



December 8, 2020

TO: Each Trustee,
Board of Investments

SUBJECT: Board of Investments Meeting on December 9, 2020 – Item IX. B.

Following you will find the Green Folder item for the above mentioned meeting:

An email dated December 7, 2020 from Trustee Wayne Moore to CIO Jonathan Grabel concerning the Equity Initiative, containing Trustee Moore's comments and questions with regard to this agenda item. The email is sent to the Board of Investments at Trustee Moore's request.

From: [Wayne Moore](#)
To: [Jonathan Gabel](#)
Cc: [Linda El-Farra](#)
Subject: Equity Initiative
Date: Monday, December 7, 2020 1:28:44 PM

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Thank you for your November 24, 2020 report Towards Inclusion Diversity and Equity (T.I.D.E.). I appreciate the effort you and your staff have put into both your recent presentations. Thank You.

At the September 9, 2020 Board of Investment meeting you spent a significant amount of time reviewing LACERA's past actions and previewed some prospective next steps under the T.I.D.E. program moniker. The Board subsequently approved an Equity Initiative instructing you to report back in 90 days on a roadmap to implementing the three elements of the Equity Initiative. You summarized that motion on page 8 of your current report presentation. While your report provides some useful and actionable information, When you make your presentation at the upcoming BOI meeting, please focus your presentation and remarks on responding to the instructions you were given in the approved Equity Initiative. As you know this is my last BOI meeting and I want to know what to expect going forward. Your remarks should address at least the following as well as your other actions addressing the Equity Initiative:

1. What specific actions are you taking to expand outreach to diverse, minority and women owned businesses that have been historically been excluded from participation in the financial services and investment community? For example:
 - a. What professional organizations will you outreach to and participate in their events?
 - b. What is your goal for the number and frequency of contacts with these professional organizations annually?
 - c. Will you establish similar outreach and contact frequency goals for our managers and advisors?
2. How will you make opportunities for qualified diverse, minority and women owned businesses to participate in LACERA's portfolio. For example:
 - a. Will you establish some goals for including diverse, minority and women owned businesses in solicitations i.e. some sort of "Rooney-like" rule?
 - b. Do you plan to host any conferences, workshops or other types of events to market and expose LACERA and LACERA opportunities to the diverse financial services communities?
3. What internal allocation review procedures will you implement to ensure that assets managed by diverse, minority and women-owned investment managers are allocated more equitably? For example, two years ago, we replaced two core fixed income managers with \$900 of our AUM who were not meeting their benchmark. We retained one core diverse manager who was meeting their benchmark with less than \$200 of our AUM. That company's allocation was subsequently increased only after I raised the issue.
4. For all of your initiatives, actionable information is required to asset LACERA's performance in achieving a more diverse portfolio of asset managers and service providers. For each objective you identify, regular reporting is required. What type of reporting will you be providing on a quarterly and annual basis that will provide this type of performance information.
5. Finally, the Equity Initiative directed you to establish 3, 5 and 10 year plans to achieve its

outreach and opportunity outcome objectives. What steps are required to establish 3, 5 and 10 year plans to increase the talent pool, make more opportunities available and ensure equitable allocation of LACERA assets. When will those steps be implemented and completed?

Thank you for your attention to this request.