

IN PERSON & VIRTUAL BOARD MEETING



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

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

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

AGENDA

A REGULAR MEETING OF THE BOARD OF INVESTMENTS

LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION

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

9:00 A.M., WEDNESDAY, JANUARY 8, 2025

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

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

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

*Teleconference Location for Trustees and the Public under California Government Code Section 54953(b)
College of Social Sciences & Humanities Northeastern University
180 RP, 360 Huntington Ave Boston, MA 02115*

NOTICE: Pursuant to FPPC Regulation 18702.5, this statement provides notice, before elections take place, that appointed trustees, the retired trustee, and the alternate retired trustees when elected or appointed to a committee will receive a stipend of \$100 per meeting attended, up to a total of \$500 per month for all Board of Investments and committee meetings attended during the term of their appointment. Upon completion of today's election and the Chair's appointment of other committee members, LACERA will post Form 806 on lacera.com to provide public notice of the fees to be received by such trustees. Active general and safety member elected trustees, the ex-officio trustee, and the alternate ex-officio do not receive compensation for attending LACERA Board and committee meetings, other than their regular salary as County employees. All trustees receive reasonable and necessary expenses.

Appointed trustees to the Board of Investments are Patrick Jones, David Ryu, Mike Gatto and Alma K. Martinez. The retired trustee is Debbie Martin. The active general and safety member elected trustees are Aleen Langton, Jason E. Green, and Nicole Mi. The ex-officio member is Elizabeth Ginsberg, and the alternate ex-officio position is vacant.

- 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. RATIFICATION OF OFFICERS
 - A. **Board of Investments Board Officers – 2025 Calendar Year**

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Board ratify its slate of board officers who will serve their term in the 2025 calendar year under the Board’s Board Officer Rotation Policy: Jason E. Green as Chair, Patrick Jones as Vice Chair, and David Ryu as Secretary.
(Memo dated December 18, 2024)
- V. ELECTIONS OF COMMITTEE MEMBERS

Election of Trustees to Joint Organizational Governance Committee (1 Trustee) and Audit, Compliance, Risk, and Ethics Committee (3 Trustees)
- VI. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Regular Meeting of December 11, 2024
- VII. 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

VII. PUBLIC COMMENT (Continued)

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.)

VIII. EXECUTIVE UPDATE

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

IX. NON-CONSENT ITEM

A. **2025 Strategic Framework and Initiatives: Towards Best-in-Class Investor**

Recommendation as submitted by Jonathan Grabel, Chief Investment Officer: That the Board approve the 2025 Strategic Framework and Initiatives. (Memo dated December 23, 2024)

B. **Real Estate Structure Review**

Recommendation as submitted by Terri Herubin, Senior Investment Officer: That the Board approve the recommendations within the Real Estate Structure Review, which include amendments to the Real Estate investment guidelines, as outlined on slides 25 and 34 of the attached presentation. (Memo dated December 19, 2024)

X. REPORTS

A. **Updating LACERA's Code of Ethical Conduct**

Steven P. Rice, Chief Counsel
Allison E. Barrett, Senior Staff Counsel
Jessica Rivas, Staff Counsel
(Presentation) (Memo dated December 17, 2024)

B. **OPEB Master Trust Commingled Account Liquidation Update**

Esmeralda del Bosque, Principal Investment Officer
Soniah Ginoyan, Senior Investment Analyst
(For Information Only) (Memo dated December 19, 2024)

X. REPORTS (Continued)

C. **StepStone Group Self-Evaluation**

Jose Fernandez, Natalie Walker, Daniel Krikorian
StepStone Group LP
(For Information Only) (Memo dated December 6, 2024)

D. **StepStone Real Estate Self-Evaluation**

Margaret McKnight, Thomas Hester, Kristen Moore, James Maina
StepStone Real Estate
(For Information Only) (Memo dated December 30, 2024)

E. **Meketa Investment Group Self-Evaluation**

Tim Filla, Aysun Kilic, Alex Khorsandian, Imran Zahid
Meketa Investment Group
(For Information Only) (Memo dated December 20, 2024)

F. **Albourne - Self-Assessment**

James Walsh, Stephen Kennedy, Tom Cawkwell, Mark White
Albourne America LLC
(For Information Only) (Memo dated December 19, 2024)

G. **ACRE Committee Annual Report to the Boards**

Debbie Martin, 2024 ACRE Committee Chair
Richard P. Bendall, Chief Audit Executive
(For Information Only) (Memo dated December 19, 2024)

H. **Legal Projects**

Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated December 31, 2024)

I. **Real Estate Recoveries Report**

Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated December 24, 2024)

J. **Board of Retirement Board Officers: 2025 Calendar Year**

Santos H. Kreimann, Chief Executive Officer
(For Information Only) (Memo dated December 18, 2024)

X. REPORTS (Continued)

K. **Monthly Trustee Travel & Education Reports - November 2024**

Ted Granger, Chief Financial Officer
(Public memo dated December 19, 2024)

L. **December 2024 Fiduciary Counsel Contact and Billing Report**

Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated December 20, 2024) (Privileged and Confidential/Attorney-Client Communication/Attorney Work Product)

XI. ITEMS FOR STAFF REVIEW

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

XII. ITEMS FOR FUTURE AGENDAS

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

XIII. GOOD OF THE ORDER

(For Information Purposes Only)

XIV. EXECUTIVE SESSION

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

1. **Private Equity Investment Update**

Derek Kong, Investment Officer

Chery Lu, Investment Officer

(For Information Only) (Memo dated December 7, 2024)

B. Conference with Legal Counsel – Anticipated Litigation

Initiation of Litigation (Pursuant to Paragraph (4) of Subdivision (d) of California Government Code Section 54956.9)

1. **Number of Cases: 1**

(Memo dated December 31, 2024)

XV. ADJOURNMENT

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Investments that are distributed to members of the Board of Investments less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Investments Trustees at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 8:00 a.m. to 5:00 p.m. Monday through Friday and will also be posted on lacera.com at the same time, [Board Meetings | LACERA](#).

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

December 18, 2024

TO: Each Trustee
Board of Investments

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

FOR: January 08, 2025 Board of Investments Meeting

SUBJECT: **Board of Investments Board Officers: 2025 Calendar Year**

RECOMMENDATION

That the Board of Investments ratify its slate of board officers who will serve their term in the 2025 calendar year under the Board's Board Officer Rotation Policy: Jason Green as Chair, Patrick Jones as Vice Chair, and David Ryu as Secretary.

LEGAL AUTHORITY

The Board of Investments (BOI) Regulations provide that each January the BOI shall elect from its members a Chair, Vice Chair, and Secretary to serve for a term of one year or until his or her successor is duly elected and qualified.

The [BOI Board Officer Rotation Policy](#) provides that the process of selecting board officers will be a seniority-based system. At the first regular meeting in January, the BOI shall hold a vote to ratify the slate of board officers determined by the Executive Board Assistant.

DISCUSSION

The BOI Board Officer Rotation Policy provides that with reasonable and sufficient time before the first regular meeting in January, the Executive Board Assistant shall verify the seniority of each trustee on the seniority list for each board officer position who would be in office during the calendar year commencing in January and ascertain in order of seniority which trustee opts to serve as a board officer for the upcoming year.

According to the Executive Board Assistant, the following trustees opted to serve as BOI Chair, Vice Chair, and Secretary for the 2025 calendar year.

Chair: Jason Green
Vice Chair: Patrick Jones
Secretary: David Ryu

IT IS THEREFORE RECOMMENDED THAT THE BOARD ratify its slate of board officers who will serve their term in the 2025 calendar year.

Board Officers: 2025 Calendar Year
Board of Investment
December 18, 2024
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cc: Board of Retirement
Steven P. Rice

Luis Lugo
Jon Gabel

JJ Popowich

Laura Guglielmo

MINUTES OF 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, DECEMBER 11, 2024

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

TRUSTEES PRESENT

Patrick Jones, Chair

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

Jason Green, Secretary (Joined the meeting at 9:22 a.m.)

Trevor Fay

Mike Gatto

Elizabeth Ginsberg

Aleen Langton

Debbie Martin

Nicole Mi

STAFF, ADVISORS, PARTICIPANTS:

Jonathan Grabel, Chief Investment Officer

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:

JJ Popowich, Assistant Executive Officer

Laura Guglielmo, Assistant Executive Officer

Ted Granger, Chief Financial Officer

Scott Zdrazil, Principal Investment Officer

Vache Mahseredjian, Principal Investment Officer

Magdalia Armstrong, Senior Investment Analyst

Terri Herubin, Senior Investment Officer

Quoc Nguyen, Investment Officer

Kathryn Ton, Senior Investment Analyst

Cheryl Lu, Investment Officer

John Kim, Investment Officer

Calvin Chang, Senior Investment Analyst

Carly Ntoya, Director of Human Resources

StepStone Group LP (Equity Consultants)

Jose Fernandez, Partner

StepStone Group LP (Real Assets)

Margaret McKnight, Partner

Meketa Investment Group (General Investment Consultants)

Timothy Filla, Managing Principal

Aysun Kilic, Managing Principal

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

Steven Kennedy, Partner

I. CALL TO ORDER

The meeting was called to order by Chair Jones at 9:05 a.m. in the Board Room of Gateway Plaza.

II. PLEDGE OF ALLEGIANCE

Ms. Martin 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

A physical quorum was present at the noticed meeting location. There was one request received from Trustee Ryu to attend by teleconference for Just Cause (A) Childcare. Trustee Ryu confirmed that there were no individuals 18 years of age or older present at the teleconference location.

IV. APPROVAL OF MINUTES

A. Approval of the Minutes of the Regular Meeting of November 13, 2024

A motion was made by Trustee Gatto, seconded by Trustee Martin, to approve the minutes of the Board of Investments meeting on November 13, 2024. The motion passed by following roll call vote:

Yes: Fay, Gatto, Ginsberg, Jones, Langton, Martin, Mi, Ryu

Absent: Green

V. PUBLIC COMMENT

There were no requests from the public to speak.

VI. EXECUTIVE UPDATE

A. Chief Investment Officer's Report

VI. EXECUTIVE UPDATE (Continued)(Trustee Green joined the meeting at 9:22 a.m.)

Mr. Grabel 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, Vera Ashley-Potter.

C. Chief Executive Officer's Report

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

VII. NON-CONSENT ITEM (This item was held out of order, after XII.B.1, which was advanced, without objection, to before Item VII.)

A. **Chief Executive Officer Compensation**

Recommendation as submitted by Shawn Kehoe, Chair, Board of Retirement and Patrick Jones, Chair, Board of Investments: That the Board 1) Discuss and approve a merit increase for the Chief Executive Officer, Santos H. Kreimann, effective October 1, 2024; and 2) That the Board approve a 3% cost of living adjustment (COLA) for the Chief Executive Officer, Santos H. Kreimann, effective January 1, 2025. (Memo dated November 25, 2024)

At its December 4, 2024 meeting, the Board of Retirement voted to approve a merit adjustment of 5% effective October 1, 2024, a retention increase of 5% effective October 1, 2024 in recognition of the Chief Executive Officer having completed five years of LACERA service, and a cost of living adjustment of 3% effective January 1, 2025, subject to Board of Investments approval, for a total increase in salary as of January 1, 2025 from \$523,971 to \$593,659. (Supplemental Memo dated December 5, 2024)

A motion was made by Trustee Green, seconded by Trustee Langton, to approve a merit adjustment of 5% effective October 1, 2024, a retention increase of 5% effective October 1, 2024 in recognition of the Chief Executive Officer having completed five years of LACERA

VII. NON-CONSENT ITEM (Continued)

service, and a cost-of-living adjustment of 3% effective January 1, 2025, subject to Board of Investments approval, for a total increase in salary as of January 1, 2025 from \$523,971 to \$593,659.

The motion passed by the following roll call vote:

Before the vote on the item was taken, the statement of the proposed salary adjustments for the Chief Executive Officer was read by Director, Human Resources Carly Ntoya, Ph.D. as required by California Government Code Section 54953(c)(3).

Yes: Fay, Gatto, Ginsberg, Green, Jones, Langton, Martin, Mi, Ryu

VIII. REPORTS

A. **Annual Update and Review of LACERA TIDE (Towards Inclusion, Diversity, and Equity)**

Jonathan Grabel, Chief Investment Officer
(Memo dated November 26, 2024)

Mses. Armstrong, Ton, Lu and Messrs. Zdrzil and Nguyen provided a presentation and answered questions from the Board.

This item was received and filed.

B. **Total Fund Investment Cost Report – Fiscal Year 2024**

John Kim, Investment Officer
Calvin Chang, Senior Investment Analyst
(Memo dated December 1, 2024)

Messrs. Kim and Chang provided a presentation and answered questions from the Board.

This item was received and filed.

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

Esmeralda del Bosque, Principal Investment Officer
(For Information Only) (Memo dated November 25, 2024)

VIII. REPORTS (Continued)

This item was received and filed.

- D. **OPEB Trust Quarterly Board Book**
Esmeralda del Bosque, Principal Investment Officer
(For Information Only) (Memo dated November 25, 2024)

This item was received and filed.

- E. **Principles for Responsible Investment Signatory Ballot**
Scott Zdrazil, Principal Investment Officer
(For Information Only) (Memo dated November 25, 2024)

This item was received and filed.

- F. **Board of Investments 2025 Meeting Calendar**
Linda El-Farra, Executive Board Assistant
(For Information Only) (Memo dated November 21, 2024)

This item was received and filed.

- G. **Legal Projects**
Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated December 3, 2024)

This item was received and filed.

- H. **2025 Brown Act Amendments Regarding Teleconferencing and Information Security**
Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated November 20, 2024)

This item was received and filed.

- I. **Monthly Trustee Travel & Education Report – October 2024**
Fiscal Year 2024-2025 - 1st Quarter Trustee Travel and Education Expenditure Reports
Fiscal Year 2024-2025 - 1st Quarter Staff Travel Report
Ted Granger, Chief Financial Officer

VIII. REPORTS (Continued)

(For Information Only) (Memo dated November 19, 2024)

This item was received and filed.

J. **Fiduciary Counsel Annual Self-Assessments**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated November 20, 2024)

(Attachments are 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.

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

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated November 18, 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.

IX. ITEMS FOR STAFF REVIEW

There was nothing to report.

X. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

XI. GOOD OF THE ORDER

(For Information Purposes Only)

The Board thanked Trustee Fay, whose term expires on December 31, 2024, for his service on the Board. Mr. Grabel welcomed Piers Hugh Smith to the Investment Office.

XII. EXECUTIVE SESSION

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

1. **Siguler Guff – Credit Investment**

Vache Mahseredjian, Principal Investment Officer
Chad Timko, Senior Investment Officer
Quoc Nguyen, Investment Officer
Krista Powell, Investment Officer
Jason Choi, Senior Investment Analyst
(For Information Only) (Memo dated November 25, 2024)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved an investment of \$500 million with Siguler Guff & Company, LP, a manager which will execute a credit strategy for LACERA structured as a dedicated managed account (DMA) by LACERA's DMA platform manager, Innocap.

2. **Mariner Atlantic Multi-Strategy Fund – Hedge Funds Investment**

Vache Mahseredjian, Principal Investment Officer
Chad Timko, Senior Investment Officer
Quoc Nguyen, Investment Officer
Krista Powell, Investment Officer
Jason Choi, Senior Investment Analyst
(For Information Only) (Memo dated November 25, 2024)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved a hedge fund investment of \$600 million in Mariner Atlantic Multi- Strategy Fund, which executes relative value strategies across interest rate, credit, and mortgage securities.

3. **Centerbridge – Credit Investment**

Vache Mahseredjian, Principal Investment Officer
Chad Timko, Senior Investment Officer

XII. EXECUTIVE SESSION (Continued)

Quoc Nguyen, Investment Officer
Krista Powell, Investment Officer
Jason Choi, Senior Investment Analyst
(For Information Only) (Memo dated November 25, 2024)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved an investment of \$775 million to Centerbridge Partners, L.P., a manager which will manage a credit strategy for LACERA structured as a dedicated managed account (DMA) by LACERA's DMA platform manager, Innocap.

4. **Real Estate Investment Update**

Terri Herubin, Senior Investment Officer
Cindy Rivera, Investment Officer
(For Information Only) (Memo dated November 20, 2024)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved a secondary acquisition of shares up to \$25 million in net asset value in IDR Core Property Index Trust, which is a core open-end commingled real estate fund investing in diversified United States regions and in which LACERA previously made an investment in 2019.

5. **One Item – I**

Christopher J. Wagner, Principal Investment Officer
Cheryl Lu, Investment Officer
(For Information Only) (Memo dated November 20, 2024)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved a commitment of \$50 million to Jungle Ventures V, L.P., which is a private equity fund investing in early and early-growth stage opportunities primarily in Southeast Asia and India.

XII. EXECUTIVE SESSION (Continued)

6. **One Item – II**

Christopher J. Wagner, Principal Investment Officer
Shelly P. Tilaye, Senior Investment Analyst
(For Information Only) (Memo dated November 20, 2024)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved a commitment of \$150 million to Thoma Bravo XVI, L.P., which is a private equity fund which executes a global buyout strategy primarily in the IT infrastructure, software and applications, and data security sectors in North America, and a commitment of \$100 million to Thoma Bravo Discover V, L.P., which is a private equity fund which executes a middle market buyout strategy primarily in the same sectors and geography.

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

(Without objection, this item was held out of order, before VIII.B.)

Title: Chief Executive Officer

There is nothing to report.

XIII. ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at 1:46 p.m.

JASON GREEN, SECRETARY

PATRICK JONES, CHAIR



Chief Investment Officer Monthly Report

Jonathan Grabel – Chief Investment Officer 

Board of Investments Meeting
January 8, 2025

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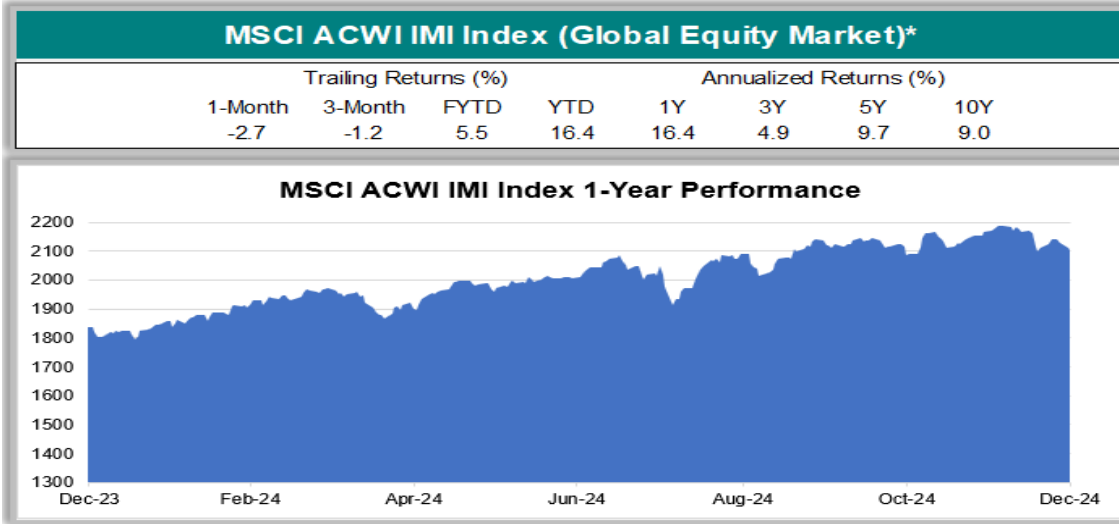


1. Market Environment
2. Portfolio Performance & Risk Updates
3. Portfolio Structural Updates
4. Key Initiatives & Operational Updates
5. Commentary
6. Appendix
 - Quiet Period for Search Respondents

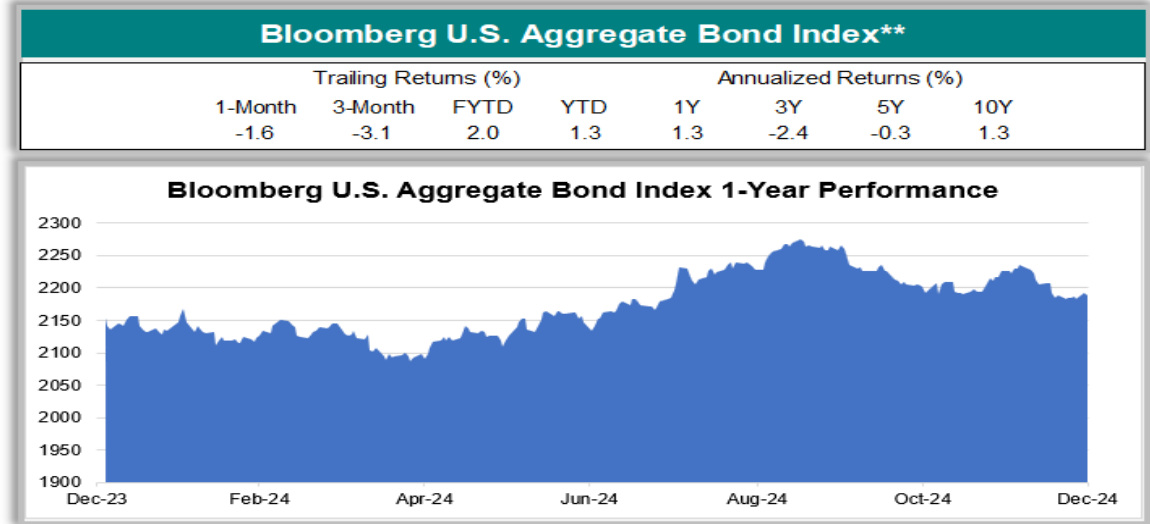


01 Market Environment

Global Market Performance as of December 31, 2024



*Global Equity Policy Benchmark - MSCI ACWIIMI Index

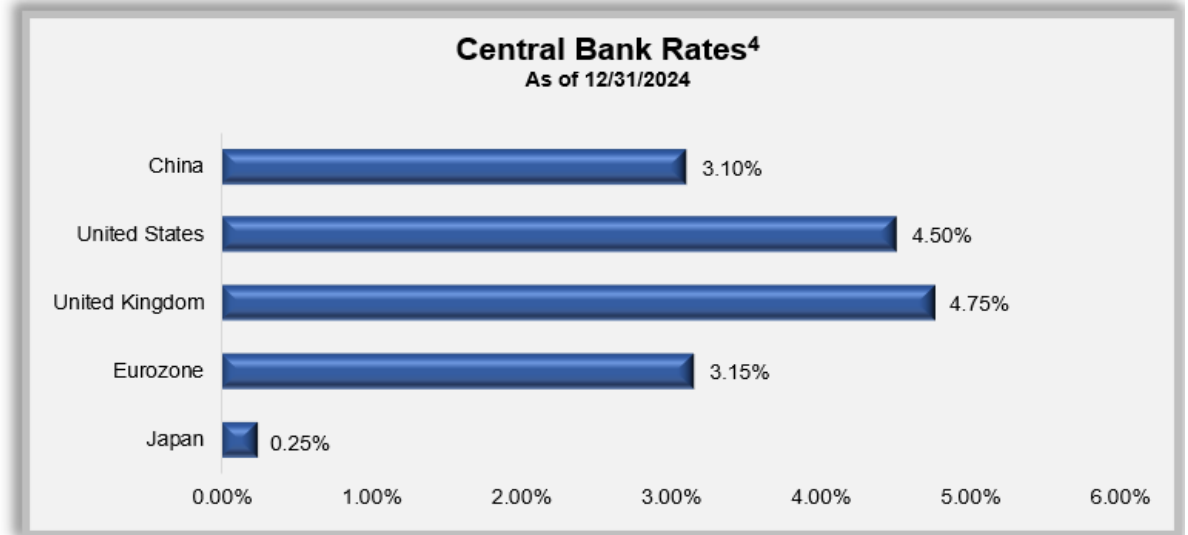
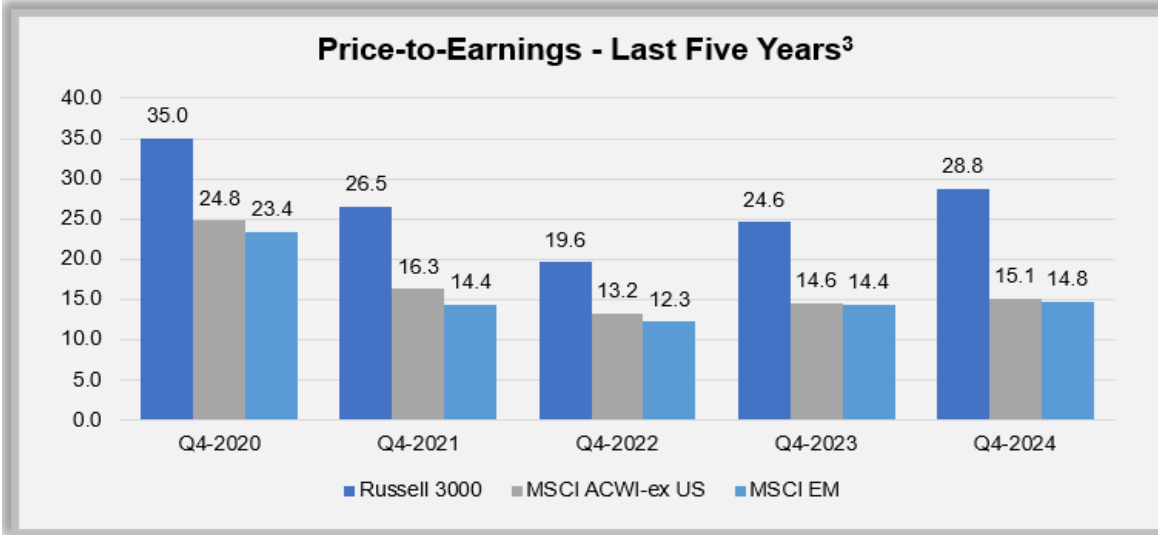
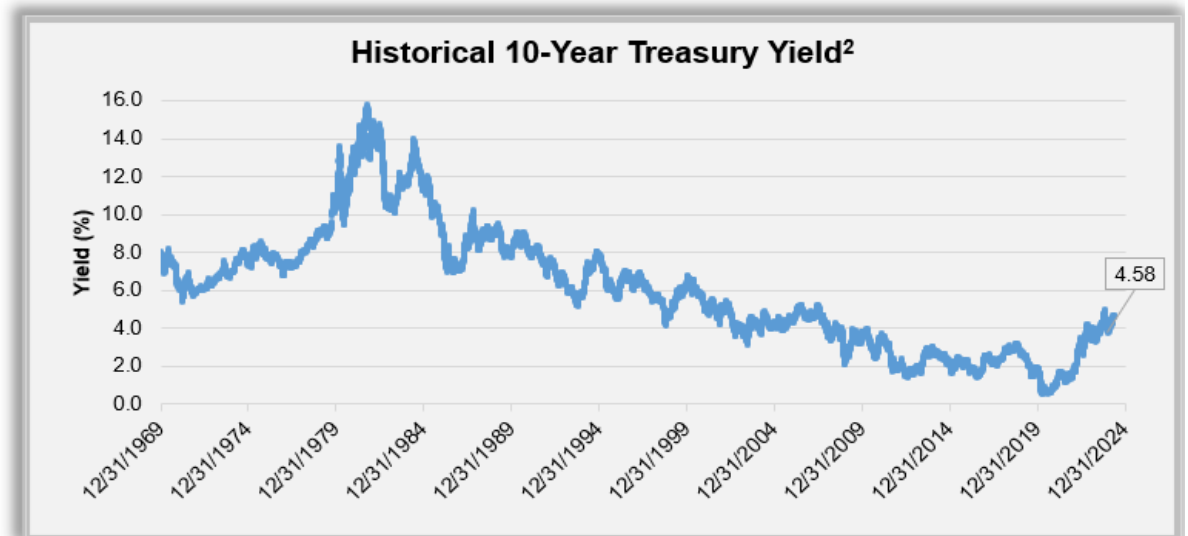
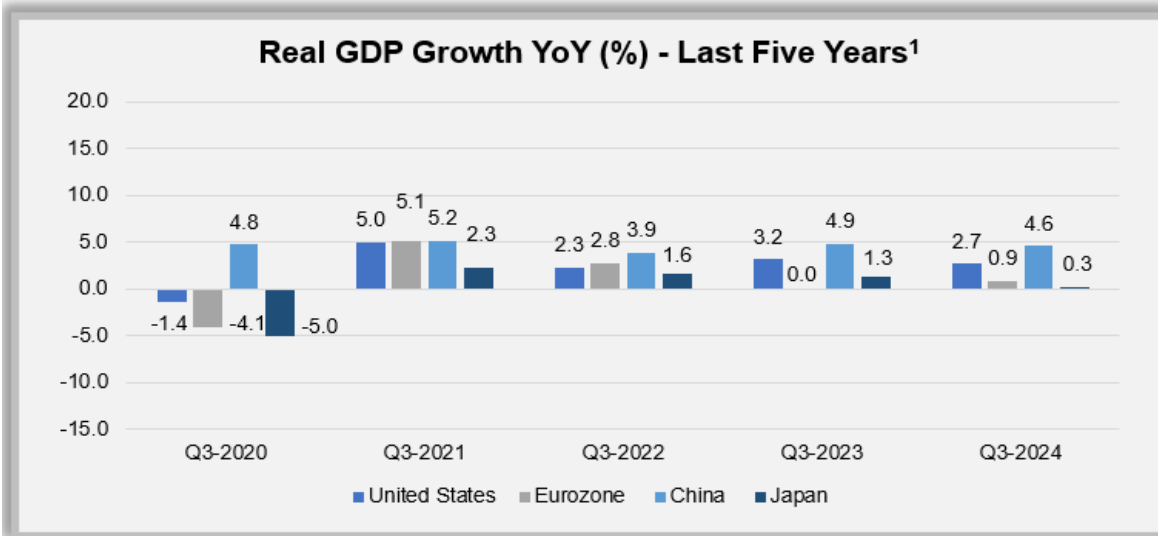


**Investment Grade Bonds Policy Benchmark - Barclays U.S. Aggregate Bond Index

Market	Sub-Category	Index Name	1-Month	3-Month	FYTD	YTD	1Y	3Y	5Y	10Y
Reference Portfolio	60:40 Equity:Bond Portfolio	60% MSCI ACWI IMI/ 40% Bloomberg U.S. Aggregate Index	-2.3	-2.0	4.1	10.3	10.3	2.0	5.7	5.9
Equity	Global All Cap	MSCI ACWI IMI Total Return	-2.7	-1.2	5.5	16.4	16.4	4.9	9.7	9.0
	U.S. All Cap	Russell 3000 Total Return	-3.1	2.6	9.0	23.8	23.8	8.0	13.8	12.5
	U.S. Large Cap	S&P 500 Total Return	-2.4	2.4	8.4	25.0	25.0	8.9	14.5	13.1
	U.S. Small Cap	Russell 2000 Total Return	-8.3	0.3	9.6	11.5	11.5	1.2	7.4	7.8
	Non-U.S. All Cap	MSCI ACWI-ex U.S. IMI Total Return	-2.0	-7.6	0.0	5.2	5.2	0.5	4.1	4.9
	Emerging Markets	MSCI Emerging Markets Total Return	-0.1	-8.0	0.0	7.5	7.5	-1.9	1.7	3.6
Private Equity	Private Equity Buyout	Thomson Reuters PE Buyout Index	-5.9	-0.3	7.1	31.3	31.3	-1.9	9.0	11.0
Fixed Income	U.S. Investment Grade Bonds	Bloomberg U.S. Aggregate Index	-1.6	-3.1	2.0	1.3	1.3	-2.4	-0.3	1.3
	U.S. Corporate High Yield Bonds	Bloomberg U.S. Corporate High Yield Total Return	-0.4	0.2	5.5	8.2	8.2	2.9	4.2	5.2
	U.S. Long Term Treasury Bonds	Bloomberg Long Term U.S. Treasury Total Return Index	-5.3	-8.6	-1.5	-6.4	-6.4	-12.0	-5.2	-0.6
	Developed Markets Leveraged Loans	Credit Suisse Leveraged Loan Total Return	0.6	2.3	4.4	9.1	9.1	6.8	5.7	5.1
	U.S. Treasury Inflation Protected Securities	Bloomberg U.S. Treasury TIPS Total Return Index	-1.6	-2.9	1.1	1.8	1.8	-2.3	1.9	2.2
	U.S. 3 Month Treasury Bill	FTSE 3 Month Treasury Bill	0.4	1.2	2.6	5.4	5.4	4.0	2.5	1.8
Commodity	Commodity Prices Index	Bloomberg Commodity Index Total Return	1.0	-0.4	0.2	5.4	5.4	4.0	6.8	1.3
	Natural Resources	S&P Global LargeMidCap Commodity & Resources Index	-6.5	-10.7	-6.5	-5.0	-5.0	2.8	7.1	5.5
Infrastructure	Global Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	-5.8	-2.2	11.0	11.3	11.3	4.0	4.1	4.3
Real Estate	U.S. REITs	MSCI U.S. REIT Index	-7.4	-6.1	9.0	8.8	8.8	-2.3	4.3	5.7

Source: Bloomberg

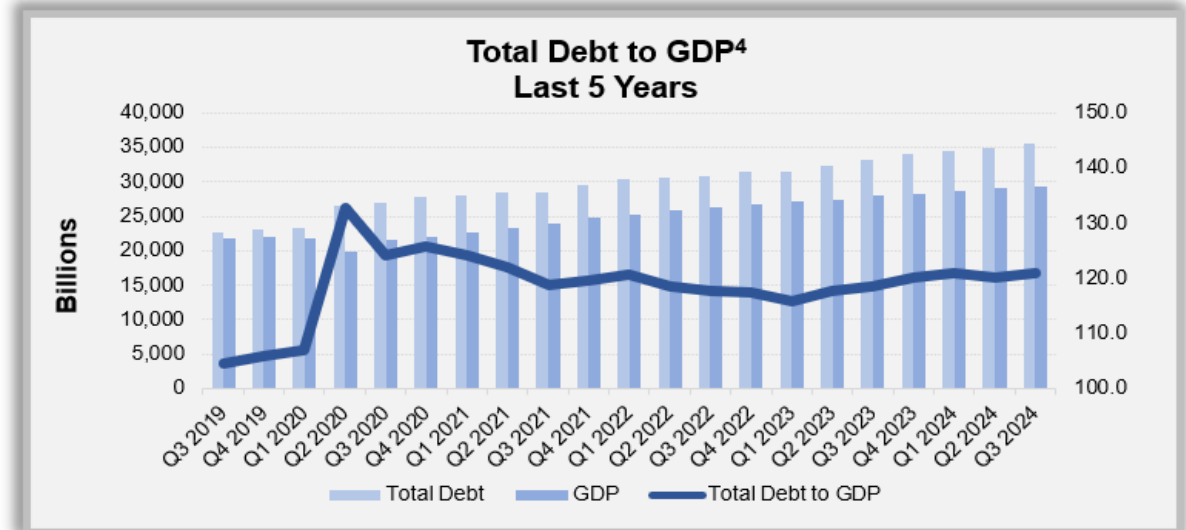
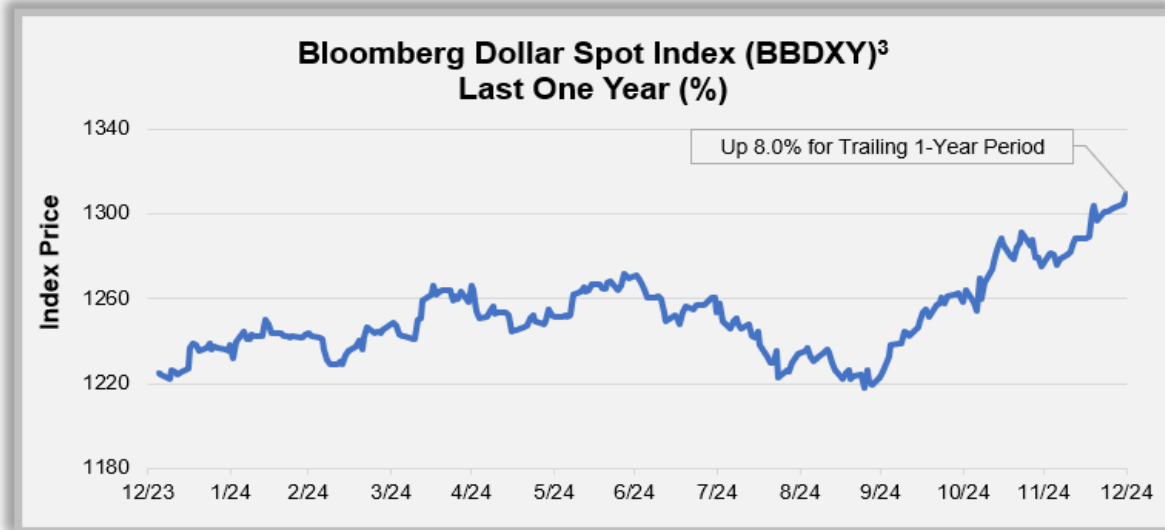
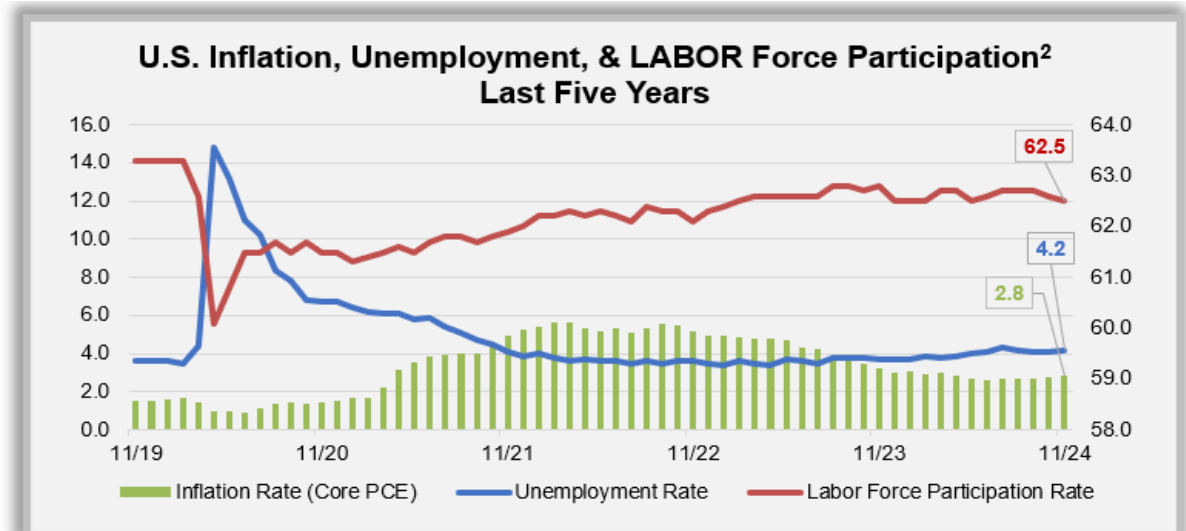
Key Macro Indicators*



*The information on the "Key Macro Indicators" charts is the best available data as of 12/31/24 and may not reflect the current market and economic environment.

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

Key Macro Indicators*



*The information on the "Key Macro Indicators" charts is the best available data as of 12/31/2024 and may not reflect the current market and economic environment.

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



02 Portfolio Performance & Risk Updates



Recent Themes

- The Federal Reserve cut the target interest rate by 0.25%, lowering the target range to 4.25% - 4.50% in December
- The annual inflation rate for the U.S. was 2.7% for the twelve months ending November and this represents a slight increase from the previous month-end rate of 2.6%
- The Federal Reserve indicated a slower pace of future rate cuts in 2025, reflecting its cautious approach at this time
- The U.S. 10-year Treasury yield ended December at 4.58% 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) declined 2.7% in December

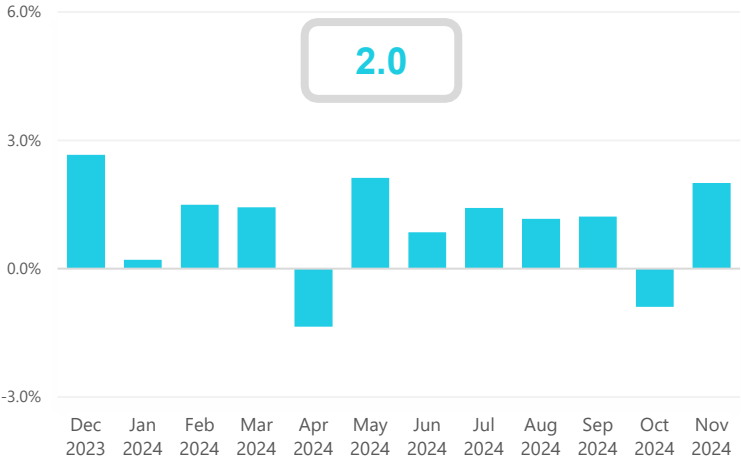
What to Watch

- 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
- Corporate governance and stewardship developments
 - Increased governance focus on risk mitigation and oversight of business adoption of artificial intelligence, including legal guidance and shareholder resolutions

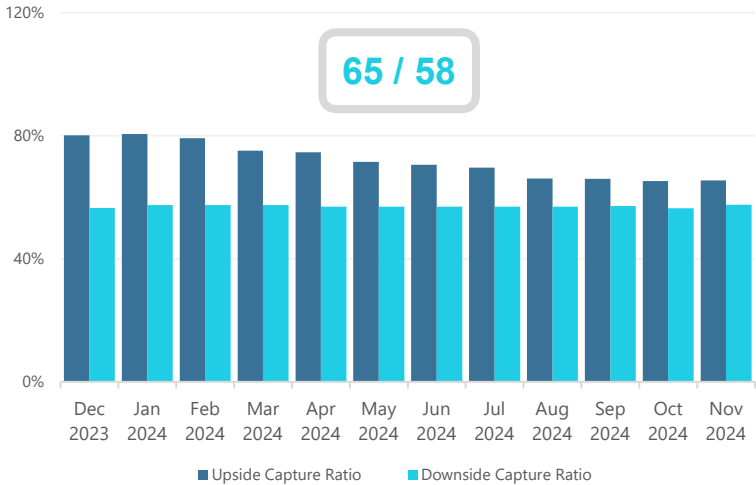
Total Fund Summary as of November 2024



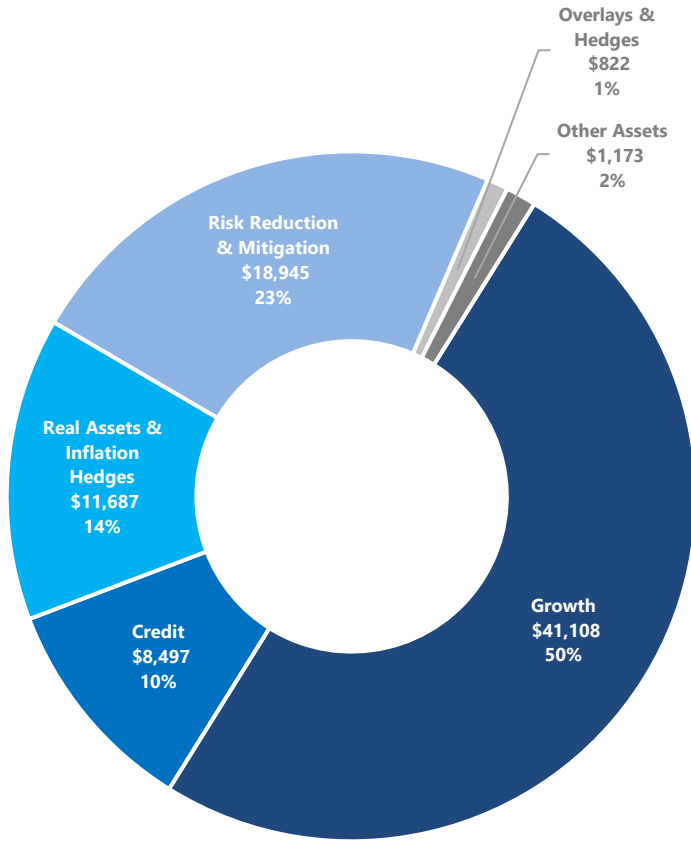
Monthly Net Return (%)



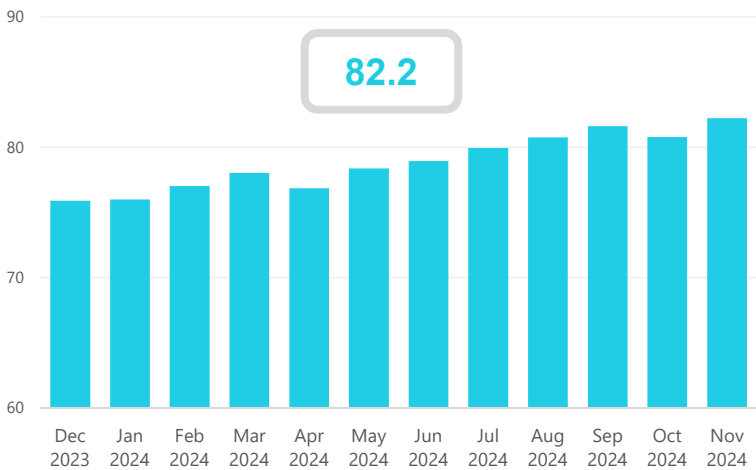
Upside / Downside Capture (%)¹



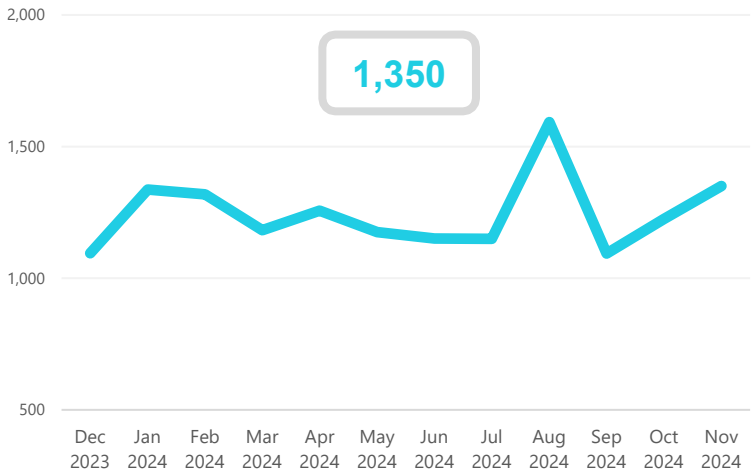
Asset Allocation (\$ millions)²



Total Market Value (\$ billions)



Cash (\$ millions)



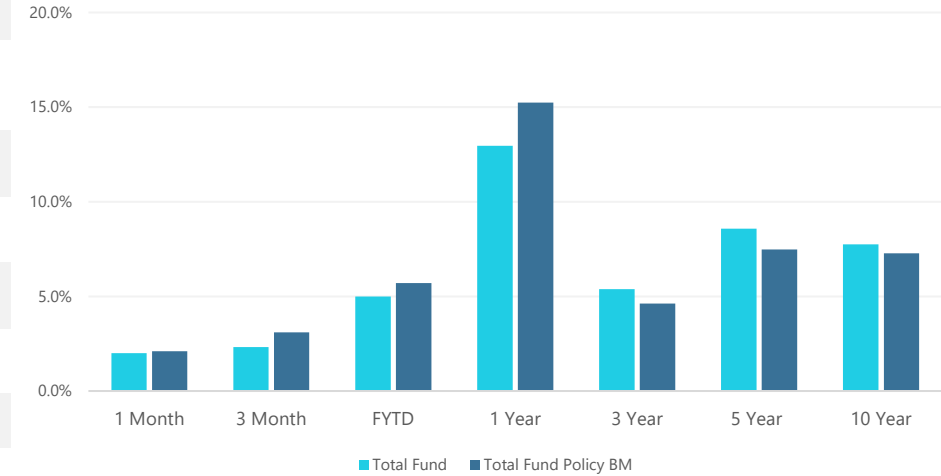
¹ Reference portfolio = 60% MSCI ACWI IMI / 40% Bloomberg US Aggregate Bond Index
² Other Assets include receivables due to deferred sales and rebalancing activity pending settlement.

Historical Net Performance as of November 2024



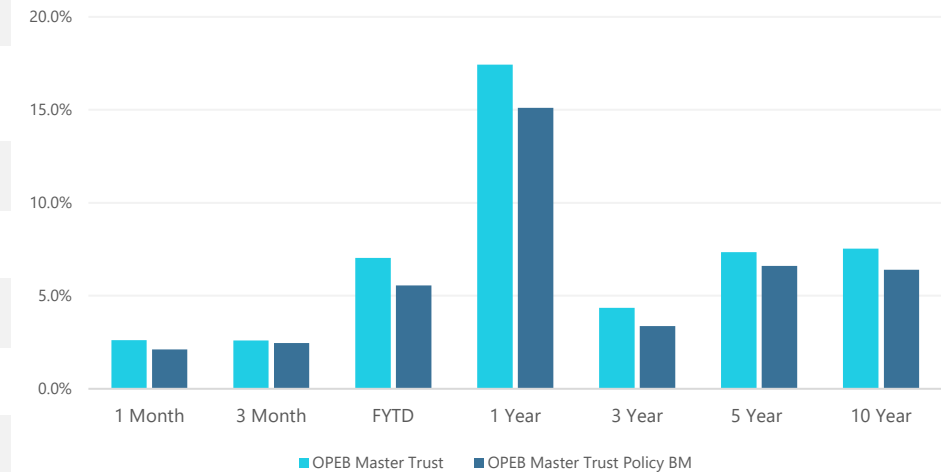
LACERA Pension Fund

	Market Value (\$ mm)	% of Total Fund	Interim Target	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
Total Fund	82,232	100.0%	100.0%	2.0%	2.3%	5.0%	13.0%	5.4%	8.6%	7.7%
Total Fund Policy BM				2.1%	3.1%	5.7%	15.2%	4.6%	7.5%	7.3%
7% Annual Hurdle Rate				0.6%	1.7%	2.9%	7.0%	7.0%	7.0%	7.0%
Growth	41,108	50.0%	50.5%	2.8%	2.8%	6.0%	17.1%	6.7%	12.2%	
Growth Policy BM				3.2%	4.7%	7.8%	23.3%	7.0%	11.7%	
Credit	8,497	10.3%	12.0%	1.0%	3.2%	6.1%	16.0%	7.5%	7.5%	
Credit Policy BM				0.5%	2.6%	4.4%	13.3%	4.5%	4.7%	
Real Assets & Inflation Hedges	11,687	14.2%	16.0%	1.3%	1.5%	3.3%	3.4%	3.8%	5.4%	
RA & IH Policy BM				1.3%	2.2%	3.0%	2.1%	3.0%	5.2%	
Risk Reduction & Mitigation	18,945	23.0%	21.5%	0.8%	0.3%	3.4%	7.4%	-0.7%	1.2%	
RR & M Policy BM				1.0%	0.4%	3.5%	7.4%	-1.0%	0.6%	
Overlays & Hedges	822	1.0%		9.8%	34.3%	13.7%	81.2%			
Other Assets	1,173	1.4%								



OPEB Trust

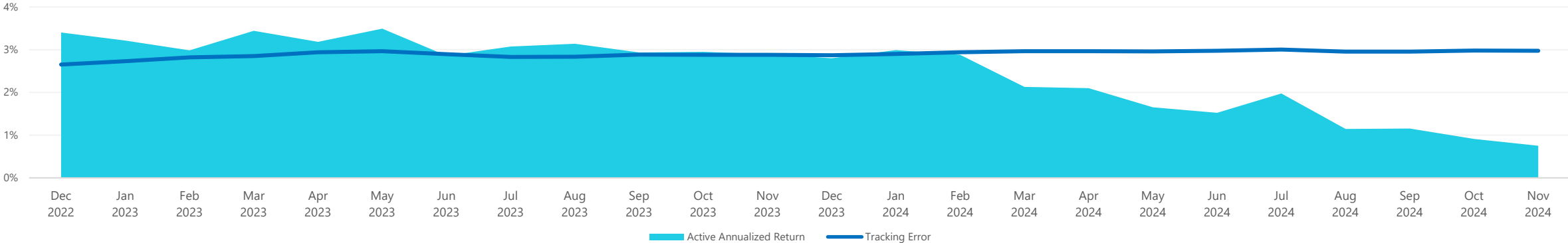
	Market Value (\$ mm)	% of Master Trust	Interim Target	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
OPEB Master Trust	4,402			2.6%	2.6%	7.0%	17.4%	4.4%	7.3%	7.5%
OPEB Master Trust Policy BM				2.1%	2.5%	5.6%	15.1%	3.4%	6.6%	6.4%
6% Annual Hurdle Rate				0.5%	1.5%	2.5%	6.0%	6.0%	6.0%	6.0%
OPEB Growth	1,981	45.0%	45.0%	4.0%	4.1%	8.7%	26.3%	7.5%	11.3%	
OPEB Growth Policy BM				3.7%	4.2%	8.4%	25.9%	7.2%	11.0%	
OPEB Credit	690	15.7%	17.0%	0.8%	1.7%	4.6%	9.6%	4.6%	3.9%	
OPEB Credit Policy BM				0.5%	2.6%	4.4%	11.8%	4.7%	4.4%	
OPEB Real Assets & Inflation Hedges	700	15.9%	16.5%	2.7%	3.1%	9.6%	15.9%	0.7%	4.1%	
OPEB RA & IH Policy BM				0.6%	1.2%	1.6%	2.0%	-2.3%	2.4%	
OPEB Risk Reduction & Mitigation	1,030	23.4%	21.5%	1.1%	-0.4%	3.7%	7.1%	-1.3%	0.2%	
OPEB RR & M Policy BM				1.2%	-0.3%	3.6%	7.0%	-2.0%	-0.2%	
OPEB HL PM Cash	0	0.0%								



Active and Excess Return as of November 2024



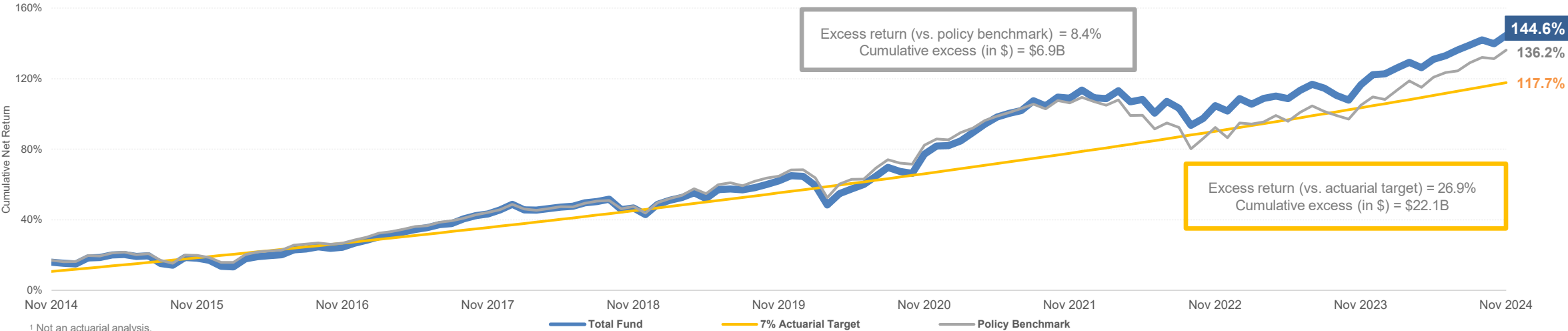
Active Return vs. Tracking Error^{1,2,3}



Period Ending	Annualized Return	Annualized Benchmark Return	Annualized Active Return	Tracking Error
Nov 2024	5.4%	4.6%	0.8%	3.0%

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

Excess Return¹



¹ Not an actuarial analysis.

Total Fund Forecast Volatility as of November 2024*



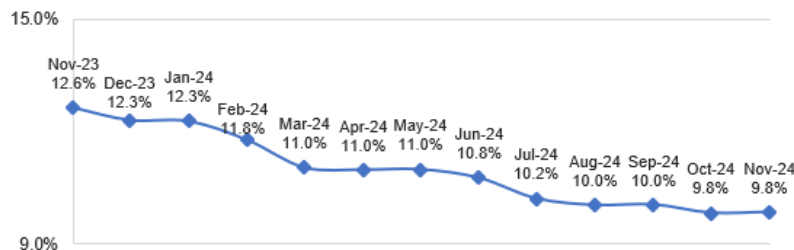
TOTAL FUND VOLATILITY

9.8%

BENCHMARK VOLATILITY

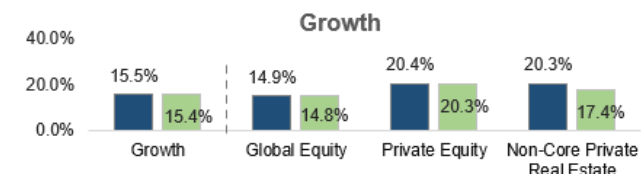
9.8%

Forecasted Total Fund Volatility Trend

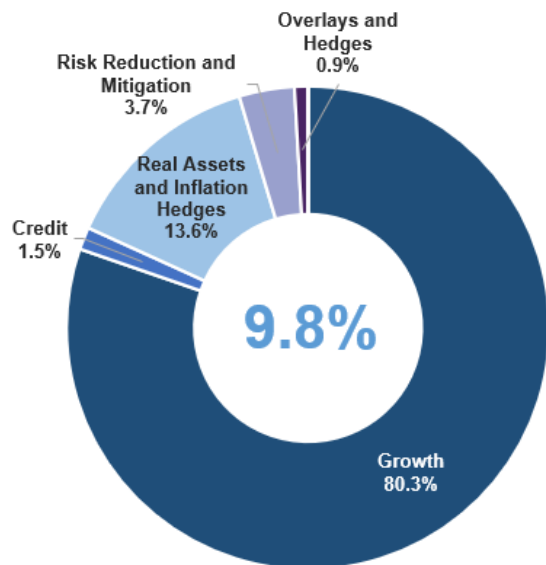


Subcategory Volatility

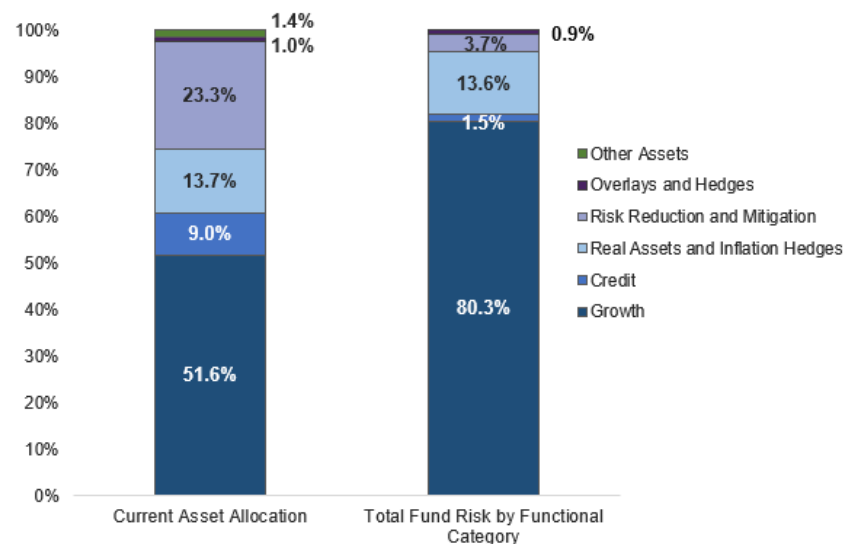
1 Subcategory volatility is on the left bar and benchmark risk is on the right bar.



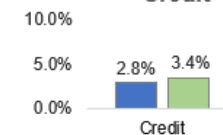
Functional Category Contributions to Total Fund Volatility



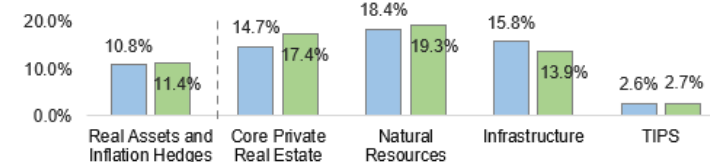
Total Fund Asset Allocation Capital-based versus Risk-based



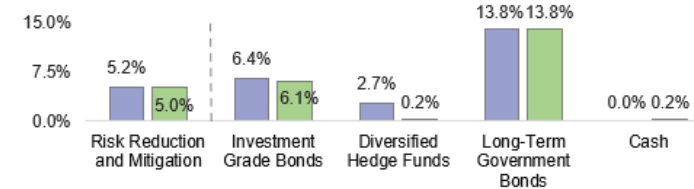
Credit



Real Assets and Inflation Hedges



Risk Reduction and Mitigation



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 November 2024*



TOTAL FUND TRACKING ERROR

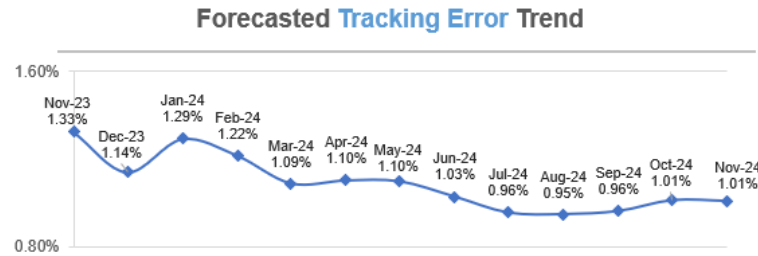
1.01%

ALLOCATION RISK

0.15%

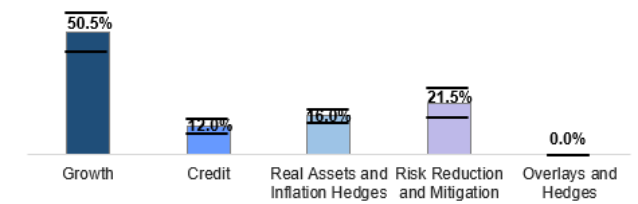
SELECTION RISK

0.86%

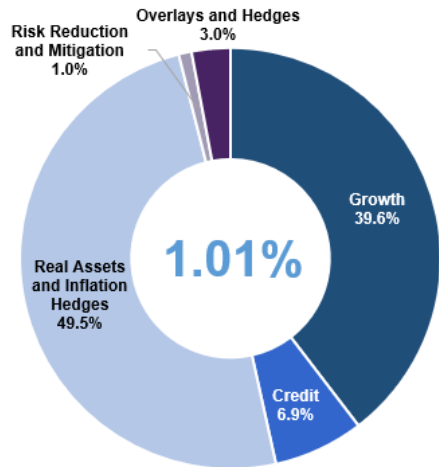


Policy Target Weight for each Functional Category

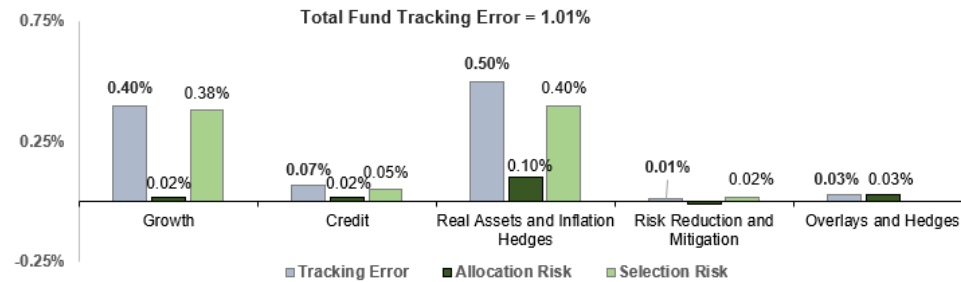
Maximum and Minimum Bands



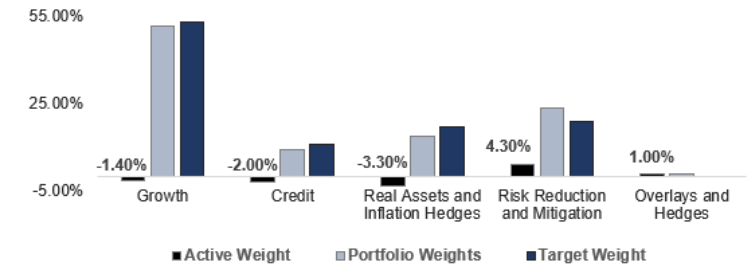
Functional Category Contributions to Tracking Error



Tracking Error Attribution



Active Weights for each Functional Category



Subcategory Tracking Error

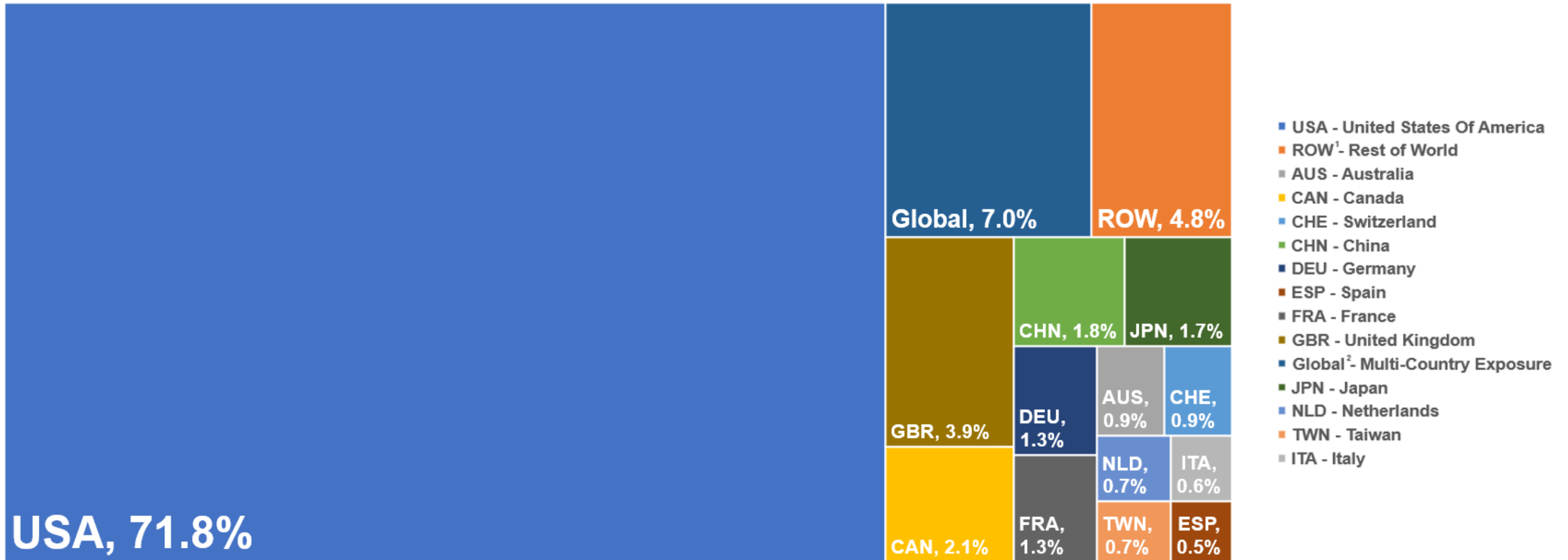
Total Fund	Global					Credit	Real Assets and Inflation Hedges					Risk Reduction and Mitigation				
1.01%	1.08%	0.39%	2.99%	7.15%		0.03	3.98%	4.97%	3.93%	9.39%	0.08%	0.80%	0.37%	2.79%	0.03%	0.19%
Total Fund	Growth	Global Equity	Private Equity	Non-Core Private Real Estate		Credit	Real Assets and Inflation Hedges	Core Private Real Estate	Natural Resources	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 November 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.

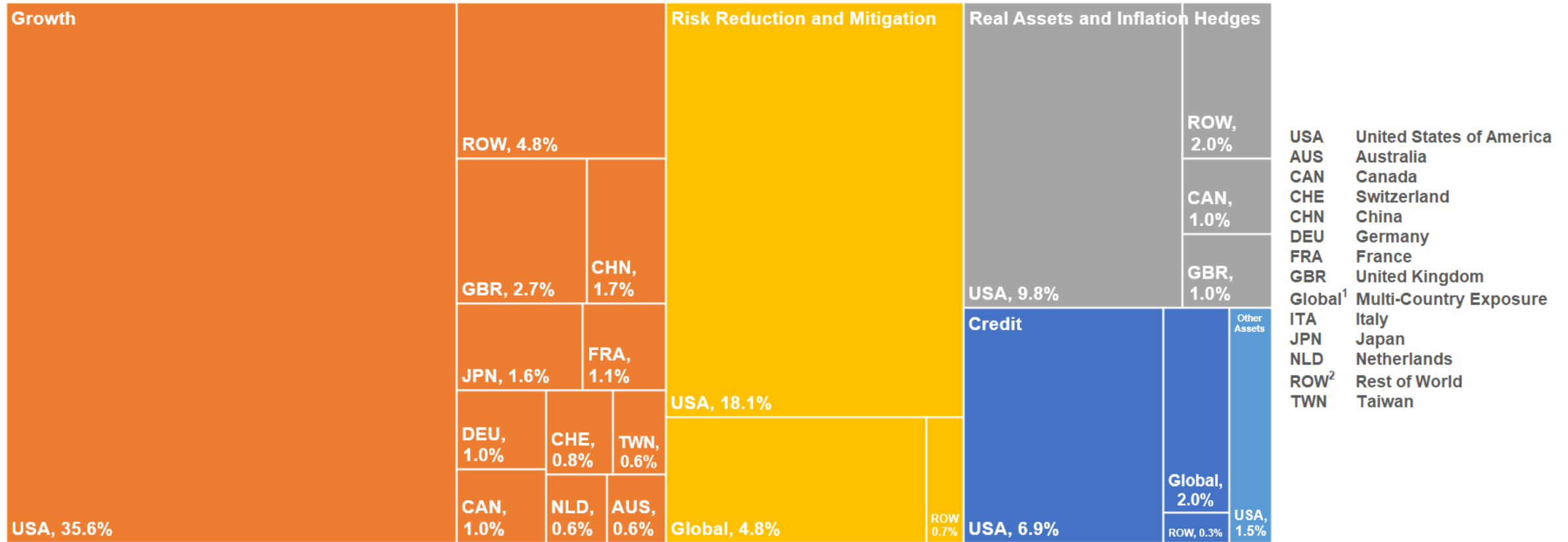
¹ "ROW - Rest of World" is sum of countries with weights below 0.5%.

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

SOURCE: MSCI BarraOne

Geographic Exposures by AUM

Functional Categories as of November 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.

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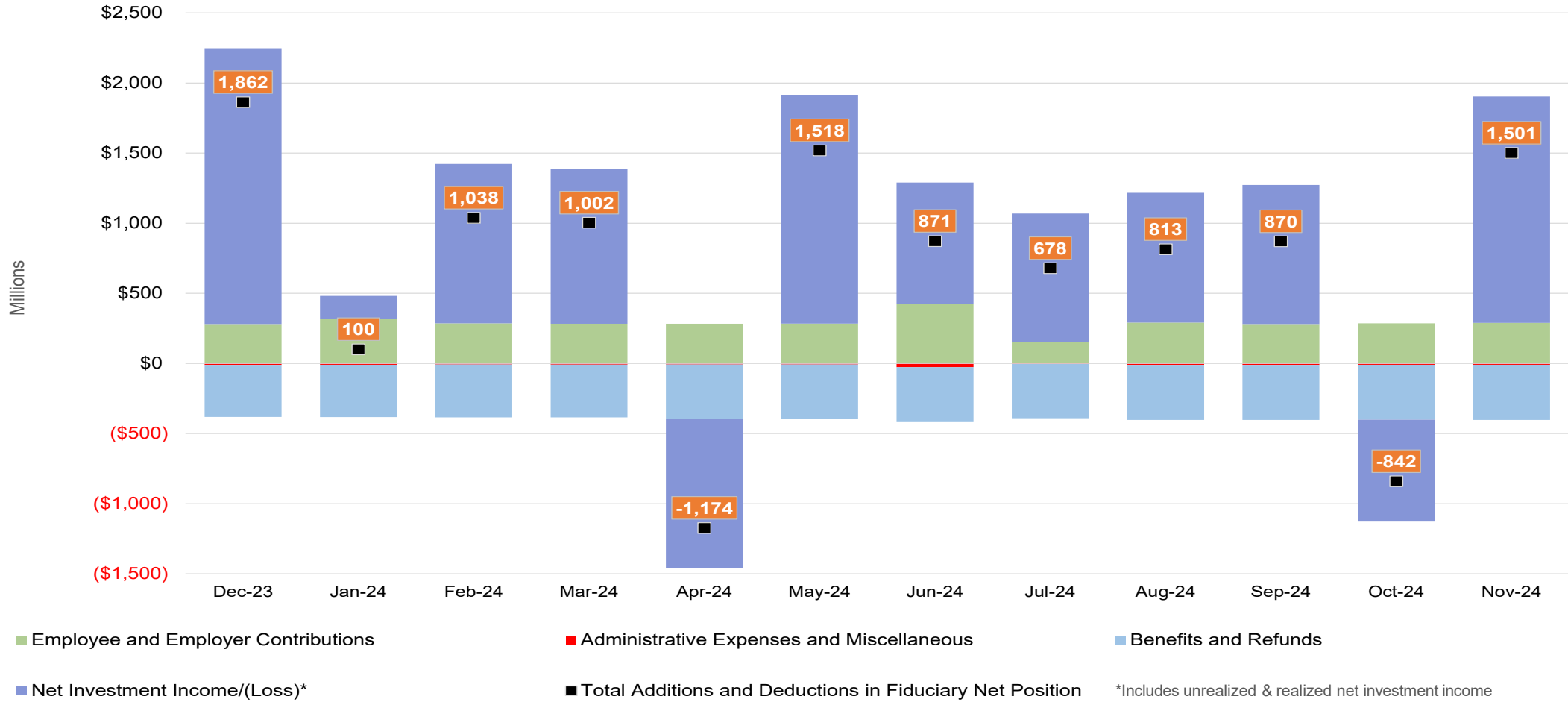
² "ROW - Rest of World" is sum of countries with weights below 0.5%.

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-23	5	7	\$3.3 billion
FY-24	4	8	\$5.2 billion
FY-25	1	4	\$3.0 billion

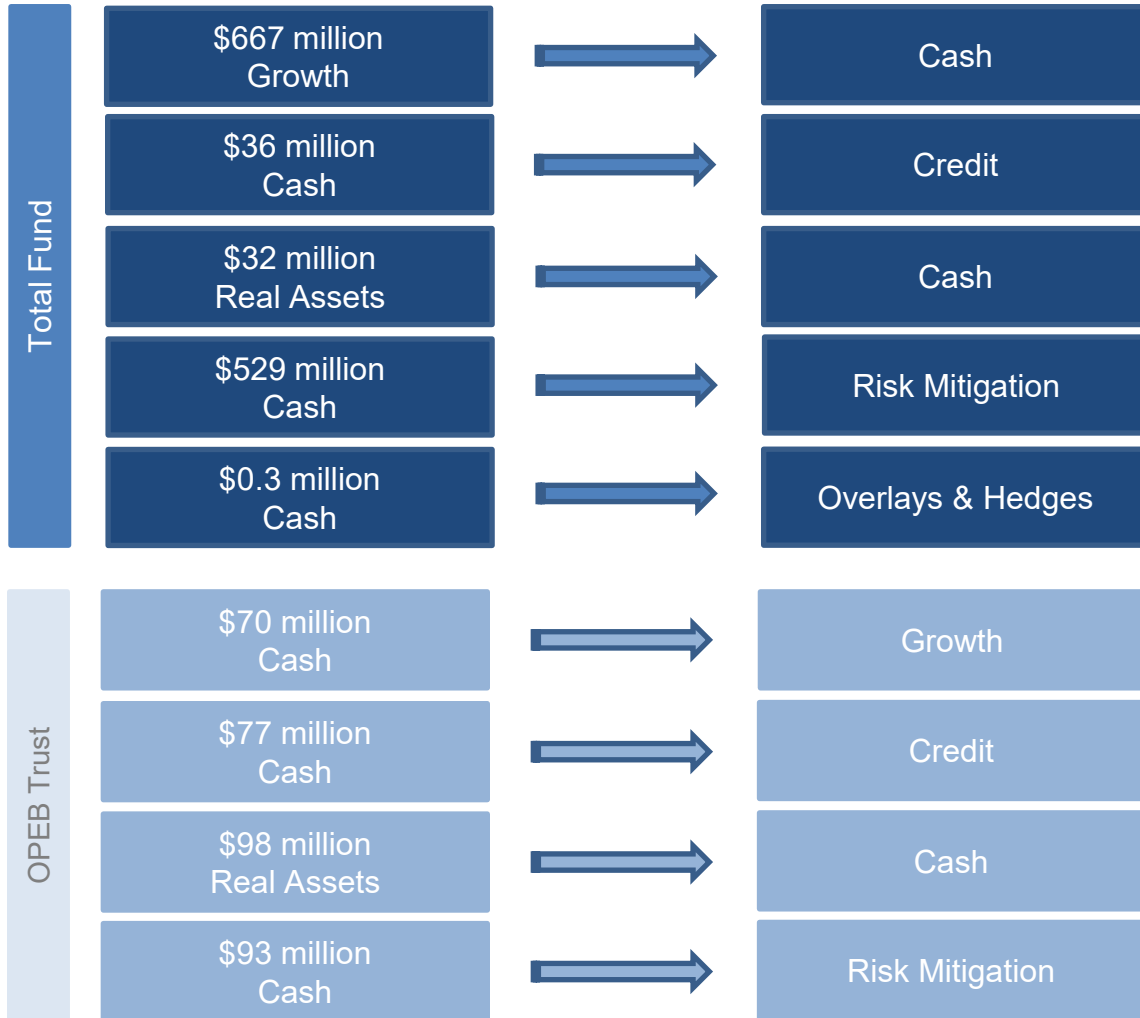


03 Portfolio Structural Updates

Portfolio Structural Updates



Rebalancing Activity



Overlays & Hedges

Monthly Activity

Program	November Return	November Gain/(Loss)	Inception ¹ Gain/(Loss)
Currency Hedge ²	0.6%	(\$0.3 Million)	\$1.5 Billion
Cash / Rebalance Overlay ³	1.0%	\$29.6 Million	\$574.6 Million

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

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

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

Current Search Activity

Status of Active Searches – Subject to Change

Name	RFP Issued	Due Diligence	Selection/ Review
Real Assets Emerging Manager Program Discretionary Separate Account Manager Search	✓	✓	Q1 2025



04 Key Initiatives & Operational Updates

Notable Initiatives and Operational Updates



Key Initiative Updates

- The April 2024 approved Strategic Asset Allocation implementation is in progress
 - The allocation shifted from the interim policy targets to final targets on January 1, 2025
- The 2025 Strategic Framework and Initiatives will be presented to the Board of Investments at the January meeting

Team Searches and Vacancies

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

Operational Updates

- The Annual Contract Compliance project has been completed
- Onboarding workflow management for risk provider

Manager/Consultant Updates

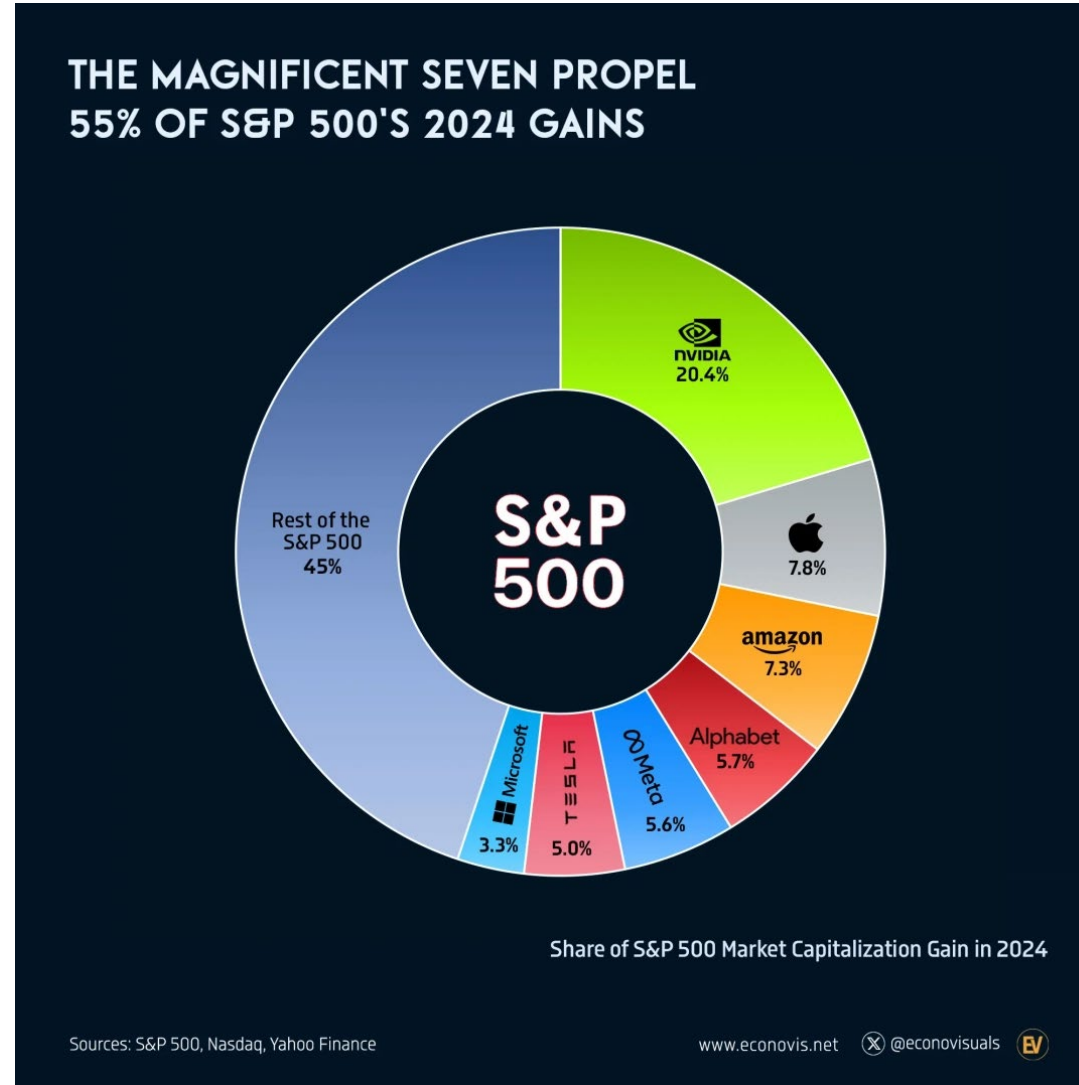
PineBridge Investments – Credit – Informed LACERA that PineBridge and its parent company, Pacific Century Group, have agreed to sell PineBridge Investments to MetLife Investment Management, pending regulatory approval by the end of 2025.



05 **Commentary**

Staff Chart of the Month

Magnificent 7 Stocks Accounted for 55% of S&P 500 Index Gains in 2024





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



Recognizing Our Members' Service and Accomplishments

LACERA has nearly 100,000 active members working in dozens of L.A. County departments, many of whom dedicate their entire working lives to serving the community. Meet one of our long-serving members who recently retired after serving for nearly four decades with the District Attorney's Office.



Retired Member

Theresa Mitchell

Deputy District Attorney, Los Angeles District Attorney's Healthcare Fraud Division

Years of Service: 37

Retired October 7, 2024

MEMBER SPOTLIGHT

Notable Contributions and Service: Prior to her retirement, Mitchell was responsible for handling multimillion-dollar insurance fraud cases for the District Attorney's Office. She first gained interest in prosecution during a trial advocacy class in college, after which she became a law clerk for the DA and progressively worked her way up. Mitchell takes great pride in knowing she obtained justice for victims throughout her long career.

Personal Heroes: Mitchell's inspiration is Mother Theresa, whose values she says she will continue to hold dear.

Retirement Plans: Mitchell's agenda includes traveling to Wales, getting back into golfing, and adopting a rescue dog to join her on hikes.





December 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 – JANUARY 2025**

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

Social Security Fairness Act: Windfall Elimination Provision (WEP) and Government Pension Offset (GPO) Repeal

On December 21, 2024, the U.S. Senate with a vote of 76-20 passed H.R. 82, which repeals the Windfall Elimination Provision (WEP) and the Government Pension Offset (GPO). These two provisions have reduced the Social Security benefits of public sector employees since 1982 and 1977, respectively. The WEP currently can reduce a member's Social Security benefits by up to \$7,044 per year. The GPO reduces a Social Security spousal by 2/3 of the member's pension, which might completely eliminate the spousal benefit.

The bill now will be presented to President Biden, who is expected to sign it. Once the bill becomes law, the Social Security Administration will then need to recalculate and pay the Social Security benefits going forward without the reductions. The repeal will also require a retroactive payment of benefits since it applies to benefits paid after December 2023.

The LACERA team will continue to monitor and report back on the Social Security Administration's implementation of the repeal.

Retiree Healthcare

LACERA's Anthem Blue Cross I, II and Prudent Buyer Lifetime Maximum Increase Approved

Last month, staff reported that the Los Angeles County Board of Supervisors would be approving an increase of the LACERA-administered Anthem Blue Cross Plans I, II, and Prudent Buyer plans lifetime maximum benefit from \$1 million to \$1.5 million effective July 1, 2025.

Upon receiving notification of the Board of Supervisors' final approval, on December 12, 2024, an email campaign to all retired members having an email address on file was sent informing them of this upcoming change effective July 1, 2025. In addition, a special mailing was conducted for members who do not have an email address on file informing them of the same information contained in the email blast.

An article has been published in both Pathways and Spotlight (LACERA newsletters for active and retired members) to ensure that everyone is informed of the new increase as well as the actions one will need to take if they would like to change medical plans.

Retiree Healthcare and Segal, LACERA's healthcare consultant, will be tracking migration and reporting any potential medical plan changes due to this new lifetime maximum benefit increase.

Kaiser Permanente – National Union of Healthcare Workers Strike Update

Staff reported in last month's CEO report that the National Union of Healthcare Workers (NUHW) began a work stoppage (strike) at various Kaiser Permanente facilities across Southern California. NUHW represents non-physician mental health and addiction primary therapists and other mental health care professionals in Southern California. The strike continues and will likely continue until a tentative agreement is reached. Negotiations have been going on since July 2024.

Staff recently followed up with LACERA's assigned group Strategic Account Manager, who indicated that Kaiser and NUHW continue to actively bargain and shared the following website for the latest Kaiser Permanente statements and fact sheets: www.kp.org/labor.

Staff were again reassured that Kaiser Permanente has a plan in place to minimize any potential disruptions. They are continuing to provide mental health services during the strike to ensure prompt care. However, certain mental health appointments may need to be rescheduled. If a change of appointment is necessary, Kaiser contacts patients in advance.

Kaiser Permanente is unable to tell us how many of our LACERA members may be impacted by the strike. As more information becomes available, staff will continue to keep the Board of Retirement informed.

Continued Offering of the Medicare Part B Premium Reimbursement Program Approved

On December 17, 2024, the Board of Supervisor's (BOS) approved the renewal of the Medicare Part B Reimbursement Program, continuing standard Part B premium reimbursements of eligible retirees, including their eligible dependents.

Since inception of the Medicare Part B Reimbursement Program in 1992, the County has reimbursed the standard Part B premium amount for all eligible retiree's and/or their eligible covered dependents enrolled in a LACERA-administered Medicare Advantage plan (Kaiser Permanente Senior Advantage, SCAN, or United Healthcare Medicare Advantage) or the Medicare Supplement plan (Anthem Blue Cross III). Reimbursement of the standard Part B premium was designed to incentivize eligible retirees, coupled with the lower premium costs for these plans, to enroll in one of afore-mentioned Medicare plans.

The Medicare premium rates are subject to annual adjustment and, therefore, must be submitted for approval by the County Board of Supervisor's annually upon the Center for

Medicaid and Medicare Services (CMS) announcing the upcoming year Medicare Parts A & B premium, deductible, and co-insurance amounts.

If the Medicare Reimbursement Program ceases to be cost-effective, the Board of Supervisors can discontinue offering this program in its entirety.

- *LACERA-administered Medicare plans including reimbursement of Part B premium amounts IS NOT part of the original promised benefit offering provided in the 1982 agreement.*

For 2025, the standard Part B premium for 2025 will be \$185.00 an increase of \$10.30 per month from \$174.70. According to CMS, the increase in the 2025 Part B standard premium is due to projected price changes and assumed utilization increases consistent with historical experience.

SHK
CEO Report January 2025.doc

Attachments



CEO DASHBOARD



January 15, 2025

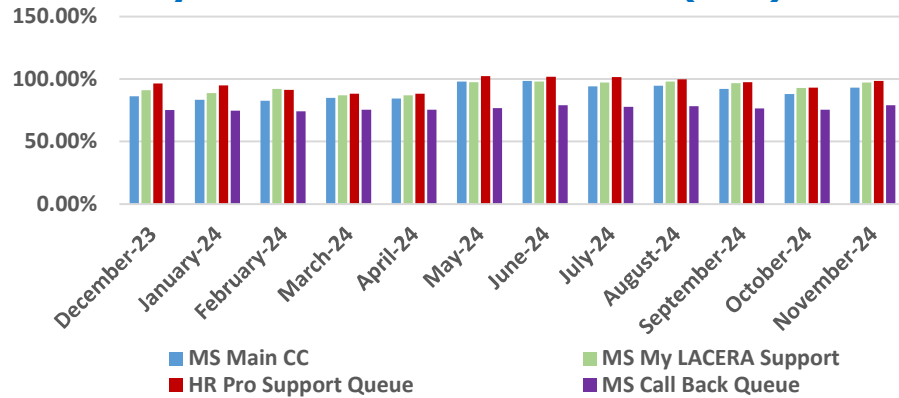


Striving for Excellence

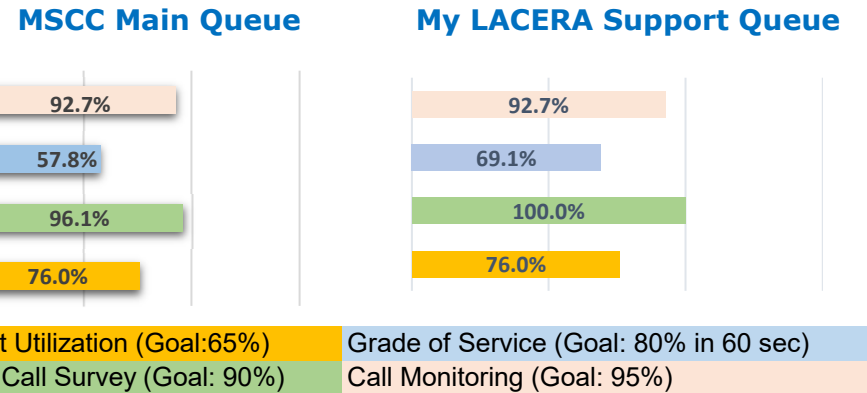
Service Metrics Reported on a Fiscal Year Basis (July 1) Through: **November 2024**

Events / Webinar Attendance Current Mo.: 871 Year-to-Date: 12,581	Events / Webinar Current Mo.: 19 Year-to-Date: 139	Webinar Satisfaction 1-5 Point Scale 4.38	Member Service Center Satisfaction 99.01%	MS Main Queue Total Calls Current Mo. 6,631 3 Month Avg. 7,319				
					Resp. Rate	Change	Resp. Rate	Change
					49.3%	0%	18.9%	2.60%

Member Service Call Center Queue Key Performance Indicators (KPI)



Key Performance Indicator (Components by Queue)



Member Services

MSCC MAIN QUEUE		MY LACERA SUPPORT		HR PRO SUPPORT		MS CALL BACK QUEUE	
■ Calls Answered	■ Calls Abandoned	■ Calls Answered	■ Calls Abandoned	■ Calls Answered	■ Calls Abandoned	■ Calls Answered	■ Calls Abandoned
Queue KPI:	93.00%	Queue KPI:	97.00%	Queue KPI:	98.30%	Queue KPI:	79.01%
Avg. Speed of Answer	Average Duration	Avg. Speed of Answer	Average Duration	Avg. Speed of Answer	Average Duration	Avg. Speed of Answer	Average Duration
0:04:09	0:16:32	0:01:07	0:12:22	0:00:52	0:13:26	0:17:13	0:14:46



Striving for Excellence

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

TOP REASONS MEMBERS CONTACT MEMBER SERVICES

Member Services Call Center

Member Service Center (Outreach)

1. Retirement Counseling

1. Retirement Counseling

2. Workshop/Appointments

2. Retiree Healthcare

3. My LACERA

3. Workshops/Appointments

Contact Center Email/Secure Message Performance



Emails (welcome@lacera.com):

240

Service Level: 24 Bus. Hours

On Target



Secure Message (My LACERA)

817

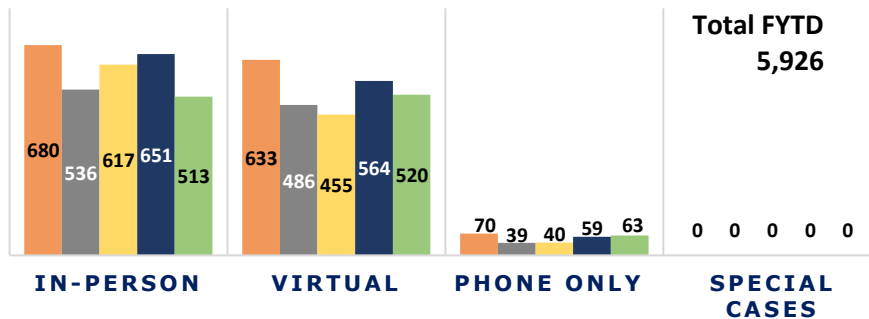
Service Level: 24 Bus. Hours

On Target

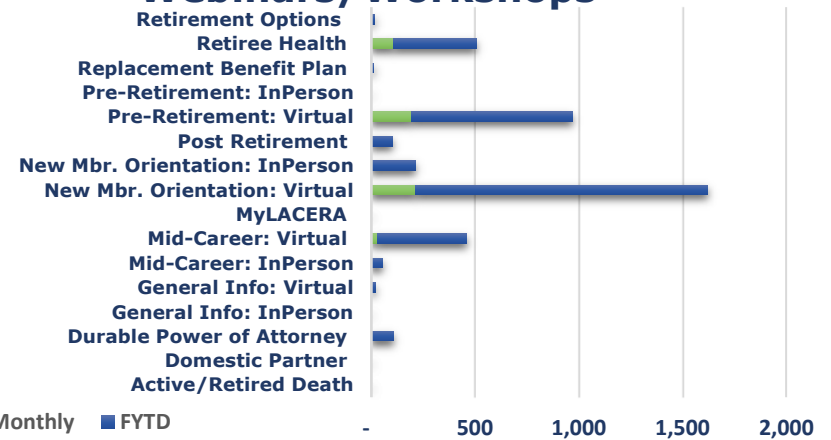
Member Service Center (Outreach)

Member Service Center Appointments

July August September October November



Members Served in Webinars/Workshops



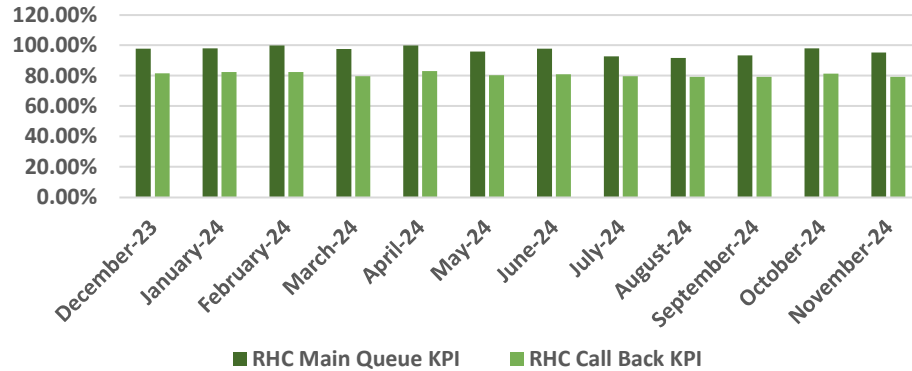
Member Services



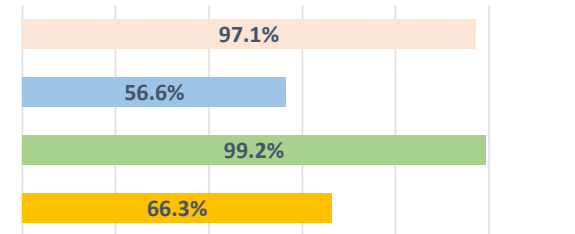
Striving for Excellence

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

RHC Call Center Queue Key Performance Indicator (KPI)



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

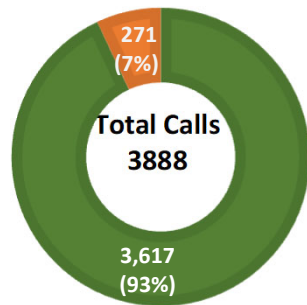


Agent Utilization (Goal:65%)	Grade of Service (Goal: 80% in 60 sec)
After Call Survey (Goal: 90%)	Call Monitoring (Goal: 95%)

Retiree Healthcare

RHC MAIN QUEUE

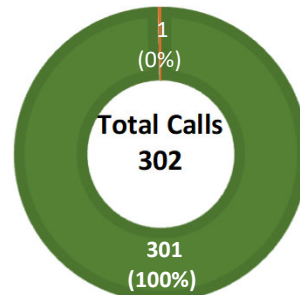
Calls Answered Calls Abandoned



Queue KPI:	95.10%
Avg. Speed of Answer	Average Duration
0:03:47	0:12:50

RHC CALL BACK QUEUE

Calls Answered Calls Abandoned



Queue KPI:	79.10%
Avg. Speed of Answer	Average Duration
0:16:30	0:09:37

TOP RHC CALL TOPICS

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

RHC Email/Secure Message Performance



Emails (healthcare@lacera.com): 347

Service Level: 24 Bus. Hours

On Target



Secure Message (My LACERA) 398

Service Level: 24 Bus. Hours

On Target



Striving for Excellence

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

Disability

Applications

971

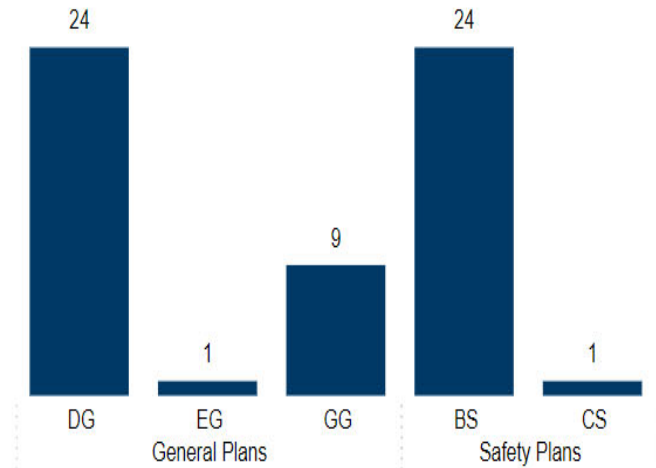
Received: New Applications	59
Received Year-to-Date	348
Pending: Applications in Process	55
To Board - Initial (Presented to BOR)	244
To Board - Initial Year-to-Date	13
Closed (Incomplete/Withdrawn)	77
Closed Year-to-Date	77

Appeals

85

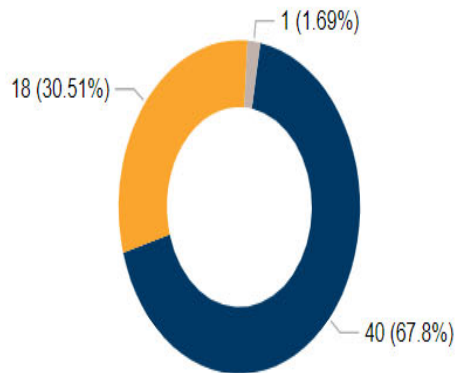
Received: New Appeals	2
Received Year-to-Date	8
Pending: Appeals in Process	2
Admin Closed	6
Admin Closed Year-to-Date	2
Referee Recommendations	5
Referee Recommendations Year-to-Date	0
DLO Recommendations	0
DLO Recommendations Year-to-Date	0

Applications Filed by Plan

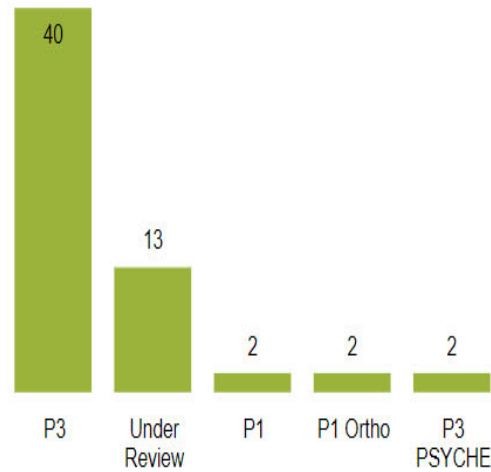


Applications Filed by Source

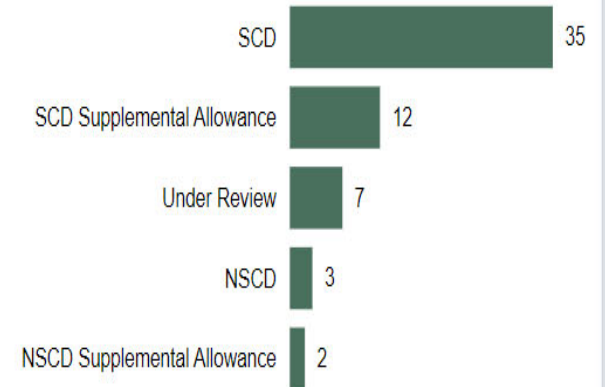
● Employee ● Employer ● Survivor



Applications Filed by Priority Level



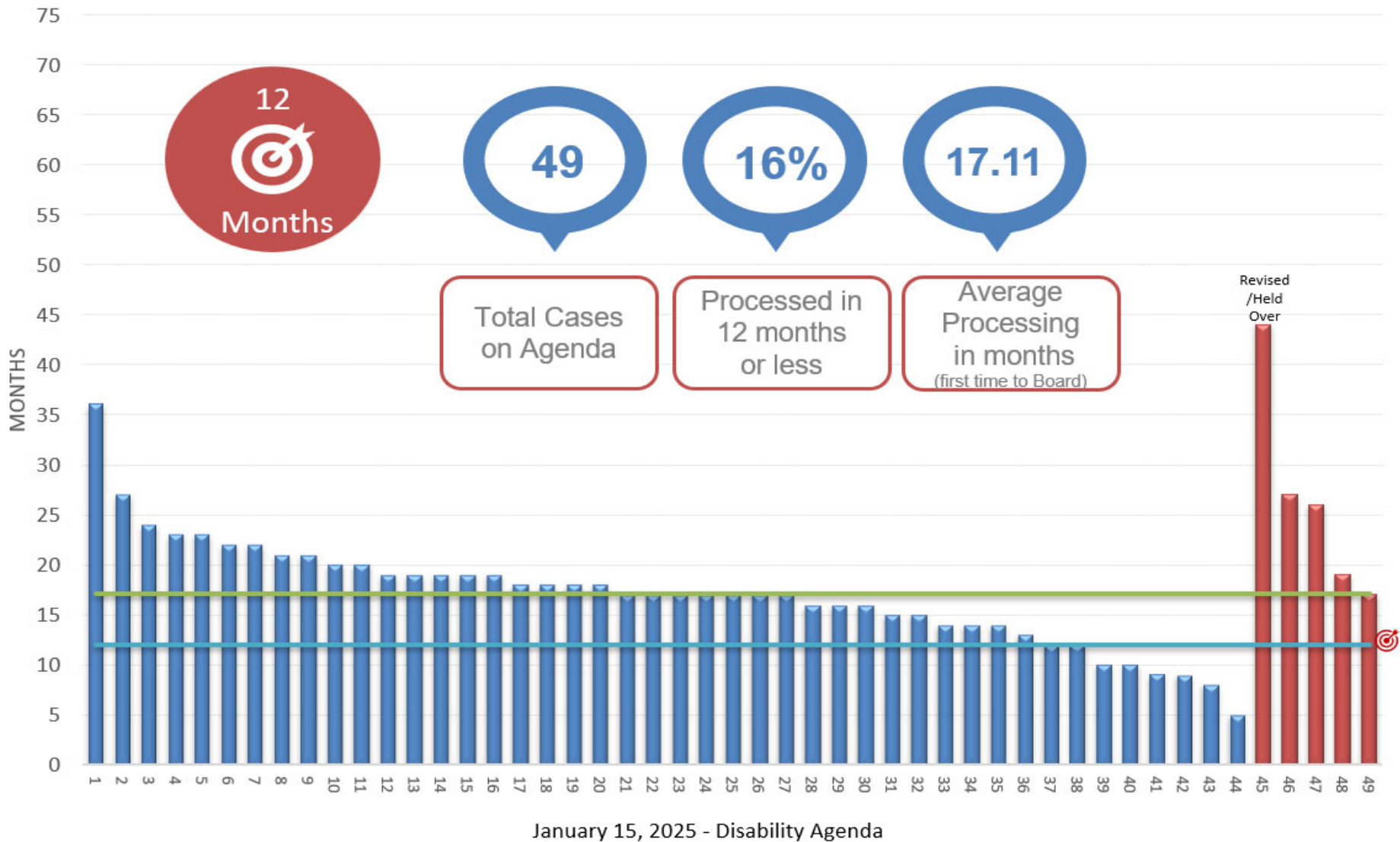
Applications Filed by Type





DISABILITY RETIREMENT SERVICES Application Processing Time

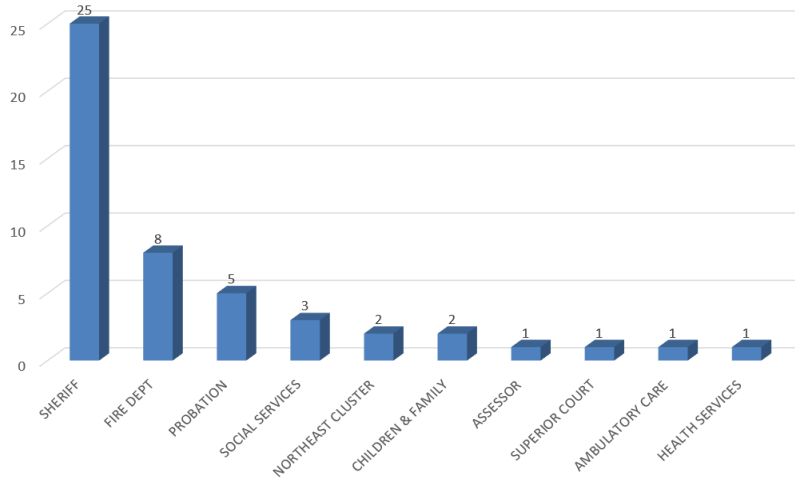
Disability



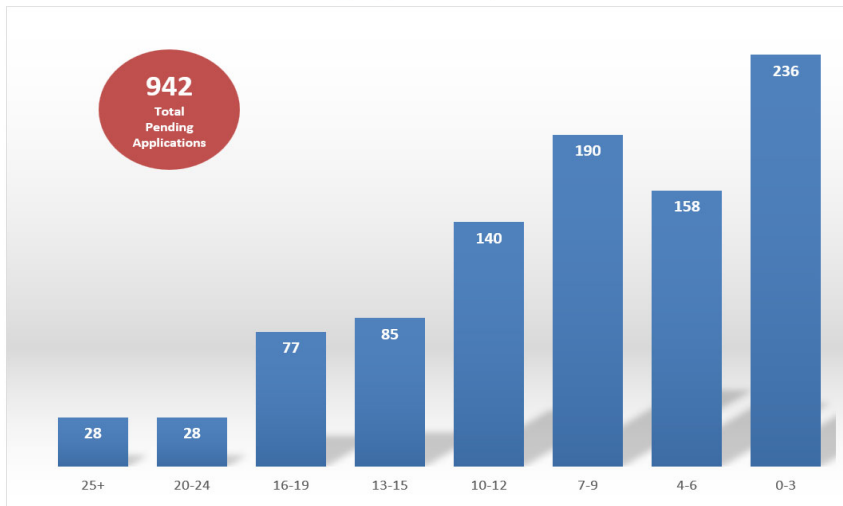


DISABILITY RETIREMENT SERVICES

Total Applications by Department on January 15, 2025 Agenda



DISABILITY RETIREMENT SERVICES
Pending Applications/Months



As of November 24, 2024

*Cases on the January 15, 2025 agenda are not included

Disability Retirement Services

Applications by Department

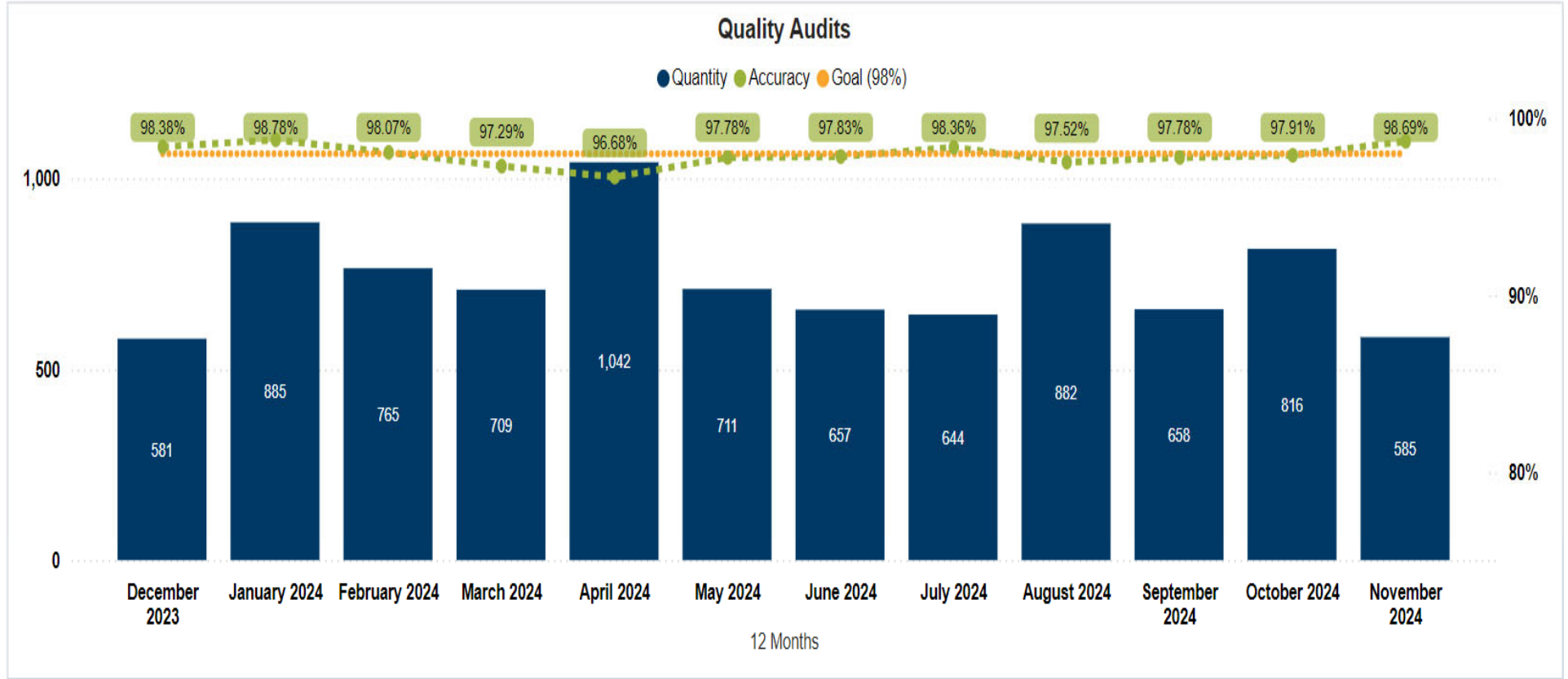
DEPARTMENT	No. of Applications	% of Inventory
SHERIFF	429	45.5%
L A COUNTY FIRE DEPT	164	17.4%
PROBATION DEPARTMENT	149	15.8%
PUBLIC HEALTH PROGRAM	23	2.4%
DEPT OF PUBLIC SOCIAL SERVICES	21	2.2%
CHILDREN & FAMILY SERVICES	20	2.1%
MENTAL HEALTH	14	1.5%
NORTHEAST CLUSTER (LAC+USC)	13	1.4%
PUBLIC WORKS	13	1.4%
HEALTH SERVICES ADMINISTRATION	13	1.4%
SUPERIOR COURT/COUNTY CLERK	9	1.0%
CORRECTIONAL HEALTH	8	0.8%
DISTRICT ATTORNEY	8	0.8%
PUBLIC DEFENDER	7	0.7%
AMBULATORY CARE NETWORK	7	0.7%
COASTAL CLUSTER-HARBOR/UCLA MC	7	0.7%
PARKS AND RECREATION	6	0.6%
INTERNAL SERVICES	5	0.5%
RANCHO LOS AMIGOS HOSPITAL	4	0.4%
MEDICAL EXAMINER	4	0.4%
SEV CLUSTER-OLIVE VIEW/UCLA MC	3	0.3%
CHILD SUPPORT SERVICES	2	0.2%
CHIEF EXECUTIVE OFFICE	2	0.2%
PUBLIC LIBRARY	2	0.2%
COUNTY COUNSEL	2	0.2%
AUDITOR - CONTROLLER	2	0.2%
ASSESSOR	1	0.1%
REGIONAL PLANNING	1	0.1%
AGING DEPARTMENT	1	0.1%
REG-RECORDER/COUNTY CLERK	1	0.1%
JUVENILE COURT HEALTH SERVICES	1	0.1%
Grand Total	942	100.0%



Striving for Excellence in Quality

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

Quality Assurance



Monthly Recap

	Samples	Accuracy
November 2024	Data Entry	108 99.54%
	Payment Contract	259 97.99%
	Retirement Election	218 99.11%
	Total	585 98.69%

Prior audit values may update due to updated data.

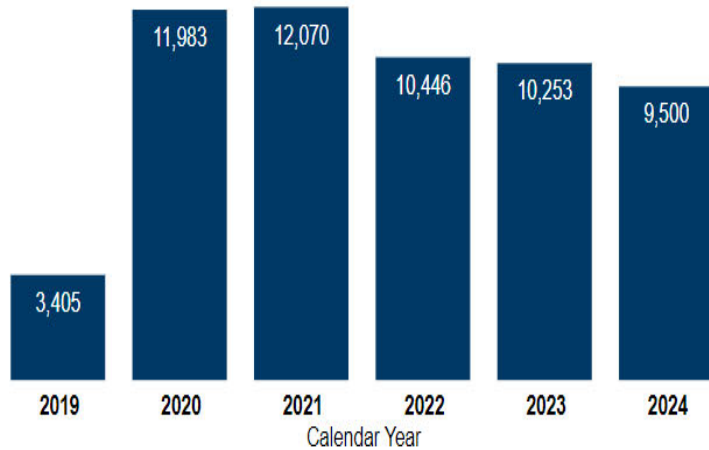


Service Online For All

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

Serving Members Through LACERA.com and MyLACERA

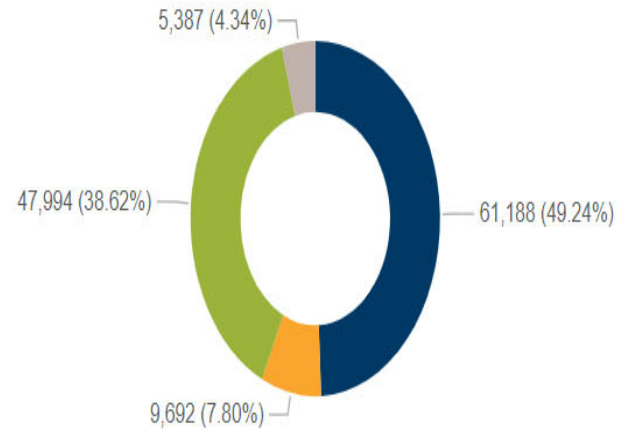
Annual New MyLACERA Accounts*



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
118,874

% of Total Members
61%

Excludes Non-Members

*Data as of December 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

11/12/2024

Home Page Tile	Views	% of Change
Board Meetings and Agendas	3,755	25.29%
Careers	2,928	23.54%
Investments	2,720	-10.05%
Sign Up for My LACERA!	6,993	-13.56%
Ready to Retire	3,883	-16.53%
Resource Center	2,322	-16.59%



Member Snapshot

Metrics reported based on December 16, 2024

Membership Count

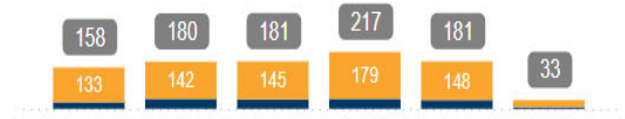
	Active		Inactive		Retired			Survivors	Total
	Active Vested	Active Non-Vested	Inactive Vested	Inactive Non-Vested	Service Retirement	SCD-Disability Retirement	NSCD-Disability Retirement		
General Plans	65,675	21,543	7,887	12,192	48,756	3,091	596	8,320	168,060
AG	36		9	31	10,889	834	138	4,135	16,072
BG	9		5	3	555	34	5	76	687
CG	11		5	7	346	36	6	68	479
DG	31,363	115	3,756	3,708	20,593	2,132	437	2,217	64,321
EG	11,722	4	2,338	344	15,998			1,786	32,192
GG	22,534	21,424	1,774	8,099	375	55	10	39	54,310
Safety Plans	10,050	2,324	542	969	5,121	7,360	79	2,187	28,632
AS			1	2	1,719	2,243	25	1,713	5,703
BS	6,799	61	398	354	3,386	5,087	54	469	16,608
CS	3,251	2,263	143	613	16	30		5	6,321
Total	75,725	23,867	8,429	13,161	53,877	10,451	675	10,507	196,692

Membership Count vesting status excludes reciprocal service credit.

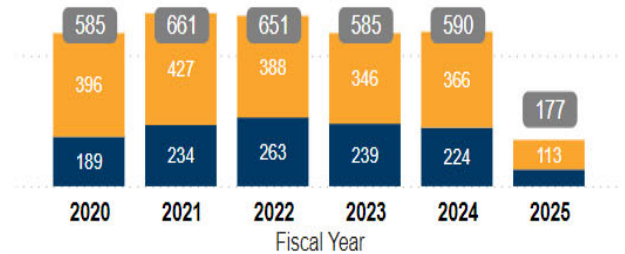
Fire and Sheriff Retirements

● General Plans ● Safety Plans ● Total

L A COUNTY FIRE DEPT

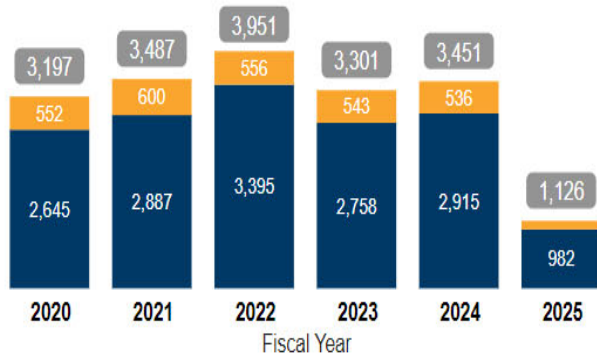


SHERIFF



Total Retirements by Type

● General Plans ● Safety Plans



Monthly Benefit Allowance Distribution

Members and Survivors

Gross Benefit Range	General Plans	Safety Plans	Total
\$0 to \$3,999	36,116	1,578	37,694
\$4,000 to \$7,999	16,939	4,456	21,395
\$8,000 to \$11,999	5,068	4,731	9,799
\$12,000 to \$15,999	1,455	2,891	4,346
\$16,000 to \$19,999	501	711	1,212
\$20,000 to \$23,999	164	214	378
\$24,000 to \$27,999	35	34	69
> \$28,000	26	12	38
Total	60,304	14,627	74,931

Member Average Monthly Benefit

\$5,371.72

Survivor Average Monthly Benefit

\$3,703.82

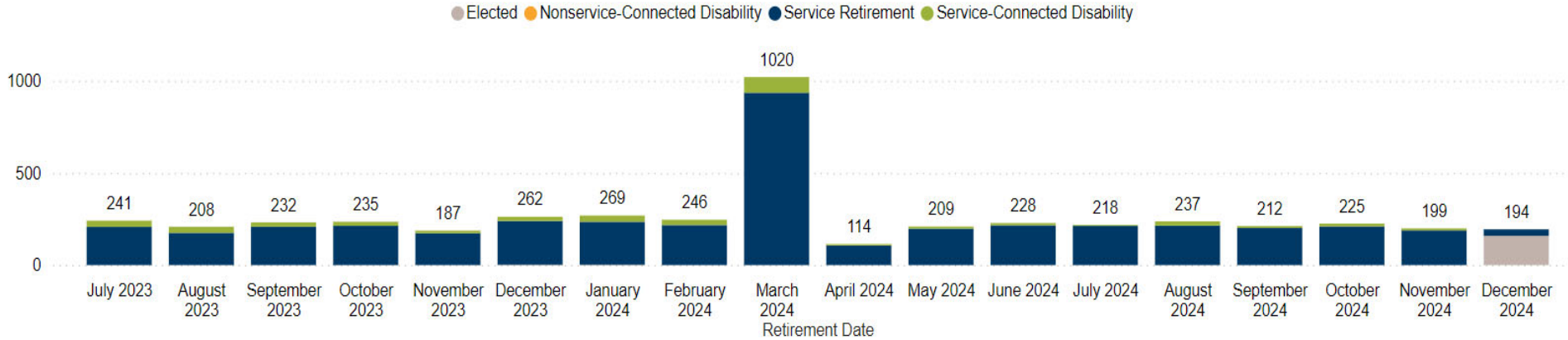
Data labels may not appear for all values

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 December 16, 2024

Monthly Retirements

Retirement Type	December 2024
Elected	159
Service Retirement	35
Total	194

Retired Members Payroll

(As of 11/30/2024)

Monthly Payroll	\$395.23m
Payroll YTD	\$2.0b
New Retired Payees Added	294
Seamless %	98.64%
New Seamless Payees Added	1,612
Seamless YTD	97.08%
By Check %	2.00%
By Direct Deposit %	98.00%

Healthcare Program

(Mo. Ending: 11/30/2024)

	Employer	Member
Medical	\$292.9	\$20.3
Dental	\$21.7	\$2.0
Part B	\$41.9	\$0.0
Total	\$356.5	\$22.3

Health Care Enrollments

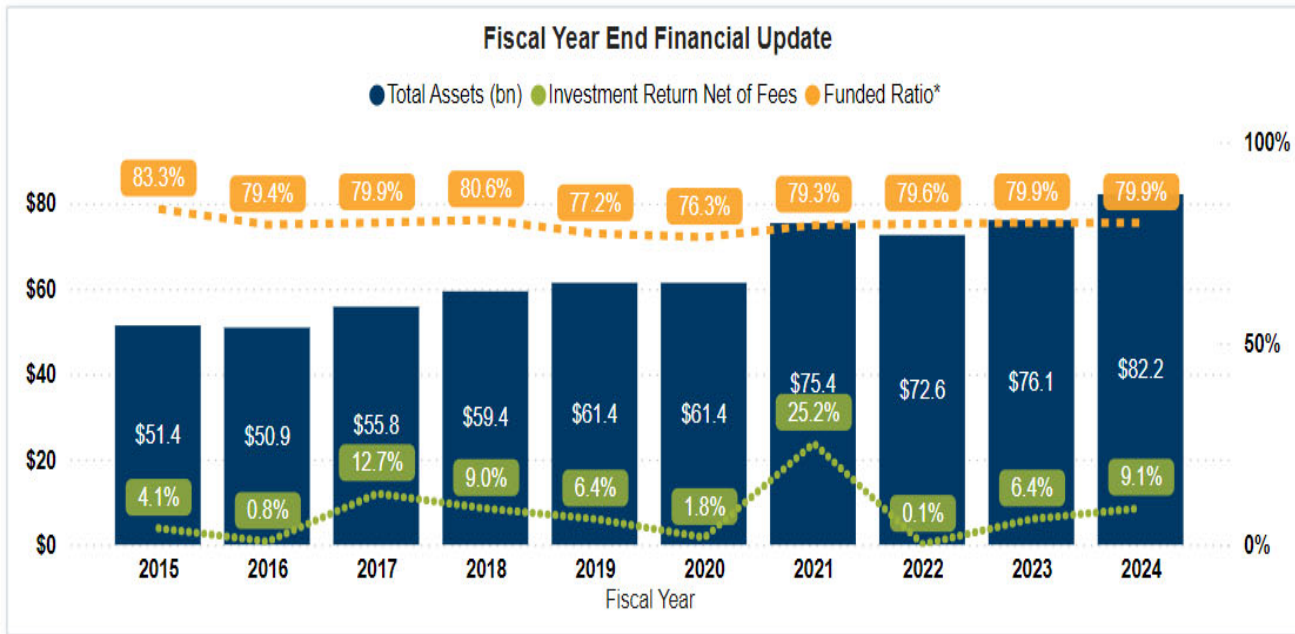
(Mo. Ending: 11/30/2024)

Medical	56,623
Dental	58,797
Part B	39,265
LTC	446
Total	155,131



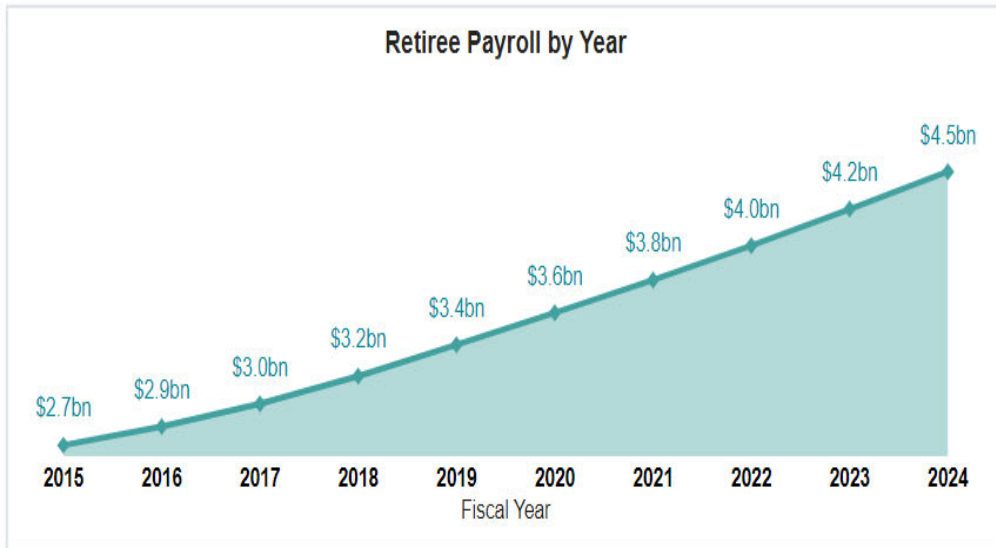
Key Financial Data

(As of June 30, 2024)



Funding Metrics	Contributions
11.01% Employer NC*	\$2.5bn Employer Annual Contribution
14.87% UAAL*	25.88% Employer % of Payroll*
7.00% Assumed Rate	\$861.0m Member Annual Contribution
\$608.6m Star Reserve	8.37% Member % of Payroll*
\$79.2bn Total Net Assets	
	Investment Returns
	9.1% <i>net of fees</i> 1-Year Return
	5.2% 3-Year Return
	7.4% 10-Year Return

*Actuarial data is provided as of June 30, 2023 and will be updated when 2024 data becomes available.

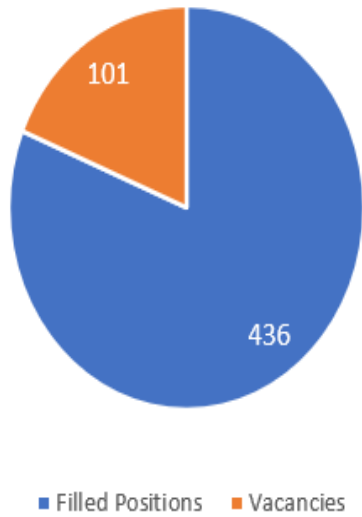




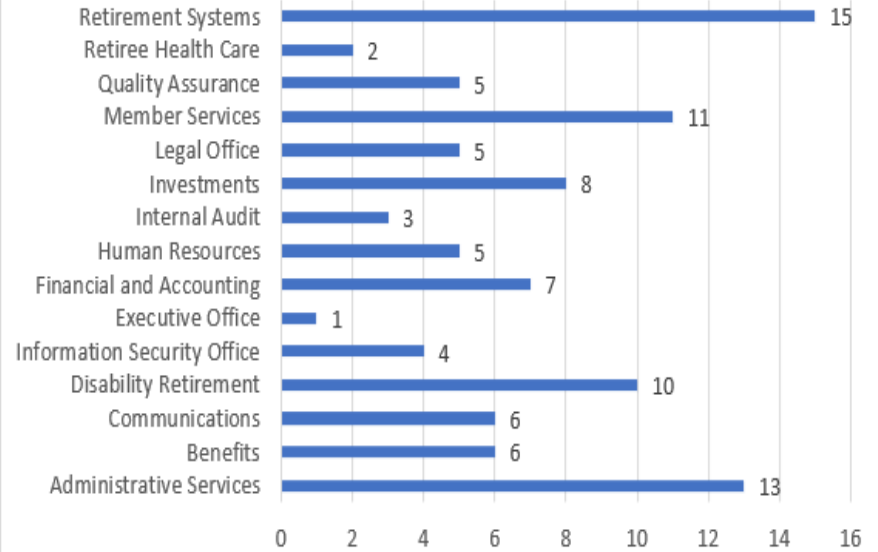
Human Resources

Metrics reported based on December 15, 2024

Vacancy Rate 19%

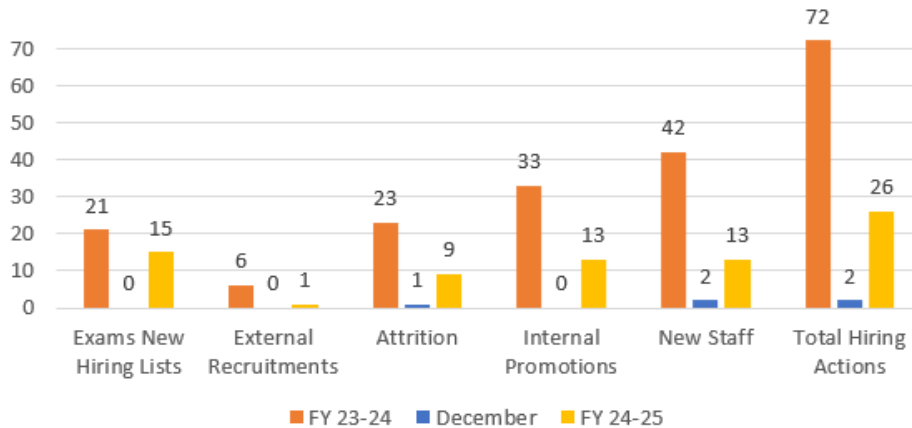


Vacancies by Division



Recruiting for Our Future

HR Key Performance Indicators through 12/15/2024



Current Recruitments

Classification	Division
Administrative Assistant	Various
Asst. Chief Financial Officer	Financial Accounting
Disability Ret. Specialist	Disability Retirement
IT Specialist I	Systems
Senior Internal Auditor	Internal Audit
Legal Analyst	Legal
Legal Secretary	Legal
Sr. Administrative Assistant	Various
Staff Counsel	Legal



QUIET PERIOD LIST FOR TRUSTEES AND STAFF

Last Update
12/31/2024

ADMINISTRATIVE/OPERATIONS

Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents*
RFP: Member Experience Communications Platform (MECP)	Systems	11/6/2023	Contract Development	<ul style="list-style-type: none"> • Genesys/TTEC
RFP: Offsite Records Storage, Shredding, and Scanning Services	Administrative Services	8/30/2024	Bid Review	<ul style="list-style-type: none"> • Corodata • GRM • Iron Mountain • VRC Companies
RFP: Taxonomy & Knowledge Management Consultant	Executive Office	06/14/2024	Contract Development	<ul style="list-style-type: none"> • Enterprise Knowledge, LLC. • Taxonomy Strategies • Accenture
RFQ: Legal Matter Management	Legal	3/1/2023	Contract Execution	<ul style="list-style-type: none"> • LawVu
RFQ: eDiscovery	Legal / InfoSec	12/1/2023	Contract Development	<ul style="list-style-type: none"> • GlobalRelay

*Subject to change

INVESTMENTS

Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents *
RFP: Hedge Funds, Credit, and Real Assets Consultant Search	Investments	12/29/2023	Contract Execution	<ul style="list-style-type: none"> • Albourne • Meketa • Mercer Wilshire
RFP: Risk and Analytics System, and ESG Research Services Search	Investments	3/29/2023	Contract Development	<ul style="list-style-type: none"> • BlackRock Financial Management Inc • Barra, LLC • Bloomberg Finance L.P. • Clearwater Analytics • eVestment Alliance,



Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents *
				LLC <ul style="list-style-type: none"> • FactSet Research Systems Inc. • ISS STOXX GmbH • MSCI ESG Research LLC • Northfield Information Systems, Inc. • Solovis, Inc.
Real Assets Emerging Manager Program Discretionary Separate Account Manager	Investments	3/29/2023	Bid Review	<ul style="list-style-type: none"> • 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

*Subject to change

Date	Conference
January, 2025	
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
February, 2025	
13	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Virtual
March, 2025	
2-5	CALAPRS (California Association of Public Retirement Systems) General Assembly 2025 Napa, CA
5-7	Pacific Pension Institute (PPI) Winter Roundtable Seattle, WA
10-12	Council of Institutional Investors (CII) Spring Conference and 40 th Anniversary Celebration Washington D.C.
24-27	AHIP (America’s Health Insurance Plans) Medicare, Medicaid, Duals and Commercial Markets Forum Baltimore, MD
26-27	PREA (Pension Real Estate Association) Spring Conference Dallas, TX
April, 2025	
13-16	CRCEA (California Retired County Employees Association) Spring Conference Host - Ventura
14-18	Investment Strategies & Portfolio Management Wharton School, University of Pennsylvania
28-29	IFEBP (International Foundation of Employment Benefit Plans) Health Care Mgmt. Conference Fort Myers, FL
30-May 1	IFEBP (International Foundation of Employment Benefit Plans) Investments Institute Fort Myers FL

Date	Conference
May, 2025	
12-15	thINc360 – The Healthcare Innovation Congress (formerly World Healthcare Congress) Washington D.C.
13-16	SACRS Spring Conference Rancho Mirage, CA
17-18	NCPERS (National Conference on Public Employee Retirement Systems) Trustee Educational Seminar (TEDS) Denver, CO
17-18	NCPERS (National Conference on Public Employee Retirement Systems) Accredited Fiduciary (NAF) Program Denver, CO
18-21	NCPERS (National Conference on Public Employee Retirement Systems) Annual Conference & Exhibition (ACE) Denver, CO
19-20	IFEBP (International Foundation of Employment Benefit Plans) Washington Legislative Update Washington D.C.
30	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Virtual
June, 2025	
2-4	National Association of Securities Professionals (NASP) Annual Financial Services Conference Columbus, OH
16-18	NCPERS (National Conference on Public Employee Retirement Systems) Chief Officers Summit New York, NY
17-19	AHIP (America’s Health Insurance Plans) 2025 Seattle, WA
July, 2025	
17-18	ICGN 30 th Anniversary Conference-Americas New York, NY
23-25	Pacific Pension Institute (PPI) Summer Roundtable Salt Lake City, UT
September, 2025	
8-10	Council of Institutional Investors (CII) Fall Conference San Francisco, CA

Date	Conference
October, 2025	
3	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Virtual
12-15	National Association of Corporate Directors (NACD) Directors Summit 2025 Washington D.C.
22-24	PREA (Pension Real Estate Association) Annual Institutional Investor Conference Washington D.C.
22-24	Pacific Pension Institute (PPI) Asia Pacific Roundtable Sydney, Australia
November, 2025	
4-6	Institutional Limited Partners Association (ILPA) General Partner Summit New York, NY
9-12	IFEBP (International Foundation of Employment Benefit Plans) Annual Employee Benefits Conference Honolulu, HI
11-14	SACRS Fall Conference Huntington Beach, CA
December, 2025	
11	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Virtual

December 23, 2024

TO: Trustees – Board of Investments

FROM: Jonathan Grabel 
Chief Investment Officer

FOR: January 8, 2025 Board of Investments Meeting

SUBJECT: **2025 Strategic Framework and Initiatives:
Towards Best-in-Class Investor**

RECOMMENDATION

Approve the 2025 Strategic Framework and Initiatives.

BACKGROUND

Attached is the 2025 Strategic Framework and Initiatives recommendation for approval by the Board of Investments. It reviews strategic initiatives, progress towards objectives, and aspirations. The presentation also outlines a framework to guide implementation of the strategic asset allocation and provides visibility to facilitate oversight and governance by the Board of Investments to exercise its fiduciary duties.

Attachment

2025 Strategic Framework and Initiatives:

Towards Best-In-Class Investor

Board of Investments Meeting

January 8, 2025

2025 Strategic Framework and Initiatives Recommendation and Overview



Recommendation

Approve the 2025 Strategic Framework and Initiatives

Overview

The 2025 Strategic Framework and Initiatives aim to:

1. Fulfill LACERA's mission to members via guiding implementation of the strategic asset allocation
2. Provide visibility into initiatives to facilitate oversight and governance
3. Establish a framework to be process-driven and dynamic
4. Build upon strong foundation to facilitate future success

Objectives

Progress

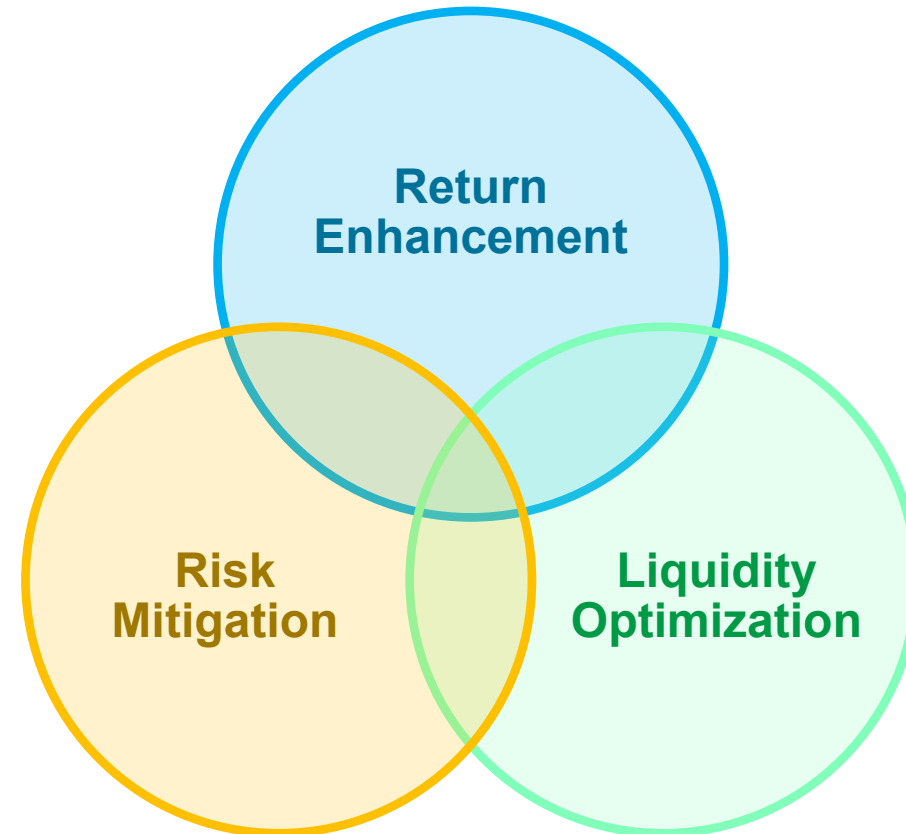
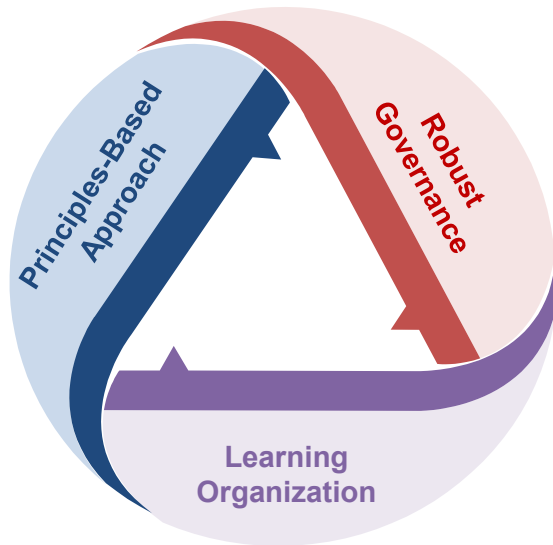
Aspirations

Strategic Framework and Initiatives Towards Best-In-Class Investor



Execute Strategic Asset Allocation

Dynamic Investment Program



Strategic Initiatives



Optimize Investment Model



Maximize Stewardship and Ownership Rights



Strengthen Influence on Fees and Cost of Capital



TIDE (Towards Inclusion, Diversity, and Equity)



Enhance Operational Effectiveness

LACERA Mission: To produce, protect and provide the promised benefits to our members

Execute Strategic Asset Allocation

Updated in 2024



Execute Strategic Asset Allocation

Dynamic Investment Program



Strategic Initiatives

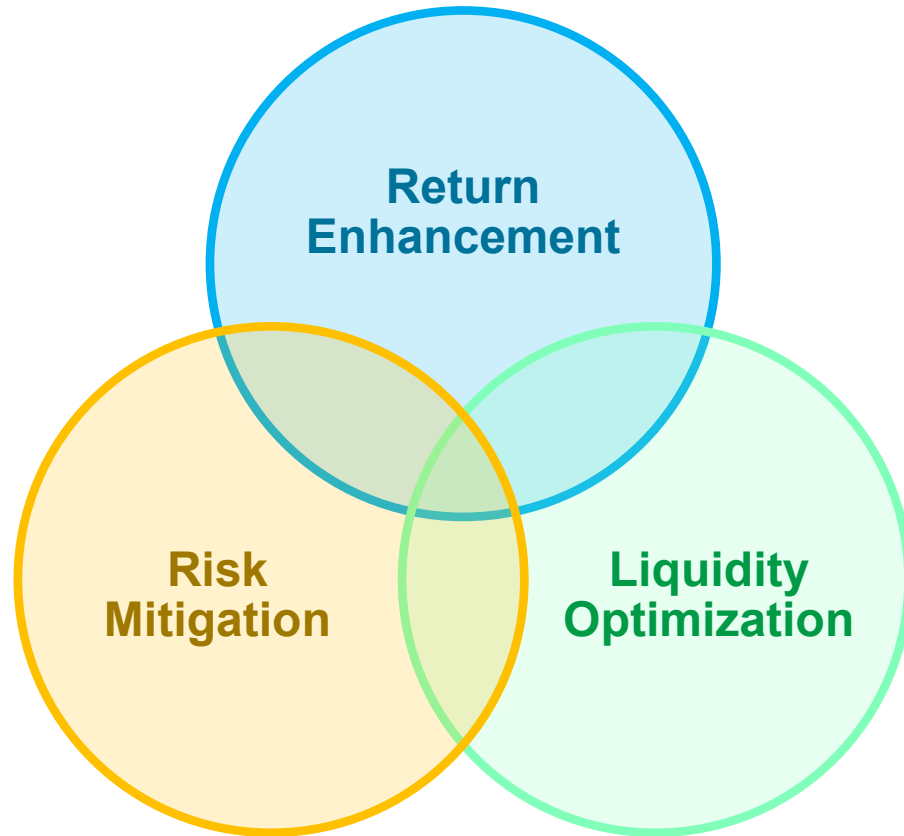


LACERA Mission: To produce, protect and provide the promised benefits to our members

Execute Strategic Asset Allocation Towards Best-In-Class Investor



Execute Strategic Asset Allocation



2025 in Context

- The Board approved a new Strategic Asset Allocation in 2024
- New allocation targets take full effect in 2025
- LACERA is rebalancing and building its portfolio in response to new targets

LACERA Mission: To produce, protect and provide the promised benefits to our members

Execute Strategic Asset Allocation Objectives of the Investment Program



LACERA's Investment Policy Statement emphasizes Produce, Protect, and Provide objectives, mirrored in its Strategic Asset Allocation strategy focusing on Return Enhancement, Risk Mitigation, and Liquidity Optimization



Objectives of the Investment Program

LACERA follows a carefully planned and executed strategic investment program in order to:

- I. Produce*** the promised benefits for LACERA members and beneficiaries by achieving the Fund's assumed rate of return on a total return basis over the long-term, consistent with LACERA's mission;
- II. Protect*** the promised benefits on behalf of LACERA members and beneficiaries by mitigating investment risks through Fund diversification and other means, consistent with LACERA's mission; and
- III. Provide*** the promised benefits for LACERA members and beneficiaries, in part by ensuring adequate liquidity, consistent with LACERA's mission

LACERA Mission: To produce, protect and provide the promised benefits to our members

Strategic Initiatives

Added 2019-2021



Execute Strategic Asset Allocation

Dynamic Investment Program



Strategic Initiatives



LACERA Mission: To produce, protect and provide the promised benefits to our members



Optimize Investment Model

Objective: Utilize our knowledge, skills, and experience to develop forward thinking and enduring investment models and structures with a focus on technology, cost effectiveness, and human capital to maximize risk-adjusted returns

- Progress:**
- Improving LACERA's investment acumen to fulfill the mission
 - Implementing Board adopted triennial Strategic Asset Allocation studies
 - Deploying co-investment and secondary capital across several asset categories
 - Executing secondary sales to focus private equity portfolio on strategic relationships
 - Transitioning real estate portfolio from separate accounts to commingled funds to broaden diversification
 - Active monitoring and quarterly portfolio-wide discussion of performance and risk management



- Aspirations:**
- Continue to seek better compensation for risks across the portfolio
 - Promote and enhance dynamic investment program
 - Fine tune rebalancing practices
 - Organize and deliver effective educational sessions and orientations



Maximize Stewardship and Ownership Rights

Objective: Steward our investments – including legal rights associated with them – to promote and safeguard our economic interests and durable financial value, including through proxy voting, engagement, and policy advocacy

- Progress:**
- Increased proxy voting authority to 96% of defined benefit portfolio and assumed voting rights in OPEB Trust
 - All mandates undergo systemic due diligence for material ESG risks
 - Updated stress testing of 2024 Strategic Asset Allocation for energy transition scenarios and climate risks
 - Deepened ESG considerations in real assets with restated Responsible Contractor Policy (RCP) and Global Real Estate Sustainability Benchmark (GRESB) affiliation
 - Expanded engagement initiatives (e.g., investor voting rights, energy transition, public policy, board diversity)



- Aspirations:**
- Execute on strategic engagement initiatives with credible outcomes
 - Amplify progress and leadership in governance and ESG initiatives
 - Continue to expand proxy voting authority
 - Increase ESG and climate data coverage in private asset classes
 - Elevate annual stewardship report



Strengthen Influence on Fees and Cost of Capital

Objective: Leverage our influence on fees and cost of capital across all investment strategies and structures in a manner that aligns interests and promotes resilient investment returns

- Progress:**
- Utilizing co-investments across the Fund to drive portfolio intentionality, better risk-adjusted returns, and fee savings
 - Investing with early-stage emerging managers while achieving future capacity rights and revenue sharing agreements where possible
 - Making use of scale and strategic relationships to invest in high-quality assets at a discount
 - Integrating fee structures that pay for outperformance, not just market returns

- Aspirations:**
- Set industry standard as “term-makers” as opposed to “term-takers” on fee, legal, and other terms
 - Foster higher alignment of interest with business partners
 - Incorporate intentionality when designing terms and account structures to both limit risks and enhance expected return outcomes
 - Deliver on optimization of implementation costs through improved expense and fee analytics and reporting





LACERA TIDE (Towards Inclusion, Diversity, and Equity)

Objective: Enhance outcomes through comprehensive, total Fund efforts that encourage constructive, inclusive, and equitable talent management at investment partners, service providers, industry, and internally

- Progress:**
- Focusing on career development for existing team and onboarding new hires
 - Continued increase in manager reporting responsiveness, granularity, and candor
 - Expanding allocation opportunities for emerging managers
 - Supporting expansion of due diligence and standardized templates at industry associations to facilitate DEI reporting availability and reliability in financial services industry



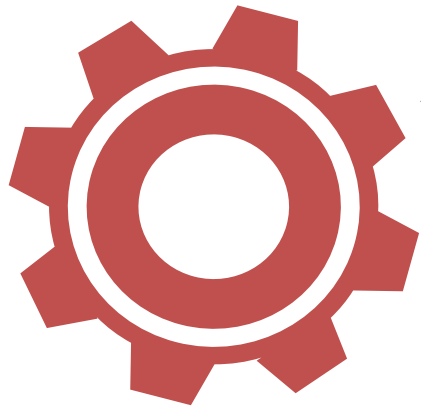
- Aspirations:**
- Continue to focus on better human capital management practices across the asset management industry
 - Be an employer of choice at all levels from internships through management
 - Inspire external asset managers to adopt DEI practices to increase risk-adjusted returns
 - Utilize wider data sets to inform and influence effective industry-wide practices
 - Refine annual TIDE report



Enhance Operational Effectiveness

Objective: Expand the efficiency of our resources (internal and external, human and technological) and mitigate varied investment and enterprise risks, which can improve future outcomes

- Progress:**
- Evolving LACERA's policies, governance, and investment selection decision process
 - Broadening utilization of software platform to distribute, collect, evaluate, and warehouse questionnaires and other diligence materials
 - Onboarding service provider for a consolidated public and private markets investment analytics platform
 - Transitioning real estate portfolio from separate accounts to commingled funds to reduce operational risk
 - Aligning benchmarks to better reflect opportunity set and desired portfolio risk and return profile

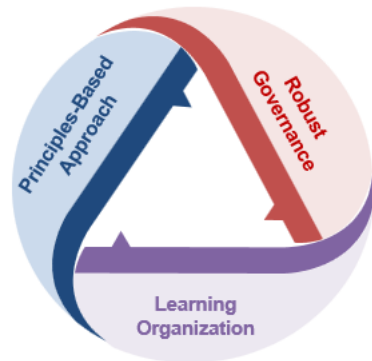


- Aspirations:**
- Optimize presentation and quality of information available to the Board
 - Align resources with Board and organizational priorities
 - Maximize value from adoption of technological innovation and opportunities
 - Improve internal investment committees and due diligence practices
 - Launch a development program for early-career investment analysts

Dynamic Investment Program

Added 2023

Dynamic Investment Program



Execute Strategic Asset Allocation



Strategic Initiatives



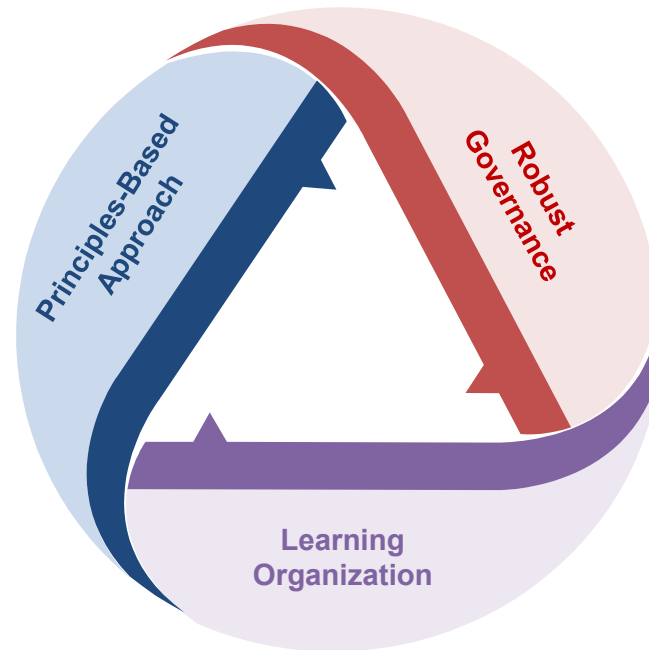
LACERA Mission: To produce, protect and provide the promised benefits to our members

Dynamic Investment Program



LACERA's dynamic investment program sharpens decision-making and fosters perpetual growth

Increases adaptability to an everchanging environment



Enables prudent decision making while elevating Board oversight

Pursuit of continuous improvement, refinement, and evolution

Dynamic Investment Program



LACERA's dynamic investment program provides a methodical, deliberate, and meticulous process to evaluate strategic efforts

Robust Governance

Enables prudent decision making while elevating Board oversight

Governing Policies

Actuarial Analyses

Strategic Asset Allocation

Structure Reviews and Investment Guidelines

Learning Organization

Pursuit of continuous improvement, refinement, and evolution

Continuous Education

Increased Transparency

Greater Inclusivity

Enhanced Due Diligence

Principles-Based Investing

Increases adaptability to an everchanging environment

Investment Beliefs

Functional Asset Categories

Corporate Governance and Stewardship

Portfolio Analytics and Monitoring

Next Steps

1. Board of Investments Governance
2. Recommendation

Board of Investments Governance



“In order to exercise its fiduciary duties, the Board has the responsibility to stay informed and affirmatively conduct oversight of LACERA’s investment program, including receiving, reviewing, and engaging on investment performance and compliance information and reports.”



To provide oversight of LACERA’s dynamic investment program and consistent with the IPS identified roles and responsibilities, the Board and its Committees meet throughout the year to approve **policy and strategy**, conduct **oversight**, and review **periodic updates**:

Policy and Strategy

- IPS - Investment Policy Statement
- SAA - Strategic Asset Allocation
- Portfolio structure reviews
- Strategic Framework and Initiatives
- Actuarial study and funding policy
- Consultants, actuaries, and fiduciary counsel

Oversight

- Portfolio implementation
- CIO Monthly Report
- Performance, risk, and compliance
- Proxy voting and stewardship
- Project updates such as for LACERA’s TIDE initiative
- Portfolio information such as manager scorecards and fees
- Review of CIO performance

Periodic Updates

- New investment and redemption notices
- RFP updates and memorandums
- Material portfolio or market events
- Significant investment updates
- Educational speakers

The above lists are not exhaustive. The IPS provides a more comprehensive description of roles and responsibilities.

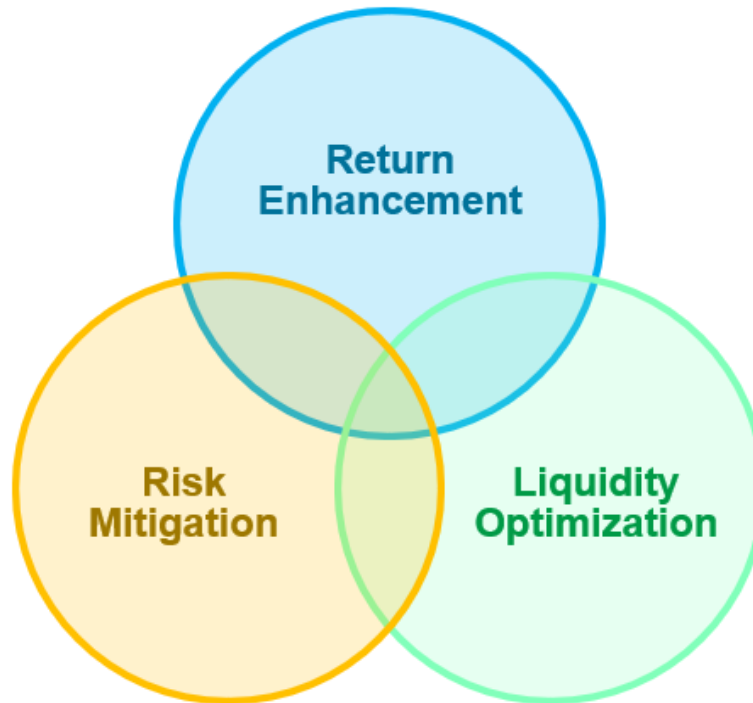
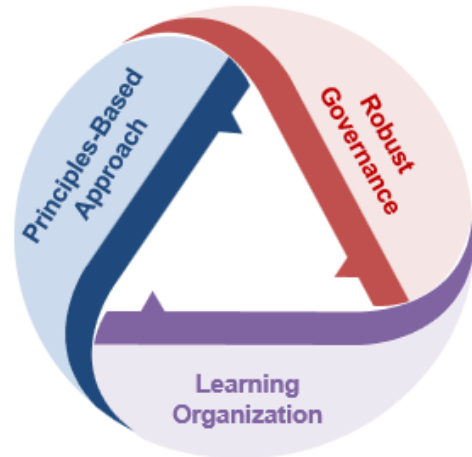


Approve the 2025 Strategic Framework and Initiatives



Execute Strategic Asset Allocation

Dynamic Investment Program



Strategic Initiatives



LACERA Mission: To produce, protect and provide the promised benefits to our members

The Board of Investments 2025 Strategic Framework and Initiatives is a component of LACERA's strategic plan.

December 19, 2024

TO: Trustees – Board of Investments

FROM: Terri Herubin *THH*
Senior Investment Officer

FOR: January 8, 2025 Board of Investments Meeting

SUBJECT: **REAL ESTATE STRUCTURE REVIEW**

RECOMMENDATION

Approve the recommendations within the Real Estate Structure Review, which includes amendments to the Real Estate investment guidelines, as outlined on slides 25 and 34 of the attached presentation.

BACKGROUND

The Real Estate Structure Review combines the Core Real Estate and Non-Core Real Estate asset categories. Core Real Estate is part of the Real Assets and Inflation Hedges functional category and Non-Core Real Estate is part of the Growth functional category.

The primary purpose of a structure review is to establish a framework for assessing the effectiveness of portfolio implementation and to propose changes that would further optimize execution. Structure reviews define roles, implementation, frameworks, performance metrics and initiatives. They also include investment guidelines that affirm Board-approved benchmarks, subcategory asset allocation ranges, geographic market allocation ranges and relevant investment mandate parameters.

SUMMARY

LACERA completed its most current Strategic Asset Allocation (“SAA”) study in April 2024. LACERA’s Investment Beliefs state that “long-term strategic asset allocation will be the primary determinant of LACERA’s risk/return outcomes.” The primary objective of the strategic asset allocation is to ensure that LACERA’s assets are invested in a manner that is aligned with LACERA’s mission to produce, protect and provide the promised benefits.

The results from the April 2024 SAA informed the following proposed updates to the Real Estate Structure Review (**ATTACHMENT 1**).

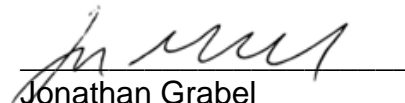
- **Core Real Estate** – Address transition-based challenges to intentional portfolio construction by increasing ranges for weightings to benchmark for industry sector and geography and removing separately managed account assets from weightings, and establish annual budget and allocation for investment and investment vehicle parameters consistent with other asset categories
- **Non-Core Real Estate** – Facilitate additional investment by increasing the upper limit of investment to North America, accommodate lack of clarity in timing of funds' capital deployment by increasing the upper limit of industry sector weightings and increasing the maximum manager exposure, and establish an annual budget and allocation for investment and investment vehicle parameters consistent with other asset categories

CONCLUSION

LACERA's Real Estate consultant, StepStone Group, has reviewed the Structure Review and is in support. A concurrence memorandum is attached (**ATTACHMENT 2**). Approval of the Real Estate Structure Review is recommended.

Attachments

Noted and Reviewed:


Jonathan Grabel
Chief Investment Officer

2025 Real Estate Structure Review

Board of Investments Meeting

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¹ Subject to Board of Investments approval.

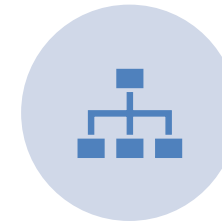
Real Estate – Discussion Overview



Role of Real Estate: Understanding the function of real estate within our investment portfolio



History of the Program: A look back at the evolution of our real estate program, highlighting key milestones and strategic shifts



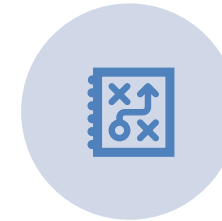
Market Conditions: Review current and projected market conditions affecting program implementation to date and going forward



Performance: Analysis of the performance metrics and outcomes of our real estate investments



Desired Implementation: Discuss the steps to implement the strategies and the impact on our portfolio



Next Steps: Examine the actions to achieve the BOI's strategic objectives

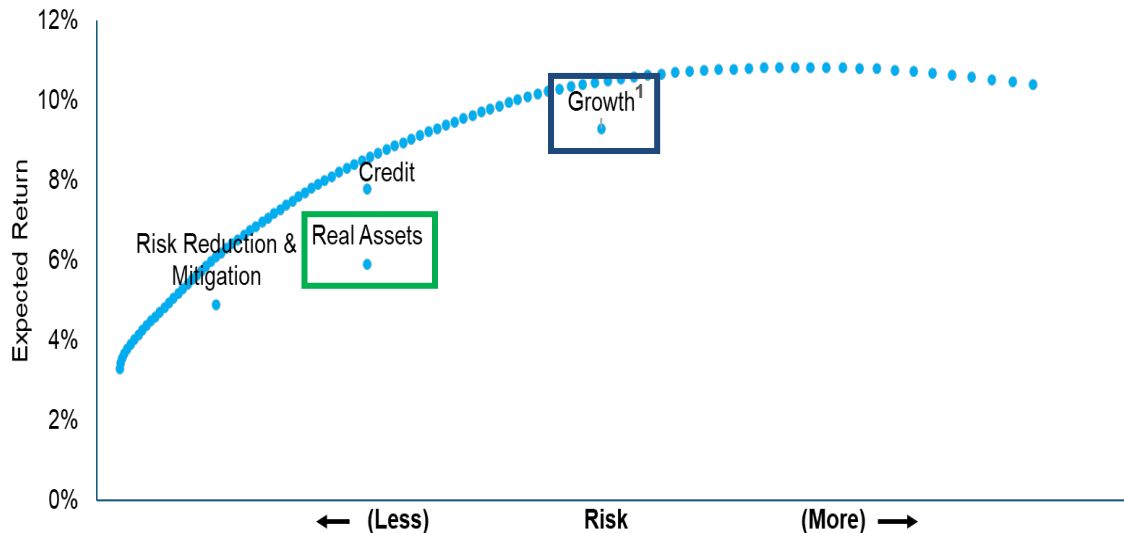


Role of Real Estate

Real Estate – Portfolio Role



Real estate falls into two different functional asset categories, with each sub-category providing distinct risk profiles, return expectations and diversification benefits



Core Private Real Estate – Real Assets

- Focus on capital preservation and income
- Diversify by sector, geography, and leverage
- Seek appropriate risk-adjusted returns through sector tilts to stabilized properties, with income largely driving return

Investment Policy Statement

- Real Assets, including Core Real Estate, role is to provide income as well as a hedge against inflation
- Growth, including Non-Core Real Estate, role is to be the primary driver of long-term returns
- Diversification due to the assumed low correlation of returns between these assets and other asset classes

Non-Core Private Real Estate – Growth

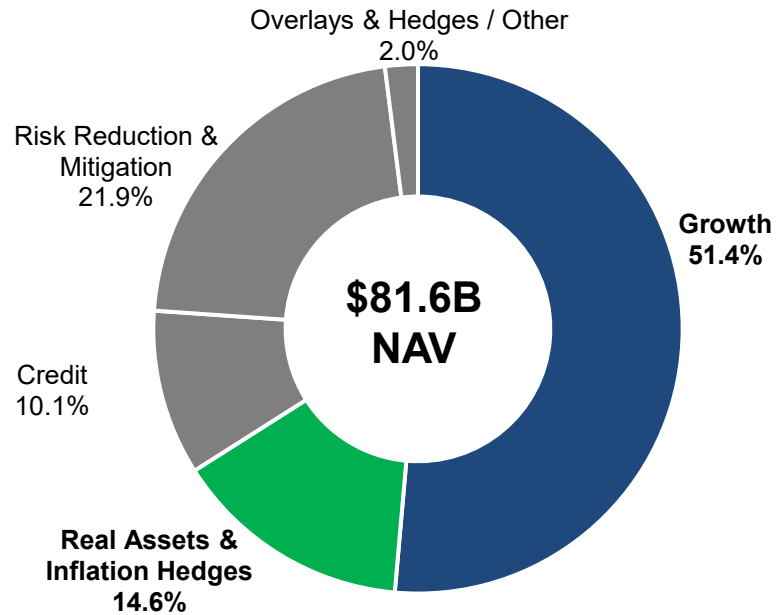
- Emphasize growth over current income
- Maximize performance while managing risk
- Capture equity-like returns from value-add and opportunistic real estate

¹Growth Structure Review was presented and approved at the November 2024 Board of Investments meeting.

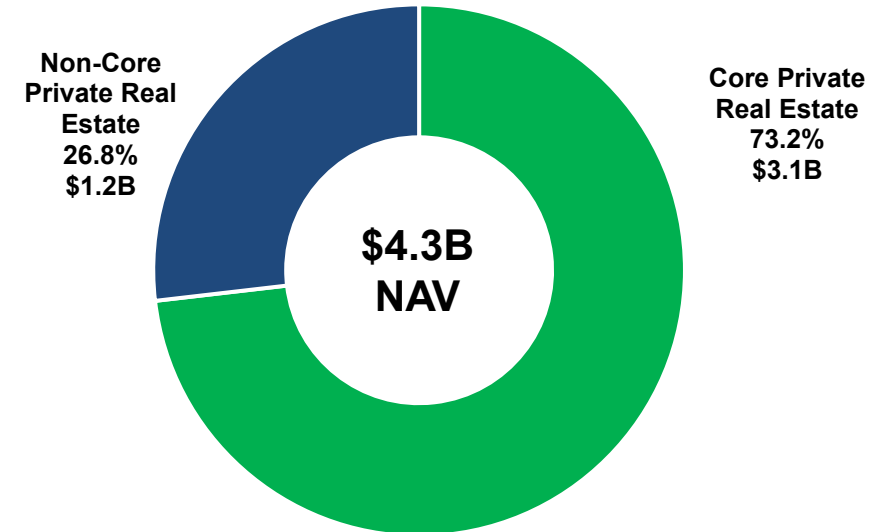
Real Estate – Portfolio Composition



Total Fund Asset Allocation



Total Real Estate



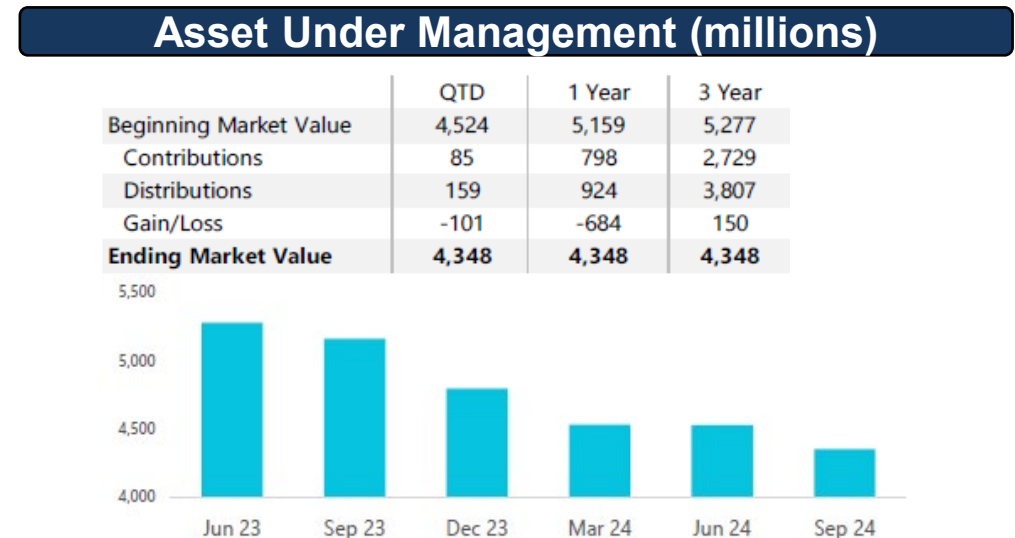
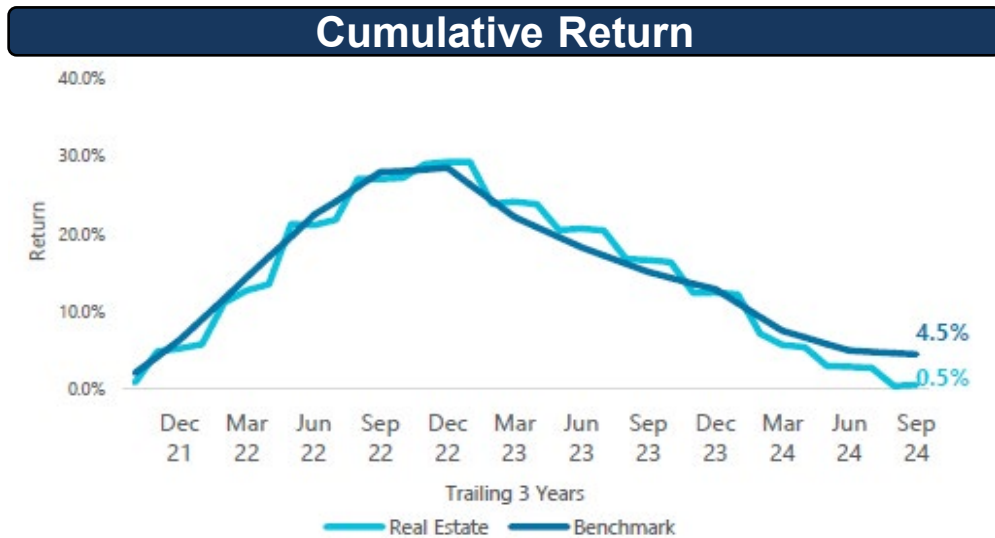
Asset Class	Allocation ¹	Policy Target	Over/Under	Target Range +/-	Target Range %	Benchmark
REAL ASSETS & INFLATION HEDGES	14.6%	15.0%	-0.4%	+/- 4%	11% – 19%	Custom Blend
Core Real Estate	3.8%	5.0%	-1.2%	+/- 3%	2% – 8%	NFI-ODCE ¹ Net (3-Month lagged)
GROWTH	51.4%	48.0%	+3.4%	+/- 8%	40% – 56%	Custom Blend
Non-Core Real Estate	1.4%	2.0%	-0.6%	+/- 2%	0% – 4%	NFI-ODCE Net + 225 bps (3-Month lagged)

¹NFI-ODCE is the National Council of Real Estate Investment Fiduciaries ("NCREIF") Fund Index – Open End Diversified Core Equity. Please see Glossary for further detail.

Real Estate – Portfolio Performance



Net-of-Fees (%) ¹	NAV (\$M)	QTD	1-Year	2-Year	3-Year	5-Year	10-Year	SI ²
TOTAL REAL ESTATE	4,348	-2.3%	-13.8%	-11.0%	0.2%	1.7%	5.2%	6.7%
Total Real Estate Custom Benchmark		-0.5%	-9.2%	-9.7%	1.5%	2.9%	6.0%	--
<i>Excess Return</i>		-1.8%	-4.6%	-1.4%	-1.3%	-1.2%	-0.9%	--



- The Cumulative Return chart above shows return on a trailing-three-year basis
- Since the 2022 Structure Review, LACERA has been an active seller of directly held assets as it transitions the real estate portfolio from Separate Managed Accounts (“SMAs”) to diversified fund vehicles, reflected in the distributions over all periods
- Commercial real estate transaction data has been limited in recent years with fewer properties trading. However, available data shows that market-clearing prices have generally been lower than appraised values

¹ State Street Solovis data as of September 30, 2024, one-quarter lagged and adjusted for capital call and distribution cash flows. ² Since inception date of Total Real Estate composite is March 1, 1996.

Real Estate – Portfolio Evolution



Ongoing implementation of Real Estate Structure Reviews is consistent with LACERA's strategic asset allocation and allocator-to-investor objectives

Prior History

1970s and 1980s

The portfolio was comprised of closed-end commingled fund investment vehicles, predominantly in the US

1990s, 2000s and 2010s

Through the 1990s and 2000s, the portfolio grew and increasingly invested via Separate Managed Accounts (“SMAs”)

By the 2010s, the portfolio largely consisted of directly held assets in SMAs for US core real estate and commingled funds for non-US core and non-core real estate

2018-2019

2018 Structure Review

Board approved actions to:

- Increase allocation to commingled funds
- Increase allocation to the industrial sector
- Cull the portfolio of under-performing assets

Portfolio Snapshot:

86% SMAs/14% commingled funds as of 9/30/17

2018 Strategic Asset Allocation

Functional asset framework adopted; Core and Value-Add allocation target decreased from 9.3% to 7% of total Fund; RE Credit moved from Core to Credit; and Opportunistic allocation target increased from 1.7% to 2% of total Fund

2020-2021

2020 Structure Review

Two-part Structure Review:

- Part 1 – Operational focus
- Part 2 – Strategic focus on new fund investments and intentional property type and geography over/underweights

Portfolio Snapshot:

82% SMAs/18% commingled funds as of 12/31/19

2021 Strategic Asset Allocation

Value-Add moved to Non-Core

Core allocation target reduced from 7% to 6% and Non-Core allocation target increased from 2% to 4% of total Fund

New consultant hired

2022-2023

2022 Structure Review

Structural emphasis on:

- Open-end fund vehicles in Core
- Closed-end funds and co-investments in Non-Core
- Prudently transition from SMAs to diversified funds to reduce operational risk and achieve better risk-adjusted returns, enhancing risk management

Portfolio Snapshot:

75% SMAs/25% commingled funds as of 9/30/21

Implementation Objectives

Complete RFP search for commercial real estate brokerage services for SMAs

Continue to cull directly-held assets and redeploy capital

2024-2025

2024 Strategic Asset Allocation

Core allocation target decreased from 6% to 5% of total Fund

Non-Core allocation target decreased from 4% to 2% of total Fund

2025 Structure Review (subject to Board approval)

Complete implementation of 2022 Structure Review priorities to transition from SMAs to diversified assets and reduce operational risk

Objectives, informational details, and recommendations for the 2025 Structure Review are described in the following slides



Evaluate Guidelines

Evaluate guidelines to reflect the evolution of the current portfolio structure

Optimize Portfolio

Continue to prudently sell SMAs and invest in diversified funds to create a portfolio that minimizes risk and reduces operational complexity

Meet SAA Targets

Advance the total Fund objective by achieving the Strategic Asset Allocation targets set by the BOI

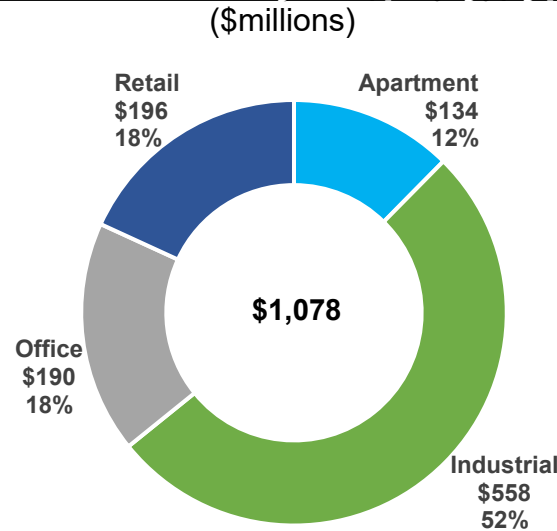
Real Estate – 2022 Structure Review Progress



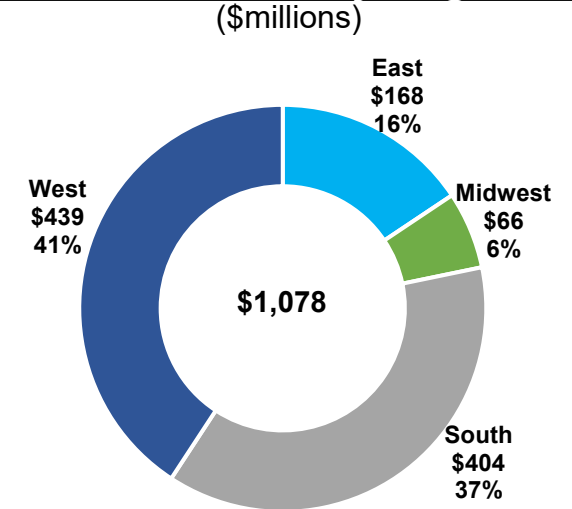
Per the 2022 Structure Review, the Fund has been an active seller as the portfolio continues to transition from SMAs to diversified funds. Notably,

- 27 properties in Core and Non-Core SMA assets have been sold, generating \$1.1 billion
- The properties sold ranged in gross value from \$7 million to \$400 million
- New commitments of \$2.1 billion have been made to core and non-core diversified vehicles, with \$900 million invested

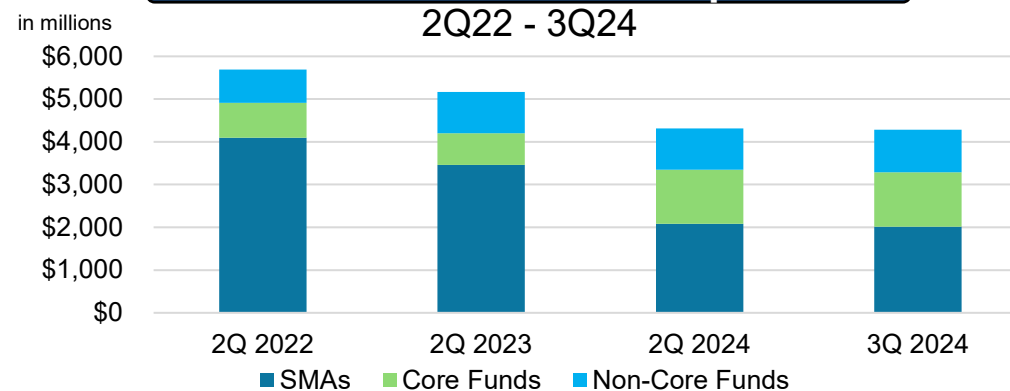
Net Proceeds by Property Type



Net Proceeds by Region



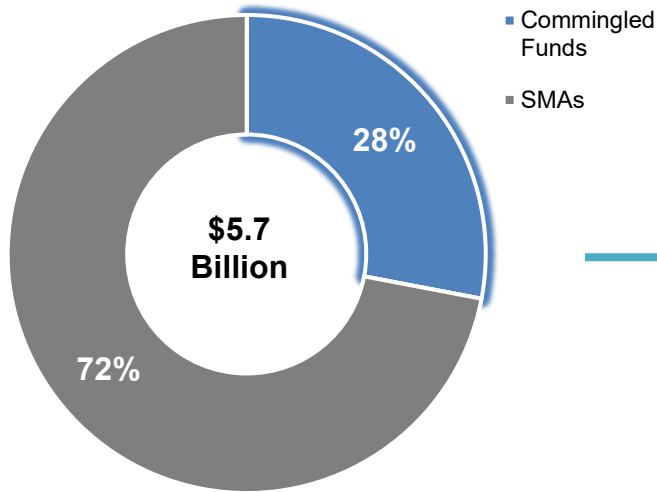
Real Estate Portfolio Composition



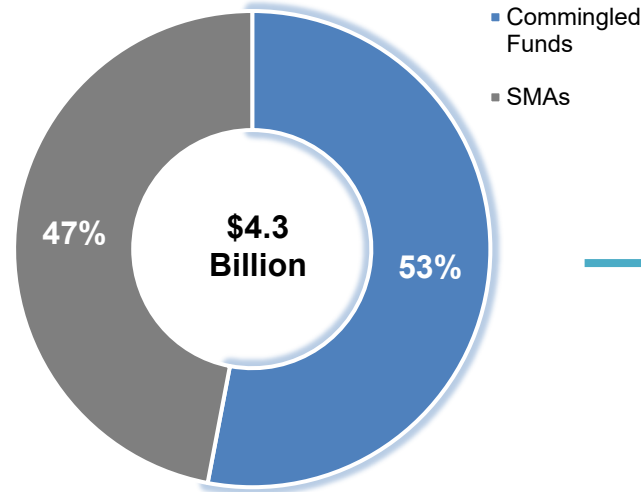
Real Estate – Path Forward



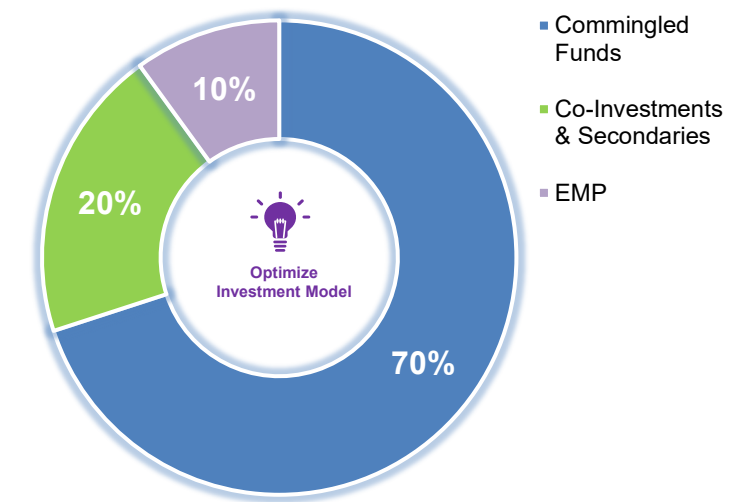
**Total Real Estate Program
(Past)
2Q-2022**



**Total Real Estate Program
(Present)
3Q-2024**



**Total Real Estate Program
(Future)
Desired Implementation**



- Per the 2022 Structure Review, the Fund continued the transition to sell SMAs and make new investments to commingled funds to enhance diversification, reduce operational risk, and improve risk-adjusted returns

- SMAs significantly reduced to 47% and commingled funds increased to 53%
- Commingled funds have improved performance, but the lumpiness of the SMA transactions has made portfolio construction challenging

- Desired implementation includes achieving the Board’s approved Strategic Asset Allocation targets for Real Estate
- Emerging Manager Program (“EMP”) will be invested in the Real Estate Portfolio



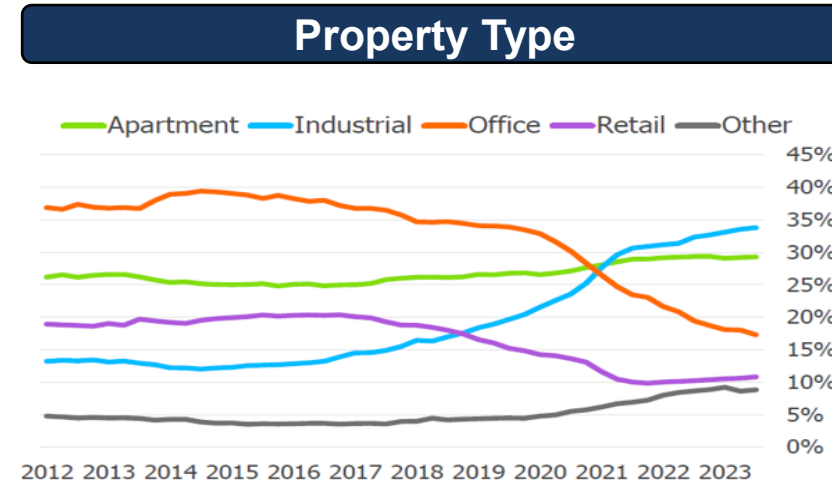
Benchmark Impacts & Market Conditions

Real Estate – Benchmark Composition Changes



NFI-ODCE serves as the policy benchmark for the Real Estate portfolios

Exposure		
	2000	2024
Gross Market Value	\$22 B	\$284 B
# of Investments	831	3,370
Component Funds*	11	25
Top 5 Exposure	85%	50%



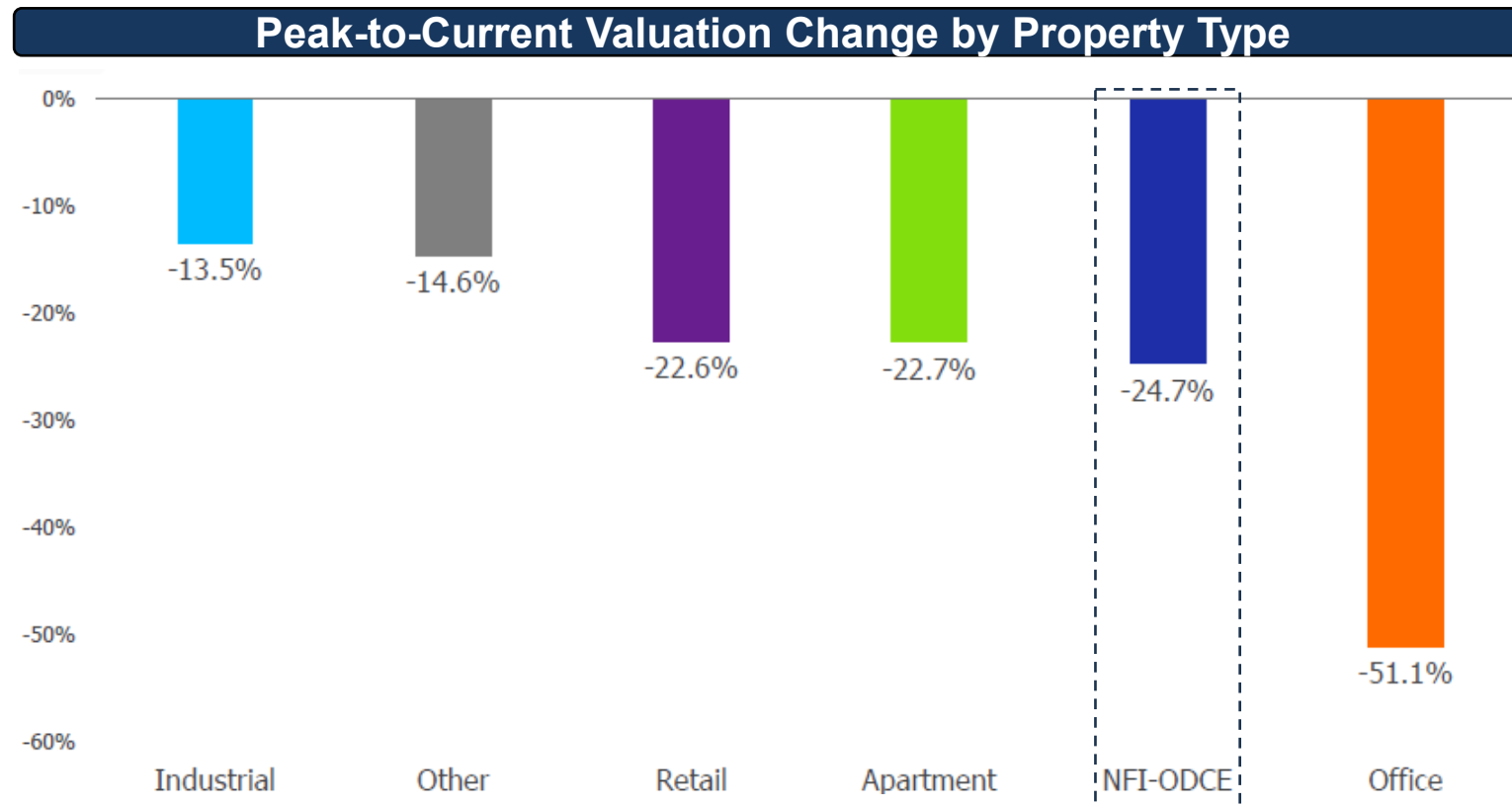
- The NFI-ODCE, which serves as LACERA's benchmark for Real Estate, has increased in size, value, component funds and number of investments
- The benchmark is used to measure relative performance and guide portfolio construction
 - The NFI-ODCE is dynamic, and as its underlying components change, their weightings and overall impact on the NFI-ODCE also change

Source: NFI-ODCE, IDR. Data as of 2Q 2024. *Component Funds constitute funds within the NFI-ODCE Index.

Real Estate – Property Type Performance



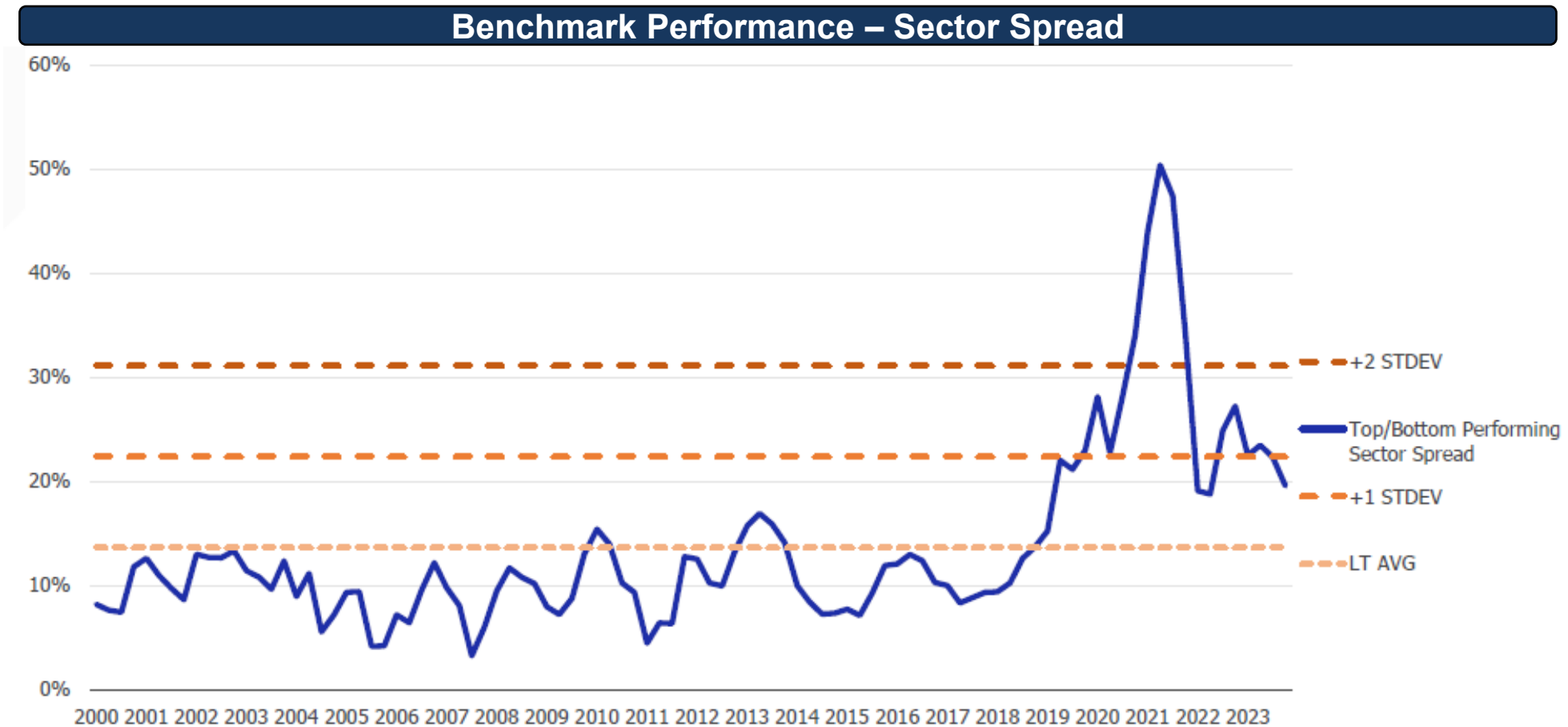
Since the 2022 Structure Review, fluctuations in real estate values have demonstrated significant differences across industry sectors, resulting in increased volatility in portfolio weightings



Source: IDR, NFI-ODCE. Estimated peak-to-current levered valuation change by property type as of 3Q 2024; Peak Valuation was 2Q 2024.
Note: This information was presented by IDR to the Real Assets Committee during the Board of Investments meeting held on December 11, 2024.

Real Estate – Benchmark Performance Divergence

Recent performance has led to more pronounced disparity among sectors

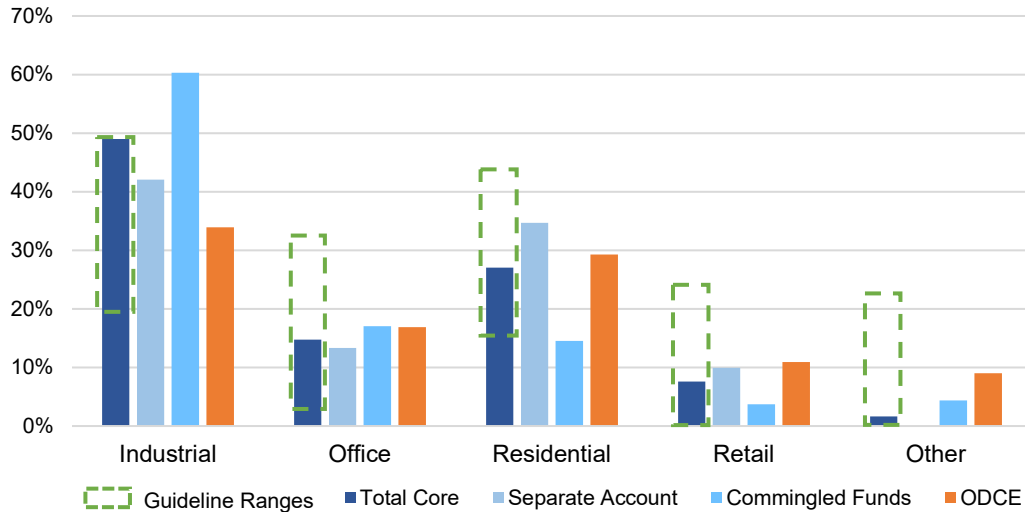


Source: IDR, NFI-ODCE. Data as of September 30, 2024. Standard deviation (STDEV) is the measure of the amount of variation in values in relation to the mean or expected value. The high standard deviation on the chart above shows the wide disparity among the NFI-ODCE sectors more recently compared to the mean of returns over the past 24+ years.

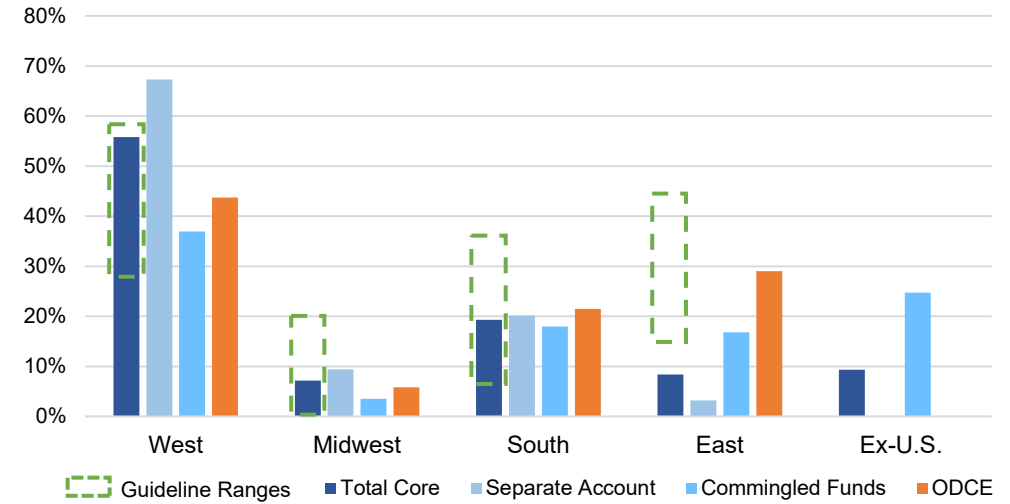
Real Estate – Benchmark Movements and Implementation Impact on LACERA’s Portfolio



Industry Sector Diversification



Geography Diversification



Implementation Impact

- Managing the portfolio has been challenging due to the lumpy nature of the SMA sales and the allocation of capital to commingled vehicles
 - Moving from single-asset properties to diversified funds
- Recent changes to the components of the Real Estate benchmark, including the performance and weights of property types have also contributed to the difficulty
 - Real Estate’s benchmark has been dynamic at the same time the portfolio has been in transition from SMAs to funds

Core Real Estate data as of September 30, 2024.



Core Real Estate

Core Real Estate – Desired Implementation



Potential investments are assessed for their ability to advance Core Real Estate portfolio objectives



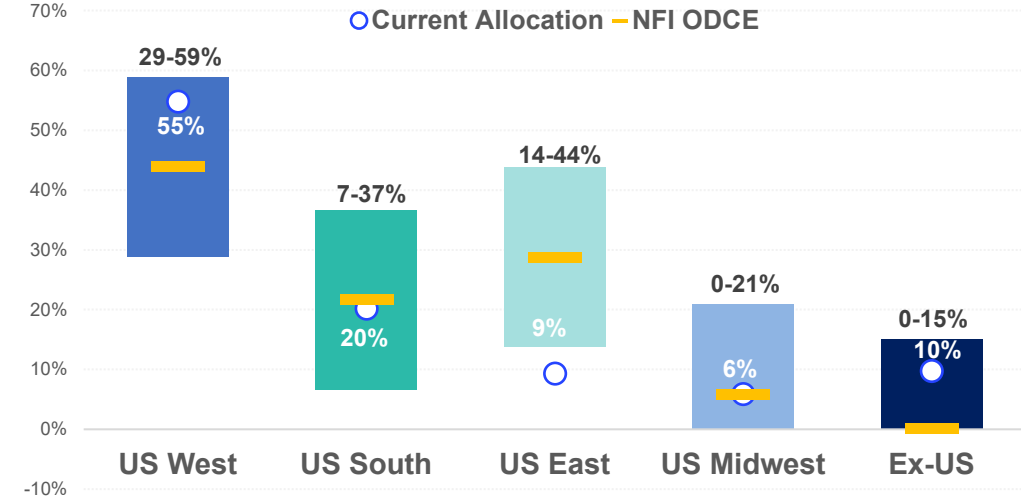
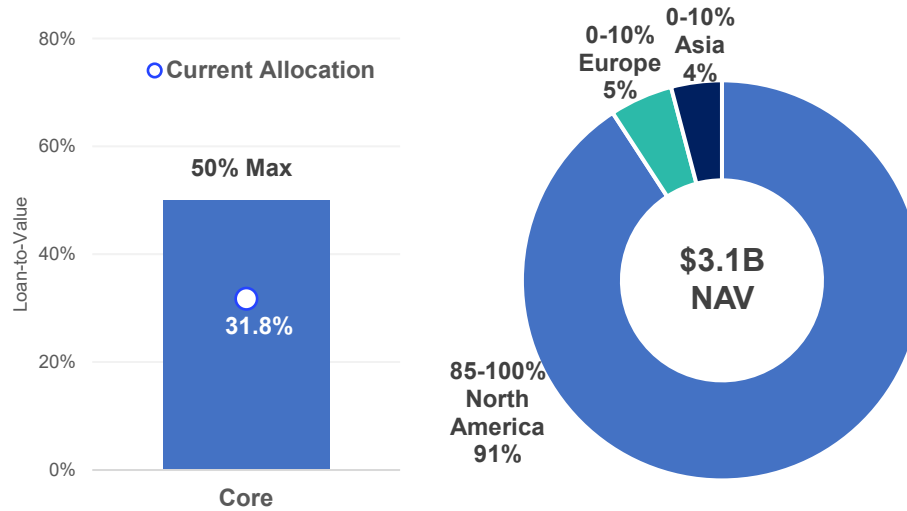
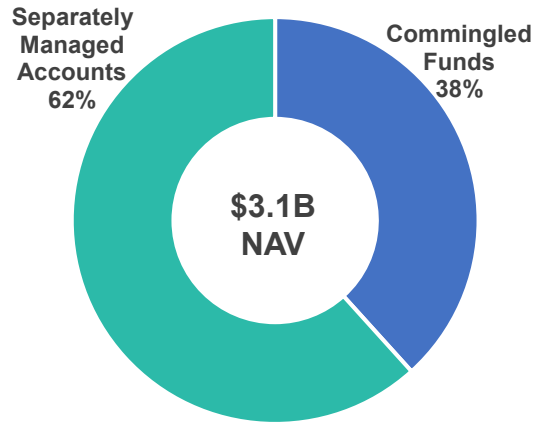
Core Real Estate – Exposure



Core Vehicle Type

Core Leverage

Core Geography

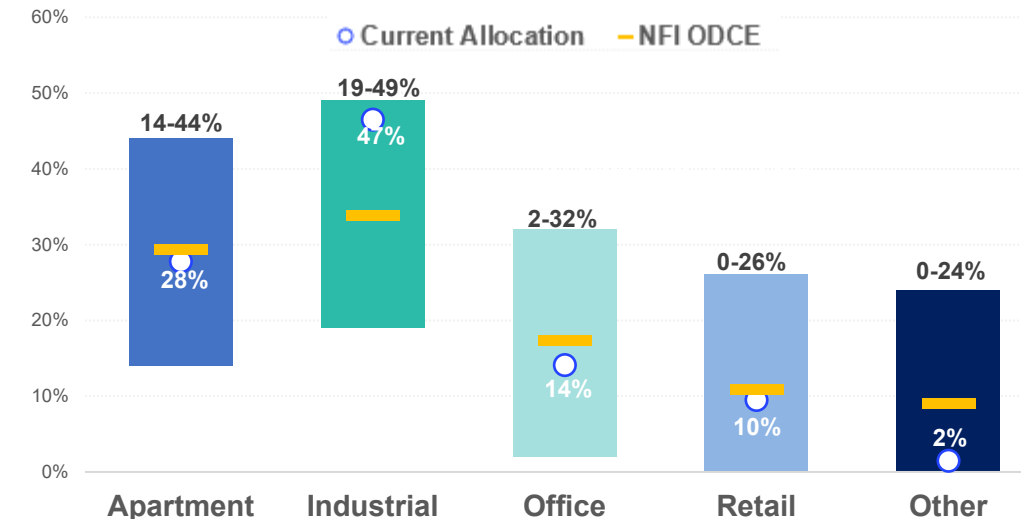


Vehicle Type – As the portfolio continues implementing the Board-approved transition from separately managed accounts to commingled funds, the proportion of SMAs will continue to decline

Geography – The tilt toward industrial, per prior structure reviews, and the sale of apartment and retail assets in the East, has resulted in a tilt to the West region. The East region allocation will increase as commitments to diversified open-end funds are deployed

Industry Sector – LACERA’s industrial-only core funds in the US and Europe have outperformed the NFI-ODCE benchmark. Due to the performance and the tilt to industrial exposure, the industrial allocation is at the top of the Board-approved guideline range

Core Industry Sector

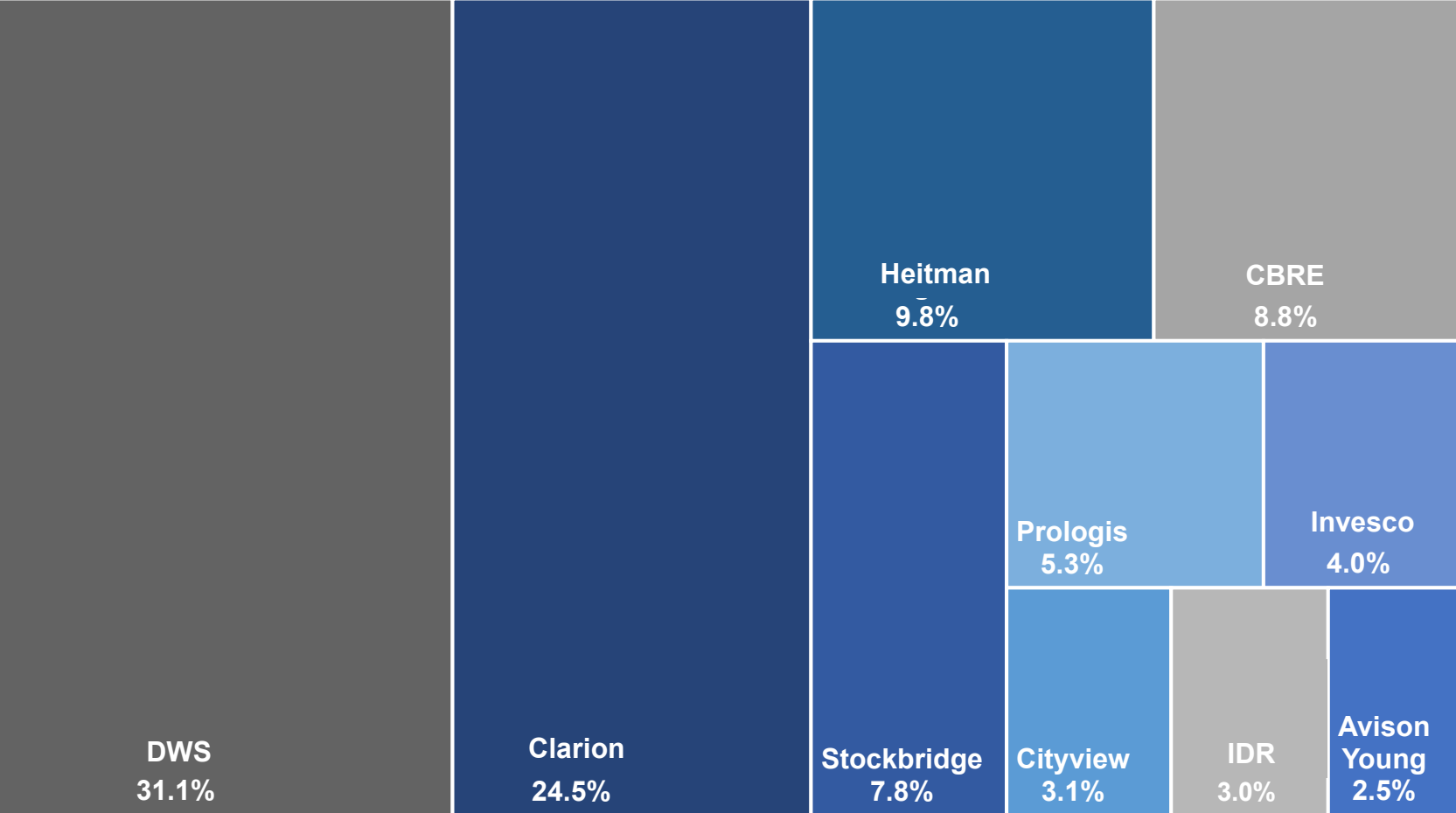


Note: Bar charts above show the existing Board-approved Investment Guideline ranges for Leverage, Geography, and Industry Sector.

Core Real Estate – Manager Diversification



Per current Investment Guidelines, single manager exposure is limited to 35%



The higher exposure to DWS and Clarion reflects Board approval to consolidate managers by transferring SMA assets from underperforming managers

We expect the exposure to these managers to decrease as SMA assets are sold

As of September 30, 2024.

Core Real Estate – Performance



Net-of-Fees (%)	NAV (\$M)	QTD	1-Year	2-Year
TOTAL CORE REAL ESTATE	3,135	-2.7%	-14.2%	-12.3%
Core Private Real Estate Policy Benchmark		-0.7%	-10.0%	-10.4%
<i>Excess Return</i>		-2.0%	-4.2%	-1.9%
CORE REAL ESTATE FUNDS	1,274	0.4%	-3.1%	-5.0%
Core Private Real Estate Policy Benchmark		-0.7%	-10.0%	-10.4%
<i>Excess Return</i>		1.1%	6.9%	5.4%
CORE REAL ESTATE SMAS	1,861	-4.6%	-19.2%	-15.3%
Core Private Real Estate Policy Benchmark		-0.7%	-10.0%	-10.4%
<i>Excess Return</i>		-3.9%	-9.2%	-5.0%

Core Real Estate funds have had near-term outperformance to the policy benchmark

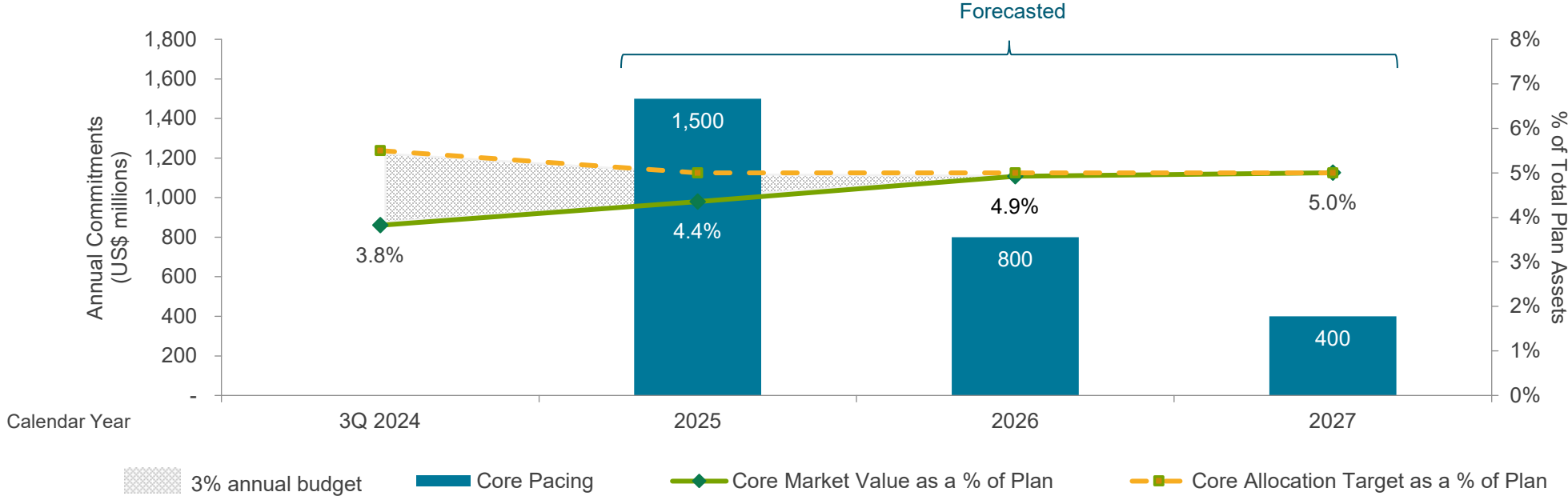
- Outperformance of the core funds and underperformance of the SMAs support the continued vehicle type transition
- Per prior structure reviews, the tilt to industrial funds has driven outperformance
- Core fund outperformance of the benchmark was enhanced by pace of new funding

Source: State Street Solovis, LACERA data as of September 30, 2024, one-quarter lagged and adjusted for capital call and distribution cash flows.

Core Real Estate – Pacing



New Investments Pacing Projection



- An annual investment budget of up to 3% of the total Fund is projected to be needed to achieve the Board-approved SAA target for Core Real Estate
 - Real Estate projects making commitments to 6 to 10 investment vehicles through 2027, ranging from \$100 million to \$600 million
- The pace of deployment may deviate from modeled levels based on the total Fund’s overall growth, the timing of the SMA asset sales, and the availability of investment opportunities

Core Real Estate – Sector Guidelines



Current Activities

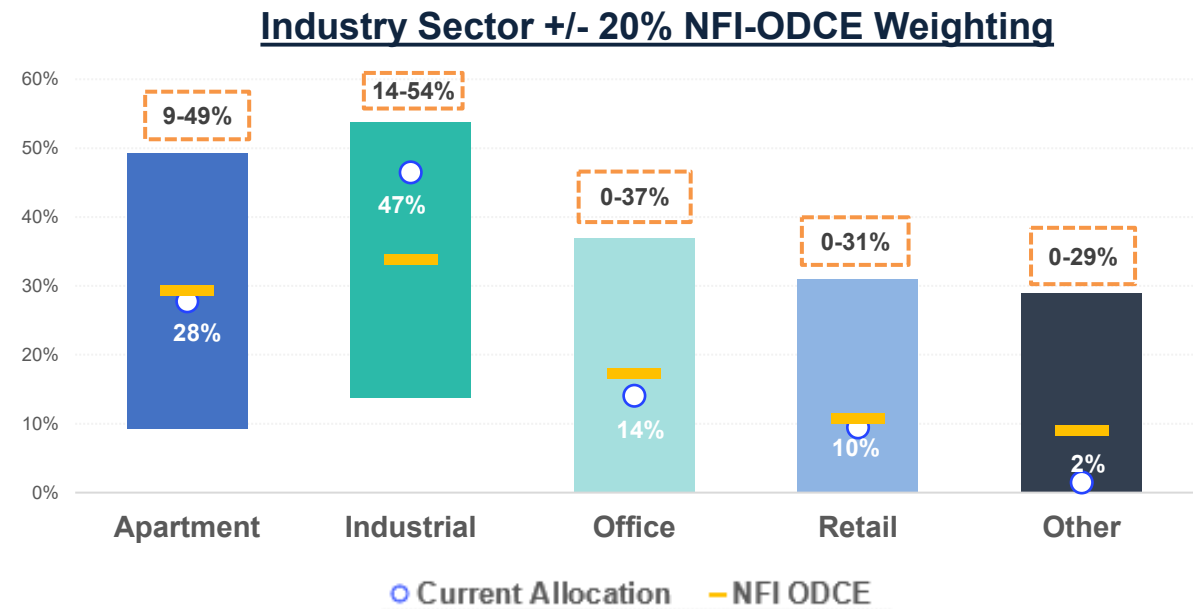
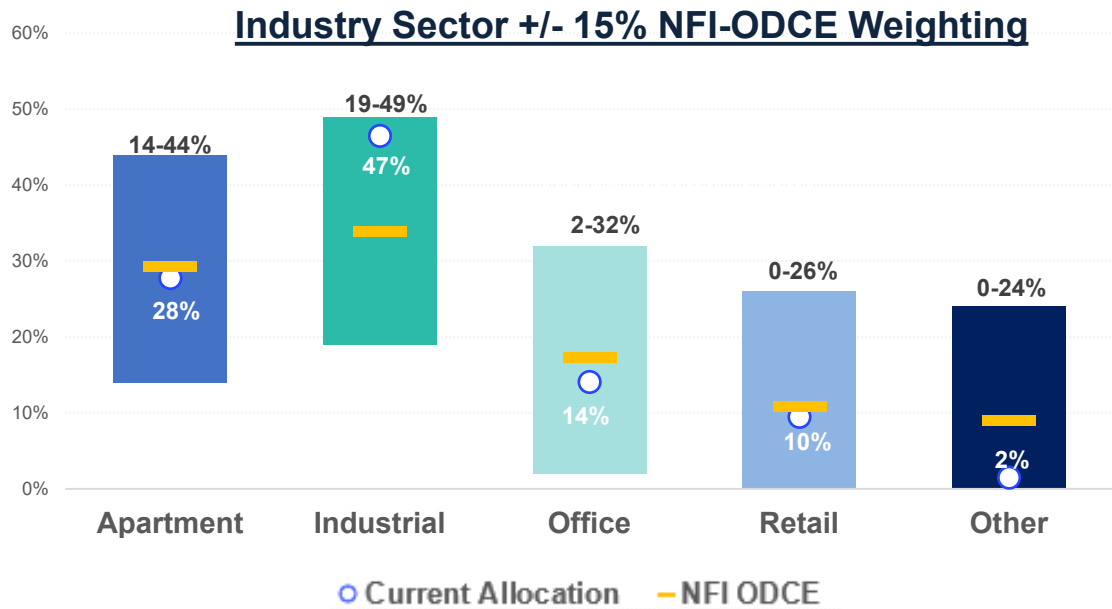
- Closely monitor the sales of the SMA assets and work directly with brokers and investment partners as LACERA manages a dynamic real estate portfolio
- Continue to allocate to approved open-ended core funds
- Identify and engage funds in comprehensive investment due diligence, including diversified and single-sector-focused funds

Proposed Guideline Updates

- Modify Investment Guidelines in consideration of the transitional phase of the portfolio and dynamic benchmark, specifically:
 - Range expansion of industry sector from 15% to 20% above or below the benchmark

Current Allocation

Proposed Allocation Ranges



As of September 30, 2024.

Core Real Estate – Geography Guidelines



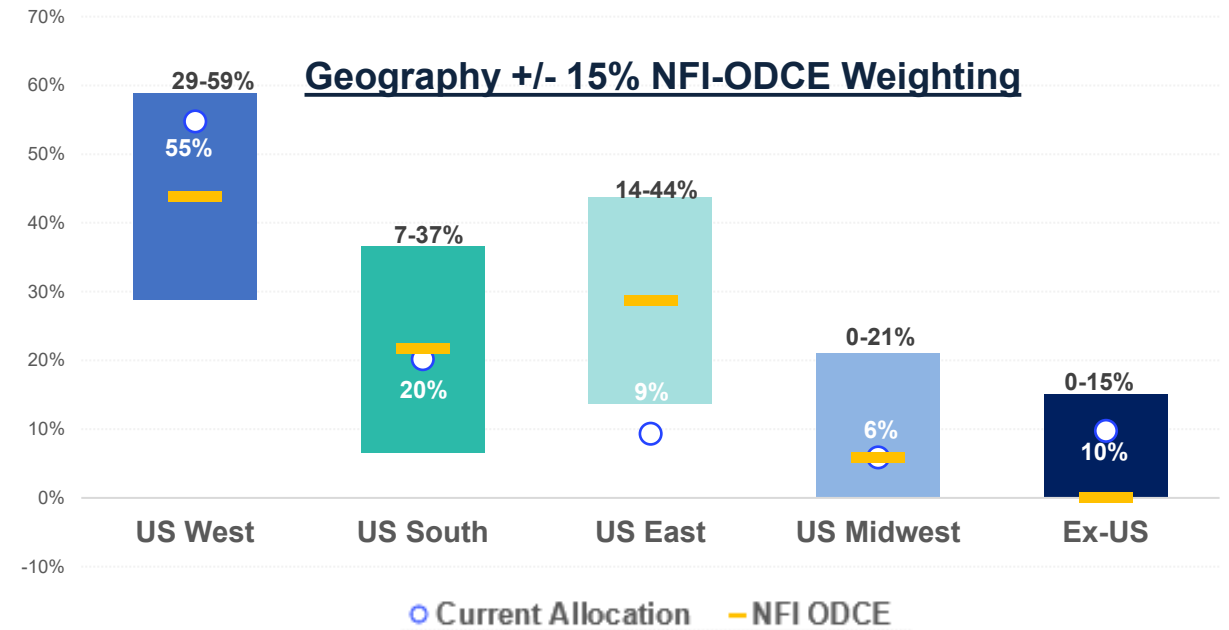
Current Activities

- Closely monitor the sales of the SMA assets and work directly with brokers and investment partners as LACERA manages a dynamic real estate portfolio
- Continue to allocate to approved open-ended core funds
- Identify and engage funds in comprehensive investment due diligence, including diversified and single-sector-focused funds

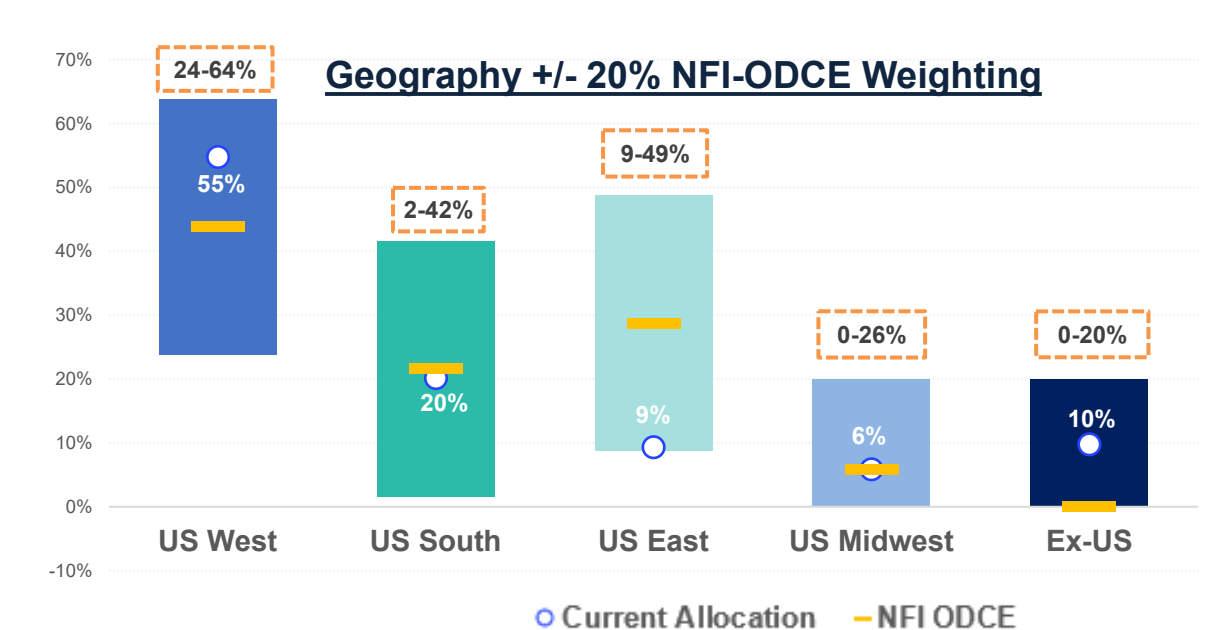
Proposed Guideline Updates

- Modify Investment Guidelines in consideration of the transitional phase of the portfolio and dynamic benchmark, specifically:
 - Range expansion of Geography from 15% to 20% above or below the benchmark

Current Allocation



Proposed Allocation Ranges



As of September 30, 2024.

Proposed Investment Guidelines Update



Core Real Estate Investment Guidelines

Existing Guidelines

Total Annual Budget	N/A				
Industry Sector	Apartment	Industrial	Office	Retail	Other
Sector Weighting	+/- 15% NFI-ODCE weights				
Geography	Global: North America 85-100%, Europe: 0-10%, Asia 0-10%, Emerging Markets: 0-5% Within the United States: +/-15% relative to NFI-ODCE regional weights for US East, US West, US South, and US Midwest				
Investment Vehicle	N/A				
Annual Allocation	N/A				

Proposed Guideline Updates

Up to 3% of total Fund NAV				
Apartment	Industrial	Office	Retail	Other
+/- 20% NFI-ODCE weights for Core Portfolio ex-SMAs				
Global: North America 85-100%, Europe: 0-10%, Asia 0-10%, Emerging Markets: 0-5% Within the United States: +/-20% relative to NFI-ODCE regional weights for US East, US West, US South, and US Midwest				
Primaries (Up to 100%)	Co-Investments / Secondaries (Up to 30%)		Emerging Manager Program (Up to 15%)	
Up to 100% of LACERA's annual Core RE budget	Up to 30% of LACERA's annual Core RE budget		Up to 20% of LACERA's annual Core RE budget	

- New – Add a **Total Annual Budget, Investment Vehicle, and Annual Allocation** for consistency with other asset classes
- **Increase the sector and geography ranges to +/- 20%** of the benchmark weights to provide for the lumpy nature of the SMA sales and the dynamic nature of the benchmark and portfolio
- **Remove the SMAs from Investment Guideline consideration**
 - Continue selling SMA assets and redirect capital to diversified investments for optimal portfolio structure

The Board will continue to be informed about the portfolio's structure in relation to the guidelines as LACERA continues to transition its portfolio strategy and implementation. The portfolio will continue to invest and rebalance to remain within the guidelines.

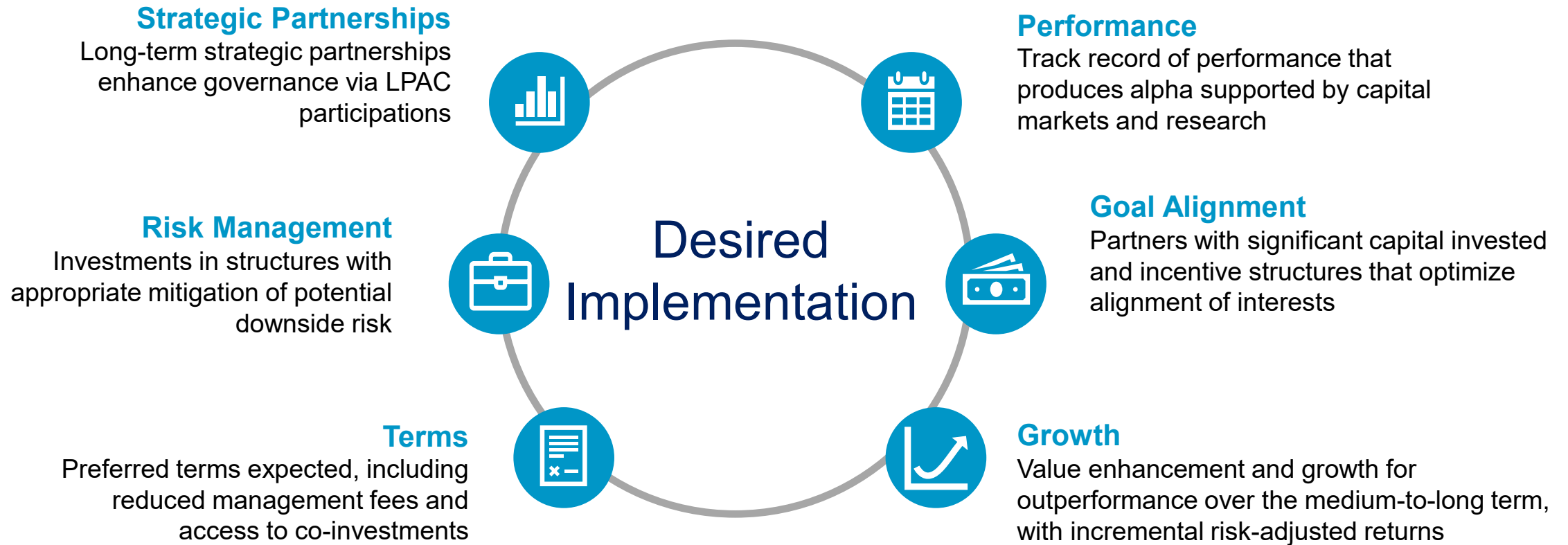


Non-Core Real Estate

Non-Core Real Estate – Desired Implementation



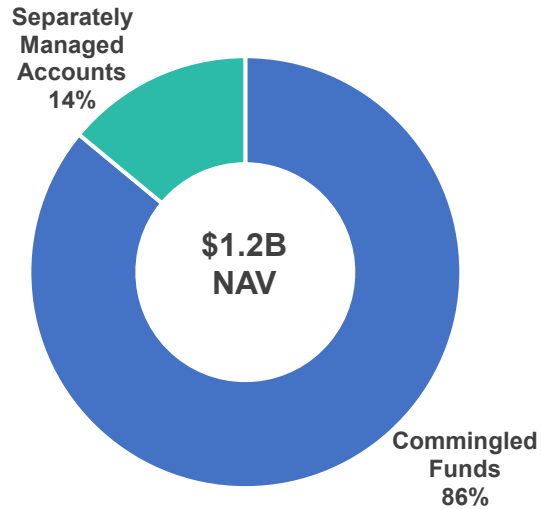
Potential investments are assessed for their ability to advance Non-Core Real Estate portfolio objectives



Non-Core Real Estate – Exposure



Non-Core Vehicle Type

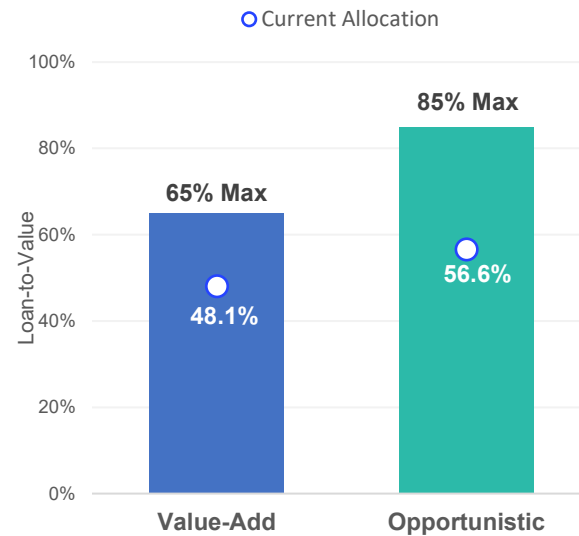


Vehicle Type – Remaining SMAs represent 13.8% of the \$1.2B Non-Core Real Estate portfolio

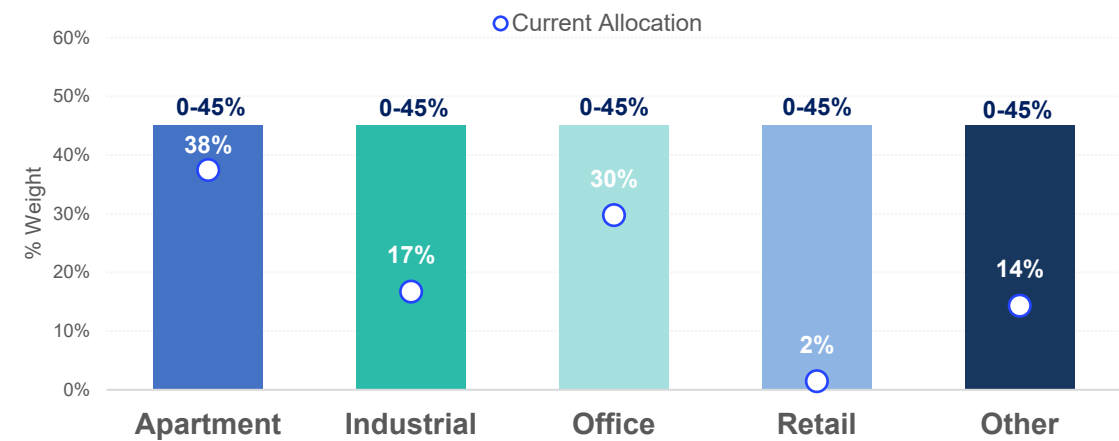
Industry Sector – Real Estate investments in apartment are nearing the upper limit of 45%. However, as additional investments are made into new funds, these limits are expected to adjust over time

Geography – Larger opportunity set in the U.S. of funds that have had outperformed the Non-Core benchmark than in Europe and Asia supports largest allocation to North America among the regions

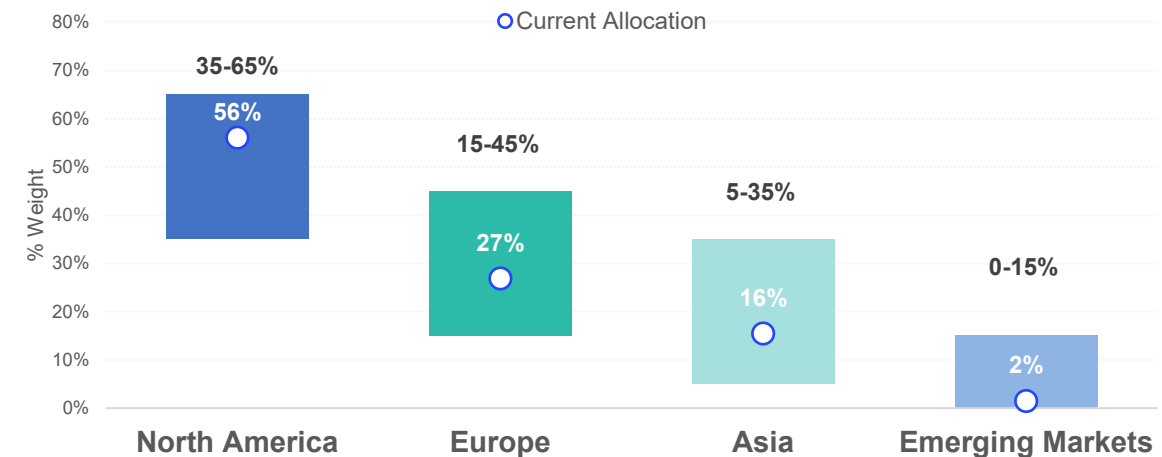
Non-Core Leverage



Non-Core Industry Sector



Non-Core Geography

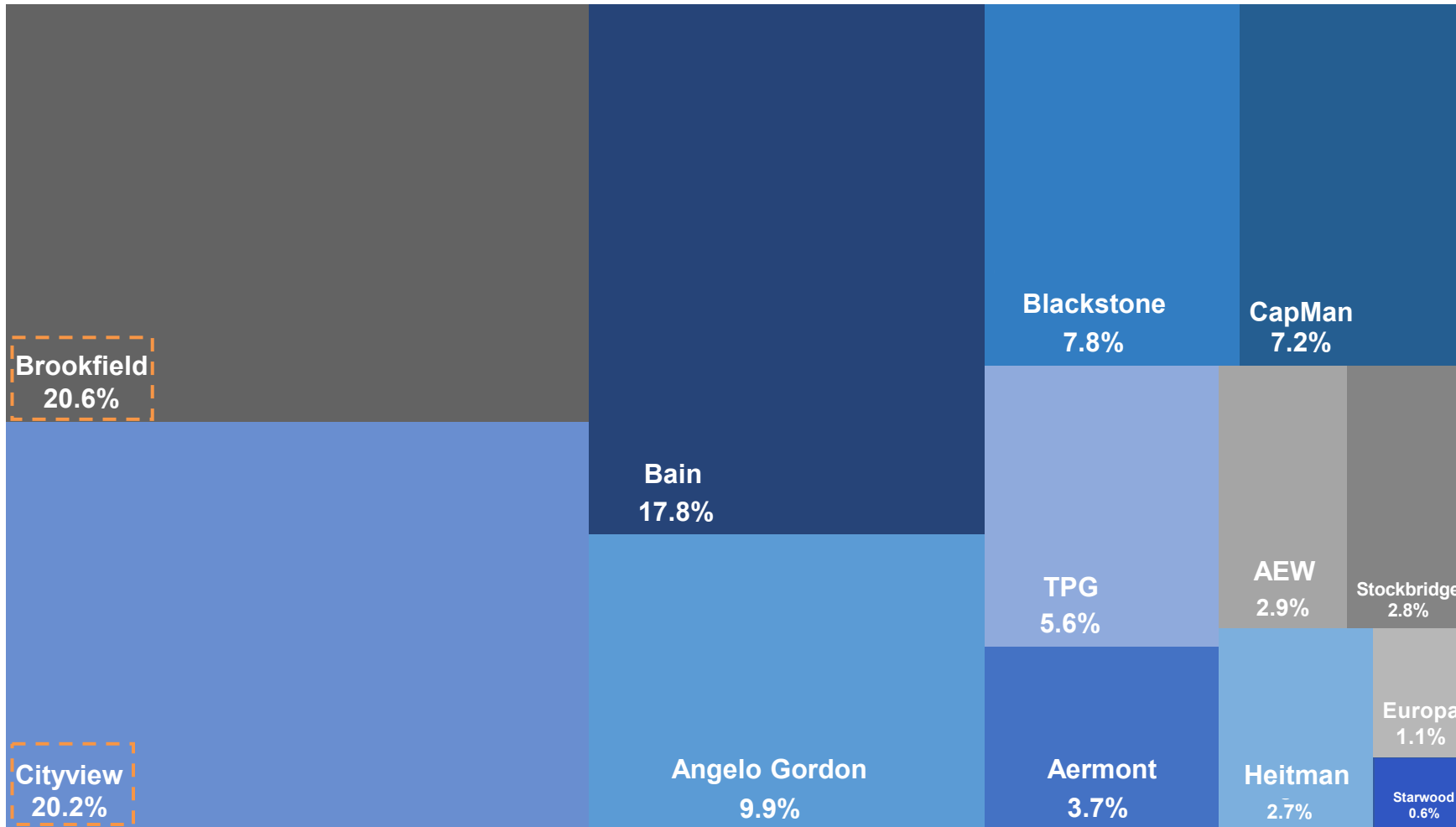


Note: Bar charts above show the existing Board-approved Investment Guideline ranges for Leverage, Geography, and Industry Sector.

Non-Core Real Estate – Manager Diversification



Current Investment Guideline limit of no more than 20% of exposure to a single manager



As closed-end funds call capital, the portfolio will have a higher level of exposure to certain managers, especially for funds in their investment period

Brookfield, Bain, and Angelo Gordon/TPG will continue to call committed capital, and exposure will also increase as the portfolio has exposure to multiple funds with these managers

As of September 30, 2024.

Non-Core Real Estate – Performance



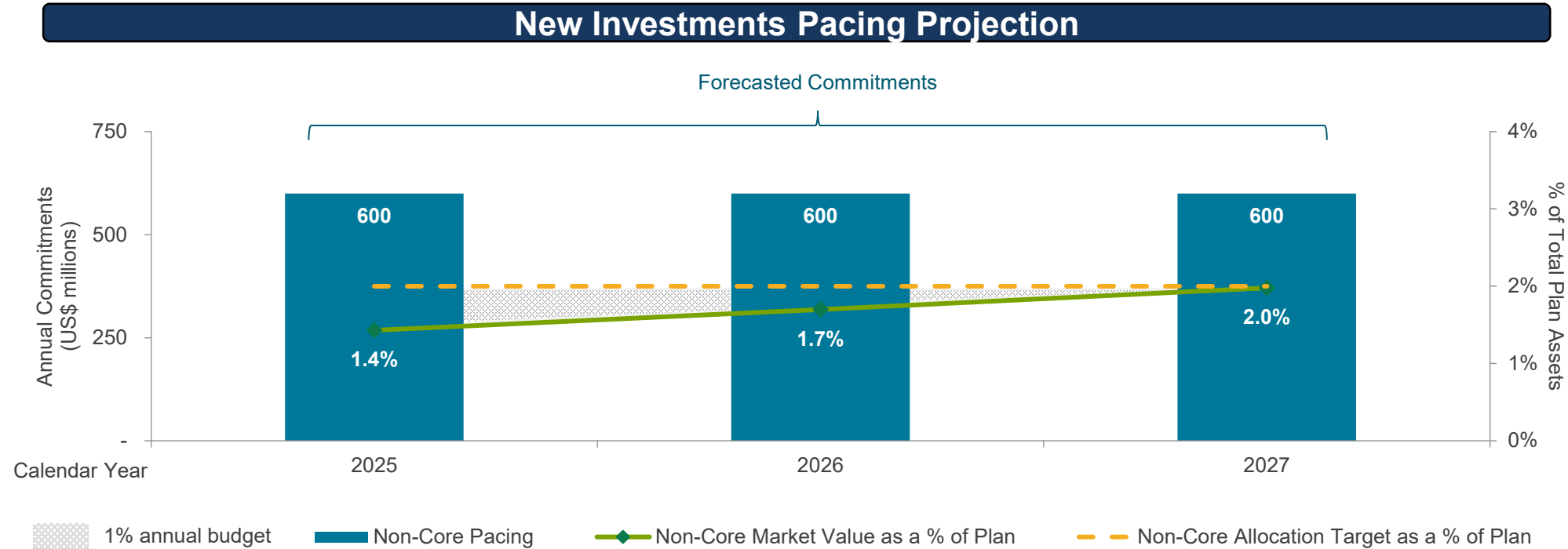
Net-of-Fees (%)	NAV (\$M)	QTD	1-Year	2-Year
TOTAL NON-CORE REAL ESTATE	1,150	-1.3%	-13.9%	-7.8%
Non-Core Private Real Estate Policy Benchmark		-0.1%	-8.0%	-8.3%
<i>Excess Return</i>		-1.2%	-6.0%	0.6%
NON-CORE REAL ESTATE FUNDS	995	-1.4%	-13.4%	-7.4%
Non- Core Private Real Estate Policy Benchmark		-0.1%	-8.0%	-8.3%
<i>Excess Return</i>		-1.3%	-5.4%	1.0%
NON-CORE REAL ESTATE SMAS	155	-0.6%	-16.7%	-9.8%
Non- Core Private Real Estate Policy Benchmark		-0.1%	-8.0%	-8.3%
<i>Excess Return</i>		-0.4%	-8.7%	-1.5%

Non-Core Real Estate's SMA underperformance offset by better relative performance of funds

- Funds with higher exposure to development were negatively affected by project delays due to COVID
- Some recent fund commitments still in their investment period have not produced income higher than expenses, which is not unexpected in opportunistic funds
- Positive outcomes are attributable to investment in various sectors, including industrial, student housing, life sciences, and data centers

Source: State Street Solovis. LACERA data as of September 30, 2024, one-quarter lagged and adjusted for capital call and distribution cash flows.

Non-Core Real Estate – Pacing



- An annual investment budget of up to 1% of the total Fund is projected to be needed to achieve the Board-approved SAA target for Non-Core Real Estate
 - Real Estate projects making commitments to 6 to 10 investment vehicles through 2027, ranging from \$50 million to \$200 million
- The pace of deployment may deviate from modeled levels based on the total Fund’s overall growth, the timing of the separate account asset sales, and the availability of investment opportunities

Non-Core Real Estate – Sector Guidelines



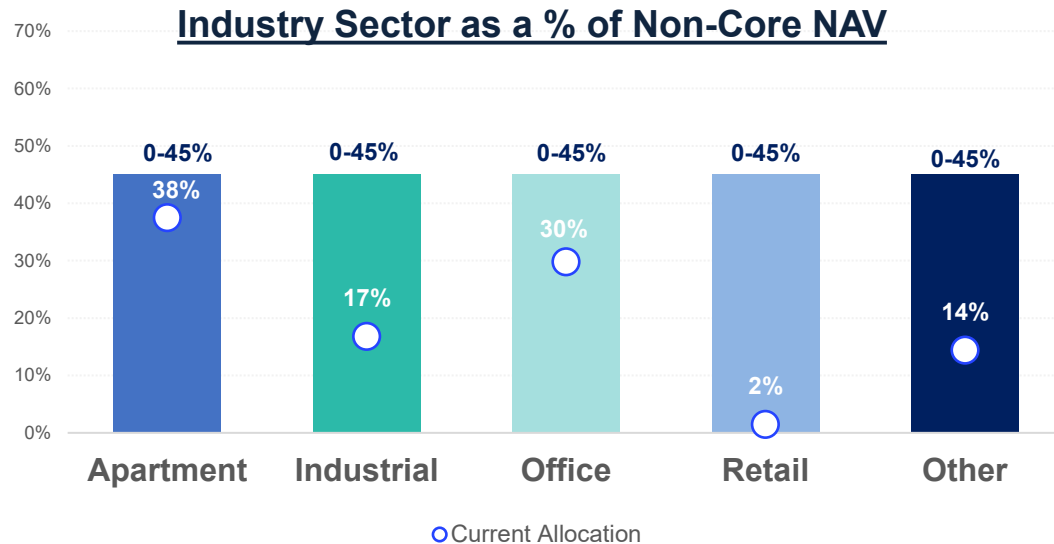
Current Activities

- Continue to evaluate apartment given the shortage of housing in the U.S. and changing demographic preferences favoring renting over ownership
- Invest in Office outside the U.S. where it continues to be attractive, as high-quality, well-located offices in Europe and Asia still have strong demand
- Maintain exposure to industrial and retail as those sectors are expanding globally given the growth in e-commerce
- Continue growing exposure to other industry sectors such as life science, data centers, and hospitality, driven by increasing demand and/or muted supply

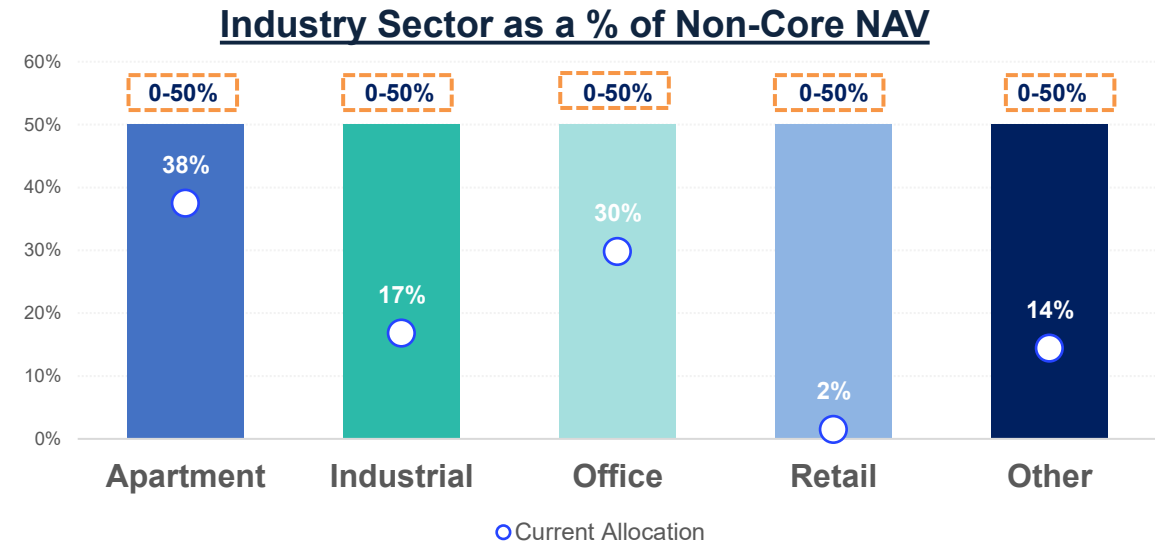
Proposed Guideline Updates

- Modify Investment Guidelines as weightings may shift significantly among sectors, driven by attractive opportunities for investment at different times, and the lumpy nature of capital calls as new commitments are drawn, specifically:
 - Increase allocation to all sectors from the current 0-45% to 0-50% of total Non-Core Real Estate NAV

Current Allocation Ranges



Proposed Allocation Ranges



Non-Core Real Estate – Geography Guidelines



Current Activities

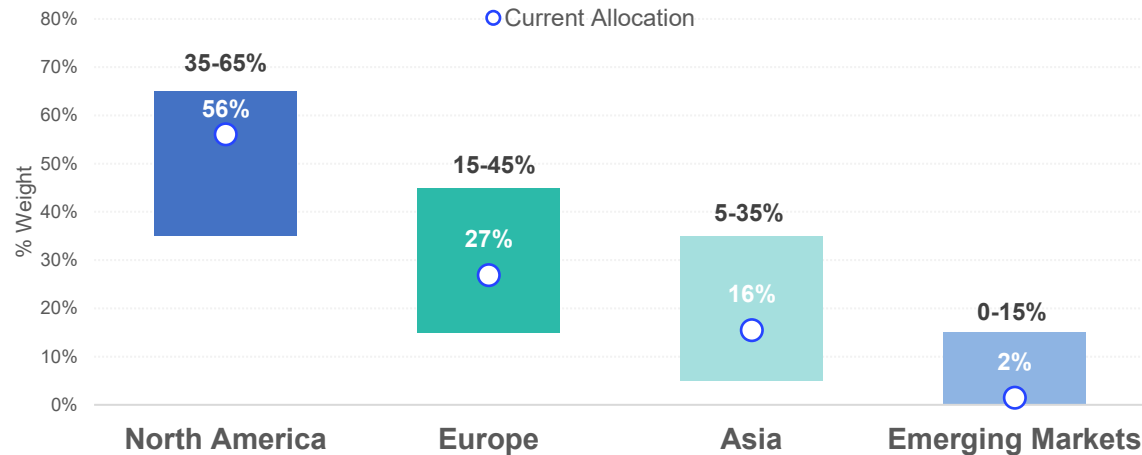
- Continue investment in attractive opportunities to address the shortage in housing, growth in technology, need for health care and housing, and greater use of e-commerce, particularly in the US
- Continue pursuing opportunities for value creation through lease-ups and repositioning, and ground-up development as it returns to the market

Proposed Guideline Updates

- Modify Investment Guidelines as the US offers a wide range of non-core real estate opportunities given the maturity of the investment market and tenure of investment partners, specifically:
 - Increase allocation limit to North America from 65% to 75% of total Non-Core Real Estate NAV

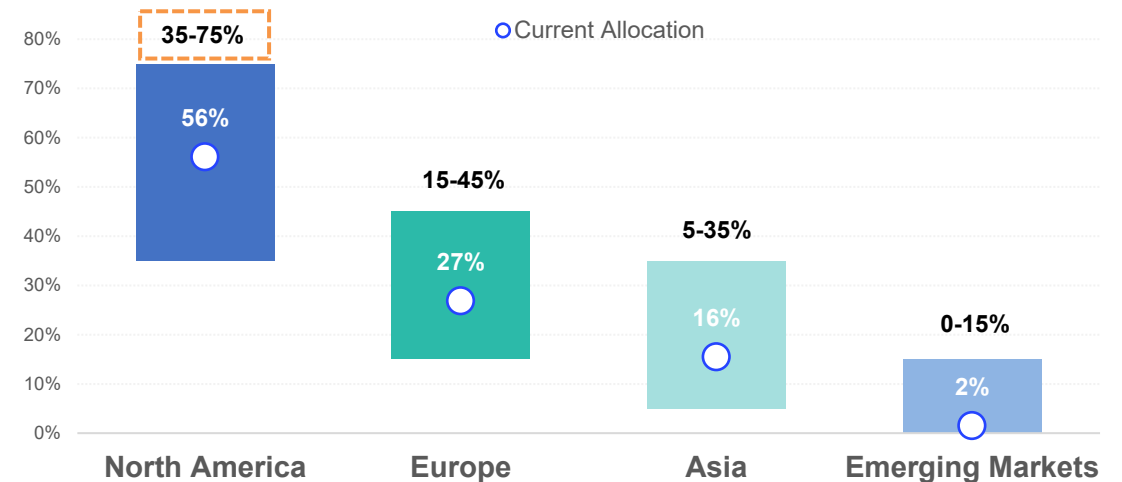
Current Allocation Ranges

Geography as a % of Non-Core NAV



Proposed Allocation Ranges

Geography as a % of Non-Core NAV



Proposed Investment Guidelines Update



Non-Core Real Estate Investment Guidelines

Existing Guidelines					
Total Annual Budget	N/A				
Industry Sector	Apartment	Industrial	Office	Retail	Other
Sector Target Allocation Range	Up to 45%				
Geography	North America 35-65%, Europe: 15-45%, Asia 5-35%, Emerging Markets: 0-15%				
Manager Diversification/ Concentration	Maximum 20% to a single manager				
Investment Vehicle	N/A				
Annual Allocation	N/A				

Proposed Guideline Updates				
Up to 1% of total Fund NAV				
Apartment	Industrial	Office	Retail	Other
Up to 50%				
North America 35- 75% , Europe: 15-45%, Asia 5-35%, Emerging Markets: 0-15%				
Maximum 30% to a single manager				
Primaries (Up to 100%)	Co-Investments / Secondaries (Up to 30%)		Emerging Manager Program (Up to 15%)	
Up to 100% of LACERA's annual Non-Core RE budget	Up to 30% of LACERA's annual Non-Core RE budget		Up to 20% of LACERA's annual Non-Core RE budget	

- New - Add a **Total Annual Budget, Investment Vehicle, and Annual Allocation** for consistency with other asset classes
- **Increase Industry Sector limit to 50%** of the net asset value weights to take advantage of growth across all property types
- **Increase Geography range for North America to an upper limit of 75%** as the U.S. continues to see more appropriate investment opportunities than other regions
- **Increase Manager Diversification to 30%** to enable investments in high-conviction managers

The Board will continue to be informed about the portfolio's structure in relation to the guidelines as LACERA continues to transition its portfolio strategy and implementation. The portfolio will continue to invest and rebalance to remain within the guidelines.



Real Estate Next Steps

Real Estate Next Steps – Emerging Manager Program

EMP Objective

The objective of LACERA’s Emerging Manager Program (“EMP”) is to enhance the total Fund’s risk-adjusted return. The EMP 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

Real Estate EMP Request for Proposal Status

- The current RFP process for a manager selection is nearing conclusion
- Staff will provide a full report to the Board of Investments in early 2025

Implementation Outlook

- Initial funding of \$200 million or approximately 5% of Real Estate, with a target of 10% and a range of 0-15%
- EMP manager will be benchmarked to the same benchmark for Core strategies and Non-Core strategies
- All investments will be reported separately to enable LACERA to have greater transparency into the performance and activities of each emerging manager

Strategic Objectives Alignment

The updated EMP aligns with LACERA’s strategic initiatives by enhancing operational effectiveness of the Real Estate portfolio, optimizing the investment model, maximizing stewardship and ownership rights, and partnering with firms aligned with LACERA’s TIDE Initiative and Emerging Manager Policy



Completed

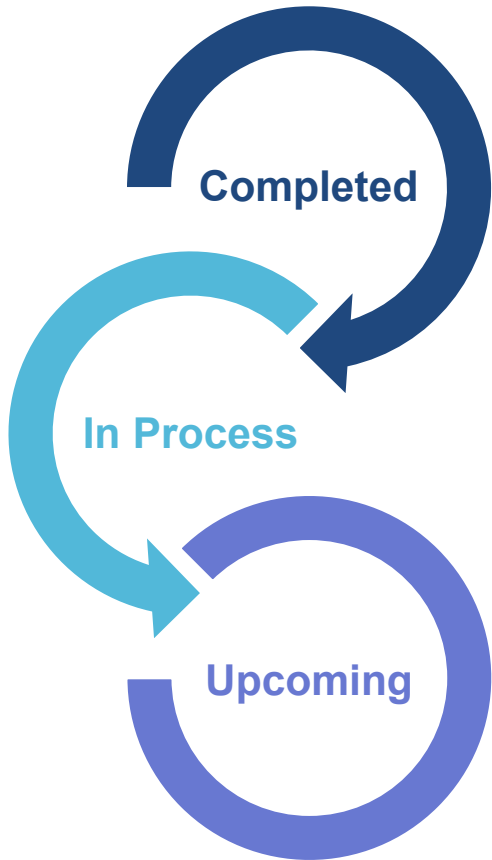
- Contracted with real estate brokers to market the sale of separate account assets
- Developed pacing plan for sales and redeploying proceeds to fund vehicles
- Completed national search for and on-boarded Real Estate Senior Investment Officer
- Improved due diligence processes to include more in-depth review of hiring and retention practices
- Revised and standardized Responsible Contractor Policy

In Process

- Continue the prudent sales of SMA assets and transition the portfolio to the desired implementation
- Underwrite re-up opportunities with high-conviction managers
- Direct Global Real Estate Sustainability Benchmark (GRESB) review of investments
- Emerging Manager Program RFP

Upcoming

- Rebalance the portfolio to meet strategy and implementation objectives
- Invest remaining commitments to funds to help achieve strategic asset allocation targets
- Pursue opportunities for discounted secondary purchases and co-investments
- Improve attribution analysis utilizing a full suite of data available to Real Estate
- Onboard Real Estate Emerging Manager
- Keep the Board apprised through Structure and Performance Reviews





RECOMMENDATION

- Approve the 2025 Real Estate Structure Review

Summarized below are the recommendations in this structure review:

Continue Private Asset Pacing

- Continue implementation of the BOI-approved strategic objective to transition from separate account to commingled fund investments¹

Revised Investment Guidelines

- Add Total Budget Allocations to Core Real Estate up to 3% annually and to Non-Core Real Estate up to 1% annually of total Fund to be consistent with other functional assets categories
- Increase Core Real Estate industry sector and geography weightings to +/- 20% of NFI-ODCE sector and geography weightings
- Remove Separately Managed Accounts from determination of Core Real Estate compliance with Investment Guidelines
- Increase Non-Core Real Estate Investment Limitation for North America up to 75% of Total Non-Core Real Estate
- Increase Non-Core industry sector weighting up to 50% for all industry sectors
- Increase Non-Core Manager Diversification up to 30% to be consistent with Private Equity

¹ Real Estate Structure Review approved by the Board of Investments on January 12, 2022.



Appendix

Core Real Estate – Investment Guidelines



Functional Asset Class: Real Assets and Inflation Hedges (Target Allocation 15% +/- 4% of Total Fund) Asset Class: Core Real Estate (Target Allocation 5% +/- 3% of Total Fund)

Benchmark	NFI-ODCE Net (3-Month lagged)		
Total Annual Budget	Up to 3% of LACERA's total Fund NAV		
Geography	Globally: North America 85% - 100%; Europe 0% - 10%; Asia 0% - 10%; Emerging Markets 0% - 5%; Within the United States: +/- 20% relative to NFI-ODCE regional weights for US East, US West, US South, and US Midwest ex SMAs		
Industry Sector	Industry Sector: Office, Industrial, Apartment, Retail, Other +/-20% relative to NFI-ODCE sector weights ex SMAs		
Investment Vehicle	Primaries (Up to 100%)	Co-Investments / Secondaries (Up to 30%)	Emerging Manager Program (Up to 15%)
Annual Allocation	Up to 100% of LACERA's annual Core RE budget	Up to 30% of LACERA's annual Core RE budget	Up to 20% of LACERA's annual Core RE budget
Investment Size/Range	Minimum commitment size \$10 million		
Manager Diversification/Concentration	Maximum 35% to a single manager		
Fund Concentration	Maximum 30% of total commitments from all LPs		
Leverage	50% Limit		
Volatility	Tracking Error: Long-term target <2%		
Emerging Manager Program	Allocation: 10% target with a 0% - 15% range; See following slide for emerging manager program details		
Alternative Investment Vehicles	See following slide for co-investments and secondaries details		

Note: Allocation ranges indicate the maximum potential allocation to a sub-asset class or vehicle not target allocation.

Non-Core Real Estate – Investment Guidelines



**Functional Asset Class: Growth (Target Allocation 48% +/- 8% of Total Fund)
Asset Class: Non-Core Real Estate (Target Allocation 2% +/- 2% of Total Fund)**

Benchmark	NFI-ODCE Net + 225 bps (3-Month lagged)		
Total Annual Budget	Up to 1% of LACERA's total Fund NAV		
Geography	North America 35% - 75%; Europe 15% - 45%; Asia 5% - 35%; Emerging Markets 0% – 15%		
Industry Sector	Office, Industrial, Apartment, Retail, Other up to 50% of Non-Core Real Estate NAV		
Sub-Asset Class	Value-Add; Opportunistic		
Investment Vehicle	Primaries (Up to 100%)	Co-Investments / Secondaries (Up to 30%)	Emerging Manager Program (Up to 15%)
Annual Allocation	Up to 100% of LACERA's annual Non-Core RE budget	Up to 30% of LACERA's annual Non-Core RE budget	Up to 20% of LACERA's annual Non-Core RE budget
Investment Size/Range	Minimum commitment size \$10 million		
Manager Diversification/Concentration	Maximum 30% to a single manager		
Fund Concentration	Maximum 30% of total commitments from all LPs		
Leverage	Value-Add 65% Limit; Opportunistic 80% Limit		
Emerging Manager Program	Allocation: 10% target with a 0% - 15% range; See following slide for emerging manager program details		
Alternative Investment Vehicles	See following slide for co-investments and secondaries details		

Note: Allocation ranges indicate the maximum potential allocation to a sub-asset class or vehicle not target allocation.

Real Estate Emerging Manager Program (EMP) – Investment Guidelines



**Functional Asset Class: (i) Real Assets and Inflation Hedges (Target Allocation 15% +/- 4% of Total Fund)
(ii) Growth (Target Allocation 48% +/- 8% of Total Fund)
Asset Class: (i) Core Real Estate (Target Allocation 5% +/- 3% of Total Fund)
(ii) Non-Core Real Estate (Target Allocation 2% +/- 2% of Total Fund)**

Benchmark	Core Real Estate: NFI-ODCE Net (3-Month lagged) Non-Core Real Estate: NFI-ODCE Net + 225 bps (3-Month lagged)	
Sub-Asset Class (Allocation)	Core Real Estate (5% Target +/- 3%)	Non-Core Real Estate (2% Target +/- 2%)
Investment Size/Range	Fund investments ranging from \$10 million to \$100 million, average of \$50 million	
Program Framework	Separate Account or Fund-of-One emerging manager program	
Program Allocation Target and Range	Allocation 10% target with a 0% - 15% range	
Emerging Manager Definition	In general funds I, II, or III or with less than \$1 billion in fund size	
Graduation Description	Graduation entails an investment from LACERA directly in a future fund outside of the emerging manager program	
Graduation Target Timeframe	3 – 7 years after an initial investment	
Graduation Approval	In accordance with Board-approved Asset Class Structure Review private fund investment guidelines	

Note: LACERA's proposed allocation ranges indicate the maximum potential allocation rather than the target allocation. 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.

Real Estate Co-Investments and Secondaries – Investment Guidelines

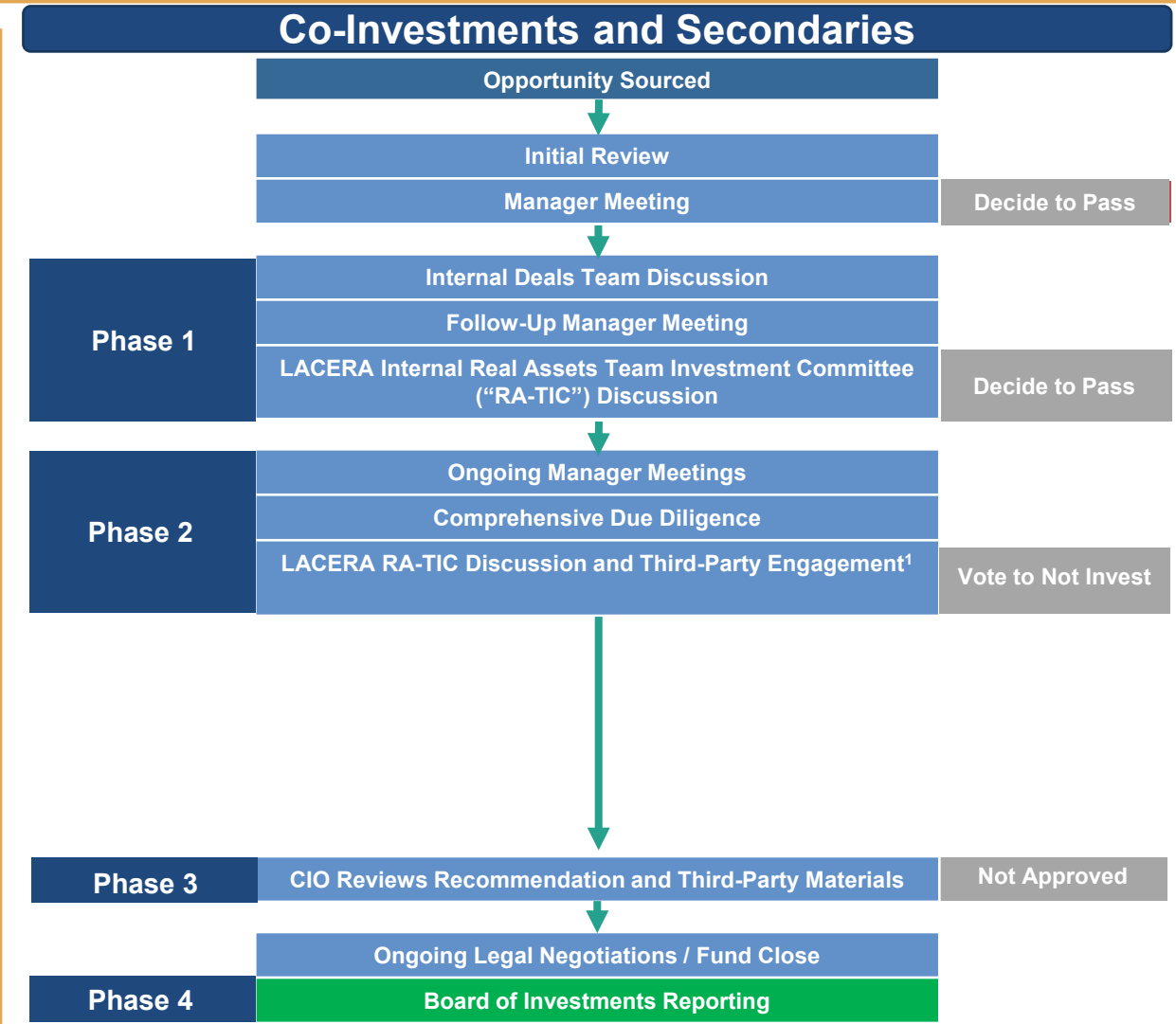
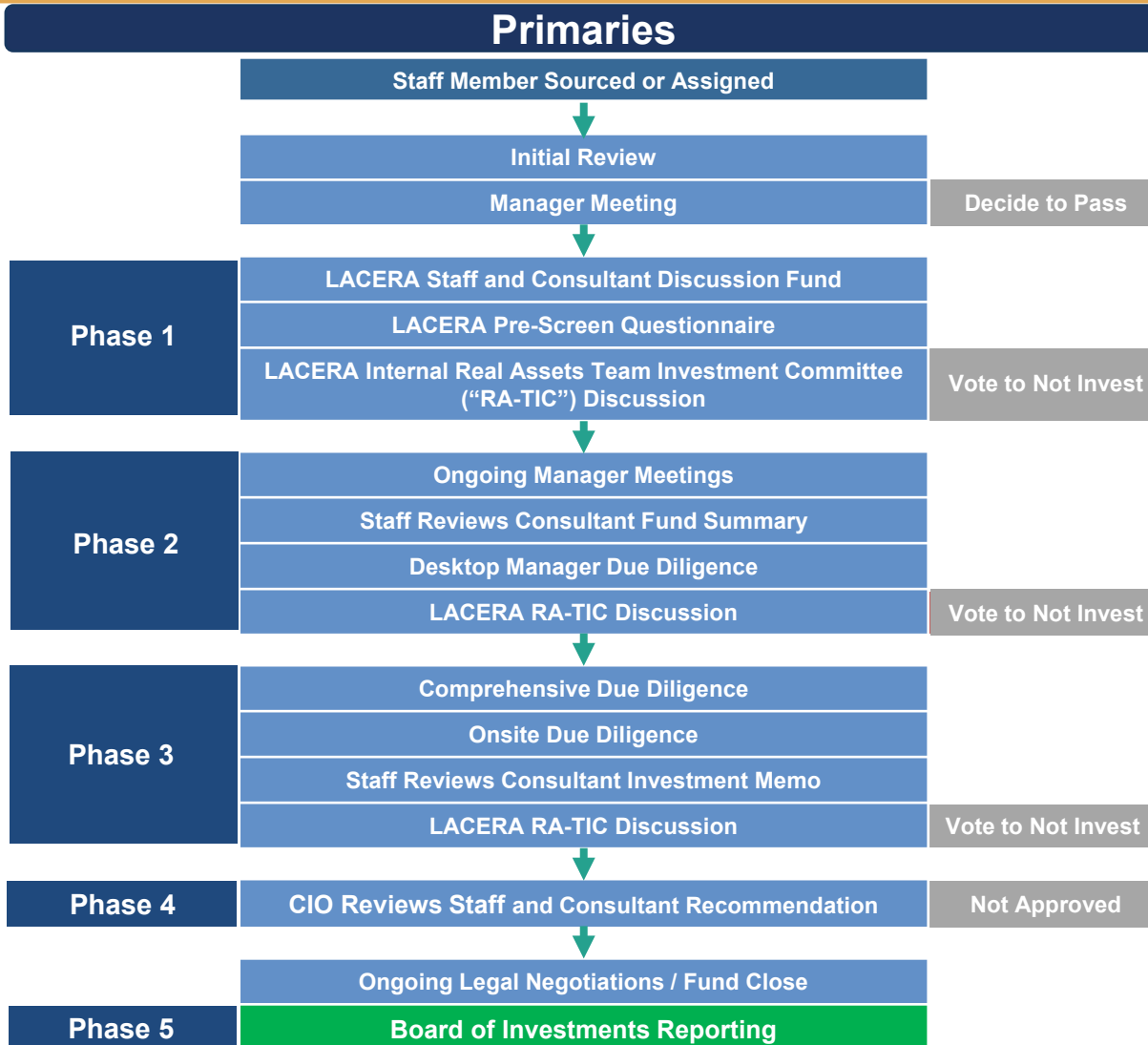


Functional Asset Class: (i) Real Assets and Inflation Hedges (Target Allocation 15% +/- 4% of Total Fund)
(ii) Growth (Target Allocation 48% +/- 8% of Total Fund)
Asset Class: (i) Core Real Estate (Target Allocation 5% +/- 3% of Total Fund)
(ii) Non-Core Real Estate (Target Allocation 2% +/- 2% of Total Fund)

Alternative Investment Vehicle	Co-Investments	Secondary Purchases	Secondary Sales
Annual Capital Deployment	Up to 30% of LACERA's RE allocation		<p>All sales must provide strategic, tactical, and/or economic benefits that assist LACERA in meeting its investment goals. The program will consider selling undesired holdings that include both mature secondaries and hybrid secondaries</p> <p>Sell determinations will fall under the following criteria:</p> <ul style="list-style-type: none"> • Poor Performing: Poor performing assets that have little to no potential to materially improve the future performance of the Real Estate program • Tail Ends: Mature assets that have provided a significant portion of their potential performance, whether attractive or poor, and the remainder of the assets have little to no potential to materially improve the future performance of the Real Estate program. These assets will typically have little value remaining in the capital account and/or few holdings remaining in the fund • Non-strategic: Assets that have an investment focus that is no longer a strategic part of LACERA's investment objectives and there is little to no potential to materially improve the future performance of the Real Estate program • Strategic: Assets that can help improve the overall purchase prices and returns associated with the secondary sale <p>The secondary sale program will opportunistically consider the sale of single limited partnership interests and portions of partnership interests as well as portfolios of multiple limited partnership interests. Portfolio sales will be considered when the aggregated benefit to the Real Estate program is more attractive than individual dispositions</p>
Investment Size/Range	<ul style="list-style-type: none"> • Up to 20% co-investment and secondaries annual budget • Secondaries exclude amounts rolled over from primary funds in conjunction with a continuation vehicle secondary transaction 		
Sourcing	<ul style="list-style-type: none"> • Investments offered by LACERA-approved managers • Investments alongside a LACERA-approved discretionary RE manager, a RE consultant, or the manager's or consultant's approved managers • A secondary fund or vehicle that is managed by a manager of the same institutional quality as those LACERA has previously committed to 		
Deal Types	Private investments in Core and Non-Core Real Estate		
Use of Third Party	Third party consultant confirms LACERA's due diligence was satisfactorily followed		
Deal Exposure	LACERA's ownership of co-investment asset or Fund not to exceed 40% of total under GP (combining co-invest and fund exposure)		

Note: LACERA's proposed allocation ranges indicate the maximum potential allocation rather than the target allocation. Board-approved Asset Class Structure Review investment guidelines, in their entirety, apply to the asset class's co-investments and secondaries. In the event of conflict or inconsistency, asset class co-investment and secondaries-specific parameters supersede broader asset class investment guidelines.

Real Estate – Investment Process



¹ Refer to co-investment and secondaries Investment Guidelines.
 Note: Size of phase boxes are not indicative of time spent on due diligence.

Pacing – Model Assumptions



- **Overall Assumptions:**

- Plan asset start date as of fiscal year end, June 30, 2024
- Net plan asset Real Estate rate of 5.5% (7% Real Estate with 1.5% cash outflow)
- SMA's sold over a three-year period starting in FY 2024 (~\$1.8 billion)

- **Core/Core-Plus Assumptions (Effective January 1, 2025):**

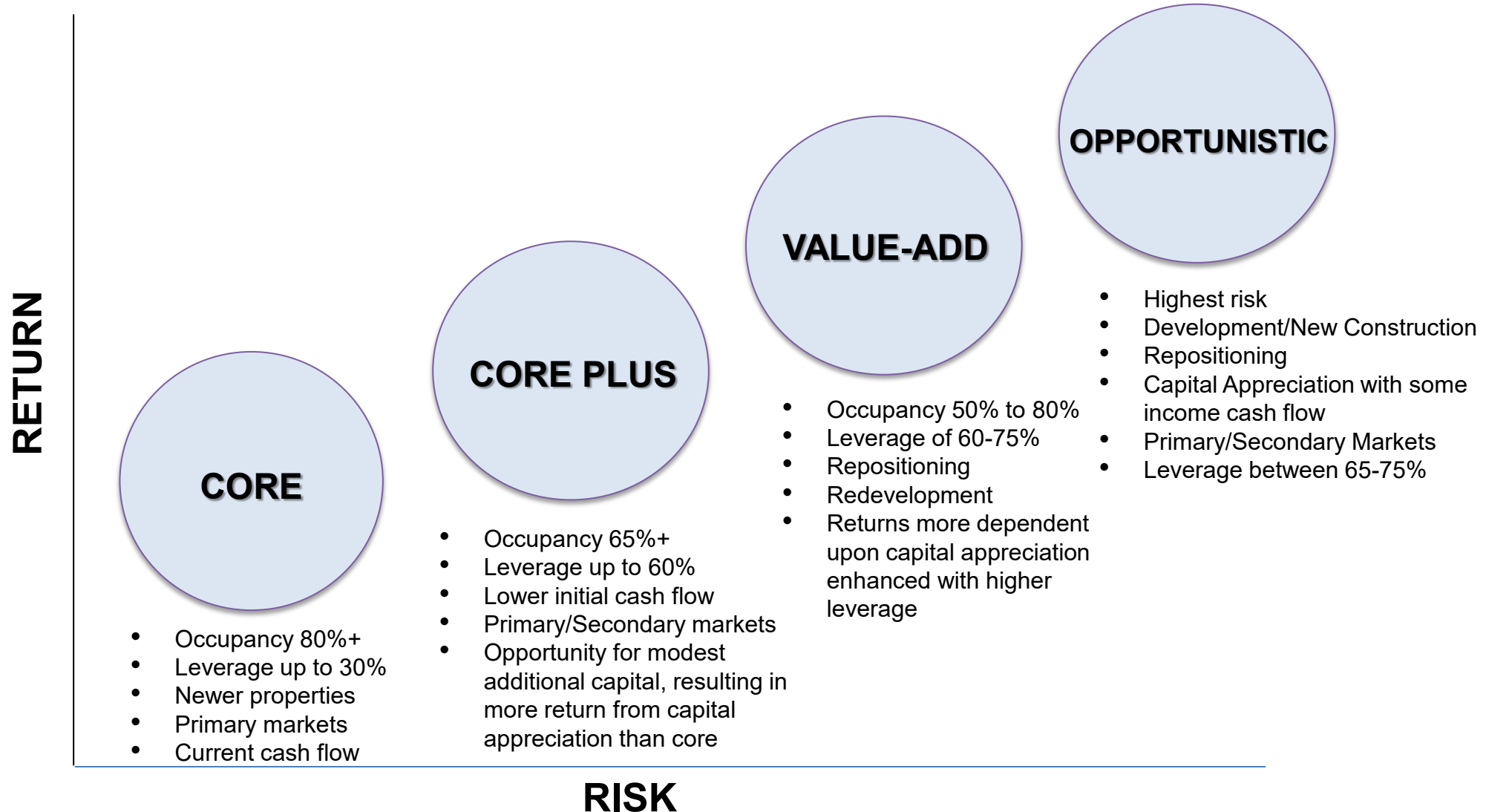
- 5% target allocation of plan assets
- All commitments are from Core/Core-Plus SMAs dispositions/transfers
- Commitments are split equally between Core and Core-Plus open-ended funds and strategies
- Core Private Real Estate target 10-year net IRR return expectation: 4.8%
- Core Private Real Estate target allocation completion in 2028

- **Non-Core Assumptions (Effective January 1, 2025):**

- 2% target allocation of plan assets
- Commitments are split equally between Value-Add and Opportunistic closed-ended funds
- Value-Add target 10-year net IRR return expectation: 7.3%
- Opportunistic target 10-year net IRR return expectation: 8.4%
- Non-Core Private Real Estate target 10-year net IRR return expectation: 7.85%
- Non-Core Private Real Estate target allocation completion in 2028

Source: Meketa Investment Group and Stepstone Real Estate. The opinions expressed herein reflect the current opinions of Stepstone as of the date appearing in this material only. There can be no assurance that views and opinions expressed in this document will come to pass. No representation or warranty is made as to the returns which may be experienced by investors.

Risk Profile Definitions



Risk Summary – Core Real Estate



Summary

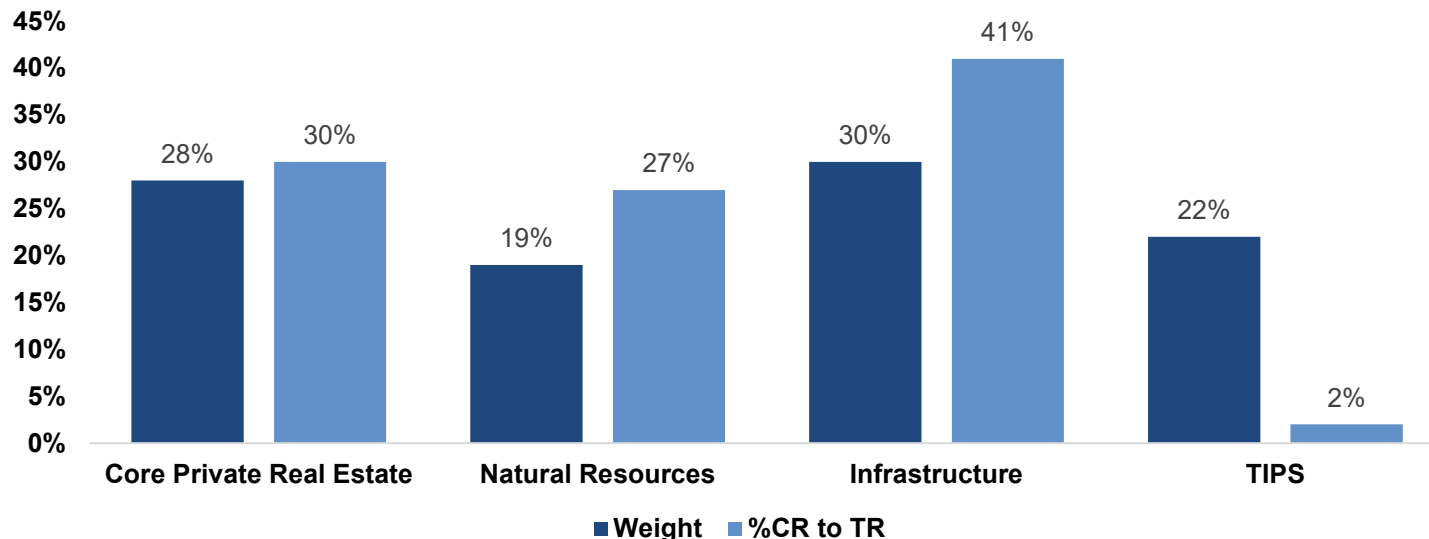
Statistic	Value
Total Risk	10.92
Benchmark Risk	11.64
Active Risk	3.91
Portfolio Beta	0.88

Asset Class Contribution to Risk

Asset Class	Market Value	Weight	Total Risk	Risk Contribution	%CR to TR
Real Assets & Inflation Hedges	\$11,097	100%	10.92	10.92	100%
Core Private Real Estate	3,132	28%	15.05	3.31	30%
Natural Resources	2,148	19%	18.07	3.01	27%
Infrastructure	3,368	30%	15.81	4.37	41%
Treasury Inflation Protected	2,448	22%	2.73	0.24	2%

- Core private real estate makes up about 28% of the real assets and inflation hedges functional category market value
- Core real estate contributes 30% to the forecast total risk of the real assets and inflation hedges functional category
- The stand-alone total risk forecast is 15.05

Asset Class Allocation



Source: MSCI BarraOne, data as of September 30, 2024, \$ in millions.

Risk Summary – Non-Core Real Estate



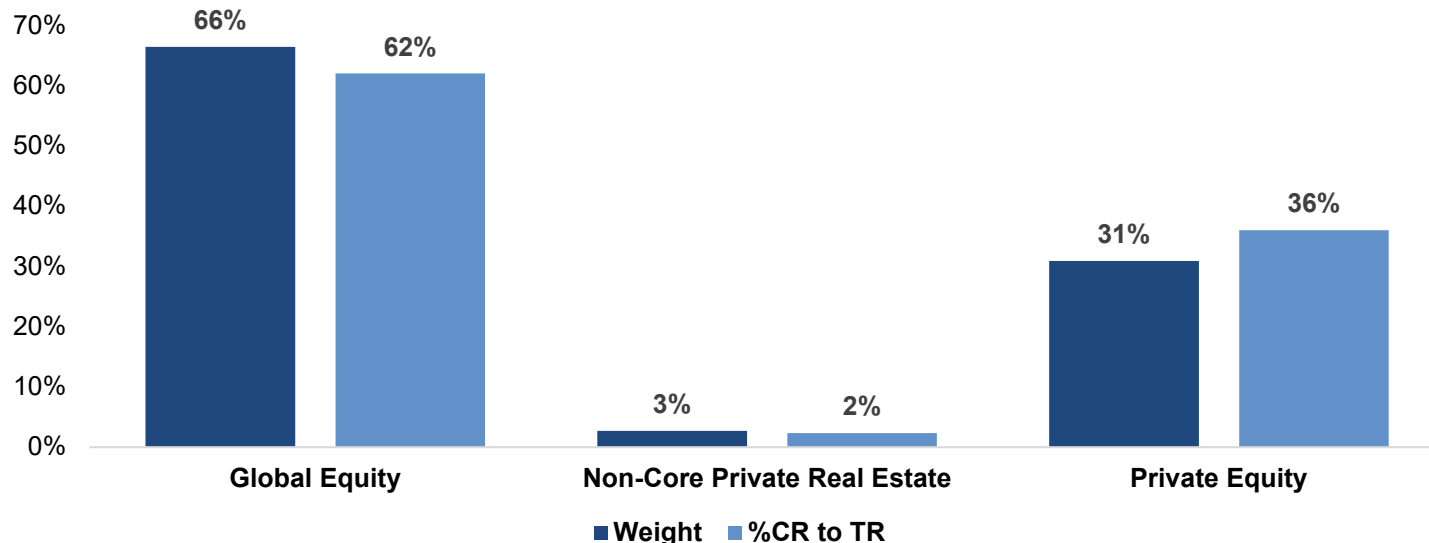
Summary

Asset Class Contribution to Risk

Statistic	Value	Asset Class	Market Value	Weight	Total Risk	Risk Contribution	%CR to TR
Total Risk	15.79	Growth	\$41,455	100%	15.79	15.79	100%
Benchmark Risk	15.79	Global Equity	27,595	66%	15.29	9.81	62%
Active Risk	1.12	Non-Core Private Real Estate	1,112	3%	20.57	0.34	2%
Portfolio Beta	1.00	Private Equity	12,748	31%	20.47	5.64	36%

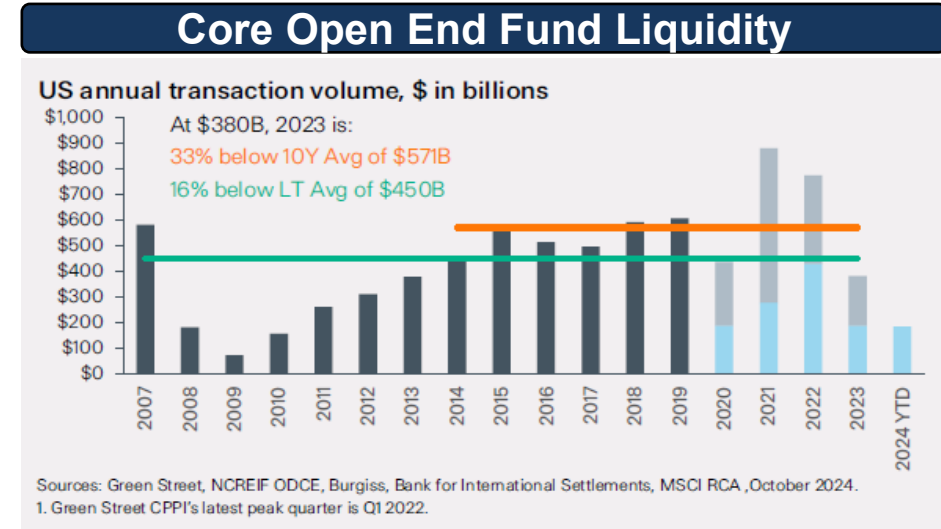
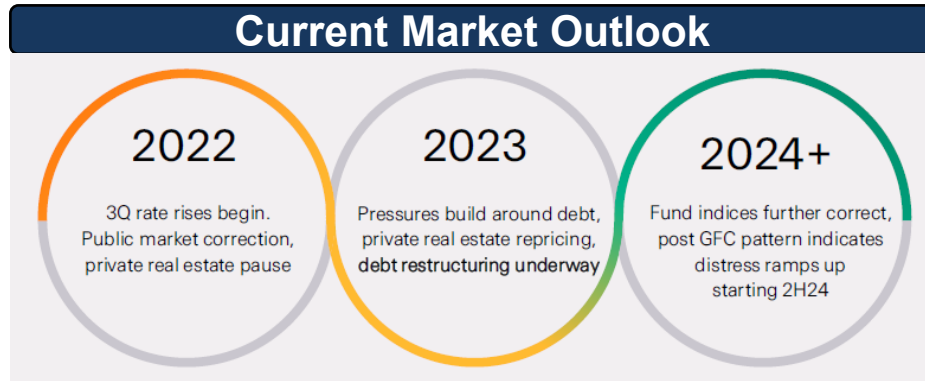
- Non-core private real estate makes up about 3% of the growth functional category market value
- Non-core real estate has minimal impact on the forecast total risk of the growth functional category total risk contributing 2%
- Due to volatility of real estate asset class in recent quarters and global geography of portfolio, the stand-alone forecast total risk is at 20.57

Asset Class Allocation



Source: MSCI BarraOne, data as of September 30, 2024, \$ in millions.

Stepstone Fall 2024 House View



Marks remain above trading prices, suppressing volume

- Interest rates are likely to remain well above pre-2022 levels, even as central banks ease
- A large bid-ask gap, with sellers not motivated to take losses, is depressing trading volume
- Fund valuations have lagged asset trading prices in both timing (normal) and amount

Higher Interest Rates Lead to New Opportunity

NOW: Favorable Outlook

Within areas of real estate debt, secondaries and recapitalizations, opportunistic/distressed



NEXT: Core/Core Plus, as NAVs Correct

Repricing of open-ended funds ultimately likely to restore yields at normal spreads above now higher interest rates



ONGOING: Real Estate maintains its long-term targeted role in portfolios

Diversification, inflation protection, current income, and appealing risk/return

Glossary of Terms



Term	Acronym	Definition
Active Risk		The expected standard deviation of the differential return between the portfolio and the benchmark. Active total risk arises from active management, and it is the result of active weights (deviations from the benchmark)
Allocation Effect		A measure of the returns generated by allocating portfolio weights to specific segments, including regions and market capitalization
Alpha		The excess return of an investment against a specified benchmark
Basis Points	BPS	One one-hundredth of one percent. One hundred basis points equal one percent
Beta		Represents the degree of risk correlated between a security and the benchmark/market
Board	BOI	LACERA Board of Investments
Cap Rate		Abbreviation for capitalization rate, which refers to ratio of yield to total market value
Co-Investment		An investment that is made alongside an investment manager
Diversity, Equity and Inclusion	DEI	Diversity, equity and inclusion within an organization
Emerging Manager Program	EMP	Seeks to identify and invest in independent firms that have fewer substantial assets under management or may lack a long-term investment performance record
Emerging Markets		Economies that are in the process of rapid Real Estate and industrialization
Environmental, Social and Governance	ESG	Focusing on the three key factors used to measure the sustainability and ethical impact of an investment in a business
Exposure		Net asset value (“NAV”) plus any unfunded commitments
Fund-of-Funds	FoF	An investment fund that pools capital from multiple investors to invest in a diversified portfolio of other funds rather than directly in individual companies
Gross Asset Value	GAV	Includes both equity and debt holdings to represent the current value of the asset
Internal Rate of Return	IRR	Internal Rate of Return (IRR) is used to estimate the profitability of potential investments. It is the discount rate that makes the net present value (NPV) of all cash flows from a particular project equal to zero

Glossary of Terms (Continued)



Term	Acronym	Definition
Investment Policy Statement	IPS	Outlines the investment objectives, strategies, and guidelines of an investor or organization.
J-Curve		Represents the typical investment trajectory where initial losses occur due to high expenses and underperforming investments
Limited Partner Advisory Committee	LPAC	LPACs are formed to help with fund governance and protect investors. They can advise on conflicts of interest, approve investments, and review key events
Net Asset Value	NAV	The value of an asset minus any expenses and liabilities
NFI-ODCE NET		NCREIF Fund Index – Open End Diversified Core Equity – it is capitalization-weighted, time-weighted return index with an inception of December 31, 1977
Operational Risk		Refers to the risk of loss due to inadequate or failed internal processes, people, systems or from external events
Real Estate Equity		A type of private equity investment focused on providing capital to late-stage companies that have demonstrated significant Real Estate potential but need additional funds to scale their operations further
Risk Contribution	CR	The percent of total risk that an individual asset or risk source contributes. For example, a % CR to Total Risk of 10% indicates that 10% of the portfolio's total risk is arising from the portfolio's position in that particular asset
Secondaries/Secondary Investment		The purchase or sale of existing investor commitments or ownership stakes in funds
Selection Effect		A measure of the impact of a manager's performance relative to their mandate benchmark
Separately Managed Account	SMA	An investment portfolio that is managed separately from other investment vehicles and hold investments for only client
Sharpe Ratio		Measures risk-adjusted performance of an investment compared to a risk-free asset
Standard Deviation		Volatility of monthly returns that measures the average deviation from the mean
Strategic Asset Allocation	SAA	Long-term investment strategy where investor sets target allocation for various asset classes and periodically rebalances the portfolio to maintain these target allocations
Time Weighted Return	TWR	The time-weighted rate of return measures the rate of return of a portfolio by eliminating the distorting effects of changes in cash flows
Total Risk	TR	The total (gross) risk to an asset (or portfolio), which is the standard deviation of the asset's total return distribution, expressed in percent.
Tracking Error	TE	Volatility of a manager's excess return; measured by subtracting the standard deviation of the manager's returns from the standard deviation of the benchmark return

MEMORANDUM

To: Los Angeles County Employees Retirement Association (“LACERA”) Board of Investments (“BOI”)
From: StepStone Real Estate (“SRE”)
Date: December 19, 2024
Re: **2025 Real Estate Structure Review**

Background

In January 2022, the BOI approved a plan to sell its SMA directly held real estate assets and instead invest through commingled funds. This was meant to improve returns, diversification and risk management. The assets were to be sold via an orderly process over 3-5 years. This process is now well underway.

Past structure reviews guidelines for real estate exposures were designed for a stable portfolio. They did not contemplate the disruption of a portfolio in transition or major market correction, and both have occurred. Given these facts, more flexibility around guidelines enables orderly transition. Imposing hard limits by category may require fire sales, which the BOI has historically chosen to avoid to preserve value, or it may prohibit promising new investments.

Shortly after this plan was approved, interest rates began rising dramatically, which in turn depressed real estate prices. Today, appraisal based carrying values have not fully corrected and trading volumes remain depressed. Current property trading prices do fairly reflect today’s realities. This has slowed sales and redeployment.

Additionally, there has been major change in how space used and where people live, led in part by technology changes (ie zoom enabling work from home). This has led to unusually high variations in performance by sector and location. While appropriate in many ways, LACERA’s base index, ODCE, is a lagging indicator. Greater flexibility (albeit in the context of a well-diversified portfolio) enhances the ability to capitalize on change and avoid rear view mirror investing.

Recommendation

SRE is supportive of the recommendation in the 2025 Real Estate Structure Review, including expansion of allowable exposure ranges versus ODCE amounts as stated.

When evaluating the real estate portfolio in detail for any metrics, include line items separately for a) discontinued SMA program and b) the ongoing funds program, as well as c) the total. This will enable the BOI and staff to see the difference and not continue to have its view and management of the current program determined by a strategy that has been discontinued for over four years.

Allow new commitments that don’t exacerbate over or under exposures when limits are exceeded. This works to maintain overall portfolio goals (including exposure and vintage year exposure), capture attractive market opportunities, and rebalance to reduce guideline violation. The end goal remains being in compliance, with the recognition that may take time during major portfolio transitions and market corrections.



December 17, 2024

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: Steven P. Rice,
Chief Counsel

Allison E. Barrett
Senior Staff Counsel

Jessica Rivas *JR*
Staff Counsel

FOR: January 8, 2025 Board of Investments Meeting
January 15, 2025 Board of Retirement Meeting

SUBJECT: Updating LACERA's Code of Ethical Conduct

INTRODUCTION

LACERA's current Code of Ethical Conduct (Code) was approved in November 2021. A copy is attached as Exhibit A. Since it has a three-year review cycle (Code, § XVI, p. 23), it is time to review and update it. Maintaining and reviewing LACERA's Code is central to the implementation of LACERA's Ethics and Compliance Program (adopted under its Charter by the Boards in October 2024). This update will result in a new Code that is comprehensive in scope, has improved clarity and organization, and is accessible through multiple channels.

As we begin this important process, this memo shares staff's vision for how this key foundational document can be enhanced. Staff proposes to reimagine the Code as a document that not only sets clear ethical standards of conduct in a complete and accessible way, but also inspires and motivates the entire organization (Trustees, Management, Supervisors, Staff, Third Party Contractors) to meet and exceed those standards. Staff looks forward to Board's comments on the current Code, our vision for the updated version, and the Board's input into the remodeling of LACERA's Code.

Staff presented to the Audit, Compliance, Risk, and Ethics (ACRE) Committee in October and will apply the Committee's and Board of Retirement's and Board of Investments' input in preparing a revised Code. A draft Code will be presented to the ACRE Committee at its first regular meeting in 2025, then return to the Boards for final approval.

BACKGROUND AND LEGAL AUTHORITY

LACERA's ACRE Committee Charter and Ethics and Compliance Program Charter are designed in accordance with the U.S. Sentencing Guidelines and the Department of

Justice's "Evaluation of Corporate Compliance Programs" (DOJ Evaluation). These programs establish the leading standards and authority to determine the effectiveness of ethics and compliance programs. A code of conduct is a fundamental component of an effective ethics and compliance program. Accordingly, the ACRE Committee and Ethics and Compliance Program (Program) Charters provide for Committee and Program oversight of LACERA's Code.¹

According to the Sentencing Guidelines, effective ethics and compliance programs shall promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law. Such commitment requires established standards and procedures—standards of conduct and internal controls designed to reduce ethics and compliance risk.² A code of ethical conduct is the foundational document that establishes those standards. The DOJ Evaluation advises that a threshold matter in determining a compliance program's effectiveness is assessing whether an organization has a code of conduct that sets forth the organization's commitment to full compliance with the law.³

The proposed Code updates will be consistent with best practices in ethics and compliance programs, based on the Ethics and Compliance Program team's research, which includes LACERA's Ethics and Compliance consultant, Rebecca Walker, Esq., the ACRE Committee's consultant, Larry Jensen, and resources such as the Society of Corporate Compliance and Ethics (SCCE), Gartner, Inc. (a consultant service used by LACERA), as well as a wide-scale review of codes of conduct from other pension systems, American universities, and corporations on Ethisphere's "World's Most Ethical Companies in 2024."⁴

PROJECT DEVELOPMENT

Content

The purpose of LACERA's Code is to set expectations and norms in alignment with LACERA's Mission, Vision, and Values and serve as an ethical decision-making guide for the entire organization. Since the Code was last reviewed, the Board of Retirement has adopted a new Vision⁵, Values⁶ and Guiding Principles, along with the Ethics and Compliance Program, and other applicable 2023-2028 strategic plan initiatives (e.g., Enterprise Risk; Diversity, Equity, and Inclusion; Innovation through Technology; Fiscal Durability). These important organizational developments will be incorporated into and referenced throughout the Code.

¹ ACRE Committee Charter, Section VII, B4; B5b; 7a-b; Ethics and Compliance Program Charter, Sections VII, D2; G; IX,A-B.

² 18 USCS Appx Section 8B2.1, "Effective Compliance and Ethics Program."

³ U.S. Department of Justice "Evaluation of Corporate Compliance Programs" (2024).

⁴ <https://ethisphere.com/worlds-most-ethical-companies/>.

⁵ LACERA's Vision (2023): "Empowering our members to enjoy a healthy and secure retirement."

⁶ LACERA's Values (2023): Integrity, Inclusion, Innovation, Accountability, Collaboration, Transparency (I ACT).

The Code will continue to address and further define fiduciary duties, ethical judgment, conflicts of interest, confidentiality, reporting roles and responsibilities, and LACERA's investigative process for instances of misconduct. The Code will include updates regarding LACERA's reporting channels and a reference to the organization's nonretaliation policy, emphasizing its importance in strengthening LACERA's culture of ethics and compliance. The Code will also address ethics and compliance risks specific to LACERA's operations, emerging risks such as data privacy and artificial intelligence (AI), and ever-evolving risks such as workplace health and safety. A proposed draft revised Table of Contents is attached as Exhibit B for your review and comment.

Finally, the language for all subjects will be updated throughout for clarity, conciseness, and impact to enhance use, understanding, and retention. The current Code (Exhibit A) uses more formal legal language.

Format

The format of the Code will be restructured by subject matter to maximize its accessibility and effectiveness. We plan to organize the relevant subjects by LACERA's newly adopted Values – Integrity, Inclusivity, Innovation, Accountability, Collaboration, and Transparency (I ACT). LACERA should be an organization that is guided by its Values (which are inherent to ethical conduct), and it will be helpful for the new Code to clearly reflect the I ACT model. The draft Table of Contents is based on this organizing principle. (Exhibit B.)

We plan to ensure the Code is available through multiple channels to serve users' individual communication preferences. LACERA will continue to have a comprehensive written document, available on-line; however, the forthcoming revised document will also include instructive features such as call-out boxes, FAQ's, learning aids, and "do vs. do not" scenarios. Excerpts of codes of conduct from other organizations that include these features are attached as Exhibits C through F. Communications has drafted initial mockups on what our revised Code could look like – one based on a Los Angeles County theme and one based on a utopian theme are attached as Exhibits G & H, respectively. Staff is also exploring developing an interactive online version and having a separate, abridged "Executive Summary" of the Code to serve as a quick reference guide that can be regularly consulted during one's day-to-day functions. Staff will explore other potential channels, such as have the Code automatically installed on all LACERA devices.

The Code, which is currently posted on LACERA.com, is not frequently accessed. We have learned that the LACERA.com "Governing Documents" page where it is posted only received 124 hits per month on average over the last three years. In contrast, the pages with the top views on LACERA.com receive 5,000 to 10,000 hits per month. As part of this update process, we will study ways to improve visibility of the Code on LACERA.com and LACERA's intranet—LACERA Connect.

Training

Once the Code has been revamped, it will be distributed to all staff with a required attestation that it has been received and read.

Comprehensive training will be conducted organization-wide, specifically tailored to Trustees, LACERA's 16 divisions, and staff members' particular roles and responsibilities. Training will be provided live and via an on-demand video library. The Code will remain on a 3-year review cycle (unless otherwise indicated). Training with attestation will be required biennially to further integrate the Code into LACERA's day-to-day operations and to continuously educate the organization on the Code's content, value, and every LACERA employees' commitment to upholding its tenets.

Process

The multi-divisional Ethics and Compliance Committee (ECC) will also provide review and feedback on the proposed updates. Today, the team will present an updated Table of Contents, which highlights the proposed direction and approach for the restructuring and reorganization of the Code's subject matter. Upon the Boards' and ACRE Committee's feedback on these recommended changes and any other comments on the current Code and ideas for the new one, the team will develop a fully realized proposed draft for final review by the ACRE Committee at its first regular meeting in 2025 and consideration of a recommendation for approval to both Boards.

In addition to the Legal Office and ECC, the Code's drafting, restructuring, training, and communications campaign will ultimately involve multiple divisions, including Systems, Communications, Human Resources, Administrative Services, Internal Audit, and the Executive Office. This multi-divisional effort emphasizes the Code's significance as central to the entire organization and LACERA's commitment to fostering a culture of ethics and compliance.

Attachments

C: Santos H. Kreimann
Luis A. Lugo
Jonathan Grabel
JJ Popowich
Laura Guglielmo
Ted Granger
Chaitanya Errande
Richard Bendall
Carly Ntoya, Ph.D.
Christina Logan
Cynthia Martinez
Erika Heru
Veronica Yi-Martinez



Code of Ethical Conduct 2025 Update

Steven Rice, Jessica Rivas, and
Allison Barrett
Legal Office



LACERA's Ethics & Compliance Program (October 2024)

- Ethics & Compliance Charter
- Audit, Compliance, Risk, and Ethics (ACRE) Committee Charter

Other Important Recent Developments

- Strategic Plan Initiatives (2023-2028): e.g., Enterprise Risk; Diversity, Equity, and Inclusion; Innovation through Technology; Fiscal Durability
- LACERA's Vision (2023): "Empowering our members to enjoy a healthy and secure retirement"
- LACERA's Values (2023): Integrity, Inclusion, Innovation, Accountability, Collaboration, Transparency (I ACT)



What is a Code of Ethical Conduct?

- Key document that establishes standards of conduct and internal controls designed to reduce ethics and compliance risk.
- Effective ethics and compliance programs promote an organizational culture that encourages ethical conduct and a commitment to compliance with the law.
- Department of Justice’s “Evaluation of Corporate Compliance Programs” – threshold matter in determining a compliance program’s effectiveness is assessing whether an organization has a code of conduct that sets forth the organization’s commitment to full compliance with the law.

Current Code of Ethical Conduct



- Last updated in November 2021
- 3-year update cycle
- Uses dense, legalistic language
- Not organized around themes or larger issues; simply a list of topics



Goals for New Code



- Set expectations and norms in alignment with LACERA's mission, vision, and values and serve as an ethical decision-making guide for the entire organization (Trustees, Management, Supervisors, Staff, Third Party Contractors).
- Engage and inspire all to not just meet standards, but exceed them.
- Comprehensive in scope, improved clarity and organization, and accessible through multiple channels.

Planned Updates



- ***Content***
 - Additional topics to ensure Code is comprehensive
 - Clearer, more concise and less dense language
- ***Format***
 - Re-organized around our Values
 - New helpful features: call out boxes, Q & A's, etc.
 - Accessible through multiple channels
- ***Training***
 - Trustees & Staff
 - Biennially


Proposed Table of Contents



- Letter from Chief Executive Officer Santos Kreimann
- **We Are Guided by Our Values**
 - Purpose and Scope
 - Values (I ACT)
 - Fiduciary Duties
 - Ethics and Compliance
- **We Are Inclusive and Collaborative**
 - DEI+A
 - Anti-Discrimination Policy
 - Safe and Healthy Work Environment
 - Drug and Alcohol-Free Work Environment
 - No Harassment
- **We Act with Integrity**
 - Avoid Conflicts of Interest
 - Gifts, Honoraria, Travel, Loans
 - Investments
 - Contracts
 - Reporting (Form 700)
 - Disclosure and Recusal
 - Incompatible Activities/Offices
 - Outside Employment
 - Employment of Related and Unrelated Persons
 - Use of LACERA Position, Resources, and Information
 - Political Activities
 - Leaving LACERA
- **We Hold Ourselves Accountable**
 - Ethics Hotline/Reporting Channels
 - Investigative Process for Misconduct
 - No Retaliation
 - Information Security
 - Confidentiality & Privacy
- **We Are Transparent**
 - Communication
 - Public Records Act & Other Requests for Records
 - Records Retention
- **We are Innovative**
 - Artificial Intelligence
 - Information Security
 - Acceptable Use
- Code Administration
 - Training
 - Enforcement
 - Review of Code



CONTENTS MESSAGE FROM OUR CEO ACT WITH INTEGRITY **COURAGE** EXCELLENCE EQUITY & JOY **SPEAK UP**



We Speak Up, Keep Open Doors, and Do Not Retaliate

Speaking up requires Courage. As Pfizer colleagues, we share the privilege and responsibility of ensuring we honor our Values and follow policies, including by speaking up when we have questions or concerns. Speaking up helps us learn about issues and manage risks before they become problems. The environment we need for breakthroughs depends on empowering each of us to speak our mind.

Speak up if you have an idea. Speak up if you have a question. Speak up if you have a concern. Our Open Door Policy provides many avenues for you to speak up without fear of retaliation, harassment, discrimination, or other inappropriate behavior.

We do not tolerate retaliation against those who raise concerns at Pfizer.

If you seek advice, raise a concern, report misconduct, or provide information in an investigation, you cannot be retaliated against for having done so. If you believe that you or another colleague has been retaliated against for any reason, report the conduct using any method described in this *Blue Book*.

Our Commitment to COURAGE

- We encourage reporting by not tolerating retaliation in any form.
- We report all suspected retaliation.

Retaliation is adverse action that can take various forms, including unfavorable work assignments, unfavorable performance reviews, threats, harassment, demotion, suspension, reduced compensation, denial of benefits, or termination, among others.

Learn More

- Corporate Policy 702 (Open Door Policy)
- Corporate Policy 201 (Integrity, Compliance Reporting Obligations, and No Retaliation Policy)

We have the Courage to speak up if something doesn't seem right.

2023 Blue Book: Pfizer's Code of Conduct 7

- Icons to highlight key information
- References and links to other key policies
- Avoiding long blocks of text



Uphold Our Legal and Ethical Standard

We count on you to be honest, fair and trustworthy in all company activities and relationships. Every employee is required to understand and comply with applicable laws, regulations and company policies. Unlawful or unethical activity, or any activity that may appear unlawful or unethical, is not tolerated.

Know Our Responsibilities

Compliance Responsibility

Our businesses are heavily regulated by many federal, state and local governmental entities, including the Federal Energy Regulatory Commission (FERC), the Environmental Protection Agency (EPA), the Occupational Safety and Health Administration (OSHA), the Nuclear Regulatory Commission (NRC) and the Securities and Exchange Commission (SEC). In addition, state agencies, such as public utility commissions, pollution control agencies and departments of natural resources have regulatory oversight, and government-sponsored entities such as the North American Electric Reliability Council (NERC) have oversight responsibilities.

It is our responsibility to ensure that we perform our jobs in accordance with the law. We also have a role in encouraging others to comply with the law. References to "law" in this Code of Conduct include any applicable federal, state or local statute, regulation, order or standard.

We are obligated to comply with the FERC Standards of Conduct

The No Conduit Rule outlined in the Standards of Conduct states that employees, contractors and consultants are prohibited from sharing Non-Public Transmission Function Information with Wholesale Merchant Function employees such as Energy Traders, Energy Schedulers, Power System Traders and Originators.

If you have questions about sharing information, contact the Standards of Conduct Chief Compliance Officer. If you think you have shared Non-Public Transmission Function Information (NPTI) with a Wholesale Merchant Function worker, you should notify Xcel Energy's Standards of Conduct Chief Compliance Officer immediately at SOCCchiefcomplianceofficer@xcelenergy.com.



Tom, a dispatcher working in transmission dispatch responding to customer calls after a transmission outage, has an exact time for restoration and has posted the time publicly on OASIS (Open Access Same-time Information System). A Wholesale Merchant Function employee calls in and asks when the service will be restored. Is Tom able to provide this employee with general information?



Yes. The Standards of Conduct prohibit access to Non-Public Transmission Function Information. However, since the restoration time has been posted, it is no longer Non-Public Transmission Function Information. If Tom is unsure whether it's okay to share the information, he can contact the Standards of Conduct Chief Compliance Officer.

- Call out boxes to highlight key information
- Q & A to provide real world examples



Communication

In support of our core values and CalSTRS culture, we encourage communication among our employees, stakeholders, members and business partners to stimulate conversation and discussion. We are also committed to making sure that communications regarding CalSTRS and its business are accurate, reflect our organization's values and views, and are made by employees who are authorized to speak on behalf of CalSTRS. In addition, we recognize our obligation to comply with regulatory requirements regarding various types of communication and to protect the confidentiality of our business and customer information.



As representatives of CalSTRS, we will only communicate on social media, online forums, blogs, newsletters, broadcasts, online or printed publications when authorized. CalSTRS has designated spokespersons from the General Counsel and Public Affairs Branch that have the knowledge and responsibility to communicate on behalf of CalSTRS.

I will	I will not
<ul style="list-style-type: none">Refer any media inquiries to Newsroom@CalSTRS.com.Always receive approval at the division level, consult with Media Relations and the communications director.Obtain written authorization from Media Relations and division leadership.	<ul style="list-style-type: none">Contact, respond to, or speak publicly to the media without approval from Media Relations, the communications director and my division leader.Communicate through social media or any online forums on behalf of CalSTRS.Create account names or social media handles that appear to represent a speaker of CalSTRS (ex: @Name_CalSTRS).

➤ Learn more in the [CalSTRS Media Contact Policy](#) and the [CalSTRS Social Media Use Policy](#).

- DOs & DON'Ts



- Thoughts on current Code?
- What features from the samples do you find most helpful?
- Thoughts on organization based on our values?
- Would you appreciate the Code being available in multiple channels? Which would you find most convenient to access and use?
- Would you like to see additional topics covered?
- What topics are most relevant to Trustees?
- Other suggestions or comments?

EXHIBIT A



Los Angeles County Employees Retirement Association

CODE OF ETHICAL CONDUCT

For LACERA Boards and Staff

REVISED AND APPROVED:

Board of Retirement: November 3, 2021
Board of Investments: November 17, 2021

To LACERA Board Trustees and Staff:

LACERA prides itself on conducting its business in a lawful and ethical manner. Our work and interactions are guided by laws, rules, regulations, and policies.

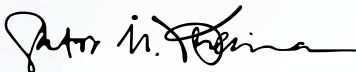
We are a mission driven organization rooted in its core values of *Professionalism, Respect, Open Communication, Fairness, Integrity, and Teamwork*. We know how important it is to draw on our shared values and behaviors to effectively produce, protect, and provide the promised benefits to our members and their beneficiaries.

As a public entity serving over 180,000 active members and retirees, it is imperative that we establish an organization-wide culture and accountability for ethics. No matter your role at LACERA, you each play a vital role in fostering the confidence of our members, plan sponsors, and other stakeholders in LACERA's institutional integrity and our standing as a well-managed public pension system. We must each demonstrate a commitment to building a strong ethical culture by exhibiting *honesty, integrity, trust, fairness, and duty* in connection with LACERA's business as a public pension fund.

LACERA's commitment to ethical standards is reflected in the attached Code of Ethical Conduct (Code). The Code demonstrates the way we will conduct our business each day. It outlines the standards of ethical conduct required of LACERA Board trustees and staff. Please read the Code carefully and ask questions if something isn't clear.

By holding ourselves and each other accountable to our ethical standards, we deliver on our promise to build a strong ethical culture at LACERA.

Very truly yours,

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

Santos H. Kreimann
Chief Executive Officer

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I. PURPOSE AND SCOPE

The Los Angeles County Employees Retirement Association (LACERA) is a public pension plan organized under the County Employees Retirement Law of 1937 (CERL) (Cal. Gov't Code §§ 31450 et seq.) and the California Public Employees' Pension Reform Act of 2013 (PEPRA) (Cal. Gov't Code §§ 7522 et seq.). The management and administration of LACERA are vested in the Board of Retirement. All investments of LACERA are the responsibility of the Board of Investments.

The Trustees of the LACERA Boards are mindful of the positions of trust and confidence they hold. The Boards adopt this Code of Ethical Conduct to define standards of ethical conduct required of LACERA Board Trustees and staff. The purpose of the Code is to ensure the proper administration of LACERA and to foster public confidence in LACERA's institutional integrity as a well-managed public pension system.

"Ethics" and "ethical conduct" are defined for purposes of this Code as conduct that complies with principles of honesty, integrity, trust, fairness, and duty in connection with LACERA's business as a public pension fund. This Code looks to three sources for determination of ethical standards:

- First, laws and regulations applicable to LACERA and its business, Board Trustees, and staff, including the California Constitution, CERL, the Political Reform Act and the regulations adopted thereunder, the Ralph M. Brown Act, and other statutes, regulations, and case law.
- Second, best practices of ethical conduct. Best practices are drawn from ethical codes and practices of other public pension systems in California and elsewhere, professional associations, and similar sources.
- Third, LACERA's **Mission, Values, and Vision**, historical LACERA practices, and judgment as to the moral principles and behavior that LACERA as an organization strives to follow.

This Code provides ethical standards for LACERA Board Trustees and staff. The Code provides specific guidance for common situations raising ethical issues. However, the Code does not specifically address every issue that Board Trustees and staff will encounter. As to those other situations, the Code should be used and followed as a reference for standards of conduct and the basis for evaluation of facts and circumstances. The Code requires that additional information be requested when a user is unsure as to how the Code should be interpreted or when a user encounters an ethical issue not covered in the Code.

This Code is important:

- To ensure legal compliance with ethics laws and regulations.
- To further best ethical business practices.
- To establish an organization-wide culture and accountability for ethics.
- To foster trust, credibility, and positive relationships between LACERA and all parties necessary for the effective performance of LACERA's Mission to produce, protect and provide the promised benefits. These parties include others inside the organization, members, the plan sponsor and other participating employers, vendors, the public, and all others with whom LACERA may deal.
- To further LACERA's Values and Vision, which incorporate ethics, honesty, integrity, fairness, and trust.
- To establish common ethical standards followed by everyone at LACERA, instead of leaving ethics to unguided and possibly inconsistent personal judgment and interpretation.
- To mitigate the legal and business risks associated with ethical issues.
- To further the organization's business goals and objectives.
- To confirm the process for reporting or raising ethical concerns or questions.
- To identify resources for additional information concerning ethics and the applicable laws and regulations.

The Code shall not be construed as the sole source of ethics laws and regulations which must be observed by LACERA Board Trustees and staff. Nothing in this Code shall exempt any person from any other applicable federal, state, or local law or regulation. The standards of ethical conduct in this Code are in addition to any such other laws and regulations.

II. GENERAL ETHICAL STANDARDS

This Code addresses specific ethical requirements in subsequent sections. The application of those specific requirements is summarized in this Section II as General Ethical Standards.

The following General Ethical Standards apply to LACERA Board Trustees and staff:

- Recognize and be accountable for all fiduciary responsibilities.
- Comply with all applicable laws and regulations, including those listed in Section I and elsewhere in this Code or which may be determined to be applicable in individual circumstances.

- Further the interests of transparency in the conduct of the public's business as described in the Ralph M. Brown Act and Public Records Act.
- Conduct all LACERA business in a fair manner and be honest in all business dealings.
- Strive to provide the highest quality of performance and counsel.
- Avoid any activity which, based on available information and reasonable due diligence and inquiry under the circumstances, constitutes an actual conflict of interest or which could be perceived or interpreted as a conflict of interest by others.
- Avoid exerting improper influence or being improperly influenced, and the appearance of improper influence or being improperly influenced.
- Exercise prudence and integrity in the management of funds.
- Report to an appropriate person actions of themselves or other persons or entities of which they become aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances which may constitute violations of this Code of Ethical Conduct.
- Be responsible for maintaining professional competence.
- Be respectful, professional, and courteous to all LACERA Board Trustees and staff, LACERA members, and all persons and entities with which LACERA does business or may otherwise interact.
- Maintain the confidentiality of all plan member information and all other confidential or privileged information so designated, including but not limited to information provided for or related to closed sessions of the Boards, which is received from or created or maintained by LACERA.
- To the extent not otherwise covered by the preceding bullets, conduct LACERA business in a manner consistent with:
 - LACERA's **Mission** to produce, protect, and provide the promised benefits.
 - LACERA's **Values** of Professionalism, Respect, Open Communications, Fairness, Integrity, and Teamwork.
 - LACERA's **Vision** of Excellence, Commitment, Trust, and Service.
 - All other applicable LACERA policies and procedures.
- Report or seek additional information from an appropriate person, when necessary, concerning ethical questions and issues.

III. PROHIBITED TRANSACTIONS

The specific ethical requirements in subsequent sections of the Code define and describe certain prohibited conduct. Those prohibitions are summarized in this Section III as Prohibited Transactions.

LACERA Board Trustees and staff shall not engage in the following Prohibited Transactions:

- Utilizing or permitting others to use any property, resources, information, or opportunity of LACERA for personal gain.
- Engaging in any activity or failing to disclose any activity which, based on available information and reasonable due diligence and inquiry under the circumstances, constitutes an actual conflict of interest or which could be perceived or interpreted by others as a conflict of interest in the impartial and objective execution of duty to LACERA and its members.
- Falsifying or failing to record proper entries on any books or records of LACERA.
- Engaging in serial meetings or other conduct in violation of the Ralph M. Brown Act.
- Knowingly becoming a party to, or condoning, any illegal activity, including failing to report misconduct under this Code of themselves or other persons or entities.
- Authorizing payment of any amount on behalf of LACERA, or for any purpose, other than that explicitly disclosed in the original request for payment.
- Directly or indirectly seeking or accepting gifts, money, property, or other benefit that would influence or appear to influence the conduct of duties.
- Selling or providing goods or services to LACERA without disclosure.
- Utilizing the services of relatives or close personal associates for LACERA business without disclosing such relationship prior to execution and obtaining the appropriate approval.
- Engaging in activities involving dishonesty, fraud, deceit or misrepresentation.
- Engaging in outside employment with any providers of supplies or services to LACERA.
- Engaging in outside employment that would interfere with or hamper expected performance at LACERA.
- Engaging in other activities which compromise or appear to compromise one's objectivity in the conduct of one's duties.

- Releasing to any third person plan member information or other confidential or privileged information so designated, including but not limited to member information and information provided for or related to closed sessions of the Boards protected by the Ralph M. Brown Act, which is received from or created or maintained by LACERA.
- Engaging in any other conduct prohibited by this Code of Ethical Conduct, Board or LACERA policy, or applicable laws and regulations.

IV. FIDUCIARY DUTIES

Trustees of LACERA’s Board of Retirement and Board of Investments have fiduciary duties under the California Constitution and other law. LACERA as an organization also has fiduciary duties, which are implemented through LACERA’s employees. Finally, certain of LACERA’s vendors have a fiduciary duty to LACERA. This Section IV addresses all three categories of fiduciary duty. Board Trustees and staff shall report actions of which they become aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances that may constitute a breach of fiduciary duty by any person or entity known to have such a duty.

A. FIDUCIARY DUTIES OF BOARD TRUSTEES

The California Constitution, Article XVI, Section 17, defines the fiduciary duties of the LACERA Boards, and the Board Trustees:

- The Boards “shall have plenary authority and fiduciary responsibility for investment of moneys and administration of the system.”
- The Boards “shall have the sole and exclusive fiduciary responsibility over the assets of the system. The retirement board also has sole and exclusive responsibility to administer the system in a manner that will assure prompt delivery of benefits and related services to the participants and their beneficiaries. The assets of a public pension or retirement system are trust funds and shall be held for the exclusive purposes of providing benefits to participants in the pension or retirement system and their beneficiaries and defraying reasonable expenses of administering the system.”
- The Trustees of the LACERA Boards “shall discharge their duties solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system. A retirement board’s duty to its participants and their beneficiaries shall take precedence over any other duty.”

- The Trustees of the LACERA Boards “shall discharge their duties with the care, skill, prudence, and diligence under the prevailing circumstances that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise with a like character and like aims.”
- As to the Board of Investments, the Trustees “shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly not prudent to do so.”

These duties are also included in Section 31595 of CERL.

California case law provides that the Boards and the Board Trustees have a trust relationship with LACERA’s members and beneficiaries. This trust relationship means that the Boards and the Board Trustees have a fiduciary duty of prudence and loyalty to members and beneficiaries, which must be exercised in good faith. Further, the Boards and the Board Trustees have a duty to deal fairly with the members and beneficiaries, without the slightest misrepresentation, concealment, threat, or adverse pressure. *Hittle v. Santa Barbara County Employees Retirement Assn.* (1985) 39 Cal.3d 374.

To perform their fiduciary duties, each Trustee of the LACERA Boards shall diligently attend to the business of the Board on which he or she serves and shall not leave to the other Trustees control over the administration of the affairs of such Board.

B. FIDUCIARY DUTIES OF LACERA, AND STAFF’S ROLE

LACERA as an organization has the same fiduciary duties. LACERA staff supports the organization, the LACERA Boards, and Board Trustees in the fulfillment of their fiduciary duties as described in Section IV(A) of this Code. Accordingly, LACERA staff shall be familiar with the fiduciary duties described in Section IV(A) and conduct themselves at all times in a manner consistent with those duties. LACERA staff shall take no action inconsistent with those duties. LACERA staff shall avoid any conduct which is, or may be perceived to be, detrimental to LACERA and its members and beneficiaries. In dealing with members, LACERA staff shall be honest and forthright. Staff shall ensure that the information provided to members in connection with their rights, questions, choices and decisions, concerns, and issues is complete and accurate.

C. FIDUCIARY DUTIES OF CERTAIN VENDORS

Certain LACERA vendors have a fiduciary duty to the organization under applicable law or under the terms of a contract with LACERA. LACERA shall monitor those vendors that owe a fiduciary duty to ensure that the vendors comply with that duty. Staff shall ensure that the contract of any vendor with a fiduciary duty includes a provision confirming that duty.

V. CONFLICTS OF INTEREST

LACERA Board Trustees and staff shall avoid conflicts of interest, including the appearance of conflicts of interest, in all aspects of their work for LACERA and shall comply with applicable laws and regulations relating to conflicts.

A. FORM 700 STATEMENT OF ECONOMIC INTERESTS

Public officials, including LACERA Board Trustees and certain staff, who make or influence governmental decisions are required to submit Form 700 Statements of Economic Interests. Form 700s are an important tool in the identification of actual or potential conflicts of interest by LACERA Board Trustees and staff. Form 700s are public documents. LACERA Board Trustees and designated staff, as generally described below, shall file Form 700s when and as required by applicable law and regulations, which are generally summarized here. Additional information can be obtained from LACERA's Legal Office and from Fair Political Practices Commission publications.

Pursuant to California's Political Reform Act, LACERA's Boards have adopted, and the County of Los Angeles Board of Supervisors has approved as code reviewing authority, a Conflict of Interest Code that requires the filing of a Form 700 by positions "which involve the making or participation in the making of decisions which may foreseeably have a material effect on any financial interest," except positions which manage public investments. Cal. Gov't Code § 87302(a). Persons, including Trustees of the Board of Retirement and identified staff, who file under an agency-adopted Conflict of Interest Code are referred to as "Code Filers." LACERA's Conflict of Interest Code sets forth the positions of all Code Filers and describes the specific economic interest Disclosure Categories that apply to each position.

There is also a separate Conflict of Interest Code for staff who serve as officers or hold other positions in LACERA's wholly-owned title holding entities.

The LACERA and title holding entity Conflict of Interest Codes are subject to biennial review.

Separate provisions of the Political Reform Act require positions managing public investments to file a Form 700. Cal. Gov't Code § 87200. Persons who file under Section 87200, including Trustees of the Board of Investments, the Los Angeles County Treasurer and Tax Collector as an ex officio member of both Boards, and identified staff, are referred to as "87200 Filers." 87200 Filers are required to disclose investments, interests in real property, income (including gifts, loans, and travel payments), and business positions as described in Form 700 and the Political Reform Act. While 87200 Filers are not subject to LACERA's Conflict of Interest Codes, they are listed as a matter of information in the Appendix to LACERA's Code.

Form 700s shall be filed, both by Code Filers and 87200 Filers, upon assuming an applicable position, annually thereafter, and on leaving an applicable position. Certain Board Trustees and staff are Code Filers and 87200 Filers in different capacities and may complete a combined Form 700. Form 700s shall be filled out by all required filers in a timely, accurate, and thorough and complete manner.

B. GIFTS, HONORARIA, TRAVEL & LOANS

The Political Reform Act, and Regulations promulgated thereunder by the Fair Political Practices Commission (FPPC), impose limitations on gifts, honoraria, travel, and loans. The legal rules associated with gifts, honoraria, travel, and loans are lengthy and detailed. Additional information can be obtained from LACERA's Legal Office and from FPPC publications. A summary of the general standards with respect to these matters is as follows:

Gifts. LACERA Board of Retirement Trustees and staff who are Code Filers are prohibited from receiving gifts totaling more than the legally established gift limit from any single source in a calendar year if receipts of gifts from that source are required to be disclosed on Form 700 by LACERA's Conflict of Interest Code. LACERA Board of Investments Trustees and staff who are 87200 Filers may not accept gifts totaling more than the legally established limit from any single source in a calendar year. Even if a gift is not subject to Form 700 reporting or the gift limit, a gift may still create a conflict of interest; therefore, LACERA requires Board Trustees and all staff shall make disclosure to the Legal Office of all gifts from a single source with a combined total equal to or greater than \$50 in a calendar year from any individual or entity. Gifts to family members are included in the gift rules under certain circumstances. There are also exceptions to the gift rules for certain gifts; questions should be addressed to LACERA's Legal Office or the FPPC. The gift limit is adjusted biennially. The gift limit for 2021-2022 is \$520; the limit for any date after December 31, 2022 should be confirmed with the LACERA Legal Office or the FPPC. Gifts from a

single source with a combined total less than \$50 in a calendar year currently are not reportable under FPPC law and regulations; gifts equal to or in excess of this limit are subject to reporting on Form 700, subject to the requirements and limitations described above. A more detailed SUMMARY OF GIFT LIMITATIONS AND RESTRICTIONS is attached as Appendix A.

Honoraria. LACERA Board of Retirement Trustees and staff who are Code Filers are prohibited from receiving honoraria from any source in consideration for any speech, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering, if receipt of gifts from that source is required to be disclosed on Form 700 by LACERA's Conflict of Interest Code. LACERA Board of Investments Trustees and staff who are 87200 Filers may not accept any honoraria payments. There are certain exceptions to the honoraria rules; questions should be addressed to LACERA's Legal Office or the FPPC. Even if an honorarium is not subject to disclosure, Board Trustees and staff shall make disclosure to the Legal Office of such a payment from any individual or entity as to which LACERA will take any action. Honoraria include money, advances, reimbursements, and gifts of any other type that have more than nominal value.

Travel. Payments or reimbursement for travel are subject to the reporting requirements for gifts and income. If a travel payment is a gift, it is subject to the gift limit. A travel payment can also be considered an honorarium. Recusal may be required from any decision that will have a materially foreseeable financial effect on the source of a travel payment. There are exceptions to the travel rules; additional information can be obtained from LACERA's Legal Office or the FPPC.

Loans. 87200 Filers and elected Trustees of the Boards may not receive a personal loan that exceeds \$250 at any given time from an officer, employee, member, or consultant of LACERA or from any individual or entity that has a contract with LACERA. Ordinary retail loans and credit card transactions are excepted if they are offered on the same terms as generally available to the public. Elected Trustees of the Boards may not receive a loan of \$500 or more unless the loan is made in writing and clearly states the terms. There are other limitations and exceptions. A loan can constitute a gift under certain circumstances. Additional information is available from LACERA's Legal Office or the FPPC.

Board Trustees and staff are prohibited from soliciting any gift or any other consideration (including but not limited to money, service, gratuity, favor, entertainment, hospitality, loan, or other thing of value) from anyone who is doing or is seeking to do business of any kind with LACERA.

Board Trustees and staff are prohibited from accepting any gift from anyone who is doing or is seeking to do business of any kind with LACERA, when the gift

is offered with a view toward securing favorable treatment in the awarding of any contract or agreement, or the making of any determination.

All rules relating to gifts, honoraria, travel, and loans are subject to change by the FPPC and other authority. Confirmation of the current rules can be obtained from LACERA's Legal Office or the FPPC.

C. INCOMPATIBLE ACTIVITIES/INCOMPATIBLE OFFICES

LACERA Board Trustees and staff shall not engage in any employment, activity, or enterprise which is inconsistent, incompatible, in conflict with, or inimical to his or her duties for or on behalf of LACERA, or with the duties, functions, or responsibilities of the position he or she occupies for LACERA. LACERA Board Trustees and staff shall not perform any work, service, or counsel outside his or her responsibilities for LACERA where any part of his or her efforts will be subject to approval by the Boards or any employee of LACERA acting in that capacity. Cal. Gov't Code § 1126.

Board Trustees may not simultaneously hold two public offices where the functions of the offices are inconsistent or where there are conflicting interests. Cal. Gov't Code § 1199. The Los Angeles County Treasurer and Tax Collector holds that position as well as, under CERL, positions as a member of both the Board of Retirement and Board of Investments; these are not incompatible offices.

D. CONTRACTS

LACERA Board Trustees and staff shall not be financially interested, directly or indirectly, in any contract made between LACERA and any individual or entity. The making of a contract includes any participation whatsoever, including the development of the need for the goods or services subject to the contract, issuance of a Request for Proposals (RFP), Request for Information (RFI), purchase order, or other solicitation or contracting process, evaluation of prospective contracting parties, selection of contracting parties, negotiation of the terms of the contract, and performance of the contract. Cal. Gov't Code § 1090 et seq.

E. INVESTMENTS

LACERA Board Trustees and staff shall not have any personal interest, direct or indirect, in the making of any investment by LACERA, or in the gains or profits from any investment. Board Trustees and staff shall not, directly or indirectly, for themselves, or as an agent or partner of others, sell or provide any investment product to LACERA. Cal Gov't Code § 31528 (a), (b).

F. DISCLOSURE AND RECUSAL

LACERA Board Trustees and staff shall disclose actual or potential conflict of interest, based on available information and reasonable due diligence and inquiry under the circumstances, or the appearance of an actual or potential conflict of interest, to the Chief Executive Officer and the Legal Office. Board Trustees and staff shall recuse themselves from involvement, consideration, and decision of a matter as to which the member has an actual conflict of interest. Recusal, or disqualification, is mandatory in certain circumstances, and discretionary in others. Board Trustees and staff should consider recusing themselves from consideration and decision of a matter as to which the member has a potential conflict of interest, or the appearance of an actual or potential conflict of interest. Board Trustees and staff shall consult with the Legal Office on any issue of recusal to discuss legal requirements that may apply to the particular circumstances, including whether recusal is required, whether recusal is an effective remedy for a conflict or potential conflict or whether other steps (up to and including disqualification of an individual or the Board) are necessary, and the way in which recusal, if possible, should be documented.

G. CONFLICTS OF INTEREST BY VENDORS

LACERA's contracts shall include appropriate provisions to ensure that there are no conflicts of interest during the contracting process and to prevent conflicts of interest during the term of a contract. Board Trustees and staff should be alert to, and take other appropriate steps to prevent, actual or potential conflicts of interest of which they are aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances by vendors in connection with the making or performance of contracts.

VI. EMPLOYMENT OF RELATED AND UNRELATED PERSONS

To avoid nepotism or the appearance of nepotism, including the potential conflicts of interest and appearance of unfairness that may result, LACERA may not employ a person who is related to:

- A Board Trustee.
- The Chief Executive Officer.
- Persons serving as Deputy Chief Executive Officer, an Assistant Executive Officer, and any other employee reporting directly to the Chief Executive Officer.
- A division manager.

This prohibition does not prevent the continued employment of a person who has already been working for LACERA in a full time and non-probationary capacity for thirty consecutive days prior to the date the Board Trustee or other individual described above acquired their position, or the related party became related. If a related party is retained under these circumstances, any actual or potential conflict of interest must still be corrected or sufficiently mitigated.

Related parties of other LACERA staff may be considered for employment by LACERA provided the applicant possesses all the qualifications for employment and that no preferential or unfair treatment is given based on any relationship. Such a related party may not be hired for or assigned to a position which would either:

1. Create either a direct or indirect supervisor/subordinate relationship with a related party; or
2. Create either an actual conflict of interest or the appearance of a conflict of interest.

These criteria will also be considered when assigning, transferring, or promoting a staff member.

For purposes of this policy, “related parties” include:

- Spouse, parent or grandparent, child or grandchild, or sibling.
- First degree aunt, uncle, niece, nephew or cousin.
- Any “step” or “in-law” variant of the aforementioned relationships.
- Any member of the employee’s household, whether or not related.

A LACERA Board Trustee or staff may not exercise individual discretionary authority to hire, evaluate or promote a related party under any circumstances, even when otherwise permitted under the standards above.

Board Trustees and staff may participate in the hiring process for any person, whether related or unrelated, only in accordance with established LACERA policies and procedures and shall not use or attempt to use influence outside of their individual hiring authority to cause the organization to hire any individual as a permanent or temporary LACERA employee. Board Trustees and staff may refer individuals interested in potential employment to LACERA’s Human Resources.

VII. CONTRACTING AND VENDOR RELATIONSHIPS

LACERA Board Trustees and staff shall not have contact with individuals or entities who are or should be reasonably known, based on available information and reasonable due diligence and inquiry under the circumstances, to be seeking engagement by LACERA in response to an RFP, RFI, purchase order, or other solicitation or contracting process, except in accordance with the published terms of the contracting process or except for, and limited to, contact necessary in connection with ongoing LACERA business with an individual or entity.

LACERA's RFPs, RFIs, and other contract solicitations shall include notice that a "quiet period" will be in place from the beginning of the contracting process until the selection of the successful party such that LACERA Board Trustees and staff, as well as potential contracting parties, are instructed that contact between Board Trustees and staff, on the one hand, and all potential contracting parties, on the other hand, shall not occur, except as provided in the preceding paragraph. As part of the contracting process, potential contracting parties shall be required to disclose potential conflicts of interest. LACERA staff shall provide quiet period lists to Board Trustees and staff in monthly Board of Retirement and Board of Investments meeting packets to assist in compliance.

LACERA Board Trustees and staff shall participate in the contracting process only in accordance with established LACERA policies and procedures, and the published terms of the process. Board Trustees and staff shall not use or attempt to use influence, outside of their individual authority to cause the organization to enter into a contract with any individual or entity. Board Trustees and staff may refer individuals or entities for consideration for contracting to the appropriate LACERA staff responsible for the particular procurement or contract process.

VIII. USE OF LACERA POSITION, RESOURCES, AND INFORMATION

LACERA Board Trustees and staff shall not use their position or status with LACERA, LACERA property, funds, or other resources, or LACERA information, including plan member information, investment information, and other information concerning LACERA's business, for any personal purpose or gain, to secure any special privilege or exemption for themselves or any other individual or entity, or to assist or further the interests of any other individual or entity except in the normal course of LACERA's business. LACERA position, resources and information are to be exclusively used for LACERA business.

Board Trustees and staff shall maintain the confidentiality of plan member information. Cal. Gov't Code § 31532.

Disclosures of public LACERA information pursuant to the Public Records Act shall be handled by the Legal Office to ensure compliance with legal requirements, consistency, and proper recordkeeping.

Board Trustees and staff shall not disclose information acquired during a closed session of the Board unless the Board takes action to authorize disclosure. Cal. Gov't Code § 54963.

Board Trustees and staff shall not, directly or indirectly, for themselves, or as an agent or partner of others, borrow or use any of the funds or deposits of LACERA, except to make authorized current and necessary payments of the retirement system. Cal. Gov't Code § 31528(a).

IX. PERSONAL CONDUCT AND COMMUNICATION

LACERA Board Trustees and staff shall adhere to the following standards in their personal conduct in performing their work on behalf of LACERA:

- Board Trustees and staff shall conduct themselves in accordance with this Code of Ethical Conduct.
- Board Trustees and staff shall abide all applicable laws and regulations.
- Board Trustees and staff shall act in a manner consistent with LACERA's Mission, Values, and Vision and shall follow all LACERA policies and procedures.
- Board Trustees and staff shall treat similarly situated individuals and entities in a similar way, absent good cause, in the conduct of LACERA's business and decision-making to ensure consistency and fairness.
- Board Trustees and staff shall communicate with, orally and in writing, and otherwise in all respects and at all times treat each other and all others in a respectful, professional, courteous, and civil manner.

A Board Trustee shall not correspond with a non-LACERA person or entity using LACERA letterhead unless the communication is authorized by the Board on which the member serves. Copies of all written communications from a Board Trustee to a current service provider, or person or entity related to a current service provider, relating to LACERA's business (other than purely personal or social correspondence) shall be provided to the Chief Executive Officer for subsequent distribution to all Trustees of the Board on which the Trustee serves. A copy of any written communication (other than purely personal or social

correspondence, routine announcements, generally distributed newsletters, and the like) received by a Board Trustee from a current LACERA service provider, or person or entity related to a current service provider, shall be forwarded to the Chief Executive Officer for subsequent distribution to all Trustees of the Board on which the Trustee serves. For purposes of this paragraph, the terms “communication” and “written communication” include email and other forms of electronic communication as well as physical or hard copy forms of communication.

Board Trustees and staff shall be aware of the risk of communicating inaccurate information to plan members. Board Trustees and staff shall refrain from providing specific advice or counsel with respect to a plan member’s rights, benefits, or obligations, except staff who are authorized to communicate with members on such matters. All others should refer plan member questions and concerns to the Chief Executive Officer or appropriate designee.

X. POLITICAL ACTIVITIES

LACERA Board Trustees and staff may work on individual candidate and ballot campaigns, and attend campaign events, during their personal time. They may make campaign contributions using personal funds, subject to applicable campaign finance laws. No LACERA funds, property, technology, letterhead, logo, or other resources may be used by LACERA Board Trustees and staff to support personal political activities. LACERA Board Trustees and staff may not solicit political contributions to a candidate or ballot campaign from other Board Trustees and staff except (1) as part of a solicitation that is made to a significant segment of the public or (2) with respect to a ballot measure which would affect the rate of pay, hours of work, retirement, civil service, or other working conditions of LACERA employees; solicitations permitted by these two exceptions may only be made on personal time. LACERA Board Trustees and staff may not use their influence or make any threats or promises relating to potential or current employment, promotion, or compensation to secure a vote or financial or other support for a candidate or ballot campaign. Cal. Gov’t Code §§ 3201 et seq. LACERA Board Trustees and staff may use their LACERA position to identify themselves when making an endorsement, provided that no statement may be made or action taken directly or indirectly indicating that the person represents LACERA in making the endorsement or that the endorsement is supported by or represents the position of LACERA, except when providing information authorized by the Boards. Nothing in this section is intended to impose any limitation on the personal political activities of LACERA Board Trustees and staff not permitted by California law.

XI. LEAVING LACERA

A. PROSPECTIVE EMPLOYMENT

LACERA Board Trustees and all staff shall not make, participate in making, or influence a decision by LACERA that directly relates to a nongovernmental prospective employer while negotiating or after reaching an employment agreement. The foregoing prohibition is triggered by an interview with a nongovernmental prospective employer or a nongovernmental prospective employer's agent, discussing an offer of employment with a nongovernmental prospective employer or a nongovernmental prospective employer's agent, or accepting an offer of employment. The foregoing prohibition does not apply if the Board Trustee or staff is legally required to make or participate in the making of the decision or if the decision affects the nongovernmental prospective employer in substantially the same way as it will affect a significant segment of the public generally. Cal. Gov't Code § 87407.

B. LIMITATIONS ON SUBSEQUENT ACTIVITIES

LACERA Board Trustees, the Chief Executive Officer, Deputy Chief Executive Officer, Assistant Executive Officers, persons next in line to Assistant Executive Officers, Chief Counsel, chief deputy legal officers, the Chief Investment Officer, and persons next in line to the Chief Investment Officer shall not, for two years after leaving that position, for compensation, act as agent or attorney for, or otherwise represent, any person except the County of Los Angeles, by making any formal or informal appearance before, or any oral or written communication to, LACERA, or any Board Trustee or employee of LACERA, for the purpose of influencing action by LACERA, including any action involving the awarding or issuance of a contract or sale or purchase of goods or property. Cal. Gov't Code § 31528(c).

In addition, under Government Code Section 87406.3, elected Trustees and the CEO shall not, for a period of one year after leaving that office or employment, act as agent or attorney for, or otherwise represent, for compensation, any other person, by making any formal or informal appearance before, or by making any oral or written communication to, LACERA, the Boards, or any committee of the Boards, or any LACERA officer or employee if the appearance or communication is made for the purpose of influencing action by LACERA involving the issuance, amendment, awarding, or revocation of a contract or the sale or purchase of goods or property.

XII. REPORTING

Reporting of ethical issues with respect to their own conduct or the conduct of others of which they become aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances is an important element of ensuring compliance with ethical requirements. Any such concerns by Board Trustees and staff about possible violations of this Code of Ethical Conduct or other ethical issues by themselves or others shall be reported to the Chief Executive Officer, the Chief Audit Executive, or Chief Counsel. Board Trustees may also report concerns to their Board Chair. Staff may also report ethical issues to their immediate supervisor or division manager.

Concerns may be reported anonymously at the LACERA Ethics Hotline, which may be reached by telephone at (844) 794-9416 or online at lacera.ethicspoint.com.

XIII. ENFORCEMENT

LACERA's Chief Executive Officer is responsible for communicating, implementing and enforcing the Code of Ethical Conduct with respect to LACERA staff. The Board Chairs will enforce this Code with respect to Board Trustees and the Chief Executive Officer in accordance with Board administrative policies and applicable laws.

Violations of any of the provisions of the Code by staff may result in disciplinary action as the situation may warrant, up to and including termination of employment. Violations by Board Trustees will be handled in accordance with Board Regulations, Bylaws, and policies and applicable law.

With respect to the Los Angeles County Treasurer and Tax Collector, application of this Code shall take into account their responsibilities in that position and Los Angeles County policies applicable to the position, while recognizing that the Treasurer and Tax Collector has separate and independent fiduciary duties and legal obligations to LACERA and its members as described in this Code.

Questions on this matter should be referred to LACERA's Director of Human Resources, Internal Audit, or the Legal Office.

XIV. TRAINING

LACERA management will provide training to new staff on this Code of Ethical Conduct as part of the new employee orientation. Management will provide training to existing staff on this Code at least every two years.

Management will include discussion of this Code in the training for new and incoming Board Trustees. The Code will be circulated to all Board Trustees at least every two years.

XV. RESOURCES

Board Trustees and staff may refer to the following resources for additional information concerning this Code, questions concerning the application and interpretation of the Code to specific situations, and other issues concerning ethics and ethical conduct relevant to the performance of their duties and work for LACERA and its members and beneficiaries.

A. LACERA'S LEGAL OFFICE

The LACERA Legal Office is familiar with the laws and regulations that form the foundation for this Code. The Legal Office is experienced in applying those laws and regulations to specific situations. The Legal Office is available at any time to provide additional information concerning ethics questions and issues and provide written or oral advice or opinions with respect to specific situations. The Legal Office will respond to information about potential ethical issues, concerns, and violations in the LACERA organization and take appropriate action. Questions for the Legal Office should be directed to LACERA's Chief Counsel.

B. LACERA'S INTERNAL AUDIT DIVISION/ETHICS HOTLINE

LACERA's Internal Audit Division will respond to information concerning ethical issues, problems, and concerns regarding acts or omissions in connection with LACERA's operations and will take appropriate action. Questions for the Internal Audit Division should be directed to LACERA's Chief Audit Executive. The Internal Audit Division may also be contacted anonymously on the LACERA Ethics Hotline, which may be reached by telephone at (844) 794-9416 or online at lacera.ethicspoint.com.

C. LACERA'S CONFLICT OF INTEREST CODE

Board Trustees and staff should refer to LACERA's current Conflict of Interest Code, which is available on LACERA's website, www.lacera.com, with respect to LACERA's requirements for the filing of Form 700 Statements of Economic Interests.

D. CALIFORNIA CONSTITUTION

The California Constitution, Article XVI, Section 17, which sets forth the fiduciary duties of the Board and Board Trustees and the retirement system, is available online at https://leginfo.legislature.ca.gov/faces/codes_displaySection.xhtml?lawCode=CONS§ionNum=SEC.%2017.&article=XVI.

E. CERL

CERL, California Government Code §§ 31450 et seq., is available online at https://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=GOV&division=4.&title=3.&part=3.&chapter=3.&article=.

F. PEPPRA

PEPPRA, California Government Code §§ 7522 et seq., is available online at https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=7.&title=1.&part=&chapter=21.&article=4.

G. CALIFORNIA GOVERNMENT CODE SECTION 1090 ET SEQ.

Conflict of interest rules relating to financial interest in the making of contracts, incompatible activities, and incompatible offices are contained in California Government Code Section 1090 et seq., which is available online at https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=4.&title=1.&part=&chapter=1.&article=4.

H. CALIFORNIA GOVERNMENT CODE SECTION 3201 ET SEQ.

Rules regarding political activities are contained in California Government Code Section 3201 et seq., which is available online at https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?lawCode=GOV&division=4.&title=1.&part=&chapter=9.5.&article=.

I. THE BROWN ACT

The Brown Act may be found online at: https://leginfo.legislature.ca.gov/faces/codes_displayText.xhtml?division=2.&chapter=9.&part=1.&lawCode=GOV&title=5.

J. OTHER CALIFORNIA STATUTES

Other California statutes relating to ethics issues are available online at <https://leginfo.legislature.ca.gov/faces/codes.xhtml>.

K. FAIR POLITICAL PRACTICES COMMISSION

The California Fair Political Practices Commission (FPPC) has a large number of resources available concerning ethics issues under the Political Reform Act, FPPC Regulations, and related law. FPPC resources include:

1. Website: www.fppc.ca.gov/.
2. FPPC Publications available on the website:
 - a. Form 700 Statement of Economic Interests, and Form 700 Statement of Economic Interests Reference Pamphlet.
 - b. Limitations and Restrictions on Gifts, Honoraria, Travel and Loans: A Fact Sheet for Local Officials.
 - c. Recognizing Conflicts of Interest: A Guide to the Conflict of Interest Rules of the Political Reform Act.
 - d. Leaving Local Government Employment.
 - e. Political Reform Act, including the full text of the law.
 - f. FPPC Regulations, including the full text of the regulations.
 - g. FPPC Letters and Opinions, including a searchable database of letter and opinions issued by the FPPC on ethical issues.
3. Campaign Rules/Finance. <http://www.fppc.ca.gov/learn/campaign-rules.html>.
4. Advice and Enforcement. The FPPC offers informal and formal advice on ethical issues and has procedures for making a complaint. Instructions for seeking advice or making a complaint are on the FPPC website.

L. CALIFORNIA ATTORNEY GENERAL CONFLICT OF INTEREST GUIDE

The California Attorney General has published a Conflict of Interest Guide which contains information on a wide range of conflict of interest issues. Although the Guide was last updated in 2010, it remains a useful reference. The Guide is available online at <https://oag.ca.gov/sites/all/files/agweb/pdfs/publications/coi.pdf>.

M. LOS ANGELES COUNTY REGISTRAR-RECORDER/ COUNTY CLERK

Information concerning Los Angeles County campaign rules and finance can be obtained at <https://lavote.net/home/voting-elections/candidate-measure-information/campaign-finance-prop-b-reporting/campaign-disclosure-information>.

N. LOS ANGELES COUNTY FRAUD HOTLINE

Ethical concerns may be reported to the Los Angeles County Fraud Hotline, <http://fraud.lacounty.gov/>. The County Fraud Hotline will not generally investigate LACERA issues, but it will forward concerns to LACERA for response.

XVI. REVIEW OF CODE

This Code shall be reviewed by the Board of Retirement and Board of Investments every three years. The Legal Office and Internal Audit shall monitor applicable laws, regulations, and best practices on an ongoing basis and shall request amendment of the Code when deemed necessary and appropriate. This Code may be amended by action of both Boards at any time.

APPENDIX A – SUMMARY OF GIFT LIMITATIONS AND RESTRICTIONS

WHAT IS A GIFT? A “gift” is any payment or other benefit that confers a personal benefit for which you do not provide payment or services of equal or greater value. Gifts are valued at fair market value as of the time the gift is received. Gifts include price discounts and rebates, unless generally available to the public. Gifts are income reportable on Form 700, Schedule D or E, subject to applicable rules and exceptions, including those below.

Examples of Gift Exceptions (no reporting/no dollar limit/no conflict of interest):

1. Items returned unused to the donor, or for which you reimburse the donor, within 30 days.
2. Items donated unused, within 30 days of receipt, to (a) a 501(c)(3) non-profit with which you do not hold a position, or (b) a government agency. You cannot claim a tax deduction.
3. Gifts from a family member (spouse or former spouse, child, parent, grandparent, grandchild, sibling, current or former parent-in-law, siblings-in-law, aunt, uncle, niece, nephew, or first cousin, or the spouse of any such person), unless the family member is acting for another person.
4. Informational material provided to assist you in performing your official duties, including books, periodicals, videos, admission or discounts to informational conferences, demonstrations, or tours. This exception does NOT apply to meals, lodging, or (generally) transportation.
5. Tickets that you do not use and do not give to another person.
6. Two tickets, used by you and one guest, to attend a fundraiser for a campaign committee or candidate or a 501(c)(3) non-profit, provided the tickets are received from the organizer.
7. Items provided to LACERA and used by you for official business.
8. Travel payments made to LACERA and used to pay for your official business travel.

Examples of Limited Gift Exceptions:

1. Gifts commonly received from a dating partner, long-time personal friend, existing personal or business relationship unrelated to LACERA, or as an act of human compassion (no reporting or dollar limit, but these exceptions do not apply if person has LACERA business).
2. Wedding gifts received (not subject to dollar limit but reportable on Form 700 if meet gift threshold, with ½ of value reportable by each spouse; disqualification applies if donor has LACERA business).
3. Gifts commonly exchanged on holidays, birthdays, or similar occasions to the extent the gifts exchanged are not disproportionate in value.
4. Reciprocal exchanges with another individual (e.g., rotating lunches) so long as payments are not substantially disproportionate, payments are roughly equal over any calendar year, and no single payment is greater than the gift limit.
5. Travel payments for actual transportation, meals, and lodging the day of, day before, and day after you give a speech for a legitimate LACERA business purpose or on a state/national policy issue. Such payments are reportable on Form 700 and subject to conflict of interest disqualification.

GIFT LIMITS

Gifts with a combined total of under \$50 from a single source for the calendar year need not be disclosed. Gifts greater than the gift limit below in any 12-month period may require disqualification.

Board of Retirement and Staff Identified in LACERA Conflict of Interest Code (“Code Filers”):

For 2021-2022, you may not accept gifts from a single source with a combined total of more than \$520 for the calendar year if the Code requires you to report gifts from that source on your Form 700.

Board of Investments and Staff Identified in Appendix to the Conflict of Interest Code (“87200 Filers”):

For 2021-2022, you may not accept gifts from ANY single source with a combined total of more than \$520 for the calendar year.

IMPORTANT NOTE: This document is only a summary of applicable law as of September 2021; additional rules apply. Any gift may create the appearance of a conflict of interest. Please contact the LACERA Legal Office with any questions. This summary will be updated as needed.

welcome@lacera.com

800-786-6464

lacera.com

CODE OF ETHICAL CONDUCT

L//CERA

300 N. Lake Ave., Pasadena, CA 91101

EXHIBIT B

Code of Ethical Conduct – 2025 Update – Draft Table of Contents

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 - DEI+A
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 - Enforcement
 - Review of Code

EXHIBIT C



CODE OF ETHICS AND BUSINESS CONDUCT

A Message from the CEO

I am very proud that CalSTRS has a long-standing tradition of ethical standards and a deep commitment to living its core values every day. Together, we have a solemn responsibility to continue this tradition. These values are an integral part of our daily work life, in fulfilling our responsibility to our members and to one another.

Our Code of Ethics and Business Conduct is a critical component to our organization and sets the foundation of our commitment to comply with the laws, regulations, policies and standards that apply to our business.

The code is a valuable resource as we deliver quality services for our members. As a financial services organization, maintaining the trust of our members, business partners and the public is essential to our credibility. CalSTRS fosters a culture of trust, as well as collaboration, to achieve our mission and strategic goals. The code supports our efforts in conducting ourselves with integrity, compliance and high ethical standards on a daily basis.

An important role for each of us at CalSTRS is to ensure that our core values drive the work we do and how we serve our members. I appreciate your commitment to our mission and values that guide us and continue to support our success.

Sincerely,



Cassandra Lichnock, Chief Executive Officer



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Code introduction

Overview and purpose

The CalSTRS Code of Ethics and Business Conduct addresses the standard of conduct and ethics for the way we provide services to our stakeholders. It is a commitment to our core values and compliance with laws, regulations, CalSTRS policies and standards. The code helps us exercise sound personal judgment.



Culture

Mission and values

Living our core values guides us in serving our members.

▶ Our mission

Securing the financial future and sustaining the trust of California's educators.

▶ Core values

The CalSTRS Core Values are a set of attitudes, beliefs and behaviors that define CalSTRS and its employees.



Customer Service

We never compromise on quality as we strive to meet or exceed the expectations of our customers.



Accountability

We operate with transparency and accept responsibility for our actions.



Leadership

We model best practices in our industry and innovate to achieve higher standards.



Strength

We ensure the strength of our system by embracing a diversity of ideas and people.



Trust

We conduct ourselves with integrity, acting ethically in every endeavor.



Respect

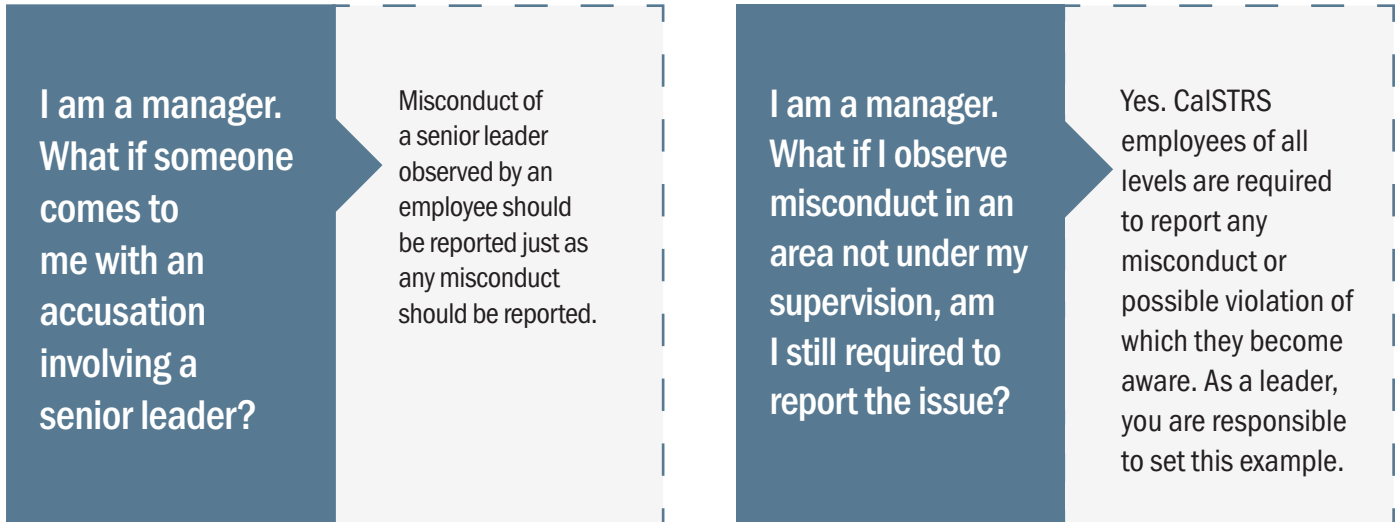
We respect the needs of our members, co-workers, and others, treating everyone with fairness, honesty, and courtesy.



Stewardship

We recognize our fiduciary responsibility as the foundation for all decision-making.

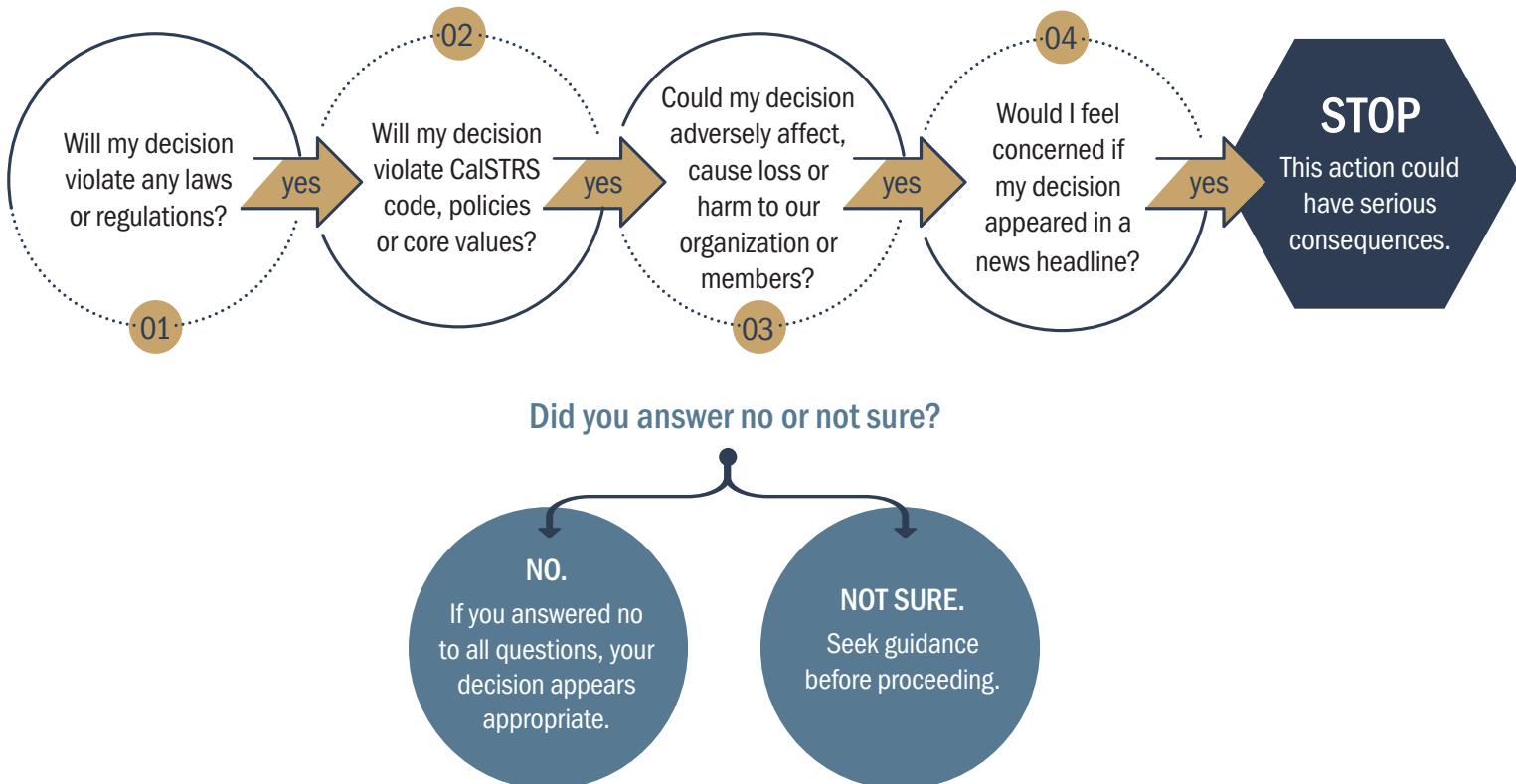
What if?



Enterprise Compliance Services

Enterprise Compliance Services supports the organization in maintaining a strong ethical and compliant culture. ECS provides oversight and a centralized approach to compliance functions at CalSTRS. If you have questions, ask them. Promptly report any concerns or possible violations to your supervisor or other resources provided to you in the code. Our actions should reflect our commitment to living our core values every day. If in doubt or unsure of the proper course of action, use the decision tree provided in the code to assist you in decision-making.

In any ethical dilemma, ask yourself:



Diversity and Inclusion

CalSTRS is dedicated to bringing together employees with a wide variety of backgrounds, skills, cultures and beliefs. In combining this wealth of talent and resources, we create diverse and dynamic teams that drive excellence. We work better together because of our differences, not despite of them. We believe our organization will best serve everyone and enrich our culture through the diverse skills, experiences and backgrounds that each of us brings to CalSTRS.

➤ Learn more about **Diversity and Inclusion** at CalSTRS.

Our core values of strength and respect mean that CalSTRS is a place where:

Diversity of ideas and people are not only respected but valued and supported.

Everyone is treated fairly.



Fair employment practices

CalSTRS provides objective, equitable and consistent employment practices across the organization. We are committed to hiring and promoting practices that are free of unlawful or inappropriate bias and conflicts.

CalSTRS commitment to diversity and equal opportunity employment:

1. We do not tolerate any discrimination based on protected characteristics in any of our employment practices.
2. Employment practices include all aspects of employment:
 - Recruitment, hiring, performance evaluations and promotions.
 - Reinstatement, layoffs, adverse action and termination.
 - Training, assignment, transfer, benefits and compensation.

Personnel actions are based strictly on individual ability, qualifications, performance, experience, achievements and demonstrated skill. We stand firm in avoiding actions influenced by personal relationships and discriminatory practices of any kind. We aim to structure a work environment that provides personal satisfaction and challenge. We are committed to these goals and our compliance with employment laws. Any form of discrimination, witnessed or experienced, must be reported immediately.

Reporting options

- Leadership
- EEO Officer
- CalSTRS Compliance and Ethics Hotline

I will	I will not
<ul style="list-style-type: none"> • Treat all colleagues, members and business partners fairly and equally. • Hire employees based solely on qualifications, ability to perform work required and business need. 	<ul style="list-style-type: none"> • Favor colleagues, members or business partners based on personal, social or financial relationship. • Provide or deny employment opportunity based on race, sex, age or any other protected characteristic.

- Learn more about fair employment practices in the **Discrimination, Harassment, and Retaliation Prevention policy**.



EXHIBIT D

A large, abstract graphic of a DNA double helix. The left side is a solid blue vertical bar. The right side is a white, glowing, wireframe-style double helix that curves across the page. The background is a light gray gradient.

BREAKTHROUGHS that change patients' lives

BLUE BOOK: Pfizer's Code of Conduct

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Pfizer’s Code of Conduct (the *Blue Book*) is a general reference for all colleagues everywhere we do business. The *Blue Book* is not a legal document and is intended for informational use only. It does not describe all applicable laws or Company policies or give full details on any individual law or policy. Pfizer reserves the right to modify, revise or alter any policy, procedure or condition related to employment at its sole discretion and at any time without notice and without revision of the *Blue Book*. The contents of the *Blue Book* do not constitute the terms of a contract of employment, and nothing contained herein should be construed as a guarantee of continued employment or employment for any particular period of time—employment at Pfizer is on an at-will basis (subject to applicable laws). The information herein can be changed or revoked unilaterally by the Company at any time and is not all-inclusive. This online version of the *Blue Book*, accessible through the Compliance website (integrity.pfizer.com), supersedes all prior versions of the *Blue Book*.





At Pfizer, patients are at the center of everything we do. In fact, they are at the heart of our purpose: *Breakthroughs that change patients' lives.*

Our ability to deliver breakthroughs depends upon each of us living by our four core Values—**Courage, Excellence, Equity, and Joy**. Together these Values define our culture and guide our day-to-day interactions with customers, business partners, and colleagues.

Pfizer's *Blue Book*—our Code of Conduct—is designed to support these Values, particularly Excellence, as **we perform at our best together**, and Equity, as we always **act with integrity**. The *Blue Book* describes how we operate and guides the decisions we make in support of our purpose, including how **we speak up** when we see something that concerns us—a behavior essential to our Value of Courage. Seeking advice, raising concerns, and reporting misconduct are critical to our ability to serve patients.

Each of us is responsible for understanding the *Blue Book* and adhering to our Code of Conduct every day. In doing so, we demonstrate our continued commitment to living our Values and earning the trust of the patients we serve.

Albert

We Live Our Values & Are All Responsible

ACT WITH INTEGRITY



We Live Our Values & Are All Responsible

At Pfizer, we do the right thing because patients' lives depend on us. We act with integrity in everything we do, and our Values guide us in making the right decisions ethically, thoughtfully, and responsibly so that our business can appropriately meet patient and societal needs. Ethical decisions promote trust and accountability for doing the right thing, both internally and externally.

To fully realize Pfizer's purpose—breakthroughs that change patients' lives—we have established clear expectations regarding what we need to achieve for patients and how we will achieve those goals. The "how" is represented by our four powerful Values—Courage, Excellence, Equity, and Joy—that define our Company and our culture.

Each of us is responsible for living our Code of Conduct and holding each other accountable for the same. The *Blue Book* applies to everyone, including all colleagues and officers of Pfizer and its subsidiaries. In certain circumstances, this Code also applies to contingent workers. Managers set the tone and model ethical behavior, cultivate an inclusive Open Door culture, and communicate the expectation that each of us must live our Values of Courage, Excellence, Equity, and Joy every day.

Remember, not following our Code may harm our Company, colleagues, patients, customers, communities, business partners, and investors. Violation of the Code or policies may result in disciplinary action up to and including termination of employment.

The Code does not answer how to act in every situation, but it does outline the Values and principles you need to guide you in your daily work. It also provides information on how to seek further guidance, ask questions, and raise concerns.



Courage. Breakthroughs start by challenging convention, especially in the face of uncertainty or adversity. This happens when we think big, speak up, and are decisive.



Excellence. We can only change patients' lives when we perform at our best together. This happens when we focus on what matters, agree who does what, and measure outcomes.



Equity. We believe that every person deserves to be seen, heard, and cared for. This happens when we are inclusive, act with integrity, and reduce healthcare disparities.



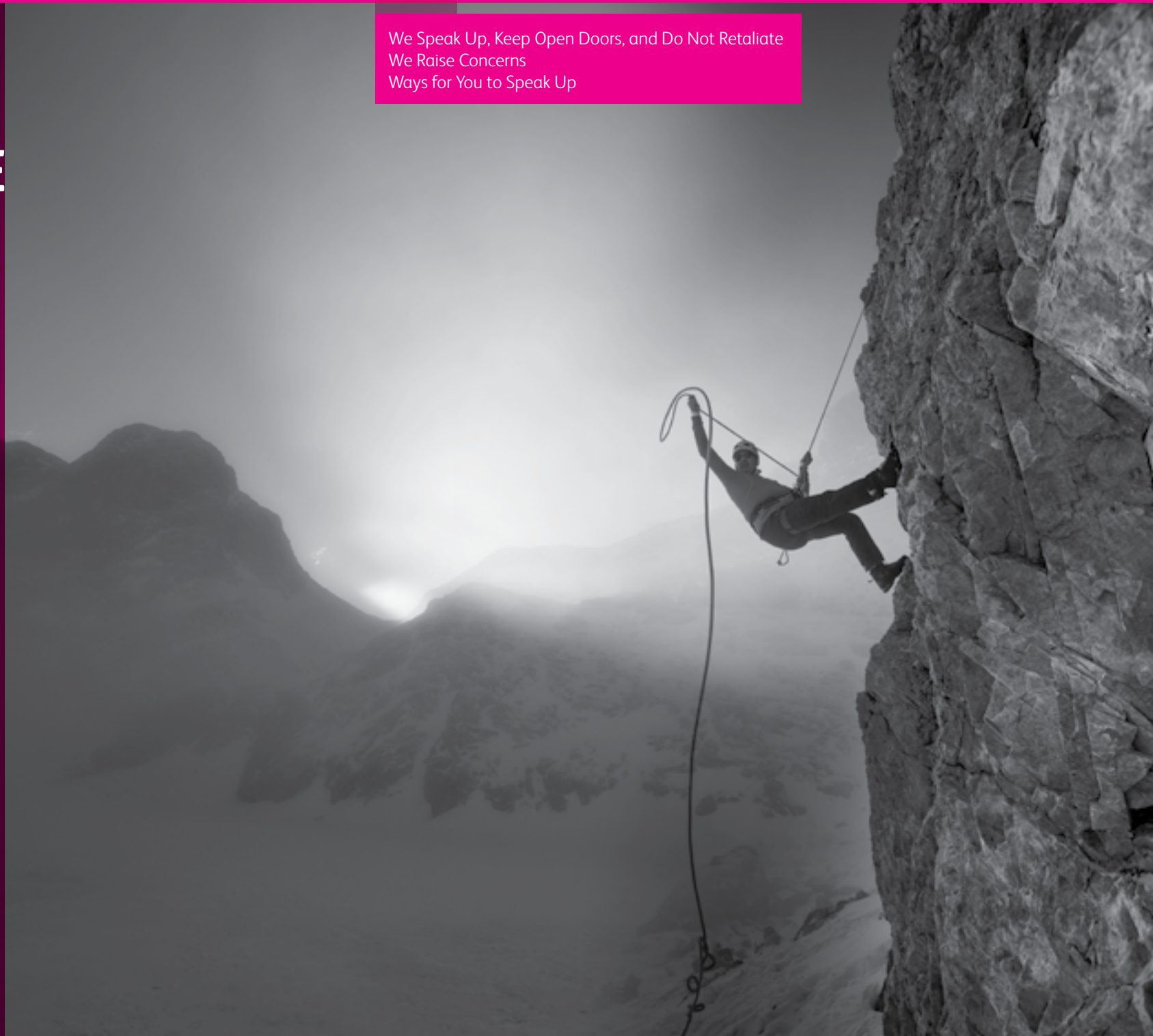
Joy. We give ourselves to our work, and it also gives to us. We find Joy when we take pride, recognize one another, and have fun.

Our Values guide us in our daily work. That is why they are incorporated into every section of this *Blue Book*.

We deliver
breakthroughs
the right way.

COURAGE

We Speak Up, Keep Open Doors, and Do Not Retaliate
We Raise Concerns
Ways for You to Speak Up



We Speak Up, Keep Open Doors, and Do Not Retaliate

Speaking up requires Courage. As Pfizer colleagues, we share the privilege and responsibility of ensuring we honor our Values and follow policies, including by speaking up when we have questions or concerns. Speaking up helps us learn about issues and manage risks before they become problems. The environment we need for breakthroughs depends on empowering each of us to speak our mind.

Speak up if you have an idea. Speak up if you have a question. Speak up if you have a concern. Our Open Door Policy provides many avenues for you to speak up without fear of retaliation, harassment, discrimination, or other inappropriate behavior.

We do not tolerate retaliation against those who raise concerns at Pfizer.

If you seek advice, raise a concern, report misconduct, or provide information in an investigation, you cannot be retaliated against for having done so. If you believe that you or another colleague has been retaliated against for any reason, report the conduct using any method described in this *Blue Book*.

*We have the
Courage to speak
up if something
doesn't seem
right.*

Our Commitment to COURAGE

- We encourage reporting by not tolerating retaliation in any form.
- We report all suspected retaliation.



Retaliation is adverse action that can take various forms, including unfavorable work assignments, unfavorable performance reviews, threats, harassment, demotion, suspension, reduced compensation, denial of benefits, or termination, among others.



Learn More

- [Corporate Policy 702 \(Open Door Policy\)](#)
- [Corporate Policy 201 \(Integrity, Compliance Reporting Obligations, and No Retaliation Policy\)](#)



We Raise Concerns

We value, respect, and review all reports. If you suspect potential misconduct, report it. Potential misconduct includes failing to follow laws, regulations or policies, or failing to live our Values. You can raise concerns to your manager, another manager, People Experience, the Legal Division, the Employee Relations Group, or the Compliance Division. You can also make anonymous reports to the Compliance Helpline (subject to local restrictions).

Your concerns will be analyzed and addressed by the appropriate Pfizer group according to our policies and procedures. For example, significant potential, suspected, or actual violations of law or policy—referable compliance issues (RCIs)—are investigated exclusively by the Compliance Division.

Our Commitment to COURAGE

- We raise concerns when safety, quality, or integrity are in question.
- Confidentiality is maintained to the fullest extent possible.



Personal Disclosure Requirements

If you have been excluded, debarred, or suspended, or become otherwise ineligible to participate in U.S. federal healthcare or procurement or non-procurement programs, you must disclose this immediately to the Compliance Division. You also must disclose if you are under investigation for certain criminal offenses and may become excluded, debarred, or suspended.



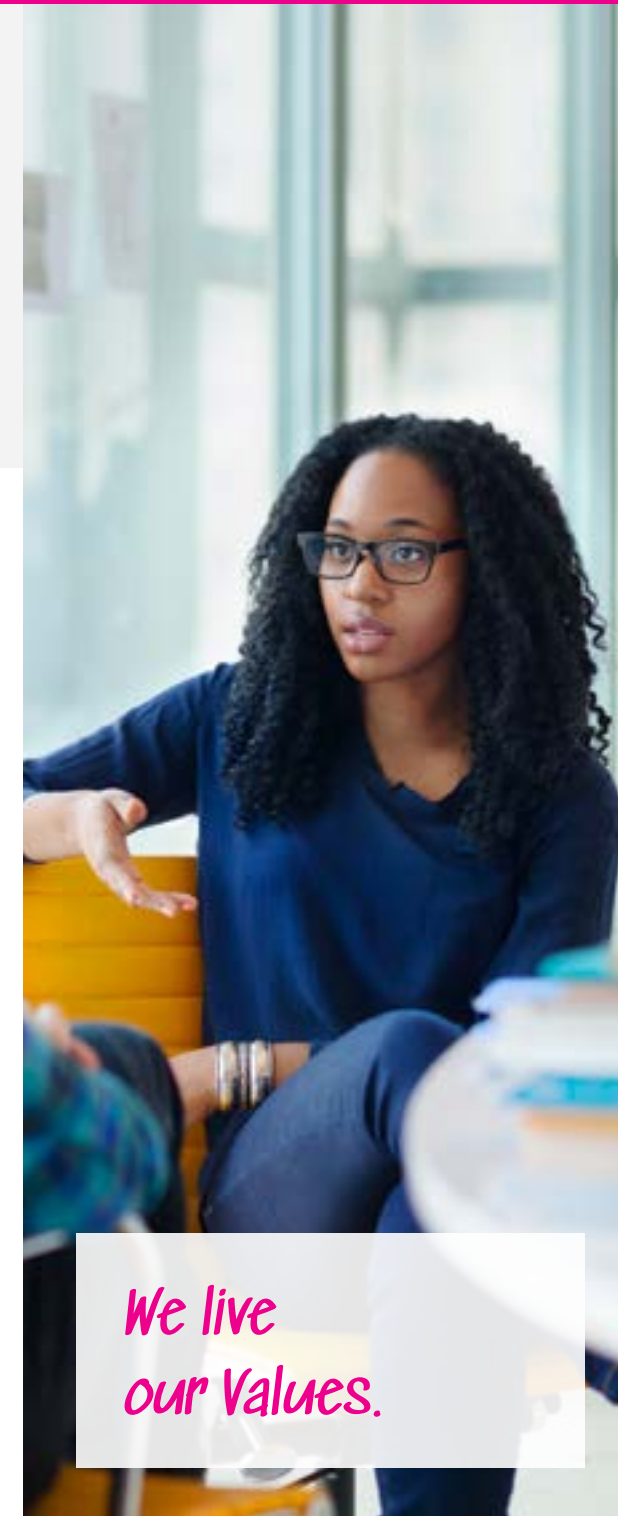
If I report a concern to the Compliance Division, can I expect a response?

Yes. The Compliance Division's goal is to respond promptly to all questions and reported concerns and take appropriate action to investigate.



Learn More

- [Corporate Policy 201 \(Integrity, Compliance Reporting Obligations, and No Retaliation Policy\)](#)



*We live
our Values.*

EXHIBIT E



Code of Business Ethics

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Our Purpose

Live Our Success Principles

Know Your Responsibilities

Know Your Responsibilities as a Manager

Make Ethical Decisions



Always with You, Building a More Confident Future

Living our purpose is how MetLife contributes to a more confident future as an investor, an employer, and a provider of financial solutions and expertise. It's at the heart of our virtuous circle of serving our colleagues, our communities, our customers, and our shareholders. The work of building our purpose-driven inclusive culture starts with trust. Trust permits us, as a team, to be curious, forthcoming, open, imaginative, confident, and inclusive.

Live Our Success Principles

Our Success Principles articulate the behaviors that help us bring MetLife's purpose to life and execute on our strategy. They outline the behaviors we all are expected to exhibit on a daily basis and are embedded into our performance development approach to encourage and incentivize individual and collective success. Together, these principles guide how we do business, interact with each other purposefully and deliver for our stakeholders.

Build Tomorrow

We change and innovate for sustained performance

- **Seize opportunity:** Drive responsible growth and identify areas for continuous improvement
- **Experiment with confidence:** Courageously learn and test new ideas without fear of failure
- **Act with urgency:** Demonstrate speed to action with agility and determination

Win Together

We collaborate and empower each other to succeed

- **Seek diverse perspectives:** Source ideas and feedback to expand thinking and make informed decisions
- **Champion inclusion:** Foster an environment where everyone is valued, heard and can speak up
- **Create alignment:** Partner with others across the organization with candor and transparency

Own It

We deliver for our customers

- **Take responsibility:** Be accountable and act in pursuit of the right outcomes
- **Enable solutions:** Anticipate and address obstacles while managing risk
- **Deliver what matters:** Execute meaningful priorities and follow through on commitments

Find Out More

[Success Principles](#)

[Our Purpose](#)



Know Your Responsibilities

We are proud to foster a culture where all of us take responsibility for our actions, adopt an ownership mindset, and feel comfortable speaking up. Our customers and shareholders expect us to conduct ourselves with honesty and integrity, and we, as a MetLife community, expect this from one another as well.

Our Code of Business Ethics (Code) helps us live our purpose with every customer, in every interaction, every day. It helps us navigate an always-changing external environment while meeting the highest professional standards. Our Code is the foundation for our Success Principles and represents our core beliefs for conducting business.

- **Read our Code to help you understand MetLife’s expectations and commit to follow it.**
- **Take personal responsibility for your actions and know that your behavior matters and impacts MetLife’s workplace culture and reputation.**
- **Collaborate and communicate among different groups in the Company.**
- **Prevent misconduct and speak up if you observe any violation, actual or suspected, of our Code or policies.**
- **Report concerns immediately.**
- **Cooperate in any investigation, when asked.**
- **Complete your mandatory training and annual Code Attestation timely to stay up to date on what’s expected of you.**



Speak Up



We expect all who work with MetLife – whether as an employee or as a non-employee worker, vendor, or other third party – to conduct themselves in a way consistent with our Code, purpose, Success Principles, policies and other standards as described here and in our Supplier Code of Business Ethics. Violations of our Code and policies, or any applicable laws and regulations, may result in disciplinary action, up to and including termination of employment for employees and termination of a work assignment or other business association with MetLife for non-employees and other third parties.

Find Out More

[MetLife Policy Directory](#)

[Code of Business Ethics Site](#)

[Supplier Code of Business Ethics](#)

Make Ethical Decisions

Each day we are responsible for making ethical decisions. No written document can possibly address every circumstance we may encounter. Hence, we have to exercise our judgment consistent with our purpose, Success Principles, and Code.

When faced with challenging decisions or uncertain situations, consider these questions to help guide your actions.

- **Is the action legal and compliant with regulatory requirements?**
- **Does it comply with our Code and our policies?**
- **Does it reflect our purpose and Success Principles?**
- **Is it in the best interest of our colleagues, customers, and shareholders?**
- **Can the action withstand public scrutiny?**
- **Would your family, friends, and community approve?**

If your answer to any of these questions is “no,” the action could have serious consequences for you and MetLife. If you are not sure, reach out to your manager or Compliance for guidance.



EXHIBIT F



Code of Conduct

Do What's Right: Report What *Seems* Wrong

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TRUSTWORTHY

We act with integrity

Know Our Responsibilities

Leader Responsibilities

If you're an employee in a leadership position (supervisors, managers, directors, vice presidents, executive officers, etc.), you have additional responsibilities.

MODEL OUR CODE AND OUR VALUES We count on you to model ethical business conduct and live by our values, setting a strong standard for employees and each other. Never encourage or direct any employee to violate our Code of Conduct or the law in an attempt to achieve a business result. Further, you should always enforce safety policies and procedures and support a reward and recognition system that fosters a safety culture.

TALK ABOUT OUR CODE AND OUR VALUES Discuss the importance of our values, ethics and compliance and let employees know you expect them to always do what's right.

MAINTAIN A POSITIVE AND INCLUSIVE WORK ENVIRONMENT Create an inclusive workplace free of discrimination and harassment where everyone feels that they can come to work and be their whole, authentic self.

FOSTER A SPEAK-UP CULTURE Foster a culture where employees feel comfortable reporting what seems wrong and speaking up when they are concerned.

RESPOND TO REQUESTS FOR GUIDANCE Be available to respond to requests for guidance. Use the Code of Conduct, company policies and other resources within the company when responding. When in doubt, always escalate the question or ask for additional help. It's better to say you don't know and will follow up, rather than provide a wrong answer.

REPORT WRONGDOING Any leader who observes conduct that may violate the Code **MUST** take immediate action to stop it and promptly report the matter. All leaders who learn of a violation or potential violation of the Code must promptly (ideally within 24 hours) forward that report to Legal, EEO or the Xcel Energy Corporate Compliance and Business Conduct Office at 612.215.5354 or compliancebusinessconduct@xcelenergy.com for investigation.

Nuclear Employee Responsibilities

If you work in or with our nuclear operations, you must also comply with specific health and safety laws that govern Xcel Energy's nuclear operations. Workers in our industry are held to a high standard regarding attitudes and behaviors toward nuclear safety.

In addition, nuclear workers are responsible for complying with the company's Nuclear Access Authorization and Fitness for Duty Program procedures and must immediately report any threats or acts of workplace violence, as nuclear facilities carry additional concern.



Transparency in Our Relationships

Conflicts of Interest

We all have an obligation to protect Xcel Energy's reputation. We are expected to act in the best interest of Xcel Energy and to avoid conflicts of interest or activities that could reasonably create the appearance of a conflict of interest.

What is a conflict of interest?

A conflict of interest may occur when personal interests interfere with or may appear to interfere with your responsibilities to the company. Conflicts can also occur when you, a family member or a close personal friend take opportunities that are discovered through your position with the company. You should not use your position at Xcel Energy to personally benefit yourself or someone else at the expense of the company.

Perception Matters

The appearance of a conflict of interest can be just as damaging to the company's or your individual reputation as an actual conflict. Even if you don't think a conflict exists, it could be perceived that way by others.

Is it a Conflict? Ask Yourself:

Could my personal interests or relationship influence the decisions I make?

Could it look that way to someone else?



If you answer **yes** or **maybe** to these questions, seek guidance by submitting a COI form on [XcelEnergyComplianceHotline.com](https://www.xcelenergy.com/en-us/compliance)

Conflict Disclosures

We know you want to do the right thing; transparency is the key to avoiding and managing conflicts of interest. The best way to remove a conflict and avoid a misunderstanding is to disclose any situation that has the potential to be misinterpreted by others. When you are open about potential conflicts, it creates the opportunity to address the situation. We know it is not always clear whether an activity or relationship creates a conflict. You do not need to make the determination; but you do need to disclose the potential conflict.

Always disclose your relationships when your family member or close personal friend is employed by or does business with Xcel Energy and you have, or will have, any decision-making or decision-influencing ability. We will then evaluate the situation and work with you to appropriately address or resolve it.

How does Xcel Energy define family member and close personal friend?

Family Member

A spouse, parent, sibling, grandparent, child, grandchild, in-law, domestic partner, as well as any other family member who lives with you or who is otherwise financially dependent on you or on whom you are financially dependent.

Close Personal Friend

Any person with whom you have a meaningful social relationship outside of your work at Xcel Energy. Some examples include your boyfriend/girlfriend, immediate circle of friends, roommates, and a godparent to your child.

Transparency in Our Relationships

Conflicts, or potential or perceived conflicts, can occur in many forms and situations. The following examples are not all-inclusive, but provide some common situations where conflicts might occur and should either be avoided or disclosed.

Conflicts to Avoid:

- Directing Xcel Energy business to family members or close personal friends, including participating in the business selection process
- Using company information or time for personal gain
- Diverting an Xcel Energy business opportunity for your personal gain
- Supervising a family member or having direct or indirect influence over a family member (even if not supervisory)

Potential Conflicts to Disclose and Seek Guidance on:

- Having, or having a family member, with a significant financial interest (over 1%) in an organization that does business with or seeks to do business with Xcel Energy
- Having an outside job with a competitor, supplier or regulator
- Accepting a board of directors position at a for-profit organization
- Requesting charitable contributions from suppliers without receiving advance approval using the Soliciting Goods and Services form on the Supply Chain website



Disclose potential or perceived conflicts or seek guidance by filling out the **Conflicts of Interest form** at [XcelEnergyComplianceHotline.com](https://www.xcelenergy.com/en-us/compliance).



My project team needs some quick design assistance, and my aunt runs a small business that could do this work for my team quickly and inexpensively. The Code of Conduct does not include aunt in the definition of family member. Can I ask her to help complete the project?



While you can recommend your aunt's small business, it is important that you recuse yourself from the selection process and disclose this relationship on [XcelEnergyComplianceHotline.com](https://www.xcelenergy.com/en-us/compliance). Any time you think it could be perceived by others that a conflict exists, be transparent and disclose the relationship to protect both yourself and the other party.



Transparency in Our Relationships

Here are some examples of what might be considered appropriate and not appropriate:

APPROPRIATE	NOT APPROPRIATE
An occasional lunch with a current supplier to discuss business	A modest lunch with a current supplier on a weekly basis
A logo branded item (cup, hat, shirt) given by a current vendor	Golf clubs or an iPad given by a vendor
Local golf outing with a business partner	Local golf outing provided by a vendor while you are directly or indirectly involved in contract negotiations
A current vendor pays for your attendance at a conference and asks you to speak	Airfare and accommodations to a golf resort provided by a vendor
Conference "goodie bag" with pens, paper, snacks	A "thank you" gift basket including NBA tickets and expensive sports gear
A holiday box of chocolates	A holiday case of wine



Read and follow:

[Signing Agreements and Delegations of Authority policy](#)

[Procurement of Normal Goods and Services policy](#)

[Supplier Diversity policy](#)

[Outside Employment policy](#)

[Employment of Family Members policy](#)

[Travel and Employee Expense Reimbursement policy](#)



I received a holiday gift basket of fruit, crackers and cheese from a vendor. It's probably over \$50. What should I do with it?



As this is a perishable gift, simply share it with your team or colleagues. Sharing both helps reduce the appearance of influence and is nice to do!



A supplier gave me a nice golf bag and set of clubs in advance of an outing we have coming up. I know the gift is excessive and don't even want the clubs but it might seem rude to return them. What should I do?



This can be an uncomfortable situation. Please reach out to the Corporate Compliance and Business Conduct Office or go to XcelEnergyComplianceHotline.com to ask a policy question. We will work with you to resolve the situation in a way that doesn't negatively impact your relationship with the giver.



I have been in all day negotiations with a vendor. They have invited me to dinner to continue the conversation. Can I go?

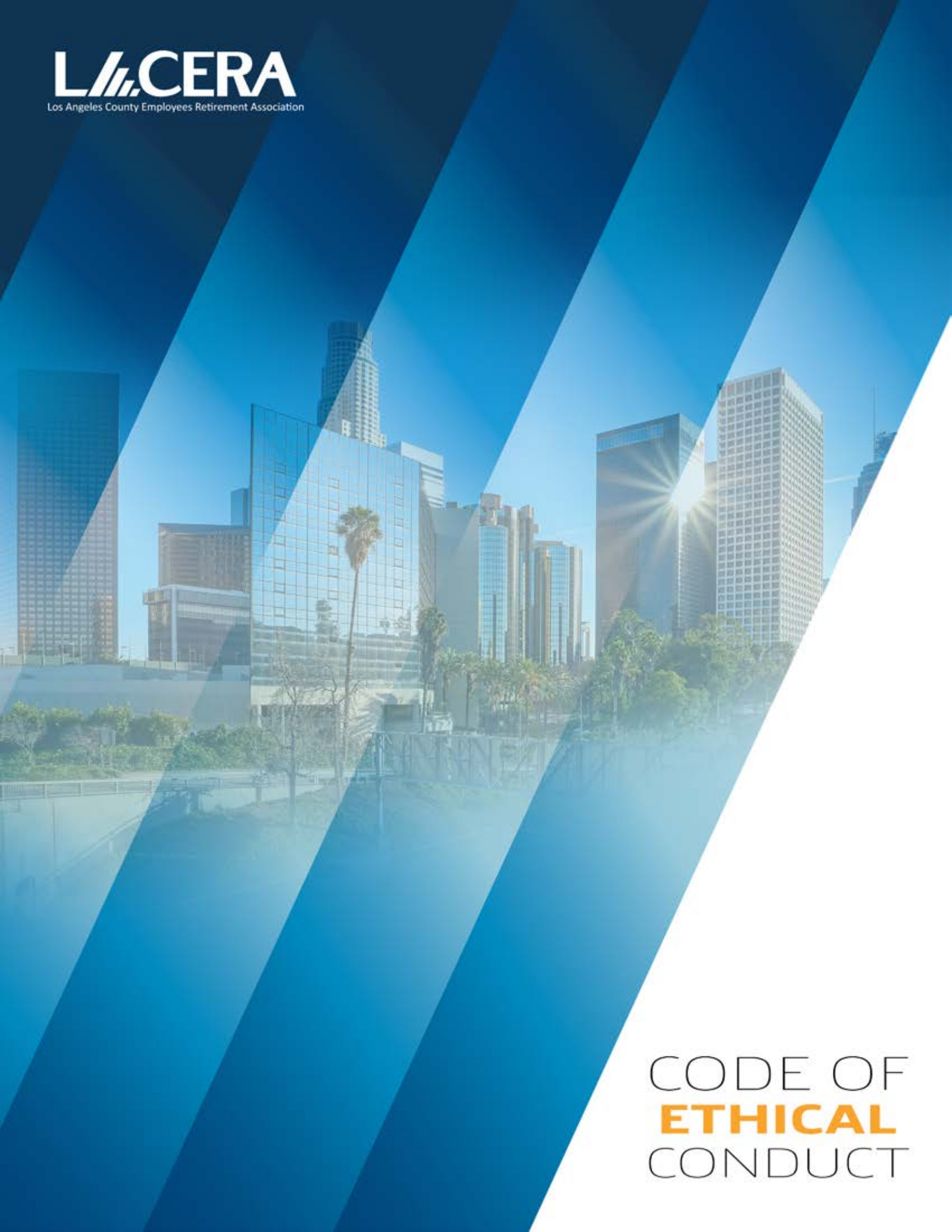


Yes, we recognize the value in building business relationships with the vendor and understand that business will continue to be done during dinner. Just tell the vendor upfront that you will need to pay your own way and when the bill comes, please be responsible for your portion.

EXHIBIT G

L.A. CERA

Los Angeles County Employees Retirement Association



CODE OF **ETHICAL** CONDUCT



L.A. CERA

Los Angeles County Employees Retirement Association

CODE OF
ETHICAL
CONDUCT

**CODE OF
ETHICAL
CONDUCT**

For LACERA Boards and Staff

F. Disclosure and Recusal

LACERA Board Trustees and staff shall disclose actual or potential conflict of interest, based on available information and reasonable due diligence and inquiry under the circumstances, or the appearance of an actual or potential conflict of interest, to the Chief Executive Officer and the Legal Office. Board Trustees and staff shall recuse themselves from involvement, consideration, and decision of a matter as to which the member has an actual conflict of interest. Recusal, or disqualification, is mandatory in certain circumstances, and discretionary in others. Board Trustees and staff should consider recusing themselves from consideration and decision of a matter as to which the member has a potential conflict of interest, or the appearance of an actual or potential conflict of interest. Board Trustees and staff shall consult with the Legal Office on any issue of recusal to discuss legal requirements that may apply to the particular circumstances, including whether recusal is required, whether recusal is an effective remedy for a conflict or potential conflict or whether other steps (up to and including disqualification of an individual or the Board) are necessary, and the way in which recusal, if possible, should be documented.

G. Conflicts of Interest by Vendors

LACERA's contracts shall include appropriate provisions to ensure that there are no conflicts of interest during the contracting process and to prevent conflicts of interest during the term of a contract. Board Trustees and staff should be alert to, and take other appropriate steps to prevent, actual or potential conflicts of interest of which they are aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances by vendors in connection with the making or performance of contracts.

VI. Employment of Related Persons

To avoid nepotism or the appearance of nepotism, including the potential conflicts of interest and appearance of unfairness that may result, LACERA may not employ a person who is related to:

- A Board Trustee.
- The Chief Executive Officer.
- Persons serving as Deputy Chief Executive Officer, an Assistant Executive Officer, and any other employee reporting directly to the Chief Executive Officer.
- A division manager

This prohibition does not prevent the continued employment of a person who has already been working for LACERA in a full time and non-probationary capacity for thirty consecutive days prior to the date the Board Trustee or other individual described above acquired their position, or the related party became related. If a related party is retained under these circumstances, any actual or potential conflict of interest must still be corrected or sufficiently mitigated.

Related parties of other LACERA staff may be considered for employment by LACERA provided the applicant possesses all the qualifications for employment and that no preferential or unfair treatment is given based on any relationship. Such a related party may not be hired for or assigned to a position which would either:

1. Create either a direct or indirect supervisor/subordinate relationship with a related party; or
2. Create either an actual conflict of interest or the appearance of a conflict of interest.

These criteria will also be considered when assigning, transferring, or promoting a staff member.

B. Gifts, Honoraria, Travel & Loans

Separate provisions of the Political Reform Act require positions managing public investments to file a Form 700. Cal. Gov't Code § 87200. Persons who file under Section 87200, including Trustees of the Board of Investments, the Los Angeles County Treasurer and Tax Collector as an ex officio member of both Boards, and identified staff, are referred to as "87200 Filers." 87200 Filers are required to disclose investments, interests in real property, income (including gifts, loans, and travel payments), and business positions as described in Form 700 and the Political Reform Act. While 87200 Filers are not subject to LACERA's Conflict of Interest Codes, they are listed as a matter of information in the Appendix to LACERA's Code.



Gifts. LACERA Board of Retirement Trustees and staff who are Code Filers are prohibited from receiving gifts totaling more than the legally established gift limit from any single source in a calendar year if receipts of gifts from that source are required to be disclosed on Form 700 by LACERA's Conflict of Interest Code. LACERA Board of Investments Trustees and staff who are 87200 Filers may not accept gifts totaling more than the legally established limit from any single source in a calendar year. Even if a gift is not subject to Form 700 reporting or the gift limit, a gift may still create a conflict of interest; therefore, LACERA requires Board Trustees and all staff shall make disclosure to the Legal Office of all gifts from a single source with a combined total equal to or greater than \$50 in a calendar year from any individual or entity. Gifts to family members are included in the gift rules under certain circumstances. There are also exceptions to the gift rules for certain gifts; questions should be addressed to LACERA's Legal Office or the FPPC. The gift limit is adjusted

biennially. The gift limit for 2021-2022 is \$520; the limit for any date after December 31, 2022

should be confirmed with the LACERA Legal Office or the FPPC. Gifts from a single source with a combined total less than \$50 in a calendar year currently are not reportable under FPPC law and regulations; gifts equal to or in excess of this limit are subject to reporting on Form 700, subject to the requirements and limitations described above. A more detailed SUMMARY OF GIFT LIMITATIONS AND RESTRICTIONS is attached as Appendix A.



Honoraria. LACERA Board of Retirement Trustees and staff who are Code Filers are prohibited from receiving honoraria from any source in consideration for any speech, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering, if receipt of gifts from that source is required to be disclosed on Form 700 by LACERA's Conflict of Interest Code. LACERA Board of Investments Trustees and staff who are 87200 Filers may not accept any honoraria payments. There are certain exceptions to the honoraria rules; questions should be addressed to LACERA's Legal Office or the FPPC. Even if an honorarium is not subject to disclosure, Board Trustees and staff shall make disclosure to the Legal Office of such a payment from any individual or entity as to which LACERA will take any action. Honoraria include money, advances, reimbursements, and gifts of any other type that have more than nominal value.



Travel. Payments or reimbursement for travel are subject to the reporting requirements for gifts and income. If a travel payment is a gift,

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LACERA's contracts shall include appropriate provisions to ensure that there are no conflicts of interest during the contracting process and to prevent conflicts of interest during the term of a contract. Board Trustees and staff should be alert to, and take other appropriate steps to prevent, actual or potential conflicts of interest of which they are aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances by vendors in connection with the making or performance of contracts.

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- or
- 2 Create either an actual conflict of interest or the appearance of a conflict of interest.

EXHIBIT H

CODE OF **ETHICAL** CONDUCT

For LACERA Boards and Staff

REVISED AND APPROVED:
Board of Retirement: November 3, 2021
Board of Investments: November 17, 2021

F. Disclosure and Recusal

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B. Gifts, Honoraria, Travel & Loans

Separate provisions of the Political Reform Act require positions managing public investments to file a Form 700. Cal. Gov't Code § 87200. Persons who file under Section 87200, including Trustees of the Board of Investments, the Los Angeles County Treasurer and Tax Collector as an ex officio member of both Boards, and identified staff, are referred to as "87200 Filers." 87200 Filers are required to disclose investments, interests in real property, income (including gifts, loans, and travel payments), and business positions as described in Form 700 and the Political Reform Act. While 87200 Filers are not subject to LACERA's Conflict of Interest Codes, they are listed as a matter of information in the Appendix to LACERA's Code.



Gifts. LACERA Board of Retirement Trustees and staff who are Code Filers are prohibited from receiving gifts totaling more than the legally established gift limit from any single source in a calendar year if receipts of gifts from that source are required to be disclosed on Form 700 by LACERA's Conflict of Interest Code. LACERA Board of Investments Trustees and staff who are 87200 Filers may not accept gifts totaling more than the legally established limit from any single source in a calendar year. Even if a gift is not subject to Form 700 reporting or the gift limit, a gift may still create a conflict of interest; therefore, LACERA requires Board Trustees and all staff shall make disclosure to the Legal Office of all gifts from a single source with a combined total equal to or greater than \$50 in a calendar year from any individual or entity. Gifts to family members are included in the gift rules under certain circumstances. There are also exceptions to the gift rules for certain gifts; questions should be addressed to LACERA's Legal Office or the FPPC. The gift limit is adjusted



biennially. The gift limit for 2021-2022 is \$520; the limit for any date after December 31, 2022

should be confirmed with the LACERA Legal Office or the FPPC. Gifts from a single source with a combined total less than \$50 in a calendar year currently are not reportable under FPPC law and regulations; gifts equal to or in excess of this limit are subject to reporting on Form 700, subject to the requirements and limitations described above. A more detailed SUMMARY OF GIFT LIMITATIONS AND RESTRICTIONS is attached as Appendix A.

Honoraria. LACERA Board of Retirement Trustees and staff who are Code Filers are prohibited from receiving honoraria from any source in consideration for any speech, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering, if receipt of gifts from that source is required to be disclosed on Form 700 by LACERA's Conflict of Interest Code. LACERA Board of Investments Trustees and staff who are 87200 Filers may not accept any honoraria payments. There are certain exceptions to the honoraria rules; questions should be addressed to LACERA's Legal Office or the FPPC. Even if an honorarium is not subject to disclosure, Board Trustees and staff shall make disclosure to the Legal Office of such a payment from any individual or entity as to which LACERA will take any action. Honoraria include money, advances, reimbursements, and gifts of any other type that have more than nominal value.



Travel. Payments or reimbursement for travel are subject to the reporting requirements for gifts and income. If a travel payment is a gift,

F. Disclosure and Recusal

LACERA Board Trustees and staff shall disclose actual or potential conflict of interest, based on available information and reasonable due diligence and inquiry under the circumstances, or the appearance of an actual or potential conflict of interest, to the Chief Executive Officer and the Legal Office. Board Trustees and staff shall recuse themselves from involvement, consideration, and decision of a matter as to which the member has an actual conflict of interest. Recusal, or disqualification, is mandatory in certain circumstances, and discretionary in others. Board Trustees and staff should consider recusing themselves from consideration and decision of a matter as to which the member has a potential conflict of interest, or the appearance of an actual or potential conflict of interest. Board Trustees and staff shall consult with the Legal Office on any issue of recusal to discuss legal requirements that may apply to the particular circumstances, including whether recusal is required, whether recusal is an effective remedy for a conflict or potential conflict or whether other steps (up to and including disqualification of an individual or the Board) are necessary, and the way in which recusal, if possible, should be documented.

G. Conflicts of Interest by Vendors

LACERA's contracts shall include appropriate provisions to ensure that there are no conflicts of interest during the contracting process and to prevent conflicts of interest during the term of a contract. Board Trustees and staff should be alert to, and take other appropriate steps to prevent, actual or potential conflicts of interest of which they are aware or suspect based on available information and reasonable due diligence and inquiry under the circumstances by vendors in connection with the making or performance of contracts.

VI. Employment of Related Persons

To avoid nepotism or the appearance of nepotism, including the potential conflicts of interest and appearance of unfairness that may result, LACERA may not employ a person who is related to:

- A Board Trustee.
- The Chief Executive Officer.
- Persons serving as Deputy Chief Executive Officer, an Assistant Executive Officer, and any other employee reporting directly to the Chief Executive Officer.



F. Disclosure and Recusal

LACERA Board Trustees and staff shall disclose actual or potential conflict of interest, based on available information and reasonable due diligence and inquiry under the circumstances, or the appearance of an actual or potential conflict of interest, to the Chief Executive Officer and the Legal Office. Board Trustees and staff shall recuse themselves from involvement, consideration, and decision of a matter as to which the member has an actual conflict of interest. Recusal, or disqualification, is mandatory in certain circumstances, and discretionary in others. Board Trustees and staff should consider recusing themselves from consideration and decision of a matter as to which the member has a potential conflict of interest, or the appearance of an actual or potential conflict of interest. Board Trustees and staff shall consult with the Legal Office on any issue of recusal to discuss legal requirements that may apply to the particular circumstances, including whether recusal is required, whether recusal is an effective remedy for a conflict or potential conflict or whether other steps (up to and including disqualification of an individual or the Board) are necessary, and the way in which recusal, if possible, should be documented.

G. Conflicts of Interest by Vendors

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- The Chief Executive Officer.
- Persons serving as Deputy Chief Executive Officer, an Assistant Executive Officer, and any other employee reporting directly to the Chief Executive Officer.



F. Disclosure and Recusal

LACERA Board Trustees and staff shall disclose actual or potential conflict of interest, based on available information and reasonable due diligence and inquiry under the circumstances, or the appearance of an actual or potential conflict of interest, to the Chief Executive Officer and the Legal Office. Board Trustees and staff shall recuse themselves from involvement, consideration, and decision of a matter as to which the member has an actual conflict of interest. Recusal, or disqualification, is mandatory in certain circumstances, and discretionary in others. Board Trustees and staff should consider recusing themselves from consideration and decision of a matter as to which the member has a potential conflict of interest, or the appearance of an actual or potential conflict of interest. Board Trustees and staff shall consult with the Legal Office on any issue of recusal to discuss legal requirements that may apply to the particular circumstances, including whether recusal is required, whether recusal is an effective remedy for a conflict or

G. Conflicts of Interest by Vendors

LACERA's contracts shall include appropriate provisions to ensure that there are no conflicts of interest during the contracting process and to prevent conflicts of interest during the term of a

including the potential conflicts of interest and appearance of unfairness that may result, LACERA may not employ a person who is related to:

- A Board Trustee.
- The Chief Executive Officer.
- Persons serving as Deputy Chief Executive Officer, an Assistant Executive Officer, and any other employee reporting directly to the Chief Executive Officer.
- A division manager

This prohibition does not prevent the continued employment of a person who has already been working for LACERA in a full time and non-probationary capacity for thirty consecutive days prior to the date the Board Trustee or other individual described above acquired their position, or the related party became related. If a related party is retained under these circumstances, any actual or potential conflict of interest must still be corrected or sufficiently mitigated.

Related parties of other LACERA staff may be considered for employment by LACERA provided the applicant possesses all the qualifications for employment and that no preferential or unfair treatment is given based on any relationship. Such a related party may not be hired for or assigned to a position which would either:

1. Create either a direct or indirect supervisor/subordinate relationship with a related party;
- or**
2. Create either an actual conflict of interest or the appearance of a conflict of interest.

These criteria will also be considered when assigning, transferring, or promoting a staff member.



FOR INFORMATION ONLY

December 19, 2024

TO: Trustees – Board of Investments

FROM: Esmeralda del Bosque 
Principal Investment Officer

Soniah Ginoyan 
Senior Investment Analyst

FOR: January 8, 2025 Board of Investments Meeting

SUBJECT: **OPEB Master Trust Commingled Account Liquidation Update**

DISCUSSION

At the April 2024 Board of Investments (“BOI”) meeting, the Board adopted a new Strategic Asset Allocation (“SAA”) for the OPEB Master Trust (“OPEB Trust”). This memo provides the Board with an update on fund redemptions undertaken to align with the updated SAA.

Specifically, the SAA included eliminating discrete public market emerging markets debt (Credit) and commodities (Real Assets & Inflation Hedges) allocations aligning with the strategic objective of reallocating from public market assets to private credit and private natural resources. As a reminder, BlackRock Institutional Trust Company, N.A (“BlackRock”) is the investment manager for OPEB Trust’s public market mandates. At the end of 2023, staff converted six out of the eight BlackRock mandates from commingled funds to separately managed accounts (**Attachment A**). The other two mandates, emerging markets debt and commodities, remained in commingled vehicles as they were not eligible for conversion.

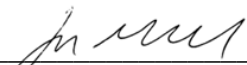
Both portfolios were fully redeemed in mid-December 2024. The liquidation was executed strategically to minimize risks and transaction costs. Furthermore, exiting these funds results in the OPEB Trust’s entire public market portfolio structured in separately managed accounts, with full transparency and enhanced beneficial ownership rights.

As of November 30, 2024, the emerging markets debt fund had a market value of \$27.7 million and the commodities fund was valued at \$37.8 million. Proceeds from the redemptions were reallocated in accordance with the SAA policy targets. Notably, both portfolios’ inception returns (net-of-fees) were in line with their respective benchmarks.

As a reminder, the final policy target SAA weights are effective January 1, 2025.

Attachment

Noted and Reviewed:





Jonathan Grabel
Chief Investment Officer


FOR YOUR INFORMATION


February 23, 2024

TO: Trustees-Board of Investments

FROM: Esmeralda V. del Bosque  Principal Investment Officer

John Kim  Investment Officer

Kathryn Ton  Senior Investment Analyst

Soniah Ginoyan  S.G. Senior Investment Analyst

FOR: March 13, 2024 Board of Investments Meeting

SUBJECT: **OPEB Master Trust Account Conversion**

BACKGROUND

This memo provides an overview of the conversion of several commingled funds within the OPEB Master Trust (“OPEB Trust” or “Trust”) into separately managed accounts held at LACERA’s custodian, State Street Bank. The conversion occurred in the fourth quarter of 2023. Importantly, the conversion aligned with and advanced three of LACERA’s “Towards Best-In-Class Investor” strategic initiatives. As of December 31, 2023, the market value of the OPEB Trust was \$3.5 billion.

In June 2023, staff concluded a search for the OPEB Trust’s eight public markets indexed mandates, managed by BlackRock Institutional Trust Company (“BlackRock”). BlackRock was retained as investment manager for the eight mandates. Through negotiations, staff secured improved management fees (~\$1 million in annual savings) as well as the ability to transition six of eight eligible funds from a commingled fund structure to separate accounts, enhancing investment control and transparency. The six portfolios that were converted included global equity, real assets, and fixed income strategies. At the time of conversion, the six accounts collectively were valued at around \$3.5 billion or ~90% of the OPEB Trust’s total portfolio. Notably, the conversion to separate accounts was an operational activity resulting in net savings for the Trust, while keeping the core investment strategy intact.

DISCUSSION

As mentioned, the conversion enhances three of LACERA’s Board-approved strategic initiatives: *Maximize Stewardship and Ownership Rights*, *Optimize Investment Model*, and *Enhance Operational Effectiveness*. In addition, a separate account structure

increases the Trust's beneficial ownership rights. The following identifies the strategic initiatives that are enhanced and highlight key improvements in moving to a separate account:



**Maximize
Stewardship and
Ownership Rights**

Objective:

To steward our investments – including legal rights associated with them – in a manner that promotes and safeguards our economic interests and durable financial value, including through proxy voting, engagement, and policy advocacy

(1) Enhanced beneficial ownership rights extend the ability to vote proxies for the Trust consistent with LACERA's corporate governance policies, and actively exercise legal rights when warranted.

OPEB Trust assets held within BlackRock commingled fund structures lacked beneficial ownership of its investments. As such, because BlackRock was the designated fiduciary on its investors' behalf, LACERA's corporate governance policies relating to proxy voting rights of the securities held in one account - the global equity index fund, did not apply.

Transitioning to separate accounts granted direct ownership over the Trust's securities, thereby aligning proxy voting with LACERA's corporate governance policies. This ensures a consistent approach in proxy voting for both the LACERA Pension and OPEB Trust. Proxy votes are a key means for LACERA to express its corporate governance views and support or co-support shareholder resolutions in public equities, especially given that global equity makes up about 45% of the OPEB Trust investment portfolio.

Assuming full beneficial ownership in a separate account structure also positions the Trust to exercise additional legal rights, should it so choose. These rights enable the Trust to make informed decisions regarding participation in securities litigation and upholding appraisal rights. They also position the OPEB Trust to exercise its fiduciary duty and pursue prudent action to represent its economic interests of underlying portfolio companies, as necessary.



**Optimize
Investment
Model**

Objective:

To leverage our competitive advantages through deliberate investment models and structures that harness technology, cost effectiveness, and human capital to maximize risk-adjusted returns

(2) Extend application of LACERA's Investment Policy Statement policies on Iran/Sudan, tobacco, and Los Angeles County, District and Agency investments

The separate account conversion facilitates the implementation of LACERA's investment policies on Iran, Sudan, tobacco and Los Angeles County, District and Agency restrictions to the portfolio's investment guidelines. The Trust's separate account public market separate accounts are subject to daily compliance monitoring, including the policies mentioned above. Commingled funds are monitored monthly; therefore, changing the structure by taking advantage of our compliance technology enhances the frequency and rigor of compliance measurement and reporting.



Enhance
Operational
Effectiveness

Objective:

To maximize the efficiency of our resources (internal and external, human and technological) and mitigate varied investment and enterprise risks, which can improve future outcomes

(3) Increased transparency for portfolio and analytics, risk measurement, and reporting.

A separate account structure also allows evaluation and reporting on the portfolio's exposures in real-time compared to commingled funds, which provide holdings data feeds on a lagged basis. This enhances portfolio transparency into analytics platforms including State Street performance, MSCI BarraOne risk measurement, and LACERA's climate analysis providers.

CONCLUSION

The conversion of six of BlackRock's commingled funds to separate accounts is consistent with LACERA's journey from an allocator to a best-in-class investor. As discussed in this memo, because of the conversion and expanding beneficial rights for the OPEB Trust, progress has been made on three strategic initiatives: *Maximize Stewardship and Ownership Rights, Optimize Investment Model, and Enhance Operational Effectiveness*. The Portfolio Analytics team will provide updates to the Board due to the conversion, if necessary.

Noted and Reviewed:

Jonathan Grabel
Chief Investment Officer



December 6, 2024

StepStone Group LP
4225 Executive Square, Suite 1600
La Jolla, CA 92037

T: +1 858.558.9700
www.stepstonegroup.com

To: LACERA Board of Investments
From: Jose Fernandez, Natalie Walker, Daniel Krikorian
StepStone Group LP
Subject: StepStone Group Self-Evaluation

To Whom It May Concern,

Per the private equity consulting agreement between StepStone Group LP ("StepStone" or the "Consultant") and the Los Angeles County Employees Retirement Association ("LACERA"), StepStone is to conduct an annual self-evaluation and provide information for the Board to review and evaluate the Consultant. To facilitate the Board's review, StepStone is providing a list of services and projects completed, or expected to be completed, on behalf of LACERA between January 1, 2024 and December 31, 2024.

Self-Assessment

Over the course of 2024, StepStone has provided the following services and completed the following key projects on behalf of the LACERA Board of Investments (the "Board"):

- Carried out the Board's strategic goals and initiatives and reported directly to the Board.
Status: Completed.
- Provided information and research regarding significant changes in the private equity industry, including best practices, trends, and major events. StepStone serviced LACERA by leveraging over 1,050 professionals across StepStone's 26 offices in 16 countries. StepStone hosted LACERA in our offices across various geographies.
Status: Completed.
- Provided portfolio pacing and cash flow projection analysis in connection with the annual private equity investment plan and provided recommendations on proposed investment guideline updates related to the 2025-2027 Structure Review.
Status: Completed and ongoing.
- Leveraged a sourcing program that incorporates LACERA staff and Consultant resources to identify investment opportunities that satisfy the 2023-2024 Structure Review. StepStone utilizes a highly local approach to each of the global markets, by leveraging 14 offices in the Americas, six offices in Europe and six offices in the Asia-Pacific.
Status: Completed and ongoing.

- Introduced LACERA staff to top caliber managers and promoted direct LACERA access to funds based on size and speed to close.
Status: Completed and ongoing.
- Accompanied LACERA Board and staff to meetings, events, and industry conferences.
Status: Completed and ongoing.
- Provided LACERA staff guidance and introductions to managers executing successful investment strategies in relatively hard-to-access, niche markets.
Status: Completed and ongoing.
- Disclosed all firm research, including white papers, and provided access to research staff via StepStone's proprietary private market information database ("SPI Research"). SPI Research tracks information on over 113,000 companies, 48,000 funds, and 18,000 general partners.
Status: Completed and ongoing.
- Conducted independent evaluations and provided Board recommendations on nine fund opportunities, totaling approximately US\$1.5 billion in approved or pending capital commitments, as requested by the Board and/or LACERA staff. Recommendations included a detailed memorandum outlining the results of the due diligence, strategic considerations, and fit within the LACERA portfolio, as well as merits and risks of the investment.
Status: Completed.
- Evaluated and provided written recommendations on partnership agreement amendments and Secondary Interests offered to LACERA.
Status: Completed and ongoing.
- Periodically provide educational presentations to the Board on specific issues.
Status: Completed and ongoing.
- Attended all LACERA Board of Investments and Equity Committee meetings and one Board Off-site meeting.
Status: Completed.

Conclusion

StepStone believes the past year has been an active and productive one for the private equity portfolio, investment staff and Consultant. StepStone attended all Board meetings and one Board Off-site seminar. We provided pacing and cash flow analysis in support of the 2025-2027 Growth Structure Review and related investment guideline updates.

In collaboration with staff, StepStone sourced, reviewed, approved, and presented nine private equity fund investments, totaling approximately US\$1.5 billion in approved and pending capital commitments. Year to date, LACERA's private equity portfolio is within the Board-approved asset allocation range and forecasted FY2024 deployment pace aligns with historical levels. Looking ahead, StepStone remains excited about the prospects for the private equity program for 2025 and beyond. We look forward to working with the Board to further deepen the relationship we've established. Thank you for your continued trust and guidance. If you have any questions or comments, please feel free to contact us at (858) 558-9700.

Sincerely,

StepStone Group LP



December 30, 2024

StepStone Group LP
4225 Executive Square, Suite 1600
La Jolla, CA 92037

T: +1 858.558.9700
www.stepstonegroup.com

To: LACERA Board of Investments
From: Margaret McKnight, Thomas Hester, Kristen Moore, James Maina
StepStone Real Estate
Subject: StepStone Real Estate Self-Evaluation

To Whom It May Concern,

Per the contract signed on April 1, 2021, between Stepstone Group Real Estate, LP ("SRE", "StepStone", or the "Consultant") and the Los Angeles County Employees Retirement Association ("LACERA"), Stepstone is required to conduct an annual self-evaluation and provide information for the Board of Investments ("Board") to review and evaluate SRE. To facilitate the Board's review, StepStone is providing a list of services and projects completed, or expected to be completed, on behalf of LACERA between January 1, 2024, and December 31, 2024.

Self-Assessment

Over the course of 2024, StepStone has provided the following services and completed the following key projects on behalf of the LACERA Board of Investments (the "Board"):

- Carried out the Board's strategic goals and initiatives and reported directly to the Board.
Status: Completed.
- Provided information and research regarding significant changes in the private real estate industry, including trends, market developments, best practices, and major events. StepStone serviced LACERA by leveraging over 1,050 professionals across StepStone's 26 offices in 16 countries.
Status: Completed.
- Provide quarterly performance reports on the total portfolio as well as each manager's sub-portfolio. Calculated performance metrics including internal rate of return, time weighted returns, and real estate multiples. Provide performance attribution analysis on both an absolute and relative basis including reasons for over/under performance compared to the benchmark on an as needed basis.
Status: Completed and ongoing.
- Reviewed the core and core-plus funds list prepared by LACERA staff and recommended changes or modifications as appropriate considering changes in the real estate portfolio, the real estate markets, and the capital markets. Assisted staff in its evaluation of core and core-plus funds for consideration and developing a short list.
Status: Completed and ongoing.

- Provided portfolio pacing and cash flow projection analysis in connection with the Structure Review.
Status: Completed.
- Continued to monitor the direct holdings sales process as the portfolio shifts away from separately managed accounts to fund investments.
Status: Completed and ongoing.
- Introduced LACERA staff to top caliber managers and promoted direct LACERA access to funds based on size and speed to close.
Status: Completed and ongoing.
- Provided LACERA staff guidance and introductions to managers executing successful investment strategies in relatively hard-to-access, niche markets.
Status: Completed and ongoing.
- Disclosed all firm research, including white papers, semi-annual house views Webinar, and provided access to research staff via StepStone's proprietary private market information database ("SPI"). SPI tracks information on approximately 8,780 real estate funds, and 3,830 real estate general partners.
Status: Completed and ongoing.
- Conducted independent evaluations and provided Board recommendations on fund opportunities, totaling approximately US\$1.9 billion in approved or pending capital commitments, as requested by the Board and/or LACERA staff. Recommendations included a detailed memorandum outlining the results of the due diligence, strategic considerations, and fit within the LACERA portfolio, as well as merits and risks of the investment.
Status: Completed.
- Evaluated and provided written recommendations on partnership agreement amendments on managers in LACERA's portfolio.
Status: Completed and ongoing.
- Attended LACERA Board of Investments, Real Assets Committee meetings, quarterly investment performance review staff meetings, and one Board Off-site meeting.
Status: Completed.

Conclusion

StepStone believes the past year has been an active and productive one for the real estate portfolio, investment staff and Consultant. StepStone attended all the Board meetings and RATIC meetings with real estate items as well as a one off-site seminar. In collaboration with staff, StepStone sourced, reviewed, approved, and presented US\$1.9 billion in fund commitments. Looking ahead, StepStone remains excited about the prospects for the real estate program for 2025 and beyond. We look

forward to working with the Board to further deepen the relationship we've established. Thank you for your continued trust and guidance. If you have any questions or comments, please feel free to contact us.

Sincerely,

StepStone Real Estate

MEMORANDUM

TO: LACERA Board of Investments
FROM: Tim Filla, Aysun Kilic, Alex Khorsandian, Imran Zahid
Meketa Investment Group
CC: Jon Grabel, CIO - LACERA
DATE: December 20, 2024
RE: Meketa Investment Group Self-Evaluation

Background

Per the contract signed on January 15, 2016 and amended on February 25, 2022 between the general investment consultant, Meketa Investment Group (“Meketa” and/or “Consultant”), and the Los Angeles County Employees Retirement Association (“LACERA”), Meketa is to conduct an annual self-evaluation and provide information for the Board of Investments (“Board”) to review and evaluate the Consultant. To facilitate the Board’s review, Meketa is providing a self-assessment, as well as a list of projects and their respective status. The evaluation period covers calendar year 2024.

Self-Assessment

Independent Investment Advice: Consultant attended all meetings where presence was required and requested, provided conflict-free advice to the Board both upon request and proactively, and collaborated with staff as needed during the year.

Status: Achieved.

Assisting LACERA’s Board of Investments with strategic investments decisions: Meketa analyzed numerous investment strategies and asset classes’ structures throughout the year. Meketa assessed risk management and provided analysis of various pertinent issues.

Status: Achieved and ongoing.

Providing Independent Reviews: Meketa provided both verbal and written reviews of LACERA’s Asset Class Structures and Strategies, Investment Policies, and Investment Manager evaluations, as requested and as deemed prudent by Meketa.

Status: Achieved.

Performance Reporting: Meketa provided the Pension and OPEB reports as requested by staff.

Status: Achieved.

Board Meetings: Consultant attended all Board meetings and off-site meetings as requested and advised the Board on investment matters during such meetings, both upon request and voluntarily.

Status: Achieved.

Consultant Contact and Ad-hoc Workshops: Consultant was available and responsive in addressing requests.

Status: Achieved.

Key Projects

The section below summarizes key projects Meketa conducted in 2024.

Strategic Asset Allocation: Meketa conducted several education sessions related to asset allocation for both the Pension and OPEB Plans as part of the Strategic Asset Allocation Review. The topics included the importance of strategic asset allocation, types of analysis used, climate aware asset allocation and changes in the market environment/capital market expectations. These detailed reviews led to the Board adopting new asset mixes for both the Pension and OPEB Trust.

Asset Allocation Policy Ranges: Meketa presented an overview of the role and importance of policy ranges and provided recommendations related to the new strategic asset allocation. Meketa also addressed implementation of the new asset allocation policy and use of interim targets to accommodate a smooth transition to the new policy mixes.

Benchmarks Review: Meketa presented an overview of benchmarks, reviewed and updated LACERA's current benchmarks for the Pension and OPEB Trust.

Growth Functional Category Investment Guidelines / Structure Review: Meketa collaborated with staff to update investment guidelines, specifically related to global equity. Later on in the year, Meketa also reviewed and provided feedback related to the structure review, and supported staff's recommendations leading to changes in the investment guidelines for the Pension Plan.

Risk Reduction & Mitigation Investment Guidelines Review: Meketa worked with staff to update the investment guidelines for the Pension Plan, specifically related to investment grade bonds and long-term government bonds.

Investment Policy Statement Update: Meketa collaborated with staff to make updates to the investment policy statement for LACERA's defined benefit plan and the OPEB portfolio.

Procurement Policy Update: Meketa collaborated with staff to rewrite the investment related services procurement policy to better align with LACERA's governance framework.

Total Fund Risk, Analytics, and ESG Services Search: Meketa collaborated with staff on this search which led to retaining MSCI for Total Fund Risk and Analytics, MSCI ESG Research for ESG research and analytics services and to appoint ISS STOXX for ESG and climate-related data and analytics.

Total Fund and Asset Class Performance Reviews: Meketa has attended all staff quarterly performance reviews. During these reviews, Meketa offers notable market trends and peer universe data.

Manager Searches: Meketa collaborated with staff, conducted independent due diligence on each investment manager included in the fund of fund portfolios managed by LEIA and New Alpha related to the Emerging Manager Program.

ACFR: Meketa produced the necessary documents to assist LACERA in completing its Annual Comprehensive Financial Report (“ACFR”).

Conclusion

During 2024, despite numerous predictions to the contrary, economic growth remained positive, inflation leveled out, and the labor market remained relatively strong despite some softening. The resulting environment remained conducive for equities and fixed income investing. Similar to 2023, geopolitical risks remain at heightened levels and may weigh on sentiment across markets moving forward.

The Strategic Asset Allocation review conducted during the year resulted in the Board approving new asset allocation policy mixes for both the Pension and OPEB Plan.

Relative to peers, LACERA Pension has performed well in 2024 on an absolute basis while ranking a bit below the third quartile of its peer universe. Over the most recent 5-year period ending September 30, 2024, performance has ranked in the top quartile of the peer universe.

LACERA OPEB Master Trust has produced strong results on an absolute and relative basis in 2024, and it has outperformed the policy benchmark while ranking in the top quartile of the peer universe. Over the most recent 5-year period, performance has ranked a bit below the median universe, while the Trust has still managed to outperform its policy benchmark.

During the year, we worked with staff and the Board on various projects as outlined in this document. The delegation of authority to LACERA staff has further elevated the responsibilities and importance of an independent Board consultant and demonstrates the growth and evolution of LACERA with reference to the Board approved strategic plan of “Toward Best-in-Class Investor”.

We are very proud of contributing to LACERA’s strong results especially regarding our input into LACERA’s Strategic Asset Allocation.

We are very appreciative of the trust placed in us every day by Board members and staff alike. Thank you. If you have any questions or would like additional information, please email or call us at (760) 795-3450.

TF/AK/AK/IZ/sf

Albourne America LLC
425 California Street, Suite 2400
San Francisco, CA 94104

To: LACERA Board of Investments
From: James Walsh, Stephen Kennedy, Tom Cawkwell, Mark White
Albourne America LLC
Date: December 19, 2024

Background

Per the contract signed on November 5, 2024, between Albourne America LLC (“Albourne” and/or “Consultant”) and the Los Angeles County Employees Retirement Association (“LACERA”), Albourne is to conduct an annual self-evaluation and provide information for the Board of Investments (“Board”) to review and evaluate the Consultant. To facilitate the Board’s review, Albourne is providing a self-assessment and respective status. The evaluation period covers the 12-months to December 2024.

Self-Assessment

Impartial Investment Advice: Consultant attended all meetings in person where its presence was required and requested, including the annual Board Offsite, provided advice to the Board both upon request and proactively, and collaborated extensively with the staff as needed throughout the year. Where not directly required, consultants have attended Open Sessions of board meetings virtually.

Completed and ongoing.

Assisting LACERA’s Board of Investments with Strategic Investment Decisions: Albourne contributed to the Investment Guidelines Reviews on Hedge Funds, Credit and Real Assets throughout the year.

Completed and ongoing.

Providing Impartial Review: Albourne provided Investment and Operational Due Diligence on staff investment recommendations throughout the year, providing explicit ratings both at a top-down level and on a more detailed basis. Staff had access to the Albourne Analysts responsible for the Due Diligence and utilized this resource, speaking to analysts when needed. Consultant also opined on the research process and suitability of secondary purchases and co-investments in the Real Asset portfolio, and on Sustainability risks, in particular carbon footprint mapping.

Completed and ongoing.

Performance Review: Albourne contributed to Quarterly Performance Reviews for Hedge Funds, Credit and Real Assets.

Completed and ongoing.

Portfolio Construction: Albourne has worked extensively with the team to continue the build out of the Hedge Fund, Credit and Real Asset portfolios. This has included working with the team on portfolio construction, manager selection and negotiation of terms in specific cases, as well as on cashflow modeling for Real Assets.

Completed and ongoing

Fee Reconciliation, Analysis and Negotiation: Albourne has provided extensive fee reconciliation and validation on investments, and analysis on specific recommendations as required.

Completed and ongoing.

Educational Sessions: Consultant had the pleasure of participating on the Energy Transition panel at the 2024 Board Offsite. Albourne also provides educational content through its Extranet, workshop sessions, conferences and client-specific meetings.

Completed and ongoing.

Back Office Support: Albourne's Back Office Team performs daily recording and monitoring of capital activity including capital calls, distributions and valuations. This creates detailed records with a built-in audit trail, together with portfolio and performance reporting across these asset classes which is available to staff through Albourne's Extranet. Albourne personnel also perform reconciliation versus manager and custodian records to help determine whether the data that is being presented is accurate.

Completed and ongoing.

Risk Management: The Consultant provides factor-based risk modeling on the Direct Hedge Fund and legacy Fund of Funds, as well as Open Protocol reporting on the Direct Hedge Funds portfolio, visible through the Albourne Extranet. Albourne also provides ongoing monitoring of the Hedge Fund, Credit and Real Assets portfolios and managers within it.

Completed and ongoing.

Ongoing and Ad Hoc Support to Team: Albourne attends and contributes to the Quarterly Performance and Portfolio Review Meetings, joins weekly and bi-weekly team meetings, and provides ad hoc support as required.

Completed and ongoing.

Form of Process Letters: As required, Albourne provided a certification letter confirming that the items listed in LACERA's co-investment or secondary due diligence checklist are included in due diligence materials for the respective investment opportunity.

Completed and ongoing.

TIDE Panel: John Claisse, CEO of Albourne participated in calls and in person TIDE panel.

Completed and ongoing

Albourne's Open Letter on Cash Hurdles: LACERA worked with Albourne to sign the open letter advocating for cash hurdles to best align LP and GP interests.

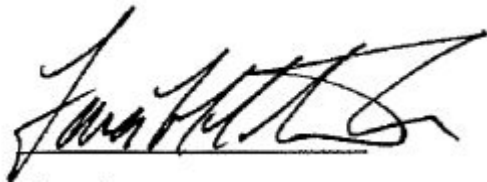
Completed and ongoing

Conclusion

It has been another busy year across Hedge Funds, Credit and Real Assets. While the portfolios are at different points in their development they all continue to evolve. Staff has been able to draw on Albourne's consultant team in San Francisco and on the resources from Albourne's 11 offices globally, located in North America, Europe and Asia. Over the past year over 45 calls have been logged, more than 2,200 documents downloaded and over 17,700 hits recorded on our Extranet. We have been able to support the team on investment recommendations in Hedge Funds, Credit and Real Assets.

Albourne believes that the past year has been a highly productive period. We feel that we have fulfilled our role as consultants to the Board of Investments, as well as provided a valuable resource to staff. The Albourne team has enjoyed working with both the Board and staff, and very much look forward to the work of the coming year.

Yours Sincerely,




James Walsh
Albourne America LLC

**FOR INFORMATION ONLY**

December 19, 2024

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Debbie Martin
2024 ACRE Committee Chair

Richard P. Bendall 
Chief Audit Executive

FOR: January 8, 2025 Board of Investments Meeting
January 15, 2025 Board of Retirement Meeting

SUBJECT: ACRE Committee Annual Report to the Boards

This is the annual report of the ACRE Committee to the boards, included as a best practice in the ACRE Committee Charter, but limited to the Committee's oversight of Internal Audit's activities, which includes both internal and external audit work as well as Enterprise Risk Management (ERM).

The Legal Office, responsible to the ACRE Committee for the ethics and compliance portions of the ACRE Charter will be presenting to the Committee under separate cover their proposed report to the boards for the Committee's activities in 2024 related to ethics and compliance.

The legacy Audit Committee supported the boards in assessing the risks facing LACERA, including assessing the governance risk and control framework, reviewing the system of internal controls and overseeing the operations of the internal audit function.

In October 2024, LACERA's Boards expanded the Audit Committee's responsibilities to include Compliance, Risk, and Ethics. Subsequently, the Audit Committee was renamed the Audit, Compliance, Risk, and Ethics (ACRE) Committee. The ACRE Charter encapsulates the Committee's enhanced role in the oversight of LACERA's Ethics and Compliance, and ERM Programs.

As stated in section II. of the ACRE Charter, the purpose of the ACRE Committee is to provide structured, systematic oversight of LACERA's governance, risk management, ethics and compliance, and system of internal controls. The Committee assists the boards in fulfilling their fiduciary oversight duties for LACERA's Audit Activity and Organizational Governance Activities, which includes Ethics, Compliance and ERM.

The Committees responsibilities in each of these areas is detailed in the **attached** ACRE Committee Calendar of responsibilities, extracted from the ACRE Committee Charter. The ACRE Committee's efforts and actions are further highlighted under each of these five key

areas of responsibility below.

A. Internal Audit Activity

- a. Oversaw the completion of the Fiscal Year Ended June 30, 2024 Audit Plan.
- b. Audits completed during calendar year 2024 included:
 - i. Bank of America Wire Transfer Audit
 - ii. Procurement of Goods Audit
 - iii. Technical Audit of Granicus/One Meeting Application
 - iv. LACERA Rehired Retiree Program for FYs 2023 and 2024
 - v. Termination of User Access Audit
 - vi. Review of Chief Executive Officer (CEO) Credit Card
 - vii. Bonus Program Continuous Process Audit (CAP) Audit Memorandum
 - viii. LA County Rehired Retirees Program Compliance FYE 2024
- c. Approved the Fiscal Year ending June 30, 2025 Audit Plan
- d. Oversaw the work of Internal Audit and evaluated the CAE's performance.

B. Professional Service Provider Activity

- a. Oversaw Moss Adams' work on the SOC1 over the OPEB program.
- b. Reviewed the Net Force report on their audit of Granicus (One Meeting Application).

C. Financial Reporting Process

- a. Oversaw Plante Moran's financial audit and issuance of an unqualified opinion on LACERA's annual financial statement audit.

D. Values and Ethics

- a. Oversaw reports from Internal Audit on their Ethics Hotline reports.

E. Organizational Governance

- a. Approved the inclusion of an Enterprise Risk Management (ERM) component to the Annual Audit Plan.
- b. During 2024, Internal Audit supported the Legal Office in revising the Audit Committee Charter to evolve it into the ACRE Committee Charter and assisted the Legal Office in the development of their Ethics and Compliance Charter and Work Program.
- c. As a reminder, in calendar year 2023, staff provided follow up on the work previously performed by Weaver & Tidwell around Ethics and Values. In 2022, Weaver & Tidwell performed an assessment of LACERA's maturity in the following key organizational governance areas:
 - i. Ethics and values
 - ii. Risk management
 - iii. Detection and prevention of fraud
 - iv. System of internal control
 - v. System of compliance

Attachment

2024 ACRE Committee Charter Responsibilities			
Documentation	Ref to *ACRE Charter	Frequency	Comments
Audit Engagement Reports	VII.A.1.h.	Every Meeting	See summary of reports reviewed and approved by the AC during calendar year 2024 cover memo.
Audit Plan Status Update	VII.A.1.	Every Meeting	At each meeting, the AC reviewed the Audit Plan Status Update report.
Summary of Hotline Investigations	VII.B.8 & VII.B.9.a &b	Every Meeting	At each meeting, the AC reviewed the Summary of Hotline Investigations report.
Recommendation Follow-Up Reports	VII.A.1.i.	Every Meeting	AC reviewed the Recommendation Follow-Up Reports at the February, June, August and December AC meetings.
Proposed Audit Plan and Budget	VII.A.1.f.	Annually	AC reviewed and approved the Proposed Audit Plan and Budget at the February meeting.
Annual Risk Assessment	VII.A.1.f.	Annually	In February and June, Trustees, including those on the AC, provided feedback on current risks for the Annual Risk Assessment.
Annual Audit Plan	VII.A.1.f.	Annually	AC reviewed and approved the FY 2025 Annual Audit Plan at the June meeting.
Presentation / memo by Financial Auditor detailing proposed scope of work and timing.	VII.2.a.	Annually	Plante Moran, LACERA's external auditor, presented to the AC its proposed scope of work and timing at the August meeting.
Internal Audit Charter	VII.A.1.c.	Annually	Staff revised the Internal Audit Charter to ensure it aligned with the 2024 IIA Global Internal Audit Standards and took it to the September 2024 Audit Committee meeting for approval along with the revised Audit (ACRE) Committee Charter. Both were approved by the Committee and the Committee forwarded the ACRE Charter to the boards where it was approved by both boards in October.
Internal Audit Annual Performance Report	VII.A.1	Annually	*IA presented its Annual Performance Report at the September 2024 meeting.
CAE Performance Evaluation	VII.A.1.k.	Annually	The CAE presented his self-evaluation with CEO comments to AC at the December 2024 meeting. AC trustees were requested to submit their scored evaluations of the CAE to the Director of HR.
Organizational Governance Review	II	Annually	IA presented an update on Weaver's Organizational Governance Review and related strategic recommendations at the August 2023 AC meeting. During 2024, Internal Audit worked with the Legal Office to update the Audit Committee Charter to incorporate compliance, ethics and a section for enterprise risk management.
Compliance Memo from Executive Management and Legal Office	II	Annually	Executive Management and Legal presented an assessment of LACERA's status in regard to compliance at the March 2024 AC meeting.
Financial Statements, Correspondence, & Presentation	VII.2.d.	Annually	Plante Moran presented the Financial Statements, Correspondence, and related reports to the AC at the December 2024 meeting.
Audit Committee Annual Performance Report	VII E.1.	Annually	We are recommending at the December 2024 AC meeting that the AC take its Annual Performance Report to the Boards at their January 2025 meetings.

2024 ACRE Committee Charter Responsibilities

Documentation	Ref to *ACRE Charter	Frequency	Comments
ACRE Committee Charter	VII.E.4.	Every 3rd year	Staff presented the revisions to the Audit Committee Charter, updating it to conform with the IIA's 2024 Global Internal Audit Standards and expanding the Committee's responsibilities in oversight of compliance, risk and ethics, converting the charter to the Audit Compliance Risk and Ethics (ACRE) Charter. At the September meeting of the Audit Committee, the Committee approved staff's changes and a recommendation to both boards for approval of the ACRE Charter. The Boards approved the ACRE Charter in October 2024.
Approve the appointment and compensation of the External Financial Auditor	VII.2.a.	Every 5th year**	The Audit Committee approved the issuance of an RFP at the November 2022 meeting, interviewed three finalists at the March 2023 meeting and selected Plante Moran to continue as external financial auditor for a three year term with two additional one year extensions, at the discretion of the Audit Committee.
Ensure IA has an external quality assessment performed every five years.	VII.A.3.d.	Every 5th year	External Quality Assessment (EQA) Auditor, The Institute of Internal Auditors (IIA) Quality Services presented their report to the AC at the March 2022 meeting.

2024 ACRE Committee Charter Responsibilities

Documentation	Ref to *ACRE Charter	Frequency	Comments
Provide an open avenue of communication between IA, all Professional Service Providers, Management, and the Boards.	VII.2.e.	Continuous	Continuous
Approve the appointment & compensation of other Professional Service Providers, hired to perform non-financial statement audits, reviews or consulting, subject to limitations	VII.2.c.	As needed	In 2023 the ACRE Committee approved the hiring of Moss Adams to perform LACERA's SOC 1 Type II audits of the OPEB program and Moss Adams performed their first such audit during calendar year 2024. Also, in 2024 Internal Audit used the services of NetForce, one of the Internal Audit pool firms to complete two application security reviews of the OneMeeting application.
Review with Professional Service Providers, including the Financial Auditor, and Mgmt the results of the work performed, any findings & recommendations, Mngmt's responses, and actions taken to implement the audit recommendations.	VII.2.d., VII.3.a.-e.	As needed	Presentations are made by the external service providers to the AC on work completed, as necessary throughout the year, and the AC has the opportunity to discuss findings and recommendations with the external providers and management. Findings are included in Internal Audit's recommendation follow-up process and Internal Audit reports on the status of implementation to the AC on an ongoing basis until resolved.
Advise the Boards about any recommendations for the continuous improvement of the internal audit activity stemming from the annual Quality Assurance Improvement Program (QAIP).	VII.A.1.e.	Annually	—
Make recommendations to both Boards regarding the appointment, discipline, and/or dismissal, of the CAE, which will be addressed by the Boards in a joint meeting.	VII.A.1.j.	As needed	—
Perform other activities related to this Charter as requested by the Boards.	VII.E.3.	As needed	—

*** Legend**

ACRE = Audit Compliance Risk and Ethics Committee

IA = Internal Audit

PM = Plante Moran, LACERA's Financial Auditors

FOR INFORMATION ONLY

December 31, 2024

TO: Trustees,
Board of Investments

FROM: Christine Roseland *CR*
Senior Staff Counsel

FOR: January 2025 Board of Investments Meeting

SUBJECT: **Legal Projects**

Attached is the monthly report on the status of investment related projects that are either Board directed or reported out pursuant to the Investment Policy Statement and handled by the Legal Division as of December 31, 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 December 31, 2024*



	Project/ Investment	Description	Amount	Board Approval Or Report Out Date	Completion Status	% Complete	Notes
HEDGE FUNDS/CREDIT	Centerbridge Partners, LP	Subscription	\$775,000,000	December 11, 2024	Completed	100%	Completed.
	Mariner Atlantic Multi-Strategy Fund	Subscription	\$600,000,000	December 11, 2024	Completed	100%	Completed.
	Siguler Guff & Company, LP	Subscription	\$500,000,000	December 11, 2024	Completed	100%	Completed.
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	95%	Legal negotiations in process.
	Jungle Ventures V, LP	Subscription	\$50,000,000	December 11, 2024	Completed	100%	Completed.
PRIVATE EQUITY	Thoma Bravo XVI, LP	Subscription	\$150,000,000	December 11, 2024	Completed	100%	Completed.
	Thoma Bravo Discover V, LP	Subscription	\$100,000,000	December 11, 2024	Completed	100%	Completed.
REAL ESTATE	IDR Core Property Index Trust	Secondary Acquisition	\$20,000,000	December 11, 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**

December 24, 2024

TO: Trustees - Board of Investments

FROM: Christine Roseland
Senior Staff Counsel

FOR: Board of Investments Meeting of January 8, 2025

SUBJECT: Real Estate Recoveries Report

This report provides the savings and recoveries that the Legal Office achieved in 2023 and 2024 in connection with LACERA's separate account real estate investment program.

Separate Account Real Estate Program

LACERA's Real Estate Program consists of, among other things, separate account equity positions that cover a broad array of property types diversified throughout the U.S., including office buildings, industrial properties, multi-family apartments, retail centers, and development projects. LACERA acquires and sells properties utilizing private real estate advisory firms that are fiduciaries to LACERA. Most of the properties are held through tax exempt title holding companies ("THCs") formed as corporations, limited liability companies, or limited partnerships. Currently, LACERA maintains about 57 THCs holding approximately 39 assets for the separate account Real Estate Program.

The Legal Office handles the documentation relating to the transactions involving the acquisition¹, disposition, and leveraging of these properties as well as the formation, maintenance, management, and dissolution of the THCs holding title to the properties. The Legal Office's management of the THCs includes tax exemption filings, recovery of unclaimed property, and pursuing refunds relating to property tax reassessments, state and local transfer, income, and franchise taxes and withholdings as well as annual state registration fees.

Recovery

Through these efforts, LACERA recovered \$21,055.88 and \$588,286.34 in tax and unclaimed property related proceeds in calendar years 2023 and 2024, respectively. This brings the total amount recovered on behalf of the fund to over \$5,319,925.91 since 2014.

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¹ LACERA has ceased acquisitions as of January 2022 when the Board voted to wind down the separate account program as part of the real estate structure review.

The following is a breakdown of the amounts recovered on an annual basis since that time:

Year	Recovery
2014	\$ 447,579.38
2015	\$ 6,681.82
2016	\$ 748,771.65
2017	\$ 280,020.77
2018	\$ 768,403.15
2019	\$ 646,875.39
2020	\$ 1,115,201.62 ²
2021	\$ 298,311.66
2022	\$ 398,738.25
2023	\$ 21,055.88
2024	\$ 588,286.34
Total	\$5,319,925.91³

In addition, many of the separate account real estate transactions are handled by LACERA's outside counsel, who are in turn overseen by the Legal Office. After each transaction (such as a sale, purchase or financing), the firm engaged by LACERA submits an invoice for their services based on their hourly fees. The Legal Office frequently negotiates these invoices down based on circumstances. Through these negotiations, LACERA has saved over \$1,056,612.01 between 2014 and 2024. These amounts are in addition to discounted rates negotiated at the time the law firm is engaged to serve on the LACERA-bench of firms and result from staff monitoring the efficiency and value provided by outside counsel on a particular real estate transaction. The following is a breakdown of the amounts saved off invoice amounts on an annual basis since 2014:

Year	Legal Fee Savings
2014	\$ 21,786.40
2015	\$ 110,692.80
2016	\$ 40,409.27
2017	\$ 53,784.84
2018	\$ 165,127.31
2019	\$ 195,480.22
2020	\$ 25,033.13
2021	\$ 159,565.92
2022	\$ 101,613.17
2023	\$ 51,793.10
2024	\$ 131,325.85
Total	\$1,056,612.01

Similar legal fee savings exist for other asset classes too, but they are not included in this report because the focus here is on the separate account Real Estate Program.

² This amount includes a refund check in the amount of \$383,119.65 which was received in 2022.

³ The data in this memo is current through December 24, 2024.

Background

The Transactions Team within the Legal Division oversees all legal aspects of investment transactions including the Real Estate Program. That team is responsible for handling legal work related to the transactions as well as the management of the THCs. Among other things related to the management of the THCs, the team is responsible for (1) filing all tax exemption applications for each THC with the federal and applicable state governments (when such exemption is available), (2) recovering taxes for each THC at the federal, state, or local levels, to the extent taxes were paid when there was an exemption available, (3) monitoring and processing property tax refunds for each THC, (4) researching and applying for unclaimed property in various states when discovered, (5) managing state registrations for each THC, (6) monitoring income tax filings and withholdings, including applying for refunds when applicable, and (7) selecting, supervising, and monitoring outside counsel.

LACERA typically negotiates a discounted hourly rate with its panel of outside counsel engaged in connection with investment transactions. These discounts are usually 10 to 20% off regular rates. In addition to this rate discount, the Legal Office often negotiates an additional discount on final invoices of outside counsel in connection with individual transactions. Reasons for these discounts include, among other things, (1) exceeding the budgeted amount due to unanticipated issues or out of scope work, (2) reasonableness of the total amount in light of the circumstances, including value and efficiency of services provided, (3) volume discounts, (4) a hard not to exceed fee cap in situations where the hourly fees could eat up any gains (such as a tax refund or settlement), and (5) fairness in situations where multiple firms bid on the same transaction.

As noted above, efforts on tax and unclaimed property claims have resulted in the recovery by the fund of \$21,055.88 in 2023 and \$588,286.34 in 2024, and over \$5,319,925.91 in total proceeds since 2014, plus an additional \$1,131,325.85 in legal fee savings. When combined, these recoveries total \$6,376,537.92 since 2014. Because most of these recoveries were handled internally, offsetting fees or costs incurred to collect these amounts are negligible. Accordingly, these real estate recoveries directly benefit the pension fund.

Reviewed and Approved:



Steven P. Rice
Chief Counsel

cc: Santos H. Kreimann
Luis Lugo
Jonathan Grabel
Jude Perez

Terri Herubin
Ted Granger
Richard Bendall

December 18, 2024

TO: Each Trustee
Board of Retirement

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

FOR: January 15, 2025 Board of Retirement Meeting

SUBJECT: **Board of Retirement Board Officers: 2025 Calendar Year**

RECOMMENDATION

That the Board of Retirement ratify its slate of board officers who will serve their term in the 2025 calendar year.

LEGAL AUTHORITY

The Board of Retirement (BOR) Regulations provide that each January the BOR shall elect from its members a Chair, Vice Chair, and Secretary to serve for a term of one year or until his or her successor is duly elected and qualified.

The [BOR Board Officer Rotation Policy](#) provides that the process of selecting board officers will be a seniority-based system. At the first regular meeting in January, the BOR shall hold a vote to ratify the slate of board officers determined by the Executive Board Assistant.

DISCUSSION

The BOR Board Officer Rotation Policy provides that with reasonable and sufficient time before the first regular meeting in January, the Executive Board Assistant shall verify the seniority of each trustee on the seniority list for each board officer position who would be in office during the calendar year commencing in January and ascertain in order of seniority which trustee opts to serve as a board officer for the upcoming year.

According to the Executive Board Assistant, the following trustees opted to serve as BOR Chair, Vice Chair, and Secretary for the 2025 calendar year.

Chair: Les Robbins
Vice Chair: Ronald Okum
Secretary: Shawn Kehoe

IT IS THEREFORE RECOMMENDED THAT THE BOARD ratify its slate of board officers as identified above to serve their term in the 2025 calendar year.

Attachment

cc: Board of Investments Luis Lugo JJ Popowich Laura Guglielmo
Steven P. Rice Jon Gabel

**FOR INFORMATION ONLY**

December 19, 2024

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Ted Granger *TG*
Chief Financial Officer

FOR: January 8, 2025 Board of Investments Meeting
January 15, 2025 Board of Retirement Meeting

SUBJECT: MONTHLY TRUSTEE TRAVEL & EDUCATION REPORT – NOVEMBER 2024

Attached for your review is the monthly Trustee Travel & Education Report. This report includes all events (i.e., attended and canceled) from the beginning of the fiscal year through November 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. Grabel
S. Rice
R. Contreras

TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2024 - 2025
NOVEMBER 2024

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Nancy Durazo			
A	1 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	10/14/2024 - 10/18/2024	Attended
V	- Edu - Southern New Hampshire University: Principles of Finance & Public Fiscal Management Weekly Course - VIRTUAL	07/01/2024 - 08/25/2024	Attended
	- Edu - Southern New Hampshire University: Policy Analysis and the Role of the Public Weekly Course - VIRTUAL	09/02/2024 - 10/27/2024	Attended
Trevor Fay			
B	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - Toigo Foundation 35th Anniversary Gala - Los Angeles CA	11/20/2024 - 11/20/2024	Attended
Mike Gatto			
A	1 Edu - 2024 SACRS UC Berkeley Public Pension Investment Management Program - Berkeley CA	07/14/2024 - 07/17/2024	Attended
B	- Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA	07/10/2024 - 07/11/2024	Attended
	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - IFEBP Annual Employee Benefits Conference - San Diego CA	11/10/2024 - 11/13/2024	Attended
Elizabeth Ginsberg			
A	1 Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	10/14/2024 - 10/18/2024	Attended
B	- Edu - Pathways for Women Conference 2024 - Anaheim CA	08/26/2024 - 08/27/2024	Attended
	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - IFEBP New Trustees Institute - Level I: Core Concepts - San Diego CA	11/09/2024 - 11/11/2024	Attended
Vivian Gray			
A	1 Edu - 2024 Koried Global Summit: What Matters Now in 2024: Trends and Insights for Tomorrow - Coral Gables FL	07/17/2024 - 07/19/2024	Attended
	2 Edu - CII 2024 Fall Conference - Brooklyn NY	09/09/2024 - 09/11/2024	Attended
	3 Edu - New America Alliance International Symposium - Mexico City, Mexico	09/25/2024 - 09/26/2024	Attended
	4 Edu - PRI in Person 2024 - Toronto, Canada	10/08/2024 - 10/10/2024	Attended
B	- Admin - SACRS Board of Directors - Sacramento CA	09/16/2024 - 09/16/2024	Attended
	- Edu - CALAPRS Intermediate Course in Retirement Plan Administration - San Jose CA	11/06/2024 - 11/08/2024	Attended
	- Edu - SACRS Fall Conference 2024 - Monterey CA	11/12/2024 - 11/15/2024	Attended
	- Admin - 28th Annual NASP Symposium - Queens NY	11/20/2024 - 11/21/2024	Attended
Jason Green			
B	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended

TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2024 - 2025
NOVEMBER 2024

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Patrick Jones			
A	1 Edu - IDAC 2024 Annual Summit - Broomfield CO	09/24/2024 - 09/26/2024	Attended
	2 Edu - NACD Directors Summit 2024 - Washington, DC	10/06/2024 - 10/09/2024	Attended
	3 Edu - Goldman Sachs the Garland Summit: Enduring Legacy - New York City NY	10/09/2024 - 10/10/2024	Attended
B	- Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA	07/10/2024 - 07/11/2024	Attended
	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - NACD PSW Corporate Directors Symposium - Los Angeles CA	11/15/2024 - 11/15/2024	Attended
V	- Edu - NACD Workforce Challenges and Future Strategy - Why Directors Should Be Engaged - VIRTUAL	11/04/2024 - 11/04/2024	Attended
Aleen Langton			
B	- Edu - NCPERS Accredited Fiduciary Program Modules 1 & 2: Governance & Finance - Palm Springs CA	10/26/2024 - 10/27/2024	Attended
	- Admin - Trustee Business Meeting - Pasadena CA	10/30/2024 - 10/30/2024	Attended
Debbie Martin			
A	1 Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA	07/17/2024 - 07/19/2024	Attended
B	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
X	- Edu - 2024 Wharton Investment Strategies and Portfolio Management - Philadelphia PA	10/14/2024 - 10/18/2024	Canceled
Nicole Mi			
A	1 Edu - Harvard Business School Executive Education Program: Audit Committees in a New Era of Governance - Boston MA	07/17/2024 - 07/19/2024	Attended
	2 Edu - New America Alliance International Symposium - Mexico City, Mexico	09/25/2024 - 09/26/2024	Attended
	3 Edu - 2024 PPI Executive Seminar and Asia Roundtable - Hong Kong	10/20/2024 - 10/25/2024	Attended
	4 Edu - CII NYU Corporate Governance Bootcamp - New York City NY	11/14/2024 - 11/15/2024	Attended
B	- Edu - 2024 The Investment Diversity Exchange (TIDE) Spark - Laguna Niguel CA	07/10/2024 - 07/11/2024	Attended
	- Edu - Pathways for Women Conference 2024 - Anaheim CA	08/26/2024 - 08/27/2024	Attended
	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - Saxena White Women's Alliance Luncheon - Los Angeles CA	09/30/2024 - 09/30/2024	Attended
	- Edu - WIIN 10th Anniversary Event - Los Angeles CA	10/02/2024 - 10/02/2024	Attended
	- Edu - AAAIM Elevate 2024 - Los Angeles CA	10/08/2024 - 10/10/2024	Attended
Wayne Moore			
A	1 Edu - CII 2024 Fall Conference - Brooklyn NY	09/09/2024 - 09/11/2024	Attended
	2 Edu - Harvard Business School - Audit Committees in a New Era of Governance - Boston MA	11/20/2024 - 11/22/2024	Attended
B	- Edu - SACRS Fall Conference 2024 - Monterey CA	11/12/2024 - 11/15/2024	Attended



**TRUSTEE TRAVEL AND EDUCATION REPORT
FOR FISCAL YEAR 2024 - 2025
NOVEMBER 2024**

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
David Ryu			
A	1 Edu - 2024 PPI Executive Seminar and Asia Roundtable - Hong Kong	10/20/2024 - 10/25/2024	Attended
B	- Admin - Board of Investments Offsite - Glendale CA	09/10/2024 - 09/11/2024	Attended
	- Edu - AAAIM Elevate 2024 - Los Angeles CA	10/08/2024 - 10/10/2024	Attended

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.
- M - Regular Board and Committee Meetings
- V - Virtual Event
- X - Canceled events for which expenses have been incurred.
- Z - Trip was Canceled - Balance of \$0.00



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

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



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