

# IN PERSON & VIRTUAL BOARD MEETING

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



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

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

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

# AGENDA

## A REGULAR MEETING OF THE BOARD OF INVESTMENTS

### LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., WEDNESDAY, AUGUST 14, 2024\*

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

*Teleconference Locations for Trustees and the Public under California Government Code Section 54953(b).  
1388 Kapiolani Blvd., Honolulu, HI 96814*

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

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

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)
  - A. Just Cause
  - B. Action on Emergency Circumstance Requests
  - C. Statement of Persons Present at AB 2449 Teleconference Locations
- IV. APPROVAL OF MINUTES
  - A. Approval of the Minutes of the Regular Meeting of June 12, 2024

## V. PUBLIC COMMENT

(Members of the public may address the Board orally and in writing. To provide Public Comment, you should visit <https://LACERA.com/leadership/board-meetings> and complete the request form by selecting whether you will provide oral or written comment from the options located under Options next to the Board meeting.

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3

minutes to address the Board. Oral comment request will be accepted up to the close of the Public Comment item on the agenda.

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

## VI. EXECUTIVE UPDATE

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

## VII. NON-CONSENT ITEMS

### A. **Credit Functional Category Investment Guideline Review**

Recommendation as submitted by Vache Mahseredjian, Principal Investment Officer; Chad Timko, Senior Investment Officer; Krista Powell, Investment Officer; Quoc Nguyen, Investment Officer; Jason Choi, Senior Investment Analyst; and Josiah Bezet, Senior Investment Analyst: That the Board approve the updated investment guidelines for the Credit functional category, as outlined on page 15 of the attached presentation. (Presentation) (Memo dated July 26, 2024)

VIII. REPORTS (Continued)

- A. **Investment–Related Services Procurement Policy Update**  
Jonathan Grabel, Chief Investment Officer  
Jude Pérez, Deputy Chief Investment Officer  
Esmeralda del Bosque, Principal Investment Officer  
Derek Kong, Investment Officer  
Quoc Nguyen, Investment Officer  
(Presentation) (Memo dated July 21, 2024)
- B. **Joint Investor Statement on Hedge Fund Fee Structures**  
Vache Mahseredjian, Principal Investment Officer  
Scott Zdrzil, Principal Investment Officer  
(For Information Only) (Memo dated July 17, 2024)
- C. **Global Equity Emerging Manager Program Update**  
Dale Johnson, Senior Investment Officer  
Ron Senkandwa, Investment Officer  
Magdalia Armstrong, Senior Investment Analyst  
Adrian Gonzalez, Senior Investment Analyst  
(For Information Only) (Memo dated July 17, 2024)
- D. **Legal Projects**  
Christine Roseland, Senior Staff Counsel  
(For Information Only) (Memo dated August 6, 2024)
- E. **Monthly Status Report on Legislation**  
Barry W. Lew, Legislative Affairs Officer  
(For Information Only) (Memo dated July 28, 2024)
- F. **Semi-Annual Interest Crediting for Reserves as of June 30, 2024 (UNAUDITED)**  
Ted Granger, Chief Financial Officer  
(For Information Only) (Memo dated July 23, 2024)
- G. **Monthly Trustee Travel & Education Report – May 2024**  
Ted Granger, Chief Financial Officer  
(For Information Only) (Memo dated June 21, 2024)

VIII. REPORTS (Continued)

H. **Monthly Trustee Travel & Education Report – June 2024**

Ted Granger, Chief Financial Officer

(For Information Only) (Memo dated July 26, 2024)

I. **Semi-Annual Report on Approved Engagements**

Barry W. Lew, Legislative Affairs Officer

(For Information Only) (Memo dated June 18, 2024)

J. **June 2024 Fiduciary Counsel Contact and Billing Report**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated June 27, 2024)

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

K. **July 2024 Fiduciary Counsel Contact and Billing Report**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated July 29, 2024)

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

IX. 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.)

X. 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.)

XI. GOOD OF THE ORDER

(For Information Purposes Only)

XII. EXECUTIVE SESSION

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

XII. EXECUTIVE SESSION (Continued)

1. **One Item - I**

Christopher J. Wagner, Principal Investment Officer  
Derek Kong, Investment Officer  
(For Information Only) (Memo dated July 1, 2024)

2. **One Item – II**

Christopher J. Wagner, Principal Investment Officer  
David Simpson, Investment Officer  
(For Information Only) (Memo dated July 11, 2024)

3. **One Item – III**

James Rice, Principal Investment Officer  
Cindy Rivera, Investment Officer  
(For Information Only) (Memo dated July 22, 2024)

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

Didier Acevedo, Investment Officer  
Calvin Chang, Investment Analyst  
(For Information Only) (Memo dated July 11, 2024)

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

Didier Acevedo, Investment Officer  
Cheryl Lu, Investment Officer  
(For Information Only) (Memo dated July 11, 2024)

6. **Man AHL Alpha – Hedge Funds Investment**

Vache Mahseredjian, Principal Investment Officer  
Chad Timko Senior Investment Officer  
Quoc Nguyen, CFA Investment Officer  
(For Information Only) (Memo dated July 20, 2024)

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

1. **Title: Chief Counsel**

XIII. 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 8:00 a.m. to 5:00 p.m. Monday through Friday and will also be posted on [lacera.com](http://lacera.com) at the same time, [Board Meetings | LACERA](#).***

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

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

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

9:00 A.M., WEDNESDAY, JUNE 12, 2024

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

TRUSTEES PRESENT

Patrick Jones, Chair

David Ryu, Vice Chair (Joined the meeting at 9:08 a.m.)

Jason Green, Secretary (Joined the meeting at 9:12 a.m.)

Trevor Fay

Nicole Mi

TRUSTEES ABSENT

Mike Gatto

Elizabeth Ginsberg

Debbie Martin

Third Member, Seat Vacant

STAFF, ADVISORS, PARTICIPANTS:

Santos Kreimann, Chief Executive Officer

Jude Pérez, Deputy Chief Investment Officer

Luis Lugo, Deputy Chief Executive Officer

Steven P. Rice, Chief Counsel



STAFF, ADVISORS, PARTICIPANTS (Continued)

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Ted Granger, Chief Financial Officer

Esmeralda V. del Bosque, Principal Investment Officer

James Rice, Principal Investment Officer

Vache Mahseredjian, Principal, Investment Officer

Quoc Nguyen, Investment Officer

Jason Choi, Senior Investment Analyst

Pushpam Jain, Investment Officer

Amit Aggarwal, Investment Officer

Rick Contreras, Division Manager, Administrative Services

Christine Roseland, Senior Staff Counsel

Meketa Investment Group (General Investment Consultants)

Timothy Filla, Managing Principal

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

James Walsh, Partner

Milliman

Nick Collier, Consulting Actuary

Craig Glyde, Consulting Actuary

Janet Jennings, Consulting Actuary

I. CALL TO ORDER

The meeting was called to order virtually by Chair Jones at 9:02 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

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

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

A. Just Cause

B. Action on Emergency Circumstance Requests

C. Statement of Persons Present at AB 2449 Teleconference Locations

No requests were received for Just Cause or Emergency Circumstances.

IV. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of May 8, 2024

A motion was made by Trustee Fay, seconded by Trustee Ryu, to approve the minutes of the Board of Investments meeting on May 8, 2024. The motion passed by following roll call vote:

Yes: Fay, Green, Jones, Mi, Ryu

Absent: Gatto, Ginsberg, Martin

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. EXECUTIVE UPDATE (Messrs. Ryu and Green joined the meeting)

A. Chief Investment Officer's Report

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

B. Member Spotlight

Mr. Popowich recognized LACERA member, Georgia Langdon.

VI. EXECUTIVE UPDATE (Continued)

C. Chief Executive Officer's Report

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

VII. CONSENT ITEMS

A. **Proposed Amendments to Conflict of Interest Code**

Recommendation as submitted by Vivian Gray, Chair, Joint Organizational Governance Committee: That the Board discuss, provide input on, and approve proposed amendments to the Conflict of Interest Code, subject to final approval by the Los Angeles County Board of Supervisors. (Memo dated May 22, 2024) (Supplemental Memo dated May 30, 2024)

B. **LACERA Budget Policy (Annual Review)**

Recommendation as submitted by Vivian Gray, Chair, Joint Organizational Governance Committee: That the Board review and approve the revised LACERA Budget Policy, as a companion to the adoption of the Fiscal Year 2024-25 Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits (OPEB) Trustee Budgets. (Memo dated May 10, 2024)

A motion was made by Trustee Fay, seconded by Trustee Ryu, to approve Consent items A and B. The motion passed by the following roll call vote:

Yes: Fay, Green, Jones, Mi, Ryu

Absent: Gatto, Ginsberg, Martin

VIII. NON-CONSENT ITEMS

A. **Investment Policy Statement Update – LACERA Pension Trust**

Recommendation as submitted by Jonathan Grabel, Chief Investment Officer, Jude Pérez, Deputy Chief Investment Officer, Esmeralda V. del Bosque, Principal Investment Officer: That the Board approve the adoption of the revised Investment Policy Statement. (Memo dated May 21, 2024)

VIII. NON-CONSENT ITEMS (Continued)

A motion was made by Trustee Green, seconded by Trustee Fay, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Fay, Green, Jones, Mi, Ryu

Absent: Gatto, Ginsberg, Martin

**B. Investment Policy Statement Update – OPEB Master Trust**

Recommendation as submitted by Jonathan Grabel, Chief Investment Officer, Jude Pérez, Deputy Chief Investment Officer, Esmeralda V. del Bosque, Principal Investment Officer: That the Board approve the adoption of the revised Investment Policy Statement. (Memo dated May 21, 2024)

A motion was made by Trustee Fay, seconded by Trustee Green, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Fay, Green, Jones, Mi, Ryu

Absent: Gatto, Ginsberg, Martin

**C. Hedge Funds, Credit, And Real Assets Consultant Search Recommendation**

Recommendation as submitted by Vache Mahseredjian, Principal Investment Officer, James Rice, Principal Investment Officer, Quoc Nguyen, Investment Officer, Jason Choi, Senior Investment Analyst: That the Board select Albourne to provide LACERA with hedge funds, credit, and real assets consulting services. (Memo dated May 31, 2024)

A motion was made by Trustee Fay, seconded by Trustee Mi, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Fay, Green, Jones, Mi, Ryu

Absent: Gatto, Ginsberg, Martin

VIII. NON-CONSENT ITEMS (Continued)

D. **Approval of Fiscal Year 2024-25 Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits Trust Budgets**

Recommendation as submitted by Vivian Gray, Chair, Joint Organizational Governance Committee: That the Board adopt the LACERA Fiscal Year (FY) 2024-25 Proposed Administrative, Retiree Healthcare Benefits Program and Other Post-Employment Benefits Trust Budgets. (Memo dated May 9, 2024)

A motion was made by Trustee Green, seconded by Trustee Fay, to approve staff's recommendation. The motion passed by the following roll call vote:

Yes: Fay, Green, Jones, Mi, Ryu

Absent: Gatto, Ginsberg, Martin

IX. REPORTS

A. **2024 Actuarial Risk Assessment Report**  
Santos H. Kreimann, Chief Executive Officer  
Ted Granger, Chief Financial Officer  
Nick Collier, Consulting Actuary, Milliman  
Craig Glyde, Consulting Actuary, Milliman  
(Presentation) (Memo dated May 29, 2024)

Mr. Granger and Messrs. Collier and Glyde of Milliman provided a presentation and answered questions from the Board. This item was received and filed.

B. **2023 Triennial Actuarial Projects – Los Angeles County Other Post-Employment Benefits (OPEB) Program Educational Session**  
Santos H. Kreimann, Chief Executive Officer  
Ted Granger, Chief Financial Officer  
Nick Collier, Consulting Actuary, Milliman  
Janet Jennings, Consulting Actuary, Milliman  
(Presentation) (Memo dated May 29, 2024)

IX. REPORTS (Continued)

Mr. Granger and Mr. Collier and Ms. Jennings of Milliman provided a presentation and answered questions from the Board. This item was received and filed.

C. **LACERA Total Fund Quarterly Performance Book**

Esmeralda del Bosque, Principal Investment Officer  
(For Information Only) (Memo dated June 1, 2024)

This item was received and filed.

D. **OPEB Trust Quarterly Performance Book**

Esmeralda del Bosque, Principal Investment Officer  
(For Information Only) (Memo dated June 1, 2024)

This item was received and filed.

E. **Legal Projects**

Christine Roseland, Senior Staff Counsel  
(For Information Only) (Memo dated June 1, 2024)

This item was received and filed.

F. **Legal Transactions Year End Report**

Christine Roseland, Senior Staff Counsel  
(For Information Only) (Memo dated June 4, 2024)

This item was received and filed.

G. **Monthly Status Report on Legislation**

Barry W. Lew, Legislative Affairs Officer  
(For Information Only) (Memo dated May 21, 2024)

This item was received and filed.

H. **Monthly Trustee Travel & Education Reports – April 2024, FY 2023-2024 3rd Quarter Trustee Travel & Education Expenditure Reports, and FY 2023-2024 3rd Quarter Staff Travel Report**

Ted Granger, Chief Financial Officer

IX. REPORTS (Continued)

(For Information Only) (Memos dated May 24, 2024)

This item was received and filed.

I. **May 2024 Fiduciary Counsel Contact and Billing Report**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated May 30, 2024)

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

This item was received and filed.

X. ITEMS FOR STAFF REVIEW

There was nothing to report.

XI. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

XII. GOOD OF THE ORDER

(For Information Purposes Only)

There was nothing to report.

XIII. EXECUTIVE SESSION

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

1. **HitecVision New Energy Fund 2 SCSp, and L/HV Opportunities (Co-Invest) SCSp**

James Rice, Principal Investment Officer

Pushpam Jain, Investment Officer

Terra Elijah, Senior Investment Analyst

(For Information Only) (Memo dated May 17, 2024)

XIII. EXECUTIVE SESSION (Continued)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved (1) a commitment of €200 million (\$214 million) to HitecVision New Energy Fund 2 SCSp, which is a real assets fund investing in decarbonization/energy transition, with target sectors in renewable power, sustainable fuels, and circular and efficient energy systems, primarily in the Nordics, with exposure to Europe, and (2) a commitment of €50 million (\$54 million) in L/HV Opportunities (Co-Invest) SCSp, which is a co-investment vehicle with a similar strategy.

**2. One Item**

James Rice, Principal Investment Officer  
Amit Aggarwal, Investment Officer  
(For Information Only) (Memo dated June 3, 2024)

The Board received an information only memo reporting that, on May 31, 2024, the sale of the fee interest in the real property under the Milford Hotel (also known as the ROW NYC Hotel), in New York City, New York, was completed. 700 Milford Holdings, LLC, a joint venture in which LACERA is a member, was the seller of the property.

XIV. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 12:38 p.m.

---

JASON GREEN, SECRETARY

---

PATRICK JONES, CHAIR





# Chief Investment Officer Monthly Report

Jonathan Grabel – Chief Investment Officer 

---

Board of Investments Meeting  
August 14, 2024

# Table of Contents



1. Market Environment
2. Portfolio Performance & Risk Updates
3. Portfolio Structural Updates
4. Key Initiatives & Operational Updates
5. Commentary
6. Appendix
  - Quiet Period for Search Respondents



# 01 Market Environment

---

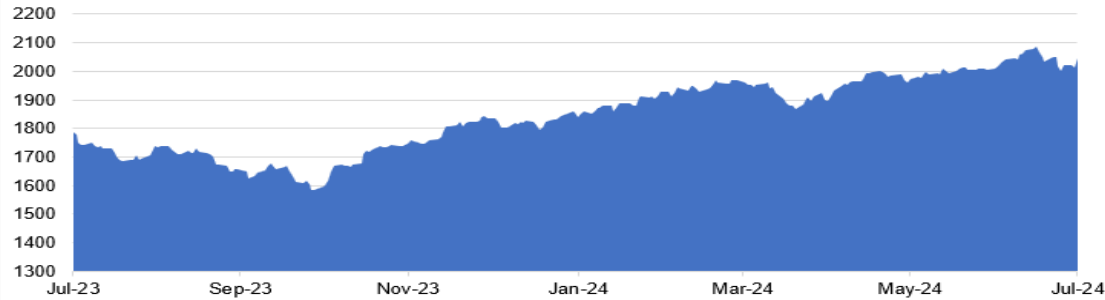
# Global Market Performance as of July 31, 2024



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

Trailing Returns (%)				Annualized Returns (%)			
1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
2.1	8.2	2.1	12.5	16.3	5.2	10.7	8.6

### MSCI ACWI IMI Index 1-Year Performance

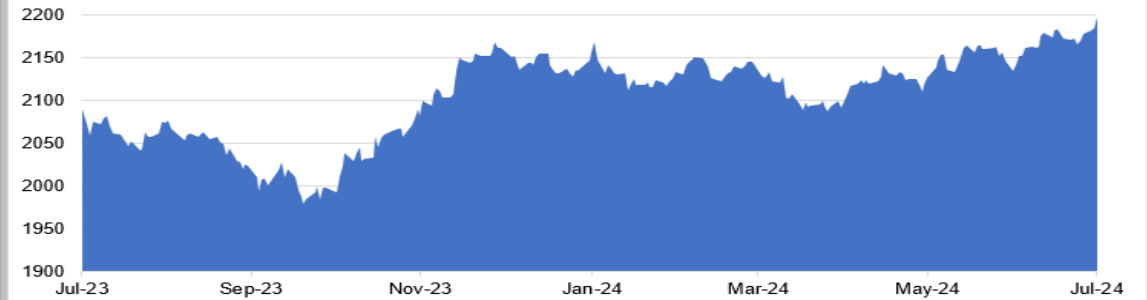


\*Global Equity Policy Benchmark - MSCI ACWIIMI Index

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

Trailing Returns (%)				Annualized Returns (%)			
1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
2.3	5.1	2.3	1.6	5.1	-2.6	0.2	1.6

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

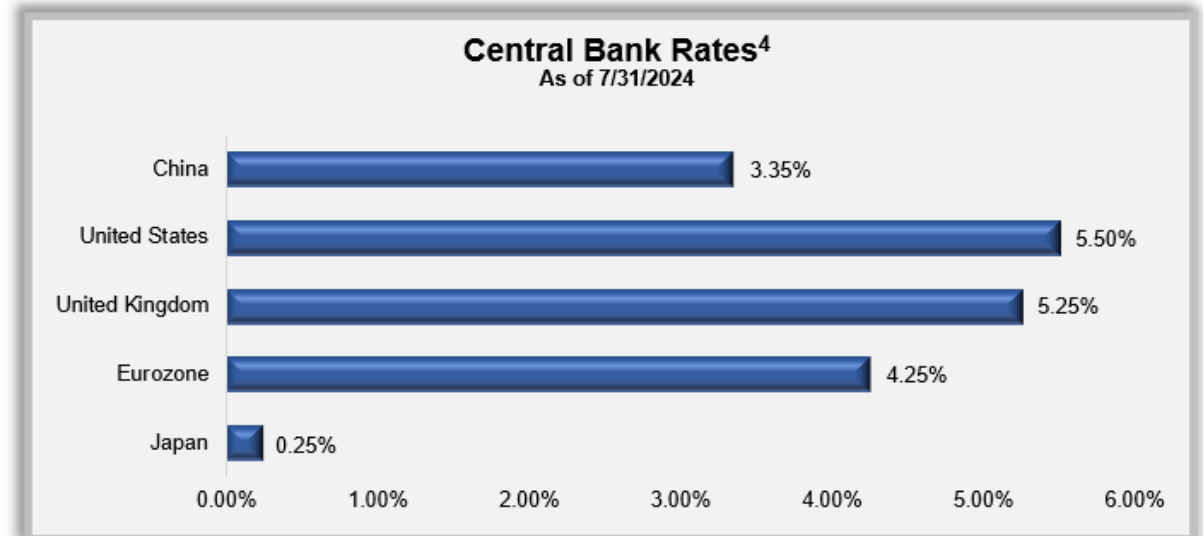
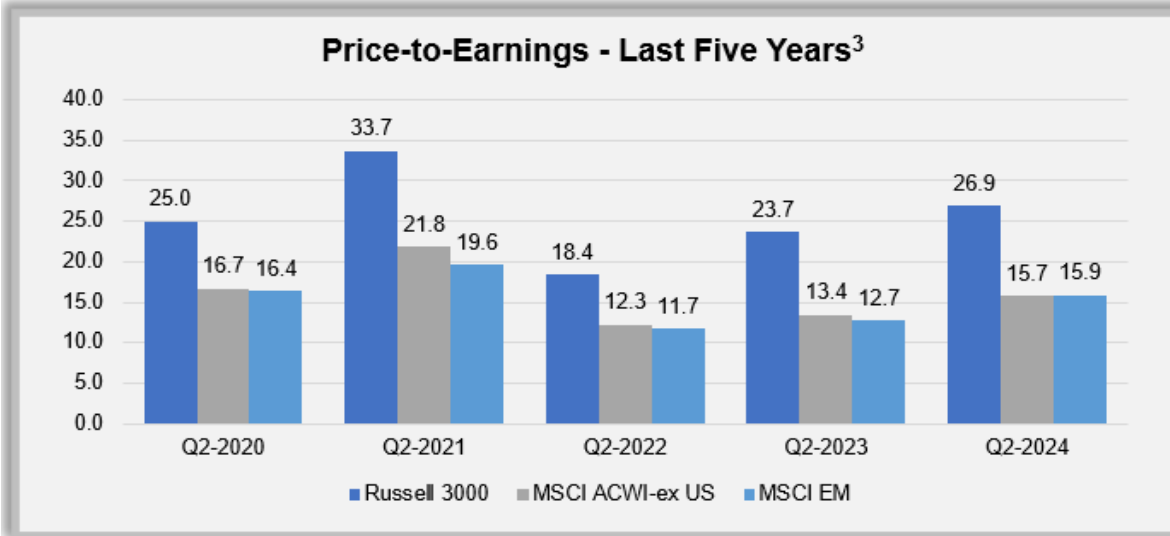
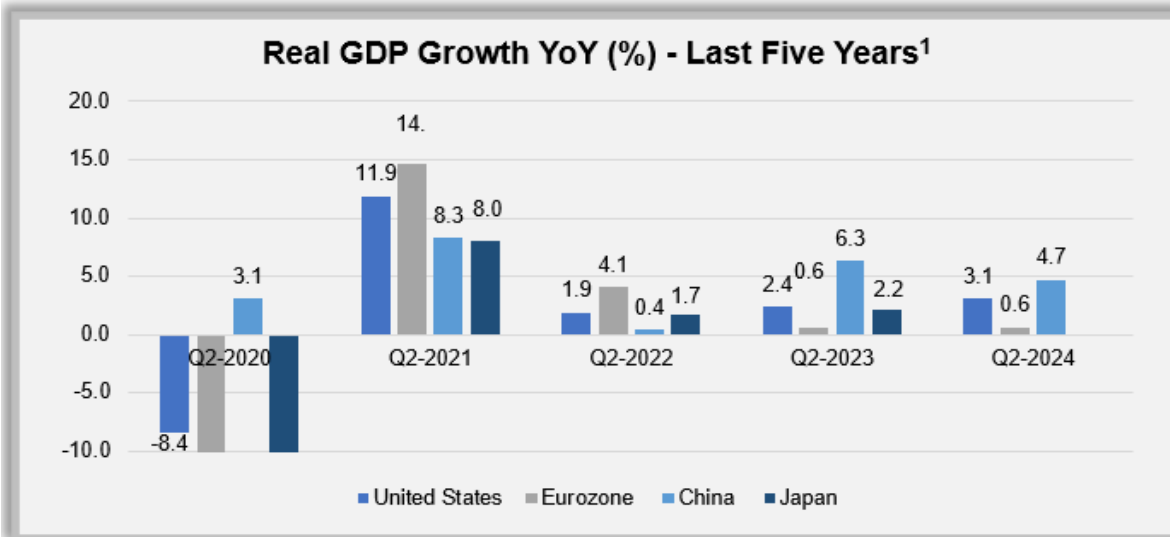


\*\*Investment Grade Bonds Policy Benchmark - Barclays U.S. Aggregate Bond Index

Market	Sub-Category	Index Name	1-Month	3-Month	FYTD	YTD	1 Y	3 Y	5 Y	10 Y
<b>Reference Portfolio</b>	60:40 Equity:Bond Portfolio	60% MSCI ACWI IMI/ 40% Bloomberg U.S. Aggregate Index	2.2	6.9	2.2	8.1	11.8	2.2	6.7	6.0
<b>Equity</b>	Global All Cap	MSCI ACWI IMI Total Return	2.1	8.2	2.1	12.5	16.3	5.2	10.7	8.6
	U.S. All Cap	Russell 3000 Total Return	1.9	10.0	1.9	15.7	21.0	8.1	14.2	12.6
	U.S. Large Cap	S&P 500 Total Return	1.2	10.0	1.2	16.7	22.1	9.6	15.0	13.1
	U.S. Small Cap	Russell 2000 Total Return	10.2	14.6	10.2	12.1	14.2	1.9	8.9	8.7
	Non-U.S. All Cap	MSCI ACWI-ex U.S. IMI Total Return	2.5	5.3	2.5	7.9	9.7	1.5	6.4	4.3
	Emerging Markets	MSCI Emerging Markets Total Return	0.3	4.8	0.3	7.8	6.2	-2.7	3.4	2.6
<b>Private Equity</b>	Private Equity Buyout	Thomson Reuters PE Buyout Index	1.2	13.3	1.2	24.2	30.3	0.8	10.0	11.7
<b>Fixed Income</b>	U.S. Investment Grade Bonds	Bloomberg U.S. Aggregate Index	2.3	5.1	2.3	1.6	5.1	-2.6	0.2	1.6
	U.S. Corporate High Yield Bonds	Bloomberg U.S. Corporate High Yield Total Return	1.9	4.0	1.9	4.6	11.0	2.2	4.2	4.6
	U.S. Long Term Treasury Bonds	Bloomberg Long Term U.S. Treasury Total Return Index	3.6	8.3	3.6	-1.6	-0.1	-10.5	-3.6	0.9
	Developed Markets Leveraged Loans	Credit Suisse Leveraged Loan Total Return	0.7	1.9	0.7	5.2	10.4	6.2	5.3	4.7
	U.S. Treasury Inflation Protected Securities	Bloomberg U.S. Treasury TIPS Total Return Index	1.8	4.3	1.8	2.5	4.4	-1.6	2.4	2.1
	U.S. 3 Month Treasury Bill	FTSE 3 Month Treasury Bill	0.5	1.4	0.5	3.2	5.6	3.3	2.3	1.6
<b>Commodity</b>	Commodity Prices Index	Bloomberg Commodity Index Total Return	-4.0	-3.9	-4.0	0.9	-5.2	3.6	6.5	-1.2
	Natural Resources	S&P Global LargeMidCap Commodity & Resources Index	1.4	-0.1	1.4	3.1	0.4	8.3	9.7	4.5
<b>Infrastructure</b>	Global Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	6.3	9.0	6.3	6.6	8.8	4.0	4.3	4.0
<b>Real Estate</b>	U.S. REITs	MSCI U.S. REIT Index	6.3	14.4	6.3	6.0	11.1	0.7	4.9	6.5

Source: Bloomberg

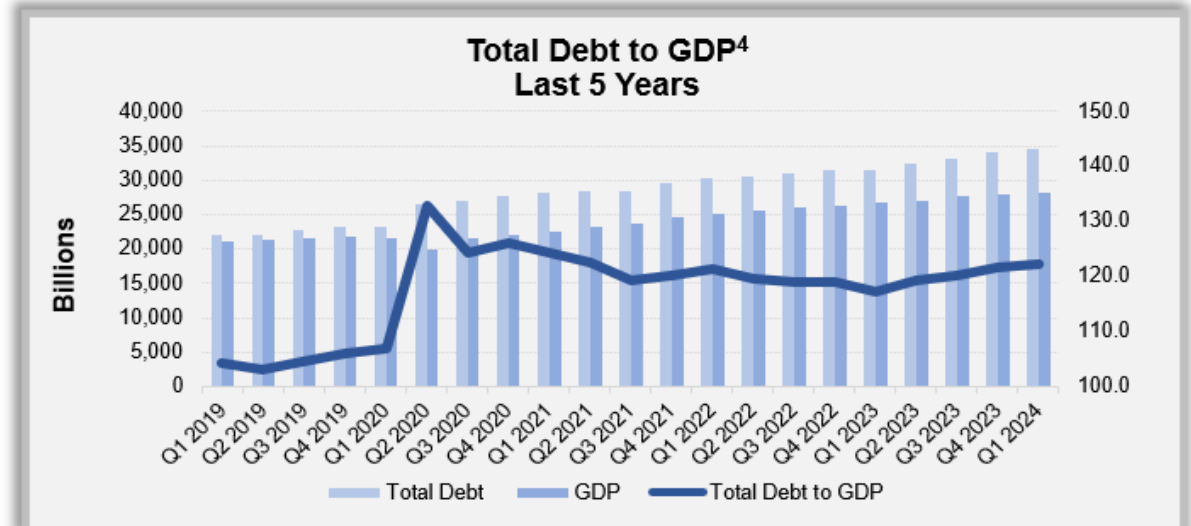
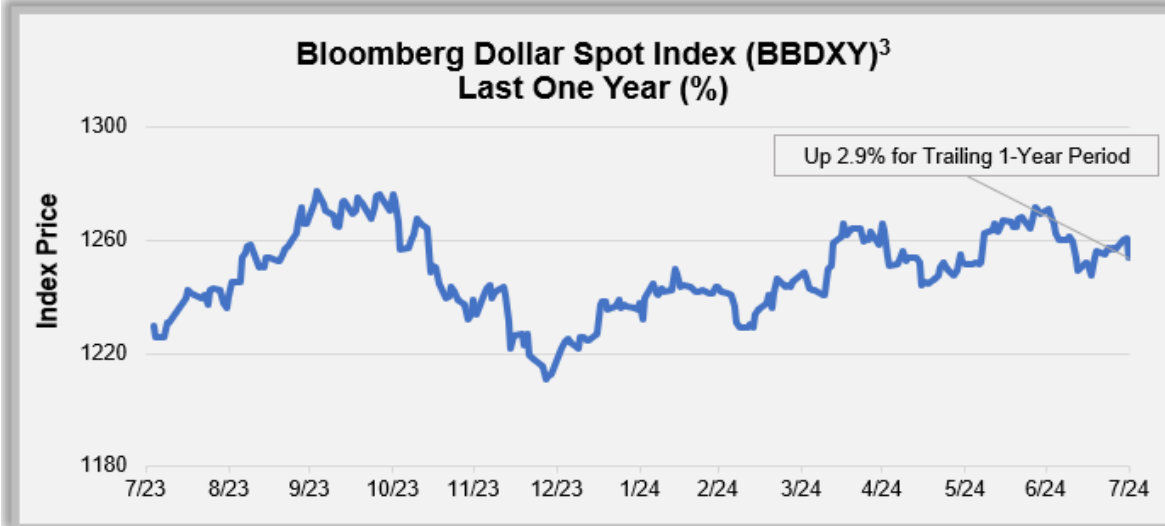
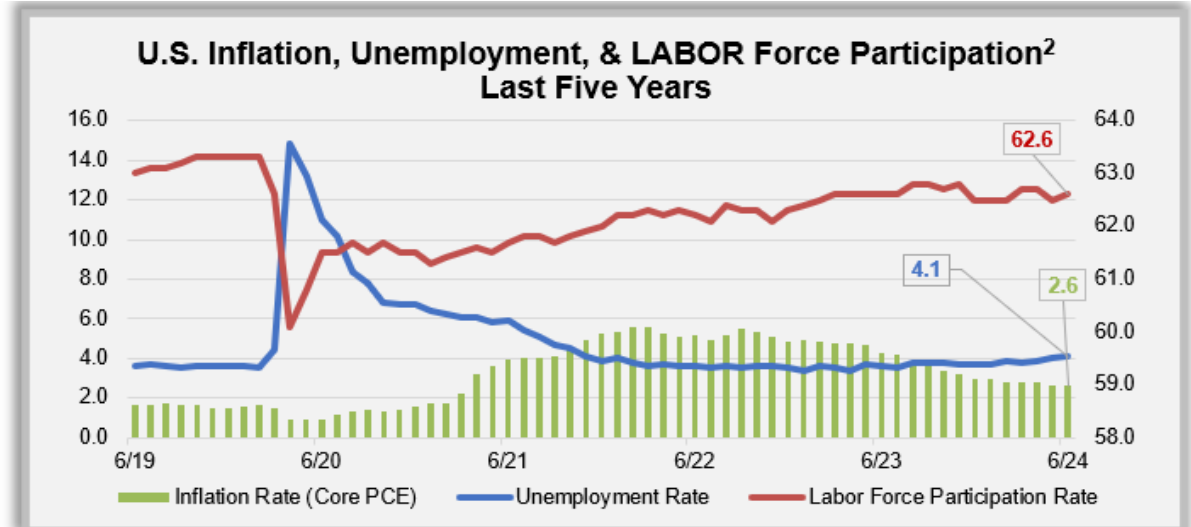
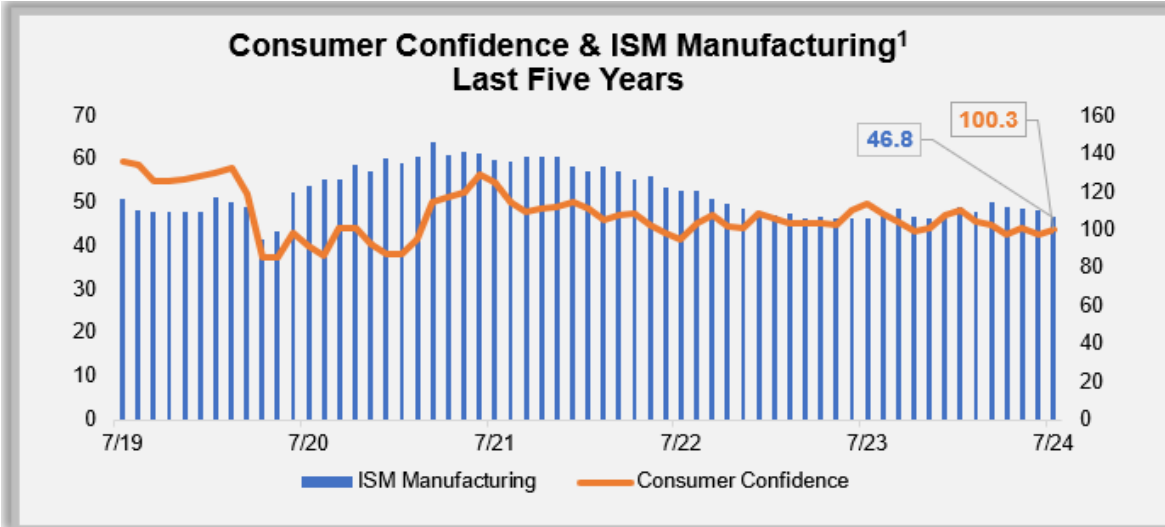
# Key Macro Indicators\*



\*The information on the "Key Macro Indicators" charts is the best available data as of 7/31/24 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\*



\*The information on the "Key Macro Indicators" charts is the best available data as of 7/31/24 and may not reflect the current market and economic environment.

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



# 02 Portfolio Performance & Risk Updates

---



## Recent Themes

- The Federal Reserve met in July and decided to keep its key interest rate unchanged at 5.25% to 5.50% for the 12<sup>th</sup> consecutive month
  - Fed Chair Jerome Powell indicated that while rates were held steady, the Fed is open to the possibility of rate cuts in September if economic conditions warrant such action
  - "The broad sense of the committee is that the economy is moving closer to the point at which it will be appropriate to reduce our policy rate," Chair Powell said
- The U.S. 10-year Treasury yield ended July at 4.09% after being 3.88% at the end of both 2022 and 2023, 1.52% at the end of 2021, and 0.93% at the end of 2020
- Global equities (MSCI All Country World Investable Index) increased 2.1% in July

## What to Watch

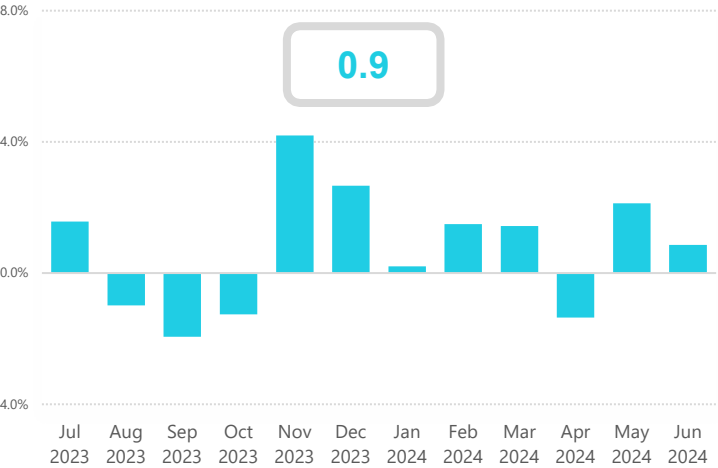
- Interest rates and central bank actions
- Economic data and trends
  - Inflation, supply chains, and labor developments
- Macro conditions and geopolitical risks
- Artificial intelligence including research developments, applications, and infrastructure investment
- Stewardship and ESG-related developments
  - Continued convergence of international sustainability reporting frameworks, with recent announcements from the International Financial Reporting Standards (IFRS) International Sustainability Standards Board (on which LACERA serves on the advisory board) announcing memos of understanding with Greenhouse Gas Protocol framework and Global Reporting Initiative



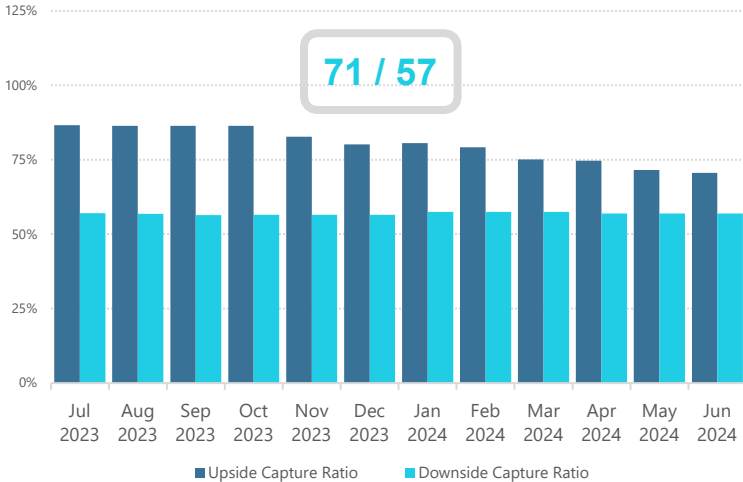
# Total Fund Summary as of June 2024



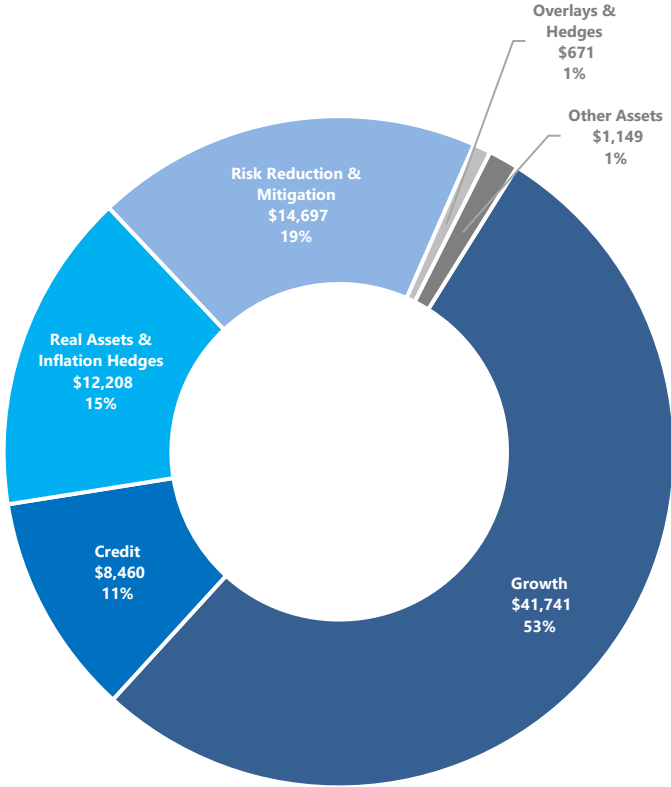
Monthly Return (net)



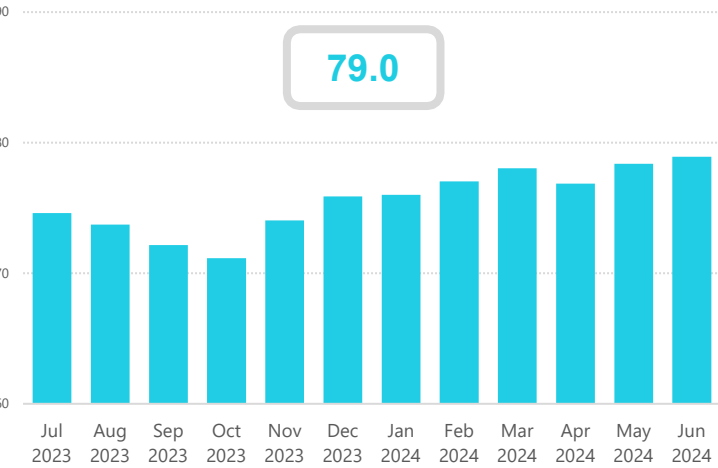
Upside / Downside Capture (%)<sup>1</sup>



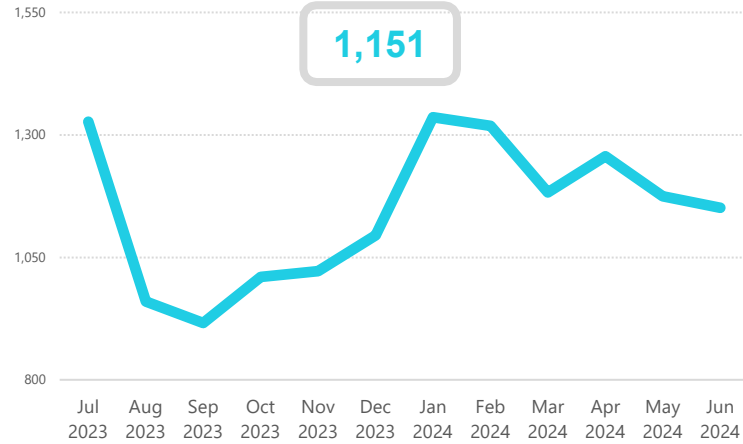
Asset Allocation (\$ millions)<sup>2</sup>



Total Market Value (\$ billions)



Cash (\$ millions)



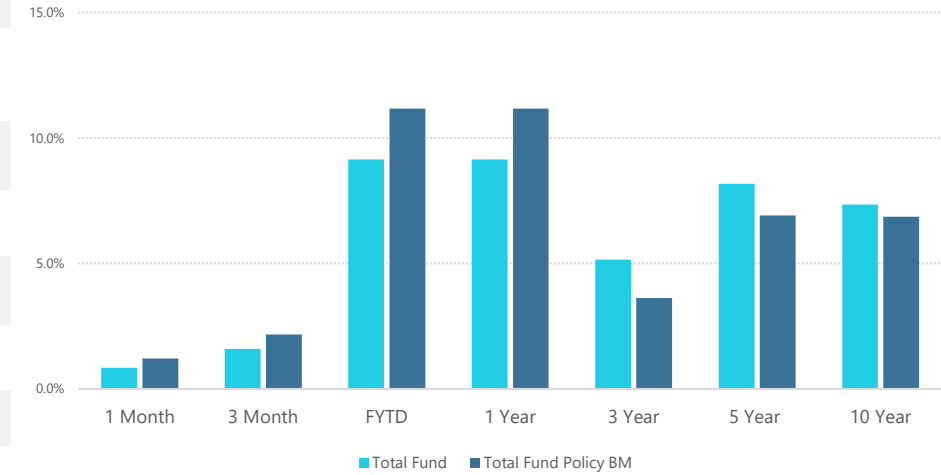
<sup>1</sup> Reference portfolio = 60% MSCI ACWI IMI / 40% Bloomberg US Aggregate Bond Index  
<sup>2</sup> Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.

# Historical Net Performance as of June 2024



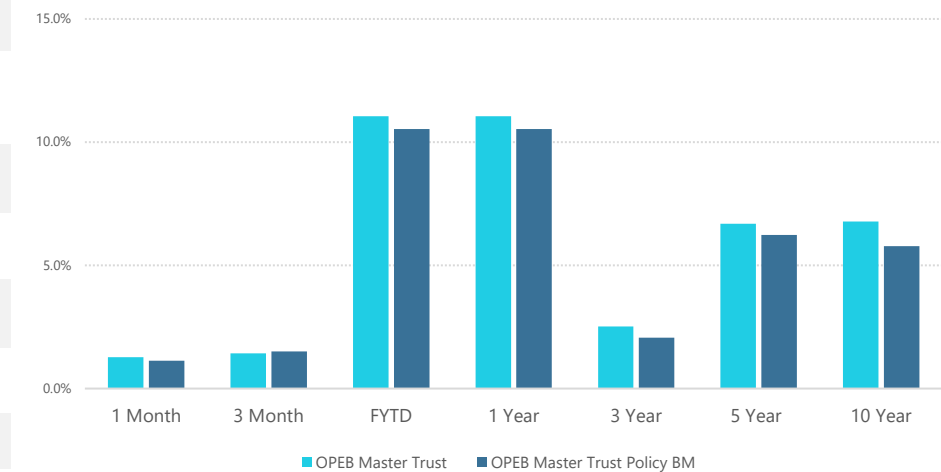
## LACERA Pension Fund

	Market Value (\$ millions)	% of Total Fund	Final Target	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
<b>Total Fund</b>	<b>78,926</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.9%</b>	<b>1.6%</b>	<b>9.1%</b>	<b>9.1%</b>	<b>5.2%</b>	<b>8.2%</b>	<b>7.4%</b>
Total Fund Policy BM				1.2%	2.2%	11.2%	11.2%	3.6%	6.9%	6.9%
7% Annual Hurdle Rate				0.6%	1.7%	7.0%	7.0%	7.0%	7.0%	7.0%
<b>Growth</b>	<b>41,741</b>	<b>52.9%</b>	<b>53.0%</b>	<b>1.1%</b>	<b>2.0%</b>	<b>12.8%</b>	<b>12.8%</b>	<b>6.8%</b>	<b>12.2%</b>	
Growth Policy BM				2.1%	3.9%	18.6%	18.6%	5.6%	11.0%	
<b>Credit</b>	<b>8,460</b>	<b>10.7%</b>	<b>11.0%</b>	<b>0.7%</b>	<b>4.0%</b>	<b>15.3%</b>	<b>15.3%</b>	<b>6.0%</b>	<b>6.4%</b>	
Credit Policy BM				1.0%	1.8%	12.1%	12.1%	3.2%	4.3%	
<b>Real Assets &amp; Inflation Hedges</b>	<b>12,208</b>	<b>15.5%</b>	<b>17.0%</b>	<b>-0.3%</b>	<b>-0.6%</b>	<b>-1.0%</b>	<b>-1.0%</b>	<b>4.2%</b>	<b>4.5%</b>	
Real Assets & Inflation Hedges Policy BM				-1.3%	-0.9%	-1.6%	-1.6%	3.2%	4.6%	
<b>Risk Reduction &amp; Mitigation</b>	<b>14,697</b>	<b>18.6%</b>	<b>19.0%</b>	<b>1.0%</b>	<b>0.6%</b>	<b>2.8%</b>	<b>2.8%</b>	<b>-1.6%</b>	<b>1.0%</b>	
Risk Reduction & Mitigation Policy BM				1.0%	0.3%	2.5%	2.5%	-1.8%	0.4%	
<b>Overlays &amp; Hedges</b>	<b>671</b>	<b>0.9%</b>								
<b>Other Assets</b>	<b>1,149</b>	<b>1.5%</b>								



## OPEB Trust

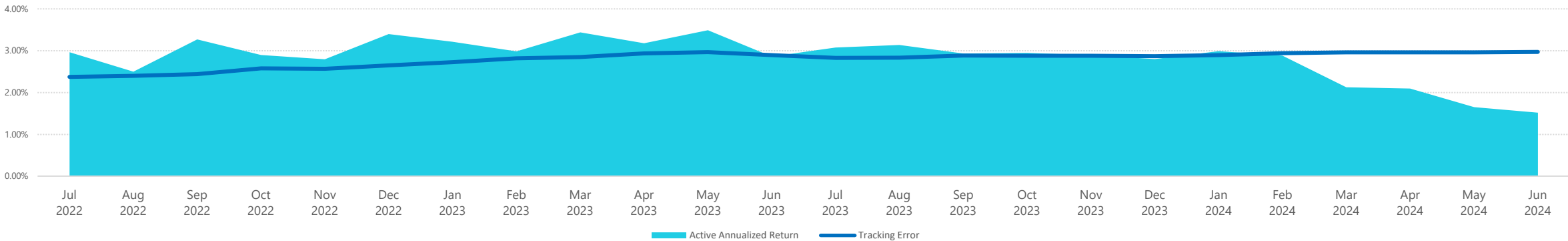
	Market Value (\$ millions)	% of Master Trust	Final Target	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
<b>OPEB Master Trust</b>	<b>3,977</b>			<b>1.3%</b>	<b>1.4%</b>	<b>11.0%</b>	<b>11.0%</b>	<b>2.5%</b>	<b>6.7%</b>	<b>6.8%</b>
OPEB Master Trust Policy BM				1.1%	1.5%	10.5%	10.5%	2.1%	6.2%	5.8%
6% Annual Hurdle Rate				0.5%	1.5%	6.0%	6.0%	6.0%	6.0%	6.0%
<b>OPEB Growth</b>	<b>1,790</b>	<b>45.1%</b>	<b>45.0%</b>	<b>1.8%</b>	<b>2.5%</b>	<b>18.7%</b>	<b>18.7%</b>	<b>4.9%</b>	<b>10.6%</b>	
OPEB Growth Policy BM				2.0%	3.0%	19.4%	19.4%	4.7%	10.3%	
<b>OPEB Credit</b>	<b>720</b>	<b>18.1%</b>	<b>18.0%</b>	<b>0.3%</b>	<b>0.9%</b>	<b>8.3%</b>	<b>8.3%</b>	<b>2.7%</b>	<b>3.3%</b>	
OPEB Credit Policy BM				0.7%	1.5%	11.1%	11.1%	3.0%	3.8%	
<b>OPEB Real Assets &amp; Inflation Hedges</b>	<b>796</b>	<b>20.1%</b>	<b>20.0%</b>	<b>1.2%</b>	<b>0.6%</b>	<b>4.9%</b>	<b>4.9%</b>	<b>-0.2%</b>	<b>3.1%</b>	
OPEB RA & IH Policy BM				-0.5%	-0.5%	-0.5%	-0.5%	-0.9%	2.7%	
<b>OPEB Risk Reduction &amp; Mitigation</b>	<b>663</b>	<b>16.7%</b>	<b>17.0%</b>	<b>1.2%</b>	<b>-0.1%</b>	<b>1.0%</b>	<b>1.0%</b>	<b>-2.4%</b>	<b>0.0%</b>	
OPEB RR & M Policy BM				1.1%	-0.3%	0.6%	0.6%	-3.0%	-0.5%	
<b>OPEB HL PM Cash</b>	<b>0</b>	<b>0.0%</b>								



# Active and Excess Return as of June 2024



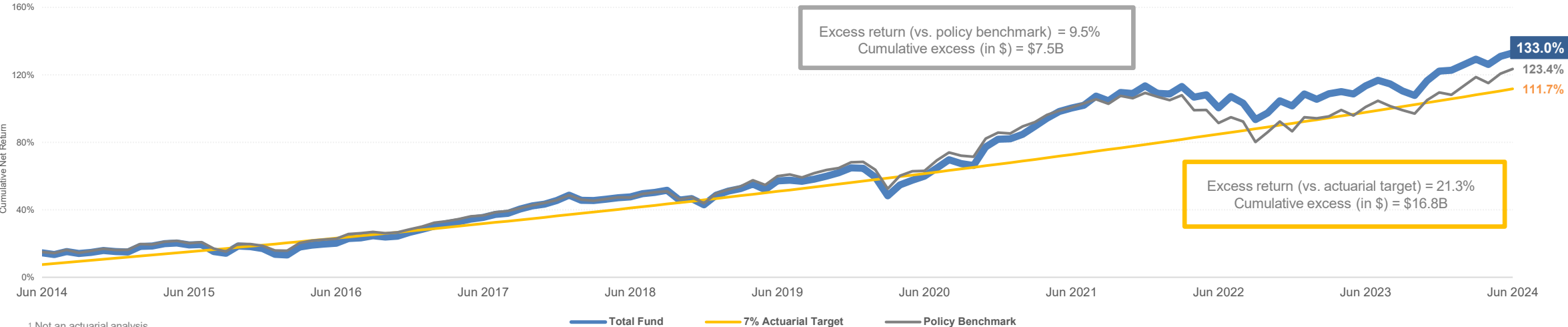
Active Return vs. Tracking Error<sup>1,2,3</sup>



Period Ending	Annualized Return	Annualized Benchmark Return	Annualized Active Return	Tracking Error
Jun 2024	5.2%	3.6%	1.5%	3.0%

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

Excess Return<sup>1</sup>

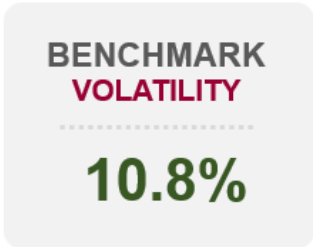
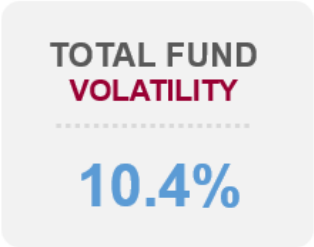


Excess return (vs. policy benchmark) = 9.5%  
 Cumulative excess (in \$) = \$7.5B

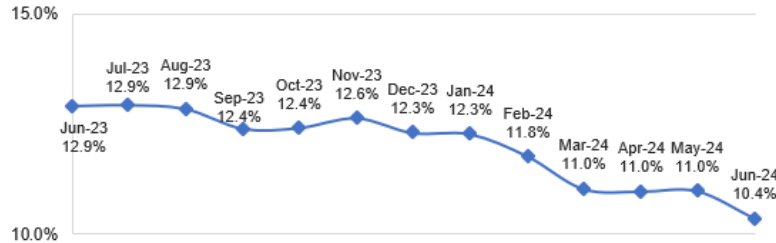
Excess return (vs. actuarial target) = 21.3%  
 Cumulative excess (in \$) = \$16.8B

<sup>1</sup> Not an actuarial analysis.

# Total Fund Forecast Volatility as of June 2024\*

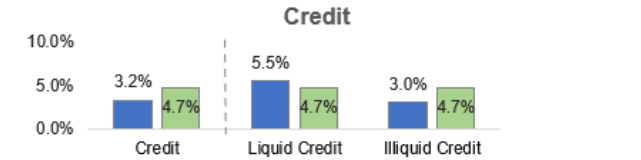
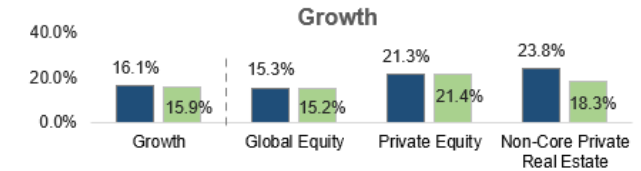


Forecasted Total Fund Volatility Trend

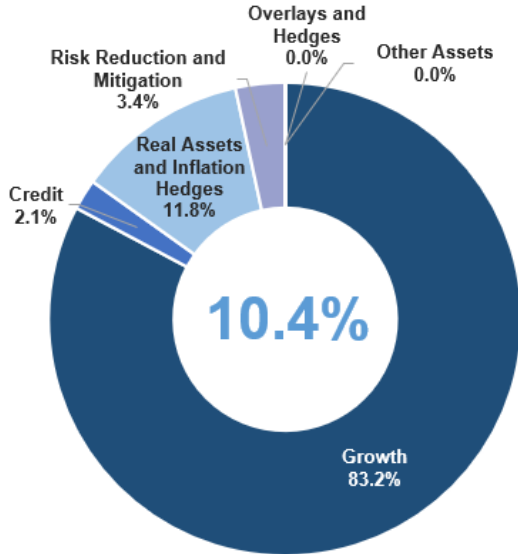


Subcategory Volatility

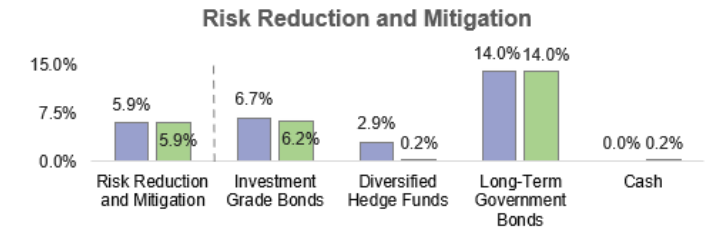
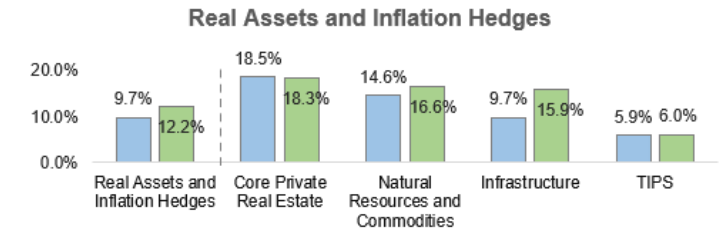
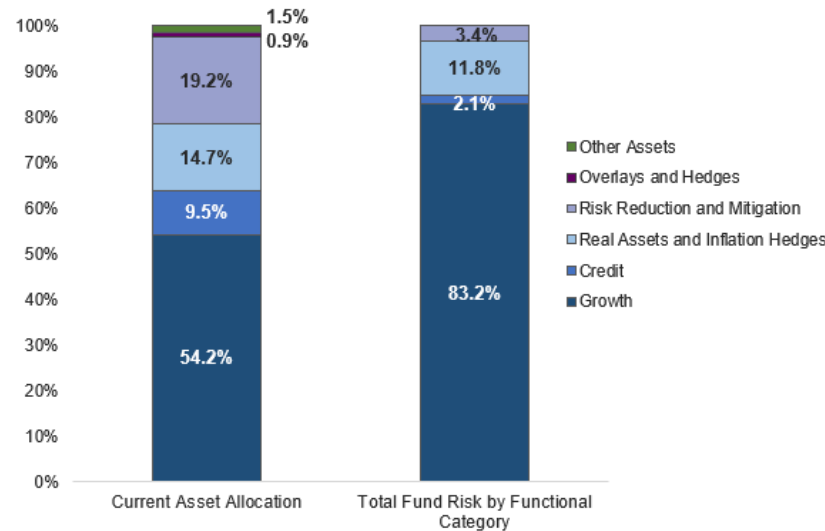
1 Subcategory volatility is on the left bar and benchmark risk is on the right bar.



Functional Category Contributions to Total Fund Volatility



Total Fund Asset Allocation  
Capital-based versus Risk-based



Source: MSCI BarraOne

\* Real estate and private equity data is based on best available cash flow adjusted market values. Exposure data is based on security level holdings and/or proxies.

# Total Fund Forecast Tracking Error as of June 2024\*



**TOTAL FUND TRACKING ERROR**

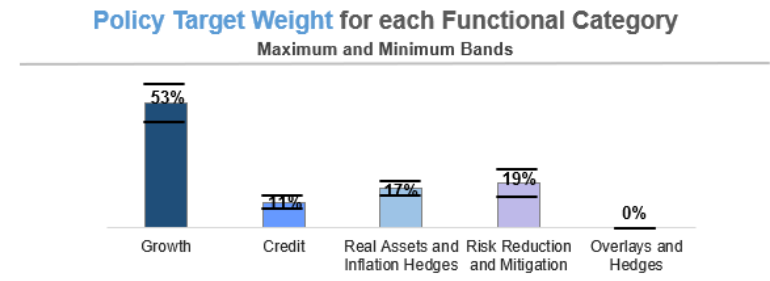
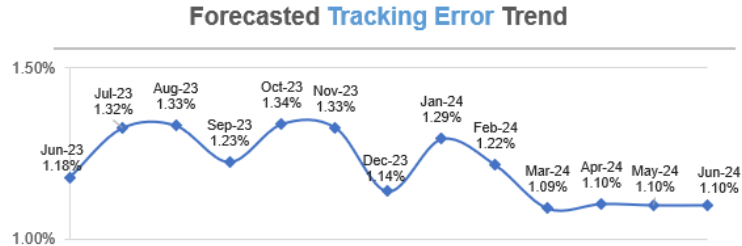
**1.10%**

**ALLOCATION RISK**

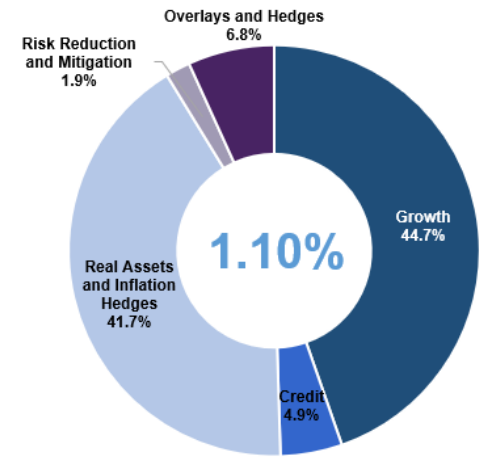
**0.19%**

**SELECTION RISK**

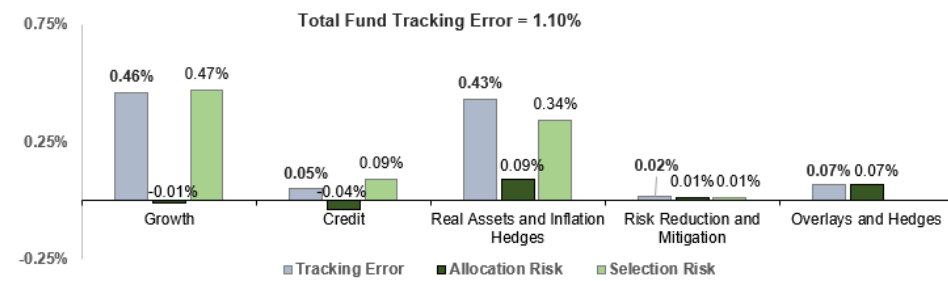
**0.91%**



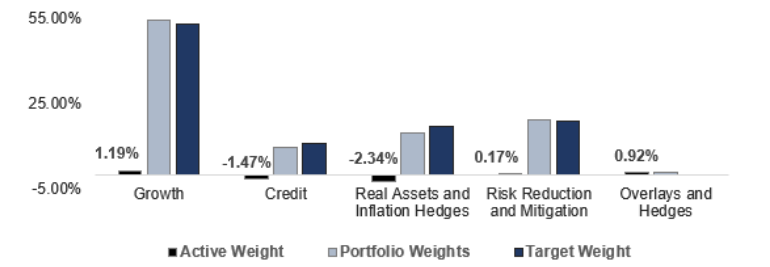
Functional Category Contributions to Tracking Error



Tracking Error Attribution



Active Weights for each Functional Category



Subcategory Tracking Error

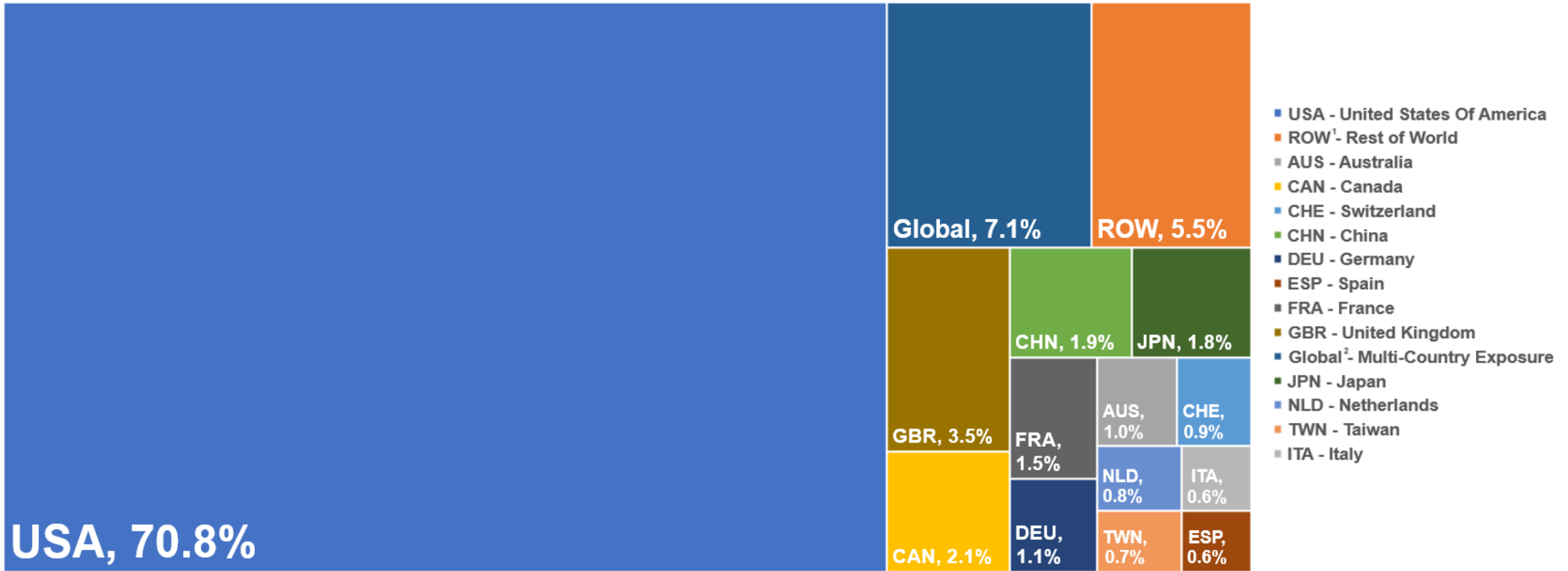
Total Fund	Global					Credit			Real Assets and Inflation Hedges					Risk Reduction and Mitigation				
1.10%	1.23%	0.47%	2.92%	8.50%	0.03%	1.08%	3.97%	3.07%	4.02%	3.26%	6.54%	0.09%	0.89%	0.47%	2.92%	0.03%	0.19%	
Total Fund	Growth	Global Equity	Private Equity	Non-Core Private Real Estate	Credit	Liquid Credit	Illiquid Credit	Real Assets and Inflation Hedges	Core Private Real Estate	Natural Resources and Commodities	Infrastructure	TIPS	Risk Reduction and Mitigation	Investment Grade Bonds	Diversified Hedge Funds	Long-Term Government Bonds	Cash	

Source: MSCI BarraOne

\* Real estate and private equity data is based on best available cash flow adjusted market values. Exposure data is based on security level holdings and/or proxies.

# Geographic Exposures by AUM

## Total Fund as of June 2024\* Ex-Overlays and Hedges

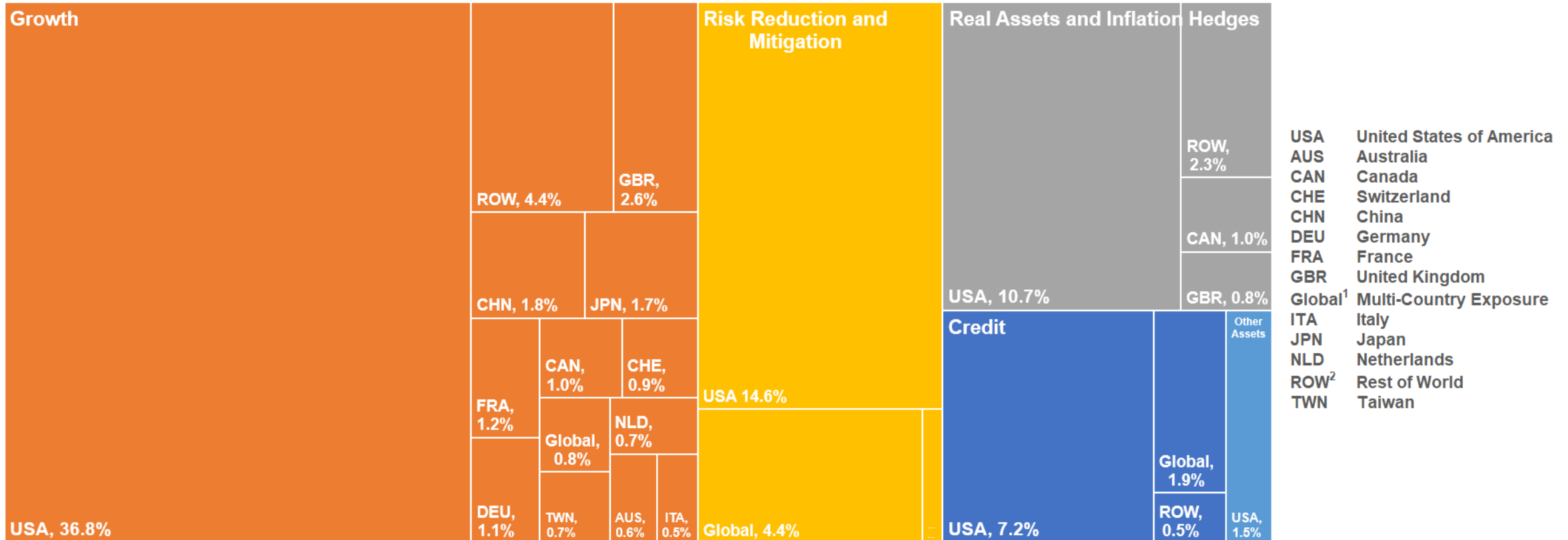


AUM = Assets under management.  
 Geographic exposure is based on the domicile country of a given security/asset.  
 \* Implementation of the MSCI Risk Platform is ongoing; reconciliation and refinement of the data is progressing and subject to change.  
 Real Estate and Private Equity data is based on best available cash flow adjusted market values. Exposure data is based on security level holdings and/or proxies.  
<sup>1</sup> "ROW - Rest of World" is sum of countries with weights below 0.5%.  
<sup>2</sup> Global represents investments made in regions where specific country allocations are not available.

SOURCE: MSCI BarraOne

# Geographic Exposures by AUM

## Functional Categories as of June 2024\* Ex-Overlays and Hedges



- USA United States of America
- AUS Australia
- CAN Canada
- CHE Switzerland
- CHN China
- DEU Germany
- FRA France
- GBR United Kingdom
- Global<sup>1</sup> Multi-Country Exposure
- ITA Italy
- JPN Japan
- NLD Netherlands
- ROW<sup>2</sup> Rest of World
- TWN Taiwan

AUM = Assets under management.

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

\* Implementation of the MSCI Risk Platform is ongoing; reconciliation and refinement of the data is progressing and subject to change.

Real Estate and Private Equity data is based on best available cash flow adjusted market values. Exposure data is based on security level holdings and/or proxies.

<sup>1</sup> Global represents investments made in regions where specific country allocations are not available.

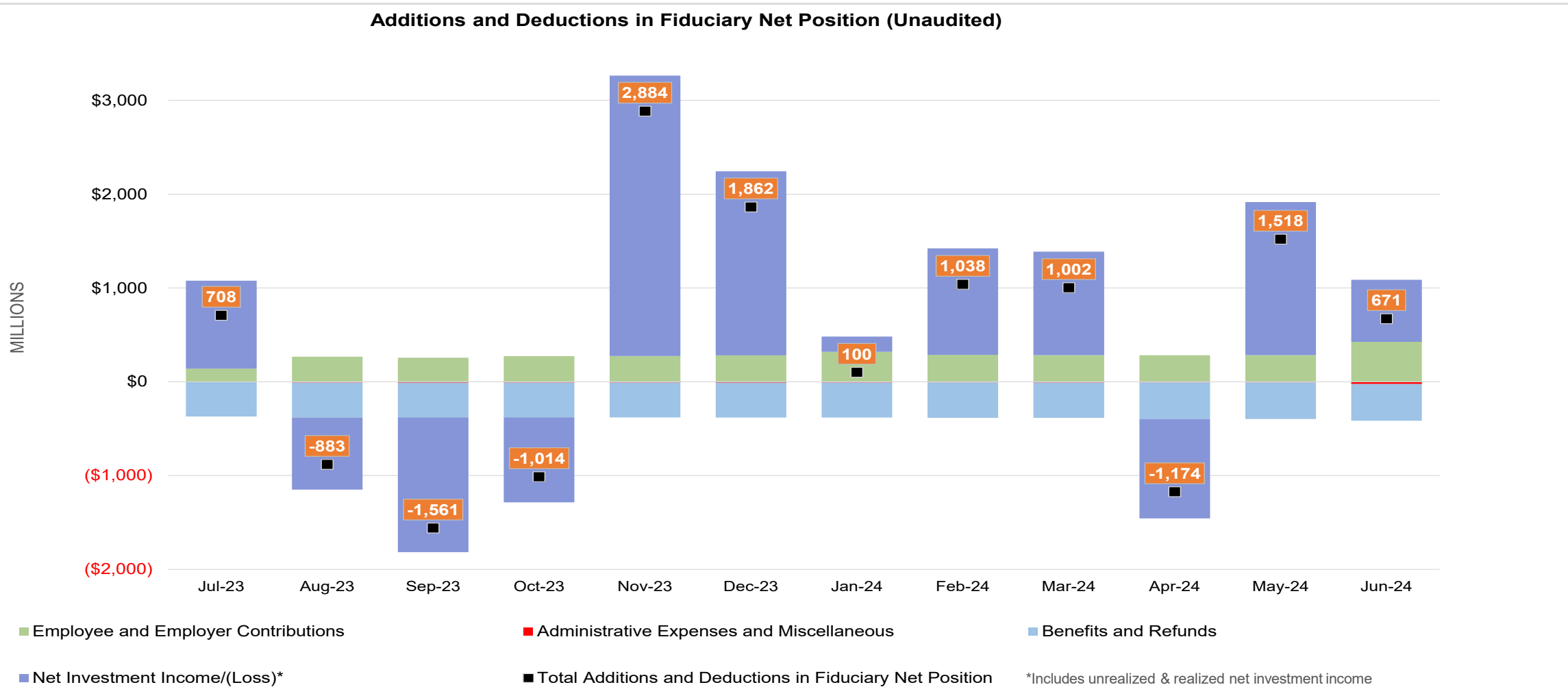
<sup>2</sup> "ROW - Rest of World" is sum of countries with weights below 0.5%.

SOURCE: MSCI BarraOne

# Change In Fiduciary Net Position



Additions and Deductions in Fiduciary Net Position (Unaudited)



Fiscal Year	Negative Months	Positive Months	Total Net Position Change \$
FY-22	7	5	(\$2.5 billion)
FY-23	5	7	\$3.3 billion
FY-24	4	8	\$5.2 billion





# 03 Portfolio Structural Updates

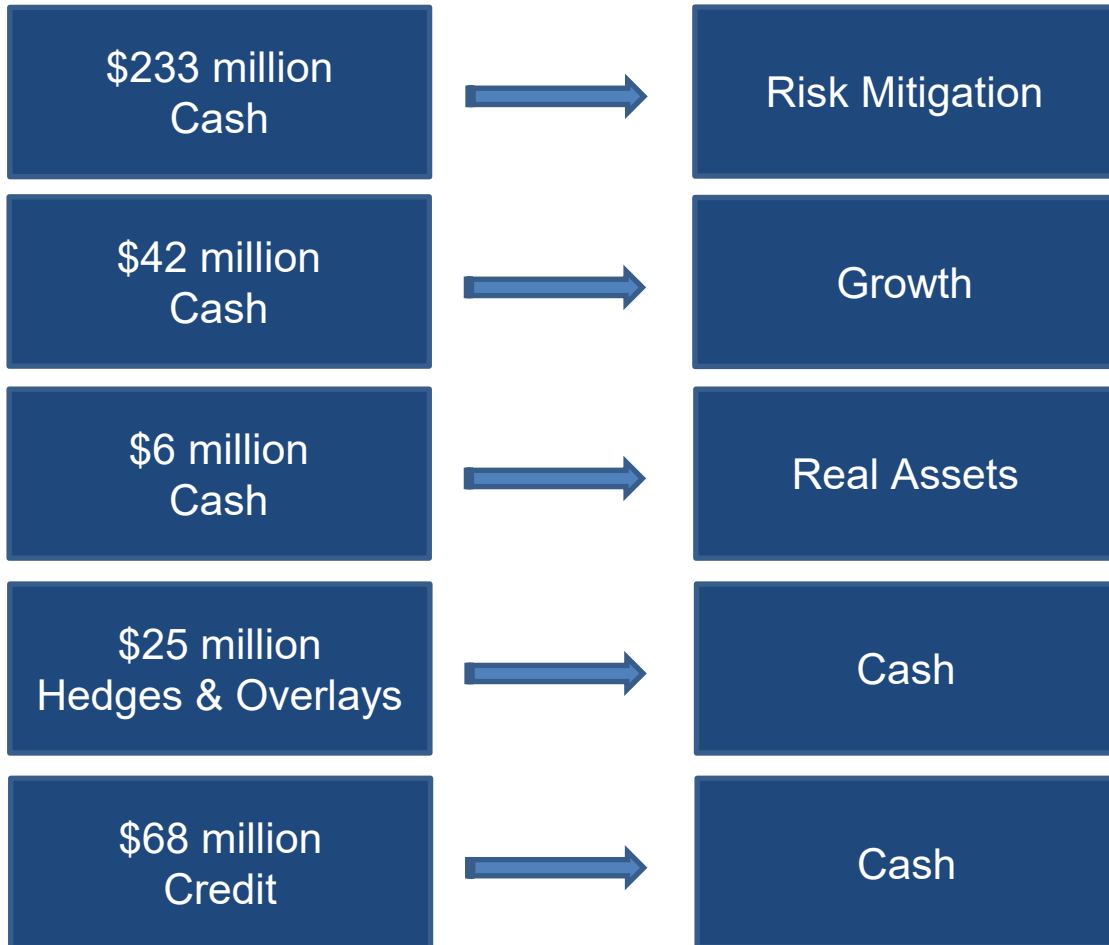
---

# Portfolio Structural Updates



## Portfolio Movements

### Rebalancing Activity



## Hedges & Overlays

### Monthly Activity

Program	June Return	June Gain/(Loss)	Inception <sup>1</sup> Gain/(Loss)
Currency Hedge <sup>2</sup>	0.6%	\$25.0 Million	\$1.6 Billion
Cash/Rebalance Overlay <sup>3</sup>	-0.2%	(\$8.0 Million)	\$499.4 Million

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

<sup>2</sup> 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.

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

## Current Search Activity

### Status of Active Searches – Subject to Change

Name	RFP Issued	Due Diligence	Selection/ Review
Risk and Analytics System, and ESG Research Services Search	✓	✓	TBD
Real Assets Emerging Manager Program Separate Account Manager Search	✓	✓	TBD



# 04 Key Initiatives & Operational Updates

---

# Notable Initiatives and Operational Updates



## Key Initiative Updates

---

- The April 2024 approved Strategic Asset Allocation implementation has begun
- Adhering to the BOI-approved 2024 Work Plan and Strategic Initiatives
- 2024 Offsite preparations are underway

## Team Searches and Vacancies

---

- Principal Investment Officer
- 2 – Senior Investment Officer
  - 1 in progress
- 4 – Financial Analyst-III
  - 3 in progress

## Operational Updates

---

- Annual LACERA T.I.D.E. data collection exercise has begun

## Manager/Consultant Updates

---

No material updates

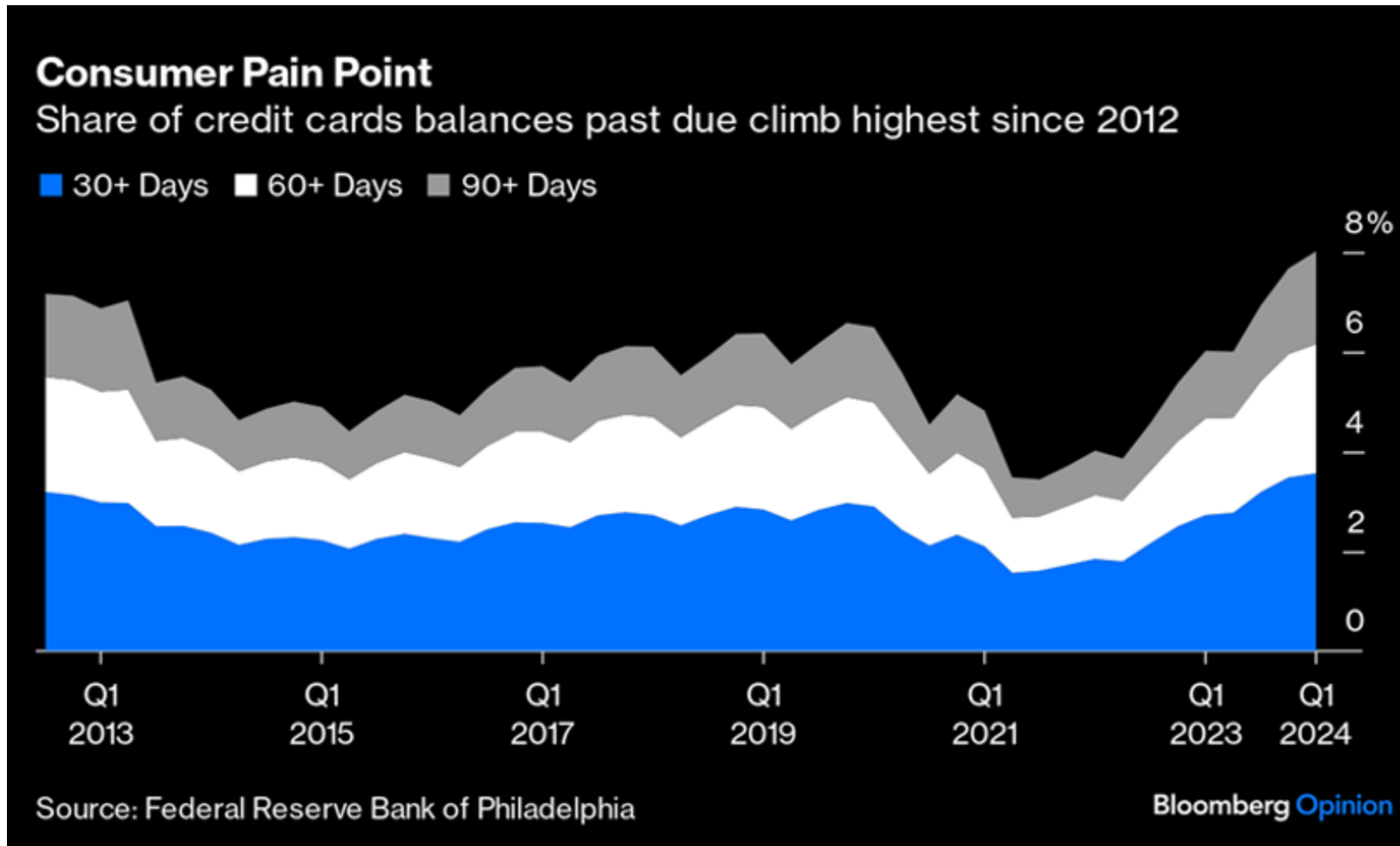


# 05 **Commentary**

---

# Staff Chart of the Month

## Credit Card Balances Past Due rise to the Highest Level since 2012



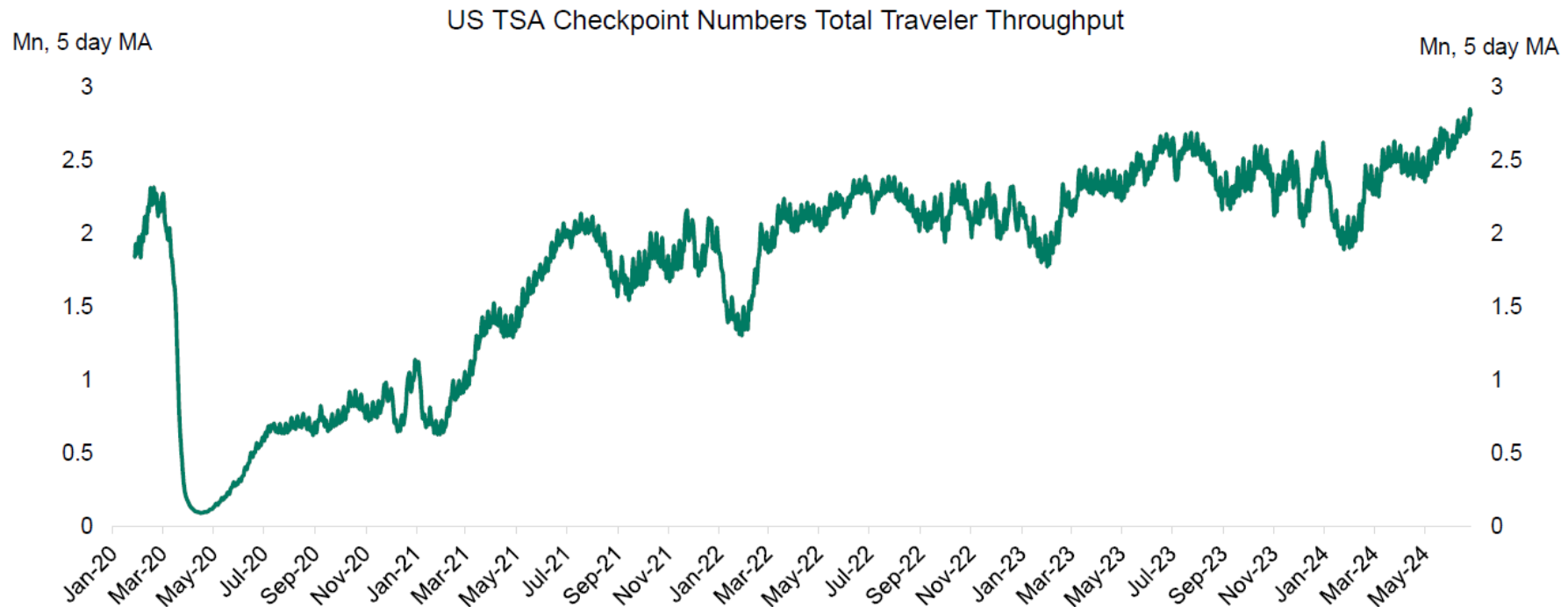
# Staff Chart of the Month

## U.S. TSA Check Point Numbers show Record-High Demand for Air Travel



APOLLO

TSA data shows record-high demand for air travel



Source: Transportation Security Administration, Apollo Chief Economist

Source: Apollo Global Management



# 06 Appendix

---



# Quiet Period for Search Respondents



## Real Assets Emerging Manager Program Discretionary Separate Account Manager

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

## Risk and Analytics System, and ESG Research Services Search

- ✓ BlackRock Financial Management Inc.
- ✓ Barra, LLC
- ✓ Bloomberg Finance L.P.
- ✓ Clearwater Analytics
- ✓ eVestment Alliance, LLC
- ✓ FactSet Research Systems Inc.
- ✓ ISS STOXX GmbH
- ✓ MSCI ESG Research LLC
- ✓ Northfield Information Systems, Inc.
- ✓ Solovis, Inc.



# Recognizing Our Members' Service and Accomplishments

LACERA has nearly 100,000 active members working in dozens of L.A. County departments, many of whom dedicate their working lives to serving the community. Meet one of our long-serving members who recently started enjoying her well-earned retirement.



## Retired Member

# Diana Jimenez

**Data Entry, Civil Department, Norwalk Courthouse**

**Years of Service: 27**

**Retirement Date: March 2024**

**MEMBER SPOTLIGHT**

**Notable Contributions and Service :** Diana was hired with the California Traffic Safety Institute in 1988, a private company contracted with the county at the time. She began in the Metro department as a bookkeeper, and worked in the location's Traffic department and in the Traffic Department at Fresno. Diana transferred from small claims to civil municipal court, and finally from Whittier Superior Court to Norwalk Superior Court.

**Proudest Accomplishment:** Diana's proudest career accomplishment is having satisfied her customers, and it's evident how proud she is of her family as well.

**Retirement Plans:** Diana is eager to continue volunteering at her church teaching second year catechism. She also enjoys spending time puzzling, traveling with her family and playing with her pet Yorkie, Charlie.





July 30, 2024

TO: Each Trustee,  
Board of Retirement  
Board of Investments

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

SUBJECT: **CHIEF EXECUTIVE OFFICER'S REPORT – AUGUST 2024**

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

### **Employee Council Team (ECT) School Supply Drive**

LACERA's Employee Council Team (ECT) is a self-funded employee resource group led by and for LACERA staff. They plan and host a variety of activities and events designed to bring LACERA employees together and foster a sense of belonging and community.

In July, the ECT's Community Outreach Committee partnered with Los Angeles County's Department of Public Social Services to collect backpacks and school supplies for economically disadvantaged youth in Los Angeles County. They reached out to all of the LACERA divisions and had a modest goal of collecting 15 backpacks filled with school supplies for all age groups, one from each Division. The response among the staff was overwhelming! LACERA staff collected 105 filled backpacks and three additional boxes of various school supplies for Los Angeles County children in need. We hope to continue this program next year and we are confident we will do even better.

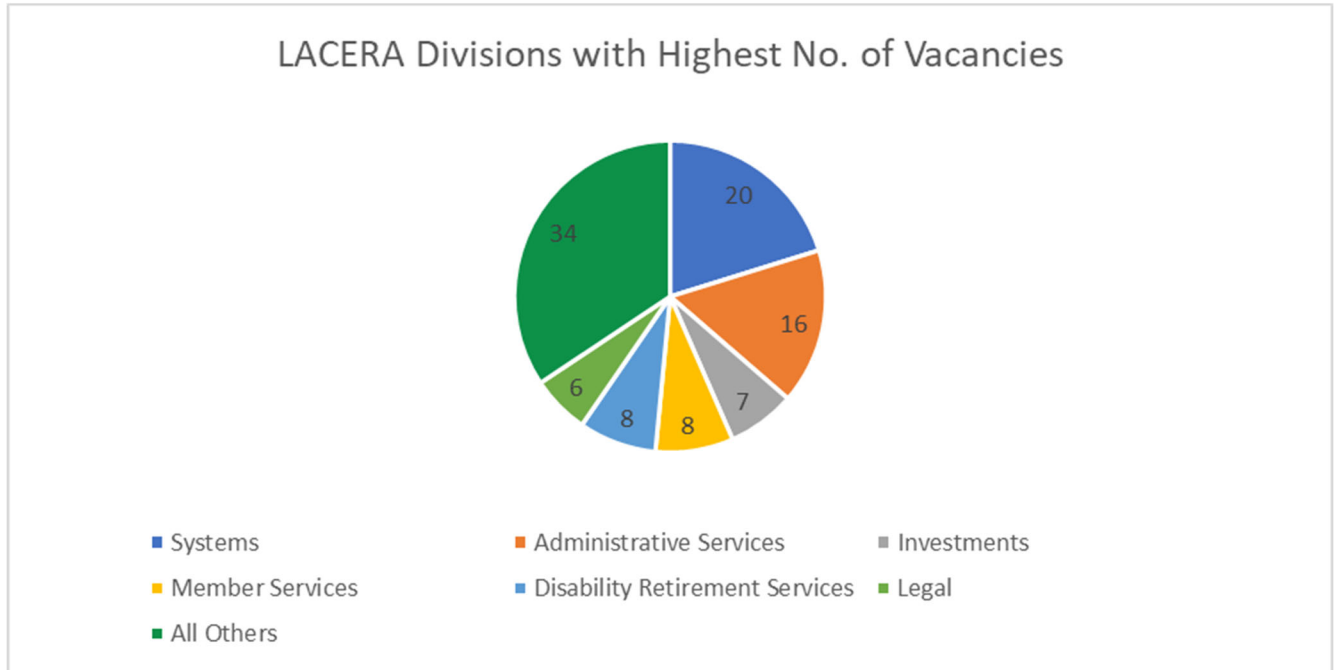
This drive felt personal to many of our LACERA staff. They reflected on their own childhoods, embarrassed by not having a new backpack each year due to their family's economic circumstances, and were eager and appreciative of the opportunity to make things a little bit better for another child and their family. This drive exemplified the generous and caring family we have here at LACERA and their commitment to serve others.

The Executive Team wanted to highlight and celebrate this event because we are so incredibly proud of, and humbled by, the exceptional LACERA staff. These staff actively demonstrated our value of Inclusivity and engaged the Community Engagement pillar of our Inclusivity, Diversity, Equity and Accessibility (IDEA) strategic initiative. We are also incredibly grateful to the ECT and the Community Outreach team for their leadership and initiative, which made this all possible.

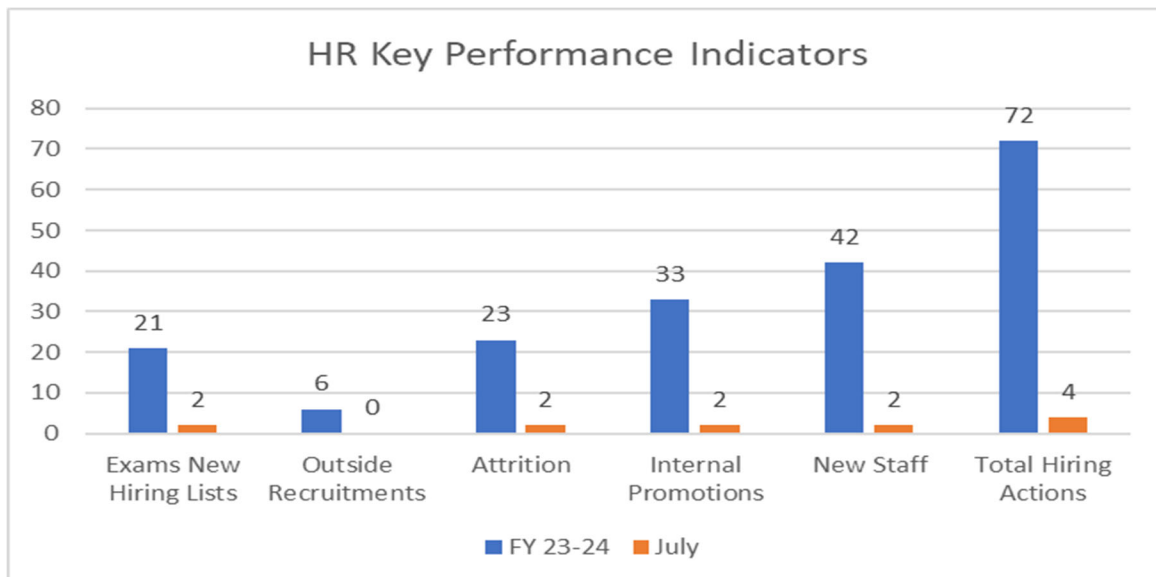
### Recruitment Updates

LACERA continues to prioritize our hiring efforts and make progress towards reducing our overall vacancy. Our current vacancy rate is 19% with 18 over hires, and the 2023-24 fiscal year (FY) attrition rate was 4.3%. In July, two (2) new staff members were hired, two (2) internal promotions occurred, and two (2) staff attrited.

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



The following chart provides Human Resources (HR) Division’s key performance indicators for July 2024 as compared to FY 23-24:



### *New Hires*

Candidates for the following positions are expected to start August 1, 2024:

- Two (2) Information Technology Specialist II (P8 Systems Administrator and Network Architect)
- Senior Investment Officer (Global Equities)

A selection has been made for the Information Technology Specialist II (Java Architect). The candidate is expected to start September 1, 2024.

### *External Recruitments*

On July 1, 2024, new Staff Counsel (Investments) Susan Wang began work. A recruitment for one additional vacancy for Staff Counsel (Investments) remains open and managed by Major Lindsay & Africa. Interviews continue as qualified candidates are identified. An offer was made and accepted for Staff Counsel (Benefits), with the successful candidate expected to start by September 1, 2024.

### *Internal Recruitments*

The Administrative Services Analyst I, II, and III eligible lists have been promulgated. Selection interviews are in process.

The Human Resources Analyst list was promulgated. Selection interviews are in process.

The recruitment for the Assistant Chief Financial Officer position closed and the applications are currently under review.

The Information Technology Specialist I Data Base Administrator was posted.

The bulletin for the Legal Analyst (Investments) continues to be open and applications received.

The bulletins for Legal Secretary (Investments) and Senior Legal Secretary closed and the applications are currently under review.

### *In Development*

The recruitments/assessments for the following classification(s) are in development:

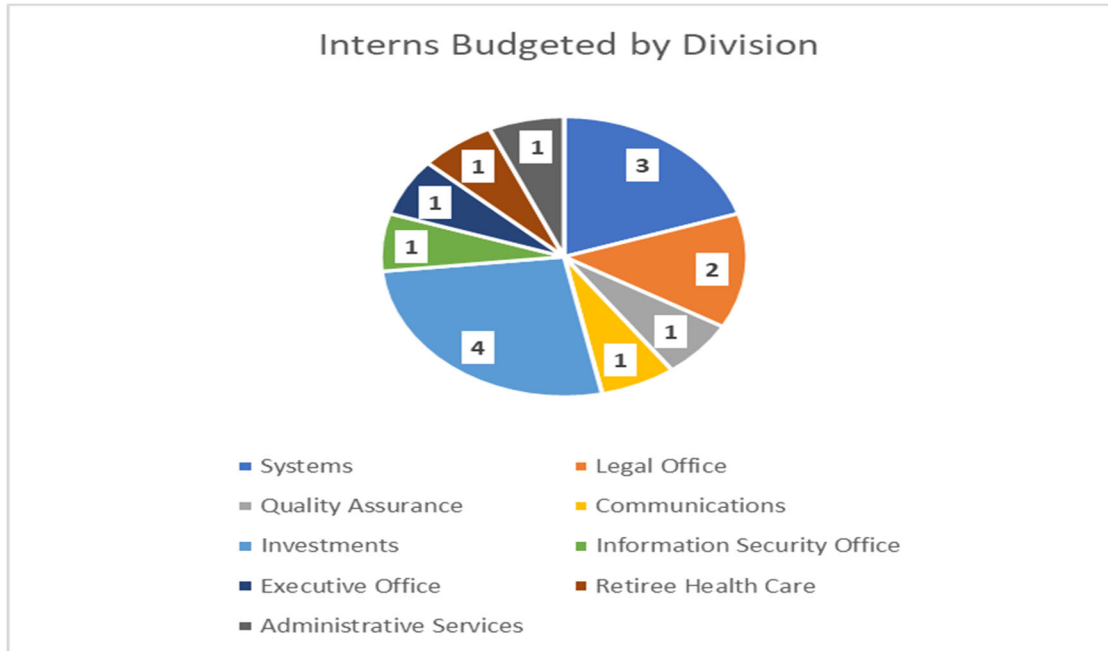
- Disability Retirement Specialist
- Information Technology Specialist I
- Internal Auditor
- Senior Internal Auditor
- Senior Administrative Assistant
- Administrative Assistant
- Intermediate Typist Clerk
- Special Assistant

### *New Lists Promulgated*

The Information Technology Specialist I (Pension Administrator Architect) and (Project Manager – Enterprise) lists were promulgated, selection interviews were conducted and offers are pending.

### *Interns*

LACERA has budgeted 15 Intern positions for FY 2024-25. The following chart shows where the FY 2024-25 Interns are budgeted by Division:



### **Retiree Healthcare**

#### *Anthem Blue Cross Potential Network Termination Notice*

Last month, staff reported receiving notification that the Commercial Contracting Hospital Agreement between Cottage Health Hospitals and Anthem Blue Cross may be terminating effective July 1, 2024. Although only three facilities would have been affected, it could have harmed over 30 members who had utilized one of the three over the last year.

Staff are happy to report that Anthem Blue Cross and Cottage Health finalized a multiple-year renewal agreement effective January 1, 2025, with the current contract remaining in full effect. Cottage Health comprises the below referenced entities and provides services to members in the Santa Barbara County area.

- Goleta Valley Cottage Hospital – 8 members
- Santa Barbara Cottage Hospital – 17 members
- Santa Ynez Valley Cottage Hospital – 8 members

**Appendix A**

July 29, 2024

TO: Each Trustee  
Board of Retirement  
Board of Investments


FROM: JJ Popowich, Assistant Executive Officer

**SUBJECT: 2024 Election for the Third Member of the Board of Retirement and the Third Member of the Board of Investments Update**

The 2024 Board of Retirement and Board of Investments election season is in full swing. This year members will be electing the Election for the Third Member of the Board of Retirement and the Third Member of the Board of Investments. Both seats term will begin January 1, 2025, and expire on December 31, 2027. However, due to the vacancy of the Third Seat on the Board of Investments, created by the retirement of Trustee Herman Santos, the candidate elected to fill that seat will be authorized to complete the term vacated by Trustee Santos effective the day after the Board of Supervisors ratifies the election results (expected to be October 22, 2024).

By the time of the August Board of Retirement meeting on August 7, 2024, the County's election vendor will have completed mailing and emailing the ballots for the election. Voting begins on August 5, 2024. On August 1, 2024, LACERA will have emailed our election reminder to LACERA members. We have included a copy of the scheduled email with this memo.

The important date calendar below has been updated to show completed efforts and as a reminder about upcoming milestone dates:

Date	Event	
05/13/2024 - 05/17/2024	Election Notification and Call for Nominations to eligible voters (LACERA/Election Vendor) LACERA will also mail a postcard to all eligible members which will arrive around this time frame.	



2024 General Member Trustee Election Update

July 29, 2024

Page 2

Date	Event	
05/22/2024 – 06/21/2024	Nomination period	<input checked="" type="checkbox"/>
06/15/2024	Members receive LACERA’s Pathways to Retirement newsletter which reminds members the candidacy period ends 06/21/2024.	<input checked="" type="checkbox"/>
07/02/2024	Election Announcement: Announcement of qualified candidates and whether an election is necessary.	<input checked="" type="checkbox"/>
07/18/2024	Election notices emailed by vendor	<input checked="" type="checkbox"/>
08/01/2024	Voter information and ballot mailed to all active general members eligible to vote.	<input checked="" type="checkbox"/>
08/01/2024	LACERA election reminder notice (Email)	<input checked="" type="checkbox"/>
08/05/2024	Voting Begins	<input checked="" type="checkbox"/>
08/21/2024	LACERA election reminder notice (Email)	
08/30/2024	Voting Ends	
09/11/2024	Preliminary results available	
10/22/2024	BOS Declares Election Result Official	

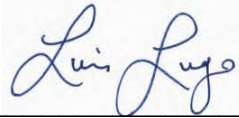
2024 General Member Trustee Election Update

July 29, 2024

Page 3

LACERA and the Board of Supervisors' Executive Office continue to collaborate to ensure marketing and communication efforts towards election awareness, and we will continue to keep the trustees update on the progress.

NOTED AND REVIEWED:

A handwritten signature in blue ink that reads "Luis Lugo". The signature is written in a cursive style with a light blue background behind it.

---

Luis Lugo, Deputy Chief Executive Officer

JJ:JJ



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



Dear General Member,

**Election time is approaching.** Elections to fill the seats of the Third Members of the LACERA Board of Investments and Board of Retirement will commence on **Monday, August 5, 2024**. Eligible General Members will be able to cast votes online, by phone, or by paper ballot.

Watch for an email from "LACERA Election Admin" in your work email inbox, which will contain voting instructions for the online and televoting options. The email should appear in your focused inbox, but just in case, check your "Other" inbox if you do not see it by the end of the week. You should also receive a paper ballot during the week of August 5th. If you do not receive your paper ballot in the mail by Friday, August 9, notify your Departmental Election Coordinator to request a duplicate ballot. If you vote by paper ballot, **your ballot must be received by August 30, 2024**. Ballots received in the mail after August 30 will not be counted. No eligible member may vote more than once for each seat in this election. The first vote cast (whether online, telephonically, or by paper ballot) will be the one counted.

For more information about this election, including a list of departmental election coordinators, list of qualified candidates and their statements, and weekly updated voter turnout report, please visit the [LACERA Elections](#) page on the Board of Supervisors Website.



# CEO DASHBOARD



August 7, 2024

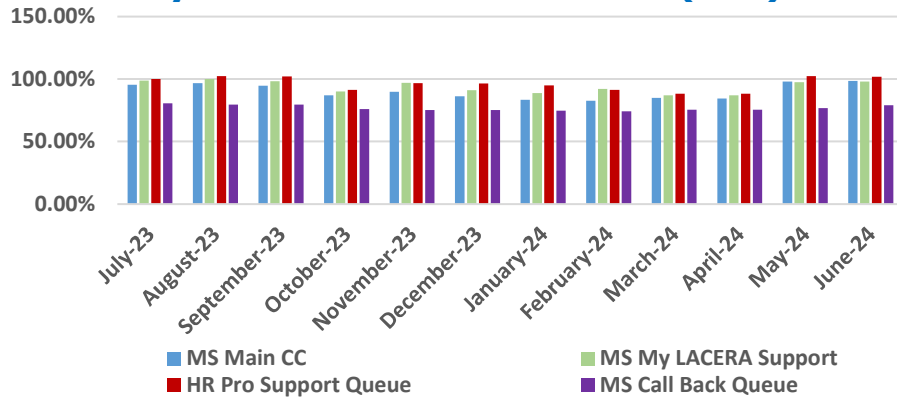


# Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2024

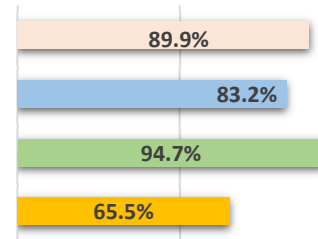
<b>Events / Webinar Attendance</b> Current Mo.: <b>2,149</b> Year-to-Date: 14,192	<b>Events / Webinar</b> Current Mo.: <b>19</b> Year-to-Date: 237	<b>Webinar Satisfaction</b> <b>0%</b>	<b>Member Service Center Satisfaction</b> <b>95.42%</b>	<b>MS Main Queue Total Calls</b> Current Mo. <b>7,829</b> 3 Month Avg. 8,459				
					Resp. Rate	Change	Resp. Rate	Change
					0%	0%	23.9%	0.85%

## Member Service Call Center Queue Key Performance Indicators (KPI)

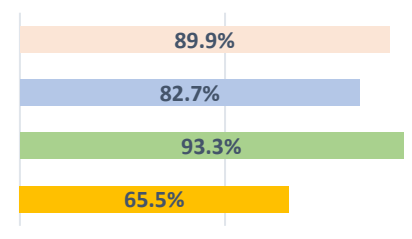


## Key Performance Indicator (Components by Queue)

### MSCC Main Queue



### My LACERA Support Queue



Agent Utilization (Goal: 65%)

After Call Survey (Goal: 90%)

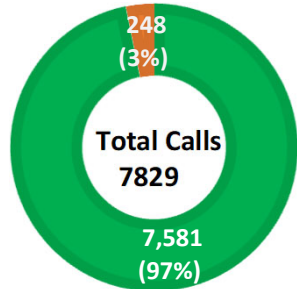
Grade of Service (Goal: 80% in 60 sec)

Call Monitoring (Goal: 95%)

Member Services

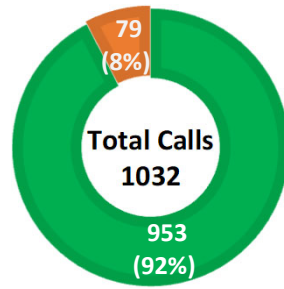
### MSCC MAIN QUEUE

■ Calls Answered ■ Calls Abandoned



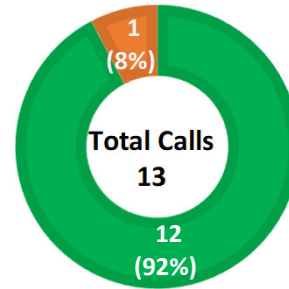
### MY LACERA SUPPORT

■ Calls Answered ■ Calls Abandoned



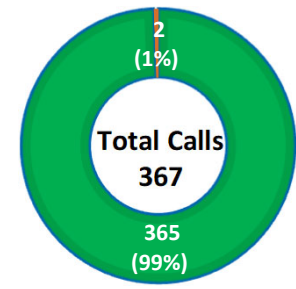
### HR PRO SUPPORT

■ Calls Answered ■ Calls Abandoned



### MS CALL BACK QUEUE

■ Calls Answered ■ Calls Abandoned



Queue KPI:	98.30%	Queue KPI:	98.00%	Queue KPI:	101.75%	Queue KPI:	78.86%
Avg. Speed of Answer	Average Duration	Avg. Speed of Answer	Average Duration	Avg. Speed of Answer	Average Duration	Avg. Speed of Answer	Average Duration
0:01:00	0:17:13	0:00:39	0:10:59	0:00:21	0:11:18	0:04:51	0:11:52



# Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2024

## TOP REASONS MEMBERS CONTACT MEMBER SERVICES

### Member Services Call Center

### Member Service Center (Outreach)

1. Retirement Counseling

1. Retirement Counseling

2. Death

2. Retiree Healthcare

3. My LACERA

3. Death Benefits

## Contact Center Email/Secure Message Performance



Emails (welcome@lacera.com):

278

Service Level: 24 Bus. Hours

On Target



Secure Message (My LACERA)

831

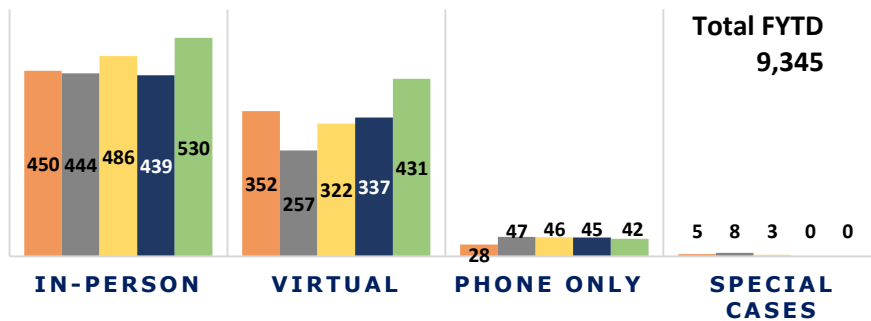
Service Level: 24 Bus. Hours

On Target

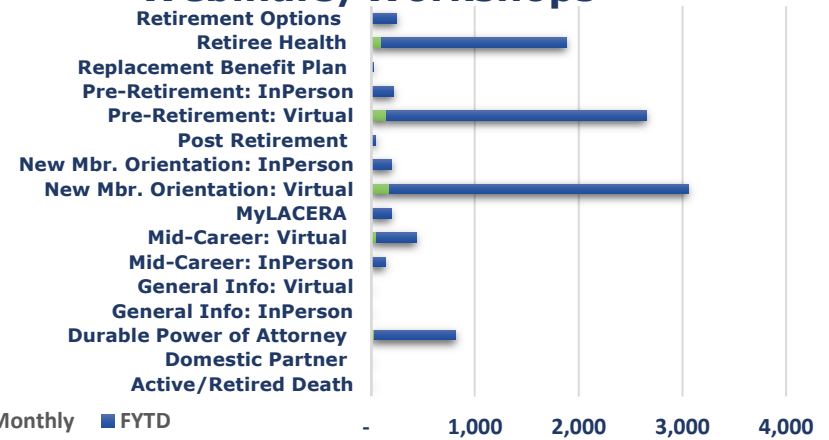
## Member Service Center (Outreach)

### Member Service Center Appointments

February March April May June



### Members Served in Webinars/Workshops



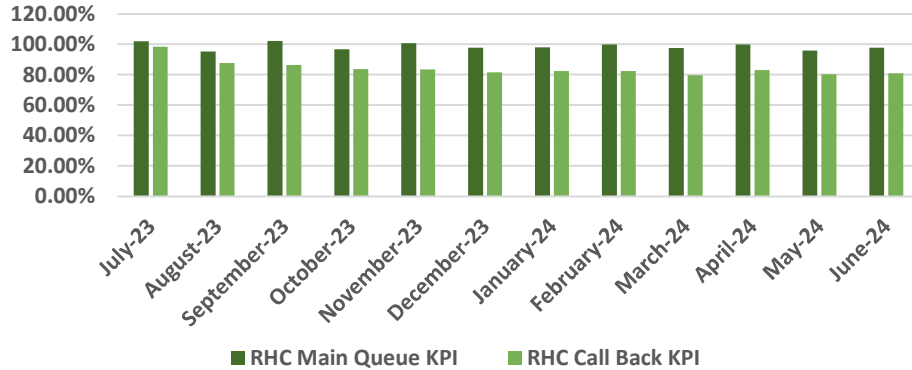
Member Services



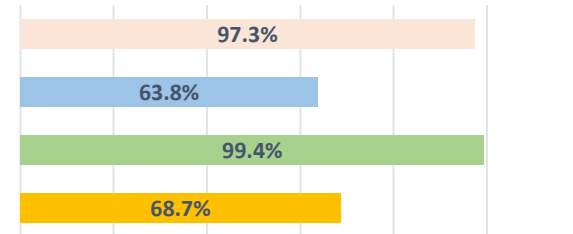
# Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2024

## RHC Call Center Queue Key Performance Indicator (KPI)



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

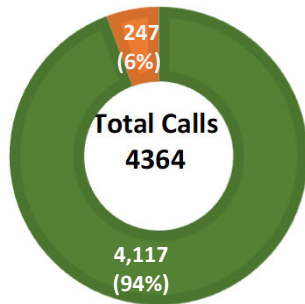


Agent Utilization (Goal:65%)	Grade of Service (Goal: 80% in 60 sec)
After Call Survey (Goal: 90%)	Call Monitoring (Goal: 95%)

Retiree Healthcare

### RHC MAIN QUEUE

■ Calls Answered ■ Calls Abandoned

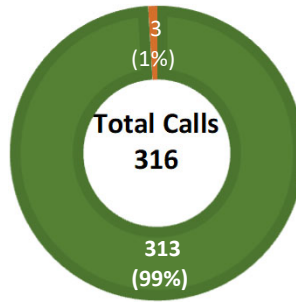


Queue KPI: 97.70%

Avg. Speed of Answer	Average Duration
0:03:12	0:12:39

### RHC CALL BACK QUEUE

■ Calls Answered ■ Calls Abandoned



Queue KPI: 80.80%

Avg. Speed of Answer	Average Duration
0:16:14	0:09:23

### TOP RHC CALL TOPICS

1. Medical/Dental Enrollments
2. Insurance Benefits
3. General Inquiries

### RHC Email/Secure Message Performance



Emails (healthcare@lacera.com): 375

Service Level: 24 Bus. Hours

On Target



Secure Message (My LACERA) 440

Service Level: 24 Bus. Hours

On Target



# Striving for Excellence

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2024

Disability

## Applications

945

Pending: Applications  
in Process

53  
Received: New Applications

826  
Received Year-to-Date

59  
To Board - Initial (Presented to BOR)

496  
To Board - Initial Year-to-Date\*

11  
Closed (Incomplete/Withdrawn)

199  
Closed Year-to-Date\*

\*Excludes cases prior to 9/12/23 due to transition to Sol case management system.

## Appeals

77

Pending: Appeals in  
Process

3  
Received: New Appeals

16  
Received Year-to-Date

0  
Admin Closed

12  
Admin Closed Year-to-Date

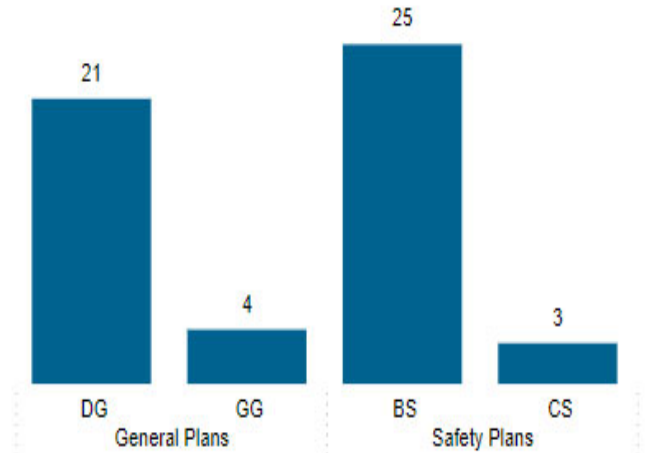
1  
Referee Recommendations

407  
Referee Recommendations Year-to-Date

0  
DLO Recommendations

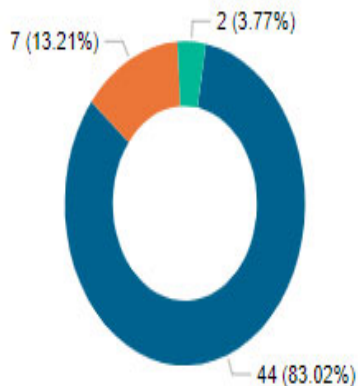
0  
DLO Recommendations Year-to-Date

## Applications Filed by Plan

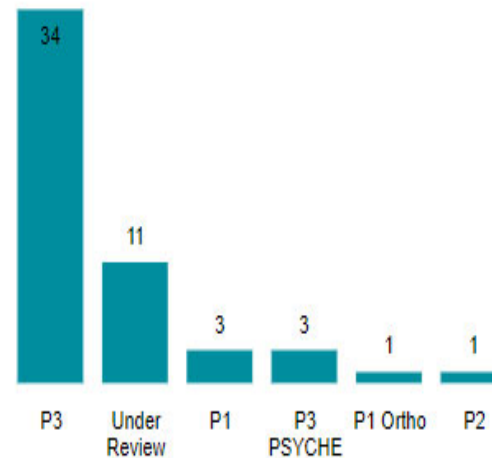


## Applications Filed by Source

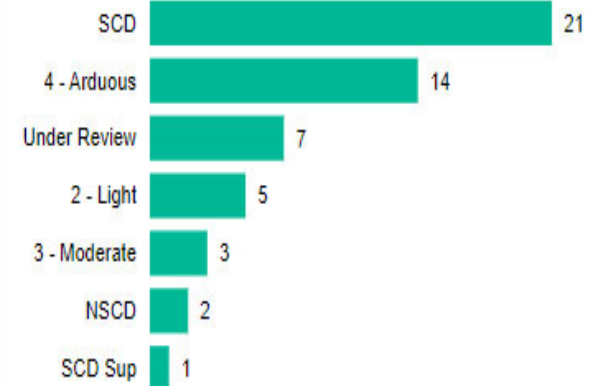
● Employee ● Employer ● Survivor



## Applications Filed by Priority Level



## Applications Filed by Type



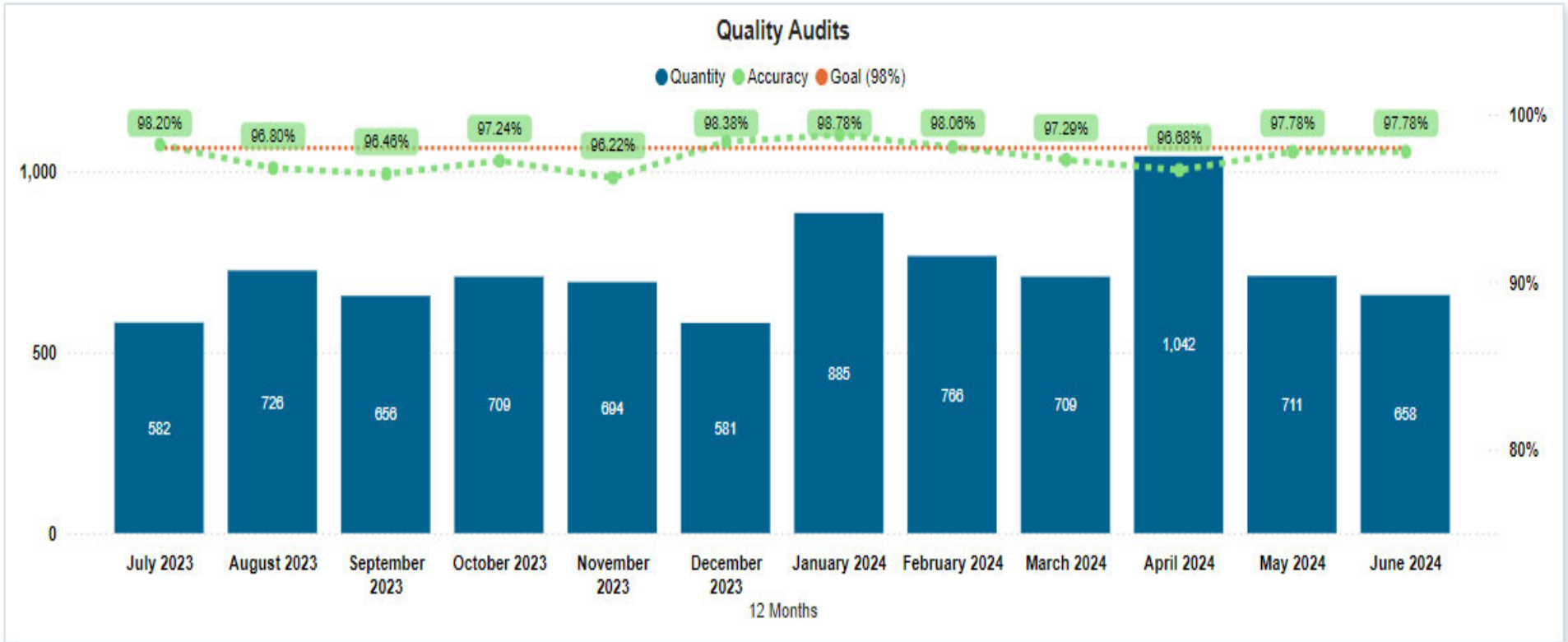




# Striving for Excellence in Quality

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2024

Quality Assurance



### Monthly Recap

June 2024

	Samples	Accuracy
Data Entry	120	98.75%
Payment Contract	370	97.84%
Retirement Election	168	96.96%
<b>Total</b>	<b>658</b>	<b>97.78%</b>

Prior audit values may update due to updated data.

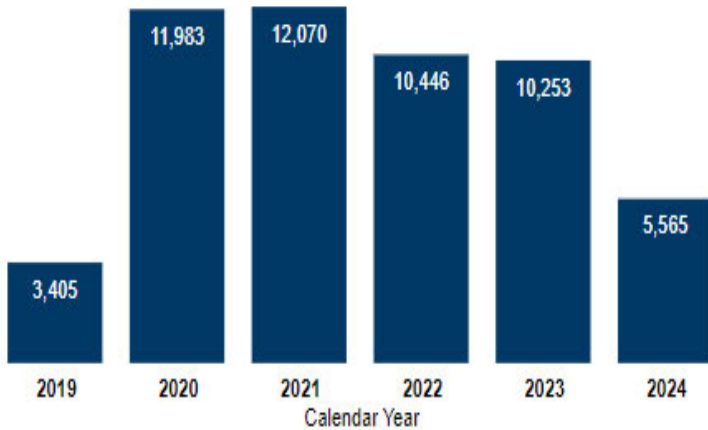


# Service On-Line for All

Service Metrics Reported on a Fiscal Year Basis (July 1) Through: June 2024

Serving Members Through LACERA.com and MyLACERA

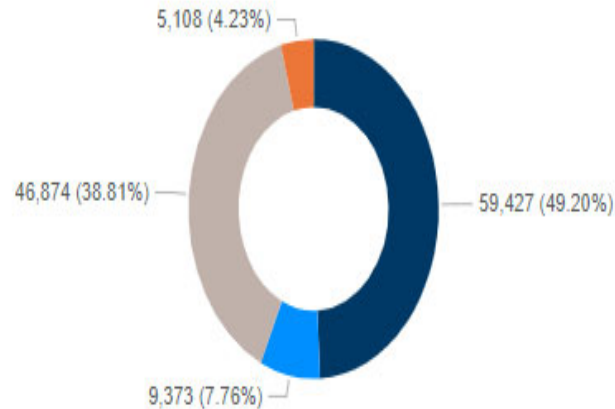
## Annual New MyLACERA Accounts\*



Data labels may not appear for all values

## Total Accounts by Member Type\*

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



Total Member Accounts  
**115,674**

% of Total Members  
**60%**

Excludes Non-Members

\*Data as of July 15, 2024

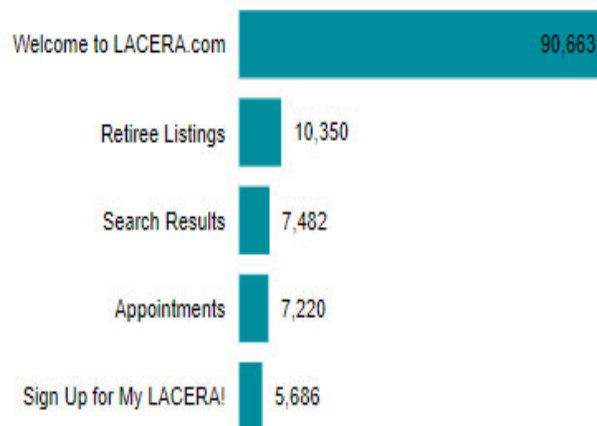
Non-Members include legal split payees and withdrawn members.

## LACERA.com User Traffic

First Time Visitors Average Per Day



## Top Five LACERA.com Page Views



## Busiest Day

06/17/2024

Home Page Tile	Views	% of Change
Investments	2,057	-3.43%
Sign Up for My LACERA!	5,686	-3.73%
Careers	2,278	-4.25%
Board Meetings and Agendas	2,341	-6.62%
Forms & Publications	194	-18.83%
Workshops	1,404	-34.18%



# Member Snapshot

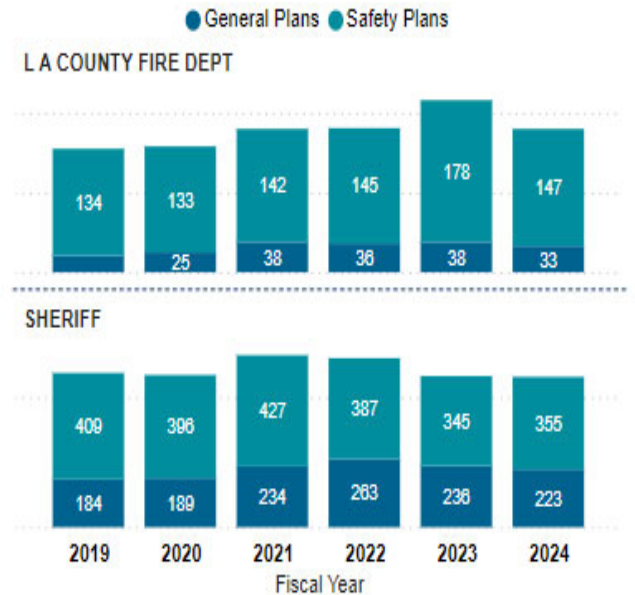
Metrics reported based on July 15, 2024

## Membership Count

	Active		Inactive		Retired			Survivors	Total
	Active Vested	Active Non-Vested	Inactive Vested	Inactive Non-Vested	Service Retirement	SCD-Disability Retirement	NSCD-Disability Retirement		
General Plans	65,460	20,506	7,874	11,894	48,434	3,093	609	8,006	165,876
AG	38		9	31	11,171	875	146	3,964	16,234
BG	10		5	3	557	36	7	73	691
CG	13		5	7	351	37	6	65	484
DG	31,939	100	3,788	3,759	20,219	2,096	442	2,124	64,467
EG	12,073	7	2,404	355	15,805			1,743	32,387
GG	21,387	20,399	1,663	7,739	331	49	8	38	51,614
Safety Plans	9,944	2,435	539	956	5,185	7,247	80	2,109	28,495
AS			1	3	1,758	2,296	25	1,655	5,738
BS	6,948	64	404	359	3,412	4,927	55	450	16,619
CS	2,996	2,371	134	594	15	24		4	6,138
<b>Total</b>	<b>75,404</b>	<b>22,941</b>	<b>8,413</b>	<b>12,850</b>	<b>53,619</b>	<b>10,340</b>	<b>689</b>	<b>10,115</b>	<b>194,371</b>

Membership Count vesting status excludes reciprocal service credit.

## Fire and Sheriff Retirements



## Total Retirements by Type



## Monthly Benefit Allowance Distribution

Members and Survivors

Gross Benefit Range	General Plans	Safety Plans	Total
\$0 to \$3,999	35,990	1,584	37,574
\$4,000 to \$7,999	16,775	4,439	21,214
\$8,000 to \$11,999	5,014	4,717	9,731
\$12,000 to \$15,999	1,434	2,874	4,308
\$16,000 to \$19,999	500	698	1,198
\$20,000 to \$23,999	153	184	337
\$24,000 to \$27,999	46	72	118
> \$28,000	34	13	47
<b>Total</b>	<b>59,946</b>	<b>14,581</b>	<b>74,527</b>

## Member Average Monthly Benefit

\$5,372.72

## Survivor Average Monthly Benefit

\$3,702.53

Data labels may not appear for all values

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



# Member Snapshot

## Retirements



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

Retirements Metrics reported based on July 15, 2024

### Monthly Retirements

Retirement Type	July 2024
Elected	120
Service Retirement	21
Service-Connected Disability	1
<b>Total</b>	<b>142</b>

### Retired Members Payroll

(As of 6/30/2024)

Monthly Payroll	\$391.5m
Payroll YTD	\$4.5b
New Retired Payees Added	305
Seamless %	97.38%
New Seamless Payees Added	4,561
Seamless YTD	97.61%
By Check %	2.00%
By Direct Deposit %	98.00%

### Healthcare Program

(Mo. Ending: 6/30/2024)

	Employer	Member
Medical	\$641.2	\$45.0
Dental	\$49.8	\$4.6
Part B	\$95.9	\$0.0
<b>Total</b>	<b>\$786.9</b>	<b>\$49.6</b>

### Health Care Enrollments

(Mo. Ending: 6/30/2024)

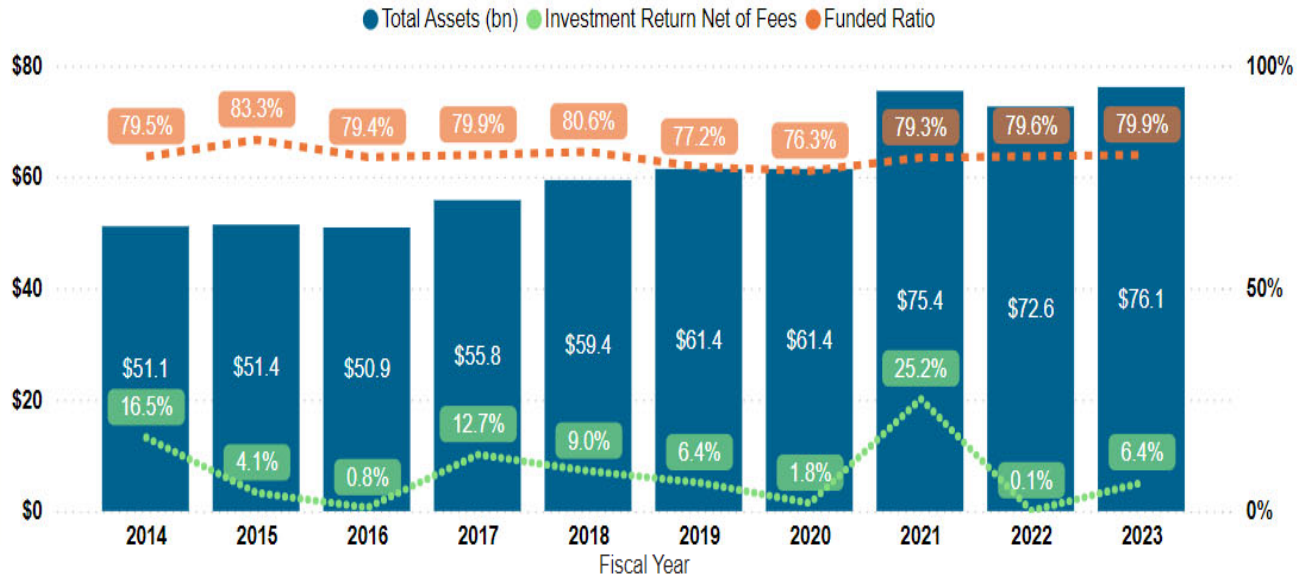
Medical	56,312
Dental	58,464
Part B	38,837
LTC	461
<b>Total</b>	<b>154,074</b>



# Key Financial Metrics

(as of June 30, 2023)

## Fiscal Year End Financial Update



### Funding Metrics

11.01% Employer NC  
 14.87% UAAL  
 7.00% Assumed Rate  
 \$612m Star Reserve  
 \$73.9bn Total Net Assets

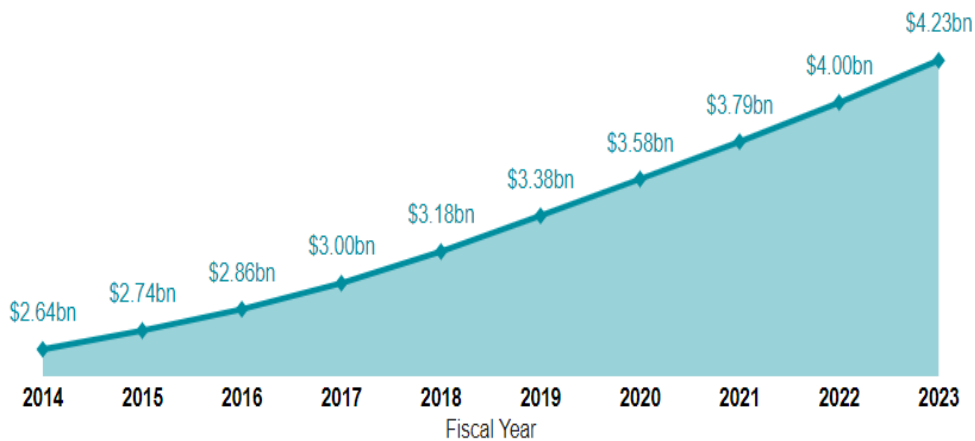
### Contributions

\$2.3bn Employer Annual Contribution  
 25.88% Employer % of Payroll  
 \$793.2m Member Annual Contribution  
 8.37% Member % of Payroll

### Investment Returns

6.4% *net of fees* 1-Year Return  
 10.1% 3-Year Return  
 8.1% 10-Year Return

## Retiree Payroll by Year



## LACERA Pension Dollar





**QUIET PERIOD LIST FOR TRUSTEES AND STAFF**

Last Update  
07/30/2024

**ADMINISTRATIVE/OPERATIONS**

Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents*
<b>RFP: Member Experience Communications Platform (MECP)</b>	Systems	11/6/2023	Bid Review	<ul style="list-style-type: none"> <li>• 8x8, Inc</li> <li>• Five9/NWN</li> <li>• RingCentral</li> <li>• Genesys/TTEC</li> <li>• Five9/Waterfield</li> <li>• Genesys/Converge One</li> <li>• TalkDesk</li> <li>• Anywhere365</li> </ul>
<b>RFP: Taxonomy &amp; Knowledge Management Consultant</b>	Executive Office	06/14/2024	Soliciting Process	<ul style="list-style-type: none"> <li>• Enterprise Knowledge, LLC.</li> <li>• Taxonomy Strategies</li> <li>• Franz Inc</li> <li>• Teknita LLC</li> <li>• USU Solutions, Inc</li> <li>• RICEFW Technologies Inc</li> <li>• Accenture</li> </ul>

\*Subject to change

**INVESTMENTS**

Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents *
<b>RFP: Actuarial Consulting and Actuarial Auditing Services</b>	Investments / Internal Audit	11/15/2023	Contract Development	<ul style="list-style-type: none"> <li>• Cavanaugh Macdonald Consulting</li> <li>• Milliman</li> </ul>
<b>RFP: Hedge Funds, Credit, and Real Assets Consultant Search</b>	Investments	12/29/2023	Contract Development	<ul style="list-style-type: none"> <li>• Albourne</li> <li>• Meketa</li> <li>• Mercer</li> <li>• Wilshire</li> </ul>
<b>RFP: Risk and Analytics System, and ESG Research Services Search</b>	Investments	3/29/2023	Bid Review	<ul style="list-style-type: none"> <li>• BlackRock Financial Management Inc</li> <li>• Barra, LLC</li> <li>• Bloomberg Finance L.P.</li> </ul>



Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents *
				<ul style="list-style-type: none"> <li>• Clearwater Analytics</li> <li>• eVestment Alliance, LLC</li> <li>• FactSet Research Systems Inc.</li> <li>• ISS STOXX GmbH</li> <li>• MSCI ESG Research LLC</li> <li>• Northfield Information Systems, Inc.</li> <li>• Solovis, Inc.</li> </ul>
<b>Real Assets Emerging Manager Program Discretionary Separate Account Manager</b>	Investments	3/29/2023	Bid Review	<ul style="list-style-type: none"> <li>• ORG Portfolio Management</li> <li>• Barings</li> <li>• Belay Investment Group</li> <li>• Hamilton Lane</li> <li>• Cambridge Associates</li> <li>• Seed Partners</li> <li>• Stable Asset Management</li> <li>• Wafra Inc.</li> <li>• Artemis Real Estate Partners</li> <li>• Aether Investment Partners</li> <li>• Neuberger Berman Group</li> <li>• The Townsend Group</li> <li>• BGO Strategic Capital Partners</li> <li>• BlackRock</li> <li>• StepStone</li> <li>• GCM Grosvenor</li> </ul>

\*Subject to change

Date	Conference
<b>August, 2024</b>	
18-20	NCPERS (National Conference on Public Employee Retirement Systems) Public Pension Funding Forum Boston, MA
26-29	CALAPRS (California Association of Public Retirement Systems) Principles of Pension Governance for Trustees Tiburon, CA
<b>September, 2024</b>	
9-11	Council of Institutional Investors (CII) Fall Conference Brooklyn, NY
24-26	NCPERS (National Conference on Public Employee Retirement Systems) Public Pension HR Summit Denver, CO
<b>October, 2024</b>	
6-9	National Association of Corporate Directors (NACD) Directors Summit 2024 Gaylord National Harbor, Washington D.C.
11	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees San Jose, CA
14-18	Investment Strategies & Portfolio Management Wharton School, University of Pennsylvania
23-25	PREA (Pension Real Estate Association) Annual Institutional Investor Conference Washington D.C.
23-25	Pacific Pension Institute (PPI) Asia Pacific Roundtable Hong Kong
26-27	NCPERS (National Conference on Public Employee Retirement Systems) Program for Advanced Trustee Studies (PATS) Palm Springs, CA
26-27	NCPERS (National Conference on Public Employee Retirement Systems) Accredited Fiduciary (NAF) Program Palm Springs, CA
27-30	NCPERS (National Conference on Public Employee Retirement Systems) Public Safety Conference Palm Springs, CA
<b>November, 2024</b>	
3-6	CRCEA (California Retired County Employees Association) Fall Conference Walnut Creek, CA





Date	Conference
<b>November, 2024</b>	
10-13	IFEBP (International Foundation of Employment Benefit Plans) Annual Employee Benefits Conference San Diego, CA
12-14	Institutional Limited Partners Association (ILPA) General Partner Summit New York, NY
12-15	SACRS Fall Conference Monterey, CA
<b>December, 2024</b>	
6	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Virtual
<b>January, 2025</b>	
26-27	NCPERS (National Conference on Public Employee Retirement Systems) Pension Communications Summit Washington D.C.
27-29	NCPERS (National Conference on Public Employee Retirement Systems) Legislative Conference Washington D.C.
28-29	IFEBP (International Foundation of Employment Benefit Plans) Health Benefits Conference & Expo St. Pete Beach, FL
<b>March, 2025</b>	
1-4	CALAPRS (California Association of Public Retirement Systems) General Assembly 2025 Napa, CA
10-12	Council of Institutional Investors (CII) Spring Conference and 40 <sup>th</sup> Anniversary Celebration Washington D.C.
6-9	Pacific Pension Institute (PPI) Winter Roundtable Seattle, WA
24-27	AHIP (America’s Health Insurance Plans) Medicare, Medicaid, Duals and Commercial Markets Forum Baltimore, MD



July 26, 2024

TO: Trustees – Board of Investments

FROM: Vache Mahseredjian, CFA, CAIA, FRM, ASA  Chad Timko, CFA, CAIA   
Principal Investment Officer Senior Investment Officer

Krista Powell  Quoc Nguyen, CFA   
Investment Officer Investment Officer

Jason Choi, CFA  Josiah Bezet, CFA   
Senior Investment Analyst Senior Investment Analyst

FOR: August 14, 2024 Board of Investments Meeting

SUBJECT: **Credit Functional Category Investment Guideline Review**

### RECOMMENDATION

Approve updated investment guidelines for the Credit functional category, as outlined on page 15 of the attached presentation (**Attachment 1**).

### SUMMARY

Guidelines set forth principles and program parameters that govern the implementation of LACERA's investment portfolios. Investment guidelines for a functional asset category must be consistent with LACERA's Investment Policy Statement (IPS) and must reflect the most recent BOI-approved Strategic Asset Allocation (SAA), Policy Benchmark, and Structure Review.

The Credit investment guidelines were most recently approved in September of 2023, as part of the Credit Structure Review. Since then, the BOI has modified LACERA's Strategic Asset Allocation (April 2024) and Benchmarks (May 2024). Accordingly, the attached investment guidelines reflect recommended changes intended to maintain consistency with governing documents.

The most noteworthy changes are the following:

- A unified set of Credit guidelines, reflecting the consolidation of previous categories for Liquid and Illiquid Credit and the removal of emerging market debt from the Credit benchmark.
- Adjustment of the emerging manager program to span all of Credit rather than just a previous sub-category for Illiquid Credit.

Aside from these two, no major changes are proposed; the remaining guidelines are essentially a consolidation of those approved by the BOI last September.

Two other developments are worth highlighting:

- In September of 2023, the BOI granted the CIO discretionary authority for manager selection in the Credit functional category. In November, the Board expanded the CIO's delegated authority to encompass all investments that comply with investment guidelines.
- In June of this year, the BOI selected Albourne to provide consulting services for credit, hedge funds, and real assets. Whereas Albourne's previous mandate included only a previous sub-category for Illiquid Credit, their new mandate covers the entire Credit asset category.

**Attachment 2** is Albourne's concurrence memo for adopting the proposed Credit guidelines.

Attachments

Noted and Reviewed:



---

Jonathan Grabel  
Chief Investment Officer



ATTACHMENT 1

**Credit**

**Investment Guidelines Review**

---

Board of Investments Meeting

August 14, 2024

# Table of Contents



<b>TITLE</b>	<b>SLIDE</b>
<b>Credit Introduction</b>	
Recommendation and Overview	<b>3</b>
Portfolio Structure Timeline	<b>4</b>
Delegated Authority Framework	<b>5</b>
Portfolio Role	<b>6</b>
Implementation Principles	<b>7</b>
Portfolio Composition	<b>8</b>
<b>Credit: Complete Investment Guidelines</b>	
Existing Liquid / Illiquid Credit Investment Guidelines	<b>10</b>
Proposed Credit Investment Guidelines	<b>11</b>
Existing Illiquid Credit Emerging Manager Program Guidelines	<b>12</b>
Proposed Credit Emerging Manager Program Guidelines	<b>13</b>
Existing Illiquid Credit Direct Investment Guidelines	<b>14</b>
Proposed Credit Direct Investment Guidelines	<b>15</b>
<b>Recommendation</b>	<b>16</b>
<b>Glossary of Terms</b>	<b>17</b>

# Recommendation and Overview



## Recommendation

---

Approve the proposed Credit asset category guidelines

## Overview

---

- In November 2023, the Board approved the delegated authority framework\*, and investment guidelines across the total Fund are being updated to improve consistency and clarity across each functional asset category.
- In April 2024, the Board approved the Strategic Asset Allocation, which resulted in consolidating the previous sub-categories, liquid credit and illiquid credit, into a single asset category, "Credit".
- The investment guidelines for Credit were last approved by the Board of Investments in September of 2023 as part of the biennial Structure Review process in the previous bifurcated structure of liquid and illiquid credit. The proposed investment guidelines reflect alignment to the recently approved Strategic Asset Allocation, rolling up the guideline components to the Credit functional asset category.

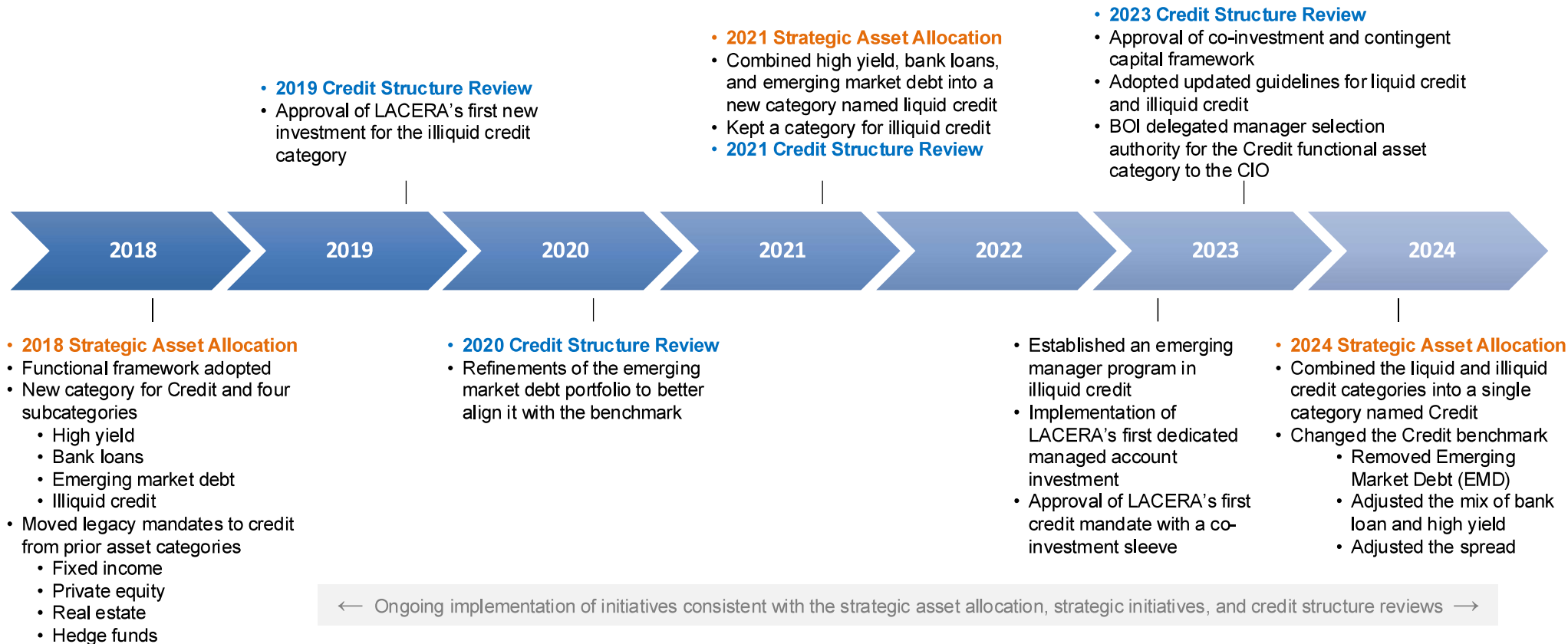
\* The Board of Investments previously delegated manager selection authority to the CIO for the Credit functional asset category in September 2023.

Note: In June 2024, the Board approved Albourne as the consultant to provide LACERA with consultant services for the Credit functional asset category.

# Credit: Summary Timeline



- Below is a summary timeline of the Credit functional category at LACERA



# Delegated Authority Framework



## 1. Investment Policy Statement

- BOI approves IPS, including investment beliefs
- IPS defines the framework by which the BOI manages the assets of LACERA

## 2. Strategic Asset Allocation

- BOI approves SAA every three to five years or as needed
- Includes investment allocations and benchmark targets with defined asset categories

## 3. Asset Class Structure Reviews

- BOI approves investment guidelines for each functional asset category every two years or as needed
- Includes investment allocations, benchmark targets and investment guidelines for each asset category



## 4. Staff-Led Sourcing and Due Diligence

- Staff conducts due diligence and analysis on manager selection, rebalancing and terminations consistent with Board-approved Structure Review guidelines
- External consultants conduct independent due diligence

## 5. Internal Committee Approval and Consultant Concurrence

- Internal committee processes must adhere to well-defined and documented governance procedures
- Affirmative approval of internal committee is required for manager selection and termination of existing managers
- Concurrence from external consultant must be obtained for manager selection and termination

## 6. CIO Approval

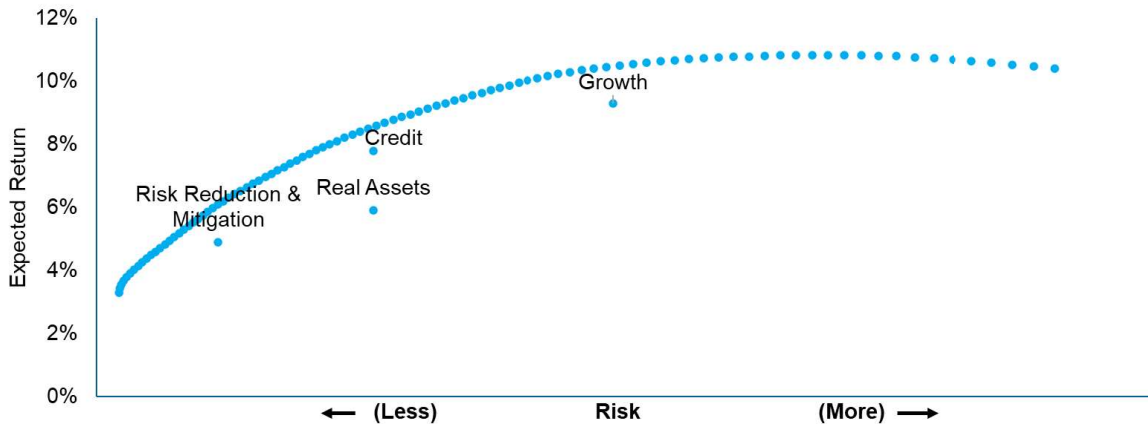
- CIO may only approve investment-related actions that comply with the policies, SAA, and guidelines approved by BOI
- Prior internal committee approval is required before CIO can approve new investments and terminations

## 7. Continuous Board Oversight and Monitoring

- CIO-authorized investments promptly reported to BOI
- CIO-sourced investment opportunities require BOI review and approval
- Quarterly compliance monitor with delegation reports to BOI
- Quarterly and annual performance reporting and manager scorecards
- BOI oversight of programmatic topics such as fee reporting & T.I.D.E. updates
- Annual CIO performance review



# Credit – Portfolio Role and Objectives



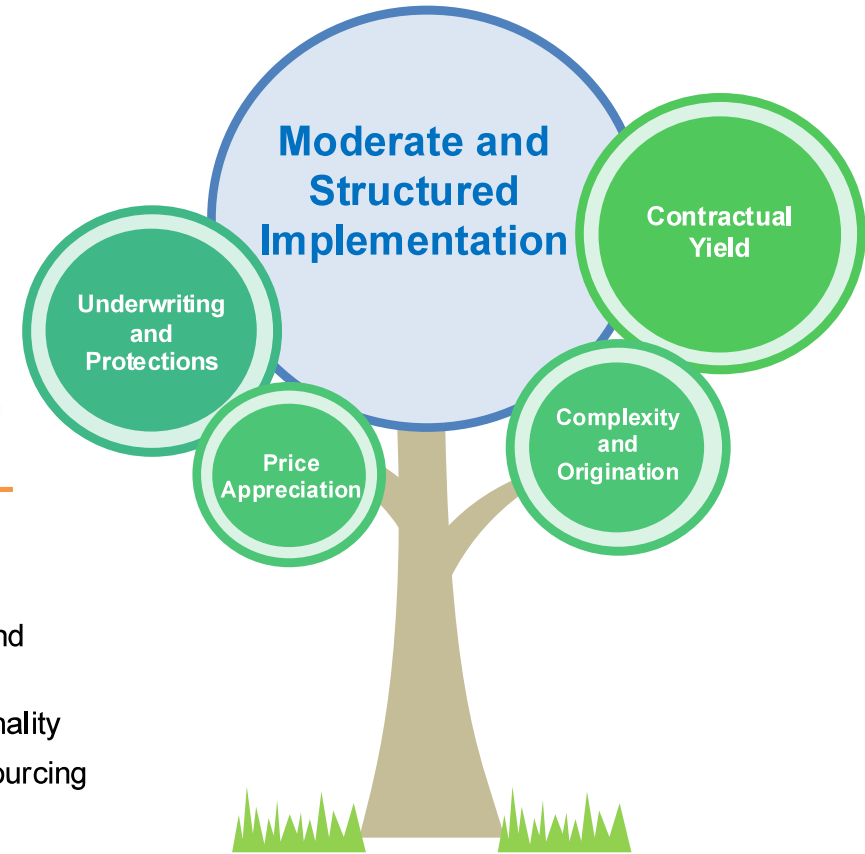
## Credit Role:

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

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

## Credit Objectives:

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



LACERA's Credit Role and Objectives

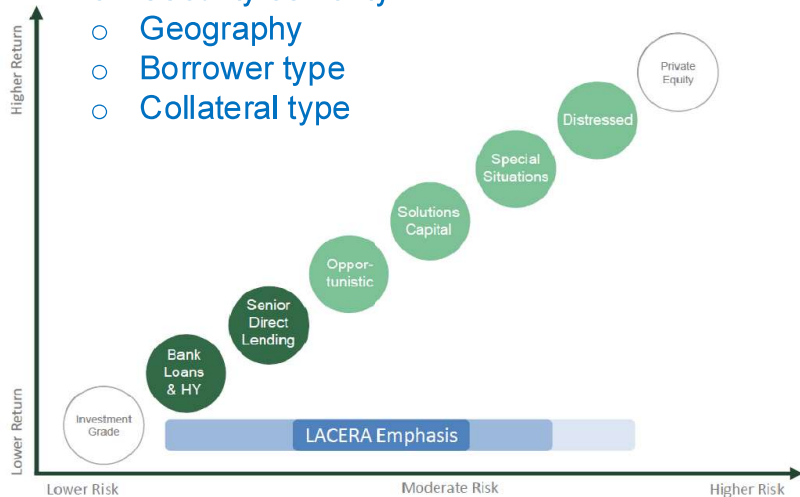
# Credit – Implementation Principles



## Moderate and Broad Implementation

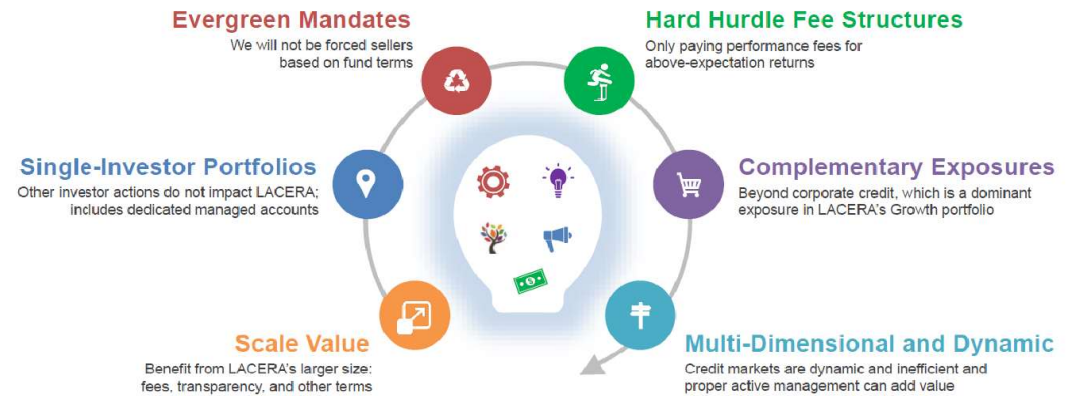
LACERA's Credit portfolio implementation should:

- Exhibit **moderate risk** and **moderate return**
- **Emphasize yield-generating strategies**
- Have considerable **breadth** across types of credit assets and strategies
- **Opportunistically invest** across risk spectrums
  - Security seniority
  - Geography
  - Borrower type
  - Collateral type



HY is an abbreviation for High Yield bonds. Return and risk levels are imprecise and shown for illustration purposes. Categories of credit shown are examples and may not be comprehensive or adhere to other listings of credit categories.

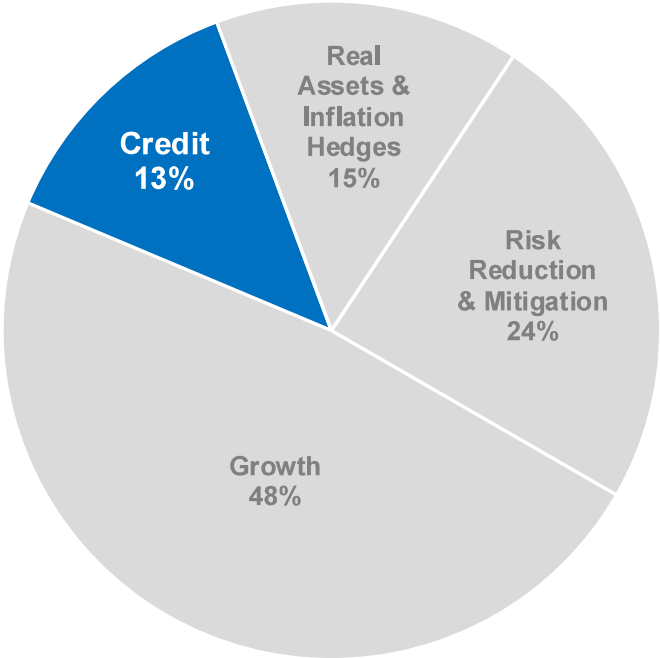
## Implementation Attributes



To execute a moderate and broad implementation, LACERA's Credit portfolio construction focuses on:

- Identifying **complimentary** exposures
- Sourcing **multi-dimensional** and **dynamic** strategies
- Structuring **evergreen** mandates

# Credit – Portfolio Composition



Note: Weights based on fully implemented Policy Targets as approved in the Strategic Asset Allocation, effective January 1, 2025.

Asset Class	Allocation	Policy Target ('1/2 step) 7/1/2024	Policy Target (full step) 1/1/2025	Over/Under	Target Range +/-	Target Range %	Benchmark
Credit	10.7%	12%	13%	-2.3%	+/-4%	9-17%	Custom Blend*

Note: Allocation weights are as of June 30, 2024.  
 \* Effective July 1, 2024, the Custom Blend Benchmark is 70% Credit Suisse Leveraged Loans; 30% Bloomberg US Corporate High Yield + 100bps (1-month lagged)



# Complete Investment Guidelines

---

# Credit – Liquid Credit, Illiquid Credit Existing Investment Guidelines



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

## Functional Asset Class: Credit (Target Allocation 11% +/- 3% of Total Fund); Asset Class: Liquid Credit (Target Allocation 4% +/- 3% of Total Fund), Illiquid Credit (Target Allocation 7% +/- 3% of TF) – Existing Guidelines

Credit Category	Liquid Credit			Illiquid Credit
Benchmark	40% Bloomberg U.S. Corporate High Yield; 40% Credit Suisse Leveraged Loans; 10% JP Morgan EMBI GD; 5% JP Morgan GBI-EM GD; 5% JP Morgan CEMBI BD			Custom Liquid Credit Benchmark + 150 bps (1-Month lagged)
Performance Objective/Target Return	Meet or exceed the return of the aggregate Board-approved benchmark			Greater than liquid credit markets; more than compensating for incremental risk
Sub-Asset Class (Allocation)	Liquid Credit (4% Target +/- 3%)			Illiquid Credit (7% Target +/- 3%)
Target Allocation Range	High Yield 40% Target +/- 10%	Bank Loans 40% Target +/- 10%	Emerging Market Debt 20% Target +/- 10%	N/A
Sectors	Benchmark weight +/- 10%			N/A
Geography	Maximum of 40% non-US exposure			Minimum of 50% invested in the US market; Maximum of 15% invested in non-developed markets
Currency	Maximum of 7.5% non-U.S. dollar exposure			Minimum of 90% invested in assets that are denominated in or hedged to the U.S. dollar
Risk Target	Target tracking error of 2% over 5 years			N/A
Manager Diversification	N/A			~ 10 direct portfolio and ~ 10 emerging manager portfolio
Credit Quality	Benchmark weight +/- 10%			N/A
Contingent Capital	N/A			See Direct Investments slide for co-investments details
Emerging Manager Program	N/A			See Emerging Manager Program slide for emerging manager program details
Co-Investments	N/A			See Direct Investments slide for co-investments details


# Credit – Proposed Investment Guidelines



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

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

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

 = Represents proposed changes related to existing guidelines

# Credit – Illiquid Credit Existing Emerging Manager Program (EMP) Guidelines



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

## Functional Asset Class: Illiquid Credit (Target Allocation 7% +/- 3% of Total Fund) – Existing Guidelines

<b>Benchmark</b>	Custom Liquid Credit Benchmark + 150 bps (1-Month lagged)
<b>Performance Objective/Target Return</b>	Meet or exceed the Benchmark
<b>Sub-Asset Class (Allocation)</b>	Illiquid Credit (7% Target +/- 3%)
<b>Target Allocation Range</b>	15% target allocation with a 10-20% range (of the illiquid credit portfolio)
<b>Geography</b>	Same as broader asset class investment guidelines
<b>Manager Diversification</b>	Same as broader asset class investment guidelines
<b>Program Framework</b>	Evergreen separate account emerging manager program
<b>Emerging Manager Definition</b>	<p>An emerging illiquid credit manager meets the three following criteria at initial investment</p> <ul style="list-style-type: none"> <li>• Organization/team has less than \$1 billion of assets under management;</li> <li>• Organization/team has managed external capital in an institutional vehicle for less than 5 years; and</li> <li>• Organization/team is at least 66% owned by managing principals and employees</li> </ul>
<b>Graduation Description</b>	Graduation entails re-categorizing an investment from LACERA's emerging manager program to LACERA's primary portfolio that may adjust the size of the investment
<b>Graduation Target Timeframe</b>	3 – 12 years after an initial investment or within 2 years of a subject closed-end fund coming to the end of its life noting that this guideline is a target and a goal
<b>Graduation Authority</b>	Graduation would require approval like any new non-EMP investment as articulated in the IPS
<b>Redemption Description</b>	Redemption entails redeeming from an open-ended investment in lieu of holding it or a graduation event; closed end fund vehicles may have a natural wind-down process that is not initiated by a fund investor
<b>Redemption Guideline</b>	Absent graduation intentions for an open-ended investment, a redemption event should commence no later than 12 years after an initial investment noting that nuanced circumstances may delay the redemption


\* Board-approved Asset Class Structure Review investment guidelines, in their entirety, apply to the asset class's EMP. In the event of conflict or inconsistency, asset class EMP-specific parameters supersede broader asset class investment guidelines.

# Credit – Proposed Emerging Manager Program (EMP) Guidelines



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

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

 = Represents proposed changes related to existing guidelines

\*Board-approved Asset Class Structure Review investment guidelines, in their entirety, apply to the asset class's EMP. In the event of conflict or inconsistency, asset class EMP-specific parameters supersede broader asset class investment guidelines.



# Credit – Illiquid Credit Existing Direct Investments Guidelines



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

## Functional Asset Class: Illiquid Credit (Target Allocation 7% +/- 3% of Total Fund) – Existing Guidelines

Alternative Investment Vehicle	Co-Investments	Contingent Capital
<b>Benchmark</b>	Custom Liquid Credit Benchmark + 150 bps (1-Month lagged)	
<b>Performance Objective/Target Return</b>	Meet or exceed the Benchmark	
<b>Sub-Asset Class (Allocation)</b>	Illiquid Credit (7% Target +/- 3%)	
<b>Geography</b>	Same as broader asset class investment guidelines	
<b>Single Investment Concentration</b>	Not to exceed 20% of investment manager's mandate; not to exceed 3% of total Credit portfolio (at time of investment)	N/A
<b>Program Definition</b>	Co-investments is capital that is used to upsize existing credit investments with a manager in good standing	Contingent capital is capital that may be available to fund compelling opportunities for temporary, outsized, risk-adjusted returns such as: <ul style="list-style-type: none"> <li>• Broad market dislocation</li> <li>• Rushed portfolio transaction from a non-economic seller</li> <li>• Opportunity related to a right of first refusal</li> </ul>
<b>Program Framework</b>	Co-investments & contingent capital can be considered if they meet the following criteria at the time of the investment: <ul style="list-style-type: none"> <li>• Credit manager is in good standing</li> <li>• Compliance with Board-approved guidelines</li> <li>• Alignment with LACERA's strategic initiatives</li> <li>• LACERA retains a consent right via a team committee and CIO</li> <li>• The opportunity provides fee savings or fee netting with the broader mandate</li> </ul>	

\*Board-approved Asset Class Structure Review investment guidelines, in their entirety, apply to the asset class's EMP. In the event of conflict or inconsistency, asset class EMP-specific parameters supersede broader asset class investment guidelines.


# Credit – Proposed Direct Investments Guidelines



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

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

Direct Investments	Co-Investments	Contingent Capital
<b>Benchmark</b>	70% Credit Suisse Leveraged Loans; 30% Bloomberg U.S. Corporate High Yield + 100 bps (1-month lagged)	
<b>Performance Objective/Target Return</b>	Meet or exceed the return of the aggregate Board-approved benchmark	
<b>Sub-Asset Class (Allocation)</b>	Credit (13% Target +/- 4%)	
<b>Geography</b>	Same as broader asset class investment guidelines	
<b>Single Investment Concentration</b>	Not to exceed 20% of investment manager's mandate; not to exceed 3% of total Credit portfolio (at time of investment)	N/A
<b>Program Definition</b>	Co-investments is capital that is used to upsize existing credit investments with a manager in good standing	Contingent capital is capital that may be available to fund compelling opportunities for temporary, outsized, risk-adjusted returns such as: <ul style="list-style-type: none"> <li>• Broad market dislocation</li> <li>• Rushed portfolio transaction from a non-economic seller</li> <li>• Opportunity related to a right of first refusal</li> </ul>
<b>Program Framework</b>	Co-investments & contingent capital can be considered if they meet the following criteria at the time of the investment: <ul style="list-style-type: none"> <li>• Credit manager is in good standing</li> <li>• Compliance with Board-approved guidelines</li> <li>• Alignment with LACERA's strategic initiatives</li> <li>• LACERA retains a consent right via a team committee and CIO</li> <li>• The opportunity provides fee savings or fee netting with the broader mandate</li> </ul>	

 = Represents proposed changes related to existing guidelines

\*Board-approved Asset Class Structure Review investment guidelines, in their entirety, apply to the asset class's EMP. In the event of conflict or inconsistency, asset class EMP-specific parameters supersede broader asset class investment guidelines.

# Recommendation



## Recommendation

---

Approve the proposed Credit asset category guidelines

## Context (If Approved)

---

The changes proposed to the Credit asset category guidelines reflect alignment to the Strategic Asset Allocation approved in April 2024, including:

- Consolidating the liquid and illiquid credit asset category guidelines into one single asset category guidelines for "Credit"
- Updating the Emerging Manager Program target allocation to be 15% of the overall Credit functional asset category

No other changes are proposed to the guideline components that were approved by the Board of Investments in September 2023 as part of the biennial structure review process. The format of these guidelines have been updated to align with the format of other asset category guidelines approved by the Board in recent months to improve consistency and clarity of the delegated authority framework approved by the Board in November 2023.

*Note: In June 2024, the Board approved Albourne as the consultant to provide LACERA with consultant services for the Credit functional asset category.*

# Glossary of Terms



Term	Definition
<b>Bloomberg US Corporate HY Index</b>	A commonly used benchmark index for high yield, fixed-rate corporate bonds denominated in U.S. dollars.
<b>Credit Suisse Leveraged Loan Index</b>	A commonly used benchmark index for high yield, floating-rate loans denominated in U.S. dollars.
<b>Hard Currency Debt</b>	Sovereign currency debt issued in U.S. dollars.
<b>J.P. Morgan CEMBI BD</b>	J.P. Morgan Corporate Emerging Market Bond Index Broad Diversified is an index of emerging market corporate bonds issued in U.S. dollars.
<b>J.P. Morgan EMBI GD</b>	J.P. Morgan EMBI Emerging Market Bond Index is an index of emerging market sovereign bonds issued in U.S. dollars.
<b>J.P. Morgan GBI-EM GD</b>	J.P. Morgan Government Bond Index-Emerging Markets Global Diversified is an index of emerging market government bonds issued in local currency.
<b>Local Currency Debt</b>	Fixed income debt that is issued by countries with developing economies as well as by corporations within those nations, denominated in the local currency.
<b>Tracking Error</b>	Tracking error is the standard deviation of the difference between the performance of a portfolio and its benchmark.

**LACERA Credit Guidelines Concurrence Memo**

---

August 14, 2024

**To:** Each Member  
Board of Investments

**From:** James Walsh, G. Stephen Kennedy  
Albourne America LLC

**For:** August 14, 2024 Board of Investments Meeting

**Overview:** Albourne America LLC (“Albourne”) supports the updated Credit Guidelines that align with the Investment Roles and Objectives of the portfolio.

**Background:** Staff has updated the Credit Guidelines to reflect structural changes adopted by the BOI earlier this year in its review of LACERA’s Strategic Asset Allocation and benchmarks. Albourne has reviewed the recommendations and agrees with the updated guidelines.

The Credit Guidelines re-asserts the Investment Role and Objectives, which emphasize current income, moderate returns, to profit from complexity, illiquidity and upside optionality. The Credit Guidelines note that the portfolio will continue to focus on yield generating strategies and be deployed across the breadth of available credit assets and strategies.

**Conclusion:** Staff’s Credit Guidelines outline the focus on and expanding the size of the program, and the actions necessary to move in that direction.

Sincerely,



James Walsh  
Head of Portfolio Group



G. Stephen Kennedy  
Senior Analyst

## LACERA Credit Guidelines Concurrence Memo

---

### Important Notice

The information in this report (the “Information”) is for general informational purposes only and is provided by an Albourne Group Company. For this purpose, “Albourne Group Company” means Albourne Partners Limited or one of its subsidiaries and affiliates from time to time, including Albourne America LLC, Albourne Partners (Canada) Limited, Albourne Partners Japan, Albourne Partners (Asia) Limited, Albourne Partners (Singapore) Pte. Ltd., Albourne Partners (Bermuda) Limited, Albourne Partners Deutschland AG, Albourne Partners (Cyprus) Limited and Albourne Cyprus Limited (such companies being, collectively, the “Albourne Group”).

The Information is not, nor should it be construed as, an invitation, recommendation, inducement, offer or solicitation in any jurisdiction to any person or entity to acquire or dispose of, or to deal in, any security or any interest in any fund, or to engage in any investment activity, nor does it constitute any form of tax or legal advice and it must not be relied upon as such. The Information does not take into account the particular investment objectives or specific circumstances of any person or entity.

The Information is for the use of an Albourne Group Company client or potential client (the “Intended Recipient”) who is (i) an “Accredited Investor” as defined in Regulation D under the U.S. Securities Act of 1933 and a “Qualified Purchaser” as defined in Section 2(a)(51) of the U.S. Investment Company Act of 1940, (ii) a “Permitted Client” within the meaning of the Canadian National Instrument 31-103, (iii) an investment professional, high net worth company or unincorporated association, high value trust or other person specified in articles 19 and 49 of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005, or (iv) where lawful in other jurisdictions, a financially sophisticated, high net worth and professional investor capable of evaluating the merits and risks of fund investments without undue reliance on the Information. If you are not an Intended Recipient, or if in your jurisdiction it would be unlawful for you to receive the Information, the Information is not for your use and you should not use or rely on it.

Any Information is also provided subject to: (a) where you are a client of any Albourne Group Company, the provisions of your service agreements with the relevant Albourne Group Company, as supplemented by any applicable website terms and conditions of access; and (b) in all other cases, the terms and conditions of access accepted by you on Albourne’s Investor Portal (as such terms and conditions are as supplemented by any non-disclosure agreement or other agreement (if any) between you and the relevant Albourne Group Company) or the terms and conditions otherwise agreed between you and the relevant Albourne Group Company, in each case such terms prevailing over the terms of this notice in the event of any conflict between such terms and those contained in this notice.

The Albourne Group makes no representations, guarantees, or warranties as to the accuracy, completeness, or suitability of the Information provided. Please note the Albourne Group does not provide legal advice to clients or potential clients or otherwise and the Information is not a comprehensive review of all legal, regulatory or such developments on the subject discussed herein. None of the Information is a substitute for seeking actual legal advice from a qualified attorney and in no circumstances should the Information be used to make any investment or other decision.

This Information may not be reproduced in whole or in part and no part of this material may be reproduced, distributed, transmitted or otherwise made available to a third party or incorporated into another document or other material or posted to any bulletin board without the prior written consent of an Albourne Group Company.

To the extent that any third party (including but not limited to, any service provider or fund) is referred to in the Information, you should not necessarily view this as an endorsement by the Albourne Group of such third party. The Information may also contain information obtained from third parties which may not be



## **LACERA Credit Guidelines Concurrence Memo**

---

independently verified. The Albourne Group makes no representations or warranties, express or implied, as to the accuracy or completeness of the Information and disclaims all liability for any loss or damage which may arise directly or indirectly from any use of or reliance upon any such data, forecasts or opinions, or from the Information generally.

To the extent that performance information or forecasts are contained in the Information, there can be no assurance or guarantee that such performance record will be achievable in the future. Past performance is not necessarily indicative of, or a guarantee of, future returns. In the United States, any funds referred to in the Information are made through private offerings pursuant to one or more exemptions of the United States Securities Act of 1933, as amended. Such funds have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, none of the foregoing authorities has confirmed the accuracy or determined the adequacy of the Information.

Additionally, you should be aware that any offer to sell, or solicitation to buy, interest in any funds may be unlawful in certain states or jurisdictions.


You should carefully review the relevant offering documents before investing in any funds mentioned in the Information. You are responsible for reviewing any fund, the qualifications of its manager, its offering documents and any statements made by a fund or its manager and for performing such additional due diligence as you may deem appropriate, including consulting with your own legal, tax, and other advisers.

© 2021 Albourne Partners Limited. All rights reserved. 'Albourne' ® is a registered trade mark of Albourne Partners Limited and is used under licence by its subsidiaries.



July 21, 2024

TO: Trustees – Board of Investments

FROM: Jonathan Grabel   
Chief Investment Officer

Jude Pérez   
Deputy Chief Investment Officer

Esmeralda del Bosque   
Principal Investment Officer

Derek Kong   
Investment Officer

Quoc Nguyen   
Investment Officer

FOR: August 14, 2024, Board of Investments Meeting

**SUBJECT: Investment-Related Services Procurement Policy Update**

At the November 2023 Board of Investments (“BOI”) meeting, the Board approved LACERA’s delegated authority framework. At that meeting, staff highlighted that a series of documents and key governing policies would be harmonized and revised, including the Investment Policy Statement (“IPS”), Investment Guidelines, and the Investment-Related Services Procurement Policy<sup>1</sup>, which is the topic of this memo.

The BOI established LACERA’s Investment-Related Services Procurement Policy (“Policy”) in November 2019. The Policy is principles-based and sets forth the guidelines by which LACERA procures services for managing Pension and OPEB Master Trust assets.

The Investments Division, with the input of LACERA’s general consultant, Meketa, and Chief Counsel, developed an updated draft Policy. The Policy is aligned with LACERA’s delegated authority framework as outlined in the IPS and follows LACERA’s standard policy template and formatting guidelines. In addition, the Policy structure is broadly consistent with LACERA’s Policy for the Procurement of Goods and Services. As this is a comprehensive rewrite of the original, no redline has been provided.

The attached presentation outlines the Policy review process and draft revisions for the Board’s consideration and feedback.

Attachments include:

Attachment 1: Discussion presentation outlining the review process and suggested edits to the Policy.

Attachment 2: A clean version of the updated draft Policy.

---

<sup>1</sup> The original policy was named “Procurement Policy for Investment-Related Services.”



Each Trustees – Board of Investments

July 21, 2024

Page 2 of 2

Attachment 3: A copy of the current Policy.

Attachments



# Investment-Related Services Procurement Policy Update

Jonathan Grabel, Chief Investment Officer

Jude Pérez, Deputy Chief Investment Officer

Esmeralda del Bosque, Principal Investment Officer

Derek Kong, Investment Officer

Quoc Nguyen, Investment Officer

---

2024 Board of Investments

August 14, 2024

# Table of Contents



<b>TITLE</b>	<b>SLIDE</b>
Background	3
Purpose and Policy Alignment	4
Investment-Related Services Procurement Policy	5
Review of Project	6
Suggested Revisions	
Summary of Format Changes	7
High-Level Pertinent Changes	8
Next Steps	9



## At the November 2023 Board of Investments Meeting (“BOI”), the Board adopted LACERA’s delegated authority framework

### Delegated Authority Framework



#### 1. Investment Policy Statement

- BOI approves IPS, including investment beliefs
- IPS defines the framework by which the BOI manages the assets of LACERA

#### 2. Strategic Asset Allocation

- BOI approves SAA every three to five years or as needed
- Includes investment allocations and benchmark targets with defined asset categories

#### 3. Asset Class Structure Reviews

- BOI approves investment guidelines for each functional asset category every two years or as needed
- Includes investment allocations, benchmark targets and investment guidelines for each asset category

Board of Investments

Delegated Authority

#### 4. Staff-Led Sourcing and Due Diligence

- Staff conducts due diligence and analysis on manager selection, rebalancing and terminations consistent with Board-approved Structure Review guidelines
- External consultants conduct independent due diligence for all manager selections

#### 5. Internal Committee Approval and Consultant Concurrence

- Internal committee processes must adhere to well-defined and documented governance procedures
- Affirmative approval of internal committee is required for manager selection and termination of existing managers
- Concurrence from external consultant must be obtained for manager selection and termination

#### 6. CIO Approval

- CIO may only approve investment-related actions that comply with the policies, SAA and guidelines approved by BOI
- Prior internal committee approval is required before CIO can approve new investments and terminations

#### 7. Continuous Board Oversight and Monitoring

- CIO-authorized investments promptly reported to BOI
- CIO-sourced investment opportunities require BOI review and approval
- Quarterly compliance monitor with delegation reports to BOI
- Quarterly and annual performance reporting and manager scorecards
- BOI oversight of programmatic topics such as fee reporting & T.I.D.E. updates
- Annual CIO performance review

# Purpose and Policy Alignment



*The Investment-Related Services Procurement Policy (“Policy”) serves as the source for fundamental guidance on procurements for LACERA’s investment program*

1. Aligned with LACERA’s Investment Policy Statement (“IPS”) and delegated authority framework
2. Is Principles-Based
3. Considers and harmonizes Board-approved initiatives, structure reviews, and work plans
4. Addresses procurement method types, selection authority, and contract terms



# Investment-Related Services Procurement Policy

Examples of Procured Services



## The Policy covers all Investment-Related Services

---

- **Investment Management Services**
  - May be private or public
  - May be liquid or illiquid
  
- **Other Investment-Related Services**
  - Custodian
  - General and Asset Category Consultants
  - Implementation Providers (e.g., analytics/market data providers or tax consultants)
  - Miscellaneous Purchases (i.e. items under \$500,000)
  - Board-Approved Budgeted Items
  
- **Investment-Related Legal Services**



## Project Objectives and Rationale

---

- 1. Facilitates the implementation of LACERA's Delegated Authority Framework**
- 2. Enhances clarity of Policy for ease of use**
  - Improve accessibility of the Procurement Policy
- 3. Provides a consistent structure alongside LACERA's policy template and Policy for the Procurement of Goods and Services**
  - Guide implementation and adherence by using a consistent structure and format

# Suggested Revisions

## Summary of Formatting Changes



### Current

I. Statement of Purpose

II. Legal Authority

III. Introduction

IV. Definitions

V. Services Being Procured and Selection Method

VI. Proposal Evaluation

VII. Observance of Quiet Period

### Draft

I. Purpose

II. Scope

III. Procurement Principles

IV. Legal Authority

V. Definitions

VI. Procurement Policy

VII. References

VIII. Version History

XI. Policy Review/Approval

### Notes on Formatting Changes

No change

Scope added to mirror LACERA's Procurement Policy for Goods and Services ("PGS")

Principles added to mirror LACERA's PGS

Legal Authority moved to add Scope and Principles

Definitions moved to add Scope and Principles

Procurement Policy combines "V. Services Being Procured and Selection Method" plus "VI. Proposal Evaluation" to mirror LACERA's PGS

References section added to mirror LACERA's PGS; Quiet Period moved to "VI. Procurement Policy"

Version History added to mirror LACERA's PGS

Policy Review/Approval added to mirror LACERA's PGS



# Suggested Revisions

## High-Level Pertinent Changes



The proposed draft updates are minimal and are intended to:

- Update policy to be consistent with the IPS, Investment Beliefs, and other Board-approved guiding documents
- Continue to facilitate a principles-based approach to enhance flexibility while adhering to the framework as outlined in LACERA's IPS
- Streamline selection authority protocol to harmonize and simplify the procurement process
- Align format with LACERA's standard policy templates to enhance uniformity across the organization

Updated Policy Section	Rationale
<b>III. Procurement Principles</b>	Update language to be consistent with the latest IPS, investment beliefs, and other Board-approved guiding documents
<b>VI. Procurement Policy</b> B. Procurement Methods 1. Investment Management Services 2. Other Investment-Related Services c.) Implementation Providers d.) Miscellaneous Purchases f.) Board Approval	Update selection authority protocol to be aligned with the most recent Board-approved delegated authority framework and IPS  Provide Chief Investment Officer implementation options regarding other investment-related services  Align CIO (or designee) spending limit with the Chief Executive Officer's, as stated in LACERA's Policy for the Procurement of Goods and Services.  Outline selection authority for procurements that fall outside the Board-approved budget
<b>VI. Procurement Policy</b> D. Legal Review Contract Terms - Custody Services - All Other Contracts	Update contract terms to reflect current business protocol, and allow terms to vary depending on the nature of the service, enhancing flexibility

# Next Steps



## **Incorporate any Trustee feedback in the prospective recommendation for Board consideration**

- The recommendation to adopt the revised Investment-Related Services Procurement Policy will be brought to the Board at the September 2024 Board of Investments Meeting



**Attachment 2**



**INVESTMENT-  
RELATED SERVICES  
PROCUREMENT  
POLICY (IRSP)**

**Board of Investments  
[DRAFT: PENDING ADOPTION DATE]**

## Investment-Related Services Procurement Policy (IRSP)

**Authorizing Manager: Jonathan Grabel, Chief Investment Officer**

**Original Issue Date: November 20, 2019**

**Last Updated: July ( ), 2024**

**Mandatory Review: Every three years or as needed**

**Approval Level: Board of Investment (“Board” or “Trustees”)**

---

### I. Purpose

LACERA’s Investment-Related Services Procurement Policy (the “Procurement Policy or the “Policy”) sets forth the guidelines by which LACERA procures investment-related services for the defined benefit retirement plan and Other Post-Employment Benefits Trust, including the County, Court, and Master Trusts (“OPEB”) (collectively referred to as the “Funds”).

### II. Scope

Investment-related services covered by this Procurement Policy include investment management, general and asset category consulting, and specialized services that support investment functions, such as custodians, legal services, and implementation providers.

### III. Procurement Principles

To fulfill its mission, the Board has adopted an Investment Policy Statement (“IPS”), which defines the framework by which LACERA manages the Funds’ assets. As part of the IPS, the Board’s investment beliefs provide a framework to guide LACERA’s investment decisions in a manner consistent with an institutional investor with a long-term investment horizon.

This Policy adheres to the following principles, consistent with the IPS, investment beliefs, and other Board-approved guiding documents:

- **Fiduciary Duty.** The Board and its Trustees are fiduciaries to members and their beneficiaries. Procurement decisions are made for the exclusive benefit of providing benefits to members and their beneficiaries without other concerns or outside influence and with the same care, skill, prudence, and diligence that a prudent public pension trustee with experience would use. LACERA staff provides support in the performance of fiduciary duty.
- **Impartial.** Procurements will be made free from any actual or potential conflict of interest and be conducted in an impartial manner. The Board, the Trustees, and LACERA employees must refrain from personal activity that, actually or potentially, could conflict with the proper management of the investment program, or could impair their ability to make decisions in compliance with fiduciary duty and in compliance with LACERA’s Code

of Ethical Conduct, Conflict of Interest Code, the Political Reform Act, Fair Political Practices Commission regulations, and other applicable law.

- **Transparent.** Procurements will be conducted and reported to the Board as described in this Policy. Records of procurements will be subject to public disclosure unless subject to a specific exception pursuant to the Ralph M. Brown Act.
- **Timely.** All procurement activities will prioritize efficiency and timeliness.
- **Aligned with Strategic Asset Allocation and Initiatives.** Procurements will consider LACERA's Board-approved strategic asset allocation, structure reviews, and initiatives.
- **Risk Aware.** LACERA identifies, assesses, and monitors relevant investment and operational risks throughout the procurement process.
- **Diversity, Equity and Inclusion.** LACERA values diversity and inclusion and believes that effectively accessing and managing diverse talent leads to improved outcomes.
- **Environmental, Social and Governance.** LACERA considers financially-relevant environmental, social, and governance factors in its investment program.

#### IV. **Legal Authority**

This Procurement Policy is issued under the plenary authority and exclusive fiduciary responsibility granted to the Board for investment and management of the pension fund in the California Constitution and County Employees Retirement Law of 1937, as amended, commonly referred to as CERL. This Policy is also issued under the Board's fiduciary authority for investment and management of the OPEB Trust under CERL and the Trust and Investment Services Agreements for the County, as amended, and Court OPEB Trusts and the OPEB Master Trust Declaration.

#### V. **Definitions**

Whenever the following words appear in this Policy, they will be construed to have the following meaning:

- |                                      |   |
|--------------------------------------|---|
| <b>Active Management:</b>            | Refers to investment managers whose investment strategy and process allow them to make investments that attempt to exceed their benchmarks.   |
| <b>Consultant:</b>                   | An individual or firm that provides consulting services to LACERA.  |
| <b>Custody Services (Custodian):</b> | Refers to a service provider who provides safekeeping and management of financial assets on behalf of LACERA. These services are generally provided by financial institutions that have the necessary infrastructure and expertise to protect and manage assets, which may range from stocks and bonds to cash, real estate and other types of investments. |

<b>Evaluation Criteria:</b>	Evaluation criteria are the specific standards used to assess request for proposal submissions and determine the most qualified service provider.
<b>Evaluation Team:</b>	Means the group of individuals that have been assigned responsibility to review the search respondents relative to the criteria set forth in the search as well as to each other, as appropriate in the context of a request for proposal. The Evaluation Team will include LACERA employees as appropriate and possibly a third-party advisor.
<b>Illiquid Investments:</b>	Consists of securities or other assets that cannot easily be sold or exchanged for cash within a short period of time. These investments can include private equity, private credit, private real assets (including real estate), and hedge fund strategy products. These assets are intended to provide the portfolio with higher risk-adjusted returns and/or enhanced diversification. They are not intended to be a source of short-term liquidity.
<b>Liquid Investments:</b>	Means securities and other assets that can be converted into cash quickly without material impact on fair value and where there is typically a transactional price available on a daily basis. These assets can include global equities, investment-grade bonds, publicly traded real estate and real assets, and overlays implemented via exchange-traded instruments.
<b>Minimum Qualifications:</b>	Describes the baseline set of knowledge, skills, experience and/or capabilities that a service provider must possess to provide reasonable assurance that the required service will be performed successfully.
<b>Passive Management:</b>	Refers to investment managers whose investment strategy and process are designed to replicate a benchmark.
<b>Scope of Services:</b>	A detailed description of the specific services required from a service provider to fulfill the service needs as outlined in a request for proposal. It encompasses the deliverables, performance expectations, and any specific requirements or limitations.
<b>Selection Authority:</b>	Refers to the group or individual with authority to select the service provider that will be retained. This may be the Board, the Evaluation Team, the CIO, Chief Legal Counsel, or some combination of the above.

**Service Provider:** An individual, business, or governmental entity that has a contract to provide services to LACERA.

## **VI. Procurement Policy**

The Procurement Policy supplements LACERA's IPS and is designed to comply with and follow all guidance included within the IPS. To the extent a conflict exists between the IPS and the Procurement Policy, the IPS shall prevail.

### **A. Applicable Policies**

This Policy relates to investment-related procurement services described in section II, scope and falls within Board-approved policies. For other types of LACERA procurement, please refer to the applicable Board-approved policies and procedures.

### **B. Procurement Methods**

LACERA is committed to procuring services that meet the Funds' investment needs while maintaining its fiduciary responsibilities and preventing actual or potential conflicts of interest. As such, LACERA utilizes a principles-based approach that ensures value for LACERA's members and stakeholders while upholding the highest ethical standards.

#### **Request for Proposal ("RFP")**

A public solicitation method whose instructions and requirements are posted on LACERA's website, inviting qualified bidders to compete for an investment-related service. Before issuing the RFP, LACERA establishes key details to ensure a fair and efficient selection process.

#### **Non-RFP**

A non-RFP procurement offers greater flexibility than a formal RFP process. This approach is preferred for investment-related services that do not align with a structured RFP. However, even with a non-RFP approach, the CIO ensures procurements follow relevant Board-approved policies, including the Investment Policy Statement, asset category structure reviews, and investment guidelines.

### **Type of Service Being Procured and Selection Authority**

#### **1. Investment Management Services**

Investment management services include Active Management strategies for Liquid and Illiquid Investments and Passive Management strategies for Liquid Investments. The CIO may initiate an RFP to select or retain a Service Provider for investment management services and has discretion on which procurement methodology to utilize (i.e. RFP or non-RFP).

Any selection of a Service Provider of investment management services covered by this Policy will be reported to the Board subsequent to the selection.

## **2. Other Investment-Related Services**

Numerous specialized investment-related Service Providers that do not directly manage investment assets are used to support LACERA's investment activities.

The selection process utilized for other investment-related services varies depending on the type of service provided. For Custodians and general/asset category Consultants serving the Funds, the selection process requires a Board-approved RFP. For all other investment-related services, except for legal services, the Chief Investment Officer is authorized to select or retain the Service Provider without a formal RFP for procurements for ongoing services or that align with established guidelines.

### **a.) Custody Services**

LACERA engages service providers to act as custodians to safeguard its assets. Custody Services can encompass settlement, safekeeping, and reporting of LACERA's cash and investments.

### **b.) General and Asset Category Consulting Services**

The Board's general investment consultant provides advice and recommendations regarding LACERA's strategic objectives, risks, oversight, and portfolio implementation. The Board may also engage asset category consultants to provide more specialized expertise and knowledge for certain asset categories.

### **c.) Implementation Providers**

LACERA leverages a network of specialized Service Providers to augment its internal capabilities across a spectrum of investment functions, encompassing analytics providers, tax consultants, and market data providers. These Service Providers are crucial in executing Board-approved initiatives and investment operations.

### **d.) Miscellaneous Purchases**

Procurements for other investment-related services that are not addressed in section B, subsection 2, and costing less than \$500,000, per transaction or assignment, are considered miscellaneous purchases. The signing authority for these purchases is the CIO or the CIO's authorized designee.



## **e.) Legal Services**

The Chief Legal Counsel (“CLC”) may initiate an RFP to select or retain outside counsel to assist on investment-related matters on specific asset categories. The CLC also has the authority, without the need to conduct an RFP, to retain specialized counsel and other legal support services when necessary to complete a transaction or fulfill a Board-approved initiative. Additionally, the CLC may retain litigation counsel when necessary to protect LACERA’s interests with respect to investment-related matters. Selection of counsel for securities litigation and monitoring is governed by the Board’s Securities Litigation Policy.

Any selection of legal counsel covered by this Policy will be reported to the Board no later than the meeting of the Board immediately following the selection.

## **f.) Board Approval**

Board approval is required for the procurement of other investment-related services, except for those included in the annual budget or not addressed in section B, subsection 2.

## **C. RFP Process Overview**

While the following outlines a typical RFP process, the dynamic nature of the marketplace for investment-related services may necessitate adjustments from what is described below. By maintaining flexibility while adhering to core principles, LACERA aims to procure investment-related services efficiently and effectively, meeting the evolving needs of the organization.

### **1. Establishing and Posting an RFP**

LACERA promotes a fair and transparent procurement through a structured RFP process. Before launching an RFP, key parameters such as Scope of Services, Minimum Qualifications, search timing, structure of the Evaluation Team, Evaluation Criteria, and Selection Authority are established.

Once launched, all RFPs and essential information regarding the search are publicly posted on LACERA’s website.

### **2. The Evaluation Team**

LACERA's RFP process utilizes a dedicated Evaluation Team (“Team”) to assess proposals. This Team evaluates written responses, conducts interviews, performs due diligence, and ultimately recommends the best candidate for LACERA’s needs. The Team also works closely with the

LACERA’s legal division (the “Legal Office”) to consider proposed modifications to a standard agreement to ensure legal compliance with any changes. After a comprehensive review, the Team assigns final scores and recommends the most qualified respondent(s) to the Selection Authority.

### 3. Quiet Period

LACERA enforces a quiet period during the selection process to ensure fairness, efficiency, and diligence. This period restricts communication between LACERA’s Trustees, employees, and potential Service Providers, except as required to support existing business obligations. It begins after a solicitation is issued and lasts until a final decision is made or the selection process is terminated. The initiation, continuation, and conclusion of the quiet period are all publicly announced to prevent accidental violations.

#### D. Legal Review

A written contract will be negotiated with firms selected in all procurement processes, which will include all the negotiated terms, conditions, the Scope of Services, and any other requirements outlined in the solicitation documents. The Evaluation Team, in collaboration with the assigned legal counsel, must ensure the contract satisfies the objectives of the service and LACERA and contains reasonable termination provisions. The Legal Office must review and approve all contracts.

#### Contract Terms

Service contracts have varying contract lives depending on the type.

Contract Terms	
Type of Service	Duration
<b>Custody Services</b>	Up to 10 years with one 5-year extension upon Board approval or two 1-year extensions at the CIO’s discretion, with Board notification
<b>General and Asset Category Consultants</b>	Up to 5 years with two 1-year extensions, with Board notification
<b>All Other Contracts</b>	Varies depending on the nature of the service. The CIO must approve the extension

## VII. References

These references are intended to help explain this Policy and are not an all-inclusive list of policies, procedures, laws, and requirements relating to the procurement of investment-related services. The following information complements and supplements this Policy:

### **Related Policies and Procedures:**

- Policy for the Procurement of Goods and Services (Internal Document)
- Code of Ethical Conduct
- Conflict of Interest Code
- Investment Policy Statement and Attachments
- Conflict of Interest Code
- Investment Office Procedural Manual
- Securities Litigation Policy

## VIII. Version History

**Update/Review Summary:** Previous policy version(s) superseded by this Policy:

- Procurement Policy for Investment-Related Services: November 20, 2019

## IX. Policy Review/Approval

This Policy shall be reviewed and amended by the Board of Investments every three years or as needed.

**PROCUREMENT POLICY FOR  
INVESTMENT-RELATED SERVICES**

**Adopted: November 20, 2019**

**TABLE OF CONTENTS**

**Statement of Purpose..... 3**

**Legal Authority..... 4**

**Introduction..... 6**

**Definitions..... 9**

**Services Being Procured and Selection Method..... 11**

**Proposal Evaluation..... 15**

**Observance of a Quiet Period..... 17**

## **Statement of Purpose**

LACERA's Procurement Policy for Investment-Related Services (the "Procurement Policy") sets forth the procedures and guidelines by which LACERA shall procure investment-related services. Investment-related services include, but are not limited to, external investment management, general and specialty consulting, custodial, securities lending, and analytics/database service providers. Procurement of services and products not related to investments are governed by LACERA's General Policy Guidelines for Purchasing Goods and Services.

## **Legal Authority**

The California Constitution and LACERA's governing statutes create a legal framework within which the Procurement Policy must be interpreted and implemented by LACERA's Board of Investments (the "Board") in approaching its decisions. The Board is independent and has sole and exclusive legal responsibility over investment of the Fund's assets.

### **A. Fiduciary Duty**

The Board, its members, and staff are fiduciaries, making decisions for the benefit of the Fund as a whole without other concerns or outside influence. All Board members, whether they are elected, appointed, or ex officio, have the same fiduciary duty under the law.

### **B. Ethics and Code of Conflicts**

The Board and staff must refrain from personal activity that could conflict with the proper management of the investment program, or that could impair their ability to make decisions in compliance with fiduciary duty. Further details are defined in LACERA's Code of Ethical Conduct, Conflict of Interest Code, the Political Reform Act, Fair Political Practices Commission regulations, and other applicable law.

## **C. Process**

Because the Board is a governing body of a public agency, the Board and its members must conduct business according to the State of California Ralph M. Brown Act, which provides that Board meetings, deliberations, and actions must be public unless subject to a specific closed session exception. The Board may go into closed session to discuss the purchase and sale of particular, specific investments under the Brown Act.



## 1. Introduction

The Procurement Policy supplements LACERA’s Investment Policy Statement (the “IPS”). The IPS defines the framework by which LACERA manages the assets of the Fund in order to fulfill its mission. The Procurement Policy is designed to comply with and follow all guidance included within the IPS. To the extent a conflict exists between the IPS and the Procurement Policy, the IPS shall prevail.

The Board has adopted investment beliefs (“Investment Beliefs”) to describe its core beliefs and underlying assumptions about how capital markets operate. Collectively, the Investment Beliefs provide a framework to guide LACERA’s investment decisions in a manner consistent with the Fund’s position as an institutional investor with a long-term investment horizon in order to achieve the Fund’s objectives.

Consistent with the Investment Beliefs, the Procurement Policy is designed to adhere to the following guiding principles.

- **Fiduciary.** The Board and staff are fiduciaries to LACERA. Procurement decisions are made for the benefit of the Fund as a whole without other concerns or outside influence.
- **Inclusive.** Opportunity to provide investment-related services to LACERA will be as inclusive as possible, providing all qualified service providers a chance to participate in procurement efforts.
- **Fair.** Procurement efforts will be conducted in a fair and impartial manner. Selections of service providers will be made free from any conflict of interest or bias.

- **Transparent.** Records of procurement efforts will be subject to public disclosure unless subject to a specific exception pursuant to the Ralph M. Brown Act.
- **Timely.** Procurement efforts will be conducted in as efficient and timely manner as practical.
- **Rule-Based.** Procurement efforts will be conducted in a consistent manner
- **Market Aware.** Procurement efforts will be tailored to the specifics of a mandate or service need.
- **Informed.** Procurement efforts will utilize available databases, tools and advances in underwriting to inform the process. Databases may be used to identify a comprehensive list of qualified service providers to optimize submissions/responses to RFPs.

Searches for service providers completed under the Procurement Policy do not have a pre-ordained outcome. Searches could result in the selection and retention of one or multiple service providers. Alternatively, no service provider may be selected.

## **Scope**

Investment-Related Services covered by this Procurement Policy include investment consulting services, investment management services, and specialized services that support investment functions, such as, but not limited to, attorneys, appraisers, auditors, custodians, data and analytics providers, securities lending providers, and independent fiduciaries.

## **Term**

The term for engagements with service providers selected via the Procurement Policy vary.

- i. **Investment Managers.** Terms for agreements with separate account investment managers may be evergreen. Investment managers engaged via separate accounts and open-end comingled funds are monitored closely relative to return objectives, benchmarks, and alternative options. All contracts between LACERA and separate account managers must contain reasonable termination rights for LACERA.
- ii. **Custody Services.** Engagements with custody service providers may be for terms of up to ten years and may provide for two one-year extensions at the discretion of the Chief Investment Officer. The Board will be notified of any extensions. Agreements with custody providers shall contain reasonable termination provisions.
- iii. **Other Service Providers.** Other services procured using the Procurement Policy will have a term of no longer than five years, with two one-year extensions at the discretion of the Chief Investment Officer with respect to investment-related matters, or Chief Legal Counsel for the procurement of services for legal-related matters. The Board will be notified of any extensions.

## 2. Definitions

- a) **Active Management** refers to investment managers whose investment strategy and process allow them to make investments that attempt to exceed their benchmarks.
- b) **Board** means the LACERA Board of Investments
- c) **Evaluation Team** means the group of individuals that have been assigned responsibility to review the search respondents relative to the criteria set forth in the search as well as to each other, as appropriate. Each phase of evaluation must be completed by the same participating members of the Evaluation Team. The Evaluation Team will include staff as appropriate and possibly a third-party advisor.
- d) **Fund** or **Funds** means both the Los Angeles County Employees Retirement Association (LACERA), and the Other Post-Employment Benefits Master Trust (OPEB).
- e) **Illiquid Investment** means securities or other assets that cannot easily be sold or exchanged for cash within one month without a substantial loss in value. These investments include private equities, private credit, private real assets (including real estate), and hedge fund strategy products. These assets are intended to provide the portfolio with higher risk-adjusted returns and/or enhanced diversification. They are not intended to be a source of short-term liquidity.
- f) **Legal Services Procurements** means the procurement of investment-related legal services to assist in transactions or other investment matters.
- g) **Liquid Investments** means securities and other assets that can be converted into cash quickly without material impact on fair value and where there is typically a transactional price available on a daily basis. These assets include

global equities, investment-grade bonds, publicly-traded real estate and real assets, and overlays implemented via exchange-traded instruments.

- h) **Miscellaneous Small Purchases** means the procurement of investment-related services for flat-fee or hourly compensation that may not exceed a total of \$150,000 per provider for any single transaction or assignment, even if the services are provided over a five-year period. Small Purchases may be approved, and later renewed or extended every five years subject to a new \$150,000 cap, jointly by the Chief Executive Officer and Chief Investment Officer. Small Purchases do not include any services for on-going investment management.
- i) **Passive Management** refers to investment managers whose investment strategy and process are designed to replicate a benchmark.
- j) **RFP** means open Requests for Proposals. An RFP is a public solicitation posted on LACERA's website inviting all qualified bidders to respond. Recommendations to initiate an RFP will be presented to the Board and will identify the recommended: (i.) Scope of Services; (ii.) Minimum Qualifications; (iii.) Search timing; (iv.) Structure of the Evaluation Team; (v.) Evaluation Criteria; and (vi.) Selection Authority.
- k) **Selection Authority** refers to the body, group or individual that has authority to select the service provider that will be retained. This may be the Board, the Evaluation Team, the Chief Investment Officer, Chief Legal Counsel, or some combination of the above. A Selection Authority will be recommended to the Board for its approval for each procurement effort unless otherwise delegated in existing LACERA policy.
- l) **Staff** means employees of LACERA.
- m) **Trustee** means a member of the Board of Investments.

### **3. Service Being Procured and Selection Method**

The types of investment-related services being procured can be characterized as:

- Investment Management
- Consulting
- Other Investment Related Services
- Legal
- Miscellaneous Small Assignments

The method or process utilized to procure services is dependent upon the type of service being procured. Regardless of the selection method utilized, a high level of scrutiny and rigor is applied for whatever length of time is needed to ensure that the successful service provider(s) are most appropriate for the Fund.

The selection method for the different types of services covered by the Procurement Policy is described below. Upon selection of service providers, the Legal Division and Investment Office are responsible for completing engagement agreements and/or contracts.

#### **a) Investment Management Services**

- Active Management
  - Liquid Investments

Investment Managers utilizing Active Investment strategies to invest in Liquid Investments shall be selected using an RFP.

- Illiquid Investments

Illiquid Investments are identified and underwritten on a one-off basis and, if deemed appropriate, advanced to the Board for consideration, unless delegated within the IPS. Individual

Actively Managed Illiquid Investments do not lend themselves to selection via an RFP. Rather, illiquid investments are discussed in periodic asset class structure reviews and individual recommendations include independent third-party assessments. Exceptions to this are fund-of-fund mandates. In those circumstances, an RFP will be utilized for selection efforts.

- **Passive Management**
  - Liquid Investment managers shall be selected using an RFP.
  - Illiquid Investments (N/A)

Staff will obtain Board authorization on a mandate-by-mandate basis prior to initiating an RFP.

The Evaluation Team is responsible for making an affirmative recommendation of the most qualified candidate manager(s) to the Selection Authority.

#### **b) Consulting Services**

LACERA will select general and/or specialist consultants using an RFP. Staff will recommend an Evaluation Team and obtain Board authorization prior to initiating a search effort.

The Evaluation Team is responsible for presenting the most qualified candidate consultants to the Selection Authority.

#### **c) Other Investment Related Services**

Numerous specialized investment related service providers that **do not** directly manage money are utilized to support Fund investment activities. Some specialized providers are on retainer or under an open

contract for services as needed and are utilized repetitively to deliver expert services, such as legal counsel negotiating and documenting transactions. Other specialized providers may be retained to deliver ongoing operational support services, such as a master custodian or securities lending service provider. Still other specialized providers may be retained to deliver frequently needed services, such as private equity fee verifications or real estate appraisals.

The selection process utilized for Other Investment Related Service providers will be an RFP. The selection process utilized will be authorized by the Board on a case-by-case basis.

**d) Legal Services Procurements**

The Chief Legal Counsel may initiate an RFP without Board approval to select a panel of outside counsel to assist on investment-related matters on an individual asset class basis. The Chief Legal Counsel will report the selected panelists to the Board after the panel selection. The Chief Legal Counsel or their designee, in consultation with the Investment Division, may thereafter select outside counsel from the panel to represent LACERA in individual transactions or provide other necessary legal services.

The Chief Legal Counsel also has the authority, without the need to conduct an RFP, to (1) retain specialized counsel based on expertise or geographical location when necessary to complete a transaction or fulfill a Board-approved initiative or programmatic priority, or (2) retain litigation counsel when necessary to protect LACERA's interests before a Board meeting seeking approval can be held, with the selected



litigation counsel presented to the Board for ratification at the next meeting.

Any selection of legal counsel covered by this Policy will be reported to the Board no later than the meeting of the Board immediately following the selection.

**e) Miscellaneous Small Purchases**

Miscellaneous Small Purchases shall be made after seeking multiple bids. The Board shall be notified of the selected specialized service providers within the monthly Chief Investment Officer report.

#### **4. Proposal Evaluation**

An Evaluation Team will be identified by Staff prior to the commencement of a search effort. The Evaluation Team will be responsible for evaluating and scoring written responses to the RFP, interviewing respondents, conducting due diligence, and deliberating and determining which of the respondents would best meet the needs of the Fund.

Each member of the Evaluation Team is responsible for evaluating and scoring each search response meeting the minimum qualifications. The Evaluation Team subsequently meets to discuss and justify scores to avoid inconsistencies and jointly determine a score for each respondent.

Further evaluation of the top ranked respondents may consist of in-house interviews at LACERA's offices, requests for and evaluation of additional information, and, if deemed appropriate, on-site interviews.

When a template agreement exists, top ranked respondents will be provided and asked to review and comment on the LACERA template agreement. The template agreement has key legal terms that the respondent must mark up with any proposed modifications. The RFP requires that respondents be bound to LACERA's terms, unless the respondent identifies an objection or addition, sets forth the basis for the objection or addition, and provides substitute language to make the clause acceptable to the respondent.

The Evaluation Team relies upon the Legal Division to determine the acceptability of any proposed language affecting legal issues or terms in the agreement. The respondent's proposed language is a significant consideration in the evaluation and scoring of proposals.

Upon completion of the process, the Evaluation Team assigns final scores to the respondents based on all information gathered during the entire evaluation process.

The Evaluation Team will prepare and submit a summary of its findings along with an affirmative recommendation for which respondent(s) should be hired to the Selection Authority.

## 5. Observance of a Quiet Period

LACERA requires a quiet period to ensure that the process of selecting a contractor is efficient, diligent and fair. The Quiet Period is a “no contact period” during the procurement process to prevent Trustees and staff communication with prospective vendors. Questions concerning the quiet period should be directed to the Legal Office.

- A. The quiet period shall be maintained after the issuance of a solicitation and continue until a final selection is made or the process is otherwise terminated.
- B. Initiation, continuation, and conclusion of the quiet period shall be publicly communicated to prevent inadvertent violations.
- C. During the quiet period, all Trustees and staff, except for designated LACERA contact persons, shall refrain from communicating with contractor candidates regarding any product or service offered by the candidate, except as permitted by Subsection G below.
- D. During the quiet period, no Trustee or staff member shall accept meals, travel, lodging, entertainment, or any other good or service of value from the candidates.
- E. All authority related to the search process shall be exercised, when the Board has authority under this policy, solely by the Board, or by delegated staff, and not by individual Board members. With respect

to procurements within the authority of Staff, authority related to the search process shall be exercised solely by the authorized staff member with contracting authority for the search.

- F. If any Trustee or staff member is contacted by a candidate during the quiet period about a matter relating to the pending selection, the Trustee or staff member shall refer the candidate to the designated LACERA contact person and report the contact to the Chief Counsel.
  
- G. The quiet period does not prevent Board-approved meetings or communications by staff with an incumbent contractor that is also a candidate provided that their communication is strictly limited to matters necessary in connection with the contractor's existing scope of work. Other than due diligence, discussion related to the pending selection is not permitted during these activities.
  
- H. A contractor candidate may be disqualified from a search process for a willful violation of this policy.

**FOR INFORMATION ONLY**

July 17, 2024

TO: Trustees – Board of Investments

FROM: Vache Mahseredjian, CFA, CAIA, FRM, ASA <sup>VM</sup>  
Principal Investment Officer

Scott Zdrzil <sup>SZ</sup>  
Principal Investment Officer

FOR: August 14, 2024, Board of Investments Meeting

**SUBJECT: Joint Investor Statement on Hedge Fund Fee Structures**

Please find attached a newly released joint investor statement (Statement) advocating alignment of interests in hedge fund fee structures. The Statement has been endorsed by over 50 investors and several investment consultants, including Albourne and Meketa Investment Group which provide consulting services to LACERA. The letter has been released publicly to industry representatives and the press by Albourne as a key organizer of the initiative in an effort to encourage hedge fund managers to adopt fee structures that align with investors' interests. LACERA joined the Statement consistent with LACERA policies and procedures.

**BACKGROUND**

The public Statement specifically encourages hedge fund managers to adopt cash hurdles in the calculation of incentive fees. In other words, a hedge fund manager's returns must surpass the rate of return of cash-like instruments (often called a "cash hurdle") before the manager earns an incentive fee. The reasoning is that investors can earn the cash rate of return at very low fees and essentially zero risk outside of a hedge fund structure (for example, a money market investment), so hedge fund managers should only earn incentive fees on returns in excess of cash.

The Statement aligns with one of the core principles of LACERA's Corporate Governance and Stewardship Principles to promote alignment of interests in our fee provisions with asset managers. LACERA has been an advocate of cash hurdles when selecting new hedge fund managers. By joining the Statement, LACERA aims to amplify our voice with other investors and investment consultants.

LACERA joined the Statement in adherence with Board-approved policies and principles by which staff advocates for policy positions in line with LACERA's Corporate Governance and Stewardship Principles, including joining letters such as this with the approval of the Chief Investment Officer, Chief Executive Officer, and Chief Counsel. Consistent with

Trustees, Board of Investments

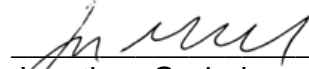
July 17, 2024

Page 2 of 2

fund practice, staff also apprises the chair of the Corporate Governance Committee of the initiative and shares a copy at the next available Board of Investments meeting. The Statement will also be available on lacera.com under the "Recent Initiatives" section of the Investments Division page.

Attachment

Noted and Reviewed:



---

Jonathan Grabel

Chief Investment Officer

**An Open Letter to the  
Hedge Fund Industry**

**Regarding  
the Usage of Cash  
Hurdles in Incentive Fee  
Arrangements**

**Dear Hedge Fund Industry Members,**

We, the undersigned investors and consultants, advocate for the implementation of cash hurdles in incentive fee arrangements across the hedge fund industry. The long-term health of the industry is dependent on a healthy alignment of interests between GPs and LPs, and we believe incentive payments on true value-add fixes a misalignment that has been present in fee structures throughout the maturation of the hedge fund industry.

This misalignment has become increasingly evident in recent years, as risk-free rates have reached mid-single digits. A hedge fund may collect significant incentive fees based solely on skill-less returns generated from short rebate, securities lending, unencumbered cash, etc. These returns are easily obtainable by LPs outside of a hedge fund structure for free. Earning cash returns is not the reason institutional LPs invest in hedge funds.

Furthermore, cash hurdles better promote proper risk taking, as the financial health of the GP is dependent on delivering the valuable good LPs seek – alpha. In 2023, a \$1B market neutral hedge fund could have earned ~\$52MM (5.25%) returns just by holding cash, and if that fund charged a 20% incentive fee on absolute returns, would have taken home \$10.5MM in compensation for taking zero risk. This is not sustainable, especially as it seems the risk-free rate may remain elevated for the foreseeable future; and it is not what LPs are asking GPs to do.

We recognize that the implementation of cash hurdles means adjustments to fee schedules and operational procedures within funds. However, it is our firm belief that the long-term benefits of proper alignment vastly outweigh short term challenges.

Therefore, we urge the hedge fund industry to embrace better alignment and adopt cash hurdles in incentive fee arrangements as a best practice standard.

Signed,

*continued*



## HEDGE FUND INVESTORS

<b>BCV Asset Management</b>	<b>New Mexico Educational Retirement Board</b>
<b>Bimcor Inc</b>	<b>NGS Super</b>
<b>Brightwell Pensions</b>	<b>North Dakota Department of Trust Lands</b>
<b>BW Gestão de Investimentos Ltda.</b>	<b>Pension Fund Association</b>
<b>CDPQ</b>	<b>Pragma Gestão de Patrimonio LTDA</b>
<b>CIBC US Private Wealth Management</b>	<b>Public Employees Retirement System of New Mexico</b>
<b>Credit Suisse Pension</b>	<b>RBC Wealth Management</b>
<b>Employees Retirement System of Texas</b>	<b>Sandstone Capital Pte. Ltd. (Wah Hin)</b>
<b>Fire &amp; Police Pension Association of Colorado</b>	<b>SECOR Asset Management</b>
<b>Försäkringsbolaget PRI Pensionsgaranti, ömsesidigt</b>	<b>Smithsonian Institution</b>
<b>Fondo de Ahorro de Panamá</b>	<b>Soros Fund Management</b>
<b>FS Fiduciary Services LLC</b>	<b>South Carolina Retirement System Investment Commission</b>
<b>GIC</b>	<b>Strategic Investment Management, LLC</b>
<b>Healthcare of Ontario Pension Plan Trust Fund</b>	<b>Suva</b>
<b>Ilmarinen Mutual Pension Insurance Company</b>	<b>Teacher Retirement System of Texas</b>
<b>Indiana Public Retirement System</b>	<b>Texas Permanent School Fund Corporation</b>
<b>J. Safra Sarasin</b>	<b>Texas Treasury Safekeeping Trust Company</b>
<b>John D. and Catherine T. MacArthur Foundation</b>	<b>Tokyo Marine Asset Management Co., Ltd Hedge Fund Investment Group</b>
<b>Kern County Employees' Retirement Association</b>	<b>Trans-Canada Capital</b>
<b>Korea Investment Management</b>	<b>Treis</b>
<b>LAB Ltd.</b>	<b>TTC Pension Plan</b>
<b>Los Angeles County Employees Retirement Association</b>	<b>UTIMCO (University of Texas/Texas A&amp;M Investment Management Co.)</b>
<b>Meketa Fiduciary Management</b>	

*continued*

**University of Toronto Asset Management Corporation**

**Utah Retirement Systems**

**Utah School and Institutional Trust Funds Office**

**Virginia Retirement System**

**West Virginia Investment Management Board**

**Wyoming Retirement System**

**CONSULTANTS**

**Aksia LLC**

**Albourne**

**Cambridge Associates LLC**

**Meketa Investment Group**

**NEPC**

**Verus**

**FOR INFORMATION ONLY**

July 17, 2024

TO: Trustees – Board of Investments

FROM: Dale Johnson Senior Investment Officer

Ron Senkandwa Investment Officer

Magdalia Armstrong, CFA, CAIA Senior Investment Analyst

Adrian Gonzalez, CFA Senior Investment Analyst

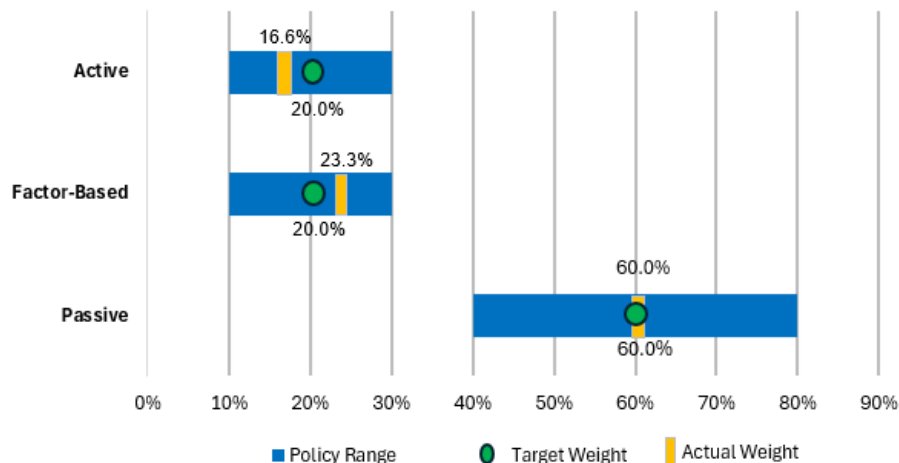
FOR: August 14, 2024 Board of Investments Meeting

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

The Board approved two separate account managers, Leading Edge Investment Advisors (LEIA) and New Alpha Asset Management (New Alpha) to source, research, and hire emerging managers for the global equity emerging manager program (“EMP”) at the October 2022 Board of Investments meeting. During the second quarter of 2024, the EMP was funded with \$935 million.

The most recent composition of the global equity portfolio is shown below and includes the allocation targets and policy ranges for the passive, factor, and active categories.

**Target and Policy Ranges**



As of June 30, 2024

The EMP is a sub-category of the active allocation and after the contribution of \$935 million, the allocation to emerging managers stands at 3.8% of the global equity portfolio. In October 2022, the Board approved a new range for the EMP which would allow a maximum allocation up to 10% of the global equity portfolio. And most recently, in March 2024, the Board reaffirmed the EMP parameters.

### **LEIA and New Alpha Portfolios**

The LEIA portfolio funded in May 2024 with eight emerging managers totaling \$500 million with individual allocations ranging from \$20 to \$90 million. The New Alpha portfolio funded in June 2024 with six emerging managers totaling \$435 million with individual allocations ranging from \$50 to \$80 million. The combined portfolios complement the existing active allocation by providing differentiated sources of alpha from a market capitalization and regional perspective.

### **History**

The EMP has been in existence for almost 30 years in various forms, with refinements to the implementation of the program made over time. The EMP started in 1995 and was managed through a fund-of-funds program. In 2017, the EMP was re-launched with LACERA sourcing emerging managers directly. During that phase, three emerging managers were hired, and two of the three managers remain in the global equity portfolio. Global Alpha, a non-US small cap mandate, graduated to the active manager roster and CornerCap, a US small cap mandate, continues to be a part of the EMP.

The funding of the LEIA and New Alpha portfolios represents a new and prudent phase taking lessons learned from each EMP iteration. All emerging manager relationships are set up as separate accounts at LACERA's custodian, State Street Bank, which allows LACERA to have beneficial ownership rights such as voting proxies and greater transparency into each portfolio. The updated EMP represents a strategic partnership with LEIA and New Alpha and aligns with LACERA's strategic initiatives by enhancing operational effectiveness of the global equity portfolio; optimizing the investment model; maximizing stewardship and ownership rights; and partnering with firms aligned with LACERA's T.I.D.E. initiative.

### **Emerging Manager Policy**

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

The role of LEIA and New Alpha is to not only source and select emerging firms but also advise them on institutionalizing their business operations with the goal to eventually graduate these firms from emerging status.

Performance of the global equity emerging manager program will be reported in LACERA's total Fund quarterly performance book.

Noted and Reviewed:



---

Jonathan Grabel  
Chief Investment Officer

**FOR INFORMATION ONLY**

August 6, 2024

TO: Trustees,  
Board of Investments

FROM: Christine Roseland *CR*  
Senior Staff Counsel

FOR: August 14, 2024 Board of Investments Meeting

SUBJECT: **Legal Projects**

Attached is the monthly report on the status of Board-directed investment-related projects handled by the Legal Division as of August 6, 2024.

Attachment

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



**LACERA Legal Division  
Board of Investments Projects  
Monthly Status Report - Pending as of August 6, 2024\***



	Project/ Investment	Description	Amount	Board Approval Or Report Out Date	Completion Status	% Complete	Notes
AUDIT	Cavanaugh Macdonald Consulting	Consulting Agreement for Actuarial Auditing Services	\$506,000	May 8, 2024	In Progress	85%	Legal negotiations in process.
	Milliman Inc.	Consulting Agreement for Actuarial Consulting Services	\$3,558,500	May 8, 2024	In Progress	85%	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	90%	Legal negotiations in process.
REAL ASSETS	Albourne America LLC	First Amendment to Investment Consulting Services Agreement	\$4,987,500	June 12, 2024	In Progress	50%	Legal negotiations in process.
	HitecVision New Energy Fund 2 SCSp	Subscription	\$200,000,000	June 12, 2024	Completed	100%	Completed.
	L/HV Opportunities (Co-Invest) SCSp	Co-Investment	\$50,000,000	June 12, 2024	Completed	100%	Completed.

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

**FOR INFORMATION ONLY**

July 28, 2024

TO: Each Trustee  
Board of Retirement

FROM: Barry W. Lew   
Legislative Affairs Officer

FOR: August 7, 2024 Board of Retirement Meeting  
August 14, 2024 Board of Investments Meeting

SUBJECT: **Monthly Status Report on Legislation**

Attached is the monthly report on the status of legislation that staff is monitoring. Bills from 2023 that were enacted or are dead are no longer being monitored. Bills on which LACERA has adopted a position are highlighted in yellow.

**Reviewed and Approved:**



---

**Luis Lugo, Deputy Chief Executive Officer**

**Attachments**

LACERA Legislative Report Index  
LACERA Legislative Report

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

CATEGORY	BILL	AUTHOR	TITLE	PAGE
BALLOT_INITIATIVES	6		Taxpayer Protection and Government Accountability Act	31
BROWN_ACT	AB 817	Blanca Pacheco (D)	Open Meetings: Teleconferencing: Subsidiary Body	2
BROWN_ACT	AB 2302	Dawn Addis (D)	Open Meetings: Local Agencies: Teleconferences	9
BROWN_ACT	AB 2350	Josh Hoover (R)	Open Meetings: School Boards: Emergencies: Notification	11
BROWN_ACT	AB 2715	Tasha Boerner (D)	Ralph M. Brown Act: Closed Sessions	20
BROWN_ACT	SB 537	Josh Becker (D)	Department of General Services: Memorial	24
HEALTHCARE	HR 957	Abigail A. Spanberger (D)	Internal Revenue Code Retirement Plan Exclusion	33
PUBLIC_EMPLOYMENT	AB 2335	Tina McKinnor (D)	Public Employment: Compensation and Classification	10
PUBLIC_EMPLOYMENT	AB 2421	Evan Low (D)	Employer-Employee Relations: Confidential Communication	13
PUBLIC_EMPLOYMENT	AB 2455	Jesse Gabriel (D)	Whistleblower Protection: State and Local Government	14
PUBLIC_EMPLOYMENT	AB 2489	Christopher Ward (D)	Local Agencies: Contracts for Special Services	16
PUBLIC_EMPLOYMENT	AB 2557	Liz Ortega (D)	Local Agencies: Contracts for Special Services	17
PUBLIC_EMPLOYMENT	AB 2561	Tina McKinnor (D)	Local Public Employees: Vacant Positions	18
PUBLIC_EMPLOYMENT	SB 1379	Bill Dodd (D)	Public Employees' Retirement Law: Reinstatement	29
PUBLIC_INVESTMENT	SB 252	Lena A. Gonzalez (D)	Public Retirement Systems: Fossil Fuels: Divestment	23
PUBLIC_RECORDS_ACT	AB 2153	Josh Lowenthal (D)	California Public Records Act: Public Agency Employees	5
PUBLIC_RECORDS_ACT	SB 1034	Kelly Seyarto (R)	California Public Records Act: State of Emergency	26
PUBLIC_RECORDS_ACT	SB 1441	Ben Allen (D)	Examination of Petitions: Time Limitations	30
PUBLIC_RETIREMENT	AB 148	Budget	State Employment: State Bargaining Units: Agreements	1
PUBLIC_RETIREMENT	AB 1246	Stephanie Nguyen (D)	Public Employees' Retirement	3
PUBLIC_RETIREMENT	AB 1997	Tina McKinnor (D)	Teachers' Retirement Law	4
PUBLIC_RETIREMENT	AB 2183	Reginald B. Jones-Sawyer (D)	Public Employees' Retirement Benefits: Compensation	6
PUBLIC_RETIREMENT	AB 2284	Timothy S. Grayson (D)	County Employees' Retirement: Compensation	7
PUBLIC_RETIREMENT	AB 2301	Stephanie Nguyen (D)	Sacramento Area Sewer District Pension Protection Act	8
PUBLIC_RETIREMENT	AB 2362	Tom Lackey (R)	County Fire Service Retirement Law: Report	12
PUBLIC_RETIREMENT	AB 2474	Tom Lackey (R)	Retirement: County Employees Retirement Law of 1937	15
PUBLIC_RETIREMENT	AB 2631	Mike Fong (D)	Local Agencies: Ethics Training	19
PUBLIC_RETIREMENT	AB 2770	Public Employment and Retirement	Public Employees Retirement	21
PUBLIC_RETIREMENT	AB 3025	Avelino Valencia (D)	County Employees' Retirement: Disallowed Compensation	22
PUBLIC_RETIREMENT	HR 5241	Gregory F. Murphy (R)	Governmental Pension Plans	35
PUBLIC_RETIREMENT	SB 962	Steve Padilla (D)	San Diego Unified Port District: Public Employee	25
PUBLIC_RETIREMENT	SB 1240	Marie Alvarado-Gil (D)	Public Employees Retirement System: Contracting	28
RETIREMENT_PERSONNEL	SB 1189	Monique Limon (D)	County Employees Retirement Law of 1937	27
SOCIAL_SECURITY	HR 4260	Richard E. Neal (D)	Equitable Social Security Formula	34
SOCIAL_SECURITY	HR 5342	Jodey Cook Arrington (R)	Windfall Elimination Provision Replacement	36
SOCIAL_SECURITY	HR 82	Garret Graves (R)	Pension Offset and Windfall Elimination Repeal	32
SOCIAL_SECURITY	S 597	Sherrod Brown (D)	Government Pension Offset Repeal	37



1.

## California Assembly Bill 148 (2023-2024)

CAA 148 | Budget | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |  
Senate Budget & Fiscal Review Committee

### State Employment: State Bargaining Units: Agreements

Provides that existing law provides that a provision of a memorandum of understanding reached between the State employer and a recognized employee organization representing State civil service employees that requires the expenditure of funds does not become effective unless approved by the Legislature in the annual Budget Act. Approves provisions of agreements entered into by the State employer and State Bargaining Units 1, 3, 4, 5, 11, 12, 13, 14, 15, 17, 19, 20, and 21. Appropriates funds.

#### Code:

An act ~~relating to the Budget Act of 2023.~~ to amend Sections 7522.34, 19829.9851, 19829.9852, 19829.9853, 19878.5, and 22944.5 of, and to add Sections 19829.9854, 20677.61, 20677.92, 20677.93, 20677.94, and 22871.10 to, the Government Code, relating to public employment, and making an appropriation therefor, to take effect immediately, bill related to the budget.

#### Status:

**Sep 13, 2023:** Re-referred to SENATE Committee on BUDGET AND FISCAL REVIEW.  
[+ Show full status history](#)

#### PUBLIC\_RETIREMENT

Commentary:

**Comment:**

Apr 23, 2024 - 12:01 P.M. (PDT)

Amends PEPR section 7522.34 as it relates to state employees.

---

2.

## California Assembly Bill 817 (2023-2024)

CAA 817 | [Blanca Pacheco \(D-064\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Local Government Committee

### Open Meetings: Teleconferencing: Subsidiary Body

Authorizes a subsidiary body to use certain alternative teleconferencing provisions. Requires at least one staff member of the local agency to be present at a designated primary physical meeting location during the meeting. Requires the local agency to post the agenda at the primary physical meeting location. Requires the members of the subsidiary body to visibly appear on camera during the open portion of a meeting that is publicly accessible via the internet or other online platform.

#### Code:

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

#### Status:

**June 5, 2024:** In SENATE Committee on LOCAL GOVERNMENT: Reconsideration granted.

**June 5, 2024:** In SENATE Committee on LOCAL GOVERNMENT: Failed passage.

[+ Show full status history](#)

#### BROWN\_ACT

| No tags, commentary, or attachment applied

---

3.

## California Assembly Bill 1246 (2023-2024)

CAA 1246 | [Stephanie Nguyen \(D-010\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Third Reading File

### Public Employees' Retirement

Relates to the Public Employees' Retirement Law and the Public Employees' Retirement System. Permits, commencing on specified date, a member who elected to receive a specified optional settlement at retirement, if the member's former spouse was named as beneficiary and a legal judgment awards only a portion of the interest in the retirement system to the retired member, to elect to add their new spouse as the beneficiary of the member's interest, subject to meeting certain conditions.

#### Code:

An act to amend Sections ~~21462, 21481, and 75523~~ [21462 and 21481](#) of the Government Code, relating to retirement.

#### Status:

**June 19, 2024:** In SENATE. Read second time. To third reading.

[+ Show full status history](#)

#### Hearing Dates:

**08/05/2024** Senate Third Reading File

 PUBLIC\_RETIREMENT

| No tags, commentary, or attachment applied

---

4.

## California Assembly Bill 1997 (2023-2024)

CAA 1997 | [Tina McKinnor \(D-061\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |  
Senate Appropriations Committee

### Teachers' Retirement Law

Relates to the State Teachers' Retirement System. Requires the Teachers' Retirement Board to determine a date when STRS has the capacity to implement the specified changes and to post the date on the STRS internet website no later than the specified date. Relates to the Teachers' Retirement Fund. Appropriates funds.

#### Code:

An act to amend and repeal Section 22119.2 of, to amend, repeal, and add Sections 22104.8, 22115, 22119.3, 22119.5, 22121, 22170, 22317.5, 22701, and 22905 of, and to add Sections 22156.07, 22156.08, and 22324.5 to, the Education Code, relating to retirement, and making an appropriation therefor.

#### Status:

**June 24, 2024:** In SENATE Committee on APPROPRIATIONS: To Suspense File.

[+ Show full status history](#)



**PUBLIC\_RETIREMENT**

| No tags, commentary, or attachment applied

---

5.

## California Assembly Bill 2153 (2023-2024)

CAA 2153 | [Josh Lowenthal \(D-069\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Judiciary Committee

### California Public Records Act: Public Agency Employees

Requires each agency, upon receipt of a request for a copy of, or the inspection of, any personnel, medical, or similar records of a public agency employee or any record that would disclose a public agency employee's personal identity in connection with the performance of that employee's work duties, to promptly and prior to the release of the records, provide written notice of the request to that public agency employee.

**Code:**

An act to amend Section 7922.535 of the Government Code, relating to public records.

**Status:**

**Feb 20, 2024:** To ASSEMBLY Committee on JUDICIARY.

[+ Show full status history](#)



**PUBLIC\_RECORDS\_ACT**

| No tags, commentary, or attachment applied

---

6.

## California Assembly Bill 2183 (2023-2024)

CA A 2183 | [Reginald B. Jones-Sawyer \(D-057\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | ASSEMBLY

### Public Employees' Retirement Benefits: Compensation

Makes a nonsubstantive change to a provision of the California Public Employees' Pension Reform Act of 2013 (PEPRA).

**Code:**

An act to amend Section 7522.32 of the Government Code, relating to public employees' retirement.

**Status:**

**Feb 7, 2024:** INTRODUCED.

 **PUBLIC\_RETIREMENT**

| No tags, commentary, or attachment applied

---

7.

## California Assembly Bill 2284 (2023-2024)

CAA 2284 | Timothy S. Grayson (D-015) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Third Reading File

### County Employees' Retirement: Compensation

Relates to the County Employees Retirement Law and the California Public Employees' Pension Reform Act. Authorizes a retirement system to define grade to mean a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit or other logical work-related group or class. Specifies that these provisions shall not become operative in a county until the board of supervisors makes the provisions applicable.

**Code:**

An act to amend Section 31461 of the Government Code, relating to retirement.

**Status:**

**June 27, 2024:** In SENATE. Read second time and amended. To third reading.  
[+ Show full status history](#)

**Hearing Dates:**

**08/05/2024** Senate Third Reading File

 PUBLIC\_RETIREMENT

Tags:

Staff\_Recommendation:

IBLC\_Recommendation:

BOR\_Position:

8.

## California Assembly Bill 2301 (2023-2024)

CAA 2301 | [Stephanie Nguyen \(D-010\)](#) and 6 Co-sponsors | Enacted | Fiscal Committee (No) | Urgency Clause (Yes) | Chaptered

Effective Dates: 07/02/2024

### Sacramento Area Sewer District Pension Protection Act

Enacts the Sacramento Area Sewer District Pension Protection Act of 2024. Provides that the sewer district would assume the rights, obligations, and status previously occupied by the County of Sacramento with regard to the portion of the county safety plan, which is that portion of the county's defined benefit plan attributed to retirement system members and beneficiaries of the Sacramento Area Sewer District to, among other things, the replacement benefits program.

**Code:**

An act to add Article 4.6 (commencing with Section 31574) to Chapter 3 of Part 3 of Division 4 of Title 3 of the Government Code, relating to public employee retirement, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 02, 2024. Filed with Secretary of State July 02, 2024.]

**Status:**

**July 2, 2024:** Chaptered by Secretary of State. Chapter No. 2024-064

**July 2, 2024:** Signed by GOVERNOR.

[+ Show full status history](#)

 PUBLIC\_RETIREMENT

| No tags, commentary, or attachment applied

---



9.

## California Assembly Bill 2302 (2023-2024)

CAA 2302 | [Dawn Addis \(D-030\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) |  
Senate Third Reading File

### Open Meetings: Local Agencies: Teleconferences

Relates to existing law which imposes prescribed restrictions on remote participation by a member of a legislative body of a local agency under alternative teleconferencing provisions. Revises the limits, instead prohibiting such participation for more than a specified number of meetings per year, based on how frequently the legislative body regularly meets.

#### Code:

An act to amend Section 54953 of the Government Code, relating to local government.

#### Status:

**June 6, 2024:** In SENATE. Read second time. To third reading.

[+ Show full status history](#)

#### Hearing Dates:

**08/05/2024** Senate Third Reading File

 BROWN\_ACT

| No tags, commentary, or attachment applied

---

10.

## California Assembly Bill 2335 (2023-2024)

CAA 2335 | [Tina McKinnor \(D-061\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |  
Senate Appropriations Committee

### Public Employment: Compensation and Classification

Expands the purpose of the State Civil Service Act to include that the compensation relationship between State civil positions with comparable duties and responsibilities is maintained.

#### Code:

An act to amend Sections ~~8248~~, 18500, 19797, 19826, and 19827.2 of the Government Code, relating to public employment.

#### Status:

**June 26, 2024:** From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.

[+ Show full status history](#)

#### Hearing Dates:

**08/05/2024** Appropriations



PUBLIC\_EMPLOYMENT

| No tags, commentary, or attachment applied

---

11.

## California Assembly Bill 2350 (2023-2024)

CAA 2350 | [Josh Hoover \(R-007\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |  
Senate Appropriations Committee

### Open Meetings: School Boards: Emergencies: Notification

Provides that existing law authorizes a legislative body to hold an emergency meeting without complying with specified 24-hour notice and posting requirements. Authorizes a school board holding an emergency meeting to fulfill the premeeting notification requirement by email instead of by telephone. Provides that if the internet and telephone services are not functioning, the bill would similarly waive the premeeting notification requirement and require the post meeting notification.

#### Code:

An act to amend Section 54956.5 of the Government Code, relating to open meetings.

#### Status:

**July 3, 2024:** From SENATE Committee on EDUCATION: Do pass to Committee on APPROPRIATIONS.

[+ Show full status history](#)

#### Hearing Dates:

**08/05/2024** Appropriations



**BROWN\_ACT**

| No tags, commentary, or attachment applied

---

12.

## California Assembly Bill 2362 (2023-2024)

CAA 2362 | [Tom Lackey \(R-034\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Public Employment and Retirement...

### County Fire Service Retirement Law: Report

Requires the County Foresters, Firewardens, and County Fire Protection District Firemen's Retirement Board to report to the board of supervisors on or before February 1 each year.

**Code:**

An act to amend Section 32266 of the Government Code, relating to public retirement.

**Status:**

**Feb 26, 2024:** To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

[+ Show full status history](#)

 PUBLIC\_RETIREMENT

| No tags, commentary, or attachment applied

---

13.

## California Assembly Bill 2421 (2023-2024)

CAA 2421 | [Evan Low \(D-026\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |  
Senate Appropriations Committee

### Employer-Employee Relations: Confidential Communication

Prohibits local public agency employer, a State employer, a judicial employer, a public school employer, a higher education employer, or certain districts from questioning any employee or employee representative regarding communications made in confidence between an employee and a representative. Provides that such communications would not be confidential if the representative was a witness or party to any of the events forming the basis of a potential administrative disciplinary or criminal investigation.

#### Code:

An act to amend Sections 3506.5, 3519, [3524.71](#), 3543.5, and 3571 of the Government Code, and to amend ~~Section 28858~~ [Sections 28858, 98169, 99563.7, and 102406](#) of the Public Utilities Code, relating to employer-employee relations.

#### Status:

**July 2, 2024:** From SENATE Committee on JUDICIARY: Do pass to Committee on APPROPRIATIONS.

[+ Show full status history](#)

#### Hearing Dates:

**08/05/2024** Appropriations



**PUBLIC\_EMPLOYMENT**

| No tags, commentary, or attachment applied

---

14.

## California Assembly Bill 2455 (2023-2024)

CAA 2455 | [Jesse Gabriel \(D-046\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |  
Senate Appropriations Committee

### Whistleblower Protection: State and Local Government

Authorizes a city, county, or city and county auditor or controller to maintain a whistleblower hotline to receive calls from persons who have information regarding improper governmental activity. Authorizes a city or county auditor or controller, or auditor's or controller's designee, to conduct an investigative audit of the matter upon receiving specific information that an employee or local government has engaged in a fraud, waste, or abuse or improper governmental activity.

**Code:**

An act to amend Sections 8547.2, 8547.5, 8547.7, 8547.8, and 53087.6 of the Government Code, relating to whistleblower protection.

**Status:**

**June 27, 2024:** In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

[+ Show full status history](#)

**Hearing Dates:**

**08/05/2024** Appropriations



**PUBLIC\_EMPLOYMENT**

| No tags, commentary, or attachment applied

---

15.

## California Assembly Bill 2474 (2023-2024)

CAA 2474 | [Tom Lackey \(R-034\)](#) | Enacted | Fiscal Committee (No) | Urgency Clause (No) | Chaptered

Effective Dates: 01/01/2025

### Retirement: County Employees Retirement Law of 1937

Relates to the County Employees Retirement Law of 1937. Authorizes the Board of Retirement for the County of Los Angeles to have the monthly warrant, check, or electronic fund transfer for the retirement allowance or benefit be delivered to a prepaid account in accordance with certain procedures. Defines account of the retired member or survivor of a deceased retired member to include an account held in a living trust or an income-only trust.

#### Code:

An act to amend Section 31452.6 of, to add Section 31680.9 to, and to add and repeal Sections 31452.61 and 31590.2 of, the Government Code, relating to retirement.

[Approved by Governor July 15, 2024. Filed with Secretary of State July 15, 2024.]

#### Status:

**July 15, 2024:** Chaptered by Secretary of State. Chapter No. 2024-108

**July 15, 2024:** Signed by GOVERNOR.

[+ Show full status history](#)

#### PUBLIC\_RETIREMENT

Tags:

**Staff\_Recommendation:** Support

Sponsor

**IBLC\_Recommendation:** Support

Sponsor

BOR\_Position:

Sponsor

Support

16.

## California Assembly Bill 2489 (2023-2024)

CA A 2489 | [Christopher Ward \(D-078\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Appropriations Committee

### Local Agencies: Contracts for Special Services

Requires a county board of supervisors or a representative, at least a specified number of months before beginning a procurement process to contract with persons for special services that are currently, or were previously, performed by employees of the county represented by an employee organization, to notify, in writing, the exclusive employee representative of the workforce affected. Provides that this notice requirement does not apply in the event of an emergency.

#### Code:

An act to amend Sections 31000, 31000.4, 37103, and 53060 of the Government Code, relating to local government.

#### Status:

**May 16, 2024:** In ASSEMBLY Committee on APPROPRIATIONS: Held in committee.

**May 16, 2024:** In ASSEMBLY. Joint Rule 62(a) suspended.

[+ Show full status history](#)



**PUBLIC\_EMPLOYMENT**

No tags, commentary, or attachment applied



17.

## California Assembly Bill 2557 (2023-2024)

CAA 2557 | [Liz Ortega \(D-020\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |  
Senate Appropriations Committee

### Local Agencies: Contracts for Special Services

Requires each board of supervisors that solicits for and enters into a specified contract for special services to post that contract and any related documents on its website.

Requires each contract to include the objectives, desirables, and goals of the contract.

Requires, before beginning a procurement process to contract for functions, duties, responsibilities, or services, the board to give reasonable written notice to the exclusive employee representative of the workforce affected by the contract.

#### Code:

An act to add Sections 31000.01, 31000.4.5, 37103.1, and 53060.01 to the Government Code, relating to local agencies.

#### Status:

**July 3, 2024:** In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

**July 3, 2024:** From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass as amended to Committee on APPROPRIATIONS.

[+ Show full status history](#)

#### Hearing Dates:

**08/05/2024** Appropriations



**PUBLIC\_EMPLOYMENT**

| No tags, commentary, or attachment applied

---

18.

## California Assembly Bill 2561 (2023-2024)

CAA 2561 | [Tina McKinnor \(D-061\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Appropriations Committee

### Local Public Employees: Vacant Positions

Relates to the Meyers-Milias-Brown Act. Requires each public agency with high vacancy rates for more than a specified number of days, at the request of the recognized employee organization, to promptly meet and confer with the representative of the recognized employee organization within a specified number of days about substantive strategies to fill vacancies and to hold a public hearing within a specified number of days about high vacancy rates and specified related matters.

#### Code:

An act to add Section 3502.3 to the Government Code, relating to public employment.

#### Status:

**July 3, 2024:** In SENATE. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

**July 3, 2024:** From SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Do pass as amended to Committee on APPROPRIATIONS.

[+ Show full status history](#)

#### Hearing Dates:

**08/05/2024** Appropriations

 PUBLIC\_EMPLOYMENT

| No tags, commentary, or attachment applied

---

19.

## California Assembly Bill 2631 (2023-2024)

CAA 2631 | [Mike Fong \(D-049\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |  
Senate Appropriations Committee

### Local Agencies: Ethics Training

Requires the Fair Political Practices Commission, in consultation with the Attorney General, to create, maintain, and make available to local agency officials an ethics training course.

#### Code:

An act to amend Section 53235 of the Government Code, relating to local government.

#### Status:

**July 2, 2024:** From SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS:  
Do pass to Committee on APPROPRIATIONS.

[+ Show full status history](#)

#### Hearing Dates:

**08/05/2024** Appropriations

 PUBLIC\_RETIREMENT

| No tags, commentary, or attachment applied

---

20.

## California Assembly Bill 2715 (2023-2024)

CAA 2715 | [Tasha Boerner \(D-077\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Third Reading File

### Ralph M. Brown Act: Closed Sessions

Provides that existing law authorizes a legislative body to hold a closed session with specified individuals on, among other things, matters posing a threat to the security of essential public services. Authorizes a legislative body to hold a closed session with other law enforcement or security personnel and to hold a closed session on a threat to critical infrastructure controls or critical infrastructure information relating to cybersecurity.

#### Code:

An act to amend Section 54957 of the Government Code, relating to local government.

#### Status:

**June 27, 2024:** In SENATE. Read second time. To third reading.

[+ Show full status history](#)

#### Hearing Dates:

**08/05/2024** Senate Third Reading File

 BROWN\_ACT

| No tags, commentary, or attachment applied

---

21.

## California Assembly Bill 2770 (2023-2024)

CA A 2770 | Public Employment and Retirement | Enacted | Fiscal Committee (Yes) | Urgency Clause (No)  
| Chaptered

Effective Dates: 01/01/2025

### Public Employees Retirement

Relates to the Teachers Retirement System. Provides that existing law authorizes a member to request to purchase additional service credit and to redeposit accumulated retirement contributions returned to the member. Provides that existing law requires additional regular interest to be added to the contributions if the member is not employed to perform creditable service subject to coverage by the Defined Benefit Program on the date of the request to purchase additional credit. Revises interest calculation.

#### Code:

An act to amend Sections 22801, 23200, 23201, 23202, 24600, and 26004 of the Education Code, and to amend Sections 31628, 31720.91, 31783.5, 75521, 75553, 75570, and 75571.5 of the Government Code, relating to public employees' retirement.

[Approved by Governor July 15, 2024. Filed with Secretary of State July 15, 2024.]

#### Status:

**July 15, 2024:** Chaptered by Secretary of State. Chapter No. 2024-117

**July 15, 2024:** Signed by GOVERNOR.

[+ Show full status history](#)

#### PUBLIC\_RETIREMENT

Tags:

Staff\_Recommendation: Support

IBLC\_Recommendation: Support

BOR\_Position: Support

22.

## California Assembly Bill 3025 (2023-2024)

CA A 3025 | [Avelino Valencia \(D-068\)](#) and 2 Co-sponsors | Pending | Fiscal Committee (No) | Urgency Clause (No) | Senate Third Reading File

### County Employees' Retirement: Disallowed Compensation

Relates to the County Employees Retirement Law. Requires the retirement system, for a retired member, survivor, or beneficiary whose final compensation was predicated upon a disallowed compensation, to credit the employer contributions made on the disallowed compensation against future contributions, to the benefit of the employer that reported the disallowed compensation, to return any member contributions paid by, or on behalf of, that member, to the member directly, and to permanently adjust the benefit.

#### Code:

An act to add Section 31541.2 to the Government Code, relating to county employees' retirement.

#### Status:

**June 27, 2024:** In SENATE. Read second time and amended. To third reading.

[+ Show full status history](#)

#### Hearing Dates:

**08/05/2024** Senate Third Reading File



#### PUBLIC\_RETIREMENT

##### Tags:

Staff\_Recommendation: Neutral

IBLC\_Recommendation: Neutral

BOR\_Position: Neutral

23.

## California Senate Bill 252 (2023-2024)

CAS 252 | [Lena A. Gonzalez \(D-033\)](#) and 3 Co-sponsors | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Public Employment and Retirement...

### Public Retirement Systems: Fossil Fuels: Divestment

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

#### Code:

An act to amend Section 16642 of, and to add Section 7513.76 to, the Government Code, relating to public retirement systems.

#### Status:

**June 19, 2024:** In ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Not heard.  
[+ Show full status history](#)



**PUBLIC\_INVESTMENT**

| No tags, commentary, or attachment applied

---

24.

## California Senate Bill 537 (2023-2024)

CAS 537 | [Josh Becker \(D-013\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (Yes) |  
Assembly Governmental Organization Committee

### Department of General Services: Memorial

Authorizes a nonprofit organization representing Mexican Americans or Mexican immigrants, in consultation with the Department of General Services, to plan, construct, and maintain a memorial to Mexican Americans and Mexican immigrants who were forcibly deported from the United States during the Great Depression. Requires the nonprofit organization to submit a plan for the memorial to the department for its review and approval.

#### Code:

~~An act to amend Section 54953 of, and to add and repeal Section 54953.4 of, the Government Code, relating to local government, and declaring the urgency thereof, to take effect immediately.~~

An act to add Section 14638 to the Government Code, relating to memorials.

#### Status:

**June 10, 2024:** Re-referred to ASSEMBLY Committee on GOVERNMENTAL ORGANIZATION.

**June 10, 2024:** In ASSEMBLY. Assembly Rule 77.2 suspended.

**June 10, 2024:** In ASSEMBLY. Read third time and amended. To third reading.

[+ Show full status history](#)

#### BROWN\_ACT

Commentary:

**Comment:**

Jul 28, 2024 - 5:45 P.M. (PDT)

Gutted and amended to relate to memorials.

---



25.

## California Senate Bill 962 (2023-2024)

CAS 962 | [Steve Padilla \(D-018\)](#) | Enacted | Fiscal Committee (No) | Urgency Clause (Yes) | Chaptered

Effective Dates: 07/15/2024

### San Diego Unified Port District: Public Employee

Provides that the California Public Employees' Pension Reform Act permits a public employer to adopt a new defined benefit formula that is not consistent with PEPRA, if that formula is determined and certified by the chief actuary and the board of that employer's retirement system to not have a greater risk or greater cost to the sponsoring employer than the defined benefit formula required by PEPRA. Approves a specified defined benefit formula applicable to employees of the San Diego Unified Port District.

#### Code:

An act relating to the public employee pension benefits, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor July 15, 2024. Filed with Secretary of State July 15, 2024.]

#### Status:

**July 15, 2024:** Chaptered by Secretary of State. Chapter No. 2024-126

**July 15, 2024:** Signed by GOVERNOR.

[+ Show full status history](#)



**PUBLIC\_RETIREMENT**

| No tags, commentary, or attachment applied

---

26.

## California Senate Bill 1034 (2023-2024)

CAS 1034 | [Kelly Seyarto \(R-032\)](#) | Enacted | Fiscal Committee (Yes) | Urgency Clause (No) | Chaptered

Effective Dates: 01/01/2025

### California Public Records Act: State of Emergency

Revises the unusual circumstances under which the time limit may be extended to include the need to search for, collect, and appropriately examine records during a state of emergency, as defined, proclaimed by the Governor in the jurisdiction where the agency is located when the state of emergency currently affects, due to the state of emergency, the agency's ability to timely respond to requests due to staffing shortages or closure of facilities where the requested records are located, except as specified.

#### Code:

An act to amend Section 7922.535 of the Government Code, relating to public records.

[Approved by Governor July 18, 2024. Filed with Secretary of State July 18, 2024.]

#### Status:

**July 18, 2024:** Chaptered by Secretary of State. Chapter No. 2024-161

**July 18, 2024:** Signed by GOVERNOR.

[+ Show full status history](#)



**PUBLIC\_RECORDS\_ACT**

| No tags, commentary, or attachment applied

---

27.

## California Senate Bill 1189 (2023-2024)

CAS 1189 | [Monique Limon \(D-019\)](#) | Enacted | Fiscal Committee (No) | Urgency Clause (No) | Chaptered

Effective Dates: 01/01/2025

### County Employees Retirement Law of 1937

Provides that the County Employees Retirement Law of 1937 (CERL) authorizes counties to establish retirement systems pursuant to its provisions in order to provide pension benefits to their employees. Provides that CERL authorizes the board of retirement to appoint a retirement administrator, chief financial officer, chief operations officer, chief investment officer, and general counsel. Authorizes the board to appoint a chief technology officer.

#### Code:

An act to amend Section 31522.10 of the Government Code, relating to retirement.

[Approved by Governor July 15, 2024. Filed with Secretary of State July 15, 2024.]

#### Status:

**July 15, 2024:** Chaptered by Secretary of State. Chapter No. 2023-131

**July 15, 2024:** Signed by GOVERNOR.

[+ Show full status history](#)

#### RETIREMENT\_PERSONNEL

| No tags, commentary, or attachment applied

---

28.

## California Senate Bill 1240 (2023-2024)

CAS 1240 | [Marie Alvarado-Gil \(D-004\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (Yes) | Assembly Appropriations Committee

### Public Employees Retirement System: Contracting

Relates to the Public Employees' Retirement System. Authorizes a successor agency for the El Dorado County Fire Protection District and the Diamond Springs-El Dorado Fire Protection District to provide employees the defined benefit plan or formula that those employees received from their respective employer prior to the annexation.

**Code:**

An act to add Section 20508.3 to the Government Code, relating to public employees' retirement, and declaring the urgency thereof, to take effect immediately.

**Status:**

**June 19, 2024:** From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.

[+ Show full status history](#)



**PUBLIC\_RETIREMENT**

| No tags, commentary, or attachment applied

---

29.

## California Senate Bill 1379 (2023-2024)

CAS 1379 | [Bill Dodd \(D-003\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (Yes) |  
Assembly Appropriations Committee

### Public Employees' Retirement Law: Reinstatement

Provides that under the Public Employees' Retirement System and the California Public Employees' Pension Reform Act, a retired member is subject to a specified hour limit of employment within a year for specified employers without reinstating in the system.

Creates an exception from the limit for hours worked by a retired person in an appointment by the Solano County Sheriff's Office to perform functions performed by a deputy sheriff, evidence technician or communications operator, under certain conditions.

#### Code:

An act to amend, repeal, and add Sections 7522.56 and 21224 of the Government Code, relating to public retirement, and declaring the urgency thereof, to take effect immediately.

#### Status:

**June 20, 2024:** In ASSEMBLY. Read second time and amended. Re-referred to Committee on APPROPRIATIONS.

[+ Show full status history](#)



**PUBLIC\_EMPLOYMENT**

| No tags, commentary, or attachment applied

---

30.

## California Senate Bill 1441 (2023-2024)

CAS 1441 | [Ben Allen \(D-024\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Appropriations Committee

### Examination of Petitions: Time Limitations

Provides that existing law authorizes the proponents of a petition found to be insufficient or their designated representative to examine the petition. Requires the examination to conclude no later than a specified number of days. Requires the proponent to reimburse all costs incurred by the county elections official due to the examination. Provides that the State Constitution requires the State to reimburse local agencies and school districts for certain costs. Provides that no reimbursement is required.

#### Code:

An act to amend Section 7924.110 of the Government Code, relating to petitions.

#### Status:

**June 26, 2024:** From ASSEMBLY Committee on ELECTIONS: Do pass to Committee on APPROPRIATIONS.

[+ Show full status history](#)

#### PUBLIC\_RECORDS\_ACT

| No tags, commentary, or attachment applied

---

31.

## California Proposition Removed (2024)

CA 2024 6 | State ID: 1935.(21-0042A1) | Removed from Ballot: 02/02/2023 | Qualification: 02/02/2023 | Election: 11/05/2024

### Taxpayer Protection and Government Accountability Act

Requires, for new or increased state taxes currently enacted by two-thirds vote of Legislature, a statewide election and majority voter approval. Limits voters' ability to pass voter-proposed local special taxes by raising vote requirement to two-thirds. Eliminates voters' ability to advise how to spend revenues from proposed general tax on same ballot as the proposed tax. Expands definition of taxes.

#### **BALLOT\_INITIATIVES**

Tags:

**Staff\_Recommendation:**

**IBLC\_Recommendation:**

**BOR\_Position:**

Commentary:

**Comment:**

Jul 28, 2024 - 5:55 P.M. (PDT)

The California Supreme Court ordered that the ballot initiative not be certified for the November General Election. Voters will not be voting on the ballot initiative.

---

32.

## United States House Bill 82 (2023-2024)

US H 82 | [Garret Graves \(R-LA 06\)](#) and 323 Co-sponsors | Pending | House Ways and Means Committee

### Pension Offset and Windfall Elimination Repeal

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

#### Status:

**Jan 9, 2023:** To HOUSE Committee on WAYS AND MEANS.

**Jan 9, 2023:** INTRODUCED.

[+ Show full status history](#)

#### Related:

[US H 4583](#) |

[US S 597](#) |

[US S 2280](#)

#### SOCIAL\_SECURITY

Tags:

**Staff\_Recommendation:** Support

**IBLC\_Recommendation:** Support

**BOR\_Position:** Support

---



33.

## United States House Bill 957 (2023-2024)

US H 957 | [Abigail A. Spanberger \(D-VA 07\)](#) and 20 Co-sponsors | Pending | House Ways and Means Committee

### Internal Revenue Code Retirement Plan Exclusion

Amends the Internal Revenue Code of 1986 to increase the amount excluded from gross income by reason of distributions from governmental retirement plans for health and long-term care insurance for public safety officers.

#### Status:

**Feb 9, 2023:** To HOUSE Committee on WAYS AND MEANS.

**Feb 9, 2023:** INTRODUCED.

[+ Show full status history](#)

#### HEALTHCARE

Tags:

**Staff\_Recommendation:** Watch

**IBLC\_Recommendation:** Watch

**BOR\_Position:** Watch

---

34.

## United States House Bill 4260 (2023-2024)

US H 4260 | [Richard E. Neal \(D-MA 01\)](#) and 103 Co-sponsors | Pending | House Ways and Means Committee

### Equitable Social Security Formula

Amends specified title of the Social Security Act to provide an equitable Social Security formula for individuals with noncovered employment and to provide relief for individuals currently affected by the Windfall Elimination Provision.

#### Status:

**June 21, 2023:** To HOUSE Committee on WAYS AND MEANS.

**June 21, 2023:** INTRODUCED.

[+ Show full status history](#)

#### SOCIAL\_SECURITY

Tags:

**Staff\_Recommendation:** Support

**IBLC\_Recommendation:** Support

**BOR\_Position:** Support

---

35.

## United States House Bill 5241 (2023-2024)

US H 5241 | [Gregory F. Murphy \(R-NC 03\)](#) and 6 Co-sponsors | Pending | House Ways and Means Committee

### Governmental Pension Plans

Amends the Internal Revenue Code of 1986 to provide that governmental pension plans may include certain firefighters, emergency medical technicians, and paramedics.

#### Status:

**Aug 18, 2023:** To HOUSE Committee on WAYS AND MEANS.

**Aug 18, 2023:** To HOUSE Committee on EDUCATION AND THE WORKFORCE.

**Aug 18, 2023:** INTRODUCED.

[+ Show full status history](#)

 PUBLIC\_RETIREMENT

Tags:

Staff\_Recommendation:

---

36.

## United States House Bill 5342 (2023-2024)

US H 5342 | [Jodey Cook Arrington \(R-TX 19\)](#) and 35 Co-sponsors | Pending |  
House Ways and Means Committee

### Windfall Elimination Provision Replacement

Amends title II of the Social Security Act to replace the windfall elimination provision with a formula equalizing benefits for certain individuals with noncovered employment.

#### Status:

**Sep 5, 2023:** To HOUSE Committee on WAYS AND MEANS.

**Sep 5, 2023:** INTRODUCED.

[+ Show full status history](#)

#### SOCIAL\_SECURITY

Tags:

**Staff\_Recommendation:** Support

**IBLC\_Recommendation:** Support

**BOR\_Position:** Support

---

37.

## United States Senate Bill 597 (2023-2024)

USS 597 | [Sherrod Brown \(D-OH\)](#) and 59 Co-sponsors | Pending | Senate Finance Committee

### Government Pension Offset Repeal

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

#### Status:

**Mar 1, 2023:** To SENATE Committee on FINANCE.

**Mar 1, 2023:** In SENATE. Read second time.

**Mar 1, 2023:** INTRODUCED.

[+ Show full status history](#)

#### Related:

[US H 82](#) |

[US H 4583](#) |

[USS 2280](#)

#### SOCIAL\_SECURITY

Tags:

**Staff\_Recommendation:** [Support](#)

**IBLC\_Recommendation:** [Support](#)

**BOR\_Position:** [Support](#)

---

**FOR INFORMATION ONLY**

July 23, 2024

TO: Trustees,  
Board of Investments

FROM: Ted Granger   
Interim Chief Financial Officer

FOR: August 14, 2024 – Board of Investments Meeting

SUBJECT: **Semi-Annual Interest Crediting for Reserves as of June 30, 2024 (UNAUDITED)**

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

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

**Interest Credit Application for Fiscal Year 2023-2024**Rate

Plan sponsors and LACERA must prepare for annual changes to employer and employee contribution rates and interest crediting rates, so the actuarial valuation from one year prior establishes the interest crediting target rate effective July 1 of a given fiscal year.

The annual investment return assumption of 7.00% was used to prepare the June 30, 2022 actuarial valuation report, and determines that 3.50% (i.e., 1/2 of the annual rate) is the semi-annual interest crediting rate applicable on June 30, 2024.

Realized Earnings

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

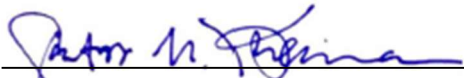
As of June 30, 2024, there were sufficient Realized Earnings to meet the required interest credit rates for Priority 1, the Member Reserve. In as much as there were no balances in the Advanced Employer Contributions Reserve, the remaining Realized Earnings were applied to Priority 3, the Employer Reserve.

The table below depicts the actual interest credit allocations for the six-month period ended June 30, 2024.

Priority Order	Reserve Account	Interest Credit Rate Applied
1	Member	3.50%
2	Advanced Employer Contributions	N/A
3	Employer	3.12%

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

**REVIEWED AND APPROVED:**



Santos H. Kreimann  
Chief Executive Officer

SHK:tg:mh

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

**FOR INFORMATION ONLY**

June 21, 2024

TO: Each Trustee  
Board of Retirement  
Board of Investments

FROM: Ted Granger *TG*  
Chief Financial Officer

FOR: July 3, 2024 Board of Retirement Meeting  
August 14, 2024 Board of Investments Meeting

**SUBJECT: MONTHLY TRUSTEE TRAVEL & EDUCATION REPORT – MAY 2024**

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 May 2024.

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

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

REVIEWED AND APPROVED:

---

Santos H. Kreimann  
Chief Executive Officer

TG/EW/SC/SE/gj

Attachments

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



**TRUSTEE TRAVEL AND EDUCATION REPORT**  
**FOR FISCAL YEAR 2023 - 2024**  
**MAY 2024**

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
<b>Alan Bernstein</b>			
A	1 Edu - PREA's 33rd Annual Institutional Investor Conference - Boston MA	10/18/2023 - 10/20/2023	Attended
B	- Edu - NACD DE&I Deep Dive: A Road Map for Becoming an Inclusion-Focused Board - Laguna Beach CA	08/22/2023 - 08/23/2023	Attended
<b>Trevor Fay</b>			
A	1 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/15/2024 - 04/19/2024	Attended
	2 Admin - 2024 Toigo Foundation Industry Insight & Anniversary Gala - New York City NY	05/29/2024 - 05/29/2024	Attended
B	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
<b>Mike Gatto</b>			
A	1 Edu - PPI 2024 Winter Roundtable - Napa CA	03/06/2024 - 03/07/2024	Attended
B	- Edu - SACRS 2024 Spring Conference - Santa Barbara CA	05/07/2024 - 05/10/2024	Attended
<b>Vivian Gray</b>			
A	1 Edu - Prosper Africa U.S. Institutional Investors Delegation Trip & GEBF Thought Leadership Conference - Johannesburg and Cape Town South Africa	09/30/2023 - 10/06/2023	Attended
	2 Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
	3 Edu - NIRS 15th Annual Retirement Policy Conference - Washington, DC	02/26/2024 - 02/27/2024	Attended
	4 Edu - NCPERS 2024 Annual Conference & Exhibition - Seattle WA	05/19/2024 - 05/22/2024	Attended
B	- Admin - SACRS Board of Directors and Committee Meeting - San Mateo CA	08/07/2023 - 08/08/2023	Attended
	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
	- Admin - TLF Trustee Peer Coaching Program - Boston MA	10/26/2023 - 10/27/2023	Attended
	- Admin - CALAPRS Intermediate Course in Retirement Plan Administration - Burbank CA	11/01/2023 - 11/03/2023	Attended
	- Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
	- Admin - NASP New York Symposium - New York City NY	11/14/2023 - 11/15/2023	Attended
	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
	- Admin - SACRS Board of Directors and Committee Meeting - Santa Barbara CA	03/25/2024 - 03/26/2024	Attended
	- Edu - SACRS 2024 Spring Conference - Santa Barbara CA	05/07/2024 - 05/10/2024	Attended
X	- Edu - Pension Bridge Private Credit Conference - San Diego CA	02/26/2024 - 02/27/2024	Canceled
<b>David Green</b>			
A	1 Edu - 2023 SuperInvestor International - Zürich Switzerland	11/14/2023 - 11/17/2023	Attended

**TRUSTEE TRAVEL AND EDUCATION REPORT**  
**FOR FISCAL YEAR 2023 - 2024**  
**MAY 2024**

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
<b>Jason Green</b>			
A	1 Edu - 2023 SuperInvestor International - Zürich Switzerland	11/14/2023 - 11/17/2023	Attended
B	- Edu - CII 2023 Fall Conference   Next Frontier in Governance - Long Beach CA	09/11/2023 - 09/13/2023	Attended
<b>James Harris</b>			
B	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
<b>Onyx Jones</b>			
X	- Edu - NCPERS 2023 Fall Conference - Las Vegas NV	10/21/2023 - 10/25/2023	Canceled
<b>Patrick Jones</b>			
A	1 Edu - 2023 Investment Diversity Advisory Council (IDAC) Global Summit - Chicago IL	09/19/2023 - 09/20/2023	Attended
	2 Edu - NCPERS 2023 Fall Conference - Las Vegas NV	10/21/2023 - 10/25/2023	Attended
	3 Edu - 2024 Infrastructure Investor Global Summit - Berlin, Germany	03/18/2024 - 03/21/2024	Attended
	4 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/15/2024 - 04/19/2024	Attended
B	- Edu - PPI 2023 Summer Roundtable - San Francisco CA	07/19/2023 - 07/21/2023	Attended
	- Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
	- Edu - Los Angeles Black Heritage Real Estate Tour - Los Angeles CA	02/29/2024 - 02/29/2024	Attended
	- Edu - PPI 2024 Winter Roundtable - Napa CA	03/06/2024 - 03/07/2024	Attended
	- Edu - SACRS 2024 Spring Conference - Santa Barbara CA	05/07/2024 - 05/10/2024	Attended
<b>Shawn Kehoe</b>			
B	- Admin - Professional Peace Officers Association (PPOA) Offsite - Carlsbad CA	01/27/2024 - 01/27/2024	Attended
<b>Keith Knox</b>			
A	1 Edu - 2023 PPI Executive Seminar and Asia Roundtable - Tokyo Japan	10/22/2023 - 10/27/2023	Attended
B	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
<b>Debbie Martin</b>			
X	- Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/15/2024 - 04/19/2024	Canceled

**TRUSTEE TRAVEL AND EDUCATION REPORT  
FOR FISCAL YEAR 2023 - 2024  
MAY 2024**

<b>Attendee</b>	<b>Purpose of Travel - Location</b>	<b>Event Dates</b>	<b>Travel Status</b>
<b>Nicole Mi</b>			
A	1 Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
	2 Edu - PPI 2024 Leadership Lab - Napa CA	03/05/2024 - 03/06/2024	Attended
	3 Edu - CALAPRS Advanced Principles of Pension Governance for Trustees - Pasadena CA	03/27/2024 - 03/29/2024	Attended
	4 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/15/2024 - 04/19/2024	Attended
B	- Edu - UCLA Anderson Business School - The Global Economy (Monthly classes: 01/07, 02/04, 03/03) - Los Angeles CA	01/07/2024 - 03/03/2024	Attended
	- Edu - UCLA Anderson Business School - Decoding Today's Financial Markets (Weekly Tuesday classes except: 01/23, 03/05) - Los Angeles CA	01/09/2024 - 03/12/2024	Attended
	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
C	- Edu - PPI 2024 Winter Roundtable - Napa CA	03/06/2024 - 03/07/2024	Attended
<b>Wayne Moore</b>			
A	1 Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
B	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
<b>Les Robbins</b>			
B	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
<b>David Ryu</b>			
A	1 Edu - Impact Investor Global Summit 2024 - London, England	05/14/2024 - 05/15/2024	Attended
<b>Gina Sanchez</b>			
A	1 Edu - 2023 Investment Diversity Advisory Council (IDAC) Global Summit - Chicago IL	09/19/2023 - 09/20/2023	Attended
	2 Edu - Midwest and West Coast Investor Insight Summit - Chicago IL	10/05/2023 - 10/06/2023	Attended
	3 Edu - 2023 LAVCA Week Conference - New York City NY	10/10/2023 - 10/13/2023	Attended
	4 Edu - 2023 PPI Executive Seminar and Asia Roundtable - Tokyo Japan	10/22/2023 - 10/27/2023	Attended
B	- Edu - PPI 2023 Summer Roundtable - San Francisco CA	07/19/2023 - 07/21/2023	Attended
	- Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended

**TRUSTEE TRAVEL AND EDUCATION REPORT**  
**FOR FISCAL YEAR 2023 - 2024**  
**MAY 2024**

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
<b>Herman Santos</b>			
A	1 Edu - 2023 LAVCA Week Conference - New York City NY	10/10/2023 - 10/13/2023	Attended
	2 Edu - 2023 PPI Executive Seminar and Asia Roundtable - Tokyo Japan	10/22/2023 - 10/27/2023	Attended
	3 Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
	4 Edu - NIRS 15th Annual Retirement Policy Conference - Washington, DC	02/26/2024 - 02/27/2024	Attended
B	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
	- Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
X	- Edu - 2024 PREA's Spring Conference - Nashville TN	03/21/2024 - 03/22/2024	Canceled

Category Legend:

A - Pre-Approved/Board Approved Educational Conferences

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

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

V - Virtual Event

X - Canceled events for which expenses have been incurred.

**FOR INFORMATION ONLY**

July 26, 2024

TO: Each Trustee  
Board of Retirement  
Board of Investments

FROM: Ted Granger *TG*  
Chief Financial Officer

FOR: August 7, 2024 Board of Retirement Meeting  
August 14, 2024 Board of Investments Meeting

**SUBJECT: MONTHLY TRUSTEE TRAVEL & EDUCATION REPORT – JUNE 2024**

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 June 2024.

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

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

REVIEWED AND APPROVED:

---

Santos H. Kreimann  
Chief Executive Officer

TG/EW/SC/SE/gj

Attachments

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



**TRUSTEE TRAVEL AND EDUCATION REPORT**  
**FOR FISCAL YEAR 2023 - 2024**  
**JUNE 2024**

<b>Attendee</b>	<b>Purpose of Travel - Location</b>	<b>Event Dates</b>	<b>Travel Status</b>
<b>Alan Bernstein</b>			
A	1 Edu - PREA's 33rd Annual Institutional Investor Conference - Boston MA	10/18/2023 - 10/20/2023	Attended
B	- Edu - NACD DE&I Deep Dive: A Road Map for Becoming an Inclusion-Focused Board - Laguna Beach CA	08/22/2023 - 08/23/2023	Attended
<b>Nancy Durazo</b>			
V	- Edu - Southern New Hampshire University: Public Administration Weekly Course - VIRTUAL	05/06/2024 - 06/30/2024	Attended
<b>Trevor Fay</b>			
A	1 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/15/2024 - 04/19/2024	Attended
	2 Admin - 2024 Toigo Foundation Industry Insight & Anniversary Gala - New York City NY	05/29/2024 - 05/29/2024	Attended
B	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
<b>Mike Gatto</b>			
A	1 Edu - PPI 2024 Winter Roundtable - Napa CA	03/06/2024 - 03/07/2024	Attended
B	- Edu - SACRS 2024 Spring Conference - Santa Barbara CA	05/07/2024 - 05/10/2024	Attended

**TRUSTEE TRAVEL AND EDUCATION REPORT**  
**FOR FISCAL YEAR 2023 - 2024**  
**JUNE 2024**

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
<b>Vivian Gray</b>			
A	1 Edu - Prosper Africa U.S. Institutional Investors Delegation Trip & GEBF Thought Leadership Conference - Johannesburg and Cape Town South Africa	09/30/2023 - 10/06/2023	Attended
	2 Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
	3 Edu - NIRS 15th Annual Retirement Policy Conference - Washington, DC	02/26/2024 - 02/27/2024	Attended
	4 Edu - NCPERS 2024 Annual Conference & Exhibition - Seattle WA	05/19/2024 - 05/22/2024	Attended
	5 Edu - NASP Annual Financial Services Conference - Atlanta GA	06/10/2024 - 06/12/2024	Attended
B	- Admin - SACRS Board of Directors and Committee Meeting - San Mateo CA	08/07/2023 - 08/08/2023	Attended
	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
	- Admin - TLF Trustee Peer Coaching Program - Boston MA	10/26/2023 - 10/27/2023	Attended
	- Admin - CALAPRS Intermediate Course in Retirement Plan Administration - Burbank CA	11/01/2023 - 11/03/2023	Attended
	- Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
	- Admin - NASP New York Symposium - New York City NY	11/14/2023 - 11/15/2023	Attended
	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
	- Admin - SACRS Board of Directors and Committee Meeting - Santa Barbara CA	03/25/2024 - 03/26/2024	Attended
	- Edu - SACRS 2024 Spring Conference - Santa Barbara CA	05/07/2024 - 05/10/2024	Attended
	- Admin - RELAC Annual Luncheon - Alhambra CA	06/06/2024 - 06/06/2024	Attended
	- Admin - TLF Annual Convening (Trustee Peer Coaching Program) - Cambridge MA	06/24/2024 - 06/26/2024	Attended
X	- Edu - Pension Bridge Private Credit Conference - San Diego CA	02/26/2024 - 02/27/2024	Canceled
<b>David Green</b>			
A	1 Edu - 2023 SuperInvestor International - Zürich Switzerland	11/14/2023 - 11/17/2023	Attended
<b>Jason Green</b>			
A	1 Edu - 2023 SuperInvestor International - Zürich Switzerland	11/14/2023 - 11/17/2023	Attended
B	- Edu - CII 2023 Fall Conference   Next Frontier in Governance - Long Beach CA	09/11/2023 - 09/13/2023	Attended
<b>James Harris</b>			
B	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
<b>Onyx Jones</b>			
X	- Edu - NCPERS 2023 Fall Conference - Las Vegas NV	10/21/2023 - 10/25/2023	Canceled
<b>Patrick Jones</b>			
A	1 Edu - 2023 Investment Diversity Advisory Council (IDAC) Global Summit - Chicago IL	09/19/2023 - 09/20/2023	Attended
	2 Edu - NCPERS 2023 Fall Conference - Las Vegas NV	10/21/2023 - 10/25/2023	Attended

**TRUSTEE TRAVEL AND EDUCATION REPORT  
FOR FISCAL YEAR 2023 - 2024  
JUNE 2024**

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
<b>Patrick Jones</b>			
A	3 Edu - 2024 Infrastructure Investor Global Summit - Berlin, Germany	03/18/2024 - 03/21/2024	Attended
	4 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/15/2024 - 04/19/2024	Attended
B	- Edu - PPI 2023 Summer Roundtable - San Francisco CA	07/19/2023 - 07/21/2023	Attended
	- Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
	- Edu - Los Angeles Black Heritage Real Estate Tour - Los Angeles CA	02/29/2024 - 02/29/2024	Attended
	- Edu - PPI 2024 Winter Roundtable - Napa CA	03/06/2024 - 03/07/2024	Attended
	- Edu - SACRS 2024 Spring Conference - Santa Barbara CA	05/07/2024 - 05/10/2024	Attended
	- Edu - 3rd Annual Southern California Institutional Forum - Los Angeles CA	06/04/2024 - 06/04/2024	Attended
<b>Shawn Kehoe</b>			
B	- Admin - Professional Peace Officers Association (PPOA) Offsite - Carlsbad CA	01/27/2024 - 01/27/2024	Attended
<b>Keith Knox</b>			
A	1 Edu - 2023 PPI Executive Seminar and Asia Roundtable - Tokyo Japan	10/22/2023 - 10/27/2023	Attended
B	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
<b>Debbie Martin</b>			
X	- Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/15/2024 - 04/19/2024	Canceled
<b>Nicole Mi</b>			
A	1 Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
	2 Edu - PPI 2024 Leadership Lab - Napa CA	03/05/2024 - 03/06/2024	Attended
	3 Edu - CALAPRS Advanced Principles of Pension Governance for Trustees - Pasadena CA	03/27/2024 - 03/29/2024	Attended
	4 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	04/15/2024 - 04/19/2024	Attended
B	- Edu - UCLA Anderson Business School - The Global Economy Monthly Courses - Los Angeles CA	01/07/2024 - 03/03/2024	Attended
	- Edu - UCLA Anderson Business School - Decoding Today's Financial Markets Weekly Courses - Los Angeles CA	01/09/2024 - 03/12/2024	Attended
	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
	- Edu - APALF's 1st AAPI LEAD Summit Conference - Las Vegas NV	06/19/2024 - 06/21/2024	Attended
C	- Edu - PPI 2024 Winter Roundtable - Napa CA	03/06/2024 - 03/07/2024	Attended
<b>Wayne Moore</b>			
A	1 Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
B	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended



**TRUSTEE TRAVEL AND EDUCATION REPORT  
FOR FISCAL YEAR 2023 - 2024  
JUNE 2024**

<b>Attendee</b>	<b>Purpose of Travel - Location</b>	<b>Event Dates</b>	<b>Travel Status</b>
<b>Les Robbins</b>			
B	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
<b>David Ryu</b>			
A	1 Edu - Impact Investor Global Summit 2024 - London, England	05/14/2024 - 05/15/2024	Attended
<b>Gina Sanchez</b>			
A	1 Edu - 2023 Investment Diversity Advisory Council (IDAC) Global Summit - Chicago IL	09/19/2023 - 09/20/2023	Attended
	2 Edu - Midwest and West Coast Investor Insight Summit - Chicago IL	10/05/2023 - 10/06/2023	Attended
	3 Edu - 2023 LAVCA Week Conference - New York City NY	10/10/2023 - 10/13/2023	Attended
	4 Edu - 2023 PPI Executive Seminar and Asia Roundtable - Tokyo Japan	10/22/2023 - 10/27/2023	Attended
B	- Edu - PPI 2023 Summer Roundtable - San Francisco CA	07/19/2023 - 07/21/2023	Attended
	- Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
<b>Herman Santos</b>			
A	1 Edu - 2023 LAVCA Week Conference - New York City NY	10/10/2023 - 10/13/2023	Attended
	2 Edu - 2023 PPI Executive Seminar and Asia Roundtable - Tokyo Japan	10/22/2023 - 10/27/2023	Attended
	3 Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
	4 Edu - NIRS 15th Annual Retirement Policy Conference - Washington, DC	02/26/2024 - 02/27/2024	Attended
B	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
	- Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
X	- Edu - 2024 PREA's Spring Conference - Nashville TN	03/21/2024 - 03/22/2024	Canceled

Category Legend:

A - Pre-Approved/Board Approved Educational Conferences

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

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

V - Virtual Event

X - Canceled events for which expenses have been incurred.

**FOR INFORMATION ONLY**

June 18, 2024

TO: Insurance, Benefits and Legislative Committee  
Les Robbins, Chair  
Vivian H. Gray, Vice Chair  
Shawn R. Kehoe  
Ronald Okum  
David Ryu, Alternate

FROM: Barry W. Lew   
Legislative Affairs Officer

FOR: July 3, 2024 Insurance, Benefits and Legislative Committee Meeting

SUBJECT: **Semi-Annual Report on Approved Engagements**

**LEGAL AUTHORITY**

The Board of Retirement's (BOR) Policy on Engagement for Public Policy Issues Relating to Plan Administration and Retirement and Health Care Benefits provides that staff will present semi-annual reports to the Insurance, Benefits and Legislative Committee (IBLC) each year as to the status of all approved engagements

**ENGAGEMENTS****Meetings with Congress**

On January 24, 2024, during the Policy Day of the National Conference of Public Employee Retirement Systems (NCPERS) 2024 Legislative Conference, LACERA trustees and staff visited with Congressional members and their staff arranged by NCPERS and led by legislative advocate Anthony J. Roda. Trustees included Vivian Gray, Nicole Mi, Wayne Moore, and Herman Santos. Staff included Legislative Affairs Officer Barry Lew, Retiree Healthcare Director Cassandra Smith, and Retiree Healthcare Advisor Kathy Migita.

The meetings were with House members and their staff of the Los Angeles County Delegation including Jimmy Gomez, Tony Cardenas, and Judy Chu. Other meetings included Representative Mike Thompson (Napa County) and Senator Laphonza Butler. Topics of discussion included the repeal of the Windfall Elimination Provision and Government Pension Offset and a recap of how our public safety members benefitted from the SECURE 2.0 Act's repeal of the direct payment requirement for the public safety officer tax exclusion as well as potential new proposals if there were to be a SECURE 3.0 Act.

### Meetings with California State Legislature

On March 19-20, 2024, Chief Executive Officer Santos H. Kreimann, Deputy Chief Executive Officer Luis Lugo, and Legislative Affairs Officer Barry W. Lew visited with members of the Los Angeles County Delegation in the Assembly and Senate. The Assembly members included Juan Carrillo, Mike Fong, Mike Gipson, Reggie Jones-Sawyer, Tom Lackey, Tina McKinnor, Sharon Quirk-Silva, Luz Rivas, Freddie Rodriguez, Blanca Rubio, and Pilar Schiavo. The Senate members included Bob Archuleta and Scott Wilk.

Staff provided an overview of LACERA's history and operations and highlighted key findings of the economic impact study that was conducted in 2022, in particular that over 80% of LACERA retirees remain in California and generate \$3 billion in statewide annual economic activity. Staff also briefed legislators on AB 2474 (Lackey), which contains a proposal for LACERA to establish a prepaid card program, and its importance in providing another option for LACERA to deliver the promised benefits to our members.

### Legislative Positions

During the 2024 legislative session, LACERA adopted positions on the following bills.

AB 2474 (Lackey): Authorizes a retirement system to establish a prepaid account for the disbursement of retirement allowances. Defines the account of a retired member or survivor for the purpose of receiving retirement allowances to include a living trust or an income-only trust. Requires that a reemployed retired member who exceeds 960 hours of employment repay any retirement allowance received during the period in which they are not in compliance with the 960-hour limit.

Status: Read second time and amended. Ordered to consent calendar. (06/13/2024)

BOR Position: Support.

AB 2770 (Committee on Public Employment and Retirement): Modifies repeal date of presumption for disability retirement for post-traumatic stress disorder from January 1, 2025, to January 1, 2029. Remove requirement for return receipt when a registered or certified letter is required to be sent to a member.

Status: Read second time. Ordered to Consent Calendar. (06/18/2024)

BOR Position: Support.

HR 957 (Spanberger): Enacts the "Public Safety Retirees Healthcare Protection Act of 2023" and increases the maximum amount that a public safety officer may exclude from gross income for the payment of qualified health insurance premiums from \$3,000 to

\$6,000.

Status: Referred to the House Committee on Ways and Means. (02/09/2023)

BOR Position: Watch.

The following bills and ballot initiative have positions recommended by the Insurance, Benefits and Legislative Committee to the Board of Retirement for adoption.

AB 2284 (Grayson): Authorizes a retirement system to define “grade” for the purposes of determining compensation earnable.

Status: In committee: Hearing postponed by committee. (06/13/2024)

IBLC Recommendation: Oppose.

AB 3025 (Valencia): Provides for a correction process to contributions and retirement allowances, if a retirement system determines that the compensation reported for a member by the employer was disallowed compensation.

Status: In committee: From committee: Do pass and re-refer to Committee on Judiciary. (06/12/2024)

IBLC Recommendation: Neutral.

Taxpayer Protection and Government Accountability Act (21-0042A1): Amends the California Constitution to define all state and local levies, charges, and fees as taxes and proposes new voting requirements to approve such taxes.

IBLC Recommendation: Oppose.

### SACRS Legislative Committee

The State Association of County Retirement Systems (SACRS) Legislative Committee continues to meet virtually, and staff participates in monthly virtual meetings of the Committee. The Committee’s activities include monitoring current legislation, formulating and advocating legislative proposals, and discussing current events related to public pension plans.

### **CONCLUSION**

Staff will continue to work with its legislative advocates and the SACRS Legislative Committee to monitor and advocate on issues relevant to LACERA.

**Reviewed and Approved:**

A handwritten signature in blue ink that reads "Luis Lugo". The signature is written in a cursive style with a large initial "L".

---

**Luis Lugo, Deputy Chief Executive Officer**

cc: Board of Investments  
Santos H. Kreimann  
Luis Lugo  
JJ Popowich  
Laura Guglielmo  
Steven P. Rice  
Anthony J. Roda, Williams & Jensen  
Naomi Padron, MKP Government Relations



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

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



---

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

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



---

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

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





---

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

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



---

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

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



---

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

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



---

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

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



---

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

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



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

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