

LIVE VIRTUAL BOARD MEETING



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

You may submit a request to speak during Public Comment or provide a written comment by emailing PublicComment@lacera.com. If you are requesting to speak, please include your contact information, agenda item, and meeting date in your request.

Attention: Public comment requests must be submitted via email to PublicComment@lacera.com no later than 5:00 p.m. the day before the scheduled meeting.

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

AGENDA

A REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

300 N. LAKE AVENUE, PASADENA, CALIFORNIA 91101

9:00 A.M., WEDNESDAY, AUGUST 12, 2020

This meeting will be conducted by teleconference under the Governor's Executive Order No. N-29-20.

Any person may view the meeting online at
https://members.lacera.com/lmpublic/live_stream.xhtml.

*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. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of July 8, 2020

III. REPORT ON CLOSED SESSION ITEMS

IV. PUBLIC COMMENT

(*You may submit written public comments by email to PublicComment@lacera.com. Please include the agenda number and meeting date in your correspondence. Correspondence will be made part of the official record of the meeting. Please submit your written public comments or documentation as soon as possible and up to the close of the meeting.

You may also request to address the Boards. A request to speak must be submitted via email to PublicComment@lacera.com no later than 5:00 p.m. the day before the scheduled meeting. Please include your contact information, agenda item, and meeting date so that we may contact you with information and instructions as to how to access the Board meeting as a speaker.)

V. CHIEF EXECUTIVE OFFICER'S REPORT

(Memo dated July 27, 2020)

VI. CHIEF INVESTMENT OFFICER'S REPORT

(Presentation dated August 12, 2020)

VII. CONSENT ITEM

- A. Recommendation as submitted by Herman Santos, Chair, Equity: Public/Private Committee: That the Board approve the Growth Functional Category 2020 Mid-Cycle Structure Review advanced by the Equity: Public/Private Committee. (Memo dated July 31, 2020)
- B. Recommendation as submitted by David Muir, Chair, Real Estate Committee: That the Board approve the proposed Minimum Qualifications, Evaluation Criteria, and Scope of Work advanced by the Real Estate Committee. (Memo dated July 23, 2020)

VIII. REPORTS

- A. Risk Mitigation 2020 Mid-Cycle Structure Review
Vache Mahseredjian, Principal Investment Officer
Robert Santos, Investment Officer
Chad Timko, Senior Investment Officer
Quoc Nguyen, Investment Officer
(Memo dated July 31, 2020)
- B. The Role of the General Partner and the Limited Partner Including in Times of Distress
Christopher Wagner, Principal Investment Officer
Christine Roseland, Senior Staff Counsel
David Parrish, DLA Piper
Thomas Califano, DLA Piper
(Memo dated August 3, 2020)
- C. Credit 2020 Mid-Cycle Structure Review
Vache Mahseredjian, Principal Investment Officer
Robert Santos, Investment Officer
Chad Timko, Senior Investment Officer
Quoc Nguyen, Investment Officer
Jeff Jia, Senior Investment Analyst
Adam Cheng, Senior Investment Analyst
(Memo dated July 31, 2020)
- D. Investment and Operational Due Diligence in the Era of Covid-19
Jude Perez, Principal Investment Officer
James Walsh, Global Head of Portfolio Advisory - Albourne
(Memo dated August 3, 2020)

VIII. REPORTS (Continued)

- E. Diversity, Equity, and Inclusion Education Program and Action Plan
Santos H. Kreimann, Chief Executive Officer
Carly Ntoya, Ph.D., Director, Human Resources
(For Information Only) (Memo dated July 28, 2020)
- F. Semi-Annual Interest Crediting for Reserves as of June 30, 2020
(UNAUDITED)
Ted Granger, Interim Chief Financial Officer
(For Information Only) (Memo dated August 3, 2020)
- G. Statewide Ballot Measures: November 3, 2020 Election
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated July 24, 2020)
- H. Monthly Status Report on Legislation
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated July 22, 2020)
- I. Status of (1) Request for Proposals for Fiduciary Counsel Legal Services
and (2) Request for Proposals for Media and Public Relations Consultant
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated July 27, 2020)
- J. Monthly Status Report on Board of Investments Legal Projects
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated August 3, 2020)
- K. Monthly Education and Travel Reports for June 2020
Ted Granger, Interim Chief Financial Officer
(For Information Only) (Public Memo dated July, 22 2020)
- L. July 2020 Fiduciary Counsel Contact and Billing Report
Steven P. Rice, Chief Counsel
(For Information Only) (Privileged and Confidential)
(Attorney-Client Communication/Attorney Work Product)
(Memo dated July 27, 2020)

IX. ITEMS FOR STAFF REVIEW

- X. GOOD OF THE ORDER
(For information purposes only)

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XI. EXECUTIVE SESSION

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

1. Secondary Sale Recommendation
Jonathan Grabel, Chief Investment Officer
(Memo dated July 29, 2020)

XII. ADJOURNMENT

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Investments that are distributed to members of the Board of Investments less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Investments Members 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.

**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, PASADENA, CALIFORNIA 91101

9:00 A.M., WEDNESDAY, JULY 8, 2020

This meeting was conducted by the Board of Retirement by teleconference under the Governor's Executive Order No. N-29-20.

PRESENT: David Green, Chair

Herman B. Santos, Vice Chair

Wayne Moore, Secretary

Alan Bernstein

Elizabeth Greenwood

Keith Knox

David Muir

Gina V. Sanchez

ABSENT: Shawn Kehoe

STAFF ADVISORS AND PARTICIPANTS

Santos H. Kreimann, Chief Executive Officer

Jonathan Grabel, Chief Investment Officer

Steven P. Rice, Chief Counsel

Christopher Wagner, Principal Investment Officer

Jude Perez, Principal Investment Officer

John McClelland, Principal Investment Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Vache Mahseredjian, Principal Investment Officer

Scott Zdrazil, Senior Investment Officer

David Chu, Senior Investment Officer

Noah Damsky, Investments Intern

Robert Santos, Investment Officer

Terra Elijah, Investment Analyst

Esmeralda V. del Bosque, Senior Investment Officer

Michael Huang, Accounting Officer II

Meketa Investment Group

Stephen McCourt, Managing Principal

Leandro Festino, Managing Principal

StepStone Group LP

Jose Fernandez, Partner

I. CALL TO ORDER

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

II. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of June 10, 2020

Mr. Santos made a motion, Ms. Greenwood seconded, to approve the minutes of the regular meeting of June 10, 2020. The motion passed unanimously (roll call) with Messrs. Bernstein, Green, Knox, Moore, Muir, Santos, Ms. Sanchez and Ms. Greenwood voting yes.

III. REPORT ON CLOSED SESSION ITEMS

Steven Rice, Chief Counsel, reported that:

At its March 23, 2020 meeting, under Agenda Item IV.A.3, the Board met in closed session under Government Code Section 54956.81, to discuss the purchase or sale of particular, specific public pension investments. On a motion by Mr. Santos, seconded by Ms. Greenwood, the Board voted 8-0 to terminate global equity managers Eagle Asset Management for US small/mid-cap, Acadian Asset Management for emerging markets only, and AQR Capital Management for emerging markets and to approve the engagement of JP Morgan as a manager for the factors-based strategy. Trustee Moore was absent.

At its June 10, 2020 meeting, under Agenda Item XI.A.2, the Board again met in closed session under Government Code Section 54956.81. On a motion by Mr. Santos, seconded by Mr. Moore, the Board voted 8-0 to engage State Street as LACERA's sole securities lending agent. State Street previously was responsible only for lending non-US equities, US Treasuries, and US agency securities. As a result of the Board's action, LACERA's agreement with Goldman Sachs Agency Lending for securities lending services for corporate bonds and domestic equities will terminate, and State Street will also have responsibility for these lending activities in addition to continuing with its prior areas of responsibility. Trustee Greenwood was not present for this vote.

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IV. PUBLIC COMMENT

Ms. Parisian addressed the Board regarding Leonard Green & Partners.

Messrs. Jaruin, Fein, Munoz, Ms. Mejia, Ms. Campbell, and Ms. Rodriguez from Unite

Here Local 11 addressed the Board regarding PAI Europe VII investment in Areas.

V. CHIEF EXECUTIVE OFFICER'S REPORT

(Memo dated June 22, 2020)

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

VI. CHIEF INVESTMENT OFFICER'S REPORT

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

VII. NON-CONSENT ITEMS

- A. Recommendation as submitted by Wayne Moore, Chair, Credit and Risk Mitigation Committee: That the Board approve the High Yield Fixed Income Investment Management Services Request for Proposal Minimum Qualifications advanced by the Credit and Risk Mitigation Committee. (Memo dated June 25, 2020)

Messrs. Mahseredjian and Santos were present to answer questions from the Board.

Mr. Moore made a motion, seconded by Mr. Bernstein, to approve the High Yield Fixed Income Investment Management Services Request for Proposal Minimum Qualifications. The motion passed (roll call) with Messrs. Bernstein, Green, Knox, Moore, Muir, Santos, Ms. Greenwood and Ms. Sanchez voting yes.

VII. NON-CONSENT ITEMS (Continued)

- B. Recommendation as submitted by Jude Perez, Principal Investment Officer and Terra Elijah, Investment Analyst: That the Board approve the proposed Minimum Qualifications, Evaluation Criteria, and Scope of Work, thereby authorizing staff to initiate a Request for Proposal for a bench of transition management service providers. (Memo dated June 24, 2020)

Mr. Perez and Ms. Elijah provided a presentation and answered questions from the Board.

Mr. Santos made a motion, Ms. Sanchez seconded, to approve the proposed Minimum Qualifications, Evaluation Criteria, and Scope of Work, thereby authorizing staff to initiate a Request for Proposal for a bench of transition management service providers. The motion passed (roll call) with Messrs. Bernstein, Green, Knox, Moore, Muir, Santos, Ms. Greenwood and Ms. Sanchez voting yes.

VIII. REPORTS

- A. General Partner Stakes Investment Overview
David Chu, Senior Investment Officer
Noah Damsky, Investments Intern
(Memo dated June 26, 2020)

Messrs. Chu and Damsky provided a presentation and answered questions from the Board.

- B. Strategic Asset Allocation Process Review
Jonathan Grabel, Chief Investment Officer
Jude Perez, Principal Investment Officer
(Memo dated June 25, 2020)

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

VIII. REPORTS (Continued)

- C. Custody Bank Services Search Overview and Search Timeline
Jude Perez, Principal Investment Officer
Esmeralda V. del Bosque, Senior Investment Officer
John Kim, Senior Investment Analyst
Michael Huang, Accounting Officer II
(Memo dated June 24, 2020)

Messrs. Perez, Huang, and Ms. del Bosque provided a presentation and answered questions from the Board.

- D. Master OPEB Trust - Investment Policy Statement Update Review
Jude Perez, Principal Investment Officer
Esmeralda V. del Bosque, Senior Investment Officer
(Memo dated June 24, 2020)

Mr. Perez and Ms. del Bosque provided a presentation and answered questions from the Board.

- E. Rescinding Meketa Fee Increase
Leandro Festino, Meketa Investment Group, Partner
Stephen McCourt, Meketa Investment Group, Partner
Timothy Filla, Meketa Investment Group, Partner
(Memo dated June 24, 2020)

Messrs. Festino and McCourt of Meketa Investment Group were present and answered questions from the Board.

- F. International Corporate Governance Network Board of Governors
Scott Zdrazil, Senior Investment Officer
(For Information Only) (Memo dated June 18, 2020)

Mr. Zdrazil was present and answered questions from the Board.

Mr. Moore made a motion, seconded by Mr. Santos, to nominate Ms. Sanchez to the International Corporate Governance Network Board of Governors. The motion passed (roll call) with Messrs. Bernstein,

VIII. REPORTS (Continued)

Green, Knox, Moore, Muir, Santos, Ms. Greenwood and Ms. Sanchez voting yes.

- G. Asian Corporate Governance Association Voting Ballot
Scott Zdrazil, Senior Investment Officer
(For Information Only) (Memo dated June 18, 2020)

This item was received and filed.

- H. PAI Europe VII Update
Jonathan Grabel, Chief Investment Officer
(For Information Only) (Memo dated June 30, 2020)

Ms. Greenwood made a motion, Mr. Muir seconded, to direct staff to send a letter to PAI Europe VII regarding the issues addressed during public comment and report back their response.

Mr. Santos called for the question. The motion failed (roll call) with Messrs. Knox, Muir, Bernstein voting no and Messrs. Green, Moore, Santos, Ms. Greenwood and Ms. Sanchez voting yes.

With the approval of Ms. Greenwood and Mr. Muir, and without objection, the motion was revised to direct staff to convey LACERA's concerns to PAI, in consultation with legal counsel, with the matters discussed and to provide the trustees with a report on related items including fund performance and recent allegations pertaining to the investment at an upcoming meeting. The motion passed (roll call) with Messrs. Knox, Muir, Bernstein, Green, Moore, Santos, Ms. Greenwood and Ms. Sanchez voting yes.

VIII. REPORTS (Continued)

- I. Monthly Status Report on Legislation
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated June 22, 2020)

This item was received and filed.

- J. Semi- Annual Report on Approved Engagements
Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated June 29, 2020)

This item was received and filed.

- K. Monthly Status Report on Board of Investments Legal Projects
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated July 1, 2020)

This item was received and filed.

- L. Monthly Education and Travel Reports for May 2020
Ted Granger, Interim Chief Financial Officer
(Public Memo dated June 18, 2020)
(Confidential Memo dated June 18, 2020 – Includes Anticipated Travel)

This item was received and filed.

- M. June 2020 Fiduciary Counsel Contact and Billing Report
Steven P. Rice, Chief Counsel
(For Information Only) (Privileged and Confidential)
(Attorney-Client Communication/Attorney Work Product)
(Memo dated June 23, 2020)

This item was received and filed.

IX. ITEMS FOR STAFF REVIEW

Mr. Bernstein and Ms. Greenwood requested that staff review LACERA's labor peace standards in RFP's.

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X. GOOD OF THE ORDER
(For information purposes only)

Mr. Knox introduced Ms. Ginsberg, Chief Deputy of the Treasurer and Tax Collector Officer to the Board and staff.

XI. EXECUTIVE SESSION

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

1. Update on COVID-19 Challenged Assets Supplemental Information
John McClelland, Principal Investment Officer
(Memo dated June 22, 2020)

The Board met in Executive Session. There was nothing to report.

XII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:16 p.m.

WAYNE MOORE, SECRETARY

DAVID GREEN, CHAIR



July 27, 2020

TO: Each Trustee,
Board of Retirement
Board of Investments

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

SUBJECT: **CHIEF EXECUTIVE OFFICER'S REPORT**

I am pleased to present the Chief Executive Officer's Report for July 2020 that highlights a few of the operational activities that have taken place during the past month, key business metrics to monitor how well we are meeting our performance objectives, and an educational calendar.

COVID-19 Remote Teleworking Update

Earlier in July, Governor Newsom issued an order that reversed recent efforts to ease restrictions put in place to slow the spread of COVID-19 in counties, like Los Angeles, that had seen a consistent and troubling rise in COVID-19 cases. Among the closures announced were non-critical office operations. Additionally, in the months of June and July LACERA experienced fifteen (15) incidents of possible COVID-19 exposure, including an actual case of a staff member being reported as COVID-19 positive. In almost all of these incidents the exposure was a secondary or third level exposure, meaning a LACERA staff member was exposed to someone who had tested positive, or someone who exhibited symptoms. These incidents resulted in twenty-eight (28) staff members being asked to quarantine at home over this period. It is abundantly clear we are still in the throes of the first intensive wave of the COVID-19 Pandemic.

Among these incidents was one that nearly shut down LACERA's Document Processing Center (DPC). The DPC operation is responsible for our mailroom operations and the scanning and routing of all incoming documents. It is one of the critical operations that require our staff members to be onsite in order to complete their tasks. The incident which occurred on June 15, 2020 caused over half of the DPC team to be self-quarantined for 14 days. The resulting impact caused delays in scanning incoming member documents, receiving and processing faxes, sending and receiving mail, and even processing outbound vendor payments. Staff members who were able to continue to come to work did a terrific job of stepping up to continue operations. The DPC event was well managed, but it has highlighted the need for LACERA to continue to focus our efforts on creating the most robust teleworking program we can, including this area of operations.

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With these incidents and the governor's actions on our mind we thought it would be a good idea to share what we have been doing in response.

COVID-19 Exposure Response Policy

On July 7, 2020, we released our COVID-19 Exposure Response Policy which details how LACERA will respond to reported incidents. The plan documents the various steps and procedures we have been employing as we respond to incidents. It discusses management and employee responsibilities in how they handle potential exposure cases. The policy explains how LACERA will evaluate cases to determine who should be quarantined and what sanitizing and cleaning protocols should be taken. The policy defines for everyone our implementation of the Centers for Disease Control and Prevention (CDC) recommended contact tracing in the investigation of each incident. It also documents our commitment to transparency and to keeping our staff updated on events. The policy relies on current guidance from the Department of Public Health and the CDC and will be continually reviewed and updated as needed. We have attached a copy of this policy to the memo (Attachment A).

Enhancing Our Secure Remote Teleworking Functionality

As we have shared in past reports to the Trustees, when the pandemic first hit, LACERA took emergency action to set up a remote teleworking program focusing on allowing our member facing units, Investments Office, and other divisions to work at home. The main focus of this effort was to allow remote access to email and Microsoft Teams to assist staff members in working together remotely. We quickly set up access for our operational staff to access Workspace – LACERA's proprietary member servicing system. We also set up a remote Call Center and virtual Member Services Center to enhance the member experience.

However, despite these steps staff members working remotely did not have full access to critical systems and files. This meant that we still needed to have significant numbers of staff members in the office on our Red/Blue/Black team schedules to support critical member facing operations in Benefits and Member Services and significant administrative functions such as those carried out by our Financial Accounting Services Division, DPC, and Systems.

In early July, as a result of our engagement with TransQuest, our Systems team was able to identify an improved method of securely connecting our remote teleworking staff members to our network. The improved connection allows staff members to securely log into their desktops at remotely granting them access to internal systems and critical files that they did not have access to previously. This change dramatically expands LACERA's ability to have staff members work remotely throughout the organization, decreasing LACERA's potential exposure to a COVID-19 incident that could cripple the organization. These operational upgrades are in line with our primary focus to protect the health and safety of our employees while providing exceptional customer service to our members.

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Issuing Additional Equipment to Staff Members

In July, we purchased 110 new laptops and monitors to be issued to staff members so that we can securely increase our remote teleworking capability. By August 1st we will have issued 330 desktops, laptops, and related accessories to staff members who will now be able to effectively work from home. We are in the process of securing approximately 115 more laptops and related equipment to finish setting up nearly all staff members with the ability to work remotely. Given the recent increase in COVID-19 events and increased exposure risk to our staff members this will allow LACERA to continue its operations securely and safely.

Our Systems staff members have been working hard and expect to complete the roll out of this access to all staff members working remotely by August 1st.

DPC Teleworking Project

Based on our June DPC incident we have been focusing internal discussions on how to mitigate a crippling impact to our ability to service members if DPC staff were unable to fulfill their duties. With the implementation of the new secure network connection and the issuance of additional workstations and laptops to staff members we believe a large portion of the work that DPC does can be done remotely in the near future. However, we still have a risk factor in that we need to have staff in the office to process mail (incoming and outgoing) and to image and import documents into our workflow process.

Therefore, we are developing a Request for Proposal (RFP) for consideration by the Board of Retirement to seek services from a vendor(s) to retrieve and sort incoming mail and image the documents so that our staff members in DPC can work remotely. Additionally, we are looking at the possibility of vendors being able to process outgoing mail. Recent upgrades to Workspace, our member services system, allows us to upload digital letters and documents and send them to be printed by DPC for mailing. These same services can be supported by an outside vendor with redundancy that we cannot support internally.

We are also looking into converting to an electronic faxing platform in place of the physical fax units we use at the office.

The imaging of documents is just one step in a complex process that the staff members can manage remotely while working securely at home.

TransQuest Engagement & Security Updates

In June, LACERA engaged TransQuest, Inc., to conduct a security review of our remote teleworking operations and cloud migration strategy as part of our efforts to address the COVID-19 Pandemic. While we will be providing a more formal report on this project, we wanted to take a moment to update the Trustees on this engagement.

TransQuest has been instrumental in assisting LACERA to shore up our security measures for remote teleworking and cloud migration. Based on their input we have updated security features in Microsoft Teams that will help us prevent data loss by flagging and blocking Personally Identifiable Information such as SSN, ABA routing numbers and checking account numbers among other items. TransQuest was instrumental in reviewing current licenses and capabilities and determined LACERA already had the ability of providing expanded, very secure, access to our network. This has allowed us to roll out a new remote access protocol that allows staff members to access all of their files and critical systems as if they were in the office from a remote location. This functionality, which LACERA already had but had not rolled out prior to their engagement will exponentially increase the number of staff members who can safely and securely work at home helping us to protect our staff members from accidental exposure in the office.

TransQuest also provided our staff members with guidance on how to improve and more securely manage administrative rights within our systems. They were able to provide us with tools to identify all staff members with administrative access to various systems, allowing us to better track and manage these rights, including ensuring that only authorized staff members have access to administrative functionality.

Our staff have been diligently working with Microsoft Cloud Engineers to develop and review our Cloud Adoption and Migration Strategy based on our existing licenses and agreements. These discussions, which TransQuest has been involved in and provided independent advice on, focused on maximizing our use of current security tools and protocols. At the same time TransQuest provided an independent review of a proposed statement of work for the Microsoft Cloud Adoption Strategy and Remote Access Solution contract. They are continuing to provide insight and guidance on a real time basis as we refine our statement work for the proposed Microsoft engagement.

TransQuest has also provided LACERA with the following assistance to date:

- Reviewing and making recommendations for improvements to existing IT policy and procedure manuals.
- Working with IT management staff to develop business requirements for our IT governance, risk, and compliance policies.
- Providing insight in the development of our business continuity and disaster recovery plans.
- Assisting the IT management staff with a review of all IT staff member certifications with the intent of making recommendations on additional training and professional certifications to enhance the knowledge base and technical skills of our IT staff.
- Developing a comprehensive security training program for our Network and Database Administrators and other IT staff and line employees.
- Providing valuable independent assessments and advice on the most recent Penetration Test Report.

Search in Process for Interim Chief Information Security Officer

As previously shared with the Trustees, Kathy Delino, assumed the role of providing day-to-day oversight, leadership, and direction of the work activities for the Systems Division staff. She also continues in her leadership role for the Application Development Section, which she has been responsible for since February 2019. Kathy is working closely with Summy Voong, who is providing managerial and supervisory oversight to the IT staff. Summy has been reassigned on a temporary basis from our Internal Audit Division to provide the administrative support for the IT unit.

In order to support Kathy and Summy and given the absence of a dedicated IT security officer, we felt it was imperative to seek out a dedicated professional individual who would assume this role on an interim basis. Accordingly, the current IT management team, the Executive Office, and Human Resources have been interviewing professionals to select an interim temporary Chief Information Security Officer. The selected individual will serve on an interim basis to provide oversight on all system security protocols and actions until we can run a formal exam to select a permanent professional for this critical position. In our efforts to find the most qualified candidate for this critical interim role we enlisted TransQuest to be part of the interview team to take advantage of their extensive system security expertise. We expect to finalize the process and make a selection by the end of August.

Selection of Zoom Meeting Platform for Board Meetings

In mid-March, due to the Covid-19 social distancing guidelines set forth by local, state, and federal guidelines, virtual meetings were organized by staff within a short time frame in order to allow the public, staff, members, and consultants to participate remotely. At that time, staff members decided to use the GoToMeeting and GoToWebinar platforms to accommodate open and closed session matters. Now that virtual meetings have been conducted remotely for the last four months and will continue until the unforeseeable future, staff has reconvened to ensure that we are utilizing the most secure and most efficient platform.

In July 2020, staff members from the Systems Division and Executive Office were tasked to ensure that the platform used to facilitate remote meetings would provide solutions for all meeting needs, as well as fulfill the security requirements set by the Systems Division (Systems). The team discussed, reviewed, and demoed several platforms, evaluated the pros and cons of each from a usability and security perspective. In addition, the team consulted with TransQuest to solicit their input on security protocols for each product. The team unanimously determined the Zoom Government platform satisfies Board meeting needs and provides a secure environment for safe deployment. The Zoom Government platform is currently used by many other government agencies for video conference meetings.

Update on Virtual Member Service Center

I want to update you on how our Virtual Member Service Center (VMSC) is doing after a month and a half in operation. As you may recall we opened our VMSC officially on June 12, 2020 and provided members an opportunity to sign up for one-on-one counseling via telephone and GoToMeeting.

In June, we provided service to a total of 339 members in our virtual MSC. Of those, 177 members opted for the virtual face to face meeting. Members have been tremendously receptive and supportive of the service. We thought we would share with you some stories we feel highlight the success of this offering:

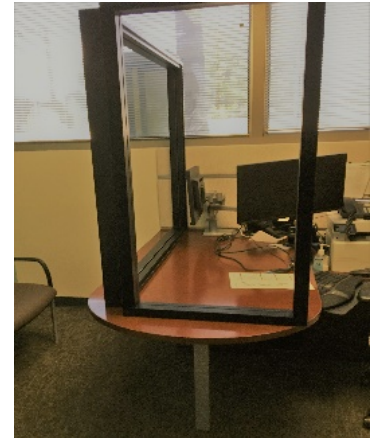
- We were able to service one member who was traveling with his wife in an RV and one that was on his boat.
- A member in Greece whose check had stopped due to return mail was unable to contact us and pass our Secure Validation process. By showing us a valid ID and answering our questions via the new platform, we were able to restart her benefits.
- An elderly member's attorney-in-fact used his laptop to set up the GTM meeting to restart her check since there was no way to validate her identity through a governmental agency nor were they able to physically visit the MSC at this time. Based on her inability to physically move around, the VMSC option made it really easy for our member to restart her check remotely.
- A member was at work and forwarded the GTM email invitation to his wife so she could join the meeting while at home. Members have also invited their financial planners and others to these meetings. We place no restrictions on who they decide to invite in the meeting.
- Readily accessible on all smart devices. (°phones, tablets, laptops, and desktops) all versions are very easy to use. Several members have been appreciative that they do not have to drive into Pasadena, especially those who live far away.

Our virtual Call Center continues to function very well as you will see in this month's CEO Dashboard report. We are also looking at expanding access to our Amazon Web Services Call Center platform and GoToMeeting functionality to Benefits and Disability Retirement Services to make outbound calls to LACERA members and survivors. This will eliminate the need for staff members to use personal devices or LACERA provided cell phones to make outbound calls and will provide yet another convenient tool to help facilitate member communication.

Return to Work Transition Plan Update: MSC Opening Delayed

Last month we announced that we had developed a Phased Transition Plan for Staff Members to Return to LACERA. We have released our Organizational Protocols and commenced a

communication plan and preparations for the eventual return of staff to the office. The plan also announced the plan to re-open the MSC by August 1st. Due to the Governor's announcement and the increased number of cases in Los Angeles, we are delaying the re-opening date. Additionally, there have been some delays in making physical safety preparations for the return of staff. However, we are moving forward with the plans outlined to prepare for the time when we will be able to bring staff back to the office in a controlled and safe environment. This week we confirmed the final designs for the physical barriers which you can see an example of in this picture. These barriers will be custom made for LACERA and will allow our staff members to safely interact with members one-on-one when the case numbers have declined to manageable levels.



Notification in Delay of Cost Notifications and Contracts for Present Value Contracts

LACERA has been moving forward with the changes the Board of Retirement approved for the calculation method of the present value contracts. The changes were effective in April once the Board of Supervisors approved the changes to the Board of Retirement Regulations. LACERA recently received the final tables required to implement the changes from our actuary. Staff members in Systems, Quality Assurance, and Benefits have been working on testing the tables and developing revised procedures and tools that staff members use to generate cost notifications and contracts. We are in the final stages of beginning to train staff on the changes. The implementation process has caused some delays in processing cost notifications for members. In order to keep members informed we will be sending out a notification to 255 members to explain the delay and let them know when to expect to receive a cost notification (Attachment B). We have included a copy of the letter with this report for your information.

SHK: jp
CEO Report July 2020.doc

Attachments



COVID-19 EXPOSURE RESPONSE PROTOCOL

The cooperation of all LACERA staff members is necessary to create a safe and beneficial work environment. As an organization, LACERA will follow Federal, State, County and both Pasadena and Los Angeles City rules related to health and safety regarding this pandemic. All staff members are required to follow health and safety guidelines in order to create and maintain a safe and productive work environment.

The first step in protecting staff members is to ensure that LACERA is following the Organizational Protocols outlined in the Phased Return to Work Transition Plan which includes the following:

LACERA shall:

- Follow the most updated Public Health guidelines for employers.^{1 2}
- Promote and ensure appropriate physical distancing of six feet.
- Limit staff to groups of no more than 10 in confined work spaces and meeting rooms.
- Educate on the proper use of personal protective equipment (PPE) including the wearing of cloth face coverings.
- Promote and educate staff members on measures for hand hygiene, including providing hand sanitizer for staff usage.
- Ensure the Office of the Building regularly cleans workplaces, meeting rooms and common areas within LACERA, and may assign specific staff members, on a rotational basis, to help keep specific areas clean.
- Disseminate messaging to educate and remind staff members of important precautionary health measures.
- Minimize contact among workers, clients, and customers by replacing face-to-face meetings with virtual communications and implementing telework wherever feasible.
- Restrict the movement of staff between floors and work areas for essential and for as needed business purposes only
- Continue to limit the number of staff in the office by using the Red/Blue/Black/Purple Team concepts.

¹ http://www.publichealth.lacounty.gov/media/Coronavirus/docs/protocols/Reopening_OfficeBasedWorksites.pdf

² <http://publichealth.lacounty.gov/acd/docs/COVHomeQuarantine.pdf>

- Report any confirmed cases of COVID-19 to the Office of the Building.

The following are procedures and expectations LACERA will activate and adhere to in the event a staff member is exposed to COVID-19.

Staff Member Expectations and Protocols

The process begins with Staff Members reporting any possible incidents. Therefore we begin this policy with expectations for Staff Members.

Staff Members shall:

- Follow the most updated Public Health guidelines for individuals.
- Notify their supervisor or manager that they are ill (i.e. displays symptoms; is suspected to have COVID-19; or tests positive of COVID-19).
- Notify their supervisor, manager, the Director of Human Resources, or the Executive Office, immediately that they have come in close contact with an infected person. Timely reporting is critical.
 - A close contact is any of the following people who were exposed to an “infected person” while they are infectious:
 - a) an individual who was within 6 feet of the infected person for more than 15 minutes
 - b) an individual who had unprotected contact with the infected person’s body fluids and/or secretions.
 - An infected person is anyone with COVID-19, or who is suspected to have COVID-19, and is considered to be infectious from 48 hours before their symptoms first appear until they are no longer required to be isolated. A person with a positive COVID-19 test but no symptoms is considered to be infectious from 48 hours before their test was taken until 10 days after their test.
- Staff members who fall into one of the above categories shall not come to work or remain at work once aware of illness or exposure to illness. Instead, staff members shall speak with their manager about their illness, level of exposure, potential exposure to others, requirement to self-isolate, telework options, and leave options. The specific length of the quarantine period shall be discussed with staff based on the circumstances of their symptoms and/or exposure. Examples of quarantine periods are contained in the attachment to this protocol. Staff may be required to quarantine even if they themselves are not symptomatic in order to protect themselves and others. Staff who are required to quarantine shall not come to work for the entire quarantine period. No supervisors or managers have authority to reduce or

clear staff from quarantine. Once staff is on quarantine, only the Director of Human Resources and the Executive Office may authorize a return to work.

- All staff members who display symptoms; is suspected to have COVID-19; test positive for COVID-19; or have been in close contact as defined above, shall participate with their supervisor and manager to perform contact tracing – the identification of staff members who have come into contact with a confirmed positive person, presumptive positive person, symptomatic person, or one who had close contact with a confirmed positive person, presumptive positive person or symptomatic person.
- Seek Medical attention if necessary and get tested for COVID-19 in order to take recommended precautions. LACERA will require anyone who displays symptoms while at work to be tested. Free testing locations are listed at <https://covid19.lacounty.gov/testing/>.

Mild symptoms of COVID-19 include fever, cough, shortness of breath, chills, repeated shaking with chills, muscle pain, headache, sore throat, or new loss of taste or smell.³

Staff Members who have symptoms of serious illness such as trouble breathing, pressure or pain in chest, bluish lips or appear confused, should seek immediate medical attention. If these symptoms occur while at work, call 9-1-1.⁴

Staff members who develop symptoms of COVID-19 while in quarantine should contact their healthcare provider. Staff members are expected to update Human Resources of any changes in their condition such as testing positive or being diagnosed as having COVID-19 as soon as possible.

LACERA highly recommends testing of staff members who are symptomatic, had close contact with a person who has a confirmed infection, or had close contact with a person who displays symptoms (with or without a confirmed test) to be tested in order to take the recommended precautions. Free testing locations are listed at <https://covid19.lacounty.gov/testing/>

LACERA Staff Notification Policy

LACERA is committed to being transparent and keeping all of our staff members reasonably informed of any incidents. LACERA is also committed to ensuring the privacy of any staff member who may be ill or exposed. LACERA will balance these two values by following these notification protocols.

1. LACERA Human Resources or Executive Office will notify all staff members of an incident as soon as reasonable and practical after the incident has been reported and the facts of the incident have been determined.

³ https://www.cdc.gov/coronavirus/2019-ncov/symptoms-testing/symptoms.html?CDC_AA_refVal=https%3A%2F%2Fwww.cdc.gov%2Fcoronavirus%2F2019-ncov%2Fsymptoms-testing%2Findex.html

⁴ <http://publichealth.lacounty.gov/media/Coronavirus/docs/business/FAQ-Managers.pdf>

2. The notification will contain the general location of the incident and refer to the steps LACERA has taken – in accordance with this policy and any future guidelines from the public health authorities.
3. LACERA will also share the notification sent to staff with our business partners at SEIU.
4. The notification will not include any reference to any specific employee. LACERA has a duty to ensure the privacy of any staff member.
5. LACERA will follow up with periodic notifications regarding any incident if the situation changes.
6. In the event of a staff member testing positive for COVID-19, LACERA will confirm that “a” staff member has tested positive, but will not confirm who that staff member is. Again, we have a duty to protect our staff member’s privacy.*

*Because LACERA’ exposure policy requires those with close contact to a member who is suspected of, or who may have COVID-19 to quarantine or self-isolate at home, a report of a positive test does not change how we respond to an incident, but may change how long we require those who have been required to quarantine or self-isolate to remain in that state.

Management Expectations and Protocols

Managers and supervisors will also routinely remind staff members to follow general steps to prevent the spread of illness by frequent handwashing; discouraging staff members from using other staff’s phones, desks, offices, or other work tools and equipment; reminding staff to practice social distancing by maintaining a six-foot person-to-person distance; advising staff to clean and disinfect frequently touched objects and surfaces; and actively encouraging staff to stay home if they are sick.

Managers and supervisors are required to report any suspected or confirmed incidents to the Director of Human Resources and the Executive Office immediately to help protect other LACERA staff members or members. Time is of the essence in making reports. Furthermore managers and supervisors are expected to enforce all Organizational and Phased Transition Plan protocols. Managers and supervisors do not have authority to send staff home or decide when staff can come back to work, but rather are required to immediately report incidents and suspected violations of these protocols to the Director of Human Resources and the Executive Office, who will provide direction as to the proper response. These are part of management’s performance expectations going forward.

Managers and Supervisors will:

- Follow and apply the most updated Public Health guidelines for individuals and employers.
- Immediately inform the Director of Human Resources and the Assistant Executive Officer of any suspected cases, exposure, or expected exposure to COVID-19.

- Working with HR, the supervisor/manager shall discuss with the staff member their status (confirmed, suspected, or close contact with another confirmed or suspected positive person) to determine if the staff member should remain at or return to work.
- Discuss with the staff member their level of exposure to other staff members (contact tracing) to determine if other staff members should remain at or return to work. If quarantine is required, the amount of time will vary based upon the circumstance and will be determined and confirmed on a case-by-case basis. Examples are described in the attachment to this protocol. Managers and supervisors do not have authority to change the terms of quarantine, such as an early release or extension; all decisions shall only be made by the Director of Human Resources and the Executive Office.
- Maintain confidentiality of staff member's protected health information. This information may be shared with the LACERA Incident Response Team (LIRT) in order to make appropriate decisions, but will not be shared with other staff members.
- Confer with self-isolating staff members to arrange for telework to the extent possible and reasonable.
- Work with Administrative Services to arrange for impacted work spaces and common areas to be cleaned.
- Notify the LACERA Incident Response Team if necessary.
- Coordinate with the Human Resources Division to provide leave paperwork to staff members who cannot telecommute during self-isolation.

Additional Resources

List of [free testing sites](#) in Los Angeles County

County of Los Angeles [Health Officer Order](#), updated 7/1/2020

Examples of staff member illness and return to work timelines (adapted from the California Department of Public Health⁵)

Staff Member Situation	Need to Self-Quarantine?	Return to Work Conditions (As of June 7, 2020)	Resources for More Information (As of June 22 2020)
<p>Example 1 Symptomatic Positive Staff Member with symptoms who is laboratory confirmed to have COVID-19</p>	Yes	<p>At least 3 days (72 hours) have passed since the resolution of fever without the use of fever-reducing medications; and improvement in respiratory symptoms (e.g., cough, shortness of breath); and, at least 10 days have passed since symptoms first appeared.</p>	<p>Self-Isolation Guide FAQs about testing</p>
<p>Example 2 Asymptomatic Positive Staff member never had symptoms and is laboratory confirmed to have COVID-19</p>	Yes	<p>A minimum of 10 days have passed since the date of their first positive COVID-19 test. If they develop symptoms, then the criteria for laboratory confirmed cases with symptoms apply (example #1).</p>	<p>Self-Isolation Guide FAQs about testing</p>
<p>Example 3 Symptomatic Negative Staff Member who had symptoms of COVID-19 but test result returned negative</p>	Yes	<p>Use the same criteria as laboratory confirmed cases (example #1).</p>	<p>Self-Isolation Guide FAQs about testing</p>
<p>Example 4 Symptomatic Untested Staff Member had symptoms of COVID-19 but was not tested</p>	Yes	<p>Testing is highly recommended. If the staff member cannot be tested, use the same criteria for return to work as laboratory confirmed cases (example #1).</p>	<p>Self-Isolation Guide</p>

⁵ https://www.cdph.ca.gov/Programs/CID/DCDC/Pages/COVID-19/Workplace-Outbreak-Employer-Guidance.aspx#_Xuv50TqknY.mailto

Staff Member Situation	Need to Self-Quarantine?	Return to Work Conditions <i>(As of June 7, 2020)</i>	Resources <i>(As of 6/22/20)</i>
<p>Example 5 Close Contact and Asymptomatic Negative Staff Member never had symptoms but was tested due to close contact with a laboratory-confirmed case, and Staff Member’s test is negative</p>	<p>Yes</p>	<p>Employees should quarantine at home for 14 days after the last known close contact with the case patient. Symptoms can develop even after testing negative within 14 days after exposure. LIRT may consider allowing earlier return to work only for an employee in a critical position in which the essential operations of the workplace would be compromised by quarantine of the staff member and no alternate staff can perform the same role.</p>	<p>Close Contact Self-Isolation Guide FAQs about testing</p>
<p>Example 6A Close Contact and Asymptomatic Untested Staff Member had close contact to a laboratory-confirmed positive person at work, home, or in the community and Staff Member does not have symptoms. OR Staff Member refuses or is unable to be tested after close contact with a laboratory-confirmed case, despite recommendation for testing from LACERA management or healthcare provider, and Staff Member does not have symptoms.</p>	<p>Yes</p>	<p>Staff Member should be quarantined at home for 14 days after the last known close contact with the case patient. Testing is highly recommended; if testing has not occurred, LACERA management may consider allowing an employee who had close contact to a confirmed case to continue to work only in a critical position in which the essential operations of the workplace would be compromised by quarantine of the staff member and no alternate staff can perform the same role. Even if they are not tested, the same criteria for return to work should be used as laboratory-confirmed cases (example #1).</p>	<p>Close Contact Self-Isolation Guide</p>

Staff Member Situation	Need to Self-Quarantine?	Return to Work Conditions <i>(As of June 7, 2020)</i>	Resources <i>(As of 6/22/20)</i>
<p>Example 6B Close Contact and Asymptomatic Untested Staff Member had close contact to a person with symptoms at work, home, or in the community and Staff Member does not have symptoms. OR Staff Member refuses or is unable to be tested after close contact with a person with symptoms, despite recommendation for testing from LACERA management or healthcare provider, and Staff Member does not have symptoms.</p>	<p>Yes</p>	<p>Staff Member should be quarantined at home for 14 days after the last known close contact with the case patient. Testing is highly recommended; if testing has not occurred, LACERA management may consider allowing an employee who had close contact to a suspected case to continue to work only in a critical infrastructure industry in which the essential operations of the workplace would be compromised by quarantine of the staff member and no alternate staff can perform the same role. Even if they are not tested, the same criteria for return to work should be used as laboratory-confirmed cases (example #1).</p>	<p>Close Contact Self-Isolation Guide</p>

Example of contact tracing questions:

- Currently, how are you feeling?
- Are you currently displaying any symptoms of Covid-19?
- When was the first day you had symptoms?
- Have you contacted a medical provider? Do you need help contacting a medical provider?
- When was the first day you felt ill?
- Were you tested for Covid-19?
 - When were you tested?
 - When do expect your results?
 - Do you plan on being tested?
- When was the last day you were at work?
- What locations did you visit when you were last at work?
- What locations did you visit any other days when you had symptoms?
- What locations did you visit 48 hours (2 days) before your first symptom?

- Based on a) your last day at work, b) 48 hours before you started feeling ill, or 3) when you were exposed to someone who is ill, who did you come into close contact with?
 - Close contact is with an individual who was within 6 feet of the infected person for more than 15 minutes; **OR** an individual who had unprotected contact with the infected person's body fluids and/or secretions.
- Have you spoken to your supervisor about the option to telecommute?



[Month Day, Year]

[Member's Full Name]
[Member's Mailing Address]
[City, State Zipcode]

Employee: 000000

Dear [Title] [Member's Surname]:

Thank you for your request to purchase service credit with the Los Angeles County Employees Retirement Association (LACERA).

LACERA continually reviews our processes with the goal of improving our services to our members. In this spirit, the Board of Retirement recently approved, and the Los Angeles County Board of Supervisors adopted, changes in the methodology used to calculate certain types of service credit purchases.

While LACERA strives to respond quickly to member requests, these efforts to improve our procedures have temporarily delayed your request. We are processing requests by the date they were received and will get to your case as soon as possible. **Please be assured the cost of your purchase will not be affected by our delay.**

We apologize for any inconvenience you may have experienced as a result of our delayed response.

If you have questions about this information or need assistance, please contact LACERA's Call Center at 800-786-6464 between 7:00 a.m. and 5:30 p.m. PST. A Retirement Benefits Specialist will gladly assist you. You can also make an appointment through our Virtual Member Service Center by visiting lacera.com and clicking on the Appointment System link or emailing us at welcome@lacera.com.

Sincerely,
Benefits Division

CORTM/SSN

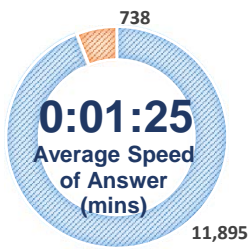
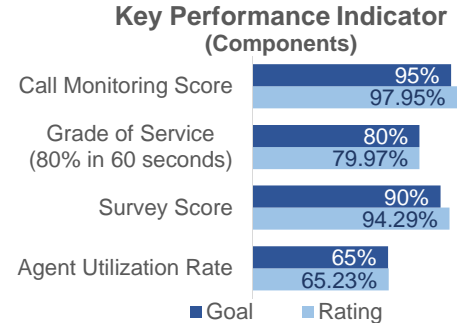
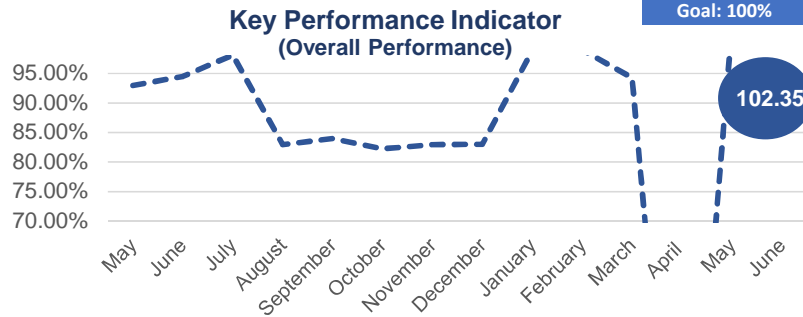
(7/17/2020)

Striving for Excellence in Service

Service Metrics Reported on a Fiscal Year Basis (June 1) Through: June 2020

<p>Outreach Attendance 1,657 30,891 Year-to-Date</p>	<p>Outreach Events 7 377 Year-to-Date</p>	<p>Outreach Satisfaction N/A Change Since Last Mo</p>	<p>Member Service Center N/A - Change Since Last Mo</p>	<p>Member Services Calls 12,633 10,456 3 Mo. Avg.</p>
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Member Services



Top Calls

1. Retirement Counseling: Overview
2. MyLACERA Login Issues
3. Retirement Counseling: Estimate

Emails 601

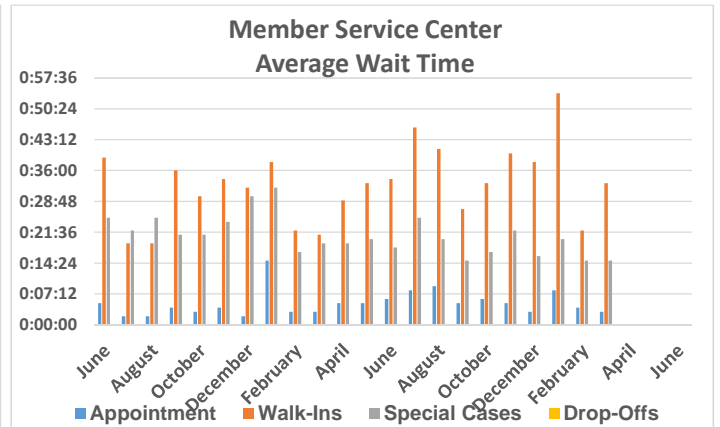
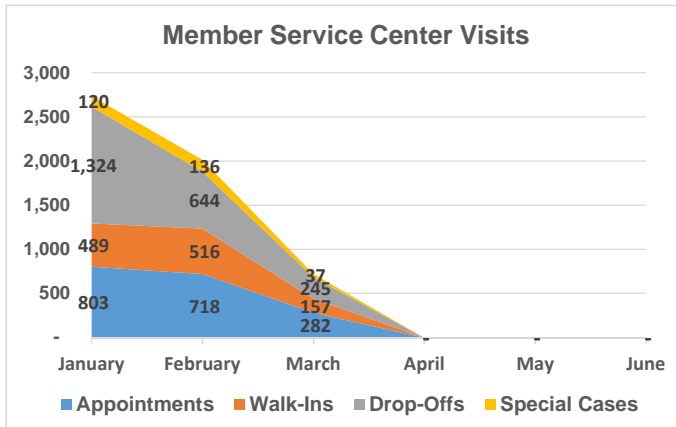
24:00 hours

Avg. Response Time (ART)

Secure Messages 672



■ Calls Answered ■ Calls Abandoned



*Drop Off Wait Time: No Waiting



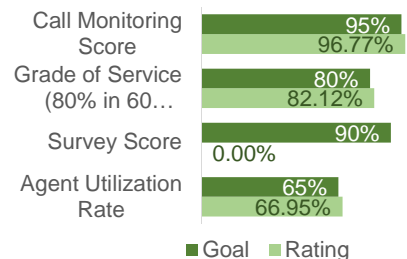
Retiree Healthcare

Total RHC Calls: 5,822



Top Calls

1. Enrollment Inquiries
2. Turning Age 65
3. Medicare Part B Reimbursement



■ Goal ■ Rating

Emails 479

1 Day

Avg. Response Time (ART)

Secure Messages 175



■ Calls Answered ■ Calls Abandoned

Striving for Excellence in Service (Continued)

Disability

Applications

643

In Process
As Of:
6/30/2020

645 Pending on: 5/31/2020
44 Received
556 Year-to-Date
0 Re-Opened
0 Year-to-Date
43 To Board - Initial
541 Year-to-Date
3 Closed
48 Year-to-Date

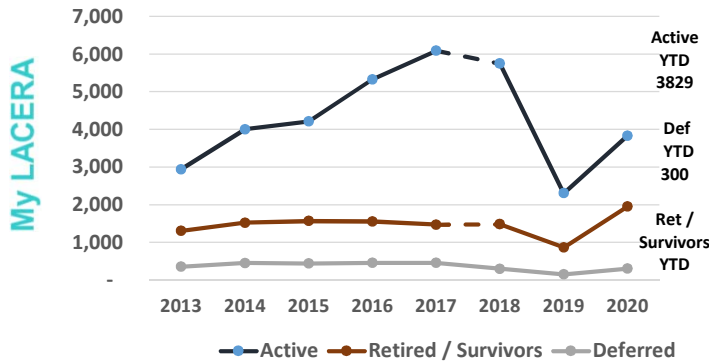
Appeals

99

In Process
As Of:
6/30/2020

100 Pending on: 5/31/2020
2 Received
34 Year-to-Date
3 Admin Closed/Rule 32
26 Year-to-Date
0 Referee Recommended
0 Year-to-Date
0 Revised/Reconsidered for Granting
1 Year-to-Date

My LACERA Registrations

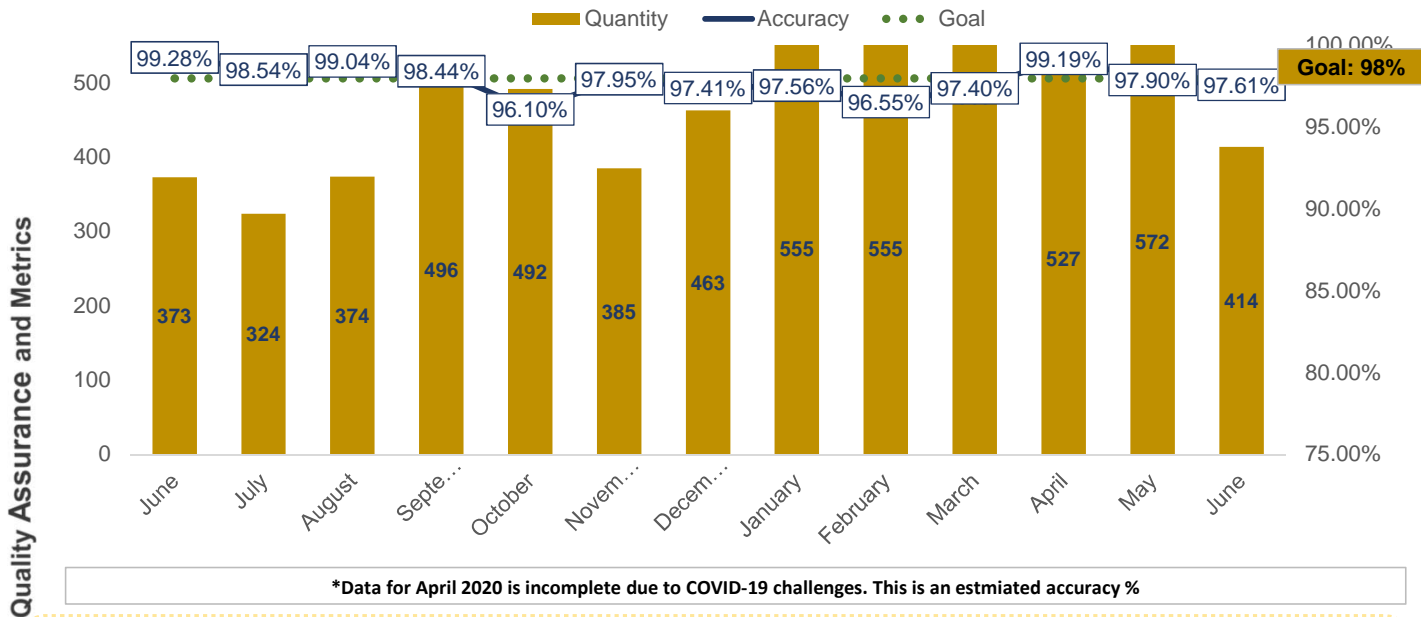


COVID-19 NOTE

Some Member Services, Retiree Healthcare, and Quality Assurance statistics for April were not available due to COVID-19 impacts. Where possible we have provided estimates based on manual reporting or in some cases a six month average for survey scores.

Striving for Excellence in Quality

Audits of Retirement Elections, Payment Contracts, and Data Entry Completed by QA



June 2020



97.61%

Retirement Elections

241 Samples
96.75% Accuracy

Payment Contracts

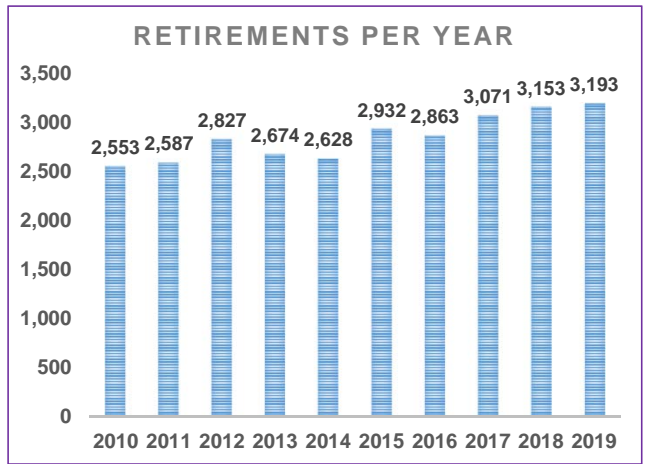
113 Samples
96.09% Accuracy

Data Entry

60 Samples
100.00% Accuracy

Member Snapshot

		Members as of 07/15/20			
	Plan	Active	Retired	Survivors	Total
General	Plan A	92	15,898	4,367	20,357
	Plan B	22	680	69	771
	Plan C	31	425	69	525
	Plan D	40,009	16,908	1,557	58,474
	Plan E	16,372	13,621	1,275	31,268
	Plan G	30,347	60	6	30,413
	Total General	86,873	47,592	7,343	141,808
Safety	Plan A	2	5,070	1,606	6,678
	Plan B	9,187	6,391	315	15,893
	Plan C	3,967	10	0	3,977
	Total Safety	13,156	11,471	1,921	26,548
TOTAL MEMBERS		100,029	59,063	9,264	168,356
% by Category		59%	35%	6%	100%



Average Monthly Benefit Allowance Distribution As of June 30, 2020

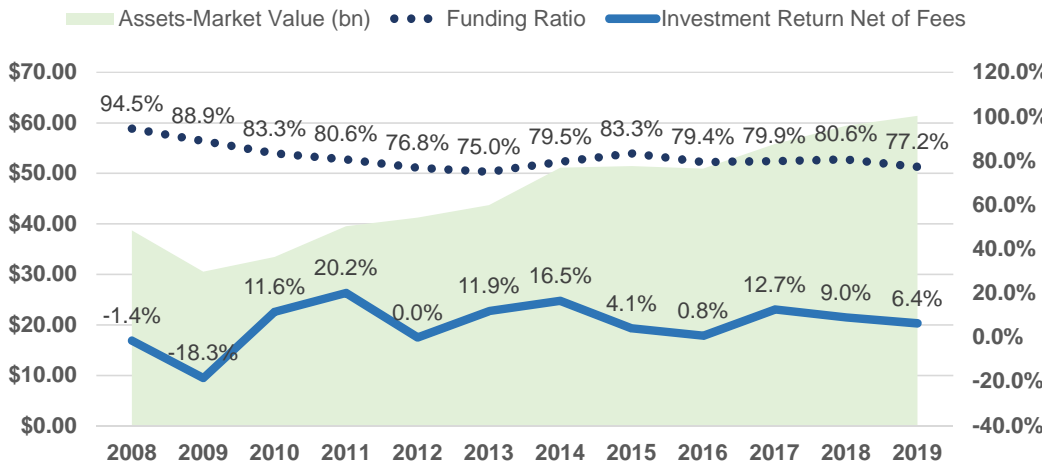
	General	Safety	Total	%
\$0 to \$3,999	29,776	1,844	31,620	53.80%
\$4,000 to \$7,999	12,880	3,508	16,388	27.88%
\$8,000 to \$11,999	3,372	4,148	7,520	12.80%
\$12,000 to \$15,999	924	1,502	2,426	4.13%
\$16,000 to \$19,999	295	273	568	0.97%
\$20,000 to \$23,999	83	106	189	0.32%
\$24,000 to \$27,999	28	18	46	0.08%
> \$28,000	12	3	15	0.03%
Totals	47,370	11,402	58,772	100%

Average Monthly Benefit Allowance: \$ **4,441.00**

Healthcare Program		Healthcare Enrollments	
(YTD as of 06/30/20)		(Mo. Ending: 06/30/20)	
	Employer	Member	
Medical	\$538.6m	\$44.3m	Medical 52,236
Dental	\$45.1m	\$4.5m	Dental 53,638
Part B	\$69.9m	xxxx	Part B 35,308
Total	\$653.6m	\$48.8m	Total 141,798

Key Financial Metrics

Fiscal Year End Financial Update (as of 06/30/19)



Funding Metrics (as of 6/30/19)

Employer NC	10.86%
UAAL	13.92%
Assumed Rate	7.00%
Star Reserve	\$614m
Total Assets	\$58.3b

Contributions (as of 6/30/19)

	Employer	Member
Annual Add	\$1.7b	\$635.4m
% of Payroll	22.59%	7.68%

TOTAL FUND RETURN (Net of Fees)

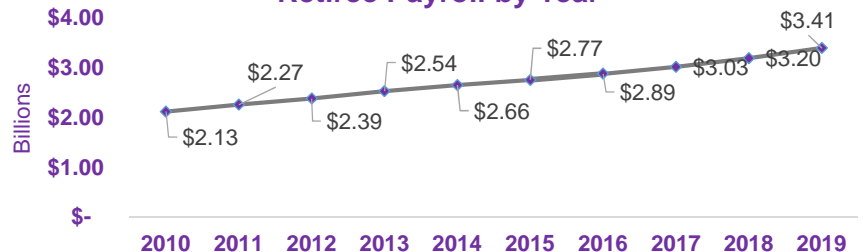
5 YR: 6.5% 10 YR: 9.1%

Retired Members Payroll

(As of 6/30/2020)

Monthly Payroll	\$313.4m
Payroll YTD	\$3.6b
New Retired Payees Added	295
Seamless %	95.59%
New Seamless Payees Added	4,190
Seamless YTD	98.07%
By Check %	3.00%
By Direct Deposit %	97.00%

Retiree Payroll by Year



Date	Conference
August, 2020 25-28	CALAPRS (California Association of Public Retirement Systems) Principles of Pension Governance for Trustees Pepperdine University CANCELLED VIRTUAL CONFERENCE AUGUST 18, 25-26, 2020
September, 2020 13-17	AHIP (America's Health Insurance Plans) National Conferences on Medicare, Medicaid and Dual Eligibles Washington D.C. RESCHEDULED TO VIRTUAL CONFERENCE-SEPTEMBER 14-17
18	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Avenue of the Arts Hotel Costa Mesa RESCHEDULED TO VIRTUAL CONFERENCE
21-23	Council of Institutional Investors (CII) Fall Conference San Francisco, CA CANCELLED – RESCHEDULED TO VIRTUAL CONFERENCE
28-October 2	Oxford Impact Measurement Program Oxford, United Kingdom
30-October 2	PREA (Pension Real Estate Association) Annual Institutional Investor Conference Boston, MA RESCHEDULED TO VIRTUAL CONFERENCE
October, 2020 23	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees DoubleTree Hotel San Jose RESCHEDULED TO VIRTUAL CONFERENCE
November, 2020 10-13	SACRS Indian Wells, CA
11-12	Institutional Limited Partners Association (ILPA) General Partner Summit New York, NY CANCELLED – VIRTUAL CONFERENCE NOVEMBER 10-12, 2020
12-14	Harvard Business School-Audit Committees in a New Era of Governance Boston, MA CANCELLED AUDIT COMMITTEES-VIRTUAL NOVEMBER 12-14, 2020
15-18	IFEBP (International Foundation of Employment Benefit Plans) Annual Employee Benefits Conference Honolulu, HI
16-20	Investment Strategies & Portfolio Management (<i>prev. Pension Fund & Investment Mgmt.</i>) Wharton School, University of Pennsylvania

Chief Investment Officer Monthly Report

Board of Investments

August 12, 2020



Jonathan Grabel 
Chief Investment Officer

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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1. Market Environment
2. Portfolio Performance Update
3. Portfolio Structural Updates
4. Key Initiatives and Operational Updates
5. Commentary
6. Appendix
 - Compliance Report



Market Environment



Global Market Performance as of July 31, 2020

MSCI ACWI Index (Global Equity Market)*

Trailing Returns (%)			Annualized Returns (%)			
1-month	3-month	YTD	1Y	3Y	5Y	10Y
5.2	13.6	-2.2	6.1	6.4	7.1	8.8

Russell 3000 Index (U.S. Equity Market)

Trailing Returns (%)			Annualized Returns (%)			
1-month	3-month	YTD	1Y	3Y	5Y	10Y
5.7	13.9	2.0	10.9	11.4	10.9	13.6

MSCI ACWI IMI Index 1-Year Performance



Russell 3000 1-Year Performance



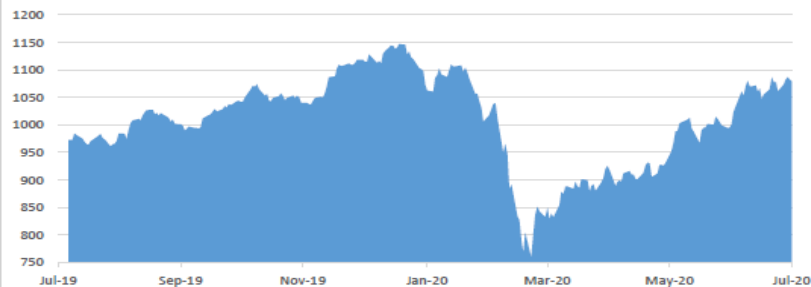
MSCI Emerging Market Index

Trailing Returns (%)			Annualized Returns (%)			
1-month	3-month	YTD	1Y	3Y	5Y	10Y
8.9	17.8	-1.7	6.6	2.8	6.2	3.3

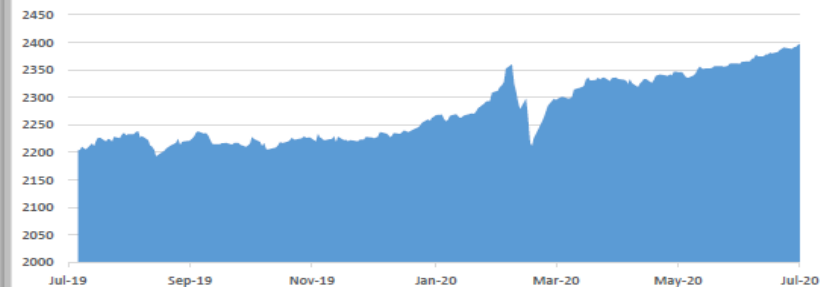
Barclays U.S. Aggregate Bond Index**

Trailing Returns (%)			Annualized Returns (%)			
1-month	3-month	YTD	1Y	3Y	5Y	10Y
1.5	2.6	7.7	10.1	5.7	4.5	3.9

MSCI Emerging Markets 1-Year Performance



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



*Global Equity Policy Benchmark - MSCI ACWI IMI Index

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

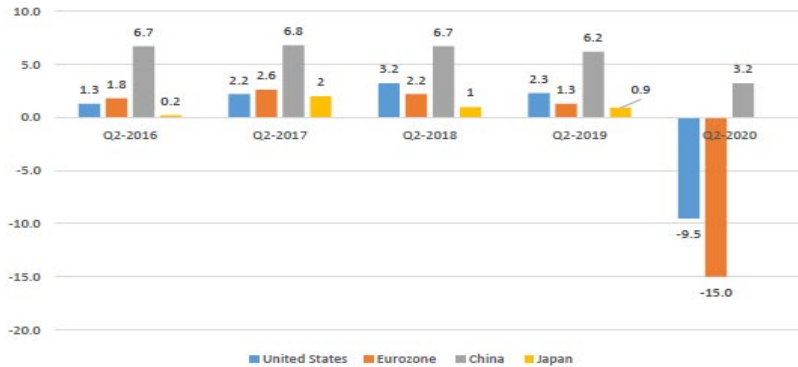
Source: Bloomberg



Key Macro Indicators*

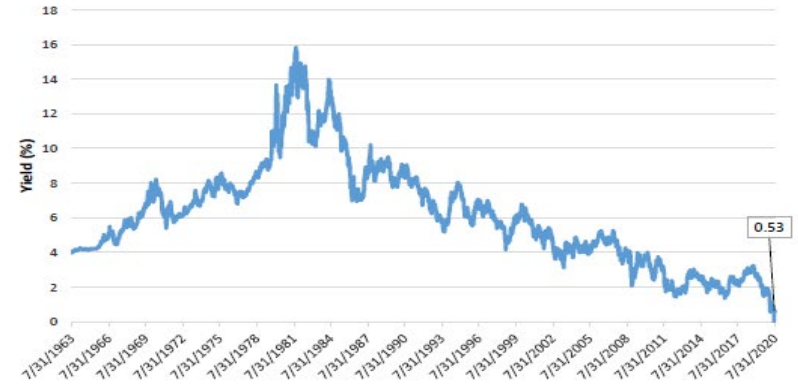
GDP Growth of Major Economies¹

Real GDP Growth YoY (%) - Last Five Years



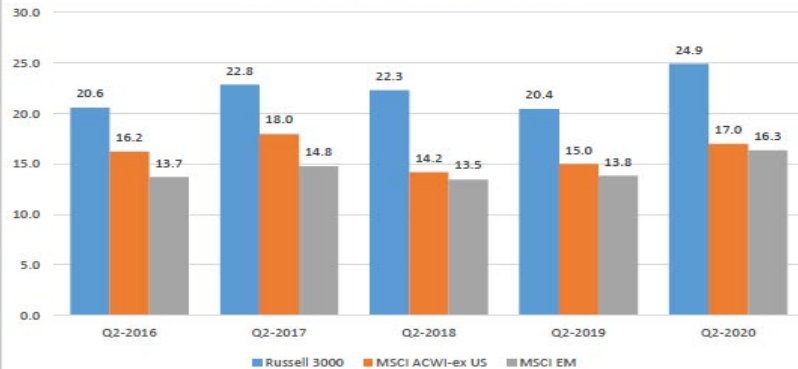
Historical Low for 10-Year Treasury Yield²

Historical 10 Year Treasury Yield



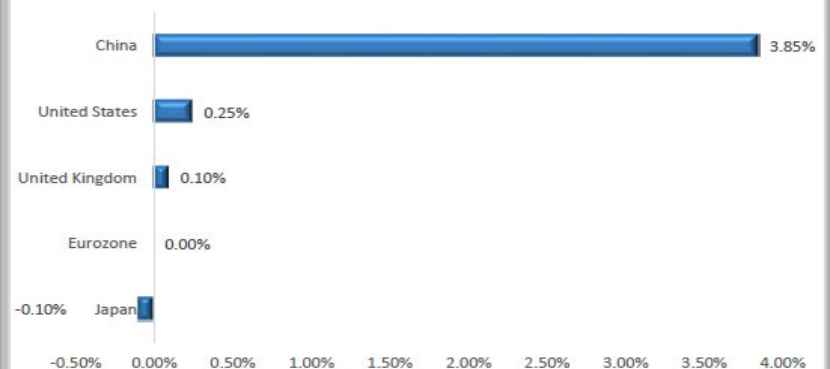
World Equity Valuation³

Price-to-Earnings - Last Five Years



Central Bank Rates⁴ (as of 7/31/2020)

Central Bank Rates



*The information on the "Key Macro Indicators" charts is the best available data as of 7/31/20 and may not reflect the current market and economic environment. Japan GDP data for 2Q2020 not yet available.

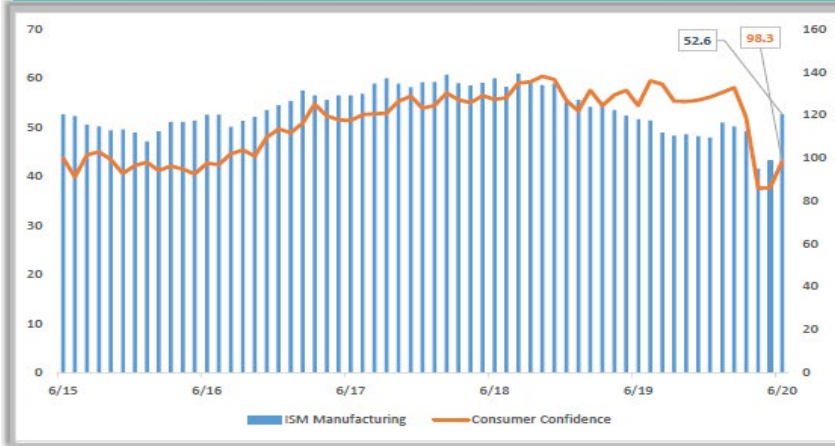
Sources: 1. Bloomberg
2. St. Louis Federal Reserve

3. FactSet
4. FactSet

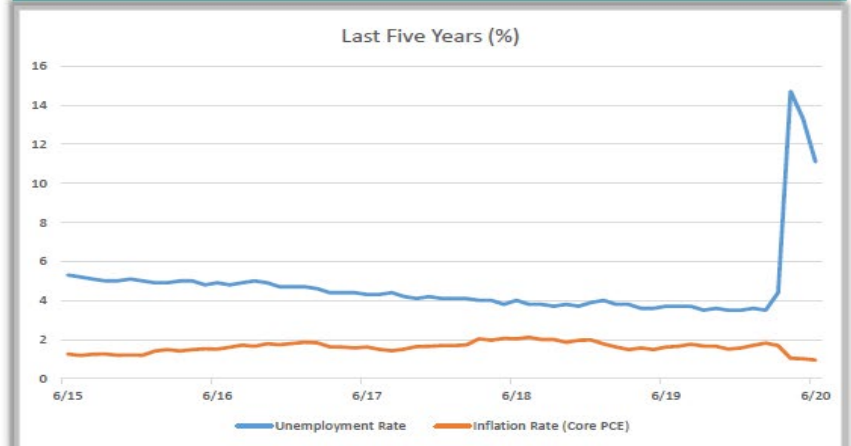


Key Macro Indicators*

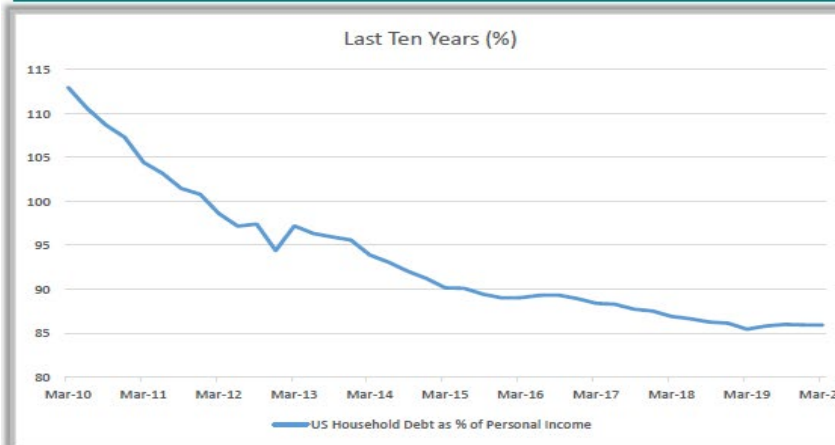
Consumer Confidence & ISM Manufacturing¹



U.S. Inflation & Unemployment²



US Household Debt as % of Personal Income³



Federal Revenue and Federal Debt as % of GDP⁴



*The information on the "Key Macro Indicators" charts is the best available data as of 7/31/20 and may not reflect the current market and economic environment

Sources: 1. Bloomberg 3. Bloomberg
2. Bloomberg 4. Bloomberg & Federal Reserve



Market Themes and Notable Items to Watch

Recent Themes

- COVID-19
 - More than 17 million cases worldwide
 - U.S. approximately 26% of global cases
 - Elevated number of daily new cases observed in U.S., Brazil, and India in July
 - Potential timing of vaccine
- Global central banks maintain relatively easy monetary policies; U.S. Federal Reserve leaves rates unchanged and near zero
 - U.S. Fed Chairman Powell: “The path forward for the economy is extraordinarily uncertain and will depend in large part on our success in keeping the virus in check”
- U.S. GDP decreased at an annualized rate of 32.9% in Q2 2020
- Social equality initiatives
- Global equity and risk-asset markets gain modestly in July amid economic and pandemic headwinds

What to Watch

- COVID-19
 - Global spread
 - Treatment development
 - Reopening of economies
 - Lasting economic impact
- Social and civil rights initiatives
- Fiscal stimulus
- Unemployment and consumer spending
- Health of corporate balance sheets and credit availability
- Real estate mortgage defaults
- 2020 U.S. elections and political dynamics
- Geopolitical risks and trade arrangements



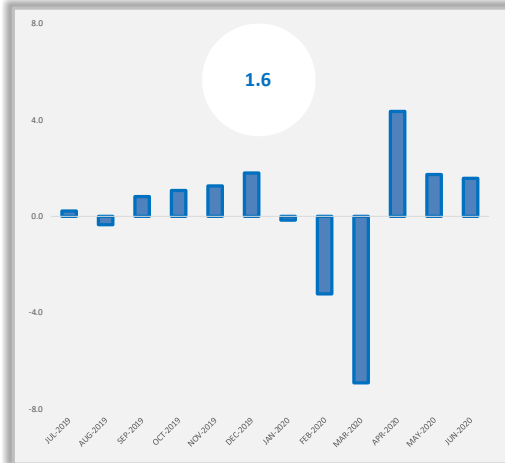
Portfolio Performance Update



Total Fund Summary as of June 2020

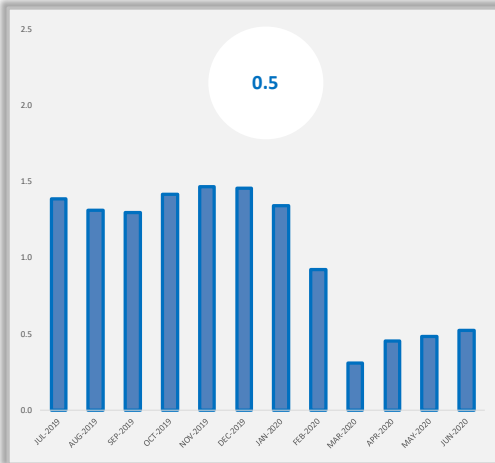
Monthly Return

(% net)



Sharpe Ratio

(3-Year Annualized)

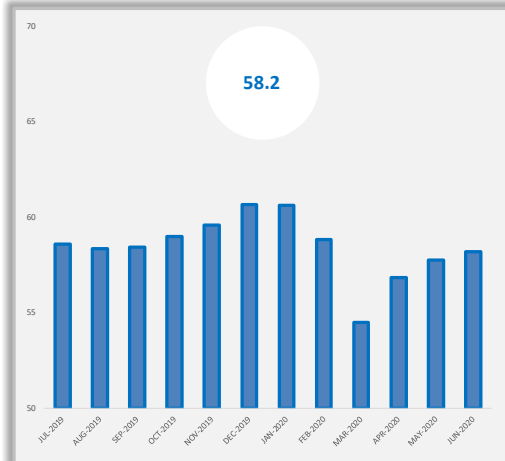


Asset Allocation

	Market Value ¹ (\$ millions)	% of Total	Final Target ²
TOTAL FUND	58,218	100.0%	
Growth	28,030	48.1%	47.0%
Global Equity	20,799	35.7%	35.0%
Private Equity ³	6,361	10.9%	10.0%
Opportunistic Real Estate ⁴	869	1.5%	2.0%
Credit	5,864	10.1%	12.0%
High Yield	1,895	3.3%	3.0%
Bank Loans	2,110	3.6%	4.0%
Emerging Market Debt	799	1.4%	2.0%
Illiquid Credit ^{3,4,5}	1,057	1.8%	3.0%
Real Assets & Inflation Hedges	9,317	16.0%	17.0%
Core & Value Added Real Estate ⁴	4,502	7.7%	7.0%
Natural Resources & Commodities	2,052	3.5%	4.0%
Infrastructure	1,675	2.9%	3.0%
Treasury Inflation-Protected Securities	1,088	1.9%	3.0%
Risk Reduction & Mitigation	14,447	24.8%	24.0%
Investment Grade Bonds	11,553	19.8%	19.0%
Diversified Hedge Fund Portfolio ⁵	1,950	3.3%	4.0%
Cash	944	1.6%	1.0%
Overlay Composite ⁶	560	1.0%	—

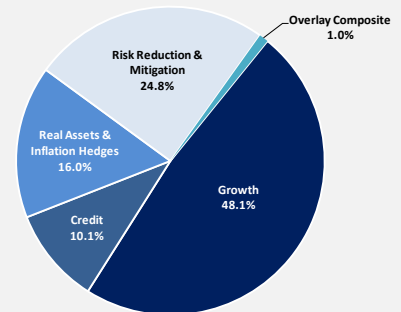
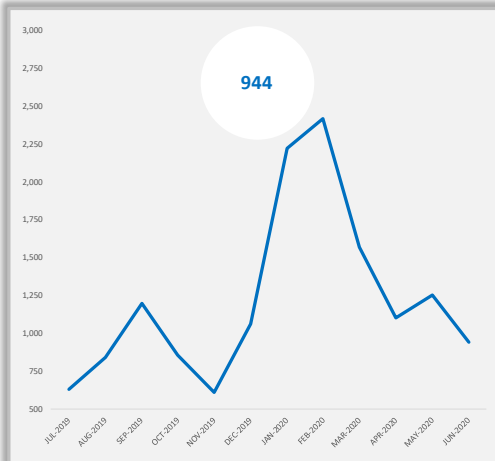
Total Market Value

(\$ billions)



Cash

(\$ millions)



1. Transition balances are included in each subcategory total, if applicable.
2. Final target weights effective as of 10/1/19.

3. Private Equity market values reflect latest available and are adjusted for cash flows.

4. Real Estate market values reflect a 3-month lag and best available values.

5. Hedge Fund market values reflect a 1-month lag.

6. Reflects net cash position for overlay investing.



Historical Net Performance as of June 2020*

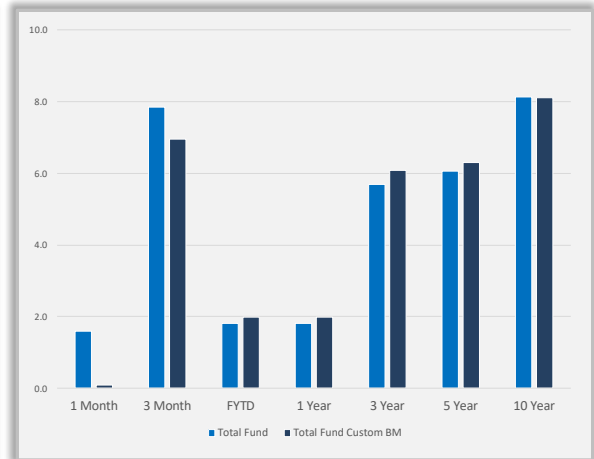
LACERA Pension Fund

(net)

	Market Value (\$ millions)	% of Total Fund	Final Target ¹	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
TOTAL FUND	58,218	100.0%	100.0%	1.6	7.9	1.8	1.8	5.7	6.1	8.1
<i>Total Fund Custom BM</i>				<i>0.1</i>	<i>7.0</i>	<i>2.0</i>	<i>2.0</i>	<i>6.1</i>	<i>6.3</i>	<i>8.1</i>
<i>7.25% Annual Hurdle Rate</i>				<i>0.58</i>	<i>1.77</i>	<i>7.25</i>	<i>7.25</i>	<i>7.25</i>	<i>7.25</i>	<i>7.25</i>
Functional Composites²				1 Month	3 Month	FYTD	1 Year			
GROWTH	28,030	48.1%	47.0%	2.4	12.3	2.1	2.1			
<i>Growth Custom BM</i>				<i>-0.6</i>	<i>9.2</i>	<i>-0.4</i>	<i>-0.4</i>			
CREDIT	5,864	10.1%	12.0%	2.3	5.2	-2.9	-2.9			
<i>Credit Custom BM</i>				<i>1.3</i>	<i>8.2</i>	<i>2.4</i>	<i>2.4</i>			
REAL ASSETS & INFLATION HEDGES	9,317	16.0%	17.0%	-0.1	4.0	-4.5	-4.5			
<i>Real Assets & Inflation Hedges Custom BM</i>				<i>0.7</i>	<i>6.3</i>	<i>-1.3</i>	<i>-1.3</i>			
RISK REDUCTION & MITIGATION	14,447	24.8%	24.0%	0.9	2.9	7.5	7.5			
<i>Risk Reduction & Mitigation Custom BM</i>				<i>0.5</i>	<i>2.4</i>	<i>7.7</i>	<i>7.7</i>			
OVERLAY COMPOSITE	560	1.0%	—							

Historical Returns

(net)



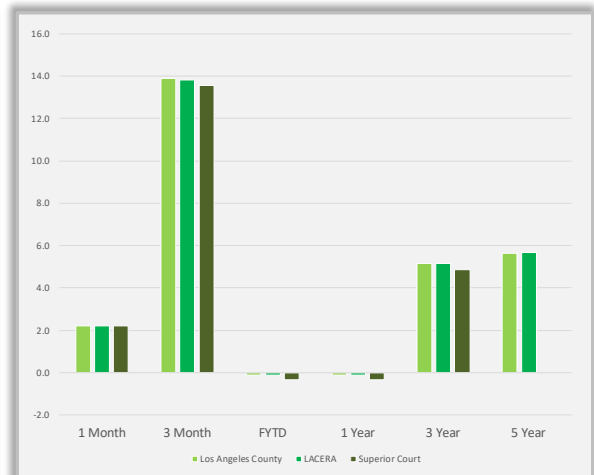
OPEB Master Trust Fund

(net)

Sub-Trusts	Market Value (\$ millions) ³	Trust Ownership %	Final Target	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year
TOTAL OPEB MASTER TRUST	1,493								
Los Angeles County	1,442	96.6%	—	2.2	13.9	-0.1	-0.1	5.1	5.6
LACERA	6	0.4%	—	2.2	13.8	-0.1	-0.1	5.2	5.7
Superior Court	45	3.0%	—	2.2	13.6	-0.4	-0.4	4.9	—
Functional Composites				1 Month	3 Month	FYTD	1 Year	3 Year	
OPEB Growth	755	50.6%	50.0%	3.2	19.9	1.5	1.5	5.9	
<i>Custom OPEB MT Growth Pool</i>				<i>3.2</i>	<i>19.8</i>	<i>1.2</i>	<i>1.2</i>	<i>5.5</i>	
OPEB Credit	295	19.8%	20.0%	0.6	8.8	-1.7	-1.7	—	
<i>Custom OPEB MT Credit Pool</i>				<i>1.0</i>	<i>9.9</i>	<i>-1.5</i>	<i>-1.5</i>	<i>—</i>	
OPEB Real Assets & Inflation Hedges	293	19.6%	20.0%	1.7	7.0	-9.5	-9.5	—	
<i>Custom OPEB MT RA & IH Pool</i>				<i>1.7</i>	<i>6.9</i>	<i>-9.8</i>	<i>-9.8</i>	<i>—</i>	
OPEB Risk Reduction & Mitigation	150	10.1%	10.0%	0.5	2.5	7.5	7.5	5.4	
<i>Custom OPEB MT RR & M Pool</i>				<i>0.5</i>	<i>2.4</i>	<i>7.3</i>	<i>7.3</i>	<i>5.1</i>	
Operating Cash	0.2	0.0%	—						

Historical Returns

(net)



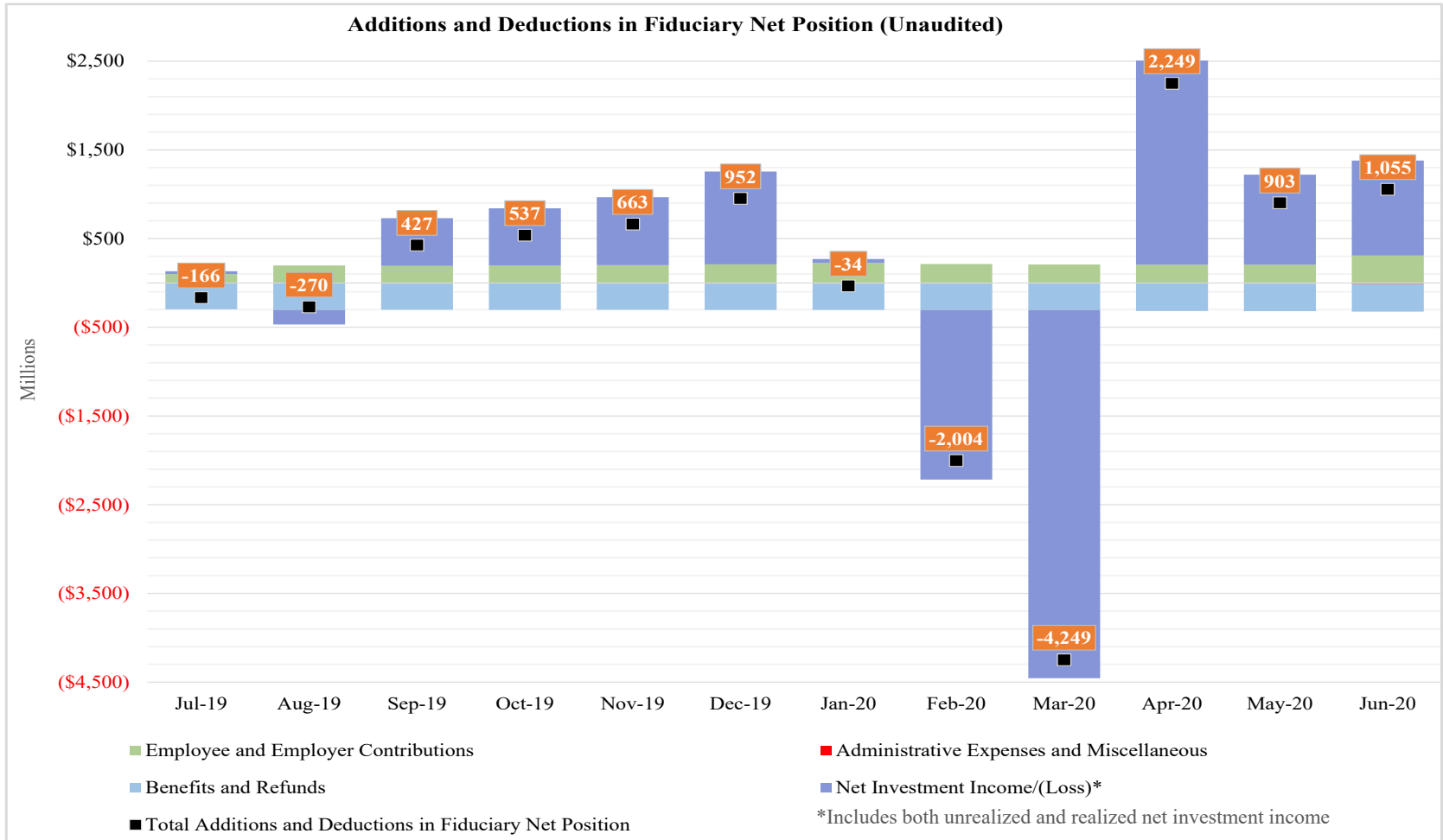
1. Final target weights effective as of 10/1/19
2. Functional composites were adopted on 4/1/19

3. Market value differences between the sub-trusts and functional composites are due to operational cash

* Historical real estate valuations are currently under review, therefore June 2020 total fund, composite, and benchmark returns are preliminary



Change In Fiduciary Net Position



Fiscal Year	Negative Months	Positive Months	Total Net Position Change \$
FY-18	3	9	\$3.0 billion
FY-19	4	8	\$1.9 billion
FY-20	5	7	-



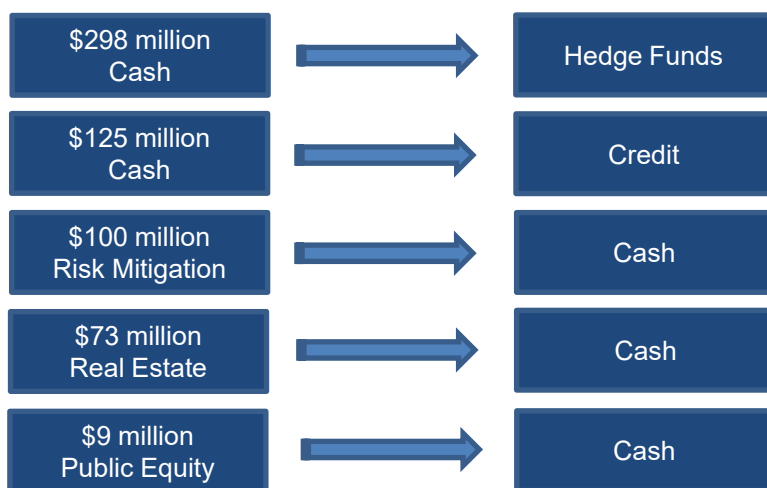
Portfolio Structural Updates



Portfolio Structural Updates

Portfolio Movements

Rebalancing Activity



Hedges and Overlays

Program	June Return	June Gain/Loss	Inception* Gain/Loss
Currency Hedge**	-0.4%	\$0.2 Million	\$1.0 Billion
Cash/Rebalance Overlay***	0.6%	\$9.1 Million	-\$14.5 Million

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

** 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

*** 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
Alternatives Administrative Services	●	●	Anticipated Fall 2020
Total Fund Performance Provider	●	●	Anticipated Fall 2020
Hedge Funds Emerging Manager Program Separate Account Manager	●	●	Anticipated Late 2020
Dedicated Managed Account Services	●	●	Anticipated Early 2021

Quiet Period for Search Respondents

Please see the Appendix for this month's list of respondents to active searches



Key Initiatives and Operational Updates



Notable Initiatives and Operational Updates

Key Initiative Updates

- Onboarding process of new risk system continues
- Continuous improvements to the business continuity plan

Completed Actions

- Completed cash mandate transition to State Street Global Advisors (“SSGA”)
- Completed funding of the non-U.S. public equity factor mandate
- Completed legal contract with Magnetar

Operational Updates

- Investment team working from home
- Financial Analyst II & III searches
 - Public Equity, Real Assets and Portfolio Analytics (Corporate Governance)
- Investments working with FASD on reviewing and enhancing the investment-related sections of the CAFR
- Investments formed an Operational Due Diligence (“ODD”) Group to standardize and enhance ODD across the total Fund

Manager/Consultant Updates

- SSGA announced that Jon Perregaux will be leaving the firm to pursue other opportunities. Accordingly, Todd Bean will be the lead portfolio manager for the LACERA cash mandates.
- Grosvenor Capital Management is merging with a special purpose acquisition company managed by Cantor Fitzgerald. As a result, Grosvenor is set to become a publicly traded company.
- Credit Suisse Asset Management is reducing the size of the commodities investment team. Departures include Nelson Louie, Head of the Commodities Business, Tim Boss, Fixed Income Portfolio Manager, and Phil Mulholland, Portfolio Manager. As a result, Chris Burton, a long-term Portfolio Manager will serve as the Head of the Commodities Business and Fanny Chen, a long-term team member will oversee the fixed income collateral. The relationship will be reviewed with LACERA’s consultant.



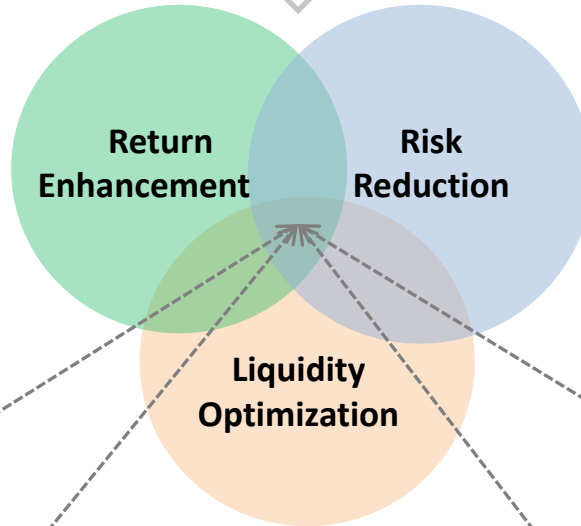
Commentary – Board Offsite



Vision 2020 Revisited: Strategic Objective and Initiatives



Execute Strategic Asset Allocation
while balancing...



Enhance
Operational
Effectiveness



Optimize
Investment Model



Maximize
Stewardship and
Ownership Rights









Strengthen
Influence on Fees
and Cost of Capital











2020 Board of Investments Virtual Offsite Topics

Trustee Education

Presenters	Topics
➤ DLA Piper	<i>The Role of the General Partner and the Limited Partner, including in Times of Distress</i>   
➤ Albourne Partners	<i>Investment and Operational Due Diligence in the Era of COVID-19</i>   

Structure Reviews

Functional Asset Categories	Sub-Asset Categories
➤ Risk Reduction and Mitigation	<i>Cash, Investment Grade Bonds, and Hedge Funds</i>    
➤ Credit	<i>Illiquid Credit, Bank Loans, High Yield, and Emerging Market Debt</i>    

Order of presentation may vary from the order of this slide



Communication in Times of Stress

LACERA values transparency and communication, especially in times of stress

Producing mid-month CIO report for the Board of Investments

Providing the Board of Investments weekly functional asset category updates

Conducting asset category mid-cycle structure reviews

Communicating with LACERA investment managers and business partners frequently

Posting updates on LACERA's website and providing direct communication to its members

Participating in periodic status updates with Board Leadership and the Executive Office

Conducting weekly internal all-staff meetings to ensure effective information sharing




Communication: Board of Investment Updates

LACERA produced six weekly updates to the Board of Investments during the initial phase of the COVID-19 pandemic

Update	Key Takeaways
➤ Market Environment and Fund Positioning – March 18, 2020	✓ LACERA has carefully constructed its asset allocation and strategic implementation to allow the portfolio to weather market shocks, while also having the ability to benefit from long-term growth trends ✨
➤ Growth Investments – March 25, 2020	<ul style="list-style-type: none"> ✓ Market/portfolio updates on public equity, private equity, opportunistic real estate, and securities lending ✓ Staff enacted swift outreach to all growth managers to monitor portfolios, ensure liquidity, and track safety/business continuity actions ⚙️ 📣
➤ Risk Reduction and Mitigation Investments – April 2, 2020	<ul style="list-style-type: none"> ✓ Market/portfolio updates on investment grade bonds, hedge funds, and cash ✓ LACERA's risk reduction portfolio performed largely as expected in the volatile environment, mitigating drawdowns resulting from COVID-19 ✨
➤ Real Assets and Inflation Hedges – April 9, 2020	<ul style="list-style-type: none"> ✓ Market/portfolio updates on real estate, real assets, infrastructure, natural resources, commodities, and TIPS ✓ LACERA monitored leverage levels across its real estate portfolio ⚙️ 📣
➤ Credit – April 16, 2020	<ul style="list-style-type: none"> ✓ Market/portfolio updates on high yield, bank loans, and emerging market debt ✓ LACERA was in late-stage diligence on several illiquid credit managers; ultimately received BOI approval for a new \$400 million during COVID-19 💡
➤ Corporate Governance – April 23, 2020	✓ Thought leadership on COVID-19 market implications from a corporate governance lens including Board of Directors oversight of long-term risks, investor rights, executive compensation, transparency in performance reporting, and prudent mitigation of social, environmental, and other operational risks ⚙️ 📣

Liquidity Management During Onset of Pandemic

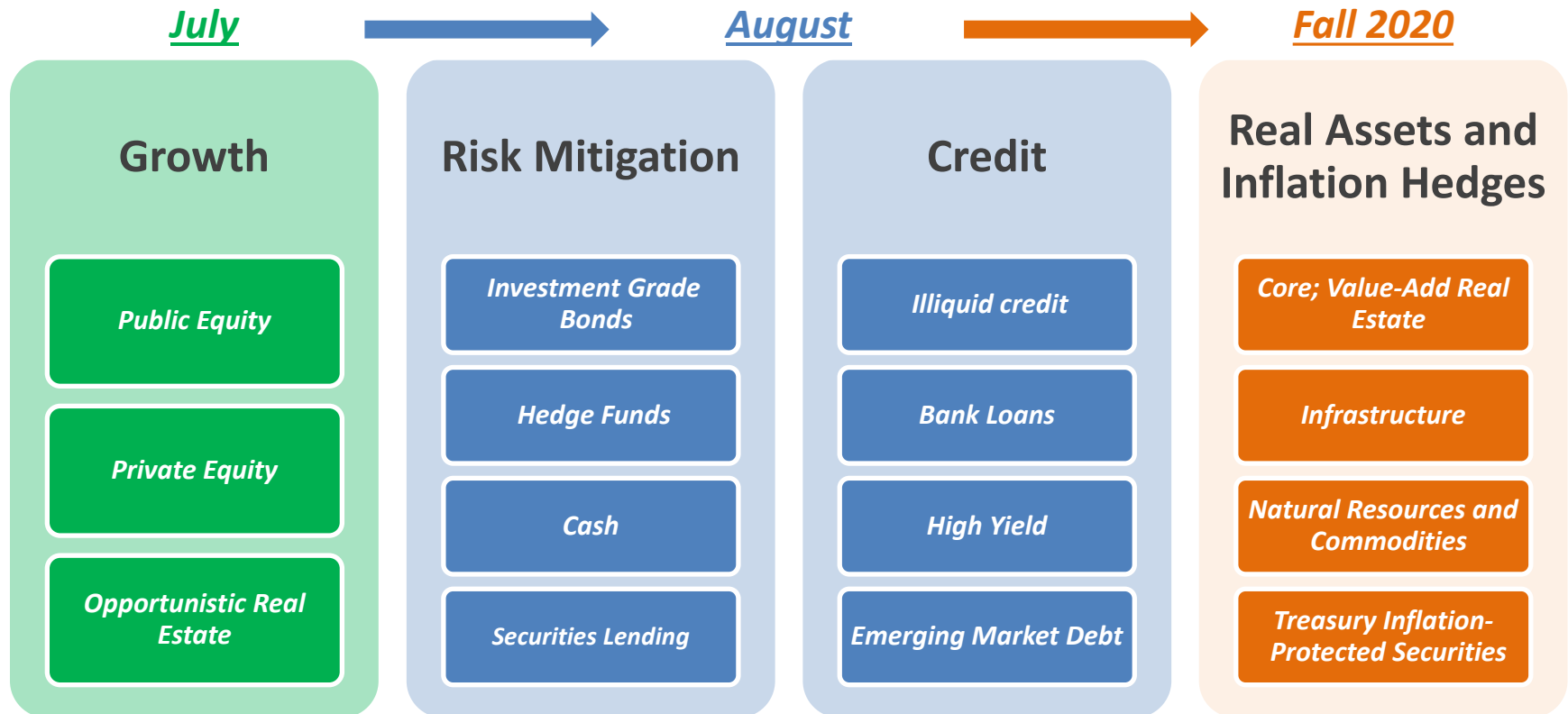
LACERA is dedicated to its mission to produce, protect, and provide the promised benefits to its members and recognizes that cash management is paramount to the success of these ends

Theme	Actions
<p>➤ Active Liquidity Monitoring and Reporting</p> 	<ul style="list-style-type: none"> ✓ <i>Staff held cross-functional meetings to discuss anticipated cash flows impacting LACERA and portfolio</i> ✓ <i>Rapid development of daily cash management tools such as a Cash Projection and Liquidity Dashboard and a Cash Flow Monitor</i>
<p>➤ Expedient Action and Safeguards</p> 	<ul style="list-style-type: none"> ✓ <i>Established a dedicated cash contingency protocol for emergencies and alternative transaction methods for cash movements/benefit payments</i> ✓ <i>Temporarily increased the floor for LACERA's cash overlay manager</i>
<p>➤ To Produce, Protect, and Provide the Promised Benefits</p> 	<ul style="list-style-type: none"> ✓ <i>Ensuring adequate measures are in place to provide members with their promised benefits</i>

Portfolio Transparency - Mid-Cycle Structure Reviews

LACERA remains a vigilant steward of members' capital by continuously reviewing the portfolio

Functional Asset Categories Mid-Cycle Structure Reviews



Unwavering Focus on Strategic Asset Allocation

“LACERA fundamentally believes long-term strategic asset allocation will be the primary determinant of risk/return outcomes, and therefore establishes a strategic asset allocation to meet its mission and investment objectives.”



Adhered to investment beliefs



Collaborating with overlay manager to rebalance LACERA portfolio



Continued to make and fund investment commitments throughout the crisis; negotiated more optimal fee structures



Notwithstanding extreme volatility, LACERA maintained target allocations; was not forced to sell assets at unattractive prices

Appendix



Quiet Period for Search Respondents

Alternative Administrative Services

- ✓ CITCO Fund Services USA, Inc.
- ✓ MUFG Capital Analytics, LLC
- ✓ SS&C Technologies, Inc
- ✓ State Street

Total Fund Performance Measurement Provider

- ✓ CITCO Fund Services USA, Inc.
- ✓ SS&C Technologies, Inc
- ✓ State Street

Hedge Funds Emerging Manager Program Separate Account Manager

- ✓ Appomattox Advisory, Inc
- ✓ BlackRock, Inc
- ✓ Goldman Sachs Asset Management
- ✓ GCM Grosvenor
- ✓ New Alpha Asset Management
- ✓ PAAMCO Prisma, LLC
- ✓ The Rock Creek Group, LP
- ✓ Stable Asset Management

Dedicated Managed Account Services

- ✓ Blueprint Capital Advisors
- ✓ HedgeMark Advisors LLC
- ✓ HFR Investments LLC
- ✓ Innocap
- ✓ Lighthouse Investment Partners LLC
- ✓ Lyxor Asset Management
- ✓ Man FRM
- ✓ Maples Group
- ✓ Monroe Capital
- ✓ Ultimus LeverPoint Private Fund Solutions
- ✓ Wilshire Associates Inc

Compliance Monitor

This report highlights operational and compliance metrics monitored by the Investment Division
As of June 2020*

LACERA PENSION FUND

0

REAL ASSETS & INFLATION HEDGES

Total # of Advisory

REAL ASSETS & INFLATION HEDGES	Quarterly Review Status	# of Advisory	Notes
Core & Value Added Real Estate**			
Asset Allocation Policy Compliance	✓		
Guideline Compliance by Strategy (Core/Non-Core)	✓		
Guideline Compliance by Manager	✓		
Guideline Compliance by Property Type	✓		
Guideline Compliance by Geographic Location	✓		
Guideline Compliance by Leverage	✓		
Natural Resources & Commodities***			
Asset Allocation Policy Compliance	✓		
Investment Guideline Compliance	✓		
# of Sudan/Iran Holdings Held by Managers	✓		
Infrastructure			
Asset Allocation Policy Compliance	✓		
Investment Guideline Compliance	✓		
# of Sudan/Iran Holdings Held by Managers	✓		
TIPS			
Asset Allocation Policy Compliance	✓		
Investment Guideline Compliance	✓		
# of Sudan/Iran Holdings Held by Managers	✓		

Compliance Monitor

This report highlights operational and compliance metrics monitored by the Investment Division
As of June 2020*

LACERA PENSION FUND

2

RISK REDUCTION & MITIGATION

Total # of Advisory

RISK REDUCTION & MITIGATION

Investment Grade Bonds

- Asset Allocation Policy Compliance
- Investment Guideline Compliance
- Emerging Manager Program
- # of Sudan/Iran Holdings Held by Managers

Quarterly Review Status	# of Advisory	Notes
✓		
✓		
✓		
✓	1	1 issuer held, totaling \$4.3mm in market value.

Diversified Hedge Funds**

- Asset Allocation Policy Compliance
- Portfolio Level Compliance
- HFOF Manager Guideline Compliance
- Direct Portfolio Manager Guideline Compliance

Quarterly Review Status	# of Advisory	Notes
✓		
✓		
✓		N/A as the GSAM & GCM diversified HF portfolios are currently winding down
✓		

Cash

- Asset Allocation Policy Compliance
- Investment Guideline Compliance
- # of Sudan/Iran Holdings Held by Managers

Quarterly Review Status	# of Advisory	Notes
✓		
✓	1	Due to the transition of the cash portfolio to a new manager, waiver of guidelines was granted.
✓		

Compliance Monitor

This report highlights operational and compliance metrics monitored by the Investment Division
As of June 2020*

INVESTMENT OPERATIONS

6

INVESTMENT OPERATIONS

Total # of Advisory

INVESTMENT OPERATIONS

Securities Lending

Investment Guideline Compliance

\$ Value on Loan

\$ Value of Cash Collateral

Total Income - Calendar YTD

Quarterly Review Status

Advisory

Notes

✓

✓

✓

✓

1

1

1

GSAL \$847.9mm; State Street \$930.3mm

GSAL \$868.3mm; State Street \$991.0mm

GSAL \$1.0mm; State Street \$2.1mm

Proxy Voting

Number of Meetings Voted

✓

1

5,413 meetings voted

Tax Reclaims

Total Paid Reclaims - Calendar YTD

Total Pending Reclaims

✓

✓

1

1

\$293,863

\$10.2 mm

Fee Validation

Fee Reconciliation Project

AB 2833

✓

✓

Investment Manager Meetings****

Manager Meeting Requests

✓

Compliance Monitor

This report highlights operational and compliance metrics monitored by the Investment Division
As of June 2020*

OPEB MASTER TRUST

Functional Asset Categories	Quarterly Review Status	# Advisory	Notes
(Growth, Credit, Inflation Hedges, Risk Reduction & Mitigation)			
Asset Allocation Policy Compliance	✓		
Investment Guideline Compliance	✓	1	Due to the transition of the cash portfolio to a new manager, waiver of guidelines was granted.
# of Sudan/Iran Holdings Held by Managers	✓		

* This list is not exhaustive as various compliance processes are completed throughout the year. Each quarter, different items may appear on the compliance monitor.

** Represents the comprehensive Private Equity (3-month lag), Real Estate (3-month lag), Illiquid Credit (1- and 3-month lags), and Hedge Funds (1-month lag) programs across the total plan.

*** Investment guideline compliance based on public market exposure

**** Advisory noted if the CEO or a Board member recommends staff to meet with a specific manager three or more times in a year. The purpose of notifying the activity is to promote transparency and governance best practices designed to preserve the integrity of the decision-making process.

July 31, 2020

TO: Trustees – Board of Investments

FROM: Equity: Public/Private Committee

Christopher J. Wagner *cfw*
Principal Investment Officer

Ted Wright *tw*
Principal Investment Officer

FOR: August 12, 2020 Board of Investments Meeting

SUBJECT: **GROWTH FUNCTIONAL CATEGORY 2020 MID-CYCLE STRUCTURE REVIEW**

RECOMMENDATION

Approve the Growth Functional Category 2020 Mid-Cycle Structure Review advanced by the Equity: Public/Private Committee.

BACKGROUND

Staff presented a Growth Functional Category Mid-Cycle Structure Review (“Growth Structure Review”) (**Attachment**) at the July 8, 2020 Equity: Public/Private Committee (“Committee”) meeting. Included in the advancement of the Growth Structure Review, was a recommendation to expand the current sourcing parameters of LACERA’s in-house private equity co-investment program. Page 24 of the attachment provides the proposed modification language to the co-investment sourcing parameters. An expansion of the current sourcing parameters will enable LACERA to maximize its ability to consider co-investment opportunities that may be created in the current market environment.

OPTIONS AVAILABLE TO THE BOARD

The Board may wish to approve, modify, or reject the recommendation.

DELIBERATIONS AND OPINIONS EXPRESSED BY THE COMMITTEE

The Committee approved unanimously the recommendation to expand the sourcing parameters of LACERA’s in-house private equity co-investment program. One Committee member asked the following question:

- Does the recommendation also necessitate an increase to capital allocated for co-investment opportunities for the 2020 calendar year?
 - No. The Board previously approved an annual deployment limit of \$150 million for co-investments for 2020. LACERA has deployed \$50 million year to-date and believes the remaining \$100 million is sufficient for the remainder of the year. If insufficient, a request for an additional capital allocation could be made at a future Committee and Board meeting.

RISKS OF ACTION AND INACTION

If the Board approves the recommendation, staff will implement the change to the in-house private equity co-investment program parameters, which will improve the quality and quantity of deal flow LACERA will see in the current environment.

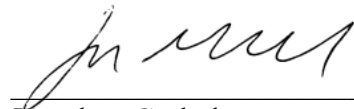
Should the Board reject the recommendation, staff will continue to consider only those co-investments which satisfy the existing sourcing parameters. However, as noted in the attachment, the current sourcing parameters have produced a limited amount of co-investment deal flow in the current market environment.

CONCLUSION

The Committee voted unanimously to advance the recommendation to expand the in-house private equity co-investment sourcing parameters. If the Board approves the recommendation, the sourcing parameters will be expanded.

Attachment

Noted and Reviewed:



Jonathan Grabel

Chief Investment Officer

Growth

2020 Mid-Cycle Structure Review

Equity: Public/Private Committee
July 8, 2020



Jonathan Grabel – Chief Investment Officer
Christopher J. Wagner – Principal Investment Officer
Ted Wright, CFA, FRM, PRM, CAIA – Principal Investment Officer
David Chu – Senior Investment Officer
David Simpson, CFA – Investment Officer
Ron Senkandwa – Investment Officer
Mel Tsao – Senior Investment Analyst

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Introduction

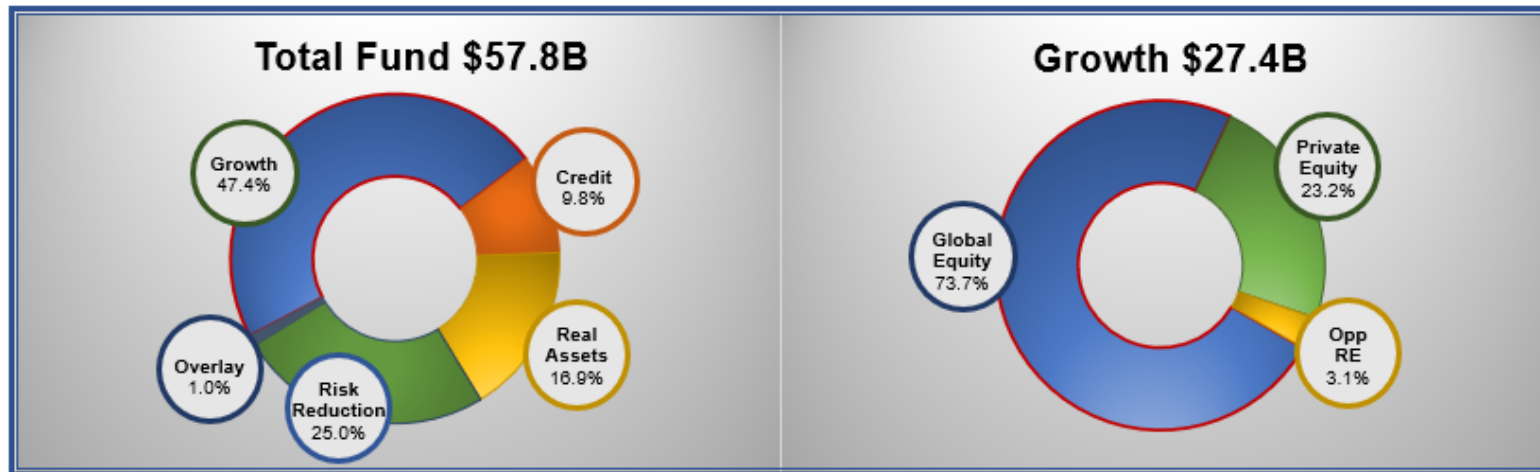
This is the first Growth category structure review combining global equity and private equity in a single presentation.

This Growth Mid-Cycle Structure Review serves to update the Committee on the status of the portfolio driven by ongoing market volatility resulting from COVID-19 and social events. The review addresses the market environment, portfolio structure, performance, due diligence processes, and marketplace risks and opportunities.

Recommendation

Expand existing parameters for Private Equity co-investments that may be approved by the CIO.

Role of Growth



As of May 31, 2020.

LACERA's Strategic Asset Allocation consists of four primary functional categories: ***Growth, Credit, Real Assets and Inflation Hedges, and Risk Reduction and Mitigation***

- Growth's role in the portfolio is to be the primary driver of long-term total returns for the Fund
- The two major components of the Growth category are Global Equity and Private Equity. Opportunistic Real Estate will be reviewed in the Real Assets Structure Review

Market Environment and Investment Themes

Themes identified in 2019-2020 Structure Reviews remain relevant

- High valuations
- Demographic shifts
- Technological advancement

COVID-19 impact

- Increased market volatility
- Monetary and fiscal actions
- Societal transformation
 - Uncertain duration of industries negatively impacted – airlines, retail, leisure, real estate
 - Acceleration of modern technologies – video, cloud services, connectivity, digital media
 - Increased focus on changing consumer behaviors

Potential market trends emerging from pandemic

- Supply chain diversification and localization
- De-urbanization with distributed workforces
- Highly levered companies in need of restructuring
- Marginal business models under duress



GLOBAL EQUITY



Initiatives: Mid-Cycle Update

Initiatives identified in 2019-2020 Structure Reviews and Update

- Transitioned public equity portfolio into single Global Equity Composite benchmarked to the MSCI ACWI IMI¹ ✓
- Revised strategy categories to Passive, Factor-Based, and Active ✓
- Established +/- 5% band ranges for market capitalization and regional allocations ✓
- Initiated allocation to US Factor-Based equity strategies ✓

Upcoming initiatives

- Address benchmark misfit
- Manager guideline reviews
- Evaluate effectiveness of active management
- Internal management review
- Emerging manager program search

¹ Morgan Stanley Capital International All Country World Index, Investable Market Index – A global benchmark capturing large, mid- and small cap representation across 23 Developed Markets and 26 Emerging Markets covering approximately 99% of the global investment opportunity set.



COVID-19 Due Diligence Process Impact

Continued due diligence actions

- Daily, monthly, and quarterly compliance monitoring
- All managers and partners have been responsive by telephone and email

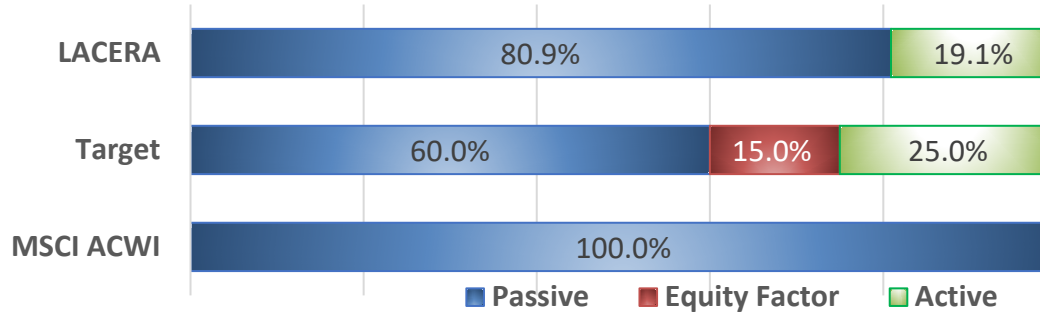
Modified due diligence actions

- Access to custodian bank and market data platforms are available through remote access
- Transition to web-based manager platforms for FactSet, Bloomberg, Informa-Zephyr
- Increased ad-hoc manager calls



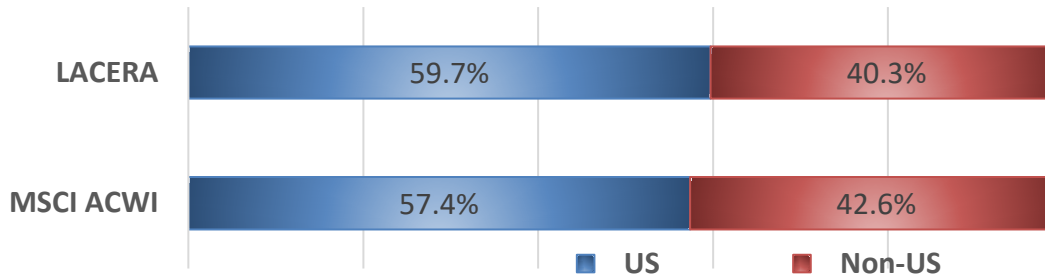
Portfolio Structure – Compared to MSCI ACWI¹

Allocation:



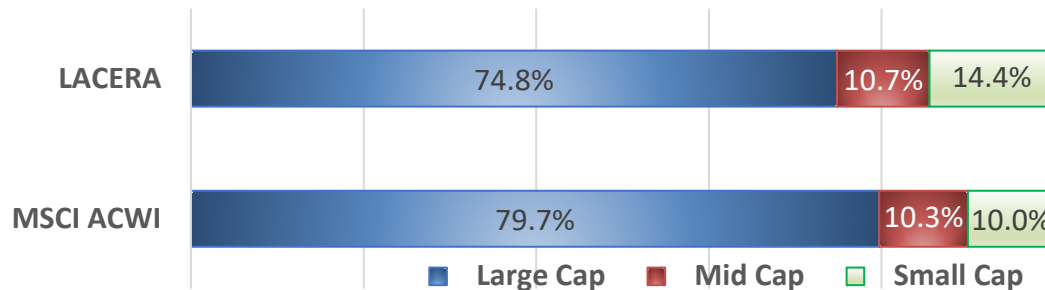
Equity factor funding began in June

Geography:



Overweight US exposure

Cap Size:



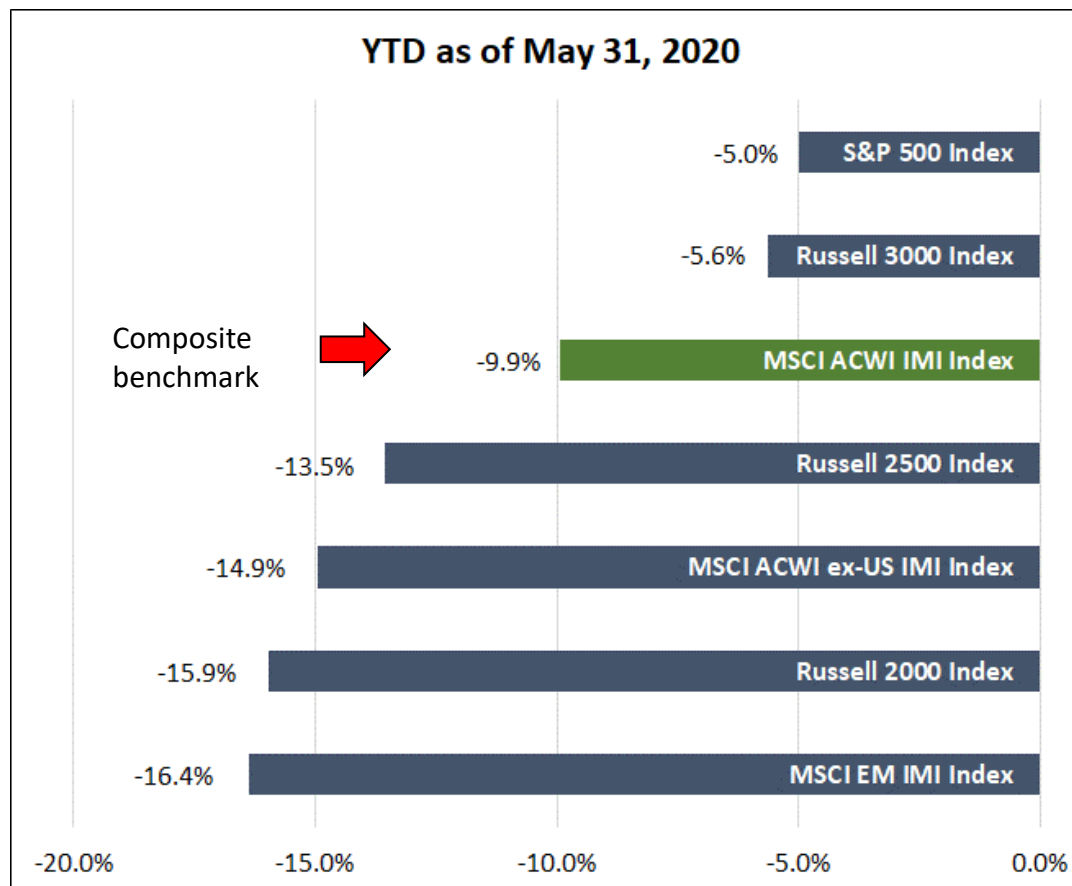
Overweight small cap

¹ As of May 31, 2020.



Portfolio Evaluation – Index Returns

- Majority of global equity benchmarks underperformed composite benchmark
- Benchmark misfit exists within global equity portfolio



Portfolio Evaluation – Performance

	3-Month	YTD	1-Year
Global Equity Composite (Net)	-0.59%	-9.94%	4.46%
MSCI AWCI IMI Index	-0.59%	-9.94%	3.90%
Net Excess	0.00%	0.00%	0.56%

As of May 31, 2020.

- Year-to-date performance matching the benchmark understates risk in the current portfolio
- Portfolio has over- and underweights relative to the MSCI ACWI IMI benchmark
 - Overweight US exposure in passive mandates
 - Underweight US exposure in active mandates
 - Overweight small cap stocks



Portfolio Evaluation – Manager Excess Returns¹

Manager	Benchmark	Inception Date					Common Period*	Since Inception
			1Q 2020	3-Month	YTD	1 Year		
US Equity Managers								
Jana Partners	S&P 500	Oct-16	-13.5%	-7.9%	-8.5%	0.9%	-4.2%	3.4%
CornerCap	Russell 2000	Oct-18	-2.9%	-3.1%	-5.4%	-5.2%	-2.7%	-1.7%
Frontier	Russell 2500	Jun-02	-6.0%	-2.2%	-4.2%	-1.4%	-2.3%	0.7%
Matarin	Russell 2000	Oct-18	-5.0%	-3.2%	-7.4%	-8.0%	-8.0%	-7.4%
QMA	Russell 2000	Jul-18	-6.8%	-7.0%	-8.7%	-8.0%	-8.7%	-7.2%
Systematic	Russell 2000	Jul-18	-1.8%	-4.3%	-6.2%	-5.3%	-4.5%	-4.0%
Non US Equity Managers								
Acadian	MSCI EAFE + Canada Net	Apr-06	2.2%	1.9%	2.5%	0.5%	-0.3%	0.9%
Capital Group	MSCI EAFE + Canada Net	Oct-87	3.8%	8.6%	8.7%	13.3%	12.2%	3.4%
BTC Euro Tilts	MSCI Europe	Jan-07	0.1%	0.7%	0.8%	-0.8%	-0.3%	0.7%
Cevian	MSCI Europe	Oct-16	-1.9%	-3.7%	0.3%	-3.7%	-5.5%	-1.9%
Global Alpha	MSCI EAFE Small Cap Net	Nov-18	-1.0%	-2.5%	-2.9%	-2.1%	0.8%	0.8%
Symphony	MSCI Japan Small Cap Net	Nov-16	4.6%	14.1%	0.7%	9.8%	16.7%	13.6%
Genesis	MSCI EM IMI Index	Sep-07	-1.3%	-1.0%	-0.7%	2.1%	5.5%	2.4%
Lazard	MSCI EM	Feb-13	-1.2%	1.7%	0.0%	1.7%	4.0%	0.3%
Global Equity**	Global Equity Custom BM	Apr-19	-0.1%	0.0%	0.0%	0.6%	N/A	0.4%

As of May 31, 2020.

¹ Manager excess returns are net-of-fees and versus respective benchmarks.

* Common period for underlying global equity managers is November 1, 2018 to May 31, 2020.

** Global Equity portfolio inception date is April 1, 2019.



Portfolio Evaluation – Manager Risk Statistics¹

November 2018 - May 2020

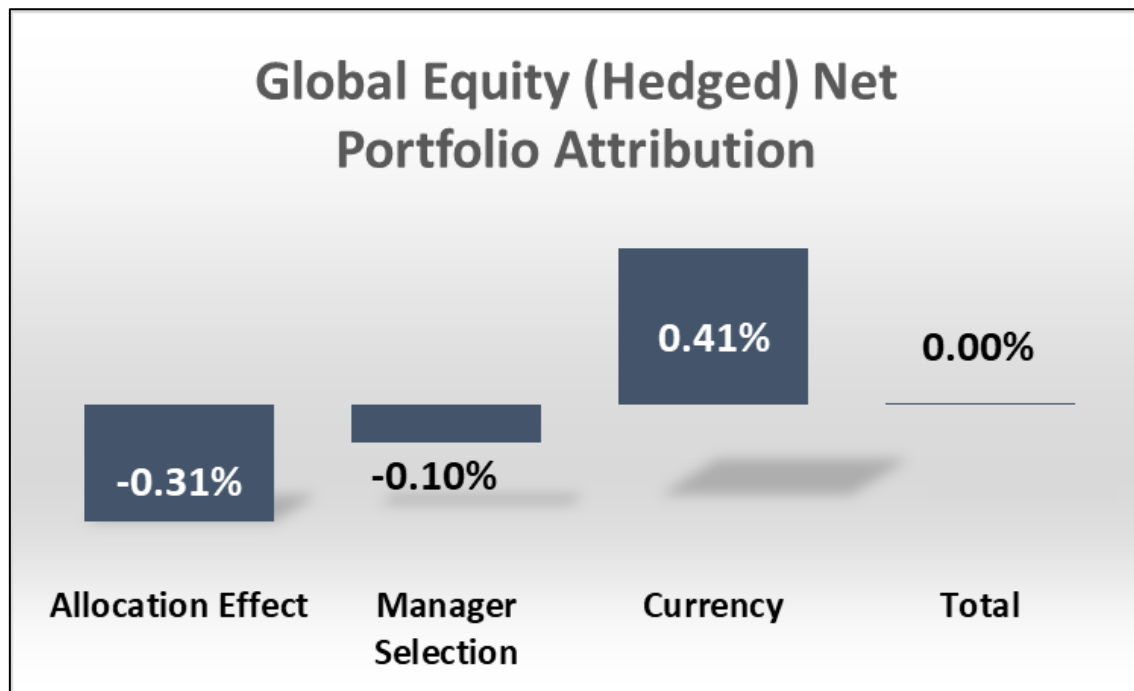
Manager	vs. Respective Benchmark			
	Beta	Up Capture	Down Capture	Information Ratio
U.S. Large Cap				
JANA	1.33	118.80%	119.90%	-0.21
U.S. Small/Mid Cap				
Frontier	1.17	123.69%	111.98%	-0.4
U.S. Small Cap				
CornerCap	1.02	100.90%	104.00%	-0.62
QMA	1.13	98.80%	111.40%	-1.74
Matarin	1.05	92.60%	108.60%	-1.69
Systematic	0.96	90.60%	102.90%	-0.98
EAFE + Canada				
Acadian Developed	0.93	89.20%	94.30%	-0.09
Capital Group Developed	0.97	135.50%	86.80%	2.67
Europe				
BTC Europe Tilts	1.01	102.10%	101.90%	-0.15
Cevian Capital	1.1	93.80%	110.90%	-0.71
EAFE Small Cap				
Global Alpha	1.03	105.80%	101.20%	0.15
Japan Small Cap				
Symphony	1.02	183.60%	102.40%	0.65
Emerging Markets				
Genesis	1.03	114.90%	94.70%	1.32
Lazard	1.01	116.80%	99.40%	1.09

¹ Manager risk statistics are net-of-fees.



Portfolio Evaluation – Attribution

- Currency hedge offset losses from Allocation Effect¹ and Manager Selection²



Calendar Year-to-Date as of May 31, 2020.

¹ Allocation Effect: decision to tilt portfolio away from the program benchmark.

² Manager Selection: decision to implement active management as opposed to a passive index.

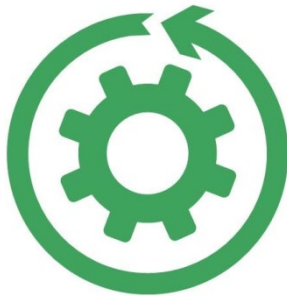


What Worked and Areas of Refinement



What Worked (YTD)

- Non-US active management
- Currency positioning
- Fee savings



Areas of Refinement

- Continue to reduce small cap overweight
- Address benchmark misfit
- Manager guidelines review
- Active management analysis
- Better understand risk profile of portfolio

PRIVATE EQUITY



Initiatives: Mid-Cycle Update

Initiatives identified in 2019-2020 Structure Review

- Review of Co-Investment program ✓
- Exploration of VC incubators ✓
- Incorporating ILPA ESG diversity and inclusion initiatives ✓
- Continued assessment of legacy relationships ✓
- Manager scorecard development ✓

Initiatives subsequently identified

- Expand sourcing parameters for in-house co-investment program to capitalize on market dislocations due to events such as COVID-19
 - Opportune time as LPs potentially retrench and valuations drop
 - Enhances returns, lower fees, and increases portfolio intentionality



Portfolio Structure by Investment Type ^{1, 2, 3, 4}

<i>As of 12/31/2019</i> <i>\$MMs</i>	Active GPs	Market Value	Outstanding Commitments	Sum of Exposure	Percent of Total Exposure	Current Range
Buyout - Global	8	\$1,498	\$982	\$2,480	23%	
Buyout - Large	4	\$695	\$597	\$1,293	12%	
Buyout - Mid	12	\$723	\$729	\$1,452	13%	
Buyout - Small	14	\$858	\$622	\$1,480	14%	
Special Situations	4	\$223	\$147	\$370	3%	
Buyout	42	\$3,998	\$3,077	\$7,075	66%	50% - 85%
Co-Investments	2	\$273	\$117	\$390	4%	
Fund of Funds	3	\$857	\$469	\$1,327	12%	
Secondaries	2	\$102	\$19	\$121	1%	
CFS	7	\$1,232	\$605	\$1,837	17%	10% - 25%
Growth Equity	7	\$388	\$195	\$584	5%	
VC - Balanced	5	\$406	\$135	\$541	5%	
VC - Early Stage	8	\$255	\$265	\$520	5%	
VC - Late Stage	2	\$198	\$17	\$216	2%	
VC/Growth Equity	22	\$1,247	\$614	\$1,860	17%	15% - 30%
Total	71	\$6,477	\$4,296	\$10,773	100%	

All strategies are within policy range.

¹ Excludes legacy GPs with <\$750K remaining in market value.

² Fund-of-Funds represent an additional 100+ primary fund relationships.

³ Some GPs appear in multiple strategies.

⁴ For reference, see Appendix B – PE Performance by Sub-Strategy as of December 31, 2019.



COVID-19 Due Diligence Process Impact

Modified due diligence actions

- Onsite due diligence session(s) replaced by web video calls
- Increased numbers of reference calls, especially to longstanding LPs and industry contacts
- Leveraging institutional marketplace knowledge

Additional line of questioning pursued

- How did the GP communicate with LPs during COVID-19
- How did GPs and portfolio company management respond and interact
- How is the GP conducting due diligence during COVID-19

Process observations

- + Multiple LACERA team members on calls
- + More interactions with consultants
- Loss of casual social interactions, eye-to-eye contact, and body language insights



Estimated COVID-19 Portfolio Impact

Based on industry exposures in the portfolio, staff estimates that the peak-to-trough COVID-19 impact on the PE portfolio was -10%, based on public market movement between February 1st and May 1st

Low exposure to highly impacted industries

- The twelve industries which were most impacted by COVID-19 dropped >25% on the public indices (led by airlines, energy equipment & services, and automobiles) in aggregate represented just 11% of the PE portfolio

High exposure to less impacted industries

- LACERA's largest 3 industry exposures representing ~40% of the portfolio were less impacted by COVID-19:
 - Software
 - Internet Software & Services
 - Healthcare Providers & Services

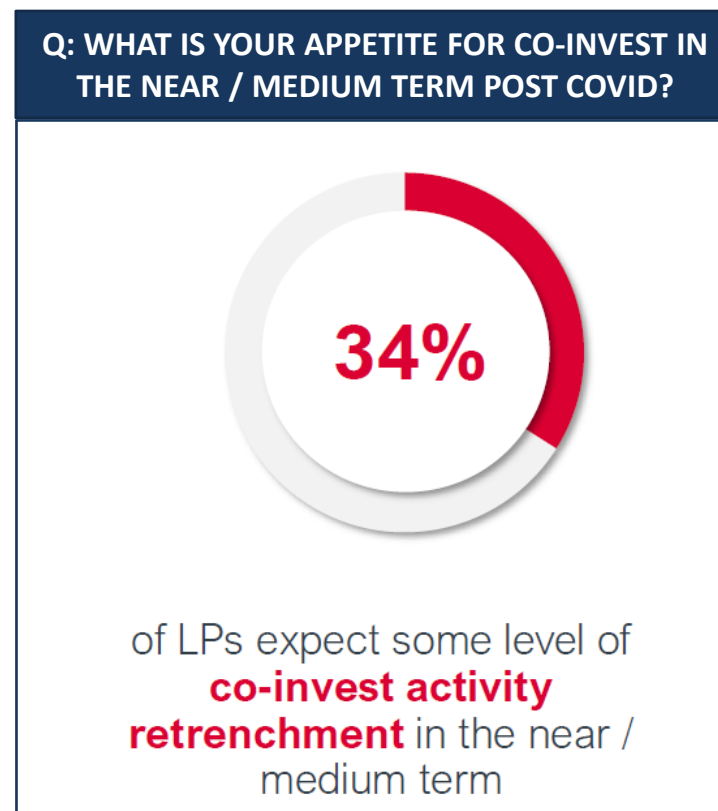
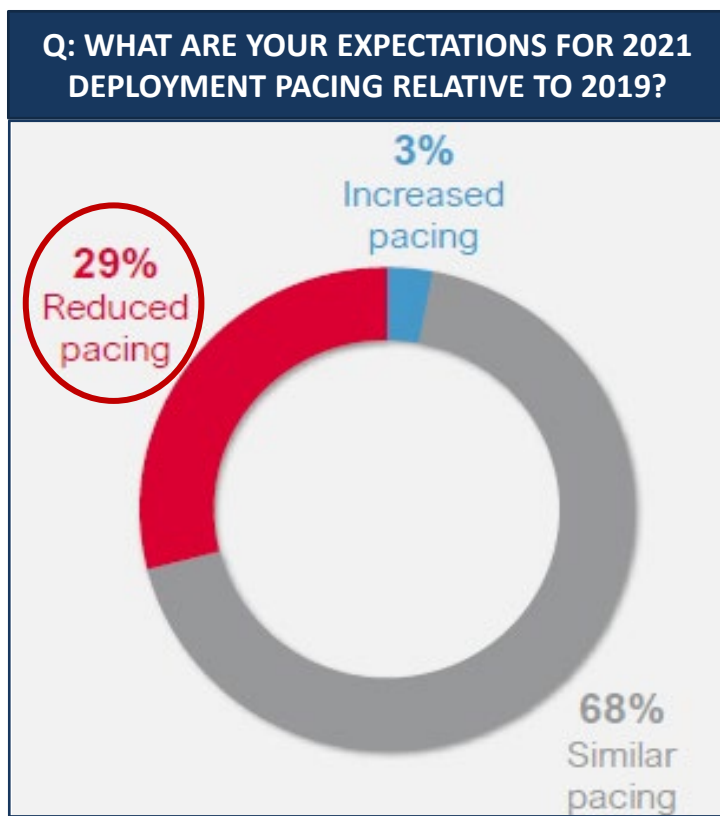
Biggest estimated dollar impacts contained

- The six industries with the largest estimated losses as a result of COVID-19 in aggregate represented < 17% of LACERA's total PE exposure (included commercial services and supplies, media, diversified financials, and airlines)



COVID-19 Market Impact – Potential LP Retrenchment

- Other investors may reduce PE deployment and co-investments
- Opportune time for LACERA to fill the hole in demand as an investor with long-term patient capital



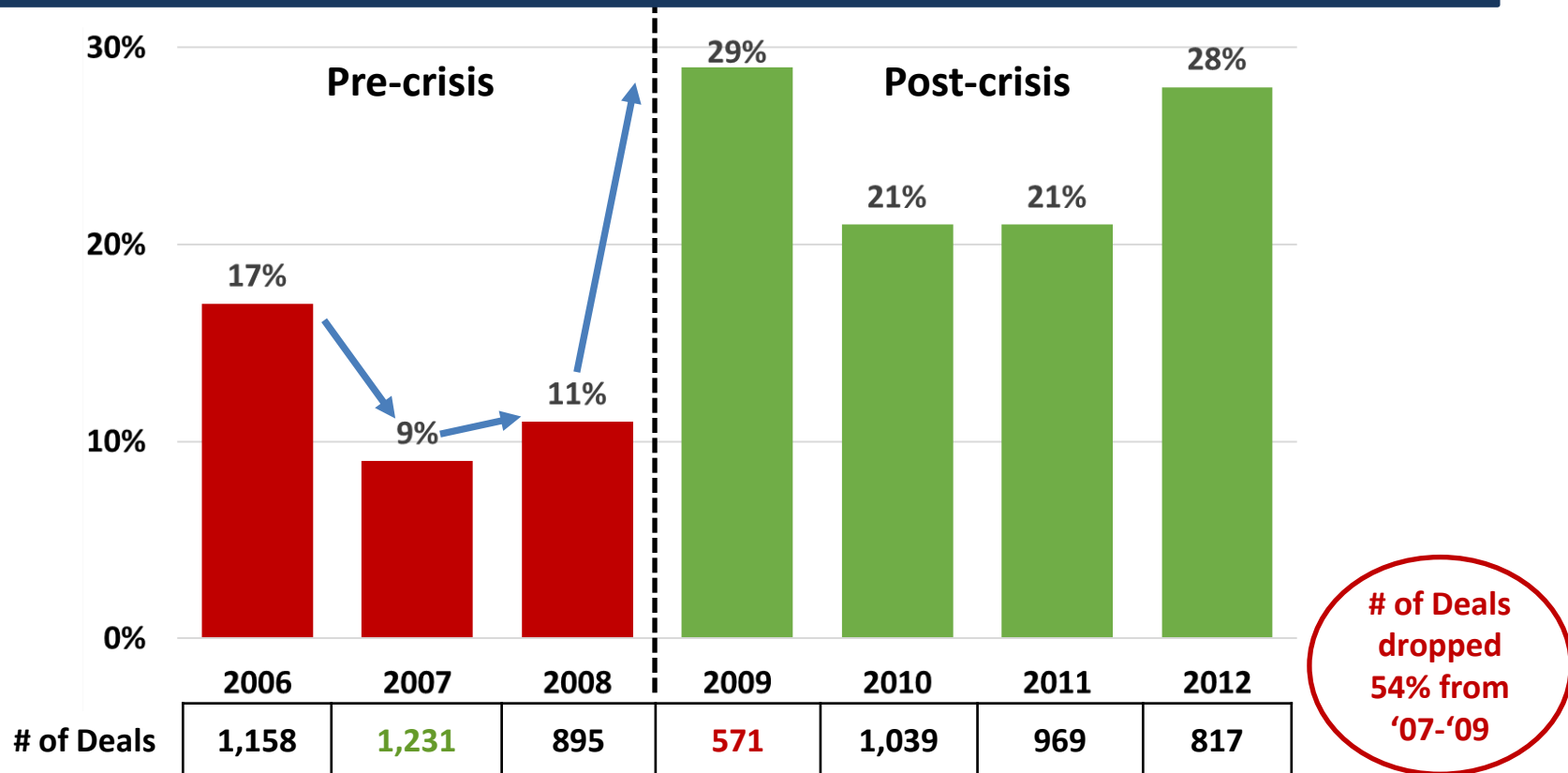
Source: Rede Pulse Survey (Issue Five). Depicts data gathered from conversations with 43 institutional LPs (> €2 trillion in aggregate AUM) across May 4-18.



Downturns Have Been an Attractive Time to Make Co-Investments

- Investments made during or after a downturn tend to outperform pre-crisis periods

Pooled Investment Rate of Return (PIRR)¹ by Deal Investment Year



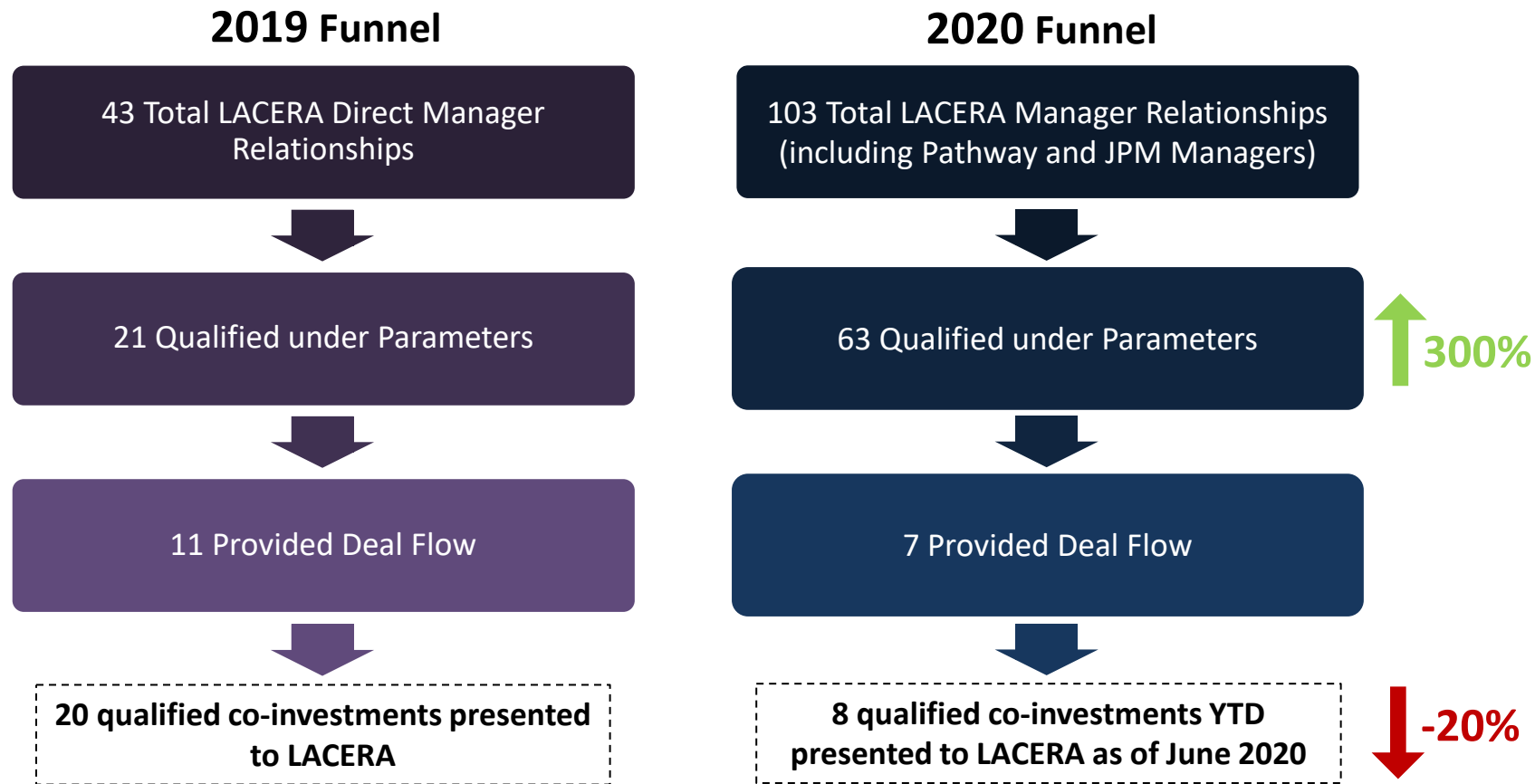
Source: Bain & Company, CEPRES Platform. Includes buyouts, turnaround, and special situation deals globally.

¹ Pooled Investment Rate of Return (PIRR) refers to a method of determining the internal rate of return (IRR) for a group of funds or investments.



LACERA Co-Investment Pipeline Funnel

- Sourcing parameters were expanded in Q4 2019, but deal flow has not increased
- Negative COVID-19 impacts on deal flow warrants casting an even wider net



Proposed Co-Investment Modifications

- Expand existing sourcing parameters as follows
 - Co-investments alongside a Board-approved discretionary PE manager (e.g., JPMorgan, Pathway, Morgan Stanley), LACERA's PE Consultant (StepStone), or their approved managers
- All co-investments will still require third-party documentation that LACERA's due diligence process was followed in a satisfactory manner

Expanding the sources of co-investment deal flow will provide LACERA with a wider range of potential opportunities which may arise during the downturn

Potential Future Initiatives

Non-traditional PE investments having the highest likelihood of being actionable in the near future:

Opportunity	Brief Description
General Partner ("GP") Equity Stake	A direct equity investment representing a minority ownership position in a GP's underlying management company
Stapled Commitment	Combines the acquisition of a co-investment or a secondary investment opportunity with a capital commitment to the general partner's next fund
GP Seeding	A form of GP equity stake investing to provide seed capital to newly established GPs
Preferred Equity	A fund-level financing that establishes a senior class of LP interests with preferential terms

LACERA's PE Intern will provide an overview of GP Stakes during the July 2020 BOI meeting. Staff will seek to provide future education to the Board on the other topics



Conclusion

Four Key Assertions

- Long-term strategic asset allocation will be the primary determinant of LACERA's risk/return outcomes
 - Growth is LACERA's largest asset category and critical to meeting actuarial rate of return
- Adhering to established policies and procedures ensures integrity of processes
 - Diligently monitor activity in the portfolio
 - Our search for new managers proceeds unabated
 - Our due diligence processes, while altered with virtual meetings, remain thorough, robust, and uncompromised
- LACERA remains active and risk-aware in the marketplace
 - Proactive outreach to our networks identify opportunities
 - Positioning the portfolio to act on opportunities arising from market disruption and dislocation
- Focus on integration of active strategies within public and private equity to create a more intentional Growth portfolio



ADVANCE TO BOARD



Advance to Board

Private Equity

Modify existing parameters to expand sources of deal flow for co-investments

Appendices



Appendix A – PE Performance by Sub-Strategy

Strategy / Sub-Strategy	Cumulative Contributions	Cumulative Distributions	Market Value	Total Value	Total Value to Paid-in	Since-Inception Net IRR	Since-Inception PME ¹
Buyout - Global	\$3,587	\$4,483	\$1,498	\$5,981	1.67x	16.2%	1.40
Buyout - Large	\$2,205	\$3,156	\$695	\$3,852	1.75x	15.3%	1.44
Buyout - Mid	\$1,722	\$1,771	\$723	\$2,494	1.45x	10.2%	1.22
Buyout - Small	\$1,670	\$1,692	\$858	\$2,550	1.53x	11.0%	1.26
Buyout	\$9,184	\$11,102	\$3,775	\$14,877	1.62x	13.7%	1.35
VC - Balanced	\$648	\$798	\$406	\$1,203	1.86x	16.3%	1.39
VC - Early Stage	\$526	\$791	\$255	\$1,046	1.99x	73.0%	1.53
VC - Late Stage	\$265	\$301	\$198	\$500	1.89x	24.7%	1.59
Venture Capital	\$1,439	\$1,890	\$859	\$2,749	1.91x	21.7%	1.47
Growth Equity	\$760	\$1,128	\$388	\$1,516	2.00x	86.8%	1.67
Special Situations	\$835	\$897	\$223	\$1,120	1.34x	8.6%	1.12
Co-Investments	\$617	\$757	\$273	\$1,030	1.67x	18.1%	1.35
Fund of Funds	\$1,024	\$777	\$857	\$1,634	1.60x	11.6%	1.29
Secondaries	\$240	\$231	\$102	\$333	1.39x	17.4%	1.27
Total	\$14,098	\$16,784	\$6,477	\$23,260	1.65x	16.1%	

Performance Commentary

- In each sub-strategy, LACERA has generated performance that exceeds the PME benchmark
- Growth equity and venture capital, driven by long term relationships, have performed exceptionally well

¹ Public Market Equivalent designs a set of analyses used in the Private Equity Industry to evaluate the performance of a Private Equity Fund against a public benchmark or index.



Appendix B – Current Co-Investment Parameters

Term	Current Parameters
Sourcing	<ul style="list-style-type: none">• Co-investments offered by Board-approved managers• Co-investments alongside Board-approved discretionary PE managers (e.g., JPMorgan, Pathway) approved for investment for LACERA
Investment Size	Up to \$40 million per investment
Geography	U.S. only
Deal Types	Buyout and growth capital
Annual Deployment	Up to \$150 million
Advisor Confirmation	Third party confirmation that LACERA's due diligence was satisfactorily followed



July 23, 2020

TO: Trustees – Board of Investments

FROM: Real Assets Committee

John D. McClelland 
Principal Investment Officer

FOR: August 12, 2020 Board of Investments Meeting

SUBJECT: **REAL ESTATE CONSULTANT – REQUEST FOR PROPOSAL,
MINIMUM QUALIFICATIONS, AND SCOPE OF WORK**

RECOMMENDATION

Approve the proposed Minimum Qualifications (“MQs”), Evaluation Criteria, and Scope of Work (“SOW”) advanced by the Real Assets Committee (see **ATTACHMENT A**).

BACKGROUND

Staff presented the Real Estate Structure Review at the June 2020 Real Assets Committee. One of the initiatives included a search for a real estate consultant. At the July 2020 Real Assets Committee (“Committee”) meeting, staff proposed MQs, evaluation criteria and SOW which the committee modified and advanced. Page 5 of the attached PowerPoint slide deck lists the MQs.

OPTIONS AVAILABLE TO THE BOARD

The Board may wish to approve, modify, or reject the recommendation.

DELIBERATIONS AND OPINIONS EXPRESSED BY THE COMMITTEE

The Committee unanimously approved staff’s recommendation, as modified, to advance the MQs for a real estate consultant Request for Proposal. The Committee asked that two modifications be made to staff’s recommendation:

- The evaluation team will be expanded to include:
 - A representative from the Portfolio Analytics team; and
 - A Trustee, appointed by the Board Chair, for Phase II of the evaluation
- The Committee recommended having at least two candidates advanced to the Board for consideration.

Staff has incorporated both of the Committee-requested changes in red-line on **ATTACHMENT A**.

RISKS OF ACTION AND INACTION

If the Board approves the recommendation, staff will issue an RFP to conduct a search for a real estate consultant.

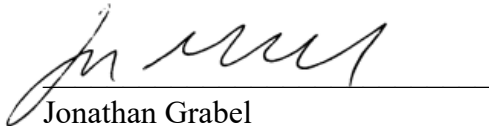
Should the Board reject the recommendation, the current consultant, TTG will continue to be the LACERA's real estate consultant and after June 2021, TTG's contract will be renewed on an annual basis.

CONCLUSION

The Committee unanimously approved staff's recommendation, as modified, to advance the MQs, evaluation criteria and SOW for a real estate consultant request for proposal to the Board for approval. If the Board approves, staff will issue an RFP using the attached MQs, evaluation criteria and SOW and present recommendation to the Board with a target date of December 2020.

Attachment

Noted and Reviewed:


A handwritten signature in black ink, appearing to read 'Jonathan Grabel', is written over a horizontal line.

Jonathan Grabel

Chief Investment Officer

June 23, 2020

TO: Trustees – Real Assets Committee

FROM: John D. McClelland 
Principal Investment Officer

FOR: July 8, 2020 Real Assets Committee Meeting

SUBJECT: **REAL ESTATE CONSULTANT – REQUEST FOR PROPOSAL,
MINIMUM QUALIFICATIONS, AND SCOPE OF WORK**

RECOMMENDATION

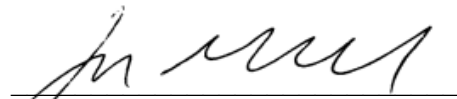
Advance the proposed Minimum Qualifications (“MQs”), Evaluation Criteria, and Scope of Work (“SOW”) to the Board of Investments (the “Board”) for approval.

BACKGROUND

One of the initiatives included in the Real Estate 2020 Structure Review presented to the Real Assets Committee in June 2020 was conducting a search for a real estate consultant. **ATTACHMENT I** describes the recommended search criteria in compliance with the Procurement Policy for Investment-Related Services. This includes: (i) scope of services; (ii) minimum qualifications; (iii) search timing; (iv) structure of the evaluation team(v.) evaluation criteria and (vi) the selection authority. **ATTACHMENT II** outlines the detailed SOW.

Attachments

Noted and Reviewed:



Jonathan Grabel
Chief Investment Officer

**Real Estate Consultant Search
Request for Proposal
Minimum Qualifications**

Real Assets Committee Meeting

July 8, 2020

John D. McClelland, Principal Investment Officer

Recommendation and Background

Recommendation

- Advance the proposed Minimum Qualifications (“MQs”), Evaluation Criteria, and Scope of Work (“SOW”) to the Board of Investments (the “Board”) for approval

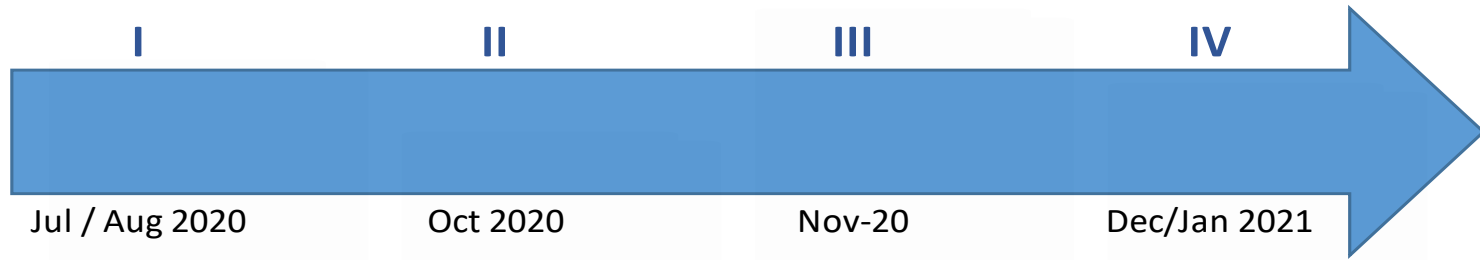
Background

- Last real estate consultant search was conducted more than 5 years ago
- The Townsend Group (“TTG”) was originally retained in 1992, reselected in 2004 and again in 2015
- Both the reselections were through a competitive search process
- The current agreement has a five-year term until June 2021, then renews automatically every year, subject to a one-day termination for LACERA’s convenience

Evaluation Process

- Proposed Evaluation Team would consist of two Principal Investment Officers, two Investment Officers, and a representative from the Portfolio Analytics team. A Trustee, appointed by the Board Chair, will be included for Phase II of the evaluation
- Evaluation Team will conduct the Request for Proposal process in two phases
 - Phase One: Evaluation of written RFP responses
 - Phase Two: Candidate interviews (virtual and possibly on-site)
- Final scores, evaluation review and recommendation will be advanced to the Board (at least two candidates will be presented)
- Selection Authority for this RFP will be the Board

Proposed Search Timeline



Phase	Steps	Actions	Firms in Process (Est.)	Timing	Status
I	RFP Design and Launch	-Committee and Board approval of search recommendation including composition of Evaluation -Publish the RFP document	N/A	July/August 2020	In process
II	RFP Evaluation	-Evaluation Team to review and rank RFP responses, select semi-finalists	8 - 10	October 2020	Not started
III	Semi-Finalist Evaluation	-Evaluation Team conducts interviews, completes reference checks	5 - 6	November 2020	Not started
IV	Finalist Recommendations	-Evaluation Team presents review of RFP and finalist recommendation to the Board -Finalist present to BOI -BOI selects Consultant	2 - 3	December/January 2021	Not started

Minimum Qualifications

1. Must be a SEC-registered investment advisor or exempt from registration. If exempt, must explain the nature of this exemption.
2. Must have at least three (3) public defined benefit pension plan clients, each with total plan assets of at least \$5 billion as of March 31, 2020.
3. Must have five (5) years of experience in providing direct investment and due diligence in real estate consulting services to U.S. tax-exempt clients with total plan assets of at least \$5 billion as of March 31, 2020.
4. The firm must be currently providing real estate consulting services with at least one client having real estate investments totaling \$500 million or greater.
5. Assign a primary consultant to LACERA's account that has at least ten (10) years of real estate experience. In addition, the lead consultant must also have at least five (5) years of experience as a lead consultant to tax-exempt institutional clients that include separate accounts, commingled funds, and have international exposure.
6. Must agree to be a fiduciary to LACERA under California and other applicable law.



Evaluation Criteria

All responses received shall be subject to evaluations on the following seven categories:

1. Organization
2. Professional Staff
3. Technology
4. Research Capabilities
5. Conflicts of Interest
6. Real Estate Consulting Experience
7. Fees

Strategic Consulting:

- Provide recurring recommendations for policy, objectives and strategy that are consistent with the Investment Policy Statement
- Assist Board and/or staff in conducting searches for real estate investment managers and/or co-investments
- Provide attribution analysis and quarterly reports on the real estate portfolio
- Conduct comprehensive written research, analysis, and advice on specific investment issues

Sourcing and Due Diligence:

- Conduct independent evaluations and provide recommendations on commingled fund opportunities

Physical Presence at Meetings:

- Attend Board of Investments meetings, annual off-site meetings and Real Assets and Inflation Hedges – Real Estate subcommittee meetings

Collaboration with Board, Staff and General Consultant:

- Provide educational workshops to the Board
- Collaborate with LACERA's general consultant providing ongoing advice and technical support in the establishment and refinement of portfolio asset allocation, investment goals and objectives, and Investment office policies and procedures.

ATTACHMENT II:

SCOPE OF WORK

Strategic Consulting

- Provide recurring recommendations concerning long-term investment policy, objectives, and strategy for real estate that is consistent with LACERA's Investment Policy Statement. The Consultant will provide an opinion to the Board on the Investment Policy Statement outlining any concerns or concurrence.
- Prepare special analyses and/or research, as requested, to optimize portfolio structure and monitor portfolio risk, and model program cash flow/commitment pacing/liquidity scheduling.
- Collect, aggregate and maintain historical information, including but not limited to, all cash flow, net asset values, commitments (total, funded, and unfunded), fee payments, cost basis, and leverage by separate account and fund. Reconcile portfolio data periodically or as necessary with LACERA's 3rd party real estate fund administrator.
- Coordinate with LACERA's real estate valuation provider as necessary.
- Assist the Board and/or staff in conducting searches for real estate investment managers and/or co-investments.
- Provide list of high conviction core, value-add and opportunistic real estate commingled funds in both open-ended and closed-ended commingled fund structures by sub-strategy and geography.
- Provide comprehensive analysis for real estate, including risk analysis, manager evaluations (including organizational and structural changes, key personnel changes, and client turnover), and an action plan if necessary.
- Provide performance attribution analysis including reasons for over/under performance compared to the benchmark on an as needed basis.
- Provide quarterly performance reports on the total portfolio as well as each manager's sub-portfolio. Each manager's performance is to be compared to the returns of the other managers and the total portfolio. The portfolio returns are to be compared to the real estate benchmark. Calculate performance metrics including internal rate of return, time weighted returns, and multiple calculations. The quarterly report should include an outline of significant events and market overview. On an annual basis, the Consultant will present and provide a full review of the real estate portfolio to the Board.

- Conduct and prepare comprehensive written research, analysis, and advice on specific investment issues, special projects or other activities, as requested, including but not limited to environmental, social, and governance matters relevant to real estate.
- The Consultant will respond to inquiries between meetings in an appropriate and timely manner, and is expected to communicate with and be available to LACERA Board as needed.
- Attend meetings with staff, in order to provide advice and counsel on matters related to real estate, as needed.
- Provide information and research regarding significant changes in the real estate investment management industry, including trends and major events.

Sourcing and Due Diligence

- Conduct independent evaluations and provide recommendations on real estate investment opportunities as requested by the Board or staff. Recommendations will include a detailed memorandum outlining the results of the due diligence, strategic considerations, and fit within the LACERA portfolio, as well as merits and concerns of the investment.
- Develop a proactive, structured process to: (i) analyze the full universe of available investments; and (ii) efficiently identify investments most advantageous to LACERA. This process will include detailed analysis of prospective investments identified by staff.
- Due diligence must also include operational evaluation of a prospective fund or manager's governance, organization, back office, accounting, external relationships, risk systems, cash controls, and valuation methodologies. Due diligence should incorporate environmental, social, governance, diversity and inclusion factors that may impact the value of the investment strategy during its investment time horizon.

Physical Presence at Meetings

- Attend Board of Investments meetings, annual off-site meeting and Real Assets- Real Estate Sub-committee meetings as required. The Board of Investments generally meets the second Wednesday of each month at LACERA's offices or virtually beginning at 9AM. Committees of the Board generally meet the same day, with one Committee meeting beginning at 8 AM, the second immediately following the Board meeting. In addition, consultants should attend meetings related to investment manager searches and site visits (as needed).

Collaboration with Board and Staff

Consultant must:

- Provide educational workshops to the Board on specific issues designated by LACERA and/or recommended by the consultant.

- Provide comments and analysis on proposed federal and state legislation affecting real estate.
- Meet with staff quarterly, or as may be necessary from time to time, to review the relevant portfolio(s), update staff regarding the current market/new issues, and advise regarding improvements to the relevant portfolio(s).

Collaboration with General Consultant Regarding Formulation and Review of Investment Goals, Objectives, Policies, and Procedures

- The consultant(s) shall collaborate with LACERA's general consultant in regards to providing ongoing advice and technical support in the establishment and refinement of portfolio strategic asset allocation, investment goals and objectives, and Investment Office policies and procedures. The consultant(s) will use asset allocation models, as requested by staff, to determine the influence of differing asset mixes and investment style strategies on the projected return to LACERA and the projected risk resulting from differing asset mixes and strategies.
- LACERA periodically engages the services of the general consultant and actuary to conduct an asset/liability modeling study. While the general consultant will take the lead on asset liability studies, the real estate consultant shall assist in any matter necessary and applicable. A consultant selected for this assignment must have demonstrated capabilities in this area.

Other

- The Board will review and evaluate the Consultant annually to ensure that services and communications provided by the consultant are clear, effective, and meaningfully aligned with the Board's overall policy objectives, and that the Board is receiving the quality services envisioned at the time of the consultant's engagement. The Consultant will provide the Board with the necessary information to conduct an annual assessment, including but not limited to, a completed self assessment questionnaire, a list of projects and status of completion, and changes recommended by the Board at the prior evaluation, and the status of implementing those specific changes.

July 31, 2020

TO: Trustees – Board of Investments

FROM: Vache Mahseredjian 
Principal Investment Officer

Chad Timko 
Senior Investment Officer

Robert Z. Santos 
Investment Officer

Quoc Nguyen 
Investment Officer

FOR: August 12, 2020 Board of Investments Offsite Meeting

SUBJECT: **RISK MITIGATION 2020 MID-CYCLE STRUCTURE REVIEW**

Attached are the slides for the mid-cycle structure review for the Risk Reduction and Mitigation (“Risk Mitigation”) functional category.

Risk Mitigation consists of three sub-categories: Cash, Investment Grade Bonds, and Hedge Funds. Staff previously presented structure reviews for each component individually, most recently for Hedge Funds in September of 2019 and Investment Grade Bonds in January of 2019. The current presentation takes a holistic approach that underscores the shared role of all three components within the Total Fund: risk reduction. After discussing nuances in the role of each sub-category, the presentation provides an evaluation of each component, and concludes with a discussion of future initiatives.

Attachment

Noted and Reviewed:



Jonathan Grabel
Chief Investment Officer

Risk Mitigation 2020 Mid-Cycle Structure Review

Board of Investments Offsite Meeting

August 12, 2020

Vache Mahseredjian – Principal Investment Officer

Chad Timko – Senior Investment Officer

Robert Santos – Investment Officer

Quoc Nguyen – Investment Officer



Table of Contents

Pages 3-8	Risk Mitigation Overview	Introduction	Portfolio Fit	Role	Performance	Structure Review Framework
Pages 9-12	Cash	Role and Objectives	Portfolio Evaluation	Future Initiatives		
Pages 13-18	Investment Grade Bonds	Role and Objectives	Portfolio Evaluation	Future Initiatives		
Pages 19-27	Hedge Funds	Role and Objectives	Portfolio Evaluation	Future Initiatives		
Pages 28-30	Next Steps	Summary of Initiatives and Timeline	Conclusion			
Pages 31-32	Appendix	Risk Mitigation Benchmarks				



Risk Mitigation

Introduction



LACERA's Risk Mitigation portfolio is a work in progress

1.0 Legacy Investments

Existing assets across:

1. Fixed Income
2. Cash
3. Hedge Funds

2.0 Risk Mitigation (New Category)

Initial tasks:

1. Aggregate assets
2. Refine reporting
3. Functional staff alignment

3.0 Current Portfolio

Existing initiatives:

1. Evolve to Risk Mitigation objectives
2. Reduce the allocation to core plus fixed income
3. Build hedge funds portfolio

Next Phase Portfolio

Potential initiatives:

1. Continue to emphasize liquidity from Cash
2. Prioritize capital preservation in Investment Grade Bonds
3. Build Hedge Funds portfolio and focus on Risk Mitigation objectives

We are here

2020 Mid-Cycle Structure Review

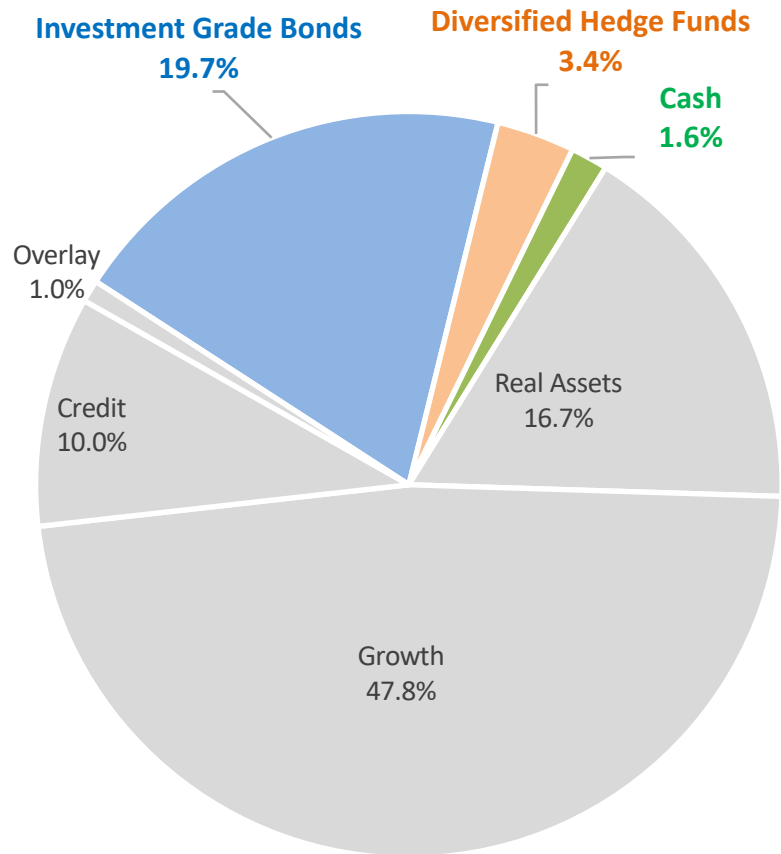
2019 Structure Review and Initiatives

2018 Strategic Asset Allocation Study and Implementation



Risk Mitigation

Portfolio Fit



Total Fund Asset Allocation

June 30, 2020

	% of Total	Final Target	Target Ranges	vs Target (%)	vs Target (\$)
Risk Mitigation	24.6%	24.0%	18-30%	0.6%	365
Cash	1.6%	1.0%	0-3%	0.6%	357
Investment Grade Bonds	19.7%	19.0%	13-25%	0.7%	405
Diversified Hedge Funds	3.4%	4.0%	0-6%	-0.7%	(397)

Asset weights are based on preliminary report as of June 30, 2020 and may be subject to revisions; diversified hedge funds value based on Albourne's calculation



Risk Mitigation

Role

Risk Mitigation

- Moderate income
- Lower volatility
- Reduce Total Fund risks
- Low correlation to growth assets
- Capital preservation*
- Source of liquidity
- Downside protection*

Cash

- Primary source of Total Fund liquidity
- Paramount to LACERA's mission of providing the promised benefit
- Focus on capital preservation

Investment Grade Bonds

- Secondary source of Total Fund liquidity
- Generate income
- Lower volatility
- Low correlation to global equity

Hedge Funds

- Downside protection*
- Benefit Total Fund Sharpe ratio
- Differentiated sources of return
- Non-directional market risks
- Contribute positive returns frequently

* Especially in stressed equity markets or otherwise when growth assets experience broad price declines

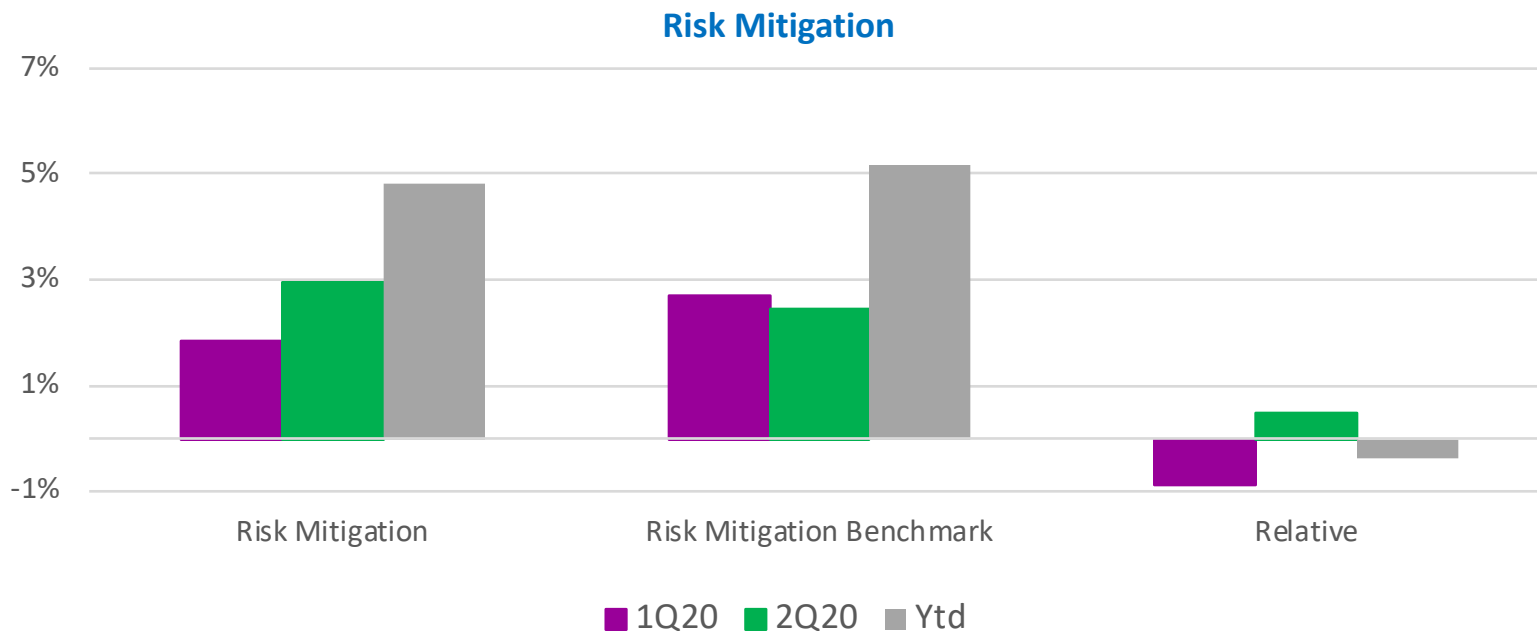
Risk Mitigation

Role



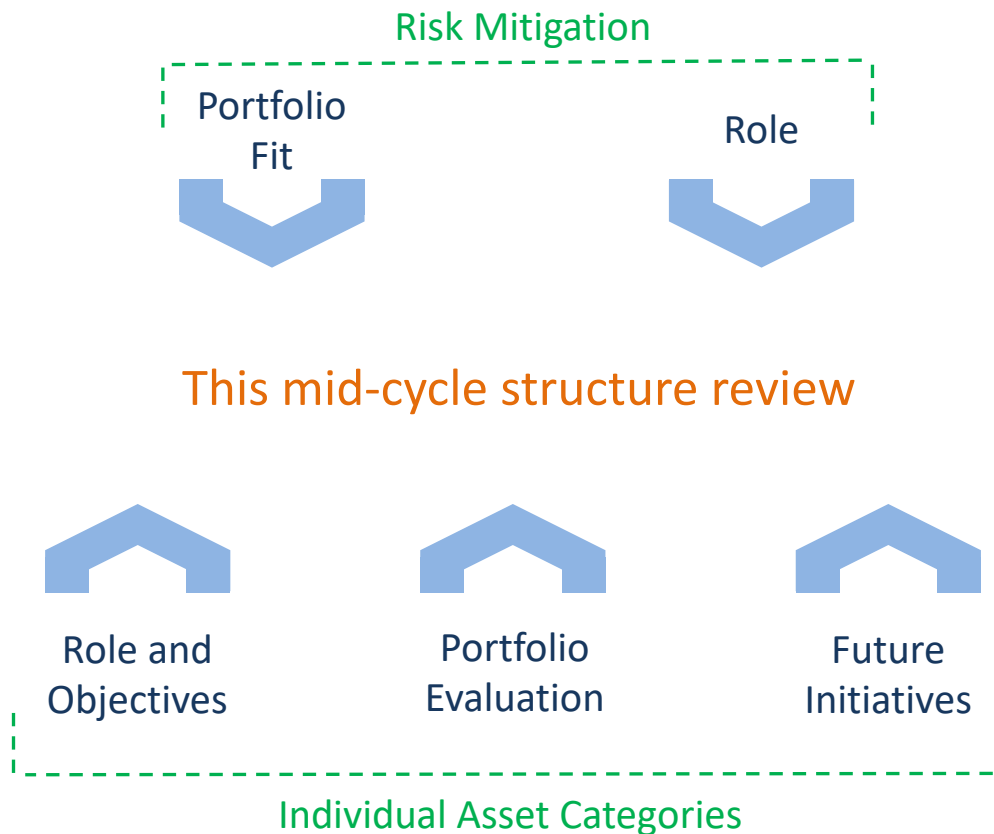
- The Risk Mitigation asset category has a **2.80% median expected annual return**
- Role to **reduce risk** and **protect** from large losses
- The **sequence of returns matters**, especially for a mature pension plan

Risk Mitigation Performance



- Positive returns for the combined Risk Mitigation category in each of the first two quarters of the year, but underperformed benchmark in 1Q and outperformed in 2Q
- Key role of Risk Mitigation – preserving capital in downturns
 - Shorter-term performance matters

Risk Mitigation Structure Review Framework



Section Break - Cash

Risk Mitigation

Cash

Cash

Role and Objectives

(as of June 2020)	Market Value (in \$ billion)	% of Risk Mitigation	% of total Fund
Cash	0.9	6.5%	1.6%

Role:

- Primary source of Total Fund liquidity

Objective:

- Paramount to LACERA's mission of providing the promised benefit
- Nexus for all rebalancing
- Capital preservation
- Prioritize liquidity over outperformance



Source of Liquidity

(as of June 2020)	Market Value (in \$ billion)	% of Risk Mitigation	% of total Fund
Cash	0.9	6.5%	1.6%

LACERA is conservative in the management of cash

- Above target (1%), but within upper end of allocation range (0 to 3%)
 - The Overlay enabled us to remain fully invested
- Served its purpose during crisis
 - Made benefit payments without issues
 - Over 1,600 cashflows with over \$4 billion in inflows and outflows in 1Q
 - Successfully funded existing and new mandates
- Collaborative monitoring: Investments, Financial Accounting, Investment Managers, Cash Manager & Custodian

Improvements year-to-date

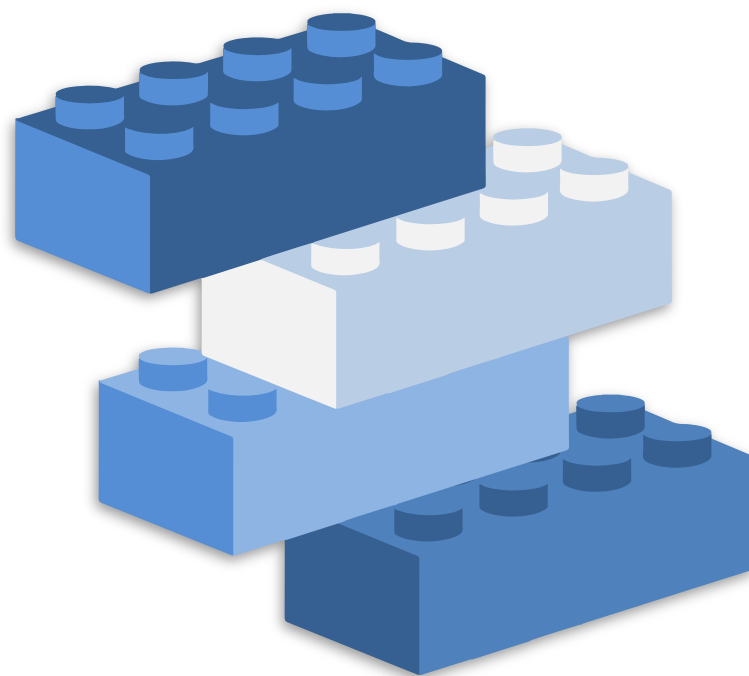
- Enhanced Cash management tools/protocols
- Daily cash management tools to monitor cash
 - cash projection and liquidity dashboard, and cash flow monitor
- Dedicated cash contingency protocol for emergencies and alternative transaction methods for cash movements/benefit payments



<i>(as of June 2020)</i>	Market Value (in \$ billion)	% of Risk Mitigation	% of total Fund
Cash	0.9	6.5%	1.6%

Transition Portfolio Management & Oversight

- Orderly transition of Cash portfolio management to custodian--facilitates business continuity planning
- Oversight responsibility moving to LACERA's Portfolio Analytics team



Section Break – Investment Grade Bonds

Risk Mitigation

Investment Grade
Bonds

Investment Grade Bonds

Role and Objectives

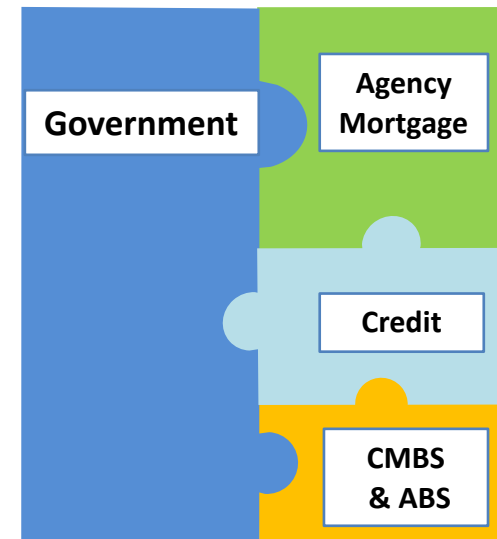
<i>(as of June 2020)</i>	Market Value (in \$ billion)	% of Risk Mitigation	% of total Fund
Investment Grade Bonds	11.6	80.0%	19.7%

Role:

- Secondary source of Total Fund liquidity
- Reduce portfolio risk

Objectives:

- Generate income
- Diversify equity risk
- Preserve capital during equity market downturns



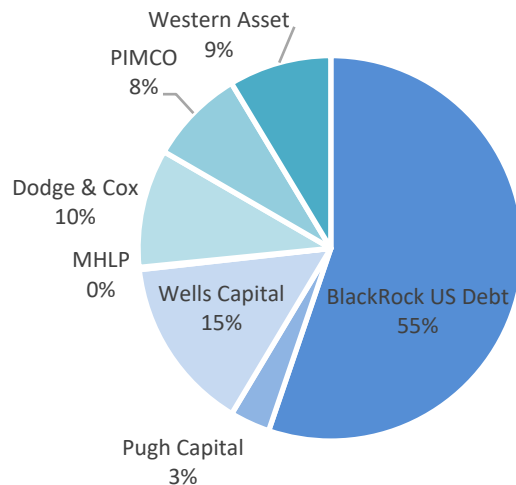
Sources of Return

Investment Grade Bonds

Portfolio Positioning

(as of June 2020)	Market Value (in \$ billion)	% of Risk Mitigation	% of total Fund
Investment Grade Bonds	11.6	80.0%	19.7%

Investment Grade Bonds Composition



Investment Grade Bonds (\$ Value)

	Mkt Value (\$M)
Core	\$ 8,482.91
Core Plus	\$ 3,070.49
Total IG Composite	\$ 11,553.40

Core Investment Grade Bonds

	Mkt Value (\$M)	% of Core
BlackRock U.S. Debt Fund	\$ 6,380.55	75.2%
Member Home Loan Program	\$ 22.04	0.3%
Pugh Capital	\$ 388.59	4.6%
Wells Capital	\$ 1,691.73	19.9%
Total Core	\$ 8,482.91	

Core Plus Investment Grade Bonds

	Mkt Value (\$M)	% of Core Plus
Dodge	\$ 1,148.07	37.4%
PIMCO	\$ 926.29	30.2%
Western	\$ 996.13	32.4%
Total Core Plus	\$ 3,070.49	



Investment Grade Bonds

Performance

<i>(as of June 2020)</i>	Market Value (in \$ billion)	% of Risk Mitigation	% of total Fund
Investment Grade Bonds	11.6	80.0%	19.7%

Relative Performance vs. Benchmark (net-of-fees, as of June 2020)				
	1Q 2020	2Q 2020	YTD	Trailing 1-Y
BlackRock US Debt	0.02	0.06	0.08	0.08
Pugh Capital	-0.66	1.10	0.45	0.50
Wells Capital	-0.82	1.47	0.66	0.80
Core Managers	-0.16	0.36	0.21	0.23
Dodge & Cox	-3.89	3.15	-0.88	-0.15
PIMCO	-2.72	2.24	-0.55	-0.29
Western Asset	-5.75	4.33	-1.70	-0.32
Core Plus Managers	-4.15	3.25	-1.05	-0.29
Composite Absolute Performance (net-of-fees, as of June 2020)				
Investment Grade Bonds	1.98	3.98	6.04	8.85
Benchmark	3.15	2.90	6.14	8.74
Difference	-1.17	1.08	-0.10	0.11

- Relative performance Year-to-date: Core (+21 bps), Core Plus (-105 bps)
- Nearly 75% of Core bond strategy is invested in a U.S. debt index fund
- Primary detractors in 1Q: Underweight to Treasuries, shorter-than-benchmark duration as yields declined, overweight to investment grade credit and credit security selection, tactical exposure to High Yield and Emerging Market Debt, and TIPS as breakeven inflation rates declined

Asset weights and 2Q performance are based on preliminary report as of June 30, 2020 and may be subject to revisions



Investment Grade Bonds

Observations

<i>(as of June 2020)</i>	Market Value (in \$ billion)	% of Risk Mitigation	% of total Fund
Investment Grade Bonds	11.6	80.0%	19.7%



What has Worked

1. Increased the allocation to the U.S. Debt Index portfolio in 2019-2020
 - Anchor to the composite
 - Secondary source of liquidity
2. Reduced the allocation to Core Plus Fixed Income in 2019-2020
 - Portfolio transition from 50% Core Plus to 20%



Areas for Improvement

1. Consider further reducing portfolio risk
 - Limit Core Plus sector allocations
 - Limit portfolio duration bands

Investment Grade Bonds

Future Initiatives

<i>(as of June 2020)</i>	Market Value (in \$ billion)	% of Risk Mitigation	% of total Fund
Investment Grade Bonds	11.6	80.0%	19.7%

Continue to Review Role of Core Plus Fixed Income

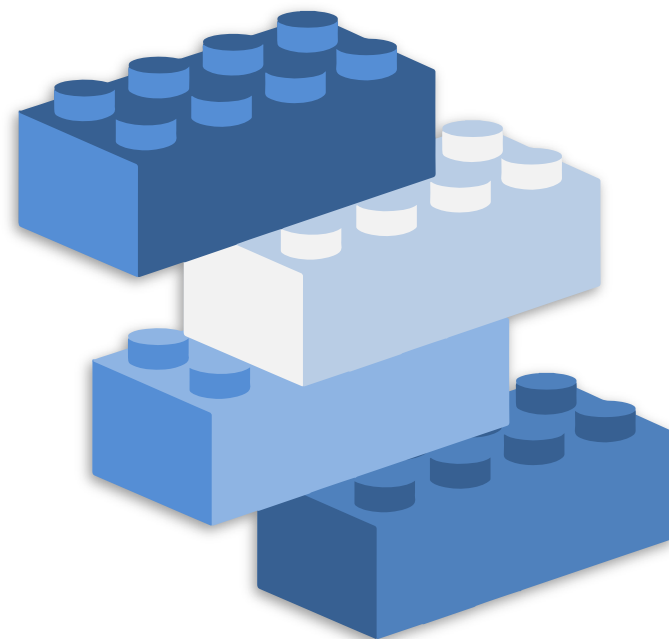
- Evaluate Plus sector securities within the Risk Mitigation framework

Evaluate Portfolio Interest Rate Risk

- Consider limiting managers' portfolio duration bands

Prepare for Strategic Asset Allocation Review

- Analyze the structure of the investment grade bonds composite



Section Break – Hedge Funds

Risk Mitigation

Hedge Funds

Hedge Funds: Role and Objectives

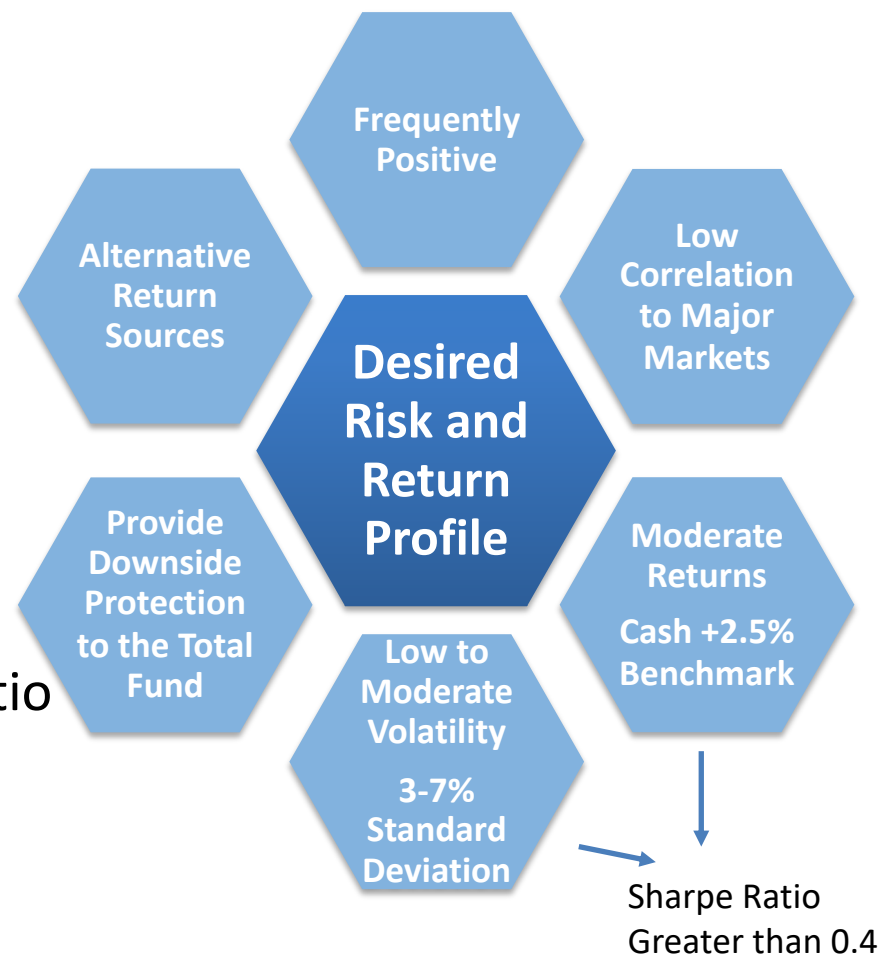
(as of June 2020)	Market Value (in \$ billion)	% of Risk Mitigation	% of total Fund
Hedge Funds	2.0	13.7%	3.4%

Role:

- Reduce Total Fund risk
- Enhance diversification

Objective:

- Downside protection
- Low correlation
- Frequently positive
- Moderate returns
- Improve Total Fund Sharpe ratio



Benchmark adjustment:

Cash + 5% (prior)

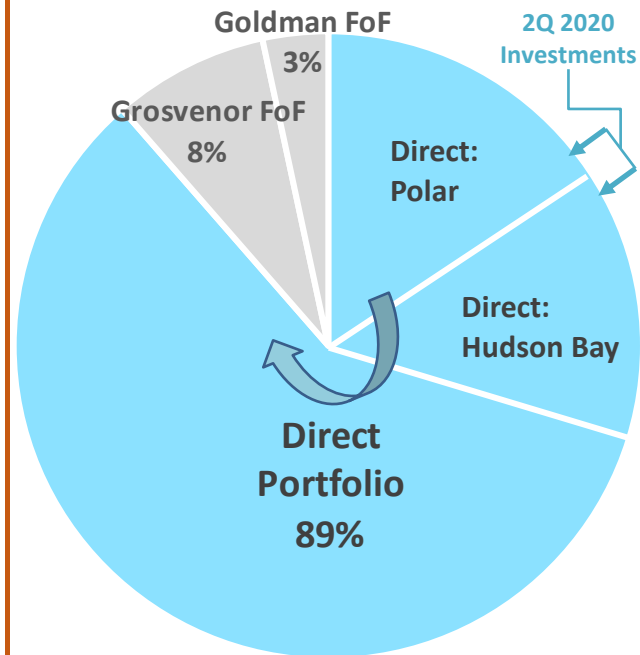


Cash + 2.5% (current)

Hedge Funds Portfolio Structure

(as of June 2020)	Market Value (in \$ billion)	% of Risk Mitigation	% of total Fund
Hedge Funds	2.0	13.7%	3.4%

Current Hedge Funds Program

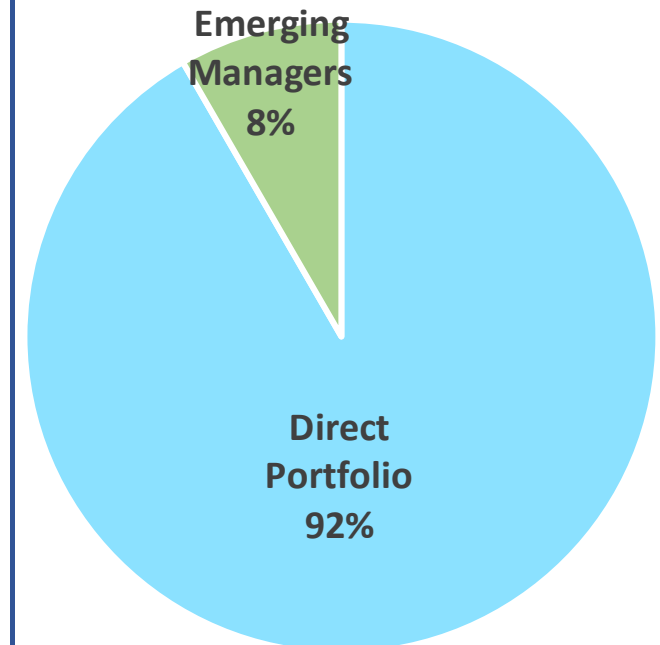


	\$ mil
Direct Portfolio	1,762
Grosvenor FoF	160
Goldman FoF	67
Total Current	1,989

2020-2021 Portfolio Adjustments



Next Phase Hedge Funds Program



	Approx. \$ mil
Direct Portfolio	2,200
Emerging Managers	200
Total Next Phase	2,400

Current data as of June 30, 2020 from Albourne; "FoF" is a Fund of Funds diversified portfolio of numerous underlying hedge funds



Hedge Funds

Current Portfolio

(as of June 2020)	Market Value (in \$ billion)	% of Risk Mitigation	% of total Fund
Hedge Funds	2.0	13.7%	3.4%

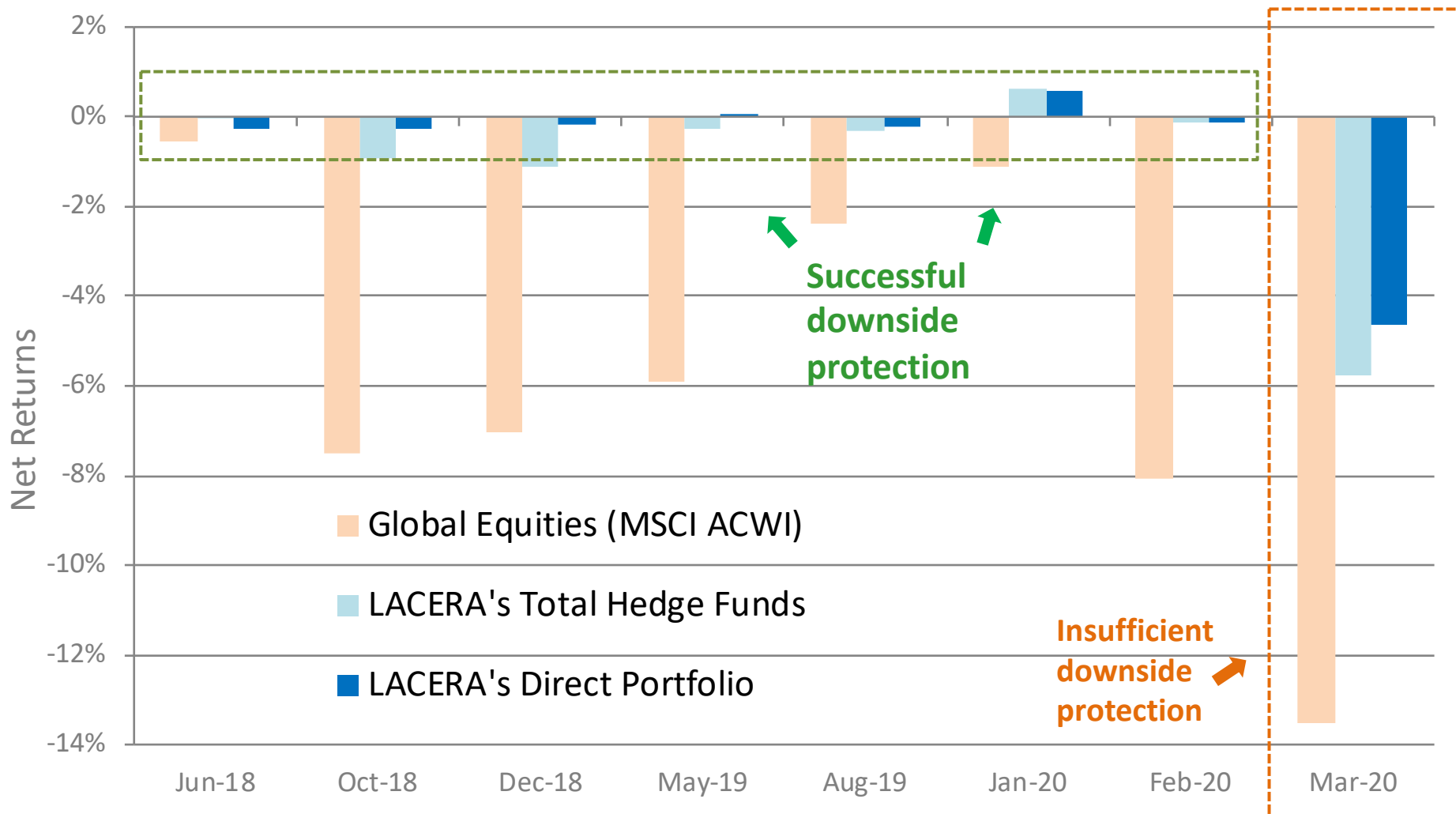
Inception	Manager	Strategy	Net Asset Value as of 6/30/20 \$ mil	% Weight of Total HF Portfolio	Benchmark at Inception
Direct Portfolio			1,762	89%	
4/1/18	AQR Leap	Alternative Risk Premia	55	3%	Cash +5%
4/1/18	HBK	Multi-Strategy Relative Value	261	13%	Cash +5%
5/1/18	Davidson Kempner	Multi-Strategy Event Driven	206	10%	Cash +5%
11/1/18	PIMCO Tac Opps	Structured Credit Relative Value	225	11%	Cash +5%
12/1/18	Capula	Fixed Income Relative Value	393	20%	Cash +5%
5/1/20	Polar	Multi-Strategy Relative Value	317	16%	Cash +2.5%
6/1/20	Hudson Bay	Multi-Strategy Relative Value	306	15%	Cash +2.5%
Hedge Fund of Funds			227	11%	
10/1/11	Grosvenor (~65% redeemed)	Multiple Strategies	160	8%	Cash +5%
5/1/15	Goldman Sachs (~85% redeemed)	Multiple Strategies	67	3%	Cash +5%
Total Diversified Hedge Funds Portfolio			1,989	100%	



Hedge Funds

Negative Equity Markets

(as of June 2020)	Market Value (in \$ billion)	% of Risk Mitigation	% of total Fund
Hedge Funds	2.0	13.7%	3.4%



Returns data since the Direct Portfolio inception in April 2018 and as of June 2020. LACERA returns data comes from State Street and were unlagged by one month to show the appropriate time period



Hedge Funds

March 2020 Performance

(as of June 2020)	Market Value (in \$ billion)	% of Risk Mitigation	% of total Fund
Hedge Funds	2.0	13.7%	3.4%

March Strategy Returns

- ❑ Less directional strategies outperformed
- ❑ Extreme liquidity crisis in credit markets
 - Structured Credit Relative Value underperformed

Albourne's HedgeRS Equal Weighted Index Snapshot

Strategy	Jan-20	Feb-20	Mar-20	YTD
Activist	-1.05%	-6.40%	-18.03%	-23.28%
Asia Pacific Long / Short	-0.83%	0.76%	-6.78%	-6.08%
CB Arbitrage	0.62%	0.46%	-7.10%	-6.67%
CTA	1.36%	-1.37%	1.15%	-0.24%
Distressed / Restructuring	0.14%	-1.43%	-13.34%	-14.58%
Emerging Market Fixed Income	0.10%	-1.72%	-16.25%	-17.69%
Emerging Markets Long / Short	-0.04%	-3.13%	-6.23%	-9.16%
European Long / Short	0.53%	-2.52%	-5.02%	-7.41%
Fixed Income Arbitrage	0.93%	0.16%	-0.75%	-0.59%
Fundamental Equity MN	-0.13%	-0.31%	-2.98%	-3.28%
Global Asset Allocation	0.42%	-1.09%	-3.10%	-4.15%
Global Macro	-0.37%	0.48%	0.65%	1.14%
Insurance	0.62%	0.50%	-0.73%	-0.23%
Japan Long / Short	-0.40%	-2.83%	-2.74%	-5.49%
Quantitative Equity MN	-0.23%	-2.48%	-3.28%	-5.67%
Relative Value Credit	0.72%	-0.04%	-5.88%	-5.92%
Risk Arbitrage	0.24%	-1.00%	-6.28%	-7.22%
Statistical Arbitrage	-0.37%	-0.94%	-3.73%	-4.63%
Structured Credit - Relative Value	1.18%	-0.42%	-20.46%	-20.80%
US Long / Short	-0.39%	-2.45%	-7.55%	-9.81%

LACERA Direct Portfolio March Net Returns*	%
Capula	0.7
HBK	-8.5
PIMCO	-13.2
DK	-6.6
AQR	-4.0
Direct Portfolio	-4.6



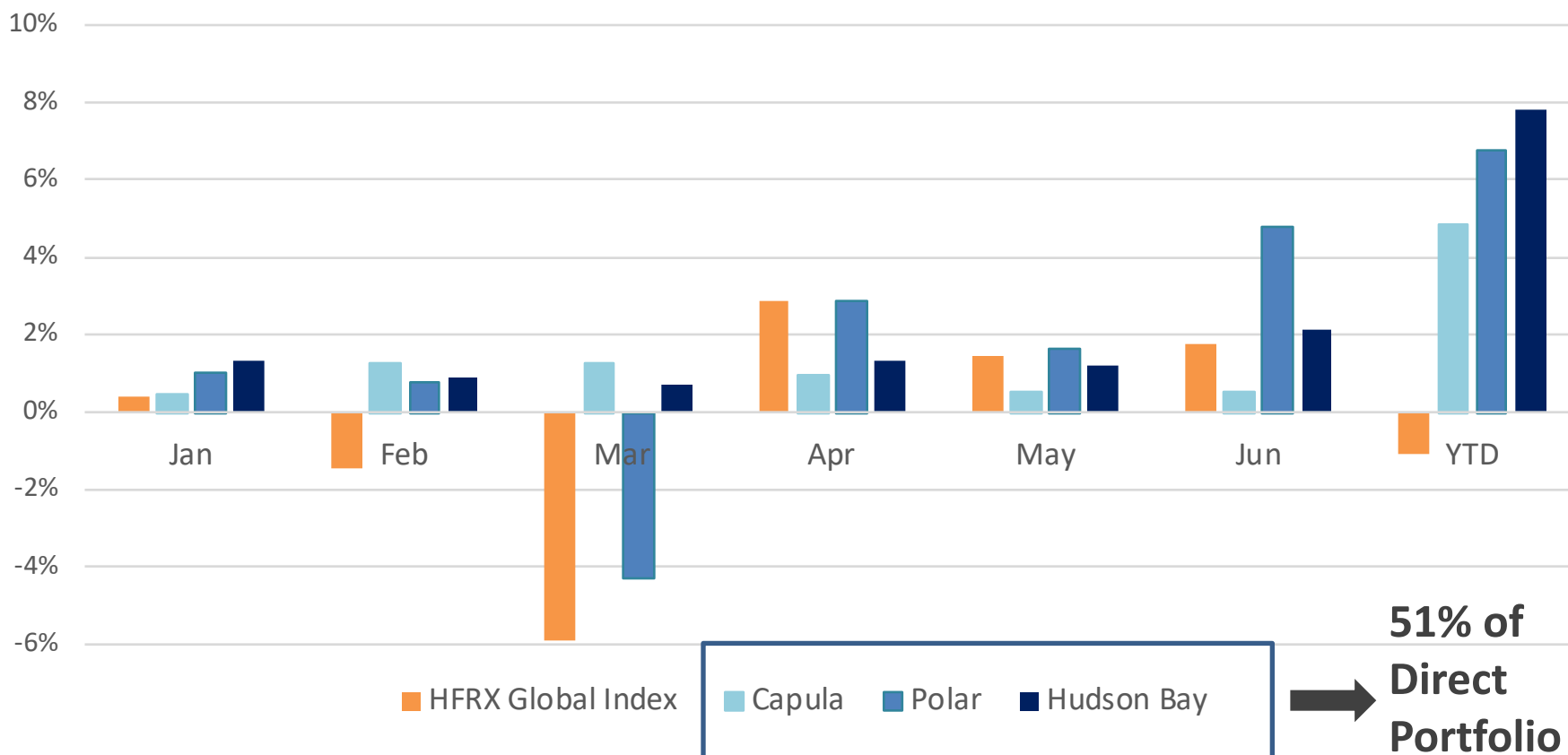
Hedge Funds

Profile of Recent Investments

(as of June 2020)	Market Value (in \$ billion)	% of Risk Mitigation	% of total Fund
Hedge Funds	2.0	13.7%	3.4%

3 Most Recently Hired Managers (Capula, Polar, Hudson Bay)

Monthly 2020 Net Performance*



* Monthly returns of Capula, Polar, and Hudson Bay come from Albourne and HFRX Global Index comes from Zephyr. The HFRX Global Index consists of a broad universe of hedge fund strategies



Hedge Funds

Observations

(as of June 2020)	Market Value (in \$ billion)	% of Risk Mitigation	% of total Fund
Hedge Funds	2.0	13.7%	3.4%



What has Worked

1. Less directional strategies
 - Mitigated downside risk
2. Initiated unwind of fund of funds
 - Eliminated layer of fees
3. New allocations
 - Risk mitigation pedigree
 - Alignment with program objectives
 - Strong recent risk-adjusted performance



Areas for Improvement

1. Decrease exposure to directional strategies
 - Credit
2. Evaluate manager line up
 - Ensure risk mitigation characteristics
3. Continue portfolio build-out
 - Consider future complements and portfolio breadth

Hedge Funds

Future Initiatives

(as of June 2020)	Market Value (in \$ billion)	% of Risk Mitigation	% of total Fund
Hedge Funds	2.0	13.7%	3.4%

Direct Portfolio

- Prioritize risk mitigation objectives
- Review manager lineup at September 2020 Credit and Risk Mitigation Committee
- Continue to review candidate managers for potential future recommendations

Emerging Manager Program

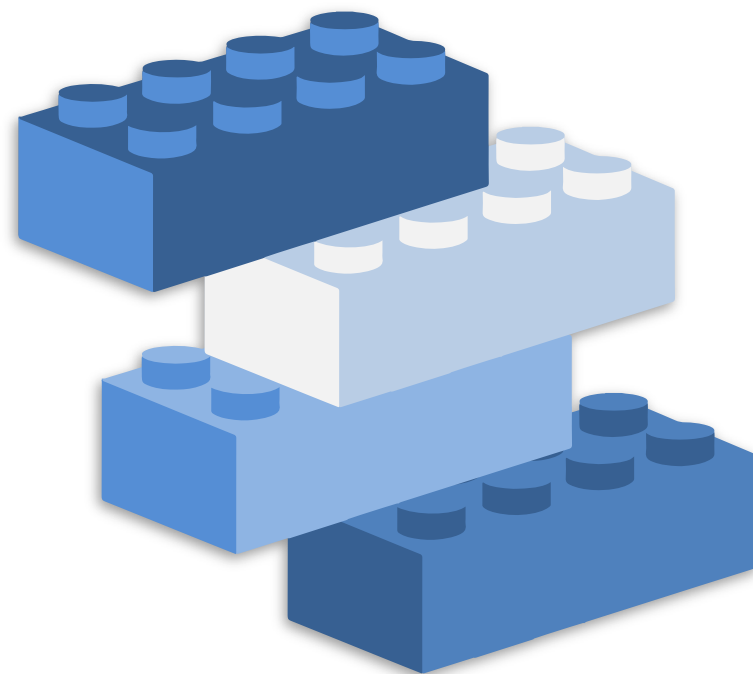
- Complete RFP
- Establish program parameters and a portfolio

Dedicated Managed Account

- Complete RFP
- Optimize account structures across hedge funds and other portfolios to increase transparency and minimize costs

Fund of Fund Portfolios

- Complete wind-down of legacy portfolios



Risk Mitigation



Next Steps

Risk Mitigation

Summary of Initiatives and Timeline

Continue to implement Board-approved Structure Review



Ongoing:

- Review the role of Core Plus strategies within Investment Grade Bonds
- Evaluate Investment Grade Bonds portfolio interest rate risk
- Continue to wind-down Hedge Fund of Funds portfolios
- Continue build out Hedge Fund direct portfolio

Cash transition

Potential recommendation for
Hedge Funds Emerging
Manager program

Potential Recommendation for
Dedicated Managed Account
services

Preparation for structure
review

Other Responsibilities/Projects

- Onboard risk system
 - in progress



Prioritize Risk Mitigation Objectives

Provide Liquidity



Cash

Risk Reduction and
Capital Preservation



Investment Grade
Bonds

Downside Protection,
Benefit Total Fund Sharpe Ratio



Hedge Funds



- Staff expects to make portfolio adjustment recommendations to the Credit and Risk Mitigation Committee in September

Appendix



Appendix: Risk Mitigation Benchmarks


	Benchmark
Risk Mitigation	Custom Blended (Aggregated weight of sub-category benchmarks)
Investment Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index
Diversified Hedge Funds	FTSE 3M T-Bill index Plus 250 bps (1-month lag)
Cash	FTSE 3M T-Bill index

The FTSE 3M T-Bill index tracks the daily performance of 3-month US Treasury Bills and its return is a commonly used measure for the return of cash



August 3, 2020

TO: Trustees – Board of Investments

FROM: Christopher J. Wagner 
Principal Investment Officer

Christine Roseland 
Senior Staff Counsel


FOR: August 12, 2020 Board of Investments Offsite Meeting

SUBJECT: **THE ROLE OF THE GENERAL PARTNER AND THE LIMITED PARTNER INCLUDING IN TIMES OF DISTRESS**

On August 12, 2020, David Parrish and Thomas Califano of DLA Piper are scheduled to deliver an educational presentation (**Attachment**) on the role of the general partner and the limited partner including in times of portfolio company distress. Key topics to be covered include: 1) general partner and limited partner roles and responsibilities, 2) limited partner advisory committee role and responsibilities, 3) general partner duties when a portfolio company is in distress, and 4) Chapter 11 reorganization.

Attachment

NOTED AND REVIEWED:



Jonathan Grabel
Chief Investment Officer

LACERA Board Presentation
The Role of the General Partner and the Limited Partner Including in
Times of Distress

August 12, 2020

Private Equity: The Roles of the General Partner and the Limited Partner

Roles and Responsibilities

General Partner, Limited Partner and LP Advisory Committee

- **General Partner**
 - Controls the limited partnership and owes fiduciary responsibilities to the limited partnership as modified by the governing documentation.
 - Makes all investments decisions (acquisition, operations and dispositions) and interfaces with portfolio company management.
 - Has unlimited liability for the debts and obligations of the limited partnership.
- **Limited Partner**
 - Non-control; does not have authority to manage or direct the management and operation of the limited partnership.
 - Has limited liability to its interest in the limited partnership to the extent it complies with its contractual obligations.
 - Subject to losing protection if it manages and controls the limited partnership and deals with third parties in connection therewith.
 - May be provided with the right to appoint a representative to the LP advisory committee.

Private Equity: The Role of the General Partner and the Limited Partner

Roles and Responsibilities

General Partner, Limited Partner and LP Advisory Committee

- **LP Advisory Committee**

- Comprised of individuals who are generally employed by limited partners
- Selected by the general partner from among its investor base.
 - Not all limited partners are provided the right to have a representative (only a select few).
- Role
 - Proper role is to provide advice to the general partner when such advice is sought for matters brought by the general partner to the LP advisory committee or required to be brought to the LP advisory committee under the limited partnership's governing documents.
 - May involve conflicts of interests such as related party transactions
 - May serve as a sounding board for certain items the general partner seeks input on (e.g., proposed terms of future fundraising)
 - May have the contractual right to approve key person replacements or waivers of investment limitations
 - Does not owe fiduciary duties to the limited partnership, the general partner or the limited partners. Only must act in good faith and may consider only the interests of the limited partner who appointed such representative.
 - Does not have the right to make operational or managerial decisions on behalf of the limited partnership. Taking part in the conduct of the business and activities of the limited partnership or controlling such activities can lead to loss of limited liability protection.

Private Equity and Distressed Companies

Managing a Portfolio or Portfolio Company in Distress

Portfolio Company Distress

- Once a limited partnership experiences one or more portfolio companies in distress, what does the general partner need to be cognizant of and aware?
 - Fiduciary Duties – What are they and to whom are they owed?
 - The limited partnership and limited partners
 - Role at the portfolio company
 - Creditors
 - Others?
 - Process and Procedures – The zone of insolvency and corporate affairs
 - The limited partnership
 - At the portfolio company level
 - Relevant stakeholders and interested parties

Private Equity and Distressed Companies

Managing a Portfolio or Portfolio Company in Distress

What are the duties of the General Partner?

- The general partner is a fiduciary to the limited partnership. While the documentation may modify such duties, it may not eliminate the ***implied contractual covenant of good faith and fair dealing***.
 - *Duty of Care*
 - Level of care that an ordinary, prudent person would exercise under the same circumstances.
 - Focus on (i) becoming informed, prior to making a business decision, of all material information that is reasonably available, including reasonable alternatives, and (ii) refraining from engaging in reckless conduct, intentional misconduct and gross negligence.
 - *Duty of Loyalty*
 - Ensure that management acts in good faith to put the interests of the company first.
 - Includes disclosure obligations to equity holders, oversight obligations and a duty to avoid actions that may injure the company and its constituents.
 - May not make decisions that personally benefit management *at the expense of* the company.

Private Equity and Distressed Companies

Managing a Portfolio or Portfolio Company in Distress

- The general partner should take actions designed to preserve and protect the investments which the limited partnership holds, acting in the best interests to ensure maximizing wealth creating capacity and, thus, value for all stakeholders.
- **Decision-making process** in distressed situations is often subject to more scrutiny.
- Compliance with the procedures set forth in the governance documents is key.
- Managing the best interests of the limited partnership vs. the best interests of a single portfolio company
 - Board responsibilities at the portfolio company level and duty to creditors in insolvency
- The general partner should, among other things:
 - Devote time to understand issues facing the company, available options, and risks;
 - Obtain and rely on reports and recommendations of management and outside restructuring advisors;
 - Participate actively in board discussions by asking probing questions and exercising independent judgment;
 - Insist on ample time to consider major transactions, with actual board approval coming only after initial presentations and time for reflection; and
 - Consider meeting more frequently than before with portfolio company management.

Private Equity and Distressed Companies

Managing a Portfolio or Portfolio Company in Distress

- **Limited Partners – Is there an active role?**
 - Limited partners do not have the right to direct or control the fund and its investments.
 - Limited partners should ensure they are properly informed as to the fund, its business and operations in order to properly fulfill their own fiduciary obligations to their constituents.
 - Limited partners should exercise their rights in good faith. →What does this mean? Acting in furtherance of the LP's interest in the fund
 - Limited partners have limited governance rights in the limited partnership.
 - Discussions and actions involving the general partner.
 - Discussions and actions involving third parties. What to be aware of and avoid?
 - Limited liability concerns
 - Confidentiality concerns and contractual liability risk
 - With respect to the general partner
 - With respect to other limited partners

Private Equity and Distressed Companies

Managing a Portfolio or Portfolio Company in Distress

- **LP Advisory Committee**
 - ILPA Principles 3.0 guidance
 - No fiduciary duty
 - Should be appropriately indemnified
 - Participate and vote (and study materials and prepare in advance)
 - Abstentions should be reserved for conflicted issues.
 - Should have ample time to consider the complexity of issues presented and discuss internally prior to voting
 - Should be able to add topics to discussion

Private Equity and Distressed Companies

Managing a Portfolio or Portfolio Company in Distress

- **Governing bodies of Limited Partners**
 - Fulfilling their fiduciary duties → acting in the best interests of the investor (e.g., the pension plan)
 - Considerations
 - Process and Procedures
 - Implementation

Chapter 11 Reorganization

Chapter 11 Reorganization

- Chapter 11 of the Bankruptcy Code allows a company facing a crisis to maximize value, preserve jobs and operations and weather a crisis.
- It is best for companies to determine the business solution then see if Chapter 11 is the best path. A Chapter 11 can provide for sales of assets or businesses free and clear of the claims of creditors, can provide for financing not otherwise available, and provides the company with the ability to hold off creditors.
- The Bankruptcy Code enables a company to operate as “debtor in possession” and maintain its board of directors as well as management throughout the case thereby preserving continuity of operations.
- Additionally, Chapter 11 affords companies a breathing spell from creditor demands and market forces, which permits management to focus on formulating a plan to resolve and/or restructure their debts while preserving value and jobs.

Benefits of Chapter 11



The Automatic Stay



Emergency Operational Relief



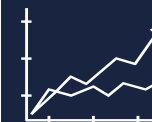
Debtor-in-possession (DIP) Financing



Treatment of Executory Contracts and Unexpired Leases



“Free and clear” Sales



Collective Remedy

Thank You



David B. Parrish

Partner

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David B. Parrish focuses on alternative investments, including fund formation and investment matters. He represents domestic and foreign investors in reviewing and negotiating investment documentation including limited partnership agreements, subscription agreements, and private placement memoranda, and in negotiating and preparing side letters. In addition, David advises investors in co-investments, GP removal matters, acquisitions of manager stakes, advisory board matters, single investor funds, fund dissolution and secondary transactions.

David's experience involves all types of alternative investment strategies including buyout, credit, real estate, venture capital, growth, energy, real estate, timber and infrastructure.

RELATED SERVICES

- Corporate

CREDENTIALS

Admissions

- Texas

Recognitions

- *Chambers USA: America's Leading Lawyers for Business* (2017–2019)
- *Chambers Global* 2019
- The Best Lawyers in America, Corporate Law (2017–2020)

Education

- J.D., University of Houston Law Center
summa cum laude
- B.A., University of Texas at El Paso
with honors

Memberships

- State Bar of Texas
- National Association of Pension Plan Attorneys
- American Bar Association – Business Law Section, Institutional Investors Committee

INSIGHTS

Publications

COVID-19: Issues affecting closed-end private investment funds

8 April 2020

Issues that private investors in closed-end private investment funds may want to consider.



Tom Califano

Partner
US CHAIR, RESTRUCTURING

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F: +1 212 884 8690

Tom Califano is a nationally recognized restructuring lawyer who regularly represents large private and public companies in distress in and out of court; buyers of distressed companies and significant creditor constituencies.

His particular emphasis is on company and buyer side representation and he has extensive experience in healthcare industry restructurings.

EXPERIENCE

Recently he has represented:

- PHI, Inc., a helicopter oil field services and medevac operator, in connection with their chapter 11 filings in the US Bankruptcy Court for the Northern District of Texas
- 4 West Holdings, Inc., Orianna Investment, Inc. and 133 affiliates, collectively a health care business that owns and operates skilled nursing homes across seven states, in its chapter 11 proceedings in the US Bankruptcy Court for the Northern District of Texas
- Senior Quality Lifestyles Corporation an operator and developer of continuing care retirement communities and two of its subsidiaries in chapter 11 proceedings in the Northern District of Texas and restructuring of their public bond
- Constellation Healthcare Technologies, a rollup of revenue cycle management, physician practice management and related businesses, and 22 affiliates representing a rollup of revenue cycle management, physician practice management and related businesses in chapter 11 proceedings in the US Bankruptcy Court for the Eastern District of New York
- Spyglass Media Group, LLC (f/k/a Lantern Entertainment LLC) in *The Weinstein Company* chapter 11 case as purchaser of the Weinstein Company assets in extensive post sale litigation
- The Independent Fiduciary of New Cotai Holdings LLC, the developer of an integrated gaming and entertainment resort in connection with their investigation of potential estate claims
- West Penn Allegheny Health System in its out of court restructuring of approximately US\$750 million in tax-free municipal bonds through negotiation with the bond trustee and largest holders

RELATED SERVICES

- Restructuring
- Mergers and Acquisitions
- Private Equity
- Corporate
- Projects, Energy and Infrastructure

RELATED SECTORS

- Energy and Natural Resources
- Healthcare
- Financial Services
- Real Estate

CREDENTIALS

Admissions

- New York

Recognitions

M&A Advisor's 2016 M&A Advisor Awards recognized DLA Piper for its "Healthcare and Life Sciences Deal of the Year" for the Capitol Lakes Restructuring. In 2012, *M&A Advisor's* M&A Advisor Turnaround Awards recognized DLA Piper for its "Consumer Services Deal of the Year" for the Chapter 11 Bankruptcy of Alexander Gallo Holdings LLC. Tom led the teams for both deals.

The Legal 500 United States has recommended Tom and praised him for his "excellent reputation across all aspects of in and out of court restructurings." *Chambers USA* has repeatedly recognized him in the area of Bankruptcy/Restructuring. The well-respected directory has noted that he "is an aggressive and fierce advocate for his clients," and he "has expertise in advising financially troubled companies and buyers of distressed assets." Clients are "extremely impressed at his ability to control a room and get an outcome," while "[o]bservers admire that he is 'constantly thinking of new ideas and ways to help clients.'"

Tom is listed in *The Best Lawyers in America* and has been named a New York Super Lawyer. *Financial Times* commended him for his restructuring work in its 2010 US Innovative Lawyers report. Martindale-Hubbell has rated him AV, its highest available rating, since 2003.

Education

- J.D., St. John's University 1988
Member, *Law Review*
Recipient, St. Thomas More Scholarship
- B.A., St. John's University 1983

Courts

- United States Court of Appeals for the Second Circuit
- United States Court of Appeals for the Third Circuit
- United States District Court for the Eastern District of New York
- United States District Court for the Northern District of New York

Memberships

- American Bankruptcy Institute
- Turnaround Management Association
- New York City Bar Association Bankruptcy Committee
- American Health Lawyers Association

INSIGHTS

Publications

CARES Act and eligibility under the Paycheck Protection Program

6 May 2020

The CARES Act does not expressly exclude debtors in bankruptcy from eligibility for PPP loans; however, it grants the SBA

broad rulemaking authority.

Ending the inevitable battle over whether the estate should assert claims: The case for independent fiduciary investigations

6 May 2020

An effective mechanism for investigating whether claims should be pursued against the debtor on behalf of the bankruptcy estate.

COVID-19: The benefits of US chapter 11 relief in a time of economic crisis

19 March 2020

Highlighting some of the most significant benefits of US chapter 11 for companies facing severe challenges under the current circumstances.

Overview of Plan Support Agreements

8 JUN 2018

Debtors and sophisticated stakeholders are increasingly using plan support agreements to provide structure to a Chapter 11 case and set forth the pre-negotiated terms of a Chapter 11 plan.

DLA Piper's Guide to Restructuring Issues for Not-For-Profit Companies and Their Directors

29 OCT 2015

Understanding the financial challenges in preserving an NFP and its mission

- Co-author, "The Role of Government Regulators in Chapter 11 Health Care Restructurings," *American Bankruptcy Institute*, October 2019
- Co-author, "Overview of Plan Support Agreements," *New York Law Journal*, June 8, 2018
- Co-author, "Avoiding HIPAA Hurdles in Healthcare Provider Chapter 11s," *TMA Journal*, April 5, 2018
- Co-author, "Healthcare restructurings: four key issues to consider before a chapter 11 filing," *JD Supra*, November 10, 2017
- Co-author, "The Intersection of Federal Civil Enforcement Claims and Health Care Restructurings," *New York Law Journal* (September 25, 2017)

Events

Upcoming

BRG Healthcare Restructuring Conference

12-13 October 2020
New York

Previous

ABI Healthcare Program

5 March 2020

The Fifth Circuit Bankruptcy Bench-Bar Conference

5-7 February 2020

- Presenter, "Restructuring Healthcare Entities in Bankruptcy: Unique Challenges and Benefits of Chapter 11," Strafford Webinar (November 15, 2017)
- Panelist, "Fuse, Sever and Heal: Issues Impacting Healthcare Facilities in Bankruptcy," American Bankruptcy Institute's Winter Leadership Conference (December 2, 2016)
- Panelist, "Hot Spots in a Cold Bankruptcy World: Health Care and Energy Restructurings," National Conference of Bankruptcy Judges (October 26, 2016)
- Panelist, "Restructuring of Continuing Care Retirement Communities," ABI Live Webinar (February 3, 2016)
- Presenter, "Seeing Red: Mitigating the Risk of Bankrupt Clients," National Customs Brokers & Forwarders Association of America Annual Conference (April 23, 2015)
- Moderator, "Distressed M&A Opportunities in the Healthcare Industry and How to Execute on Them," iiBIG's 6th Annual Investment and M&A Opportunities in Healthcare Conference (January 28, 2014)
- Co-Presenter, "Unique Aspects of Asset Sales Involving Nonprofit Healthcare Businesses," Association of Insolvency and Restructuring Advisors (November 6, 2013)

NEWS

DLA Piper announces new office and practice group leadership

9 March 2020

DLA Piper is pleased to announce several recent changes to the firm's US office and practice group leadership.

DLA Piper advises PHI, Inc. and various affiliates in their successful emergence from chapter 11

5 September 2019

DLA Piper represented PHI, Inc. and various affiliates in their successful emergence from voluntary chapter 11 protection, completing their debt restructuring process and implementing the reorganization plan previously confirmed by the United States Bankruptcy Court for the Northern District of Texas, Dallas Division on July 30, 2019.

DLA Piper advises PHI, Inc. and various affiliates in their voluntary chapter 11 cases

9 August 2019

DLA Piper represented PHI, Inc. and various affiliates in their voluntary chapter 11 cases in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division.

DLA Piper advises Lantern Entertainment in launch of Spyglass Media Group in partnership with Gary Barber

14 MAR 2019

DLA Piper represented Lantern Entertainment, an affiliate of Lantern Capital Partners, in the launch of Spyglass Media Group LLC, an independent premium content company focused on developing, producing, financing and acquiring motion pictures and television series for worldwide audiences, in partnership with former studio head Gary Barber.

DLA Piper represents 4 West Holdings in chapter 11 proceedings

11 JAN 2019


DLA Piper represented 4 West Holdings, Inc., Orianna Health Systems, and various affiliates in their voluntary chapter 11 cases in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division.

MEDIA MENTIONS

- "Why Litigation Fears Mean Firms' Phones Are Still Ringing," *Law360*, April 16, 2020
- "Bankruptcy Loans Turn Dangerous," *The Wall Street Journal*, April 8, 2020
- "Weinstein Film Rights Buyer Spared Paying Pre-Ch. 11 Profits," *Law360*, March 20, 2020
- "Orianna Doubled Down on Bankruptcy Plan—And Won," *The Wall Street Journal*, January 18, 2019
- "Bankruptcy plan for Orianna Health approved; 'toughest, most litigious case in my 30-year career,' lawyer says," *McKnight's*, January 11, 2019
- "Orianna Health's Combative Bankruptcy Closes With Consensus," *The Wall Street Journal*, January 8, 2019
- "Year in Review," *turnarounds & workouts*, December 2017
- "DLA Piper and Greenberg Traurig restructuring lawyers talk SNF restructurings," *Debtwire*, October 3, 2017

July 31, 2020

TO: Trustees – Board of Investments

FROM: Vache Mahseredjian 
Principal Investment Officer

Chad Timko 
Senior Investment Officer

Robert Z. Santos 
Investment Officer

Quoc Nguyen 
Investment Officer

Adam Cheng 
Senior Investment Analyst

Jeff Jia 
Senior Investment Analyst

FOR: August 12, 2020 Board of Investments Offsite Meeting

SUBJECT: **CREDIT 2020 MID-CYCLE STRUCTURE REVIEW**

Attached are the slides for the mid-cycle structure review for the Credit functional category. This presentation provides an update on the progress made in implementing changes approved by the Board at the structure review in January of 2020. The presentation begins with a review of the role and objectives of the Credit category, along with details for each sub-category: High Yield Bonds, Bank Loans, Emerging Market Debt, and Illiquid Credit. After providing an evaluation of each component, the presentation concludes with a discussion of future initiatives.

Attachment

Noted and Reviewed:



Jonathan Grabel
Chief Investment Officer

Credit

2020 Mid-Cycle Structure Review

Board of Investments Offsite Meeting

August 12, 2020

Vache Mahseredjian – Principal Investment Officer

Chad Timko – Senior Investment Officer

Quoc Nguyen – Investment Officer

Robert Santos – Investment Officer

Adam Cheng – Senior Investment Analyst

Jeff Jia – Senior Investment Analyst



Table of Contents

Pages 3-8	Credit Overview	Introduction	Portfolio Fit	Role	Performance	Structure Review Framework
Pages 9-13	High Yield	Role and Objectives	Portfolio Evaluation	Future Initiatives		
Pages 14-18	Bank Loans	Role and Objectives	Portfolio Evaluation	Future Initiatives		
Pages 19-24	Emerging Market Debt	Role and Objectives	Portfolio Evaluation	Future Initiatives		
Pages 25-31	Illiquid Credit	Role and Objectives	Portfolio Evaluation	Future Initiatives		
Pages 32-34	Next Steps	Summary of Initiatives and Timeline	Conclusion			
Pages 35-36	Appendix	Credit Benchmarks				



Credit

Introduction



LACERA's Credit portfolio is a work in progress

1.0 Legacy Investments

Credit assets across:

1. Fixed Income
2. Private Equity
3. Real Estate
4. Hedge Funds

2.0 Credit (New Category)

Initial tasks:

1. Aggregate assets
2. Refine reporting
3. Functional staff alignment

3.0 Current Portfolio

Existing initiatives:

1. Complete implementation of High Yield and Bank Loan portfolios
2. Evaluate EMD portfolio
3. Build Illiquid Credit portfolio

Next Phase Portfolio

Potential initiatives:

1. Complete existing projects
2. Uphold portfolio objectives
3. Evolve as appropriate

We are here

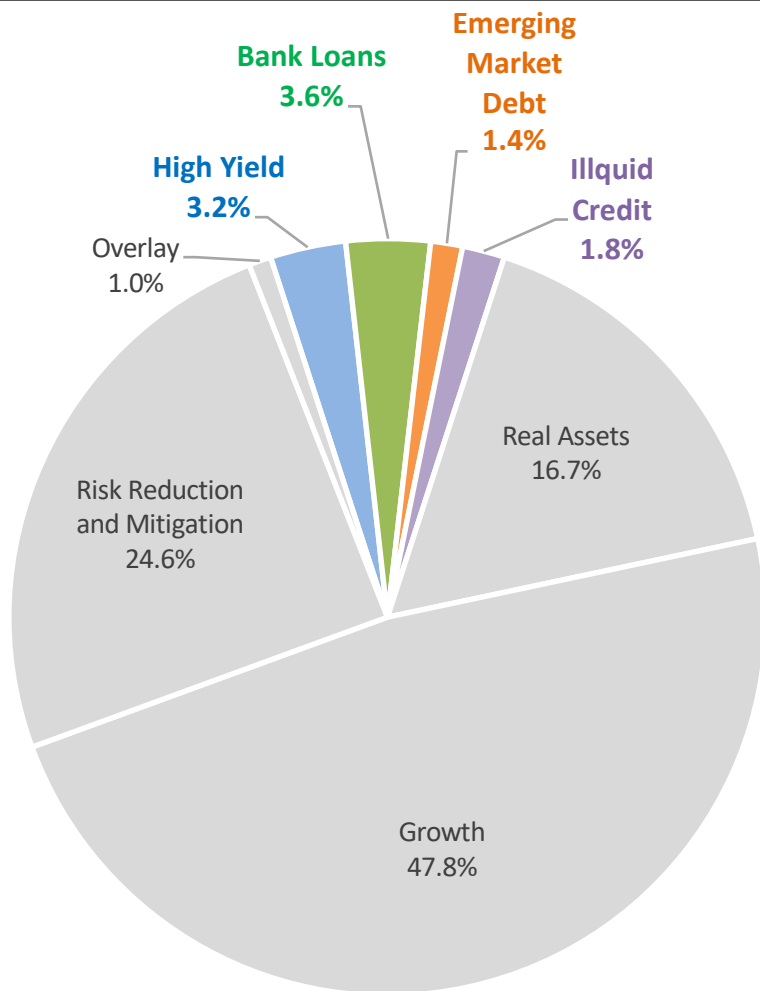
2020 Mid-Cycle Structure Review

2019 and January 2020 Structure Review and Initiatives

2018 Strategic Asset Allocation Study and Implementation



Credit Portfolio Fit



Total Fund Asset Allocation

June 30, 2020

	% of Total	Final Target	Target Ranges	vs Target (%)	vs Target (\$)
Credit	10.0%	12.0%	9-15%	-2.0%	(1,173)
High Yield	3.2%	3.0%	0-6%	0.2%	135
Bank Loans	3.6%	4.0%	0-6%	-0.4%	(237)
Emerging Market Debt	1.4%	2.0%	0-4%	-0.6%	(374)
Illiquid Credit	1.8%	3.0%	0-5%	-1.2%	(699)

- Underweight Credit
- Largest underweight is in Illiquid Credit component
 - \$590 million uncalled capital to complete ramp-up of recently hired Illiquid Credit managers

Values and asset weights are based on preliminary report as of June 30, 2020 and may be subject to revisions



Credit Role



- The Credit asset category has a **5.6% median expected annual return**
- Role is to provide **moderate return and risk, income generation, increased diversification**

Data from the 2018 Board-approved asset allocation study



Credit Role

Credit

- Produce current income
- Moderate long-term total returns
- Moderate level of risk
- Provide incremental diversification to the Total Fund
- Strategies may be specific or be multi-strategy
- Investments may be liquid, illiquid, or both

High Yield

- Moderate return and income stream
- Higher yields than investment-grade bonds
- Lower correlation to investment grade bonds than to equities
- Fixed-rate instruments

Bank Loans

- Moderate return and floating income stream
- Secured by assets and protected by covenants
- Top of Capital Structure/Priority over unsecured debt

Emerging Market Debt

- Moderate return
- Participate from growth of emerging markets
- Returns from non-U.S. countries
- Limited foreign currency exposure

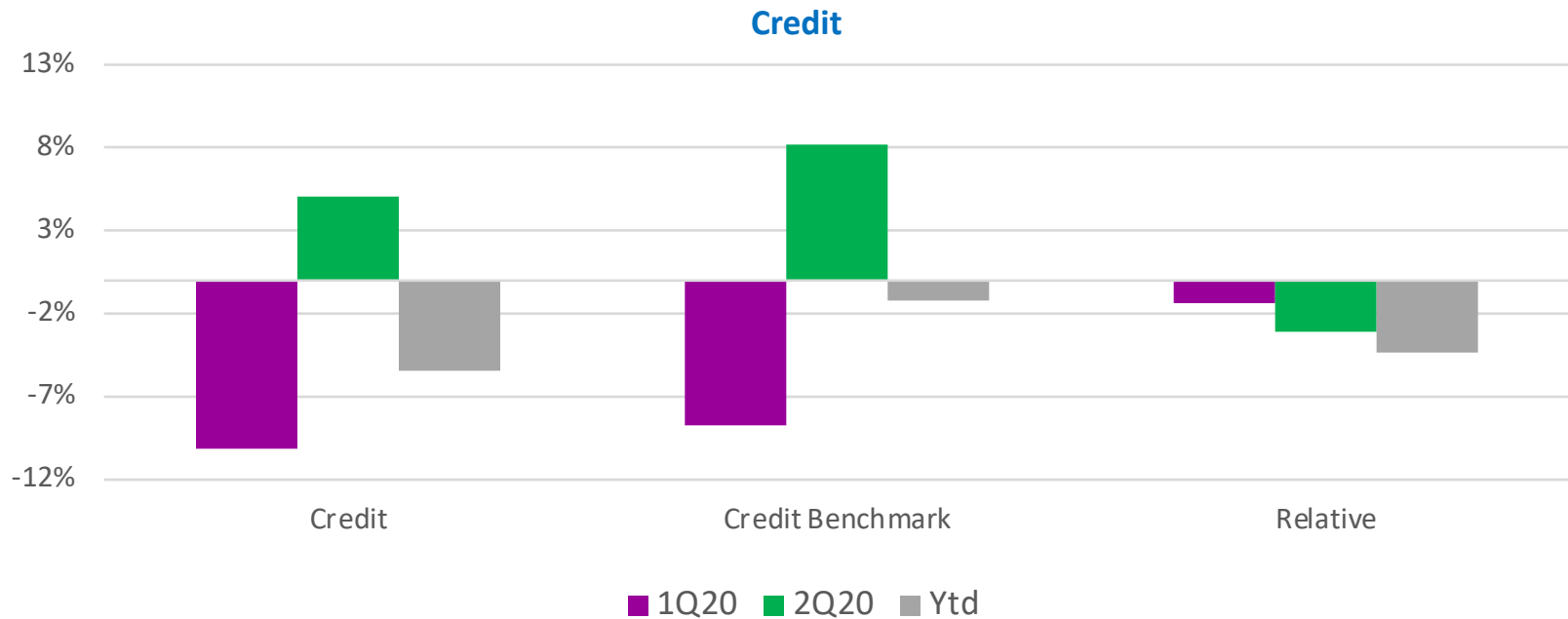
Illiquid Credit

- Moderate to high return and income
- Return sources from contractual yield, complexity, illiquidity, sourcing, and origination
- Broad spectrum of investments



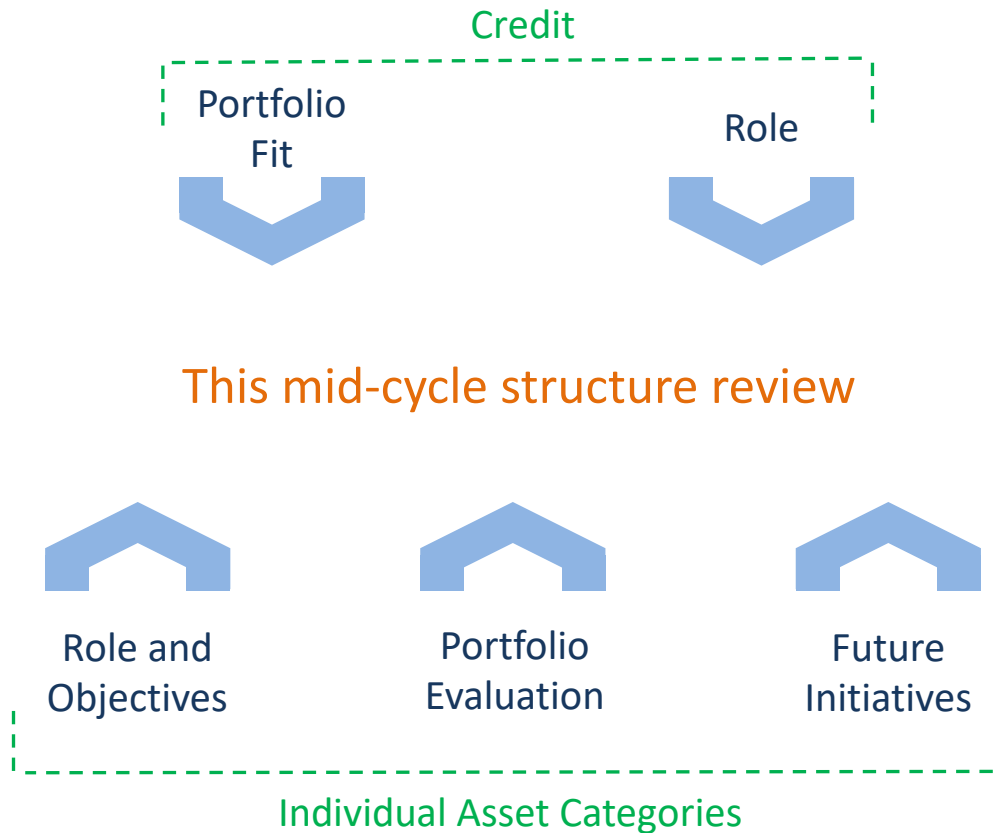
Credit

Market Performance



- Liquid credit markets experienced sell-off in 1Q due to COVID-19
- Central bank-induced credit rally in 2Q
- Illiquid Credit benchmark is uninvestable and does not reflect 1Q market performance – more appropriate for measuring long-term performance

Structure Review Framework



Section Break – High Yield

Credit

High Yield

High Yield Bonds

Role and Objectives

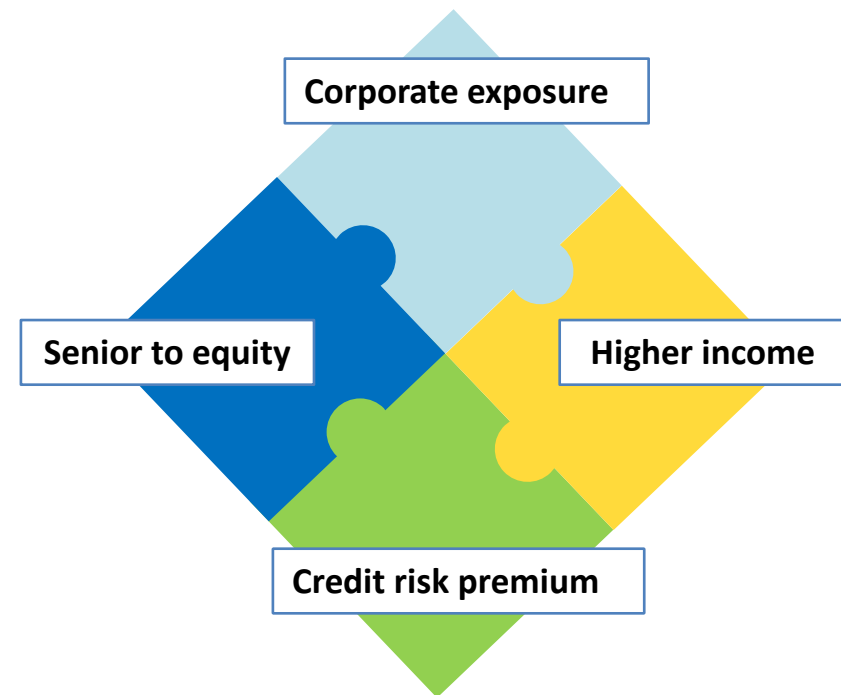
(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
High Yield	1.9	32.3%	3.2%

Role:

- Compensation for credit risk to borrowers rated below investment grade

Objective:

- Higher yield than investment-grade bonds
- Higher ranking than equity in company capital structure
- Lower correlation to investment grade bonds

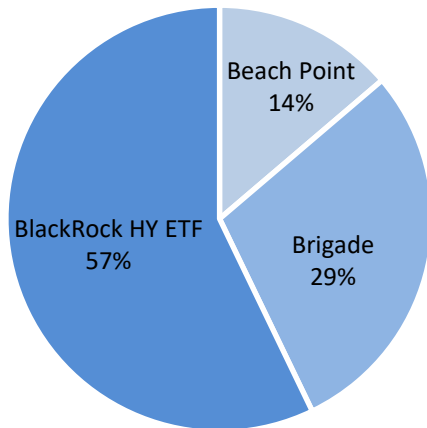


Sources of Return

High Yield Bonds Existing Portfolio

(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
High Yield	1.9	32.3%	3.2%

High Yield Bonds Composite



Relative Performance vs. Benchmark (net-of-fees, as of June 2020)				
	1Q 2020	2Q 2020	YTD	Trailing 1-Y
Beach Point	0.31	-0.49	-0.09	1.30
Brigade	-4.96	-0.08	-5.53	-6.12
BlackRock HY ETF	---	-1.02	---	---
Composite Absolute Performance (net-of-fees, as of June 2020)				
High Yield Bonds Composite	-14.01	9.42	-5.91	-3.14
High Yield Bonds Benchmark	-12.69	10.18	-3.80	0.03
Difference	-1.32	-0.76	-2.11	-3.17

- Volatile 1Q - March index return of -11.5% worst since October 2008
- Performance is distorted due to portfolio transitions which accounted for over 60% of the High Yield Composite
 - Underperformance of one portfolio attributed to several loan positions that had yet to be transitioned
 - Managers substantially completed transition by end of 2Q
- Beta exposure maintained through the use a BlackRock High Yield ETF
 - High Yield RFP expected to be completed 1Q 2021



High Yield Bonds

Observations

<i>(as of June 2020)</i>	Market Value (in \$ billion)	% of Credit	% of total Fund
High Yield	1.9	32.3%	3.2%



What has Worked

1. Started implementing Board-approved action to move from blended to dedicated strategies
2. Gained exposure via low-cost ETF pending outcome of HY manager search (RFP launched in July)



Areas for Improvement

1. Complete transition to focused mandates

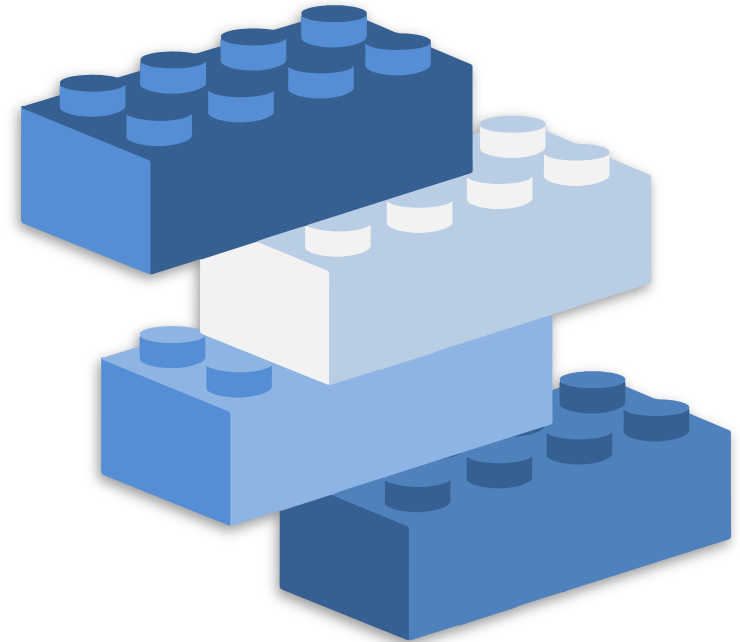
High Yield Bonds

Future Initiatives

<i>(as of June 2020)</i>	Market Value (in \$ billion)	% of Credit	% of total Fund
High Yield	1.9	32.3%	3.2%

High Yield RFP Search

- Identify best-qualified manager(s) & make recommendation to Board



Section Break – Bank Loans

Credit

Bank Loans

Bank Loans

Role and Objectives

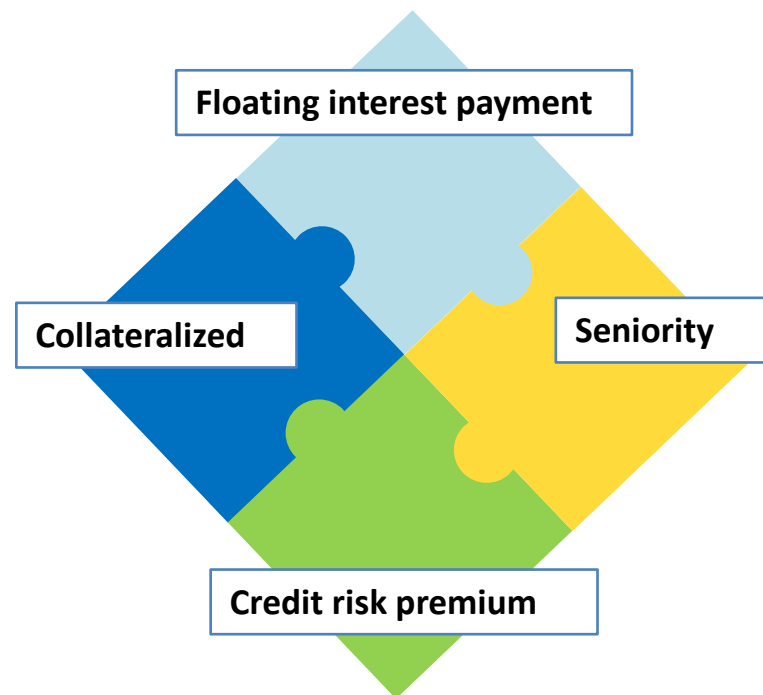
(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
Bank Loans	2.1	36.0%	3.6%

Role:

- Moderate return and income with minimal interest rate risk

Objective:

- Floating income stream
- Secured by assets
- High ranking seniority/claim in the capital structure
- Downside protection



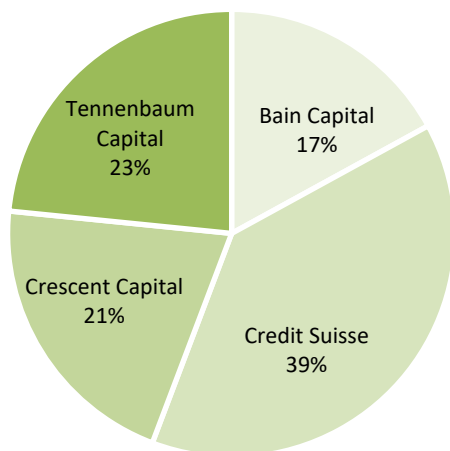
Sources of Return

Bank Loans

Existing Portfolio

(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
Bank Loans	2.1	36.0%	3.6%

Bank Loans Composite



Relative Performance vs. Benchmark (net-of-fees, as of June 2020)				
	1Q 2020	2Q 2020	YTD	Trailing 1-Y
Bain Capital	-0.43	-0.05	-0.52	-1.75
Credit Suisse	---	-3.24	-3.24	---
Crescent Capital	-0.24	1.21	0.79	1.14
Tennenbaum Capital	0.65	1.61	2.25	3.23
Composite Absolute Performance (net-of-fees, as of June 2020)				
Bank Loans Composite	-3.76	4.77	0.83	3.75
Bank Loans Benchmark	-13.19	9.71	-4.76	-2.27
Difference	9.43	-4.94	5.59	6.01

* Transitioned from High Yield to Bank Loans beginning April 2020

- Volatile 1Q index return of -13% worst since October 2008
 - Fed programs provided liquidity and helped to stabilize markets
- Performance is distorted due to portfolio transitions and funding of new mandate
 - Managers completed transition in 2Q
 - New bank loan portfolio funded with Credit Suisse
 - Total of \$250M and \$450M funded during 1Q and 2Q, respectively



Asset weights and 2Q performance are based on preliminary report as of June 30, 2020 and may be subject to revisions

Bank Loans

Observations

(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
Bank Loans	2.1	36.0%	3.6%



What has Worked

1. Composite outperformed benchmark YTD
2. Implemented Board-approved action to fund bank loan portfolio



Areas for Improvement

1. Manager benchmark misfit
 - Managers transitioned to dedicated bank loan benchmark
 - Evaluate any misfit post transition

Bank Loans

Future Initiatives

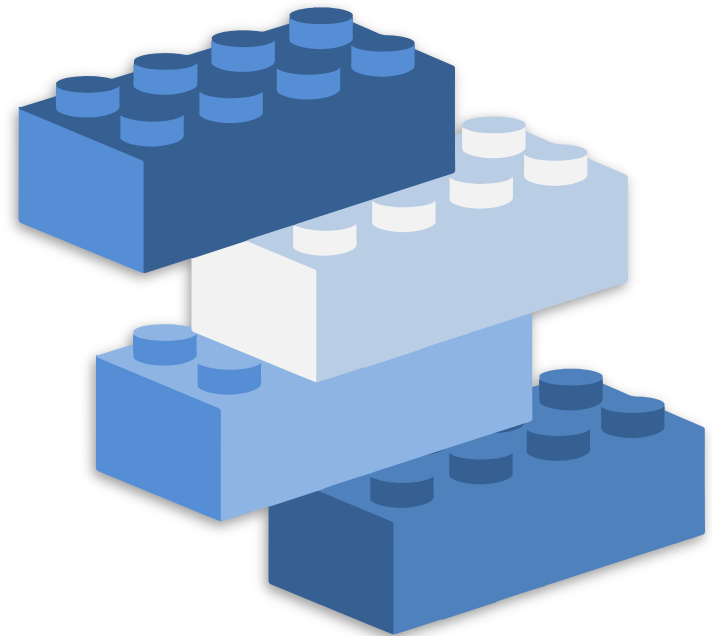
(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
Bank Loans	2.1	36.0%	3.6%

Finish Funding Bank Loan Mandate

- Transition is 90% complete

Further Optimize Manager Line-Up

- Re-evaluate exposures in the composite once managers complete all transitions



Section Break – Emerging Market Debt

Credit

Emerging Market Debt

Emerging Market Debt

Role and Objectives

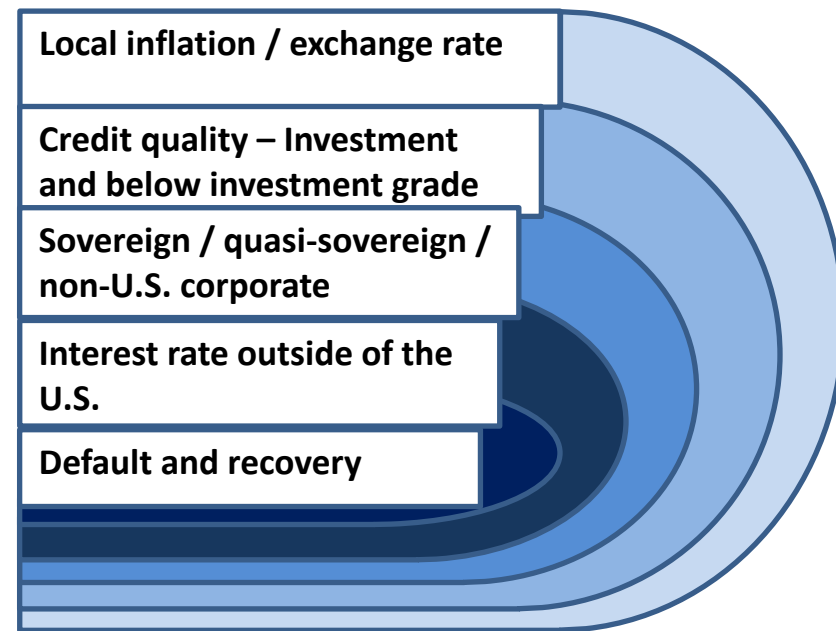
(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
Emerging Market Debt	0.8	13.6%	1.4%

Role:

- Exposure to non-U.S. borrowers
- Exposure to non-U.S. yield curves

Objective:

- Diversification of returns from emerging countries
- Participate in growth of emerging and frontier markets
- Alternative sources of return

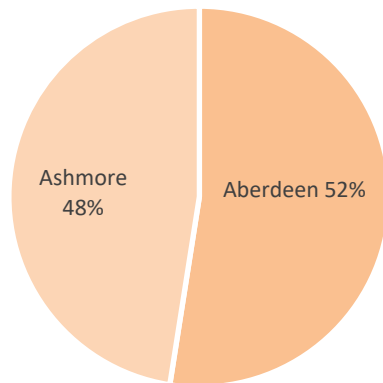


Sources of Return

Emerging Market Debt Existing Portfolio

(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
Emerging Market Debt	0.8	13.6%	1.4%

Emerging Market Debt (EMD) Composite



Relative Performance vs. Benchmark (net-of-fees, as of June 2020)				
	1Q 2020	2Q 2020	YTD	Trailing 1-Y
Aberdeen	-2.78	1.24	-2.05	-2.44
Currency Impact	-1.28	0.21	-1.08	---
Ashmore	-9.17	3.52	-7.48	-11.17
Currency Impact	-0.48	-0.35	-1.31	---
Composite Absolute Performance (net-of-fees, as of June 2020)				
EMD Composite	-18.97	13.71	-7.87	-6.32
EMD Benchmark	-13.03	11.38	-3.13	0.52
Difference	-5.94	2.33	-4.74	-6.83

- Managers underperformance in 1Q due to country selection
 - Material recovery in 2Q, as markets rebounded and managers outperformed
- Staff continues to assess methods to reduce volatility¹
 - Analyzing currently roster of commingled funds
 - Working with managers to improve alignment with benchmark



¹ Per January 2020 Credit Structure Review

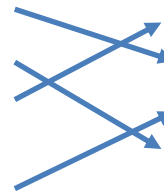
Asset weights and 2Q performance are based on preliminary report as of June 30, 2020 and may be subject to revisions

Emerging Market Debt Performance

(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
Emerging Market Debt	0.80	13.6%	1.4%

- EMD is a vast universe – wide range of country/security selection
- Volatility can be high as a variety of factors, including macroeconomy, country-specific issues/policies, and political risks can influence security prices
 - Table below shows several bottom 5 underperforming countries in 1Q became top 5 return contributors in 2Q
- Over the long-term, EMD can provide attractive return/risk profile and diversification to LACERA's Total Fund

1Q 2020 Bottom 5 Underperformers			
	Total		
Country	Fund weight	Benchmark weight	Excess contribution
Ecuador	2.39%	0.41%	-2.75%
Brazil	8.96%	5.15%	-1.39%
Argentina	3.69%	0.52%	-1.15%
Lebanon	0.92%	0.23%	-1.10%
Angola	0.82%	0.29%	-0.47%



2Q 2020 Top 5 Performers			
	Total		
Country	Fund weight	Benchmark weight	Excess contribution
Argentina	4.14%	0.58%	1.05%
Ecuador	3.86%	0.54%	0.97%
Angola	1.52%	0.51%	0.59%
Brazil	10.03%	4.79%	0.54%
Indonesia	8.07%	5.57%	0.51%

Emerging Market Debt

Observations

(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
Emerging Market Debt	0.80	13.6%	1.4%



What has Worked

1. Very little worked in 1Q, as EMD market sold off, but benefited from slight underweight allocation



Areas for Improvement

1. Reduce volatility
 - Address via guideline alignment

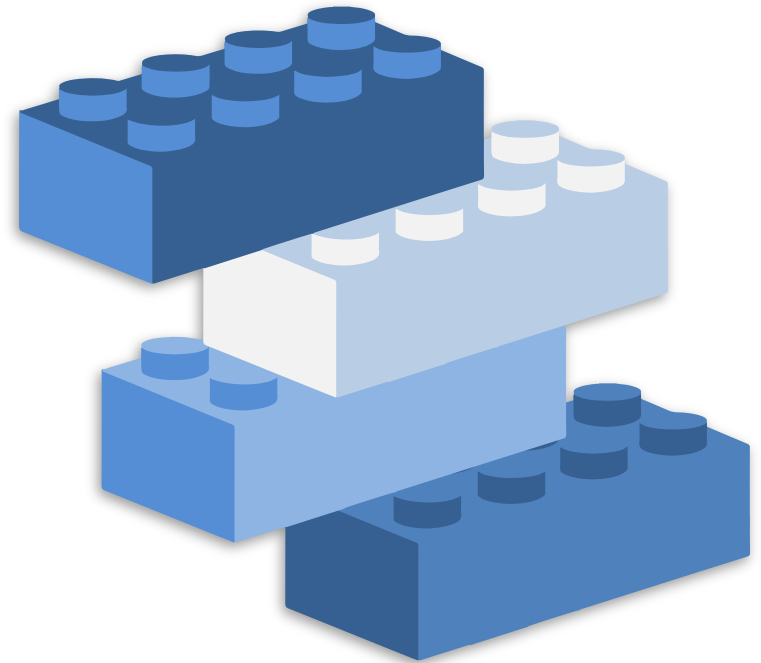
Emerging Market Debt

Future Initiatives

(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
Emerging Market Debt	0.8	13.6%	1.4%

Portfolio Adjustments

- Align portfolios to LACERA's EMD benchmark and reduce volatility
- Potential recommendation in the September Credit and Risk Mitigation Committee meeting



Section Break - Credit



Credit

Illiquid Credit

Illiquid Credit

Role and Objectives

(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
Illiquid Credit	1.1	18.1%	1.8%

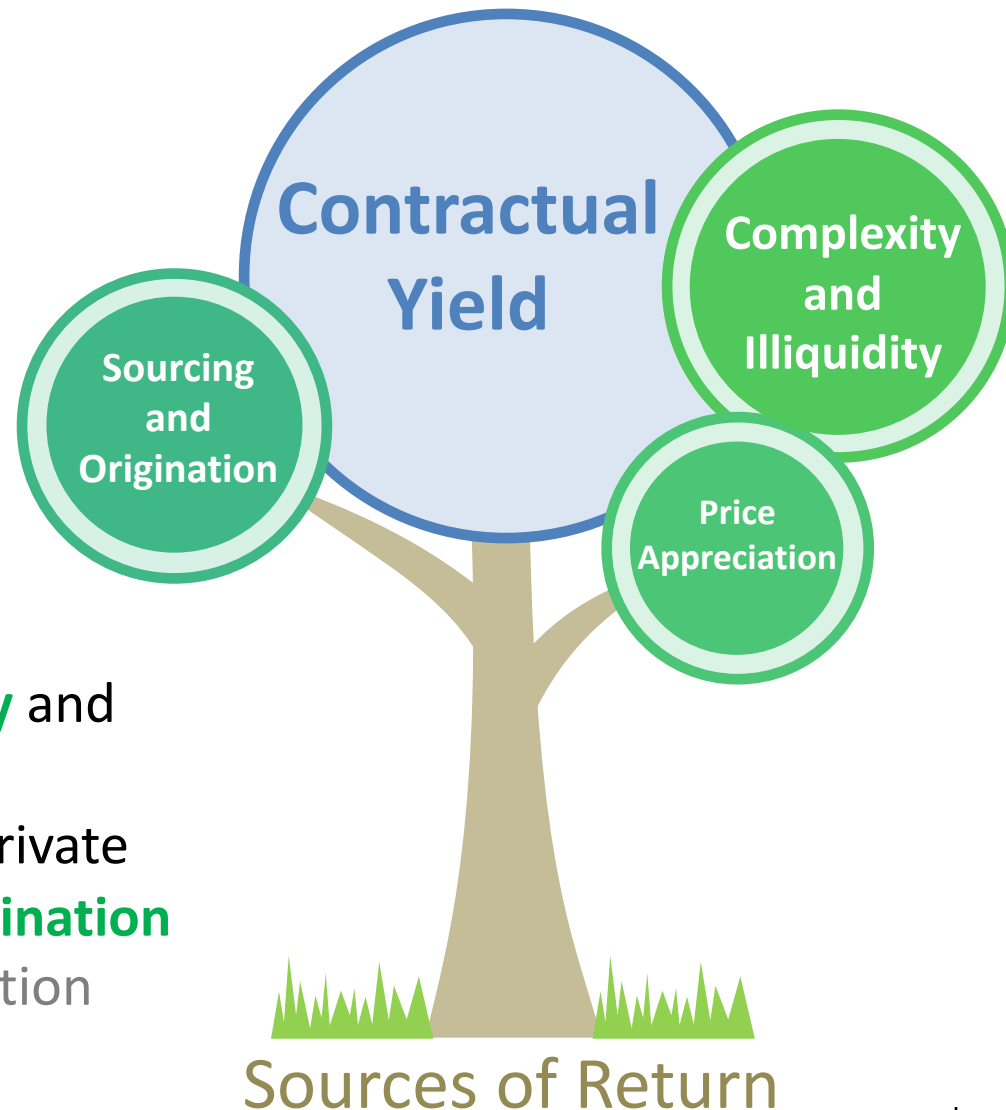
Illiquid Credit

Role:

- Current income
- Moderate to high returns

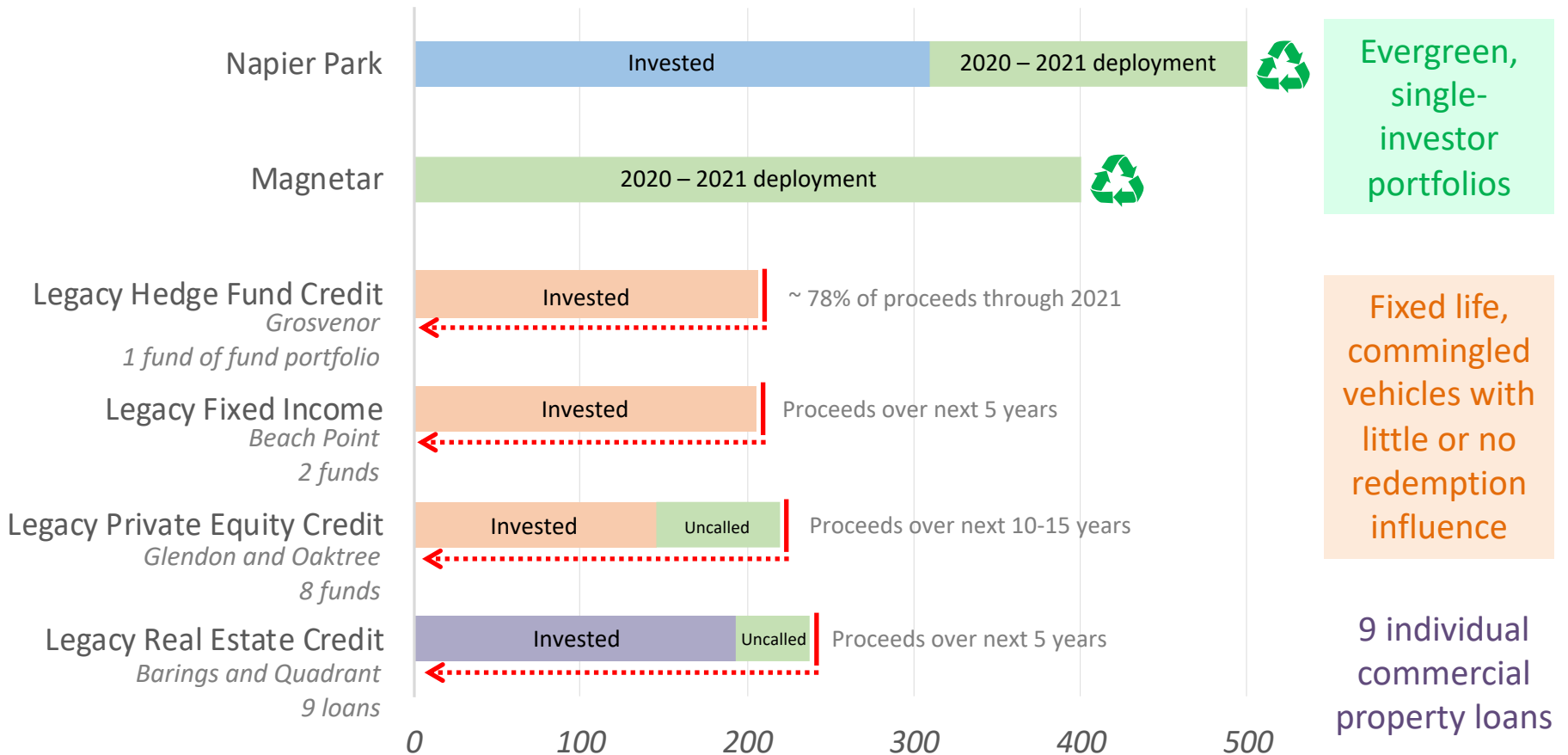
Objective:

- Emphasize **yield**
- Profit from **complexity** and **illiquidity**
- Be compensated for private **sourcing** or direct **origination**
- Limited price appreciation expectations



Illiquid Credit Existing Portfolio

(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
Illiquid Credit	1.1	18.1%	1.8%



- Overall, a work in progress
- Both new and legacy holdings

Data as of June 30, 2020

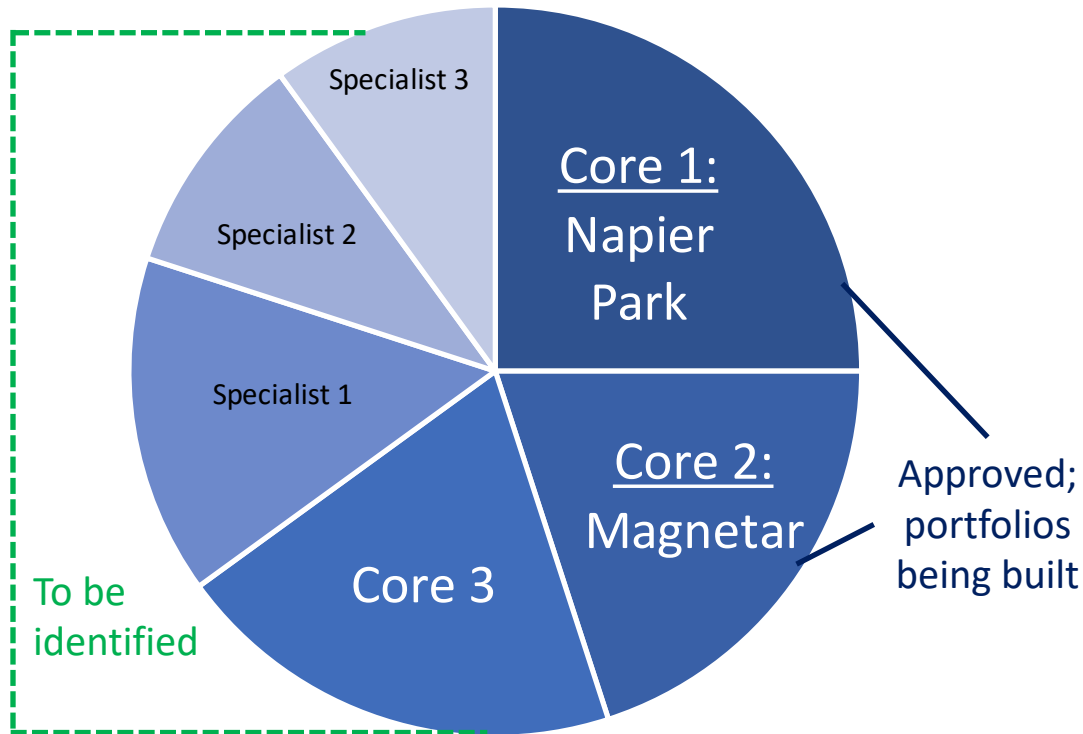


Illiquid Credit Desired Portfolio

(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
Illiquid Credit	1.1	18.1%	1.8%

Desired Next-Phase Portfolio

Framework



Attributes

1. Yield generation objectives
2. Evergreen mandates
3. Single-investor portfolios or customized account structures
4. Customized fee structures
5. Complementary components (not just corporate credit)

- Pending Board approval, an emerging manager program may fill a specialist allocation

The above illustration is a representative example of the desired portfolio framework – actual manager count may vary



Illiquid Credit Performance

(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
Illiquid Credit	1.1	18.1%	1.8%

(net-of-fees, as of June 2020)	Allocation	1Q 2020	2Q 2020	YTD	Trailing 1-Y
Napier Park	29%	n/a	13.30	n/a	n/a
Legacy Hedge Funds Credit - Grosvenor	19%	3.00	-17.31	-14.83	-14.54
Legacy Fixed Income - Beach Point Fund II	3%	-1.91	4.18	2.19	6.71
Legacy Fixed Income - Beach Point Fund III	17%	-1.40	-8.21	-9.49	-5.37
Legacy Private Equity Credit	14%	3.45	-24.20	-21.58	-19.39
Legacy Real Estate Credit	18%	2.13	n/a	2.13	6.92
Illiquid Credit Composite		1.77	-6.12	-4.46	-2.03
Illiquid Credit Benchmark		4.32	2.28	6.70	12.13
Difference		-2.56	-8.39	-11.15	-14.16

- Red shaded ovals represent primary drivers of underperformance
- The category benchmark is uninvestable and includes interest rate risk plus a positive return premia every month (Bloomberg Barclays U.S. Aggregate Index + 250 bps)
- Prior to March 2020 (over longer periods shown above, legacy mandates were 100% of the portfolio)

Data as of June 30, 2020 and from State Street



Illiquid Credit Observations

(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
Illiquid Credit	1.1	18.1%	1.8%



What has Worked

1. Initial core mandate
 - Generated a positive return in March amid market volatility
 - Up 21% YTD using most recent reporting
2. Single-investor vehicles
 - Benefiting from LACERA's scale



Areas for Improvement

1. Consider alignment between legacy portfolio and program objectives
2. Legacy fee structures
 - Improve terms
 - Enhance alignment
3. Concentration
 - Diversify away from individual real estate loan concentration

Illiquid Credit

Future Initiatives

(as of June 2020)	Market Value (in \$ billion)	% of Credit	% of total Fund
Illiquid Credit	1.1	18.1%	1.8%

Align Portfolio with Objectives

- Evaluate legacy portfolio alongside objectives and desired attributes
- Potential recommendations
 - September Committee
- Consider ideal benchmark

Assess Portfolio Fit

- Prioritize complementary strategies that can augment the portfolio
- Consider Total Fund risk/return exposures as the portfolio is built

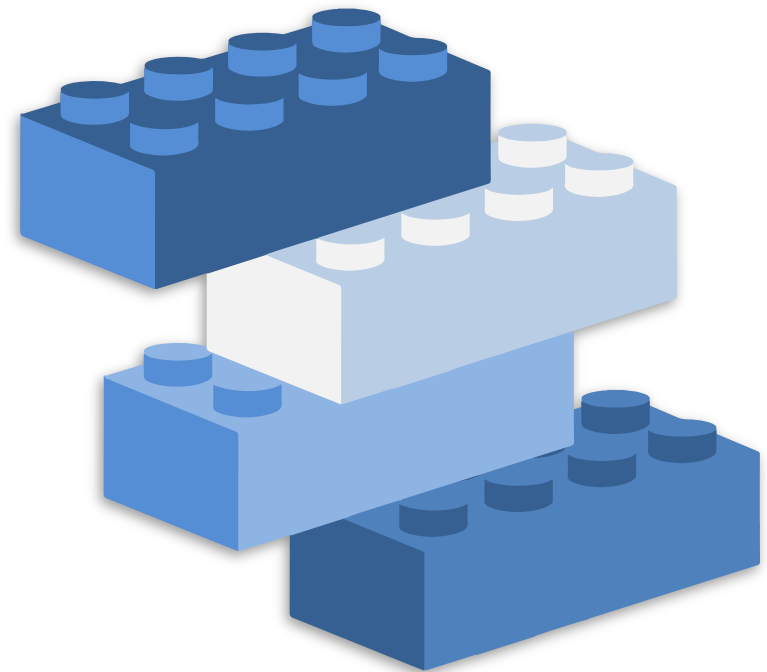
Research Credit Options

- Universe and opportunity set survey
 - ~ 6 months

Build Portfolio

- Recommend 1 - 2 additional managers
 - 6 - 12 months

Add Emerging Manager Program





Next Steps

Credit

Summary of Initiatives and Timeline

Continue to implement January 2020 Credit Structure Review



Ongoing:

- Review illiquid credit opportunities in specialized areas and continue to complete the construction of Illiquid Credit portfolio
- Explore opportunities to add emerging managers to Fixed Income/Credit

Re-evaluate Emerging Market Debt structures

High Yield Bond Manager(s) due-diligence

High Yield Bond Manager(s) Recommendation

Potential Recommendation for Specialized Illiquid Credit Manager(s)

Launch Search for Dedicated High Yield Bond Manager(s)

Potential Recommendation for Specialized Illiquid Credit Manager(s)

Other Responsibilities/Projects

- Onboard risk system
 - in progress
- Refine Overlay
 - 2020 Work Plan



Prioritize Credit Sub-Category Objectives

Moderate return
and risk from
fixed-rate
corporate debt

Moderate return
and risk from
floating rate
corporate debt

Moderate return and
risk from emerging
market debt

Moderate to high
return from yield
and complexity



High Yield

Bank Loans

Emerging Market Debt

Illiquid Credit



- Staff expects to make portfolio adjustment recommendations to the Credit and Risk Mitigation Committee in September

Appendix




Appendix: Credit Benchmarks

	Benchmark
Credit	Custom Blend
High Yield	Bloomberg Barclays U.S. High Yield Index
Bank Loans	Credit Suisse Leveraged Loan Index
Emerging Market Debt	50% J.P. Morgan EMBI (Emerging Market Bond Index); 25% J.P. Morgan GBI-EM GD (Government Bond Index-Emerging Markets Global Diversified); 25% J.P. Morgan CEMBI BD (Corporate Emerging Market Bond Index Broad Diversified).
Illiquid Credit	Bloomberg Barclays U.S. Aggregate Index + 250 bps (1-month lag)



August 3, 2020

TO: Trustees – Board of Investments

FROM: Jude Pérez 
Principal Investment Officer

FOR: August 12, 2020 Board of Investments Offsite Meeting

SUBJECT: **INVESTMENT AND OPERATIONAL DUE DILIGENCE IN THE ERA OF COVID-19**

On August 12, 2020, James Walsh of Albourne is scheduled to deliver an educational presentation regarding investment and operational due diligence practices during the COVID-19 pandemic era (**Attachment**). Key topics to be covered include: 1) practices in the current environment, 2) how investment and operational due diligence processes have evolved, 3) an examination of the advantages and disadvantages to the revised process, and 4) what changes may impact future due diligence efforts.

Attachment

NOTED AND REVIEWED:



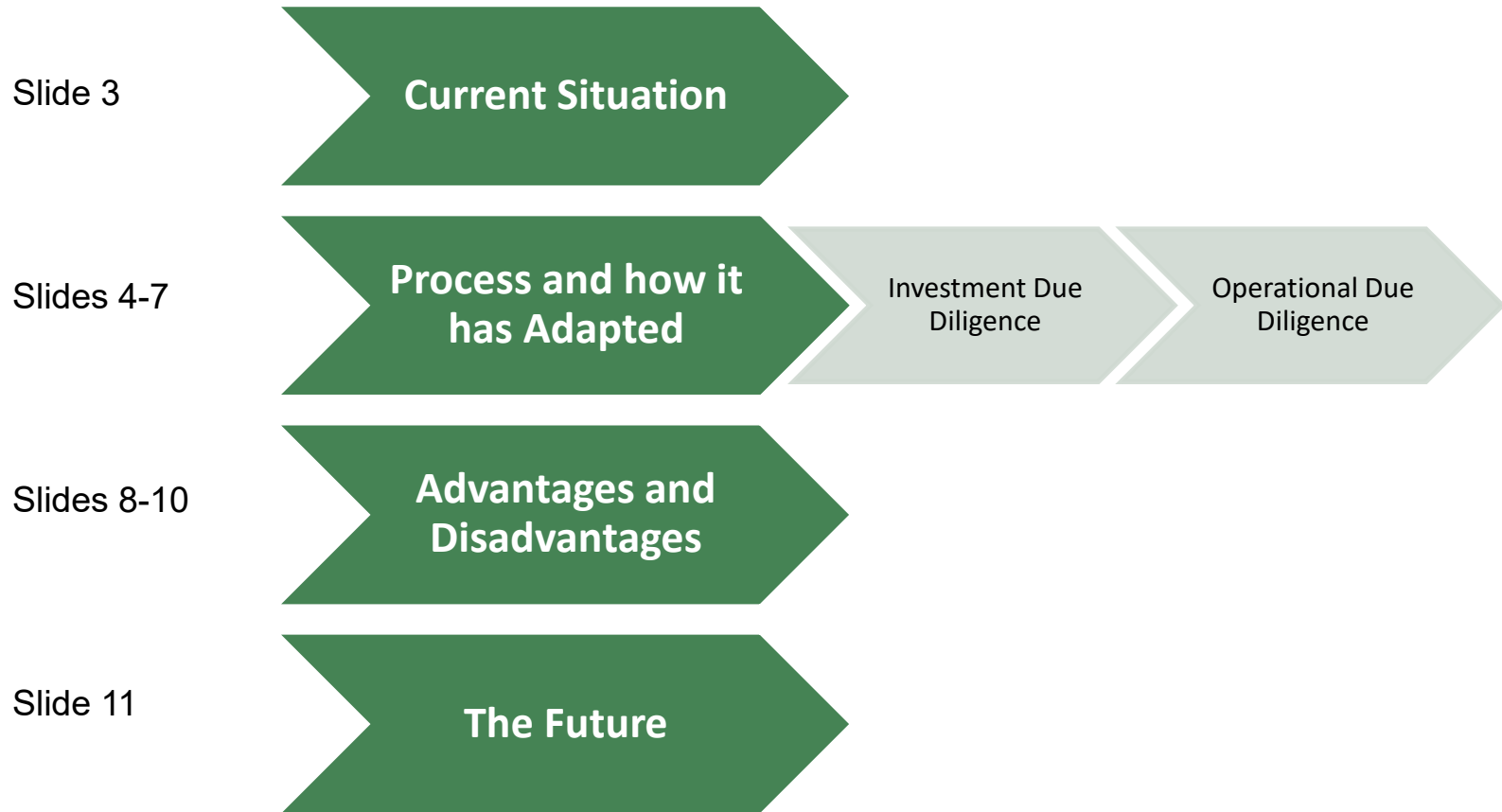
Jonathan Grabel
Chief Investment Officer

JP:

Due Diligence in a COVID-19 World

August 2020

Outline



Investment Due Diligence vs Operational Due Diligence

Investment Due Diligence (“IDD”)

- Alpha, beta, risk
- Strategy & investment process
- Management & team
- Risk process

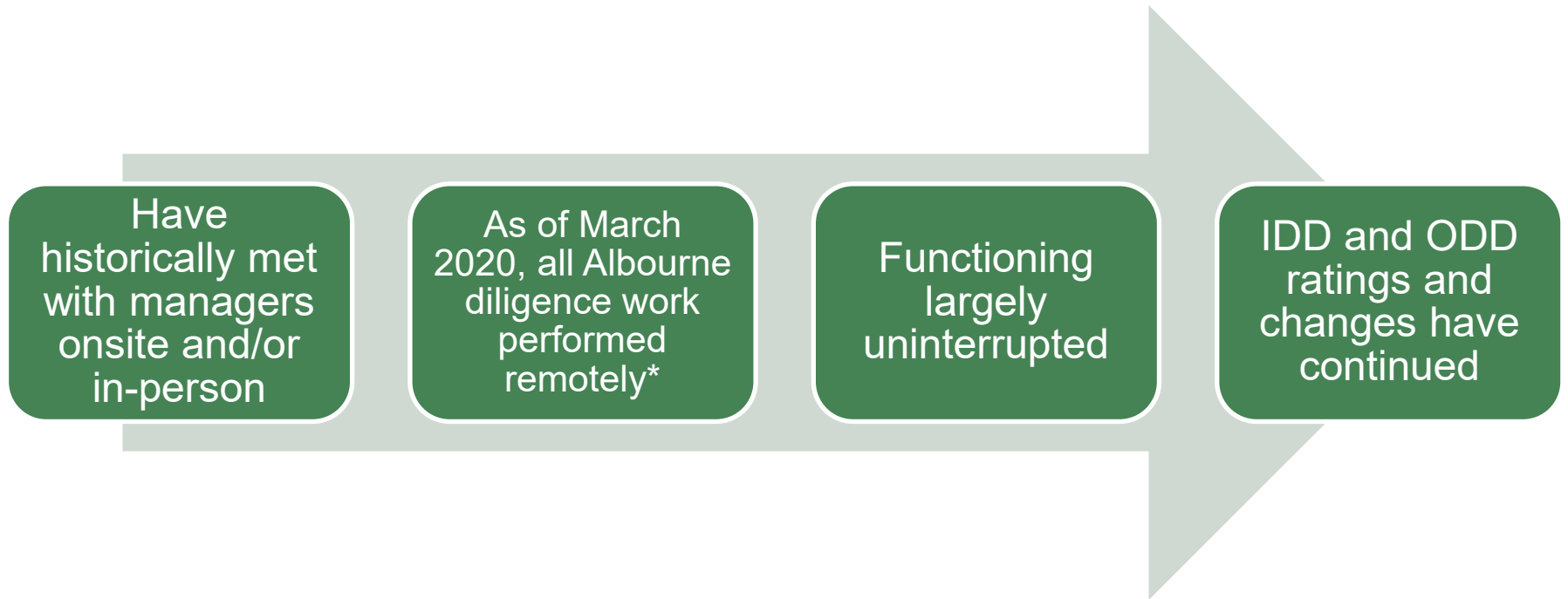
Differences

- IDD: conviction level
- IDD: relative to strategy
- ODD: relative to best practices

Operational Due Diligence (“ODD”)

- Disclosure
- Manager organization
- Background checks
- Compliance Resources & Policy
- Investment operations
- Infrastructure & business continuity
- Fund terms & governance
- Custody & counterparties
- Valuation
- Review of Financial Statements

Current Situation

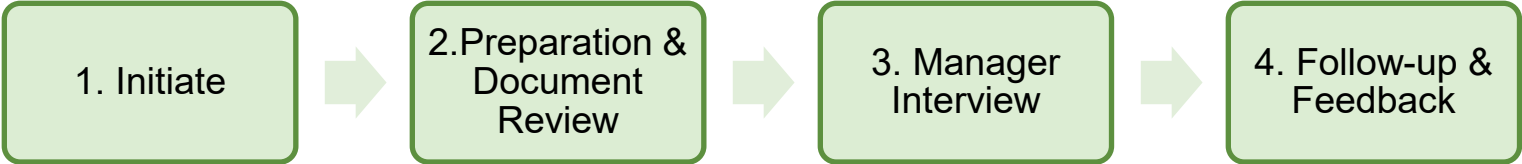


**Except the Hong Kong office as of June 2020*

Onsite = physical meeting with Principal/s at the manager's offices

In-person = physical meeting with Principal/s not at the manager's offices

ODD Workflow



- Initiate contact, introductions
- Request standard list of resources

Percent Onsite/Remote

- **Pre-COVID** – 100% remote
- **COVID Era** – no change

- Review provided materials
- Initiate background and service provider checks
- Meeting agenda and prep

Percent Onsite/Remote

- **Pre-COVID** – 100% remote
- **COVID Era** – no change

- Meet with key staff
- Assess control environment
- Onsite review of systems, documentation, reconciliations

Percent Onsite/Remote

- **Pre-COVID** – 50%-90% onsite
- **COVID Era** – 90% can be done remotely

- Service provider checks
- References
- Follow-up questions
- Feedback to manager

Percent Onsite/Remote

- **Pre-COVID** – 100% remote
- **COVID Era** – 100% can be done remotely

ODD Workflow Takeaways



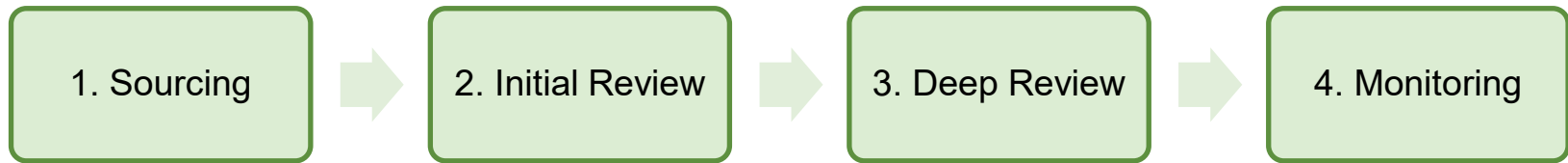
- Overall process: ~50-60 hours for Field Analyst plus 40-50 hours for Desk-based Analyst
- Manager interview ~ 4-6 hours, ~ 5% of process
- **>90% of what is performed onsite can be done in a virtual format**



How to do deal with the other 10%?

- Managers need to be comfortable sharing materials virtually
- Managers tend to be more open to spreading interview across multiple meetings

IDD Workflow



- Review universe for new opportunities
- Maintain comprehensive database
- Assign monitoring responsibilities
- Screen strategy

Percent Onsite/Remote

- **Pre-COVID** – 10%-15% in person (e.g. at events)
- **COVID Era** – 100% can be done remotely

- Review existing information
- Initiate contact
- Review manager materials
- Evaluate against peers
- Initial call or meeting

Percent Onsite/Remote

- **Pre-COVID** – 15%-40% onsite
- **COVID Era** – >95% can be done remotely

- Examine key issues & strengths
- Conduct onsite meeting
- Additional follow-up calls
- Draft and generate report
- Present to Committee(s) & refine report

Percent Onsite/Remote

- **Pre-COVID** – 50%-90% onsite
- **COVID Era** – 90% can be done remotely

- Update database with info regularly
- Meet managers periodically
- Reports updated as needed

Percent Onsite/Remote

- **Pre-COVID** – 10%-40% onsite
- **COVID Era** – 95% can be done remotely

IDD Workflow Takeaways



- Overall process for a new full-IDD report takes approximately 40-60 hours
- Manager interview(s) typically 3-6 hours, which is around 10% of process
- **>90% of what is performed onsite can be done in a virtual format**



How to do deal with the other 10%?

- Additional reference checks
- Virtually meet with all contributing members of the investment team (greater access)
- Managers need to be comfortable sharing materials virtually
- Managers tend to be more open to spreading interviews across multiple meetings

Virtual Due Diligence – Advantages to Investors

- Ability to meet with wider range of manager staff
- Ability to deploy additional consultant resources
- Less travel



- Flexibility in timing
- Less choreographed and more relaxed
- Objective v Subjective
 - Greater reliance on analysis (objective)
 - Less reliance on body language (subjective)

Virtual Due Diligence – Disadvantages to Investors

- Identifying decision makers
- Culture and team dynamics
- Relationship building



- Document/information access
- Live walk-throughs
- Headline/hindsight risk

What about Emerging Managers?



Concerns

- Investors may find it hard to commit to managers that they and consultants have not met
- Operational infrastructure more important



Offsetting Concerns

- Virtual cap intro events have been highly successful
- History with principals
- Firms are increasingly 'virtual'
- Less/no travel for newer firms
 - Helps equalize established and emerging managers

The Future

- Enhanced use of **technology**
- Reduced **travel**
- More **accessibility**
- Industry **improvements**



FOR INFORMATION ONLY

July 28, 2020

TO: Each Trustee,
Board of Retirement

Each Trustee,
Board of Investments

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

Carly Ntoya, Ph.D. *CN*
Director, Human Resources

FOR: August 5, 2020 Board of Retirement Meeting
August 12, 2020 Board of Investments Meeting

SUBJECT: Diversity, Equity, and Inclusion Education Program and Action Plan

Diversity, equity, and inclusion are core concepts to LACERA as an organization. They are part of our ethics, boundaries, and values.

- **Diversity** means the strength that comes from building and celebrating differences of background and point of view, in all their many dimensions.
- **Equity** means fairness in the opportunity to access information, be heard, and succeed, and equality of treatment to all persons at all times.
- **Inclusion** means a culture that actively encourages participation by all individuals and validates that participation through civil and respectful discourse.

These values should be part of LACERA's day-to-day operations at all levels. Going forward, LACERA will strive to provide training to all staff to support existing practices, encourage improvement, facilitate discussion, and build a lasting culture where these traits are on display every day. This training program will demonstrate, in this time of daily headlines and other important discussions about inequality in our society, that LACERA "walks the talk" and models the work it takes to offer real fairness in our day-to-day interactions.

LACERA recognizes that leadership must include all levels of the organization. Therefore, as the first phase of this program, the Board Chairs and Vice Chairs and the Chief Executive Officer have discussed this topic and recommend that the trustees of the Board of Retirement and Board of Investments be provided education on diversity, equity, and inclusion in the boardroom. This education will take place in joint public meetings of the Boards. The education will be interactive and allow an opportunity for self-assessment. Each meeting will be led by outside experts, including consultants in board equity and excellence, fiduciary and employment counsel, and pension governance consultants. Additional support will be offered as needed in small groups and to individuals.

While diversity, equity, and inclusion reflect a philosophy to live by, they are the necessary foundation for sound governance in compliance with the trustees' fiduciary duties of loyalty and prudence — and that will be the focus of the program. The goal is to facilitate a discussion of practical tools, and possible changes in existing practices, that will enhance the Boards' service to LACERA and its members, and strengthen our organizational culture.

The Board program as proposed will have three modules specifically designed for LACERA and its trustees. The topics, with the current estimated schedule (actual dates may vary), are as follows:

Module 1: Diversity, Equity, and Inclusion in the Boardroom — What are They, and What do They Mean for LACERA Trustees as Fiduciaries. This session will lay out foundational principles, specifically for the LACERA Boards and trustees, with regard to diversity, equity, and inclusion, governance, and fiduciary duty. *August 2020.*

Module 2: Crucial Conversations in the Boardroom — Respect and Civility Coexist with Passionate Advocacy. Issues faced by the trustees on every agenda are of great significance to LACERA and its members to whom the trustees owe fiduciary duties of loyalty and prudence. Trustees may reasonably and strongly disagree with each other and with staff and consultants. The composition of the Boards is legislatively designed to reflect the different perspectives and experiences of trustees who are elected or appointed to, or *ex officio* on, the Boards. By law, the Boards' elected trustees are active general and safety, as well as retired, LACERA members. The appointed trustees are qualified electors of the County who are not connected with county government in any capacity. In the case of the Board of Investments, the appointed trustees also must all have significant experience in institutional investing. The County Treasurer and Tax Collector serves on both Boards. All views of each of these trustees, with the varied professional and personal perspectives they bring, can and should be expressed, discussed, and ultimately resolved by vote or other action in a way that is strong, honest, and direct, as well as respectful and business-like, among trustees, staff, and consultants. *October 2020.*

Module 3: What's Next? The outline for this module will be developed based on the outcome the first two modules to frame Board discussion as to a way forward, including potential governance changes. This module will also address ways to incorporate the lessons learned into LACERA as an organization. *November 2020.*

The Executive Board Assistants will reach out to calendar specific dates. In addition, governance issues will be part of the scheduled September 30, 2020 meeting regarding the Mosaic audit of the Education and Travel Policy.

The Executive team looks forward to working with the Boards, trustees, and staff in making the most of this important effort.


c: Jonathan Grabel Steven P. Rice
JJ Popowich



FOR INFORMATION ONLY

August 3, 2020

TO: Trustees – Board of Investments

FROM: Ted Granger 
Interim Chief Financial Officer

FOR: August 12, 2020 – Board of Investments Meeting

SUBJECT: Semi-Annual Interest Crediting for Reserves as of June 30, 2020 (UNAUDITED)

Pursuant to the County Employees Retirement Law 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 of 2.5% per annum, until otherwise determined by the Board.

The semi-annual interest crediting rate applicable for this cycle, June 30, 2020, was 3.625% (i.e., one-half of the 7.25% annual rate). The new 7.00% annual rate is effective for the next interest crediting cycle ending December 31, 2020.

In January 2020, the Board approved a reduction in the investment return assumption from 7.25% to 7.00%. The new rate and corresponding employer and employee contribution rates, were approved with the March 2020 Board’s action to adopt the June 30, 2019 actuarial valuation. To provide ample time for both the plan sponsor and LACERA to prepare for the changes, the new 7.00% rate becomes effective for the next interest crediting cycle beginning July 1, 2020.

The Retirement Benefit Funding Policy stipulates that interest credits for Reserve accounts are allocated in the same priority order as the allocation of actuarial assets. Such interest credits are granted based on Realized Earnings for the six-month period. As of June 30, 2020, there were sufficient Realized Earnings to meet the required interest credit rates for Priority 1, the Member Reserve account. In as much as there were no balances in the Advanced Employer Contributions at the beginning of the fiscal year, the remaining realized earnings were applied to Priority 3, the Employer Reserve account. The table below depicts the actual interest credit allocations for the six-month period ended June 30, 2020.

Priority Order	Reserve Account	Interest Credit Rate Applied
1	Member	3.625%
2	Advanced Employer Contributions	N/A
3	Employer	3.505%

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* financial report in mid-October, in time for the October 31 filing deadline with the Los Angeles County Board of Supervisors. The financial data contained herein will be updated based on the completed audit.

REVIEWED AND APPROVED:



Santos H. Kreimann
Chief Executive Officer

Interest Credit Rate June 2020 (unaudited)_final.doc
SHK:tg:mh

c: Board of Retirement, LACERA
Sachi A. Hamai, CEO, Los Angeles County

FOR INFORMATION ONLY

July 24, 2020

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: August 5, 2020 Board of Retirement Meeting
August 12, 2020 Board of Investments Meeting

SUBJECT: **Statewide Ballot Measures: November 3, 2020 Election**

On July 1, 2020, Secretary of State Alex Padilla assigned proposition numbers to the 12 measures that qualified to appear on the November 3, 2020 General Election ballot. Eight of the measures were placed on the ballot via petitions by registered voters, and 4 were placed by the California State Legislature.

None of the ballot measures propose any changes to the County Employees Retirement Law of 1937, the Public Employees' Pension Reform Act of 2013, or the California Constitution that would affect the structure of governmental defined benefit pension plans. However, some of the measures, as noted below, contain subject matter related to programs administered by LACERA such as commercial real estate, health care, privacy, and government contracting.

Proposition 14: Medical Research

This measure would authorize state general obligation bonds to continue funding stem cell and other medical research on diseases such as Alzheimer's, Parkinson's, stroke, epilepsy, and other central nervous system diseases.

Proposition 15: Commercial Property Taxes

This measure would increase funding for public schools, community colleges, and local governments by requiring that commercial and industrial real property be taxed based on current market value.

Proposition 16: Repeal of Proposition 209

This measure would repeal the provisions in the California Constitution enacted by Proposition 209 in 1996, which prohibited the state from discriminating against, or granting preferential treatment to, any individual or group on the basis of race, sex,

color, ethnicity, or national origin in the operation of public employment, public education, or public contracting.

Proposition 23: Regulation of Kidney Dialysis Clinics

This measure would authorize state regulation of kidney dialysis clinics and establishes minimum staffing and other requirements such as data reporting of infection rates, state approval for clinics to close or reduce services, and prohibiting clinics from discriminating against patients based on payment sources for care.

Proposition 24: Consumer Privacy

The measure would permit consumers to prevent businesses from sharing personal information, correct inaccurate personal information, and limit businesses' use of "sensitive personal information" such as geolocation, race, ethnicity, religion, genetic data, union membership, private communications, and certain sexual orientation, health, and biometric information. It would also establish criteria for business compliance, prohibit retention of personal information that is longer than necessary by businesses, and provide penalties for violations.

Staff provides this update for informational purposes only. Also attached is an excerpt from LACERA's Legislative Policy providing guidelines on the range of actions that may be taken by LACERA on ballot measures.

Reviewed and Approved:



Steven P. Rice, Chief Counsel

Attachments

News Release: Numbers Assigned to November Ballot Measures
LACERA Legislative Policy¹: Excerpt on Ballot Measures

cc: Santos H. Kreimann Cassandra Smith
 JJ Popowich Joe Ackler, Ackler & Associates
 Steven P. Rice
 Jon Gabel

¹ As amended by the Board of Retirement and Board of Investments on August 7, 2019 and August 14, 2019, respectively.



ALEX PADILLA
California Secretary of State

AP20:060

FOR IMMEDIATE RELEASE

July 1, 2020

CONTACT:

SOS Press Office

(916) 653-6575

Secretary of State Alex Padilla Assigns Numbers to November Ballot Measures, Invites Ballot Arguments

SACRAMENTO, CA – Secretary of State Alex Padilla today assigned proposition numbers to the legislative, initiative, and referendum measures set to appear on the November 3, 2020 General Election ballot. Secretary Padilla also invited interested Californians to submit arguments to be considered for inclusion in the Official Voter Information Guide. The guide is mailed to every voting household in California and posted on the Secretary of State’s website.

The propositions are listed below, along with the Legislative Counsel’s digest or the Attorney General’s official circulating title and summary.

Proposition 14

AUTHORIZES BONDS TO CONTINUE FUNDING STEM CELL AND OTHER MEDICAL RESEARCH. INITIATIVE STATUTE. Authorizes \$5.5 billion in state general obligation bonds to fund grants from the California Institute of Regenerative Medicine to educational, non-profit, and private entities for: (1) stem cell and other medical research, therapy development, and therapy delivery; (2) medical training; and (3) construction of research facilities. Dedicates \$1.5 billion to fund research and therapy for Alzheimer’s, Parkinson’s, stroke, epilepsy, and other brain and central nervous system diseases and conditions. Limits bond issuance to \$540 million annually. Appropriates money from General Fund to repay bond debt, but postpones repayment for first five years. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: **State costs of \$7.8 billion to pay off principal (\$5.5 billion) and interest (\$2.3 billion) on the bonds. Associated average annual debt payments of about \$310 million for 25 years. The costs could be higher or lower than these estimates depending on factors such as the interest rate and the period of time over which the bonds are repaid. The state General Fund would pay most of the costs, with a relatively small amount of interest repaid by bond proceeds.** ([19-0022A1.](#))

Proposition 15

INCREASES FUNDING FOR PUBLIC SCHOOLS, COMMUNITY COLLEGES, AND LOCAL GOVERNMENT SERVICES BY CHANGING TAX ASSESSMENT OF COMMERCIAL AND INDUSTRIAL PROPERTY. INITIATIVE CONSTITUTIONAL

AMENDMENT. Increases funding for K-12 public schools, community colleges, and local governments by requiring that commercial and industrial real property be taxed based on current market value. Exempts from this change: residential properties; agricultural properties; and owners of commercial and industrial properties with combined value of \$3 million or less. Increased education funding will supplement existing school funding guarantees. Exempts small businesses from personal property tax; for other businesses, exempts \$500,000 worth of personal property. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: **Net increase in annual property tax revenues of \$7.5 billion to \$12 billion in most years, depending on the strength of real estate markets. After backfilling state income tax losses related to the measure and paying for county administrative costs, the remaining \$6.5 billion to \$11.5 billion would be allocated to schools (40 percent) and other local governments (60 percent).** ([19-0008](#).)

Proposition 16

[ACA 5 \(Resolution Chapter 23\), Weber. Government preferences.](#)

The California Constitution, pursuant to provisions enacted by the initiative Proposition 209 in 1996, prohibits the state from discriminating against, or granting preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting. The California Constitution defines the state for these purposes to include the state, any city, county, public university system, community college district, school district, special district, or any other political subdivision or governmental instrumentality of, or within, the state.

This measure would repeal these provisions. The measure would also make a statement of legislative findings in this regard.

WHEREAS, Equal opportunity is deeply rooted in the American ideals of fairness, justice, and equality. Programs to meet the goals of equal opportunity seek to realize these basic values. Equal opportunity not only helps individuals, but also helps communities in need and benefits our larger society. California's equal opportunity program was upended by the passage of Proposition 209 in 1996; and

WHEREAS, Proposition 209, entitled the California Civil Rights Initiative, amended Article I of the California Constitution to prohibit race- and gender-conscious remedies to rectify the underutilization of women and people of color in public employment, as well as public contracting and education; and

WHEREAS, Proposition 209 invalidated a series of laws that had been enacted by the California Legislature over the 20 years prior to it that required state agencies to eliminate traditional patterns of segregation and exclusion in the workforce, to increase the representation of women and minorities in the state service by identifying jobs for which their employment was underrepresented due to discrimination, and to develop action plans to remedy such underrepresentation without effectuating quota systems; and

WHEREAS, Proposition 209 also overshadowed other landmark civil rights and antidiscrimination laws. In 1959, after a 37-year campaign by labor and civil rights groups, the Unruh Civil Rights Act was passed, which was the forerunner of the Civil Rights Act of 1964; and

WHEREAS, As a result of the passage of Proposition 209, women and people of color continue to face discrimination and disparity in opportunities to participate in numerous forms of association and work that are crucial to the development of talents and capabilities that enable people to contribute meaningfully to, and benefit from, the collective possibilities of national life; and

WHEREAS, The State of California has provided employment opportunities for people of color and women of all races. However, lingering, and even increasing, disparity still exists, particularly for Asian Americans, Pacific Islanders, Black Americans, Latino Americans, Native Americans, and women, and should be rectified; and

WHEREAS, Proposition 209 has impeded California's continuing interest in supporting the equal participation of women in the workforce and in public works projects, in addressing the historical and present manifestations of gender bias, and in promulgating policies to enforce antidiscrimination in the workplace and on public projects; and

WHEREAS, In the wake of Proposition 209, California saw stark workforce diversity reductions for people of color and women in public contracting and in public education. Studies show that more diverse workforces perform better financially and are significantly more productive and focused; and

WHEREAS, Since the passage of Proposition 209, the state's minority-owned and women-owned business enterprise programs have been decimated. A 2016 study conservatively estimates that the implementation of Proposition 209 cost women and people of color over \$1,000,000,000 annually in lost contract awards. Most procurement and subcontracting processes remain effectively closed to these groups due to the changes brought on by Proposition 209; and

WHEREAS, Women are vastly underrepresented among firms receiving public contracts and the dollars awarded to certified women-owned business enterprises fell by roughly 40 percent, compared to levels before Proposition 209. In addition, only one-third of certified minority business enterprises in California's transportation construction industry are still in operation today, compared to 20 years ago; and

WHEREAS, Women, particularly women of color, continue to face unequal pay for equal work. White women are paid 80 cents to every dollar paid to white men doing the same work. Black women are paid 60 cents for every dollar paid to white men doing the same work and would theoretically have to work an extra seven months every year to overcome that differential. This persistent gender wage gap continues to harm women, their families, and communities; and

WHEREAS, Despite a booming economy with almost full employment, a persistent racial wealth gap remains rooted in income inequality. Improving minority access to educational and labor market opportunity reduces the wealth gap and strengthens the economy; and

WHEREAS, Proposition 209 has had a devastating impact on minority equal opportunity and access to California's publicly funded institutions of higher education. This violates the spirit of the California Master Plan for Higher Education by making it more difficult for many students to obtain an affordable and accessible high quality public education. While federal law allows schools to use race as a factor when making admissions decisions, California universities are prohibited by Proposition 209 from engaging in targeted outreach and extra efforts to matriculate high-performing minority students. This reduces the graduation rates of students of color and, in turn, contributes to the diminution of the "pipeline" of candidates of color for faculty positions; and

WHEREAS, Since the passage of Proposition 209, diversity within public educational institutions has been stymied. Proposition 209 instigated a dramatic change in admissions policy at the University of California, with underrepresented group enrollment at the Berkeley and Los Angeles campuses of the University of California immediately falling by more than 60 percent and systemwide underrepresented group enrollment falling by at least 12 percent. Underrepresented group high school graduates faced substantial long-term declines in educational and employment outcomes as a result of these changes; and

WHEREAS, Among California high school graduates who apply to the University of California, passage of Proposition 209 has led to a decreased likelihood of earning a college degree within six years, a decreased likelihood of ever earning a graduate degree, and long-run declines in average wages and the likelihood of earning high wages measured by California standards. The University of California has never recovered the same level of diversity that it had before the loss of affirmative action nearly 20 years ago, a level that, at the time, was widely considered to be inadequate to meet the needs of the state and its young people because it did not achieve parity with the state's ethnic demographics; and

WHEREAS, The importance of diversity in educational settings cannot be overstated. The Supreme Court of the United States outlined the benefits that arise from diversity, as follows, "the destruction of stereotypes, the promotion of cross-racial understanding, the preparation of a student body for an increasingly diverse workforce and society, and the cultivation of a set of leaders with legitimacy in the eyes of the citizenry"; and

WHEREAS, Federal courts continue to reaffirm the value of diversity in favor of race conscious admissions, as exemplified by United States District Judge Allison D. Burroughs who stated, "race conscious admissions programs that survive strict scrutiny have an important place in society and help ensure that colleges and universities can offer a diverse atmosphere that fosters learning, improves scholarship, and encourages mutual respect and understanding. Further, Judge Burroughs recognized that there are no race-neutral alternatives that would allow a university to achieve an adequately diverse student body while still perpetuating its standards for academic and other forms of excellence; and

WHEREAS, It is the intent of the Legislature that California remedy discrimination against, and underrepresentation of, certain disadvantaged groups in a manner consistent with the United States Constitution and allow gender, racial, and ethnic diversity to be considered among the factors used to decide college admissions and hiring and contracting by government institutions; and

WHEREAS, It is further the intent of the Legislature that California transcend a legacy of unequal treatment of marginalized groups and promote fairness and equal citizenship by affording the members of marginalized groups a fair and full opportunity to be integrated into state public institutions that advance upward mobility, pay equity, and racial wealth gap reduction; now, therefore, be it Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California at its 2019-20 Regular Session commencing on the third day of December 2018, two-thirds of the membership of each house concurring, hereby proposes to the people of the State of California, that the Constitution of the State be amended as follows:

That Section 31 of Article I thereof is repealed.

Proposition 17

ACA 6 (Resolution Chapter 24), McCarty. Elections: disqualification of electors.

The California Constitution requires the Legislature to provide for the disqualification of electors while mentally incompetent or imprisoned or on parole for the conviction of a felony. Existing statutory law, for purposes of determining who is entitled to register to vote, defines imprisoned as currently serving a state or federal prison sentence.

This measure would instead direct the Legislature to provide for the disqualification of electors who are serving a state or federal prison sentence for the conviction of a felony. This measure would also delete the requirement that the Legislature provide for the disqualification of electors while on parole for the conviction of a felony. The measure would provide for the restoration of voting rights upon completion of the prison term.

Resolved by the Assembly, the Senate concurring, That the Legislature of the State of California at its 2019-20 Regular Session commencing on the third day of December 2018, two-thirds of the membership of each house concurring, hereby proposes to the people of the State of California, that the Constitution of the State be amended as follows:

First-That Section 2 of Article II thereof is amended to read:

SEC. 2. (a) A United States citizen 18 years of age and resident in this State may vote.

(b) An elector disqualified from voting while serving a state or federal prison term, as described in Section 4, shall have their right to vote restored upon the completion of their prison term.

Second-That Section 4 of Article II thereof is amended to read:

SEC. 4. The Legislature shall prohibit improper practices that affect elections and shall provide for the disqualification of electors while mentally incompetent or serving a state or federal prison term for the conviction of a felony.

Proposition 18

ACA 4 (Resolution Chapter 30), Mullin. Elections: voting age.

The California Constitution authorizes any person who is a United States citizen, at least 18 years of age, and a resident of the state to vote.

This measure, in addition, would authorize a United States citizen who is 17 years of age, is a resident of the state, and will be at least 18 years of age at the time of the next general election to vote in any primary or special election that occurs before the next general election in which the citizen would be eligible to vote if at least 18 years of age.

Proposition 19

ACA 11 (Resolution Chapter 31), Mullin. The Home Protection for Seniors, Severely Disabled, Families, and Victims of Wildfire or Natural Disasters Act.

The California Constitution limits the amount of ad valorem taxes on real property to 1% of the full cash value of that property, defined as the county assessor's valuation of real property as shown on the 1975–76 tax bill and, thereafter, the appraised value of the property when purchased, newly constructed, or a change in ownership occurs after the 1975 assessment, subject to an annual inflation adjustment not to exceed 2%. The California Constitution authorizes the Legislature to authorize a person over 55 years of age or any severely and permanently disabled person residing in property eligible for the homeowner's exemption to transfer the base year value of that property to a replacement dwelling of equal or lesser value located in the same county, or another county that has adopted an ordinance allowing base year value transfers from other counties, as provided. The California Constitution also provides that the purchase or transfer of the principal residence, and the first \$1,000,000 of other real property, of a transferor in the case of a transfer between parents and their children, or between grandparents and their grandchildren if all the parents of those grandchildren are deceased, is not a "purchase" or "change in ownership" for purposes of determining the "full cash value" of property for taxation.

This measure, beginning on and after April 1, 2021, would authorize an owner of a primary residence who is over 55 years of age, severely disabled, or a victim of a wildfire or natural disaster, as defined, to transfer the taxable value, defined as the base year value plus inflation adjustments, of their primary residence to a replacement primary residence located anywhere in the state, regardless of the location or value of the replacement primary residence, that is purchased or newly constructed as that person's principal residence within 2 years of the sale of the original primary residence. The measure would limit a person who is over 55 years of age or severely disabled to 3 transfers under these provisions.

The measure, beginning on and after February 16, 2021, would exclude from the terms "purchase" and "change in ownership" for purposes of determining the "full cash value" of property the purchase or transfer of a family home or family farm, as those terms are defined, of

the transferor in the case of a transfer between parents and their children, or between grandparents and their grandchildren if all the parents of those grandchildren are deceased. In the case of a transfer of a family home, the measure would require that the property continue as the family home of the transferee. The measure would require that the taxable value of the property be determined as provided. In the case of property tax benefits provided to a family home under these provisions, the bill would require the transferee to claim the homeowner's or disabled veteran's exemption within one year of the transfer. The measure would specify that the above-described provisions relating to transfers between parents or grandparents and children or grandchildren would apply to transfers occurring on or before February 15, 2021.

The measure would establish the California Fire Response Fund in the State Treasury. The measure would require the Controller to annually transfer a specified amount, based on calculations by the Director of Finance, of the additional revenues and savings that accrued to the state from the implementation of this measure's provisions from the General Fund to that fund. However, the measure would provide that, if the amount required to be transferred to the California Fire Response Fund exceeds the amount transferred for the previous fiscal year by more than 10%, that excess amount would not be transferred to the California Fire Response Fund. The measure would require the Legislature to appropriate moneys in the fund solely for the purpose of funding fire suppression staffing by the Department of Forestry and Fire Protection and underfunded special districts that provide fire protection services, as provided.

The measure would also establish the County Revenue Protection Fund and continuously appropriate moneys in that fund for the purpose of reimbursing eligible local agencies, as provided. The measure would require the Controller to annually transfer a specified amount, based on the above-described calculations by the Director of Finance, from the General Fund to that fund. The measure would require each county to annually determine the gain of the county and any local agency within the county resulting from the implementation of this measure and, if that amount of gain is negative, provide that specified eligible local agencies may receive a reimbursement from the County Revenue Protection Fund. The measure would require the California Department of Tax and Fee Administration to provide a reimbursement to each eligible local agency that has a negative gain, determined every 3 years based on the aggregate gain of the eligible local agency, as provided, and require the Controller to transfer any remaining balance in the County Revenue Protection Fund to the General Fund at the end of each 3-year period, to be available for appropriation for any purpose.

Proposition 20

RESTRICTS PAROLE FOR NON-VIOLENT OFFENDERS. AUTHORIZES FELONY SENTENCES FOR CERTAIN OFFENSES CURRENTLY TREATED ONLY AS MISDEMEANORS. INITIATIVE STATUTE. Imposes restrictions on parole program for non-violent offenders who have completed the full term for their primary offense. Expands list of offenses that disqualify an inmate from this parole program. Changes standards and requirements governing parole decisions under this program. Authorizes felony charges for specified theft crimes currently chargeable only as misdemeanors, including some theft crimes where the value is between \$250 and \$950. Requires persons convicted of specified misdemeanors to submit to collection of DNA samples for state database. Summary of estimate by Legislative Analyst and

Director of Finance of fiscal impact on state and local government: Increased state and local correctional costs likely in the tens of millions of dollars annually, primarily related to increases in penalties for certain theft-related crimes and the changes to the nonviolent offender release consideration process. **Increased state and local court-related costs of around a few million dollars annually related to processing probation revocations and additional felony theft filings. Increased state and local law enforcement costs not likely to exceed a couple million dollars annually related to collecting and processing DNA samples from additional offenders.** ([17-0044.](#))

Proposition 21

EXPANDS LOCAL GOVERNMENTS' AUTHORITY TO ENACT RENT CONTROL ON RESIDENTIAL PROPERTY. INITIATIVE STATUTE. Amends state law to allow local governments to establish rent control on residential properties over 15 years old. Allows rent increases on rent-controlled properties of up to 15 percent over three years from previous tenant's rent above any increase allowed by local ordinance. Exempts individuals who own no more than two homes from new rent-control policies. In accordance with California law, provides that rent-control policies may not violate landlords' right to a fair financial return on their property. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: **Potential reduction in state and local revenues of tens of millions of dollars per year in the long term. Depending on actions by local communities, revenue losses could be less or more.** ([19-0001.](#))

Proposition 22

CHANGES EMPLOYMENT CLASSIFICATION RULES FOR APP-BASED TRANSPORTATION AND DELIVERY DRIVERS. INITIATIVE STATUTE. Establishes different criteria for determining whether app-based transportation (rideshare) and delivery drivers are "employees" or "independent contractors." Independent contractors are not entitled to certain state-law protections afforded employees—including minimum wage, overtime, unemployment insurance, and workers' compensation. Instead, companies with independent contractor drivers will be required to provide specified alternative benefits, including: minimum compensation and healthcare subsidies based on engaged driving time, vehicle insurance, safety training, and sexual harassment policies. Restricts local regulation of app-based drivers; criminalizes impersonation of such drivers; requires background checks. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: **Increase in state personal income tax revenue of an unknown amount.** ([19-0026A1](#))

Proposition 23

AUTHORIZES STATE REGULATION OF KIDNEY DIALYSIS CLINICS. ESTABLISHES MINIMUM STAFFING AND OTHER REQUIREMENTS. INITIATIVE STATUTE. Requires at least one licensed physician on site during treatment at outpatient kidney dialysis clinics; authorizes Department of Public Health to exempt clinics from this requirement due to shortages of qualified licensed physicians if at least one nurse practitioner or physician assistant is on site. Requires clinics to report dialysis-related infection data to state and

federal governments. Requires state approval for clinics to close or reduce services. Prohibits clinics from discriminating against patients based on the source of payment for care. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: **Increased state and local health care costs, likely in the low tens of millions of dollars annually, resulting from increased dialysis treatment costs.** ([19-0025A1.](#))

Proposition 24

AMENDS CONSUMER PRIVACY LAWS. INITIATIVE STATUTE. Permits consumers to: (1) prevent businesses from sharing personal information; (2) correct inaccurate personal information; and (3) limit businesses' use of "sensitive personal information"—such as precise geolocation; race; ethnicity; religion; genetic data; union membership; private communications; and certain sexual orientation, health, and biometric information. Changes criteria for which businesses must comply with these laws. Prohibits businesses' retention of personal information for longer than reasonably necessary. Triples maximum penalties for violations concerning consumers under age 16. Establishes California Privacy Protection Agency to enforce and implement consumer privacy laws, and impose administrative fines. Requires adoption of substantive regulations. Summary of estimate by Legislative Analyst and Director of Finance of fiscal impact on state and local governments: **Increased annual state costs of roughly \$10 million for a new state agency to monitor compliance and enforcement of consumer privacy laws. Increased state costs, potentially reaching the low millions of dollars annually, from increased workload to DOJ and the state courts, some or all of which would be offset by penalty revenues. Unknown impact on state and local tax revenues due to economic effects resulting from new requirements on businesses to protect consumer information.** ([19-0021A1.](#))

Proposition 25

REFERENDUM TO OVERTURN A 2018 LAW THAT REPLACED MONEY BAIL SYSTEM WITH A SYSTEM BASED ON PUBLIC SAFETY RISK. If this petition is signed by the required number of registered voters and timely filed, a referendum will be placed on the next statewide ballot requiring a majority of voters to approve a 2018 state law before it can take effect. The 2018 law replaces the money bail system with a system for pretrial release from jail based on a determination of public safety or flight risk, and limits pretrial detention for most misdemeanors. ([18-0009.](#))

Ballot Arguments

Arguments may be submitted for or against the measures. Arguments selected for the Official Voter Information Guide will be on public display between July 21 and August 10. If multiple arguments are submitted for a proposition, state law gives first priority to arguments written by legislators in the case of legislative measures and to proponents of an initiative or referendum; subsequent priority goes to bona fide citizen associations and then to individuals. No more than three signers are allowed to appear on an argument or rebuttal to an argument.

Ballot arguments cannot exceed 500 words and rebuttals to ballot arguments cannot exceed 250 words. All submissions should be typed and double-spaced. Arguments may be hand-delivered

to the Secretary of State's Elections Division at 1500 11th Street, 5th Floor, Sacramento, California 95814; faxed to (916) 653-3214; or emailed to VIGarguments@sos.ca.gov. If faxed or emailed, the original documents must be received within 72 hours. The deadline to submit ballot arguments is July 7 by 5:00 p.m. The deadline to submit rebuttals to the ballot arguments is July 16 by 5:00 p.m.

Candidate Statements in the County Voter Information Guide

Candidates for the United States House of Representatives, California State Senate, and California State Assembly have until August 7 to submit candidate statements to their county elections official for the local sample ballot in the county or counties in which the district lies.

For more information on ballot measures, candidate filing requirements, and election deadlines, please visit: <https://www.sos.ca.gov/elections/upcoming-elections/general-election-november-3-2020/>

###



Ballot Measures

California law provides for citizens to use ballot measures to initiate a state statute or a constitutional amendment or to repeal legislation through a veto referendum. The California State Legislature may also use ballot measures to offer legislatively referred state statutes or constitutional amendments.

In general, a government agency may not spend *public funds* for a partisan *campaign* advocating the passage or defeat of a ballot measure. It is, however, permissible for a government agency to engage in *informational* activities. What distinguishes *informational* activities from *campaign* activities depends on the style, tenor, and timing of the activity.

From time to time, ballot measures may be offered that are related to public retirement plans. The following guidelines are intended to provide guidance on actions that may be taken with respect to ballot measures on public retirement plans:


- Providing informational staff reports and analysis on the ballot measure's effect in a meeting open to the public.
- Providing a recommendation for the Board to take a position on the ballot measure in a meeting open to the public where all perspectives can be shared. (The Board may or may not take a position on any ballot measure. The Board may take a position when it determines it is necessary to publicly express its opinion for or against a matter on which it feels strongly with respect to its impact on LACERA.)
- Providing the Board's position and views on the ballot measure's merits and effects to interested stakeholders and organizations.
- Responding to inquiries from stakeholders and the public regarding the Board's position and views on the ballot measure.

The Fair Political Practices Commission (FPPC) was created by the Political Reform Act and requires government agencies to report expenses used to advocate or unambiguously urge the passage or defeat of a measure in an election. The FPPC also prohibits government agencies from paying for communication materials that advocate or unambiguously urge the passage or defeat of a measure in an election. LACERA must be cautious in not engaging in activities that can be characterized as *campaign* activities, which are prohibited and would be subject to campaign expenditure reporting requirements. Therefore, all activities related to ballot measures are subject to review by Chief Counsel.

FOR INFORMATION ONLY

July 22, 2020

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: August 5, 2020 Board of Retirement Meeting
August 12, 2020 Board of Investments Meeting

SUBJECT: **Monthly Status Report on Legislation**

Attached is the monthly report on the status of legislation that staff is monitoring or on which LACERA has adopted a position. Also included are support and co-sponsorship letters that were recently sent.

Reviewed and Approved:



Steven P. Rice, Chief Counsel

Attachments

LACERA Legislative Report Index
LACERA Legislative Report
H.R. 6436 Support and Co-Sponsorship Letters

cc: Santos H. Kreimann
JJ Popowich
Steven P. Rice
Jon Gabel
Anthony J. Roda, Williams & Jensen
Joe Ackler, Ackler & Associates

LACERA Legislative Report
 2019-2020 Legislative Session
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Status as of July 22, 2020

File name: CERL-PEPRA-2020	
CA AB 2101	<p>AUTHOR: Public Employment and Retirement Cmt TITLE: Public Employees Retirement INTRODUCED: 02/06/2020 LAST AMEND: 06/29/2020 SUMMARY: Amends existing law relating to the State Teachers' Retirement System. Removes the requirement that the election for continued defined benefit coverage be filed with the other public retirement system. Includes as creditable service activities performed for an employer by an audiometrist who holds a certificate of registration issued by the State Department of Health Care Services. STATUS: 06/29/2020 From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT with author's amendments. 06/29/2020 In SENATE. Read second time and amended. Re-referred to Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.</p>
CA AB 2937	<p>AUTHOR: Fong [R] TITLE: CERL: Non-Service-Connected Disability Retirement INTRODUCED: 02/21/2020 SUMMARY: Creates an optional provision, to be elected by a county board of supervisors by resolution adopted by majority vote, that would remove the retirement board's assessment regarding the intemperate use of alcoholic liquor or drugs as a condition on the purchase of a disability retirement pension by county or district contributions. STATUS: 03/05/2020 To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT. Comments: SACRS-sponsored bill based on LACERA's proposal. BOR_Position: Support 04/09/2020 Staff_Recommendation: Support</p>
CA SB 430	<p>AUTHOR: Wieckowski [D] TITLE: Public Employees Retirement Benefits: Judges INTRODUCED: 02/21/2019 LAST AMEND: 05/17/2019 SUMMARY: Relates to the State Public Employees' Pension Reform Act of 2013. Grants a judge who was elected to office in a specific year the option of making a one-time, irrevocable election to have a membership status prior to a certain date in the Judges' Retirement System II for service accrued after a certain date. STATUS: 06/26/2019 In ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Not heard. Staff_Action: Monitoring</p>
CA SB 783	<p>AUTHOR: Labor, Public Employment & Retirement Cmt TITLE: County Employees Retirement Law of 1937</p>

INTRODUCED: 03/07/2019
SUMMARY:
Corrects several erroneous and obsolete cross references within the County Employees Retirement Law of 1937.

STATUS:
05/16/2019 To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

Comments:
At the SACRS 2019 Fall Conference, the SACRS membership approved the SACRS Legislative Committee's draft language on various clean-up provisions, which will be amended into the bill.

Staff_Action: Monitoring

CA SB 1297

AUTHOR: Moorlach [R]
TITLE: Public Employees' Retirement
INTRODUCED: 02/21/2020

SUMMARY:
Relates to the Public Employees' Retirement System, the State Teachers' Retirement System, the Judges' Retirement System, the Judges' Retirement System II, county and district retirement systems created pursuant to the County Employees' Retirement Law of 1937. Revises the provision of pension and other benefits to members of all state or local public retirement systems, among others.

STATUS:
03/05/2020 To SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

Staff_Action: Monitoring

CA SB 1371

AUTHOR: Judiciary Cmt
TITLE: Maintenance of the Codes
INTRODUCED: 02/21/2020

SUMMARY:
Makes nonsubstantive changes in various provisions of la relative to directing the Legislative Counsel to advise the Legislature from time to time as to legislation necessary to maintain the codes.

STATUS:
06/18/2020 To ASSEMBLY Committee on JUDICIARY.

Comments:
Makes nonsubstantive change to CERL Section 31631.5 per Legislative Counsel's recommendation.

Staff_Action: Monitoring

File name: FEDERAL-Covid-19

US HR 266

SPONSOR: McCollum [D]
TITLE: Paycheck Protection Program and Health Care Enhancement
INTRODUCED: 01/08/2019
LAST AMEND: 04/21/2020

SUMMARY:
Makes amendments to the Paycheck Protection Program, economic injury disaster loans, and emergency grants pursuant to the Coronavirus Aid, Relief, and Economic Security Act; relates to small business programs; makes additional emergency appropriations for coronavirus response.

STATUS:
04/23/2020 *****To PRESIDENT.

	04/24/2020	Signed by PRESIDENT.
	04/24/2020	Public Law No. 116-139
US HR 748	SPONSOR:	Courtney [D]
	TITLE:	CARES Act
	INTRODUCED:	01/24/2019
	LAST AMEND:	03/25/2020
	SUMMARY:	
		Enacts the Coronavirus Aid, Relief, and Economic Security, or CARES, Act; provides emergency assistance and health care response for individuals, families, and businesses affected by the 2020 coronavirus pandemic.
	STATUS:	
	03/27/2020	In HOUSE. HOUSE concurred in SENATE amendments.
	03/27/2020	*****To PRESIDENT.
	03/27/2020	Signed by PRESIDENT.
	03/27/2020	Public Law No. 116-136
US HR 6074	SPONSOR:	Lowey [D]
	TITLE:	Coronavirus Preparedness and Response Appropriations
	INTRODUCED:	03/04/2020
	SUMMARY:	
		Establishes the Coronavirus Preparedness and Response Supplemental Appropriations Act; makes emergency supplemental appropriations in response to the outbreak of the Coronavirus.
	STATUS:	
	03/06/2020	Public Law No. 116-123
US HR 6201	SPONSOR:	Lowey [D]
	TITLE:	Families First Coronavirus Response Act
	INTRODUCED:	03/11/2020
	LAST AMEND:	03/14/2020
	SUMMARY:	
		Provides for the Families First Coronavirus Response Act; provides specified supplement appropriations.
	STATUS:	
	03/18/2020	Public Law No. 116-127
US HR 6800	SPONSOR:	Lowey [D]
	TITLE:	HEROES Act
	INTRODUCED:	05/12/2020
	SUMMARY:	
		Provides for the HEROES Act.
	STATUS:	
	06/01/2020	In SENATE. Read second time. Placed on Legislative Calendar under General Orders.
	Staff_Action:	Monitoring
US S 3607	SPONSOR:	Grassley [R]
	TITLE:	Public Safety Officer Death Benefits
	INTRODUCED:	05/05/2020
	LAST AMEND:	05/14/2020
	SUMMARY:	
		Extends public safety officer death benefits to public safety officers whose death

is caused by COVID-19.

STATUS:

07/20/2020 In HOUSE. Passed HOUSE.
Staff_Action: Monitoring

US S 3608

SPONSOR: Kennedy [R]
TITLE: CARES Act Funds Flexibility
INTRODUCED: 05/05/2020
SUMMARY:

Amends the CARES Act; provides flexibility in use of funds by states, Indian Tribes, and municipalities.

STATUS:

05/05/2020 INTRODUCED.
05/05/2020 In SENATE. Read second time.
05/05/2020 To SENATE Committee on APPROPRIATIONS.

Comments:

Would prohibit any federal aid to be provided directly to state pension funds.

Staff_Action: Monitoring

US S 3752

SPONSOR: Menendez [D]
TITLE: Coronavirus Local Community Stabilization Fund
INTRODUCED: 05/18/2020
SUMMARY:

Amends Title VI of the Social Security Act; establishes a Coronavirus Local Community Stabilization Fund.

STATUS:

06/02/2020 In SENATE Committee on BANKING, HOUSING AND URBAN AFFAIRS: Hearings held.

Comments:

Would prohibit use of federal funds by states for pension funds.

Staff_Action: Monitoring

File name: Federal-2020

US HR 141

SPONSOR: Davis R [R]
TITLE: Government Pension Offset Repeal
INTRODUCED: 01/03/2019
SUMMARY:

Amends Title II of the Social Security Act; repeals the Government pension offset and windfall elimination provisions.

STATUS:

01/31/2019 In HOUSE Committee on WAYS AND MEANS: Referred to Subcommittee on SOCIAL SECURITY.

BOR_Position: Support 04/11/2019

IBLC_Recommendation: Support 03/14/2019

Staff_Recommendation: Support

US HR 3934

SPONSOR: Brady K [R]
TITLE: Windfall Elimination Provision Replacement
INTRODUCED: 07/24/2019
SUMMARY:

Amends Title II of the Social Security Act; replaces the windfall elimination provision with a formula equalizing benefits for certain individuals with non-covered employment.

STATUS:
 07/24/2019 INTRODUCED.
 07/24/2019 To HOUSE Committee on WAYS AND MEANS.
BOR_Position: Support 02/05/2020
IBLC_Recommendation: Watch 01/09/2020
Staff_Recommendation: Watch

US HR 4540 **SPONSOR:** Neal [D]
TITLE: Non Covered Employment Social Security Provision
INTRODUCED: 09/27/2019
SUMMARY:
 Provides an equitable Social Security formula for individuals with non covered employment; provides relief for individuals currently affected by the Windfall Elimination Provision.
STATUS:
 09/27/2019 INTRODUCED.
 09/27/2019 To HOUSE Committee on WAYS AND MEANS.
BOR_Position: Support 02/05/2020
IBLC_Recommendation: Watch 01/09/2020
Staff_Recommendation: Watch

US HR 4897 **SPONSOR:** Lipinski [D]
TITLE: Governmental Retirement Plans Income
INTRODUCED: 10/29/2019
SUMMARY:
 Amends the Internal Revenue Code; increases the amount excluded from gross income by reason of distributions from governmental retirement plans for health and long term care insurance for public safety officers.
STATUS:
 10/29/2019 INTRODUCED.
 10/29/2019 To HOUSE Committee on WAYS AND MEANS.
Comments:
 Would increase the current Public Safety Officer tax exclusion from \$3,000 to \$6,000.
Staff_Action: Monitoring

US HR 6436 **SPONSOR:** Chabot [R]
TITLE: Health Plans Direct Payment Requirement
INTRODUCED: 04/03/2020
SUMMARY:
 Amends the Internal Revenue Code; repeals the direct payment requirement on the exclusion from gross income of distributions from governmental plans for health and long term care insurance.
STATUS:
 04/03/2020 INTRODUCED.
 04/03/2020 To HOUSE Committee on WAYS AND MEANS.
BOR_Position: Support 07/01/2020
IBLC_Position: Support 06/11/2020
Staff_Recommendation: Support

US S 521 **SPONSOR:** Brown S [D]
TITLE: Government Pension Offset Repeal
INTRODUCED: 02/14/2019

SUMMARY:

Amends Title II of the Social Security Act; repeals the Government pension offset and windfall elimination provisions.

STATUS:

02/14/2019 INTRODUCED.
02/14/2019 In SENATE. Read second time.
02/14/2019 To SENATE Committee on FINANCE.
BOR_Position: Support 04/11/2019
IBLC_Recommendation: Support 03/14/2019
Staff_Recommendation: Support

File name: Other-2020

CA AB 992	<p>AUTHOR: Mullin [D] TITLE: Open Meetings: Local Agencies: Social Media INTRODUCED: 02/21/2019 LAST AMEND: 04/22/2019 SUMMARY: Provides that the Ralph M. Brown Act does not apply to the participation, as defined, in an internet- based social media platform, as defined, by a majority of the members of a legislative body, provides that a majority of the members do not discuss among themselves the business o a specific nature that is within subject matter jurisdiction of the legislative body. STATUS: 06/23/2020 To SENATE Committee on GOVERNANCE AND FINANCE. Staff_Action: Monitoring</p>
CA AB 1945	<p>AUTHOR: Salas [D] TITLE: Emergency Services: First Responders INTRODUCED: 01/17/2020 LAST AMEND: 06/29/2020 SUMMARY: Defines first responder, for purposes of the California Emergency Services Act, to include certain personnel. Provides that the definition of first responder does not confer a right to an employee to obtain a retirement benefit formula for an employment classification that is not included in, or is expressly excluded from, that formula. STATUS: 06/29/2020 From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT with author's amendments. 06/29/2020 In SENATE. Read second time and amended. Re-referred to Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT. Staff_Action: Monitoring</p>
CA AB 2452	<p>AUTHOR: Garcia [D] TITLE: State Auditor: Audits: High Risk Local Government INTRODUCED: 02/19/2020 SUMMARY: Authorizes the State Auditor to include in the high risk local government agency audit program any local agency or district association that the State Auditor identifies as being at high risk for the potential of waste, fraud, abuse, or mismanagement or that has major challenges associated with its economy, efficiency, or effectiveness.</p>

	STATUS:	
	02/27/2020	To ASSEMBLY Committee on ACCOUNTABILITY AND ADMINISTRATIVE REVIEW.
	Staff_Action:	Monitoring
CA AB 2473	AUTHOR:	Cooper [D]
	TITLE:	Public Investment Funds
	INTRODUCED:	02/19/2020
	LAST AMEND:	06/03/2020
	SUMMARY:	Exempts from disclosure under California Public Records Act specified records regarding an internally managed private loan made directly by a public investment fund, including quarterly and annual financial statements of the borrower or its constituent owners, unless the information has already been publicly released by the keeper of the information. Makes nonsubstantive changes to certain other provisions. Defines terms.
	STATUS:	
	06/23/2020	To SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.
	Staff_Action:	Monitoring
CA AB 3249	AUTHOR:	Fong [R]
	TITLE:	Public Retirement: Controller: Annual Report
	INTRODUCED:	02/21/2020
	SUMMARY:	Requires the Controller to post the report on the financial condition of all state and local public retirement systems on the Controller's internet website.
	STATUS:	
	03/09/2020	To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.
	Staff_Action:	Monitoring
CA ACA 5	AUTHOR:	Weber [D]
	TITLE:	Government Preferences
	INTRODUCED:	01/18/2019
	LAST AMEND:	05/04/2020
	SUMMARY:	Proposes an amendment to the state Constitution to repeal provisions enacted by the initiative Proposition 209 which prohibits the state from discriminating against, or granting preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin, in the operation of public employment, public education, or public contracting.
	STATUS:	
	06/25/2020	Chaptered by Secretary of State.
	06/25/2020	Resolution Chapter No. 2020-23
	Staff_Action:	Monitoring
CA SB 931	AUTHOR:	Wieckowski [D]
	TITLE:	Local Government Meetings: Agenda and Documents
	INTRODUCED:	02/05/2020
	LAST AMEND:	04/02/2020
	SUMMARY:	Requires, if the local agency has an internet website to deliver by email the

agendas and documents for local government meetings. Require, where the local agency determines it is technologically infeasible to send a copy of all documents constituting the agenda packet or a website link containing the documents by electronic mail or by other electronic means.

STATUS:

04/02/2020 From SENATE Committee on GOVERNANCE AND FINANCE with author's amendments.
 04/02/2020 In SENATE. Read second time and amended. Re-referred to Committee on GOVERNANCE AND FINANCE.
Staff_Action: Monitoring

File name: STATE-Covid-19

CA AB 196

AUTHOR: Gonzalez [D]
TITLE: Workers' Compensation: Coronavirus
INTRODUCED: 01/10/2019
LAST AMEND: 05/05/2020
SUMMARY:

Defines injury for certain employees who are employed in an occupation or industry deemed essential except as specified, or who are subsequently deemed essential, to include coronavirus disease that develops or manifests itself during a period of employment of those persons in the essential occupation or industry. Creates a conclusive presumption that the injury arose out of and in the course of the employment.

STATUS:

05/05/2020 From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT with author's amendments.
 05/05/2020 In SENATE. Read second time and amended. Re-referred to Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

Staff_Action: Monitoring

CA AB 664

AUTHOR: Cooper [D]
TITLE: Workers' Compensation: Injury: Communicable Disease
INTRODUCED: 02/15/2019
LAST AMEND: 05/18/2020
SUMMARY:

Defines injury, for certain state and local firefighting personnel, peace officers, certain hospital employees, and certain fire and rescue services coordinators who work for the Office of Emergency Services to include being exposed to or contracting, on or after a specified date, a communicable disease, including coronavirus disease, that is the subject of a state or local declaration of a state of emergency.

STATUS:

05/18/2020 From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT with author's amendments.
 05/18/2020 In SENATE. Read second time and amended. Re-referred to Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

Comments:

As amended on 4/17/2020, the bill no longer relates to disability retirement and relates to a presumption under workers' compensation.

BOR_Position: Oppose 06/05/2019, Support 05/01/2019

IBLC_Recommendation: Support 04/11/2019

Staff_Action: Monitoring
Staff_Recommendation: Watch

CA AB 1107

AUTHOR: Chu [D]
TITLE: Proclaimed State and Local Emergencies
INTRODUCED: 02/21/2019
LAST AMEND: 07/02/2020
SUMMARY:

Requires all proclamations, communications, materials, and announcements made by the Governor or a state agency related to a duly proclaimed state of emergency to be made available in all the threshold languages spoken limited English proficient speakers. Defines the term threshold languages spoken by limited English proficient speakers to mean the MediCal threshold languages that are determines by the State Department of Health Care Services.

STATUS:

07/02/2020 Re-referred to SENATE Committee on GOVERNMENTAL ORGANIZATION.

07/02/2020 From SENATE Committee on GOVERNMENTAL ORGANIZATION with author's amendments.

07/02/2020 In SENATE. Read second time and amended. Re-referred to Committee on GOVERNMENTAL ORGANIZATION.

Staff_Action: Monitoring

CA AB 1839

AUTHOR: Bonta [D]
TITLE: Coronavirus Recovery Deal
INTRODUCED: 01/06/2020
LAST AMEND: 05/07/2020
SUMMARY:

Enacts the Coronavirus Recovery Deal. Makes a series of legislative findings and declarations pertaining to the coronavirus pandemic and various economic, environmental, and social conditions in the state. States the intent of the Legislature that the state adopt a policy framework with principles and goals committed to accomplish specified economic, environmental, and social objectives and priorities as part of the coronavirus recovery spending.

STATUS:

05/07/2020 From ASSEMBLY Committee on NATURAL RESOURCES with author's amendments.

05/07/2020 In ASSEMBLY. Read second time and amended. Re-referred to Committee on NATURAL RESOURCES.

Comments:

Would support the inclusion of pensions among other benefits that should be included in new employment opportunities for workers in all sectors who have lost jobs or income as a result of the pandemic.

Staff_Action: Monitoring

CA AB 2496

AUTHOR: Choi [R]
TITLE: Income Taxes: Credits: Cleaning Supplies: Coronavirus
INTRODUCED: 02/19/2020
LAST AMEND: 05/04/2020
SUMMARY:

Allows a credit against income taxes to a taxpayer that is a business with a physical location in the state in an amount equal to the costs paid or incurred by the qualified taxpayer during the taxable year for the purchase of cleaning and

sanitizing supplies used at business locations in the state to prevent the transmission of the novel coronavirus.

STATUS:

05/04/2020 From ASSEMBLY Committee on REVENUE AND TAXATION with author's amendments.

05/04/2020 In ASSEMBLY. Read second time and amended. Re-referred to Committee on REVENUE AND TAXATION.

CA AB 2887

AUTHOR: Bonta [D]
TITLE: Statewide Emergencies: Mitigation
INTRODUCED: 02/21/2020
LAST AMEND: 03/16/2020

SUMMARY:

Adds provisions relating to states of emergency, including the coronavirus pandemic. Provides for school meal distribution. Provides a moratorium on rent collection from small businesses. Requires zero interest rate loans for small businesses and nonprofit organizations. Provides paid sick leave for all employees regardless of term of employment. Prohibits the termination of utility service for certain nonpayment after the declaration of a state of emergency.

STATUS:

05/08/2020 In ASSEMBLY. Suspend Assembly Rule 96.

05/08/2020 Re-referred to ASSEMBLY Committee on BUDGET.

Staff_Action: Monitoring

CA AB 3216

AUTHOR: Kalra [D]
TITLE: Employee Leave: Authorization
INTRODUCED: 02/21/2020
LAST AMEND: 07/16/2020

SUMMARY:

Provides for paid emergency leave, as defined, if a public health emergency is declared by the Governor pursuant to the California Emergency Services Act. Requires an employer in these cases to provide each employee with at least twenty-four hours or three days of paid sick leave, or for part time workers an amount that is equivalent to the amount of time they regularly work or are scheduled to work within a 10 day period.

STATUS:

07/16/2020 From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT with author's amendments.

07/16/2020 In SENATE. Read second time and amended. Re-referred to Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT.

Staff_Action: Monitoring

CA AB 3329

AUTHOR: Daly [D]
TITLE: Unemployment Insurance: Coronavirus Pandemic
INTRODUCED: 02/21/2020
LAST AMEND: 05/04/2020

SUMMARY:

Provides that following the termination of the Federal Pandemic Unemployment Compensation amount provided pursuant to the CARES Act, or any other federal supplemental unemployment compensation payments for unemployment due to the coronavirus pandemic, that an individual's weekly benefit amount be increased by a specified amount for the remainder of the duration of time the

individual is entitled to receive benefits.

STATUS:

05/07/2020 In ASSEMBLY Committee on INSURANCE: Not heard.

CA SB 89

AUTHOR: Budget and Fiscal Review Cmt

TITLE: Budget Act

INTRODUCED: 01/10/2019

LAST AMEND: 03/16/2020

SUMMARY:

Amends the Budget Act to make appropriations for any purpose related to the proclamation of a state of emergency upon order of the Director of Finance; provides that the Administration will work with stakeholders, including members of the Legislature and staff, in developing strategies to be considered for inclusion to assist individuals, nonprofit organizations, and small businesses experiencing economic hardships to the impacts.

STATUS:

03/17/2020 *****To GOVERNOR.

03/17/2020 Signed by GOVERNOR.

03/17/2020 Chaptered by Secretary of State. Chapter No. 2020-02

CA SB 117

AUTHOR: Budget and Fiscal Review Cmt

TITLE: Education Finance

INTRODUCED: 01/10/2019

LAST AMEND: 03/16/2020

SUMMARY:

Provides that due to the coronavirus, the instructional days and minutes requirements will be deemed to have been met during the period of time the school is closed. Extends the deadline to conduct the English learner assessment, unless otherwise determined by the Superintendent.

STATUS:

03/17/2020 *****To GOVERNOR.

03/17/2020 Signed by GOVERNOR.

03/17/2020 Chaptered by Secretary of State. Chapter No. 2020-03

CA SB 893

AUTHOR: Caballero [D]

TITLE: Workers' Compensation: Hospital Employees

INTRODUCED: 01/28/2020

LAST AMEND: 04/29/2020

SUMMARY:

Defines injury, for a hospital employee who provides direct patient care in an acute care hospital, to include infectious diseases, musculoskeletal injuries, and respiratory diseases. Creates rebuttable presumptions that these injuries that develop or manifest in a hospital employee who provides direct patient care in an acute care hospital arose out of and in the course of employment.

STATUS:

05/14/2020 In SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Failed passage.

05/14/2020 In SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Reconsideration granted.

Staff_Action: Monitoring

CA SB 939

AUTHOR: Wiener [D]

TITLE: Emergencies: Coronavirus: Evictions

INTRODUCED: 02/06/2020
LAST AMEND: 05/29/2020

SUMMARY:

Prohibits a commercial landlord from serving a specified notice of eviction on a commercial tenant under a certain number of days after the state of emergency proclaimed by the Governor on March 4, 2020, is lifted and if specified criteria apply. Defines eligible COVID 19 impacted commercial tenant. Provides that specified notices of eviction served on commercial tenants are void under specified circumstances.

STATUS:

06/18/2020 In SENATE Committee on APPROPRIATIONS: Held in committee.

Staff_Action: Monitoring

CA SB 943

AUTHOR: Chang [R]
TITLE: Paid Family Leave: Coronavirus
INTRODUCED: 02/10/2020
LAST AMEND: 05/19/2020

SUMMARY:

Authorizes wage replacement benefits to specified workers who take time off work to care for a child or other family member, including a child with disabilities, for whom the employee is responsible for providing care, if that person's school or place of care has been closed, or the care provider of that person is unavailable, due to the coronavirus outbreak.

STATUS:

06/18/2020 In SENATE Committee on APPROPRIATIONS: Held in committee.

Staff_Action: Monitoring

CA SB 1159

AUTHOR: Hill [D]
TITLE: Workers Compensation: Coronavirus
INTRODUCED: 02/20/2020
LAST AMEND: 06/18/2020

SUMMARY:

Amends existing law relating to the workers' compensation system. Defines injury for an employee to include illness or death resulting from coronavirus disease. Creates a disputable presumption that an injury that develops or manifests itself while an employee is employed arose out of and in the course of the employment. Requires an employee to exhaust their paid sick leave benefits before receiving temporary disability benefits.

STATUS:

06/29/2020 To ASSEMBLY Committee on INSURANCE.

Staff_Action: Monitoring

CA SB 1322

AUTHOR: Rubio [D]
TITLE: Remote Online Notarization Act
INTRODUCED: 02/21/2020
LAST AMEND: 04/03/2020

SUMMARY:

Relates to Remote Online Notarization Act. Authorizes a notary public to apply for registration with the Secretary of State to be a remote online notary public. Provides that the act shall remain in effect only while there is a declaration of a state of emergency by the Governor related to the coronavirus in effect.

STATUS:
05/11/2020 Re-referred to SENATE Committee on JUDICIARY.
Staff_Action: Monitoring

CA 40 2020

Executive Order

TITLE: Coronavirus and Workers' Compensation Benefits

ORDERED: 05/06/2020

SUMMARY:

Provides that any coronavirus related illness of an employee shall be presumed to arise out of and in the course of employment for purposes of awarding workers' compensation benefits if the employee tested positive for or was diagnosed with coronavirus within fourteen days after a day that the employee performed labor or services at the employee's place of employment at the employer's direction after a specified date.

Comments:

Governor's Executive Order providing a presumption for workers' compensation benefits due to Covid-19.

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July 14, 2020

The Honorable Richard Neal
Chairman, Ways & Means Committee
U.S. House of Representatives
1102 Longworth House Office Building
Washington D.C. 20515

RE: Support H.R. 6436 (Chabot-Horn)—Police and Fire Health Care Protection Act of 2020

Dear Chairman Neal:

The Los Angeles County Employees Retirement Association (LACERA) supports H.R. 6436, which would repeal the direct payment requirement in Section 402(l) of the tax code, which provides an exclusion from gross income of distributions from governmental plans for health and long-term care insurance.

The provision, which was enacted as part of the Pension Protection Act of 2006, provides that eligible retired public safety officers may exclude up to \$3,000 per year from gross income for health and long-term care premiums that are deducted from taxable retirement plan distributions and paid directly to insurance carriers by a governmental plan.

LACERA is the largest county retirement system in the United States and administers retirement plan benefits for over 168,000 active and retired members. Our 68,000 retired members include over 13,000 retired safety members, many of whom are retired public safety officers who may be eligible for this tax exclusion. Our mission is to provide the promised benefits to our members, and we are dedicated to providing excellent service to our members.

Our service commitment to our members includes enabling retired members to elect to have payments deducted from their monthly retirement allowances and transmitted to a variety of third-party payees, including health and long-term care insurance carriers, life insurance carriers, credit unions, employee organizations, and retiree organizations. The convenience for our retirees of being able to designate monthly deductions facilitates their access to valuable services and ensures that they can keep current with their monthly invoices.

However, there are instances in which third-party payees do not comply with LACERA's administrative requirements for establishing and processing monthly deductions, including not notifying LACERA of deduction changes on a timely basis. This noncompliance creates unnecessary administrative burdens for our staff that can

The Honorable Richard Neal
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become increasingly onerous. LACERA believes that the repeal of the direct payment requirement would provide flexibility to LACERA to determine the payment model that would best serve our retired public safety officers in terms of efficiency and effectiveness. H.R. 6436 would ensure that all retired public safety officers are treated equally for the tax exclusion regardless of the capability of specific governmental retirement plans to make direct payments.

We look forward to working with you on passage of H.R. 6436. If we can be of assistance on this or any other issue, please contact our legislative advocate, Tony Roda of Williams & Jensen, at (703) 409-5658 or ajroda@wms-jen.com.

Respectfully submitted,



SANTOS H. KREIMANN
Chief Executive Officer

SHK:bwl

cc: Members of the U.S. House of Representatives
Committee on Ways and Means
The Honorable Nancy Pelosi
The Honorable Kevin McCarthy

July 14, 2020

The Honorable Judy Chu
Ways & Means Committee
U.S. House of Representatives
1102 Longworth House Office Building
Washington D.C. 20515

RE: Co-Sponsor H.R. 6436 (Chabot-Horn)—Police and Fire Health Care Protection Act of 2020

Dear Representative Chu:

The Los Angeles County Employees Retirement Association (LACERA) respectfully requests that you co-sponsor H.R. 6436, which would repeal the direct payment requirement in Section 402(l) of the tax code, which provides an exclusion from gross income of distributions from governmental plans for health and long-term care insurance.

The provision, which was enacted as part of the Pension Protection Act of 2006, provides that eligible retired public safety officers may exclude up to \$3,000 per year from gross income for health and long-term care premiums that are deducted from taxable retirement plan distributions and paid directly to insurance carriers by a governmental plan.

LACERA is the largest county retirement system in the United States and administers retirement plan benefits for over 168,000 active and retired members. Our 68,000 retired members include over 13,000 retired safety members, many of whom are retired public safety officers who may be eligible for this tax exclusion. Our mission is to provide the promised benefits to our members, and we are dedicated to providing excellent service to our members.

Our service commitment to our members includes enabling retired members to elect to have payments deducted from their monthly retirement allowances and transmitted to a variety of third-party payees, including health and long-term care insurance carriers, life insurance carriers, credit unions, employee organizations, and retiree organizations. The convenience for our retirees of being able to designate monthly deductions facilitates their access to valuable services and ensures that they can keep current with their monthly invoices.

However, there are instances in which third-party payees do not comply with LACERA's administrative requirements for establishing and processing monthly deductions, including not notifying LACERA of deduction changes on a timely basis. This

The Honorable Judy Chu
H.R. 6436 – Co-Sponsor
July 14, 2020
Page 2

noncompliance creates unnecessary administrative burdens for our staff that can become increasingly onerous. LACERA believes that the repeal of the direct payment requirement would provide flexibility to LACERA to determine the payment model that would best serve our retired public safety officers in terms of efficiency and effectiveness. H.R. 6436 would ensure that all retired public safety officers are treated equally for the tax exclusion regardless of the capability of specific governmental retirement plans to make direct payments.

We look forward to working with you on passage of H.R. 6436. If we can be of assistance on this or any other issue, please contact our legislative advocate, Tony Roda of Williams & Jensen, at (703) 409-5658 or ajroda@wms-jen.com.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Santos H. Kreimann". The signature is fluid and cursive, with a long horizontal stroke at the end.

SANTOS H. KREIMANN
Chief Executive Officer

SHK:bwl

cc: The Honorable Nancy Pelosi
The Honorable Kevin McCarthy



July 14, 2020

The Honorable Jimmy Gomez
Ways & Means Committee
U.S. House of Representatives
1102 Longworth House Office Building
Washington D.C. 20515

RE: Co-Sponsor H.R. 6436 (Chabot-Horn)—Police and Fire Health Care Protection Act of 2020

Dear Representative Gomez:

The Los Angeles County Employees Retirement Association (LACERA) respectfully requests that you co-sponsor H.R. 6436, which would repeal the direct payment requirement in Section 402(l) of the tax code, which provides an exclusion from gross income of distributions from governmental plans for health and long-term care insurance.

The provision, which was enacted as part of the Pension Protection Act of 2006, provides that eligible retired public safety officers may exclude up to \$3,000 per year from gross income for health and long-term care premiums that are deducted from taxable retirement plan distributions and paid directly to insurance carriers by a governmental plan.

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However, there are instances in which third-party payees do not comply with LACERA's administrative requirements for establishing and processing monthly deductions, including not notifying LACERA of deduction changes on a timely basis. This

The Honorable Jimmy Gomez
H.R. 6436 – Co-Sponsor
July 14, 2020
Page 2

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We look forward to working with you on passage of H.R. 6436. If we can be of assistance on this or any other issue, please contact our legislative advocate, Tony Roda of Williams & Jensen, at (703) 409-5658 or ajroda@wms-jen.com.

Respectfully submitted,

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SANTOS H. KREIMANN
Chief Executive Officer

SHK:bwl

cc: The Honorable Nancy Pelosi
The Honorable Kevin McCarthy



July 14, 2020

The Honorable Linda Sanchez
Ways & Means Committee
U.S. House of Representatives
1102 Longworth House Office Building
Washington D.C. 20515

RE: Co-Sponsor H.R. 6436 (Chabot-Horn)—Police and Fire Health Care Protection Act of 2020

Dear Representative Sanchez:

The Los Angeles County Employees Retirement Association (LACERA) respectfully requests that you co-sponsor H.R. 6436, which would repeal the direct payment requirement in Section 402(l) of the tax code, which provides an exclusion from gross income of distributions from governmental plans for health and long-term care insurance.

The provision, which was enacted as part of the Pension Protection Act of 2006, provides that eligible retired public safety officers may exclude up to \$3,000 per year from gross income for health and long-term care premiums that are deducted from taxable retirement plan distributions and paid directly to insurance carriers by a governmental plan.

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However, there are instances in which third-party payees do not comply with LACERA's administrative requirements for establishing and processing monthly deductions, including not notifying LACERA of deduction changes on a timely basis. This

The Honorable Linda Sanchez
H.R. 6436 – Co-Sponsor
July 14, 2020
Page 2

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We look forward to working with you on passage of H.R. 6436. If we can be of assistance on this or any other issue, please contact our legislative advocate, Tony Roda of Williams & Jensen, at (703) 409-5658 or ajroda@wms-jen.com.

Respectfully submitted,

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SANTOS H. KREIMANN
Chief Executive Officer

SHK:bwl

cc: The Honorable Nancy Pelosi
The Honorable Kevin McCarthy

FOR INFORMATION ONLY

July 27, 2020

TO: Each Trustee,
Board of Retirement

Each Trustee,
Board of Investments

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: August 5, 2020 Board of Retirement Meeting
August 12, 2020 Board of Investments Meeting

SUBJECT: Status of (1) Request for Proposals for Fiduciary Counsel Legal Services
and (2) Request for Proposals for Media and Public Relations Consultant

In May 2020, the Board of Retirement and Board of Investments approved issuance of Request for Proposals (RFP) for fiduciary counsel and for media and public relations consulting services. The response period for both RFPs has closed. LACERA received seven (7) proposals for fiduciary counsel legal services. LACERA received twelve (12) proposals for media and public relations consulting services. Staff intends to coordinate the selection process with the Boards' schedule for completion of appointments on both RFPs during approximately the next two months.

LACERA is in a quiet period with all respondents such that no contact should be had with any of them except in the course of existing business relationships.

The respondents to the fiduciary counsel RFP are:

1. Glaser Weil LLP
2. Klausner Kaufman Jensen & Levinson
3. Kutak Rock LLP
4. Nossaman LLP
5. Olson Remcho LLP
6. Reed Smith LLP
7. Sheppard Mullin

The respondents to the media and public relations consulting services RFP are:

1. Cerrell Associates, Inc.
2. Cognito
3. Communications Strategy Group

Re: Status of Request for Proposals for (1) Fiduciary Counsel and (2) Media and Public Relations Consultant

July 27, 2020

Page 2 of 2

4. EKA Englander Knabe & Allen
5. Fiona Hutton & Associates
6. Fraser Communications
7. FTI Consulting
8. LexisNexis
9. Marketcom PR
10. Olmstead Williams Communications, Inc.
11. Sard Verbinnen & Co.
12. Sitrick and Company

c: Santos H. Kreimann
JJ Popowich
Jonathan Gabel
Cynthia Martinez

FOR INFORMATION ONLY

August 3, 2020

TO: Trustees,
Board of Investments

FROM: Steven P. Rice *SPR*
Chief Counsel

FOR: August 12, 2020 Board of Investments Meeting

SUBJECT: Monthly Status Report on Board of Investments 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, 2020.

Attachment

c: Santos H. Kreimann
Jonathan Grabel
JJ Popowich
Vache Mahseredjian
John McClelland
Christopher Wagner
Ted Wright
Jim Rice
Jude Perez
Christine Roseland
John Harrington
Cheryl Lu
Margo McCabe
Lisa Garcia



LACERA Legal Division
Board of Investments Projects
Monthly Status Report - Pending as of August 1, 2020



	Project/ Investment	Description	Amount	Board Approval Date	Completion Status	% Complete	Notes
HEDGE FUNDS/PORTFOLIO ANALYTICS	Magnetar Financial, LLC	Subscription	\$400,000,000.00	May 13, 2020	Completed	100%	Completed.

**FOR INFORMATION ONLY**

July 22, 2020

TO: Each Trustee
Board of Retirement
Board of Investments


FROM: Ted Granger 
Interim Chief Financial Officer

FOR: August 5, 2020 Board of Retirement Meeting
August 12, 2020 Board of Investments Meeting

SUBJECT: **MONTHLY EDUCATION & TRAVEL REPORTS – JUNE 2020**

Attached, for your review, are the Board and Staff Education & Travel Reports as of June 2020. These reports include travel (i.e., completed and canceled) during Fiscal Year 2019-2020. Please note that the Staff Travel Report does not include events within Los Angeles County.

REVIEWED AND APPROVED:



Santos H. Kreimann
Chief Executive Officer

TG/EW/krh

Attachments

c: J. Popowich
J. Gabel
S. Rice
K. Hines

**BOARD EDUCATION AND TRAVEL REPORT
FOR FISCAL YEAR 2019 - 2020
JUNE 2020**

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Alan Bernstein			
A	1 Edu - PPI 2019 Summer Roundtable - Chicago IL	07/10/2019 - 07/12/2019	Attended
	2 Edu - Responsible Investor Annual Conference - New York City NY	12/03/2019 - 12/05/2019	Attended
	3 Edu - 2020 SuperReturn Berlin - Berlin, Germany	02/24/2020 - 02/28/2020	Attended
	4 Edu- CII Spring 2020 Conference and 35th Anniversary Celebration - Washington D.C. MD	03/09/2020 - 03/11/2020	Attended
B	- Edu - NACD Southern California Chapter Luncheon - Los Angeles CA	09/10/2019 - 09/10/2019	Attended
	- Edu - 2019 Pension Bridge Alternatives - Beverly Hills CA	10/28/2019 - 10/29/2019	Attended
	- Edu - KACALP Annual Conference - Los Angeles CA	10/29/2019 - 10/30/2019	Attended
	- Edu - NACD Illuminating Data in the Boardroom - Los Angeles CA	10/30/2019 - 10/30/2019	Attended
	- Edu - PPI 2020 Winter Roundtable - Pasadena CA	02/12/2020 - 02/14/2020	Attended
	- Edu - NACD - Directorship Essentials: Risk Oversight - Los Angeles CA	03/05/2020 - 03/05/2020	Attended
C	- Admin - Manager Meetings (Riverside Company, JP Morgan and Clarion Partners) - New York City NY	12/02/2019 - 12/02/2019	Attended
Vivian Gray			
A	1 Edu - NCPERS 2020 Legislative Conference - Washington D.C. MD	01/26/2020 - 01/28/2020	Attended
B	- Edu - SACRS Public Pension Investment Management Program - Berkeley CA	07/22/2019 - 07/24/2019	Attended
	- Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
	- Edu - Toigo Foundation 30th Anniversary - Los Angeles CA	11/19/2019 - 11/19/2019	Attended
	- Admin - SACRS Board & Committee Meeting - San Diego CA	11/30/2019 - 12/03/2019	Attended
	- Edu - The Knowledge Group: Opportunity Zone Funds Due Diligence - Los Angeles CA	12/18/2019 - 12/18/2019	Attended
	- Edu - 2020 Vision: Economic Outlook for Markets in the Year Ahead - Los Angeles CA	01/23/2020 - 01/23/2020	Attended
	- Admin - SACRS Program and Board of Directors Meeting - Sacramento CA	02/10/2020 - 02/11/2020	Attended
	- Edu - SACRS: Don't Stop Thinking About Tomorrow; China A-Share Market & Opportunities - Webinar	05/13/2020 - 05/13/2020	Attended
	- Edu - SACRS: Private Markets Today Vs. The Global Financial Crisis - Webinar	05/14/2020 - 05/14/2020	Attended
	- Edu - SACRS: Cash Flows & Investment Management in the Time of COVID-19 - Webinar	05/15/2020 - 05/15/2020	Attended
	- Edu - SACRS: Private Market Investing in a Late-Cycle Market or Private Market Investing in the 8th Inning - Webinar	05/20/2020 - 05/20/2020	Attended
	- Edu - SACRS: The Case for Investing with Small and Emerging Managers - Webinar	05/21/2020 - 05/21/2020	Attended
	- Edu - SACRS: Litigation 101 & Current Cases - Webinar	05/22/2020 - 05/22/2020	Attended
X	- Edu - TBI Med Legal Conference - San Diego CA	04/02/2020 - 04/04/2020	Host Canceled
	- Edu - Trustee Leadership Forum (TLF) Trustee Forum - Boston MA	06/08/2020 - 06/10/2020	Host Canceled

**BOARD EDUCATION AND TRAVEL REPORT
FOR FISCAL YEAR 2019 - 2020
JUNE 2020**

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
David Green			
A	1 Edu - NCPERS 2020 Legislative Conference - Washington D.C. MD	01/26/2020 - 01/28/2020	Attended
B	- Edu - PPI 2020 Winter Roundtable - Pasadena CA	02/12/2020 - 02/14/2020	Attended
	- Edu - 2020 Fiduciary Investors Symposium Digital - Webinar	06/23/2020 - 06/24/2020	Attended
Elizabeth Greenwood			
A	1 Edu- CII Spring 2020 Conference and 35th Anniversary Celebration - Washington D.C. MD	03/09/2020 - 03/11/2020	Attended
B	- Edu - PPI 2020 Winter Roundtable - Pasadena CA	02/12/2020 - 02/14/2020	Attended
James Harris			
B	- Edu - CALAPRS Principles of Pension Governance - Malibu CA	08/26/2019 - 08/29/2019	Attended
	- Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Shawn Kehoe			
A	1 Edu - IAFCI Annual Training Conference & Exhibitor Show - Raleigh NC	08/26/2019 - 08/30/2019	Attended
B	- Edu - KACALP Annual Conference - Los Angeles CA	10/29/2019 - 10/30/2019	Attended
X	- Edu - National Association of Corporate Directors - Global Board Leaders' Summit - Washington D.C. MD	09/21/2019 - 09/24/2019	Canceled
Keith Knox			
B	- Edu - SACRS: The Case for Investing with Small and Emerging Managers - Webinar	05/21/2020 - 05/21/2020	Attended
	- Edu - CII: Capital Allocation Policy in the Wake of COVID-19 - Webinar	05/28/2020 - 05/28/2020	Attended
X	- Edu - IFEBP Wharton Portfolio Concepts and Management - Philadelphia PA	04/20/2020 - 04/23/2020	Host Canceled
Wayne Moore			
A	1 Edu - PPI 2019 Summer Roundtable - Chicago IL	07/10/2019 - 07/12/2019	Attended
	2 Edu - 2019 Council of Institutional Investors (CII) Fall Conference - Minneapolis MN	09/16/2019 - 09/18/2019	Attended
	3 Edu - 2019 Pacific Pension Institute Executive Seminar and Asia Roundtable - Shanghai, China; Hong Kong, China	11/03/2019 - 11/08/2019	Attended
B	- Edu - NAIC 2019 Annual Private Equity & Hedge Fund Conference - Los Angeles CA	10/23/2019 - 10/24/2019	Attended
X	- Edu- CII Spring 2020 Conference and 35th Anniversary Celebration - Washington D.C. MD	03/09/2020 - 03/11/2020	Canceled
Dave Muir			
A	1 Edu - Responsible Investor Annual Conference - New York City NY	12/03/2019 - 12/05/2019	Attended
Ronald Okum			
B	- Edu - 2019 Pension Bridge Alternatives - Beverly Hills CA	10/28/2019 - 10/29/2019	Attended
	- Edu - KACALP Annual Conference - Los Angeles CA	10/29/2019 - 10/30/2019	Attended

BOARD EDUCATION AND TRAVEL REPORT
FOR FISCAL YEAR 2019 - 2020
JUNE 2020

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
William Pryor			
X	- Edu - NCPERS 2019 Public Safety Conference - New Orleans LA	10/27/2019 - 10/30/2019	Canceled
Les Robbins			
X	- Edu - CRCEA Fall 2019 Conference - Rohnert Park CA	10/28/2019 - 10/30/2019	Host Canceled
Gina Sanchez			
A	1 Edu - Oxford Impact Measurement Program - Oxford, United Kingdom	07/15/2019 - 07/19/2019	Attended
	2 Edu - 2019 Council of Institutional Investors (CII) Fall Conference - Minneapolis MN	09/16/2019 - 09/18/2019	Attended
	3 Edu - National Association of Corporate Directors - Global Board Leaders' Summit - Washington D.C. MD	09/21/2019 - 09/24/2019	Attended
	4 Edu - NCPERS 2020 Legislative Conference - Washington D.C. MD	01/26/2020 - 01/28/2020	Attended
B	- Edu - 2019 Western North American PRI Symposium - Los Angeles CA	10/24/2019 - 10/24/2019	Attended
	- Edu - 2019 Pension Bridge Alternatives - Beverly Hills CA	10/28/2019 - 10/29/2019	Attended
	- Edu - 2019 RFKennedy Human Rights Compass Conference - West Hollywood CA	10/29/2019 - 10/30/2019	Attended
	- Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
	- Edu - Pension Bridge ESG Summit 2020 - San Diego CA	02/10/2020 - 02/11/2020	Attended
	- Edu - PPI 2020 Winter Roundtable - Pasadena CA	02/12/2020 - 02/14/2020	Attended
Herman Santos			
A	1 Edu - 2019 Latin America Private Equity & Venture Capital Association Summit and Investor Roundtable and LAVCA Venture Investors Annual Meeting - New York NY	09/23/2019 - 09/26/2019	Attended
	2 Edu - Responsible Investor Annual Conference - New York City NY	12/03/2019 - 12/05/2019	Attended
	3 Edu - NCPERS 2020 Legislative Conference - Washington D.C. MD	01/26/2020 - 01/28/2020	Attended
B	- Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
	- Edu - Toigo Foundation 30th Anniversary - Los Angeles CA	11/19/2019 - 11/19/2019	Attended
	- Edu - PPI 2020 Winter Roundtable - Pasadena CA	02/12/2020 - 02/14/2020	Attended
X	- Edu - INCA Investments Latin American Investments Conference - Buenos Aires, Argentina	10/16/2019 - 10/17/2019	Canceled
	- Edu - 2020 ICGN Seoul Conference - Seoul, South Korea	02/25/2020 - 02/28/2020	Host Canceled
	- Edu- CII Spring 2020 Conference and 35th Anniversary Celebration - Washington D.C. MD	03/09/2020 - 03/11/2020	Canceled
	- Edu - TBI Med Legal Conference - San Diego CA	04/02/2020 - 04/04/2020	Host Canceled
Gina Zapanta			
B	- Edu - SACRS Public Pension Investment Management Program - Berkeley CA	07/22/2019 - 07/24/2019	Attended
	- Edu - Network Ethnic Physician Organizations (NEPO) Summit - Pasadena CA	08/23/2019 - 08/24/2019	Attended
X	- Edu - TBI Med Legal Conference - San Diego CA	04/02/2020 - 04/04/2020	Host Canceled

Category Legend:

A - Pre-Approved/Board Approved

B - Educational Conferences and Administrative Meetings in CA where total cost is no more than \$2,000 or international prerequisite conferences per 705.00 A. 8.

C - Second of two conferences and/or meetings counted as one conference per Section 705.00.A.1 of the Travel Policy

X - Canceled events for which expenses have been incurred

**STAFF EDUCATION AND TRAVEL REPORT
FOR FISCAL YEAR 2019 - 2020
JUNE 2020**

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Administrative Services				
Dana Brooks	1	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Holly Henderson	1	Edu - GFOA Budgeting Best Practices: Budget Monitoring - Sacramento CA	09/16/2019 - 09/18/2019	Attended
Kimberly Hines	1	Edu - GFOA Budgeting Best Practices: Budget Monitoring - Sacramento CA	09/16/2019 - 09/18/2019	Attended
	2	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Benefits				
Sylvia Botros	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Louis Gittens	1	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Dmitriy Khaytovich	1	Edu - CALAPRS Benefits Roundtable - Oakland CA	09/20/2019 - 09/20/2019	Attended
	2	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Theodore King	1	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Linda Moss	1	Edu - 38th ISCEBS Employee Benefits Symposium - New Orleans CA	09/08/2019 - 09/11/2019	Attended
Shonita Peterson	1	Edu - CALAPRS Benefits Round Table - Costa Mesa CA	02/07/2020 - 02/07/2020	Attended
Sevan Simonian	1	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Communications				
Cynthia Martinez	1	Edu - HOW Design Live Conference 2020 - Boston MA	05/06/2020 - 05/10/2020	Canceled
Sarah Scott	1	Edu - Writing Compelling Digital Copy as part of the UX Conference - Chicago IL	09/12/2019 - 09/12/2019	Canceled
	2	Edu - Writing Compelling Digital Copy as part of the UX Conference - Las Vegas NV	12/10/2019 - 12/10/2019	Attended
Veronica Yi Martinez	1	Edu - HOW Design Live Conference 2020 - Boston MA	05/06/2020 - 05/10/2020	Canceled
Disability Litigation Services				
Eugenia Der	1	Edu - CALAPRS Course in Retirement Disability Administration - Oakland CA	09/19/2019 - 09/19/2019	Attended
Jason Waller	1	Edu - CALAPRS Course in Retirement Disability Administration - Oakland CA	09/19/2019 - 09/19/2019	Canceled
Disability Retirement Services				
Stephanie Ashley	1	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Attended
Hernan Barrientos	1	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Attended
Redjan Bitri	1	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Attended
Tamara Caldwell	1	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Attended
	2	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended

**STAFF EDUCATION AND TRAVEL REPORT
FOR FISCAL YEAR 2019 - 2020
JUNE 2020**

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Disability Retirement Services				
Justin Chiu	1	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Attended
Ricki Contreras	1	Edu - CALAPRS Course in Retirement Disability Administration - Oakland CA	09/19/2019 - 09/19/2019	Attended
	2	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Attended
Amabelle Delin	1	Edu - CALAPRS Course in Retirement Disability Administration - Oakland CA	09/19/2019 - 09/19/2019	Attended
	2	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Attended
Shamila Freeman	1	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Attended
Danny Hang	1	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Russell Lurina	1	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Canceled
Debra Martin	1	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Attended
Ruby Minjares	1	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Attended
	2	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Melena Sarkisian	1	Edu - CALAPRS Course in Retirement Disability Administration - Oakland CA	09/19/2019 - 09/19/2019	Attended
	2	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Attended
Maria Silva	1	Edu - CALAPRS Course in Retirement Disability Administration - Oakland CA	09/19/2019 - 09/19/2019	Attended
	2	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Attended
	3	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Frida Skugrud	1	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Attended
Justin Stewart	1	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Attended
Kerri Wilson	1	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Attended
Michelle Yanes	1	Edu - Council of Self-Insured Public Agencies (COSIPA) Fall Educational Seminar (South) - Costa Mesa CA	10/17/2019 - 10/17/2019	Attended

**STAFF EDUCATION AND TRAVEL REPORT
FOR FISCAL YEAR 2019 - 2020
JUNE 2020**

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Executive Offices				
Santos Kreimann	1	Edu - NCPERS 2020 Legislative Conference - Washington D.C. MD	01/26/2020 - 01/28/2020	Attended
	2	Edu - CALAPRS General Assembly - Rancho Mirage CA	03/07/2020 - 03/10/2020	Canceled
John Popowich	1	Edu - GFOA Budgeting Best Practices: Budget Monitoring - Sacramento CA	09/16/2019 - 09/18/2019	Attended
	2	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Financial & Accounting Services				
Beulah Auten	1	Edu - Public Pension Financial Forum (P2F2) 16th Annual Conference - Salt Lake City UT	10/20/2019 - 10/23/2019	Canceled
Ana Chang	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
	2	Edu - Public Pension Financial Forum (P2F2) 16th Annual Conference - Salt Lake City UT	10/20/2019 - 10/23/2019	Attended
Esther Chang	1	Edu - Association of Government Accountants (AGA) 2019 Professional Development Training (PDT) - New Orleans LA	07/21/2019 - 07/24/2019	Attended
	2	Edu - CALAPRS Intermediate Retirement Plan Administration - San Jose CA	10/16/2019 - 10/18/2019	Canceled
	3	Edu - CALAPRS Advanced Course in Retirement Plan Administration - Oakland CA	12/11/2019 - 12/13/2019	Canceled
Sabrina Chen	1	Edu - Great Plains (Dynamics) User Group Summit - Orlando FL	10/15/2019 - 10/18/2019	Attended
Margaret Chwa	1	Edu - CALAPRS Fall Accountants Roundtable - Oakland CA	09/20/2019 - 09/20/2019	Attended
Ted Granger	1	Edu - Public Pension Financial Forum (P2F2) 16th Annual Conference - Salt Lake City UT	10/20/2019 - 10/23/2019	Canceled
Michael Huang	1	Edu - Great Plains (Dynamics) User Group Summit - Orlando FL	10/15/2019 - 10/18/2019	Attended
Diana Huang	1	Edu - Public Pension Financial Forum (P2F2) 16th Annual Conference - Salt Lake City UT	10/20/2019 - 10/23/2019	Attended
Anh Huynh	1	Edu - Public Pension Financial Forum (P2F2) 16th Annual Conference - Salt Lake City UT	10/20/2019 - 10/23/2019	Attended
Chona Labtic-Austin	1	Edu - Association of Government Accountants (AGA) 2019 Professional Development Training (PDT) - New Orleans LA	07/21/2019 - 07/24/2019	Attended
	2	Edu - Public Pension Financial Forum (P2F2) 16th Annual Conference - Salt Lake City UT	10/20/2019 - 10/23/2019	Attended
Claro Lanting	1	Edu - IFEBP 65th Employee Benefits Conference - San Diego CA	10/20/2019 - 10/23/2019	Attended
Alyce Provencio	1	Edu - CALAPRS Fall Accountants Roundtable - Oakland CA	09/20/2019 - 09/20/2019	Attended
	2	Edu - CALAPRS Intermediate Retirement Plan Administration - San Jose CA	10/16/2019 - 10/18/2019	Attended
	3	Edu - CALAPRS Advanced Course in Retirement Plan Administration - Oakland CA	12/11/2019 - 12/13/2019	Attended
Gloria Rios	1	Edu - CALAPRS Fall Accountants Roundtable - Oakland CA	09/20/2019 - 09/20/2019	Attended

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Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Financial & Accounting Services				
Gloria Rios	2	Edu - CALAPRS Intermediate Retirement Plan Administration - San Jose CA	10/16/2019 - 10/18/2019	Attended
	3	Edu - IFEBP 65th Employee Benefits Conference - San Diego CA	10/20/2019 - 10/23/2019	Attended
	4	Edu - CALAPRS Advanced Course in Retirement Plan Administration - Oakland CA	12/11/2019 - 12/13/2019	Attended
Imelda Saldivar	1	Edu - CALAPRS Fall Accountants Roundtable - Oakland CA	09/20/2019 - 09/20/2019	Canceled
	2	Edu - Great Plains (Dynamics) User Group Summit - Orlando FL	10/15/2019 - 10/18/2019	Canceled
	3	Edu - APP2P Fall Conference & Expo - Scottsdale AZ	10/15/2019 - 10/17/2019	Canceled
Felisa Valdepenas	1	Edu - Association of Government Accountants (AGA) 2019 Professional Development Training (PDT) - New Orleans LA	07/21/2019 - 07/24/2019	Attended
Srbui Vartanian	1	Edu - APP2P Fall Conference & Expo - Scottsdale AZ	10/15/2019 - 10/17/2019	Attended
Elda Villarroel	1	Edu - Great Plains (Dynamics) User Group Summit - Orlando FL	10/15/2019 - 10/18/2019	Attended
Edward Wong	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Koreana Wong	1	Edu - Public Pension Financial Forum (P2F2) 16th Annual Conference - Salt Lake City UT	10/20/2019 - 10/23/2019	Canceled
Ervin Wu	1	Edu - IFEBP 65th Employee Benefits Conference - San Diego CA	10/20/2019 - 10/23/2019	Attended
Alice Yen	1	Edu - Public Pension Financial Forum (P2F2) 16th Annual Conference - Salt Lake City UT	10/20/2019 - 10/23/2019	Canceled
Mei Zhang	1	Edu - Great Plains (Dynamics) User Group Summit - Orlando FL	10/15/2019 - 10/18/2019	Attended
Human Resources				
Annette Cleary	1	Edu - Libert Cassidy Whitmore Annual Conference - San Francisco CA	01/22/2020 - 01/24/2020	Attended
Ana Ronquillo	1	Edu - SHRM Diversity and Inclusion Conference - New Orleans LA	10/28/2019 - 10/30/2019	Attended
Roberta Van Nortrick	1	Edu - Society of Corporate Compliance and Ethics (SCCE) Annual Meeting - Washington D.C. MD	09/15/2019 - 09/18/2019	Attended
	2	Edu - Organizational Development Conference - New Orleans LA	11/05/2019 - 11/06/2019	Attended
	3	Edu - Regional Compliance and Ethics Conference - Costa Mesa CA	01/24/2020 - 01/24/2020	Attended

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Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Internal Audit				
Nathan Amick	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
	2	Edu - Association of Public Pension Fund Auditors (APPFA) - Lake Tahoe CA	10/27/2019 - 10/30/2019	Attended
Richard Bendall	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
	2	Edu - Enterprise Risk Management (ERM) Pension Peer Group - Sacramento CA	09/22/2019 - 09/25/2019	Attended
Leisha Collins	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
	2	Edu - Association of Public Pension Fund Auditors (APPFA) - Lake Tahoe CA	10/27/2019 - 10/30/2019	Attended
	3	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Christina Logan	1	Edu - Association of Public Pension Fund Auditors (APPFA) - Lake Tahoe CA	10/27/2019 - 10/30/2019	Attended
Kristina Sun	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Gabriel Tafoya	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Summy Voong	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Investments				
Didier Acevedo	1	Admin - Due Diligence of Illiquid Credit Finalist Managers - New York, NY and Chicago, IL	08/27/2019 - 08/29/2019	Attended
	2	Edu - 2019 Latin America Private Equity & Venture Capital Association Summit and Investor Roundtable and LAVCA Venture Investors Annual Meeting - New York NY	09/23/2019 - 09/26/2019	Attended
	3	Admin - Attend Annual General Meetings (AGMs) hosted by Centerbridge, USV, Palladium, and attend Black Diamond's Limited Partner Advisory Committee (LPAC). - New York NY	11/06/2019 - 11/08/2019	Attended
	4	Admin - Meeting with AE Industrial Partners, an existing manager - Cedar City UT	01/07/2020 - 01/08/2020	Attended
	5	Admin - Program review with JPMorgan and Morgan Stanley; meet with potential managers and secondary transaction advisors - New York NY	01/27/2020 - 01/31/2020	Attended
	6	Admin - Due diligence on Canaan Fund XII and Canaan 2020+ - Menlo Park CA	02/10/2020 - 02/11/2020	Attended
Amit Aggarwal	1	Edu - Investors in Non-Listed Real Estate Vehicles (INREV) North America Conference. - New York NY	10/02/2019 - 10/02/2019	Attended
	2	Admin - Site inspections and meeting with perspective managers. - New York NY	10/03/2019 - 10/03/2019	Attended

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Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Investments				
Amit Aggarwal	3	Admin - Due diligence with a potential manager, and attend the LP Advisory meetings and Annual meeting of two existing managers (Aermont and Carlyle Europe). - Longdon, England; Paris, France; Berlin, Germany	11/18/2019 - 11/22/2019	Attended
Kevin Bassi	1	Admin - Due Diligence of Clarion Partners - Seattle WA	10/17/2019 - 10/18/2019	Attended
Calvin Chang	1	Admin - Due diligence on a potential manager. - Chicago IL	11/04/2019 - 11/04/2019	Attended
	2	Admin - Program review with JPMorgan and Morgan Stanley; meet with potential managers and secondary transaction advisors - New York NY	01/27/2020 - 01/31/2020	Attended
	3	Admin - Due diligence on potential managers and attend Excellere Partners' Annual General Meeting and Limited Partner Advisory Committee - Denver CO	03/12/2020 - 03/13/2020	Canceled
Adam Cheng	1	Admin - Due diligence of Syndicated Bank Loan finalist managers (Credit Suisse and Barings) and visit with Brigade Capital Management. - New York, NY and Charlotte, NC	10/16/2019 - 10/17/2019	Attended
	2	Admin - Due diligence of Syndicated Bank Loan finalist manager, Voya. - Scottsdale AZ	10/21/2019 - 10/21/2019	Attended
David Chu	1	Admin - GGV Capital Limited Partner Advisory Committee Roundtable and Private Limited Partner Reception - San Francisco CA	07/25/2019 - 07/25/2019	Attended
	2	Admin - Due diligence on potential and existing managers (MBK Partners, BRV China, Joy Capital); and attend Lilly Asian Ventures annual investor meeting. - Singapore; Hong Kong; Shanghai, China	09/18/2019 - 09/27/2019	Attended
	3	Edu - SuperReturn Asia Conference. - Hong Kong, China	09/23/2019 - 09/26/2019	Attended
	4	Admin - GGV Annual General Meeting and meet with existing managers (AKKR, Lilly Asia Ventures). - Menlo Park CA	10/17/2019 - 10/18/2019	Attended
	5	Admin - Sinovation Limited Partner Advisory Committee (LPAC) and Annual General Meeting (AGM); and meet with prospective managers. - Shanghai and Beijing, China	11/04/2019 - 11/08/2019	Attended
	6	Admin - Meeting with AE Industrial Partners, an existing manager - Cedar City UT	01/07/2020 - 01/08/2020	Attended
	7	Admin - Program review with JPMorgan and Morgan Stanley; meet with potential managers and secondary transaction advisors - New York NY	01/27/2020 - 01/31/2020	Attended
Esmeralda Del Bosque	1	Edu - 2019 Alternative Investments Forum (AIF) Women Investor's Forum - New York NY	09/09/2019 - 09/10/2019	Attended
	2	Edu - Investment Operations Forum at CalSTRS - Sacramento CA	09/24/2019 - 09/24/2019	Attended
	3	Admin - Meeting with State Street - Sacramento CA	09/24/2019 - 09/24/2019	Attended
	4	Admin - Meeting with Meketa - Carlsbad CA	10/18/2019 - 10/18/2019	Attended
	5	Admin - Risk System RFP Search. - San Francisco CA	12/13/2019 - 12/13/2019	Attended
Terra Elijah	1	Admin - Due diligence with a potential Appraisal Management Service Provider - Irvine CA	12/16/2019 - 12/16/2019	Attended

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Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Investments				
Terra Elijah	2	Admin - Due diligence with a potential Appraiser Management Service Provider - Houston TX	12/17/2019 - 12/18/2019	Attended
Jon Grabel	1	Edu - Public CIO Forum - Detroit MI	09/17/2019 - 09/18/2019	Canceled
	2	Edu - Institutional Limited Partners Association (ILPA) 3rd Annual CIO Symposium - Cambridge MA	09/25/2019 - 09/25/2019	Attended
	3	Edu - Albourne 2019 Client Conference - Philadelphia PA	10/21/2019 - 10/23/2019	Canceled
	4	Admin - 3rd Annual Private Equity and Secondary Investor Summit - New York NY	12/03/2019 - 12/03/2019	Attended
	5	Edu - Institutional Investors Allocator's Choice Awards & Masterclass - New York City NY	12/03/2019 - 12/03/2019	Canceled
	6	Edu - Manager Meeting and SASB 04 IAG Meeting - New York City NY	12/04/2019 - 12/05/2019	Attended
	7	Admin - 2019 CIO Influential Investors Forum and Industry Innovation Awards - New York NY	12/12/2019 - 12/12/2019	Attended
	8	Admin - 2020 AIF Annual Investors' Meeting - New York NY	01/13/2020 - 01/14/2020	Attended
	9	Edu - Chief Investment Officer Summit 2020 - New York NY	04/21/2020 - 04/22/2020	Canceled
	10	Admin - Trusted Insight Summit 2020 - San Francisco CA	06/17/2020 - 06/18/2020	Canceled
Jeff Jia	1	Admin - Due diligence of Syndicated Bank Loan finalist managers (Credit Suisse and Barings) and visit with Brigade Capital Management. - New York, NY and Charlotte, NC	10/16/2019 - 10/17/2019	Attended
	2	Admin - Due diligence of Syndicated Bank Loan finalist manager, Voya. - Scottsdale AZ	10/21/2019 - 10/21/2019	Attended
	3	Admin - Due diligence with prospective managers for the Equity Factor-Base RFP search and meet with Lazard, an existing manager - New York NY	01/22/2020 - 01/23/2020	Attended
Dale Johnson	1	Admin - Due Diligence with Prospective Manager - Plano TX	08/20/2019 - 08/20/2019	Attended
	2	Edu - 2019 Council of Institutional Investors (CII) Fall Conference - Minneapolis MN	09/16/2019 - 09/18/2019	Attended
	3	Edu- CII Spring 2020 Conference and 35th Anniversary Celebration - Washington D.C. MD	03/09/2020 - 03/11/2020	Canceled
Daniel Joye	1	Admin - Portfolio Manager meeting - Newport Beach CA	02/26/2020 - 02/26/2020	Attended
	2	Edu - PIMCO Client Conference - Newport Beach CA	02/26/2020 - 02/26/2020	Attended
John Kim	1	Edu - Investment Operations Forum at CalSTRS - Sacramento CA	09/24/2019 - 09/24/2019	Attended
	2	Admin - Meeting with State Street - Sacramento CA	09/24/2019 - 09/24/2019	Attended
	3	Admin - Meeting with Meketa - Carlsbad CA	10/18/2019 - 10/18/2019	Attended
	4	Admin - Risk System RFP Search. - San Francisco CA	12/13/2019 - 12/13/2019	Attended
Derek Kong	1	Admin - Due Diligence on potential managers and existing managers (Alchemy SOF, Triton, LivingBridge) - London, England; Paris, France; Amsterdam, Netherlands; Zurich, Switzerland	09/18/2019 - 09/26/2019	Attended

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Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Investments				
Derek Kong	2	Admin - Due diligence with potential managers and attend the LP Advisory meeting and Annual meeting of LivingBridge. - London, England and Paris, France	10/31/2019 - 11/08/2019	Attended
	3	Admin - Program review with JPMorgan and Morgan Stanley; meet with potential managers and secondary transaction advisors - New York NY	01/27/2020 - 01/31/2020	Attended
	4	Admin - Due diligence with a potential manager and existing managers. - London, England and Berlin, Germany	02/22/2020 - 02/28/2020	Attended
	5	Edu - 2020 SuperReturn Berlin - Berlin, Germany	02/24/2020 - 02/28/2020	Canceled
Vache Mahseredjian	1	Admin - Due Diligence of Illiquid Credit Finalist Managers - New York, NY and Chicago, IL	08/27/2019 - 08/29/2019	Attended
	2	Edu - Big Data, Machine Learning/AI, and Digital Money: How Are They Changing Everything Conference - La Jolla CA	02/03/2020 - 02/03/2020	Attended
John McClelland	1	Edu - Pension Real Estate Association (PREA) Leadership Summit. - West Sacramento CA	09/10/2019 - 09/10/2019	Canceled
	2	Admin - Site inspections with DWS and Varsity. - Washington D.C. MD	10/15/2019 - 10/18/2019	Attended
	3	Edu - Pension Real Estate Association (PREA) 29th Annual Institutional Investor Conference. - Washington D.C. MD	10/16/2019 - 10/18/2019	Attended
Quoc Nguyen	1	Edu - Albourne 2019 Client Conference - Philadelphia PA	10/21/2019 - 10/23/2019	Attended
	2	Admin - Due Diligence with potential managers - New York, NY and Toronto, Ontario (Canada)	01/13/2020 - 01/16/2020	Attended
Cindy Rivera	1	Edu - 2019 Institutional Real Estate, Inc. (IREI) Springboard Conference - Ojai CA	10/01/2019 - 10/03/2019	Attended
Michael Romero	1	Admin - Gateway Empire Industrial site inspection. - Riverside CA	09/25/2019 - 09/25/2019	Attended
	2	Admin - Due diligence with a potential Appraisal Management Service Provider - Irvine CA	12/16/2019 - 12/16/2019	Attended
	3	Admin - Due diligence with a potential Appraiser Management Service Provider - Houston TX	12/17/2019 - 12/18/2019	Attended
Trina Sanders	1	Admin - TPG Real Estate Parnter's Annual Investor Meeting. - New York NY	11/06/2019 - 11/07/2019	Canceled
	2	Admin - Heitman 2019 HAPI Investor Meeting, 2019 AEW Asia Advisory Board Meeting, meet with potential manager(s), and site inspections. - Hong Kong, Singapore, and Tokyo	11/14/2019 - 11/22/2019	Attended
	3	Admin - Due diligence with a potential Appraisal Management Service Provider - Irvine CA	12/16/2019 - 12/16/2019	Attended
	4	Admin - Due diligence with a potential Appraiser Management Service Provider - Houston TX	12/17/2019 - 12/18/2019	Attended
Robert Santos	1	Admin - Due diligence of Syndicated Bank Loan finalist managers (Credit Suisse and Barings) and visit with Brigade Capital Management. - New York, NY and Charlotte, NC	10/16/2019 - 10/17/2019	Attended

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Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Investments				
Robert Santos	2	Admin - Due diligence of Syndicated Bank Loan finalist manager, Voya. - Scottsdale AZ	10/21/2019 - 10/21/2019	Attended
Ron Senkandwa	1	Admin - Due diligence with prospective managers for the Equity Factor-Base RFP search and meet with Lazard, an existing manager - New York NY	01/22/2020 - 01/23/2020	Attended
David Simpson	1	Admin - Vinci Partners Annual General Meeting and Limited Partner Advisory Committee. Due diligence with potential manager and meet with existing managers (Incline Equity, Sterling IP, Clarion, and One Rock). - New York, NY; Pittsburgh, PA; Westport, CT	09/25/2019 - 09/27/2019	Attended
	2	Admin - Due diligence on a potential manager and attend Annual General Meetings (AGM) and Limited Partner Advisory Committees (LPAC) hosted by One Rock, Sterling Investment Partners, and Siris Capital Group. - New York, NY and Westport, CT	11/11/2019 - 11/15/2019	Attended
	3	Admin - Clarion Capital Annual General Meeting; meet with Lightyear (existing manager) and with a potential manager - New York NY	02/24/2020 - 02/25/2020	Attended
Inga Tadevosyan	1	Admin - Due diligence with a potential Appraisal Management Service Provider - Irvine CA	12/16/2019 - 12/16/2019	Attended
Shelly Tilaye	1	Admin - Attend Annual General Meetings (AGMs) and Limited Partner Advisory Committee (LPACs) hosted by Juggernaut and Vista. Meet with existing manager, Atlantic Street, for an update. - Washington, D.C. and New York, NY	10/22/2019 - 10/25/2019	Attended
	2	Admin - Due diligence on a potential manager - San Francisco CA	02/28/2020 - 02/28/2020	Attended
	3	Admin - Due diligence on Silver Lake - Menlo Park CA	03/03/2020 - 03/03/2020	Attended
	4	Admin - Lightspeed India's annual general meeting - San Francisco CA	03/09/2020 - 03/09/2020	Host Canceled
	5	Admin - 13th Annual Women Private Equity Summit - Dana Point CA	03/11/2020 - 03/13/2020	Canceled
Chad Timko	1	Admin - Due Diligence with Prospective Manager - Plano TX	08/20/2019 - 08/20/2019	Attended
	2	Admin - Due Diligence of Illiquid Credit Finalist Managers - New York, NY and Chicago, IL	08/27/2019 - 08/29/2019	Attended
	3	Admin - Due Diligence with potential managers - New York, NY and Toronto, Ontario (Canada)	01/13/2020 - 01/16/2020	Attended
Edward Wright	1	Admin - Systematic Investment Strategies Symposium as a speaker. - New York NY	11/19/2019 - 11/19/2019	Attended
	2	Admin - Due diligence with prospective managers for the Equity Factor-Base RFP search and meet with Lazard, an existing manager - New York NY	01/22/2020 - 01/23/2020	Attended
Scott Zdrazil	1	Admin - Council of Institutional Board and Committee meetings - Washington D.C. MD	07/31/2019 - 08/01/2019	Attended
	2	Admin - Principles for Responsible Investment Private Equity Advisory Committee Meeting - Paris, France	09/08/2019 - 09/09/2019	Attended

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Investments				
Scott Zdrazil	3	Edu - Annual PRI in Person Conference - Paris, France	09/10/2019 - 09/12/2019	Attended
	4	Admin - Council of Institutional Investors (CII) Board of Directors Meeting - Minneapolis MN	09/16/2019 - 09/18/2019	Attended
	5	Admin - Participate with Council of Institutional Investors (CII) and Securities Exchange Commission (SEC) regarding anticipated rulemaking impacting proxy research and corporate governance regulation. - Washington D.C. MD	11/05/2019 - 11/07/2019	Attended
	6	Admin - Stanford Rock Center for Corporate Governance Institutional Investor fall forum. - New York NY	11/13/2019 - 11/14/2019	Attended
	7	Admin - Sustainability Accounting Standards Board Investor Group and Symposium meeting - New York NY	12/02/2019 - 12/05/2019	Attended
	8	Admin - KPMG Board Leadership Conference - Huntington Beach CA	01/07/2020 - 01/07/2020	Attended
	9	Admin - Corporate Directors Panel - Newport Beach CA	01/16/2020 - 01/16/2020	Attended
	10	Admin - Pension Bridge ESG Summit 2020 - San Diego CA	02/10/2020 - 02/11/2020	Attended
	11	Edu- CII Spring 2020 Conference and 35th Anniversary Celebration - Washington D.C. MD	03/09/2020 - 03/11/2020	Canceled
	12	Admin - Securities and Exchange Commission (SEC) and Legislative Meetings - Washington D.C. MD	03/12/2020 - 03/12/2020	Canceled
	13	Admin - SACRS Spring Conference 2020 - San Diego CA	05/12/2020 - 05/13/2020	Canceled
Legal Services				
Fern Billingy	1	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Frank Boyd	1	Edu - CALAPRS Course in Retirement Disability Administration - Oakland CA	09/19/2019 - 09/19/2019	Attended
	2	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Michael Herrera	1	Admin - NAPPA Executive Board Meeting - Jackson WY	10/03/2019 - 10/04/2019	Attended
	2	Edu - National Association of Public Pension Attorneys (NAPPA) Winter Seminar - Tempe AZ	02/19/2020 - 02/21/2020	Attended
Barry Lew	1	Admin - SACRS Legislative Committee - Sacramento CA	07/19/2019 - 07/19/2019	Attended
	2	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
	3	Edu - SACRS Legislative Committee - Sacramento CA	01/17/2020 - 01/17/2020	Attended
	4	Edu - NCPERS 2020 Legislative Conference - Washington D.C. MD	01/26/2020 - 01/28/2020	Attended
Cheryl Lu	1	Admin - Program review with JPMorgan and Morgan Stanley; meet with potential managers and secondary transaction advisors - New York NY	01/27/2020 - 01/31/2020	Attended
Jill Rawal	1	Edu - National Association of Public Pension Attorneys (NAPPA) Winter Seminar - Tempe AZ	02/19/2020 - 02/21/2020	Attended
Christine Roseland	1	Edu - Association of Corporate Counsel (ACC) Annual Meeting - Phoenix AZ	10/27/2019 - 10/30/2019	Attended
Elaine Salon	1	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended

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Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Member Services				
Joanna Anguiano	1	Edu - CALAPRS Benefits Round Table - Costa Mesa CA	02/07/2020 - 02/07/2020	Attended
Carlos Barrios	1	Edu - 38th ISCEBS Employee Benefits Symposium - New Orleans CA	09/08/2019 - 09/11/2019	Attended
	2	Edu - 2019 National Preretirement Education Association (NPEA) Annual Conference - Naples FL	10/19/2019 - 10/23/2019	Attended
	3	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
	4	Edu - CALAPRS Benefits Round Table - Costa Mesa CA	02/07/2020 - 02/07/2020	Attended
Jacqueline Boute	1	Edu - CALAPRS Benefits Roundtable - Oakland CA	09/20/2019 - 09/20/2019	Attended
	2	Edu - CALAPRS Benefits Round Table - Costa Mesa CA	02/07/2020 - 02/07/2020	Attended
Sandra Ceci	1	Edu - CALAPRS Benefits Round Table - Costa Mesa CA	02/07/2020 - 02/07/2020	Attended
Allan Cochran	1	Edu - ICMI Contact Center Symposium - San Diego CA	11/18/2019 - 11/21/2019	Attended
Renee Copeland	1	Edu - CALAPRS Benefits Roundtable - Oakland CA	09/20/2019 - 09/20/2019	Attended
Beatriz Daryaie	1	Edu - CALAPRS Benefits Roundtable - Oakland CA	09/20/2019 - 09/20/2019	Attended
	2	Admin - 2020 LASD Round-Up - Laughlin NV	04/05/2020 - 04/08/2020	Canceled
Jim Hepker	1	Edu - CALAPRS Benefits Round Table - Costa Mesa CA	02/07/2020 - 02/07/2020	Attended
Armendina Lejano	1	Edu - CALAPRS Intermediate Retirement Plan Administration - San Jose CA	10/16/2019 - 10/18/2019	Attended
	2	Edu - CALAPRS Advanced Course in Retirement Plan Administration - Oakland CA	12/11/2019 - 12/13/2019	Attended
Alejandro Ochoa	1	Edu - CALAPRS Benefits Roundtable - Oakland CA	09/20/2019 - 09/20/2019	Attended
Stephany Ortega	1	Admin - 2020 LASD Round-Up - Laughlin NV	04/05/2020 - 04/08/2020	Canceled
Michael Peterson	1	Admin - Hosting a Retirement Benefit table for the LACMC Spring Conference - Indian Wells CA	04/30/2020 - 05/01/2020	Canceled
Persian Petrov	1	Edu - CALAPRS Benefits Roundtable - Oakland CA	09/20/2019 - 09/20/2019	Attended
Kelly Puga	1	Edu - 2019 National Preretirement Education Association (NPEA) Annual Conference - Naples FL	10/19/2019 - 10/23/2019	Attended
	2	Edu - ICMI Contact Center Expo - Ft. Lauderdale FL	05/11/2020 - 05/14/2020	Canceled
Valerie Quiroz	1	Edu - CALAPRS Benefits Round Table - Costa Mesa CA	02/07/2020 - 02/07/2020	Attended
Jeff Shevlowitz	1	Edu - 38th ISCEBS Employee Benefits Symposium - New Orleans CA	09/08/2019 - 09/11/2019	Attended
John Slattery	1	Admin - 2020 LASD Round-Up - Laughlin NV	04/05/2020 - 04/08/2020	Canceled
Nga Van	1	Edu - CALAPRS Benefits Round Table - Costa Mesa CA	02/07/2020 - 02/07/2020	Attended

**STAFF EDUCATION AND TRAVEL REPORT
FOR FISCAL YEAR 2019 - 2020
JUNE 2020**

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
QA & Metrics				
Mary Arenas	1	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
	2	Edu - Association for Talent Development (ATD) 2020 International Conference and Expo - Denver CO	05/17/2020 - 05/20/2020	Canceled
Josielyn Bantugan	1	Edu - IIA's Operational Auditing: Influencing Positive Change 2019 - New York NY	12/03/2019 - 12/04/2019	Attended
Derwin Brown	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
	2	Edu - ASQ Audit Conference 2019 - Orlando FL	10/17/2019 - 10/18/2019	Canceled
	3	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
	4	Edu - Association for Talent Development (ATD) Train-the-Trainer Certificate Class - San Diego CA	12/04/2019 - 12/06/2019	Attended
Calvin Chow	1	Edu - IFEBP 65th Employee Benefits Conference - San Diego CA	10/20/2019 - 10/23/2019	Attended
Arlene Owens	1	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Flora Zhu	1	Edu - ATD Certificate Program - Train the Trainer - Orlando FL	07/08/2019 - 07/10/2019	Attended
Retiree Healthcare				
Tionna Fredericks	1	Edu - IIA Institute of Internal Auditors 2019 International Conference - Anaheim CA	07/07/2019 - 07/10/2019	Attended
Leilani Ignacio	1	Edu - IFEBP 65th Employee Benefits Conference - San Diego CA	10/20/2019 - 10/23/2019	Attended
	2	Admin - CVS/Caremark Annual Due Diligence Meeting - Chicago IL	12/16/2019 - 12/18/2019	Attended
Kathy Migita	1	Edu - AHIP National Conferences on Medicare, Medicaid & Dual Eligibles - Washington D.C. MD	09/23/2019 - 09/26/2019	Attended
	2	Admin - Annual Kaiser Due Diligence - Washington D.C. MD	09/27/2019 - 09/28/2019	Attended
	3	Edu - IFEBP 65th Employee Benefits Conference - San Diego CA	10/20/2019 - 10/23/2019	Canceled
	4	Edu - NCPERS 2019 Public Safety Conference - New Orleans LA	10/27/2019 - 10/30/2019	Attended
	5	Admin - Kaiser Permanente - Diligence Meeting - Seattle WA	11/03/2019 - 11/05/2019	Attended
	6	Admin - CVS/Caremark Annual Due Diligence Meeting - Chicago IL	12/16/2019 - 12/18/2019	Attended
	7	Edu - NCPERS 2020 Legislative Conference - Washington D.C. MD	01/26/2020 - 01/28/2020	Attended
	8	Edu - AHIP Annual National Health Policy Conference - Washington D.C. MD	03/18/2020 - 03/19/2020	Host Canceled
Keisha Munn	1	Edu - ICMI Contact Center Symposium - San Diego CA	11/18/2019 - 11/21/2019	Attended
Cassandra Smith	1	Edu - AHIP National Conferences on Medicare, Medicaid & Dual Eligibles - Washington D.C. MD	09/23/2019 - 09/26/2019	Attended
	2	Admin - Annual Kaiser Due Diligence - Washington D.C. MD	09/27/2019 - 09/28/2019	Attended

**STAFF EDUCATION AND TRAVEL REPORT
FOR FISCAL YEAR 2019 - 2020
JUNE 2020**

Attendee		Purpose of Travel - Location	Event Dates	Travel Status
Retiree Healthcare				
Cassandra Smith	3	Edu - IFEBP 65th Employee Benefits Conference - San Diego CA	10/20/2019 - 10/23/2019	Canceled
	4	Edu - NCPERS 2019 Public Safety Conference - New Orleans LA	10/27/2019 - 10/30/2019	Attended
	5	Admin - Kaiser Permanente - Diligence Meeting - Seattle WA	11/03/2019 - 11/05/2019	Attended
	6	Admin - CVS/Caremark Annual Due Diligence Meeting - Chicago IL	12/16/2019 - 12/18/2019	Attended
	7	Edu - NCPERS 2020 Legislative Conference - Washington D.C. MD	01/26/2020 - 01/28/2020	Attended
	8	Edu - AHIP Annual National Health Policy Conference - Washington D.C. MD	03/18/2020 - 03/19/2020	Host Canceled
Letha Williams-Martin	1	Edu - ICMI Contact Center Symposium - San Diego CA	11/18/2019 - 11/21/2019	Attended
Systems				
James Brekk	1	Edu - IAFCI Annual Training Conference & Exhibitor Show - Raleigh NC	08/26/2019 - 08/30/2019	Attended
	2	Edu - Cyber Threat Intelligence Leadership Forum - Orlando FL	09/16/2019 - 09/17/2019	Canceled
	3	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Roxana Castillo	1	Edu - IFEBP 65th Employee Benefits Conference - San Diego CA	10/20/2019 - 10/23/2019	Attended
	2	Edu - SACRS 2019 Fall Conference - Monterey CA	11/12/2019 - 11/15/2019	Attended
Irwin Devries	1	Admin - LACERA Co-location Lan Migration to new circuit - Mesa AZ	08/28/2019 - 08/28/2019	Attended
Francisco Jaranilla	1	Edu - Great Plains (Dynamics) User Group Summit - Orlando FL	10/15/2019 - 10/18/2019	Attended



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

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



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