

IN PERSON & VIRTUAL BOARD MEETING

*The Board meeting will be held after the Committee meeting scheduled prior.



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

Members of the public may address the Board orally and in writing. To provide Public Comment, you should visit the above link and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Board meeting.

Attention: If you have any questions, you may email PublicComment@lacera.com. If you would like to make a public comment during the board meeting, review the [Public Comment instructions](#).

AGENDA

A REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., WEDNESDAY, APRIL 9, 2025*

This meeting will be conducted by the Board of Investments both in person and by teleconference under California Government Code Section 54953 (f).

Any person may view the meeting in person at LACERA's offices or online at <https://LACERA.com/leadership/board-meetings>

The Board may take action on any item on the agenda, and agenda items may be taken out of order.

*Teleconference Location for Trustees and the Public under California Government Code Section 54953(b)
Bloomberg 371 Lexington Ave. New York, NY 10022*

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)
 - A. Just Cause
 - B. Action on Emergency Circumstance Requests
 - C. Statement of Persons Present at AB 2449 Teleconference Locations
- IV. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Regular Meeting of March 12, 2025

V. PUBLIC COMMENT

(Members of the public may address the Committee orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> and complete the request [form](#).

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Committee. Oral comment requests will be accepted up to the close of the Public Comment item on the agenda.

If you select written comment, please input your written public comment within the form as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email PublicComment@lacera.com.)

VI. EXECUTIVE UPDATE

- A. Chief Investment Officer's Report
- B. Member Spotlight
- C. Chief Executive Officer's Report

VII. REPORTS

A. **Salary Adjustments for Investment Office Staff Members**

Luis Lugo, Deputy Chief Executive Officer

Joe Rice, Managing Director, CBIZ Talent and Compensation Solutions

(Presentation) (Memo dated April 3, 2025)

B. **OPEB Trust Private Markets Program Update**

Esmeralda del Bosque, Principal Investment Officer

John Kim, Investment Officer

Kathryn Ton, Senior Investment Analyst

Soniah Ginoyan, Senior Investment Analyst

(Presentation) (Memo dated March 28, 2025)

C. **Private Equity Emerging Manager Program Update**

Christopher J. Wagner, Principal Investment Officer

Calvin Chang, Senior Investment Analyst

(Presentation) (Memo dated March 28, 2025)

VII. REPORTS (Continued)

- D. **Global Equity Emerging Manager Program Update**
Dale Johnson, Senior Investment Officer
Ron Senkandwa, Investment Officer
Magdalia Armstrong, Senior Investment Analyst
Adrian Gonzalez, Senior Investment Analyst
(Presentation) (Memo dated March 28, 2025)

- E. **Credit Emerging Manager Program Update**
Vache Mahseredjian, Principal Investment Officer
Chad Timko, Senior Investment Officer
Quoc Nguyen, Investment Officer
Krista Powell, Investment Officer
Jason Choi, Senior Investment Analyst
(Presentation) (Memo dated March 18, 2025)

- F. **Hedge Funds Emerging Manager Program Update**
Vache Mahseredjian, Principal Investment Officer
Chad Timko, Senior Investment Officer
Quoc Nguyen, Investment Officer
Krista Powell, Investment Officer
Jason Choi, Senior Investment Analyst
(Presentation) (Memo dated March 18, 2025)

- G. **Real Estate and Real Assets Emerging Manager Programs Update**
Terri Herubin, Senior Investment Officer
Cheryl Lu, Senior Investment Officer
Cindy Rivera, Investment Officer
Terra Elijah, Senior Investment Analyst
Inga Tadevosyan, Investment Analyst
(Presentation) (Memo dated March 28, 2025)

- H. **Council of Institutional Investors Member Ballot**
Scott Zdrazil, Principal Investment Officer
(For Information Only) (Memo dated March 15, 2025)

VII. REPORTS (Continued)

I. **LACERA – OPEB Pre-Funding Update**

Luis A. Lugo, Deputy Chief Executive Officer

Ted Granger, Chief Financial Officer

(For Information Only) (Memo dated March 18, 2025)

J. **Legal Projects**

Christine Roseland, Senior Staff Counsel

(For Information Only) (Memo dated April 1, 2025)

K. **Monthly Status Report on Legislation**

Barry W. Lew, Legislative Affairs Officer

(For Information Only) (Memo dated March 21, 2025)

L. **Monthly Trustee Travel & Education Report – February 2025**

Ted Granger, Chief Financial Officer

(For Information Only) (Memo dated March 21, 2025)

M. **March 2025 Fiduciary Counsel Contact and Billing Report**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated March 26, 2025)

(Privileged and Confidential/Attorney-Client Communication/Attorney Work Product and Exempt from Disclosure under California Government Code Sections 7927.705, 54957.5(a))

VIII. ITEMS FOR STAFF REVIEW

(This item summarizes requests and suggestions by individual trustees during the meeting for consideration by staff. These requests and suggestions do not constitute approval or formal action by the Board, which can only be made separately by motion on an agenda item at a future meeting.)

IX. ITEMS FOR FUTURE AGENDAS

(This item provides an opportunity for trustees to identify items to be included on a future agenda as permitted under the Board's Regulations.)

X. GOOD OF THE ORDER

(For Information Purposes Only)

XI. EXECUTIVE SESSION

- A. Conference with Staff and Legal Counsel to Consider the Purchase or Sale of Particular, Specific Pension Fund Investments (Pursuant to California Government Code Section 54956.81)

1. **Private Equity Investment Update**

Christopher J. Wagner, Principal Investment Officer

Derek Kong, Investment Officer

(For Information Only) (Memo dated March 24, 2025)

XII. ADJOURNMENT

****Although the meeting is scheduled for 9:00 a.m., it can start anytime thereafter, depending on the length of the Committee meeting preceding it.***

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Investments that are distributed to members of the Board of Investments less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Investments Trustees at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 8:00 a.m. to 5:00 p.m. Monday through Friday and will also be posted on lacera.com at the same time, [Board Meetings | LACERA](#).

Requests for reasonable modification or accommodation of the telephone public access and Public Comments procedures stated in this agenda from individuals with disabilities, consistent with the Americans with Disabilities Act of 1990, may call the Board Offices at (626) 564-6000 from 8:00 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.com, but no later than 48 hours prior to the time the meeting is to commence.

MINUTES OF A REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, SUITE 810, PASADENA, CA 91101

9:00 A.M., WEDNESDAY, MARCH 12, 2025

This meeting was conducted by the Board of Investments both in person and by teleconference under California Government Code Section 54953 (f).

TRUSTEES PRESENT

Jason Green, Chair

Patrick Jones, Vice Chair (Teleconference Due to Just Cause under Section 54953(f))

David Ryu, Secretary

Mike Gatto

Elizabeth Ginsberg

Aleen Langton

Debbie Martin

Alma Martinez

Nicole Mi (Teleconference Due to Just Cause under Section 54953(f))

STAFF, ADVISORS, PARTICIPANTS:

Jonathan Grabel, Chief Investment Officer

Jude Pérez, Deputy Chief Investment Officer

Luis Lugo, Deputy Chief Executive Officer

Steven P. Rice, Chief Counsel

STAFF, ADVISORS, PARTICIPANTS (Continued)

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Ted Granger, Chief Financial Officer

Esmeralda del Bosque, Principal Investment Officer

Christopher J. Wagner, Principal Investment Officer

Vache Mahseredjian, Principal Investment Officer

Chad Timko, Senior Investment Officer

Didier Acevedo, Investment Officer

John Kim, Investment Officer

Kathryn Ton, Senior Investment Analyst

Meketa Investment Group (General Investment Consultants)
Timothy Filla, Managing Principal

Albourne (Illiquid Credit, Real Assets and Hedge Funds Consultants)
Steven Kennedy, Partner

StepStone Group LP (Equity Consultants)
Jose Fernandez, Partner & Co-COO

I. CALL TO ORDER

The meeting was called to order by Chair Green at 9:00 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Trustee Ryu led the Trustees and staff in reciting the Pledge of Allegiance.

III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)

- A. Just Cause
- B. Action on Emergency Circumstance Requests
- C. Statement of Persons Present at AB 2449 Teleconference Locations

A physical quorum was present at the noticed meeting location. There were two requests received from Trustee Mi and Trustee Jones to attend by teleconference for Just Cause (B) Due to Contagious Illness. Trustee Mi and Trustee Jones confirmed that there were no individuals 18 years of age or older present at the teleconference location.

IV. APPROVAL OF MINUTES

- A. Approval of the Minutes of the Regular Meeting of February 12, 2025

A motion was made by Trustee Langton, seconded by Trustee Martin, to approve the minutes of the Board of Investments meeting of February 12, 2025. The motion passed by following roll call vote:

Yes: Gatto, Ginsberg, Green, Jones, Langton, Martin, Martinez, Mi, Ryu

V. PUBLIC COMMENT

Mr. Kelly provided a written comment.

VI. EXECUTIVE UPDATE

- A. Chief Investment Officer's Report

Mr. Grabel provided a brief presentation on the Chief Investment Officer's Report and answered questions from the Board.

- B. Member Spotlight

Mr. Popowich recognized LACERA member, Stephenie Barnett.

VI. EXECUTIVE UPDATE (Continued)

C. Chief Executive Officer's Report

Mr. Lugo provided a brief presentation on the Chief Executive Officer's Report and answered questions from the Board

VII. NON-CONSENT ITEM

A. **LACERA 2025 Election of Fourth Member: Approval of Statement of Powers and Duties of Board of Investments Trustees**

Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board approve the "Powers and Duties of Board of Investments Trustees," which will be included with the ballot materials for the 2025 election of the Fourth Member of the Board of Investments and posted on lacera.com. (Memo dated March 5, 2025)

A motion was made by Trustee Green, seconded by Trustee Langton, to approve Option B.

Trustee Jones made a substitute motion, seconded by Trustee Martinez, to approve Option C. The motion failed by the following roll call vote:

Yes: Jones, Martinez

No: Gatto, Ginsberg, Green, Langton, Martin, Mi, Ryu

The original motion to approve Option B passed by the following roll call vote

Yes: Gatto, Ginsberg, Green, Langton, Martin, Mi, Ryu

No: Jones, Martinez

VIII. REPORTS

- A. **LACERA Total Fund Quarterly Board Book**
Meketa Total Fund Quarterly Performance Book
Esmeralda del Bosque, Principal Investment Officer
John Kim, Investment Officer
Kathryn Ton, Senior Investment Analyst
Soniah Ginoyan, Senior Investment Analyst
(Presentation) (Memo dated February 25, 2025)

Mses. Del Bosque and Ton and Mr. Kim provided a presentation and answered questions from the Board. This item was received and filed.

- B. **OPEB Trust Quarterly Board Book**
Meketa OPEB Trust Quarterly Performance Book
Esmeralda del Bosque, Principal Investment Officer
John Kim, Investment Officer
Kathryn Ton, Senior Investment Analyst
Soniah Ginoyan, Senior Investment Analyst
(Presentation) (Memo dated February 25, 2025)
This item was received and filed.

Mses. Del Bosque and Ton and Mr. Kim provided a presentation and answered questions from the Board. This item was received and filed.

- C. **Legal Projects**
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated March 4, 2025)

This item was received and filed.

- D. **Monthly Status Report on Legislation**
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated February 25, 2025)

This item was received and filed.

- E. **Monthly Trustee Travel & Education Report – January 2025**
Fiscal Year 2024-2025 – 2nd Quarter Trustee Travel and Education
Expenditure Reports

VIII. REPORTS (Continued)

Ted Granger, Chief Financial Officer
(For Information Only) (Memo dated February 21, 2025)

This item was received and filed.

Fiscal Year 2024-2025 – 2nd Quarter Staff Travel Report

Ted Granger, Chief Financial Officer (For Information Only) (Memo dated February 21, 2025)

This item was received and filed.

F. **February 2025 Fiduciary Counsel Contact and Billing Report**

Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated February 24, 2025)
(Privileged and Confidential/Attorney-Client Communication/Attorney Work Product and Exempt from Disclosure under California Government Code Sections 7927.705, 54957.5(a))

This item was received and filed.

IX. ITEMS FOR STAFF REVIEW

There were no items for staff review

X. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

XI. GOOD OF THE ORDER
(For Information Purposes Only)

There was nothing to report.

XII. EXECUTIVE SESSION

- A. Conference with Staff and Legal Counsel to Consider the Purchase or Sale of Particular, Specific Pension Fund Investments
(Pursuant to California Government Code Section 54956.81)

XII. EXECUTIVE SESSION (Continued)

1. **Private Equity Investment Update - I**

Didier Acevedo, Investment Officer
Calvin Chang, Senior Investment Analyst
(Presentation) (Memo dated February 28, 2025)

The Board received a staff report on the status of a co-investment.

2. **Private Equity Investment Update - II**

Christopher J. Wagner, Principal Investment Officer
Didier Acevedo, Investment Officer
(For Information Only) (Memo dated February 22, 2025)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved a commitment of \$200 million to Insight Partners XIII, L.P., which is a fund focusing on growth private equity investments primarily in ecommerce, software, and internet services businesses in the United States, Western Europe, and Israel.

3. **Onex – Credit Investment**

Vache Mahseredjian, Principal Investment Officer
Chad Timko, Senior Investment Officer
Quoc Nguyen, Investment Officer
Krista Powell, Investment Officer
Jason Choi, Senior Investment Analyst
(For Information Only) (Memo dated February 21, 2025)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved a commitment of \$775 million to Onex, a credit strategy managed for LACERA through a dedicated managed account.

XII. EXECUTIVE SESSION (Continued)

- B. Conference with Legal Counsel – Existing Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of California
Government Code Section 54956.9)

- 1. **Number of Cases: 1**

- Downtown Crenshaw Rising, et al. v. Deutsche Bank, et al.*,
United States District Court, Central District of California
Case 2:24-cv-07266
(Presentation) (Memo dated March 6, 2025)

- There is nothing to report

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:00 p.m.

DAVID RYU, SECRETARY

JASON GREEN, CHAIR



Chief Investment Officer Monthly Report

Jonathan Grabel – Chief Investment Officer 

Board of Investments Meeting

April 9, 2025

Table of Contents



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- 02** Total Fund Performance & Risk
- 03** OPEB Trust Performance & Risk
- 04** Portfolio & Structural Updates
- 05** Appendix



Complete list of slide footnotes are included in the Appendix.



01

Market Environment



Notable Items and Market Themes to Watch



Notable Items



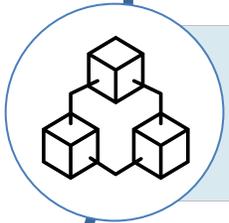
Interest rates and central bank actions

- The Federal Reserve announced that it will begin slowing down its quantitative tightening process starting April 1, 2025, to increase market liquidity



Economic data and trends

- Inflation, supply chains, & labor developments



Artificial intelligence

- Research developments, applications, and infrastructure investment



Stewardship and ESG-related developments

- Delaware legislature, where an estimated 60% of U.S. public companies are incorporated, relaxes certain investor rights
- Securities and Exchange Commission discontinues defending its climate disclosure rule in judicial challenge

Market Themes

- **Tariff Impacts:** The announcement of U.S. tariffs has led to escalating tensions with key trading partners, including Canada, Mexico, China, the European Union, and Japan, resulting in significant market volatility. Businesses and consumers are adjusting to higher costs and policy uncertainty, which could impact inflation and economic growth
- **Inflation Concerns:** Persistent inflation remains a key concern, with core inflation at 2.8%. Commodity prices and continued supply chain issues are contributing factors
- **Federal Reserve Policy:** The Federal Reserve's decision to maintain the federal funds rate at 4.25% to 4.50% reflects its cautious approach to managing inflation and supporting economic growth. Future rate adjustments will be closely watched
- **Geopolitical Uncertainty:** Recent U.S. involvement in the Russian-Ukrainian conflict and the Middle East has significantly shaped the current geopolitical landscape. Actions and policies may have an impact on global markets
- **Corporate Earnings:** Despite economic headwinds, corporate earnings have shown resilience, with mid-single-digit revenue growth and margin expansion driving positive earnings forecasts overall for 2025

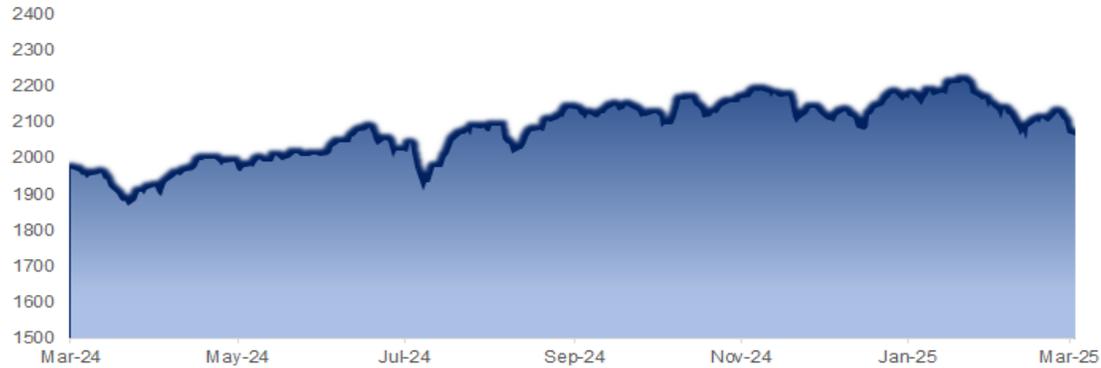
Global Market Performance as of March 31, 2025



MSCI ACWI IMI Index (Global Equity Market)*

| Trailing Returns (%) | | | | Annualized Returns (%) | | | |
|----------------------|---------|------|------|------------------------|-----|------|-----|
| 1-Month | 3-Month | FYTD | YTD | 1Y | 3Y | 5Y | 10Y |
| -3.9 | -1.6 | 3.8 | -1.6 | 6.3 | 6.3 | 15.0 | 8.5 |

1 Year

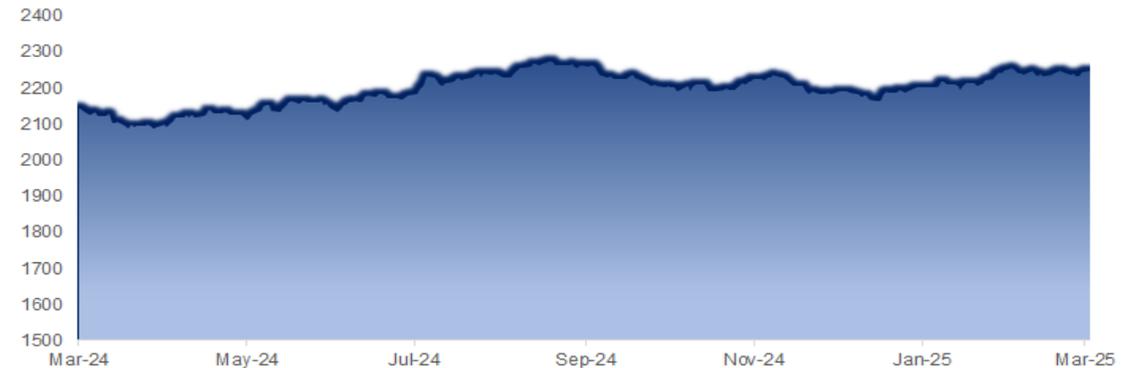


*Global Equity Policy Benchmark - MSCI ACWIIMI Index

Bloomberg U.S. Aggregate Bond Index**

| Trailing Returns (%) | | | | Annualized Returns (%) | | | |
|----------------------|---------|------|-----|------------------------|-----|------|-----|
| 1-Month | 3-Month | FYTD | YTD | 1Y | 3Y | 5Y | 10Y |
| 0.0 | 2.8 | 4.8 | 2.8 | 4.9 | 0.5 | -0.4 | 1.5 |

1 Year



**Investment Grade Bonds Policy Benchmark - Barclays U.S. Aggregate Bond Index

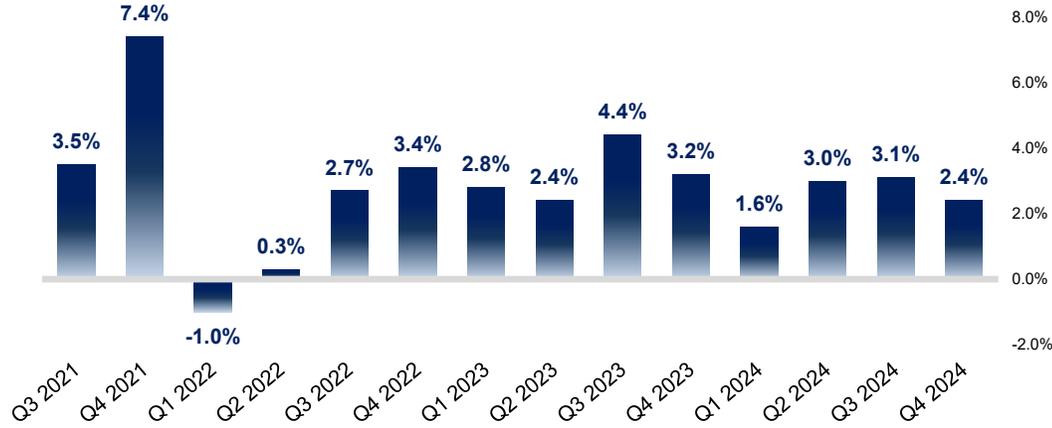
| Market | Sub-Category | Index Name | 1 M | 3 M | FYTD | YTD | 1 Y | 3 Y | 5 Y | 10 Y |
|--------------------------------|---|--|------|------|------|------|------|------|------|------|
| Reference Portfolio | 60:40 Equity:Bond Portfolio | 60% MSCI ACWI IMI/ 40% Bloomberg U.S. Aggregate Index | -2.3 | 0.2 | 4.3 | 0.2 | 5.8 | 4.1 | 8.8 | 5.9 |
| Global Equity | U.S. Large Cap | S&P 500 Total Return | -5.6 | -4.3 | 3.8 | -4.3 | 8.3 | 9.1 | 18.6 | 12.5 |
| | U.S. Small Cap | Russell 2000 Total Return | -6.8 | -9.5 | -0.8 | -9.5 | -4.0 | 0.5 | 13.3 | 6.3 |
| | Non-U.S. All Cap | MSCI ACWI-ex U.S. IMI Total Return | -0.1 | 4.6 | 4.5 | 4.6 | 5.5 | 4.0 | 11.0 | 5.0 |
| | Emerging Markets | MSCI Emerging Markets Total Return | 0.6 | 2.9 | 2.9 | 2.9 | 8.1 | 1.4 | 7.9 | 3.7 |
| Private Equity | Private Equity Buyout | Thomson Reuters PE Buyout Index | -8.9 | -6.7 | -0.2 | -6.7 | 3.3 | 0.3 | 16.5 | 9.9 |
| Fixed Income | U.S. Corporate High Yield Bonds | Bloomberg U.S. Corporate High Yield Total Return | -1.0 | 1.0 | 6.5 | 1.0 | 7.7 | 5.0 | 7.3 | 5.0 |
| | U.S. Long Term Treasury Bonds | Bloomberg Long Term U.S. Treasury Total Return Index | -0.9 | 4.7 | 3.1 | 4.7 | 1.3 | -7.2 | -7.9 | -0.6 |
| | Developed Markets Leveraged Loans | Credit Suisse Leveraged Loan Total Return | -0.3 | 0.6 | 5.1 | 0.6 | 7.0 | 7.1 | 8.9 | 5.0 |
| Real Assets & Inflation Hedges | Natural Resources | S&P Global Natural Resources Total Return Index | 1.6 | 7.1 | -2.1 | 7.1 | -3.8 | -1.2 | 16.2 | 6.3 |
| | Global Infrastructure | Dow Jones Brookfield Global Infrastructure Composite Index | 3.7 | 7.3 | 19.0 | 7.3 | 18.6 | 4.9 | 11.7 | 5.2 |
| | Treasury Inflation-Protected Securities | Bloomberg U.S. Treasury TIPS 0-5 Years Total Return | 1.0 | 3.0 | 5.5 | 3.0 | 7.0 | 3.2 | 4.1 | 2.8 |
| | Real Estate | NCREIF Fund Index - ODCE (Net) ¹ | — | 1.0 | 1.0 | — | -2.3 | -3.1 | 2.0 | 4.9 |

Source: Bloomberg, State Street

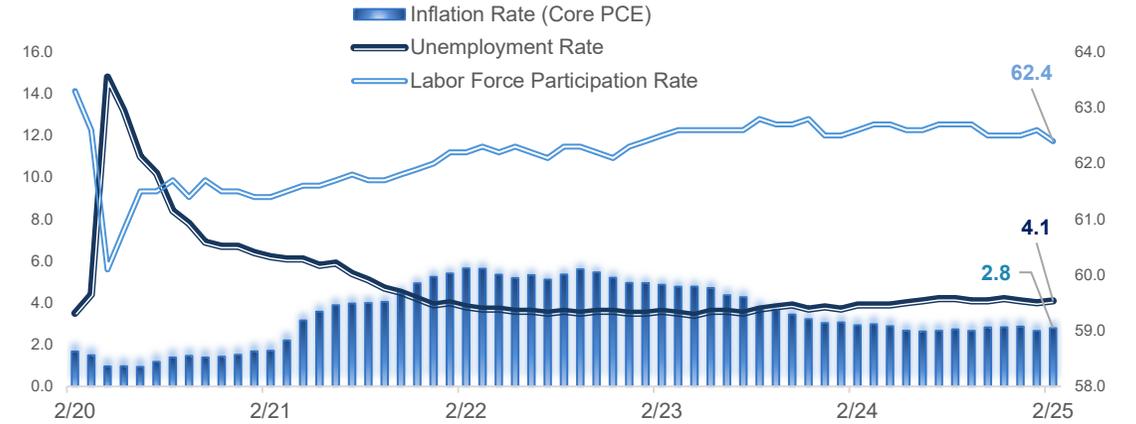
Key Macro Indicators²



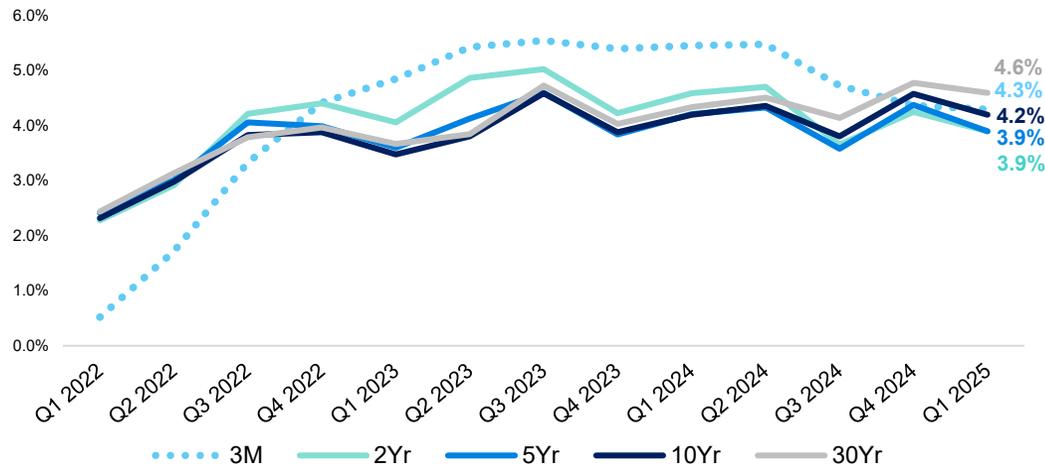
Quarterly Real U.S. GDP Growth



Inflation, Unemployment, and Labor Participation

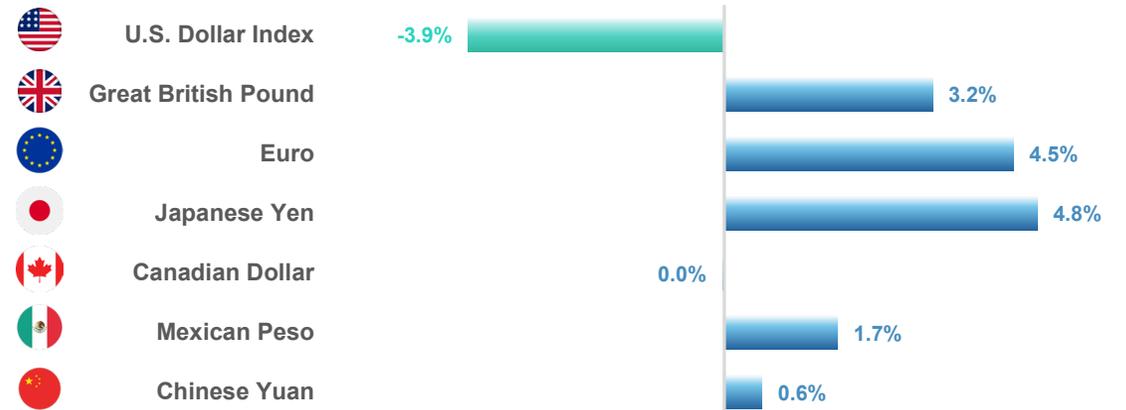


Market Yields on U.S. Treasury Securities



U.S. Dollar and Major Currency Performance

(Year-to-Date as of 3/31/2025)



Sources: Bloomberg, St. Louis Federal Reserve



02



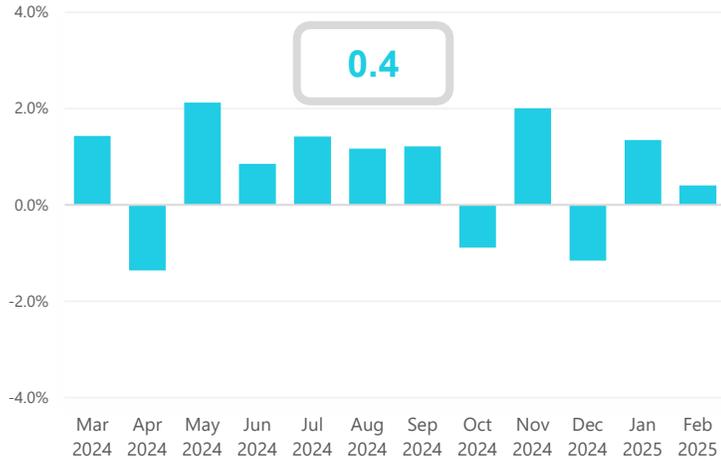
Total Fund Performance & Risk

Total Fund

Performance Summary as of February 2025



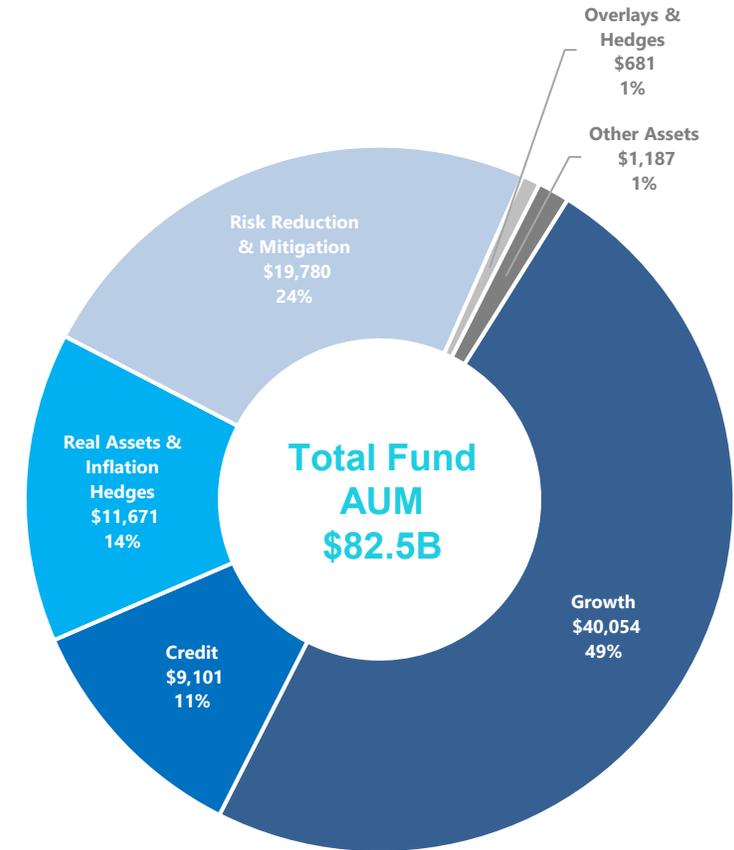
Monthly Return (net)



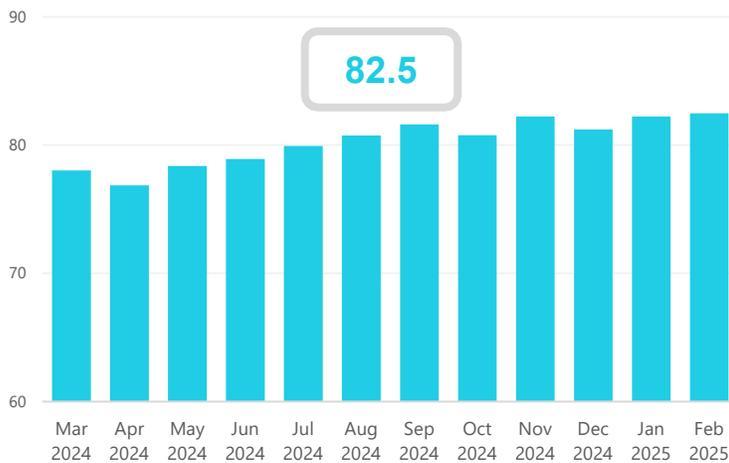
Growth of a Dollar (trailing 5Y)³



Asset Allocation (in millions)⁴



Total Market Value (in billions)



Cash (in millions)

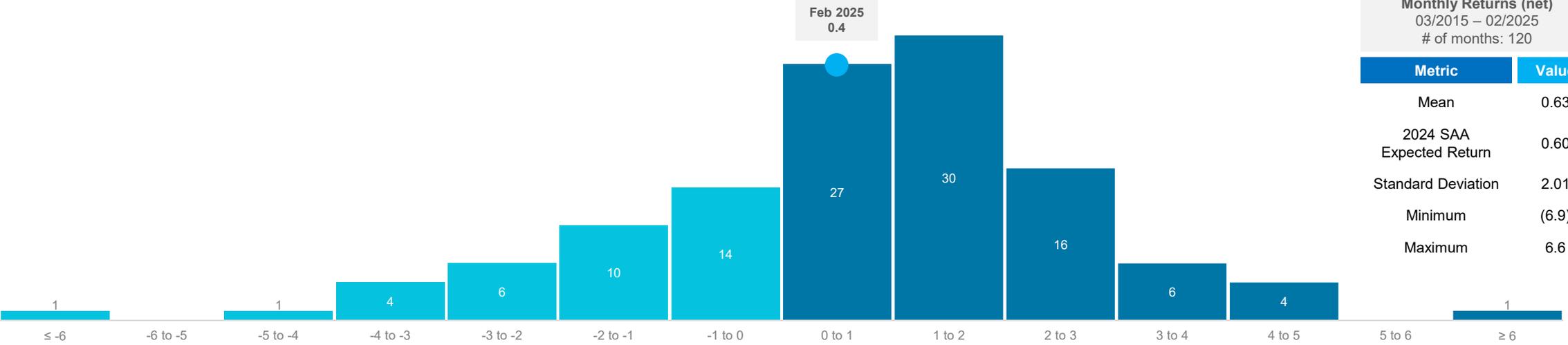


Total Fund

Historical Net Performance as of February 2025



LACERA Pension Fund⁵



Monthly Returns (net)
03/2015 – 02/2025
of months: 120

| Metric | Value |
|--------------------------|-------|
| Mean | 0.63 |
| 2024 SAA Expected Return | 0.60 |
| Standard Deviation | 2.01 |
| Minimum | (6.9) |
| Maximum | 6.6 |

| | Market Value (\$ mm) | % of Total Fund | Target | 1 Month | 3 Month | FYTD | 1 Year | 3 Year | 5 Year | 10 Year |
|---|----------------------|-----------------|---------------|--------------|--------------|-------------|--------------|-------------|--------------|-------------|
| Total Fund | 82,475 | 100.0% | 100.0% | 0.4% | 0.6% | 5.6% | 8.8% | 5.6% | 9.1% | 7.6% |
| Total Fund Policy Benchmark | | | | 1.3% | 1.5% | 7.3% | 12.3% | 5.4% | 7.9% | 7.2% |
| Total Fund Actuarial Hurdle | | | | 0.6% | 1.7% | 4.6% | 7.0% | 7.0% | 7.0% | 7.0% |
| Growth | 40,054 | 48.6% | 48.0% | -0.4% | 0.0% | 5.9% | 10.0% | 7.3% | 13.3% | |
| Growth Policy Benchmark | | | | 0.9% | 1.4% | 9.3% | 17.6% | 8.3% | 12.7% | |
| Credit | 9,101 | 11.0% | 13.0% | 0.7% | 1.8% | 8.0% | 13.6% | 8.2% | 7.5% | |
| Credit Policy Benchmark | | | | 1.0% | 2.4% | 6.9% | 9.7% | 5.8% | 4.9% | |
| Real Assets & Inflation Hedges | 11,671 | 14.2% | 15.0% | 0.5% | -0.3% | 3.0% | 4.0% | 1.3% | 5.7% | |
| RA & IH Policy Benchmark | | | | 1.7% | 1.8% | 4.9% | 5.7% | 1.1% | 5.8% | |
| Risk Reduction & Mitigation | 19,780 | 24.0% | 24.0% | 1.9% | 1.4% | 4.8% | 6.1% | 0.6% | 0.8% | |
| RR & M Policy Benchmark | | | | 1.8% | 0.9% | 4.4% | 5.7% | 0.2% | 0.2% | |
| Overlays & Hedges | 681 | 0.8% | | | | | | | | |
| Other Assets | 1,187 | 1.4% | | | | | | | | |

Total Fund

Forecast Volatility as of February 2025⁶



VOLATILITY

Measures how much a portfolio can fluctuate over 1Y

TOTAL FUND VOLATILITY

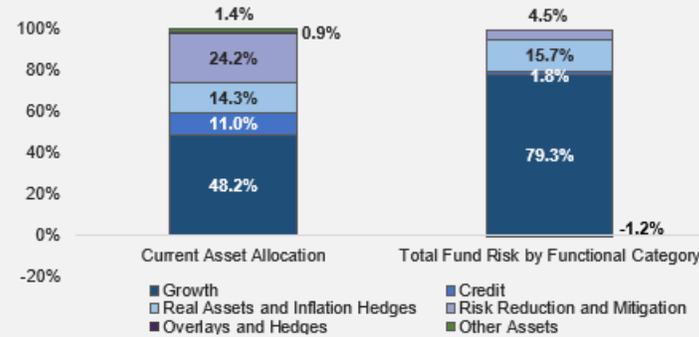
9.0%

BENCHMARK VOLATILITY

9.0%

Total Fund Asset Allocation

Capital-based versus Risk-based



Forecasted Total Fund Volatility Trend



ACTIVE RISK

1Y forecast that measures how closely the portfolio tracks the benchmark

TOTAL FUND ACTIVE RISK

0.92%

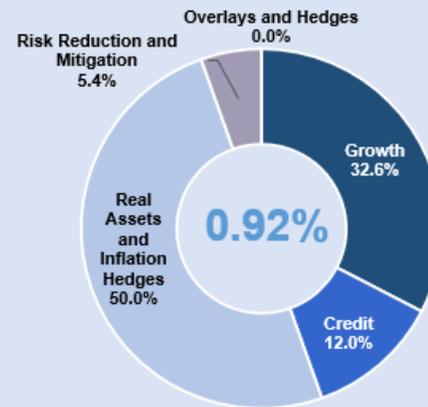
ALLOCATION RISK

0.03%

SELECTION RISK

0.89%

Functional Category Contributions to Active Risk



Forecasted Active Risk Trend



Source: MSCI BarraOne

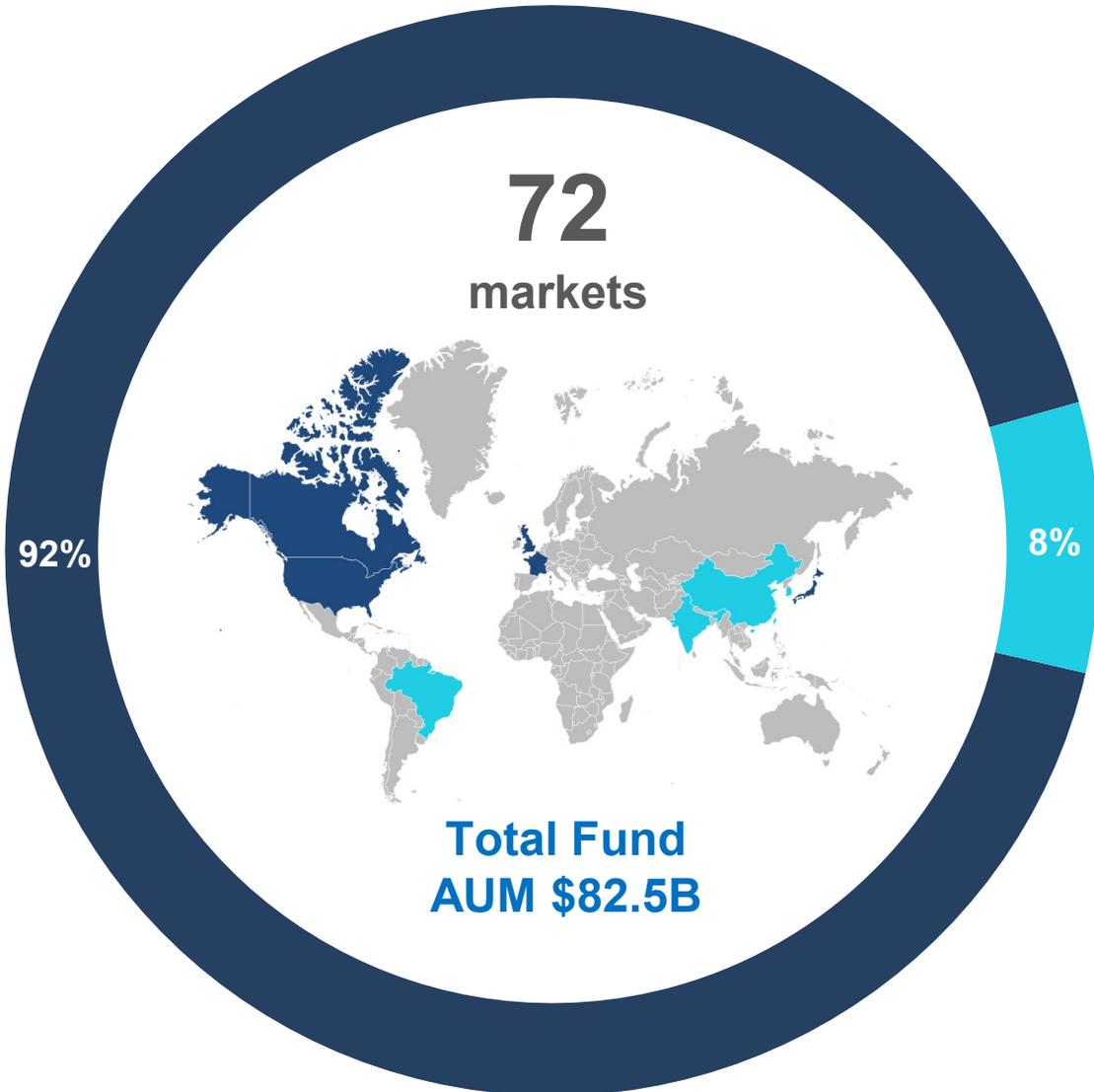
Total Fund



Geographic Exposure by AUM as of February 2025^{7,8}

25
developed
markets

| Top 5 Countries | Portfolio |
|-----------------|-----------|
| United States | 71.1% |
| United Kingdom | 4.2% |
| Canada | 2.1% |
| Japan | 1.6% |
| France | 1.5% |



47
emerging &
frontier markets

| Top 5 Countries | Portfolio |
|-----------------|-----------|
| China | 1.7% |
| Taiwan | 0.6% |
| India | 0.4% |
| Brazil | 0.4% |
| South Korea | 0.3% |



03



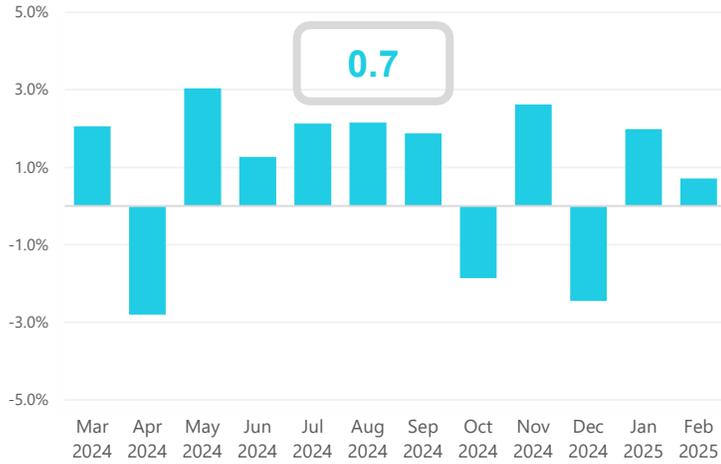
OPEB Trust Performance & Risk

OPEB Trust

Performance Summary as of February 2025



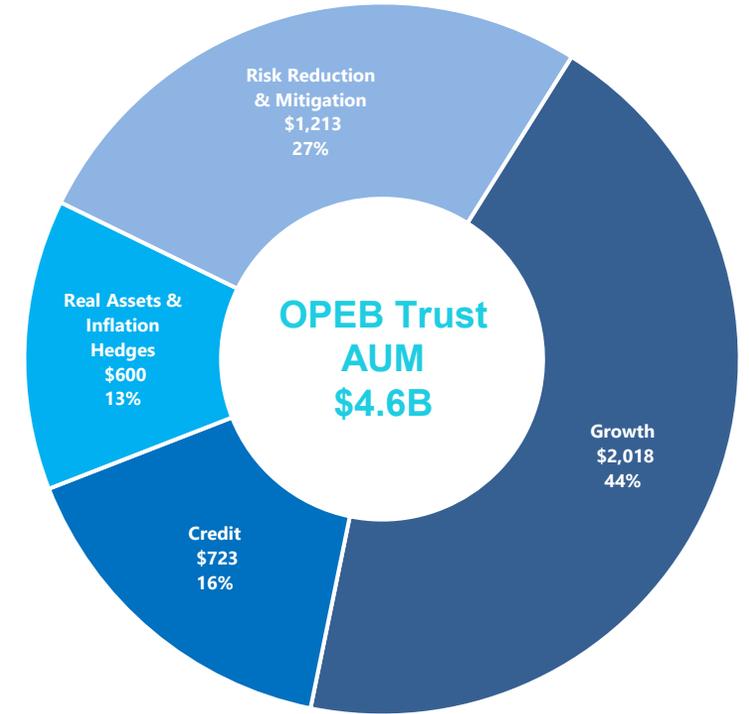
Monthly Return (net)



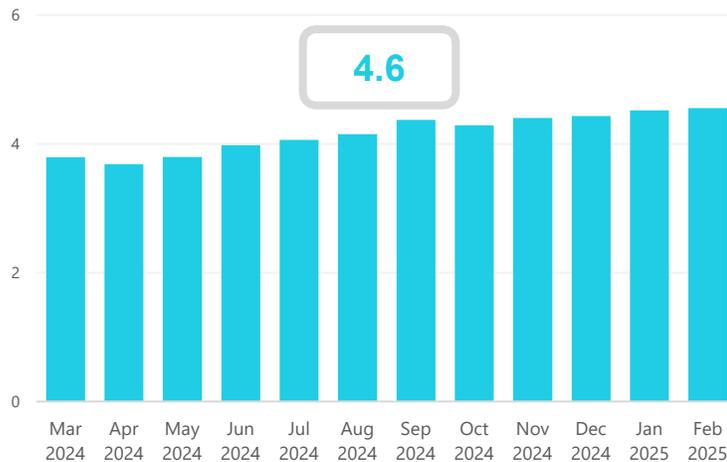
Growth of a Dollar (trailing 5Y)⁹



Asset Allocation (in millions)



Total Market Value (in billions)



Cash (in millions)

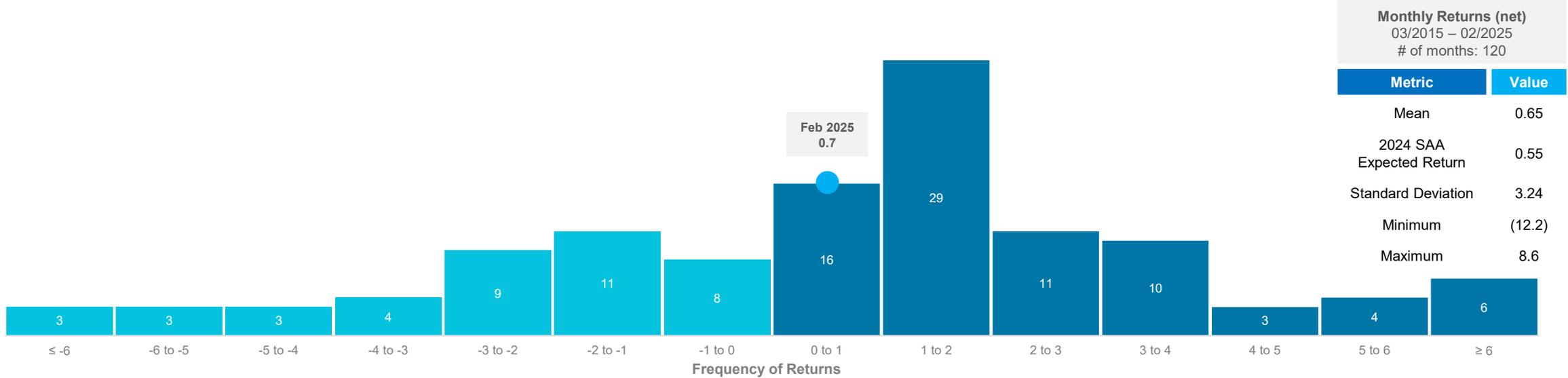


OPEB Trust

Historical Net Performance as of February 2025



OPEB Trust



| Monthly Returns (net) 03/2015 – 02/2025 # of months: 120 | |
|--|--------|
| Metric | Value |
| Mean | 0.65 |
| 2024 SAA Expected Return | 0.55 |
| Standard Deviation | 3.24 |
| Minimum | (12.2) |
| Maximum | 8.6 |

| | Market Value (\$ mm) | % of Master Trust | Target | 1 Month | 3 Month | FYTD | 1 Year | 3 Year | 5 Year | 10 Year |
|--|-------------------------|----------------------|--------------|--------------|--------------|-------------|--------------|--------------|--------------|-------------|
| OPEB Master Trust | 4,554 | | | 0.7% | 0.2% | 7.2% | 11.0% | 5.1% | 8.2% | 7.4% |
| OPEB Master Trust Policy Benchmark | | | | 0.9% | 1.0% | 6.6% | 10.5% | 4.4% | 7.6% | 6.3% |
| OPEB Actuarial Hurdle | | | | 0.5% | 1.5% | 4.1% | 6.2% | 6.1% | 6.0% | 6.0% |
| OPEB Growth | 2,018 | 44.3% | 45.0% | -0.8% | -0.4% | 8.3% | 14.5% | 8.8% | 12.6% | |
| OPEB Growth Policy Benchmark | | | | -0.3% | 0.2% | 8.6% | 15.7% | 8.6% | 12.5% | |
| OPEB Credit | 723 | 15.9% | 16.0% | 0.3% | 1.3% | 5.9% | 7.8% | 5.5% | 4.2% | |
| OPEB Credit Policy Benchmark | | | | 1.0% | 2.4% | 6.9% | 9.6% | 6.0% | 4.8% | |
| OPEB Real Assets & Inflation Hedges | 600 | 13.2% | 13.0% | 2.4% | -0.6% | 8.9% | 11.4% | 0.0% | 5.4% | |
| OPEB RA & IH Policy Benchmark | | | | 1.3% | 1.8% | 3.3% | 4.3% | -2.7% | 3.7% | |
| OPEB Risk Reduction & Mitigation | 1,213 | 26.6% | 26.0% | 2.6% | 0.9% | 4.6% | 5.4% | -0.1% | -0.2% | |
| OPEB RR & M Policy Benchmark | | | | 2.6% | 0.8% | 4.4% | 5.1% | -0.8% | -0.6% | |
| OPEB HL PM Cash | 0 | 0.0% | | | | | | | | |

OPEB Trust

Forecast Volatility as of February 2025¹⁰



VOLATILITY

Measures how much a portfolio can fluctuate over 1Y

OPEB TRUST
VOLATILITY

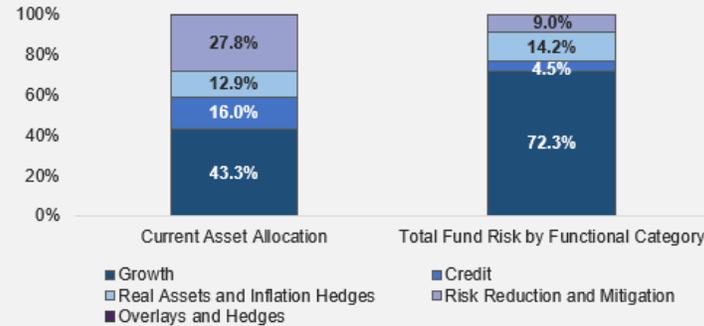
8.2%

BENCHMARK
VOLATILITY

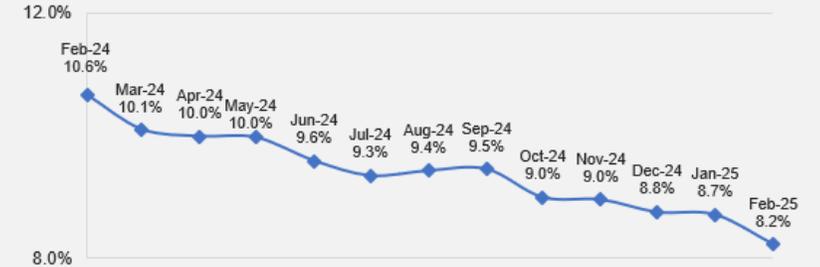
8.3%

OPEB Trust Asset Allocation

Capital-based versus Risk-based



Forecasted OPEB Trust Volatility Trend



ACTIVE RISK

1Y forecast that measures how closely the portfolio tracks the benchmark

OPEB TRUST
ACTIVE RISK

0.82%

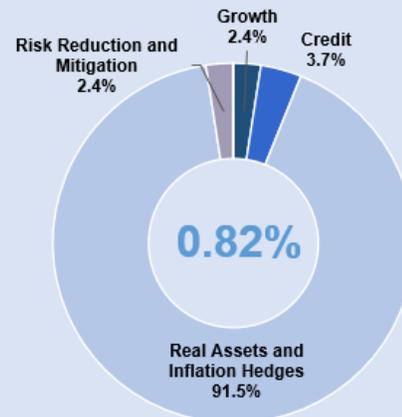
ALLOCATION
RISK

0.07%

SELECTION
RISK

0.75%

Functional Category Contributions to Active Risk



Forecasted Active Risk Trend



Source: MSCI BarraOne

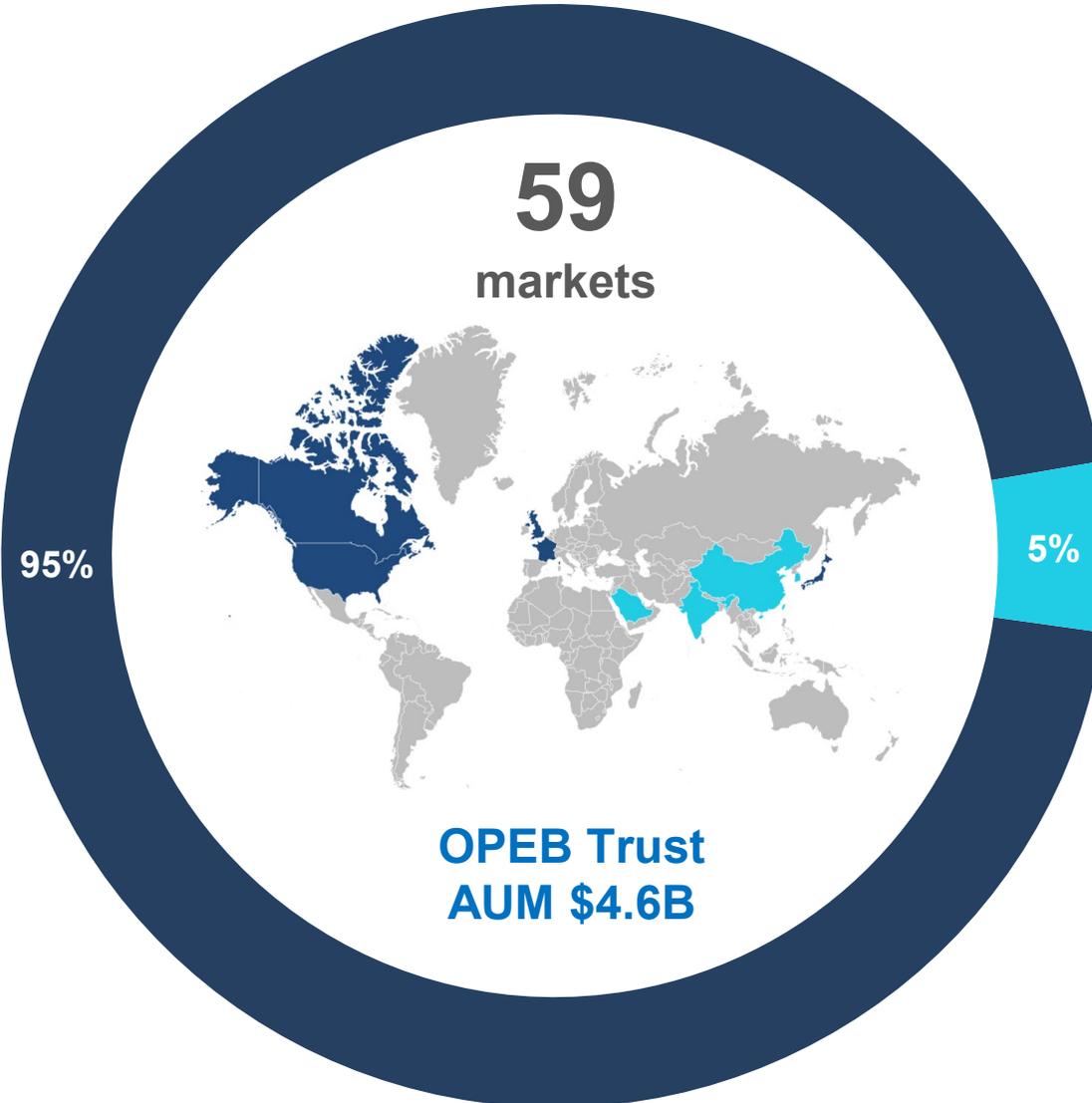
OPEB Trust

Geographic Exposure by AUM as of February 2025^{11,12}



25
developed
markets

| Top 5 Countries | Portfolio |
|-----------------|-----------|
| United States | 80.7% |
| Japan | 2.6% |
| Canada | 2.1% |
| United Kingdom | 2.1% |
| France | 1.1% |



34
emerging &
frontier markets

| Top 5 Countries | Portfolio |
|-----------------|-----------|
| China | 1.2% |
| Taiwan | 0.9% |
| India | 0.9% |
| South Korea | 0.5% |
| Saudi Arabia | 0.2% |



04

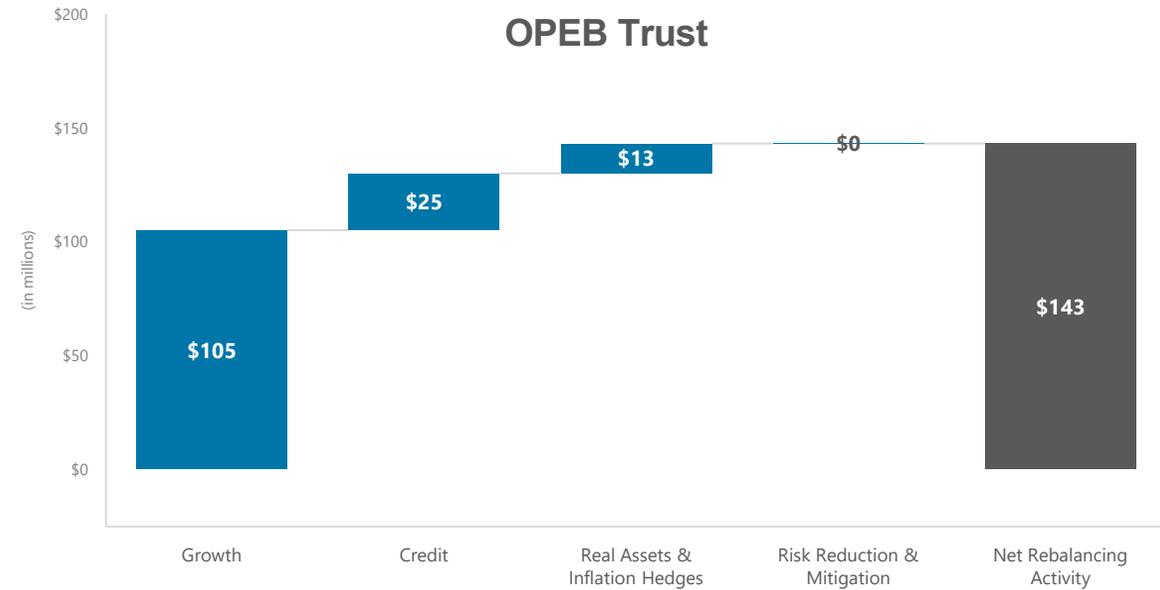
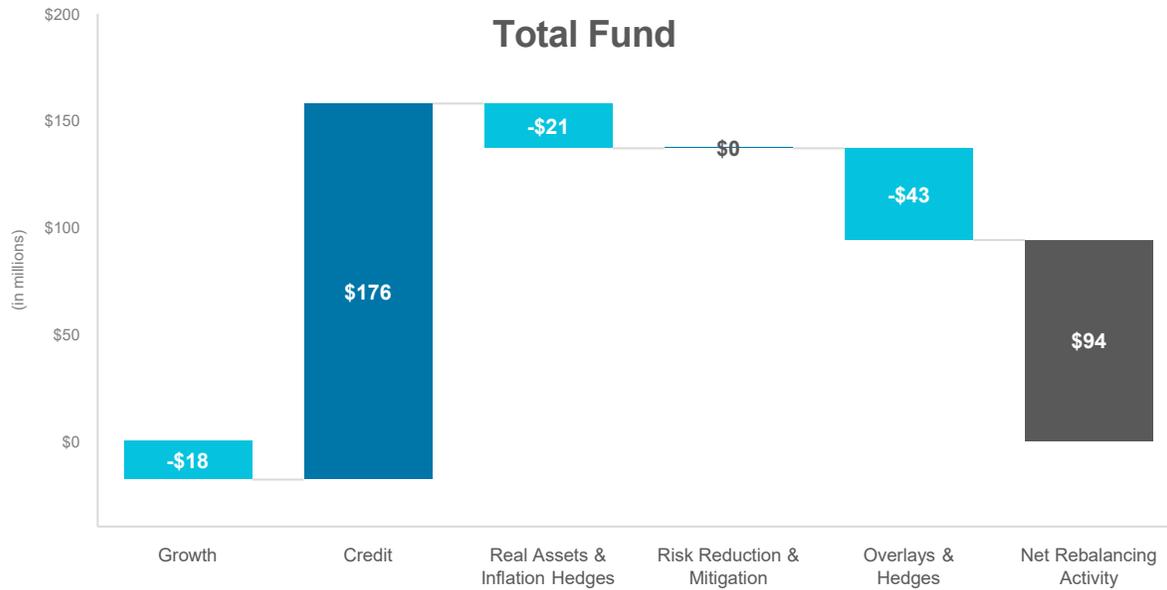
Portfolio & Structural Updates



Portfolio Updates



Rebalancing Activity



Overlays & Hedges

| Program | February Gain / (Loss) in \$ millions | Since Inception Gain / (Loss) in \$ millions |
|--------------------------|--|--|
| Currency Hedge | 43.0 | 1,689.9 |
| Cash / Rebalance Overlay | 8.3 | 580.4 |

Key Initiatives and Operational Updates



Key Initiatives & Operational Updates

| | Status |
|---|-------------|
| Total Fund | |
| April 2024 approved Strategic Asset Allocation implementation | In Progress |
| Adhering to the BOI-approved 2025 Strategic Framework | In Progress |
| Risk system onboarding | In Progress |
| Finance Analyst I program | In Progress |
| OPEB Trust | |
| April 2024 approved Strategic Asset Allocation implementation | In Progress |
| Risk system onboarding | In Progress |



Open Personnel Searches

| | Status |
|---|---------------------------|
| Investments Division | |
| Principal Investment Officer – 1 position | In Development |
| Senior Investment Officer – 1 position | In Progress |
| Finance Analyst III – 3 positions | In Progress & Development |
| Finance Analyst II – 1 position | In Development |
| Finance Analyst I – 2 positions | In Progress |

Key Initiatives and Operational Updates



Manager / Consultant Updates

| Firm | Mandate | Asset Class | LACERA AUM <small>(prior month end, in millions)</small> | Update |
|---------------|------------------|-----------------|---|--|
| Capital Group | Separate Account | Global Equities | \$414 | Philip Winston, Portfolio Manager, will be retiring from Capital Group after more than 28 years at the firm, effective September 1, 2025. His responsibilities will be taken over by the rest of the portfolio management team: Eu-Gene Cheah, Gerald Du Manoir, Akira Horiguchi, Samir Parekh, and Lisa Thompson. |

Change In Fiduciary Net Position¹³



FIDUCIARY NET POSITION

Additions
+
Deductions



ADDITIONS

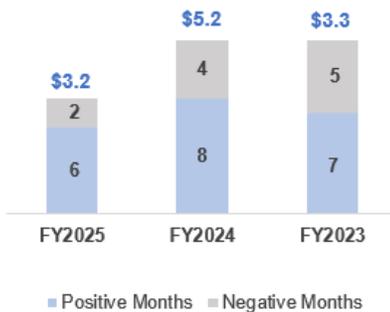
Employer and Employee Contributions
Net Investment Income/(Loss)



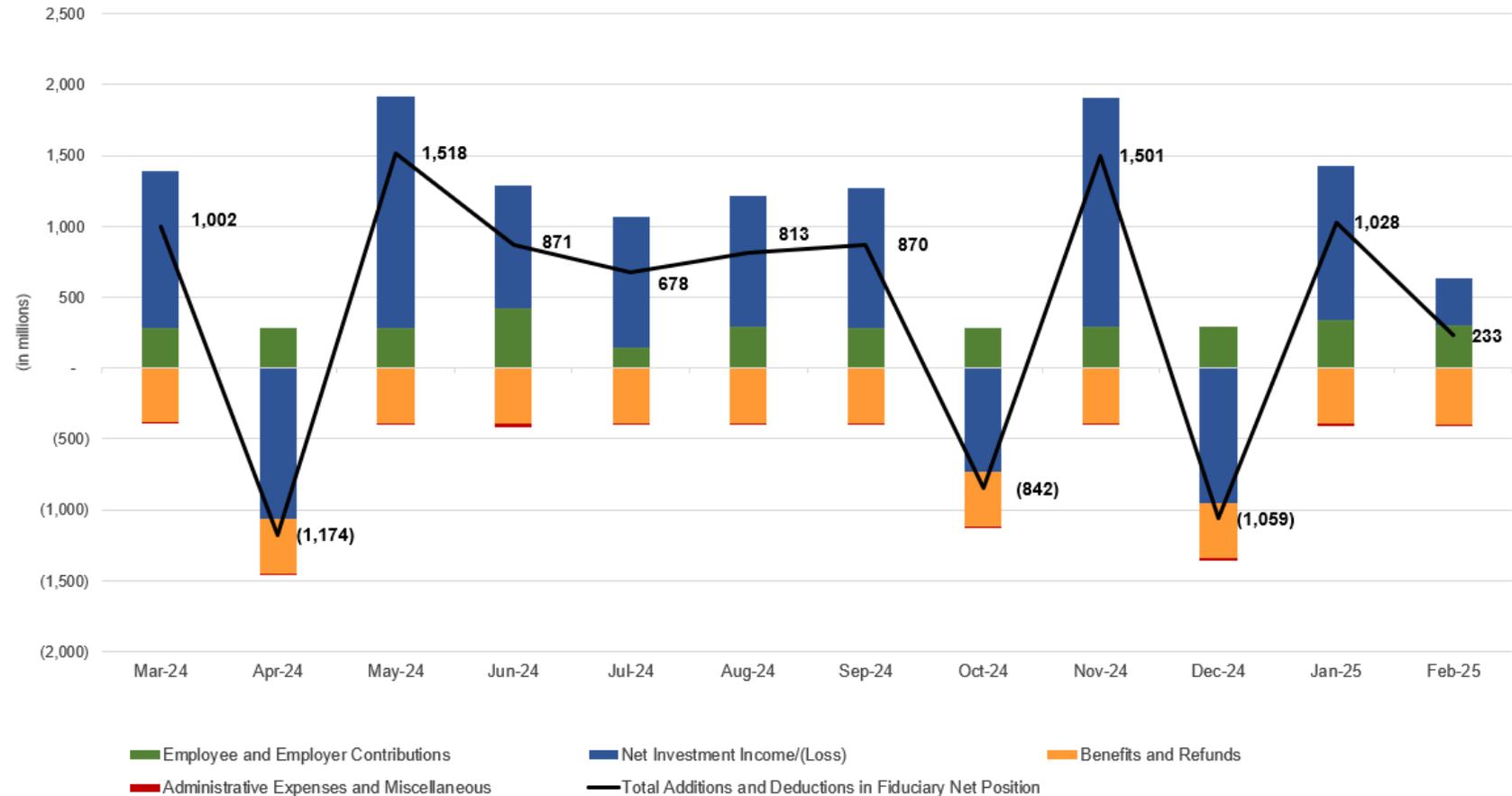
DEDUCTIONS

Benefits and Refunds
Administrative Expenses

Total Net Position Change Trend (in billions)



Additions and Deductions in Net Fiduciary Position (Unaudited)





05



Appendix

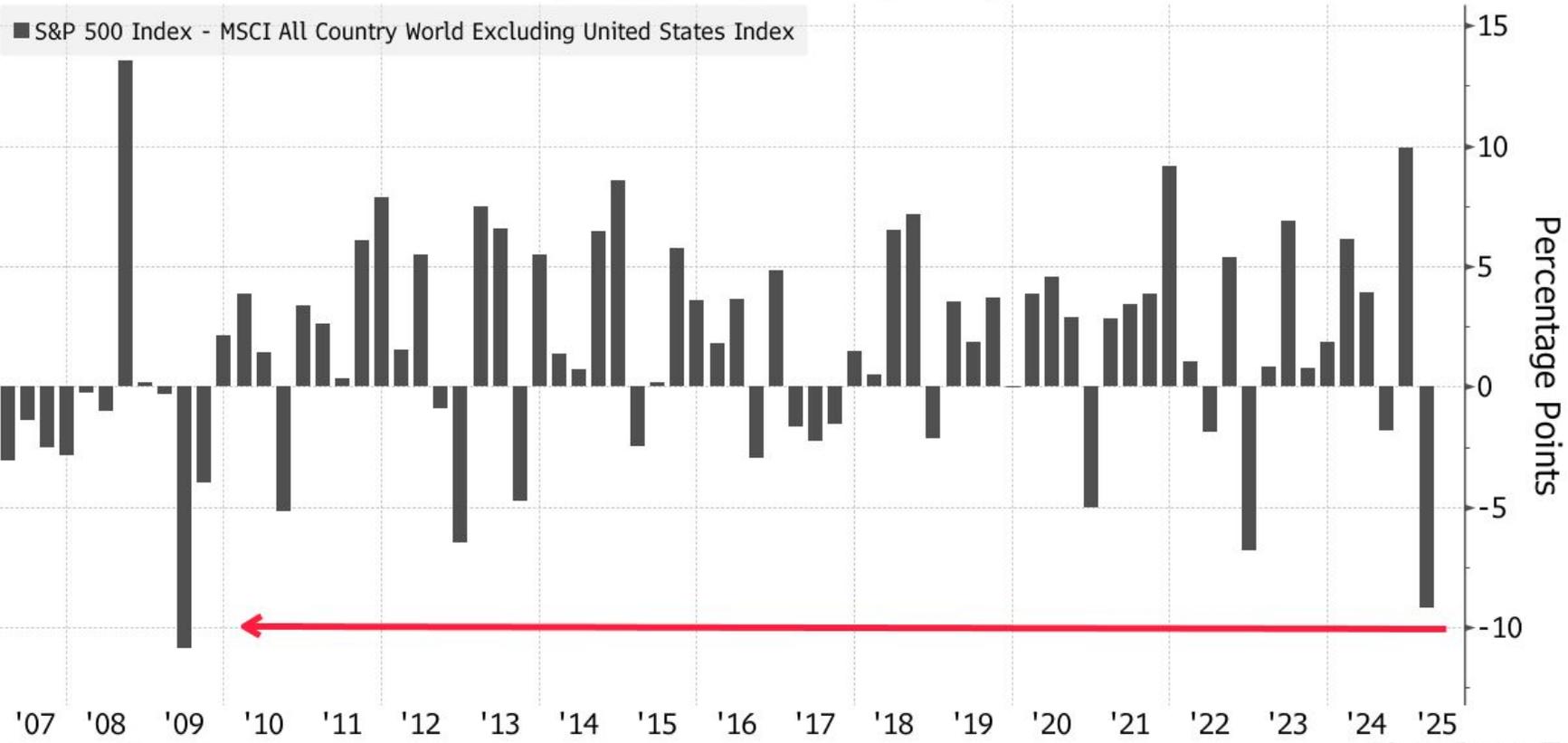
Staff Chart of the Month



S&P 500 Lags Non-U.S. Markets by Widest Quarterly Margin Since 2009

S&P 500 Underperforms By Most Since 2009

US stocks trail rest of world by biggest quarterly margin over a decade



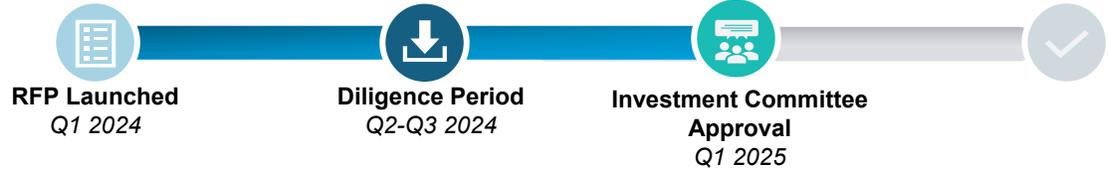
Source: Bloomberg



Quiet Period for Search Respondents



Real Assets Emerging Manager Program Discretionary Separate Account Manager



| | |
|----------------------------------|----------------------------|
| ▪ Artemis Real Estate Partners | ▪ ORG Portfolio Management |
| ▪ Aether Investment Partners | ▪ Barings |
| ▪ Neuberger Berman Group | ▪ Belay Investment Group |
| ▪ The Townsend Group | ▪ Hamilton Lane |
| ▪ BGO Strategic Capital Partners | ▪ Cambridge Associates |
| ▪ BlackRock | ▪ Seed Partners |
| ▪ StepStone | ▪ Stable Asset Management |
| ▪ GCM Grosvenor | ▪ Wafra Inc. |

Disclosures & Definitions



| Page / Footnote | Disclosure |
|------------------------------|--|
| Page 5 / Footnote 1 | NCREIF Fund Index – ODCE (Net) returns represent the latest available quarterly performance. |
| Page 6 / Footnote 2 | The information on the “Key Macro Indicators” charts is the best available data and may not reflect the current market and economic environment. |
| Page 8, 13 / Footnote 3, 9 | Reference portfolio = 60% MSCI ACWI IMI / 40% Bloomberg US Aggregate Bond Index. |
| Page 8, 9 / Footnote 4, 5 | Other Assets include receivables due to deferred sales and rebalancing activity pending settlement. |
| Page 10, 15 / Footnote 6, 10 | Real estate and private equity data is based on best available cash flow adjusted market values. Exposure data is based on security level holdings and/or proxies. |
| Page 11, 16 / Footnote 7, 11 | Geographic exposure ex-overlays and hedges is based on the domicile country of a given security/asset. |
| Page 11, 16 / Footnote 8, 12 | Information displayed represents best available holdings level transparency. Based on MSCI Market Classification Framework. |
| Page 21 / Footnote 13 | Includes unrealized and realized net investment income. |

| Term | Definition |
|--------------------|--|
| Active risk | Risk that a managed portfolio creates to outperform the benchmark returns. |
| Allocation risk | Investment manager’s decision to overweight or underweight sector weights in the portfolio versus the benchmark. |
| Mean | Expected return of an asset over a specified period. |
| Selection risk | Investment manager’s selection of securities within the portfolio versus the benchmark. |
| Standard deviation | Statistical measure of dispersion around the mean. |
| Volatility | Statistical measure of dispersion of returns for a portfolio. |



Recognizing Our Members' Service and Accomplishments

LACERA has nearly 100,000 active members working in dozens of L.A. County departments, many of whom dedicate their entire working lives to serving the community. Meet one of our long-serving members as she prepares to enjoy her well-earned retirement.



Retiring Member

Arlene Garcia

Deputy Sheriff, L.A. County Sheriff's Department

Years of Service: 30

MEMBER SPOTLIGHT

Notable Contributions and Service: Arlene will be retiring in July after three decades with the L.A. County Sheriff's Department. Throughout her career, she has performed her duties with the utmost respect for the communities she has served, understanding that her actions represent her entire department. Her dedication to helping others extends beyond her professional life; when off duty, she also volunteers in programs that support children with disabilities.

Proudest accomplishment: Receiving gratitude after helping people in need.

Retirement Plans: In her retirement, Arlene looks forward to enjoying live music with her daughter, an activity they both love. With more free time, she's also eager to delve into her extensive home library and begin reading the many books she has collected over the years.





March 25, 2025

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: Luis A. Lugo 
Deputy Chief Executive Officer

SUBJECT: **CHIEF EXECUTIVE OFFICER'S REPORT – APRIL 2025**

The following Chief Executive Officer's Report highlights key operational and administrative activities that have taken place during the past month.

Board of Retirement (BOR) Strategic Planning Update

The LACERA team has demonstrated consistent progress in implementing the BOR strategic plan over the past year. The team completed nearly 19% of the strategic planning tasks in April 2024, and this momentum has continued, reaching nearly 45% completion as of the April 2025 quarterly report. This steady advancement highlights the organization's commitment to achieving its five strategic goals as outlined in our plan.

Accountability serves as a core value at LACERA, and it has been pivotal in driving the strategic plan forward. We have maintained transparency in our progress, regularly updating the Operations Oversight Committee (OOC) on milestones achieved and challenges encountered. Our continued commitment to accountability ensures that everyone involved is aware of the progress and can contribute to the ongoing efforts.

Board of Retirement Offsite

LACERA's annual Board of Retirement Offsite will be held on May 20-21, 2025 at the Westin in Long Beach. The theme of the 2025 BOR Offsite is "*Empowering Success Through Shared Action.*" Staff has solicited and received a number of suggested educational topics from Trustees and will develop the agenda with input from Board leadership. We are excited to collaborate with Trustees to advance our Strategic Plan initiatives and will continue to keep Trustees abreast of our plans as they develop.

LACERA Domain Project (lacera.gov)

LACERA is in the process of migrating our public domain from lacera.com to lacera.gov. This change will enhance our organization's credibility and trustworthiness, as the .gov domain is reserved for government entities and is widely recognized as a symbol of legitimacy and security. As we continue to explore and expand ways to enhance our online presence in support of our members, information security best practices will be at the forefront.

State Capitol Visit

On March 25, 2025, a delegation from LACERA, including Luis Lugo, Deputy CEO, Barry Lew, Legislative Affairs Officer, and Naomi Padron LACERA legislative advocate with McHugh, Koepke, and Padron, visited the California State Capitol. We met with key LA County legislative delegates, including Assemblymember Tina McKinnor (D-Inglewood) and Assemblymember Tom Lackey (D-Palmdale), who serve as Chair and Vice Chair of the Assembly Committee on Public Employment and Retirement, respectively. Additionally, we met with Senator Lisa Smallwood-Cuevas (D-Los Angeles), Chair of the Labor, Public Employment and Retirement Committee. These meetings facilitated a good exchange of information, allowing LACERA to stay informed about legislative developments and for legislators to understand the needs and concerns of LACERA's leadership and membership.

Retiree Healthcare

Retiree Healthcare Wellness Event

LACERA will host its spring Staying Healthy Together Retiree wellness workshop on April 29, 2025 at the Diamond Bar Center in Diamond Bar, CA. This half-day event is offered twice per year, in the fall and spring, providing a fun and informative way for our retired members to connect. Our spring workshop will focus on wellness for healthy aging, with a presentation from United Healthcare.

CIGNA Digital ID Card Update

On March 13, 2025, staff received notification that our LACERA members will once again begin receiving physical ID cards as early as May 1, 2025. Members who may prefer the digital ID card will continue having access to a digital card via their MyCigna.com portal account.

In April 2023, LACERA was notified by our Cigna Account Management team that, effective July 1, 2023, Cigna would be transitioning to digital ID cards and members were no longer going to be sent physical ID cards upon enrollment. However, members would have access to their digital ID card via their cell phone, computer, or by calling to request a physical ID card

Upon receiving this notice, staff raised concerns that some enrolled members may not be tech-savvy or might not own a cell phone or computer. At that time, we were informed that there was no opt-out option, and ALL Cigna participants were transitioning to digital ID cards. Cigna did, however, delay implementation to July 2024 for LACERA members and provided multiple methods by which members could obtain access to their ID card



March 20, 2025

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: JJ Popowich, Assistant Executive Officer 

SUBJECT: 2025 Election for the Seventh Member and Alternate Safety Member of the Board of Retirement and the Fourth Member of the Board of Investments Update

The LACERA Election Team and the Board of Supervisors Executive Office (BOS EO) held their first meeting to begin planning the 2025 election season.

The team doesn't have any information to share yet beyond the comment that the BOS EO office is finalizing their contracts with the vendor who manages the election process. Once finalized, the BOS EO and the LACERA team will collaborate on finalizing the election calendar. Once finalized we will share this with the Trustees.

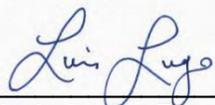
In the meantime, the LACERA Election team has been discussing steps we can take to raise awareness of the elections. One of the methods we are discussing is an effort to raise awareness through our newsletters and social media about the responsibilities of each Board.

We are developing a story for LACERA.com and our social media accounts about the Powers & Duties statements recently adopted by the Boards focusing on what they are and why they are important, with a tie in to a reminder that elections are fast approaching. Look for this story to appear in the next few weeks. The Boards' 2025 Powers and Duties statements have been provided to the County for use in the election.

We are also planning a "Meet the Trustee" and a "Get to Know the Committees" campaign through social media and LACERA.com. This will lead into a sustainable milestone feature about Board members who have had significant accomplishments or reached significant milestones such as years of service, etc. Focusing on these types of stories will help raise awareness among LACERA members about the Boards and the Trustees who serve them.

As we develop the overall election calendar we will incorporate the dates for these efforts.

NOTED AND REVIEWED:



Luis Lugo, Deputy Chief Executive Officer



CEO DASHBOARD



April 2, 2025

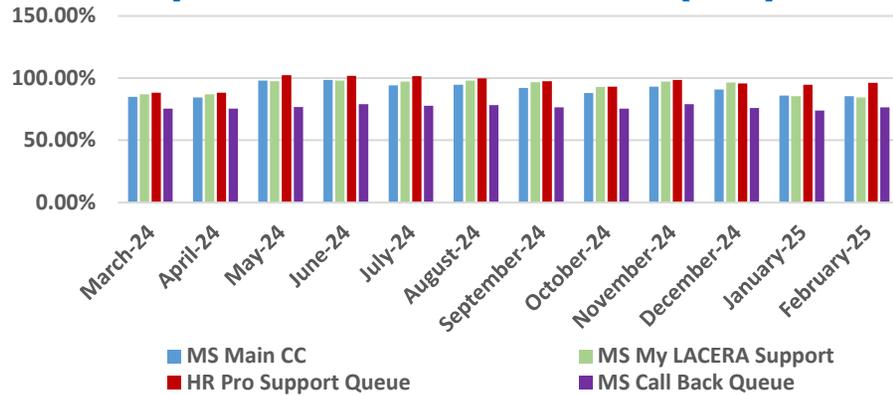


Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: February 2025

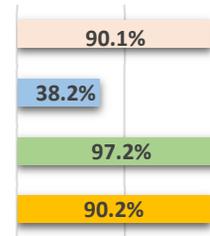
| | | | | | | | | |
|---|--|--|--|--|------------|--------|------------|--------|
| Events / Webinar Attendance Current Mo.: 905 Year-to-Date: 15,224 | Events / Webinar Current Mo.: 24 Year-to-Date: 199 | Webinar Satisfaction 1-5 Point Scale 4.6 | Member Service Center Satisfaction 99.23% | MS Main Queue Total Calls Current Mo. 8,352 3 Month Avg. 8,154 | | | | |
| | | | | | Resp. Rate | Change | Resp. Rate | Change |
| | | | | | 27.8% | 0.15% | 22.9% | 2.49% |

Member Service Call Center Queue Key Performance Indicators (KPI)

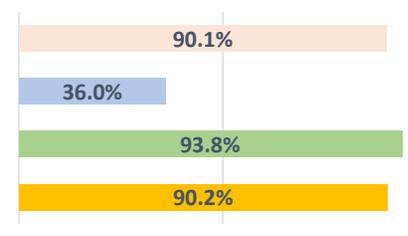


Key Performance Indicator (Components by Queue)

MSCC Main Queue



My LACERA Support Queue



Agent Utilization (Goal: 65%)

After Call Survey (Goal: 90%)

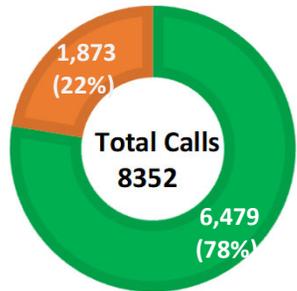
Grade of Service (Goal: 80% in 60 sec)

Call Monitoring (Goal: 95%)

Member Services

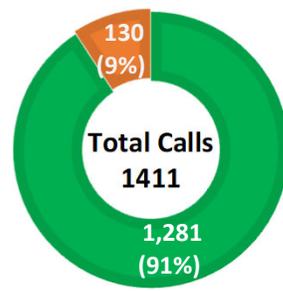
MSCC MAIN OUEUE

■ Calls Answered ■ Calls Abandoned



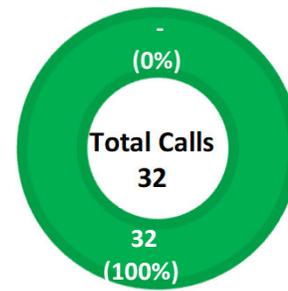
MY LACERA SUPPORT

■ Calls Answered ■ Calls Abandoned



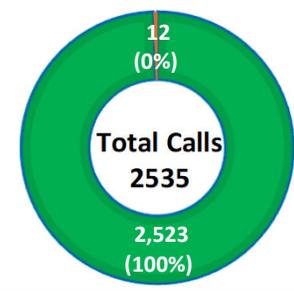
HR PRO SUPPORT

■ Calls Answered ■ Calls Abandoned



MS CALL BACK OUEUE

■ Calls Answered ■ Calls Abandoned



| Queue KPI: | 85.40% | Queue KPI: | 84.30% | Queue KPI: | 96.20% | Queue KPI: | 76.34% |
|----------------------|------------------|----------------------|------------------|----------------------|------------------|----------------------|------------------|
| Avg. Speed of Answer | Average Duration |
| 0:12:05 | 0:16:28 | 0:02:36 | 0:13:04 | 0:01:00 | 0:12:43 | 0:17:55 | 0:14:57 |



Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: February 2025

TOP REASONS MEMBERS CONTACT MEMBER SERVICES

Member Services Call Center

Member Service Center (Outreach)

1. Retirement Counseling

1. Retirement Counseling

2. Taxes

2. Workshops/Appointments

3. My LACERA

3. My LACERA

Contact Center Email/Secure Message Performance



Emails (welcome@lacera.com):

344

Service Level: 24 Bus. Hours

On Target



Secure Message (My LACERA)

1,376

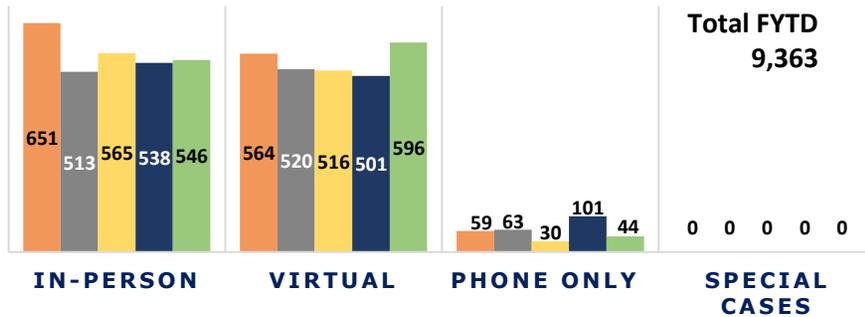
Service Level: 24 Bus. Hours

On Target

Member Service Center (Outreach)

Member Service Center Appointments

October November December January February



Members Served in Webinars/Workshops



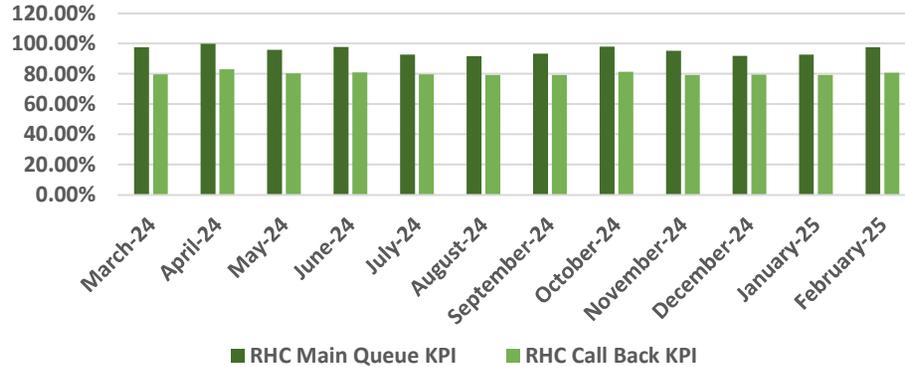
Member Services



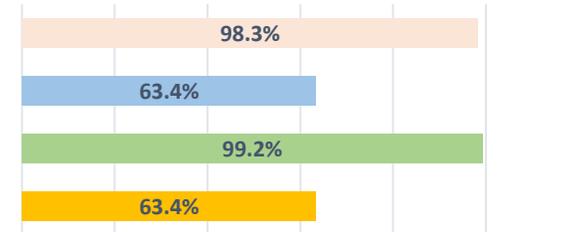
Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: February 2025

RHC Call Center Queue Key Performance Indicator (KPI)



Key Performance Indicator (Components by Queue) Main RHC Call Center Queue

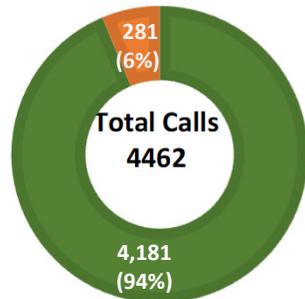


| | |
|-------------------------------|--|
| Agent Utilization (Goal:65%) | Grade of Service (Goal: 80% in 60 sec) |
| After Call Survey (Goal: 90%) | Call Monitoring (Goal: 95%) |

Retiree Healthcare

RHC MAIN QUEUE

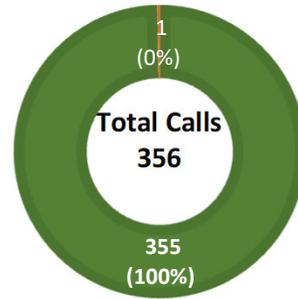
■ Calls Answered ■ Calls Abandoned



| | |
|----------------------|------------------|
| Queue KPI: | 97.60% |
| Avg. Speed of Answer | Average Duration |
| 0:03:20 | 0:13:21 |

RHC CALL BACK QUEUE

■ Calls Answered ■ Calls Abandoned



| | |
|----------------------|------------------|
| Queue KPI: | 80.70% |
| Avg. Speed of Answer | Average Duration |
| 0:24:53 | 0:10:00 |

TOP RHC CALL TOPICS

1. Medical/Dental Enrollments
2. Medicare Part B
3. General Inquiries

RHC Email/Secure Message Performance



Emails (healthcare@lacera.com): 644

Service Level: 24 Bus. Hours

On Target



Secure Message (My LACERA) 567

Service Level: 24 Bus. Hours

On Target



Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: February 2025

Disability

Applications

981

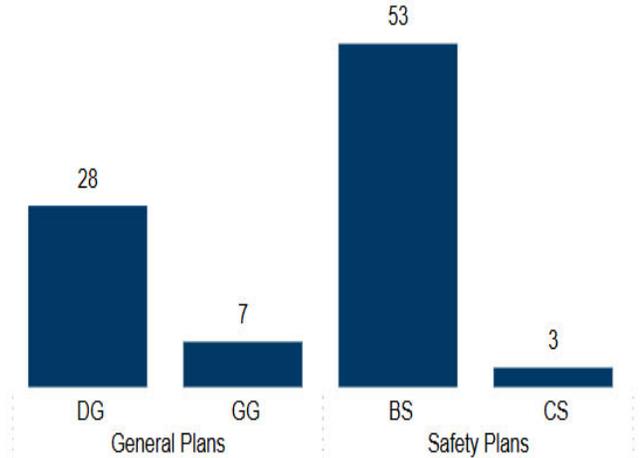
91 Received: New Applications
 579 Received Year-to-Date
 40 Pending: Applications in Process
 To Board - Initial (Presented to BOR)
 382 To Board - Initial Year-to-Date
 10 Closed (Incomplete/Withdrawn)
 134 Closed Year-to-Date

Appeals

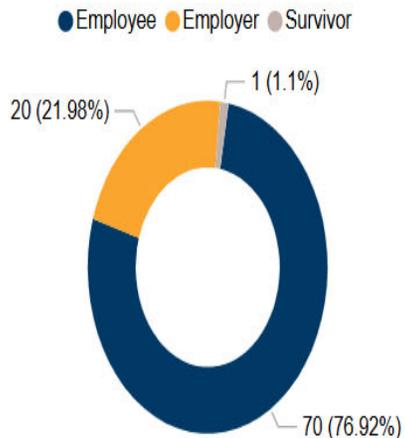
64

2 Received: New Appeals
 12 Received Year-to-Date
 1 Pending: Appeals in Process
 Admin Closed
 12 Admin Closed Year-to-Date
 1 Referee Recommendations
 8 Referee Recommendations Year-to-Date
 0 DLO Recommendations
 0 DLO Recommendations Year-to-Date

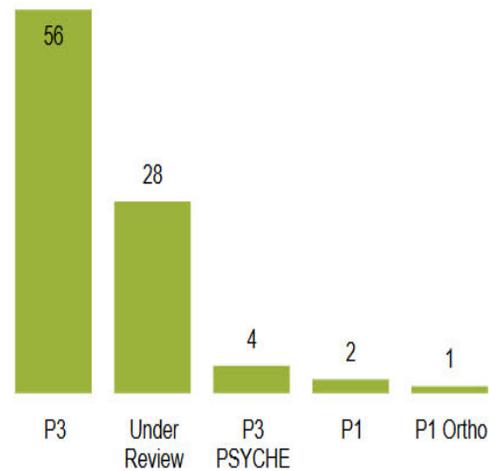
Applications Filed by Plan



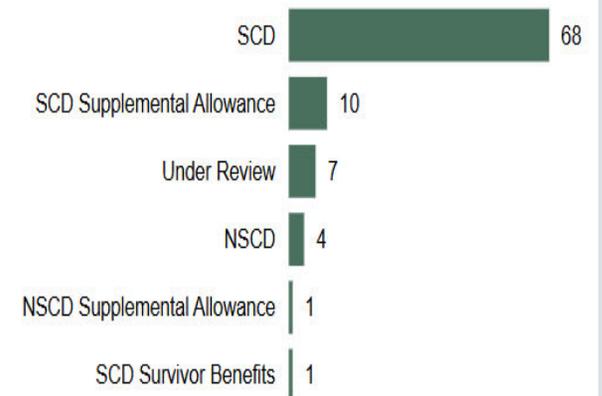
Applications Filed by Source



Applications Filed by Priority Level



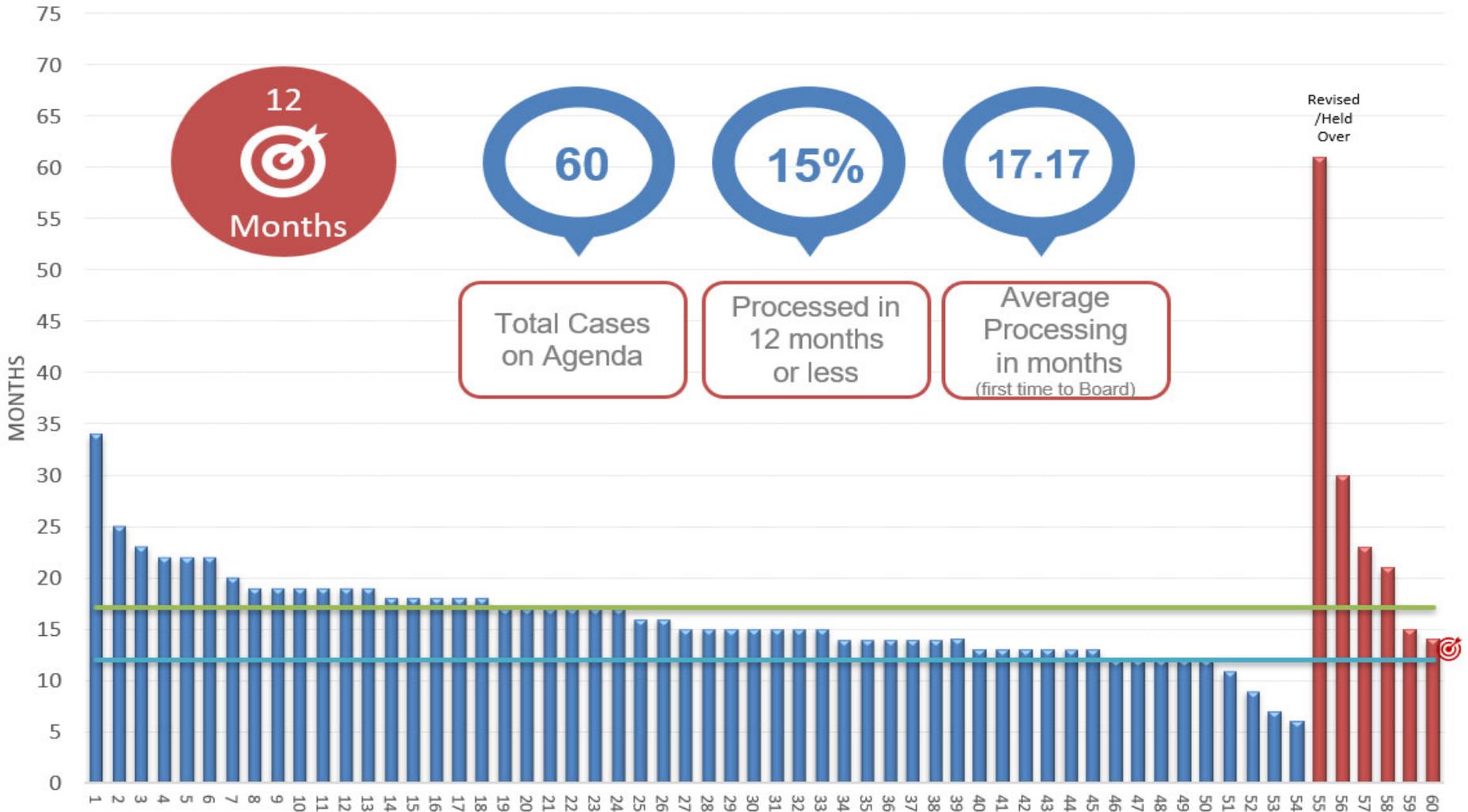
Applications Filed by Type





DISABILITY RETIREMENT SERVICES Application Processing Time

Disability

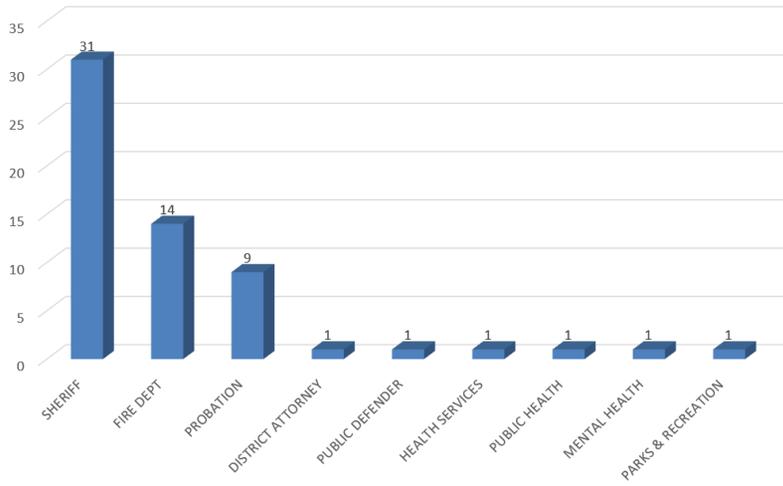


April 2, 2025 - Disability Agenda



DISABILITY RETIREMENT SERVICES

Total Applications by Department on April 2, 2025 Agenda



DISABILITY RETIREMENT SERVICES
Pending Applications/Months



As of March 19, 2025
*Cases on the April 2, 2025 agenda are not included

Applications By Department

Disability Retirement Services

Applications by Department

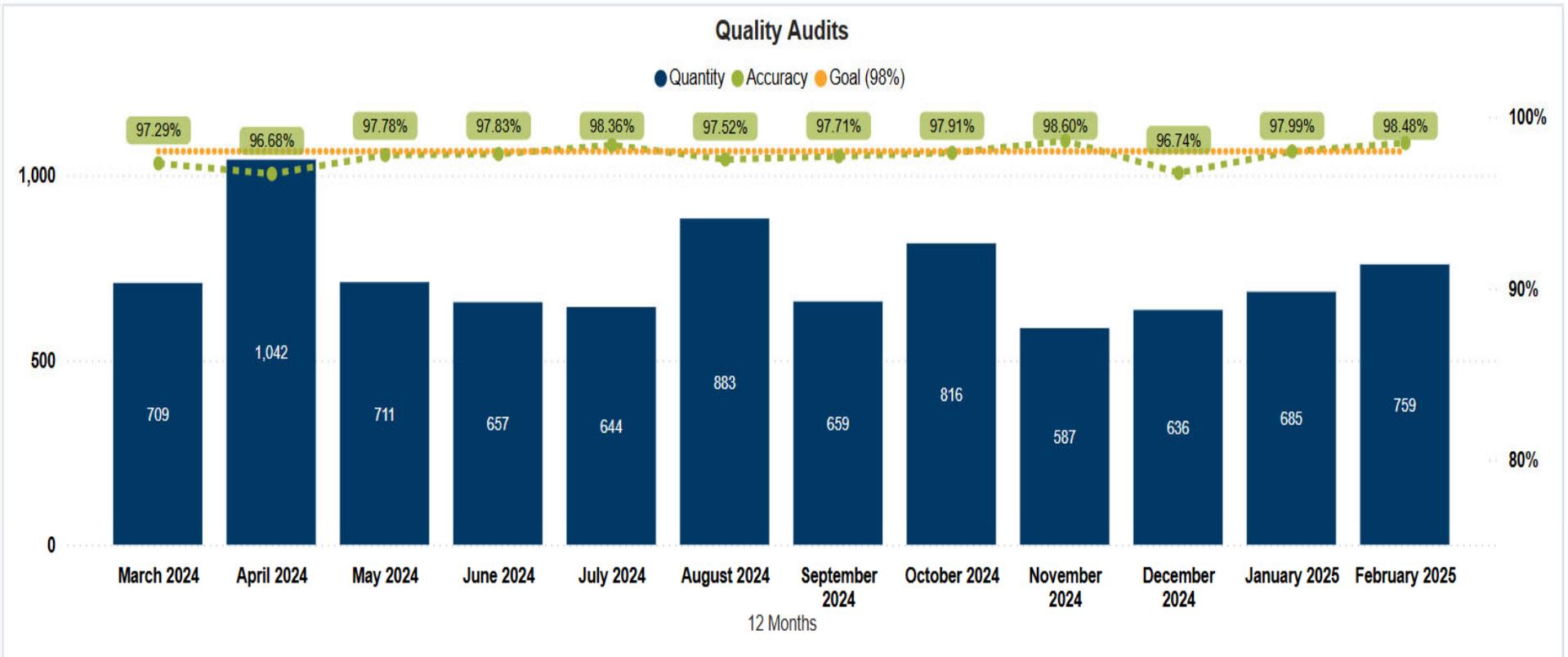
| DEPARTMENT | No. of Applications | % of Inventory |
|--------------------------------|---------------------|----------------|
| SHERIFF | 444 | 45.17% |
| L A COUNTY FIRE DEPT | 174 | 17.70% |
| PROBATION DEPARTMENT | 159 | 16.17% |
| DEPT OF PUBLIC SOCIAL SERVICES | 22 | 2.24% |
| PUBLIC HEALTH PROGRAM | 18 | 1.83% |
| NORTHEAST CLUSTER (LAC+USC) | 17 | 1.73% |
| PUBLIC WORKS | 16 | 1.63% |
| CHILDREN & FAMILY SERVICES | 16 | 1.63% |
| SUPERIOR COURT/COUNTY CLERK | 13 | 1.32% |
| MENTAL HEALTH | 12 | 1.22% |
| HEALTH SERVICES ADMINISTRATION | 11 | 1.12% |
| COASTAL CLUSTER-HARBOR/UCLA MC | 8 | 0.81% |
| DISTRICT ATTORNEY | 8 | 0.81% |
| CORRECTIONAL HEALTH | 8 | 0.81% |
| PUBLIC DEFENDER | 7 | 0.71% |
| INTERNAL SERVICES | 7 | 0.71% |
| AMBULATORY CARE NETWORK | 6 | 0.61% |
| PARKS AND RECREATION | 5 | 0.51% |
| RANCHO LOS AMIGOS HOSPITAL | 4 | 0.41% |
| MEDICAL EXAMINER | 4 | 0.41% |
| CHIEF EXECUTIVE OFFICE | 3 | 0.31% |
| CHILD SUPPORT SERVICES | 3 | 0.31% |
| SFV CLUSTER-OLIVE VIEW/UCLA MC | 3 | 0.31% |
| REG-RECORDER/COUNTY CLERK | 2 | 0.20% |
| AUDITOR - CONTROLLER | 2 | 0.20% |
| COUNTY COUNSEL | 2 | 0.20% |
| PUBLIC LIBRARY | 2 | 0.20% |
| BOARD OF SUPERVISORS | 1 | 0.10% |
| REGIONAL PLANNING | 1 | 0.10% |
| JUVENILE COURT HEALTH SERVICES | 1 | 0.10% |
| BEACHES & HARBORS | 1 | 0.10% |
| ANIMAL CONTROL | 1 | 0.10% |
| AGING DEPARTMENT | 1 | 0.10% |
| ASSESSOR | 1 | 0.10% |
| Grand Total | 983 | 100.00% |



Striving for Excellence in Quality

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: February 2025

Quality Assurance



Monthly Recap

**February
2025**

| | Samples | Accuracy |
|---------------------|------------|---------------|
| Data Entry | 117 | 100.00% |
| Payment Contract | 178 | 97.47% |
| Retirement Election | 464 | 98.48% |
| Total | 759 | 98.48% |

Prior audit values may update due to updated data.

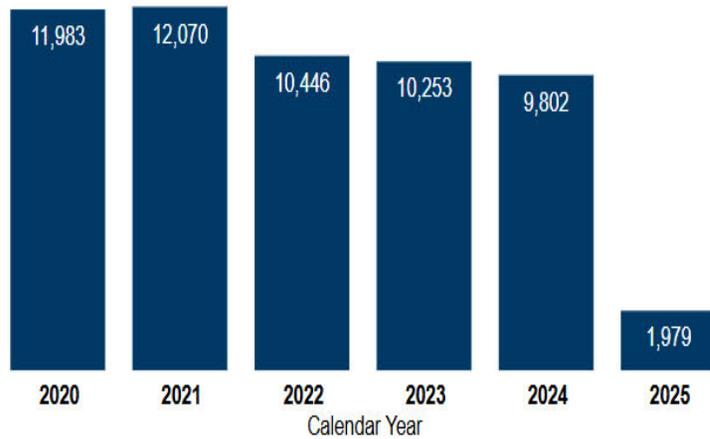


Service Online For All

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: February 2025

Serving Members Through LACERA.com and MyLACERA

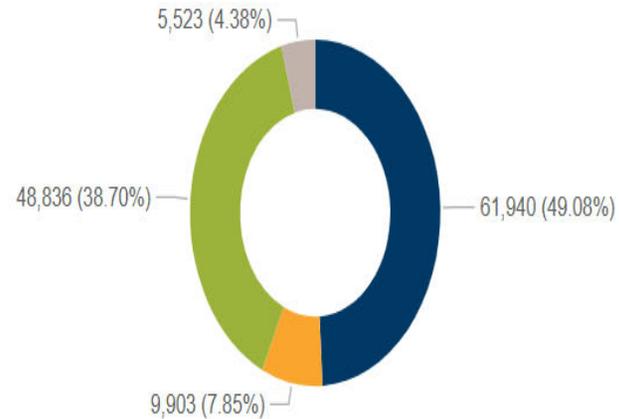
Annual New MyLACERA Accounts*



Data labels may not appear for all values

Total Accounts by Member Type*

Active Members Deferred & Inactive Members Retirees & Survivors Non-Members



Total Member Accounts
120,679

% of Total Members
62%

Excludes Non-Members

*Data as of March 15, 2025

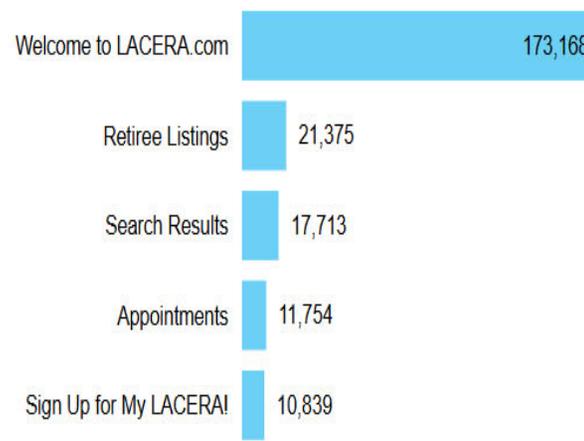
Non-Members include legal split payees and withdrawn members.

LACERA.com User Traffic

First Time Visitors Average Per Day



Top Five LACERA.com Page Views



Busiest Day

02/27/2025

| Home Page Tile | Views | % of Change |
|----------------------------|--------|-------------|
| Resource Center | 3,443 | 14.46% |
| Careers | 3,384 | 1.56% |
| Investments | 2,831 | -5.13% |
| Ready to Retire | 5,926 | -11.39% |
| Sign Up for My LACERA! | 10,839 | -11.66% |
| Board Meetings and Agendas | 4,537 | -17.57% |



Member Snapshot

Metrics reported based on March 15, 2025

Membership Count

| | Active | | Inactive | | Retired | | | | Total |
|----------------------|---------------|-------------------|-----------------|---------------------|--------------------|---------------------------|----------------------------|---------------|----------------|
| | Active Vested | Active Non-Vested | Inactive Vested | Inactive Non-Vested | Service Retirement | SCD-Disability Retirement | NSCD-Disability Retirement | Survivors | |
| General Plans | 65,833 | 21,847 | 7,904 | 12,287 | 49,001 | 3,101 | 592 | 8,368 | 168,933 |
| AG | 36 | | 9 | 31 | 10,700 | 809 | 135 | 4,117 | 15,837 |
| BG | 9 | | 5 | 3 | 547 | 33 | 5 | 75 | 677 |
| CG | 9 | | 5 | 7 | 343 | 36 | 6 | 67 | 473 |
| DG | 30,922 | 113 | 3,740 | 3,653 | 20,883 | 2,162 | 436 | 2,255 | 64,164 |
| EG | 11,492 | 4 | 2,297 | 339 | 16,125 | | | 1,815 | 32,072 |
| GG | 23,365 | 21,730 | 1,848 | 8,254 | 403 | 61 | 10 | 40 | 55,711 |
| Safety Plans | 10,088 | 2,177 | 543 | 993 | 5,135 | 7,424 | 78 | 2,200 | 28,638 |
| AS | | | 1 | 2 | 1,696 | 2,220 | 24 | 1,711 | 5,654 |
| BS | 6,678 | 52 | 394 | 350 | 3,423 | 5,168 | 53 | 484 | 16,602 |
| CS | 3,410 | 2,125 | 148 | 641 | 16 | 36 | 1 | 5 | 6,382 |
| Total | 75,921 | 24,024 | 8,447 | 13,280 | 54,136 | 10,525 | 670 | 10,568 | 197,571 |

Membership Count vesting status excludes reciprocal service credit.

Fire and Sheriff Retirements

● General Plans ● Safety Plans ● Total

L A COUNTY FIRE DEPT

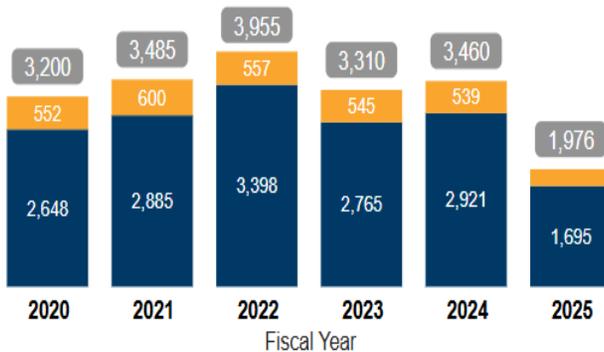


SHERIFF



Total Retirements by Type

● General Plans ● Safety Plans



Monthly Benefit Allowance Distribution

Members and Survivors

| Gross Benefit Range | General Plans | Safety Plans | Total |
|----------------------|---------------|---------------|---------------|
| \$0 to \$3,999 | 36,178 | 1,572 | 37,750 |
| \$4,000 to \$7,999 | 17,047 | 4,464 | 21,511 |
| \$8,000 to \$11,999 | 5,105 | 4,740 | 9,845 |
| \$12,000 to \$15,999 | 1,458 | 2,918 | 4,376 |
| \$16,000 to \$19,999 | 505 | 709 | 1,214 |
| \$20,000 to \$23,999 | 154 | 192 | 346 |
| \$24,000 to \$27,999 | 47 | 74 | 121 |
| > \$28,000 | 36 | 15 | 51 |
| Total | 60,530 | 14,684 | 75,214 |

Member Average Monthly Benefit

Plan Type Gross Average Benefit

| | |
|------------------|-------------------|
| General Plans | \$4,377.57 |
| Safety Plans | \$9,628.04 |
| All Plans | \$5,391.85 |

Survivor Average Monthly Benefit

\$3,711.41

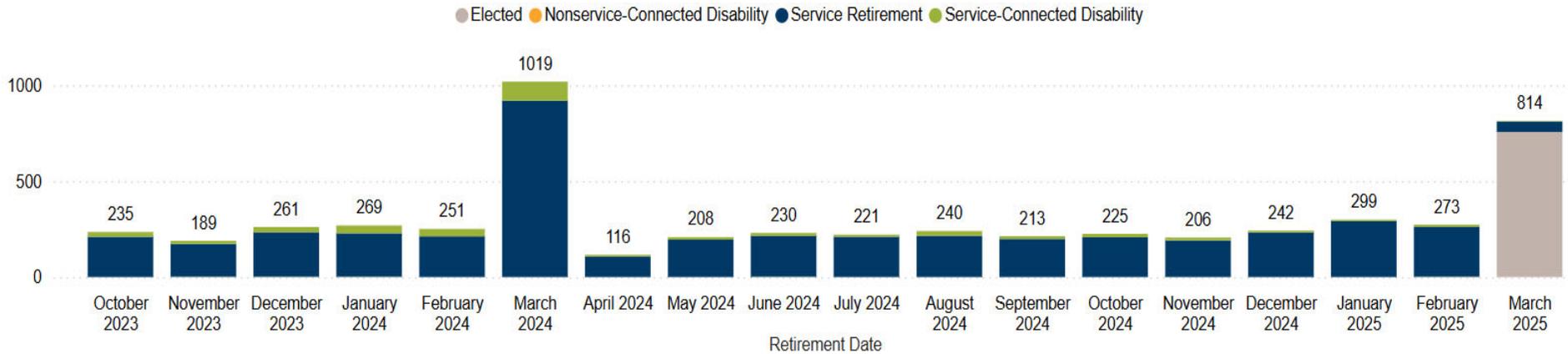
Data labels may not appear for all values

Only includes retirements as of reporting date. Excludes active deaths. Excludes Replacement Benefit Plan benefits.



Member Snapshot

Retirements



Elected retirements are members placed on the BOR Agenda, but not yet retired as of reporting date

Retirements Metrics reported based on March 15, 2025

Monthly Retirements

| Retirement Type | March 2025 |
|------------------------------|------------|
| Elected | 757 |
| Service Retirement | 54 |
| Service-Connected Disability | 3 |
| Total | 814 |

Retired Members Payroll

(As of 2/28/2025)

| | |
|---------------------------|-----------|
| Monthly Payroll | \$397.81m |
| Payroll YTD | \$3.2b |
| New Retired Payees Added | 421 |
| Seamless % | 98.10% |
| New Seamless Payees Added | 2,682 |
| Seamless YTD | 97.20% |
| By Check % | 2.00% |
| By Direct Deposit % | 98.00% |

Healthcare Program

(Mo. Ending: 2/28/2025)

| | Employer | Member |
|--------------|----------------|---------------|
| Medical | \$468.4 | \$32.5 |
| Dental | \$34.7 | \$3.2 |
| Part B | \$68.1 | \$0.0 |
| Total | \$571.2 | \$35.7 |

Health Care Enrollments

(Mo. Ending: 2/28/2025)

| | |
|--------------|----------------|
| Medical | 56,728 |
| Dental | 58,899 |
| Part B | 39,374 |
| LTC | 438 |
| Total | 155,439 |

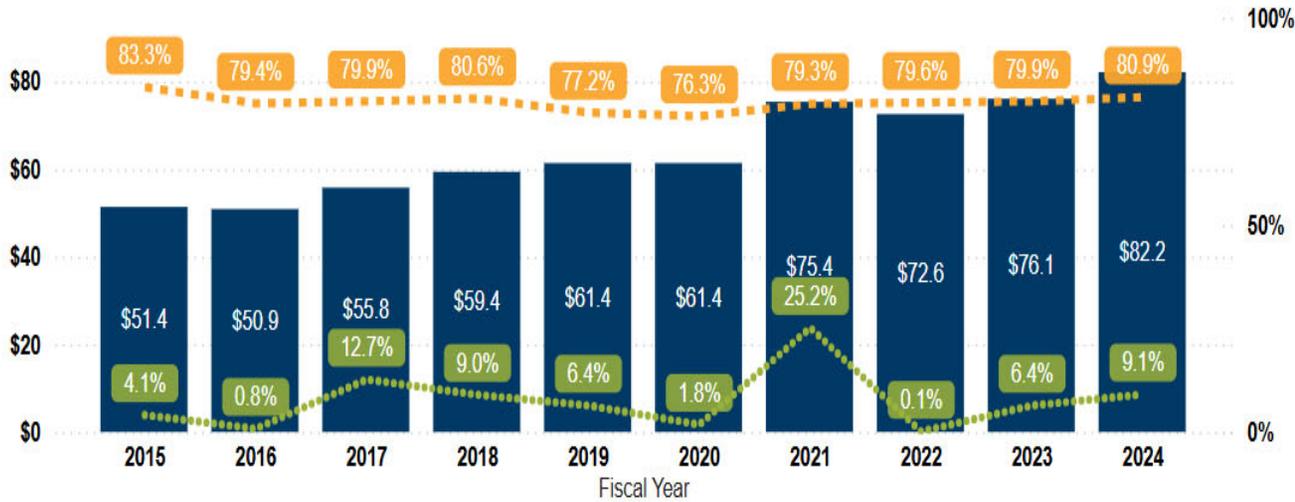


Key Financial Data

(As of June 30, 2024)

Fiscal Year End Financial Update

● Total Assets (B) ● Investment Return Net of Fees ● Funded Ratio



Funding Metrics

10.88%
Employer NC
14.73%
UAAL
7.00%
Assumed Rate
\$608.6M
Star Reserve
\$79.2B
Total Net Assets

Contributions

\$2.5B
Employer Annual Contribution
25.61%
Employer % of Payroll
\$861.0M
Member Annual Contribution
8.46%
Member % of Payroll

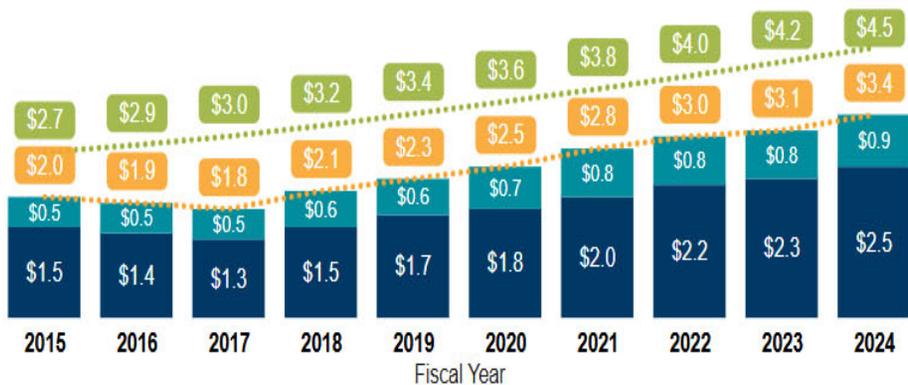
Investment Returns

9.1% *net of fees*
1-Year Return
5.2%
3-Year Return
7.4%
10-Year Return

Contributions and Retiree Payroll by Year

Dollars in Billions

● Employer Contributions ● Member Contributions ● Total Contributions ● Retiree Payroll



LACERA Pension Dollar





QUIET PERIOD LIST FOR TRUSTEES AND STAFF

Last Update 03/25/2025

ADMINISTRATIVE/OPERATIONS

| Solicitation Name | Issuing Division | Public Release Date | Solicitation Stage* | Bid Respondents* |
|---|-------------------------|---------------------|----------------------|---|
| RFP: Member Experience Communications Platform (MECP) | Systems | 11/6/2023 | Contract Development | <ul style="list-style-type: none"> • Genesys/TTEC |
| RFP: Offsite Records Storage, Shredding, and Scanning Services | Administrative Services | 8/30/2024 | Bid Review | <ul style="list-style-type: none"> • Corodata • GRM • Iron Mountain • VRC Companies |
| RFQ: eDiscovery | Legal / InfoSec | 12/1/2023 | Contract Development | <ul style="list-style-type: none"> • GlobalRelay |
| Auditing and Consulting Services Pool | Internal Audit | 2/13/2025 | Solicitation Process | |
| Secure Access Service Edge | InfoSec | 2/6/2025 | Bid review | <ul style="list-style-type: none"> • Palo Alto • Versa • Cato |

*Subject to change

INVESTMENTS

| Solicitation Name | Issuing Division | Public Release Date | Solicitation Stage* | Bid Respondents * |
|--|------------------|---------------------|------------------------------------|--|
| Real Assets Emerging Manager Program Discretionary Separate Account Manager | Investments | 3/29/2023 | Contract Development Bid Review | <ul style="list-style-type: none"> • ORG Portfolio Management • Barings • Belay Investment Group • Hamilton Lane • Cambridge Associates • Seed Partners • Stable Asset Management • Wafra Inc. |

L/CERA

| Solicitation Name | Issuing Division | Public Release Date | Solicitation Stage* | Bid Respondents * |
|-------------------|------------------|---------------------|---------------------|--|
| | | | | <ul style="list-style-type: none">• Artemis Real Estate Partners• Aether Investment Partners• Neuberger Berman Group• The Townsend Group• BGO Strategic Capital Partners• BlackRock• StepStone• GCM Grosvenor |

*Subject to change

| Date | Conference |
|--------------------|---|
| April, 2025 | |
| 2-3 | National Association of Corporate Directors (NACD) Master Class – Technology & Innovation Oversight Arlington, VA |
| 13-16 | CRCEA (California Retired County Employees Association) Spring Conference Ventura, CA |
| 14-18 | Investment Strategies & Portfolio Management Wharton School, University of Pennsylvania |
| 28-29 | IFEBP (International Foundation of Employment Benefit Plans) Health Care Mgmt. Conference Fort Myers, FL |
| 30-May 1 | IFEBP (International Foundation of Employment Benefit Plans) Investments Institute Fort Myers FL |
| May, 2025 | |
| 6-7 | National Association of Corporate Directors (NACD) Master Class – Technology & Innovation Oversight San Francisco, CA |
| 13-16 | SACRS Spring Conference Rancho Mirage, CA |
| 17-18 | NCPERS (National Conference on Public Employee Retirement Systems) Trustee Educational Seminar (TEDS) Denver, CO |
| 17-18 | NCPERS (National Conference on Public Employee Retirement Systems) Accredited Fiduciary (NAF) Program Denver, CO |
| 18-21 | NCPERS (National Conference on Public Employee Retirement Systems) Annual Conference & Exhibition (ACE) Denver, CO |
| 19-20 | IFEBP (International Foundation of Employment Benefit Plans) Washington Legislative Update Washington D.C. |
| 30 | CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Virtual |
| June, 2025 | |
| 2-4 | National Association of Securities Professionals (NASP) Annual Financial Services Conference Columbus, OH |

| Date | Conference |
|------------------------|--|
| June, 2025 | |
| 3-4 | 2025 PREA (Pension Real Estate Association) Institute Gleacher Center Chicago, IL |
| 13 | CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Virtual |
| 16-18 | NCPERS (National Conference on Public Employee Retirement Systems) Chief Officers Summit New York, NY |
| 17-19 | AHIP (America’s Health Insurance Plans) 2025 Seattle, WA |
| July, 2025 | |
| 17-18 | ICGN 30 th Anniversary Conference-Americas New York, NY |
| 23-25 | Pacific Pension Institute (PPI) Summer Roundtable Salt Lake City, UT |
| August, 2025 | |
| 17-19 | NCPERS (National Conference on Public Employee Retirement Systems) Public Pension Funding Forum Chicago, IL |
| September, 2025 | |
| 8-10 | Council of Institutional Investors (CII) Fall Conference San Francisco, CA |
| 24-26 | NCPERS (National Conference on Public Employee Retirement Systems) Public Pension HR Summit Philadelphia, PA |
| October, 2025 | |
| 3 | CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Virtual |
| 12-15 | National Association of Corporate Directors (NACD) Directors Summit 2025 Washington D.C. |
| 20-24 | Investment Strategies & Portfolio Management Wharton School, University of Pennsylvania |
| 22-24 | PREA (Pension Real Estate Association) Annual Institutional Investor Conference Washington D.C. |

| Date | Conference |
|-------------------------------|---|
| October, 2025 22-24 | October, 2025 Pacific Pension Institute (PPI) Asia Pacific Roundtable Sydney, Australia |
| 25-26 | NCPERS (National Conference on Public Employee Retirement Systems) Program for Advanced Trustee Studies (PATS) Ft. Lauderdale, FL |
| 25-26 | NCPERS (National Conference on Public Employee Retirement Systems) Accredited Fiduciary (NAF) Program Ft. Lauderdale, FL |
| 26-29 | NCPERS (National Conference on Public Employee Retirement Systems) FALL (Financial, Actuarial, Legislative & Legal) Conference Ft. Lauderdale, FL |
| November, 2025 | |
| 4-6 | Institutional Limited Partners Association (ILPA) General Partner Summit New York, NY |
| 9-12 | IFEBP (International Foundation of Employment Benefit Plans) Annual Employee Benefits Conference Honolulu, HI |
| 11-14 | SACRS Fall Conference Huntington Beach, CA |
| December, 2025 | |
| 11 | CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Virtual |



April 3, 2025

TO: Each Trustee
Board of Investments
Board of Retirement

FROM: Santos H. Kreimann ^{SHK}
Chief Executive Officer, LACERA

FOR: Board of Investments Meeting April 9, 2025
Board of Retirement Meeting May 7, 2025

SUBJECT: Salary Adjustments for Investment Office Staff Members

This memorandum is to notify the Board Trustees of my intention to make salary adjustments in accordance with the delegated legal authority granted, as LACERA's Retirement Administrator, per the Los Angeles County Code.

LEGAL AUTHORITY

LACERA's Ordinance Section 6.127.030(A) provides that, after initial placement, "succeeding step advancement in such a case will be made thereafter on a yearly **basis unless an exception is specifically authorized by the retirement administrator.**" This section provides that notice should be periodically provided to the Boards.

Further, Ordinance Section 6.127.040 H3 regarding Tier I and Tier II MAPP Participants provides that "**the retirement administrator may provide for salary placement or subsequent movement of any employee at any rate with the established Salary Range for the position he/she holds.**"

BACKGROUND

On March 1, 2024, LACERA retained CBIZ Compensation Consulting ("CBIZ") to conduct a Classification and Compensation Study for positions in the Investment Division as requested by the Board of Investments. The purpose of the study was to accurately identify job titles and responsibilities for each classification, determine whether classifications are competitively compensated in comparison to the external market, evaluate internal equity for each classification, and report on bonus or incentive pay structures utilized at comparable agencies.

The compensation study has two phases: analyzing the current pay structure and recommending salary adjustments to align with market rates (phase one) and exploring a bonus or incentive pay structure for future review (phase two) and consideration by the Boards in keeping with the allocator to best in class investor strategic direction.

For phase one, CBIZ conducted a comprehensive analysis of the Investment Division's compensation through a series of methodical steps. These steps included surveying comparable agencies, performing a market analysis based on the survey data, and subsequently carrying out a compression analysis to address internal equity concerns and possible retention challenges.

CBIZ, for the first step of the analysis, surveyed thirteen (13) peer agencies comparable to LACERA. These agencies were identified based on various labor market characteristics, including the size of the organization, geographic scope, and industry from which LACERA recruits talent. These agencies also feature classifications with similar duties and responsibilities to the LACERA Investment Division and are listed on page eight (8) of the CBIZ presentation.

After CBIZ completed the survey and compiled the results, the data was utilized to conduct a thorough market analysis of competitive base salary and total cash compensation for plans that include incentive pay. The data showed that, on average, the salaries of LACERA's Financial Analysts I, II, and III are positioned at the 50th percentile of the market base salaries. CBIZ then formulated a salary grade structure for each position in the Investment Division. Each position, such as Financial Analyst II, was assigned to a salary range such that the midpoint of the range aligned with the market 75th percentile, as detailed on page thirteen (13) of the CBIZ presentation.

In addition, CBIZ conducted a compression analysis of the Investment Division's compensation. Compression occurs when employees with varying levels of experience in the same position are compensated at similar rates. The main cause of pay compression is the lack of significant salary progression for existing employees within the salary range for that position. Pay compression presents two primary challenges in setting compensation. Firstly, it limits an organization's ability to recruit and hire qualified staff without creating pay parity issues. Secondly, it poses a risk of voluntary turnover among experienced staff due to dissatisfaction with their compensation.

The compression analysis performed by CBIZ involved comparing employee salaries to a target range for each position based on tenure and performance, allowing for a 5% increase within the position's salary range for each year of service. Employees must achieve an average performance evaluation score of 3.5, exceeds expectations, or higher, for the time they have been in their position to be eligible for salary adjustments. If salaries fall below the target range, adjustments were made to bridge the gap.

Following the analysis by CBIZ and consultations from the Executive Office, Human Resources, Legal, and the Investment Division, sixteen (16) salaries are planned to be adjusted to align with the compression analysis and current market rates for Financial Analysts II and III positions. The details of the salary adjustments and financial impact are provided in **Attachment 1**.

To summarize, the methodology employed for the first phase of salary adjustments consists of:

- Positioning each position's salary range to align with the 75th percentile of the market based on CBIZ's analysis and LACERA's pay philosophy.
- Positioning staff salaries as recommended by the compression analysis performed by CBIZ within the current LACERA salary range for each position. This analysis compares an employee's salary to a target salary range, with adjustments based on tenure and performance.

In addition, the following restrictions will be consistently applied for each position with respect to the salary adjustments:

- An employee's salary cannot exceed the maximum of the current LACERA salary range for that position. If the employee's salary exceeds the top of the position's salary range, no adjustments were applied. Any proposed increase above the salary range maximum will be capped at the top of the salary range.

To the extent there are no objections from the Boards, all adjustments shall be effective May 1, 2025, for non-probationary employees. For probationary employees, the adjustments will take effect the first month after they pass probation.

A presentation will be provided by CBIZ, covering their process, analysis, and recommendation (**Attachment 2**), as part of the April public meeting for the BOI and BOR meeting in May.

Attachment 1 Salary Adjustments and Financial Impact

Table 1

| Investment Division Proposed Salary Adjustments | | | | | | | |
|---|-----------------------|---------------|-------------------------------|-----------------------|--|------------------|------------------|
| Full Name | Job Title | Current Grade | Current Maximum For Pay Range | Salary Pre Adjustment | Actual Salary Proposal - Post Compression Adjustment | \$ Dollar Change | % Percent Change |
| QUOC NGUYEN | Financial Analyst III | LR16 | \$ 291,002 | \$ 266,945 | \$ 291,002 | \$ 24,057 | 9.0% |
| PUSHPAM JAIN | Financial Analyst III | LR16 | \$ 291,002 | \$ 275,938 | \$ 278,698 | \$ 2,759 | 1.0% |
| KRISTA POWELL | Financial Analyst III | LR16 | \$ 291,002 | \$ 268,376 | \$ 278,493 | \$ 10,117 | 3.8% |
| JOHN KIM | Financial Analyst III | LR16 | \$ 291,002 | \$ 253,047 | \$ 272,016 | \$ 18,969 | 7.5% |
| RONALD SENKANDWA | Financial Analyst III | LR16 | \$ 291,002 | \$ 263,822 | \$ 284,969 | \$ 21,148 | 8.0% |
| CINDY RIVERA | Financial Analyst III | LR16 | \$ 291,002 | \$ 248,227 | \$ 272,016 | \$ 23,789 | 9.6% |
| MIKE LOMBARDO | Financial Analyst III | LR16 | \$ 291,002 | \$ 243,407 | \$ 259,063 | \$ 15,656 | 6.4% |
| PIERS SMITH | Financial Analyst III | LR16 | \$ 291,002 | \$ 243,407 | \$ 259,063 | \$ 15,656 | 6.4% |
| MICHAEL ROMERO | Financial Analyst II | LR12 | \$ 217,902 | \$ 183,221 | \$ 195,889 | \$ 12,667 | 6.9% |
| JASON CHOI | Financial Analyst II | LR12 | \$ 217,902 | \$ 161,522 | \$ 170,338 | \$ 8,816 | 5.5% |
| TERRA ELIJAH | Financial Analyst II | LR12 | \$ 217,902 | \$ 170,177 | \$ 178,855 | \$ 8,678 | 5.1% |
| STEPHANIE XIA | Financial Analyst II | LR12 | \$ 217,902 | \$ 160,726 | \$ 170,338 | \$ 9,612 | 6.0% |
| KATHRYN TON | Financial Analyst II | LR12 | \$ 217,902 | \$ 163,909 | \$ 174,596 | \$ 10,687 | 6.5% |
| MELVIN TSAO | Financial Analyst II | LR12 | \$ 217,902 | \$ 163,648 | \$ 170,338 | \$ 6,690 | 4.1% |
| SONA GINOYAN | Financial Analyst II | LR12 | \$ 217,902 | \$ 161,522 | \$ 170,338 | \$ 8,816 | 5.5% |
| ADRIAN GONZALEZ | Financial Analyst II | LR12 | \$ 217,902 | \$ 161,522 | \$ 170,338 | \$ 8,816 | 5.5% |

Table 2

| Salary Adjustments - Total Impact | |
|--|------------|
| Count | 16 |
| Grand Total Cost | \$ 206,932 |
| Total Adjustment as a Percent of Investments Total Payroll: | 2.0% |

LACERA Investment Division Compensation Study Results

April 9, 2025

CBIZ Introduction

- National compensation consulting practice for CBIZ
- Team of compensation professionals serving clients from coast to coast
- Extensive experience working with public pension funds
- Project Team
 - Joe Rice – Managing Director
 - Gaby Davidson – Senior Consultant



RECENT CLIENT LIST

- Austin Police Retirement System
- Chicago Teachers' Pension Fund
- City of Austin Employees' Retirement System
- Colorado Public Employees Retirement Association
- Dallas Police and Fire Pension System
- Denver Employees Retirement Plan
- Fort Worth Employees' Retirement Fund
- Fresno County Employees' Retirement Association
- Illinois Municipal Retirement Fund
- Kansas Public Employees Retirement System
- Maryland State Retirement Agency
- Missouri Department of Transportation & Patrol Employees' Retirement System
- Missouri Local Government Employees Retirement System
- Missouri State Employees' Retirement System
- New York State Teachers' Retirement System
- Ohio Police & Fire Pension Fund
- Ohio Public Employees Deferred Compensation Program
- Ohio Public Employee Retirement System
- Ohio School Employee Retirement System
- Pennsylvania Public School Employees' Retirement System
- Pennsylvania State Employees' Retirement System
- Public School & Education Employee Retirement Systems of Missouri
- School Employees Retirement System of Ohio
- State University Retirement System of Illinois
- State Teachers Retirement System of Ohio
- Virginia Retirement System
- Wyoming Retirement System

Overview

- Compensation Study
- Sample Incentive Design
- Next Steps
- Appendix: Industry Best Incentive Practices

Compensation Study



Project Scope

- Project began in March of 2024
- A competitive market review of base salary and total cash compensation (i.e., base and bonus)
- Modeling three compensation philosophy approaches
- Update of salary structures
- Evaluation of incentive plan practices and potential implementation
- Reconciliation of actual compensation to market-competitive compensation
- Calculation of plan implementation costs tied to phased approach
 - Phase 1 – adopt recommendations to the degree allowable within LACERA’s current pay structure
 - Phase 2 – identify a compensation framework aligned with strategic, long-term objectives

Labor Markets & Competitiveness



SIZE

- \$85B AUM



GEOGRAPHY

- Los Angeles, CA



INDUSTRY

- Pension and Retirement Funds



PLACEMENT

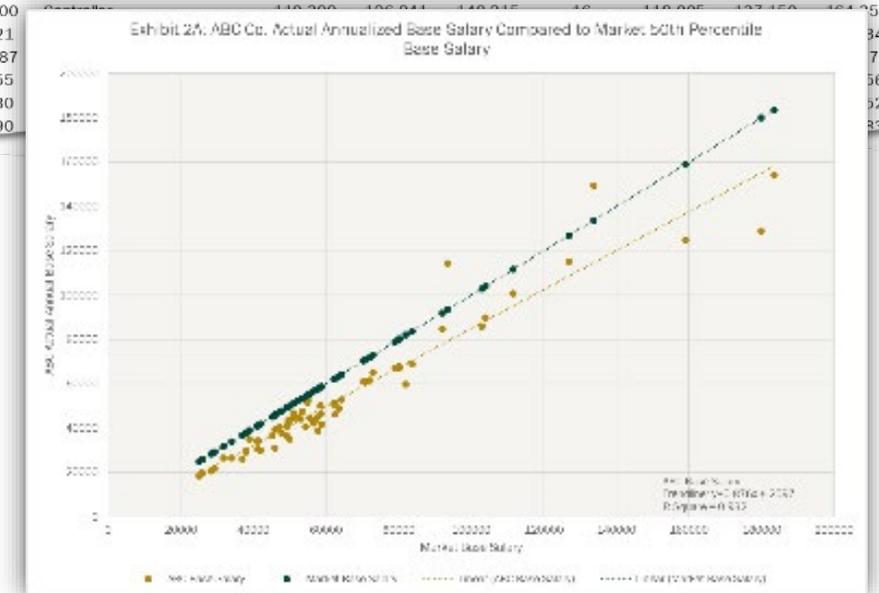
- Three scenarios
 - Market 75th base salary
 - Market 50th Total Cash Compensation (TCC)
 - Market Reference point

Market Analysis

- Evaluate job documentation
- Sources of compensation data
 - CBIZ Pension Survey (peers on next slide)
- Job matching
 - Compare job descriptions to survey descriptions
 - Match based on duties, scope, and qualifications
- Summarize results
 - Aggregate market percentiles
 - Base salary
 - Total cash compensation

ABC Co.
 Preliminary Compensation Study Results
 Exhibit 1 - Market Summary
 Data Effective July 1, 2021

| CBIZ Code | Annualized Average Base | Annualized Average Total Cash | Current Job Title | Market Base Salary | | | Proposed Pay Grade | Market Total Cash Compensation | | |
|-----------|-------------------------|-------------------------------|---------------------------|--------------------|--------|--------|--------------------|--------------------------------|--------|--------|
| | | | | 25th | 50th | 75th | | 25th | 50th | 75th |
| 100 | 30,042 | 30,042 | Accounting Specialist | 39,499 | 42,065 | 45,423 | 7 | 40,335 | 42,959 | 46,391 |
| 101 | 35,085 | 35,085 | Administrative Assistant | 36,586 | 38,948 | 42,098 | 6 | 37,107 | 39,506 | 42,704 |
| 181 | 43,629 | 43,629 | Archives Librarian | 52,686 | 56,267 | 61,394 | 9 | 53,673 | 57,346 | 62,589 |
| 107 | 46,863 | 46,863 | Benefits Coordinator | 47,725 | 51,029 | 55,389 | 8 | 48,734 | 52,114 | 56,570 |
| 187 | 40,842 | 40,842 | Bibliographer | 46,807 | 49,391 | 53,202 | 8 | 57,408 | 60,866 | 65,818 |
| 102 | 41,614 | 41,614 | Communications Specialist | 55,205 | 58,783 | 63,901 | 10 | 56,241 | 59,908 | 65,144 |
| 104 | 50,825 | 50,825 | Content Managing Editor | 59,230 | 62,242 | 66,608 | 10 | 61,471 | 64,633 | 69,197 |
| 105 | 115,200 | 135,200 | | | | | | | | |
| 112 | 40,621 | 40,621 | | | | | | | | |
| 115 | 149,287 | 159,287 | | | | | | | | |
| 116 | 39,255 | 39,255 | | | | | | | | |
| 165 | 42,330 | 42,330 | | | | | | | | |
| 117 | 51,490 | 51,490 | | | | | | | | |



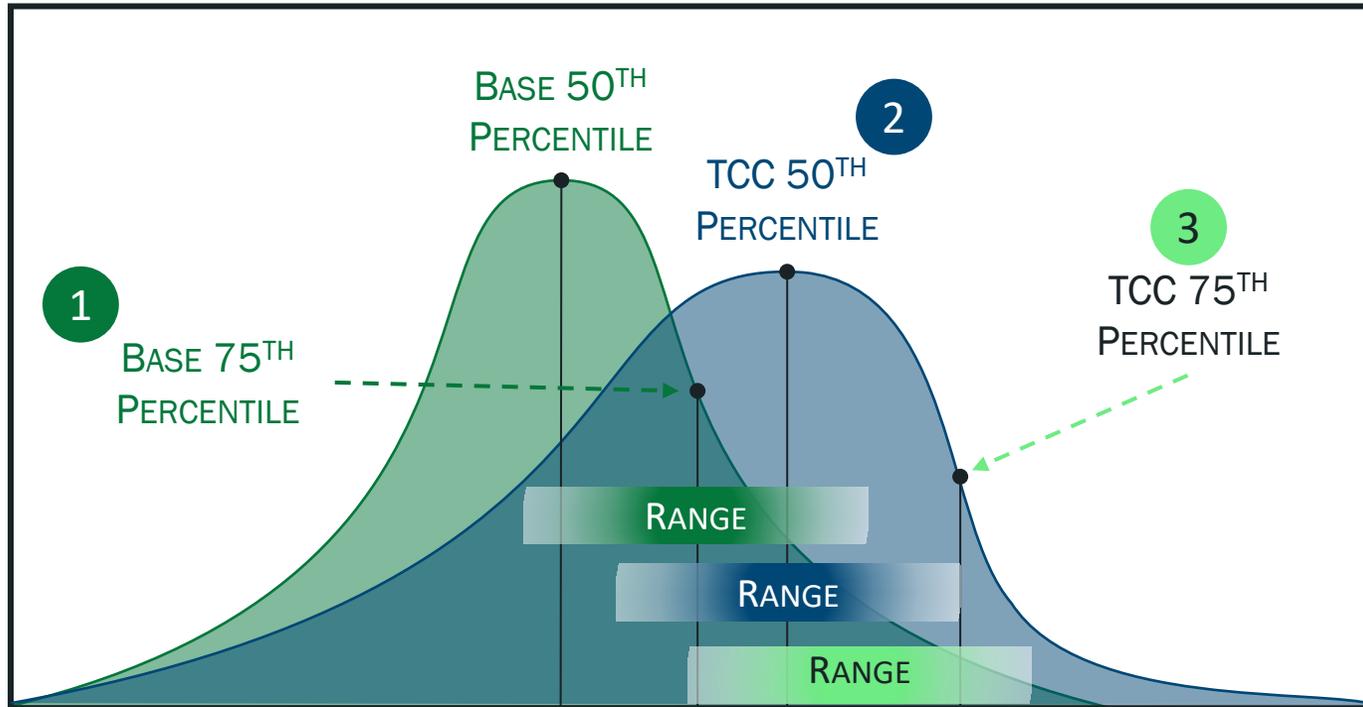
Peers

1. Arizona State Retirement System - \$50B AUM
2. California State Teachers Retirement System - \$353B AUM
3. California Public Employee's Retirement System - \$500B AUM
4. Colorado Public Employees' Retirement Association - \$59B AUM
5. Maryland State Retirement & Pension System - \$64B AUM
6. New York City Office of the Comptroller - \$250B AUM
7. New York State Teachers' Retirement System - \$132B AUM
8. Ohio Public Employees Retirement System - \$107B AUM
9. Public School and Education Employee Retirement Systems of Missouri - \$54B AUM
10. State Board of Administration of Florida - \$206B AUM
11. State Teachers Retirement System of Ohio - \$90B AUM
12. Teachers Retirement System of Georgia - \$94B AUM
13. Virginia Retirement System - \$105B AUM

AUM effective as of April 1, 2023

Setting the Market Comparison Point (Structure Anchor)

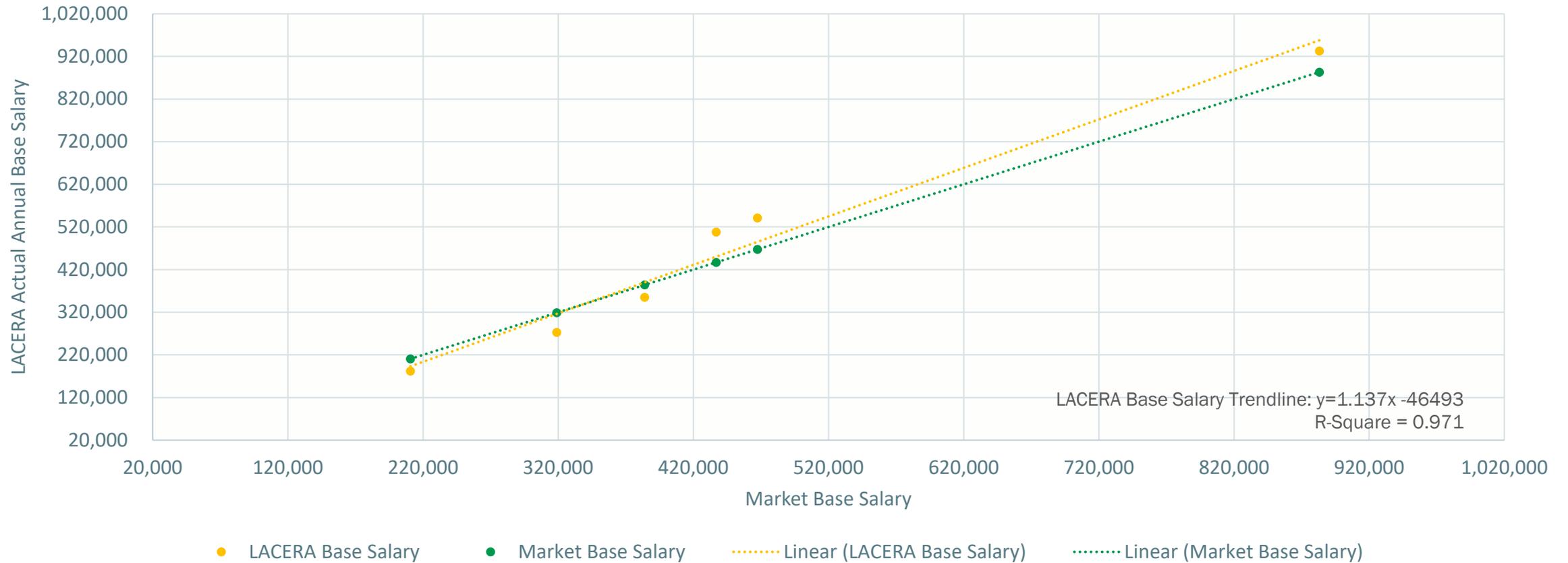
PAY DISTRIBUTION – SAMPLE JOB



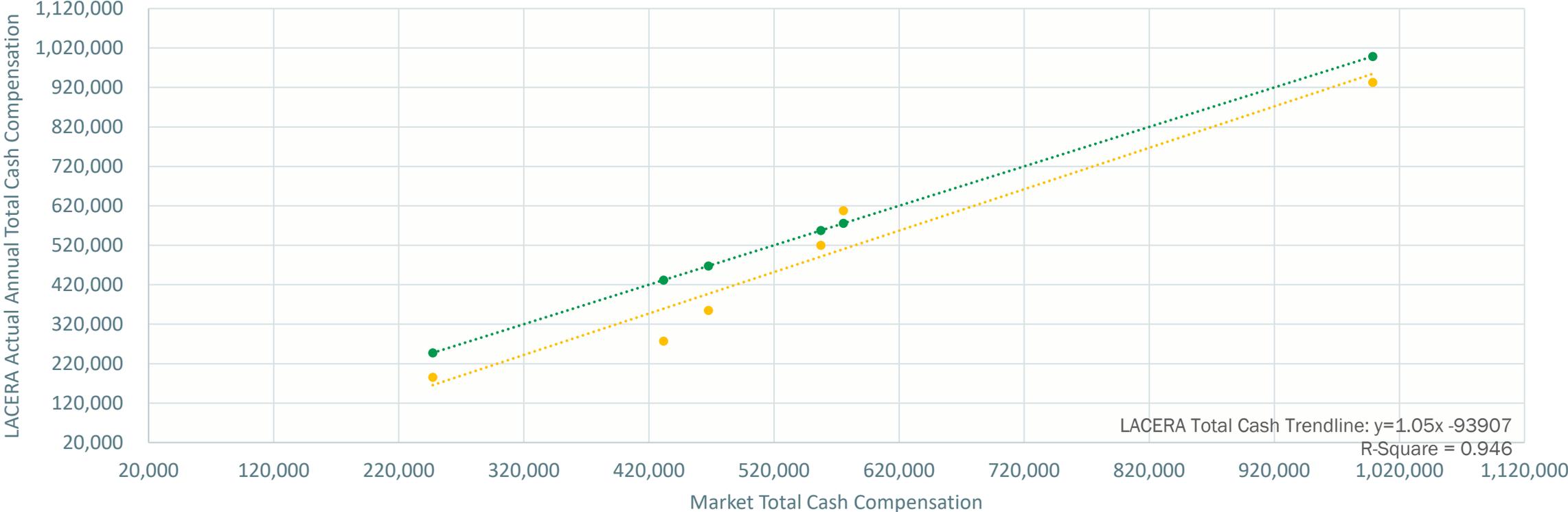
PAY PERCENTILES: LOW TO HIGH PAY

- 1 • Position base pay higher in the base pay range to strengthen pay position.
• May be strained in matching market base and bonus opportunity.
- 2 • Position base pay to match base + bonus expectations.
• Does not provide as much upside and guarantees higher base pay even with poor results.
- 3 • Structure incentive opportunities to achieve TCC 75th pay—or higher—when incentive payout is maximized.
• Base pay range is determined according to the incentive opportunity and how much pay is at risk.

Current Pay Compared to Market 75th Percentile Base Pay



Current Total Cash Compensation Compared to Market 75th Percentile Total Cash Compensation



● LACERA Total Cash
 ● Market Total Cash Compensation
 ⋯ Linear (LACERA Total Cash)
 ⋯ Linear (Market Total Cash Compensation)



Designed Salary Structure

| <i>Grade</i> | <i>Minimum</i> | <i>Midpoint</i> | <i>Maximum</i> | <i>Range Spread</i> | <i>Midpoint Differential</i> |
|--------------|----------------|-----------------|----------------|---------------------|------------------------------|
| 1 | \$96,000 | \$120,000 | \$144,000 | 50% | |
| 2 | \$110,400 | \$138,000 | \$165,600 | 50% | 15.0% |
| 3 | \$126,960 | \$158,700 | \$190,440 | 50% | 15.0% |
| 4 | \$146,004 | \$182,505 | \$219,006 | 50% | 15.0% |
| 5 | \$167,905 | \$209,881 | \$251,857 | 50% | 15.0% |
| 6 | \$193,090 | \$241,363 | \$289,635 | 50% | 15.0% |
| 7 | \$222,054 | \$277,567 | \$333,081 | 50% | 15.0% |
| 8 | \$255,362 | \$319,202 | \$383,043 | 50% | 15.0% |
| 9 | \$293,666 | \$367,083 | \$440,499 | 50% | 15.0% |
| 10 | \$337,716 | \$422,145 | \$506,574 | 50% | 15.0% |
| 11 | \$388,374 | \$485,467 | \$582,560 | 50% | 15.0% |
| 12 | \$446,630 | \$558,287 | \$669,944 | 50% | 15.0% |
| 13 | \$513,624 | \$642,030 | \$770,436 | 50% | 15.0% |
| 14 | \$590,668 | \$738,335 | \$886,001 | 50% | 15.0% |
| 15 | \$679,268 | \$849,085 | \$1,018,902 | 50% | 15.0% |
| 16 | \$815,121 | \$1,018,902 | \$1,222,682 | 50% | 20.0% |
| 17 | \$978,146 | \$1,222,682 | \$1,467,218 | 50% | 20.0% |

- Structures simplify ongoing compensation administration
- Integrate market and internal equity
- Consists of a series of grades, each with a minimum and maximum level of pay
- Job classified into the structure based on relationship of market 50th to range midpoint
 - Rounding process
 - Grades are comprised of jobs with similar market value

Pay Grade Classification

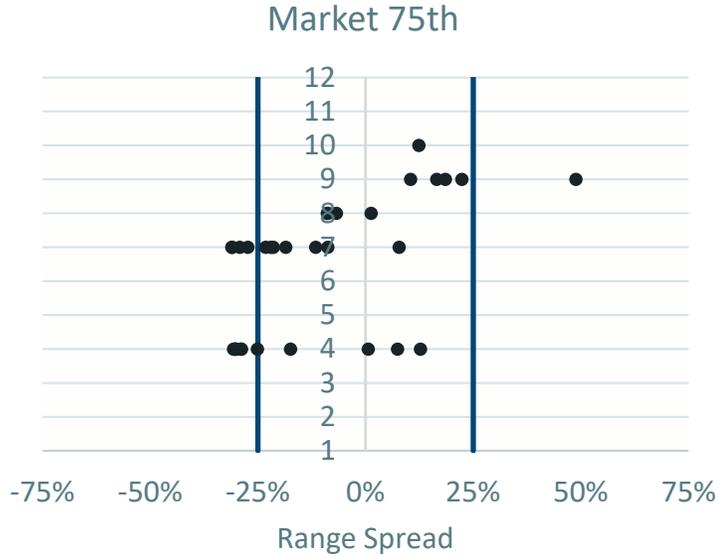
| Proposed Job Title | Base Salary Market 75th Percentile | | Total Cash Compensation Market 50th Percentile | | Incentive Base Salary Market Reference Point ** | | | |
|---------------------------------|------------------------------------|--------------------|--|--------------------|---|-------------------|---------|--------------------|
| | Value | Proposed Pay Grade | Value | Proposed Pay Grade | TCC Market 75th | Incentive Maximum | MRP | Proposed Pay Grade |
| Chief Investment Officer | 758,510 | 14 | 857,865 | 15 | 1,114,946 | 100% | 557,473 | 12 |
| Deputy Chief Investment Officer | 401,411 | 10 | 494,320 | 11 | 914,420 | 80% | 508,011 | 11 |
| Principal Investment Officer | 375,198 | 9 | 478,881 | 11 | 787,470 | 80% | 437,484 | 10 |
| Senior Investment Officer | 329,820 | 8 | 401,590 | 10 | 630,642 | 60% | 394,151 | 9 |
| Financial Analyst III | 273,980 | 7 | 370,852 | 9 | 502,317 | 50% | 334,878 | 8 |
| Financial Analyst II | 180,884 | 4 | 212,254 | 5 | 263,391 | 40% | 188,136 | 4 |
| Financial Analyst I | 119,518 | 1 | 140,056 | 2 | 154,319 | 20% | 128,599 | 1 |

** Market Reference Point (MRP) Approach

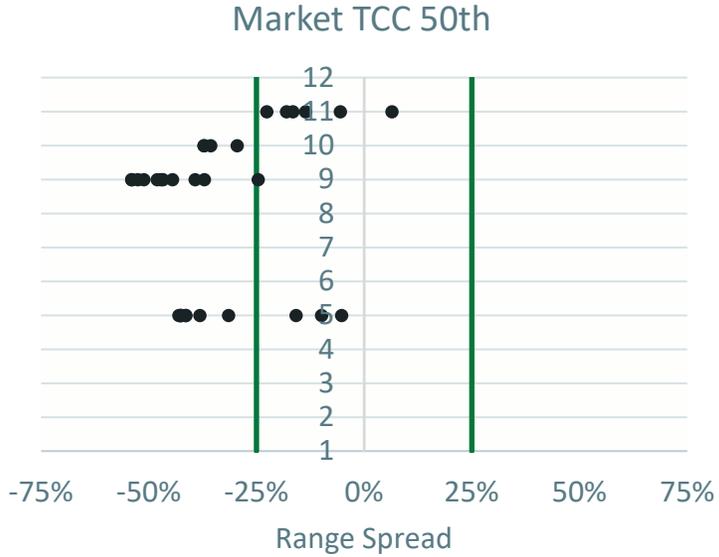
- Base pay ranges are built around a market comparison point
- This is typically pinned to a specific base pay market percentile (i.e., total cash compensation 75th percentile)

Financial Impact Analysis

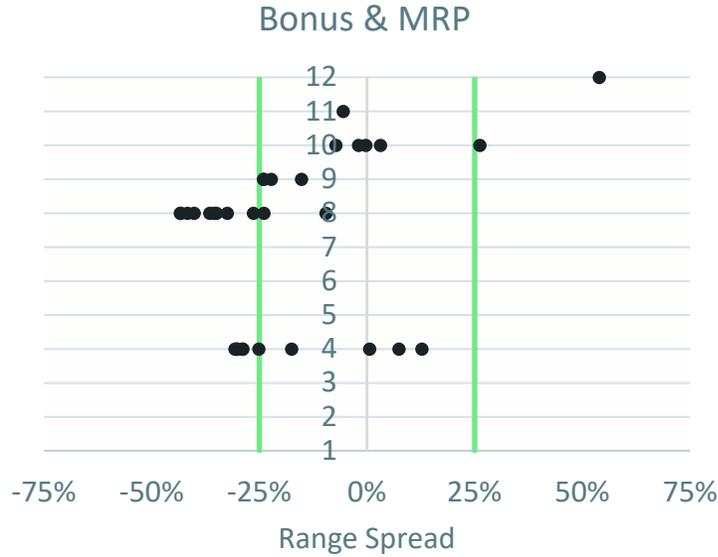
- Integration of structure with employee data
 - Identify below min/above max of base pay ranges
 - The average overall compa-ratio as compared to the market 50th percentile is 92.9%



• Employee Range Penetration



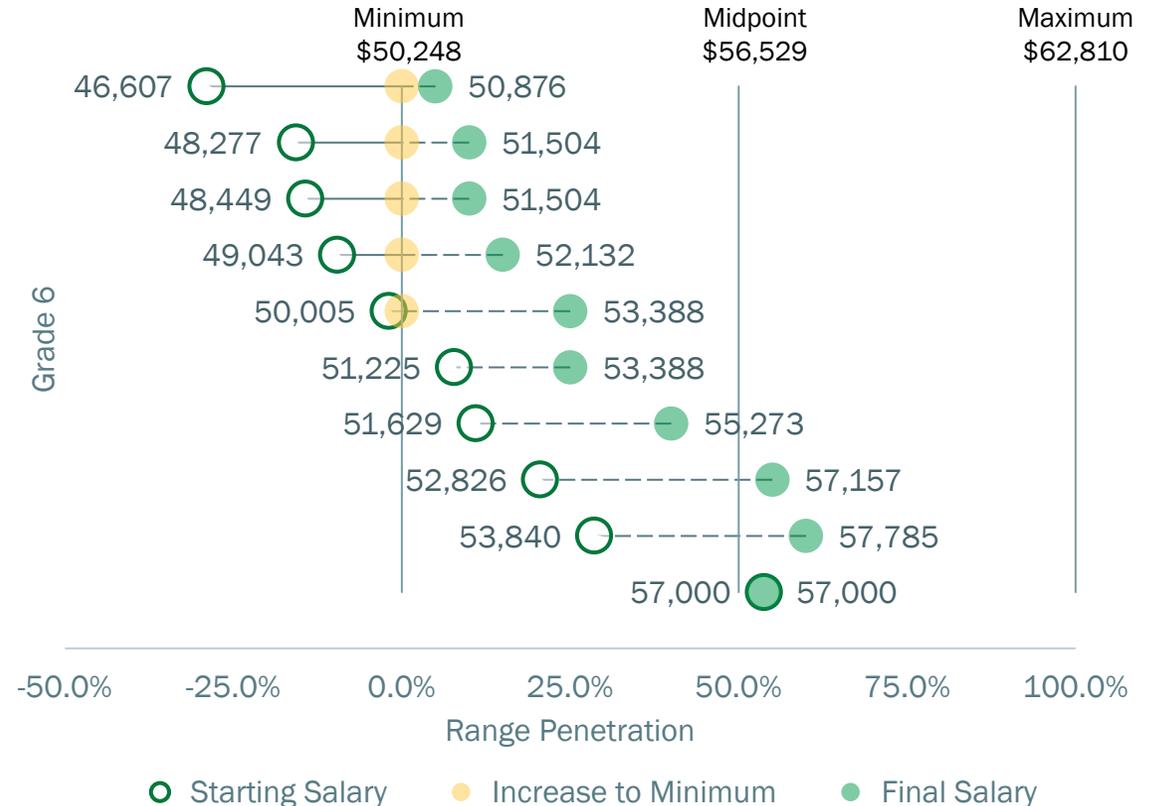
• Employee Range Penetration



• Employee Range Penetration

Compression Analysis

- Compression exists when inexperienced employees within a grade are paid an identical or similar rate as those with greater tenure
- Evaluated the degree to which compression is a problem
- Modeled target range placement based on factors like time in job and performance
- See Pay Compression Exhibits 8A-8F



Illustrative only, not actual internal data

Implementation Cost Summary

| Scenario | Below Min | Compression | Incentive Maximum | Total Implementation | Above Max |
|------------------|-----------|-------------|----------------------|----------------------|-----------|
| Market Base 75th | 97,502 | 109,874 | 0 | 207,376 | 81,823 |
| Market TCC 50th | 1,163,923 | 476,975 | 0 | 1,640,898 | 0 |
| Bonus & MRP | 373,594 | 263,036 | 6,700,042 | 636,630 to 7,336,672 | 155,800 |

Annual Salary Planning

- Budget for market competitive salary increases
- Adjust structures annually to ensure:
 - The new compensation system remains competitive for years to come
 - Minimums stay competitive to the market
 - Maximums stay appropriate
- CBIZ will provide salary structure update factors for up to five years
- CBIZ tracks data associated with cost of labor, not cost of living, changes

CBIZ
721 Emerson Rd., Suite 400
St. Louis, Missouri 63141

August 16, 2022

Ms. Jane Doe
Human Resources Director
Abc Co
555 Main Street
St. Louis, MO 63141

Dear Jane:

This letter documents our annual recommendations regarding salary structure updates and salary increase budgets. The current labor market is leading to accelerated wage growth. We will first share our commentary on the current labor market and then address the sources and rationale for our annual recommendations, which are highlighted in the below table.

| Recommendations | |
|-------------------------|-------------|
| Structure Update: | 5.5% |
| Salary Increase Budget: | 6.5% - 6.3% |

Market Commentary

The US Bureau of Labor Statistics provides insightful data regarding the current labor market. The following economic indicators help document the current conditions:

- Job Openings¹: 10.7 million
- Unemployed Persons²: 5.9 million
- Voluntary Exits (Quits)³: 4.2 million
- Consumer Price Index³: 9.1%

The number of job opening in the labor market is at an all-time high and comparing the number of jobs openings to unemployed persons shows that there are 1.8 jobs available to each unemployed person. The voluntary exits or "Quits" data is near record levels and well above pre-pandemic trends, lending credence to the "Great Resignation" moniker. These data points taken together indicate a labor market in which candidates have greater bargaining power and will likely result in accelerated wage growth. Finally, significant inflation has become harder to ignore, leading to another driver of rising salary increases.

Structure Update

Adjusting your salary structure annually will help ensure that your salary range minimums remain competitive to the market and that your salary range maximums remain appropriate. This is an annual best practice, but is only a short term fix as jobs move in the labor market differently from the overall labor market. Some jobs might be considered "hot

¹ Job Openings and Labor Turnover Summary, June 2022. [Job Openings and Labor Turnover Summary - Results \(bls.gov\)](#)
² Employment Situation Summary, June 2022. [Employment Situation Summary - Results \(bls.gov\)](#)
³ Consumer Price Index Summary, June 2022. [Consumer Price Index Summary - Results \(bls.gov\)](#)

2022 Results (bls.gov)

Phase 1

- Work within LACERA’s existing classification structure and pay plan
 - Increased employee compensation in consideration of the Base Pay 75th Approach
 - Increased employee compensation to a target salary range placement based on time in job and performance

| Proposed Job Title | Current Pay Structure | | | | | Proposed Pay Grade Market Base 75th | | | | |
|---------------------------------|-----------------------|---------|----------|---------|--------------|-------------------------------------|---------|----------|-----------|--------------|
| | Current Pay Grade | Minimum | Midpoint | Maximum | Range Spread | Proposed Pay Grade | Minimum | Midpoint | Maximum | Range Spread |
| Chief Investment Officer | LR28 | 444,585 | 568,843 | 693,102 | 55.9% | 14 | 689,112 | 861,390 | 1,033,668 | 50.0% |
| Deputy Chief Investment Officer | LR24 | 342,893 | 430,944 | 518,995 | 51.4% | 10 | 394,002 | 492,503 | 591,003 | 50.0% |
| Principal Investment Officer | LR23 | 318,970 | 400,878 | 482,786 | 51.4% | 9 | 342,611 | 428,263 | 513,916 | 50.0% |
| Senior Investment Officer | LR20 | 256,758 | 322,691 | 388,624 | 51.4% | 8 | 297,922 | 372,403 | 446,883 | 50.0% |
| Financial Analyst III | LR16 | 192,261 | 241,631 | 291,002 | 51.4% | 7 | 259,063 | 323,829 | 388,594 | 50.0% |
| Financial Analyst II | LR12 | 143,965 | 180,934 | 217,902 | 51.4% | 4 | 170,338 | 212,923 | 255,507 | 50.0% |
| Financial Analyst I | 109A | 99,486 | 115,109 | 130,732 | 31.4% | 1 | 112,000 | 140,000 | 168,000 | 50.0% |

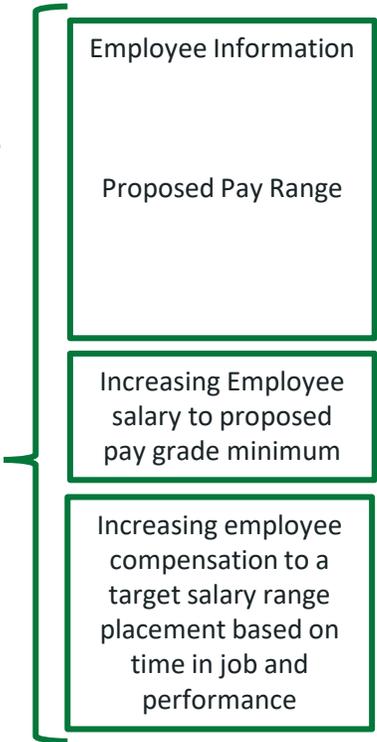
- Adopt as much of the salary adjustment recommendations as LACERA’s pay structure will allow
- All costs derived from FA II and FA III (no employees in FA I)

| | |
|---|-----------|
| Count: | 16 |
| Grand Total of Increases: | \$206,932 |
| Total Adjustment as a Percent of Total Payroll: | 2.0% |

Phase 1 - Example

Base 75th Percentile Recommendations in accordance with recommended pay structure

Short-term implementation based on current classifications and pay ranges



Phase 1 Example

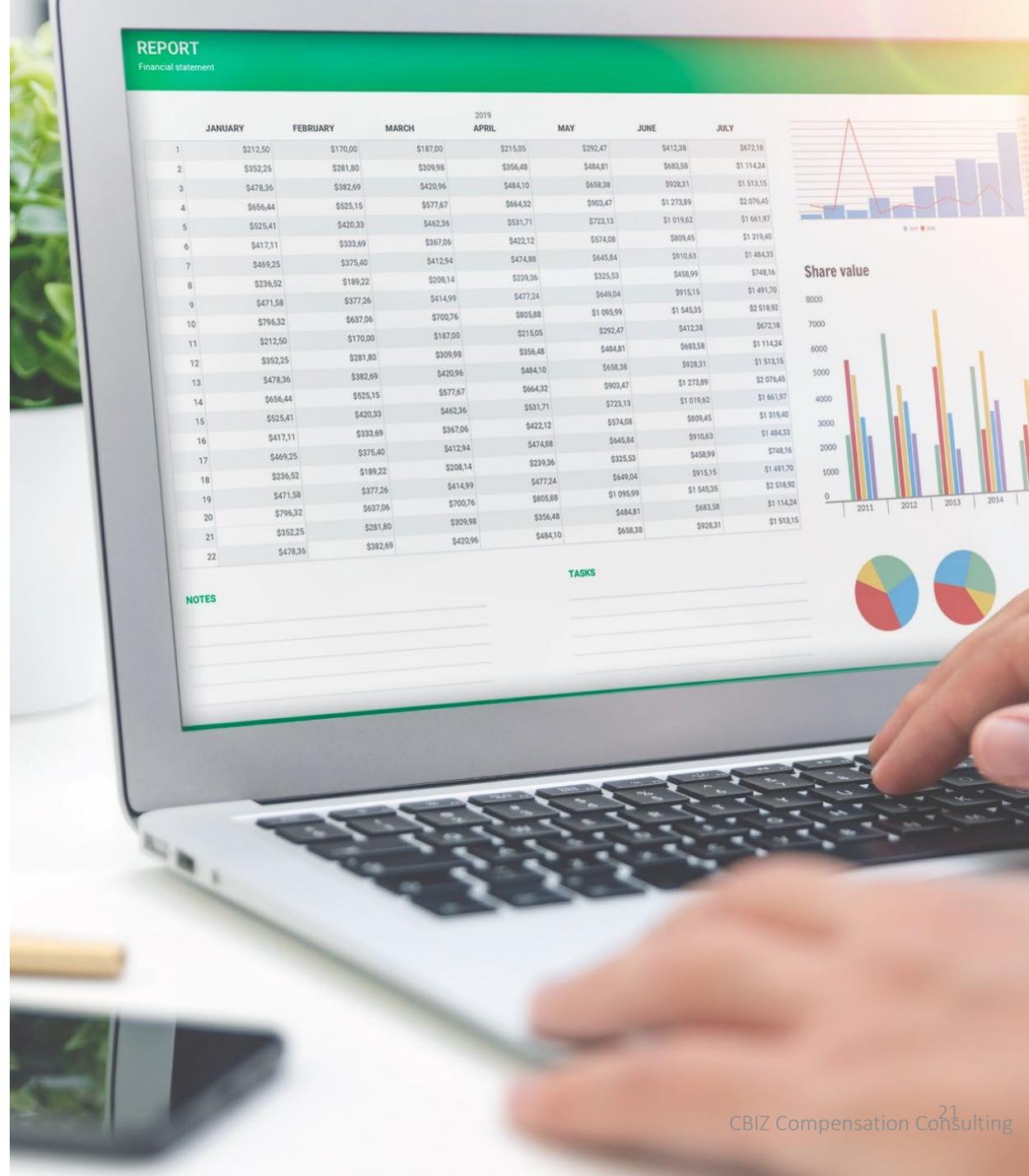
| | | |
|--|----------------------|---|
| Employee A | | |
| Job Title: | Financial Analyst II | |
| Annual Salary: | \$170,177 | |
| Years in Job: | 2.2 | |
| Proposed Pay Grade: | 4 | |
| Proposed Pay Grade Min: | \$170,338 | |
| Proposed Pay Grade Mid: | \$212,923 | |
| Proposed Pay Grade Max: | \$255,507 | |
| Increase to Range Minimum: | \$161 | = 170,338 - 170,177 |
| Post Increase to Range Minimum Salary: | \$170,338 | |
| Current Range Penetration: | 0% | = (170,338 - 170,338) / (255,507 - 170,338) |
| Goal Range Penetration: | 10% | Based on 2 Years in Job |
| Goal \$ Difference (Actual): | \$8,517 | = 170,338 + ((255,507 - 170,338)*10%) - 170,338 |
| Compression Increase %: | 5% | = 8,517 / 170,177 |
| Total Increase: | \$8,678 | = 161 + 8,678 |
| Proposed Compression Actual Salary: | \$178,855 | = 170,177 + 8,678 |
| Current Grade: | LR12 | |
| Current Grade Min: | \$143,965 | |
| Current Grade Mid: | \$180,934 | |
| Current Grade Max: | \$217,902 | |
| Final Salary Increase: | \$8,678 | |
| Post Phase 1 Annual Salary: | \$178,855 | = 170,177 + 8,678 |



Phase 2

- Bonus recommendation approach to be presented and discussed with the Boards at a later date
- Incentive considerations:
 - Plan design considerations like metrics, performance expectations (e.g., threshold, target, and maximum results), measurement/performance period, and weighting)
 - Base pay and bonus levels
 - Navigate civil service opt in/opt out
 - Evaluate conversion process/rebalance compensation for high base pay
- Other considerations if LACERA does not adopt a bonus plan at a future date
 - Explore Base Pay 75th or Total Cash Compensation 50th approach as new pay structure
 - Consider adopting a standalone investments division compensation structure

Sample Incentive Design



Existing Objectives of the Investment Program

- I. Produce the promised benefits for LACERA members and beneficiaries by achieving the Fund's assumed rate of return on a total return basis over the long-term, consistent with LACERA's mission;
- II. Protect the promised benefits on behalf of LACERA members and beneficiaries by mitigating investment risks through Fund diversification and other means, consistent with LACERA's mission; and
- III. Provide the promised benefits for LACERA members and beneficiaries, in part by ensuring adequate liquidity, consistent with LACERA's mission

Investment Compensation Program Pros & Cons

| Approach | Pros | Cons |
|--|--|---|
| Base and Bonus | <ul style="list-style-type: none"> • Motivation and performance • Alignment with goals • Attractive to top talent • Pay will vary based on performance | <ul style="list-style-type: none"> • Negative member and media perception • Potential for risk-taking and short-term behavior • Complex to administer • Potential for entitlement mindset |
| Higher pay approach (e.g., Base Pay 75 th or TCC 50 th) | <ul style="list-style-type: none"> • Predictable compensation • Higher and attractive base salaries • Easier to administer • Longer-term focus | <ul style="list-style-type: none"> • Guaranteed higher pay even in years with poor performance |

Metrics

| Overall | Description | Goal Setting | Timeframe |
|----------------------|---|--|-----------|
| Total Fund Benchmark | Measure total fund performance relative to benchmark. | Significant differentiation based on reasonable ability to significantly beat the benchmark | 3-Years |
| Actuarial | Measure absolute performance to actuarial rate of return. | Modest differentiation from threshold to stretch given the importance and unpredictability | 5-Years |
| Asset Class | Measure various asset class (e.g., growth, credit, real assets, and risk) performance relative to benchmarks. | Varying levels of differentiation based on volatility—e.g., risk should be relatively narrow while growth wider. | 3-Years |

Potential Metrics Weighting

| Grade | Recommended Bonus Payout (as % of Base Salary) | | | Metric Weighting | | |
|---------------------------------|---|--------|---------|------------------|-------------|---------------|
| | Threshold | Target | Maximum | Total Fund | Asset Class | Annual Hurdle |
| Chief Investment Officer | 25.0% | 50.0% | 100.0% | 100.0% | 0.0% | 0.0% |
| Deputy Chief Investment Officer | 20.0% | 40.0% | 80.0% | 100.0% | 0.0% | 0.0% |
| Principal Investment Officer | 20.0% | 40.0% | 80.0% | 20.0% | 80.0% | 0.0% |
| Senior Investment Officer | 15.0% | 30.0% | 60.0% | 20.0% | 80.0% | 0.0% |
| Financial Analyst III | 12.5% | 25.0% | 50.0% | 50.0% | 50.0% | 0.0% |
| Financial Analyst II | 10.0% | 20.0% | 40.0% | 50.0% | 50.0% | 0.0% |
| Financial Analyst I | 5.0% | 10.0% | 20.0% | 50.0% | 50.0% | 0.0% |

Sample Incentive Framework

| Proposed Job Title | Annual Salary | Incentive Threshold | Incentive Target | Incentive Maximum | Incentive Payout at Threshold | Incentive Payout at Target | Incentive Payout at Maximum |
|-----------------------|---------------|---------------------|------------------|-------------------|-------------------------------|----------------------------|-----------------------------|
| Financial Analyst III | \$320,000 | 13% | 25% | 50% | \$40,000 | \$80,000 | \$160,000 |

| Measures | Weight | Threshold (bps): | Target (bps): | Maximum (bps): | Actual (bps): | Level Achieved of Target: | Metric Payout |
|-------------------|--------|------------------|---------------|----------------|---------------|---------------------------|---------------|
| 3-Year Total Fund | 50% | 0.0 | 25.0 | 50.0 | 40.0 | 160% | \$64,000 |
| Real Assets | 50% | 0.0 | 20.0 | 40.0 | 5.0 | 63% | \$25,000 |

Total Payout **\$89,000**
Payout as % of Target **111%**
Payout as % of Maximum **56%**



Questions

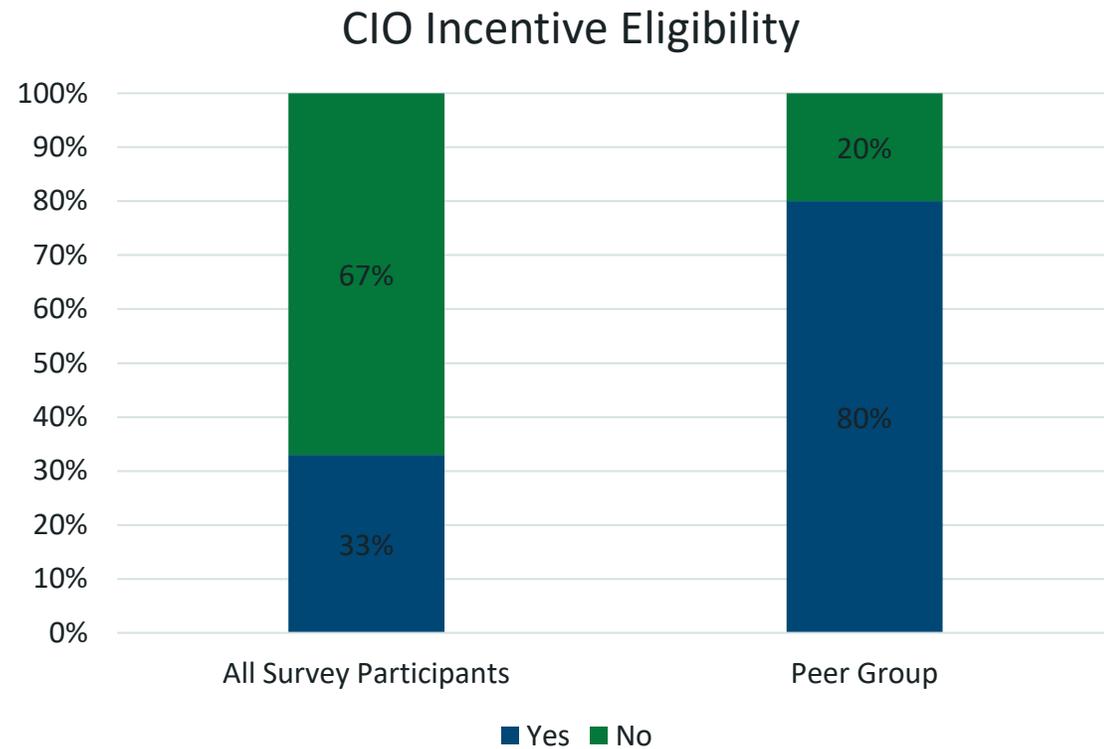
Definitions

- Market Pricing: Valuation of pay for jobs in the external labor markets
 - **Base Salary:** The annual fixed rate that an individual is paid for performing a job
 - **Annual Incentive:** Any short-term variable compensation paid within a year
 - **Total Cash Compensation (Actual):** Cash compensation, typically earned as base salary plus annual incentive received during the year
 - **Total Cash Compensation (Maximum):** Sum of current base salary and maximum annual incentive
- Market Percentiles:
 - **25th percentile** – The point at which 75% of organizations pay more and only 25% pay less
 - **50th percentile** – Also known as the median, this is the middle point of the market. By definition, half of organizations pay more, and half pay less
 - **75th percentile** – The point at which only 25% of organizations pay more and 75% pay less

Incentive Practices



Incentive Eligibility



- Incentive eligibility is largely correlated to size, with most larger funds offering incentives

Common Metrics

| METRIC | USE CASE |
|------------------------|---|
| Total Return | Total Return measures the overall performance of the pension fund's investments by calculating the sum of capital gains and income (e.g., dividends, interest) generated over a specified period. This comprehensive metric captures both the growth of asset values and the income generated from assets, providing a clear picture of the investment's effectiveness. |
| Benchmarks | Benchmarks are used to set performance targets to relevant comparisons. For instance, they must aim to outperform the relevant pension fund benchmark indices to qualify for incentives. |
| Actuarial | Actuarial metrics are critical for ensuring that the pension fund's investments are aligned with its long-term payout obligations. Assess the expected return on investments against the projected liabilities, and incentives the investments team to maintain an optimal balance. |
| Standard Deviation | This measures the volatility of the fund's returns. A lower standard deviation relative to the benchmark may be desirable to indicate stable performance. Incentives could be tied to maintaining volatility within acceptable ranges. |
| Peer Comparisons | By comparing performance to peers, the fund can gauge its competitiveness. Incentives could be linked to the fund's ranking within a peer group, rewarding for top performance. |
| R-squared | R-squared measures how closely the fund's returns follow the market movements. A high R-squared could indicate market-like performance, which may be desirable for a passively managed pension fund. Managers could be incentivized based on achieving an R-squared within a target range. |
| Sharpe Ratio | This ratio is used to understand the return of an investment compared to its risk. A higher Sharpe ratio indicates better risk-adjusted returns. Reward for achieving a Sharpe ratio that exceeds a predefined threshold. |
| Individual Performance | Refers to the qualitative assessment of a fund manager's competencies and contribution to the fund's performance. Incentives can be tied to performance ratings from evaluations, recognizing and rewarding managerial skill, decision-making, and adherence to investment mandates. |

Performance Period (Timeframe)

| Performance Timeframe | Pros | Cons |
|-----------------------|---|--|
| 1-Year | <ul style="list-style-type: none"> Reflects “short-term/annual” incentive plans utilized in the broader market | <ul style="list-style-type: none"> Incentivizes short-term performance and risk taking |
| 3-Years | <ul style="list-style-type: none"> High prevalence among other funds Aligns and rewards short and long-term performance | <ul style="list-style-type: none"> Doesn’t fully reward current year contributions |
| 5-Years | <ul style="list-style-type: none"> Some prevalence among other funds Reflects long-term performance | <ul style="list-style-type: none"> Less prevalent in market Difficult to track Less retentive value |
| 10-Years | <ul style="list-style-type: none"> Reflects long-term performance | <ul style="list-style-type: none"> Extremely rare in competitive market Difficult to track Less retentive value |

- Can weight between periods (e.g., 50% 1-year and 50% 3-year)
- Metric level considerations (e.g., longer term actuarial period vs shorter term policy benchmark)



Incentive Metric Prevalence

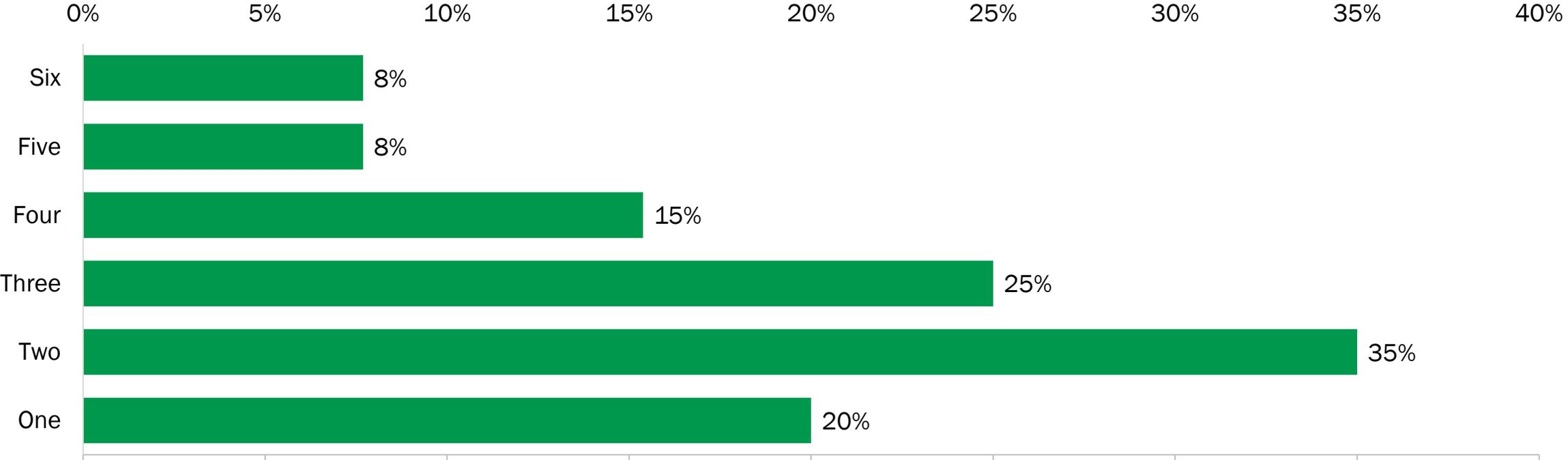
Data based on 20 bonus-paying funds

| Metric | Prevalence | Median Weight** | Avg. Weight** |
|------------------------|------------|-----------------|---------------|
| Benchmark | 40% | 40% | 51% |
| Total Return | 30% | 60% | 63% |
| Asset Class | 25% | 25% | 31% |
| Other* | 25% | 30% | 43% |
| Individual performance | 20% | 25% | 26% |
| Actuarial | 20% | 80% | 78% |

* Other metrics include operational effectiveness, discretionary, stakeholder engagement, sharpe ratio, inflation, customer satisfaction, and global public equity.

** Median and Avg. weight are based on weighting for CIO only if plans differentiated weighting by position

Number of Incentive Metrics Prevalence



Data based on 20 bonus-paying funds



March 28, 2025

TO: Trustees – Board of Investments

FROM: Esmeralda del Bosque 
Principal Investment Officer

John Kim 
Investment Officer

Kathryn Ton 
Senior Investment Analyst

Soniah Ginoyan S.G.
Senior Investment Analyst

FOR: April 9, 2025 Board of Investments Meeting

SUBJECT: **OPEB Trust Private Markets Program Update**

At the March 12, 2025 Board of Investments meeting, staff provided a quarterly performance overview of the OPEB Master Trust (“OPEB”), highlighting the buildout of its private markets program in alignment with the 2024 strategic asset allocation. This memo provides the Board with an update on the program’s development as it advances toward the 21% target allocation effective January 1, 2025.

As a reminder, Hamilton Lane Advisors, LLC was selected as the discretionary separate account manager to implement OPEB’s private markets program with LACERA retaining consent authority on investment selections.

The attached presentation (**Attachment**) includes a brief overview and history of OPEB’s private markets program, along with a performance summary.

Attachment

NOTED AND REVIEWED:



Jonathan Gabel
Chief Investment Officer



Attachment

OPEB Trust Private Markets Program Update

Board of Investments Meeting

April 9, 2025

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Background

- At the June 2021 Board of Investments meeting, Trustees approved the 2021 strategic asset allocation for the OPEB Trust (“OPEB”).
 - A key change was the adoption of an 18% target allocation to private market investments, consisting of infrastructure, natural resources, private credit, private equity, and real estate.
- In August 2022, Hamilton Lane Advisors, LLC (“HL”) was selected as the discretionary separate account manager to implement a private markets investment program for OPEB.
 - The mandate is in accordance with the Board-approved OPEB Investment Policy Statement.

History

OPEB Trust Private Markets



HL selected to implement a private markets investment program for OPEB

2021

2021 OPEB strategic asset allocation approved, which included the adoption of a 18% target allocation to private markets

2022

2023

First year commitments made across private equity, private credit, real estate, natural resources, and infrastructure

2024 OPEB strategic asset allocation approved, which increased the private markets target allocation to 21% as the Credit asset category was raised.

2024

\$539M Committed

2025

2025 commitment pipeline projected to be \$500-700M

Role and Structure

OPEB Trust Private Markets

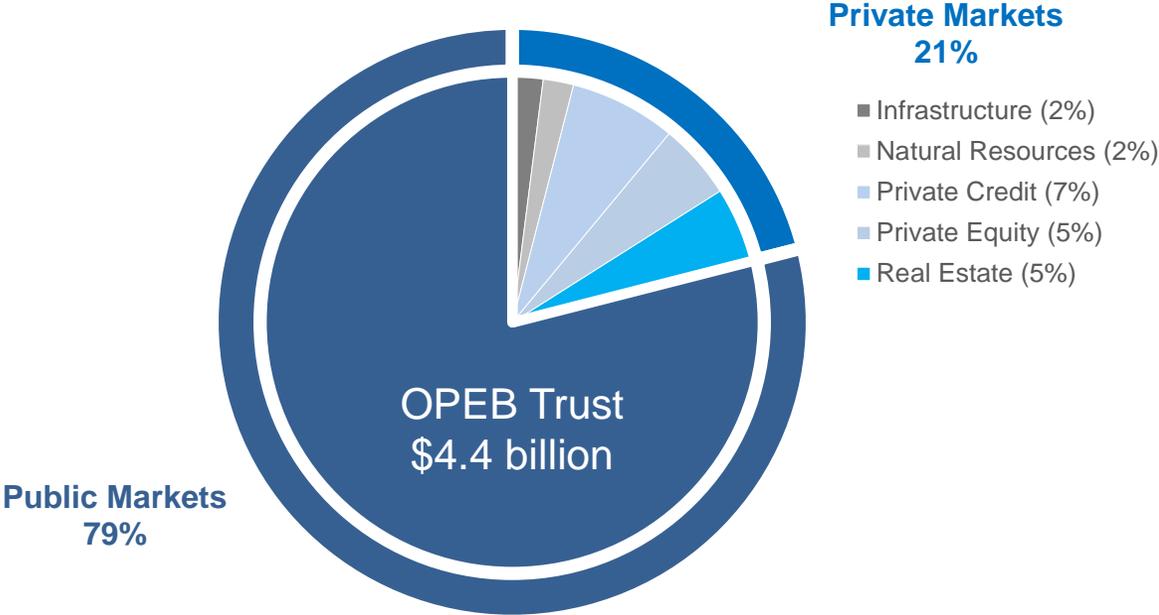


Role of Program

- Access differentiated return sources that are less correlated to public market assets
- Achieve diversification by strategy, sector, geography, and vintage year
- Maximize performance while balancing risk over a long-term time horizon
- Investment guidelines recommendation anticipated in FY25-26

Program Structure

- Over \$1 billion in total commitments over a 5-year investment period. Currently in Year 3 of the program
- Policy target allocations to public and private markets shown below



As of December 31, 2024

Allocation and Performance

OPEB Trust Private Markets



| As of December 31, 2024 | | | | | | |
|---|-----------------------------|-----------------------------|----------------|-------------------|--------------|----------------|
| Allocation | | | | | | |
| | Total OPEB Market Value (M) | HL Program Market Value (M) | HL Program (%) | Policy Target (%) | | |
| HL Program | \$4,434 | \$94 | 2.1% | 21% | | |
| <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Strategy</p> <p>Natural Resources 13%</p> <p>Private Equity 28%</p> <p>Infrastructure 22%</p> <p>Real Estate 13%</p> <p>Private Credit 24%</p> </div> <div style="text-align: center;"> <p>Geography</p> <p>Global 6%</p> <p>Europe 10%</p> <p>North America 84%</p> </div> </div> | | | | | | |
| Performance (Net IRR) | | | | | | |
| | QTD | FYTD | 1 Year | 3 Year | ITD | Inception Date |
| HL Program | 3.7% | 5.4% | 8.7% | — | 14.0% | Jun-23 |

Sourced from State Street/Solovis.

Sub-Asset Class Performance

OPEB Trust Private Markets



| As of December 31, 2024 | | Performance (Net IRR) | | | | | |
|--------------------------|------------------|-----------------------|-------------|-------------|----------|--------------|----------------|
| | Market Value (M) | QTD | FYTD | 1 Year | 3 Year | ITD | Inception Date |
| Private Equity | \$26 | 6.9% | 7.9% | 19.3% | — | 40.3% | Sep-23 |
| Private Credit | \$22 | 3.3% | 4.1% | 5.4% | — | 5.4% | Dec-23 |
| Real Estate | \$13 | -0.5% | -0.8% | -1.3% | — | -1.3% | Feb-24 |
| Natural Resources | \$12 | -4.4% | -4.1% | -8.6% | — | -9.2% | Sep-23 |
| Infrastructure | \$21 | 8.3% | 11.8% | 11.8% | — | 11.8% | Sep-23 |
| HL Program | \$94 | 3.7% | 5.4% | 8.7% | — | 14.0% | Jun-23 |

Sourced from State Street/Solovis.

- Since the program's inception:
 - OPEB has committed a total of \$539 million across 28 funds
 - The total program has generated early positive returns due to private equity, private credit, and infrastructure
 - Sub-categories with negative returns are a result of the J-curve effect



Appendix

Manager Performance

OPEB Trust Private Markets



Private Equity

| As of December 31, 2024 | | Performance (Net IRR) | | | | | |
|---|------------------|-----------------------|--------|--------|--------|--------|----------------|
| | Market Value (M) | QTD | FYTD | 1 Year | 3 Year | ITD | Inception Date |
| Avista Healthcare Partners III, L.P. | \$5 | 0.6% | -12.1% | — | — | -1.8% | Mar-24 |
| Bregal Sagemount Management, L.P. | \$0.4 | NM | — | — | — | NM | Dec-24 |
| Hamilton Lane Secondary Fund VI-A, L.P. | \$14 | -26.4% | -44.5% | -47.4% | — | -26.9% | Sep-23 |
| Hamilton Lane Venture Access Fund I, L.P. | \$3 | 66.7% | 101.2% | — | — | 224.4% | Jun-24 |
| Saw Mill Capital Partners III, L.P. | \$1 | -67.0% | -78.8% | — | — | -85.4% | Jan-24 |
| The Resolute Fund VI, L.P. | \$2 | NM | -3.0% | — | — | -4.8% | Feb-24 |
| Wynnchurch Capital Partners VI, L.P. | \$1 | 7.0% | — | — | — | 22.1% | Aug-24 |

Sourced from State Street/Solovis.
 NM = Not Meaningful

Manager Performance

OPEB Trust Private Markets



Private Credit

As of December 31, 2024

Performance (Net IRR)

| | Market Value (M) | QTD | FYTD | 1 Year | 3 Year | ITD | Inception Date |
|---|------------------|--------|--------|--------|--------|--------|----------------|
| Bregal Sagemount Direct Lending Series 2023, L.P. | \$1 | -19.1% | 0.2% | — | — | -3.9% | May-24 |
| Castlelake Aviation V Stable Yield, L.P. | \$1 | — | — | — | — | 10.5% | Oct-24 |
| Hamilton Lane Strategic Opportunities Fund VIII, L.P. | \$15 | 53.2% | -24.4% | — | — | -37.4% | Feb-24 |
| ICG North American Credit Partners III, L.P. | \$1 | -2.4% | -50.0% | — | — | -70.2% | Mar-24 |
| Oaktree Special Situations Fund III, L.P. | \$4 | -22.7% | -24.1% | -20.5% | — | -19.2% | Dec-23 |
| Warburg Pincus Capital Solutions Founders Fund, L.P. | \$0.3 | NM | NM | — | — | NM | Jan-24 |

Sourced from State Street/Solovis.

NM = Not Meaningful

Manager Performance

OPEB Trust Private Markets



Real Estate

| As of December 31, 2024 | | | | | | | |
|---|------------------|-----|------|--------|--------|-----|----------------|
| Performance (Net IRR) | | | | | | | |
| | Market Value (M) | QTD | FYTD | 1 Year | 3 Year | ITD | Inception Date |
| Hamilton Lane RE Opportunities Fund I, L.P. | \$13 | NM | NM | — | — | NM | Feb-24 |

Source from State Street/Solovis.
 NM = Not Meaningful

Natural Resources

| As of December 31, 2024 | | | | | | | |
|--------------------------------------|------------------|-------|--------|--------|--------|--------|----------------|
| Performance (Net IRR) | | | | | | | |
| | Market Value (M) | QTD | FYTD | 1 Year | 3 Year | ITD | Inception Date |
| HitecVision New Energy Fund II, L.P. | NM | NM | NM | — | — | NM | Jun-24 |
| Q-Energy V, F.C.R. | \$6 | -4.3% | -19.4% | -25.1% | — | -23.2% | Sep-23 |
| Tiverton Ag Legacy Holdings II, L.P. | \$5 | — | — | — | — | -10.9% | Oct-24 |
| Tiverton AgriFinance III, L.P. | \$1 | NM | — | — | — | NM | Sep-24 |

Sourced from State Street/Solovis.
 NM = Not Meaningful

Manager Performance

OPEB Trust Private Markets



Infrastructure

| As of December 31, 2024 | | Performance (Net IRR) | | | | | |
|--|------------------|-----------------------|--------|--------|--------|--------|----------------|
| | Market Value (M) | QTD | FYTD | 1 Year | 3 Year | ITD | Inception Date |
| Arcus European Infrastructure Fund 3, L.P. | \$4 | -30.2% | -27.1% | — | — | -21.1% | Jan-24 |
| Global Infrastructure Partners V, L.P. | \$1 | NM | — | — | — | NM | Jul-24 |
| Hamilton Lane Infrastructure Opportunities Fund II, L.P. | \$12 | NM | 14.5% | — | — | 25.5% | Mar-24 |
| Pennybacker Critical Infrastructure Partners I, L.P. | \$4 | NM | 8.0% | — | — | -6.1% | Mar-24 |

Sourced from State Street/Solovis.
 NM = Not Meaningful

Glossary of Terms



| Term | Acronym | Definition |
|--------------------------------|---------|---|
| Commitment | N/A | Investor's financial obligation to provide a set amount of capital to an investment. |
| Inception to Date | ITD | Investment performance since the respective inception date. |
| Internal Rate of Return | IRR | The internal rate of return, a metric used to estimate and compare the profitability of potential investments. |
| J-Curve | N/A | Reference to the pattern where a fund initially shows negative returns due to early-stage costs and investments, followed by positive returns as the investments mature and generate profits. |
| Net Asset Value | NAV | The net value of an investment fund's assets less its liabilities. |

March 28, 2025

TO: Trustees – Board of Investments

FROM: Christopher J. Wagner 
Principal Investment Officer

Calvin Chang 
Senior Investment Analyst

FOR: April 9, 2025 Board of Investments Meeting

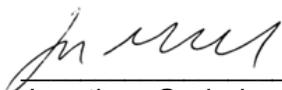
SUBJECT: **Private Equity Emerging Manager Program Update**

At the March 12, 2025, Board of Investments meeting, Trustees were provided the total Fund quarterly performance book, which included the private equity emerging manager program's performance. Building on that report, the attached presentation (**Attachment**) includes an overview of LACERA's private equity emerging manager program, along with its performance. As outlined in the attached report and guided by LACERA's Emerging Manager Policy, LACERA has established asset-class specific guidelines in light of different opportunity sets within asset classes with a consistent aim of generating attractive performance, net-of-fees. Reports on performance and structure of each asset class emerging manager program are being provided for the Board's review and to facilitate any discussion on the programs' performance against stated objectives.

Since 2008, LACERA has utilized an outsourced separate account strategy to implement the program. Initially, this involved partnering with J.P. Morgan Asset Management, and more recently, with Hamilton Lane Advisors, LLC for the latest capital tranche in 2022. These discretionary mandates focus on investing in funds within the first three institutional series of the manager, setting thresholds for buyouts and growth equity funds at under \$1 billion, and for venture capital funds at under \$400 million, while adhering to LACERA's Investment Policy Statement. Within these guidelines, the emerging manager mandate is discretionary, with LACERA retaining a consent right. Although there is no standardized definition for emerging managers across public pensions, it is generally accepted that these managers are identified by specific criteria such as the size of the fund and the series number of the fund, similar to LACERA's program.

Attachment

NOTED AND REVIEWED:



Jonathan Grabel
Chief Investment Officer

CW:CC:mm

Emerging Manager Program Update

Private Equity

Board of Investments Meeting
April 9, 2025

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| Attachment 1 – Emerging Manager Policy | |



Objective

- The objective of LACERA’s Emerging Manager Policy (“Policy”) is to enhance the total Fund’s risk-adjusted return. The Policy seeks a proper balance between the potential for higher returns available to select emerging managers, and the higher risks—both investment-related and operational—associated with less established firms.

Sourced from LACERA’s Emerging Manager Policy as found in the Investment Policy Statement.

Emerging Manager Definition

- The Policy allows **flexibility in the definition of emerging managers:**

“Emerging investment managers are **independent firms that have less substantial assets under management or may lack a long-term investment performance record.**”

“Specific requirements for assets under management (“AUM”) and length of track record are **tailored for each asset class and updated for each mandate** to take into account the composition of the manager universe prevailing at the time a search is conducted.”

Emerging Manager Program – History

Private Equity



**\$95M
Committed**

2001

LACERA made commitments to emerging managers directly through in-house resources

LACERA selected an outsourced separate account platform as the preferred method for implementation due to the resources required to manage the Program

2009
J.P.Morgan
ASSET MANAGEMENT
\$150M

LACERA elected to approve additional \$100 million commitments in both 2013 and 2016

\$100M
J.P.Morgan
ASSET MANAGEMENT
2013

\$100M
J.P.Morgan
ASSET MANAGEMENT
2016

LACERA selected JPMorgan after a competitive RFP process

2018
J.P.Morgan
ASSET MANAGEMENT
\$300M

\$400M
 Hamilton Lane
2022

LACERA selected Hamilton Lane after a competitive RFP process

Emerging Manager Program – Guidelines

Private Equity



Functional Asset Class: Growth (Target Allocation 48% +/- 8% of Total Fund); Asset Class: Private Equity (Target Allocation 17% +/- 6% of Total Fund)

| | |
|--|--|
| Benchmark | MSCI ACWI IMI Net + 200 bps (3-Month lagged) |
| Sub-Asset Class (Allocation) | Up to 100% buyout and up to 40% venture capital and growth equity |
| Geography | U.S. 55% - 80%, Non-U.S. 20% - 45%, Emerging Markets 0% - 15% (Emerging Markets allocation included in Non-U.S.) |
| Allocation Target Range | Up to 10% of PE NAV |
| Investment Size/Range | Up to 70% of annual budgeted capital for Separately Managed Accounts / Fund-of-Funds |
| Manager Diversification/Concentration | Manager Diversification: Same as broader asset class investment guidelines; Manager Concentration: Total aggregate commitment to a single general partner will not exceed 20% of the Separate Account commitment |
| Fund Concentration | LACERA's share in a single partnership, once the partnership has closed to new investments, shall not exceed 50% of that partnership's total commitments from all limited partners |
| Program Framework | Separately Managed Account |
| Emerging Manager Definition | Emerging Manager is defined as the general partner's first, second, or third institutional fund with fund sizes: (i) less than \$1 billion for buyouts and growth equity funds; (ii) less than \$400 million for venture capital funds |
| Graduation Description | Graduation entails a direct commitment to a primary fund from LACERA rather than through LACERA's emerging manager program |
| Graduation Target Timeframe | 3 – 7 years after an initial investment |

Sourced from LACERA's Board-approved November 2024 Private Equity Structure Review.

Emerging Manager Program – Portfolio Role

Private Equity



Role of Functional Categories



Investment Policy Statement

- Growth investments are the primary driver of long-term total Fund returns
- Represent equity or equity-like interest in current and future income streams
- Utilizes active strategies in less efficient market segments of private equity

Role of Private Equity

- Maximize performance while balancing risk over a long-term time horizon
- Capture equity exposures and returns that are unavailable or difficult to find in public markets
- Actively managed strategy with intentional portfolio construction
- Diversification by strategy, sector and geography

Sourced from LACERA's Board-approved November 2024 Private Equity Structure Review.

Emerging Manager Program - Allocation and Performance

Private Equity



As of December 31, 2024

Allocation

| Asset Class | Asset Class Market Value (M) | EMP MV ¹ (M) | EMP (%) | Policy Range |
|----------------|------------------------------|-------------------------|---------|---------------------|
| Private Equity | \$13,250 | \$560 | 4.2% | Up to 10% of PE NAV |



Performance (Net IRR)

| Asset Class | FYTD | 1 Year | 3 Year | 5 Year | 10 Year | ITD ² |
|---------------------------------------|-------|--------|--------|--------|---------|------------------|
| Private Equity EMP | 1.0% | 3.1% | 2.9% | 14.7% | 20.4% | 20.1% |
| Private Equity Benchmark ³ | 10.5% | 33.5% | 9.6% | 14.1% | -- | -- |

¹Total market value excludes SMA manager incentive fee accrual.

²Since inception date was January 20, 2010.

³Private Equity policy benchmark is MSCI ACWI IMI + 200 bps (3-Month lagged).

Emerging Manager Program – JPMorgan Performance

Private Equity



As of December 31, 2024

Performance (Net IRR)

| | Market Value (M) | FYTD | 1 Year | 3 Year | 5 Year | 10 Year | ITD | Inception Date ¹ |
|---------------------------------------|------------------|--------------|--------------|-------------|--------------|--------------|--------------|-----------------------------|
| JPMorgan EM I | \$56 | 0.8% | 9.9% | 4.7% | 22.8% | 20.1% | 19.2% | Jan-10 |
| JPMorgan EM II | \$55 | -1.2% | -8.5% | -10.0% | 10.1% | 28.8% | 30.7% | Apr-14 |
| JPMorgan EM III | \$88 | -1.2% | 2.1% | 2.1% | 21.5% | -- | 22.2% | Jan-17 |
| JPMorgan EM IV | \$306 | 2.2% | 4.7% | 7.1% | 9.0% | -- | 9.6% | Nov-18 |
| Total JPMorgan EMP | \$505 | 1.0% | 3.1% | 2.9% | 14.8% | 20.5% | 20.1% | Jan-10 |
| Private Equity Benchmark ² | -- | 10.5% | 33.5% | 9.6% | 14.1% | -- | -- | -- |

- JPMorgan's portfolio has faced challenges over 1 and 3-year periods, primarily due to underperformance from venture managers and significant public market equity outperformance
- The portfolio has performed well over longer periods of 5 and 10 years, as well as since inception, benefiting from its co-investment and secondary investment strategies

¹Inception date is based on the date of LACERA's first cash flow to fund the investment.

²Private Equity policy benchmark is MSCI ACWI IMI + 200 bps (3-Month lagged).

Emerging Manager Program – Hamilton Lane Performance

Private Equity



As of December 31, 2024

Performance (Net IRR)

| | Market Value (M) | FYTD | 1 Year | 3 Year | 5 Year | 10 Year | ITD | Inception Date ¹ |
|---------------------------------------|------------------|--------------|--------------|-------------|--------------|-----------|-------------|-----------------------------|
| Hamilton Lane EM I | \$28 | 0.1% | -0.8% | -- | -- | -- | 4.1% | Mar-23 |
| Total Hamilton Lane EMP | \$28 | 0.1% | -0.8% | -- | -- | -- | 4.1% | Mar-23 |
| Private Equity Benchmark ² | -- | 10.5% | 33.5% | 9.6% | 14.1% | -- | -- | -- |

- As of December 31, 2024, HLA has committed \$110 million out of the \$400 million mandate
 - \$27 million called and \$83 million remaining unfunded across 8 managers
- Public market indices have significantly outperformed since Hamilton Lane EM I was launched

¹Inception date is based on the date of LACERA's first cash flow to fund the investment.

²Private Equity policy benchmark is MSCI ACWI IMI + 200 bps (3-Month lagged).



Appendix

Glossary of Terms



| Term | Acronym | Definition |
|---|---------------|---|
| Inception to Date | ITD | The investment performance measured from the date of LACERA's first capital call to the present |
| MSCI All Country World Investable Market Index | MSCI ACWI IMI | Market index that captures large, mid and small cap representation across developed markets and emerging markets countries covering approximately 99% of the global equity investment opportunity set |
| Multiple on Invested Capital | MOIC | A commonly used return metric that shows total cash inflows divided by total cash outflows |
| Net Asset Value | NAV | The net value of an investment fund's assets less its liabilities |
| Net Internal Rate of Return | Net IRR | The internal rate of return after fees and carried interest are factored in |

Emerging Manager Program – JPMorgan EM I

Private Equity



As of December 31, 2024

Performance (Net IRR)

| | Market Value (M) | FYTD | 1 Year | 3 Year | 5 Year | 10 Year | ITD | Inception Date ¹ |
|--|------------------|--------------|--------------|-------------|--------------|--------------|--------------|-----------------------------|
| Alsop Louie Capital II, L.P. | \$3 | -0.1% | 0.6% | -17.7% | 4.9% | -2.7% | -2.3% | Oct-10 |
| ● Atlantic Street Capital II, L.P. | \$16 | 7.7% | 3.6% | 15.3% | 14.8% | 42.3% | 35.1% | Mar-11 |
| Chart Capital Partners II, L.P. | -- | -- | -- | -- | -- | 6.7% | 9.0% | Feb-10 |
| ● Clarion Capital II, L.P. | \$0.6 | -0.1% | -26.6% | 108.6% | 123.5% | 46.8% | 39.1% | May-13 |
| Goode Partners Consumer Fund II, L.P. | \$3 | -10.8% | -11.9% | 10.5% | 12.2% | 54.7% | 47.5% | Sep-13 |
| Greycroft Partners II, L.P. | \$9 | 14.0% | 10.7% | -5.5% | 19.2% | 10.6% | 18.2% | Apr-10 |
| Greycroft Partners III, L.P. | \$12 | -1.0% | -4.7% | -15.1% | 13.3% | 14.1% | 13.6% | Apr-13 |
| Gridiron Capital Fund II, L.P. | \$2 | -5.1% | -16.4% | -6.1% | 2.2% | 9.7% | 12.3% | Feb-12 |
| ● Incline Equity Partners III, L.P. | -- | -- | -69.2% | -6.8% | 37.1% | 47.3% | 37.1% | Sep-13 |
| KarpReilly Capital Partners II, L.P. | \$5 | 0.0% | 1.3% | -5.5% | 2.5% | 5.9% | 4.0% | May-12 |
| Kinderhook Capital III, L.P. | -- | -- | -- | -- | -9.0% | 11.3% | 12.9% | Jul-10 |
| Mercato Partners Growth II, L.P. | -- | -- | -- | -91.4% | 29.9% | 9.5% | 10.1% | Aug-12 |
| Palm Beach Capital Fund III, L.P. | \$1 | -41.0% | -51.8% | -20.7% | 16.4% | 20.7% | 19.8% | Apr-11 |
| Peak Rock Capital Fund, L.P. | \$5 | 0.1% | 0.2% | 0.3% | -2.4% | 16.8% | 16.6% | Oct-13 |
| Rizvi Opportunistic Equity Fund II, L.P. | \$0.5 | 97.1% | 54.5% | -60.0% | -30.8% | -6.0% | 0.9% | Mar-11 |
| Silver Oak Services Partners II, L.P. | \$6 | -6.8% | -16.3% | 13.9% | 35.8% | 38.7% | 27.9% | Dec-12 |
| Silverhawk Capital Partners II, L.P. | -- | 13.8% | 67.1% | 42.7% | 23.2% | 32.4% | 21.7% | Jan-10 |
| Summit Park I-A, L.P. | \$0.2 | -1.5% | 888.6% | 113.3% | 44.7% | 36.2% | 29.1% | Apr-12 |
| Union Square Ventures Opportunity Fund, L.P. | \$0.7 | -30.5% | -8.5% | -30.8% | 10.9% | 2.5% | 58.2% | Dec-10 |
| Total JPMorgan EM I² | \$64 | 0.8% | 9.9% | 4.7% | 22.8% | 20.1% | 19.2% | Jan-10 |
| Private Equity Benchmark³ | -- | 10.5% | 33.5% | 9.6% | 14.1% | -- | -- | -- |

¹Inception date is based on the date of LACERA's first cash flow to fund the investment.

²Total market value excludes SMA manager incentive fee accrual.

³Private Equity policy benchmark is MSCI ACWI IMI + 200 bps (3-Month lagged).

● Emerging Manager Graduate Fund

Emerging Manager Program – JPMorgan EM II

Private Equity



As of December 31, 2024

Performance (Net IRR)

| | Market Value (M) | FYTD | 1 Year | 3 Year | 5 Year | 10 Year | ITD | Inception Date ¹ |
|---|------------------|--------------|--------------|---------------|--------------|--------------|--------------|-----------------------------|
| Alsop Louie Capital III, L.P. | \$9 | 0.0% | -0.5% | -7.5% | 5.9% | -- | 9.4% | Mar-15 |
| • Atlantic Street Capital III, L.P. | \$13 | 1.3% | -6.8% | -10.4% | 10.0% | -- | 12.6% | Jun-16 |
| Foundation Investment Partners, L.P. | -- | -- | -- | -1.4% | 11.0% | -- | 29.1% | Jul-15 |
| Goode Partners Consumer Fund III, L.P. | \$7 | 28.5% | 22.2% | -16.4% | 2.6% | -- | -5.1% | Dec-15 |
| Greycroft Growth, L.P. | \$8 | 7.5% | 6.5% | -10.2% | 5.7% | 9.4% | 9.3% | Jun-14 |
| Greycroft Partners IV, L.P. | \$13 | -4.0% | -22.5% | -19.3% | 7.3% | -- | 12.8% | Jan-16 |
| • Joy Capital I, L.P. | \$4 | -12.0% | -24.4% | -23.7% | -11.6% | -- | 28.4% | Oct-15 |
| JZI Fund III, L.P. | \$3 | -6.6% | -3.9% | -14.8% | -8.5% | -- | -1.9% | Jan-16 |
| Moelis Capital Partners Opp. Fund I-B, L.P. | \$1 | -13.1% | -26.2% | 3.1% | 21.4% | 18.0% | 17.3% | Apr-14 |
| New Mainstream Capital II, L.P. | \$4 | -15.9% | -18.6% | -4.8% | -2.0% | 7.9% | 7.5% | Jul-14 |
| Palm Beach Capital III, L.P. | \$0.3 | -34.4% | -44.8% | -18.3% | 14.6% | -- | 21.1% | Jul-15 |
| Summit Park II, L.P. | \$1 | -20.0% | -19.1% | 20.1% | 65.9% | 30.7% | 29.0% | Sep-14 |
| Co-Investments ² | -- | -- | -- | 143.2% | 16.2% | 74.2% | 87.4% | Jun-14 |
| Total JPMorgan EM II³ | \$63 | -1.2% | -8.5% | -10.0% | 10.1% | 28.8% | 30.7% | Apr-14 |
| Private Equity Benchmark⁴ | -- | 10.5% | 33.5% | 9.6% | 14.1% | -- | -- | -- |

• *Emerging Manager Graduate Fund*

¹Inception date is based on the date of LACERA's first cash flow to fund the investment.

²Aggregate total of all co-investments made by the fund.

³Total market value excludes SMA manager incentive fee accrual.

⁴Private Equity policy benchmark is MSCI ACWI IMI + 200 bps (3-Month lagged).

Emerging Manager Program – JPMorgan EM III

Private Equity



As of December 31, 2024

Performance (Net IRR)

| | Market Value (M) | FYTD | 1 Year | 3 Year | 5 Year | 10 Year | ITD | Inception Date ¹ |
|---|------------------|--------------|--------------|-------------|--------------|-----------|--------------|-----------------------------|
| Aldrich Capital Partners Fund, L.P. | \$12 | 2.3% | 37.4% | 21.0% | 19.6% | -- | 21.1% | Sep-18 |
| Greycroft Growth II, L.P. | \$14 | -0.7% | -4.7% | -10.4% | 16.0% | -- | 17.9% | May-17 |
| ● Incline Equity Partners IV, L.P. | \$4 | 11.6% | 11.5% | 16.4% | 30.6% | -- | 28.2% | Aug-17 |
| ● Joy Capital II, L.P. | \$7 | 9.4% | 3.6% | 5.8% | -2.2% | -- | 6.3% | Sep-17 |
| Kerogen Expansion Fund, L.P. | \$4 | -2.9% | -0.7% | 3.0% | 5.2% | -- | 8.5% | Sep-17 |
| NeoTribe Ventures I, L.P. | \$9 | -2.5% | -0.9% | -8.9% | 20.2% | -- | 20.1% | Jun-17 |
| Next Coast Ventures I, L.P. | \$8 | -0.2% | 0.4% | -13.2% | 22.9% | -- | 18.6% | Jan-17 |
| Palm Beach Capital Fund IV, L.P. | \$6 | 4.6% | 12.2% | 3.5% | 24.2% | -- | 28.0% | Aug-17 |
| Summit Park III, L.P. | \$5 | -18.2% | -24.6% | 6.5% | 5.6% | -- | 4.7% | Jan-19 |
| Ten Coves Capital I, L.P. | \$4 | -0.1% | -0.4% | 2.8% | 96.5% | -- | 81.5% | Apr-18 |
| Ten Coves Capital II, LP | \$10 | 1.8% | 1.3% | -4.2% | 6.4% | -- | 10.0% | Nov-17 |
| Warren Equity Partners Fund II, L.P. | \$5 | -19.0% | -20.7% | 20.6% | 47.2% | -- | 36.0% | Sep-18 |
| Co-Investments ² | \$9 | 0.7% | 2.2% | -7.1% | 45.0% | -- | 33.2% | Sep-17 |
| Total JPMorgan EM III³ | \$97 | -1.2% | 2.1% | 2.1% | 21.5% | -- | 22.2% | Jan-17 |
| Private Equity Benchmark⁴ | -- | 10.5% | 33.5% | 9.6% | 14.1% | -- | -- | -- |

● *Emerging Manager Graduate Fund*

¹Inception date is based on the date of LACERA's first cash flow to fund the investment.

²Aggregate total of all co-investments made by the fund.

³Total market value excludes SMA manager incentive fee accrual.

⁴Private Equity policy benchmark is MSCI ACWI IMI + 200 bps (3-Month lagged).

Emerging Manager Program – JPMorgan EM IV

Private Equity



As of December 31, 2024

Performance (Net IRR)

| | Market Value (M) | FYTD | 1 Year | 3 Year | 5 Year | 10 Year | ITD | Inception Date ¹ |
|---|------------------|--------------|--------------|-------------|--------------|---------|-------------|-----------------------------|
| ● Access Holdings Fund I, L.P. | \$23 | -1.9% | -7.8% | 5.5% | 21.1% | -- | 19.4% | Dec-19 |
| Agilitas 2020 Private Equity Fund | \$4 | 0.5% | 7.1% | -3.8% | -- | -- | -7.5% | Mar-21 |
| Banneker Partners Fund II, L.P. | \$7 | 3.9% | 6.8% | -- | -- | -- | 7.2% | Sep-22 |
| Foundation Investment Partners II, L.P. | \$24 | 6.7% | 22.9% | 16.4% | 15.6% | -- | 15.0% | Apr-19 |
| Great Point Partners III, L.P. | \$13 | -6.3% | -10.0% | 8.3% | 11.9% | -- | 15.2% | May-19 |
| GRO Capital III | \$8 | -2.0% | -6.7% | -- | -- | -- | -9.4% | Jun-22 |
| HPH II FF, L.P. | \$18 | -0.3% | -0.7% | 13.8% | -- | -- | 14.0% | Oct-21 |
| ● Joy Capital Opportunity, L.P. | \$20 | 29.7% | 20.6% | 2.9% | 1.7% | -- | 6.8% | Nov-18 |
| Neotribe Ventures II, L.P. | \$7 | -6.2% | 6.3% | -1.0% | -- | -- | -2.3% | Jun-20 |
| NexPhase Capital Fund IV, L.P. | \$17 | 3.4% | 8.7% | 5.9% | -- | -- | 13.4% | Apr-21 |
| Next Coast ETA I, L.P. | \$8 | 6.7% | 18.1% | 12.9% | -- | -- | 11.2% | Sep-21 |
| Next Coast Ventures II, L.P. | \$13 | -1.3% | -2.7% | -8.6% | -3.0% | -- | -3.2% | Aug-19 |
| Osceola Fund 1, L.P. | \$25 | -8.5% | 1.9% | 9.7% | -- | -- | 15.7% | Jun-20 |
| Peloton Equity II, LP | \$13 | -1.3% | -6.7% | -15.3% | -- | -- | -5.4% | Feb-21 |
| Pemba Capital Fund II, LP | \$18 | 11.2% | 7.5% | -- | -- | -- | 15.9% | May-22 |
| Rockwood IV, L.P. | \$3 | -1.3% | 39.5% | -- | -- | -- | 14.3% | Feb-23 |
| Southfield Capital III, L.P. | \$15 | -0.2% | 2.0% | 9.1% | -- | -- | 8.4% | Feb-21 |
| Ten Coves Capital III, L.P. | \$6 | 5.5% | 20.9% | 11.2% | -- | -- | 8.7% | Mar-21 |
| The Fifth Alcuin Fund Limited Partnership | \$7 | -8.9% | -7.6% | -4.0% | -- | -- | -3.3% | Apr-21 |
| Warren Equity Partners Fund III, L.P. | \$13 | 2.4% | 3.7% | 10.5% | -- | -- | 11.7% | Mar-21 |
| Co-Investments ² | \$47 | 3.4% | 7.7% | 16.3% | 12.0% | -- | 11.9% | Nov-19 |
| Total JPMorgan EM IV³ | \$309 | 2.2% | 4.7% | 7.1% | 9.0% | | 9.6% | Nov-18 |
| Private Equity Benchmark⁴ | -- | 10.5% | 33.5% | 9.6% | 14.1% | -- | -- | -- |

¹Inception date is based on the date of LACERA's first cash flow to fund the investment.

³Total market value excludes SMA manager incentive fee accrual.

²Aggregate total of all co-investments made by the fund.

⁴Private Equity policy benchmark is MSCI ACWI IMI + 200 bps (3-Month lagged).

● Emerging Manager Graduate Fund

Emerging Manager Program – Hamilton Lane EM I

Private Equity



As of December 31, 2024

Performance (Net IRR)

| | Market Value (M) | FYTD | 1 Year | 3 Year | 5 Year | 10 Year | ITD | Inception Date ¹ |
|---|---------------------|--------------|--------------|-------------|--------------|-----------|-------------|--------------------------------|
| 5th Century Partners Fund II, L.P. | \$3 | 0.0% | -- | -- | -- | -- | 0.0% | Nov-24 |
| Allied Industrial Partners I, L.P. | \$3 | -7.4% | -- | -- | -- | -- | -7.4% | Sep-24 |
| Clearhaven Fund II, L.P. | \$3 | 0.0% | -- | -- | -- | -- | 0.0% | Dec-24 |
| Cohere Capital Fund II, L.P. | -- | -- | -- | -- | -- | -- | -- | -- |
| KLC Fund II, L.P. | \$2 | -1.0% | -- | -- | -- | -- | -11.4% | Apr-24 |
| NewView Capital Fund III, L.P. | \$7 | 0.8% | 1.6% | -- | -- | -- | 6.6% | Apr-23 |
| Red Arts Capital Opportunity Fund I, L.P. | \$6 | 2.8% | 3.1% | -- | -- | -- | 21.5% | Mar-23 |
| UCK Partners III, L.P. | \$4 | 1.5% | 4.4% | -- | -- | -- | -3.9% | Nov-23 |
| Total Hamilton Lane EM I | \$28 | 0.1% | -0.8% | -- | -- | -- | 4.1% | Mar-23 |
| Private Equity Benchmark² | -- | 10.5% | 33.5% | 9.6% | 14.1% | -- | -- | -- |

¹Inception date is based on the date of LACERA's first cash flow to fund the investment.

²Private Equity policy benchmark is MSCI ACWI IMI + 200 bps (3-Month lagged).



Emerging Manager Policy

FEBRUARY 2020

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I. Introduction

LACERA's mission is to "Produce, Protect, and Provide the Promised Benefit" for all its members. In order to achieve this mission, LACERA has developed various policies to guide its investments. These policies are governed by the California constitution and by various statutes, and embedded within the regulations are fundamental concepts of loyalty and prudence. The duty of loyalty means that Board members and staff must act in the sole interest of LACERA's members and beneficiaries; the duty of prudence requires that we discharge our responsibilities with skill, care, and diligence—and that we diversify the portfolio in order to minimize the risk of loss and maximize the expected rate of return.

The Emerging Manager Policy ("Policy") furthers the investment beliefs, philosophy, and strategies outlined in LACERA's Investment Policy Statement ("IPS"), adheres in all respects to the Code of Ethical Conduct and the Conflict of Interest Code, and complies with all applicable governing regulations.

LACERA values diversity and inclusion. These values permeate the entire LACERA portfolio and extend beyond the emerging manager program. As stated in the IPS, LACERA believes that effectively accessing and managing diverse talent—inclusive of varied backgrounds, age, experience, race, sexual orientation, gender, ethnicity, and culture—leads to improved outcomes. LACERA expects all its external asset managers and third party providers to respect LACERA's values of diversity and inclusion and to reflect them in their own organizations.

II. Purpose and Objective

The objective of LACERA's Emerging Manager Policy is to enhance the total Fund's risk-adjusted return. The Policy seeks a proper balance between the potential for higher returns available to select emerging managers, and the higher risks—both investment-related and operational—associated with less established firms.

The Policy provides LACERA an opportunity to invest in promising investment management organizations early in their development. Investing with managers that have fewer clients, smaller assets, or a short track record may provide LACERA access to investment strategies that larger, more established managers might overlook. Smaller investment management firms may generate attractive performance, net-of-fees, because of increased market flexibility associated with smaller asset bases. In addition, first- or second-time funds may outperform later funds in private markets. Furthermore, investing early in the lifecycle of select emerging managers may carry benefits that include lower fees (founder's terms), future capacity rights, and preferred economics such as a share of future revenues.

Counterbalancing the attractive returns from investing with emerging managers is a greater return dispersion and the possibility of greater investment and operational risk—particularly in areas such as compliance, portfolio administration, cybersecurity, business continuity, and succession planning.

Emerging managers are highly motivated to perform well for early investors because doing so can be crucial to their firm's growth. As a result, institutional investors such as LACERA may have a greater alignment of interests with emerging managers than with more established ones.

III. Emerging Manager Definition

Emerging investment managers are independent firms that have less substantial assets under management or may lack a long-term investment performance record. LACERA is interested in emerging managers that have strong alignment of interest with their investors and expects principals of the firm to hold a substantial majority of the ownership interest of the company. Specific requirements for assets under management (“AUM”) and length of track record are tailored for each asset class and updated for each mandate to take into account the composition of the manager universe prevailing at the time a search is conducted.

Emerging managers are held to the same high performance standards that apply to all of LACERA’s external managers. In addition, LACERA conducts an ongoing assessment of all external managers’ commitment to, adherence with, and track record of accessing and retaining diverse and inclusive workforces. Emerging managers may include, but are not limited to, investment managers that are owned by individuals of diverse backgrounds that have traditionally been underrepresented in the financial services industry. More broadly, all else equal, LACERA prefers firms that are committed to and have established a demonstrated track record of diversity and inclusion throughout the firm’s workforce, inclusive of investment professionals.

IV. Structure

LACERA may hire emerging managers either directly or by employing a fund-of-funds manager skilled at sourcing emerging managers. Either type of mandate must adhere to LACERA’s defined procurement procedures and requires approval by the Board of Investments. Investment strategies managed by emerging managers must be suitable for LACERA’s portfolio and fit within the approved strategic asset allocation and asset class structure, as well as the portfolio’s risk and liquidity constraints.

For each asset class, LACERA conducts periodic structure reviews that incorporate specific criteria and recommended allocation ranges for emerging managers (see “Attachment” for current BOI-approved ranges). The structure reviews take into consideration the opportunities and risks of the asset class and are conducted in consultation with LACERA’s applicable investment consultants. The implementation of any emerging manager program must advance the principles, objectives, and initiatives established within the asset class structure review.

V. Graduation

Selected emerging managers will be reviewed in accordance with their respective asset class policies to determine if they continue to meet the requirements of the emerging manager program or if they qualify for graduation from emerging status. Graduation recommendations will be included in the biennial asset class structure reviews.

VI. Monitoring and Reporting

LACERA staff will monitor the emerging managers on an ongoing basis and report annually to the Board on potential issues, performance, and significant developments.

Attachment

Emerging Manager Allocation Ranges¹

| | Target | Range |
|--------------------------------|--------|--------|
| Global Equity | - | 0-10% |
| Private Equity | - | 0-10% |
| Credit | 15% | 10-20% |
| Real Assets & Inflation Hedges | 10% | 0-15% |
| Core/Non-Core Real Estate | 10% | 0-15% |
| Hedge Funds | 15% | 10-20% |

Document History

Revised September 2024
 Revised February 12, 2020
 Revised August 8, 2016
 Revised November 19, 2014
 Revised November 20, 2013
 Revised November 13, 2012
 Revised October 31, 2012
 Revised July 8, 2009
 Revised March 11, 2009
 Revised September 13, 2006
 Adopted June 13, 2001

¹The allocation ranges shown are the most recent numbers approved by the BOI.

Emerging Manager Program Update

Global Equity

Board of Investments Meeting
April 9, 2025

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Objective

- The objective of LACERA’s Emerging Manager Policy (“Policy”) is to enhance the total Fund’s risk-adjusted return. The Policy seeks a proper balance between the potential for higher returns available to select emerging managers, and the higher risks—both investment-related and operational—associated with less established firms.

Sourced from LACERA’s Emerging Manager Policy as found in the Investment Policy Statement.

Emerging Manager Definition

- The Policy allows **flexibility in the definition of emerging managers**:

“Emerging investment managers are **independent firms that have less substantial assets under management or may lack a long-term investment performance record.**”

“Specific requirements for assets under management (“AUM”) and length of track record are **tailored for each asset class and updated for each mandate** to take into account the composition of the manager universe prevailing at the time a search is conducted.”

Emerging Manager Program – History

Global Equity



LeadingEdge LEIA™



\$200M
Invested
1995

The Fund-of-Funds program was disbanded and a direct global EMP mandate was launched

\$345M
2018

Second EMP search is launched, but results in no direct hires

2022

\$935M
2024

LACERA's first Emerging Manager Program "EMP" was launched and managed through a US Fund-of-Funds program

2017

Two US and one non-US small cap managers are hired as a result of the direct EMP search

2021

Third iteration of EMP adopted with an expanded allocation range of 0-10%

Leading Edge Investment Advisors ("LEIA") and New Alpha Asset Management ("New Alpha") funded

Emerging Manager Program – Guidelines

Global Equity



Functional Asset Class: Growth (Target Allocation 48% +/- 8% of Total Fund)
 Asset Class: Global Equity (Target Allocation 29% +/- 7% of Total Fund)

| | |
|------------------------------------|---|
| Benchmark | MSCI ACWI IMI Net |
| Investment Size/Range | Up to 10% of the Global Equity Portfolio |
| Program Framework | Separate account emerging manager program |
| Manager Diversification | LACERA is to represent no more than 40% of separate account manager/emerging managers' firm assets |
| Program Framework | <ul style="list-style-type: none"> • Typically has less than \$3 billion in firm assets under management. Firm assets cannot exceed \$5 billion • No person or entity, other than the principals or employees of the emerging manager, shall own more than 49% interest in the firm • Portfolio management team must have an average of at least five (5) years of investment experience managing a strategy similar to the investment style as LACERA's proposed investment • Firm age is typically less than 5 years and cannot exceed 15 years at time of hire. The weighted average age of the total LACERA portfolio can be no more than 10 years at the program's inception • Emerging manager: i) is registered as an investment adviser under the Investment Advisers Act of 1940 or is exempt from registration, ii) has audited financial statements or will obtain within one year of hire, and iii) complies with Global Investment Performance Standards (GIPS). Firm undergoes annual GIPS verification or separate account manager confirms compliance • LACERA retains consent right for emerging manager selection |
| Emerging Manager Definition | Emerging managers are independent firms that have less substantial assets under management, may lack a long-term investment performance record, and are further defined by the Program Framework above |
| Graduation Description | Graduation entails re-categorizing an investment from LACERA's emerging manager program to LACERA's primary portfolio that may adjust the size of the investment |
| Graduation Target Timeframe | 3 – 7 years after an initial investment |

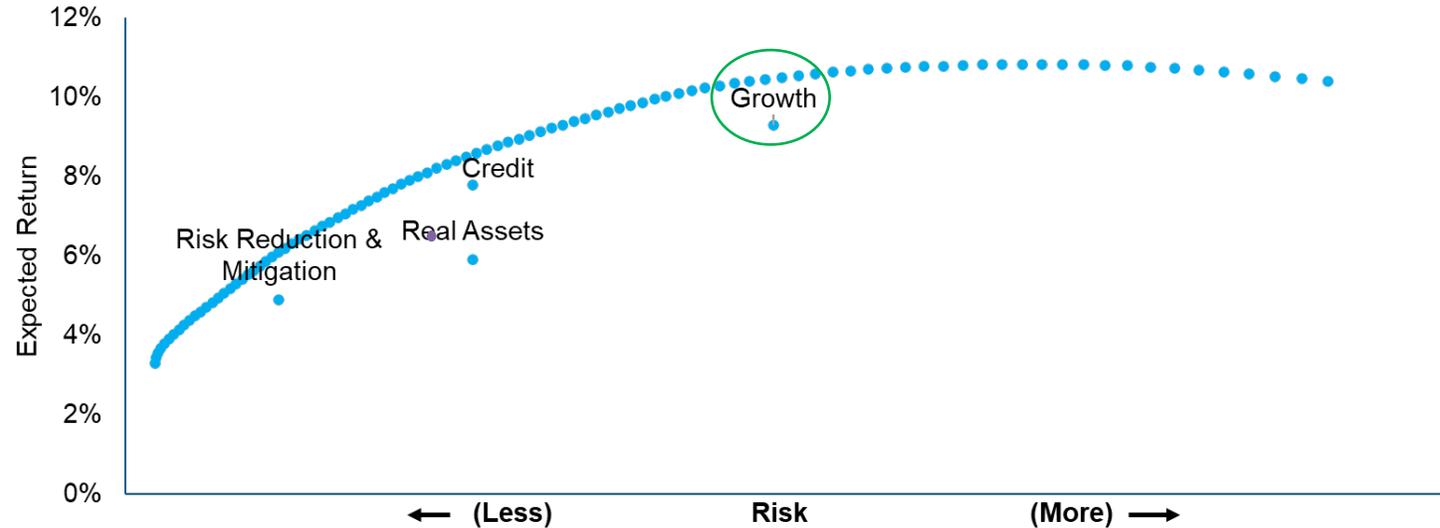
Sourced from LACERA's Board-approved Global Equity guidelines from the March 2024 BOI meeting.

Emerging Manager Program – Portfolio Role

Global Equity



Role of Growth



Investment Policy Statement

- Growth investments are the primary driver of long-term total Fund returns
- Represent equity or equity-like interest in current and future income streams
- Utilizes passive strategies in relatively efficient markets and active strategies in less efficient markets

Role of Global Equity

- Provide Global Equity market beta exposure with excess returns (alpha) as a secondary consideration
- Passive strategy used to obtain market beta by closely tracking a broad market index
- Non-passive strategies seek excess return against the benchmark at reasonable levels of risk

Sourced from LACERA's Board-approved November 2024 Global Equity Structure Review.

Emerging Manager Program – Allocation and Performance

Global Equity



As of December 31, 2024

Allocation

| Asset Class | Asset Class Market Value (M) | EMP Market Value (M) | EMP (%) | Policy Range |
|---------------|------------------------------|----------------------|---------|--------------|
| Global Equity | \$25,460 | \$983 | 3.9% | 0-10% |



Performance (Net)

| Asset Class | QTD | FYTD | 1 Year | 3 Year | ITD ¹ |
|--------------------------------|-------|------|--------|--------|------------------|
| Global Equity EMP ² | -2.7% | 4.9% | -- | -- | 5.2% |
| MSCI ACWI IMI | -1.2% | 5.5% | -- | -- | 6.7% |

¹Since inception date of May 29, 2024.

²Performance for Global Equity EMP represents performance for LEIA and New Alpha.

Emerging Manager Program – LEIA Performance

Global Equity



| As of December 31, 2024 | | Performance (Net) | | | | | |
|--|----------------------|-------------------|--------------|-------------|-----------|-----------|------------------|
| | Strategy Benchmark | Market Value(M) | QTD | FYTD | 1 Year | 3 Year | ITD ¹ |
| Promethos Capital | MSCI ACWI | \$99 | -2.4% | 7.6% | -- | -- | 10.4% |
| Distillate Capital Partners | SP-500 | \$97 | -2.8% | 7.8% | -- | -- | 7.9% |
| Sustainable Insight Capital Management | SP-500 | \$83 | 1.9% | 5.7% | -- | -- | 10.6% |
| Haven Global Partners | MSCI World ex US | \$73 | -7.4% | -0.6% | -- | -- | -2.3% |
| Oliver Luxxe Assets | Russell 2000 Value | \$66 | 0.9% | 10.1% | -- | -- | 9.3% |
| Metis Global Partners | MSCI EAFE | \$48 | -7.2% | 2.2% | -- | -- | -3.7% |
| Transition Account ² | MSCI EM | \$40 | -8.4% | -2.8% | -- | -- | -0.1% |
| Contrast Capital Management | MSCI EAFE Small Cap | \$19 | -8.1% | -1.3% | -- | -- | -4.3% |
| Total LEIA Composite | MSCI ACWI IMI | \$526 | -3.4% | 4.7% | -- | -- | 5.1% |
| MSCI ACWI IMI | -- | -- | -1.2% | 5.5% | -- | -- | 6.7% |

- Since inception, the portfolio has underperformed the benchmark due to underperformance in non-US markets as well as the portfolio's slight value orientation

¹Since inception date of May 29, 2024.

²The transition account holds assets from the dissolution of Rondure Global Advisors; LACERA is in the process of onboarding a replacement manager.

Emerging Manager Program – New Alpha Performance

Global Equity



| As of December 31, 2024 | | Performance (Net) | | | | | |
|--|----------------------|-------------------|--------------|-------------|-----------|-----------|------------------|
| | Strategy Benchmark | Market Value (M) | QTD | FYTD | 1 Year | 3 Year | ITD ¹ |
| Clifford Capital Partners | Russell 3000 Value | \$90 | 0.5% | 12.2% | -- | -- | 11.9% |
| Port Capital | Russell 3000 | \$87 | -2.2% | 8.9% | -- | -- | 8.9% |
| 2X Ideas | MSCI World Mid Cap | \$79 | -4.1% | 5.7% | -- | -- | 5.7% |
| Eldred Rock Partners | MSCI ACWI ex US | \$74 | -9.8% | -8.0% | -- | -- | -7.9% |
| Maytech Global Investments | MSCI ACWI | \$74 | 6.4% | 5.2% | -- | -- | 5.2% |
| Jackson Creek Investment Advisors | Russell 2000 | \$54 | 0.0% | 8.6% | -- | -- | 8.6% |
| Total New Alpha Composite | MSCI ACWI IMI | \$458 | -1.9% | 5.2% | -- | -- | 5.1% |
| MSCI ACWI IMI | -- | -- | -1.2% | 5.5% | -- | -- | 5.4% |

- Since inception, the portfolio has underperformed the benchmark primarily due to underperformance from the portfolio's non-US holdings

¹Since inception date of June 28, 2024.



Appendix

Glossary of Terms



| Term | Acronym | Definition |
|--|---------|---|
| Beta | N/A | Beta is a measure of systematic risk, or the sensitivity of a portfolio/security, relative to an index. A beta of 1 implies that the price movement of a portfolio/security moves at same rate with the index/market |
| Cap | N/A | Abbreviation for capitalization. Market capitalization or market cap refers to the total market value of a company represented in dollar amount |
| Non-US Developed Markets | N/A | Economies with advanced economic development and mature capital markets, excluding the United States. The MSCI World-ex USA IMI Index consists of large, mid, and small-cap companies from 22 countries that are considered developed markets |
| Emerging Markets | N/A | Economies that are in the process of rapid growth and industrialization. The MSCI Emerging Markets IMI Index consists of large, mid, and small-cap companies from 24 countries that are considered emerging markets |
| Fund-of-Funds | FoF | An investment fund that pools capital from multiple investors to invest in a diversified portfolio of other private equity funds rather than directly in individual companies |
| Global Investment Performance Standards | GIPS | A set of voluntary and ethical standards used for calculating and presenting investment performance based on the principles of fair representation and full disclosure |
| Inception to Date | ITD | Investment performance since the respective inception date |
| MSCI ACWI IMI | N/A | The benchmark index used for the global equity portfolio. The index captures approximately 99% of the global equity universe |
| Separately Managed Account | SMA | An investment portfolio that is managed separately from other investment vehicles and hold investments for only one client |



Emerging Manager Policy

FEBRUARY 2020

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I. Introduction

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III. Emerging Manager Definition

Emerging investment managers are independent firms that have less substantial assets under management or may lack a long-term investment performance record. LACERA is interested in emerging managers that have strong alignment of interest with their investors and expects principals of the firm to hold a substantial majority of the ownership interest of the company. Specific requirements for assets under management (“AUM”) and length of track record are tailored for each asset class and updated for each mandate to take into account the composition of the manager universe prevailing at the time a search is conducted.

Emerging managers are held to the same high performance standards that apply to all of LACERA’s external managers. In addition, LACERA conducts an ongoing assessment of all external managers’ commitment to, adherence with, and track record of accessing and retaining diverse and inclusive workforces. Emerging managers may include, but are not limited to, investment managers that are owned by individuals of diverse backgrounds that have traditionally been underrepresented in the financial services industry. More broadly, all else equal, LACERA prefers firms that are committed to and have established a demonstrated track record of diversity and inclusion throughout the firm’s workforce, inclusive of investment professionals.

IV. Structure

LACERA may hire emerging managers either directly or by employing a fund-of-funds manager skilled at sourcing emerging managers. Either type of mandate must adhere to LACERA’s defined procurement procedures and requires approval by the Board of Investments. Investment strategies managed by emerging managers must be suitable for LACERA’s portfolio and fit within the approved strategic asset allocation and asset class structure, as well as the portfolio’s risk and liquidity constraints.

For each asset class, LACERA conducts periodic structure reviews that incorporate specific criteria and recommended allocation ranges for emerging managers (see “Attachment” for current BOI-approved ranges). The structure reviews take into consideration the opportunities and risks of the asset class and are conducted in consultation with LACERA’s applicable investment consultants. The implementation of any emerging manager program must advance the principles, objectives, and initiatives established within the asset class structure review.

V. Graduation

Selected emerging managers will be reviewed in accordance with their respective asset class policies to determine if they continue to meet the requirements of the emerging manager program or if they qualify for graduation from emerging status. Graduation recommendations will be included in the biennial asset class structure reviews.

VI. Monitoring and Reporting

LACERA staff will monitor the emerging managers on an ongoing basis and report annually to the Board on potential issues, performance, and significant developments.

Attachment

Emerging Manager Allocation Ranges¹

| | Target | Range |
|--------------------------------|--------|--------|
| Global Equity | - | 0-10% |
| Private Equity | - | 0-10% |
| Credit | 15% | 10-20% |
| Real Assets & Inflation Hedges | 10% | 0-15% |
| Core/Non-Core Real Estate | 10% | 0-15% |
| Hedge Funds | 15% | 10-20% |

Document History

Revised September 2024
 Revised February 12, 2020
 Revised August 8, 2016
 Revised November 19, 2014
 Revised November 20, 2013
 Revised November 13, 2012
 Revised October 31, 2012
 Revised July 8, 2009
 Revised March 11, 2009
 Revised September 13, 2006
 Adopted June 13, 2001

¹The allocation ranges shown are the most recent numbers approved by the BOI.

March 28, 2025

TO: Trustees – Board of Investments

FROM: Vache Mahseredjian 
Principal Investment Officer

Chad Timko 
Senior Investment Officer

Quoc Nguyen 
Investment Officer

Krista Powell 
Investment Officer

Jason Choi 
Senior Investment Analyst

FOR: April 9, 2025 Board of Investments Meeting

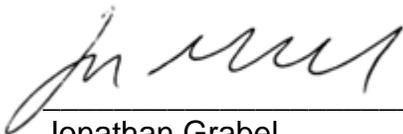
SUBJECT: **Credit Emerging Manager Program Update**

At the March 12, 2025, Board of Investments meeting, Trustees were provided the total Fund quarterly performance book which included the credit emerging manager program's performance. To supplement that report, the attached presentation (**Attachment**) includes an overview of LACERA's credit emerging manager program to further cover performance as well as program structure. As outlined in the attached report and guided by LACERA's Emerging Manager Policy, LACERA has established asset-class specific guidelines in light of different opportunity sets within asset classes with a consistent aim of generating attractive performance, net-of-fees. Reports on performance and structure of each asset class emerging manager program are being provided for the Board's review and to facilitate any discussion on the programs' performance against stated objectives.

Since the inception of the credit emerging manager program, LACERA has utilized an outsourced separate account strategy through partnership with Stable Asset Management ("Stable"). Stable performs manager sourcing, due diligence, and portfolio management for the credit emerging manager program while adhering to program guidelines as well as LACERA's Investment Policy Statement. Within these parameters, Stable's mandate is discretionary and LACERA retains consent authority.

Attachment

NOTED AND REVIEWED:



Jonathan Grabel
Chief Investment Officer

Emerging Manager Program Update

Credit

Board of Investments Meeting
April 9, 2025

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| TITLE | SLIDE |
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| Guidelines | 5 |
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| Appendix | 9 |
| Glossary of Terms | 10 |
| Attachment 1 - Emerging Manager Policy | |



Objective

- The objective of LACERA’s Emerging Manager Policy (“Policy”) is to enhance the total Fund’s risk-adjusted return. The Policy seeks a proper balance between the potential for higher returns available to select emerging managers, and the higher risks—both investment-related and operational—associated with less established firms.

Sourced from LACERA’s Emerging Manager Policy as found in the Investment Policy Statement.

Emerging Manager Definition

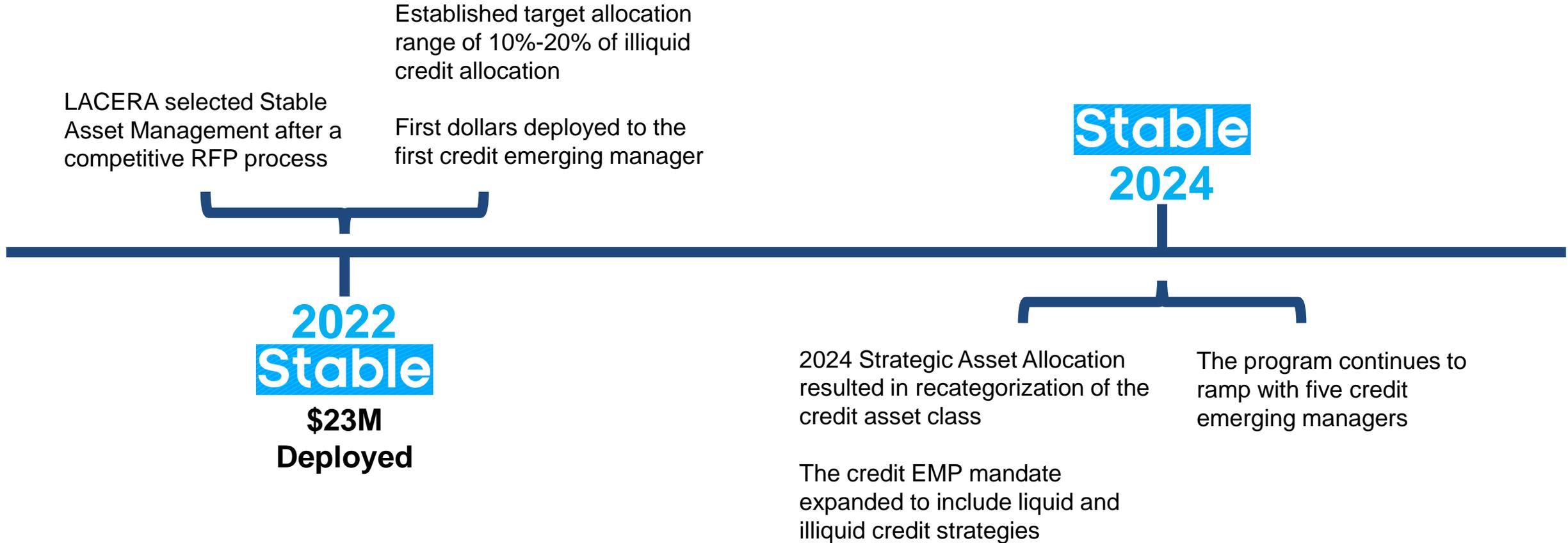
- The Policy allows **flexibility in the definition of emerging managers:**

“Emerging investment managers are **independent firms that have less substantial assets under management or may lack a long-term investment performance record.**”

“Specific requirements for assets under management (“AUM”) and length of track record are **tailored for each asset class and updated for each mandate** to take into account the composition of the manager universe prevailing at the time a search is conducted.”

Emerging Manager Program – History

Credit



Emerging Manager Program – Guidelines

Credit



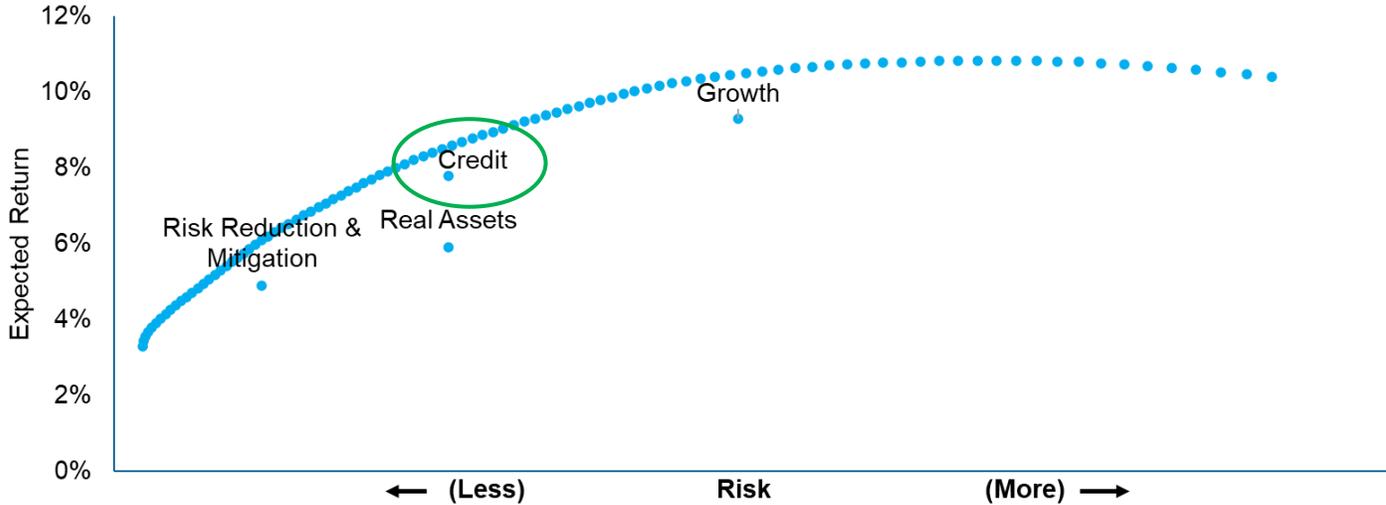
Functional Asset Class: Credit (Target Allocation 13% +/- 4% of Total Fund)

| | |
|--|---|
| Benchmark | 70% Credit Suisse Leveraged Loans; 30% Bloomberg U.S. Corporate High Yield + 100 bps (1-month lagged) |
| Performance Objective/Target Return | Meet or exceed the return of the aggregate Board approved benchmark |
| Sub-Asset Class (Allocation) | Credit (13% Target +/- 4%) |
| Target Allocation Range | 15% target allocation with a 10-20% range (of the credit portfolio) |
| Geography | Minimum of 50% invested in the US market; Maximum of 15% invested in non-developed markets |
| Manager Diversification | ~ 10 direct portfolio and ~ 10 emerging manager portfolio |
| Program Framework | Evergreen separate account emerging manager program |
| Allocation Target and Range | 15% target with a 10%-20% range (of the Credit portfolio) |
| Emerging Manager Definition | <p>An emerging illiquid credit manager meets the three following criteria at initial investment:</p> <ul style="list-style-type: none"> • Organization/team has less than \$1 billion of assets under management; • Organization/team has managed external capital in an institutional vehicle for less than 5 years; and • Organization/team is at least 66% owned by managing principals and employees |
| Graduation Description | Graduation entails re-categorizing an investment from LACERA's emerging manager program to LACERA's primary portfolio that may adjust the size of the investment |
| Graduation Target Timeframe | 3 – 12 years after an initial investment or within 2 years of a subject closed-end fund coming to the end of its life noting that this guideline is a target and a goal |
| Graduation Authority | Graduation would require approval like any new non-EMP investment as articulated in the IPS |
| Redemption Description | Redemption entails redeeming from an open-ended investment in lieu of holding it or a graduation event; closed end fund vehicles may have a natural wind-down process that is not initiated by a fund investor |
| Redemption Guideline | Absent graduation intentions for an open-ended investment, a redemption event should commence no later than 12 years after an initial investment noting that nuanced circumstances may delay the redemption |

Sourced from LACERA's Board-approved August 2024 Credit Investment Guidelines Review.

Emerging Manager Program - Portfolio Role

Credit



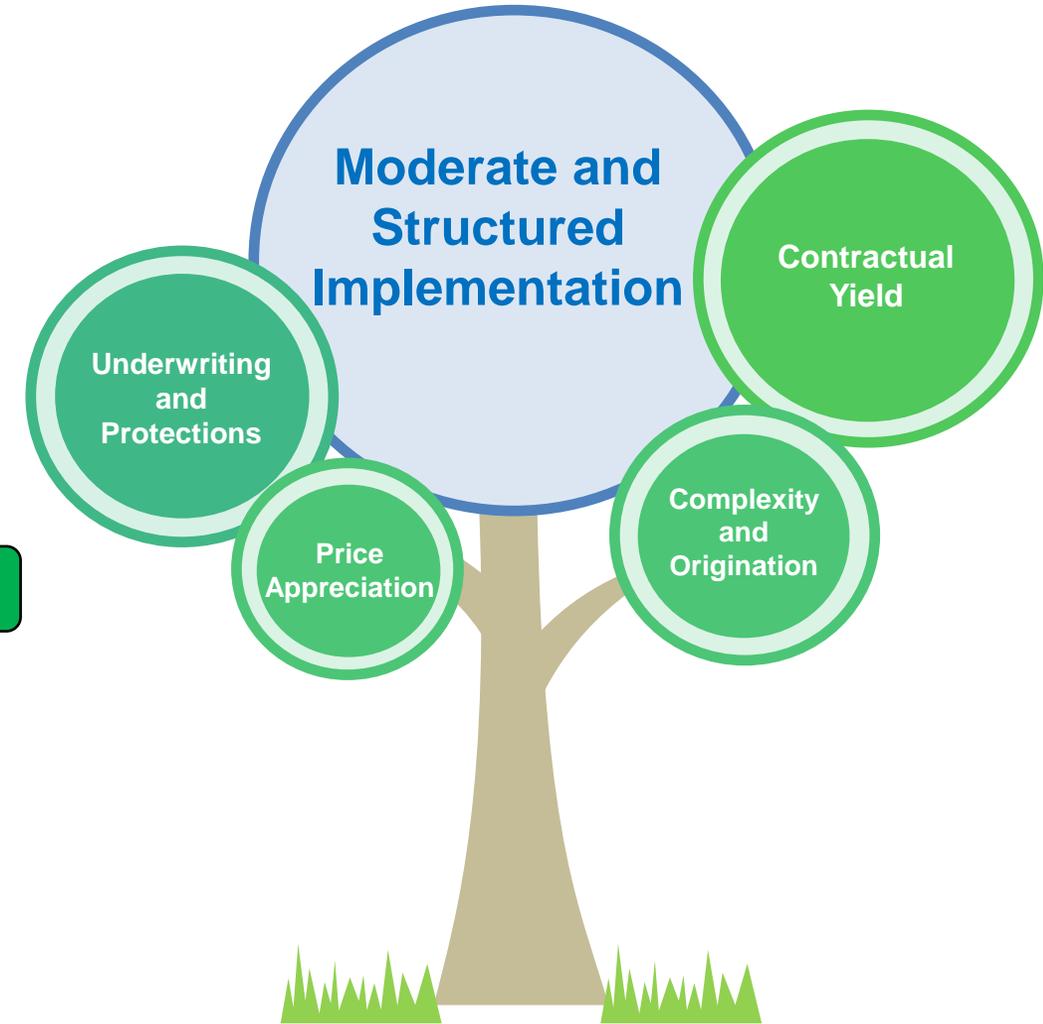
Credit Role

The Credit portfolio aims for balanced outcomes over medium to longer term periods, seeking moderate levels of:

- Current income
- Long-term total returns
- Risk
- Liquidity

Credit Objectives

- Collect contractual yield
- Emphasize fundamental underwriting and creditor protections
- Profit from complexity and upside optionality
- Be compensated for selective private sourcing or direct origination
- Limited price appreciation expectations



LACERA's Credit Role and Objectives

Sourced from LACERA's Board-approved August 2024 Credit Investment Guidelines Review.

Emerging Manager Program - Allocation and Performance

Credit



| As of December 31, 2024 | | | | | |
|--|------------------------------|----------------------|--------------|---------------|------------------|
| Allocation | | | | | |
| Asset Class | Asset Class Market Value (M) | EMP Market Value (M) | EMP (%) | Policy Range | |
| Credit | \$8,789 | \$297 | 3.4% | 10-20% | |
| <div style="display: flex; justify-content: space-around;"> <div style="text-align: center;"> <p>Strategy</p> <ul style="list-style-type: none"> Structured Credit 35% Capital Solutions 33% Specialty Finance 26% Direct Lending 6% </div> <div style="text-align: center;"> <p>Geography</p> <ul style="list-style-type: none"> North America 91% Europe 6% Asia Pacific 3% </div> </div> | | | | | |
| Performance (Net IRR) | | | | | |
| Asset Class | QTD | FYTD | 1 Year | 3 Year | ITD ¹ |
| Credit EMP | 4.2% | 7.8% | 8.8% | -- | 7.1% |
| Credit Benchmark² | 2.6% | 5.5% | 10.8% | -- | -- |

¹Since inception date of November 1, 2022.

²Credit policy benchmark of 70% Credit Suisse Leveraged Loans; 30% Bloomberg U.S. Corporate High Yield + 100 bps (1-month lagged). Prior to July 1, 2024, the Credit policy benchmark was 40% Bloomberg U.S. Corporate High Yield Index; 40% Credit Suisse Leveraged Loan Index 20% of a custom blend of emerging market debt indices (50% J.P. Morgan EMBI GD, 25% J.P. Morgan CEMBI BD, 25% J.P. Morgan GBI-EM GD) + 150 bps (1-month lagged).

Emerging Manager Program – Manager Performance

Credit



| As of December 31, 2024 | | Performance (Net IRR) | | | | | |
|--------------------------------------|------------------|-----------------------|-------|--------|--------|------|----------------|
| Manager | Market Value (M) | QTD | FYTD | 1 Year | 3 Year | ITD | Inception Date |
| HarbourView | \$78 | 14.4% | 24.3% | 16.4% | -- | 9.7% | Sep-22 |
| Phoenix Credit Partners | \$66 | 1.1% | 3.9% | 4.2% | -- | 4.1% | Dec-23 |
| Cannae | \$103 | 1.1% | 2.6% | -- | -- | 5.0% | May-24 |
| L2 Point | \$32 | 1.6% | 2.0% | -- | -- | 4.0% | Jun-24 |
| Boundary Street ¹ | \$17 | -- | -- | -- | -- | -- | Sep-24 |
| Credit Policy Benchmark ² | -- | 2.6% | 5.5% | 10.8% | -- | -- | -- |

- The credit emerging manager program is in earlier stages and portfolio development continues
- Underperformance of the nascent portfolio is partially attributed to the J-curve effect from investing in new funds
- HarbourView, the first manager in the program, has outperformed the benchmark
- For 2 of 5 managers in the program, LACERA receives a revenue share and future capacity rights in return for its early-stage investment, furthering alignment of interests
- Benchmark returns in the period since inception may be materially higher than long run capital market expectations given public credit market performance in 2023 and 2024, after heightened volatility in 2022

¹Since inception date of November 1, 2022.

²Credit policy benchmark of 70% Credit Suisse Leveraged Loans; 30% Bloomberg U.S. Corporate High Yield + 100 bps (1-month lagged). Prior to July 1, 2024, the Credit policy benchmark was 40% Bloomberg U.S. Corporate High Yield Index; 40% Credit Suisse Leveraged Loan Index 20% of a custom blend of emerging market debt indices (50% J.P. Morgan EMBI GD, 25% J.P. Morgan CEMBI BD, 25% J.P. Morgan GBI-EM GD) + 150 bps (1-month lagged).



Appendix

Glossary of Terms



| Term | Acronym | Definition |
|---|---------|---|
| Bloomberg US Corporate High Yield Index | N/A | A commonly used benchmark index for high yield, fixed-rate corporate bonds denominated in U.S. dollars. |
| Capital Solutions | N/A | Non-traditional financing solutions, that are bespoke and/or opportunistic compared to conventional bank offerings or private direct lending. |
| Credit Suisse Levered Loan Index | N/A | A commonly used benchmark index for high yield, floating-rate loans denominated in U.S. dollars. |
| Emerging Manager Program | EMP | Shorthand for Emerging Manager Program. Emerging manager as defined by policy statement. |
| Direct Lending | N/A | Traditional segment of private credit, involving the direct financing of sponsored or non-sponsored middle market companies. |
| FTSE 3-Month US Treasury Bill | FTSE | Index intended to track the daily performance of 3-month US Treasury Bills. FTSE stands for Financial Times Stock Exchange. |
| Inception to Date | ITD | Investment performance since the respective inception date. |
| Internal Rate of Return | IRR | A calculated return measure used to estimate the annual rate of growth that an investment generates. |
| J-Curve | N/A | Reference to the pattern where a fund initially shows negative returns due to early-stage costs and investments, followed by positive returns as the investments mature and generate profits. |
| J.P. Morgan EMBI GD | EMBI | J.P. Morgan EMBI Emerging Market Bond Index is an index of emerging market sovereign bonds issued in U.S. dollars. |
| J.P. Morgan CEMBI BD | CEMBI | J.P. Morgan Corporate Emerging Market Bond Index Broad Diversified is an index of emerging market corporate bonds issued in U.S. dollars. |
| J.P. Morgan GBI-EM GD | GBI-EM | J.P. Morgan Government Bond Index-Emerging Markets Global Diversified is an index of emerging market government bonds issued in local currency. |
| Structured Credit | N/A | A type of financial instrument that involves investments backed by a pool of assets. |
| Specialty Finance | N/A | Esoteric, non-traditional financing solutions compared to conventional bank offerings or private direct lending. |
| Towards Inclusion, Diversity, and Equity | TIDE | One of LACERA's strategic initiatives. |



Emerging Manager Policy

FEBRUARY 2020

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I. Introduction

LACERA's mission is to "Produce, Protect, and Provide the Promised Benefit" for all its members. In order to achieve this mission, LACERA has developed various policies to guide its investments. These policies are governed by the California constitution and by various statutes, and embedded within the regulations are fundamental concepts of loyalty and prudence. The duty of loyalty means that Board members and staff must act in the sole interest of LACERA's members and beneficiaries; the duty of prudence requires that we discharge our responsibilities with skill, care, and diligence—and that we diversify the portfolio in order to minimize the risk of loss and maximize the expected rate of return.

The Emerging Manager Policy ("Policy") furthers the investment beliefs, philosophy, and strategies outlined in LACERA's Investment Policy Statement ("IPS"), adheres in all respects to the Code of Ethical Conduct and the Conflict of Interest Code, and complies with all applicable governing regulations.

LACERA values diversity and inclusion. These values permeate the entire LACERA portfolio and extend beyond the emerging manager program. As stated in the IPS, LACERA believes that effectively accessing and managing diverse talent—inclusive of varied backgrounds, age, experience, race, sexual orientation, gender, ethnicity, and culture—leads to improved outcomes. LACERA expects all its external asset managers and third party providers to respect LACERA's values of diversity and inclusion and to reflect them in their own organizations.

II. Purpose and Objective

The objective of LACERA's Emerging Manager Policy is to enhance the total Fund's risk-adjusted return. The Policy seeks a proper balance between the potential for higher returns available to select emerging managers, and the higher risks—both investment-related and operational—associated with less established firms.

The Policy provides LACERA an opportunity to invest in promising investment management organizations early in their development. Investing with managers that have fewer clients, smaller assets, or a short track record may provide LACERA access to investment strategies that larger, more established managers might overlook. Smaller investment management firms may generate attractive performance, net-of-fees, because of increased market flexibility associated with smaller asset bases. In addition, first- or second-time funds may outperform later funds in private markets. Furthermore, investing early in the lifecycle of select emerging managers may carry benefits that include lower fees (founder's terms), future capacity rights, and preferred economics such as a share of future revenues.

Counterbalancing the attractive returns from investing with emerging managers is a greater return dispersion and the possibility of greater investment and operational risk—particularly in areas such as compliance, portfolio administration, cybersecurity, business continuity, and succession planning.

Emerging managers are highly motivated to perform well for early investors because doing so can be crucial to their firm's growth. As a result, institutional investors such as LACERA may have a greater alignment of interests with emerging managers than with more established ones.

III. Emerging Manager Definition

Emerging investment managers are independent firms that have less substantial assets under management or may lack a long-term investment performance record. LACERA is interested in emerging managers that have strong alignment of interest with their investors and expects principals of the firm to hold a substantial majority of the ownership interest of the company. Specific requirements for assets under management (“AUM”) and length of track record are tailored for each asset class and updated for each mandate to take into account the composition of the manager universe prevailing at the time a search is conducted.

Emerging managers are held to the same high performance standards that apply to all of LACERA’s external managers. In addition, LACERA conducts an ongoing assessment of all external managers’ commitment to, adherence with, and track record of accessing and retaining diverse and inclusive workforces. Emerging managers may include, but are not limited to, investment managers that are owned by individuals of diverse backgrounds that have traditionally been underrepresented in the financial services industry. More broadly, all else equal, LACERA prefers firms that are committed to and have established a demonstrated track record of diversity and inclusion throughout the firm’s workforce, inclusive of investment professionals.

IV. Structure

LACERA may hire emerging managers either directly or by employing a fund-of-funds manager skilled at sourcing emerging managers. Either type of mandate must adhere to LACERA’s defined procurement procedures and requires approval by the Board of Investments. Investment strategies managed by emerging managers must be suitable for LACERA’s portfolio and fit within the approved strategic asset allocation and asset class structure, as well as the portfolio’s risk and liquidity constraints.

For each asset class, LACERA conducts periodic structure reviews that incorporate specific criteria and recommended allocation ranges for emerging managers (see “Attachment” for current BOI-approved ranges). The structure reviews take into consideration the opportunities and risks of the asset class and are conducted in consultation with LACERA’s applicable investment consultants. The implementation of any emerging manager program must advance the principles, objectives, and initiatives established within the asset class structure review.

V. Graduation

Selected emerging managers will be reviewed in accordance with their respective asset class policies to determine if they continue to meet the requirements of the emerging manager program or if they qualify for graduation from emerging status. Graduation recommendations will be included in the biennial asset class structure reviews.

VI. Monitoring and Reporting

LACERA staff will monitor the emerging managers on an ongoing basis and report annually to the Board on potential issues, performance, and significant developments.

Attachment

Emerging Manager Allocation Ranges¹

| | Target | Range |
|--------------------------------|--------|--------|
| Global Equity | - | 0-10% |
| Private Equity | - | 0-10% |
| Credit | 15% | 10-20% |
| Real Assets & Inflation Hedges | 10% | 0-15% |
| Core/Non-Core Real Estate | 10% | 0-15% |
| Hedge Funds | 15% | 10-20% |

Document History

Revised September 2024
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 Revised November 19, 2014
 Revised November 20, 2013
 Revised November 13, 2012
 Revised October 31, 2012
 Revised July 8, 2009
 Revised March 11, 2009
 Revised September 13, 2006
 Adopted June 13, 2001

¹The allocation ranges shown are the most recent numbers approved by the BOI.

March 28, 2025

TO: Trustees – Board of Investments

FROM: Vache Mahseredjian ^{VM}
Principal Investment Officer

Chad Timko ^{CT}
Senior Investment Officer

Quoc Nguyen ^{QN}
Investment Officer

Krista Powell ^{KPP}
Investment Officer

Jason Choi ^{JC}
Senior Investment Analyst

FOR: April 9, 2025 Board of Investments Meeting

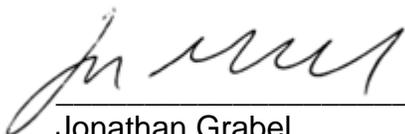
SUBJECT: **Hedge Funds Emerging Manager Program Update**

At the March 12, 2025, Board of Investments meeting, Trustees were provided the total Fund quarterly performance book which included the hedge funds emerging manager program's performance. To supplement that report, the attached presentation (**Attachment**) includes an overview of LACERA's hedge funds emerging manager program to further cover performance as well as program structure. As outlined in the attached report and guided by LACERA's Emerging Manager Policy, LACERA has established asset-class specific guidelines in light of different opportunity sets within asset classes with a consistent aim of generating attractive performance, net-of-fees. Reports on performance and structure of each asset class emerging manager program are being provided for the Board's review and to facilitate any discussion on the programs' performance against stated objectives.

Since the inception of the hedge funds emerging manager program, LACERA has utilized an outsourced separate account strategy through partnership with Stable Asset Management ("Stable"). Stable performs manager sourcing, due diligence, and portfolio management for the hedge funds emerging manager program while adhering to program guidelines as well as LACERA's Investment Policy Statement. Within these parameters, Stable's mandate is discretionary and LACERA retains consent authority.

Attachment

NOTED AND REVIEWED:



Jonathan Gabel
Chief Investment Officer

Emerging Manager Program Update

Hedge Funds

Board of Investments Meeting
April 9, 2025

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| Attachment 1 - Emerging Manager Policy | |



Objective

- The objective of LACERA's Emerging Manager Policy ("Policy") is to enhance the total Fund's risk-adjusted return. The Policy seeks a proper balance between the potential for higher returns available to select emerging managers, and the higher risks—both investment-related and operational—associated with less established firms.

Sourced from LACERA's Emerging Manager Policy as found in the Investment Policy Statement.

Emerging Manager Definition

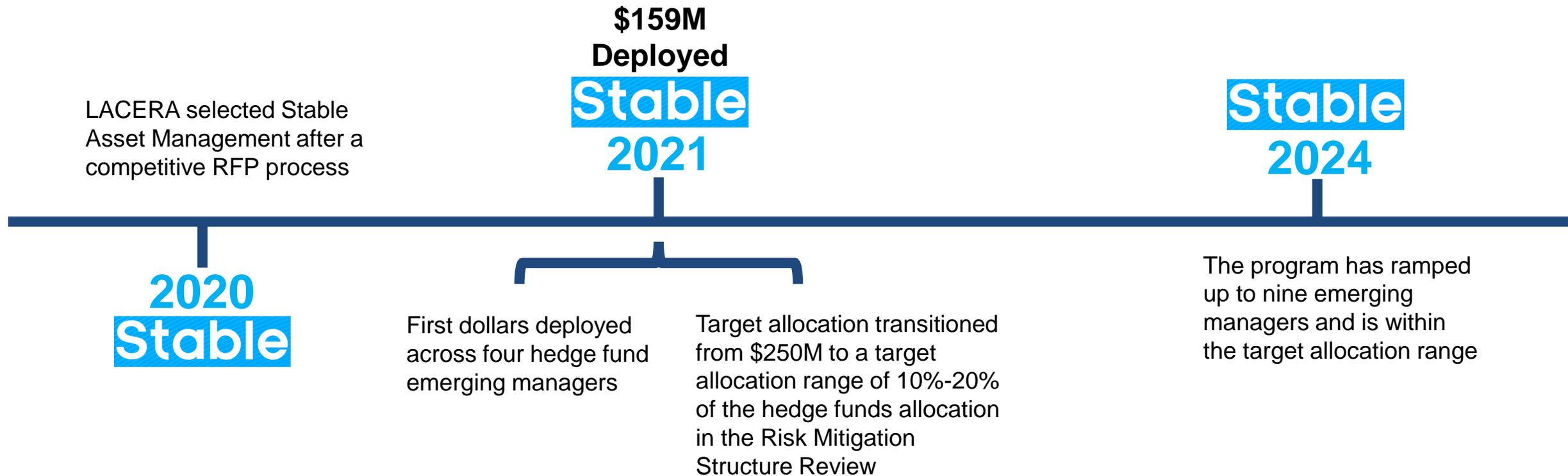
- The Policy allows **flexibility in the definition of emerging managers:**

"Emerging investment managers are **independent firms that have less substantial assets under management or may lack a long-term investment performance record.**"

"Specific requirements for assets under management ("AUM") and length of track record are **tailored for each asset class and updated for each mandate** to take into account the composition of the manager universe prevailing at the time a search is conducted."

Emerging Manager Program – History

Hedge Funds



Emerging Manager Program – Guidelines

Hedge Funds



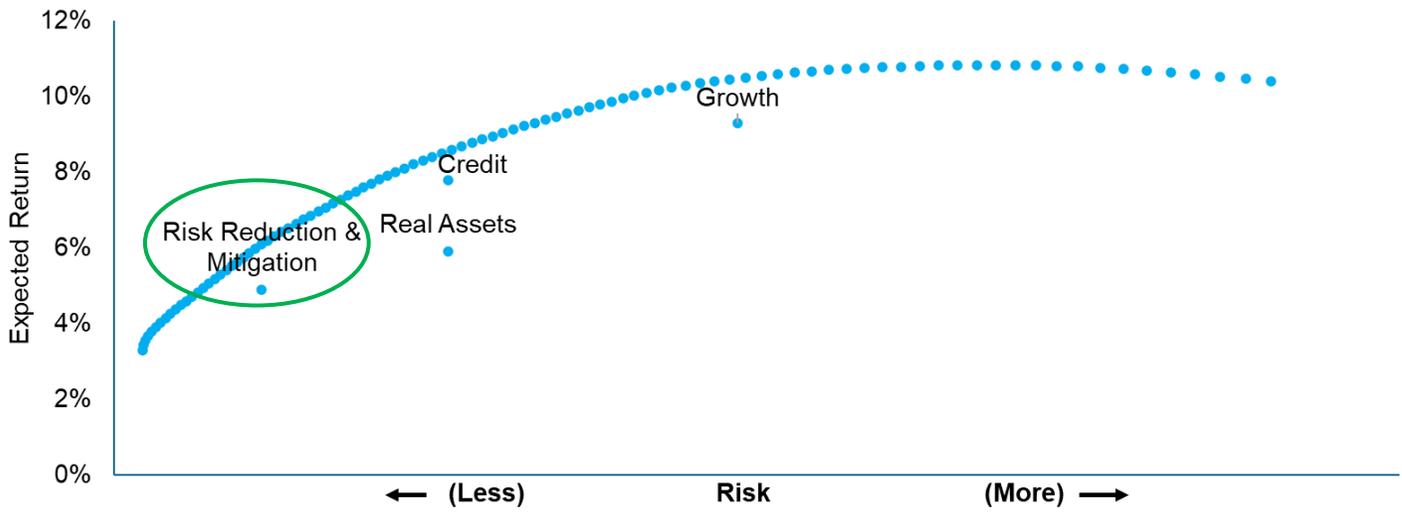
Functional Asset Class: Risk Reduction and Mitigation (Target Allocation 24% +/- 8% of Total Fund); Asset Class: Hedge Funds (Target Allocation 8% +/- 4% of Total Fund)

| | |
|--|---|
| Benchmark | Hedge Funds: FTSE 3-Month US Treasury Bill + 200 bps (1-Month lagged) |
| Performance Objective/Target Return | Cash + 2.0%; with risk mitigation objectives as guided by the IPS and structure review |
| Program Framework | Evergreen separate account emerging manager program |
| Allocation Target and Range | 15% target with a 10-20% range (of the Hedge Funds portfolio) |
| Emerging Manager Definition | <p>An emerging hedge funds manager meets the three following criteria at initial investment:</p> <ul style="list-style-type: none"> • Organization/team has less than \$500 million of assets under management; • Organization/team has managed external capital in an institutional vehicle for less than 3 years; and • Organization/team is at least 66% owned by managing principals and employees |
| Graduation Description | Graduation entails re-categorizing an investment from LACERA's emerging manager program to LACERA's primary portfolio that may adjust the size of the investment |
| Graduation Target Timeframe | 3 – 7 years after an initial investment noting that this guideline is a target and a goal |
| Graduation Authority | Graduation would require approval like any new non-EMP investment as articulated in the IPS |
| Redemption Description | Redemption entails redeeming from an investment in lieu of holding it or a graduation event |
| Redemption Guideline | Absent graduation intentions for a particular investment, a redemption event should commence no later than 7 years after an initial investment noting that nuanced circumstances may delay the redemption |

Sourced from LACERA's Board-approved April 2024 Risk Mitigation Investment Guidelines Review and LACERA's policy benchmarks approved at the May 2024 BOI meeting.

Emerging Manager Program - Portfolio Role

Hedge Funds

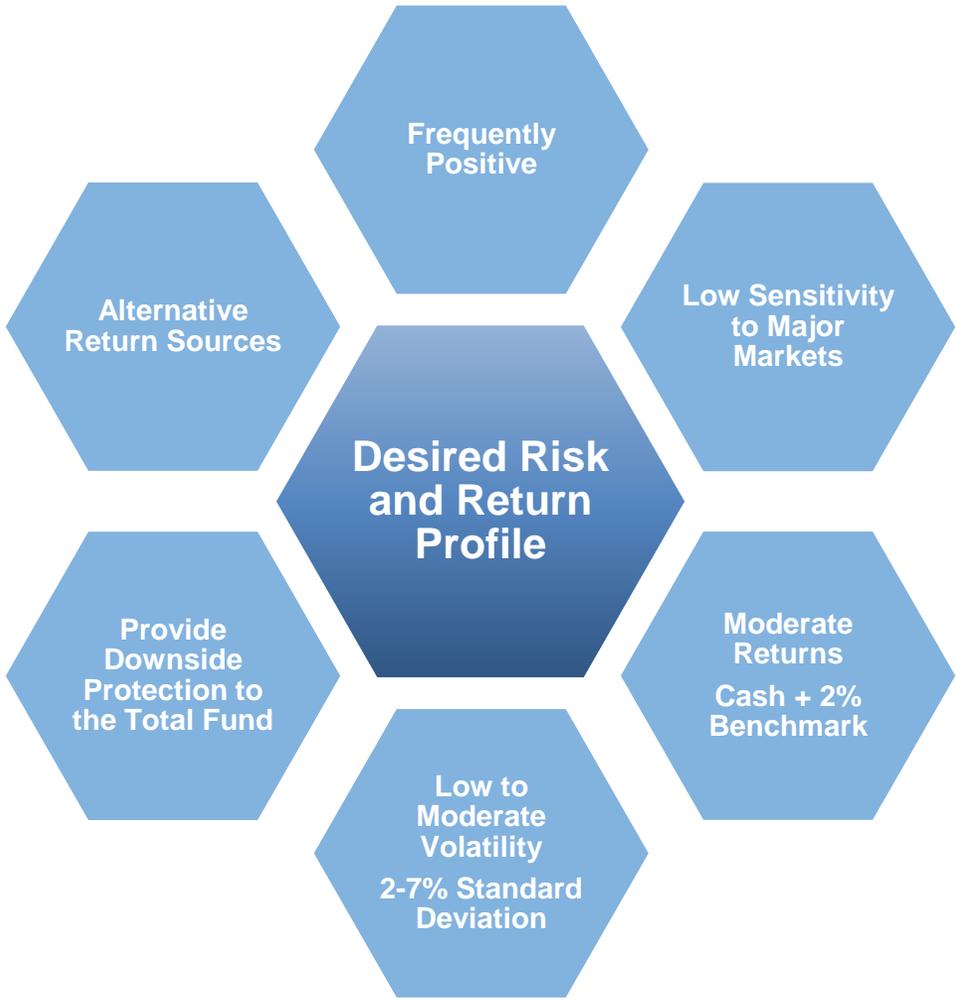


Hedge Funds Role

- Reduce total Fund risk
- Enhance total Fund diversification

Hedge Funds Objectives

- Downside protection
- Low sensitivity to major markets
- Frequently positive
- Moderate returns
- Cash + 2% per year benchmark



LACERA's Hedge Fund Role and Objectives

Sourced from LACERA's Board-approved April 2024 Risk Mitigation Investment Guidelines Review and LACERA's policy benchmarks approved at the May 2024 BOI meeting.

Emerging Manager Program - Allocation and Performance

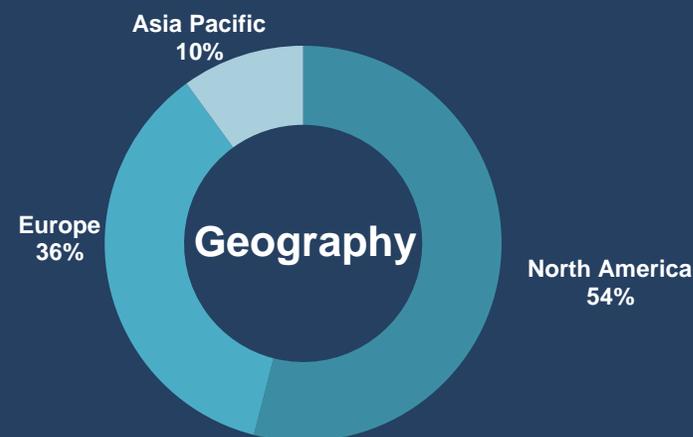
Hedge Funds



As of December 31, 2024

Allocation

| Asset Class | Asset Class Market Value (M) | EMP Market Value (M) | EMP (%) | Policy Range |
|-------------|------------------------------|----------------------|---------|--------------|
| Hedge Funds | \$5,843 | \$586 | 10.0% | 10-20% |



Performance (Net, Annualized)

| Asset Class | QTD | FYTD | 1 Year | 3 Year | ITD ¹ |
|------------------------------------|-------|------|--------|--------|------------------|
| Hedge Funds EMP | -0.6% | 0.1% | 3.2% | 2.4% | 2.1% |
| Hedge Funds Benchmark ² | 1.8% | 3.7% | 7.9% | 6.4% | 5.9% |

¹Inception date of August 1, 2021.

²Hedge Funds policy benchmark is FTSE 3-Month US Treasury Bill + 200 bps (1-Month lagged). Prior to 7/1/2024 the Hedge Funds policy benchmark was FTSE 3-Month US Treasury Bill + 250 bps (1-Month lagged).

Emerging Manager Program – Manager Performance

Hedge Funds



As of December 31, 2024

Performance (Net, Annualized)

| Manager | Market Value (M) | QTD | FYTD | 1 Year | 3 Year | ITD | Inception Date |
|---|------------------|-------|--------|--------|--------|-------|----------------|
| Linear B | \$114 | 2.0% | 8.4% | 8.4% | 8.5% | 7.6% | Aug-21 |
| Trutino | \$37 | 0.9% | 11.0% | 11.0% | 10.1% | 6.5% | Aug-21 |
| Amundsen | \$77 | -1.7% | 3.9% | 19.0% | 4.0% | 4.6% | Sep-21 |
| Sparta ¹ | \$39 | -7.7% | -10.6% | -10.6% | -2.9% | -2.8% | Sep-21 |
| Quarry | \$96 | 0.9% | 7.5% | 7.5% | -- | 6.8% | Sep-22 |
| ClearAlpha | \$86 | -3.6% | -11.6% | -11.6% | -- | -6.8% | May-23 |
| ShadowFall | \$40 | -0.5% | -2.2% | -2.2% | -- | -0.5% | Sep-23 |
| Tribune | \$55 | 1.3% | -- | -- | -- | 8.4% | Jan-24 |
| Isabella ² | \$54 | -- | -- | -- | -- | -- | Dec-24 |
| Hedge Funds Policy Benchmark ³ | -- | 1.8% | 3.7% | 7.9% | 6.4% | -- | -- |

- Risk and return characteristics are fit with the risk mitigating objectives of the program, with a -0.01 beta (or market sensitivity) to equities, a low maximum drawdown of -3.3%, and positive 76% of months since inception
- The hedge funds emerging manager program has generated positive gains but has underperformed the benchmark
- The benchmark of 3-month US Treasury Bills + 2% poses a challenging hurdle in the context of the Federal Funds Rate increases in 2022 and 2023
- For 8 of 9 managers in the program, LACERA receives a revenue share and future capacity rights in return for its early-stage investment, furthering alignment of interests
- Linear B and Trutino, the first managers in the program, have outperformed the benchmark in longer periods
- Consideration for emerging manager graduations is expected in upcoming years

¹Sparta is in the process of redemption.

²No performance data for Isabella is shown due to the 1-month lag at State Street.

³Hedge Funds policy benchmark is FTSE 3-Month US Treasury Bill + 200 bps (1-Month lagged). Prior to 7/1/2024 the Hedge Funds policy benchmark was FTSE 3-Month US Treasury Bill + 250 bps (1-Month lagged).



Appendix

Glossary of Terms



| Term | Acronym | Definition |
|---|---------|---|
| Beta | β | Beta is a measure of systematic risk, or the sensitivity of a portfolio/security, relative to an index. A beta of 1 implies that the price movement of a portfolio/security moves at same rate with the index/market. |
| Emerging Manager Program | EMP | Shorthand for Emerging Manager Program. Emerging manager as defined by policy statement. |
| FTSE 3-Month US Treasury Bill | FTSE | Index series intended to track the daily performance of 3-month US Treasury Bills. FTSE stands for Financial Times Stock Exchange. |
| Inception to Date | ITD | Investment performance since the respective inception date. |
| Towards Inclusion, Diversity, and Equity | TIDE | One of LACERA's strategic initiatives. |



Emerging Manager Policy

FEBRUARY 2020

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| VI. | Monitoring and Reporting | 3 |

I. Introduction

LACERA's mission is to "Produce, Protect, and Provide the Promised Benefit" for all its members. In order to achieve this mission, LACERA has developed various policies to guide its investments. These policies are governed by the California constitution and by various statutes, and embedded within the regulations are fundamental concepts of loyalty and prudence. The duty of loyalty means that Board members and staff must act in the sole interest of LACERA's members and beneficiaries; the duty of prudence requires that we discharge our responsibilities with skill, care, and diligence—and that we diversify the portfolio in order to minimize the risk of loss and maximize the expected rate of return.

The Emerging Manager Policy ("Policy") furthers the investment beliefs, philosophy, and strategies outlined in LACERA's Investment Policy Statement ("IPS"), adheres in all respects to the Code of Ethical Conduct and the Conflict of Interest Code, and complies with all applicable governing regulations.

LACERA values diversity and inclusion. These values permeate the entire LACERA portfolio and extend beyond the emerging manager program. As stated in the IPS, LACERA believes that effectively accessing and managing diverse talent—inclusive of varied backgrounds, age, experience, race, sexual orientation, gender, ethnicity, and culture—leads to improved outcomes. LACERA expects all its external asset managers and third party providers to respect LACERA's values of diversity and inclusion and to reflect them in their own organizations.

II. Purpose and Objective

The objective of LACERA's Emerging Manager Policy is to enhance the total Fund's risk-adjusted return. The Policy seeks a proper balance between the potential for higher returns available to select emerging managers, and the higher risks—both investment-related and operational—associated with less established firms.

The Policy provides LACERA an opportunity to invest in promising investment management organizations early in their development. Investing with managers that have fewer clients, smaller assets, or a short track record may provide LACERA access to investment strategies that larger, more established managers might overlook. Smaller investment management firms may generate attractive performance, net-of-fees, because of increased market flexibility associated with smaller asset bases. In addition, first- or second-time funds may outperform later funds in private markets. Furthermore, investing early in the lifecycle of select emerging managers may carry benefits that include lower fees (founder's terms), future capacity rights, and preferred economics such as a share of future revenues.

Counterbalancing the attractive returns from investing with emerging managers is a greater return dispersion and the possibility of greater investment and operational risk—particularly in areas such as compliance, portfolio administration, cybersecurity, business continuity, and succession planning.

Emerging managers are highly motivated to perform well for early investors because doing so can be crucial to their firm's growth. As a result, institutional investors such as LACERA may have a greater alignment of interests with emerging managers than with more established ones.

III. Emerging Manager Definition

Emerging investment managers are independent firms that have less substantial assets under management or may lack a long-term investment performance record. LACERA is interested in emerging managers that have strong alignment of interest with their investors and expects principals of the firm to hold a substantial majority of the ownership interest of the company. Specific requirements for assets under management (“AUM”) and length of track record are tailored for each asset class and updated for each mandate to take into account the composition of the manager universe prevailing at the time a search is conducted.

Emerging managers are held to the same high performance standards that apply to all of LACERA’s external managers. In addition, LACERA conducts an ongoing assessment of all external managers’ commitment to, adherence with, and track record of accessing and retaining diverse and inclusive workforces. Emerging managers may include, but are not limited to, investment managers that are owned by individuals of diverse backgrounds that have traditionally been underrepresented in the financial services industry. More broadly, all else equal, LACERA prefers firms that are committed to and have established a demonstrated track record of diversity and inclusion throughout the firm’s workforce, inclusive of investment professionals.

IV. Structure

LACERA may hire emerging managers either directly or by employing a fund-of-funds manager skilled at sourcing emerging managers. Either type of mandate must adhere to LACERA’s defined procurement procedures and requires approval by the Board of Investments. Investment strategies managed by emerging managers must be suitable for LACERA’s portfolio and fit within the approved strategic asset allocation and asset class structure, as well as the portfolio’s risk and liquidity constraints.

For each asset class, LACERA conducts periodic structure reviews that incorporate specific criteria and recommended allocation ranges for emerging managers (see “Attachment” for current BOI-approved ranges). The structure reviews take into consideration the opportunities and risks of the asset class and are conducted in consultation with LACERA’s applicable investment consultants. The implementation of any emerging manager program must advance the principles, objectives, and initiatives established within the asset class structure review.

V. Graduation

Selected emerging managers will be reviewed in accordance with their respective asset class policies to determine if they continue to meet the requirements of the emerging manager program or if they qualify for graduation from emerging status. Graduation recommendations will be included in the biennial asset class structure reviews.

VI. Monitoring and Reporting

LACERA staff will monitor the emerging managers on an ongoing basis and report annually to the Board on potential issues, performance, and significant developments.

Attachment

Emerging Manager Allocation Ranges¹

| | Target | Range |
|--------------------------------|--------|--------|
| Global Equity | - | 0-10% |
| Private Equity | - | 0-10% |
| Credit | 15% | 10-20% |
| Real Assets & Inflation Hedges | 10% | 0-15% |
| Core/Non-Core Real Estate | 10% | 0-15% |
| Hedge Funds | 15% | 10-20% |

Document History

Revised September 2024
 Revised February 12, 2020
 Revised August 8, 2016
 Revised November 19, 2014
 Revised November 20, 2013
 Revised November 13, 2012
 Revised October 31, 2012
 Revised July 8, 2009
 Revised March 11, 2009
 Revised September 13, 2006
 Adopted June 13, 2001

¹The allocation ranges shown are the most recent numbers approved by the BOI.

March 28, 2025

TO: Trustees – Board of Investments

FROM: Terri Herubin ^{TAH}
Senior Investment Officer

Cindy Rivera ^{CR}
Investment Officer

Inga Tadevosyan ^{IT}
Investment Analyst

Cheryl Lu ^{CL}
Senior Investment Officer

Terra Elijah ^{TE}
Senior Investment Analyst

FOR: April 9, 2025 Board of Investments Meeting

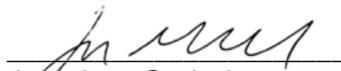
SUBJECT: **Real Estate and Real Assets Emerging Manager Programs Update**

The attached presentation (**Attachment**) includes an overview of LACERA’s real estate and real assets emerging manager programs that will be implemented upon completion of the Request for Proposal (“RFP”) process launched in March 2024. The RFP process is in its final stages and nearing completion, and an active quiet period is currently in place pending completion of the RFP. As outlined in the attached report and guided by LACERA’s Emerging Manager Policy, LACERA has established asset-class specific guidelines in light of different opportunity sets within asset classes with a consistent aim of generating attractive performance, net-of-fees. Reports on the structure of each asset class emerging manager program are being provided for the Board’s review and to facilitate any discussion on the programs’ stated objectives.

LACERA will utilize an outsourced separate account or fund-of-one strategy to implement the real estate and real asset emerging manager programs. The manager of each program will be responsible for manager sourcing, due diligence, and portfolio management for the real estate or real assets emerging manager program, while adhering to program guidelines as well as LACERA’s Investment Policy Statement. Within these parameters, the manager’s mandate will be discretionary and LACERA will retain consent authority.

Attachment

NOTED AND REVIEWED:


Jonathan Grabel
Chief Investment Officer

CL:CR:dr

Emerging Manager Program Update

Real Estate and Real Assets

Board of Investments Meeting
April 9, 2025

Table of Contents



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|--|--------------|
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Emerging Manager Program – Introduction

Real Estate and Real Assets



Objective

- The objective of LACERA's Emerging Manager Policy ("Policy") is to enhance the total Fund's risk-adjusted return. The Policy seeks a proper balance between the potential for higher returns available to select emerging managers, and the higher risks—both investment-related and operational—associated with less established firms.

Sourced from LACERA's Emerging Manager Policy as found in the Investment Policy Statement.

Emerging Manager Definition

- The Policy allows **flexibility in the definition of emerging managers:**

"Emerging investment managers are **independent firms that have less substantial assets under management or may lack a long-term investment performance record.**"

"Specific requirements for assets under management ("AUM") and length of track record are **tailored for each asset class and updated for each mandate** to take into account the composition of the manager universe prevailing at the time a search is conducted."

Emerging Manager Program – History

Real Estate and Real Assets



Emerging Manager Program – Guidelines

Real Estate



Functional Asset Class: Real Assets and Inflation Hedges (Target Allocation 15% +/- 4% of Total Fund)

Asset Class: Core Real Estate

Functional Asset Class: Growth (Target Allocation 48% +/- 8% of Total Fund)

Asset Class: Non-Core Real Estate

| | |
|--|--|
| Benchmark | Core Real Estate: NFI-ODCE Net (3-Month lagged) Non-Core Real Estate: NFI-ODCE Net + 225 bps (3-Month lagged) |
| Sub-Asset Class (Allocation) | Core Real Estate (5% Target +/- 3%) - Non-Core Real Estate (2% Target +/- 2%) |
| Investment Size/Range | Fund investments ranging from \$10 million to \$100 million, average of \$50 million |
| Program Framework | Separate Account or Fund-of-One emerging manager program |
| Program Allocation Target and Range | Allocation 10% target with a 0% - 15% range |
| Emerging Manager Definition | In general funds I, II, or III or with less than \$1 billion in fund size |
| Graduation Description | Graduation entails an investment from LACERA directly in a future fund outside of the emerging manager program |
| Graduation Target Timeframe | 3 – 7 years after an initial investment |
| Graduation Approval | In accordance with Board-approved Asset Class Structure Review private fund investment guidelines |

Sourced from LACERA's Board-approved February 2025 Real Estate Structure Review.

Emerging Manager Program – Guidelines

Real Assets



Functional Asset Class: Real Assets and Inflation Hedges (Target Allocation 15% +/- 4% of Total Fund)

Sub-Asset Classes: Infrastructure and Natural Resources

| | |
|--|--|
| Benchmark | Infrastructure: Dow Jones Brookfield Global Infrastructure (3-Month lagged) Natural Resources: 65% S&P Global Natural Resources; 35% NCREIF Farmland (3-Month lagged) |
| Sub-Asset Class (Allocation) | Infrastructure (4% Target +/- 3%) - Natural Resources (3% Target +/- 2%) |
| Investment Size/Range | Fund investments ranging from \$10 million to \$100 million, average of \$50 million |
| Program Framework | Separate Account or Fund-of-One emerging manager program |
| Program Allocation Target and Range | Allocation 10% target with a 0% - 15% range |
| Emerging Manager Definition | In general funds I, II, or III or with less than \$1 billion in fund size |
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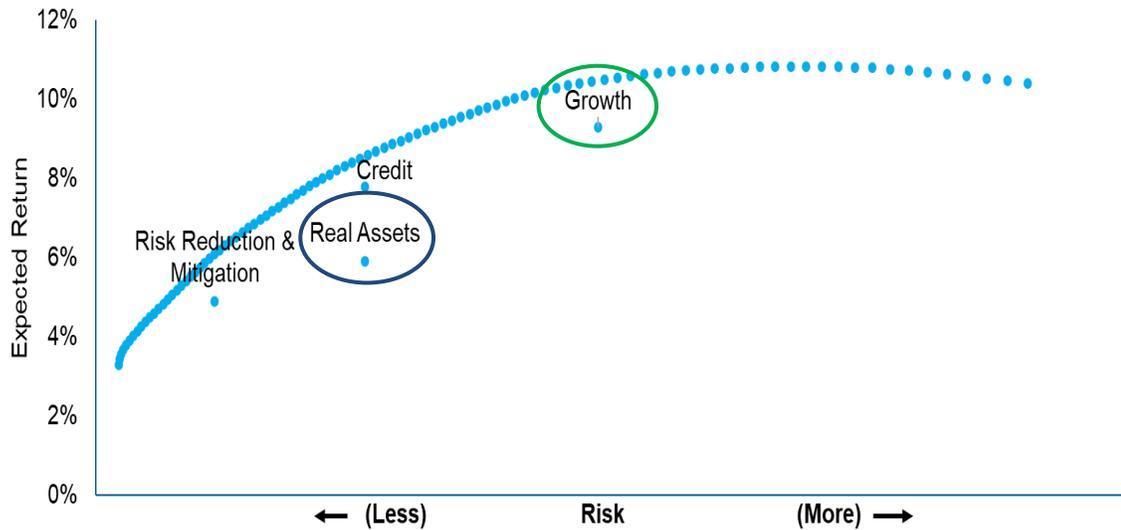
Sourced from LACERA's Board-approved January 2024 Real Assets Structure Review.

Emerging Manager Program – Portfolio Role

Real Estate and Real Assets



Each component of the real estate and real assets portfolio provides distinct risk profiles, return expectations, and diversification benefits



Investment Policy Statement

- The role of Real Assets, including Core Real Estate, Infrastructure, and Natural Resources, is to provide income as well as hedge against inflation
- The role of Growth, including Non-Core Real Estate, is to be the primary driver of long-term returns
- Assumed low correlation of returns between these assets and other asset classes

Real Estate

- Core: Capital preservation and stable yields from rents (i.e., stabilized assets that generate current income)
- Non-Core: Emphasize growth and total return over current income

Infrastructure

- Core: Generate yield with highly contracted revenues to limit downside
- Non-core: Growth opportunities across energy/utilities, transportation, communications and social infrastructure

Natural Resources

- Diversification, income generation, and inflation hedging
- Farmland and agriculture less correlated to broader markets, and income generators
- Energy Transition and mining are diversifiers with some inflation hedging

Sourced from LACERA's Board-approved February 2025 Real Estate Structure Review and January 2024 Real Assets Structure Review.

Emerging Manager Program – Status and Next Steps

Real Estate and Real Assets



Real Estate and Real Assets EMPs Request for Proposal Status

- The current RFP process for manager selection is nearing conclusion
- One or more managers will be chosen for the Real Assets Emerging Manager Program
- BOI established target allocation of 10% for EMPs in Real Estate and Real Assets
- Staff will provide a full report to the Board of Investments upon completion of the RFP process

RFP Respondents List – Active quiet period

| | |
|----------------------------------|----------------------------|
| ▪ Artemis Real Estate Partners | ▪ ORG Portfolio Management |
| ▪ Aether Investment Partners | ▪ Barings |
| ▪ Neuberger Berman Group | ▪ Belay Investment Group |
| ▪ The Townsend Group | ▪ Hamilton Lane |
| ▪ BGO Strategic Capital Partners | ▪ Cambridge Associates |
| ▪ BlackRock | ▪ Seed Partners |
| ▪ StepStone | ▪ Stable Asset Management |
| ▪ GCM Grosvenor | ▪ Wafra Inc. |

Sourced from Chief Investment Officer Monthly Report, page 24. LACERA Board of Investments March 12, 2025 meeting.



Appendix

Glossary of Terms



| Term | Acronym | Definition |
|---|---------|--|
| Dow Jones Brookfield Global Infrastructure | N/A | Index designed to measure the performance of pure-play infrastructure companies globally. This index covers all sectors of the infrastructure market, including transportation, energy, and utilities. |
| Emerging Manager Program | EMP | Shorthand for Emerging Manager Program. Emerging manager as defined by Investment Policy Statement |
| NCREIF Farmland | N/A | An index that tracks the investment performance of a large pool of individual farmland properties. The index includes various types of agricultural properties, including permanent, row, and vegetable cropland |
| NFI-ODCE Net | ODCE | NCREIF Fund Index – Open end Diversified Core Equity - It is a capitalization-weighted, time-weighted return index with an inception of December 31, 1977 |
| S&P Global Natural Resources | S&P | A stock market index that includes 90 of the largest publicly-traded companies in the natural resources and commodities sectors |
| Separately Managed Account | SMA | An investment portfolio that is managed separately from other investment vehicles and hold investments for only one client |



Emerging Manager Policy

FEBRUARY 2020

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LACERA staff will monitor the emerging managers on an ongoing basis and report annually to the Board on potential issues, performance, and significant developments.

Attachment

Emerging Manager Allocation Ranges¹

| | Target | Range |
|--------------------------------|--------|--------|
| Global Equity | - | 0-10% |
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 Revised November 13, 2012
 Revised October 31, 2012
 Revised July 8, 2009
 Revised March 11, 2009
 Revised September 13, 2006
 Adopted June 13, 2001

¹The allocation ranges shown are the most recent numbers approved by the BOI.

FOR INFORMATION ONLY

March 15, 2025

TO: Trustees – Board of Investments

FROM: Scott Zdrzil 
Principal Investment Officer

FOR: April 9, 2024, Board of Investments Meeting

SUBJECT: **Council of Institutional Investors Member Ballot**

Please find attached confirmation that LACERA voted its ballot for the Council of Institutional Investors (CII) members business meeting that took place on March 10, 2025.

LACERA is a member of CII. CII's business meeting included voting items to elect public fund representatives to CII's board of directors and two proposed revisions to CII's corporate governance guidelines, which can be a reference point to encourage strong governance practices at public companies:

1. The first proposal expanded CII's policy calling for companies to incorporate in jurisdictions with strong investor rights to not only address country of incorporation, but also state of incorporation.
2. The second proposal strengthened language supporting equal voting rights for equity holders to address "stealth" unequal voting structures, such as companies issuing preferred shares that may have voting rights determined by a corporate board's discretion.

Staff votes business meeting items in adherence to LACERA's *Corporate Governance and Stewardship Principles* (Principles), which are aligned with both policy refinements.

Per policy, LACERA votes for director nominees consistent with LACERA's Principles, taking into consideration a mix of suitable professional backgrounds, skills, and attributes, as well as diverse fund representation conducive to representing CII member interests. LACERA supported the nine nominees presented for nine available director seats.

Attachment

Noted and Reviewed:



Jonathan Grabel
Chief Investment Officer



Council of Institutional Investors®

The voice of corporate governance

Online Ballot: Ballot Cast

Thank you for casting your ballot. Your votes have been recorded successfully. You have now completed the online ballot.



Voting Receipt

Thank you Los Angeles County Employees Retirement Association. Your receipt was also emailed to szdrazil@lacera.com. You cast the following March 7, 2025 12:14 pm EST.

Ballot Item 1: Reincorporation

For

Ballot Item 2: Responding to Stealth Dual Class

For

Public Pension Fund Board Members

According to CII's bylaws, nine of the fifteen seats on CII's board of directors will be representatives from public pension fund members. Please vote for up to nine candidates.

Gazda Patricia
Hambly Drew
Hoffman Katy
Mastagni Aelisha
McCauley Michael
Mulè John
Narita Yumi
Roth Andrew
Seeley Kyle



March 18, 2025

TO: Each Trustee, Board of Retirement

FROM: Luis A. Lugo 
Deputy Chief Executive Officer

Ted Granger 
Chief Financial Officer

FOR: April 2, 2025, Board of Retirement Meeting

SUBJECT: LACERA – OPEB Pre-Funding Update

LACERA participates as an employer-plan sponsor in the Los Angeles County Other Post-Employment Benefits Program (OPEB Program). Former LACERA employees who retire in a LACERA retirement plan, are eligible to receive Retiree Healthcare Benefits including medical and dental/vision insurance, death benefits, and Medicare Part B reimbursement.

In 2018, Los Angeles County converted the OPEB Program from a cost-sharing to an agent multiple employer plan structure allowing separate accounting and actuarial reporting for individual employer-plan sponsors. OPEB Trust contributions and asset accumulations can occur at each agent employer's own pace and allow future sufficiently funded OPEB Trust employers to pay OPEB benefits from the OPEB Trust, rather than from their agency's budget under the current pay-as-you-go (Pay-Go) model.

At the Board of Retirement meeting today, Milliman presented the 2024 OPEB Valuation Report which includes results for the OPEB Program as a whole, as well as for the individual agents participating in the OPEB Trust (Los Angeles County, Superior Court, LACERA). This presentation focuses on LACERA's participation as an agent employer in the OPEB Program.

At the Board's request, staff initiated an internal project to explore a LACERA specific pre-funding plan and policy that may reduce LACERA's liability and reduce OPEB costs over the long term. The attached presentation slides provide an overview and update of our progress. In the coming months, we expect to provide additional information on a potential LACERA funding plan and policy. Any change in funding practices will require the approval of both Boards, and therefore this memo is copied to the Board of Investments.

Attachment

LL:TG

c: Board of Investments, LACERA

Santos H. Kreimann

JJ Popowich

Laura Guglielmo

Jonathan Grabel

Steven P. Rice

Cassandra Smith



LOS ANGELES COUNTY RETIREE HEALTHCARE PROGRAM

LACERA Agent Pre-Funding Update

Board of Retirement
April 2, 2025



Agenda

- **LACERA Overview**
 - Introduction
 - Background
 - OPEB Trust
 - OPEB Agent Plan
 - LACERA Contributions
 - LACERA Metrics
 - Next Steps
- **Milliman Comments**
 - LACERA Funding Plan
 - LACERA Funding Policy



Introduction

- **Purpose:**
 - Information for New Trustees
 - Provide an overview of LACERA's participation in the Retiree Healthcare (RHC) Program and Other Post-Employment Benefits (OPEB) Trust
 - Provide an update of LACERA's plan to pre-fund LACERA's participation in the RHC Program



Background

- LACERA is an employer, plan-sponsor
- LACERA employees are members of the LACERA Pension Plan
- LACERA retirees are eligible to participate in the Retiree Healthcare Program (RHC)
 - RHC Program is sponsored by Los Angeles County (County) and administered by LACERA
 - RHC is also referred to as the “Other Post-employment Benefits (OPEB) Program”



OPEB Trust

- **Established by the County in 2012**
 - Participants: County and LACERA
 - Superior Court created an OPEB Trust in 2016
- **Pre-funding vehicles (“savings accounts”)**
 - Fund benefits in the future
- **Board of Investments manages the OPEB Trust portfolio**
 - OPEB Trust Funds pooled for investment purposes
 - Investment Policy Statement (IPS)
 - Separate from Pension Fund assets
- **Trust Fund Flows**
 - In-flows: Contributions, Investment Earnings
 - Out-flows: Investment and custodian bank fees, administrative expenses



OPEB Agent Plan

- **Governmental Accounting Standards Board (GASB)**
 - Statements 74 [FYE 2017] and 75 [FYE 2018]
- **OPEB Reporting for Employer Plan Sponsors and Plans**
 - Los Angeles County (Plan Sponsor)
 - LACERA (Plan and Plan Sponsor)
- **Allows “Agent” Plan structure**
 - Contributions, liabilities, costs, and benefit payments
 - Actuarial reporting
- **OPEB Agent Plan since 2018**
 - *Los Angeles County*
 - *Superior Court*
 - *LACERA*
 - **Outside Districts** (South Coast Air Quality Management District, Los Angeles County Local Agency Formation Commission, Los Angeles County Office of Education, Little Lake Cemetery District)



LACERA Contributions

- **Pay-As-You-Go (“Pay-Go”)**
 - Budgeted and paid monthly costs
 - Current retiree insurance premiums
- **Pre-Funding**
 - Determined by Los Angeles County projection
 - LACERA participates in “lock-step” with County
 - Budgeted and funded quarterly
- **LACERA Budget Surplus**
 - Additional OPEB contributions from annual budget surplus
 - “Double” the original budgeted contribution
 - Completed for fiscal years ended 2022, 2023, 2024



LACERA Metrics

| As of June 30, 2024 | Amounts |
|---|---------|
| Active Employees | 446 |
| Retirees (Pension Plan) | 221 |
| Retirees (RHC / OPEB Participants) | 189 |
| Actuarial Accrued Liability (AAL) | \$82.7m |
| OPEB Trust Balance | \$21.7m |
| Unfunded Actuarial Accrued Liability (UAAL) | \$61.0m |
| Funded Ratio | 26.2% |
| OPEB Trust 10-Year Investment Return | 7.1% |



LACERA Metrics (continued)

| As of June 30, 2024 | Amounts |
|---|----------------------|
| <i>Annual Pay-Go Contributions (FYE 2024)</i> | \$2.5m |
| <i>Annual Pre-Funding Contributions (FYE 2024)</i> | <u>\$4.3m</u> |
| <i>Total Annual Contributions</i> | \$6.8m |
| Actuarially Determined Contributions (ADC) | \$5.5m |
| OPEB Trust Contributions (Inception to Date) | \$19.3m |



Funding Plan Considerations

- **Fixed Time Period**
 - Set date of when the plan will reach funding goal
 - Contributions will be adjusted annually
- **Fixed Schedule of Contributions**
 - Set contribution amounts
 - Funding goal date may change
- **Hybrid Methods**
 - Balance time period and contribution amounts
 - Apply actuarial methods to achieve funding goal without significant fluctuations to the employer budget



Next Steps

- **LACERA OPEB Funding Plan**
 - In accordance with actuarial standards
 - Hybrid plan to include actuarial funding tools
 - Benefits from a long-term funding strategy such as cost savings
- **LACERA OPEB Funding Policy**
 - Document funding principles:
 - ✓ Benefit Security and Risk Mitigation
 - ✓ Contribution Rate Stability
 - ✓ Intergenerational Equity
 - ✓ Sound and Transparent Process



Milliman Slides

Funding Plan and Policy

Update on LACERA Agent Employer OPEB Pre- Funding Study

Robert Schmidt and Ryan Cook

APRIL 2, 2025

Table of Contents

- Background
- Progress report
- Next steps
- Questions and Comments
- Appendix
- Glossary

Background

LACERA's current funding policy

- Designed to parallel the County's
- Gradually increase contributions until meeting a 30-year rolling Actuarially Determined Contribution (ADC)
 - County is on pace to reach their 30-year rolling ADC in FYE 2028
- 30-year rolling ADC re-amortizes each year's Unfunded Actuarial Accrued Liability (UAAL) over a new 30-year period
- Projected to improve the LACERA agent OPEB plan funded ratio from 20% funded to 78% over the next 50 years

LACERA budget surpluses

- Allowed for LACERA agent to more quickly increase contributions
- Reached 30-year rolling ADC in FYE 2022 and has continued to increase contributions each year since

New funding policy

- LACERA agent wants to continue funding above the 30-year rolling ADC
- Would like to adopt a formal new ADC and funding policy that reflects goals



Progress report

Kicked off study in September 2024

Several layers of Milliman analysis

Meetings with LACERA Accounting and Executive teams

Made the following decisions so far:



1

What is LACERA's goal?

Reach 100% funded on an Actuarial Accrued Liability basis

- Supports intergenerational equity
- Provides benefit security
- In-line with actuarial best practices

2

How quickly does LACERA want to achieve this goal?

Over the next 15 years

- Explored 1- to 50-year time frames
- Balance between budgetary constraints and desire to quickly reach 100% funded
- Compared to 30-year rolling ADC, a fixed 15-year funding period:
 - Contributes an additional \$50m over next 15-years to reach 100% funded
 - Then contributions drop and saves \$150m over next 35-years
 - Net saving of about \$100m over 50 years

3

What happens when actuarial gains or losses occur?

Adopt actuarial methods to provide a balance between contribution stability and reactivity to changing conditions

- Question #2 laid out a contribution schedule to fund plan in 15 years
- Actuarial gains or losses mean:
 - Contribution schedule changes or
 - The plan deviates from the funding timeline
- Actuaries have developed hybrid methods that balance these two options

Next Steps

Actuarially Determined Contribution Method

Milliman provides LACERA additional information and analysis on hybrid methods

LACERA identifies the specific ADC methods that meet their goals

Communication Plan

Start with Joint Organizational Governance Committee

L.A. County

Funding Policy Document

LACERA and Milliman discuss and identify goals for the document

Milliman drafts a funding policy document

Milliman and LACERA meet to discuss the document

Both Boards at LACERA will need to approve the updated Funding Policy



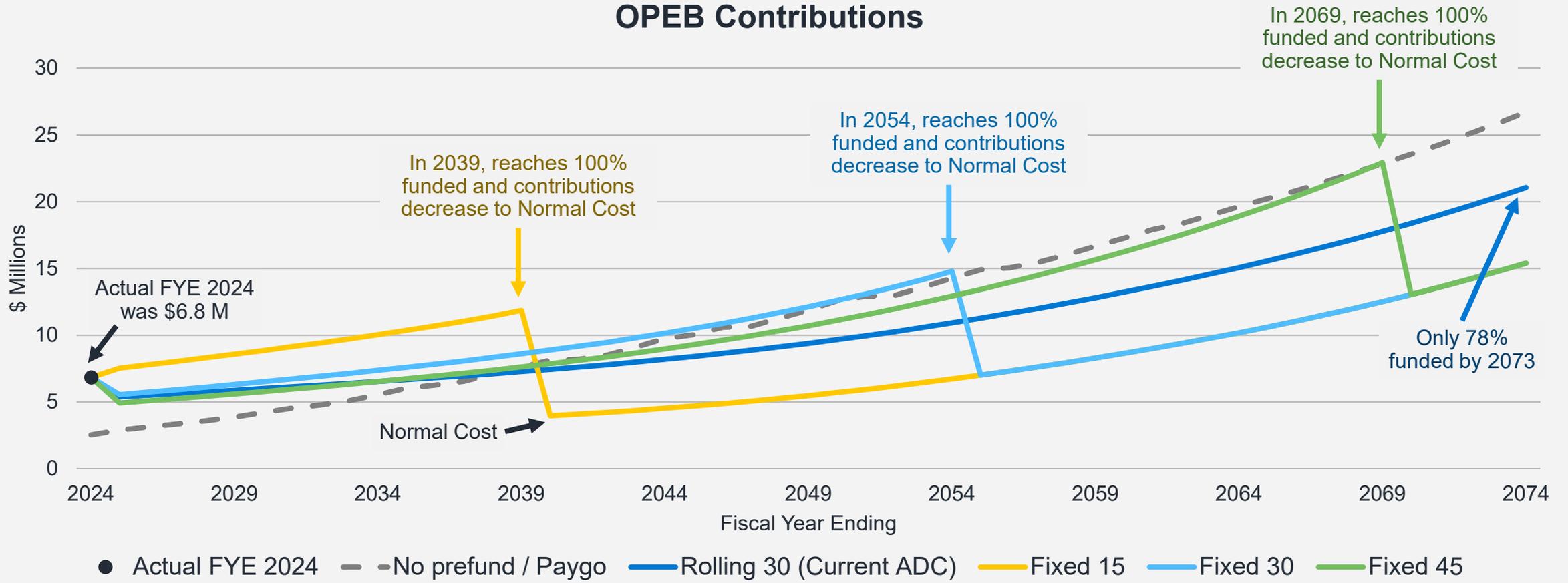
Questions and Comments

Appendix

Funding Goal Projections

LACERA Agent Employer

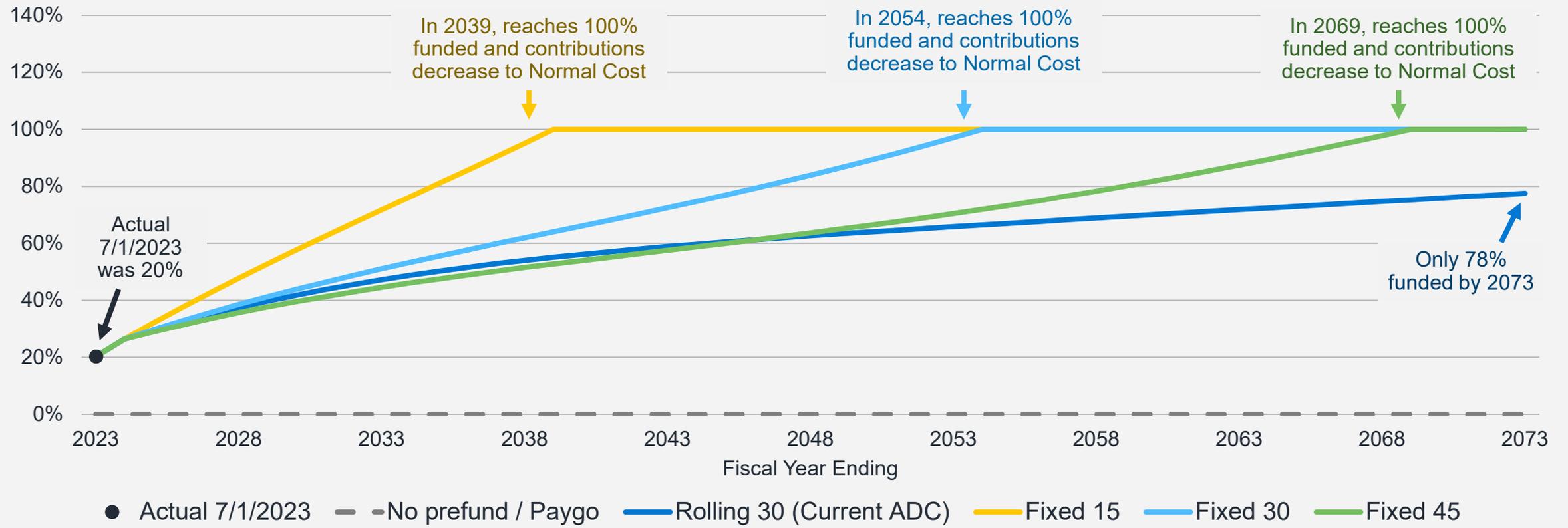
OPEB Contributions



Funding Goal Projections

LACERA Agent Employer

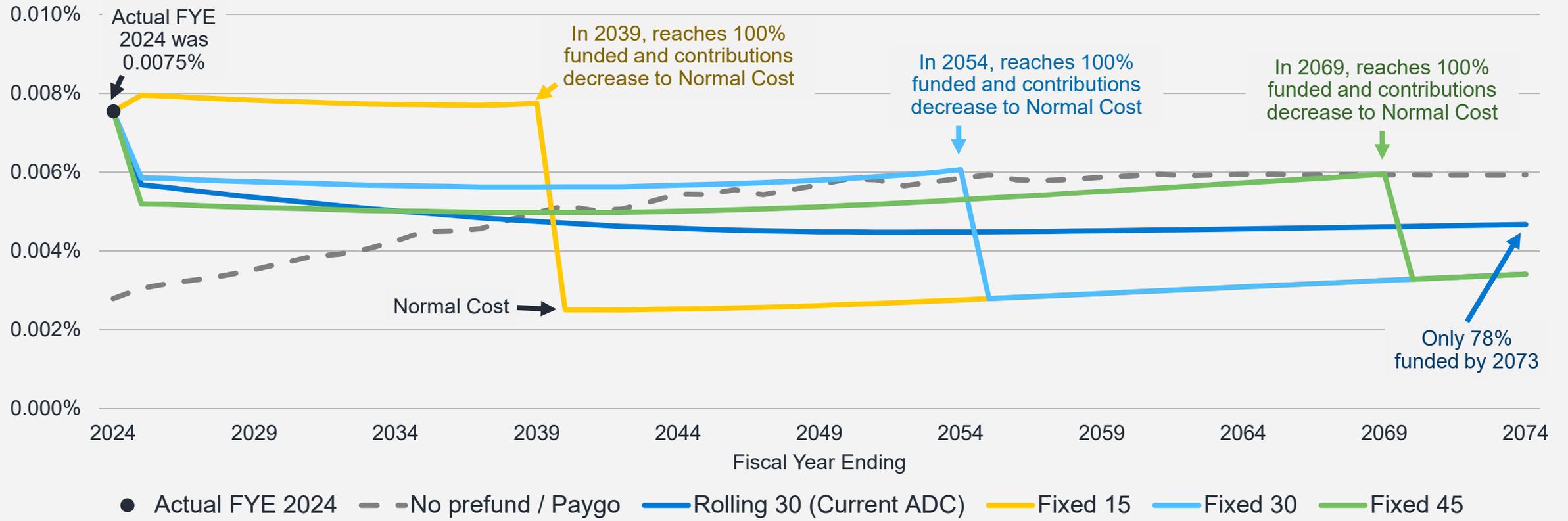
OPEB Funded Ratio



Funding Goal Projections

LACERA Agent Employer

OPEB Contributions as a Percentage of the Total LACERA Pension AAL



Funding Goal Projections

LACERA Agent Employer

OPEB Contributions (\$ millions)

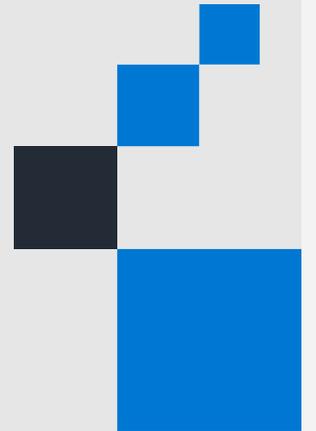
| Fiscal Year Ending | No Prefund / Paygo | Rolling 30 (Current ADC) | Fixed 15 | Fixed 20 | Fixed 25 | Fixed 30 | Fixed 35 | Fixed 40 | Fixed 45 | Fixed 50 |
|--------------------------------------|--------------------|--------------------------|--------------|--------------|--------------|--------------|--------------|--------------|---------------|---------------|
| 2025 | \$2.9 | \$5.4 | \$7.5 | \$6.5 | \$5.9 | \$5.5 | \$5.3 | \$5.1 | \$4.9 | \$4.8 |
| 2030 | 4.2 | 6.0 | 8.9 | 7.7 | 7.0 | 6.5 | 6.2 | 6.0 | 5.8 | 5.6 |
| 2035 | 6.0 | 6.7 | 10.4 | 9.0 | 8.1 | 7.6 | 7.2 | 7.0 | 6.7 | 6.6 |
| 2040 | 8.1 | 7.4 | 4.0 | 10.5 | 9.5 | 8.9 | 8.4 | 8.1 | 7.9 | 7.7 |
| 2045 | 10.0 | 8.4 | 4.7 | 4.7 | 11.3 | 10.5 | 10.0 | 9.6 | 9.3 | 9.1 |
| 2050 | 12.6 | 9.7 | 5.7 | 5.7 | 5.7 | 12.6 | 11.9 | 11.5 | 11.1 | 10.9 |
| 2055 | 14.9 | 11.3 | 7.0 | 7.0 | 7.0 | 7.0 | 14.4 | 13.9 | 13.4 | 13.1 |
| 2060 | 17.3 | 13.2 | 8.6 | 8.6 | 8.6 | 8.6 | 8.6 | 16.8 | 16.2 | 15.9 |
| 2065 | 20.2 | 15.6 | 10.6 | 10.6 | 10.6 | 10.6 | 10.6 | 10.6 | 19.6 | 19.2 |
| 2070 | 23.6 | 18.4 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 13.0 | 23.2 |
| 2025-2074 Total | 642.5 | 541.9 | 434.5 | 450.6 | 468.8 | 490.8 | 516.7 | 547.1 | 582.1 | 624.3 |
| Savings / (Cost) from Current | (100.6) | 0 | 107.4 | 91.3 | 73.1 | 51.1 | 25.2 | (5.2) | (40.2) | (82.4) |

Projection Scenarios

OPEB Funding Goal Projections

The OPEB funding goal projections (also referred to as prior projections) assume that all actuarial assumptions are met each year and use the following funding policies.

- **No prefund / Paygo:** Assumes the plan is not and had never been prefunded, so the projected contributions are just the retiree benefit payments.
- **Rolling 30 (current ADC):** Assumes that for all future fiscal years, contributions are made equal to the normal cost plus an open 30-year amortization of the UAAL.
- **Fixed 15:** Assumes that for all future fiscal years, contributions are made equal to the normal cost plus an amortization of the UAAL over the remaining period to June 30, 2039.
- **Fixed 30:** Assumes that for all future fiscal years, contributions are made equal to the normal cost plus an amortization of the UAAL over the remaining period to June 30, 2054.
- **Fixed 45:** Assumes that for all future fiscal years, contributions are made equal to the normal cost plus an amortization of the UAAL over the remaining period to June 30, 2069.



Actuarially Determined Contribution (ADC) Methodologies

Contribution Stability Vs. Maintaining Funding Timeline

Plan experience will differ from assumptions, disrupting the funding timeline

When this happens:

- Contributions can be adjusted to maintain funding timeline
- Funding timeline can be adjusted
- Or a mix of the two

ASOPs provide guidance

Fixed Time Period

A date is set for when the plan will reach the target funded level

Every valuation, the contribution schedule is redetermined to maintain that target date

Pros

- Always maintains funding timeline
- While target date is decades away, contribution volatility is generally small

Cons

- Contributions vary from year to year, with volatility ramping up significantly as target date approaches

Have option to re-evaluate contribution method as target date approaches and volatility increases

Fixed Schedule of Contributions

Contribution amounts are scheduled many years out and do not change with actuarial valuations

Could re-evaluate schedule every few years

Pros

- No volatility in contributions
- Knowledge of contribution amount years in advance

Cons

- Gains and losses will cause the Plan to deviate from the funding timeline
- Periodically re-evaluating the schedule can fix this, but would involve new decision making and introduces contribution volatility

Hybrid Methods

Seek a balance between contribution stability and maintaining timeline

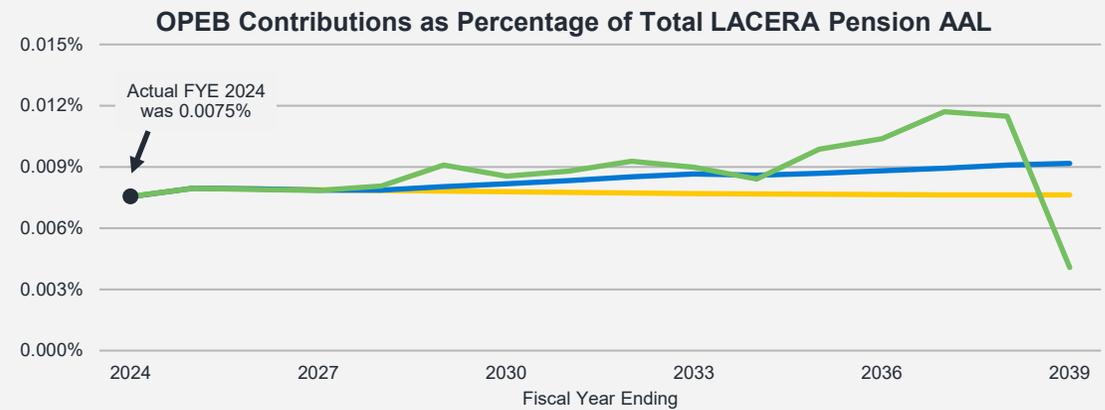
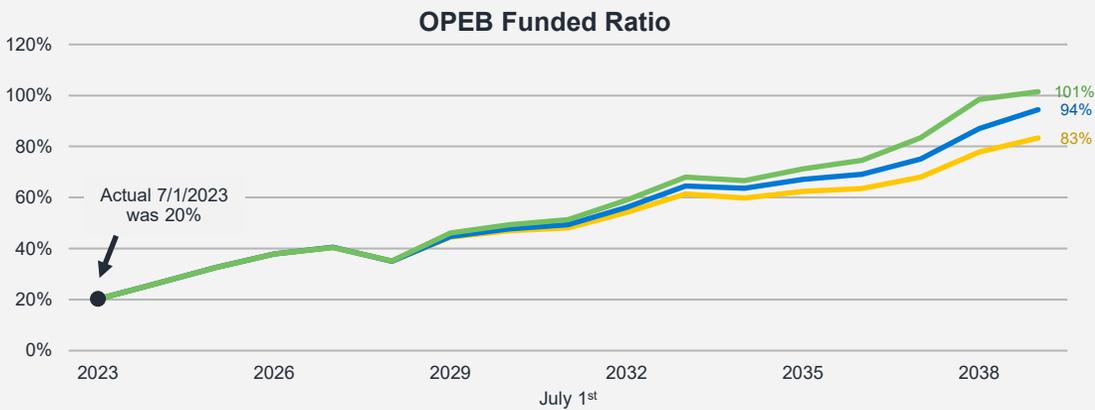
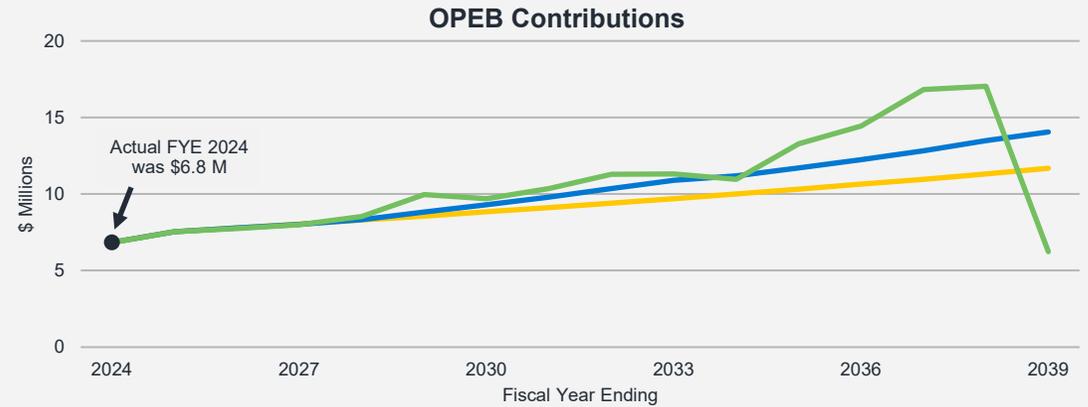
Can involve:

- Asset smoothing
 - Annual investment gains/losses phased in over a few years
- Rolling amortization
 - After every actuarial valuation entire UAAL is re-amortized
 - This is the current ADC method, 30-year rolling
- Closed amortization layers
 - Initial UAAL is set to be fully amortized by a fixed date
 - Each year a new amortization schedule is layered in for that year's gains and losses

ADC Methodology Projections – Pessimistic Scenario

LACERA Agent Employer

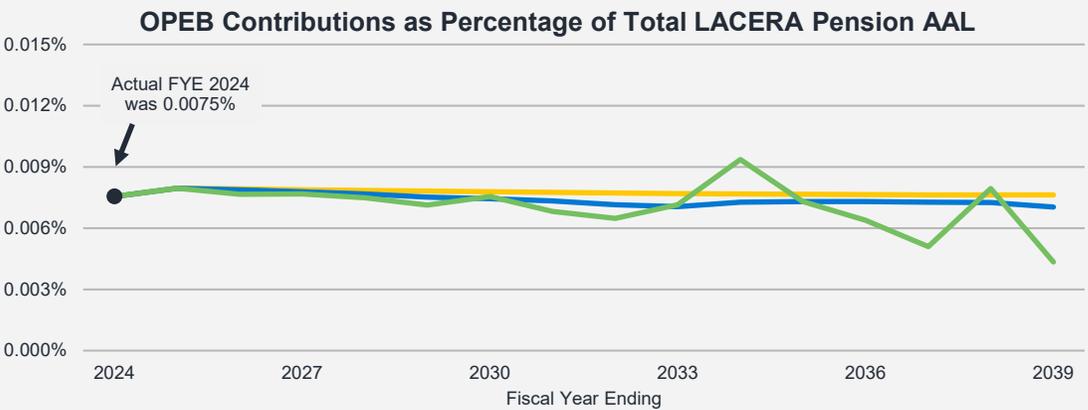
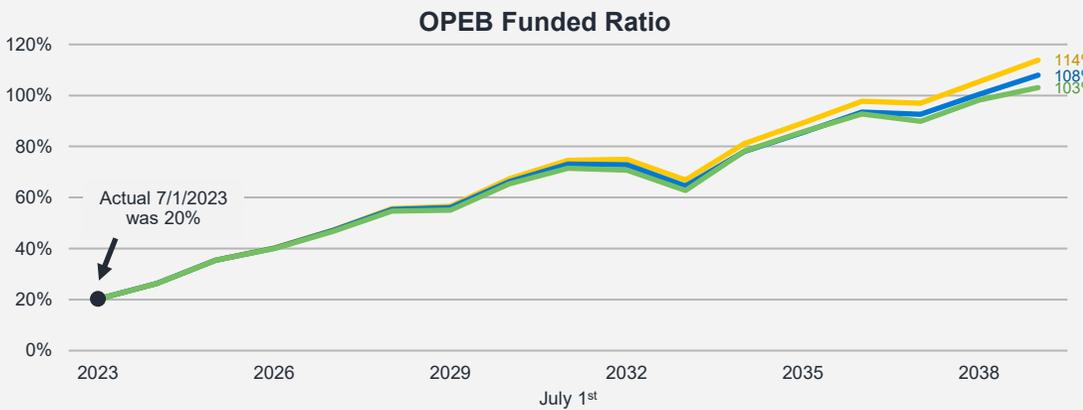
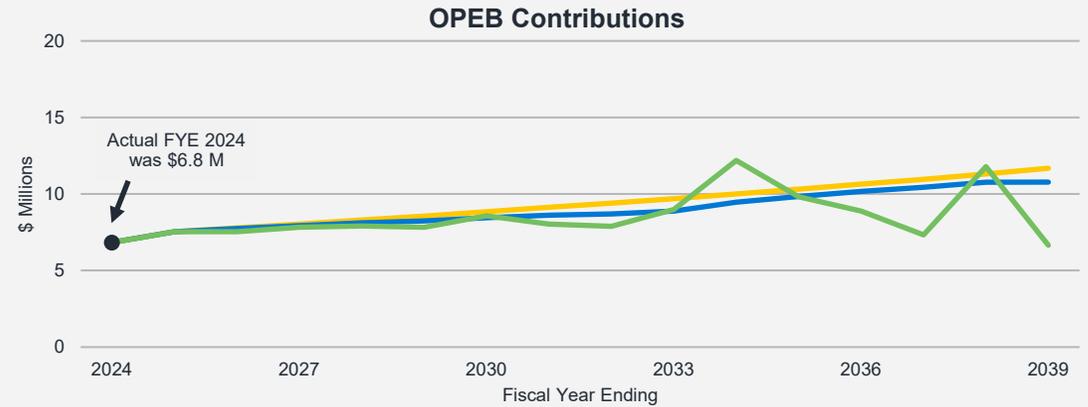
Fixed Time Period Hybrid Fixed Schedule of Contributions



ADC Methodology Projections – Optimistic Scenario

LACERA Agent Employer

Fixed Time Period Hybrid Fixed Schedule of Contributions



ADC Methodology Projections – 15-Year Stochastic Results

LACERA Agent Employer

| Percentile | July 1, 2039, Funded Ratio (market value basis) | | | | | Aggregate FYE 2025 – 2039 Contributions (\$ millions) | | | | | Annual Contributions During Any One Year in FYE 2025 – 2039 (Percentage of Total LACERA Pension AAL) | | | | |
|--------------------------|--|------------------|------------------|------------------|------------------|--|------------------|------------------|------------------|------------------|--|------------------|------------------|------------------|------------------|
| | 5 th | 25 th | 50 th | 75 th | 95 th | 5 th | 25 th | 50 th | 75 th | 95 th | 5 th | 25 th | 50 th | 75 th | 95 th |
| Fixed Time Period | 86% | 96% | 103% | 110% | 124% | 90 | 118 | 141 | 165 | 197 | 0.003% | 0.007% | 0.008% | 0.008% | 0.011% |
| Hybrid | 77% | 90% | 99% | 107% | 123% | 102 | 124 | 139 | 150 | 161 | 0.006% | 0.007% | 0.008% | 0.008% | 0.009% |
| Fixed Schedule | 62% | 83% | 100% | 122% | 159% | 142 | 142 | 142 | 142 | 142 | 0.008% | 0.008% | 0.008% | 0.008% | 0.008% |

Summary of results from 2,000 scenarios of random annual investment returns, generated assuming that annual returns are independent, are normally distributed, have a long-term geometric mean of 6.25%, and have an annual standard deviation of 10.5%.

Projection Scenarios

OPEB ADC Method Projections

The OPEB ADC method projections randomly generate investment return scenarios assuming that annual returns are independent, are normally distributed, have a long-term geometric mean of 6.25%, and have an annual standard deviation of 10.5%. All other actuarial assumptions are assumed to be met each year. The following funding policies are used:

- **Fixed Time Period:** Contributions are made equal to the normal cost plus an amortization of the UAAL over the remaining period to June 30, 2039.
- **Hybrid:** The UAAL is determined using an Actuarial Value of Assets (AVA) in which investment gains and losses are deferred and recognized levelly over a 5-year period (AVA is limited to a 50% corridor around the market value). 15-year amortization layers are created for both the initial UAAL at July 1, 2024, and future gains and losses such that the sum of the outstanding bases equals the UAAL on each measurement date. Contributions are made equal to the normal cost plus the sum of the scheduled amortization amount from each layer. In the case the AVA exceeds the AAL (i.e., the plan has a surplus), all existing amortization layers are wiped out, and the contribution is equal to the normal cost plus an open 30-year amortization of the surplus. This is based on the LCAM Model practices described in the [latest CCA white paper on ADC methodologies for public pension plans](#).
- **Fixed Schedule of Contributions:** An initial deterministic forecast of contributions for July 1, 2024, through June 30, 2039, is performed as of July 1, 2024, assuming that all actuarial assumptions are met and a Fixed 15 funding policy (see prior slide). This contribution schedule is then fixed and does not vary for the 15-year period.

LACERA Agent Employer OPEB Funding Policy Document

Example from LACERA pension plan

Provides the Board guidance in making funding decisions

Principles based, not prescriptive

Draft LACERA pension funding policy (pending adoption) consists of the following sections



Funding Policy Principles

Mission, legal authority, and contribution guidance

Key Principles:

- Benefit security and risk mitigation
- Contribution stability
- Intergenerational equity
- Sound and transparent process

Funding Goal

Make consistent progress towards 100% funded ratio

Valuation Cycle

Annual valuations

Triennial experience studies

Triennial actuarial audits

Contributions effective for fiscal year starting 12 months after valuation date

Actuarial Funding Procedures

Follow actuarial best practices

Contributions are actuarially determined

Provides parameters for picking an actuarial cost method

Asset Smoothing Method

Provides parameters for picking an assets smoothing method:

- Reduce effect of short-term market volatility
- Track overall movement of assets
- Unbiased

Contribution Method

Contributions equal to:

- Normal cost plus
- UAAL amortization (closed layered amortization method)

Describes statutory constraints to be followed

Further Background

- [Actuarial Funding Policies and Practices for Public Pension and OPEB Plan and Level Cost Allocation Model \(California Actuarial Advisory Panel\)](#)
- [Core Elements of a Funding Policy for Governmental Pension and OPEB Plans \(gfoa.org\)](#)
- [Sustainable Funding Practices for Defined Benefit Pensions and Other Postemployment Benefits \(OPEB\) \(gfoa.org\)](#)
- [ASOP 4 - Measuring Pension Obligations and Determining Pension Plan Costs or Contributions \(Actuarial Standards Board\)](#)
- [ASOP 6 - Measuring Retiree Group Benefits Obligations and Determining Retiree Group Benefits Program Periodic Costs or Actuarially Determined Contributions \(Actuarial Standards Board\)](#)
- [Actuarial Funding Policies and Practices for Public Pension Plans, Second Edition, August 2024 \(Conference of Consulting Actuaries, Public Plans Community\)](#)

Glossary

Glossary

| | |
|--|--|
| | <p>The following definitions are excerpts from other actuarial organizations in the United States. In some cases, the definitions have been modified for specific applicability to LACERA. Defined terms are capitalized throughout this Appendix.</p> |
| Affordable Care Act (“ACA”) | <p>A law enacted with the goal of providing all Americans access to affordable health insurance.</p> |
| Actuarial Accrued Liability (“AAL”) | <p>That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of postemployment plan benefits and expenses which is not provided for by future Normal Costs.</p> |
| Actuarial Assumptions | <p>Assumptions as to the occurrence of future events affecting OPEB costs, such as: mortality, termination of employment, disability, retirement; changes in medical costs; and other relevant items.</p> |
| Actuarial Cost Method | <p>A procedure for determining the Actuarial Present Value of OPEB program benefits and expenses and for developing an actuarially equivalent allocation of such value to time periods, usually in the form of a Normal Cost and an Actuarial Accrued Liability.</p> |
| Actuarial (Gain)/ Loss | <p>A measure of the difference between actual experience and that expected based on a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.</p> |

Glossary (cont'd)

| | |
|---|--|
| Actuarial Present Value | The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of Actuarial Assumptions. |
| Actuarial Valuation | The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for an OPEB plan. |
| Actuarial Value of Assets | The value of cash, investments and other property belonging to an OPEB plan, as used by the actuary for the purpose of an Actuarial Valuation. LACERA has adopted market value. |
| Amortization Payment | That portion of the ADC that is designed to recognize interest on and to amortize the Unfunded Actuarial Accrued Liability. |
| Actuarially Determined Contributions (“ADC”) | This is the employer's periodic contribution to a defined benefit OPEB plan, calculated in accordance with Actuarial Standards of Practice. |
| Annual Required Contributions (“ARC”) | This is the employer's periodic required contribution to a defined benefit OPEB plan, calculated in accordance with the set requirements for calculating actuarially determined OPEB information included in financial reports. This was a GASB 45 concept that is no longer used. |

Glossary (cont'd)

| | |
|---------------------------------|--|
| Attribution Period | The period of an employee's service to which the expected postretirement benefit obligation for that employee is assigned. The beginning of the attribution period is the employee's date of hire. The end of the attribution period is the time of assumed exit from OPEB active member status. |
| Benefit Payments | The monetary or in-kind benefits or benefit coverage to which participants may be entitled under a post employment benefit plan, including health care benefits and life insurance not provided through a retirement program. |
| Entry Age Normal ("EAN") | Actuarial Cost Method that allocates the present value of the projected benefits of each individual included in the valuation as a level percentage of the individual's projected compensation between entry age and assumed exit (until maximum retirement age). |
| GASB 74 | The statement that establishes financial reporting standards for <u>postemployment benefit plans</u> other than retirement programs. |
| GASB 75 | The statement that establishes financial reporting standards for <u>employers</u> that sponsor postemployment benefits other than retirement programs. |
| Net OPEB Obligation | This is the cumulative difference since the effective date of this statement between annual OPEB cost and the employer's contributions to the plan, including the OPEB liability (asset) at transition, if any, and excluding (a) short-term differences and (b) unpaid contributions that have been converted to OPEB related debt. |

Glossary (cont'd)

| | |
|--|--|
| Normal Cost (“NC”) | That portion of the Actuarial Present Value of OPEB plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method. |
| Other Postemployment Benefits (“OPEB”) | This refers to postemployment benefits other than retirement program benefits, including healthcare benefits regardless of the type of plan that provides them, and all other postemployment benefits provided separately from a retirement program, excluding benefits defined as termination benefits or offers. |
| Present Value of Future Benefits (“PVFB”) | <p>This is the value, as of the applicable date, of future payments for benefits and expenses under the Plan, where each payment is:</p> <ul style="list-style-type: none">(a) Multiplied by the probability of the event occurring on which the payment is conditioned, such as the probability of survival, death, disability, termination of employment, etc.; and(b) Discounted at the assumed discount rate. |
| Projected Unit Credit (“PUC”) | Actuarial Cost Method that takes the actuarial present value of the projected benefits of each individual included in the valuation is allocated pro-rata to each year of service between entry age and assumed exit. |

Glossary (cont'd)

| | |
|--|---|
| Projected Benefits | Those OPEB plan benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits. |
| Substantive Plan | The terms of the OPEB plan as understood by an employer that provides postretirement benefits and the employees who render services in exchange for those benefits. The substantive plan is the basis for the accounting for the plan. |
| Trend Rate | The rate of increase in per person health costs paid by a plan as a result of factors such as price increases, utilization of healthcare services, plan design, and technological developments. |
| Unfunded Actuarial Accrued Liability (“UAAL”) | The excess of the Actuarial Accrued Liability over the Actuarial Value of Assets. |

Caveats

OPEB Projections

The OPEB projections are based on census and liability information from the July 1, 2023, OPEB valuation and asset information through July 1, 2024. As active members are projected to leave employment, they are assumed to be replaced with members whose demographics match new hires from July 1, 2020, through July 1, 2023, to keep the total number of active participants constant.

The purpose of these projections is to help LACERA as an agent employer determine pre-funding goals for its OPEB liabilities. Other than where stated differently in this presentation, all data, assumptions, methods, plan provisions, caveats and limitations from our July 1, 2023, OPEB valuation report continue to apply to the Milliman slides in this presentation.

The projection results were developed using models employing standard actuarial techniques. The intent of the models was to project OPEB liabilities and assets. We have reviewed the models, including their inputs, calculations, and outputs, for consistency, reasonableness, and appropriateness to the intended purpose and in compliance with generally accepted actuarial practice and relevant actuarial standards of practice (ASOPs). The models, including all input, calculations, and output may not be appropriate for any other purpose.

Caveats (continued)

Milliman's work is prepared solely for the internal business use of LACERA. To the extent that Milliman's work is not subject to disclosure under applicable public records laws, Milliman's work may not be provided to third parties without Milliman's prior written consent. Milliman does not intend to benefit or create a legal duty to any third-party recipient of its work product.

Milliman's consent to release its work product to any third party may be conditioned on the third party signing a Release, subject to the following exceptions:

- a) LACERA may provide a copy of Milliman's work, in its entirety, to LACERA's professional service advisors who are subject to a duty of confidentiality and who agree to not use Milliman's work for any purpose other than to benefit LACERA.
- b) LACERA may provide a copy of Milliman's work, in its entirety, to other governmental entities, as required by law.

No third-party recipient of Milliman's work product should rely upon Milliman's work product. Any third-party recipient of Milliman's work product, including Los Angeles County, Superior Court, or the Outside Districts, who desires professional guidance should not rely upon Milliman's work product but should engage qualified professionals for advice appropriate to their own specific needs.

The consultants who worked on this assignment are actuaries. Milliman's advice is not intended to be a substitute for qualified legal or accounting counsel.

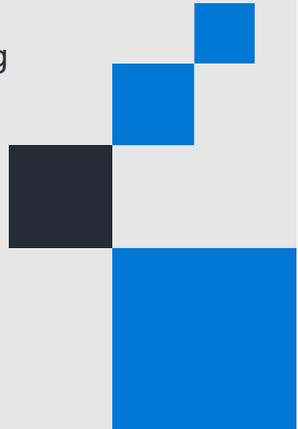
The signing actuaries are independent of the plan sponsor. We are not aware of any relationship that would impair the objectivity of our work.



Robert Schmidt, FSA, EA, MAAA
Principal and Consulting Actuary



Ryan Cook, FSA, EA, MAAA
Consulting Actuary





Thank you

Robert Schmidt

robert.schmidt@milliman.com

Ryan Cook

ryan.cook@milliman.com



FOR INFORMATION ONLY

April 1, 2025

TO: Trustees,
Board of Investments

FROM: Christine Roseland *CR*
Senior Staff Counsel

FOR: April 2025 Board of Investments Meeting

SUBJECT: **Legal Projects**

Attached is the monthly report on the status of investment related projects that are either Board directed or reported out pursuant to the Investment Policy Statement and handled by the Legal Division as of April 1, 2025.

Attachment

c: Santos H. Kreimann
Luis A. Lugo
Jonathan Grabel
Esmeralda Del Bosque
Vache Mahseredjian
Jude Perez
Christopher Wagner
Scott Zdrazil
Steven Rice
John Harrington
Avi Herescu
Susan Wang
Lisa Garcia



LACERA Legal Division
Board of Investments Projects
Monthly Status Report - Pending as of April 1, 2025*



| | Project/ Investment | Description | Amount | Board Approval Or Report Out Date | Completion Status | % Complete | Notes |
|----------------------|----------------------------------|--|------------------|-----------------------------------|-------------------|------------|--------------------------------|
| CREDIT & HEDGE FUNDS | Onex | Trading Advisory Agreement | \$775,000,000 | March 12, 2025 | Completed | 100% | Completed. |
| PORTFOLIO ANALYTICS | State Street Bank and Trust Co. | Global Custody and Commercial Banking Services Agreement for LACERA's Pension Plan and OPEB Master Trust | \$72,000,000,000 | August 10, 2022 | In Progress | 99% | Legal negotiations in process. |
| PRIVATE EQUITY | Insight Partners Fund XIII, L.P. | Subscription | \$200,000,000 | March 12, 2025 | Completed | 100% | Completed. |

*= This list does not include Real Estate separate account transactions, consents and amendments and other investment related legal work that arise during the life of an investment unless it is a BOI approved item or is otherwise reported out.

FOR INFORMATION ONLY

March 21, 2025

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: April 2, 2025 Board of Retirement Meeting
April 9, 2025 Board of Investments Meeting

SUBJECT: **Monthly Status Report on Legislation**

Attached is the monthly report on the status of legislation that staff is monitoring. Bills on which LACERA has adopted a position are highlighted in yellow.

Reviewed and Approved:



Luis Lugo, Deputy Chief Executive Officer

Attachments

LACERA Legislative Report Index
LACERA Legislative Report

cc: Santos H. Kreimann
Luis Lugo
JJ Popowich
Laura Guglielmo
Steven P. Rice
Jon Gabel
Scott Zdrasil
Anthony Roda, Williams & Jensen
Naomi Padron, MKP Government Relations

| CATEGORY | BILL | AUTHOR | TITLE | BOR POSITION | PAGE |
|----------------------|---------|---|---|--------------|------|
| BROWN_ACT | AB 259 | Blanca E. Rubio (D) | Open Meetings: Local Agencies: Teleconferences | | 2 |
| BROWN_ACT | AB 409 | Joaquin Arambula (D) | Open Meetings: Teleconferences: Community College | | 6 |
| BROWN_ACT | AB 467 | Mike Fong (D) | Open Meetings: Teleconferences: Neighborhood Councils | | 7 |
| BROWN_ACT | SB 239 | Jesse Arreguin (D) | Open Meetings: Teleconferencing: Subsidiary Body | | 18 |
| BROWN_ACT | SB 707 | María Elena Durazo (D) | Open Meetings: Meeting and Teleconference Requirements | | 22 |
| PUBLIC_EMPLOYMENT | AB 288 | Tina McKinnor (D) | Public Employment: Labor Relations | | 3 |
| PUBLIC_EMPLOYMENT | AB 339 | Liz Ortega (D) | Local Public Employee Organizations: Notice Requirement | | 4 |
| PUBLIC_EMPLOYMENT | AB 340 | Patrick Ahrens (D) | Employer-Employee Relations: Confidential Communication | | 5 |
| PUBLIC_EMPLOYMENT | AB 889 | Heather Hadwick (R) | Prevailing Wage: Per Diem Wages | | 10 |
| PUBLIC_RECORDS_ACT | AB 810 | Jacqui Irwin (D) | Local Government: Internet Websites and Email Addresses | | 9 |
| PUBLIC_RETIREMENT | AB 1054 | Mike A. Gipson (D) | Public Employees Retirement | | 11 |
| PUBLIC_RETIREMENT | AB 1067 | Sharon Quirk-Silva (D) | Public Employees Retirement: Felony Convictions | | 12 |
| PUBLIC_RETIREMENT | AB 1323 | Phillip Chen (R) | Public Retirement | | 13 |
| PUBLIC_RETIREMENT | AB 1383 | Tina McKinnor (D) | Public Employees Retirement Benefits | | 14 |
| PUBLIC_RETIREMENT | AB 1451 | Al Muratsuchi (D) | State Teachers' Retirement System | | 15 |
| PUBLIC_RETIREMENT | AB 26 | Carl DeMaio (R) | Eliminate the Politicians Perks Act of 2025 | | 1 |
| PUBLIC_RETIREMENT | AB 569 | Catherine Stefani (D) | California Public Employees' Pension Reform Act | | 8 |
| PUBLIC_RETIREMENT | ACA 2 | Corey Jackson (D) | Legislature: Retirement | | 16 |
| PUBLIC_RETIREMENT | SB 301 | Timothy S. Grayson (D) | County Employees Retirement Law of 1937 | | 19 |
| PUBLIC_RETIREMENT | SB 443 | Susan Rubio (D) | Retirement: Joint Powers Authority: Cities | | 20 |
| PUBLIC_RETIREMENT | SB 538 | Megan Dahle (R) | Public Employees' Retirement System: Teaching | | 21 |
| PUBLIC_RETIREMENT | SB 853 | Labor, Public Employment and Retirement | Public Employees' Retirement | | 23 |
| WORKERS_COMPENSATION | SB 8 | Angelique Ashby (D) | Peace Officers: Injury or Illness: Leaves of Absence | | 17 |

 State Net® Search Results

Term:

No term applied.

Tracking

Include tracked measures only

1.

California Assembly Bill 26 (2025-2026)

CAA 26 | [Carl DeMaio \(R-075\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | ASSEMBLY

Eliminate the Politicians Perks Act of 2025

States the intent of the Legislature to enact legislation that holds elected officials accountable by prohibiting Members of the Legislature from accepting gifts or trading in individual stock, imposing a lifetime lobbying ban, eliminating exemptions for the Legislature from labor, workplace, and public record laws, and eliminating government pensions for local elected officials.

Code:

An act relating to the Political Reform Act of 1974.

Status:

Dec 2, 2024: INTRODUCED.

 PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

2.

California Assembly Bill 259 (2025-2026)

CAA 259 | [Blanca E. Rubio \(D-048\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Local Government Committee

Open Meetings: Local Agencies: Teleconferences

Extends, under the Ralph M. Brown Act the alternative teleconferencing procedures indefinitely. Removes a specified date from the act, thereby extending the authorization for a legislative body of a local agency to consider and take action on a request from a member to participate in a meeting remotely due to emergency circumstances, as specified, indefinitely.

Code:

An act to amend and repeal Sections 54953 and 54954.2 of the Government Code, relating to local government.

Status:

Feb 10, 2025: To ASSEMBLY Committee on LOCAL GOVERNMENT.

[+ Show full status history](#)

 BROWN_ACT

| No tags, commentary, or attachment applied

3.

California Assembly Bill 288 (2025-2026)

CAA 288 | [Tina McKinnor \(D-061\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Public Employment and Retirement...

Public Employment: Labor Relations

Relates to existing law which authorizes an exclusive representative to file a charge of an unfair labor practice with the Public Employment Relations Board alleging a violation of specified provisions only after certain requirements have been met. Deletes the reference to the July 1, 2022, operative date in those provisions.

Code:

An act to amend Section 3558 of the Government Code, relating to public employment.

Status:

Feb 10, 2025: To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

[+ Show full status history](#)

PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

4.

California Assembly Bill 339 (2025-2026)

CAA 339 | [Liz Ortega \(D-020\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |
Assembly Appropriations Committee

Local Public Employee Organizations: Notice Requirement

Requires the governing body of a public agency, and boards and commissions designated by law or by the governing body of a public agency, to give the recognized employee organization no less than 120 days' written notice before issuing a request for proposals, request for quotes, or renewing or extending an existing contract to perform services that are within the scope of work of the job classifications represented by the recognized employee organization.

Code:

An act to add Section 3504.1 to the Government Code, relating to public employment.

Status:

Mar 19, 2025: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.

[+ Show full status history](#)



PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

5.

California Assembly Bill 340 (2025-2026)

CAA 340 | [Patrick Ahrens \(D-026\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |
Assembly Appropriations Committee

Employer-Employee Relations: Confidential Communication

Prohibits a public employer from compelling a public employee, a representative of a recognized employee organization, or an exclusive representative to disclose confidential communications to a third party. Provides that this would not apply to a criminal investigation or when a public safety officer is under investigation and certain circumstances exist.

Code:

An act to ~~amend Sections 3506.5, 3519, 3543.5, and 3571 of the Government Code, and to amend Section 28858 of the Public Utilities~~ add Section 3558.9 to the Government Code, relating to employer-employee relations.

Status:

Mar 19, 2025: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.

[+ Show full status history](#)

 PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

6.

California Assembly Bill 409 (2025-2026)

CAA 409 | [Joaquin Arambula \(D-031\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Local Government Committee

Open Meetings: Teleconferences: Community College

Deletes a specified sunset date, hereby authorizing California Community College student body associations and student-run community college organizations to use alternate teleconferencing provisions indefinitely.

Code:

An act to amend Section 54953.9 of the Government Code, relating to open meetings.

Status:

Feb 18, 2025: To ASSEMBLY Committees on LOCAL GOVERNMENT and HIGHER EDUCATION.

[+ Show full status history](#)



BROWN_ACT

| No tags, commentary, or attachment applied

7.

California Assembly Bill 467 (2025-2026)

CAA 467 | [Mike Fong \(D-049\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) |
Assembly Local Government Committee

Open Meetings: Teleconferences: Neighborhood Councils

Extends the authorization for specified neighborhood city councils to use alternate teleconferencing provisions until January 1, 2031.

Code:

An act to amend Section 54953.8 of the Government Code, relating to local government.

Status:

Feb 18, 2025: To ASSEMBLY Committee on LOCAL GOVERNMENT.

[+ Show full status history](#)



BROWN_ACT

| No tags, commentary, or attachment applied

8.

California Assembly Bill 569 (2025-2026)

CAA 569 | [Catherine Stefani \(D-019\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Public Employment and Retirement...

California Public Employees' Pension Reform Act

Authorizes a public employer to bargain over contributions for supplemental retirement benefits administered by, or on behalf of, an exclusive bargaining representative of one or more of the public employer's bargaining units.

Code:

An act to amend Section 7522.18 of the Government Code, relating to retirement benefits.

Status:

Feb 24, 2025: To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

[+ Show full status history](#)



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

9.

California Assembly Bill 810 (2025-2026)

CAA 810 | [Jacqui Irwin \(D-042\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Local Government Committee

Local Government: Internet Websites and Email Addresses

Allows a community college district, community college, or other postsecondary institution to use a edu domain. Adds to the definition of local government to include a special district, school district, joint powers authority, or other political subdivision.

Code:

An act to amend Section 50034 of the Government Code, relating to local government.

Status:

Mar 10, 2025: To ASSEMBLY Committees on LOCAL GOVERNMENT and PRIVACY AND CONSUMER PROTECTION.

[+ Show full status history](#)



PUBLIC_RECORDS_ACT

| No tags, commentary, or attachment applied

10.

California Assembly Bill 889 (2025-2026)

CAA 889 | [Heather Hadwick \(R-001\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Labor and Employment Committee

Prevailing Wage: Per Diem Wages

Authorizes an employer to take full credit for the hourly amounts contributed to defined contribution pension plans that provide for both immediate participation and immediate vesting even if the employer contributes at a lower rate or does not make contributions to private construction. Requires the employer to prove that the credit for employer payments was calculated properly.

Code:

An act to amend Section 1773.1 of the Labor Code, relating to prevailing wage.

Status:

Mar 3, 2025: To ASSEMBLY Committee on LABOR AND EMPLOYMENT.

[+ Show full status history](#)

Hearing Dates:

04/02/2025 Labor and Employment

 PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

11.

California Assembly Bill 1054 (2025-2026)

CAA 1054 | [Mike A. Gipson \(D-065\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | ASSEMBLY

Public Employees Retirement

Makes nonsubstantive changes to the provision naming the Public Employees' Retirement Law.

Code:

An act to amend Section 20000 of the Government Code, relating to retirement.

Status:

Feb 20, 2025: INTRODUCED.



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

12.

California Assembly Bill 1067 (2025-2026)

CAA 1067 | [Sharon Quirk-Silva \(D-067\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | ASSEMBLY

Public Employees Retirement: Felony Convictions

Specifies that if a felony conviction results arising out of any conduct, the public employee would forfeit all accrued rights and benefits in any public retirement system.

Code:

An act to add Section 7522.76 to the Government Code, relating to public employees' retirement.

Status:

Feb 20, 2025: INTRODUCED.



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

13.

California Assembly Bill 1323 (2025-2026)

CAA 1323 | [Phillip Chen \(R-059\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | ASSEMBLY

Public Retirement

States the intent of the Legislature to enact legislation relating to public retirement.

Code:

An act relating to public retirement.

Status:

Feb 21, 2025: INTRODUCED.



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

14.

California Assembly Bill 1383 (2025-2026)

CAA 1383 | [Tina McKinnor \(D-061\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Public Employment and Retirement...

Public Employees Retirement Benefits

Relates to the Public Employees' Retirement System. Provides that the California Public Employees' Pension Reform Act of 2013 establishes a variety of requirements and restrictions on public employers offering defined benefit pension plans. Requires a retirement system to adjust pensionable compensation limits to be consistent with a defined benefit limitation established and annually adjusted under federal law with respect to tax exempt qualified trusts. Appropriates funds.

Code:

An act to ~~repeal and add Section 2068 of the Labor Code, relating to private employment.~~ amend Section 7522.10 of the Government Code, relating to public employees' retirement, and making an appropriation therefor.

Status:

- Mar 10, 2025:** In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
- Mar 10, 2025:** From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT With author's amendments.
- Mar 10, 2025:** To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
[+ Show full status history](#)

PUBLIC_RETIREMENT

Tags:

Staff_Recommendation: Neutral

15.

California Assembly Bill 1451 (2025-2026)

CAA 1451 | [Al Muratsuchi \(D-066\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | ASSEMBLY

State Teachers' Retirement System

Makes a nonsubstantive change to the provision naming the Teachers' Retirement Law.

Code:

An act to amend Section 22000 of the Education Code, relating to teachers' retirement.

Status:

Feb 21, 2025: INTRODUCED.



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

16.

California Assembly Constitutional Amendment 2 (2025-2026)

CAACA 2 | [Corey Jackson \(D-060\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | ASSEMBLY

Legislature: Retirement

Creates the Legislative Diversification Act, to repeal a prohibition of members of the Legislature accruing any pension or retirement benefit as specified and instead require the Legislature to establish a retirement system for members elected to or serving in the Legislature on specified date.

Code:

A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by repealing and adding Section 4.5 of Article IV thereof, relating to the Legislature.

Status:

Dec 2, 2024: INTRODUCED.



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

17.

California Senate Bill 8 (2025-2026)

CAS 8 | [Angelique Ashby \(D-008\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Labor, Public Employment and Retirement...

Peace Officers: Injury or Illness: Leaves of Absence

Entitles a park ranger employed in the County of Sacramento to a leave of absence while disabled by injury or illness arising out of and in the course of their duties.

Code:

An act to amend Section 4850 of the Labor Code, relating to public employment.

Status:

Jan 29, 2025: To SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

[+ Show full status history](#)

Hearing Dates:

03/26/2025 Labor, Public Employment and Retirement



WORKERS_COMPENSATION

| No tags, commentary, or attachment applied

18.

California Senate Bill 239 (2025-2026)

CAS 239 | [Jesse Arreguin \(D-007\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) |
Senate Local Government Committee

Open Meetings: Teleconferencing: Subsidiary Body

Authorizes a subsidiary body, as defined, to use alternative teleconferencing provisions and would impose requirements for notice, agenda, and public participation, as prescribed. Requires the subsidiary body to post the agenda at the primary physical meeting location.

Code:

An act to add Section 54953.05 the Government Code, relating to local government.

Status:

Feb 14, 2025: To SENATE Committees on LOCAL GOVERNMENT and JUDICIARY.

[+ Show full status history](#)

Hearing Dates:

04/02/2025 Local Government

 BROWN_ACT

| No tags, commentary, or attachment applied

19.

California Senate Bill 301 (2025-2026)

CAS 301 | [Timothy S. Grayson \(D-009\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Rules Committee

County Employees Retirement Law of 1937

Makes nonsubstantive changes to provisions of the County Employees Retirement Law of 1937.

Code:

An act to amend Section 31560 of the Government Code, relating to retirement.

Status:

Feb 19, 2025: To SENATE Committee on RULES.

[+ Show full status history](#)



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

20.

California Senate Bill 443 (2025-2026)

CAS 443 | [Susan Rubio \(D-022\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Labor, Public Employment and Retirement...

Retirement: Joint Powers Authority: Cities

Authorizes the City of La Verne and the City of Covina, if on or after January 1, 2026, they form a joint powers authority, to provide employees the defined benefit plan or formula that those employees received from their respective employers prior to the exercise of a common power.

Code:

An act to amend Section 7522.02 of the Government Code, relating to retirement.

Status:

Feb 26, 2025: To SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.
[+ Show full status history](#)

Hearing Dates:

03/26/2025 Labor, Public Employment and Retirement

 PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

21.

California Senate Bill 538 (2025-2026)

CAS 538 | [Megan Dahle \(R-001\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |
Senate Labor, Public Employment and Retirement...

Public Employees' Retirement System: Teaching

Authorizes member providing services as a substitute teacher, as defined, under certain circumstances to elect to retain coverage under the Public Employees' Retirement System.

Code:

An act to amend Section 20309 of the Government Code, relating to public employee's retirement.

Status:

Mar 5, 2025: To SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

[+ Show full status history](#)



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

22.

California Senate Bill 707 (2025-2026)

CAS 707 | [Maria Elena Durazo \(D-026\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |
Senate Local Government Committee

Open Meetings: Meeting and Teleconference Requirements

Requires a city council or a county board of supervisors to comply with additional meeting requirements, including that all open and public meetings include an opportunity for members of the public to attend via a two-way telephonic option or a two-way audiovisual platform, as defined, that a system is in place for requesting and receiving interpretation services for public meetings, as specified, and that good faith efforts are made to encourage residents to participate in public meetings, as specified.

Code:

An act to amend Sections 54953, 54954.2, and 54954.3 of, to add Sections 54953.8, 54953.8.1, and 54953.8.2 to, and to add and repeal Sections 54953.8.3, 54953.8.4, 54953.8.5, 54953.8.6, 54953.8.7, and 54953.9 of, the Government Code, relating to local government.

Status:

Mar 12, 2025: To SENATE Committees on LOCAL GOVERNMENT and JUDICIARY.

[+ Show full status history](#)

Hearing Dates:

04/02/2025 Local Government

 BROWN_ACT

| No tags, commentary, or attachment applied

23.

California Senate Bill 853 (2025-2026)

CAS 853 | Labor, Public Employment and Retirement | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Labor, Public Employment and Retirement...

Public Employees' Retirement

Provides that the Teachers' Retirement Board has final authority for determining an employer or employing agency for purposes of the Teachers' Retirement Law and related provisions governing teachers' health care benefits.

Code:

An act to amend Sections 22104.8, 22131, 22146.5, 22713, 22954, 22955, 22955.1, 24502, 24616.2, and 26122 of the Education Code, and to amend Sections 20034, 20069, 20638, 20639, 31462.05, 31470.14, and 31680.9 of the Government Code, relating to public retirement systems.

Status:

Mar 12, 2025: To SENATE Committees on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT and JUDICIARY.

[+ Show full status history](#)

 PUBLIC_RETIREMENT

Tags:

Staff_Recommendation: Support

**FOR INFORMATION ONLY**

March 21, 2025

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Ted Granger 
Chief Financial Officer

FOR: April 2, 2025 Board of Retirement Meeting
April 9, 2025 Board of Investments Meeting

SUBJECT: MONTHLY TRUSTEE TRAVEL & EDUCATION REPORT – FEBRUARY 2025

Attached for your review is the monthly Trustee Travel & Education Report. This report includes all events (i.e., attended and canceled) from the beginning of the fiscal year through February 2025.

Trustees attend monthly Board and Committee meetings at LACERA's office which are considered administrative meetings per the Trustee Travel Policy. In order to streamline report volume and information, these regular meetings are excluded from the monthly travel reports but are included in the quarterly travel expenditure reports.

Staff travel and education expenditure reports are provided to the Chief Executive Officer monthly and to the Boards quarterly.

REVIEWED AND APPROVED:



Luis A. Lugo
Deputy Chief Executive Officer

TG/JT/EW/SC/SE/gj

Attachments

c: J. Popowich
L. Guglielmo
J. Gabel
S. Rice
R. Contreras

**TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2024 - 2025
FEBRUARY 2025**

| Attendee | Purpose of Travel - Location | Event Dates | Travel Status |
|---------------------------|--|-------------------------|---------------|
| Nancy Durazo | | | |
| A | 1 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA | 10/14/2024 - 10/18/2024 | Attended |
| V | - Edu - Southern New Hampshire University: Principles of Finance & Public Fiscal Management Weekly Course - VIRTUAL | 07/01/2024 - 08/25/2024 | Attended |
| | - Edu - Southern New Hampshire University: Policy Analysis and the Role of the Public Weekly Course - VIRTUAL | 09/02/2024 - 10/27/2024 | Attended |
| | - Edu - Southern New Hampshire University: Program Accountability and Driving Business Opportunities (Weekly Course) - VIRTUAL | 10/28/2024 - 12/22/2024 | Attended |
| | - Edu - National University: Public Personnel Policy (Weekly Course) - VIRTUAL | 02/03/2025 - 02/24/2025 | Attended |
| Trevor Fay | | | |
| A | 1 Edu - Infrastructure Investor: North America Forum - New York City NY | 12/04/2024 - 12/05/2024 | Attended |
| B | - Admin - Board of Investments Offsite - Glendale CA | 09/10/2024 - 09/11/2024 | Attended |
| | - Edu - Toigo Foundation 35th Anniversary Gala - Los Angeles CA | 11/20/2024 - 11/20/2024 | Attended |
| Mike Gatto | | | |
| A | 1 Edu - 2024 SACRS UC Berkeley Public Pension Investment Management Program - Berkeley CA | 07/14/2024 - 07/17/2024 | Attended |
| B | - Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA | 07/10/2024 - 07/11/2024 | Attended |
| | - Admin - Board of Investments Offsite - Glendale CA | 09/10/2024 - 09/11/2024 | Attended |
| | - Edu - IFEBP Annual Employee Benefits Conference - San Diego CA | 11/10/2024 - 11/13/2024 | Attended |
| Elizabeth Ginsberg | | | |
| A | 1 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA | 10/14/2024 - 10/18/2024 | Attended |
| B | - Edu - Pathways for Women Conference 2024 - Anaheim CA | 08/26/2024 - 08/27/2024 | Attended |
| | - Admin - Board of Investments Offsite - Glendale CA | 09/10/2024 - 09/11/2024 | Attended |
| | - Edu - IFEBP New Trustees Institute - Level I: Core Concepts - San Diego CA | 11/09/2024 - 11/11/2024 | Attended |
| Vivian Gray | | | |
| A | 1 Edu - 2024 Korie Global Summit: What Matters Now in 2024: Trends and Insights for Tomorrow - Coral Gables FL | 07/17/2024 - 07/19/2024 | Attended |
| | 2 Edu - CII 2024 Fall Conference - Brooklyn NY | 09/09/2024 - 09/11/2024 | Attended |
| | 3 Edu - New America Alliance International Symposium - Mexico City, Mexico | 09/25/2024 - 09/26/2024 | Attended |
| | 4 Edu - PRI in Person 2024 - Toronto, Canada | 10/08/2024 - 10/10/2024 | Attended |
| B | - Admin - SACRS Board of Directors - Sacramento CA | 09/16/2024 - 09/16/2024 | Attended |
| | - Edu - CALAPRS Intermediate Course in Retirement Plan Administration - San Jose CA | 11/06/2024 - 11/08/2024 | Attended |
| | - Edu - SACRS Fall Conference 2024 - Monterey CA | 11/12/2024 - 11/15/2024 | Attended |
| | - Admin - 28th Annual NASP Symposium - Queens NY | 11/20/2024 - 11/21/2024 | Attended |

TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2024 - 2025
FEBRUARY 2025

| Attendee | Purpose of Travel - Location | Event Dates | Travel Status |
|----------------------|--|-------------------------|---------------|
| Jason Green | | | |
| A | 1 Edu - NCPERS Legislative Conference & Policy Day - Washington, DC | 01/27/2025 - 01/29/2025 | Attended |
| B | - Admin - Board of Investments Offsite - Glendale CA | 09/10/2024 - 09/11/2024 | Attended |
| V | - Edu - NCPERS 2024 Webinar - State and Federal Legislative Outlook for Public Pensions - VIRTUAL | 12/05/2024 - 12/05/2024 | Attended |
| Patrick Jones | | | |
| A | 1 Edu - IDAC 2024 Annual Summit - Broomfield CO | 09/24/2024 - 09/26/2024 | Attended |
| | 2 Edu - NACD Directors Summit 2024 - Washington, DC | 10/06/2024 - 10/09/2024 | Attended |
| | 3 Edu - Goldman Sachs the Garland Summit: Enduring Legacy - New York City NY | 10/09/2024 - 10/10/2024 | Attended |
| | 4 Edu - Infrastructure Investor: North America Forum - New York City NY | 12/04/2024 - 12/05/2024 | Attended |
| B | - Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA | 07/10/2024 - 07/11/2024 | Attended |
| | - Admin - Board of Investments Offsite - Glendale CA | 09/10/2024 - 09/11/2024 | Attended |
| | - Edu - NACD PSW Corporate Directors Symposium - Los Angeles CA | 11/15/2024 - 11/15/2024 | Attended |
| V | - Edu - NACD Workforce Challenges and Future Strategy - Why Directors Should Be Engaged - VIRTUAL | 11/04/2024 - 11/04/2024 | Attended |
| Shawn Kehoe | | | |
| B | - Admin - Professional Peace Officers Association (PPOA) Board Offsite - Carlsbad CA | 01/25/2025 - 01/25/2025 | Attended |
| Aleen Langton | | | |
| A | 1 Edu - NCPERS 2025 Pension Communication Summit - Washington, DC | 01/26/2025 - 01/27/2025 | Attended |
| B | - Edu - NCPERS Accredited Fiduciary Program Modules 1 & 2: Governance & Finance - Palm Springs CA | 10/26/2024 - 10/27/2024 | Attended |
| C | - Edu - NCPERS Legislative Conference & Policy Day - Washington, DC | 01/27/2025 - 01/29/2025 | Attended |
| V | - Edu - TLF Virtual Discussion for Pension Trustees - VIRTUAL | 12/05/2024 - 12/05/2024 | Attended |
| | - Edu - NCPERS 2024 Webinar - State and Federal Legislative Outlook for Public Pensions - VIRTUAL | 12/05/2024 - 12/05/2024 | Attended |
| | - Edu - Understanding Buffett's \$80B Apple Windfall: Inside the Greatest Value Investment of Our Time - VIRTUAL | 12/16/2024 - 12/16/2024 | Attended |
| Debbie Martin | | | |
| A | 1 Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA | 07/17/2024 - 07/19/2024 | Attended |
| B | - Admin - Board of Investments Offsite - Glendale CA | 09/10/2024 - 09/11/2024 | Attended |

**TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2024 - 2025
FEBRUARY 2025**

| Attendee | Purpose of Travel - Location | Event Dates | Travel Status |
|--------------------|--|-------------------------|---------------|
| Nicole Mi | | | |
| A | 1 Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA | 07/17/2024 - 07/19/2024 | Attended |
| | 2 Edu - New America Alliance International Symposium - Mexico City, Mexico | 09/25/2024 - 09/26/2024 | Attended |
| | 3 Edu - 2024 PPI Executive Seminar and Asia Roundtable - Hong Kong | 10/20/2024 - 10/25/2024 | Attended |
| | 4 Edu - CII NYU Corporate Governance Bootcamp - New York City NY | 11/14/2024 - 11/15/2024 | Attended |
| B | - Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA | 07/10/2024 - 07/11/2024 | Attended |
| | - Edu - Pathways for Women Conference 2024 - Anaheim CA | 08/26/2024 - 08/27/2024 | Attended |
| | - Admin - Board of Investments Offsite - Glendale CA | 09/10/2024 - 09/11/2024 | Attended |
| | - Edu - Saxena White Women's Alliance Luncheon - Los Angeles CA | 09/30/2024 - 09/30/2024 | Attended |
| | - Edu - WIIN 10th Anniversary Event - Los Angeles CA | 10/02/2024 - 10/02/2024 | Attended |
| | - Edu - AAAIM Elevate 2024 - Los Angeles CA | 10/08/2024 - 10/10/2024 | Attended |
| V | - Edu - NACD Post Election Federal Policy Outlook for Directors - VIRTUAL | 02/05/2025 - 02/05/2025 | Attended |
| Wayne Moore | | | |
| A | 1 Edu - CII 2024 Fall Conference - Brooklyn NY | 09/09/2024 - 09/11/2024 | Attended |
| | 2 Edu - Harvard Business School - Audit Committees in a New Era of Governance - Boston MA | 11/20/2024 - 11/22/2024 | Attended |
| | 3 Edu - NCPERS 2025 Pension Communication Summit - Washington, DC | 01/26/2025 - 01/27/2025 | Attended |
| B | - Edu - SACRS Fall Conference 2024 - Monterey CA | 11/12/2024 - 11/15/2024 | Attended |
| C | - Edu - NCPERS Legislative Conference & Policy Day - Washington, DC | 01/27/2025 - 01/29/2025 | Attended |
| V | - Edu - NCPERS 2024 Webinar - State and Federal Legislative Outlook for Public Pensions - VIRTUAL | 12/05/2024 - 12/05/2024 | Attended |
| David Ryu | | | |
| A | 1 Edu - 2024 PPI Executive Seminar and Asia Roundtable - Hong Kong | 10/20/2024 - 10/25/2024 | Attended |
| B | - Admin - Board of Investments Offsite - Glendale CA | 09/10/2024 - 09/11/2024 | Attended |
| | - Edu - AAAIM Elevate 2024 - Los Angeles CA | 10/08/2024 - 10/10/2024 | Attended |

Category Legend:

A - Pre-Approved/Board Approved Educational Conferences

B - 1) Board Approved Administrative Meetings and 2) Pre-Approved Educational Conferences in CA where total cost is no more than \$3,000 provided that a Trustee may not incur over \$15,000 for all expenses of attending all such Educational Conferences and Administrative Meetings in a fiscal year per Trustee Travel Policy; Section III.A

C - Second of two conferences and/or meetings counted as one conference per Trustee Education Policy Section IV.C.2 and Trustee Travel Policy Section IV.

V - Virtual Event



Documents not attached are exempt from disclosure under the California Public Records Act and other legal authority.

**For further information, contact:
LACERA
Attention: Public Records Act Requests
300 N. Lake Ave., Suite 620
Pasadena, CA 91101**



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