



LACERS
LA CITY EMPLOYEES'
RETIREMENT SYSTEM



Board of Administration Agenda

REGULAR MEETING
TUESDAY, MARCH 12, 2024
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.

LACERS Website Address/link:

www.LACERS.org

In compliance with Government Code Section 54957.5, non-exempt writings that are distributed to a majority or all of the Board in advance of the meeting may be viewed by clicking on LACERS website at www.LACERS.org, at LACERS' offices, or at the scheduled meeting. In addition, if you would like a copy of a 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.

Request for Services

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

[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. [ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD](#)
 - B. [BENEFITS PAYMENTS APPROVED BY GENERAL MANAGER](#)
 - C. [EDUCATION AND TRAVEL EXPENDITURE REPORT FOR THE QUARTER ENDING DECEMBER 31, 2023](#)
- IV. CONSENT ITEM(S)
 - A. [APPROVAL OF MINUTES FOR THE MEETING OF FEBRUARY 13, 2024 AND POSSIBLE BOARD ACTION](#)
- V. BOARD/DEPARTMENT ADMINISTRATION
 - A. [PLANETARIA MEDIA LLC CONTRACT RENEWAL FOR WEBSITE MAINTENANCE AND SUPPORT SERVICES AND POSSIBLE BOARD ACTION](#)
- VI. INVESTMENTS
 - A. CHIEF INVESTMENT OFFICER VERBAL REPORT INCLUDING DISCUSSION ON THE PORTFOLIO EXPOSURE TO GLOBAL EVENTS
 - B. [PRESENTATION BY NEPC, LLC REGARDING CONTINUED DISCUSSION OF ASSET ALLOCATION AND POSSIBLE BOARD ACTION](#)
 - C. [CONTRACT WITH NEPC, LLC, ADDITION OF KEY PERSON AND POSSIBLE BOARD ACTION](#)
- VII. LEGAL/LITIGATION
 - A. [APPROVAL OF ONE-YEAR CONTRACT EXTENSIONS AND REQUEST FOR PROPOSALS FOR OUTSIDE FIDUCIARY AND REAL ESTATE AND INVESTMENT COUNSEL, AND POSSIBLE BOARD ACTION](#)
 - B. **CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (D)(4) TO CONFER WITH AND RECEIVE ADVICE FROM LEGAL COUNSEL REGARDING PENDING LITIGATION (ONE CASE) AND POSSIBLE BOARD ACTION**
- VIII. OTHER BUSINESS

- IX. NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, March 26 2024, at 10:00 a.m., in the LACERS Boardroom, at 977 N. Broadway, Los Angeles, California 90012-1728.

- X. ADJOURNMENT

**LACERS' ETHICAL CONTRACT COMPLIANCE REPORT
NOTIFICATION TO THE BOARD**

RESTRICTED SOURCES

The Board's Ethical Contract Compliance Policy was adopted in order to prevent and avoid the appearance of undue influence on the Board or any of its Members in the award of investment-related and other service contracts. Pursuant to this Policy, this notification procedure has been developed to ensure that Board Members and staff are regularly apprised of firms for which there shall be no direct marketing discussions about the contract or the process to award it; or for contracts in consideration of renewal, no discussions regarding the renewal of the existing contract.

Name	Description	Inception	Expiration	Division
Box, Inc.	Electronic Document Management System Migration Study	N/A	N/A	Administration
Levi, Ray & Shoup, Inc.	PensionGold Version 3 - Maintenance and Support Agreement	May 24, 2017	February 28, 2024	Administration
Languages4You Translation Agency	Interpretation & Translation Services	N/A	N/A	Communication & Stakeholder Relations
Anthem	Medical HMO & PPO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
Kaiser	Medical HMO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
SCAN	Medical HMO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
United Healthcare	Medical HMO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
Delta Dental	Dental PPO and HMO	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback
Anthem Blue View Vision	Vision Services Contract	January 1, 2023	December 31, 2023	Health, Wellness, & Buyback

**LACERS' ETHICAL CONTRACT COMPLIANCE REPORT
NOTIFICATION TO THE BOARD**

Name	Description	Inception	Expiration	Division
BlackRock Institutional Trust Company, N.A.	Multi Passive Index Portfolio Management	November 1, 2022	October 31, 2027	Investments
CenterSquare Investment Management, Inc.	Active U.S. REITs	April 1, 2018	March 31, 2024	Investments
Income Research & Management	Active Core Fixed Income	May 1, 2021	April 30, 2024	Investments
Garcia Hamilton & Associates, L.P.	Active Core Fixed Income	May 1, 2021	April 30, 2024	Investments
J.P. Morgan Investment Management, Inc.	Active Core Fixed Income	June 1, 2021	May 30, 2024	Investments
Robert W. Baird & Co., Inc.	Active Core Fixed Income	June 1, 2021	May 30, 2024	Investments
Planeteria Media LLC	Website Design, Maintenance, and Support Services	April 1, 2019	April 30, 2024	Systems

**LACERS' ETHICAL CONTRACT COMPLIANCE REPORT
NOTIFICATION TO THE BOARD**

ACTIVE RFPs

Description	Respondents	Inception	Expiration	Division
Printing, Mailing, Web and Graphic Design, & Videography Services		February 26, 2024	April 12, 2024	Communication & Stakeholder Relations
Dental & Vision Plans		March 1, 2024	March 29, 2024	Health, Wellness, & Buyback
Medical Plans	Alignment Health Plan, Anthem Blue Cross, Blue Shield of California, Humana, Kaiser Foundation Health Plan, Inc., SCAN Health Plan, UnitedHealthcare Insurance Company	March 10, 2023	April 21, 2023	Health, Wellness, & Buyback
Master Trust / Custodial Services and Securities Lending	The Northern Trust Company, State Street Bank and Trust Company	September 11, 2023	November 28, 2023	Investments

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-B

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

SERVICE RETIREMENTS

<u>Member Name</u>	<u>Service</u>	<u>Department</u>	<u>Classification</u>
Bell, Ronald L	39	PW - Sanitation	Shift Supt W/W Trmt
Simpson, Michael A	39	PW - Sanitation	Pr Envrmntl Engr
Burman, Jim	38	PW - Engineering	Sr Civil Engineer
Glasco, Renee A	38	Council	Legislative Analyst
Robles, Jesse E	37	Dept. of Rec. & Parks	Tree Surgeon
Torres, Henry	37	Dept. of Airports	Security Officer
Contin, Laura A	37	Library Dept.	Sr Librarian
Robinson, Terry A	36	Dept. of Airports	Airports Mtce Supvr
Jhaj, Pritpal Singh	36	PW - Sanitation	Sanitation Wstwater Mgr
Clark, Freneshia Laurinda	36	PW - Contract Administration	Compliance Program Manager
Anderson, Anson Alfred	35	Police Dept. - Civilian	Pr Detention Ofcr
Lavender, Jovonne	35	Controller's Office	Ch Management Analyst
Arend, Kurt L	35	Harbor Dept.	Harbor Engineer
Urrea, Robert	35	PW - Sanitation	Shift Supt W/W Trmt
Browne, Jeffrey S	34	PW - Sanitation	Solid Resource Supt
Chiu, Weibing Hosea	34	Harbor Dept.	Accountant
Flores, Arthur M	34	Dept. of Rec. & Parks	Tree Surgeon Supvsr
Park, John H	34	PW - Sanitation	Sr Envrmntl Engineer
Yoder, Kyle Robert	34	PW - Clean Water Coll Div	Sanitation Wstwater Mgr
Pulciano, Sylvia	34	Dept. of Rec. & Parks	Sr Administrative Clerk
Nguyen, Cuong M	33	ITA	Systems Programmer
Demoss, Timothy Jace	32	Harbor Dept.	Envirn Affrs Ofc
Hernandez, Maricela	32	EWDD	Sr Project Coordinator
Smith, Bryan	32	Dept. of Airports	Custodian Airport
Solomon, Eskel H	32	City Attorney's Office	Asst City Attorney
Huang, Frieda H	32	Controller's Office	Financial Mgmt Spec
Okamoto, Chris L	32	Dept. of Rec. & Parks	Aquarist
Tatro, Scott M	31	Dept. of Airports	Airp Envrmntl Mgr
Aguilar, Salvador	31	PW - Sanitation	Envrmntl Engrg Assc
Gilligan, Kevin A	31	City Attorney's Office	Asst City Attorney
Shin, Jay	30	Office of the CAO	Sr Admin Analyst
Williams, Johnny Lee	29	PW - Sanitation	Ref Coll Truck Oper
Allen, Robert J	29	Personnel Dept.	Physician
Tajerian, Ardem A	29	Library Dept.	Sr Librarian
Thompson, Charyl Diane	29	Police Dept. - Civilian	Police Service Rep
Fratianne, Robert J	28	City Attorney's Office	Exec Asst City Attorney

Kemp, Darrell L	27	Dept. of Transportation	Signal System Electron
Edwards, Lisa L	27	GSD - Bldg. Fac Mgmt.	Sr Custodian
Ulbrich, Kurt James	27	Dept. of Rec. & Parks	Sr Park Services Attn
Chang, Chieh M	25	Police Dept. - Civilian	Equipmnt Mechanic
Lohr, Corazon G	24	ITA	Sr Systems Analyst
Tung, Guang Min	23	Dept. of Bldg. & Safety	Build Civil Engr
Abraham, Shelly Anna	23	PW - St. Maint.	Motor Sweeper Operator
Abel, Darla Diane	22	Dept. of Bldg. & Safety	Sr Safety Eng Elevators
Barber, Ulonda C	22	Dept. of Airports	Custodian Airport
Tarroja, Adorlita R	22	Office of the CAO	Management Analyst
Vargas, Manuel R	21	LA Housing Dept.	Housing Inspector
Danbury, Sonia J	20	Dept. of Airports	Administrative Clerk
Thompson, William J	20	Dept. of Bldg. & Safety	Sr Build Inspector
Liaw, Tiffany Ma	19	Office of Finance	Dept Chief Acct
Garcia, Eden	19	Fire & Police Pensions	Accountant
Sanders, Emmitt	19	Dept. of Rec. & Parks	Floor Finisher
Sanchez, Deborah L	18	City Attorney's Office	Deputy City Attorney
Wendt, Beth	17	GSD - Bldg. Svcs.	Build Maint Dist Supvr
Subia, Trina Marie	16	Dept. of Rec. & Parks	Administrative Clerk
Trammell, Reverdia	15	Cultural Affairs	Administrative Clerk
Allen, Sylvia Wilson	15	Dept. of Airports	Administrative Clerk
Portlock, L'tanya Lj	15	City Attorney's Office	Legal Secretary
Figueroa, Hilda	11	Council	Council Aide
Pasillas, Ramon P	11	GSD - Bldg. Svcs.	Elevator Mechanic
Perea, Jon W	10	Dept. of Airports	Airport Safety Officer
Salvador, Albert A	10	Dept. of Bldg. & Safety	Struct Engr Assoc
Peters-Lawler, Christine	9	Council	Council Aide
Smith, Bridget Bjorna	8	Dept. of Transportation	Asst Gm Transportation
Roesner, Heinz Dieter	8	PW - St. Lighting	Sr Storekeeper
Valenciano, Yvonne Marie	8	Dept. of Rec. & Parks	Child Care Associate
Acosta, Dabra J	7	Dept. of Transportation	Crossing Guard
Contreras, Roberto R	5	Dept. of Rec. & Parks	Special Prog Asst

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-B

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

Approved Death Benefit Payments

Deceased

TIER 1

Alaan, Sam L

Beneficiary/Payee

Nelson G Alaan for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Norman G Alaan for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Arias Family Trust, Gary And
Marva

Arias Family Trust Gary And Marva for the payment
of the Accrued But Unpaid Continuance Allowance

Bermudez, Martha

Laura S Bermudez for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Birt, Edward

Deborah Mitchell for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Cabaong, Philip L

Ronald Cabaong for the payment of the
Accrued But Unpaid Service Retirement Allowance

Cabibbo, Sam J
Christina Padilla for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Marco Daniel Cabibbo for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Casas, Carlos Hector
Vanessa C Casas for the payment of the
DRO Lump Sum

Castaneda, Porfiria
Diane C Alvarez for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Martha Castaneda Munoz for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Caulfield, Monica A
David J Caulfield for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Kevin B Caulfield for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Mimi C Weisinger for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Cook, Diana L
Cynthia E Scott for the payment of the
Accrued But Unpaid Continuance Allowance

Cowan, Earline	Joe L Cowan for the payment of the Burial Allowance
	Markus D Smith for the payment of the Burial Allowance
	Tessonya F Cowan for the payment of the Burial Allowance
Davis, Elizabeth	Sabrina C Davis for the payment of the Accrued But Unpaid Continuance Allowance
Detally, Sallie D	Tory Drake Detally for the payment of the Accrued But Unpaid Continuance Allowance
Du Plessis, Lillian E	Carol B Adams for the payment of the Accrued But Unpaid Continuance Allowance
Hernandez, Robert	Robert Hernandez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Higginbotham, Henry L	Carolyn M Higginbotham for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hohman, Robert L	Robert L Hohman for the payment of the Accrued But Unpaid Service Retirement Allowance

Hsu, James S	Debbie Hsu Siah for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Jefferson, David H	Marilyn Jefferson Dix for the payment of the Burial Allowance
Johnson, Irene	Venessa R Johnson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Kausteklis, Peter A	Renata Kristina Towner for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Kim, Ayako G	Thomas Kent Kim for the payment of the DRO Lump Sum
Maxwell,Guardian, Helga E	Margarethe E Sarrao for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Millette, Paul Karl	John Albert Millett for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Murai, Kazuo	Kenneth Murai for the payment of the Burial Allowance

Nelson, Don O Charlene A Nelson for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Pointer, Leon B Lawrence Benidale Pointer for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Pongvarin, Suree David T Pongvarin for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Redulfin, Gualberto B Roy B Redulfin for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Rossman, Barbara A Ja Eris Weaver for the payment of the
Accrued But Unpaid Continuance Allowance

Sauls, Willie R Nina L. Sauls for the payment of the
Accrued But Unpaid Continuance Allowance

Smith, James Edna J Smith for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Spaulding, Arthur O	Joyce A Spaulding for the payment of the Accrued But Unpaid Vested Retirement Allowance Burial Allowance
Strehl, Daniel Jon	Ahlstrom Strehl Trust for the payment of the Burial Allowance Richard Van Ness Ahlstrom for the payment of the Accrued But Unpaid Continuance Allowance
Tabb, Edith G	Mara N Morris for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Taylor, Robert M	Allegra Anne Hocking for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Veal, Florida Y	Jason C Young for the payment of the Accrued But Unpaid Continuance Allowance Rosalind Young for the payment of the Accrued But Unpaid Continuance Allowance
Walker, Douglas C	Douglas Keith Walker for the payment of the Burial Allowance
Williams, Phillip	Phyllis D Williams for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Wilson, Bernard J

Stephen Andrew Wilson for the payment of the
Burial Allowance

TIER 3
NONE

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM III-B

Pursuant to the authority delegated to the General Manager under Board Rule GMA 1, General Manager Authorization, adopted by the Board of Administration on June 14, 2016, the following benefit payments have been approved by the General Manager:

Approved Death Benefit Payments

Deceased

TIER 1

Active

Beneficiary/Payee

Brown, Robert Lee
(Deceased Active)

Taye Alexandria Komolafe for the payment of the
Accumulated Contributions

Gonzalez, Jaime Guerrero
(Deceased Active)

Karina Carmen Guerrero for the payment of the
Accumulated Contributions

Lin, Louis Tsanghung
(Deceased Active)

Jessica Chien for the payment of the
Disability Retirement Survivorship Allowance

Manuel, James Corleto A
(Deceased Active)

Manolito A Manuel for the payment of the
Accumulated Contributions

Pickens, Machele
(Deceased Active)

Charquinta M Ochoa for the payment of the
Accumulated Contributions

Corena R Ochoa for the payment of the
Accumulated Contributions

Sanchez, Estela
(Deceased Active)

Victor Sanchez Pulido for the payment of the
Limited Pension

Wood, Patricia
(Deceased Active)

Manuel Aniles for the payment of the
Service Retirement Survivorship Allowance

TIER 3

Active

Giron, Juan Daniel
(Deceased Active)

Victoria Anne Elia Giron for the payment of the
Accumulated Contributions
Limited Pension

Disclaimer: The names of members who are deceased may appear more than once due to multiple beneficiaries being paid at different times.



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

Neil M. Guglielmo

MEETING: MARCH 12, 2024

ITEM: III-C

SUBJECT: EDUCATION AND TRAVEL EXPENDITURE REPORT FOR THE QUARTER ENDING DECEMBER 31, 2023

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board receive and file this report.

Executive Summary

A report of Board and staff education and travel expenditures is provided to the Board on a quarterly basis pursuant to the Board Education and Travel Policy. The Department budgeted a total of \$234,590.00 for education and related travel expenses in Fiscal Year 2023-2024. As of the quarter ending December 31, 2023, the Department has incurred a total of \$39,720.84 or 16.9% of the total budgeted funds, as indicated in the table below:

	FY 2023-24 Budget	Quarter Ending 12/31/2023		Year-To-Date	
		Amount	Budget %	Amount	Budget %
Board	\$ 40,000.00	\$ 1,630.80	4.1%	\$ 6,317.02	15.8%
Staff	\$ 91,940.00	\$ 8,223.76	8.9%	\$ 10,699.35	11.6%
Investment Administration	\$ 102,650.00	\$ 17,241.01	16.8%	\$ 22,704.47	22.1%
Total	\$ 234,590.00	\$ 27,095.57	11.6%	\$ 39,720.84	16.9%

Attachment 1 details the education and travel expenditures for Board and staff as of the quarter ending December 31, 2023.

Prepared By: Jo Ann Peralta, Departmental Chief Accountant IV

NMG/TB/JP

Attachment 1: Education and Travel Expenditure Report for Period July 1, 2023 to December 31, 2023

LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
 BOARD MEMBERS' EDUCATION AND RELATED TRAVEL EXPENDITURE REPORT
 FOR THE PERIOD JULY 1, 2023 TO DECEMBER 31, 2023

NAME	ORGANIZATION	CONFERENCE TITLE	LOCATION	START DATE	END DATE	REGISTRATION	AIRFARE	LODGING	OTHER TRAVEL EXP.	TOTAL EXPENSE
SUNG WON SOHN	STATE ASSOCIATION OF COUNTY RETIREMENT SYSTEMS (SACRS)	MODERN INVESTMENT THEORY & PRACTICE FOR RETIREMENT SYSTEMS	BERKELEY, CA	07/16/23	07/20/23	\$ 2,500.00	\$ 257.97	\$ 1,531.44	\$ 396.81	\$ 4,686.22
THUY HUYNH	INSTITUTIONAL INVESTOR	2023 ROUNDTABLE FOR CONSULTANTS & INSTITUTIONAL INVESTORS	CHICAGO, IL	10/03/23	10/06/23	\$ -	\$ 385.60	\$ 900.48	\$ 344.72	\$ 1,630.80
BOARD MEMBERS' EDUCATION AND RELATED TRAVEL EXPENDITURES FOR THE 1ST QUARTER ENDING 09/30/23:						\$ 2,500.00	\$ 257.97	\$ 1,531.44	\$ 396.81	\$ 4,686.22
BOARD MEMBERS' EDUCATION AND RELATED TRAVEL EXPENDITURES FOR THE 2ND QUARTER ENDING 12/31/23:						\$ -	\$ 385.60	\$ 900.48	\$ 344.72	\$ 1,630.80
BOARD MEMBERS' EDUCATION AND RELATED TRAVEL EXPENDITURES FOR THE 3RD QUARTER ENDING 03/31/24:						\$ -	\$ -	\$ -	\$ -	\$ -
BOARD MEMBERS' EDUCATION AND RELATED TRAVEL EXPENDITURES FOR THE 4TH QUARTER ENDING 06/30/24:						\$ -	\$ -	\$ -	\$ -	\$ -
YTD TRAVEL EXPENDITURES / ANNUAL BUDGET FOR BOARD EDUCATION AND TRAVEL (AMOUNT & %):						\$6,317.02		\$40,000.00		15.8%
YTD BOARD MEMBERS' TRAVEL EXPENDITURES / ANNUAL BUDGET FOR ALL DEPARTMENT TRAVEL (AMOUNT & %):						\$6,317.02		\$234,590.00		2.7%

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
STAFF EDUCATION AND RELATED TRAVEL EXPENDITURE REPORT
FOR THE PERIOD JULY 1, 2023 TO DECEMBER 31, 2023**

NAME	ORGANIZATION	CONFERENCE TITLE	LOCATION	START DATE	END DATE	REGISTRATION	AIRFARE	LODGING	OTHER TRAVEL EXP.	TOTAL EXPENSE
JOSHUA GELLER	INSTITUTIONAL LIMITED PARTNERS ASSOCIATION (ILPA)	2023 ILPA PRIVATE EQUITY LEGAL CONFERENCE	WASHINGTON, DC	09/25/23	09/28/23	\$ 599.00	\$ 527.64	\$ 976.84	\$ 372.11	2,475.59
BRIAN CHA	LEVI, RAY & SHOUP (LRS) INC	NEVER FOLD W/ PENSIONGOLD: 30 YRS OF PENSION SOFTWARE	SPPRINGFIELD, IL	10/02/23	10/05/23	\$ -	\$ 785.44	\$ 434.34	\$ 471.29	1,691.07
GINA DI DOMENICO	BERNSTEIN LITOWITZ BERGER & GROSSMAN LLP (BLB&G)	2023 FORUM FOR INSTITUTIONAL INVESTORS	NEW YORK, NY	11/14/23	11/19/23	\$ -	\$ 512.70	\$ 1,381.80	\$ 584.02	2,478.52
ANYA FREEDMAN	BERNSTEIN LITOWITZ BERGER & GROSSMAN LLP (BLB&G)	2023 FORUM FOR INSTITUTIONAL INVESTORS	NEW YORK, NY	11/14/23	11/18/23	\$ -	\$ -	\$ 1,381.80	\$ 207.00	1,588.80
MIGUEL BAHAMON	BERNSTEIN LITOWITZ BERGER & GROSSMAN LLP (BLB&G)	2023 FORUM FOR INSTITUTIONAL INVESTORS	NEW YORK, NY	11/15/23	11/18/23	\$ -	\$ 659.09	\$ 1,396.05	\$ 410.23	2,465.37
TOTAL STAFF EDUCATION AND RELATED TRAVEL EXPENDITURES FOR THE 1ST QUARTER ENDING 09/30/23:						\$ 599.00	\$ 527.64	\$ 976.84	\$ 372.11	\$ 2,475.59
TOTAL STAFF EDUCATION AND RELATED TRAVEL EXPENDITURES FOR THE 2ND QUARTER ENDING 12/31/23:						\$ -	\$ 1,957.23	\$ 4,593.99	\$ 1,672.54	\$ 8,223.76
TOTAL STAFF EDUCATION AND RELATED TRAVEL EXPENDITURES FOR THE 3RD QUARTER ENDING 03/31/24:						\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL STAFF EDUCATION AND RELATED TRAVEL EXPENDITURES FOR THE 4TH QUARTER ENDING 06/30/24:						\$ -	\$ -	\$ -	\$ -	\$ -
YTD TRAVEL EXPENDITURES / ANNUAL BUDGET FOR STAFF EDUCATION AND RELATED TRAVEL (AMOUNT & %):						\$10,699.35		\$91,940.00		11.6%
YTD STAFF TRAVEL EXPENDITURES / ANNUAL BUDGET FOR ALL DEPARTMENT TRAVEL (AMOUNT & %):						\$10,699.35		\$234,590.00		4.6%

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT ADMINISTRATION AND RELATED TRAVEL EXPENDITURE REPORT
FOR THE PERIOD JULY 1, 2023 TO DECEMBER 31, 2023**

NAME	ORGANIZATION	CONFERENCE TITLE	LOCATION	START DATE	END DATE	REGISTRATION	AIRFARE	LODGING	OTHER TRAVEL EXP.	TOTAL EXPENSE
ELLEN CHEN	SAHAR GLOBAL SUMMITS	THE 4TH ANNUAL GENDER EQUITY IN PRIVATE EQUITY SUMMIT	NEW YORK, NY	07/10/23	07/14/23	-	928.12	1,348.40	485.74	2,762.26
RODNEY JUNE	KRONER CENTER FOR FINANCIAL RESEARCH	UC SD KRONER CENTER FOR FINANCIAL RESEARCH ADVISORY COUNCIL MEETING	SAN DIEGO, CA	09/08/23	09/08/23	-	-	-	82.53	82.53
RODNEY JUNE ¹	WITH INTELLIGENCE; INVESTMENT DIVERSITY ADVISORY COUNCIL (IDAC)	THE FALL RETREAT: THE ANALYST BOOTCAMP; 2023 IDAC GLOBAL SUMMIT	CHICAGO, IL	09/18/23	09/20/23	-	-	327.52	225.67	553.19
CLARK HOOVER	PENSIONS & INVESTMENT (P&I)	PUBLIC FUNDS: NAVIGATING A NEW WORLD	SCOTTSDALE, AZ	09/19/23	09/20/23	-	135.07	238.31	206.14	579.52
EDUARDO PARK	WATERTON	2023 ANNUAL INVESTOR MEETING	DALLAS, TX	09/19/23	09/21/23	-	443.81	771.08	271.07	1,485.96
ELLEN CHEN	PRINCIPLES FOR RESPONSIBLE INVESTMENT (PRI)	PRI IN PERSON 2023	TOKYO, JAPAN	10/01/23	10/06/23	-	1,887.05	685.39	641.03	3,213.47
RODNEY JUNE	GOVERNMENT EMPLOYEE PENSION FUND (GEPF)	ANNUAL GEPF THOUGHT LEADERSHIP CONFERENCE 2023	CAPETOWN, SOUTH AFRICA	10/02/23	10/10/23	-	-	204.80	547.40	752.20
JEREMIAH PARAS	BAIRD ADVISORS; GARCIA HAMILTON	DUE DILIGENCE	MILWAUKEE, WI; HOUSTON, TX	10/03/23	10/05/23	-	676.74	290.58	485.70	1,453.02
CLARK HOOVER	P4G CAPITAL	2023 AGM-DUE DILIGENCE	SAN FRANCISCO, CA	10/04/23	10/05/23	-	317.32	-	238.38	555.70
CLARK HOOVER	FRANCISCO PARTNERS INVESTOR CONFERENCE	DUE DILIGENCE	LAGUNA BEACH, CA	10/11/23	10/11/23	-	-	-	55.98	55.98
RODNEY JUNE	ASSOCIATION OF ASIAN AMERICAN INVESTMENT MANAGERS (AAAIM)	AAAIM ELEVATE 2023 THE POWER OF REPRESENTATION	NEW YORK, NY	10/15/23	10/18/23	-	317.32	647.30	216.50	1,181.12
JEREMIAH PARAS	CENTERSQUARE; JP MORGAN	DUE DILIGENCE	PLYMOUTH MEETING, PA; COLUMBUS, OH	10/16/23	10/18/23	-	971.40	262.30	596.38	1,830.08
ELLEN CHEN	AXIOM INVESTORS	DUE DILIGENCE	GREENWICH, CT	10/17/23	10/18/23	-	366.28	354.25	214.88	935.41
ELLEN CHEN	WITH INTELLIGENCE	PENSION BRIDGE SUSTAINABILITY	SAN DIEGO, CA	10/24/23	10/25/23	-	-	348.23	226.00	574.23
RODNEY JUNE	KPS CAPITAL PARTNERS LP	KPS ANNUAL INVESTOR MEETING	KEY BISCAYNE, FL	11/05/23	11/08/23	-	308.08	-	516.06	824.14

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM
INVESTMENT ADMINISTRATION AND RELATED TRAVEL EXPENDITURE REPORT
FOR THE PERIOD JULY 1, 2023 TO DECEMBER 31, 2023**

NAME	ORGANIZATION	CONFERENCE TITLE	LOCATION	START DATE	END DATE	REGISTRATION	AIRFARE	LODGING	OTHER TRAVEL EXP.	TOTAL EXPENSE
ELLEN CHEN	MFS; GLOBAL INVESTMENT INSTITUTE 23; ADVENT INTERNATIONAL	DUE DILIGENCE	BOSTON, MA	11/05/23	11/10/23	-	979.01	576.44	486.72	2,042.17
JESSICA CHUMAK	INVESCO	INVESCO REAL ESTATE GLOBAL CLIENT CONFERENCE	SAN DIEGO, CA	11/14/23	11/16/23	-	-	-	158.58	158.58
JEREMIAH PARAS	BAIN CAPITAL; IR&M	DUE DILIGENCE	BOSTON, MA	12/05/23	12/07/23	-	318.27	458.82	454.92	1,232.01
CLARK HOOVER	AKSIA LLC; GLOBAL FUND WOMEN; HPS CAPITAL; APOLLO	DUE DILIGENCE	NEW YORK, NY	12/05/23	12/08/23	-	528.10	1,608.72	296.08	2,432.90
INVESTMENT ADMINISTRATION TRAVEL EXPENDITURES FOR THE 1ST QUARTER ENDING 09/30/23:						\$ -	\$ 1,507.00	\$ 2,685.31	\$ 1,271.15	\$ 5,463.46
INVESTMENT ADMINISTRATION TRAVEL EXPENDITURES FOR THE 2ND QUARTER ENDING 12/31/23:						\$ -	\$ 6,669.57	\$ 5,436.83	\$ 5,134.61	\$ 17,241.01
INVESTMENT ADMINISTRATION TRAVEL EXPENDITURES FOR THE 3RD QUARTER ENDING 03/31/24:						\$ -	\$ -	\$ -	\$ -	\$ -
INVESTMENT ADMINISTRATION TRAVEL EXPENDITURES FOR THE 4TH QUARTER ENDING 06/30/24:						\$ -	\$ -	\$ -	\$ -	\$ -
YTD TRAVEL EXPENDITURES / ANNUAL BUDGET FOR INVESTMENT ADMINISTRATION TRAVEL EXPENDITURES (AMOUNT & %):						\$22,704.47		\$102,650.00		22.1%
YTD INVESTMENT ADMIN. TRAVEL EXPENDITURES / ANNUAL BUDGET FOR ALL DEPARTMENT TRAVEL (AMOUNT & %):						\$22,704.47		\$234,590.00		9.7%

¹ Staff used prior travel airline credit for the airfare.

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

February 13, 2024

10:04 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.

President Chao recognized the Chinese New Year, Lunar New Year, and the Vietnamese New Year (Tet).

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 three public comment cards received. The following member of the public made public comment with respect to LACERS investment in Advent International and in support of restaurant/hotel workers: Jordan Fein. President Chao tabled Public Comment to reopen after General Manager's update to allow for further public comment.

II

GENERAL MANAGER VERBAL REPORT

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

- Discretionary COLA Update/IRMAA Update
- Atmospheric River

- City Budget Process
- Update on Employee-Member of the Board Election for the term ending on June 30, 2029
- Benefit Operations Update
- Strategic Planning Update
- Headquarters Update
- Human Resources Payroll System Project Update by Todd Bouey, Executive Officer

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

- Board meeting on February 27, 2024: Cost-Of-Living adjustment for July 2024, 2023 Annual Report on Organizational Diversity Survey, Semi-Annual Report of Business Plan Initiatives, and Language Translation Contract Award
- Benefits Administration Committee meeting on February 13, 2024: 2024 Health, Wellness, and Buyback Division Workplan
- Benefits Administration Committee meeting on February 27, 2024: 2024 LACERS *Well* Update, Budget, and Policy; and Board Rules update

President Chao reopened Public Comment at 10:30 a.m.

Item I taken out of order

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 invited the two additional public speakers to make their comments. Angel Mazariegos, member of the public, made public comment with respect to LACERS investment in Advent International and in support of restaurant/hotel workers. As Eddie Diaz was unable to attend, his comments with respect to LACERS investment in Advent International and in support of restaurant/hotel workers were presented by his representative.

III

RECEIVE AND FILE ITEMS

- A. ETHICAL CONTRACT COMPLIANCE REPORT NOTIFICATION TO THE BOARD – This report was received by the Board and filed.
- B. BENEFITS PAYMENTS APPROVED BY THE GENERAL MANAGER – This report was received by the Board and filed.

IV

COMMITTEE REPORT(S)

- A. BENEFITS ADMINISTRATION COMMITTEE VERBAL FOR THE MEETING ON FEBRUARY 13, 2024 – Commissioner Wilkinson stated that the Committee was presented with a report on Health, Wellness, and Buyback 2023 update and 2024 Workplan.

V

Commissioner Lee moved approval of Consent Agenda Items V-A, V-B, and V-C 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 MEETING OF JANUARY 9, 2024 AND POSSIBLE BOARD ACTION
- B. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF BRITA GORMAN AND POSSIBLE BOARD ACTION

**APPROVAL OF DISABILITY RETIREMENT BENEFIT
FOR BRITA GORMAN**

RESOLUTION 240213-A

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1, 2, and 3 examined and concluded Brita Gorman is unable to perform her usual and customary duties as an Animal Care Technician with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that Brita Gorman is incapacitated pursuant to the definition in Los Angeles Administrative Code § 4.1008(b) and not capable of performing her duties as an Animal Care Technician;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the applicant's intemperance or willful misconduct; and,

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the disability retirement benefit for Brita Gorman based upon her claimed disabling conditions.

- C. APPROVAL OF DISABILITY RETIREMENT APPLICATION OF ABEL MORENO FOR SERVICE-CONNECTED DISABILITY RETIREMENT OF 72% AND POSSIBLE BOARD ACTION

**APPROVAL OF SERVICE-CONNECTED DISABILITY RETIREMENT
BENEFIT FOR ABEL MORENO**

RESOLUTION 240213-B

WHEREAS, the General Manager presented certain medical reports and other evidence, and reported that the application filed was in regular and proper form;

WHEREAS, Physicians 1, 2, and 3 examined and concluded Abel Moreno is unable to perform his usual and customary duties as an Airport Police Officer II with the City of Los Angeles;

WHEREAS, after some discussion and consideration of the evidence received, it was the finding and determination of this Board that the clear and convincing evidence demonstrates that the discharge of Abel Moreno's duties as an Airport Police Officer II is the predominant cause of the incapacity pursuant to the definition in Los Angeles Administrative Code § 4.1008.1(b) and he is not capable of performing his duties as an Airport Police Officer II;

WHEREAS, an investigation of the employment record established the age, final compensation, and period of continuous service in accordance with the Los Angeles Administrative Code, and such disability is not the result of the Officer's intemperance or willful misconduct;

NOW, THEREFORE, BE IT RESOLVED that the Board hereby approves the Service-Connected disability retirement benefit for Abel Moreno of 72% of his Final Average Compensation based upon his claimed disabling condition.

VI

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 \$22.7 billion as of February 12, 2024. Rod June discussed the following items:
- Kroner Center for Financial Research Update
 - Russian Exposure - \$652,901 0.3 bps
 - Ukraine Exposure - \$3.6 million 2 bps
 - China Exposure - \$209 million 92 bps; Tech - \$22.1 million 10 bps
 - Israel Exposure - \$142 million 63 bps
 - Future Board Items – Private Credit Strategic Plan, Contracts with Investment Manager, and PE Notifications
- B. LACERS' RESPONSE TO CITY COUNCIL LETTER REGARDING HOTEL WORKERS DISPUTE AND POSSIBLE BOARD ACTION – Ellen Chen, Investment Officer III, presented this item to the Board. This report was received by the Board and filed.
- C. PRESENTATION BY NEPC, LLC REGARDING ASSET ALLOCATION – Carolyn Smith, Partner, and Kevin Novak, Principal, with NEPC, LLC, presented and discussed this item with the Board for 1 hour.

VII

President Chao recessed the Regular meeting at 11:47 a.m. to convene in closed session.

LEGAL/LITIGATION

- A. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(D)(4) TO CONFER WITH AND RECEIVE ADVICE FROM LEGAL COUNSEL REGARDING PENDING LITIGATION (ONE CASE) AND POSSIBLE BOARD ACTION**
- B. CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54956.9(D)(4) TO CONFER WITH AND RECEIVE ADVICE FROM LEGAL COUNSEL REGARDING PENDING LITIGATION (ONE CASE) AND POSSIBLE BOARD ACTION**

President Chao reconvened the Regular meeting at 12:07 p.m.

VIII

OTHER BUSINESS – There was no other business.

IX

NEXT MEETING: The next Regular meeting of the Board is scheduled for Tuesday, February 27, 2024, 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 in the memory of James Napier, former Deputy City Attorney with LACERS, at 12:10 p.m.

Annie Chao
President

Neil M. Guglielmo
Manager-Secretary



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

Neil M. Guglielmo

MEETING: MARCH 12, 2024

ITEM: V-A

SUBJECT: PLANETARIA MEDIA LLC CONTRACT RENEWAL FOR WEBSITE MAINTENANCE AND SUPPORT SERVICES AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board:

1. Approve a contract extension with Planetaria Media LLC (formerly Digital Deployment Inc.) for website maintenance and support services for LACERS.org, amending the contract term by one (1) year, and increasing the contact amount by \$24,000, for a total contract term of six years, and total contract amount not-to-exceed \$280,750.
2. Authorize the General Manager to negotiate and execute the final contract amendment.

Executive Summary

Amending the existing contract allows LACERS to continue providing uninterrupted web services to Members and continue paying the same Maintenance & Support Services cost for one additional year. This Amendment is the fourth amendment and extends the contract by one year, for a total of six years, and increases the contract amount by \$24,000, for a contract ceiling of \$280,750. This is the fourth extension of the original three-year agreement, with the prior amendment also being for one year and \$24,000.

Discussion

Following a competitive bid process, Planetaria Media LLC, then known as Digital Deployment, was awarded a three-year contract by the Board on March 12, 2019 to design the LACERS website. LACERS' new website infrastructure was completed in June 2019. However, maintenance and support services continue at a cost of \$2,000 per month. The renewal of the contract is necessary to receive uninterrupted website maintenance and support services, which only Planetaria Media LLC can provide.

A third contract amendment extending the term by one year and increasing the contract amount by \$24,000 was approved and executed in April 2023. This term will expire by the end of April 2024, and

continuation of services is offered at the same level and cost. Staff is generally satisfied with the work product and quality of services Planetaria Media has provided.

This would be the fourth contract amendment for website maintenance and support services for LACERS.org, amending the contract term by one year, and increasing the contract amount by \$24,000, for a total contract term of six years and total contract amount not-to-exceed \$280,750.

Under Los Angeles Administrative Code Section 10.5(b)(2), a contract extension to a firm awarded a contract through a competitive bid process may be renewed without another competitive process so long as the contract amendment does not exceed the established annual limit, currently \$187,496.

Strategic Plan Impact Statement

This request supports the LACERS Strategic Plan, Customer Service Goal, by providing ease of access to retirement information and resources.

Prepared By:

Jason Leung, Senior Systems Analyst, Systems, Administration Division

NMG/TB:jl

Attachment: Proposed Resolution – Contract Amendment with Planetaria Media LLC

CONTRACT AMENDMENT
WITH PLANETARIA MEDIA
LLC
FOR WEBSITE DESIGN AND SUPPORT SERVICES

PROPOSED RESOLUTION

WHEREAS, on March 12, 2019, the Board approved contracting with PLANETARIA MEDIA LLC (formerly DIGITAL DEPLOYMENT INC.) for website design and support services for the contract term beginning April 1, 2019 through April 30, 2022, not to exceed \$188,750;

WHEREAS, PLANETARIA MEDIA LLC completed the website redesign in July 2019, and is the exclusive provider of website maintenance and support services to the websites it designs;

WHEREAS, on May 9, 2023, the contract between LACERS and PLANETARIA MEDIA LLC was amended to increase the contract amount not-to-exceed \$256,750;

WHEREAS, it is LACERS' desire to continue providing ease of access to information and resources to its members, and as such, ongoing website maintenance and support services are required;

NOW, THEREFORE, BE IT RESOLVED, that the General Manager is hereby authorized to negotiate and execute a contract amendment subject to satisfactory business and legal terms; and to make any necessary clerical, typographical, or technical corrections to this document.

<u>Company Name:</u>	PLANETARIA MEDIA LLC (Formerly DIGITAL DEPLOYMENT INC.)
<u>Service Provided:</u>	Website Design Website Maintenance and Support
<u>Term Dates:</u>	April 1, 2019 through April 30, 2025
<u>Total Expenditure Authority:</u>	\$280,750

March 12, 2024



REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

Neil M. Guglielmo

MEETING: MARCH 12, 2024

ITEM: VI - B

SUBJECT: PRESENTATION BY NEPC, LLC REGARDING CONTINUED DISCUSSION OF ASSET ALLOCATION AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board consider a comprehensive presentation of information related to various asset allocation mixes as presented by NEPC, LLC, engage in appropriate discussion and deliberation, and approve an Asset Allocation Policy mix.

Discussion

On February 13, 2024, the Board heard a presentation from Carolyn Smith and Kevin Novak of NEPC, LLC (NEPC), LACERS' General Consultant, regarding information contained in the Asset Allocation presentation, which was developed by NEPC with input from staff. This presentation provided an overview of the asset liability framework, key market themes, and current macroeconomic backdrop.

As part of the continued discussion regarding asset allocation that will lead to the selection of a specific asset allocation policy mix, NEPC plans to address the following topics at this meeting:

- Current capital market assumptions
- Asset class characteristics and behaviors as part of the asset allocation discussion
- Comparison of specific asset allocation mixes in light of plan liabilities

Following this presentation, NEPC plans to run projections using deterministic and stochastic models, and discuss the output with the Board at a future meeting to provide further information in the decision making process to determine an appropriate Asset Allocation Policy mix.

Strategic Plan Impact Statement

The Asset Allocation Policy provides a process-oriented framework in building a diversified 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: Wilkin Ly, CAIA, Investment Officer III, Investment Division

NMG/RJ/WL/EC:rm

Attachments: 1. Asset Allocation Presentation – NEPC, LLC
 2. Report to Board Dated February 13, 2024

ASSET ALLOCATION

LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM

MARCH 12, 2024



AGENDA

- Capital Market Assumptions 4
 - Public Equity 8
 - Fixed Income 15
 - Real Assets 22
 - Alternative Assets 28

- Proposed Asset Mixes 33
- Next Steps 36

CAPITAL MARKET ASSUMPTIONS



ASSET CLASS BUILDING BLOCKS

METHODOLOGY

- **Asset models reflect current and forecasted market data to inform expected returns**
- **Systematic inputs are paired with a long-term trend to terminal values**
- **Model inputs are aggregated to capture key return drivers for each asset class**
- **Building block inputs will differ across asset class categories**



ASSET CLASS RETURN ASSUMPTIONS

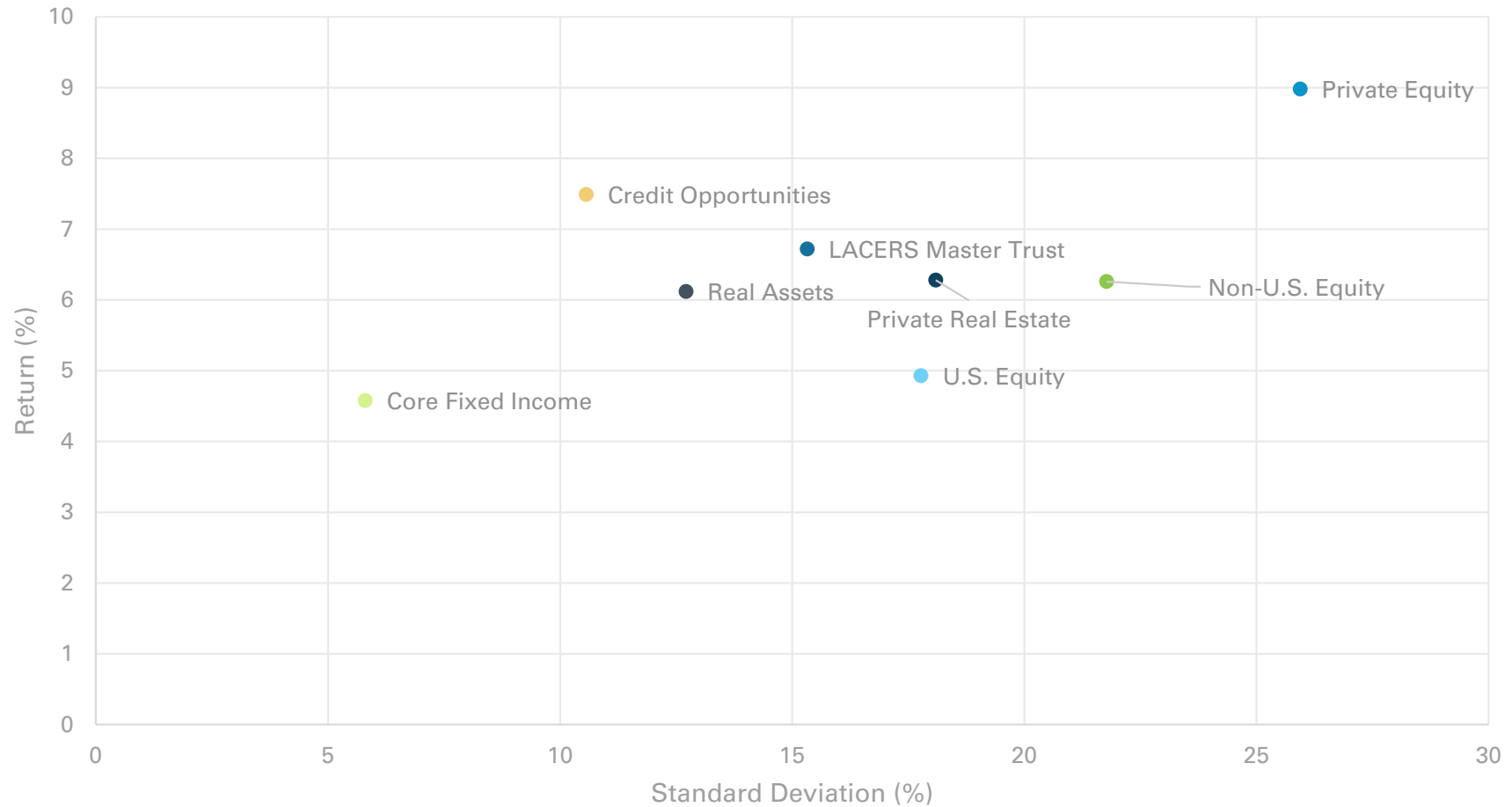
	Asset Class	12/31/23 10-Year Return	12/31/20 10-Year Return	Delta
	Cash	3.9%	0.8%	+3.1%
	U.S. Inflation	2.6%	2.0%	+0.6%
Equity	U.S. Large-Cap Equity	4.4%	5.4%	-1.0%
	U.S. Small-Mid Cap Equity	6.0%	5.7%	+0.3%
	Non-U.S. Developed Equity	4.6%	5.9%	-1.3%
	Non-U.S. Developed Small Cap	6.4%	6.1%	+0.3%
	Emerging Market Equity	8.6%	7.5%	+1.1%
	Emerging Market Small Cap	7.9%	8.1%	-0.2%
	Global Equity*	5.4%	6.2%	-0.8%
	Private Equity*	9.0%	9.3%	-0.3%
	Fixed Income	U.S. Aggregate Bond*	4.6%	1.4%
U.S. High Yield Corporate Bond		6.1%	2.9%	+3.2%
Levered Loans		7.2%	3.9%	+3.3%
Emerging Market External Debt		7.1%	3.0%	+4.1%
Emerging Market Local Currency		6.1%	5.0%	+1.1%
Private Debt*		8.3%	6.1%	+2.2%
Real Assets	U.S. TIPS	4.6%	1.0%	+3.6%
	U.S. REIT	6.0%	5.5%	+0.5%
	Real Estate - Core	5.4%	4.4%	+1.0%
	Real Estate – Non-Core	7.1%	5.5%	+1.6%
	Private Real Assets - Infrastructure	6.8%	5.4%	+1.4%

*Calculated as a blend of other asset classes. Global Equity represents the MSCI ACWI IMI index or 99% of stocks available for investment around the globe. U.S. Aggregate Bond represents the Bloomberg Aggregate Bond index which is a proxy for the US investment grade bond market. Private Equity and Private Debt assumptions are outlined in the Appendix.



CAPITAL MARKET ASSUMPTIONS

10 YEARS AS OF DECEMBER 31, 2023



PUBLIC EQUITY



PUBLIC EQUITY ASSUMPTIONS

OVERVIEW

- **Valuation expansion weighed on forward-looking return expectations**
 - U.S. mega-cap outperformance has driven U.S. large-cap index valuations above NEPC's terminal value, detracting from expected returns
- **Long-term valuation inputs are tied to NEPC's path for interest rates and inflation, reflecting valuation sensitivity to the macro environment**
- **Non-U.S. Developed Market assumptions reflect negative real earnings growth as current profit margins remain near cyclical highs**
- **Emerging market assumptions incorporate weaker market expectations for economic growth and earnings, reflecting uncertainty around China**
- **NEPC encourages a strategic bias to small-cap with the use of active management relative to small-cap exposure in the MSCI ACWI IMI**

PUBLIC EQUITY ASSUMPTIONS

BUILDING BLOCKS

Illiquidity Premium	The return expected for assets with illiquidity risk
Valuation	Represents P/E multiple contraction or expansion relative to long-term trend
Inflation	Market-specific inflation based on country-level revenue exposure
Real Earnings Growth	Market-specific real growth based on a weighted-average of country revenue exposure and GDP growth
Dividend Yield	Income distributed to shareholders adjusted to reflect market trends

Asset Class	12/31/23 10-Yr Return	12-Month Change
U.S. Large-Cap Equity	4.4%	-1.0%
U.S. Small/Mid-Cap Equity	6.0%	-0.5%
Non-U.S. Developed Equity	4.6%	-1.0%
Non-U.S. Developed Small-Cap Equity	6.4%	-0.3%
Emerging Market Equity	8.6%	-1.0%
Emerging Market Small-Cap Equity	7.9%	-1.4%
China Equity	9.9%	+1.2%
Hedge Fund - Equity	5.5%	-0.5%
Global Equity*	5.4%	-0.9%
Private Equity*	9.0%	-0.2%

Source: NEPC

*Calculated as a blend of other asset classes

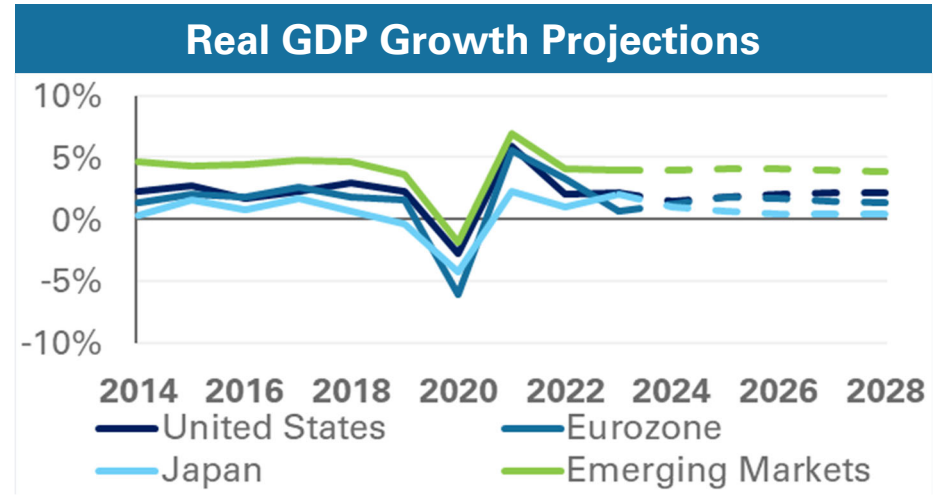


PUBLIC EQUITY

REAL EARNINGS GROWTH

- **Equities with a greater share of revenue from emerging markets are forecasted to benefit from higher sales growth**
 - Non-U.S. stocks benefit from a greater portion of revenue from EM than U.S. stocks

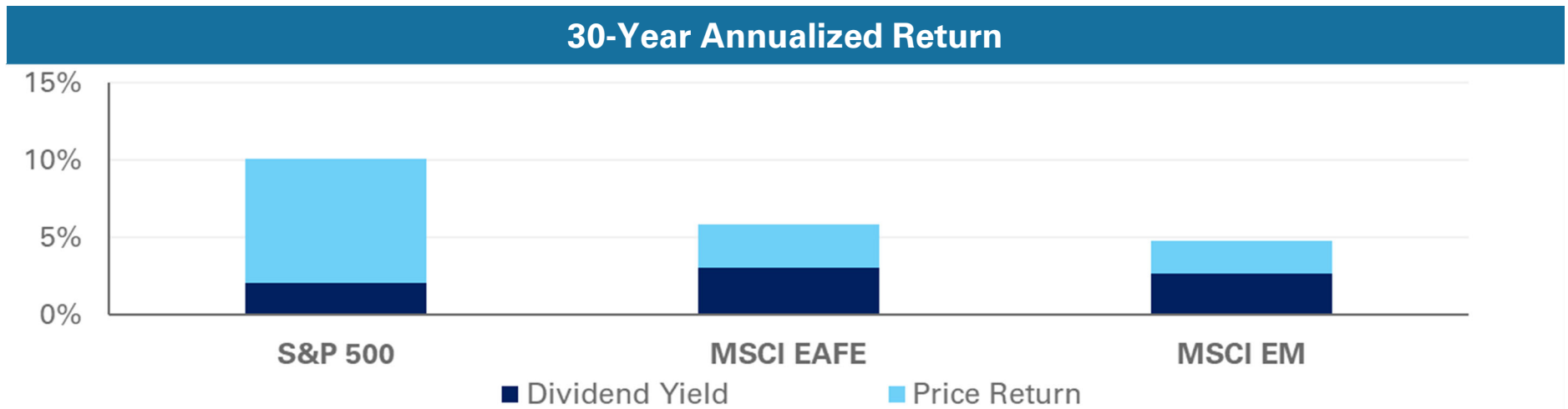
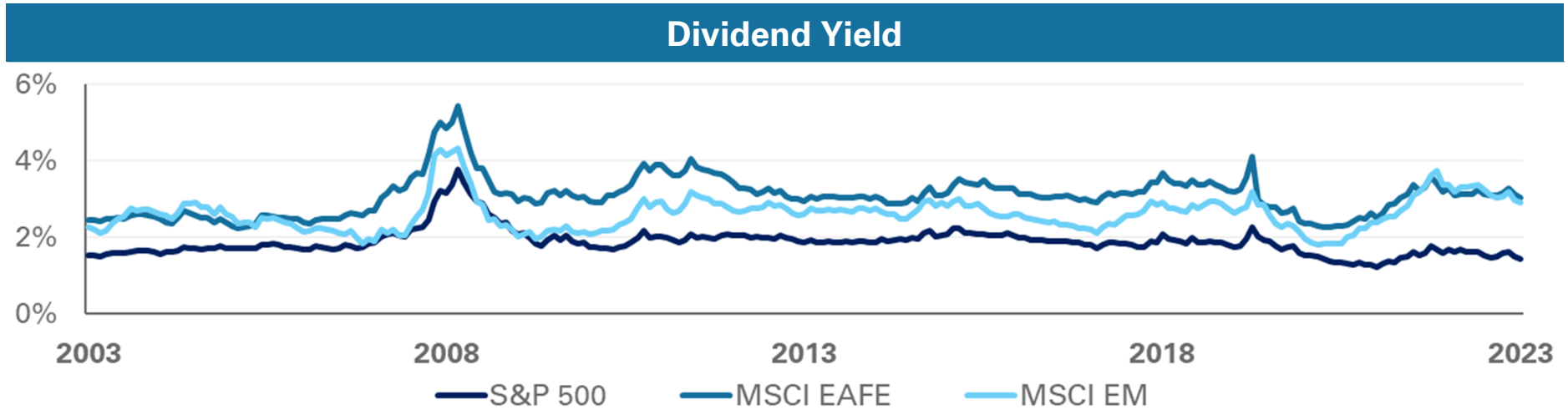
- **We expect elevated real earnings growth for small-caps over the long-term relative to large-cap**
 - Over the long-term we expect a forward-looking risk premium for small-cap and mid-cap equities relative to large-cap stocks



Sources: IMF, MSCI, FactSet, NEPC

PUBLIC EQUITY DIVIDEND YIELD

NON-U.S. EQUITY OFFERS HIGHER DIVIDEND YIELDS



Sources: S&P, MSCI, FactSet

PUBLIC EQUITY

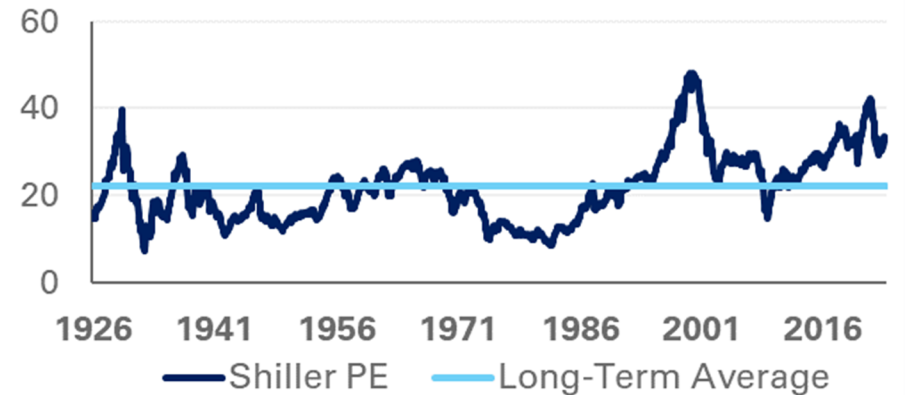
VALUATION

- **Valuations remain elevated relative to long-term averages**
 - U.S. large-cap valuations represent the largest drag on returns across the equity complex

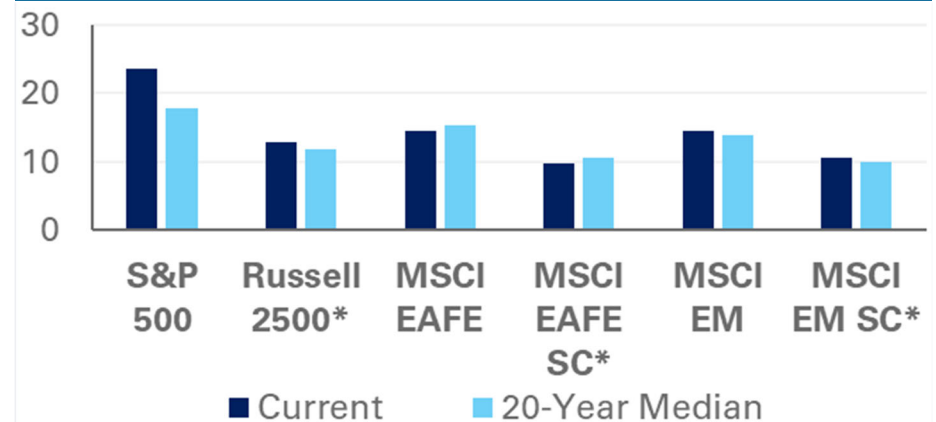
- **EAFE valuation inputs are lower relative to the U.S. and reflect the economic growth profile**

- **Emerging markets offer an elevated total return opportunity relative to developed markets**

S&P 500 Shiller PE Ratio



Trailing PE Relative Median



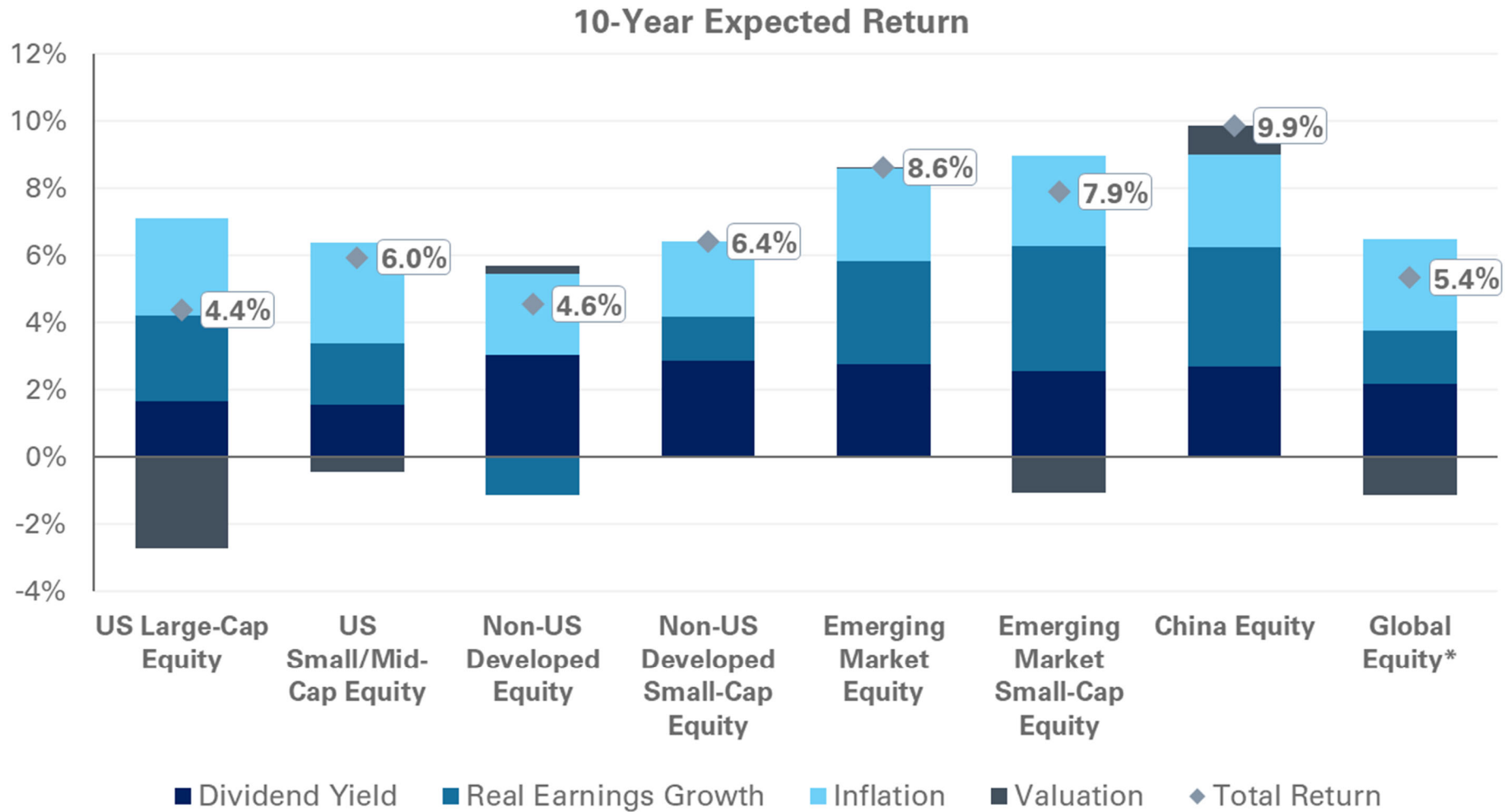
Sources: S&P, Shiller, Russell, MSCI, FactSet, NEPC; Shiller PE long-term average beginning in 1926

Note: *Small cap indices valuations based on EV/EBITDA multiples



PUBLIC EQUITY

BUILDING BLOCKS



Source: NEPC

*Calculated as a blend of other classes



FIXED INCOME



FIXED INCOME ASSUMPTIONS

OVERVIEW

- **Despite elevated interest rate volatility, Treasury assumptions are unchanged year-over-year as yields round-tripped during 2023**
- **Credit spreads tightened to below median levels across investment grade and high yield bonds, leading to lower return expectations**
- **We encourage a dedicated safe-haven fixed income allocation to serve as a critical liquidity source for the portfolio**
 - Sizing of the safe-haven exposure is a strategic exercise and reflects investor return objectives, risk-tolerance, and private market pacing plan needs
- **High-quality fixed income is an asset class group designed to support lower volatility portfolios and larger strategic targets to fixed income**
 - We recommend introducing strategic targets to U.S. TIPS given attractive real yield levels and breakeven inflation rates
- **We encourage the use of return-seeking credit investments, specifically high yield bonds, in a strategic asset allocation policy**



FIXED INCOME ASSUMPTIONS

BUILDING BLOCKS

Illiquidity Premium	The return expected for assets with illiquidity risk
Government Rates Price Change	Change due to shifts in current yields relative to forecasted rates
Credit Deterioration	The average loss for credit assets due to defaults and recovery rates
Spread Price Change	Valuation change due to changes in credit spreads relative to long-term targets
Credit Spread	Yield premium provided by securities with credit risk
Government Rates	The yield attributed to sovereign bonds that do not have credit risk

Asset Class	12/31/23 10-Yr Return	12-Month Change
U.S. TIPS	4.6%	+0.2%
U.S. Treasury Bond	4.2%	-
U.S. Corporate Bond	5.3%	-0.6%
U.S. MBS	4.4%	-0.1%
U.S. High Yield Corporate	6.1%	-1.0%
U.S. Leveraged Loan	7.2%	-0.6%
EMD External Debt	7.1%	-
EMD Local Currency Debt	6.1%	-1.1%
Non-U.S. Govt. Bond	2.4%	-0.2%
U.S. Muni Bond (1-10 Year)	2.9%	-0.3%
U.S. High Yield Muni Bond	4.5%	-1.2%
Hedge Fund – Credit	6.6%	-0.5%
U.S. Aggregate Bond*	4.6%	-0.2%
Private Debt*	8.3%	-0.5%

Source: NEPC

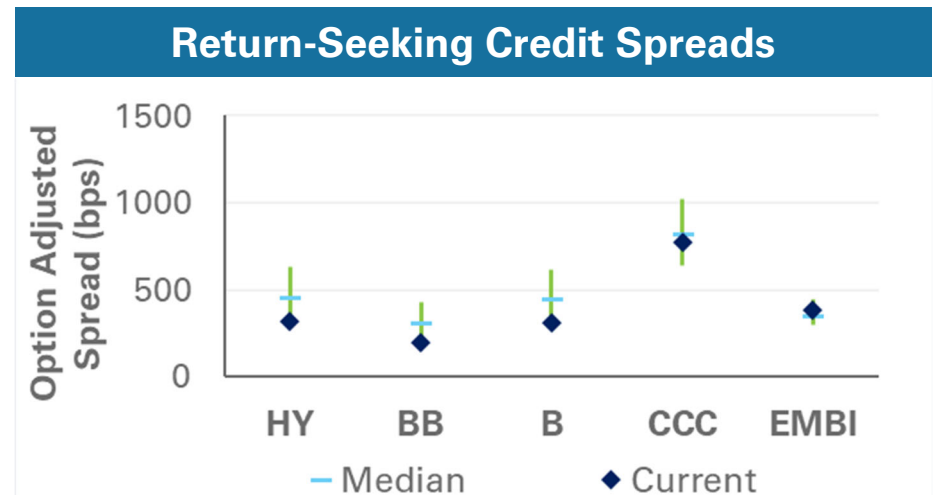
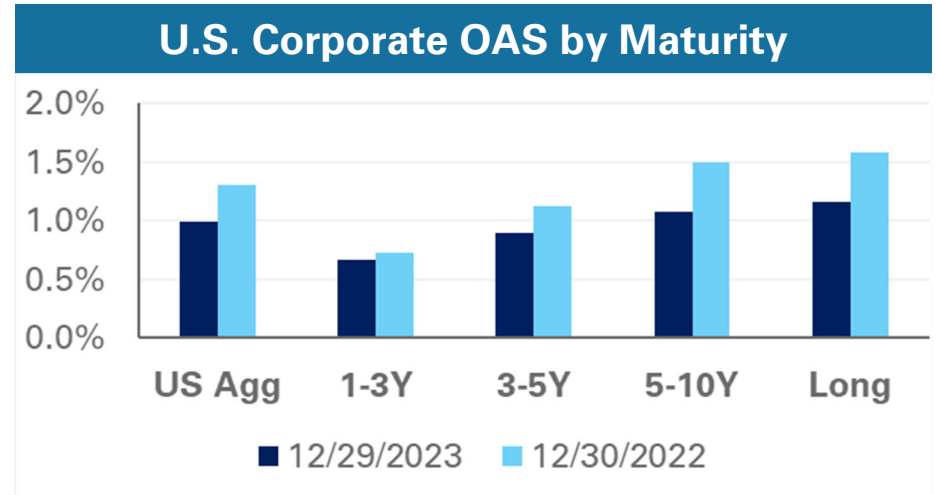
*Calculated as a blend of other asset classes



FIXED INCOME

CREDIT SPREADS

- Credit spreads have tightened and are broadly below median levels
- Lower spread levels weigh on future return expectations given less overall carry return
- Credit spread assumptions reflect a path towards long term median levels
- Default and recovery rate assumptions are informed by long-term history



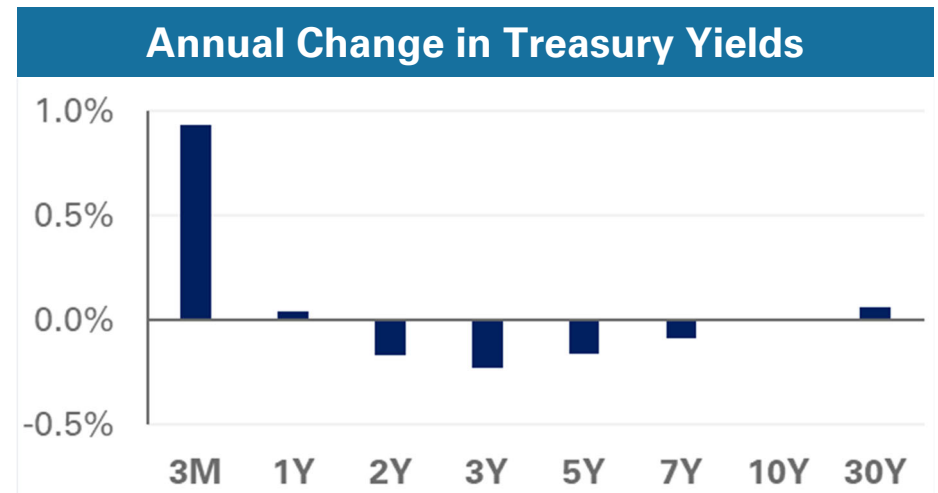
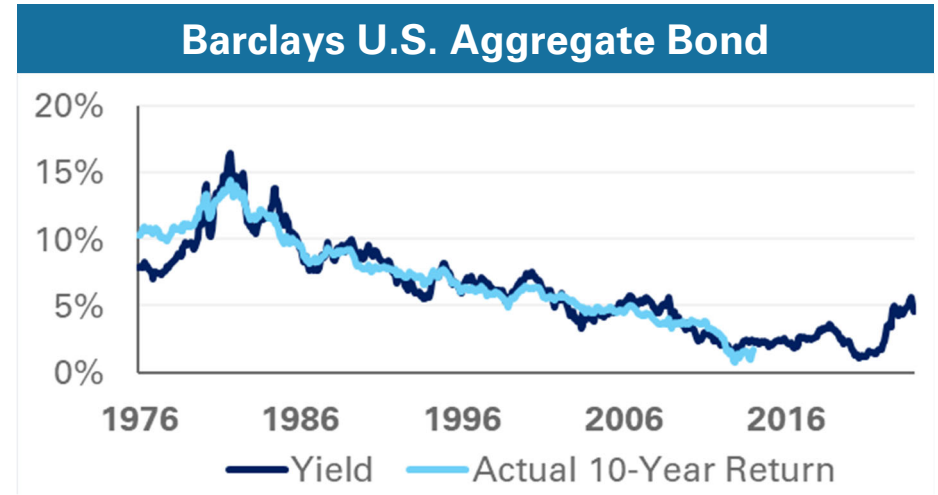
Sources: Barclays, JPM, FactSet, NEPC; Spread medians as of 12/31/2000 and range represents 25th to 75th percentile



FIXED INCOME

GOVERNMENT RATES

- **Government rates price change reflects shifts in interest rates, the yield curve, and roll down**
 - Roll down refers to the price change due to the aging of a bond along the yield curve
- **Intermediate Treasury yields are near terminal values, even as long yields remain suppressed**
- **A normalization of yield curve steepness is a headwind to long duration fixed income**

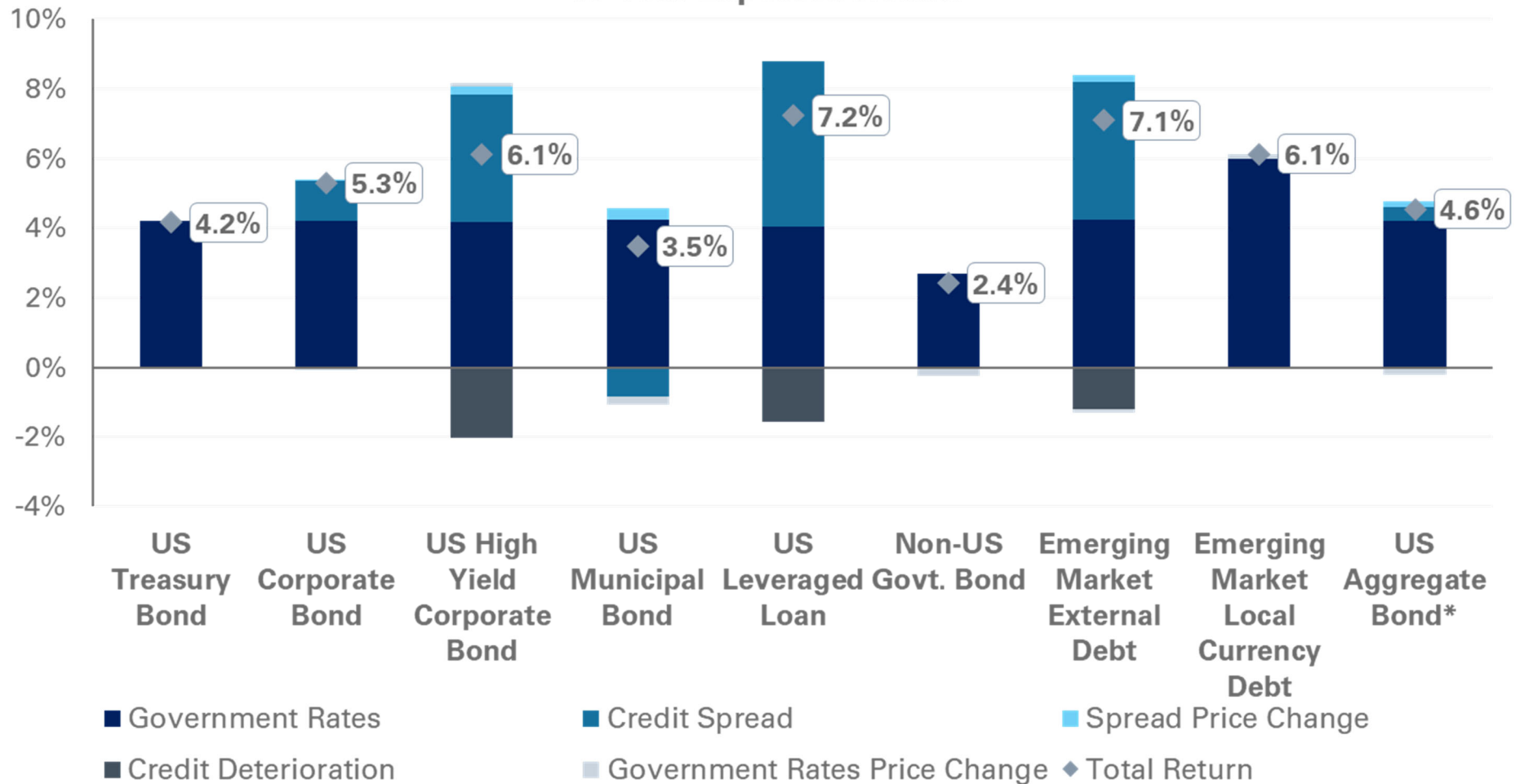


Sources: Barclays, FactSet, NEPC

FIXED INCOME

BUILDING BLOCKS

10-Year Expected Return



Source: NEPC

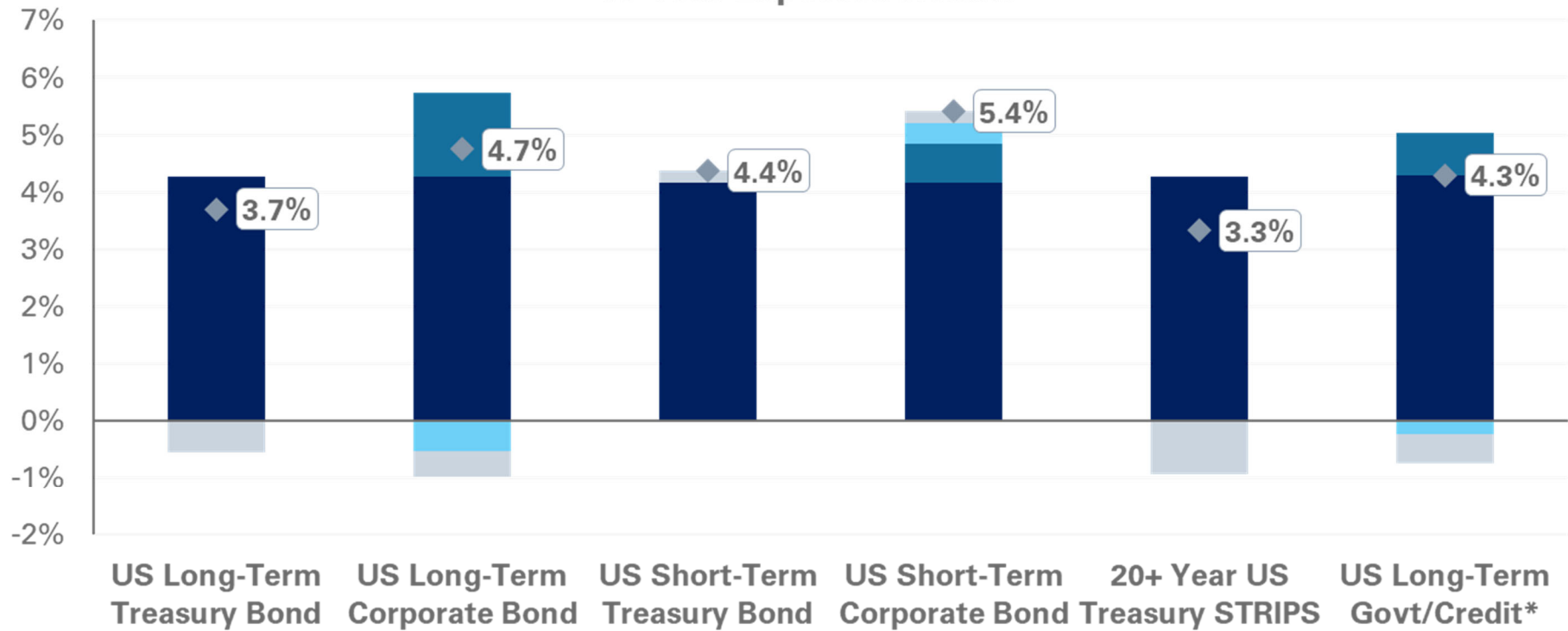
*Calculated as a blend of other classes



FIXED INCOME

BUILDING BLOCKS

10-Year Expected Return



- Government Rates
- Credit Deterioration
- Credit Spread
- Government Rates Price Change
- Spread Price Change
- ◆ Total Return

Source: NEPC
 *Calculated as a blend of other classes



REAL ASSETS



REAL ASSET ASSUMPTIONS

OVERVIEW

- **Real asset exposure can enhance risk-adjusted returns as markets undergo a secular shift toward higher interest rates and inflation levels**
 - Lagged real estate valuation data reflects a slow adjustment to these dynamics
- **Real assets provide exposure to inflation-sensitive asset classes and offer diversification benefits to the portfolio**
 - A diversifying blend of real assets provides an elevated beta to inflation relative to public equity and nominal bond exposure
- **We encourage investors to evaluate strategic real asset exposure relative to their long-term investment objectives and spending needs**
 - We believe building portfolio inflation sensitivity is a strategic exercise and public real assets serve as a complement to private market investments
- **NEPC recommends a strategic weighting in a managed account structure to include real assets such as commodity futures, natural resource equity, public infrastructure equity, REITs, and gold**

REAL ASSET ASSUMPTIONS

BUILDING BLOCKS

Illiquidity Premium	The return expected for assets with illiquidity risk
Valuation	The change in price of the asset moving to a terminal value or real average level
Inflation	Based on the inflation path as defined by breakeven-inflation rates and NEPC assumptions
Growth	Market-specific real growth based on a weighted-average of country-level revenue exposure and GDP growth
Real Income	The inflation-adjusted income produced by the asset

Asset Class	12/31/23 10-Yr Return	12-Month Change
Commodity Futures	4.6%	+0.4%
Midstream Energy	5.5%	-0.5%
REIT	6.0%	-0.2%
Global Infrastructure Equity	6.6%	+1.0%
Global Natural Resources Equity	6.2%	+0.7%
Gold	4.9%	-0.2%
Real Estate - Core	5.4%	+1.4%
Real Estate – Non-Core	7.1%	+1.8%
Private Debt - Real Estate	6.3%	+0.5%
Private Real Assets - Natural Resources	8.2%	+0.1%
Private Real Assets - Infrastructure	6.8%	+0.2%

Source: NEPC

*Calculated as a blend of other asset classes



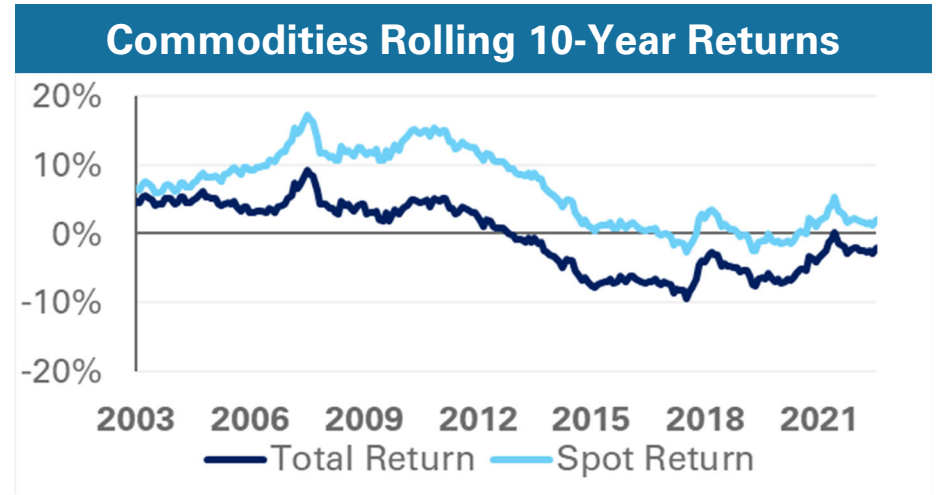
REAL ASSET

REAL INCOME

- **Equity: Real income is inflation-adjusted dividend yield**
 - Includes public infrastructure, REITS, midstream energy, and natural resource equity

- **Real Estate: Real income is net operating income (NOI)**
 - NOI growth tracks the business cycle and economic regimes

- **Commodity Futures: Real income reflects collateral return and the futures roll yield**
 - Collateral is based on a cash proxy over the time horizon and has increased in-line with cash rates



Real Assets Yields		
	12/31/23	12/31/22
Midstream Energy	5.6%	5.9%
Real Estate - Core	2.6%	2.6%
U.S. REITs	4.2%	4.4%
Global Infrastructure Equities	3.6%	3.2%
Natural Resource Equities	3.7%	3.8%
U.S. 10-Year Breakeven Inflation	2.2%	2.3%
Commodity Index Roll Yield	-0.9%	5.7%

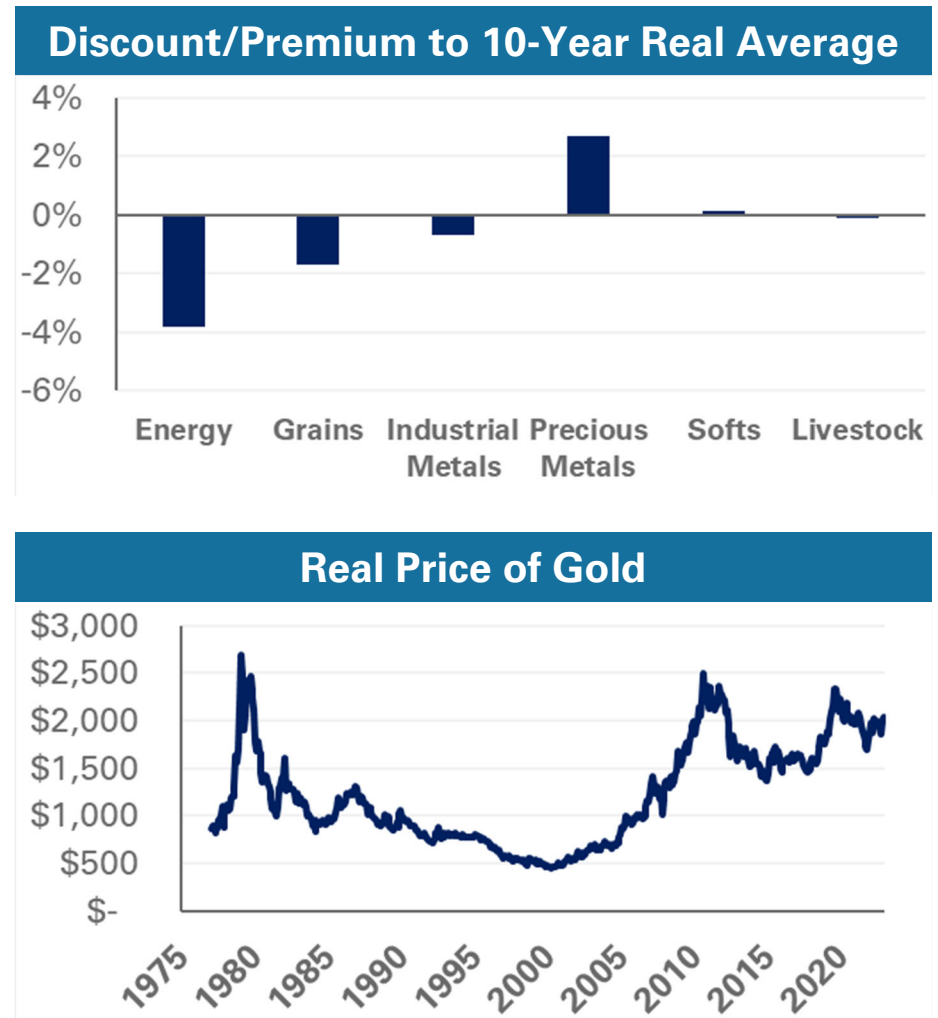
Sources: Bloomberg, NCREIF, Alerian, NAREIT, S&P, FactSet, NEPC

*Commodity Index Roll Yield represents a proprietary calculation methodology



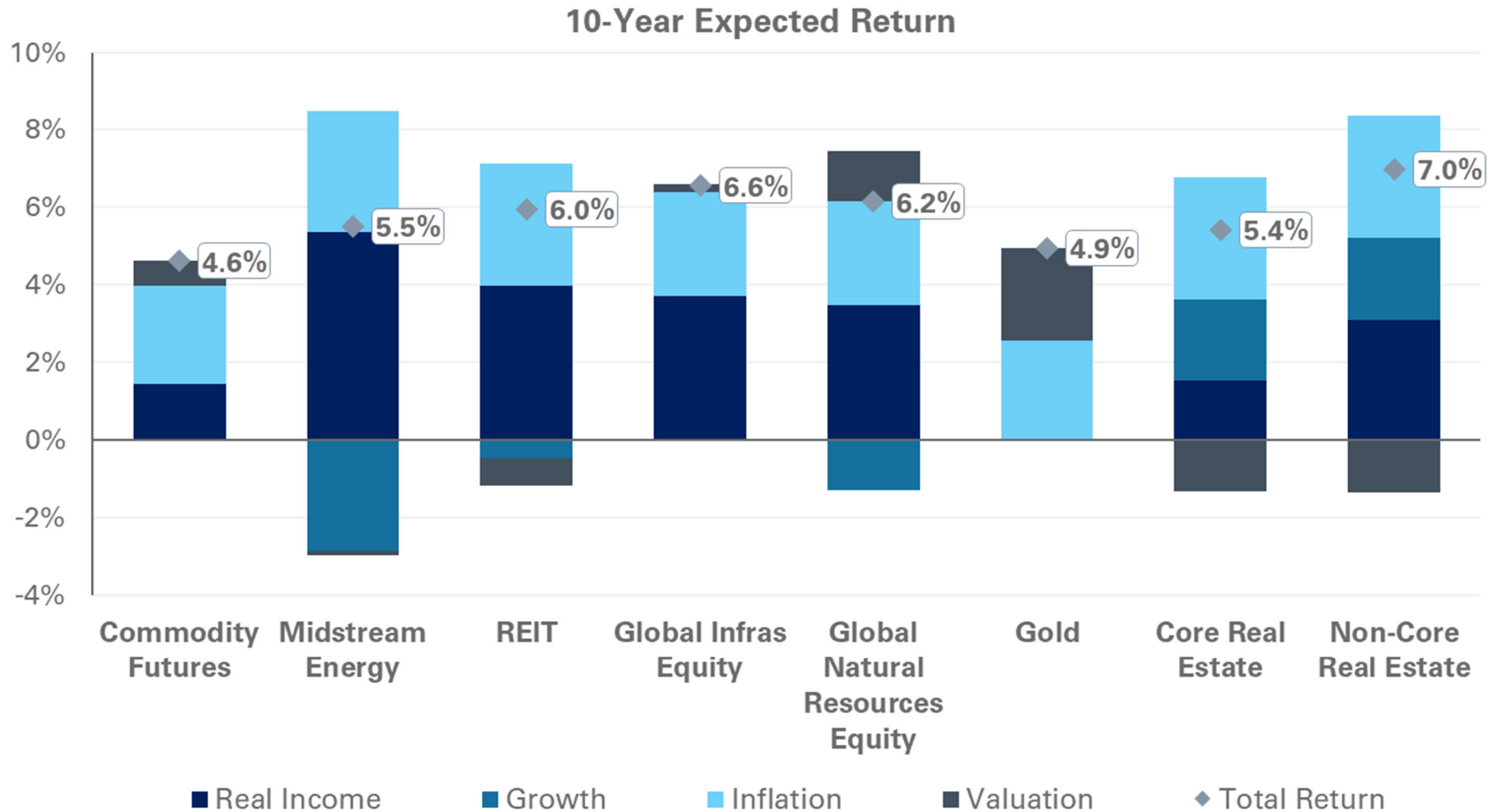
REAL ASSET VALUATION

- **Commodity valuation inputs reflect the long-term average of spot prices**
 - Many areas of the commodity index are trading at a premium to long-term real averages
- **Valuation assumptions for other real assets are based on asset-specific valuation inputs**
 - Capitalization rates are used for core real estate, price-to-earnings for global infrastructure and global natural resources equity
 - Gold’s valuation incorporates the asset’s historical risk premia and the impact of the macroeconomic market regime



Sources: FactSet, NEPC

REAL ASSET BUILDING BLOCKS



Source: NEPC

ALTERNATIVE ASSETS



ALTERNATIVE ASSETS

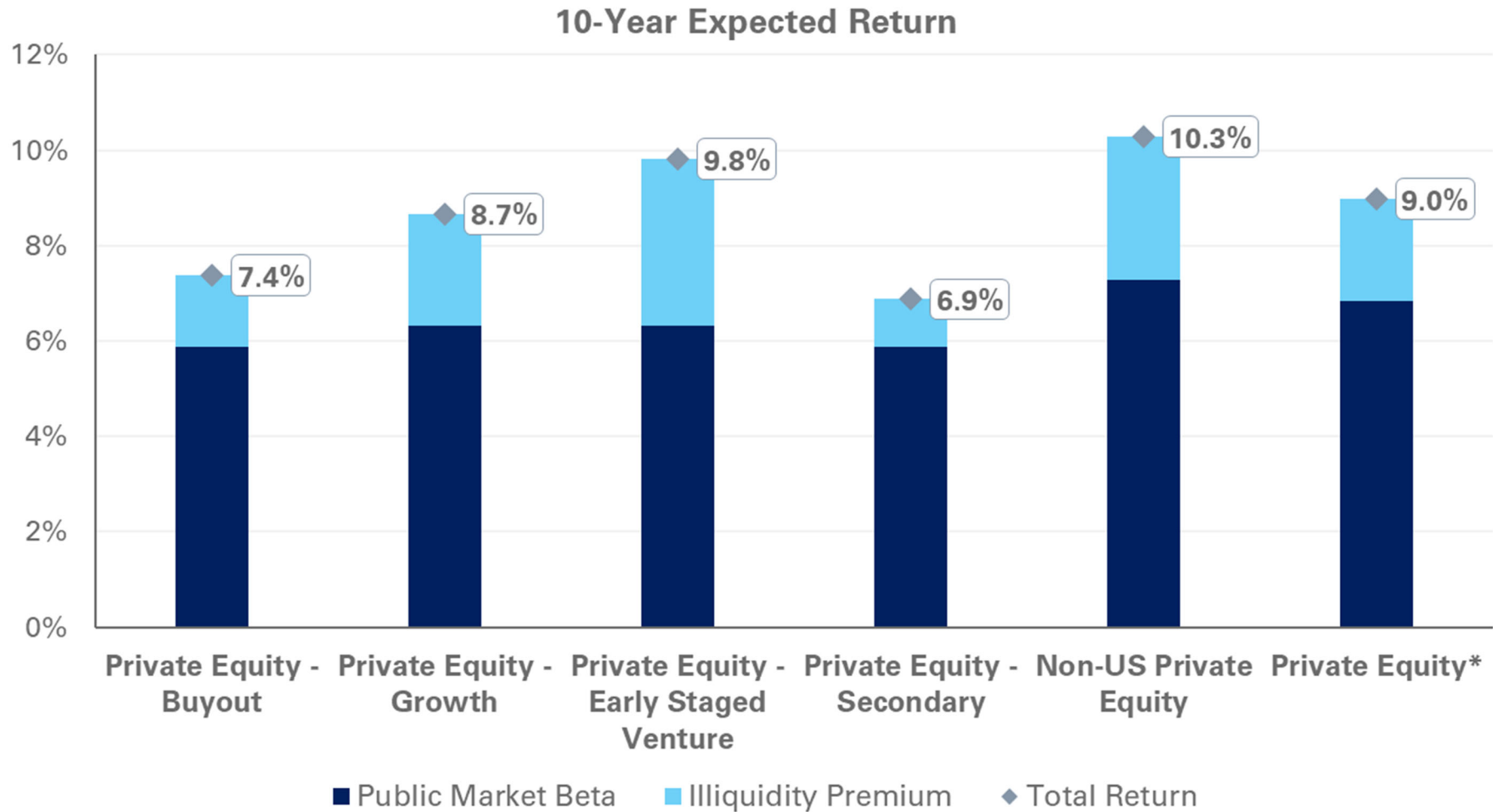
METHODOLOGY



- **Private market assumptions are constructed from public market betas with an added illiquidity premia**
 - Historically, the observed illiquidity premium has been a significant component driving private market returns
- **Hedge fund assumptions are constructed from betas to public markets with an added alpha assumption**

PRIVATE EQUITY

BUILDING BLOCKS



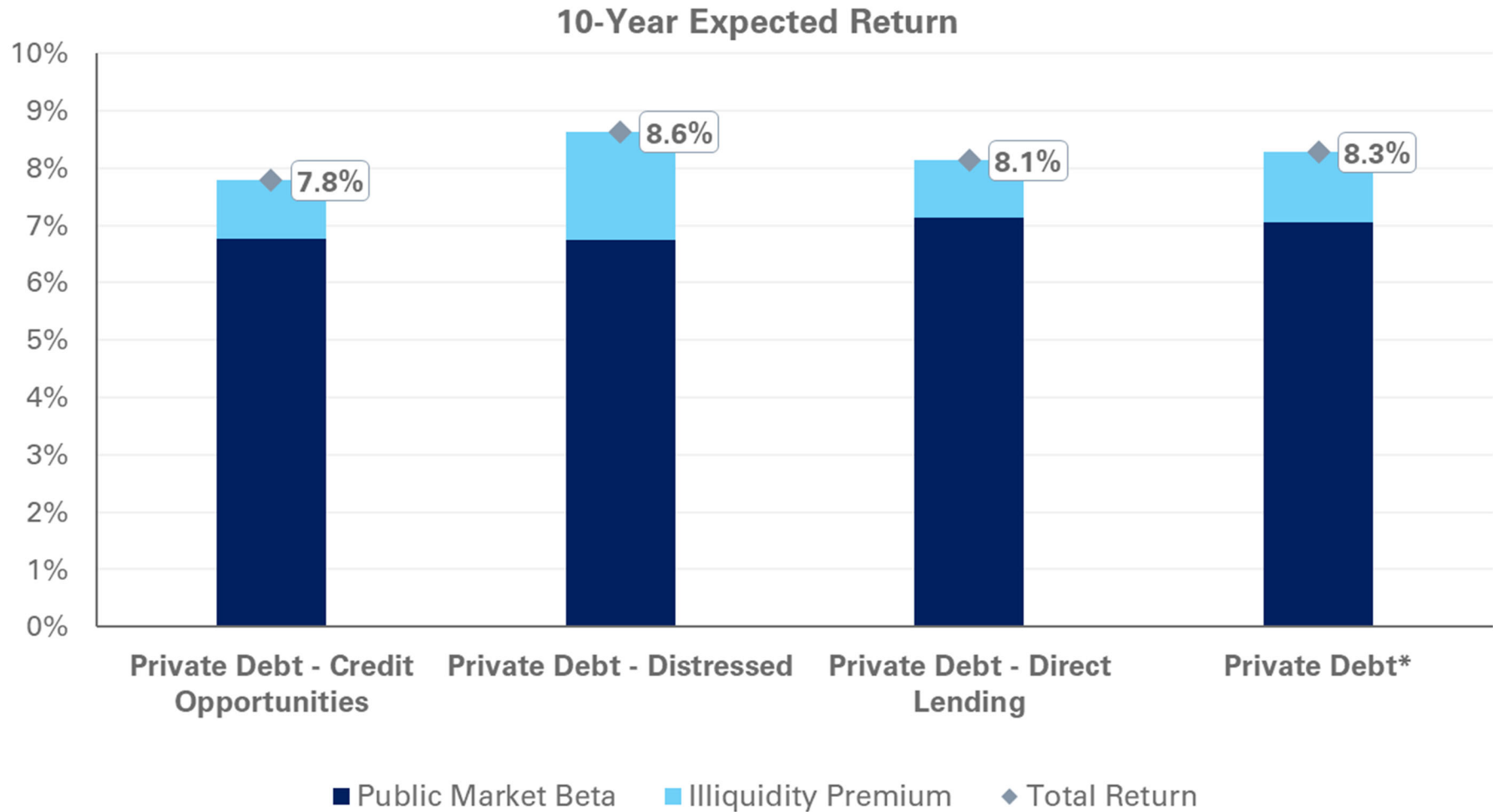
Source: NEPC

*Private Equity is a derived composite of 34% U.S. Buyout, 34% U.S. Growth, 8.5% U.S. Secondary, 8.5% U.S. Venture, 15% Non-U.S. PE



PRIVATE DEBT

BUILDING BLOCKS

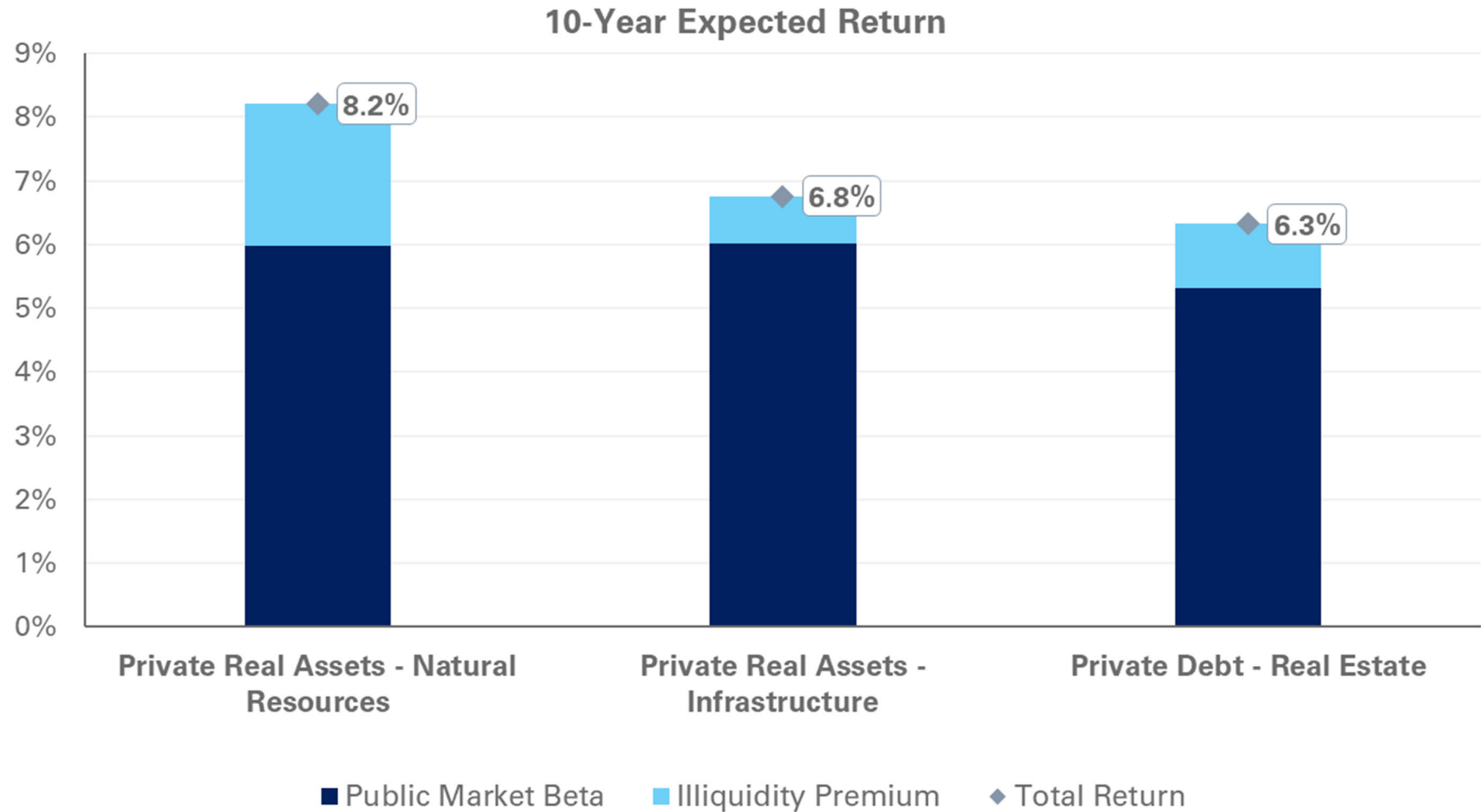


Source: NEPC

*Private Debt is a derived composite of 25% Mezzanine, 25% Distressed, 50% Direct Lending



PRIVATE REAL ASSET BUILDING BLOCKS



Source: NEPC

LACERS PROPOSED ASSET MIXES



INITIAL THOUGHTS FOR LACERS

- **Reconfigure the equity allocation to be more in line with the global opportunity set**
 - Reduce non-US exposure

- **Increase Real Assets Exposure**
 - Include Public Infrastructure and a basket of Public Real Assets
 - Consideration given to the ease and cost of gaining exposure

- **Modest restructure of public Fixed Income**
 - Increase High Yield exposure, reduce Emerging Market Debt
 - Add a new Long-Term Treasury portfolio for Asset Mix D
 - Allocation provides additional liquidity and offers modest crisis protection to counterbalance increased private markets exposure

ALTERNATIVE ALLOCATIONS

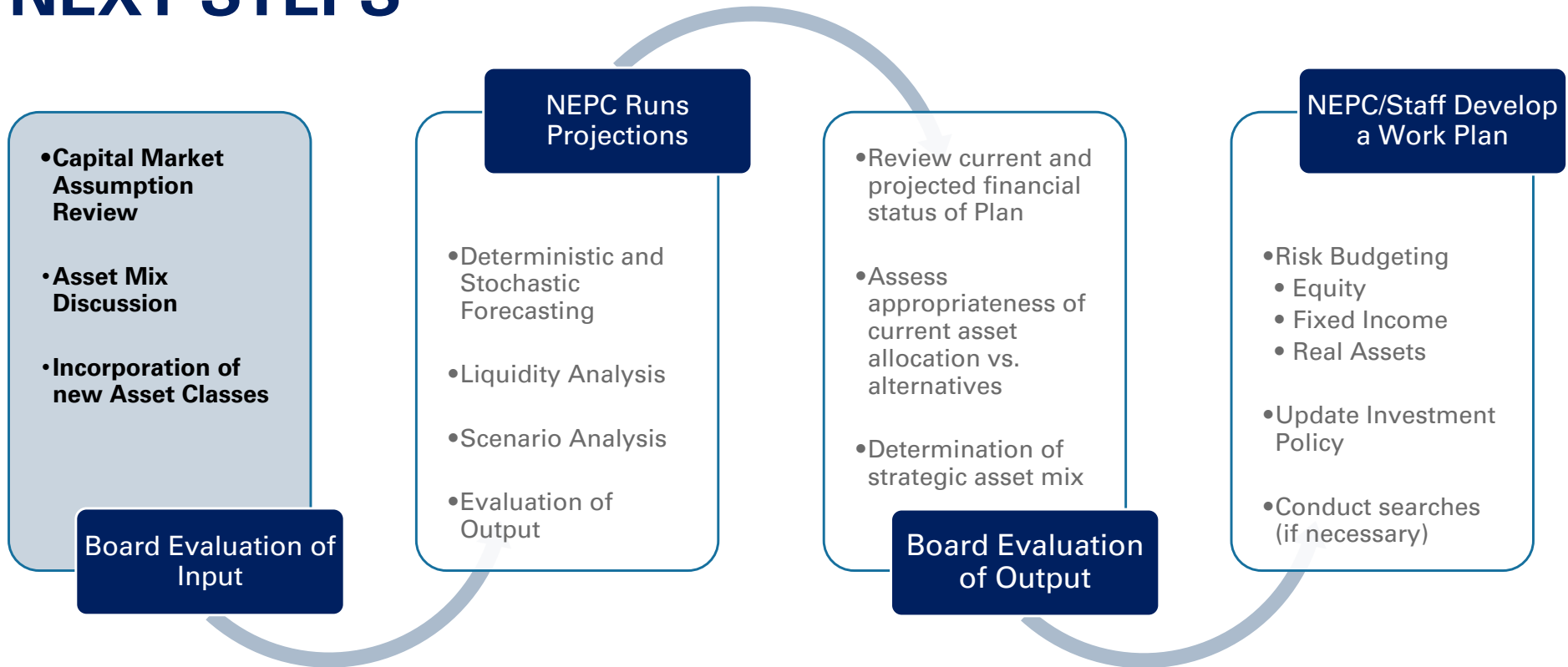
	Current Policy	Mix A	Mix B	Mix C	Mix D
Cash	1%	1%	1%	1%	1%
Total Cash	1%	1%	1%	1%	1%
US Large-Cap Equity	15.00%	15.00%	15.00%	16.00%	15.00%
US Small/Mid-Cap Equity	6.00%	5.00%	5.00%	5.00%	5.00%
Non-US Developed Equity	15.00%	9.00%	8.00%	7.00%	7.00%
Non-US Developed Small-Cap Equity	3.00%	3.00%	3.00%	2.00%	2.00%
Emerging Market Equity	6.67%	5.67%	5.67%	4.67%	4.67%
Emerging Market Small-Cap Equity	1.33%	1.33%	1.33%	1.33%	1.33%
Global Equity	0.00%	4.00%	4.00%	0.00%	0.00%
Private Equity	16.00%	16.00%	16.00%	16.00%	16.00%
Total Equity	63.00%	59.00%	58.00%	52.00%	51.00%
US Aggregate Bond	11.25%	10.25%	9.25%	9.25%	8.00%
US High Yield Corporate Bond	1.50%	1.50%	2.00%	2.00%	2.00%
US Leveraged Loan	1.50%	1.50%	2.00%	2.00%	2.00%
Emerging Market External Debt	2.00%	2.00%	1.00%	1.50%	1.00%
Emerging Market Local Currency Debt	2.00%	2.00%	1.00%	1.50%	1.00%
Private Debt	5.75%	5.75%	5.75%	5.75%	8.00%
US Long-Term Treasury Bond (10-30 Year)	0.00%	0.00%	0.00%	0.00%	3.00%
Total Fixed Income	24.00%	23.00%	21.00%	22.00%	25.00%
US TIPS	3.60%	3.60%	3.60%	5.00%	3.60%
Public Real Assets (Multi-Asset)	0.00%	0.00%	3.00%	5.00%	5.00%
REIT	1.40%	1.40%	1.40%	2.00%	1.40%
Public Real Assets - Infrastructure	0.00%	5.00%	5.00%	5.00%	0.00%
Real Estate - Core	4.20%	4.20%	4.20%	4.80%	4.80%
Real Estate - Non-Core	2.80%	2.80%	2.80%	3.20%	3.20%
Private Real Assets - Infrastructure	0.00%	0.00%	0.00%	0.00%	5.00%
Total Real Assets	12.00%	17.00%	20.00%	25.00%	23.00%
Expected Return 10 yrs	6.72%	6.81%	6.84%	6.84%	6.88%
Expected Return 30 yrs	7.86%	7.91%	7.94%	7.87%	7.91%
Standard Dev	15.32%	15.11%	15.07%	14.43%	13.99%
Sharpe Ratio (10 years)	0.18	0.19	0.19	0.20	0.21
Sharpe Ratio (30 years)	0.29	0.30	0.30	0.31	0.32

- Mix A – Reweight public equity to be more in line with the global opportunity set and add infrastructure
- Mix B – Reweight public equity, increase high yield, reduce emerging market debt, add infrastructure and public real assets
- Mix C – Reweight public equity, shift to high yield from emerging market debt, significant increase to real assets
- Mix D – Reweight public equity, add long duration treasury exposure for liquidity as private markets allocation is increased to 37% of total fund

NEXT STEPS



NEXT STEPS



Additional Input

- Asset class education
 - Infrastructure
 - Global Equities
 - Cryptocurrency
- Cash management options
- Consideration of aging workforce
- Emphasis on scenario analysis

APPENDIX



LACERS TARGET VS. OTHER PUBLIC PENSIONS

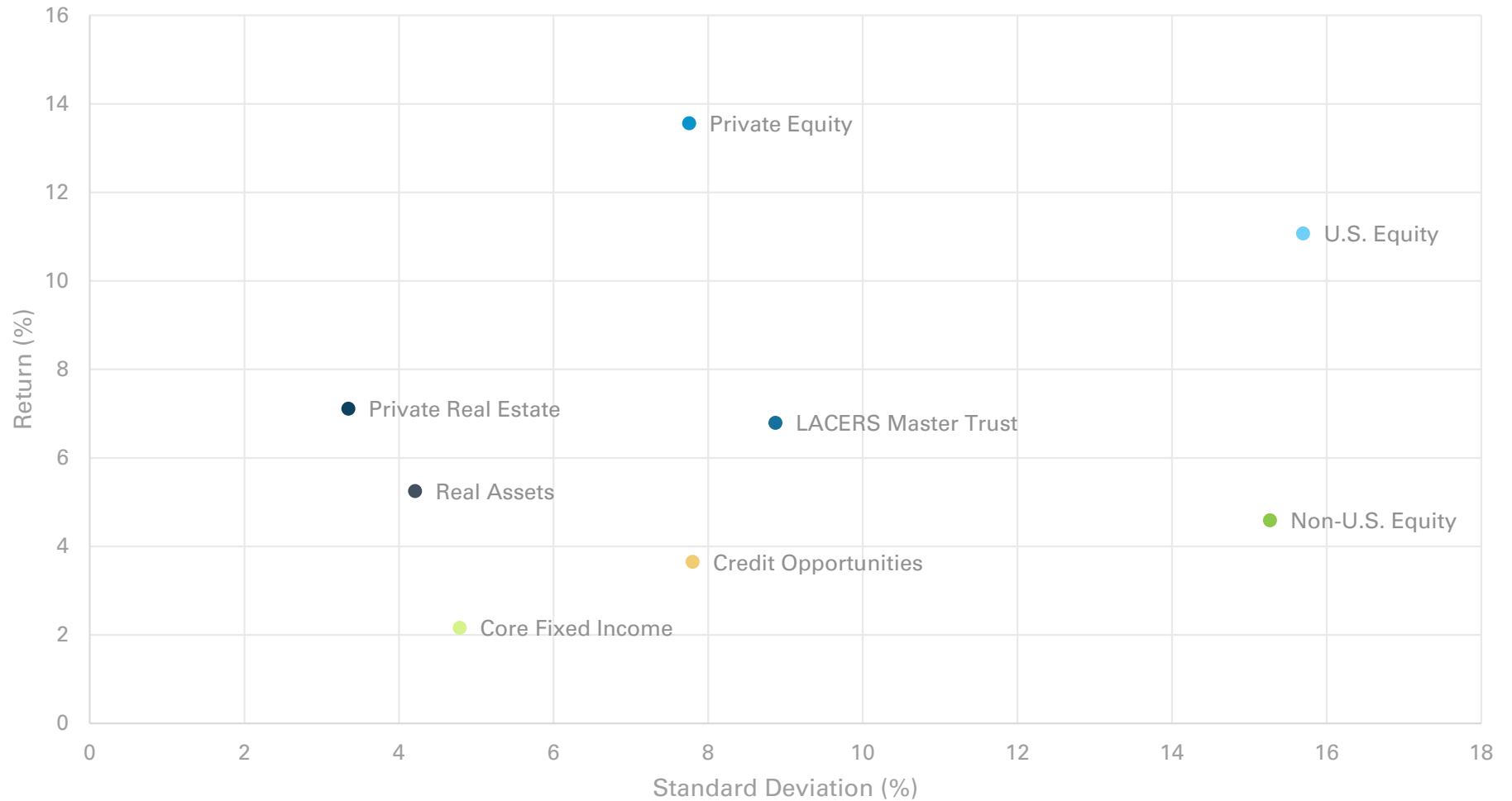
Percentile	Equity	Fixed Income	Real Estate	Private Equity	Hedge Funds	Real Assets	Cash
5th	66.0%	35.8%	18.0%	25.0%	21.4%	15.0%	4.0%
25th	53.4%	27.4%	12.0%	16.0%	14.0%	10.0%	1.0%
50th	46.0%	23.3%	10.0%	12.0%	10.0%	6.0%	0.0%
75th	39.7%	20.0%	8.0%	9.0%	5.8%	3.2%	0.0%
95th	30.0%	12.7%	6.6%	5.0%	3.9%	2.9%	0.0%
LACERS Target	47.0%	24.0%	7.0%	16.0%	0.0%	5.0%	1.0%
Number of Observations	186	186	145	135	107	84	186

- **Public Pension Plans Database is maintained by the Center for Retirement Research at Boston College, the MissionSquare Research Institute, the National Association of State Retirement Administrators, and the Government Finance Officers Association**
 - Plan level detail for 229 state and local pension plans
 - Data is actual allocations as of fiscal year 2022
- **The table above depicts the range of asset class allocations reported by public pension funds**
 - For example, 186 plans reported an equity allocation that fell between 66% and 30% of their total plan



LACERS REALIZED RISK/ RETURN

10 YEARS ENDED DECEMBER 31, 2023



PRIVATE MARKETS COMPOSITES

PUBLIC MARKET BETA INPUTS FOR PRIVATE MARKETS

PRIVATE EQUITY

Buyout: 25% U.S. Large Cap, 75% U.S. Small/Mid Cap

Secondary: 25% U.S. Large Cap, 75% U.S. Small/Mid Cap

Growth: 100% U.S. Small/Mid Cap

Early-Stage Venture: 100% U.S. Small/Mid Cap

Non-U.S.: 70% International Small Cap, 30% Emerging Small Cap

Composite: 34% Buyout, 34% Growth, 15 % Non-U.S., 8.5% Secondary, 8.5% Early Venture

PRIVATE DEBT

Direct Lending: 100% Bank Loans

Distressed: 20% U.S. Small/Mid Cap, 60% U.S. High Yield, 20% Bank Loans

Credit Opportunities: 34% U.S. SMID Cap, 33% U.S. High Yield, 33% Bank Loans

Composite: 50% Direct Lending, 25% Credit Opportunities, 25% Distressed

PRIVATE REAL ASSETS

Energy: 30% Comm., 35% Midstream, 35% Public Resource Equity

Infra/Land: 30% Commodities, 70% Public Infrastructure

Private Real Estate Debt: 50% CMBS, 50% Real Estate - Core



CAPITAL MARKET ASSUMPTIONS

EQUITY

Geometric Expected Return			
Asset Class	10-Year Return	30-Year Return	Standard Deviation
U.S. Large-Cap Equity	4.4%	6.7%	17.2%
U.S. Small/Mid-Cap Equity	6.0%	7.4%	21.0%
Non-U.S. Developed Equity	4.6%	6.4%	19.7%
Non-U.S. Developed Equity (USD Hedge)	4.8%	6.6%	17.7%
Non-U.S. Developed Small-Cap Equity	6.4%	7.5%	24.2%
Emerging Market Equity	8.6%	9.2%	28.1%
Emerging Market Small-Cap Equity	7.9%	9.1%	31.4%
Hedge Fund - Equity	5.5%	6.0%	11.0%
Private Equity - Buyout	7.4%	8.8%	20.0%
Private Equity - Growth	8.7%	9.7%	31.5%
Private Equity - Early Stage Venture	9.8%	10.6%	46.5%
Private Equity - Secondary	6.9%	8.2%	20.4%
Non-U.S. Private Equity	10.3%	10.8%	32.0%
China Equity	9.9%	9.5%	30.6%
Global Equity*	5.4%	7.3%	18.2%
Private Equity*	9.0%	10.1%	25.9%



*Calculated as a blend of other asset classes

CAPITAL MARKET ASSUMPTIONS

FIXED INCOME

Geometric Expected Return			
Asset Class	10-Year Return	30-Year Return	Standard Deviation
Cash	3.9%	3.4%	0.6%
US TIPS	4.6%	4.7%	6.0%
US Treasury Bond	4.2%	4.3%	5.4%
US Corporate Bond	5.3%	5.9%	7.7%
US Corporate Bond - AAA	4.4%	5.1%	6.8%
US Corporate Bond - AA	4.6%	5.1%	6.6%
US Corporate Bond - A	5.1%	5.5%	7.6%
US Corporate Bond - BBB	5.6%	6.1%	8.4%
US Mortgage-Backed Securities	4.4%	4.6%	6.5%
US Securitized Bond	5.2%	5.4%	8.0%
US Collateralized Loan Obligation	5.5%	4.9%	7.7%
US Municipal Bond	3.5%	3.8%	6.0%
US Municipal Bond (1-10 Year)	2.9%	3.5%	4.5%
US Taxable Municipal Bond	5.3%	6.0%	7.5%

CAPITAL MARKET ASSUMPTIONS

FIXED INCOME

Geometric Expected Return			
Asset Class	10-Year Return	30-Year Return	Standard Deviation
Non-US Government Bond	2.4%	2.9%	9.5%
Non-US Government Bond (USD Hedge)	2.6%	3.2%	4.1%
Non-US Inflation-Linked Bond (USD Hedge)	3.2%	3.3%	6.7%
US Short-Term TIPS (1-3 Year)	4.7%	4.4%	3.3%
US Short-Term Treasury Bond (1-3 Year)	4.4%	4.2%	2.3%
US Short-Term Corporate Bond (1-3 Year)	5.4%	5.2%	2.8%
US Intermediate-Term TIPS (3-10 Year)	4.6%	4.7%	6.0%
US Intermediate-Term Treasury Bond (3-10 Year)	4.2%	4.4%	5.9%
US Intermediate-Term Corporate Bond (3-10 Year)	5.6%	6.0%	7.1%
US Long-Term TIPS (10-30 Year)	4.5%	4.8%	12.4%
US Long-Term Treasury Bond (10-30 Year)	3.7%	4.3%	11.8%
US Long-Term Corporate Bond (10-30 Year)	4.7%	6.0%	11.9%
20+ Year US Treasury STRIPS	3.3%	4.2%	20.7%
10 Year US Treasury Bond	4.2%	4.8%	7.5%
10 Year Non-US Government Bond (USD Hedge)	2.1%	2.8%	5.0%
US Aggregate Bond*	4.6%	4.9%	5.8%

*Calculated as a blend of other asset classes



CAPITAL MARKET ASSUMPTIONS

FIXED INCOME

Geometric Expected Return			
Asset Class	10-Year Return	30-Year Return	Standard Deviation
US High Yield Corporate Bond	6.1%	7.1%	11.2%
US Corporate Bond - BB	6.8%	7.7%	9.7%
US Corporate Bond - B	6.3%	7.1%	11.6%
US Corporate Bond - CCC/Below	1.4%	1.9%	20.3%
US Short-Term High Yield Corporate Bond (1-3 Year)	5.5%	5.6%	8.2%
US Leveraged Loan	7.2%	6.6%	9.1%
Emerging Market Investment Grade External Debt	5.0%	5.9%	8.7%
Emerging Market High Yield External Debt	9.0%	8.4%	17.5%
Emerging Market Local Currency Debt	6.1%	5.5%	12.7%
US High Yield Securitized Bond	8.7%	8.3%	11.2%
US High Yield Collateralized Loan Obligation	7.8%	7.3%	10.4%
US High Yield Municipal Bond	4.5%	4.9%	12.0%
Hedge Fund - Credit	6.6%	7.0%	9.9%
Private Debt - Credit Opportunities	7.8%	8.4%	14.5%
Private Debt - Distressed	8.6%	9.3%	14.4%
Private Debt - Direct Lending	8.1%	8.9%	11.0%
Private Debt*	8.3%	9.0%	11.8%

*Calculated as a blend of other asset classes



CAPITAL MARKET ASSUMPTIONS

REAL ASSETS

Geometric Expected Return			
Asset Class	10-Year Return	30-Year Return	Standard Deviation
Commodity Futures	4.6%	3.9%	18.5%
Midstream Energy	5.5%	6.6%	28.2%
REIT	6.0%	7.3%	21.8%
Public Real Assets - Infrastructure	6.6%	7.0%	19.4%
Global Natural Resources Equity	6.2%	7.1%	23.3%
Gold	4.9%	4.8%	16.4%
Real Estate - Core	5.4%	6.1%	15.0%
Real Estate – Value-Add	6.6%	7.3%	23.4%
Real Estate - Opportunistic	7.6%	8.2%	25.8%
Private Debt - Real Estate	6.3%	6.6%	11.9%
Private Real Assets - Natural Resources	8.2%	8.7%	32.3%
Private Real Assets - Infrastructure	6.8%	7.1%	12.4%

INFORMATION DISCLAIMER

Past performance is no guarantee of future results.

The goal of this report is to provide a basis for substantiating asset allocation recommendations. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.

Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.

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

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ASSET ALLOCATION

LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM

FEBRUARY 13, 2024



AGENDA

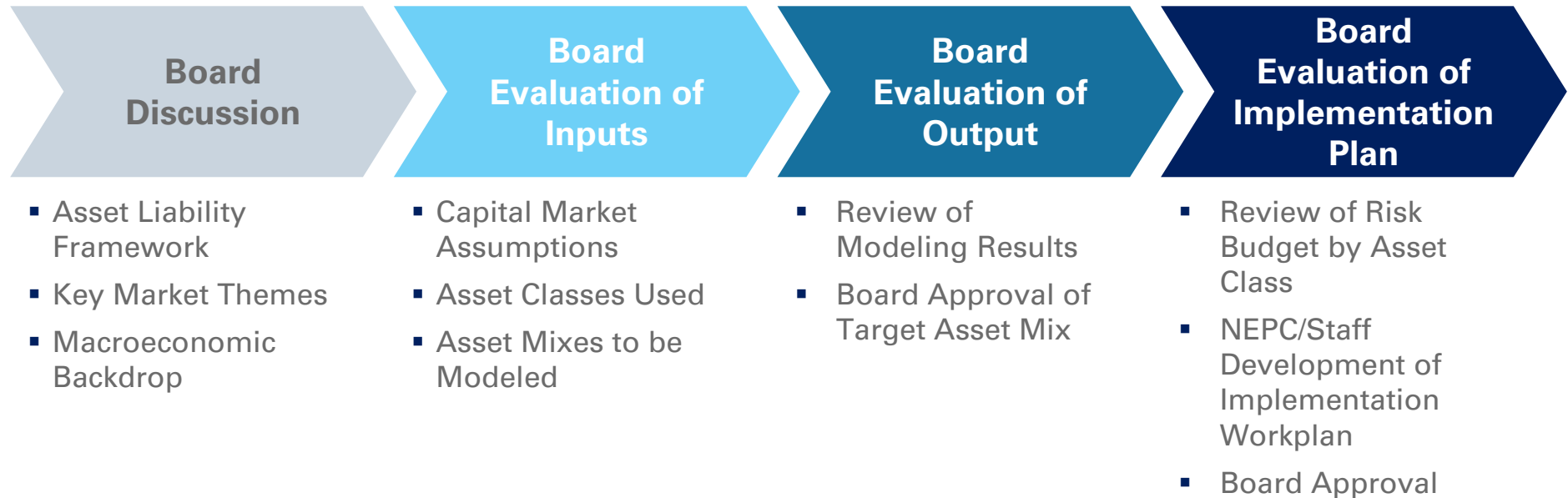
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INTRODUCTION



ASSET ALLOCATION PROCESS

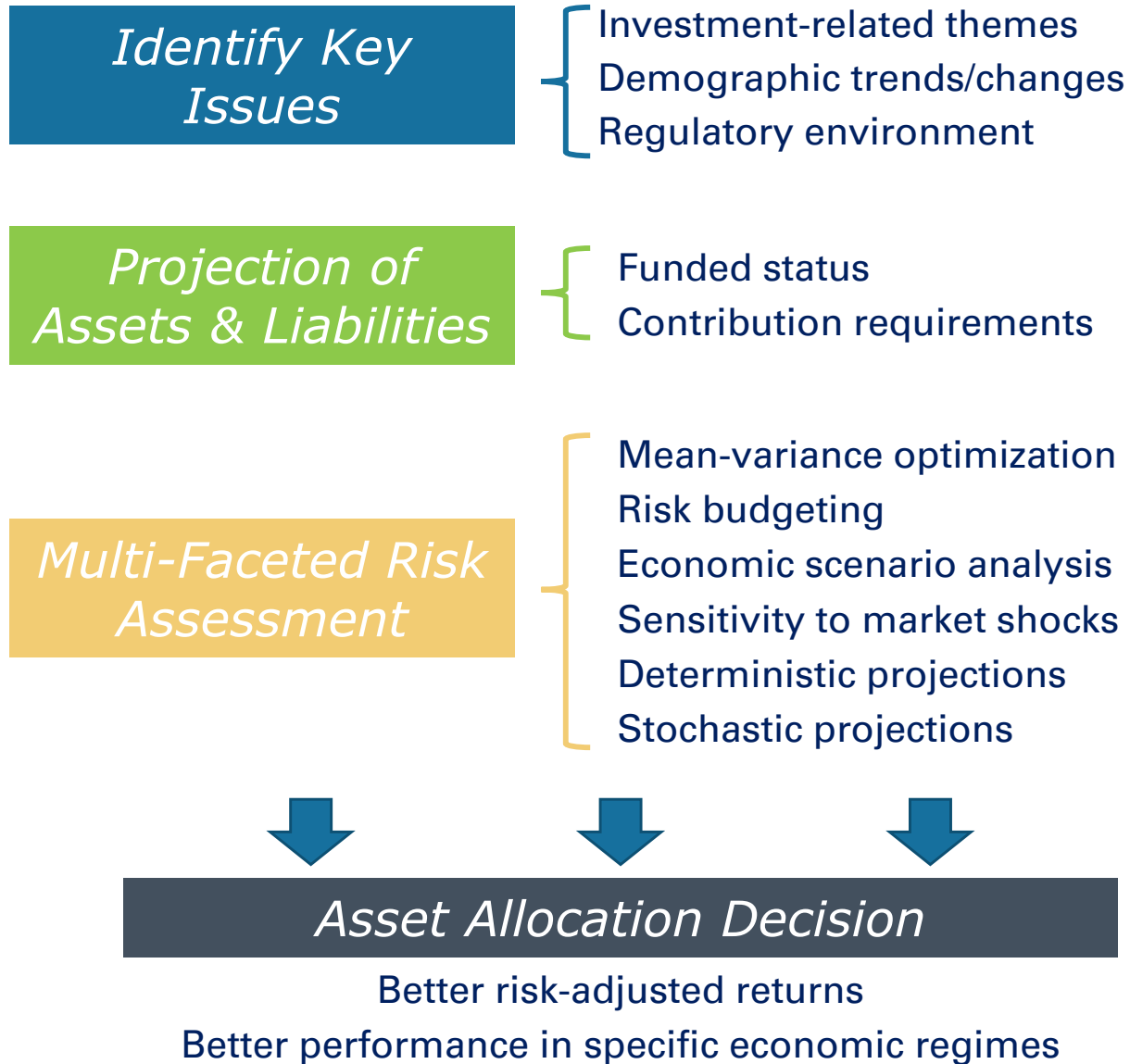
KEY STEPS



PURPOSE OF ASSET LIABILITY STUDY

- **Review the current and projected financial status of the Plan over multiple time periods**
 - Project liabilities and benefit payments
 - Project asset growth and contribution levels
- **Assess the appropriateness of the current asset allocation relative to the expected progress of liabilities and cash flows**
- **Test sensitivity of the Plan (Assets and Liabilities) to a various range of outcomes**
 - Market performance across range of economic environments
 - Contribution volatility
 - Range of liquidity environments
- **Consider different asset mixes and expected return on assets**
 - Assess appropriate return target against tradeoff of volatility/range of outcomes

ASSET LIABILITY FRAMEWORK











METHODOLOGY FOR ASSET LIABILITY STUDY

- **Gather information on assets and liabilities**
 - Assets (information provided by NEPC/LACERS staff)
 - Current Asset Allocation targets
 - Assumptions for Asset Class projections (return/risk/correlation)
 - Liquidity of underlying investments
 - Liabilities (information provided by the Plan’s actuary/LACERS staff)
 - Current Valuation of DB and health plan
 - Current Plan provisions
 - Assumptions underlying valuation of liabilities
 - Projection of expected future cash flows
- **Determine asset mixes to model**
- **Run long-term projections to understand asset/liability dynamics**
- **Apply multiple perspectives to assist with decision-making**
 - Mean-variance optimization
 - Risk budgeting
 - Scenario analysis
 - Liquidity analysis
 - Factor analysis

KEY MARKET THEMES



MARKET BACKDROP

		2022	2024			2022	2024
	S&P 500	4,766	4,769		Fed Funds	0.25	5.50
	IG OAS	0.92	0.99		US 10 Year	1.51	3.88
	HY OAS	2.93	3.23		CPI	7.19	3.12
	Gold	1,895	2,072				
	Oil	75	72				

Notes: IG OAS = Investment Grade Corporate Bond Index Option Adjusted Spread; HY OAS = High Yield Bond Index Option Adjusted Spread

INVESTMENT REGIME SHIFTS TAKE TIME



Economic Resilience

Robust labor market reinforces a “no recession” outcome for the U.S.



Long and Variable Monetary Policy Lag

Access to capital and liquidity slowly adjusting to the investment landscape



Higher for Longer Interest Rates

Market participants have not accepted long-term interest rates above 4%



Inflation Expectations Are Awry

Market expectations are anchored to the low inflation levels of the past decade

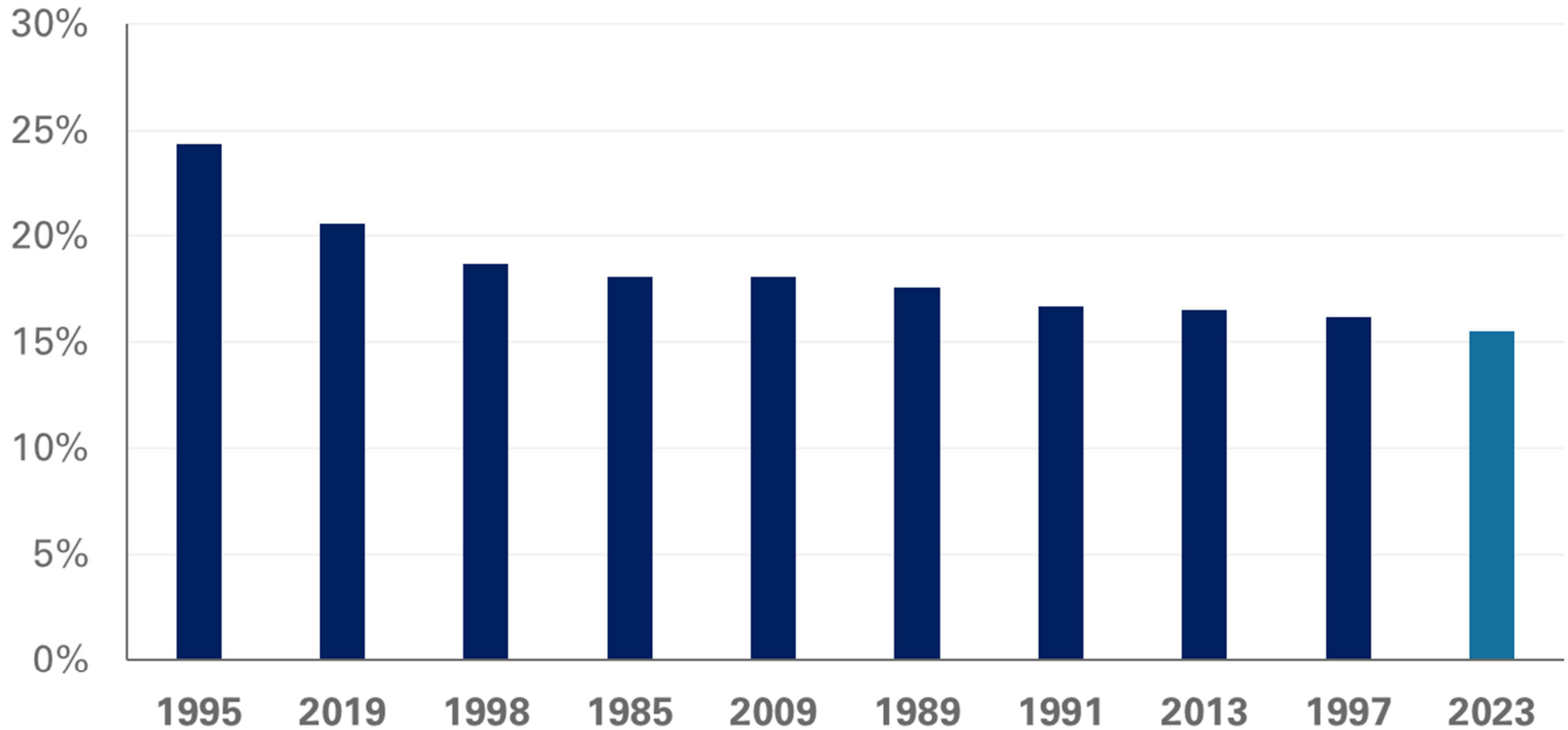


Geopolitical Dynamics

Geopolitical trends are straining supply chains and macroeconomic conditions

2023 WAS A STRONG YEAR FOR 60/40

60/40 ANNUAL PORTFOLIO RETURNS

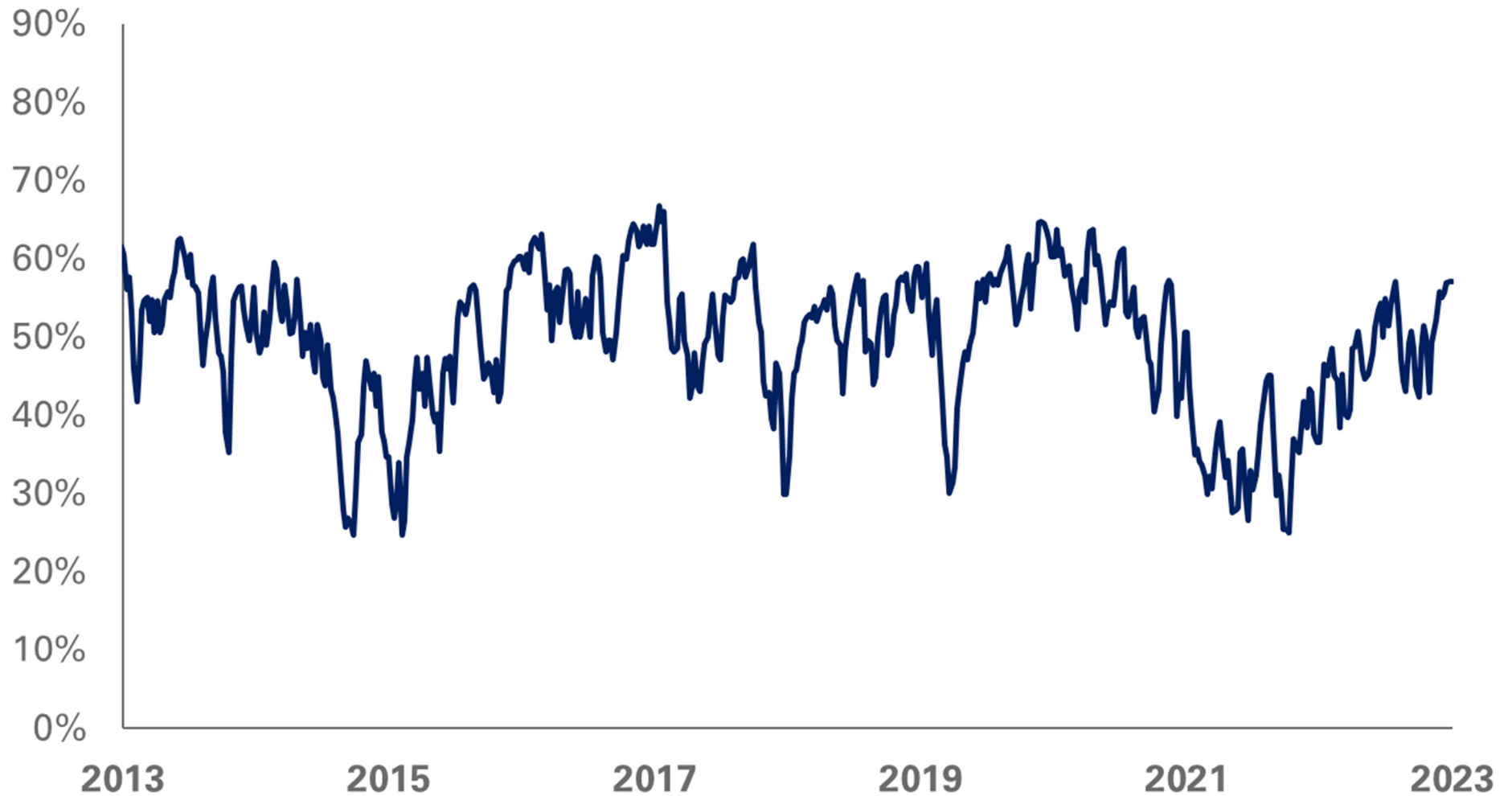


Notes: Chart calculated using annual data 1976 to present. 60% reflects S&P 500 price return, 40% reflects Bloomberg U.S. Aggregate Bond Index returns
Sources: S&P, Bloomberg, FactSet



INVESTOR SENTIMENT SURGED IN 2023

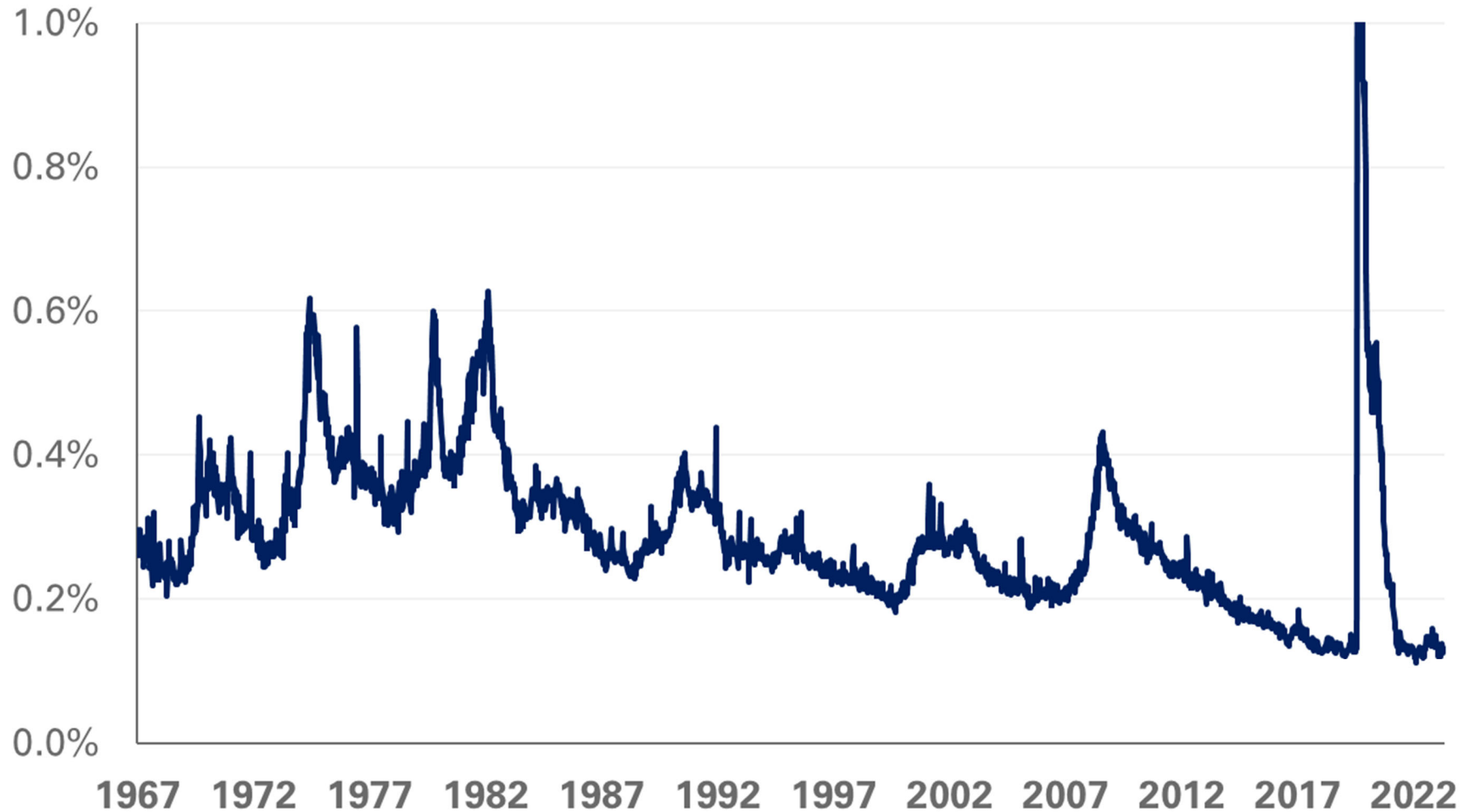
INVESTORS INTELLIGENCE BULLISH SENTIMENT INDEX



Source: Investors Intelligence, FactSet

RESILIENCY STEMMED FROM THE LABOR MARKET

UNEMPLOYMENT INSURANCE CLAIMS AS % OF THE LABOR FORCE



Sources: U.S. Department of Labor, FactSet

INFLATION MAY NORMALIZE ABOVE EXPECTATIONS

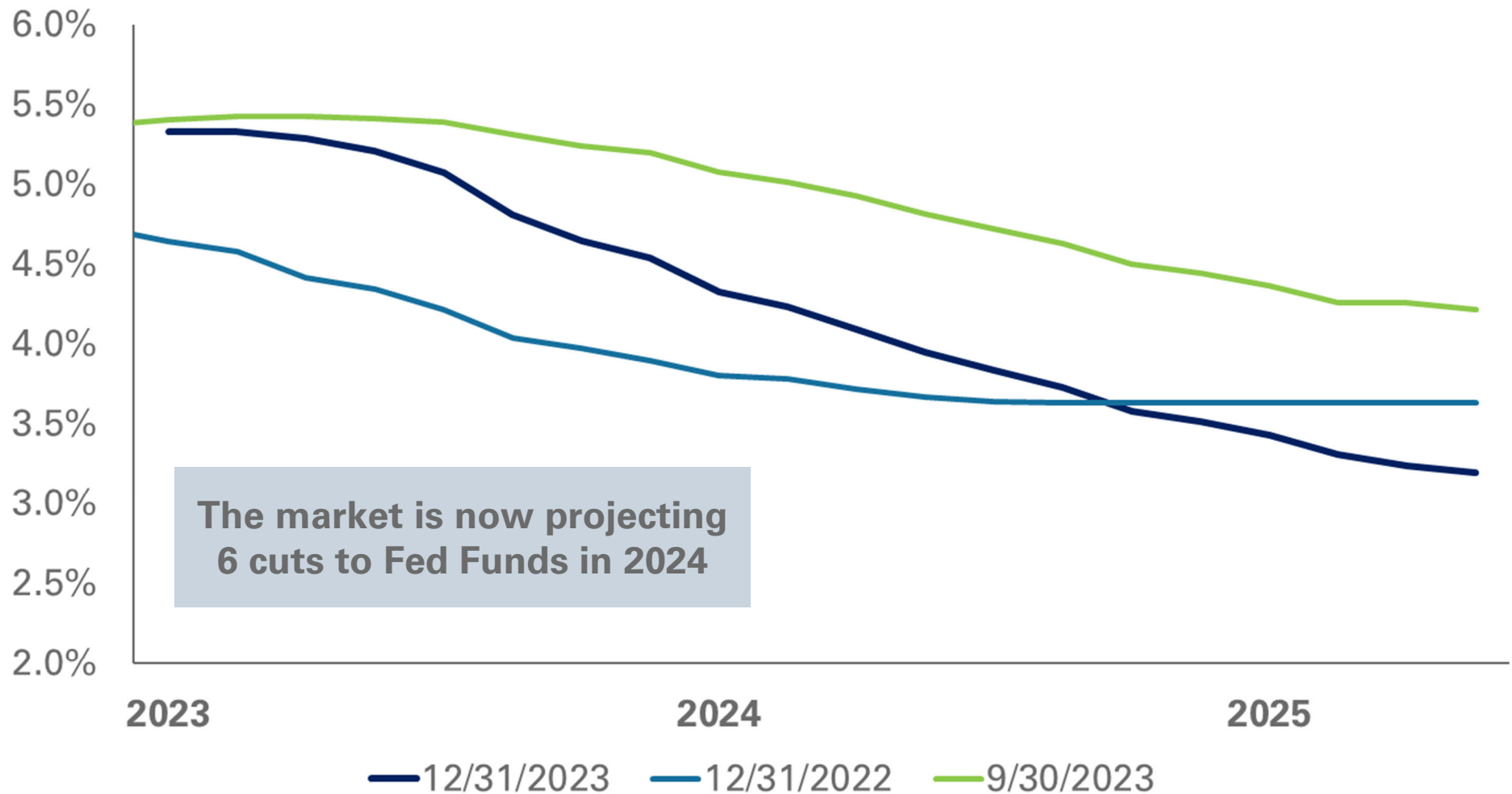
ROLLING 6-MONTH AVG CONSUMER INFLATION EXPECTATIONS



Sources: University of Michigan, FactSet

MARKETS ARE BIASED TO LOWER U.S. RATES

FEDERAL FUND FUTURES



Source: FactSet

2024 MARKET THEMES

NEPC MARKET OUTLOOK



Cost of Capital

Economy is not acclimated to long-term interest rate environment of 4% or higher



Magnificent Seven

Priced for Perfection: Sky-high earnings growth expectations challenge upside at current valuations



U.S. Fiscal Debt

Fundamentals suggest perpetual deficit cycle requires higher interest rates



Artificial Intelligence

AI Proof Statement: Novel products and successful AI adoption will test valuations in 2024



Geopolitics

The speed of information amplifies tail risks; look to rebalance opportunities amid volatility

SMALL BUSINESSES FEELING RATES PRESSURE

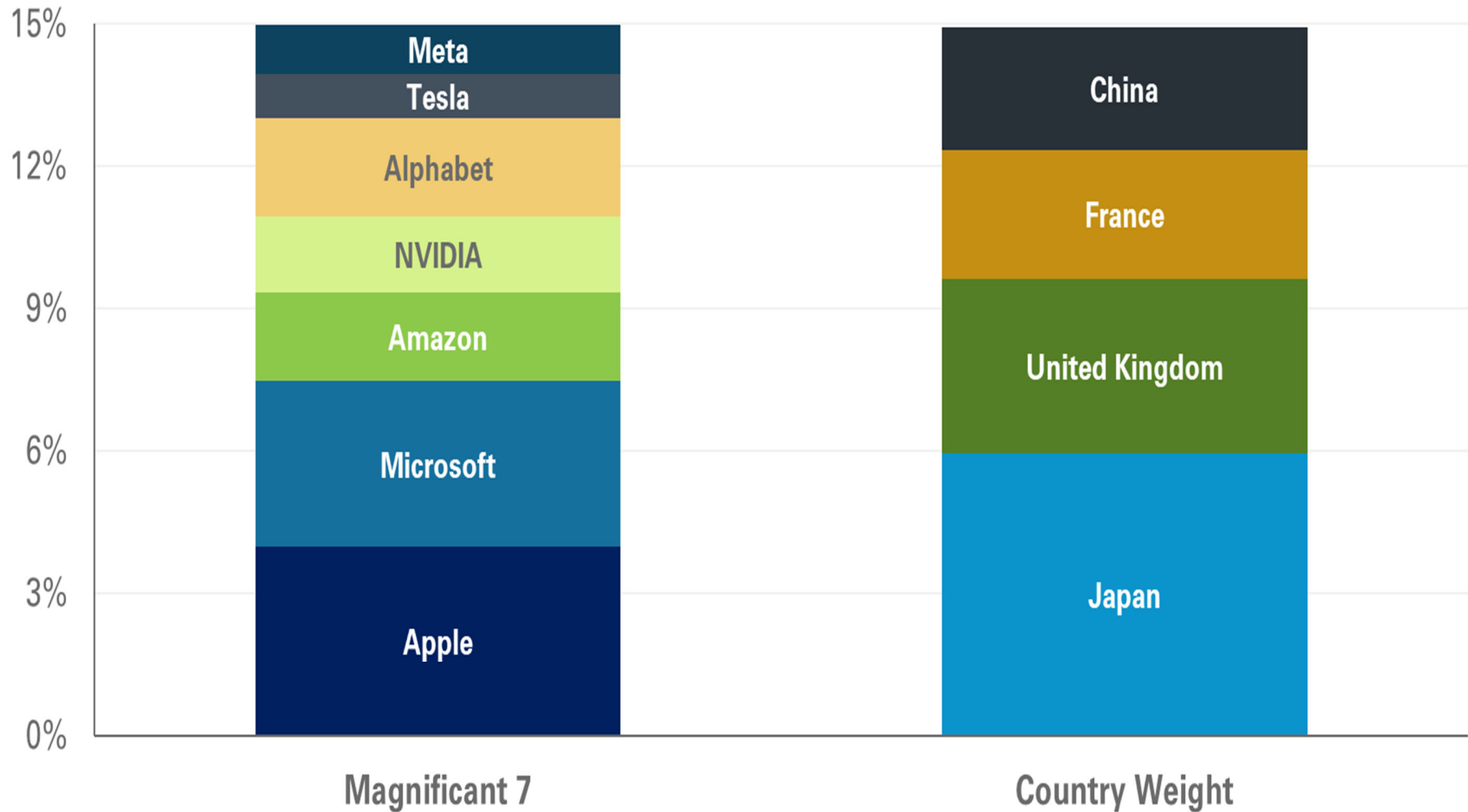
ACTUAL INT. RATE PAID ON SHORT-TERM LOANS



Source: National Federation of Independent Business, FactSet

MAGNIFICENT SEVEN: UNPRECEDENTED SIZE

WEIGHT IN MSCI ACWI IMI INDEX



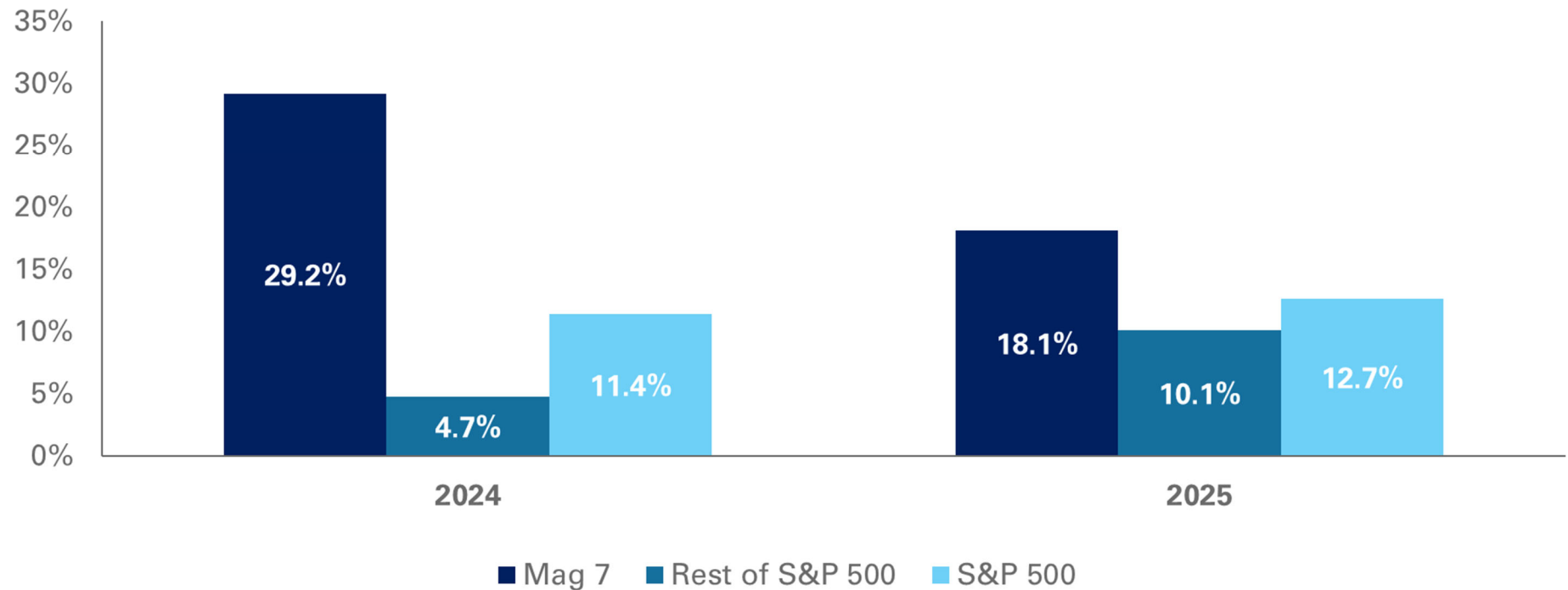
Note: MSCI ACWI IMI Index represents 99% of stocks available for investment around the globe. The index includes large, mid and small cap companies from developed and emerging markets.

Source: MSCI, FactSet



MARKET EXPECTS CONTINUED MAG 7 GROWTH

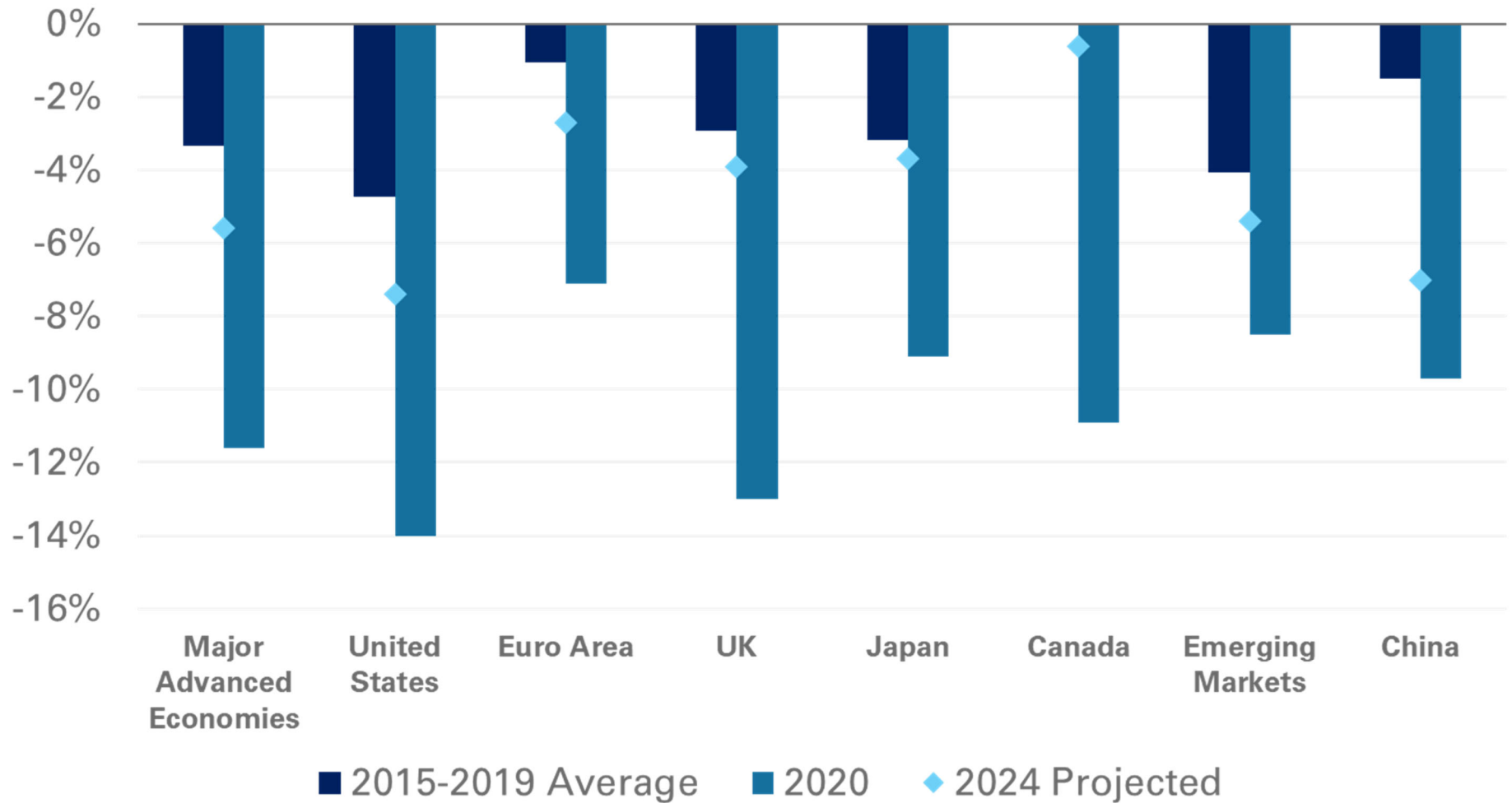
CONSENSUS BOTTOMS UP EARNINGS GROWTH ESTIMATES



Sources: S&P, FactSet

THE U.S. ISN'T ALONE

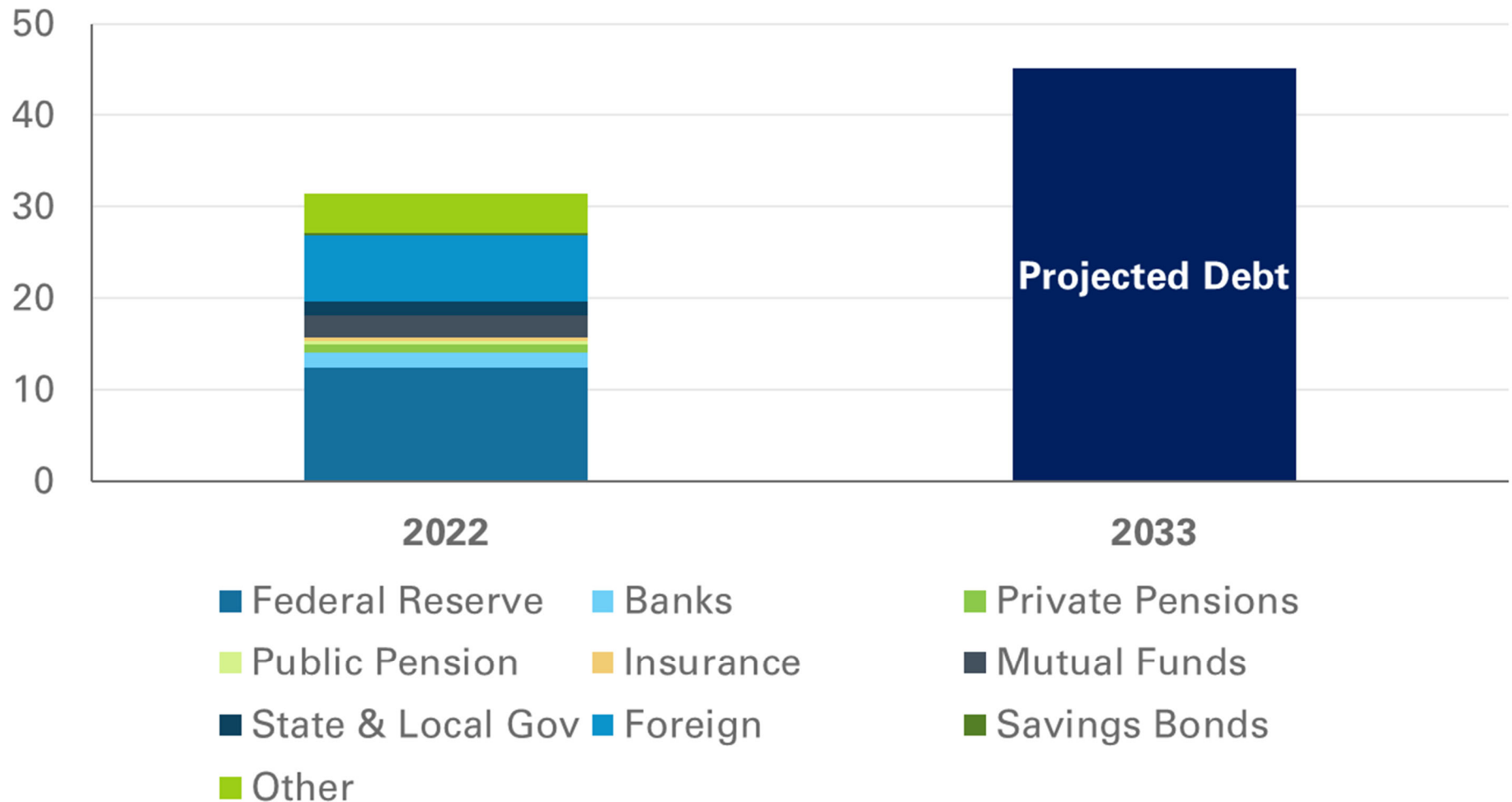
GENERAL GOVERNMENT NET BORROWING AS PERCENT OF GDP



Source: International Monetary Fund October 2023 World Economic Outlook

WHO'S GOING TO BUY ALL THIS DEBT?

OWNERSHIP OF U.S. TREASURY SECURITIES IN TRILLIONS



Source: U.S. Treasury, Congressional Budget Office
As of December 31, 2022



INTEREST IN AI EXTENDS PAST TECH COMPANIES

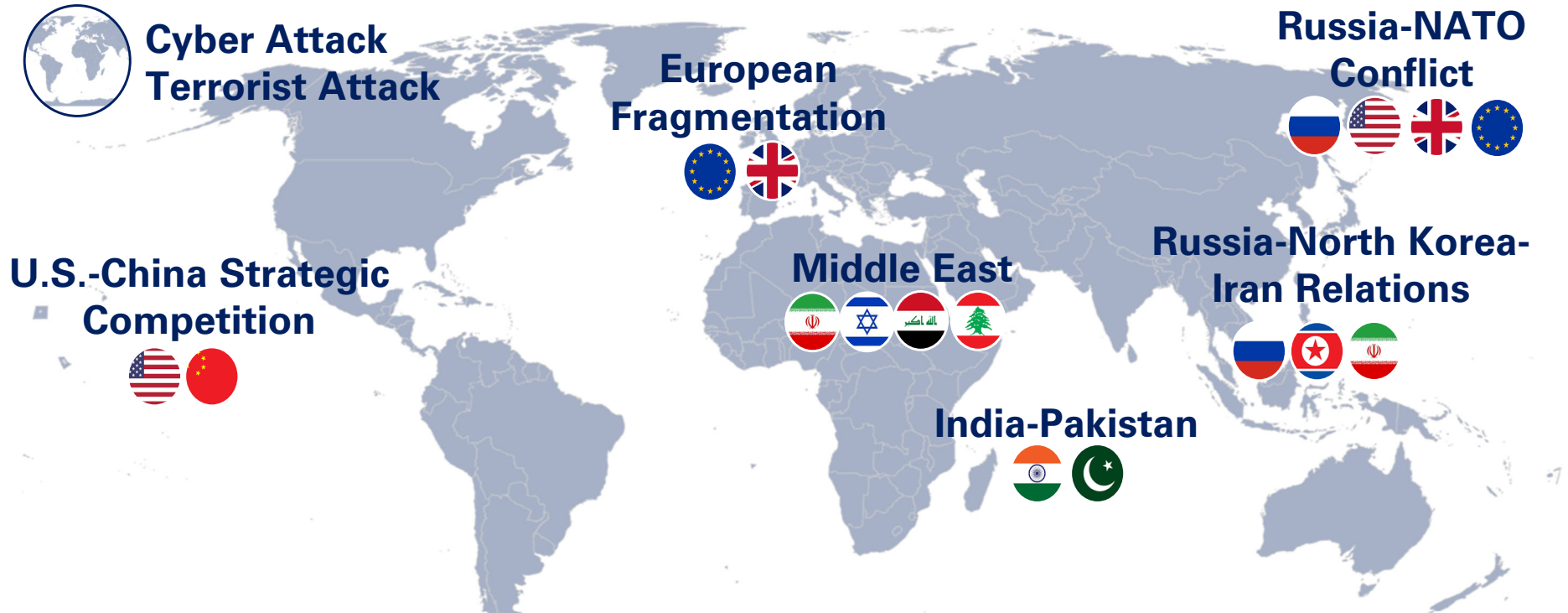
AI MENTIONED ON EARNINGS REPORT IN RUSSELL 3000



Source: Russell, FactSet

2024 GEOPOLITICAL FLASHPOINTS

ESCALATION RISK IS KEY FOR CAPITAL MARKETS



Potential Economic and Market Impact:



Food Supply



Global Trade



Global Inflation



Energy Supply



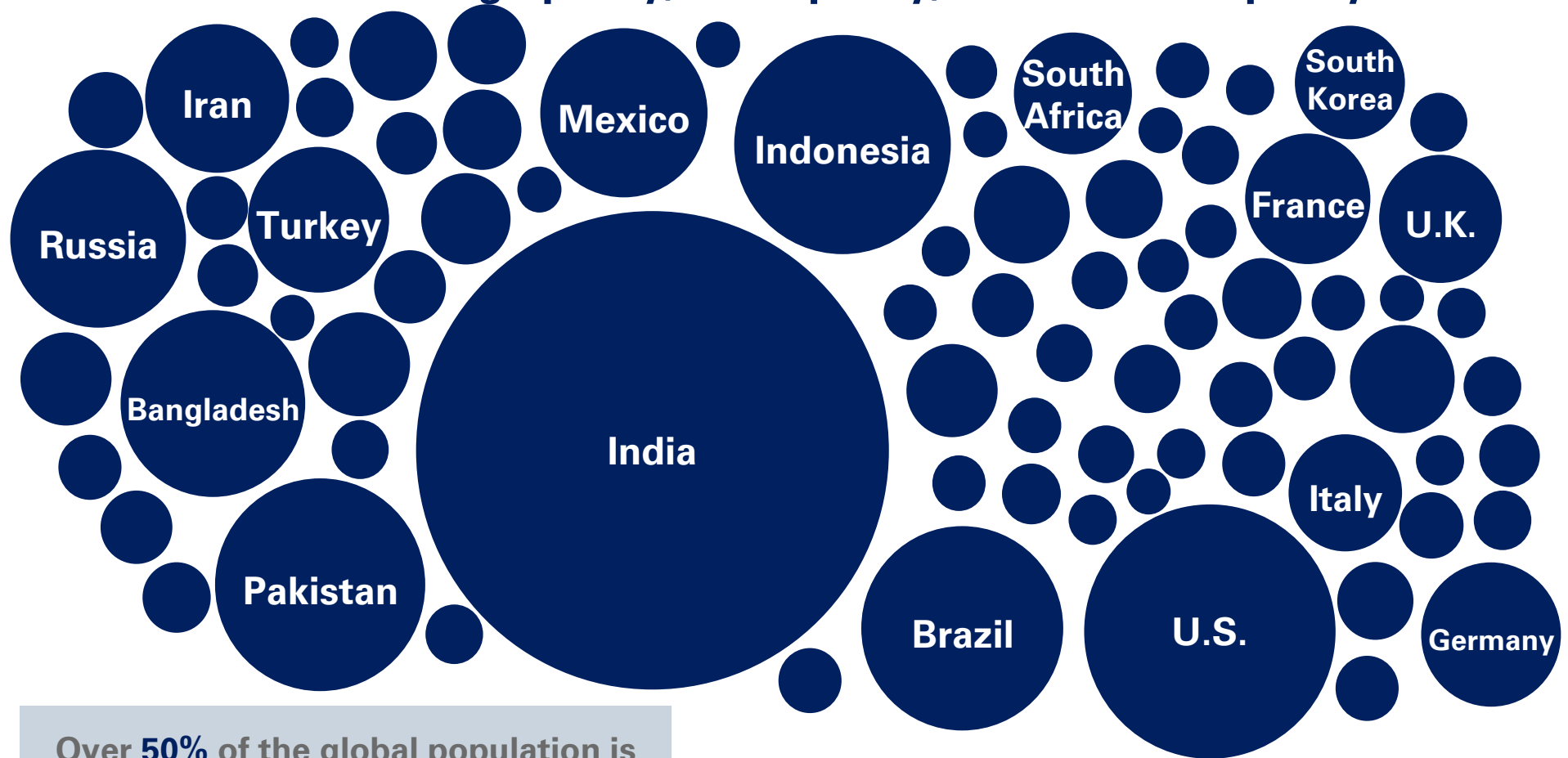
Economic Growth



Currency Volatility

A GLOBAL ELECTION CYCLE COMPLICATES THINGS

- An election “supercycle” in 2024 widens the range of outcomes associated with foreign policy, trade policy, and domestic policy



Notes: Includes the European Union member states that will elect the next Parliament in June 2024. Size of bubble denotes size of population for voting country. Source: FactSet

PORTFOLIO POSITIONING VIEWS

CURRENT OPPORTUNITIES

Look to **reduce S&P 500 and U.S. mega-cap exposure in favor of U.S. value positions and high yield credit**

We suggest **tilting equity implementation to global equity strategies** and encourage greater usage of active equity approaches

With the **normalization of real interest rates**, we support the continued U.S. TIPS exposure to strategic policy targets

We remain comfortable holding greater levels of cash and holding appropriate safe-haven fixed income exposure

MACROECONOMIC



U.S. INFLATION ASSUMPTIONS

OVERVIEW

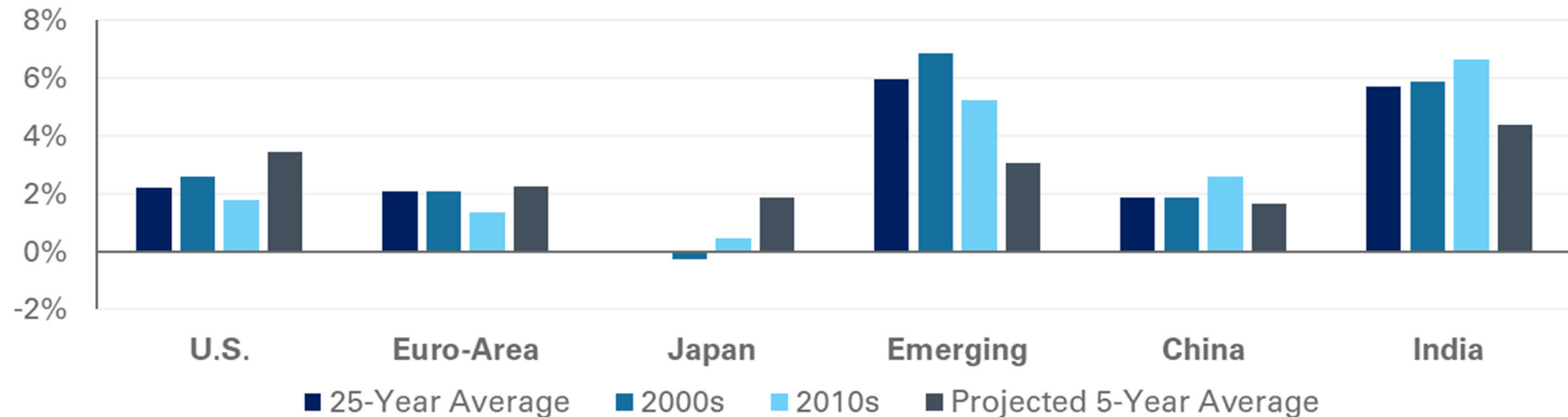
- Inflation is a key building block to develop asset class assumptions
- Inflation assumptions are model-driven and informed by multiple inputs for both the U.S. and global assets
- NEPC’s inflation assumption forecasts near-term paths for major Consumer Price Index (CPI) components including food, energy, core services, and shelter costs
 - CPI is expected to converge with breakeven inflation rates over the long-term
- A composite inflation assumption reflects a blend of NEPC’s inflation forecast and market-implied breakeven inflation rates

Region	10-Year Inflation Assumption	12-Month Change	30-Year Inflation Assumption	12-Month Change
United States	2.6%	+0.1%	2.6%	-



GLOBAL INFLATION

HISTORICAL INFLATION

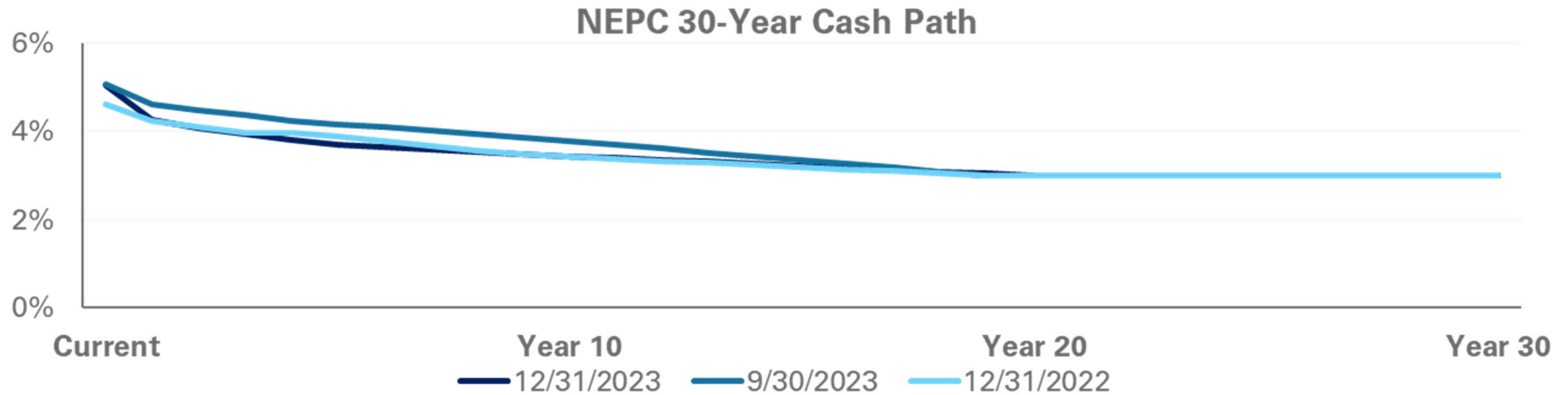


- **Non-U.S. forecasts are guided by IMF forecasts, local consumer and producer price indices, and global interest rate curves**
- **Near-term inflation levels for developed markets are projected to be higher relative to history**
 - Long-term inflation assumptions reflect NEPC and central bank targets
 - The expected inflation differential between emerging and developed markets has narrowed significantly



Sources: IMF, FactSet, NEPC

U.S. CASH EXPECTATIONS



- **Cash is a foundational input for all asset class return expectations**
 - Cash + risk premia is an input for long-term asset class return projections
- **Cash assumptions reflect inflation and real interest rates**
- **A composite cash assumption is built from a blend of NEPC’s cash forecast and market forward pricing of short-term interest rates**

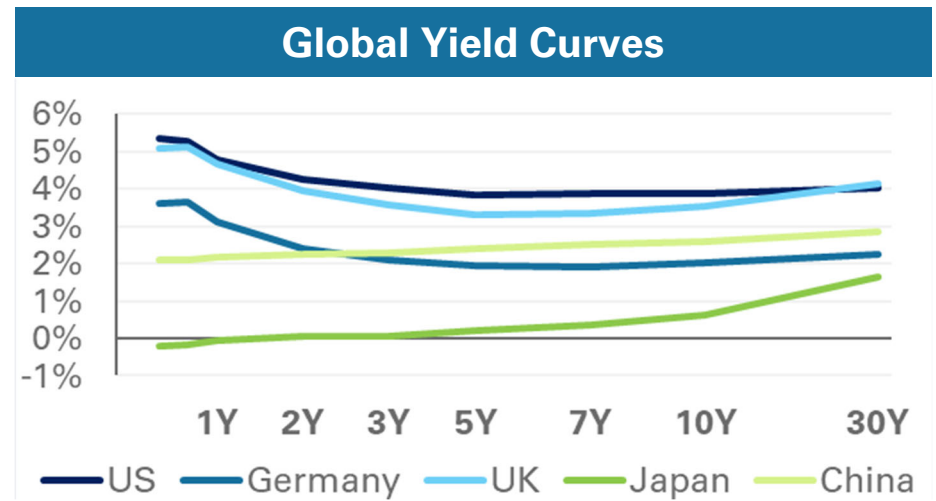
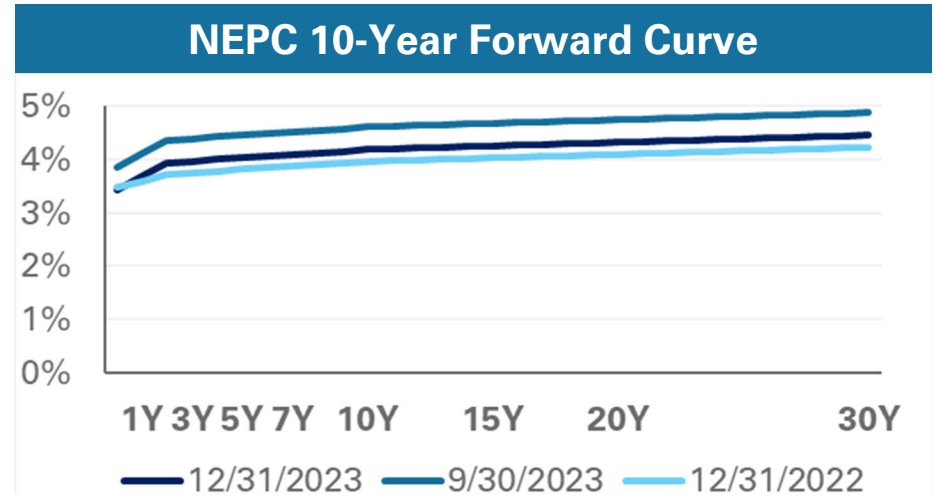
10-Year Cash Assumption	30-Year Cash Assumption
3.9%	3.4%



Sources: Bloomberg, FactSet, NEPC

GLOBAL INTEREST RATE EXPECTATIONS

- **Real yields have normalized, reflecting a tighter monetary policy environment**
 - Attractive real yields should signal a shift in risk posture for investors
- **Markets remain biased to a lower interest rate environment - diverging from Fed projections in the near-term**
- **The outlook is less attractive for non-U.S. developed markets due to the nominal yield differential relative to the U.S.**

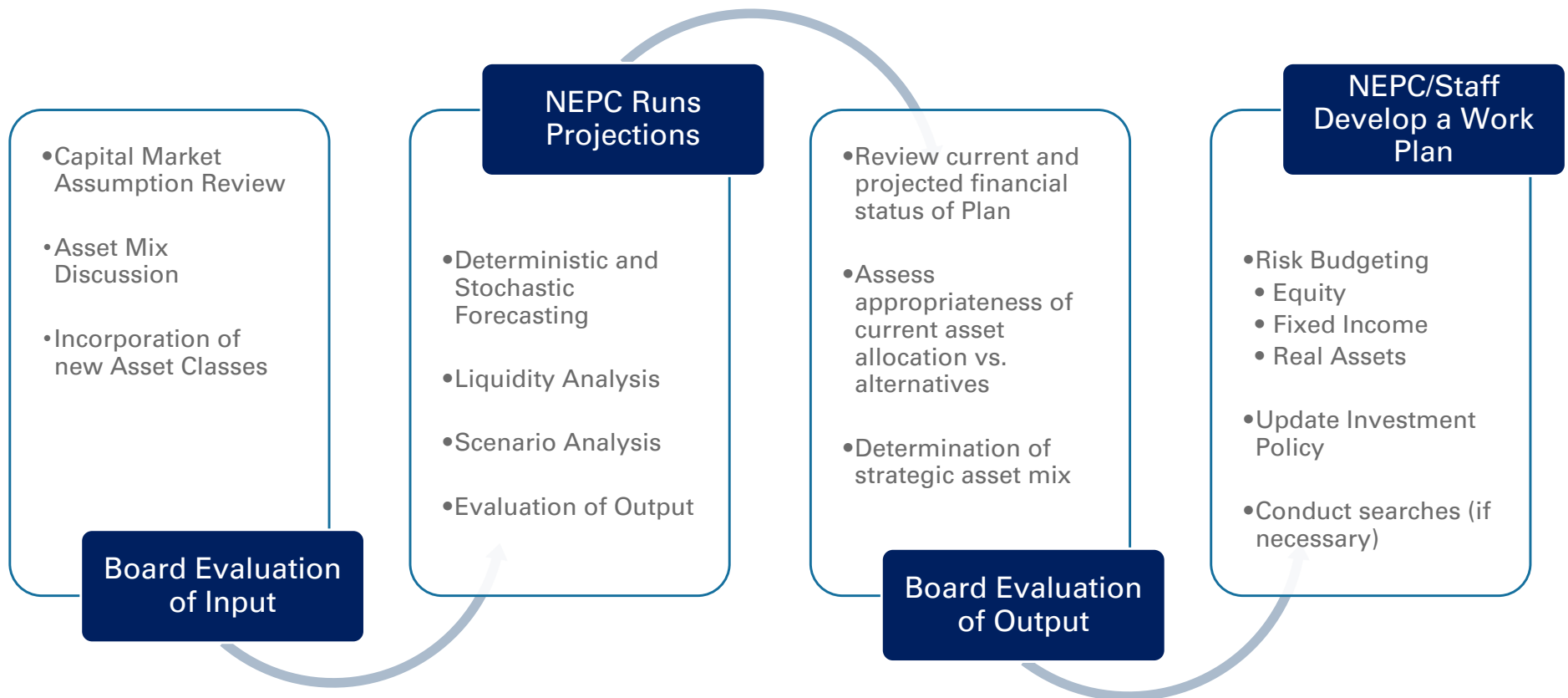


Sources: FactSet, NEPC

NEXT STEPS



NEXT STEPS



APPENDIX



INFORMATION DISCLAIMER

Past performance is no guarantee of future results.

The goal of this report is to provide a basis for substantiating asset allocation recommendations. The opinions presented herein represent the good faith views of NEPC as of the date of this report and are subject to change at any time.

Information on market indices was provided by sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.

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

This report is provided as a management aid for the client's internal use only. This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.





REPORT TO BOARD OF ADMINISTRATION

From: Neil M. Guglielmo, General Manager

Neil M. Guglielmo

MEETING: MARCH 12, 2024

ITEM: VI - C

SUBJECT: CONTRACT WITH NEPC, LLC, ADDITION OF KEY PERSON, AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board:

1. Approve Rose Dean as an addition to the named Key Persons with LACERS' General Fund Consultant, NEPC, LLC.
2. Authorize the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Discussion

LACERS' General Fund Consultant, NEPC, LLC (NEPC), is seeking to add Rose Dean as a backup consultant and Key Person to the relationship in order to provide additional consultant coverage and expertise in many key functional areas to include (but not limited to) asset allocation and manager due diligence. Pursuant to the contract between LACERS and NEPC, Carolyn Smith and Kevin Novak are currently named as Key Persons and any additional Key Persons require Board approval.

Staff reviewed Rose Dean's qualifications and conducted a formal interview. Based on its findings, staff recommends that Rose Dean be added as a Key Person to the NEPC contract. Staff will be prepared to discuss with the Board the factors that led to the recommendation of Rose Dean. Additionally, Rose Dean will be available for an interview by the Board.

Strategic Plan Impact Statement

The General Fund Consultant assists the Board in matters of policy and strategy; providing the results and explaining total plan, asset class, and investment manager performance; assisting with investment manager searches; and initiating and providing investment research, which 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: Barbara Sandoval, Investment Officer II, Investment Division

NMG/RJ/WL/BS:rm

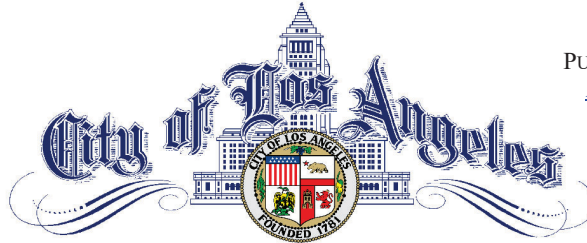
Attachment: 1. Biography of Rose Dean

Rose Dean, CFA
Partner, Senior Consultant

Rose Dean is a Partner and Senior Consultant with NEPC. She joined NEPC in April 2023. Prior to joining NEPC, Ms. Dean spent 8 years as a Managing Director and senior consultant at Wilshire Advisors, providing consulting services to corporate and public pensions funds, endowments and foundations.

Rose has over 22 years of industry experience. Prior to her tenure at Wilshire, she ran a start-up consulting business, advising on opportunities focused on private credit and asset-based loan portfolios. She also spent seven years trading fixed income at Citigroup in New York, both as a market maker and as a bank treasury portfolio manager. Subsequently, she was a Director at Harcourt Alternative Investments, a Swiss Fund of Hedge Funds. Rose was in charge of hedge fund investment due diligence for multiple strategies including fixed income arbitrage, global macro and emerging markets.

Rose holds a B.A. in Chemistry from the University of Chicago and two MBA degrees, one in Finance from the University of Chicago Booth School of Business and one in International Brand Management from ESSEC (École Supérieure des Sciences Économiques et Commerciales) in France. She is fluent in Korean and conversant in Mandarin Chinese and French. Ms. Dean holds a Chartered Financial Analyst designation.



Office of the Los Angeles City Attorney
Hydee Feldstein Soto

Board Mtg: 03/12/24
Item No.: VII-A

DATE: March 12, 2024

TO: Board of Administration, Los Angeles City Employees' Retirement System

CC: Neil Guglielmo, General Manager

FROM: Anya Freedman, Assistant City Attorney *AF*
Miguel Bahamon, Deputy City Attorney *MB*

SUBJECT: One-Year Contract Extensions and RFP for Outside Fiduciary and Real Estate and Investment Counsel

RECOMMENDATIONS AND EXECUTIVE SUMMARY

We recommend that the Board:

1. Approve one-year contract extensions with current outside fiduciary counsel Kutak Rock LLP, Olson Remcho LLP, and Nossaman LLP, to expire as extended on June 30, 2025, with expenditure limits during the extension period subject to the limits of Los Angeles Administrative Code section 10.5(b)(2); and
2. Approve one-year contract extensions with current outside real estate and investment counsel Kutak Rock LLP and Nossaman LLP, to expire as extended on June 30, 2025, and June 15, 2025, respectively, with expenditure limits during the extension period subject to the limits of Los Angeles Administrative Code section 10.5(b)(2); and
3. Authorize the General Manager to execute such contract amendments on behalf of the Board, subject to the City Attorney's approval as to form; and
4. Authorize the City Attorney's Office to publish a Request for Proposals (RFP) for outside fiduciary counsel and outside real estate and investment counsel by April 1, 2024, with the target of executing new three-year contracts with firms jointly approved by the Board and the City Attorney pursuant to Charter Section 275, by November 1, 2024.

LACERS' current outside fiduciary counsel contracts and outside real estate and investment counsel contracts expire in June 2024. Combining the RFP process for these contracts should result in a broader and highly qualified applicant pool and a more efficient use of staff

time. Responding firms could submit proposals for both, or only one component, of the RFP's scope of work. We believe that some firms with expertise advising public pension plans in fiduciary law matters also have expertise assisting public pension plans with investment transactions, and these areas of expertise and experience would be complementary and enhance the overall value of outside counsel's services to the Plan and the Board. The General Manager and/or his designee(s) would identify representative(s) to participate in the selection and interview process, along with our Office and representatives from LACERS' sister pension plans. Following the coordinated RFP process, we would return to the Board for its final approval of recommended firms for new three-year contracts for each outside counsel bench.

In order to have sufficient time to conduct an effective and thorough RFP process, we also seek approval for one-year extensions to the current contracts, with expenditure limits during the extension period subject to the limits of Los Angeles Administrative Code section 10.5(b)(2) (currently \$187,496, based on 2023 Consumer Price Index adjustments). Further, the current fiduciary and real estate and investment counsel are performing well. Consistent with longstanding contracting practices, the proposed contract extensions give the Board the right to terminate any firm without cause by providing thirty (30) days' notice.

DISCUSSION

1. We Recommend Extending the Current Outside Fiduciary Counsel and Outside Real Estate and Investment Counsel Contracts for One Year

The Plan and the Public Pensions General Counsel division of the City Attorney's Office (General Counsel) have long utilized the specialized services and resources of outside counsel, including for the following roles:

- *Fiduciary Counsel:* Fiduciary counsel assist General Counsel by providing project-specific advice, as needed, including advising on statutory and regulatory requirements of governmental pension plans, strengthening our in-house expertise on issues of fiduciary law as applied to discrete investment and benefits matters, and advising Plan employees and commissioners on ethics matters. Outside fiduciary counsel has also been available to provide discrete training and educational resources to the Board at its meetings. The same fiduciary counsel firms also serve the Plan as independent conflict counsel in the event that the City Attorney identifies a conflict of interest such that the City Attorney's Office cannot represent the Plan in a specific matter. The Board selected its current fiduciary counsel firms, Kutak Rock LLP, Olson Remcho LLP, and Nossaman LLP, following an RFP process in 2020. At its meeting held on May 23, 2023, the Board extended these contracts for one year.
- *Real Estate and Investment Counsel:* Provide expert advice and representation to LACERS in real estate and investment matters. The Plan currently has contracts for these services with Nossaman LLP and Kutak Rock LLP. The Board awarded these contracts following an RFP process completed in 2021 and they will expire on June 15, 2024 (Nossaman LLP) and June 30, 2024 (Kutak Rock LLP) unless extended.

We believe it is prudent to extend the current fiduciary counsel and real estate and investment counsel up to one year, which will allow our Office and Plan staff sufficient time to pursue an RFP concurrently and conduct a broad, diligent, and competitive selection process. The Plan's bench of fiduciary counsel and real estate and investment counsel firms have continued to provide a high-level of service over the terms of their contracts and extensions, and there are no financial considerations or legal requirements for completing the RFP process in order to execute successor agreements before the current contracts expire.

Given the important projects our current bench of firms works on and their strong performance, we recommend that the Board execute extensions with current outside fiduciary counsel Kutak Rock LLP, Olson Remcho LLP, and Nossaman LLP and with current outside real estate and investment counsel Kutak Rock LLP and Nossaman LLP.

2. There Are No Legal Restrictions that Preclude Extending the Contracts Because the Annual Spending Limit for Each Contract Will Be Below the Administrative Code Limit

While a one-year extension would increase the term of these contracts to extend past three years, it is permissible to extend the contracts without issuing an RFP or going to the City Council under the Administrative Code because the cost of these services under each contract will be capped at \$75,000 per year for the fiduciary counsel contracts, and \$187,000¹ for the real estate and investment counsel contracts. *See* L.A. Admin. Code § 10.5(b)(2). This is under the threshold amount specified in the Administrative Code (currently \$187,496) that would require issuing an RFP before the current terms expire or going to the City Council for approval of extensions.

3. We Seek Board Approval to Commence the RFP and Selection Processes for Outside Fiduciary and Real Estate and Investment Counsel

We recommend combining the RFP process for fiduciary counsel with the real estate and investment counsel RFP but otherwise following the previously approved RFP procedure outlined below to engage outside counsel in these specialized fields.

General Counsel would first publish an RFP seeking proposals from qualified law firms to serve as fiduciary and/or as real estate and investment counsel to represent one or more of the City's three independent pension plans. Respondents could submit proposals for either or both roles. Combining what has traditionally been two RFPs into one will hopefully result in a broader applicant pool of qualified firms for the two roles of fiduciary counsel and real estate and investment counsel, given their complementary nature.

¹ While the current real estate and investment contracts have \$650,000 annual limits, the extensions would be intended to cover only the few months between the June 15 and June 30, 2024, terminations of the existing contracts and the anticipated November 1, 2024 finalization of new contracts after the real estate and investment counsel RFP process.

General Counsel, assisted by the General Manager and/or his designated executive and/or investment staff, would evaluate the firms that submit written proposals. We would then conduct panel interviews of qualified firms and bring consensus recommendations for the most qualified firms to the Board. The combined RFP process should also be more efficient than conducting two separate RFPs. Although the RFP process would be coordinated with the other pension plans, LACERS would make its own independent decisions and would not be bound by the preferences of the other City plans.

The Board would then (if it desired) interview finalist firms and select one or more such firms (ideally, between two and four firms) to be engaged as outside fiduciary counsel and outside real estate and investment counsel, subject to the written consent of the City Attorney's Office pursuant to City Charter section 275.

CONCLUSION

For the reasons stated above, we recommend extending the current fiduciary and real estate and investment counsel contracts for one year and publishing an RFP for fiduciary and real estate and investment counsel by April 1, 2024.

AJF/MGB:ev