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.

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION 300 N. LAKE AVENUE, SUITE 650, PASADENA, CA

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, OCTOBER 8, 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.

- 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 September 9, 2025 and September 10, 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

V. PUBLIC COMMENT (Continued)

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.gov.)

VI. EXECUTIVE UPDATE

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

VII. CONSENT ITEM

A. 2025 SuperReturn Europe in Amsterdam, Netherlands on November 4 – 7, 2025

Recommendation as submitted to approve attendance of Trustees at at the 2025 SuperReturn Europe, which will be held in Amsterdam, Netherlands, from November 4 to 7, 2025. Additionally, approve the reimbursement of all travel costs incurred, in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Memo dated September 28, 2025)

VIII. NON-CONSENT ITEMS

A. Hedge Funds Investment Guidelines – Update Recommendation Recommendation as submitted by Vache Mahseredjian, Principal Investment Officer and Quoc Nguyen, Investment Officer: That the Board: Update the manager diversification guideline from an approximate number of managers to a maximum manager allocation. (Memo dated September 26, 2025)

B. Credit Investment Guidelines – Update Recommendation Recommendation as submitted by Vache Mahseredjian, Principal Investment Officer and Quoc Nguyen, Investment Officer: That the Board: Update the manager diversification guideline from an approximate number of managers to a maximum manager allocation. (Memo dated September 26, 2025)

IX. REPORTS (Continued)

A. Pension Plan Actuarial Economic Assumption Review

Luis A. Lugo, Acting Chief Executive Officer Ted Granger, Chief Financial Officer Nick Collier, Milliman Craig Glyde, Milliman (Presentation) (Memo dated September 24, 2025)

B. Comment Letter to United Kingdom Department of Business and Trade Regarding UK Sustainability Reporting Standards

Scott Zdrazil, Principal Investment Officer Piers Hugh Smith, Investment Officer (For Information Only) (Memo dated September 16, 2025)

C. 2026 STAR COLA Program Award

Ted Granger, Chief Financial Officer (For Information Only) (Memo dated September 22, 2025)

D. Legal Projects

Christine Roseland, Senior Staff Counsel (For Information Only) (Memo dated October 1, 2025)

E. Monthly Status Report on Legislation

Barry W. Lew, Legislative Affairs Officer (For Information Only) (Memo dated September 22, 2025)

F. Monthly Trustee Travel & Education Report – August 2025

Ted Granger, Chief Financial Officer (For Information Only) (Memo dated September 19, 2025)

G. September 2025 Fiduciary Counsel Contact and Billing Report Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated September 22, 2025) (Privileged and Confidential/Attorney-Client Communication/Attorney Work Product and Exempt from Disclosure under California Government Code Sections 7927.705, 54957.5(a))

X. 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 agendized item at a future meeting.)

XI. 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.

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

XIII. 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. **LACERA Headquarters Gateway Plaza**Jonathan Grabel, Chief Investment Officer
 (Presentation) (Memo dated October 8, 2025)
 - Private Equity Investment Update I
 Didier Acevedo, Senior Investment Officer
 Derek Kong, Investment Officer
 (For Information Only) (Memo dated August 27, 2025)
 - 3. **Private Equity Investment Update II**Didier Acevedo, Senior Investment Officer
 (Presentation)
 - Real Estate Investment Update I
 Terri Herubin, Senior Investment Officer
 Mel Tsao, Senior Investment Analyst
 (For Information Only) (Memo dated October 8, 2025)
 - 5. Real Estate Investment Update II

 Terri Herubin, Senior Investment Officer

 Mike Romero, Investment Officer

 (For Information Only) (Memo dated October 8, 2025)

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XIII. EXECUTIVE SESSION (Continued)

C. Public Employee Performance Evaluation (Pursuant to Paragraph (1) of Subdivision (b) of California Government Code Section 54957)

1. Title: Chief Investment Officer

2. Title: Chief Counsel

XIV. 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.gov, but no later than 48 hours prior to the time the meeting is to commence.

MINUTES OF A SPECIAL MEETING OF THE BOARD OF INVESTMENTS AND BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

HYATT REGENCY | 200 S. PINE AVENUE LONG BEACH, CA 90802

8:30 A.M., TUESDAY, SEPTEMBER 9, 2025

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

BOI TRUSTEES PRESENT

Jason Green, Chair

Patrick Jones, Vice Chair

David Ryu, Secretary (Teleconference Due to Just Cause under Section 54953 (f))

Mike Gatto

Aleen Langton

Debbie Martin

Alma Martinez (Joined the meeting at 9:45 a.m.)

Nicole Mi

Lisa Proft

BOR TRUSTEES PRESENT

Roberta Fesler

JP Harris

Shawn Kehoe

Les Robbins

September 9, 2025 Page 2

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

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

8:30 a.m. Call to Order

The meeting was called to order by Chair Green at 8:32 a.m., in the Beacon Room of Hyatt Regency Long Beach.

Pledge of Allegiance

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

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 was a request received from Trustee Ryu to participate by teleconference for Just Cause (A) Childcare Needs. Trustee Ryu confirmed that there were no individuals 18 years or older present at the teleconference location.

8:30 a.m. Public Comment

There were no requests made by the public to speak.

8:35 a.m. Welcome & Opening Remarks

Jonathan Grabel, Chief Investment Officer

Chair Green and Mr. Grabel made introductory comments.

8:45 a.m. Energy Transition

Scott Zdrazil, Principal Investment Officer Terra Elijah, Senior Investment Analyst Cheryl Lu. Senior Investment Officer

Claudia Meer, Board Member of Enfra Solutions, a CVC DIF portfolio company

Reuben Munger, Founder and Managing Partner, Vision Ridge Partners

Jehangir Vevaina, Managing Partner & Global Chief Investment Officer, Renewable Power and Transition Group, Brookfield Asset Management

This session provided insights into the evolving global market environment and energy transition trendlines along with background on LACERA's guiding policies and current portfolio exposures.

A panel of LACERA's investment partners provided their perspective on current investment opportunities and challenges.

10:15 a.m. Break

10:30 a.m. Credit: Design and Implementation

Vache Mahseredjian, Principal Investment Officer Kristen Jones, Partner and Head of US Private Credit, Albourne Chad Timko, Senior Investment Officer Krista Powell, Investment Officer Quoc Nguyen, Investment Officer

This session provided an overview of the broad credit universe, the intentional design and implementation strategy of LACERA's credit portfolio, performance results, and portfolio alignment with the broader investment mission and strategic initiatives.

12:00 p.m. Lunch

1:00 p.m. Blockchain and Tokenization

Jason Choi, Senior Investment Analyst Patrik Bless, Managing Director, Partners Group Pablo Nobre dos Reis, Digital Products and Solutions Analyst, DWS

Colleen Sullivan, Co-Head of Venture, Brevan Howard Digital

The session explored the benefits of blockchain, identified current and prospective use cases, and discussed market developments and regulatory considerations.

A panel of LACERA's investment partners provided their insights on blockchain and tokenization.

2:30 p.m. Break

2:45 p.m. Implications of Artificial Intelligence

Didier Acevedo, Senior Investment Officer Greg Wallem, Managing Director, StepStone Group Seth Boro, Managing Partner, Thoma Bravo Jim Prusko, Senior Portfolio Manager and Partner, Magnetar Capital

Naunidh Singh Balla, Co-Founder and CTO, Tetrix

This session examined artificial intelligence's influence on investment strategies and innovation, assessed labor market shifts and future skill demands, analyzed dynamics and investor sentiment, and explored second-order effects.

A panel of investment partners discussed the implications of artificial intelligence.

4:15 p.m. Closing Remarks & Good of the Order

Mr. Grabel provided a meeting discussion summary. There being no further business to come before the Board, the meeting was adjourned at 4:02 p.m.

September 9,	2025
Page 5	

JASON GREEN, CHAIR

MINUTES OF A SPECIAL MEETING OF THE BOARD OF INVESTMENTS AND BOARD OF RETIREMENT

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

HYATT REGENCY | 200 S. PINE AVENUE LONG BEACH, CA 90802

8:30 A.M., WEDNESDAY, SEPTEMBER 10, 2025

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

BOI TRUSTEES PRESENT

Jason Green, Chair (Joined the meeting at 9:00 a.m.)

Patrick Jones, Vice Chair

Mike Gatto (Teleconference Due to Just Cause under Section 54953 (f)) (Left the meeting at 12:00 p.m.)

Elizabeth Ginsberg

Aleen Langton

Debbie Martin (Left the meeting at 12:00 p.m.)

Alma Martinez (Joined the meeting at 9:30 a.m.) (Left the meeting at 12:00 p.m.)

Nicole Mi

Lisa Proft

ABSENT:

David Ryu, Secretary

BOR TRUSTEES PRESENT

Roberta Fesler

JP Harris

Shawn Kehoe

Les Robbins

September 10, 2025 Page 2

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

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Ted Granger, Chief Financial Officer

Esmeralda del Bosque, Principal Investment Officer

Dale Johnson, Senior Investment Officer

Kathryn Ton, Senior Investment Analyst

Jesse Gonzalez, Investment Analyst

James C. Beasley Jr., Supervising Administrative Assistant II

8:30 a.m. Call to Order

The meeting was called to order by Vice Chair Jones at 8:30 a.m. in the Beacon Room of Hyatt Regency Long Beach.

Pledge of Allegiance

Mr. Steven Rice led the Trustees and staff in reciting the Pledge of Allegiance.

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

Procedure for Teleconference Meeting Attendance Under AB 2449, California Government Code Section 54953(f) (Continued)

A physical quorum was present at the noticed meeting location. There was a request received from Trustee Gatto to participate by teleconference for Just Cause (A) Childcare Needs. Trustee Gatto confirmed that there were no individuals 18 years or older present at the teleconference location.

8:30 a.m. Public Comment

There were no requests made by the public to speak.

8:35 a.m. Welcome & Opening Remarks

Jonathan Grabel, Chief Investment Officer

8:45 a.m. Macro Environment

Tim Filla, Managing Principal/Consultant, Meketa Investment Group

Jonathan Grabel. Chief Investment Officer

Mike Pyle, Managing Director and Deputy Head of Portfolio Management Group, BlackRock

This session provided an overview of the macro environment and implications for LACERA's asset allocation, importance of diversified portfolios, and highlighting leadership strategies and lessons learned from leading a diversified global asset management team with insights from Mike Pyle.

10:15 a.m. Break

10:30 a.m. Actuarial Experience Study

Ted Granger, Chief Financial Officer Nick Collier, Principal and Consulting Actuary, Milliman Craig Glyde, Principal and Consulting Actuary, Milliman Alan Perry, Principal and Consultant, Milliman

This session discussed LACERA's Experience Study, timeline and key milestones for action, and assessed the impact of assumptions for their relevance and financial outcomes.

11:55 p.m. Closing Remarks & Good of the Order

Mr. Green and Mr. Grabel provided the closing remarks.

AGENDA A REGULAR MEETING OF THE BOARD OF INVESTMENTS 1:00 P.M., WEDNESDAY, SEPTEMBER 10, 2025

I. Call to Order

The meeting was called to order by Chair Green at 1:02 p.m. in the Beacon Room of Hyatt Regency Long Beach.

II. Approval of Minutes

A. Approval of the Minutes of the Regular Meeting of August 13, 2025

A motion was made by Trustee Langton, seconded by Trustee Jones, to approve the minutes of the Board of Investments meeting August 13, 2025. The motion passed by following roll call vote:

Yes: Ginsberg, Green, Jones, Langton, Mi

Absent: Gatto, Martin, Martinez, Ryu

III. Executive Update

- A. Chief Investment Officer's Report (For Information Only) This item was received and filed.
- B. Member Spotlight (For Information Only) This item was received and filed.
- C. Chief Executive Officer's Report (For Information Only) This item was received and filed.

IV. Consent Items

A motion was made by Trustee Langton, seconded by Trustee Ginsberg, to approve consent items A-B.

Yes: Ginsberg, Green, Jones, Langton, Mi

Absent: Gatto, Martin, Martinez, Ryu

IV. Consent Items (Continued)

A. Review of Fiduciary Counsel Policy

Recommendation as submitted by Patrick Jones, Chair, Joint Organizational Governance Committee: That the Board of Retirement and Board of Investments approve the proposed revised Fiduciary Counsel Policy. (Memo dated August 26, 2025 – Attached Privileged Letter from Nossaman LLP, Fiduciary Counsel is Non-Public and Exempt from Disclosure under California Government Code Sections 7927.705, 54957.5(a))

B. Request for Proposal for Fiduciary Counsel Services

Recommendation as submitted by Patrick Jones, Chair, Joint Organizational Governance Committee: That the Board of Retirement and Board of Investments issue an RFP for fiduciary counsel services. (Memo dated August 26, 2025)

V. Non-Consent Item

A. Proposed Boardroom Floor Plan Layout

Recommendation as submitted by James C. Beasley Jr., Supervising Administrative Assistant II, Administrative Services Division: That the Board of Investments authorize the floor plan (Attachment A) and the commencement of the construction of the new Boardroom. (Memo dated August 19, 2025)

A motion was made by Trustee Langton, seconded by Trustee Jones, to approve staff's recommendation.

Yes: Ginsberg, Green, Jones, Langton, Mi

Absent: Gatto, Martin, Martinez, Ryu

VI. Reports

A. LACERA Total Fund Quarterly Performance Book Meketa Total Fund Quarterly Performance Book

Esmeralda del Bosque, Principal Investment Officer (Presentation) (Memo dated September 1, 2025)

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

VI. Reports (Continued)

B. OPEB Trust Quarterly Performance Book Meketa OPEB Trust Quarterly Performance Book

Esmeralda del Bosque, Principal Investment Officer (Presentation) (Memo dated September 1, 2025)

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

C. 2026 STAR COLA Program Eligibility and Cost

Ted Granger, Chief Financial Officer (For Information Only) (Memo dated August 22, 2025)

This item was received and filed.

D. Legal Projects

Christine Roseland, Senior Staff Counsel (For Information Only) (Memo dated September 2, 2025)

This item was received and filed.

E. Monthly Status Report on Legislation

Barry W. Lew, Legislative Affairs Officer (For Information Only) (Memo dated August 23, 2025)

This item was received and filed.

F. Monthly Trustee Travel & Education Report – July 2025 FY 2024-2025 4th Quarter Trustee Travel & Education Expenditure Reports

FY 2024-2025 4th Quarter Staff Travel Report

Ted Granger, Chief Financial Officer (For Information Only) (Memos dated August 22, 2025)

This item was received and filed.

G. August 2025 Fiduciary Counsel Contact and Billing Report

Steven P. Rice, Chief Counsel (For Information Only) (Memo dated August 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))

This item was received and filed.

VII. Items for Staff Review

There were no items to report.

VIII. Items for Future Agendas

There was nothing to report.

IX. Good of the Order

(For Information Purposes Only)

There was nothing to report.

X. 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. Global Equity Update

Dale Johnson, Senior Investment Officer Adrian Gonzalez, Senior Investment Analyst (For Information Only) (Memo dated August 19, 2025)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, terminated Global Alpha Capital Management Ltd. as a global equity manager.

B. Potential Threats to Public Services or Facilities (Pursuant to California Government Code Section 54957(a))

Consultation with:

 Didier Acevedo, Senior Investment Officer Adrian Gonzalez, Senior Investment Analyst (For Information Only) (Memo dated August 25, 2025)

There is nothing to report.

X. Executive Session (Continued)

Consultation with:

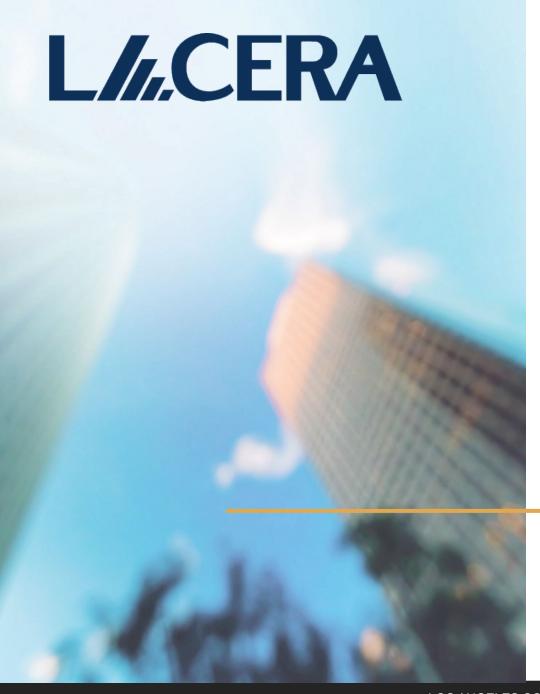
2. Esmerelda del Bosque, Principal Investment Officer Jesse Gonzalez, Investment Analyst (For Information Only) (Memo dated August 24, 2025)

There is nothing to report.

XI. Adjournment

There being no further business to come before the Board, the meeting was adjourned at 1:34 p.m.

DAVID RYU, SECRETARY	
IASON ODEEN CHAID	
JASON GREEN, CHAIR	



Chief Investment Officer Monthly Report

Jonathan Grabel - Chief Investment Officer

Board of Investments Meeting October 8, 2025

Table of Contents



- Market Environment
- 102 Total Fund Performance & Risk
- OPEB Trust Performance & Risk
- 1 Portfolio & Structural Updates
- Observed the second of the







Market Environment

Notable Items and Market Themes to Watch



Notable Items



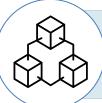
Interest rates and central bank actions

 The Federal Reserve cut rates by 25 basis points while signaling cautious, data-dependent further easing



Economic data and trends

- Inflation, tariffs, elevated trade tensions, & labor developments



Artificial intelligence

 Research developments, applications, infrastructure investment, risk oversight and governance



Stewardship and ESG-related developments

- U.S. Securities and Exchange Commission announced regulatory priorities including company reporting requirements and investor rights

Market Themes

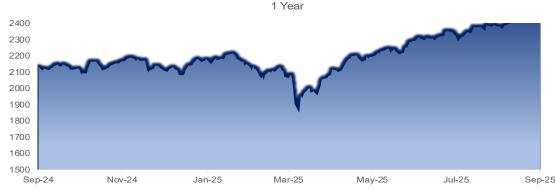
- Tariff Impacts: U.S. trade policy continues to be a significant issue for economic and market outcomes. Import tariffs remain high across many sectors. Trade policy risk has been priced into inflation expectations in many forward-looking economic models
- **Inflation**: Global inflation is projected to decline gradually from ~3.4% in 2025 to ~2.9% in 2026. In the U.S., core inflation held steady at 2.9% year-over-year; tariff impacts are expected to gradually build
- Federal Reserve Policy: The Federal Reserve cut the federal funds rate by 25 basis points to a 4.00-4.25% range, the first cut of this year. Projections suggest up to two more cuts this year, however, Fed officials have voiced mixed views on further reductions given that inflation is still a concern
- Geopolitical Uncertainty: Geopolitical uncertainty remains elevated due to trade tensions, tariff retaliation, and regional conflicts. These factors continue to fuel volatility and input cost pressures
- Corporate Earnings: Earnings momentum remained stable with positive revisions emerging

Global Market Performance As of September 30, 2025



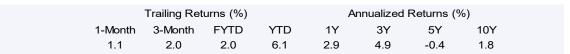
MSCI ACWI IMI Index (Global Equity Market)*

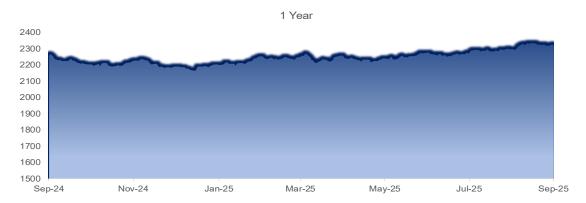
Trailing Returns (%) Annualized Returns (%) YTD 1Y 3Y 5Y 10Y 1-Month 3-Month FYTD 3.4 7.7 18.3 7.7 16.8 22.5 13.3 11.6



*Global Equity Policy Benchmark - MSCI ACWI IMI Index

Bloomberg U.S. Aggregate Bond Index**





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

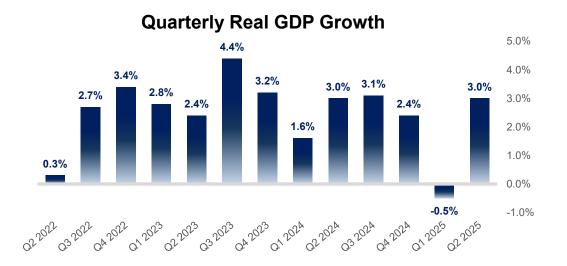
Market	Sub-Category	Index Name	1 M	3 M	FYTD	YTD	1 Y	3 Y	5 Y	10 Y
Reference Portfolio	60:40 Equity:Bond Portfolio	60% MSCI ACWI IMI/ 40% Bloomberg U.S. Aggregate Index	2.5	5.4	5.4	13.4	11.1	15.3	7.8	7.8
	U.S. Large Cap	S&P 500 Total Return	3.6	8.1	8.1	14.8	17.6	24.9	16.5	15.3
Global Equity	U.S. Small Cap	Russell 2000 Total Return	3.1	12.4	12.4	10.4	10.8	15.2	11.6	9.8
	Non-U.S. All Cap	MSCI ACWI-ex U.S. IMI Total Return	3.4	6.9	6.9	26.0	16.4	20.5	10.2	8.2
	Emerging Markets	MSCI Emerging Markets Total Return	7.2	10.6	10.6	27.5	17.3	18.2	7.0	8.0
Private Equity	Private Equity Buyout	Thomson Reuters PE Buyout Index	4.2	9.6	9.6	21.7	21.4	25.4	12.5	13.8
Fixed Income	U.S. Corporate High Yield Bonds	Bloomberg U.S. Corporate High Yield Total Return	0.8	2.5	2.5	7.2	7.4	11.1	5.5	6.2
	U.S. Long Term Treasury Bonds	Bloomberg Long Term U.S. Treasury Total Return Index	3.1	2.5	2.5	5.6	-3.5	0.4	-7.8	-0.1
	Developed Markets Leveraged Loans	Credit Suisse Leveraged Loan Total Return	0.5	1.7	1.7	4.7	7.1	9.7	6.9	5.4
Real Assets & Inflation	Natural Resources	S&P Global Natural Resources Total Return Index	2.0	9.5	9.5	21.3	7.0	10.7	14.3	10.4
	Global Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	1.2	1.5	1.5	13.6	11.1	13.6	10.7	7.1
	Treasury Inflation-Protected Securities	Bloomberg U.S. Treasury TIPS 0-5 Years Total Return	0.0	1.6	1.6	5.7	5.5	5.4	3.7	3.1
	Real Estate	NCREIF Fund Index - ODCE (Net) ¹	_	8.0	2.7	1.7	2.7	-6.2	2.5	4.4

¹Reported on a 3-month lag.

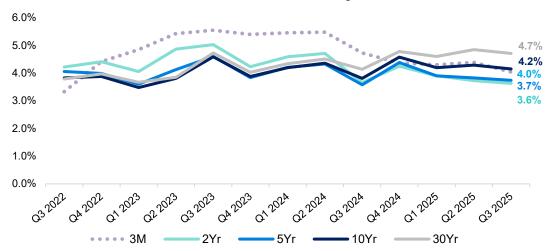
Source: Bloomberg, State Street

Key Macro Indicators²

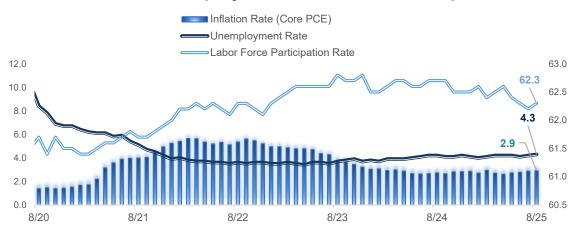




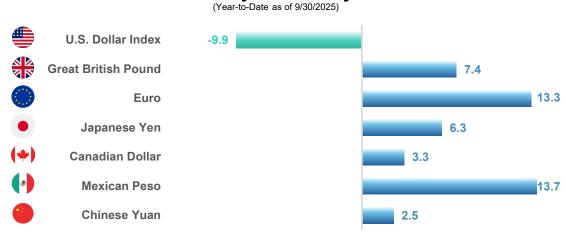
Market Yields on U.S. Treasury Securities



Inflation, Unemployment, and Labor Participation



U.S. Dollar and Major Currency Performance



Sources: Bloomberg, St. Louis Federal Reserve





Total Fund Performance & Risk

Total Fund

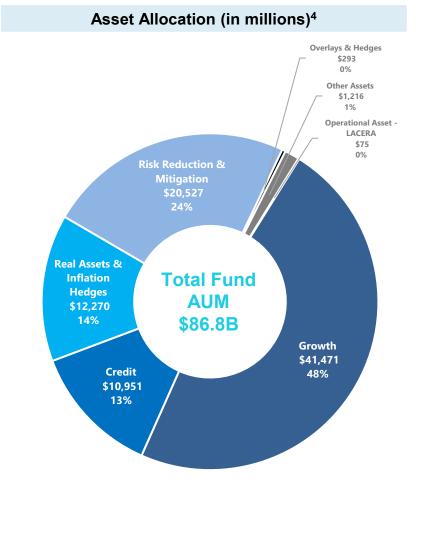
Performance Summary as of August 2025











Total FundHistorical Net Performance as of August 2025



LACERA Pension Fund⁵ Aug 2025 Monthly Returns (net) 1.2 09/2015 - 08/2025 # of months: 120 Metric Value Mean 0.70 2024 SAA 0.60 Expected Return 32 Standard Deviation 1.99 Minimum (6.9)Maximum 6.6 -6 to -5 ≤ -6 -5 to -4 -4 to -3 -3 to -2 -2 to -1 -1 to 0 0 to 1 1 to 2 2 to 3 3 to 4 4 to 5 5 to 6 ≥ 6 Frequency of Returns % of Market Value (\$ mm) **Total Fund** Target 1 Month 3 Month **FYTD** YTD 1 Year 3 Year 10 Year 5 Year **Total Fund** 100.0% 100.0% 1.2% 5.0% 8.0% 9.3% 8.7% 9.0% 8.5% 86,803 2.2% Total Fund Policy Benchmark 2.3% 4.5% 3.1% 7.4% 10.3% 9.5% 7.7% 8.0% Total Fund Actuarial Hurdle 0.6% 1.7% 4.6% 7.0% 7.0% 7.0% 7.0% 1.1% Growth 41,471 47.8% 48.0% 2.6% 6.5% 3.4% 10.7% 11.8% 12.3% 12.8% **Growth Policy Benchmark** 3.8% 6.5% 5.0% 10.8% 15.0% 14.9% 12.3% Credit 10,951 12.6% 13.0% -3.7% 7.9% 0.5% 9.7% 14.0% 12.8% 9.4% 3.7% Credit Policy Benchmark 0.8% 2.0% 5.2% 9.0% 9.4% 5.2% **Real Assets & Inflation Hedges** 12,270 14.1% 15.0% 2.2% 2.9% 1.9% 6.8% 6.6% 1.3% 6.4% RA & IH Policy Benchmark 1.0% 2.8% 1.4% 3.4% 6.6% 0.8% 5.8% **Risk Reduction & Mitigation** 20,527 23.6% 24.0% 0.8% 2.1% 0.9% 4.4% 3.7% 3.3% 0.6% RR & M Policy Benchmark 0.9% 2.1% 0.8% 4.5% 3.4% 3.2% 0.1% 0.3% **Overlays & Hedges** 293 1,216 1.4% Other Assets **Operational Asset - LACERA** 75 0.1%

Total Fund

Forecast Volatility as of August 2025⁶





VOLATILITY

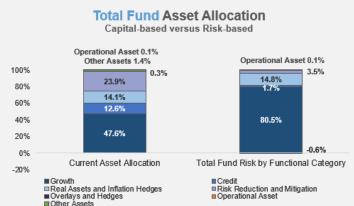
Measures how much a portfolio can fluctuate over 1Y

TOTAL FUND VOLATILITY

9.2%

BENCHMARK VOLATILITY

9.4%







ACTIVE RISK

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

TOTAL FUND ACTIVE RISK

1.04%

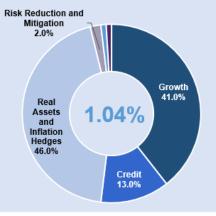
ALLOCATION RISK

0.04%

SELECTION RISK

1.00%

Functional Category Contributions to Active Risk



Forecasted Active Risk Trend



Source: MSCI BarraOne

Total Fund

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



25
developed markets

7	Top 5 Countries	Portfolio
	United States	76.5%
	United Kingdom	4.6%
(*)	Canada	2.3%
	Germany	1.6%
	Japan	1.6%





To	op 5 Countries	Portfolio
*:	China	2.0%
*	Taiwan	0.7%
0	India	0.5%
	South Korea	0.5%
# # #	Brazil	0.4%





OPEB Trust Performance & Risk

Performance Summary as of August 2025

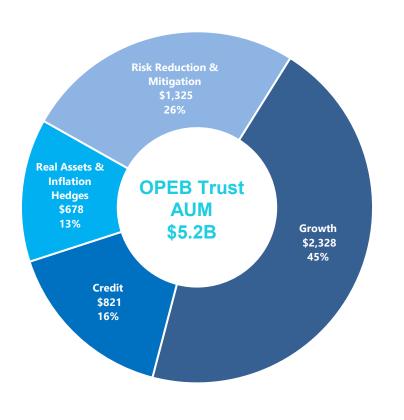




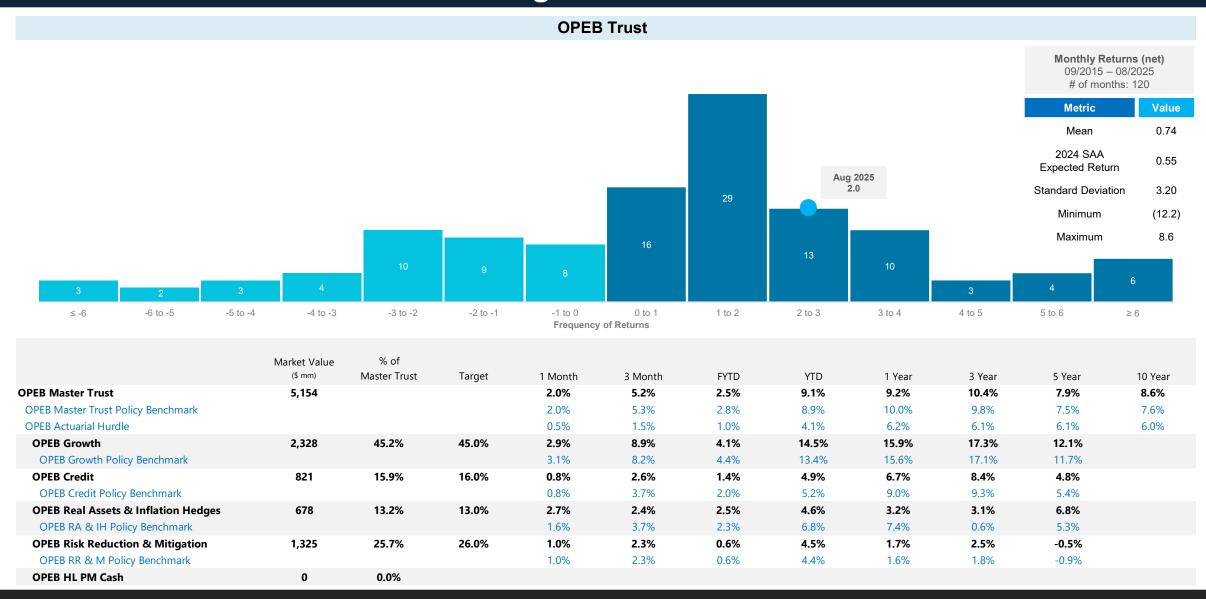






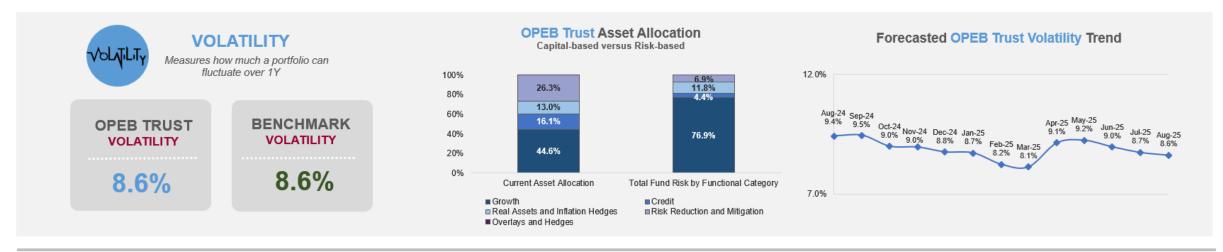


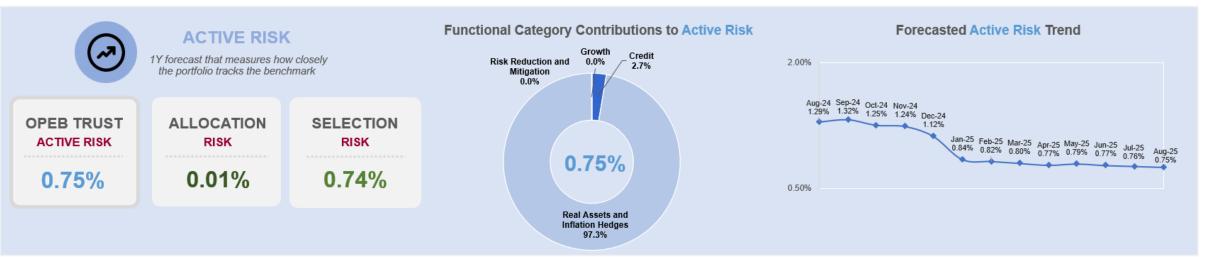
Historical Net Performance as of August 2025



Forecast Volatility as of August 2025¹⁰







Source: MSCI BarraOne

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



7	Fop 5 Countries	Portfolio
	United States	80.4%
	Japan	2.6%
(+)	Canada	2.3%
	United Kingdom	2.1%
	France	1.1%





To	pp 5 Countries	Portfolio
*:	China	1.3%
	Taiwan	0.9%
(a)	India	0.9%
***	South Korea	0.6%
	Brazil	0.2%



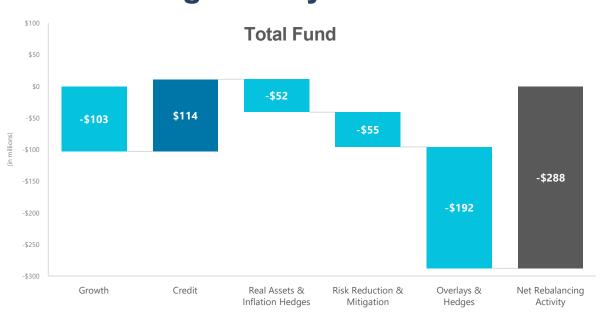


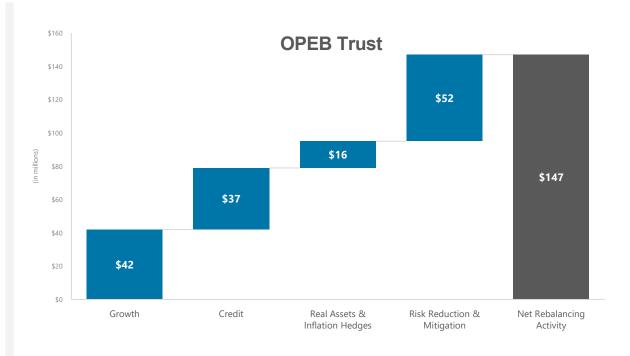
Portfolio & Structural Updates

Portfolio Updates



Rebalancing Activity





Overlays & Hedges

Program	August Gain / (Loss) in \$ millions	Since Inception Gain / (Loss) in \$ millions
Currency Hedge	(7.9)	1,463.3
Cash / Rebalance Overlay	8.6	586.2

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
Manager surveys distributed for annual TIDE report	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 – 6 positions	In Development
Finance Analyst II – 3 positions	In Progress
Finance Analyst I – 1 position	In Progress

Key Initiatives and Operational Updates





Strategic Updates

Firm	Nominee	New Role	Nominated By	Update
LACERA	Jon Grabel, CIO	Appointed Member, Inclusion Committee	CFA Institute	The CFA Institute appointed CIO Grabel to its Inclusion Committee. As a member of the Committee, Mr. Grabel will help provide strategic oversight for the CFA Institute's inclusion initiatives.

Manager / Consultant Updates

Firm	Mandate	Asset Class	LACERA AUM (prior month end, in millions)	Update
AEW	Fund - AEW Value Add Investors Asia III	Real Estate	\$26	AEW's Head of Asia, Jason Lee, has left the firm and has been replaced by Yian Wang.
Lazard Asset Management	Separate Account	Global Equities	\$578	Christopher Hogbin has been appointed CEO of Lazard Asset Management, effective December 2025, succeeding Evan Russo, who will transition into an advisory role after two decades at the firm. Hogbin brings 30 years of experience, including 20 years at AllianceBernstein where he most recently served as Global Head of Investments.

Change In Fiduciary Net Position¹³







ADDITIONS

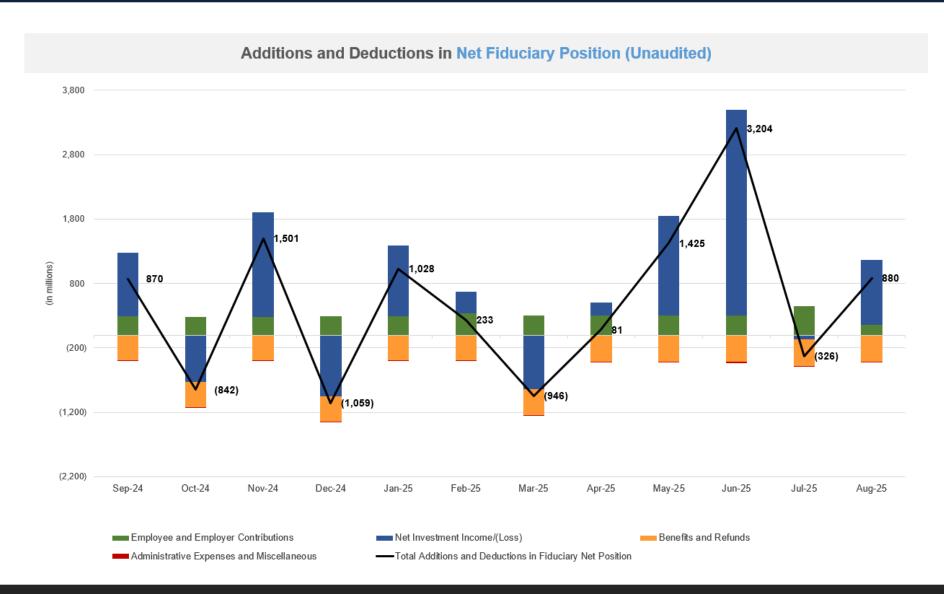
Employer and Employee Contributions Net Investment Income/(Loss)



Total Net Position Change Trend (in billions)



Positive Months Negative Months



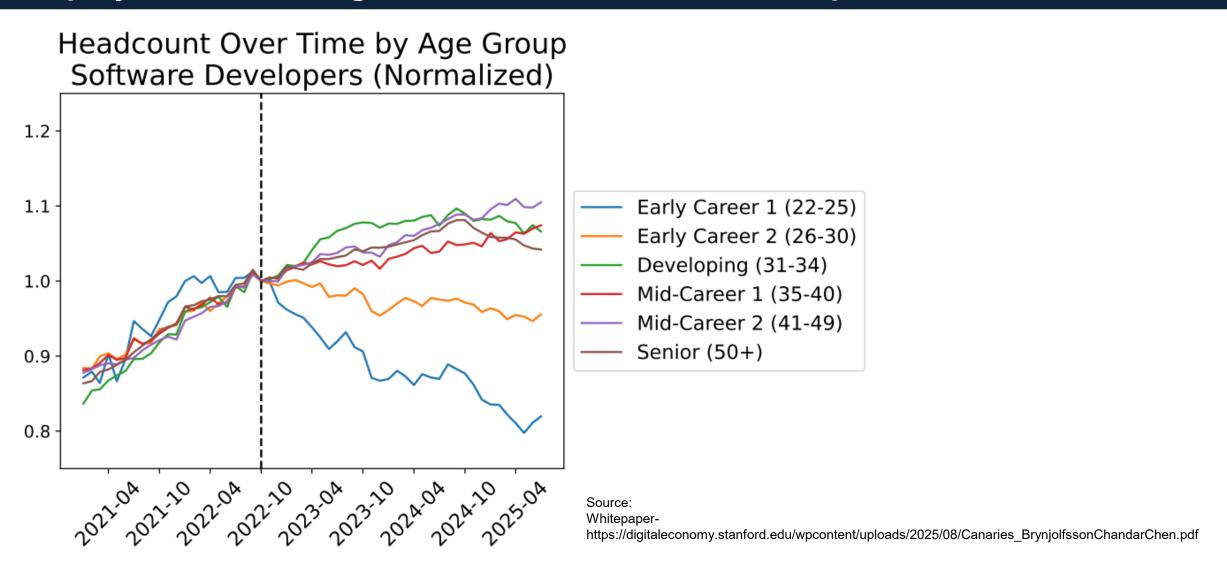




Staff Chart of the Month



Employment for Younger Workers in Software Development Has Declined



Quiet Period for Search Respondents



Real Assets Emerging Manager Program Discretionary Separate Account Manager











Diligence Period Q2-Q3 2024 Investment Committee Approval Q1 2025 Negotiation Phase Q2 – Q3 2025

 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.

Quiet Period for Search Respondents



Overlays and Hedges Passive Cash Overlay Investment Manager



- Legal & General Asset Management
- NISA Investment Advisors
- Parametric Portfolio Associates
- Russell Investments
- State Street Investment Management

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 who has recently retired.





Retired Member

Stefanie Zumbo

Court Reporter, Compton Courthouse

Years of Service: 30

Notable Contributions: Stefanie Zumbo retired on September 26 after 30 years of dedicated service with Los Angeles County. Over the past three decades, she has worked as a court reporter in a variety of courts, including municipal, family law, and juvenile court.

Proudest Accomplishment: She takes pride in her growth as a court reporter throughout her career. She is especially proud of her ability to deliver accurate, clear, and polished transcripts without ever compromising grammar or quality.

Life Heroes: She credits her parents and her husband as her greatest heroes. Her parents instilled in her the values of hard work and accountability. Her husband, a firefighter, has inspired her with his willingness to sacrifice time with family to serve others.

Retirement Plans: Stefanie and her husband recently purchased an electric truck and are planning a road trip to Texas, stopping along to way to attend baseball games.

II.



Chief Executive Officer's Report

October 2025



Organizational Updates

LACERA Updates



2025 SAFETY MEMBER ELECTION UPDATE | THREE YEAR TERM (01/2026-12/2028)

Seventh Member of the BOR and BOI and the Fourth Member of the BOI

- Candidates Shawn R. Kehoe & Jason Green
- Board of Supervisor Ratification of Results on or before October 21st

TRUSTEE AD-HOC COMMITTEES

CHIEF AUDIT EXECUTIVE RECRUITMENT

Appointed by Audit, Compliance, Risk, and Ethics Committee Chair and Board Chairs

FIDUCIARY COUNSEL RFP

Appointed by Board Chairs

ORGANIZATIONAL SAFETY AND SECURITY

- Priority on Workplace Safety and Security
 - > Safety Enhancements
 - Shared Responsibility

2025 ANNUAL ALL STAFF SUMMIT | VALUES IN ACTION

Member Services and Retiree Healthcare Open House for Staff

Retiree Healthcare Updates



FY 2026-27 ANNUAL INSURANCE PREMIUM RENEWAL

September 2025 - March 2026 Timeline

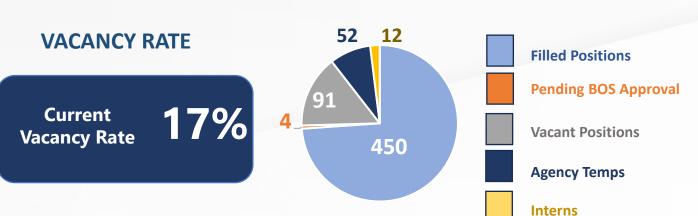
- > Renewals to include the increase in the Lifetime Maximum Benefit to \$2.25 Million
- February 2026 Insurance, Benefits, Legislative (IBL) Committee | 2026-27 Renewal Report
- ➤ March 2026 Board of Retirement | 2026-27 Renewal Report for Approval

STAYING HEALTHY TOGETHER WORKSHOP

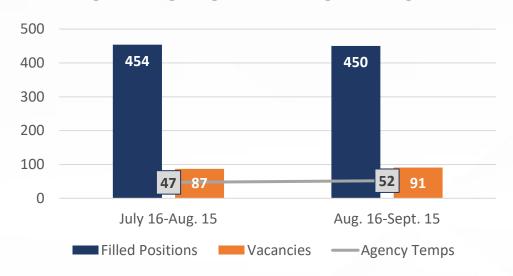
September 23, 2025 - Burbank

> Over 300 Retirees and Guests Participated in the Event

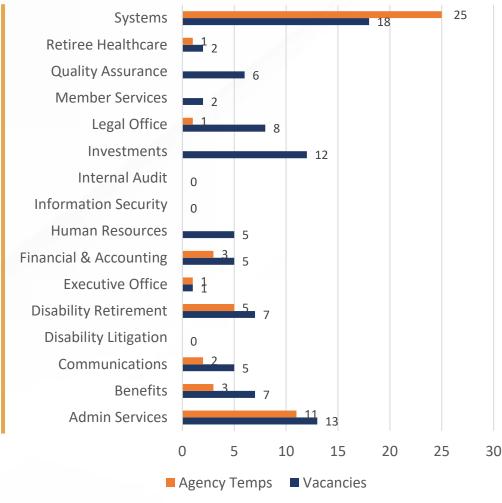








VACANCIES BY DIVISION



Hiring Update



Additions to the Team

Disability Retirement Services

David Gharibian, Disability Retirement Specialist Shayne Matsura, Disability Retirement Specialist Tony Phung, Disability Retirement Specialist

Financial and Accounting Services

Dena Carbajal, Administrative Assistant

Recruitments Underway

Communications

Senior Writer

Financial & Accounting Services

Accountant I (General Accounting)

Accountant I (Investment Accounting)

Investments

Finance Analyst II & III

Senior Investment Officer

Various Divisions

Retirement Benefits Specialist I (Trainee)

Systems

Information Technology Manager II (PMO)



CEO DASHBOARD

Service Metrics



APPLICATIONS

Pending Applications in Process

1,073

APPEALS

Pending Appeals in Process

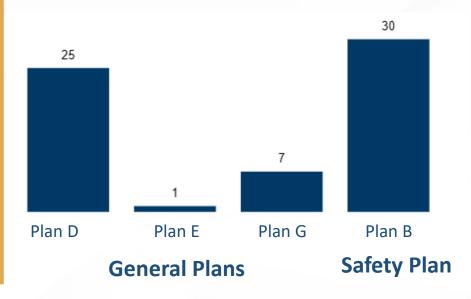
New Applications | 63
Applications Received Fiscal Year to Date (FYTD) | 155
Applications Presented to Board (Month) | 44
Applications Presented to Board (FYTD) | 101
New Appeals | 2

Appeals Received Fiscal Year to Date (FYTD) | 4

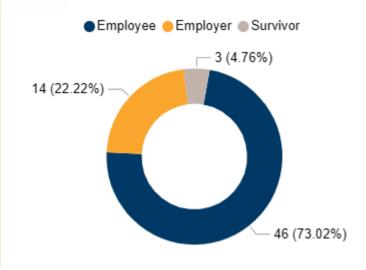
APPLICATIONS FILED BY TYPE

Service-Connected Disability (SCD) | 39
SCD Supplemental Allowance | 10
Pending Acceptance | 8
Nonservice-Connected Disability (NSCD) | 3
SCD Survivor Benefits | 3

APPLICATIONS FILED BY PLAN



APPLICATIONS FILED BY SOURCE



Disability Retirement | BOR October Case Agenda



APPLICATION PROCESSING TIME

Total Cases on October Agenda 49

Processed in 12 Months or Less 14%

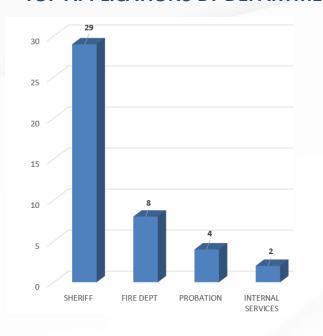
Average Processing in Months

15.54



Board of Retirement October 1, 2025 | Disability Case Agenda

TOP APPLICATIONS BY DEPARTMENT



PENDING APPLICATIONS BY MONTH RANGE

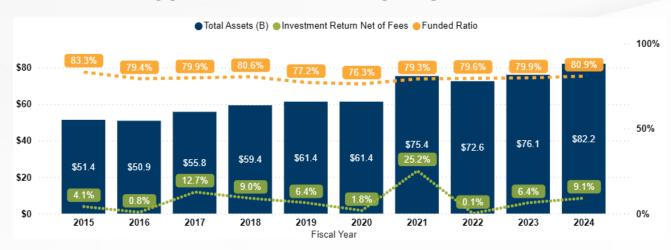


Pending Applications by Department

(Top 5)
Sheriff | 483 (44.76%)
Probation Department | 193 (17.89%)
Fire Department | 191 (17.70%)
Children & Family Services | 24 (2.22%)
Public Social Services | 22 (2.04%)

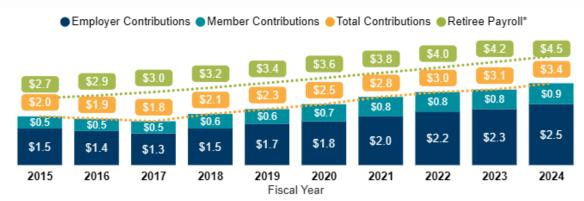


FISCAL YEAR END FINANCIAL UPDATE



CONTRIBUTIONS AND RETIREE PAYROLL BY YEAR

(Dollars in Billions)



^{*}Retiree Payroll includes pension benefits and excludes retiree healthcare benefits.

Funding Metrics

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

Investment Returns

(Net of Fees)

1-Year Return | 9.1%

3-Year Return | 5.2%

10-Year Return | 7.4%

Contributions

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

LACERA PENSION DOLLAR





RECRUITMENT AND RETENTION INSIGHTS

FY 24-25

Exams | Hiring List

29

Attrition

20

Promotions

35

New Staff

29

Total Hires

64

FY 25-26

Exams | Hiring List

1

Attrition

9

Promotions

9

New Staff

6

Total Hires

15

Current Reporting Period **Exams | Hiring List**

1

Attrition

7

Promotions

6

New Staff

4

Total Hires

10

MEMBERSHIP | MEMBER SNAPSHOT



Reporting Period August 16, 2025 – September 15, 2025

MEMBERSHIP COUNT

	Acti	Active Inactive Retired			tive Retired			Total	
	Active Vested	Active Non- Vested	Inactive Vested	Inactive Non- Vested	Service Retirement	SCD- Disability Retirement	NSCD- Disability Retirement	Survivors	rotai
□ General Plans	65,112	22,856	7,915	12,666	50,042	3,137	581	8,432	170,741
AG	34		8	30	10,372	779	125	4,063	15,411
BG	7		5	3	540	33	5	78	671
CG	6		5	7	340	36	4	69	467
DG	29,784	116	3,696	3,619	21,800	2,215	434	2,317	63,981
EG	10,971	4	2,193	328	16,509			1,863	31,868
GG	24,310	22,736	2,008	8,679	481	74	13	43	58,344
□ Safety Plans	10,210	1,993	545	1,014	5,196	7,568	78	2,236	28,840
AS			1	2	1,645	2,163	23	1,719	5,553
BS	6,380	43	381	343	3,532	5,354	54	512	16,599
CS	3,830	1,950	163	669	19	51	1	5	6,688
Total	75,322	24,849	8,460	13,680	55,238	10,705	659	10,668	199,581

Membership Count vesting status excludes reciprocal service credit.

MEMBER GROSS AVERAGE MONTHLY BENEFIT

General & Safety Plan Average

\$5,529

General Plans

\$4,486

Safety Plans

\$9,896

SURVIVOR GROSS AVERAGE MONTHLY BENEFIT

\$3,844

AUGUST 2025 PAYROLL

New Retired Payees | 280

Monthly Payroll | \$408.72M

Payroll Fiscal Year to Date | \$.82B

Monthly Payroll by Direct Deposit | 98.34%

Monthly Payroll by Check | 1.66%

MONTHLY BENEFIT ALLOWANCE DISTRIBUTION

Members and Survivors

Gross Benefit Range	General Plans	Safety Plans	Total
\$0 to \$3,999	36,074	1,431	37,505
\$4,000 to \$7,999	17,721	4,500	22,221
\$8,000 to \$11,999	5,481	4,674	10,155
\$12,000 to \$15,999	1,605	3,166	4,771
\$16,000 to \$19,999	561	849	1,410
\$20,000 to \$23,999	183	237	420
\$24,000 to \$27,999	51	75	126
> \$28,000	35	21	56
Total	61,711	14,953	76,664

Excludes active deaths and replacement benefit plan benefits



EMAILS

welcome@lacera.gov

297

SECURE MESSAGE



My LACERA

902



MS CALL CENTER | MAIN QUEUE, MYLACERA/HR PRO SUPPORT, CALL BACK

97% Answered | 3% Abandoned

8,872 290

Total Calls 9,162

Main Queue
Average Speed of Answer
1 Minutes, 3 Seconds

Average Duration16 Minutes, 49 Seconds

TOP MS CALL TOPICS | Retirement Counseling, My LACERA, Death

MS CALL CENTER | CALL BACK QUEUE

97% Answered | 3% Abandoned

373 | 11

Total Calls 384

Average Speed of Answer
5 Minutes, 32 Seconds

Average Duration12 Minutes, 45 Seconds

TOP MSC (OUTREACH) TOPICS | Retirement Counseling, RHC, Workshop/ Appointments



EVENT/WEBINARS

Current Month | Year to Date

38 | 64

ATTENDANCE

Current Month | Year to Date

1,374 | 2,133

Webinar Satisfaction | 1-5 Scale

4.5

(43% Response Rate)

MS CENTER (MSC) APPOINTMENTS

Current Month | Fiscal Year to Date

1,150 | 2,419



(24% Response Rate) **98%**

August

In-Person | 568 Virtual | 549 Phone | 33

Fiscal Year Monthly Average In-Person | 599 Virtual | 570 Phone | 40





Online Services



LACERA.GOV USER TRAFFIC



TOP FIVE LACERA.GOV PAGE VIEWS



Total Member Accounts

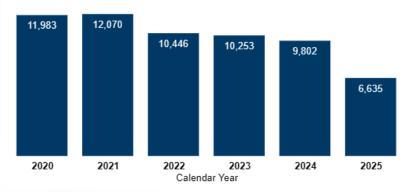
124,395

Percentage of Total Members

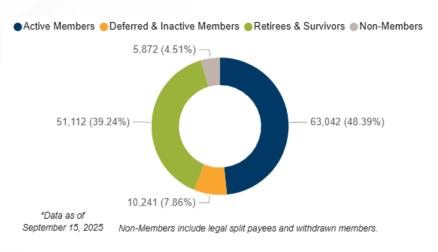
63%

Excludes Non-Members

ANNUAL NEW MYLACERA ACCOUNTS

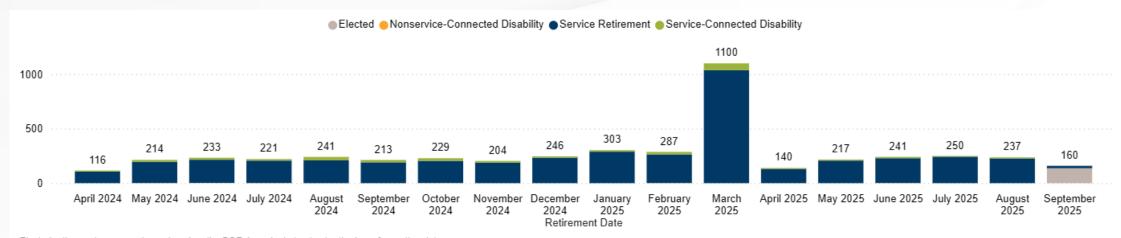


TOTAL ACCOUNTS BY MEMBER TYPE





MONTHLY RETIREMENTS



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

MONTHLY RETIREMENT TYPES

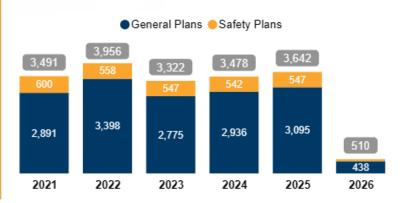
Retirement Type	September 2025
Elected	137
Service Retirement	22
Service-Connected Disability	1
Total	160

FIRE AND SHERIFF RETIREMENTS



Fiscal Year End

TOTAL RETIREMENTS BY TYPE



Fiscal Year End



EMAILS healthcare@lacera.gov

415



SECURE MESSAGE MyLACERA

454



Retiree Healthcare Program Enrollments

Benefit	Employer	Member	Enrollments
Medical	\$127.0	\$9.0	57,950
Dental	\$9.2	\$0.8	59,946
Part B	\$18.1	\$0.0	39,878
Long Term Care			27
Total	\$154.3	\$9.8	157,831

RHC CALL CENTER | MAIN QUEUE

96% Answered | 4% Abandoned

3,646 | 149

Total Calls 3,795

Average Speed of Answer

1 Minutes, 51 Seconds

Average Duration

13 Minutes, 33 Seconds

RHC CALL CENTER | CALL BACK QUEUE

99% Answered | 1% Abandoned

190 | 2

Total Calls 192

Average Speed of Answer

8 Minutes, 43 Seconds

Average Duration

9 Minutes, 37 Seconds

TOP CALL TOPICS | Medical/Dental Enrollments, Medicare Part B, General Benefit Inquiries



APPENDIX

Additional Reports and Information

Quiet List



A quiet period is a period during which LACERA is prohibited from communicating with vendors about a specific procurement. This is typically done to avoid any conflicts of interest.

The quiet period typically begins when LACERA releases a solicitation (i.e., Request for Proposal – RFP, Request for Quote – RFQ, etc.) and ends when the contract is awarded. During this time, trustees and staff are not allowed to have any contact with vendors, including phone calls, emails, or in-person meetings.

There are a few exceptions to the quiet period rule. For example, trustees and staff may still communicate with vendors if they are:

Responding to a question or clarification that was asked in writing to authorized staff pursuant to the solicitation. Participating in a pre-bid conference with authorized LACERA personnel that was scheduled before the quiet period began.

Negotiating a contract after the award has been made.

Conducting other existing business.

Conducting Proof of Concept studies

If you are unsure whether or not you are allowed to communicate with a vendor during a quiet period, it is always best to err on the side of caution and avoid any contact or seek advice from the LACERA Legal Office.

Quiet List | Administrative/Operations



Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents*	
Auditing and Consulting Services Pool	Internal Audit	2/13/2025	Contract Development	Armanino, Canaudit, Crowe, Eide Bailly, GoldSRD, Grant Thornton, HORNE, MGO CPA, Simpson & Simpson, Tap International Inc.	
Economic Impact Analysis	Executive Office	08/08/25	RFP Issued	Beacon Economics LLC, Berkely Economic Advising and Research	
eDiscovery	Legal/InfoSec	12/1/2023	Contract Development	GlobalRelay	
Financial Auditor Search	Internal Audit	4/30/2025	Contract Development	CLA (Clifton, Larson, Allen), CPAs	
Quality Assurance and Process Management Group Classification and Compensation Study	Human Resources	07/21/2025	Bid Review	CBIZ Benefits & Insurance Services, Inc., CPS HR Consulting, Gallagher Benefits Services, Inc., Segal Western States, Transformance Consulting	
SAAS Provider: Drupal Hosting	Systems	08/11/2025	RFP Issued	AIM Technical Group LLC, Amazee.io, ATZ Solutions LLC, Datanetiix Solutions, Dynamics Federal Technologies, Exemplifai LLC, Smashing Infolabs Private Limited	

*Subject to Change

Quiet List | Investments



Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents*
Passive Cash Overlay Investment Manager Search	6/13/2025	Investments	Bid Review	Legal & General Asset Management, NISA Investment Advisors, Parametric Portfolio Associates, Russell Investments, State Street Investment Management
Real Assets Emerging Manager Program Discretionary Separate Account Manager	Investments	3/29/2023	Contract Development	Aether Investment Partners, Artemis Real Estate Partners, Barings, BGO Strategic Capital Partners, Belay Investment Group, BlackRock, Cambridge Associates, GCM Grosvenor, Hamilton Lane, Neuberger Berman Group, ORG Portfolio Management, Seed Partners, Stable Asset Management, StepStone, The Townsend Group, Wafra Inc.

*Subject to Change

Upcoming Conferences



Date	Conference Title
October 3	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Virtual
October 12-15	National Association of Corporate Directors (NACD) Directors Summit 2025 Washington D.C.
October 20-24	Investment Strategies & Portfolio Management Wharton School, University of Pennsylvania
October 22-24	PREA (Pension Real Estate Association) Annual Institutional Investor Conference Washington D.C.
October 19-21	Pacific Pension Institute (PPI) Executive Seminar Brisbane, Australia
October 22-24	Pacific Pension Institute (PPI) Asia Pacific Roundtable Sydney, Australia
October 25-26	NCPERS (National Conference on Public Employee Retirement Systems) Program for Advanced Trustee Studies (PATS) Ft. Lauderdale, FL
October 25-26	NCPERS (National Conference on Public Employee Retirement Systems) Accredited Fiduciary (NAF) Program Ft. Lauderdale, FL
October 26-29	NCPERS (National Conference on Public Employee Retirement Systems) FALL-Financial, Actuarial, Legislative & Legal Conference Ft. Lauderdale, FL
November 4-6	Institutional Limited Partners Association (ILPA) General Partner Summit New York, NY





Date	Conference Title
November 9-12	IFEBP (International Foundation of Employment Benefit Plans) Annual Employee Benefits Conference Honolulu, HI
November 11-14	SACRS Fall Conference Huntington Beach, CA
December 7-11	Pacific Pension Institute (PPI) West Asia Study Mission to Abu Dhabi and Riyadh Abu Dhabi, United Arab Emirates (December 7-9) Riyadh, Kingdom of Saudi Arabia (December 10-11)
December 11	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Virtual
January 20-22	IFEBP (International Foundation of Employment Benefit Plans) Health Benefits Conference & Expo Ponte Vedra Beach, FL
January 26-28	NCPERS (National Conference on Public Employee Retirement Systems) Legislative Conference and Policy Day Washington D.C

Los Angeles County Board of Supervisors – Trustee Request for Information



BOARD OF SUPERVISORS (BOS) | TERM INFORMATION

(Each BOS serves a maximum of three four-year terms)

Location	Board of Supervisor	Current Term Ending/Overall Term
First District	Hilda L. Solis	December 2026 (Third Term)* Next BOR Appointment is 2026 Next BOI Appointment is 2029
Second District	Holly J. Mitchell	December 2028 (Second Term) Next BOI Appointment is 2026 Next BOR Appointment is 2027
Third District	Lindsey P. Horvath	December 2026 (First Term) Next BOI Appointment is 2027 Next BOR Appointment is 2028
Fourth District	Janice Hahn	December 2028 (Third Term)* Next BOI Appointment is 2027 Next BOR Appointment is 2029
Fifth District	Kathryn Barger	December 2028 (Third Term)* Next BOR Appointment is 2027 Next BOI Appointment is 2028

^{*}Ineligible to run for re-election due to term limits

#	Members Last Name	Members First Name	Dept.	Conviction Date	LACERA Notified	Initial Impact Notice Sent	Final Impact Notice Sent	Status*	Disability Status	Serv. Level
77	CADMAN	CHRISTOPHER M.	SHERIFF	7/14/2025	9/11/2025	N/A	N/A	DELAY – CD	N/A	N/A
76	RODRIGUEZ	DAVID A.	SHERIFF	7/14/2025	9/11/2025	N/A	N/A	DELAY – CD	N/A	N/A
75	MEISER	MICHAEL	SHERIFF	7/10/2025	8/1/2025	N/A	N/A	DELAY – CD	N/A	N/A
74	KAMACK	DANNIE T.	PROBATION	3/3/2025	4/22/2025	N/A	N/A	DELAY – CD	N/A	N/A
72	BENZA	JOSEPH M.	SHERIFF	12/17/2024	2/11/2025	N/A	N/A	DELAY – CD	PEND	N/A
71	SAAVEDRA	ERIC C.	SHERIFF	1/16/2025	2/6/2025	N/A	N/A	DELAY – CD	PEND	N/A
70	PINEDA	REMIN	SHERIFF	11/19/2024	1/10/2025	8/13/25	N/A	PEND	N/A	N/A
68	ESSEX	SEAN	SHERIFF	6/7/2024	7/22/2024	N/A	N/A	PEND	N/A	N/A
64	RIDLEY- THOMAS	MARK	BOS	3/31/2023	3/31/2023	10/23/2023	N/A	APPEAL	N/A	N/A

STATUS LEGEND:

APPEAL: Pending an appeal filed with LACERA CLOSED: RET: Retired member, case is complete CLOSED: DEF: Deferred member, case complete

C LOSED: INA: Inactive member – not eligible until age 70, case closed DELAY- MI: Member input needed (i.e. pending a legal split decision)

D EL AY- CD: Pending a court decision (reduction in charges pending conditions being met)

P END: Case is currently in evaluation and notification stages
W ITHDRAWN: Member withdrew prior to conviction – no impact

V TI HDRAWN. Member Withdrew prior to conviction –

N/A: Not Available/Applicable

Public Records Requests



Date Received	Requestor	Documents Requested
08-11-25 Legal rec'd 08-19-25	J. Hoffman, Rutan & Tucker, LLP Request: Obtain copies of Form 700s filed by LACERA outside counsel for 2023 and 2024 reporting years. Legal, on August 20, 2025, emailed inquiry to Requester for clarification as to scope of information. Transmitted 17 documents. Legal, on August 29, 2025, via email, transmitted 17 responsive documents.	J. Hoffman, Rutan & Tucker, LLP Request: Obtain copies of Form 700s filed by LACERA outside counsel for 2023 and 2024 reporting years. Legal, on August 20, 2025, emailed inquiry to Requester for clarification as to scope of information. Transmitted 17 documents. Legal, on August 29, 2025, via email, transmitted 17 responsive documents.
08-18-25	R. Inchody, Pitchbook Data Inc.	Request: Quarterly public records from 2Q25 of all private equity, venture capital, mezzanine, distressed, real estate/REIT, debt and infrastructure partnerships including all hedge fund holdings. Transmitted 1 document. Legal, on August 18, 2025, via email, transmitted the document listed below. Private Markets Q2 2025.xlsx.
08-19-25 08-25-25 Follow-up inquiry	J. Woodman, Individual	Request: Information regarding your organization's Incentive Compensation Policies and technology systems used within the Investment function. Transmitted 3 documents. Legal, on August 20, 2025, via email, transmitted the 3 responsive documents listed below. Total_fund_performance-2023Q4 (2).pdf), Total_fund_performance-2022Q4(2).pdf, and Total_fund_performance-2024Q4.pdf. Requester, on August 25, 2025, inquired if LACERA would be able to share the vendor who puts together the performance reports for LACERA as well as vendor annual cost. Legal, on August 27, 2025, informed Requester via Email that LACERA does not have responsive records per August 25, 2025, request. LACERA prepares the Performance Reports in-house. LACERA's response is concluded.

Public Records Requests (Continued)



Date Received	Requestor	Documents Requested
08-20-25	FOIA Data Aggregation	Requester: Details of all secondary sales and purchases of any private fund interests from January 1, 2025. Legal, on August 21, 2025, via email, informed Requester that LACERA has had no purchases or sales of secondary interests in 2025.
08-22-25	S. Koffroth, SEIU 721	Requester: All writings related to requests from any Entity from January 1, 2024, to present related to Union or Union-represented employees. Legal, on August 29, 2025, via email, requested clarification on required information. Legal, on September 4, 2025, via email, confirmed to Requester that call on September 4, 2025, was helpful re requested information. Legal will inform Requester a time estimate as to production of responsive documents. On September 17, Legal provided an update to the requestor via email with a response/production date of September 27, 2025.
08-27-25	Boulton, FOIA	Request: Requesting updated versions of LACERA's private fund investment data reports since June 30, 2024. Legal, on September 5, 2025, via email, informed Requester that responsive records would be submitted within 5 days. Received 1 responsive document. Private Equity, on September 8, 2025, via email to Legal provided the responsive document listed below. Private Markets Data Q1 2022 to Q2 2024.xlsx. Legal, on September 9, 2025, via email, informed Requester that Staff requires additional time to obtain the responsive reports. Document production expected to be done by September 19, 2025. Legal, on September 19, 2025, via final email, transmitted the 3 responsive documents Listed below. Real Estate Data 2024 Q3 to 2025 Q1 xlsx, LACERA PE 2024.09.30, LACERA PE 2024.12.31, and LACERA PE 2023.03.31.pdf.

Public Records Requests (Continued)



Date Received	Requestor	Documents Requested
08-20-25	H. Ahaiwe,HR, LA County and 1 other Recipient	Per monthly request: Transmitted 1 document. Executive Office, on September 3, 2025, via email, transmitted the responsive document listed below. MonthlyAgenda.csv dated September 3, 2025.
09-03-25	Sheriffs Dept, LA County and 3 other Recipients	Per monthly request: Transmitted 2 documents. Executive Office, September 3, 2025, via email, transmitted the 2 responsive documents listed below. Monthly Agenda Reports for Sheriff Department Listing and Fire Department listing, each dated September 3, 2025.
09-11-25	B. Campbell, with. Intelligence	Request: Access to disclosable documents (promotional materials such as fund specific presentation desk by manager during investment process) you may have received in relation to LACERA's investment in the below funds. Blue Sage Capital IV Cohere Capital Fund II Juggernaut Capital Partners IV Lightyear Fund VI Rockwood Equity Partners IV Legal, on September 17, 2025, via email, notified Requester that due to the volume of records requested, LACERA will provide a response and/or records by September 26, 2025.
09-04-25	D. Martin, RELAC	Request: Retirement information regarding former LACERA manager. Executive Office, on September 4, 2025, via email, responded that retirement date is considered public information.



Thank You!





September 28, 2025

TO: Each Trustee,

Board of Investments

FOR: Board of Investments Meeting of October 8, 2025

SUBJECT: 2025 SuperReturn Europe in Amsterdam, Netherlands on November 4 – 7,

2025

The 2025 SuperReturn Europe conference will take place in Amsterdam, Netherlands, from November 4 to 7, 2025. This event serves as the central hub for European private markets, offering attendees the opportunity to explore new investment prospects in the mid-market, fundraising, co-investments, private debt, secondaries, and more.

Key highlights of the conference include:

From Liquidity to Opportunity: The Growth of Secondaries

Profit With Purpose: The Evolution of Impact Investing

• Climbing The Ladder: Success Strategies for Emerging Managers

Following are approximate conference and travel costs:

Registration: \$5,000.00

Hotel: \$375.00 daily rate (plus taxes and fees) Additional Travel Days: 2 Days

Airfare: \$6,000.00 - \$9,000.00 **Ground Transportation:** \$60.00 per day

Per Diem & Incidentals: \$192.00 per day (The registration fee includes most meals)

Approximate Cost Per Traveler: \$14,750.00- \$17,750.00

If the registration fee is insufficient to pay the cost of the meals provided by the conference sponsor, LACERA must reimburse the sponsor for the actual cost of the meals, less any registration fee paid. Otherwise, the attendee will be deemed to have received a gift equal to the value of the meals, less any registration fee paid, under California's Political Reform Act.

IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:

Approve the attendance of Trustees at the 2025 SuperReturn Europe, which will be held in Amsterdam, Netherlands, from November 4 to 7, 2025. Additionally, approve the reimbursement of all travel costs incurred, in accordance with LACERA's Trustee Education and Trustee Travel Policies.

SESSIONS SPECIALIST SUMMITS DAY - 04/11/2025

4 - 7 November 2025 Hotel Okura Amsterdam

Registration, welcome coffee and networking

08:50 - 09:30 Networking

Chair's welcome address

09:30 - 09:40 Fundraising Summit

Participants

Mrinalini Lhila - Founder & Managing Principal, 360 Capital Advisors

Chair's welcome address

09:30 - 09:40 Private Debt Summit

Participants

Marcus Maier-Krug - Partner, Arcmont Asset Management

Chair's welcome address

09:30 - 09:40 Secondaries Summit

Fundraising in 2025: navigating a new era of raising capital

09:40 - 10:20 Fundraising Summit

How have macroeconomic factors and geopolitical tensions impacted fundraising efforts in Europe? Which sectors and strategies have attracted the most investor capital this year in the mid-market? How will the fundraising environment develop heading into 2026?

Participants

Moderator: Tim Hames - Co-Founder and Partner, Acuti Associates

Jamie Hayford - Principal, Pantheon

Sebastiaan van den Berg - Partner, Private Equity, Aksia

Naureen Zahid - Head of Institutional Fundraising & IR, Beringea

Alexander Thees - Member of the Management Board, KfW Capital GmbH & Co. KG

Keynote address

09:40 - 10:00 Private Debt Summit

From liquidity to opportunity: the growth of secondaries

09:40 - 10:20 Secondaries Summit

How has the secondaries market evolved across Europe over the last 12 months? How have fluctuating interest rates and inflation impacted the market and how have managers adapted their strategies accordingly? How do buyers and sellers navigate valuation gaps in the current volatile market?

Participants

Nicolas Muller - Managing Director, Head of Private Equity Partnerships, Blue Earth Capital

Lorna Robertson - Head of Funds, Connection Capital LLP

Nik Morandi - Senior Managing Director & Head of Strategic Partners, Europe, Blackstone

Roman Hürlimann - Managing Director, Kline Hill Partners

Weathering the macro storm: private debt in 2025

10:00 - 10:40 Private Debt Summit

How has the private debt market evolved in the past 12 months, and what does the current environment look like? How are private debt investors adjusting their strategies in response to fluctuating interest rates and inflation? How have geopolitical tensions impacted private debt across the mid-market in Europe?

Participants

Moderator: John Kremer - Partner & Head of Investor Relations (EMEA), Adams Street Partners

You-Ha Hyun - Principal, Perpetual Investors

Orla Walsh - Head of Europe Private Credit Portfolio Management, Barings

Klaus Petersen - Partner, Apera Asset Management

Exploring major trends that have shaped fundraising in 2025

10:20 - 10:40 Fundraising Summit

Participants

Mark O'Hare - Vice Chairman and Co-Founder of Preqin, BlackRock

Evaluating LP viewpoints and approaches to the secondaries market

10:20 - 11:00 Secondaries Summit

How has the demand from LPs for secondary deals developed throughout 2025? Which market segments are LPs viewing as most attractive? How have macroeconomic impacts and geopolitical tensions affected LPs viewpoints on the secondaries market?

Participants

Sebastian Schroff - Lead Portfolio Manager, Allianz Global Investors GmbH

Key insights from a survey on institutional LPs' priorities and concerns heading into 2026

10:40 - 11:00 Fundraising Summit

Participants

Kelly DePonte - Managing Director, KD Advisory LLC

Keynote address

10:40 - 11:00 Private Debt Summit

Morning coffee and networking break

11:00 - 11:30 Networking

Survival of the fittest: strategies for success in a tough fundraising environment

11:30 - 12:10 Fundraising Summit

What innovative strategies are managers using to navigate a tougher fundraising environment? How are firms diversifying their investor base to reduce reliance on traditional LPs? How are managers keeping existing investors engaged?

Participants

Moderator: Dörte Höppner - Chief Sustainability Officer/ Managing Director, Fundraising & Investor Relations, The Riverside Company

Martijn van Gils - Senior Vice President, Wilshire

Verena Kempe - Head of Investment Management, KENFO

Lucas Fischer - Director, Palladio Partners

Aisha Williams - Founder & Executive Chairwoman, ImpactVest

SESSIONS SPECIALIST SUMMITS DAY - 04/11/2025

4 - 7 November 2025 Hotel Okura Amsterdam

LP perspectives: where are the most valuable opportunities?

11:30 - 12:10 Private Debt Summit

How has investor demand for private debt evolved across Europe in 2025? Which sectors in the midmarket are LPs currently finding most attractive, and why? Which private debt strategies are LPs currently favouring?

Participants

Moderator: Gabriella Kindert - Independent Board Member, Neptune Leasing i.a.

Frank Meijer - Global Head of Alternative Fixed Income, Aegon Asset Management

Francesco Castellani Tarabini - Co-Portfolio Manager, Private Debt Investments, Generali Asset Management

Leading the way: the dominance of GP-led secondaries

11:30 - 12:10 Secondaries Summit

Why has there been a recent growth of GP-led secondary transactions? How have macroeconomics impacts and geopolitical risks impacted this asset class? What challenges do GPs face in structuring secondary transactions, and how can they ensure LP alignment?

Participants

Moderator: Immanuel Rubin - Global Co-Head of Secondaries, Campbell Lutyens

Marie-Victoire Rozé - Deputy Co-Head Secondaries & Primaries, Senior Managing Director and Member of the ASF Management Committee, Ardian

Nassim Cherchali - Managing Partner, AnaCap

Breaking the mould: the rise of independent deal sponsors

12:10 - 12:50 Fundraising Summit

What advantages do independent deal sponsors offer compared to traditional firms? How do independent deal sponsors structure their deals to stay competitive? What are the biggest challenges for independent deal sponsors in sourcing deals in the mid-market?

Participants

Moderator: Louis Trincano - Managing Partner, Cornerstone Fund Placement

James Almond - Managing Partner, Duke Street

Christiaan de Lint - Managing Partner, Headway Capital Partners

Guy Semmens - Managing Partner, Gyrus Capital **Holger Rossbach** - Partner, Vorsprung Partners

Cutting through the noise: the continued success of direct lending

12:10 - 12:50 Private Debt Summit

Where are the best opportunities for direct lenders to allocate their dry powder in the current market? How have direct lenders adapted their strategies to compete with the broadly syndicated loan market in 2025? How are direct lenders balancing risk and return in an increasingly competitive market?

Participants

David Merriman - Head of Private Debt, Beechbrook Capital

Nicola Falcinelli - Deputy Head of European Private Credit. Carlyle

Johan Hultner - Managing Partner, ARCOS Capital

A growing appeal: LP-led secondaries on the rise

12:10 - 12:50 Secondaries Summit

What are the main drivers behind the growing demand of LP-led secondary transactions? How have inflation and interest rates impacted the type of assets being sold by LPs? How will demand for LP-led secondaries develop in 2026?

Participants

Moderator: Patrick Knechtli - Head of Secondaries, Patria Investments

Cari Lodge - Secondaries Investor,

Ricardo Miro-Quesada - Partner, Head of Private Equity, Arcano Partners

Lunch and networking break

12:50 - 13:50 Networking

LP-only lunch

12:50 - 13:50 LP-only

By invitation only and run under the Chatham House Rule. To enquire, please email lpsuperreturneurope@informa.com

Chair's welcome address

13:50 - 13:55 Fundraising Summit

Participants

Mrinalini Lhila - Founder & Managing Principal, 360 Capital Advisors

Chair's welcome address

13:50 - 13:55 Private Debt Summit

Participants

Marcus Maier-Krug - Partner, Arcmont Asset Management

Chair's welcome address

13:50 - 13:55 Secondaries Summit

Joining forces: how are co-investments reshaping the market?

13:55 - 14:35 Fundraising Summit

What has driven the recent demand for coinvestments? How do co-investments offer unique opportunities for enhanced returns? Which factors should LPs consider when deciding whether to participate in a co-investment opportunity?

Participants

Moderator: Spencer Miller - Head of Business Development, Five Arrows

Sven Czermin - Partner, Palladio Partners

Bernard De Backer - Partner, StepStone Group

Peter Knight - Head of Co-investments, Connection Capital LLP

SESSIONS SPECIALIST SUMMITS DAY - 04/11/2025

4 - 7 November 2025 Hotel Okura Amsterdam

Turning collateral into capital: the assetbacked lending boom

13:55 - 14:35 Private Debt Summit

In the current environment, which assets are considered the most suitable for lending and are attracting strong interest from investors? What innovative structures or deal terms are emerging in asset-backed lending to enhance risk-adjusted returns? How are lenders assessing collateral quality and risk in a shifting economic landscape?

Participants

Moderator: Jiří Król - Global Head, Alternative Credit Council, AIMA

Jerome Finkel - Senior Director, Capital Solutions, CDPO

Rolling forward: the evolution of continuation vehicles

13:55 - 14:35 Secondaries Summit

Which factors are driving the increased use of continuation vehicles? What are the key challenges GPs face when structuring continuation vehicles? How do continuation vehicles impact LP liquidity and overall portfolio management?

Participants

Moderator: Brian Digney - Research and Content Director, Standards Board for Alternative Investments

Thomas Hallinger - Managing Director, Golding Capital Partners

David Barbour - private equity adviser to family offices, former Managing Partner, FPE Capital and Chair, HeadBox Solutions

Kanika Goela - Investment Director, Patria Global Private Markets Solutions

Building bridges: the importance of relationship management in fundraising

14:35 - 15:15 Fundraising Summit

How can GPs build and maintain long-term relationships with LPs in an increasingly competitive fundraising environment? What role does effective relationship management play in securing follow-on investments? How can GPs build rapport with LPs in the early stages of fundraising, and how can these relationships be nurtured?

Participants

Moderator: Anika Randawa Scott - Founder & Managing Partner, Rewire Partners

Thierry Wolff - Head of Co-Investments, Portfolio Management and Valuations, European Investment Fund (EIF)

Christopher W. Kersey - Founding Managing Partner, Havencrest Capital Management

Joachim Michael Masurek - Head of Investor Relations & Capital Formation, LEA Partners

Anieke Lamers - Operating Partner, Borski Fund

Evergreen deal structures: a new era of flexibility?

14:35 - 15:15 Private Debt Summit

What factors are driving the rise of evergreen funds in private debt, and how do they compare to traditional closed-end funds? What impact do evergreen structures have on investor liquidity and capital commitments? What are the key risks and challenges associated with evergreen funds in private debt?

Participants

Moderator: Ian Milton - Founder & CEO, Mercia Capital Partners

Matthias Erb - Partner, StepStone Group

Raphael Geys - Founding Partner, Dexteritas Investment Management

Erik Bakker - CEO, OHV Asset Management

Debt on the move: navigating private credit secondaries

14:35 - 15:15 Secondaries Summit

How is the growing demand for liquidity driving the expansion of private credit secondaries? Which investor groups are most active in private credit secondaries? Will the demand for private credit secondaries continue to increase in 2026?

Participants

Moderator: Olaf Neubert - Managing Director, TopCap Partners

John Hartwell Cocke - Partner, Deputy Chief Investment Officer - Credit, Corbin Capital Partners

Mike Hacker - Global Head of Portfolio Finance, Carlyle Alphyest

Michael Liu - Vice President, Coller Capital

SuperReturn Europe Allocate - Private Debt

14:45 - 15:45 SuperReturn Europe Allocate

Attendees will be matched in advance based on preselected filters to ensure they meet with LPs and GPs with similar investment strategies. For more information, please click <u>here</u>.

LP applications - please email samantha.grannum@informa.com to register

GP applications – please email <u>Swapnil.gurung@informa.com</u> to register

Spaces are limited and will be offered on a first-come, first-served basis.

Afternoon refreshments and networking break

15:15 - 15:45 Networking

SESSIONS
SPECIALIST SUMMITS DAY - 04/11/2025

4 - 7 November 2025 Hotel Okura Amsterdam

Raising capital across continents: strategies in different geographic regions

15:45 - 16:25 Fundraising Summit

How do cultural differences impact fundraising strategies across different geographic markets? What are the key regulatory challenges firms face when raising capital in multiple geographies? How do investor preferences vary worldwide and what strategies can firms use to appeal to distinct investor groups?

Participants

Discussion leader: Michael Moore - Chief Executive,

Discussion leader: David Enriquez - Partner, Clipway

Private debt meets property: the evolving role of real-estate lending

15:45 - 16:25 Private Debt Summit

Which real estate sectors are currently offering the best risk-adjusted returns for private debt investors? How are fluctuating interest rates and inflation impacting real estate debt strategies? How does the asset-backed nature of real estate debt enhance stability in a volatile market?

Participants

Discussion leader: Anne Koeman-Sharapova - Head of Europe Real Estate Investment, Mercer

Discussion leader: Georges Asmar - Managing Director, Portfolio Manager, LeadCrest Capital Partners

The next wave: growing opportunities in VC secondaries

15:45 - 16:25 Secondaries Summit

How is the growing demand for liquidity shaping the venture capital secondaries market? What types of VC assets are most in demand in the secondary market? How will this market segment continue to evolve?

Participants

Discussion leader: Adrian Lopez de Armentia - Vice President - Secondary Advisory, Ely Place Partners

Discussion leader: Ethan Levine - Managing Director, CF Private Equity

Discussion leader: Diego Recondo - General Partner, Acurio Ventures

Boat cruise drinks reception

16:25 - 17:55 Networking

Boarding starts promptly at 16:25. The tour is 90 minutes long and boats will return to the Hotel Okura ieth.

SCHEDULE SPECIALIST SUMMITS DAY - 04/11/2025

4 - 7 November 2025 Hotel Okura Amsterdam

TIME	NETWORKING	FUNDRAISING SUMMIT	PRIVATE DEBT SUMMIT	SECONDARIES SUMMIT	LP-ONLY	SUPERRETURN EUROPE ALLO- CATE
08:00	08:50 - Registration, welcome coffee and networking					
09:00		09:30 - Chair's welcome address 09:40 - Fundraising in 2025: navigating a new era of raising	09:30 - Chair's welcome address 09:40 - Keynote address	09:30 - Chair's welcome address 09:40 - From liquidity to opportunity: the growth of secon-		
		capital		daries		
10:00		10:20 - Exploring major trends that have shaped fundraising in 2025	10:00 - Weathering the macro storm: private debt in 2025 10:40 - Keynote address	10:20 - Evaluating LP viewpoints and approaches to the secondaries market		
		10:40 - Key insights from a survey on institutional LPs' priorities and concerns heading into 2026				
11:00	11:00 - Morning coffee and networking break	11:30 - Survival of the fittest: strategies for success in a tough fundraising environment	11:30 - LP perspectives: where are the most valuable opportunities?	11:30 - Leading the way: the dominance of GP-led secondaries		
12:00	12:50 - Lunch and networking break	12:10 - Breaking the mould: the rise of independent deal sponsors	12:10 - Cutting through the noise: the continued success of direct lending	12:10 - A growing appeal: LP-led secondaries on the rise	12:50 - LP-only lunch	
13:00		13:50 - Chair's welcome address	13:50 - Chair's welcome address	13:50 - Chair's welcome address		
		13:55 - Joining forces: how are co-investments reshaping the market?	13:55 - Turning collateral into capital: the asset-backed lending boom	13:55 - Rolling forward: the evolution of continuation vehicles		

SCHEDULE SPECIALIST SUMMITS DAY - 04/11/2025

4 - 7 November 2025 Hotel Okura Amsterdam

TIME	NETWORKING	FUNDRAISING SUMMIT	PRIVATE DEBT SUMMIT	SECONDARIES SUMMIT	LP-ONLY	SUPERRETURN EUROPE ALLO- CATE
14:00		14:35 - Building bridges: the importance of relationship management in fundraising	14:35 - Evergreen deal structures: a new era of flexibility?	14:35 - Debt on the move: navigating private credit secondaries		14:45 - SuperReturn Europe Allocate - Private Debt
15:00	15:15 - Afternoon refreshments and networking break	15:45 - Raising capital across continents: strategies in different geographic regions	15:45 - Private debt meets property: the evolving role of real-estate lending	15:45 - The next wave: growing opportunities in VC secondaries		
16:00	16:25 - Boat cruise drinks reception					

SESSIONS MAIN CONFERENCE DAY ONE - 05/11/2025

4 - 7 November 2025 Hotel Okura Amsterdam

Registration, welcome coffee and networking

08:50 - 09:30 Networking

Chair's welcome address

09:30 - 09:40 Main conference day one main stage

The new normal: how macro and geopolitical forces are reshaping private equity

09:40 - 10:20

Main conference day one main stage

How have political developments in the US impacted European PE? How do changing interest rates across Europe impact deal flow and valuations? How can European firms build resilience against economic uncertainty and geopolitical volatility?

Participants

Moderator: Grace Reyes - CEO, The Investment Diversity Exchange (TIDE)

Dana Haimoff - Managing Director, Portfolio Manager, J.P Morgan Asset Management

Richard Hope - Co-Head of Investments and Head of EMEA, Hamilton Lane

Keynote address

10:20 - 10:40

Main conference day one main stage

Participants

Nizar Tarhuni - Executive Vice President, Research & Market Intelligence, PitchBook

SuperReturn Europe Allocate - Mid-Market Buyout

10:40 - 11:40 SuperReturn Europe Allocate

Attendees will be matched in advance based on preselected filters to ensure they meet with LPs and GPs with similar investment strategies. For more information, please click <u>here</u>.

LP applications - please email samantha.grannum@informa.com to register

GP applications – please email <u>Swapnil.gurung@informa.com</u> to register

Spaces are limited and will be offered on a first-come, first-served basis.

Morning coffee and networking break

10:40 - 11:10 Networking

A rising star: why is the lower mid-market a new hotspot for investment?

11:10 - 11:50

Main conference day one main stage

What makes the lower mid-market segment attractive to investors? What are the key challenges and opportunities when sourcing deals in the lower midmarket? Where are the current main pockets of opportunity in the lower mid-market?

Participants

Moderator: Simon von Oppenheim - Director of European Investor Relations, 747 Capital

Imogen Richards - Partner, Head of European Primaries, Pantheon

Ewout Prins - Managing Partner, Holland Capital

Andi Klein - Managing Partner, Triton Partners

Keynote address

11:50 - 12:10

Main conference day one main stage

Seeking liquidity: analysing a distribution dry spell

12:10 - 12:50

Main conference day one main stage

How have distributions been in 2025 and what can we expect heading into 2026? Have distributions been stronger in the mid-market compared to large cap? What best practices can LPs follow to better manage cash flow uncertainty from a lack of distributions?

Participants

Moderator: Merrick McKay - Head of Private Equity, Patria Global Private Markets Solutions

Louise Boothby - Partner, CVC Secondary Partners

Philipp Patschkowski - Managing Director, Private Equity Secondaries, Neuberger Berman

Alexander Wolf - Managing Director, HarbourVest Partners

Lunch and networking break

12:50 - 13:50 Networking

Chair's welcome address

13:50 - 13:55

Main conference day one main stage

Liquidity meets longevity: the emergence of semi-liquid funds

13:55 - 14:35

Main conference day one main stage

How do semi-liquid structures compare to traditional closed-end funds in terms of risk and return? Which types of investors are most attracted to semi-liquid funds and why? What strategies do managers use to manage liquidity risks in semi-liquid structures?

Participants

Moderator: Marc der Kinderen - Managing Partner, 747 Capital

Nicolas von der Schulenburg - Managing Director, Portfolio Advisors

Work to be done: the need for meaningful progress in DE&I

13:55 - 14:35 Discussion Group

How has DE&I in Europe been impacted by recent political developments in the US? Are LPs in Europe actively prioritizing DE&I when selecting managers, and how are GPs responding?

Closed door discussion group run under the Chatham House Rule and closed to press.

Participants

Discussion leader: Ana Maria Harrison - Partner, Adams Street Partners

Discussion leader: Manuela M. Froehlich - Co-Founder & Partner, Fondsfrauen

Discussion leader: Cilian Jansen Verplanke - Founding Partner, Karmijn Kapitaal

Discussion leader: Fay Margo - CEO, Brackendale Consulting

SESSIONS

MAIN CONFERENCE DAY ONE - 05/11/2025

4 - 7 November 2025 Hotel Okura Amsterdam

Sealing the deal: the evolving landscape of exits

14:35 - 15:15

Main conference day one main stage

Which exit strategies are proving most successful in the current market environment? How are valuation gaps impacting exits in the mid-market? What role do secondaries and continuation vehicles play in extending or optimizing exits?

Participants

Moderator: Thierry Chignon - Managing Partner, Mérieux Equity Partners

Isabelle Freidheim - Founder and Managing Partner, Athena Capital

Philippe Ferneini - Partner, StepStone Group

Sjoerd Aarts - Managing Partner & Head of Benelux, Main Capital Partners

Profit with purpose: the evolution of impact investing

14:35 - 15:15 Discussion Group

Which sectors and geographies present the most compelling opportunities for impact-focused investments? How are LPs influencing the growth of impact investing within private equity?

Closed door discussion group run under the Chatham House Rule and closed to press.

Participants

Discussion leader: Vishesh Srivastava - Co-Managing Partner, Future Business Partnership

Discussion leader: Stefanie Kneer - Head of ESG & Sustainability, Three Hills Capital Partners

Discussion leader: Roberta Benedetti del Rio -Managing Partner, Radia Capital

Afternoon refreshments and networking break

15:15 - 15:45 Networking

The digital edge: analysing AI's impact on PE

15:45 - 16:25

Main conference day one main stage

How is Al transforming deal sourcing and due diligence in private equity? What role does Al play in portfolio management and value creation strategies? How can Al be used in investment decision making?

Participants

Moderator: Charles Schrager - Venture Partner, Isomer Capital

Borja Fernandez Tamayo - Vice President, Unigestion

Dan Aylott - Partner, Head of European Private Investments, Cambridge Associates

Beyond the track record: what really matters in manager selection?

15:45 - 16:25 LP-only

What are the most important factors LPs consider when selecting managers in today's market? What due diligence red flags should investors watch for when assessing managers?

This exclusive closed door discussion group is only open to invited development finance institutions, endowments, foundations, insurance companies, pension funds and sovereign wealth funds.

For more information, please contact lpsuperreturneurope@informa.com

Private wealth and private markets: the next big opportunity?

16:25 - 17:05

Main conference day one main stage

Which deal structures and vehicles are being developed to make private equity more accessible to private wealth investors? How are private equity firms adapting their strategies to attract high-net-worth individuals and family offices? How large is this potential market opportunity?

Participants

Moderator: Marc de Kloe - Partner, Theta Capital Management

Peter Knight - Head of Co-investments, Connection Capital LLP

Véronique Fournier - Head of EMEA, Global Wealth Management Solutions, Apollo

Bob Brown - Founding Partner, Head of Capital Formation & Investor Relations, Motive Partners

Chair's closing remarks

17:05 - 17:10 Main conference day one main stage

Networking drinks reception

17:10 - 18:40 Networking

Hotel Okura Foyer

SCHEDULE MAIN CONFERENCE DAY ONE - 05/11/2025

4 - 7 November 2025 Hotel Okura Amsterdam

TIME	NETWORKING	MAIN CONFERENCE DAY ONE MAIN STAGE	SUPERRETURN EUROPE ALLOCATE	DISCUSSION GROUP	LP-ONLY
08:00	08:50 - Registration, welcome coffee and networking				
09:00		09:30 - Chair's welcome address 09:40 - The new normal: how macro and geopolitical forces are reshaping private equity			
10:00	10:40 - Morning coffee and networking break	10:20 - Keynote address	10:40 - SuperReturn Europe Allocate - Mid-Market Buyout		
11:00		11:10 - A rising star: why is the lower mid-market a new hotspot for investment? 11:50 - Keynote address			
12:00	12:50 - Lunch and networking break	12:10 - Seeking liquidity: analysing a distribution dry spell			
13:00		13:50 - Chair's welcome address 13:55 - Liquidity meets longevity: the emergence of semi-liquid funds		13:55 - Work to be done: the need for meaningful progress in DE&I	
14:00		14:35 - Sealing the deal: the evolving landscape of exits		14:35 - Profit with purpose: the evolution of impact investing	
15:00	15:15 - Afternoon refreshments and networking break	15:45 - The digital edge: analysing Al's impact on PE			15:45 - Beyond the track record: what really matters in manager selection?
16:00		16:25 - Private wealth and private markets: the next big opportunity?			
17:00	17:10 - Networking drinks reception	17:05 - Chair's closing remarks			

SESSIONS

MAIN CONFERENCE DAY TWO - 06/11/2025

4 - 7 November 2025 Hotel Okura Amsterdam

Registration, welcome coffee and networking

08:50 - 09:30 Networking

Chair's welcome address

09:30 - 09:40 Main conference day two main stage

Keynote address

09:40 - 10:00 Main conference day two main stage

The road ahead: what's next for private equity?

10:00 - 10:40 Main conference day two main stage

Which newer sectors are expected to present the most attractive opportunities in the near future? How will managers adapt to the growing demand for ESG criteria? How can managers future-proof their portfolios against potential market disruptions?

Participants

David de Villiers - Managing Director, Wilshire

Marcus Storr - Head of Alternative Investments, FERI AG

Lindsey McMurray - Managing Partner, Pollen Street Capital

Morning coffee and networking break

10:40 - 11:10 Networking

Climbing the ladder: success strategies for emerging managers

11:10 - 11:50

Main conference day two main stage

How can emerging managers differentiate themselves and establish credibility in an increasingly competitive market? How can emerging managers effectively balance innovation with risk management to build sustainable portfolios? How can emerging managers build long-term relationships with investors?

Participants

Moderator: Mrinalini Lhila - Founder & Managing Principal, 360 Capital Advisors

Cem Meric - Partner, LGT Capital Partners

David Enriquez - Partner, Clipway

Marleen Dijkstra - Managing Director, Primary Fund Investments, Carlyle AlpInvest

Christine Hockley - Managing Director & Co-Head of Funds, British Business Bank

Collaboration in motion: the rise of emerging managers and independent deal sponsors

11:50 - 12:30

Main conference day two main stage

What role do independent deal sponsors play in providing opportunities for emerging managers, and how can they collaborate effectively? How do emerging managers and independent deal sponsors differ in their approach to sourcing and executing deals? How can emerging managers help independent deal sponsors access untapped markets and niche sectors?

Participants

Moderator: Charlotte Dunley - Managing Director, Asante Capital

Stefan Matei - Partner, Opera Investment Partners

Sergey Sheshuryak - Partner, Adams Street Partners

Rune Jepsen - Partner, Head of Europe, QIC Private Equity

R. Whit Matthews - Managing Director, HighVista Strategies

Lunch and networking break

12:30 - 13:30 Networking

Women in private markets networking lunch

12:30 - 13:30

Women in private markets networking lunch

Spaces are limited and prioritised to those who have pre-registered. To enquire please email lee.granville@informa.com

Chair's welcome address

13:30 - 13:35

Main conference day two main stage

Across the pond: comparing emerging managers in Europe and the US

13:35 - 14:15

Main conference day two main stage

How does the allocation of capital to emerging managers in Europe compare to the US? How effective are current European programs in supporting emerging managers, and what lessons can be learned from the US? How important are diversity and inclusion in the success of emerging managers in both regions?

Participants

Moderator: Tom Rotherham-Winqvist - Co-Founder, Featherlight

Himanshu S. Singh - Managing Partner, GiantLeap Capital

Kim Pochon - Global Head of Primary Investments, Unigestion

Kerstin Dittmar - Founder & Managing Partner, L2 Point Management

Marc Ciancimino - Co-Managing Partner, All Seas Capital

Special keynote address with Anthony Joshua OBE

14:15 - 14:45

Main conference day two main stage

Participants

Anthony Joshua OBE - 2 X Heavyweight champion of the world, Investor & Philanthropist

Interviewed by: Matthieu Roussellier - Managing Director. Prosek Partners

Afternoon refreshments and networking break

14:45 - 15:30 Networking

SESSIONS
MAIN CONFERENCE DAY TWO - 06/11/2025

4 - 7 November 2025 Hotel Okura Amsterdam

Meet and greet with Anthony Joshua OBE

14:45 - 15:30

Meet and greet with Anthony Joshua OBE

A special meet and greet with Anthony Joshua OBE! Guests will be able to meet Anthony and take photos.

Spaces will be given on a first-come, first-served basis.

Participants

Anthony Joshua OBE - 2 X Heavyweight champion of the world, Investor & Philanthropist

Making strides: the continued growth of GP stakes

15:30 - 16:10

Main conference day two main stage

What are the key drivers behind the growing interest in GP stakes investments? Will the pace of consolidation increase, and what impact will GP stakes have on this? What type of investors are most active in the GP stakes market?

Participants

Moderator: Reza Machdi-Ghazvini - Partner, Placecap

Catherine Haumesser - Managing Director, Investment, Armen

Tiffany Johnston - Senior Managing Director, Blue Owl Capital

People first: retaining top talent in PE

16:10 - 16:50

Main conference day two main stage

Which strategies are firms using to retain top talent in a highly competitive market? What role does company culture play in attracting and keeping top talent? What lessons can private equity learn from other industries about retaining talent?

Participants

Moderator: Sarah Clarke - Director, Rewire Partners

Emily Cook - Performance Coach and Founder, FOUND

Zoe Yeo - Partner, Headway Capital Partners

Erick Rinner - Partner, Impact Expansion

Chair's closing remarks

16:50 - 16:55

Main conference day two main stage

Offsite networking drinks reception at The Heineken Experience

16:55 - 18:25 Networking

Join us for drinks at The Heineken Experience in the centre of Amsterdam!

Buses will depart from outside the Hotel Okura and transport delegates to the venue.

SCHEDULEMAIN CONFERENCE DAY TWO - 06/11/2025

4 - 7 November 2025 Hotel Okura Amsterdam

TIME	NETWORKING	MAIN CONFERENCE DAY TWO MAIN STAGE	WOMEN IN PRIVATE MARKETS NETWORKING LUNCH	MEET AND GREET WITH ANTHONY JOSHUA OBE
08:00	08:50 - Registration, welcome coffee and networking			
09:00		09:30 - Chair's welcome address 09:40 - Keynote address		
10:00	10:40 - Morning coffee and networking break	10:00 - The road ahead: what's next for private equity?		
11:00		11:10 - Climbing the ladder: success strategies for emerging managers11:50 - Collaboration in motion: the rise of emerging managers and independent deal sponsors		
12:00	12:30 - Lunch and networking break		12:30 - Women in private markets networking lunch	
13:00		13:30 - Chair's welcome address 13:35 - Across the pond: comparing emerging managers in Europe and the US		
14:00	14:45 - Afternoon refreshments and networking break	14:15 - Special keynote address with Anthony Joshua OBE		14:45 - Meet and greet with Anthony Joshua OBE
15:00		15:30 - Making strides: the continued growth of GP stakes		
16:00	16:55 - Offsite networking drinks reception at The Heineken Experience	16:10 - People first: retaining top talent in PE 16:50 - Chair's closing remarks		

SESSIONS

MAIN CONFERENCE DAY THREE - 07/11/2025

4 - 7 November 2025 Hotel Okura Amsterdam

LP-only breakfast

08:30 - 09:30 LP-only

Join ILPA Relationship Manager Holly Makarchuk for a breakfast gathering designed to connect you with your fellow LPs and provide fresh insights on the latest industry developments.

Run under the Chatham House Rule and open to preregistered development finance institutions, endowments, foundations, insurance companies, pension funds and sovereign wealth funds. Places are limited; to enquire please email lpsuperreturneurope@informa.com

Participants

Holly Makarchuk - Relationship Manager, ILPA

Bart van Dijk - Managing Director, Head of Europe, ILPA

Welcome coffee and networking

09:00 - 09:35 Networking

Chair's welcome address

09:35 - 09:40 Main conference day three main stage

Participants

Marko Maschek - Partner & Co-Founder, Marondo Capital GmbH

Keynote address

09:40 - 10:00 Main conference day three main stage

Participants

Petros Krappas - Managing Director, Private Equity, Cambridge Associates

Armed with opportunity: PE's pivot into the defence sector

10:00 - 10:40

Main conference day three main stage

How are current global conflicts changing where PE firms invest in defence technology? What approaches work best for navigating defence regulations while ensuring good returns? How do PE firms balance ESG commitments with growing interest in defence investments?

Participants

Moderator: Marko Maschek - Partner & Co-Founder, Marondo Capital GmbH

Alexander Ehrle - Lawyer/Attorney, .

Alexander Ribbink - General Partner - Co Founder, Keen Venture Partners

Game changer: PE's evolving role in sports investing

10:40 - 11:20

Main conference day three main stage

Why has private equity investment in sports become increasingly attractive in recent years? What are the key risks and rewards of investing in sports franchises and related assets? How is private equity influencing the commercialization and globalization of sports?

Participants

Moderator: Kirk Rostron - Managing Partner, Mt. Vernon Partners

António Caçorino - Founder & CEO, APEX

Nicki Boyd - Managing Partner, Sphera Partners

Wendy Craft - CEO, Elle Family Office-Lazarian SFO

The Carry4Good pledge: sharing success to scale social innovation

11:20 - 12:00

Main conference day three main stage

What is the Carry4Good pledge, and how does it enable investors to support leading social entrepreneurs? What are some examples of world-leading social innovation making a tangible impact? How can investors use their success to drive meaningful social change?

Participants

Moderator: Elena Gibson - Director, The Carry4Good Pledge & Partner, Ashoka

Nikola von Pattay - Private Investor, Advisor, The Carry4Good pledge

Christian Figge - Managing Partner, Armira Growth

Wietse van der Werf - Founder, CEO, Sea Ranger Service

A spotlight on sources of value uncorrelated to the equity markets

12:00 - 12:40

Main conference day three main stage

How does litigation finance provide value independent of equity market fluctuations? What role do royalty streams in entertainment, pharmaceuticals, and technology play as uncorrelated investment opportunities? How can shipping and aircraft leasing serve as alternative sources of value outside traditional markets?

Participants

Moderator: Peter Flynn - Chief Executive, Candela Capital

Susan Dunn - Founder, Harbour Litigation Funding Stephan Breban - CEO, Giants' Shoulders Capital

Lunch and closing networking break

12:40 - 13:40 Networking



4 - 7 November 2025 Hotel Okura Amsterdam

TIME	NETWORKING	LP-ONLY	MAIN CONFERENCE DAY THREE MAIN STAGE
08:00		08:30 - LP-only breakfast	
09:00	09:00 - Welcome coffee and networking		09:35 - Chair's welcome address 09:40 - Keynote address
10:00			10:00 - Armed with opportunity: PE's pivot into the defence sector 10:40 - Game changer: PE's evolving role in sports investing
11:00			11:20 - The Carry4Good pledge: sharing success to scale social innovation
12:00	12:40 - Lunch and closing networking break		12:00 - A spotlight on sources of value uncorrelated to the equity markets



September 26, 2025

TO: Trustees – Board of Investments

FROM: Vache Mahseredjian, CFA, CAIA, FRM, ASA

Principal Investment Officer

Quoc Nguyen, CFA (Investment Officer

FOR: October 8, 2025 Board of Investments Meeting

SUBJECT: Hedge Funds Investment Guidelines - Update Recommendation

RECOMMENDATION

Update the manager diversification guideline from an approximate number of managers to a maximum manager allocation, as follows:

From: Approximately 10 each for direct portfolio and the emerging manager portfolio

To: Maximum 20% allocation to a single manager, for each of the direct portfolio and the emerging manager portfolio

SUMMARY

LACERA's hedge funds portfolio has evolved since LACERA began building out its direct hedge funds program. Investment guidelines are a risk management tool, and it's natural that they evolve in line with changes to LACERA's Strategic Asset Allocation ("SAA") and asset category structure reviews.

The Hedge Fund investment guidelines were most recently approved in April of 2024, the same month in which Trustees selected a new Strategic Asset Allocation. There were no substantive changes from the September 2023 structure review and guideline update, though the formatting was adjusted to align with that of other asset categories. Investment guidelines are generally reviewed every three years during the asset class structure review, and occasionally, changes are proposed to specific guidelines between these comprehensive triennial reviews.

One of the existing hedge fund investment guidelines relates to manager count. This guideline dates back to the 2019 Hedge Fund structure review that addressed the transition from fund-of-funds ("FOFs") to a direct portfolio. At the time, LACERA's hedge fund program consisted of two FOFs, which combined, invested in over 60 hedge funds. As detailed in the 2019 structure review, LACERA migrated to a more intentional portfolio

Trustees – Board of Investments September 26, 2025 Page 2 of 2

structure that also offers greater transparency and lower costs—with a much smaller number of managers. That transition was essentially completed a few years ago, and today, both the direct program and the emerging manager program are well established.

Given the hedge fund program's current stage of development, limiting the allocation to a single manager is a more effective way to manage risk than a target or guideline based on the number of managers. This adjustment would enable LACERA to further diversify the hedge fund portfolio by incorporating complementary exposures, including relatively niche strategies, emerging manager program graduations, and other approaches, while remaining aligned with overall objectives. Additionally, this manager diversification framework is consistent with the approach used in other LACERA asset categories such as Growth and Real Assets.

Attachment 1 provides a discussion of this recommendation, along with a complete list of the Hedge Funds investment guidelines.

Albourne is LACERA's hedge fund consultant, and their concurrence memo for this recommendation is shown in **Attachment 2**.

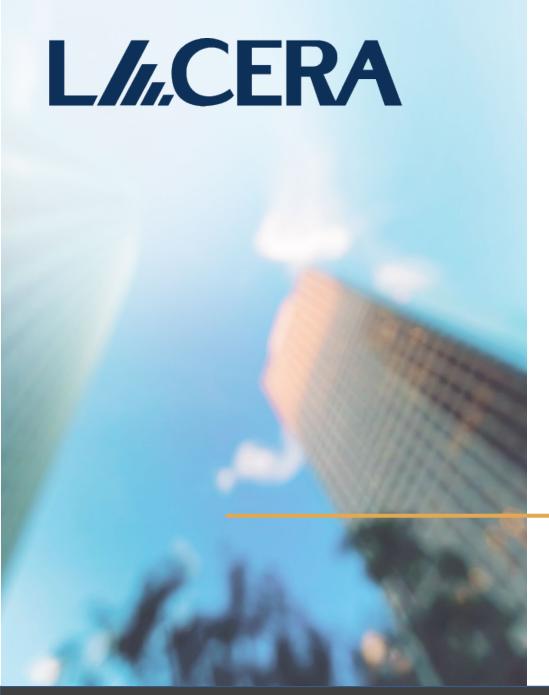
Attachments

Noted and Reviewed:

Jonathan Grabel

Chief Investment Officer

VM:QN:mm



Risk Reduction and Mitigation

Hedge Funds Investment Guidelines – Update Recommendation

Board of Investment Meeting October 8, 2025

Overview - Hedge Funds Guideline Update



Recommendation

Update the Hedge Funds guideline item below in the Risk Reduction and Mitigation Structure Review:

Change	Guideline Item	Guideline Description
FROM:	Manager Count	Approximately 10 each for the direct portfolio and the emerging manager portfolio
то:	Manager Diversification	Maximum 20% allocation to a single manager, for each of the direct portfolio and the emerging manager portfolio

Overview/Justification

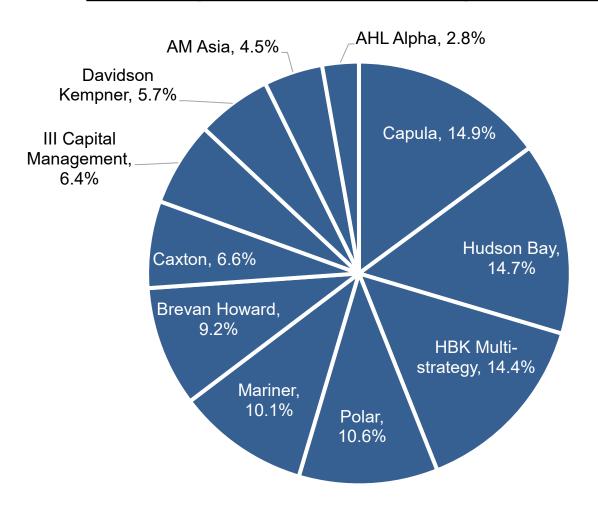
- The hedge funds portfolio will benefit from shifting to a guideline that focuses on manager allocation concentration limits rather than an approximate manager count, enabling better risk control and portfolio efficiency.
- The current manager count guideline helped establish expectations of an intentional build out of the direct and emerging manager hedge fund programs as they were ramping up. Now that the portfolios are mature, a shift to manager concentration limits allow for improved portfolio monitoring and management.
- This change aligns with guideline framework approaches in other LACERA asset classes (e.g., private equity, global equities, real estate).

20% Proposed Limit Direct Hedge Funds Portfolio



- A 20% concentration limit is prudent to protect the portfolio from idiosyncratic manager strategy and investment firm risks. We do not expect exposure to any one manager to exceed 1/5 of the portfolio's total allocation.
- While the top three manager exposures are each close to 15% of the portfolio's net asset value, each of those managers individually contributes less than 8% to the portfolio's overall risk as measured by standard deviation.
- A concentration limit lower than 20% might limit the ability to terminate a manager and remain within portfolio guidelines if a conviction shift arises.
- Moving away from a manager count guideline would enable LACERA to incorporate complementary exposures within the hedge funds portfolio, including relatively niche strategies, emerging manager program graduations, and other approaches, while remaining aligned with overall objectives.

<u>Direct Hedge Funds Portfolio – Manager Allocations</u>



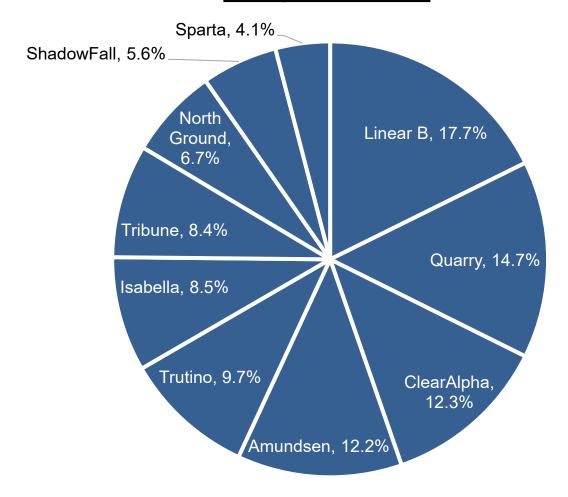
Allocation percentages as of August 31, 2025, from LACERA's custodian, State Street Bank.

20% Proposed Limit Hedge Funds Emerging Manager Program



- A 20% concentration limit is prudent to protect the portfolio from idiosyncratic emerging manager strategy and investment firm risks. We do not expect exposure to any one emerging manager to exceed 1/5 of the separate account's total allocation.
- As LACERA continues to build out the emerging manager program, the allocation percentages of the two largest allocations, Linear B and Quarry, are expected to be reduced further below 20%.

Emerging Manager Hedge Funds Portfolio – Manager Allocations



Allocation percentages as of August 31, 2025, from LACERA's custodian, State Street Bank.



Appendix: Current and Proposed Investment Guidelines

Current: Risk Reduction and Mitigation – Hedge Funds Investment Guidelines



Per the IPS, the CIO has delegated authority to approve investments in accordance with Board-approved Asset Class Structure Review investment guidelines

Functional Asset Class: Risk Reduction and Mitigation (Target Allocation 24% +/-8% of Total Fund); Asset Class: Hedge Funds (Target Allocation 8% +4%/-4% of Total Fund)¹

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Benchmark	FTSE 3-Month US Treasury Bill + 200 bps (1-Month lagged) ¹	
Performance Objective/Target Return	Cash + 2.5%; with risk mitigation objectives as guided by the IPS and structure review	
Sub-Asset Class (Allocation)	Hedge Funds (8% Target +4%/-4%)	
Geographic Exposure	Maximum of 30% invested in non-developed markets	
Manager Count	Approximately 10 each for the direct portfolio and the emerging manager portfolio	
Partnership Size Limits	Less than 35% of a commingled fund structure; does not apply to managers defined as emerging	
Leverage	10x when aggregating individual funds	
Risk Target	2-7% standard deviation of program monthly returns on a 3-year trailing basis	
Market Sensitivity	MSCI ACWI equity beta less than 0.2 for monthly returns on a 3-year trailing basis	
Transparency	Position-level or risk-exposure data is required from managers	
Liquidity	100% of capital within 5 years; at least 50% within 3 years	
Side Pockets	Allowed with the reasonable expectation that no side pocket would last beyond 5 years	
Emerging Manager Program See following slide for emerging manager program details		

¹ Reflects Board-approved revisions from the April 2024 Strategic Asset Allocation, which increased the target allocation to hedge funds from 6% to 8%, and adjusted the hedge funds benchmark from FTSE 3-Month U.S. Treasury Bill + 250 basis points to FTSE 3-Month U.S. Treasury Bill + 200 basis points.

Proposed: Risk Reduction and Mitigation – Hedge Funds Investment Guidelines



Per the IPS, the CIO has delegated authority to approve investments in accordance with Board-approved Asset Class Structure Review investment guidelines

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

Benchmark	FTSE 3-Month US Treasury Bill + 200 bps (1-Month lagged)		
Performance Objective/Target Return	Cash + 2.5%; with risk mitigation objectives as guided by the IPS and structure review		
Sub-Asset Class (Allocation)	Hedge Funds (8% Target +4%/-4%)		
Geographic Exposure	Maximum of 30% invested in non-developed markets		
Manager Diversification	Maximum 20% allocation to a single manager, for each of the direct portfolio and the emerging manager portfolio		
Partnership Size Limits	Less than 35% of a commingled fund structure; does not apply to managers defined as emerging		
Leverage	10x when aggregating individual funds		
Risk Target	2-7% standard deviation of program monthly returns on a 3-year trailing basis		
Market Sensitivity	MSCI ACWI equity beta less than 0.2 for monthly returns on a 3-year trailing basis		
Transparency	Position-level or risk-exposure data is required from managers		
Liquidity	ty 100% of capital within 5 years; at least 50% within 3 years		
Side Pockets	Allowed with the reasonable expectation that no side pocket would last beyond 5 years		
Emerging Manager Program	See following slide for emerging manager program details		



= Represents proposed changes related to existing guidelines



Concurrence Memo

September 24, 2025

To: Each Member

Board of Investments

From: James Walsh, G. Stephen Kennedy

Albourne America LLC

RE: LACERA Hedge Fund Mandate

Overview

Albourne America LLC ("Albourne") supports LACERA's recommendation that no single manager may represent more than 20% of the assets in LACERA's Hedge Fund Allocation.

Background

Staff recommended, and the internal investment committee and CIO propose that no single manager may represent more than 20% of the assets in LACERA's Hedge Fund Allocation. These investment guidelines align with the Board approved strategic asset allocation and asset category structure review.

LACERA's investment structuring within the Hedge Fund Portfolio is well diversified, which supports our recommendation to amend the guidelines so that no single manager may represent more than 20% of the assets in the respective direct portfolio or emerging manager portfolio. Additionally, this change enhances risk management and supports a more intentional approach to portfolio construction. Albourne believes that it is suitable and additive to the investment guidelines for the Hedge Fund Portfolio.

Conclusion: LACERA's Hedge Fund Portfolio is expected to achieve sufficient diversification by adding the maximum manager allocation within the Hedge Fund Portfolio.

G. Stephen Kennedy

b. Styt Kimely

Sincerely,

James Walsh

Head of Portfolio Group Senior Analyst





Concurrence Memo

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Concurrence Memo

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September 26, 2025

TO: Trustees – Board of Investments

Vache Mahseredjian, CFA, CAIA, FRM, ASA FROM:

Principal Investment Officer

Quoc Nguyen, CFA Investment Officer

FOR: October 8, 2025 Board of Investments Meeting

SUBJECT: Credit Investment Guidelines – Update Recommendation

RECOMMENDATION

Update the manager diversification guideline from an approximate number of managers to a maximum manager allocation, as follows:

From: ~10 direct portfolio and ~10 emerging manager portfolio

To: Maximum 20% allocation to a single manager, for each of the direct portfolio and the emerging manager portfolio

SUMMARY

As discussed at the Board Offsite meeting in September, LACERA's Credit portfolio has evolved considerably since the functional asset category was created in 2018. Investment guidelines are a risk management tool, and it's natural that they evolve in line with changes to LACERA's Strategic Asset Allocation ("SAA") and asset category structure reviews.

Investment guidelines are generally reviewed every three years during the asset class structure review, which follows the selection of a new Strategic Asset Allocation. Trustees approved updated Credit investment guidelines in August 2024, following the adoption of a new SAA in April 2024 and new benchmarks in May 2024. Occasionally, changes to specific guidelines are proposed between these scheduled triennial reviews.

One of the existing Credit investment guidelines addresses manager diversification by identifying a target of approximately 10 managers. This guideline originated during the initial development of the functional asset category and predates the consolidation of liquid and illiquid credit. Now that the program has reached a later stage of development, limiting the percentage allocation to a single manager is a more effective way to manage risk than an approximate target for the number of managers. This adjustment would enable LACERA to incorporate complementary exposures within the credit portfolio, including relatively niche strategies, emerging manager program graduations, expanded

Trustees – Board of Investments September 26, 2025 Page 2 of 2

geographic coverage, and other approaches, while remaining aligned with overall objectives. Additionally, this proposed manager diversification guideline framework is consistent with the approach used in other LACERA asset categories such as Growth and Real Assets.

Attachment 1 provides a discussion of this recommendation, along with a complete list of the Credit investment guidelines.

Albourne is LACERA's credit consultant, and their concurrence memo for this recommendation is shown in **Attachment 2**.

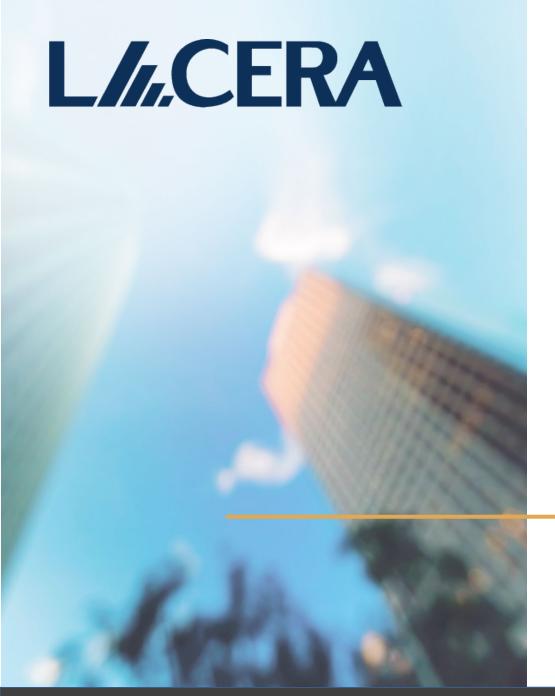
Attachments

Noted and Reviewed:

Jonathan Grabel

Chief Investment Officer

VM:QN:mm



Credit Investment Guidelines – Update Recommendation

Board of Investments Meeting October 8, 2025

Overview - Credit Guideline Update



Recommendation

Update the Credit guideline item below in Credit Structure Review:

Change	Guideline Item	Guideline Description
FROM:	Manager Diversification	~10 direct portfolio and ~10 emerging manager portfolio
то:	Manager Diversification	Maximum 20% allocation to a single manager, for each of the direct portfolio and the emerging manager portfolio

Overview/Justification

- The credit portfolio will benefit from shifting to a guideline that focuses on manager allocation concentration limits rather than an approximate manager count, enabling better risk control and portfolio efficiency.
- The current manager count guideline helped establish expectations of an intentional build out of the illiquid credit and emerging manager illiquid credit programs as they were ramping up. These two portfolios today have matured and now cover all of credit, including liquid credit. A shift to manager concentration limits allows for improved portfolio monitoring and management.
- This change aligns with guideline framework approaches in other LACERA asset classes (e.g., private equity, global equities, real estate).

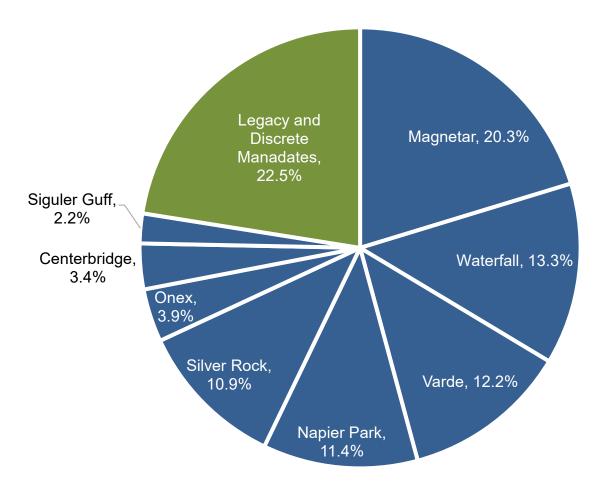
20% Proposed Limit Direct Credit Portfolio



- A 20% concentration limit is prudent to protect the portfolio from idiosyncratic manager strategy and investment firm risks. We do not expect exposure to any one manager over the long term to exceed 1/5 of the portfolio's total allocation.
- This adjustment would enable LACERA to incorporate complementary exposures within the credit portfolio, including relatively niche strategies, emerging manager program graduations, expanded geographic coverage, and other approaches, while remaining aligned with overall objectives.
- Siguler Guff, Onex, and Centerbridge have over \$1 billion in uncalled committed capital. As this capital is deployed in the coming quarters, their allocations will increase, while the relative allocations of larger mandates will decline.
- There is one current exception to the proposed 20% limit: Magnetar at 20.3%. We anticipate that this will be temporary and are working with the manager to rebalance the mandate to be generally inline with other direct portfolio allocations.

Note: Legacy and Discrete Mandates include 16 credit investments whose mandates are winding down or under review for alignment with the current Board-approved Strategic Asset Allocation and Credit Structure Review.

<u>Direct Credit Portfolio – Manager Allocations</u>



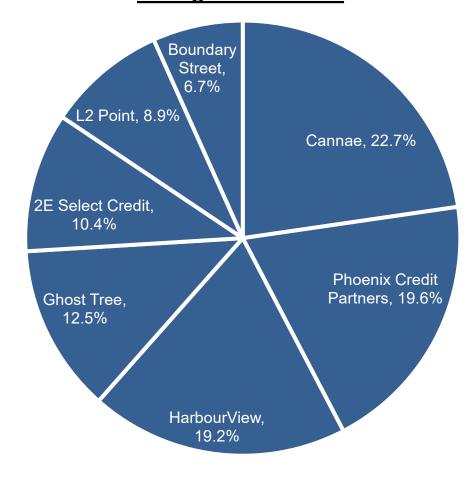
Allocation percentages as of August 31, 2025, from LACERA's custodian, State Street Bank.

20% Proposed Limit Emerging Manager Credit Portfolio



- A 20% concentration limit is prudent to protect the portfolio from idiosyncratic emerging manager strategy and investment firm risks. We do not expect exposure to any one emerging manager to exceed 1/5 of the separate account's total allocation once the portfolio is fully built.
- Three emerging managers are near or exceed the proposed 20% portfolio allocation limit. LACERA has committed capital to two new emerging credit managers not yet reflected in the chart to the right. Once fully deployed to those two managers, no emerging managers will exceed 20%.
- As LACERA expands the emerging manager program that is less than three years old and ramping up, additional hires are expected, which will further reduce the percentage allocations of existing investments.

<u>Emerging Manager Credit Portfolio –</u> Manager Allocations



Allocation percentages as of August 31, 2025, from LACERA's custodian, State Street Bank.



Appendix: Current and Proposed Investment Guidelines

Current: Credit – Investment Guidelines



Per the IPS, the CIO has delegated authority to approve investments in accordance with Board-approved Asset Class Structure Review investment guidelines

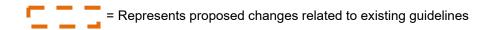
Functional Asset Class: Credit (Target Allocation 13% +/- 4% of Total Fund) – Guidelines			
Benchmark	70% Credit Suisse Leveraged Loans; 30% Bloomberg U.S. Corporate High Yield + 100 bps (1-month lagged)		
Performance Objective/Target Return	Meet or exceed the return of the aggregate Board-approved benchmark		
Target Allocation Range	13% Target with a 9-17% range		
Geography	Minimum of 50% invested in the US market; Maximum of 15% invested in non-developed markets		
Currency	Minimum of 90% invested in assets that are denominated in or hedged to the U.S. dollar		
Manager Diversification	~10 direct portfolio and ~10 emerging manager portfolio		
Emerging Manager Program	See following slides for emerging manager program details		
Direct Investments	See following slides for co-investments and contingent capital details		

Proposed: Credit – Investment Guidelines



Per the IPS, the CIO has delegated authority to approve investments in accordance with Board-approved Asset Class Structure Review investment guidelines

Functional Asset Class: Credit (Target Allocation 13% +/- 4% of Total Fund) – Guidelines			
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		
Target Allocation Range	13% Target with a 9-17% range		
Geography	Minimum of 50% invested in the US market; Maximum of 15% invested in non-developed markets		
Currency	Minimum of 90% invested in assets that are denominated in or hedged to the U.S. dollar		
Manager Diversification	Maximum 20% allocation to a single manager, for each of the direct portfolio and the emerging manager portfolio		
Emerging Manager Program	See following slides for emerging manager program details		
Direct Investments	See following slides for co-investments and contingent capital details		





Concurrence Memo

September 24, 2025

To: Each Member

Board of Investments

From: James Walsh, G. Stephen Kennedy

Albourne America LLC

RE: LACERA Credit Mandate

Overview

Albourne America LLC ("Albourne") supports LACERA's recommendation that no single manager may represent more than 20% of the assets in the respective direct portfolio or emerging manager portfolio as part of LACERA's Credit Allocation.

Background

Staff recommended, and the internal investment committee and CIO propose that no single manager may represent more than 20% of the assets in the respective direct portfolio or emerging manager portfolio as part of LACERA's Credit Allocation. These investment guidelines align with the Board approved strategic asset allocation and asset category structure review.

LACERA's investment structuring within the modified Strategic Asset Allocation (April 2024) consolidates the previous categories for Liquid, Illiquid and emerging market debt. This leads to our support to amend the guidelines so that no single manager may represent more than 20% of the assets in the respective direct portfolio or emerging manager portfolio. Additionally, this change enhances risk management and supports a more intentional approach to portfolio construction. Albourne believes that it is suitable and additive to the investment guidelines for the Credit Portfolio.

Conclusion: LACERA's Credit Portfolio is expected to achieve sufficient diversification by adding the maximum manager allocation within the Credit Portfolio.

S. Styt Kinnedy

Sincerely,

James Walsh

G. Stephen Kennedy Head of Portfolio Group Senior Analyst



Concurrence Memo

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Concurrence Memo

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September 24, 2025

TO: Trustees – Board of Investments

FROM: Luis A. Lugo

Acting Chief Executive Officer

Ted Granger 3

Chief Financial Officer

FOR: October 8, 2025 Board of Investments Meeting

SUBJECT: PENSION PLAN ACTUARIAL ECONOMIC ASSUMPTION REVIEW

2025 Actuarial Projects

The experience study discussion began with the September 2025 Board of Investments Offsite where LACERA's consulting actuaries, Nick Collier, Craig Glyde, and Alan Perry from Milliman, provided an education session regarding the experience study process. At the October 8, 2025, Board of Investments meeting, Milliman will discuss the pension plan economic assumptions including price inflation, general wage and payroll growth, and investment return, and present a preview of their recommendations. Milliman is requesting input from the trustees for consideration in the final recommendations.

For the current pension plan actuarial project cycle, the consulting actuary will perform an experience study as of June 30, 2025, in preparation to conduct the June 30, 2025 actuarial valuation. Milliman completed the last experience study as of June 30, 2022 and the latest actuarial valuation as of June 30, 2024.

Legal Authority

The actuarial process at the Los Angeles County Employees Retirement Association (LACERA) is governed by provisions in the County Employees Retirement Law of 1937 (CERL) and the California Public Employees' Pension Reform Act of 2013 (PEPRA). CERL requires LACERA to obtain an actuarial valuation of the Pension Plan at least once every three years¹.

LACERA Policy

The LACERA Board of Investments maintains the Actuarial Funding Policy (Funding Policy). The Funding Policy was most recently amended and adopted as of October 2024 to clarify the funding objectives by defining key principles, actuarial process and procedures, policy terminology, and discretionary benefits. The Funding Policy requires LACERA's consulting actuary to perform experience studies every three years and actuarial valuations annually.

¹ Cal. Gov't Code, §31453(a), 2025

Pension Plan Actuarial Assumptions Review September 24, 2025 Page 2

Professional Standards

The Society of Actuaries (SOA) defines an actuarial valuation as a statistical and demographic assessment of a pension fund's assets versus liabilities to determine its funded status. It involves using investment, economic, and demographic assumptions to estimate future cash flows and calculate the present value of those cash flows. The primary purpose of an actuarial valuation is to ensure that a pension fund's assets are sufficient to cover its liabilities, thereby providing a financial snapshot of the fund's future obligations. Actuarial valuations are prepared so trustees can review the pension plan's latest funding metrics and recommend employer and employee contribution rates to the plan sponsor.

The SOA defines an experience study for a defined benefit pension plan as a comprehensive analysis that evaluates the actual experience of the plan against the assumptions used to calculate the plan's liabilities and funded status. This study helps actuaries determine if the assumptions should be adjusted to better reflect the plan's anticipated future experience and gives trustees information to assist them in carrying out their fiduciary responsibilities and helps keep the plan financially sound.

Process Overview

LACERA engages an independent actuarial consulting firm, Milliman, to perform the actuarial valuation of the Pension Plan annually, exceeding the regulatory frequency requirements. In addition, every three years, the consulting actuary performs an experience study.

The experience study is accomplished by reviewing relevant forecasts and comparing actual experience to what was expected to happen according to the assumptions. Milliman reviews the reasonableness of the economic and demographic actuarial methods and assumptions. Based on this review, the actuary may recommend changes in the assumptions or methodology that will be used to project benefit liabilities and asset growth.

During the experience study cycle, LACERA's consulting actuary presents the experience study results to the Board of Investments prior to performing the actuarial valuation. The Board adopts the actuarial methods and assumptions to be used in future valuations. This enables the Board of Investment trustees the opportunity to discuss the actuarial assumptions and methods and provide the actuary with direction prior to completing the annual valuation. When making decisions and providing direction in these matters, the Board is required to act "upon the basis of the investigation, valuation, and recommendation of the actuary." (Cal. Govt. Code §31453; see also §31495.)

In February or March 2026, Milliman will complete and present the annual valuation report prepared using updated and/or reconfirmed assumptions from this latest experience study. Based on the valuation report results, LACERA's Board of Investments recommends employer and employee contribution rates for the 2026 plan year to the Los

Pension Plan Actuarial Assumptions Review September 24, 2025 Page 3

Angeles County Board of Supervisors, the primary plan sponsor. The Board of Supervisors adopts the employer and employee contribution rates effective for the beginning of the next fiscal year.

Upcoming Presentations

At the December 2025 Board of Investments meeting, Milliman will discuss the pension plan demographic assumptions and address any questions regarding the economic assumptions. Demographic assumptions include rates of mortality, retirement, and disability. In addition, Milliman will present the 2025 experience study draft report to the Board for consideration and adoption.

On a triennial basis, a separate actuarial consulting firm, Cavanaugh Macdonald (CavMac), reviews both the experience study process and the annual valuation results and provides separate reports to the Board of Investments. CavMac expects to present their draft reports at the December 2025 Board of Investments meeting.

Roadmap

For your reference, a roadmap outlining the 2025 actuarial projects is included as an attachment. Also, attached for your consideration is Milliman's presentation on the actuarial methods and economic assumptions review for the October 8, 2025 meeting.

Attachments

A. Actuarial Projects 2025 – Roadmap B. Milliman's October 8, 2025 Presentation Slides

LL:tg
Economic Assumptions BOI Oct 2025 - Final

c: Laura Guglielmo, LACERA Steven P. Rice, LACERA Richard Bendall, LACERA JJ Popowich, LACERA Jonathan Grabel, LACERA Fesia Davenport, CEO, Los Angeles County



2025 Experience Study Economic Assumptions

October 8, 2025
Board of Investments Meeting

Ted Granger, LACERA Nick Collier, Milliman Craig Glyde, Milliman

LACERA



Presentation Topics

LACERA

- Actuarial Projects 2025
 - Roadmap

Milliman

- 2025 Experience Study
 - Actuarial Methods & Economic Assumptions

Society of Actuaries (SOA) Experience Study Definition

An **SOA experience study** is a systematic examination of historical data used by actuaries to assess the actual experience of a pension plan or insurance product against the assumptions used for financial calculations. The primary objectives of these studies include:

- **Evaluating assumption accuracy**: Comparing actual outcomes with expected results to ensure that assumptions remain appropriate.
- Risk management: Identifying potential risks that could impact the plan's future financial stability.
- Operational improvements: Providing insights that drive strategic decision-making and help manage gains and losses.
 These studies are essential for ensuring that actuarial assumptions are reasonable and that the financial health of pension plans and insurance products is sustainable.

LACERA Roadmap



Pension Plan – Actuarial Projects 2025

BOI: Demographic Assumptions

Milliman will review and may recommend changes in demographic assumptions such as retirement, disability and mortality rates.

BOI: Experience Study Report

The Board to approve Milliman's recommendations for economic and demographic assumptions.

Board of Supervisors: Contribution Rates

CA State Law requires LACERA to transmit the recommended employer and employee contribution rates for adoption by the County Board of Supervisors prior to May 15.

September 2025

BOI Offsite: Educational Session

Milliman presented an overview of the

experience study process.

October 2025

December 2025

February/March 2026

April/May 2026

June 2026

BOI: Economic Assumptions

Milliman will review their preliminary analysis of economic assumptions such as price inflation, general wage and payroll growth, and investment return, to obtain Board input.

BOI: Valuation Report

Milliman will discuss the 2025 actuarial valuation results based on the Board's approved methods and assumptions from the experience study.

BOI: Audit Reports

Cavanaugh Macdonald will discuss their actuarial reviews of the 2025 experience study and valuation reports prepared by Milliman.

BOI: Risk Assessment Report

Milliman will present the annual risk assessment report based on the June 30, 2025 valuation results.

LACERA

2025 Experience Study Actuarial Methods & Economic Assumptions

Nick Collier
Craig Glyde
OCTOBER 8, 2025



Schedule of Pension Projects for Fiscal Year 2025 - 2026

September 2025 offsite: General education on experience study

October 2025 meeting:

- 1) Discussion and analysis of economic assumptions;
- 2) Reach general consensus on economic assumptions

Today's meeting

December 2025 meeting:

- 1) Any follow-up on economic assumptions;
- 2) Analysis of demographic assumptions;
- 3) Draft experience study report with estimated financial impact;
- 4) Adopt assumptions and methods

February or March 2026 meeting:

- 1) Valuation results;
- 2) Adopt contribution rates for fiscal year beginning July 1, 2026

June 2026 meeting: Risk assessment (for information only; no Board action)





Actuarial Methods

LACERA's current actuarial methods – **NO CHANGES RECOMMENDED**

Actuarial Methods	Current	Comment	
Actuarial Cost Method	Entry Age	Current method results in relative stable Normal Cost and member contribution rates within each plan	
Actuarial Asset Method	5-Year Smoothing with Offsets	Current methods results in relatively smooth employer contribution rates while not deviating too much form market value	
Amortization Method Layered Level % of Pay		Current method provides a good balance between progress toward 100% funding and stable employer rates.	
Administrative Expenses Implicit		Explicit approach may be viewed as more transparent, but in practice it makes little difference and can cause some shifting of costs between members and employers	
STAR Reserve Excluded from Valuation Assets		Current method excludes STAR Reserve per the Actuarial Funding Policy (AFP).	



Economic Assumptions – Overview

Investment Return (Discount Rate): Used in the valuation to "discount" future payment stream to present value. Generally, the most significant assumption in allocation of future contributions.

General Wage Growth: Used in the valuation to project salaries used and therefore affects future benefit amounts. Equal to local price inflation plus an additional amount (if any) for real wage growth.

National Price Inflation: Directly used in the valuation to project PEPRA compensation limit. Indirectly considered as part of investment return assumption.

Payroll Growth: Used in the valuation to project payroll used in the Unfunded Actuarial Accrued Liability (UAAL) amortization calculation.

Local Price Inflation: A key component of assumptions for COLAs, wage and payroll. Indirect affect on the valuation.

Future Retiree COLAs: Used in the valuation to project current and future retiree benefits. Generally equal to lesser of local price inflation and maximum COLA amount. Existing COLA banks are considered.



Economic Assumptions - Components





Price Inflation / CPI

Forecasts for 20 years as of June 30, 2025

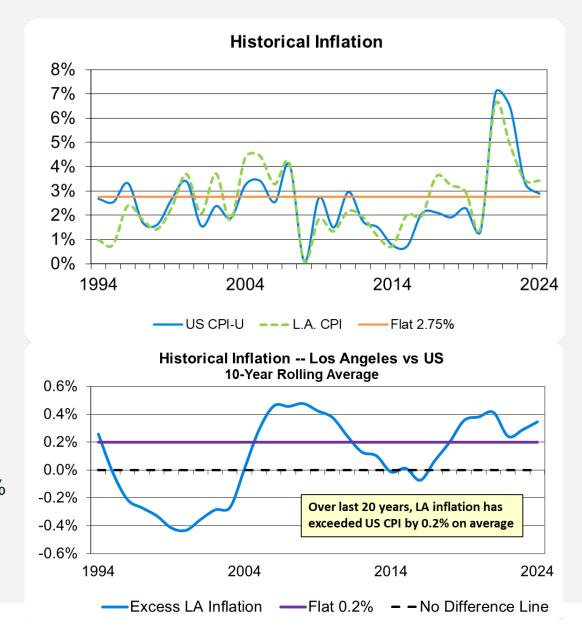
- Implied inflation from TIPS of 2.45%
- Cleveland Fed = 2.4%
- Milliman = 2.3% / Meketa = 2.7%
- Long-range Social Security projection is 2.4%

Inflation assumption for other systems

- CalPERS is at 2.30% and CalSTRS is at 2.75%
- 2.50% is median assumption for 100 largest systems

Current assumption is 2.75% for national and local

- Higher than most forecasts for national inflation
- Consider bifurcating inflation assumption into national and local inflation assumptions, and
 - Lowering assumption for national inflation (CPI-U) to 2.50%
 - Retaining 2.75% assumption for local inflation for salary increase and retiree COLA purposes





General Wage and Payroll Growth

- Valuation includes assumptions for:
 - Payroll Growth the growth rate of LACERA's total active employee population payroll
 - General Wage growth the growth rate of continuing active employee population wages due to local inflation and real wage growth
 - Real wage growth for continuing members reflects increases in salary levels on top of price inflation due to productivity and market adjustments
- The payroll growth assumption is used in the calculation of the UAAL contribution rate
- The general wage growth assumption is used to project active member wages and to determine their Final Average Compensation (FAC)
- Fairly standard among public retirement systems to have payroll growth equal to general wage growth
- Current assumption is 3.25% for payroll and general wage growth
 - 2.75% local inflation + 0.50% real wage growth



Payroll / Wage Growth

Average annual national statistics

Period	Wage Growth	CPI Increase	Real Wage Inflation
2015-2024	4.0%	3.0%	1.0%
2005-2024	3.3%	2.6%	0.7%
1995-2024	3.6%	2.5%	1.1%
1985-2024	3.7%	2.8%	0.9%
1975-2024	4.4%	3.7%	0.7%

- Over last 20 years LACERA wage growth has been lower than, and CPI higher than, national average which implies lower real wage inflation
- Social Security intermediate long-term assumption for real wage growth is 1.13%
- LACERA's active member population has been relatively stable over time
- Current assumption for real wage growth of LACERA's total active population is 0.50%

Average annual LACERA statistics

Period	General Wage Growth* =	CPI = Increase +	Real Wage Inflation
2015-2024	3.5%	3.2%	0.3%
2005-2024	3.1%	2.8%	0.3%

^{*} Does not include merit & longevity component

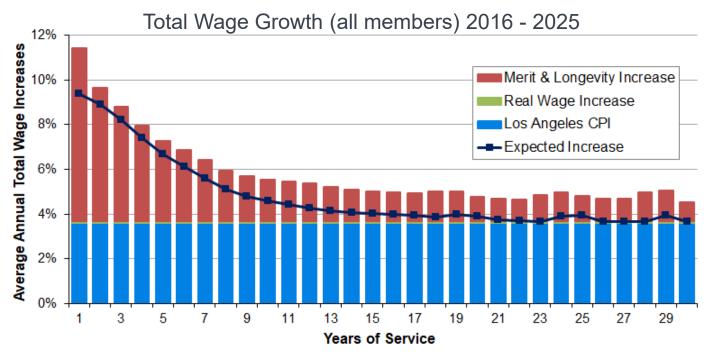
LACERA General Wage Growth





Total Wage Growth

- An individual <u>continuing</u> active member's assumed annual salary increase is composed of:
 - Local inflation (current assumption is 2.75%)
 - Real wage growth (current assumption is 0.50%)
 - Additional increase due to productivity and market adjustments
 - Individual merit / longevity (demographic assumption) typically varies based on length of service

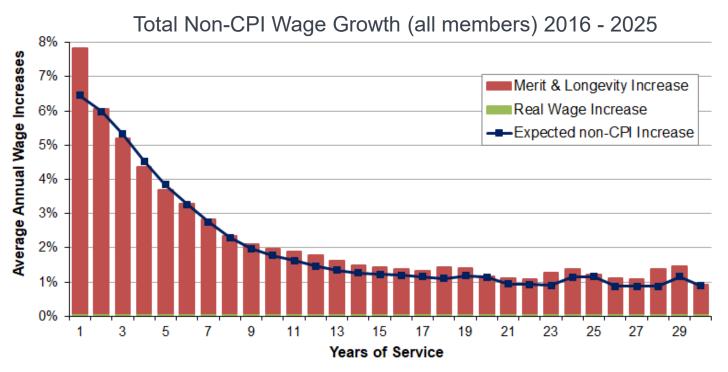


- Average annual Los Angeles CPI of 3.6% has exceeded the assumed 2.75% increase
- Average annual Real Wage Growth of 0.1% has lagged the assumed 0.5% increase
- Over rolling 15-year periods since 2013 Real Wage Growth has been in the range 0.0% - 0.8%



Non-CPI related Wage Growth (i.e. Real Wage Growth + Merit & Longevity Increases)

- Non-CPI components of wage growth have followed the assumption reasonably well in aggregate
 - Average annual Real wage growth (current assumption is 0.50%) has lagged the assumption
 - Individual merit / longevity (demographic assumption) has largely made up the difference



- Propose retaining the 0.50% real wage growth assumption, and making adjustments to merit & longevity such that the total non-CPI wage growth increase continues to be appropriate
- Merit & longevity assumption will be studied separately for General and Safety member classes
- Propose retaining Payroll Growth & General Wage Growth at 3.25%
 - (2.75% CPI + 0.5% real wage growth)



Expected Return – 2025 Capital Market Assumptions

Current assumption for annual average investment return is 7.0%

Milliman calculated the median expected return for LACERA's target portfolio using the 2025 capital market outlook assumptions from three sources:

- Meketa (expected returns provided by Meketa)
- Milliman
- 2025 Horizon survey of capital market assumptions (survey of about 40 investment advisors)

All sources support the continuing use of a 7.0% investment return assumption

Based on the Milliman model and assumption there is a small margin for adverse experience for 20-year horizon

Retaining the 7.0% investment return assumption will help maintain the recent stability of contribution rates

2025 CMAs	Meketa	Milliman	Horizon	
Based on 10-Year Assumptions				
Median Annualized Return	7.2%	6.7%	7.3%	
Assumed Inflation	2.3%	2.3%	2.4%	
Based on 20-Year Assumptions				
Median Annualized Return	8.4%	7.2%	7.7%	
Assumed Inflation	2.7%	2.3%	2.4%	

Notes:

- 1. Returns are net of assumed expenses of 0.20% of assets.
- 2. Milliman expected returns reflect updated capital market assumptions as of June 30, 2025. Horizon and Meketa are as of January 2025.
- 3. The Horizon Survey reports a limited number of asset classes. In cases where there was not a corresponding asset class in the survey, Milliman's assumptions for the corresponding time horizon were used.
- 4. Horizon 10-year assumptions include some consultants with less than 10 years. Horizon 20-year assumptions include some consultants with more than 20 years and are based on a subset of the full group.



Summary of Economic Assumption and Recommendations

Economic Assumptions	Current	Recommended	Comment
National Price Inflation	2.75%	2.50% / 2.75%	Most long-term forecasts project lower than 2.75% national CPI.
Local Price Inflation	Equal to National Price Inflation (2.75%)	No Change	Over the long-term Los Angeles inflation has averaged slightly above national CPI.
Future COLAs	Local Inflation not greater than cap with adjustment for COLA bank (Varies by Plan)	No Change	Plan A: Current assumption is 2.75%, but for current retirees with a COLA bank > 0%, assumption is 3.00%. Other Plans: 2.00% (pro-rated amount for Plan E).
Real Wage Growth	0.50%	No Change	0.50% is slightly higher than historical LACERA experience. However, merit & longevity assumptions have largely made up the difference in recent years. Retaining this assumption along with local price inflation will help to maintain contribution stability in the UAAL contribution rate.
General Wage Growth	Local Price Inflation + Real Wage Growth (3.25%)	No Change	In recent years, general wage growth has been higher than the assumption primarily due to local price inflation. With potential upward pressure on wages in the short-term retaining this assumption is reasonable.
Payroll Growth	Equal to General Wage Growth (3.25%)	No Change	See General Wage Growth.
Investment Return (Discount Rate)	7.00%	No Change	7.00% remains appropriate and contains a small margin for potential adverse future experience.





Thank you



Certification

This presentation is intended as a high-level discussion of an actuarial experience study. The statements of reliance and limitations on the use of this material is reflected in our most recent actuarial report (June 30, 2024) and still apply to this presentation. These statements include reliance on data provided, on actuarial certification, and the purpose of the report.

Milliman's work product was prepared exclusively for LACERA for a specific and limited purpose. It is a complex, technical analysis that assumes a high level of knowledge concerning LACERA's operations, and uses LACERA's data, which Milliman has not audited. It is not for the use or benefit of any third party for any purpose. Any third-party recipient of Milliman's work product who desires professional guidance should not rely upon Milliman's work product but should engage qualified professionals for advice appropriate to its own specific needs.

The results of the actuarial valuation are based on one set of reasonable assumptions. However, it is almost certain that future experience will not exactly match the assumptions. As an example, investments may perform better or worse than assumed in any single year and over any longer time horizon. It is therefore important to consider the potential impacts of these potential differences when making decisions that may affect the future financial health of the Plan, or the Plan's participants. Please refer to the Risk Assessment report dated May 22, 2025 for a detailed analysis of the main risks applicable to LACERA.



Appendix: Additional Reference Slides



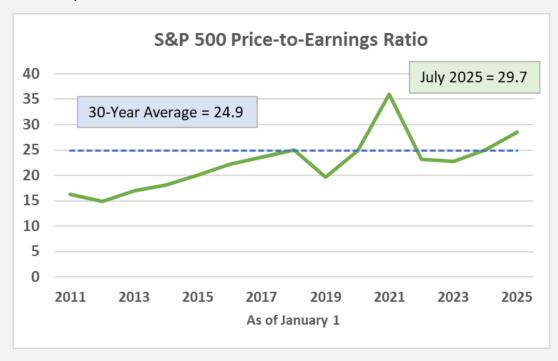
Economic Assumptions – Current Environment

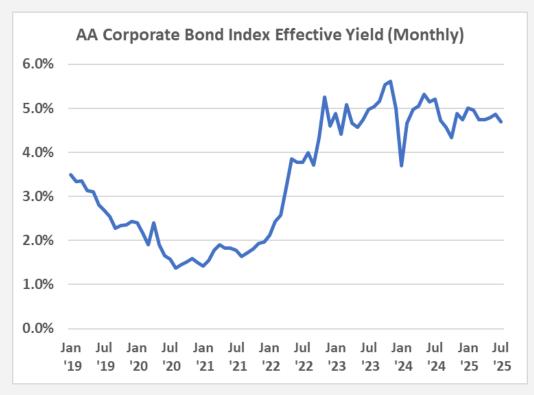
Changing economic environment

Interest rates have rebounded from historic lows

Price-to-earnings ratios have increased recently and are now above historic averages

Inflation spiked in 2021 and 2022 but is now closer to forecasts







General Wage Growth

An individual member's assumed annual salary increase is composed of:

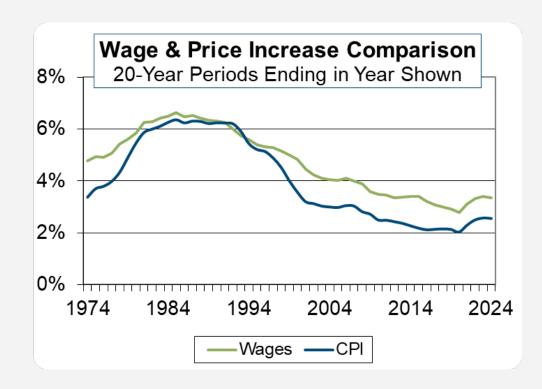
Local inflation

Real wage growth

Individual merit/longevity component (demographic assumption)

Real wage growth represents the increase in wages in excess of inflation due to improvements in productivity and competitive market pressures

- National average real wage growth has been 0.7% over last 50 years
- Social Security projections have 1.2% average real wage growth over long term
- Estimated LACERA-specific real wage growth has been close to the current 0.5% assumption over the long term, but less recently





Investment Return Assumption – Comparison with Other Systems

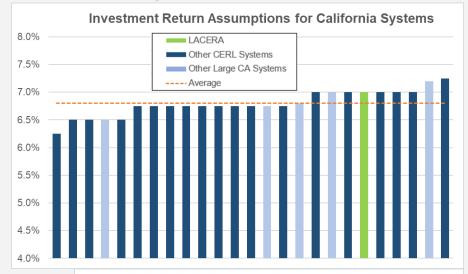
Most California systems have investment return assumption of either 6.75% or 7.00%

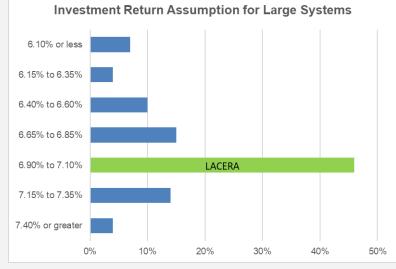
Average return assumption of 6.8%

Nationally, almost 90% of large systems have investment return assumption between 6.50% and 7.25%

Average return assumption of 6.9%

Different systems have different allocations so different expected returns







Glossary of Actuarial Terms





Glossary

Accrued Liability / Actuarial Accrued Liability (AAL): That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.

Actuarial Asset Smoothing: A method used to determine the Actuarial Values of Assets that reduces the effect of short-term market volatility while still tracking the overall movement of the market value of assets.

Actuarial Assumptions: Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disability, and retirement; changes in compensation; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets. The Actuarial Assumptions fall into two main categories: Demographic and Economic Assumptions.

Actuarial Methods: Procedures used to determine the Actuarial Value of Assets; how the liabilities (value of promised benefit payments) are allocated to accrued and future; how the Unfunded Actuarial Accrued Liability is systematically paid down (amortization method); and other relevant items.

Actuarial Standards of Practice: The Actuarial Standards Board sets standards for appropriate actuarial practice in the United States through the development and promulgation of Actuarial Standards of Practice (ASOPs). These ASOPs describe the procedures an actuary should follow when performing actuarial services and identify what the actuary should disclose when communicating the results of those services.

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 a pension plan.

Actuarial Value of Assets: The value of cash, investments and other property belonging to a pension plan after reflection of Actuarial Asset Smoothing, as used by the actuary for the purpose of an Actuarial Valuation



Glossary (continued)

Alpha: Actual investment return, if any, above the benchmark return.

Amortization Payment: That portion of the pension plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.

Capital Market Assumptions (or Expectations): Capital Market Assumptions are numerical expectations about the future performance of available asset classes that incorporate theories, observations and experience. Each asset class has an expected return, variance and correlation between other asset classes.

COLA: LACERA retirement and survivor allowances are adjusted annually by the cost-of-living adjustment (COLA). The adjustment is based on changes in the cost of living over the previous 12-month period as of December 31.

COLA Bank: Also referred to as the COLA Accumulation. The COLA Bank is the accumulation of annual CPI increases that exceed the COLA Cap. In years where the CPI increase is less than the COLA Cap, a withdrawal from the COLA Bank takes place to increase the actual COLA granted, up to the COLA Cap.

COLA Cap (Maximum): LACERA retirees and beneficiaries cannot receive an annual COLA increase above the COLA Cap. For Plan A, the amount is 3%; for other plans the maximum is 2%.

CPI: Consumer Price Index. Used to measure local and national price inflation.

Demographic Assumptions: Assumptions as to the occurrence of future events specific to member experience, such as: mortality, withdrawal, disability, retirement, and changes in compensation in excess of General Wage Growth.



Glossary (continued)

Discount: The discount is the reduction that is applied to future cash flows (primarily benefit payments and contributions) to determine the present value as of the valuation date of those cash flows. For LACERA, the discount rate is equal to the investment return assumption.

Economic Assumptions: Assumptions as to the occurrence of future events specific to economic factors, such as: investment returns, compensation increases related to inflation and productivity, and inflation.

Employer Contribution Rate: Annual employer contribution calculated under LACERA's funding policy as a percent of payroll. The rate is a sum of contributions to fund the Normal Costs (net of member contributions) and the UAAL.

Inflation: See Price Inflation.

Investigation of Experience: Periodic review of Actuarial Assumptions to review recent experience and future forecasts. For LACERA, this is completed every three years

Layered Amortization Period: Payment of each year's change in the Unfunded Actuarial Accrued Liability (UAAL) is amortized over separate closed periods. For LACERA, the original UAAL as of June 30, 2009 is being amortized over a closed 30-year period. Subsequent changes in the UAAL were amortized over new closed 30-year periods. Effective with the June 30, 2019 valuation all existing layers with more than 22 years remaining as of June 30, 2020 were re- amortized over closed 22-year periods. All new UAAL layers thereafter are amortized over closed 20-year periods beginning with the date the contribution is first expected to be made. All amortization payments are based on a level percent of pay.

Legacy: Legacy plans are those plans that existed prior to the implementation of PEPRA. For LACERA, these are the following defined benefit plans: General Plans A, B, C & D and Safety Plans A & B.



Glossary (continued)

Median Expected Return: The numerical value that there is a 50% probability the actual return will exceed (and 50% probability it will fall short of) this value over a long-term time horizon on annualized geometric basis.

Merit Salary Increases: Salary increases in excess of the General Wage Growth that are expected as a member moves through their career related to merit, promotion and longevity.

Mortality Projection Scale: A scale that is used to project future changes in mortality rates. A scale that project declines in future mortality rates is expecting increased life expectancies for future retirees.

Normal Cost Rate: The value of benefits earned as a percent of pay calculated as a level percent of payroll from entry age.

Payroll Growth: The annual increase in the pensionable payroll used in the calculation of the UAAL amortization rate.

PEPRA: The California Public Employees' Pension Reform Act (PEPRA) of 2013 specifies benefit provisions for LACERA General Plan G and Safety Plan C. It also governs certain provisions of other LACERA plans and places additional restrictions on employer contribution rates to be paid.

Price Inflation: A sustained increase in the general level of prices for goods and services.

Price-to-Earnings (P/E) Ratio: The price-to-earnings ratio is the ratio for valuing a company that measures its current share price relative to its earnings per share. P/E ratios are used by investors and analysts to determine the relative value of a company's shares in an apples-to-apples comparison.



Glossary (continued)

Projected Benefits: Those pension 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.

Real Rate of Return: The portion of the expected investment return that is in excess of national Price Inflation.

Real Wage Growth: The portion of General Wage Growth that is not related to local Price Inflation.

STAR Reserve: Reserves accumulated for the payment of cost-of-living benefits as defined in California Government Code Section 31874.3. Supplemental Targeted Adjustment for Retirees (STAR) Benefits Supplemental cost-of-living payments to retired members to restore purchasing power at a specified percentage level, as described in California Government Code Section 31874.3.

Unfunded Actuarial Accrued Liability (UAAL): The excess, if any, of the Actuarial Accrued Liability over the Valuation Assets.

Valuation Assets: Assets considered in the calculation of the UAAL contribution rate. Valuation assets are equal to Actuarial Value of Assets but net of certain non-valuation reserves (for the 2024 valuation, the non-valuation reserves are the Contingency Reserve and the STAR Reserve.

Valuation Date: The date upon which the Normal Cost, Actuarial Accrued Liability, and Actuarial Value of Assets are determined. Generally, the Valuation Date will coincide with the ending of a Plan Year.

Wage Growth: See General Wage Growth.





FOR INFORMATION ONLY

September 16, 2025

TO: Trustees – Board of Investments

FROM: Scott Zdrazil

Principal Investment Officer

Piers Hugh Smith 15 Investment Officer

FOR: October 8, 2025, Board of Investments Meeting

SUBJECT: Comment Letter to United Kingdom Department of Business and

Trade Regarding UK Sustainability Reporting Standards

Please find attached a comment letter submitted by LACERA to the United Kingdom (UK) Department of Business and Trade in adherence with the provisions of LACERA's Corporate Governance and Stewardship Principles (Principles). The letter is being provided to Trustees for informational purposes.

By way of background, LACERA's Corporate Governance and Stewardship Principles encourage companies to report on financially relevant sustainability risks that may impact firm performance and value. Reporting material risks enables investors to assess those risks in portfolio construction and investment decisions, including proxy voting. LACERA endorsed the International Sustainability Standards Board (ISSB) in 2018. LACERA participates in the ISSB Investor Advisory Group to encourage companies to use the ISSB reporting framework to guide industry-specific, material disclosures of sustainability risks that facilitate reporting that enables LACERA and our asset managers to assess investment risks in line with our fiduciary duty.

The UK Department of Business and Trade is proposing reporting requirements for publicly listed companies in the UK and certain other UK entities that incorporate the ISSB standards and has requested market feedback on specific terms of their proposal. In line with LACERA's Principles and endorsement of the ISSB reporting framework, LACERA's comment letter (Attachment) provides feedback to the department to support the proposed disclosure requirements' alignment with the ISSB standards to facilitate cost-effective, comparable, and timely reporting across global markets. The letter is available on lacera.gov.

Noted and Reviewed:

Jonathan Grabel

Chief Investment Officer

on /

300 N. Lake Ave., Pasadena, CA 91101 / PO Box 7060, Pasadena, CA 91109-7060 / www.lacera.com / 626/564-6000

15th September 2025 Attachment

Department of Business and Trade Old Admiralty Building Admiralty Place London United Kingdom SW1A 2DY

via email at: uk.srs@businessandtrade.gov.uk

RE: Consultation on the Exposure Drafts: UK Sustainability Reporting Standards

Dear Mr. Gareth Davies, MP:

The Los Angeles County Employees Retirement Association (LACERA) appreciates the opportunity to submit comments in response to the Department for Business and Trade's open consultation on the United Kingdom's proposed Sustainability Reporting Standards (Consultation). We applaud the proposed incorporation of the standards promulgated by the International Financial Reporting Standards Foundation's International Sustainability Standards Board (ISSB Standards) and appreciate the opportunity to provide feedback on specific proposed amendments. We believe the Consultation is timely in light of recent market developments that aim to facilitate a cohesive, investment-useful global framework for corporate sustainability reporting that is conducive to durable value creation for companies and investors alike.

About LACERA

LACERA is the largest county pension system in the United States, with approximately \$90 billion in plan assets, as of August 1, 2025. We hold investments in over 6,000 companies in more than 60 global financial markets, with the United Kingdom ranking among the top three markets in which we are invested across asset categories. LACERA's mission is "to produce, protect, and provide the promised benefits" to about 200,000 beneficiaries who serve the most populous county in the United States. We encourage sound corporate governance practices at portfolio companies, clear corporate reporting, and prudent financial market policies and regulations that help facilitate economic growth and enhance our ability to fulfill our mission.

Investor Interest in Financially Relevant Disclosures of Sustainability Factors

Our comments are guided by the investment beliefs and principles outlined in LACERA's <u>Investment Policy Statement</u>² and <u>Corporate Governance and Stewardship Principles</u>.³ Climate change, the global energy transition, and broader sustainability considerations can present financial risks and opportunities for both individual portfolio companies as well as to the broader economy in which we invest,

¹ UK Department for Business and Trade. Open Consultation on Exposure Drafts: UK Sustainability Reporting Standards. June 25, 2025. Available at:

https://www.gov.uk/government/consultations/exposure-drafts-uk-sustainability-reporting-standardsReporting Standards - GOV.UK.

² LACERA. Investment Policy Statement. Revised June 2024. Available at: https://www.lacera.com/sites/default/files/assets/documents/board/Governing%20Documents/BOI%20Policies/invest-policy-stmt.pdf.

³ LACERA. Corporate Governance and Stewardship Principles. Revised 2024. Available at: http://www.lacera.com/sites/default/files/assets/documents/board/Governing%20Documents/BOI%20Policies/CorpGovPrinciples.pdf.

as globally diversified investors with a long-term investment horizon.⁴ We consider that financial markets work most efficiently when investors have **timely**, **reliable**, **and comparable information about material aspects of a firm's performance**, including how they manage business-relevant sustainability factors that may affect durable cash flow. Adequate information to identify and assess risks is critical to help evaluate material investment factors and therefore of paramount importance to fulfill our fiduciary duty.

We believe the ISSB Standards have made an important contribution in developing a global framework to facilitate **timely**, **reliable**, **and comparable information about material aspects of a firm's performance**. We applaud the Department of Business and Trade's efforts to facilitate reporting consistent with the ISSB Standards, which we believe will be conducive to comparable, cost-effective, and timely reporting for investors and companies that operate across global borders.

We would like to specifically address questions 3 and 5 within the Consultation⁵.

(3.) For entities subject to financed disclosure requirements, what is the impact of revising comparative data for financed emissions calculations and what additional guidance might be useful?

LACERA, like many institutional investors, is broadly diversified across industries and geographies. Compatibility is an important feature to enable information to be consistently interpreted by financial markets across industries and geography. The recommendation within the Consultation that entities with commercial banking and insurance activities may use any appropriate classification standard, in our view, may create additional costs to users of this information by placing the onus on users of the information to find productive methods to compare classification systems in order to make accurate comparisons across companies. The reduction in compliance cost for reporting entities to license access to specific industry classification frameworks, in other words, may be imposed on users, despite the purported goal of minimizing costs of a reporting framework. We encourage the Department of Business and Trade to consider whether cost would be passed onto users from reporters, rather than the overall cost of compliance being lessened, and bear in mind the objective of comparability of disclosed information. As an alternative, we believe the Department of Business and Trade might consider providing interpretive guidance by which reporting entities may have optionality among a narrow set of established industry classification systems. More directive guidance may achieve the goal of enabling a degree of flexibility while also minimizing the burden on end users by having recognized classification systems enable comparability.

(5.) Do you agree or disagree that 'shall' should be amended to 'may' in "shall refer to and consider the applicability of... [SASB materials]"?

We believe the financial materiality of sustainability factors varies by industry. Simply put, factors that are relevant to a mining firm are not necessarily the same as sustainability risks that are financially relevant to a bank, for example. We believe that the industry-specificity of the Sustainability Accounting Standards Board (as referenced as "SASB Materials" in the Consultation) that are integrated into the ISSB Standards facilitate a focus on materiality and comparability. We would encourage the Department of Business and Trade to maintain the wording as initially proposed to, "shall consider," as opposed to softening to, "may consider."

As end users and providers of capital to financial markets, we consider firmer guidance would enable the materiality focus and comparability that can aid capital formation. The wording as initially proposed, "shall consider," provides adequate flexibility for reporters and the assurers of reporting, as it merely requires that issuers "consider" use of SASB Materials. They are free to explain why SASB Materials are not appropriate or constructive. The use of "may consider," in some instances, might increase the

⁴ LACERA's Corporate Governance and Stewardship Principles, page 24.

⁵ UK Department for Business and Trade. Open Consultation on Exposure Drafts: UK Sustainability Reporting Standards. June 25, 2025. Annex. Available at:

likelihood that reporters would not refer to the sustainability factors that have material financial impacts. Ultimately, this could alter the availability of decision-useful information to investors. We would encourage the Department of Business and Trade to consider whether undue flexibility may undermine the original purpose of the proposed regulation.

###

We reiterate our belief that the prospective regulations' alignment with the ISSB Standards would support timely and comparable global reporting that is relevant to capital providers and conducive to sustainable growth in the United Kingdom and all global markets.

Please contact the undersigned at <u>jgrabel@lacera.com</u> if you would like to further discuss any of the above remarks.

Sincerely,

Jonathan Grabel

Ju mus

Chief Investment Officer



September 22, 2025

TO: Each Trustee,

Board of Retirement

FROM: Ted Granger

Chief Financial Officer

FOR: October 1, 2025 Board of Retirement Meeting

SUBJECT: 2026 STAR COLA Program Award

RECOMMENDATION

(1) That the Board of Retirement decide whether or not to award a STAR COLA for Program Year 2026, and

- (2) If a benefit is approved, determine whether the STAR COLA benefits will be on an adhoc basis at a cost of \$832,000 for a one-year addition to retirement allowances, as determined by LACERA's consulting actuary, Milliman, to restore eligible retirees to an 80% benefit level effective for calendar year 2026, or
- (3) If a benefit is approved, determine whether the STAR COLA benefits will be on a permanent basis at a cost of \$8,824,000 for a lifetime addition to retirement allowances, as determined by LACERA's consulting actuary, Milliman, to restore eligible retirees to an 80% benefit level effective January 1, 2026.

EXECUTIVE SUMMARY

September 2025

The Board of Retirement completed part one of a two-part process required for the Supplemental Targeted Adjustment for Retirees (STAR) cost-of-living adjustment (COLA) (STAR COLA Program or STAR Program). At its regularly scheduled meeting on September 3, 2025, the Board of Retirement made public the cost of awarding 2026 STAR Program benefits on an ad-hoc basis and on a permanent basis as determined by LACERA's consulting actuary, Milliman. At that time, the Board of Retirement instructed staff to place this item on the October 2025 Board of Retirement meeting agenda so the Board can determine whether to award a 2026 STAR COLA and if awarded, whether the 2026 STAR COLA will be applied on an ad-hoc or permanent basis.

The annual cost of the ad-hoc benefit is \$832,000 for a one-year period, while the permanent benefit cost is \$8,824,000 for a lifetime benefit. There are three eligible groups of an estimated 2,153 retirees and survivors¹, where their COLA Accumulation balances exceed the 20%

¹ Estimated number of members impacted based on the June 30, 2024 Valuation and valuation assumptions. Actual number of members receiving the STAR COLA award will be determined at the time the award is made on January 1, 2026.

September 22, 2025

Page 2 of 5

threshold. As shown in Table 1 below, certain LACERA members in Legacy Plans B, C, and D who retired (and survivors) are eligible effective January 1, 2026 for a retirement benefit increase under the STAR COLA Program.

Table 1

Retirement Dates (Legacy Plans B, C, and D)	Estimated Number of Eligible Members ¹	2026 STAR COLA Benefit	COLA Accumulation Balance
On or before March 31, 1992	410	1.4%	21.4%
April 1, 1992 to March 31, 2000	1,474	1.1%	21.1%
April 1, 2000 to March 31, 2001	269	0.8%	20.8%

Note: There are no retirees of Legacy Plans A (General and Safety) or PEPRA Plans C and G that are eligible for STAR COLA currently. Retirees in non-contributory Plan E are not eligible for STAR COLA benefits.

The staff memo, Milliman's letter and presentation slides from the September 2025 Board of Retirement meeting regarding the 2026 STAR COLA Program are attached as *Appendix I*. Below, we summarized and edited information from last month's memo titled "2026 STAR COLA Program Eligibility and Cost," dated August 22, 2025.

October 2025

At the October 1, 2025 Board of Retirement meeting, staff is recommending that the Board complete the second and final step in this process: determine whether or not to award a STAR COLA for Program Year 2026; and if awarded, determine whether STAR COLA benefits will be on an ad-hoc or permanent basis. Should the Board decide to award the 2026 STAR COLA, benefits will become effective with the January 2026 retirement benefits payment.

Overview

As shown in Table 1 above, the COLA Accumulation Account balance exceed the 20% threshold by 1.4% for members who retired on or before March 31, 1992, 1.1% for members who retired between April 1, 1992 and March 31, 2000, and 0.8% for members who retired between April 1, 2000 and March 31, 2001. The COLA Accumulation balances of 21.4%, 21.1% and 20.8% are more than the 20% threshold, allowing the Board of Retirement to authorize STAR COLA Program benefits. This means the value of their original pension benefit decreased below 80% of its original purchasing power over time due to instances when actual inflation exceeded statutory COLA limits, resulting in an "accumulation" of excess amounts tracked in the COLA Accumulation.

STAR Program benefits are paid by LACERA from the STAR Reserve account held by LACERA with a current balance of \$607 million as of June 30, 2025. The STAR Reserve is not included in valuation assets by the actuary and maintains sufficient balance to fund the 2026 STAR Program benefits should the Board make the award on an ad-hoc or permanent basis. The Actuarial Accrued Liability (AAL) will increase by less than 0.01% with the approval

September 22, 2025

Page 3 of 5

of the 2026 STAR COLA. These potential cost increases represent less than 0.50% of LACERA's Future Annual Costs as defined in California Government Code Section 7507.² The Board of Retirement most recently awarded a STAR COLA for Program Years 2023-2025 and made those awards on a permanent basis. Before STAR COLA Program Year 2023, the Board of Retirement last awarded the STAR COLA for Program Year 2009. For Program Years 2010 to 2022, COLA Accumulation accounts increased in some years but had not exceeded the 20% threshold amount to warrant STAR COLA benefits for retirees during that period.

Actuary's Report

The Government Code requires that LACERA's consulting actuary, Milliman, provide an analysis which includes the cost of funding the STAR COLA Program benefits and its impact on Future Annual Costs. Milliman's report, which is included in *Appendix I*, provides a detailed analysis of the STAR COLA and should be read in conjunction with this memo.

LEGAL ANALYSIS

Government Code Section 31874.3 allows LACERA to provide ad-hoc or permanent STAR Program benefits that, according to the terms of the Program, protect the purchasing power of retirement benefits. The Board of Retirement is not required to approve STAR benefits, even when the required loss of purchasing power has occurred; the decision is at the discretion of the Board.

Pursuant to Government Code Section 7507, a local agency such as LACERA's Board of Retirement, when considering changes in retirement benefits, such as providing ad-hoc or permanent STAR Program benefits, and before such changes are authorized, must engage an enrolled actuary to provide a statement of actuarial impact upon Future Annual Costs, including any additional accrued liability. Section 7507 also requires that a decision to provide either ad-hoc or permanent STAR Program benefits in 2025 for Program Year 2026 can be made only if the Future Annual Costs of the benefit, as determined by an enrolled actuary, is disclosed at a public meeting at least two weeks prior to the adoption of the benefit increase. Further, Government Code Section 31874.3(c) provides that, before the Board of Retirement approves permanent STAR benefits, the cost of the benefits must be determined by a qualified actuary and the Board shall, with the actuary's advice, provide for full funding of the benefits. The required actuarial cost analysis is presented in this memo and in the prior staff memo dated August 22, 2025, attached as *Appendix I*. In compliance with the Government Code, on September 3, 2025, your Board made public at its regularly scheduled meeting the costs of awarding ad-hoc or permanent 2026 STAR Program benefits at an 80% benefit level.

² Under Section 7507(a)(2), "Future Annual Costs" "includes, but is not limited to, annual dollar changes, or the total dollar changes involved when available, as well as normal cost and any change in accrued liability." In this case, the statute references the impact on Future Annual Costs resulting from a STAR COLA award.

September 22, 2025

Page 4 of 5

Public Notice Requirement

Government Code Sections 7507 and 31874.3 require the Board of Retirement to secure the services of an enrolled actuary to provide a statement of the actuarial impact upon the future annual plan costs. Section 7507 also requires that the actuarial cost information be presented at a public meeting at least two weeks prior to authorizing a benefit increase. The Board of Retirement made public the costs of awarding additional benefits through the STAR COLA Program for 2026 at their meeting on September 3, 2025.

This "2026 STAR COLA Program Award" memo, included on the Board of Retirement's agenda for the October 1, 2025 regular meeting, is a recommendation that the Board of Retirement consider the STAR COLA additional retirement allowances, twenty-eight days after the actuarial cost information disclosure on September 3, 2025, which satisfies the minimum time requirement to authorize a benefit increase.

LACERA's consulting actuary, Milliman, calculated the cost information in their letter dated August 12, 2025, included in *Appendix I*, to satisfy this requirement. On page 2, Milliman states that these potential cost increases represent less than 0.50% of the Future Annual Costs as defined in California Government Code Section 7507.

CONCLUSION

STAR Program benefits are paid on a calendar year basis and maintain the purchasing power of the retirement benefit when decreases below 80% of its original value. The Board of Retirement most recently awarded the STAR COLA on a permanent basis for the last three years, Program Years 2023-2025. For the prior Program Years 2010-2022, LACERA retirees were not eligible for STAR COLA Program Awards.

As shown in Table 1 above, recent CPI increases have caused some COLA Accumulation balances to exceed the 20% threshold by 1.4%,1.1%, and 0.8%, depending upon the eligible members' retirement date. These members have experienced a decline in purchasing power of their monthly retirement allowance which permits the Board of Retirement to authorize a STAR COLA award beginning with the January 2026 benefits payment. The Board of Retirement has the option of granting the STAR benefit on a year-to-year basis using the adhoc methodology or by choosing the permanent option which makes the additional benefit a perpetual part of the members' retirement benefit.

It is therefore recommended that the Board of Retirement decide whether or not to award a STAR COLA for Program Year 2026. If awarded, determine whether the STAR COLA benefits will be on an ad-hoc basis at a cost of \$832,000 for a one-year addition to retirement allowances, as determined by LACERA's consulting actuary, Milliman, to restore eligible retirees to an 80% purchasing power benefit level for calendar year 2026; or, if awarded, determine whether the STAR COLA benefits will be on a permanent basis at a cost of \$8,824,000 for a lifetime addition to retirement allowances, as determined by LACERA's consulting actuary, Milliman, to restore eligible retirees to an 80% purchasing power benefit level effective January 1, 2026.

September 22, 2025

Page 5 of 5

Attachment

Appendix I: Board of Retirement memo dated August 22, 2025 (Re: 2026 STAR COLA Program Eligibility and Cost)

REVIEWED AND APPROVED:

Luis A. Lugo

Acting Chief Executive Officer

09/22/2025

Date

2026 STAR COLA Program Award_Oct_final.doc

c: Board of Investments, LACERA Laura Guglielmo Jonathan Grabel

JJ Popowich Steven P. Rice

Appendix I



August 22, 2025

TO: Each Trustee,

Board of Retirement

FROM: Ted Granger

Chief Financial Officer

FOR: September 3, 2025 Board of Retirement Meeting

SUBJECT: 2026 STAR COLA Program Eligibility and Cost

RECOMMENDATION

(1) That the Board of Retirement make public at its meeting on September 3, 2025, the cost of approving an award under the ad-hoc and permanent STAR COLA Program in 2026 at an 80% benefit level. If a benefit is approved, the projected cost for the adhoc STAR COLA award is \$832,000, while the cost for awarding a permanent STAR COLA is \$8,824,000 as determined by LACERA's consulting actuary, Milliman; and

(2) Direct staff to place this item on the Board of Retirement's October agenda to decide at that time whether or not to award a STAR COLA for Program Year 2026, and if awarded, determine whether the STAR COLA benefits will be ad-hoc or permanent.

EXECUTIVE SUMMARY

In February 2025, the Board of Retirement approved the annual statutory 2025 COLA (April 1st COLA). Subsequently, staff reviewed the COLA Accumulation account balances and determined that for Program Year 2026, there is STAR Program award eligibility for qualifying retirees, subject to Board approval.

Eligibility

Upon Board of Retirement authorization, LACERA members in General Plans B, C, and D and Safety Plan B who retired on or before March 31, 2001 (and survivors of members who retired during that period) are eligible for a retirement benefit increase effective January 1, 2026 under the Supplemental Targeted Adjustment for Retirees Cost-Of-Living Adjustment Program (STAR COLA Program or STAR Program) because their COLA Accumulation accounts (also referred to as the COLA Bank accounts) exceed the 20% threshold required for STAR COLA Program benefits. This means the value of their original pension benefit has decreased below 80% of its original purchasing power over time due to actual inflation

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exceeding the statutory COLA. The eligible group includes an estimated 2,153 retirees and survivors¹.

Members who retired on or after April 1, 2001, participating in General Plans B, C, and D and Safety Plan B are not currently eligible for STAR COLA Program benefits; members in non-contributory Plan E are not eligible for STAR COLA Program benefits. There are no retirees of Legacy Plans A or PEPRA Plans C and G that are eligible for a STAR COLA at this time.

Cost

Milliman, LACERA's consulting actuary, determined that the cost of awarding an "ad-hoc" STAR COLA is \$832,000 to restore eligible members' benefits to 80% of their original purchasing power for the year of the award only. These members' benefits will not reflect this ad-hoc STAR COLA award in future years without further action by the Board. The Board may alternatively approve the STAR COLA on a "permanent" basis which is roughly equivalent to providing the current year's ad-hoc STAR COLA (with associated annual statutory COLA increases) in each future year for eligible members, without the need for future Board action. The cost to award a "permanent" STAR COLA is \$8,824,000 as calculated by Milliman which would be included in the members' base benefit for a lifetime. The Board of Retirement may adopt STAR Program benefits on an ad-hoc or permanent basis to become effective January 1, 2026.

Funding

These additional retiree benefits are paid from LACERA'S STAR Reserve account. The STAR Reserve maintains a sufficient balance of \$607 million to fund the 2026 STAR Program benefits at the amounts identified above. The STAR Reserve is not included in valuation assets by the actuary; the increase in retirement plan liabilities is offset by the STAR Reserve assets so there is no impact to the retirement plan's funded ratio. These potential cost increases represent less than 0.50% of the Future Annual Costs as defined in California Government Code Section 7507.

The Board of Retirement most recently awarded STAR COLA benefits for Program Years 2023-2025 making those awards on a permanent basis. Between Program Years 2010 and 2022, COLA Accumulation accounts increased in some years but did not exceed the 20% threshold amount, so STAR COLA benefits were not available for retirees during that period.

Milliman's Report

The Government Code requires that LACERA's consulting actuary, Milliman, provide an analysis which includes the cost of funding the STAR COLA Program award. Milliman's report, which is included as *Attachment I*, provides a detailed analysis of the STAR COLA and should be considered in conjunction with this memo. This memo, prepared by LACERA

¹ Estimated number of members impacted based on the June 30, 2024 actuarial valuation report and valuation assumptions. Actual number of members receiving the STAR COLA award will be determined at the time the award is made on January 1, 2026.

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staff, is meant to provide an overview of the STAR COLA Program history and a recommendation for Board of Retirement action.

LEGAL ANALYSIS

As discussed in detail later in this memo, Government Code Section 31874.3 allows LACERA to provide ad-hoc or permanent STAR Program benefits that, according to the terms of the Program, protect the purchasing power of retirement benefits. The Board of Retirement is not required to approve STAR benefits, even when the required loss of purchasing power has occurred; the decision is at the discretion of the Board.

Pursuant to Government Code Section 7507, a local agency such as LACERA's Board of Retirement, when considering changes in retirement benefits, such as providing ad-hoc or permanent STAR Program benefits, and before such changes are authorized, must engage an enrolled actuary to provide a statement of actuarial impact upon future annual costs and any additional accrued liability. Section 7507 also requires that a decision to provide either ad-hoc or permanent STAR Program benefits in 2026 can be made only if the future annual cost of the benefit, as determined by an enrolled actuary, is disclosed at a public meeting at least two weeks prior to the adoption of the benefit increase. Further, Government Code Section 31874.3(c) provides that, before the Board of Retirement approves permanent STAR benefits, the cost of the benefits must be determined by a qualified actuary and the Board shall, with the actuary's advice, provide for full funding of the benefits. The required actuarial cost analysis under Sections 7507 and 31874.3 was prepared by Milliman and documented in their letter, provided as *Attachment I*. The cost analysis results are summarized in this memo.

DISCUSSION

COLA

Sections 31870 and 31870.1 of the Government Code provide for a maximum annual COLA to be applied to retirement allowances, optional death allowances, or annual death allowances payable to or on account of any member. COLA maximum increases are 3.0% for Plan A retirees and survivors; 2.0% for Legacy Plans B, C, and D and PEPRA Plans C and G; and up to 2.0% for certain Plan E retirees and survivors². These Government Code sections also provide for an accumulation of the annual percentage difference between the consumer price index (CPI) for the Los Angeles-Long Beach-Anaheim area and the maximum cost-of-living increase allowed for each retirement Plan. The accumulated percentage carryover is known as the COLA Accumulation or COLA Bank.

COLA Accumulation

The CPI percentage change from January through December for the prior calendar year is compared to the maximum allowable cost-of-living percentage increase payable to retired

² Effective June 4, 2002, Plan E members and their survivors were eligible for COLA. The portion of the COLA percentage received by each Plan E member is a ratio of the member's service credit earned on and after June 4, 2002 to total service credit.

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LACERA members under Sections 31870 and 31870.1. In years where the change in CPI is greater than the maximum COLA increase, the difference between these two percentages is accumulated annually for each retiree based upon retirement date. In years where the change in CPI is less than the maximum COLA increase, the actual COLA awarded may be increased above the CPI amount, up to the maximum COLA increase, with a corresponding reduction in the COLA Bank account. The accumulation of differences from each year reflects how much purchasing power has been lost from a retiree's original retirement benefit. By law, the Board of Retirement may provide STAR COLA Program increases once the COLA Bank accounts have exceeded a 20% balance.

STAR COLA Program

The Board of Retirement initiated the STAR COLA Program in 1990 to restore members' purchasing power that had been eroded by inflation in excess of the protection provided by the statutory COLA. Retirees and survivors in Legacy Plans A, B, C, D and PEPRA Plans C and G are eligible for STAR COLA Program benefits should their COLA Accumulation accounts exceed a 20% balance. Non-contributory members in Plan E are not eligible for STAR COLA Program benefits.

STAR COLA Program Awards

Beginning in 1990 and through 2000, the STAR Program existed as an ad-hoc benefit designed to provide contributory plan members protection against rising inflation beyond the protection provided by the statutory COLA and successfully restored LACERA retiree purchasing power to the then maximum allowable 75% level.

On September 4, 2000, the California Governor signed into law a provision, Government Code Section 31874.3, allowing the Board of Retirement to raise the purchasing power protection to a maximum of 80% and allowed the ability to make permanent the STAR COLA Program benefits using excess earnings³. This change provided the Board of Retirement with the flexibility to continue the STAR Program as an ad-hoc benefit or the opportunity to make permanent the STAR COLA benefits using excess earnings. Now and in future years, the Board of Retirement will be required to adopt ad-hoc benefits on an annual basis if the Board wishes to continue the benefits without making them a permanent addition to a retired member's retirement allowance, while the permanent approach for a given Program Year will require no further Board action.

Purchasing Power Example Calculation

The retirement benefit has decreased below 80% of its original purchasing power when the COLA Accumulation accounts exceed the 20% threshold. For example, a 21.5% COLA Accumulation balance means that the member's retirement benefit has 78.5% of the purchasing power compared to when the member retired (e.g., 100.0% - 21.5% = 78.5%).

³ Excess Earnings are actual cash earnings from the investment portfolio earned during the previous year that remain unspent after paying for costs to administer the system, costs to invest the portfolio, paying interest to the member and employer accounts, and satisfying the 1% contingency reserve requirement in Government Code Sections 31592 and 31592.2.

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When the purchasing power of a member's retirement benefit falls below 80.0% of its original purchasing power, the Board can award a STAR COLA to restore the purchasing power to an 80.0% level (e.g., 78.5% + 1.5% = 80.0%).

STAR COLA History

On October 9, 2008, the Board of Retirement made permanent the 2009 STAR COLA benefits at an 80% level as authorized in CERL and had already made STAR Program benefits permanent for prior years.

Actual increases in the CPI for STAR Program Years 2010 through 2022 resulted in COLA Accumulation accounts remaining below the 20% threshold for providing STAR Program benefits. As such, no STAR COLA benefits were provided from 2010 through 2022. During these years, the Board of Retirement approved annual statutory COLAs below or at the retirement plan maximums, providing some protection against diminished purchasing power.

For Program Years 2017-2019 and 2021-2024, CPI increases exceeded the maximum allowable statutory COLA, causing increases in the COLA Accumulation accounts. However, the ending COLA Accumulation account balances remained at less than 20% until Program Years 2023-2026.

The chart below summarizes the STAR COLA history. Please note that not all retirees in all plans received a STAR COLA award each year; STAR COLA is only awarded to retirees where the COLA Accumulation account exceeds a 20% balance. Since its inception, the Board of Retirement has granted and funded STAR COLA Program awards as they became available.

STAR COLA Awards					
Program Year	Eligibility for STAR	BOR Award	Permanent	Maximum Level	
1990-2000	Yes	Yes	Yes*	75%	
2001-2004	Yes	Yes	Yes	80%	
2005	No	N/A	N/A	80%	
2006-2009	Yes	Yes	Yes	80%	
2010-2022	No	N/A	N/A	80%	
2023	Yes	Yes	Yes	80%	
2024	Yes	Yes	Yes	80%	
2025	Yes	Yes	Yes	80%	
2026	Yes	TBD	TBD	80%	

^{*} Beginning in 2001, all prior STAR COLA awards became permanent prospectively.

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Program Year 2026

The 2024 CPI increase exceeded the maximum allowable COLA, causing some retiree COLA Accumulation account balances to exceed 20% after the April 2025 statutory COLA award. This results in a potential STAR COLA for STAR Program Year 2026. Attachment II identifies the Accumulation balances for retiree groups who have experienced diminished purchasing power making them eligible for the STAR COLA award. Only members in General Plans B, C, and D and Safety Plan B who retired between April 1, 1977 to March 31, 2001 are eligible for STAR Program benefits in 2026. Currently, no other retired members or survivors are eligible as their COLA Accumulation account balances do not exceed 20%.

Since the Board previously granted STAR Program benefits on a permanent basis, all retirees and their eligible survivors currently receiving STAR COLA awards for Program Year 2025 and prior years continue receiving those benefits without further action by the Board.

STAR COLA Method: Ad-Hoc or Permanent

Government Code provisions allow the Board of Retirement to award additional benefits to address the inflation experienced by retirees using one of the following approaches:

Ad-Hoc STAR COLA

Provide an ad-hoc 2026 STAR Program benefit for those contributory plan members whose purchasing power has fallen below 80% due to inflation, thus providing a temporary benefit for the 2026 calendar year. Ad-hoc benefits are awarded on a calendar year basis. If these benefits are to be paid in future years, staff will prepare a memo, and the Board of Retirement must approve these benefits annually. Ad-hoc STAR Program benefits are not included in the calculation of future statutory COLA awards.

Permanent STAR COLA

Make permanent the 2026 STAR Program for those contributory plan members whose purchasing power has fallen below 80% due to inflation. While this protects those retirees and survivors who have already lost 20% of their purchasing power, it also ensures that the 2026 STAR COLA benefit is part of the member's retirement allowance and is payable for life. The permanent STAR Program benefit becomes part of the base allowance upon which future annual statutory COLA increases are calculated. Permanent benefits reduce Accumulation account balances to the 20% level with the STAR COLA award, and do not require Board of Retirement approval in subsequent years.

2026 STAR COLA Program Cost Analysis

LACERA's consulting actuary, Milliman, provided their letter dated August 12, 2025, which is included as *Attachment I*. Milliman's letter provides actuarial cost and funding information for LACERA's STAR COLA Program and should be read in conjunction with this memo. Attachments to Milliman's letter include costs for the 2026 Program Year and projections in

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anticipation of *future* STAR COLA awards that have not yet occurred. The table below provides the cost for Program Year 2026 as calculated by Milliman using both the ad-hoc and the permanent benefit approaches.

STAR COLA Program Cost

	2026 Annual Cost	Lifetime Cost
Ad-hoc Benefit: STAR Program at 80%	\$832,000	
Permanent Benefit: STAR Program at 80%		\$8,824,000

Should the Board of Retirement decide to approve the permanent STAR COLA Program award, it will provide a greater cost-of-living benefit to members. The permanent STAR Program is more valuable to the affected members than the ad-hoc STAR Program since the permanent approach provides an everlasting benefit (as long as the member or survivor is alive) and is also included in the base allowance used to calculate the statutory annual COLA benefit in future years.

Meaning of "Permanent STAR Program"

California Government Code Section 31874.3(c) allows the Board of Retirement to make permanent the STAR COLA benefit for the eligible retirees and survivors. In other words, awarding the STAR Program benefit on a permanent basis means increasing the member's benefit continuously and reducing the accumulation account for amounts that exceeds the 20% threshold. The value of the permanent STAR COLA to be provided, as calculated by the actuary, cannot exceed the value of the STAR Reserve because the benefits must be prefunded under the statute. The current value of the STAR Reserve is sufficient to pay for either the ad-hoc or permanent 2026 STAR COLA Program.

If the Board of Retirement adopts the permanent 2026 STAR COLA, all the current estimated 2,153 retirees and survivors eligible to participate in the 2026 STAR Program will have their 2026 STAR Program benefit added to their base allowance and their COLA Accumulation balance will be reduced to 20%. The Board of Retirement made permanent STAR Program benefits for 2001 through 2004, 2006 through 2009, and 2023 through 2025. In those Program Years, STAR benefits were permanently added to the participant's base allowance and the respective COLA Accumulations were reset to 20%. No members were eligible for a STAR benefit in 2005 and 2010 through 2022.

Future increases in the CPI that exceed COLA plan maximums and cause the member's COLA Accumulation to exceed 20% will require Board action to make permanent such future increases and be contingent upon the availability of the STAR Program Reserve to fund the benefit increase. At this time, the Board of Retirement may only make permanent the current level of benefits payable to eligible 2026 STAR Program participants. Staff will present potential *future* STAR Program awards to the Board of Retirement which will require Board action in *future* years.

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Funding the 2026 Program

The STAR COLA benefit is funded by the STAR Reserve which has a current balance of approximately \$607.0 million for the fiscal year ended June 30, 2025. The STAR Reserve balance is sufficient to fund the \$8.824 million needed to make permanent the 2026 STAR Program at the 80% benefit level for all future periods. If the Board approves an ad-hoc STAR Program award at a cost of \$0.832 million, the STAR Reserve balance is sufficient to fund this benefit for calendar year 2026 and benefits will be funded directly from the STAR Reserve. Should the Board award a permanent STAR COLA, this amount will be transferred to the Employer Reserve to pay 2026 STAR COLA Program benefits leaving a balance of approximately \$598.2 million in the STAR Reserve.

STAR Reserve History

The STAR Program's funding was derived from excess earnings as determined by LACERA's Board of Investments. During the period 1994 through 1998, the Retirement System Funding Agreement required the Board of Investments to allocate all excess earnings using a 75%-25% allocation formula between the Employer Reserve and the STAR Program, respectively. Beginning in 1990, when the Funding Policy first established the STAR Reserve, excess earnings were used to increase the STAR Reserve balance, while over time STAR COLA awards caused decreases in the STAR Reserve. The Funding Policy prescribes the semi-annual interest credit process where realized earnings are measured for the six-month period, and interest credits are applied to the Employee and Employer Reserves. Per the Funding Policy, the STAR Reserve is not eligible to receive an interest credit allocation.

Pension fund reserves is an accounting concept that shows how the fund's net position can be divided among various categories including employees, employers, and other classifications designated for specific use. LACERA assets, including balances in the STAR Reserve and the Employer and Employee Reserves, are part of LACERA's investment portfolio which produces investment income. The STAR Reserve balance was established at \$154 million in 1990, increased to \$1.023 billion by 1999 due to excess earning contributions, and from that time, has been reduced by STAR COLA benefits to a balance of \$607 million as of June 30, 2025.

Public Notice Requirement

Government Code Sections 7507 and 31874.3 require the Board of Retirement to secure the services of an enrolled actuary to provide a statement of the actuarial impact upon the future annual plan costs. Section 7507 also requires that the actuarial cost information be presented at a public meeting at least two weeks prior to authorizing a benefit increase. The letter from LACERA's consulting actuary, Milliman, has been prepared and included as *Attachment I* to satisfy this requirement. On page 2, Milliman's letter states that these potential cost increases represent less than 0.50% of the Future Annual Costs as defined in California Government Code Section 7507.

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Conclusion

The CPI increase in 2024 has caused COLA Accumulation accounts for some members to exceed the 20% threshold. These members have experienced a decline in purchasing power of their monthly retirement allowance which permits the Board of Retirement to authorize a STAR COLA award beginning January 1, 2026 for eligible retirees. The Board of Retirement has the option of granting the STAR benefit on a year-to-year basis using the ad-hoc methodology or by choosing the permanent option which makes the additional benefit a perpetual part of the members' retirement benefit.

It is therefore recommended that the Board of Retirement make public at its meeting on September 3, 2025 the cost of the ad-hoc and permanent STAR COLA Program in 2026 at an 80% benefit level. The projected cost for the ad-hoc STAR COLA Program is \$832,000, while the cost for the 2026 permanent STAR COLA Program is \$8,824,000 as determined by Milliman, LACERA's consulting actuary. In addition, the Board of Retirement should direct staff to place this item on the Board of Retirement's October agenda to decide at that time whether or not to award a STAR COLA for Program Year 2026, and if awarded, determine whether the STAR COLA benefits will be ad-hoc or permanent.

Staff and Craig Glyde from Milliman will provide a brief presentation (*Attachment III*) and answer questions at the Board of Retirement's September 2025 meeting.

Attachments

- I. Milliman's STAR COLA for 2026 letter dated August 12, 2025
- II. STAR COLA Accumulation Chart as of January 1, 2026
- III. 2026 STAR COLA Key Concepts Presentation Slides

REVIEWED AND APPROVED:					
Luin Luga	08/27/2025				
Luis A. Lugo	Date				
Acting Chief Executive Officer					
LL TC it owned					

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c: Board of Investments, LACERA
Laura Guglielmo JJ Popowich
Jonathan Grabel Steven P. Rice



1301 Fifth Avenue Suite 3800 Seattle, WA 98101-2605

Tel +1 206 624 7940

milliman com

August 12, 2025

Board of Retirement Los Angeles County Employees Retirement Association 300 North Lake Avenue, Suite 820 Pasadena, CA 91101-4199

Re: STAR COLA for 2026

Dear Trustees of the Board:

As requested, we have valued the Supplemental Target Adjustment for Retirees (STAR) COLA program as of January 1, 2026. As of April 2025, Accumulation Accounts are greater than 20% (the threshold for providing STAR benefits) for retirees in General Plans B, C, and D and Safety Plan B who retired on or before March 31, 2001. These retirees are therefore eligible for a STAR COLA in 2026, upon Board of Retirement (Board) approval.

Ad-hoc versus Permanent STAR COLA awards

An "ad-hoc" STAR COLA award occurs when the Board approves a STAR COLA to restore eligible members' benefits to 80% of their original purchasing power for the year of the award only. Without further action by the Board, these members' benefits will <u>not</u> reflect this STAR COLA award in future years.

The Board may alternatively approve a "permanent" STAR COLA award to eligible members. Under this award, the ad-hoc benefit described above will be included in each future year's benefits of eligible members, without the need for future Board action.

Neither of these awards includes a feature to provide STAR COLA increases for any future loss of purchasing power that has not already occurred. Those increases would require future Board approval.

Summary of results

The values shown in the following table assume that the Board approves the STAR COLA for 2026 only, on an ad-hoc or a permanent basis, and do not reflect any additional STAR benefits that may be granted in the future. The STAR COLA will be an amount sufficient to restore retirement benefits to 80% of their original purchasing power for those retirees whose benefits currently have less than 80% of their original purchasing power. (80% of the original purchasing power is determined as an Accumulation Account value equaling 20%.)

STAR COLA (effective January 1, 2026)	2026 Payment / Transfer from STAR Reserve
Ad-Hoc Increase Payment	\$ 832,000
Permanent Increase Transfer	\$ 8,824,000



The adoption of the 2026 STAR COLA will not cause a change in either the employer contribution rate, funded ratio, or the Unfunded Actuarial Accrued Liability (UAAL) provided that the specified amount is transferred from the STAR Reserve to the Employer Reserve, consistent with whether the Board of Retirement adopts the ad-hoc or permanent STAR COLA approach. The Actuarial Accrued Liability (AAL) will increase by less than 0.01% because of the adoption of the 2026 STAR COLA. We believe these potential cost increases are less than 0.50% of the Future Annual Costs defined in California Government Code Section 7507.

In the attachment to this letter, we have provided 20-year projections of estimated STAR COLA increases and transfers under the ad-hoc and permanent increase options. These attachments also show the estimated number of retirees and survivors projected to be eligible for a STAR COLA benefit in each future year.

STAR COLA and the Accumulation Account

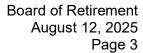
Under STAR COLA, each retiree and beneficiary in Legacy Plans A, B, C, and-D and PEPRA Plans C and G whose benefit has lost more than 20% of its value is eligible to receive, upon Board approval, an increased benefit payment effective January 1 of the following year. Retirees and beneficiaries in Legacy Plan E are not eligible for STAR COLA.

The loss of value is measured by the Accumulation Account which is calculated each year by LACERA staff by adjusting the prior year's Accumulation Account by the difference between the actual COLA granted and the prior year's inflation as measured by the Los Angeles-Long Beach-Anaheim, CA Consumer Price Index – All Urban Consumers.

For December 2023 to December 2024, the increase in CPI was 3.4%. Since the increase in CPI is greater than the maximum statutory COLA of 3.0% for Plan A and 2.0% for all other plans, all retirees had an increase in their Accumulation Account in 2025. The following table shows the groups of STAR COLA eligible retirees that have an Accumulation Account balance greater than 20% after application of the 2024 CPI increase and payment of the 2025 statutory COLA, as well as the STAR COLA they are eligible for if it is approved by the Board. There are no retirees of Legacy Plans A or PEPRA Plans C and G that are eligible for STAR COLA at this time.

Retirement Dates (Legacy Plans B, C, and D)	Accumulation Account	2026 STAR COLA
On or before March 31, 1992	21.4%	1.4%
April 1, 1992 to March 31, 2000	21.1%	1.1%
April 1, 2000 to March 31, 2001	20.8%	0.8%

As an example of how the STAR COLA works, consider a General Plan D member who retired in March of 1991. As of April 2024 this member had an Accumulation Account of 21.5%. This member received a STAR COLA of 1.5% in January of 2025 which reduced their Accumulation Account to 20.0% (because the 2025 STAR COLA was adopted as a permanent addition by the





Board of Retirement). In addition, they received the statutory 2.0% COLA in April of 2025 because CPI during 2024 was 3.4%. Since the statutory COLA given was less than the 2024 CPI, the difference of 1.4% is added to their Accumulation Account, resulting in a new value of 21.4% as of April 2025. Since this member's benefit has lost more than 20% of its original value (i.e., the Accumulation Account is greater than 20.0%) as of April 2025, they are eligible for a STAR COLA benefit in 2026. Accordingly, if a STAR COLA is adopted effective January 1, 2026, this member will receive a STAR COLA increase equal to 1.4% of their current retirement allowance.

The member's Accumulation Account will remain at 21.4% unless a permanent STAR COLA is approved, in which case it is adjusted back to 20.0% to reflect the permanent increase in the member's retirement allowance.

Funding

If the permanent STAR COLA is approved under Subsection 31874.3(c), it is required to be prefunded to provide for the increase in future benefit payments. The present value of the 2026 permanent STAR COLA increase is \$8,824,000. Therefore, under the permanent increase scenario, this amount would be transferred from the STAR Reserve to the Employer Reserve. After adoption of the 2025 STAR COLA as a permanent increase to members' retirement allowances, the STAR Reserve is approximately \$607 million; therefore, the current STAR Reserve has a sufficient balance to facilitate this transfer.

The ad-hoc 2026 STAR COLA increase is estimated to cost \$832,000. If this option is approved, we anticipate this amount will be paid from STAR Reserve.

Since the STAR Reserve is not included in the Valuation Assets, the adoption of the 2026 STAR COLA will not cause a change in either the employer contribution rate or the funded ratio, provided that the specified amount is transferred from the STAR Reserve to the Employer Reserve, consistent with whether the Board of Retirement adopts the ad-hoc or permanent STAR COLA approach.

Projections

We have also attached projections for future STAR COLA increases assuming continued application of the program. These projections are for informational purposes only. For these projections, we have assumed the continued approval of the STAR COLA program by the Board each year at the 80% level, under the following two scenarios:

- 2.75% annual increases in the CPI (the valuation assumption) for 2025 and all future years, and
- 4.0% annual increases in the CPI in 2025 through 2027, followed by annual CPI increases of 2.75%. This scenario reflects that actual inflation has materially exceeded the assumption through June 30, 2025 (on an annualized basis) and provides an



estimate of the potential impact of higher-than-assumed inflation on future STAR COLA benefits, although actual inflation is likely to be different.

The attachments show both the expected annual benefits under the ad-hoc approach and the estimated transfer amounts to fund the STAR COLA each year under the permanent approach. The projected benefit payments paid to members each year under the permanent approach is not shown but would be slightly higher than the ad-hoc increases (in future years), due to the future statutory COLA increases being applied to the STAR COLA payment under the permanent approach. The transfer amounts are expected to be made from the STAR Reserve to the Employer Reserve as of the December 31 prior to the calendar year of the STAR COLA increase. These attachments also show the estimated number of retirees and survivors projected to be eligible for a STAR COLA benefit in each future year. The projected number of eligible retirees and survivors is the same under the ad-hoc or permanent approach.

Data, assumptions, and methods

The COLA Accumulation Accounts are as of April 1, 2025 and any 2026 STAR COLA increases are assumed to be effective as of January 1, 2026. We have assumed that no interest will be credited to the STAR Reserve consistent with LACERA's interest crediting procedures.

Additional information about STAR COLA and CERL

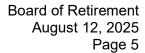
The ad-hoc STAR COLA, as defined in the County Employees Retirement Law of 1937 (CERL) Subsection 31874.3(b), is a temporary benefit provided for one year only and is not part of the member's retirement allowance. Future statutory COLA increases would not apply to this benefit because it is not part of the member's retirement allowance. To continue the ad-hoc STAR COLA payments for any future year the Board must approve it on an annual basis.

Making the STAR COLA permanent under Subsection 31874.3(c) means that it becomes a permanent component of the member's retirement allowance and cannot be revoked in the future. Once a STAR COLA has been made permanent, it continues for the life of the member (and the beneficiary, if applicable). As any permanent STAR COLA increase becomes part of the member's retirement allowance, these payments are eligible for future statutory COLA increases.

Under Subsection 31874.3(c), the Board can only make a STAR COLA increase permanent up to the amount determined at the time the action is approved. Therefore, the projected future STAR COLA increases effective January 1, 2026 and later, as shown in the exhibit at the end of this letter, are for informational purposes only and cannot be made permanent at this time.

Certification

Except as noted elsewhere in this report, all data, methods and assumptions are the same as described and used in the June 30, 2024 actuarial valuation report. In preparing this report, we relied, without audit, on information (some oral and some in writing) supplied by LACERA's staff. This information includes, but is not limited to, statutory provisions, employee data, and financial information. In our examination of these data, we have found them to be reasonably consistent and comparable with data used for other purposes. Since the valuation results are dependent





on the integrity of the data supplied, the results can be expected to differ if the underlying data is incomplete or missing. It should be noted that if any data or other information is inaccurate or incomplete, our calculations may need to be revised.

Actuarial computations presented in this report are for purposes of estimating expected benefit payments and funding amounts under the LACERA STAR COLA program. These calculations have been made on a basis consistent with our understanding of that program. Determinations for purposes other than described may be significantly different from the results contained in this report. Accordingly, additional determinations may be needed for other purposes. These results were developed using models intended for actuarial valuations that use standard actuarial techniques.

Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period or additional cost or contribution requirements based on the Plan's funded status); and changes in plan provisions or applicable law. Due to the limited scope of our assignment, we did not perform an analysis of the potential range of future measurements.

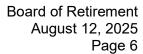
The calculations included in this report are subject to the same risk factors as discussed in the June 30, 2024 actuarial valuation and in the Risk Assessment report based on the June 30, 2024 actuarial valuation. Please refer to those reports for a detailed descriptions of the primary risks to LACERA.

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.
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No third-party recipient of Milliman's work product should rely upon Milliman's work product. Such recipients should engage qualified professionals for advice appropriate to their own specific needs.

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





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

On the basis of the foregoing, we hereby certify that, to the best of our knowledge and belief, this report is complete and accurate and has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the principles prescribed by the Actuarial Standards Board and the Code of Professional Conduct and Qualification Standards for Actuaries Issuing Statements of Actuarial Opinion in the United States, published by the American Academy of Actuaries. We are members of the American Academy of Actuaries and meet the Qualification Standards to render the actuarial opinion contained herein.

Craig Glyde, ASA, EA, MAAA

Consulting Actuary

If you have any further questions regarding this report, please let us know.

Sincerely,

Nick Collier, ASA, EA, MAAA

Vin Celli

Consulting Actuary

NC/CG/va

Attachments

cc: Ted Granger

Claro Lanting

RCU@LACERA.gov

LACERA 20-year projection of STAR COLA Benefits

STAR COLA approved each year to restore benefit to 80% of original value

(Actual 2025 CPI increase is 2.75%)

		Count of Eligible		Permanent
Calendar		Retirees &		Increase
Year	<u>CPI</u>	Survivors	Ad-hoc Increase	Transfers
2025	2.75%			
2026	2.75%	2,153	\$ 832,000	\$ 8,824,000
2027	2.75%	2,068	1,375,000	5,853,000
2028	2.75%	2,653	2,053,000	7,193,000
2029	2.75%	2,542	2,764,000	7,558,000
2030	2.75%	3,334	3,569,000	8,481,000
2031	2.75%	3,185	4,517,000	9,844,000
2032	2.75%	3,035	5,416,000	9,534,000
2033	2.75%	3,408	6,301,000	9,548,000
2034	2.75%	3,236	7,278,000	10,472,000
2035	2.75%	16,080	12,919,000	56,346,000
2036	2.75%	15,532	21,555,000	84,448,000
2037	2.75%	16,930	30,608,000	88,687,000
2038	2.75%	16,298	40,101,000	93,422,000
2039	2.75%	22,084	51,162,000	110,706,000
2040	2.75%	21,275	64,631,000	136,930,000
2041	2.75%	20,436	77,515,000	132,600,000
2042	2.75%	19,564	89,691,000	128,130,000
2043	2.75%	18,670	101,033,000	123,538,000
2044	2.75%	17,751	111,418,000	118,846,000

^{1.} Estimate based on June 30, 2024 valuation

^{2.} Actual results will vary

^{3.} Under the ad-hoc approach, the STAR Reserve is projected to expire in 2044.

^{4.} Under the permanent approach, the STAR Reserve is projected to expire in 2040.

LACERA 20-year projection of STAR COLA Benefits

STAR COLA approved each year to restore benefit to 80% of original value

(Actual 2025 - 2027 CPI increase is 4.00% annually)

		Count of			
		Eligible			Permanent
Calendar		Retirees &			Increase
Year	CPI	Survivors	Ad-hoc Incre	ease	Transfers
2025	4.00%				
2026	4.00%	2,153	\$ 832,	000 \$	8,824,000
2027	4.00%	2,764	2,594,	000	18,512,000
2028	2.75%	3,628	5,123,	000	26,163,000
2029	2.75%	4,096	8,108,	000	30,920,000
2030	2.75%	18,455	13,943,	000	65,585,000
2031	2.75%	18,030	22,923,	000	99,124,000
2032	2.75%	19,694	32,499,	000	105,037,000
2033	2.75%	19,197	42,728,	000	111,689,000
2034	2.75%	25,597	54,734,	000	132,285,000
2035	2.75%	24,966	69,388,	000	163,187,000
2036	2.75%	24,300	83,837,	000	160,328,000
2037	2.75%	23,596	97,980,	000	157,261,000
2038	2.75%	22,858	111,709,	000_	153,994,000
2039	2.75%	22,084	124,906,	000	150,539,000
2040	2.75%	23,368	137,557,	000	148,104,000
2041	2.75%	22,492	150,961,	000	160,675,000
2042	2.75%	21,580	163,455,	000	156,568,000
2043	2.75%	20,642	174,900,	000	152,319,000
2044	2.75%	21,724	185,505,	000	151,393,000

^{1.} Estimate based on June 30, 2024 valuation

^{2.} Actual results will vary

^{3.} Under the ad-hoc approach, the STAR Reserve is projected to expire in 2039.

^{4.} Under the permanent approach, the STAR Reserve is projected to expire in 2035.

STAR COLA Accumulation Chart (Permanent Award Illustration) Percentages as of January 1, 2026						
	General Plans B, C, D and Safety Plan B					
Retirement Da		COLA % Accumulation April 1, 2025	STAR Benefit Adjustment 2026	COLA % Accumulation January 1, 2026		
Before 4/1/77		-	-	-		
4/1/1977 -	3/31/1978	21.4	(1.4)	20.0		
4/1/1978 -	3/31/1979	21.4	(1.4)	20.0		
4/1/1979 -	3/31/1980	21.4	(1.4)	20.0		
4/1/1980 -	3/31/1981	21.4	(1.4)	20.0		
4/1/1981 -	3/31/1982	21.4	(1.4)	20.0		
4/1/1982 -	3/31/1983	21.4	(1.4)	20.0		
4/1/1983 -	3/31/1984	21.4	(1.4)	20.0		
4/1/1984 -	3/31/1985	21.4	(1.4)	20.0		
4/1/1985 -	3/31/1986	21.4	(1.4)	20.0		
4/1/1986 -	3/31/1987	21.4	(1.4)	20.0		
4/1/1987 -	3/31/1988	21.4	(1.4)	20.0		
4/1/1988 -	3/31/1989	21.4	(1.4)	20.0		
4/1/1989 -	3/31/1990	21.4	(1.4)	20.0		
4/1/1990 -	3/31/1991	21.4	(1.4)	20.0		
4/1/1991 -	3/31/1992	21.4	(1.4)	20.0		
4/1/1992 -	3/31/1993	21.1	(1.1)	20.0		
4/1/1993 -	3/31/1994	21.1	(1.1)	20.0		
4/1/1994 -	3/31/1995	21.1	(1.1)	20.0		
4/1/1995 -	3/31/1996	21.1	(1.1)	20.0		
4/1/1996 -	3/31/1997	21.1	(1.1)	20.0		
4/1/1997 -	3/31/1998	21.1	(1.1)	20.0		
4/1/1998 -	3/31/1999	21.1	(1.1)	20.0		
4/1/1999 -	3/31/2000	21.1	(1.1)	20.0		
4/1/2000 -	3/31/2001	20.8	(0.8)	20.0		
4/1/2001 -	3/31/2002	19.1	*	19.1		
4/1/2002 -	3/31/2003	19.0	*	19.0		
4/1/2003 -	3/31/2004	17.3	*	17.3		
4/1/2004 -	3/31/2005	17.3	*	17.3		
4/1/2005 -	3/31/2006	14.9		14.9		
4/1/2006 -	3/31/2007	13.7	*	13.7		
4/1/2007 -	3/31/2008	13.7	*	13.7		
4/1/2008 -	3/31/2009	13.7	*	13.7		
4/1/2009 -	3/31/2010	13.7	*	13.7		
4/1/2010 -	3/31/2011	13.7	*	13.7		
4/1/2011 -	3/31/2012	13.7	*	13.7		
4/1/2012 -	3/31/2013	13.7	*	13.7		
4/1/2013 -	3/31/2014	13.7	*	13.7		
4/1/2014 -	3/31/2015 3/31/2016	13.7	*	13.7		
4/1/2015 -		13.7	*	13.7		
4/1/2016 -	3/31/2017	13.7	*	13.7		
4/1/2017 -	3/31/2018	13.7	*	13.7		
4/1/2018 -	3/31/2019	12.1	*	12.1		
4/1/2019 - 4/1/2020 -	3/31/2020	10.9 10.4	*	10.9		
11110001	3/31/2021 3/31/2022	10.4	*	10.4		
		5.8	*	10.4		
4/1/2022 -	3/31/2023		*	5.8		
4/1/2023 -	3/31/2024	2.9	*	2.9		
4/1/2024 -	3/31/2025	1.4		1.4		

* Not eligible for STAR COLA increase in 2026

Note: Plan E members are not eligible for the STAR COLA Program benefits



2026 STAR COLA Program

September 3, 2025
Board of Retirement Meeting

Ted Granger, LACERA Craig Glyde, Milliman



01 Agenda

Discussion Topics



Discussion Topics

- 1. Agenda
- 2. Executive Summary
- 3. Appendix
 - a) COLA Programs
 - b) STAR COLA
 - c) Terminology

2025 COLA Accumulation Chart by Plan

Plans B (General and Safety). C	and D
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Retirement Dates	Maximum Cost-of-Living Increase	CPI Change	Accumulation as of April 2024	Accumulation Adjustment April 2025	Accumulation as of April 2025
4/1/77 - 3/31/91	2.0%	3.4%	20.0%	1.4%	21.4%*
4/1/91 - 3/31/92	2.0%	3.4%	20.0%	1.4%	21.4%**
4/1/92 - 3/31/00	2.0%	3.4%	19.7%	1.4%	21.1%
4/1/00 - 3/31/01	2.0%	3.4%	19.4%	1.4%	20.8%
4/1/01 - 3/31/02	2.0%	3.4%	17.7%	1.4%	19.1%
4/1/02 - 3/31/03	2.0%	3.4%	17.6%	1.4%	19.0%
4/1/03 - 3/31/05	2.0%	3.4%	15.9%	1.4%	17.3%
4/1/05 - 3/31/06	2.0%	3.4%	13.5%	1.4%	14.9%
4/1/06 - 3/31/18	2.0%	3.4%	12.3%	1.4%	13.7%
4/1/18 - 3/31/19	2.0%	3.4%	10.7%	1.4%	12.1%
4/1/19 - 3/31/20	2.0%	3.4%	9.5%	1.4%	10.9%
4/1/20 - 3/31/22	2.0%	3.4%	9.0%	1.4%	10.4%
4/1/22 - 3/31/23	2.0%	3.4%	4.4%	1.4%	5.8%
4/1/23 - 3/31/24	2.0%	3.4%	1.5%	1.4%	2.9%
4/1/24 - 3/31/25	2.0%	3.4%	0.0%	1.4%	1.4%

4

*Amount reflects -1.5 percent STAR benefit adjustment in 2025.

**Amount reflects -0.3 percent STAR benefit adjustment in 2025.

Current COLA Accumulation | LACERA



02 Executive Summary

Eligibility, Cost, Methods, and Funding



2026 STAR COLA Eligibility

The table shows the groups of retirees eligible for a STAR COLA if approved by the Board. Eligible retirees are those with an Accumulation Account balance greater than 20% after the application of the 2024 CPI increase and payment of the 2025 statutory COLA.

Retirement Dates	Accumulation	2026 STAR
(Legacy Plans B, C, and D)	Account	COLA
On or before March 31, 1992	21.4%	1.4%
April 1, 1992 to March 31, 2000	21.1%	1.1%
April 1, 2000 to March 31, 2001	20.8%	0.8%

Note: There are no retirees of Legacy Plans A or PEPRA Plans C and G that are eligible for STAR COLA at this time.



2026 STAR COLA Cost and Count

The values shown in the table assume that the Board approves a 2026 STAR COLA, on an ad-hoc or permanent basis, and do not reflect any additional STAR benefits that may be granted in the future.

STAR COLA (effective January 1, 2026)	2026 Payment / Transfer from STAR Reserve
Ad-Hoc Increase in Payment	\$ 832,000
Permanent Increase Transfer	\$ 8,824,000
Count of Eligible Retirees & Survivors*	2,153

^{*}Estimate based on June 30, 2024 valuation report.

Subject to Board of Retirement approval: The increase becomes effective January 1st and will be reflected in the January 30th benefit payment.



STAR COLA Award Methods

Government Code¹ provisions allow the Board of Retirement to award additional benefits to address the inflation experienced by retirees using one of the following approaches:

Ad-Hoc STAR COLA	Permanent STAR COLA
Temporary benefit for the current calendar year	Permanent benefit for the calendar year and future years
STAR benefit not included in the calculation of future statutory April 1 st COLA awards	STAR Benefit increases base retirement allowance and is included in the calculation of future statutory April 1 st COLA awards
COLA Accumulation Account balance not reduced, remains at current level and future amounts are added	COLA Accumulation Account balance is reduced to 20% level
Subject to Board of Retirement approval each year in future years	Board of Retirement does <u>not</u> need to approve these benefits in future years
Benefits paid from STAR Reserve	Benefits funded by one-time transfer from STAR Reserve then paid from Employer Reserves



2026 STAR COLA Funding

STAR Reserve (Dollars in Millions)	
FYE 2024 Balance	\$ 608.6
2025 STAR Award (Permanent)	\$ (1.6)
FYE 2025 Balance	\$ 607.0
2026 STAR Award (Permanent) ¹	\$ 8.824
2026 STAR Award (Ad-hoc) ¹	\$ 0.832

¹ Per Government Code Section 7507, costs must be calculated by an actuary and disclosed to the public prior to a decision to adopt the benefit increase.

- STAR COLA costs paid from STAR Reserve
 - Permanent award: amount transferred from STAR
 Reserve to the Employer Reserve to pay benefits
 - Ad-Hoc award: benefits paid from STAR Reserve
- STAR COLA Award:
 - Reduces STAR Reserve balance
 - No change to unfunded liability
- STAR Reserve:
 - Balance not included in Valuation Assets
 - STAR COLA benefits not yet approved are not included in liabilities²

² The valuation liabilities do not account for STAR COLAs that may be granted in the future. STAR COLA benefits previously approved by the BOR are included in liabilities, offset by STAR Reserve asset transfers.

Thank You!



2026 STAR COLA

Questions?



O3 APPENDIX

Additional Information



COLA Programs

Statutory COLA and STAR COLA



COLA Program Comparison

Statutory COLA	STAR COLA
Annual Cost-of-Living Adjustment (COLA) Program	Supplemental Targeted Adjustment for Retirees (STAR) Cost- of-Living Adjustment (COLA) Program
Statutorily mandated award effective April 1st	Discretionary benefit effective January 1st
Dependent upon prior year change in Consumer Price Index (CPI)	Dependent upon COLA Accumulation account balances when they exceed 20%
CPI changes above Plan maximums are added to COLA Accumulation account	Accumulation accounts receive "excess" CPI amounts which are tracked by retirement plan and retirement year
COLA awards can be increased by deducting amounts from the COLA Accumulation when CPI changes below Plan maximums	Accumulation balances above 20% can be awarded under the permanent method which reduces COLA Accumulation account
Available for all retirees and their beneficiaries (Legacy and PEPRA Plans, including Plan E)	Available for contributory plan retirees and their beneficiaries (Legacy and PEPRA Plans, excluding Plan E)
Board of Retirement approval to increase benefits	Board of Retirement approval of costs and benefits
Benefits pre-funded through retirement contributions and paid from the Employer and Employee Reserve	Ad-hoc benefits paid from the Employer and Employee Reserve and permanent benefits paid from the STAR Reserve



Cost-of-Living Adjustment (COLA) Program

Retirement Benefit Enhancement

Retirement law allows for annual retirement benefit increase based upon prior year inflation

Goal

Maintain the value of the retirement benefit consistent with local inflation

Application

- Measure the prior year change in consumer price inflation (CPI) for the Los Angeles region
- Determine COLA Award with Board approval
- Update Accumulation Accounts

Example A:

Consumer Price Index Change	Plan Maximum / COLA Award	Excess CPI to Accumulation Account
3.4%	2.0%	+1.4%

Example B:

Consumer Price Index Change	Plan Maximum / COLA Award	Excess CPI from Accumulation Account
0.5%	2.0%	-1.5%

Timing

Board of Retirement approval, effective April 1st



Supplemental Targeted Adjustment for Retirees (STAR) COLA Program

Retirement Benefit Enhancement

- Retirement law allows for annual review of COLA Accumulation (Bank) balances
- Discretionary retirement benefit increase based upon accumulation of inflation amounts not previously awarded

Goal

- Maintain the purchasing power of the retirement benefit when it goes below 80% of its original value
- Accumulation Account exceeds 20%, the excess amount can be awarded to retirees

Application

- Review Accumulation Account balances (member eligibility and cost)
- Obtain Board approval and award method (ad-hoc or permanent)
- Update Accumulation Accounts

Purchasing Power Examples:

Purchasing Power	Accumulation Account Balance (Excess CPI)	Purchasing Power
100%	-21.4%	78.6%
78.6%	+1.4%	80.0%

STAR COLA Award Example:

Accumulation Account Balance (Excess CPI)	STAR COLA Eligibility / Award	Accumulation Account Balance (Excess CPI)
21.4%	-1.4%	20.0%

Timing

Board of Retirement approval of cost and award, effective January 1st



STAR COLA

Overview and Steps



STAR COLA

Process Outline

- 1. September: STAR COLA Cost
 - Review COLA Accumulation Account balances
 - Obtain letter from Consulting Actuary
 - Confirms eligibility
 - Calculates cost
- 2. October: STAR COLA Award
 - Deny or Approve STAR COLA
 - Ad-Hoc Benefit, OR
 - Permanent Benefit
- 3. Update Accumulation (Bank) Account balances
- 4. STAR COLA effective January 1, 2026

STAR COLA

Retirement Payments

Your Paystub

Cost of Living

COLA Accumulation

STAR COLA

Direct Deposit

Tax Requirements

Returning to Work

Divorce

Admin Appeals

The Supplemental Targeted Adjustment for Retirees (STAR) is a cost-of-living adjustment (COLA) program designed to ease the effects of inflation for retirees and eligible survivors whose allowance has lost more than 20 percent of its purchasing power since retirement. The STAR COLA program is available for contributory plan retirees and their beneficiaries only; Plan E retirees are not eligible.

2025 STAR COLA Awarded

Effective January 1, 2025, eligible members (or their survivors) will receive a permanent increase to their monthly retirement allowance. This adjustment will be reflected on the January 31, 2025, payment. The STAR COLA amounts are based on the following criteria:

- General Plan B, C, D, and Safety Plan B members (or their survivors) who retired prior to March 31, 1991: 1.5 percent increase
- General Plan B, C, D, and Safety Plan B members with a retirement date between April 1, 1991, and March 31, 1992: 0.3 percent increase



COLA and STAR COLA Cycle

(COLA and STAR COLA are interlinked)

April 2024 COLA

- Review annual change in CPI
- Above plan maximumAdd to COLA Bank
- Below plan maximum
 Deduct from COLA
 Bank
- Update COLA Bank balances

January 2025 STAR COLA

- Review COLA Bank balances
- Above 20% = Eligible for STAR COLA
- Below 20% = Not Eligible for STAR COLA
- STAR COLA award (permanent) = Reduce COLA Bank to 20%

April 2025 COLA

[Cycle Repeats]

- Annual CPI determines changes in COLA bank
- COLA Bank balance may increase or decrease

January 2026 STAR COLA

[Cycle Repeats]

- COLA Bank balance determines eligibility
- Calculate cost
- Obtain BOR approval
- Discretionary benefit
- Ad-hoc: one year
- Permanent: lifetime

Milliman / LACERA



COLA Accumulation Sample

(Accumulation Account Changes for COLA & STAR COLA) 2024 to 2025

Retirement Date	Plan	2024 CPI Change	2025 Statutory COLA ¹	Bank Balance April 2024	STAR COLA ² January 2025	COLA Bank Adjustment ³ April 2025	Bank Balance April 2025
4/1/77 – 3/31/91	B,C,D	3.4%	2.0%	21.5%	-1.5%	+1.4%	21.4%

- Statutory COLA is equal to CPI Change (prior calendar year), limited to the plan-maximum COLA (2% for plans B,C,D). If the prior year CPI is less than the plan-maximum, the Statutory COLA may be "topped-up" if there is available Accumulation Account Balance. The Accumulation Account is adjusted to reflect the "top-up" (see #3).
- 2 Permanent STAR COLA restores purchasing power for eligible retirees. A permanent STAR COLA is added to the retirement allowance and reduces the Accumulation Account by the same amount.
- 3 The COLA Bank Adjustment is the difference between the CPI Change and the Statutory COLA award.



STAR COLA Steps

STEP

1

General Plan D Member

Retired in June 1991

STEP

2

April 1, 2024 Accumulation Account

Balance of 21.5%

STEP



January 1, 2025 STAR Benefit Adjustment (Permanent)

Accumulation Balance reduced from 21.5% - 1.5% = 20.0% / Member receives +1.5% STAR COLA



STAR COLA Steps (Continued)

STEP



April 1, 2025, Statutory COLA for Plan D Members

CPI was 3.4% and Statutory COLA was 2.0%

STEP



Accumulation Account increased by 1.4%

Difference of 1.4% between CPI of 3.4% and Statutory COLA of 2.0%

STEP



Accumulation Account balance

21.5% (April 2024) – 1.5% (2025 STAR COLA) + 1.4% (April 2025) = 21.4%



STAR COLA Steps (Continued)

STEP

7

Accumulation Account Balance: 21.4% > 20.0%

Eligible for STAR COLA benefit in 2026

STEP



STAR COLA Award (upon BOR Approval)

Possible increase benefit +1.4%, effective January 1, 2026 Ad-Hoc Award: Paid for 2026 Only / Permanent Award: Paid for Lifetime

STEP



Accumulation Account Balance

Ad-Hoc Award: Remain at 21.4% / Permanent Award: Reduce to 20.0%



STAR COLA Accumulation (4/1/1977 to 3/31/2025)

General Plans B, C, D Safety Plan B

Accumulation balance is based upon:
>Retirement plan and date
>Excess CPI amounts not previously
awarded
>Ad-hoc award does not reduce
balance

>Permanent award reduces balance

5 in the of the Decimal and the control of the order of t				
Percentages as of January 1, 2026				
General Plans B, C, Dand Safety Plan B				fe ty Plan B
		COLA %	STAR Benefit	COLA %
Retirement	Date	Accumulation	Adjustment	Accumulation
		April 1, 2025	2026	January 1, 2026
Before 4/1/77		-	-	-
4/1/1977 -	3/31/1978	21.4	(1.4)	20.0
4/1/1978 -	3/31/1979	21.4	(1.4)	20.0
4/1/1979 -	3/31/1980	21.4	(1.4)	20.0
4/1/1980 -	3/31/1981	21.4	(1.4)	20.0
4/1/1981 -	3/31/1982	21.4	(1.4)	20.0
4/1/1982 -	3/31/1983	21.4	(1.4)	20.0
4/1/1983 -	3/31/1984	21.4	(1.4)	20.0
4/1/1984 -	3/31/1985	21.4	(1.4)	20.0
4/1/1985 -	3/31/1986	21.4	(1.4)	20.0
4/1/1986 -	3/31/1987	21.4	(1.4)	20.0
4/1/1987 -	3/31/1988	21.4	(1.4)	20.0
4/1/1988 -	3/31/1989	21.4	(1.4)	20.0
4/1/1989 -	3/31/1990	21.4	(1.4)	20.0
4/1/1990 -	3/31/1991	21.4	(1.4)	20.0
4/1/1991 -	3/31/1992	21.4	(1.4)	20.0
4/1/1992 -	3/31/1993	21.1	(1.1)	20.0
4/1/1993 -	3/31/1994	21.1	(1.1)	20.0
4/1/1994 -	3/31/1995	21.1	(1.1)	20.0
4/1/1995 -	3/31/1996	21.1	(1.1)	20.0
4/1/1996 -	3/31/1997	21.1	(1.1)	20.0
4/1/1997 -	3/31/1998	21.1	(1.1)	20.0
4/1/1998 -	3/31/1999	21.1	(1.1)	20.0
4/1/1999 -	3/31/2000	21.1	(1.1)	20.0
4/1/2000 -	3/31/2001	20.8	(0.8)	20.0

STARCOLA Accumulation Chart (Permanent Award Illustration)

STARC	STAR COLA Accumulation Chart (Permanent Award Illustration)				
	Perce	ntages as of Januar	y1,2026		
	General Plans B, C, Dand Safety Plan B				
		COLA %	STAR Benefit	COLA %	
Retirement	Date	Accumulation	Adjustment	Accumulation	
		April 1, 2025	2026	January 1, 2026	
4/1/2001 -	3/31/2002	19.1	*	19.1	
4/1/2002 -	3/31/2003	19.0	*	19.0	
4/1/2003 -	3/31/2004	17.3	*	17.3	
4/1/2004 -	3/31/2005	17.3	*	17.3	
4/1/2005 -	3/31/2006	14.9	*	14.9	
4/1/2006 -	3/31/2007	13.7	*	13.7	
4/1/2007 -	3/31/2008	13.7	*	13.7	
4/1/2008 -	3/31/2009	13.7	*	13.7	
4/1/2009 -	3/31/2010	13.7	*	13.7	
4/1/2010 -	3/31/2011	13.7	*	13.7	
4/1/2011 -	3/31/2012	13.7	*	13.7	
4/1/2012 -	3/31/2013	13.7	*	13.7	
4/1/2013 -	3/31/2014	13.7	*	13.7	
4/1/2014 -	3/31/2015	13.7	*	13.7	
4/1/2015 -	3/31/2016	13.7	*	13.7	
4/1/2016 -	3/31/2017	13.7	*	13.7	
4/1/2017 -	3/31/2018	13.7	*	13.7	
4/1/2018 -	3/31/2019	12.1	*	12.1	
4/1/2019 -	3/31/2020	10.9	*	10.9	
4/1/2020 -	3/31/2021	10.4	*	10.4	
4/1/2021 -	3/31/2022	10.4	*	10.4	
4/1/2022 -	3/31/2023	5.8	*	5.8	
4/1/2023 -	3/31/2024	2.9	*	2.9	
4/1/2024 -	3/31/2025	1.4	*	1.4	

^{*}Not eligible for STARCOLA increase in 2026

Note: Plan Emembers are not eligible for the STARCOLAProgram benefits



Terminology

Definitions of Key Terms



Terminology

CERL: County Employees Retirement Law of 1937

Established the retirement plan rules and created LACERA on January 1, 1938.

PEPRA: Public Employees Pension Reform Act

- Updated CERL provisions in 2013.
- Created PERPA Plans Safety C and General G.
- Closed Legacy Plans (Safety A and B, General A-D).

COLA: Cost-of Living Adjustment¹

- Annual statutory COLA based upon Consumer Price Index (CPI) change from prior year.
- Annual COLA award limited by CERL provisions.
- Also called: COLA, Statutory COLA, April 1st COLA.

STAR COLA: Supplemental Targeted Adjustment for Retirees (STAR) Cost-of-Living Adjustment (COLA) Program²

- Discretionary supplemental COLA awarded by the Board of Retirement based upon loss of purchasing power.
- Amount based on year of retirement and COLA Accumulation Account balance.
- Retirees and beneficiaries eligible except Plan E.
- Also called: STAR, STAR COLA, STAR Program, STAR Benefit.

¹ Per Government Code Sections 31870, 31870.1 and 31495.5.

² Per Government Code Sections 31874.3 and 7507.



Terminology (Continued)

COLA Accumulation or "COLA Bank"

- Accounts are tracked by retirement plan and retirement date, established at 0%.
- Increases when CPI is higher than Plan maximums
 - Example: CPI = 3.4%, Plan maximum = 2.0%, Addition to Bank = 1.4%.
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- A measure that tracks the average change over time in the prices paid by urban consumers for a market basket of consumer goods and services.
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- Calendar year changes used to determine LACERA Statutory COLA.

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- Amount of goods or services a dollar can purchase upon retirement.
- When a member's original pension benefit decreases below 80% of its original purchasing power, OR, when the COLA
 Accumulation account exceeds a 20% balance.
 - COLA Accumulation balance at 21.5%, means the member's purchasing power is at 78.5% (100% 21.5% = 78.5%), which is below 80%. STAR COLA of 1.5% will restore the purchasing power to an 80% level (78.5% + 1.5% = 80%).



Terminology (Continued)

STAR Reserve

- Pension reserves are established from member and employer contributions and the accumulation of realized investment income after satisfying investment and administrative expenses.
- STAR Reserve originally funded during the 1990s with excess earnings based on the 1994 Retirement System Funding Agreement established with Los Angeles County.
- Represents the balance available to fund future STAR Program benefits.
- Ad-hoc or Permanent amounts are deducted to provide funding for STAR Program benefits.

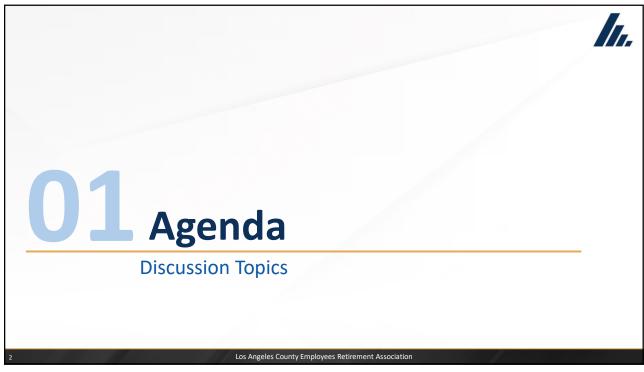
Consulting Actuary

• Milliman is LACERA's Consulting Actuary who confirms the COLA Accumulation Account balances and calculates the cost of awarding the STAR COLA benefits.

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- <u>Discretion:</u> Board of Retirement is *not* required to approve STAR COLA benefits, even when the required loss of purchasing power has occurred; the decision is at the discretion of the Board.
- <u>Ad-Hoc Benefit:</u> awarded on a calendar year basis and the Board of Retirement must approve these benefits annually to be paid in future years.
- <u>Permanent Benefit:</u> awarded as part of the members' base retirement allowance and the Board of Retirement is not required to approve that year's benefit in future years.







Executive Summary Eligibility, Cost, Methods, and Funding Los Angeles County Employees Retirement Association



2026 STAR COLA Eligibility

The table shows the groups of retirees eligible for a STAR COLA if approved by the Board. Eligible retirees are those with an Accumulation Account balance greater than 20% after the application of the 2024 CPI increase and payment of the 2025 statutory COLA.

Retirement Dates (Legacy Plans B, C, and D)	Est. Eligible Retirees	2026 STAR COLA	Accumulation Account
On or before March 31, 1992	410	1.4%	21.4%
April 1, 1992 to March 31, 2000	1,474	1.1%	21.1%
April 1, 2000 to March 31, 2001	269	0.8%	20.8%

Note: There are no retirees of Legacy Plans A (General and Safety) or PEPRA Plans C and G that are eligible for STAR COLA currently. Retirees in non-contributory Plan E are not eligible for STAR COLA benefits.

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LACERA



2026 STAR COLA Cost and Count

The values shown in the table assume that the Board approves a 2026 STAR COLA, on an ad-hoc or permanent basis, and do not reflect any additional STAR benefits that may be granted in the future.

STAR COLA (effective January 1, 2026)	2026 Payment / Transfer from STAR Reserve
Ad-Hoc Increase in Payment	\$ 832,000
Permanent Increase Transfer	\$ 8,824,000
Count of Eligible Retirees & Survivors*	2,153

^{*}Estimate based on June 30, 2024 valuation report.

Subject to Board of Retirement approval: The increase becomes effective January 1st and will be reflected in the January 30th benefit payment.

Los Angeles County Employees Retirement Association



STAR COLA Award Methods

Government Code¹ provisions allow the Board of Retirement to award additional benefits to address the inflation experienced by retirees using one of the following approaches:

Ad-Hoc STAR COLA	Permanent STAR COLA
Temporary benefit for the current calendar year	Permanent benefit for the calendar year and future years
STAR benefit not included in the calculation of future statutory April 1st COLA awards	STAR Benefit increases base retirement allowance and is included in the calculation of future statutory April 1st COLA awards
COLA Accumulation Account balance not reduced, remains at current level and future amounts are added	COLA Accumulation Account balance is reduced to 20% level
Subject to Board of Retirement approval each year in future years	Board of Retirement does <u>not</u> need to approve these benefits in future years
Benefits are pre-funded and paid from the STAR Reserve	Benefits are pre-funded by the STAR Reserve with a one- time transfer to the Employer Reserve and paid to members

¹ Per Government Code Section 7507, costs must be calculated by an actuary and disclosed to the public prior to a decision to adopt the benefit increase.

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2026 STAR COLA Funding

STAR Reserve (Dollars in Millions)	
FYE 2024 Balance	\$ 608.6
2025 STAR Award (Permanent)	\$ (1.6)
FYE 2025 Balance	\$ 607.0
2026 STAR Award (Permanent) ¹	\$ 8.824
2026 STAR Award (Ad-hoc) ¹	\$ 0.832

¹ Per Government Code Section 7507, costs must be calculated by an actuary and disclosed to the public prior to a decision to adopt the benefit increase.

- STAR COLA costs paid from STAR Reserve
 - <u>Permanent award</u>: amount transferred from STAR Reserve to the Employer Reserve to pay benefits
 - o Ad-Hoc award: benefits paid from STAR Reserve
- STAR COLA Award:
 - o Reduces STAR Reserve balance
 - o No change to unfunded liability
- STAR Reserve:
 - o Balance not included in Valuation Assets
 - STAR COLA benefits not yet approved are not included in liabilities²

 2 The valuation liabilities do not account for STAR COLAs that may be granted in the future. STAR COLA benefits previously approved by the BOR are included in liabilities, offset by STAR Reserve asset transfers.

Los Angeles County Employees Retirement Association



03 STAR Reserve

Projections

Los Angeles County Employees Retirement Association

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Milliman / LACERA



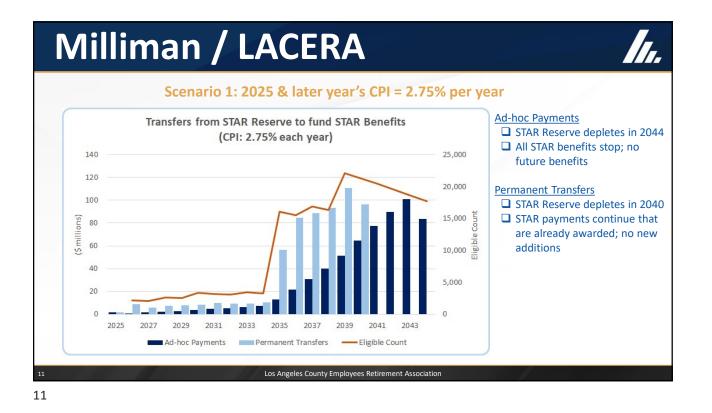
STAR Reserve and Projections

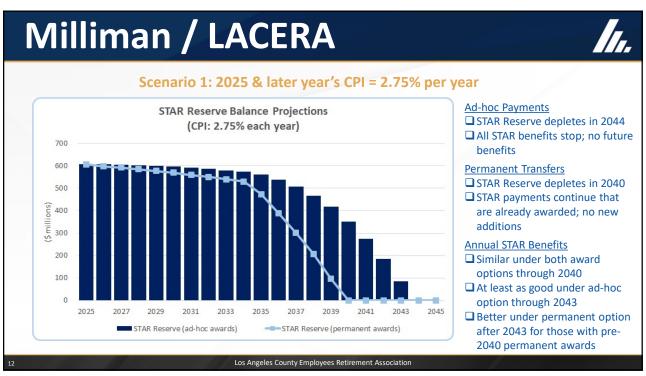
- ☐ Full details of 2026 STAR COLA provided in the Milliman letter
- ☐ Objective Estimate STAR Reserve depletion year, and provide CPI sensitivity analysis

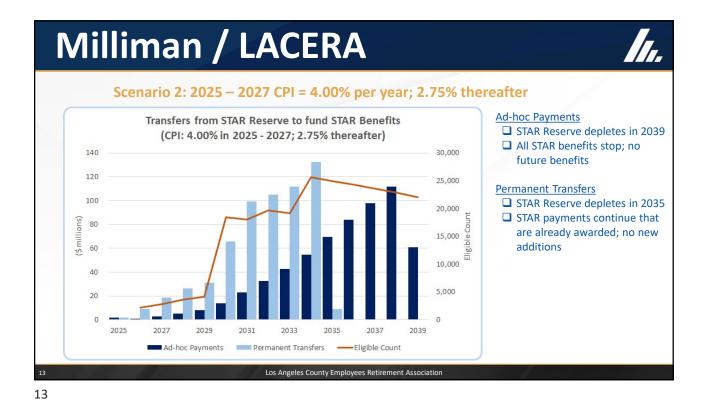
Projection Scenarios, Methods and Assumptions

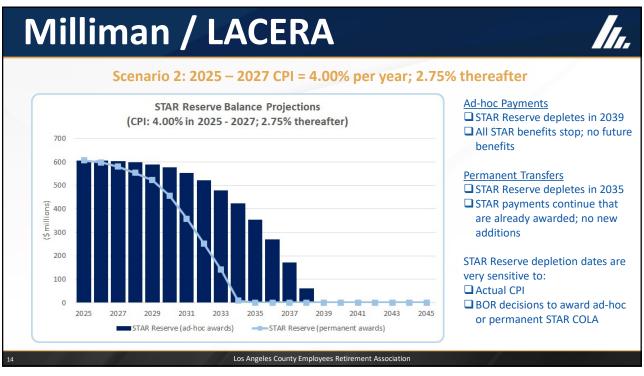
- ☐ Based on June 30, 2024 actuarial valuation
- ☐ Incorporating April 2025 COLA Accumulation Accounts
- ☐ Projecting future STAR payments under two different future CPI scenarios
 - ☐ Scenario 1: 2025 & later year's CPI = 2.75% per year (valuation assumption)
 - ☐ Scenario 2: 2025 2027 CPI = 4% per year; then 2.75% per year in 2028+
 - ☐ Los Angeles area CPI YTD through August 31, 2025 = 3.0%
 - ☐ Scenario 3: 2025 2027 CPI = 2.75% per year; then 2.00% thereafter

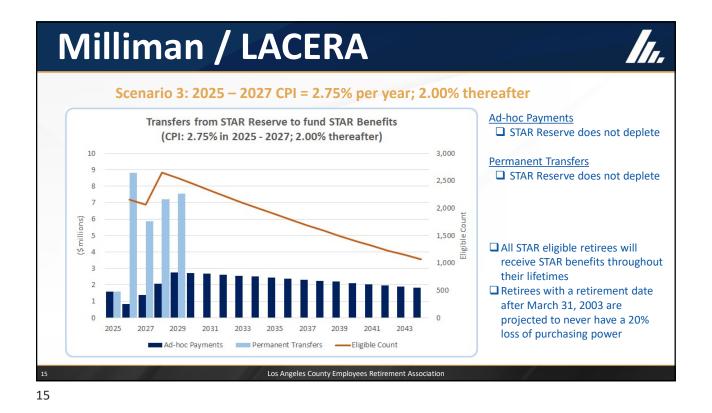
Los Angeles County Employees Retirement Association

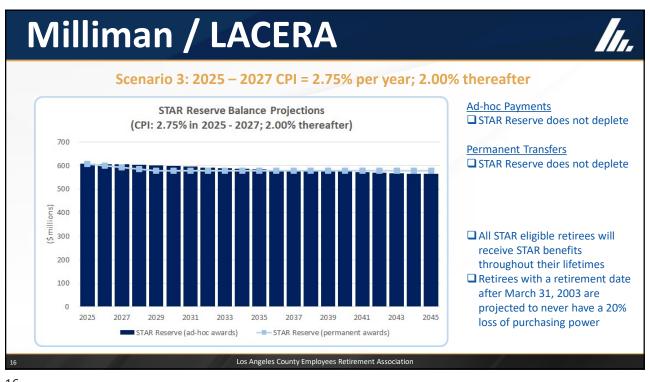




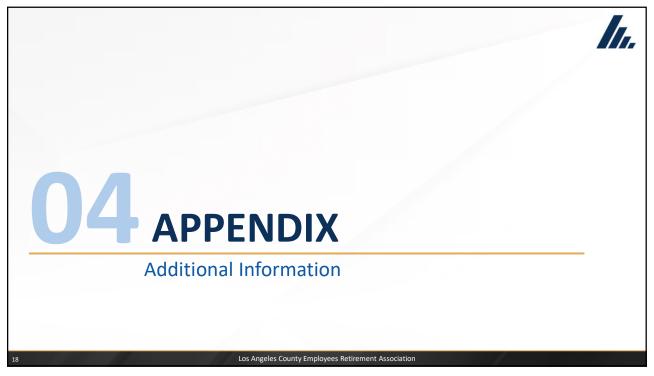








Thank You! 2026 STAR COLA Questions?





COLA Programs

Statutory COLA and STAR COLA

Los Angeles County Employees Retirement Association

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LACERA	II.			
COLA Program Comparison				
Statutory COLA	STAR COLA			
Annual Cost-of-Living Adjustment (COLA) Program	Supplemental Targeted Adjustment for Retirees (STAR) Cost- of-Living Adjustment (COLA) Program			
Statutorily mandated award effective April 1st	Discretionary benefit effective January 1st			
Dependent upon prior year change in Consumer Price Index (CPI)	Dependent upon COLA Accumulation account balances when they exceed 20%			
CPI changes above Plan maximums are added to COLA Accumulation account	Accumulation accounts receive "excess" CPI amounts which are tracked by retirement plan and retirement year			
COLA awards can be increased by deducting amounts from the COLA Accumulation when CPI changes below Plan maximums	Accumulation balances above 20% can be awarded under the permanent method which reduces COLA Accumulation account			
Available for all retirees and their beneficiaries (Legacy and PEPRA Plans, including Plan E)	Available for contributory plan retirees and their beneficiaries (Legacy and PEPRA Plans, excluding Plan E)			
Board of Retirement approval to increase benefits	Board of Retirement approval of costs and benefits			
Benefits pre-funded through retirement contributions and paid from Reserves	Ad-hoc and permanent benefits are pre-funded through the STAR Reserve and paid from Reserves			
20 Los Angeles County Employ	vees Retirement Association			



Cost-of-Living Adjustment (COLA) Program

Retirement Benefit Enhancement

· Retirement law allows for annual retirement benefit increase based upon prior year inflation

Goal

· Maintain the value of the retirement benefit consistent with local inflation

Application

- Measure the prior year change in consumer price inflation (CPI) for the Los Angeles region
- Determine COLA Award with Board approval
- Update Accumulation Accounts

Example A:

Consumer Price Index Change	Plan Maximum / COLA Award	Excess CPI to Accumulation Account
3.4%	2.0%	+1.4%

Example B:

Consumer Price Index Change	Plan Maximum / COLA Award	Excess CPI from Accumulation Account
0.5%	2.0%	-1.5%

Timing

Board of Retirement approval, effective April 1st

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Los Angeles County Employees Retirement Association

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LACERA



Supplemental Targeted Adjustment for Retirees (STAR) COLA Program

Retirement Benefit Enhancement

- Retirement law allows for annual review of COLA Accumulation (Bank) balances
- Discretionary retirement benefit increase based upon accumulation of inflation amounts not previously awarded

Goal

Maintain the purchasing power of the retirement benefit when it goes below 80% of its original value

Purchasing

Power

78.6%

80.0%

· Accumulation Account exceeds 20%, the excess amount can be awarded to retirees

Application

- Review Accumulation Account balances (member eligibility and cost)
- Obtain Board approval and award method (ad-hoc or permanent)

Accumulation

Account Balance

(Excess CPI)

-21.4%

+1.4%

• Update Accumulation Accounts

Purchasing Power Examples:

Purchasing

Power

100%

78.6%

STAR COLA Award Ex	ample:
--------------------	--------

Accumulation Account Balance (Excess CPI)	STAR COLA Eligibility / Award	Accumulation Account Balance (Excess CPI)		
21.4%	-1.4%	20.0%		

Timing

Board of Retirement approval of cost and award, effective January 1st

Los Angeles County Employees Retirement Association



LACERA STAR COLA Process Outline STAR COLA 1. September: STAR COLA Cost o Review COLA Accumulation Account balances Obtain letter from Consulting Actuary The Supplemental Targeted Adjustment for Retirees (STAR) is a cost-ofliving adjustment (COLA) program designed to ease the effects of inflation for retirees and eligible survivors whose allowance has lost more than 20 Confirms eligibility percent of its purchasing power since retirement. The STAR COLA program Calculates cost Cost of Living is available for contributory plan retirees and their beneficiaries only; Plan E retirees are not eligible. COLA Accumulation STAR COLA 2. October: STAR COLA Award Direct Deposit 2025 STAR COLA Awarded Deny or Approve STAR COLA Effective January 1, 2025, eligible members (or their survivors) will receive a permanent increase to their monthly retirement allowance. This adjustment will be reflected on the January 31, 2025, payment. The STAR COLA amounts are based on the following criteria: o Ad-Hoc Benefit, OR Returning to Work o Permanent Benefit eral Plan B, C, D, and Safety Plan B members (or their survivors) who retired prior Admin Appeals to March 31, 1991: 1.5 percent incre General Plan B, C, D, and Safety Plan B members with a retirement date between 3. Update Accumulation (Bank) Account balances April 1, 1991, and March 31, 1992: 0.3 percent increas 4. STAR COLA effective January 1, 2026 Los Angeles County Employees Retirement Association



COLA and STAR COLA Cycle

(COLA and STAR COLA are interlinked)

April 2024 COLA

- Review annual change in CPI
- Above plan maximum
 Add to COLA Bank
- Below plan maximum
 Deduct from COLA
 Bank
- Update COLA Bank balances

January 2025 STAR COLA

- Review COLA Bank balances
- Above 20% = Eligible for STAR COLA
- Below 20% = Not Eligible for STAR COLA
- STAR COLA award (permanent) = Reduce COLA Bank to 20%

April 2025 COLA

[Cycle Repeats]

- Annual CPI determines changes in COLA bank
- COLA Bank balance may increase or decrease

January 2026 STAR COLA

[Cycle Repeats]

- COLA Bank balance determines eligibility
- Calculate cost
- Obtain BOR approval
- Discretionary benefit
- Ad-hoc: one year
- Permanent: lifetime

Los Angeles County Employees Retirement Association

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Milliman / LACERA



COLA Accumulation Sample

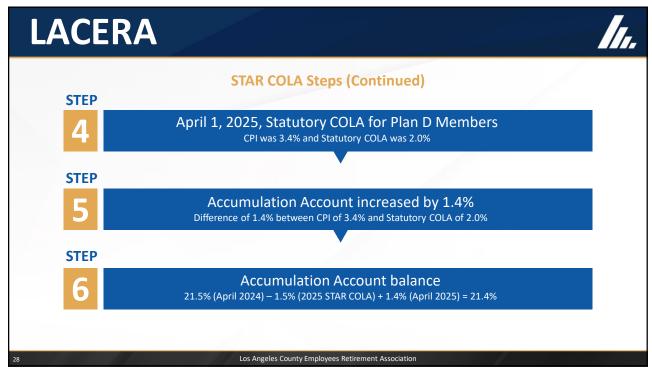
(Accumulation Account Changes for COLA & STAR COLA)
2024 to 2025

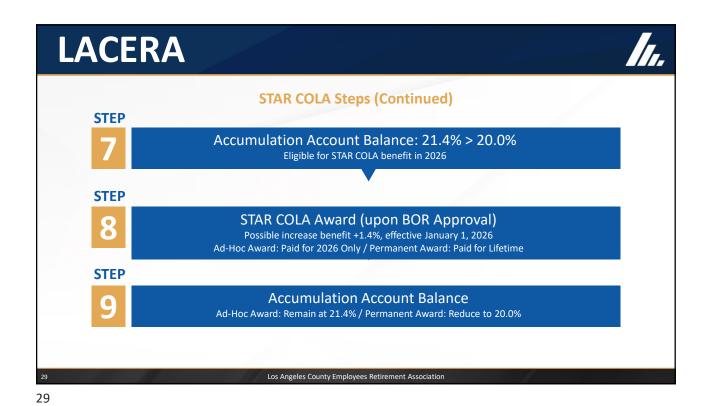
Retirement Date	Plan	2024 CPI Change	2025 Statutory COLA ¹	Bank Balance April 2024	STAR COLA ² January 2025	_	Bank Balance April 2025
4/1/77 – 3/31/91	B,C,D	3.4%	2.0%	21.5%	-1.5%	+1.4%	21.4%

- 1 Statutory COLA is equal to CPI Change (prior calendar year), limited to the plan-maximum COLA (2% for plans B,C,D). If the prior year CPI is less than the plan-maximum, the Statutory COLA may be "topped-up" if there is available Accumulation Account Balance. The Accumulation Account is adjusted to reflect the "top-up" (see #3).
- 2 Permanent STAR COLA restores purchasing power for eligible retirees. A permanent STAR COLA is added to the retirement allowance and reduces the Accumulation Account by the same amount.
- 3 The COLA Bank Adjustment is the difference between the CPI Change and the Statutory COLA award.

Los Angeles County Employees Retirement Association







LACERA STAR COLA Accumulation Chart (Permanent Award Illustration) **STAR COLA** STAR COLA Accumulation Chart (Permanent Award Illustration) Percentages as of January 1, 2026 Percentages as of January 1,2026 General Plans B, C, D and Safety Plan B
COLA % STAR Benefit COLA General Plans B, C, D and Safety Plan B
DLA % STAR Benefit COLA % **Accumulation** COLA % Accumulation Retirement Date Adjustm Retirement Date Accumulation Adjustment Accumulation (4/1/1977 to 3/31/2025) April 1, 2025 nuary 1, 2026 April 1, 2025 2026 January 1, 2026 Before 4/1/77 4/1/2001 - 3/31/2002 19.1 19.1 3/31/1978 4/1/1977 21.4 (1.4) 20.0 General Plans B, C, D 4/1/200 17.3 17.3 21.4 (1.4) 20.0 4/1/2004 17.3 17.3 Safety Plan B 4/1/1979 3/31/198 21.4 (1.4) 20.0 4/1/2005 3/31/200 14.9 14.9 4/1/1980 3/31/198 21.4 (1.4) 20.0 13.7 3/31/200 13.7 4/1/1981 21.4 (1.4) 20.0 4/1/2007 Accumulation balance is based upon: 4/1/1982 3/31/198 21.4 (1.4) 20.0 4/1/200 13.7 >Retirement plan and date 4/1/1983 3/31/198 21.4 (1.4) 20.0 4/1/2009 3/31/20 13.7 13.7 4/1/1984 3/31/198 21.4 20.0 >Excess CPI amounts not previously 13.7 13.7 4/1/2010 3/31/201 4/1/1985 3/31/198 21.4 (1.4) 20.0 13.7 13.7 awarded 4/1/2011 3/31/201 13.7 4/1/1986 - 3/31/198 21.4 (1.4) 20.0 >Ad-hoc award does not reduce 4/1/2012 3/31/201 13.7 4/1/1987 3/31/198 21.4 (1.4) 20.0 4/1/2013 3/31/201 13.7 13.7 4/1/1988 3/31/198 21.4 (1.4) 20.0 4/1/2014 3/31/201 13.7 13.7 >Permanent award reduces balance 4/1/2015 13.7 3/31/201 4/1/2016 3/31/201 13.7 13.7 (1.4) 4/1/1991 21.4 20.0 4/1/2017 13.7 13.7 3/31/201 4/1/1992 3/31/199 21.1 (1.1) 20.0 4/1/2018 3/31/201 12.1 12.1 10.9 4/1/1993 3/31/199 21.1 20.0 4/1/2019 3/31/202 10.9 4/1/1994 3/31/199 21.1 (1.1) 20.0 4/1/2020 3/31/202 10.4 10.4 4/1/1995 3/31/199 20.0 10.4 10.4 4/1/1996 3/31/199 21.1 (1.1) 20.0 4/1/2022 3/31/202 5.8 5.8 4/1/1997 21.1 3/31/199 (1.1) 20.0 4/1/2023 - 3/31/2024 2.9 2.9 4/1/1998 3/31/199 21.1 20.0 4/1/1999 3/31/200 20.0 21.1 (1.1)* Not eligible for STAR COLA increase in 2026 4/1/2000 3/31/200 20.8 20.0 Note: Plan E members are not eligible for the STAR COLA Program benefits Los Angeles County Employees Retirement Association



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Los Angeles County Employees Retirement Association

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LACERA



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- <u>Permanent Benefit:</u> awarded as part of the members' base retirement allowance and the Board of Retirement is not required to approve that year's benefit in future years.

Los Angeles County Employees Retirement Association



FOR INFORMATION ONLY

October 1, 2025

TO: Trustees,

Board of Investments

FROM: Christine Roseland Christine

Senior Staff Counsel

FOR: October 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 October 1, 2025.

Attachment

c: Santos H. Kreimann

Luis A. Lugo

Jonathan Grabel

Esmeralda Del Bosque

Vache Mahseredjian

Jude Perez

Jim Rice

Christopher Wagner

Scott Zdrazil

Steven Rice

Avi Herescu

Susan Wang

Lisa Garcia



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



	Project/ Investment	Description	Amount	Board Approval Or Report Out Date	Completion Status	% Complete	Notes
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.
EQUITIES	Global Alpha Capital Management Ltd.	Termination of Investment Management Agreement	N/A	September 10, 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

September 22, 2025

TO: Each Trustee

Board of Retirement

FROM: Barry W. Lew &

Legislative Affairs Officer

FOR: October 1, 2025 Board of Retirement Meeting

October 8, 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 Grabel
Scott Zdrazil

Anthony Roda, Williams & Jensen

Naomi Padron, MKP Government Relations

CATEGORY	BILL	AUTHOR	TITLE	BOR Position	PAGE
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PUBLIC_EMPLOYMENT	AB 288	Tina McKinnor (D)	Employment: Labor Organization and Unfair Practices		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_INVESTMENT	AB 1439	Robert Garcia (D)	Public Retirement Systems: Development Projects: Labor		15
PUBLIC_RECORDS_ACT	AB 810	Jacqui Irwin (D)	Local Government: Internet Websites and Email Addresses		9
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PUBLIC_RETIREMENT	AB 1323	Phillip Chen (R)	County Employees Retirement: Administration		13
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PUBLIC_RETIREMENT	AB 1451	Al Muratsuchi (D)	State Teachers' Retirement System		16
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 of 2013		8
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PUBLIC_RETIREMENT	SB 853	Labor, Public Employment and Retirement	. Public Employees' Retirement	Support	24
SOCIAL SECURITY	S 1504	Bill Cassidy (R)	Social Security Administration		25
SOCIAL_SECURITY			Social Security Beneficiaries		26
WORKERS_COMPENSATION	SB 8	Angelique Ashby (D)	Peace Officers: Injury or Illness: Leaves of Absence		18



Term:

No term applied.

Tracking

Include tracked measures only

1.

California Assembly Bill 26 (2025-2026)

CA A 26 | Carl DeMaio (R-075) | Pending - Carryover | 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

California Assembly Bill 259 (2025-2026)

CA A 259 | Blanca E. Rubio (D-048) | Pending - Carryover | Fiscal Committee (No) | Urgency Clause (No) | Senate Local Government Committee

Open Meetings: Local Agencies: Teleconferences

Provides that existing law, until the specified date, authorizes the legislative body of a local agency to use alternative teleconferencing under certain conditions. Extends the alternative teleconferencing procedures until the specified date.

Code:

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

Status:

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

+ Show full status history



California Assembly Bill 288 (2025-2026)

CA A 288 | Tina McKinnor (D-061) | To Governor | Fiscal Committee (Yes) | Urgency Clause (No) | Enrolled

Employment: Labor Organization and Unfair Practices

Expands the Public Employment Relations Board's jurisdiction. Authorizes a worker to petition PERB to enforce rights under certain circumstances, including if the worker is in a position subject to the National Labor Relations Act but the National Labor Relations Board has ceded jurisdiction. Authorizes PERB to decide unfair labor practice cases and order civil penalties. Establishes the Public Employment Relations Board Enforcement Fund. Specifies the jurisdiction of the Agricultural Labor Relations Board.

Code:

An act to amend Sections 1141 and 1148 of, and to add Sections 923.1 and 1140.6 to, the Labor Code, relating to employment.

Status:

Sep 13, 2025: Enrolled. + Show full status history

PUBLIC_EMPLOYMENT

California Assembly Bill 339 (2025-2026)

CA A 339 | Liz Ortega (D-020) | To Governor | Fiscal Committee (Yes) | Urgency Clause (No) | To Governor

Local Public Employee Organizations: Notice Requirement

Relates to collective bargaining. Provides that existing law requires the governing body of a public agency, and boards and commissions designated by law or by the governing body, to give reasonable written notice, except in cases of emergency, as specified, to each recognized employee organization affected of any ordinance, rule, resolution, or regulation directly relating to matters within the scope of representation proposed to be adopted by the governing body or the designated boards and commissions.

Code:

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

Status:

Sep 15, 2025: ******To GOVERNOR.

+ Show full status history

PUBLIC_EMPLOYMENT

California Assembly Bill 340 (2025-2026)

CA A 340 | Patrick Ahrens (D-026) | Pending - Carryover | Fiscal Committee (Yes) | Urgency Clause (No) | Senate 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:

Aug 29, 2025: In SENATE Committee on APPROPRIATIONS: Held in committee.

+ Show full status history

PUBLIC_EMPLOYMENT

California Assembly Bill 409 (2025-2026)

CA A 409 | Joaquin Arambula (D-031) | Pending - Carryover | Fiscal Committee (No) | Urgency Clause (No) | Senate Local Government Committee

Open Meetings: Teleconferences: Community College

Provides that existing law authorizes a California community college student body association or student-run community college organization to use alternate teleconferencing provisions if, among other things, at least a quorum of the members of the body participate from a singular physical location that is accessible to the public. Exempts from the quorum, physical location, and accommodation requirements the California Online Community College.

Code:

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

Status:

June 23, 2025: In SENATE. Read second time and amended. Re-referred to Committee on LOCAL

GOVERNMENT.

June 23, 2025: From SENATE Committee on LOCAL GOVERNMENT with author's amendments.

+ Show full status history

BROWN ACT

California Assembly Bill 467 (2025-2026)

CA A 467 | Mike Fong (D-049) | Pending - Carryover | Fiscal Committee (No) | Urgency Clause (No) | Senate Local Government Committee

Open Meetings: Teleconferences: Neighborhood Councils

Provides that existing law authorizes specified neighborhood city councils to use alternate teleconferencing provisions related to notice, agenda, and public participation if, among other requirements, the city council has adopted an authorizing resolution and 2/3 of the neighborhood city council votes to use alternate teleconference provisions. Extends the authorization for specified neighborhood city councils to use the alternate teleconferencing provisions until the specified date.

Code:

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

Status:

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

+ Show full status history



California Assembly Bill 569 (2025-2026)

CA A 569 | Catherine Stefani (D-019) | Pending - Carryover | Fiscal Committee (No) | Urgency Clause (No) | Assembly Appropriations Committee

California Public Employees' Pension Reform Act of 2013

Relates to the California Public Employees' Pension Reform Act of 2013. 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, subject to certain limitations.

Code:

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

Status:

May 23, 2025: In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

+ Show full status history

PUBLIC_RETIREMENT

California Assembly Bill 810 (2025-2026)

CA A 810 | Jacqui Irwin (D-042) | Pending - Carryover | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Appropriations Committee

Local Government: Internet Websites and Email Addresses

Provides that existing law requires that a local agency that maintains public email addresses to ensure that each email address provided to its employees uses a .gov domain name or a .ca.gov domain name. Requires a city, county, or city and county to comply with specified domain requirements. Requires a special district, joint powers authority, or other political subdivision to comply with similar domain requirements no later than the specified date.

Code:

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

Status:

May 23, 2025: In ASSEMBLY Committee on APPROPRIATIONS. Held in committee and made a Two-year bill.

+ Show full status history



California Assembly Bill 889 (2025-2026)

CA A 889 | Heather Hadwick (R-001) | To Governor | Fiscal Committee (Yes) | Urgency Clause (No) | Enrolled

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 essentially 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:

Sep 16, 2025: Enrolled. + Show full status history

PUBLIC_EMPLOYMENT

California Assembly Bill 1054 (2025-2026)

CA A 1054 | Mike A. Gipson (D-065) | Pending - Carryover | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Public Employment and Retirement...

Public Employees Retirement: Deferred Retirement Option

Establishes the Deferred Retirement Option Program as a voluntary program within the Public Employees Retirement System for employees of State Bargaining Units 5 (Highway Patrol) and 8 (Firefighters). Requires these State bargaining units to bargain with the Department of Human Resources to implement the program. Requires the program to result in a cost savings or be cost neutral. Requires the department to work with the Board of PERS to develop the program.

Code:

An act to amend Section 20000 of add Chapter 20 (commencing with Section 21717) to Part 3 of Division 5 of Title 2 of the Government Code, relating to retirement.

Status:

Mar 24, 2025: In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC

EMPLOYMENT AND RETIREMENT.

Mar 24. 2025: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT With

author's amendments.

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

+ Show full status history

PUBLIC RETIREMENT

California Assembly Bill 1067 (2025-2026)

CA A 1067 | Sharon Quirk-Silva (D-067) | To Governor | Fiscal Committee (Yes) | Urgency Clause (No) | To Governor

Public Employees Retirement: Felony Convictions

Relates to the California Public Employees' Pension Reform Act of 2013. Requires a public employer, if an investigation indicates that a public employee may have committed a crime, to refer the matter to the appropriate law enforcement agency. Authorizes the public employer to close the investigation. Provides that if the public employee is convicted of a felony for certain 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:

Sep 15, 2025: *****To GOVERNOR.

+ Show full status history

PUBLIC_RETIREMENT

California Assembly Bill 1323 (2025-2026)

CA A 1323 | Phillip Chen (R-059) | Pending - Carryover | Fiscal Committee (No) | Urgency Clause (No) | Assembly Public Employment and Retirement...

County Employees Retirement: Administration

Provides that the County Employees Retirement Law authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to county, city, and district employees and their beneficiaries. Provides that existing law sets forth the membership composition for boards of retirement and boards of investment. Authorizes the compensation rate to be increased by the board of retirement, for members in Orange County only, to not more than a specified amount per meeting.

Code:

An act to amend Section 31521 of the Government Code, relating to public employees' retirement.

Status:

Mar 24, 2025: In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC

EMPLOYMENT AND RETIREMENT.

Mar 24, 2025: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT With

author's amendments.

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

+ Show full status history

PUBLIC_RETIREMENT

California Assembly Bill 1383 (2025-2026)

CA A 1383 | Tina McKinnor (D-061) | Pending - Carryover | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Appropriations Committee

Public Employees Retirement Benefits

Provides that the State Public Employees' Pension Reform Act requires each retirement system that offers a defined benefit plan for safety members of the Public Employees' Retirement System to use certain formulas for safety members. Establishes new retirement formulas. Authorizes a public employer and a recognized employee organization to negotiate a prospective increase to the retirement benefit formulas for members and new members, consistent with the formulas permitted under the act. Appropriates funds.

Code:

An act to amend <u>Section 7522.10 of Sections 7522.10, 7522.25, and 7522.30 of, and to add Sections 7522.19 and 7522.26 to,</u> the Government Code, relating to public employees' retirement, and making an appropriation therefor.

Status:

May 25, 2025: In ASSEMBLY. Coauthors revised.

+ Show full status history

PUBLIC RETIREMENT

Tags: Staff_Recommendation: Neutral IBLC_Recommendation: Watch BOR_Position: Watch Commentary: Comment: Jul 1, 2025 - 10:46 A.M. (PDT)

Bill was held in the Appropriations Committee and will not move for the rest of 2025. Bill will be reconsidered in the 2026 legislative year.

15.

California Assembly Bill 1439 (2025-2026)

CA A 1439 | Robert Garcia (D-050) | Pending - Carryover | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Public Employment and Retirement...

Public Retirement Systems: Development Projects: Labor

Prohibits the board of a public pension or retirement system from making any additional or new investments of public employee pension or retirement funds in development projects in the State or providing financing for those projects with public employee pension or retirement funds unless those projects include labor standards protections.

Code:

An act to amend Section 70397 of the Government Code, relating to courts. add Section 7513.77

to the Government Code, relating to public retirement systems.

Status:

Mar 24, 2025: In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC

EMPLOYMENT AND RETIREMENT.

Mar 24, 2025: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT With

author's amendments.

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

+ Show full status history

PUBLIC_INVESTMENT

Commentary:

Comment:

Apr 25, 2025 - 2:03 P.M. (PDT)

The bill has been pulled from further consideration for 2025 and will be revisited in 2026.

California Assembly Bill 1451 (2025-2026)

CA A 1451 | Al Muratsuchi (D-066) | Pending - Carryover | 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

California Assembly Constitutional Amendment 2 (2025-2026)

CA ACA 2 | Corey Jackson (D-060) | Pending - Carryover | 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

California Senate Bill 8 (2025-2026)

CAS8 | Angelique Ashby (D-008) | To Governor | Fiscal Committee (No) | Urgency Clause (No) | To Governor

Peace Officers: Injury or Illness: Leaves of Absence

Provides that existing law entitles local law enforcement, probation officers and firefighters to a leave of absence while disabled by injury or illness arising out of their duties. Provides that existing law provides that such leave is in lieu of temporary disability payments or maintenance allowance payments otherwise payable under the workers compensation system. Entitles specified peace officers who are employed on a regular, full time basis by a county of the eighth class to this leave.

Code:

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

Status:

Sep 3, 2025: *****To GOVERNOR.

+ Show full status history

☐ WORKERS COMPENSATION

California Senate Bill 239 (2025-2026)

CAS 239 | Jesse Arreguin (D-007) | Pending - Carryover | Fiscal Committee (No) | Urgency Clause (No) | Senate Inactive File

Open Meetings: Teleconferencing: Subsidiary Body

Provides that the Ralph M. Brown Act requires that all meetings of a legislative body be open and public and that all persons be permitted to attend and participate. Authorizes a subsidiary body to use alternative teleconferencing provisions and imposes requirements for notice, agenda, and public participation. Requires the subsidiary body to post the agenda at each physical meeting location designated by the subsidiary body.

Code:

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

Status:

June 3, 2025: In SENATE. From third reading. To Inactive File. + Show full status history

Hearing Dates:

01/05/2026 Senate Inactive File - # A-1



California Senate Bill 301 (2025-2026)

CAS 301 | Timothy S. Grayson (D-009) | To Governor | Fiscal Committee (No) | Urgency Clause (No) | To Governor

County Employees Retirement Law of 1937: Employees

Prohibits a county or district whose officers and employees are enrolled as members of a retirement system under the County Employees Retirement Law of 1937 from excluding from membership in the system any employee, group, or classification, other than excludable officers and employees.

Code:

An act to add Section 31566 to the Government Code, relating to retirement.

Status:

Sep 16, 2025: *****To GOVERNOR.

+ Show full status history

PUBLIC_RETIREMENT

California Senate Bill 443 (2025-2026)

CAS 443 | Susan Rubio (D-022) | To Governor | Fiscal Committee (Yes) | Urgency Clause (No) | To Governor

Retirement: Joint Powers Authorities

Authorizes the Pajaro Regional Flood Management Agency, a joint powers authority, to provide a defined benefit plan or formula to an employee of a member agency of the joint powers authority, or of another public agency who is not a new member and who is subsequently employed by the joint powers authority, within a specified number of days of the effective date of the retirement plan contract amendment.

Code:

An act to amend Sections 7522.02 and 7522.05 of the Government Code, relating to retirement.

Status:

Sep 9, 2025: *****To GOVERNOR.

+ Show full status history

PUBLIC RETIREMENT

California Senate Bill 538 (2025-2026)

CAS 538 | Megan Dahle (R-001) | Pending - Carryover | 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

California Senate Bill 707 (2025-2026)

CAS 707 | Maria Elena Durazo (D-026) | To Governor | Fiscal Committee (Yes) | Urgency Clause (No) | Enrolled

Open Meetings: Meeting and Teleconference Requirements

Requires an eligible legislative body, on or before a specified date, to approve at a noticed public meeting in open session a policy regarding disruption of telephonic or internet services occurring during meetings subject to these provisions, and would require the eligible legislative body to comply with certain requirements relating to disruption, including for certain disruptions, recessing the open session for at least one hour and making a good faith attempt to restore the service.

Code:

An act to amend Sections 54952.7, 54953, 54953.5, 54953.7, 54954.2, 54954.3, 54956, 54956.5, 54957.6, 54957.9, and 54957.95 of, to amend and repeal Section 54952.2 of, to add Sections 54953.8, 54953.8.1, 54953.8.2, and 54957.96 to, and to add and repeal Sections 54953.4, 54953.8.3, 54953.8.4, 54953.8.5, 54953.8.6, and 54953.8.7 of, the Government Code, relating to local government.

Status:

Sep 18, 2025: Enrolled. + Show full status history



California Senate Bill 853 (2025-2026)

CAS 853 | Labor, Public Employment and Retirement | To Governor | Fiscal Committee (Yes) | Urgency Clause (No) | Enrolled

Public Employees' Retirement

Provides that under the Public Employees' Retirement Law, the compensation earnable during any period of service as a member of the Judges' Retirement System, the Judges' Retirement System II, the Legislators' Retirement System or the Defined Benefit Program of the State Teachers' Retirement Plan is considered compensation earnable. Specifies that the compensation during any period of service is considered compensation earnable or pensionable compensation under the Public Employees' Pension Reform Act.

Code:

An act to amend Sections 22104.8, 22131, 22146.5, 22713, 22954, 22955, 22955.1, 24616.2, and 26122 of the Education Code, and to amend Sections 7522.02, 20034, 20069, 20638, 20639, 31462.05, 31470.14, and 31680.9 of the Government Code, relating to public retirement systems.

Status:

Sep 16, 2025: Enrolled. + Show full status history

PUBLIC_RETIREMENT

Tags:
Staff_Recommendation: Support

IBLC_Recommendation: Support

BOR_Position: Support

United States Senate Bill 1504 (2025-2026)

US S 1504 | Bill Cassidy (R-LA) and 4 Co-sponsors | Pending | Senate Finance Committee

Social Security Administration

Requires the Social Security Administration to make changes to the social security terminology used in the rules, regulation, guidance, or other materials of the Administration.

Status:

Apr 29, 2025: To SENATE Committee on FINANCE.

Apr 29, 2025: In SENATE. Read second time.

Apr 29, 2025: INTRODUCED.

+ Show full status history

SOCIAL SECURITY

United States Senate Bill 1505 (2025-2026)

US S 1505 | Bill Cassidy (R-LA) and 3 Co-sponsors | Pending | Senate Finance Committee

Social Security Beneficiaries

Ensures that Social Security beneficiaries receive regular statements from the Social Security Administration.

Status:

Apr 29, 2025: To SENATE Committee on FINANCE.

Apr 29, 2025: In SENATE. Read second time.

Apr 29, 2025: INTRODUCED.

+ Show full status history

Related:

US S 345

SOCIAL_SECURITY



FOR INFORMATION ONLY

September 19, 2025

TO: Each Trustee

Board of Retirement Board of Investments

FROM: Ted Granger

Chief Financial Officer

FOR: October 1, 2025 Board of Retirement Meeting

October 8, 2025 Board of Investments Meeting

SUBJECT: MONTHLY TRUSTEE TRAVEL & EDUCATION REPORT - AUGUST 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 August 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

Acting Chief Executive Officer

TG/JT/EW/AC/SE/gj

Attachments

c: J. Popowich

L. Guglielmo

J. Grabel

S. Rice

R. Contreras





TRUSTEE TRAVEL AND EDUCATION REPORT FOR FISCAL YEAR 2025 - 2026 AUGUST 2025

Atte	ndee	Purpose of Travel - Location	Event Dates	Travel Status		
Nancy Durazo						
A	1	Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA	07/23/2025 - 07/25/2025	Attended		
Eliz	abe	th Ginsberg				
A	1	Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA	07/23/2025 - 07/25/2025	Attended		
Pat	rick	Jones				
В	-	Edu - 2025 The Investment Diversity Exchange (TIDE) Spark - Dana Point CA	07/09/2025 - 07/10/2025	Attended		
	-	Edu - Locust Point Capital INC Business Dinner - Los Angeles CA	08/07/2025 - 08/07/2025	Attended		
Ale	en L	angton				
Α	1	Edu - IFEBP: Public Plan Trustees Institute – Level I - Chicago IL	07/15/2025 - 07/16/2025	Attended		
Dek	bie	Martin				
A	1	Edu - Invest in Yourself SACRS Public Pension Investment Management Program - Berkeley CA	07/13/2025 - 07/16/2025	Attended		
Nic	ole	Mi				
A	1	Edu - Invest in Yourself SACRS Public Pension Investment Management Program - Berkeley CA	07/13/2025 - 07/16/2025	Attended		
	2	Edu - 2nd Annual AAPI LEAD Summit - Atlanta GA	07/23/2025 - 07/25/2025	Attended		
В	-	Edu - 2025 The Investment Diversity Exchange (TIDE) Spark - Dana Point CA	07/09/2025 - 07/10/2025	Attended		

Category Legend:

Printed: 9/17/2025 1 of 1

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