

# BOARD MEETING VIRTUAL & IN PERSON

\*Following the Committee meeting  
being held prior.



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](mailto:PublicComment@lacera.com). If you would like to remain anonymous at the meeting without stating your name, please let us know.

**Attention:** Public comment requests must be submitted via email to [PublicComment@lacera.com](mailto:PublicComment@lacera.com).

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, CA 91101

9:00 A.M.\*, WEDNESDAY, NOVEMBER 9, 2022

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

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

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

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES
  - A. Approval of the Minutes of the Regular Meeting of October 12, 2022

- III. PUBLIC COMMENT

(Written Public Comment - You may submit written public comments by email to [PublicComment@lacera.com](mailto:PublicComment@lacera.com). 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.

Verbal Public Comment - You may also request to address the Board at [PublicComment@lacera.com](mailto:PublicComment@lacera.com) before and during the meeting at any time up to the end of the Public Comment item. We will contact you with information and instructions as to how to access the meeting as a speaker. If you would like to remain anonymous at the meeting without stating your name, please let us know.)

#### IV. EXECUTIVE UPDATE

- A. CHIEF EXECUTIVE OFFICER'S REPORT  
(Memo dated October 24, 2022)
- B. CHIEF INVESTMENT OFFICER'S REPORT  
(Presentation dated November 9, 2022)

#### V. CONSENT ITEMS

- A. Recommendation as submitted by Steven P. Rice, Chief Counsel:  
That, under AB 361 and Government Code Section 54953(e)(3) of the Brown Act, the Board of Retirement and Board of Investments separately consider whether to find that the Governor's COVID-19 State of Emergency continues to directly impact the ability of each Board and its Committees to meet safely in person and that other public agencies still recommend social distancing such that each Board and its Committees shall hold teleconference meetings for the next 30 days as part of hybrid meetings also in person, so long as the State of Emergency remains in effect, and direct staff to comply with the agenda and public comment requirements of Section 54953(e)(3). Action taken by each Board will only apply to that Board and its Committees. (Memo dated October 26, 2022)
- B. Recommendation as submitted by Gina Sanchez, Chair, Corporate Governance Committee: That the Board approve a revised Corporate Governance Committee Charter. (Memo dated October 14, 2022)
- C. Recommendation that the Board approve attendance of Trustees at the 2023 Infrastructure Investor Global Summit in Berlin, Germany on March 20 – 23, 2023, and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Memo dated October 23, 2022) (Placed on the agenda at the request of Trustee Santos)

#### VI. REPORTS

- A. Pension Plan Actuarial Assumption Review  
Luis A. Lugo, Deputy Chief Executive Officer  
Ted Granger, Interim Chief Financial Officer  
Nick Collier, Milliman Actuary  
Craig Glyde, Milliman Actuary  
(Memo dated October 28, 2022)

VI. REPORTS (Continued)

- B. LACERA Master OPEB Trust Unitized Fund Structure Update  
Jude Pérez, Principal Investment Officer  
John Kim, Investment Officer  
Mel Tsao, Senior Investment Analyst  
(For Information Only) (Memo dated November 1, 2022)
  
- C. Semi-Annual Interest Crediting for Reserves as of June 30, 2022  
(AUDITED)  
Ted Granger, Interim Chief Financial Officer  
(For Information Only) (Memo dated October 31, 2022)
  
- D. Project Update: Agenda and Meeting Management Solution  
Luis A. Lugo, Deputy Chief Executive Officer  
(For Information Only) (Memo dated October 14, 2022)
  
- E. Legal Projects  
Christine Roseland, Senior Staff Counsel  
(For Information Only) (Memo dated October 31, 2022)
  
- F. Monthly Travel & Education Reports – September 2022  
Ted Granger, Interim Chief Financial Officer  
  
Monthly Trustee Travel & Education Reports for September 2022  
(Public memo dated October 19, 2022)  
(Confidential memo dated October 19, 2022 – Includes Pending Travel)
  
- G. October 2022 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 October 24, 2022)

VII. ITEMS FOR STAFF REVIEW

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

VIII. ITEMS FOR FUTURE AGENDAS

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

IX. GOOD OF THE ORDER

(For information purposes only)

X. EXECUTIVE SESSION

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

1. Credit and Real Assets & Inflation Hedges Manager Recommendations

Vache Mahseredjian, Principal Investment Officer

Chad Timko, Senior Investment Officer

Quoc Nguyen, Investment Officer

Krista Powell, Investment Officer

James Rice, Principal Investment Officer

Noah Damsky, Senior Investment Analyst

(Memo dated October 28, 2022)

2. Real Assets Investment Update – Item 1

James Rice, Principal Investment Officer

Pushpam Jain, Investment Officer

(For Information Only) (Memo dated October 24, 2022)

3. Real Assets Investment Update – Item 2

James Rice, Principal Investment Officer

Pushpam Jain, Investment Officer

(For Information Only) (Memo dated October 11, 2022)

4. Private Equity Investment Update – Item 1

Derek Kong, Investment Officer

Calvin Chang, Senior Investment Analyst

(For Information Only) (Memo dated October 24, 2022)

5. Private Equity Investment Update – Item 2

Derek Kong, Investment Officer

Calvin Chang, Senior Investment Analyst

(For Information Only) (Memo dated October 24, 2022)

X. EXECUTIVE SESSION (Continued)

6. Private Equity Investment Update – Item 3  
Didier Acevedo, Investment Officer  
Calvin Chang, Senior Investment Analyst  
(For Information Only) (Memo dated October 10, 2022)

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

1. LACERA v. County of Los Angeles, et al.,  
Los Angeles Superior Court, Case No. 21STCP03475  
(Memo dated October 27, 2022)
2. In re Revlon, Inc. Bankruptcy  
Aimco CLO 10 Ltd, et al. v. Revlon, Inc., et al. Adversary  
Proceeding (LACERA named as a Plaintiff)  
U.S. District Court, Southern District of New York,  
Case No. 22-01167-DSJ  
(For Information Only) (Memo dated October 31, 2022)

XI. ADJOURNMENT

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

***Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Retirement that are distributed to members of the Board of Retirement less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Retirement Trustees at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday.***

***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](mailto: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, CA 91101

9:00 A.M., WEDNESDAY, OCTOBER 12, 2022

*This meeting was conducted by teleconference under California Government Code Section 54953(e).*

PRESENT: Herman Santos, Chair

David Green, Vice Chair (Joined the meeting at 9:16 a.m.)

Shawn Kehoe, Secretary (Left the meeting at 12:00 p.m.)

Keith Knox (Left the meeting at 11:20 a.m.)

Elizabeth B. Ginsberg (Joined the meeting at 11:10 a.m.)

Elizabeth Greenwood

Patrick Jones

Gina Sanchez (Left the meeting at 9:56 a.m.)

ABSENT: Onyx Jones

Joseph Kelly

STAFF ADVISORS AND PARTICIPANTS

Jonathan Grabel, Chief Investment Officer

Steven P. Rice, Chief Counsel

Ted Granger, Interim Chief Financial Officer

Luis Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

STAFF ADVISORS AND PARTICIPANTS (Continued)

Laura Guglielmo, Assistant Executive Officer

Esmeralda del Bosque, Acting Principal Investment Officer

Mel Tsao, Investment Officer

Ron Senkandwa, Investment Officer

Jeff Jia, Senior Investment Analyst

Magdalia Armstrong, Senior Investment Analyst

Meketa Investment Group (General Investment Consultants)

Aysun Kilic, Managing Principal

Tim Filla, Managing Principal

Albourne (Real Assets ex-Real Estate, Illiquid Credit & Hedge Funds Consultant)

James Walsh, Partner

Mark White, Partner

StepStone Group LP (Real Estate Consultants)

Thomas Hester, Managing Director

Margaret McKnight, Partner

Nossaman LLP

Ashley K. Dunning, Partner, Co-Chair, Public Pensions and Investments Group

Milliman,

Nick Collier, Milliman Actuary

Craig Glyde, Milliman Actuary

I. CALL TO ORDER

The meeting was called to order by Chair Santos at 9:12 a.m.



## II. APPROVAL OF MINUTES

Mr. Knox made a motion, Ms. Sanchez seconded, to approve the minutes of the special meeting of September 13, 2022 and the regular meeting of September 14, 2022. The motion passed (roll call), with Messrs. P. Jones, Kehoe, Knox, Santos, Mses. Greenwood and Sanchez voting yes. Ms. O. Jones and Messrs. Green and Kelly were absent from the vote.

- A. Approval of the Minutes of the Special Meeting of September 13, 2022
- B. Approval of the Minutes of the Regular Meeting of September 14, 2022

## III. PUBLIC COMMENT

There were no requests from the public to speak.

## IV. EXECUTIVE UPDATE

- A. CHIEF EXECUTIVE OFFICER'S REPORT  
(Memo dated September 27, 2022)

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

- B. CHIEF INVESTMENT OFFICER'S REPORT  
(Presentation dated October 12, 2022)

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

V. CONSENT ITEMS

Ms. Greenwood made a motion, Mr. Kehoe seconded, to approve consent items, V.A. and V.B. The motion passed (roll call), with Messrs. P. Jones, Kehoe, Knox, Santos, Mses. Greenwood and Sanchez voting yes. Ms. O. Jones and Messrs. Green and Kelly were absent from the vote.

- A. Recommendation as submitted by Steven P. Rice, Chief Counsel: That, under AB 361 and Government Code Section 54953(e)(3) of the Brown Act, the Board of Retirement and Board of Investments separately consider whether to find that the Governor's COVID-19 State of Emergency continues to directly impact the ability of each Board and its Committees to meet safely in person and that other public agencies still recommend social distancing such that each Board and its Committees shall hold teleconference meetings for the next 30 days, so long as the State of Emergency remains in effect, and direct staff to comply with the agenda and public comment requirements of Section 54953(e)(3). Action taken by each Board will only apply to that Board and its Committees. (Memo dated September 26, 2022)
- B. Recommendation that the Board approve attendance of Trustees at the SuperReturn Japan in Tokyo, Japan on November 30, 2022 to December 1, 2022 and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Memo dated October 4, 2022) (Placed on the agenda at the request of Trustee Kehoe)

VI. NON-CONSENT ITEM (Mr. Green joined the meeting at 9:16 a.m.)

- A. Recommendation as submitted by Esmeralda del Bosque, Acting Principal Investment Officer, Ron Senkandwa, Investment Officer, Jeff Jia, Senior Investment Analyst and Magdalia Armstrong, Senior Investment Analyst: That the Board approve to increase the global equity emerging manager program (EMP) range from 0-5% to 0-10%. (Memo dated September 27, 2022)

VI. NON-CONSENT ITEM (Continued)

Mr. Green made a motion, Ms. Sanchez seconded, to approve to increase the global equity emerging manager program (EMP) range from 0-5% to 0-10%. The motion passed (roll call), with Messrs. Green, P. Jones, Knox, Santos and Meses. Greenwood and Sanchez voting yes and Mr. Kehoe voting no. Ms. O. Jones and Mr. Kelly were absent from the vote.

(Without objection, Item XI.A.1 was held out of order, after Item VI. A.)

VII. REPORTS (Ms. Sanchez left the meeting at 9:56 a.m.)  
(This item was held out of order after XI. A.)

- A. Presentation on Fiduciary Duty in Actuarial Decision-Making  
Steven P. Rice, Chief Counsel  
Ashley K. Dunning, Nossaman LLP, Partner, Co-Chair, Public Pensions and Investments Group  
(Presentation and Memo dated October 5, 2022)  
(Upon Request and Submission of Required Information, MCLE Credit will be Provided for LACERA Trustees and Employees Who Are Members of the California Bar)

Ms. Dunning of Nossaman LLP provided a presentation and answered questions from the Board. This item was received and filed.

- B. Pension Plan Actuarial Assumption Review  
Santos H. Kreimann, Chief Executive Officer  
Ted Granger, Interim Chief Financial Officer  
Nick Collier, Milliman Actuary  
Craig Glyde, Milliman Actuary  
(Memo dated September 29, 2022)

Mr. Granger and Messrs. Collier and Glyde of Milliman provided a presentation and answered question from the Board. This item was received and filed. (Ms. Ginsberg joined the meeting at 11:10 a.m.) (Mr. Knox left the meeting at 11:20 a.m.)

VII. REPORTS (Continued)

- C. Council of Institutional Investors Voting Ballot  
Scott Zdrazil, Principal Investment Officer  
(For Information Only) (Memo dated September 26, 2022)

This item was received and filed.

- D. Real Estate Process Workflow Findings – Update IV  
Esmeralda del Bosque, Acting Principal Investment Officer  
Cindy Rivera, Senior Investment Analyst  
(For Information Only) (Memo dated October 1, 2022)

This item was received and filed.

- E. RFP For Securities Litigation Monitoring and Approved Counsel  
Michael D. Herrera, Senior Staff Counsel  
(For Information Only) (Memo dated September 29, 2022)

This item was received and filed.

- F. 2023 Star Cola Program Award  
Ted Granger, Interim Chief Financial Officer  
(For Information Only) (Memo dated September 27, 2022)

This item was received and filed.

- G. Monthly Status Report on Legislation  
Barry W. Lew, Legislative Affairs Officer  
(For Information Only) (Memo dated September 27, 2022)

This item was received and filed.

- H. Legal Projects  
Christine Roseland, Senior Staff Counsel  
(For Information Only) (Memo dated October 3, 2022)

This item was received and filed.

VII. REPORTS (Continued)

- I. Monthly Travel & Education Reports – August 2022  
Ted Granger, Interim Chief Financial Officer

Monthly Trustee Travel & Education Reports for August 2022

(Public memo dated September 21, 2022)

(Confidential memo dated September 21, 2022 – Includes Pending Travel)

This item was received and filed.

- J. August 2022 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 September 26, 2022)

This item was received and filed.

VIII. ITEMS FOR STAFF REVIEW

Mr. Rice stated that Trustees desiring MCLE credit for Item VII.A should complete and return information regarding attendance and an evaluation form that will be provided via email after the meeting.

IX. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

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

There was nothing to report.

- XI. EXECUTIVE SESSION (Without objection, Item XI.A.1 was held out of order, after Item VI. A. Items XI.B and C were held in their agendized order.)

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

1. Global Equity Emerging Separate Account Manager Search Recommendation  
Esmeralda del Bosque, Acting Principal Investment Officer  
Ron Senkandwa, Investment Officer

XI. EXECUTIVE SESSION (Continued)

Jeff Jia, Senior Investment Analyst  
Magdalia Armstrong, Senior Investment Analyst  
(Memo dated September 27, 2022)

Mses. del Bosque, Armstrong and Messrs. Senkandwa and Jia provided a presentation and answered question from the Board.

Ms. Sanchez made a motion, seconded by Mr. Santos, to approve selection of NewAlpha Asset Management and Leading Edge Investment Advisors as separate account managers to implement an emerging manager program in global equity. The motion passed (roll call), with Messrs. Green, P. Jones, Kehoe, Knox, Santos, Mses. Greenwood and Sanchez voting yes. Mr. Kelly and Ms. O. Jones were absent from the vote.

(Mr. Kehoe left the meeting at 12:00 p.m.)

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

Title: Chief Investment Officer

There is nothing to report.

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

Title: Chief Counsel

There is nothing to report.

October 12, 2022

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XII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:08 p.m.

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SHAWN KEHOE, SECRETARY

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HERMAN SANTOS, CHAIR



October 24, 2022

TO: Each Trustee,  
Board of Retirement  
Board of Investments

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

SUBJECT: **CHIEF EXECUTIVE OFFICER'S REPORT – NOVEMBER 2022**

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

### **Strategic Plan Update**

The LACERA leadership team, along with key staff members throughout the organization, are in the process of further assessing and revising the various goals and objectives identified by the Action Planning Teams (APT). Over the course of the next several weeks, the LACERA leadership team and KH Consulting will put together a presentation illustrating the draft goals and objectives for the SPARK team to review prior to forwarding to the full Board for consideration. KH Consulting will also present the results of the Member and Employee survey to the SPARK Team during the meeting scheduled for November 2022. Thereafter, we will then focus our efforts on presenting the final draft of LACERA's Strategic Plan to the Board of Retirement (BOR) during the January 2023 meeting.

### **Return to Boardroom**

During its Joint Board meeting on Friday, September 23, 2022, trustees from both the Board of Investments (BOI) and Board of Retirement (BOR) voted to resume in-person board meetings effective with meetings scheduled in November 2022. Trustees from both boards will have the option to participate in board and committee meetings remotely or in person as part of the Brown Act State of Emergency Order. The Covid-19 State of Emergency will end on February 28, 2023.

### **Board/Committee Agenda Management, Recordings, Online Archives, and Public Interface Update**

At its March 2022 Board of Retirement meeting, the Board approved to utilize and contract with Prime Government Solutions, Inc. (PrimeGov) now called OneMeeting. This application will be used for both Boards and all Committee meetings, including agenda management, livestreaming, recordings, online archives, and a public interface solution, with an indefinite retention period for archiving the audio and visual recordings. Staff has provided trustees with an opportunity to access the site, and staff will be providing training and obtaining trustee feedback for the pre-meeting testing. In November, testing for the



in-meeting management (voting, public comment, speaker queue, livestreaming, archive materials/recording) and public interface will go into beta testing. Staff will be incorporating trustee feedback, and continue testing and training through December. Staff is planning to go live in January 2023, as well as at the February 2023 OOC meeting following implementation.

### **2022 Safety Member Elections**

The Board of Supervisors certified the election for the safety member trustee seats on both boards. Mr. Jason E. Green (Captain, Los Angeles County Fire Department) has been elected to be the Seventh Member on the Board of Retirement, as well as the Fourth Member on the Board of Investments. Current LACERA Trustee Shawn Kehoe (Captain, Los Angeles County Sheriff's Department) will remain on the Board of Retirement as the Alternate Safety Trustee. Both trustees will begin their service in these capacities effective January 1, 2023 through December 31, 2025.

### **Member Service Call Center**

The Member Service Call Center continues to experience longer than average wait times. In the months of August 2022 and September 2022, the average wait times were 13 minutes and 17 minutes, respectively. During peak hours, the wait time can reach up to an hour. As previously mentioned, we currently have two CORE Benefits training classes that are nearing completion. The first class consists of thirteen Retirement Benefit Specialists (RBS), eight of which will be assigned to the Member Services Call Center (MSCC), one to our Member Care Unit in Member Services, and four to the Benefits division. We expect the eight staff members to begin answering calls independently by December 2022. The second training class consists of ten RBS, of which six will be assigned to the MSCC and four to the Benefits division. The second trainee class will begin to take calls independently by late January 2023. The addition of fifteen new agents to our MSC Call Center will have a significant impact in reducing our Call Wait times. In addition, we are in the process of recruiting for the upcoming CORE Benefits training class scheduled for Spring 2023. We also deployed the new *Call Back* feature for members on September 30th

We are also exploring other Artificial Intelligence (AI) voice features to help reduce call wait times. We have already deployed the "Call Back" feature for our members as an alternative to waiting on hold. Our current provider, Amazon Web Service (AWS), has a voice authentication service which can be used to validate callers by voice. Members who have opted into this service would be recognized and validated by AWS and able to bypass the validation process (reducing wait times). This would be offered to members as an option upon completing a Secure Validation process. We expect to have a signed SOW (Statement of Work) and a general timeline for the project by the end of October 2022.

Lastly, we continue to see a high demand for our one-on-one counseling services. We currently offer twenty to twenty-three counseling appointments per day either in-person or virtual. We have a rolling 90-day calendar, and it is booked out 90 days (about three

months). As an alternative, members who call the Member Service Center do receive detailed counseling and instruction which contributes to the long handle time within MSC.

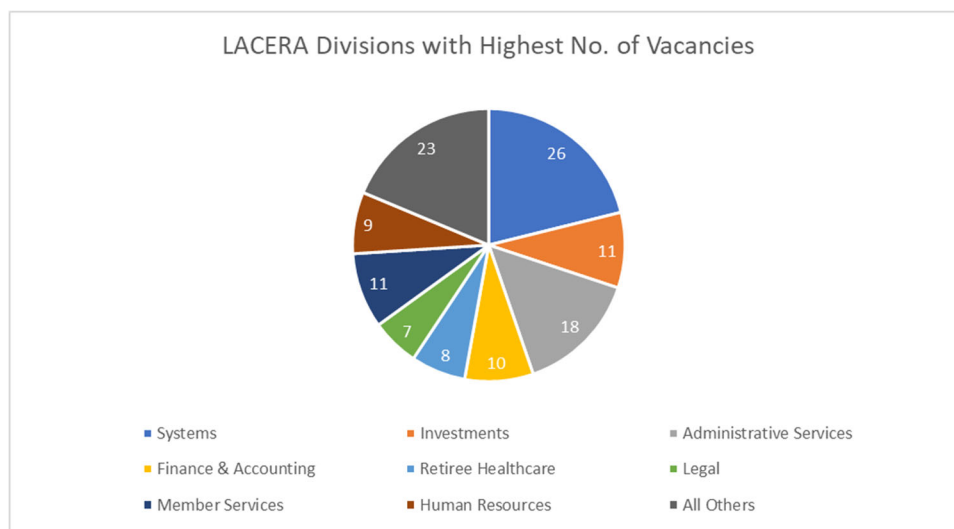
**Recruitment Updates**

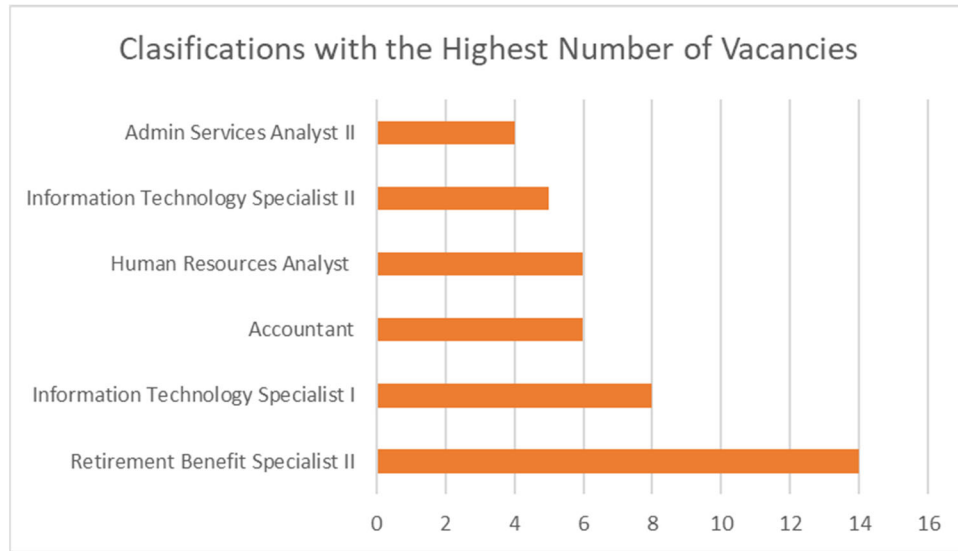
*Vacancies and Hiring*

The current hiring priority in the Investments Division recruitment efforts is the Senior Investment Officer. There are eleven (11) vacancies in Investments (24% vacancy rate) and below is a summary of the recruitment status of these positions.

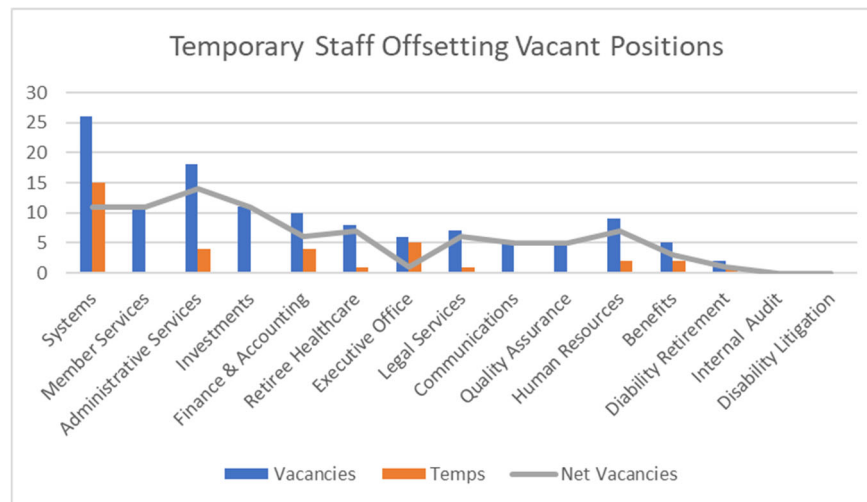
Classification	# of		
	Vacancies	LACERA Priority	Recruitment Stage
Deputy Chief Investment Officer	1	Tier 1 – December 2022	Outsourced Recruitment
Senior Investment Officer (SIO)	1	Tier 1 – June 2022	9 – Division Interviews
Finance Analyst III (FA III)	3	Tier 1 – June 2022	9 – Division Interviews
Finance Analyst II (FA II)	3	Tier 2 – December 2022	
Executive Administrative Asst.	1	Tier 2 – December 2022	N/A
Principal Investment Officer (PIO)	1	Tier 2 – December 2022	N/A
Senior Investment Officer	1	Unassigned	N/A

LACERA has 530 budgeted positions, of which 123 are vacant (23% vacancy rate). The Divisions with the highest number of vacancies, and the classifications with the highest number of vacancies, are shown below.





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



### Development

Human Resources works with the hiring Division to review the classification description, create an ideal candidate profile, and discuss the assessment process. This information is used by HR to create the job bulletin and recruiting brochure (management positions only). The recruitments/assessments for the following classifications are currently in development:

- Retirement Systems Specialist
- Staff Counsel (Benefits)
- Deputy Chief Investment Officer
- Division Manager

Human Resources is working with the Administrative Services Division to complete the contracting process for a vendor to facilitate the Deputy Chief Investment Officer and Chief, Financial Officer recruitments, and another vendor to facilitate the Chief, Information Technology, and Information Security Officer recruitments.

*Recruiting & Assessment*

The Human Resources Team has open recruitments for the following positions:

- Staff Counsel (Investments)
- Financial Analyst III (Corporate Governance and Stewardship)

The assessment process is ongoing for Retirement Benefits Specialist I. The examinations for the Human Resources Analyst, Senior Human Resources Analyst, and Senior Human Resources Assistant examinations closed and the applications are under review.

*New Lists Promulgated*

New eligible registers were promulgated for Senior Investment Officer - Real Estate and Financial Analyst III for Real Estate. Final selection interviews for Senior Investment Officer - Real Estate and Financial Analyst III - Real Estate took place and hiring decisions are expected shortly. Recruitment for the Financial Analyst III - Corporate Governance position continues. Additional candidates are in the assessment phase and those that pass will be added to the eligibility register (list).

*Hiring*

The hiring and selection activity for the month of September is as follows:

Classification	# of		
	Positions	Division	Status
Senior Human Resources Analyst	1	Human Resources	Started October 13
Accountant	1	FASD	Started October 3
Administrative Services	2	Procurement and Supply Clerk	Selections made; starting November 1
Communications	1	Media Artist	Selection made; starting November 1

**Cigna COVID-19 Testing Cost Share Waiver Extended through January 11, 2023**

On Friday, October 21, 2022, notification was received from Cigna Health informing us that Health & Human Services (HHS) has extended the federal public health emergency (PHE) period through January 11, 2023. Therefore, CIGNA will continue to cover individualized COVID-19 diagnostic tests and related visits without customer cost share through the extended period. Segal and staff have inquired about this new information with our other LACERA-administered health plans and are awaiting reply. We will keep the board informed.



# CEO DASHBOARD



November 2, 2022



# Striving for Excellence

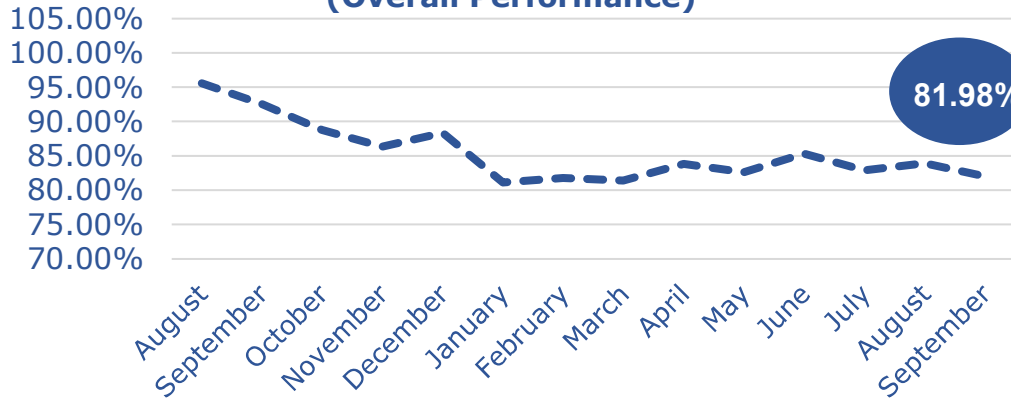
Service Metrics Reported on a Fiscal Year Basis (July 1) Through: September 2022

 <p><b>WORKSHOP ATTENDANCE</b> 1,257 Year-to-Date: 3,808</p>	 <p><b>OUTREACH EVENTS</b> 20 Year-to-Date: 62</p>	 <p><b>WORKSHOP SATISFACTION</b> N/A Mo. To Mo. Change: N/A</p>	 <p><b>MSC SATISFACTION</b> N/A Mo. To Mo. Change: N/A</p>	 <p><b>MEMBER SERVICES CALL CENTER</b> 10,080 3 Month Average: 11,158</p>
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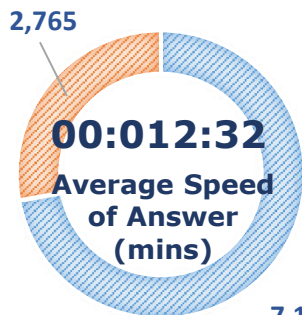
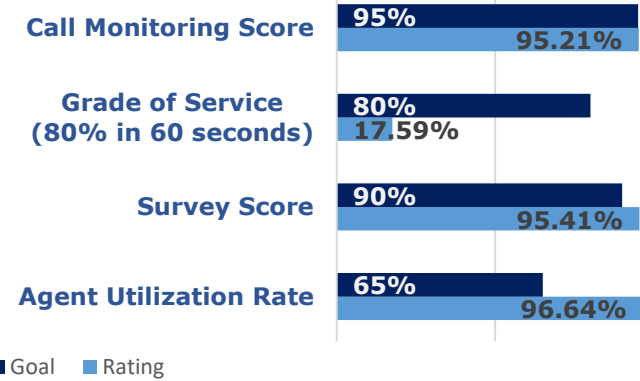
## Member Services

### Key Performance Indicator (Overall Performance)

Goal: 100%



### Key Performance Indicator (Components)



### Top Calls

1. Retirement Counseling: Process Overview
2. Retirement Counseling: Estimate
3. Insurance Benefits: Call Transferred-After



### Emails

594  
Avg. Response Time (ART)

24:00 hours

Secure Message  
872



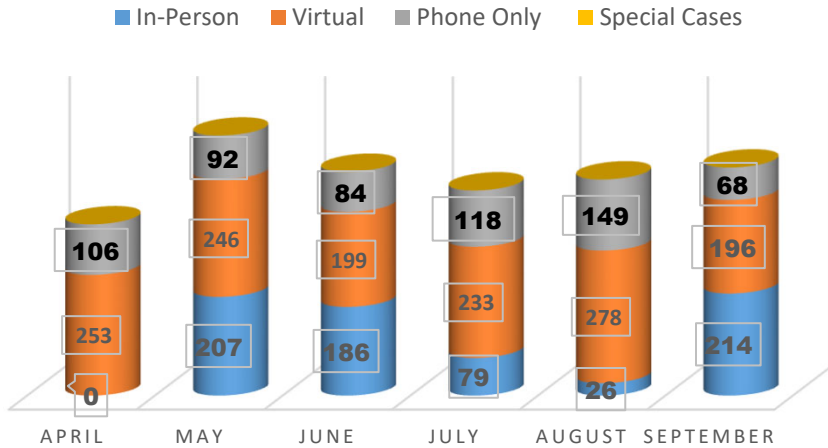


# Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: September 2022

## Member Services

### Member Service Center Appointments

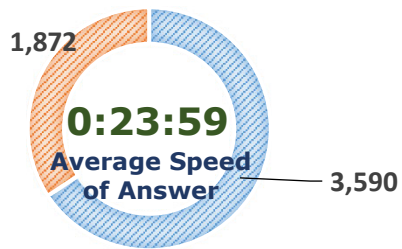


COMING SOON

## Retiree Healthcare



Total RHC Calls: 5,480



■ Calls Answered ■ Calls Abandoned

### Top Calls

1. Medical/Dental Enrollments

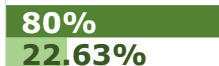
2. Medicare Part B Inquiries

3. General Inquiries

Call Monitoring Score



Grade of Service (80% in 60 seconds)



Survey Score



Agent Utilization Rate



■ Goal ■ Rating



Emails 324

Avg. Response Time (ART) 5 Days



Secure Messages

416



# Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: September 2022

**Applications**  
**950**

**In Process**  
**As Of**  
**9/30/2022**

**901** Pending on: 8/31/2022

**89** Received

**212** Year-to-Date

**0** Re-Opened

**0** Year-to-Date

**39** To Board - Initial

**150** Year-to-Date

**1** Closed

**7** Year-to-Date

**Appeals**  
**75**

**In Process**  
**As Of**  
**9/30/2022**

**76** Pending on: 8/31/2022

**1** Received

**3** Year-to-Date

**1** Admin Closed/Rule 32

**2** Year-to-Date

**1** Referee Recommended

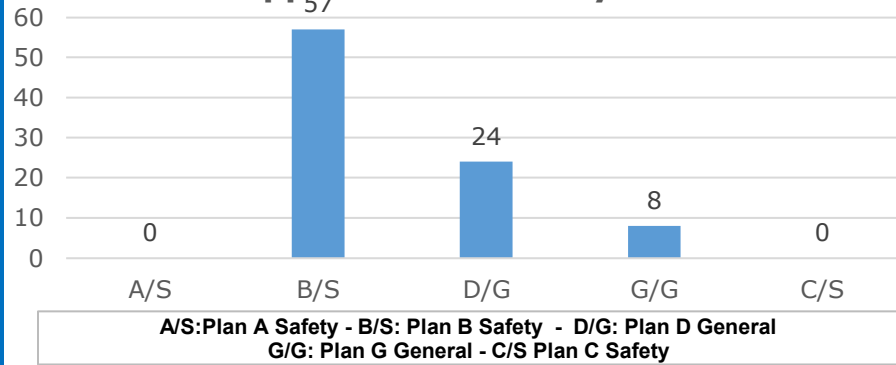
**1** Year-to-Date

**0** Revised/Reconsidered for Granting

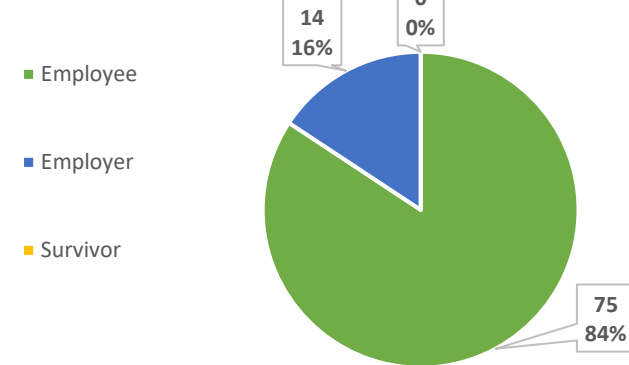
**2** Year-to-Date

Disability

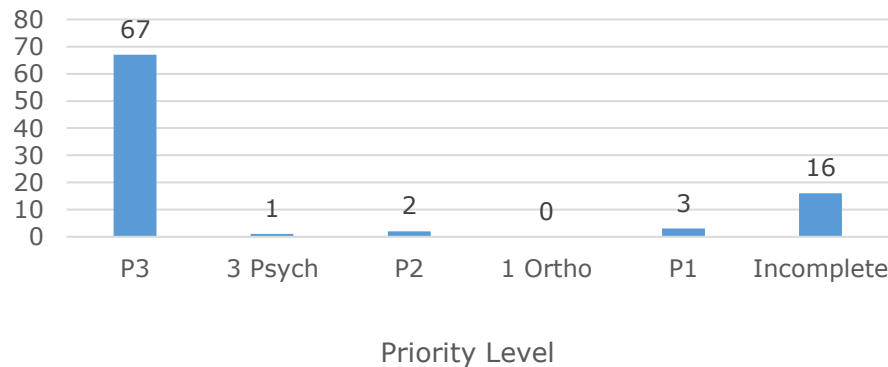
### Applications Filed By Plan



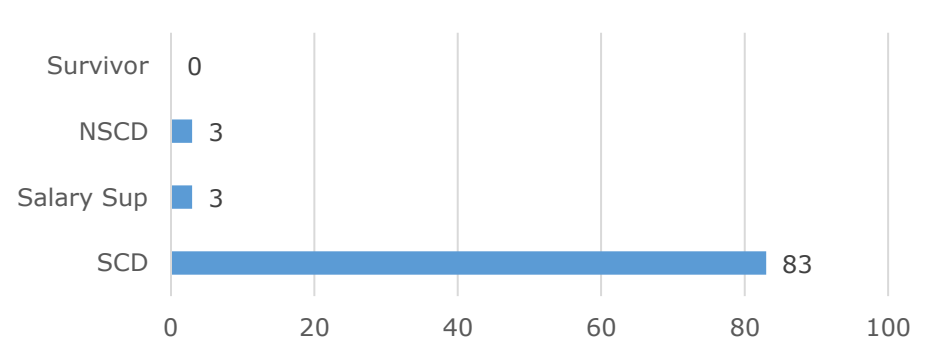
### Applications Filed By Source



### Applications Filed By Priority Level



### Applications Filed By Type



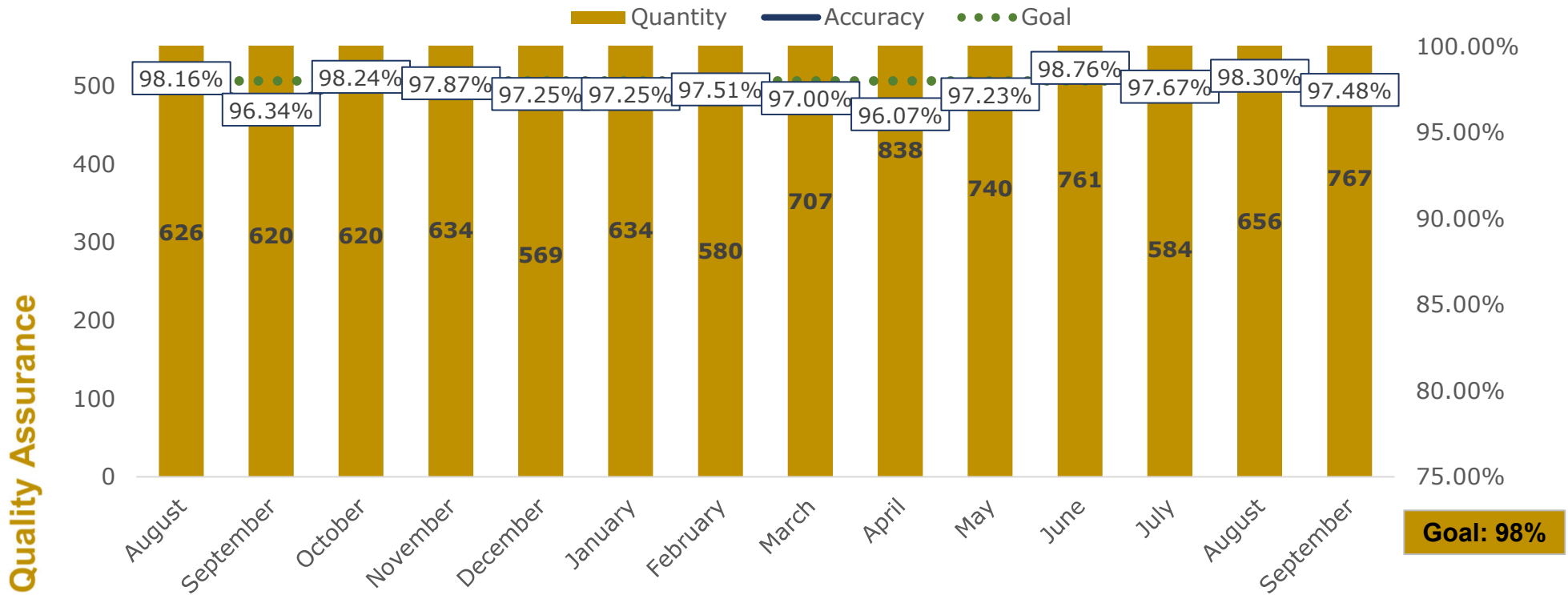




# Striving for Excellence in Quality

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: September 2022

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



**September**

**97.48%**



### Retirement Elections

**202** Samples  
**97.74%** Accuracy

### Payment Contracts

**475** Samples  
**94.71%** Accuracy

### Data Entry

**90** Samples  
**100.00%** Accuracy

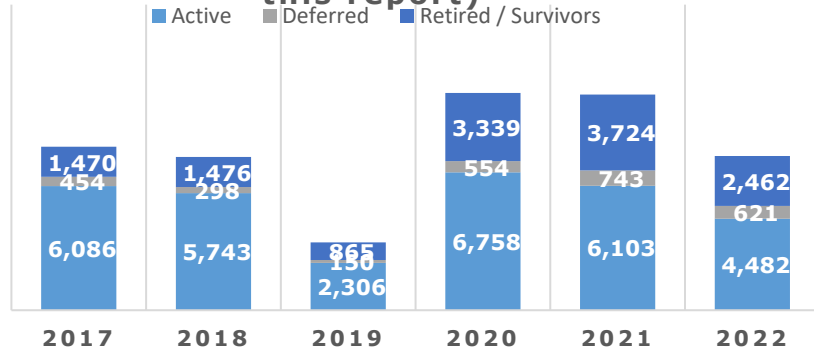


# Service On-Line for All

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: September 2022

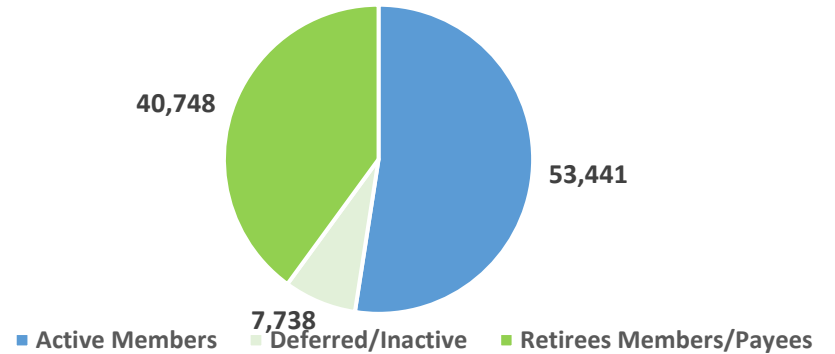
Serving Members Through LACERA.com and MyLACERA

**MyLACERA Annual Registration**  
(as of the 15th of the month prior to this report)

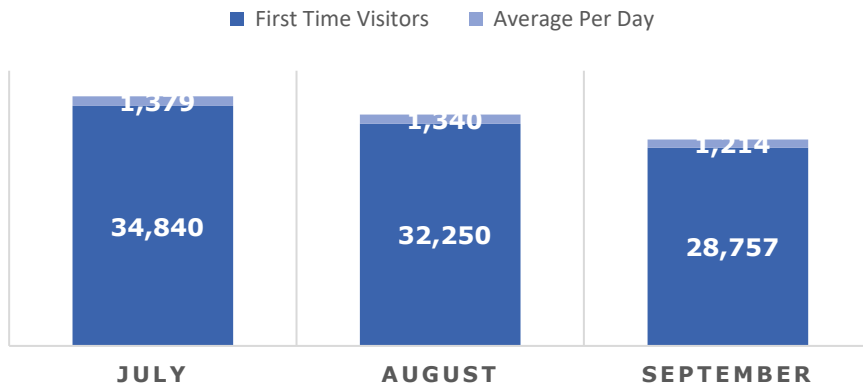


**Total Registered Members** 101,927 60%

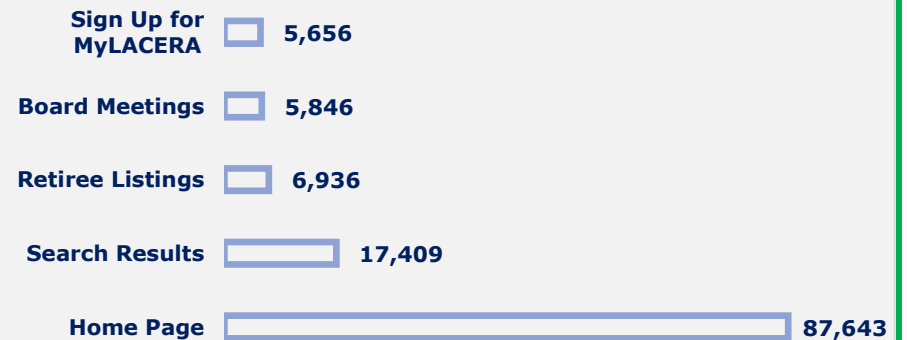
**Total Registrations By Member Type**



**LACERA.com User Traffic**



**Top Five LACERA.com Page Views**



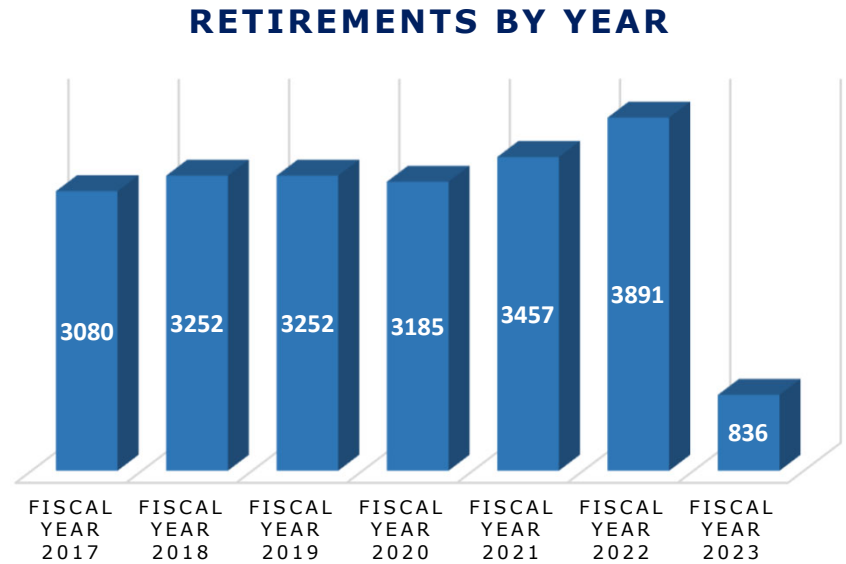
Home Page "I Would Like To" View	Views	% of Change	Home Page Tile Views	Views	% of Change
See my retirement options	4,553	-21%	My LACERA	5,108	9%
Download 2022 RHC forms	2,430	-5%	Pre-Retirement Workshops	2,250	-16%
Start my retirement planning	3,234	22%	Careers	4,427	29%
Learn about service credit	2,035	8%	Investments	1,969	1%
Add or update my beneficiary	1,545	17%	Annual Reports	1,574	22%
<b>Busiest Day of the Month:</b>	<b>Friday, 9/9/2022</b>		Forms and Publications	219	0%



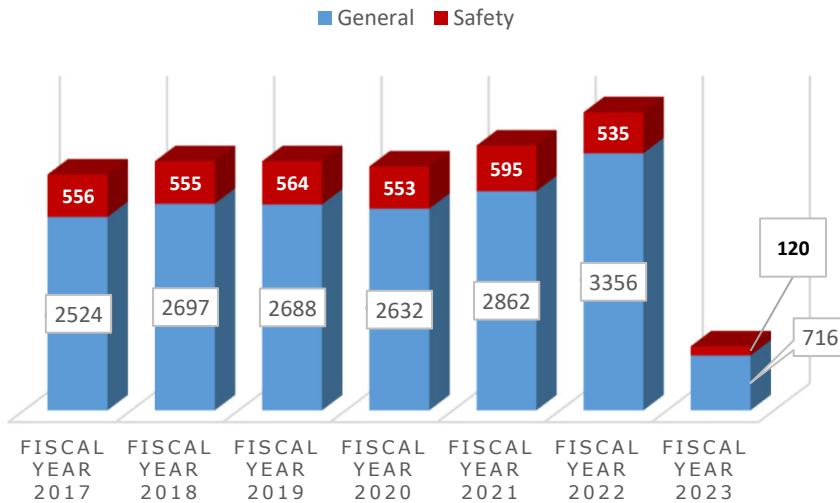
# Member Snapshot

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: September 2022

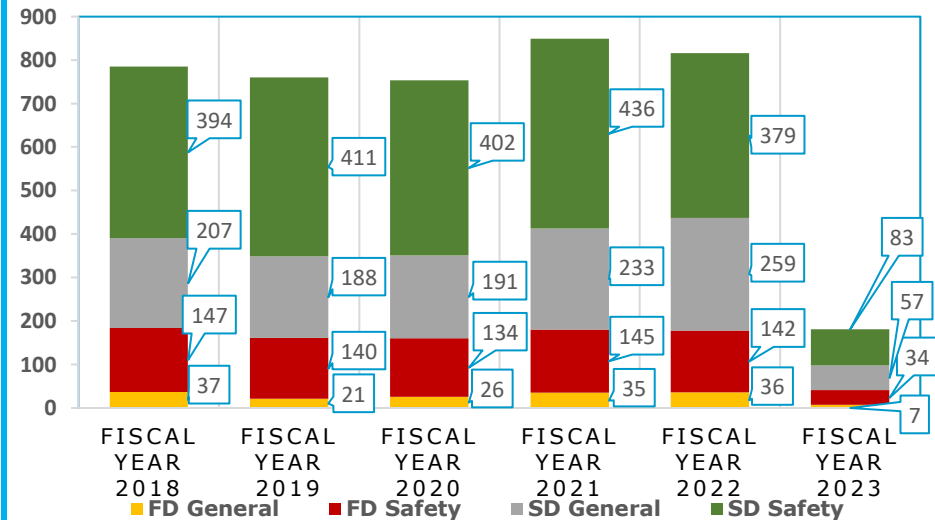
		Members as of 10/15/2022			
General	Plan	Active	Retired	Survivors	Total
	Plan A	54	13,680	4,141	17,875
	Plan B	14	636	72	722
	Plan C	17	417	66	500
	Plan D	35,397	20,265	1,871	57,533
	Plan E	13,761	15,032	1,559	30,352
	Plan G	34,403	204	15	34,622
	<b>Total General</b>	<b>83,646</b>	<b>50,234</b>	<b>7,724</b>	<b>141,604</b>
Safety	Plan A	1	4,464	1,655	6,120
	Plan B	7,995	7,521	390	15,906
	Plan C	4,834	22	2	4,858
	<b>Total Safety</b>	<b>12,830</b>	<b>12,007</b>	<b>2,047</b>	<b>26,884</b>
<b>TOTAL MEMBERS</b>		<b>96,476</b>	<b>62,241</b>	<b>9,771</b>	<b>168,488</b>
<b>% by Category</b>		<b>57%</b>	<b>37%</b>	<b>6%</b>	<b>100%</b>



### ANNUAL RETIREMENTS BY TYPE



### GENERAL VS. SAFETY RETIREMENTS FOR FIRE AND SHERIFF





# Member Snapshot

## Average Monthly Benefit Allowance Distribution Oct. 24, 2022

	General	Safety	Total	%
<b>\$0 to \$3,999</b>	30,189	1,503	31,692	51.0%
<b>\$4,000 to \$7,999</b>	14,210	3,450	17,660	28.4%
<b>\$8,000 to \$11,999</b>	4,049	4,285	8,334	13.4%
<b>\$12,000 to \$15,999</b>	1,119	2,129	3,248	5.2%
<b>\$16,000 to \$19,999</b>	370	437	807	1.3%
<b>\$20,000 to \$23,999</b>	111	138	249	0.4%
<b>\$24,000 to \$27,999</b>	30	41	71	0.1%
<b>&gt; \$28,000</b>	23	5	28	0.0%
<b>Totals</b>	50,101	11,988	62,089	100%

## Average Monthly Benefit Amount:

**\$ 4,729.00**

### Healthcare Program

(Mo. Ending:9/30/2022)

	Employer	Member
Medical	\$150.3	\$11.0
Dental	\$11.8	\$1.1
Part B	\$23.3	\$0.0
<b>Total</b>	<b>\$185.4</b>	<b>\$12.1</b>

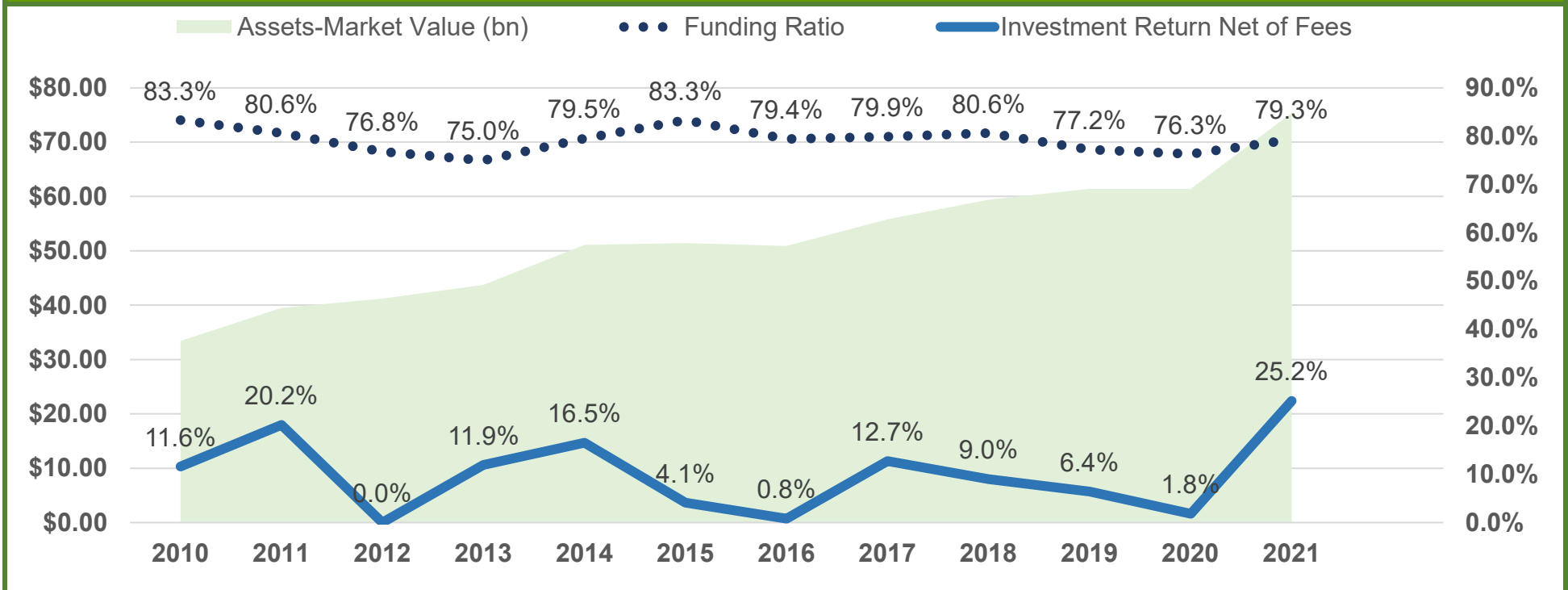
### Health Care Enrollments

(Mo. Ending:9/30/2022)

Medical	54,422
Dental	56,151
Part B	37,343
LTC	521
<b>Total</b>	<b>148,437</b>

## KEY FINANCIAL METRICS

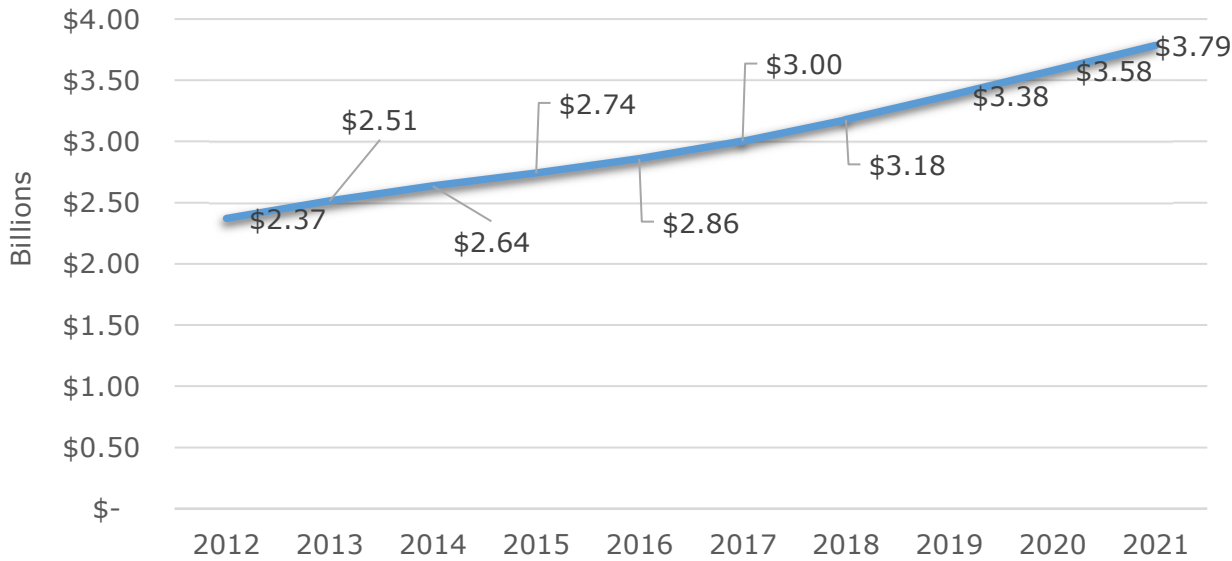
Fiscal Year End Financial Update (as of 06/30/2021)





# Key Financial Metrics

### Retiree Payroll by Year



### FUNDING METRICS (as of 6/30/21)

Employer NC	10.88%
UAAL	13.58%
Assumed Rate	7.00%
Star Reserve	\$614m
Total Assets	\$73.0b

### Contributions (as of 6/30/21)

	Employer	Member
Annual Adc	\$2.0b	\$761.0m
% of Payrol	24.46%	7.87%

### Contributions (as of 6/30/21)

(Net of Fees)

5 YR:	10.8%	10 YR:	8.6%
-------	-------	--------	------

### Retired Members Payroll

(As of 9/30/2022)

Monthly Payroll	\$353.58m
Payroll YTD	\$1.1b
New Retired Payees Added	311
Seamless %	95.18%
New Seamless Payees Added	936
Seamless YTD	95.30%
By Check %	2.00%
By Direct Deposit %	98.00%



## QUIET PERIOD LIST

Last Update 10/19/2022

### ADMINISTRATIVE/OPERATIONS

RFP/RFI Name	Issuing Division	RFP Issued	Status*	Quiet Period for RFP Respondents*
<b>Search for Classification &amp; Compensation Study Services (HR)</b>	Human Resources	5/24/2021	Bid Review	<ul style="list-style-type: none"> <li>• Koff and Associates</li> <li>• Magnova Consultant</li> <li>• Grant Thornton</li> <li>• Reward Strategy Group</li> </ul>
<b>Search for Classification &amp; Compensation Study Services (RHC)</b>	Human Resources	5/24/2021	Bid Review	<ul style="list-style-type: none"> <li>• Koff and Associates</li> <li>• Magnova Consultant</li> <li>• Grant Thornton</li> <li>• Reward Strategy Group</li> </ul>
<b>Investments Operational Due Diligence</b>	Internal Audit	5/20/2022	Solicitation Process	<ul style="list-style-type: none"> <li>• KPMG</li> </ul>
<b>Prepaid Debit Card Services</b>	Benefits	6/15/2022 Posted on ISD's solicitation website August 2022	Proposal review	<ul style="list-style-type: none"> <li>• US Bank</li> <li>• FIS</li> <li>• T4L</li> <li>• Original Digital Corporation</li> <li>• Conduent</li> <li>• Brinks Netspend</li> <li>• Prepaid Technologies</li> </ul>
<b>Executive Recruitment Services</b>	Human Resources	2/23/2022	Contract Development	<ul style="list-style-type: none"> <li>• Alliance Consulting</li> <li>• David Gomez Partners, Inc</li> <li>• EFL</li> <li>• Ralph Anderson</li> <li>• Spencer Stuart</li> <li>• WBCP</li> </ul>

\*Subject to change

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### INVESTMENTS QUIET PERIOD FOR SEARCH RESPONDENTS

None at this time



Date	Conference
<b>November, 2022</b>	
8-10	Institutional Limited Partners Association (ILPA) General Partner Summit New York, NY
8-11	SACRS Fall Conference Long Beach, CA
30-December 1	SuperReturn Japan Tokyo, Japan
<b>December, 2022</b>	
5-7	2022 SuperReturn Africa Cape Town, South Africa
6-7	Infrastructure Investor America Forum Conference New York, NY
14-15	National Association of Corporate Directors (NACD) Master Class Scottsdale, AZ
<b>January, 2023</b>	
22-24	NCPERS (National Conference on Public Employee Retirement Systems) Legislative Conference Washington, D.C.
30-February 1	IFEBP (International Foundation of Employment Benefit Plans) Health Benefits Conference Clearwater Beach, FL
<b>March, 2023</b>	
4-7	CALAPRS (California Association of Public Retirement Systems) General Assembly Meeting Monterey, CA
6-8	Council of Institutional Investors (CII) Spring Conference Washington D.C.
22-23	PREA (Pension Real Estate Association) Spring Conference Seattle, WA
29-31	CALAPRS (California Association of Public Retirement Systems) Advanced Principles of Pension Governance for Trustees at UCLA Los Angeles, CA

# Chief Investment Officer Monthly Report

Board of Investments  
November 9, 2022



Jonathan Grabel   
Chief Investment Officer

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION



# Table of Contents

---

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



# Market Environment

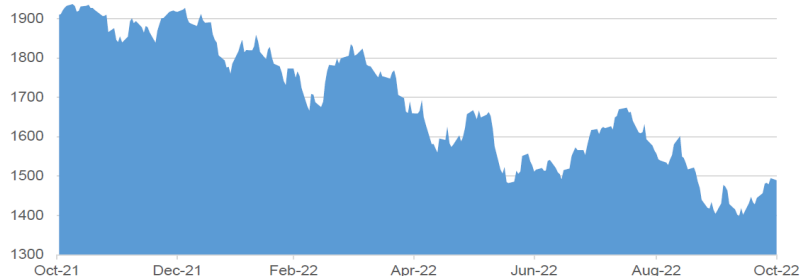


# Global Market Performance as of October 31, 2022

## MSCI ACWI Index (Global Equity Market)\*

Trailing Returns (%)			Annualized Returns (%)			
1-month	3-month	YTD	1Y	3Y	5Y	10Y
6.2	-7.5	-21.1	-20.2	4.8	5.0	8.0

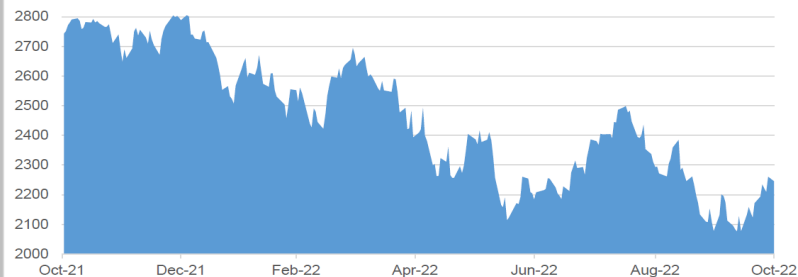
MSCI ACWI IMI Index 1-Year Performance



## Russell 3000 Index (U.S. Equity Market)

Trailing Returns (%)			Annualized Returns (%)			
1-month	3-month	YTD	1Y	3Y	5Y	10Y
8.2	-5.5	-18.4	-16.5	9.8	9.9	12.5

Russell 3000 1-Year Performance



## MSCI Emerging Market Index

Trailing Returns (%)			Annualized Returns (%)			
1-month	3-month	YTD	1Y	3Y	5Y	10Y
-3.1	-14.1	-29.4	-31.0	-4.4	-3.1	0.8

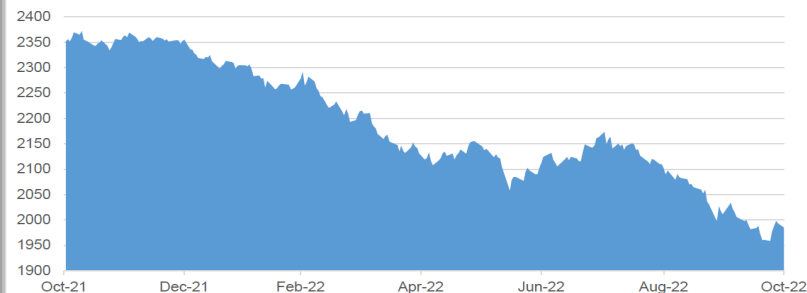
MSCI Emerging Markets 1-Year Performance



## Barclays U.S. Aggregate Bond Index\*\*

Trailing Returns (%)			Annualized Returns (%)			
1-month	3-month	YTD	1Y	3Y	5Y	10Y
-1.3	-8.2	-15.7	-15.7	-3.8	-0.5	0.7

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

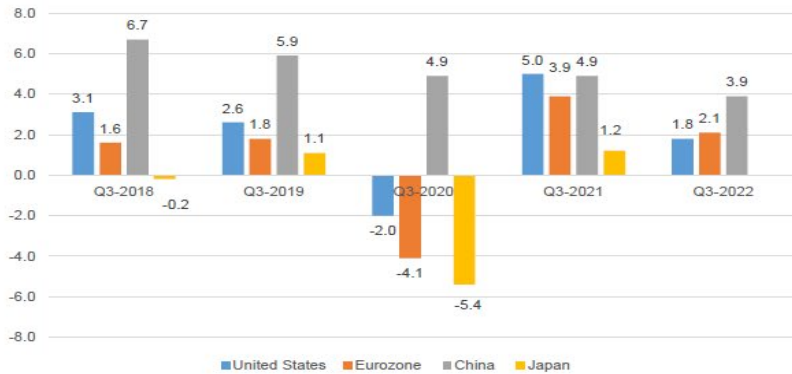
Source: Bloomberg



# Key Macro Indicators\*

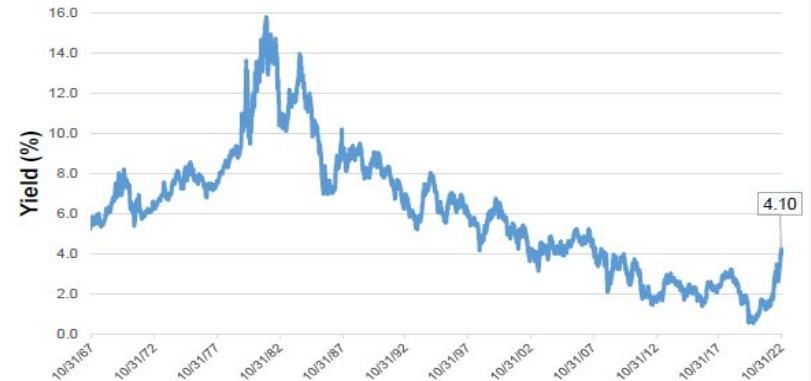
## GDP Growth of Major Economies<sup>1</sup>

Real GDP Growth YoY (%) - Last Five Years



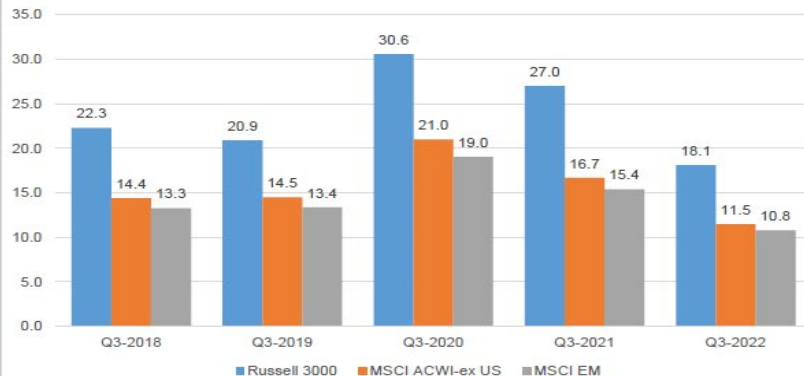
## 10-Year Treasury Yield<sup>2</sup>

Historical 10-Year Treasury Yield



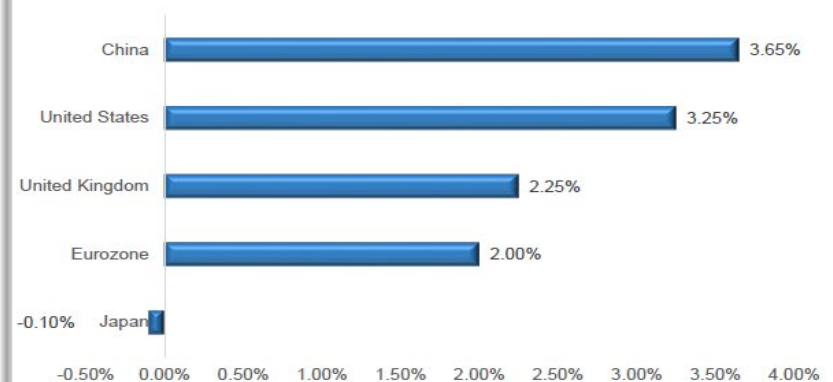
## World Equity Valuation<sup>3</sup>

Price-to-Earnings - Last Five Years



## Central Bank Rates<sup>4</sup> (as of 10/31/2022)

Central Bank Rates



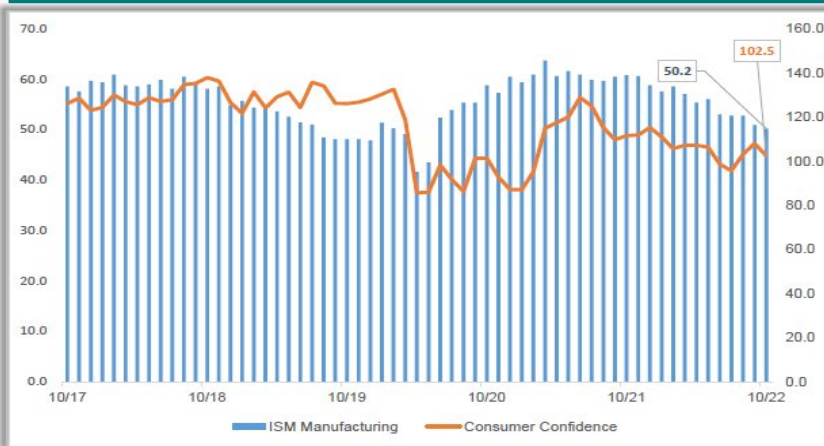
\*The information on the "Key Macro Indicators" charts is the best available data as of 10/31/22 and may not reflect the current market and economic environment.

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

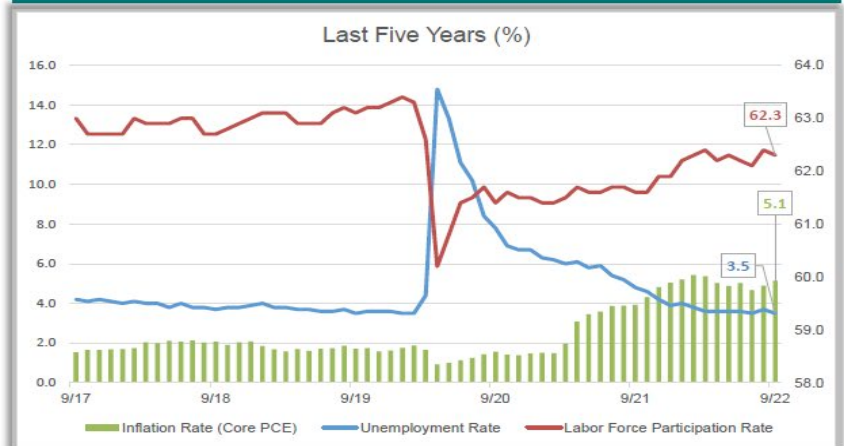


# Key Macro Indicators\*

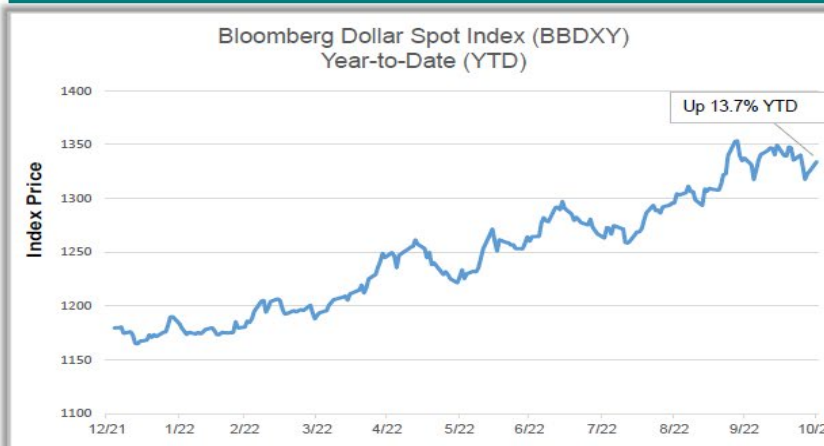
### Consumer Confidence & ISM Manufacturing<sup>1</sup>



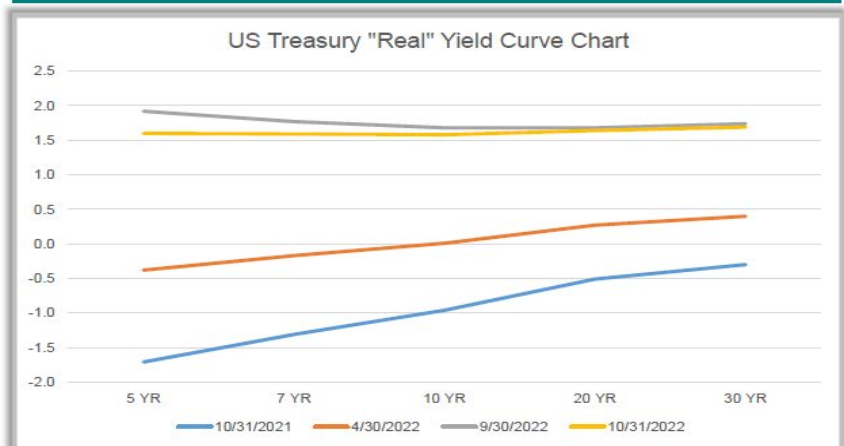
### U.S. Inflation, Unemployment, & Labor Force Participation<sup>2</sup>



### Performance of US Dollar vs. Leading Global Currencies<sup>3</sup>



### U.S. Treasury "Real" Yield Curve<sup>4</sup>



Sources: 1. Bloomberg 3. Bloomberg  
2. Bloomberg 4. U.S. Treasury

\*The information on the "Key Macro Indicators" charts is the best available data as of 10/31/22 and may not reflect the current market and economic environment.



# Market Themes and Notable Items to Watch

## Recent Themes

- Inflation remains a focus for consumers, central bankers, and investors
  - The Consumer Price Index increased 8.2% for the year ended September 2022, following a rise of 8.3% for the year ended August 2022
- The International Monetary Fund downgraded its 2023 outlook for the global economy while saying that “for many people 2023 will feel like a recession”
- The U.S. 10-year Treasury yield ended October at 4.10%, up from 1.52% at the end of 2021 and 0.93% at the end of 2020
  - 30-year fixed consumer mortgage rates were above 7% in October
- Global equities (MSCI All Country World Investable Market Index) gained 6.2% in October and are now down 21.1% in 2022

## What to Watch

- Interest rates and central bank actions
- Economic data and trends
  - Inflation, supply chains, and labor developments
- Macro conditions and geopolitical risks
- Environmental, social, and governance
  - SEC approves 2010 Dodd-Frank Act clawback rule requiring executive pay to be recovered if based on erroneous financial reports
  - Council of Institutional Investors new policy suggests more limits to multiple board service
- Covid-19
  - Covid variants, cases, transmission, vaccines
  - Economic and consumer behavior implications



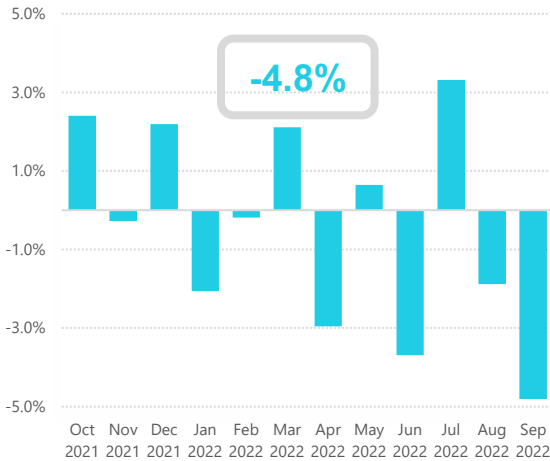
# Portfolio Performance & Risk Updates



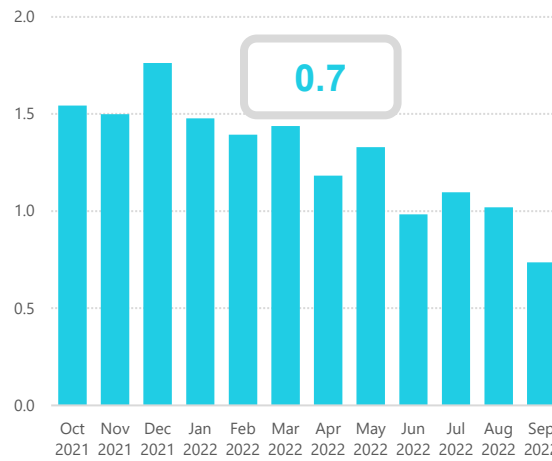
# Total Fund Summary

as of September 2022

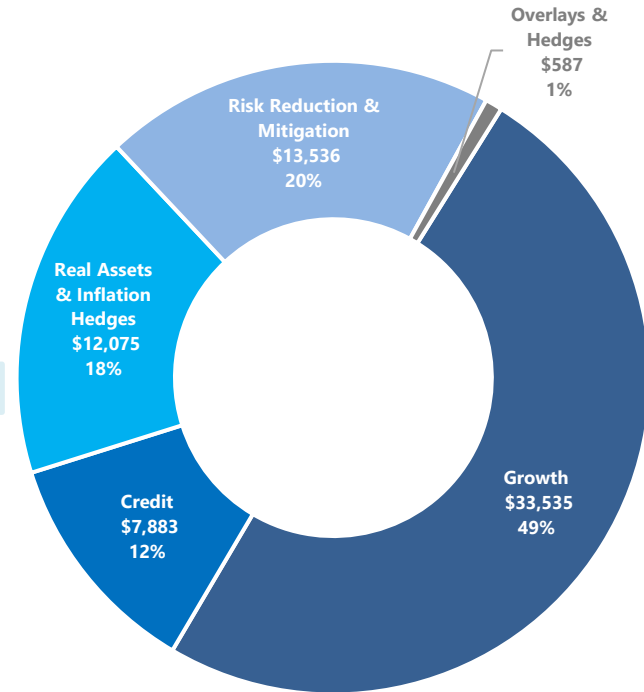
Monthly Return (net)



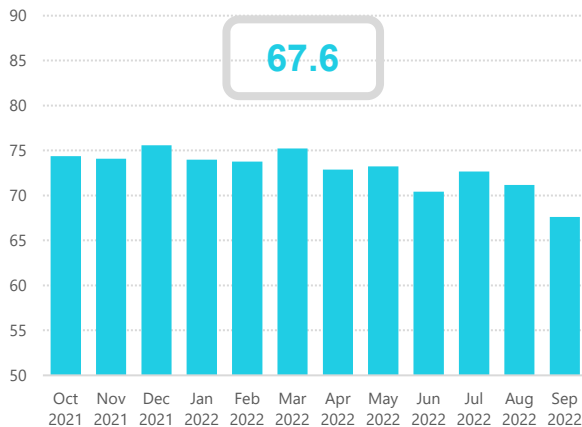
Sharpe Ratio (3-year annualized)



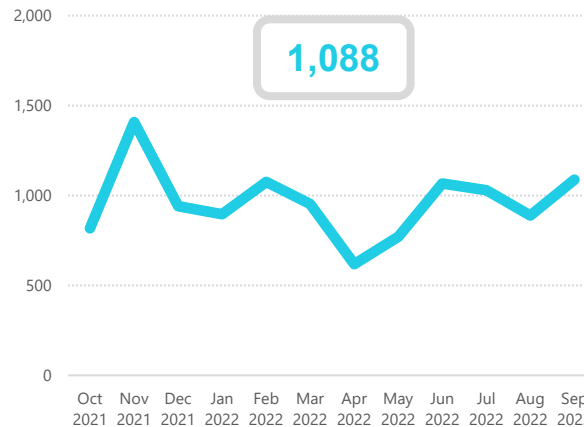
Asset Allocation (\$ millions)



Total Market Value (\$ billions)



Cash (\$ millions)



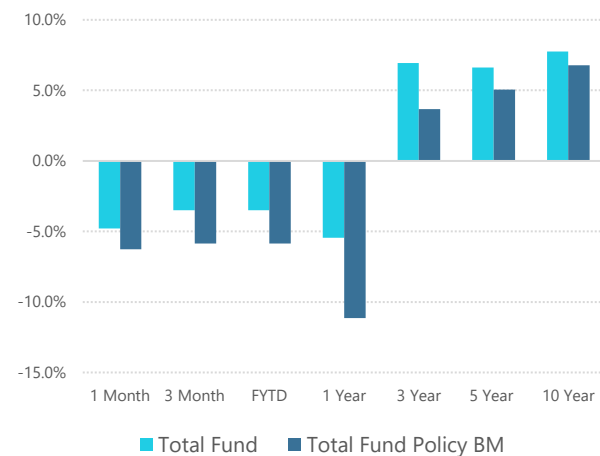


# Historical Net Performance

## as of September 2022

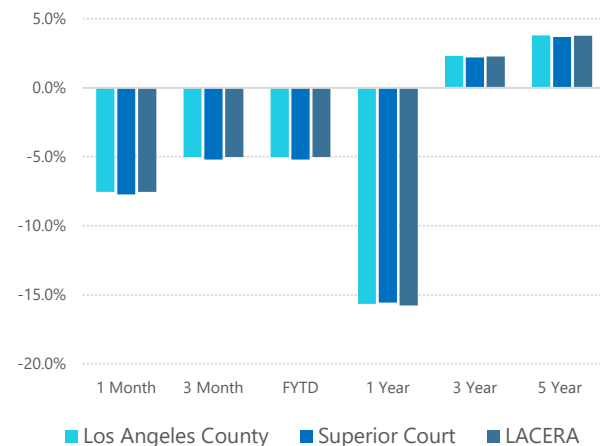
### LACERA Pension Fund

	Market Value (\$ millions)	% of Total Fund	Interim Target	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
<b>Total Fund</b>	<b>67,616</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-4.8%</b>	<b>-3.5%</b>	<b>-3.5%</b>	<b>-5.5%</b>	<b>6.9%</b>	<b>6.6%</b>	<b>7.7%</b>
Total Fund Policy BM				-6.3%	-5.9%	-5.9%	-11.1%	3.7%	5.0%	6.8%
7% Annual Hurdle Rate				0.6%	1.7%	1.7%	7.0%	7.0%	7.0%	7.0%
<b>Growth</b>	<b>33,535</b>	<b>49.6%</b>	<b>53.0%</b>	<b>-5.9%</b>	<b>-4.9%</b>	<b>-4.9%</b>	<b>-9.5%</b>	<b>10.4%</b>		
Growth Policy BM				-8.4%	-8.5%	-8.5%	-16.7%	6.1%		
<b>Credit</b>	<b>7,883</b>	<b>11.7%</b>	<b>11.0%</b>	<b>-1.9%</b>	<b>-0.6%</b>	<b>-0.6%</b>	<b>-5.9%</b>	<b>2.7%</b>		
Credit Policy BM				-1.5%	-0.9%	-0.9%	-9.2%	0.3%		
<b>Real Assets &amp; Inflation Hedges</b>	<b>12,075</b>	<b>17.9%</b>	<b>17.0%</b>	<b>-5.2%</b>	<b>-2.1%</b>	<b>-2.1%</b>	<b>9.2%</b>	<b>7.6%</b>		
Real Assets & Inflation Hedges Policy BM				-5.7%	-3.1%	-3.1%	6.4%	7.4%		
<b>Risk Reduction &amp; Mitigation</b>	<b>13,536</b>	<b>20.0%</b>	<b>19.0%</b>	<b>-3.1%</b>	<b>-3.7%</b>	<b>-3.7%</b>	<b>-10.7%</b>	<b>-1.2%</b>		
Risk Reduction & Mitigation Policy BM				-3.5%	-4.0%	-4.0%	-11.5%	-2.2%		
<b>Overlays &amp; Hedges</b>	<b>587</b>	<b>0.9%</b>		<b>-6.2%</b>	<b>13.5%</b>					



### OPEB Master Trust<sup>1</sup>

	Market Value (\$ millions)	% of Master Trust	Interim Target	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year
<b>OPEB MASTER TRUST</b>	<b>2,378</b>			<b>-7.5%</b>	<b>-5.0%</b>	<b>-5.0%</b>	<b>-15.7%</b>	<b>2.3%</b>	<b>3.8%</b>
Los Angeles County	2,315	97.3%	—	-7.5%	-5.0%	-5.0%	-15.7%	2.3%	3.8%
Superior Court	53	2.2%	—	-7.7%	-5.2%	-5.2%	-15.6%	2.2%	3.7%
LACERA	11	0.4%	—	-7.5%	-5.0%	-5.0%	-15.8%	2.3%	3.8%
<b>OPEB Growth</b>	<b>1,107</b>	<b>46.6%</b>	<b>47.5%</b>	<b>-9.6%</b>	<b>-6.6%</b>	<b>-6.6%</b>	<b>-21.0%</b>	<b>3.9%</b>	<b>4.4%</b>
OPEB MT Growth Policy BM				-9.6%	-7.1%	-7.1%	-21.5%	3.5%	4.1%
<b>OPEB Credit</b>	<b>465</b>	<b>19.6%</b>	<b>19.0%</b>	<b>-3.3%</b>	<b>-0.3%</b>	<b>-0.3%</b>	<b>-10.1%</b>	<b>-1.0%</b>	<b>--</b>
OPEB MT Credit Policy BM				-2.9%	-0.4%	-0.4%	-10.2%	-0.6%	--
<b>OPEB Real Assets &amp; Inflation Hedges</b>	<b>472</b>	<b>19.8%</b>	<b>20.0%</b>	<b>-9.8%</b>	<b>-7.7%</b>	<b>-7.7%</b>	<b>-9.5%</b>	<b>1.9%</b>	<b>--</b>
OPEB MT RA & IH Policy BM				-4.1%	-2.4%	-2.4%	-4.7%	3.6%	--
<b>OPEB Risk Reduction &amp; Mitigation</b>	<b>333</b>	<b>14.0%</b>	<b>13.5%</b>	<b>-3.4%</b>	<b>-3.7%</b>	<b>-3.7%</b>	<b>-11.7%</b>	<b>-2.4%</b>	<b>0.6%</b>
OPEB MT RR & M Policy BM				-4.3%	-4.9%	-4.9%	-12.8%	-2.9%	0.2%
Operational Cash	0	0.0%							

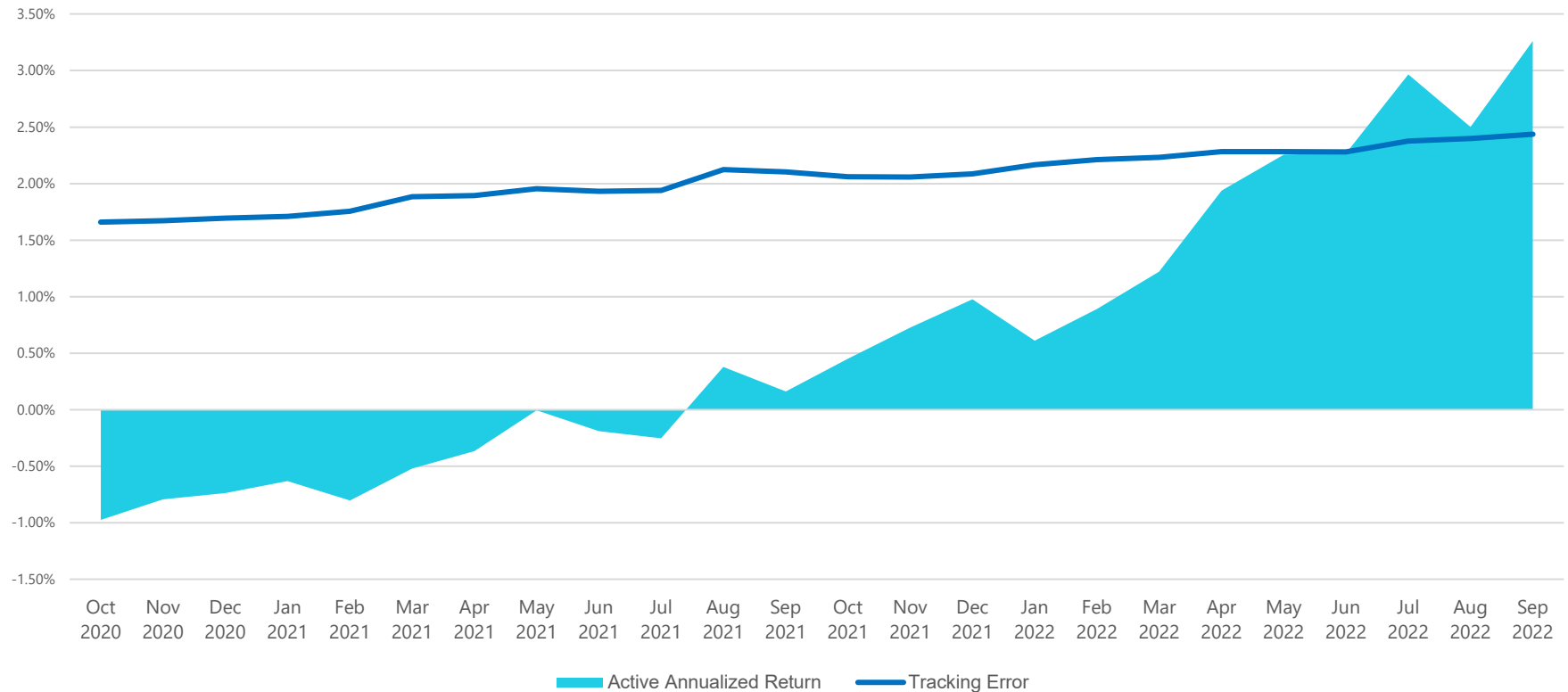


1. Market value differences between the sub-trusts and functional composites are due to operational cash.

# Performance Based Risk

## as of September 2022

Active Return vs. Tracking Error<sup>1,2,3</sup>



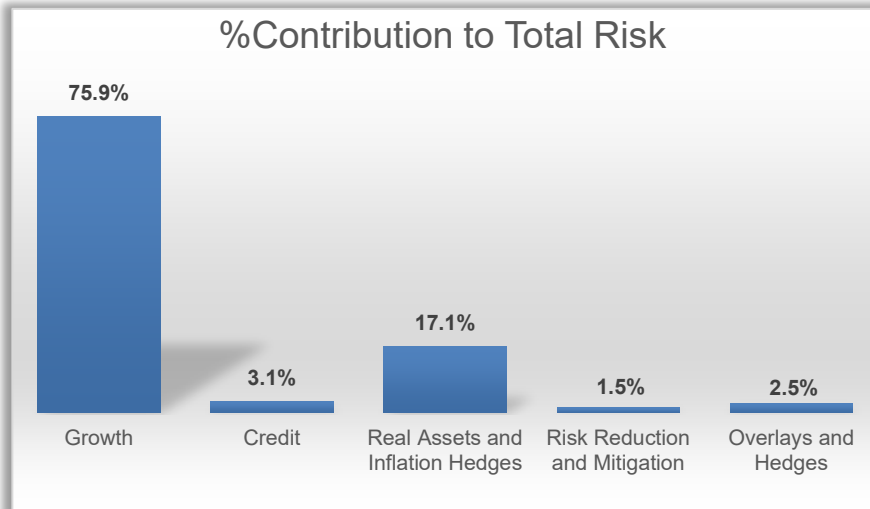
Period Ending	Annualized Return	Annualized Benchmark Return	Annualized Active Return	Tracking Error
Sep 2022	6.9%	3.7%	3.3%	2.4%

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



# Total Fund Forecast Risk\*

## as of September 2022 (Preliminary)



	%Weight	% Cont. to Total Risk	Standalone Total Risk	Standalone BMK Risk**
<b>Total Fund</b>			<b>13.8</b>	<b>13.3</b>
<b>Growth</b>	<b>49.3%</b>	<b>75.9%</b>	<b>21.5</b>	<b>20.1</b>
Global Equity	29.9%	38.8%	18.9	19.1
Private Equity	17.8%	34.1%	29.8	27.9
Non-Core Private Real Estate	1.6%	3.0%	38.9	19.7
<b>Credit</b>	<b>11.7%</b>	<b>3.1%</b>	<b>4.7</b>	<b>5.7</b>
Liquid Credit	6.6%	2.2%	6.0	5.7
Illiquid Credit	5.1%	0.9%	4.3	5.7
<b>Real Assets &amp; Inflation Hedges</b>	<b>18.1%</b>	<b>17.1%</b>	<b>14.7</b>	<b>14.4</b>
Core Private Real Estate	6.7%	7.6%	22.0	19.7
Natural Resources & Commodities	3.8%	3.2%	16.4	21.8
Infrastructure	4.9%	5.8%	18.2	18.4
TIPS	2.7%	0.6%	6.5	6.5
<b>Risk Reduction and Mitigation</b>	<b>19.8%</b>	<b>1.5%</b>	<b>5.5</b>	<b>5.4</b>
Investment Grade Bonds	7.8%	0.6%	6.1	6.0
Diversified Hedge Funds	6.1%	0.6%	4.0	0.2
Long-Term Government Bonds	4.3%	0.2%	12.5	12.5
Cash	1.6%	0.0%	-	-
<b>Overlays and Hedges</b>	<b>1.2%</b>	<b>2.5%</b>	<b>-</b>	<b>-</b>

\*Implementation of the MSCI Risk Platform is ongoing; reconciliation and refinement of the data is progressing and subject to change. Real estate and private equity data used is as of 3/31/2022

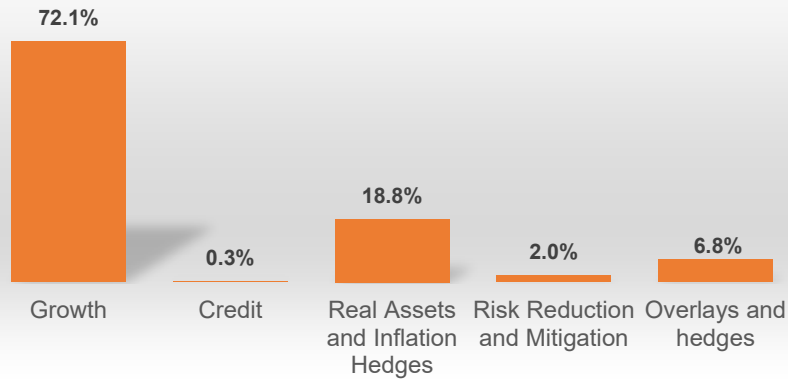
\*\*BMK Risk stands for Benchmark Risk



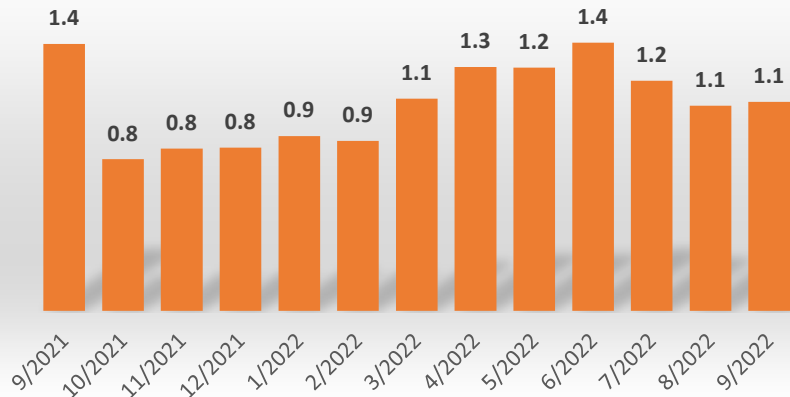
# Total Fund Forecast Active Risk\*

## as of September 2022 (Preliminary)

### Active Risk Contribution



### Active Risk



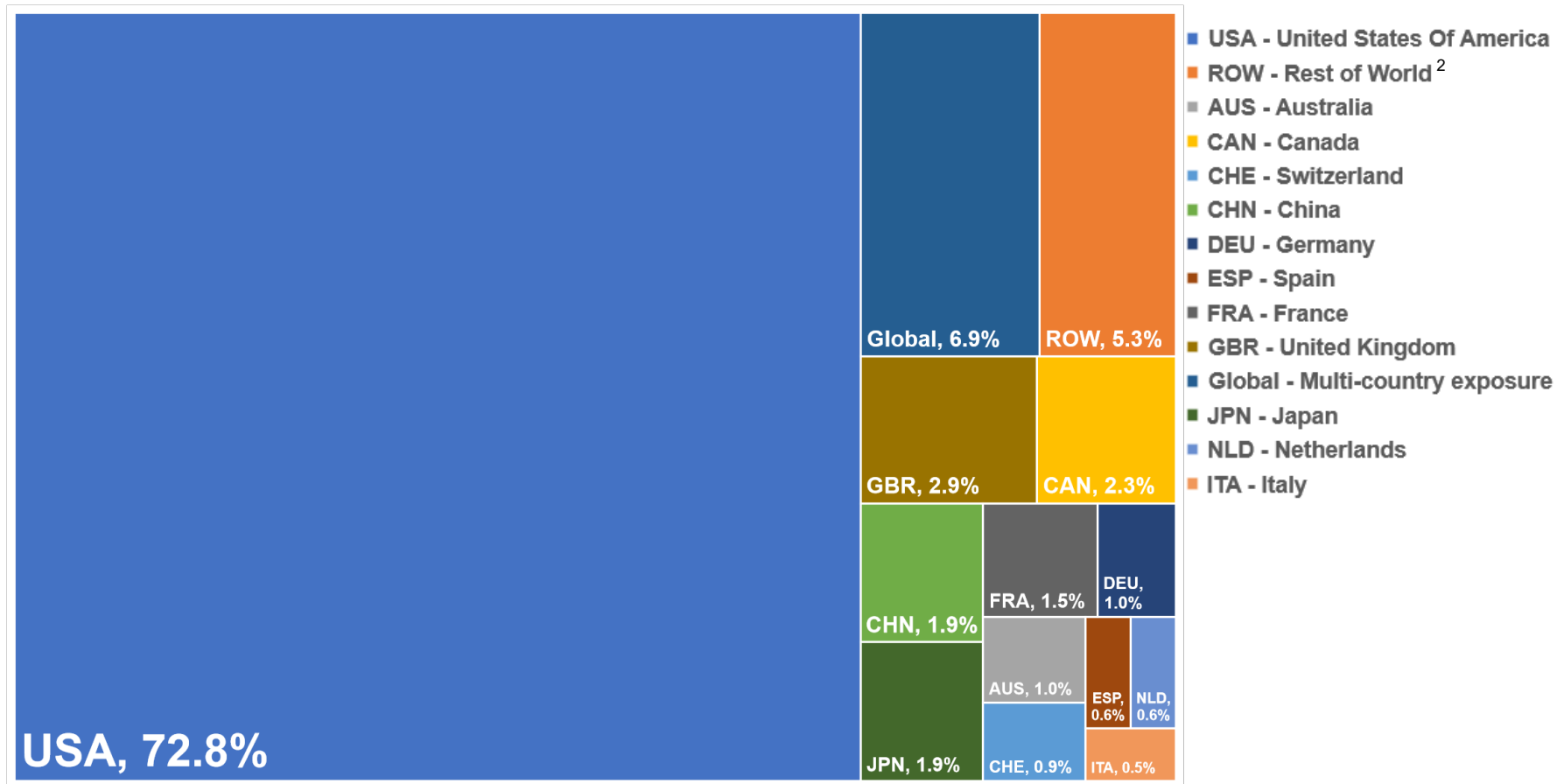
	%Weight	Active Weight%	Active Risk	Active Risk Allocation	Active Risk Selection
<b>Total Fund</b>			<b>1.07</b>	<b>-0.15</b>	<b>1.23</b>
<b>Growth</b>	<b>49.3%</b>	<b>-3.74%</b>	<b>0.77</b>	<b>-0.13</b>	<b>0.90</b>
Global Equity	29.9%				
Private Equity	17.8%				
Non-Core Private Real Estate	1.6%				
<b>Credit</b>	<b>11.7%</b>	<b>0.66%</b>	<b>0.00</b>	<b>-0.03</b>	<b>0.03</b>
Liquid Credit	6.6%				
Illiquid Credit	5.1%				
<b>Real Assets &amp; Inflation Hedges</b>	<b>18.1%</b>	<b>1.10%</b>	<b>0.20</b>	<b>-0.03</b>	<b>0.23</b>
Core Private Real Estate	6.7%				
Natural Resources & Commodities	3.8%				
Infrastructure	4.9%				
TIPS	2.7%				
<b>Risk Reduction and Mitigation</b>	<b>19.8%</b>	<b>0.82%</b>	<b>0.02</b>	<b>-0.04</b>	<b>0.06</b>
Investment Grade Bonds	7.8%				
Diversified Hedge Funds	6.1%				
Long-Term Government Bonds	4.3%				
Cash	1.6%				
<b>Overlays and Hedges</b>	<b>1.2%</b>	<b>1.17%</b>	<b>0.07</b>	<b>0.07</b>	<b>-</b>

\*Implementation of the MSCI Risk Platform is ongoing; reconciliation and refinement of the data is progressing and subject to change. Real estate and private equity data used is as of 3/31/2022



# Geographic Exposures by AUM\* - Total Fund

as of September 2022 (Preliminary) ex-overlays and hedges



\*AUM = assets under management

<sup>1</sup> Implementation of the MSCI Risk Platform is ongoing; reconciliation and refinement of the data is progressing and subject to change. Real estate and private equity data used is as of 3/31/2022

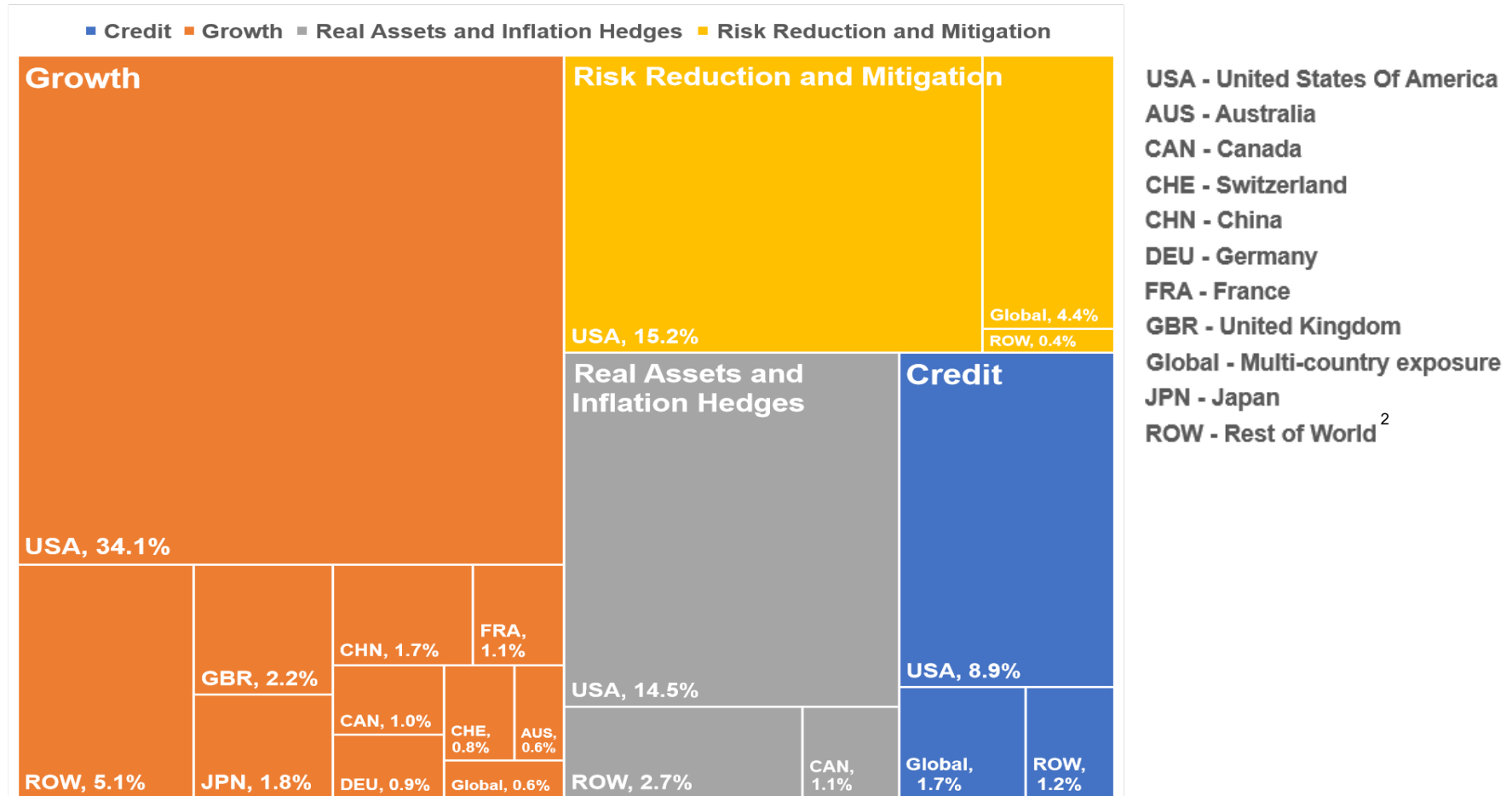
<sup>2</sup> "ROW - Rest of World" is sum of countries with weight below 0.5%

<sup>3</sup> Geographic exposure is based on the domicile country of a given security/asset



# Geographic Exposures by AUM\* - Asset Categories

## as of September 2022 (Preliminary) ex-overlays and hedges



\*AUM = assets under management

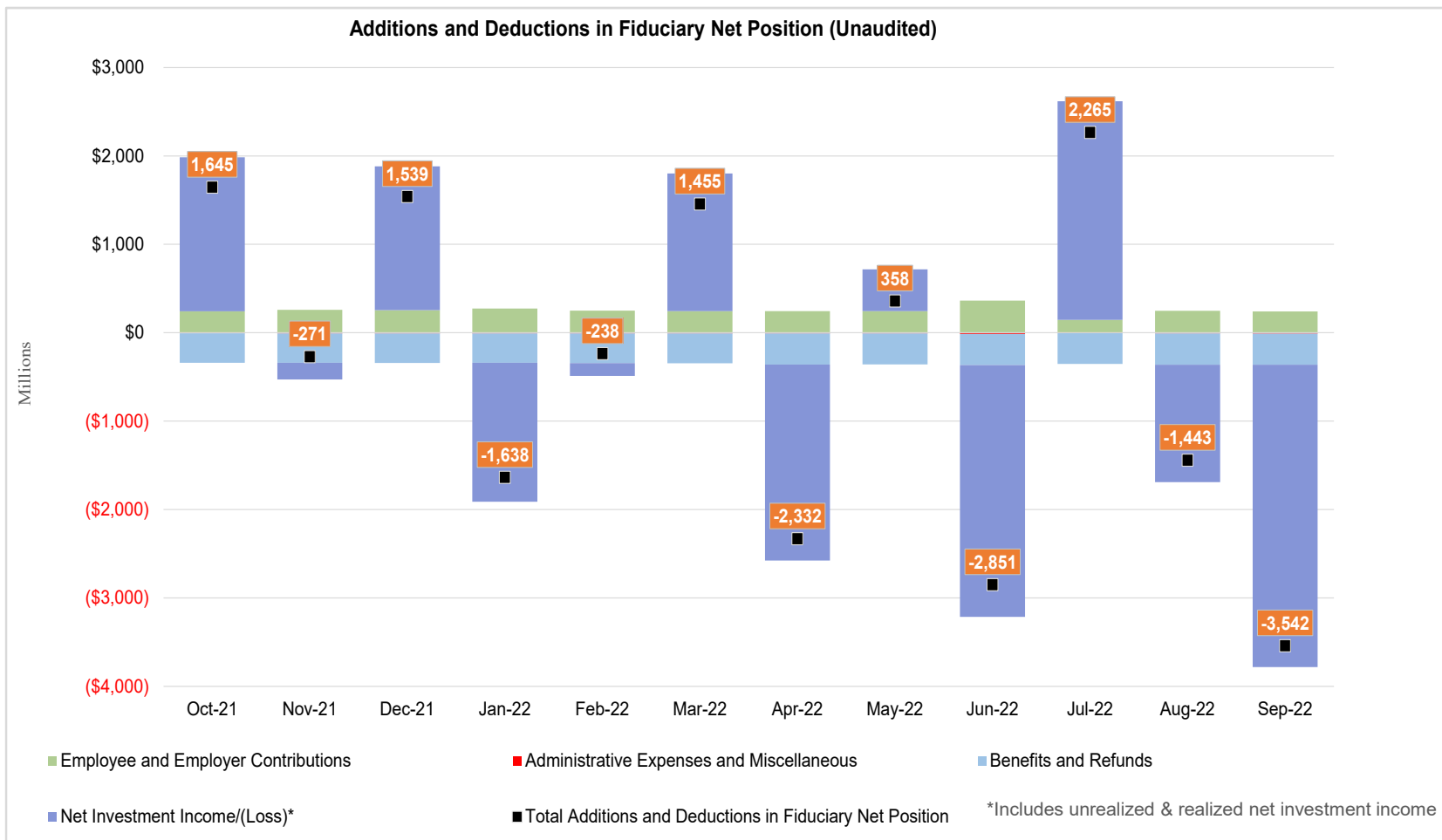
<sup>1</sup> \*Implementation of the MSCI Risk Platform is ongoing; reconciliation and refinement of the data is progressing and subject to change. Real estate and private equity data used is as of 3/31/2022

<sup>2</sup> "ROW - Rest of World" is sum of countries with weight below 0.5%

<sup>3</sup> Geographic exposure is based on the domicile country of a given security/asset



# Change In Fiduciary Net Position



Fiscal Year	Negative Months	Positive Months	Total Net Position Change \$
FY-21	2	10	\$13.8 billion
FY-22	7	5	(\$2.5 billion)
FY-23	2	1	(\$2.7 billion)



# Portfolio Structural Updates

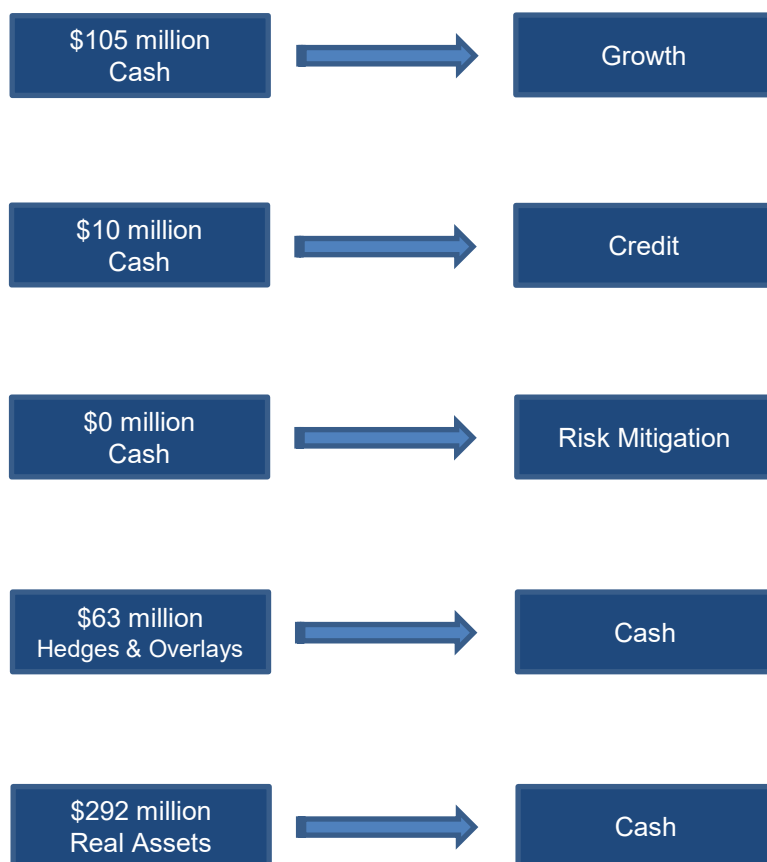




# Portfolio Structural Updates

## Portfolio Movements

### Rebalancing Activity



## Hedges & Overlays

### Monthly Activity

Program	Sep Return	Sep Gain/(Loss)	Inception* Gain/(Loss)
Currency Hedge**	1.9%	\$63.3 Million	\$1.4 Billion
Cash/Rebalance Overlay***	-4.7%	(\$153.1 Million)	\$56.2 Million

## Current Search Activity

There are no active public searches at this time

The quiet period list will be updated when the next public search is released

\*Currency and overlay program inception dates are 9/2010 & 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.



# Key Initiatives and Operational Updates



# Notable Initiatives and Operational Updates

## Key Initiative Updates

- Implementation is ongoing for the new strategic asset allocation final policy targets and benchmarks
- Annual Work Plan development is underway

## Operational Updates

- Annual contract compliance review underway
- Annual DEI diligence of all investment partners is underway

## Manager/Consultant Updates

State Street Institutional Services (SSB) – Total Fund – Eric Lim, Vice President in Client Service, will be taking a new role within State Street at the beginning of November. A successor to Mr. Lim will be identified at a later date.

## Team Searches and Open Positions

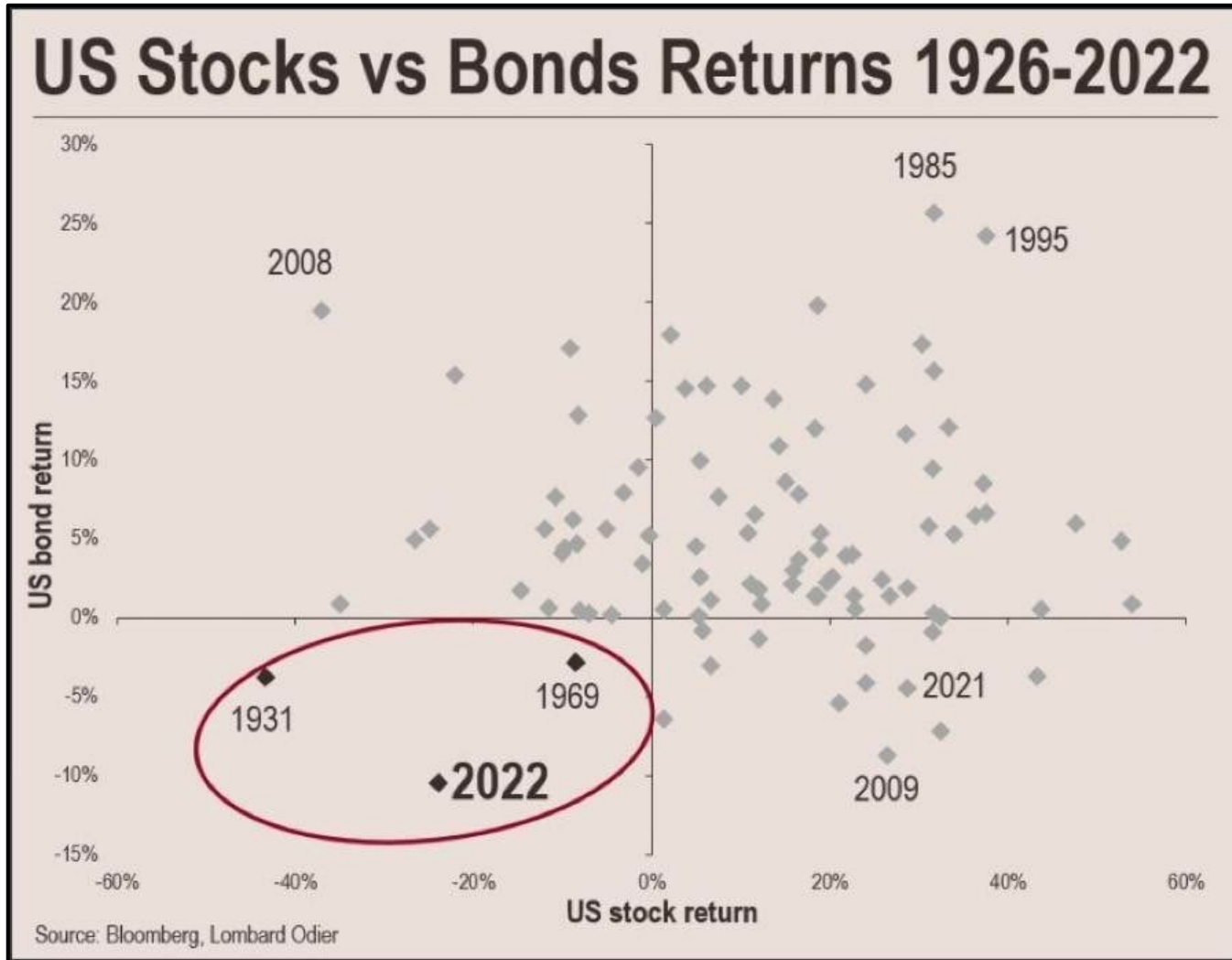
- Working on launching new searches
  - 1 – Deputy Chief Investment Officer
  - 1 – Principal Investment Officer
  - 2 – Senior Investment Officer
    - 1 search in progress
  - 3 – Financial Analyst-III
    - 3 searches in progress
  - 3 – Financial Analyst-II

# Commentary



# Staff Chart of the Month

## US Stocks vs Bonds Returns (1926-2022)

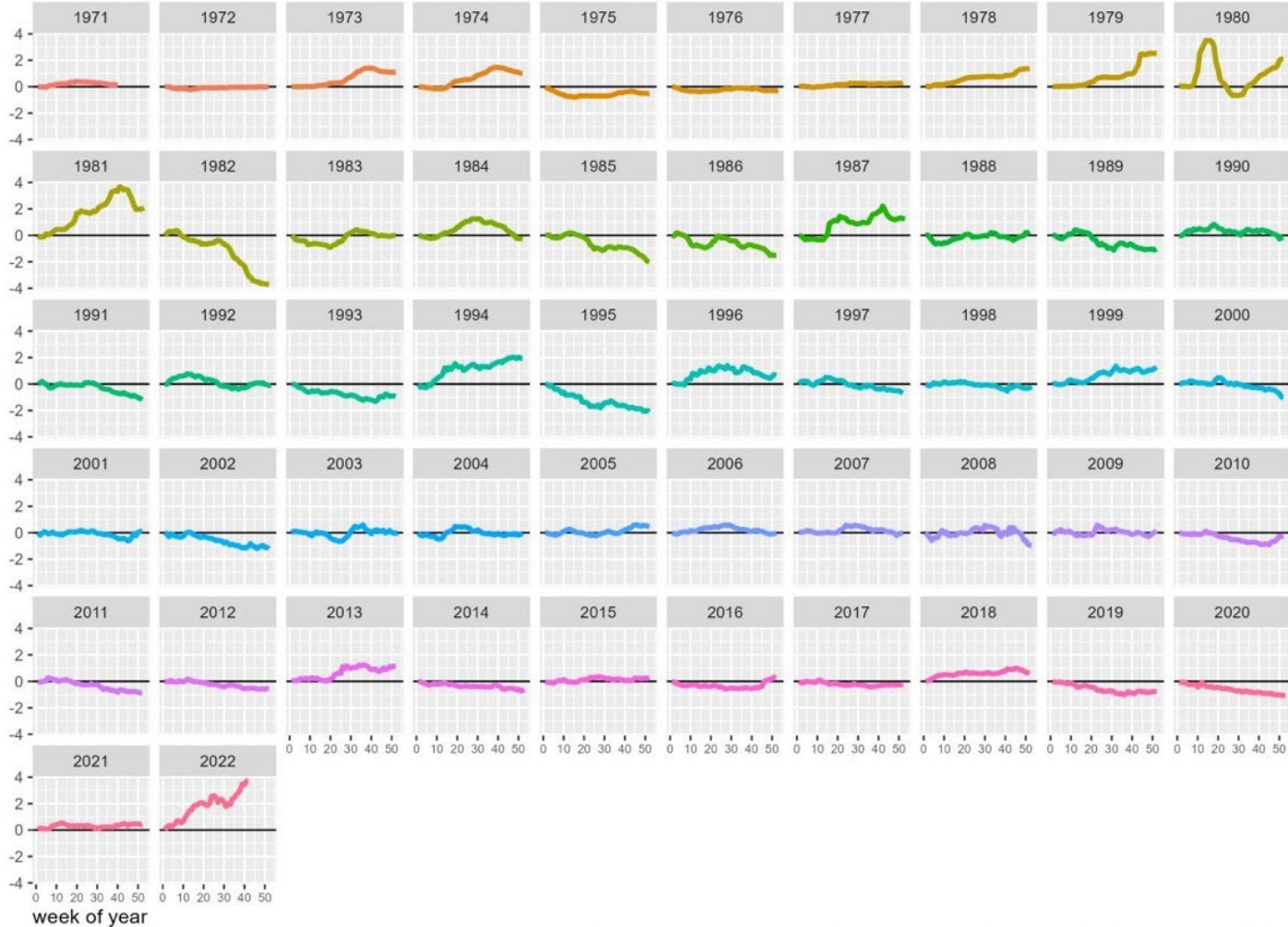


# Staff Chart of the Month

## 2022 Experienced One of the Steepest Paths of U.S. Mortgage Rates Since 1971

### The path of U.S. mortgage rates by year

percentage point change in U.S. weekly average 30-year fixed mortgage rate from first week of the year



@lenkiefier | Data source: Freddie Mac Primary Mortgage Market Survey (PMMS) through 2022-10-20  
Week 1 of 1971 was the week of April 2, when the PMMS began



# Appendix



# Compliance Monitor

This report highlights operational and compliance metrics monitored by the Investment Division  
As of September 2022\*

## LACERA PENSION FUND

8

### GROWTH

Total # of Advisory

#### GROWTH

##### Global Equity

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

#### Quarterly Review Status

#### # of Advisory

#### Notes

✓

✓

✓

✓

8

8 issuers held, totaling \$24.0 mm in market value

##### Private Equity - Growth\*\*

- Asset Allocation Policy Compliance
- Guideline Compliance by Strategy
- Guideline Compliance by Geographic Location
- Investment Exposure Limit

✓

✓

✓

✓

##### Non-Core Private Real Estate\*\*

(See Real Assets & Inflation Hedges - Core Private Real Estate section)

2

### CREDIT

Total # of Advisory

#### CREDIT

##### Liquid Credit, Illiquid Credit\*\*

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

#### Quarterly Review Status

#### # of Advisory

#### Notes

✓

✓

✓

✓

2

2 issuers held, totaling \$4.8 mm in market value



# Compliance Monitor

This report highlights operational and compliance metrics monitored by the Investment Division  
As of September 2022\*

## LACERA PENSION FUND

1

### REAL ASSETS & INFLATION HEDGES

Total # of Advisory

#### REAL ASSETS & INFLATION HEDGES\*\*\*\*

##### Core Private 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

✓

1

One manager is 40% of the core risk category which exceeds the 35% limit. The actual allocations of the portfolio may fall outside of the ranges as the portfolio makes its Board approved strategic transition.

##### 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 September 2022\*

## LACERA PENSION FUND

2

### RISK REDUCTION & MITIGATION

Total # of Advisory

RISK REDUCTION & MITIGATION	Quarterly Review Status	# of Advisory	Notes
<b>Investment Grade Bonds</b>			
Asset Allocation Policy Compliance	✓		
Investment Guideline Compliance	✓		
Emerging Manager Program	✓		
# of Sudan/Iran Holdings Held by Managers	✓	2	2 issuers held, totaling \$0.7 mm in market value
<b>Diversified Hedge Funds**</b>			
Asset Allocation Policy Compliance	✓		
Portfolio Level Compliance	✓		
Direct Portfolio Manager Guideline Compliance	✓		
<b>Long-term Government Bonds</b>			
Asset Allocation Policy Compliance	✓		
Investment Guideline Compliance	✓		
Emerging Manager Program	✓		
# of Sudan/Iran Holdings Held by Managers	✓		
<b>Cash</b>			
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 September 2022\*

## INVESTMENT OPERATIONS

<b>6</b>
<b>INVESTMENT OPERATIONS</b>
<b>Total # of Advisory</b>

<b>INVESTMENT OPERATIONS</b>	Quarterly Review Status	# Advisory	Notes
<b>Securities Lending</b>			
Investment Guideline Compliance	✓		
\$ Value on Loan	✓	1	State Street \$3,219.4 mm
\$ Value of Cash/Non-Cash Collaterals	✓	1	State Street \$3,439.9 mm
Total Income - Calendar YTD	✓	1	State Street \$9.5 mm
<b>Total Fund Overlays and Hedges</b>			
Investment Guideline Compliance	✓		
<b>Proxy Voting</b>			
Number of Meetings Voted	✓	1	712 meetings voted
<b>Tax Reclaims</b>			
Total Paid Reclaims - Calendar YTD	✓	1	\$12.9 mm
Total Pending Reclaims	✓	1	\$25.5 mm in process; timing of recovery is unique to each country
<b>Fee Validation</b>			
Fee Reconciliation Project	✓		
AB 2833	✓		
<b>Investment Manager Meetings*****</b>			
Manager Meeting Requests	✓		

# Compliance Monitor

This report highlights operational and compliance metrics monitored by the Investment Division  
As of September 2022\*

## 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	✓		
# 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.

\*\*\*\* Reflects the most recent data available.

\*\*\*\*\* 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.

October 26, 2022

TO: Each Trustee,  
Board of Retirement  
Board of Investments

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

FOR: November 2, 2022 Board of Retirement Meeting  
November 9, 2022 Board of Investments Meeting

SUBJECT: Approval of the Use of Teleconference Meeting Technology Under AB 361 and Government Code Section 54953(e), including as Part of Hybrid Board and Committee Meetings

## **RECOMMENDATION**

That, under AB 361 and Government Code Section 54953(e)(3) of the Brown Act, the Board of Retirement and Board of Investments separately consider whether to find that the Governor's COVID-19 State of Emergency continues to directly impact the ability of each Board and its Committees to meet safely in person and that other public agencies still recommend social distancing such that each Board and its Committees shall hold teleconference meetings for the next 30 days as part of hybrid meetings also in person, so long as the State of Emergency remains in effect, and direct staff to comply with the agenda and public comment requirements of Section 54953(e)(3). Action taken by each Board will only apply to that Board and its Committees.

Pursuant to the action of both Boards at the joint meeting on September 23, 2022, starting with the November 2022 Board and Committee meetings, teleconference meetings, if approved, will be agendized as hybrid meetings where trustees may attend by teleconference or in person in the boardroom at LACERA's offices at 300 N. Lake Avenue, Pasadena, California 91101, with adequate provision being made for public comment via teleconference, in person, and in writing and for public attendance via teleconference and in person.

## **LEGAL AUTHORITY**

Under Article XVI, Section 17 of the California Constitution, the Boards have plenary authority and exclusive fiduciary responsibility for the fund's administration and investments. This authority includes the ability of each Board to manage their own Board and Committee meetings and evaluate legal options for such meetings, such as whether to invoke teleconferencing of meetings under AB 361 and Government Code Section 54953(e) of the Brown Act to protect the health and safety of Trustees, staff, and the

public. The Boards previously took this action at their meetings since October 2021. Findings made under this memo will be effective for meetings during the next 30 days, so long as the State of Emergency remains in effect.

## **DISCUSSION**

### ***A. Summary of Law.***

On September 16, 2021, the Governor signed AB 361 which enacted new Government Code Section 54953(e) of the Brown Act to put in place, effective immediately and through December 31, 2023, new teleconferencing rules that may be invoked by local legislative bodies, such as the LACERA Boards, upon making certain findings and following certain agenda and public comment requirements.

Specifically, Section 54953(e)(3) provides that the Boards may hold teleconference meetings without the need to comply with the more stringent procedural requirements of Section 54953(b)(3) if a state of emergency under Section 8625 of the California Emergency Services Act impacts the safety of in person meetings or state or local officials have imposed or recommended social distancing rules, provided that the Board makes the following findings by majority vote:

(A) The Board has considered the circumstances of the state of emergency; and

(B) Any of the following circumstances exist:

- (i) The state of emergency continues to directly impact the ability of the Trustees to meet safely in person; or
- (ii) State or local officials continue to impose or recommend measures to promote social distancing.

If each Board makes the required findings, that Board and its Committees may hold teleconference meetings for the next 30 days without the need to comply with the regular rules of Section 54953(b)(3) provided that: agendas are prepared and posted under the Brown Act; members of the public are allowed to access the meeting via a call-in option or an internet-based service option; and the agenda provides an opportunity for public comment in real time and provides notice of the means of accessing the meeting for public comment. Upon making the required findings, the Boards have discretion to hold meetings either entirely by teleconference or as hybrid meetings with individual trustees and the public able to attend either by teleconference or in person.

### ***B. Information Supporting the Required Findings and Process if the Boards Determine to Invoke Section 54953(e).***

The Governor's State of Emergency for the COVID-19 pandemic as declared in the Proclamation of a State of Emergency dated March 4, 2020 remains active. The

Proclamation was issued under the authority of Section 8625 of the California Emergency Services Act. It is unclear when the State of Emergency will end, although over the past year the Governor actively terminated many emergency provisions. See, e.g., Order No. N-21-21, issued November 10, 2021, Order No. N-04-22, issued February 25, 2022. Very recently, the Governor terminated additional COVID provisions. See Order No. N-11-22, issued June 17, 2022. In the press release for the June 17 Order, the Governor's Office stated that, after June 30, 2022, "only 5 percent of the COVID-19 related executive order provisions issued throughout the pandemic will remain in place."

On October 17, 2022, the Governor announced that the COVID State of Emergency will end on February 28, 2023. However, the State of Emergency remains in effect until then. The Governor's press release stated that one of the purposes of deferring the end of pandemic until 2023 was to "provid[e] state and local partners the time needed to prepare for this phaseout and set themselves up for success afterwards." Among the transition items reasonably interpreted as included for local agencies such as LACERA is a phaseout of teleconference meetings.

The Los Angeles County Department of Public Health still maintains guidance, even if not a requirement, to "Keep your distance. Use two arms lengths as your guide (about 6 feet) for social distancing with people you don't live with." <http://publichealth.lacounty.gov/acd/ncorona2019/reducingrisk/>. The County Public Health Department also maintains guidance for employers: "Reduce indoor crowding. A few example strategies to decrease crowding include, but are not limited to: • Host larger meetings outdoors or virtually. • Reduce occupancy and spread-out seating in meeting rooms and other small spaces such as locker rooms, weight rooms, restrooms, and saunas. Ensure good ventilation . . . • Establish procedures to prevent crowding among persons waiting to enter or exit a large event. Limiting attendance, establishing unidirectional foot traffic patterns, reservations, online waiting lists, timed entry or exit, and using staff to help direct traffic and limit access if the area becomes too crowded can help." <http://publichealth.lacounty.gov/acd/ncorona2019/bestpractices/>.

Despite this County Health Department guidance, the Board of Supervisors recently resumed in person meetings on September 27, 2022 because the COVID transmission rating in Los Angeles County remained at a "low" level for seven days as measured by CDC ratings. The County provides enhanced air filtration, limits attendance to 100 people, and provides a designated media area. All persons in attendance must be masked. Telephonic public comment and livestreaming are still be provided. The LACERA Boards are not required to follow the Board of Supervisors' decision with regard to how meetings are conducted, but the County's change in practices is instructive.

The City of Pasadena (City), where LACERA's offices are located and Board and

Re: Approval of Teleconference Meetings

October 26, 2022

Page 4 of 5

Committee meetings are held, has substantially revised its guidance to give more flexibility. The City still offers guidance that businesses recognize that COVID-19 continues to pose a risk to communities, and it is important for employers to continue to take steps to reduce the risk of COVID-19 transmission among their workers and visitors.

<https://www.cityofpasadena.net/economicdevelopment/covid-19-business-resources/>.

Earlier guidance promoting physical distancing by business in certain circumstances also remains posted on the City's COVID web page as a reference. As of the date of this memo, the City Council continues to hold its meetings by videoconference/teleconference, although some council members attend in person in the council chambers. At its October 24, 2022 meeting, the City Council voted to extend the video and teleconference meeting process through November 23, 2022.

The Centers for Disease Control and Prevention (CDC) recently updated its guidance, but the CDC still advises the public that they can "Prevent the Spread of COVID-19." Among the methods cited by CDC is "Keeping a Safe Distance Helps Stop COVID-19: Stay away from people who are sick. Stay away from people who have COVID-19. Stay away from people with COVID-19 even if they don't feel sick. Stay away from crowds. Stay away from inside places with lots of people." <https://www.cdc.gov/coronavirus/2019-ncov/easy-to-read/prevent-getting-sick/how-covid-spreads.html>.

Under these circumstances, the Boards may reasonably conclude and find that teleconferencing under Section 54953(e) is appropriate for Board and Committee meetings, including on a hybrid basis, during the next 30 days, so long as the State of Emergency remains in effect, because (1) the State of Emergency continues to impact the ability of the Trustees to meet safely in person, or (2) the County and other authorities continue to recommend measures to promote a safe workplace, including physical distancing, as required by the statute. Either finding is sufficient under Section 54953(e) to support continued teleconference meeting.

If each Board makes these findings and directs teleconferencing under Section 54953(e), procedures exist and will be implemented to ensure compliance with the agenda and public comment requirements of the statute, as stated above. Starting with the November meetings, hybrid in person and teleconference meetings will be implemented in accordance with procedures required by the Brown Act.

Finally, on August 12, 2022, due to a reduction in transmission levels, LACERA management returned to established hybrid in office/telework procedures.

## **CONCLUSION**

Based on the above information, staff recommends that, under AB 361 and Government



Re: Approval of Teleconference Meetings

October 26, 2022

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Code Section 54953(e)(3) of the Brown Act, the Board of Retirement and Board of Investments separately consider whether to find that the Governor's COVID-19 State of Emergency continues to directly impact the ability of each Board and its Committees to meet safely in person and that the County of Los Angeles and other agencies still recommend social distancing such that each Board and its Committees shall hold teleconference meetings for the next 30 days as part of hybrid meetings also in person, so long as the State of Emergency remains in effect, and if so, direct staff to comply with the agenda and public comment requirements of the statute. Action taken by each Board will only apply to that Board and its Committees.

If the required findings are made, starting with the November 2022 meetings, teleconference technology will be used as part of hybrid Board and Committee meetings conducted by teleconference and in person at LACERA's Pasadena offices.

c: Santos H. Kreimann                      Luis Lugo                                      JJ Popowich  
Jonathan Grabel                              Laura Guglielmo                              Carly Ntoya

October 14, 2022

TO: Trustees - Board of Investments

FROM: Corporate Governance Committee

Scott Zdrzil   
Principal Investment Officer

FOR: November 9, 2022, Board of Investments Meeting

SUBJECT: **Revised Corporate Governance Committee Charter**

### **RECOMMENDATION**

Approve a revised Corporate Governance Committee Charter.

### **BACKGROUND**

On October 12, 2022, the Corporate Governance Committee (Committee) unanimously approved advancing to the Board of Investments (Board) a recommendation that the Board adopt a revised Corporate Governance Committee Charter (Committee Charter). A clean copy of the proposed revised Committee Charter is included as **Appendix 1**. Background information presented to the Committee is presented as **Appendix 2**, which includes the rationale for the recommendation and a redlined version of the proposed revisions that were unanimously approved by the Committee.

As explained in the attached materials, the proposed revisions are intended to reflect organizational updates and policy name references, as highlighted below:

- 1.) Reflect the revised name of LACERA's guiding corporate governance policy – the *Corporate Governance and Stewardship Principles* – as adopted by the Board in 2020;
- 2.) Articulate the Committee's oversight of stewardship initiatives as an addition to corporate governance and proxy voting, to reflect LACERA's expanded stewardship work in recent years and current practice of the Committee's oversight of stewardship initiatives, such as corporate engagements; and
- 3.) Harmonize the Committee Charter's stated meeting cadence to "at least two times per year" to reflect formal action taken by the board in 2018 to set basic parameters on the rhythm of all Board of Investments standing committee meeting cadence.

## **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 expressed support and unanimously approved the recommended revisions to the Committee Charter.

## **RISKS OF ACTION AND INACTION**

The risk of inaction is namely that, absent approval of the revisions, the Committee charter will have dated policy references and be out of sync with formal Board action in November 2018 to set a minimum meeting cadence for Board standing committees. Staff is not aware of any risks from acting on this item.

## **CONCLUSION**

The Committee unanimously approved this recommendation that the Board approve a revised Corporate Governance Committee Charter.

Attachments

Noted and reviewed:

  
Jonathan Grabel  
Chief Investment Officer

**Proposed CLEAN COPY**

**Board of Investment Standing Committee Charter —  
Corporate Governance Committee (CGC)**

Pursuant to the objectives, powers, and responsibilities enumerated in LACERA's Board of Investments' Charter, By-laws, Investment Policy Statement, and Powers Reserved and Delegated Authorities, the Board of Investment has established a standing Corporate Governance Committee (CGC) to oversee and monitor LACERA's policies and overall plan of execution in corporate governance and stewardship activities.

**A. Purpose**

The CGC recommends policies and exercises oversight related to corporate governance, proxy voting, and related investment stewardship initiatives.

The CGC strives to promote LACERA's corporate governance interests by communicating and/or coordinating with other relevant parties including, but not limited to, corporate governance advocacy organizations, regulatory agencies, proxy advisors, corporate boards of directors and management of portfolio holdings, investment managers, and other pension funds.

**B. Responsibilities**

The CGC will review all policy and program issues related to corporate governance. Each of the following responsibilities is assigned to the Committee.

- Develop and recommend Board approval of adoption and amendments to policies addressing proxy voting, such as the Corporate Governance and Stewardship Principles, and oversee proxy voting.
- Develop and recommend Board approval of adoption and amendments to policies and procedures for corporate governance matters, including the Corporate Governance and Stewardship Principles, and execute the responsibilities described therein.
- Develop and recommend Board approval of revisions to LACERA's Investment Policy Statement as it pertains to corporate governance and proxy voting.
- Support the Board of Investments and any committees thereof in the development of approaches, policies, or programs for responsible or sustainable investing.
- Undertake any matters defined in the Purpose section of this document.
- Perform any other duties that may be assigned to it by the Board.

- Regularly report to the Board on its activities, through initiatives advanced for Board consideration, production of meeting minutes, and oral reports.

### **C. Composition**

The Board Chair will appoint four CGC members and one alternate from the current members of the Board of Investments to a one-year term and designate the Committee's Chair and Vice Chair. The Board Chair will consider continuity of service when selecting members for the Committee so that development of expertise and familiarity with the subject matter is encouraged and to benefit Committee goals.

The CGC Chair will be responsible for setting meeting dates and agendas. The Chief Investment Officer (CIO) will assign senior LACERA investment officers to liaise with the CGC. The CIO and designated investment officers will assist in performing the CGC's duties. LACERA's general consultant will be invited to participate in Committee meetings.

Board members who are not Committee members may attend and participate in a Committee meeting but may not vote on any matter discussed at the meeting nor make or second motions. The alternate can participate in meetings and make or second motions but may only vote in the absence of at least one Committee member. In the event five or more members of the Board (including members appointed to the Committee) are in attendance, the meeting will constitute a joint meeting of the Committee and the Board. Meeting agendas will be noticed as joint meetings of the committee and Board.

### **D. Meetings**

Unless otherwise announced, Committee meetings will be held on the same day as Board meetings, either immediately before or after the Board meeting. The Committee aims to meet at least twice per year, consistent with Board action regarding committee scheduling approved in November 2018. Meetings will be scheduled in consultation between the Committee Chair and designated staff, taking into consideration core Committee responsibilities and objectives, the Board of Investments strategic plans, and the Board of Investments meeting schedule. Unless otherwise announced, CGC meetings will be held at 300 N. Lake Avenue in the LACERA Board Room.

### **E. Compliance with the Ralph M. Brown Act**

The CGC is subject to the Brown Act and, in all respects, will comply with its requirements.

## **F. Self-Evaluation**

This Charter shall be reviewed and amended at least every three years, as appropriate.

## **G. History**

Established as Corporate Governance Committee Policy Statement May 27, 2009  
Revised and restated as Corporate Governance Committee Charter August 9, 2017  
Revised [month/date/2022]



September 2, 2022

TO: Trustees – Corporate Governance Committee

FROM: Scott Zdrazil <sup>SZ</sup>  
Principal Investment Officer

FOR: October 12, 2022, Corporate Governance Committee Meeting

SUBJECT: **Corporate Governance Committee Charter Review**

### RECOMMENDATION

Advance a revised *Corporate Governance Committee Charter* to the Board of Investments for approval.

### BACKGROUND

The Board of Investments established the Corporate Governance Committee (Committee) in 2007. In 2009, the Board of Investments adopted a “Corporate Governance Committee Policy Statement,” which was revised and restated as the “Corporate Governance Committee Charter” (Committee Charter) and approved by the Board of Investments in 2017. As a matter of good practice and per the provisions of the Committee Charter, it is subject to periodic review to ensure it is aligned with the Board of Investments’ strategic objectives for the Committee and that it accurately reflects any policy references or organizational changes.

Staff has reviewed the Committee Charter and is recommending modest revisions in the attached redlined version (**Attachment**), as summarized below. The changes are intended to reflect current practices and accurate policy references, while maintaining clarity and avoiding overlap with other guiding policies that LACERA has adopted. For reference, LACERA also maintains several governance documents that define the role and operational matters of the Board of Investments (Charter, Bylaws, Delegated Responsibilities and Authorities), as well as [Corporate Governance and Stewardship Principles](#), which provide guidance on the roles and responsibilities of the Board of Investments, Corporate Governance Committee, and staff in developing, overseeing, and executing LACERA’s corporate governance program.

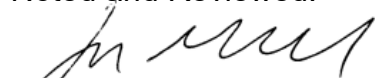
1. **Committee purpose:** The attached redlined Committee Charter adds “stewardship initiatives” to the Committee’s oversight of proxy voting and corporate governance to reflect LACERA’s expanded stewardship work (corporate engagements, etc.) and the Committee’s recent practice of reviewing LACERA’s

stewardship efforts (such as periodic reports on LACERA's approach to evaluating ESG integration at external asset managers and corporate engagement efforts).

2. **Updated name of *Corporate Governance Principles* policy:** LACERA's *Corporate Governance Principles* policy was merged with its corporate governance procedures policy in 2020 and renamed *Corporate Governance and Stewardship Principles* to reflect the policy's role as a reference to guide the fund's stewardship work beyond proxy voting and engagement. The name is updated in the redlined version to reflect the new policy title.
3. **Meetings:** The Committee Charter currently prescribes quarterly committee meetings. In November 2018, the Board took formal action to set the cadence of Board standing committee meetings to a minimum of twice per year, following a multi-month deliberation on guidance for the Board's standing committees. The proposed redlined version of the Charter includes revisions to adhere to the Board's 2018 action by modifying the meetings to at least twice per year. It also cites considerations to guide how and when meetings are scheduled, including the Committee's core responsibilities, the Board of Investment's strategic plan which is reviewed at the beginning of each calendar year, and the calendar of other Board of Investments committees (none of which existed when the Committee was first established). Staff considers that the 2018 Board action and proposed language matches the recent cadence of the Committee, while providing flexibility to convene an additional meeting, as useful. The Committee typically reviews proxy vote results and programmatic developments in the fall after fiscal year end results are available and analyzed. And the Committee typically reviews any policy updates in the spring in advance of the proxy voting season, if there are emerging issues not adequately addressed in LACERA's Principles. Special reports and guest speakers have been added within the twice-per-year cadence in recent years.
4. **Document history:** The redlined version suggests simplifying the document history from a paragraph to a simple list, consistent with common practice.

Attachment

Noted and Reviewed:



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Jonathan Grabel  
Chief Investment Officer



Proposed redlined version

**Board of Investment Standing Committee Charter —  
Corporate Governance Committee (CGC)**

Pursuant to the objectives, powers, and responsibilities enumerated in LACERA's Board of Investments' Charter, By-laws, -and in furtherance of the Investment Policy Statement, and Powers Reserved and Delegated Authorities, governance principles and the Board of Investments Charter adopted by the Board, the Board of Investment has established a standing Corporate Governance Committee (CGC) to oversee and monitor LACERA's policies and overall plan of execution in corporate governance and stewardship activities.

**A. Purpose**

The CGC recommends policies and exercises oversight identifies, develops, and recommends policies, procedures, and programs related to corporate governance, and proxy voting, and related investment stewardship initiatives.

The CGC strives to promote LACERA's corporate governance interests by communicating and/or coordinating with other relevant parties including, but not limited to, corporate governance advocacy organizations, regulatory agencies, proxy advisors, corporate boards of directors and management of portfolio holdings, investment managers, and other pension funds.

**B. Responsibilities**

The CGC will review all policy and program issues related to corporate governance.

Each of the following responsibilities is assigned to the Committee.

- Develop and recommend Board approval of adoption and amendments to policies addressing proxy voting, such as the Corporate Governance and Stewardship Principles, and oversee proxy voting.
- Develop and recommend Board approval of adoption and amendments to policies and procedures for corporate governance matters, including the Corporate Governance and Stewardship Principles ~~Policy~~, and execute the responsibilities described therein.
- Develop and recommend Board approval of revisions to LACERA's Investment Policy Statement as it pertains to corporate governance and proxy voting.
- Support the Board of Investments and any committees thereof in the development of approaches, policies, or programs for responsible or sustainable investing.
- Undertake any matters defined in the Purpose section of this document.
- Perform any other duties that may be assigned to it by the Board.

- Regularly report to the Board on its activities, through initiatives advanced for Board consideration, production of meeting minutes, and oral reports.

### C. Composition

The Board Chair will appoint four CGC members and one alternate from the current members of the Board of Investments to a one-year term and designate the Committee's Chair and Vice Chair. The Board Chair will consider continuity of service when selecting members for the Committee so that development of expertise and familiarity with the subject matter is encouraged and to benefit Committee goals.

The CGC Chair will be responsible for setting meeting dates and agendas. The Chief Investment Officer (CIO) will assign senior LACERA investment officers to liaise with the CGC. The CIO and designated investment officers will assist in performing the CGC's duties. LACERA's general consultant will be invited to participate in Committee meetings.

Board members who are not Committee members may attend and participate in a Committee meeting but may not vote on any matter discussed at the meeting nor make or second motions. The alternate can participate in meetings and make or second motions but may only vote in the absence of at least one Committee member. In the event five or more members of the Board (including members appointed to the Committee) are in attendance, the meeting will constitute a joint meeting of the Committee and the Board. Meeting agendas will be noticed as joint meetings of the committee and Board.

### D. Meetings

Unless otherwise announced, Committee meetings will be held on the same day as Board meetings, either immediately before or after the Board meeting. ~~The various-Committee aims to meet at least twice per year, consistent with Board action regarding committee scheduling approved in November 2018. Mmeetings will be scheduled in consultation between the Committee Chair and designated staff, taking into consideration core Committee responsibilities and objectives, the Board of Investments strategic plans, and the Board of Investments meeting schedule, held on a rotating schedule, so the anticipated meeting frequency is once per quarter, although monthly meetings may be scheduled if necessary.~~ Unless otherwise announced, CGC meetings will be held at 300 N. Lake Avenue in the LACERA Board Room.

### E. Compliance with the Ralph M. Brown Act

The CGC is subject to the Brown Act and, in all respects, will comply with its requirements.

### F. Self-Evaluation

This Charter shall be reviewed and amended at least every three years, as appropriate.

### G. History

~~The Board of Investments adopted a "Corporate Governance Committee Policy Statement" on May 27, 2009. The Corporate Governance Committee Policy Statement was revised and adopted as this Charter by the Board on August 9, 2017.~~  
Established as Corporate Governance Committee Policy Statement May 27, 2009  
Revised and Restated as Corporate Governance Committee Charter August 9, 2017  
Revised [month/date/2022]



October 23, 2022

TO: Each Trustee,  
Board of Investments

FOR: Board of Investments Meeting of November 9, 2022

SUBJECT: 2023 Infrastructure Investor Global Summit in Berlin, Germany  
March 20 – 23, 2023

The 2023 Infrastructure Investor Global Summit will be held in Berlin, Germany on March 20 – 23, 2023. This is a great opportunity to connect with the world's leading institutional investors actively allocating to infrastructure. Inspirational out-of-industry keynote speakers and the industry's best and brightest will lead the discussions, shaping the future of the asset class.

The main conference highlights include the following:

- Emerging markets: a prosperous opportunity in uncertain times?
- Gaining exposure, selecting strategies, and measuring risk
- Finding the keys to success for infrastructure debt and financing

Following are approximate conference and travel costs:

**Registration:** \$4,800.00

**Hotel:** \$285.00 daily rate (plus taxes and fees)

**Additional Travel Days:** 4

**Airfare:** \$6,000.00 - \$9,000.00

**Ground Transportation:** \$60.00 per day

**Per Diem & Incidentals:** \$103.00 per day

(The registration fee includes most meals)

**Approximate Cost Per Traveler:** \$13,500- \$16,500.00

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

**IT IS THEREFORE RECOMMENDED THAT YOUR BOARD:**

Approve attendance of Trustees at the 2023 Infrastructure Investor Global Summit in Berlin, Germany on March 20 – 23, 2023, and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies.

Attachment

LE



Infrastructure  
Investor

# Global Summit Berlin 2023

## 2023 Agenda

**Monday 20 March**

[Emerging Markets Forum](#) | [ESG & Sustainability Forum](#) | [Digital Infrastructure Forum](#)

**Tuesday 21 March**

[Global Investor Forum – Day one](#)

**Wednesday 22 March**

[Global Investor Forum – Day two](#)

**Thursday 23 March**

[Investor Council](#) | [Infrastructure Debt Forum](#) | [Energy Transition Forum](#)

Monday 20 March

Emerging Markets Forum	ESG & Sustainability Forum	Digital Infrastructure Forum
<p>09:10 - 09:30  <b>Introduction from Infrastructure Investor and welcome from the chair</b></p>	<p>09:10 – 09:30  <b>Introduction from Infrastructure Investor and welcome from the chair</b></p>	<p>09:10 – 09:30  <b>Introduction from Infrastructure Investor and Welcome from the chair</b></p>
<p>09:30 – 10:15  <b>Panel: Emerging markets: a prosperous opportunity in uncertain times?</b></p> <ul style="list-style-type: none"> <li>• How are certain markets defying the geopolitical and macroeconomic volatility that is gripping the world?</li> <li>• What levels of sophistication must investors embrace to open themselves to these prospects?</li> <li>• Avoiding complacency and adapting risk management: balancing global inflation, interest rate and security concerns with regional risk appetite</li> </ul>	<p>09:30 – 10:15  <b>How to deal with the increased challenges facing ESG</b></p> <ul style="list-style-type: none"> <li>• Investor commitments and tighter scrutiny on ESG</li> <li>• How the regulatory agenda is pivoting to enforcement practices</li> <li>• Dealing with the backlash against ESG</li> <li>• What can the GP community do to eliminate greenwashing practices in the industry?</li> </ul>	<p>09:30 – 10:15  <b>Panel: Macroeconomic considerations across the vast spectrum of digital infrastructure</b></p> <ul style="list-style-type: none"> <li>• What inflation protection is in place for existing digital infrastructure funds and assets?</li> <li>• How are investors reacting to high interest rates, inflation and other factors when it comes to digital infrastructure allocation?</li> <li>• How are funds coping with squeezed terms on financing in the current hostile environment?</li> <li>• How are market conditions affecting portfolio companies and underwritings in this sector?</li> </ul>
<p>10:15 – 11:00  <b>Panel: Sustainability and green energy: the growing, beating heart of emerging economies</b></p> <ul style="list-style-type: none"> <li>• How are emerging market investment opportunities increasingly becoming defined by green initiatives?</li> <li>• Regulation, government agendas and PPPs: what's being done on the public side and how global and regional private capital is responding</li> <li>• Solving a global crisis on a regional scale: to what extent can developing markets help solve a climate problem that transcends borders and jurisdictions?</li> </ul>	<p>10:15 – 11:00  <b>Practical roadmap for achieving net zero in infrastructure</b></p> <ul style="list-style-type: none"> <li>• Reflections on COP and what it means for investors</li> <li>• Decarbonisation pathways for the asset class and integration into the investment thesis</li> <li>• What frameworks exist to help managers achieve net-zero? What are the advantages/disadvantages of each?</li> <li>• How will net zero be funded and what impact will that have on investors' returns?</li> </ul>	<p>10:15 – 11:00  <b>Panel: Exploring the growing digital infrastructure menu for investors</b></p> <ul style="list-style-type: none"> <li>• Examining the rapidly developing investment market for fibre, towers and data centres</li> <li>• Secondaries, debt funds and more: what options are institutional and private investors exploring?</li> <li>• How is this being reflected in the fundraising arena amongst specialist, emerging and blue-chip fund managers?</li> <li>• How are funds meeting investor ESG demand?</li> </ul>

For information on how to join the Global Summit, please [get in touch](#) with a member of the team.

11:00 – 11:30 **Coffee and networking**

<p>11:30 – 12:15 <b>LP discussion: Gaining exposure, selecting strategies, and measuring risk</b></p> <ul style="list-style-type: none"> <li>• Where to find optimum emerging markets exposure in an increasingly complex fund market</li> <li>• Debt, equity, primaries, core and more: what strategies for what regions?</li> <li>• Demanding efficient ESG and sustainability reporting in the era of green transparency</li> </ul>	<p>11:30 – 12:15 <b>Regulation &amp; ESG: are current regulations fit for purpose?</b></p> <ul style="list-style-type: none"> <li>• Is regulation driving performance, or is it a distraction?</li> <li>• Comparing Europe with North America: how should global managers approach different regulatory regimes?</li> <li>• How does the EU's decision to include gas and nuclear in the taxonomy affect the status of article 8 &amp; 9 funds, both practically and reputationally?</li> <li>• What is the difference between article 8 vs 9 for managers?</li> </ul>	<p>11:30 – 12:15 <b>Panel: Why high-quality assets will reign supreme in the short and long term</b></p> <ul style="list-style-type: none"> <li>• A quality and price balance: how assets can stand out in today's and tomorrow's market</li> <li>• What does high-quality look like across the sub-sectors of digital infrastructure? Where does sustainability feature in this conversation?</li> <li>• How are funds doing their due diligence on this and what tweaks can they make to perfect the process?</li> </ul>
<p>12:15 – 13:00 <b>Panel: Urban growth and development: smarter cities with smarter infrastructure</b></p> <ul style="list-style-type: none"> <li>• How the sub-sectors of infrastructure investment intersect in these areas of rising-population dependency</li> <li>• Improving unreliability of transmission infrastructure: the key to urban development in emerging regions?</li> <li>• Making an impact: the push for greener municipalities</li> </ul>	<p>12:15 – 13:00 <b>Moving beyond data to add tangible value throughout the investment process</b></p> <ul style="list-style-type: none"> <li>• Are we too obsessed with ESG data? Does it really drive value? How could it be improved?</li> <li>• To what extent is ESG data being used during due diligence?</li> <li>• Will the International Sustainability Standards Board lead to ESG data being treated like financial data? Will that make sustainability teams more compliance focused rather than adding value?</li> <li>• Using case studies to demonstrate value to management teams</li> </ul>	<p>12:15 – 13:00 <b>Panel: Digging into the detail on digital infrastructure valuations</b></p> <ul style="list-style-type: none"> <li>• On trend or not? Are digital asset valuations defying gravity like other infrastructure assets or are they reacting differently?</li> <li>• When, if at all, might we see possible corrections? Will private follow public?</li> <li>• How have asset valuations so far reflected investor interest and compared to other TMT sectors?</li> </ul>

13:00 – 14:00 **Networking lunch**

For information on how to join the Global Summit, please [get in touch](#) with a member of the team.

<p>14:00 – 15:00</p> <p><b>Panel: Embracing frontier market risk in an uncertain environment</b></p> <ul style="list-style-type: none"> <li>• Does increasing geopolitical and economic uncertainty threaten or underpin the case for emerging markets?</li> <li>• How are governments across these regions encouraging infrastructure investment in this climate with enticing policy frameworks?</li> <li>• Regional study – pricing and measuring different risks across different jurisdictions within regions</li> <li>• Risk ownership and contracting – how is risk distributed amongst stakeholders within these transitioning and ever-increasingly sustainable economies?</li> </ul>	<p>14:00 – 14:40</p> <p><b>Is greenwashing prevalent across infrastructure?</b></p> <ul style="list-style-type: none"> <li>• Defining greenwashing for the asset class: why is it not always easy to agree on what constitutes greenwashing?</li> <li>• How can investors spot greenwashing from managers?</li> <li>• To what extent can data and analytics be used to show you are not greenwashing?</li> <li>• Is there a risk of accusations of greenwashing because of a lack of data from some assets? How to address this</li> </ul>	<p>14:00 – 14:40</p> <p><b>Panel: Untangling fibre rollout in 2023 and beyond</b></p> <ul style="list-style-type: none"> <li>• Examining rollout dynamics across Europe and beyond: which countries and regions have solved which challenges?</li> <li>• Dissecting the latest dynamics between private capital, equity partners, developers, public organisations and other stakeholders</li> <li>• Greenfield investments, market consolidation and other considerations as investors mitigate risk in an ever changing, complex environment</li> </ul>
	<p>14:30 - 15:00</p> <p><b>Case study: managing physical risk throughout investments</b></p> <ul style="list-style-type: none"> <li>• How can physical risk be addressed in the pre-investment process where timelines are short?</li> <li>• Theoretical risk vs actual risk: do managers have the capacity to assess this properly with so much uncertainty?</li> <li>• Is adapting assets just a cost or does it add financial value? How do you build into valuation/pricing models?</li> <li>• Are all managers just doing the same thing on physical risk?</li> </ul>	<p>14:40 – 15:00</p> <p><b>Case study: Success story: a deep-dive into a digital infrastructure transaction</b></p>
<p>15:00 – 15:30 <b>Coffee &amp; networking</b></p>		

For information on how to join the Global Summit, please [get in touch](#) with a member of the team.

<p>15:30 – 16:15</p> <p><b>Panel: Emerging markets at the centre of the energy transition</b></p> <ul style="list-style-type: none"> <li>• Supply and demand: why the demographics of these regions and green energy ambitions are the perfect match</li> <li>• How are public and private stakeholders utilising the unmatched renewable energy resource across developing markets?</li> <li>• Putting into action the international co-operation and funding frameworks that must underpin a clean energy agenda</li> </ul>	<p>15:30 - 16:15</p> <p><b>Making biodiversity relevant for investment strategy</b></p> <ul style="list-style-type: none"> <li>• Using biodiversity data to enhance decision making during the diligence process</li> <li>• How are fund managers assessing regulation such as the TNFD framework and Article 29?</li> <li>• Measuring positive and negative biodiversity impacts</li> <li>• Where and how can managers use natural capital solutions?</li> </ul>	<p>15:30 – 16:15</p> <p><b>Panel: Data centres: still in demand?</b></p> <ul style="list-style-type: none"> <li>• Where is the demand when it comes to hyperscale, edge and other types of data centres</li> <li>• Hurdles to success: addressing question marks over power and energy consumption, readiness for ESG and vulnerability to climate</li> <li>• Which regions are most appealing at present and why?</li> </ul>
<p>16:15 – 17:00</p> <p><b>Polling debate: which regions are leading the way?</b></p> <p><i>Representatives from different emerging regions will argue why their respective regions are providing the most opportunity across different infrastructure assets.</i></p> <ul style="list-style-type: none"> <li>• Africa</li> <li>• Middle East</li> <li>• Asia Pacific</li> <li>• Latin America</li> <li>• Eastern Europe</li> <li>• Other</li> </ul>	<p>16:15 – 17:00</p> <p><b>Investor and Manager Scenario Session: Deal or No Deal</b></p> <p><i>The session will highlight the increased role of ESG in due diligence. A fund manager and an institutional investor will discuss a hypothetical investment opportunity with ESG issues. They will ask the questions they would ask in a real investment situation with specific infrastructure assets and reflect on the ESG risk of the investment. The audience will then be given the opportunity to quiz the presenters on their decisions and decide whether they would themselves invest.</i></p>	<p>16:15 – 17:00</p> <p><b>Balloon debate: The next frontier for digital and smart infrastructure</b></p> <p><i>Each participant will champion the merits of technologies and developments that they believe will be paramount in the evolution of digital infrastructure assets as we know them. These include:</i></p> <ul style="list-style-type: none"> <li>• Edge computing</li> <li>• 5G and 6G networks</li> <li>• Small-cell technology</li> <li>• Artificial intelligence</li> <li>• Satellites</li> </ul>
<p>17:00 – 17:45</p> <p><b>Sector-split audience roundtables:</b></p> <ul style="list-style-type: none"> <li>• Digital and data infrastructure</li> <li>• Energy and power</li> <li>• Transportation and logistics</li> <li>• Water, waste management and environmental services</li> <li>• Social infrastructure</li> </ul>	<p>17.00 – 17.45</p> <p><b>Networking roundtable discussion on the S &amp; G</b></p> <ul style="list-style-type: none"> <li>• Supply chains</li> <li>• A just transition</li> <li>• Human rights</li> <li>• Labour rights</li> <li>• Gender diversity</li> <li>• Social licence</li> </ul>	<p>17.00 – 17:45</p> <p><b>Audience roundtables:</b></p> <ul style="list-style-type: none"> <li>• Data centres</li> <li>• Towers</li> <li>• Fibre networks</li> <li>• 5G</li> <li>• Small-cell technology</li> <li>• Emerging markets</li> <li>• Central and eastern European markets</li> </ul>
<p><b>17:45 Closing comments from the chair</b></p>		

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# Tuesday 21 March

## Global Investor Forum

08:30 – 08:35

### Welcome from Infrastructure Investor

Nicholas Lockley, Director, EMEA Events, PEI Media Group

08:35 – 08:45

### Chair's welcome

08:45 – 09:25

### Keynote panel: Will infrastructure pass the ultimate resilience stress-test?

- How infrastructure offers respite in the face of recessions, high-inflation and rising interest rates
- What are GPs doing to reassure and encourage investors?
- Sectors and strategies that are positioned to thrive amidst macroeconomic and geopolitical adversity

09:25 – 10:05

### Panel: Core to the fore for infrastructure investors

- How is the definition of core infrastructure evolving?
- How does appetite for core infrastructure assets compare to value-add, core plus and others amongst different types of investors?
- Highly regulated, inflation-linked and more: analysing the key characteristics that are setting these investments on the path to success

10:05 – 10:45

### Keynote: to be confirmed

10:45 – 11:10

### Coffee and networking

11:10 – 11:50

### Panel: Assessing appetite for risk in an unstable environment

- How investors and funds are measuring different types of risk in today's world
- Amidst the Ukraine conflict and further geopolitical instability across the globe, where are investors willing to take a chance?
- Looking at merchant risk, technology risk, stranded asset risk and more as investors measure across different sectors

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11:50 – 12:30

**Panel: Driving the transition forward and through current energy insecurity**

- How can policy makers and funds influence energy efficiency in the short and long term?
- The importance of diversification amongst suppliers, supply chains and technology in order to safeguard and strengthen energy transition ambitions
- Battery storage, hydrogen, carbon capture and more: what developments hold the key to success?

12:30 – 13:10

**Debate: Equity vs debt amidst current volatility**

- Assessing the relative merits of both and the parts they play in investor portfolios at this critical time
- What tweaks and techniques have funds utilised in order to make their debt and equity products more resilient and progressive?
- Can debt products compete on the same scale as equity in the near future?

13:10 – 14:10

**Networking lunch**

<b>Stream A - Sectors and strategies in focus</b>	<b>Stream B - The energy transition examined</b>
<p>14:10 - 14:50</p> <p><b>Panel: Finding the keys to success for infrastructure debt and financing</b></p> <ul style="list-style-type: none"><li>• How are debt funds thriving as liquidity leaves the market?</li><li>• Examining the success blueprint for equity players crossing over into the credit space</li><li>• Struggles with ESG and sustainability reporting: how could standardisation help?</li></ul>	<p>14:10 - 14:50</p> <p><b>Panel: The transportation bounce-back: stalling or in full flow?</b></p> <ul style="list-style-type: none"><li>• How pronounced has the bounce-back for transportation assets been since Covid-19 restrictions have softened?</li><li>• How is a likely incoming recession going to impact this?</li><li>• Transportation assets of the future: how investors must adapt to find value as this sub-sector blends with other newcomers</li></ul>
<p>14.50 - 15.30</p> <p><b>Panel: Digging into the details: best approach and methods for energy assets</b></p> <ul style="list-style-type: none"><li>• Net-zero mega-funds, increased specialisation and increasing legislation: what's shaping the energy assets of the future?</li><li>• Merits of debt and equity funds when it comes to pricing and regulatory factors affecting energy assets</li><li>• PPAs, merchant power and taking on risk – weighing up the key considerations for renewables investment models</li></ul>	<p>14.50 - 15.30</p> <p><b>Panel: Combating present and future challenges in digital infrastructure</b></p> <ul style="list-style-type: none"><li>• Protecting your portfolio against technology risk in a rapidly developing sector</li><li>• Achieving sustainability and energy efficiency in data centres</li><li>• Overcoming labour shortage issues in fibre rollout</li></ul>

15:30 – 16:00

**Coffee and networking**

For information on how to join the Global Summit, please [get in touch](#) with a member of the team.

16:00 – 16:40

**LP panel: Smart strategy selection and risk assessment**

- Finding best value in the mid-market and beyond
- Are investors diversified to different types of risk sufficiently?
- The strategic importance of disentangling infrastructure from private equity and other asset classes in your portfolio

16:40 – 17:20

**Polling debate: the future of infrastructure**

- What will prove the biggest influence on the changing definition of infrastructure in the next five years?
- Which sub-sector will emerge from the recession and inflationary environment as the biggest 'winner'?
- Which type of strategy will prove the most popular with institutional and private investors?

17:20 – 18:00

**Closing keynote**

18:00 – 18.10

**Chair's summary and close of day one**

18:10 – 19:15

**Drinks reception**

For information on how to join the Global Summit, please [get in touch](#) with a member of the team.

# Wednesday 22 March

## Global Investor Forum

08:00 – 09:00

**Investor-only Think Tank session** (*by invite only*)

09:00 – 09:10

**Chair's welcome back**

09:10 – 09:50

**Global keynote panel: Analysing the policy-making tailwinds blowing across the globe**

- How is domestic and international policymaking currently shaping the infrastructure investment market?
- How are those in charge grappling with this unprecedented geopolitical and economic turmoil?
- Assessing the US's Inflation Reduction Act; EU windfall tax action in response to energy security and other policies in the pipeline

09:50 – 10:30

**Keynote: to be confirmed**

10:30 – 11:00

**Coffee and networking**

11:00 – 11:25

**LP interview**

11:25 – 12:05

**Panel: ESG and sustainability as a priority: maintaining momentum in challenging times**

- Are there sufficient opportunities out there for forward-thinking investors when it comes to article 8 or 9 funds?
- How can the trend towards increased sector specialisation help drive ESG and sustainability?
- How might standardisation be the answer in the face of increasing demands for data, reporting and regulatory compliance on funds?

12:05 – 12:45

**How infrastructure fund managers are responding to the cost-of-living crisis**

- What role does the infrastructure investment industry have to play in a cost-of-living crisis playing out on a global scale?
- Clients, employees and other stakeholders: all considerations for GPs as they plan their response strategy
- How to keep ESG at the top of the priority list as the crisis develops

For information on how to join the Global Summit, please [get in touch](#) with a member of the team.

12:45 - 13:00

**Infrastructure Investor data presentation**

13:00 – 14:00

**Networking lunch**

14:00 – 14:40

**Panel: From the PE playbook: differentiating through operational capability**

- Who are the funds leading the trend in operational value creation strategies for infrastructure assets?
- Best practice and examples of carrying out asset value creation and operational excellence
- Why are these capabilities becoming of increasing importance for investors selecting their managers?

14:40 – 15:20

**Keynote**

15:20 – 15:50

**Coffee and networking**

15:50 – 16:30

**Panel: Defying gravity? Outlook for infrastructure valuations**

- Why are infrastructure valuations staying higher than anticipated? Will it remain this way?
- How might the cost of debt have a significant impact on this in the near future?
- Which infrastructure sub-sectors might feel the impact of changing valuations most severely?

16:30 – 17:10

**Closing Panel: Embracing the infrastructure toolkit beyond core**

- What areas outside of core are experiencing the most significant growth and why?
- Impact of valuations when it comes to selecting strategies including co-investments, secondaries, value-add and more
- Operational capabilities, volatility protection and more: how can managers differentiate themselves to succeed across the strategy spectrum?

17:10 – 17:20

**Chair's summary and close of the Global Investor Forum**

For information on how to join the Global Summit, please [get in touch](#) with a member of the team.

Thursday 23 March

Investor Council	Infrastructure Debt Forum	Energy Transition Forum
<p>08:00 – 08:40</p> <p><b>Investor Council breakfast and welcome from the chair</b></p> <p><i>Invited attendees, including private and institutional investors, will be welcomed by the investor council chair and can enjoy breakfast and refreshments with their peers.</i></p>	<p>08:50 – 09:00</p> <p><b>Introduction from Infrastructure Investor and welcome from the chair</b></p>	<p>08:45 – 09:00</p> <p><b>Introduction from Infrastructure Investor and welcome from the chair</b></p>
	<p>09:00 – 09:40</p> <p><b>Opening panel: How are investors combating and overcoming outside pressures?</b></p> <ul style="list-style-type: none"> <li>• From low to high in a heartbeat: how are debt funds coping with the inflationary environment?</li> <li>• Impact of rising interest rates and continuing geopolitical instability</li> <li>• Resilience, revenues, and refinancing: considerations for various infrastructure assets</li> </ul>	<p>09:00 – 09:40</p> <p><b>Investing in energy: price, security, and the transition to net zero</b></p> <ul style="list-style-type: none"> <li>• Can Europe achieve transition to renewables fast enough?</li> <li>• Will renewables be sufficient to reduce reliance on Russian gas?</li> <li>• Is there enough capital globally to deliver net zero by 2050?</li> <li>• How to deal with supply chain issues? Rise of execution risk</li> </ul>
	<p>09:40 – 10:20</p> <p><b>Panel: Assessing the state of play in credit: what's on offer for borrowers and investors?</b></p> <ul style="list-style-type: none"> <li>• Liquidity leaving, bank caution and more: what is the state of current intermediation between banks, sponsors and funds in the financing space?</li> <li>• How will this develop in the near future and what does it mean for other stakeholders in the market?</li> <li>• Why might these prove favourable conditions for private and institutional investors to increase their exposure to infrastructure debt?</li> </ul>	<p>09:40 – 10:20</p> <p><b>What does the significant increase in power prices imply?</b></p> <ul style="list-style-type: none"> <li>• Signs that increased prices are dampening demand</li> <li>• Getting PPAs done in a more challenging environment</li> <li>• Are managers/developers asking PPA counterparties to take on more risk?</li> <li>• Impact from windfall taxes and price caps to returns and what are managers assuming?</li> </ul>

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	<p>10:20 – 11:00  <b>Panel: How are debt funds grappling with constantly evolving sustainability developments</b></p> <ul style="list-style-type: none"> <li>• Deciphering how different transactions across different sectors are performing when it comes to ESG requirements</li> <li>• How can debt funds better communicate to LPs whether certain transactions are compliant under articles 8 and 9?</li> </ul> <p>Standardisation – the answer to overcoming SFDR, taxonomy and other increasing regulatory disclosure requirements?</p>	<p>10:20 – 11:00  <b>Battery storage: if not now then when for infrastructure managers</b></p> <ul style="list-style-type: none"> <li>• What is the future market potential for storage?</li> <li>• Considering the developing risk/return model compared to other strategies</li> <li>• What's required to justify long-term investments?</li> <li>• Viable technologies beyond lithium and cobalt</li> </ul>
<p>11:00 – 11:30 <b>Coffee and networking</b></p>		
<p>11:30 – 12:15  <b>Resumption of investor council: focused roundtables facilitated by experts</b></p> <ul style="list-style-type: none"> <li>• Protecting your portfolio against inflation, high interest rates and geopolitical instability</li> <li>• Battery storage, hydrogen and more: how investors can access the forefront of the energy transition and drive net-zero ambitions</li> <li>• Selecting smart strategies for your institution: discussing core, value-add, debt, secondaries and more</li> <li>• Best practice for essential portfolio monitoring and enhancement techniques</li> </ul>	<p>11:30 – 12:10  <b>Debate: Merits and risks of junior mezzanine vs senior secured debt</b></p> <ul style="list-style-type: none"> <li>• What's the smartest play in the current environment?</li> <li>• Assessing access to opportunity for both sides in the market</li> <li>• What is the best balance for savvy institutional and private investors looking to diversify their portfolio?</li> </ul>	<p>11:30 – 12:10  <b>Investor perspectives: can energy outperform other strategies during inflationary periods?</b></p> <ul style="list-style-type: none"> <li>• How are renewable assets performing currently?</li> <li>• How will increasing interest rates impact returns in energy compared to other strategies across private markets?</li> <li>• Will valuations of assets take a hit? Have discount rates started to reflect market movement?</li> <li>• To what extent have investors' views on transition fuels been impacted by the European energy crisis?</li> </ul>

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<p>12:15 – 13:00</p> <p><b>Investor Council: Investment Committee</b></p> <p><i>Two hand-picked fund managers will present investment case studies in this exclusive, data-driven and interactive format. Hosted by two experts, you'll have the chance to ask questions, share your thoughts and vote on the transactions in our very own investment committee</i></p>	<p>12:10 – 12:40</p> <p><b>Presentation: Infrastructure debt case study</b></p>	<p>12:10 – 12:40</p> <p><b>Why investing in energy efficiency is gaining momentum</b></p> <ul style="list-style-type: none"> <li>• Outlining the extent of the opportunity</li> <li>• Learnings from early energy efficiency funds of the last decade</li> <li>• The challenges of prioritising efficiency within existing assets</li> <li>• Comparing investment strategies across different markets</li> </ul>
	<p>12:40 – 13:00</p> <p><b>LP interview: Optimising your debt portfolio in turbulent times</b></p>	<p>12:40 – 13:00</p> <p><b>PEI Data Presentation</b></p>
<p>13:00 – 14:00 <b>Networking lunch</b></p>		
	<p>14:00 – 14:40</p> <p><b>Panel session: Digital and data infrastructure assets to the fore for credit investors</b></p> <ul style="list-style-type: none"> <li>• Assessing the transformation of the digital infrastructure financing space in recent years</li> <li>• How have debt investors embraced digital infrastructure funds since the pandemic?</li> <li>• Quality assets, specialisation and creative structuring: the keys to success for lenders</li> </ul>	<p>14:00 – 14:40</p> <p><b>How much of an opportunity is carbon capture or storage for infrastructure investment?</b></p> <ul style="list-style-type: none"> <li>• To what extent is the Inflation Reduction Act a turning point for carbon capture?</li> <li>• Is it just a US play or is it global?</li> <li>• What is needed to make carbon capture investable?</li> <li>• Learnings from funds/investors already active in this nascent space</li> </ul>
	<p>14:40 – 15:20</p> <p><b>Panel session: Financing the energy transition</b></p> <ul style="list-style-type: none"> <li>• Debt funds' role amongst equity funds in the global energy transition and path to net zero</li> <li>• Marking out your roadmap: where do the best opportunities lie across assets, regions and strategies</li> <li>• Impact of pricing variation and regulation on energy and power assets for debt investments</li> </ul>	<p>14:40 – 15:20</p> <p><b>Where are managers/companies seeing opportunities in EV charging?</b></p> <ul style="list-style-type: none"> <li>• How are business models evolving?</li> <li>• What are the challenges restricting the growth of the market?</li> <li>• Considering the different technologies and where infrastructure managers fit</li> <li>• How investors are looking to software-based solutions</li> </ul>

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	<p>15:20 – 16:00</p> <p><b>Audience roundtables:</b></p> <ul style="list-style-type: none"> <li>• Emerging market debt opportunities</li> <li>• Sector discussion: digital, energy, social, logistics and more</li> <li>• ESG and sustainability: GP challenges</li> <li>• Investor relations and fundraising for debt</li> </ul>	<p>15:20 – 16:00</p> <p><b>The big debate: can hydrogen play a vital role in the energy transition?</b></p> <p><i>This house believes hydrogen can play a vital role in the energy transition</i></p>
<p><b>16:00 Closing comments from the chair</b></p>		

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October 28, 2022

TO: Each Trustee,  
Board of Investments

FROM: Luis A. Lugo *LL*  
Deputy Chief Executive Officer

Ted Granger *TG*  
Interim Chief Financial Officer

FOR: November 9, 2022 Board of Investments Meeting

SUBJECT: **PENSION PLAN ACTUARIAL ASSUMPTION REVIEW**

### **Background**

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

The LACERA Board of Investments maintains the Retirement Benefit Funding Policy (Funding Policy). The Funding Policy was most recently amended in February 2013 to conform to the new standards mandated in PEPRA. The Funding Policy requires LACERA's consulting actuary to perform actuarial valuations annually and experience studies every three years.

### **Process**

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

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

The LACERA Board of Investments adopts actuarial methods and assumptions to be used in future valuations. LACERA's consulting actuary presents the experience study preliminary results with the Board prior to performing the actuarial valuation. This enables

Board of Investment trustees the opportunity to discuss the actuarial assumptions and methods and provide the actuary with direction prior to completing the annual valuation. However, in making its decisions and direction in these matters, the Board is required to act “upon the basis of the investigation, valuation, and recommendation of the actuary.” (Cal. Govt. Code §31453; see also §31495.) Actuarial valuations are prepared to determine employer and employee contribution rates and to review the Pension Plan’s latest funding metrics.

In March 2023, Milliman will complete and present the annual valuation report prepared using updated and/or reconfirmed assumptions from this latest experience study. Based on the annual actuarial valuation report, LACERA’s Board of Investments transmits recommended contribution rates to the County Board of Supervisors, the primary plan sponsor. The County Board of Supervisors then adopts the employer and employee contribution rates.

On a triennial basis, a separate actuarial consulting firm, Cavanaugh Macdonald, reviews both the experience study and the annual valuation.

### **2022 Actuarial Projects**

Milliman completed the last investigation of experience as of June 30, 2019 and the latest actuarial valuation as of June 30, 2021. For the upcoming Pension Plan actuarial project cycle, the consulting actuary will perform an investigation of experience as of June 30, 2022, in preparation to conduct the June 30, 2022 actuarial valuation.

### **Board of Investment Meetings**

The experience study discussion commenced at the October 12, 2022 Board of Investments meeting where LACERA’s consulting actuaries, Nick Collier and Craig Glyde from Milliman, presented their recommended Pension Plan economic assumptions, discussed capital market assumptions, and requested the Board of Investments provide input. The consulting actuary recommended the Board make changes to the actuarial methods used in projecting benefit liabilities and asset growth.

Milliman will attend the Board of Investments meeting on November 9, 2022, to present and request guidance regarding the Pension Plan demographic assumptions including mortality, rates of retirement, and disability. Finally, the 2022 Investigation of Experience draft report will be presented to the Board for consideration and adoption at the December 2022 meeting.

Attached for your review is the actuary’s demographic assumption and actuarial method review presentation for the November 9, 2022 meeting.

### **Attachments**

A. Milliman’s November 9, 2022 Presentation Slides

B. Actuarial Projects 2022 - Roadmap

Actuarial Assumptions Review

October 28, 2022

Page 3

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BOI Memo Demographic Assumptions Nov 2022-- Final.docx

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

## **Attachment A**

**Milliman's November 9, 2022 Presentation Slides**

# 2022 Investigation of Experience Demographic Assumptions

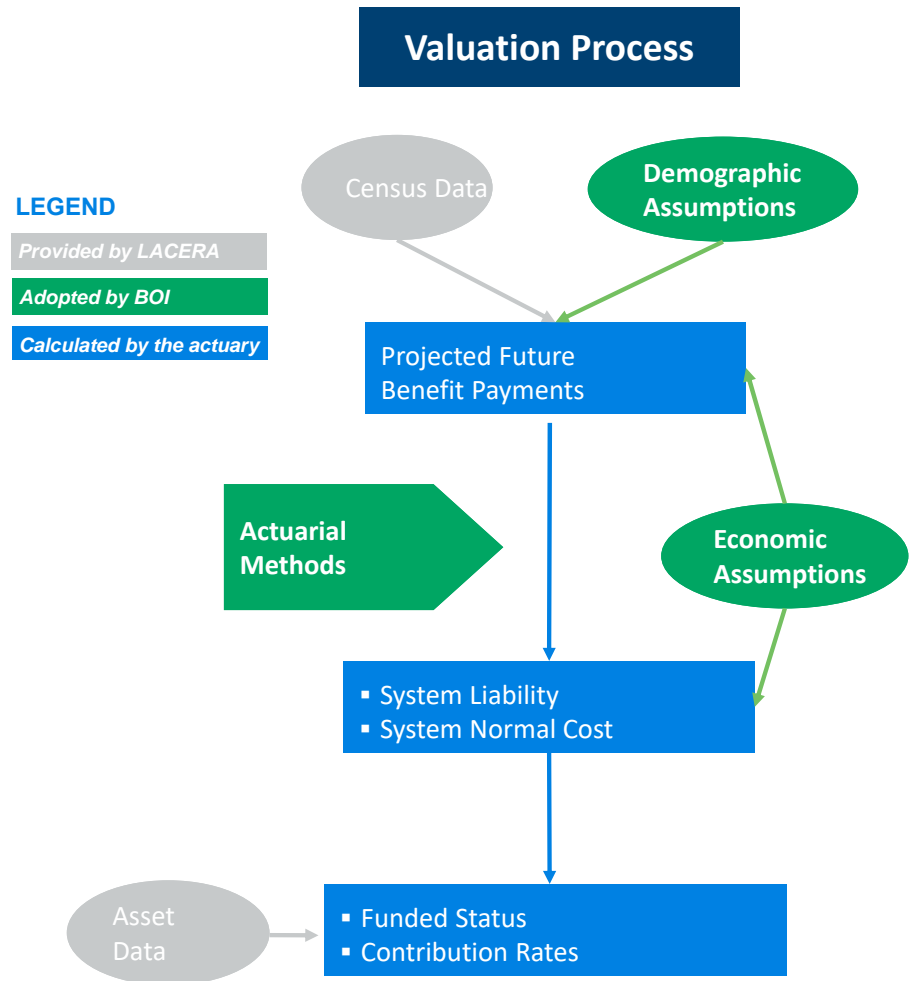
Nick Collier  
Craig Glyde

NOVEMBER 9, 2022



# Schedule

- October 2022 meeting:
    - Discussion and analysis of economic assumptions
    - Reach general consensus on economic assumptions
- November 2022 meeting:
    - Follow-up discussion on economic assumptions
    - Discuss and reach general consensus on demographic assumptions
- December 2022 meeting:
    - Draft experience study report presentation
    - Adopt assumptions to be used in 2022 valuation
  - March 2023 meeting:
    - Valuation results
    - Adopt member and employer contribution rates for fiscal year beginning July 1, 2023



# Demographic Assumptions



# Key Demographic Assumptions – Overview

- Summary of demographic assumptions. Note these are set based on LACERA experience.

**Mortality (Life Expectancy):** Mortality tables are used to estimate current rates of death. Mortality tables are combined with the mortality projection scale to estimate how long current and future retirees will live.

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

**Merit Salary:** Assumed increases in compensation for reasons other than general wage growth, such as promotion and longevity.

**Service Retirement:** Probability of taking a service retirement at a given age which affects projected benefit amount and length member is expected to receive benefit.

**Disability Retirement:** Probability of taking a disability retirement at a given age which affects projected benefit amount and length member is expected to receive benefit.

**Termination:** Probability of member leaving active service for reasons other than death, disability or service retirement.

# Demographic Assumptions

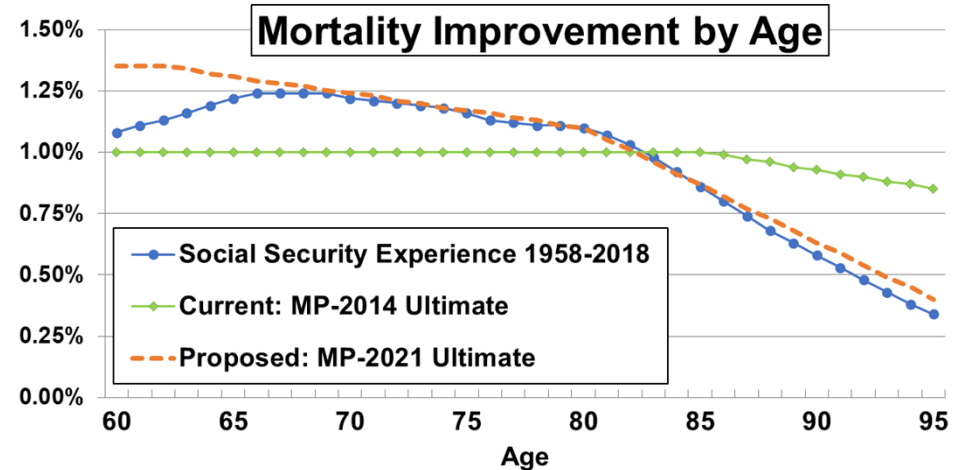
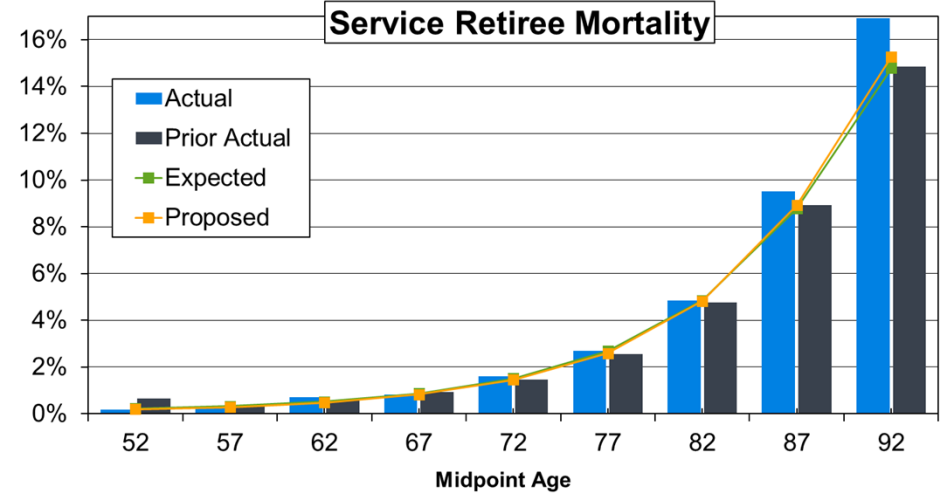
## Rationale for Changes & Pandemic Commentary

- Study period of July 1, 2019 to June 30, 2022 overlaps with the pandemic which influenced the study results
  - There were more retiree deaths than predicted by the assumptions
  - There were more terminations and service retirements than predicted by the assumptions
- Results for the study period were reviewed, but changes were only made if they were also supported by experience from prior studies
  - Also considered trends in actuarial assumptions for public retirement systems

# Retiree Mortality

- Assumption used to predict how long current and future retirees and beneficiaries will receive benefits
- Results show mortality rates were about 5% to 10% higher than assumed
- Recommendation:
  - Retain base mortality tables and scaling factors
  - Update mortality improvement scale to newest version released by Society of Actuaries
    - New version projects greater improvements below age 83 and smaller improvements after age 83 than current assumption, resulting in a small decrease in life expectancies for older active employees and retirees.

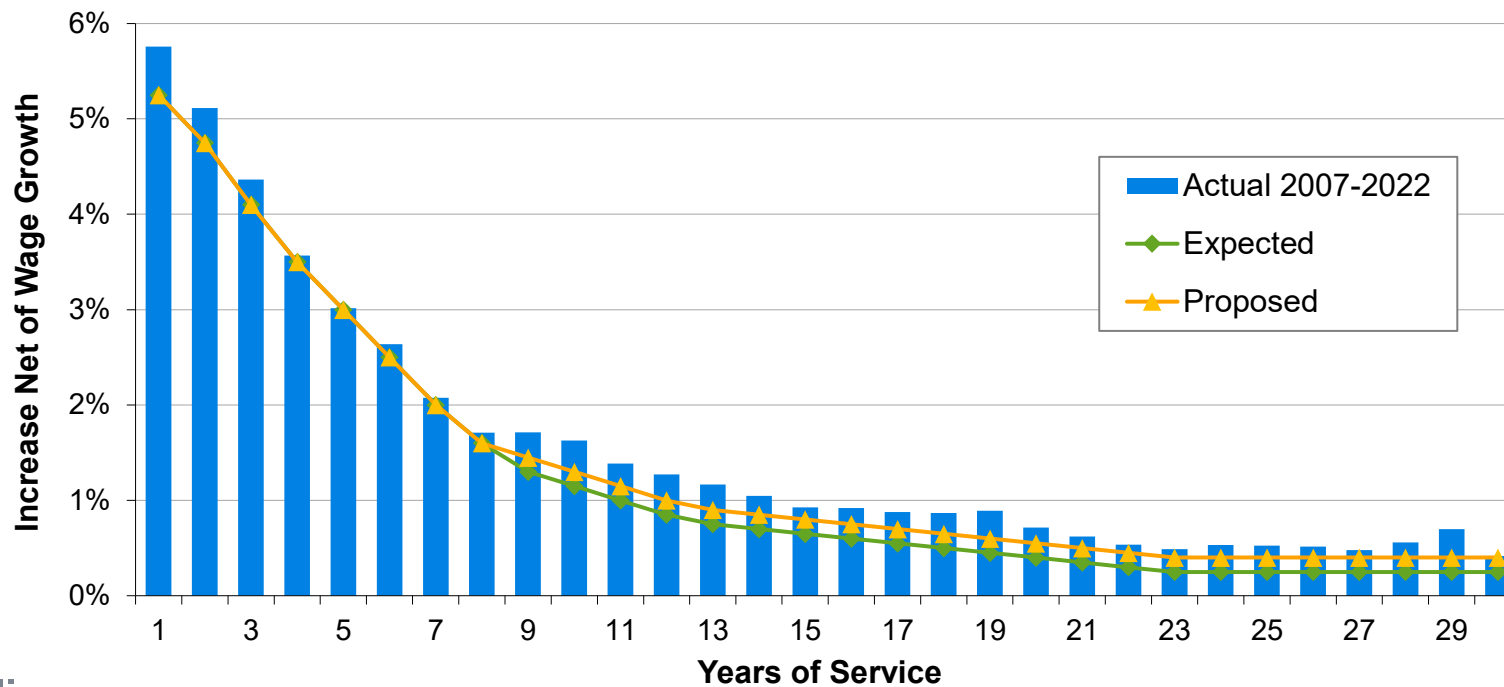
Expected Lifetime for Age 60 Retiree in 2023		
	Curr.	Prop.
General Male	86.7	86.5
General Female	88.4	88.1
Safety Male	87.9	87.6
Safety Female	88.4	88.1



Note: mortality improvement implies that mortality rates at a given age will decrease in the future and life expectancies will be longer.

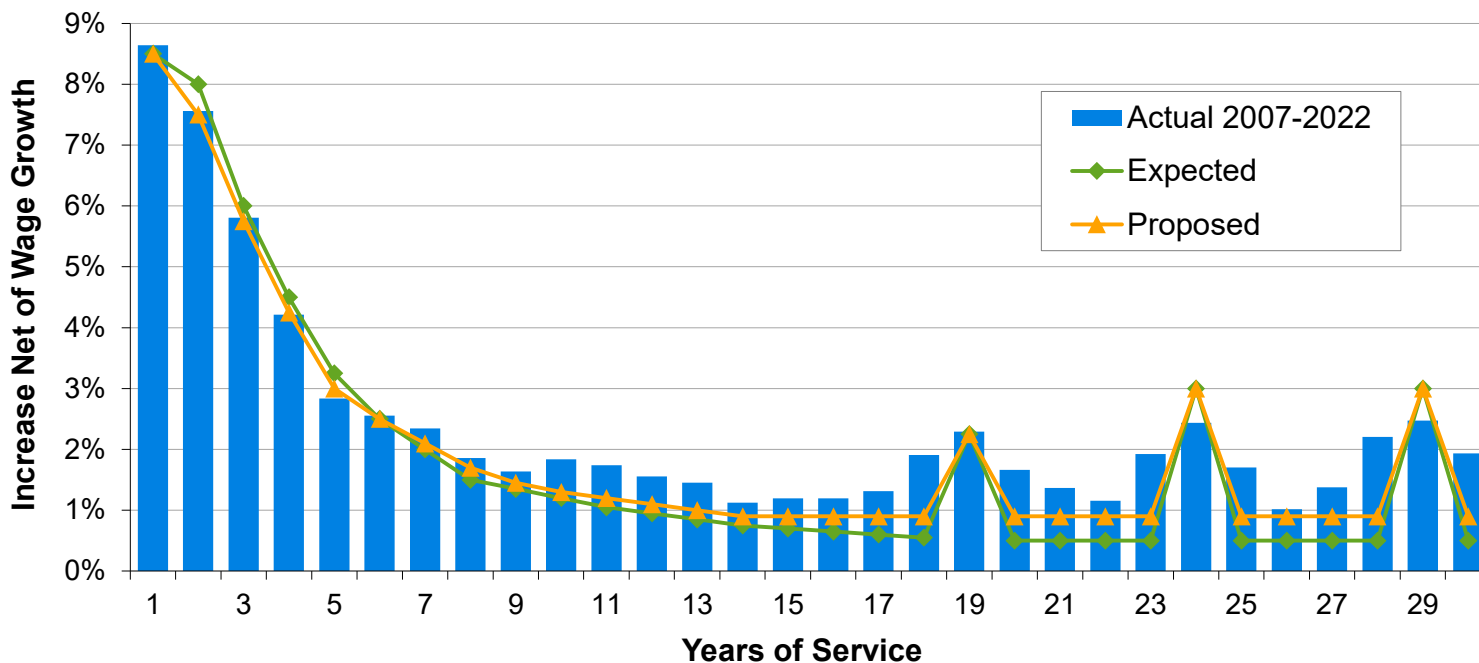
## Merit Salary Increases - General

- Merit salary increases are in addition to general wage increases (recommended 3.25%)
- Proposed merit salary increase to 0.40% of pay, compared to 0.25% of pay (at service years 9+)
  - Reflects the trend of larger increases for longer service employees on account of merit & longevity



# Merit Salary Increases - Safety

- Merit salary increases are in addition to general wage increases (recommended 3.25%)
- Proposed merit salary changes
  - Small decreases in service years 2 to 5; increases in most service years 7+
  - Reflects the trend of larger increases for longer service employees on account of merit and longevity



In Comparison to Current Assumption	
Years of Service	Change
1	0.00%
2	-0.50%
3-5	-0.25%
6	0.00%
7	+0.10%
8	+0.20%
9-10	+0.10%
11-14	+0.15%
15	+0.20%
16	+0.25%
17	+0.30%
18	+0.35%
19	0.00%
20-23	+0.40%
24	0.00%
25-28	+0.40%
29	0.00%
30+	+0.40%

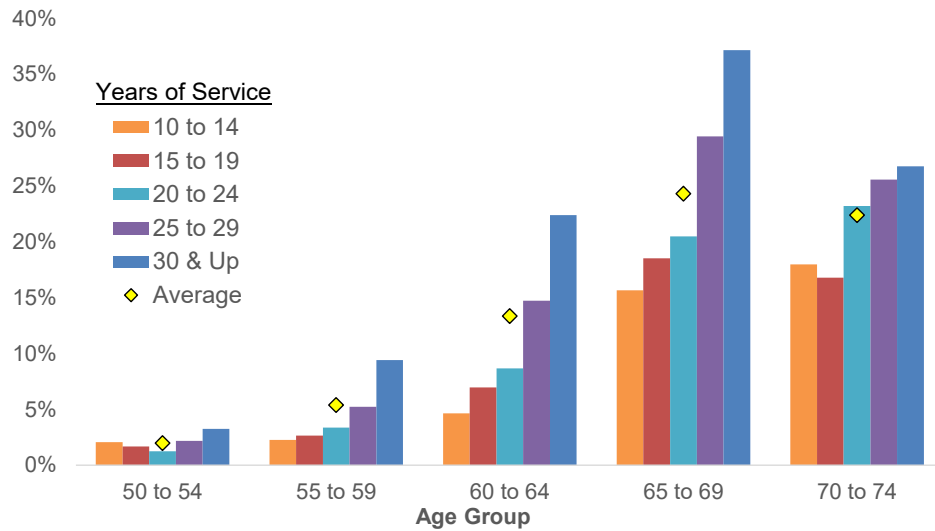


Note: spikes in actual and assumed experience at 19, 24 and 29 years of service reflect bargained increases

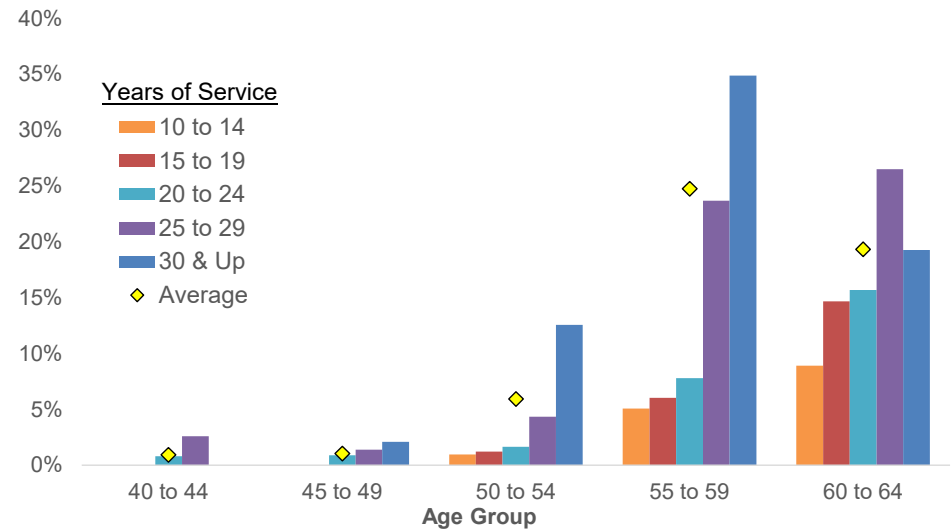
# Service Retirement from Active Status

- Service retirement rates have historically been based solely on an employee's age and plan
- However, the impact of service on retirement rates is apparent for LACERA
  - More service = Larger benefit = More likely to retire
  - Introducing a service component provides a more accurate estimate of liabilities and cash flow

General D: Actual Rates of Retirement by Age Group & Service

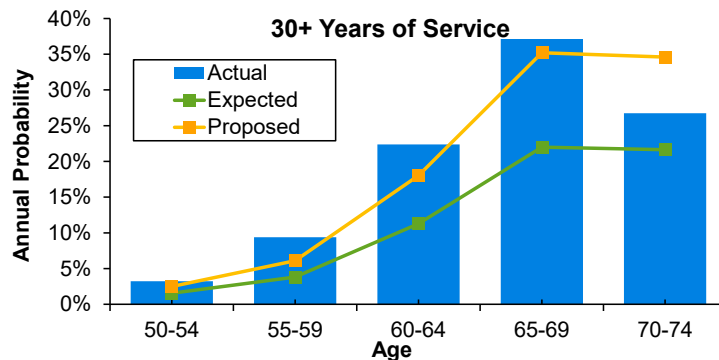
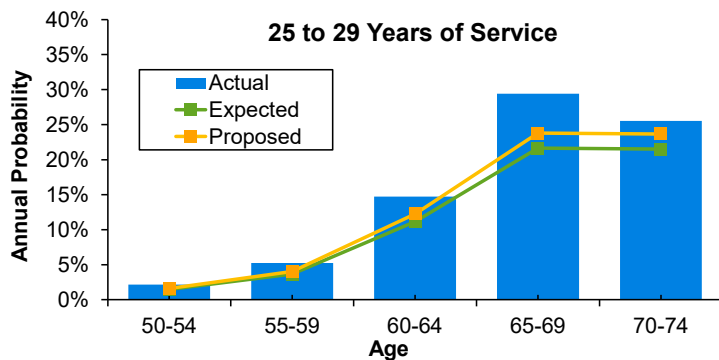
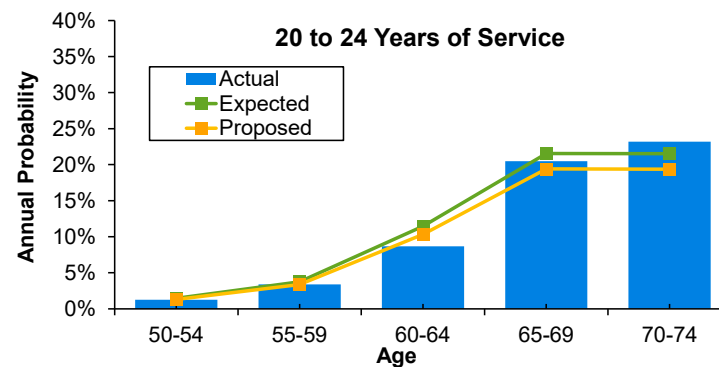
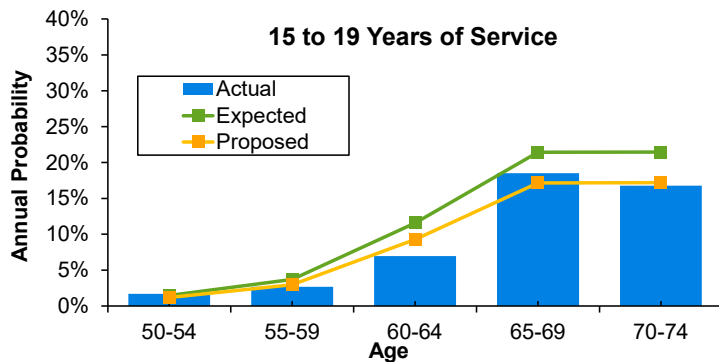


Safety B: Actual Rates of Retirement by Age Group & Service



# Service Retirement from Active Status - General

- Proposed changes to service retirement rates to reflect both age and service

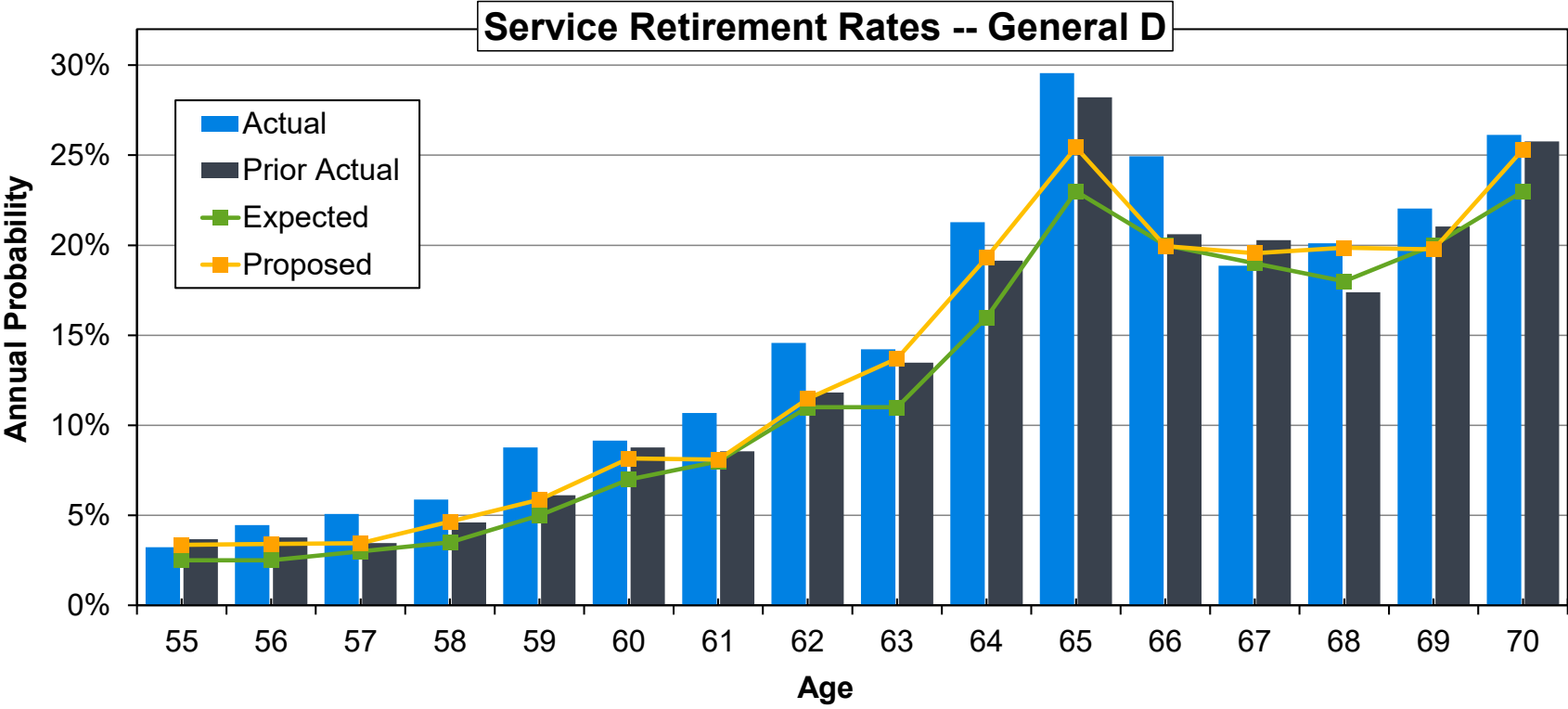


- Green line is the expected retirement rate
  - Based on age only
  - Same in each chart
- Yellow line is the proposed retirement rate which varies for members of the same age based on length of service
  - Higher retirement rate for those with longer service

Ages 55 to 69 are when most General member service retirements occur. These are the most critical age ranges for the General member retirement rate assumption.

# Service Retirement from Active Status – General (Aggregate)

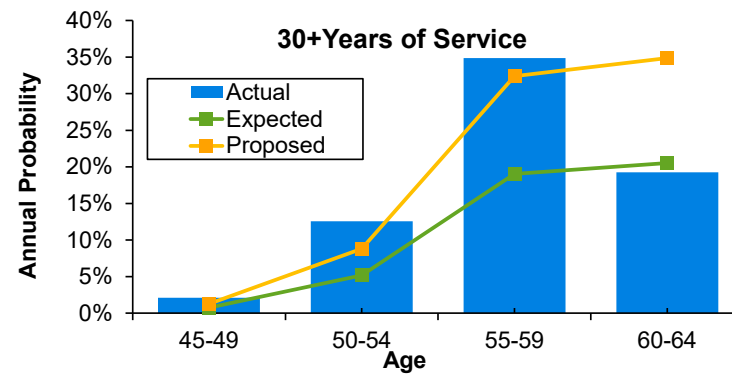
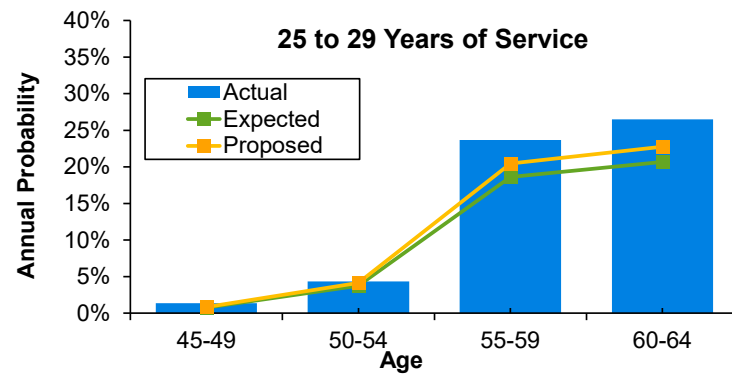
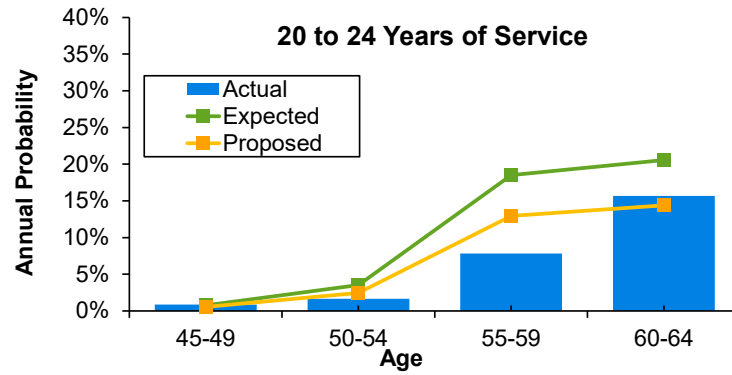
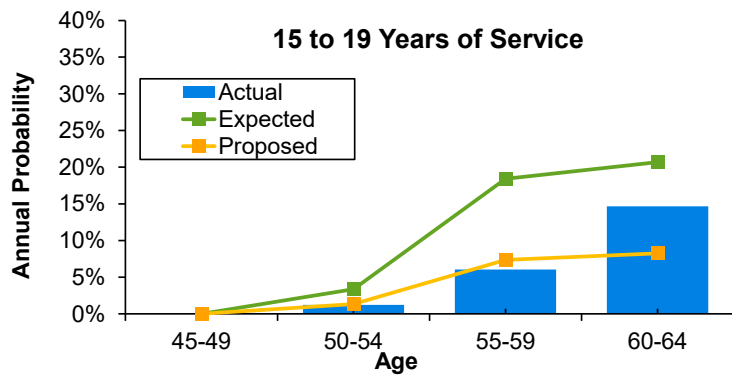
- Aggregate proposed service retirement rates reflecting both age and service





# Service Retirement from Active Status - Safety

- Proposed changes to service retirement rates to reflect both age and service

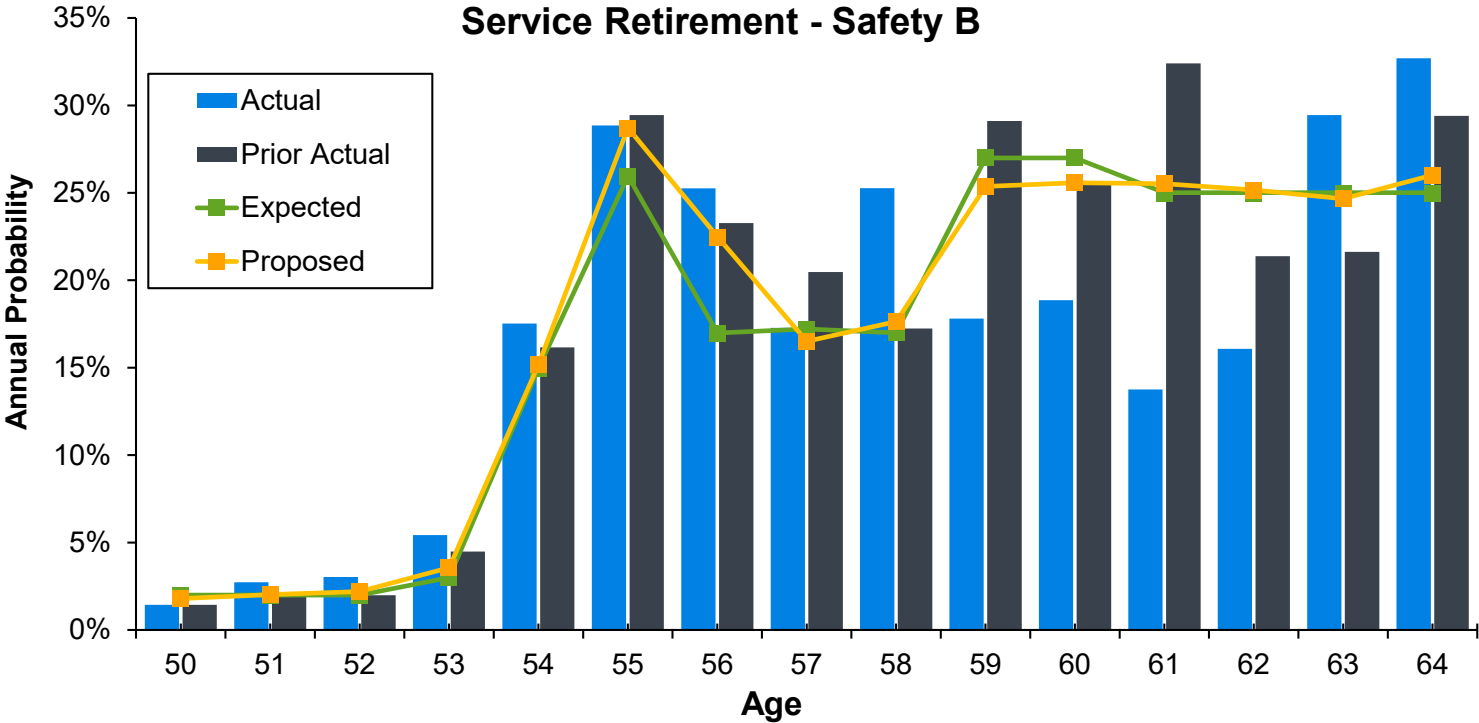


- Green line is the expected retirement rate
  - Based on age only
  - Same in each chart
- Yellow line is the proposed retirement rate which varies for members of the same age based on length of service
  - Higher retirement rate for those with longer service

Ages 50 to 59 are when most Safety member service retirements occur. These are the most critical age ranges for the Safety member retirement rate assumption.

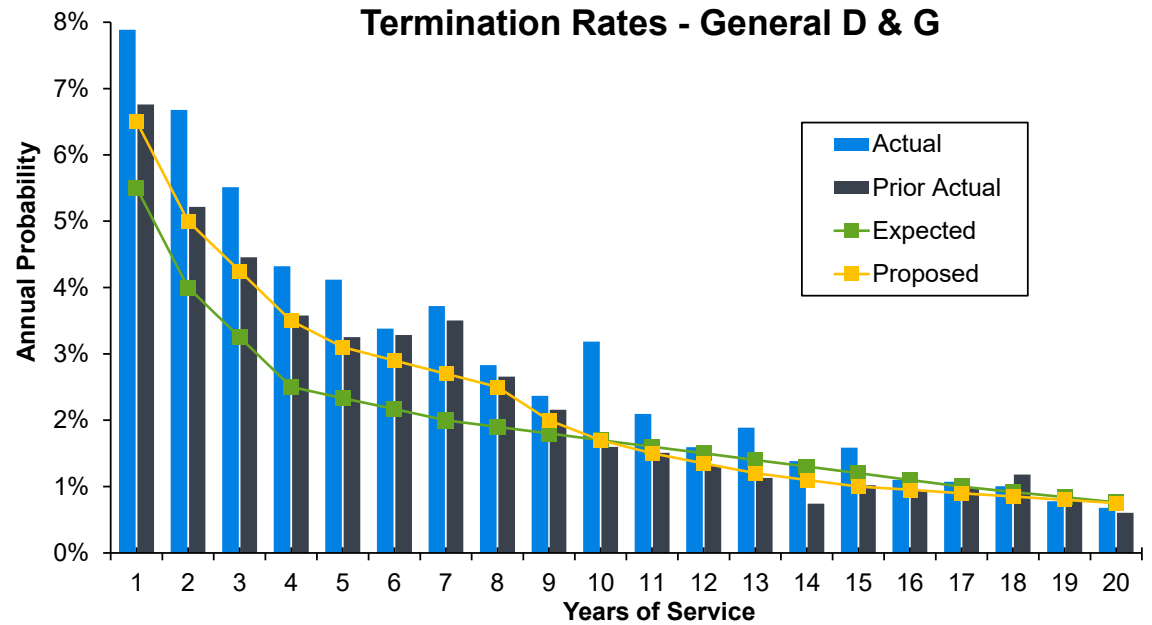
# Service Retirement from Active Status – Safety (Aggregate)

- Aggregate proposed service retirement rates reflecting both age and service



# Rates of Termination from Active Status - General

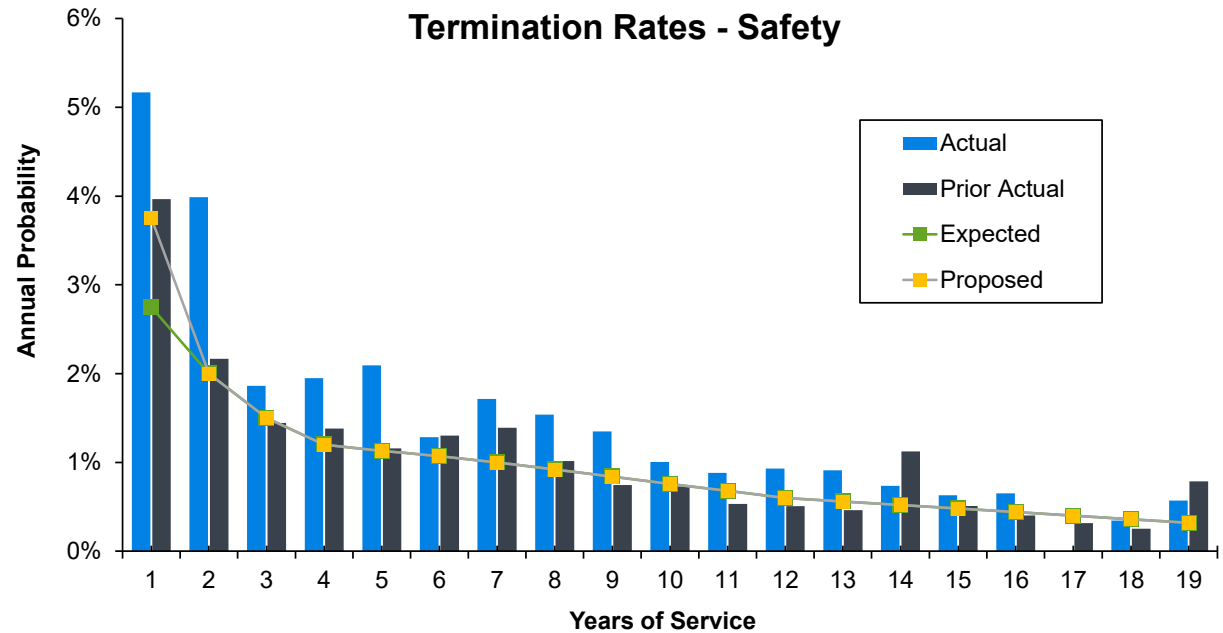
- About 45% more terminations than assumed to occur
  - Particularly from June '20 to June '22
- Revisions proposed to better fit patterns and prior period data
  - Plan D & G as shown
  - Plan E (not shown) - minor changes at lower years of service (8 – 10 years)



	2019 - 2022 Data		
	Expected	Actual	Proposed
Total Count	3,778	5,489	4,559
Actual / Expected	145%		120%

# Rates of Termination from Active Status - Safety

- About 65% more terminations than assumed to occur
  - Particularly from June '20 to June '22
- Current assumption generally predicts prior period experience quite well
- Minor revision proposed at low service to better fit data



	2019 - 2022 Data		
	Expected	Actual	Proposed
Total Count	287	474	322
Actual / Expected	165%		147%

## Other Recommendations: Demographic Assumptions

- Probability of refund: small reductions
- Disability retirement rates: no changes to current rates
- Death while active: continue to use public plan specific table; update improvement scale
- Assumed retirement age for deferred members: no changes
- Beneficiary age difference:
  - 2 years older for beneficiaries of female retirees (no change)
  - 3 years younger for beneficiaries of male retirees (current is 4 years younger)
- Probability of eligible survivor:
  - 48% for females (current is 50%); 77% for males (no change)
- Probability future deferred vested members establishes reciprocity with another employer:
  - 17% for General (current is 16%); 36% for Safety (current is 35%)

# Follow-Up on Economic Assumptions and Actuarial Methods

# Economic Assumptions and Methods Recap

- Economic Assumption Recap
  - No changes recommended

Assumption	Current = Proposed
Investment Return	7.00%
National Price Inflation	2.75%
Local Price Inflation	2.75%
Wage Growth	3.25%
Payroll Growth	3.25%
COLA (Plan A / Other Plans)*	2.75% / 2.00%

*\* Plan A COLAs for current retirees are valued at 3.0% to reflect COLA banks.*

- Actuarial Method Recap
  - Recommendation: Exclude STAR Reserve from Valuation Assets
  - Recommendation: Add modification to 5-Year smoothing to offset current year gains/losses against prior year losses/gains
  - Recommendation: Shorter amortization period for plan changes

# Estimated Financial Impact



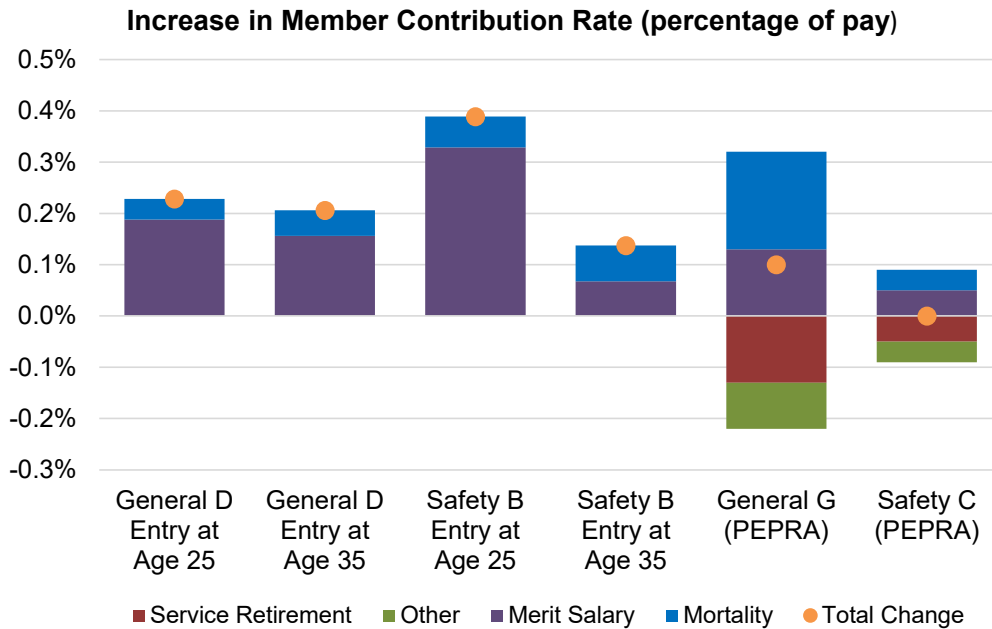
# Financial Impact – Funded Ratio / Employer Rates

- Employer contribution rate:
  - FYB 2023 rate is 0.3% of payroll lower than FYB 2022 rate (before changes)
  - FYB 2023 rate is 1.4% of payroll higher than FYB 2022 rate (after changes)
- Funded Ratio (FR):
  - 2023 FR is 1.7% higher than 2022 FR (before changes)
  - 2023 FR is 0.4% higher than 2022 FR (after changes)

	Funded Ratio	Total Employer Contribution	
		% of Payroll	\$ millions
<b>June 30, 2021 Valuation</b>	<b>79.3%</b>	<b>24.5%</b>	<b>\$ 2,205</b>
<b>Estimated June 30, 2022 Valuation (before changes)</b>	<b>81.0%</b>	<b>24.2%</b>	<b>\$ 2,178</b>
<b>Recommended Actuarial Method Changes</b>			
Alternate Asset Smoothing	0.0%	0.2%	\$ 18
Exclude STAR Reserve from Funding Assets	-0.5%	0.5%	44
<b>Total Method Changes</b>	<b>-0.5%</b>	<b>0.7%</b>	<b>\$ 62</b>
<b>Recommended Economic Assumption Changes</b>			
<b>Economic Assumptions</b>	<b>0.0%</b>	<b>0.0%</b>	<b>\$ -</b>
<b>Recommended Demographic Assumption Changes</b>			
Merit Salary Increases	-0.5%	0.7%	\$ 62
Service Retirement	-0.9%	1.1%	98
Mortality	0.5%	-0.6%	(52)
Other	0.1%	-0.2%	(15)
<b>Demographic Assumption Changes</b>	<b>-0.8%</b>	<b>1.0%</b>	<b>\$ 93</b>
<b>Recommended Changes</b>			
<b>Total Recommended Changes</b>	<b>-1.3%</b>	<b>1.7%</b>	<b>\$ 155</b>
<b>Estimated June 30, 2022 Valuation (with all changes)</b>	<b>79.7%</b>	<b>25.9%</b>	<b>\$ 2,333</b>

\* All amounts and percentages shown on this page are estimates except June 30, 2021 values

# Financial Impact – Member Contribution Rates



	Change in Member Rate	Average Monthly Salary	Change in Monthly Contribution
<b>Legacy Members</b>			
- General D (Entry Age 25)	0.23%	\$ 8,200	\$19
- General D (Entry Age 35)	0.21%	\$ 8,200	\$17
- Safety B (Entry Age 25)	0.39%	\$ 11,600	\$45
- Safety B (Entry Age 35)	0.14%	\$ 11,600	\$16
<b>PEPRA Members</b>			
- General	0.10%	\$ 6,100	\$6
- Safety	0.00%	\$ 8,300	\$0

- Increase in member contribution rates for most members
- Amount of increase dependent on plan and entry age (for Legacy plan members)
  - Legacy members with younger entry ages will see largest percentage increase

# Recommendations

- Merit salary increases
  - Changes for General and Safety members, overall increases compared to current assumption
  - Reflects the trend of larger increases for longer service employees
- Retiree mortality
  - No changes to mortality tables
    - Based on public-plan specific mortality data customized to LACERA experience
  - Update to latest mortality projection scale
- Service retirement rates
  - Small adjustments to age-based retirement rates
  - Added additional adjustments to reflect impact of service levels on retirement rates
    - Provides a more accurate estimate of liabilities and cash flow and is consistent with trends among public systems
- Other demographic assumptions
  - Minor adjustments to termination rates for some groups



# Questions



## Caveats and Disclaimers

This presentation is based on the data, methods, assumptions and plan provisions described in our actuarial valuation report dated November 22, 2021, supplemented by information included in the Preliminary Funding Estimate letter dated September 23, 2022. The statements of reliance and limitations on the use of this material is reflected in the actuarial report and still apply to this presentation.

These statements include reliance on data provided, on actuarial certification, and the purpose of the report.

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

# Glossary

# Glossary

- **Actuarial Accrued Liability (AAL):** That portion, as determined by a particular Actuarial Cost Method, of the Actuarial Present Value of pension plan benefits and expenses which is not provided for by future Normal Costs.
- **Actuarial Asset Smoothing:** A method used to determine the Actuarial Values of Assets that reduces the effect of short-term market volatility while still tracking the overall movement of the market value of assets.
- **Actuarial Assumptions:** Assumptions as to the occurrence of future events affecting pension costs, such as: mortality, withdrawal, disability, and retirement; changes in compensation; rates of investment earnings and asset appreciation or depreciation; procedures used to determine the Actuarial Value of Assets. The Actuarial Assumptions fall in to two main categories: Demographic and Economic Assumptions.
- **Actuarial Methods:** Procedures used to determine the Actuarial Value of Assets; how the liabilities (value of promised benefit payments) are allocated to accrued and future; how the Unfunded Actuarial Accrued Liability is systematically paid down (amortization method); and other relevant items.
- **Actuarial Standards of Practice:** The Actuarial Standards Board sets standards for appropriate actuarial practice in the United States through the development and promulgation of Actuarial Standards of Practice (ASOPs). These ASOPs describe the procedures an actuary should follow when performing actuarial services and identify what the actuary should disclose when communicating the results of those services.

## Glossary (continued)

- **Actuarial Valuation:** The determination, as of a valuation date, of the Normal Cost, Actuarial Accrued Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.
- **Actuarial Value of Assets:** The value of cash, investments and other property belonging to a pension plan after reflection of Actuarial Asset Smoothing, as used by the actuary for the purpose of an Actuarial Valuation.
- **Alpha:** Actual investment return, if any, above the benchmark return.
- **Amortization Payment:** That portion of the pension plan contribution which is designed to pay interest on and to amortize the Unfunded Actuarial Accrued Liability.
- **Capital Market Assumptions (or Expectations):** Capital Market Assumptions are numerical expectations about the future performance of available asset classes that incorporate theories, observations and experience. Each asset class has an expected return, variance and correlation between other asset classes.
- **COLA:** LACERA retirement and survivor allowances are adjusted annually by the cost-of-living adjustment (COLA). The adjustment is based on changes in the cost of living over the previous 12-month period as of December 31.
- **COLA Bank:** Also referred to as the COLA Accumulation. The COLA Bank is the accumulation of annual CPI increases that exceed the COLA Cap. In years where the CPI increase is less than the COLA Cap, a withdrawal from the COLA Bank takes place to increase the actual COLA granted, up to the COLA Cap.



## Glossary (continued)

- **COLA Cap (Maximum):** LACERA retirees and beneficiaries cannot receive an annual COLA increase above the COLA Cap. For Plan A, the amount is 3%; for other plans the maximum is 2%.
- **CPI:** Consumer Price Index. Used to measure local and national price inflation.
- **Demographic Assumptions:** Assumptions as to the occurrence of future events specific to member experience, such as: mortality, withdrawal, disability, retirement, and changes in compensation in excess of General Wage Growth.
- **Discount:** The discount is the reduction that is applied to future cash flows (primarily benefit payments and contributions) to determine the present value as of the valuation date of those cash flows. For LACERA, the discount rate is equal to the investment return assumption.
- **Economic Assumptions:** Assumptions as to the occurrence of future events specific to economic factors, such as: investment returns, compensation increases related to inflation and productivity, and inflation.
- **General Wage Growth:** Increases in compensation related to the general economy and not related to individual merit, promotion and longevity increases.
- **Inflation:** See Price Inflation.
- **Investigation of Experience:** Periodic review of Actuarial Assumptions to review recent experience and future forecasts. For LACERA, this is completed every three years

## Glossary (continued)

- **Layered Amortization Period:** Payment of each year's change in the Unfunded Actuarial Accrued Liability (UAAL) is amortized over separate closed periods. For LACERA, the original UAAL as of June 30, 2009 is being amortized over a closed 30-year period. Subsequent changes in the UAAL were amortized over new closed 30-year periods. Effective with the June 30, 2019 valuation all existing layers with more than 22 years remaining as of June 30, 2020 were re-amortized over closed 22-year periods. All new UAAL layers thereafter are amortized over closed 20-year periods beginning with the date the contribution is first expected to be made. All amortization payments are based on a level percent of pay.
- **Legacy:** Legacy plans are those plans that existed prior to the implementation of PEPRA. For LACERA, these are the following defined benefit plans: General Plans A, B, C & D and Safety Plans A & B.
- **Median Expected Return:** The numerical value that there is a 50% probability the actual return will exceed (and 50% probability it will fall short of) this value over a long-term time horizon on annualized geometric basis.
- **Merit Salary Increases:** Salary increases in excess of the General Wage Growth that are expected as a member moves through their career related to merit, promotion and longevity.
- **Mortality Projection Scale:** A scale that is used to project future changes in mortality rates. A scale that project declines in future mortality rates is expecting increased life expectancies for future retirees.
- **Payroll Growth:** The annual increase in the pensionable payroll used in the calculation of the UAAL amortization rate.

## Glossary (continued)

- **PEPRA:** The California Public Employees' Pension Reform Act (PEPRA) of 2013 specifies benefit provisions for LACERA General Plan G and Safety Plan C. It also governs certain provisions of other LACERA plans and places additional restrictions on employer contribution rates to be paid.
- **Price Inflation:** A sustained increase in the general level of prices for goods and services.
- **Price-to-Earnings (P/E) Ratio:** The price-to-earnings ratio is the ratio for valuing a company that measures its current share price relative to its earnings per share. P/E ratios are used by investors and analysts to determine the relative value of a company's shares in an apples-to-apples comparison
- **Projected Benefits:** Those pension plan benefit amounts which are expected to be paid at various future times under a particular set of Actuarial Assumptions, taking into account such items as the effect of advancement in age and past and anticipated future compensation and service credits.
- **Real Rate of Return:** The portion of the expected investment return that is in excess of national Price Inflation.
- **Real Wage Growth:** The portion of General Wage Growth that is not related to local Price Inflation.

## Glossary (continued)

- **STAR Reserve:** Reserves accumulated for the payment of cost-of-living benefits as defined in California Government Code Section 31874.3. Supplemental Targeted Adjustment for Retirees (STAR) Benefits Supplemental cost-of-living payments to retired members to restore purchasing power at a specified percentage level, as described in California Government Code Section 31874.3.
- **Unfunded Actuarial Accrued Liability (UAAL):** The excess, if any, of the Actuarial Accrued Liability over the Actuarial Value of Assets.
- **Valuation Date:** The date upon which the Normal Cost, Actuarial Accrued Liability, and Actuarial Value of Assets are determined. Generally, the Valuation Date will coincide with the ending of a Plan Year.
- **Wage Growth:** See General Wage Growth.

# Supplemental Exhibits

# Reasonable Assumptions

- Under Actuarial Standards of Practice, an assumption is reasonable if:
  - It is appropriate for the purpose of the measurement
  - It reflects the actuary's professional judgment
  - It takes into account current and historical data that is relevant to selecting the assumption for the measurement date
  - It reflects the actuary's estimate of future experience and/or observation of the estimates inherent in market data
  - It has no significant bias (i.e., it is not significantly optimistic or pessimistic)
- There may be more than one reasonable assumption
  - From ASOP #27: *Range of Reasonable Assumptions*—*Due to the uncertain nature of the items for which assumptions are selected, the actuary may consider several different assumptions reasonable for a given measurement. Different actuaries will apply different professional judgment and may choose different reasonable assumptions. As a result, a range of reasonable assumptions may develop, both for an individual actuary and across actuarial practice.*

# Financial Impact – Demographic Assumptions

- Proposed changes in merit salary and service retirement assumptions have the largest impact

	Funded Ratio	Employer Contribution Increase % of Payroll	\$ millions
<b>Recommended Demographic Assumptions</b>			
Merit Salary	-0.2%	0.4%	\$ 35
Post-Retirement Mortality	0.1%	0.0%	-
Rates of Retirement	-0.2%	0.3%	26
All Other Changes	-0.1%	0.1%	9
Subtotal Demographic Change	<u>-0.4%</u>	<u>0.8%</u>	<u>\$ 70</u>

## Economic Assumptions – Overview

- Summary of economic assumptions. Note these tend to be set based on forecasts.

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

**Local Price Inflation:** A key component of assumptions for COLAs, wage and payroll. Does not directly affect valuation.

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

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

**Payroll Growth:** Used in the valuation to project payroll used in the UAAL amortization calculation. Equal to wage growth if stable active population is assumed.

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



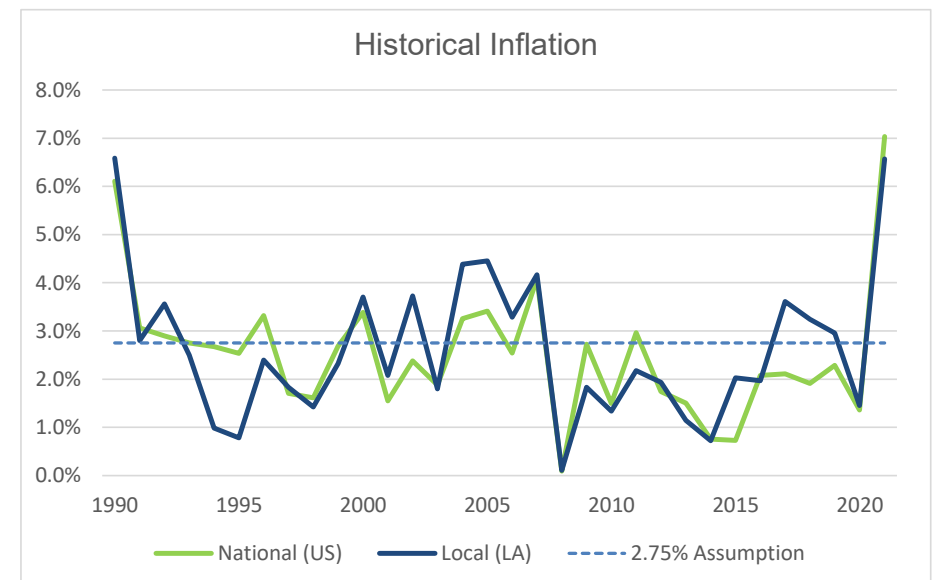
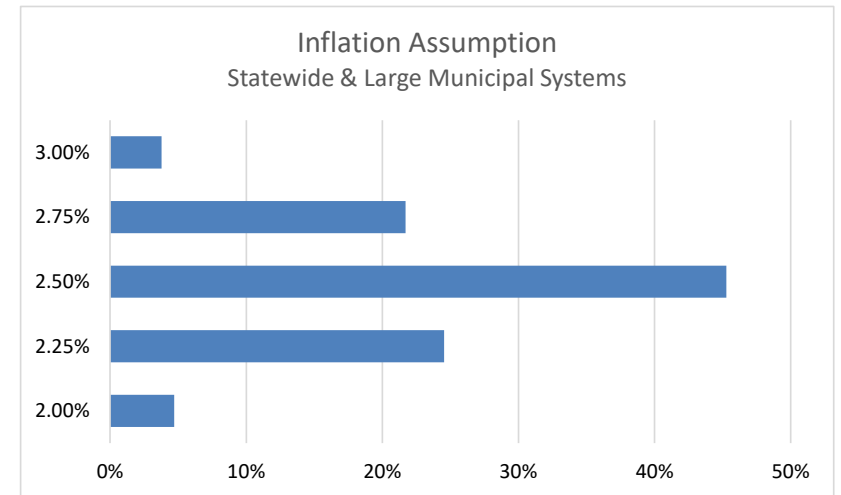
# Economic Assumptions Summary

- No changes recommended to current economic assumptions

Economic Assumptions	Current	Recommended	Comment
National Price Inflation	2.75%	No Change	Current inflation levels are much higher than 2.75%, although most long-term forecasts are for less than 2.75%
Local Price Inflation	Equal to National Price Inflation (2.75%)	No Change	Generally set equal to national inflation, although past LA inflation has averaged slightly above national
Future COLAs	Local Inflation not greater than cap with adjustment for COLA bank (Varies by Plan)	No Change	Plan A: Current assumption is 2.75%, but for current retirees with a COLA bank > 0%, assumption is 3.0%. Other Plans: 2.0% (pro-rated amount for Plan E).
Wage Growth	Local Price Inflation + Real Wage Growth (3.25%)	No Change	Current assumption of 0.5% real wage growth over local price inflation is consistent with historical LACERA experience
Payroll Growth	Equal to Wage Growth (3.25%)	No Change	Assumes stable active population
Investment Return (Discount Rate)	7.00%	No Change	Long-term trend of decreasing expected returns continued through January of 2022; however, updated mid-year 2022 capital market expectations indicate some reversal (possibly short-term) of this trend.

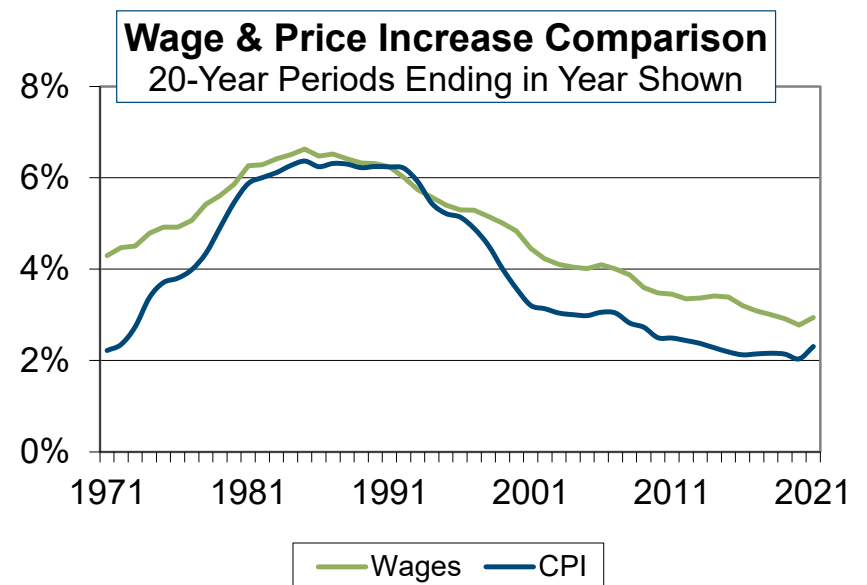
# Price Inflation & COLA Assumption

- Current inflation assumption is 2.75%
  - CalPERS is 2.30% and CalSTRS is at 2.75%
  - 2.50% is median assumption for 100 largest systems
- Long-range Social Security projection is 2.4%
- Other forecasts for 20 years at June 30, 2022
  - Implied inflation from TIPS of 2.6%
  - Cleveland Fed = 2.3%
  - Milliman = 2.4% / Meketa = 2.1%
- Recommend keeping current 2.75% assumption
  - Wait and see if inflation reverts back to lower levels
- Set COLA assumption equal to plan maximum COLA, subject to price inflation assumption and COLA Bank levels



# General Wage Growth

- An individual member's assumed annual salary increase is composed of:
  - Local inflation
  - Real wage growth
  - Individual merit/longevity component (demographic assumption)
- Real wage growth represents the increase in wages in excess of inflation due to improvements in productivity and competitive market pressures
- National average real wage growth has been 0.6% over last 50 years
- Social Security projections have 1.2% average real wage growth over long term
- Estimated LACERA-specific real wage growth has been close to the current 0.5% assumption
- Current assumption of 3.25% is reasonable
  - Local inflation of 2.75% + real wage growth of 0.5%



## Payroll Growth

- The system payroll growth assumption is used in the calculation to amortize the unfunded liability
- Fairly standard among public retirement systems to have payroll growth equal to general wage growth
- Historical County payroll has increased at a greater rate than the general wage increase due to increase in number of active members, but this has for the most part levelled off over the last 10 years
- It is reasonable to keep the payroll growth assumption equal to the general wage growth assumption (currently 3.25%)

## Expected Return – 2022 Capital Market Assumptions

- Milliman calculated the median expected return for LACERA’s target portfolio using the 2022 (beginning of year) capital market outlook assumptions from three sources
  - Meketa
  - Milliman
  - 2022 Horizon survey of capital market assumptions (survey of 40 investment advisors)
- Estimates do not reflect any possible “alpha” due to selected managers potentially outperforming market benchmarks over the long term
- Significant changes in economic environment first half of year

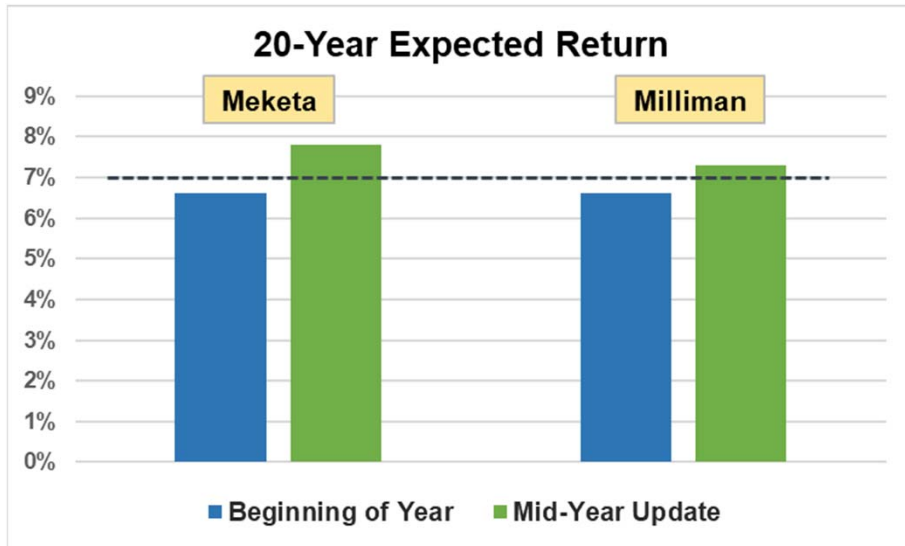
2022 Beginning of Year	Meketa	Milliman	Horizon
<b>Based on 10-Year Assumptions</b>			
Median Annualized Return	<b>5.6%</b>	<b>5.8%</b>	<b>6.4%</b>
Assumed Inflation	2.2%	2.4%	2.5%
<b>Based on 20-Year Assumptions</b>			
Median Annualized Return	<b>6.6%</b>	<b>6.6%</b>	<b>7.0%</b>
Assumed Inflation	2.2%	2.3%	2.4%

Notes:

1. Returns are net of assumed expenses of 0.20% of assets.
2. The Horizon Survey reports a limited number of asset classes. In cases where there was not a corresponding asset class in the survey, Milliman’s assumptions for the corresponding time horizon were used.
3. Horizon 10-year assumptions include some consultants with less than 10 years. Horizon 20-year assumptions include some consultants with more than 20 years and are based on a subgroup of less than half of the full group.

# Expected Return – June 30, 2022 Update

- Both Milliman and Meketa updated their capital market assumptions to reflect changes in first half of the year
  - Result is significantly higher expected returns than analysis as of the beginning of the year



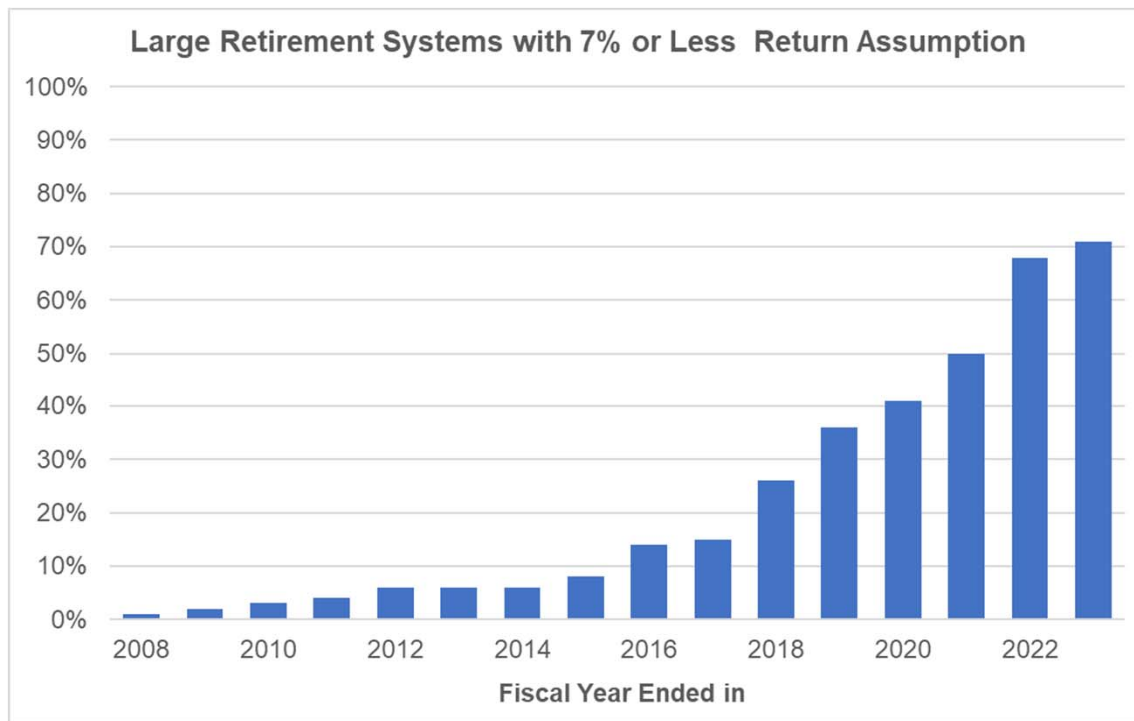
Mid-Year Update 2022	Meketa	Milliman	Horizon
<b>Based on 10-Year Assumptions</b>			
Median Annualized Return	7.3%	6.9%	Not
Assumed Inflation	2.1%	2.5%	Available
<b>Based on 20-Year Assumptions</b>			
Median Annualized Return	7.8%	7.3%	Not
Assumed Inflation	2.1%	2.4%	Available

Notes:

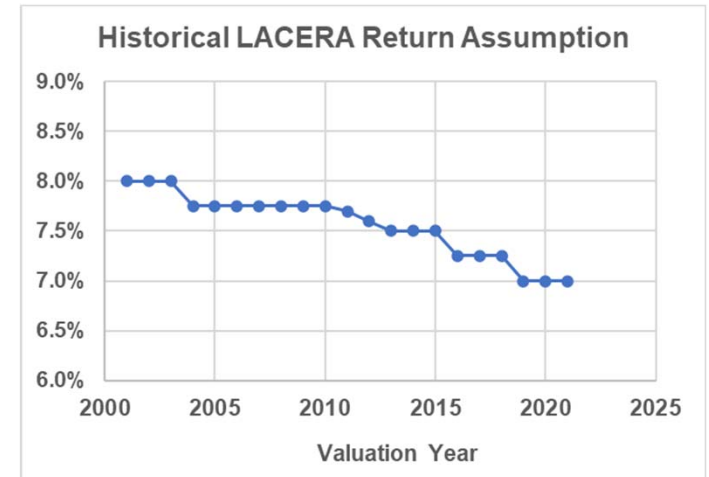
- Returns are net of assumed expenses of 0.20% of assets.
- The Horizon Survey is annual, so mid-year update is not available.

# Investment Return Assumption Trend

- Over 70% of large public retirement systems now have an investment return assumption of 7% or less

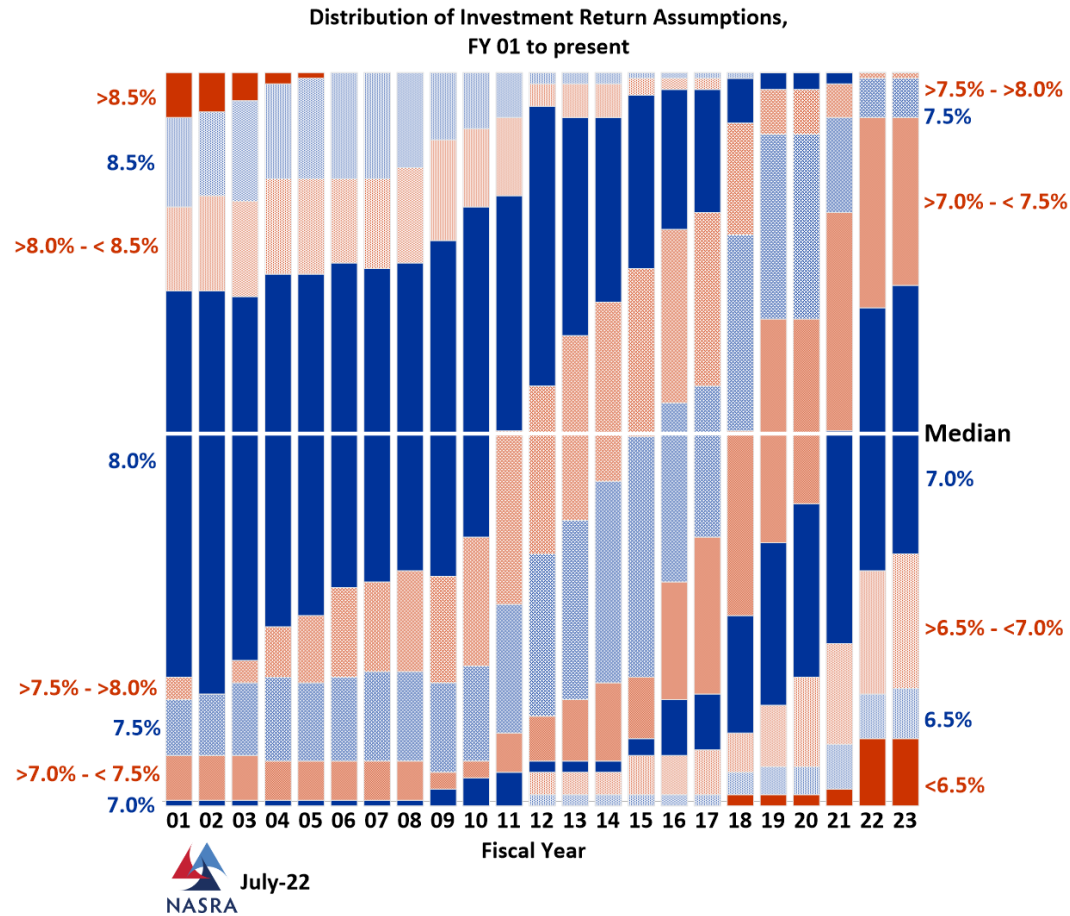


Source: NASRA Chart July 2022



- LACERA's return assumption has followed a similar pattern to other large retirement systems
- Price inflation has decreased from 4.00% to 2.75% over period (2000 to 2021)

# Investment Return Assumption – Other Systems





## Actuarial Methods

- No changes needed to current actuarial methods, but 3 modifications to current methods recommended for Board consideration

Actuarial Methods	Current	Alternative	Comment
Actuarial Cost Method	Entry Age	None suggested	Current method results in level Normal Cost rate.
Actuarial Asset Method	5-Year Smoothing	5-Year Smoothing with Offsets (Recommended)	Alternative results in smoother employer contribution rates in most cases (difference is generally small).
Amortization Method	20-Year Layered Level % of Pay	Add 10-Year Recognition for Benefit Increases (Recommended)	Current method provides a good balance between progress toward 100% funding and stable employer rates. One modification recommended for changes due to benefit increases to comply with actuarial guidance.
Administrative Expense Treatment	Implicit	Explicit (Not recommended)	Explicit approach may be viewed as more transparent, but in practice it makes little difference and can cause some shifting of costs between members and employers.
STAR Reserve Treatment	STAR Reserve <u>included</u> with Valuation Assets	STAR Reserve <u>excluded</u> from Valuation Assets (Recommended)	Current method includes STAR Reserve in valuation, but does not account for liabilities associated with STAR COLAs that may be granted in the future. Extensive analysis and discussion previously done prior to BOI adopting this approach.

# STAR Reserve Treatment

	Current (Include STAR)	Alternative (Exclude STAR)
Treatment of STAR COLA Reserve & Future STAR COLA Awards	STAR Reserve is included with Valuation Assets, but liabilities associated with future STAR COLA awards are excluded	Both STAR Reserve and liabilities associated with future STAR COLA awards are excluded
What happens if a permanent STAR COLA is awarded?	Increase in UAAL. Transfer is made from STAR Reserve to Employer Reserve but has no impact on Valuation Assets (since both Employer and STAR Reserves are included in Valuation Assets), but added STAR COLA benefits increase liabilities	No change in UAAL. Transfer from STAR Reserve increases Valuation Assets by same amount liabilities are increased due to added STAR COLA benefits
Financial Impact -- Immediate (based on 2021 valuation)	None (since current methods include STAR Reserve in Valuation Assets)	Employer Contribution Rate: +0.49% of Pay Funded Ratio: -0.8%
Financial Impact -- Future Years	Each year a STAR COLA award is made, the increase in liabilities will show up as an actuarial liability loss and a gradual increase in the employer contribution rate	None
Actuarial Standards of Practice	To comply with the Actuarial Standards of Practice, the impact of including the STAR Reserve but not the associated liabilities must be disclosed	Complies with Actuarial Standards of Practice. No special disclosure is required

# STAR Reserve – Recap of methods

- Current method
  - STAR Reserve is included in Valuation Assets; no STAR liabilities are included
  - When STAR COLA is awarded:
    - The STAR Reserve is reduced by the corresponding STAR liability; **Employer Reserve increased by offsetting amount**
    - Valuation liabilities are higher by the corresponding STAR liability
    - Valuation Assets are unchanged
    - Unfunded Actuarial Accrued Liability increases by the corresponding STAR liability
- Recommended method
  - STAR Reserve is **excluded** from Valuation Assets; no STAR liabilities are included
  - When STAR COLA is awarded:
    - The STAR Reserve is reduced by the corresponding STAR liability; **amount transferred to Valuation Assets**
    - Valuation liabilities are higher by the corresponding STAR liability
    - Valuation Assets **are higher by the corresponding STAR liability**
    - Unfunded Actuarial Accrued Liability **is unchanged**

## **Attachment B**

### **Actuarial Projects 2022 - Roadmap**

# Actuarial Projects 2022

## Pension Plan

### Risk Assessment Report

Milliman will present the 2022 Risk Assessment report for the June 30, 2021 Valuation report.

June 2022

### Demographic Assumptions

This meeting will focus on the review and methods used for the demographic (retirement rates, mortality rates, etc.) assumptions done by Milliman.

October 2022

November 2022

December 2022

### Valuation Report

Milliman will discuss the actuarial valuation results using the Board's approved assumptions in the experience study report.

March 2023

Apr.–May 2023

### Economic Assumptions

The actuary will review and recommend changes on assumptions such as Price inflation, wages inflation, discount rate, payroll growth.

### Experience Study Report

The Board will need to decide on the actuary (Milliman) recommendations for both the demographic and economic assumptions changes.

### EE and ER Contribution Rates Presentation

California State Law requires LACERA to transmit the approved and recommended contribution rates to the Board of Supervisors prior to May 15.

**FOR INFORMATION ONLY**

November 1, 2022

TO: Trustees – Board of Investments

FROM: Jude Pérez, Principal Investment Officer *JP*  
John Kim, Investment Officer *JK*  
Mel Tsao, Senior Investment Analyst *MT*

FOR: November 9, 2022 Board of Investments Meeting

SUBJECT: **LACERA MASTER OPEB TRUST UNITIZED FUND STRUCTURE UPDATE**

**BACKGROUND**

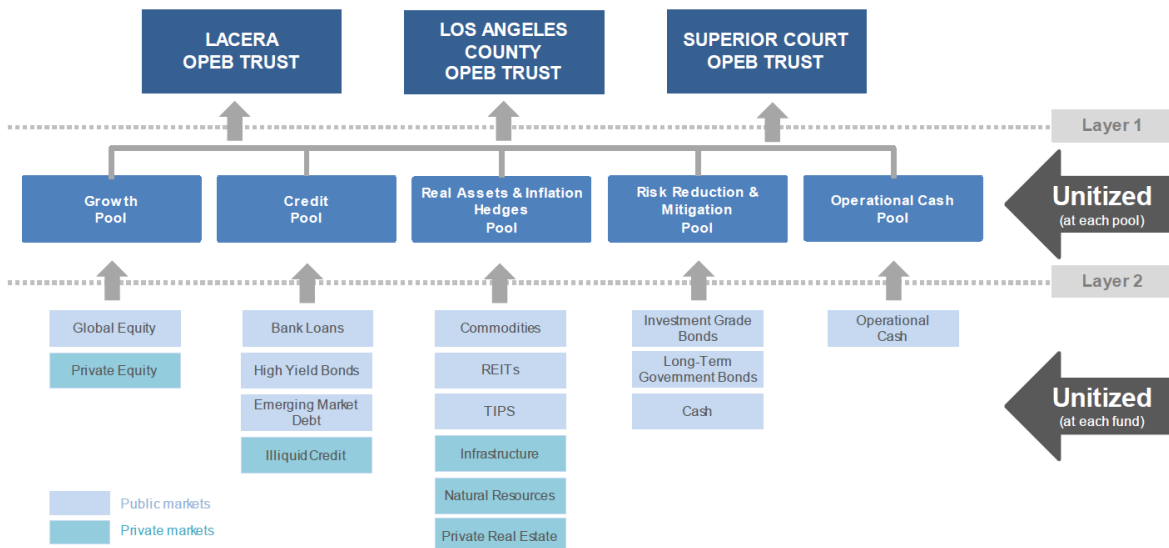
This memo is to provide an update on the progression of the unitized fund structure for the LACERA Master OPEB Trust (“OPEB MT”). In July 2016, Trustees established the OPEB MT to commingle and co-invest the assets of the County OPEB Trust and the Superior Court OPEB Trust. The County OPEB Trust includes contributions from both the County and LACERA. To facilitate the commingling of trust assets, Trustees approved a unitized fund structure approach to gain the benefits of a larger pool of capital, including operational efficiencies and lower investment management fees.

In preparation for the recent addition of an OPEB MT private markets investment program and an upcoming public markets investment management services Request for Proposal (2023), the unitized fund structure will be updated to a more efficient and simplified framework. From an ownership and investment perspective, there will be no impact to participants and will only be operational in nature. A discussion of this update follows.

**STRUCTURAL UPDATE**

Unitization provides participants the ability to pool assets and resources, while simultaneously tracking each participant’s ownership and proportionate expenses of the combined assets. An illustration of the current unitized fund structure for the OPEB MT is depicted below in Table 1.

**Table 1: Current OPEB Unitized Fund Structure**

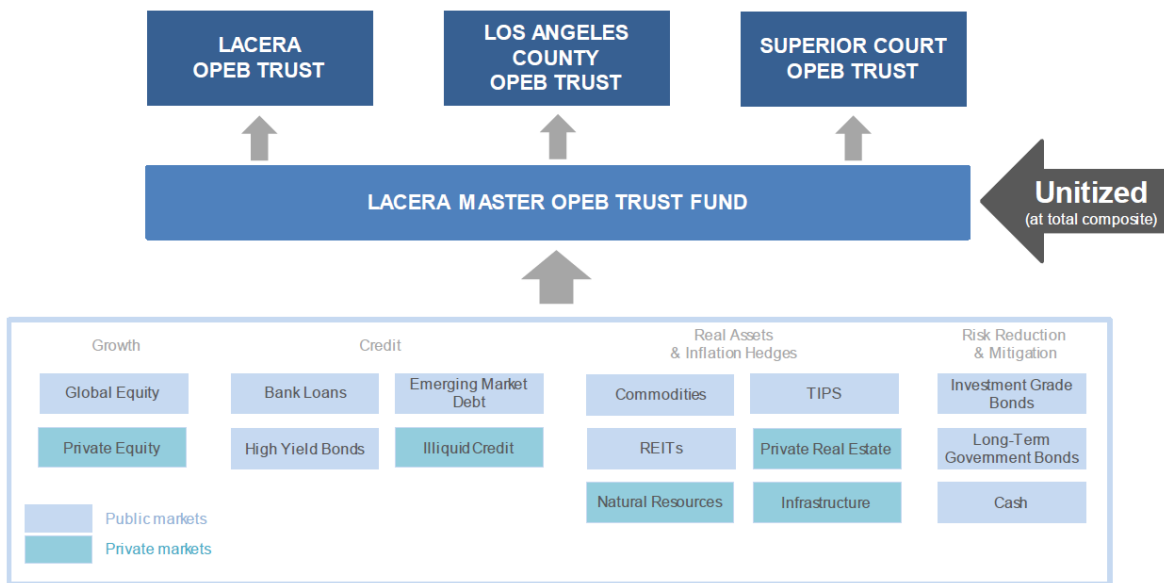


Represented by the gray dotted lines above, the current unitization process (or conversion of dollars invested into units) is performed at two layers within the portfolio structure: one at the functional asset pool level (“Layer 1”) and then again at the investment fund level (“Layer 2”). For the OPEB MT, this means that when a participant makes a contribution, these funds are invested by purchasing units of a functional asset pool, which then correspondingly purchases units of the underlying investment funds. Based on the timing of contributions, each participant’s allocation of units could be different resulting in individualized asset allocations.

Additionally, at Layer 2, the OPEB MT currently has two investment accounts, one for the County and LACERA combined, and a second for the Superior Court. Although both accounts are set up under the OPEB MT, two sets of order tickets are required for every trade (buy or sell) when rebalancing.

To limit redundancy, LACERA staff has developed and will transition to a more efficient and simplified unitized fund structure. An illustration of this new structure is presented below in Table 2.

**Table 2: New OPEB Unitized Fund Structure**



Under the new unitized fund structure, unitization will now only be performed at a single layer, the LACERA Master OPEB Trust Fund composite referenced in Table 2 above. At the investment fund level (bordered in blue), there will no longer be a second layer of unitization. Instead, the market values for each underlying fund will be aggregated and rolled up to the total composite. Importantly, each participant will effectively be investing in the same asset allocation as outlined in the September 2021 Board-approved OPEB Investment Policy Statement (“IPS”), regardless of the timing of contributions. This new process is similar to investing in a mutual fund, where investors purchase units of a single fund that holds a basket of underlying assets. In conjunction, the two separate investment accounts will be consolidated into a single OPEB MT account to further streamline the data transfer process to LACERA’s custodian.

Although the current unitized fund structure for the OPEB MT has been functional, the new structure maximizes administrative and operational efficiencies, while eliminating observed redundancies. Table 3 below highlights key structural enhancements.



**Table 3: Structural Enhancements**

<b>Enhancement</b>	<b>Current Structure</b>	<b>New Structure</b>
Asset Allocation	Different contribution times can lead to individualized asset allocations for a specific period.	A single asset allocation is efficient and fair.
Rebalance	The second layer of unitization at the investment fund level makes the swapping out of investment managers more challenging.	De-unitizing each participant's ownership units at the investment fund level will no longer be required.
Performance	Participants' performance results could vary due to contribution and investment timing differences.	With all participants investing in a single asset allocation, performance results would be in alignment.
Administration	Multiple layers of unitization increases complexity to accounting, cash management, and reporting functions.	Maintaining separate accounting records for each participant is less ambiguous in a single unitization layer structure.
Private Markets Program	Unitizing drawdown funds that call and distribute capital sporadically could add complexity from an accounting standpoint.	Similar to LACERA's pension fund, net asset values would seamlessly roll up to a total composite.

### **CONCLUSION**

Consistent with LACERA's strategic initiatives, updating the unitized fund structure for the OPEB MT will enhance operational effectiveness and optimize its investment model. Participant ownership will remain unchanged with enhancements to be strictly operational. The implementation of this new structure is permitted under the Master OPEB Trust Agreement and is consistent with Trustees' fiduciary responsibilities. A copy of this memo along with the IPS for the OPEB MT was distributed to each participating entity on October 14, 2022. Transition to the new structure is estimated to be completed in Q4 2022.

Noted and Reviewed:

  
 \_\_\_\_\_  
 Jonathan Grabel  
 Chief Investment Officer



**FOR INFORMATION ONLY**

October 31, 2022

TO: Trustees – Board of Investments  
 FROM: Ted Granger *TG*  
 Interim Chief Financial Officer  
 FOR: November 9, 2022 – Board of Investments Meeting

**SUBJECT: Semi-Annual Interest Crediting for Reserves as of June 30, 2022 (AUDITED)**

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, 2022, was 3.50% (i.e., one-half of the 7.00% annual rate). The Board approved a reduction in the investment return assumption from 7.25% to 7.00% in January 2020, and in March 2020, the Board adopted the June 30, 2019 actuarial valuation which implemented the new investment return assumption.

The Retirement Benefit Funding Policy stipulates that interest credits for Reserve accounts are allocated based on realized earnings for the six-month period and in the same priority order as the allocation of actuarial assets.

As of June 30, 2022, there were sufficient Realized Earnings to meet the required interest credit rates for Priority 1, the Member Reserve, and Priority 3, the Employer Reserve. In as much as there were no balances in the Advanced Employer Contributions Reserve and the County Contribution Credit Reserve at the beginning of the fiscal year, the remaining realized earnings were applied to Priority 5, the Employer Reserve.

The table below depicts the actual interest credit allocations for the six-month period ended June 30, 2022.

Priority Order	Reserve Account	Interest Credit Rate Applied
1	Member	3.50%
2	Advanced Employer Contributions	N/A
3	Employer	3.50%
4	County Contribution Credit	N/A
5	Employer	1.14%

**REVIEWED AND APPROVED:**

Luis A. Lugo  
 Deputy Chief Executive Officer

Interest Credit Rate June 2022 (Audited).doc  
 LAL:tg:mh

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

**FOR INFORMATION ONLY**

October 14, 2022

TO: Each Trustee,  
Operations Oversight Committee

FROM: Luis A. Lugo, Deputy Chief Executive Officer 

FOR: November 2, 2022 Operations Oversight Committee Meeting

SUBJECT: **PROJECT UPDATE: BOARD & COMMITTEE AGENDA MANAGEMENT, RECORDINGS, ONLINE ARCHIVES, AND PUBLIC INTERFACE**

**BACKGROUND**

At its March 2022 Board of Retirement meeting, the Board approved a more effective meeting management system and selected [Prime Government Solutions, Inc. \(PrimeGov\), now called OneMeeting](#), as the solution to meet our needs (Attachment A). This application will be used for both Boards and all Committee meetings to help streamline the planning, handling and conducting of Board/Committee meetings while improving transparency and public access. This includes agenda management, board materials, livestreaming, recordings, online archives, and a public interface solution, with an indefinite retention period for archiving the audio and visual recordings.

The implementation team consists of staff members from the Board Offices, Executive Office, Disability Retirement, Legal, Internal Audit, Communications, and Systems divisions. Staff has been working diligently over the last several months to streamline the manual processes and consolidate the applications currently used into one solution. We are excited to share the progress of this project and what is to come in the upcoming months.

**VENDOR UPDATE**

In March 2021, PrimeGov and Rock Solid Technology joined forces with the primary goal of enhancing the future of civic engagement and the digital transformation of local government. It was announced on October 12, 2022, that [Granicus](#) acquired Rock Solid in order to combine technologies to offer local governments services to meet specific public meeting needs. Together, both companies support over 6,000 government agencies in the United States, Canada, the United Kingdom, Ireland, Australia, New Zealand, and Latin America.

Although we do not anticipate any difficulties with implementing this new Board agenda and meeting solution, Executive leadership will be meeting with Rock Solid and Granicus to further discuss any operational and provider support challenges this merger and transition may have on LACERA. For more information on the merger, the press release is attached for reference (Attachment B).

## **STREAMLINING THE PROCESS**

Internal processes for pre-meeting, in-meeting, and post-meeting tasks and responsibilities were previously accomplished using manual processes and several applications. The main tasks of these manual processes are primarily supported by the Executive Board Assistants.

Staff has been working with the vendor in developing workflows for the processes currently being done manually, which include but are not limited to the following:

### Pre-Meeting Tasks:

- Agenda creation
- Item review and approval
- Packet generation
- Posting agenda packet online
- Distribution of meeting materials to the Trustees, staff, and consultants

### In-Meeting Tasks:

- Public Comment
- Motions, roll call, and vote tally
- Recording through Zoom and livestreaming through Wowza Cloud

### Post-Meeting Tasks:

- Preparation of minutes
- Archiving recordings internally
- Posting approved minutes, report outs, and disability board actions on lacera.com

Staff is currently using several applications as described below to complete the aforementioned tasks, which will be completed all within one application following successful implementation. The new solution will save time and resources in the monthly Board and Committee meeting process.

### Current Application Used for Pre-, In-, and Post-Meeting Processes:

**MS Teams:** Collaboration: Item review and approval

**BoardPackages** (Internally Developed Application): Assign security levels for each item and agenda packets

**BoardVantage:** Distribute Board and Committee materials and Board related policies to trustees and staff

**BoardNotes** (Internally Developed Application): Archive of all Board and Committee items

**Livestream:** Third-party vendor (Wowza Cloud) used to stream from Zoom to lacera.com

**MS Stream:** Internal archive of Board and Committee recordings

**LACERA.com:** Manually posting the agenda packet and other documents

Internally developed legacy applications BoardPackages and BoardNotes are at the end of their use. Staff is looking to migrate the documents currently located in BoardNotes to

OneMeeting due to the robust search options available. This will provide one source of archiving material.

## **MEETING ENHANCEMENTS AND PUBLIC-FACING FEATURES**

Following successful implementation, the OneMeeting application features will improve user and public engagement.

- Trustees and Staff Features
  - Item Search
    - Full meeting document search, including attachments
    - Software highlight search text in all the supporting documents
  - In Meeting Management
    - Speaker and public comment queue
  - Trustee Information
    - Orientation Material
    - Onboarding Process/HR paperwork for new trustees
- Public Facing Features
  - Item Search
    - Full meeting document search, including attachments
    - Software highlight search text in all the supporting documents
  - Public Comment
    - Allow members of the public to sign up to speak on meeting items, as well as the ability to provide a written comment on lacera.com
  - Public Meeting Display
    - Upcoming meeting details and documents
    - Historical record of meetings including links to recordings
    - Livestream with closed captioning
    - Recording with timestamp information for each item

Board and Committee meetings will be livestreamed, and archived recordings will be available on lacera.com and LACERA's YouTube account.

## **WORK IN PROGRESS**

In the beta test with internal users, staff identified an issue with the interactive HTML agenda. The interactive HTML agenda provides the public with the active item, motion, vote, speaker information, and the ability to translate the agenda and materials using Google Translate. Furthermore, the HTML agenda provides a timestamped recording. Unfortunately, when a user is simultaneously logged into OneMeeting and accessing the interactive HTML agenda on lacera.com, they can view confidential attachments. This is due to a OneMeeting system limitation and cannot be used at this time.

Staff recognized the importance of having these features and submitted a request to resolve the issue. The OneMeeting production team is aware of our request, and it is pending vendor review and approval. In the meantime, staff will continue posting the agenda packet in PDF, as well as providing the timestamping information in the recording description for easy reference.

## **NEXT STEPS**

Over the next two months, staff will continue with the following:

### Migration of Archived Materials

Staff is in the process of migrating the Board and Committee material and recordings into the application. This will allow users and members of the public to search for items using the Item Search feature.

### Application Configuration

Staff continues to conduct user testing to modify workflows and adjust application settings for implementation in January 2023.

### Testing

Staff is currently testing trustee access to the application and plans to complete access testing by the beginning of November. Furthermore, staff is testing agenda item workflows and will continue testing and modifying internal procedures now through the end of the year.

### Training

Over the next two months, staff will continue user testing and training. Staff will begin training trustees on the in-meeting management (i.e., speaker queues, voting, annotations, etc.) by mid-November and continue through the first meeting in January 2023. Upon successful user testing and access, the November and December Board and Committee meeting packets will be provided in OneMeeting and BoardVantage for annotation testing (i.e., comments, notes, etc.). Video tutorials and training resources will also be provided to staff and trustees. Learning something new has its challenges, but we are hopeful that with proper training and adequate support, users will find this application resourceful.

### Policies and Procedures

In December, staff will place on the agenda two policies for review as it relates to the protection of disability records and confidential information that are up for Board review. Internal policies and procedures will also be completed by year-end.

### User Feedback & Application Enhancements

Following testing, users will be provided an opportunity to provide suggestions for process improvements and feature enhancements for vendor and staff consideration.

### Member Communication

Staff plans to communicate the new features to our members in the upcoming December Newsletter, lacera.com and other sources of communication provided to our members.

## **CONCLUSION**

The implementation team tasked with this project is excited to be near completion and on course to going live for the January 2023 Board and Committee meetings. Updates will

Operations Oversight Committee

October 14, 2022

Page 5

continue to be communicated in the monthly CEO Report and LACERA's Operations Briefing.

SK:bn

**Attachments**

- A- BOR March 2022 Memo (Excluding Attachments)
- B- Rock Solid Technology & Granicus Merger Press Release

cc: Board of Investments  
MAC Team



# OneMeeting Project Update

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Agenda and Meeting Management Solution





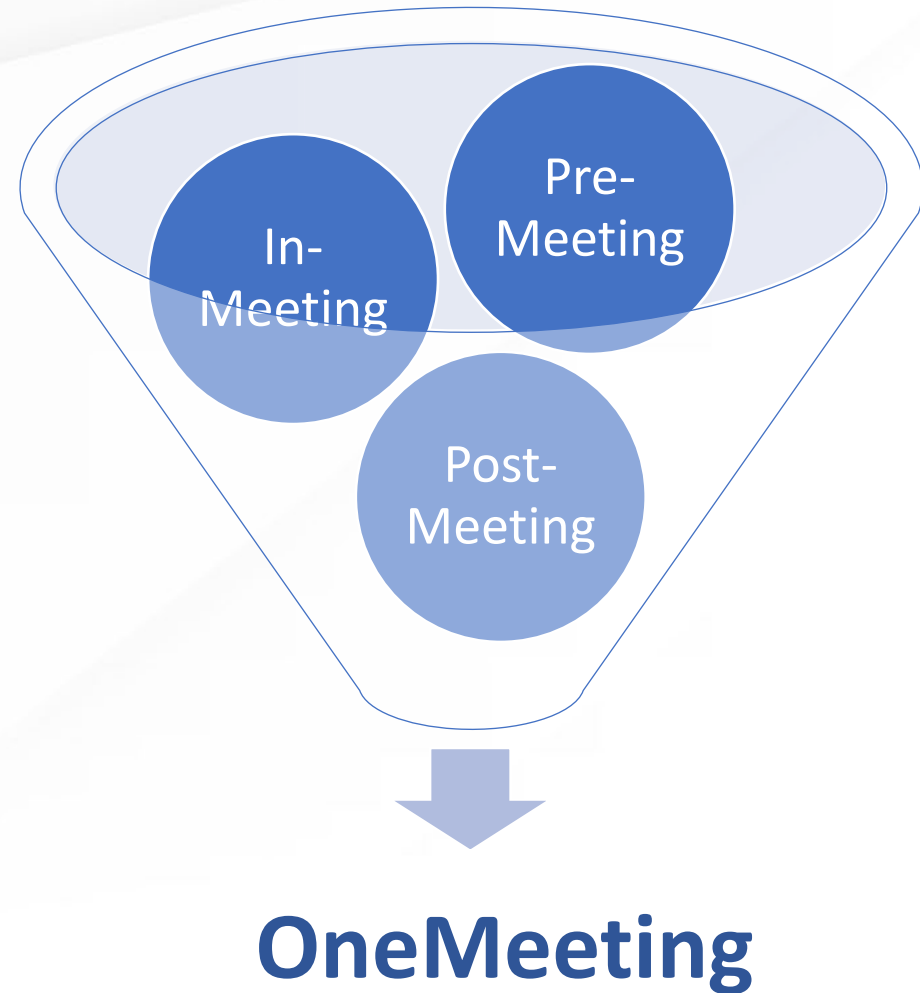
# 01 Process Improvement

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# Process Improvement



- ✓ **One Application**
- ✓ **Streamlined Manual Processes**
- ✓ **Saves Time**
- ✓ **Ease of Use**
- ✓ **Quality Control**





# 02 **Trustee Experience**

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## Pre-Meeting: Review of Board & Committee Materials

- ✓ Access to Board & Committee Items
- ✓ Convenient Note Section for Each Item/Annotation Capabilities
- ✓ Access to Board Approved Policies



## In-Meeting: Live Meeting Experience

- ✓ View Current Motion
- ✓ Request to Speak & View Speaker Queue  
(Trustees, Staff, and Public Comments)
- ✓ Roll Call and Vote (In Person Meetings Only)
- ✓ Zoom Integration



## Post-Meeting: Archive & Recording

- ✓ Full Meeting Document Search  
(Including Attachments)
- ✓ Access Archived Recordings



# 03 Our Members

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# The Member Experience



View Current and Upcoming Meetings

Public Comment

## Current And Upcoming Meetings

### Upcoming Board And Committee Meetings

[View All Boards And Commissions](#)



Meeting Title	Date/Time	Documents	Options
Insurance, Benefits, and Legislative Committee   Wednesday, December 7, 2022	Dec 07, 2022 08:30 AM	Packet	
Board of Retirement   Wednesday, December 7, 2022	Dec 07, 2022 09:00 AM	Packet	
Operations Oversight Committee   Wednesday, December 7, 2022	Dec 07, 2022 09:00 AM	Packet	
Real Assets Committee   Wednesday, December 14, 2022	Dec 14, 2022 09:00 AM	Packet	

Showing 1 to 4 of 4 Entries



# The Member Experience



View Livestream and Active Items on LACERA.com

LIVE MEETING

BOR Administrative/Disability & Committee Meetings - Thursday, October 6, 2022 - 10/6/22



AGENDA ITEM

**Approval of the Use of Teleconference Meeting Technology Under AB 361 and Government Code Section 54953(e), including as Part of Hybrid Board and Committee Meetings**  
That, under AB 361 and Government Code Section 54953(e)(3) of the Brown Act, the Board of Retirement and Board of Investments separately consider whether to find that the Governor's COVID-19 State of Emergency continues to directly impact the ability of each Board and its Committees to meet safely in person and that other public agencies still recommend social distancing such that each Board and its Committees shall hold teleconference meetings for the next 30 days, so long as the State of Emergency remains in effect, and



# The Member Experience



## View Motion and Vote Display

LIVE MEETING

BOR Administrative/Disability & Committee Meetings - Thursday, October 6, 2022 - 10/6/22



AGENDA ITEM

**Approval of the Use of Teleconference Meeting Technology Under AB 361 and Government Code Section 54953(e), including as Part of Hybrid Board and Committee Meetings**  
That, under AB 361 and Government Code Section 54953(e)(3) of the Brown Act, the Board of Retirement and Board of Investments separately consider whether to find that the Governor's COVID-19 State of Emergency continues to directly impact the ability of each Board and its Committees to meet safely in person and that other public agencies still recommend social distancing such that each Board and its Committees shall hold teleconference meetings for the next 30 days, so long as the State of Emergency remains in effect, and



MOTION

MOVED BY: Alan J. Bernstein

SECOND BY: Vivian H. Gray

**PASSED**

approve staff recommendations

# The Member Experience



## Archive and Full Document Search

**Advanced Search** —  
**Boards And Commissions**  
 ▾ **Date Start**  **Date End**   
**Meeting Type**  ▾ **Item Type**  ▾  
**Item Title**  **Tracking Number**   
**Sponsor**  ▾

# The Member Experience



## ✓ Archive Recordings



# What's Next



# Thank You!



# QUESTIONS?

**FOR INFORMATION ONLY**

October 31, 2022

TO: Trustees,  
Board of Investments

FROM: Christine Roseland *CR*  
Senior Staff Counsel

FOR: November 9, 2022 Board of Investments Meeting

SUBJECT: **Legal Projects**

Attached is the monthly report on the status of Board-directed investment-related projects handled by the Legal Division as of October 31, 2022.

Attachment

c: Santos H. Kreimann  
Luis A. Lugo  
Jonathan Grabel  
Esmeralda Del Bosque  
Vache Mahseredjian  
Jude Perez  
Jim Rice  
Christopher Wagner  
Scott Zdrzil  
Steven Rice  
John Harrington  
Earl Buehner  
Margo McCabe  
Lisa Garcia



**LACERA Legal Division**  
**Board of Investments Projects**  
**Monthly Status Report - Pending as of October 31, 2022**



	Project/ Investment	Description	Amount	Board Approval Date	Completion Status	% Complete	Notes
EQUITIES	Leading Edge Investment Advisors (LEIA)	Investment Management Agreement for Global Equity Emerging Manager Program	\$500,000,000	October 12, 2022	In Progress	5%	Legal negotiations in process.
	Select NewAlpha Asset Management (NewAlpha)	Investment Management Agreement for Global Equity Emerging Manager Program	\$500,000,000	October 12, 2022	In Progress	5%	Legal negotiations in process.
HEDGE FUNDS	Stable Asset Management	Investment Management Agreement for Illiquid Credit Emerging Manager Program	\$750,000,000	August 10, 2022	Complete	100%	Completed.
OPEB	Hamilton Lane	Investment Management Agreement	\$500,000,000	August 10, 2022	In Progress	20%	Legal negotiations in process.
	BlackRock Institutional Trust Company, N.A.	Investment Management Agreement for Long-Term U.S. Treasury Bond	\$70,000,000	September 14, 2022	In Progress	75%	Legal negotiations in process.
PORTFOLIO ANALYTICS	State Street Bank and Trust Co.	Global Custody and Commercial Banking Services Agreement for LACERA's Pension Plan and OPEB Master Trust	\$72,000,000,000	August 10, 2022	In Progress	35%	Legal negotiations in process.
PRIVATE EQUITY	Hamilton Lane	Investment Management Agreement	\$400,000,000	February 9, 2022	Complete	100%	Completed.





LACERA Legal Division  
Board of Investments Projects  
Monthly Status Report - Pending as of October 31, 2022



	Project/ Investment	Description	Amount	Board Approval Date	Completion Status	% Complete	Notes
REAL ESTATE	Blackstone Real Estate Partners X	Subscription	\$300,000,000	August 10, 2022	Complete	100%	Completed.
	Brookfield Strategic Real Estate Partners IV	Subscription	\$300,000,000	August 10, 2022	Complete	100%	Completed.

**FOR INFORMATION ONLY**

October 19, 2022

TO: Each Trustee  
Board of Retirement  
Board of Investments

FROM: Ted Granger   
Interim Chief Financial Officer

FOR: November 2, 2022 Board of Retirement Meeting  
November 9, 2022 Board of Investments Meeting

SUBJECT: **MONTHLY TRAVEL & EDUCATION REPORT – SEPTEMBER 2022**

Attached for your review is the Trustee Travel & Education Report. This report includes all events (i.e., attended and canceled) from the beginning of the fiscal year through September 2022. Staff travel and education has been omitted from this document and reported to the Chief Executive Officer separately.

REVIEWED AND APPROVED:



\_\_\_\_\_  
Santos H. Kreimann  
Chief Executive Officer

TG/EW/wg

**Attachments**

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

**TRUSTEE TRAVEL AND EDUCATION REPORT  
FOR FISCAL YEAR 2022 - 2023  
SEPTEMBER 2022**

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
<b>Alan Bernstein</b>			
A	1 Edu - CII Fall 2022 Conference - Boston MA	09/21/2022 - 09/23/2022	Attended
V	- Edu - NACD: The Theranos Implosion - VIRTUAL	09/28/2022 - 09/28/2022	Attended
<b>Elizabeth Ginsberg</b>			
B	- Edu - 2022 Board of Investments Offsite - Long Beach CA	09/13/2022 - 09/14/2022	Attended
<b>Vivian Gray</b>			
A	1 Edu - CII Fall 2022 Conference - Boston MA	09/21/2022 - 09/23/2022	Attended
B	- Edu - NCPERS 2022 Public Pension Funding Forum - Los Angeles CA	08/21/2022 - 08/23/2022	Attended
	- Admin - SACRS Board of Directors Meeting - Los Angeles CA	08/22/2022 - 08/22/2022	Attended
	- Edu - 2022 Board of Investments Offsite - Long Beach CA	09/13/2022 - 09/14/2022	Attended
	- Admin - SACRS Program Committee & Board of Directors Meeting - Santa Barbara CA	09/26/2022 - 09/27/2022	Attended
X	- Edu - TLF Annual Convening 2022 - Cambridge MA	07/18/2022 - 07/20/2022	Canceled
<b>David Green</b>			
A	1 Edu - PPI 2022 Summer Roundtable - Canada, Vancouver	07/13/2022 - 07/15/2022	Attended
B	- Edu - 2022 Board of Investments Offsite - Long Beach CA	09/13/2022 - 09/14/2022	Attended
<b>Patrick Jones</b>			
A	1 Edu - Leading in Artificial Intelligence: Exploring Technology and Policy - Harvard Kennedy School - Cambridge MA	07/17/2022 - 07/22/2022	Attended
B	- Edu - 2022 Board of Investments Offsite - Long Beach CA	09/13/2022 - 09/14/2022	Attended
<b>Onyx Jones</b>			
A	1 Edu - SACRS Public Pension Investment Management Program - San Francisco CA	07/17/2022 - 07/20/2022	Attended
	2 Edu - 2022 CALAPRS Principles of Pension Governance for Trustees - Tiburon CA	08/29/2022 - 09/01/2022	Attended
B	- Edu - 2022 Board of Investments Offsite - Long Beach CA	09/13/2022 - 09/14/2022	Attended
V	- Edu - The World to Africa Webinar - VIRTUAL	07/27/2022 - 07/27/2022	Attended
<b>Shawn Kehoe</b>			
V	- Edu - 2022 Board of Investments Offsite - VIRTUAL	09/13/2022 - 09/14/2022	Attended
<b>Joseph Kelly</b>			
V	- Edu - NACD Conflict, Climate, Cyber: What's Next? - VIRTUAL	08/23/2022 - 08/23/2022	Attended
	- Edu - 2022 Board of Investments Offsite - VIRTUAL	09/13/2022 - 09/14/2022	Attended
	- Edu - NACD Risk Mitigation Through Board Quality and Compliance Committees: Lessons from Theranos - VIRTUAL	09/28/2022 - 09/28/2022	Attended
<b>Keith Knox</b>			
B	- Edu - 2022 Board of Investments Offsite - Long Beach CA	09/13/2022 - 09/14/2022	Attended

**TRUSTEE TRAVEL AND EDUCATION REPORT  
FOR FISCAL YEAR 2022 - 2023  
SEPTEMBER 2022**

<b>Attendee</b>	<b>Purpose of Travel - Location</b>	<b>Event Dates</b>	<b>Travel Status</b>
<b>William Pryor</b>			
B	- Edu - NCPERS 2022 Public Pension Funding Forum - Los Angeles CA	08/21/2022 - 08/23/2022	Attended
<b>Gina Sanchez</b>			
B	- Edu - NCPERS 2022 Public Pension Funding Forum - Los Angeles CA	08/21/2022 - 08/23/2022	Attended
	- Edu - 2022 Fall Editorial Advisory Board Meeting – Institutional Real Estate Americas - Pasadena CA	09/06/2022 - 09/08/2022	Attended
	- Edu - 2022 Board of Investments Offsite - Long Beach CA	09/13/2022 - 09/14/2022	Attended
<b>Herman Santos</b>			
A	1 Edu - PPI 2022 Summer Roundtable - Canada, Vancouver	07/13/2022 - 07/15/2022	Attended
	2 Edu - CII Fall 2022 Conference - Boston MA	09/21/2022 - 09/23/2022	Attended
	3 Edu - 2022 AAAIM Elevate National Conference - New York NY	09/28/2022 - 09/30/2022	Attended
B	- Edu - 2022 Board of Investments Offsite - Long Beach CA	09/13/2022 - 09/14/2022	Attended

Category Legend:

A - Pre-Approved/Board Approved

B - Educational Conferences and Administrative Meetings in CA where total cost is no more than \$2,000 per Trustee Travel Policy; Section III.A

C - Second of two conferences and/or meetings counted as one conference per Trustee Education Policy Section IV.C2 and Trustee Travel Policy Section IV.

V – Virtual Event

X - Canceled events for which expenses have been incurred.

Z - Trip was Canceled - Balance of \$0.00



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**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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