

IN PERSON & VIRTUAL BOARD MEETING

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



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

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

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

AGENDA

A REGULAR MEETING OF THE BOARD OF INVESTMENTS LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., WEDNESDAY, AUGUST 9, 2023

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 July 12, 2023
- V. PUBLIC COMMENT
(Members of the public may address the Board orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> 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.

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

V. PUBLIC COMMENT (Continued)

minutes to address the Board. Oral comment request 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 or documentation on the above link as soon as possible and up to the close of the meeting. Written comment will be made part of the official record of the meeting. If you would like to remain anonymous at the meeting without stating your name, please leave the name field blank in the request form. If you have any questions, you may email PublicComment@lacera.com.)

VI. EXECUTIVE UPDATE

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

VII. CONSENT ITEMS

A. **2023 Investment Diversity Advisory Council (IDAC) Global Summit in Chicago, Illinois on September 19 – 20, 2023**

Recommendation that the Board approve attendance of Trustees at the 2023 Investment Diversity Advisory Council (IDAC) Global Summit in Chicago, Illinois on September 19 – 20, 2023, and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Memo dated July 19, 2023) (Placed on the agenda by Trustee P. Jones)

B. **2023 SuperInvestor International in Zürich, Switzerland on November 14 – 17, 2023**

Recommendation that the Board approve attendance of Trustees at the 2023 SuperInvestor International being held in Zürich, Switzerland on November 14 – 17, 2023, and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Memo dated July 18, 2023) (Placed on the agenda by Trustee Santos)

VIII. EXCLUDED FROM CONSENT ITEMS

IX. NON-CONSENT ITEMS

- A. **Private Market Analytics Platform - Request for Proposal**
Recommendation as submitted by Dale Johnson, Investment Officer, John Kim, Investment Officer, Soniah Ginoyan, Senior Investment Analyst, and Kathryn Ton, Senior Investment Analyst: That the Board approve the proposed search criteria for a private market analytics platform Request for Proposal. (Memo dated July 27, 2023)

X. REPORTS

- A. **Internal Investment Committees and Due Diligence**
Cheryl Lu, Investment Officer
Krista Powell, Investment Officer
Cindy Rivera, Investment Officer
Ron Senkandwa, Investment Officer
Noah Damsky, Senior Investment Analyst
(Presentation) (Memo dated July 24, 2023)
- B. **Strategic Asset Allocation Process Review**
Timothy Filla, Managing Principal
Aysun Kilic, Managing Principal
(Presentation) (Memo dated July 28, 2023)
- C. **BOI Offsite Governance Review Introduction**
Timothy Filla, Managing Principal
Aysun Kilic, Managing Principal
(Presentation) (Memo dated July 28, 2023)
- D. **Monthly Status Report on Legislation**
Barry W. Lew, Legislative Affairs Office
(For Information Only) (Memo dated July 21, 2023)
- E. **Semi-Annual Interest Crediting for Reserves as of June 30, 2023 (UNAUDITED)**
Ted Granger, Interim Chief Financial Officer
(For Information Only) (Memo dated July 27, 2023)

X. REPORTS (Continued)

F. **Board of Retirement: LACERA Five Year Strategic Plan (2023 – 2028)**

Santos H. Kreimann, Chief Executive Officer

(For Information Only) (Memo dated June 21, 2023)

G. **Legal Office Investment Staffing, including Internal and External Legal Resources and Secondment of Outside Counsel**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated July 28, 2023)

H. **Legal Projects**

Earl Buehner, Senior Staff Counsel

(For Information Only) (Memo dated August 1, 2023)

I. **Trustee Monthly Travel and Education Report – FYE 22-23**

Ted Granger, Interim Chief Financial Officer

(For Information Only) (Memo dated July 20, 2023)

J. **June 2023 Fiduciary Counsel Contract and Billing Report**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated July 24, 2023)

(Privileged and Confidential/Attorney-Client Communication/Attorney Work Product)

XI. ITEMS FOR STAFF REVIEW

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

XII. 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.)

XIII. GOOD OF THE ORDER

(For Information Purposes Only)

XIV. 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. **One Item**

James Rice, Principal Investment Officer
Cindy Rivera, Investment Officer
Krista Powell, Investment Officer
(For Information Only) (Memo dated July 25, 2023)

2. **Bain Capital Real Estate Fund III, L.P.**

James Rice, Principal Investment Officer
Amit Aggarwal, Investment Officer
Mel Tsao, Senior Investment Analyst
(For Information Only) (Memo dated July 26, 2023)

XV. ADJOURNMENT

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Retirement that are distributed to members of the Board of Retirement 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 Retirement Trustees at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 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, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.com, but no later than 48 hours prior to the time the meeting is to commence.

MINUTES OF THE 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, JULY 12, 2023

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

Teleconference Location for Trustees and the Public under California Government Code Section 54953(b)

New York Marriott Marquis: 1535 Broadway, New York, NY 10036

TRUSTEES PRESENT

Gina Sanchez, Chair

Herman Santos, Vice Chair

Joseph Kelly, Secretary

David Green

Jason Green

Onyx Jones

Patrick Jones

Keith Knox

David Ryu (Teleconference under California Government Code Section 54953(b))

STAFF ADVISORS AND PARTICIPANTS

Jonathan Gabel, Chief Investment Officer

Jude Pérez, Deputy Chief Investment Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Steven P. Rice, Chief Counsel

Luis Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Ted Granger, Interim Chief Financial Officer

Christopher Wagner, Principal Investment Officer

Scott Zdrazil, Principal Investment Officer

Esmeralda del Bosque, Acting Principal Investment Officer

James Rice, Principal Investment Officer

Dale Johnson, Investment Officer

Derek Kong, Investment Officer

Cheryl Lu, Investment Officer

Cindy Rivera, Investment Officer

Krista Powell, Investment Officer

Barry W. Lew, Legislative Affairs Officer

Calvin Chang, Senior Investment Analyst

Meketa Investment Group (General Investment Consultants)

Timothy Filla, Managing Principal

Aysun Kilic, Managing Principal

StepStone Group LP (Real Assets Consultants)

Tom Hester, Partner

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

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

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

A. Just Cause

B. Action on Emergency Circumstance Requests

C. Statement of Persons Present at AB 2449 Teleconference Locations

No requests were received for (A) Just Cause or (B) Emergency Circumstances.

IV. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of June 14, 2023

A motion was made by Trustee Knox, seconded by Trustee Green, to approve the Regular Meeting Minutes of June 14, 2023, with the addition of language reflecting Trustee Kelly's recusal from Executive Session Item XIII.A.2. The motion passed by the following roll call vote:

Yes: Knox, D. Green, Santos, P. Jones, Kelly, Sanchez, Ryu, J. Green, O. Jones

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. EXECUTIVE UPDATE

A. Chief Investment Officer's Report

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

B. Member Spotlight

VI. EXECUTIVE UPDATE (Continued)

Mr. Popowich recognized LACERA member, Andre Shelton.

C. Chief Executive Officer's Report

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

VII. CONSENT ITEMS

A motion was made by Trustee Kelly, seconded by Trustee D. Green, to approve Items VII.A-C. The motion passed by the following roll call vote:

Yes: D. Green, Santos, P. Jones, Kelly, Sanchez, Ryu, J. Green, O. Jones, Knox

A. **Principles for Responsible Investment Board Nomination**

Recommendation as submitted by Jonathan Grabel, Chief Investment Officer and Scott Zdrazil, Principal Investment Officer: That the Board nominate Jonathan Grabel, Chief Investment Officer, for election to the United Nations-affiliated Principles for Responsible Investment 2023 Board of Directors elections. (Memo dated June 28, 2023)

B. **Approval of Revised AB 2449 Teleconference Policy**

Recommendation as submitted by Steven P. Rice, Chief Counsel: That the Board adopt the proposed revised AB 2449 Teleconference Policy. (Memo dated June 27, 2023)

C. **2023 SuperReturn North America in New York City, New York on November 6 – 7, 2023**

Recommendation that the Board approve attendance of Trustees at the 2023 SuperReturn North America will be held in New York City, New York on November 6 – 7, 2023, and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Memo dated June 28, 2023) (Placed on the agenda by Trustee Herman Santos)

VIII. REPORTS

A. **Strategic Asset Allocation Process Review**

Jonathan Grabel, Chief Investment Officer
Jude Pérez, Deputy Chief Investment Officer
(Presentation) (Memo dated June 29, 2023)

Messrs. Grabel and Pérez provided a presentation and answered questions from the Board.

This item was received and filed.

B. **BOI Offsite Governance Review Introduction**

Timothy Filla, Managing Principal
Aysun Kilic, Managing Principal
(Presentation) (Memo dated July 5, 2023)

Mr. Filla and Ms. Kilic of Meketa provided a presentation and answered questions from the Board.

This item was received and filed.

C. **Asian Corporate Governance Association (ACGA) Annual General Meeting Ballot**

Scott Zdrazil, Principal Investment Officer
Dale Johnson, Investment Officer
(For Information Only) (Memo dated June 28, 2023)

This item was received and filed.

D. **Monthly Status Report on Legislation**

Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated June 26, 2023)

This item was received and filed.

E. **Legal Projects**

Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated July 3, 2023)

This item was received and filed.

VIII. REPORTS (Continued)

F. **Monthly Trustee Travel & Education Reports – May 2023**

Ted Granger, Interim Chief Financial Officer

(For Information Only) (Memos dated June 26, 2023)

Monthly Trustee Travel & Education Report

Comprehensive Monthly Trustee Travel & Education Report

(Confidential Memo – Includes Pending Travel)

This item was received and filed.

G. **June 2023 Fiduciary Counsel Contract and Billing Report**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated June 26, 2023)

(Privileged and Confidential/Attorney-Client Communication/Attorney Work Product)

This item was received and filed.

IX. ITEMS FOR STAFF REVIEW

Trustee Kelly requested that information on pulling samples on the Audits of Retirement Elections, Payment Contracts and Data Entry be explained on the next Chief Executive Officer's (CEO) Report. In addition, Trustee Kelly requested that the status of acting/interim positions, broad overview and the priority be provided on the next CEO Report.

Trustees Sanchez and J. Green provided input that the upcoming strategic asset allocation study give consideration to the energy transition and geopolitical risks, respectively. Trustee Santos requested that trustee orientation for incoming trustees, once identified, include background on the strategic asset allocation process.

Trustee Kelly requested that we include the federal debt as a topic for discussion. In addition, Trustee Kelly requested that the Meketa group include discussion of relations with stakeholder groups in the Governance Review.

Trustee Jones requested that investment knowledge and related information be shared with the Board through a shared site.

X. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

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

Mr. Grabel introduced the newly hired Investments staff and congratulated Jude Perez on his promotion to Deputy Chief Investment Officer.

XII. EXECUTIVE SESSION

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

1. **One Item**

James Rice, Principal Investment Officer
Cindy Rivera, Investment Officer
Krista Powell, Investment Officer
(For Information Only) (Memo dated June 29, 2023)

The Board received an information only report that a refinance of LACERA's mezzanine debt position on The Rise Koreatown asset was successfully executed on June 20, 2023. The refinance was negotiated based on delegated authority to the Chief Investment Officer approved by the Board on an 8-0 vote at its April 12, 2023 meeting, under Agenda Item XII.A.3, on a motion by Mr. Santos, seconded by Mr. Knox. Messrs. D. Green, J. Green, P. Jones, Knox, Ryu, and Santos and Meses. O. Jones and Sanchez voted yes. Mr. Kelly was absent.

2. **Private Equity Investment Update**

Derek Kong, Investment Officer
Calvin Chang, Senior Investment Analyst
(For Information Only) (Memo dated June 21, 2023)

The Board received an information only report that, on February 21, 2023, LACERA approved a \$50 million co-investment commitment alongside Advent International Corporation ("Advent"), a Board of Investments consultant-approved fund. The Board has approved fund commitments to

XII. EXECUTIVE SESSION

Advent. The commitment is compliant with LACERA's co-investment guidelines.

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

1. **One Case**

Christopher J. Wagner, Principal Investment Officer
Cheryl Lu, Investment Officer
(For Information Only) (Memo dated June 23, 2023)

Before going into Executive Session, it was publicly stated that this item relates to the FDIC receivership of Silicon Valley Bank.

There was nothing to report.

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 11:10 a.m.

JOSEPH KELLY, SECRETARY

GINA SANCHEZ, CHAIR



Chief Investment Officer Monthly Report

Jonathan Grabel – Chief Investment Officer

Board of Investments Meeting
August 9, 2023

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 - Compliance Report



01 Market Environment

Global Market Performance as of July 31, 2023



MSCI ACWI IMI Index (Global Equity Market)*

Trailing Returns (%)				Annualized Returns (%)			
1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
3.8	8.6	3.8	17.6	12.5	10.5	7.9	8.5

MSCI ACWI IMI Index 1-Year Performance



*Global Equity Policy Benchmark - MSCI ACWI IMI Index

Bloomberg U.S. Aggregate Bond Index**

Trailing Returns (%)				Annualized Returns (%)			
1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
-0.1	-1.5	-0.1	2.0	-3.4	-4.5	0.7	1.5

Bloomberg U.S. Aggregate Bond Index 1-Year Performance

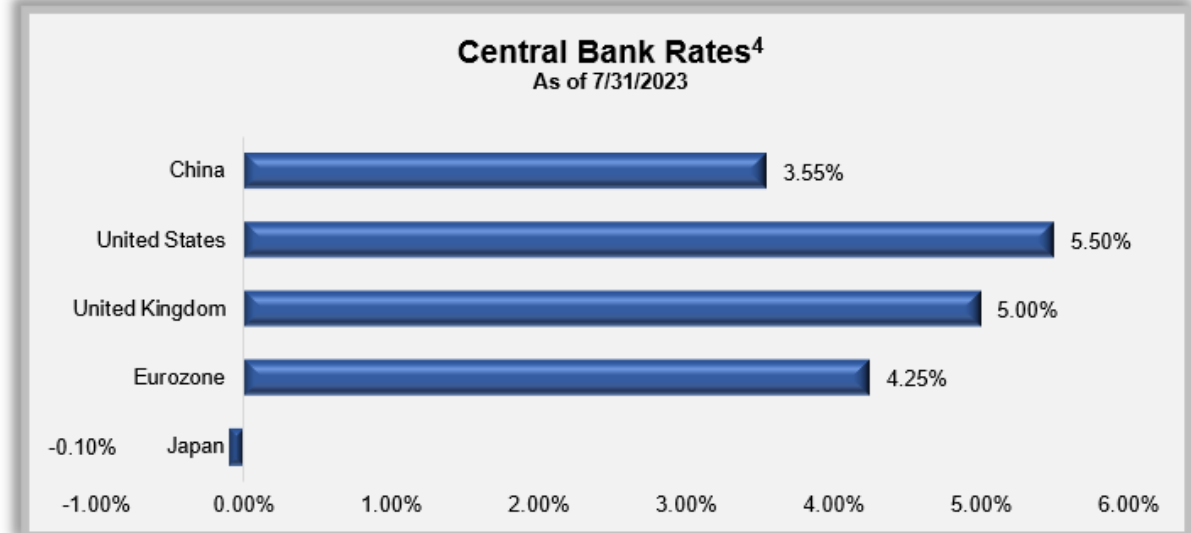
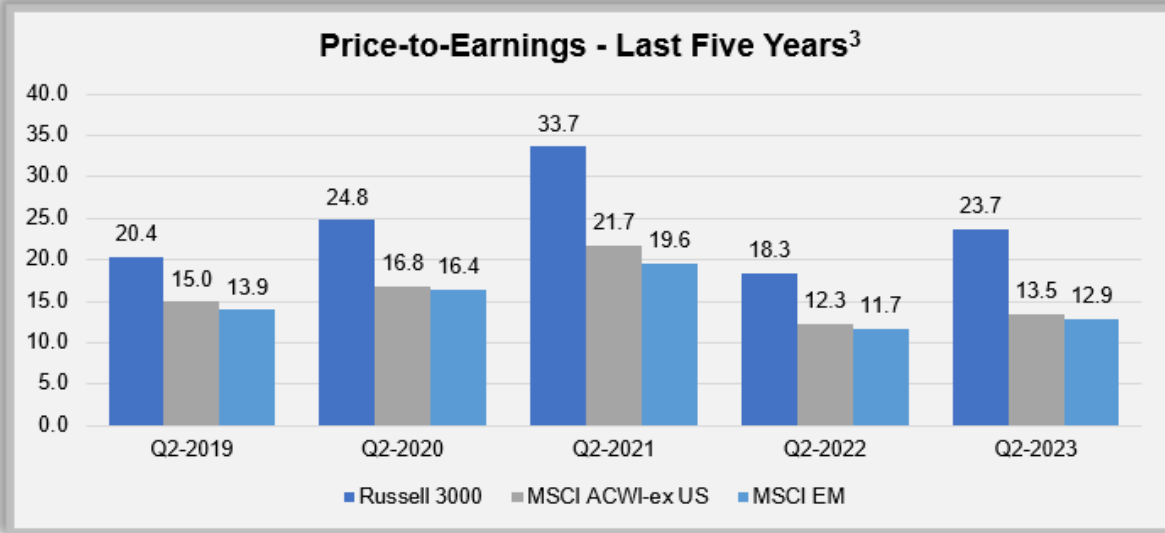
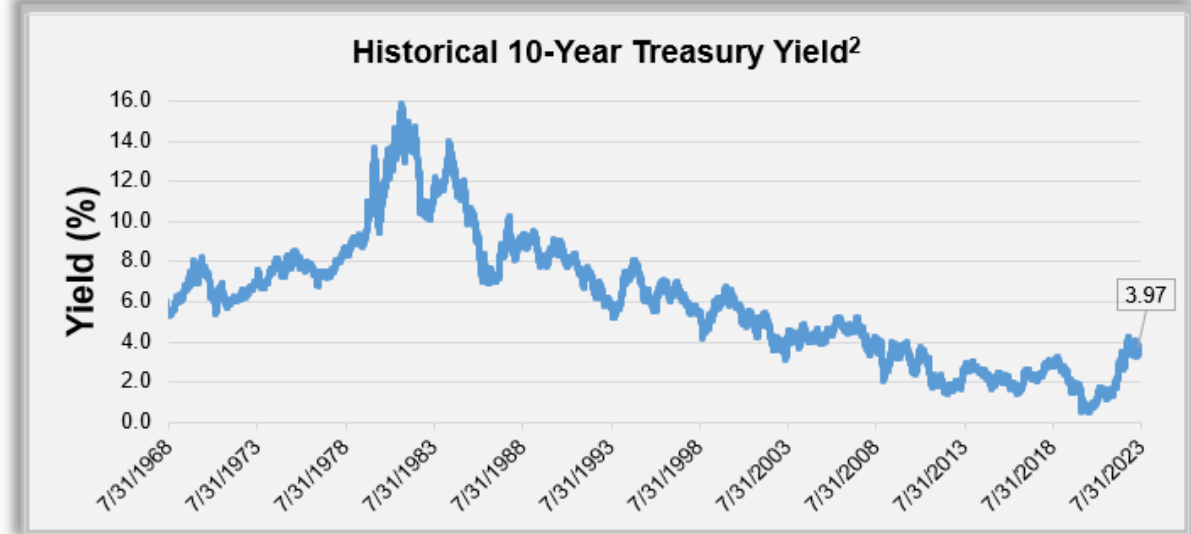
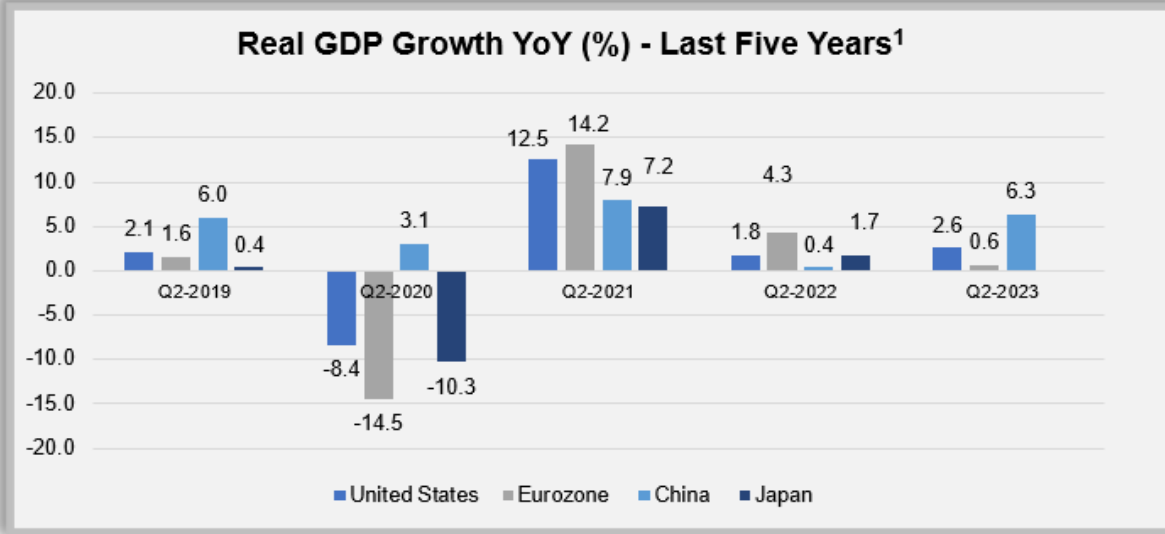


**Investment Grade Bonds Policy Benchmark - Barclays U.S. Aggregate Bond Index

Market	Sub-Category	Index Name	1-Month	3-Month	FYTD	YTD	1 Y	3 Y	5 Y	10 Y
Equity	Global All Cap	MSCI ACWI IMI Total Return	3.8	8.6	3.8	17.6	12.5	10.5	7.9	8.5
	U.S. All Cap	Russell 3000 Total Return	3.6	11.1	3.6	20.3	12.6	13.1	11.4	12.1
	U.S. Large Cap	S&P 500 Total Return	3.2	10.5	3.2	20.6	13.0	13.7	12.2	12.7
	U.S. Small Cap	Russell 2000 Total Return	6.1	13.7	6.1	14.7	7.9	12.0	5.1	8.2
	Non-U.S. All Cap	MSCI ACWI-ex U.S. IMI Total Return	4.2	4.9	4.2	13.7	13.0	7.2	3.8	4.8
	Emerging Markets	MSCI Emerging Markets Total Return	6.2	8.4	6.2	11.4	8.3	1.5	1.7	3.5
Private Equity	Private Equity Buyout	Thomson Reuters PE Buyout Index	5.4	3.6	5.4	-0.6	-1.9	4.5	5.3	10.7
Fixed Income	U.S. Investment Grade Bonds	Bloomberg U.S. Aggregate Index	-0.1	-1.5	-0.1	2.0	-3.4	-4.5	0.7	1.5
	U.S. Corporate High Yield Bonds	Bloomberg U.S. Corporate High Yield Total Return	1.4	2.1	1.4	6.8	4.4	2.0	3.4	4.4
	Developed Markets Leveraged Loans	Credit Suisse Leveraged Loan Total Return	1.3	3.5	1.3	7.7	9.5	6.0	4.1	4.2
	U.S. Treasury Inflation Protected Securities	Bloomberg U.S. Treasury TIPS Total Return Index	0.1	-1.4	0.1	2.0	-5.4	-0.8	2.6	2.0
	U.S. 3 Month Treasury Bill	FTSE 3 Month Treasury Bill	0.5	1.3	0.5	2.9	4.1	1.5	1.6	1.0
Commodity	Commodity Prices Index	Bloomberg Commodity Index Total Return	6.3	4.3	6.3	-2.0	-7.9	18.0	6.5	-0.5
	Natural Resources	S&P Global LargeMidCap Commodity & Resources Index	6.9	2.1	6.9	1.6	10.1	20.6	9.3	6.2
Infrastructure	Global Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	1.4	-1.7	1.4	4.1	-3.5	7.4	4.2	5.1
Real Estate	U.S. REITs	MSCI U.S. REIT Index	2.9	4.7	2.9	8.5	-5.7	8.5	5.0	6.6

Source: Bloomberg

Key Macro Indicators*



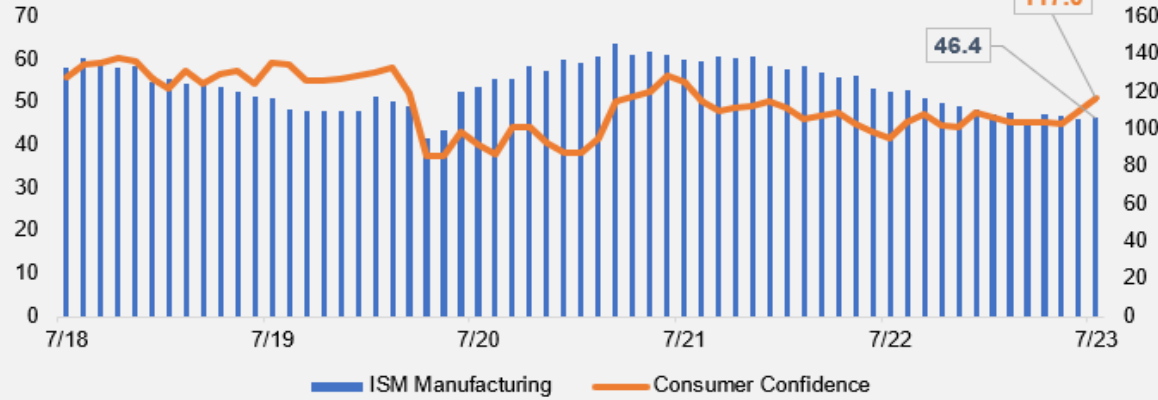
*The information on the "Key Macro Indicators" charts is the best available data as of 7/31/23 and may not reflect the current market and economic environment

Sources: 1. Bloomberg 3. FactSet
2. St. Louis Federal Reserve 4. FactSet

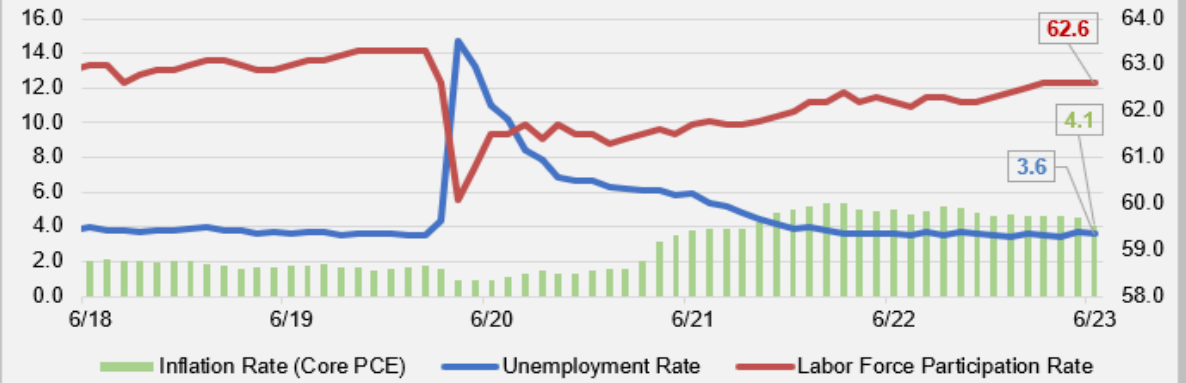
Key Macro Indicators*



Consumer Confidence & ISM Manufacturing¹ Last Five Years



U.S. Inflation, Unemployment, & Labor Force Participation² Last Five Years (%)



Bloomberg Dollar Spot Index (BBDXY)³ Last One Year (%)



Total Debt to GDP⁴ Last Five Years



*The information on the "Key Macro Indicators" charts is the best available data as of 7/31/23 and may not reflect the current market and economic environment

Sources: 1. Bloomberg 3. Bloomberg
2. Bloomberg 4. Office of Management and Budget; St. Louis Federal Reserve

Market Themes and Notable Items to Watch



Recent Themes

- The Federal Reserve raised its key interest rate in July for the 11th time in 17 months
 - Raised to a target range of 5.25% to 5.5%
 - Highest level in 22 years
 - “Core inflation is still pretty elevated” and “we want core inflation to be coming down” said Fed Chair Jerome Powell
 - Powell noted that policymakers will take a “meeting by meeting” approach towards rates
- Fitch Ratings downgraded the United States’ long-term foreign currency issuer default rating one notch to AA+ from AAA, citing fiscal deterioration and the debt ceiling
- The U.S. 10-year Treasury yield ended July at 3.97%, after being 3.88% at the end of 2022, 1.52% at the end of 2021 and 0.93% at the end of 2020
- Global equities (MSCI All Country World Investable Market Index) increased 3.8% in July

What to Watch

- Interest rates and central bank actions
- Economic data and trends
 - Inflation, supply chains, and labor developments
- Macro conditions and geopolitical risks
- Environmental, social, and governance
 - Taskforce for Climate-related Financial Disclosures (TCFD) to fold into International Financial Reporting Standards International Sustainability Standards Board (ISSB); LACERA endorsed the TCFD in 2019 and is a member of the ISSB Investor Advisory Board
 - SEC issues revised guidance for public companies to report cybersecurity incidents

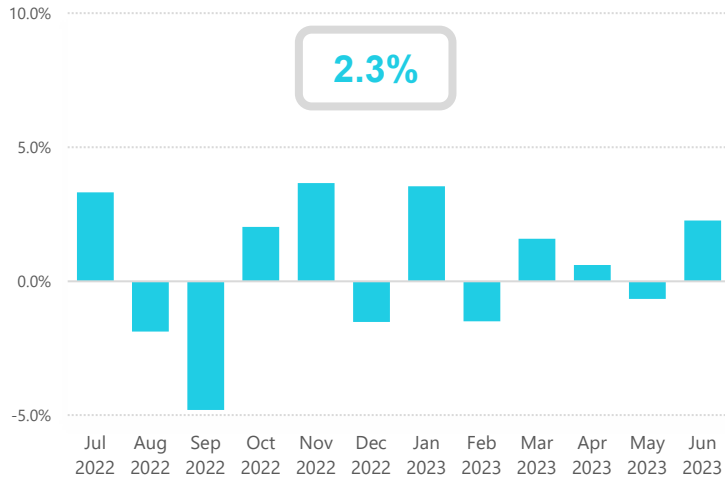


02 Portfolio Performance & Risk Updates

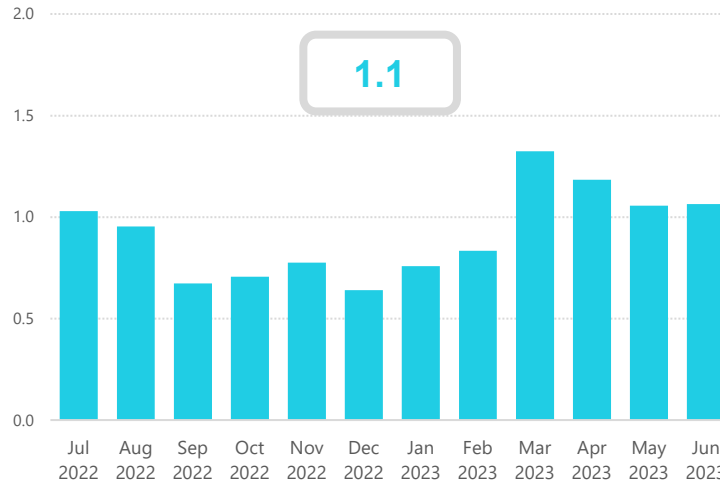
Total Fund Summary as of June 2023



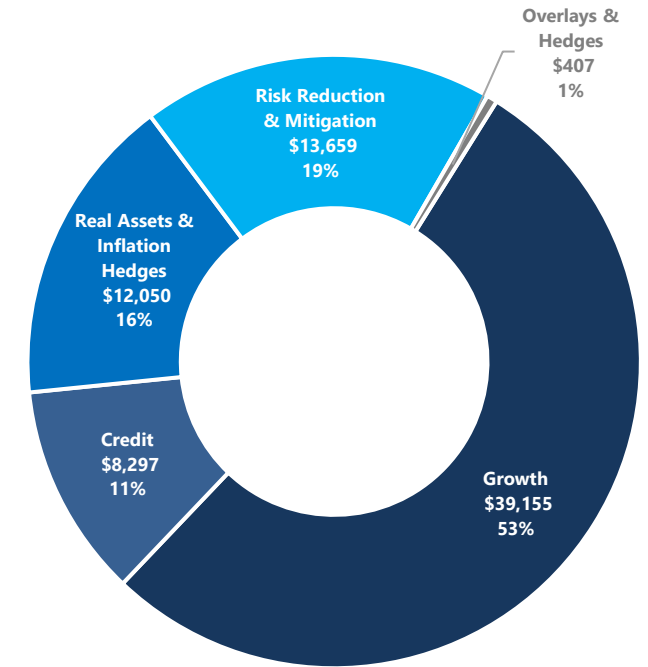
Monthly Return (net)



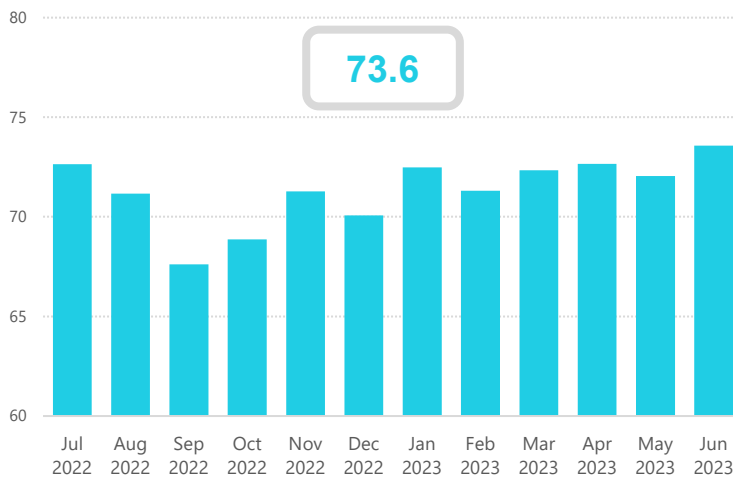
Sharpe Ratio (3-year annualized)



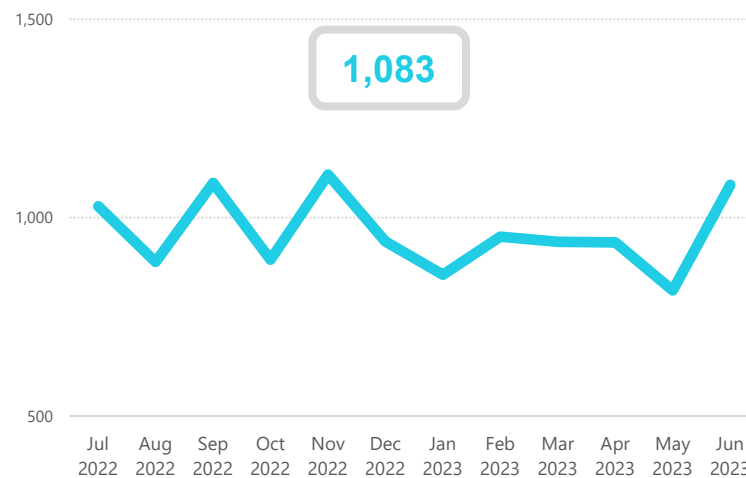
Asset Allocation (\$ millions)



Total Market Value (\$ billions)



Cash (\$ millions)

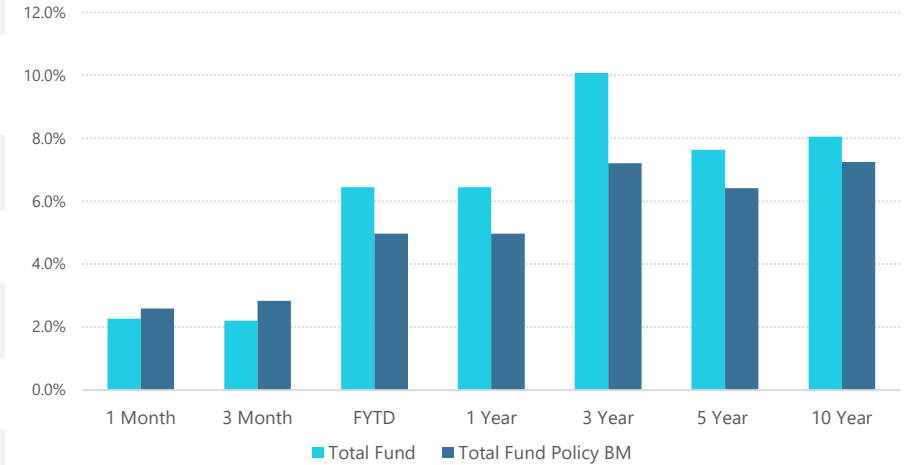


Historical Net Performance as of June 2023



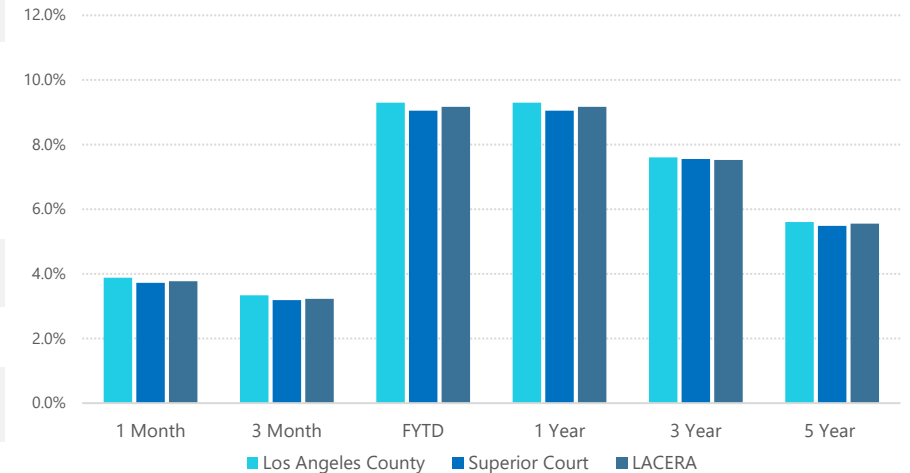
LACERA Pension Fund

	Market Value (\$ millions)	% of Total Fund	Interim Target	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
Total Fund	73,569	100.0%	100.0%	2.3%	2.2%	6.4%	6.4%	10.1%	7.6%	8.1%
Total Fund Policy BM				2.6%	2.8%	5.0%	5.0%	7.2%	6.4%	7.3%
7% Annual Hurdle Rate				0.6%	1.7%	7.0%	7.0%	7.0%	7.0%	7.0%
Growth	39,155	53.2%	53.0%	3.6%	4.2%	10.2%	10.2%	15.5%		
Growth Policy BM				4.3%	5.8%	8.0%	8.0%	12.5%		
Credit	8,297	11.3%	11.0%	1.3%	2.4%	7.7%	7.7%	6.8%		
Credit Policy BM				0.4%	1.8%	6.0%	6.0%	2.4%		
Real Assets & Inflation Hedges	12,050	16.4%	17.0%	1.3%	-1.2%	0.1%	0.1%	9.6%		
Real Assets & Inflation Hedges Policy BM				1.5%	-2.1%	-0.6%	-0.6%	8.9%		
Risk Reduction & Mitigation	13,659	18.6%	19.0%	-0.2%	-1.2%	-0.2%	-0.2%	-1.7%		
Risk Reduction & Mitigation Policy BM				0.1%	-0.3%	0.0%	0.0%	-2.6%		
Overlays & Hedges	407	0.6%		8.4%	31.1%	51.6%	51.6%			



OPEB Master Trust

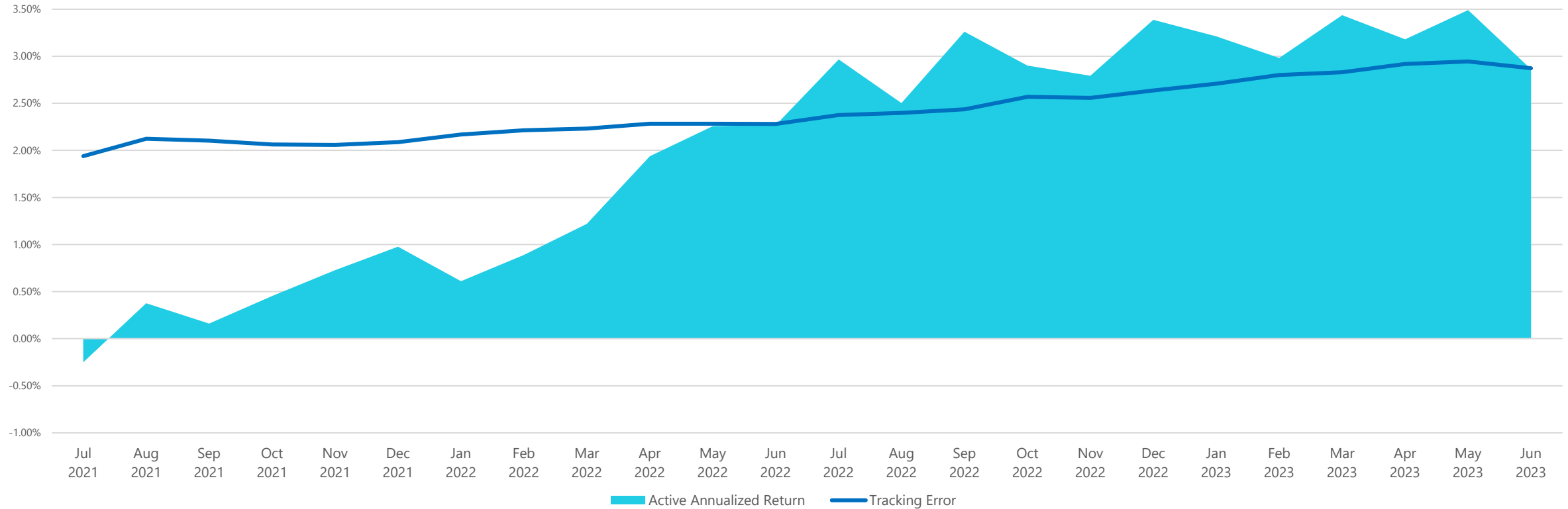
	Market Value (\$ millions)	% of Master Trust	Interim Target	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year
OPEB Master Trust	3,092			3.9%	3.3%	9.3%	9.3%	7.6%	5.6%
Los Angeles County	3,009	97.3%	—	3.9%	3.3%	9.3%	9.3%	7.6%	5.6%
Superior Court	67	2.2%	—	3.7%	3.2%	9.0%	9.0%	7.6%	5.5%
LACERA	16	0.5%	—	3.8%	3.2%	9.2%	9.2%	7.5%	5.5%
LACERA Master OPEB Trust Fund	3,084		100.0%	3.8%	3.3%	9.1%	9.1%	7.6%	5.6%
OPEB Master Trust Policy Benchmark				3.1%	2.8%	8.2%	8.2%	7.3%	5.2%
OPEB Growth	1,469	47.6%	47.5%	5.9%	6.0%	16.3%	16.3%	11.2%	7.9%
OPEB Growth Policy Benchmark				5.7%	6.0%	15.0%	15.0%	10.6%	7.4%
OPEB Credit	587	19.0%	19.0%	2.2%	2.4%	10.7%	10.7%	3.4%	2.8%
OPEB Credit Policy Benchmark				1.7%	2.3%	8.8%	8.8%	3.2%	2.8%
OPEB Real Assets & Inflation Hedges	616	20.0%	20.0%	3.3%	0.5%	-2.5%	-2.5%	8.5%	3.9%
OPEB RA & IH Policy Benchmark				0.4%	-1.8%	-2.3%	-2.3%	8.5%	3.9%
OPEB Risk Reduction & Mitigation	413	13.4%	13.5%	-0.2%	-0.8%	0.3%	0.3%	-2.8%	1.1%
OPEB RR & M Policy Benchmark				-0.2%	-0.8%	-1.3%	-1.3%	-3.3%	0.7%



Performance Based Risk as of June 2023



Active Return vs. Tracking Error^{1,2,3}



Period Ending	Annualized Return	Annualized Benchmark Return	Annualized Active Return	Tracking Error
June 2023	10.1%	7.2%	2.9%	2.9%

¹ Rolling 36 months.
² Active return equals the difference in return between a portfolio and its benchmark.
³ Tracking error (or active risk) measures the volatility of active returns.

Total Fund Forecast Risk as of June 2023*



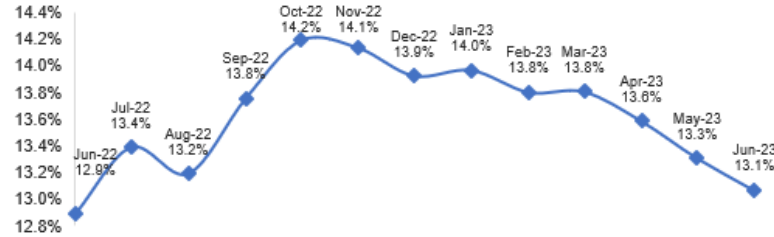
TOTAL FUND RISK

13.1%

BENCHMARK RISK

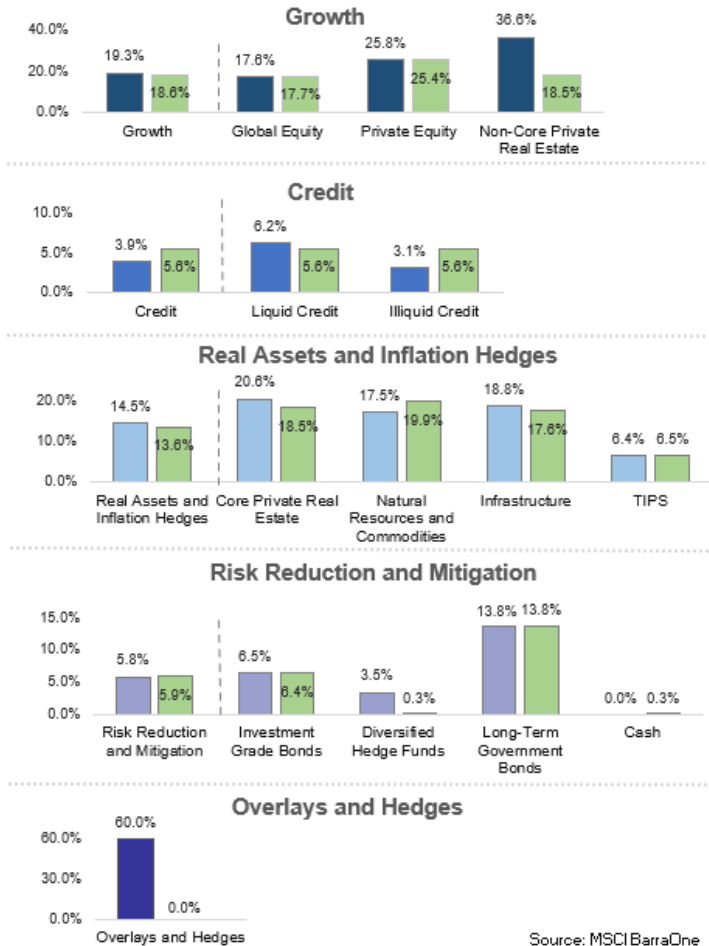
12.4%

Forecasted Total Fund Risk Trend

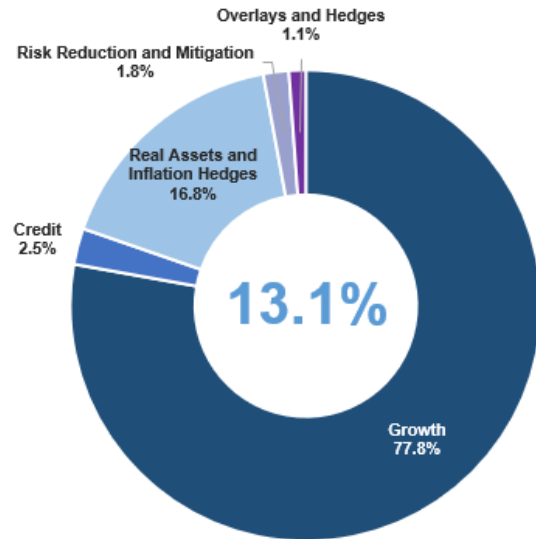


Subcategory Risk¹

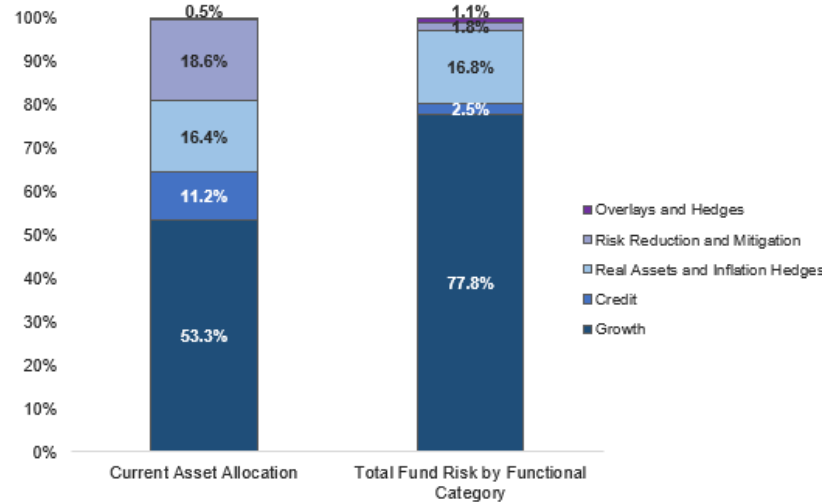
¹ Subcategory risk is on the left bar and benchmark risk is on the right bar.



Functional Category Contributions to Total Fund Risk



Total Fund Asset Allocation Capital-based versus Risk-based



Source: MSCI BarraOne
* Real estate and private equity data used is as of 3/31/2023.

Total Fund Forecast Active Risk as of June 2023*



TOTAL FUND ACTIVE RISK

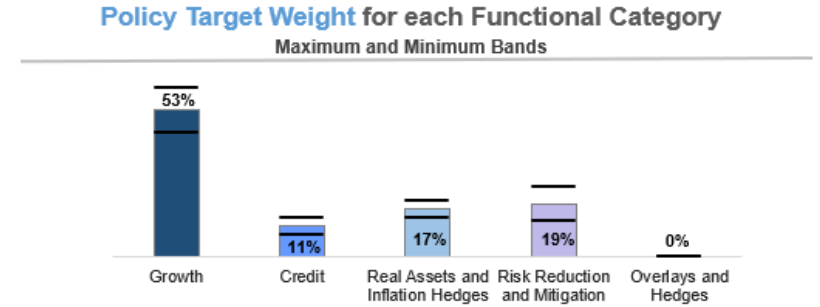
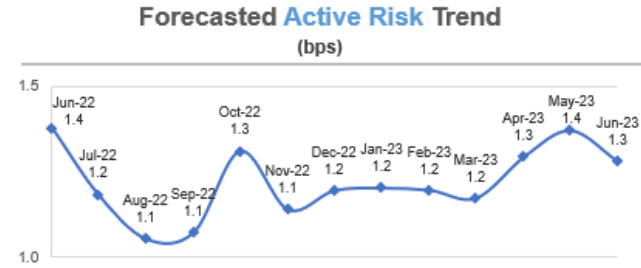
1.28
(bps)

ALLOCATION RISK

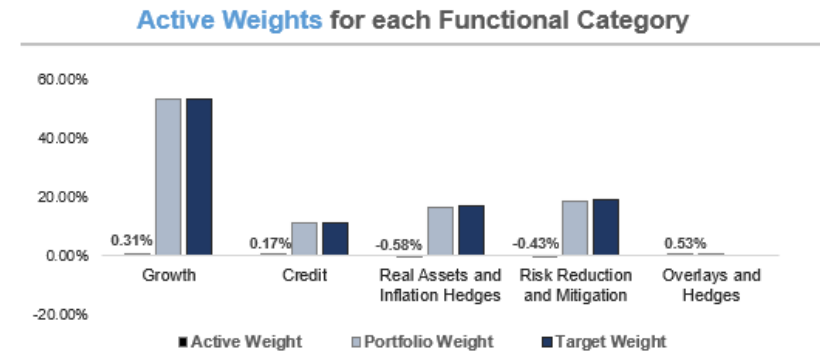
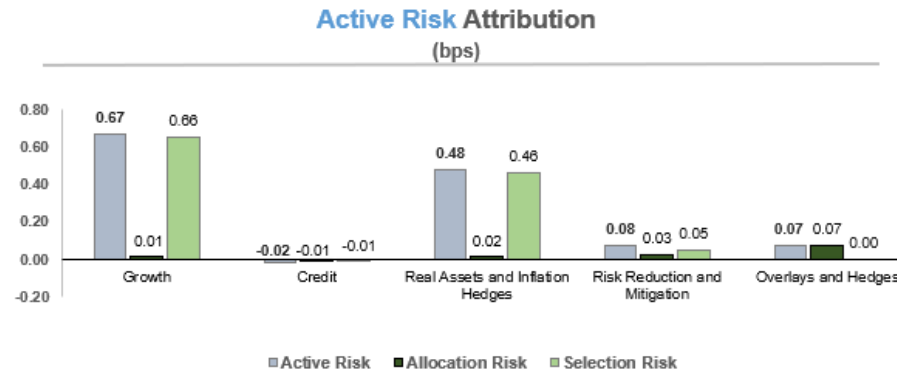
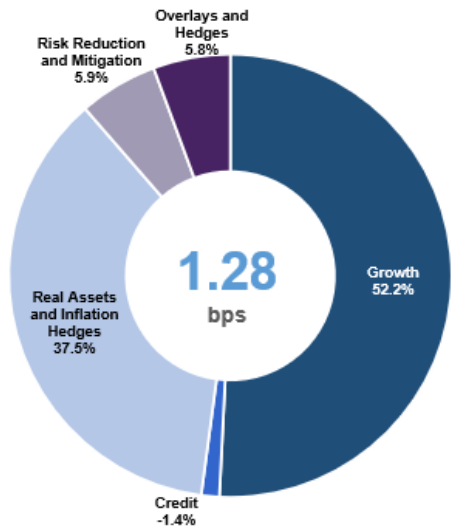
0.13
(bps)

SELECTION RISK

1.15
(bps)

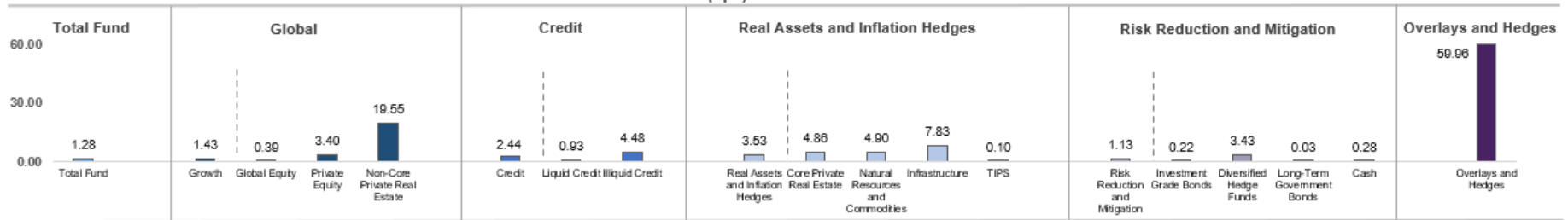


Functional Category Contributions to Active Risk



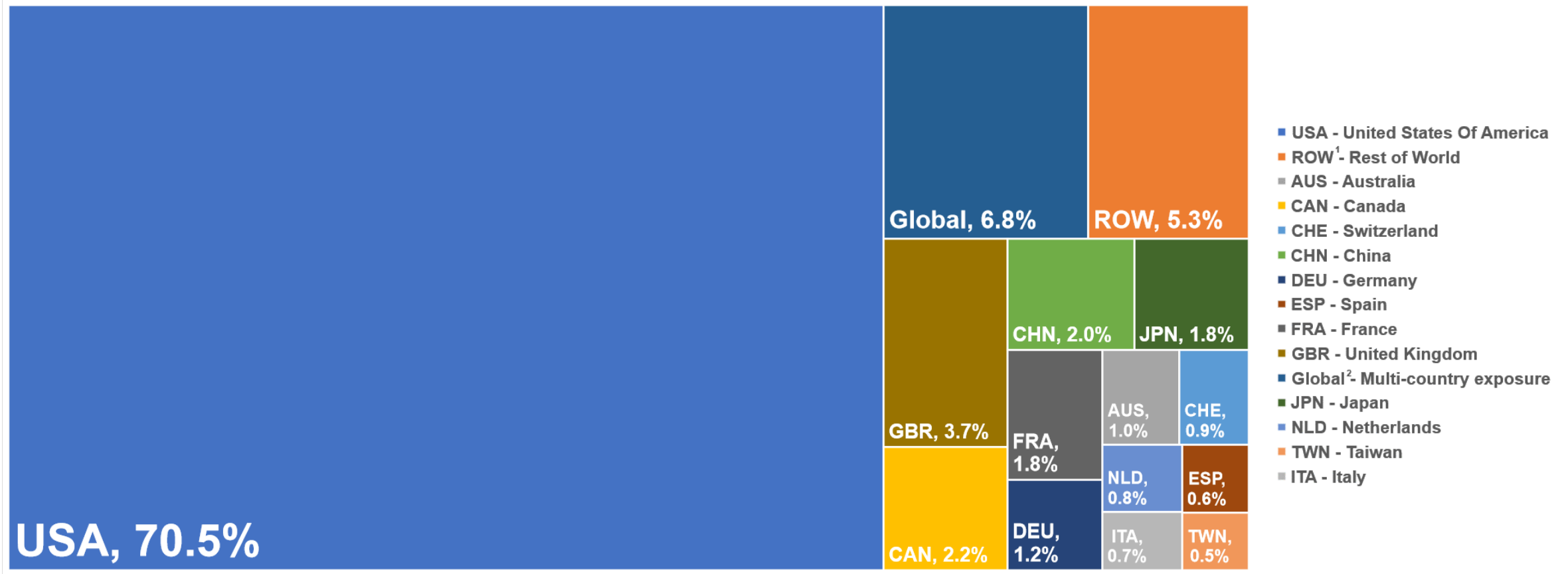
Source: MSCI BarraOne
* Real estate and private equity data used is as of 3/31/2023.

Subcategory Active Risk (bps)



Geographic Exposures by AUM

Total Fund as of June 2023* Ex-Overlays and Hedges



- USA - United States Of America
- ROW¹ - Rest of World
- AUS - Australia
- CAN - Canada
- CHE - Switzerland
- CHN - China
- DEU - Germany
- ESP - Spain
- FRA - France
- GBR - United Kingdom
- Global² - Multi-country exposure
- JPN - Japan
- NLD - Netherlands
- TWN - Taiwan
- ITA - Italy

AUM = Assets under management.

Geographic exposure is based on the domicile country of a given security/asset.

* Implementation of the MSCI Risk Platform is ongoing; reconciliation and refinement of the data is progressing and subject to change. Real Estate and Private Equity data used is as of 3/31/2023.

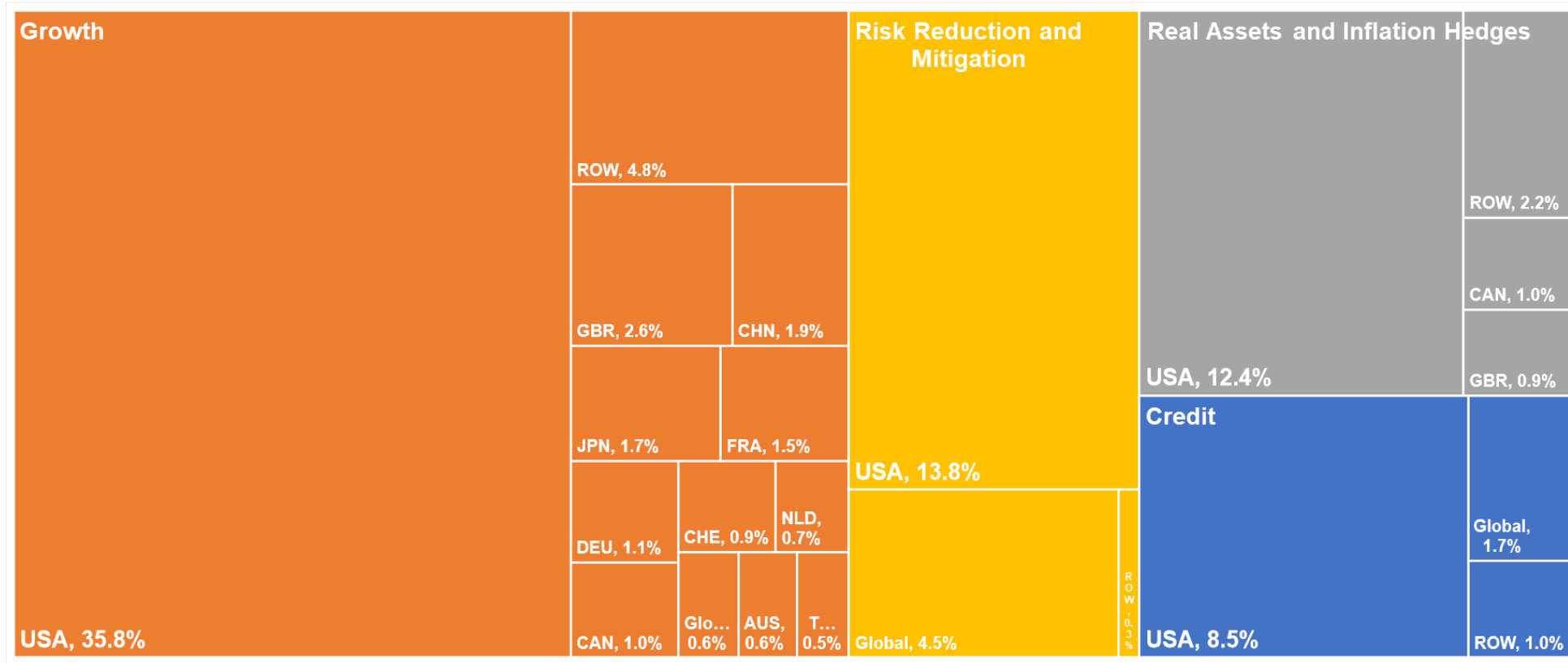
¹ "ROW - Rest of World" is sum of countries with weights below 0.5%.

² Global represents investments made in regions where specific country allocations are not available.

SOURCE: MSCI BarraOne

Geographic Exposures by AUM

Functional Categories as of June 2023* Ex-Overlays and Hedges



AUM = Assets under management.

Geographic exposure is based on the domicile country of a given security/asset.

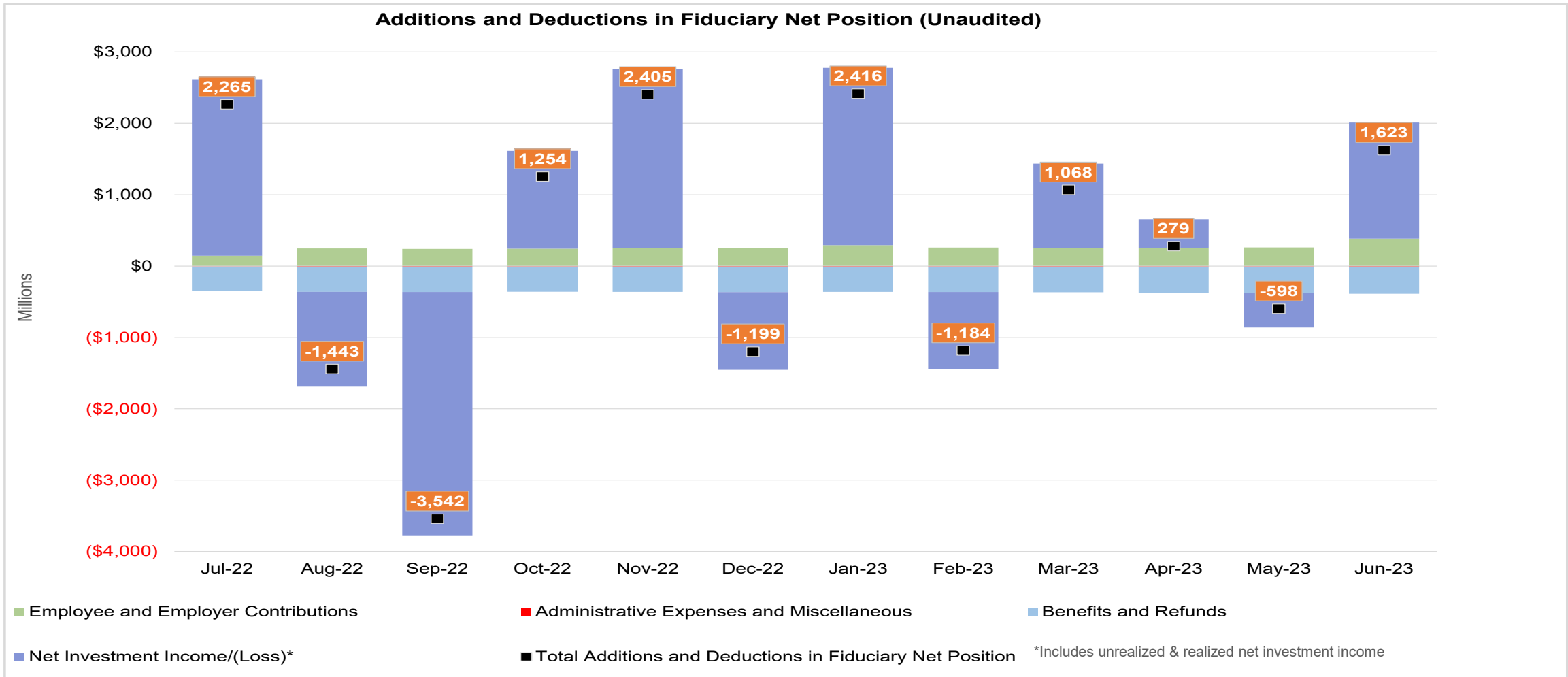
* Implementation of the MSCI Risk Platform is ongoing; reconciliation and refinement of the data is progressing and subject to change. Real Estate and Private Equity data used is as of 3/31/2023.

¹ Global represents investments made in regions where specific country allocations are not available.

² "ROW - Rest of World" is sum of countries with weights below 0.5%.

SOURCE: MSCI BarraOne

Change In Fiduciary Net Position



Fiscal Year	Negative Months	Positive Months	Total Net Position Change \$
FY-21	2	10	\$13.8 billion
FY-22	7	5	(\$2.5 billion)
FY-23	5	7	\$3.3 billion



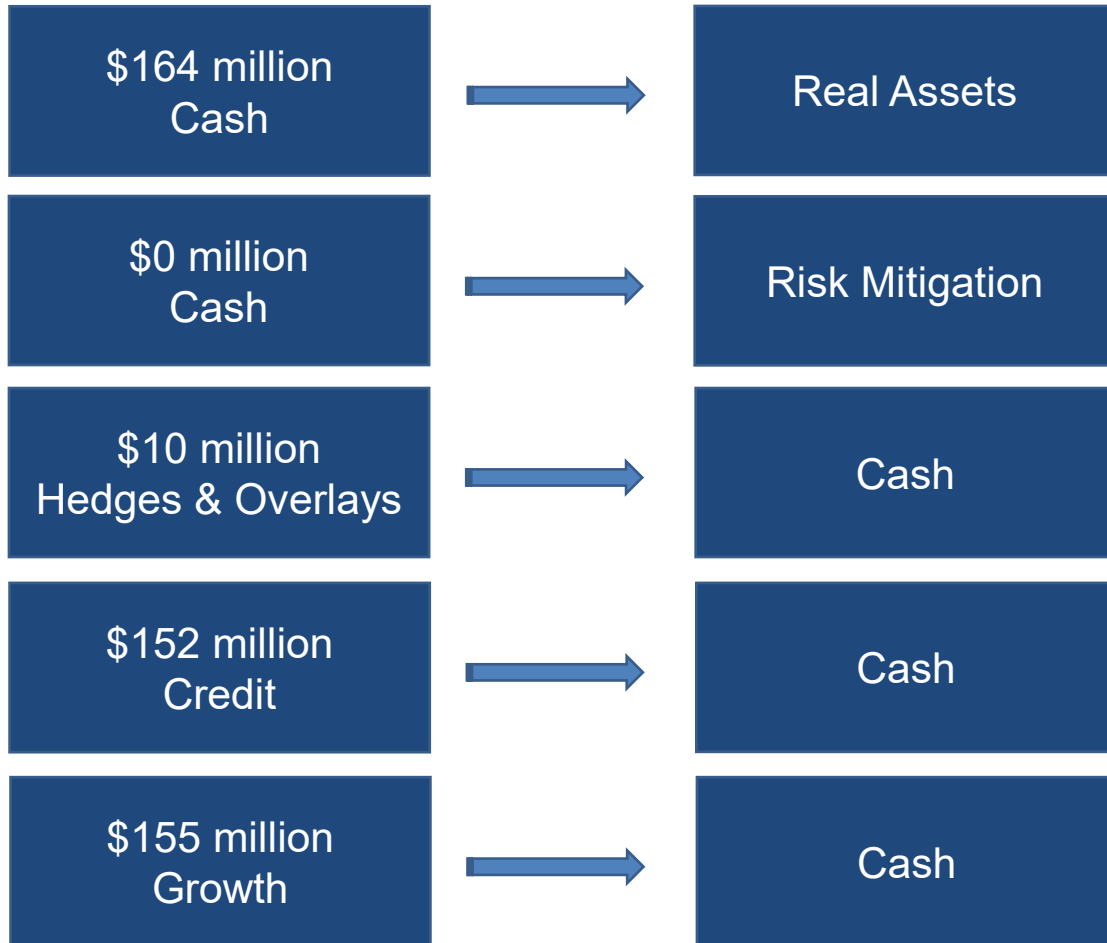
03 Portfolio Structural Updates

Portfolio Structural Updates



Portfolio Movements

Rebalancing Activity



Hedges & Overlays

Monthly Activity

Program	June Return	June Gain/(Loss)	Inception ¹ Gain/(Loss)
Currency Hedge ²	-0.4%	\$9.6 Million	\$1.4 Billion
Cash/Rebalance Overlay ³	3.7%	\$61.8 Million	\$347.1 Million

¹ Currency and overlay program inception dates are 8/2010 & 7/2019, respectively.

² LACERA's currency hedge program's 1-month return is calculated monthly whereas the monthly gain/loss amount for the same period is the net realized dollar amount at contract settlement over three monthly tranches.

³ LACERA's overlay program's 1-month return includes interest earned on the cash that supports the futures contracts.

Current Search Activity

Status of Active Searches – Subject to Change

Name	RFP Issued	Due Diligence	BOI Review
Real Assets Emerging Manager Program Search	✓	✓	Anticipated Q3 2023
Commercial Real Estate Brokers Search	✓	✓	Anticipated Q3 2023



04 Key Initiatives & Operational Updates

Notable Initiatives and Operational Updates



Key Initiative Updates

- The 2024 Strategic asset allocation study is underway
- The Investment Division is adhering to the 2023 Work Plan and Strategic Initiatives approved at the January 2023 BOI
- BOI Offsite preparations are underway

Operational Updates

- Operational due diligence review in progress
- Annual contract compliance and LACERA T.I.D.E. initiatives are in progress

Team Searches and Vacancies

- Working on launching new searches
 - 2 – Principal Investment Officer
 - 2 – Senior Investment Officer
 - 2 – Financial Analyst-III
 - Financial Analyst-II
 - 1 search in progress
 - 4 completed

Manager Meetings¹

Investments July Meetings

(Total Fund & OPEB)

174

¹ Total count of external meetings with investment professionals and/or service providers.



Updates

GGV Capital Partners (Private Equity) – is among four U.S. venture capital firms that received letters from the House Select Committee on the Chinese Communist Party inquiring about their investments in Chinese tech startups. LACERA is an existing limited partner in several GGV funds dating back to 2014. Staff is monitoring the situation and will provide updates to the Board as appropriate.

Acadian (Global Equities) – Fanesca Young, Senior Vice President, Lead Portfolio Manager, Equity Strategies, will take on an expanded role as Director, Equity Portfolio Management with an effective date of August 1, 2023. As part of her new responsibilities, Fanesca will join the Senior Investment Leadership Team (SILT).

Capital Group (Global Equities) – Announced that after 12 years at Capital Group and a total of 28 years in the industry, Michael Bowman, Senior Vice President, Relationship Manager, retired from Capital Group effective June 30, 2023.

Global Alpha (Global Equities) – Hired Sabrina Lacroix as Senior Compliance Officer. She will support David Savignac, CCO and Portfolio Manager, in the compliance function with future plans to assume the role of CCO from David later this year.



05 Commentary

Staff Chart of the Month

Air Travel Revenues Remains Strong in the U.S. and Europe





06 Appendix

Quiet Period for Search Respondents



Real Assets Emerging Manager Program Discretionary Separate Account Manager Search

- ✓ BlackRock Investments, LLC
- ✓ ACRES Capital
- ✓ Aether Investment Partners
- ✓ Cloverlay
- ✓ ORG Portfolio Management
- ✓ Barings
- ✓ Belay Investment Group
- ✓ Encore Enterprises, Inc.
- ✓ Stable
- ✓ Cambridge Associates
- ✓ GCM Grosvenor
- ✓ The Townsend Group
- ✓ Cypress Creek Partners
- ✓ Hamilton Lane Advisors
- ✓ Neuberger Berman Group
- ✓ Wafra Inc.
- ✓ Artemis Real Estate Partners
- ✓ Hawkeye Partners, LP
- ✓ Astarte Capital Partners
- ✓ Bentall Green Oak
- ✓ Clear Sky Advisers
- ✓ Clear Investment Group
- ✓ Poverni Sheikh Group
- ✓ Trilogy
- ✓ Stepstone
- ✓ Oak Street
- ✓ White Deer

Commercial Real Estate Brokers Search

- ✓ CBRE
- ✓ Cushman & Wakefield
- ✓ Eastdil
- ✓ JLL
- ✓ Newmark



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 working lives to serving the community. Meet one of our long-serving members as he prepares to enjoy his well-earned retirement.



Retiring Member Steve Powell

Rescue Boat Captain, L.A. County Fire Department

Years of Service: 36

MEMBER **SPOTLIGHT**

Public Safety Service: Powell commands a boat and its personnel in the coastal waters of Los Angeles and engages in search-and-rescue operations. “The ability to work in the public safety sector, helping and rescuing people, has just been extremely rewarding for me.”

Thoughts on Retirement: “I’ve never not had a job since I was 16 years old, so the thought of walking away from a really good job is anxiety provoking...but after running through the numbers everything is very clear and in front of me, and I’m looking forward to the next chapter.”

Retirement plans: First priority, visiting his children on the East Coast, followed by more traveling. “I’ve got about 100 places I want to go to.”





July 25, 2023

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: Santos H. Kreimann *SHK*
Chief Executive Officer

SUBJECT: **CHIEF EXECUTIVE OFFICER'S REPORT – AUGUST 2023**

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

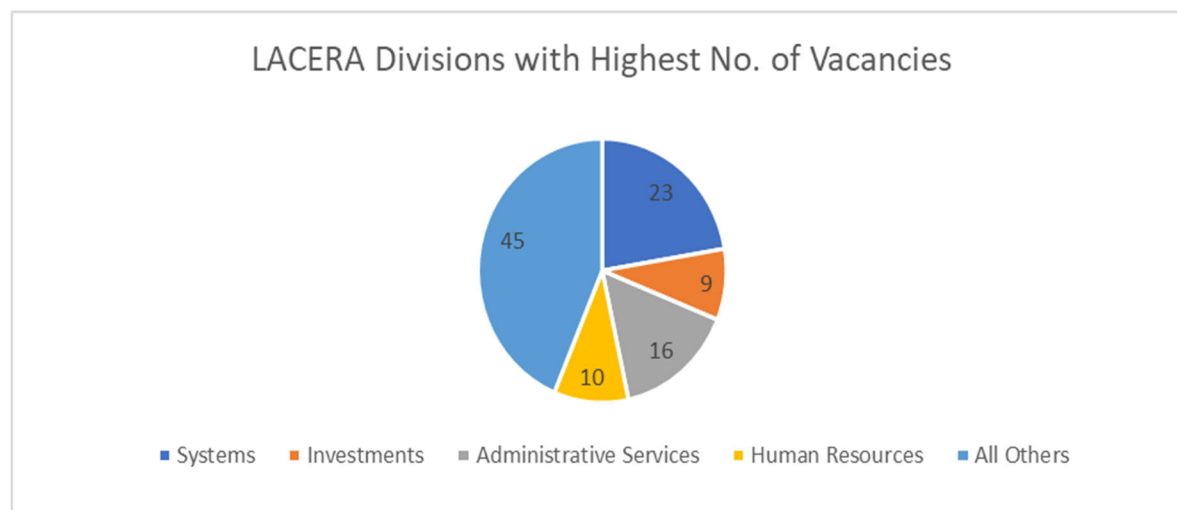
General and Retired Trustee Elections 2023

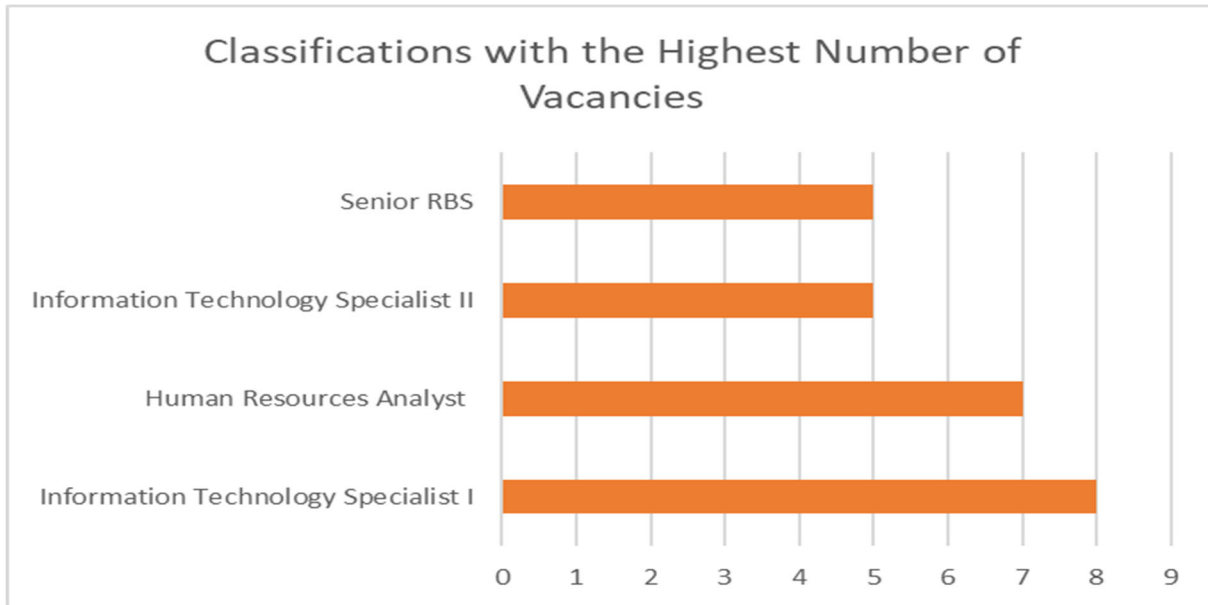
The 2023 General and Retired trustee elections have entered the next phase with the official list of candidates being certified by the Registrar Recorder – County Clerk. Voting begins Friday, August 4, 2023, and ends Thursday, August 31, 2023. For more details and the latest updates on the upcoming election, please refer to Appendix 1 of the CEO report.

Recruitment Updates

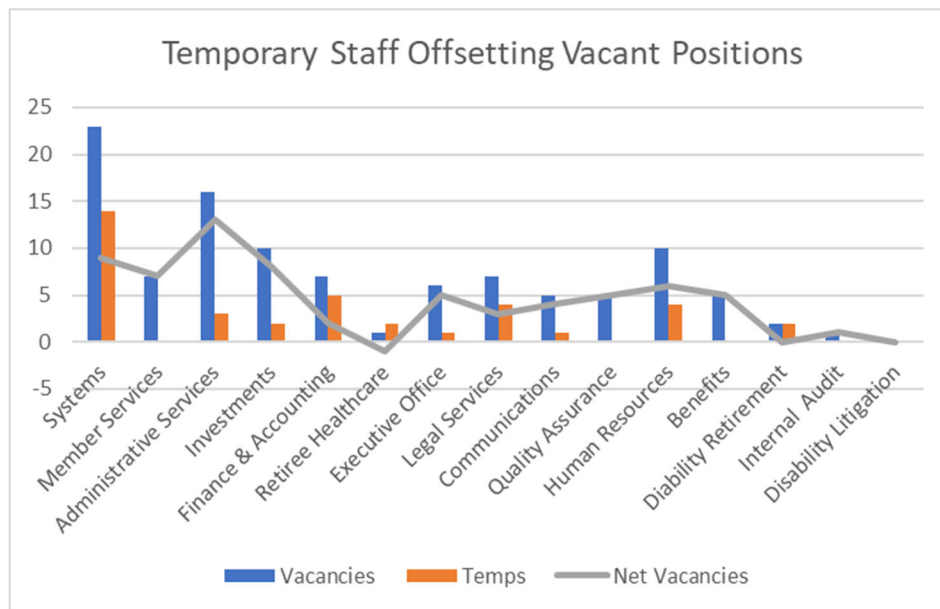
LACERA has 534 budgeted positions, of which 108 are vacant (20% vacancy rate). Additionally, there are 11 over-hired positions (positions that temporary staff members are assigned to but are not permanently budgeted) in the Retirement Benefits Specialist I classification.

The Divisions with the highest number of vacancies, and the classifications with the highest number of vacancies, are shown below.





The chart below highlights temporary hires across divisions to address critical vacancy needs in the short term.



External Recruitments

Additional interviews for the Information Security Officer (ISO) position were conducted in early July and selection interviews are pending. Applications will continue to be accepted for the Information Technology Manager I position in the Business Application Unit through Thursday, July 27, 2023.

LACERA has contracted with EFL Associates (EFL) to assist with the Senior Investment Officer (Real Estate) and Finance Analyst III (Corporate Governance and Real Estate) recruitments. Candidates are still under review for the Finance Analyst III vacant position in the Credit and Risk Mitigation Section.

The recruitment brochures for the following positions in the Legal Office continue to be open, with interviews being held as qualified candidates are identified:

- Senior Staff Counsel (Investments)
- Staff Counsel (Investments)
- Senior Staff Counsel (Benefits)
- Staff Counsel (Benefits)

Internal Recruitment

The bulletin for Principal Investment Officer – Portfolio Analytics has been posted for internal promotion and applications are currently being accepted.

The bulletin for the Senior Writer has been posted and applications are currently being accepted until filled. The bulletin and brochure for the Division Manager positions in Administrative Services, Benefits, and Members Services have been posted and applications are continuing to be accepted.

Development

The recruitments/assessments for the following classifications are currently in development in partnership with the various hiring divisions:

- Information Technology Manager II (Infrastructure and Project Management)
- Administrative Services Analyst II and III
- Chief Financial Officer

New Lists Promulgated, Hiring and Promotions

One (1) candidate from the Finance Analyst II List started on July 5 and another (1) candidate will begin on August 1, 2023. Two (2) Accountants will begin on August 1, 2023, and another (1) Accountant is clearing the background check process.

Internship Program

Two (2) Interns began in the Investments Office from Seizing Every Opportunity (SEO-PREA). Two (2) more Interns from Girls Who Invest began on July 3, 2023.

The Intern Bulletin is being revised to update the hourly rate for the positions and provide additional information regarding the various Divisions within LACERA. A brochure is also in development with Communications. Once the bulletin has been updated it will be reposted along with the brochure, and resumes from eligible candidates will be accepted for intern positions included in the Fiscal Year 2023-24 Adopted Budget.

Temporary Assignments

As illustrated in the chart below, four (4) management staff members are assigned to a higher-level classification as a temporary assignment and receiving an additional responsibilities bonus. These four exams have been prioritized in Tier 0 and are now in process after completion of a thorough job analysis by HR staff. Eight (8) staff members

are assigned to perform higher-level, out-of-class duties for performing the work of a vacant, higher-lever position. The exams in Tier 0 are in process now and the exams in Tier 1 will start in one to six months.

Permanent Position	Interim Assignment	Length of Assignment	Exam Priority
Temporary Assignment – Additional Responsibilities			
Assistant Chief Financial Officer	Chief Financial Officer	5 years, 7 months	Tier 0
Senior Investment Officer	Principal Investment Officer	2 years	Tier 0
IT Manager I	IT Manager II	2 years, 9 months	Tier 0
Section Head	Division Manager	9 months	Tier 0
Out-of-Class			
Retirement Benefits Specialist III	Sr. Retirement Benefits Specialist	1 year	Tier 1
Retirement Benefits Specialist II	Retirement Benefits Specialist III	3 months	Tier 1
Retirement Benefits Specialist II	Retirement Benefits Specialist III	3 months	Tier 1
Sr. Retirement Benefits Specialist	Section Head	2 years, 8 months	Tier 1
Administrative Services Analyst I	Administrative Services Analyst II	1 year, 8 months	Tier 0
Administrative Services Analyst II	Administrative Services Analyst III	1 year, 9 months	Tier 0
Training Coordinator	Division Manager	2 years	Tier 0
Sr. Internal Auditor	IT Manager I	3 years	Tier 0

Retiree Healthcare

RHC Annual Meeting Kick-Off

A critical part of the staff's responsibility is to collaborate and maintain our LACERA-administered healthcare program carrier relationships. Over the past month, LACERA staff and our consultants from Segal met with United Healthcare, Kaiser Permanente, and Cigna Health plan partners. During these meetings we reviewed plan utilization which identifies the main cost drivers, top medical conditions, and medications seen over the last nine months to a year for the respective carriers.

CVS Caremark and GoodRx Partner to Lower Out-of-Pocket Costs

Staff recently received notification from LACERA's assigned CVS Health Account Manager that CVS Caremark is introducing a new partnership with the discount drug service GoodRx. Last year, GoodRx entered a similar partnership with Cigna's ExpressScripts, and they are now looking to create a partnership with Medicare. The partnership is aimed at lowering out-of-pocket prescription costs for millions. Upon implementation, members have access to both their CVS benefit as well as GoodRx. Prior to this partnership between CVS and GoodRx being established, those with a CVS prescription benefit had to choose whether to use their CVS pharmacy benefit or use GoodRx to save on their prescriptions. This is no longer the case.

This partnership will make the experience seamless for participating members. Upon providing their CVS Caremark ID card at their preferred in-network pharmacy, no further action is required by the member. The amount paid by the member is automatically applied toward their deductible (when applicable) and any out-of-pocket thresholds.

Staff has confirmed that there would be no additional cost to add this capability to LACERA's Anthem Blue Cross I, II and III plan prescription benefit offering. However, because there is an "Opt-in" requirement, staff has a call out to our CVS Account Manager to address this further in determining if this is something that we should "Opt-in" for the group. We will keep you informed of the outcome.

SHK
CEO report August 2023.doc

Attachments

**Appendix 1**

DATE: July 25, 2023

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: JJ Popowich
Assistant Executive Officer, Member Operations Group

SUBJECT: General and Retired Member Elections 2023 Update

The LACERA Trustee active general and retired member election season for the Second, Eighth, and Alternate Retired Members (Trustees) for the Board of Retirement and the Second and Eighth Member (Trustees) of the Board of Investments, has entered the next phase of the election process. As previously reported, on Friday, June 23, the Registrar Recorder – County Clerk released the names of candidates that have been certified for the election.

The official candidate list is as follows:

General Members Election:

- Board of Retirement: Second Member:
 - Armine Antonyan
 - Nancy M. Durazo
- Board of Investments: Second Member:
 - Nicole Mi
 - Murphy Moore III
 - David S. Quan

Retired Members Election:

- Board of Retirement: Eighth Member:
 - Leslie W. Robbins*
- Board of Retirement: Alternate Retired Member:
 - James P. “JP” Harris
 - Nihal Kuruppu
- Board of Investments: Eighth Member:
 - Mark A. Almonte
 - Debbie Martin

**Trustee Robbins is unopposed and will be returning to the Board of Retirement for the new term beginning January 1, 2024.*

Re: General and Retired Member Elections 2023 Update








July 25, 2023

Page 2

The LACERA Elections team and the Executive Office of the Board of Supervisors continue working together to reach out to members to raise awareness of the election. On July 19, 2023, LACERA mailed an informational postcard to all retired members who are eligible to vote and followed up with an email version of the postcard on July 25. We have included a copy of the postcard after the calendar of events below. The BOS EO's vendor sent out emails to all eligible active general members on July 17, 2023, as scheduled.

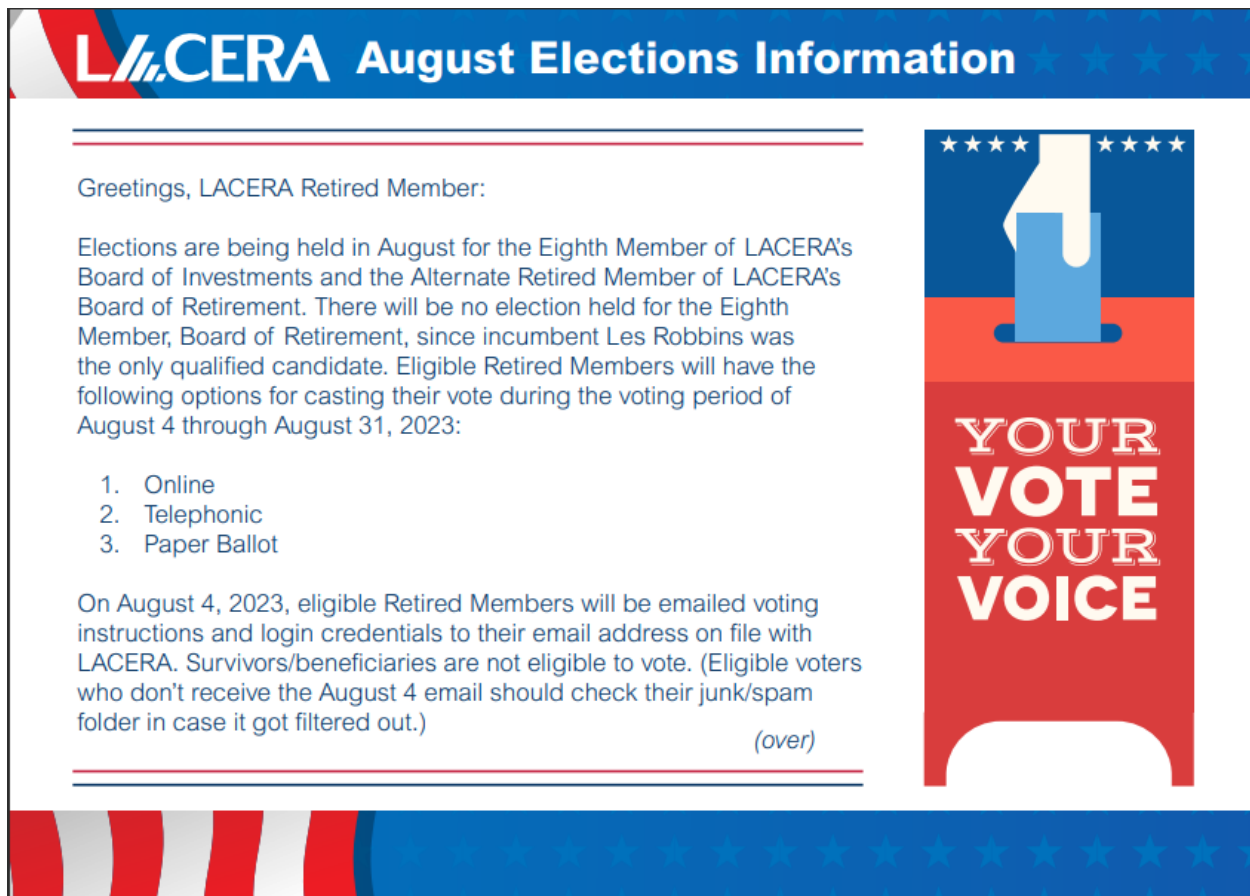
The next event scheduled will be the official mailing of the ballots to retired members and electronic credentials to the active general members eligible to vote on August 2, 2023 (the Board of Supervisors Executive Office has shared that no active members requested a paper ballot). As a reminder, voting begins August 4, 2023, and runs through August 31, 2023.

In the meantime, we have updated the calendar of events below to reflect the status of the election.

Date	Event	Completed
05/12/2023	Election Notification and Call for Nominations to eligible retired members (as of April 15, 2023).	
05/19/2023	Election Notification and Call for Nominations emailed to eligible General (active members as of April 15, 2023), and departmental postings as required by the Board of Supervisors resolution.	
05/22/2023 – 06/20/2023	Nomination period. Please note the nomination packages must be filed with the Registrar-Recorder/County Clerk no later than 5:00 p.m. on June 20, 2023.	
06/26/2023	The Registrar-Recorder/County Clerk will confirm the eligible candidates and notify each candidate.	
06/27/2023	Election Announcement: Announcement of qualified candidates and whether an election is necessary. This is also the date the ballot order will be confirmed.	
First Week of July	LACERA sends mailer regarding election status.	
July 17, 2023	Election notices emailed by vendor.	
08/02/2023	Voter information and ballot mailed to all retirees, as well as to all active members who requested a paper ballot.	
08/03/2023	LACERA election reminder notice.	
08/04/2023	Voting Begins. Election credentials mailed to all General members (active as of April 15, 2023).	

08/16/2023	LACERA election reminder notice.	
08/31/2023	Voting Ends.	
09/12/2023	The Executive Office of the Board of Supervisors will have the unofficial results available.	
10/17/2023	BOS Declares Election Result Official.	

Front of July Postcard to Retired Members:



Back of July Postcard to Retired Members:

Re: General and Retired Member Elections 2023 Update

July 25, 2023

Page 4



All eligible voters will be mailed paper ballots and voting instructions by U.S. mail prior to the election opening. **Paper ballots must be received by the election vendor no later than August 31 for them to be counted.** Electronic or telephonic ballots can be cast until August 31 at 11:59 p.m. PT. Eligible Retired Members who do not receive their voting packet by August 10, 2023 or who have questions about this election should contact the Executive Office at 213-893-1151 or LACERA_Election@bos.lacounty.gov.

LACERA election information and Candidate Statements can be found at the website listed below:

<http://bos.lacounty.gov/services/conflict-of-interest-lobbyist/lacera-elections>



PRST STD
U.S. Postage
PAID
Industry, CA
Permit #4278

We have attached copies of the email notices that were sent to members on July 25, 2023.

If you're having issues viewing this email, right click to download the image or [read the information](#) on [lacera.com](#).



GREETINGS, LACERA GENERAL MEMBER:

Elections are being held in August for the Second Member of LACERA's Board of Investments and the Second Member of LACERA's Board of Retirement.

Eligible General Members will have the following options for casting their vote during the voting period of August 4 through August 31, 2023:

1. ONLINE
2. TELEPHONIC
3. PAPER BALLOT (if requested previously)

On August 4, 2023, eligible General Members will be emailed voting

instructions and login credentials to their County or verified Outside Agency email address. (Eligible voters who don't receive the August 4 email should check their junk/spam folder in case it got filtered out.)



Eligible voters who do not have a valid email address will receive login credentials and voter information sent by U.S. mail prior to the election. Eligible General Members who do not receive their login credentials by August 10, 2023 or who don't know if they are eligible should contact their Departmental Election Coordinator.

LACERA election information, Candidate Statements, and a list of Departmental Election Coordinators can be found at the website listed below:

<http://bos.lacounty.gov/services/conflict-of-interest-lobbyist/lacera-elections>

EXECUTIVE OFFICE



BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES



LACERA | 300 North Lake Avenue, Pasadena, CA 91101

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[Constant Contact Data Notice](#)

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GREETINGS, LACERA RETIRED MEMBER:

Elections are being held in August for the Eighth Member of LACERA's Board of Investments and the Alternate Retired Member of LACERA's Board of Retirement. There will be no election held for the Eighth Member, Board of Retirement, since incumbent Les Robbins was the only qualified candidate.

Eligible Retired Members will have the following options for casting their vote during the voting period of August 4 through August 31, 2023:

1. ONLINE
 2. TELEPHONIC
 3. PAPER BALLOT
-

On August 4, 2023, eligible Retired Members will be emailed voting instructions and login credentials to this email. Survivors/beneficiaries are not eligible to vote. (Eligible voters who don't receive the August 4 email should check their junk/spam folder in case it got filtered out.)



All eligible voters will also be mailed paper ballots and voting instructions by U.S. mail prior to the election opening. **Votes cast by paper ballot must be received by the election vendor no later than August 31 for them to be counted.** Electronic or telephonic ballots can be cast until August 31 at 11:59 p.m. PT.

Eligible Retired Members who do not receive their voting packet by August 10, 2023 or who have questions about this election should contact the Executive Office at 213-893-1151 or

LACERA_Election@bos.lacounty.gov

LACERA election information and Candidate Statements can be found at the website listed below:

<http://bos.lacounty.gov/services/conflict-of-interest-lobbyist/lacera-elections>

EXECUTIVE OFFICE



BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES



LACERA | 300 North Lake Avenue, Pasadena, CA 91101

[Unsubscribe ehery@lacera.com](mailto:eheru@lacera.com)

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CEO DASHBOARD



August 2, 2023

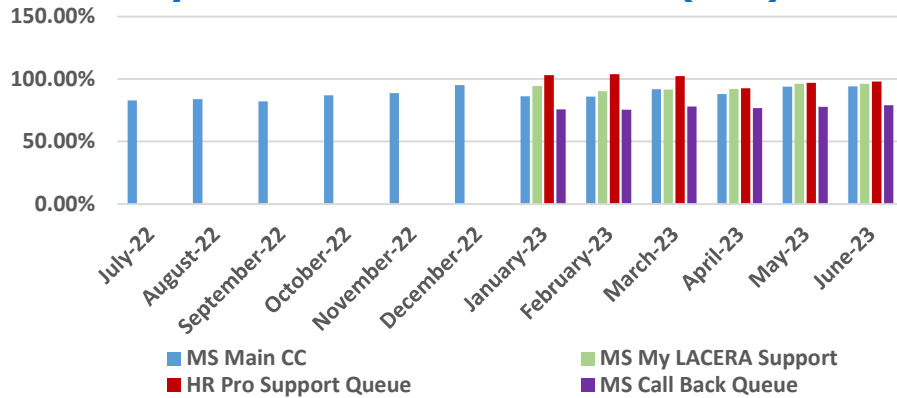


Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2023

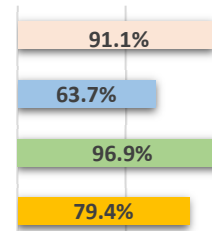
Events / Webinar Attendance Current Mo.: 931 Year-to-Date: 10,240	Events / Webinar Current Mo.: 17 Year-to-Date: 215	Webinar Satisfaction 0% Resp. Rate: 0% Change: 0%	Member Service Center Satisfaction 97.47% Resp. Rate: 26.4% Change: 7.24%	MS Main Queue Total Calls 8,167 Current Mo.: 8,167 3 Month Avg.: 8,359				
					Resp. Rate	Change	Resp. Rate	Change
					0%	0%	26.4%	7.24%

Member Service Call Center Queue Key Performance Indicators (KPI)

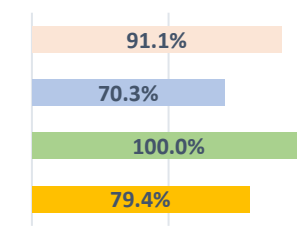


Key Performance Indicator (Components by Queue)

MSCC Main Queue



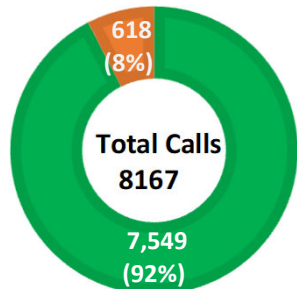
My LACERA Support Queue



Member Services

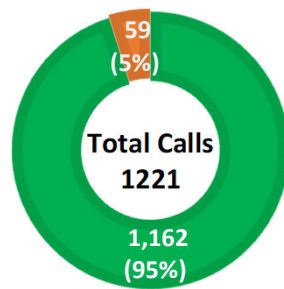
MSCC MAIN QUEUE

■ Calls Answered ■ Calls Abandoned



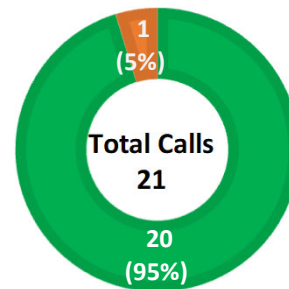
MY LACERA SUPPORT

■ Calls Answered ■ Calls Abandoned



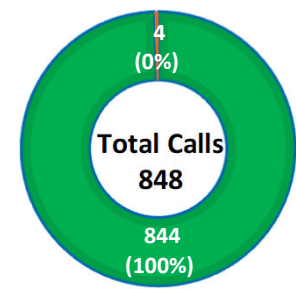
HR PRO SUPPORT

■ Calls Answered ■ Calls Abandoned



MS CALL BACK QUEUE

■ Calls Answered ■ Calls Abandoned



Queue KPI:	94.00%	Queue KPI:	96.05%	Queue KPI:	97.90%	Queue KPI:	78.97%
Avg. Speed of Answer	Average Duration	Avg. Speed of Answer	Average Duration	Avg. Speed of Answer	Average Duration	Avg. Speed of Answer	Average Duration
0:03:07	0:16:06	0:01:02	0:11:57	0:00:32	0:09:32	0:05:58	0:14:26



Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2023

TOP REASONS MEMBERS CONTACT MEMBER SERVICES

Member Services Call Center

Member Service Center (Outreach)

1. Retirement Counseling

1. Retirement Counseling Sessions

2. My LACERA

2. Power of Attorney Inquires

3. Previous Service

3. Tax Related Inquiries

Contact Center Email/Secure Message Performance



Emails:

354



Secure Message

837

Est. Response Time (hours)

4:00:00

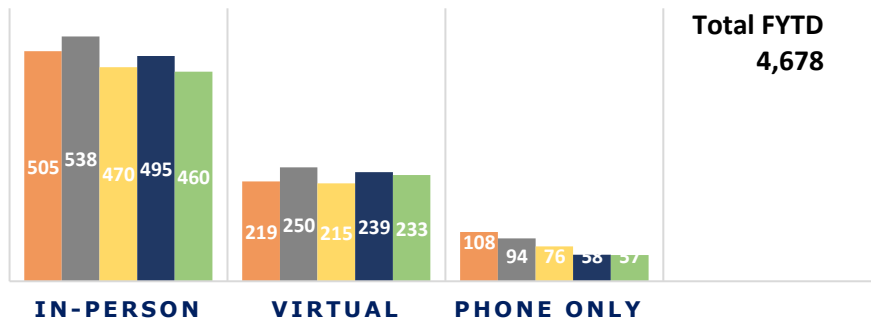
Est. Response Time (hours)

4:00:00

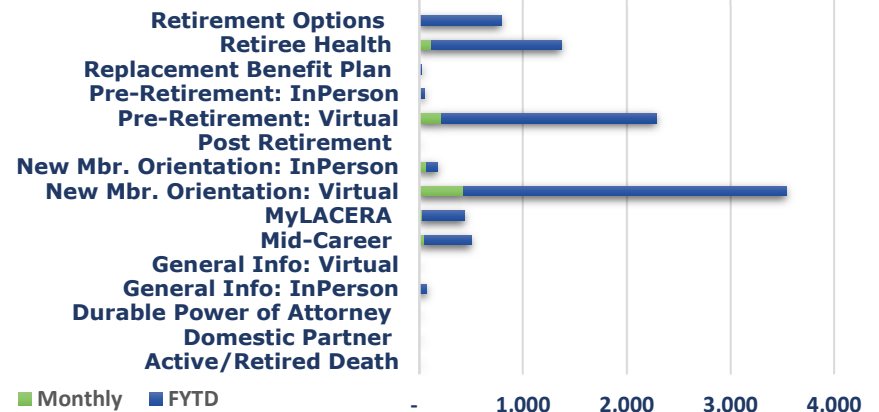
Member Service Center (Outreach)

Member Service Center Appointments

February March April May June



Members Served in Webinars/Workshops



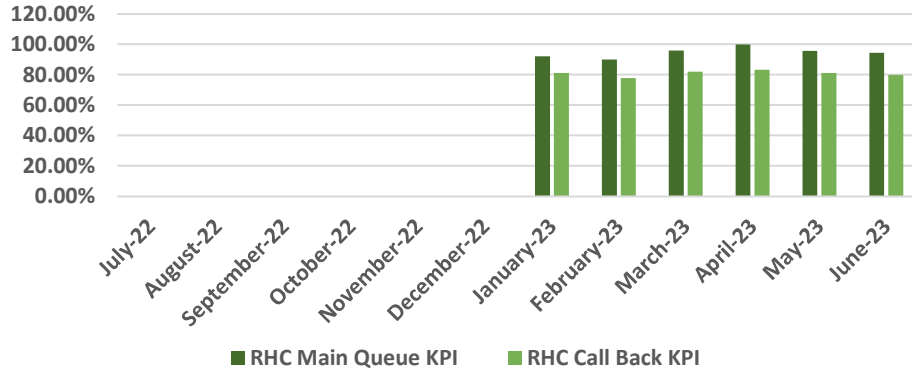
Member Services



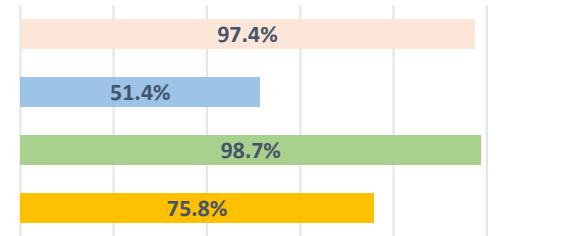
Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2023

RHC Call Center Queue Key Performance Indicator (KPI)



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

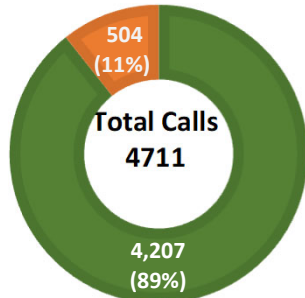


Agent Utilization (Goal:65%)	Grade of Service (Goal: 80% in 60 sec)
After Call Survey (Goal: 90%)	Call Monitoring (Goal: 95%)

Retiree Healthcare

RHC MAIN QUEUE

■ Calls Answered ■ Calls Abandoned

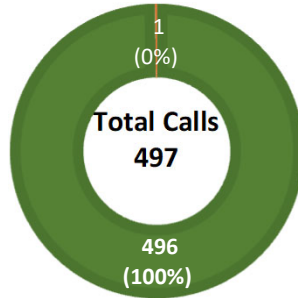


Queue KPI: 94.30%

Avg. Speed of Answer	Average Duration
0:06:30	0:13:17

RHC CALL BACK QUEUE

■ Calls Answered ■ Calls Abandoned



Queue KPI: 79.96%

Avg. Speed of Answer	Average Duration
0:21:39	0:10:06

TOP RHC CALL TOPICS

1. Medical/Dental Enrollments
2. Annual Packet Mailing/Rate Changes
3. General Inquiries

RHC Email/Secure Message Performance



Emails:

333

Est. Response Time (hours)

72:00:00



Secure Message

362

Est. Response Time (hours)

24:00:00

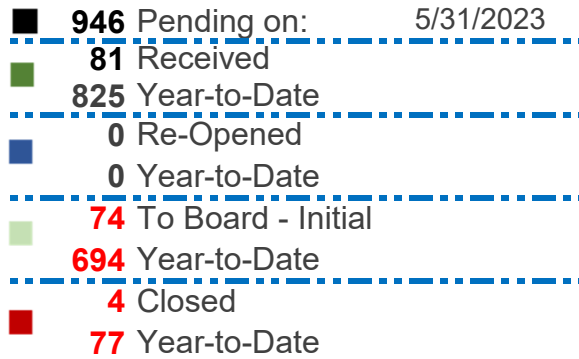


Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2023

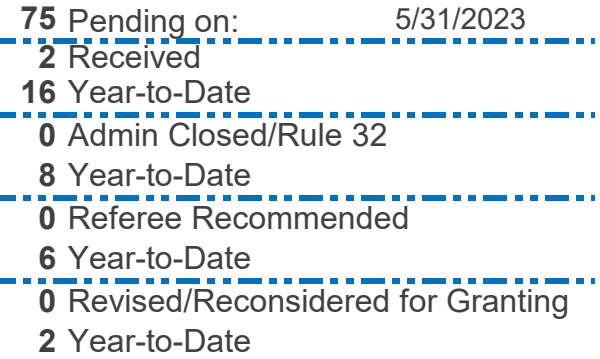
Applications 949

In Process
As Of
6/30/2023



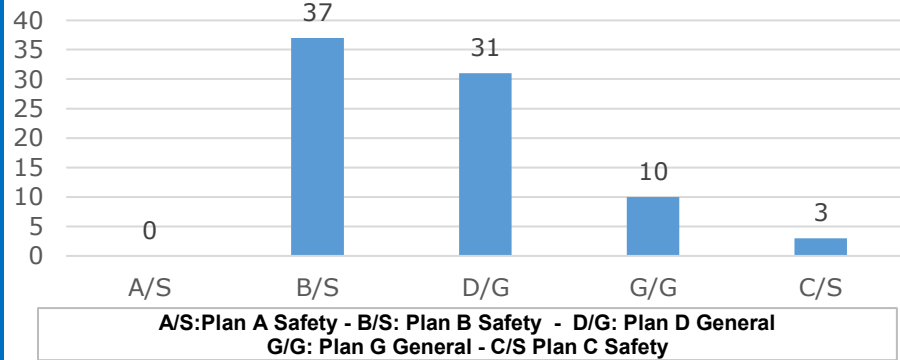
Appeals 77

In Process
As Of
6/30/2023

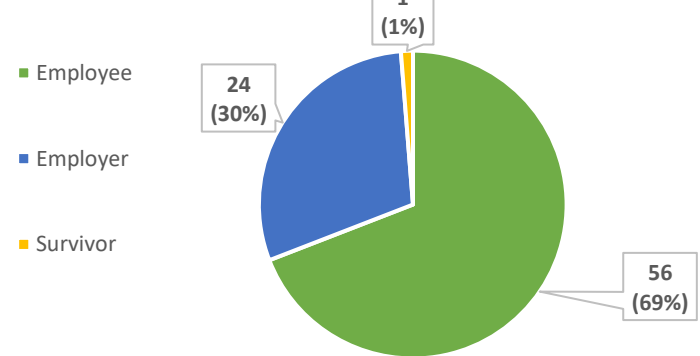


■ Pending: Applications In Process
 ■ Received: New Applications
 ■ Re-Opened: Apps Re-Opened
 ■ To Board: Presented to BOR
 ■ Closed: Incomplete/Withdrawn

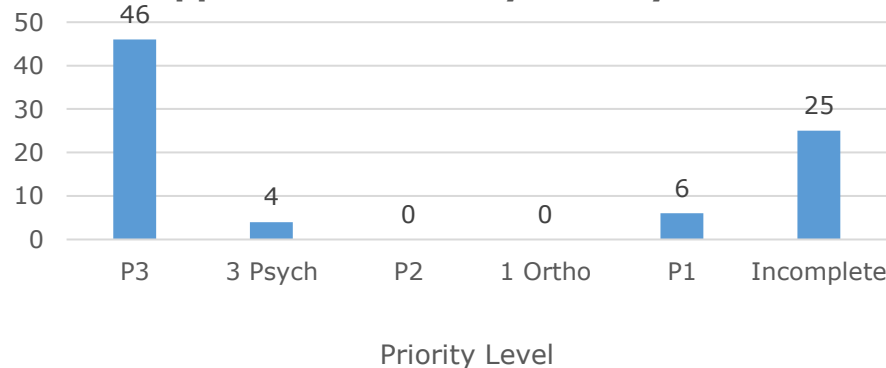
Applications Filed By Plan



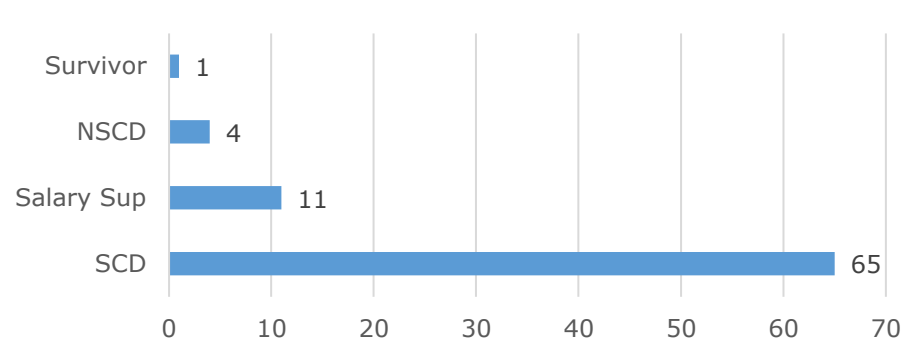
Applications Filed By Source



Applications Filed By Priority Level



Applications Filed By Type



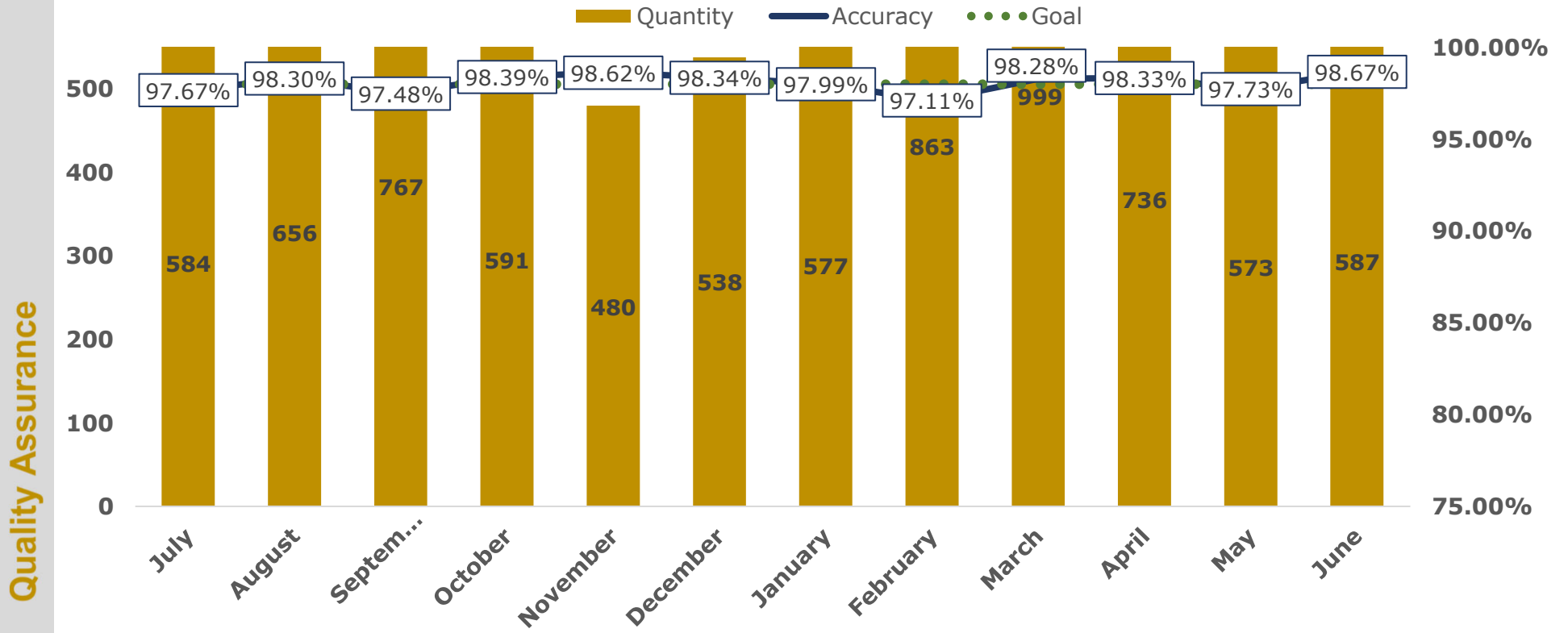
Disability



Striving for Excellence in Quality

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2023

Audits of Retirement Elections, Payment Contracts, & Data Entry Completed by QA (Goal: 98%)



June 2023

98.67%



Retirement Elections

228 Samples
98.84% Accuracy

Payment Contracts

240 Samples
97.87% Accuracy

Data Entry

119 Samples
99.31% Accuracy

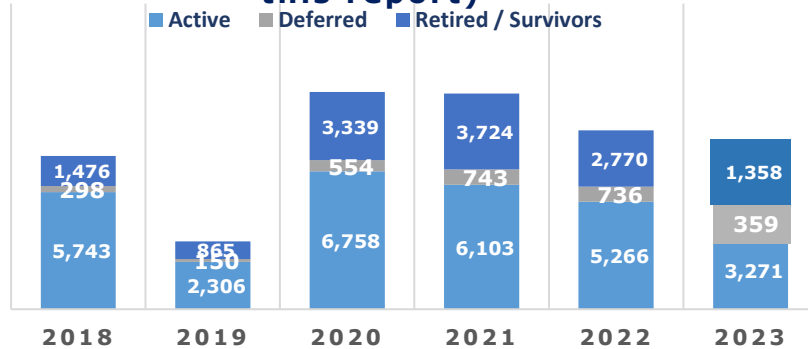


Service On-Line for All

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2023

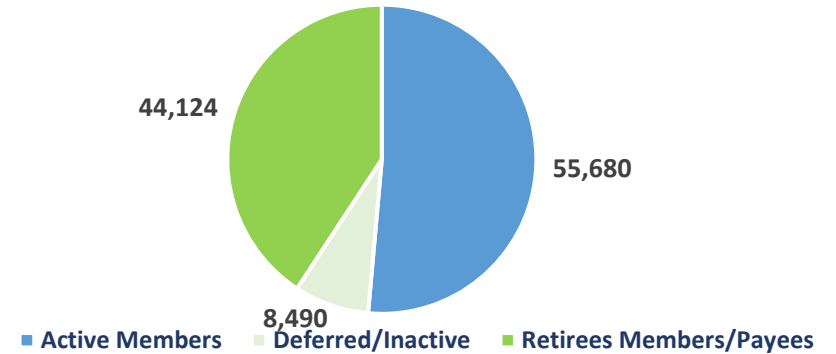
Serving Members Through LACERA.com and MyLACERA

My LACERA Annual Registration (as of the 15th of the month prior to this report)

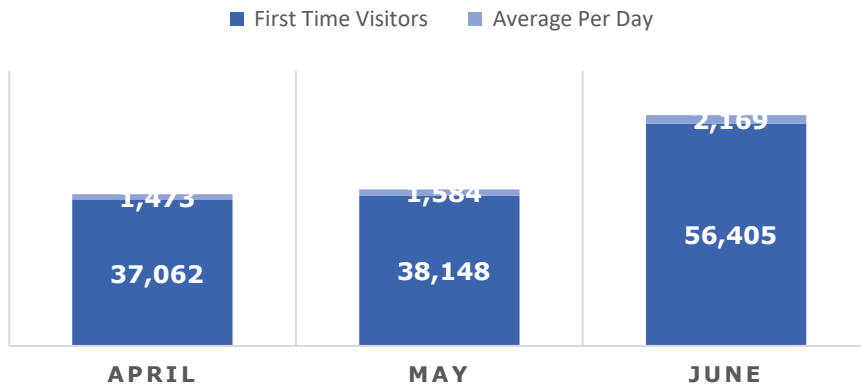


Registered Members / % Total **108,294** **57%**

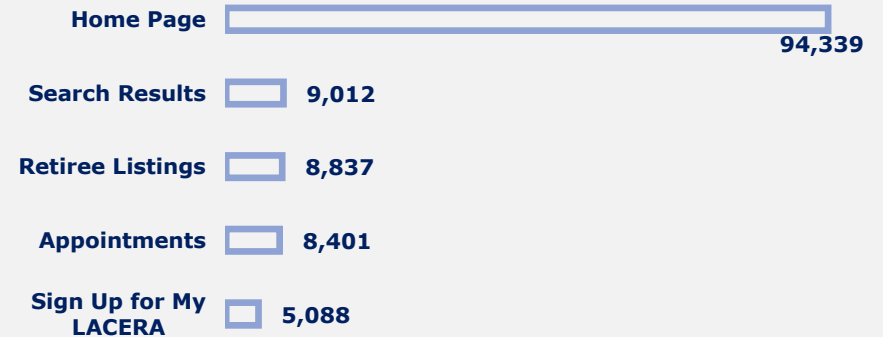
Total Registrations By Member Type



LACERA.com User Traffic



Top Five LACERA.com Page Views



Busiest Day of the Month:

Friday, 6/30/2023

Home Page Tile Views

	Views	% of Change
Board Meetings	4,758	22%
Careers	2,565	2%
Pre-Retirement Workshops	2,587	-3%
Forms & Publications	218	-11%
Investments	1,714	-16%

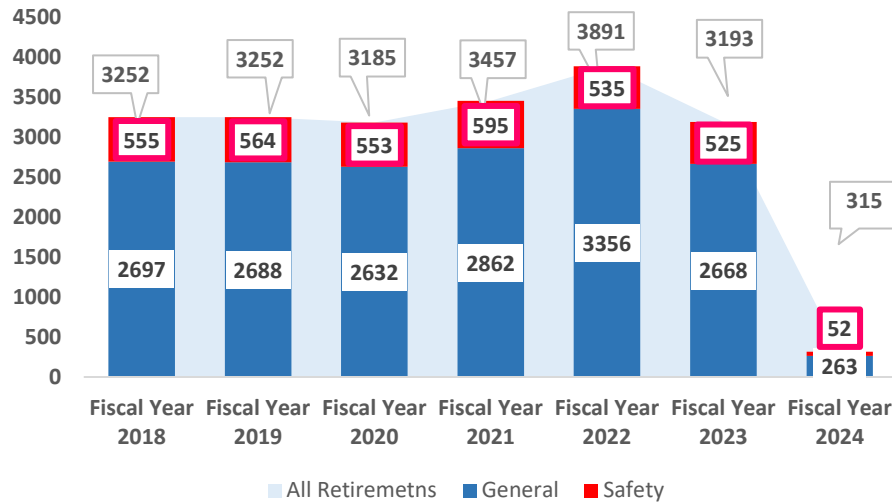


Member Snapshot

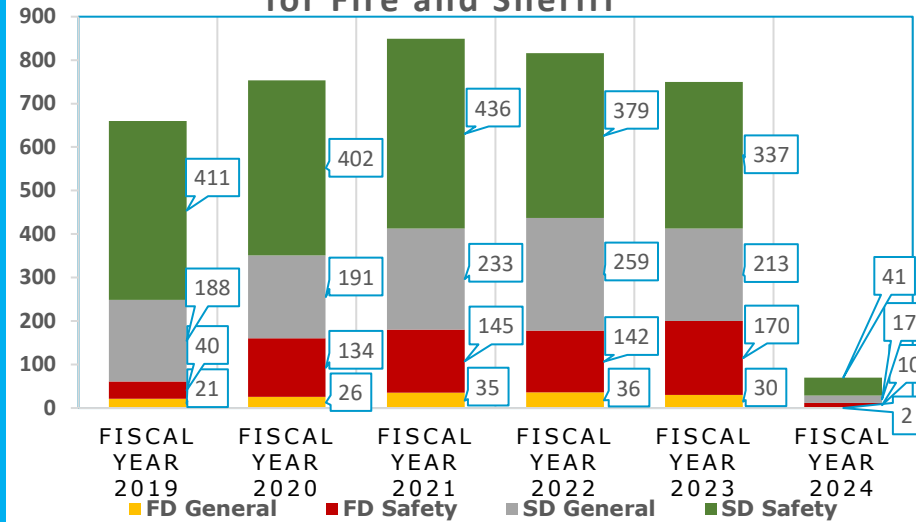
Membership Count as of: July 15, 2023

	PLAN	ACTIVE		INACTIVE		RETIRED				Totals by Plan/Type
		Vested	Non-Vested	Vested	Non-Vested	Service	SCD - Disability	NSCD - Disability	Survivors	
General	PLAN A	49	-	13	32	11,912	954	163	4,054	17,177
	PLAN B	12	-	5	3	569	41	7	73	710
	PLAN C	13	-	5	8	361	39	8	64	498
	PLAN D	33,852	126	4,503	3,310	18,784	1,983	448	1,991	64,997
	PLAN E	12,987	12	2,907	86	15,386	-	-	1,625	33,003
	PLAN G	18,512	18,750	1,619	6,607	252	25	6	22	45,793
	TOTAL GENERAL	65,425	18,888	9,052	10,046	47,264	3,042	632	7,829	162,178
Safety	PLAN A	-	-	2	2	1,831	2,423	26	1,635	5,919
	PLAN B	7,470	75	567	228	3,352	4,537	55	412	16,696
	PLAN C	2,505	2,554	121	516	12	16	-	2	5,726
	TOTAL SAFETY	9,975	2,629	690	746	5,195	6,976	81	2,049	28,341
	TOTAL ALL TYPES	75,400	21,517	9,742	10,792	52,459	10,018	713	9,878	190,519

Total Retirements Compared by Type



General vs. Safety Retirements for Fire and Sheriff





Member Snapshot

Average Monthly Benefit Allowance Distribution 07/22/2023

	General	Safety	Total	%
\$0 to \$3,999	29,967	1,337	31,304	49.6%
\$4,000 to \$7,999	14,725	3,436	18,161	28.8%
\$8,000 to \$11,999	4,358	4,283	8,641	13.7%
\$12,000 to \$15,999	1,244	2,421	3,665	5.8%
\$16,000 to \$19,999	428	544	972	1.5%
\$20,000 to \$23,999	130	154	284	0.4%
\$24,000 to \$27,999	34	51	85	0.1%
> \$28,000	30	8	38	0.1%
Totals	50,916	12,234	63,150	100%

Average Monthly Benefit Amount:

\$ **4,893.00**

Healthcare Program

(Mo. Ending: 06/30/2023)

	Employer	Member
Medical	\$598.3	\$43.7
Dental	\$47.2	\$4.5
Part B	\$92.5	\$0.0
Total	\$738.0	\$48.2

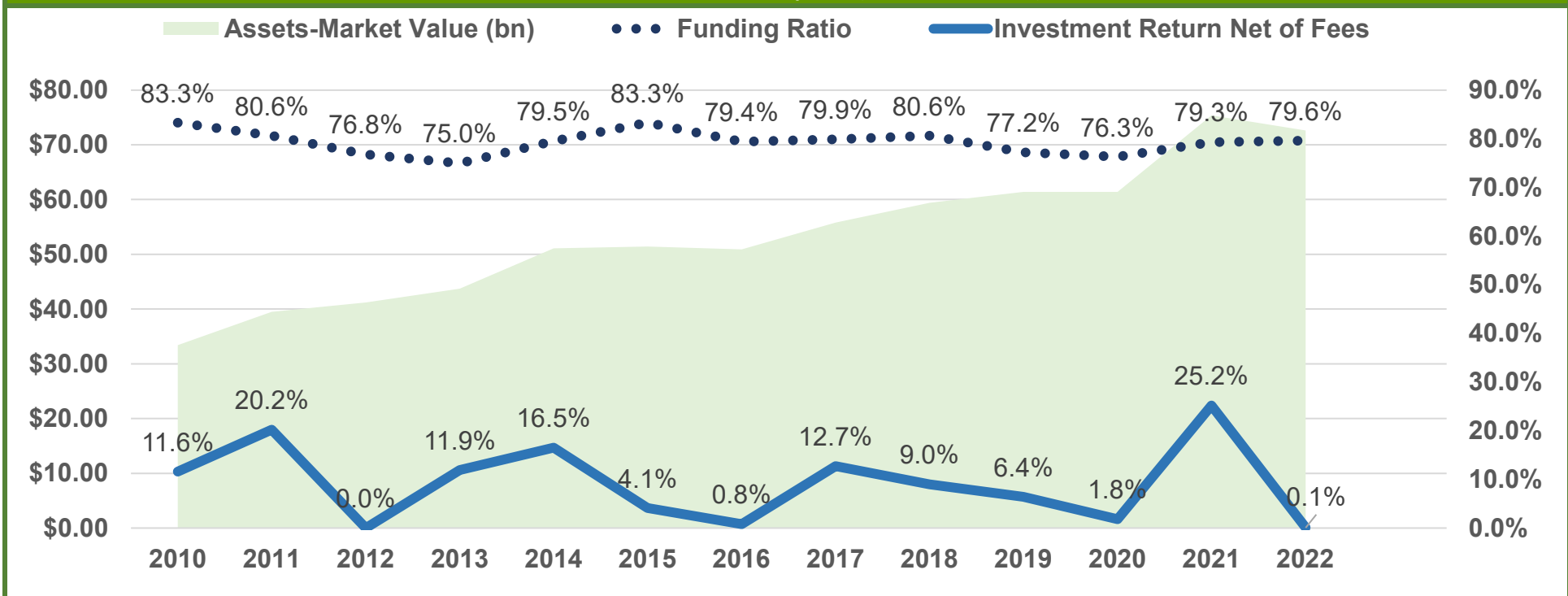
Health Care Enrollments

(Mo. Ending: 06/30/2023)

Medical	55,176
Dental	57,044
Part B	37,864
LTC	496
Total	150,580

KEY FINANCIAL METRICS

Fiscal Year End Financial Update (as of 06/30/2022)





Key Financial Metrics

LACERA

The Los Angeles County Employees Retirement Association
Pension Dollar



10¢
Employee
Contributions

69¢
LACERA
Investment Earnings

21¢
Employer (County)
Contributions

FUNDING METRICS (as of 6/30/22)

Employer NC	11.12%
UAAL	14.72%
Assumed Rate	7.00%
Star Reserve	\$614m
Total Assets	\$70.3b

Contributions (as of 6/30/22)

	Employer	Member
Annual Add	\$2.2b	\$758.6m
% of Payroll	25.84%	8.21%

Investment Returns (as of 6/30/22)

	(Net of Fees)	
5 YR:	8.1%	10 YR: 8.6%

Retired Members Payroll (As of 06/30/2023)

Monthly Payroll	\$371.50m
Payroll YTD	\$4.3b
New Retired Payees Added	301
Seamless %	94.02%
New Seamless Payees Added	4,417
Seamless YTD	96.85%
By Check %	2.00%
By Direct Deposit %	98.00%

RETIREE PAYROLL BY YEAR





QUIET PERIOD LIST
Last Update 07/25/2023

ADMINISTRATIVE/OPERATIONS

Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents*
RFP: Policy Management Solution	Executive Office	2/3/2023	Contract Development	• Compass 365
RFI: Death Audit and Data Cleansing Services	Benefits	4/14/2023	Bid Review	• PBI
RFP: External SOC Auditor	Internal Audit	3/08/2023	Contract Development	• Eide Bailly LLP • Plante Moran • Moss Adams • Clifton Larsen Allen LLP • RSM US LLP • Eisner Amper LLP • Davis Farr LLP • Lazarus Alliance Inc
RFP: Prepaid Debit Card Services	Benefits	6/15/2022 ISD's Website 08/ 2022	Contract Development	• Conduent

*Subject to change



INVESTMENTS

Solicitation Name	Public Release Date	Solicitation Stage*	Bid Respondents *
RFP: Commercial Real Estate Brokers	5/10/2023	Soliciting Process	<ul style="list-style-type: none">• Avison• CBRE Group• Cushman and Wakefield• Eastdil• Higgenbotham• JLL• Newmark
RFP: Real Assets Emerging Manager Program Discretionary Separate Account Manager	1/30/2023	Vendor Selection	<ul style="list-style-type: none">• ACRES Capital• Aether Investment Partners• ORG Portfolio Management• Barings• Belay Investment Group• Encore Enterprises, Inc.• Stable• Cambridge Associates• GCM Grosvenor• The Townsend Group• Cypress Creek Partners• Hamilton Lane Advisors• Neuberger Berman Group• Wafra Inc.• Artemis Real Estate Partners• Hawkeye Partners, LP• BlackRock• Astarte Capital Partners• Bentall Green Oak• Clear Sky Advisers• Clear Investment Group• Poverni Sheikh Group• Trilogy• Stepstone• Oak Street• White Deer

*Subject to change

Date	Conference
August, 2023	
20-22	NCPERS (National Conference on Public Employee Retirement Systems) Public Pension Funding Forum Chicago, IL
21-22	National Association of Corporate Directors (NACD) Master Class (<i>Digital Innovation & Cyber</i>) Laguna Beach, CA
24-25	National Association of Corporate Directors (NACD) Master Class (<i>ESG</i>) Laguna Beach, CA
28-31	CALAPRS (California Association of Public Retirement Systems) Principles of Pension Governance for Trustees Malibu, CA (<i>Pepperdine University</i>)
September, 2023	
11-13	Council of Institutional Investors (CII) Fall Conference Long Beach, CA
October, 2023	
1-4	CRCEA (California Retired County Employees Association) Fall Conference Stockton, CA
1-4	IFEBP (International Foundation of Employment Benefit Plans) Annual Employee Benefits Conference Boston, MA
8-11	National Association of Corporate Directors (NACD) Summit 2023 Fort Washington, MD
16-20	Investment Strategies & Portfolio Management Wharton School, University of Pennsylvania
18-20	PREA (Pension Real Estate Association) Annual Institutional Investor Conference Boston, MA
21-22	NCPERS (National Conference on Public Employee Retirement Systems) 2023 Program for Advanced Trustee Studies (PATS) Las Vegas, NV (<i>held prior to the FALL Conference</i>)
22-25	NCPERS (National Conference on Public Employee Retirement Systems) FALL (Financial, Actuarial, Legislative & Legal) Conference Las Vegas, NV
22-24	Pacific Pension Institute (PPI) Executive Seminar-Japan at a Crossroads Tokyo, Japan

Date	Conference
25-27	Pacific Pension Institute (PPI) Asia Pacific Roundtable Tokyo, Japan
27	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Virtual
November, 2023	
6-7	2023 SuperReturn North America New York, NY
7-9	Institutional Limited Partners Association (ILPA) General Partner Summit New York, NY
7-10	SACRS Fall Conference Rancho Mirage, CA
December, 2023	
1	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Virtual



July 27, 2023

TO: Trustees – Board of Investments

FROM: Dale Johnson *DJ* Investment Officer
John Kim *JK* Investment Officer
Soniah Ginoyan *S.G.* Senior Investment Analyst
Kathryn Ton *KT* Senior Investment Analyst

FOR: August 9, 2023, Board of Investments Meeting

SUBJECT: **PRIVATE MARKET ANALYTICS PLATFORM - REQUEST FOR PROPOSAL**

RECOMMENDATION

Approve the proposed search criteria for a private market analytics platform Request for Proposal (“RFP”).

BACKGROUND

LACERA’s private market asset categories include private equity, illiquid credit, real estate, natural resources and commodities, infrastructure, and diversified hedge funds.¹ In total, these assets account for approximately 44% (or \$32 billion) of the total Fund and 20% (or \$0.6 billion) of the OPEB Master Trust as of June 30, 2023.

The purpose of the search would be to select an analytics provider that has demonstrated experience in delivering private capital portfolio monitoring, performance measurement, and reporting services to help LACERA improve oversight and manage operational risk. The search aims to facilitate monitoring of private market investments, including environmental, social, and governance factors, as available.

Aiming to elevate LACERA’s strategic initiatives, the RFP will be focused on optimizing the current investment model, enhancing operational effectiveness, and maximizing LACERA’s stewardship and ownership rights within its private market portfolio allocation.

The attached deck (**ATTACHMENT**) further details the proposed private market analytics platform RFP search criteria and is compliant with the Procurement Policy for Investment-Related Services.

Attachment

Noted and Reviewed:



Jonathan Gabel
Chief Investment Officer

¹ Natural resources and commodities and infrastructure consist of both public and private investments.

Private Market Analytics Platform - Request for Proposal

Dale Johnson - Investment Officer

John Kim - Investment Officer

Soniah Ginoyan - Senior Investment Analyst

Kathryn Ton - Senior Investment Analyst

Recommendation and Background



Recommendation

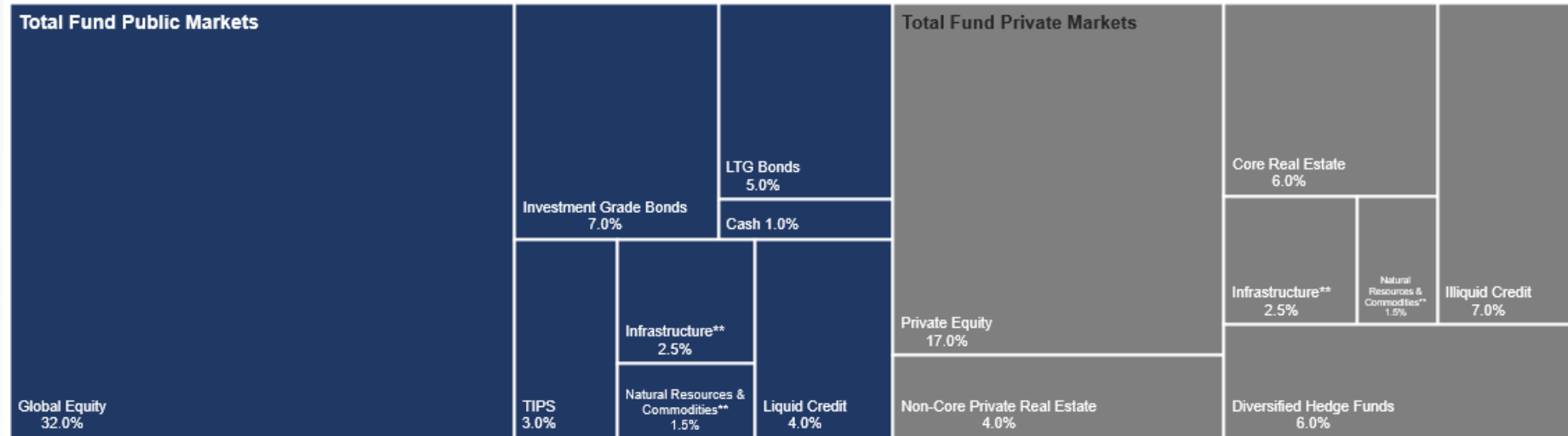
- Approve the proposed search criteria for a private market analytics platform Request for Proposal (“RFP”).

Background

- LACERA’s private market categories consist of private equity, illiquid credit, real estate, natural resources and commodities, infrastructure, and diversified hedge funds.¹
- The proposed search would be to select an analytics provider that has demonstrated experience in delivering private capital portfolio monitoring, performance measurement, and reporting to help LACERA improve oversight and manage operational risk.
- The search aims to facilitate monitoring of private market investments, including environmental, social, and governance (“ESG”) factors, as available.
- The search would elevate several of LACERA’s strategic initiatives.

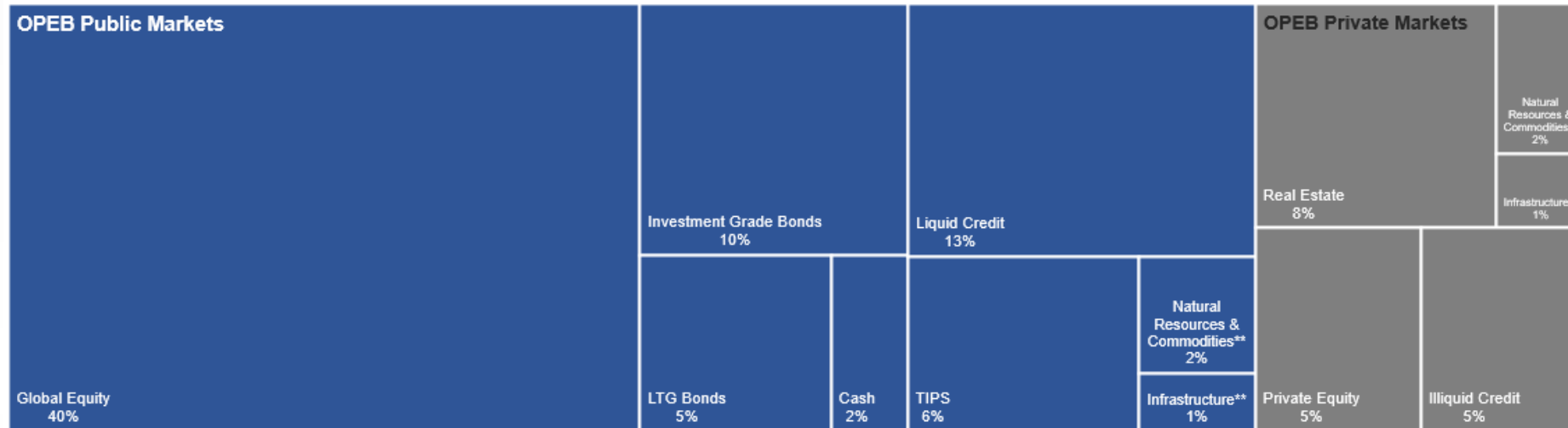
¹ Natural resources and commodities and infrastructure consist of both public and private investments.

Private Markets Allocation*



Top Tree Map

LACERA's private markets is shaded in grey and accounts for approximately 44% (or \$32 billion) of the total Fund.



Bottom Tree Map

OPEB's private markets is shaded in grey and accounts for approximately 21% (or \$0.6 billion) of the Master Trust.

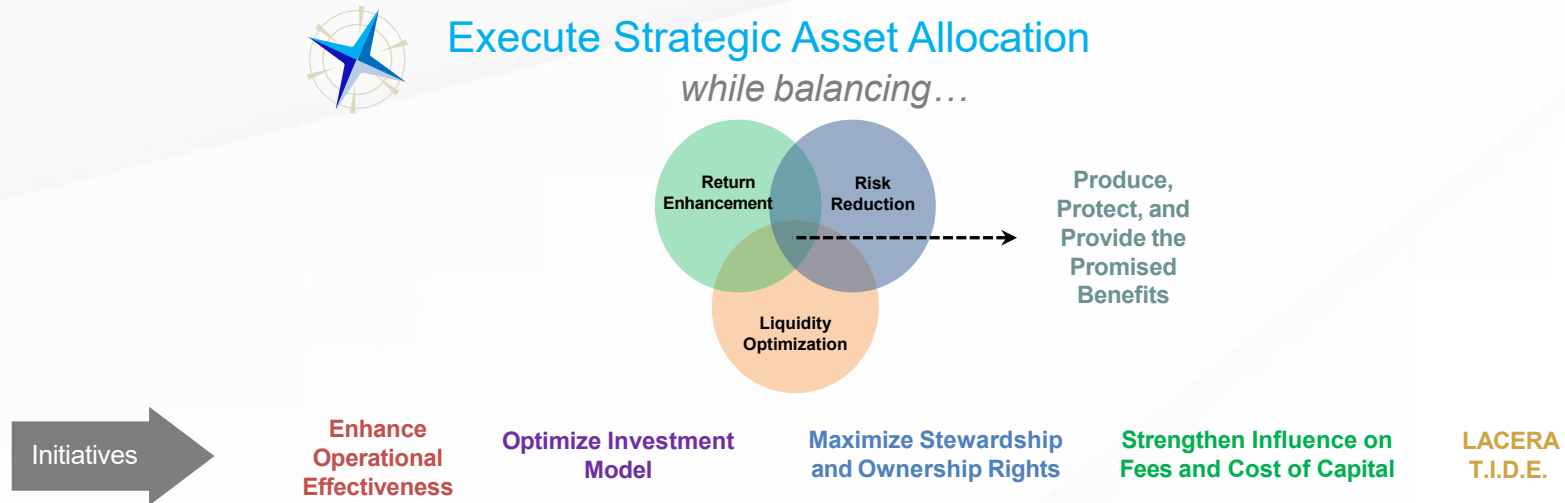
* Percentages shown represent current implementation plan targets as of June 30, 2023.

** Natural Resources & Commodities and Infrastructure consist of both public and private investments.

Strategic Considerations



Strategic Initiatives



Recommendation advances the following initiatives:

Enhance Operational Effectiveness

- Enhanced analytics and reporting.
- Improved asset transparency.
- Improvement of investment and operational due diligence.
- Optimize presentation and quality of information provided to the Board.

Optimize Investment Model

- Harness technology to maximize investment decision-making.
- Further cultivate an investor mindset.
- Enhanced transparency could aid the rebalancing process of private market portfolios.

Maximize Stewardship and Ownership Rights

- Institutionalize consistent ESG due diligence and monitoring across all mandates.
- Expand climate analysis to private markets.



1. Data Collection and Integration

- Gather and integrate monthly and quarterly reporting data from LACERA's fund managers across private markets.
- Reconcile and validate data from various vendors to ensure comparability and consistency.
- Record, classify, and calculate cashflows and commitments at the fund level.
- Collect private market ESG data, metrics, and key performance indicators (“KPIs”) where available and provide tools for modeling and scenario analysis as applicable.

2. Monitoring and Reporting Services

- Provide detailed reports at the manager and portfolio level.
- Deliver monthly and quarterly reports that include benchmarks, measures of return, performance multiples, transaction summaries, and peer comparisons.
- Track and analyze energy transition, climate, and other ESG exposures, data, and metrics over time.
- Create and run custom reports.

Minimum Qualifications



In order to be eligible, responding firms must meet the following Minimum Qualifications (“MQs”):

1. Service provider must have at least five (5) years of history providing portfolio monitoring, performance measurement, and reporting relating to private markets.
2. Must have experience providing a private market analytics system to institutional investors such as pension funds, endowments, or other large asset managers. The proposing firm must have at least five (5) such clients each overseeing assets in excess of \$5 billion.
3. Must include tools for analyzing LACERA’s private markets.
4. Must offer tools to collect and report private market portfolio holdings exposures, data, and metrics related to ESG factors.
5. Must offer technical support services including guidance in the configuration and use of the proposed product.
6. At least one key professional member of the firm assigned to the LACERA account must have a minimum of five (5) years of experience in assisting clients with the implementation of the system.

Evaluation Criteria



Firms that have met the stated MQs will be subject to further evaluations on the following criteria:

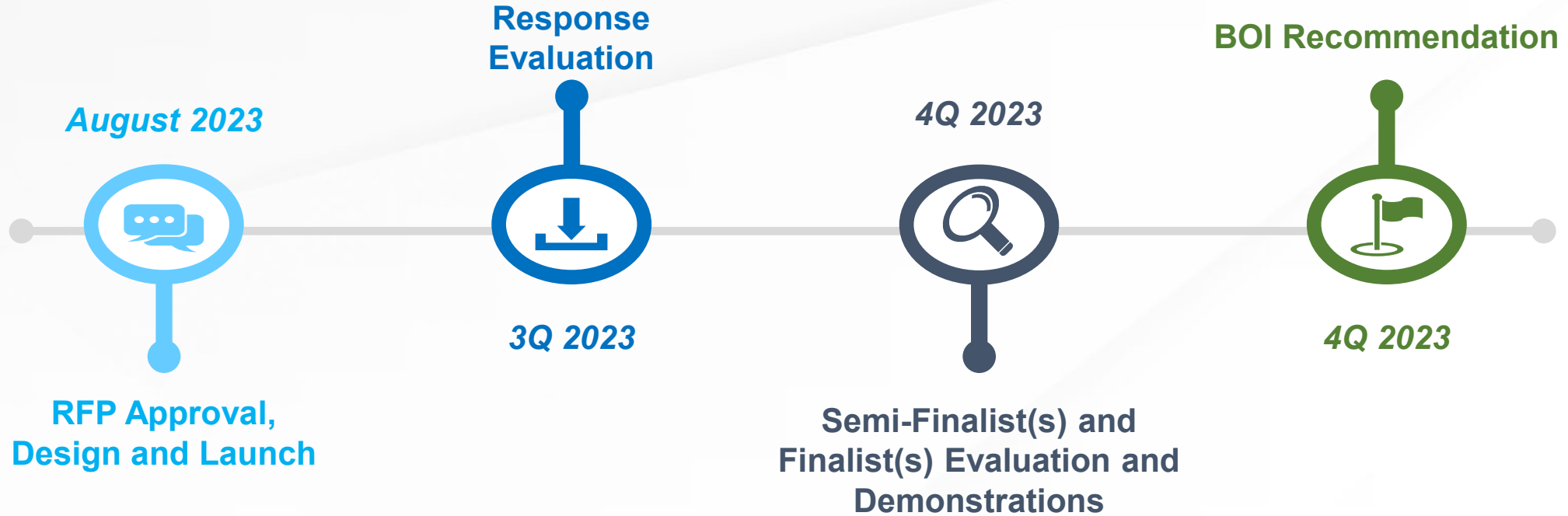
1. Organization and Professional Staff (20%)
2. Operational Process (25%)
3. Portfolio Monitoring and Reporting (25%)
4. ESG & Climate Analytics (20%)
5. Fees (10%)

Evaluation Process



- Proposed **Evaluation Team** includes multiple asset class representatives:
 - Portfolio Analytics, Corporate Governance, Private Equity, Illiquid Credit, Real Assets
- Evaluation Team will conduct the RFP process in **two phases**:
 - Phase I: Evaluation of written responses
 - Phase II: Candidate interviews
- The RFP **selection** will be made by LACERA's Board of Investments ("BOI").
- Final scores, evaluation review, and recommendation will be provided to the BOI.

Search Timeline



Conclusion



Recommendation

- Approve the proposed search criteria for a private market analytics platform RFP.
- The RFP will be to select an analytics provider that has demonstrated experience in providing private capital portfolio monitoring, performance measurement, and reporting.



July 19, 2023

TO: Each Trustee,
Board of Investments

FOR: Board of Investments Meeting of August 9, 2023

SUBJECT: 2023 Investment Diversity Advisory Council (IDAC) Global Summit in Chicago, Illinois on September 19 – 20, 2023

The 2023 Investment Diversity Advisory Council (IDAC) Global Summit will be held in Chicago, Illinois on September 19 – 20, 2023.

The main conference highlights include the following:

- Transparency, Reporting and Accountability – Game Changing Tactics
- The Cohort Collective – Actionable Next Steps
- Diversity, Equity, and Inclusion in the Industry

Following are approximate conference and travel costs:

Registration: \$2,500.00

Hotel: \$279.00 daily rate (plus taxes and fees)

Additional Travel Days: 1 Days

Airfare: \$600.00 - \$2,000.00

Ground Transportation: \$60.00 per day

Per Diem & Incidentals: \$79.00 per day
(The registration fee includes most meals)

Approximate Cost Per Traveler: \$4,500.00- \$6,500.00

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 attendance of Trustees at the 2023 Investment Diversity Advisory Council (IDAC) Global Summit in Chicago, Illinois on September 19 – 20, 2023, and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies.

Attachment

LE



Agenda

*Subject to change

*Please note that all times are listed in Eastern Time.

*All Sessions are located in McCormick Place South Building Level 4.

▼ Tuesday, September 19, 2023

5:00 PM – 7:00 PM

Reception



The William Blair Building

150 North Riverside Plaza Chicago, IL 60606

Join us for a networking reception spotlighting leading programs to help build a diverse talent pipeline, hosted at the offices of William Blair. This is a chance to mingle with fellow IDAC Summit participants, as well as learn about some of the leading organizations in this space, ranging from Rock the Street Wall Street to DIME to an innovative program run by William Blair, Legal & General, and Allstate. Chicago firms – please bring a member of your HR team in addition to conference participants.

➤ Wednesday, September 20, 2023

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Agenda

*Subject to change

*Please note that all times are listed in Eastern Time.

*All Sessions are located in McCormick Place South Building Level 4.

➤ Tuesday, September 19, 2023

▼ Wednesday, September 20, 2023

7:30 AM – 8:30 AM

Breakfast

S-406B

McCormick Place South Building Level 4

8:30 AM – 9:00 AM

Opening - IDAC in action

S-406A

McCormick Place South Building Level 4

9:00 AM – 9:30 AM

General Session

S-406

McCormick Place South Building Level 4



The Case for DEI: Stronger than Ever

This panel will delve into the case for expanding diversity within the asset management industry, offering new datapoints for those furthering this discussion within their own organizations. In recent years, the asset management industry has witnessed a growing recognition of the value and benefits that diverse perspectives bring to investment decision-making. Studies have shown that diverse investment teams outperform homogeneous teams, leading to improved risk management, innovation, and long-term value creation. Despite this, the industry still faces challenges in achieving true diversity across all levels.

The panelists will address the critical issue of fiduciary duty in the context of diversity and inclusion. By examining the potential consequences of disregarding diversity as an investment consideration, we will emphasize the necessity for asset allocators and managers to actively prioritize diverse talent. The discussion will explore strategies and best practices that can be implemented to integrate DEI principles into investment decision-making processes.

9:30 AM – 10:00 AM

General Session



McCormick Place South Building Level 4

Cohort Think-Tanks:

Part 1: Identifying Challenges

Join us for an engaging and collaborative session as we kick off the Cohort Think-Tanks, an integral part of the IDAC conference. This session, titled “Identifying Challenges,” will set the stage for the cohort working groups, providing a high-level discussion on the topics to be tackled and the projected outcomes. We will delve into why these discussions are crucial, the role that each industry cohort can play in moving the needle, and offer a teaser of the workshop ahead. Additionally, each cohort facilitator will provide their unique perspectives, setting the tone for productive and insightful discussions within each cohort.

- **Allocators S-403B**
Explore strategies and best practices aimed at addressing the inequity in assets under management (AUM). Participants will discuss ways to level the playing field and promote access to capital managers ‘outside the box’ – whether that be diverse portfolio management teams or diverse-owned firms.
- **Consultants S-404A**
Examine how consultants can play a pivotal role in encouraging greater DEI within their own organizations and the managers they work with.
- **Diverse-Owned Managers S-404BC**
Focus on the unique challenges faced by diverse-owned managers in accessing and growing capital. Participants will share insights, experiences, and strategies to overcome barriers and promote the advancement of diverse-owned investment firms.
- **Non-Diverse Owned Managers S-404D**
Address the importance of developing and funding diverse talent within non-diverse owned investment firms. Participants will explore

innovative approaches to recruit, retain, and advance underrepresented individuals, ultimately fostering a more inclusive and diverse workforce.

- **Industry Partners S-405A**

Bring together industry partners to discuss effective collaborative strategies for driving DEI initiatives. Participants will explore ways to leverage partnerships, share resources, and create collective impact in promoting diversity, equity, and inclusion throughout the asset management industry.

More Information (<https://www.gaveledge.com/IDA2301/cohort-breakout-sessions-description-part-1>)

10:00 AM – 10:15 AM

Break

10:15 AM – 11:30 AM

Concurrent Working Session

McCormick Place South Building Level 4



Cohort Think-Tanks – Part 2: Devising Solutions

This breakout session delves deeper into finding solutions and devising actionable plans and building on the themes first discussed in Cohort Think Tanks – Part 1. This session, titled “Devising Solutions,” will build upon the discussions in Part 1 and focus on each cohort’s collaboration to identify three top solutions to move the needle by addressing the challenges they are faced with. The top solutions and execution plans devised by each cohort will be presented in a later session, allowing attendees to gain valuable insights and learn from the collective expertise of industry leaders, facilitators, and cohort members

Each cohort will work together to devise innovative solutions that drive progress in their respective areas:

- **Allocators – Facilitator S-403B**

This cohort will devise their top three strategies aimed at addressing the inequity in assets under management (AUM). Participants will discuss ways to level the playing field and promote access to capital managers ‘outside the box’ – whether that be diverse portfolio management teams or diverse-owned firms.

- **Consultants – Facilitator S-404A**

The consultants cohort will focus on developing three top solutions to how consultants can play a pivotal role in encouraging greater DEI within their own organizations and the managers they work with.

- **Diverse-Owned Managers – Facilitator S-404BC**
Diverse-owned managers will collaborate to devise three top solutions to address the challenges they face in accessing and growing capital. By pooling their experiences and insights, this cohort will propose innovative approaches to overcome barriers and create pathways for diverse-owned investment firms.
- **Non-Diverse Owned Managers – Facilitator S-404D**
This cohort will work together to devise three top solutions focused on developing, spinning out and funding diverse talent within non-diverse owned investment firms. They will explore strategies to create inclusive environments, foster diverse talent pipelines, and promote career advancement for underrepresented individuals.
- **Industry Partners – Facilitator S-405A**
The industry partners cohort will collaborate to devise three top solutions centered around effective collaborative strategies. This group will explore ways to leverage partnerships, share resources, and create collective impact in promoting diversity, equity, and inclusion throughout the asset management industry.

More Information (<https://www.gaveledge.com/IDA2301/cohort-breakout-sessions-description-part-2>)

11:30 AM – 11:45 AM

Break

11:45 AM – 12:30 PM

General Session

S-406A

McCormick Place South Building Level 4



Allocators Speak Out – What we are doing to move the DEI needle in the industry.

Join us for an enlightening panel discussion titled “Allocators Speak Out - What We Are Doing to Move the DEI Needle in the Industry” as we explore innovative strategies employed by allocators to promote talent maximization (diversity, equity, and inclusion (DEI)) within the asset management industry. This panel will specifically focus on creative ideas around hiring managers “outside the box,” allowing for diverse perspectives and expanding opportunities for a range of talented investment professionals.

This panel will showcase allocators who have taken bold steps to drive meaningful change by exploring unique approaches to manager selection. These approaches encompass a broad spectrum, from investing in diverse-

owned managers to fostering diverse teams within non-diverse managers, as well as considering teams with shorter track records or AUM thresholds.

More Information (<https://www.gaveledge.com/IDA2301/allocators-speak-out-what-we-are-doing-to-move-the-dei-needle-in-the-industry>)

12:30 PM – 1:45 PM

Lunch

S-406A

McCormick Place South Building Level 4



Case Study in DEI Innovation – Strengthening the Pipeline

Join us for an inspiring panel discussion titled “Case Study in DEI Innovation – Strengthening the Pipeline” as we delve into success stories in our business, with actionable takeaways for all. The objective of this session is for all conference participants to take away at least one new idea for how to build a more inclusive talent pipeline in their own organizations.

More Information (<https://www.gaveledge.com/IDA2301/case-study-in-dei-innovation-strengthening-the-pipeline>)

1:45 PM – 2:30 PM

General Session

S-406A

McCormick Place South Building Level 4



Legislators Speak Out

Join us for a thought-provoking panel discussion that explores legislative pushback to ESG and DEI efforts. We keep the focus on potential solutions – whether that be reframing the issue in terms that everyone can sign on to (for example – “talent maximization”), or ensuring all action taken (on any side) is consistent with a risk/return framework. Speakers will highlight the strategies employed to navigate these challenges, ensuring that IC charters remain robust and resilient in the face of potential headwinds.



More Information (<https://www.gaveledge.com/IDA2301/legislative-action-being-taken-across-states-to-destabilize-efforts-on-esg-and-d-i>)

2:30 PM – 3:00 PM

Transparency, Reporting and Accountability –
Game Changing Tactics



Allocators are becoming increasingly sophisticated about holding managers’ feet to the fire on key DEI issues. Here, some of the best share their ideas and tactics.

3:00 PM – 3:15 PM	Break
3:15 PM – 4:15 PM	<p>The Cohort Collective – Actionable Next Steps </p> <p>S-406A McCormick Place South Building Level 4</p> <p><i>The lead facilitators from Cohort Think-Tanks - Part 2 report back to the broader audience about key items discussed and proposed solutions.</i></p>
4:15 PM – 5:00 PM	<p>General Session </p> <p>S-406A McCormick Place South Building Level 4</p> <p>Consultant Speak Out</p> <p><i>Allocators are relying on their advisors to not just find, but recommend underrepresented, undercapitalized managers at all stages of their growth cycle. What incentives and accountability must be established to ensure consultants incorporate inclusionary practices throughout their organizations, including the people they hire and promote.</i></p>
5:00 PM	Closing

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July 18, 2023

TO: Each Trustee,
Board of Investments

FOR: Board of Investments Meeting of August 9, 2023

SUBJECT: 2023 SuperInvestor International in Zürich, Switzerland on November 14 – 17, 2023

The 2023 SuperInvestor International will be held in Zürich, Switzerland on November 14 – 17, 2023. This conference is dedicated to Private Equity, Fundraising and Venture Capital with a focus on general partners (GPs) / limited partners (LPs) relations. There will be closed-door sessions, interactive Q&A with speakers and dedicated networking breaks providing an opportunity to connect with people in the industry.

The main conference highlights include the following:

- The Debt Secondary Market: An Important Tool in the Hunt for Liquidity?
- The Evolution of AI And the Impact on Private Markets: Overhyped or A Certain Part of our Future?
- Debt for the Buyout Market: Where Will the Capital Come From?

Following are approximate conference and travel costs:

Registration: \$500.00

Hotel: \$350.00 daily rate (plus taxes and fees)

Additional Travel Days: 2 Days

Airfare: \$6,000.00 - \$8,000.00

Ground Transportation: \$60.00 per day

Per Diem & Incidentals: \$210.00 per day
(The registration fee includes most meals)

Approximate Cost Per Traveler: \$10,800.00- \$12,800.00

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 attendance of Trustees at the 2023 SuperInvestor International being held in Zürich, Switzerland on November 14 – 17, 2023, and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies.

Attachment

LE

Registration and welcome coffee

08:30 - 09:10
Networking

Morning Chair's welcome address

09:10 - 09:20
Fundraising Summit

Morning Chair's welcome address

09:10 - 09:20
Impact Summit

Morning Chair's welcome address

09:10 - 09:20
Private Debt Summit

Participants

Anthony Fobel - CEO, Arcmont Asset Management

Morning Chair's welcome address

09:10 - 09:20
Secondaries Summit

The state of the fundraising market: what the numbers say

09:20 - 09:40
Fundraising Summit

Participants

Kelly DePonte - Managing Director, Probitas Partners

Impact investing: the growth of a mainstream asset class?

09:20 - 09:40
Impact Summit

The state of the private debt market: depth, breadth, and future

09:20 - 09:40
Private Debt Summit

The state of the global secondary market: depth, breadth, and future

09:20 - 09:40
Secondaries Summit

Fundraising in the US and Europe: a global phenomenon?

09:40 - 10:20
Fundraising Summit

To what extent is the challenging fundraising environment shared in Europe and the US? Are certain regions being disproportionately affected by the denominator effect? Do perspectives change when you have boots on the ground in different markets – is the grass not always greener across the pond? Is this the end of the one and done fundraise?

Participants

Panellists: Britta Lindhorst - Managing Director - Head of European Investments, HQ Capital

What is true impact investing?

09:40 - 10:20
Impact Summit

What do we mean when we say impact investing; are we talking about being impactful or something more? Are impact managers inherently better at ESG than generalist managers?

Participants

Panellists: Yalin Karadogan - Partner, LeapFrog Investments

A new chapter for private debt: from crisis to opportunity

09:40 - 10:20
Private Debt Summit

As banks continue to retreat, is private lending stepping up? How compelling are current risk-adjusted return projections and are we on the cusp of a very attractive vintage period for private debt? What challenges are testing managers and is disruption leading to opportunity?

Participants

Moderator: Anthony Fobel - CEO, Arcmont Asset Management

Panellists: Vivek Mathew - Head of Asset Management, Antares Capital

Klaus Petersen - Partner, Apera Asset Management

Gregory N. Racz - Co-Founder & President, MGG Investment Group

The evolution of the secondary market: in which direction are we going?

09:40 - 10:20
Secondaries Summit

Against the backdrop of the public and private markets in 2023, where are we seeing the opportunities and innovation in the secondary market? What does the future hold for LP-led and GP-led transactions? What are we waiting for to bring more buyers and sellers together?

Participants

Panellists: Valérie Handal - Managing Director, HarbourVest Partners

Marie-Victoire Rozé - Senior Managing Director, Ardian

Morning coffee and networking break

10:20 - 11:00
Networking

The future of buyouts: what is catalysing the growth of emerging managers and spinouts?

11:00 - 11:40
Fundraising Summit

How are managing standing out within the buyout space and how can LPs assess the different approaches and strategies on offer? What are the opportunities and risks associated with the smaller and larger end of the buyout world?

Participants

Panellists: Kim Pochon - Senior Vice President, Unigestion

Keynote

11:00 - 11:20
Impact Summit

Private debt into 2024: where is value being driven?

11:00 - 11:40
Private Debt Summit

Which strategies will deliver in the current environment? How are managers standing out and showing resilience?

Participants

Panellists: Andreas Klein - Head of Private Debt, Pictet Asset Management

Karen Simeone - Managing Director, HarbourVest Partners

Keynote

11:00 - 11:20
Secondaries Summit

Energy transition: how are funds pivoting to a low-carbon economy?

11:20 - 12:00
Impact Summit

Are managers reinventing the wheel when it comes to energy investing? Are historical oil and gas managers successfully making the switch or is there a loss of credibility? What new teams are emerging in this space? How are energy transition GPs delivering value and impact?

Participants

Panellists: **Nazo Moosa** - Managing Partner, Europe, Energy Impact Partners

LP-leds & GP-leds: what's the right mix?

11:20 - 12:00
Secondaries Summit

To what extent have hybrid firms become overallocated to GP-leds?

Keynote

11:40 - 12:00
Fundraising Summit

Participants

Oliver Gottschalg - Founder & Head of Research, Gottschalg Analytics

Keynote

11:40 - 12:00
Private Debt Summit

Technology as an enabler for fund investments: how can tech help?

12:00 - 12:40
Fundraising Summit

What innovative solutions can reduce inefficiencies and improve LP/GP relations?

The role of private market in combating climate change: the risky realm of the VC or ripe for PE?

12:00 - 12:40
Impact Summit

How are GPs and LPs alike working together to tackle the biggest issues facing our planet? From venture and corporates to private equity and infrastructure, where is the sweet spot for investing in the climate emergency? What risk dynamics are at play and how scalable are opportunities in this space? How can different players within private markets work together to achieve real impact?

Participants

Panellists: **Joana Castro** - Head of Primaries & ESG, Unigestion

Dörte Hirschberg - General Partner, Climentum Capital

From super senior and senior to mezzanine and junior: where to sit in the capital stack?

12:00 - 12:40
Private Debt Summit

To what extent has the rising interest rate environment breathed life into mezzanine strategies? Is senior debt moving over for super senior debt? And what gaps is junior debt filling? Which strategies offer the most compelling case in a shifting market?

Participants

Moderator: **Louis Lavoie** - Managing Director, Crescent Capital

What's the future of the GP-led market: single asset, multi asset or tenders?

12:00 - 12:40
Secondaries Summit

Where is the GP-led market heading? Where are we seeing volume and opportunity?

Participants

Panellists: **Mercedes Fernandez Elias** - Partner and Managing Director, Morgan Stanley Investment Management

Philippe Ferneini - Partner, StepStone Group

Johanna Lottmann - Managing Director, PJT Park Hill

Lunch and networking break

12:40 - 14:00
Networking

LP-only lunch

12:40 - 14:00
LP-only

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

Afternoon Chair's welcome address

14:00 - 14:05
Fundraising Summit

Afternoon Chair's welcome address

14:00 - 14:05
Impact Summit

Afternoon Chair's welcome address

14:00 - 14:05
Private Debt Summit

Afternoon Chair's welcome address

14:00 - 14:05
Secondaries Summit

Fundraising when the going gets tough: stay in your lane or venture off-piste?

14:05 - 14:40
Fundraising Summit

Can managers do anything they put their mind to or did a sense of invincibility lead some managers to bite off more than they could chew? Are managers that stuck to their bread and butter now reaping the rewards? How do LPs view managers that branched out and will their previous good history allow them to save face and succeed in future fundraisings?

Participants

Moderator: **Louis Trincano** - Managing Partner, Cornerstone Fund Placement

Panellists: **Christopher Bär** - Managing Director, MPEP Luxembourg Management S.à r.l.

Impact's missing middle...

14:05 - 14:40
Impact Summit

With mega funds and emerging funds, to what extent does impact investing lack a middle layer? With so much capital being allocated towards impact, where is it destined to go? Are emerging managers too risky for LPs?

Participants

Moderator: Jim Roth - Founder & Managing Partner, Zamo Capital

Beyond direct lending: distressed, special sits, opportunistic and asset-backed

14:05 - 14:40
Private Debt Summit

What are savvy investors looking to do at the margins of their portfolio? How are pockets of dislocation leading to opportunities outside of more mainstream strategies? Which assets make the most sense to lend against in today's market? Will distressed investing find its window of opportunity?

The LP perspective on continuation funds: are LPs getting backed into a corner?

14:05 - 14:40
Secondaries Summit

Roll or sell: what factors are LPs having to weigh up? Are LPs being given enough time and fair terms? What are the time and cost implications on internal processes? Are there benefits to investing in continuation vehicles outside of your portfolio or are you just further increasing your fees?

Participants

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

Regulation and compliance: doing more with less

14:40 - 15:15
Fundraising Summit

With regulators ramping up activities in the US and Europe, how are firms resourcing these activities? What are the long-term implications of Brexit on key regulatory issues? How can US and UK managers access EU pools of capital; what pathways exist and is a European presence necessary or just helpful?

Participants

Panellists: Dana Al-Awami - Legal Counsel, Adams Street Partners

When impact goes wrong: the increase in regulation and litigation

14:40 - 15:15
Impact Summit

Have we stopped marking our own homework when it comes to impact reporting? With significant reputational risk, what can LPs and GPs alike look out for to avoid getting into trouble?

LP perspectives on private debt: building a diversified portfolio

14:40 - 15:15
Private Debt Summit

What factors are LPs considering when weighing up where and when to invest within private debt?

Participants

Moderator: Gabriella Kindert - Supervisory Board Member, EstateGuru, Neptune Leasing ao

Panellists: Hans-Jörg Baumann - Partner, StepStone Group

Lucas Pech - Director, Golding Capital Partners

Brian Olvany - Head of Private Debt, Zurich Insurance Group

LP-leds: whose market is it?

14:40 - 15:15
Secondaries Summit

Are we starting to see deals at volume, or do we still not have the right discounts? How quickly are transactions closing and what can we expect for 2024?

Participants

Moderator: Joaquín Alexandre Ruiz Tarré - Head of Secondaries, European Investment Fund (EIF)

Panellists: Cari Lodge - Managing Director, Head of Secondaries, CF Private Equity

Afternoon refreshments and networking break

15:15 - 15:50
Networking

Hosted roundtables

15:15 - 15:50
Hosted roundtables

Join one of four topic-focused roundtables. Spaces are first-come, first-served.

1: **Late primary investments:** how do terms compare?

2: **Impact due diligence:** where to start?

3: **A diversified debt portfolio:** where to look beyond direct lending?

4: **Continuation funds:** can alignment be achieved?

Diversifying your LP base: avoiding customer concentration

15:50 - 16:25
Fundraising Summit

Are LPs truly the customer of GPs? How does diversifying your LP base by type and geo strengthen your position?

Participants

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

LP perspectives: is there really a trade off on returns when seeking impact?

15:50 - 16:25
Impact Summit

How do LP perspectives differ based on type and geography? Where do your fiduciary duties lie and what are LPs end goals? Can real lasting impact be achieved alongside real returns or is the jury still out?

With purpose but without control: ESG and impact within private debt

15:50 - 16:25
Private Debt Summit

How can different managers fulfil the needs of different LPs – are we still missing a harmonised approach to reporting and collecting information? What steps are managers taking to ensure they are adhering to ESG and sustainability requirements when they lack control?

Fund and GP financing: how does the world of fund financing play into the secondary market?

15:50 - 16:25

Secondaries Summit

A look at GP commitments, leverage, NAV, hybrid and more; how is fund financing used to plug equity gaps and boost returns? To what extent is fund financing becoming increasingly relevant for secondary transactions and for buyers to get to grips with?

Fundraising in 2024: the currency of trust

16:25 - 17:00

Fundraising Summit

Back to basics: have we forgotten that investors are looking to invest with people they trust? Have transparency and ethics got lost along the way in a frenzied fundraising environment? To what extent is trust an essential currency, just as important as team and track record?

Participants

Moderator: Erin Sarret - Head of Investor Relations, RAISE

Panellists: Cristina Alcaide - Managing Director, Head of Private Equity, Cara Advisory (UK) Limited

Making sense of a crowded landscape: performing due diligence on impact funds

16:25 - 17:00

Impact Summit

How can LPs know who is the real deal when it comes to impact funds? With so many entering the market, how can impact managers set themselves apart?

Participants

Panellists: Susie Yasue - Associate Director - Private Equity, WTW

The debt secondary market: an important tool in the hunt for liquidity?

16:25 - 17:00

Private Debt Summit

To what extent can the secondary market give investors the chance to reorient themselves and adapt their portfolios to face a changing and turbulent environment? Are more investors turning to this strategy?

This session brings the Private Debt Summit and the Secondaries Summit attendees together for the closing panel (taking place in the Private Debt Summit – Convention Hall, Section B)

The debt secondary market: an important tool in the hunt for liquidity?

16:25 - 17:00

Secondaries Summit

To what extent can the secondary market give investors the chance to reorient themselves and adapt their portfolios to face a changing and turbulent environment? Are more investors turning to this strategy?

This session brings the Private Debt Summit and the Secondaries Summit attendees together for the closing panel (taking place in the Private Debt Summit – Convention Hall, Section B)

Chair's closing remarks

17:00 - 17:05

Fundraising Summit

End of the Fundraising Summit

Chair's closing remarks

17:00 - 17:05

Impact Summit

End of the Impact Summit

Chair's closing remarks

17:00 - 17:05

Private Debt Summit

End of the Private Debt & Secondaries Summits

Chair's closing remarks

17:00 - 17:05

Secondaries Summit

End of the Private Debt & Secondaries Summits

Networking drinks reception

17:05 - 19:00

Networking

SCHEDULE

SUMMIT DAY - 14/11/2023

SuperInvestor

14 - 17 November 2023

Hyatt Regency Zurich Airport The Circle & The Circle Convention Center
Zurich

TIME	NETWORKING	FUNDRAISING SUMMIT	IMPACT SUMMIT	PRIVATE DEBT SUMMIT	SECONDARIES SUMMIT	LP-ONLY	HOSTED ROUNDTABLES
08:00	08:30 - Registration and welcome coffee						
09:00		<p>09:10 - Morning Chair's welcome address</p> <p>09:20 - The state of the fundraising market: what the numbers say</p> <p>09:40 - Fundraising in the US and Europe: a global phenomenon?</p>	<p>09:10 - Morning Chair's welcome address</p> <p>09:20 - Impact investing: the growth of a main-stream asset class?</p> <p>09:40 - What is true impact investing?</p>	<p>09:10 - Morning Chair's welcome address</p> <p>09:20 - The state of the private debt market: depth, breadth, and future</p> <p>09:40 - A new chapter for private debt: from crisis to opportunity</p>	<p>09:10 - Morning Chair's welcome address</p> <p>09:20 - The state of the global secondary market: depth, breadth, and future</p> <p>09:40 - The evolution of the secondary market: in which direction are we going?</p>		
10:00	10:20 - Morning coffee and networking break						
11:00		<p>11:00 - The future of buy-outs: what is catalysing the growth of emerging managers and spinouts?</p> <p>11:40 - Keynote</p>	<p>11:00 - Keynote</p> <p>11:20 - Energy transition: how are funds pivoting to a low-carbon economy?</p>	<p>11:00 - Private debt into 2024: where is value being driven?</p> <p>11:40 - Keynote</p>	<p>11:00 - Keynote</p> <p>11:20 - LP-leds & GP-leds: what's the right mix?</p>		
12:00	12:40 - Lunch and networking break	<p>12:00 - Technology as an enabler for fund investments: how can tech help?</p>	<p>12:00 - The role of private market in combating climate change: the risky realm of the VC or ripe for PE?</p>	<p>12:00 - From super senior and senior to mezzanine and junior: where to sit in the capital stack?</p>	<p>12:00 - What's the future of the GP-led market: single asset, multi asset or tenders?</p>	12:40 - LP-only lunch	

SCHEDULE

SUMMIT DAY - 14/11/2023

SuperInvestor

14 - 17 November 2023

Hyatt Regency Zurich Airport The Circle & The Circle Convention Center
Zurich

TIME	NETWORKING	FUNDRAISING SUMMIT	IMPACT SUMMIT	PRIVATE DEBT SUMMIT	SECONDARIES SUMMIT	LP-ONLY	HOSTED ROUNDTABLES
14:00		<p>14:00 - Afternoon Chair's welcome address</p> <p>14:05 - Fundraising when the going gets tough: stay in your lane or venture off-piste?</p> <p>14:40 - Regulation and compliance: doing more with less</p>	<p>14:00 - Afternoon Chair's welcome address</p> <p>14:05 - Impact's missing middle...</p> <p>14:40 - When impact goes wrong: the increase in regulation and litigation</p>	<p>14:00 - Afternoon Chair's welcome address</p> <p>14:05 - Beyond direct lending: distressed, special sits, opportunistic and asset-backed</p> <p>14:40 - LP perspectives on private debt: building a diversified portfolio</p>	<p>14:00 - Afternoon Chair's welcome address</p> <p>14:05 - The LP perspective on continuation funds: are LPs getting backed into a corner?</p> <p>14:40 - LP-leds: whose market is it?</p>		
15:00	<p>15:15 - Afternoon refreshments and networking break</p>	<p>15:50 - Diversifying your LP base: avoiding customer concentration</p>	<p>15:50 - LP perspectives: is there really a trade off on returns when seeking impact?</p>	<p>15:50 - With purpose but without control: ESG and impact within private debt</p>	<p>15:50 - Fund and GP financing: how does the world of fund financing play into the secondary market?</p>		<p>15:15 - Hosted roundtables</p>
16:00		<p>16:25 - Fundraising in 2024: the currency of trust</p>	<p>16:25 - Making sense of a crowded landscape: performing due diligence on impact funds</p>	<p>16:25 - The debt secondary market: an important tool in the hunt for liquidity?</p>	<p>16:25 - The debt secondary market: an important tool in the hunt for liquidity?</p>		
17:00	<p>17:05 - Networking drinks reception</p>	<p>17:00 - Chair's closing remarks</p>	<p>17:00 - Chair's closing remarks</p>	<p>17:00 - Chair's closing remarks</p>	<p>17:00 - Chair's closing remarks</p>		

Registration and welcome coffee

08:15 - 09:00
Networking

Morning Chair's welcome address

09:00 - 09:05
Main Conference Day One

Making sense of the macro: 2024 and beyond

09:05 - 09:35
Main Conference Day One

Testing the endurance and strength of private markets: uncharted territory or a familiar normal?

09:35 - 10:10
Main Conference Day One

What lessons learned from the dot-com crash and the GFC are investors applying to today's reality? What new challenges are ahead and what opportunities are on the horizon? Will this current vintage be one of the best yet?

Participants

Panellists: Sean Connor - President, Global Private Wealth, Blue Owl Capital

Keynote

10:10 - 10:30
Main Conference Day One

Morning coffee and networking break

10:30 - 11:00
Networking

Keynote

11:00 - 11:20
Main Conference Day One

Treasury management: when theoretical risks become real

11:00 - 11:55
Discussion groups

When you're holding cash for your clients where does the responsibility lie? What was being done to address these risks before the recent crises? What more should we be doing?

Run under the Chatham House Rule and closed to press.

The real value creators: how are GPs improving performance and driving alpha?

11:20 - 11:55
Main Conference Day One

How important is value creation in today's environment; are the days of riding the waves of success behind us? How are GPs harnessing data to influence value creation? And how can LPs find GPs with the right skillset to truly transform companies?

Participants

Panellists: Merrick McKay - Head of Private Equity Europe, abrdn

Keynote

11:55 - 12:15
Main Conference Day One

The evolution of AI and the impact on private markets: overhyped or a certain part of our future?

11:55 - 12:50
Discussion groups

How can AI be used as a useful tool within private markets and beyond? On the flipside, what are some potential unintended consequences that the industry will need to handle?

LP asset allocations: investing for the long-term

12:15 - 12:50
Main Conference Day One

As we look back on 2023 and ahead to 204, are LPs in wait and see mode? How are LPs managing re-ups and new commitments? What are LPs return expectations for recent and current vintages? And how is the denominator effect still being felt?

Participants

Moderator: Rune Munk - Partner, Collier Capital

Panellists: Imogen Richards - Partner, Pantheon

Lunch and networking break

12:50 - 14:00
Networking

Afternoon Chair's welcome address

14:00 - 14:05
Main Conference Day One

Blockchain 101: where to start?

14:00 - 15:00
Discussion groups

How can investors get the lay of the land when it comes to blockchain technology?

Run under the Chatham House Rule and closed to press.

Participants

Chair: Marc de Kloe - Partner, Theta Capital Management

Finding resiliency into 2024: which sectors are we doubling down on?

14:05 - 14:40
Main Conference Day One

From AI and cybersecurity to healthcare and financial services, which sectors will benefit from long-term tailwinds? How are LPs weighing up generalist and sector-specific managers? Are there certain sectors that LPs like to see in portfolios, particularly in times of uncertainty?

Participants

Panellists: Michael Lindauer - Managing Director, Global Head of Private Equity, Allianz Capital Partners GmbH

From 'greenwashing' to 'greenhushing': the end of an era?

14:40 - 15:15

Main Conference Day One

To what extent does the advent of 'greenhushing' signify an end to 'greenwashing'? What are the end goals of ESG professionals – does true success mean the ESG role will become redundant? Will that mean that ESG has truly become mainstream?

Participants

Moderator: Joana Castro - Head of Primaries & ESG, Unigestion

Panellists: Cornelia Gomez - Global Head of ESG and Sustainability, General Atlantic

Afternoon refreshments and networking break

15:15 - 15:50

Networking

LP/GP alignment in uncertain times: is the pendulum still swinging?

15:50 - 16:25

Main Conference Day One

As buyers, sellers and lenders alike all face up to the uncertainty of our reality, to what extent does it feel like we're all in this together? Or do challenging times foster worsening LP/GP relations? Is it easier to be transparent when everything is rosy?

Participants

Moderator: Joe Topley - Managing Director, Ontario Teachers' Pension Plan

Panellists: Geoffrey Geiger - Head of Private Equity Funds & Co-investments, USS Investment Management

María Sanz García - Partner, YIELCO Investments

ESG & DEI: sharing experiences and best practice

15:50 - 16:50

LP-only

What are we, as LPs, asking of our GPs when it comes to ESG and DEI? Is there hope of a harmonised approach?

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

Has co-investment had its heyday?

16:25 - 17:00

Main Conference Day One

Is co-investment appetite starting to wane or is it strong than ever? How do you get beyond adverse selection and how do you get access to proprietary co-investment opportunities?

Participants

Panellists: Andrew Brown - Head of Private Equity Research, WTW

Christiaan de Lint - Partner, Headway Capital Partners

Chair's closing remarks

17:00 - 17:05

Main Conference Day One

Networking drinks reception

17:05 - 19:00

Networking

SCHEDULE

MAIN CONFERENCE DAY ONE - 15/11/2023

SuperInvestor

14 - 17 November 2023

Hyatt Regency Zurich Airport The Circle & The Circle Convention Center
Zurich

TIME	NETWORKING	MAIN CONFERENCE DAY ONE	DISCUSSION GROUPS	LP-ONLY
08:00	08:15 - Registration and welcome coffee			
09:00		09:00 - Morning Chair's welcome address 09:05 - Making sense of the macro: 2024 and beyond 09:35 - Testing the endurance and strength of private markets: unchartered territory or a familiar normal?		
10:00	10:30 - Morning coffee and networking break	10:10 - Keynote		
11:00		11:00 - Keynote 11:20 - The real value creators: how are GPs improving performance and driving alpha? 11:55 - Keynote	11:00 - Treasury management: when theoretical risks become real 11:55 - The evolution of AI and the impact on private markets: overhyped or a certain part of our future?	
12:00	12:50 - Lunch and networking break	12:15 - LP asset allocations: investing for the long-term		
14:00		14:00 - Afternoon Chair's welcome address 14:05 - Finding resiliency into 2024: which sectors are we doubling down on? 14:40 - From 'greenwashing' to 'greenhushing': the end of an era?	14:00 - Blockchain 101: where to start?	
15:00	15:15 - Afternoon refreshments and networking break	15:50 - LP/GP alignment in uncertain times: is the pendulum still swinging?		15:50 - ESG & DEI: sharing experiences and best practice
16:00		16:25 - Has co-investment had its heyday?		

SCHEDULE

MAIN CONFERENCE DAY ONE - 15/11/2023

SuperInvestor

14 - 17 November 2023

Hyatt Regency Zurich Airport The Circle & The Circle Convention Center
Zurich

TIME	NETWORKING	MAIN CONFERENCE DAY ONE	DISCUSSION GROUPS	LP-ONLY
17:00	17:05 - Networking drinks reception	17:00 - Chair's closing remarks		

Welcome coffee

08:45 - 09:30
Networking

Morning Chair's welcome address

09:30 - 09:35
Main Conference Day Two

Who's surviving and thriving: rise of the niche specialist or the all-encompassing power houses?

09:35 - 10:10
Main Conference Day Two

Will the bifurcation between platforms and specialists continue? How are managers successfully transitioning and adding new strategies and when should a manager simply stay in their lane?

Participants

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

Keynote

10:10 - 10:30
Main Conference Day Two

The rise of the mid-market: is the mid-market going up-market?

10:30 - 11:05
Main Conference Day Two

With the large cap world reliant on capital markets for exits, is now the time for the mid-market to thrive? How is the definition of the mid-market evolving?

Participants

Panellists: Lindsey McMurray - Managing Partner, Pollen Street Capital

Due diligence and manager selection: finding star performers

10:30 - 11:05
LP-only

Is it now becoming easier to separate the great from the good or is the jury still out?

Participants

Chair: Julius Bachmann - Executive Coach, Bachmann Coaching

Discussion leaders: Jörg Goschin - Co-CEO and Senior Managing Director, KfW Capital

Morning coffee and networking break

11:05 - 11:35
Networking

Keynote

11:35 - 11:55
Main Conference Day Two

Topic TBC

11:35 - 12:20
Discussion groups

Run under the Chatham House Rule and closed to press.

Debt for the buyout market: where will the capital come from?

11:55 - 12:30
Main Conference Day Two

With banks under stress, will private debt increasingly fill the gap?

Keynote

12:30 - 12:50
Main Conference Day Two

Lunch and networking break

12:50 - 14:00
Main Conference Day Two

Women in private markets networking lunch (email abbie.cooper@informa.com to enquire)

12:50 - 14:00
Women in private markets lunch

Spaces are limited and only open to those who have pre-registered – to enquire please email abbie.cooper@informa.com.

Afternoon Chair's welcome address

14:00 - 14:05
Main Conference Day Two

Mediation and organisational consultancy: something for your toolbox?

14:00 - 15:00
Discussion groups

How can focusing on people, culture and relationships help you thrive?

Run under the Chatham House Rule and closed to press.

DEI within private markets: are LPs driving change?

14:05 - 14:40
Main Conference Day Two

What are LPs' expectations when it comes to measuring DEI at fund and portfolio level? To what extent is DEI being driven from the top down?

Participants

Moderator: Mrinalini Lhila - Managing Director, Thomas Capital Group

Valuations: are our collective heads in the sand?

14:40 - 15:15
Main Conference Day Two

To what extent are current valuations realistic? Are we as an industry complicit in providing unrealistic valuations and where are the incentives for marking down? How are auditors and valuers viewing valuations?

Participants

Panellists: Mitesh Pabari - Principal, Fund Investments, Hamilton Lane

Jessica Sellam - Managing Director, Head of Private Assets (France, Belgium & Monaco), Rothschild & Co Wealth Management

Afternoon refreshments and networking break

15:15 - 15:50
Networking

Venture capital: what's different today from 2000?

15:50 - 16:25

Main Conference Day Two

What is the state of the VC market today? As VC has grown significantly, are we in a materially different situation to the dot-com era? Are we heading into a period of write-downs, and will companies have enough funding to stay afloat?

Participants

Panellists: Catherine Lewis La Torre - CEO, British Patient Capital

Thomas Kristensen - Partner, LGT Capital Partners

Article 8 & 9: will this drive us forward?

15:50 - 16:50

Discussion groups

Are regulatory labels the best way to drive value and impact within private markets? How high are these hurdles and what progress is being made?

Run under the Chatham House Rule and closed to press.

Participants

Chair: Peter Flynn - Director, Candela Capital

Discussion leaders: Stephan Breban - CEO, Giants' Shoulders Capital

Spotlight on Switzerland: how is the local market evolving?

16:25 - 17:00

Main Conference Day Two

How are leading Swiss GPs and LPs viewing opportunities in Switzerland and beyond? What strategies and sectors hold the most promise?

Chair's closing remarks

17:00 - 17:05

Main Conference Day Two

Networking drinks reception

17:05 - 19:00

Networking

SCHEDULE

MAIN CONFERENCE DAY TWO - 16/11/2023

SuperInvestor

14 - 17 November 2023

Hyatt Regency Zurich Airport The Circle & The Circle Convention Center
Zurich

TIME	NETWORKING	MAIN CONFERENCE DAY TWO	LP-ONLY	DISCUSSION GROUPS	WOMEN IN PRIVATE MARKETS LUNCH
08:00	08:45 - Welcome coffee				
09:00		09:30 - Morning Chair's welcome address 09:35 - Who's surviving and thriving: rise of the niche specialist or the all-encompassing power houses?			
10:00		10:10 - Keynote 10:30 - The rise of the mid-market: is the mid-market going up-market?	10:30 - Due diligence and manager selection: finding star performers		
11:00	11:05 - Morning coffee and networking break	11:35 - Keynote 11:55 - Debt for the buyout market: where will the capital come from?		11:35 - Topic TBC	
12:00		12:30 - Keynote 12:50 - Lunch and networking break			12:50 - Women in private markets networking lunch (email abbie.cooper@informa.com to enquire)
14:00		14:00 - Afternoon Chair's welcome address 14:05 - DEI within private markets: are LPs driving change? 14:40 - Valuations: are our collective heads in the sand?		14:00 - Mediation and organisational consultancy: something for your toolbox?	
15:00	15:15 - Afternoon refreshments and networking break	15:50 - Venture capital: what's different today from 2000?		15:50 - Article 8 & 9: will this drive us forward?	
16:00		16:25 - Spotlight on Switzerland: how is the local market evolving?			

SCHEDULE

MAIN CONFERENCE DAY TWO - 16/11/2023

SuperInvestor

14 - 17 November 2023

Hyatt Regency Zurich Airport The Circle & The Circle Convention Center
Zurich

TIME	NETWORKING	MAIN CONFERENCE DAY TWO	LP-ONLY	DISCUSSION GROUPS	WOMEN IN PRIVATE MARKETS LUNCH
17:00	17:05 - Networking drinks reception	17:00 - Chair's closing remarks			

Welcome coffee

08:30 - 09:00
Main Conference Day Three

LP-only breakfast

08:30 - 09:30
LP-only

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

Chair's welcome address

09:30 - 09:35
Main Conference Day Three

Presentation

09:35 - 09:55
Main Conference Day Three

Institutional investors and private clients: democratisation, innovation and partnerships

09:55 - 10:25
Main Conference Day Three

Why can the term 'democratisation' be misleading? What are the benefits of open-ended private asset funds to private clients and institutional investors? How can strong LP/GP alignment and relationships, lead to innovation that benefits all?

Participants

Simon Jennings - Managing Director, HarbourVest Partners

Keynote

10:25 - 10:45
Main Conference Day Three

GP stakes: a new way to generate capital in a challenging market?

10:45 - 11:15
Main Conference Day Three

At what point does a firm look attractive to the broader market? Are stakes increasingly getting smaller? What's the process and what are the pros and cons to consider?

Participants

Panellists: Nicolas von der Schulenburg - Managing Director, Portfolio Advisors

Morning coffee and networking break

11:15 - 11:45
Networking

The illusions of financial engineering: the death of capital call lines?

11:45 - 12:15
Main Conference Day Three

How have capital call lines positively impacted PE returns for the past decade? What is the future of credit lines and are LPs now looking more closely?

Participants

Panellists: Marc der Kinderen - Managing Partner, 747 Capital

Traditional and alternative exit routes: what can we expect from 2024?

12:15 - 12:45
Main Conference Day Three

Will we see a rebound in the exit market in 2024? Or will time frames continue to lengthen, and will GPs and LPs increasingly look to the secondary market for solutions?

Lunch and networking

12:45 - 13:30
Networking

Managing risks in a long-term asset class

12:45 - 13:30
Discussion groups

How can LPs and GPs alike better manage geopolitical, macroeconomic, and even unexpected risks without finding themselves in a state of panic? When do you really need to worry? What do you need to ask of your GPs in times of crisis? And what are the benefits of long-term asset classes against a backdrop of risk?

Run under the Chatham House Rule and closed to press.

SCHEDULE

MAIN CONFERENCE DAY THREE - 17/11/2023

SuperInvestor

14 - 17 November 2023

Hyatt Regency Zurich Airport The Circle & The Circle Convention Center
Zurich

TIME	MAIN CONFERENCE DAY THREE	LP-ONLY	NETWORKING	DISCUSSION GROUPS
08:00	08:30 - Welcome coffee	08:30 - LP-only breakfast		
09:00	09:30 - Chair's welcome address 09:35 - Presentation 09:55 - Institutional investors and private clients: democratisation, innovation and partnerships			
10:00	10:25 - Keynote 10:45 - GP stakes: a new way to generate capital in a challenging market?			
11:00	11:45 - The illusions of financial engineering: the death of capital call lines?		11:15 - Morning coffee and networking break	
12:00	12:15 - Traditional and alternative exit routes: what can we expect from 2024?		12:45 - Lunch and networking	12:45 - Managing risks in a long-term asset class

July 24, 2023

TO: Trustees – Board of Investments

FROM: Cheryl Lu  Investment Officer
Krista Powell  Investment Officer
Cindy Rivera  Investment Officer
Ron Senkandwa  Investment Officer
Noah Damsky  ND
Senior Investment Analyst

FOR: August 9, 2023 Board of Investments Meeting

SUBJECT: **INTERNAL INVESTMENT COMMITTEES AND DUE DILIGENCE**

In the latter part of 2022, the Investment Division commenced a project aimed at strengthening its internal investment committees and due diligence processes. The attached presentation (**ATTACHMENT**) provides an overview of the project's goals, objectives, and the progress made since its launch. The Investment Division's efforts to enhance its internal committee processes and due diligence procedures are ongoing and iterative as we seek to continue to adopt best practices in our journey from an allocator to a best-in-class investor.

Attachment

Noted and Reviewed:


Jonathan Grabel
Chief Investment Officer



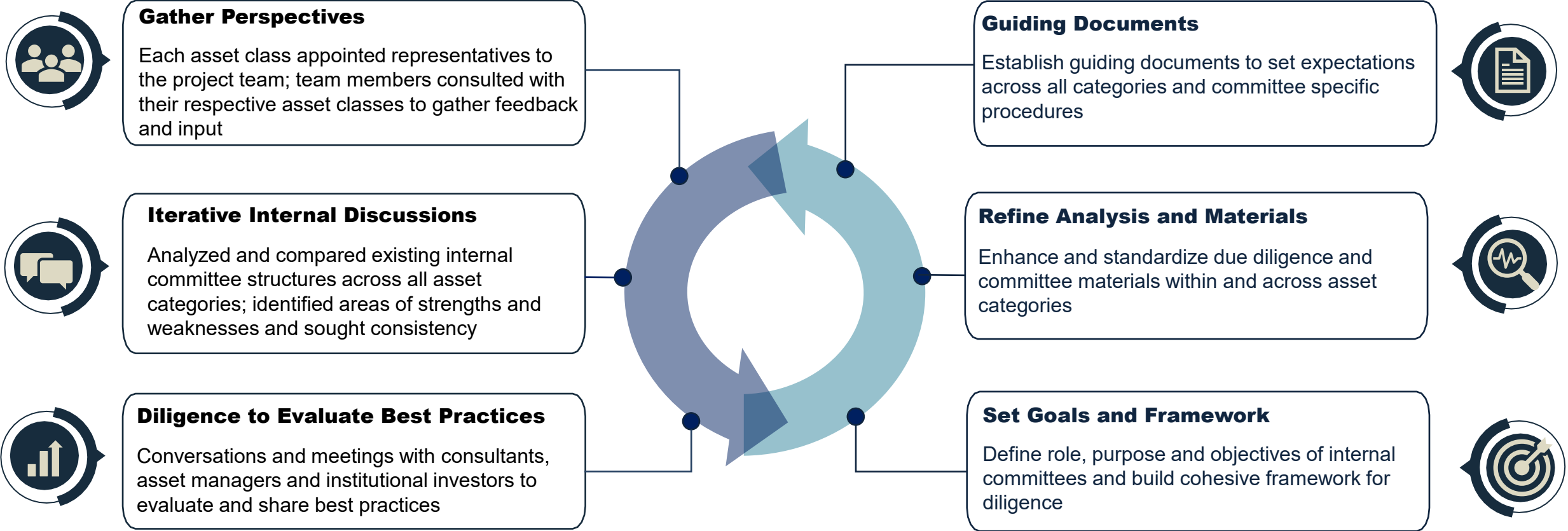
Internal Committees and Due Diligence

Board of Investments Meeting
August 9, 2023

Approach and Process



As LACERA's portfolio becomes more complex, robust, and consistent divisional committee processes become increasingly important in order to implement the Board's objectives

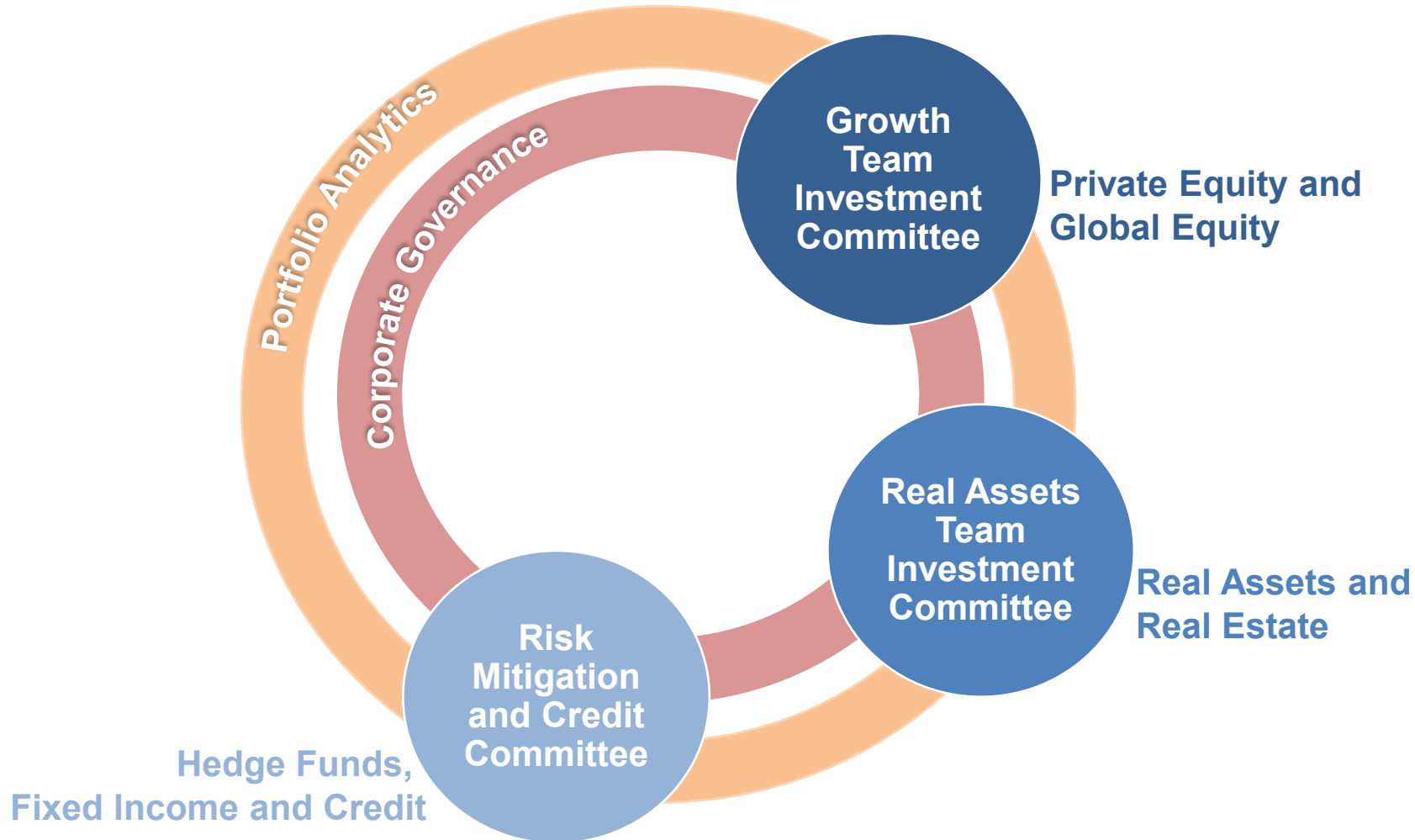


The project commenced in late 2022 and has been in progress for several months. The efforts to strengthen our divisional committees and due diligence processes are evolving and iterative, evolving with the changing dynamics of our team and portfolio.

Internal Investment Committees



- Internal investment committees are organized by asset category, each consisting of internal staff of that asset category
- BOI-approved structure reviews guide internal committees' evaluation of investment opportunities



Purpose of Internal Committees

- Recommendations must obtain internal committee approval to advance to BOI or CIO under delegated authority
- Opportunity to gather input from colleagues with different perspectives, experiences, expertise and points of view
- Fulsome conversations among members of internal committees result in more insightful and multi-faceted discussions

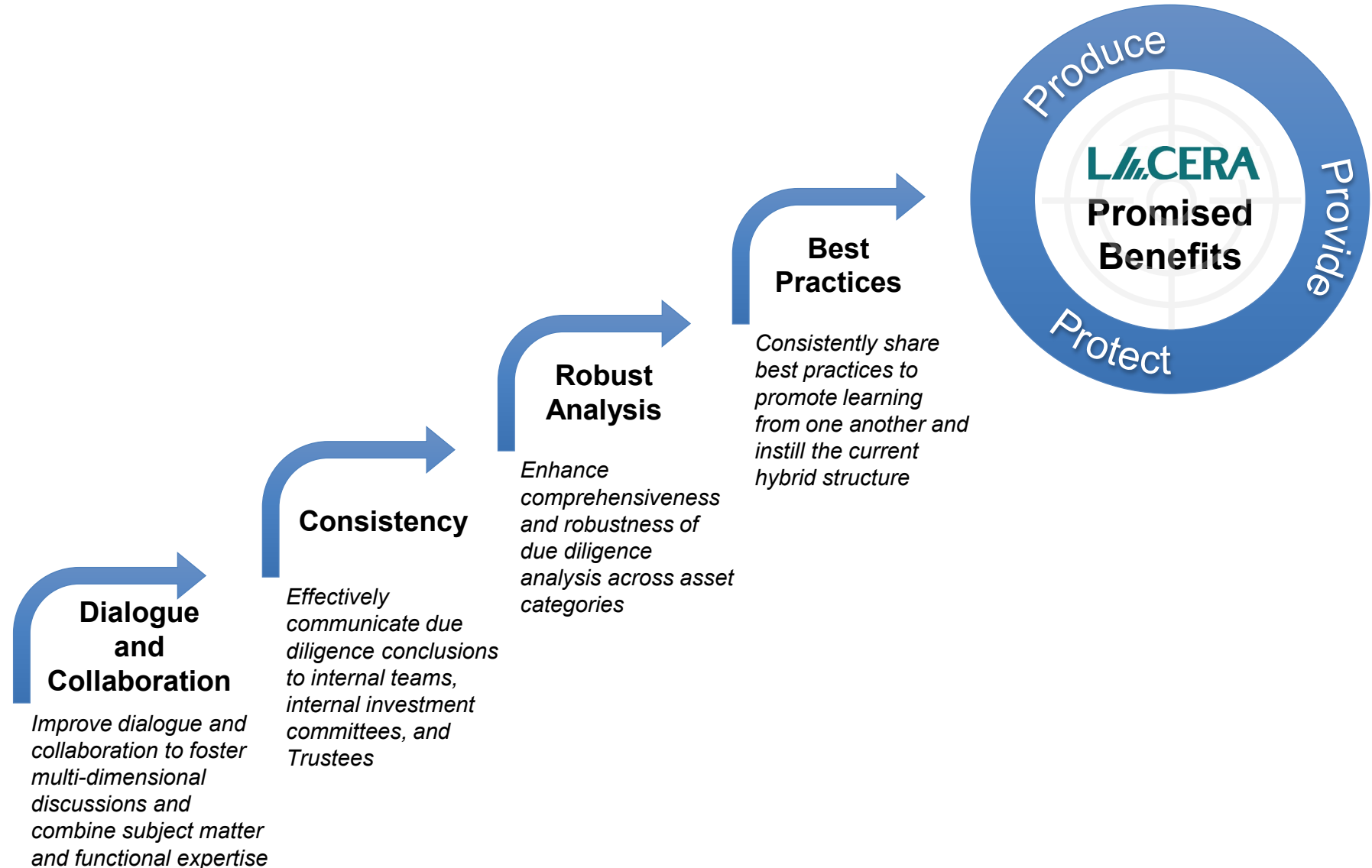
Goal and Objectives



The goal of LACERA'S investment program is rooted in our organizational mission to produce, protect, and provide the promised benefits to LACERA's members and beneficiaries

Internal investment committees and due diligence objectives include dialogue and collaboration, consistency, robust analysis, and best practices

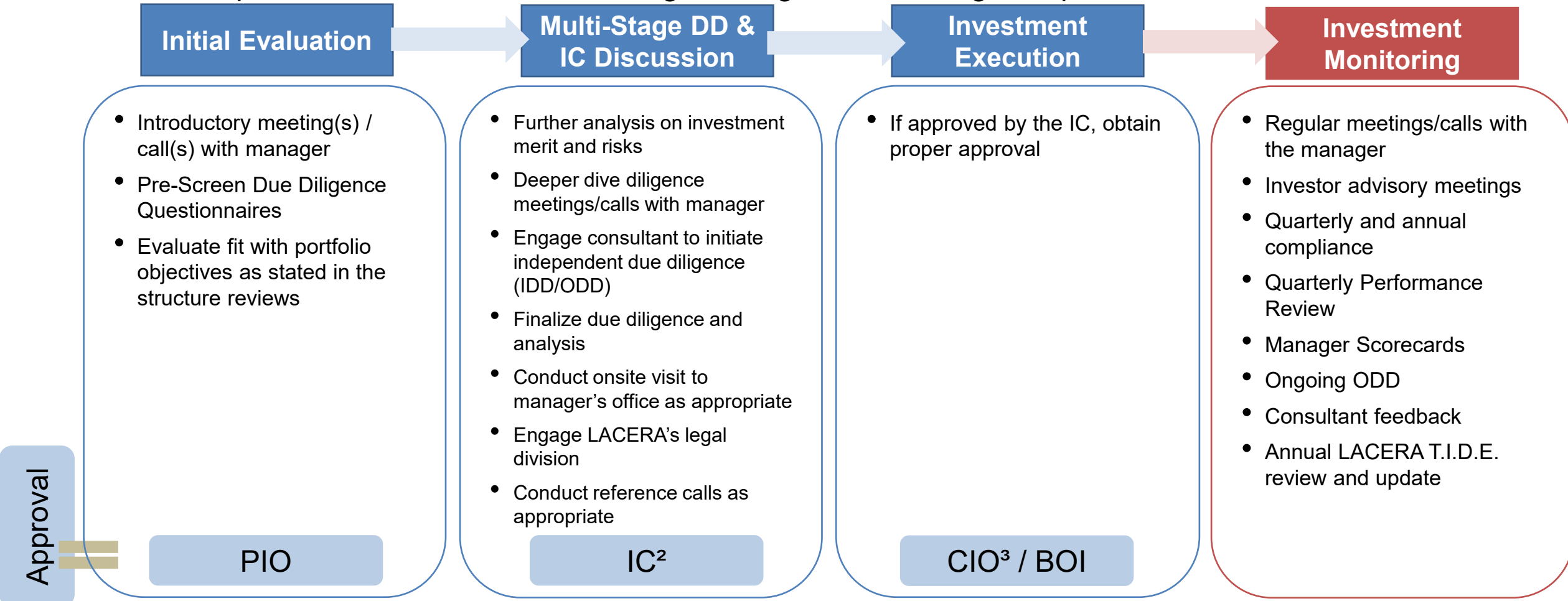
Continuous improvement of a set of due diligence and internal investment committee principles and procedures can improve investment outcomes



Illustrative Due Diligence Process – Private Markets



Each private market investment undergoes a rigorous due diligence process as illustrated below.¹



¹ The steps shown is not an exhaustive list. Each process is iterative and robust.

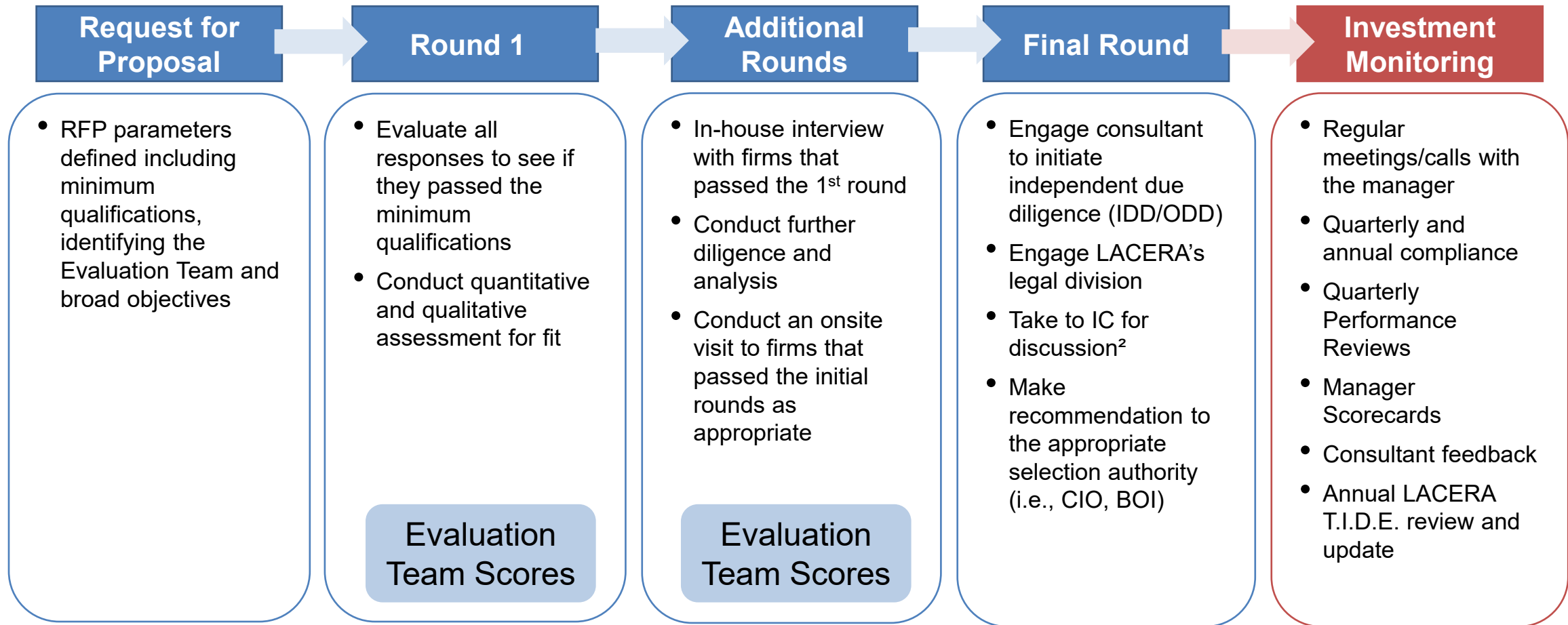
² Approval is achieved when the Investment Committee votes affirmatively on the recommendation.

³ CIO has delegated authority to approve certain investments within BOI-approved parameters.

Illustrative Due Diligence Process – Public Markets



Each public market investment undergoes a rigorous due diligence process as illustrated below.¹



¹ The steps shown is not an exhaustive list. Each process is iterative and robust.

² The IC does not vote on the selected firm(s) following an RFP process.

Due Diligence Guiding Documents

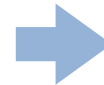


A set of documents outline standard and consistent procedures for internal committees and due diligence. These documents aim to facilitate the implementation of objectives established in in BOI-approved governing documents, such as the Investment Policy Statement, Investment Beliefs, and Asset Category Structure Reviews

Internal Committee and Due Diligence Goals and Principles



- Sets forth overarching goals and principles of due diligence
- Provides high-level expectations under which all staff should conduct due diligence that are **applicable across all asset categories**



Internal Committee Governance Documents

Growth TIC



Real Assets TIC



RMCC



- Provide detailed investment due diligence processes and procedures **specific to each asset category**

Operational Due Diligence Documents

PRIVATE MARKETS/PUBLIC MARKETS

Pre-Investment
ODD



Post Investment
ODD




- Provide detailed operational due diligence processes and procedures **specific to public and private markets**

Committee Governance Documents




While the detailed due diligence procedures and considerations may vary between asset categories, there are certain unifying principles that govern how the committees should operate and due diligence should be conducted



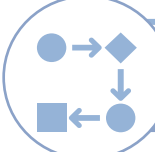
Committee and Voting Structure

- Meetings are regularly scheduled and in-person when possible
- Everyone on the committee has a vote; no ability for any individual (including PIO or CIO) to push an item through
- Items must obtain approval of internal committee to move forward
- Asset category PIO and CIO may pause an investment from moving forward




Action Items vs. Discussion Items

- Private market recommendations are voted on by the committee
- Public market recommendations go through the RFP process but are discussed at committee
- Other items may be discussed at committee as appropriate




Due Diligence Expectations

- Staff is accountable at all stages of due diligence process
- Consultant diligence should be separate and autonomous from staff diligence
- Staff should only bring high conviction items to committee for a vote




Due Diligence Considerations

- Due diligence expectations for each stage are laid out in governance documents
- Each asset category has specific considerations that must be addressed in due diligence process
- Staff should utilize standard due diligence templates for comprehensive analysis



Required Materials and Distribution to IC

- Materials should be in standard format to ensure consistency and comparability of opportunities
- Materials should be distributed with sufficient time for IC to review prior to meeting



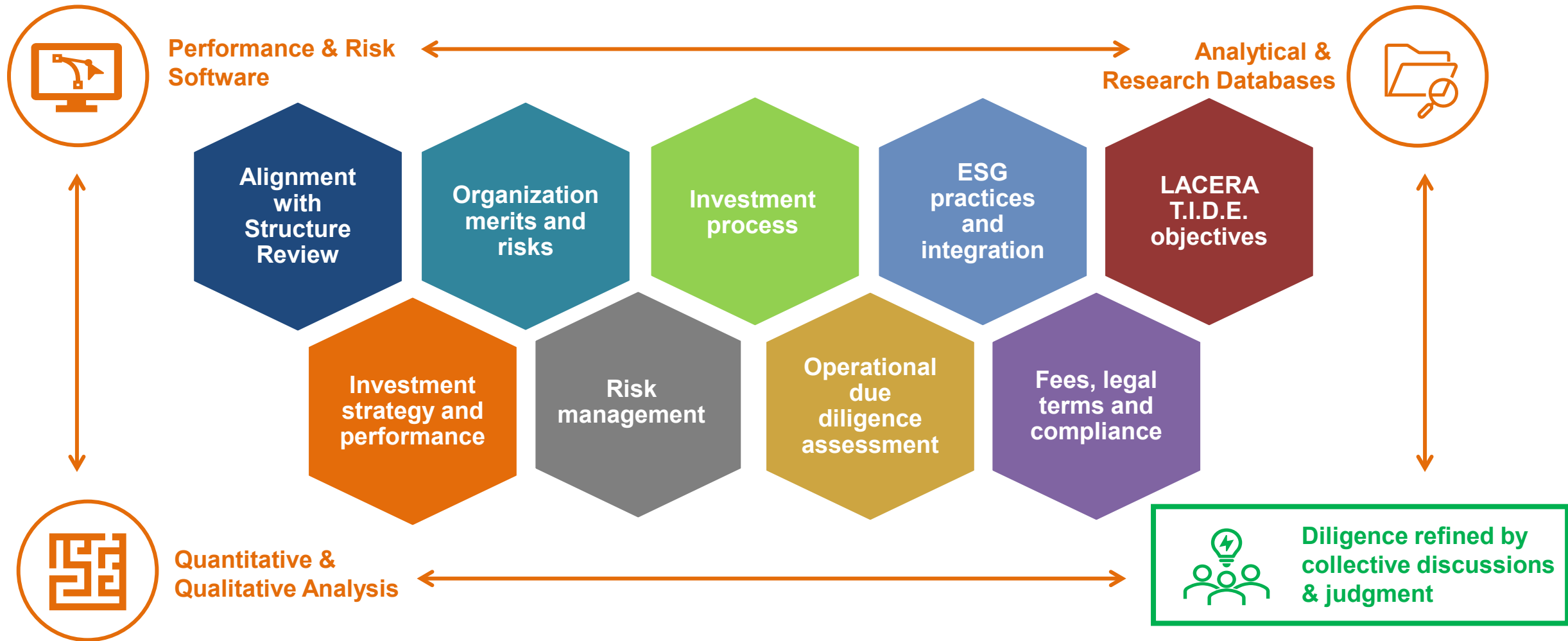
Discussion Format

- Presentation to internal committee should be concise to allow time for questions from committee members
- Conducted in an inclusive manner in an environment that encourages and respects differing viewpoints

Due Diligence Considerations



Investment recommendations are evaluated on the following considerations and staff leverages available technology, databases, and research to perform quantitative and qualitative due diligence.



Alignment with Strategic Initiatives



Comprehensive due diligence is vital to achieving the objectives of LACERA's investment program and is aligned with strategic initiatives focused on **operations**, **investments**, **governance**, **terms**, and **diversity**




Glossary of Terms



Term	Acronym	Definition
Growth Team Investment Committee	Growth TIC	Internal committee for the Growth functional asset category which consists of the private equity and global equity sub-asset categories
Internal Committee	IC	Committees formed within the Investments Division by asset category, responsible for evaluating the merits and risks of each investment opportunity presented
Investment Due Diligence	IDD	The evaluation and analysis of the investment merits and risks of an investment
Operational Due Diligence	ODD	The evaluation and analysis of the operational merits and risks of an investment
Pre-Screen Due Diligence Questionnaires		Questionnaires sent to prospective investment firms that address investment and operational considerations prior to conducting further due diligence
Real Assets Investment Committee	Real Assets TIC	Internal committee for the Real Assets functional asset category which consists of the core real estate, natural resources & commodities, infrastructure and TIPS sub-asset categories
Request for Proposal	RFP	A document that is posted publicly to solicit proposals from external firms on a specified project
Risk Mitigation and Credit Committee	RMCC	Internal committee for the Risk Mitigation and Credit functional asset category which consists of investment grade bonds, hedge funds, government bonds and cash sub-asset categories

July 28, 2023

TO: Trustees – Board of Investments

FROM: Jonathan Grabel 
Chief Investment Officer

Jude Pérez 
Deputy Chief Investment Officer

FOR: August 9, 2023 Board of Investments Meeting

SUBJECT: **STRATEGIC ASSET ALLOCATION PROCESS REVIEW**

One of the Board of Investments ("BOI") core responsibilities is setting LACERA's Strategic Asset Allocation ("SAA"). The SAA is the key driver of long-term risk and return for the Fund, and therefore, is the method to meet LACERA's mission to produce, protect, and provide the promised benefits. SAA studies are performed for the LACERA Pension Plan as well as the OPEB Master Trust.

Furthermore, LACERA's Investment Beliefs state that long-term SAA will be the primary determinant of risk/return and further expresses five key tenants of the SAA:

- 1. It is important that LACERA be forward-looking, as its investment horizon spans decades, if not indefinitely into the future;**
- 2. Asset allocation has a greater effect on return variability than asset class investment structure or manager selection;**
- 3. Asset allocation is a critical source of investment diversification to optimize growth and mitigate risk across the total Fund;**
- 4. Asset allocation must carefully consider plan liabilities, actuarial assumptions, and capital market assumptions; and**
- 5. Rebalancing the portfolio is a key aspect of prudent long-term asset allocation policy.**

Per the Investment Policy Statement ("IPS"), comprehensive asset allocation studies are conducted every three to five years or at the Board's request. The last SAA study was completed and approved in 2021. Per the IPS standard and as highlighted in the 2023 Work Plan, the next SAA review cycle will commence soon after the fiscal year-end.

In the coming months, Meketa and the Investment Team will provide a series of educational topics on various elements of the SAA study, including an overview of return expectations and

Trustees-Board of Investments

July 28, 2023

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market dynamics since the last SAA exercise, measuring climate risk and its impact on the total Fund, evaluating capital market expectations, reviewing asset classes and benchmarks, and considering a risk budgeting framework for the Fund. These educational sessions will inform recommendations that will be presented to the Board as part of the SAA study.

The following is a presentation (**ATTACHMENT**) that I highlights multiple aspects of the project and the analysis which will be utilized (capital market expectations update, a review of the functional framework and potential asset category adjustments, and an examination of liability, liquidity, and climate metrics) for the purpose of setting the stage for a more detailed discussion on asset allocation in upcoming months. Meketa will review the presentation at the August 2023 BOI meeting.

Attachment

Los Angeles County Employees Retirement Association

August 9, 2023

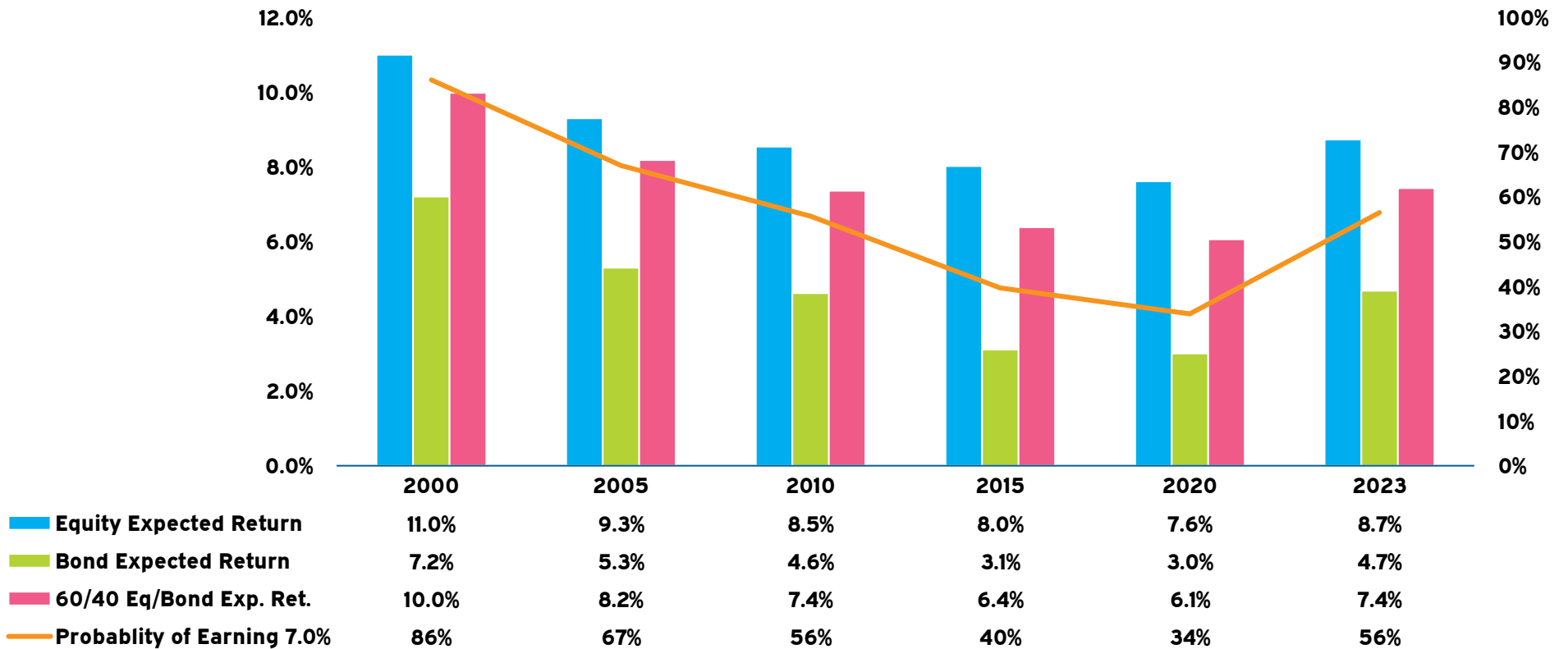
Strategic Asset Allocation

Introduction

- The Board of Investments (“The Board”) is responsible for establishing investment policy and determining the asset allocation for the Pension Fund.
- LACERA’s Investment Beliefs state that “Long-term strategic asset allocation will be the primary determinant of LACERA’s risk/return outcomes.”
- The primary objective of the strategic asset allocation is to ensure that LACERA’s assets are invested in a manner that is aligned with LACERA’s mission to produce, protect and provide the promised benefits.
- The selection of an asset allocation is equal parts art and science and there is no “one right” strategic asset allocation.
- LACERA has historically utilized a mosaic approach which incorporates multiple tools and types of analysis to select a strategic asset allocation.
- The objective of this presentation is to highlight the multiple aspects of the project and the analysis which will be utilized (CMEs, functional framework and potential changes to any of the categories, liability analysis, liquidity analysis, climate) for the purpose of setting the stage for a more detailed discussion around asset allocation in the upcoming months.

Secular Decline in Returns: An Inflection Point?

→ After decades of decline, expected returns have increased in Meketa's 2023 Capital Market Expectations.



Capital Market Expectations

- We update our capital markets expectations each year in January.
 - Changes are driven by many factors, including interest rates, credit spreads, cap rates, and equity prices.
- 2022 was a difficult year, with losses experienced for most asset classes, as interest rates increased, spreads widened, and most risk assets declined in value.
 - However, there is (or at least was) a notable silver lining to this story – increased return assumptions.
- Bond yields increased by the largest amount since the 1990s, driving up future returns for fixed income assets.
- Despite lower growth projections globally, the price decline experienced by equities and many other risk assets has improved their forward-looking returns.
- The net result is the largest increase in return assumptions in our 20+ year history of creating capital market expectations (“CMEs”).
- Some of the increases in forward looking return expectations have been realized due to the strong performance of equities and other risk assets during the first half of 2023.
- Ultimately LACERA’s Strategic Asset Allocation decision will utilize Meketa’s 2024 CMEs, so there will be very little lag between market conditions and the CMEs.

Functional Framework Overview

- Historically, Pension Funds have used a traditional asset-class based approach to categorizing the asset allocation.
 - For example, domestic equity, international equity, emerging equity, etc.
- The traditional approach is non-descriptive: Only answers the question, “what are we invested in?”
 - Ignores the question of “why are we invested in these strategies?”
- With the traditional approach, strategies in different asset classes may provide similar exposures, potentially leading to inefficient implementation, a misunderstanding of risk, and reducing the Fund’s overall diversification.
- A “Functional Asset Allocation” framework organizes investment strategies by the role they serve in the portfolio.
- The underlying investment strategies remain the same, but the lens through which the Board views the asset allocation changes.
- During the prior SAA Review, LACERA adopted a functional framework with the following categories:
 - Growth
 - Credit
 - Real Assets and Inflation Hedges
 - Risk Reduction and Mitigation
 - Overlays and Hedges

Functional Framework Detail

→ Growth

- Role in the portfolio: The role of assets in this category is to be the primary driver of long-term total returns for the Fund.
- Asset Classes: Global Equity, Private Equity, and Non-Core Private Real Estate.
- Potential Changes: Meketa has added models within global equity which include and exclude China.

→ Credit

- Role in the portfolio: LACERA expects assets categorized as Credit to produce current income and moderate long-term total returns. Credit has more moderate levels of risk than assets categorized as Growth, and, accordingly, provides incremental diversification to the total Fund.
- Asset Classes: Liquid Credit (High Yield, Bank Loans, Emerging Market Debt), and Illiquid Credit.
- Potential Changes: Consolidating the Liquid and Illiquid Credit, re-assessing EMD exposure.

→ Real Assets and Inflation Hedges

- Role in the portfolio: LACERA expects assets in this category to provide income as well as a hedge against inflation, while diversifying the Fund due to the assumed low correlation of returns between these assets and other asset classes.
- Asset classes: Core Private Real Estate, Natural Resources & Commodities, Infrastructure, and Treasury Inflation-Protected Securities (“TIPS”).
- Potential Changes: TBD

Functional Framework Detail (continued)

→ Risk Reduction and Mitigation

- Role in the portfolio: LACERA expects assets in this category to provide moderate amounts of current income by generating a modest level of return while also reducing total Fund risks, in part by preserving capital in the event of a downturn in equity markets. LACERA anticipates that assets in this category will have a low level of volatility and a low correlation to Growth assets, thereby providing downside protection. In the event of a market correction, these assets could also provide a source of liquidity for benefit payments.
- Asset classes: Investment Grade Bonds, Diversified Hedge Fund Portfolio, Long-Term Government Bonds, and Cash.
- Potential Changes: TBD

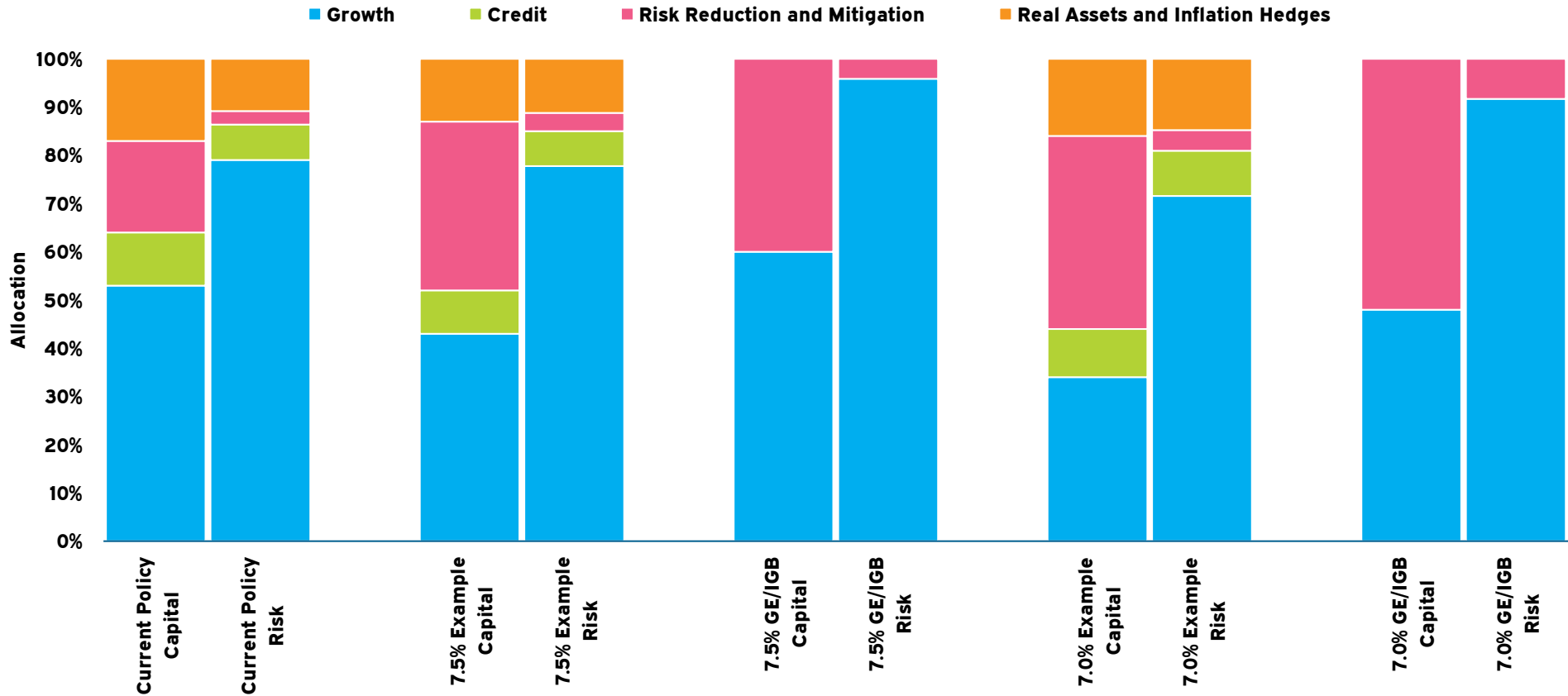
→ Overlays and Hedges

- Role in the portfolio: The category consists of overlays and hedges as a distinct functional category. LACERA expects exposures in this group to assist in adhering to total Fund policy allocation targets, meeting asset class-specific objectives, and managing portfolio risk.
- Asset classes: Total Fund and all BOI approved asset classes may be utilized or subject to overlays and hedging strategies.
- Potential Changes: TBD

Types of Analysis Addressed

- Modern Portfolio Theory (“MPT”) based optimization and analytics
 - Relies on a series of assumptions underlying Modern Portfolio Theory
 - Includes worst-case return expectations and Value at Risk (“VaR”)
- Risk budgeting
 - Attributes overall portfolio risks to specific asset classes
 - Highlights the source and scale of portfolio-level risk
- ALM/Liability aware analysis
 - Incorporates modelling of the liability and additional objective-based optimization (funded states etc.)
- Scenario analysis
 - Stress tests policy portfolios using actual historical examples
 - Stress tests policy portfolios under specific hypothetical scenarios
- Climate aware analysis
 - Meketa worked with LACERA staff during the prior SAA on developing and incorporating a set of climate scenarios and this SAA will expand upon that work by also evaluating third-party scenarios
- Liquidity analysis
 - Stress tests liquidity of portfolio using historical data

Risk Budgeting Analysis¹ (Capital Allocation vs. Risk Allocation)



→ Assets with low relative volatility, such as rate sensitive fixed income, contribute less to risk than their asset weighting implies.

¹ Risk allocation is calculated by multiplying the weight of the asset class by its standard deviation and its correlation with the total portfolio and then dividing this by the standard deviation of the total portfolio.

MPT-Based Analysis

Scenario	Current Policy (%)	7.5% Example (%)	7.5% GE/IGB (%)	7.0% Example (%)	7.0 GE/IGB (%)
Worst Case Returns					
One Year (annualized)	-17.8	-14.5	-15.5	-12.1	-12.3
Five Years (annualized)	-4.5	-3.0	-3.5	-2.0	-2.1
Ten Years (annualized)	-1.0	-0.1	-0.4	0.5	0.5
Twenty Years (annualized)	1.5	2.1	1.8	2.4	2.3
Probability of Experiencing Negative Returns					
One Year	25.8	23.3	24.3	21.2	21.4
Five Years	7.3	5.2	6.0	3.7	3.8
Ten Years	2.0	1.1	1.4	0.6	0.6
Twenty Years	0.2	0.1	0.1	0.0	0.0
Probability of Achieving at least a 7% Return					
One Year	52.8	51.6	51.6	49.9	49.9
Five Years	56.2	53.6	53.5	49.8	49.9
Ten Years	58.7	55.0	55.0	49.7	49.8
Twenty Years	62.2	57.1	57.0	49.6	49.8

→ The table above provides several key portfolio attributes; magnitude of potential losses, probability of experiencing losses and probability of meeting or exceeding LACERA's actuarial return target of 7%.

Value at Risk¹

Scenario	Current Policy	7.5% Example	7.5% GE/IGB	7.0% Example	7.0 GE/IGB
VaR (%):					
1 month	-7.9	-6.5	-6.9	-5.5	-5.6
6 months	-16.8	-13.6	-14.4	-11.3	-11.5

Conditional Value at Risk¹

Scenario	Current Policy	7.5% Example	7.5% GE/IGB	7.0% Example	7.0 GE/IGB
CVaR (%):					
1 month	-9.1	-7.5	-7.9	-6.4	-6.5
6 months	-19.7	-16.1	-17.0	-13.4	-13.6

→ Value at Risk (“VaR”) is an industry standard risk metric. It captures the amount of risk that can be expected based on a normal distribution of returns at selected confidence level, in this case at the 99% confidence level (2.33 standard deviations).

→ Conditional Value at Risk (“CVaR”) seeks to show the potential risk that lies beyond the 99% confidence level. It is the average of outcomes that lie in the 1% tail.

¹ Calculated with a 99% confidence level and based upon Meketa Investment Group’s Annual Capital Markets Expectations. cVaR represents the average loss past the 99th percentile.

Historical Negative Scenario Analysis (Cumulative Return)

Scenario	Current Policy (%)	7.5% Example (%)	7.5% GE/IGB (%)	7.0% Example (%)	7.0 GE/IGB (%)
COVID-19 Market Shock (Feb 2020-Mar 2020)	-14.7	-12.0	-20.6	-10.0	-16.6
Taper Tantrum (May - Aug 2013)	0.1	0.0	-1.9	0.0	-2.2
Global Financial Crisis (Oct 2007 - Mar 2009)	-24.7	-18.0	-26.2	-14.3	-19.2
Popping of the TMT Bubble (Apr 2000 - Sep 2002)	-10.3	-4.8	-16.6	0.4	-7.6
LTCM (Jul - Aug 1998)	-6.3	-4.5	-7.7	-3.6	-5.8
Asian Financial Crisis (Aug 97 - Jan 98)	4.6	4.7	0.1	4.5	1.0
Rate spike (1994 Calendar Year)	4.3	3.1	1.8	2.8	0.9
Early 1990s Recession (Jun - Oct 1990)	-2.9	-2.1	-5.2	-0.9	-3.4
Crash of 1987 (Sep - Nov 1987)	-6.9	-5.3	-11.4	-3.8	-8.7
Strong dollar (Jan 1981 - Sep 1982)	2.7	7.6	5.3	10.0	10.2
Volcker Recession (Jan - Mar 1980)	-3.6	-4.2	-6.7	-3.9	-7.1
Stagflation (Jan 1973 - Sep 1974)	-15.9	-13.4	-21.1	-9.0	-15.3

→ The negative return scenarios demonstrate how each policy would have performed under real world historical examples.

Historical Positive Scenario Analysis (Cumulative Return)

Scenario	Current Policy (%)	7.5% Example (%)	7.5% GE/IGB (%)	7.0% Example (%)	7.0 GE/IGB (%)
COVID Recovery (Apr 2020-Dec 2021)	51.2	43.3	46.2	37.3	37.5
Global Financial Crisis Recovery (Mar 2009 - Nov 2009)	28.1	24.6	39.5	21.3	33.4
Best of Great Moderation (Apr 2003 - Feb 2004)	25.6	21.2	29.5	18.2	24.6
Peak of the TMT Bubble (Oct 1998 - Mar 2000)	45.3	39.8	33.6	35.3	27.2
Plummeting Dollar (Jan 1986 - Aug 1987)	44.3	38.2	65.0	32.8	54.8
Volcker Recovery (Aug 1982 - Apr 1983)	25.0	24.6	38.3	21.9	35.9

→ We will also show the other side of the coin and examine how each portfolio would have performed in positive environments.

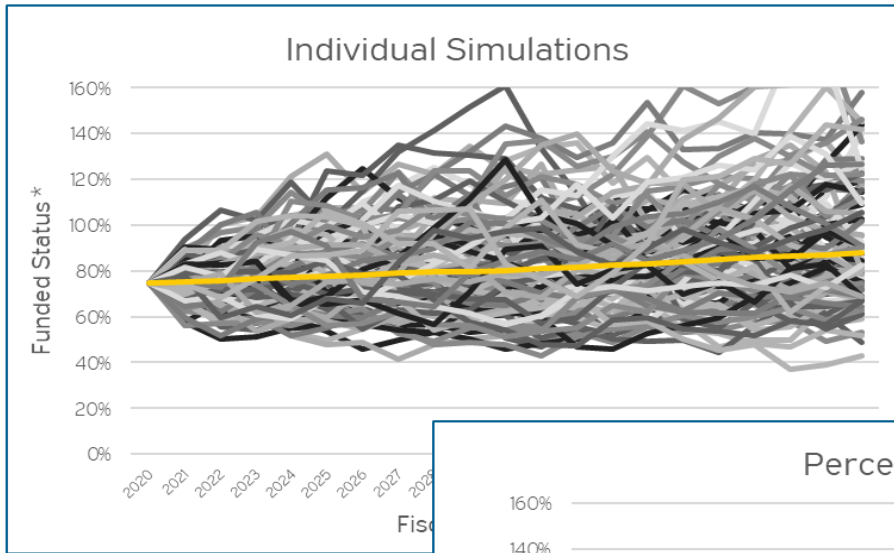
Stress Testing: Impact of Market Movements (Negative and Positive)

Scenario	Current Policy (%)	7.5% Example (%)	7.5% GE/IGB (%)	7.0% Example (%)	7.0 GE/IGB (%)
10-year Treasury Bond rates rise 100 bps	3.6	2.2	2.8	1.7	1.4
10-year Treasury Bond rates rise 200 bps	-1.7	-2.9	-3.4	-2.9	-4.4
Baa Spreads widen by 50 bps, High Yield by 200 bps	0.5	1.0	1.2	1.1	1.7
Baa Spreads widen by 300 bps, High Yield by 1000 bps	-19.3	-15.6	-20.3	-13.2	-16.3
US Equities decline 10%	-5.1	-4.2	-5.3	-3.3	-3.9
US Equities decline 25%	-16.0	-12.9	-14.9	-10.9	-11.8
US Equities decline 40%	-24.1	-19.3	-25.3	-16.5	-20.4

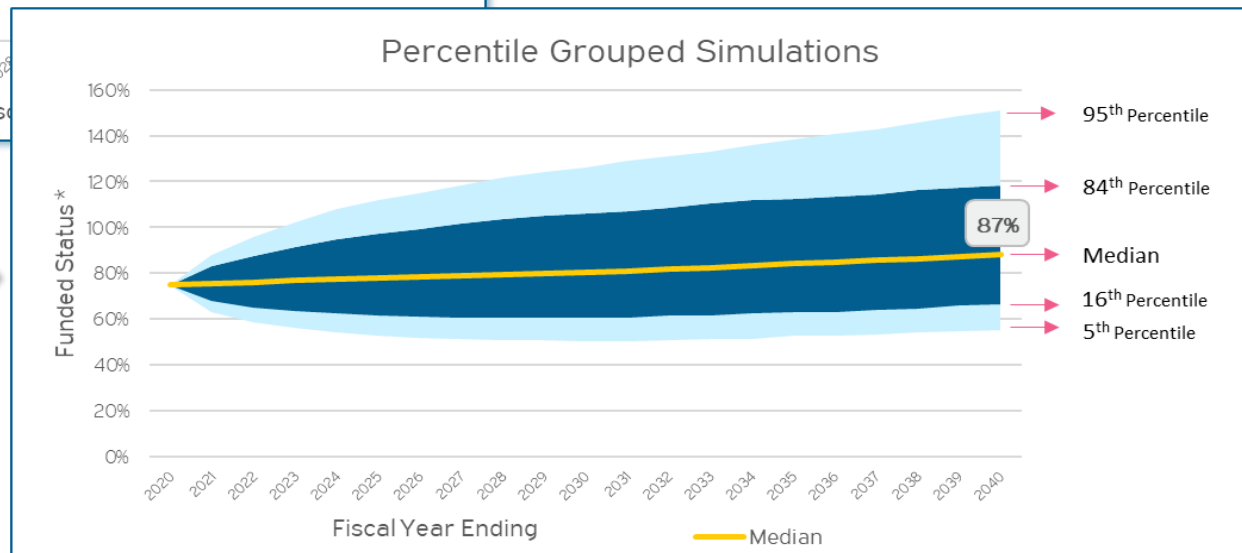
Scenario	Current Policy (%)	7.5% Example (%)	7.5% GE/IGB (%)	7.0% Example (%)	7.0 GE/IGB (%)
10-year Treasury Bond rates drop 100 bps	2.2	2.5	2.2	2.4	2.7
10-year Treasury Bond rates drop 200 bps	9.1	8.9	12.8	7.7	12.1
Baa Spreads narrow by 30 bps, High Yield by 100 bps	7.1	6.0	6.3	5.2	5.3
Baa Spreads narrow by 100 bps, High Yield by 300 bps	11.1	9.8	13.3	8.7	11.5
US Equities rise 10%	6.4	5.5	5.9	4.7	5.1
US Equities rise 30%	13.6	11.8	16.9	9.9	14.3

→ Utilizes Meketa developed scenarios and relies upon historical relationships between assets classes.

ALM/Liability Aware Analysis



- The chart to the left displays a simulation of funded status outcomes based on the current investment policy, funded status, projected pension benefit payments, contributions and funding policy.
- The chart below summarizes those results into corridors of percentiles.
- Example: There is a 50% probability the funded status in 2040 is expected to be greater than 87%.



* Based on market value of assets, not actuarial value.

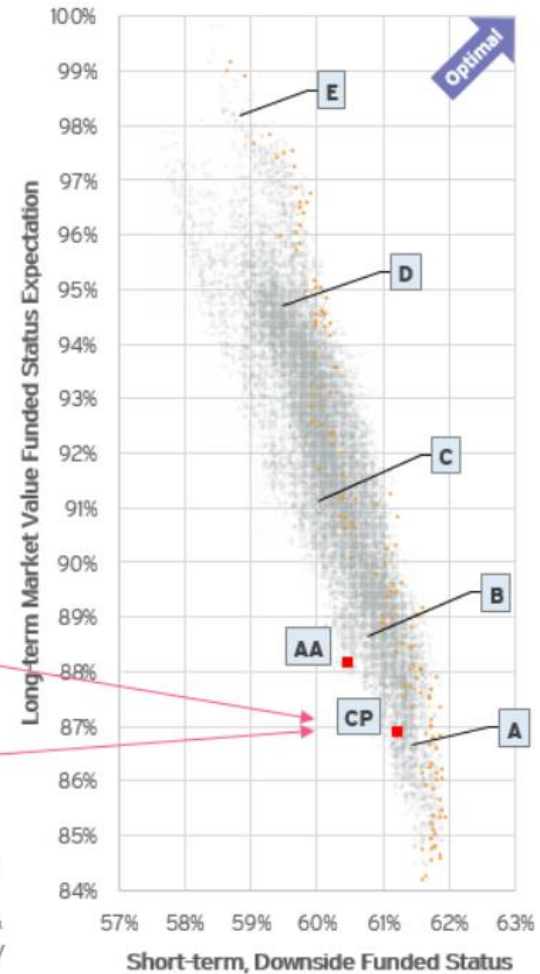
→ We will spend one session focused on the relationship between the assets and the liabilities.

ALM/Liability Aware Analysis (continued)

- This process is repeated for all 15,000 asset allocation alternatives to create a sense of how portfolios are expected to perform relative to each other.
- The y-axis is the long-term expectation (median) and the x-axis is the short-term downside (5th percentile outcome).
- Portfolios nearest the top and right of the graph are considered relatively optimal.
- **Important note:** accrued liability projections assume a 7% rate of return regardless of the expected asset return.

This median market value funded status is **87%** in 20 years

The short-term, downside of **61%** at FYE 2022



* Based on market value of assets, not actuarial value.

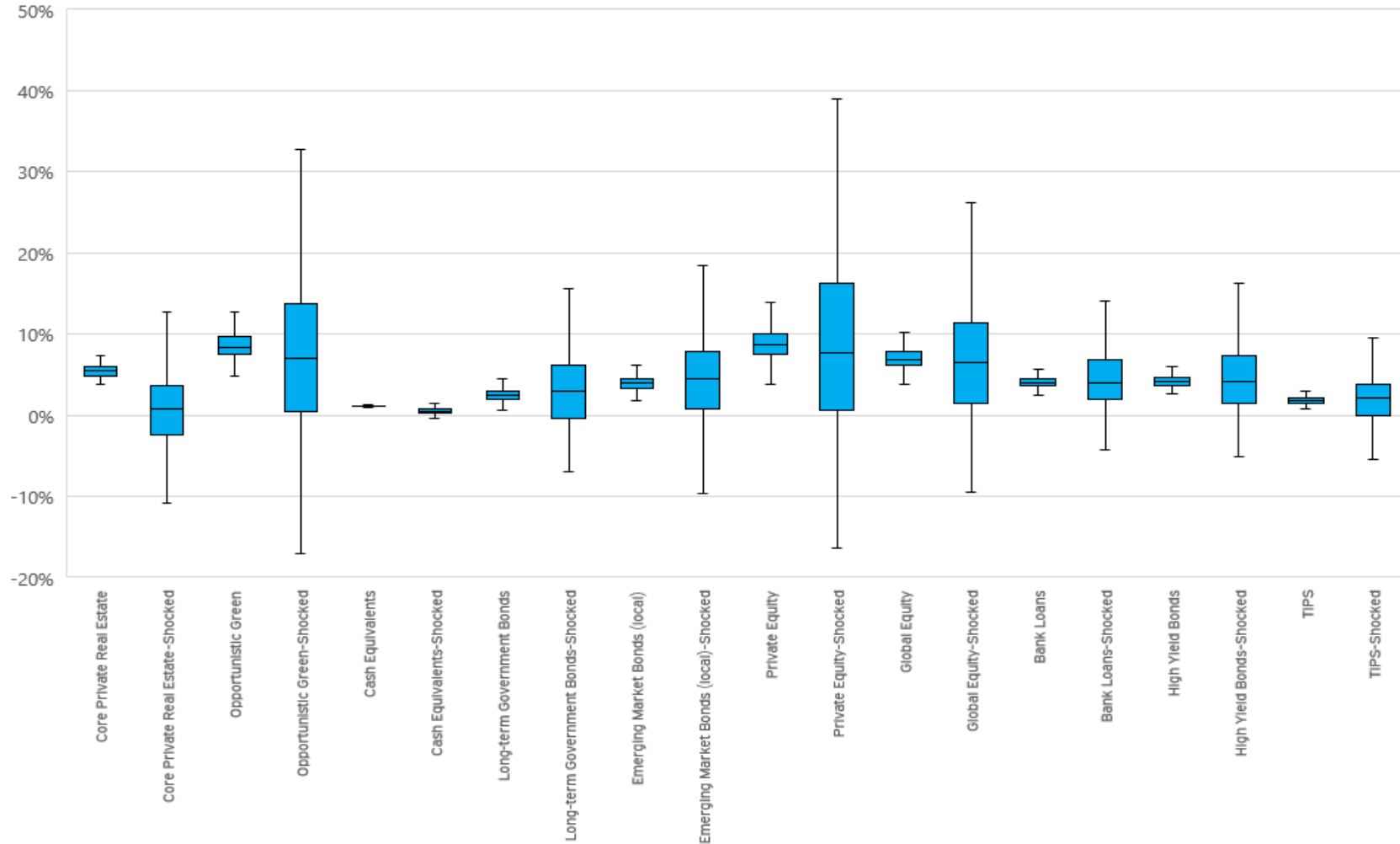
→ Based on Trustee feedback we will identify dimensions for optimization.

Climate Scenarios

- Climate impacts represents a potential risk factor over a long-term horizon and Meketa has developed a framework for a climate aware approach to Strategic Asset Allocation primarily based on scenario analysis.
- During the previous LACERA Strategic Asset Allocation review, Meketa worked closely with LACERA staff on incorporating several climate scenarios into the overall analysis.
- In LACERA's previous SAA Review we discussed the scenarios listed below.
 - Temperature Change: What happens if global temperatures increase by 1.5°C and 3.0°C by 2050?
 - Policy Change: What happens if a \$100/tCO₂ carbon tax is implemented over the next decade?
 - Technology Change: What does a world with 3% improvement (i.e., reduction) in carbon intensity of electricity generation look like?
 - Combination: What does a world that includes a combination of temperature, policy, and technology change look like?
- For this SAA we will look to incorporate addition third-party scenarios.

Climate Scenarios (continued)

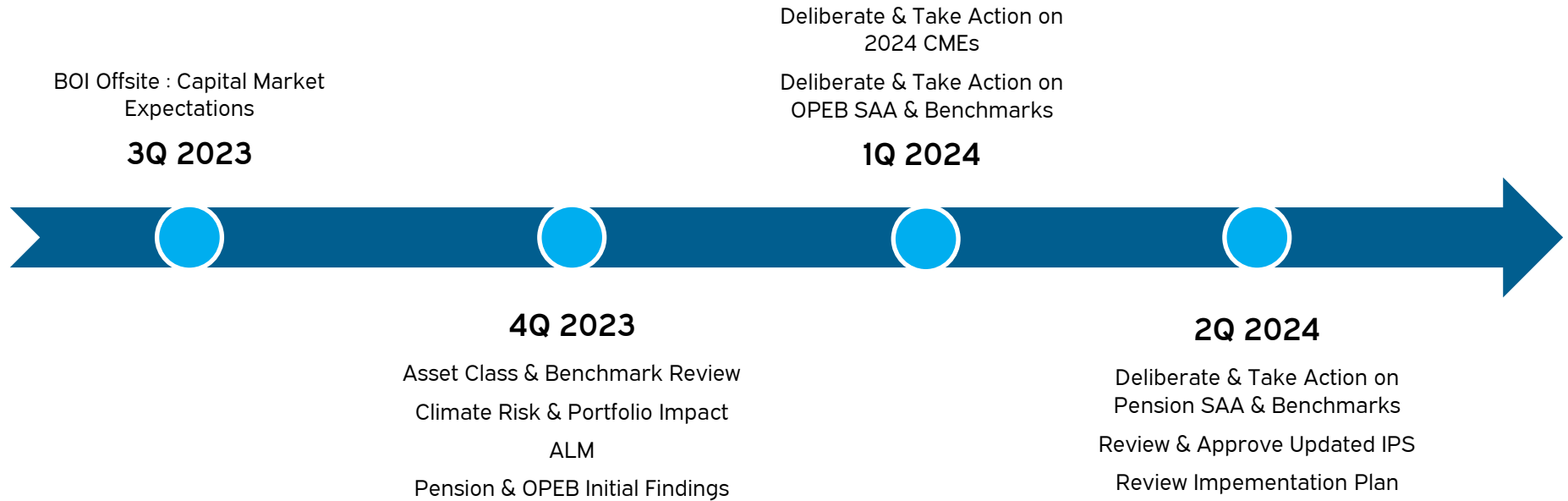
Combined Scenario (annualized %)



Liquidity Risk Analysis

- Liquidity risk is a meaningful risk that is generally not captured in traditional asset allocation processes.
- The Fund must maintain adequate liquidity to satisfy benefit payments and to avoid having to sell illiquid assets at distressed prices if possible.
- We will conduct a stress test to analyze the Fund's liquidity. Specifically, we will evaluate whether the Fund could:
 - Continue to meet its benefit obligations and expenses (including any obligations to fund commitments to Private Market managers),
 - While staying within its target allocation ranges,
 - And at what cost (i.e., to what extent would it be forced to sell stressed or distressed assets)?
- The scenario is designed to be extreme.
 - In Years 1 – 3, we use the returns produced by each asset class in 4Q07, 2008, and 1Q09, respectively.
 - In Years 4 – 5, we assume flat (0%) returns for each asset class (i.e., no rebound).
 - We will utilize projections of LACERA's net outflows in Years 1 – 5.
 - We assume closed-end funds offer no liquidity in Years 1 – 4, and very limited liquidity in Year 5.
 - We assume open-end and hedge funds offer no liquidity in Years 1 – 3, and limited liquidity in Years 4 – 5.
 - We assume the Fund would rebalance toward its policy targets each year.

SAA Work Plan Timeline



→ The timeline above outlines the proposed SAA work plan for both the Pension and OPEB Trusts. The schedule is subject to change based on feedback from and the deliberative processes of the Board.

Summary

- Approving a Strategic Asset Allocation is among the most important duties of the Board of Investments.
- Meketa will work with the BOI and staff to conduct a multi-step review process which will utilize various types of analysis including but not limited to:
 - Modern Portfolio Theory (Mean Variance Optimization)
 - Risk Budgeting
 - Asset Liability Modelling (“ALM”)
 - Climate Risk Analysis
 - Scenario Analysis
 - Stress Testing/Liquidity Analysis
- The Strategic Asset Allocation Review will incorporate information and feedback from the BOI, staff, LACERA’s actuaries and the BOI’s asset class consultants.

WE HAVE PREPARED THIS REPORT (THIS "REPORT") FOR THE SOLE BENEFIT OF THE INTENDED RECIPIENT (THE "RECIPIENT").

SIGNIFICANT EVENTS MAY OCCUR (OR HAVE OCCURRED) AFTER THE DATE OF THIS REPORT AND THAT IT IS NOT OUR FUNCTION OR RESPONSIBILITY TO UPDATE THIS REPORT. ANY OPINIONS OR RECOMMENDATIONS PRESENTED HEREIN REPRESENT OUR GOOD FAITH VIEWS AS OF THE DATE OF THIS REPORT AND ARE SUBJECT TO CHANGE AT ANY TIME. ALL INVESTMENTS INVOLVE RISK. THERE CAN BE NO GUARANTEE THAT THE STRATEGIES, TACTICS, AND METHODS DISCUSSED HERE WILL BE SUCCESSFUL.


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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

July 28, 2023

TO: Trustees – Board of Investments

FROM: Jude Pérez 
Deputy Chief Investment Officer

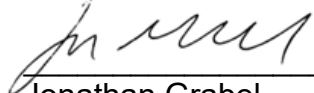
FOR: August 9, 2023 Board of Investments Meeting

SUBJECT: **BOI OFFSITE GOVERNANCE REVIEW INTRODUCTION**

Attached is a presentation from Meketa that will serve as a continuation of the Board of Investments' requested Governance review. Meketa will review the presentation at the August 2023 BOI meeting.

Attachment

Noted and Reviewed:



Jonathan Grabel
Chief Investment Officer

JP:mm

Los Angeles County Employees Retirement Association

August 9, 2023

Overview of Pension
Governance Models

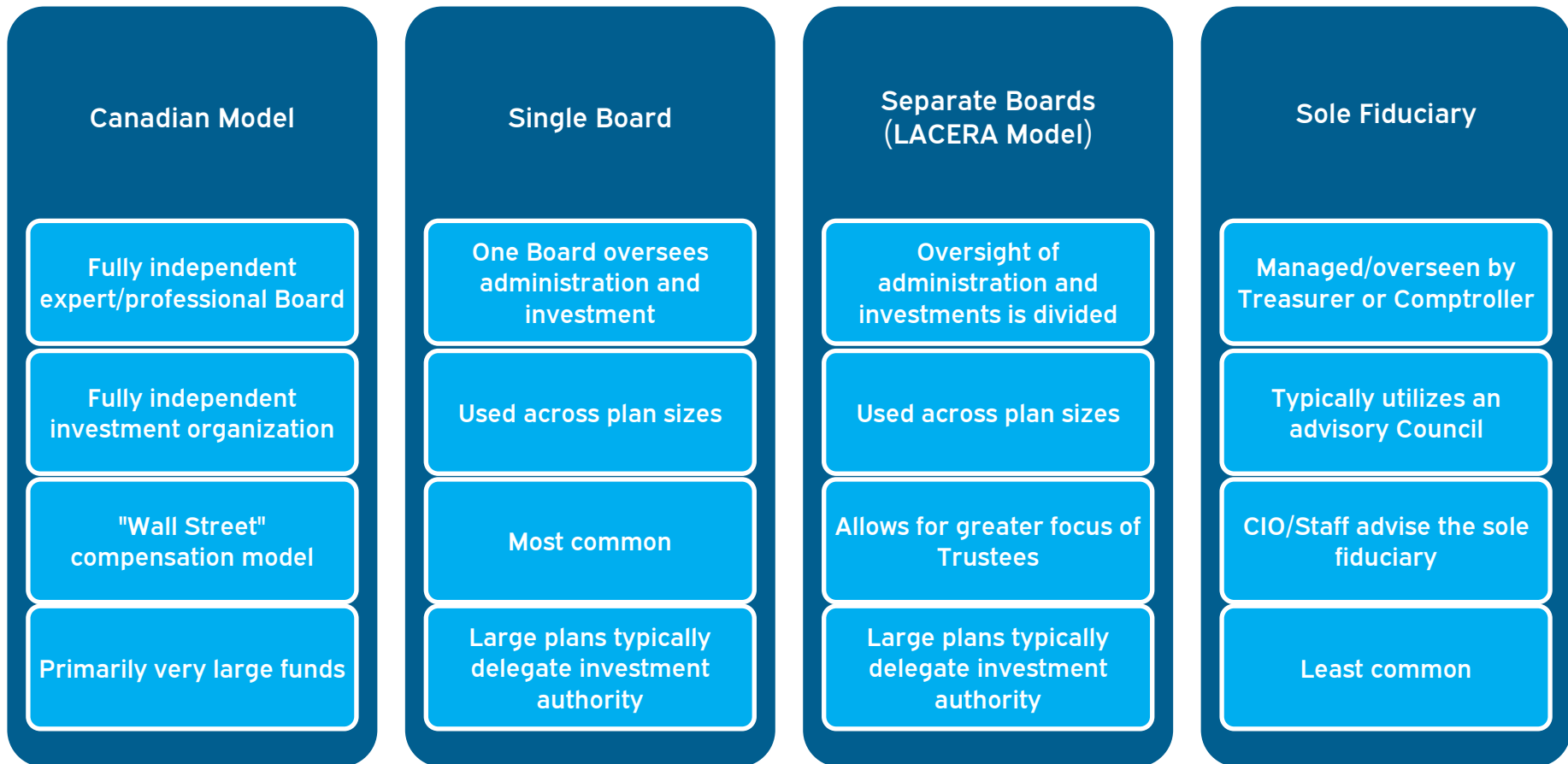
Background

- LACERA's Board of Investments requested that Meketa conduct a Governance Review.
- In July, Meketa provided a Governance Review Introduction to highlight:
 - The importance of governance for a pension fund's investments
 - Key characteristics of a strong governance program
 - The evolution of LACERA as an investment organization with a focus on LACERA's strategic plan of "Towards Best-In-Class Investor"
- Meketa provided the following workplan for the Governance Review:
 - July: Governance Review Introduction, Trustee Assessment Survey
 - **August: Overview of Pension Governance Models**
 - September Board Offsite: Board and Committee Evaluation
 - October: Peer Group Plan Review
 - November: Discussion of findings and potential governance enhancements

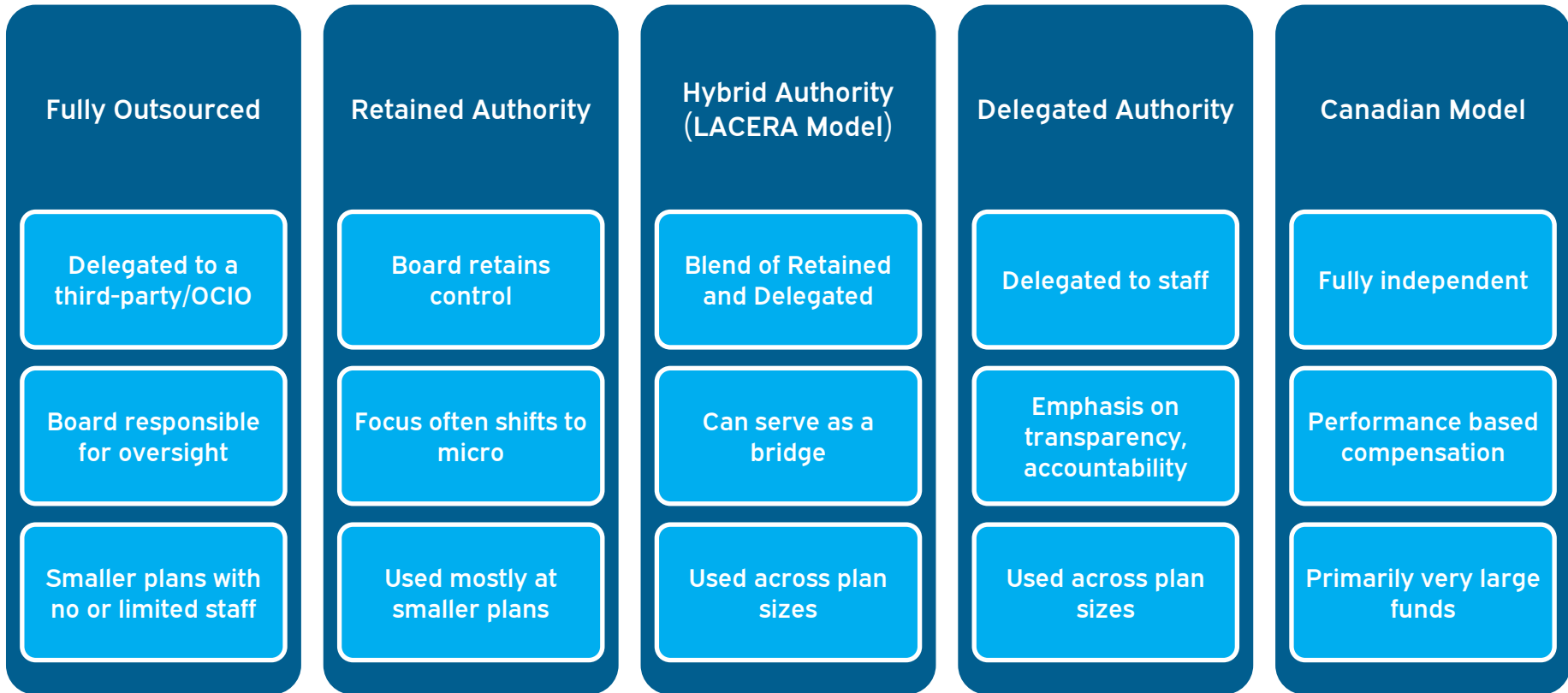
Introduction

- The goal of this presentation is to provide an overview of public pension governance models.
- To fully describe the public pension governance landscape, we have separated it out into two categories:
 - Pension Governance, which describes the high-level structure for governing the plan and the assets.
 - Investment Governance, which is specifically focused on the investment management and implementation.
- Governance is not an area where a one-size-fits-all approach works, so this overview is intended to assist the Board of Investments in assessing and adopting a governance framework that best fits LACERA.
- At the July BOI meeting, Meketa outlined the following key elements of successful governance models:
 - It should provide the framework for consistent, effective and efficient decision making.
 - Roles and responsibilities must be clearly defined throughout an organization.
 - Guardrails and internal controls should align with roles and responsibilities.
 - It must ensure transparency and accountability.
 - It should also be responsive to future evolution of the organization and its operating environment.
- While this presentation reviews peer models it is important to recognize LACERA's unique attributes:
 - Largest county pension plan in the US (by far).
 - Top 20 ranking in US public plans by defined benefit assets.
 - Strong performance driven by both an asset allocation with large exposures to private market/alternative strategies and strong implementation across most asset categories.

Public Pension Fund Governance Models



Public Pension Fund Investment Models



Assets

Size and capabilities of staff

Pension Investment Models – Fully Outsourced

- Third-party investment advisor is retained for implementation of the investment strategy.
 - Board approves the strategic asset allocation.
 - Board retains oversight duties.
 - Advisor is responsible for manager selection, rebalancing and all other portfolio implementation decisions.
- Typically utilized by small plans (<\$2 billion) with limited investment staff.
- Key benefits are associated with the greater size, scale and capabilities of the advisor relative to the fund and a reduction in operational risk.
- Potential drawbacks are higher costs, lower transparency and reduced control.

Pension Investment Models – Canadian Model

- Several large Canadian pension plans follow a model which is based on the use of a fully independent, investment management firm.
 - Independent governance structure with clear accountability & transparency.
 - Professional investment management with competitive compensation for Staff.
 - Heavy allocation to private/illiquid markets, often with minimal/no limitations.
 - Considerable use of sophisticated internal management.
- The Canadian Model has produced very strong investment performance over the past two decades.
 - Large allocations to private market investments have greatly contributed to performance.
 - Significant investment in internal teams allows for lower cost implementation of typically “high cost” investment strategies.
- Key benefits are strong alignment of interests regarding performance, independent/internal management reduces potential for conflicts of interest and lowers implementation costs.
- Potential drawbacks are primarily related to the difficulty of building and maintaining a competitive investment management organization.

Pension Investment Models – Retained Authority

- Board retains authority for most aspects of investment implementation.
 - Manager selection/termination
 - Portfolio rebalancing
- Utilized across plan sizes, but more common at smaller plans (<\$10 billion).
- Number and experience of Board may be greater than or similar to that of staff.
- Potential benefits are control and the ability to leverage experience of the Board particularly for plans with limited staff resources.
- Main challenges are the need for a stable Board with adequate expertise, time demands related to Trustee review of detailed diligence reports and recommendations, possibly less pro-active/timely decision making (implementation needs to align with board meetings), majority of time focused on less impactful matters.

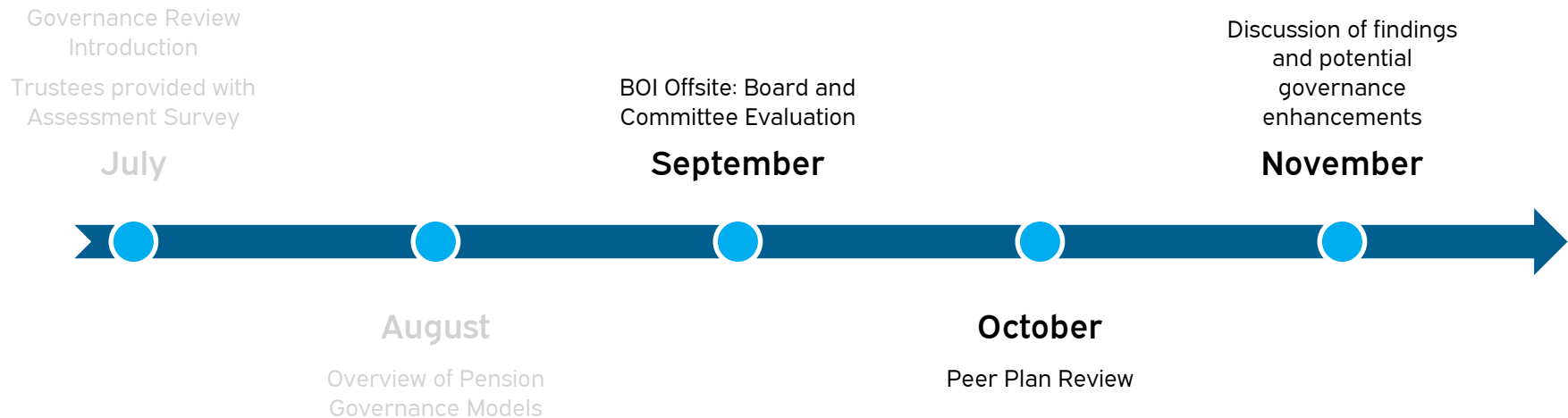
Pension Investment Models – Delegated Authority

- Many large pension plans fully delegate authority regarding investment selection and implementation to staff.
- There are two main approaches:
 - Authority is delegated to and through a single member of staff (typically the CIO).
 - Authority is delegated to an internal investment committee.
- When authority is delegated, there is an increased emphasis on:
 - Transparency
 - Accountability
 - Controls/guardrails/limitations
- Increased complexity of both global capital markets and large institutional investment portfolios have been strong drivers of increased use of delegated authority over the past decade.
- Main benefits include improved time/resource management, more proactive/expert decision making, and better alignment of Trustee focus on strategic issues.
- Potential challenges can be effective oversight/reporting and resources for building out appropriate level of staff capabilities.

Pension Investment Models – Hybrid Authority

- Hybrid Authority can be defined as a mix between Retained and Delegated Authority. There are several different variations of this approach:
 - Authority is delegated for internal management of certain asset classes/strategies, but retained for approval/termination of external managers.
 - Authority is retained or delegated based on the asset category.
 - Authority is delegated when select criteria are met (re-ups, co-investments with existing managers, etc.).
- LACERA's current governance fits most closely with this category.
- Main benefits include flexibility to leverage strengths of the organization in certain areas, improved time/resource management and development of trust.
- Potential challenges can be definition of clear roles/responsibilities, accountability and effective oversight/reporting.

Work Plan Timeline



- At the September BOI Offsite, Meketa will utilize the data and feedback from the Trustee Assessment Survey to guide an in-depth discussion of LACERA's investment governance and identify areas of focus.
- The October BOI meeting will expand upon the concepts discussed today through a review of peer plans.
- In November the BOI will review and discuss potential governance enhancements.

Summary

- There are multiple different models for overall pension plan governance. Many of the high-level governance approaches are legislatively determined.
- Governance and management of pension plan investments also comes in many forms driven by factors such as differing preferences, assets size, capabilities of staff, etc.
- In assessing the best fit for investment governance, Trustees need to consider key issues regarding:
 - Alignment of authority, responsibility, oversight and expertise
 - Changing funding levels, portfolio complexity and market returns/volatility
 - Size, experience and tenure of investment staff
 - Experience, tenure and time limitations of Trustees
- LACERA's governance model should allow LACERA Trustees to fulfill their fiduciary duties with confidence with full consideration of LACERA's legal/regulatory constructs, Investment Beliefs, strategic plan of "Towards Best-In-Class Investor," and optimal utilization of Trustee time, experience and LACERA's resources.

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PERFORMANCE DATA CONTAINED HEREIN REPRESENT PAST PERFORMANCE. PAST PERFORMANCE IS NO GUARANTEE OF FUTURE RESULTS.

FOR INFORMATION ONLY

July 21, 2023

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: August 2, 2023 Board of Retirement Meeting
August 9, 2023 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:



Steven P. Rice, Chief Counsel

Attachments

LACERA Legislative Report Index
LACERA Legislative Report

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

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PUBLIC RETIREMENT

CA AB 738	AUTHOR: TITLE: INTRODUCED: DISPOSITION: SUMMARY:	Lackey [R] State Actuarial Advisory Panel: Reports 02/13/2023 Pending Relates to existing law under which the State Actuarial Advisory Panel is required to report to the Legislature on or before February 1 of each year. Changes the deadline for that report to January 31 of each year.
	STATUS:	
	02/23/2023	To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
CA AB 739	AUTHOR: TITLE: INTRODUCED: DISPOSITION: SUMMARY:	Lackey [R] Public Retirement Systems: Defined Benefit Plans 02/13/2023 Pending Revises the conditions for suspending contributions to a public retirement system defined benefit plan to increase the threshold percentage amount of plan funding to more than 130%.
	STATUS:	
	02/23/2023	To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
CA AB 1246	AUTHOR: TITLE: INTRODUCED: LAST AMEND: DISPOSITION: SUMMARY:	Nguyen [D] Public Employees' Retirement System Optional Settlement 02/16/2023 06/15/2023 Pending Provides that existing law permits a member of the Public Employees' Retirement System to elect from among several other optional settlements for the purpose of structuring their retirement allowance. Permits a member who elected to receive a specified optional settlement at retirement, if the member's former spouse was named as beneficiary and a legal judgment awards only a portion of the interest in the retirement system to the member, to elect to add their new spouse as the beneficiary.
	STATUS:	
	07/03/2023	In SENATE Committee on APPROPRIATIONS: To Suspense File.
CA SB 300	AUTHOR: TITLE: INTRODUCED: LAST AMEND: DISPOSITION: SUMMARY:	Seyarto [R] Public Employees Retirement: Fiscal Impact: Information 02/02/2023 05/03/2023 Pending Requires the Legislative Analyst to prepare a pension fiscal impact analysis on any measure introduced on or after specified date that is referred to the Senate Labor, Public Employment and Retirement Committee, or any successor

committee, as specified, and that requires a public retirement system to take prescribed action, including the divestiture of an existing investment.

STATUS:

05/18/2023 In SENATE Committee on APPROPRIATIONS: Held in committee.

CA SB 432

AUTHOR: Cortese [D]
TITLE: Teachers' Retirement
INTRODUCED: 02/13/2023
LAST AMEND: 06/19/2023
DISPOSITION: Pending
SUMMARY:

Requires the State Teachers' Retirement System to identify and provide specified resources on its website. Requires those identified resources to be relied upon and used for purposes of audits and other actions related to compliance by employers, unless the resource is revoked or superseded. Appropriates funds.

STATUS:

07/13/2023 In ASSEMBLY. Read second time. To Consent Calendar.

CA SB 548

AUTHOR: Niello [R]
TITLE: Public Employees Retirement: County and Trial Court
INTRODUCED: 02/15/2023
LAST AMEND: 06/29/2023
DISPOSITION: Pending
SUMMARY:

Authorizes a county and the trial court located within the county to elect to separate their joint Public Employees' Retirement System contract into individual contracts, if the county and the trial court make that election jointly and voluntarily. Makes the separation of a joint contract irrevocable and makes a county and trial court ineligible to reestablish a joint contract.

STATUS:

06/29/2023 In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

CA SB 660

AUTHOR: Alvarado-Gil [D]
TITLE: Public Employees' Retirement Systems
INTRODUCED: 02/16/2023
LAST AMEND: 03/21/2023
DISPOSITION: Pending
SUMMARY:

Establishes the California Public Retirement System Agency Cost and Liability Panel, located in the Controller's office. Assigns responsibilities to the panel related to retirement benefit costs, including determining how costs and unfunded liability are apportioned to a public agency when a member changes employers within the same public retirement system or when a member concurrently retires with a specified number or more retirement systems that have entered into reciprocity agreements.

STATUS:

05/18/2023 In SENATE Committee on APPROPRIATIONS: Held in committee.

PUBLIC INVESTMENT

CA SB 252

AUTHOR: Gonzalez [D]
TITLE: Public Retirement Systems: Fossil Fuels: Divestment
INTRODUCED: 01/30/2023
LAST AMEND: 05/18/2023
DISPOSITION: Pending
SUMMARY:

Prohibits the boards of the Public Employees' Retirement System and the State Teachers' Retirement System from making new investments or renewing existing investments of public employee retirement funds in a fossil fuel company. Requires the boards to liquidate investments in a fossil fuel company on or before specified date. Suspends, temporarily, the liquidation provision upon a good faith determination by the board that certain conditions materially impact normal market mechanisms for pricing assets.

STATUS:

06/08/2023 To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

Comment:

The bill will not move forward during the 2023 legislative year and will carry over into the 2024 legislative year.

PUBLIC EMPLOYMENT

CA SB 765

AUTHOR: Portantino [D]
TITLE: Teachers: Retired Teachers: Teacher Preparation
INTRODUCED: 02/17/2023
LAST AMEND: 06/30/2023
DISPOSITION: Pending
SUMMARY:

Provides that existing law permits members retired for service from the Teachers' Retirement System to perform retired member activities without reinstatement into the system if certain conditions are met. Authorizes a member retired from service to perform retired member activities, notwithstanding the specified compensation limitation, if a request for exemption containing specified information is submitted by, among others, a county superintendent or the chief executive officer of a community college.

STATUS:

06/30/2023 In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

CA SB 885

AUTHOR: Labor, Public Employment & Retirement Cmt
TITLE: Public Employees' Retirement
INTRODUCED: 03/14/2023
LAST AMEND: 06/06/2023
DISPOSITION: Pending
SUMMARY:

Provides that the Judges' Retirement Law prescribes retirement benefits for judges. Provides that existing law requires, if a benefit is payable on account of the judge's death, and the beneficiary is the judge's spouse, that distributions commence on or before the later of December 31 of the calendar year immediately following the calendar year in which the judge dies or December 31 of the calendar year in which the judge would have attained 72 years of age. Changes the age for required distributions.

STATUS:

07/03/2023

In ASSEMBLY. Read third time. Passed ASSEMBLY.
*****To SENATE for concurrence. (69-0)

DISABILITY RETIREMENT

CA AB 1020

AUTHOR: Grayson [D]
TITLE: County Employees Retirement Law 1937: Disability
INTRODUCED: 02/15/2023
LAST AMEND: 07/11/2023
DISPOSITION: Pending
SUMMARY:

Relates to the County Employees Retirement Law of 1937. Provides that existing law creates a presumption, for purposes of qualification for disability retirement benefits for specified members, that certain injuries arose out of and in the course of employment. Expands the scope of this presumption to include additional injuries, including, among others, post-traumatic stress disorder, tuberculosis, and skin cancer. Repeals the provisions related to post-traumatic stress disorder on specified date.

STATUS:

07/12/2023 In SENATE. Read second time. To third reading.

Comment:

Provided technical amendments to author and sponsor through SACRS Legislative Committee.

BOR_Position: Neutral 06/07/2023

IBLC_Recommendation: Neutral 05/03/2023

Staff_Recommendation: Neutral

CA SB 327

AUTHOR: Laird [D]
TITLE: State Teachers' Retirement: Disability Allowances
INTRODUCED: 02/07/2023
LAST AMEND: 05/02/2023
DISPOSITION: Pending
SUMMARY:

Relates to law that authorizes a member of the State Teachers' Retirement System who is eligible and applies for a disability allowance or retirement to apply to receive a service retirement pending the determination of their application for disability, subject to meeting certain conditions. Prohibits the service retirement date of a member who submits an application for retirement from being earlier than a specified number of calendar days prior to when the application for service retirement is received.

STATUS:

07/12/2023 From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS. (7-0)

WORKERS COMPENSATION

CA AB 489

AUTHOR: Calderon [D]
TITLE: Workers' Compensation: Disability Payments
INTRODUCED: 02/07/2023
DISPOSITION: Enacted
SUMMARY:

Establishes a workers' compensation system, administered by the Administrative Director of the Division of Workers' Compensation, to compensate an employee for injuries sustained in the course of the employee's

employment; governs temporary and permanent disability indemnity payments; allows an employer to commence a program under which disability indemnity payments are deposited in a prepaid card account for employees.

STATUS:

07/13/2023

Signed by GOVERNOR.

07/13/2023

Chapered by Secretary of State. Chapter No. 2023-063

CA AB 597

AUTHOR: Rodriguez [D]

TITLE: Workers' Compensation: First Responders: Stress

INTRODUCED: 02/09/2023

LAST AMEND: 02/23/2023

DISPOSITION: Pending

SUMMARY:

Provides that for certain State and local firefighting personnel and peace officers, the term injury includes post-traumatic stress that develops or manifests during a period in which the injured person is in the service. Requires the compensation awarded pursuant to this provision to include full hospital, surgical, medical treatment, disability indemnity, and death benefits. Makes this applicable to emergency medical technicians and paramedics for injuries on and after certain date.

STATUS:

02/23/2023

From ASSEMBLY Committee on INSURANCE with author's amendments.

02/23/2023

In ASSEMBLY. Read second time and amended. Re-referred to Committee on INSURANCE.

CA AB 621

AUTHOR: Irwin [D]

TITLE: Workers' Compensation: Special Death Benefit

INTRODUCED: 02/09/2023

DISPOSITION: Pending

SUMMARY:

Relates to existing law which provides that no benefits, except reasonable expenses of burial not exceeding \$1,000, shall be awarded under the workers' compensation laws on account of the death of an employee who is an active member of the Public Employees' Retirement System, unless the death benefits available under the Public Employees Retirement Law are less than the workers' compensation death benefits. Expands an exemption from the limitation to include state safety members and peace officers.

STATUS:

07/10/2023

In SENATE Committee on APPROPRIATIONS: To Suspense File.

CA AB 699

AUTHOR: Weber A [D]

TITLE: Workers' Compensation: Presumed Injuries

INTRODUCED: 02/13/2023

DISPOSITION: Pending

SUMMARY:

Expands presumptions for hernia, pneumonia, heart trouble, cancer, tuberculosis, bloodborne infectious disease, methicillin-resistant Staphylococcus aureus skin infection, and meningitis-related illnesses and injuries to a lifeguard employed on a year-round, full-time basis in the Boating Safety Unit by the City of San Diego Fire-Rescue Department.

STATUS:

	06/27/2023	In SENATE. Read second time. To third reading.
CA AB 1107	AUTHOR:	Mathis [R]
	TITLE:	Workers' Compensation: Presumptive Injuries
	INTRODUCED:	02/15/2023
	DISPOSITION:	Pending
	SUMMARY:	Makes a workers' compensation system provision applicable to additional members and employees of the Department of Corrections and Rehabilitation, including members of the Office of Correctional Safety or the Office of Internal Affairs.
	STATUS:	
	03/02/2023	To ASSEMBLY Committee on INSURANCE.
CA AB 1145	AUTHOR:	Maienschein [D]
	TITLE:	Workers' Compensation
	INTRODUCED:	02/16/2023
	DISPOSITION:	Pending
	SUMMARY:	Provides, only until January 1, 2030, that in the case of certain state nurses, psychiatric technicians, and various medical and social services specialists, the term injury also includes post-traumatic stress that develops or manifests itself during a period in which the injured person is in the service of the department or unit. Applies to injuries occurring on or after January 1, 2024.
	STATUS:	
	07/10/2023	In SENATE Committee on APPROPRIATIONS: To Suspense File.
CA AB 1156	AUTHOR:	Bonta M [D]
	TITLE:	Workers' Compensation: Hospital Employees
	INTRODUCED:	02/16/2023
	DISPOSITION:	Pending
	SUMMARY:	Defines injury, for a hospital employee who provides direct patient care in an acute care hospital, to include infectious diseases, cancer, musculoskeletal injuries, post-traumatic stress disorder, and respiratory diseases. Includes the 2019 novel coronavirus disease (COVID-19) from SARS-CoV-2 and its variants, among other conditions, in the definitions of infectious and respiratory diseases.
	STATUS:	
	03/02/2023	To ASSEMBLY Committee on INSURANCE.
CA SB 391	AUTHOR:	Blakespear [D]
	TITLE:	Workers' Compensation: Skin Cancer
	INTRODUCED:	02/09/2023
	DISPOSITION:	Pending
	SUMMARY:	Expands the scope of Workers' compensation and skin cancer regulations to certain peace officers of the Department of Fish and Wildlife and the Department of Parks and Recreation.
	STATUS:	
	06/28/2023	From ASSEMBLY Committee on INSURANCE: Do pass to Committee on APPROPRIATIONS. (13-0)

CA SB 623 **AUTHOR:** Laird [D]
TITLE: Workers Compensation: Post-Traumatic Stress Disorder
INTRODUCED: 02/15/2023
LAST AMEND: 03/20/2023
DISPOSITION: Pending
SUMMARY:
Relates to workers compensation for post-traumatic stress disorder. Expands such provisions to, among others, firefighting members of the State Department of State Hospitals, the State Department of Developmental Services, the Military Department, and the Department of Veterans Affairs.
STATUS:
06/28/2023 From ASSEMBLY Committee on INSURANCE: Do pass to Committee on APPROPRIATIONS. (13-0)

BROWN ACT

CA AB 557 **AUTHOR:** Hart [D]
TITLE: Open Meetings: Local Agencies: Teleconferences
INTRODUCED: 02/08/2023
LAST AMEND: 06/19/2023
DISPOSITION: Pending
SUMMARY:
Authorizes the legislative body of a local agency to use teleconferencing without complying with specified teleconferencing requirements in specified circumstances when a declared state of emergency is in effect. Provides that those circumstances are that, among other things, State or local officials have imposed or recommended measures to promote social distancing.
STATUS:
06/29/2023 In SENATE. Read second time. To third reading.

CA AB 817 **AUTHOR:** Pacheco [D]
TITLE: Open Meetings: Teleconferencing: Subsidiary Body
INTRODUCED: 02/13/2023
LAST AMEND: 03/16/2023
DISPOSITION: Pending
SUMMARY:
Relates to the Ralph Brown Act. Authorizes a subsidiary body to use alternative teleconferencing provisions similar to the emergency provisions indefinitely and without regard to a state of emergency.
STATUS:
03/16/2023 To ASSEMBLY Committee on LOCAL GOVERNMENT.
03/16/2023 From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.
03/16/2023 In ASSEMBLY. Read second time and amended.
 Re-referred to Committee on LOCAL GOVERNMENT.

CA AB 1379 **AUTHOR:** Papan [D]
TITLE: Open Meetings: Local Agencies: Teleconferences
INTRODUCED: 02/17/2023
LAST AMEND: 03/23/2023
DISPOSITION: Pending
SUMMARY:
Relates to teleconferencing. Requires a legislative body electing to use teleconferencing to post agendas at a singular designated physical meeting

location, as defined, rather than at all teleconference locations.

STATUS:

03/23/2023 To ASSEMBLY Committee on LOCAL GOVERNMENT.
03/23/2023 From ASSEMBLY Committee on LOCAL GOVERNMENT with author's amendments.
03/23/2023 In ASSEMBLY. Read second time and amended. Re-referred to Committee on LOCAL GOVERNMENT.

CA SB 411

AUTHOR: Portantino [D]
TITLE: Open Meetings: Teleconferences: Neighborhood Councils
INTRODUCED: 02/09/2023
LAST AMEND: 04/24/2023
DISPOSITION: Pending
SUMMARY:

Authorizes an eligible legislative body to use alternate teleconferencing provisions related to notice, agenda, and public participation, if the city council has adopted an authorizing resolution and a specified fraction of an eligible legislative body votes to use the alternate teleconferencing provisions. Requires an eligible legislative body authorized to provide publicly accessible physical locations for public participation.

STATUS:

07/12/2023 From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass as amended. (7-0)

CA SB 537

AUTHOR: Becker [D]
TITLE: Open Meetings: Multijurisdictional
INTRODUCED: 02/14/2023
LAST AMEND: 04/24/2023
DISPOSITION: Pending
SUMMARY:

Relates to law that authorizes the legislative body of a local agency to use alternative teleconferencing in certain circumstances related to the particular member. Provides that these circumstances include if a member shows just cause. Expands the circumstances of just cause to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely.

STATUS:

07/12/2023 From ASSEMBLY Committee on LOCAL GOVERNMENT: Do pass as amended. (6-1)

PUBLIC RECORDS ACT

CA AB 1637

AUTHOR: Irwin [D]
TITLE: Local Government: Internet Websites and Email Addresses
INTRODUCED: 02/12/2023
LAST AMEND: 06/29/2023
DISPOSITION: Pending
SUMMARY:

Provides that the California Public Records Act requires a local agency to make public records available for inspection and allows a local agency to comply by posting the record on its internet website and directing a member of the public to the internet website. Requires, no later than specified date, a local agency that maintains an internet website for use by the public to ensure that the internet website utilizes a .gov top-level domain or a .ca.gov second-level

domain.

STATUS:

07/10/2023

In SENATE Committee on APPROPRIATIONS: To Suspend File.

SOCIAL SECURITY

CA SJR 1

AUTHOR: Cortese [D]
TITLE: Social Security Act: Repeal of Benefit Reductions
INTRODUCED: 12/05/2022
LAST AMEND: 04/12/2023
DISPOSITION: Adopted
SUMMARY:

Requests the Congress of the United States to enact, and the President to sign, legislation that would repeal the Government Pension Offset and the Windfall Elimination Provision from the Social Security Act.

STATUS:

06/02/2023 Chaptered by Secretary of State.
06/02/2023 Resolution Chapter No. 2023-084

US HR 82

SPONSOR: Graves [R]
TITLE: Pension Offset and Windfall Elimination Repeal
INTRODUCED: 01/09/2023
DISPOSITION: Pending
SUMMARY:

Amends title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

STATUS:

01/09/2023 INTRODUCED.
01/09/2023 To HOUSE Committee on WAYS AND MEANS.

US S 597

SPONSOR: Brown S [D]
TITLE: Government Pension Offset Repeal
INTRODUCED: 03/01/2023
DISPOSITION: Pending
SUMMARY:

Amends title II of the Social Security Act to repeal the Government pension offset and windfall elimination provisions.

STATUS:

03/01/2023 INTRODUCED.
03/01/2023 In SENATE. Read second time.
03/01/2023 To SENATE Committee on FINANCE.

**FOR INFORMATION ONLY**

July 27, 2023

TO: Trustees,
Board of Investments

FROM: Ted Granger
Interim Chief Financial Officer

FOR: August 9, 2023 – Board of Investments Meeting

SUBJECT: **Semi-Annual Interest Crediting for Reserves as of June 30, 2023 (UNAUDITED)**

Pursuant to the County Employees Retirement Law of 1937, California Government Code Section 31591, regular interest shall be credited semi-annually on June 30 and December 31 to all eligible member contributions in the retirement fund, which have been on deposit six months immediately prior to such date at an interest rate determined by the Board.

The Retirement Benefit Funding Policy requires that LACERA conduct an experience and assumption study every three years and perform annual valuations of the retirement benefits plan. Milliman, LACERA's consulting actuary, prepares the valuation to confirm the existing actuarial assumptions and methods, and calculate the employer and employee contribution rates for the beginning of the upcoming fiscal year.

Interest Credit Application – Fiscal Year 2022-2023Rate

Plan sponsors and LACERA require ample time to prepare for annual changes to employer and employee contribution rates and interest crediting rates, so the interest crediting target rate effective July 1 of a given fiscal year is based on the actuarial valuation from one year prior. For the fiscal year 2022-2023, the interest crediting rate is based upon the investment return assumption used in the June 30, 2021 actuarial valuation. Therefore, the semi-annual interest crediting target rate applicable June 30, 2023 is 3.50% (i.e., one-half of the 7.00% annual investment return assumption used in the 2021 valuation).

Looking back, the Board approved a reduction in the investment return assumption from 7.25% to 7.00% in January 2020 based on the 2019 Experience Study. This new rate was originally implemented effective July 1, 2020 with the Board's adoption of the June 30, 2019 actuarial valuation and has not changed since then.

Realized Earnings

The Retirement Benefit Funding Policy stipulates that interest credits are allocated to Reserve accounts in the same priority order as the allocation of actuarial assets, to the extent there are Realized Earnings available in the six-month period to perform such an allocation. Interest crediting to Reserve accounts for the six-month period stops once all Realized Earnings have been allocated.

As of June 30, 2023, all available Realized Earnings were applied to Priority 1, the Member Reserve, which is equivalent to an interest credit rate of 3.29%. Thus, there were no additional earnings available to apply to other Priorities.

The table below depicts the actual interest credit allocations for the six-month period ended June 30, 2023.

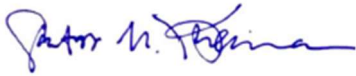
Priority Order	Reserve Account	Interest Credit Rate Applied
1	Member	3.29%
2	Advanced Employer Contributions	N/A
3	Employer	0.0%

Next Cycle

For Fiscal Year 2023-2024, the Board of Investments approved the plan's actuarial assumptions based on Milliman's 2022 Investigation of Experience Study report at the December 2022 meeting, reconfirming the 7.00% investment return assumption. Milliman applied this assumption in preparing the June 30, 2022 Actuarial Valuation report. The interest credit target amount will remain at 3.50% for the upcoming interest crediting cycles unless the Board changes this assumption. The next experience study is scheduled for June 30, 2025.

Please note the financial data presented in this report is *unaudited*. Plante Moran, LACERA's external financial statement auditor, is expected to issue an *audited* report in mid-October, in time for the filing deadline with the Los Angeles County Board of Supervisors. The financial data contained herein will be updated based on the completed audited.

REVIEWED AND APPROVED:



Santos H. Kreimann
Chief Executive Officer

SHK:tg:mh

c: Board of Retirement, LACERA
Fesia Davenport, CEO, Los Angeles County



June 21, 2023

TO: Each Trustee,
Board of Retirement

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

FOR: July 6, 2023, Board of Retirement Meeting

SUBJECT: **Board of Retirement: Five Year Strategic Plan (2023 – 2028)**

RECOMMENDATION:

That the Board of Retirement (BOR) approve and adopt the Five-Year BOR Strategic Plan.

EXECUTIVE SUMMARY

The strategic planning process kicked off in January 2022. The attached strategic plan document is the result of an extensive and broadly inclusive process of review, recommendations, discussion, and collaboration among LACERA trustees, active and retired members, board approved consultant (KH Consulting Group), and LACERA staff.

During the April 5, 2023, BOR meeting, staff presented the Five-Year Strategic Plan to trustees. The current Strategic Plan incorporates feedback from trustees and fiduciary counsel, Bob Klausner. In a meeting on May 17, 2023, Mr. Klausner met virtually with the Chairs and Vice Chairs of the Board of Retirement and Board of Investment to discuss issues surrounding the draft and approval of the Strategic Plan. An informational memo dated May 31, 2023, was provided to both boards during their June 2023 board meetings outlining the direction to staff on the approval of the BOR Strategic Plan.

In preparation for this discussion, Mr. Klausner reviewed the Strategic Plan document and recommended changes to Strategic Priority 5.2 to align more consistently with the discussions with the Board Chairs and Vice Chairs. The updates have been made as recommended and Mr. Klausner has approved the final version of Priority 5.

LACERA staff is excited to present the five strategic priorities that will serve as our building blocks over the next five years to advance our member centric foundation and commitment to developing a more efficient and operationally mature organization.



CONCLUSION

LACERA staff would like to thank all stakeholders involved in the development of our plan. Consistent with our commitment to transparency and accountability, we will publicly share this plan. It will serve as our road map for enhancing the member experience while building upon our organizational maturity.

RECOMMENDATION

It is therefore recommended that the Board of Retirement approve and adopt the BOR Five-Year Strategic Plan.

Respectfully,

Santos H. Kreimann
Chief Executive Officer

cc: Board of Investments
Steven P. Rice

Luis A. Lugo
JJ Popowich

Jonathan Grabel
Laura Guglielmo

Attachments
Attachment A: LACERA Strategic Plan Document

L//CERA



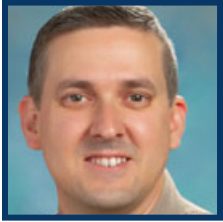
**BUILDING
A BETTER
TOMORROW**

**Board of Retirement
2023-2028 Strategic Plan**

Los Angeles County Employees Retirement Association

Board of Retirement

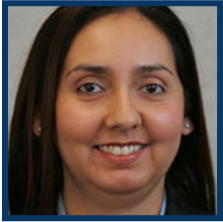
Thank you to the Board of Retirement Trustees for their service and guidance in shaping LACERA's strategic priorities and objectives.



Shawn R. Kehoe
Chair
Elected by Safety Members

Alan J. Bernstein
Vice Chair
Appointed by Board of Supervisors

Vivian H. Gray
Secretary
Elected by General Members



Elizabeth B. Ginsberg
Chief Deputy County Treasurer And Tax Collector
*Acting Ex-Officio Trustee**

Jason E. Green
Elected by Safety Members

Elizabeth Greenwood
Appointed by Board of Supervisors



James P. Harris
Elected by Retired Members

Keith Knox
County Treasurer and Tax Collector
Ex-Officio Trustee

Ronald Okum
Appointed by Board of Supervisors



Les Robbins
Elected by Retired Members

Antonio Sanchez
Appointed by Board of Supervisors

Herman B. Santos
Elected by General Members

We also want to recognize the following former Board of Retirement Trustees: Wayne Moore, William Pryor, and Gina Zapanta.

* When ex-officio trustee is absent

A Message From the CEO



I'm pleased to present the LACERA 2023-2028 Strategic Plan on behalf of the Board of Retirement. This plan covers the strategic priorities, goals, and objectives that we will implement during the next five years. It is the result of an extensive and broadly inclusive process of review, recommendations, discussion, and collaboration among LACERA's Trustees, executive and managerial teams, active and retired members, and employees from all divisions.

First, a little background about how we got here: When I started as CEO at LACERA in November 2019, LACERA divisions were working on several strategic goals that had been set by the Board of Retirement, but a formal strategic planning process had not been conducted for several years.

In March 2020, COVID-19 forced LACERA to close most of its onsite operations, and we pivoted to a largely remote workforce nearly overnight. We were able to quickly transform the organization thanks to the decisive leadership and full support of our Board Trustees; the groundwork already completed on our existing goals; and the dedicated, all-hands-on-deck efforts of the entire LACERA staff. Together we quickly developed, implemented, and adopted new technological tools to conduct our daily operations; interact with members, colleagues, and stakeholders; and continue uninterrupted service.

In early 2022, LACERA reopened for onsite work and in-person service, and we initiated a comprehensive strategic planning process as directed by the Board of Retirement. The multiple phases of the process took place throughout the year, informed by our recent experiences and advancements and incorporating input from our various stakeholders.

In addition to catalyzing our evolution, the pandemic strengthened LACERA's commitment to our mission and our members, whose heroic efforts saved lives and maintained the social fabric during this prolonged public health emergency. Throughout this plan, you will see how our strategic priorities reflect our "member first" commitment—from developing a comprehensive member experience and benefits education program, to ensuring the stability, security, and sustainability of our infrastructure and trusts, to developing and retaining our workforce and fostering internal leadership.

Consistent with our commitment to transparency and accountability, we are publicly sharing this Strategic Plan, which will serve as our road map for enhancing the member experience while strengthening our organization from within. This plan is a living document that will continually evolve to meet shifting challenges and opportunities. Along the way, we will maintain open, responsive relationships with all of our stakeholders and encourage their input.

On behalf of everyone at LACERA, we respect the trust placed in us to serve the employees of L.A. County and other districts. We will honor that trust as we set an ambitious path of constant improvement, building a stronger LACERA for today and the years to come.

Santos H. Kreimann
Chief Executive Officer

Our Strategic Planning Process

Initiation and Assessment Stage

The strategic planning process kicked off in January 2022. LACERA conducted an assessment of our strengths, weaknesses, opportunities, and threats (SWOT assessment) as part of the May 2020 100-Day Management Report. Working with the Board of Retirement, we identified short-term priorities to focus on. This strategic plan is designed to build on that work to date and define the strategic priorities, goals, and objectives for the next five years.

We also incorporated input from recent audits, including the September 2021 Eide Bailly Recruitment Audit and August 2022 Weaver Organizational Maturity Audit.

Stakeholder Engagement

Members: To get an accurate picture of our members' expectations and communications preferences as part of the member experience strategic priority, in summer 2022 we surveyed all members to learn about how they want to interface with LACERA in a variety of scenarios. This survey was the first of its kind in LACERA's history. We conducted an extensive print and digital campaign utilizing an omnichannel outreach approach to engage members across all plan types and age groups and provided print and electronic survey options to encourage maximum participation, an approach that proved to be successful based on our high response rate. (See more about the survey results under Gaining Insight on page 9.)

Employees: We held four kick-off meetings so that all LACERA employees could learn about the process. We also surveyed all LACERA employees to solicit their input.

We formed cross-divisional teams of LACERA employees to work on each strategic priority, including what we should do and how we should monitor progress to signal success of desired outcomes.

Trustees: We conducted a strategic-planning kick-off with Trustees. As we honed our options, we surveyed Trustees for their input. We also created an ad hoc committee of Trustees and key staff members to provide guidance during the process. Finally, we devoted a day of our February 2023 Board Offsite Meeting for Trustees to provide feedback and continued progressively refining the plan up to the approval stage.



Who We Are

In 1937, the County of Los Angeles established a pension trust fund to provide defined retirement and death benefits to eligible County employees. In 1938, the Los Angeles County Employees Retirement Association (LACERA) was introduced to administer it.

Today, LACERA is an independent governmental entity, separate and distinct from the County. It is the largest county retirement system in the United States.

LACERA is governed by two Boards:

- The Board of Retirement (BOR) is responsible for the overall management of the retirement system and the LACERA-administered retiree healthcare program.
- The Board of Investments (BOI) is responsible for establishing LACERA's investment policy and objectives; overseeing the management of the fund; overseeing pension actuaries and assumption-setting; and setting employer and employee contribution rates.

Together, the BOR and BOI are primarily responsible for LACERA's budget and personnel (classification and compensation). The Boards have a fiduciary duty to LACERA's stakeholders.

Our Membership

- 187,000 members, including 71,000 benefit recipients¹
- 54,600 member participants in our retiree healthcare benefit program²

Our Funds

- Pension Fund value: \$70 billion¹
- Other Post-Employment Benefits Trust value: \$2 billion¹

¹2022 Annual Comprehensive Financial Report

²March 2023 CEO Report

Our Plan Sponsors

In addition to the County of Los Angeles, LACERA administers and manages the retirement fund for four outside districts: Little Lake Cemetery District, Local Agency Formation Commission (LAFCO), Los Angeles County Office of Education (LACOE), and South Coast Air Quality Management District (SCAQMD).

LACERA's staff of 426 employees deliver retirement pension and healthcare benefits to our members, and oversee the prudent investment of funds.

LACERA's Strategic Plan takes into consideration our diverse stakeholders and audiences.

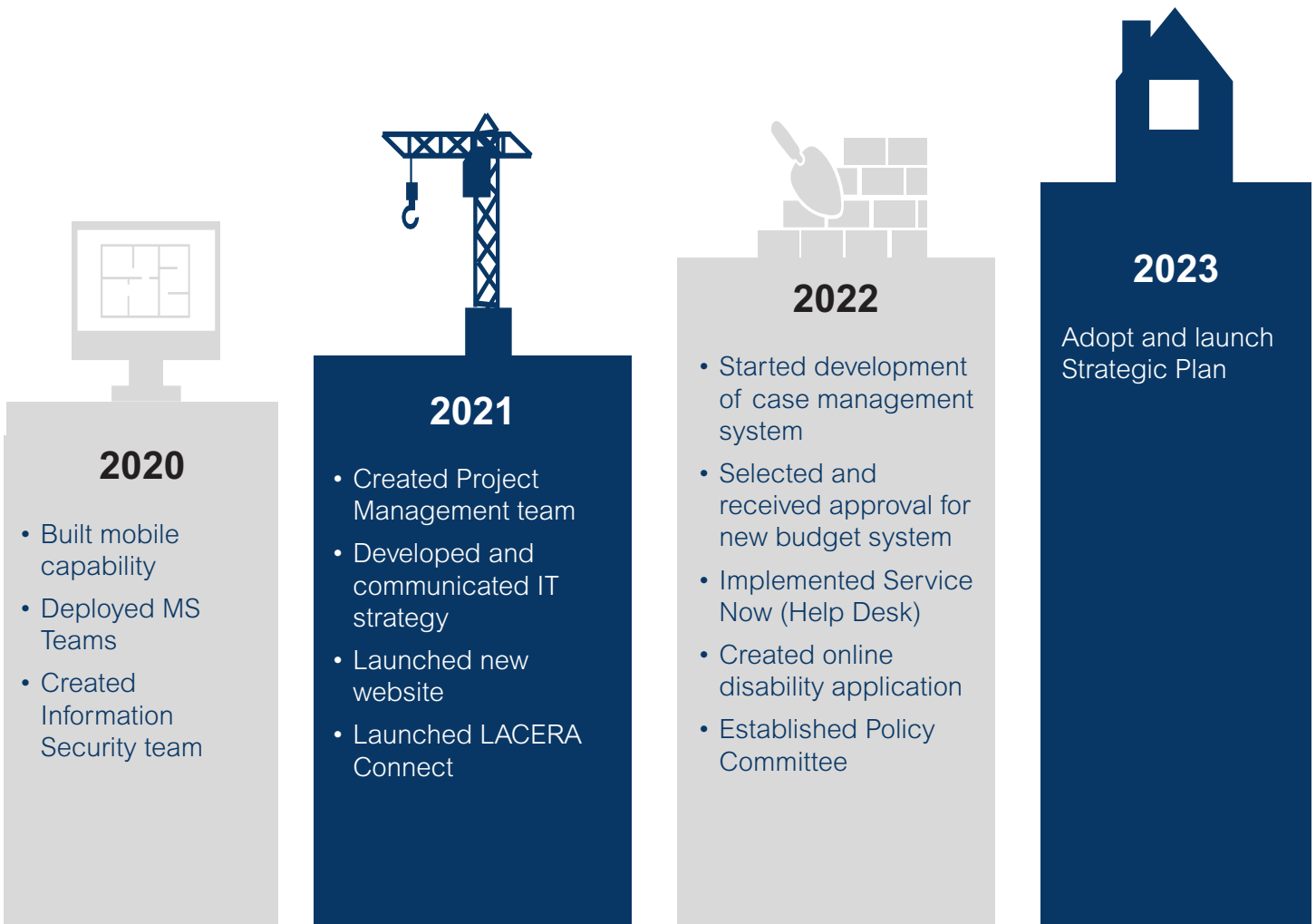


¹ County of Los Angeles, Local Agency Formation Commission (LAFCO), Los Angeles County Office of Education (LACOE), South Coast Air Quality Management District (SCAQMD), Little Lake Cemetery District

² Service Employees International Union (SEIU) Local 721, Association for Los Angeles Deputy Sheriffs (ALADS), Professional Peace Officers Association (PPOA), Coalition of County Unions, International Association of Fire Fighters (IAFF) Local 1014

Accomplishments to Date

In our current quest to build a better tomorrow, we have embarked on a number of initiatives to continuously improve our workflows and business processes.



Continuously improving workflows and business processes

Strategic Priorities

Strategic Priority Goals



1 Superior Member Experience

Innovate and continuously improve the member experience



2 Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity



3 Investing in People

Attract, motivate, hire, and retain a highly engaged and skilled workforce



4 Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at facilitating strengthened governance around risk management and compliance



5 Fiscal Durability

Exercise care and prudence in managing our resources and fund assets

Objectives

- 1.1 Ensure a consistent omnichannel member experience at every stage of the member's journey
 - 1.2 Enhance member educational content at every stage in their journey and launch LACERA Communication Plan
 - 1.3 Develop, implement, and deploy a digital strategy to better serve our members
 - 1.4 Improve and enhance the retiree healthcare experience
-
- 2.1 Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform
 - 2.2 Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information
-
- 3.1 Develop and implement a framework aimed at promoting and embracing diversity, equity, and inclusion (DEI)
 - 3.2 Develop enterprise-wide training and development programs designed to support and encourage employee growth and development
 - 3.3 Improve and simplify the hiring process, aimed at building a solid foundation for succession planning
-
- 4.1 Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations
 - 4.2 Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management
-
- 5.1 Develop organizational tools to support enterprise-wide fiscal responsibility
 - 5.2 Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals



Strategic Priority 1: Superior Member Experience

Innovate and continuously improve the member experience

Background

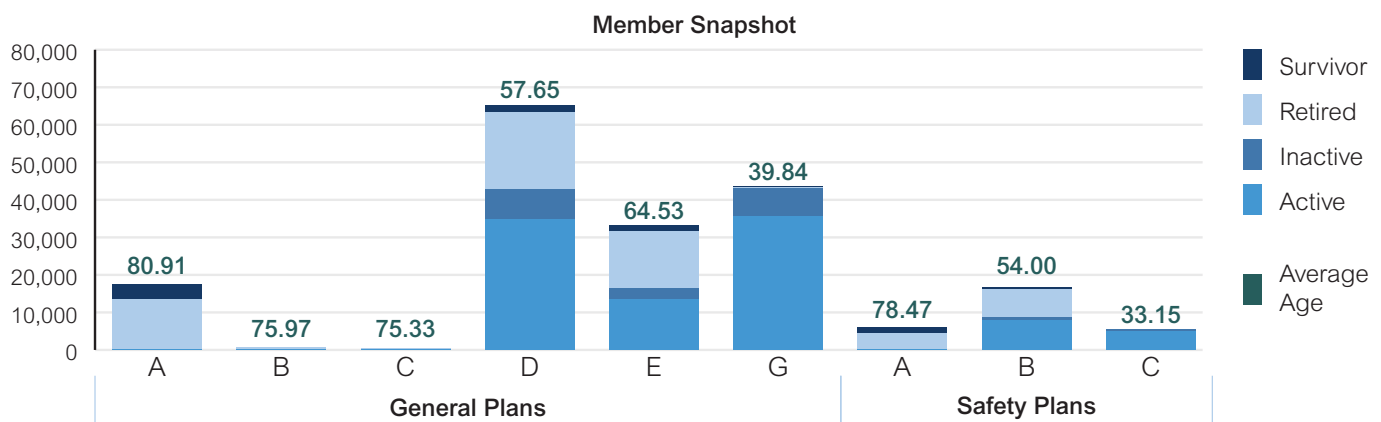
The LACERA member experience is not a one-time occurrence but a lifetime relationship—from the beginning of that member’s career through the legacy they leave their survivors. It is defined by every interactive touch-point they have with LACERA, everything they hear about LACERA, and how they feel about LACERA throughout their lives.

From planning for retirement to helping members use their healthcare benefits, LACERA is proud of our long history of providing highly personalized service. Our members’ demographics and expectations for service delivery, however, are changing, and are combined with increasing demand for LACERA customer service. In response, we must create innovative solutions for conducting member outreach and guiding our members to consistent, actionable information and modern, interactive tools for self-service.

LACERA has adopted a “member journey” approach that is tailored to the various stages of our members’ lives to shape and deliver a superior experience that meets our members’ needs.

Understanding Members Is Key

The following graph provides a high-level snapshot of our membership.



Source: March 2023 CEO Report
Data as of 2/15/23; average ages pending verification

Considering our members’ ages, generations, and preferences is foundational when conducting outreach and developing a member experience program. For example, we know Gen X and Millennials are highly competent in using computers and mobile apps, are extremely active social media users, and like to choose between self-service and in-person interactions. Other generations (Greatest Generation and Baby Boomers) are increasingly adopting mobile applications and are also active in social media, but they still tend to prefer traditional interaction points, such as mail, email, phone, and in-person service when conducting business transactions.



Strategic Priority 1: Superior Member Experience

Innovate and continuously improve the member experience

Gaining Insight

To develop a sustainable member experience program, we need a deeper understanding of our members' communications preferences, both in general and during specific member journeys.

To gain greater insight, in 2022 we conducted a member survey and directly asked our members about their comfort levels with technology and online self-services, how they want to interact with LACERA in a variety of scenarios, and how they prefer to receive information. We conducted an extensive outreach campaign (including enlisting our L.A. County plan sponsor) and distributed the survey electronically and by mail to get the highest possible response rate and input from active and retired members. The data we collected will be vital as we develop member journeys.

Here are a few key insights from the survey:

- Responses were heavily skewed toward retired members and active members in their mid- to late-career stages.
- Response rates were lower from new hires in Plan G and Safety Plan C, which gives us vital information regarding levels of engagement with LACERA and differences in communication methods for future outreach efforts.
- The majority of respondents still prefer a mailed newsletter for general news and information (62 percent on average and 77 percent for those age 65 and over). In addition, an average of 50 percent of respondents indicated they liked receiving general news and information via email.
- The majority of our survey respondents indicate they use computers, tablets, and smartphones to complete financial transactions.

Among other takeaways, we know we need to conduct extensive outreach to engage with our younger demographic while focusing on an omnichannel approach for interacting with all age groups. An omnichannel approach integrates the various ways that our members can interact with LACERA (virtually, in person, by phone, email, and My LACERA) and the ways LACERA provides information (lacera.com, YouTube, email, print, SMS, My LACERA, and mailed materials). Given our members' high comfort level with receiving digital information and conducting business online for all age groups, we know we are on the right track with expanding our digital footprint and building more online applications as we develop our member journey program.



Strategic Priority 1: Superior Member Experience

Innovate and continuously improve the member experience

Developing Member Journeys

There are multiple journeys a member takes during their life with LACERA. Journeys include a member's life events (e.g., marriage, birth of a child), career and service milestones (e.g., reaching the retirement minimum age for their plan). Each member's journey is unique, but each stage of their journey is defined and mapped so we can ensure that the member has everything they need when they need it and that services are delivered based on their preferences.

The member journey is a highly personalized, high-touch, comprehensive care approach to serving our members.



Developing an in-depth understanding of a member's preferences and needs along their journey is a key component of a sustainable member experience program.

This approach requires:

- A sustainable system to evaluate each journey to ensure a continual superior member experience
- A Member Experience Council to provide coordinated focus to all involved divisions
- Defined member journeys
- Holistic focus on journey development
- Consistent omnichannel service
- A digital strategy for instant, on-demand service
- Measurable results, with consistent dashboard metrics and reports to the Operations Oversight Committee (OOC)



Strategic Priority 1: Superior Member Experience

Innovate and continuously improve the member experience

Objectives

- 1.1 Ensure a consistent omnichannel member experience at every stage of the member's journey
- 1.2 Enhance member educational content at every stage in their journey and launch LACERA's Communication Plan
- 1.3 Develop, implement, and deploy a digital strategy to better serve our members
- 1.4 Improve and enhance the retiree healthcare experience

CURRENT STATE

Members currently engage in a high-touch customer service model. Some self-help services, such as the online disability application, have been launched.

2023

OUR FOCUS

LACERA will build an educational, digital, customized, and member-centered framework for every stage of the member journey.

2023-2028

DESTINATION

Members may conveniently access our benefit and healthcare enrollment services 24/7 and confidently retire at the palm of their hands.

2028

STEPS TO ACHIEVING OUR OBJECTIVES



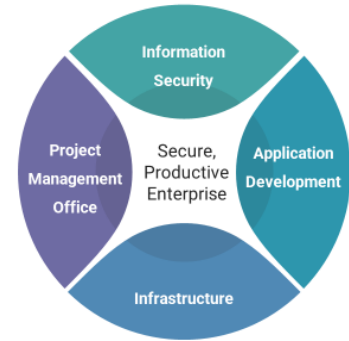


Strategic Priority 2: Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

Background

LACERA's Systems Division and Information Security teams' joint mission is to continually innovate safe, secure, and productive enterprise information technology (IT) solutions that support the LACERA mission and facilitate exceptional service to staff and LACERA members. In its Information Technology and Information Security Strategic Plan (July 2021), LACERA outlined the key components of a secure, productive enterprise.



Identity & Access Management

Ensuring the proper people have the appropriate access to technology resources



End-Point Management

Securing all enterprise access points—mobile phones, laptops, servers, desktops, and tablets



Infrastructure Management

Supporting all hosted and on-premises systems to minimize downtime and maintain business productivity



Data Management

Following best practices to ensure the availability and reliability of enterprise data



Application Development

Implementing modern solutions that support the enterprise



Operations Management

Optimizing change management and incident resolution through a standardized service management methodology

A secure production enterprise provides multiple interwoven benefits by building trust, promoting collaboration, supporting mobility, and providing intelligence data for better decision-making.



Trust

Protecting LACERA's enterprise data and resources



Collaboration

Creating a productive workplace



Mobility

Enabling staff to get things done from anywhere



Intelligence

Providing insights to drive faster, better business decisions



Strategic Priority 2: Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

Information technology (IT) is an invaluable tool. When well designed and implemented, it supports effective and efficient accomplishment of an organization's goals, objectives and strategies. LACERA's Information Technology and Information Security Strategic Plan supports the strategic priorities in this Strategic Plan by helping to:

- Improve the member experience, communication, and education to align with the members' journey
- Establish the structure and approach for optimal efficiency, compliance, risk management, and service delivery
- Optimize talent management and staffing planning
- Establish tools and capacity to support evidence-based decision-making
- Provide purpose, guidance, and inspiration for "One LACERA" to succeed in achieving the objectives in this Strategic Plan

Projects In Development

LACERA is currently advancing many new technology-driven projects, such as Phase 1 of the case management system and e-signature implementation. It is rethinking the roles of end-users, business operations, and system maintenance by developing Enterprise Contract Lifecycle Management (ECLM). The system is designed to enable "power users" (who are not IT staff) to develop reports and system functionality to meet their division's specific needs and expectations.

LACERA continues to strive to improve data accuracy through consistent interpretation of laws and rules, refinements of historic data added to our pension administration system since 1990, and formatting of information provided from our members, third parties, plan sponsors, and LACERA divisions.

Future Direction

To achieve our technology vision, LACERA plans to both modify or enhance existing applications and acquire, integrate, and support new ones. Systems' staff will need a different mix of required skill sets, including:

- Project management related to acquisition and implementation of information technologies
- Information security assessments
- System integration
- Database management
- Network planning
- System administration
- Programming in various languages, thereby reducing our dependency on specific vendors' technical coding to make the systems work
- User training and support



Strategic Priority 2: Innovation Through Technology

Leverage technological solutions to advance capabilities, increase productivity, and elevate operational maturity

LACERA is keenly aware that our ideas and needs outstrip our current capacity to undertake all of them. Therefore, through strategic planning, LACERA will:

- Set priorities through our IT Coordination Council (ITCC)
- Evaluate decisions to internally develop versus buy off-the-shelf technology solutions
- Integrate end-users into the successful selection, implementation, and support of new systems so that the technology works for them
- Develop an IT succession plan to ensure we leverage the efficiencies offered by technology and customer and member service enhancements

Objectives

- 2.1 Promote an enterprise approach to information gathering, integration, analysis, and sharing that fosters decision-making through the adoption of a business intelligence platform
- 2.2 Implement an enterprise-wide knowledge management system to digitally capture, document, organize, and access critical business knowledge and information



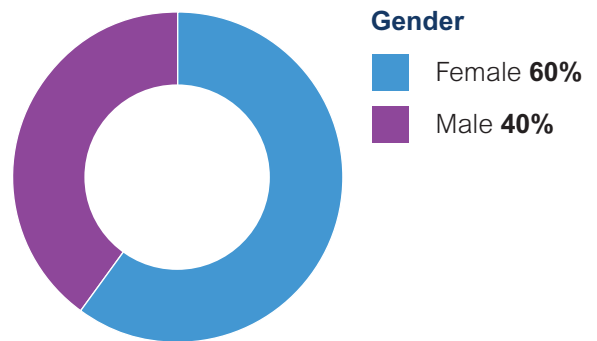
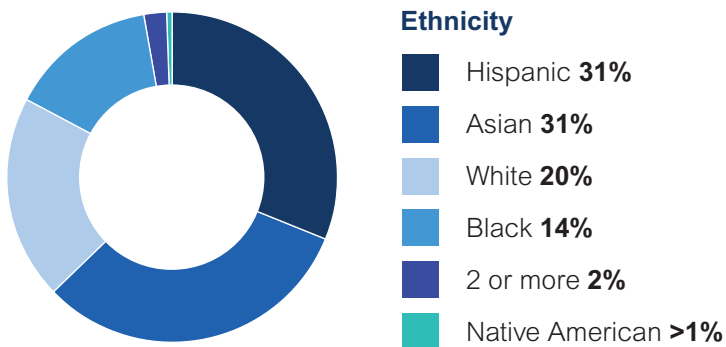


Strategic Priority 3: Investing in People

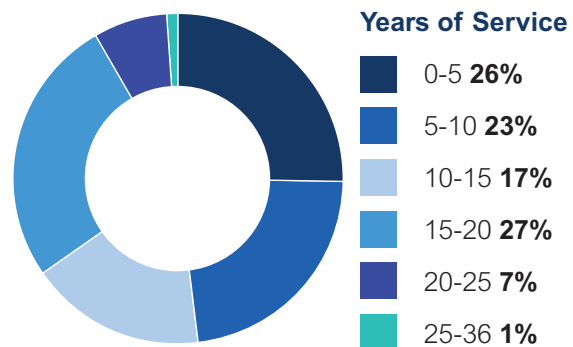
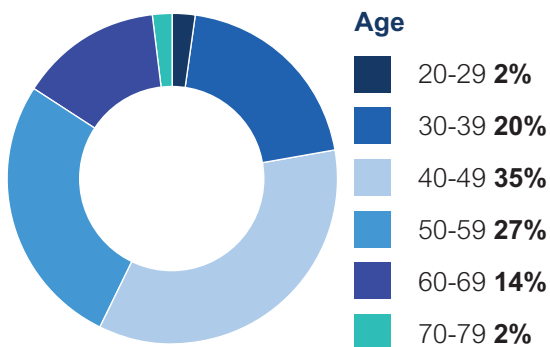
Recruit, motivate, hire, and retain a highly engaged and skilled workforce

Background

LACERA has a long-standing commitment to diversity, equity, and inclusion (DEI), as reflected in our investment strategies and diverse staff. As of our January 2023 employment records, approximately one-third of our LACERA staff identify as Hispanic, one-third as Asian, and the balance as White, Black, Native American, or two or more races. Approximately 60 percent of our workforce, as reported by the County, identifies as female.



We have a professionally experienced, stable workforce. More than one-half of our employees are between the ages of 30 and 49, while nearly three-quarters of our staff members have worked at LACERA for five years or longer.





Strategic Priority 3: Investing in People

Recruit, motivate, hire, and retain a highly engaged and skilled workforce

Internal and External DEI Efforts

In March 2021, the Board of Investments approved the Toward Inclusion, Diversity, and Equity (TIDE) initiative, which focused on DEI principles for investments, including internal practices, due diligence, active ownership, capital formation, and industry advocacy.

LACERA has now developed the LEAD initiative (see graphic below) to complement TIDE. The purpose of LEAD is to establish a positive and welcoming work culture, provide our members with exceptional service in an inclusive manner, and engage our business and community partners. We believe LEAD will:

- Build a sense of inclusiveness for employees and aid in recruitment and retention
- Provide superior member service by better understanding our members’ unique and diverse needs
- Involve our business partners in delivering better results that meet LACERA’s mission
- Engage and support our community in a shared vision for diversity, equity and inclusion

Objective

3.1 Develop and implement a framework aimed at promoting and embracing diversity, equity, and inclusion (DEI)

Lead Effectively	Ensure Equity	Achieve Inclusivity	Drive Diversity
Integrate the LEAD initiative into our work culture and how we engage with our members and convey the LEAD initiative to our business and community partners.	Commit to fair treatment and access to promotional opportunities and member resources.	Practice diversity by welcoming, supporting, respecting, and valuing individuals and groups.	Seek representation of different and unique identities, characteristics, experiences, and perspectives.



Strategic Priority 3: Investing in People

Recruit, motivate, hire, and retain a highly engaged and skilled workforce

Talent Management: Recruitment, Training, and Retention

Similar to challenges of other organizations today, LACERA faces staffing vacancies with a long lead time to hire, train, and fill. LACERA is working to make the recruitment and hiring processes and procedures more transparent, efficient, and collaborative while complying with the County’s civil service requirements. Human Resources (HR) is partnering with LACERA divisions to develop solutions that meet LACERA’s and its divisions’ hiring goals.

LACERA is also working to strengthen its talent management program for new hires and current staff members, including better onboarding, internal promotional opportunities, mentoring, and training, as well as supervisory, management, and leadership development. At the same time, we need to stay current on and/or develop changes in HR policy, processes, and procedures.

Objectives

3.2 Develop enterprise-wide training and development programs designed to support and encourage employee growth and development

3.3 Improve and simplify the hiring process, aimed at building a solid foundation for succession planning





Strategic Priority 4: Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at mitigating risk and vulnerabilities

Background

According to the Institute of Internal Auditors (IIA) Standards Glossary, risk is “the possibility of an event occurring that will have an impact on the achievement of objectives.” Risk is measured in terms of impact and likelihood. LACERA has various kinds of risks, including:

- Operational risks pertaining to internal policies, processes and systems, which can be affected by our employees or triggered by external events, such as the recent COVID-19 pandemic, floods, or earthquakes
- Fiduciary risks emphasizing the importance of acting in the best interest of our members
- Compliance risks relating to adequacy of internal controls to prevent violation of laws, regulations, and policies

Enterprise Risk Management (ERM) encompasses the methods and processes that organizations use to manage risks and seize opportunities related to the achievement of their objectives. LACERA's current risk governance structure includes a variety of organization-wide and divisional efforts and controls, including:

- LACERA Incident Response Team
- Policy Committee
- IT Coordinating Council
- Process Management Group
- Operations Oversight Committee and Board Reporting
- Internal Audit and Audit Committee Reporting
- Business Continuity and Disaster Recovery
- Cyber Liability Insurance

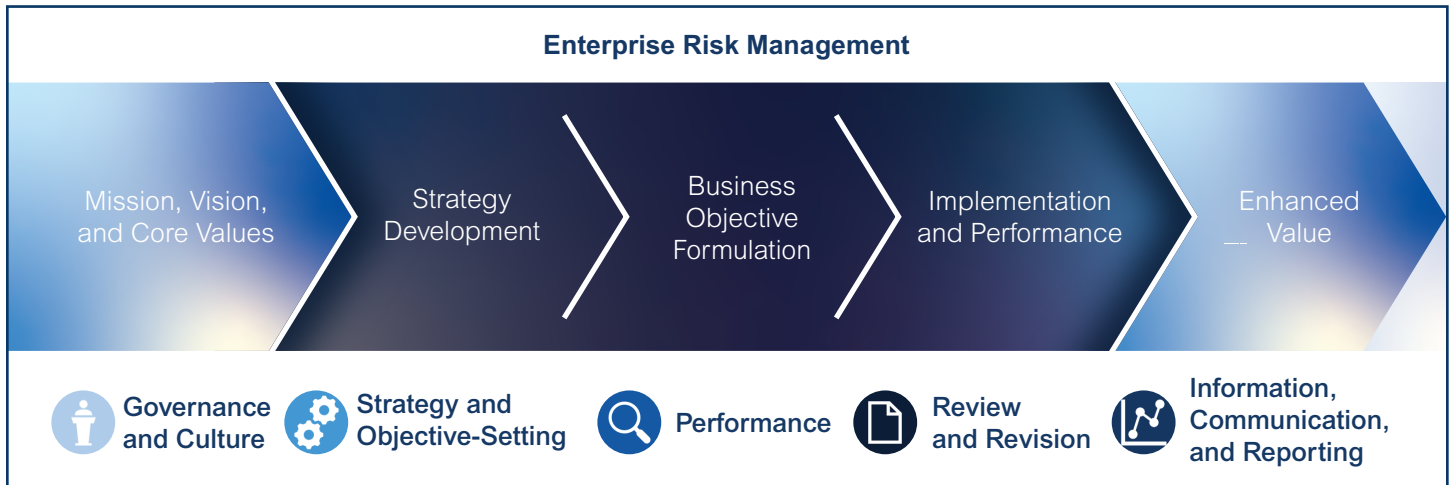
We are currently working on further formalizing the information security program, including the hiring of an Information Security Officer (ISO) and implementing this Strategic Plan.



Strategic Priority 4: Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at mitigating risk and vulnerabilities

LACERA will enhance and elevate our risk governance structure through the establishment of formal compliance and ERM programs that will facilitate management's efforts in regard to compliance and risk management. These efforts are continuous because risks constantly change.



Source: COSO 2017 ERM Framework

Objectives

- 4.1 Develop an enterprise compliance plan and program to ensure adherence to established processes, procedures, policies, and governing rules and regulations
- 4.2 Implement a comprehensive enterprise risk management framework and structure to facilitate stronger organizational risk management

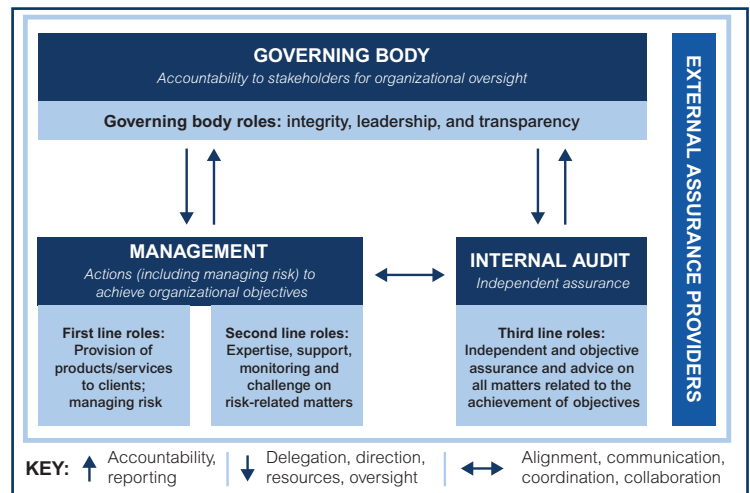


Strategic Priority 4: Compliance and Enterprise Risk Management

Adopt and implement compliance and enterprise risk frameworks aimed at mitigating risk and vulnerabilities

To achieve these objectives, we will generally follow these seven steps:

1. Form working groups across divisional lines to develop compliance and ERM charters
2. Establish dedicated compliance and risk leadership with accountability, starting with a Compliance and Ethics Officer in the Legal Office and ERM leadership in the Executive Office and Internal Audit Division
3. Identify compliance and risk champions in each division to assist with compliance and risk assessments, registers, and areas for focus
4. Conduct staff training for the organization on compliance and risk management, including new employee orientation supplemented by targeted training in specific compliance/risk areas
5. Develop divisional compliance and risk action plans
6. Integrate the results of compliance and ERM efforts into an organizational structure and plan
7. Monitor, report, and update the compliance and risk assessments, registers, and plans as part of a commitment to continuous improvement



Source: ISO 31000 Framework

CURRENT STATE

Delivering compliance and enterprise risk management programs in a non-integrated way, lacking a particular framework.

2023

OUR FOCUS

Hire a Compliance and Ethics Officer and implement the Institute of Internal Auditors “Three Lines of Defense Model” in addressing organizational risk and compliance.

2023-2028

DESTINATION

Fully implemented integrated, structured, and mature organizational compliance and risk programs.

2028



Strategic Priority 5: Fiscal Durability

Exercise care and prudence in managing our resources and fund assets

Background

LACERA has two equally critical responsibilities when it comes to managing resources and fund assets. We must:

- Ensure prudent and durable fiscal management of LACERA's budget and resources expended to administer the benefits, and
- Ensure the Board of Investments' strategic initiatives to manage LACERA's investment portfolio are implemented and supported to maximize the performance of our funds.

In pursuit of meeting of these responsibilities the following two objectives have been defined to focus our efforts.

Objectives

5.1 Develop organizational tools to support enterprise-wide fiscal responsibility

5.2 Support the LACERA Investment Office in implementing and achieving the BOI's Strategic Plan goals





Strategic Priority 5: Fiscal Durability

Exercise care and prudence in managing our resources and fund assets

Objective 5.1

Develop organizational tools to support enterprise-wide fiscal responsibility

LACERA must be fiscally responsible while fulfilling our commitment to continuously meet member expectations by delivering a superior member experience. Key to this goal is maintaining our dedication to sustainable benefit delivery while employing a cost-conscious approach to efficient utilization of resources.

Some of these fiscal elements involve improvements in:

1. Financial and budgeting systems that support LACERA's ability to make, monitor, and ensure prudent and strategic expenditure decisions
2. Technology, both member facing and internal, that may reduce unnecessary or repetitive work efforts
3. Systems and processes that can be simplified and made end-user friendly to increase staff efficiency and effectiveness
4. Staffing levels that are sufficient to complete our work, meet standards, and reflect anticipated changes from technology

These improvements will enable managers and staff to plan for, manage, and track the impact of the changes that are being implemented in the other parts of the Strategic Plan.

Objective 5.2

Implement and support the LACERA Investment Office in achieving the BOI's Strategic Plan goals

Strategic Priority 5 incorporates the BOI's key strategic investment initiatives and objectives to:

1. Share information with the BOI to promote understanding of the BOI's needs and objectives.
2. Assure availability of the operational resources necessary for the BOI to implement its strategic initiatives.
3. Assist the BOI as needed in achieving its defined priorities as well as being prepared to facilitate the BOI's ability to execute a flexible response to any unforeseen circumstances.

Strategic Plan Participants

This Strategic Plan would not have been possible without the dedication and focus of our leadership and employees in developing the action plans.

Spark Advisory Team

James P. Harris, BOR Trustee
Keith Knox, BOR/BOI Trustee
Antonio Sanchez, BOR Trustee
Herman Santos, BOR/BOI Trustee
Santos H. Kreimann, Chief Executive Officer
Luis Lugo, Deputy Chief Executive Officer
Laura Guglielmo, Assistant Executive Officer
JJ Popowich, Assistant Executive Officer
Jon Grabel, Chief Investment Officer
Steven Rice, Chief Counsel
Carly Ntoya, Human Resources Director
Vache Mahseredjian, Principal Investment Officer
Kathy Delino, Information Systems Manager

Action Planning Teams

Vision

Allison Barrett (DLO)
Iveta Brecko (SYS-PMO)
Stephanie Kawai (PMG)
Persian (Percy) Petrov (MS-MSC-OUT)
Fabio Ramirez (BEN-BPU-AMU)
Martin Sandoval (ADM)
Inga Tadevosyan (INV)
Elizabeth Tirado (LEG)
Letha Williams-Martin (RHC)

Performance Management

Gerald Bucacao (MS-CC-CC)
Tamara Caldwell (DRS)
Tom Deluca (SYS)
Eugenia Der (DLO)
Louis Gittens (PMG)
John Kim (INV)
Amy Lim (ADM-DPC)
Maggie Luong (PMG)
Sevan Simonian (BEN-CORE)
Kristina Sun (IA)

Member Experience

Maria Calderon (MS-MSC-OUT)
Allan Cochran (MS)
Stephanie Kawai (PMG)
Laura Magallanes (BEN)
Cynthia Martinez (COM)
Maritza Perez (MS-MSC-OUT)
LaTonya Robinson (BEN)
Sarah Scott (COM)
Jeff Shevlowitz (MS-CC-COR)

Workforce/Talent

Margaret Chwa (FASD)
David Escamilla (RHC)
Elsy Gutierrez (ADM-DPC)
Paola Johns (DLO)
Benjamin Juarez (MS-CC-COR)

Abigail Lomboy (MS-CC-CC)
Diana Luong (DLO)
Kelly Puga (MS-CC-CC)
Julia Ray (HR)
Niki Webb (MS-CC-COR)

Technology

Bernie Buenafior (QA)
Justin Chiu (DRS)
John Chuang (BEN-CORE)
Alex Ochoa (PMG)
Aurelia Okafor-Smith (MS-MCU)
Christian Pieratt (RHC)
Celso Templo (SYS)
Valerie Quiroz (MS-CC)
Jason Waller (DLO)

Culture

Marilyn Bretado (DRS)
Esme Del Bosque (INV)
Vincent Lim (DLO)
Roxanne Martin (ADM-PRO)
Valery Ptacek (MS-CC-COR)
Sarah Robles (DRS)
Ana Ronquillo (HR)
Roberta Van Nortrick (ADM)

Risk / Compliance

Nathan Amick (IA)
Carlos Barrios (BEN)
Tom Cohen (COM)
Renee Copeland (MS-CC-CC)
Laura Gonzalez (DRS)
Barry Lew (Legal)
Christina Logan (IA)
Antonio Ramos (MS-CC-CC)
Gloria Rios (FASD)
Bob Schlotfeldt (EXEC-ISO)

Other APTs

Ian Duggan (COM)
John Louie (MS-CC-COR)

Strategic Planning Idea Review and Implementation Team (SPIRIT)

Goal No. 1: Member Journey and Experience

JJ Popowich (EXEC), Facilitator
Frank Boyd (LEG)
Allan Cochran (MS)
Cassandra Smith (RHC)
Fern Billings (LEG)
Tamara Caldwell (DRS)

Vanessa Gonzalez (MS)
Carlos Barrios (BEN)
Kathy Delino (SYS)
Cynthia Martinez (COM)

Goal No. 2: Embracing Technology

Laura Guglielmo (EXEC), Facilitator
Leisha Collins (QA)
Ricki Contreras (DRS)
Kathy Delino (SYS)
JJ Popowich (EXEC)
Bob Schlotfeldt (EXEC-ISO)
Celso Templo (SYS)
Summy Voong (SYS)

Goal No. 3: Compliance and ERM Responsibility

Steven Rice (LEG), Facilitator
Bernie Buenafior (QA)
Richard Bendall (IA)
Barry Lew (LEG)
Christina Logan (IA)
Roberta Van Nortrick (ADM)

Goal No. 4: Fiscal Responsibility

Ted Granger (FASD), Facilitator
Leisha Collins (QA)
Kaelyn Ung (ADM)
Roberta Van Nortrick (ADM)

Goal No. 5: Human Resources

Luis Lugo (EXEC), Facilitator
Jasmine Bath (LEG)
Laura Guglielmo (EXEC)
Carly Ntoya (HR)

Goal No. 6: Culture

Vincent Lim (DLO), Facilitator
Allison Barrett (DLO)
Laura Guglielmo (EXEC)
Jon Grabel (INV)
Luis Lugo (EXEC)
JJ Popowich (EXEC)
Carly Ntoya (HR)
Steven Rice (LEG)
Scott Zdrasil (INV)

Goal No. 7: Accountability and Metrics

Luis Lugo (EXEC), Facilitator
Eugenia Der (DLO)
Louis Gittens (BEN)
Maggie Luong (BEN)



The main purpose of this Strategic Plan is to build a better tomorrow for our members by outlining what we must do internally in terms of technology, staffing, and processes—particularly enterprise risk management, compliance, and fiscal durability—to support both the member services and investment sides of LACERA.

This document does not authorize expenditure of funds or commitment of resources.

LACERA
300 N. Lake Ave.
Pasadena, CA 91101
626-564-6000
lacera.com

FOR INFORMATION ONLY

July 28, 2023

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: Steven P. Rice, *SPR*
Chief Counsel

FOR: August 2, 2023 Board of Retirement Meeting
August 9, 2023 Board of Investments Meeting

SUBJECT: Legal Office Investment Staffing, including Internal and External Legal Resources and Secondment of Outside Counsel

As the complexity of LACERA's portfolio and the needs of the Investment Division have changed and grown, the investment-related work of the Legal Office has also significantly evolved and increased. See 2021 Legal Transaction Year End Report (attached).¹ The Legal Office seeks to provide timely, high quality investment legal work for the benefit of LACERA's members. The Investment Section of the Legal Office is led by Senior Investment Staff Counsel Christine Roseland, with the support of the Office's current transactions team, including Investment Legal Analyst Lisa Garcia and administrative staff, including Legal Secretary Irene Ballestero and temporary staff discussed below. Senior Staff Counsel John Harrington works on commercial contracts, and his expertise is applied in certain investment agreements when needed and his workload permits. Additional legal talent is required to build on the existing team to enhance the Office's ability to perform LACERA's investment legal work.

The Legal Office's staffing strategy to support LACERA's investment legal work into the future includes the following elements:

First, in order to position LACERA's search efforts to reach the national market for high quality legal talent in investments, benefits, and other areas of need, the Board of Retirement gave its approval on February 1, 2023 for the engagement of an external recruiting firm to help fill existing attorney vacancies. Staff selected a team from the firm of Major, Lindsey & Africa (MLA). LACERA's recruitments are spearheaded by MLA's Managing Partner and National Law Firm Diversity Practice Leader, who is actively involved in running LACERA's searches on a day-

¹ The attached 2021 report documents an increase in the number of annual investment transactions handled by the Legal Office from 381 to 511 from 2017 to 2021 and a total transaction value in 2021 of \$8.7 billion, up from \$6.5 billion in 2017.

to-day basis. MLA is recruiting for one Senior Investment Staff Counsel and three Investment Staff Counsel, as well as two Benefits attorneys, all of which are included in the FY 2023-2024 budget. MLA generates attorney candidates on an ongoing basis for consideration and vetting through LACERA's hiring process. LACERA is currently interviewing candidates introduced by MLA; others will be interviewed as presented.

Second, on July 6, 2023, the Board of Retirement approved Earl Buehner to be rehired for a third time as a 960-hour returning retiree to serve as a Senior Investment Staff Counsel. Mr. Buehner worked for LACERA for many years as Senior Investment Staff Counsel before retirement. He is familiar with LACERA's investment staff, portfolio, outside counsel, investment agreements, and investment issues and is respected for his abilities. Mr. Buehner's services are expected to continue through August 15, 2023.

Third, at the end of June 2023, one of the Legal Office's long-time Investment Legal Analysts, Margo McCabe, retired. LACERA will hire a permanent replacement in due course. To meet current needs, LACERA hired a temporary agency paralegal to assist Investment Legal Analyst Lisa Garcia. The Legal Office is evaluating the addition of a third permanent Investment Legal Analyst. In addition, the Office hired a temporary agency legal secretary (she is also planning to pursue paralegal training) to support the administrative needs of the Office's investment work.

Fourth, LACERA maintains a large roster of outside investment counsel based on expertise in the fund's asset classes to assist with investment legal matters. Many of the firms have represented LACERA for many years and have solid knowledge of LACERA's portfolio and preferred terms and have close relationships with staff in both the Legal Office and Investment Division. The Legal Office manages which matters are handled in house and which justify the use outside counsel; assignments are based on the nature of each project, expertise and experience, prior results, fit with the LACERA legal and investment teams, projected budget, and availability given transaction deadlines.

Finally, pending completion of LACERA's searches to fill the vacancies in the Legal Office's permanent in-house investment attorneys, LACERA recently entered into a secondment agreement with the law firm DLA Piper (DLA) to provide additional services to support LACERA's high demand for investment work. DLA is a global law firm that LACERA has used extensively over many years for a wide variety of investment legal work. Under the agreement, DLA will provide LACERA with two investment lawyers with relevant experience, including one who has worked with LACERA. In the past, through a

secondment arrangement under which LACERA will purchase a combined 40-hour block of their time per week dedicated to serving only LACERA, including an option to purchase additional time as required. The discounted hourly rate at which the seconded services are provided is below the rate the firm regularly charges LACERA. Some of the work to be performed by the seconded lawyers would have been provided by outside counsel at higher rates.

This arrangement will initially run through August 31, 2023 and may be extended upon mutual agreement of the parties. The contract price through this date will be approximately \$110,000, plus the value of additional time purchased above the 40-hour weekly base amount. LACERA may add a paralegal to the arrangement, if needed. Secondment arrangements are a common method for clients such as LACERA to receive support from a known law firm to meet short-term legal needs caused by absences or vacancies in internal staff or an increase in work. Both of these circumstances currently exist in the Legal Office and support the secondment agreement with DLA. LACERA considered secondment options with other law firms, but attorneys with the required experience were not available.

The expense of outside investment counsel is a non-administrative expense under Government Code Sections 31596.1 and 31607 of the County Employees Retirement Law of 1937 (CERL) and is charged against earnings. See *also* 2023 Board-approved LACERA Budget Policy, pages 1-2. The amount of the DLA secondment agreement is not expected to cause the total FY 2023-2024 investment legal counsel expense to exceed the \$2.26 million non-administrative expense projection for this category of expense as reported to the Boards in the package provided in support of the Boards' approval of the FY 2023-2024 administrative budget.

The Legal Office will focus, in conjunction with MLA, on filling attorney vacancies with excellent attorneys so that in-house resources will be available to perform more of LACERA's investment legal work. The Office will also continue to think creatively about additional effective means when necessary to provide the best investment legal services, and the other categories legal work performed by the Office, for the benefit of LACERA and its members and staff.

Recruitments for Senior Benefits Staff Counsel and Benefits Staff Counsel are also actively under way with MLA's assistance and will be reported separately.

Attachment

c: Santos H. Kreimann
Jonathan Grabel

Re: Legal Office Investment Staffing – Internal, External, and Secondment Resources

July 28, 2023

Page 4 of 4

Luis A. Lugo

JJ Popowich

Laura Guglielmo

Ted Granger

Carly Ntoya

Christine Roseland

Earl Buehner

Kaelyn Ung

Legal Transactions Year End Report

2021



THE REPORT

This report provides a summary of the legal work that the Transactions Section of the Legal Division accomplished in calendar year 2021 in terms of number of tasks and the dollar amount that those tasks represent (such as the value of an investment commitment or commercial contracts). The report also includes charts that provide a visual representation of this work and provide a comparison to prior years. As shown below, the group handled 753 projects during 2021, representing \$8,756,982,907 in contract value.

By way of background, the Transactions Section generally consists of three attorneys, two paralegals, and two management secretaries.¹ Those seven individuals are responsible for handling all investment-related and commercial transactional matters, including drafting, negotiating, and reviewing investment management agreements, limited partnership agreements and side letters, managing title holding companies, acquisitions, dispositions, and financings as well as drafting and reviewing commercial contracts, and responding to Public Records Act requests. In performing their work, the team collaborates closely with their clients in the Investment Division and in other LACERA divisions to accomplish their business objectives and manage organizational risk. The team's objective is not merely to consummate deals and transactions but to protect the pension fund from liability and excessive risk, mitigate losses, minimize fees, assist stakeholders in making informed decisions, provide advice, present alternatives and solutions and collaborate on organizational initiatives such as T.I.D.E., business continuity and disaster recovery planning. In addition, outside counsel may be engaged to assist with certain matters while overseen by in-house counsel and those matters are included in the figures presented in this report

¹Currently, the team is composed of two attorneys and two paralegals and is in the process of recruiting for the existing vacant positions.

CALENDAR YEAR END LEGAL TRANSACTIONS AS OF 12-31-21

INVESTMENT PROJECT	TRANSACTION TOTAL	TRANSACTION AMOUNT
Private Equity	253	\$2,324,785,121
Public Markets (Equity/Fixed Income)	23	\$0
Hedge Funds	38	\$3,020,000,000
Real Assets	37	\$1,785,279,852
Portfolio Analytics	27	\$1,274,340
Real Estate	104	\$1,500,040,796
Investment Prospects ²	29	\$115,009,964
TOTAL INVESTMENTS	511	\$8,746,390,073
Non-Investment Vendor Agreements	151	\$10,592,834
TOTAL (Investments and Vendor Transactions)	662	\$8,756,982,907

²This category represents matters and transactions that are submitted for legal review and at some point during that review, the owner of the project abandons or terminates it for various reasons. For example, staff may be considering a co-investment that they submit for legal review given the tight closing deadlines but then decide not to proceed with it either for business or legal reasons. If the Legal team started working on such a matter, it is reflected in this chart as work or a prospect not having been completed.

CALENDAR YEAR END PUBLIC RECORDS ACT RESPONSES AS OF 12-31-21

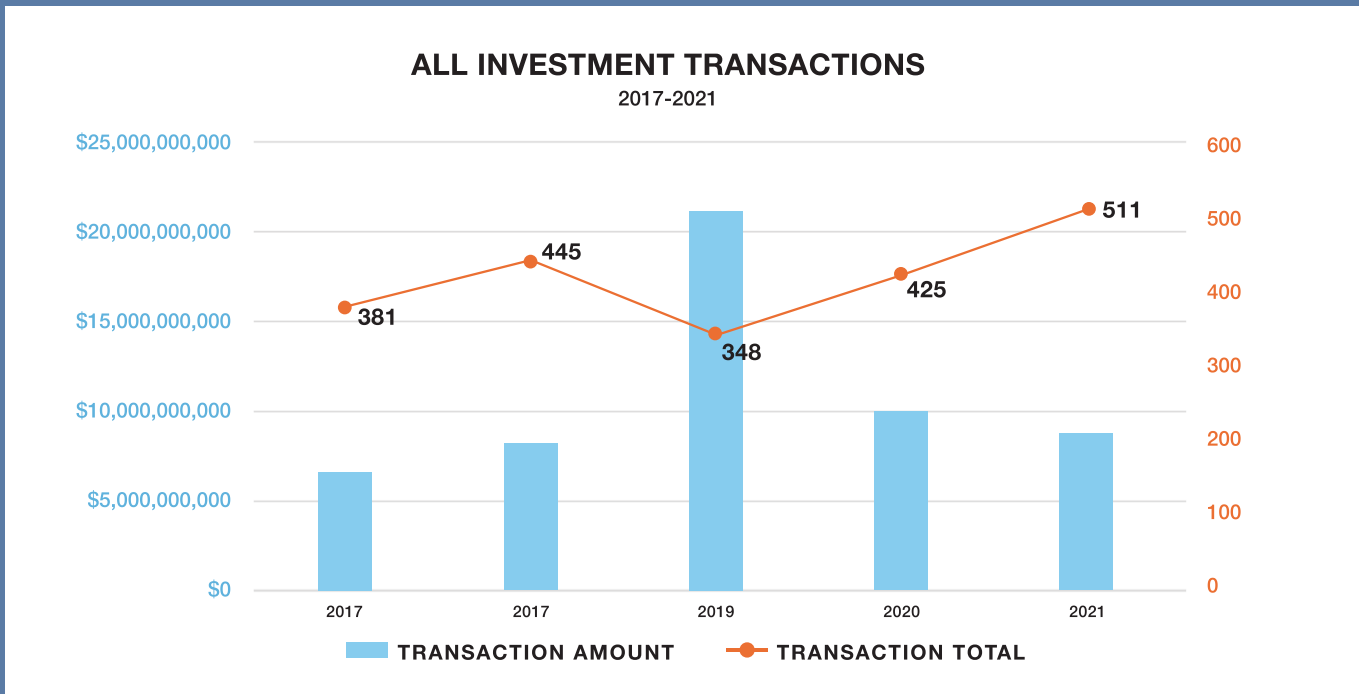
TYPE OF ACTIVITY	TRANSACTION TOTAL	TRANSACTION AMOUNT
Public Records Act Responses	91	\$0.00



CONTRACT VALUE

The following graphs represent the legal work performed as a function of the aggregate amount of the contract, commitment or value associated with the underlying documents as well as a function of the number of transactions completed or projects performed. As an example of contract value, if the Board of Investments (BOI) approved a \$300 million commitment to a hedge fund manager, it is recorded as a project valued at \$300 million for purposes of this report and is then compared to prior years. As an example of the number of projects, if the BOI approved a commitment to a hedge fund manager for \$300 million, it is counted as one project. Similarly, if staff works on a consent or amendment that a manager provides for review and approval, it is counted as one. Therefore, some projects or transactions may take several weeks or months, while others may take an hour.

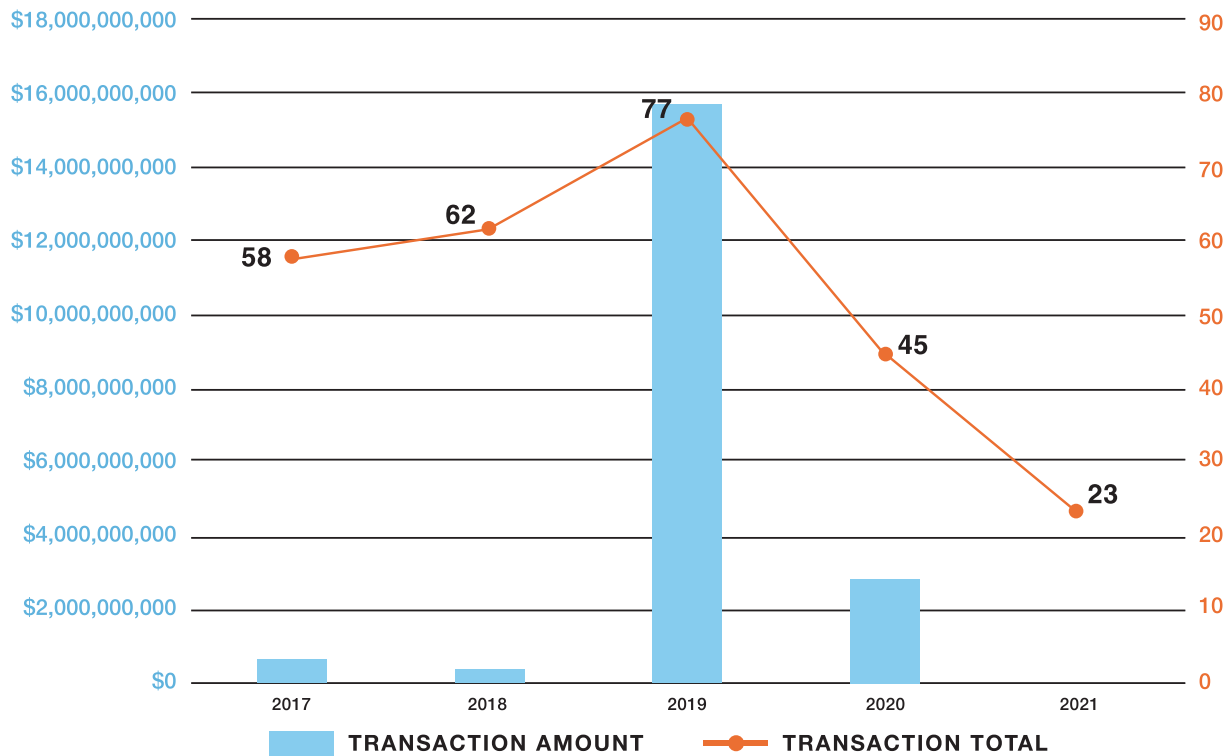
ALL INVESTMENT TRANSACTIONS YEARLY COMPARISON 2017 - 2021		
ALL INVESTMENT TRANSACTIONS 2017-2021		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2017	381	\$6,497,218,140
2018	445	\$8,160,258,686
2019	348	\$21,297,627,581
2020	425	\$10,006,466,834
2021	511	\$8,746,390,073



PUBLIC MARKETS (EQUITY/FIXED INCOME) TRANSACTIONS
 YEARLY COMPARISON 2017-2021

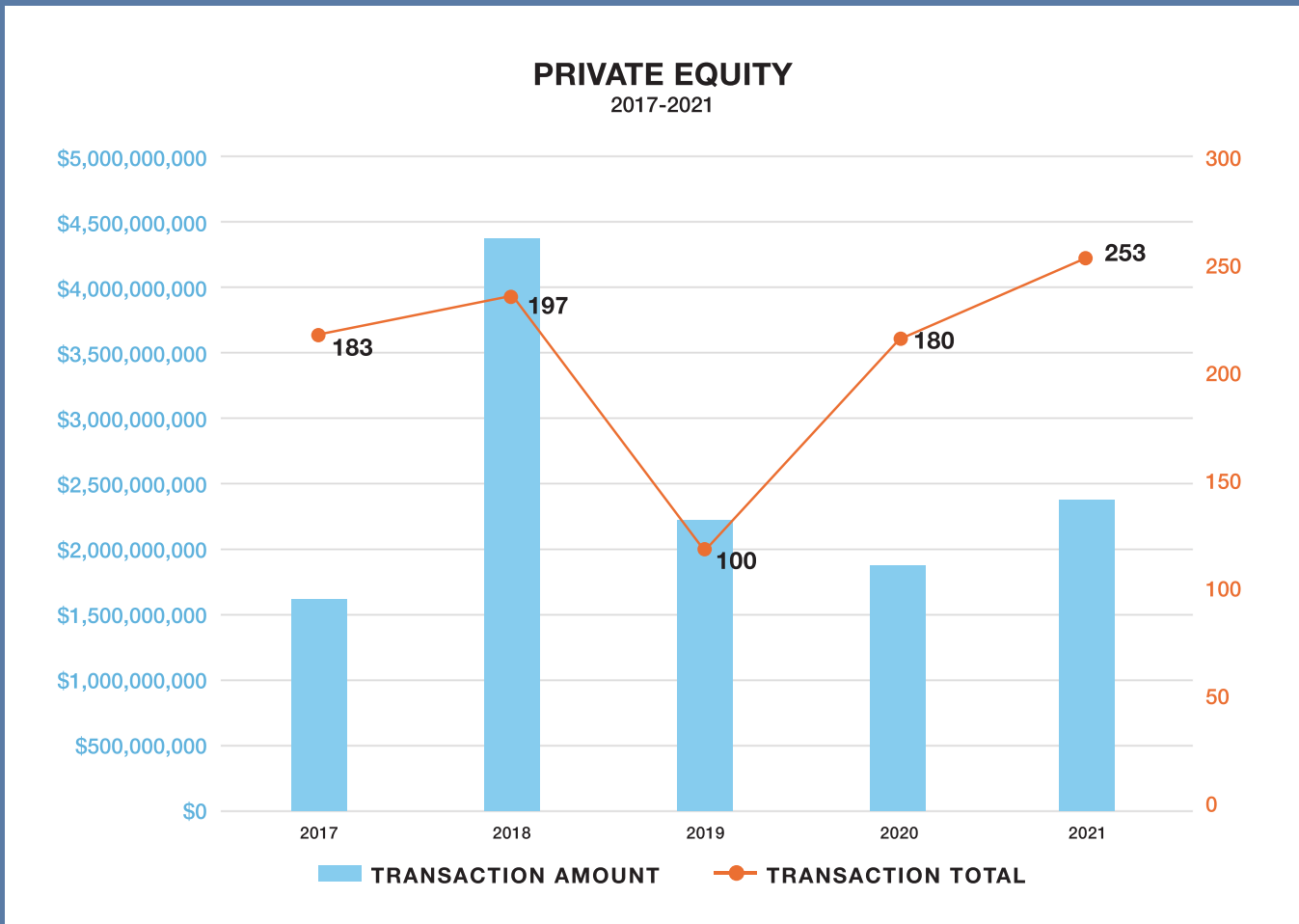
PUBLIC MARKETS 2017-2021		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2017	58	\$677,174,200
2018	62	\$345,078,413
2019	77	\$15,700,000,000
2020	45	\$2,901,447,000
2021	23	\$0

PUBLIC MARKETS
 2017-2021



PRIVATE EQUITY TRANSACTION AMOUNT³
YEARLY COMPARISON 2017-2021

PRIVATE EQUITY 2017-2021		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2017	183	\$1,653,457,925
2018	197	\$4,406,599,162
2019	100	\$2,243,415,762
2020	180	\$1,885,986,886
2021	253	\$2,324,785,121

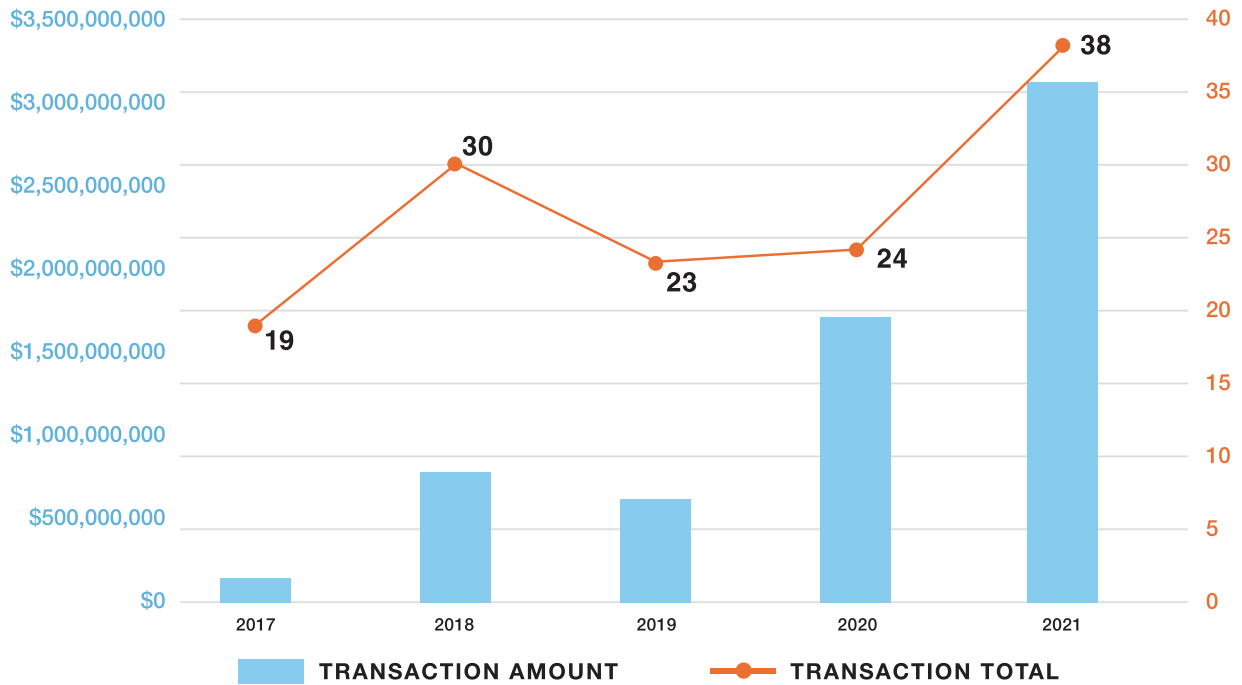


³Methodology on transaction amount: Some matters have no value (for example, terminations, consents, fee amendments etc.) so they are given a value of 0. If an agreement has a five-year term then the entire five-year value of that contract is recorded for that initial year when the contract is entered into. Some contracts are too difficult to value (for example, a Human Resources agreement for temporary staff when the hours and duration of employment for the temp staff is unknown) and in such cases, the contract is given a value of 0 for purposes of this report.

HEDGE FUNDS TRANSACTION AMOUNT
YEARLY COMPARISON 2017-2021

HEDGE FUNDS 2017-2021		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2017	19	\$153,700,000
2018	30	\$882,400,000
2019	23	\$625,000,000
2020	24	\$1,717,000,000
2021	38	\$3,020,000,000

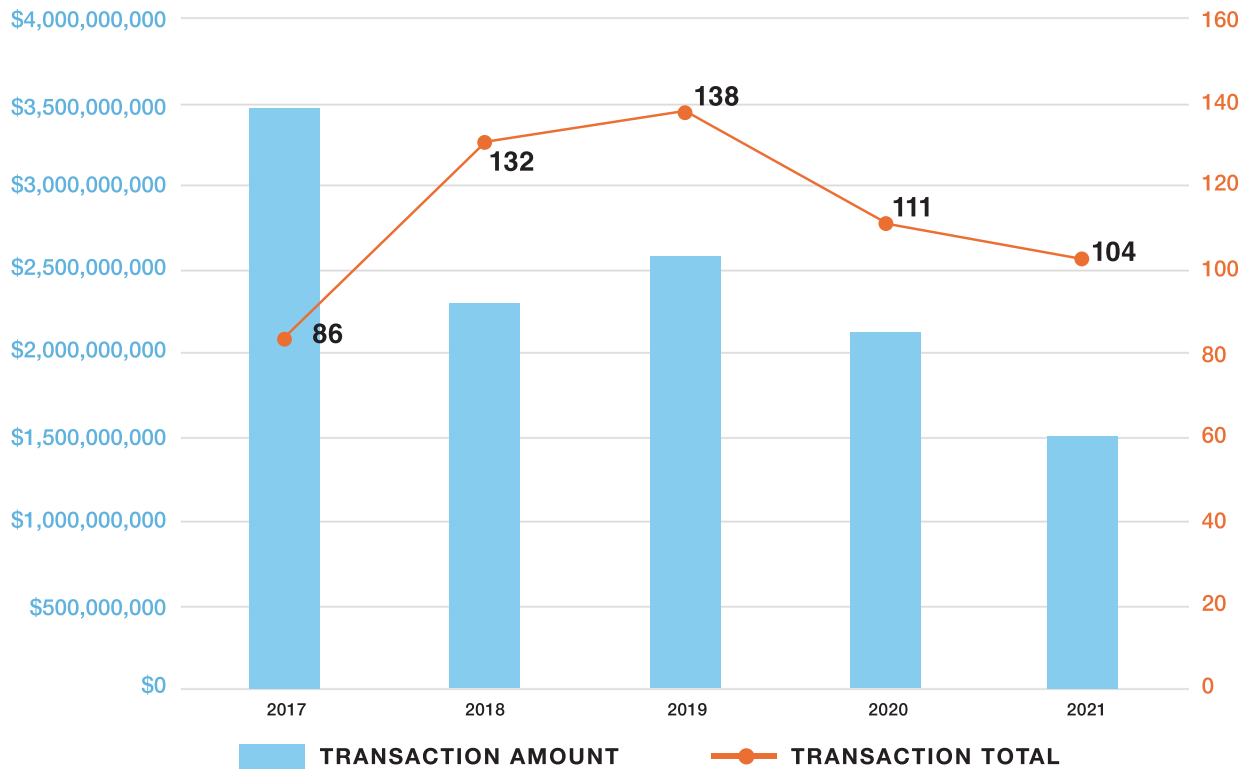
HEDGE FUNDS
2017-2021



REAL ESTATE TRANSACTION AMOUNT
YEARLY COMPARISON 2017-2021

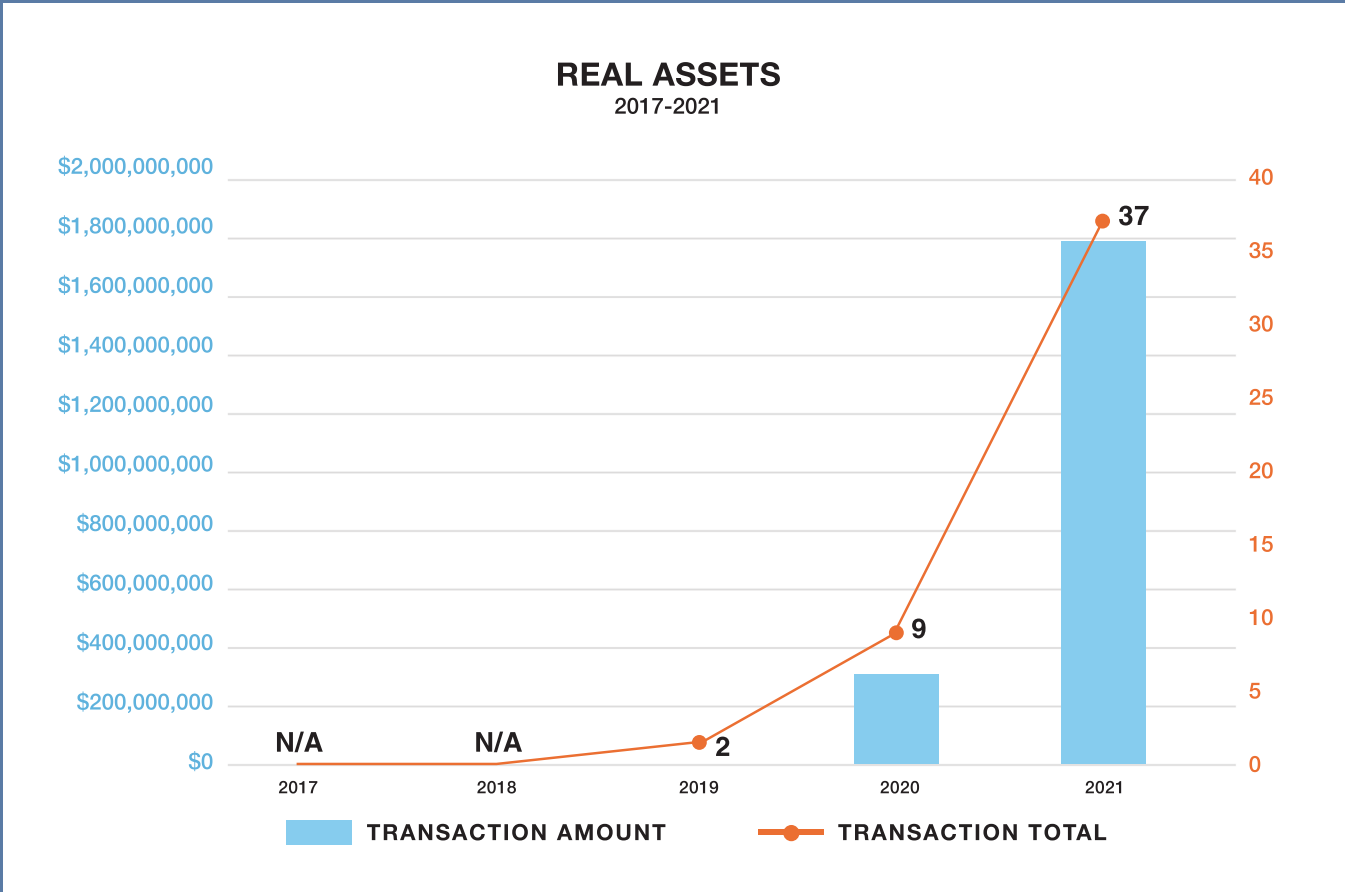
REAL ESTATE 2017-2021		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2017	86	\$3,469,239,528
2018	132	\$2,301,181,111
2019	138	\$2,578,464,619
2020	111	\$2,113,222,250
2021	104	\$1,500,040,796

REAL ESTATE
2017-2021



REAL ASSETS TRANSACTIONS⁴
 YEARLY COMPARISON 2017-2021

REAL ASSETS 2017-2021		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2017	0	\$0
2018	0	\$0
2019	2	\$747,200
2020	9	\$320,000,000
2021	37	\$1,785,279,852

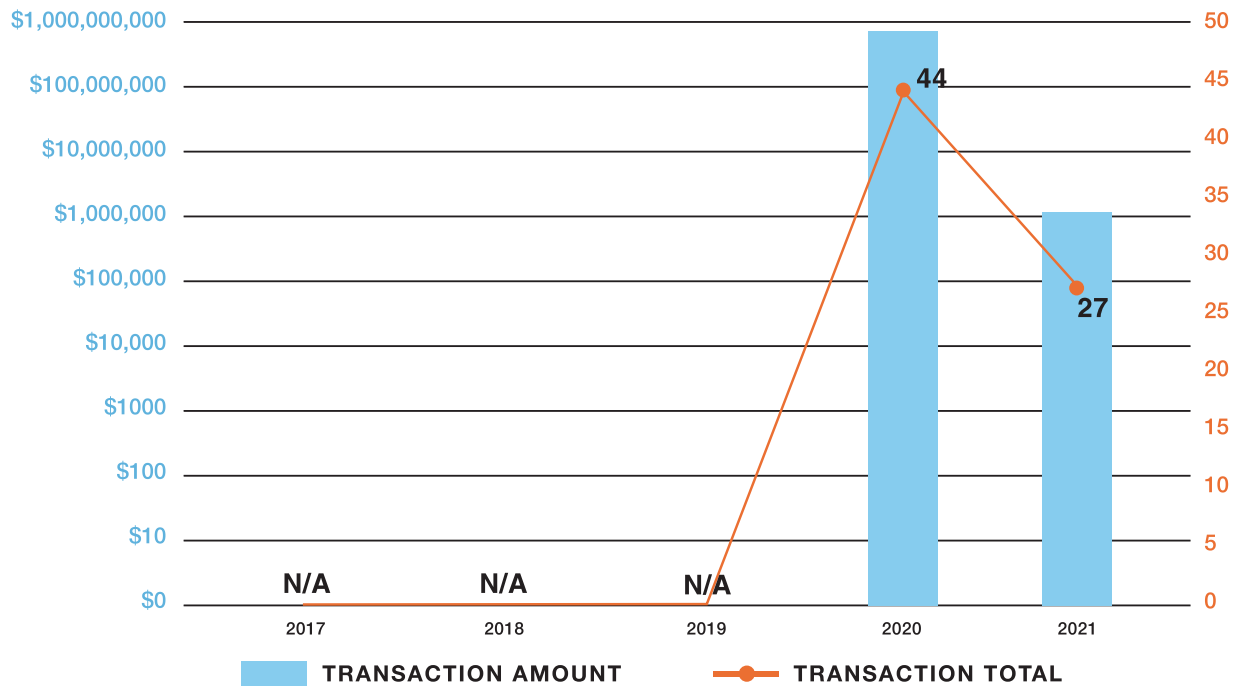


⁴This asset class has only been tracked since 2019 and therefore, prior years do not exist for comparison.

PORTFOLIO ANALYTICS TRANSACTIONS⁵
YEARLY COMPARISON 2017-2021

PORTFOLIO ANALYTICS 2017-2021		
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2017	N/A	N/A
2018	N/A	N/A
2019	N/A	N/A
2020	44	\$603,810,698
2021	27	\$1,274,340

PORTFOLIO ANALYTICS
 2017-2021



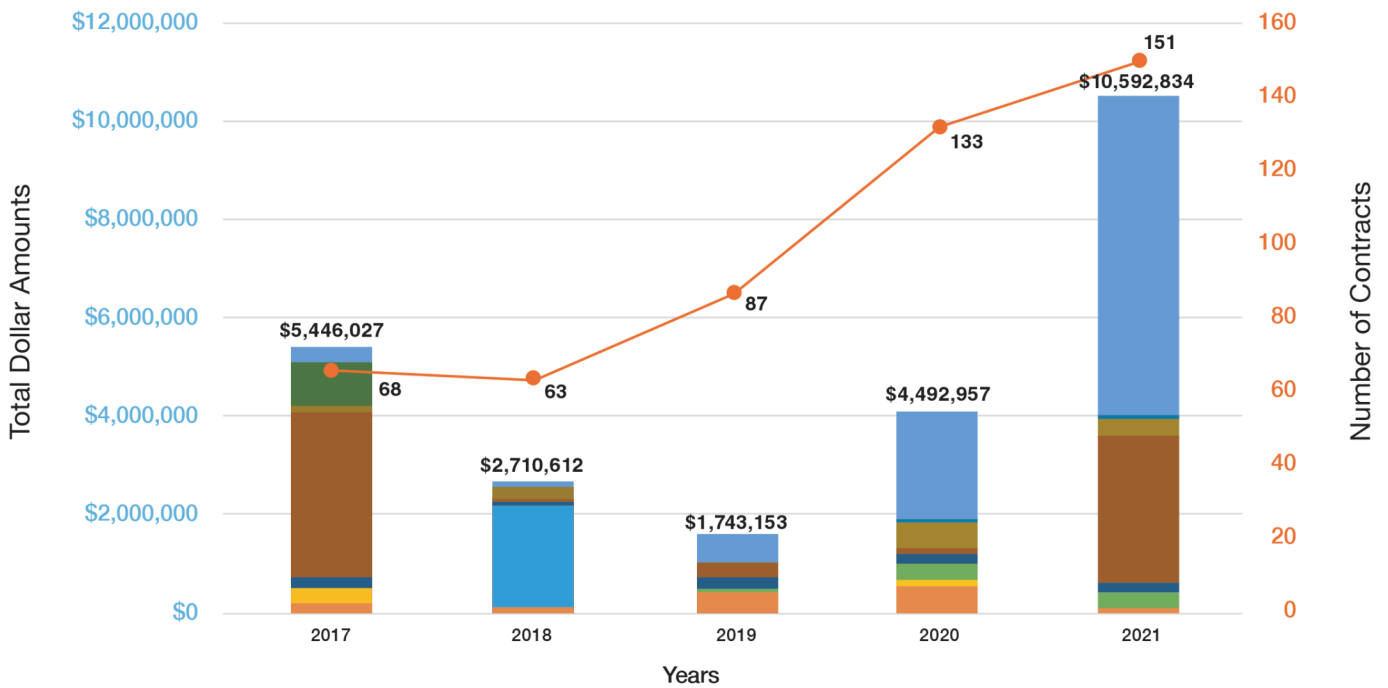
⁵This category has only been tracked since 2020 and therefore, prior years do not exist for comparison.

NON-INVESTMENT TRANSACTIONS
YEARLY COMPARISON 2017-2021

NON-INVESTMENT TRANSACTIONS 2017-2021

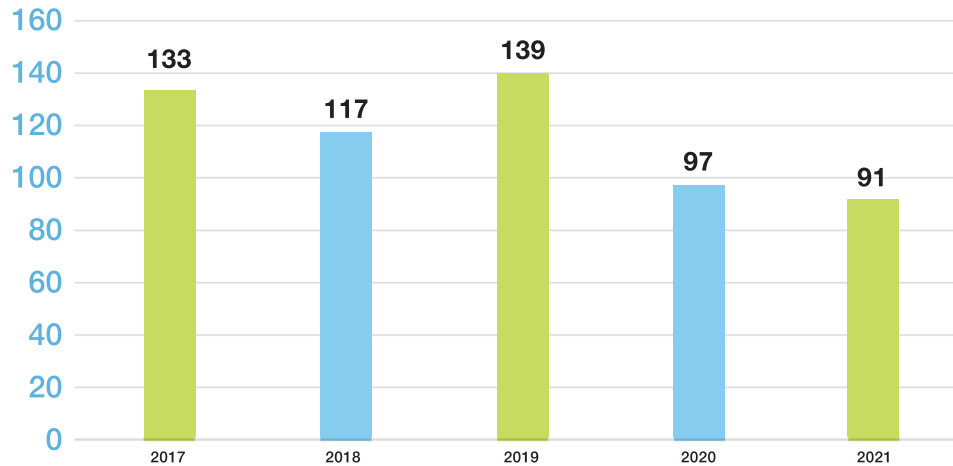
YEAR	TRANSACTION TOTAL	TRANSACTION AMOUNT
2017	68	\$5,446,027
2018	63	\$2,710,612
2019	87	\$1,743,153
2020	133	\$4,492,957
2021	151	\$10,592,834

NON-INVESTMENT TRANSACTIONS
2017-2021



- Accounting
- Administrative Services
- Benefits
- Communications
- Disability
- Executive
- Human Resources
- Internal Audit
- Legal
- Quality Assurance
- Retiree Healthcare
- Systems
- Number of Contracts

PUBLIC RECORDS REQUESTS 2017-2021



In summary, legal support for investment activity has continued to increase year over year. While the volume of work is up, the value of transactions has seen a slight decrease. The increase in volume is attributed mostly to increased activity in Private Equity as well as the Credit/Hedge fund and Real Assets space. In line with the Investment work plan and strategic initiatives for 2021, a focus on operational effectiveness and cost effectiveness resulted in increased co-investment activity and the establishment of a dedicated managed account (“DMA”) program. Both of these changes, in turn, resulted in increased legal support to ensure timely onboarding and closing for co-investments and the buildout of the DMA structure, which involved the drafting of numerous legal templates. Legal has also supported the T.I.D.E. initiative through enhanced data tracking and the addition of contractual terms that enable further monitoring and reporting in this area. In addition, legal support for the Real Assets team increased this year as that team continued the implementation of its strategic plan and meeting asset allocation targets. Furthermore, the acquisition of more portfolio and risk management tools, as well as reporting and monitoring tools, has meant additional legal review. In the meantime, there was a decrease in transactions in the separate account Real Estate program as Covid affected the attractiveness of certain property types and the asset

class is being restructured and its focus shifted to commingled fund structures. However, this is likely to change in the coming years as the team shifts gears to implement the new strategy. Similarly, legal support for Public Markets saw a drop in activity in 2021 as the Public Markets team reassessed the program’s direction. Staff anticipates that future legal needs and support will likely continue to increase given that activity in the Investment space is projected to be strong as the fund has grown in the last few years from \$65 billion to \$75 billion and will continue to grow, investment structures are getting more complex and sophisticated and compliance requirements are becoming more stringent.

For commercial transactions, both the volume of work and value of contracts increased since last year. In fact, the value of contracts more than doubled year over year. Most of the activity occurred in the Systems Division. This is due to LACERA’s focus on modernizing its technology to simplify and improve its operations and a shifting emphasis from onsite capabilities to a remote and hybrid workspace. The contracting for many of the improvements taking place right now actually occurred in 2021, including for tenant migration, cloud storage and the installation of docking stations to support the return to the office effort. In addition to legal support for remote

capabilities improvements, there was also a lot of activity in the area of enterprise risk reduction, such as disaster preparedness, as well as improving member experience, installation of enterprise wifi and bolstering information security. Even as the technology improvement efforts have stabilized, staff expects the transaction volume to remain at elevated levels given that the Systems Division continues to expand the network of subject matter experts and specialty vendors to adjust to a post-Covid world and support an organization with many different constituents and levels of need.

Public Records requests have experienced a slight reduction year over year. Most requests are from investment related data aggregators and reporters. Since staff has moved to publish a lot of frequently requested materials on LACERA's newly revamped website, there has been less activity in this space. In the same spirit, as trends in the type and character of information requested become apparent, staff will make the most frequently requested records readily available online to ensure full transparency and create operational efficiencies. Our continued goal is to provide the highest level of service to the public and LACERA members. Overall staff expects the year over year volume of public records requests to remain relatively the same.





Legal Transactions Year End Report



Los Angeles County Employees
Retirement Association

FOR INFORMATION ONLY

August 1, 2023

TO: Trustees,
Board of Investments

FROM: Earl Buehner *EB*
Senior Staff Counsel

FOR: August 9, 2023 Board of Investments Meeting

SUBJECT: **Legal Projects**

Attached is the monthly report on the status of Board-directed investment-related projects handled by the Legal Division as of August 1, 2023.

Attachment

c: Santos H. Kreimann
Luis A. Lugo
Jonathan Gabel
Esmeralda Del Bosque
Vache Mahseredjian
Jude Perez
Jim Rice
Christopher Wagner
Scott Zdrazil
Steven Rice
John Harrington
Lisa Garcia



LACERA Legal Division
Board of Investments Projects
Monthly Status Report - Pending as of August 1, 2023



	Project/ Investment	Description	Amount	Board Approval Date	Completion Status	% Complete	Notes
EQUITIES	Leading Edge Investment Advisors (LEIA)	Investment Management Agreement for Global Equity Emerging Manager Program	\$500,000,000	October 12, 2022	In Progress	<div style="width: 60%;"></div> 60%	Legal negotiations in process.
	New Alpha Asset Management (New Alpha)	Investment Management Agreement for Global Equity Emerging Manager Program	\$500,000,000	October 12, 2022	In Progress	<div style="width: 60%;"></div> 60%	Legal negotiations in process.
OPEB	BlackRock Institutional Trust Company, N.A.	Investment Management Agreement Amendment for Public Markets Passive Investment Management Services	\$2,000,000,000	June 14, 2023	In Progress	<div style="width: 15%;"></div> 15%	Legal negotiations in process.
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	<div style="width: 70%;"></div> 70%	Legal negotiations in process.
REAL ASSETS	Macquarie Global Infrastructure Fund SCSP	Subscription	\$600,000,000	April 12, 2023	Complete	<div style="width: 100%;"></div> 100%	Completed
	Ara Fund III LP	Subscription	\$125,000,000	May 10, 2023	Complete	<div style="width: 100%;"></div> 100%	Completed
	TIAA-CREF Global Agriculture II LLC	Secondary Purchase	\$46,400,000	May 10, 2023	In Progress	<div style="width: 40%;"></div> 40%	Legal negotiations in process.

**FOR INFORMATION ONLY**

July 20, 2023

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: Ted Granger 
Interim Chief Financial Officer

FOR: August 2, 2023 Board of Retirement Meeting
August 9, 2023 Board of Investments Meeting

SUBJECT: TRUSTEE MONTHLY TRAVEL AND EDUCATION REPORT – FYE 22-23

Attached for your review is the Trustee Travel & Education Report. This report includes all events (i.e., attended and canceled) for Fiscal Year ended 2022-2023. Pending travel is excluded and will be reported next month in the Comprehensive Trustee Monthly Travel and Education Report for July 2023.

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 reports are provided to the Chief Executive Officer monthly and to the Boards quarterly.

REVIEWED AND APPROVED:



Santos H. Kreimann
Chief Executive Officer

TG/EW/SC/se

Attachments

c: L. Lugo
J. Popowich
L. Guglielmo
J. Gabel
S. Rice
R. Van Nortrick

**TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2022 – 2023
JUNE 2023**

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Alan Bernstein			
A	1 Edu - CII Fall 2022 Conference - Boston MA	09/21/2022 - 09/23/2022	Attended
	2 Edu - NCPERS 2022 Public Safety Conference - Nashville TN	10/23/2022 - 10/26/2022	Attended
	3 Edu - NCPERS 2023 Annual Conference - New Orleans LA	05/20/2023 - 05/24/2023	Attended
B	- Edu - SACRS 2022 Fall Conference - Long Beach CA	11/08/2022 - 11/11/2022	Attended
	- Admin/Edu - Board of Retirement Offsite - Pasadena CA	02/22/2023 - 02/23/2023	Attended
	- Edu - 2023 Milken Institute Global Conference - Los Angeles CA	04/30/2023 - 05/03/2023	Attended
V	- Edu - NACD: The Theranos Implosion - VIRTUAL	09/28/2022 - 09/28/2022	Attended
	- Edu - NACD The Future of the American Board - Virtual CA	02/08/2023 - 02/08/2023	Attended
	- Edu - NACD Directorship in a Volatile, Uncertain, Complex, and Ambiguous World - VIRTUAL	04/05/2023 - 04/05/2023	Attended
	- Edu - NACD A Perfect Storm for Directors & Officers: More Risk, Less Protection - VIRTUAL	04/19/2023 - 04/19/2023	Attended
X	- Edu - NCPERS 2023 Legislative Conference - Washington, DC MD	01/22/2023 - 01/24/2023	Canceled
Elizabeth Ginsberg			
B	- Edu - 2022 Board of Investments Offsite - Long Beach CA	09/13/2022 - 09/14/2022	Attended
	- Admin/Edu - Board of Retirement Offsite - Pasadena CA	02/22/2023 - 02/23/2023	Attended
	- Edu - CALAPRS Advanced Principles of Pension Governance for Trustees - Los Angeles CA	03/29/2023 - 03/31/2023	Attended
V	- Edu - NACD Cyber-Risk Oversight Certificate - At Your Own Pace - VIRTUAL	11/04/2022 - 11/04/2022	Attended
Vivian Gray			
A	1 Edu - CII Fall 2022 Conference - Boston MA	09/21/2022 - 09/23/2022	Attended
	2 Edu - NCPERS 2023 Annual Conference - New Orleans LA	05/20/2023 - 05/24/2023	Attended
	3 Edu - TLF Annual Convening - Boston MA	06/12/2023 - 06/14/2023	Attended
B	- Edu - NCPERS 2022 Public Pension Funding Forum - Los Angeles CA	08/21/2022 - 08/23/2022	Attended
	- Admin - SACRS Board of Directors Meeting - Los Angeles CA	08/22/2022 - 08/22/2022	Attended
	- Edu - 2022 Board of Investments Offsite - Long Beach CA	09/13/2022 - 09/14/2022	Attended
	- Admin - SACRS Program Committee & Board of Directors Meeting - Santa Barbara CA	09/26/2022 - 09/27/2022	Attended
	- Admin - SACRS Board of Directors Meeting - San Diego CA	12/01/2022 - 12/01/2022	Attended
	- Admin - SACRS Board of Directors Meeting - Sacramento CA	01/09/2023 - 01/10/2023	Attended
	- Admin/Edu - Board of Retirement Offsite - Pasadena CA	02/22/2023 - 02/23/2023	Attended
	- Admin - SACRS Program Committee Meeting - Sacramento CA	03/20/2023 - 03/20/2023	Attended
	- Edu - 2023 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/22/2023 - 03/23/2023	Attended
	- Edu - 2023 Milken Institute Global Conference - Los Angeles CA	04/30/2023 - 05/03/2023	Attended
	- Edu - SACRS 2023 Spring Conference - San Diego CA	05/09/2023 - 05/12/2023	Attended
	- Admin - SACRS Board of Directors & Program Committee Meeting - Sacramento CA	06/19/2023 - 06/20/2023	Attended
V	- Edu - The Global Conversation on Gender Diversity - VIRTUAL	11/02/2022 - 11/02/2022	Attended
	- Edu - 50/50 Women on Boards - VIRTUAL	11/02/2022 - 11/02/2022	Attended

**TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2022 – 2023
JUNE 2023**

X	- Edu - SACRS 2022 Fall Conference - Long Beach CA	11/08/2022 - 11/11/2022	Canceled
	- Edu - NCPERS 2023 Legislative Conference - Washington, DC MD	01/22/2023 - 01/24/2023	Canceled

Jason Green

A	1 Edu - 2023 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/17/2023 - 04/21/2023	Attended
	2 Edu - NCPERS 2023 Annual Conference - New Orleans LA	05/20/2023 - 05/24/2023	Attended
B	- Admin/Edu - Board of Retirement Offsite - Pasadena CA	02/22/2023 - 02/23/2023	Attended
C	- Edu - NCPERS 2023 Legislative Conference - Washington, DC MD	01/22/2023 - 01/24/2023	Attended
	- Admin - Federal Engagement Visit with Congress - Washington, DC MD	01/24/2023 - 01/25/2023	Attended

David Green

A	1 Edu - PPI 2022 Summer Roundtable - Canada, Vancouver	07/13/2022 - 07/15/2022	Attended
	2 Edu - NCPERS 2023 Legislative Conference - Washington, DC MD	01/22/2023 - 01/24/2023	Attended
	3 Edu - RFK Compass Winter Investors Conference - Miami FL	02/26/2023 - 02/28/2023	Attended
	4 Edu - 2023 Annual AVCA Conference - Cairo, Egypt	05/01/2023 - 05/05/2023	Attended
B	- Edu - 2022 Board of Investments Offsite - Long Beach CA	09/13/2022 - 09/14/2022	Attended
	- Edu - SACRS 2022 Fall Conference - Long Beach CA	11/08/2022 - 11/11/2022	Attended
	- Edu - 2023 PPI Winter Roundtable - San Diego CA	03/01/2023 - 03/03/2023	Attended

Elizabeth Greenwood

A	1 Edu - 16th Annual Small and Emerging Managers (SEM) Conference - Chicago IL	10/12/2022 - 10/13/2022	Attended
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James Harris

B	- Admin/Edu - Board of Retirement Offsite - Pasadena CA	02/22/2023 - 02/23/2023	Attended
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Patrick Jones

A	1 Edu - Leading in Artificial Intelligence: Exploring Technology and Policy - Harvard Kennedy School - Cambridge MA	07/17/2022 - 07/22/2022	Attended
	2 Edu - 2022 Infrastructure Investor America Forum - New York NY	12/06/2022 - 12/07/2022	Attended
	3 Edu - 2023 Infrastructure Investor Global Summit - Berlin Germany	03/20/2023 - 03/23/2023	Attended
B	- Edu - 2022 Board of Investments Offsite - Long Beach CA	09/13/2022 - 09/14/2022	Attended
	- Edu - SACRS 2022 Fall Conference - Long Beach CA	11/08/2022 - 11/11/2022	Attended
	- Admin/Edu - Board of Retirement Offsite - Pasadena CA	02/22/2023 - 02/23/2023	Attended
	- Edu - 2023 Pension Bridge ESG Summit - Los Angeles CA	02/28/2023 - 03/01/2023	Attended
	- Edu - 2023 Milken Institute Global Conference - Los Angeles CA	04/30/2023 - 05/03/2023	Attended
	- Edu - SACRS 2023 Spring Conference - San Diego CA	05/09/2023 - 05/12/2023	Attended
	- Edu - Markets Group 2nd Annual Southern California Institutional Forum - Los Angeles CA	06/07/2023 - 06/07/2023	Attended
	- Edu - Catalyst: California's Diverse Investment Manager Forum - San Francisco CA	06/26/2023 - 06/28/2023	Attended

Onyx Jones

A	1 Edu - SACRS Public Pension Investment Management Program - San Francisco CA	07/17/2022 - 07/20/2022	Attended
	2 Edu - 2022 CALAPRS Principles of Pension Governance for Trustees - Tiburon CA	08/29/2022 - 09/01/2022	Attended
	3 Edu - 2022 SuperReturn Summit Africa - Cape Town, South Africa	12/05/2022 - 12/07/2022	Attended
	4 Edu - 2023 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/17/2023 - 04/21/2023	Attended

**TRUSTEE TRAVEL AND EDUCATION REPORT
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B	- Edu - 2022 Board of Investments Offsite - Long Beach CA	09/13/2022 - 09/14/2022	Attended
	- Edu - Women in Institutional Investments Network - Los Angeles CA	10/12/2022 - 10/12/2022	Attended
	- Edu - 2023 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/22/2023 - 03/23/2023	Attended

V	- Edu - The World to Africa Webinar - VIRTUAL	07/27/2022 - 07/27/2022	Attended
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Shawn Kehoe

B	- Admin/Edu - Board of Retirement Offsite - Pasadena CA	02/22/2023 - 02/23/2023	Attended
	- Edu - 2023 Milken Institute Global Conference - Los Angeles CA	04/30/2023 - 05/03/2023	Attended

V	- Edu - 2022 Board of Investments Offsite - VIRTUAL	09/13/2022 - 09/14/2022	Attended
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Joseph Kelly

A	1 Edu - PPI Executive Seminar and the Asia Pacific Roundtable - Singapore	10/16/2022 - 10/21/2022	Attended
	2 Edu - CII-NYU Corporate Governance Bootcamp - New York NY	11/16/2022 - 11/18/2022	Attended

B	- Edu - 2022 Pension Bridge Alternatives - Los Angeles CA	11/30/2022 - 12/01/2022	Attended
	- Admin/Edu - Board of Retirement Offsite - Pasadena CA	02/22/2023 - 02/23/2023	Attended
	- Edu - 2023 Milken Institute Global Conference - Los Angeles CA	04/30/2023 - 05/03/2023	Attended

V	- Edu - NACD Conflict, Climate, Cyber: What's Next? - VIRTUAL	08/23/2022 - 08/23/2022	Attended
	- Edu - 2022 Board of Investments Offsite - VIRTUAL	09/13/2022 - 09/14/2022	Attended
	- Edu - NACD Risk Mitigation Through Board Quality and Compliance Committees: Lessons from Theranos - VIRTUAL	09/28/2022 - 09/28/2022	Attended
	- Edu - Institute of Internal Auditors 2022 Cybersecurity Virtual Conference - VIRTUAL	10/27/2022 - 10/27/2022	Attended
	- Edu - NACD Wake Up! Are You Prepared for Post-Pandemic Industry Disruption? - VIRTUAL	01/25/2023 - 01/25/2023	Attended

Keith Knox

B	- Edu - 2022 Board of Investments Offsite - Long Beach CA	09/13/2022 - 09/14/2022	Attended
	- Admin/Edu - Board of Retirement Offsite - Pasadena CA	02/22/2023 - 02/23/2023	Attended
	- Edu - 2023 Milken Institute Global Conference - Los Angeles CA	04/30/2023 - 05/03/2023	Attended

Ronald Okum

B	- Admin/Edu - Board of Retirement Offsite - Pasadena CA	02/22/2023 - 02/23/2023	Attended
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William Pryor

A	1 Edu - NCPERS 2022 Public Safety Conference - Nashville TN	10/23/2022 - 10/26/2022	Attended
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B	- Edu - NCPERS 2022 Public Pension Funding Forum - Los Angeles CA	08/21/2022 - 08/23/2022	Attended
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Les Robbins

B	- Edu - SACRS 2022 Fall Conference - Long Beach CA	11/08/2022 - 11/11/2022	Attended
	- Admin/Edu - Board of Retirement Offsite - Pasadena CA	02/22/2023 - 02/23/2023	Attended

David Ryu

A	1 Edu - 2023 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/17/2023 - 04/21/2023	Attended
	2 Edu - 2023 SuperReturn International - Berlin, Germany	06/05/2023 - 06/09/2023	Attended

B	- Edu - 2023 PPI Winter Roundtable - San Diego CA	03/01/2023 - 03/03/2023	Attended
	- Edu - 2023 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/22/2023 - 03/23/2023	Attended
	- Edu - 2023 AIF West Coast Investors' Forum - Los Angeles CA	04/26/2023 - 04/27/2023	Attended

**TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2022 – 2023
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	-	Edu - 2023 Milken Institute Global Conference - Los Angeles CA	04/30/2023 - 05/03/2023	Attended
Gina Sanchez				
A	1	Edu - PPI Executive Seminar and the Asia Pacific Roundtable - Singapore	10/16/2022 - 10/21/2022	Attended
	2	Edu - CII 2023 Spring Conference - Washington, DC MD	03/06/2023 - 03/08/2023	Attended
	3	Edu - Montreal Alternative Investment Forum - Montreal, Canada	06/21/2023 - 06/21/2023	Attended
B	-	Edu - NCPERS 2022 Public Pension Funding Forum - Los Angeles CA	08/21/2022 - 08/23/2022	Attended
	-	Edu - 2022 Fall Editorial Advisory Board Meeting – Institutional Real Estate Americas - Pasadena CA	09/06/2022 - 09/08/2022	Attended
	-	Edu - 2022 Board of Investments Offsite - Long Beach CA	09/13/2022 - 09/14/2022	Attended
	-	Edu - SACRS 2022 Fall Conference - Long Beach CA	11/08/2022 - 11/11/2022	Attended
	-	Edu - 2022 Toigo Foundation Gala - Los Angeles CA	11/17/2022 - 11/17/2022	Attended
	-	Admin/Edu - Board of Retirement Offsite - Pasadena CA	02/22/2023 - 02/23/2023	Attended
	-	Edu - 2023 Pension Bridge ESG Summit - Los Angeles CA	02/28/2023 - 03/01/2023	Attended
	-	Edu - 2023 PPI Winter Roundtable - San Diego CA	03/01/2023 - 03/03/2023	Attended
	-	Edu - 2023 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/22/2023 - 03/23/2023	Attended
	-	Edu - The 8th Annual ALTSLA - Los Angeles CA	03/27/2023 - 03/29/2023	Attended
	-	Edu - 2023 AIF West Coast Investors' Forum - Los Angeles CA	04/26/2023 - 04/27/2023	Attended
	-	Edu - 2023 Milken Institute Global Conference - Los Angeles CA	04/30/2023 - 05/03/2023	Attended
	-	Edu - SACRS 2023 Spring Conference - San Diego CA	05/09/2023 - 05/12/2023	Attended
	-	Edu - 10th Annual Hispanic Heritage Foundation Investors Forum - San Francisco CA	05/11/2023 - 05/12/2023	Attended
	-	Edu - California LP Summit - Santa Barbara CA	06/15/2023 - 06/15/2023	Attended
V	-	Edu - NACD Summit 2022 - VIRTUAL	10/08/2022 - 10/11/2022	Attended
Antonio Sanchez				
B	-	Admin/Edu - Board of Retirement Offsite - Pasadena CA	02/22/2023 - 02/23/2023	Attended
Herman Santos				
A	1	Edu - PPI 2022 Summer Roundtable - Canada, Vancouver	07/13/2022 - 07/15/2022	Attended
	2	Edu - CII Fall 2022 Conference - Boston MA	09/21/2022 - 09/23/2022	Attended
	3	Edu - 2022 AAAIM Elevate National Conference - New York NY	09/28/2022 - 09/30/2022	Attended
	4	Edu - RFK Compass Winter Investors Conference - Miami FL	02/26/2023 - 02/28/2023	Attended
	5	Edu - 2023 Infrastructure Investor Global Summit - Berlin Germany	03/20/2023 - 03/23/2023	Attended
	6	Edu - VC Latam Summit 2023 by ColCapital - Miami FL	04/18/2023 - 04/20/2023	Attended
B	-	Edu - 2022 Board of Investments Offsite - Long Beach CA	09/13/2022 - 09/14/2022	Attended
	-	Edu - 2022 Toigo Foundation Gala - Los Angeles CA	11/17/2022 - 11/17/2022	Attended
	-	Admin/Edu - Board of Retirement Offsite - Pasadena CA	02/22/2023 - 02/23/2023	Attended
	-	Edu - 2023 Milken Institute Global Conference - Los Angeles CA	04/30/2023 - 05/03/2023	Attended
	-	Edu - SACRS 2023 Spring Conference - San Diego CA	05/09/2023 - 05/12/2023	Attended
C	-	Edu - NCPERS 2023 Legislative Conference - Washington, DC MD	01/22/2023 - 01/24/2023	Attended
	-	Admin - Federal Engagement Visit with Congress - Washington, DC MD	01/24/2023 - 01/25/2023	Attended
X	-	Edu - SACRS 2022 Fall Conference - Long Beach CA	11/08/2022 - 11/11/2022	Canceled



**TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2022 – 2023
JUNE 2023**

Category Legend:

A - Pre-Approved/Board Approved

B - Educational Conferences and Administrative Meetings in CA where total cost is no more than \$3,000 per Trustee Travel Policy; Section III.A

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

V – Virtual Event

X - Canceled events for which expenses have been incurred.

Z - Trip was Canceled - Balance of \$0.00



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

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



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

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