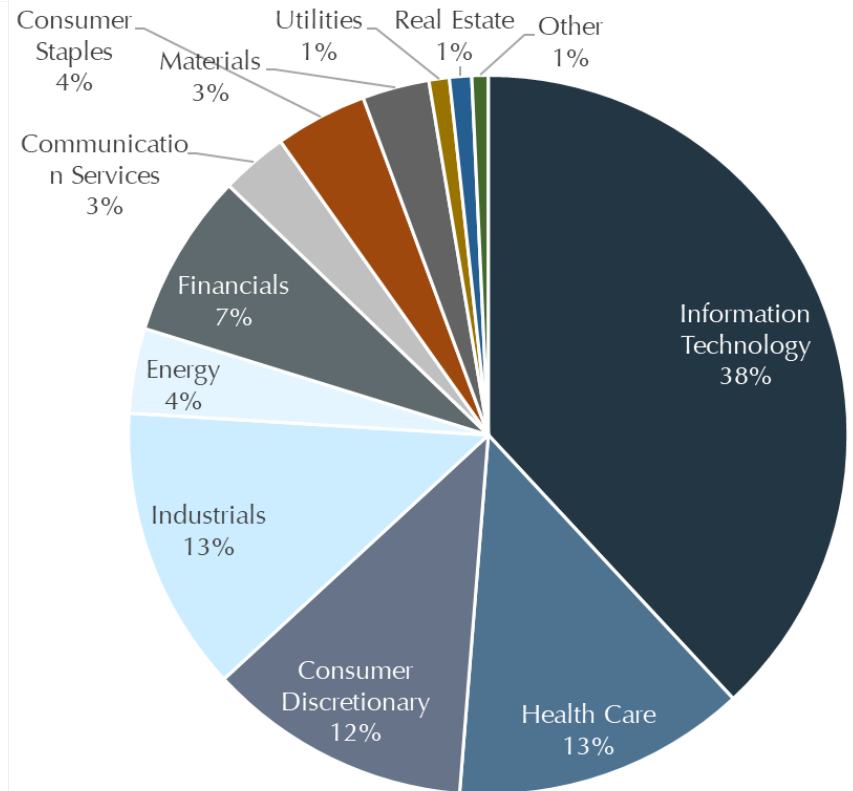
All percentages rounded.

LACERS Commitments and Exposure by Sector

Fund Commitments – By Sector



Current Exposure – By Sector

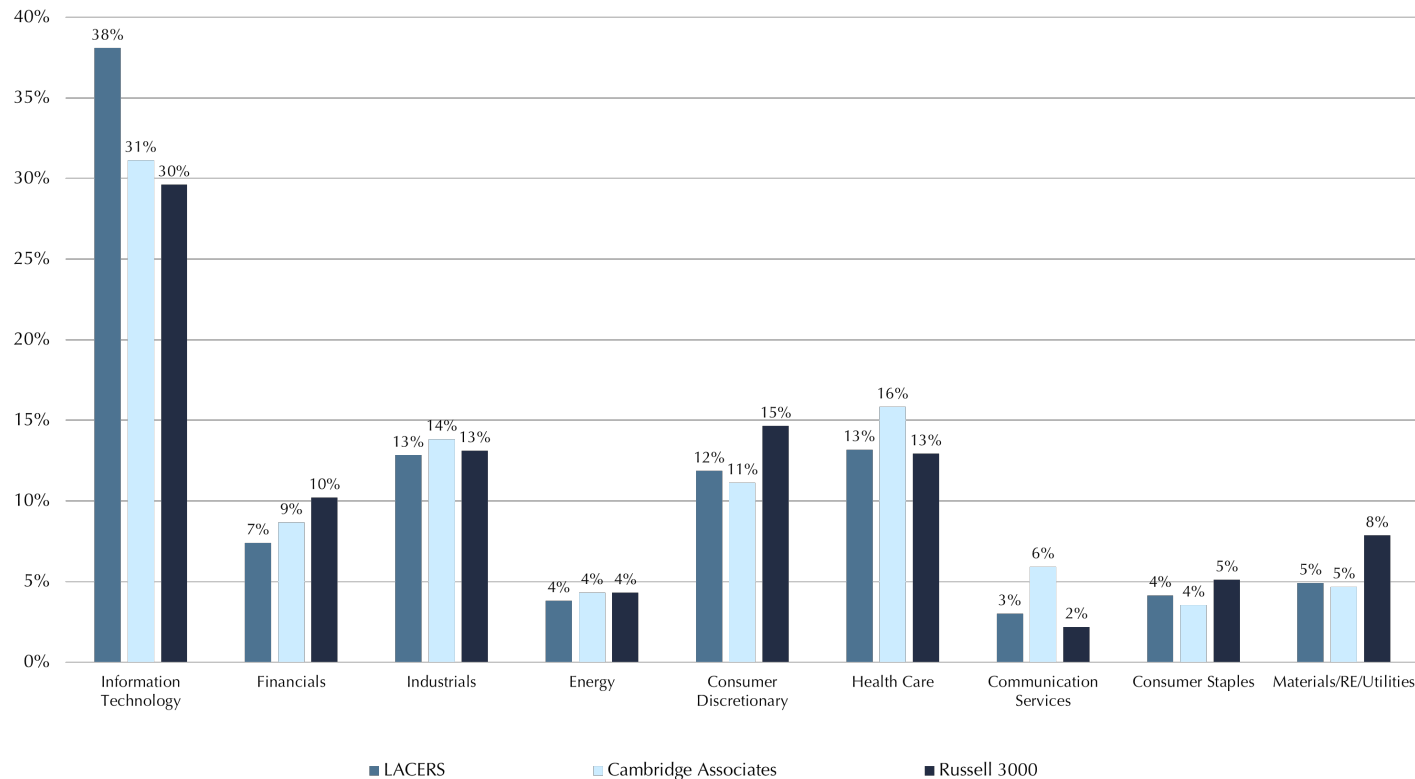


All percentages rounded.

LACERS Exposure by Sector vs. Benchmarks

LACERS Sector Exposure vs. Benchmarks

- When compared to public and private benchmarks, LACERS is over-weight in the Information Technology sector and under-weight in the Financials sector.
- The Information Technology over-weight has also been driving good performance
- LACERS biggest mismatch with the public benchmark is in the Information Technology sector



SWOT Analysis – Strengths & Weaknesses

IC Meeting: 11/14/23

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Strengths

- Existing GP Relationships: LACERS currently maintains relationships with a number of high-quality GPs that should continue to scale over time
- Brand / Reputation: LACERS has a reputation as a long-term sophisticated investor that helps Plan gain access to high-quality GPs, both established and emerging
- Disciplined Investment Process: LACERS investment process allows for disciplined decision making and consistent deployment regardless of market dislocations
- Flexible Mandate: LACERS has the ability to invest selectively across a variety of sub-sectors within private equity; This includes the growth of deep tech (e.g. A.I.) represented through venture and growth GPs
- Sector Exposure: LACERS PE portfolio is currently weighted towards IT (38%) and Healthcare (13%), both sectors which have proven to be resilient in downturns and should benefit going forward from secular market trends
- Liquidity: LACERS has considerable plan liquidity to maintain the current private equity commitment pacing
- Co-Investment Program: LACERS is developing a co-investment program that will help blend down the overall PE fee structure as well as educate staff on the implementation and monitoring of a co-investment program long term

Weaknesses

- Extensive Manager Line-up: LACERS has a large number of relationships that could result in a reversion to the mean given that level of diversification
- Legacy Performance: The legacy portfolio will continue to be a drag on performance, including the Specialized Portfolio

SWOT Analysis – Opportunities & Threats

IC Meeting: 11/14/23
Item IV
Attachment 1**Opportunities**

- Portfolio Consolidation: LACERS has existing relationships with a number of high-quality GP's, and has the potential to develop long-term relationships with other high-quality GP's including emerging managers
- Co-Investments: LACERS developing co-investment program should increase exposure to core GP's and mitigate costs. Overall, the appetite for co-investment capital is strong in the current market; many of LACERS' GPs provide co-investment opportunities
- Secondary Transactions: The secondary market has evolved as both an investment option as well as a portfolio management tool; Given recent market volatility and rising PE allocations, this part of the market could see accelerated LP interest
- Emerging Managers: Today's emerging managers may be the new generation of top-tier performers. The ability to invest in these managers early on in their life may help with long-term access to outperforming emerging managers
- Market Volatility: Consistent private equity commitment pacing during periods of market volatility has historically proven to deliver some of the best vintage year performance for private equity portfolios

Threats

- Market Volatility: Recent market uncertainty has shrunk portfolio values, especially in public asset classes, and as a result, LACERS longer-term commitment pacing may need to be revisited
- Rising Interest Rates and Inflation: Rising interest rates, wage inflation, and commodity price increases have raised company borrowing costs, put pressure on company margins, and constricted company cash flows
- Disclosures / Regulations: AB2833 and other reporting requirements may be disagreeable to certain top-quartile GPs; a bigger issue in Venture Capital versus other Private Equity strategies
- Political Concern on US IP in certain markets: Given the domestic concern on the use of US intellectual property, including AI, by China and others, there will need to be significant review of managers involved in these type of investments in these regions

2024 Long-Term Strategic Plan Recommendations

- **Pacing**
 - Maintain relatively consistent longer-term pacing despite market volatility
 - Commitment plan of \$750 - \$850 million proposed for 2024
 - Commitments to 10-15 firms with a target size of \$40-\$75 million per commitment, excluding co-investment program
 - 3-5 investments to Emerging Managers representing at least 10% of total annual commitments

- **Broad Portfolio Considerations**
 - Continue consolidating commitments with top performing managers
 - Continue to selectively add exposure internationally – primarily to Europe and Developed Asia
 - Continue increasing exposure to buyouts relative to other sub-asset classes (e.g., credit/venture/growth)
 - 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

2024 Short-Term Tactical Recommendations

- **Lean Into the Strengths**
 - Existing GP Relationships: maintain exposure to existing, high conviction managers that are back in market in 2024 where possible; this would include the re-evaluation of the strategic and performance value of these relationships to the overall portfolio
 - Brand / Reputation: Leverage LACERS reputation to initiate new relationships of scale with high quality GPs that are in market in 2024 and where the relationship can be scaled over time; Given portfolio value and market volatility, it will be challenging to allocate to all key current relationship as well as add much new relationships
 - Flexible Mandate: Leverage LACERS ability to invest across sub-asset classes and take advantage of the full spectrum of private equity activities
 - Continue developing a framework for it offers some benefit in the short-term
 - Leverage relationships with commingled secondary funds and potential secondary transaction vendors
 - Sector Exposures: Continue the implementation of a secondary program and/or secondary fund sales as needed given sector exposures; specifically, monitor IT sector portfolio weights while maintaining appropriate diversification across other sectors (i.e. healthcare, industrials, consumer)

2024 Short-Term Tactical Recommendations

- **Capitalize on Opportunities**
 - Market Volatility and Interest Rate Hikes: Continue to review and potentially invest with value-oriented, turnaround, and distressed investment managers
 - Co-investment Program: Implement co-investment program, harvesting LACERS deal flow, while reviewing and investing in proposed active flow from co-investment third party.
 - Emerging Managers: Continue targeting high-quality first-time managers / spin-outs / diverse managers

- **Minimize Weaknesses / Counter Threats**
 - Over-Diversification: Continue to trim relationships and consolidate capital with higher-conviction managers
 - Legacy Performance: Continue to consider and lay the groundwork for a portfolio secondary sale when appropriate



REPORT TO BOARD OF ADMINISTRATION

From: Investment Committee
Elizabeth Lee, Chair
Annie Chao
Gaylord "Rusty" Roten

MEETING: NOVEMBER 28, 2023
ITEM: VII - D

SUBJECT: APPROVAL OF 1-YEAR CONTRACT EXTENSION WITH AXIOM INVESTORS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EMERGING MARKETS GROWTH EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board:

1. Approve a one-year contract extension with Axiom Investors, LLC for management of an active non-U.S. emerging markets growth equities portfolio.
2. Authorize the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Executive Summary

On November 14, 2023, the Committee considered a staff recommendation to extend the contract with Axiom Investors, LLC for a period of one year. Upon discussing the firm, performance of the strategy, and alternatives to extending the contract, the Committee concurred with the staff recommendation.

Discussion

On November 14, 2023, the Committee considered the attached staff report (Attachment 2) recommending a one-year contract extension with Axiom Investors, LLC (Axiom). The Board hired Axiom through the 2013 Active Emerging Market Growth Equities manager search and authorized a three-year contract on July 23, 2013. The contract became effective on January 1, 2014; the current contract extension expires on December 31, 2023.

As of September 30, 2023, LACERS' portfolio was valued at \$268 million. From April 17, 2019, to September 30, 2022, Axiom was on "On Watch" status for organizational changes and a strategy benchmark change. The firm was removed from the watch list upon determination by staff and

LACERS' General Consultant, NEPC, LLC (NEPC), that Axiom had appropriately addressed all issues as of September 30, 2022. However, Axiom was placed back on "On Watch" status for performance effective April 11, 2023, based on Axiom's performance as of December 31, 2022.

Staff explained that Axiom's current underperformance relative to the MSCI Emerging Markets Index is the result of a market rotation from growth stocks to value stocks. Staff continue to have conviction in Axiom's investment process and ability to add value over the long term. The Committee inquired about alternative actions if a contract extension was not granted. Staff explained that moving the assets to a passive emerging markets growth strategy could be an option, albeit an unfavorable one. As previously discussed with the Committee and Board, the MSCI Emerging Markets Growth Index is highly concentrated in three Asian technology stocks and would not provide a prudent level of portfolio diversification. Additionally, NEPC's research suggests that active management has a higher probability of outperforming passive management in emerging markets over the long term. Further, Axiom's longer-term historical performance has consistently ranked in the first and second quartiles of its peer universe (excluding the current calendar year).

Staff acknowledges Axiom's underperformance relative to the strategy. However, to allow Axiom its full one year of "On Watch" status, and considering the timing of the 2024 Asset Allocation study and the high transitional cost of an emerging markets strategy, staff and NEPC recommend a one-year contract extension and will continue to monitor the organization and performance of the strategy in accordance with the LACERS Manager Monitoring Policy.

Strategic Plan Impact Statement

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

Prepared By: Ellen Chen, Director of Private Markets, ESG Risk Officer, Investment Division

NMG/RJ/WL/EC:jp

Attachments: 1. Proposed Resolution
2. Investment Committee Recommendation Report dated November 14, 2023

CONTRACT EXTENSION
AXIOM INVESTORS, LLC
ACTIVE NON-U.S. EMERGING MARKETS GROWTH EQUITIES
PORTFOLIO MANAGEMENT

PROPOSED RESOLUTION

WHEREAS, LACERS' current one-year contract extension with Axiom Investors, LLC (Axiom) for active non-U.S. emerging markets growth equities portfolio management expires on December 31, 2023; and,

WHEREAS, a one-year contract extension will provide the necessary time to evaluate Axiom's performance with its stated growth strategy relative to its benchmark; and,

WHEREAS, on November 28, 2023, the Board approved the Investment Committee's recommendation to approve a one-year contract extension.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract subject to satisfactory business and legal terms and consistent with the following services and terms:

<u>Company Name:</u>	Axiom Investors, LLC
<u>Service Provided:</u>	Active Non-U.S. Emerging Markets Growth Equities Portfolio Management
<u>Effective Dates:</u>	January 1, 2024 through December 31, 2024
<u>Duration:</u>	One year
<u>Benchmark:</u>	MSCI Emerging Markets Index
<u>Allocation as of September 30, 2023:</u>	\$268 million

November 28, 2023



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



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

MEETING: NOVEMBER 14, 2023
ITEM: V

Neil M. Guglielmo

SUBJECT: INVESTMENT MANAGER CONTRACT WITH AXIOM INVESTORS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EMERGING MARKETS GROWTH EQUITIES PORTFOLIO AND POSSIBLE COMMITTEE ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Committee recommend to the Board a one-year contract extension with Axiom Investors, LLC for management of an active non-U.S. emerging markets growth equities portfolio.

Executive Summary

Axiom Investors, LLC (Axiom) has managed an active non-U.S. emerging markets growth equities portfolio for LACERS since April 2014. LACERS' portfolio is currently valued at \$268 million as of September 30, 2023. Axiom was initially placed on "On Watch" status for performance effective April 17, 2019, but Axiom's performance improved, and the firm no longer triggered "On Watch" status for performance as of June 30, 2020. However, Axiom's watch status was subsequently extended on various dates due to a benchmark change from the MSCI Emerging Markets Growth (MSCI EM Growth) Index to the MSCI Emerging Markets (MSCI EM) Index, the departure of Christopher Lively, Co-lead Portfolio Manager, and the departure of Kurt Polk, President. After monitoring these matters over the past few years, staff and LACERS' General Consultant, NEPC, LLC (NEPC) are satisfied that Axiom has appropriately addressed these issues and have removed Axiom from "On Watch" status as of September 30, 2022. However, Axiom was placed back on "On Watch" status for performance effective April 11, 2023, based on Axiom's December 31, 2022, performance. Staff acknowledges Axiom's under performance relative to the strategy, however to allow Axiom its full one year of "On Watch" status, and considering the timing of the 2024 Asset Allocation study and the high transition cost of a Emerging Markets strategy, Staff and NEPC recommend a one-year contract extension and will continue to monitor the organization and performance of the strategy in accordance with the LACERS Manager Monitoring Policy (Policy).

Discussion

Background

Axiom has managed an active non-U.S. emerging markets growth equities portfolio for LACERS since April 2014 and is benchmarked against the MSCI EM Index. Axiom uses a fundamental research-based investment strategy that focuses on companies exhibiting key growth drivers, such as company-specific

improvements and favorable macroeconomic and political factors. Such drivers tend to be indicators of positive company financial and stock price performance. The 13-person investment team is led by four Co-lead Portfolio Managers: Andrew Jacobson, Chief Executive Officer, and Chief Investment Officer (36 years of experience); Donald Elefson, CFA (41 years of experience); Jose Morales, CFA (35 years of experience); and Young Kim (25 years of experience).

The Board hired Axiom through the 2013 Active Emerging Market Growth Equities manager search process and authorized a three-year contract on July 23, 2013; the contract became effective on January 1, 2014. Axiom was awarded a three-year contract renewal on September 27, 2016, and one-year extensions on July 23, 2019; July 28, 2020; October 26, 2021; and on November 22, 2022. The current contract expires on December 31, 2023.

Organization

Axiom is 100% employee-owned, with 61 employees, and is headquartered in Greenwich, Connecticut. As of September 30, 2023, Axiom managed over \$16.8 billion in total assets with \$4.9 billion in the emerging markets growth equities strategy.

Due Diligence

Staff conducts routine due diligence of the manager that includes quarterly portfolio reviews and ad hoc investment discussions. LACERS staff last conducted an onsite meeting at Axiom's headquarters on October 18, 2023, that included interviews with key personnel across the organization. Staff concluded that Axiom's investment philosophy, strategy, and process have not changed materially over the contract period. In addition, NEPC's research team also conducted an onsite to Axiom in October 2023, NEPC continues to rate Axiom a 1-rated manager (NEPC's highest rating) for emerging markets.

Axiom was initially placed on "On Watch" status for performance on April 17, 2019. After conducting a thorough review of Axiom's underperformance relative to its benchmark in place at the time, the MSCI EM Growth Index, staff and NEPC determined that the MSCI EM Growth Index had become increasingly concentrated in a few stocks since inception of LACERS' account and that the benchmark was no longer an effective measure by which to compare Axiom's strategy. As of June 30, 2020, Axiom no longer triggered watch status due to performance. However, on July 28, 2020, the Board approved a change of Axiom's benchmark from the MSCI EM Growth Index to the more diversified MSCI EM Index with the condition that Axiom remain on watch through August 1, 2021, to monitor Axiom for consistency with its stated strategy. The benchmark change became effective on August 1, 2020.

Subsequently, two material organizational changes at Axiom led to further extensions of Axiom's watch status. First, on September 29, 2020, Axiom announced that Chris Lively would be stepping down from his role as co-lead portfolio manager of the emerging markets growth equities strategy for personal reasons, triggering an extension of Axiom's existing watch status to October 1, 2021. Andrew Jacobson, Axiom's founder, CEO and CIO, and the original architect of the strategy, replaced Mr. Lively as co-lead of the strategy alongside Donald Elefson and Jose Morales. In addition, Axiom hired Young Kim in March 2021 as a fourth co-lead portfolio manager to expand the team's capabilities.

Second, on August 18, 2021, Axiom announced that Kurt Polk, Axiom's President, would be leaving the firm at the end of the year for personal reasons, triggering a further extension of Axiom's existing watch status to October 1, 2022. The firm has no plans to fill the President position. Axiom's existing

management committee has assumed Mr. Polk’s responsibilities and currently consists of the following members: Edward Azimi, Chief Operating Officer; Lindsay Chamberlain, Managing Director of Client Partnerships; Jonathan Ellis, Director of Research and Portfolio Manager; Andrew Jacobson, CEO and CIO; and Denise Zambardi, Senior Vice President and Chief Compliance Officer and Controller. Further, Axiom has hired additional support personnel for the management committee members.

After closely monitoring and conducting routine due diligence on Axiom’s organizational changes and the strategy’s benchmark change over the last few years, staff and NEPC are satisfied that Axiom has appropriately addressed these matters. The changes have not resulted in any changes to Axiom’s stated investment philosophy and strategy, nor have they had a material adverse impact to the management of the investment strategy and LACERS assets.

Performance

Axiom has underperformed in all periods compared to the Axiom Blended Benchmark as presented in the following table.

Annualized Performance as of 9/30/23 (Net-of-Fees)						
	3 month	1-Year	3-Year	5-Year	7-Year	Since Inception
Axiom	-4.13	4.99	-7.59	-0.44	2.21	1.56
Axiom Blended Benchmark*	-2.93	11.70	-1.73	3.75	5.55	4.12
<i>% of Excess Return</i>	<i>-1.20</i>	<i>-6.71</i>	<i>-5.86</i>	<i>-4.19</i>	<i>-3.34</i>	<i>-2.56</i>
MSCI EM Index	-2.93	11.70	-1.73	0.55	3.22	1.81
<i>% of Excess Return</i>	<i>-1.20</i>	<i>-6.71</i>	<i>-5.86</i>	<i>-0.99</i>	<i>-1.01</i>	<i>-0.25</i>
MSCI EM Growth Index	-4.92	7.71	-7.19	0.63	3.27	2.45
<i>% of Excess Return</i>	<i>0.79</i>	<i>-2.72</i>	<i>-0.40</i>	<i>-1.07</i>	<i>-1.06</i>	<i>-0.89</i>

*Axiom Blended Benchmark incorporates MSCI EM Growth Index returns prior to August 1, 2020 and MSCI EM Index returns from August 1, 2020 to present.

Axiom’s underperformance is largely attributed to the following three factors:

- 1) Growth-to-value rotation
- 2) Macro policy reversals
- 3) Outperformance of low-quality State-Owned Enterprises (SOEs) stocks and Chinese energy/materials stocks

The growth-to-value rotation, led by rising inflation, over the past three years represents one of the longest of such rotations in the history of the asset class and the largest spread between growth and value since the Great Financial Crisis (GFC). Since Q4 2020, EM value has outperformed EM growth for 9 of the most recent 12 quarters, including 7 consecutive quarters from Q4 2020 through Q2 2022. The rotation was compounded by the longest bear market in the history of the Emerging Markets asset class. MSCI EM saw quarter-over-quarter declines for a record five consecutive quarters from Q3 2021 through Q3 2022. The underperformance of Axiom’s growth-oriented strategy relative to the MSCI EM Index, an index comprised of growth and value stocks, is expected.

In addition, a few events included the Russo-Ukrainian War, COVID-19 Pandemic, policy reversals across China, and inflation impacted the market. The accumulation of events created headwinds for Axiom’s process in recent years. Underperformance over the five-year, seven-year, and since inception time periods is due to the high stock concentration of the former MSCI EM Growth benchmark and LACERS’ investment guideline limitations that required Axiom’s portfolio to be more diversified than the former benchmark. Please refer to the November 22, 2022, Board report (Attachment 1) for a detailed discussion.

SOEs typically underperform the market due to the need to perform national services and often having conflicting corporate priorities and poor governance standards as opposed to a focus on protecting shareholder interest. Since the GFC, non-SOEs have returned 86% compared to SOEs which have returned 59%. While SOEs historically underperform the markets over the longer-term, there are shorter-term periods where they may outperform. SOEs outperformed in 2022 and have continued to do so YTD in 2023. Thus, not owning SOEs has been a headwind relative to the benchmark. Currently, the SOE weight in the MSCI EM Index is 18.1% and has an 8.4% weight in the MSCI EM Growth Index.

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

Calendar Year Performance as of 12/31/22 (Net-of-Fees)									
	2022	2021	2020	2019	2018	2017	2016	2015	4/11/14-12/31/14
Axiom	-31.17	-4.28	32.46	24.70	-17.64	40.56	8.40	-12.44	-2.01
Axiom Blended Benchmark*	-20.09	-2.54	32.02	25.10	-18.26	46.80	7.59	-11.34	-2.24
% of Excess Return	-11.08	-1.74	0.44	-0.40	0.62	-6.24	0.81	-1.10	0.23

*Axiom Blended Benchmark incorporates MSCI EM Growth Index returns prior to August 1, 2020 and MSCI EM Index returns from August 1, 2020 to present.

Staff recognizes that Axiom’s strategy has underperformed and has placed Axiom “On Watch” as of April 11, 2023. According to LACERS’ Investment Policy Statement, after the initial one-year period, Staff and General Fund Consultant shall determine whether to remove the manager from “On Watch” status or continue the “On Watch” status. Further, transition costs for Emerging Markets range from 1.5% to 2% (which is approximately \$4 to \$5.3 million based on the value of LACERS’ assets as of September 30, 2023). Finally, December is a costly month to transition due to the various countries’ holidays, and it would be more cost efficient to transition after the 2024 Asset Allocation study with other assets, if necessary. To allow Axiom time to complete its one year of Watch status (April 10, 2024) due to performance and in consideration of operational inefficiencies to liquidate this portfolio at this time, staff and NEPC recommend a one-year extension for Axiom.

Staff and NEPC will continue to closely monitor Axiom's performance according to the Policy and take appropriate action as necessary.

Fees

LACERS pays Axiom an effective fee of 60 basis points (0.60%), which is approximately \$1.6 million annually based on the value of LACERS' assets as of September 30, 2023. This fee ranks in the 24th percentile among its peers in the eVestment All Emerging Markets Equity Universe (i.e., Axiom's fee is lower than 76% of peers). Since inception, LACERS has paid Axiom a total of \$21.1 million in investment manager fees as of September 30, 2023.

General Fund Consultant Opinion

NEPC concurs with these recommendations.

Strategic Plan Impact Statement

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

Prepared by: Ellen Chen, Director of Private Markets, ESG Risk Officer, Investment Division

NMG/RJ/WL/EC:rm

Attachments: 1. Report to Board of Administration Dated November 22, 2022
 2. Consultant Recommendation – NEPC, LLC



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



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

MEETING: NOVEMBER 8, 2022
ITEM: VI

SUBJECT: INVESTMENT MANAGER CONTRACT WITH AXIOM INVESTORS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EMERGING MARKETS GROWTH EQUITIES PORTFOLIO AND POSSIBLE COMMITTEE ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Committee recommend to the Board a one-year contract extension with Axiom Investors, LLC for management of an active non-U.S. emerging markets growth equities portfolio.

Executive Summary

Axiom Investors, LLC (Axiom) has managed an active non-U.S. emerging markets growth equities portfolio for LACERS since April 2014. LACERS' portfolio is currently valued at \$256 million as of September 30, 2022. Axiom was initially placed on "On Watch" status for performance effective April 17, 2019, but Axiom's performance improved, and the firm no longer triggered "On Watch" status for performance as of June 30, 2020. However, Axiom's watch status was subsequently extended on various dates due to a benchmark change from the MSCI Emerging Markets Growth (MSCI EM Growth) Index to the MSCI Emerging Markets (MSCI EM) Index, the departure of Christopher Lively, Co-lead Portfolio Manager, and the departure of Kurt Polk, President. After monitoring these matters over the last two years, staff and LACERS' General Consultant, NEPC, LLC (NEPC) are satisfied that Axiom has appropriately addressed these issues and have removed Axiom from "On Watch" status. While Axiom's performance as of September 30, 2022, lags behind the benchmark's performance over all time periods, Axiom has not breached the metrics required to be placed on "On Watch" status for performance reasons. Staff and NEPC recommend a one-year contract extension and will continue to monitor the organization and performance of the strategy in accordance with the LACERS Manager Monitoring Policy (Policy).

Discussion

Background

Axiom has managed an active non-U.S. emerging markets growth equities portfolio for LACERS since April 2014 and is benchmarked against the MSCI EM Index. Axiom uses a fundamental research-based investment strategy that focuses on companies exhibiting key growth drivers, such as company-specific improvements and favorable macroeconomic and political factors. Such drivers tend to be indicators of positive company financial and stock price performance. The 13-person investment team is led by four

Co-lead Portfolio Managers: Andrew Jacobson, Chief Executive Officer and Chief Investment Officer (35 years of experience); Donald Elefson, CFA (40 years of experience); Jose Morales, CFA (34 years of experience); and Young Kim (24 years of experience).

The Board hired Axiom through the 2013 Active Emerging Market Growth Equities manager search process and authorized a three-year contract on July 23, 2013; the contract became effective on January 1, 2014. Axiom was awarded a three-year contract renewal on September 27, 2016, and one-year extensions on July 23, 2019; July 28, 2020; and October 26, 2021. The current contract expires on December 31, 2022. Axiom had been on “On Watch” status since April 17, 2019, and was recently removed from the watch list, as discussed in the Due Diligence section of this report.

Organization

Axiom is 100% employee-owned, with 61 employees, and is headquartered in Greenwich, Connecticut. As of September 30, 2022, the firm managed over \$15.4 billion in total assets with \$5.4 billion in the emerging markets growth equities strategy.

Due Diligence

Axiom’s investment philosophy, strategy, and process have not changed over the one-year contract extension period. Axiom was initially placed on “On Watch” status for performance on April 17, 2019. After conducting a thorough review of Axiom’s underperformance relative to its benchmark in place at the time, the MSCI EM Growth Index, staff and NEPC determined that the MSCI EM Growth Index had become increasingly concentrated in a few stocks since inception of LACERS’ account and that the benchmark was no longer an effective measure by which to compare Axiom’s strategy. As of June 30, 2020, Axiom no longer triggered watch status due to performance. However, on July 28, 2020, the Board approved a change of Axiom’s benchmark from the MSCI EM Growth Index to the more diversified MSCI EM Index with the condition that Axiom remain on watch through August 1, 2021, in order to monitor Axiom for consistency with its stated strategy. The benchmark change became effective on August 1, 2020.

Subsequently, two material organizational changes at Axiom led to further extensions of Axiom’s watch status. First, on September 29, 2020, Axiom announced that Chris Lively would be stepping down from his role as co-lead portfolio manager of the emerging markets growth equities strategy for personal reasons, triggering an extension of Axiom’s existing watch status to October 1, 2021. Andrew Jacobson, Axiom’s founder, CEO and CIO, and the original architect of the strategy, replaced Mr. Lively as co-lead of the strategy alongside Donald Elefson and Jose Morales. In addition, Axiom hired Young Kim in March 2021 as a fourth co-lead portfolio manager to expand the team’s capabilities.

Second, on August 18, 2021, Axiom announced that Kurt Polk, Axiom’s President, would be leaving the firm at the end of the year for personal reasons, triggering a further extension of Axiom’s existing watch status to October 1, 2022. The firm has no plans to fill the President position. Axiom’s existing management committee has assumed Mr. Polk’s responsibilities and currently consists of the following members: Edward Azimi, Chief Operating Officer; Lindsay Chamberlain, Managing Director of Client Partnerships; Jonathan Ellis, Director of Research and Portfolio Manager; Andrew Jacobson, CEO and CIO; and Denise Zambardi, Senior Vice President and Chief Compliance Officer and Controller. Further, Axiom has hired additional support personnel for the management committee members.

After closely monitoring and conducting routine due diligence on Axiom’s organizational changes and the strategy’s benchmark change over the last two years, staff and NEPC are satisfied that Axiom has appropriately addressed these matters. The changes have not resulted in any changes to Axiom’s stated investment philosophy and strategy, nor have they had a material adverse impact to the management of the investment strategy and LACERS assets. Accordingly, staff and NEPC have removed Axiom from “On Watch” status.

Performance

As discussed in the Due Diligence section, Axiom’s benchmark was changed from the MSCI EM Growth Index to the MSCI EM Index effective August 1, 2020. Since the effective date of the benchmark change, Axiom has underperformed in all periods compared to the MSCI EM Index as presented in the following table. With the rotation of the market from favoring growth stocks to favoring value stocks that began at the end of 2021, the underperformance of Axiom’s growth-oriented strategy relative to the MSCI EM Index, an index comprised of growth and value stocks, is expected. The benchmark change has not resulted in any changes to Axiom’s investment process, and the strategy continues to be managed according to the same investment philosophy and process in place at the time of hire.

Annualized Performance as of 9/30/22 (Net-of-Fees)				
	3-month	1-Year	2-Year	Since 8/1/2020
Axiom	-14.25	-36.24	-13.30	-11.32
MSCI EM Index	-11.57	-28.11	-7.82	-7.00
<i>% of Excess Return</i>	-2.68	-8.13	-5.48	-4.32

The following table presents Axiom’s performance since inception of the account on April 11, 2014, relative to a blended benchmark that incorporates the performance of the previous MSCI EM Growth Index from account inception date to July 31, 2020, and the performance of the MSCI EM Index from August 1, 2020 to September 30, 2022. Axiom’s underperformance over the three-year, five-year, and since inception time periods is due to the high stock concentration of the former MSCI EM Growth benchmark and LACERS’ investment guideline limitations that required Axiom’s portfolio to be more diversified than the former benchmark. Please refer to October 26, 2021, report to the Board (Attachment 1) for a detailed discussion of Axiom’s underperformance relative to the MSCI EM Growth Index. In light of the benchmark change, historical blended benchmark performance (the three-year, five-year, and since inception time periods) provides minimal value in evaluating the effectiveness of Axiom’s strategy. The current benchmark, the MSCI EM Index, as presented in the preceding table, is a more appropriate measure of Axiom’s performance considering portfolio diversification requirements of the investment guidelines.

Annualized Performance as of 9/30/22 (Net-of-Fees)						
	3-month	1-Year	2-Year	3-Year	5-Year	Since Inception
Axiom	-14.25	-36.24	-13.30	-2.66	-2.07	1.17
Axiom Blended Benchmark*	-11.57	-28.11	-7.82	2.14	0.68	3.26
<i>% of Excess Return</i>	<i>-2.68</i>	<i>-8.13</i>	<i>-5.48</i>	<i>-4.80</i>	<i>-2.75</i>	<i>-2.09</i>

*Axiom Blended Benchmark incorporates MSCI EM Growth Index returns prior to August 1, 2020 and MSCI EM Index returns from August 1, 2020 to present.

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

Calendar Year Performance as of 12/31/21 (Net-of-Fees)								
	2021	2020	2019	2018	2017	2016	2015	4/11/14-12/31/14
Axiom	-4.28	32.46	24.70	-17.64	40.56	8.40	-12.44	-2.01
Axiom Blended Benchmark	-2.54	32.02	25.10	-18.26	46.80	7.59	-11.34	-2.24
<i>% of Excess Return</i>	<i>-1.74</i>	<i>0.44</i>	<i>-0.40</i>	<i>0.62</i>	<i>-6.24</i>	<i>0.81</i>	<i>-1.10</i>	<i>0.23</i>

Staff recognizes that Axiom’s strategy has underperformed since the date of the benchmark change (August 1, 2020) and since inception (April 11, 2014) compared to the blended benchmark. Evaluating Axiom’s performance against the watch list criteria, Axiom’s performance is currently in compliance with the Policy, which requires both a peer performance metric and information ratio metric to be breached over two consecutive quarters before placing a manager on “On Watch” status for performance. As presented in the following table, Axiom breached the metrics as of September 30, 2022, and was within the established guidelines as of June 30, 2022.

Evaluation of Watch List Status				
Manager	Metric 1		Metric 2	
	Underperforms (net of fees) trailing 5-year peer median performance (i.e., peer rank between 50th and 100th percentile)		Trailing 5-year Information Ratio falls below 0.20	
	Peer Ranking 9/30/2022	Peer Ranking 6/30/2022	Information Ratio 9/30/2022	Information Ratio 6/30/2022
Axiom	64 (fail)	37 (pass)	-0.03 (fail)	0.51 (pass)

Staff and NEPC will continue to closely monitor Axiom’s organization and performance according to the Policy and take appropriate action as necessary.

Fees

LACERS pays Axiom an effective fee of 60 basis points (0.60%), which is approximately \$1.5 million annually based on the value of LACERS’ assets as of September 30, 2022. This fee ranks in the 22nd percentile among its peers in the eVestment Global Emerging Markets All Cap Growth Equity Universe (i.e., Axiom’s fee is lower than 78% of peers). Since inception, LACERS has paid Axiom a total of \$19.1 million in investment manager fees as of June 30, 2022.

General Fund Consultant Opinion

NEPC concurs with these recommendations.

Strategic Plan Impact Statement

A contract extension with Axiom will allow the fund to maintain a diversified exposure to the non-U.S. equities emerging markets, which is expected to help optimize long-term risk adjusted investment returns (Goal IV). The discussion of the investment manager’s profile, strategy, performance, and management fee structure are consistent with Goal V (uphold good governance practices which affirm transparency, accountability, and fiduciary duty).

Prepared by: Ellen Chen, Investment Officer II, Investment Division

RJ/BF/EC:rm

- Attachments:
1. Report to Board of Administration Dated October 26, 2021
 2. Consultant Recommendation – NEPC, LLC



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION

From: Investment Committee

Sung Won Sohn, Chair
Elizabeth Lee
Nilza R. Serrano

MEETING: OCTOBER 26, 2021

ITEM: X-C

SUBJECT: INVESTMENT MANAGER CONTRACT WITH AXIOM INVESTORS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EMERGING MARKETS GROWTH EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board:

1. Approve a one-year contract extension with Axiom Investors, LLC for management of an active non-U.S. emerging markets growth equities portfolio.
2. Authorize the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Discussion

On October 12, 2021, the Committee considered the attached staff report (Attachment 1) recommending a one-year contract extension with Axiom Investors, LLC (Axiom). The Board hired Axiom through the 2013 Active Emerging Market Growth Equities manager search and authorized a three-year contract on July 23, 2013. The contract became effective on January 1, 2014; the current contract extension expires on December 31, 2021. Since inception, LACERS has paid Axiom a total of \$16.9 million in investment management fees as of June 30, 2021. As of September 30, 2021, LACERS' portfolio was valued at \$401 million. Axiom is currently on "On Watch" status through October 1, 2022 due to a benchmark change and two organizational changes. Please refer to Attachment 1 for further details on the history of Axiom's watch status.

The Committee inquired about potential actions at the end of the watch period. Staff explained that if Axiom is unable to achieve outperformance relative to the MSCI Emerging Markets Index since the benchmark change date of August 1, 2020, staff may return to the Committee with possible recommendations to terminate the contract and either conduct a search for a replacement active manager or move the assets to a passive strategy. Based on the discussion and responses by staff,

the Committee concurred with the recommendation by staff and NEPC, LLC, LACERS' General Fund Consultant.

Strategic Plan Impact Statement

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

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

RJ/BF/EC:rm

Attachments: 1. Investment Committee Recommendation Report dated October 12, 2021
2. Proposed Resolution



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



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

Neil M. Guglielmo

MEETING: OCTOBER 12, 2021
ITEM: VI

SUBJECT: INVESTMENT MANAGER CONTRACT WITH AXIOM INVESTORS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE NON-U.S. EMERGING MARKETS GROWTH EQUITIES PORTFOLIO AND POSSIBLE COMMITTEE ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Committee recommend to the Board a one-year contract extension with Axiom Investors, LLC for management of an active non-U.S. emerging markets growth equities portfolio.

Executive Summary

Axiom Investors, LLC (Axiom) has managed an active non-U.S. emerging markets growth equities portfolio for LACERS since April 2014. LACERS' portfolio is currently valued at \$401 million as of September 30, 2021. Axiom was initially placed on "On Watch" status for performance effective April 17, 2019. Axiom's watch status was subsequently extended on various dates due to a change of the benchmark from the MSCI Emerging Markets Growth (MSCI EM Growth) Index to the MSCI Emerging Markets (MSCI EM) Index, the departure of Christopher Lively, Co-lead Portfolio Manager, and the pending departure of Kurt Polk, President. The firm's current watch status expires on October 1, 2022. In light of Axiom's continued "On Watch" status and consistent with the LACERS Manager Monitoring Policy (Policy), staff and LACERS' General Consultant, NEPC, LLC (NEPC) recommend a one-year contract extension and will continue to monitor the organization and performance of the strategy.

Discussion

Background

Axiom has managed an active non-U.S. emerging markets growth equities portfolio for LACERS since April 2014, and is benchmarked against the MSCI EM Index. Axiom uses a fundamental research-based investment strategy that focuses on companies exhibiting key growth drivers, such as company-specific improvements and favorable macroeconomic and political factors. Such drivers tend to be indicators of positive company financial and stock price performance. The 13 person investment team is led by four Co-lead Portfolio Managers: Andrew Jacobson, Chief Executive Officer and Chief Investment Officer (33 years of experience), Donald Elefson, CFA (38 years of experience), Jose Morales, CFA (32 years of experience) and Young Kim (22 years of experience).

The Board hired Axiom through the 2013 Active Emerging Market Growth Equities manager search process and authorized a three-year contract on July 23, 2013; the contract became effective on January 1, 2014. Axiom was awarded a three-year contract renewal on September 27, 2016, a one-year extension on July 23, 2019, and a one-year extension on July 28, 2020. The current contract expires on December 31, 2021. Axiom has been on “On Watch” status since April 17, 2019 for performance and organizational reasons as discussed in the Due Diligence and Performance sections of this report.

Organization

Axiom is 100% employee-owned, with 57 employees, and is headquartered in Greenwich, Connecticut. As of September 30, 2021, Axiom managed over \$19 billion in total assets with \$8 billion in the emerging markets growth equities strategy.

Due Diligence

Axiom’s investment philosophy, strategy, and process have not changed over the one-year contract extension period. Axiom was initially placed on “On Watch” status for performance on April 17, 2019. After conducting a thorough review of Axiom’s underperformance relative to its benchmark in place at the time, the MSCI EM Growth Index, staff and NEPC determined that the MSCI EM Growth Index had become increasingly concentrated in a few stocks since inception of LACERS’ account and that the benchmark was no longer an effective measure by which to compare Axiom’s strategy. On July 28, 2020, the Board approved a change of Axiom’s benchmark from the MSCI EM Growth Index to the more diversified MSCI EM Index with the condition that Axiom remain on watch through August 1, 2021 in order to monitor Axiom for consistency with its stated strategy. The benchmark change became effective on August 1, 2020.

Subsequently, two material organizational changes at Axiom led to further extensions of Axiom’s watch status. First, on September 29, 2020, Axiom announced that Chris Lively would be stepping down from his role as co-lead portfolio manager of the emerging markets growth equities strategy for personal reasons, triggering an extension of Axiom’s existing watch status to October 1, 2021. Andrew Jacobson, Axiom’s founder, CEO and CIO, and the original architect of the strategy, replaced Mr. Lively as co-lead of the strategy alongside Donald Elefson and Jose Morales. In addition, Axiom hired Young Kim in March 2021 as a fourth co-lead portfolio manager to expand the team’s capabilities.

Second, on August 18, 2021, Axiom announced that Kurt Polk, Axiom’s President, would be leaving the firm at the end of the year for personal reasons, triggering a further extension of Axiom’s existing watch status to October 1, 2022. Axiom will not be filling the vacancy; the existing management committee will assume Mr. Polk’s responsibilities. Currently, the management committee consists of the following members: Edward Azimi, Chief Operating Officer; Lindsay Chamberlain, Managing Director of Client Service and Marketing; Jonathan Ellis, Director of Research and Portfolio Manager; Andrew Jacobson, CEO and CIO; Kurt Polk, President (departing firm); and Denise Zambardi, Senior Vice President and Chief Compliance Officer and Controller.

After conducting due diligence on these matters, staff and NEPC do not anticipate these organizational changes to have a material adverse impact to the management of the investment strategy and LACERS assets. However, staff and NEPC will continue to monitor Axiom closely through the expiration of the “On Watch” status on October 1, 2022.

Performance

As discussed in the Due Diligence section, Axiom’s benchmark was changed from the MSCI EM Growth Index to the MSCI EM Index effective August 1, 2020. Since the effective date of the benchmark change, Axiom’s performance has matched the performance of the MSCI EM Index as presented in the following table. The benchmark change has not resulted in any changes to Axiom’s investment process; Axiom continues to manage the strategy according to the same growth oriented investment philosophy and process in place at the time of hire.

Annualized Performance as of 9/30/21 (Unaudited and Net-of-Fees)			
	3-Month	1-Year	Since 8/1/2020
Axiom	-7.79	17.90	14.95
MSCI EM Index	-8.09	18.20	14.96
<i>% of Excess Return</i>	<i>0.30</i>	<i>-0.30</i>	<i>-0.01</i>

The following table presents Axiom’s performance since inception of the account on April 11, 2014 relative to a blended benchmark that incorporates the performance of the previous MSCI EM Growth Index from account inception date to July 31, 2020 and the performance of the MSCI EM Index from August 1, 2020 to September 30, 2021. Axiom’s underperformance over the two-year, three-year, five-year, and since inception time periods is due to the high stock concentration of the former MSCI EM Growth benchmark and LACERS’ investment guideline limitations that required Axiom’s portfolio to be more diversified than the former benchmark. Please refer to July 28, 2020 report to the Board (Attachment 1) for a detailed discussion of Axiom’s underperformance relative to the MSCI EM Growth Index. The current benchmark, the MSCI EM Index, as presented in the preceding table, is a more appropriate measure of Axiom’s performance in light of portfolio diversification requirements.

Annualized Performance as of 9/30/21 (Unaudited and Net-of-Fees)						
	3-Month	1-Year	2-Year	3-Year	5-Year	Since Inception
Axiom	-7.79	17.90	20.27	13.48	11.73	7.61
Axiom Blended Benchmark*	-8.09	18.20	21.74	14.40	12.70	8.38
<i>% of Excess Return</i>	<i>0.30</i>	<i>-0.30</i>	<i>-1.47</i>	<i>-0.92</i>	<i>-0.97</i>	<i>-0.77</i>

*Axiom Blended Benchmark incorporates MSCI EM Growth Index returns prior to August 1, 2020 and MSCI EM Index returns from August 1, 2020 to present.

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

Calendar Year Performance as of 9/30/21 (Net-of-Fees)							
	2020	2019	2018	2017	2016	2015	4/11/14-12/31/14
Axiom	32.46	24.70	-17.64	40.56	8.40	-12.44	-2.01
Axiom Blended Benchmark	32.02	25.10	-18.26	46.80	7.59	-11.34	-2.24
<i>% of Excess Return</i>	<i>0.44</i>	<i>-0.40</i>	<i>0.62</i>	<i>-6.24</i>	<i>0.81</i>	<i>-1.10</i>	<i>0.23</i>

Additionally, as presented on page four of the attached NEPC report (Attachment 2), Axiom's performance ranks in the top quartile of peers in the eVestment Global Emerging Markets All Cap Growth Equity Universe over the three-year, five-year, and since inception time periods. Relative to the MSCI EM Index benchmark and the peer universe, Axiom's performance does not currently trigger the performance criteria of the LACERS Manager Monitoring Policy. However, staff recognizes that Axiom's strategy has returned index-like performance since the date of the benchmark change (August 1, 2020) and the firm remains on "On Watch" status through October 1, 2022. Upon expiration of the watch period, should Axiom be unable to achieve outperformance relative to the MSCI EM Index since the benchmark change date, staff may return to the Committee with a possible recommendation for contract termination.

Fees

LACERS pays Axiom an effective fee of 62 basis points (0.62%), which is approximately \$2.5 million annually based on the value of LACERS' assets as of September 30, 2021. This fee ranks in the 25th percentile among its peers in the eVestment Global Emerging Markets All Cap Growth Equity Universe (i.e. Axiom's fee is lower than 75% of peers). Since inception, LACERS has paid Axiom a total of \$16.9 million in investment manager fees as of June 30, 2021.

General Fund Consultant Opinion

NEPC concurs with these recommendations.

Strategic Plan Impact Statement

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

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

RJ/BF/EC

- Attachments: 1. Report to Board of Administration Dated July 28, 2020
 2. Consultant Recommendation – NEPC, LLC



LACERS
LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION

From: Investment Committee
Sung Won Sohn, Chair
Elizabeth Lee
Nilza R. Serrano

MEETING: JULY 28, 2020
ITEM: X – C

SUBJECT: INVESTMENT MANAGER CONTRACT WITH AXIOM INTERNATIONAL INVESTORS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE EMERGING MARKETS GROWTH EQUITIES PORTFOLIO AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board:

1. Approve a change in Axiom International Investors, LLC's benchmark from the MSCI Emerging Markets Growth Index to the MSCI Emerging Markets Index.
2. Approve a one-year contract extension with Axiom International Investors, LLC for management of an active emerging markets growth equities portfolio.
3. Authorize the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Discussion

On July 14, 2020, the Investment Committee considered the attached staff report (Attachment 1) recommending a benchmark change and a one-year contract extension with Axiom International Investors, LLC (Axiom). Axiom has managed an active emerging markets growth equities portfolio for LACERS since April 2014; the current contract expires on December 31, 2020. As of June 30, 2020, LACERS' portfolio was valued at \$464 million. Axiom is currently on "On Watch" status for underperformance relative to the benchmark, pursuant to the LACERS Manager Monitoring Policy. Based on an analysis presented by staff, Axiom's current benchmark, the MSCI Emerging Markets Growth (MSCI EM Growth) Index, is highly concentrated in three stocks, which collectively represent about 34% of the index; this concentration drives benchmark performance and increases risk. Staff and NEPC, LLC (NEPC) recommend changing the benchmark to a more diversified benchmark, the MSCI

Emerging Markets (MSCI EM) Index. This benchmark would better reflect the risk-return profile of Axiom's strategy as governed by LACERS' investment management guidelines.

The Committee inquired about the history of the MSCI EM Growth Index's concentration as well as Axiom's fees. Based on the discussion and responses by staff and NEPC, the Committee concurs with the staff recommendations. Should the Board approve the benchmark change and the contract extension, staff would implement the benchmark change effective as of close of business on July 31, 2020. Staff and NEPC would also extend Axiom's watch status to July 31, 2021 in order to monitor Axiom for consistency with its stated growth strategy and the portfolio's performance in light of the benchmark change.

Strategic Plan Impact Statement

A contract extension with Axiom will allow the fund to maintain a diversified exposure to emerging markets growth equities, which is expected to help optimize long-term risk adjusted investment returns (Goal IV). The discussion of the investment manager's profile, strategy, performance, and management fee structure is consistent with Goal V (uphold good governance practices which affirm transparency, accountability, and fiduciary duty).

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

RJ/BF/EC:jp

- Attachments: 1. Investment Committee Recommendation Report dated July 14, 2020
 2. Proposed Resolution



LACERS
LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM



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

MEETING: JULY 14, 2020
ITEM: IV

Neil M. Guglielmo

SUBJECT: INVESTMENT MANAGER CONTRACT WITH AXIOM INTERNATIONAL INVESTORS, LLC REGARDING THE MANAGEMENT OF AN ACTIVE EMERGING MARKETS GROWTH EQUITIES PORTFOLIO AND POSSIBLE COMMITTEE ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Committee recommend to the Board:

1. A change in Axiom International Investors, LLC's benchmark from the MSCI Emerging Markets Growth Index to the MSCI Emerging Markets Index.
2. A one-year contract extension with Axiom for management of an active emerging markets growth equities portfolio.

Executive Summary

Axiom International Investors, LLC (Axiom) has managed an active emerging markets growth equities portfolio for LACERS since April 2014. LACERS' portfolio is currently valued at \$424 million as of May 31, 2020. Axiom was placed "On Watch" for an initial one-year period effective April 17, 2019 due to performance. Due to a high concentration in three stocks in the existing MSCI Emerging Markets Growth (MSCI EM Growth) Index, which skews benchmark performance and increases risk, staff and NEPC, LLC (NEPC) recommend changing the benchmark to the MSCI Emerging Markets (MSCI EM) Index. In light of Axiom's continued "On Watch" status and consistent with the LACERS Manager Monitoring Policy, staff and NEPC recommend a one-year contract extension.

Discussion

Background

Axiom has managed an active emerging markets growth equities portfolio for LACERS since April 2014, and is benchmarked against the MSCI EM Growth Index. Axiom uses a fundamental research-based investment strategy that focuses on companies exhibiting key growth drivers, such as company-specific improvements and favorable macroeconomic and political factors. Such drivers tend to be indicators of positive company financial and stock price performance. The investment team consists of six

professionals including co-portfolio managers Christopher Lively and Don Elefson, who have 33 and 37 years of experience, respectively.

Axiom was hired through the 2013 Active Emerging Market Growth Equities manager search process and a three-year contract was authorized by the Board on July 23, 2013. Axiom was awarded a contract renewal on September 27, 2016 and a one-year extension on July 23, 2019. The current contract expires on December 31, 2020.

Organization

Axiom is 100% employee-owned, with 50 employees, and is headquartered in Greenwich, Connecticut. As of May 31, 2020, Axiom managed over \$13 billion in total assets with \$5.9 billion in the emerging markets growth equities strategy.

Due Diligence

Axiom’s organizational structure, investment philosophy, strategy, and process have not changed over the one-year contract extension period.

Performance

As of May 31, 2020, Axiom has underperformed the MSCI EM Growth Index over all time periods as presented in the table below.

Annualized Performance as of 5/31/20 (Net-of-Fees)						
	3-Month	1-Year	2-Year	3-Year	5-Year	Since Inception ¹
Axiom	-4.07	4.12	-3.43	2.43	2.73	2.85
MSCI EM Growth Index	-3.42	7.45	-2.67	3.72	3.91	3.84
<i>% of Excess Return</i>	-0.65	-3.33	-0.76	-1.29	-1.18	-0.99

¹Inception Date: 4/11/14

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

Calendar Year Performance as of 5/31/20 (Net-of-Fees)							
	1/1/20 - 5/31/20	2019	2018	2017	2016	2015	4/11/14- 12/31/14
Axiom	-11.35	24.70	-17.64	40.56	8.40	-12.44	-2.01
MSCI EM Growth Index	-9.95	25.10	-18.26	46.80	7.59	-11.34	-2.24
<i>% of Excess Return</i>	-1.40	-0.40	0.62	-6.24	0.81	-1.10	0.23

Pursuant to the LACERS Manager Monitoring Policy (Policy), Axiom was placed on “On Watch” status for an initial one-year period effective April 17, 2019. The following Policy watch list criteria triggered the “On Watch” status based on the performance as of March 31, 2019.

1. Annualized net underperformance relative to its benchmark for trailing 3 years.
2. Annualized net underperformance relative to its benchmark for trailing 5 years.
3. Annualized net Information Ratio trailing 5 years relative to its benchmark is below .20.

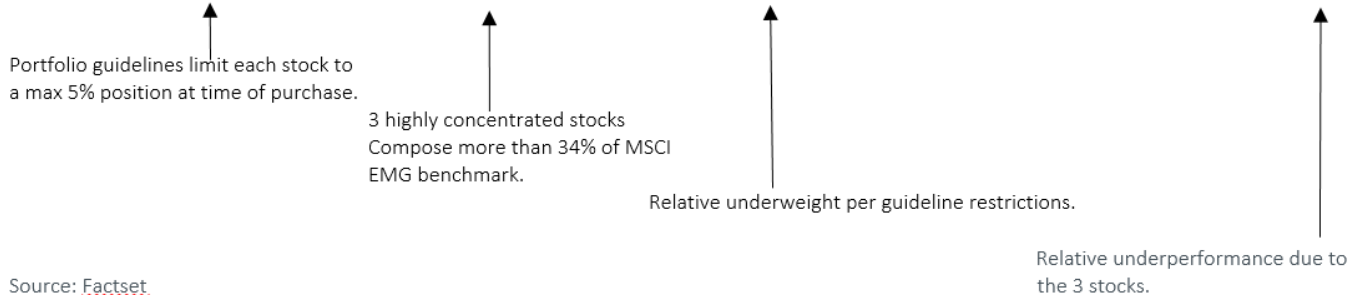
Based on performance as of March 31, 2020, Axiom continued to trigger the same three Policy criteria. Accordingly, staff and NEPC extended Axiom’s “On Watch” status for another one-year period effective April 18, 2020.

Benchmark Concentration and Risk

To further understand Axiom’s underperformance relative to the MSCI EM Growth Index, staff and NEPC conducted an attribution analysis which revealed a high benchmark concentration in three secular growth stocks: Alibaba Group, Tencent, and Taiwan Semiconductor. Of the 551 stocks in the benchmark, these three stocks collectively comprise about a 34% weight in the benchmark and have driven 99% of benchmark’s cumulative three-year performance return (i.e., these stock have produced 11.56% of the benchmark’s 11.63% total return, while the remaining stocks in the index have produced 0.07% of the benchmark return, as presented in the following attribution table). LACERS’ investment management guidelines specifically limit individual stock holdings to 5% of the portfolio’s market value at time of purchase to control risk and ensure sufficient diversification among holdings. This guideline has required Axiom to limit total exposure to Alibaba Group, Tencent, and Taiwan Semiconductor to about half of their current total benchmark weight as illustrated in the table below. As of May 31, 2020, Axiom’s total exposure to these three stocks was about 18% of the portfolio, whereas the same three stocks represented about 34% of the index. Over the time period presented in the table, Axiom’s underweight to these stocks has contributed a -3.73% cumulative excess return relative to the benchmark, which is more than the cumulative portfolio underperformance of -1.54%. Alternatively stated, Axiom’s compliance with LACERS’ guidelines has accounted for all of Axiom’s underperformance relative to the benchmark.

Los Angeles City Employees' Retirement System vs. MSCI Emerging Markets Growth Attribution of 3 stocks where guideline restriction accounted for more than the overall fund underperformance 3/31/2017-5/31/2020

	LACERS			MSCI EM Growth			Variation			Attribution Analysis		
	Ending Weight	Total Return	Contrib. To Return	Ending Weight	Total Return	Contrib. To Return	Variation in Ending Weight	Total Return Difference	Contrib. To Return Difference	Allocation Effect	Selection + Interaction	Total Effect
Total	100.00	10.10	10.10	100.00	11.63	11.63	—	-1.54	-1.54	-0.21	-1.32	-1.54
Alibaba	6.32	69.46	2.70	14.35	69.35	4.71	-8.03	0.11	-2.01	-1.58	0.00	-1.57
Tencent	6.41	55.32	2.40	11.18	55.39	3.89	-4.77	-0.06	-1.49	-1.30	-0.01	-1.31
Taiwan Semiconductor	5.45	56.92	2.08	8.83	59.25	2.96	-3.37	-2.32	-0.88	-0.54	-0.31	-0.85
Sum	18.18			34.36			-16.17					-3.73



Source: [Factset](#)

At the time of Axiom’s hiring in 2014, the MSCI EM Growth Index was sufficiently diversified to be a suitable benchmark by which to gauge Axiom’s performance. The following table illustrates the growing concentration of Alibaba Group, Tencent, and Taiwan Semiconductor in the LACERS account and the MSCI EM Growth Index, since inception of the account.

	6/30/2014	5/31/2020
Axiom LACERS Account	8.89%	18.18%
MSCI EM Growth	15.86%	31.48%

Staff, NEPC, and Axiom agree that the benchmark’s current three stock concentration exposes the benchmark to an imprudent level of risk and that LACERS’ guidelines continue to provide appropriate diversification risk controls for Axiom’s strategy. To properly reflect the risk-return profile of Axiom’s strategy imposed by LACERS guidelines, staff and NEPC recommend changing Axiom’s benchmark to the MSCI Emerging Markets (MSCI EM) Index, a diversified index consisting of 1,403 emerging market stocks (the MSCI EM Growth Index is a subset of this index). Such a change would reduce the benchmark concentration risk; the aforementioned stocks account for only 17% of the MSCI EM Index versus 34% for the MSCI EM Growth benchmark. A benchmark change would have no impact on Axiom’s process for identifying growth stock opportunities. In fact, it would more accurately reflect Axiom’s approach of finding opportunities across a broad range of sectors as Axiom’s process begins with the MSCI EM Index as the universe from which to source ideas. Exhibit 1 of Attachment 1 compares the sector allocations of the LACERS account relative to the MSCI EM and EM Growth Indices.

Comparing Axiom’s performance to the more diversified MSCI EM Index, Axiom has outperformed over all annualized time periods and most calendar year periods as presented in the tables below. Axiom’s performance relative to the MSCI EM Index does not trigger the watch criteria of the Policy.

Annualized Performance as of 5/31/20 (Net-of-Fees)						
	3-Month	1-Year	2-Year	3-Year	5-Year	Since Inception ¹
Axiom	-4.07	4.12	-3.43	2.43	2.73	2.85
MSCI EM Growth Index	-3.42	7.45	-2.67	3.72	3.91	3.84
<i>% of Excess Return</i>	-0.65	-3.33	-0.76	-1.29	-1.18	-0.99
MSCI EM Index	-6.95	-4.39	-6.55	-0.15	0.87	0.98
<i>% of Excess Return</i>	2.88	8.51	3.12	2.58	1.86	1.87

¹Inception Date: 4/11/14

Calendar Year Performance as of 5/31/20 (Net-of-Fees)							
	1/1/20 - 5/31/20	2019	2018	2017	2016	2015	4/11/14- 12/31/14
Axiom	-11.35	24.70	-17.64	40.56	8.40	-12.44	-2.01
MSCI EM Growth Index	-9.95	25.10	-18.26	46.80	7.59	-11.34	-2.24
<i>% of Excess Return</i>	<i>-1.40</i>	<i>-0.40</i>	<i>0.62</i>	<i>-6.24</i>	<i>0.81</i>	<i>-1.10</i>	<i>0.23</i>
MSCI EM Index	-15.96	18.42	-14.57	37.28	11.15	-14.92	-3.89
<i>% of Excess Return</i>	<i>4.61</i>	<i>6.28</i>	<i>-3.07</i>	<i>3.28</i>	<i>-2.75</i>	<i>2.48</i>	<i>1.88</i>

Further, with the exception of LACERS, all of Axiom’s Emerging Markets Equity clients use either the MSCI EM Index or a custom index based off the MSCI EM Index. None use the MSCI EM Growth Index due to the concentration issue. As of June 25, 2020, Axiom currently has 11 other public fund clients invested in the strategy, totaling \$2.3 billion in AUM.

Should the Committee and Board approve a benchmark change and contract extension, staff would implement the benchmark change effective as of close of business on July 31, 2020. Staff and NEPC would also extend Axiom’s watch status to July 31, 2021 in order to monitor Axiom for consistency with its stated growth strategy and the portfolio’s performance in light of the benchmark change.

Fees

LACERS pays Axiom an effective fee of 62 basis points (0.62%), which is approximately \$2.6 million annually based on the value of LACERS’ assets as of May 31, 2020. This fee ranks in the 23rd percentile among its peers in the eVestment Global Emerging Markets All Cap Growth Equity Universe (i.e. Axiom’s fee is lower than 77% of peers).

General Fund Consultant Opinion

NEPC concurs with these recommendations.

Strategic Plan Impact Statement

A benchmark change and contract extension with Axiom will allow the fund to maintain a diversified exposure to the non-U.S. equities emerging markets, which is expected to help optimize long-term risk adjusted investment returns (Goal IV). The discussion of the investment manager’s profile, strategy, performance, and management fee structure are consistent with Goal V (uphold good governance practices which affirm transparency, accountability, and fiduciary duty).

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

RJ/BF/EC:jp

Attachments: 1. Consultant Recommendation – NEPC, LLC



NEPC, LLC

To: Los Angeles City Employees' Retirement System Investment Committee
From: NEPC, LLC
Date: July 14, 2020
Subject: Axiom Investors - Contract extension and benchmark change

Recommendation

NEPC recommends the Los Angeles City Employees' Retirement System ('LACERS') change the portfolio's benchmark to the MSCI Emerging Markets Index from the MSCI Emerging Markets Growth Index. NEPC also recommends that LACERS extend the contract that is currently in place with Axiom Investors ('Axiom') for a period of one year from the date of contract expiry.

Background

Axiom was hired on April 11, 2014 to provide the Plan with public equity exposure across emerging markets. The portfolio's strategy is benchmarked against the MSCI Emerging Markets Growth Index and has a performance inception date of May 1, 2014.

As of May 31, 2020, Axiom managed \$424.3 million, or 2.4% of Plan assets in an international emerging markets separately managed account. The performance objective is to outperform the benchmark, net of fees, annualized over a full market cycle (normally three-to-five years). The account is currently on Watch due to performance under the LACERS' Manager Monitoring Policy.

Axiom has requested a benchmark change from the MSCI Emerging Markets Growth Index to the broader MSCI Emerging Markets Index. Axiom lists the preferred benchmark for the portfolio as the broader MSCI Emerging Markets Index and uses the broader index as the starting point in constructing the portfolio. Axiom's investment process identifies stocks based on positive earnings growth, positive earnings estimate revisions, positive price movement and favorable valuation characteristics which results in a 'growth' oriented portfolio.

As of March 31, 2020, Axiom's portfolio weights compared to the MSCI Emerging Markets Index and the MSCI Emerging Markets Growth Index are shown in Exhibit 1 below.



Exhibit 1

GICS Sector	Portfolio Weight	MSCI EM Index	Excess Weight	MSCI EM Growth Index Weight	Excess Weight
Energy	6.7%	7.4%	-0.7%	2.5%	4.2%
Materials	3.7%	7.3%	-3.7%	4.2%	-0.5%
Industrials	6.2%	5.3%	0.9%	4.6%	1.5%
Consumer Discretionary	16.6%	14.3%	2.3%	22.0%	-5.4%
Consumer Staples	7.4%	6.2%	1.2%	9.3%	-1.8%
Health Care	2.6%	2.7%	-0.1%	3.9%	-1.4%
Financials	24.5%	24.5%	0.0%	14.9%	9.7%
Information Technology	20.0%	15.6%	4.3%	20.4%	-0.4%
Communication Services	10.2%	11.0%	-0.8%	14.9%	-4.8%
Utilities	0.0%	2.6%	-2.6%	2.0%	-2.0%
Real Estate	2.0%	3.0%	-1.0%	1.4%	0.6%
Unclassified	0.2%	0.0%	0.2%	0.0%	0.2%

When Axiom was hired, the MSCI Emerging Markets Growth index was much less concentrated than it is today and therefore it was more acceptable as a performance benchmark for the Axiom portfolio. To demonstrate how the benchmark has changed over time, Exhibit 2 provides a list of the top ten names in the MSCI Emerging Markets Growth at the time LACERS hired Axiom versus today. As of 3/31/2014, the top ten names in the index represented 27% of the total index, while as of April 30, 2020 the top ten names represented 44.5% of the index. In comparison, the concentration in the top ten names in the broader index for similar time periods was 16.4% and 28.1%.

We first started discussing the concentration in the benchmark with Axiom in 2017. Given that the concentration in the growth index has become much worse and our belief that the restriction in LACERS' investment guidelines (i.e., maximum amount in any one stock to be less than 5%) should remain in place to ensure reasonable diversification, we believe that a benchmark change is warranted for the portfolio. We do not believe that Axiom will change their investment style just because the benchmark is different.

Exhibit 2:

31-Mar-14		April 30 2020	
Asset Name	Weight (%)	Asset Name	Weight (%)
SAMSUNG ELECTRONICS CO LTD	7.26%	ALIBABA GROUP HOLDING	12.47%
TAIWAN SEMICONDUCTOR MANUI	4.99%	TENCENT HOLDINGS LTD	10.92%
TENCENT HOLDINGS LTD	3.70%	TAIWAN SEMICONDUCTOR MANUFACT (8.93%
NASPERS	2.27%	SAMSUNG ELECTRONICS CO LTD	4.51%
ITAU UNIBANCO HOLDING SA	1.96%	NASPERS	2.49%
AMBEV SA	1.84%	SK HYNIX INC	1.33%
CNOOC LTD	1.40%	JD.COM INC	1.13%
SBERBANK ROSSII PAO	1.34%	SBERBANK ROSSII PAO	1.02%
HOUSING DEVELOPMENT FINANCE	1.14%	NETEASE INC	0.87%
CHINA LIFE INSURANCE CO LTD	1.10%	ICICI BANK LTD	0.86%



We believe that by changing Axiom’s benchmark, you will have a benchmark that is fair and not overly concentrated in a few names. Additionally, Axiom will have the ability to express a positive view on a large benchmark-weighted name and remain in-line with LACERS’ guidelines. Some of the drawbacks of continuing to use the growth benchmark is that Axiom’s performance relative to the benchmark will be primarily determined by the performance of a handful of names (i.e., Alibaba Group, Tencent, and Taiwan Semiconductor). There may be times when there is meaningful dispersion in the Axiom portfolio versus the benchmark and it will have nothing to do with Axiom’s skill as an investment manager and everything to do with poor benchmark construction. To our knowledge, LACERS is the only client who has requested that Axiom use the growth version of the emerging markets benchmark. We do not want the firm to manage your account any differently than how they manage their other clients’ portfolios.

Axiom is an independent employee-owned investment management firm founded in 1998 by Andrew Jacobson. As of March 31, 2020 the firm had \$11.1 billion in assets under management and had 50 employees. Prior to forming Axiom, the investment team was responsible for developing and managing the international equity strategy at Columbus Circle Investors, a division of PIMCO Advisors LP. The Axiom Emerging Markets team is led by Chris Lively and co-portfolio manager Donald Elfson. José Morales joined the firm in 2017 as a portfolio manager. The portfolio managers split the emerging markets by region. Chris Lively retains final buy and sell authority, and ultimately decides portfolio positioning and stock weightings. The team also leverages a shared research platform across all of Axiom's non-U.S. equity products.

The Axiom investment philosophy is to invest in quality companies that are growing and evolving better and more rapidly than expected. Critical to the investment process is the ability to identify these changes in growth, prior to them being reflected in expectations or market valuations. Axiom employs a bottom-up, growth-oriented investment discipline that relies on detailed fundamental stock analysis to identify companies that are improving more quickly than generally expected. The primary emphasis is to isolate those companies that are likely to exceed expectations, which they do by identifying and monitoring the key business drivers of each stock. Key business drivers are essentially the leading indicators of stock price performance. Key drivers can include company specific, industry, macroeconomic and political factors. For each of these drivers, they survey a wide variety of sources to determine investor expectations.

The universe is defined as securities that have a minimum market cap of \$1.0 billion, are covered by 1 or more brokerage analysts and have liquidity of over \$5 MM/day. About 80% of Axiom's new ideas are typically identified as a consequence of specific, positive, fundamental developments in a company’s operations (e.g., favorable sales of a new product, a significant restructuring initiative or a change in industry conditions). Axiom also screens the investment universe on a variety of financial and technical factors to help identify new ideas for further detailed fundamental analysis. These factors include positive earnings growth, positive earnings estimate revisions, positive price movement and favorable valuation characteristics.



Performance

Referring to Exhibit 3, as of May 31, 2020, since the portfolio's inception date of May 1, 2014, the portfolio has underperformed its benchmark by 1.10% (3.11% vs 4.21%). Over the past year, ended May 31, 2020, the portfolio has underperformed the benchmark by 3.33% (4.12% vs. 7.45%). Referring to Exhibit 4, since inception of the Axiom portfolio ended March 31, 2020, the portfolio ranked in the 18th percentile among its peers and underperformed the benchmark by 1.21%. In the trailing one-year ended March 31, 2020, the portfolio ranked in the 8th percentile in its peer group underperforming its benchmark by 1.35%. Since inception, ended March 31, 2020, the information ratio was -0.47 and active risk, as measured by tracking error was 2.56%. Please note that the portfolio's performance exceeds the broader emerging market index for time periods ending March 31, 2020.

Referring to Exhibit 5, since inception, historical cumulative performance has been negative when compared to the growth benchmark. Security selection in the Information Technology, Industrials and Communication Services sectors have been responsible for cumulative negative returns since the first quarter of 2017. Referring to Exhibit 6, Axiom's style box analysis, since inception ending March 31, 2020, reveals that the portfolio is aligned closer to a core portfolio than to a Growth portfolio. This is not surprising given the diversification of the Axiom portfolio and the concentration in names in the MSCI Emerging Markets Growth Index.

Fees

The portfolio has an asset-based fee of 0.62% annually. This fee ranks in the 23rd percentile among its peers in the eVestment Global Emerging Markets All Cap Growth Equity Universe. In other words, 77% of the 48 products included in the peer universe have a higher fee than the LACERS account.

Conclusion

As of this writing, Axiom has struggled to outperform the MSCI Emerging Markets Growth benchmark over all trailing periods. Much of the underperformance can be attributed to their investment process and focus on diversification versus what has become a significantly concentrated style benchmark since March 31, 2014. We believe in the long-term efficacy of a strategy that focuses on understanding the business fundamentals of companies that are growing faster than markets anticipate. NEPC recommends changing Axiom's benchmark to the MSCI Emerging Markets Index from the MSCI Emerging Markets Growth Index. In addition, NEPC recommends a contract extension for a period of one-year from the period of contract expiry.

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

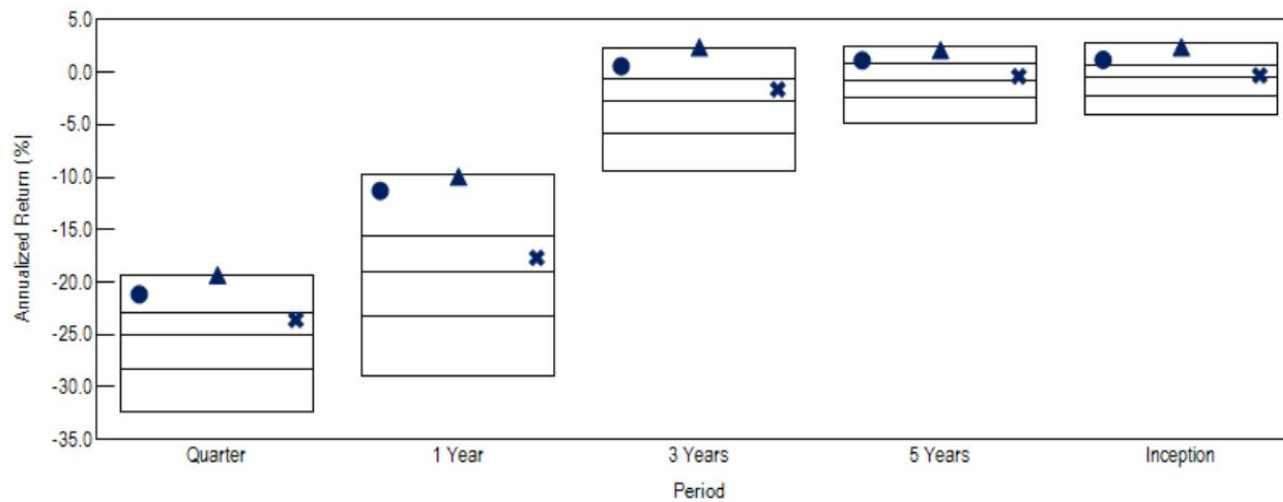
Exhibit 3

	Ending May 31, 2020										Inception	Inception
	Market Value(\$)	1 Mo(%)	3 Mo(%)	YTD(%)	Fiscal YTD(%)	1 Yr(%)	3 Yrs(%)	5 Yrs(%)	10 Yrs(%)	(%)	Date	
Axiom Emerging Markets	424,319,079	2.43	-4.07	-11.51	-2.87	4.12	2.43	2.73	--	3.11	14-May	
MSCI Emerging Markets Growth NR USD		1.72	-3.42	-9.95	0.28	7.45	3.72	3.91	4.8	4.21	14-May	
MSCI Emerging Markets		0.77	-6.95	-15.96	-10	-4.39	-0.15	0.88	2.47	1.29	14-May	



Exhibit 4

eV Emg Mkts Equity Net Return Comparison
Ending March 31, 2020



	Return (Rank)					
	Quarter	1 Year	3 Years	5 Years	Inception	
5th Percentile	-19.31	-9.69	2.27	2.46	2.72	
25th Percentile	-22.92	-15.55	-0.69	0.76	0.61	
Median	-25.05	-19.10	-2.71	-0.87	-0.53	
75th Percentile	-28.34	-23.21	-5.77	-2.36	-2.26	
95th Percentile	-32.37	-29.04	-9.44	-4.79	-4.00	
# of Portfolios	224	222	198	173	159	
● Axiom Emerging Markets	-21.17 (12)	-11.29 (8)	0.59 (16)	1.14 (22)	1.20 (18)	
▲ MSCI Emerging Markets Growth NR USD	-19.34 (6)	-9.94 (6)	2.39 (5)	2.13 (10)	2.41 (8)	
× MSCI Emerging Markets	-23.60 (35)	-17.69 (40)	-1.62 (32)	-0.37 (41)	-0.29 (46)	



Exhibit 5

Quarterly and Cumulative Excess Performance

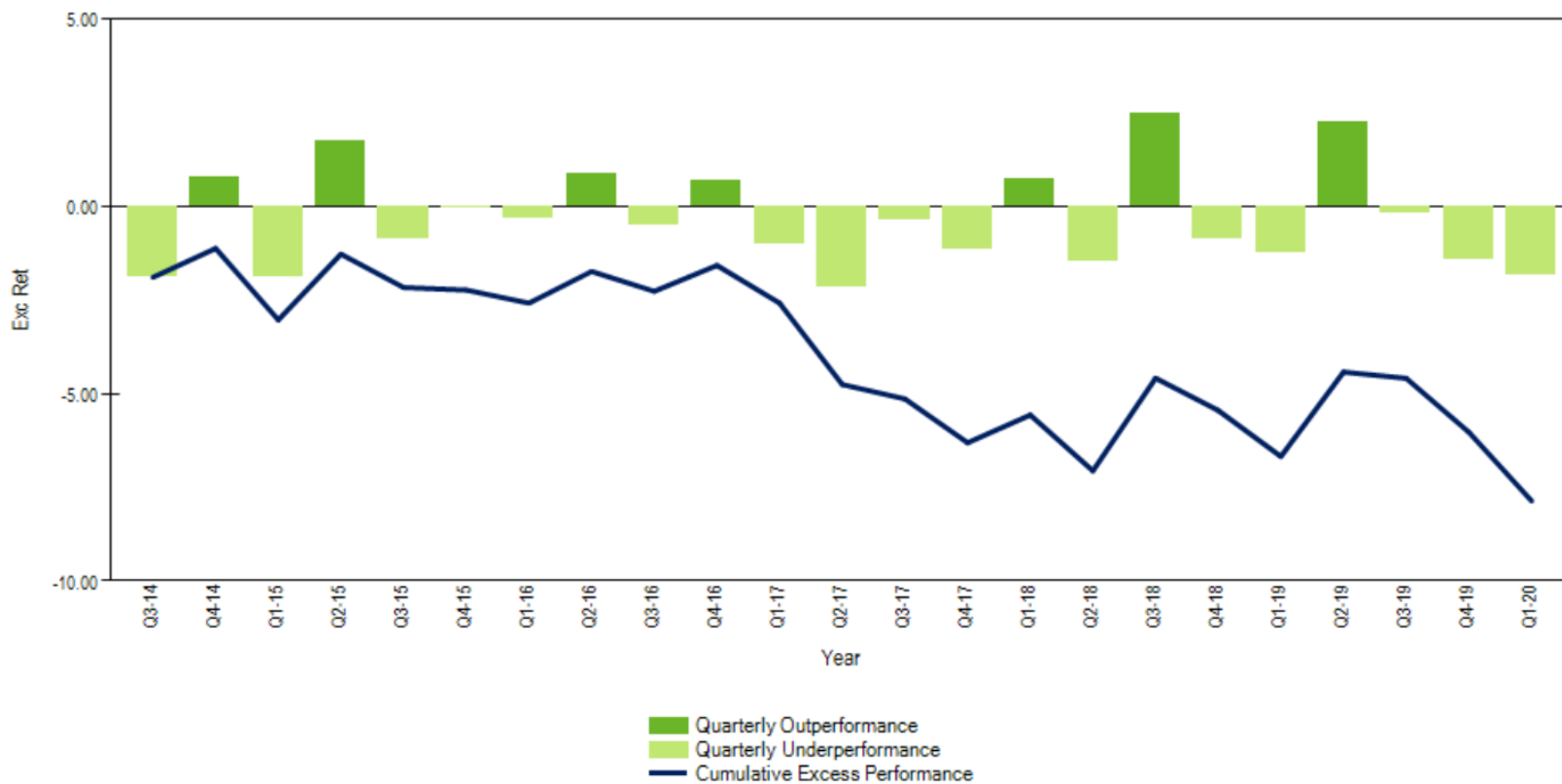
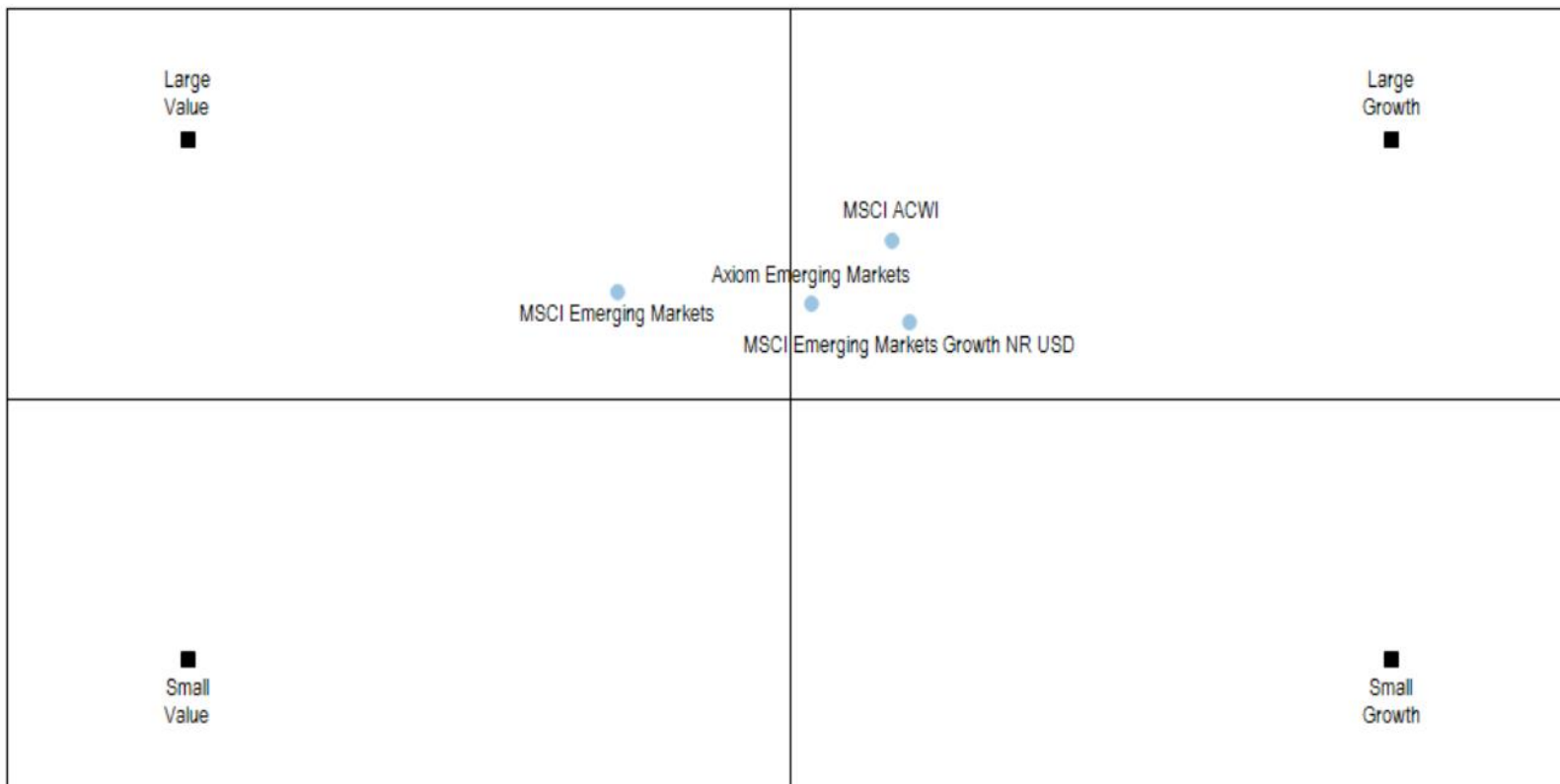


Exhibit 6

Non U.S. Effective Style Map vs. EAFE
5 Years 11 Months Ending March 31, 2020



Attachment 1 IC Meeting: 11/14/23
Attachment 1
CONTRACT EXTENSION
Item V
Attachment 1
AXIOM INTERNATIONAL INVESTORS, LLC
ACTIVE EMERGING MARKETS GROWTH EQUITIES
PORTFOLIO MANAGEMENT

PROPOSED RESOLUTION

WHEREAS, LACERS' current one-year contract extension with Axiom International Investors, LLC (Axiom) for active emerging markets growth equities portfolio management expires on December 31, 2020; and,

WHEREAS, Axiom is currently "On Watch" for performance pursuant to the LACERS Manager Monitoring Policy; and,

WHEREAS, Axiom's current benchmark, the MSCI Emerging Markets Growth Index, is concentrated in three stocks and does not properly reflect the diversification and risk-return profile of Axiom's strategy, as governed by LACERS' investment management guidelines; and,

WHEREAS, the MSCI Emerging Markets Index will serve as a more suitable benchmark by which to measure Axiom's performance and risk; and,

WHEREAS, a one-year contract extension will provide the necessary time to evaluate Axiom for consistency with its stated growth strategy relative to a new benchmark; and,

WHEREAS, on July 28, 2020, the Board approved the Investment Committee's recommendations to approve a one-year contract extension with Axiom and to approve a benchmark change to the MSCI Emerging Market Index effective end of business day July 31, 2020.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract subject to satisfactory business and legal terms and consistent with the following services and terms:

<u>Company Name:</u>	Axiom International Investors, LLC
<u>Service Provided:</u>	Active Emerging Markets Growth Equities Portfolio Management
<u>Effective Dates:</u>	January 1, 2021 through December 31, 2021
<u>Duration:</u>	One year
<u>Benchmark:</u>	MSCI Emerging Markets Index
<u>Allocation as of June 30, 2020:</u>	\$464 million

July 28, 2020



To: Los Angeles City Employees' Retirement System Investment Committee

From: NEPC, LLC

Date: October 12, 2021

Subject: Axiom Investors - Contract Extension

Recommendation

NEPC recommends the Los Angeles City Employees' Retirement System ('LACERS') extend the contract with Axiom Investors ('Axiom') for a period of one year from the date of contract expiry.

Background

Axiom was hired on April 11, 2014 to provide the Plan with public equity exposure to emerging markets. The portfolio's strategy is benchmarked against the MSCI Emerging Markets Index and has a performance inception date of May 1, 2014. As of July 31, 2021, Axiom managed \$410.1 million, or 1.8% of Plan assets in a separately managed account. The performance objective is to outperform the benchmark, net of fees, annualized over a full market cycle (normally three-to-five years). The account is currently on Watch pursuant to the LACERS Manager Monitoring Policy due to the departure of the lead Portfolio Manager in late 2020 as well as a benchmark change.

Axiom's Watch status is a reflection of the changes experienced at the firm as well as the changes to the investment product's benchmark. Recall, that the lead portfolio manager left the firm for medical reasons in late 2020 and was replaced by the firm's Chief Investment Officer, Andrew Jacobson, who re-joined the portfolio management team. Mr. Jacobson was the original architect of the strategy and NEPC was comfortable with the transition given the circumstances. The firm also hired a co-Portfolio manager into the emerging markets team in the first quarter of 2021. In the third quarter of 2021, Kurt Polk, Axiom's President, announced his intention to resign from the firm. His final day will be December 31, 2021. Axiom was founded in Connecticut and Founder, CEO and CIO Andrew Jacobson strongly stands by the structure he implemented with one firm/team in one central location that promotes collaboration. Kurt joined Axiom in 2014 and was one of the 23 equity partners. Upon his departure, he will be selling back his equity stake to the firm at book value.

Additionally, Axiom requested a benchmark change from the MSCI Emerging Markets Growth Index to the broader MSCI Emerging Markets Index in July, 2020. The benchmark change request was granted given the growing level of concentration observed over time in the MSCI Emerging Markets Growth Index; the top 10 names made up 44.5% of the index as of April, 2020. As of August, 2021, the top 10 names made up 40.3% of the index. NEPC recommended granting the change on the basis that we believed the benchmark change would not result in a change in the portfolio's style or strategy. We continue with this belief today.

Axiom is an independent employee-owned investment management firm founded in 1998 by Andrew Jacobson. As of June 30, 2021 the firm had \$19.84 billion in assets under management and had 56 employees. Prior to forming Axiom, the investment team was responsible for developing and managing the international equity strategy at Columbus Circle Investors, a division of PIMCO

Advisors LP. The Axiom Emerging Markets team is currently co-led by Andrew Jacobson with three co-Portfolio Managers. Don Elefson and Jose Gerardo Morales have been on the team overseeing the EME strategy since 2012 and 2017 respectively. Young Kim joined the emerging markets team as co-Portfolio manager in the first quarter of 2021. Mr. Kim joined Axiom from Columbia Threadneedle and relocated from Portland, Oregon since Axiom believes in having all team members in one place. Mr. Kim was a co-Portfolio Manager on the Emerging Markets Equity strategy at Columbia Threadneedle which is also 1-rated strategy at NEPC. The portfolio managers split the emerging markets by region and also leverage a shared research platform across all of Axiom's non-U.S. equity products.

The Axiom investment philosophy is to invest in quality companies that are growing and evolving better and more rapidly than expected. Critical to the investment process is the ability to identify these changes in growth, prior to them being reflected in expectations or market valuations. Axiom employs a bottom-up, growth-oriented investment discipline that relies on detailed fundamental stock analysis to identify companies that are improving more quickly than generally expected. The primary emphasis is to isolate those companies that are likely to exceed expectations, which they do by identifying and monitoring the key business drivers of each stock. Key business drivers are essentially the leading indicators of stock price performance. Key drivers can include company specific, industry, macroeconomic and political factors. For each of these drivers, they survey a wide variety of sources to determine investor expectations.

The universe is defined as securities that have a minimum market cap of \$1.0 billion, are covered by 1 or more brokerage analysts and have liquidity of over \$5 MM/day. About 80% of Axiom's new ideas are typically identified as a consequence of specific, positive, fundamental developments in a company's operations (e.g., favorable sales of a new product, a significant restructuring initiative or a change in industry conditions). Axiom also screens the investment universe on a variety of financial and technical factors to help identify new ideas for further detailed fundamental analysis. These factors include positive earnings growth, positive earnings estimate revisions, positive price movement and favorable valuation characteristics.

Performance

Referring to Exhibit 1, as of July 31, 2021, since the portfolio's inception date of May 1, 2014, the portfolio has outperformed its benchmark by 2.40% (8.40% vs 2.40%). Over the past year, ended July 31, 2021, the portfolio has outperformed the benchmark by 3.04% (23.68% vs. 20.64%). Referring to Exhibit 2 and comparing the portfolio to its peer group, since inception of the Axiom portfolio ended June 30, 2021, the portfolio ranked in the 21st percentile among its peers and outperformed the benchmark by 2.29%. In the trailing one-year ended June 30, 2021, the portfolio ranked in the 45th percentile in its peer group outperforming its benchmark by 3.49%. Since inception, ended July 31, 2021, the information ratio was 0.76 and active risk, as measured by tracking error was 3.19%.

Referring to Exhibit 2, since inception, the portfolio has added value against its benchmark as the historical cumulative performance has been strongly positive over the past two years. The positive performance is primarily due to the portfolio's focus on growthy stocks in a period of time when growth stocks have been rewarded.



Fees

The portfolio has an asset-based fee of 0.62% annually. This fee ranks in the 25th percentile among its peers in the eVestment All Emerging Markets Equity Universe. In other words, 75% of the 421 products included in the peer universe have a higher fee than the LACERS account.

Conclusion

Axiom has had some turnover in senior-level investment decision making roles and we believe that an ongoing Watch diligence status is warranted. The portfolio has outperformed the MSCI Emerging Markets Index over most trailing periods and importantly has added significant value since inception over the benchmark. NEPC continues to be a believer in the long-term efficacy of this strategy that focuses on understanding business fundamentals of companies that are growing faster than markets anticipate. NEPC recommends a contract extension for a period of one-year from the period of contract expiry and for the firm to remain on Watch status.

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

Exhibit 1: Net of Fee Performance

	Ending July 31, 2021							
	Market Value(\$)	3 Mo(%)	YTD(%)	1 Yr(%)	3 Yrs(%)	5 Yrs(%)	Inception(%)	Inception Date
Axiom Emerging Markets	410,107,713	-2.64	-0.47	23.68	12.49	13.08	8.40	14-May
MSCI Emerging Markets		-4.40	0.22	20.64	7.93	10.37	6.00	14-May
<i>Excess</i>		<i>1.76</i>	<i>-0.69</i>	<i>3.04</i>	<i>4.56</i>	<i>2.71</i>	<i>2.40</i>	





Exhibit 2: Universe Comparison Net of Fees

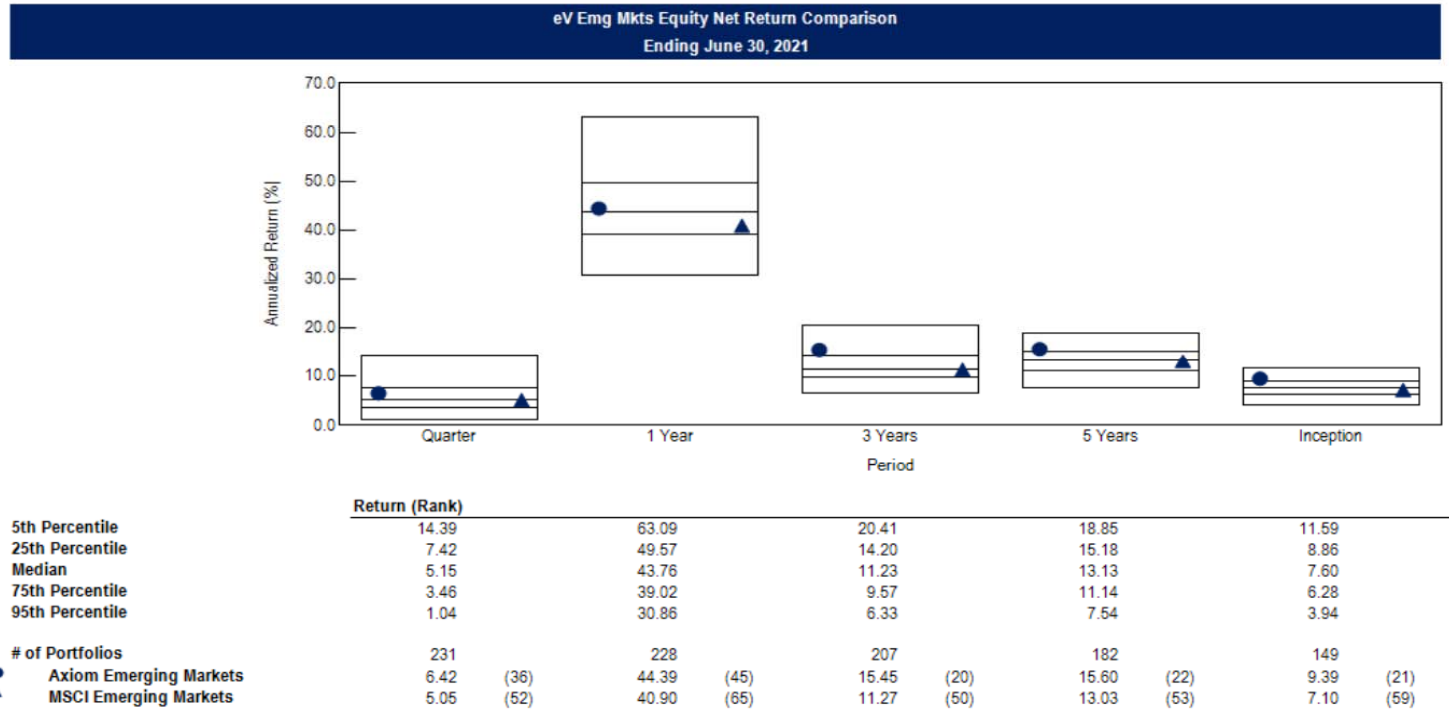
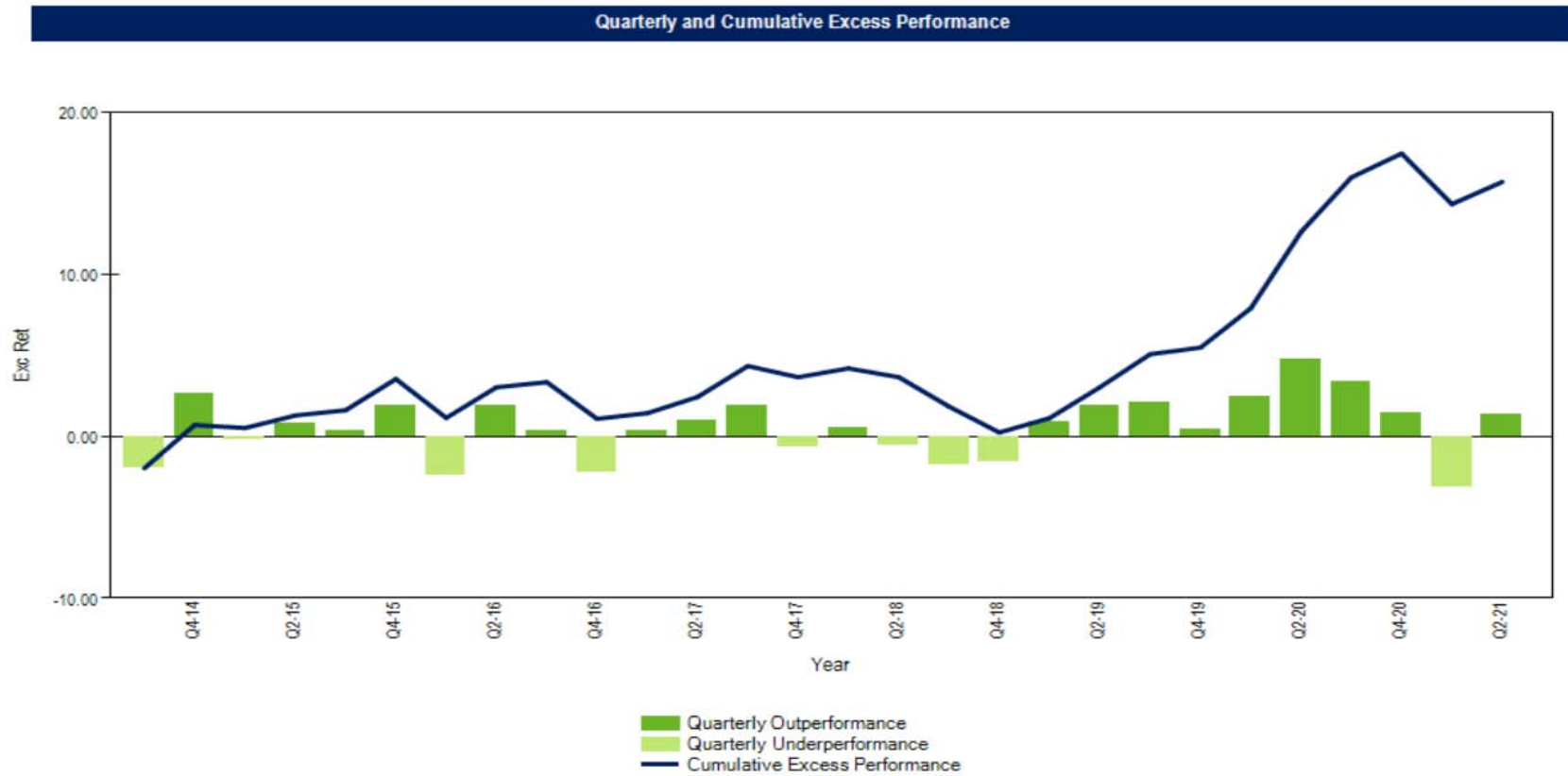


Exhibit 3: Cumulative Excess Performance Net of Fees



IC Meeting: 11/14/23

CONTRACT EXTENSION
AXIOM INVESTORS, LLC

ACTIVE NON-U.S. EMERGING MARKETS GROWTH EQUITIES
PORTFOLIO MANAGEMENT

PROPOSED RESOLUTION

WHEREAS, LACERS' current one-year contract extension with Axiom Investors, LLC (Axiom) for active non-U.S. emerging markets growth equities portfolio management expires on December 31, 2021; and,

WHEREAS, Axiom is currently "On Watch" for a benchmark change and organizational changes pursuant to the LACERS Manager Monitoring Policy; and,

WHEREAS, a one-year contract extension will provide the necessary time to evaluate Axiom's performance with its stated growth strategy relative to its benchmark as well as evaluate the organizational structure of the firm; and,

WHEREAS, on October 26, 2021, the Board approved the Investment Committee's recommendation to approve a one-year contract extension.

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to approve and execute a contract subject to satisfactory business and legal terms and consistent with the following services and terms:

<u>Company Name:</u>	Axiom Investors, LLC
<u>Service Provided:</u>	Active Non-U.S. Emerging Markets Growth Equities Portfolio Management
<u>Effective Dates:</u>	January 1, 2022 through December 31, 2022
<u>Duration:</u>	One year
<u>Benchmark:</u>	MSCI Emerging Markets Index
<u>Allocation as of September 30, 2021:</u>	\$401 million

October 26, 2021



To: Los Angeles City Employees' Retirement System Investment Committee

From: NEPC, LLC

Date: November 8, 2022

Subject: Axiom Investors - Contract Extension

Recommendation

NEPC recommends Los Angeles City Employees' Retirement System ('LACERS') extend their contract with Axiom for a period of one year from the date of contract expiry.

Background

Axiom was hired on April 11, 2014 to provide the Plan with public equity exposure to emerging markets. The portfolio's strategy is benchmarked against the MSCI Emerging Markets Index and has a performance inception date of May 1, 2014. As of September 30, 2022, Axiom managed \$255.6 million, or 1.3% of Plan assets in a separately managed account. The performance objective is to outperform the benchmark, net of fees, annualized over a full market cycle (normally three-to-five years). In October of 2021, Axiom's "Watch" status was extended due to the retirement of their President, Kurt Polk. Prior to this change, the lead portfolio manager on the account left the firm for medical reasons in 2020 and was replaced by the Chief Investment Officer, Andrew Jacobson. Mr. Jacobson was the original architect of the strategy. Additionally, in July of 2020, the benchmark was changed from the MSCI Emerging Markets Growth Index to the broader MSCI Emerging Markets index. The benchmark change request was granted given the growing level of concentration in the growth index. The top ten names made up 45% of the index in April of 2020. The change in the benchmark has not resulted in a change to the portfolio's style or investment strategy.

Mr. Polk was not a member of the investment team or involved with the day-to-day management of client portfolios. His duties have been spread across the members of the firm's Executive Committee. Additional support personnel have also been hired to further support the distinct departments that now handle Mr. Polk's previous responsibilities. Mr. Polk was also not a member of the investment team involved with the day-to-day management of LACERS' portfolio. We are comfortable with how the firm is faring post Mr. Polk's retirement.

With the rotation from growth stocks to value stocks that started at the end of 2021, the portfolio's performance has trailed the broad emerging market benchmark. Given the growth nature of the portfolio, in this market environment we expect that the Axiom portfolio will trail the benchmark. The portfolio's recent performance trails the benchmark and peers.

The current structure of LACERS' total emerging market equity exposure includes an anchor index portfolio, coupled with two style-specific active portfolios including Axiom (growth) and DFA (value). Further, the emerging markets allocation is augmented with an active small cap portfolio with a growth orientation. We note that most active managers have the ability to outperform the MSCI

Emerging Markets index over longer periods of time and we are supportive of maintaining the current structure.

Firm Overview

Axiom is an independent, employee-owned investment management firm with 24 equity partners and it was founded in 1998 by Andrew Jacobson. As of September 30, 2022 the firm had \$15.4 billion in assets under management. Prior to forming Axiom, the investment team was responsible for developing and managing the international equity strategy at Columbus Circle Investors, a division of PIMCO Advisors LP. The Axiom Emerging Markets team is currently co-led by Andrew Jacobson with three co-Portfolio Managers. Don Elefson and Jose Gerardo Morales have been on the team overseeing the strategy since 2012 and 2017 respectively. Young Kim joined the emerging markets team as co-Portfolio manager in the first quarter of 2021. The portfolio managers split the research coverage by geographic region and they leverage a shared research platform across all of Axiom's non-U.S. equity products.

The Axiom investment philosophy is to invest in quality companies that are growing and evolving better and more rapidly than expected. Critical to the investment process is the ability to identify these changes in growth, prior to them being reflected in expectations or market valuations. Axiom employs a bottom-up, growth-oriented investment discipline that relies on detailed fundamental stock analysis to identify companies that are improving more quickly than generally expected. The primary emphasis is to isolate those companies that are likely to exceed expectations, which they do by identifying and monitoring the key business drivers of each stock. They believe key business drivers are the leading indicators of stock price performance. Key drivers can include company specific, industry, macroeconomic and political factors. For each of these drivers, they survey a wide variety of sources to determine investor expectations.

The universe is defined as securities that have a minimum market cap of \$1.0 billion, are covered by 1 or more brokerage analysts and have liquidity of over \$5 MM/day. About 80% of Axiom's new ideas are typically identified as a consequence of specific, positive, fundamental developments in a company's operations (e.g., favorable sales of a new product, a significant restructuring initiative or a change in industry conditions). Axiom also screens the investment universe on a variety of financial and technical factors to help identify new ideas for further detailed fundamental analysis. These factors include positive earnings growth, positive earnings estimate revisions, positive price movement and favorable valuation characteristics.

Performance

Referring to Exhibit 1, as of September 30, 2022, since the portfolio's inception date of May 1, 2014, the portfolio has outperformed its benchmark by 0.4% and has ranked in the 51st percentile in its peer group. Over the past year, ended September 30, 2022, the portfolio has underperformed the benchmark by -8.1% and ranked in the 94th percentile in its peer group. Since inception, ended September 30, 2022, the information ratio was 0.13 and active risk, as measured by tracking error was 3.9%.

Referring to Exhibit 2, since inception, the cumulative effect of the strong underperformance over last five quarters performance has resulted in Axiom's portfolio underperforming in the trailing one, three and five years. Underperformance in the portfolio began with the rotation from growth to value toward the last half of 2021 and more recently portfolio underperformance was driven by



security selection with the portfolio experiencing adverse effects from the supply shock caused by the war in Europe.

Fees

The portfolio has an asset-based fee of 0.60% annually. This fee ranks in the 22nd percentile among its peers in the eVestment All Emerging Markets Equity Universe. In other words, 78% of the products included in the peer universe have a higher fee than the LACERS account.

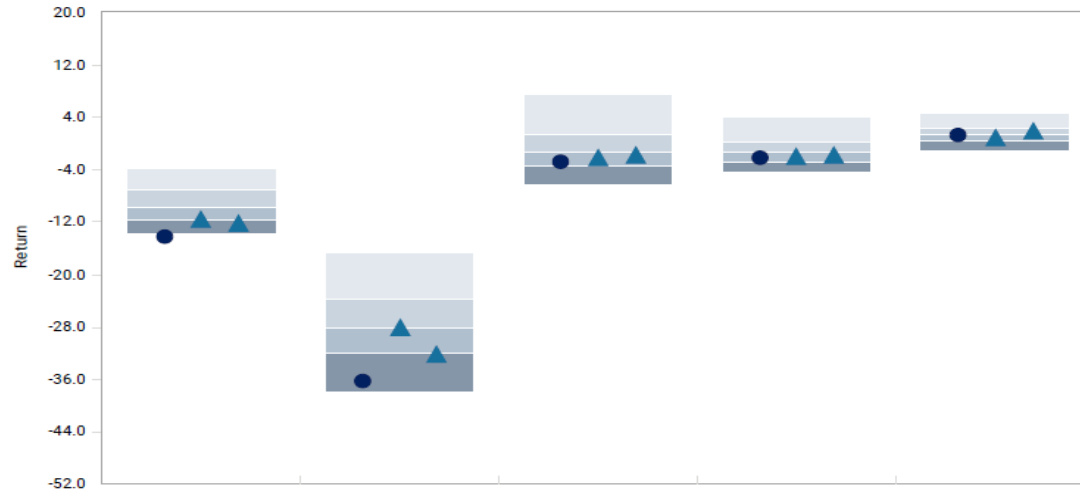
Conclusion

Axiom has experienced turnover in senior-level management and investment decision making roles and we believe the firm has demonstrated their ability to continue to manage the firm and LACERS portfolio. The portfolio has outperformed the MSCI Emerging Markets Index since inception, however, over most trailing time-periods evaluated the portfolio has underperformed due to weak performance over the last five quarters. NEPC continues to be a believer in the long-term efficacy of this strategy that focuses on understanding business fundamentals of companies that are growing faster than markets anticipate. Axiom has been removed from "Watch" status.

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

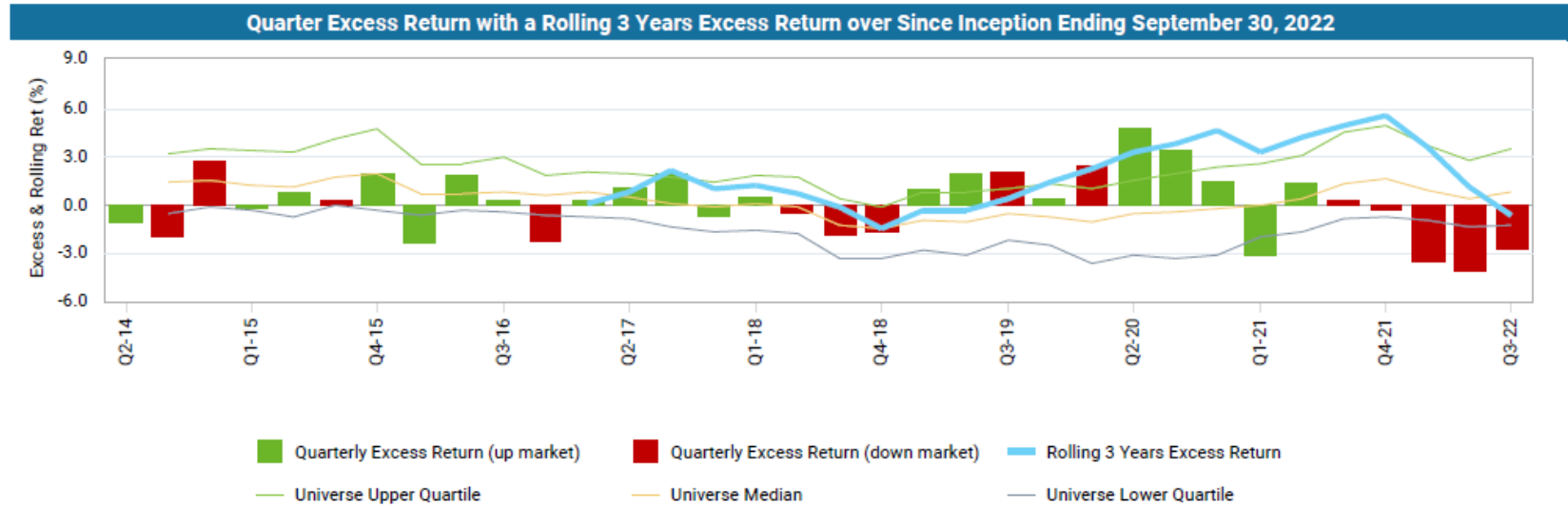


Exhibit 1: Universe Comparison Net of Fees Ending September 30, 2022



	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Inception (%)
● Axiom Emerging Markets	-14.3 (98)	-36.2 (94)	-2.7 (70)	-2.1 (64)	1.3 (51)
▲ MSCI Emerging Markets (Net)	-11.6 (73)	-28.1 (51)	-2.1 (62)	-1.8 (61)	0.9 (65)
▲ MSCI Emerging Markets Growth (Net)	-12.1 (81)	-32.1 (76)	-1.7 (59)	-1.6 (57)	2.1 (31)
5th Percentile	-3.7	-16.7	7.5	4.1	4.7
1st Quartile	-7.0	-23.7	1.5	0.4	2.4
Median	-9.8	-28.1	-1.2	-1.3	1.4
3rd Quartile	-11.8	-32.0	-3.3	-2.6	0.6
95th Percentile	-13.7	-37.8	-6.2	-4.3	-1.1
Population	319	314	286	252	196

Exhibit 2: Cumulative Excess Performance Net of Fees Ending September 30, 2022





To: Los Angeles City Employees' Retirement System Investment Committee

From: NEPC, LLC

Date: November 14, 2023

Subject: Axiom Investors – Contract Extension

Recommendation

NEPC recommends Los Angeles City Employees' Retirement System (LACERS) extend their contract with Axiom for a period of one year from the date of contract expiry. Last month NEPC attended two separate onsite meetings at Axiom's offices. NEPC continues to support a 1-rating for the firm and the emerging market equity product. A rating of 1 represents the highest rating. NEPC believes the team is very capable and committed to implementing their growth philosophy.

Background

Axiom was hired on April 11, 2014 to provide the Plan with public equity exposure to emerging markets. The portfolio's strategy is benchmarked against the MSCI Emerging Markets Index and has a performance inception date of May 1, 2014. As of September 30, 2023, Axiom managed \$268.4 million, or 1.2% of Plan assets in a separately managed account. The performance objective is to outperform the benchmark, net of fees, annualized over a full market cycle (normally three-to-five years).

The firm has been on and off the "Watch" status for various reasons over the past few years. Their current Watch status was initiated earlier this year for performance reasons. In late 2021, Axiom's President retired and the firm elected to not replace him. His duties were spread across the members of the firm's Executive Committee. In 2020, one of the portfolio managers left the firm due to medical reasons and he was replaced by the Chief Investment Officer, Andrew Jacobson. Mr. Jacobson was the original architect of the strategy. Starting in August of 2020, the benchmark was changed from the MSCI Emerging Markets Growth index to the broader MSCI Emerging Markets index. The benchmark change request was granted given the growing level of concentration in the growth index. The change to the benchmark did not result in a change to the portfolio's style or investment strategy.

The current structure of LACERS' total emerging market equity exposure includes an anchor index portfolio, coupled with two style-specific active portfolios including Axiom (growth) and DFA (value). The emerging markets allocation is rounded out with an active small cap growth portfolio. Emerging markets is an asset class where we see the majority of active managers outperforming the MSCI Emerging Markets index over longer periods of time. We are supportive of maintaining the current structure.

Firm Overview

Axiom is an independent, employee-owned investment management firm with 26 equity partners and it was founded in 1988 by Andres Jacobson. Firm assets under management (AUM) as of September 30, 2023, were \$16.8 billion which is down from the firm's peak AUM of \$19.8 billion that

occurred on June 30, 2021. The Emerging Markets Equity strategy had an AUM of \$4.9 billion, which is down from the strategy's peak AUM of \$8.9 billion as of June 30, 2021.

The firm had a difficult year in 2022 as not only were markets down, but growth strategies were down significantly more than value and core strategies. Despite these headwinds, the team has seen net inflows into the firm. Most of the asset flow has gone into the global equity strategy. They have recently been added as a sub-advisor to a John Hancock mutual fund using their US Small Cap strategy. Outflows so far in 2023 have been most pronounced in the Emerging Markets product.

The Axiom Emerging Markets team is currently co-led by Andrew Jacobson and three co-Portfolio Managers. Don Elefson and Jose Gerardo Morales have been on the team overseeing the strategy since 2012 and 2017 respectively. Young Kim joined the emerging markets team as co-Portfolio manager in early 2021. The portfolio managers split the research coverage by geographic region and they leverage a shared research platform across all of Axiom's non-U.S. equity products.

The Axiom investment philosophy is to invest in quality companies that are growing and evolving better and more rapidly than expected. Critical to the investment process is the ability to identify these changes in growth, prior to them being reflected in expectations or market valuations. Axiom employs a bottom-up, growth-oriented investment discipline that relies on detailed fundamental stock analysis to identify companies that are improving more quickly than generally expected. The primary emphasis is to isolate those companies that are likely to exceed expectations, which they do by identifying and monitoring the key business drivers of each stock. They believe key business drivers are the leading indicators of stock price performance. Key drivers can include company specific, industry, macroeconomic and political factors. For each of these drivers, they survey a wide variety of sources to determine investor expectations.

Performance

Referring to Exhibit 1, as of September 30, 2023, since inception (May 1, 2014) the portfolio has trailed the blended benchmark. Over the past year ending September 30 2023, the portfolio has underperformed the benchmark by 670 basis points and ranked in the 94th percentile of its peer group.

Referring to Exhibit 2, the portfolio has exhibited many calendar years of strong performance versus peers and its benchmark. However, performance in 2021, 2022 and year-to-date 2023 trailed peers and the benchmark as this time period has been particularly unkind to growth stocks.

The team does not believe the underperformance is a sign of a larger structure issue with their investment philosophy. They believe the market environment has been difficult for the types of stocks they own. For example, it has been difficult to get a good grasp on Chinese equities because the leadership in China has oscillated numerous times over the past few years. Dynamic Growth companies have not been rewarded in China and they have seen cyclical and State-Owned Enterprises (SOEs) being rewarded. Today they are seeing geopolitical factors playing a much larger role in the emerging markets space. The team believes markets will calm down eventually and focus on the fundamentals of companies, which should bode well for their portfolios.



Fees

The portfolio has an asset-based fee of 0.60% annually. This fee ranks in the 24th percentile among its peers in the eVestment All Emerging Markets Equity universe. In other words, 76% of the products included in the peer universe have a higher fee than the LACERS Account. Furthermore, we compared LACERS' fee to a smaller universe consisting of Emerging Markets Growth managers and the relative ranking improved to the 15th percentile.

Conclusion

NEPC believes the investment team is extremely capable and exhibited their deep commitment to implementing the team's growth investment philosophy. Despite the recent underperformance of the strategy, the team remains committed to their investment philosophy and feel that the most recent market environment is one where their investment philosophy would underperform. They believe their strategy will have difficulty in environments where there are drastic rotations out of growth stocks into value stocks. This type of environment tends to favor cyclical stocks that have less sustainable earnings growth than the Axiom team is looking for in companies. Finally, the strategy will have difficulty in markets driven by extreme policy intervention which has historically discounted typical earnings drivers and caused rotations into distressed stocks.

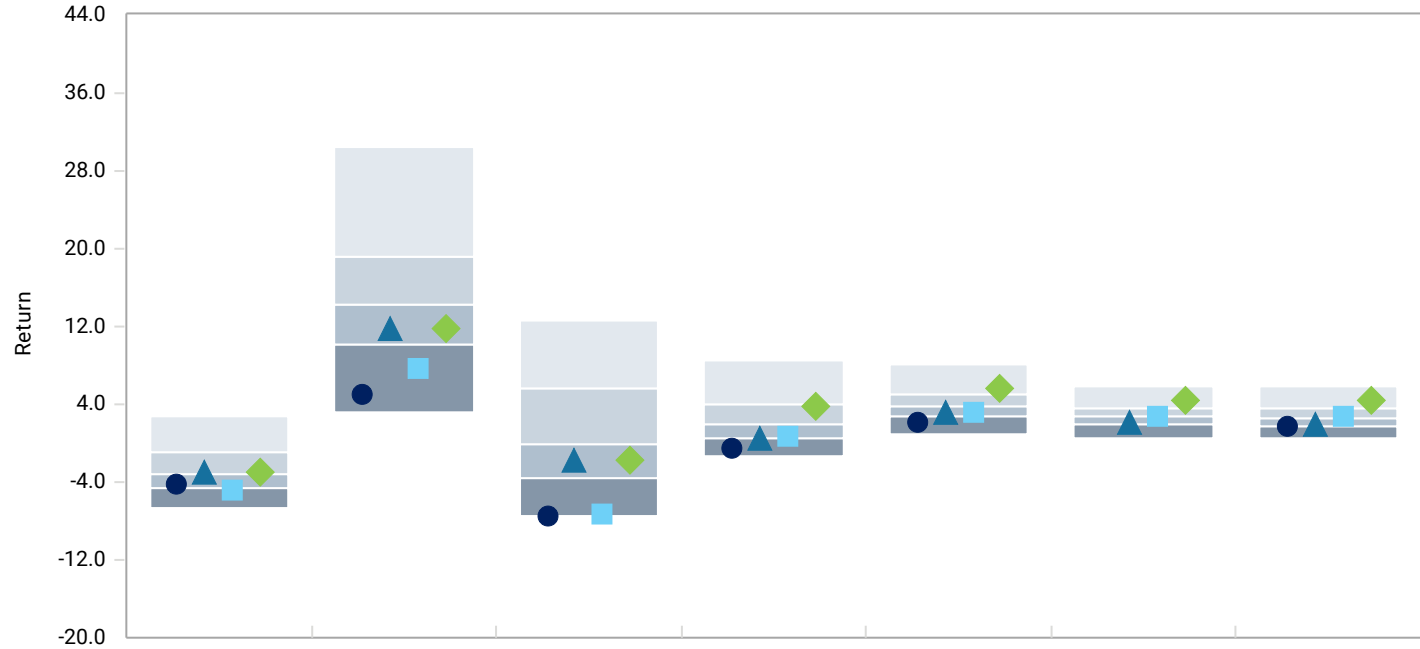
The following tables provide specific performance information, net of fees referenced above.



Los Angeles City Employees' Retirement System

AXIOM EMERGING MARKETS

Axiom Emerging Markets vs. eV Emg Mkts Equity



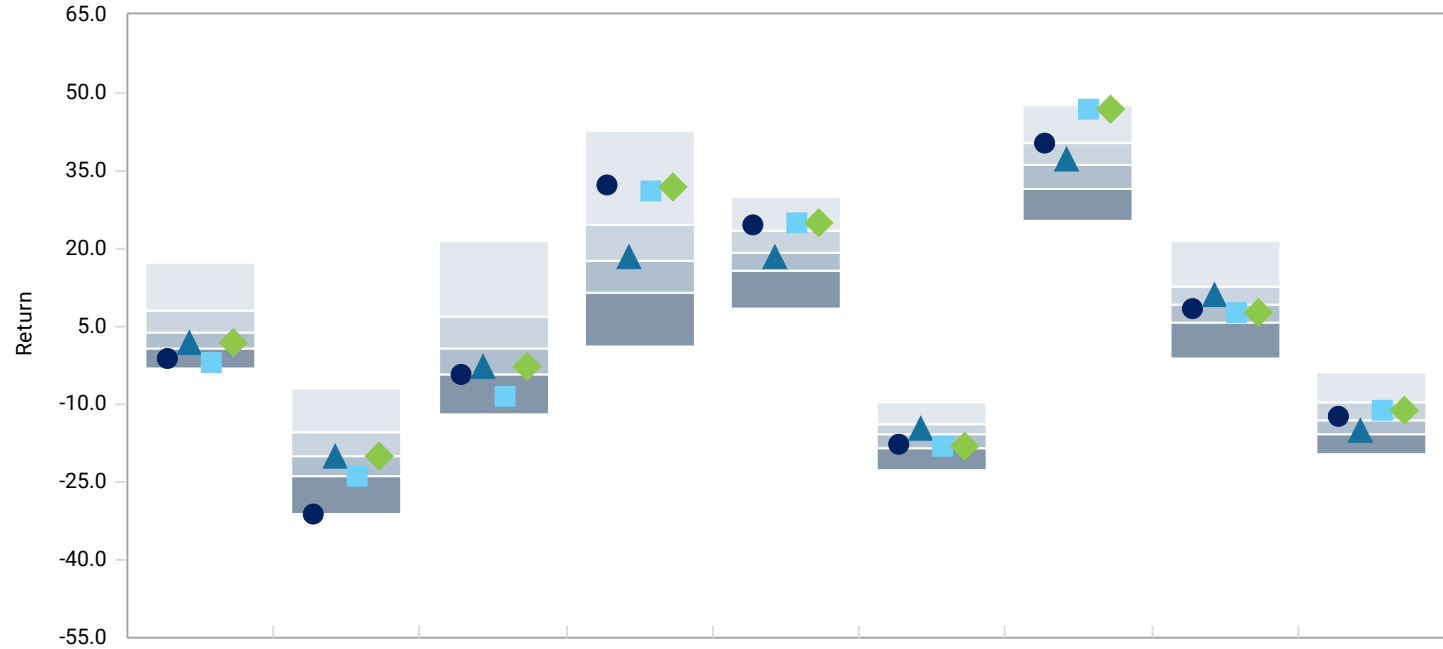
	3 Mo (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	7 Yrs (%)	10 Yrs (%)	Inception (%)
● Axiom Emerging Markets	-4.1 (67)	5.0 (94)	-7.6 (96)	-0.4 (88)	2.2 (84)		1.7 (77)
▲ MSCI Emerging Markets (Net)	-2.9 (47)	11.7 (65)	-1.7 (61)	0.6 (74)	3.2 (64)	2.1 (70)	2.0 (71)
■ MSCI Emerging Markets Growth (Net)	-4.9 (78)	7.7 (88)	-7.2 (94)	0.6 (73)	3.3 (63)	2.8 (45)	2.7 (49)
◆ Axiom Custom Blended BM	-2.9 (47)	11.7 (65)	-1.7 (61)	3.7 (28)	5.6 (20)	4.4 (16)	4.4 (17)
5th Percentile	2.9	30.4	12.6	8.4	8.1	5.9	5.8
1st Quartile	-1.0	19.1	5.6	4.0	5.1	3.6	3.6
Median	-3.2	14.3	-0.2	1.9	3.7	2.7	2.7
3rd Quartile	-4.7	10.2	-3.5	0.5	2.8	1.9	1.8
95th Percentile	-6.6	3.3	-7.5	-1.3	0.9	0.6	0.6
Population	431	423	391	346	303	245	257

Since inception of 5/1/2014

Los Angeles City Employees' Retirement System

AXIOM EMERGING MARKETS

Axiom Emerging Markets vs. eV Emg Mkts Equity



	YTD (%)	2022	2021	2020	2019	2018	2017	2016	2015
● Axiom Emerging Markets	-1.1 (88)	-31.2 (95)	-4.3 (76)	32.5 (13)	24.7 (19)	-17.6 (69)	40.6 (25)	8.4 (55)	-12.4 (45)
▲ MSCI Emerging Markets (Net)	1.8 (65)	-20.1 (51)	-2.5 (68)	18.3 (47)	18.4 (57)	-14.6 (34)	37.3 (41)	11.2 (36)	-14.9 (67)
■ MSCI Emerging Markets Growth (Net)	-1.8 (91)	-24.0 (76)	-8.4 (89)	31.3 (14)	25.1 (18)	-18.3 (75)	46.8 (7)	7.6 (62)	-11.3 (36)
◆ Axiom Custom Blended BM	1.8 (65)	-20.1 (51)	-2.5 (68)	32.0 (13)	25.1 (18)	-18.3 (75)	46.8 (7)	7.6 (62)	-11.3 (36)
5th Percentile	17.4	-6.8	21.4	42.6	29.8	-9.7	47.6	21.6	-3.9
1st Quartile	8.0	-15.3	7.0	24.7	23.6	-13.7	40.4	12.8	-9.7
Median	3.8	-20.1	0.6	17.8	19.3	-15.9	36.2	9.2	-13.0
3rd Quartile	0.9	-23.9	-4.3	11.6	15.8	-18.4	31.4	5.7	-15.7
95th Percentile	-3.1	-31.2	-11.9	1.0	8.5	-22.8	25.3	-1.2	-19.7
Population	426	453	466	464	473	449	437	426	408



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

MEETING: NOVEMBER 28, 2023

ITEM: VII - E

Neil M. Guglielmo

SUBJECT: NOTIFICATION OF COMMITMENT OF UP TO \$40 MILLION IN ALTARIS HEALTH PARTNERS VI, L.P.

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this notice of the commitment of up to \$40 million in Altaris Health Partners VI, L.P.

Executive Summary

Altaris Health Partners VI, L.P. will focus on middle-market buyouts in North America that operate within the healthcare sector.

Discussion

Consultant Recommendation

Aksia LLC (Aksia), LACERS' Private Equity Consultant, recommended a commitment of up to \$40 million in Altaris Health Partners VI, L.P. (the Fund), a buyout strategy managed by Altaris, LLC (Altaris or the GP). Fund management and incentive fees are comparable to similar strategies; the GP will invest alongside limited partners, providing alignment of interests. This recommendation is consistent with the Private Equity Program 2023 Strategic Plan adopted by the Board on November 22, 2022.

Background

Altaris was formed in 2003 and is currently led by George Aitken-Davies and Daniel Tully, who both co-founded the firm. The GP has \$5 billion in assets under management and transacted in more than 49 platform investments since inception. The firm consists of more than 20 investment professionals and is headquartered in New York City.

Altaris is a new general partner relationship for LACERS.

Investment Thesis

The Fund invests in middle-market North American businesses that operate within the healthcare sector. The GP will focus on four subsectors: pharmaceutical, medical devices, life sciences and diagnostics, and healthcare services. The GP has a unique value-oriented approach that will target

more complex transaction types that may include but not be limited to carve-outs, take-privates, and founder and family buyouts. Altaris will capitalize on growth trends in the healthcare industry such as scientific innovation, demographic trends, technology application, and payment model reform. The Fund will target a wide range of investment sizes that range from large corporate carve-outs to smaller founder buyouts.

Placement Agent

The GP did not use a placement agent in connection with LACERS' investment.

Staff Recommendation

Staff concurred with Aksia's recommendation. The commitment has been consummated pursuant to the Discretion in a Box (Roles and Responsibilities) section of the Private Equity Investment Policy; no Board action is required.

Strategic Plan Impact Statement

Investment in Altaris Health Partners VI, L.P. will allow LACERS to maintain exposure to private equity, pursuant to the Private Equity Program 2023 Strategic Plan, and aligns with the Strategic Plan Goal of optimizing long-term risk adjusted investment returns (Goal IV).

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

NMG/RJ//WL/EC/EP:jp

Attachments: 1. Aksia Investment Notification
 2. Discretion in a Box

Aksia LLC

Altaris Health Partners VI, L.P.
Investment Notification



www.aksia.com

Altaris Health Partners VI, L.P.

Firm	• Altaris, LLC
Fund	• Altaris Health Partners VI, L.P.
Firm Founded	• 2003
Strategy	• North America Buyouts
Sub-Strategy	• North America Middle Market
Geography	• North America
Team	• ~20 Investment Professionals
Senior Partners	• George Aitken-Davies, Daniel Tully
Office Locations	• New York
Industries	• Healthcare
Target Fund Size	• \$3.0 Billion
LACERS Commitment	• \$40.0 Million

Investment Highlights

- Altaris has an experienced and cohesive senior team that has worked together since 2003.
- The Firm has specialized in the healthcare industry since inception, which naturally provides an advantage when competing with generalist firms.
- Altaris specializes in complex transactions, serving as a differentiator for the Firm.
- The Firm has consistently delivered strong returns across prior funds.

Altaris Health Partners VI, L.P.

Firm and Background

- Altaris was formed in 2003 by George Aitken-Davies, Daniel Tully, and Michael Kluger to focus exclusively on investments within the healthcare market.
- The Firm raised its first institutional fund in 2003 and has subsequently raised four additional funds and two co-investment vehicles with over \$5.0 billion in capital commitments.
- Today, Altaris is led by the Aitken-Davies and Tully along with four Managing Directors – Jim O'Brien, Garikai Nyaruwata, Nick Fulco, and Rafael Torres.
- The investment team has grown to ~20 investment professionals, including three functional experts, and continues to operate out of its sole office in New York.

Investment Strategy

- Fund VI will continue to pursue control-oriented investments into North American middle-market businesses that operate within the healthcare sector.
- Altaris focuses on four subsectors: pharmaceuticals, medical devices, life sciences and diagnostics, and healthcare services.
- Altaris has a value-oriented approach that targets more complex transaction types including carve-outs, take-privates, and founder and family buyouts.
- The Firm targets a wide range of investment sizes given the dichotomy between large carve-out or take-private opportunities and smaller founder buyouts.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE PERFORMANCE.

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NONE OF THE INFORMATION CONTAINED HEREIN WAS PREPARED BY THE FUND OR ANY UNDERLYING PORTFOLIO FUNDS IDENTIFIED HEREIN, IF ANY, THE GENERAL PARTNERS THEREOF OR ANY OF THEIR RESPECTIVE AFFILIATES. BY ACCEPTING THESE MATERIALS, YOU HEREBY ACKNOWLEDGE AND AGREE TO ALL OF THE TERMS AND CONDITIONS IN THESE DISCLOSURES.

ARTICLE III. BOARD INVESTMENT POLICIES

Section 5 PRIVATE EQUITY INVESTMENT POLICY

F. Roles and Responsibilities

	Role of the Board	Role of Staff	Role of the Private Equity Consultant
Strategy/Policy	<ul style="list-style-type: none"> Select Private Equity Consultant. Approve asset class funding level. Review and approve the Private Equity Annual Strategic Plan which includes allocation targets and ranges. 	<ul style="list-style-type: none"> In consultation with Private Equity Consultant and General Fund Consultant, develop policies, procedures, guidelines, allocation targets, ranges, assumptions for recommendation to the Board. 	<ul style="list-style-type: none"> Help develop policies, procedures, guidelines, allocation targets, ranges, assumptions for recommendation to the Board.
Investment Management and Monitoring	<ul style="list-style-type: none"> Review quarterly, annual, and other periodic monitoring reports and plans. Review Commitment Notification Reports. 	<ul style="list-style-type: none"> Review quarterly, annual and other periodic monitoring reports prepared by the Private Equity Consultant. Conduct meetings with existing managers periodically. Attend annual partnership meetings when appropriate. Fund capital calls and manage distributions. Review Private Equity Consultant's recommendations on partnership amendments and consents. Execute partnership amendments and consents. Manage and approve the wind-down and/or dissolve private equity fund investment(s) with private equity consultant's concurrence. Manage and execute the sale of partnership interest on the secondary market or to other limited partner(s) or potential buyer(s). Prepare Commitment Notification Reports for Board. 	<ul style="list-style-type: none"> Maintain regular contact with existing managers in the portfolio to ascertain significant events within the portfolio. Recommend amendments and consents to Staff for approval. Provide quarterly, annual, and other periodic monitoring reports and plans.

ARTICLE III. BOARD INVESTMENT POLICIES

Section 5 PRIVATE EQUITY INVESTMENT POLICY

	Role of the Board	Role of Staff	Role of the Private Equity Consultant
Investment Selection	<ul style="list-style-type: none"> Review investment analysis reports. Review and approve investments in partnerships of amounts greater than \$150 million prior to investment. Review and approve direct co-investment opportunities that exceed \$50 million. Review and approve the sale of any one existing partnership fund on the secondary market exceeding \$50 million in Fair Market Value. Review and approve a simultaneous sale of multiple partnership fund interests in a packaged structure. 	<ul style="list-style-type: none"> Refer investments and forward to Private Equity Consultant for preliminary screening. Conduct meetings with prospective or existing general partners representing new investment opportunities. Conduct due diligence with general partners to better ascertain risk and return profile, as determined by the Chief Investment Officer. In conjunction with Private Equity Consultant, invest up to and including \$150 million in partnerships without Board approval. If Staff opposes and Private Equity Consultant disagrees, refer to Board for decision. In conjunction with Private Equity Consultant, make recommendations to Board for approval for investments over \$150 million. In conjunction with Private Equity Consultant, review and concur with direct co-investment opportunities up to and including \$50 million. In conjunction with Private Equity Consultant, review and concur with the approval of sale of existing partnership funds on the secondary market up to and including \$50 million in Fair Market Value. General Manager or designee with signature authority will execute agreements and other legal or business documents to effectuate the transaction closing. Ensure review of relevant fund documents by the City Attorney and/or external legal counsel. 	<ul style="list-style-type: none"> Conduct appropriate analysis and due diligence on investments. Prepare investment reports for Board consideration on investments exceeding \$150 million. With Staff concurrence, approve investments of up to and including \$150 million. With Staff concurrence, approve direct co-investment opportunities up to and including \$50 million. Present to Staff recommendations pertaining to the sale of existing partnership funds on the secondary market exceeding \$50 million in Fair Market Value. Such transactions shall be brought to the Board for review and approval. Provide investment analysis reports for each new investment and for sales of partnership fund interest on the secondary market or to other limited partner(s) or potential buyer(s). Communicate with Staff regarding potential investment opportunities undergoing analysis and due diligence. Coordinate meetings with general partners at the request of Staff. Advise on and negotiate investment terms.