



LACERS
 LA CITY EMPLOYEES'
 RETIREMENT SYSTEM



Board of Administration Agenda

REGULAR MEETING
TUESDAY, APRIL 9, 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 public 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

As a covered entity under Title II of the Americans with Disabilities Act, the City of Los Angeles does not discriminate on the basis of disability and, upon request, will provide reasonable accommodation to ensure equal access to its programs, services and activities.

Sign Language Interpreters, Communication Access Real-Time Transcription, Assistive Listening Devices, Telecommunication Relay Services (TRS), or other auxiliary aids and/or services may be provided upon request. To ensure availability, you are advised to make your request at least 72 hours prior to the meeting you wish to attend. Due to difficulties in securing Sign Language Interpreters, **five** or more business days' notice is strongly recommended. For additional information, please contact: Board of Administration Office at (213) 855-9348 and/or email at 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. [2024 OPEN ENROLLMENT CLOSEOUT REPORT](#)
 - D. [COMMISSIONER THUY HUYNH EDUCATION EVALUATION ON NATIONAL ASSOCIATION OF SECURITIES PROFESSIONALS DAY OF EDUCATION IN PRIVATE EQUITY; MARINA DEL REY, CA; MARCH 21, 2024](#)
 - E. [COMMISSIONER SUNG WON SOHN EDUCATION EVALUATION ON NATIONAL ASSOCIATION OF SECURITIES PROFESSIONALS DAY OF EDUCATION IN PRIVATE EQUITY; MARINA DEL REY, CA; MARCH 21, 2024](#)
- IV. COMMITTEE REPORT(S)
 - A. GOVERNANCE COMMITTEE VERBAL REPORT FOR THE MEETING ON MARCH 26, 2024
- V. CONSENT ITEM(S)
 - A. [APPROVAL OF MINUTES FOR THE MEETING OF MARCH 12, 2024 AND POSSIBLE BOARD ACTION](#)
- VI. BOARD/DEPARTMENT ADMINISTRATION
 - A. [2023 MEMBER COMMUNICATION SURVEY REPORT PRESENTATION](#)
- VII. INVESTMENTS
 - A. CHIEF INVESTMENT OFFICER VERBAL REPORT
 - B. [PRESENTATION BY NEPC, LLC REGARDING CONTINUED DISCUSSION OF ASSET ALLOCATION, INFRASTRUCTURE INVESTMENTS AND POSSIBLE BOARD ACTION](#)
 - C. [APPROVAL OF SIX-MONTH CONTRACT EXTENSION WITH THE NORTHERN TRUST COMPANY REGARDING MASTER CUSTODIAL SERVICES, SECURITIES LENDING, AND ANCILLARY SERVICES AND POSSIBLE BOARD ACTION](#)
- VIII. OTHER BUSINESS

IX. NEXT MEETING: The next Regular meeting of the Board scheduled for Tuesday, April 23, 2024, is canceled. A Special Meeting is scheduled for 9:30 a.m. on Tuesday, April 23, 2024, and will be held at the Los Angeles Zoo, Classroom B, 5333 Zoo Drive, Los Angeles, CA 90027.

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
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
BlackRock Institutional Trust Company, N.A.	Multi Passive Index Portfolio Management	November 1, 2022	October 31, 2027	Investments

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

Name	Description	Inception	Expiration	Division
Income Research & Management	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
Loomis, Sayles & Company, L.P.	Active Core Fixed Income	June 1, 2021	May 30, 2024	Investments
Dimensional Fund Advisors, LP	Active U.S. Treasury Inflation Protected Securities (TIPS)	July 1, 2021	June 20, 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 5, 2024	April 12, 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>
Keotahian, Avak	46	Council - As Needed	Asst Ch Legis Analyst
Camacho, Brenda	38	PW - Sanitation	Administrative Clerk
Mitchell, Darryl Amos	37	Zoo Dept.	Park Services Att
Moore, Reginald V	36	PW - Sanitation	Ref Coll Truck Oper
Stallings, Tyrone D	36	Dept. of Airports	Asst Airport Pol Chief
Veiga, Richard	36	PW - Sanitation	San Solid Resources Mgr
Cheng, Michele M	35	Office of Finance	Sr Administrative Clerk
Tenorio, Monique	35	City Attorney's Office	Witness Service Coordinator
Simon, Mark Rodger	35	PW - St. Maint.	St Svcs Supt
Aspen, Ricky	35	Dept. of Rec. & Parks	Painter
Mckinney-Gregoire, Lynne	35	PW - Street Use	St Svc Investigator
Gonzalez, Henry	35	Dept. of Rec. & Parks	Tree Surgeon Supvsr
Gantt, Norma Luz	34	PW - Sanitation	Env Compliance Insp
Portillo, Marvin Arnold	34	Dept. of Transportation	Sr Traffic Supv
Alaniz, Yolanda Julia	33	Police Dept. - Civilian	Sr Administrative Clerk
Roque, Ronald L	33	Dept. of Bldg. & Safety	Environmental Spec
Barajas, Roman	33	PW - Engineering	Systems Analyst
Cheng, Emeverto	32	PW - Sanitation	Envrmtl Engrg Assc
Morejon, Peter L	32	Dept. of Airports	Arpt Supt Of Oper
Sardin, De Shun	32	PW - Sanitation	Maintenance Laborer
Parraga, Kori Anne	31	Personnel Dept.	Sr Personnel Analyst
Wilkie, Charles A	31	Dept. of Rec. & Parks	Sr Mgmt Analyst
Trevgoda, John J	31	GSD - Admin.	Asst Gm Gen Svcs Dept
Palacios, Jesse D	31	GSD - Fleet Services	Garage Attendant
Mort, Jeff L	31	Dept. of Airports	Airp Manager
Hamilton, James Eric	30	Livability Services Division	Ref Coll Truck Oper
Aguayo, Marisela Mejia	30	Police Dept. - Civilian	Police Service Rep
Ruano, Byron Eduardo	30	Dept. of Transportation	Transp Engrg Assc
Tisdell, Denise Michelle	28	Police Dept. - Civilian	Police Service Rep
Madero, Maria Elena	28	GSD - Materials Mgmt.	Procurement Supv
Angelo, Susana	28	Police Dept. - Civilian	Administrative Clerk
Ma, Wallace Zhi	26	GSD - Fleet Services	Heavy Duty Equip Mech
Hollins, Selwyn Vincent	26	Office of Finance	Asst Dir Of Finance
Grant, Theresa L	25	Dept. of Transportation	Traf Officer
Scott, Monika Kelli	24	Police Dept. - Civilian	Police Service Rep
Gold, Steven	24	City Attorney's Office	Deputy City Atty

Ashley, Daniel S	24	Dept. of Transportation	Traf Paint Sign Post
Davis, Richard L	24	PW - St. Tree Div.	Light Equip Operator
Balbuena, Rebecca S	24	PW - Contract Administration	Sr Administrative Clerk
Tinsley, Chel C	24	Dept. of Airports	Custodian Airport
Chung, Timothy Jon	24	City Attorney's Office	Asst City Attorney
Huerta, Bert	23	Dept. of Rec. & Parks	Constr & Maint Supv
Bacon, Samuel H	23	Dept. of Airports	Sr Custodian Airport
Baghdanian, Margarite	23	Police Dept. - Civilian	Management Analyst
Shahbazian, Sean	23	PW - Contract Administration	Constr Inspector
McWilliams, Timothy	22	City Attorney's Office	Asst City Attorney
Topete, George H	20	Dept. of Rec. & Parks	Gardener Caretaker
Feggo, John	20	PW - Sanitation	Maint & Constr Helper
Bennett, Tina Nicole	19	Police Dept. - Civilian	Police Service Rep
Whitehurst, David	17	LA Housing Dept.	Pr Inspector
Barton, Sharon Candice	17	Dept. of Transportation	Traf Officer
Jolly, Peter Hayes	17	Dept. of Rec. & Parks	Golf Starter
Belk, Elaine T	17	Police Dept. - Civilian	Administrative Clerk
Bytheway, Jeff Leroy	17	Dept. of Bldg. & Safety	Sr Build Inspector
Miranda, Fernando	17	PW - Sanitation	Ref Coll Truck Oper
Dunbar, Michael Brian	17	Fire Dept. - Civilian	Equip Specialist
Podpora, Marian	16	Dept. of Bldg. & Safety	Build Mech Inspector
Sullivan, Stella Marquez	16	Dept. of Animal Svcs.	Administrative Clerk
Govic, Ervin	15	Harbor Dept.	Ship Carpenter
Garcia, Geraldine	11	Dept. of Airports	Airport Guide
Lau, Eric	10	GSD - Materials Mgmt.	Buyer
Dupras, Marlene K	9	Dept. of Airports	Civil Eng Associate
Mabin, Reinalda V	6	Dept. of Rec. & Parks	Special Prog Asst
Ponce, Robert F	5	Dept. of Rec. & Parks	Special Prog Asst
Nickerson, Demetrius	4	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

Beneficiary/Payee

Alva, Carmen

Enrique De Jesus Alva for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Antonio, Javelino A

Rose Padua Gaerlan for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Arora, Naresh C

Sudha Arora for the payment of the
Accrued But Unpaid Vested Retirement Allowance
Burial Allowance

Ashbaugh, David Edward

Charry F Ashbaugh for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Balbach, Pamela Kay

Brandie Nickey for the payment of the
Accrued But Unpaid Survivorship (Disability) Allowance
Unused Contributions

Gayle Balbach for the payment of the
Accrued But Unpaid Survivorship (Disability) Allowance
Unused Contributions

Bianchi, Angel R Yesenia Carmina Bianchi for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

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

Calleia, Anton Sheila Calleia for the payment of the
Burial Allowance

Cano, Juan M Gloria Ann Lara for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Chase, Steven L Janet Lynn Arima for the payment of the
Accrued But Unpaid Vested Retirement Allowance
Burial Allowance

Crespy, Harvey M Elaine M Crespy for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Dahlberg, Charles A Mary L Dahlberg for the payment of the
Accrued But Unpaid Vested Retirement Allowance

Davis, Ida P Shelly L. Davis for the payment of the
Accrued But Unpaid Service Retirement Allowance

Eason, Tafalla Nefertari Mark Allen Eason for the payment of the
Accrued But Unpaid Service Retirement Allowance

Espinoza, Richard Anthony Sylvia Duarte Espinoza for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Felix, Robert Maria A Felix for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Francisco, Rene Delarosa Carmelita P Francisco for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Gagnon, Robert J Patrick Gagnon for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Gilhuly, John F Lydia A Gilhuly for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Gilmore, Deonna	Merckelyn Tyrone Gilmore for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Goodlow, Nathaniel	Wynton Goodlow for the payment of the Burial Allowance
Gring, Newton P	Linda G Gring for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hall, Robert L	Queenie M Hall for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hamilton, Harry	Jana L Hamilton for the payment of the Accrued But Unpaid Disability Retirement Allowance Burial Allowance
Heinrich-Josties, Hans-U	Christa G Heinrich-Josties for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hernandez, Eddie Ramirez	Maria Elena Hernandez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Hughes, Angela M	Nancie M Hughes for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Hughes, Paul R	Deborah S Hughes for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Johnson, Emanuel	Marion F Johnson for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
Kausteklis, Peter A	Elisabeth Ann Lovi for the payment of the Accrued But Unpaid Service Retirement Allowance
Knokey, David J	Ann Katherine Knokey for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance
La Hive, Mardi Robin	Estate Of Mardi R La Hive for the payment of the Accrued But Unpaid Continuance Allowance Accrued But Unpaid Service Retirement Allowance Burial Allowance
Lopez, Neponuceno	Kathleen Christine Ramirez for the payment of the Accrued But Unpaid Service Retirement Allowance Burial Allowance

Louck, Frank Allen Miryam G. Louck for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Lund, Mireya V April Michelle La Rose for the payment of the
Accrued But Unpaid Continuance Allowance

Marquez, Nicolas G Mercedes Loza De Marquez for the payment of the
Burial Allowance

Mayfield, Carolyn J Charles Mayfield for the payment of the
Accrued But Unpaid Vested Retirement Allowance
Burial Allowance

Melchor, Robb S Santos Hernandez Carcamo for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Mendoza, Manuel J Julia Victoria Rodarte for the payment of the
Burial Allowance

Meyer, Mervyn E Dona Bergstrom for the payment of the
Burial Allowance

Murai, Kazuo Yasuko Murai for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Napier, James H Elvy Rodil Napier for the payment of the
Burial Allowance

Naro, Froilan P Leticia C Naro for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Patron, Susan Hall Rene A Patron for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Pearson, James H Jane V Pearson for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Ramsey, Linda Louise Erin Kamala Ramsey for the payment of the
Accrued But Unpaid Larger Annuity Allowance
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Rodgers, Michael A Susan J Rodgers for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Rolewski, Carol A Robert Joseph Rolewski for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Ruiz, Angel Phiangchai Ruiz for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Stone, Eugene A Katherine Raynor for the payment of the
Accrued But Unpaid Vested Retirement Allowance
Burial Allowance

Stuen, Larry J Patricia C Stuen for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Telles, Richard J Shirley M. Telles for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

Tripp, Albert L Joeredelle Durden for the payment of the
Accrued But Unpaid Vested Retirement Allowance
Burial Allowance

Vinkemulder, Gladys Cynthia S Pierce Gravatt for the payment of the
Accrued But Unpaid Continuance Allowance

Wang, Deji

Yufen Wang for the payment of the
Accrued But Unpaid Disability Retirement Allowance

Williams, Alex

Pauline F Williams for the payment of the
Accrued But Unpaid Service Retirement Allowance
Burial Allowance

TIER 3
NONE

BENEFIT PAYMENTS APPROVED BY GENERAL MANAGER: ITEM IV-A

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

Acord, April L
(Deceased Active)

Jeffrey A Acord for the payment of the
Disability Retirement Survivorship Allowance

Alatorre, Jose L
(Deceased Active)

Nina Sanchez for the payment of the
Disability Retirement Survivorship Allowance

Alviso, Mariflor
(Deceased Active)

Francis Darren Fagar Alviso for the payment of the
Vested Retirement Survivorship Allowance

Cardenas, Esequiel
(Deceased Active)

Laura Yesenia Ochoa Chavez for the payment of the
Service Retirement Survivorship Allowance

Chumley, Deana Marie
(Deceased Active)

Michael D Medlock for the payment of the
Service Retirement Survivorship Allowance

Coleman, Lori D
(Deceased Active)

Barry L Coleman for the payment of the
Service Retirement Survivorship Allowance

Cross, Stephen
(Deceased Active)

Roxana Cross for the payment of the
Disability Retirement Survivorship Allowance

Davis, John Paul
(Deceased Active)

Ebony Diane Davis for the payment of the
Disability Retirement Survivorship Allowance

Daze, David Timothy
(Deceased Active)

Stacy L Galbraith Daze for the payment of the
Service Retirement Survivorship Allowance

Dempsey, Michael S
(Deceased Active)

Janet Fletcher-Dempsey for the payment of the
Vested Retirement Survivorship Allowance

Duvall, Jolynn
(Deceased Active)

Christopher Delet Duvall for the payment of the
Service Retirement Survivorship Allowance

Espinoza, Jesus F
(Deceased Active)

Virginia Espinoza for the payment of the
Disability Retirement Survivorship Allowance

Fontamillas, Jesus Gotoy
(Deceased Active)

Helena Yoon-Fontamillas for the payment of the
Vested Retirement Survivorship Allowance

Gage, Joann
(Deceased Active)

Aaron Vaughn Ganner for the payment of the
Disability Retirement Survivorship Allowance

Gaydowski, Roy Todd
(Deceased Active)

Elizabeth J Gaydowski for the payment of the
Vested Retirement Survivorship Allowance

Giacoma, Kristopher Brett
(Deceased Active) Nicolle Giacoma for the payment of the
Disability Retirement Survivorship Allowance

Gipson, Matthew
(Deceased Active) Patricia M Gipson for the payment of the
Service Retirement Survivorship Allowance

Guerena, Guadalupe
Gamboa
(Deceased Active) Maria Simental De Guerena for the payment of the
Service Retirement Survivorship Allowance

Hernandez, Juan Jose
Flores
(Deceased Active) Evelia De La Rosa Flores for the payment of the
Disability Retirement Survivorship Allowance

Himan, Gary Lao
(Deceased Active) Laura Fierro Himan for the payment of the
Vested Retirement Survivorship Allowance

Lam, Kit Lung
(Deceased Active) Monica Y Lam for the payment of the
Service Retirement Survivorship Allowance

Lewis, Kenneth
(Deceased Active) Rhonda Lewis for the payment of the
Disability Retirement Survivorship Allowance

Marasigan, Noemi Martinez
(Deceased Active) Cesar Marasigan for the payment of the
Service Retirement Survivorship Allowance

Mc Auliffe, Daniel Edward
(Deceased Active) Tracey Cohen for the payment of the
Service Retirement Survivorship Allowance

Medellin, Edward Avila
(Deceased Active)

Araceli Medellin for the payment of the
Service Retirement Survivorship Allowance

Mendoza, Stella
(Deceased Active)

John Phillip Mendoza for the payment of the
Disability Retirement Survivorship Allowance

Moreno, Ray A
(Deceased Active)

Digna Moreno for the payment of the
Disability Retirement Survivorship Allowance

Narvaez, Elias Gerardo
(Deceased Active)

Maria Lourdes Narvaez for the payment of the
Service Retirement Survivorship Allowance

Ortiz, Elba C
(Deceased Active)

Jesus Ortiz Cuevas for the payment of the
Vested Retirement Survivorship Allowance

Payne, Kyle
(Deceased Active)

Cathie Marie Ray-Payne for the payment of the
Service Retirement Survivorship Allowance

Piazza, Francis E
(Deceased Active)

Cara Piazza for the payment of the
Service Retirement Survivorship Allowance

Rodriguez, Michael A
(Deceased Active)

Stephanie Rodriguez for the payment of the
Service Retirement Survivorship Allowance

Rodriguez, Omar E
(Deceased Active)

Maria Alvarez for the payment of the
Service Retirement Survivorship Allowance

Singleton, Helen Marie (Deceased Active)	Stephen Singleton for the payment of the Vested Retirement Survivorship Allowance
Stachura, Raymond John (Deceased Active)	Lori Stachura for the payment of the Service Retirement Survivorship Allowance
Taguchi, Eric Kiichi (Deceased Active)	Eleanor Tumbaga Taguchi for the payment of the Vested Retirement Survivorship Allowance
Torres, Noe (Deceased Active)	Arlyn Torres for the payment of the Disability Retirement Survivorship Allowance
Triner, Laura Lynn (Deceased Active)	Douglas Shultz for the payment of the Service Retirement Survivorship Allowance
Tweedy, Eric Christophe (Deceased Active)	Jenna Matinata for the payment of the Disability Retirement Survivorship Allowance
Varela, Tony (Deceased Active)	Ellen C Gaines Varela for the payment of the Service Retirement Survivorship Allowance
Wilkie, Susana Taad (Deceased Active)	Charles A Wilkie for the payment of the Service Retirement Survivorship Allowance

TIER 3
NONE

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



2024 Open Enrollment Closeout Report

Health, Wellness, and Buyback Division
April 9, 2024

Prepared by Ada Lok, Senior Benefits Analyst



Open Enrollment Timeline

Open Enrollment Activities

The planning and execution of Open Enrollment began in March and finished early in the new plan year. The below Gantt chart lists the Open Enrollment activities completed in 2023 and early 2024.

2024 Open Enrollment Process

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Medical Request for Proposal (RFP) for 2024 contract			Yellow Dotted											
Dental and Vision Request for Renewal (RFR) for 2024 plan year			Green											
Rate and plan changes updated for LACERS publications							Yellow Dotted							
Rate and plan changes updated for Pension Administration System							Green							
Open Enrollment Planning						Yellow Dotted								
Open Enrollment Execution										Green				
Open Enrollment Period (Oct 16-Nov 16) and Processing (Dec-Feb)										Yellow Dotted				
Member contact increase										Green				



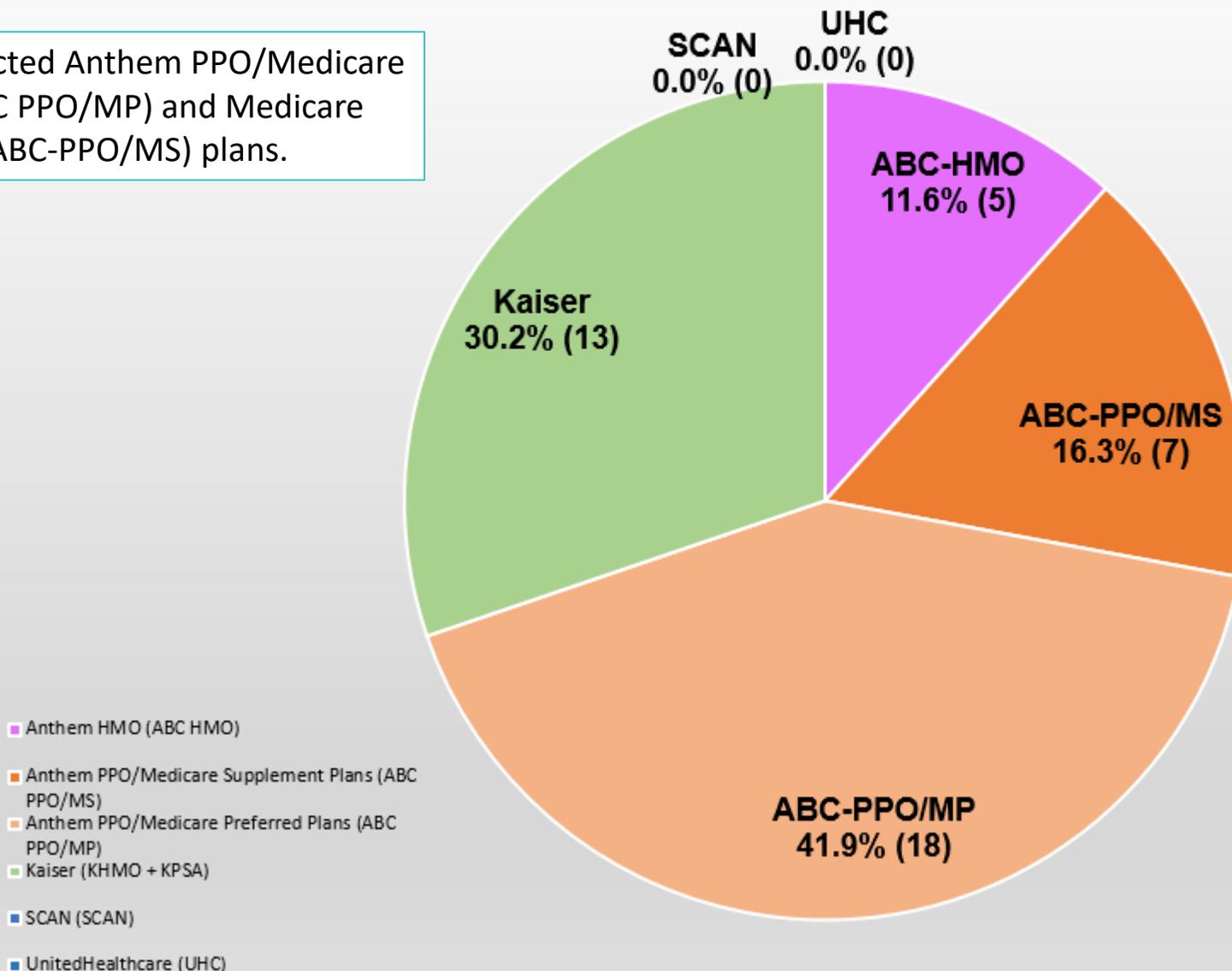
Open Enrollment Report

New Medical Enrollment Members vs. Covered Lives *(December 2023 payroll)*

	Covered Lives	New Medical Enrollment Members
Anthem HMO	1,294	5
Anthem PPO/Med Preferred	6,323	18
Anthem PPO/Med Supp	124	7
Kaiser	14,014	13
SCAN	719	0
UHC	932	0
TOTAL	23,406	43

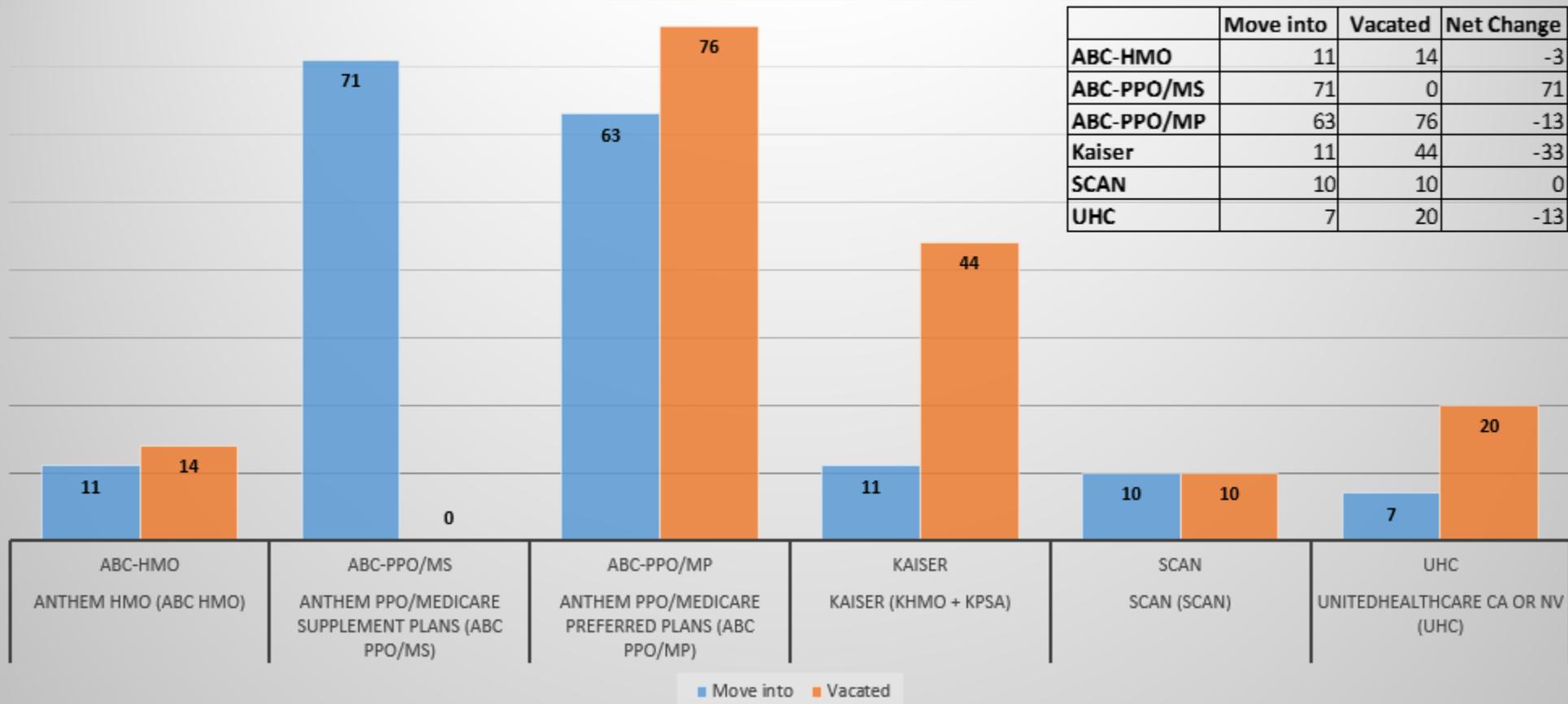
2024 Open Enrollment: New Medical Plan Enrollments

Over half selected Anthem PPO/Medicare Preferred (ABC PPO/MP) and Medicare Supplement (ABC-PPO/MS) plans.



Note: New enrollments are the Members who had not been enrolled in a LACERS medical plan for at least a year before 1/1/2024.

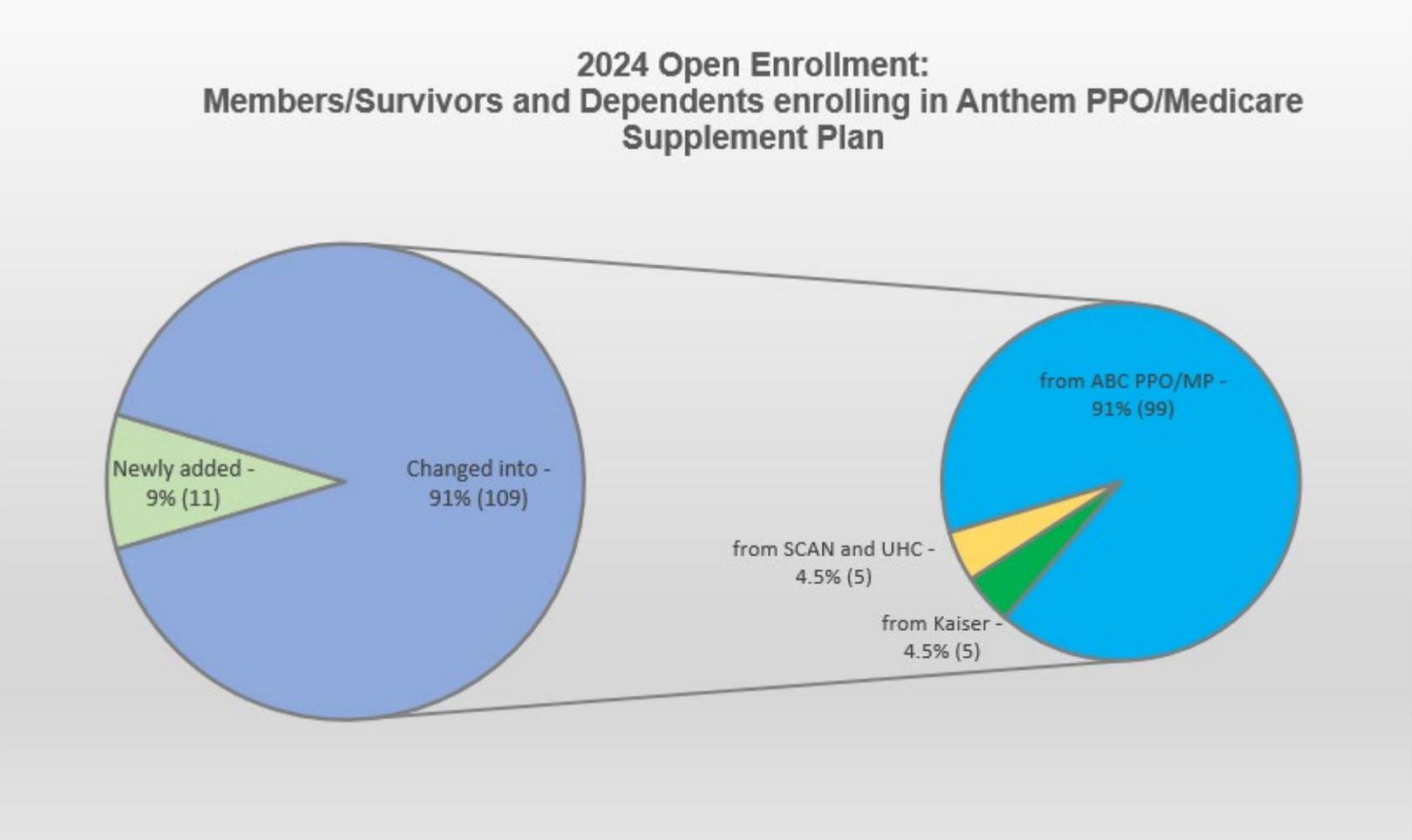
2024 Open Enrollment: Medical Plan Changes - Move Into vs. Vacated



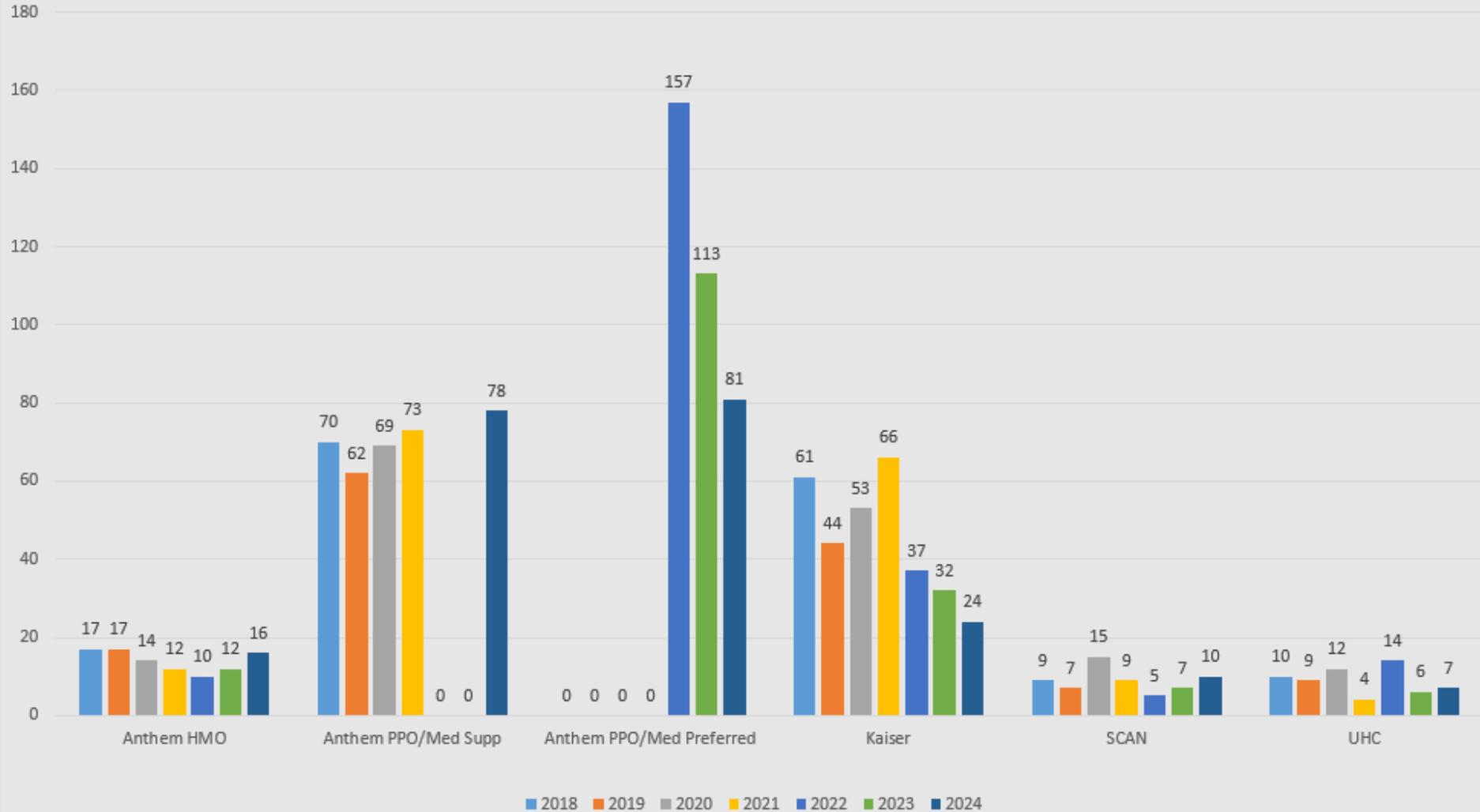
Anthem PPO/Medicare Supplement (ABC-PPO/MS) plan was brought back for 2024 OE. A number of Members/Survivors and eligible dependents first-time enrolled or switched to this plan.

A total of 120 (109+11) enrollees enrolled in the Anthem PPO/Medicare Supplement (ABC-PPO/MS) plan.

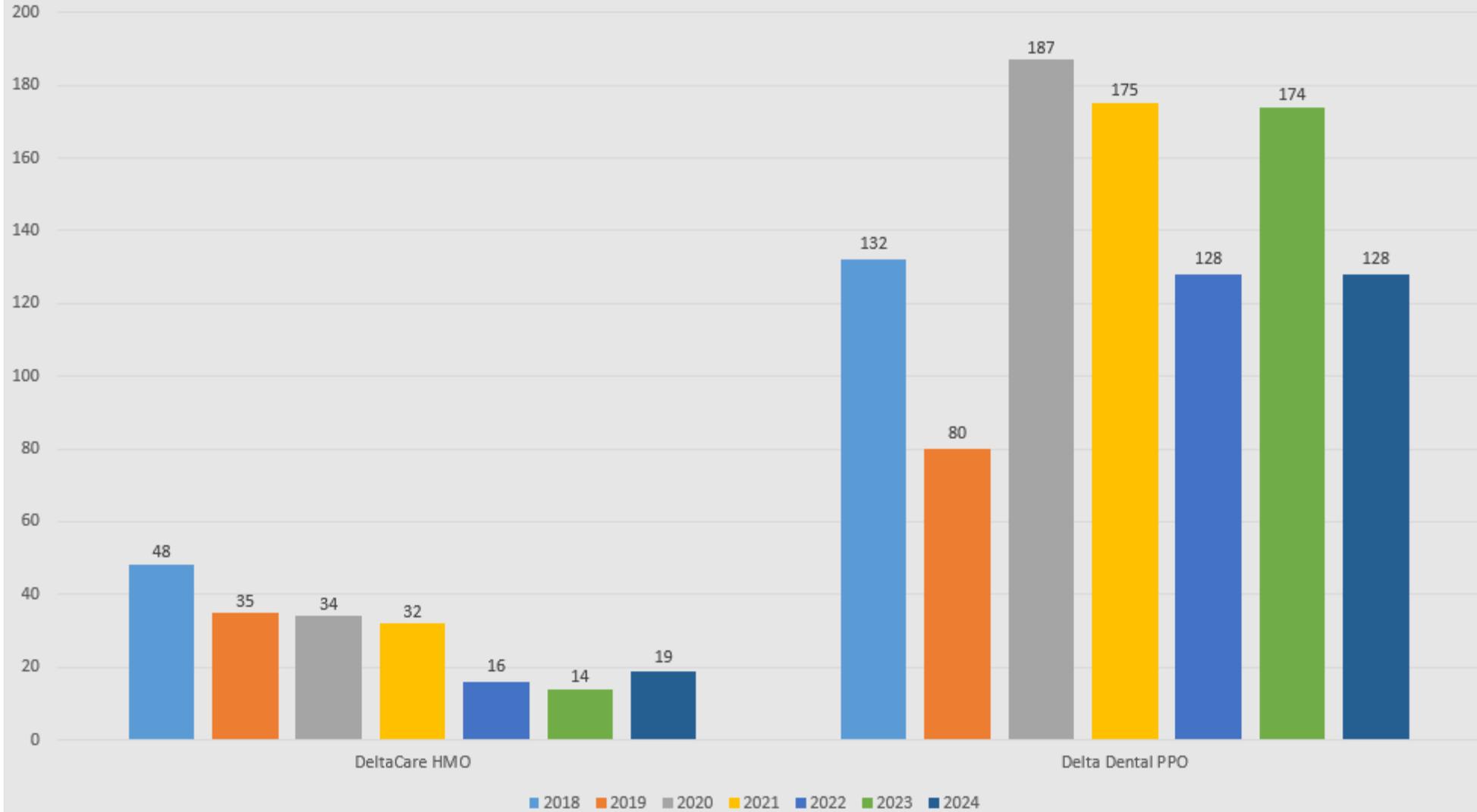
Of the 109 who changed plans, 91% switched from the Anthem PPO/Medicare Preferred (ABC-PPO/MP) plan.



2018-2024 Open Enrollment Comparison: Medical Plan Enrollments (New + Change Into)

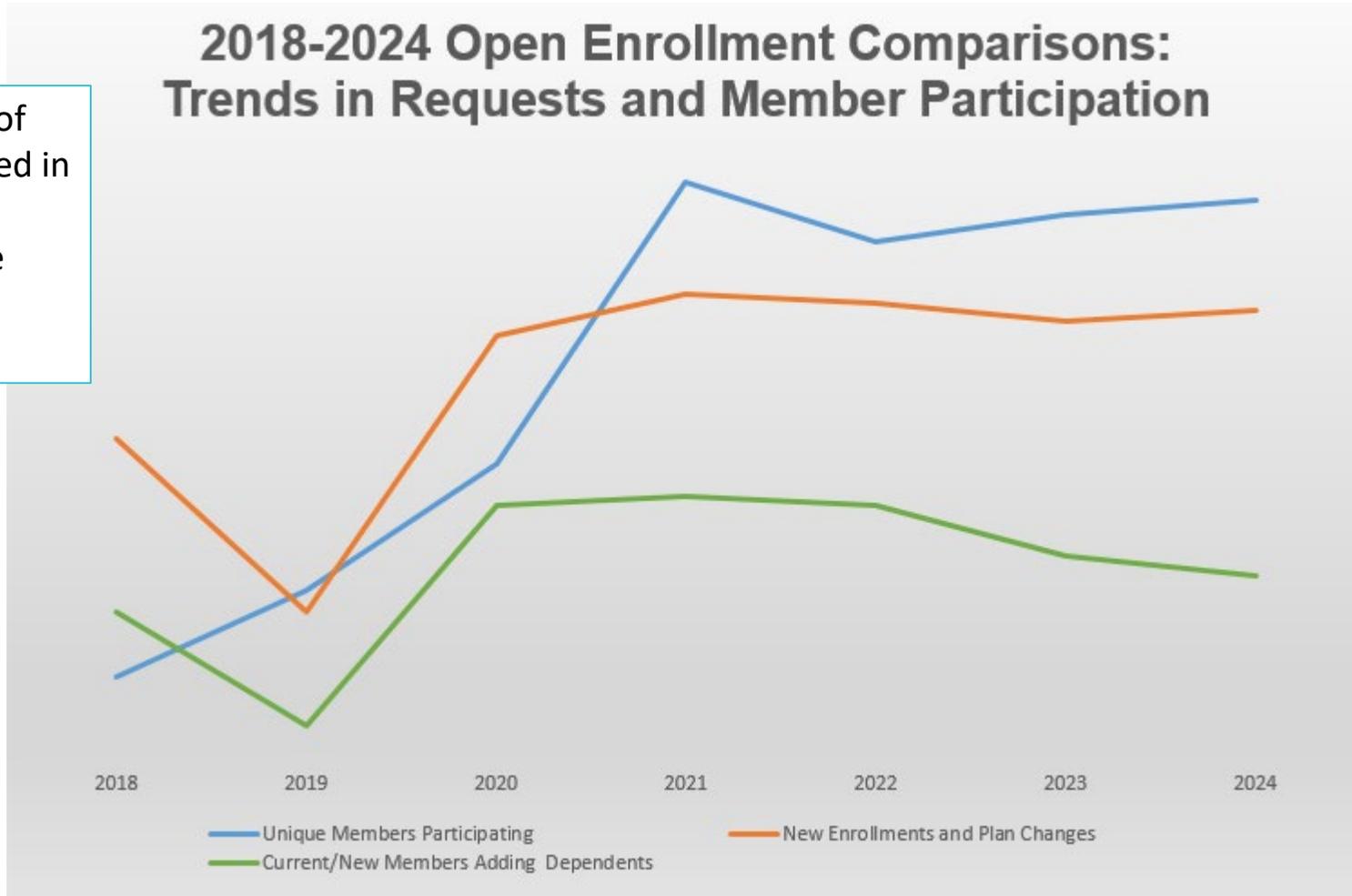


2018-2024 Open Enrollment Comparison: Dental Plan Enrollments (New + Change)

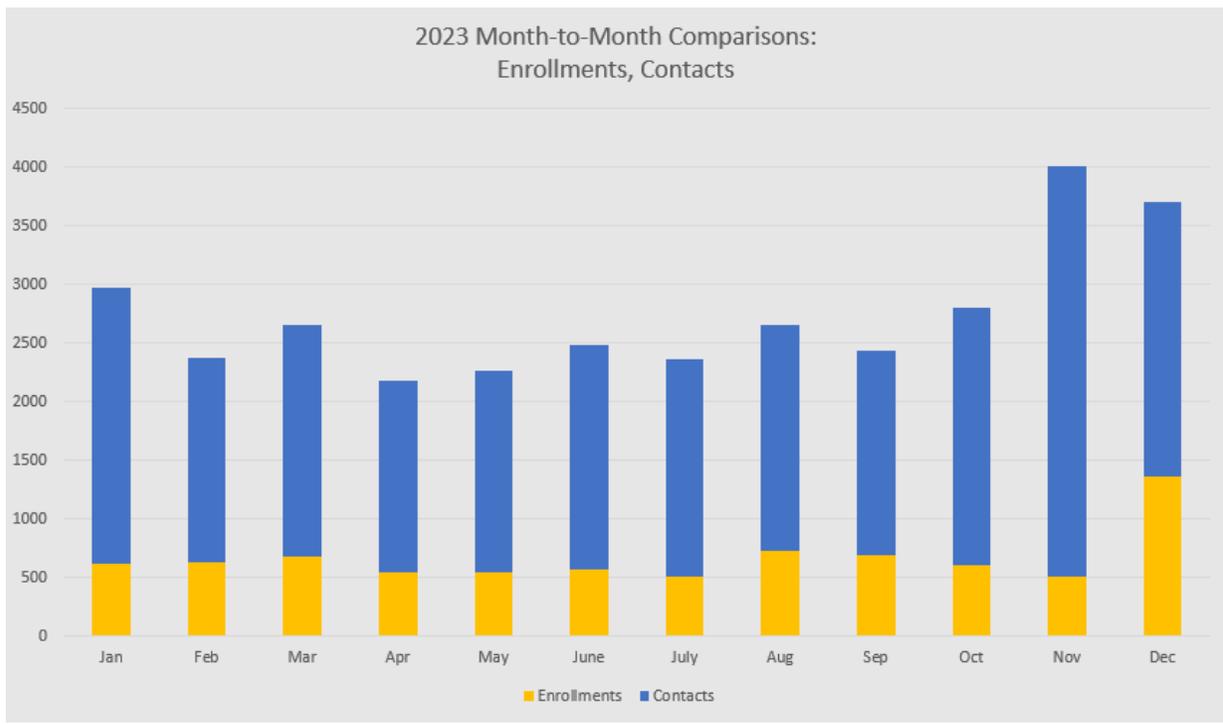
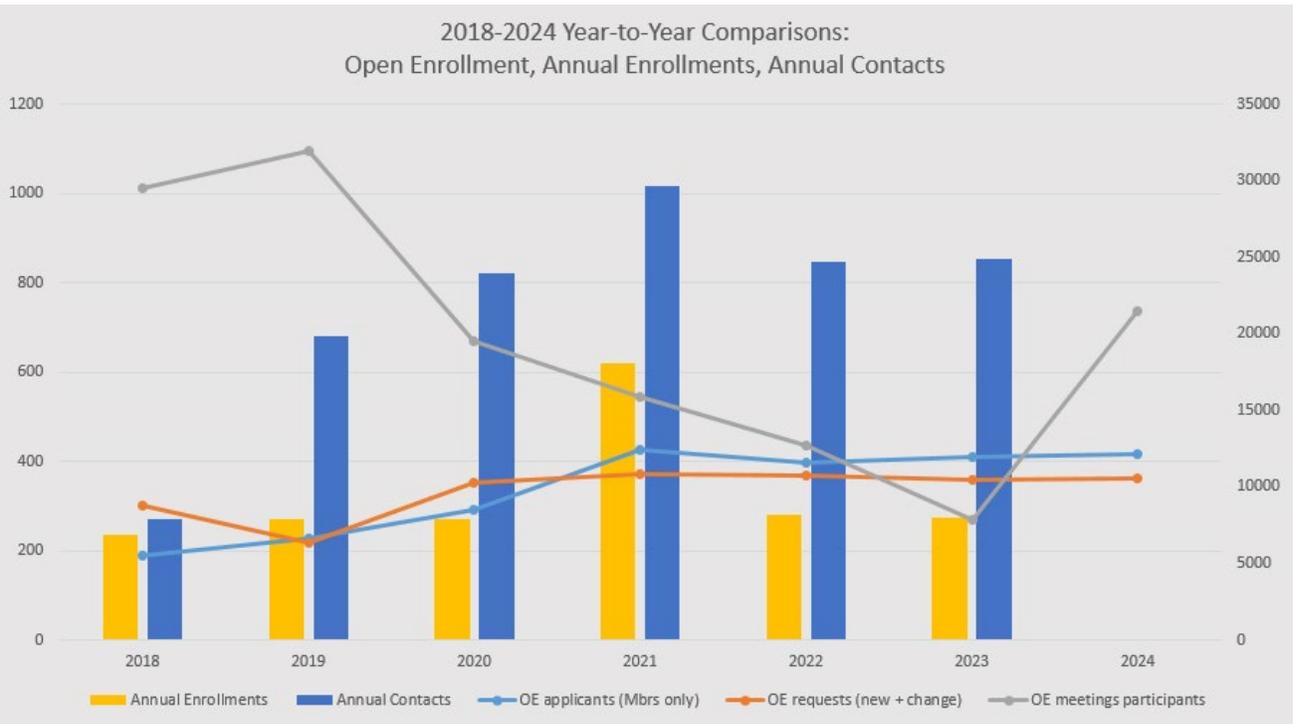


2018-2024 Open Enrollment Comparisons: Trends in Requests and Member Participation

There was a slight increase of unique Members participated in OE (2%) as well as the new enrollment and plan change requests (1.3%) from the preceding OE.



Note: Two requests submitted by one Member could be viewed as two Members' request. By "unique Member," we consider the actual number of participated Members.



The number of OE applicants and requests stayed flat over the past two years, but the number of OE meeting participants increased significantly (738 vs. 269), mainly because in-person meetings returned in 2024 OE so the number captured includes virtual and in-person meeting participants (292 virtual, 446 in-person).

The blue and yellow bars on both charts provide the caseload of Enrollment and Advocacy Units for reference.

Note: The lines on the chart on the right should reference the y-axis on the left.

Questions?

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM (LACERS)
TRAVEL/CONFERENCE EVALUATION REPORT**

Name of Attendee: Thuy Huynh	
Title of Conference/Seminar: Day of Education in Private Equity	
Location: Marina del Rey, CA	No. of Education Hours: 8
Event Sponsor: National Association of Securities Professionals	Date(s) Held: March 21, 2024

Report for:

- Travel
 Conference/Seminar Attendance Only

I. Nature/Purpose of Travel (if applicable):

To gain a better understanding of private equity investments in public funds.

II. Significant Information Gained:

The private equity sector is moving towards private credit, venture capital remains strong post-pandemic, liquidity remains an ongoing issue, the false idea of risk premium associated with investing in low-income communities, managing portfolios impacted by geopolitics remains difficult, and assessing interest rates and inflation during the market rebound.

III. Benefits to LACERS:

To better understand the ever changing environment in one of the largest growing asset classes and how we can more effectively make decisions in our private equity investment strategy.

IV. Additional Comments:

**LOS ANGELES CITY EMPLOYEES' RETIREMENT SYSTEM (LACERS)
TRAVEL/CONFERENCE EVALUATION REPORT**

Name of Attendee: Sung Won Sohn	
Title of Conference/Seminar: NASP - Day of Education	
Location: Ritz Carlton Marina Del Rey	No. of Education Hours: 8
Event Sponsor: NASP	Date(s) Held: 03-21-24

Report for:

- Travel
 Conference/Seminar Attendance Only

I. Nature/Purpose of Travel (if applicable):

II. Significant Information Gained:

Private Equity

III. Benefits to LACERS:

Investment

IV. Additional Comments:

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

March 12, 2024

10:01 a.m.

PRESENT:	President:	Annie Chao
	Vice President:	Sung Won Sohn
	Commissioners:	(arrived at 10:04 a.m.) Thuy Huynh Elizabeth Lee Gaylord "Rusty" Roten Janna Sidley Michael R. Wilkinson
	Legal Counselor:	Anya Freedman
	Manager-Secretary:	Neil M. Guglielmo
	Executive Assistant:	Ani Ghoukassian

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

I

PUBLIC COMMENTS AND GENERAL PUBLIC COMMENTS ON MATTERS WITHIN THE BOARD'S JURISDICTION AND COMMENTS ON ANY SPECIFIC MATTERS ON THE AGENDA – President Chao asked if any persons wanted to make a general public comment to which there were five public comment cards received. The following members of the public made public comments with respect to LACERS investment in Advent International and Oaktree Capital Management and in support of restaurant/hotel workers: Jordan Fein, Eddie Diaz, Kevin Noble, Cecilia Alvarado, and Maritza Villeda.

II

GENERAL MANAGER VERBAL REPORT

- A. REPORT ON DEPARTMENT OPERATIONS – Neil M. Guglielmo, General Manager, advised the Board of the following items:
- Calculation Correction Notification Update
 - Dashboard including updates for Commissioners
 - LACERS 1st Anniversary at 977
 - LACERS Strategic Planning Update
 - Benefit Operations Update

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

- Board meetings on March 26, 2024: Actuarial Risk Assessment and Preliminary Proposed Budget, Personnel and Annual Resolutions for FY 2024/25
- Benefits Administration Committee meeting in March 2024: Health Plan Contract Renewal Timeline and Strategy
- Governance Committee meeting on March 26, 2024: Triennial Board Policy Review: Board Education and Travel Policy and Proposed Amendment to Board Governance Policy Regarding Temporary Presiding Officers for Board Meetings

Item VI-A taken out of order.

VI

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 \$22.982 billion as of March 11, 2024 and VIX at 14.3. Rod June discussed the following items:

- Policy: Continued work on Investment Governance
- Operational: Lazard Asset Management LLC, managing an Active Non-US Equities Developed Markets Core Portfolio, on watch as of March 1, 2024, for organizational changes. Staff and NEPC will continue to monitor the team and portfolio closely.
- Non-US Global Exposures
 - a. Russia exposure - \$666k
 - b. Ukraine exposure - \$3.8m
 - c. China exposure - \$223m
 - d. China tech exposure - \$22.8m
 - e. Israel exposure - \$143m
- Future Agenda Items:
 - a. Total Fund Portfolio Performance Review - Period ending Dec 31, 2023
 - b. Several investment manager contracts
- Announcements - Introductions:
 - a. Wendy Norman, new Investment Officer I, Public Markets Unit led by Wilkin Ly
 - b. Daniel Becerra, new Investment Officer I, Private Markets Unit led by Ellen Chen
- Status Update regarding the UniteHere labor dispute with two general partners.

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 GENERAL MANAGER – This report was received by the Board and filed.
- C. EDUCATION AND TRAVEL EXPENDITURE REPORT FOR THE QUARTER ENDING DECEMBER 31, 2023 – This report was received by the Board and filed.

IV

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

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 – Jason Leung, Senior Systems Analyst II, presented and discussed this item with the Board for 3 minutes. Commissioner Sidley moved approval of the following resolution:

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

RESOLUTION 240312-A

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.

Company Name: PLANETARIA MEDIA LLC (Formerly DIGITAL DEPLOYMENT INC.)

Service Provided: Website Design
Website Maintenance and Support

Term Dates: April 1, 2019 through April 30, 2025

Total Expenditure Authority: \$280,750

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

VI

INVESTMENTS

Item VI-C taken out of order

- C. CONTRACT WITH NEPC, LLC, ADDITION OF KEY PERSON AND POSSIBLE BOARD ACTION – Rod June, Chief Investment Officer, Barbara Sandoval, Investment Officer II, and Rose Dean, Partner, with NEPC LLC, presented and discussed this item with the Board for 5 minutes. Commissioner Sidley moved approval, seconded by Commissioner Wilkinson, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sidley, Wilkinson, Vice President Sohn, and President Chao -7; Nays, None

Vice President Sohn left the meeting at 11:29 a.m. and returned at 11:40 a.m.

- B. PRESENTATION BY NEPC, LLC REGARDING CONTINUED DISCUSSION OF ASSET ALLOCATION AND POSSIBLE BOARD ACTION – Carolyn Smith, Partner, and Rose Dean, Partner, with NEPC LLC, presented and discussed this item with the Board for 1 hour and 20 minutes. After discussion, the Board took no 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 – Commissioner Wilkinson moved approval, seconded by Commissioner Lee, and adopted by the following vote: Ayes, Commissioners Huynh, Lee, Roten, Sidley, Wilkinson, Vice President Sohn, and President Chao -7; Nays, None

The Commissioners took a break from 12:23 p.m. to 12:26 p.m.

President Chao recessed the Regular meeting at 12:27 p.m. to convene in closed session.

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 12:44 p.m.

VIII

OTHER BUSINESS – Commissioner Sidley requested updates on the new Human Resources & Payroll (HRP) implementation status.

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 – There being no further business before the Board, President Chao adjourned the Meeting at 12:45 p.m.

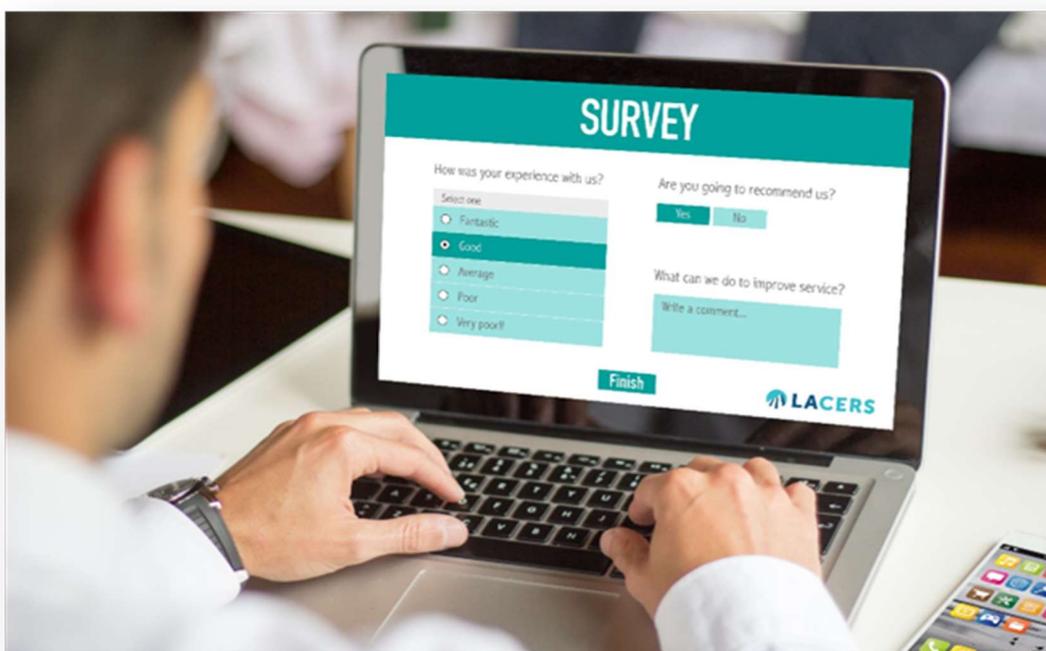
Annie Chao
President

Neil M. Guglielmo
Manager-Secretary



2023 MEMBER COMMUNICATION SURVEY REPORT

Establishing trusting and lifelong relationships with all of our Members.



*Prepared by: Amelia Herrera-Robles, Public Information Director
Gabriel Pérez, Sr. Benefits Analyst
Taneda Larios, Chief Benefits Analyst
April 9, 2024*

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EXECUTIVE SUMMARY

This report summarizes the LACERS Member Communication Survey (MCS) data collected from August to December 2023 as part of the Communications and Stakeholder Relations Division's (CSR) FY 22-23 strategic communications plan objectives. The purpose of the survey is to:

- Identify the preferred method and cadence of communication for the respective publication or information;
- Understand the Member experience with the existing communication channels; and
- Gain insight into how LACERS' content can be enhanced.

Listening to the voices of the LACERS Members and their beneficiaries was central to identifying potential communication shifts and preferences, considering the numerous forms of communication in today's digital landscape. The MCS provides information that is granularly focused on how best to serve the needs of the LACERS Members and beneficiaries.

The MCS consisted of ten questions and included the option to complete it online by scanning a QR code, typing a hyperlink on a computer or phone browser, or completing a paper version with a pre-paid return envelope for Retired Members and beneficiaries. The period for completing the online survey for Active Members was from August 3rd to the 16th, 2023. The paper survey for Retired Members and beneficiaries was mailed in early August 2023. A total of 5,422 surveys were collected.

Approximately 33,000 survey invitation emails were sent to Active Members, which included official City and MyLACERS account email addresses and about 20,000 Retired Members and their beneficiaries were mailed a paper copy of the survey. Participation was voluntary, and Members and beneficiaries were assured confidentiality. A Spanish version was also produced for Members preferring to take the survey in Spanish.

Retired Members responded at the highest rate with 4,187 responses (77.2%), followed by beneficiaries with 583 (10.7%), Active Members with 554 (10.2%), Other with 20 (0.4%) and 78 (1.4%) that did not self-identify. However, those who did not self-identify would be either a Retired Member or beneficiary because they returned a physical survey. Of the 4,187 survey responses received by Retired Members and beneficiaries, 85% (3,571) of Retired Members and 91% (530) of beneficiaries returned their survey using the paper copy in the pre-paid envelope provided. Active Members did not receive paper surveys.

SURVEY OBJECTIVE

To understand Member preferences and thereby adopting more efficient and practical approaches to communication with all LACERS Members.

METHODOLOGY

CSRD staff developed, piloted, and translated the ten-question survey, which included multiple-choice and open-ended questions. A copy of the MCS is included herein as Appendix A. The MCS questions were developed to capture Members' attitudes toward the type, content, and frequency of LACERS' communication. The LACERS' Executive Team approved the MCS before its implementation.

The MCS targeted Active and Retired Members, as well as beneficiaries. Before it was distributed broadly, it was sent to the LACERS staff with an added question prompting them to self-assess their competency and familiarity with LACERS benefits. The LACERS staff survey was distributed via email, providing a direct link to the survey hosted on a cloud-based platform, where all responses were collected.

The survey was also piloted during three (3) Planning for Retirement seminars, where participants could complete it online using iPads or on a paper survey. After the initial survey trials, it was distributed to Active Members electronically. The invitation to take the MCS contained a hyperlink to the survey, and submissions were categorized into distinct groups to maintain data integrity. Retirees and beneficiaries received a paper version accompanied by a letter with two response options: complete the paper version or use the QR code in the letter to complete it online. Retirees who used the QR code to complete it online were directed to a separate survey and their submissions were captured within a distinct group on the cloud-based platform.

The paper surveys (3500+) were scanned and manually entered on the cloud-based platform by the CSRD staff. Most of this work was completed using overtime resources.

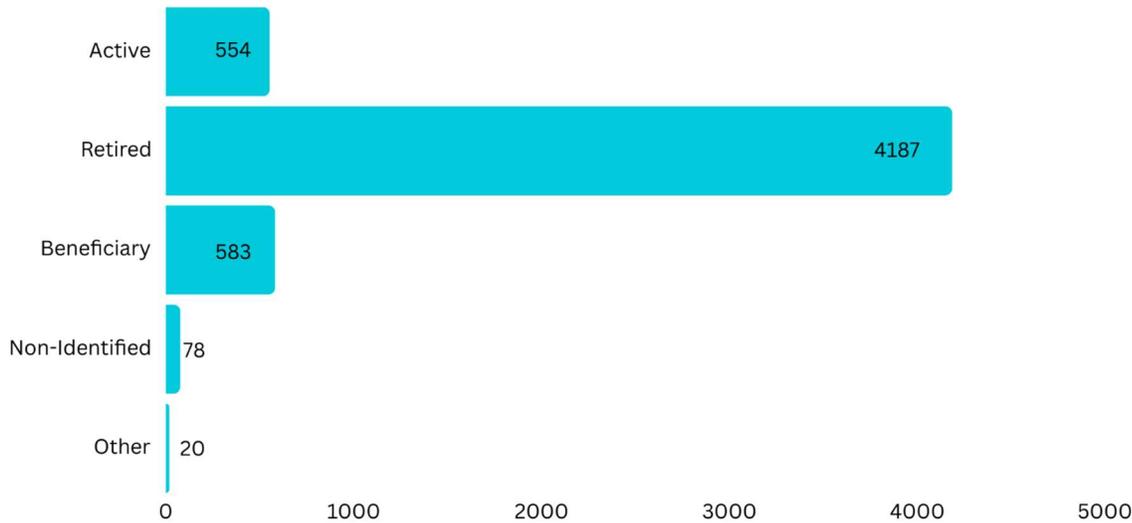
A Spanish version of the survey was created and offered upon request. Only two Spanish surveys were received.

SURVEY RESULTS AND DISCUSSION

Q1. Indicate your Member status type with LACERS.

Participants were invited to categorize themselves as one of four options: an Active City Employee, a Retired LACERS Member, a Beneficiary, or Other.

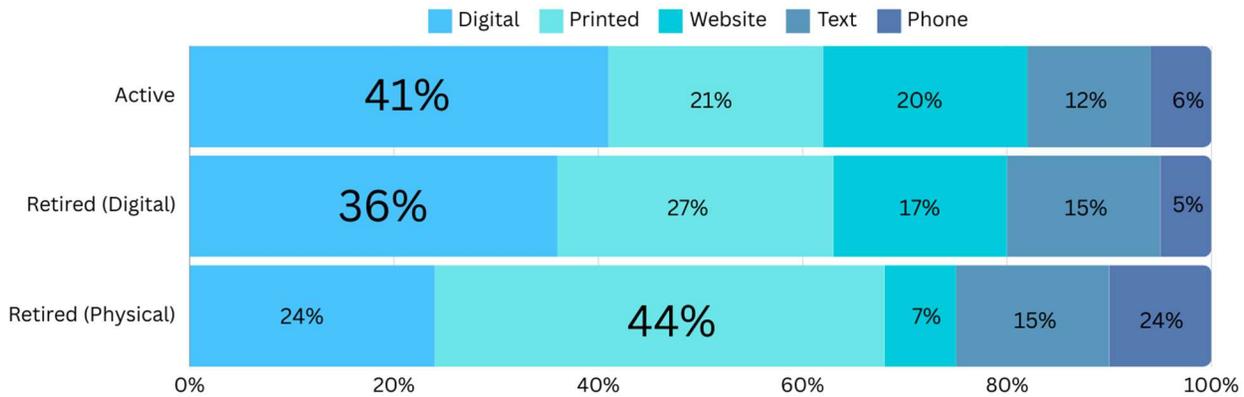
A larger number of Retired Members responded to the survey than any other group. This is not surprising as a large percentage of retirees also indicated in a later question that they preferred receiving information in hard copy. A pre-paid return envelope was included with the survey for their convenience. It is worth noting that there was discussion about the possibility that receiving a hard copy survey carried more weight, leading to a better response than receiving a digital copy. Unfortunately, we could not prove this theory having not sent the Active Members a hard copy survey. We intend to investigate this further when other opportunities are presented.



Q2. How do you prefer to receive communications from LACERS?

Participants were provided a list of communication channels encompassing both existing and prospective options used by LACERS including digital, printed, website, text, and phone. The top responses were as expected: digital correspondence was a strong preference for those who took the online survey, and printed correspondence was the top preference for those who responded to the physical survey.

Texting was an unexpected top response for all participants (responding digitally or in paper form), appearing 13% for Active Members and 15% for Retired Members and beneficiaries. This is noteworthy because it was preferred over phone calls. As we currently use texting for multi-factor authentication, we could expand this to provide reminders and updates on benefits, events and seminars, and emergency closures.

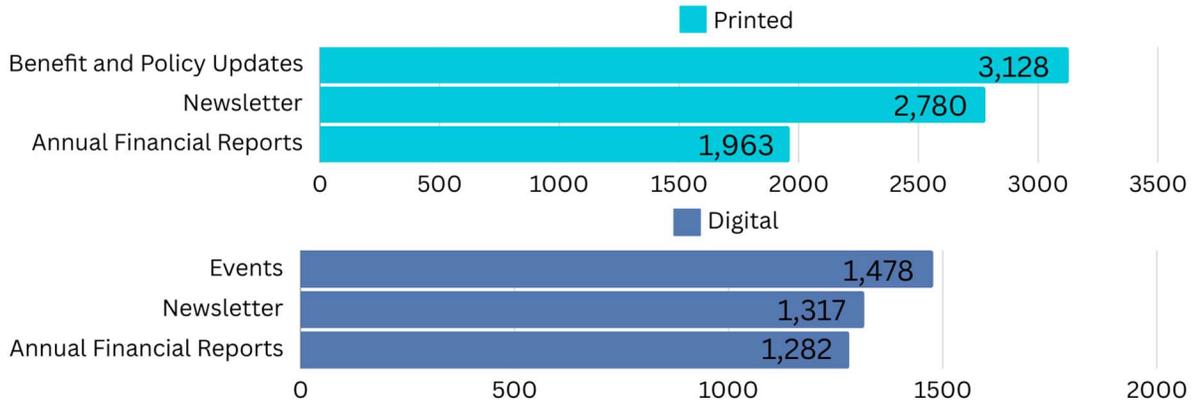


Q3. What is Your Preferred Type of Communication - Digital or Printed?

Members were asked about their preference for receiving printed or digital communications. The common response among all Members was a preference for *printed* copies of benefit, policy, and financial reports. Some notable takeaways from the responses:

- The 2nd highest-ranked response among Active Member respondents was to receive no printed communications.
- Members generally prefer benefit, policy, and financial communications in print format and event, newsletters, and other lighter communications in digital format.

Retired Member Preferences, Digital vs Printed Communications



Q4. Do you find the LACERS' communication you receive easy to understand?

Members were asked about the ease of understanding LACERS communications. The overall response for Members was that communications are extremely or somewhat easy to understand, with about 98% of Retired Members and beneficiaries stating that the communications are extremely easy to understand and about 93% of Active Members stating that they are somewhat easy to understand.

A possible cause for this result could be correlated to the fact that Retired Members and beneficiaries have already gone through the retirement process and are familiar with the terminology, the process for retiring, and their life-impacting decisions are behind them. Active Members, depending on where they are in their career journey, may prioritize otherwise. A recent [article](#) by Plansponsor.com regarding retirement financial literacy rates aligns with this theory, stating, "...people don't really know something until they need to."

These questions included a follow-up that asked how communications could be made easier to understand. The top response, also seen elsewhere in the survey, was to use common language and fewer legal terms and acronyms. Although some units may use plain language in their communication, this is not centralized across the Department to ensure this is standardized.

Ease of Understanding



Q5. Do you find the information you receive valuable?

Participants responded that they find LACERS communications valuable, specifically Active Members answered in the affirmative 95% and Retired Members and beneficiaries 98% of the time. An additional follow-up question asked how useful respondents found the information and the following were the responses:

Option	Active	Retiree (Digital)	Retiree (Print)
Very Useful, I read everything	35%	46%	52%
Useful, I glance through it	63%	53%	47%
Of no use, I don't read it			

Q6. How can the content/layout of LACERS' communications be improved for better understanding?

Question six is a free-form text question allowing respondents to provide unrestricted feedback. The primary trend across *all* respondents was the need to use plain language, fewer legal terms, and to define acronyms and terms. This included statements such as using “3rd-grade language” and “short sentences.” In addition, Members requested that information be displayed in bullet point format, with highlights for the most important topics, and incorporate infographics where possible.

Retired Members requested the use of larger font options and to include resources for assisted living or elderly community living.

Retired Members and beneficiaries who responded digitally frequently expressed having a clear separation between the financial or administrative benefits information, such as Cost of Living Adjustments (COLAs) or Income-Related Monthly Adjustment Amounts (IRMAAs), and the more ‘fun’ elements, such as wellness or events. There were several comments about the user experience in MyLACERS and requests for more user-friendly elements. One member

compared it to MyPayLA (the active City employee portal for employee pay information), noting how difficult MyLACERS is to use in comparison.

Active Members' most common responses included the request to provide examples of benefit scenarios and to clarify which tier is being addressed when information is disseminated.

Q7. What type of information would you like to receive from LACERS?

Respondents were given five predetermined topics and the option to enter their information for this question in a free-form text box:

- **Policy Updates** (Medicare, Health Law, Government Retirement)
- News from around the sector/industry
- **LACERS Updates and News** (Taxes, COLA, Open Enrollment)
- Retirement Planning
- **Upcoming Events** (Seminars, Workshops, Wellness, etc.)
- None of the above
- Other

The top three items that Members would like to receive across all Member types are LACERS Updates and News, Policy Updates, and Upcoming Events. Some of the responses about the information Members would like to receive were particularly insightful.

All respondents groups requested updates and information about pension solvency. Several Retired Members and beneficiaries who responded via physical response noted that they did not live in the Los Angeles area, and the information they received wasn't relevant to them. Responses were not specific as to what information was being referenced, but it is likely they were related to in-person and wellness events which are hosted exclusively in California. Also included in these responses were more requests for information on assisted and senior living.

Of the responses from Retired Members and beneficiaries received digitally, respondents sought further information about medical coverage, specifically on moving in or out of California, and coverage while traveling. More updates on COLAs were also requested.

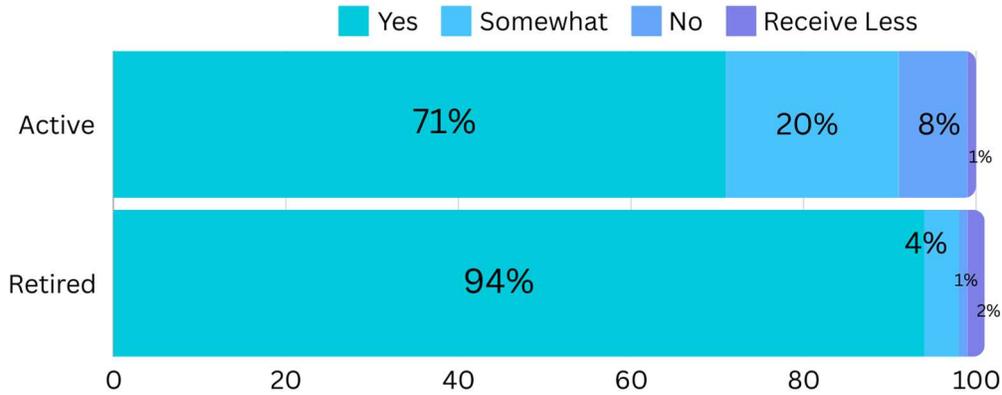
Among Active Members, respondents asked for reminders of how LACERS' benefits work, even if it is redundant.

Q8. Do you believe you receive enough communication from LACERS?

In general, retirees and beneficiaries are content with the amount of communication they receive from LACERS, with 94% indicating they receive sufficient communication. Active Members responded quite differently to this question. Only 71% of Active Members answered affirmatively to receiving enough communication, while an additional 20% stated they received

somewhat enough communication from LACERS. Furthermore, 8% of Active Members indicated they do not receive adequate communication from LACERS.

Active and Retired Members receive a similar volume of communications. The Active's response may indicate that the information we send may be going to their "Promotions" folder within their Gmail account, or they might not find it relevant.



Q9. Do you believe you receive enough information about the following?

Members were asked to report on four areas of information they typically receive, including the Board of Administration, Health, Investments, and Retirement.

Active Members report that they receive enough information, 4-10% less than what was reported by Retired Members and beneficiaries. Similarly, Active Members reported *not* receiving enough information, 3-10 % more than Retired Members and beneficiaries.

		Board	Health	Investments	Retirement
Active	Yes	16.1%	14.7%	12.9%	16.7%
	No	6.3%	11.1%	11.1%	9.5%
Retired	Yes	20.4%	24.8%	18.6%	24.4%
	No	2.9%	2.7%	4.5%	1.6%

Q10. Please tell us how we can improve our communication with you.

The last survey question is another opportunity for Members to provide unrestricted feedback about how we can improve our communication. Presented below are the most prevalent responses across the Member categories:

Retired Members and Beneficiaries (Paper Survey)

- Don't phase out printed communication or phone availability
- Translate information into Spanish
- Add text messaging as part of the communication methods
- Provide digital access and information on how to access it
- Continue to provide Investments information, including ESG
- Remarks that we are already doing a good job

This group also expressed a desire for outreach and periodic contact from LACERS. One survey participant specifically suggested reaching out to Members aged 78 and above, although no specific details were provided regarding the nature of these contacts.

Retirees also indicated an interest in receiving information about their peers, including updates on new retirees, deceased Members, and significant milestones, as part of LACERS communications.

Currently, this information is featured in the Alive! The magazine is offered by the Employees Club of California, but membership is required to access it. In addition, it is included in the Board agenda, which is publicly available on the website and could be linked to online communications or referenced in printed materials.

Retired Members and Beneficiaries (Digital Survey)

- Increase communications to twice a month, with one being the paycheck flyer
- Provide an option to opt out of physical mail
- Include QR codes for events and information

Active Members requested communication illustrating retirement benefits, and to include workflow diagrams that would help further understanding of LACERS processes.

CONCLUSION

This survey marks LACERS' inaugural effort to gauge Member's communication preferences and needs and will establish the foundation for future surveys. It is anticipated that this survey will be replicated every three to five years, as the data suggests that significant changes in responses are unlikely on an annual basis and this timeframe aligns well with the LACERS' Strategic Plan process.

Key findings from the survey include:

1. Members believe LACERS communications are somewhat technical and prefer simplifying and clarifying the language used;

2. Active Members perceive a disparity in the frequency of communications compared to retirees;
3. There is a desire to receive information about housing resources;
4. There is a need for Spanish-translated materials;
5. Although there is some movement towards a digital preference by retirees, they still largely prefer printed information, and the Active Members continue to prefer access to information digitally;
6. There is a desire to receive text messages over phone calls from both Active and Retired Members.

RECOMMENDATIONS

While the survey responses yielded few direct recommendations, the data analysis and discussions conducted by CSRD staff created the basis for the proposed actions listed below.

The CSRD recommends:

1. The Department expand the components of the LACERS' Style Guide to include a standardized mechanism to ensure all communications utilize plain language and larger fonts to aid in the comprehension and readability of all Members. This is particularly crucial for Members who may not grasp the LACERS or industry-specific terminology or may have vision challenges.
2. Centralize the review of all Department communications within the Member Engagement Team and provide sufficient resources in a future budget request to staff this function.
3. Augment retiree communications to include external resources, linking to City, County or State agencies and have a standing Senior Tip section in our monthly eblast and paycheck flyers which could include topics about medical coverage areas.
4. Create a new series of tier-specific digital and hard copy assets based on the following Member profile scenarios and more:
 - a. I am single/married, and I will be retiring in a year. What do I need to do?
 - b. I am retiring married; if I die, what does my spouse receive?
 - c. I am getting a divorce; how does this impact my retirement?
 - d. I am leaving City Employment, what do I need to consider from a LACERS perspective?
 - e. I am retired and considering moving out of Southern California. What do I need to know about my LACERS' retirement and health benefits?
5. Expand our communication platforms to include using text messaging where appropriate.
6. Balance our publications and communications between text and visual information.
7. Explore the need to provide contact with our retiree population on a consistent basis.

8. Take into consideration the topics put forth in the responses to be included as editorial content in future communications.
9. This survey should be replicated every three to five years, as the data suggests that significant changes in responses are unlikely on an annual basis and aligning it with the LACERS' Strategic Plan process.

APPENDIX A: MEMBER COMMUNICATION SURVEY



Member Communications Survey

1. Are you:

- An Active City Employee
- A Retired LACERS Member
- A Beneficiary
- Other

2. How do you prefer to receive communication from LACERS? (Select your top three):

- Phone
- Text
- Online Chat
- Digital Correspondence (Email, E-Blasts)
- Printed Correspondence
- LACERS Website
- Social Media (LinkedIn, YouTube, Facebook, Instagram, Twitter)
- Other (please specify below)

3. Which of the communications that LACERS sends would you prefer to receive digitally or printed for each of the topics indicated?

Digital Correspondence (Email, E-Blasts)

- Newsletter
- Benefit and Policy Updates
- Events
- Investments
- Annual Financial Reports

Printed Correspondence

- Newsletter
- Benefit and Policy Updates
- Events
- Investments
- Annual Financial Reports

4. Do you find the correspondence you receive from LACERS easy to understand?

- Extremely easy
- Somewhat easy
- Not very easy (If selected, please explain below)
- Other (Please specify below)

5. Do you find the information you receive valuable?

- Yes – If so, how useful is the information to you?
 - Very Useful - I read everything
 - Useful - I glance through it
 - Of no use - I don't read it
 - Other (please specify)

No (If selected, please explain)

6. How can the content/layout of the communications LACERS sends be improved for better understanding? Please comment:

7. What type of information would you like to hear about from LACERS?

- Policy Updates (Medicare, Health Law, Government Retirement)
- News from around the sector/industry
- LACERS Updates and News (Taxes, COLA, Open Enrollment)
- Retirement Planning
- Upcoming Events (Seminars, Workshops, Wellness, etc.)
- None of the above
- Other (please specify)

8. Do you believe you receive enough communication from LACERS?

- Yes
- No (If selected, how frequently would you like to receive information?)
- I want to receive less
- Somewhat (please specify)

9. Do you believe you receive enough information about the following?

- Retirement information Yes No
- Health information Yes No
- Investments information Yes No
- Board of Administration Information Yes No

If you answered "No" to any of these, please explain why.

10. Please tell us how we can improve our communication with you.



ASSET ALLOCATION & INFRASTRUCTURE INVESTMENTS

LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM

APRIL 9, 2024



INFRASTRUCTURE EDUCATION



INFRASTRUCTURE OVERVIEW

- **Infrastructure assets are generally defined as physical facilities or networks that provide essential goods or services to a broad range of users**
 - Infrastructure assets may be owned privately or through publicly traded securities
- **Infrastructure assets may generate a return through a combination of current income and/or capital appreciation**
- **Characteristics of Infrastructure Assets**
 - Long duration assets with stable cash flows typically tied to inflation
 - Monopolistic or quasi-monopolistic assets with significant barriers to entry
 - Operate in regulated environments
 - Capital intensive assets with high replacement costs
- **Large infrastructure investable universe**
 - Over \$97 trillion of global infrastructure investment required by 2040
 - Over \$950 billion of total capital raised for private infrastructure funds over the last decade
 - Publicly traded infrastructure equities account for over 350 companies globally, with a combined market cap of approximately \$4 trillion
- **Investments can be made across the asset lifecycle**
 - Greenfield, brownfield, and operating assets

Source: CBRE and Preqin as of 9/30/2022



INFRASTRUCTURE SUB-SECTORS



Transportation

Toll Roads

Bridges

Tunnels

Airports

Seaports

Rail



Energy & Utilities

Renewable Power

Electricity Generation

Water & Waste

Electricity Transmission

Oil & Gas Pipelines



Communication

Wireless Towers

Fiber Networks

Data Centers



Social

Education Facilities

Healthcare Facilities

Courthouses

INFRASTRUCTURE SUB-SECTORS

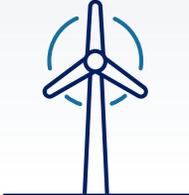
Sector	Asset Focus	Typical Returns	Typical Revenue Structure	GDP Sensitivity?
Transportation	<ul style="list-style-type: none"> ▪ Toll Roads ▪ Bridges ▪ Tunnels ▪ Airports ▪ Seaports ▪ Rail 	11-15%	Concession	Yes
Energy and Utilities	<ul style="list-style-type: none"> ▪ Renewable Power ▪ Electricity Generation ▪ Water & Waste ▪ Electricity Transmission ▪ Oil & Gas Pipelines 	8-12%	Regulated / Contracted	Somewhat
Communication	<ul style="list-style-type: none"> ▪ Wireless Towers ▪ Fiber Networks ▪ Data Centers 	10-14%	Contracted	No
Social	<ul style="list-style-type: none"> ▪ Education Facilities ▪ Healthcare Facilities ▪ Courthouses 	8-12%	Concession	No

Note: "Typical returns" are illustrative examples only, actual target or realized returns may vary for all sectors. Returns are based on net of fee assumptions.



INFRASTRUCTURE LIFECYCLE



Greenfield	Brownfield	Operating
<ul style="list-style-type: none">▪ Assets requiring development and construction which may introduce operational complexity▪ In certain cases development/construction risks can be outsourced to third parties and various structural elements can be introduced to provide a greater degree of revenue certainty	<ul style="list-style-type: none">▪ Assets that are operating and generating cash flow▪ Distributions will increase during growth/ramp up periods and level off as an asset matures▪ Longer operating histories support more predictable cash flows	<ul style="list-style-type: none">▪ Assets that are operating and generating cash flow▪ Steady distributions from revenue generation▪ Usage typically grows at approximately the rate of GDP Growth
		

ROLE OF INFRASTRUCTURE IN A PORTFOLIO



GOALS OF INFRASTRUCTURE ALLOCATION

Income

Stabilized assets generate predictable cash flows meaning a significant percentage of returns can be generated from cash distributions

Inflation Protection

Inflation-linked cash flows provide natural hedge to rising liabilities

Diversification

Low correlation to other asset classes

Downside Protection

Attractive total return potential with lower volatility generates attractive risk-adjusted returns and serves as downside protection

PORTFOLIO FIT

- **Infrastructure investments fit into an overall portfolio as a standalone allocation or as part of a broader allocation**
 - Real Assets
 - Real Estate
 - Private Equity
 - Private Credit

- **Infrastructure can share characteristics with other asset classes, most commonly private equity and real estate**
 - Similarities to private equity:
 - Complex corporate structures
 - Driven by value creation at the portfolio company level (not always at the asset level)

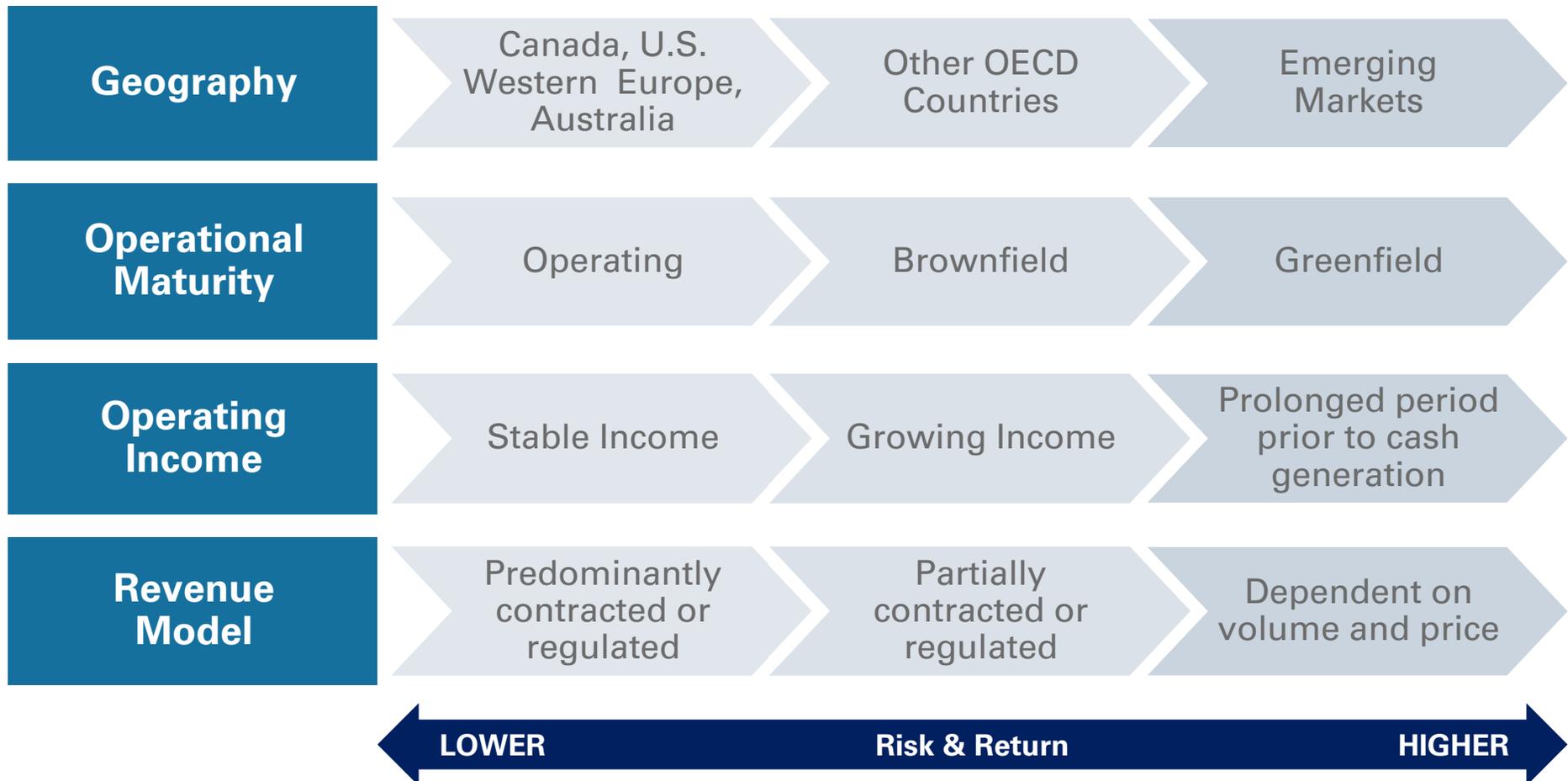
 - Similarities to real estate:
 - Predictable cashflows
 - Inflation-linked
 - Asset location as a key consideration or advantage

CONSIDERATIONS

- **Infrastructure is not a “one size fits all” asset class; the mix of various risk/return strategies should be customized based on client objectives**
- **In constructing an infrastructure portfolio there are several key considerations that impact the allocation, including:**
 - Plan investment policy
 - Plan inflation sensitivity
 - Allocation to illiquid alternatives
 - Liquidity requirements of plan
 - Existing infrastructure investments
- **A global infrastructure investment strategy may benefit from diversification as various regions are at different points in an economic cycle**
 - Global managers tend to be large platforms with investment professionals around the world while non-U.S. managers may be more localized in a particular region or country
- **However, there are some considerations of investing in infrastructure outside of the U.S.:**
 - Currency risk
 - Geopolitical risk
 - Market liquidity risk
 - Limited inflation hedge

RISK & RETURN FACTORS

- There are several factors to consider when assessing the overall risk and return of an infrastructure investment



DIVERSIFICATION BENEFITS

- Infrastructure is expected to perform differently than other asset classes because of the defensive characteristics of the assets that create more stable cash flow streams
- Infrastructure has exhibited low correlation to stocks and bonds
 - Infrastructure also has low correlation to other alternative asset classes

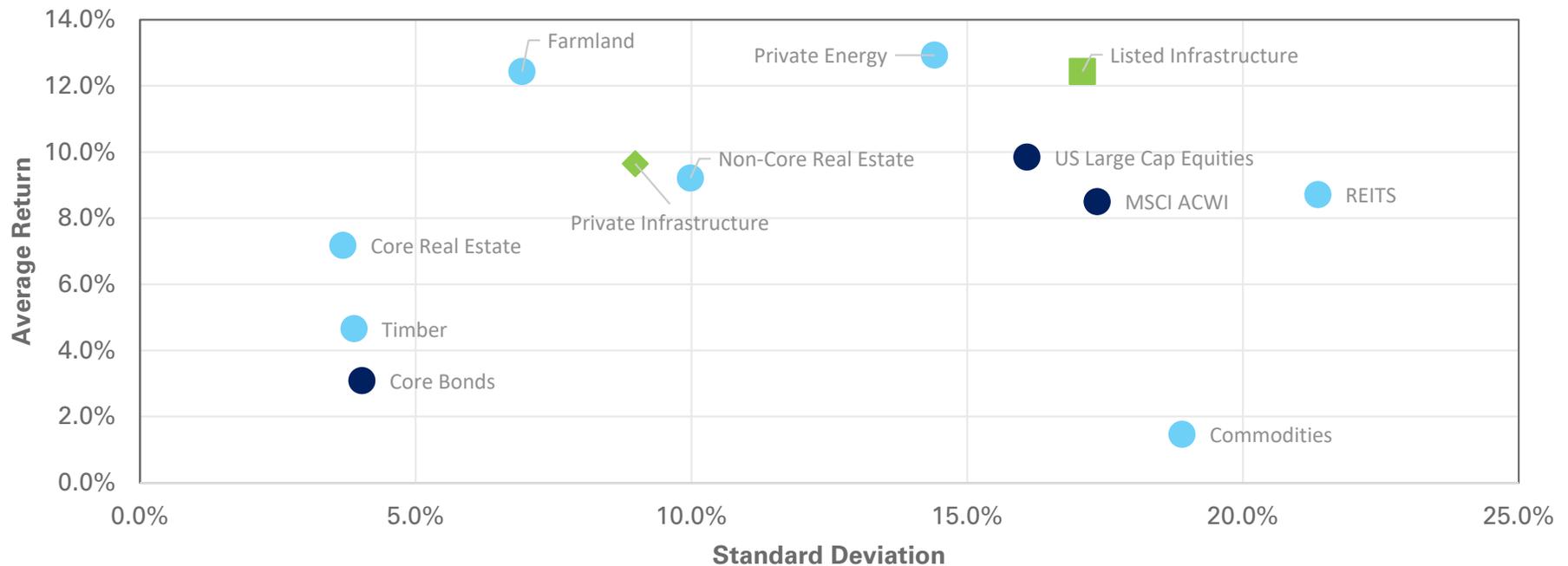
	Large Cap Equity	Small/Mid-Cap Equity	Int'l Equity (Unhedged)	Emerging Int'l Equity	IG Corporate Credit	High-Yield Bonds	Commodities	REITS	Public Infrastructure	Core Real Estate	Non-Core Real Estate	Private Real Assets - Energy/Metals	Private Real Assets - Infrastructure/Land
Large Cap Equity	1.00												
Small/Mid-Cap Equity	0.87	1.00											
Int'l Equity (Unhedged)	0.83	0.80	1.00										
Emerging Int'l Equity	0.71	0.72	0.79	1.00									
IG Corporate Credit	0.36	0.32	0.37	0.33	1.00								
High-Yield Bonds	0.67	0.70	0.67	0.65	0.59	1.00							
Commodities	0.36	0.40	0.46	0.46	0.19	0.39	1.00						
REITS	0.61	0.67	0.59	0.49	0.43	0.63	0.30	1.00					
Public Infrastructure	0.52	0.57	0.55	0.50	0.33	0.54	0.64	0.70	1.00				
Core Real Estate	0.49	0.53	0.48	0.41	0.37	0.57	0.25	0.71	0.52	1.00			
Non-Core Real Estate	0.76	0.84	0.71	0.64	0.41	0.74	0.37	0.78	0.61	0.86	1.00		
Private Real Assets - Natural Resources	0.41	0.46	0.48	0.46	0.24	0.44	0.80	0.47	0.65	0.36	0.46	1.00	
Private Real Assets - Infrastructure/Land	0.48	0.53	0.52	0.47	0.31	0.51	0.64	0.65	0.93	0.48	0.57	0.63	1.00

Sources: NEPC Analysis, as of December 31, 2023.



LONG TERM RETURNS & VOLATILITY

- Private infrastructure (*green diamond*) has the potential to generate comparable returns with less risk than publicly listed infrastructure (*green square*)
 - In the short to medium term public infrastructure equities are subject to broad equity market volatility
- Over the trailing 20 years, private infrastructure has delivered risk-adjusted returns comparable with non-core real estate, and more mixed relative to other real asset sectors (*light blue circles*)
 - The chart below also shows infrastructure's relative risk and return versus more traditional asset classes (*dark blue circles*)

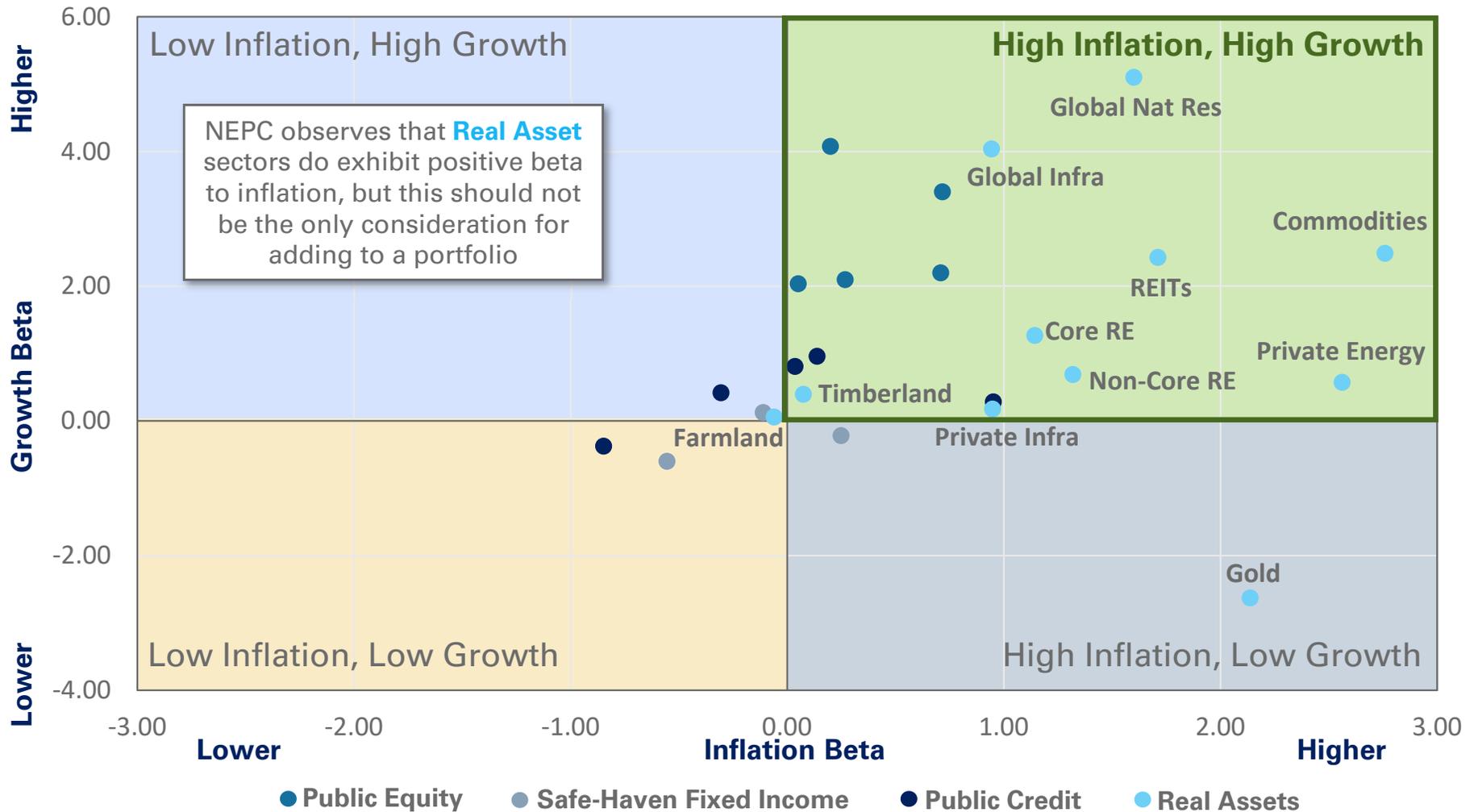


Sources: NCREIF, Thompson One/Cambridge Associates, FactSet. Data as of September 30, 2022.

Calculated using 20 years of quarterly returns except for listed infrastructure which has data since 2007 (the earliest available for the index). Returns are reported net of fees.



INFLATION SENSITIVITY



Notes: Growth and Inflation Beta calculations reflect sensitivity to trends in U.S. CPI-U and U.S. Real GDP growth since asset class inception date. EM and China Equity betas reflect sensitivity to a blend of 50% U.S. and 50% global metrics.
Sources: S&P, Russell, MSCI, Bloomberg, Cambridge Associates, JPM, NAREIT, NCREIF, FactSet



CASH FLOW & INFLATION PROTECTION

- **Infrastructure investments generate cash flows with a positive sensitivity to changes in inflation**
 - Revenues can be more or less predictable based on the asset’s business model
- **The long lives of infrastructure assets should provide a hedge against inflation**
- **Contractual price escalators or concessions with price inflation-indexed escalators allow income to adjust with inflation**

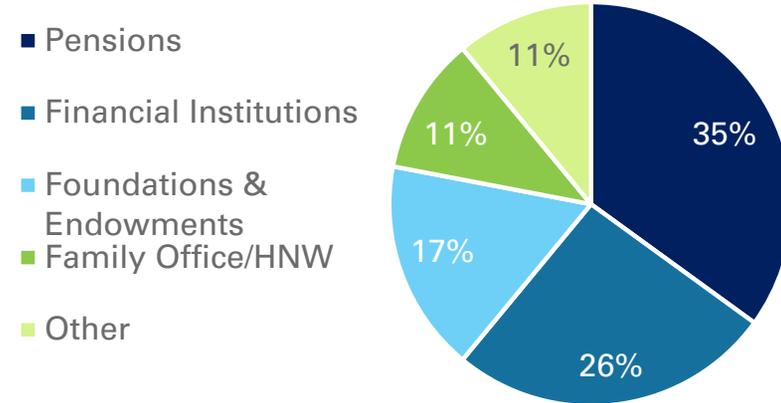
	MORE PREDICTABLE			LESS PREDICTABLE	
Type	Regulated	Contracted	Concession (Availability Model)	Concession (Tolling Model)	Merchant
Description	Subject to government regulation, increases for monopolistic assets	Long-term providing pricing protection	Government grants exclusive right to operate an asset and provides fixed “availability payments” regardless of usage	Government grants exclusive right to operate an asset, but revenues are a function of patronage or asset usage	Highly dependent on market pricing
Asset Type	<ul style="list-style-type: none"> ▪ Electricity and Gas Distribution & Transmission ▪ Water & Wastewater 	<ul style="list-style-type: none"> ▪ Power Generation ▪ Data infrastructure ▪ Midstream Networks ▪ Energy Storage 	<ul style="list-style-type: none"> ▪ Roads ▪ Bridges ▪ Tunnels ▪ Mass Transit ▪ Social Infrastructure 	<ul style="list-style-type: none"> ▪ Toll Roads ▪ Bridges ▪ Tunnels ▪ Airports 	<ul style="list-style-type: none"> ▪ Uncontracted Generation ▪ Energy (E&P)
Inflation Linkage	Often includes CPI-based price adjustments and expense pass-throughs	Often includes CPI-based price adjustments	Often includes CPI-based price adjustments to availability payments adjustments	Often includes CPI-based toll adjustment; GDP sensitive assets are inherently hedged	Subject to ability to pass along price increases

WHO INVESTS IN INFRASTRUCTURE

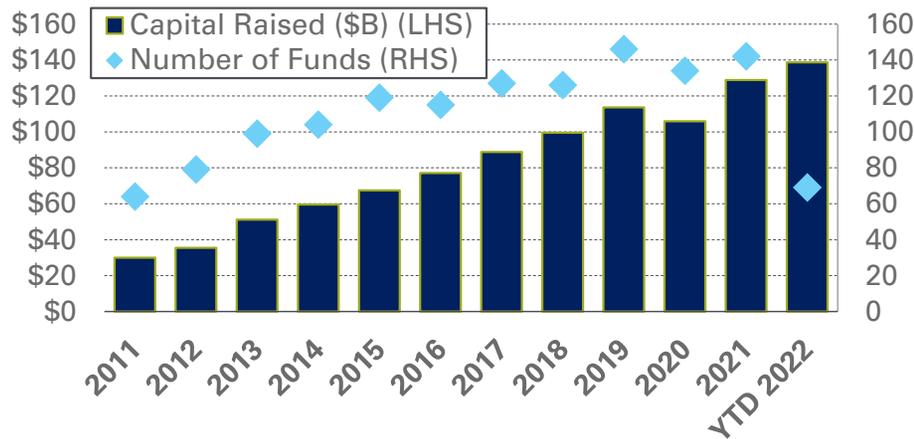
Institutional Investors in Infrastructure

- Institutional investors have become increasingly active in infrastructure
- Infrastructure now represents approximately 6% of institutional alternatives portfolios
- Public pension funds account for the largest portion of institutional investors in infrastructure
- Robust fundraising in recent years with significant dry-powder in search of deal flow

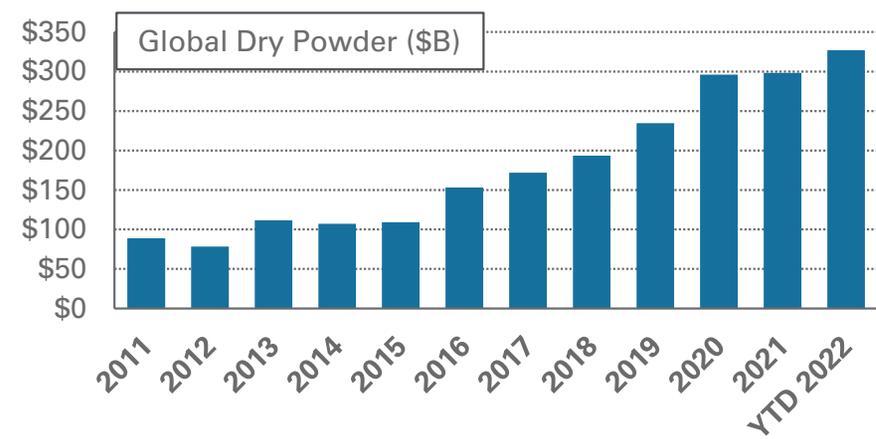
Investors by Type



Strong Fundraising Environment



Growing Dry Powder



Source: Preqin; as of September 1, 2022; Greenwich Associates

INFRASTRUCTURE IMPLEMENTATION



INVESTMENT CONSIDERATIONS

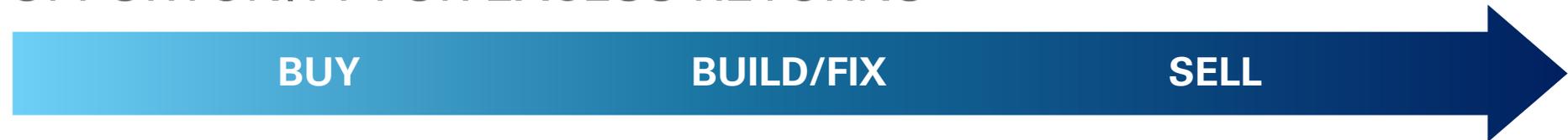
- **In addition to portfolio considerations (such as liquidity and leverage), there are many market considerations as well:**
 - Commodity prices
 - GDP sensitivity
 - Geopolitical risk and stability
 - Capital market risk (including debt pricing/availability, market volatility, etc.)

- **Some infrastructure assets have revenues that are monitored and/or set by a regulatory body, which adds additional risk**
 - Unpredictable regulatory change can impact margins
 - Deregulation of a particular market may result in an asset/business losing its status as a legal monopoly and lead to new competition
 - Asset managers with extensive operational experience in a particular sector tend to have strong relationships with the regulatory agencies
 - This should allow for ongoing dialogue with the regulators, and should result in a better understanding of potential changes to the regulatory environment

- **Other risks directly associated with infrastructure investments can include:**
 - The possibility of disruptive technologies
 - Environmental risk
 - Operating risk
 - Legal risk

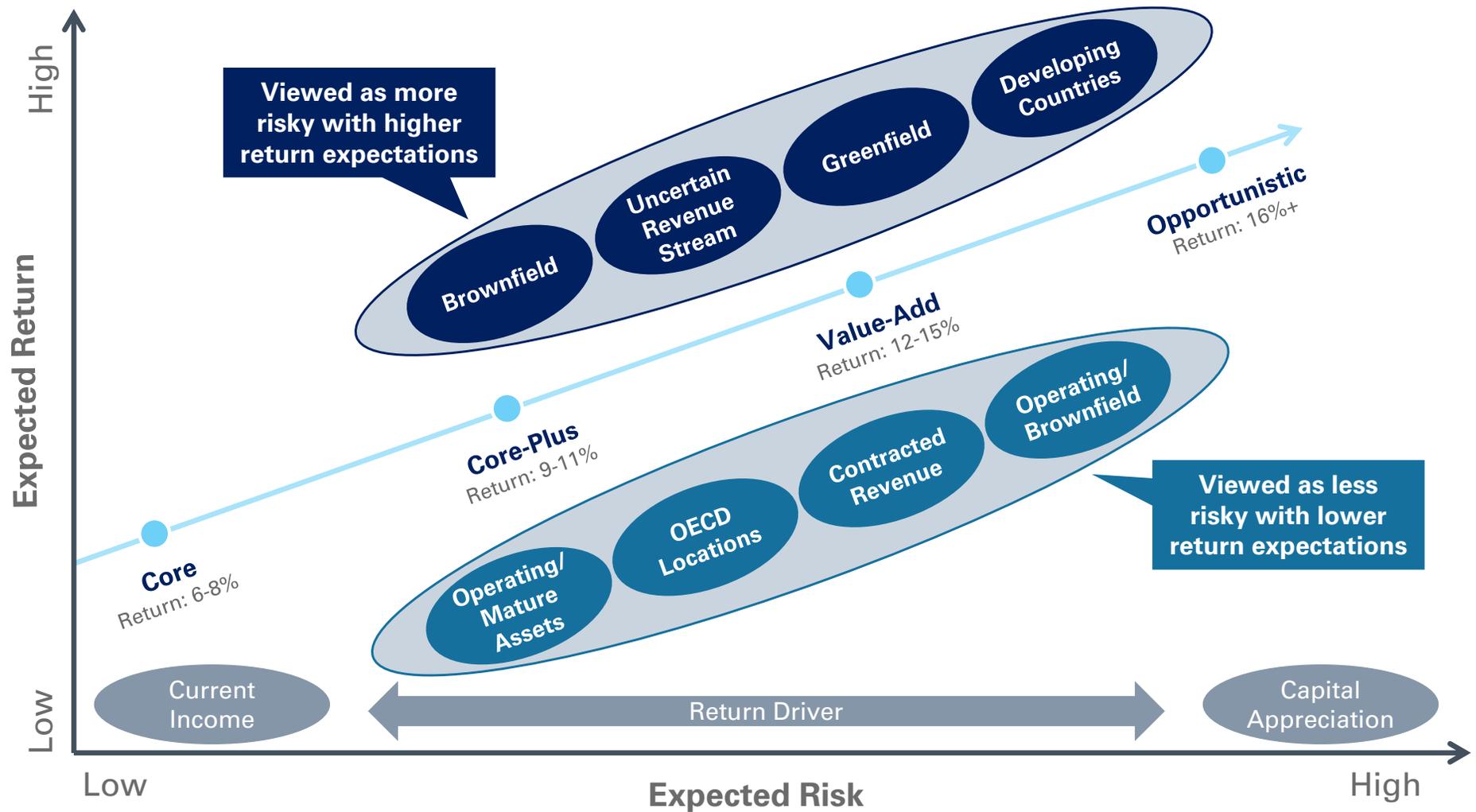
PRIVATE INFRASTRUCTURE OPTIONS VARY

DIRECT SOURCING AND DEAL COMPLEXITY PRESENTS OPPORTUNITY FOR EXCESS RETURNS



Detail Summary	Non-Core	Core	Debt	Listed
NEPC View	Positive	Neutral	Negative	Neutral
Thesis	Buy-fix-sell	Long-term buy and hold	Hold	Long-term buy and hold
Capital Availability	Moderate	High	High	High
Asset Owners	Private funds (closed-end), Strategic Operating Companies	SWFs, Pensions, Insurance Companies, Open-End Private Funds, Strategic Operating Companies	Banks, Private Funds (open-ended and closed-end), SWFs, Pensions, Insurance Companies, BDC, Hedge Funds	Institutions, Individuals, Mutual Funds
Complexity	High	Low / Moderate	Low	Low / Moderate
Risks	Sourcing, Pricing, Execution	Illiquidity, Valuation/ Cost of Capital, Disruption Potential	Valuation/Cost of Capital	Volatility, High Equity Correlation, Returns Lag Unlisted Funds
Return Expectation (gross)	12%-14%	6%-10%	3-5% (senior corporate) 7-10%+ (mezz)	6%-10%

RISK/RETURN PROFILE



Net of fee return assumption

INVESTMENT VEHICLE STRUCTURES

INFRASTRUCTURE OFFERS DIFFERENT INVESTMENT STRATEGIES AND VEHICLE STRUCTURES WITH VARYING LEVELS OF LIQUIDITY AND INVESTOR CONTROL:

Investment Type	Description	Benefits	Considerations
Listed Infrastructure	Public market securities with high transparency and liquidity	<ul style="list-style-type: none"> ▪ Immediate exposure ▪ Easy to access ▪ Liquid 	<ul style="list-style-type: none"> ▪ Equity market correlations dampen diversification benefits ▪ Overlap with equity portfolio
Open-End Fund	Private funds with perpetual lives, functions like core real estate funds	<ul style="list-style-type: none"> ▪ Attractive Fees ▪ Broad Diversification ▪ Quicker to build portfolio 	<ul style="list-style-type: none"> ▪ Semi-liquid with potential for entrance/exit queues ▪ Limited manager universe ▪ Limited control
Secondary Fund	Buyers of LP stakes, fund recap, GP transactions	<ul style="list-style-type: none"> ▪ Much higher level of diversification than primary funds ▪ Mitigated J-curve effect ▪ Provides exposure to multiple vintage years 	<ul style="list-style-type: none"> ▪ Potential look-through issues ▪ Limited control ▪ Double layer of fees ▪ Limited manager universe
Primary Closed-End Fund	Private equity style funds that make control investments over a multi-year investment period	<ul style="list-style-type: none"> ▪ Limited to assets acquired during investment period 	<ul style="list-style-type: none"> ▪ Illiquid ▪ High fee loads ▪ Limited control
Direct/Co-Investments/SMA	Direct ownership in assets alongside operator or GP	<ul style="list-style-type: none"> ▪ Greater control ▪ Lower fees 	<ul style="list-style-type: none"> ▪ Requires specialized investment professionals with governance to allow for quick investment decisions ▪ Less liquid ▪ Less diversification

LISTED INFRASTRUCTURE

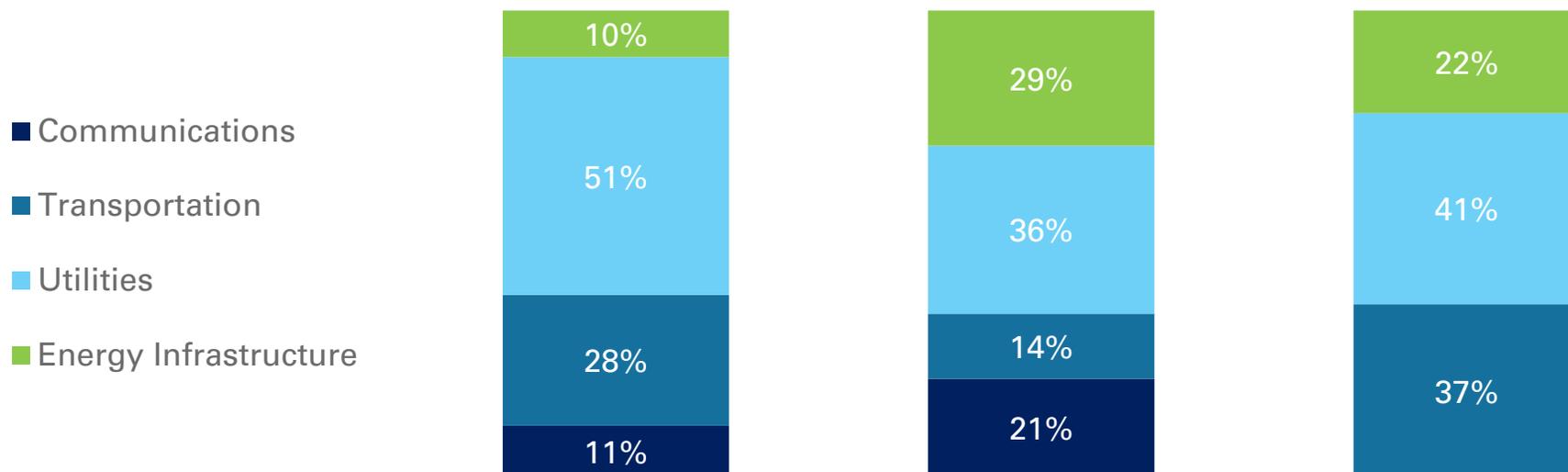


LISTED INFRASTRUCTURE OVERVIEW

- **Infrastructure equities account for over 350 companies globally, with a combined market cap in excess of \$3 trillion**
- **The NEPC outlook for Listed Infrastructure is Neutral**
 - Listed Infrastructure yields are similar to those in open-end private infrastructure strategies
 - Diversification benefits are limited due to the significant correlation to broader equity markets
- **Listed infrastructure may be a reasonable alternative for investors that cannot or do not want to allocate to private market strategies**
- **If building an allocation to actively managed listed infrastructure, NEPC believes that allocating to multiple managers may offer advantages**
 - Minimizes manager concentration risk
 - Managers with different investment philosophies and/or varying portfolio sizes may outperform in different scenarios

LISTED BENCHMARK DESCRIPTIONS

	FTSE Global Infrastructure Core 50/50 Index	DJ Brookfield Global Infrastructure Index	iShares Global Infrastructure ETF
Number of Constituents	243	101	75
Market Capitalization	\$2.3 Trillion	\$1.2 Trillion	\$1.3 Trillion
Top 10 Weights	31.5%	46.5%	40.2%
Emerging Market Exposure	12.8%	7.0%	6.3%
Sectors Excluded	MLPs	Railroads, Electric	Railroads, Communications, MLPs



Source: CBRE; as of 9/30/2022

ASSET ALLOCATION DISCUSSION



GOALS FOR 2024 ASSET ALLOCATION STUDY

- **Re-align the equity allocation to more closely resemble the market opportunity set**

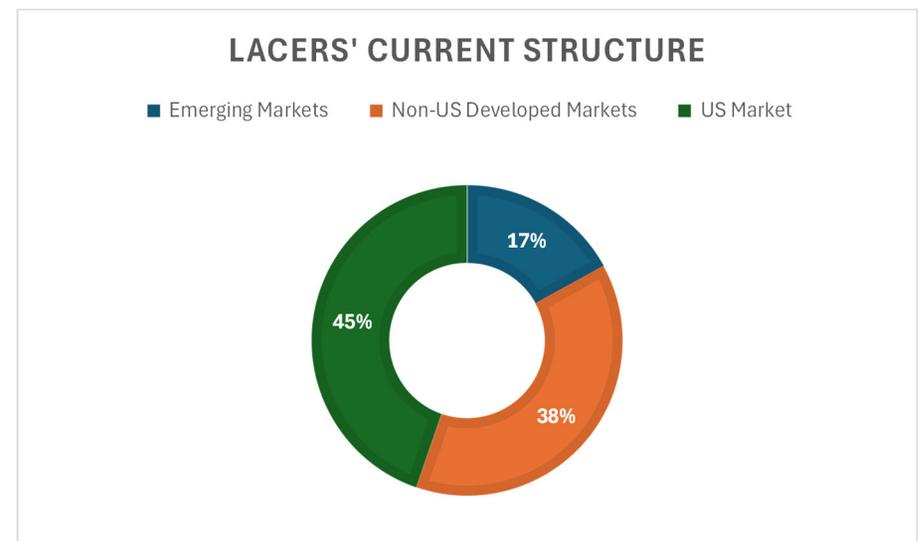
- **Expand the Real Assets allocation beyond REITS, TIPS and private Real Estate**

- **Modest restructure of public Fixed Income**
 - Increase High Yield exposure, reduce Emerging Market Debt

- **Explore additional asset mixes that resemble peer funds with attractive risk-adjusted returns**
 - Increased exposure to private markets
 - New Long-Term Treasury portfolio added to provide additional liquidity and offer modest crisis protection

REALIGN EQUITY ALLOCATION

- **All Proposed Asset Mixes bring the country allocations more inline with the opportunity set by reducing exposure to Non-US Developed Equity, US Small/Mid Cap**
 - US Equity allocation ranges from 53-58%
 - Non-US Equity allocation ranges from 25-30%
 - Emerging Markets was reduced for a range of 14-17%



Source: Market Opportunity represents the MSCI All Country World Index as of 12/31/2023.

EXPAND REAL ASSETS ALLOCATION

- **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

- **Explore the use of Public Infrastructure and a basket of Public Real Assets to further enhance the Real Assets component of the Plan**
 - Consideration given to the ease and cost of gaining exposure to these asset classes
 - Public Infrastructure was modeled over Private Infrastructure

- **Public Real Assets can be passively managed and include:**
 - Natural Resource Equity, Commodity futures, Public Infrastructure, and REITs

MODEST RESTRUCTURE OF CREDIT EXPOSURE

- **Take advantage of higher interest rate environment and the attractiveness of High Yield vis-à-vis US Large Cap Equity**
 - Expected 10-year return for High Yield is 6.1% vs. US Large Cap Equity at 4.4%

- **Increase to High Yield and Bank Loans at the expense of Emerging Market Debt**
 - Similar return profile with a lower standard deviation

EXPLORE A “WHAT IF?” ASSET MIX

- **Many of LACERS’ peers have adopted asset allocations that rely heavily on private market performance as a measure of increased returns and reduced volatility**
 - Many peers sport a private market exposure >40%

- **Expand the use of private markets in order to pre-experience key Plan measures**
 - Funded Status
 - Contribution ranges
 - Liquidity impact

ASSET MIXES FOR CONSIDERATION

	Current Policy	Mix A	Mix B	Mix C	Mix D	Mix E
Cash	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Total Cash	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
US Large-Cap Equity	15.00%	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%	5.00%
Non-US Developed Equity	15.00%	10.00%	9.00%	8.00%	7.00%	7.00%
Non-US Developed Small-Cap Equity	3.00%	3.00%	3.00%	3.00%	2.00%	2.00%
Emerging Market Equity	6.67%	4.67%	4.67%	4.67%	4.00%	4.00%
Emerging Market Small-Cap Equity	1.33%	1.33%	1.33%	1.33%	1.00%	1.00%
Global Equity	0.00%	8.00%	5.00%	5.00%	0.00%	0.00%
Private Equity	16.00%	16.00%	16.00%	16.00%	16.00%	16.00%
Total Equity	63.00%	63.00%	59.00%	58.00%	51.00%	50.00%
US Aggregate Bond	11.25%	11.25%	10.25%	10.25%	9.25%	8.00%
US High Yield Corporate Bond	1.50%	1.50%	1.50%	2.00%	2.50%	2.50%
US Leveraged Loan	1.50%	1.50%	1.50%	2.00%	2.50%	2.50%
Emerging Market External Debt	2.00%	2.00%	2.00%	1.50%	1.50%	1.00%
Emerging Market Local Currency Debt	2.00%	2.00%	2.00%	1.50%	1.50%	1.00%
Private Debt	5.75%	5.75%	5.75%	5.75%	5.75%	8.00%
Total Fixed Income	24.00%	24.00%	23.00%	23.00%	23.00%	26.00%
US TIPS	3.60%	3.60%	3.60%	3.60%	5.00%	3.60%
Public Real Assets (Multi-Asset)	0.00%	0.00%	0.00%	5.00%	5.00%	5.00%
REIT	1.40%	1.40%	1.40%	1.40%	2.00%	1.40%
Global Infrastructure Equity	0.00%	0.00%	5.00%	0.00%	5.00%	0.00%
Real Estate - Core	4.20%	4.20%	4.20%	4.80%	4.80%	4.80%
Real Estate - Non-Core	2.80%	2.80%	2.80%	3.20%	3.20%	3.20%
Private Real Assets - Infrastructure	0.00%	0.00%	0.00%	0.00%	0.00%	5.00%
Total Real Assets	12.00%	12.00%	17.00%	18.00%	25.00%	23.00%
Expected Return 10 yrs	6.72%	6.66%	6.77%	6.75%	6.81%	6.85%
Expected Return 30 yrs	7.86%	7.83%	7.88%	7.85%	7.84%	7.88%
Standard Dev	15.32%	15.17%	15.06%	14.83%	14.26%	13.82%
Sharpe Ratio (10 years)	0.18	0.18	0.19	0.19	0.20	0.21
Sharpe Ratio (30 years)	0.29	0.29	0.30	0.30	0.31	0.33

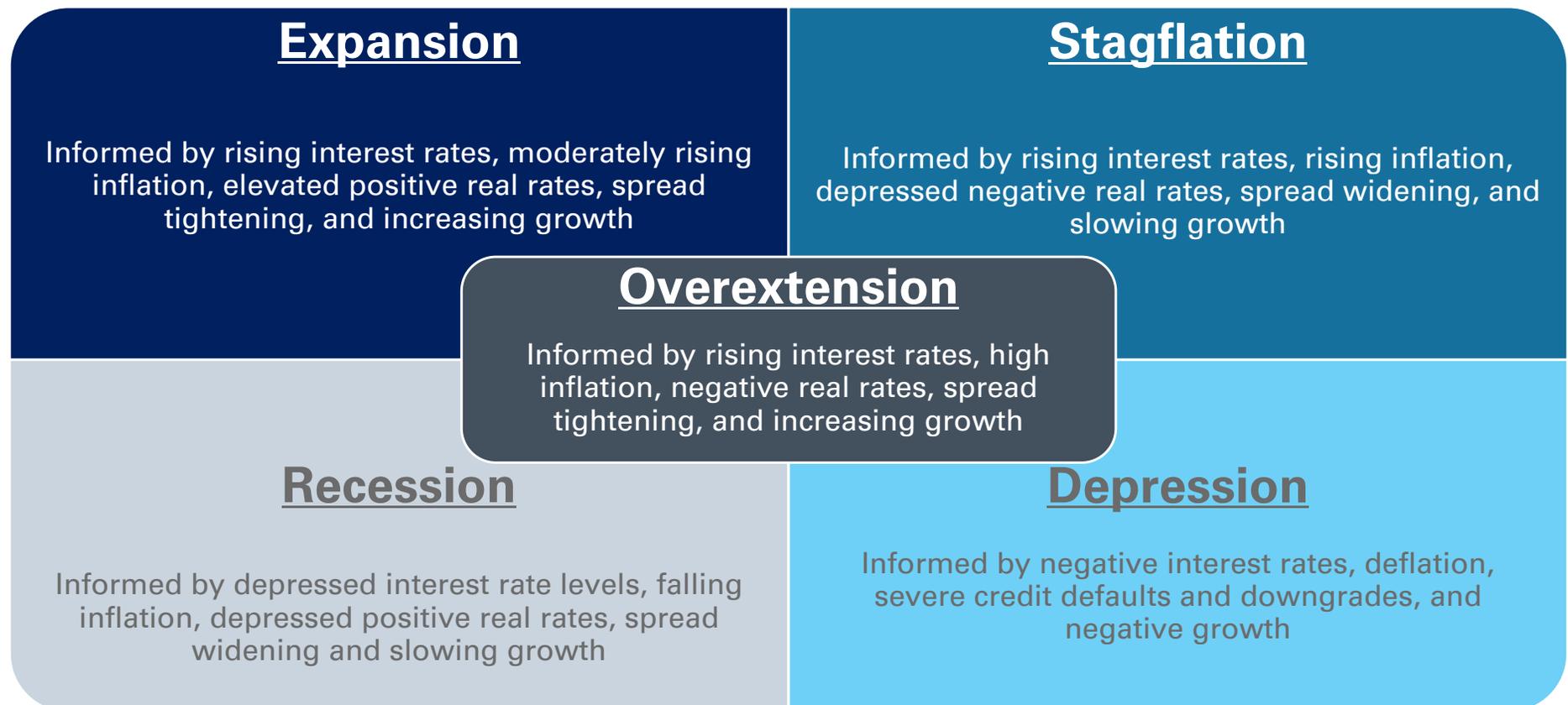
- **Mix A – Reweight public equity to be more in line with the global opportunity set**
- **Mix B – Reweight public equity and add Global Infrastructure Equity allocation**
- **Mix C – Reweight public equity, shift from emerging market debt to high yield, add public real asset bucket and slight increase to real estate**
- **Mix D – Reweight public equity, shift to high yield from emerging market debt, and maximize exposure to real assets**
- **Mix E – Reweight public equity, add long duration treasury exposure for liquidity as private markets allocation is increased to 37% of total fund**

Shading represents either a decrease (red) or an increase (green) from the Current Policy for the allocation amount, expected return, standard deviation or Sharpe ratios.

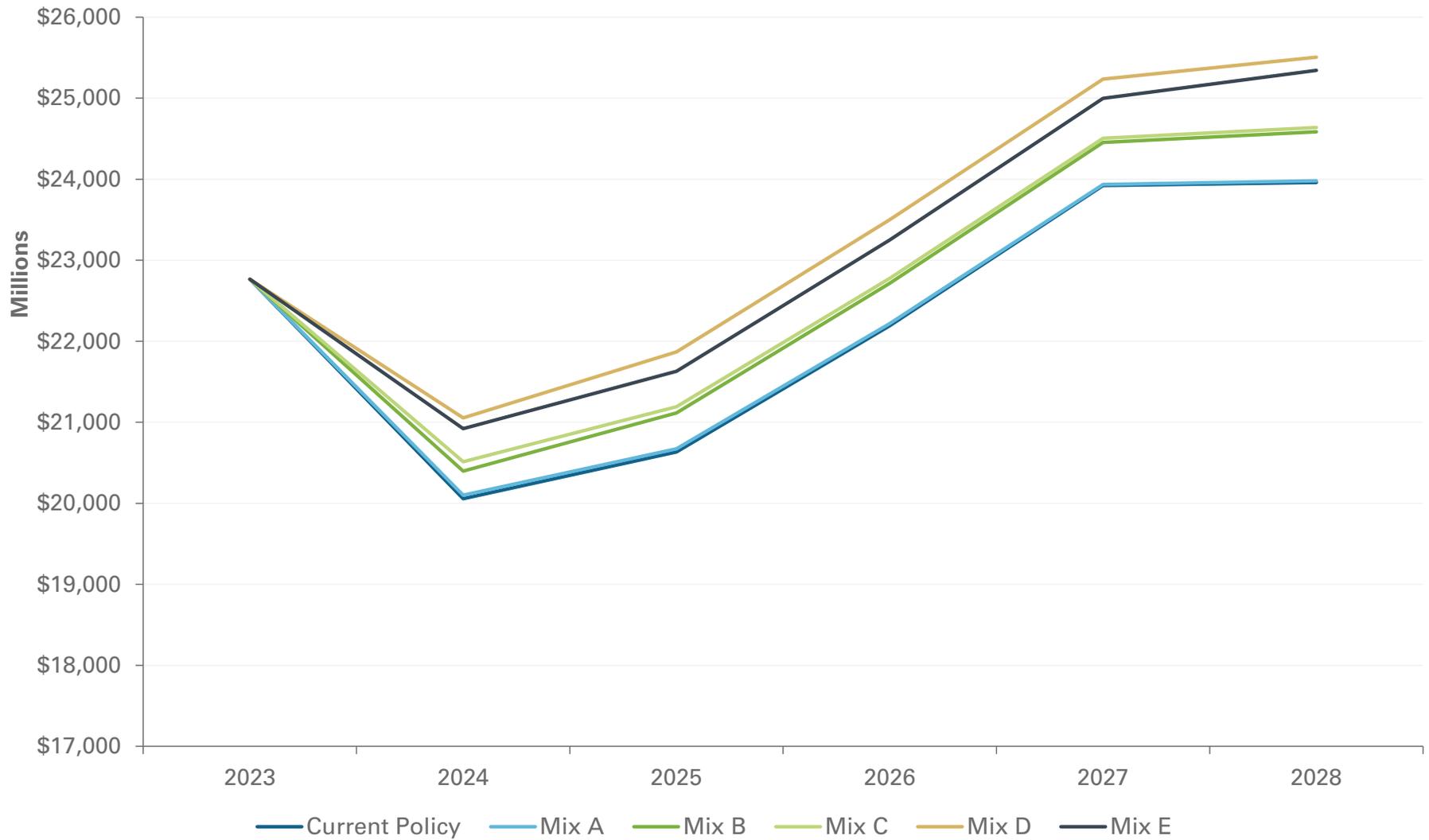


SCENARIO ANALYSIS: REGIME DEFINITIONS

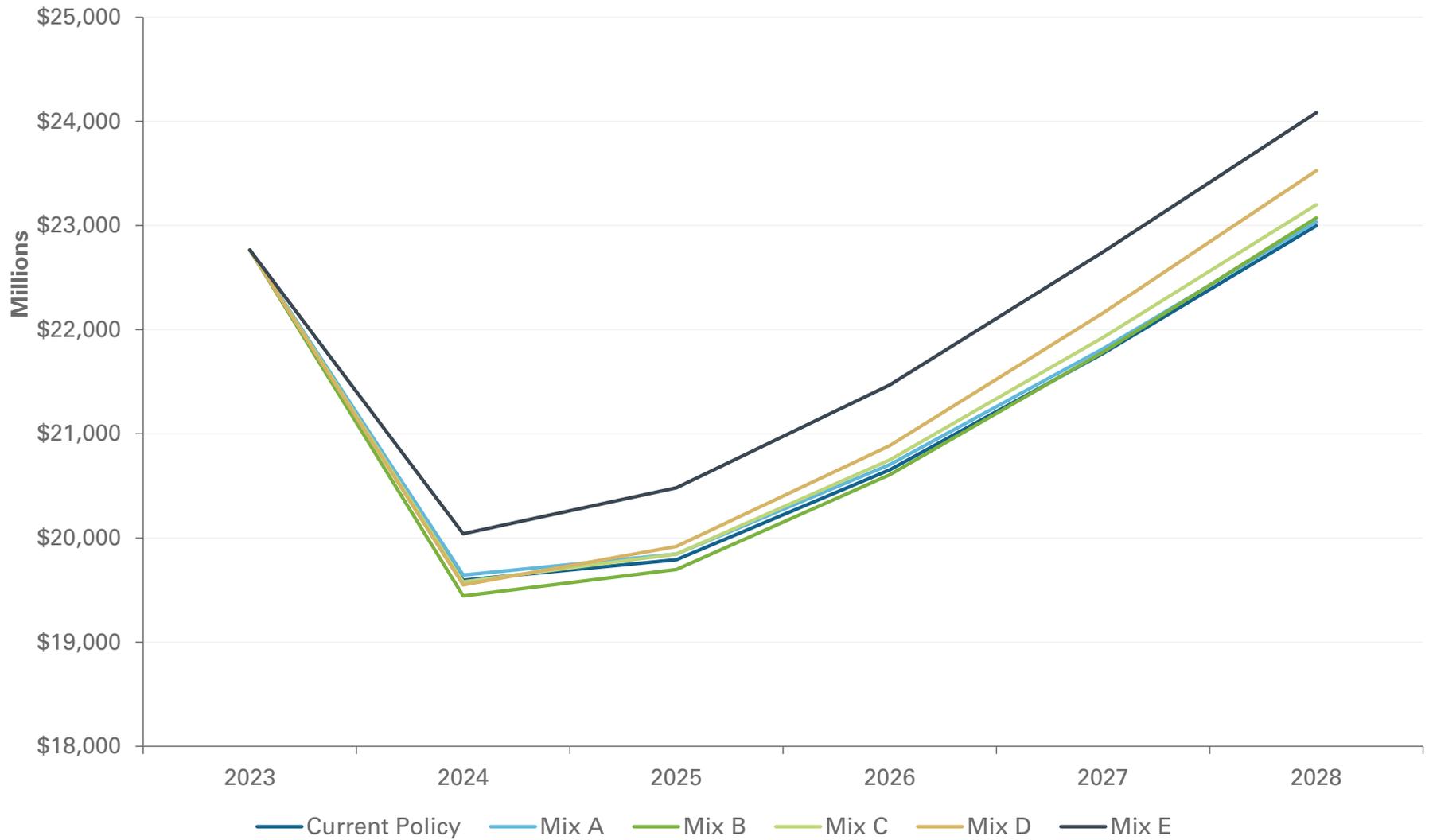
- **NEPC scenario analysis highlights the impact of shifting economic and market regimes on the portfolio and potential asset allocation mixes**
 - Risk asset returns are informed by credit returns which are based on changes in real rate, inflation, and credit spreads experienced across market regimes



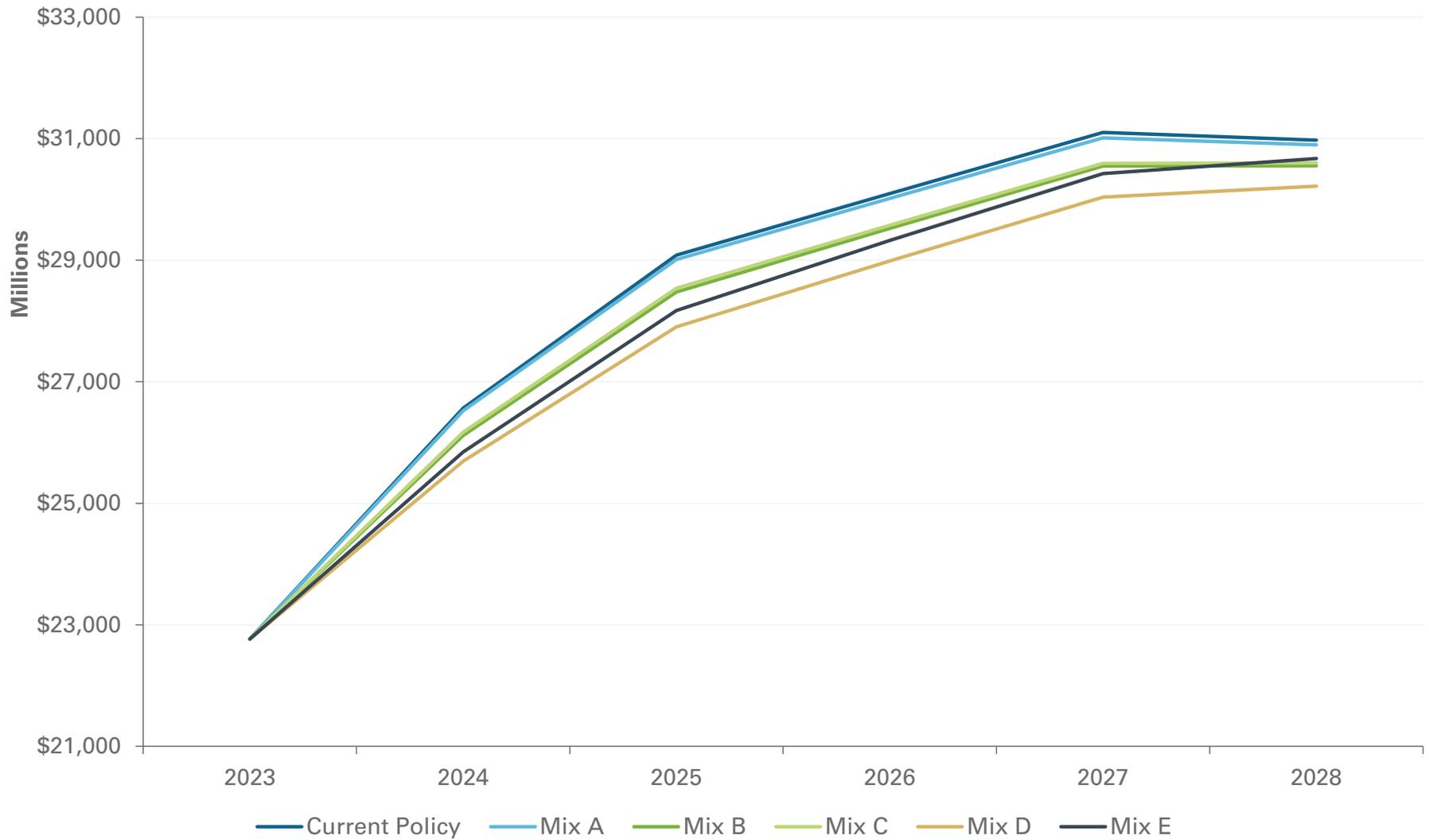
STAGFLATION



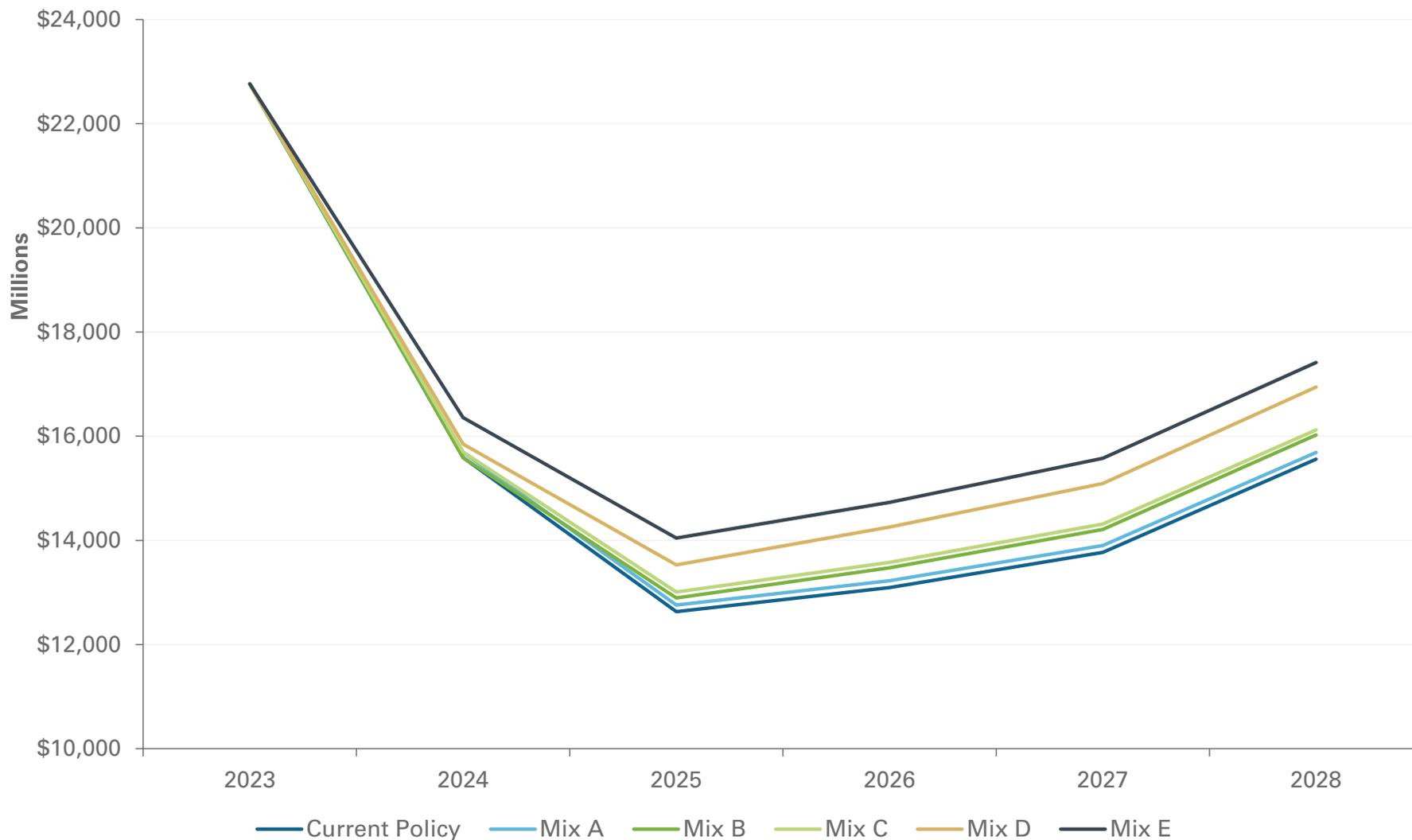
RECESSION



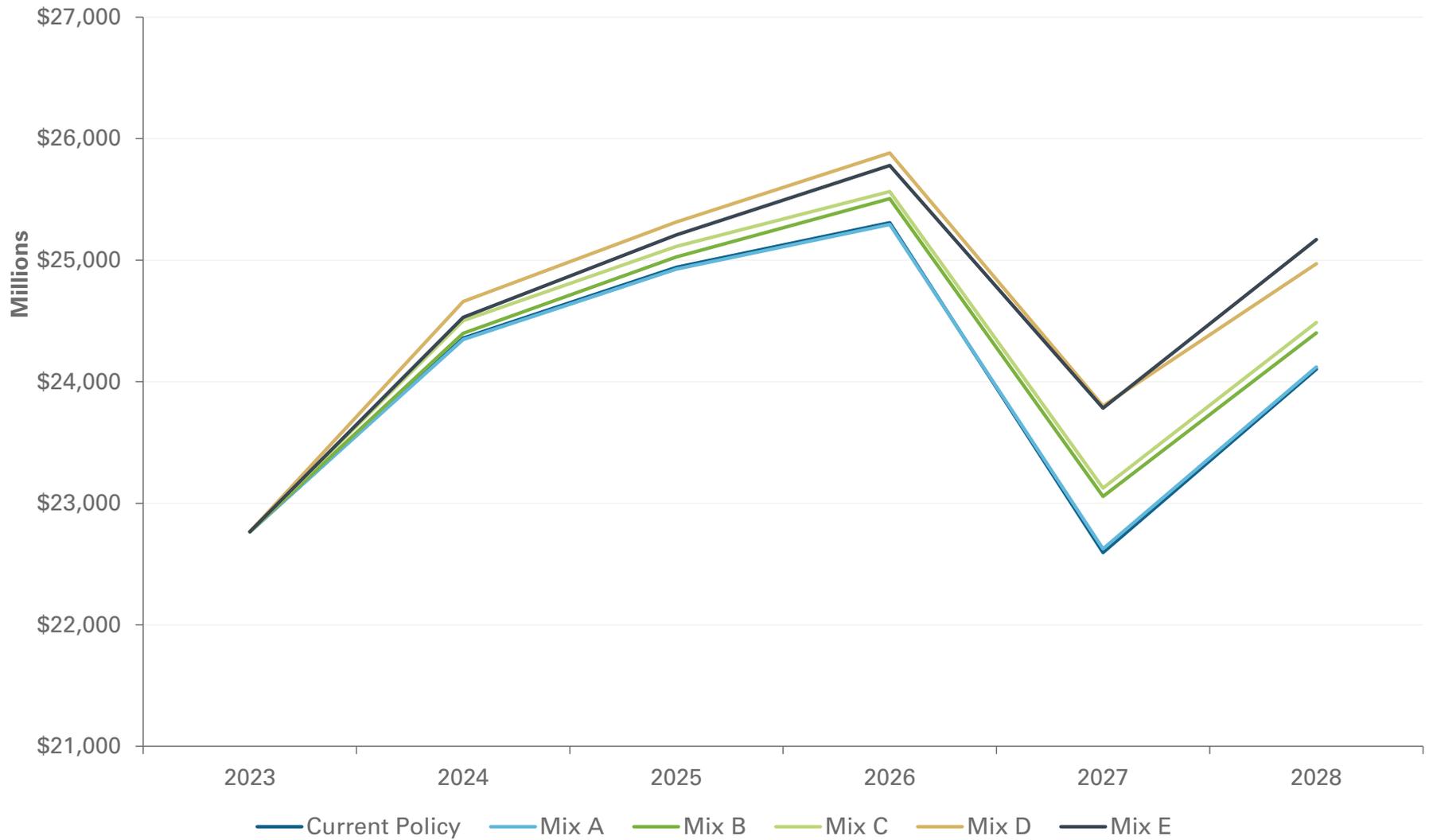
EXPANSION



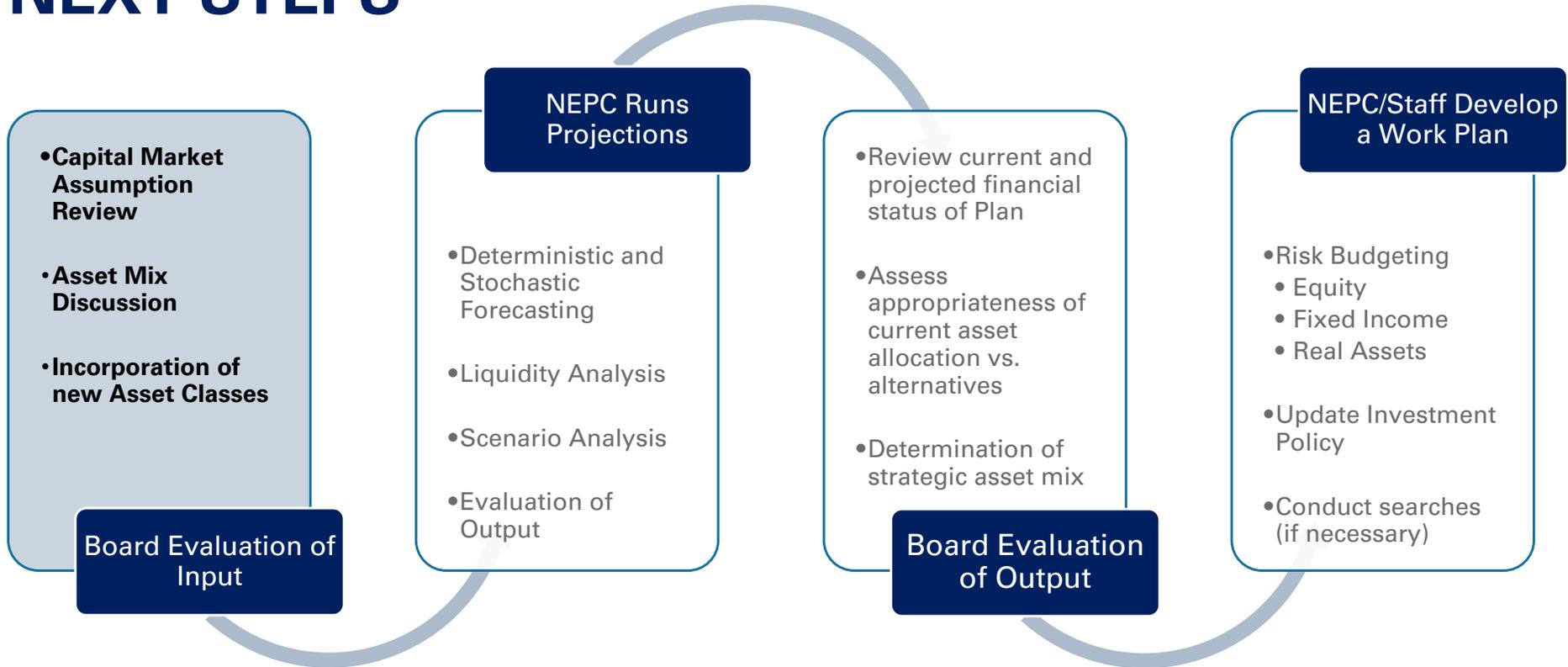
DEPRESSION



OVEREXTENSION



NEXT STEPS



Additional Input

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

APPENDIX



SCENARIO ANALYSIS: REGIME RETURNS

Expansion Scenario Returns*

Cash: 2.9%
Treasuries: 5.3%
Long Treasuries: 8.1%
U.S. TIPS: 6.1%
U.S. IG Credit: 7.3%
High Yield Bonds: 6.1%
U.S. Large-Cap Equity: 4.6%
Emerging Market Equity: 8.8%
Commodities: -1.9%

Stagflation Scenario Returns*

Cash: 6.6%
Treasuries: 2.5%
Long Treasuries: -1.7%
U.S. TIPS: 5.8%
U.S. IG Credit: 2.6%
High Yield Bonds: 5.1%
U.S. Large-Cap Equity: -1.7%
Emerging Market Equity: -1.8%
Commodities: 7.7%

Overextension Scenario Returns*

Cash: 5.6%
Treasuries: 3.9%
Long Treasuries: 2.5%
U.S. TIPS: 4.3%
U.S. IG Credit: 4.3%
High Yield Bonds: 4.6%
U.S. Large-Cap Equity: -1.6%
Emerging Market Equity: -1.5%
Commodities: 2.8%

Recession Scenario Returns*

Cash: 1.4%
Treasuries: 4.9%
Long Treasuries: 8.1%
U.S. TIPS: 6.7%
U.S. IG Credit: 6.6%
High Yield Bonds: 4.9%
U.S. Large-Cap Equity: -3.1%
Emerging Market Equity: -4.2%
Commodities: -3.0%

Depression Scenario Returns*

Cash: 0.9%
Treasuries: 5.3%
Long Treasuries: 9.5%
U.S. TIPS: 7.7%
U.S. IG Credit: 6.4%
High Yield Bonds: -1.4%
U.S. Large-Cap Equity: -12.6%
Emerging Market Equity: -23.0%
Commodities: -4.3%

Notes: *Scenario returns are 5-year annualized returns, as of 12/31/2023



ALTERNATIVE INVESTMENT DISCLOSURES

It is important that investors understand the following characteristics of non-traditional investment strategies including hedge funds and private equity:

1. Performance can be volatile and investors could lose all or a substantial portion of their investment
2. Leverage and other speculative practices may increase the risk of loss
3. Past performance may be revised due to the revaluation of investments
4. These investments can be illiquid, and investors may be subject to lock-ups or lengthy redemption terms
5. A secondary market may not be available for all funds, and any sales that occur may take place at a discount to value
6. These funds are not subject to the same regulatory requirements as registered investment vehicles
7. Managers may not be required to provide periodic pricing or valuation information to investors
8. These funds may have complex tax structures and delays in distributing important tax information
9. These funds often charge high fees
10. Investment agreements often give the manager authority to trade in securities, markets or currencies that are not within the manager's realm of expertise or contemplated investment strategy



REPORT TO BOARD OF ADMINISTRATION
From: Neil M. Guglielmo, General Manager

MEETING: APRIL 9, 2024
ITEM: VII - C

Neil M. Guglielmo

SUBJECT: APPROVAL OF SIX-MONTH CONTRACT EXTENSION WITH THE NORTHERN TRUST COMPANY REGARDING MASTER CUSTODIAL SERVICES, SECURITIES LENDING, AND ANCILLARY SERVICES AND POSSIBLE BOARD ACTION

ACTION: CLOSED: CONSENT: RECEIVE & FILE:

Recommendation

That the Board:

1. Approve six-month extensions of the seven contracts with The Northern Trust Company for the following services: master custody, securities lending, performance reporting and risk analytics, compliance analytics, private monitor analytics, integrated disbursements, and fair value reporting.
2. Authorize the General Manager to approve and execute the necessary documents, subject to satisfactory business and legal terms.

Executive Summary

The Board-approved request for proposal (RFP) for the Master Trust/Custodial Services and Securities Lending search process is currently in the semi-finalist due diligence stage. The Northern Trust Company (Northern Trust) presently serves as LACERS' custodian and securities lending agent; its current contracts expire on July 31, 2024. Based on the estimated remaining timeline to complete the full RFP process, including contract negotiations and execution, staff believes it will require more time beyond the expiration of the current provider's contracts. Staff requests six-month extensions of the contracts with Northern Trust to allow more time for a thorough and measured completion of the search process.

Discussion

Northern Trust currently serves as LACERS' custodian bank, providing comprehensive services including, but not limited to, securities safekeeping, settlement, valuation, and lending; performance measurement; foreign exchange; collection of income; the processing of benefit payments; administration of a limited term retirement plan; and providing a management/accounting and information retrieval system. Northern Trust has provided LACERS custodial and securities lending services since 1991. Northern Trust has maintained its mandates through competitive bidding

processes in 1997, 2006, and most recently in 2014. The Board's current suite of seven contracts with Northern Trust expires on July 31, 2024.

In keeping with best contracting practices, staff requested that the Board initiate a competitive bidding process to reassess the marketplace for custodial and securities lending services. The Board approved the request on August 22, 2023, and the resulting search opened on September 11, 2023, and closed on November 28, 2023. Following staff's evaluation of the proposals, Northern Trust and State Street Corporation met the minimum qualifications of the RFP and advanced as semi-finalists in the search. At its meeting of February 13, 2024, the Investment Committee concurred with staff's semi-finalists recommendation. Staff are currently conducting additional due diligence on the semi-finalist firms, by way of on-site meetings, reference checks, and additional research. The RFP timeline approved by the Board on August 22, 2023, had targeted for the Investment Committee to have selected finalist candidates, the Board to have evaluated said finalists and to have awarded the contract to the chosen firm, and contract negotiations and execution to have been completed within the second quarter of 2024.

Based upon staff's experience with similar contracting exercises, the time remaining until contract expiration, July 31, 2024, is estimated to be insufficient to allow for a comprehensive negotiation process across seven contracts. In addition, staff plans to introduce updates to the standard provisions for City contracts and recently developed policy items into the new contracts to be awarded; staff anticipates lengthened contract discussions as a result. Staff therefore request six-month extensions of the suite of contracts with Northern Trust to allow more time for a thorough and measured completion of the search process, which covers contract negotiations and execution.

Strategic Plan Impact Statement

Extending the contracts for master trust/custodial services provided by Northern Trust to allow more time for the completion of the Master Trust/Custodial Services and Securities Lending RFP search process aligns with the Strategic Plan Goal to uphold good governance practices, which affirm transparency, accountability, and fiduciary duty (Goal V), and assists the fund with optimizing long-term risk adjusted investment returns (Goal IV).

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

NMG/RJ/WL/JP:rm

Attachment: 1. Proposed Resolution

CONTRACT EXTENSIONS
THE NORTHERN TRUST COMPANY
MASTER TRUST CUSTODIAL SERVICES

PROPOSED RESOLUTION

WHEREAS, LACERS' current contracts with The Northern Trust Company (Northern Trust) for the following services: master custody, securities lending, performance reporting and risk analytics, compliance analytics, private monitor analytics, integrated disbursements, and fair value reporting expire on July 31, 2024; and,

WHEREAS, the Board-approved Master Trust/Custodial Services and Securities Lending Request for Proposal (RFP) search process is currently underway; and,

WHEREAS, staff anticipates contract negotiations and execution to be completed beyond the expiration of the current contracts; and,

WHEREAS, on April 9, 2024, the Board approved staff's recommendation for six-month contract extensions with Northern Trust; and,

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

<u>Company Name:</u>	The Northern Trust Company
<u>Services Provided:</u>	Master Custody Securities Lending Performance Reporting and Risk Analytics Compliance Analytics Private Monitor Analytics Integrated Disbursements Fair Value Reporting
<u>Effective Dates:</u>	August 1, 2024 through January 31, 2025
<u>Duration:</u>	Six months

April 9, 2024