

IN PERSON & VIRTUAL BOARD MEETING

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



TO VIEW VIA WEB



TO PROVIDE PUBLIC COMMENT

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

Attention: If you have any questions, you may email PublicComment@lacera.com. 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, MAY 8, 2024*

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

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)

Mar Monte Hotel: 1111 East Cabrillo Blvd., Santa Barbara, CA 93103

Harbor View Inn: 28 W. Cabrillo Blvd., Santa Barbara, CA 93101

- I. CALL TO ORDER
- II. PLEDGE OF ALLEGIANCE
- III. PROCEDURE FOR TELECONFERENCE MEETING ATTENDANCE UNDER AB 2449, California Government Code Section 54953(f)
 - A. Just Cause
 - B. Action on Emergency Circumstance Requests
 - C. Statement of Persons Present at AB 2449 Teleconference Locations
- IV. APPROVAL OF MINUTES
 - A. Approval of the Minutes of the Regular Meeting of April 10, 2024

V. PUBLIC COMMENT

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

If you select oral comment, we will contact you via email with information and instructions as to how to access the meeting as a speaker. You will have up to 3 minutes to address the Board. Oral comment request will be accepted up to the close of the Public Comment item on the agenda.

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

VI. EXECUTIVE UPDATE

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

VII. CONSENT ITEMS

- A. **Revised Trustee Education and Travel Policies**
Recommendation as submitted by Vivian Gray, Chair, Joint Organizational Governance Committee: That the Board approve the revised Trustee Education and Travel Policies.
(Memo dated April 25, 2024)

VIII. NON-CONSENT ITEMS

- A. **LACERA Pension Trust and OPEB Master Trust Investment Policy Ranges Recommendation**
Recommendation as submitted by Jude Pérez, Deputy Chief Investment Officer: That the Board approve the Investment Policy Ranges and implementation plan outlined in Meketa Investment Group's ("Meketa") presentation (pages 15-21) for LACERA's Pension Trust and the OPEB Master Trust. (Memo dated April 29, 2024)

VIII. NON-CONSENT ITEMS (Continued)

B. **LACERA Pension Trust and OPEB Master Trust Policy Benchmark Recommendation**

Recommendation as submitted by Jude Pérez, Deputy Chief Investment Officer: That the Board approve the policy benchmarks outlined in Meketa Investment Group's ("Meketa") presentation (pages 9, and 11-13) for LACERA's Pension Trust and the OPEB Master Trust. (Memo dated April 22, 2024)

C. **Actuarial Consulting and Actuarial Auditing Services Search Recommendation**

Recommendation as submitted by Cassandra Smith, Director, Retiree Health Care, Laura Guglielmo, Assistant Executive Officer, Richard Bendall, Chief Audit Executive, Steven Rice, Chief Counsel, Ted Granger, Chief Financial Officer, Vache Mahseredjian, Principal Investment Officer, Kathryn Ton, Senior Investment Analyst: That the Board select Milliman Inc. and Cavanaugh Macdonald Consulting to provide actuarial consulting and actuarial auditing services, respectively, for LACERA's retirement benefits plan and Los Angeles County's other post-employment benefits program for retiree health care. (Memo dated April 24, 2024)

D. **Administrative Travel – Trustee Trevor Fay**

Recommendation as submitted by Trevor Fay, Trustee: That the Board authorize administrative travel for the purpose of participating in the 2024 Toigo Foundation Industry Insight & Anniversary Gala on May 29, 2024, in New York, New York and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Memo dated May 1, 2024)

IX. REPORTS

A. **Board of Investments 2024 Offsite Tentative Agenda**

Jonathan Grabel, Chief Investment Officer
(For Information Only) (Memo dated April 23, 2024)

IX. REPORTS (Continued)

B. **OPEB Master Trust – Strategic Asset Allocation Update**

Jon Grabel, Chief Investment Officer

Jude Pérez, Deputy Chief Investment Officer

Esmeralda V. del Bosque, Principal Investment Officer

(For Information Only) (Memo dated April 15, 2024)

C. **Legal Projects**

Christine Roseland, Senior Staff Counsel

(For Information Only) (Memo dated May 1, 2024)

D. **Monthly Status Report on Legislation**

Barry W. Lew, Legislative Affairs Officer

(For Information Only) (Memo dated April 23, 2024)

E. **Monthly Trustee Travel & Education Reports – March 2024**

Ted Granger, Chief Financial Officer

(Public memo dated April 19, 2024) (Confidential memo dated April 19, 2024 - Includes Pending Travel)

F. **April 2024 Fiduciary Counsel Contact and Billing Report**

Steven P. Rice, Chief Counsel

(For Information Only) (Memo dated April 23, 2024)

(Privileged and Confidential/Attorney-Client Communication/Attorney Work Product)

X. 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.)

XI. 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.)

XII. GOOD OF THE ORDER

(For Information Purposes Only)

XIII. EXECUTIVE SESSION

- A. Conference with Staff and Legal Counsel to Consider the Purchase or Sale of Particular, Specific Pension Fund Investments (Pursuant to California Government Code Section 54956.81)
1. **Secondary Sale**
Christopher J. Wagner, Principal Investment Officer
Derek Kong, Investment Officer
(For Information Only) (Memo dated April 15, 2024)
 2. **Partners Group Direct Infrastructure Fund IV, L.P. and Partners Group Rose (Co-Invest), L.P**
James Rice, Principal Investment Officer
Pushpam Jain, Investment Officer
Terra Elijah, Senior Investment Analyst
(For Information Only) (Memo dated April 26, 2024)
 3. **One Item**
James Rice, Principal Investment Officer
Amit Aggarwal, Investment Officer
Cindy Rivera, Senior Investment Analyst
(For Information Only) (Memo dated April 19, 2024)
- B. Public Employee Performance Evaluation (Pursuant to Paragraph (1) of Subdivision (b) of California Government Code Section 54957)
1. Title: Chief Executive Officer

XIV. ADJOURNMENT

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

Documents subject to public disclosure that relate to an agenda item for an open session of the Board of Retirement that are distributed to members of the Board of Retirement less than 72 hours prior to the meeting will be available for public inspection at the time they are distributed to a majority of the Board of Retirement Trustees at LACERA's offices at 300 N. Lake Avenue, Suite 820, Pasadena, CA 91101, during normal business hours of 9:00 a.m. to 5:00 p.m. Monday through Friday 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, Ext. 4401/4402 from 8:30 a.m. to 5:00 p.m. Monday through Friday or email PublicComment@lacera.com, but no later than 48 hours prior to the time the meeting is to commence.

MINUTES OF 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, APRIL 10, 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

Jason Green, Secretary (Joined the meeting at 9:24 a.m.)

Trevor Fay

Mike Gatto

Elizebth Ginsberg

Debbie Martin

Nicole Mi

Third Member Seat Vacant

STAFF, ADVISORS, PARTICIPANTS:

Jonathan Grabel, Chief Investment Officer

Santo Kreimann, Chief Executive Officer

Jude Pérez, Deputy Chief Investment Officer

Luis Lugo, Deputy Chief Executive Officer

JJ Popowich, Assistant Executive Officer

STAFF, ADVISORS, PARTICIPANTS (Continued)

Steven P. Rice, Chief Counsel

Ted Granger, Chief Financial Officer

Christine Roseland, Senior Staff Counsel

Quoc Nguyen, Investment Officer

Meketa Investment Group (General Investment Consultants)

Timothy Filla, Managing Principal

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

James Walsh, Partner

Jennifer Yeung, Senior Portfolio Analyst

StepStone Group LP (Equity Consultants)

Natalie Walker, Partner

Latham and Watkins LLC

Roman Martinez, Partner

Manny Abascal, Partner

I. CALL TO ORDER

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

II. PLEDGE OF ALLEGIANCE

Trustee Gatto led the Trustees and staff in reciting the Pledge of Allegiance.

III. RATIFICATION OF OFFICERS

A. Board Officers: Revised Slate for 2024 Calendar Year

Recommendation as submitted by Santos H. Kreimann, Chief Executive Officer: That the Board ratify a revised slate of board officers who will serve the remaining term in the 2024 calendar year as the result of a vacancy: David Ryu as Vice Chair, and Jason Green as Secretary. (Memo dated March 15, 2024)

III. RATIFICATION OF OFFICERS (Continued)

A motion was made by Trustee Gatto, seconded by Trustee Fay, to ratify and approve its revised slate of board officers for 2024. The motion passed by following roll call vote:

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

Absent: Green

IV. Election of Trustees to Joint Organizational Governance Committee (1 Trustee) and Audit Committee (1 Trustees)

Chair Jones nominated Trustee Fay to the position of Joint Organizational Governance Committee Member for 2024. There were no other nominations.

Chair Jones nominated Trustee Mi to the position of Audit Committee Member for 2024. There were no other nominations.

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

A. Just Cause

B. Action on Emergency Circumstance Requests

C. Statement of Persons Present at AB 2449 Teleconference Locations

No requests were received for Just Cause or Emergency Circumstances.

VI. APPROVAL OF MINUTES

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

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

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

Absent: Green

VII. PUBLIC COMMENT

There were no requests from the public to speak.

VIII. EXECUTIVE UPDATE (Trustee Green joined the meeting at 9:24 a.m.)

A. Chief Investment Officer's Report

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, Maria Lucero.

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.

IX. CONSENT ITEMS

A motion was made by Trustee Gatto, seconded by Trustee Fay, to approve Consent Items A-B. The motion passed by the following roll call vote:

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

Absent: Green

A. **Impact Investor Global Summit 2024 in London, England on May 14 -15, 2024**

Recommendation that the Board approve attendance of Trustees at the Impact Investor Global Summit 2024 in London, England on May 14 -15, 2024, and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies. (Placed on the agenda by Trustee David Ryu)
(Memo dated March 20, 2024)

IX. CONSENT ITEMS (Continued)

B. **Ethics and Compliance as Strategic Priorities: LACERA Ethics and Compliance Program Framework**

Recommendation as submitted by Vivian H. Gray, Chair, Joint Organizational Governance Committee: That the Board refer the proposed Ethics and Compliance Program Charter to the Audit Committee for further development, and then return it to the Boards for final approval. (Memo dated March 27, 2024)

X. EXCLUDED FROM CONSENT ITEMS
(Trustee Green joined the meeting at 9:24 a.m.)

There were no items excluded from Consent items.

XI. NON CONSENT ITEMS

A. **LACERA Pension Trust Strategic Asset Allocation**

Recommendation as submitted by Jonathan Grabel, Chief Investment Office and Jude Perez, Deputy Chief Investment Officer and Tim Filla, Managing Principal of Meketa: That the Board approve the Strategic Asset Allocation Option B, on page 11 of Meketa Investment Group's presentation and within Chart 1 of this memorandum, for the LACERA Pension Trust. (Memo dated April 1, 2024)

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

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

No: Gatto

B. **OPEB Master Trust Strategic Asset Allocation**

Recommendation as submitted by Jonathan Grabel, Chief Investment Office and Jude Perez, Deputy Chief Investment Officer, Esmeralda V. del Bosque, Principal Investment Officer and Tim Filla, Managing Principal of Meketa: That the Board approve the Strategic Asset Allocation Option D, on page 7 of Meketa Investment Group's presentation and within Chart 1 of this memorandum, for the OPEB Master Trust. (Memo dated April 1, 2024)

XI. NON CONSENT ITEMS (Continued)

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

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

C. **Risk Reduction and Mitigation Functional Category Investment Guidelines Review**

Recommendation as submitted by Vache Mahseredjian, Principal Investment Officer, Chad Timko, Senior Investment Officer, Krista Powell, Investment Officer, Quoc Nguyen, Investment Officer, Jason Choi, Senior Investment Analyst and Josiah Bezet, Senior Investment Analyst: That the Board Reaffirm the Risk Reduction and Mitigation functional category investment guidelines, as outlined in the attached presentation. (Memo dated March 28, 2024)

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

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

XII. REPORTS

A. **Council of Institutional Investors Member Ballot**

Scott Zdrazil, Principal Investment Officer
(For Information Only) (Memo dated March 15, 2024)

This item was received and filed.

B. **Succession Process Following the Retirement of BOR/BOI Trustee Knox and BOI Trustee Santos**

Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated March 22, 2024)

This item was received and filed.

XII. REPORTS (Continued)

C. **Legal Projects**

Christine Roseland, Senior Staff Counsel
(For Information Only) (Memo dated April 2, 2024)

This item was received and filed.

D. **Monthly Status Report on Legislation**

Barry W. Lew, Legislative Affairs Officer
(For Information Only) (Memo dated March 25, 2024)

This item was received and filed.

E. **Monthly Trustee Travel & Education Reports – February 2024**

Ted Granger, Chief Financial Officer
(Public Memo dated March 20, 2024) (Confidential memo dated March 20, 2024 - Includes Pending Travel)

This item was received and filed.

F. **March 2024 Fiduciary Counsel Contact and Billing Report**

Steven P. Rice, Chief Counsel
(For Information Only) (Memo dated March 22, 2024) (Privileged and Confidential/Attorney-Client Communication/Attorney Work Product)

This item was received and filed.

XIII. ITEMS FOR STAFF REVIEW

There were no items to report.

XIV. ITEMS FOR FUTURE AGENDAS

There was nothing to report.

XV. GOOD OF THE ORDER

(For Information Purposes Only)

There was nothing to report.

XVI. 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. One Item

Christopher J. Wagner, Principal Investment Officer
Cherly Lu, Investment Officer
(For Information Only) (Memo dated March 28, 2024)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved a commitment of up to \$100 million in Innovation Alpha V, L.P., which is a private equity buyout fund focused on middle market investments across diversified sectors in Japan.

2. Orion Mine Finance Fund IV LP and Orion Mine Finance Co-Fund IV LP

James Rice, Principal Investment Officer
Pushpam Jain, Investment Officer
(For Information Only) (Memo dated March 25, 2024)

The Board received an information only memo reporting that LACERA's Chief Investment Officer, within his Board-approved authority, approved (1) a commitment of up to \$125 million in Orion Mine Finance Fund IV L.P., which is a real assets fund investing globally in metals and precious metals needed for clean energy transition, and (2) a commitment of up to \$125 million in Orion Mine Finance Co-Fund IV L.P., which is a co-investment vehicle with a similar focus.

3. Notice of Redemption

Vache Mahseredjian, Principal Investment Officer
Chad Timko, Senior Investment Officer
(For Information Only) (Memo dated March 28, 2024)

There was nothing to report.

XVI. EXECUTIVE SESSION

B. Conference With Legal Counsel—Existing Litigation
(Pursuant to Paragraph (1) of Subdivision (d) of California Government
Code Section 54956.9)

1. LACERA v. County of Los Angeles
LASC Case No. 21STCP03475,
Court of Appeal Case No. B326977

There was nothing to report.

XVII. ADJOURNMENT

There being no further business to come before the Board, the meeting was
adjourned at 12:40 p.m.

JASON GREEN, SECRETARY

PATRICK JONES, CHAIR



Chief Investment Officer Monthly Report

Jonathan Grabel – Chief Investment Officer 

Board of Investments Meeting
May 8, 2024

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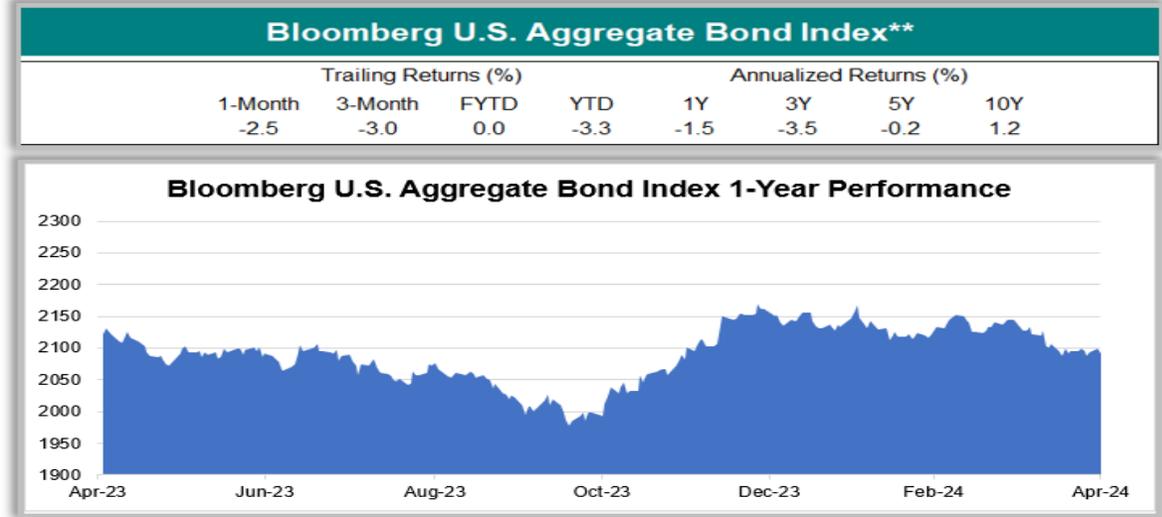


1. Market Environment
2. Portfolio Performance & Risk Updates
3. Portfolio Structural Updates
4. Key Initiatives & Operational Updates
5. Commentary
6. Appendix
 - Quiet Period for Search Respondents



01 Market Environment

Global Market Performance as of April 30, 2024



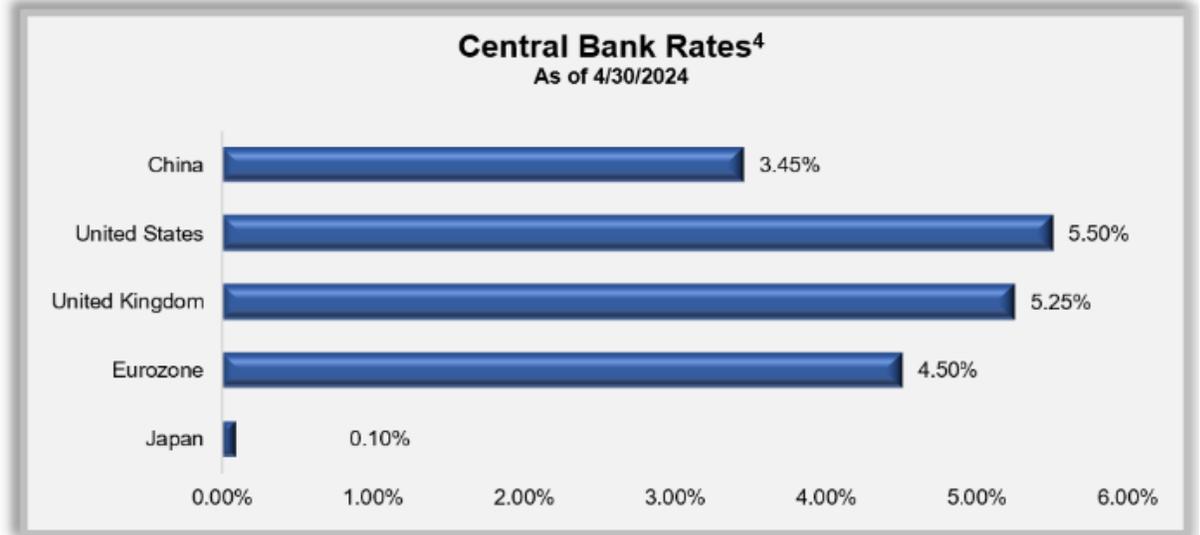
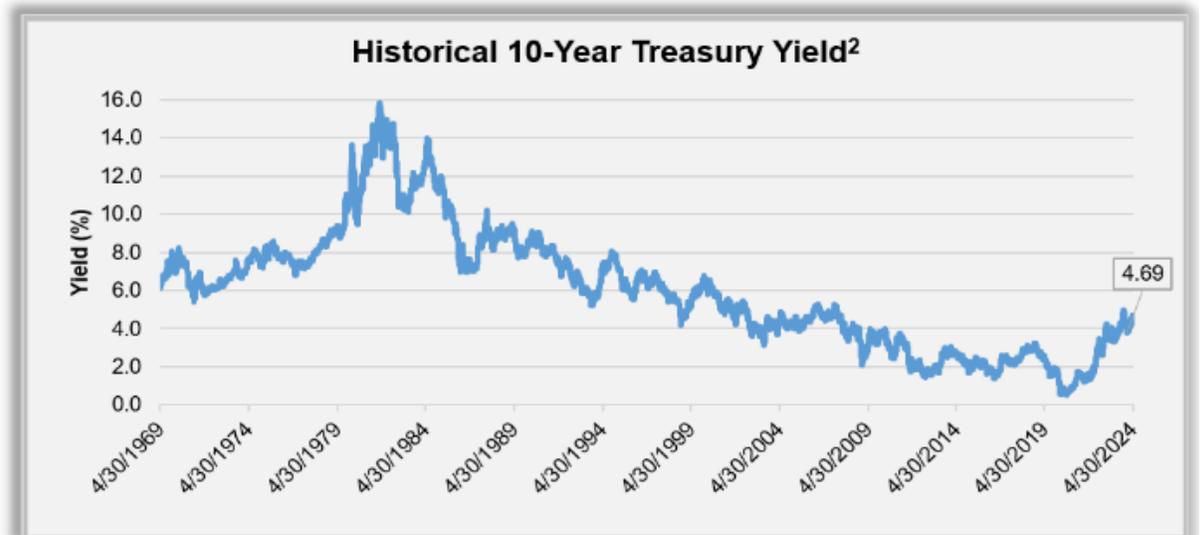
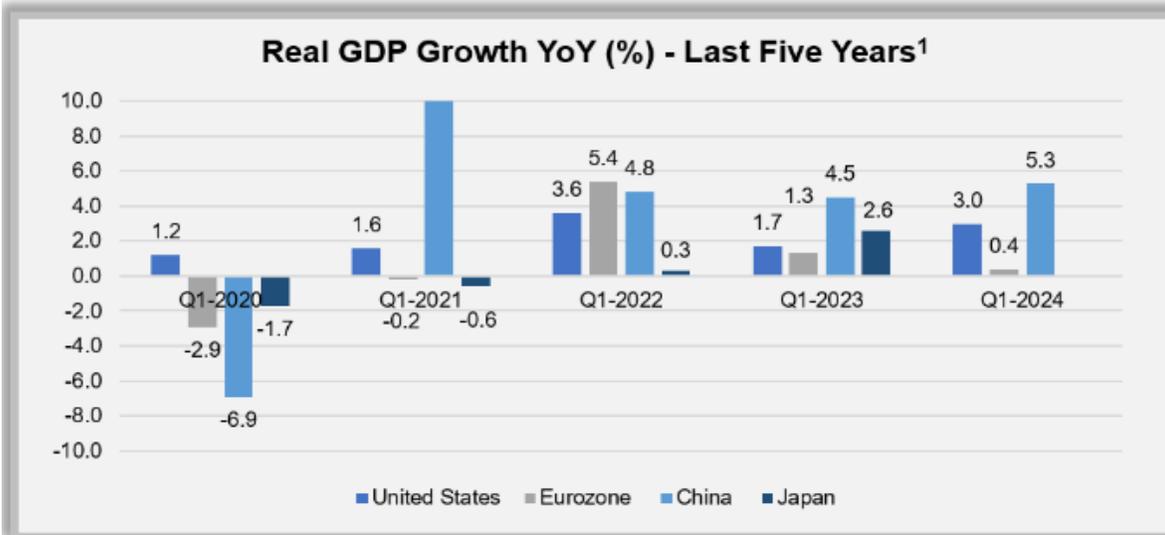
*Global Equity Policy Benchmark - MSCI ACWIIMI Index

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

Market	Sub-Category	Index Name	1-Month	3-Month	FYTD	YTD	1 Y	3 Y	5 Y	10 Y
Reference Portfolio	60:40 Equity:Bond Portfolio	60% MSCI ACWI IMI/ 40% Bloomberg U.S. Aggregate Index	-3.0	1.1	7.0	1.1	9.5	0.8	5.4	5.3
Equity	Global All Cap	MSCI ACWI IMI Total Return	-3.4	3.8	11.7	4.1	16.8	3.6	9.1	8.0
	U.S. All Cap	Russell 3000 Total Return	-4.4	4.0	14.0	5.2	22.2	6.3	12.4	11.8
	U.S. Large Cap	S&P 500 Total Return	-4.1	4.3	14.6	6.0	22.6	8.1	13.2	12.4
	U.S. Small Cap	Russell 2000 Total Return	-7.0	1.7	5.8	-2.2	13.3	-3.2	5.8	7.2
	Non-U.S. All Cap	MSCI ACWI-ex U.S. IMI Total Return	-1.7	3.6	8.6	2.5	9.3	0.1	5.1	4.0
	Emerging Markets	MSCI Emerging Markets Total Return	0.4	7.8	7.7	2.8	9.9	-5.7	1.9	3.0
Private Equity	Private Equity Buyout	Thomson Reuters PE Buyout Index	-7.6	5.9	21.2	9.6	19.2	-2.2	7.7	10.7
Fixed Income	U.S. Investment Grade Bonds	Bloomberg U.S. Aggregate Index	-2.5	-3.0	0.0	-3.3	-1.5	-3.5	-0.2	1.2
	U.S. Corporate High Yield Bonds	Bloomberg U.S. Corporate High Yield Total Return	-0.9	0.5	8.2	0.5	9.0	1.5	3.7	4.3
	U.S. Long Term Treasury Bonds	Bloomberg Long Term U.S. Treasury Total Return Index	-6.1	-7.1	-9.7	-9.2	-12.2	-10.6	-3.6	0.4
	Developed Markets Leveraged Loans	Credit Suisse Leveraged Loan Total Return	0.7	2.4	9.7	3.2	12.1	5.9	5.1	4.6
	U.S. Treasury Inflation Protected Securities	Bloomberg U.S. Treasury TIPS Total Return Index	-1.7	-1.9	0.2	-1.8	-1.3	-1.6	2.1	1.9
	U.S. 3 Month Treasury Bill	FTSE 3 Month Treasury Bill	0.4	1.4	4.7	1.8	5.6	2.9	2.1	1.4
Commodity	Commodity Prices Index	Bloomberg Commodity Index Total Return	2.7	4.5	4.8	4.9	2.9	7.2	7.0	-1.5
	Natural Resources	S&P Global LargeMidCap Commodity & Resources Index	1.9	10.1	7.4	3.2	2.6	8.8	9.7	4.8
Infrastructure	Global Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	-2.9	0.2	1.2	-2.2	-1.9	2.2	3.1	3.7
Real Estate	U.S. REITs	MSCI U.S. REIT Index	-7.1	-3.4	-0.1	-7.4	1.7	-1.1	2.7	5.4

Source: Bloomberg

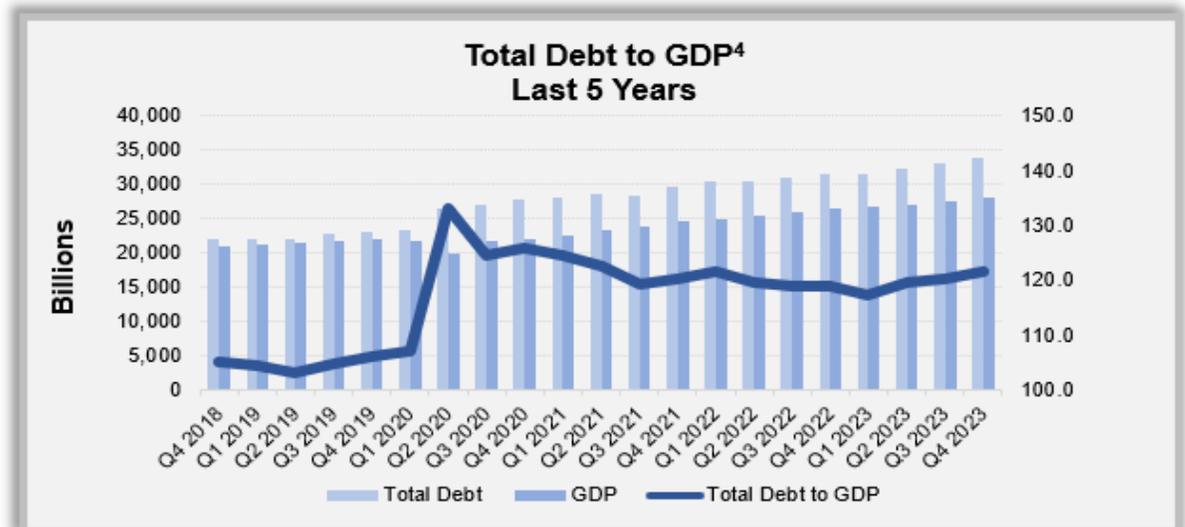
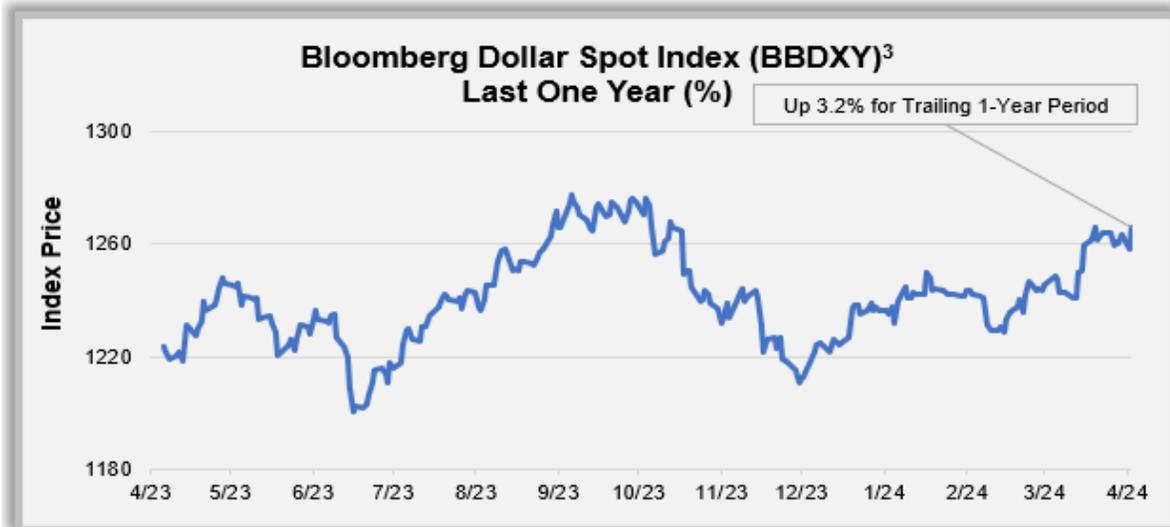
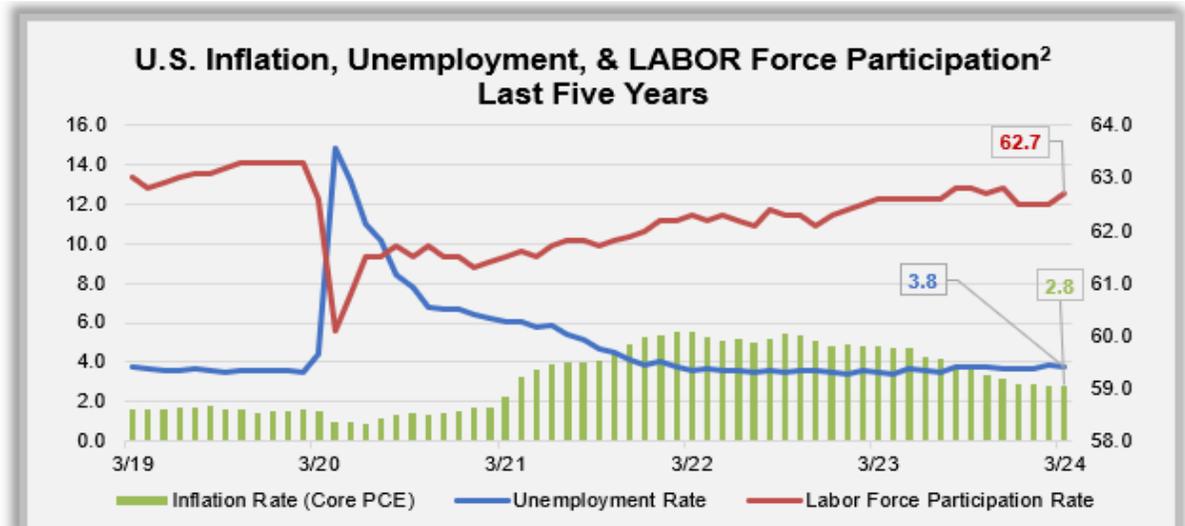
Key Macro Indicators*



*The information on the "Key Macro Indicators" charts is the best available data as of 4/30/24 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 4/30/24 and may not reflect the current market and economic environment.

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



02 Portfolio Performance & Risk Updates



Recent Themes

- The U.S. Federal Reserve held its benchmark overnight borrowing rate unchanged in a range between 5.25% and 5.5% during its recent meeting ending May 1
 - “Inflation has eased over the past year but remains elevated. In recent months, there has been a lack of further progress toward the Committee’s 2 percent inflation objective,” the U.S. Federal Reserve statement said
- The U.S. 10-year Treasury yield ended April at 4.69% 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 3.4% in April

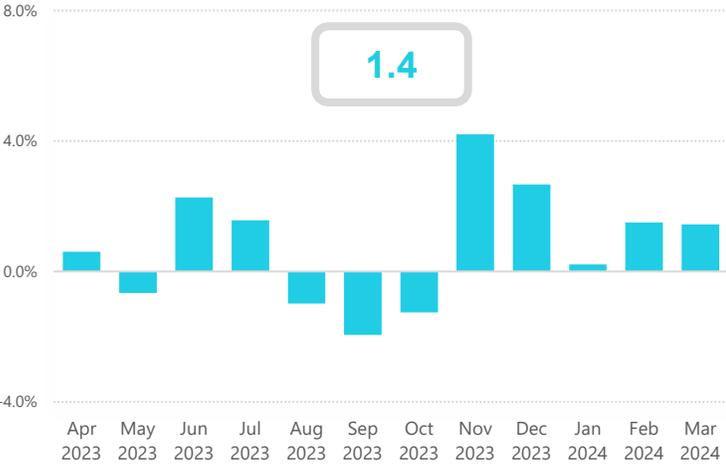
What to Watch

- Interest rates and central bank actions
- Economic data and trends
 - Inflation, supply chains, and labor developments
- Macro conditions and geopolitical risks
- Artificial intelligence including research developments, applications, and infrastructure investment
- Stewardship and ESG-related developments
 - Two-thirds (67%) of public company directors report increasing their board composition disclosures—including director skillsets and diversity—in response to investor focus on board quality, per National Association of Corporate Directors [research](#)

Total Fund Summary as of March 2024



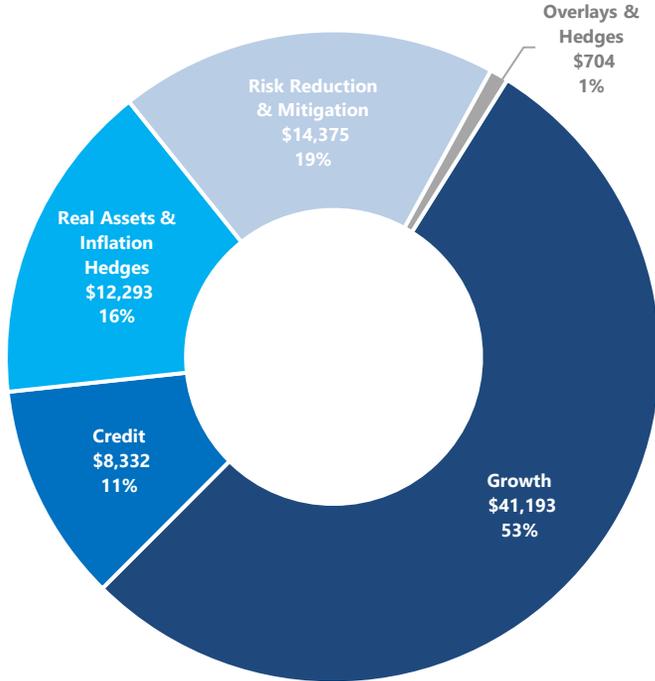
Monthly Return (net)



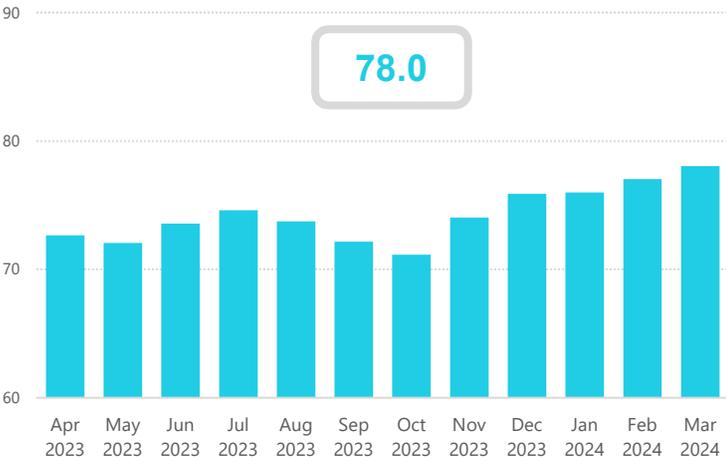
Upside / Downside Capture (%)



Asset Allocation (\$ millions)



Total Market Value (\$ billions)



Cash (\$ millions)



Historical Net Performance as of March 2024



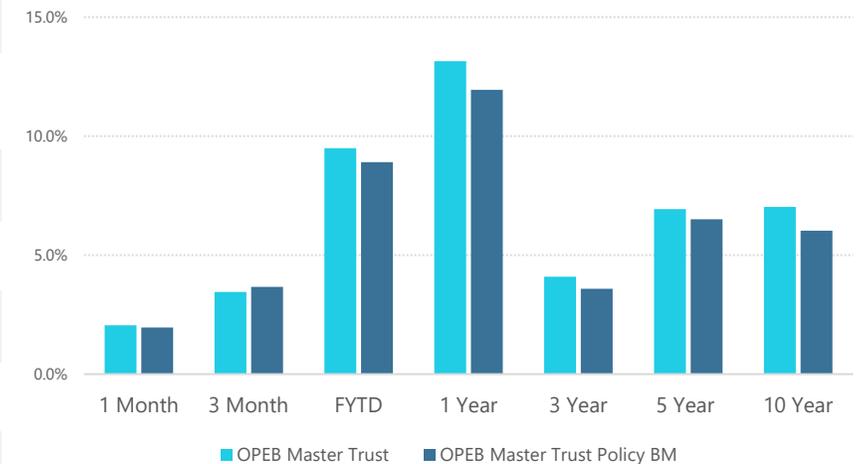
LACERA Pension Fund

	Market Value (\$ millions)	% of Total Fund	Final Target	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
Total Fund	78,031	100.0%	100.0%	1.4%	3.2%	7.4%	9.8%	6.6%	8.5%	7.6%
Total Fund Policy BM				2.4%	4.3%	8.8%	11.9%	4.4%	7.3%	7.0%
7% Annual Hurdle Rate				0.6%	1.7%	5.2%	7.0%	7.0%	7.0%	7.0%
Growth	41,193	52.8%	53.0%	1.8%	5.0%	10.6%	15.2%	9.1%		
Growth Policy BM				3.5%	8.1%	14.1%	20.7%	6.5%		
Credit	8,332	10.7%	11.0%	1.2%	3.4%	10.9%	13.6%	5.6%		
Credit Policy BM				0.8%	3.3%	10.2%	12.1%	3.2%		
Real Assets & Inflation Hedges	12,293	15.8%	17.0%	1.5%	-0.2%	-0.4%	-1.6%	5.9%		
Real Assets & Inflation Hedges Policy BM				1.7%	-1.2%	-0.7%	-2.7%	5.2%		
Risk Reduction & Mitigation	14,375	18.4%	19.0%	0.6%	-0.2%	2.2%	1.0%	-1.3%		
Risk Reduction & Mitigation Policy BM				0.9%	-0.4%	2.2%	1.9%	-1.4%		
Overlays & Hedges	704	0.9%								



OPEB Trust

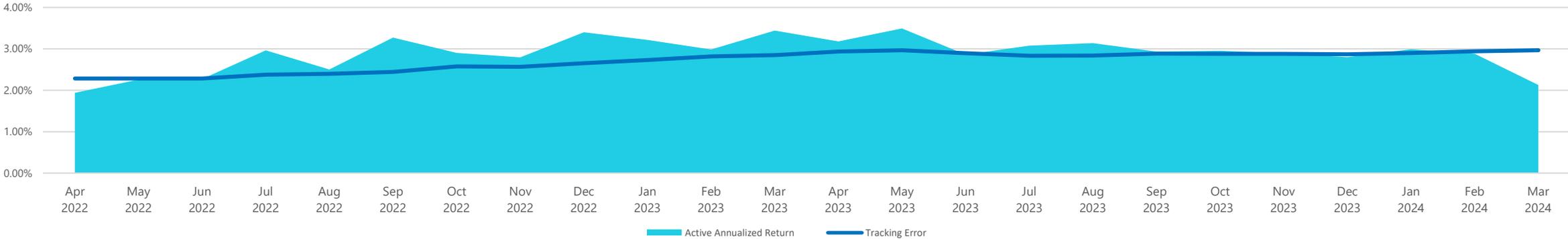
	Market Value (\$ millions)	% of Master Trust	Final Target	1 Month	3 Month	FYTD	1 Year	3 Year	5 Year	10 Year
OPEB Master Trust	3,790			2.1%	3.4%	9.5%	13.1%	4.1%	6.9%	7.0%
OPEB Master Trust Policy BM				2.0%	3.7%	8.9%	12.0%	3.6%	6.5%	6.0%
6% Annual Hurdle Rate				0.5%	1.5%	4.5%	6.0%	6.0%	6.0%	6.0%
OPEB Growth	1,719	45.4%	45.0%	3.2%	7.7%	15.7%	22.6%	6.5%	10.8%	
OPEB Growth Policy BM				3.4%	8.2%	15.9%	22.8%	6.0%	10.4%	
OPEB Credit	674	17.8%	18.0%	0.9%	1.1%	7.3%	9.9%	3.1%	3.7%	
OPEB Credit Policy BM				1.0%	2.5%	9.5%	12.0%	3.2%	4.0%	
OPEB Real Assets & Inflation Hedges	763	20.1%	20.0%	1.7%	0.1%	4.2%	4.8%	2.9%	3.2%	
OPEB RA & IH Policy BM				1.4%	-1.1%	0.0%	-1.8%	2.3%	3.0%	
OPEB Risk Reduction & Mitigation	632	16.7%	17.0%	0.9%	-1.2%	1.1%	0.3%	-1.9%	0.5%	
OPEB RR & M Policy BM				1.0%	-1.3%	1.0%	0.1%	-2.5%	0.1%	
OPEB HL PM Cash	0	0.0%								



Active and Excess Return as of March 2024



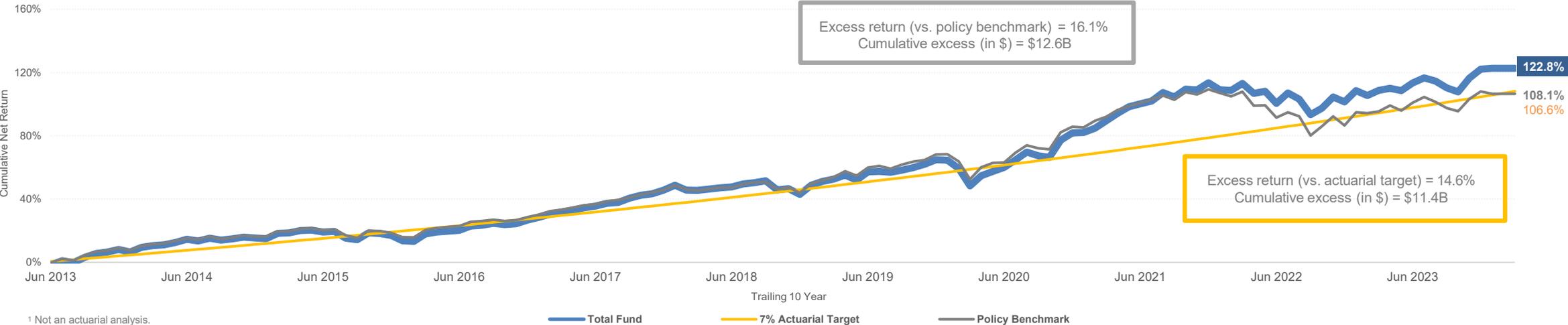
Active Return vs. Tracking Error^{1,2,3}



Period Ending	Annualized Return	Annualized Benchmark Return	Annualized Active Return	Tracking Error
Mar 2024	6.6%	4.4%	2.1%	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 March 2024*



TOTAL FUND VOLATILITY

11.2%

BENCHMARK VOLATILITY

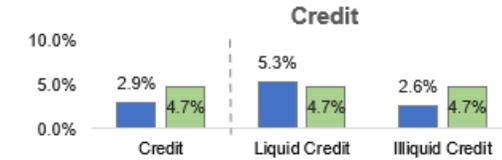
11.3%

Forecasted Total Fund Volatility Trend

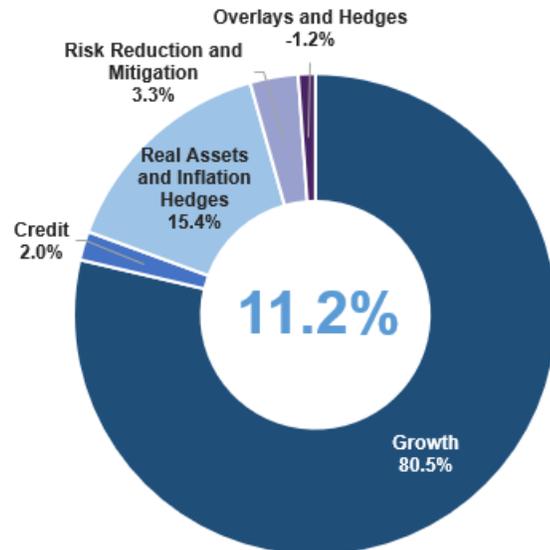


Subcategory Volatility

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

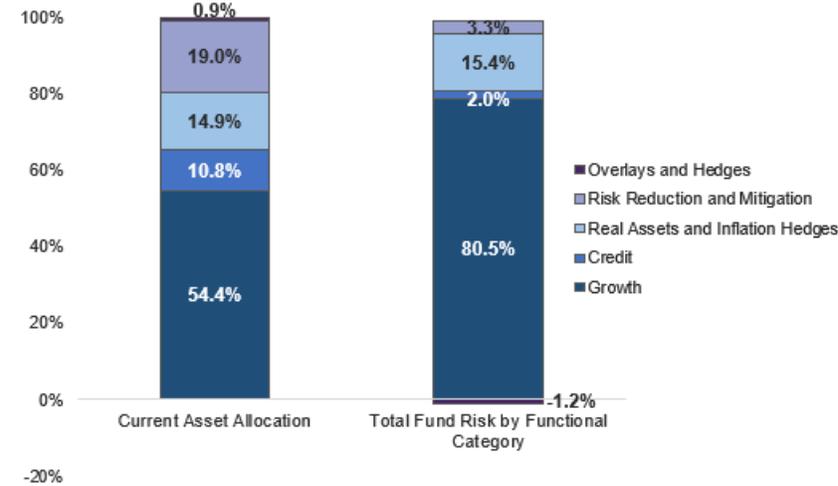


Functional Category Contributions to Total Fund Volatility

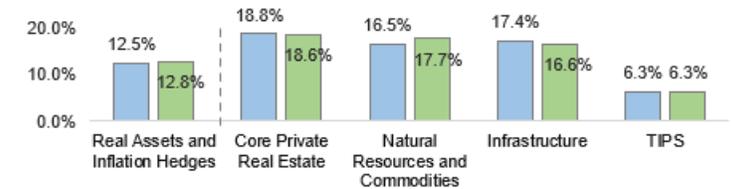


Total Fund Asset Allocation

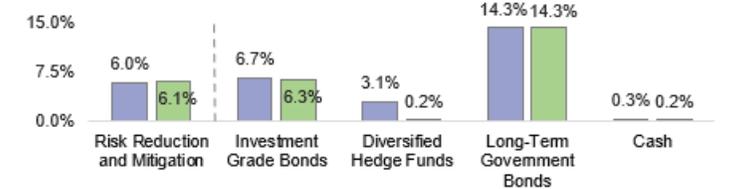
Capital-based versus Risk-based



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 March 2024*



TOTAL FUND TRACKING ERROR

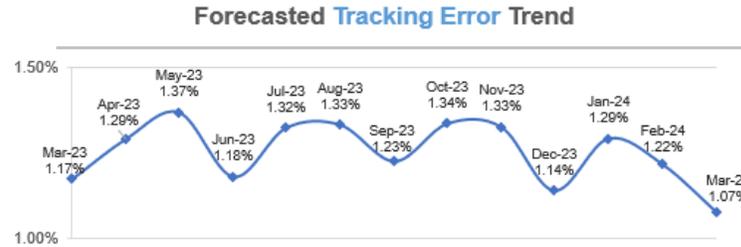
1.07%

ALLOCATION RISK

0.12%

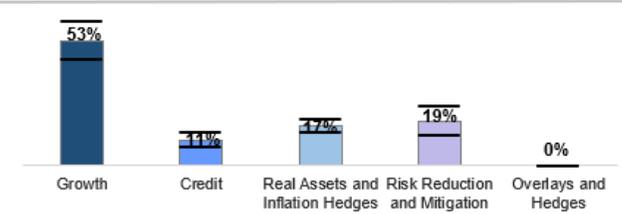
SELECTION RISK

0.96%

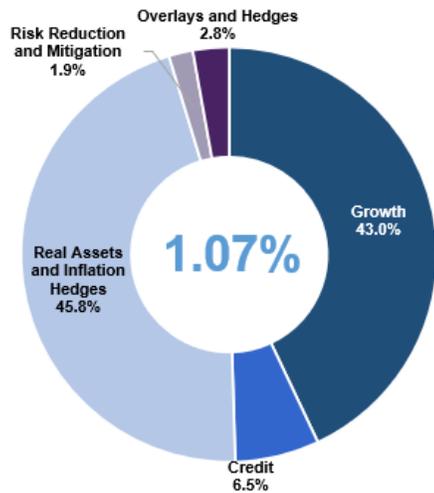


Policy Target Weight for each Functional Category

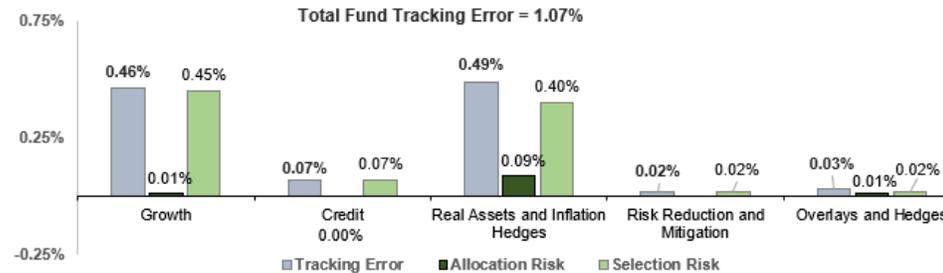
Maximum and Minimum Bands



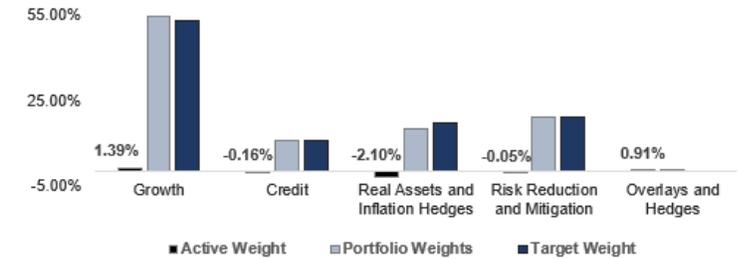
Functional Category Contributions to Tracking Error



Tracking Error Attribution



Active Weights for each Functional Category



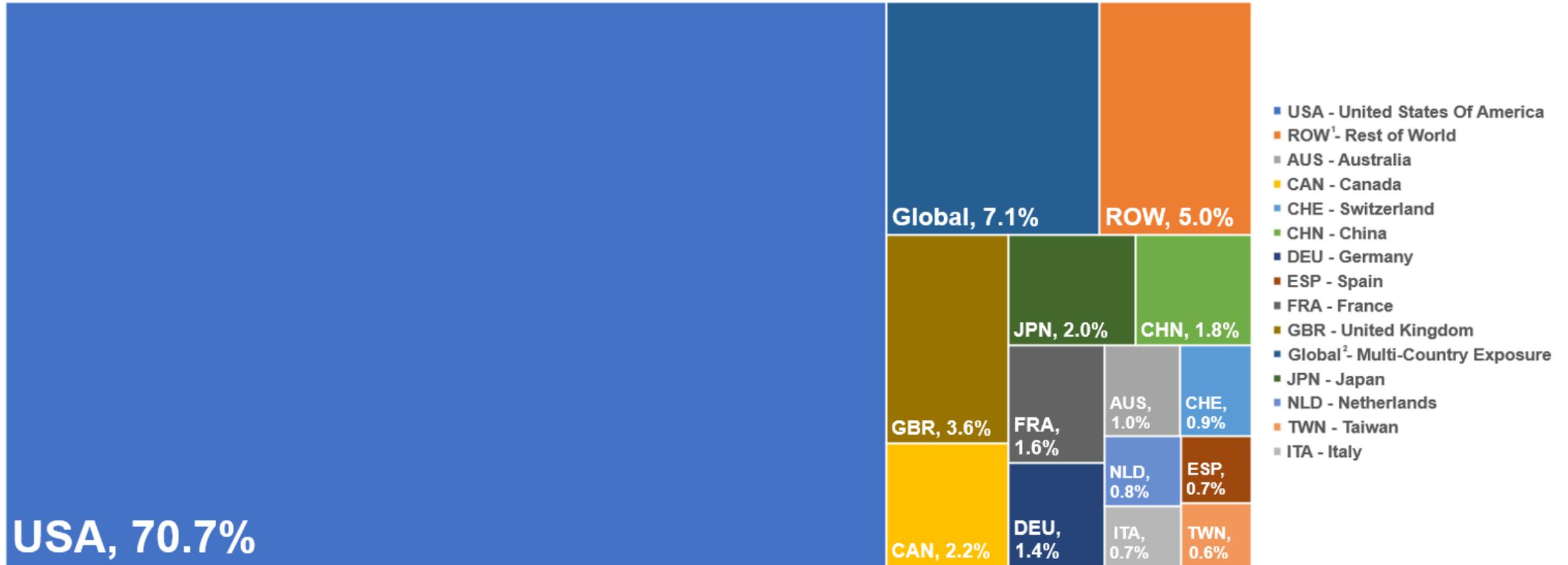
Subcategory Tracking Error

Total Fund	Global				Credit			Real Assets and Inflation Hedges				Risk Reduction and Mitigation					
1.07%	1.18%	0.43%	3.17%	12.39%	0.03	1.02%	3.90%	3.69%	4.04%	4.02%	7.91%	0.05%	0.95%	0.42%	2.92%	0.02%	0.26%
Total Fund	Growth	Global Equity	Private Equity	Non-Core Private Real Estate	Credit	Liquid Credit	Illiquid Credit	Real Assets and Inflation Hedges	Core Private Real Estate	Natural Resources and Commodities	Infrastructure	TIPS	Risk Reduction and Mitigation	Investment Grade Bonds	Diversified Hedge Funds	Long-Term Government Bonds	Cash

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

Geographic Exposures by AUM

Total Fund as of March 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.

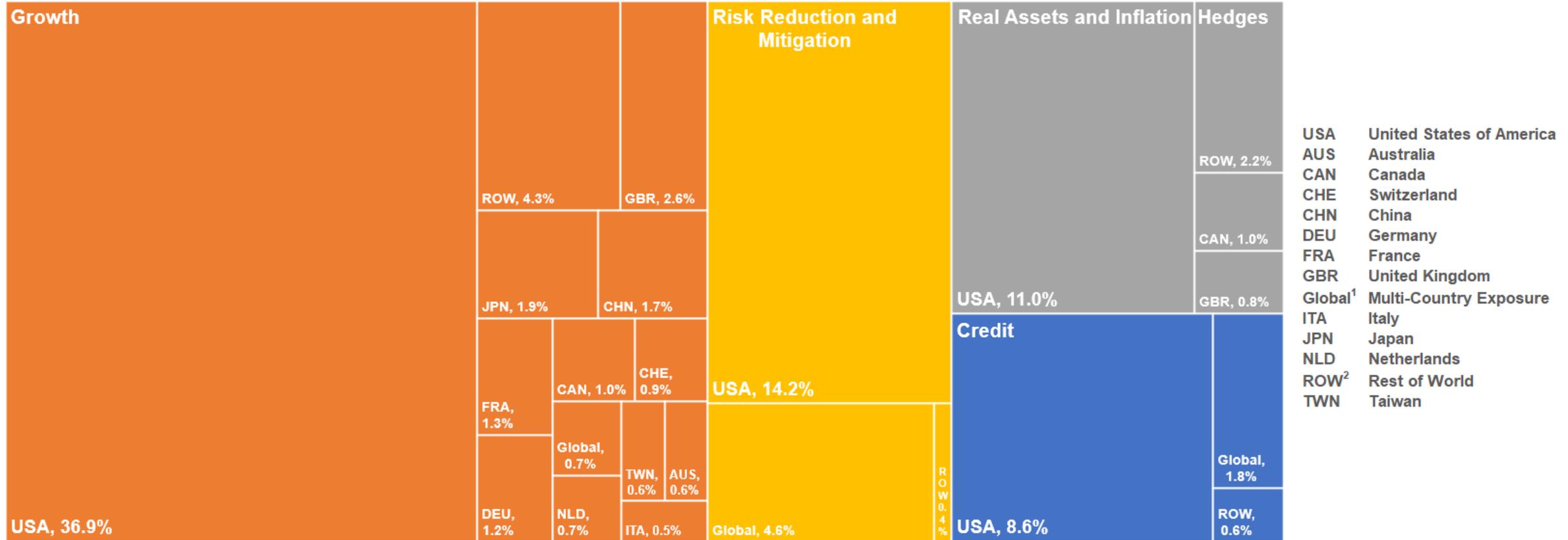
¹ "ROW - Rest of World" is sum of countries with weights below 0.5%.

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 March 2024* Ex-Overlays and Hedges



- USA United States of America
- AUS Australia
- CAN Canada
- CHE Switzerland
- CHN China
- DEU Germany
- FRA France
- GBR United Kingdom
- Global¹ Multi-Country Exposure
- ITA Italy
- JPN Japan
- NLD Netherlands
- ROW² Rest of World
- TWN Taiwan

AUM = Assets under management.

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

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

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

¹ Global represents investments made in regions where specific country allocations are not available.

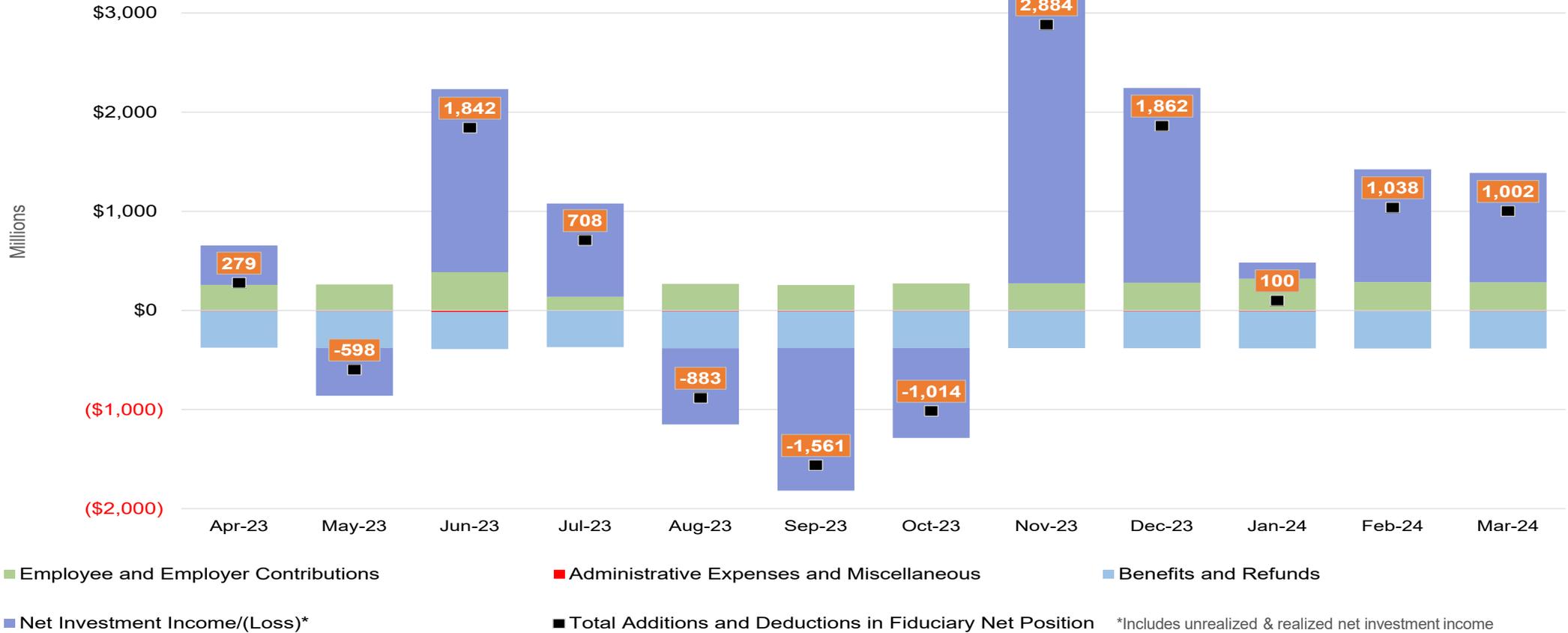
² "ROW - Rest of World" is sum of countries with weights below 0.5%.

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-22	7	5	(\$2.5 billion)
FY-23	5	7	\$3.3 billion
FY-24	3	6	\$4.1 billion



03 Portfolio Structural Updates

Portfolio Structural Updates



Portfolio Movements

Rebalancing Activity



Hedges & Overlays

Monthly Activity

Program	March Return	March Gain/(Loss)	Inception ¹ Gain/(Loss)
Currency Hedge ²	0.4%	\$6.7 Million	\$1.5 Billion
Cash/Rebalance Overlay ³	2.2%	\$33.9 Million	\$504.4 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
Hedge Funds, Credit, & Real Assets Consultant Search	✓	✓	June BOI
Risk and Analytics System, and ESG Research Services Search	✓		TBD
Real Assets Emerging Manager Program Separate Account Manager Search	✓		TBD



04 Key Initiatives & Operational Updates

Notable Initiatives and Operational Updates



Key Initiative Updates

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

Team Searches and Vacancies

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

Operational Updates

- Budget review is in process

Manager/Consultant Updates

No material updates



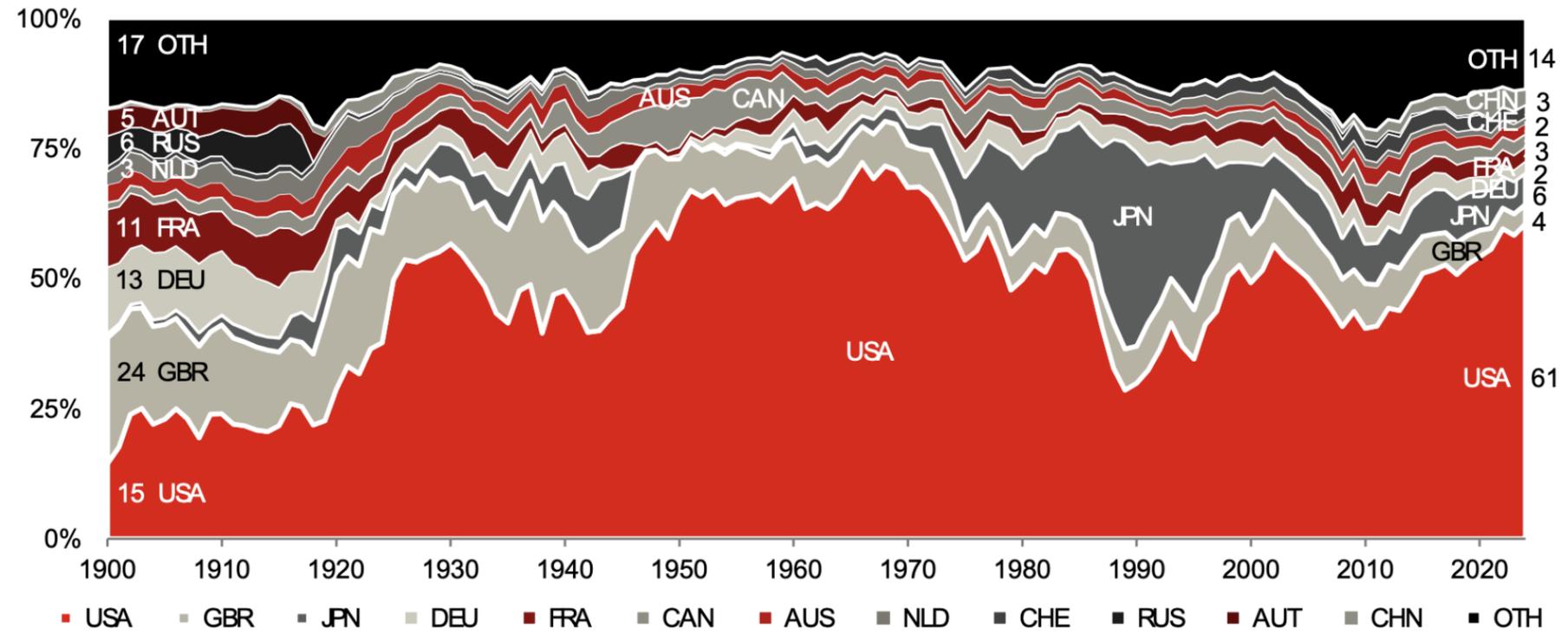
05 **Commentary**

Staff Chart of the Month

Evolution of Equity Markets Over Time



Figure 3: The evolution of equity markets over time from end-1899 to start-2024



Sources: Elroy Dimson, Paul Marsh and Mike Staunton, DMS Database 2024 and FTSE Russell All-World Index Series weights (recent years). Not to be reproduced without express written permission from the authors.

Quiet Period for Search Respondents



Hedge Funds, Credit, and Real Assets Consultant Search

- ✓ Albourne
- ✓ Meketa
- ✓ Mercer
- ✓ Wilshire



Staff Member Milestone

LACERA's 400-plus staff members play unique roles in ensuring that our members can enjoy a healthy and secure retirement (our vision). Today we honor one of LACERA's long-time employees as she "cruises" into retirement.



Newly Retired Member Tina Young

Human Resources Analyst

Years of Service: 32 years, 9 months

Retirement Date: April 26, 2024



MEMBER SPOTLIGHT

Service Contributions: Tina epitomizes how an individual with drive, talent, and compassion can thrive and inspire others through County employment. After moving from Long Island to California in 1989 at the urging of a friend, she started with the County as an administrative agency-temporary employee. She became a permanent employee in July 1991, starting as an intermediate clerk typist. She worked for the Department of Public Health/Services, Children's Services, and various other assignments, moving up progressively through referrals and relationship-building.

Tina is proud that she followed the advice of her personal hero—her dad—and got a job with a pension!

How She Got to LACERA: One day Tina got a call from one of her prior managers, Assistant HR Director Toni Maharg, inviting her to come work at LACERA.





MEMBER SPOTLIGHT

Proudest LACERA Accomplishments: Tina was pivotal in restarting the Employee Council Team in 1992 with Charlotte Strong. She's especially proud of her role in creating the cultural diversity luncheons, helping boost camaraderie by bringing LACERA employees together through the love of food. She also found great joy in serving on committees, hosting Black History Month movie events, and helping organize LACERA holiday parties.

Tina thanks everyone at LACERA, saying they have all made her a better employee and person, with special shoutouts to her HR mentors—Toni Maharg, John Nogales, Annette Cleary, and Carly Ntoya—as well as prior CEO Janice Golden.

Volunteer Work: Tina gives back through her church, serving as a 12-step program counselor, mentor, and inspirational speaker as part of the women's ministry. She also helped publish an anthology of inspiration stories called *Love, Lead, and Let Go*.

Education: Associate's Degree, Human Services, Los Angeles City College; certified drug and alcohol counselor

Favorite Activities: Reading, writing, and traveling. First on her travel bucket list is an Alaskan cruise, with Paris, London, Greece, and Africa (specifically the pyramids) in the plans.





April 23, 2024

TO: Each Trustee,
Board of Retirement
Board of Investments

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

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

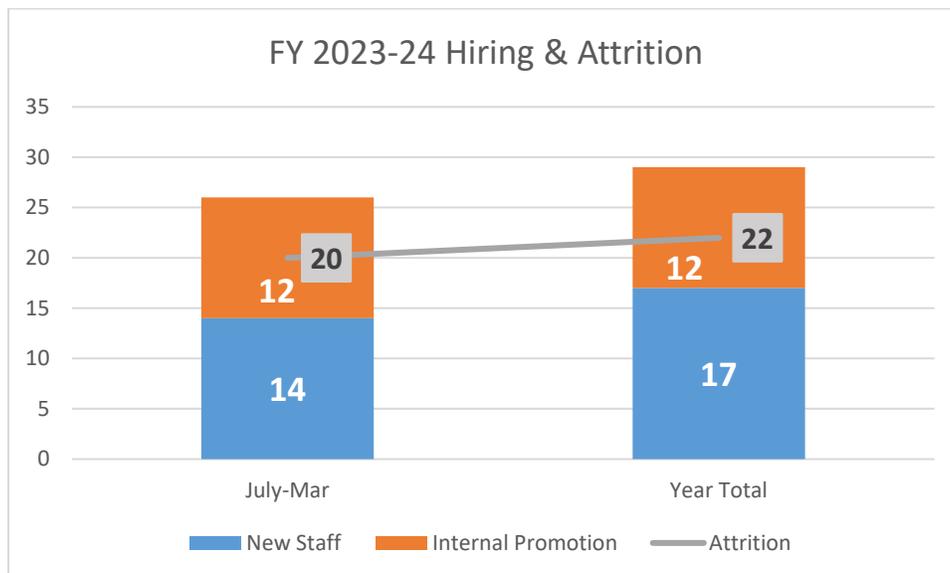
The following Chief Executive Officer's Report highlights key operational and administrative activities that have taken place during the past month.

Board of Retirement Offsite

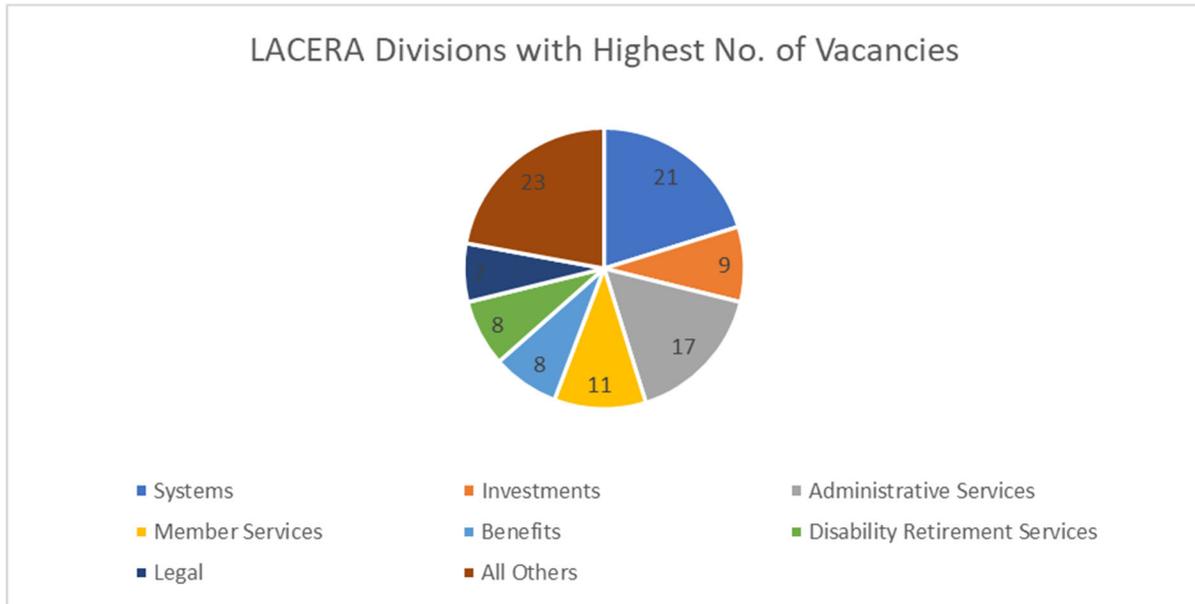
The 2024 BOR Offsite will be held on Tuesday, May 28th and Wednesday, May 29th in Long Beach, CA at the Westin Hotel. Day one of the offsite will focus on LACERA's strategic planning efforts and other educational topics. Day two will center on the Retiree Healthcare Program and other educational topics.

Recruitment Updates

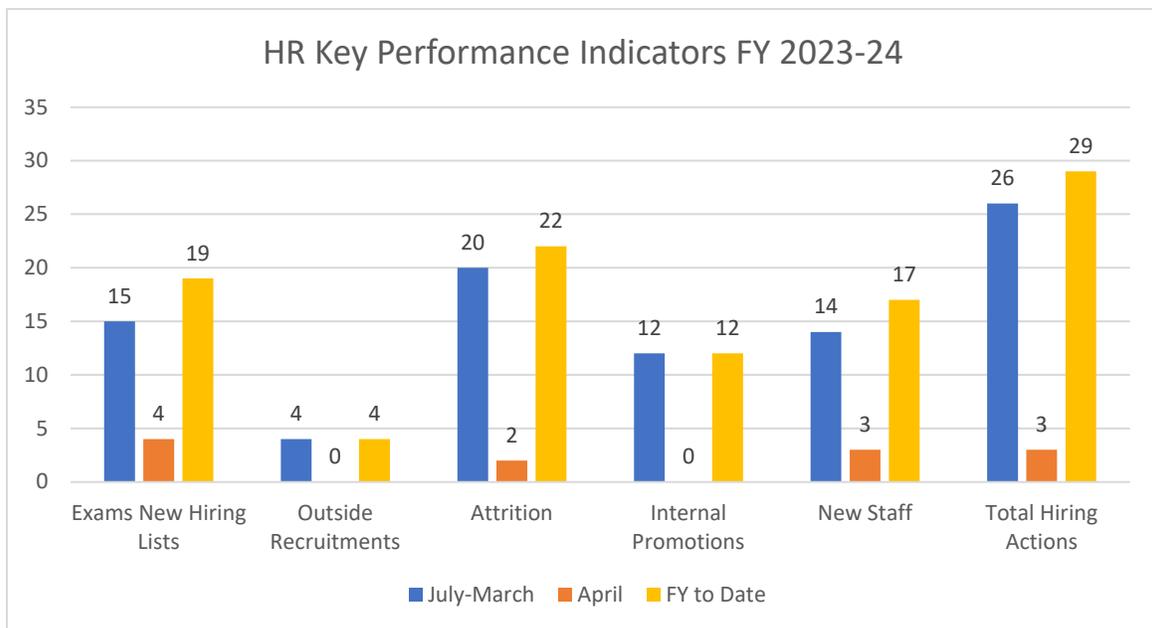
LACERA continues to prioritize our hiring efforts and make progress towards reducing our overall vacancy. Our current vacancy rate is 22% and fiscal year (FY) to date attrition is 4.1%. As noted in the chart below (FY to date), LACERA has lost more staff to attrition (22) than new staff hired (17). However, 28 new staff are anticipated to onboard in June, including 21 new Retirement Benefits Specialist I trainees.



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



The following chart provides Human Resources (HR) Division’s key performance indicators for FY 2023-24:



External Recruitments

The Senior Investment Officer (Corporate Governance) recruitment continues to be open and managed by EFL Associates.

The recruitment brochures for the below listed positions in the Legal Office continue to be open and managed by Major Lindsey & Africa. Interviews continue as qualified candidates

are identified. Job bulletins are pending to create eligible lists from which offers may be made:

- Staff Counsel (Investments)
- Staff Counsel (Benefits)

Internal Recruitments

The Administrative Services Analyst I, II, and III recruitments were opened and closed. The written examinations are in process for all three (3) classifications.

The Human Resources Analyst recruitment was re-opened and closed. Applications are currently under review.

The Finance Analyst III (Real Estate) recruitment closed on March 6, 2024. Interviews are in process.

In Development

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

- Information Technology Specialist I
- Legal Analyst
- Legal Secretary
- Senior Internal Auditor
- Senior Legal Secretary
- Senior Administrative Assistant
- Administrative Assistant
- Intermediate Typist Clerk
- Special Assistant

New Lists Promulgated, Hiring

The Information Technology Specialist II, (Information Security Engineer), and Information Technology Specialist II (Mainframe Architect and Administrator) lists were promulgated. Selection interviews are currently in process.

The Retirement Benefits Specialist II examination was opened, and the list promulgated to promote the Trainee Class effective May 1, 2024.

The Senior Investment Officer (Global Equities) list was promulgated on April 16, 2024. Selection interviews are in process.

The Senior Investment Officer (Real Estate) interviews have concluded, and selection process is ongoing.

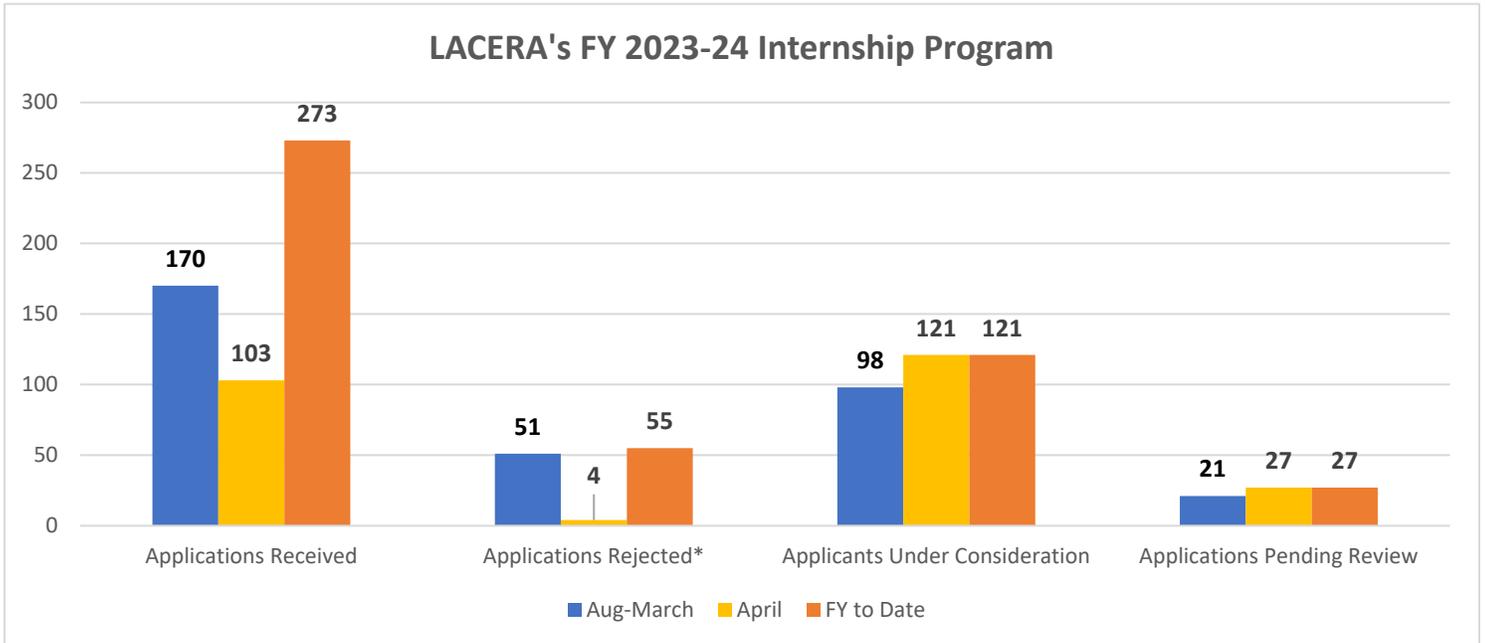
A Human Resources Analyst and Senior Human Resources Assistant for Employee and Organizational Development in Human Resources began on April 16, 2024.

A total of 19 new Retirement Benefits Specialist I (RBS I) (Temporary) Trainees are to be made offers for the Core Benefits Training Class. Two (2) trainees are being hired for

Retiree Health Care. The expected start date is pending candidate offers and background clearances.

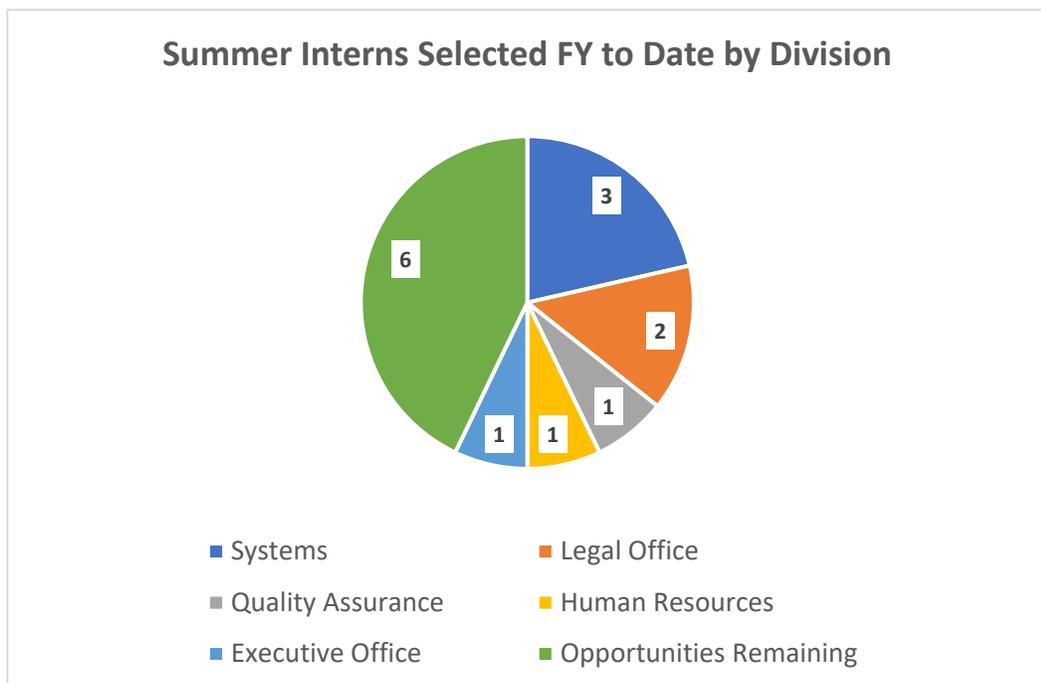
Interns

LACERA has budgeted 14 Intern positions for FY 2023-24 and will propose increasing that number in FY 2024-25. As noted below, interest in this program remains strong.



*Applicants did not meet the selection requirements

Eight Intern candidates have been chosen for the summer, beginning in May or June, as indicated on the chart below. Applications continue to be received and selection continues for additional positions.



CEO Dashboard Update & New Operations Briefing Report

Based on Trustee feedback provided in the April Board of Retirement meeting and Operations Oversight Committee meetings, we have made changes to the CEO Dashboard and the Operations Briefing Report. The CEO Dashboard colors have been updated on the Retirement Trend Report to make it easier to distinguish the type of retirement categories represented in the report. We have also made some minor color adjustments to other areas of the report.

The Operations Briefing Report shared as part of the Operations Oversight Committee meeting has been revamped to make it easier to use. We have added a new Project Status Dashboard designed to provide the reader with a quick and easy way to see the project status. This dashboard is broken into three sections one for new and active projects with updates (purple section), one for active projects with no new updates (blue), and one for completed projects (green). Each project on the dashboard has a color-coded status indicator (On Schedule, Delayed, or Pushed Back), so you can see progress at a glance.

Readers can click on the project title and access the detailed narrative for that project. The project details now include a "Current Update" section where the most recent updates will be explained, followed by a "Historical Perspectives" section which provides the overall history of the project's progression.

Retiree Healthcare

Anthem Blue Cross/UC Health Network - Update

For the last couple of months, staff have been providing regular updates on the Anthem Blue Cross and University of California Health System (UC Health) potential contract termination. The two sides had been in contract discussions for over a year but agreed to another contract extension until April 1, 2024.

We are happy to report that we have received notice that the year plus discussions have finally resulted in Anthem Blue Cross and UC Health successfully reaching an agreement, thereby avoiding any potential disruption in care to our retirees and their eligible covered dependents who see UC Health providers.

Retiree Healthcare 2024 Staying Healthy Together Workshop a Big Success

On April 16, 2024, LACERA hosted its first Retiree Healthcare Wellness workshop since the start of the COVID pandemic. The event was held at Almansor Court in Alhambra, CA, and the theme for this year's workshop was "Staying Healthy Together." LACERA staff, health plan carriers, and our healthcare consultant (Segal), welcomed over 550 retirees to the event. Many retirees expressed how they enjoyed and really appreciated the event. Many stated they "already can't wait for the next one." A special thank you to all who came out and joined the staff welcoming and reconnecting with our members; for many this was their first time attending a wellness workshop.

A special thanks to staff from our Retiree Healthcare and Member Services divisions who helped check-in retirees, staffed the LACERA booth, and provided overall customer service support throughout the workshop.

SHK
CEO report May 2024.doc

Attachments

**APPENDIX A**

April 23, 2024

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: JJ Popowich 
Assistant Executive Officer

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

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

The second notable change for this year's election, eligible voters will be able to vote online, via telephone, or by paper ballot. The schedule below details the communication methods for this year's election. In addition to receiving an emailed voter information package, all eligible members will also receive a physical election information package which will include a ballot they can complete.

The Board of Supervisors approved the Executive Officer's proposed for the elections at its April 23, 2024, meeting. We have listed the important dates that all Trustees should be aware of below:

Date	Event
05/13/2024 -05/17/2024	Election Notification and Call for Nominations to eligible voters (LACERA/Election Vendor) LACERA will also mail a postcard to all eligible members which will arrive around this time frame.
05/22/2024 – 06/21/2024	Nomination period

2024 General Member Trustee Election Update

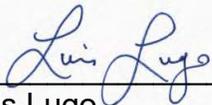
April 23, 2024

Page 2

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

To maximize voter awareness, LACERA and the Executive Office will continue to collaborate to ensure marketing and communication efforts towards election awareness.

NOTED AND APPROVED:



Luis Lugo
Deputy Chief Executive Officer

LL.jp



CEO DASHBOARD



May 1, 2024

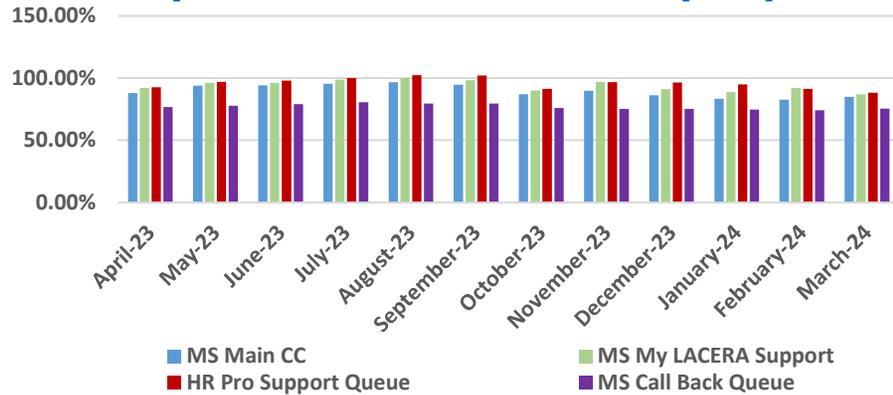


Striving for Excellence

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

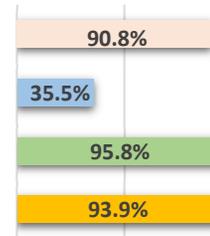
Events / Webinar Attendance Current Mo.: 701 Year-to-Date: 8,913	Events / Webinar Current Mo.: 17 Year-to-Date: 171	Webinar Satisfaction 0%	Member Service Center Satisfaction 92.09%	MS Main Queue Total Calls Current Mo. 8,533 3 Month Avg. 8,658				
					Resp. Rate	Change	Resp. Rate	Change
					0%	0%	23.7%	-6.63%

Member Service Call Center Queue Key Performance Indicators (KPI)

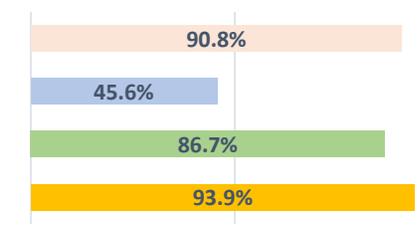


Key Performance Indicator (Components by Queue)

MSCC Main Queue



My LACERA Support Queue



Agent Utilization (Goal: 65%)

After Call Survey (Goal: 90%)

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

Call Monitoring (Goal: 95%)

Member Services

MSCC MAIN QUEUE		MY LACERA SUPPORT		HR PRO SUPPORT		MS CALL BACK QUEUE	
Queue KPI:	84.80%	Queue KPI:	87.00%	Queue KPI:	88.10%	Queue KPI:	75.30%
Avg. Speed of Answer	Average Duration						
0:23:03	0:17:48	0:01:52	0:11:57	0:02:05	0:14:49	0:40:56	0:16:49



Striving for Excellence

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

TOP REASONS MEMBERS CONTACT MEMBER SERVICES

Member Services Call Center

Member Service Center (Outreach)

1. Retirement Counseling

1. Retirement Counseling

2. Taxes

2. Retiree Healthcare

3. My LACERA

3. Power of Attorney

Contact Center Email/Secure Message Performance



Emails (welcome@lacera.com):

419

Service Level: 24 Bus. Hours

On Target



Secure Message (My LACERA)

1,099

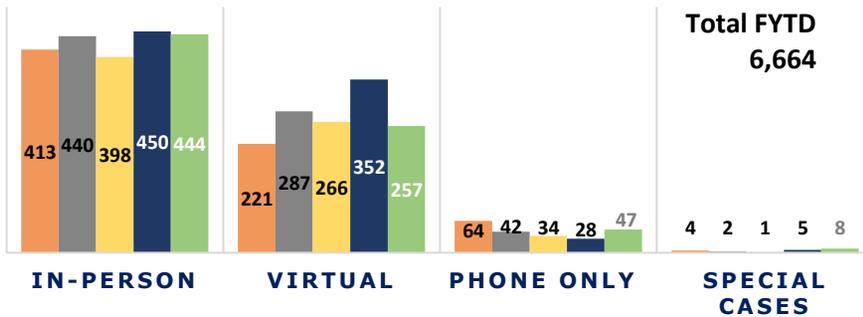
Service Level: 24 Bus. Hours

On Target

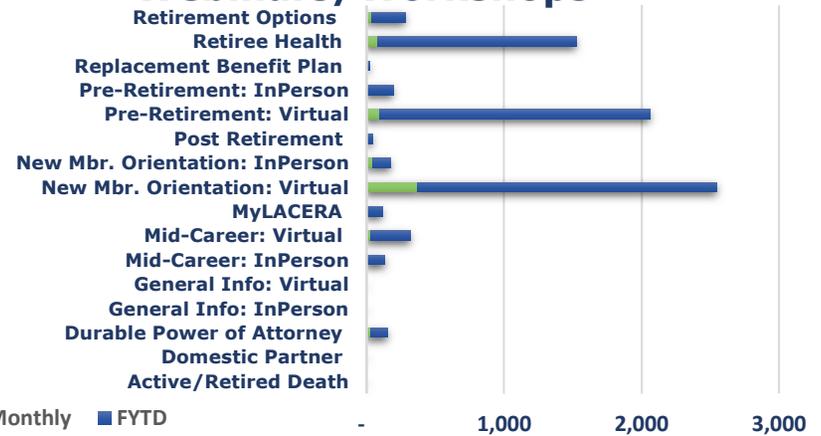
Member Service Center (Outreach)

Member Service Center Appointments

November December January February March



Members Served in Webinars/Workshops



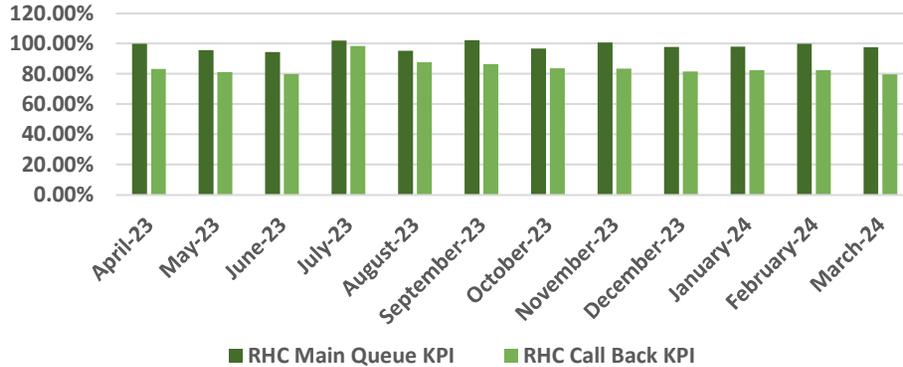
Member Services



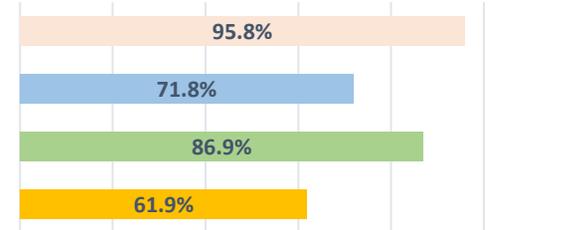
Striving for Excellence

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

RHC Call Center Queue Key Performance Indicator (KPI)



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

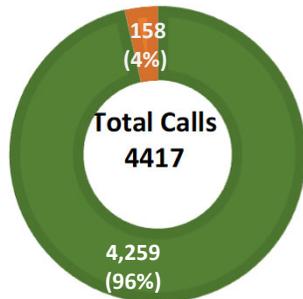


Agent Utilization (Goal:65%)	Grade of Service (Goal: 80% in 60 sec)
After Call Survey (Goal: 90%)	Call Monitoring (Goal: 95%)

Retiree Healthcare

RHC MAIN QUEUE

■ Calls Answered ■ Calls Abandoned

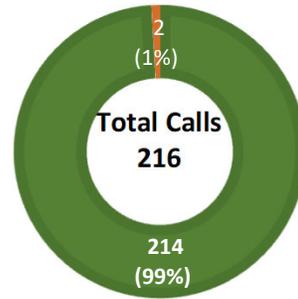


Queue KPI: 97.40%

Avg. Speed of Answer	Average Duration
0:01:51	0:12:05

RHC CALL BACK QUEUE

■ Calls Answered ■ Calls Abandoned



Queue KPI: 79.70%

Avg. Speed of Answer	Average Duration
0:04:56	0:07:44

TOP RHC CALL TOPICS

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

RHC Email/Secure Message Performance



Emails (healthcare@lacera.com): 549

Service Level: 24 Bus. Hours

On Target



Secure Message (My LACERA) 561

Service Level: 24 Bus. Hours

On Target



Striving for Excellence

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

Disability

Applications

899

80 Received: New Applications
 618 Received Year-to-Date
 44 Pending: Applications in Process
 To Board - Initial (Presented to BOR)
 328 To Board - Initial Year-to-Date*
 57 Closed (Incomplete/Withdrawn)
 497 Closed Year-to-Date*

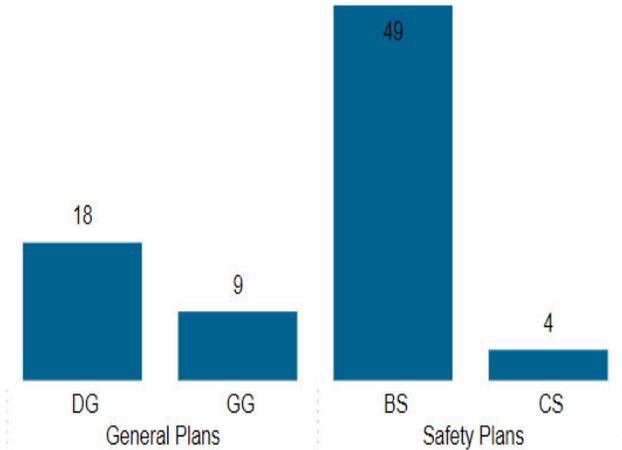
*Excludes cases prior to 9/12/23 due to transition to Sol case management system.

Appeals

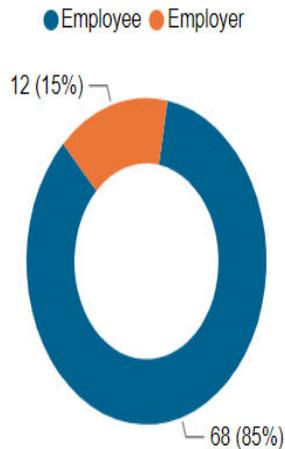
74

2 Received: New Appeals
 13 Received Year-to-Date
 1 Pending: Appeals in Process
 Admin Closed
 11 Admin Closed Year-to-Date
 3 Referee Recommendations
 10 Referee Recommendations Year-to-Date
 0 DLO Recommendations
 0 DLO Recommendations Year-to-Date

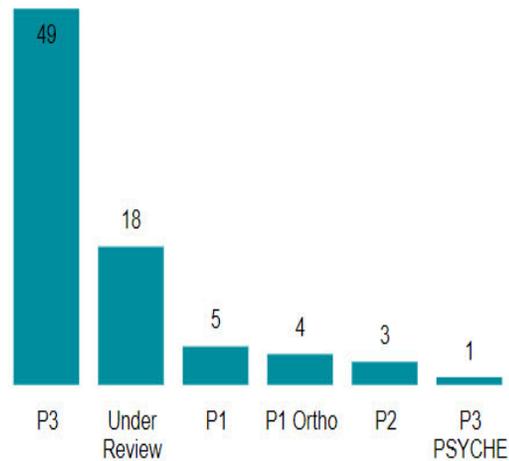
Applications Filed by Plan



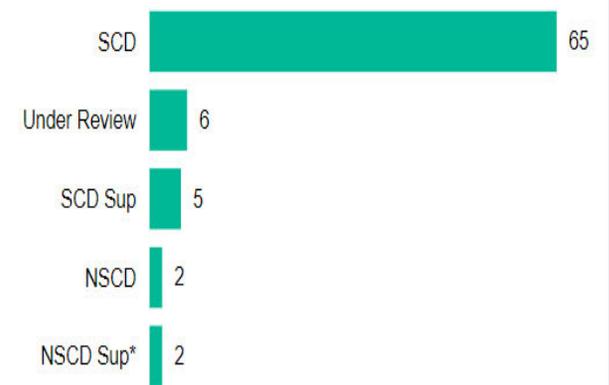
Applications Filed by Source



Applications Filed by Priority Level



Applications Filed by Type



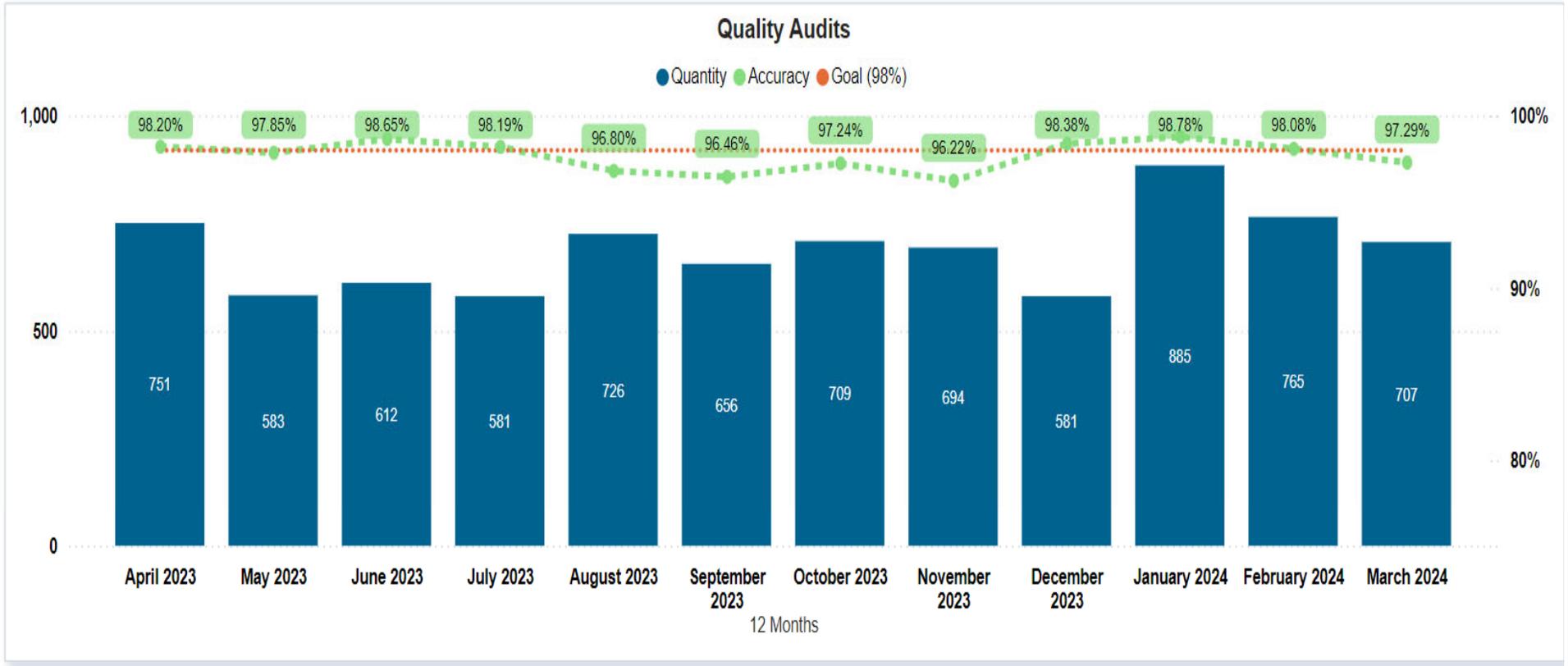
*Under Review



Striving for Excellence in Quality

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

Quality Assurance



Monthly Recap

March 2024

	Samples	Accuracy
Data Entry	120	98.13%
Payment Contract	265	97.31%
Retirement Election	322	96.96%
Total	707	97.29%

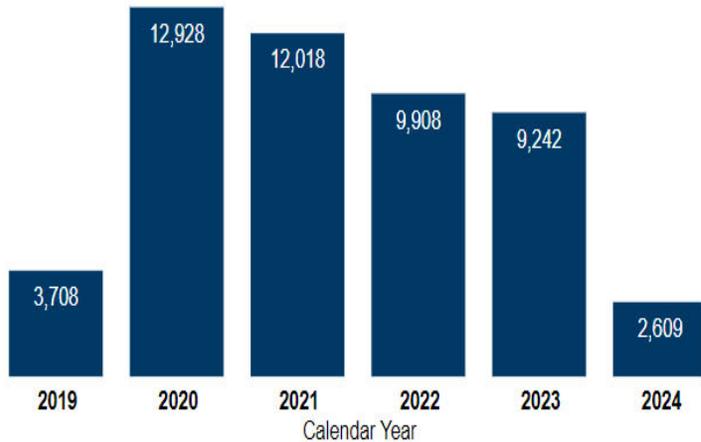


Service On-Line for All

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

Serving Members Through LACERA.com and MyLACERA

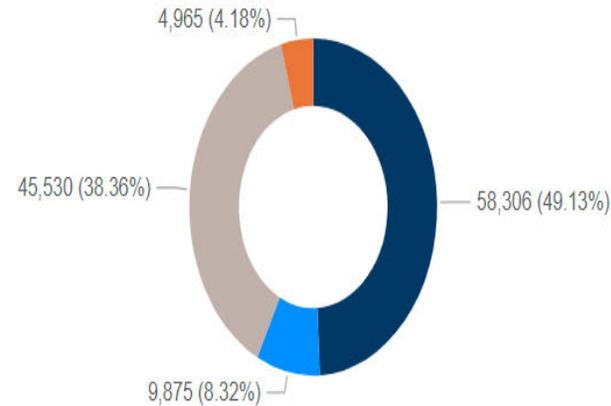
Annual New MyLACERA Registrations*



Data labels may not appear for all values

Total Registrations by Member Type*

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



Total Registered Members

113,711

% of Total Members

59%

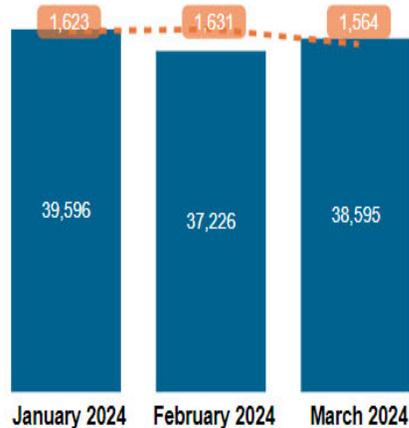
Excludes Non-Members

*Data as of April 15, 2024

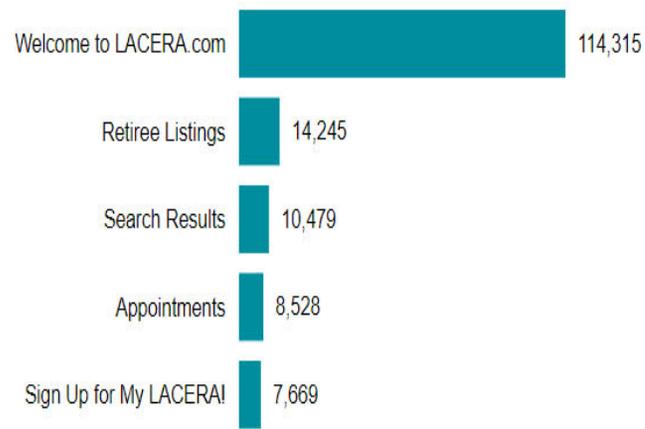
Non-Members include legal split payees and withdrawn members.

LACERA.com User Traffic

First Time Visitors Average Per Day



Top Five LACERA.com Page Views



Busiest Day

03/27/2024

Home Page Tile	Views	% of Change
Careers	2,856	16.48%
Pre-Retirement Workshops	2,475	5.41%
Sign Up for My LACERA!	7,669	5.39%
Investments	2,175	-5.35%
Board Meetings and Agendas	3,463	-18.77%
Forms & Publications	224	-19.42%

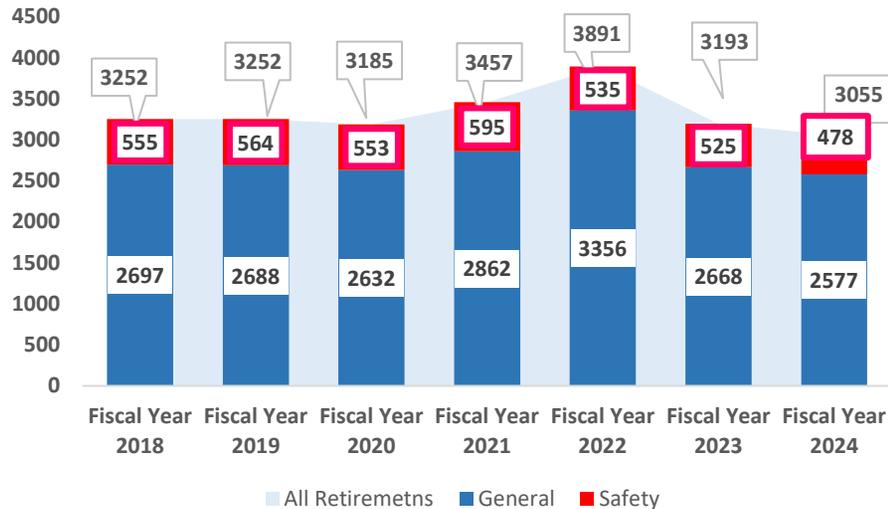


Member Snapshot

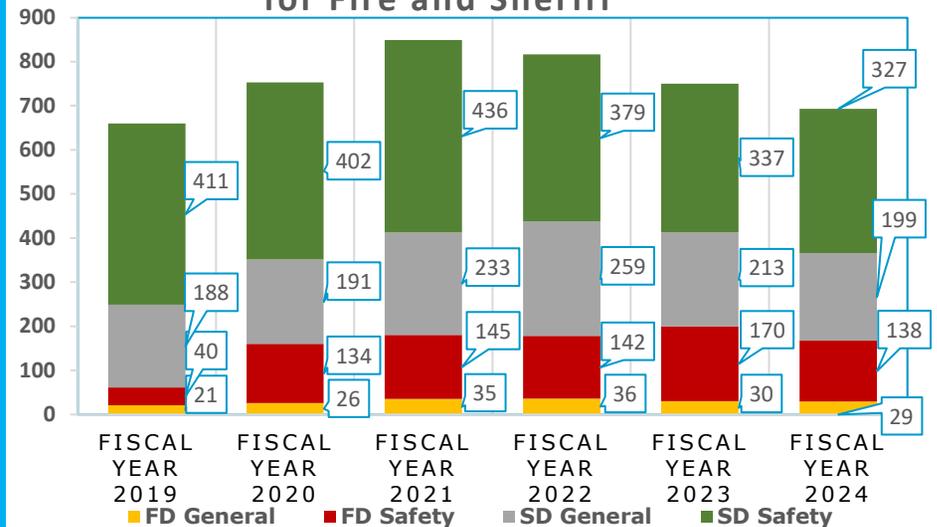
Membership Count as of: April 15, 2024

	PLAN	ACTIVE		INACTIVE		RETIRED				Totals by Plan/Type
		Vested	Non-Vested	Vested	Non-Vested	Service	SCD - Disability	NSCD - Disability	Survivors	
General	PLAN A	39	-	11	32	11,340	897	153	4,004	16,476
	PLAN B	10	-	5	3	559	37	7	75	696
	PLAN C	13	-	5	8	354	37	6	65	488
	PLAN D	32,233	104	4,924	3,229	20,038	2,072	447	2,099	65,146
	PLAN E	12,278	9	2,764	82	15,747	-	-	1,722	32,602
	PLAN G	20,691	19,837	1,889	7,253	319	37	8	33	50,067
	TOTAL GENERAL	65,264	19,950	9,598	10,607	48,357	3,080	621	7,998	165,475
Safety	PLAN A	-	-	2	2	1,774	2,320	25	1,654	5,777
	PLAN B	7,016	65	729	229	3,480	4,830	54	442	16,845
	PLAN C	2,918	2,401	154	551	13	23	-	3	6,063
	TOTAL SAFETY	9,934	2,466	885	782	5,267	7,173	79	2,099	28,685
	TOTAL ALL TYPES	75,198	22,416	10,483	11,389	53,624	10,253	700	10,097	194,160

Total Retirements Compared by Type



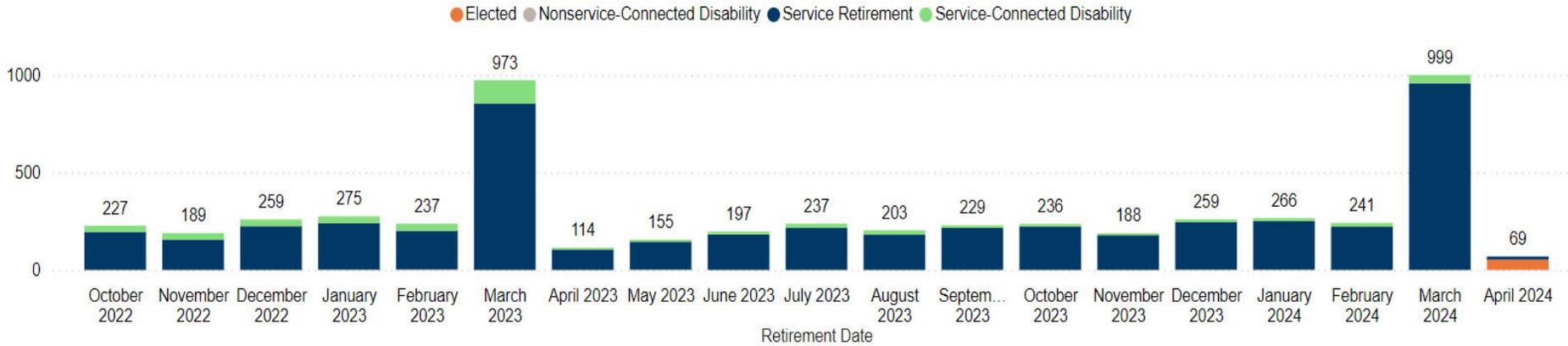
General vs. Safety Retirements for Fire and Sheriff





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 the 15th of the month.

Monthly Retirements

Retirement Type	April 2024
Elected	53
Service Retirement	16
Total	69

Retired Members Payroll

(As of 3/31/2024)

Monthly Payroll	\$378.93m
Payroll YTD	\$3.4b
New Retired Payees Added	327
Seamless %	97.25%
New Seamless Payees Added	2,963
Seamless YTD	97.13%
By Check %	2.00%
By Direct Deposit %	98.00%

Average Monthly Benefit 3/31/2024			\$ 4,939.00	
Average Monthly Benefit Allowance Distribution 4/23/2024				
	General	Safety	Total	%
\$0 to \$3,999	29,872	1,173	31,045	48.1%
\$4,000 to \$7,999	15,339	3,442	18,781	29.1%
\$8,000 to \$11,999	4,720	4,242	8,962	13.9%
\$12,000 to \$15,999	1,368	2,712	4,080	6.3%
\$16,000 to \$19,999	485	670	1,155	1.8%
\$20,000 to \$23,999	143	178	321	0.5%
\$24,000 to \$27,999	46	70	116	0.2%
> \$28,000	37	13	50	0.1%
Totals	52,010	12,500	64,510	100%

Healthcare Program

(Mo. Ending: 3/31/2024)

	Employer	Member
Medical	\$479.1	\$33.8
Dental	\$37.2	\$3.5
Part B	\$71.1	\$0.0
Total	\$587.4	\$37.3

Health Care Enrollments

(Mo. Ending: 3/31/2024)

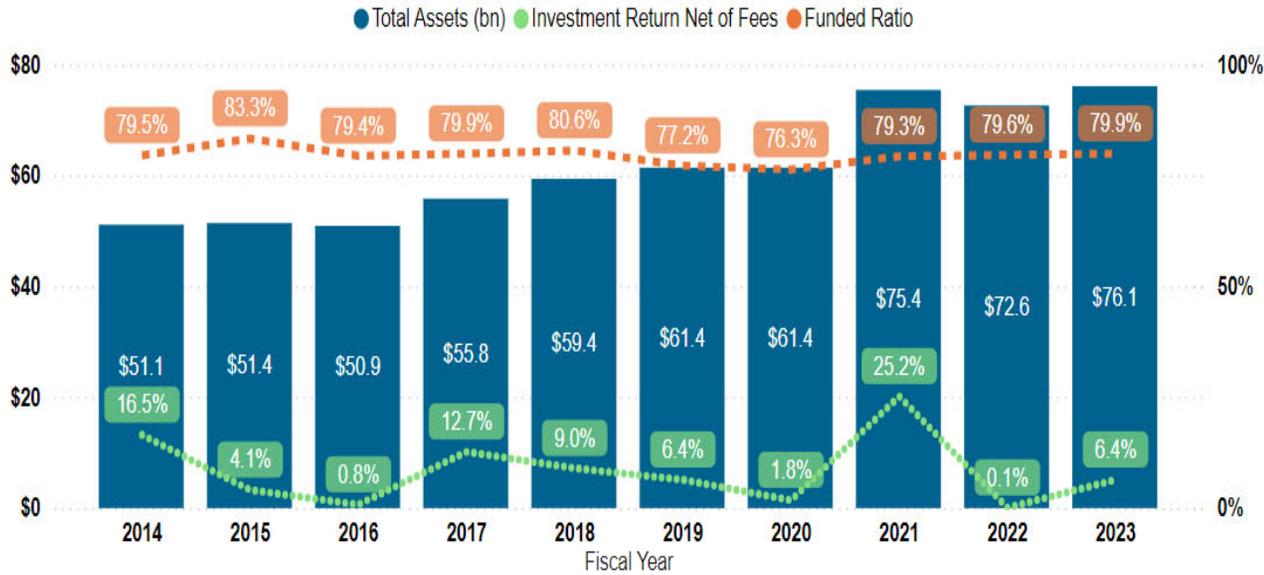
Medical	55,627
Dental	57,723
Part B	38,478
LTC	464
Total	152,292



Key Financial Metrics

(as of June 30, 2023)

Fiscal Year End Financial Update



Funding Metrics

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

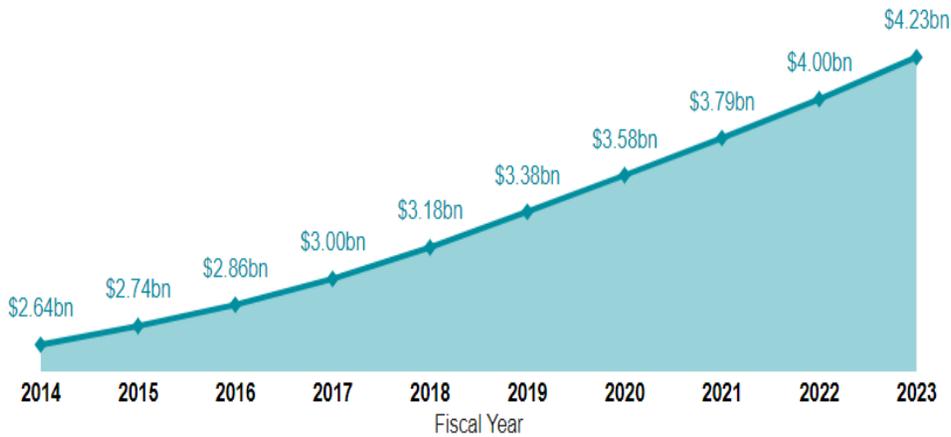
Contributions

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

Investment Returns

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

Retiree Payroll by Year



LACERA Pension Dollar





QUIET PERIOD LIST FOR TRUSTEES AND STAFF

Last Update
04/23/2024

ADMINISTRATIVE/OPERATIONS

Solicitation Name	Issuing Division	Public Release Date	Solicitation Stage*	Bid Respondents*
RFP: Member Experience Communications Platform (MECP)	Systems	11/6/2023	Bid Review	<ul style="list-style-type: none"> • 8x8, Inc • ConvergeOne, Inc. • Five9 • NWN • RingCentral • Talkdesk • TTEC Government Solutions
3-Bid: E-Discovery Archiving Application Tool	Systems	12/31/2023	Contract Development	<ul style="list-style-type: none"> • Global Relay
3-Bid: Project Portfolio Management Software	Systems	3/26/2024	Bid Review	<ul style="list-style-type: none"> • Jira • Sciforma • Triskell Software

*Subject to change

INVESTMENTS

Solicitation Name	Public Release Date	Solicitation Stage*	Bid Respondents *
RFP: Actuarial Consulting and Actuarial Auditing Services	11/15/2023	Vendor Selection	<ul style="list-style-type: none"> • Buck • Cavanaugh Macdonald Consulting • Milliman • Segal
RFP: Hedge Funds, Credit, and Real Assets Consultant Search	12/29/2023	Proposal Evaluation	<ul style="list-style-type: none"> • Albourne • Meketa • Mercer • Wilshire
RFP: Risk and Analytics System, and ESG Research Services Search	3/29/2024	Soliciting Process	<ul style="list-style-type: none"> • No vendor submissions at this time
RFP: Real Assets Emerging Manager Program Separate Account Manager Search	3/29/2024	Soliciting Process	<ul style="list-style-type: none"> • No vendor submissions at this time

*Subject to change

Date	Conference
May, 2024	
3	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Virtual
6-7	IFEBP (International Foundation of Employment Benefit Plans) Washington Legislative Update Washington D.C.
7-10	SACRS Spring Conference Santa Barbara, CA
14-15	Impact Investor Global Summit 2024 London, England
18-19	NCPERS (National Conference on Public Employee Retirement Systems) Trustee Educational Seminar (TEDS) Seattle, WA
18-19	NCPERS (National Conference on Public Employee Retirement Systems) Accredited Fiduciary (NAF) Program Seattle, WA
19-22	NCPERS (National Conference on Public Employee Retirement Systems) Annual Conference & Exhibition (ACE) Seattle, WA
29-30	thINc360 – The Healthcare Innovation Congress (formerly World Healthcare Congress) Washington D.C.
June, 2024	
4-5	2022 PREA (Pension Real Estate Association) Institute NYU Stern New York, NY
10-12	National Association of Securities Professionals (NASP) Annual Financial Services Conference Atlanta, GA
11-13	AHIP (America’s Health Insurance Plans) 2024 Las Vegas, NV
17-19	NCPERS (National Conference on Public Employee Retirement Systems) Chief Officers Summit Nashville, TN
21	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Northern California - TBD

Date	Conference
June, 2024 24-26	SuperReturn Emerging Markets Event/Private Equity Conference Amsterdam, Netherlands
July, 2024 10-12	Pacific Pension Institute (PPI) Summer Roundtable Amsterdam, Netherlands
15-17	ICGN 2024 Annual Conference London, England
August, 2024 18-20	NCPERS (National Conference on Public Employee Retirement Systems) Public Pension Funding Forum Boston, MA
26-29	CALAPRS (California Association of Public Retirement Systems) Principles of Pension Governance for Trustees Location TBD
September, 2024 9-11	Council of Institutional Investors (CII) Fall Conference Brooklyn, NY
24-26	NCPERS (National Conference on Public Employee Retirement Systems) Public Pension HR Summit Denver, CO
October, 2024 6-9	National Association of Corporate Directors (NACD) Directors Summit 2024 Gaylord National Harbor, Washington D.C.
11	CALAPRS (California Association of Public Retirement Systems) Round Table – Trustees Northern California - TBD
14-18	Investment Strategies & Portfolio Management Wharton School, University of Pennsylvania
23-25	PPI Asia Pacific Roundtable Hong Kong
23-25	PREA (Pension Real Estate Association) Annual Institutional Investor Conference Washington D.C.
23-25	Pacific Pension Institute (PPI) Asia Pacific Roundtable Hong Kong

Date	Conference
October, 2024	
26-27	NCPERS (National Conference on Public Employee Retirement Systems) Program for Advanced Trustee Studies (PATS) Palm Springs, CA
26-27	NCPERS (National Conference on Public Employee Retirement Systems) Accredited Fiduciary (NAF) Program Palm Springs, CA
27-30	NCPERS (National Conference on Public Employee Retirement Systems) Public Safety Conference Palm Springs, CA
November, 2024	
3-6	CRCEA (California Retired County Employees Association) Fall Conference Walnut Creek, CA
10-13	IFEBP (International Foundation of Employment Benefit Plans) Annual Employee Benefits Conference San Diego, CA
12-14	Institutional Limited Partners Association (ILPA) General Partner Summit New York, NY
12-15	SACRS Fall Conference Monterey, CA
December, 2024	
6	CALAPRS (California Association of Public Retirement Systems) Round Table – Benefits Virtual

April 24, 2024

TO: Each Trustee,
Board of Retirement
Board of Investments

FROM: Joint Organizational Governance Committee
Vivian Gray, Chair
Patrick Jones, Vice Chair
David Ryu
Trevor Fay
Debbie Martin
Shawn Kehoe
Les Robbins
JP Harris

FOR: May 1, 2024 Board of Retirement Meeting
May 8, 2024 Board of Investments Meeting

SUBJECT: Revised Trustee Education and Travel Policies

RECOMMENDATION

That the Board of Retirement and Board of Investments approve the attached revised Trustee Education and Travel Policies.

LEGAL AUTHORITY

Under Section 7.2 of its Charter, the Joint Organizational Governance Committee (JOGC) has the responsibility to “assist in the development of and make recommendations with respect to all joint policies, such as ... education and travel.”

At its meeting on April 24, 2024, the JOGC reviewed the proposed revised Trustee Education and Travel Policies and voted to recommend that the Boards approve the revised policies.

DISCUSSION

In addition to minor or non-substantive editorial and typographical corrections, the changes recommended by the JOGC for Board approval are contained in the attached redlined versions and are summarized as follows:

1. Trustee Education Policy.

- Section I, Purpose (page 1). The term “Administrative Meetings” is included in

both the Trustee Education Policy and the Trustee Travel Policy, but the current definitions are slightly different. The term should have the same definition in both policies. The definition is also revised to clarify that internal and external business meetings and meals are included. The definition is now recommended by the JOGC to be clarified to state:

“Administrative Meetings” are meetings attended by Trustees in their LACERA capacity to further LACERA’s fiduciary duty to members and their beneficiaries, including but not limited to: LACERA Board and Committee meetings; pension related organization meetings; internal and external meetings and meals; Board-approved legislative advocacy; speaking engagements, including a domestic and international Educational Conference at which a Trustee gives a speech; meetings associated with leadership positions in the administration of pension related organizations; and similar events.

- Section III, New Trustee Orientation and Support (pages 2-4).
 - *Section III(B), Timing for Orientation (page 3).* Because it is not always possible to complete orientation before a Trustee’s first Board meeting due to late appointment of an appointed member, delay in election certification, or other circumstances, this timing of the orientation requirement is modified to apply “if reasonably possible.” Orientation is helpful to new Trustees, and staff will work to make it possible for all Trustees to complete orientation before their first Board meeting. The requirement that orientation be completed before travel to Educational Conferences or Administrative Meetings, excluding LACERA Board and Committee meetings, remains unchanged.
 - *Section III(D), Orientation Materials (page 3).* Changes are made to reflect that available Trustee materials have been expanded, at the request of the Boards, and are available electronically.
 - *Section III(E), External Education Before Effective Date of Term (page 3).* This provision is changed to clarify that it applies to both Educational Conferences and Administrative Meetings.
- Section IV, Ongoing Trustee Education (pages 4-6).
 - *Section IV(C)(2), In-Person External Educational Conferences (pages 4-5).* The total number of conferences that Trustees may attend, as stated in the first sentence of the second paragraph of this section (page 5), is increased

from 4 to 6 for Trustees on one Board and from 6 to 8 for Trustees on both Boards. The JOGC believes that this change will help the many new Trustees on both Boards.

The requirement for Board approval of the Chief Executive Officer's (CEO) list of educational conferences (page 4) is deleted because the list is only informational. In addition, the blanket requirement of 5 hours of educational content per day (page 5) is replaced with a requirement that there be an "average" of 5 hours of educational content per day; this change will recognize the structure of many conferences, where, for example, the first or last day may have a light schedule.

- *Section IV(C)(5), Evaluation (page 6)*. The optional language that Trustees consider sharing knowledge gained at Educational Conferences is expanded to include Administrative Meetings; a suggestion is also made that such information may be shared in Good of the Order.
- *Section IV(E), Reporting and Monitoring (page 6)*. The periodic reporting of Trustee travel to the Boards and the CEO is revised to expressly include Administrative Meetings as well as Educational Conferences. This change conforms the Policy to current practice.
- Section V. Administrative Meetings (page 6). The JOGC requested added language that all Administrative Meetings within California are approved up to the dollar limit in Section III.A of the Trustee Travel Policy. All other Administrative Meetings inside and outside of California require Board approval. These changes will align the Trustee Education Policy with the language of the Trustee Travel Policy.
- Section VII, Gifts and Conflicts (page 7). Changes are made to add references to Administrative Meetings to this section because similar gift and conflict legally apply to both types of events.
- Section IX, CERL Compliance (page 7). This section is renamed and rewritten to clarify that the Policy is the educational policy required by California Government Code Section 31522.8 of the County Employees Retirement Law of 1937.
- Section X, Policy Provisions and Applicable Law (page 8). References to the California Constitution, LACERA procedures, and the Boards' duty to members are added to this section.

- Appendix A, Trustee Competencies (pages 9-11). Additional bullets are added or revised relating to competencies for oversight of the CEO and Boards with respect to ethics, compliance, enterprise risk management, disability procedure and hearings, prudent engagement, treasury management and custodial services, and strategic asset allocation.

2. Trustee Travel Policy.

- Section I, Purpose (page 1). As noted above with respect to the Trustee Education Policy, the term “Administrative Meetings” is revised to be the same in both policies.
- Section II Principles (pages 1-3). The language in this section requiring Trustees to submit an annual travel attestation (page 2) is deleted because there are other processes in the Policy to ensure compliance. The attestation form (attached as Appendix B, page 15) is likewise deleted.
- Section III, Trustee Travel (pages 3-7.) The title of the section is changed to “Trustee Travel to Educational Conferences and Administrative Meetings” to reflect the existing scope of the section; this change does not make a substantive change in the Policy. The change clarifies that the same expense and reimbursement standards apply to Educational Conferences and Administrative Meetings.
 - *Section III(A), Approval (pages 3-4)*. As with the title of Section III, the wording is changed to clarify that the process applies to both Educational Conferences and Administrative Meetings. In addition, the JOGC revised the approval requirement to align with the Education Policy’s provision that all domestic Educational Conferences (plus Canada and Mexico) are pre-approved if in compliance with the terms of the Education Policy. The requirement for Board approval of all Administrative Meetings remains, excepting California meetings as described.
 - *Section III(D), Costs of Administration (page 4)*. This section is clarified that LACERA may accept payment of travel expenses as allowed to be reported on Fair Political Practices Commission Form 801.
 - *Section III(K), International Travel Insurance (pages 6-7)*. A sentence is added stating that LACERA’s travel insurance does not apply to family members or traveling companions.
 - *Section III(L)(i), Travel Reports (page 7)*. The JOGC deleted the

requirement that monthly Travel Report include “anticipated” Educational Conferences and Administrative Meetings. This change is for the Trustees’ personal security.

- Section IV, Administrative Meetings (page 7). As with the Trustee Education Policy, this provision is clarified to state that Board approval is only required for Administrative Meetings inside California over the dollar limit in Section III.A of the Travel Policy and those outside of California. The language in the two policies is aligned.
- Section VI, Gifts and Conflicts (pages 7-8). As with the Trustee Education Policy, Administrative Meetings are added to this section, along with the existing language concerning Educational Conferences, because similar gift and conflict requirements legally apply to both types of events.
- Section X, Policy Provisions and Applicable Law (page 8). References to the California Constitution, LACERA procedures, and the Boards’ duty to members are added to this section.
- Appendix A, Reimbursement Schedule (pages 10-14).
 - *Heading (pages 10-14)*. The heading is modified to reflect that the same standards apply to both Educational Conferences and Administrative Meetings.
 - *Section I(A)(6), Airline Travel (page 11)*. The reference to LACERA’s use of points is changed to “cash rebates” because LACERA does not earn points on charges it makes.
 - *Section III, Meals and Portage (pages 12-13)*. References to Educational Conferences and Administrative Meetings are added to ensure clarify that, as provided in the current Policy, all meals are reimbursed in the same way, which is under the Per Diem method.

The Policy is revised to include the General Services Administration’s (GSA) rule under the Code of Federal Regulations allowing 75% of the meals and incidental expenses (M&IE) per diem for the first and last day of travel, when per diem is paid and regardless of when travel begins or ends. 41 CFR 301-11.101 (<https://www.ecfr.gov/current/title-41/subtitle-F/chapter-301/subchapter-B/part-301-11/subpart-B/section-301-11.101>).

This recommendation is made for the administrative ease of LACERA staff

Re: Revised Trustee Education and Travel Policies

April 24, 2024

Page 6 of 6

in confirming the amount of the first and last day per diem based on how much of each day is spent traveling and the location of each meal. This change is consistent with the Policy's existing reference to use of federal M&IE rates.

CONCLUSION

The JOGC recommends that the Board of Retirement and Board of Investments approve the attached revised Trustee Education and Travel Policies.

Attachments

c:	Santos H. Kreimann	Laura Guglielmo	Ted Granger
	Jonathan Grabel	JJ Popowich	Christina Logan
	Luis A. Lugo	Richard Bendall	Ervin Wu

**ATTACHMENT - REDLINE
PROPOSED TRUSTEE EDUCATION
POLICY**



TRUSTEE EDUCATION POLICY

LACERA Board of Retirement & Board of Investments

Adopted: ~~December 13, 2023~~ _____, 2024

TRUSTEE EDUCATION POLICY

I. PURPOSE

The purpose of this policy is to align the elements of LACERA's Trustee education program with the Mission, Vision, Values, and work culture of the organization. More specifically, the program is intended to assist all Trustees to obtain knowledge and receive relevant information that will enhance their understanding of the issues facing LACERA and equip the Trustees to discharge and further their fiduciary duties for the sole benefit of active members, retirees, and their beneficiaries under a framework compliant with applicable law and policy, including the 24-hour biennial education requirement of Government Code Section 31522.8 and the beliefs set forth in LACERA's Investment Policy Statement. The program will be administered in a manner that can be overseen by the Board of Retirement and Board of Investments and understood by LACERA's members and other stakeholders as reasonable and cost-effective in fulfilling LACERA's Mission to Produce, Protect, and Provide the Promised Benefits. This policy applies to LACERA Trustees only.

"Educational Conferences" are those conferences, seminars, and meetings that have an educational purpose. "Administrative Meetings" are meetings attended by Trustees in their LACERA capacity to and further LACERA's ~~interests, fiduciary duty to members and their beneficiaries, including but not limited to: LACERA Board and Committee meetings; pension related organization meetings; internal and external meetings and meals; Board-approved~~ legislative advocacy, speaking engagements, including a domestic and international Educational Conference at which a Trustee gives a speech, meetings associated with leadership positions in the administration of pension related organizations, and similar events.

II. PRINCIPLES

The following principles shall govern what, why, when, where, and how Trustee education is obtained and the interpretation of this policy.

A. Performance of Fiduciary Duty. –Education is necessary and should be encouraged and undertaken in order that Trustees may obtain knowledge relevant to the proper performance of their fiduciary duty under the California Constitution, the County Employees Retirement Law of 1937 (CERL), and other applicable laws by a reasonable method and at reasonable cost for the value received, and further LACERA's interests. Specifically:

1. Duty of Loyalty. –Education must assist the Trustees to perform their fiduciary duty of loyalty to "discharge their duties with respect to the system 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." Cal. Const., art. XVI, § 17(b); see Cal. Gov't Code § 31595(a).

2. **Duty of Prudence.** -Education must assist the Trustees to perform their fiduciary duty of prudence to “discharge their duties with respect to the system with the care, skill, prudence, and diligence under the circumstances then prevailing 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.” Const., art. XVI, § 17(c); see Cal. Gov’t Code § 31595(b).

B. Further a Common Foundation of Knowledge. -A foundation of common knowledge, or Trustee Competencies, relevant to LACERA and its Mission is necessary among all Trustees to fulfill their fiduciary duty.

C. Opportunities for Enrichment. -The fiduciary value of education includes alternatives and choices for individual Trustees to pursue enrichment in areas of interest and specialization related to LACERA and its Mission, and to stay abreast of current developments.

D. Sharing of Information. -Because education is a group effort as well as an individual endeavor, Trustees are encouraged to share information and perspectives concerning the education they separately pursue with fellow Trustees. For this reason, education should also include the flexibility and opportunities for Trustees to network with and obtain relevant knowledge from others in the public pension and investment communities.

E. Leverage LACERA Resources. -A concerted effort should be made to present educational presentations in the boardroom to take advantage of the expertise of LACERA staff, LACERA consultants, and other outside experts to create a shared educational environment for all Trustees to interact, question, and receive common benefit.

F. Annual Review of Education and Needs. -The fiduciary value of Trustee education is enhanced by each Trustee, on an individual basis, reviewing their past education each year and planning in advance when possible, for how to meet their educational goals in the coming year. An annual review process recognizes that Trustees and their individual educational needs evolve over time, and no single method of educating Trustees is optimal. Instead, the ability of Trustees to develop flexible education plans for themselves and to employ a variety of methods is necessary and appropriate and will assist staff to source and provide appropriate choices and opportunities that meet Trustee needs.

G. Transparency and Monitoring. -Trustee education and its fiduciary value and cost should be transparent to LACERA’s members and other stakeholders. The Boards should be provided with information on a periodic and consistent basis to enable effective oversight of the Trustee education program.

III. NEW TRUSTEE ORIENTATION AND SUPPORT

A. Attendance. -Each new Trustee and alternate, including the Treasurer and Tax Collector’s Chief Deputy, shall attend orientation.

B. Timing for Orientation. –Orientation should occur before a new Trustee attends their first Board meeting, if reasonably possible, and must be completed before travel to Educational Conferences or Administrative Meetings will be approved.

C. Development and Content. –Orientation will be developed and overseen by the Chief Executive Officer. Orientation will, at a minimum, include an overview of LACERA’s independence, Mission, organizational structure and key functions, Board and Trustee responsibilities and fiduciary duty, pension benefits and member services, retiree healthcare and the OPEB Trust, investments, legal issues, conflicts of interest and ethics, strategic planning, budget, accounting, actuarial matters and contribution-setting, internal audit, the Trustee education program, Trustee technology, resources, and support.

D. Orientation Materials. At or before orientation, the following materials shall be made available to new Trustees in electronic format or such other format as a Trustee request:

1. A confidential roster of names, addresses, and contact information for the Board Trustees.
2. A confidential roster of names, addresses, and contact information for the Executive Management team.
3. Board agendas, minutes, policies and procedures, the current strategic plan, applicable law, and other available resources, and guidance how to access the se resources and listed reference materials.
4. Other relevant material requested by the new Trustee or deemed appropriate by the Chief Executive Officer, including a binder of materials covering the orientation topics listed in Section III(C).

E. External Education Before Effective Date of Term. Each Board Chair, in consultation with the Chief Executive Officer, may approve external Educational Conferences and Administrative Meetings for new Trustees after their election has been certified or their appointment approved by the Board of Supervisors and before their term effective date only after the new Trustee has completed all staff orientation. Educational Conferences for new Trustees before their term effective date are limited to the courses identified for each Board in Section IV.C.2 and other courses in Appendix B and Administrative Meetings deemed appropriate as foundational to public pension fund governance and their role and responsibilities on the Board on which they will serve.

F. Mentoring. The Chief Executive Officer will establish a formal mentorship program to assist interested Trustees. Any new Trustee may request a mentor to assist them in becoming familiar with their responsibilities on the Board. If a request is made, the Board Chair(s) will designate one experienced Trustee to be a mentor to the new Trustee for a period of one year.

G. Returning Trustees. –Trustees who have previously served non-consecutive terms on the Boards shall attend orientation to refamiliarize themselves with

the content described in Section III.C and changes to the system during their absence. The content of returning Trustee orientation will be developed by the Chief Executive Officer in collaboration with each returning Trustee.

IV. ONGOING TRUSTEE EDUCATION

A. Required Education. -CERL requires that all Trustees receive a minimum of 24 hours of Trustee education within the first two years of assuming office and for every subsequent two-year period the Trustee continues to serve on the Board. This requirement sets a minimum standard. Trustees may obtain additional education consistent with the provisions of this policy.

B. Appropriate Subject Matter. -All education must be relevant to the duties and responsibilities of Trustees. In accordance with CERL, the Boards identify knowledge in the matters and areas set forth in the Trustee Competencies stated in Appendix A as appropriate for required education. All Trustees must seek education in and should strive to have knowledge in these areas to assist in the performance of their fiduciary duty and delivering on LACERA's Mission. In addition to these areas, Trustees may obtain education in other areas relevant to their fiduciary responsibilities. Members of Board committees are encouraged to focus a portion of their education on the subject matter of their committee.

C. Methods of Education. -Since no one method of education is optimal, a Trustee's annual education should include various methods. In considering the various methods, Trustees should weigh the costs and benefits of each method. Trustee education may be obtained through the following:

1. In-House Education. -The Chief Executive Officer will obtain annual Board approval for a program of in-house education for Trustees during regularly scheduled Board meetings, offsites, and other settings as may be permissible under the Brown Act. Such education will be provided by staff, LACERA consultants, and outside experts, except that the Chief Investment Officer will be responsible to plan and oversee investment-related education. LACERA consultants will be required in their contracts to provide Trustee education.

In addition to such other in-house education as may be provided, the Trustees shall receive regular training from fiduciary counsel in (1) fiduciary duty, (2) ethics and conflicts of interest, (3) governance, and (4) the Brown Act and Public Records Act. The Chief Executive Officer will develop a fiduciary counsel training schedule.

2. In-Person External Educational Conferences. -Trustees may pursue in-person external education as provided in this policy, including conferences, seminars, and meetings. The Chief Executive Officer will ~~obtain annual Board approval,~~ maintain, and update on a current basis, a list of external educational options, organized by subject matter, appropriate for Trustees. The conferences listed in Appendix B are pre-approved. Trustees may also

attend other external education that meets the criteria of this policy without additional approval, subject to the Boards' Trustee Travel Policy, provided that all international education must be approved by the applicable Board. For purposes of this policy, Mexico and Canada are not considered international locations.

Every Trustee is authorized to attend up to 4-6 in-person external education opportunities per fiscal year (of which no more than 1 may be international), and up to 6-8 if the Trustee is serving simultaneously on both Boards at any time during the fiscal year (of which no more than 1 may be international), except that a Board may approve education in excess of these limits upon good cause. External education must have at least an average of -5 hours of educational content per day. –“International” education is all education that takes place outside the United States, except Mexico and Canada. Two conferences separated by no more than one day, with no additional travel, count as one conference.

Conferences located in California are not subject to the hour and number limits stated in the preceding paragraph.

The Chief Executive Officer will maintain Domestic and International Education Priority Lists for each Board for use when attendance at an event is limited. Trustees will be offered the opportunity to attend based on their place on the appropriate priority list. Trustees on each Board initially will be placed on applicable lists in order of the start date of their earliest term of continuous service on the Board (for appointed Trustees, a gap of 18 months or less will not break continuity of service). Trustees with the same priority date will be given priority in alphabetical order. A Trustee who attends an event based on their priority will be placed at the bottom of the list. New Trustees with no prior Board service or a gap of more than 18 months will be placed at the top of the list to facilitate their education.

Prior to attending an international benefits conference, a Trustee is required to attend an American Health Insurance Plans (AHIP) National Policy Forum or World Health Care Congress. Prior to attending an international investment conference, a Trustee is required to attend the State Association of County Retirement Systems (SACRS) Public Pension Investment Management Program or the University of Pennsylvania Wharton School of Business Portfolio Concepts and Management course. These courses are within the limits described above in this Section IV.C.2.

3. Virtual Education and Self-Study. –Trustees are encouraged to attend webinars and other forms of virtual education, self-study, and other forms of education that do not require travel relating to LACERA and the performance of a Trustee's duties, including the conferences described in Section IV.C.2 above and Appendix B when offered virtually. If attendance is limited at such education, the same priority list as described in Section IV.C.2 will be used. Attendance at such education is exempt from the limits stated in Section IV.C.2 as to the number of in-person educational

opportunities that may be attended. Virtual education and self-study are not limited by cost.

4. **Periodicals.** –Trustees are encouraged to read periodicals related to the performance of their fiduciary duties as a valuable method of keeping current on relevant news and pension and investment trends, including but not limited to those selected from a list of pension and investment-related periodicals maintained by the Chief Executive Officer. All subscriptions must be arranged through the Executive Office, and LACERA will bear the expense. The Chief Executive Officer will annually review and update the periodical list with input from Trustees.
 5. **Evaluation.** –Trustees may complete and submit to the Chief Executive Officer for distribution to all Trustees, an evaluation or syllabus of all in-person external conferences and virtual education attended. A suggested sample evaluation form is attached as Appendix C. Trustees are also encouraged to share knowledge from [Educational Conferences or Administrative Meetings](#) at Board meetings during a Report on Trustee Education agenda item or when relevant during specific agenda items [or Good of the Order](#).
- D. Assessment and Planning.** –Trustees are encouraged to assess their educational status and needs against the Trustee Competencies in Appendix A at the beginning of each calendar year and to use such information as the basis for establishing the Trustee’s own self-development goals and education plan for the year. A suggested sample education plan format is attached as Appendix D.
- E. Reporting and Monitoring.** –All Trustee [Educational Conferences and Administrative Meetings](#) will be reported to the Chief Executive Officer. The Chief Executive Officer shall provide the Boards quarterly reports concerning the amount and type of Trustee [Educational Conferences and Administrative Meetings](#) and post them on lacera.com. –In compliance with CERL, the Chief Executive Officer will also –provide the Boards and post on lacera.com an annual report of each Trustee’s compliance with the education requirements described in Section IV.A of this policy.

V. ADMINISTRATIVE MEETINGS

[All Administrative Meetings within California that meet Section III.A of the Trustee Travel Policy are approved.](#) The relevant Board will be informed [by the Executive Office](#) of a Trustee’s need to attend [other Administrative Meetings, including those inside California that do not comply with Section III.A and those outside of California](#), and provide advance approval on such terms as deemed appropriate. [All LACERA Board and Committee meetings are approved as Administrative Meetings.](#)

VI. BROWN ACT COMPLIANCE

Attendance at external [Educational Conferences](#) and Administrative Meetings by more than four members of a Board is not a violation of this provision, provided that the members may not discuss any item of LACERA business.

VII. GIFTS AND CONFLICTS

The Boards desire to avoid even the appearance of impropriety in connection with [Educational Conferences and Administrative Meetings](#), and related expenses. The Boards acknowledge that acceptance of gifts of education and related expenses, such as registration, transportation, meals, and lodging by a public agency [and its representatives](#), though permitted under certain circumstances by applicable law, can create the appearance that LACERA encourages “pay to play” and may, unwittingly, create opportunities for undue influence on Trustees. This policy therefore does not permit LACERA as an entity to accept [any gifts of or in connection with education Educational Conferences or Administrative Meetings](#), and related expenses. This policy does not prohibit certain payments for [educational and administrative information and events](#) and/or related expenses as part of the negotiated consideration under agreements with vendors, consultants, and managers, although all such payments should be reviewed in advance with the Legal Division to ensure compliance with applicable law, regulations, [policies](#), and reporting [requirements](#).

Items provided during [Educational Conferences and Administrative Meetings](#) may constitute reportable gifts.

Trustees should be familiar with the provisions of LACERA’s Code of Ethical Conduct as it may apply to [Educational Conference](#) and [Administrative Meeting](#) interaction with and items received from the sponsors or other attendees.

VIII. TRAVEL POLICY AND PROCEDURES

This policy is subject to and will be read and interpreted in conjunction with the Trustee Travel Policy. All travel expenses for Educational Conferences and Administrative Meetings must comply with the Trustee Travel Policy.

IX. OTHER CHARTERS AND POLICIES

To reconcile this policy with the Board Charters and other Board policies:

A. *Prevention of Sexual Harassment.* -Training will be obtained by Trustees as provided in the Boards’ Policy on Sexual Harassment Prevention Training for Board Members.

B. [CERL Compliance.](#) -[This policy constitutes the education policy required by California Government Code Section 31522.8 of the County Employees Retirement Law of 1937. ~~Board Charters.~~ This policy constitutes the development policy and addresses Trustee education programs, as referenced in Section 6.1.4 of the Board of Retirement Charter, and Reserve Power 5 of the Board of Investments Powers Reserved and Delegated Authorities and Powers Reserved Defined.](#)

C. Prior Board Educational Requirements Policies. –This policy supersedes and replaces the LACERA Board of Retirement Board Member Educational Requirements Policy and LACERA Board of Investments Board Member Educational Requirements Policy, which are of no further force or effect.

X. POLICY PROVISIONS AND APPLICABLE LAW

A. Waiver of Policy Provisions. –For good cause presented in writing, and in the exercise of its sound discretion, the Board of Retirement or the Board of Investments may waive compliance with specific requirements of this policy when in the best interests of LACERA and its members.

B. Applicable Law. –This policy is to be implemented in compliance with the relevant provisions of the California Constitution, California Government Code, and all other applicable law, and in harmony with existing philosophy, objectives, policies, procedures, and guidelines previously approved by the Board of Retirement and the Board of Investments.

XI. REVIEW

This policy shall be reviewed by the Joint Organizational Governance Committee, the Board of Retirement, and the Board of Investments every three years or as needed and may be amended by both Boards at any time.

Policy History: Restated and Approved by the Board of Retirement and Board of Investments on December 16, 2020, and updated and approved by the Board of Retirement and Board of Investments on December 6, 2023 and December 13, 2023, 2024 and _____, 2024, respectively. Prior versions are superseded and of no effect as of the stated approval date.

APPENDIX A TRUSTEE COMPETENCIES

- **Governance**

- Understanding Board function, processes, committee structure, exercise of discretion, delegation of responsibilities and oversight role.
- Understanding the organizational structure and roles of staff and consultants, including the actuary, auditors, healthcare consultant, investment consultants, and fiduciary counsel,
- Understanding the laws and rules governing the system.
- Understanding the Boards' governing documents.
- Understanding the system's independence under applicable laws.
- Understanding best practices for public pension board governance.
- Understanding the oversight duty with respect to LACERA's ethics and compliance functions and risk and enterprise risk management.
- Understanding information technology and data security.
- Understanding the meaning and role of diversity, equity, and inclusion.
- Understanding Robert's Rules of Order.

- **Fiduciary Duties and Responsibilities**

- Understanding the duty of loyalty.
- Understanding the duty of prudence.
- Understanding the paramount fiduciary duty to members and beneficiaries.
- Understanding the fiduciary duty to minimize employer contributions.
- Understanding the fiduciary duty to defray the reasonable costs of administering the system.
- Understanding how to delegate authority while retaining appropriate oversight.

- **Benefits Administration**

- Service Retirement
 - Understanding the different plans available to employees and retirees.
 - Understanding how the system communicates with members.
 - Understanding the difference between the responsibility for plan design (plan sponsor) and plan administration (LACERA).
 - Understanding the administrative appeal process.
- Disability Retirement
 - Understanding the qualifications for a disability retirement and the benefits that are provided.
 - Understanding the process that is followed in disability retirement applications, from intake through determination of eligibility.
 - Understand the medical and legal issues that are discussed during consideration of disability matters.
 - Understanding the disability retirement application hearing and appeal process.
 - Understanding LACERA's Procedures for Disability Retirement Hearings.

- Understanding fair hearings and decision-making [legal standards and how upholding those standards comports with the Boards' fiduciary duty to the pension fund, the members and their beneficiaries.](#)
 - Retiree Healthcare
 - Understanding the healthcare program structure.
 - Understanding the history, agreements, and relationship with the County and other participating employers in connection with the funding and administration of the program.
- **Ethics, Conflicts of Interest, and Disclosures**
 - Understanding the Form 700 process, and Conflict of Interest Code.
 - Understanding applicable conflict of interest laws and the duty to avoid participating in a decision that affects a Trustee's economic interests.
 - Understanding the LACERA Code of Ethical Conduct.
 - Understanding the RFP quiet period and Trustee disclosure obligations.
- **Open Meeting and Public Records**
 - Understanding the importance of transparency to stakeholders.
 - Understanding the notice requirement for meetings, including teleconference meetings under the Brown Act.
 - Understanding the [need for prudent engagement in agendaized matters and the](#) limitations on discussing matters that have not been noticed on the agenda.
 - Understanding the circumstances under which communications outside of noticed meetings can be deemed to be a prohibited meeting under the law.
 - Understanding what may and may not be discussed during a closed session.
 - Understanding what constitutes a "public record" under the law and circumstances under which records must be disclosed or withheld.
- **Financial Controls and Audits**
 - Understanding the role of LACERA staff, Internal Audit, the outside financial auditor, and the Audit Committee.
 - Understanding the ~~Comprehensive~~ Annual [Comprehensive](#) Financial Report ([CAFRACFR](#)).
 - Understanding the concepts of "risk assessment" and developing internal controls to address those risks.
 - Understanding the responsibility for maintaining the security of confidential information kept by the system, including privacy rights.
 - [Understanding vendor selection policy and practices.](#)
 - [Understanding treasury management and custodial services.](#)
- **Pension Funding and Actuarial Process**
 - Understanding of how assets and liabilities of the system are calculated on an actuarial basis, and the role of actuarial consultants.
 - Understanding the difference and relationship between the actuarial value of assets and the market value of assets and the asset smoothing process.

- Understanding how changes in actuarial assumptions have an impact on system assets and liabilities.
- Understanding the nature of the plan sponsors' funding obligations and the responsibility of the Board of Investments to determine the annual required ~~contribution and employer and~~ employee contributions and provide oversight of the actuarial process.
- Understanding OPEB pay-as-you-go and trust funding mechanisms for retiree healthcare, and the Board of Retirement's oversight role.

- **Investments**

- [Understanding the importance of strategic asset allocation.](#)
- ~~[Understanding the comprehensive nature of the investment process.](#)~~
- Understanding portfolio construction.
- Understanding different asset categories and portfolio complexity.
- Understanding responsible stewardship of LACERA's investments in a manner that promotes and safeguards the economic interests of LACERA and its members, including robust investor rights, strong corporate governance practices and policies at the firms in which LACERA invests, and sound public policies governing financial markets help generate long-term economic performance.

APPENDIX B APPROVED EXTERNAL EDUCATIONAL CONFERENCES

The following list of approved external Educational Conferences is provided under Section IV.C.2 of the Trustee Education Policy as a resource to Trustees in selecting pre-approved education that will support required education, Trustee Competencies, and educational assessment and planning. Education is organized by primary subject matter, although some events may provide education in multiple areas. All conferences on this list are intended only to refer to domestic U.S. events.

Governance

National Association of Corporate Directors (NACD) conferences, seminars, and meetings

Pension Benefits and System Administration

California Association of Public Employee Retirement Systems (CALAPRS) conference, seminars, and meetings, including Principles of Pension Management Course

Koried conferences, seminars, and programs

National Conference on Public Employees Retirement Systems (NCPERS) conferences, seminars, and meetings

National Institute on Retirement Security (NIRS) conferences, seminars, and meetings

Public Retirement Journal conferences, seminars, and meetings

State Association of County Retirement Systems (SACRS) conferences, seminars, and meetings

Retiree Healthcare

America's Health Insurance Plans (AHIP) conferences, seminars, and meetings, including Annual Institute, Annual Medicare Conference, and Annual National Policy Forum

California Retired County Employees Association (CRCEA) semi-annual conferences

Federal and state legislative hearings on pension and retirement health care issues

International Foundation of Employee Benefit Plans (IFEBC) conferences, seminars, and meetings, including Annual Employee Benefits Conference, Annual Benefits Conference for Public Employees, Annual Health Care Cost Management Conference, Annual Investments Institute, Annual Washington Legislative Update Conference, and New Trustee Institute

Investments

Association of Asian American Investment Managers conferences, seminars, and meetings

Association for Private Capital Investment in Latin America (LAVCA) conferences, seminars, and meetings

ColCapital educational conferences, seminars, and meetings

Council of Institutional Investors (CII) conferences, seminars, and meetings

Harvard Kennedy School, Trustee Leadership Forum for Retirement Security and Initiative for Responsible Investment

Harvard Law School Forum on Corporate Governance

Information Management Network (IMN) Beneficial Owners' International Securities Lending Summit Annual Conference

International Corporate Governance Network (ICGN) conferences, seminars, meetings

Institutional Limited Partners Association (ILPA) conferences, seminars, and meetings

National Association of Investment Companies conferences, seminars, and meetings

National Association of Securities Professionals (NASP) conferences, seminars, and meetings, including Annual Pension and Financial Services Conference

New America Alliance conferences, seminars, and meetings

Pacific Pension & Investment Institute (PPI) conferences, seminars, and meetings

Pension Bridge conferences, seminars, and meetings

Pension Real Estate Association (PREA) annual spring and fall conferences and institute

United Nations Principals of Responsible Investing (UNPRI) conferences, seminars, and meetings

University of Pennsylvania Wharton School's Pension Fund and Investment Management and the Portfolio Concepts and Management courses

Women in Institutional Investments Network conferences, seminars, and meetings

**APPENDIX C
SUGGESTED SAMPLE CONFERENCE EVALUATION FORM**

Under Section IV.C.5 of the Trustee Education Policy, Trustees are encouraged to complete an evaluation form or provide a syllabus for all in-person external conferences and virtual education attended.

TRUSTEE NAME:

CONFERENCE NAME:

CONFERENCE DATE:

RANKING 1-10:

1 (lowest) 2 3 4 5 6 7 8 9 10 (highest)

DO YOU RECOMMEND THE COURSE TO OTHER TRUSTEES? Yes No

WHY?

DESCRIPTION OF SUBJECT MATTER (attach syllabus if available):

HIGHLIGHTS:

WEAKNESSES:

Return to:

Board Offices

BoardOffices@lacera.com

**APPENDIX D
SUGGESTED TRUSTEE EDUCATION PLAN**

Under Section IV.D of the policy, Trustees are encouraged to assess their personal educational status and needs as against the Trustee Competencies in Appendix A at the beginning of each calendar year and to use such information as the basis for establishing the Trustee's own self-development goals and education for the year.

TRUSTEE NAME:

PLAN FOR YEAR: 20____

HAVE I COMPLETED MY 24 HOURS OF CERL-REQUIRED EDUCATION EVERY TWO YEARS? Yes No

FIVE AREAS WHERE I WOULD LIKE TO GET ADDITIONAL EDUCATION THIS YEAR TO HELP IN THE PERFORMANCE OF FIDUCIARY DUTY:

- 1.
- 2.
- 3.
- 4.
- 5.

SUGGESTIONS FOR INTERNAL EDUCATION I WOULD LIKE TO SEE THIS YEAR (you may email them to the CEO, skreimann@lacara.com):

IDEAS FOR EXTERNAL EDUCATION I WOULD LIKE TO PURSUE THIS YEAR:

ARE THERE ANY ADDITIONAL EDUCATIONAL RESOURCES I NEED FROM THE EXECUTIVE OFFICE THIS YEAR (you may email them to the CEO, skreimann@lacara.com):

**ATTACHMENT - REDLINE
PROPOSED TRUSTEE TRAVEL
POLICY**



TRUSTEE TRAVEL POLICY

LACERA Board of Retirement & Board of Investments

Adopted: ~~December 13, 2023~~ _____, 2024

TRUSTEE TRAVEL POLICY

I. PURPOSE

The purpose of this policy is to align travel by Trustees in connection with educational conferences and administrative meetings on LACERA's behalf with the Mission, Vision, Values, and work culture of the organization. The Board of Retirement and Board of Investments recognize that travel associated with education and administrative meetings on LACERA's behalf is a component of building the knowledge base and operational understanding of Trustees given their fiduciary responsibilities and will equip them to discharge their fiduciary duties for the sole benefit of active members, retirees, and their beneficiaries. To ensure incurring and paying travel expenses are allowed for only those expenses deemed reasonable and necessary for the proper administration of the system, the policy will be administered in a manner that can be overseen by the Boards and understood by LACERA members and other stakeholders as reasonable, cost effective, value-driven, and necessary to fulfill LACERA's Mission to Produce, Protect, and Provide the Promised Benefits.

This policy applies to travel in connection with Educational Conferences and Administrative Meetings. "Educational Conferences" are those conferences, seminars, and meetings that have an educational purpose. "Administrative Meetings" are meetings attended by Trustees in their LACERA capacity and to further LACERA's fiduciary duty to members and their beneficiaries, including but not limited to: LACERA Board and Committee meetings, and pension related organization meetings that furthers LACERA's interests. These interests may include but are not limited to; internal and external meetings and meals; Board-approved legislative advocacy; speaking engagements, including a domestic and international Educational Conference at which a Trustee gives a speech; meetings associated with leadership positions in the administration of pension related organizations; and similar events. This policy applies to LACERA Trustees only.

II. PRINCIPLES

The following principles shall govern Trustee travel in connection with Educational Conferences and Administrative Meetings on LACERA's behalf and the interpretation of this policy.

A. Performance of Fiduciary Duty. Travel for educational conferences and administrative meetings in furtherance of LACERA's interests is necessary and should be encouraged and undertaken in order that Trustees may obtain and share knowledge relevant to the proper performance of their fiduciary duty under the California Constitution, the County Employees Retirement Law of 1937 (CERL), and other applicable laws by a reasonable method and at reasonable cost for the value received. Specifically:

1. Duty of Loyalty. Education and travel must assist the Trustees to perform their fiduciary duty of loyalty to "discharge their duties with respect to the system 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

TRUSTEE TRAVEL POLICY

duty to its participants and their beneficiaries shall take precedence over any other duty.” Cal. Const., art. XVI, § 17(b); see Cal. Gov’t Code § 31595(a).

2. Duty of Prudence. Education and travel must assist the Trustees to perform their fiduciary duty of prudence to “discharge their duties with respect to the system with the care, skill, prudence, and diligence under the circumstances then prevailing 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.” Const., art. XVI, § 17(c); see Cal. Gov’t Code § 31595(b).

B. Focus on Mission. Trustees have a fiduciary duty to make policy decisions consistent with applicable law, including constraints imposed by the Fund’s budget. At the same time, travel may be necessary to support and enhance LACERA’s Mission to Produce, Protect and Provide the Promised Benefits on behalf of LACERA members.

Trustees are expected to be and believed to be mindful and financially prudent in all travel and trip-related expenditures that consume resources funded by LACERA members.

- i. All monies held in the Fund by LACERA are ultimately due and payable in the form of pension benefits to active and retired members. Therefore, all administrative, operational and travel expenditures should be able to withstand the scrutiny of our members, stakeholders, plan sponsors and the public at large, thereby minimizing any reputational risk to LACERA.
- ii. Trustees are accountable for their actions and responsible for appropriate use of organizational resources and establishing policy creating limits and constraining expenditures. Travel policies for staff can be more restrictive depending on circumstances and financial constraints.

C. Transparency. Travel administrative procedures and guidelines are established and carried out in a manner that is easy for members and all other stakeholders to identify actions taken by Trustees.

- i. Expenses incurred for travel and trips are clearly identifiable as business-related expenses only, not for personal expenses of the Trustee or any traveling companions.
- ii. Travel expenses and trip information are reported to LACERA members and stakeholders via a public forum.
- iii. Trustees recognize and accept their accountability and responsibility to LACERA members for travel and trip expenditures which are charged to LACERA.
- ~~iv. All Trustees electronically acknowledge and sign a travel attestation document (Appendix B) provided by staff annually on a calendar year basis, confirming their commitment to act responsibly, and prudently, and in the best interest of LACERA members.~~

TRUSTEE TRAVEL POLICY

D. *Simplicity, Uniformity and Consistency.* Travel administrative procedures and guidelines for claiming and reimbursing expenses are designed to be simple, uniform, and consistent, and should not be overly onerous so as to negatively affect Trustees.

- i. Travel procedures should be a guide with simple, unambiguous rules for making and approving travel arrangements, and for the timely processing and accounting of trip related expenditures and reimbursements.
- ii. Travel expenditures are documented on expense claims that are clear and concise.
- iii. Travel expense reimbursement processes should be clear, consistent, transparent, convenient, efficient, and compliant with the Trustee Travel Policy.
- iv. Travel expense methods are simple and universally applied so the reimbursement claim process is streamlined (e.g., all meals are claimed under the Per Diem Method).
- v. Travel procedures, including administrative expense guidelines and reimbursement process, are maintained under the direction of the Chief Executive Officer (CEO) or their designee.

E. *Ease of Execution.* Travel administrative procedures and guidelines are established ~~with~~ for administrative ease and designed to reduce the manual processes and the considerable effort required of staff. Processes related to travel reimbursements and processing expense claims should not be cumbersome and complicated for staff and Trustees.

- i. Travel accommodations and Trustee conveniences are streamlined and provide a group of appropriate choices instead a vast menu of options.
- ii. The process itself of conducting travel bookings and expense processing are considered a priority.
- iii. Expense categories, reimbursement process, and claim forms are periodically reviewed and updated by staff.
- iv. Trustees, not proxies, are responsible for obtaining, gathering, and submitting the appropriate documentation justifying expenditures in a timely manner.
- v. External providers including travel agents and other travel-related industry services are to be considered and integrated into the process for Trustees and administrative ease.
- vi. Technological tools for capturing and recording trip documentation are employed where reasonable and necessary considering cost implications.
- vii. Practices will periodically be reviewed to ensure best practices and industry norms are included within the Trustee Travel Policy.

III. TRUSTEE TRAVEL TO EDUCATIONAL CONFERENCES AND ADMINISTRATIVE MEETINGS

A. *Approval.* —Trustee travel within the United States to the Education Ceonferences listed in Appendix B to the Trustee Education Policy are pre-approved subject to this Policy. Other external Educational Conferences, seminars, and meetings in the United States, Canada, and Mexico as provided

TRUSTEE TRAVEL POLICY

in Section IV.C.2 of the Education Policy that meet the criteria of that policy also do not require Board approval. ~~All other~~ International travel for Educational Conferences and travel for Administrative Meetings regardless of location requires approval of that Trustee's Board, except that Educational Conferences and Administrative Meetings in California where the total cost of attendance is no more than \$3,000 are pre-approved for attendance and reimbursement, 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 without Board approval.

Each Chair, in consultation with the Chief Executive Officer, may approve reasonable new Trustee travel consistent with the terms of this Policy for attendance at Educational Conferences and Administrative Meetings before the effective date of their term permitted under Section III.E of the Trustee Education Policy.

B. Cease Travel and Other Expenses. —Trustees may consider whether and when to cease arranging future travel and expenses for Educational Conferences and Administrative Meetings once they become aware their term of service will end. In considering this issue, Trustees may consider the following factors: For appointed Trustees, awareness may occur in the final year of their appointment and after the Board of Supervisors votes on the next appointment, or when an appointed Trustee has been told they will not be reappointed. For elected Trustees, awareness may occur when an elected Trustee decides not to run for reelection or when, as a candidate, is replaced once election results are certified by the Board of Supervisors. For the Ex-Officio Trustee, this occurs once a retirement is announced.

C. Authorized Expenses. —Authorized travel expenses shall be determined by the Boards as set forth in Appendix A. LACERA shall use reasonable efforts to promptly reimburse Trustees in accordance with this policy and Appendix A.

D. Costs of Administration. —Travel expenses for Trustees shall be administrative costs of the Fund and may not be paid through third party contracts, except as may lawfully be reported on Fair Political Practices Commission Form 801. It is LACERA's policy that Trustees shall not accept gifts of travel. Gifts of travel, including transportation, lodging, and meals, may be reportable as gifts to individual Trustees if not paid by LACERA.

E. Claims for Reimbursement.

- i. Submission. —A travel expense reimbursement shall be claimed by completing an expense voucher form available from the Executive Board Assistants and submitting it to the appropriate authorizing person. Trustees may submit their expense reimbursements to their respective Executive Board Assistant. All expense reimbursement requests shall be accompanied by receipts and/or other reasonable documentation. Expense

TRUSTEE TRAVEL POLICY

reimbursement records are subject to disclosure under the Public Records Act, with redaction of confidential information, such as personal addresses, telephone numbers, and credit card information. The deadline for submitting an education and travel reimbursement claim is 90 days after completing the education, or 30 days after the fiscal year-end, whichever comes first. Extensions to this deadline may be granted by the Board Chair.

- ii. Approval Process. -The Executive Board Assistants will receive and review, for compliance with this policy, all expense reimbursement requests prior to submission. The Financial and Accounting Services Division (FASD) will review expense reimbursement requests for compliance with this policy and shall only process and use reasonable efforts to promptly pay those that are in compliance and approved by the CEO or their designee. FASD will notify the CEO or their designee of all deficiencies in a submission by a Trustee, and the CEO or their designee will in turn notify the respective Trustee. LACERA will not reimburse a Trustee for expenses that are not authorized under this policy unless specifically exempted and approved by that Trustee's Board, except that, without Board approval, each Board Chair or the Chief Executive Officer may authorize deviations of less than \$1,000 per trip from the expense limits in this policy and subject to subsequent review of all expenses for compliance with this policy.

F. Cancellation of Travel Arrangements.

- i. Responsibility for Timely Cancellation. -Trustees are responsible for timely canceling travel arrangements made on behalf of the Trustee which will not be used so that no costs will be incurred by LACERA.
- ii. Responsibility for Costs Resulting from Untimely Cancellation. -Trustees are responsible for all costs LACERA incurs as a result of the Trustee's failure to cancel travel arrangements before cancellation charges accrue, unless the failure to cancel was due to facts or circumstances beyond the Trustee's control. The Trustee must reimburse LACERA within 30 days after notification of the amount due. Notice will be provided by the Chief Executive Officer. If reimbursement is not made within such 30-day period, and payment is still due, the amount shall be deducted from any payment due the Trustee from LACERA. If a Trustee is enrolled for an Educational Conference or Administrative Meeting but fails to attend or timely cancel and LACERA incurs an expense as a result (e.g., conference registration, travel and lodging cancellation fees), that conference or meeting counts toward the limit under Section IV.C.2. of the Trustee Education Policy until the Trustee reimburses LACERA for all expenses incurred or cancellation is excused under Section III. F. iii. of this Trustee Travel Policy.
- iii. Approval of Cancellation Costs with Good Cause. -If the Trustee believes the failure to cancel was due to facts or circumstances beyond their control, they must submit written justification to the Board Chair within 30 days after

TRUSTEE TRAVEL POLICY

receiving notification of the cancelation expenses due. For Trustees, the Board Chair will approve or disapprove the excuse in writing to the Trustee, with a copy to the Executive Board Assistant. If the individual is a Board Chair, then the written excuse must be submitted to that Board's Vice Chair who will then approve or disapprove the excuse. If the individual is a Vice Chair simultaneously serving as the acting Chair, then the Vice Chair's written excuse must be submitted to that Board's Secretary who will then approve or disapprove the excuse. Should a Trustee disagree with the Board Officer's determination, the Trustee may request the Executive Board Assistant to agendize the matter for consideration by the full Board.

- G. Cash Advances.** -Hotel and airfare shall be purchased in advance by the Executive Board Assistants, and no cash advances will be allowed for such expenses. Cash advances for permitted per diem expenses in accordance with this policy may be allowed by the Chief Executive Officer for good cause. Trustees will account for any per diem cash advance on their trip expense report upon completion of the travel.
- H. Expenses for Traveling Companions.** -Travel expenses for family members and/or traveling companions are not reimbursable by LACERA.
- I. Additional Travel Days to Minimize Overall Travel Cost.** -Travel resulting in arrival one day prior to and/or one day after an Educational Conference or Administrative Meeting will be reimbursed if reasonably necessary because of time constraints. Travel resulting in arrival two days prior to and/or one day after international travel will be reimbursed as reasonably necessary based on the location of the Educational Conference or Administrative Meeting. In addition, lodging and per diem for extra days prior to or after an Educational Conference or Administrative Meeting will be reimbursed if such extension results in lower overall trip costs. If a Trustee adds personal travel before or after a trip, the extra personal days outside of the above restrictions shall not be reimbursed. Written justification for travel expenses incurred prior to or after an Educational Conference or Administrative Meeting shall be submitted with the claim for reimbursement.
- J. Ground Transportation.** -Trustees will be expected to use taxis or ride sharing services to and from domestic destinations. Limousine or executive car services shall not be used in domestic locations unless the cost for such services is comparable to that of taxi services and/or airport parking; they may be used without restriction in international locations. Reimbursement of rental vehicles require justification and prior approval from the Chief Executive Officer. When renting a vehicle, purchase of optional insurance is not necessary as LACERA's insurance will cover the same risks.
- K. International Travel Insurance.** -LACERA will purchase travel insurance covering Trustees while traveling internationally on LACERA business. The insurance will include accident, medical, security assistance and evacuation,

TRUSTEE TRAVEL POLICY

travel assistance, trip cancelation, interruption or delay, and baggage loss or delay coverage. [Family members and/or traveling companions are not covered under LACERA's travel insurance policies.](#)

L. Travel Reports.

- i. Monthly. -A monthly Travel Report shall be submitted to both Boards listing the current fiscal year's completed, ~~anticipated,~~ and canceled Education Conferences and Administrative Meetings (including whether excused under Section III. F. iii) for all Trustees on both Boards.
- ii. Quarterly. -A quarterly Travel Report shall be submitted to both Boards listing education and administrative travel expenses paid/reimbursed by LACERA for all Trustees on both Boards. Such report shall identify whether each item of travel was for an Educational Conference or Administrative Meeting, the purpose, location, cost by expense category, and whether excused under Section III. F. iii.
- iii. Availability. -The monthly and quarterly reports shall be agendaized as reports for the Boards in the first month after they are available (and for privacy and personal security reasons, after travel has been completed) and shall be posted on lacera.com.

IV. ADMINISTRATIVE MEETINGS

[All Administrative Meetings within California that meet Section III.A of this Policy are approved.](#) The relevant Board will be informed [by the Executive Office](#) of a Trustee's need to attend [other Administrative Meetings, including those inside of California that do not comply with Section III.A and those outside of California](#) and provide advance approval of the cost on such terms as deemed appropriate. All LACERA Board and Committee meetings are approved as Administrative Meetings. [All LACERA Board and Committee meetings are approved as Administrative Meetings.](#)

V. BROWN ACT COMPLIANCE

Attendance at external [Education](#) Conferences and Administrative Meetings by more than four Trustees of a Board is not a violation of this provision, provided that the Trustees may not discuss any item of LACERA business.

VI. GIFTS AND CONFLICTS

The Boards desire to avoid even the appearance of impropriety in connection with [Education Conferences and Administrative Meetings](#), and related expenses. The Boards acknowledge that acceptance of gifts of education and related expenses, such as registration, transportation, meals, and lodging by a public agency [and its representatives](#), though permitted under certain circumstances by applicable law, can create the appearance that LACERA encourages "pay to play" and may, unwittingly, create

TRUSTEE TRAVEL POLICY

opportunities for undue influence on Trustees. This policy therefore does not permit LACERA as an entity to accept [any gifts of or in connection with Educational Conferences and Administrative Meetings](#), and related expenses. This policy does not prohibit certain payments for educational [and administrative information and events](#) and/or related expenses as part of the negotiated consideration under agreements with vendors, consultants, and managers, although all such payments should be reviewed in advance with the Legal Division to ensure compliance with applicable law, regulations, [policies](#), and reporting [requirements](#).

Items provided during Educational Conferences and Administrative Meetings may constitute reportable gifts.

Trustees should be familiar with the provisions of LACERA's Code of Ethical Conduct as it may apply to certain [Educational Conferences](#) and [Administrative Meeting](#) interaction with and items received from the sponsors or other attendees.

The Boards acknowledge that international travel, though expensive, is increasingly necessary in light of today's global economy and LACERA's ongoing prudent investment of a substantial portion of its assets outside the United States.

VII. EDUCATION POLICY AND PROCEDURES

This policy is subject to and will be read and interpreted in conjunction with the Trustee Education Policy.

VIII. POLICY PROVISIONS AND APPLICABLE LAW

- A. Waiver of Policy Provisions.** -For good cause presented in writing, and in the exercise of its sound discretion, the Board of Retirement or the Board of Investments may waive compliance with specific requirements of this policy when in the best interests of LACERA [and its members](#).
- B. Applicable Law.** -This policy is to be implemented in compliance with the relevant provisions of the California [Constitution, California Government Code](#), [and all](#) other applicable law, and in harmony with existing philosophy, objectives, [policies](#), [procedures](#), and guidelines previously approved by the Board of Retirement and the Board of Investments.

IX. SUSTAINABILITY

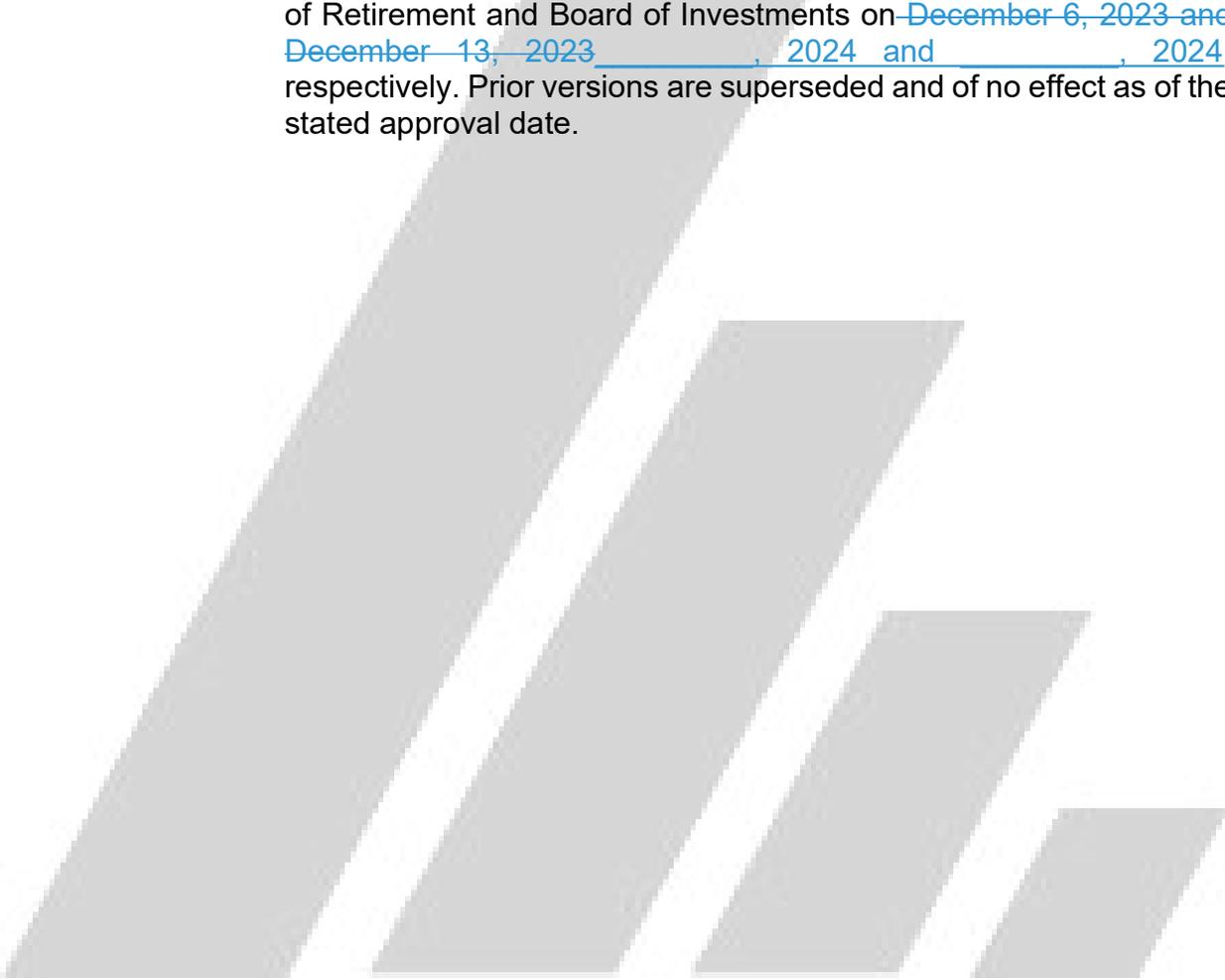
Trustees are encouraged to consider sustainability in making education and travel choices, including whether and how to travel, the viability and efficacy of alternative forms of participation (such as geographically closer or virtual meetings), the impact of business class vs. coach, the number of trips taken, and the number of Trustees participating in a single event, avoidance of car transportation when possible, and obtaining an estimate of the carbon footprint of travel and lodging options through available online tools and inclusion of estimates in board recommendation memos.

TRUSTEE TRAVEL POLICY

X. REVIEW

This policy shall be reviewed by the Joint Organizational Governance Committee, the Board of Retirement, and the Board of Investments every three years or as needed and may be amended by both Boards at such time.

Policy History: Restated and Approved by the Board of Retirement and Board of Investments on December 16, 2020; updated and approved by the Board of Retirement and Board of Investments on May 5, 2022 and May 11, 2022, respectively; and updated and approved by the Board of Retirement and Board of Investments on ~~December 6, 2023 and December 13, 2023~~, 2024 and _____, 2024, respectively. Prior versions are superseded and of no effect as of the stated approval date.



TRUSTEE TRAVEL POLICY

APPENDIX A REIMBURSEMENT SCHEDULE FOR EDUCATIONAL CONFERENCES AND ADMINISTRATIVE MEETINGS

Amounts which can be reimbursed for transportation, lodging, meals, and other covered items are indicated as follows:

I. TRANSPORTATION:

A. Airline Travel

1. Trustees will travel in coach/economy class except that they may travel in business class or its equivalent for:
 - a. Flights having (i) a scheduled non-stop flight time or total connecting travel time from original departing airport to the final destination airport of five hours or more, or (ii) a scheduled non-stop roundtrip flight time or total connecting roundtrip travel time of ten hours or more.
 - b. Red-eye flights. "Red-eye flights" are defined as flights in which a majority of the flight time occurs between 10:00 PM and 6:00 AM.
 - c. Flights arriving or departing at an international location, including Canada and Mexico.
2. LACERA will reimburse the additional cost of coach/economy class seats advertised as having additional leg room regardless of flight time.
3. Air travel will only be reimbursed at the lowest available non-refundable fare at the time of purchase (for class travel authorized under this Policy). Trustee may elect to fly on United, American, Delta, JetBlue, or Southwest Airlines for the dates and times of travel. Other carriers are authorized, but reimbursement shall not exceed the lowest non-refundable fare offered either amongst the five major airlines carriers mentioned above or three other major carriers who fly to selected destination.
4. Recognizing air carriers have begun charging for incidental items historically included in the ticket price (for example, checking luggage, providing pillows, blankets, and non-alcoholic beverages during flights, etc.), LACERA also will reimburse carrier charges for such incidental items upon submission of an itemized receipt. Alcoholic beverages will not be reimbursed.
5. Substantiation of airline travel shall include a copy of the ticket or E-mail confirmation showing the cost of the air travel.

TRUSTEE TRAVEL POLICY

APPENDIX A REIMBURSEMENT SCHEDULE FOR EDUCATIONAL CONFERENCES AND ADMINISTRATIVE MEETINGS

- Trustees traveling by air to conduct LACERA business may use only regularly scheduled airline services operating by an air carrier certified by the Federal Aviation Administration or comparable foreign authority. Trustees are prohibited from traveling on LACERA business via private aircraft, including but not limited to aircraft owned, leased, or rented by the individual Trustee. Persons traveling on LACERA business via private aircraft will be deemed to be acting outside the scope of their responsibilities and employment. They will not be covered by LACERA's liability insurance. Trustees may not use [personal](#) travel points to pay for LACERA travel. Any [cash rebates](#) earned on LACERA's credit card will be used at the Chief Executive Officer's discretion.

B. Other Common Carrier Travel

- Travel permitted under this policy should be accomplished in the most cost-effective and efficient manner practicable, considering the costs of the mode of transportation, travel time, accommodations, and per diem.
- Generally, air travel is the most cost-effective and efficient means for long distance travel, with "long distance travel" defined as a travel to a site more than 300 miles from LACERA's headquarters.
- Where a traveler has special travel needs or concerns such that travel by air for long distance travel is not practicable, then the traveler may use an alternate common carrier (e.g., train or bus) and incur such reasonable expenses associated with that mode of travel (e.g., sleeper car, additional days of per diem).
- Substantiation of other common carrier travel shall include a copy of the ticket or E-mail confirmation showing the cost of the travel.

II. LODGING:

A. Room Cost

Reimbursement is limited to a standard class single room rate, including mandatory taxes and hotel fees. Actual expenses for lodging will be reimbursed upon submittal of receipts. For example, room upgrades, and bed and breakfast additions will be at the expense of the Trustee, unless for good cause such as the unavailability of standard rooms and/or international destinations.

B. Government Rates

TRUSTEE TRAVEL POLICY

APPENDIX A REIMBURSEMENT SCHEDULE FOR EDUCATIONAL CONFERENCES AND ADMINISTRATIVE MEETINGS

Trustees traveling on LACERA business should always request government rates when making reservations and/or checking in. LACERA recognizes that the governmental rate offered for local governmental entities like LACERA may be higher than the federal government rate, or may not be available at all, especially in connection with international travel.

C. Attendance at Educational Conferences and Administrative Meetings.

LACERA acknowledges that the cost of a standard room at an event hotel may exceed the standard lodging reimbursement rate. Nevertheless, Trustees attending events may stay at the designated hotel to promote convenient access, networking, and safety. Reimbursement for lodging at an event is limited to the standard room rate charged by the event hotel unless for good cause such as the unavailability of standard rooms and/or international destinations. When lodging at the event hotel is unavailable, reimbursement is limited to the best available rate for a standard room at a nearby hotel of comparable quality. The Trustee will be responsible for any excess cost.

D. Travel Not Connected with An Established Hotel Venue

The maximum lodging amounts are intended to cover the cost of lodging at adequate, suitable and moderately-priced facilities located near the destination city's airport or the specific area in the destination city where LACERA's business will be conducted without association with an established hotel venue. Reimbursement for lodging connected with such travel is limited to:

1. Domestic: Not more than three times the regular per diem rate for the location as established from time to time by the U.S. General Services Administration, found at www.gsa.gov (click on "per diem rates").
2. International: Not more than three times the rate for the location as established from time to time by the United States Department of State, found at: www.state.gov/m/a/als/prdm.

III. MEALS:

It is the policy's intent for the Trustee to be reimbursed [as described in the "Meal Reimbursement" section of this Appendix A](#) for meals [at Educational Conferences and Administrative Meetings](#) not pre-paid for by LACERA. As such, LACERA will not reimburse the Trustee for a meal which has been pre-paid for by LACERA (e.g., when conference registration includes meals), whether or not the Trustee consumed the meal, except where the Trustee could not consume the pre-paid meal because:

TRUSTEE TRAVEL POLICY

APPENDIX A REIMBURSEMENT SCHEDULE FOR EDUCATIONAL CONFERENCES AND ADMINISTRATIVE MEETINGS

1. The Trustee has special dietary or medical concerns, or
2. It was reasonably necessary for the Trustee to conduct LACERA business while the pre-paid meal was being served.

Written justification as to which of the above two exceptions applies will be provided with the reimbursement request. However, written justification for any dietary restrictions or medical concerns need only be provided once annually by the Trustee.

Likewise, LACERA will not reimburse the Trustee for a meal paid for by a third party unless approved by the Chief Executive Officer.

Meal Reimbursement

Reimbursement for meals shall be based on the "Per Diem Method" only as defined below.

A. The Per Diem Method

1. Under the Per Diem Method, the Trustee agrees to accept a flat rate for meals. Trustees are not required to submit receipts.
2. The per diem allowance will be computed using the Meals & Incidental Expenses rate (the "M&IE Rate") published by the Internal Revenue Service and in effect on the date of travel for the locality of travel.
3. The per diem allowance shall be claimed in accordance with the Meals & Incidental Expenses Breakdown ("M&IE Breakdown") per the IRS, based on the M&IE Rate. The portion of the per diem the Trustee receives depends upon when the travel occurs. For example, if the travel occurs during normal breakfast and lunch times, the Trustee receives the per diem for breakfast and lunch; if the travel occurs during normal lunch and dinner times, the Trustee receives the per diem for lunch and dinner, etc.

3.4. Based on GSA standards, 75% of the M&IE per diem rate at the destination for travel will be paid for the first and last day of travel.

IV. PORTERAGE:

Porterage may not be claimed using the Per Diem Method, as the Per Diem Method's IRS tables already factor in porterage reimbursement.

TRUSTEE TRAVEL POLICY

APPENDIX A REIMBURSEMENT SCHEDULE FOR EDUCATIONAL CONFERENCES AND ADMINISTRATIVE MEETINGS

V. PARKING:

Parking, including airport parking, will be reimbursed at actual rate (receipt required).

VI. MILEAGE:

Use of a personal vehicle will be reimbursed on a per mile basis at the rate approved by the Internal Revenue Service as of the date of travel.

VII. OTHER BUSINESS EXPENSES:

Other covered business expenses reasonably incurred in connection with LACERA business, such as registration fees, business and personal telephone, fax, internet access, gym access (including the standard gym fee charged by the Trustee's hotel or, if hotel gym access is not available, the reasonable cost of daily access to a local gym or health facility), dry cleaning, and similar business expenses, shall be reimbursed upon submittal of receipts. Required vaccinations and required tests (such as PCR rapid tests for COVID-19) to enter or exit the origin or destination of travel or to comply with other requirements necessary to travel to or attend approved educational and administrative conferences, seminars, or meetings shall be reimbursed upon submittal of receipts. The cost of membership in TSA Pre, Global Entry, NEXUS, SENTRI, or other expedited security and border processing programs shall be reimbursed upon submittal of receipts. Technology needs, for both international and domestic travel, may be discussed with the LACERA Systems Division in advance to develop appropriate solutions for the Trustee's needs and to manage cost.

Reimbursement for lost or damaged property is subject to a separate policy to be developed.

TRUSTEE TRAVEL POLICY

**APPENDIX B
TRAVEL ATTESTATION**

As a LACERA Board Trustee, I acknowledge:

- a. ~~I have received, read, and understand all of the provisions within the Trustee Travel Policy; and~~
- b. ~~I attest to my commitment to act responsibly and prudently in the best interests of LACERA members, in all travel-related matters.~~

LACERA Board

Name

Signature

Date

April 26, 2024

TO: Trustees – Board of Investments

FROM: Jude Pérez 
Deputy Chief Investment Officer

FOR: May 8, 2024 Board of Investments Meeting

SUBJECT: **LACERA Pension Trust and OPEB Master Trust Investment Policy Ranges Recommendation**

RECOMMENDATION

Staff recommends that the Board of Investments (“BOI”) approve the Investment Policy Ranges and implementation plan outlined in Meketa Investment Group’s (“Meketa”) presentation (pages 15-21) for LACERA’s Pension Trust and the OPEB Master Trust.

DISCUSSION

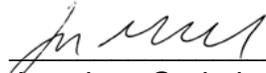
At the April 2024 Board of Investments (“BOI”) meeting, the BOI approved a new strategic asset allocation (“SAA”) for the Total Fund and OPEB Master Trust (“Trusts”). A key aspect of the SAA is defining the investment policy targets for each functional category and sub-asset class. Policy targets establish the apportionment of the asset mix for the Trusts and influence the portfolio’s risk-return profile. Policy targets also allow for the consistent application of the overall SAA by encouraging a consistent approach to diversification and investment strategy.

Importantly, each policy target has established ranges, which allow the actual allocation of assets to fluctuate within pre-defined boundaries while still maintaining the overall SAA investment framework. The SAA policy target ranges provide flexibility around the Board-approved policy targets, acknowledging that various market, rebalancing, liquidity, transaction costs, and implementation factors can influence the weights for each functional category and sub-asset class.

An individual evaluation of policy ranges was conducted for each trust. At today’s meeting, Meketa will present the proposed policy ranges, implementation timeline (**Attachment 1**), and the rationale behind them for each plan.

Attachment

Noted and Reviewed:



Jonathan Grabel
Chief Investment Officer



Los Angeles County Employees Retirement Association

May 2024

Asset Allocation Policy Ranges

Agenda

1. Introduction
2. Asset Allocation Policy Ranges Overview
3. Proposed Asset Allocation Policy Ranges Pension
4. Proposed Asset Allocation Policy Ranges OPEB
5. Asset Allocation Policy Ranges Summary and Recommendation

Introduction

Introduction

- The Board of Investments (BOI) approved new strategic asset allocations for both the Pension Trust and the OPEB Trust on April 10, 2024.
- The next steps in LACERA's strategic asset allocation review process are approving ranges around each of the asset class targets and approving benchmarks which reflect the strategic asset allocation decisions made by the BOI.
- This presentation is focused on policy ranges and is designed to provide an overview of role and importance of policy ranges, a review of LACERA's current policy ranges and recommendations to reflect the new strategic asset allocation.
- The presentation also addresses implementation of the new strategic asset allocation policy and the potential use of interim targets to accommodate a smoother transition of the portfolios.

Asset Allocation Policy Ranges Overview

Asset Allocation Policy Ranges Overview

Purpose

- Balance the cost of rebalancing with the ability to manage risk (both total and active).
- Set clear boundaries for any tactical asset allocation decisions.
- Provide flexibility to adapt to changing market dynamics without a full review of policy.
- Account for differences between public and private market assets.

Considerations

- The functional overlay provides an additional level at which risk can be managed.
- Functional level ranges do not need to reflect the ranges of the sub-asset categories.
- The volatility of each category should be evaluated when setting policy ranges.
- Transaction costs differ greatly between asset classes.
- Public market assets are subject to more frequent valuation changes while private market valuations are often subject to significant lag.
- Private market targets may take time to achieve, therefore ranges should reflect the relative ease or difficulty of implementation.
- The rebalancing policy further defines investment/risk management within the ranges.

Proposed Asset Allocation Policy Ranges Pension

Review of Proposed Asset Allocation Policy Ranges

→ Setting ranges is far more art than science, but to help guide the Board's decision, Meketa is providing the following in this presentation:

- the expected volatility for each category.
- a set of ranges based on percentages around the approved targets.
- LACERA's current ranges where applicable.

→ The proposed ranges are generally guided by the following:

- Functional categories should be utilized to control the overall level of risk.
- Asset class volatility and liquidity are primary considerations.
- Asset classes with higher transaction costs should have wider ranges.
- Private market categories should have somewhat wider ranges to account for both implementation factors and the lag in valuation.
- Within functional categories, the sub-categories should have somewhat broader ranges to allow for flexibility in implementation.

Pension Growth: Policy Ranges

	Expected Volatility ¹ (%)	Previous Policy (%)	Range Size from Previous Policy (%)	Previous Range (%)	Previous Range % of Target (%)	New Policy (%)	Proposed Range Size (%)	Proposed Range (%)	Proposed Range % of Target (%)
Growth Assets	18.8	53	+/-8	45-61	15	48	+/-8	40-56	17
Global Equity	17.0	32	+/-7	25-39	22	29	+/-7	22-36	24
Private Equity	25.0	17	+3/-5	12-20	+18/-29	17	+/-6	11-23	35
Non-Core Real Estate	23.0	4	+/-2	2-6	50	2	+/-2	0-4	100

Growth Assets:

- Growth assets have the highest expected volatility of the functional categories at almost 19%.
- Growth assets represent 48% of the Plan’s assets, but over 70% of the projected risk budget.
- To control overall plan level risk, the range around Growth assets should be the tightest on a percentage of target basis among the functional categories.

Sub-Asset Class Categories:

- The Sub-Asset Class Categories are assigned somewhat wider ranges to account for the mix of public vs. private market asset categories.
- Private market categories are subject to liquidity constraints and the difference in timing of valuations.

¹ Based on Meketa’s 2024 Capital Market Expectations which were approved by the Board at the February 2024 BOI meeting.

Pension Credit: Policy Ranges

	Expected Volatility ¹ (%)	Previous Policy (%)	Range Size from Current IPS (%)	Previous Range (%)	Previous Range % of Target (%)	New Policy (%)	Proposed Range Size (%)	Proposed Range (%)	Proposed Range % of Target (%)
Credit	12.9	11	+/-3	8-14	27	13	+/-4	9-17	31

Credit Assets:

- Credit assets have expected volatility that is modestly higher than that of the overall Plan.
- The proposed ranges provide for some additional flexibility to account for the inclusion of all previous sub-categories into one allocation.

¹ Based on Meketa's 2024 Capital Market Expectations which were approved by the Board at the February 2024 BOI meeting.

Pension Real Assets and Inflation Hedges: Policy Ranges

	Expected Volatility ¹ (%)	Previous Policy (%)	Range Size from Current IPS (%)	Previous Range (%)	Previous Range % of Target (%)	New Policy (%)	Proposed Range Size (%)	Proposed Range (%)	Proposed Range % of Target (%)
Real Assets & Inflation Hedges	11.6	17	+/-3	14-20	18	15	+/-4	11-19	27
Core Real Estate	12.0	6	+/-3	3-9	50	5	+/-3	2-8	60
Natural Resources	22.0	3	+/-2	1-5	67	3	+/-2	1-5	67
Infrastructure	18.0	5	+1/-3	2-6	+20/-60	4	+/-3	1-7	75
TIPS	5.0	3	+/-3	0-6	100	3	+/-3	0-6	100

Real and Inflation Hedging Assets:

- The category overall has an expected volatility between that of the Plan and the Real Assets category.
- Several of the sub-asset categories have expected volatilities in-line with those of Growth Assets.
- To control overall plan level risk, but also account for the illiquid nature of the majority of the assets in the category, the proposed range around the category is 27%.

Sub-Asset Class Categories:

- Natural Resources category has a fairly wide proposed range despite having expected volatility of 22%. This is to account for implementation flexibility and the illiquidity of private natural resources investments.
- Infrastructure also has a wide range for the same reasons.

¹ Based on Meketa's 2024 Capital Market Expectations which were approved by the Board at the February 2024 BOI meeting.

Pension Risk Reduction and Mitigating: Policy Ranges

	Expected Volatility ¹ (%)	Previous Policy (%)	Range Size from Current IPS (%)	Previous Range (%)	Previous Range % of Target (%)	New Policy (%)	Proposed Range Size (%)	Proposed Range (%)	Proposed Range % of Target (%)
Risk Reducing and Mitigating	3.8	19	+/-6	13-25	32	24	+/-8	16-32	33
Investment Grade Bonds	4.0	7	+/-6	1-13	86	13	+/-8	5-21	62
Diversified Hedge Funds	6.8	6	+2/-4	2-8	+33/-67	8	+/-4	4-12	50
Long-term Government Bonds	12.0	5	+/-5	0-10	100	2	+/-2	0-4	100
Cash	1.0	1	+2/-1	0-3	+200/-100	1	+2/-1	0-3	+200/-100

Risk Reducing and Mitigating Assets:

- Risk Reducing and Mitigating Assets have the lowest expected volatility of the functional categories with a target weighted expected volatility of 3.8%.
- The proposed range for the category is 33% of the target, which is the widest range of the functional categories. The wide range is appropriate given the low volatility and low and/or negative correlations with other asset categories and the role of category to serve as a source of liquidity during turbulent markets.

¹ Based on Meketa's 2024 Capital Market Expectations which were approved by the Board at the February 2024 BOI meeting.

Pension Risk Reduction and Mitigating: Policy Ranges (continued)**Sub-Asset Class Categories:**

- Investment Grade Bonds have a low expected volatility, high liquidity and low transactions costs, which results in a proposed range of 62% around the approved target.
- The Diversified Hedge Funds proposed range is sufficiently wide to account for lower liquidity and higher transactions cost.
- The Long-term Government Bonds range is set relatively wide to account for the potential for strong positive performance in negative equity market scenarios.
- The proposed range for Cash is the widest among all asset classes as Cash has the highest level of liquidity, the lowest expected volatility, and the lowest level of transaction costs. While Cash is a drag on the overall returns of the Plan, there is a benefit in having flexibility to, at times, hold higher levels of Cash for operating, investment implementation, and risk management purposes.

Proposed Asset Allocation Policy Ranges OPEB

OPEB Growth: Policy Ranges

	Expected Volatility ¹ (%)	Previous Policy (%)	Range Size from Previous Policy (%)	Previous Range (%)	Previous Range % of Target (%)	New Policy (%)	Proposed Range Size (%)	Proposed Range (%)	Proposed Range % of Target (%)
Growth Assets	17.7	45	+/-10	35-55	22	45	+/-10	35-55	22
Global Equity	17.0	40	+/- 10	30-50	25	40	+/- 10	30-50	25
Private Equity	25.0	5	+/-5	0-10	100	5	+/-5	0-10	100

Growth Assets:

- Growth assets have the highest expected volatility of the functional categories at almost 18%.
- Growth assets represent 45 % of the Plan’s assets, but over 70% of the projected risk budget.
- To control overall plan level risk, the range around Growth assets should be the tightest on a percentage of target basis among the functional categories.

Sub-Asset Class Categories:

- The Sub-Asset Class Categories are assigned somewhat wider ranges to account for the mix of public vs. private market asset categories.
- Private market categories are subject to liquidity constraints and the difference in timing of valuations.

¹ Based on Meketa’s 2024 Capital Market Expectations which were approved by the Board at the February 2024 BOI meeting.

OPEB Credit: Policy Ranges

	Expected Volatility ¹ (%)	Previous Policy (%)	Range Size from Current IPS (%)	Previous Range (%)	Previous Range % of Target (%)	New Policy (%)	Proposed Range Size (%)	Proposed Range (%)	Proposed Range % of Target (%)
Credit	12.0	18	+/-5	13-23	28	16	+/-5	11-21	31

Credit Assets:

- Credit assets have expected volatility that is slightly higher than that of the overall Plan.
- The proposed range provides for some additional flexibility to account for the inclusion of all previous sub-categories into one allocation.

¹ Based on Meketa's 2024 Capital Market Expectations which were approved by the Board at the February 2024 BOI meeting.

OPEB Real Assets and Inflation Hedges: Policy Ranges

	Expected Volatility ¹ (%)	Previous Policy (%)	Range Size from Current IPS (%)	Previous Range (%)	Previous Range % of Target (%)	New Policy (%)	Proposed Range Size (%)	Proposed Range (%)	Proposed Range % of Target (%)
Real Assets & Inflation Hedges	9.4	20	+/-5	15-25	25	13	+/-4	9-17	31
Real Estate	12.0	8	+/-4	4-12	50	5	+/-3	2-8	60
Natural Resources	22.0	2	+/-2	0-4	100	2	+/-2	0-4	100
Infrastructure	18.0	2	+/-2	0-4	100	2	+/-2	0-4	100
TIPS	5.0	6	+/-4	2-10	67	4	+/-4	0-8	100

Real and Inflation Hedging Assets:

- The category overall has an expected volatility that is lower than the Plan.
- Commodities are no longer included in the allocation so the Previous Policy column only sums to 18%.
- To control overall plan level risk, the proposed range around the category is 31%, which is somewhat higher than the 22% proposed for Growth Assets.

Sub-Asset Class Categories:

- Natural Resources has a fairly wide proposed range despite having expected volatility of 22%. This is to account for implementation flexibility and the illiquidity of private natural resources investments.

¹ Based on Meketa's 2024 Capital Market Expectations which were approved by the Board at the February 2024 BOI meeting.

OPEB Risk Reduction and Mitigating: Policy Ranges

	Expected Volatility ¹ (%)	Previous Policy (%)	Range Size from Current IPS (%)	Previous Range (%)	Previous Range % of Target (%)	New Policy (%)	Proposed Range Size (%)	Proposed Range (%)	Proposed Range % of Target (%)
Risk Reducing and Mitigating	5.1	17	+/-6	11-23	35	26	+/-9	17-35	35
Investment Grade Bonds	4.0	10	+/-4	6-14	40	19	+/-7	12-26	37
Long-term Government Bonds	12.0	5	+/-5	0-10	100	5	+/-5	0-10	100
Cash	1.0	2	+/-2	0-4	100	2	+/-2	0-4	100

Risk Reducing and Mitigating Assets:

- Risk Reducing and Mitigating Assets have the lowest expected volatility of the functional categories with a target weighted expected volatility of 5.1%.
- The proposed range for the category is 35% of the target, which is the widest range of the functional categories. The role of this category is to manage the overall level of risk at the Plan level and provide a source of liquidity during turbulent markets.

¹ Based on Meketa's 2024 Capital Market Expectations which were approved by the Board at the February 2024 BOI meeting.

Asset Allocation Policy Ranges Summary and Recommendation

Summary and Recommendation: Pension

	Previous Policy (%)	Approved Policy (%)	Interim Step (%)	Expected Volatility ¹ (%)	Proposed Range +/- (%)	Proposed Range (%)	Proposed Range % of Target (%)
Growth	53	48	50.5	18.8	+/-8	40-56	17
Global Equity	32	29	30.5	17.0	+/-7	22-36	24
Private Equity	17	17	17	25.0	+/-6	11-23	35
Non-Core Real Estate	4	2	3	23.0	+/-2	0-4	100
Credit	11	13	12	12.9	+/-4	9-17	31
Real Assets and Inflation Hedges	17	15	16	11.6	+/-4	11-19	27
Core Real Estate	6	5	5.5	12.0	+/-3	2-8	60
Natural Resources	3	3	3	22.0	+/-2	1-5	67
Infrastructure	5	4	4.5	18.0	+/-3	1-7	75
TIPS	3	3	3	5.0	+/-3	0-6	100
Risk Reducing and Mitigating	19	24	21.5	3.8	+/-8	16-32	33
Investment Grade Bonds	7	13	10	4.0	+/-8	5-21	62
Diversified Hedge Fund Portfolio	6	8	7	6.8	+/-4	4-12	50
Long-term Government Bonds	5	2	3.5	12.0	+/-2	0-4	100
Cash	1	1	1	1.0	+2/-1	0-3	+200/-100

→ Meketa recommends the ranges outlined above and as discussed throughout this presentation.

→ The Interim Step would be in effect for two quarters from July, 1, 2024 to December 31, 2024.

¹ Based on Meketa's 2024 Capital Market Expectations which were approved by the Board at the February 2024 BOI meeting.

Summary and Recommendation: OBEB

	Previous Policy (%)	Approved Policy (%)	Interim Step (%)	Expected Volatility ¹ (%)	Proposed Range +/- (%)	Proposed Range (%)	Proposed Range % of Target (%)
Growth	45	45	45	17.7	+/-10	35-55	22
Global Equity	40	40	40	17.0	+/- 10	30-50	25
Private Equity	5	5	5	25.0	+/-5	0-10	100
Credit	18	16	17	12.0	+/-5	11-21	31
Real Assets and Inflation Hedges	20	13	16.5	9.4	+/-4	9-17	31
Core Real Estate	8	5	6.5	12.0	+/-3	2-8	60
Natural Resources	2	2	2	22.0	+/-2	0-4	100
Infrastructure	2	2	2	18.0	+/-2	0-4	100
TIPS	6	4	5	5.0	+/-4	0-8	100
Risk Reducing and Mitigating	17	26	21.5	5.1	+/-9	17-35	35
Investment Grade Bonds	10	19	14.5	4.0	+/-7	12-26	37
Long-term Government Bonds	5	5	5	12.0	+/-5	0-10	100
Cash	2	2	2	1.0	+/-2	0-4	100

→ Meketa recommends the ranges outlined above and as discussed throughout this presentation.

→ The Interim Step would be in effect for two quarters from July, 1, 2024 to December 31, 2024.

¹ Based on Meketa's 2024 Capital Market Expectations which were approved by the Board at the February 2024 BOI meeting.

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April 22, 2024

TO: Trustees – Board of Investments

FROM: Jude Pérez 
Deputy Chief Investment Officer

FOR: May 8, 2024 Board of Investments Meeting

SUBJECT: **LACERA Pension Trust and OPEB Master Trust Policy Benchmark Recommendation**

RECOMMENDATION

Staff recommends that the Board of Investments (“BOI”) approve the policy benchmarks outlined in Meketa Investment Group’s (“Meketa”) presentation (pages 9, and 11-13) for LACERA’s Pension Trust and the OPEB Master Trust.

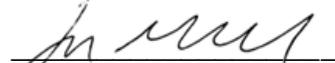
DISCUSSION

The BOI approved a new strategic asset allocation (“SAA”) for both plans at the April 2024 meeting. Reviewing benchmarks is important during SAA studies to ensure that each benchmark is effective for measuring performance at the plan, functional category, and asset class levels. As benchmarks are a key component of ongoing portfolio monitoring, an independent evaluation of benchmarks was conducted for each trust.

Meketa will provide a presentation that defines and reviews common characteristics of benchmarks (**Attachment 1**). They will also evaluate the current and proposed benchmarks for the Trusts, demonstrating their alignment with the recently adopted SAA.

Attachment

Noted and Reviewed:



Jonathan Grabel
Chief Investment Officer



Los Angeles County Employees Retirement Association

May 2024

LACERA Benchmarks

Agenda

1. Introduction
2. Benchmarking Overview
3. Proposed Benchmarks Pension
4. Proposed Benchmarks OPEB
5. Benchmarks Summary and Recommendation

Introduction

- The Board of Investments (BOI) approved new strategic asset allocations for both the Pension Trust and the OPEB Trust.
- The next steps in LACERA's strategic asset allocation review process is approving ranges around each of the asset class targets and approving benchmarks which reflect the strategic asset allocation decisions made by the BOI.
- This presentation is focused on benchmarks and is designed to provide an overview of benchmarking, a review of LACERA's current benchmarks and recommendations to reflect the new strategic asset allocation.

Overview of Benchmarks

Definition

A benchmark is a standard against which the performance of a security, mutual fund, or investment manager is measured. Generally, broad market stock or bond indexes are used for this purpose. However, the process becomes more complicated for multi-asset portfolios, illiquid assets, and unique asset classes.

Purpose

The primary purpose of a benchmark is to assist in the evaluation of an investment strategy or portfolio. For the evaluation to be meaningful, it is critical to:

- Select the correct benchmark,
- Understand what active decisions you are trying to measure.

Criteria

There are two widely accepted schools of thought for determining benchmark criteria.

- The Bailey Criteria includes six characteristics.
- The CFA Institute includes five characteristics.
- The criteria have some overlapping characteristics and concepts, which are shown on the next slide.
- Many commonly used benchmarks fail one or more of these tests, and thus the policy benchmark, made up of asset class benchmarks, will never be a perfect comparison for an institutional fund's diversified asset allocation.

Bailey Benchmark Characteristics:

- **Unambiguous** - The individual securities and their weights in a benchmark should be clearly identifiable.
- **Investible** - It must be possible to replicate and hold the benchmark to earn its return (gross of fees).
- **Measurable** - It must be possible to measure the benchmark's return on a reasonably frequent and timely basis.
- **Appropriate** - The benchmark must be consistent with the manager's investment style or area of expertise.
- **Reflective of current investment options** - The manager should be familiar with the securities that constitute the benchmark and their factor exposures.
- **Specified in advance** - The benchmark must be constructed prior to the evaluation period so that the manager is not judged against benchmarks created after the fact.

CFA Benchmark Characteristics:

- **Investable** – It is possible to forgo active management and simply hold the benchmark. That is, investors can effectively purchase all securities in the benchmark.
- **Accessible** – Difficult to produce benchmarks should be avoided.
- **Transparent** – Understanding the underlying constituency of a benchmark is critical to understanding its suitability for a particular manager.
- **Independent** – A manager’s performance should not impact the prescribed benchmark return.
- **Relevant** – Spurious correlation exists between many random sets of data over various time periods. High correlation or low tracking error to a particular benchmark is not enough to conclude the benchmark is appropriate for a particular manager.

Primary Approaches to Asset Class Benchmarking

- Passive Index Benchmark
- Absolute Return Target Benchmark
- Passive Index Plus a Return Premium Benchmark
- Economic Indicator Plus a Return Premium Benchmark
- Peer Group Benchmark

What Are the Challenges to Choosing an Appropriate Benchmark?

- Benchmarks provide a standard against which realized performance can be measured.
- Most commonly used benchmarks lack one or more of the Bailey characteristics, and thus for some asset categories, there never will be a perfect comparison.
- Alternative asset classes present a benchmarking challenge because of the illiquid nature of the underlying investments, lack of transparency, and insufficient transaction data. The use of these strategies increases the likelihood of tracking error versus benchmarks.

Current Pension Benchmarks

LACERA Portfolio Segments	Current Benchmarks	Benchmark Score	Comments
Growth			
Global Equity	MSCI ACWI IMI Index Net	6	
Private Equity	MSCI ACWI IMI Index + 200 bps (3-month lag)	5	
Non-Core Real Estate	NFI ODCE + 225 bps (3-month lag)	5	
Credit			
Liquid Credit	40% Bloomberg US Corporate High Yield Index 40% Credit Suisse Leveraged Loans 10% JP Morgan EMBI GD 5% JP Morgan GBI-EM GD/5% JP Morgan CEMBI BD	5	Categories are merged in new SAA
Illiquid Credit	Custom Liquid Credit Benchmark + 150 bps (1-month lag)	5	
Real Assets and Inflation Hedges			
Core Real Estate	NFI ODCE (3-month lag)	5	
Natural Resources and Commodities	33% Bloomberg Commodity Index 66% S&P Global Natural Resources Index	5	Removing Commodities
Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	5	
TIPS	Bloomberg US TIPS Index	6	Modelled as Short-Term TIPS in new SAA
Risk Reduction and Mitigation			
Investment Grade Bonds	Bloomberg US Aggregate TR	6	
Diversified Hedge Funds	FTSE 3-Month US Treasury Bill Index +250 bps (1-month lag)	5	
Long-term Government Bonds	Bloomberg U.S. Long Treasury Bond Index	6	
Cash	FTSE 3-Month US Treasury Bill Index	6	
Overlays and Hedges			

¹ Total Fund and the four functional categories are omitted, given they are a weighted blend of underlying strategy benchmarks and thus, would receive a "N/A" rating.

Proposed Pension Benchmarks

LACERA Portfolio Segments ¹	Current Benchmarks	Proposed Benchmark ²	Comments
Growth			
Global Equity	MSCI ACWI IMI Index Net	Same	
Private Equity	MSCI ACWI IMI Index + 200 bps (3-month lag)	Same	
Non-Core Real Estate	NFI ODCE + 225 bps (3-month lag)	Same	
Credit			
Credit	40% Bloomberg US Corporate High Yield Index 40% Credit Suisse Leveraged Loans 10% JP Morgan EMBI GD 5% JP Morgan GBI-EM GD/5% JP Morgan CEMBI BD Custom Liquid Credit Benchmark + 150 bps (1-month lag)	70% Credit Suisse Leveraged Loans 30% Bloomberg US Corporate High Yield Index (1-month lag) +100 bps	Categories are merged in new SAA, premium reflects the new targets and implementation
Real Assets and Inflation Hedges			
Core Real Estate	NFI ODCE (3-month lag)	Same	
Natural Resources	33% Bloomberg Commodity Index 66% S&P Global Natural Resources Index	65% S&P Global NR (3-month lag) 35% NCREIF Farmland	Reflects new targets and implementation
Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	Dow Jones Brookfield Global Infrastructure Composite Index (3-month lag)	Lag reflects implementation
TIPS	Bloomberg US TIPS Index	Bloomberg US TIPS (0-5YRS) Index	S-T TIPS in new SAA
Risk Reduction and Mitigation			
Investment Grade Bonds	Bloomberg US Aggregate TR	Same	
Diversified Hedge Funds	FTSE 3-Month US Treasury Bill Index +250 bps (1-month lag)	FTSE 3-Month US Treasury Bill Index +200 bps (1-month lag)	Reflects implementation
Long-term Government Bonds	Bloomberg U.S. Long Treasury Bond Index	Same	
Cash	FTSE 3-Month US Treasury Bill Index	Same	
Overlays and Hedges			

¹ Total Fund and the four functional categories are omitted, given they are a weighted blend of underlying strategy benchmarks and thus, would receive a "N/A" rating.

² The Benchmark Score is a rating based on the six Bailey characteristics.

Current OPEB Benchmarks

LACERA Portfolio Segments ¹	Current Benchmarks	Benchmark Score ²	Comments
Growth			
Global Equity	MSCI ACWI IMI Index Net	6	
Private Equity	MSCI ACWI IMI Index + 200 bps (3-month lag)	5	
Credit			
Liquid Credit	38% Bloomberg US Corporate High Yield Index 46% Credit Suisse Leveraged Loans 8% JP Morgan EMBI GD 4% JP Morgan GBI-EM GD/4% JP Morgan CEMBI BD	5	Categories are merged in new SAA
Illiquid Credit	Custom Liquid Credit Benchmark + 150 bps (1-month lag)	5	
Real Assets and Inflation Hedges			
Real Estate	75% NFI ODCE (3-month lag) 25% Dow Jones US Select Real Estate	5	
Natural Resources	S&P Global Natural Resources Index	6	
Commodities	Bloomberg Commodity Index	6	Removing Commodities
Infrastructure	Dow Jones Brookfield Global Infrastructure Index (3-month lag)	6	
TIPS	Bloomberg US TIPS Index	6	S-T TIPS in new SAA
Risk Reduction and Mitigation			
Investment Grade Bonds	Bloomberg US Aggregate TR	6	
Long-term Government Bonds	Bloomberg U.S. Long Treasury Bond Index	6	
Cash	FTSE 3-Month US Treasury Bill Index	6	

¹ Total Fund and the four functional categories are omitted, given they are a weighted blend of underlying strategy benchmarks and thus, would receive a "N/A" rating.

² The Benchmark Score is a rating based on the six Bailey characteristics.

Proposed OPEB Benchmarks

LACERA Portfolio Segments ¹	Current Benchmarks	Proposed Benchmarks	Comments
Growth			
Global Equity	MSCI ACWI IMI Index Net	Same	
Private Equity	MSCI ACWI IMI Index + 200 bps (3-month lag)	Same	
Credit			
Credit	38% Bloomberg US Corporate High Yield Index 46% Credit Suisse Leveraged Loans 8% JP Morgan EMBI GD 4% JP Morgan GBI-EM GD/4% JP Morgan CEMBI BD Custom Liquid Credit Benchmark + 150 bps (1-month lag)	70% Credit Suisse Leveraged Loans 30% Bloomberg US Corporate High Yield Index (1-month lag) +100 bps	Categories are merged in new SAA, premium reflects the new targets and implementation
Real Assets and Inflation Hedges			
Real Estate	75% NFI ODCE (3-month lag) 25% Dow Jones US Select Real Estate	NFI ODCE (3-month lag)	Reflects planned implementation
Natural Resources	S&P Global Natural Resources Index	Same	
Infrastructure	Dow Jones Brookfield Global Infrastructure Composite Index	Dow Jones Brookfield Global Infrastructure Composite Index (3-month lag)	Lag reflects implementation
TIPS	Bloomberg US TIPS Index	Bloomberg US TIPS (0-5YRS) Index	S-T TIPS in new SAA
Risk Reduction and Mitigation			
Investment Grade Bonds	Bloomberg US Aggregate TR	Same	
Long-term Government Bonds	Bloomberg U.S. Long Treasury Bond Index	Same	
Cash	FTSE 3-Month US Treasury Bill Index	Same	

¹ Total Fund and the four functional categories are omitted, given they are a weighted blend of underlying strategy benchmarks and thus, would receive a "N/A" rating.

Pension Total Fund Benchmark Recommendation

Functional Category	% of Aggregate	Benchmark
Growth	48	Custom Growth Benchmark
Credit	13	Custom Credit Benchmark
Real Assets and Inflation Hedges	15	Custom Real Assets and Inflation Hedges
Risk Reduction and Mitigation	24	Custom Risk Reduction and Mitigation
Overlays and Hedges	0	N/A
Total Fund Benchmark	100	48% Custom Growth Benchmark 13% Credit Custom Benchmark 15% Real Assets and Inflation Hedges Custom Benchmark 24% Risk Reduction and Mitigating Custom Benchmark

→ Each Functional Category Benchmark consists of a custom blended benchmark.

→ The Total Fund Benchmark is a custom blended benchmark which consists of each of the Functional Categories Benchmarks.

OPEB Total Fund Benchmark Recommendation

Functional Category	% of Aggregate	Benchmark
Growth	45	OPEB Growth Benchmark
Credit	16	OPEB Credit Benchmark
Real Assets and Inflation Hedges	13	OPEB Real Assets and Inflation Hedges
Risk Reduction and Mitigation	26	OPEB Risk Reduction and Mitigation
Total Fund Benchmark	100	45% Custom Growth Benchmark 16% Credit Custom Benchmark 13% Real Assets and Inflation Hedges Custom Benchmark 26% Risk Reduction and Mitigating Custom Benchmark

- Each Functional Category Benchmark consists of a custom blended benchmark.
- The Total Fund Benchmark is a custom blended benchmark which consists of each of the Functional Categories Benchmarks.

Summary & Next Steps

Summary:

- The nature of some asset classes implies that there is no perfect way to measure performance.
- No benchmark can substitute for understanding your portfolio, from both a top down and bottom-up perspective.
- As the complexity of LACERA's portfolio increases, so too does the potential for tracking error versus benchmarks. It is important to note that tracking error versus a benchmark is one of many considerations in evaluating performance with the primary consideration being the achievement of LACERA's long term objectives.
- Meketa recommends changing the following benchmarks for the Pension Trust:
 - Credit
 - Natural Resources
 - Infrastructure
 - TIPS
 - Diversified Hedge Funds
- Meketa recommends changing the following benchmarks for the OPEB Trust:
 - Credit
 - Real Estate
 - Infrastructure
 - TIPS

Next Steps:

- Review and approve updated Investment Policy Statement (June)

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April 24, 2024

TO: Trustees – Board of Investments

FROM: Cassandra Smith, Director, Retiree Health Care *CS*
Laura Guglielmo, Assistant Executive Officer *LJG*
Richard Bendall, Chief Audit Executive *RB*
Steven Rice, Chief Counsel *SPR*
Ted Granger, Chief Financial Officer *TG*
Vache Mahseredjian, Principal Investment Officer *VM*
Kathryn Ton, Senior Investment Analyst *KT*

FOR: May 8, 2024 Board of Investments Meeting

SUBJECT: **Actuarial Consulting and Actuarial Auditing Services Search Recommendation**

RECOMMENDATION

Select Milliman Inc. (“Milliman”) and Cavanaugh Macdonald Consulting (“CavMac”) to provide actuarial consulting and actuarial auditing services, respectively, for LACERA’s retirement benefits plan and Los Angeles County’s other post-employment benefits program for retiree health care.

BACKGROUND

In November 2023, staff issued the Request for Proposal (RFP) for actuarial consulting and actuarial auditing services for LACERA’s retirement benefits plan (“Retirement Plan”) and Los Angeles County’s other post-employment benefits program for retiree health care (“OPEB Program”) administered by LACERA. Each contract term is for a five-year period beginning with fiscal year end 2024 actuarial projects and ending in 2028, with two one-year options to extend the contracts at LACERA’s discretion.

PRESENTATION INFORMATION

In the first quarter of 2024, staff invited Milliman and Segal Consultants (“Segal”) for actuarial consulting interviews, and CavMac and Buck, a Gallagher Company (“Buck”) for actuarial auditing interviews. In February 2024, the evaluation team completed its assessment of the five responses to the RFP. Attached is a presentation that includes the scope of services, process, evaluation of finalist firms, and description of the firms being recommended – Milliman for consulting actuary and CavMac for auditing actuary. Milliman and CavMac are the incumbents in these roles. Staff concluded that the expertise and value of these firms support a recommendation that their engagements be renewed.

Chart 1 provides Milliman and CavMac’s total five-year fees based on their RFP responses. Please note that the pricing below was included in each firm’s proposal to perform all required consulting and auditing projects, which also included hourly billing rates for unanticipated projects.

**Chart 1
Total Five-Year Fees**

VENDOR	CONSULTING ACTUARY			AUDITING ACTUARY		
	Retirement Plan	OPEB Program	Combined	Retirement Plan	OPEB Program	Combined
Milliman	\$1,549,500	\$2,009,000	\$3,558,500	-----	-----	-----
CavMac	-----	-----	-----	\$309,000	\$197,000	\$506,000

CONCLUSION

Following a public search and multi-month evaluation process, Milliman and CavMac are recommended for actuarial consulting and actuarial auditing services, respectively, for the Retirement Plan and OPEB Program.

Attachments

Noted and Reviewed:



Jude Pérez
Deputy Chief Investment Officer



ATTACHMENT

Actuarial Consulting and Actuarial Auditing Services Search

RFP Recommendation

Board of Investments Meeting

May 8, 2024

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Recommendation and Overview



Recommendation

Approve selection of Milliman, Inc. (“Milliman”) and Cavanaugh Macdonald Consulting (“CavMac”) to provide actuarial consulting and actuarial auditing services, respectively, for LACERA’s retirement benefits plan (“Retirement Plan”) and Los Angeles County’s other post-employment benefits program for retiree health care (“OPEB Program”).

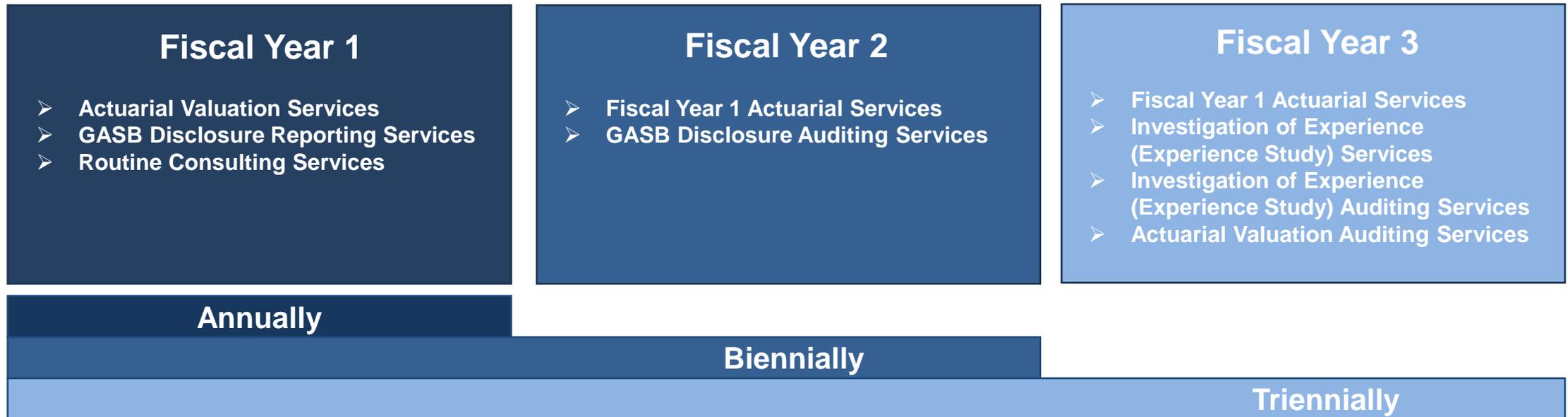
Overview

- This search aligns with LACERA’s strategic plan for fiscal durability by exercising care in managing resources to ensure the long-term soundness of LACERA’s Retirement Plan and Los Angeles County’s OPEB Program.
- The proposed search is for a five-year (5) contract, with the option to extend for two (2) additional one-year terms in accordance with LACERA’s Policy for Purchasing Goods and Services.
- Milliman and CavMac are the incumbents in these roles. The RFP process supports the recommendation that Milliman and CavMac continue to offer expertise and value to LACERA.
- Milliman is a national and local leader in providing full service actuarial consulting to more than 160 public pension and 1,000 OPEB clients.
 - Founded in 1947, Milliman is fully independent and wholly owned with 5,000 employees across 60 offices worldwide. Milliman has a 9-member pension service and 8-member OPEB service team assigned to LACERA.
- Cavanaugh Macdonald is top-tier actuarial firm that provides actuarial services solely for public retirement and health systems and boards.
 - Founded in 2005, Cavanaugh Macdonald is a fully independent, privately held firm with 35 employees. Cavanaugh Macdonald has a 9-member team assigned to LACERA, with the majority located in the Nebraska office.



Summary

- At the November 2023 Board of Investments (“BOI”) meeting, Trustees approved an actuarial consulting and actuarial auditing services RFP. LACERA received five responses – three for actuarial consulting and two for actuarial auditing services.
- The purpose of the search was to select one qualified firm to perform actuarial consulting services and a separate firm to perform actuarial auditing services for LACERA’s Retirement Plan and Los Angeles County’s OPEB Program.
- The illustration below shows the actuarial services reporting cycle for the Retirement Plan and OPEB Program on a three-year cycle.



Note: Fiscal Year refers to the valuation work related to the fiscal year end date. For example, Fiscal Year 2024 refers to the June 30, 2024 valuation work. The timing of the actuarial work performed by the Consultant and Auditor varies depending on the reporting requirements and the projects’ timeline schedule.

Scope of Services



Selected firm is to provide LACERA with the following scope of services:

Actuarial Consulting Services

The actuarial consulting services fall into two categories:

- Preparation of the required actuarial valuation, experience study, and regulatory Governmental Accounting Standards Board (GASB) disclosure services for the Retirement Plan and the OPEB Program.
- Consultation with Staff and Trustees regarding benefits, regulations, and administration of the Retirement Plan and OPEB Program, including interaction with the Fund's auditor, administrator, and legal counsel on these and other matters.

Actuarial Auditing Services

The actuarial auditing services include:

- Perform audits with respect to the actuarial valuation, experience study, and regulatory GASB disclosure reports for the Retirement Plan and OPEB Program.

Evaluation Team



Evaluation Team

Executive Office	Laura Guglielmo Assistant Executive Officer	Investment Office	Vache Mahseredjian Principal Investment Officer	Legal	Steven Rice Chief Counsel
FASD	Ted Granger Chief Financial Officer	Internal Audit	Richard Bendall Chief Audit Executive	Retiree Health Care	Cassandra Smith Director

Additional Team Members

Executive Office	Luis Lugo Deputy Chief Executive Officer	Investment Office	Jude Perez Deputy Chief Investment Officer	Investment Office	Kathryn Ton Senior Investment Analyst
Internal Audit	Christina Logan Principal Internal Auditor	Internal Audit	Kristina Sun Senior Internal Auditor	FASD	Gloria Rios Senior Accountant

Evaluation Criteria



The Evaluation Team scored proposals based on the following categories:

Organization Background (25%)

- Firm history and structure
- Firm's experience relevant to the engagement
- Conflicts and legal matters
- Insurance coverage
- Diversity, Equity, and Inclusion

Team Credentials (25%)

- Team's work experience and academic qualifications
- Team's experience relevant to the engagement
- Client communications



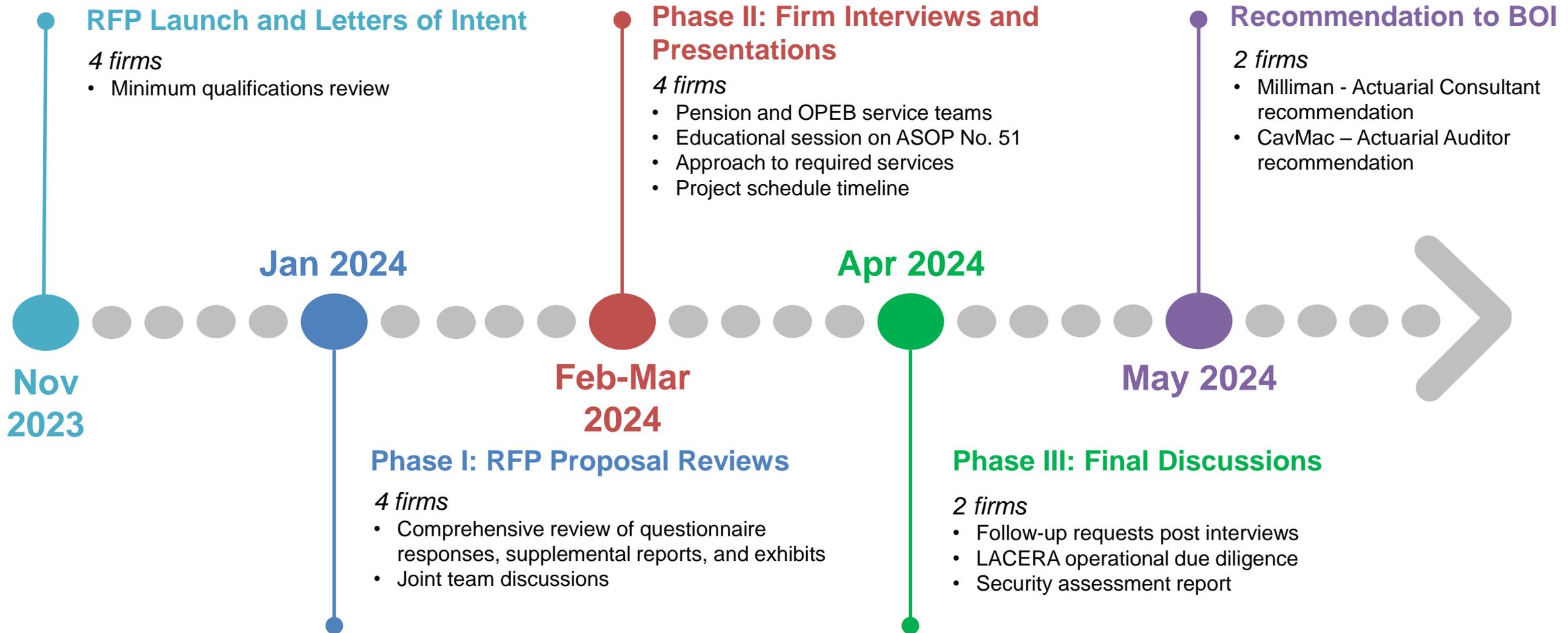
Evaluation of Approach to Performance of Required Services (40%)

- Actuarial valuation services
- Experience study services
- GASB disclosure services
- Routine consulting services
- Actuary auditing services
- Sample work and reports
- Client references

Fee Proposal (10%)

- Fees and hours proposed to complete engagement
- Average hourly rate

Evaluation Process and Timeline



Evaluations – Phase I & II



Phase I

RFP Proposal Reviews

Firm	Phase I Scores	Determination
Milliman	92	Advanced to Phase II
Segal	91	Advanced to Phase II
Cavanaugh Macdonald	80	Did not advance

- Select firms have a long firm history with a substantial size and client base and proved to have high quality teams.

Phase II

Firm Interviews and Presentations

Firm	Phase II Scores	Determination
Milliman	94	Recommend to BOI
Segal	90	Did not advance

- Based on a variety of factors including presentations and consistency in quality and known experience with LACERA, Milliman emerged as the finalist.

Actuarial
Consulting
Services

Actuarial
Auditing
Services

Firm	Phase I Scores	Determination
Cavanaugh Macdonald	80	Advanced to Phase II
Buck	83	Advanced to Phase II

- Select firms proved to have a high level of resources with public sector experience.

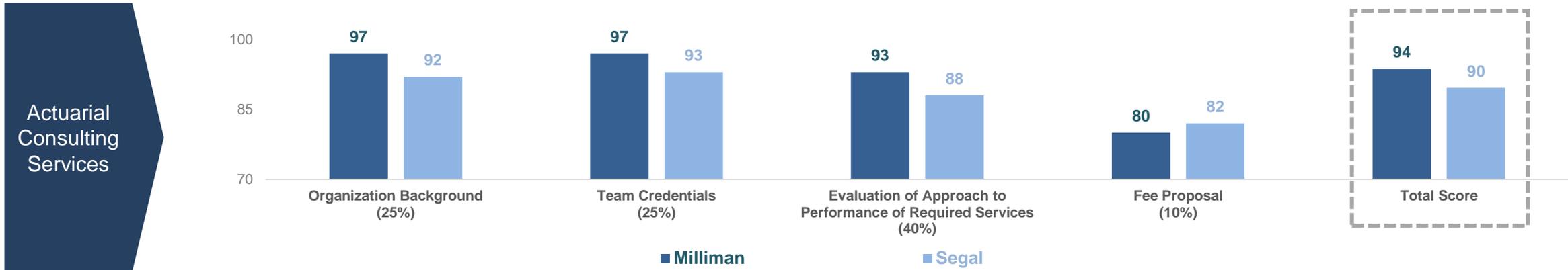
Firm	Phase II Scores	Determination
Cavanaugh Macdonald	83	Recommend to BOI
Buck	80	Did not advance

- CavMac had strong CERL experience and excelled at their educational presentation.

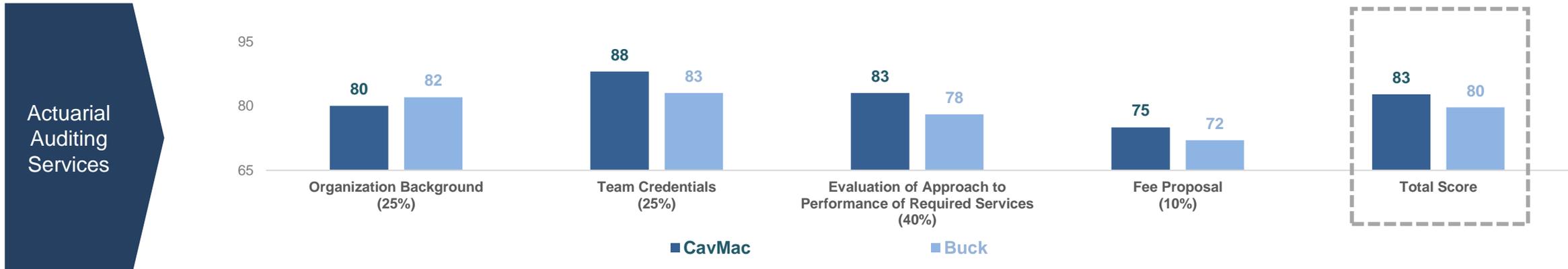
Evaluations – Phase II Scores



Actuarial Consultant: Milliman finished with the highest total weighted score.¹



Actuarial Auditor: CavMac finished with the highest total weighted score.¹



¹ Rankings and total scores would not change if all four evaluation categories were equally weighted at 25%.



Milliman



NATIONAL AND CALIFORNIA EXPERIENCE¹

- Fully independent and wholly owned and managed by **550** principals who are distinguished by their technical and business acumen.
- Founded in **1947**.
- Headquartered in Washington with more than **60** offices worldwide.
- Total of **\$1.5 billion** in revenue as of FY2022, with 66% derived from actuarial consulting services.
- Deep resources offering an array of actuarially-related services across employee benefits, health, property & casualty, and life disciplines.

TRACK RECORD

- Ability to work collaboratively with LACERA staff and boards, and plan sponsor.
- Timely service with consultants generally **accessible by phone or email within 24 hours** or less.
- **Significant accomplishments** since partnering with LACERA and the plan sponsor include implementing PEPRA, making significant changes to the OPEB plan, reducing the amortization period, improving the asset smoothing, and strengthening the investment return and mortality assumptions.
- Assisting with OPEB changes such as participating in LACERA's GASB 74 and 75 taskforce and offering guidance on timing, approach, and requirements of new GASB statements.



TEAM & RESOURCES¹

- Organization has **5,000** employees, including 1,600 qualified actuaries and consultants and more than **100** credentialed actuaries with retirement experience.
- Over **76** years of experience providing actuarial consulting services.
- Range of team's actuarial work experience is **5-36** years.
- Lead and Supervising Actuaries have worked together for over **15** years.
- Dedicated research staff to keep consultants updated on evolving employee benefits landscape.

BREADTH OF EXPERIENCE

- Services nearly **160** public pension clients and about **1,000** OPEB clients.
- Members of the LACERA assigned coverage team work with **3** statewide systems on the West Coast.
- Milliman has worked with **6** of the 7 largest public sector systems.

¹ Data as of January 2024.



Milliman's Commitment to Diversity, Equity, and Inclusion

LACERA assesses all investment partners on the extent to which they access, manage, and retain talent of diverse backgrounds in an inclusive and equitable manner.

Policy Commitments

Equal employment opportunity and non-discrimination policies **YES**

Anti-harassment policy and procedures **YES**

Board oversight of DEI **YES**

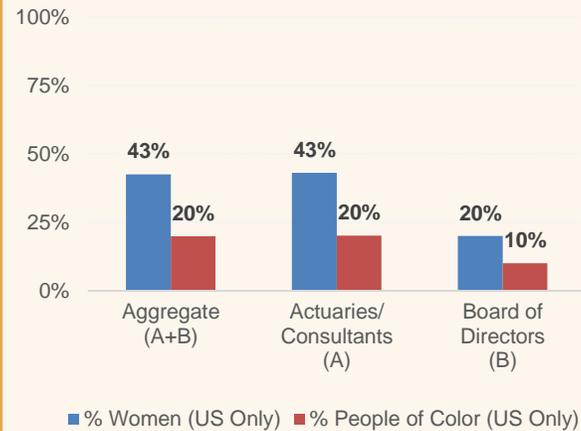
Notes and Developments

- Milliman has widespread policies and protections, such as a code of conduct, anti-harassment, and supplier diversity statement.

Reported Track Record

Demographics

- As reported on voluntary, self-identified basis.
- In adherence to local laws and privacy.



Identified EEO Legal, Regulatory, or Claims in Past 12 Years

- No formal EEO lawsuits or legal actions.
- Select number of internal complaints managed consistent with policy.

Momentum and Analysis

Strengths and Recent Progress

- Established 7 Employee Resource Groups (ERGs) – Asian, Black, DREAM, Military and Veterans, MilliWomen, Pride, and Unidos – with 1,000+ active members.

Areas for Further Development

- Aiming to expand inclusion of women and people of color in higher levels throughout the organization.
- Milliman will continue to develop its supplier diversity system/program that is broadly targeted.

Reported Strategies to Address Areas for Development

- Direct engagement with business units and the DEI Officer.
- Utilize the strengths of ERGs to identify development areas in advancement, belonging, engagement, and recruitment.

* Information regarding LGBTQ demographics was not available from the firm.

Operational Due Diligence Assessment



Status	Risk Factor Categories Observed
<input checked="" type="checkbox"/>	Manager Organization
<input checked="" type="checkbox"/>	Compliance Resources & Policy
<input checked="" type="checkbox"/>	Professional Staff
<input checked="" type="checkbox"/>	Administrative & Reporting
<input checked="" type="checkbox"/>	Operations
<input checked="" type="checkbox"/>	Infrastructure & Business Continuity
<input checked="" type="checkbox"/>	Review Third-Party Materials
<input checked="" type="checkbox"/>	Client References

Merits

Descriptions

Operations

- Formalized peer review process to assure that the highest quality standards are being maintained. Policies are continually reviewed to assure they are appropriate for each consulting assignment.
- Strategic planning group meets once a month to discuss key topics affecting public employee retirement systems. Key findings from this group are communicated to all public sector consultants.
- All employee benefits and health consultants are required to meet annually for a three-day educational session to discuss topics such as setting of actuarial assumptions, funding policy recommendations, and trends in health care costs and delivery, with emphasis on the impact of Federal and State legislation and regulation.

Compliance

- The Global Compliance Committee, which is a sub-committee of the Enterprise Risk Management Committee, is responsible for ensuring that all laws, rules, regulations, and Milliman policies are followed on a global basis.
- The compliance program is designed with the key elements as outlined by the Department of Justice and the U.S. Sentencing Guidelines to include policy oversight, training, monitoring, and reporting.

Infrastructure

- Maintains strict policies and procedures to ensure that sponsor and member data is protected at all times. These include security protocols for the servers and email system, and physical records retention and destruction policies.
- Completed a 2022 SOC-2 report and conducted a 2023 penetration test with no exceptions noted.

Concerns

Mitigating Factors

Litigation

- Given its size (5,000+ employees), Milliman's been subject to certain business litigation that has arisen in the normal course of business.

Mitigant: LACERA contacted Milliman's Chief Human Resource Officer who confirmed that the practice LACERA is working with has no active claims. The Company does not believe that any such claims, proceedings, or litigation, either alone or in the aggregate, will have a material adverse effect on the Company's financial position or result of its operations.

Strengths and Concerns



Milliman Strengths

Merits

National and California Expertise

- Provides full service actuarial consulting to more than 160 public pension clients and 1,000 OPEB clients.
- Experience working with 6 of the 7 largest public sector systems.

Quality of Team

- Consistency in quality. Incumbent firm with known CERL experience and best fit for LACERA.
- Excellent communication skills throughout the team, with other team members having experience making actuarial presentations.
- Stability in actuaries may be beneficial for knowledge sharing with new Trustees.

Bench Strength

- Lead actuary will be heavily involved in the report and presentation, and has made over 200 presentations to retirement boards, stakeholder groups and legislative bodies.
- Deep bench and well thought out succession plan to address potential future retirements.

Significant Accomplishments

- Partnered with LACERA on the development and implementation of PEPRA, making significant changes to the OPEB plan, reducing the amortization period, improving the asset smoothing, and strengthening the investment return and mortality assumptions.
- Excellent skills on special projects.

Milliman Concerns

Mitigating Factors

Long Tenure

- Milliman has been LACERA's actuarial consultant since 1999 (25 years).
- Mitigant: *Rebid the work through a competitive search process and reaffirmed that Milliman is the best fit.*

Proposed LACERA Team



Pension Lead and Supervising Actuaries



Nick Collier
ASA, EA, MAAA
Principal & Consulting Actuary
Pension Lead Actuary



Craig Glyde
ASA, EA, MAAA
Principal & Consulting Actuary
Pension Supervising Actuary



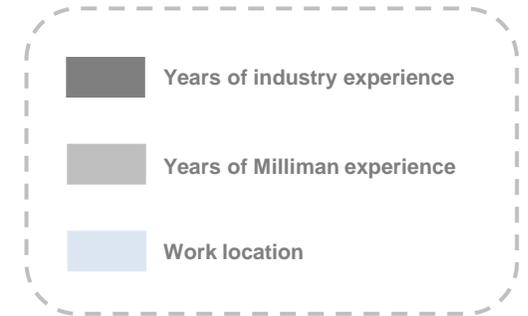
OPEB Lead and Supervising Actuaries



Robert Schmidt
FSA, EA, MAAA
Principal & Consulting Actuary
OPEB Lead Actuary



Janet Jennings
ASA, MAAA
Consulting Actuary
OPEB Supervising Actuary



- Supported by a Peer Review Actuary.

Pension Support Actuaries



Rachel Chu
FSA, EA, MAAA
Consulting Actuary
Pension Support Actuary



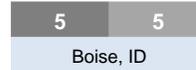
Julie Smith
FSA, EA, MAAA
Consulting Actuary
Pension Support Actuary



OPEB Support Actuaries



Lincoln Bressor
ASA, MAAA
Associate Actuary
OPEB Support Actuary



Ryan Cook
FSA, EA, CERA, MAAA
Consulting Actuary
OPEB Support Actuary





Milliman's Actuarial Consulting Fees

Period	Retirement Plan Fees	OPEB Program Fees	Retirement Plan and OPEB Program Fees
Year 1 <i>FY 2024</i>	\$269,000	\$355,000	\$624,000
Year 2 <i>FY 2025</i>	\$341,000	\$365,000	\$706,000
Year 3 <i>FY 2026</i>	\$282,000	\$502,000	\$784,000
Year 4 <i>FY 2027</i>	\$289,500	\$388,000	\$677,500
Year 5 <i>FY 2028</i>	\$368,000	\$399,000	\$767,000
Total	\$1,549,500	\$2,009,000	\$3,558,500

- Fees are based on projects for the Retirement Plan and/or OPEB Program which include the (1) actuarial valuation, (2) triennial experience and assumptions study, (3) supplemental targeted adjustment for retirement (STAR) valuation, (4) actuarial and governmental table updates, (5) Section 415(b) limitations testing, (6) GASB 67 financial statement disclosure reporting, (7) GASB 68 financial statement disclosure reporting, (8) actuarial consulting, (9) risk assessment, and (10) GASB 75 financial statement disclosure reporting.
- Milliman's fees are within 5% of other fee proposals.

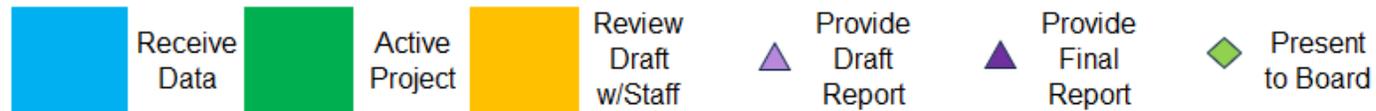
Reporting Timeline



Milliman's project timeline for the Retirement Plan and OPEB Program

Retirement Plan	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Valuation (No Exp Study)		Receive Data	Active Project	Active Project	Review Draft w/Staff	Review Draft w/Staff	Present to Board			Risk Assessment	Risk Assessment	Present to Board
Experience Study		Receive Data	Active Project	Active Project	Review Draft w/Staff	Review Draft w/Staff	Present to Board					
Valuation (w/Exp Study)						Active Project	Active Project	Review Draft w/Staff	Review Draft w/Staff	Risk Assessment	Risk Assessment	Present to Board
Financial Reporting		GASB 67					Active Project	GASB 68				

OPEB Program	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Valuation (No Exp Study)		Receive Data	Active Project	Active Project	Active Project	Review Draft w/Staff	Review Draft w/Staff	Review Draft w/Staff	Present to Board			
Experience Study		Receive Data	Active Project	Active Project	Review Draft w/Staff	Review Draft w/Staff	Present to Board					
Valuation (w/Exp Study)					Active Project	Active Project	Active Project	Review Draft w/Staff	Review Draft w/Staff	Present to Board		
Financial Reporting						Active Project	Active Project	GASB 75				





CavMac



TOP-TIER PUBLIC SECTOR ACTUARIAL SERVICES¹

- Wholly independent, privately held firm with no formal affiliations or joint ventures with other firms.
- Founded in **2005** as a limited liability company.
- Headquartered in Georgia with **2** offices nationwide and 35 professionals.
- Total of **\$12.9 million** in revenue as of FY2022, 100% derived from public sector actuarial services.

TECHNICAL EXPERTISE

- High level of technical expertise to ensure actuarial liabilities are correct and funding calculations are being applied appropriately.
- Enhance **board industry exposure** through review of actuarial assumptions and comparisons of funding approaches to other similar plans.



TEAM & RESOURCES¹

- Proposed **9**-member team with distinguished credentials such as PhDs, FSAs, EAs, FCAs, MAAs, and ASAs.
- Range of team's actuarial work experience is **6-36** years.
- Co-Lead Actuaries have worked together for **16-25** years.
- Chief Actuary has served on committees with the Society of Actuaries, the American Academy of Actuaries, the Conference of Consulting Actuaries, and NIRS.

BREADTH OF EXPERIENCE

- Services nearly **70** pension clients and several hundred OPEB clients.
- Wide range of clients with services ranging from government type, membership type, membership and asset size, funded status, plan design features, and geographically.

¹ Data as of January 2024.



CavMac's Commitment to Diversity, Equity, and Inclusion

LACERA assesses all investment partners on the extent to which they access, manage, and retain talent of diverse backgrounds in an inclusive and equitable manner.

Policy Commitments

Equal employment opportunity and non-discrimination policies	YES
Anti-harassment policy and procedures	YES
Board oversight of DEI	YES

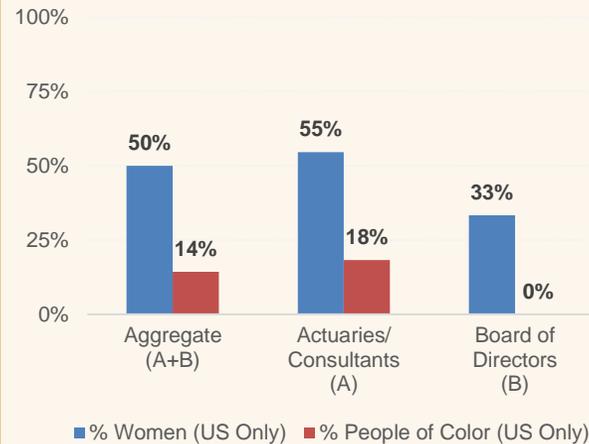
Notes and Developments

- Company management indicated that CavMac is currently in the process of outlining DEI-related goals for 2024 and beyond.

Reported Track Record

Demographics

- As reported on voluntary, self-identified basis.
- In adherence to local laws and privacy.



Identified EEO Legal, Regulatory, or Claims in Past 12 Years

- None reported.

Momentum and Analysis

Strengths and Recent Progress

- Increased its proportion of people of color over the past five years.
- Has over 50% females in its actuarial ranks and is 30% female owned.

Areas for Further Development

- Increase representation across the broad employee base.

Reported Strategies to Address Areas for Development

- Broaden recruitment efforts to reach a more diverse candidate pool.
- CavMac will advertise future job openings at local universities.

* Information regarding LGBTQ demographics was not available from the firm.

Operational Due Diligence Assessment



Status	Risk Factor Categories Observed
<input checked="" type="checkbox"/>	Manager Organization
<input checked="" type="checkbox"/>	Compliance Resources & Policy
<input checked="" type="checkbox"/>	Professional Staff
<input checked="" type="checkbox"/>	Administrative & Reporting
<input checked="" type="checkbox"/>	Operations
<input checked="" type="checkbox"/>	Infrastructure & Business Continuity
<input checked="" type="checkbox"/>	Review Third-Party Materials
<input checked="" type="checkbox"/>	Client References

Merits

Descriptions

Operations

- Multiple layers of review during the preparation of actuarial reports and projects. Includes senior actuary checks, lead consultants review, and pre-release peer review from a credentialed actuary who is independent of the project.
- Periodically performs a complete, independent, internal replication of certain projects to confirm the adequacy of its ongoing quality control.

Compliance

- Reviews actuarial assumptions and methodology for compliance with generally accepted actuarial principles, state statutes, and board policies.
- Reviews the report for compliance with Actuarial Standards of Practice.

Infrastructure

- Invested in developing a safe and secure IT structure. All CavMac systems are replicated via a robust Disaster Recovery Cloud solution to a geographically diverse location.
- CavMac has a Security Incident Management Policy that outlines the incident response plan.

Concerns

Mitigating Factors

Cybersecurity protocols

- CavMac has not completed a SOC 2 audit, so LACERA's risk assessment was based on a review of its security processes and procedures, and external penetration test results.
Mitigant: CavMac management is committed to crafting a formal cybersecurity governance policy in 2024 and will conduct a new NIST based security assessment by the end of the year. Additionally, CavMac is committed to working with LACERA and made arrangements to purchase additional cyber insurance.

Strengths and Concerns



CavMac Strengths

Merits

Specialized Public Pension Focus

- Boutique firm focused on public pension defined benefit plans.
- Prioritizes healthcare and OPEB expertise and keeping up with current trends.

Existing Relationship

- Experience with LACERA and the County Employees Retirement Law (CERL) of 1937.
- Solid knowledge with no learning curve.

Experienced Team Members

- Lead Actuaries each have more than 29 years of industry experience.
- Proposed LACERA Team has on average more than 23 years of industry experience.

Audit Experience

- Explanation on Actuarial Standards of Practice 51 and risk assessment methods was impressive.
- Depth of knowledge and ability to explain complex topics was clear and engaging.

CavMac Concerns

Mitigating Factors

Succession Planning

- Lead actuaries have no definitive plans for retirement, especially for the contract duration.

Mitigant: CavMac has strengthened the LACERA team by including several new individuals who have strong technical skills and are actuarial consultants with at least 10-15 years of experience.

Size and scale

- Small firm size may cause resource constraints.

Mitigant: CavMac added several new actuaries to the LACERA team, with up to 25% of their time dedicated to the LACERA account.

Proposed LACERA Team



Lead Actuaries



Brent Banister
PhD, FSA, EA, FCA, MAAA
Chief Actuary
Principal Actuary

29 13
Bellevue, NE



Pat Beckham
FSA, EA, FCA, MAAA
Consulting Actuary
Co-Lead Actuary

36 13
Bellevue, NE



Alisa Bennett
FSA, EA, FCA, MAAA
President
Co-Lead Actuary

30 18
Kennesaw, GA



Larry Langer
ASA, EA, FCA, MAAA
Principal & Consulting Actuary
Resource Actuary

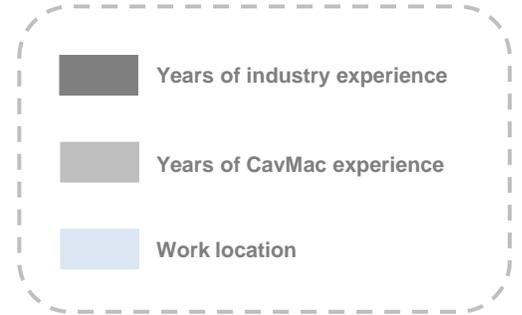
34 6
Kirkwood, MO



Wendy Ludbrook
FSA, EA, FCA, MAAA
Consulting Actuary
Senior Production

28 5
Naperville, IL

Resource and Supervising Actuaries



- Data work will be performed by actuaries and actuarial analysts, not technicians.

Support Actuaries



Virginia Fritz
FSA, EA, FCA, MAAA
Senior Actuary
Pension Technical Lead

18 6
Bellevue, NE



Youyeak Yeng
ASA, MAAA
Senior Actuary
OPEB Technical Lead

19 3
Malvern, PA



Aaron Chochon
ASA, EA, FCA, MAAA
Senior Actuary
Pension Production

12 12
Bellevue, NE



Megan Skiles
Consultant
Pension Production

6 6
Bellevue, NE



CavMac's Actuarial Auditing Fees

Period	Retirement Plan Fees	OPEB Program Fees	Retirement Plan and OPEB Program Fees
Year 1 <i>FY 2024</i>	\$16,000	-	\$16,000
Year 2 <i>FY 2025</i>	\$127,000	\$16,000	\$143,000
Year 3 <i>FY 2026</i>	\$16,000	\$165,000	\$181,000
Year 4 <i>FY 2027</i>	-	\$16,000	\$16,000
Year 5 <i>FY 2028</i>	\$150,000	-	\$150,000
Total	\$309,000	\$197,000	\$506,000

- Fees are based on three projects for the Retirement Plan and OPEB Program: (1) audit of actuarial valuation, (2) audit of triennial experience and assumptions study, and (3) audit of GASB 68 financial statement disclosure reporting.
- CavMac's fees are within 4% of other fee proposals.

Reporting Timeline



CavMac's project timeline for the Retirement Plan and OPEB Program

Retirement Plan	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Valuation (No Exp Study)		Receive Data	Active Project	Active Project	Review Draft w/Staff	Milliman Draft Report	Milliman Final Report	Milliman Present to Board		Risk Assessment	Risk Assessment	Milliman Present to Board
Experience Study		Receive Data	Active Project	Active Project	Review Draft w/Staff	Milliman Draft Report	Milliman Final Report	Milliman Present to Board				
Valuation (w/Exp Study)						Active Project	Active Project	Review Draft w/Staff	Milliman Draft Report	Milliman Final Report	Risk Assessment	Milliman Present to Board
Financial Reporting	GASB 67						Active Project	GASB 68				

OPEB Program	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Valuation (No Exp Study)		Receive Data	Active Project	Active Project	Active Project	Review Draft w/Staff	Milliman Draft Report	Milliman Final Report	Milliman Present to Board			
Experience Study		Receive Data	Active Project	Active Project	Review Draft w/Staff	Milliman Draft Report	Milliman Final Report	Milliman Present to Board				
Valuation (w/Exp Study)					Active Project	Active Project	Active Project	Review Draft w/Staff	Milliman Draft Report	Milliman Final Report	Milliman Present to Board	
Financial Reporting						Active Project	Active Project	GASB 75				



Recommendation and Summary



Recommendation

Select Milliman for actuarial consulting services and Cavanaugh Macdonald for actuarial auditing services for LACERA's Retirement Plan and Los Angeles County's OPEB Program.

Summary

- This search aligns with LACERA's strategic plan for fiscal durability by exercising care in managing resources to ensure the long-term soundness of LACERA's Retirement Plan and Los Angeles County's OPEB Program.
- Milliman and CavMac finished with the highest total weighted score at the completion of the evaluation team's assessment.
- Milliman is an incumbent firm with CERL experience and top-level expertise and presentation skills.
- CavMac is a boutique firm that has demonstrated experience with LACERA and other CERL funds and offers a seasoned and experienced team.



May 1, 2024

TO: Each Trustee,
Board of Investments

FROM: Trevor Fay, Trustee

FOR: May 8, 2024 Board of Investments Meeting

SUBJECT: **ADMINISTRATIVE TRAVEL - TRUSTEE TREVOR FAY**

Per Section IV. of the revised Trustee Travel Policy agendaed for Board approval on the May 8, 2024 Board of Investment Meeting, Board approval is required for all Administrative Meetings outside of California.

Mr. Fay seeks approval to attend the Administrative Meeting below. "Administrative Meetings" are defined in Section IV to be meetings attended by Trustees in their LACERA capacity to further LACERA's fiduciary duty to members and their beneficiaries, including but not limited to: LACERA Board and Committee meetings; pension related organization meetings; internal and external meetings and meals; Board-approved legislative advocacy; speaking engagements, including a domestic and international Educational Conference at which a Trustee gives a speech; meetings associated with leadership positions in the administration of pension related organizations; and similar events.

The 2024 Toigo Foundation Industry Insight & Anniversary Gala will be held on Wednesday, May 29, 2024, in New York, New York. The event is recognized as a notable gathering, serving as a platform for industry professionals to engage in discussions relevant to Toigo's work. Covering a spectrum of topics ranging from investments to governance, and from education to inclusion, this event attracts the investment community for candid conversations on critical issues. Travel costs are expected to be approximately \$4,500.00.

RECOMMENDATION

It is requested, that the Board authorize administrative travel for the purpose of participating in the 2024 Toigo Foundation Industry Insight & Anniversary Gala on May 29, 2024, in New York, New York. and approve reimbursement of all travel costs incurred in accordance with LACERA's Trustee Education and Trustee Travel Policies.

Attachment

LE

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THE TOIGO FOUNDATION PRESENTS

INDUSTRY INSIGHTS

New York

Industry Insights is recognized as another notable gathering organized by Toigo, serving as a platform for industry professionals to engage in discussions relevant to Toigo's work. Covering a spectrum of topics ranging from investments to governance, and from education to inclusion, this event attracts the investment community for candid conversations on critical issues.

Wednesday, May 29
Doors | 11:30 AM
Program | 12:00 - 2:00 PM

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Strength & Resiliency – Navigating the Path Forward

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Building on our 2023 Industry Insights exchanges, Toigo invites you to join the Foundation to continue the dialogue – to explore the issues, network with colleagues and together, recommit to driving change.

What are organizations doing to ensure their commitment to diverse talent is resolute?
How are public plans/foundations and endowments continuing to strive for equity and access for all?

What can we do as leaders to ensure past momentum is not lost, but can be built upon to drive future action and needed change?

Moderator



Reena Ninan

Television journalist, Media Executive and Entrepreneur

Reena Ninan is a television journalist and entrepreneur. She is the founder of Good Trouble Productions, a media company focused on amplifying causes through producing, distributing, and hosting engaging content. Reena created and hosts two top-rated podcasts, Ask Lisa: The Psychology of Parenting and HERO: The Hidden Economics of Remarkable Women. She has served as a foreign correspondent in the Middle East—reporting from Baghdad to Beirut to Jerusalem—as well as a White House Correspondent for ABC News. She also anchored the CBS Weekend news in New York. Reena is most passionate about foreign affairs, female entrepreneurship, economic inclusion, mental health/wellness, and creating thriving communities.

Speakers



Onay Payne

*Senior Managing Director & Portfolio Manager, Manulife Investment Management
Toigo Alumna*

Onay Payne is a Senior Managing Director and Portfolio Manager at Manulife Investment Management (“Manulife IM”). Ms. Payne is responsible for driving the strategy and development of ESG/Impact investment capabilities across the Manulife IM platform. Ms. Payne partners with Manulife IM’s investment, asset management and investor relations teams in screening investments; identifying risks and opportunities with respect to ESG/Impact; optimizing portfolio construction; enhancing asset performance; maximizing returns; and establishing performance benchmarking for ESG/Impact. Ms. Payne serves on Manulife IM’s Global Real Estate Leadership Team....

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Carlos Rangel

Chief Investment Officer, W.K. Kellogg Foundation

Carlos Rangel is chief investment officer for the W.K. Kellogg Foundation in Battle Creek, Michigan. In this role, he leads the investment office and supports the foundation's efforts to promote thriving children, working families, and equitable communities. During his more than a decade at the foundation, Carlos has held different roles within the investment office. In addition to his investment duties, Carlos has recently been a co-executive sponsor for the Expanding Equity work at the Kellogg Foundation in partnership with the CEO's office and the vice president for program strategy. Carlos is on the Ewing Marion Kauffman Foundation board of trustee...

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Kathryn Sayko

Chief Diversity, Equity & Inclusion Officer, PGIM

Kathy Sayko leads PGIM's Diversity, Equity and Inclusion (DEI) efforts, reporting directly to PGIM's CEO. She and her team develop strategic inclusion initiatives, collaborate with PGIM's business heads and Human Resources on recruiting and retention efforts, work with internal and external advocacy and affinity organizations, and partner with leaders in the investment industry to advance equity and inclusion across asset management.

Her team spearheaded Inclusion Counts, a global culture change strategy that instills new inclusive behaviors habits for managers through training, practice and accountability. Under her leadership, ...

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May 29, 2024 | The Glasshouse, New York

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The Toigo Foundation*

FOR INFORMATION ONLY

April 23, 2024

TO: Trustees – Board of Investments

FROM: Jonathan Grabel 
Chief Investment Officer

FOR: May 8, 2024 Board of Investments Meeting

SUBJECT: **Board of Investments 2024 Offsite Tentative Agenda**

SUMMARY

On September 10th and 11th, LACERA's Board of Investments is scheduled to have its annual offsite meeting. We are planning to gather in-person at the Hilton Los Angeles North/Glendale. Additional information regarding logistics will be provided in the future. Offsite topics will be presented and discussed on both days and a Board meeting is scheduled to occur on the afternoon of the 11th. We expect to collaborate with numerous business partners and advisors to arrange for an insightful and productive event. The following is a tentative high-level agenda¹ that reflects Trustee rankings from an online survey:

Tuesday, September 10, 2024

Morning

- The Macro and Central Bank Environment
- Emerging Cyber Security Developments

Afternoon

- Energy Transition: Opportunities and Risks
- LACERA's Portfolio Liquidity

Wednesday, September 11, 2024

Morning

- Operational Due Diligence
- Evolution of LACERA's Portfolio

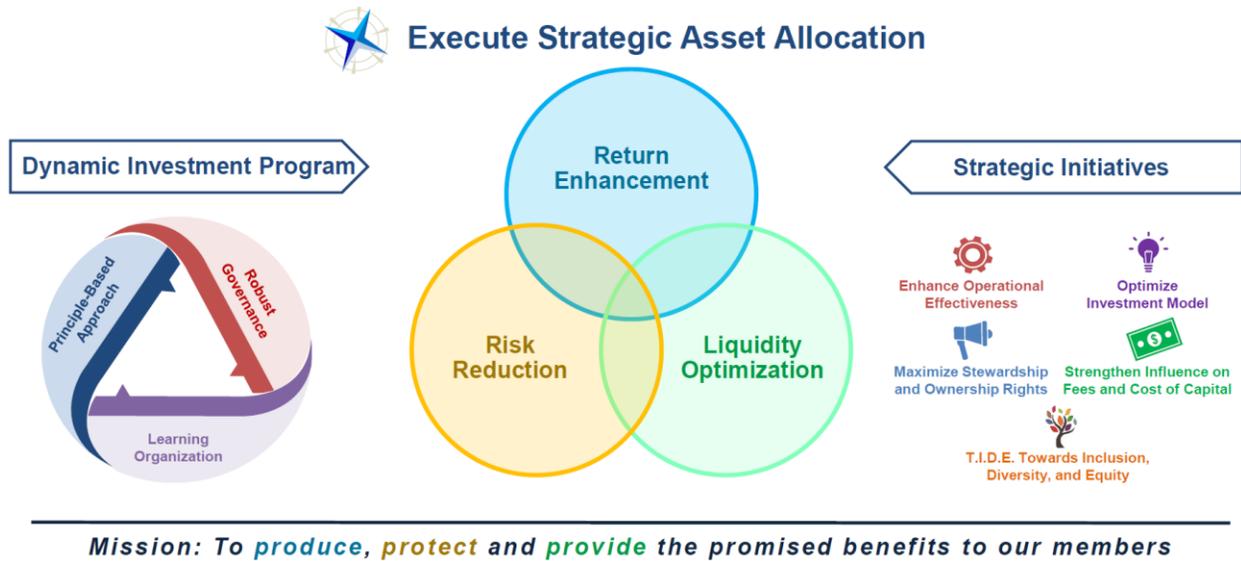
Afternoon

- Board of Investments Meeting

¹ The tentative high-level agenda shown above is subject to change or refinement.

BACKGROUND

In an effort to develop a responsive and engaging agenda, a list of potential topics was compiled while considering interactions with Trustees, current events, and LACERA's 2024 Work Plan and Strategic Initiatives, as referenced below.



An online survey was created, and Trustees were asked to rank their relative interest across fifteen potential topics with an option to suggest a new topic. The tentative agenda topics shown above received the highest degree of interest from the online survey responses.

Over the next several months, staff will work internally and with key partners to develop content for these topics and invite select outside speakers.

FOR INFORMATION ONLY

April 15, 2024

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Jonathan Grabel 
Chief Investment Officer

Jude Pérez 
Deputy Chief Investment Officer

Esmeralda V. del Bosque 
Principal Investment Officer

FOR: May 1, 2024 Board of Retirement Meeting
May 8, 2024 Board of Investments Meeting

SUBJECT: OPEB Master Trust – Strategic Asset Allocation Update

At the April 2024 Board of Investments (“BOI”) meeting, the BOI adopted a new Strategic Asset Allocation (“SAA”) for the OPEB Master Trust (“OPEB Trust” or “Trust”). The existing OPEB Trust SAA was approved in June 2021.

A primary duty of the BOI is setting the OPEB Trust SAA as part of a regular, periodic review consistent with LACERA policies. The SAA is the key driver of long-term risk and returns. Furthermore, LACERA’s Investment Beliefs express five tenets of SAA, with two emphasizing the importance of setting a well-defined SAA:

- 1. Long-term strategic asset allocation will be the primary determinant of LACERA’s risk/return outcomes; and**
- 2. Asset allocation has a greater effect on return variability than asset class investment structure or manager selection.**

Per the OPEB Trust Investment Policy Statement (“IPS”), the BOI reviews the Trust’s asset allocation triennially or more frequently if required. The SAA process aims to assess the Trust’s overall portfolio structure and select an asset allocation that balances risk and return in line with the Trust’s actuarial return and a long-term outlook on the capital markets. With input from staff and the Meketa Investment Group (“Meketa”), LACERA’s general investment consultant, the SAA study allows the BOI to explore alternatives to the existing Policy Allocation, considering the Trust’s investment objectives and current market trends.

The SAA study was conducted over ten months with input from Meketa and staff. The primary difference between the current OPEB Trust allocation and the new SAA is the reduction of Real Assets to bolster the weight of Risk Reduction and Mitigation (“Risk Mitigation”) through an

Trustees – Board of Retirement
Board of Investments

April 15, 2024

Page 2 of 2

increase in Investment Grade Bonds. In addition, two changes were made to the OPEB Trust that align with the Pension Trust:

1. A fifth functional category, Overlays, and Hedges, was adopted for rebalancing to policy weights and for targeted risk management.
2. Within Credit, “Liquid” and “Illiquid” sub-asset classes were merged into a single “Credit” category.

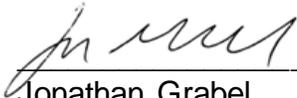
Furthermore, the SAA allows for the continued build-out of the 18% allocation to private markets adopted by the BOI during the prior OPEB Trust study in 2021. Liquidity is a key consideration in the asset allocation study. Accordingly, the approved policy allocates at least 80% to liquid assets. This allows the OPEB Trust to meet potential Los Angeles County and Superior Court requests for healthcare-related cash needs if necessary.

Following BOI approval, LACERA contacted the Los Angeles County and Superior Court regarding the new SAA weights.

The new SAA is expected to be implemented in 12 to 24 months. **Attachment 1** includes the SAA recommendation memo along with Meketa’s presentation.

Attachment

Noted and Reviewed:



Jonathan Grabel
Chief Investment Officer

April 1, 2024

TO: Trustees – Board of Investments

FROM: Jonathan Grabel 
Chief Investment Officer

Jude Pérez 
Deputy Chief Investment Officer

Esmeralda V. del Bosque 
Principal Investment Officer

FOR: April 10, 2024 Board of Investments Meeting

SUBJECT: **OPEB Master Trust Strategic Asset Allocation**

RECOMMENDATION

Approve the Strategic Asset Allocation (“SAA”) Option D, on page 7 of Meketa Investment Group’s presentation and within **Chart 1** of this memorandum, for the OPEB Master Trust (“OPEB Trust” or “Trust”).

SUMMARY

This memo explores how the recommended option may enhance the current Board-approved strategic asset allocation (“Policy Allocation”) for the OPEB Trust, taking into account various allocation strategies, portfolio analysis, and practical implementation considerations. Importantly, the recommendation results presented in this memo represent the culmination of a 10-month process that involved comprehensive discussions on several SAA topics relevant to both the Pension Fund (“Pension”) and OPEB Trust, incorporating feedback from the Board.

Key observations related to the recommended Option D include:

- Maintains a well-diversified portfolio that aligns with LACERA’s Investment Beliefs;
- Obtains the same modeled probability of achieving the OPEB Trust’s target return of 6.00% as the current allocation, and with moderately less volatility;
- Delivers the highest modeled Sharpe ratio¹, net-of-fees among the current and modeled allocations;
- Results in adequate liquidity to meet potential Los Angeles County and Court requests for healthcare-related withdrawals; and
- Acknowledges the continued implementation of the 18% allocation to private market mandates, which was approved in the last SAA for the OPEB Trust (2021).

¹ Sharpe ratio measures excess return per unit of volatility or risk compared to the risk-free rate.

BACKGROUND

A primary duty of the Board of Investments (“Board” or “BOI”) is setting the OPEB Trust SAA as part of a regular, periodic review and consistent with LACERA policies. The SAA is the key driver of long-term risk and returns and is, therefore, a vital component to establishing the SAA. Furthermore, LACERA’s Investment Beliefs express two key tenants on SAA:

- 1. Long-term strategic asset allocation will be the primary determinant of LACERA’s risk/return outcomes; and**
- 2. Asset allocation has a greater effect on return variability than asset class investment structure or manager selection.**

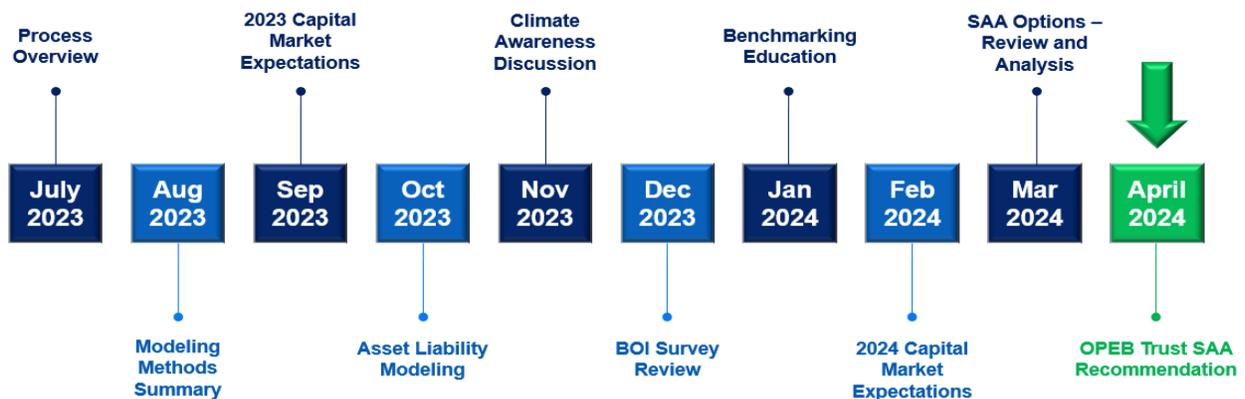
Per the OPEB Trust Investment Policy Statement (“IPS”), the Board reviews the Trust’s asset allocation triennially, or more frequently if required. The objective of the SAA process is to assess the Trust’s overall portfolio structure and select an asset allocation that balances risk and return in line with the Trust’s actuarial return and a long-term outlook on the capital markets. With input from staff and the Meketa Investment Group (“Meketa”), the SAA study provides the BOI with the opportunity to explore alternatives to the existing Policy Allocation, considering the Trust’s investment objectives and current market trends.

ANALYSIS

Over the past 10 months, in parallel with the Pension SAA review, the Board has engaged in discussions on a variety of topics relevant to the OPEB Trust SAA. These discussions have covered modeling methods employed in SAA analysis, two discussions on capital market expectations, as well as the implications of investing in a market environment where interest rates have increased. Additionally, the BOI contributed to a survey aimed at shaping the objectives and structure of the SAA studies for both the Pension and the Trust.

A timeline of all topics covered to date is below:

Strategic Asset Allocation: Education and Analysis



It is worth highlighting two discussions that formulated the recommendation today: At the February 2024 BOI meeting, the BOI approved Meketa's capital market expectations to be used in the asset allocation models for LACERA's Pension and OPEB Trusts. Following that approval, Meketa worked with staff to model various efficient portfolios or "neighborhood" options for the Pension and OPEB Trust. At the March 2024 Board meeting, staff and Meketa reviewed and discussed those options with the BOI.

Attached is Meketa's presentation on the OPEB Trust Asset Allocation Study. The proposed asset allocation options are outlined on page 7 of Meketa's presentation.

The primary difference between the current OPEB Trust allocation and the proposed new options is the reduction of Real Assets to bolster the weight of Risk Reduction and Mitigation ("Risk Mitigation") through an increase to Investment Grade Bonds. All options propose the adoption of a fifth functional category, Overlays and Hedges, for rebalancing the Trust to policy weights and for targeted risk management. Additionally, all options recommend simplifying the Credit allocation by merging the "Liquid" and "Illiquid" sub-asset classes into a single "Credit" category.

Important to note is that all proposed policy allocation options at the functional category level are within a few percentage points of each other. That is because the most significant change to the OPEB Trust allocation occurred during the last SAA study in 2021. At that time, the BOI adopted an 18% allocation to private market asset classes, including Private Equity, Private Real Estate, Illiquid Credit, Private Natural Resources, and Private Infrastructure. Because the OPEB Trust's private market allocations are under implementation, all policy options essentially maintain the private market allocation weights steady.

Since the Board adopted the OPEB Trust private market allocation, an RFP for a multi-asset, private market separate account manager was completed. The BOI hired Hamilton Lane Advisors as the discretionary manager for the mandate in August 2022 with a five-year plan to reach the 18% private market allocation. Initial funding commenced in the second quarter of 2023. As of February 2024, the OPEB held \$28.6 million in private market exposure, with additional capital committed to private vehicles which have not yet been deployed. The implementation timeline is on target.

It is worth highlighting that the differences between policy Options A through D are minimal, and all are modeled to have the same expected return, have slight variations in volatility, and therefore, similar modeled Sharpe ratios. It is Option D, the recommended Policy Allocation, which has the most improved risk-adjusted return expectations: Option D's modeled Sharpe ratio is (0.42) as compared to the current policy (0.40) and the three other policy options (0.41).

The observation should also be made that all policy portfolios allocate at least 80% to liquid assets. This allows the OPEB Trust to meet potential Los Angeles County and Court requests for healthcare-related cash needs if necessary.

The weightings of each asset category for the current and proposed allocation options are detailed below within **Chart 1** and on page 7 of Meketa's presentation.

Chart 1 Asset Allocation Policy Options

Asset Allocation Policy Options¹

	IPS (%)	A (%)	B (%)	C (%)	D (%)
Growth	45.0	47.0	46.0	45.0	45.0
Global Equity	40.0	42.0	41.0	40.0	40.0
Private Equity	5.0	5.0	5.0	5.0	5.0
Credit	18.0	16.0	16.0	17.0	16.0
Real Assets and Inflation Hedges	20.0	13.0	13.0	14.0	13.0
Real Estate	8.0	5.0	5.0	6.0	5.0
TIPS	6.0	4.0	4.0	4.0	4.0
Natural Resources	4.0	2.0	2.0	2.0	2.0
Infrastructure	2.0	2.0	2.0	2.0	2.0
Risk Reduction & Mitigation	17.0	24.0	25.0	24.0	26.0
Investment Grade Bonds	10.0	18.0	20.0	17.0	19.0
Long-term Government Bonds	5.0	4.0	3.0	5.0	5.0
Cash Equivalents	2.0	2.0	2.0	2.0	2.0
Overlays and Hedges	0.0	0.0	0.0	0.0	0.0
<i>Expected Return (10 years)</i>	6.8	6.8	6.8	6.8	6.8
<i>Standard Deviation</i>	11.2	10.8	10.7	10.6	10.5
<i>Sharpe Ratio</i>	0.40	0.41	0.41	0.41	0.42
<i>Percent Illiquid</i>	20.0	21.0	21.0	20.0	21.0

¹ Expected return and standard deviation are based upon Meketa Investment Group's Annual Capital Markets Expectations. Throughout this document, returns for periods longer than one year are annualized.

Growth

Per the OPEB Trust IPS, the role of Growth is to "... produce a sufficiently high level of long-term growth to provide the promised benefits." Growth consists of Private Equity and public Global Equity. As previously mentioned, all scenarios hold Private Equity to the current allocation weight. As such, the proposed target policy weights for Growth are in a tight range, from 45-47%. Two scenarios mimic the current policy (scenarios C and D), and two allocations apportion 1-2% more weight to Global Equity (scenarios A and B). Staff observes that because the differences between all scenarios is minimal, and the impact to the return/risk profile is not significant.

Credit

Similar to Growth, the overall weight to Credit's current allocation of 18% varies slightly across all scenarios, ranging from 16-18%. Compared to the current Policy Allocation, the proposed allocations reduce the weight to Credit across all scenarios by 1-2% and consolidate the sub-asset classes of Liquid and Illiquid Credit into a single line – 'Credit'. Combining the two sleeves, reduces unnecessary granularity, and provides increased implementation flexibility. Overall, the proposed changes enhance the Credit portfolio's ability to achieve its stated goal 'to produce moderate long-term total returns that provide diversification from public equities.'

Real Assets

Compared to the current Policy Allocation, all scenarios show a decreased weight for the Real Assets category. The current policy weight to Real Assets is 20%, and the proposed scenarios

reduce the weight to 13% (scenarios A, B, and D) or 14% (Scenario C). Real Estate decreases to 6% (scenario C) or to 5% (scenarios A, B, and D). For all options, Treasury Inflation-Protected Securities (“TIPS”) falls from 6% to 4% and Natural Resources as well as Infrastructure hold a 2% weight. All scenarios position the Real Assets allocation to fulfill its stated role within the OPEB Trust IPS to “provide a hedge against unanticipated inflation and improve total fund diversification due to anticipated low correlation of returns with other asset classes.”

Risk Mitigation

The largest proposed change to the OPEB Trust current allocation is within the Risk Mitigation category. The stated role of the OPEB’s Risk Mitigation category is to “... provide diversification and risk reduction” to the Trust. The current 17% Policy Allocation weight for Risk Mitigation increases from 24%-26% across the various scenarios. Cash continues to be held at a 2% weight for all portfolios, and Long-Term Government Bonds either match the current 5% weight (scenarios C and D), falls to 4% (scenario A), or falls to 3% (scenario B).

For all model portfolio options, there is a significant increase to Investment Grade Bonds. The current weight to Investment Grade Bonds is 10% and the proposed scenarios lift the allocation to 17%- 20%. The additional allocation to Investment Grade Bonds is not surprising. With interest rates at increased levels compared to the last SAA study three years ago, there has been a corresponding increase in the future expected returns for this sub-asset class. For several years, the diminishing returns in more traditional investments pushed investors, like LACERA, towards the private markets in search of higher yields. This shift was largely a response to a prolonged period of declining interest rates and future expected returns. Now, however, the portfolio has the opportunity to reduce risk without sacrificing target returns. Increasing Investment Grade Bonds enhances the OPEB Trust’s long-term return stability while offering significant diversification benefits to the Risk Mitigation category and the overall portfolio. For the majority of allocation options, the impact of adding these assets provides a diversification effect that lowers expected portfolio volatility and has an equal or higher Sharpe ratio expectation when compared to the current Policy Allocation.

Overlays and Hedges

A notable addition to the proposed OPEB Trust Policy Allocation is the introduction of a fifth functional category – Overlays and Hedges. Incorporating this functional category will align the OPEB Trust allocation with that of the LACERA Pension. The purpose of the category is to assist in adhering to total plan policy allocation targets, meet asset class-specific objectives, and manage portfolio risks. Overlays and Hedges is not a return-seeking functional category; therefore, it is assigned a 0% weight. Given the maturity and growing size of the OPEB Trust, it is an opportune time to add the category as a mechanism for rebalancing the OPEB Trust to BOI-approved policy weights, as needed.

Individual Allocation Option Characteristics

The points that follow highlight differences in asset classes, exposures, return expectations, and volatility (as measured by standard deviation) for scenarios A, B, and C versus the current Policy Allocation. A discussion on the recommended Option D follows.

- Option A increases both Growth and Risk Mitigation, by 2% and 7%, respectively, with a commensurate decrease to Credit (-2%) and Real Assets (-7%). The Growth component

is increased through the additional allocation to Global Equity, and Credit is reduced. The more significant moves come from a 7% reduction in Real Assets via a decrease to Real Estate, TIPS, and Natural Resources with a requisite increase to Risk Mitigation via an 8% addition to Investment Grade Bonds and 1% reduction to Long-Term Government Bonds. This scenario generates a (0.41) Sharpe ratio due to its lower volatility of 10.8% versus the 11.2% volatility for the current policy.

- Option B reduces Real Assets and Credit by 7% and 2%, respectively. This option increases the Global Equity allocation, therefore, the Growth category by 1% and increases Risk Mitigation by 8%. Within the category, Investment Grade Bonds doubles in size to 20% from its current 10% allocation, and Long-term Government Bonds falls from 5% to 3%. The expected return for the portfolio is in line with the current policy mix, but the volatility is lower, leading to a Sharpe ratio (0.41) that is slightly better than the current Policy Allocation (0.40).
- Option C is modeled to have the same Sharpe ratio as Options A and B with an expected return of 6.8% and volatility of 10.6%. This portfolio holds the Growth category weight at 45%, the same as the current policy. Credit and Real Assets are reduced by 1% and 6%, respectively. Real Assets decreases by 6% through reductions to Real Estate, TIPS, and Natural Resources. For this scenario, the 7% increase to Risk Mitigation is solely due to the elevated allocation to Investment Grade Bonds.

Commentary on Risk-Adjusted Returns for Option D

Option D holds Growth at the current allocation and increases Risk Mitigation by 9% with a commensurate decrease to Real Assets (-7%) and Credit (-2%). Similar to Option A and B, sub-allocations within Real Assets are reduced. Of all options, Option D increases Risk Mitigation the most, adding 9% to Investment Grade Bonds.

All allocation options model the same return as the current policy and improve on the standard deviation, or volatility, to various degrees. Option D represents the Policy Allocation with the most consistent characteristics to benefit the Trust. This option matches the current Policy Allocation return of 6.8%, but with the highest decrease in volatility across all model portfolio's: Option D's standard deviation is modeled at 10.5% while the current portfolio is 11.2%. Importantly, Option D stands out for possessing the highest Sharpe ratio across all portfolios.

As noted previously, the expected return for Option D does not change when compared to the current Policy Allocation, however, this policy mix allows the Trust to meet its actuarial return, with moderately less risk, as modeled. It must be noted that the SAA is modeled without potential alpha that the investment manager may experience, so there is the potential for additional (or lesser) return through implementation. In addition, compared to the other options across various metrics, including stress and scenario tests, Value at Risk, and Economic Regime Management metrics, Option D is comparable and, often, is expected to fare better. These measurements are discussed in further detail below.

Modern Portfolio Theory, Probability Analysis, Value at Risk, Stress-Testing, and Economic Regime Management

The Modern Portfolio Theory ("MPT")-Based Risk Analysis in Chart 2 covers three distinct points of analysis. The top third of the page includes model outputs for each portfolio, demonstrating the

worst return for one, five, ten, and twenty years. For those same periods, the middle of the page estimates the probability of experiencing negative returns, while the bottom third of the page provides the probability of achieving the OPEB Trust’s 6.0% target return. Option D potentially provides better downside protection for the worst-case scenario returns for one-, five-, and ten-year periods, and matches or is comparable with all model portfolios. In addition, Option D presents the lowest chance of yielding negative returns. Regarding the potential to reach or exceed a 6% return, Option D compares favorably, equaling the performance outlook of the current policy and Option B. Although Option A slightly surpasses all portfolios in achieving the target return, it has a higher likelihood of yielding negative returns.

In addition to the MPT evaluations, various analyses including Value at Risk, scenario and stress tests, and Economic Regime Management are applied to each portfolio option to assess how each portfolio may respond to different economic and market conditions. The Value at Risk results on page 12 show that Option D matches or registers the lowest Value at Risk compared to the current policy and model portfolios. As for the scenario and stress test outcomes found on pages 13 to 16 of Meketa’s presentation, Option D fares better than all other scenarios for the vast majority of economic downturn and negative market conditions. This reinforces that Option D is the model portfolio most optimized for durability and protection for the OPEB Trust. Additionally, Option D’s gains are in-line with, but do not surpass the other portfolio options in positive market scenarios.

Lastly, on pages 18 to 19, Economic Regime Management (“ERM”) analysis is provided. The ERM approach is used to assess and measure market dynamics that drive most observed return and volatility differences across asset classes and portfolios. For the OPEB Trust, the largest risk factors across the current and model portfolios are unexpected changes in inflation and systemic, or market-wide downside risks. Consistent with the stress test scenarios, Option D fares the best across the current and model portfolios.

Chart 2
MPT-Based Risk Analysis: Worst Case Returns, Probability of Negative Returns and Achieving OPEB Trust’s Target Return of 6%

MPT-Based Risk Analysis

Scenario	IPS (%)	A (%)	B (%)	C (%)	D (%)
Worst Case Returns¹					
One Year (annualized)	-16.1	-15.5	-15.3	-15.1	-15.0
Five Years (annualized)	-4.2	-3.8	-3.7	-3.7	-3.6
Ten Years (annualized)	-1.1	-0.8	-0.8	-0.7	-0.7
Twenty Years (annualized)	1.2	1.3	1.4	1.4	1.4
Probability of Negative Returns					
One Year	26.4	25.7	25.5	25.5	25.2
Five Years	7.9	7.2	7.1	7.0	6.8
Ten Years	2.3	2.0	1.9	1.8	1.7
Twenty Years	0.2	0.2	0.2	0.2	0.1
Probability of >6% Return					
One Year	52.8	52.9	52.8	52.7	52.8
Five Years	56.3	56.4	56.3	55.9	56.3
Ten Years	58.8	59.1	58.9	58.4	58.9
Twenty Years	62.4	62.7	62.5	61.7	62.4

IMPLEMENTATION

Should the Board approve the recommended Option D for the OPEB Trust Asset Allocation, the expected time to implement the new strategic asset allocation is 12 to 24 months. As explained in the Analysis section of this memo, the OPEB Trust is in year two of five in the build out of the private market assets allocation. Option D requires a reduction in Real Assets with a requisite increase to Risk Mitigation via Investment Grade Bonds. The assets that will be bought and sold to arrive at the new weights are public market assets, so in order to maintain policy weights at the functional category level, staff will be mindful of private market commitments that have yet to be drawn down.

Subsequent to any Board SAA approval, Meketa and staff will present the BOI with an updated IPS that reflects the changes in target allocation, benchmarks, and rebalancing ranges. A timeline for implementation of the OPEB Trust Asset Allocation is listed in **Table 1** below.

Table 1
Tentative Asset Allocation Implementation Timeline

Next Steps	Target Date for Completion
Determine benchmarks for the OPEB Trust Asset Allocation	May 2024
Update Investment Policy Statement	June 2024
Transition to updated Strategic Asset Allocation	July 2024 – June 2026

Staff will provide the Board with periodic status updates on the implementation process, as necessary.

CONCLUSION

LACERA's 2024 SAA study for the OPEB Trust has led to the four allocation options presented and discussed in this memorandum. Each allocation has its merits, and after a thorough assessment of the portfolios, staff recommends that the Board approve SAA Option D for the OPEB Trust.

Attachment

Los Angeles County Employees Retirement Association

April 2024

OPEB Trust:
Asset Allocation Review and
Risk Analysis

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Introduction

Introduction

- The Board of Investments (“The Board”) is responsible for establishing investment policy and determining the asset allocation for the OPEB Trust.
- 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 selection of an asset allocation is equal parts art and science and there is no “one right” strategic asset allocation.
- LACERA has historically utilized a mosaic approach which incorporates multiple tools and types of analysis to select a strategic asset allocation.
- In order to determine the strategic asset allocation for the OPEB Trust, LACERA conducts a comprehensive asset allocation study every three years, or at the Board’s request.
- The objective of this presentation is to provide asset allocation recommendations for the Board’s consideration based on feedback received from prior sessions and collaboration with LACERA staff.
- Meketa believes the OPEB Trust currently utilizes a well diversified asset allocation that is aligned with LACERA’s mission and the unique attributes of the OPEB Trust and thus all of the recommended policies represent modest adjustments to the current asset allocation.

Background

- Meketa and LACERA staff have collaborated on a multi-meeting approach to the Strategic Asset Allocation Review.
- The intent of this approach was to provide the Board with education on a number of related topics and to allow for Board feedback to shape the recommendations. The presentations are outlined below:
 - August 2023: SAA Introduction and Process Timeline
 - September 2023: Capital Market Expectations Education and Review
 - October 2023: Asset Liability Modelling Education
 - November 2023: Climate Risk Analysis
 - December 2023: Strategic Asset Allocation Optimization Parameters and Risk Metrics Education
 - January 2024: Benchmark Education and Review of LACERA Asset Category Benchmarks
 - February 2024: Strategic Asset Allocation Review Highlights and 2024 Capital Market Expectations
 - Action: The Board approved use of Meketa’s 2024 Capital Market Expectations
 - March 2024: Review of Asset Allocation Options (“Neighborhoods”)
- The current meeting is focused on Board approval of LACERA’s strategic asset allocation.
- Future meetings will involve Board review and approval of:
 - Asset class ranges
 - Updated Investment Policy Statement
 - Benchmarks

OPEB Asset Allocation Policy Options

Asset Allocation Policy Options¹

	IPS (%)	A (%)	B (%)	C (%)	D (%)
Growth	45.0	47.0	46.0	45.0	45.0
Global Equity	40.0	42.0	41.0	40.0	40.0
Private Equity	5.0	5.0	5.0	5.0	5.0
Credit	18.0	16.0	16.0	17.0	16.0
Real Assets and Inflation Hedges	20.0	13.0	13.0	14.0	13.0
Real Estate	8.0	5.0	5.0	6.0	5.0
TIPS	6.0	4.0	4.0	4.0	4.0
Natural Resources	4.0	2.0	2.0	2.0	2.0
Infrastructure	2.0	2.0	2.0	2.0	2.0
Risk Reduction & Mitigation	17.0	24.0	25.0	24.0	26.0
Investment Grade Bonds	10.0	18.0	20.0	17.0	19.0
Long-term Government Bonds	5.0	4.0	3.0	5.0	5.0
Cash Equivalents	2.0	2.0	2.0	2.0	2.0
Overlays and Hedges	0.0	0.0	0.0	0.0	0.0
<i>Expected Return (10 years)</i>	<i>6.8</i>	<i>6.8</i>	<i>6.8</i>	<i>6.8</i>	<i>6.8</i>
<i>Standard Deviation</i>	<i>11.2</i>	<i>10.8</i>	<i>10.7</i>	<i>10.6</i>	<i>10.5</i>
<i>Sharpe Ratio</i>	<i>0.40</i>	<i>0.41</i>	<i>0.41</i>	<i>0.41</i>	<i>0.42</i>
<i>Percent Illiquid</i>	<i>20.0</i>	<i>21.0</i>	<i>21.0</i>	<i>20.0</i>	<i>21.0</i>

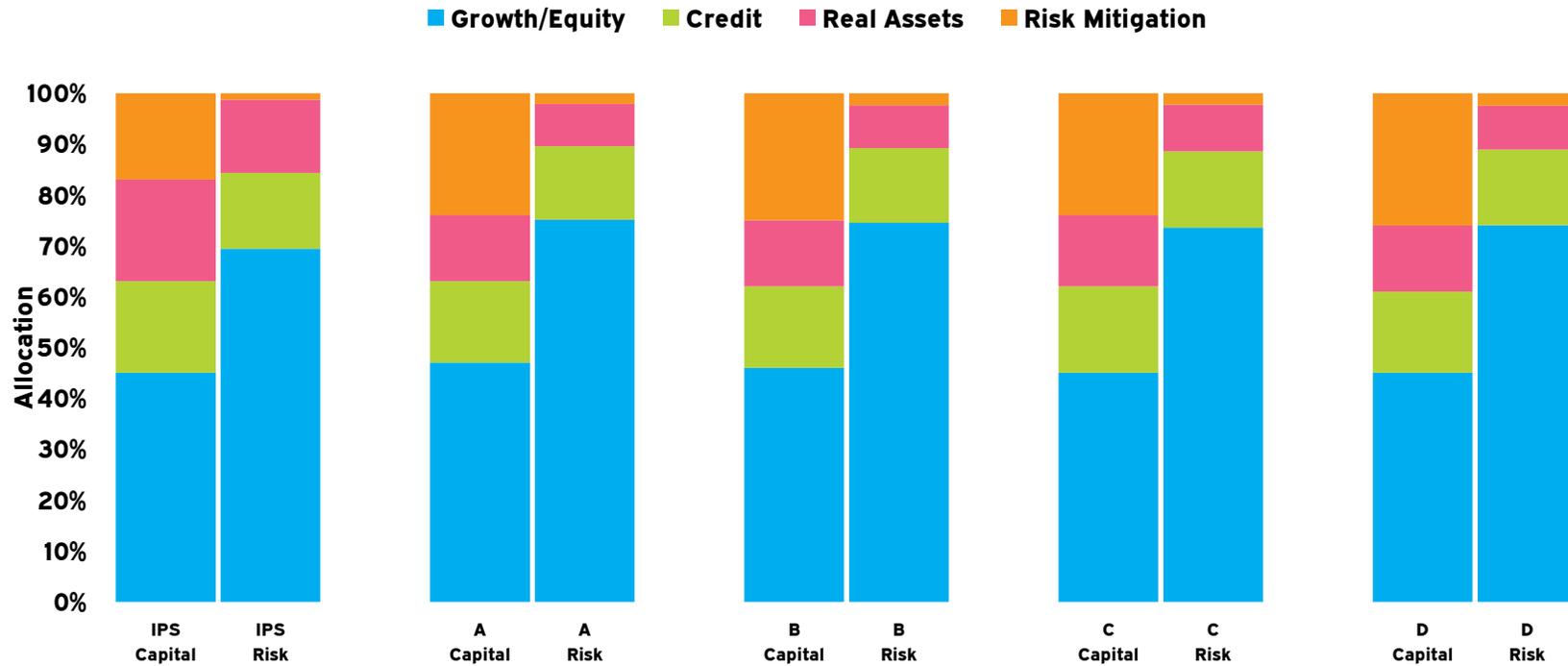
¹ Expected return and standard deviation are based upon Meketa Investment Group's Annual Capital Markets Expectations. Throughout this document, returns for periods longer than one year are annualized.

Asset Allocation Policy Options

- All of the asset allocation recommendations are modest optimizations of the Current Policy consistent with the discussion at the March meeting.
- It is important to note that several factors constrained the range of options for the OPEB Trust.
 - The OPEB Trust has only recently embarked on private market commitments so current allocation levels and prudent pacing (vintage year diversification) capped the limits of what is implementable and/or prudent in private market categories.
 - The transparency of future cash flows in a multi-sponsor trust is also an important consideration in accepting any additional illiquidity risk.
- Options A, B, C and D are structured to offer the same long-term return expectation as the current portfolio and are ordered in declining levels of risk as measured by standard deviation.

OPEB Diversification & Risk Analysis

Risk Budgeting Analysis¹ (Capital Allocation vs. Risk Allocation)



¹ Risk allocation is calculated by multiplying the weight of the asset class by its standard deviation and its correlation with the total portfolio and then dividing this by the standard deviation of the total portfolio

MPT-Based Risk Analysis

Scenario	IPS (%)	A (%)	B (%)	C (%)	D (%)
Worst Case Returns ¹					
One Year (annualized)	-16.1	-15.5	-15.3	-15.1	-15.0
Five Years (annualized)	-4.2	-3.8	-3.7	-3.7	-3.6
Ten Years (annualized)	-1.1	-0.8	-0.8	-0.7	-0.7
Twenty Years (annualized)	1.2	1.3	1.4	1.4	1.4
Probability of Negative Returns					
One Year	26.4	25.7	25.5	25.5	25.2
Five Years	7.9	7.2	7.1	7.0	6.8
Ten Years	2.3	2.0	1.9	1.8	1.7
Twenty Years	0.2	0.2	0.2	0.2	0.1
Probability of >6% Return					
One Year	52.8	52.9	52.8	52.7	52.8
Five Years	56.3	56.4	56.3	55.9	56.3
Ten Years	58.8	59.1	58.9	58.4	58.9
Twenty Years	62.4	62.7	62.5	61.7	62.4

→ The IPS and Policy A have larger potential losses in negative scenarios and higher probabilities of experiencing losses compared to B, C and D.

→ All of the portfolios have comparable probabilities of achieving 6% over the various time horizons.

¹ "Worst Case Returns" refers to the 99.7th percentile return.

Value at Risk¹

Scenario	IPS	A	B	C	D
VaR (%):					
1 month	-6.9	-6.7	-6.6	-6.5	-6.5
3 months	-11.2	-10.8	-10.7	-10.5	-10.5
6 months	-14.8	-14.2	-14.0	-13.9	-13.7

Conditional Value at Risk¹

Scenario	IPS	A	B	C	D
CVaR (%):					
1 month	-8.0	-7.7	-7.6	-7.5	-7.5
3 months	-13.1	-12.6	-12.4	-12.3	-12.2
6 months	-17.4	-16.7	-16.5	-16.3	-16.2

→ As measured by VaR and CVaR, there are declining levels of value at risk from the IPS through portfolio D, but the differences are modest (~1% or less).

¹ Calculated with a 99% confidence level and based upon Meketa Investment Group's Annual Capital Markets Expectations. cVaR represents the average loss past the 99th percentile.

Historical Negative Scenario Analysis¹
(Cumulative Return)

Scenario	IPS (%)	A (%)	B (%)	C (%)	D (%)
Post-COVID Rate Hikes (Jan 2022-Oct 2023)	-8.5	-8.0	-7.8	-8.3	-8.3
COVID-19 Market Shock (Feb 2020-Mar 2020)	-17.9	-17.1	-16.9	-16.7	-16.3
Global Financial Crisis (Oct 2007-Mar 2009)	-25.2	-23.7	-23.3	-22.9	-22.4
Popping of the TMT Bubble (Apr 2000-Sep 2002)	-9.6	-11.3	-10.6	-10.1	-9.7
LTCM (Jul-Aug 1998)	-6.8	-5.8	-5.7	-5.6	-5.5
Early 1990s Recession (Jun-Oct 1990)	-4.2	-4.5	-4.3	-4.6	-4.2
Crash of 1987 (Sep-Nov 1987)	-8.5	-8.3	-8.1	-7.9	-7.9
Volcker Recession (Jan-Mar 1980)	-4.6	-4.6	-4.6	-4.6	-4.8
Stagflation (Jan 1973-Sep 1974)	-16.0	-17.8	-17.2	-17.4	-16.9

→ Portfolios A through D generally perform the same or better than the current policy in negative historical scenarios except the Stagflation Scenario.

- The primary difference in the Stagflation Scenario was the performance of Commodities +140%.
- Portfolios A through D favor exposure to Private Natural Resources and Infrastructure over Commodities.

¹ See the Appendix for our scenario inputs. In periods where the ideal benchmark was not yet available we used the next closest benchmark(s) as a proxy.

Historical Positive Scenario Analysis¹
(Cumulative Return)

Scenario	IPS (%)	A (%)	B (%)	C (%)	D (%)
Covid Recovery (Apr 2020-Dec 2021)	47.0	45.4	44.8	44.1	43.9
Global Financial Crisis Recovery (Mar 2009-Nov 2009)	35.4	33.9	33.4	33.2	32.8
Best of Great Moderation (Apr 2003-Feb 2004)	26.7	25.6	25.2	24.9	24.8
Peak of the TMT Bubble (Oct 1998-Mar 2000)	31.9	31.9	31.4	30.6	30.8
Plummeting Dollar (Jan 1986-Aug 1987)	49.9	49.6	48.8	48.3	47.9
Volcker Recovery (Aug 1982-Apr 1983)	28.9	29.3	29.0	28.9	29.0
Bretton Wood Recovery (Oct 1974-Jun 1975)	23.6	23.9	23.5	23.4	23.2

→ The current IPS asset allocation performs the same or better than portfolios A through D in positive historical scenarios.

¹ See the Appendix for our scenario inputs. In periods where the ideal benchmark was not yet available we used the next closest benchmark(s) as a proxy.

Stress Testing: Impact of Negative Market Movements
(Expected Return under Negative Conditions)¹

Scenario	IPS (%)	A (%)	B (%)	C (%)	D (%)
10-year Treasury Bond rates rise 100 bps	3.0	2.8	2.7	2.6	2.5
10-year Treasury Bond rates rise 200 bps	-2.6	-2.7	-2.7	-2.8	-2.9
10-year Treasury Bond rates rise 300 bps	-4.3	-4.5	-4.5	-4.5	-4.8
Baa Spreads widen by 50 bps, High Yield by 200 bps	0.4	0.7	0.7	0.7	0.8
Baa Spreads widen by 300 bps, High Yield by 1000 bps	-19.9	-18.8	-18.6	-18.5	-18.1
Trade Weighted Dollar gains 10%	-4.1	-4.1	-4.0	-4.0	-3.9
Trade Weighted Dollar gains 20%	-1.7	-1.4	-1.4	-1.1	-1.1
U.S. Equities decline 10%	-4.6	-4.6	-4.5	-4.5	-4.4
U.S. Equities decline 25%	-14.8	-13.9	-13.7	-13.7	-13.4
U.S. Equities decline 40%	-23.9	-22.1	-21.7	-21.7	-21.3

- Each policy portfolio has a different sensitivity to four major risk factors: interest rates, credit spreads, currency fluctuations, and equity values.
- The OPEB Trust’s primary risk factors would continue to be an equity market decline and a widening of credit spreads, no matter the policy.
- Portfolios A through D exhibit stronger risk mitigation in the negative equity scenarios than the current policy.

¹ Assumes that assets not directly exposed to the factor are affected nonetheless. See the Appendix for further details.

Stress Testing: Impact of Positive Market Movements
(Expected Return under Positive Conditions)¹

Scenario	IPS (%)	A (%)	B (%)	C (%)	D (%)
10-year Treasury Bond rates drop 100 bps	2.0	2.0	2.0	2.1	2.1
10-year Treasury Bond rates drop 200 bps	10.3	10.2	10.0	10.2	10.2
10-year Treasury Bond rates drop 300 bps	13.5	13.4	13.1	13.5	13.6
Baa Spreads narrow by 30bps, High Yield by 100 bps	6.2	6.2	6.1	6.0	6.0
Baa Spreads narrow by 100bps, High Yield by 300 bps	13.3	12.7	12.6	12.7	12.4
Trade Weighted Dollar drops 10%	7.3	6.9	6.9	6.8	6.8
Trade Weighted Dollar drops 20%	19.9	20.0	19.6	19.5	19.6
U.S. Equities rise 10%	5.6	5.4	5.3	5.3	5.2
U.S. Equities rise 30%	13.6	13.4	13.2	13.1	13.0

- Each policy portfolio has marginally different sensitivity to declining rates.
- Portfolios A through D produce lower returns in the more extreme spread tightening scenario, but with spreads generally at record lows that scenarios should be discounted somewhat.
- The current IPS allocation performs modestly better in the strong equity rise scenario.

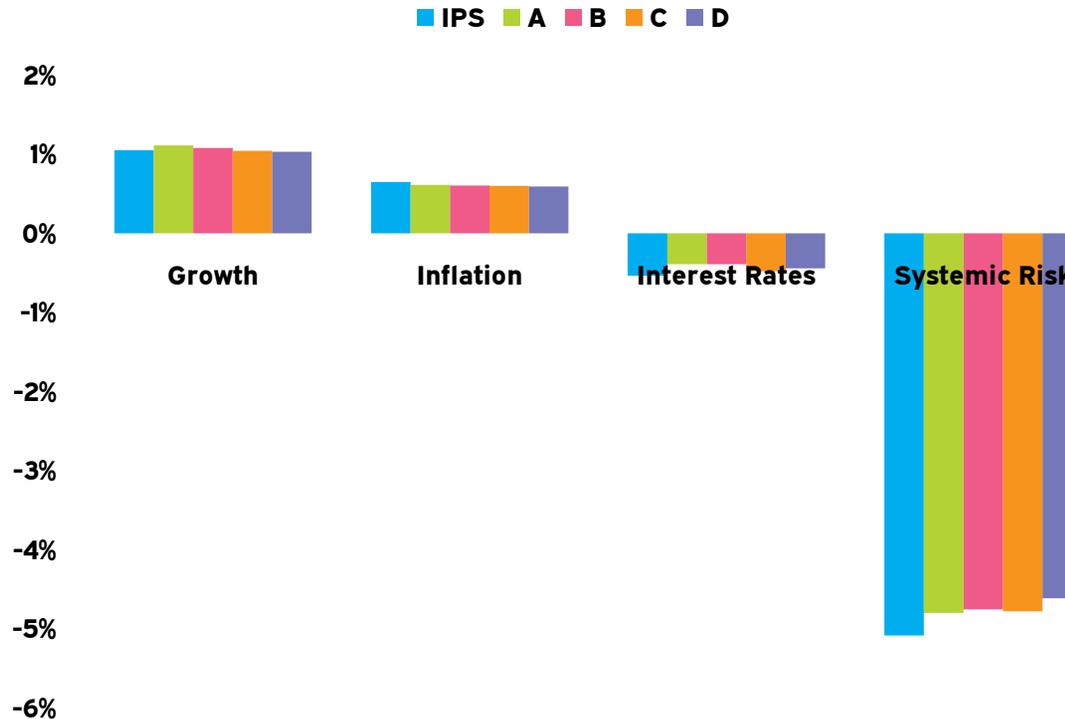
¹ Assumes that assets not directly exposed to the factor are affected nonetheless. See the Appendix for further details.

Economic Regime Management[®]

Economic Regime Management®

- The Economic Regime Management (ERM) approach focuses on understanding the dynamics of the most important macro level forces that drive returns across asset classes.
- We find the most important factors to be:
 - Interest Rate Surprise – Unexpected changes in the 10 year interest rate (related to Duration).
 - Inflation Surprise – Unexpected changes in the CPI growth rate.
 - Growth Surprise – Unexpected changes in the Real GDP growth rate.
 - Systemic Risk – “System-wide” risk that propagates through all asset classes (e.g., 2008).
- We focus on surprises because expectations matter.
 - What was considered “low” inflation in the 1970s would be considered “high” today.
- These factors explain the majority of volatility across asset classes.
 - Understanding these dynamics explain the “why” not just the “what.”

Portfolio Sensitivity Comparison



→ The chart above shows the resulting change in portfolio return given a one standard deviation event in the respective risk factor.

→ The largest risk sensitivities for the OPEB Trust portfolios are Growth and Systematic Risk. The recommended portfolios all marginally mitigate risk compared the current IPS.

Summary & Next Steps

Summary & Next Steps

Summary:

- The purpose of this presentation was to provide asset allocation policy options for the Board's review and approval.
- Meketa collaborated with LACERA staff to incorporate feedback from the Board and to refine the options discussed at the March meeting.
- Meketa believes the OPEB Trust currently utilizes a well diversified asset allocation that is aligned with LACERA's mission and the unique attributes of the OPEB Trust and thus all of the recommended policies represent modest adjustments to the current asset allocation.

Next Steps:

- Approve OPEB Trust strategic asset allocation policy (April)
- Review and approve benchmarks (May)
- Review and approve updated Investment Policy Statement (June)

Appendices

Notes and Disclaimers

- ¹ The returns shown in the Policy Options and Risk Analysis sections rely on estimates of expected return, standard deviation, and correlation developed by Meketa Investment Group. To the extent that actual return patterns to the asset classes differ from our expectations, the results in the table will be incorrect. However, our inputs represent our best unbiased estimates of these simple parameters.
- ² The returns shown in the Policy Options and Risk Analysis sections use a lognormal distribution, which may or may not be an accurate representation of each asset classes' future return distribution. To the extent that it is not accurate in whole or in part, the probabilities listed in the table will be incorrect. As an example, if some asset classes' actual distributions are even more right-skewed than the lognormal distribution (i.e., more frequent low returns and less frequent high returns), then the probability of the portfolio hitting a given annual return will be lower than that stated in the table.
- ³ The standard deviation bars in the chart in the Risk Analysis section do not indicate the likelihood of a 1, 2, or 3 standard deviation event—they simply indicate the return we expect if such an event occurs. Since the likelihood of such an event is the same across allocations regardless of the underlying distribution, a relative comparison across policy choices remains valid.

You understand and agree that this document is partly based on analysis conducted using Meketa's the Asset Allocation Tool ("AAT"), an interactive tool created by Meketa Investment Group, Inc. ("Meketa") for informational purposes only and is not intended to provide, and should not be relied on for, accounting, legal, tax, or investment advice. The tool generates outcomes that are hypothetical in nature and should not be considered as providing advice on which investments to buy or sell. Results may vary with each use and over time. Specifically, the results may vary if the user modifies the inputs or there are changes to the capital markets assumptions. Information contained herein is subject to change at any time without notice.

The majority of the underlying data is updated annually, with a significant portion based on our capital markets expectations (CMEs). The CME include forecasts for each asset class over a 10-year and 20-year horizon for expected return, standard deviation, and covariance. These forecasts do not represent predictions for any fund or strategy. These forecasts are forward-looking projections based upon the reasonable beliefs of Meketa and are not a guarantee of future performance. Forward-looking projections relate only to the date they are made, and Meketa assumes no duty to and does not generally undertake to update forward-looking statements outside of our standard annual CME update. Further, forward-looking projections are subject to numerous assumptions, risks, and uncertainties, which change over time. Actual results may differ materially from those anticipated in forward-looking projections.

Historical data published herein may be simulated or backdated using reasonable beliefs of available historical data and, in such instances, no allowance has necessarily been made for trading costs, management fees, implementation shortfalls or other costs, are not indicative of any specific investment, are unmanaged and cannot be invested in directly. Note there are specific modules and information in the tool that provide modeling analysis that includes reasonable assumptions, management fees, active management, etc. Past performance, including simulated or backdated performance, is no guarantee of future performance, and actual investment results will likely differ. Any information and data pertaining to an index contained in this document relate only to the index itself and not to any asset management product based on the index. All information and data are generally based on information and data from third party sources. Hypothetical or simulated performance results have certain inherent limitations. Unlike an actual performance record, hypothetical results do not represent actual trading, but are based on the historical returns of the selected investments, indices or investment classes and various assumptions of past and future events.

All projections provided are estimates and are in US dollar terms, unless otherwise specified, and are based on data as of the dates indicated. Given the complex risk-reward trade-offs involved, one should always rely on judgment in addition to any analysis in setting strategic allocations to any or all of the asset classes specified. All information shown is based on both quantitative and qualitative analysis developed by Meketa. The asset class and strategy assumptions contained herein are primarily passive – they do not consider the impact of active management, though a specific

model in the tool is designed to contemplate the use of active management. References to future returns are not promises of actual returns a client portfolio may achieve. Assumptions, opinions, and estimates are provided for illustrative purposes only. Forecasts of financial market trends that are based on current market conditions or historical data constitute a judgment and are subject to change without notice. We do not warrant their accuracy or completeness. There is no assurance that any of the market values displayed will be attained.

The return characteristics and behavior of asset classes are represented by broad-based indices that have been selected because they are well known and are easily recognizable by investors. The AAT does not favor certain asset classes. The AAT is intended to illustrate the possible trade-offs between portfolios composed of various assets. The behavior modeled for an asset class may differ from an actual portfolio. For example, investments made for a portfolio may differ significantly in terms of security holdings, industry weightings, and asset allocation, from those of the asset class. Further, other asset classes not considered may have characteristics similar or superior to those being analyzed by the AAT.

No investment process is risk free and there is no guarantee of profitability; investors may lose some or all of their investments. No investment strategy or risk management technique can guarantee returns or eliminate risk in any market environment. Diversification does not guarantee a profit or protect against loss. Asset classes vary significantly in projected returns and volatility.

Our models and assumptions utilize data from various vendors, including MSCI, S&P, Russell, FTSE, NCREIF, Bloomberg, Oxford Economics, FRED, etc. No model or assumptions are sponsored, endorsed, or promoted by any vendor, and vendors bear no liability.

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Contact meketaadv@meketa.com for a copy of the Meketa current Form ADV Part 2A or Part 2B. Meketa's Form ADV Part 1A is available through the SEC's public website.

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FOR INFORMATION ONLY

May 1, 2024

TO: Trustees,
Board of Investments

FROM: Christine Roseland *CR*
Senior Staff Counsel

FOR: May 8, 2024 Board of Investments Meeting

SUBJECT: **Legal Projects**

Attached is the monthly report on the status of Board-directed investment-related projects handled by the Legal Division as of May 1, 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
Lisa Garcia



LACERA Legal Division
Board of Investments Projects
Monthly Status Report - Pending as of May 1, 2024*



	Project/ Investment	Description	Amount	Board Approval Or Report Out Date	Completion Status	% Complete	Notes
PRIVATE EQUITY	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	85%	Legal negotiations in process.
	Innovation Alpha V, L.P.	Subscription	\$100,000,000	April 10, 2024	Completed	100%	Completed.
REAL ASSETS	Orion Mine Finance Fund IV, L.P.	Subscription	\$125,000,000	April 10, 2024	Completed	100%	Completed.
	Orion Mine Finance Co-Fund IV, L.P.	Co-Investment	\$125,000,000	April 10, 2024	Completed	100%	Completed.

*= This list does not include Real Estate separate account transactions, co-investments, 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

April 23, 2024

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Barry W. Lew 
Legislative Affairs Officer

FOR: May 1, 2024 Board of Retirement Meeting
May 8, 2024 Board of Investments Meeting

SUBJECT: **Monthly Status Report on Legislation**

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

Reviewed and Approved:



Luis Lugo, Deputy Chief Executive Officer

Attachments

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LACERA Legislative Report

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

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1.

California Assembly Bill 148 (2023-2024)

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

State Employment: State Bargaining Units: Agreements

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

Code:

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

Status:

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



PUBLIC_RETIREMENT

Commentary:

Comment:

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

Amends PEPR section 7522.34 as it relates to state employees.

2.

California Assembly Bill 817 (2023-2024)

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

Open Meetings: Teleconferencing: Subsidiary Body

Provides that the Ralph M. Brown Act requires, with specified exceptions, each legislative body of a local agency to provide notice of the time and place for its regular meetings. Provides that existing law authorizes the legislative body of a local agency to use alternate teleconferencing provisions during a proclaimed state of emergency. Authorizes, until specified date, a subsidiary body to use alternative teleconferencing provisions and imposes requirements for notice, agenda, and public participation.

Code:

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

Status:

Jan 25, 2024: In ASSEMBLY. Read third time. Passed ASSEMBLY. *****To SENATE.

[+ Show full status history](#)



BROWN_ACT

| No tags, commentary, or attachment applied

3.

California Assembly Bill 1246 (2023-2024)

CA A 1246 | [Stephanie Nguyen \(D-010\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Inactive File

Public Employees' Retirement System Optional Settlement

Provides that existing law permits a member of the Public Employees' Retirement System to elect from among several other optional settlements for the purpose of structuring their retirement allowance. Permits a member who elected to receive a specified optional settlement at retirement, if the member's former spouse was named as beneficiary and a legal judgment awards only a portion of the interest in the retirement system to the member, to elect to add their new spouse as the beneficiary.

Code:

An act to amend Sections ~~21462 and 21481~~ 21462, 21481, and 75523 of the Government Code, relating to retirement.

Status:

Sep 11, 2023: In SENATE. From Special Consent Calendar. To Inactive File.
[+ Show full status history](#)

Hearing Dates:

04/23/2024 Senate Inactive File



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

4.

California Assembly Bill 1997 (2023-2024)

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

Teachers' Retirement Law

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

Code:

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

Status:

Apr 17, 2024: In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

[+ Show full status history](#)



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

5.

California Assembly Bill 2153 (2023-2024)

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

California Public Records Act: Public Agency Employees

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

Code:

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

Status:

Feb 20, 2024: To ASSEMBLY Committee on JUDICIARY.

[+ Show full status history](#)



PUBLIC_RECORDS_ACT

| No tags, commentary, or attachment applied

6.

California Assembly Bill 2183 (2023-2024)

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

Public Employees' Retirement Benefits: Compensation

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

Code:

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

Status:

Feb 7, 2024: INTRODUCED.



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

7.

California Assembly Bill 2283 (2023-2024)

CA A 2283 | [Blanca Pacheco \(D-064\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Assembly Judiciary Committee

Public Records: Employee Personnel Records: Notice

Requires a public agency that receives a request for the personnel records of one of the public agency's employees to provide written notice, as prescribed, to the employee within 48 hours of receipt of the request if specified conditions are met.

Code:

An act to add Section 7922.550 to the Government Code, relating to public records.

Status:

Feb 26, 2024: To ASSEMBLY Committee on JUDICIARY.

[+ Show full status history](#)



PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

8.

California Assembly Bill 2284 (2023-2024)

CA A 2284 | [Timothy S. Grayson \(D-015\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Third Reading File

County Employees' Retirement: Compensation

Relates to the County Employees Retirement Law of 1937 and the California Public Employees' Pension Reform Act of 2013. Authorizes a retirement system, to the extent it has not defined grade, to define grade to mean a number of employees considered together because they share similarities in job duties, schedules, unit recruitment requirements, work location, collective bargaining unit, or other logical work-related group or class.

Code:

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

Status:

Apr 22, 2024: In ASSEMBLY. Read second time. To third reading.

[+ Show full status history](#)

Hearing Dates:

04/23/2024 Assembly Third Reading File



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

9.

California Assembly Bill 2301 (2023-2024)

CA A 2301 | [Stephanie Nguyen \(D-010\)](#) and 6 Co-sponsors | Pending | Fiscal Committee (No) | Urgency Clause (Yes) | SENATE

Sacramento Area Sewer District Pension Protection Act

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

Code:

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

Status:

Apr 15, 2024: In ASSEMBLY. Read third time, urgency clause adopted. Passed ASSEMBLY. *****To SENATE.

[+ Show full status history](#)



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

10.

California Assembly Bill 2302 (2023-2024)

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

Open Meetings: Local Agencies: Teleconferences

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

Code:

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

Status:

Apr 15, 2024: In ASSEMBLY. Read second time. To third reading.

[+ Show full status history](#)

Hearing Dates:

04/23/2024 Assembly Third Reading File

 BROWN_ACT

| No tags, commentary, or attachment applied

11.

California Assembly Bill 2335 (2023-2024)

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

Public Employment: Compensation and Classification

Expands the purpose of the State Civil Service Act to include that the compensation relationship between State civil positions with comparable duties and responsibilities is maintained. Requires the Commission on the Status of Women and Girls to give primary consideration to identifying and correcting inequities between jobs that employ a higher proportion of females than males and males than females. Requires the commission to consider certain factors.

Code:

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

Status:

Apr 17, 2024: In ASSEMBLY. Coauthors revised.

Apr 17, 2024: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.

[+ Show full status history](#)

PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

12.

California Assembly Bill 2350 (2023-2024)

CA A 2350 | [Josh Hoover \(R-007\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |
Assembly Education Committee

Open Meetings: School Boards: Emergencies: Notification

Authorizes a school board holding an emergency meeting to fulfill the premeeting notification requirement by email instead of by telephone. Provides that if the internet and telephone services are not functioning, the bill would similarly waive the premeeting notification requirement and require the postmeeting notification.

Code:

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

Status:

Apr 19, 2024: Re-referred to ASSEMBLY Committee on EDUCATION.

[+ Show full status history](#)

Hearing Dates:

04/24/2024 Education

 BROWN_ACT

| No tags, commentary, or attachment applied

13.

California Assembly Bill 2362 (2023-2024)

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

County Fire Service Retirement Law: Report

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

Code:

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

Status:

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

[+ Show full status history](#)



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

14.

California Assembly Bill 2421 (2023-2024)

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

Employer-Employee Relations: Confidential Communication

Prohibits a local public agency employer, a state employer, a public school employer, a higher education employer, or the district from questioning any employee or employee representative regarding communications made in confidence between an employee and an employee representative in connection with representation relating to any matter within the scope of the recognized employee organization's representation.

Code:

An act to amend Sections 3506.5, 3519, 3543.5, and 3571 of the Government Code, and to amend Section 28858 of the Public Utilities Code, relating to employer-employee relations.

Status:

Apr 3, 2024: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.

[+ Show full status history](#)

Hearing Dates:

04/24/2024 Appropriations

 PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

15.

California Assembly Bill 2455 (2023-2024)

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

Whistleblower Protection: State and Local Government

Relates to the California Whistleblower Protection Act. Provides that existing law authorizes a city, county, or city and county auditor or controller who is elected to office to maintain a whistleblower hotline to receive calls from persons who have information regarding specified conduct by local government employees. Authorizes a city, county, or city and county auditor or controller to identify a designee within the office responsible for the maintenance of the whistleblower hotline.

Code:

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

Status:

Apr 17, 2024: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.

[+ Show full status history](#)

PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

16.

California Assembly Bill 2474 (2023-2024)

CAA 2474 | [Tom Lackey \(R-034\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Consent Calendar - First Legislative Day

Retirement: County Employees Retirement Law of 1937

Authorizes the board of retirement for the County of Los Angeles to permit a person entitled to receive benefit payments to have them deposited into a prepaid account. Requires the retirement system for the County of Los Angeles, no later than the specified date, to submit a report to specified legislative committees that includes certain information regarding the implementation of these provisions.

Code:

An act to amend Sections 31452.6, ~~31590~~, 31680.2, 31680.3, and 31680.6 of, ~~and~~ to add Section 31680.9 to, and to add and repeal Sections 31452.61 and 31590.2 of, the Government Code, relating to retirement.

Status:

Apr 22, 2024: In ASSEMBLY. Read second time. To Consent Calendar.
[+ Show full status history](#)

Hearing Dates:

04/23/2024 Assembly Consent Calendar - First Legislative Day

PUBLIC_RETIREMENT

Tags:

Staff_Recommendation:

IBLC_Recommendation:

17.

California Assembly Bill 2489 (2023-2024)

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

Local Agencies: Contracts for Special Services

Provides that existing law authorizes a county board of supervisors to contract for certain types of special services. Requires the board or a representative, at least a specified number of months before beginning a procurement process to contract with persons for special services that are currently, or were previously, performed by employees of the county represented by an employee organization, to notify the exclusive employee representative of the workforce affected by the contract.

Code:

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

Status:

Apr 17, 2024: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on JUDICIARY.

[+ Show full status history](#)

Hearing Dates:

04/23/2024 Judiciary



PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

18.

California Assembly Bill 2557 (2023-2024)

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

Local Agencies: Contracts for Special Services

Provides that existing law authorizes a county board of supervisors to contract for certain types of special services. Requires the board or a representative, at least a specified number of months before beginning a procurement process to contract for special services that are currently, or were previously, performed by employees of the county represented by an employee organization, to notify, in writing, the exclusive employee representative of the workforce affected by the contract of its determination.

Code:

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

Status:

Apr 17, 2024: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on JUDICIARY.

[+ Show full status history](#)

Hearing Dates:

04/23/2024 Judiciary

PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

19.

California Assembly Bill 2561 (2023-2024)

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

Local Public Employees: Vacant Positions

Provides that the Meyers-Milias-Brown Act authorizes local public employees to form, join, and participate in the activities of employee organizations of their own choosing for the purpose of representation on matters of labor relations. Requires each public agency with bargaining unit vacancy rates exceeding a specified percent for more than a specified number of days to meet and confer with a representative of the recognized employee organization to implement a plan to fill all vacant positions.

Code:

An act to ~~amend Section 11546 of~~ add Section 3502.3 to the Government Code, relating to ~~state government administration.~~ public employment.

Status:

Apr 17, 2024: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT: Do pass to Committee on APPROPRIATIONS.

[+ Show full status history](#)

PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

20.

California Assembly Bill 2631 (2023-2024)

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

Local Agencies: Ethics Training

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

Code:

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

Status:

Apr 10, 2024: In ASSEMBLY Committee on APPROPRIATIONS: To Suspense File.

[+ Show full status history](#)



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

21.

California Assembly Bill 2715 (2023-2024)

CAA 2715 | [Tasha Boerner \(D-077\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Local Government Committee

Ralph M. Brown Act: Closed Session

Authorizes a closed session of a legislative body of a local agency to consider or evaluate matters related to cybersecurity, as specified, provided that any action taken on those matters is done in open session.

Code:

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

Status:

Mar 4, 2024: To ASSEMBLY Committee on LOCAL GOVERNMENT.

[+ Show full status history](#)

Hearing Dates:

05/01/2024 Local Government

 BROWN_ACT

| No tags, commentary, or attachment applied

22.

California Assembly Bill 2770 (2023-2024)

CA A 2770 | Public Employment and Retirement | Pending | Fiscal Committee (Yes) | Urgency Clause (No)
| Assembly Consent Calendar - Second Legislative Day

Public Employees Retirement

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

Code:

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

Status:

Apr 18, 2024: In ASSEMBLY. Read second time. To Consent Calendar.
[+ Show full status history](#)

Hearing Dates:

04/23/2024 Assembly Consent Calendar - Second Legislative Day

 PUBLIC_RETIREMENT

Tags:

Staff_Recommendation: Support

IBLC_Recommendation: Support

BOR_Position: Support

23.

California Assembly Bill 3025 (2023-2024)

CA A 3025 | [Avelino Valencia \(D-068\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) | Assembly Public Employment and Retirement...

County Employees Retirement: Disallowed Compensation

Requires a retirement system established under the County Employees Retirement Law of 1937, upon determining that the compensation reported for a member is disallowed compensation, to require the employer to discontinue reporting the disallowed compensation. Requires, for an active member, the retirement system to credit all contributions made on the disallowed compensation against future contributions to the benefit of the employer that reported the disallowed compensation.

Code:

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

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

Status:

Mar 18, 2024: In ASSEMBLY. Read second time and amended. Re-referred to Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

Mar 18, 2024: From ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT With author's amendments.

Mar 18, 2024: To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

[+ Show full status history](#)

Hearing Dates:

05/01/2024 Public Employment and Retirement

 PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

24.

California Senate Bill 252 (2023-2024)

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

Public Retirement Systems: Fossil Fuels: Divestment

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

Code:

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

Status:

June 8, 2023: To ASSEMBLY Committee on PUBLIC EMPLOYMENT AND RETIREMENT.

[+ Show full status history](#)

 PUBLIC_INVESTMENT

| No tags, commentary, or attachment applied

25.

California Senate Bill 537 (2023-2024)

CAS 537 | [Josh Becker \(D-013\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (Yes) | Assembly Inactive File

Open Meetings: Multijurisdictional

Relates to the Ralph M. Brown Act. Expand the circumstances of just cause to apply to the situation in which an immunocompromised child, parent, grandparent, or other specified relative requires the member to participate remotely. Requires the legislative body to provide a record of attendance of the members of the legislative body, the number of community members in attendance in the teleconference meeting, and the number of public comments on its internet website after a teleconference meeting.

Code:

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

Status:

Sep 14, 2023: In ASSEMBLY. To Inactive File.

[+ Show full status history](#)

Hearing Dates:

04/23/2024 Assembly Inactive File

 BROWN_ACT

| No tags, commentary, or attachment applied

26.

California Senate Bill 962 (2023-2024)

CAS 962 | [Steve Padilla \(D-018\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (Yes) |
Senate Third Reading File

San Diego Unified Port District: Public Employee

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

Code:

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

Status:

Apr 18, 2024: In SENATE. Read second time and amended. To third reading.

[+ Show full status history](#)

Hearing Dates:

04/23/2024 Senate Third Reading File



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

27.

California Senate Bill 1034 (2023-2024)

CAS 1034 | [Kelly Seyarto \(R-032\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) | Senate Consent Calendar

California Public Records Act: State of Emergency

Revises the unusual circumstances under which the time limit for an agency to determine whether a records request seeks copies of disclosable public records in the possession of the agency, and to notify the person of the determination, may be extended to include the need to search for, collect, appropriately examine, and copy records during a state of emergency when the emergency has affected the agency's ability to timely respond to requests, with specified exceptions.

Code:

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

Status:

Apr 23, 2024: In SENATE. Read second time. To Consent Calendar.

[+ Show full status history](#)

Hearing Dates:

04/23/2024 Senate Second Reading File



PUBLIC_RECORDS_ACT

| No tags, commentary, or attachment applied

28.

California Senate Bill 1189 (2023-2024)

CAS 1189 | [Monique Limon \(D-019\)](#) | Pending | Fiscal Committee (No) | Urgency Clause (No) |
Senate Consent Calendar - Second Legislative Day

County Employees Retirement Law of 1937

Authorizes a board of retirement to appoint a chief technology officer.

Code:

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

Status:

Apr 18, 2024: In SENATE. Read second time. To Consent Calendar.

[+ Show full status history](#)

Hearing Dates:

04/23/2024 Senate Consent Calendar - Second Legislative Day



RETIREMENT_PERSONNEL

| No tags, commentary, or attachment applied

29.

California Senate Bill 1240 (2023-2024)

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

Public Employees Retirement System: Contracting

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

Code:

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

Status:

Apr 23, 2024: In SENATE. Read second time. To Consent Calendar.

[+ Show full status history](#)

Hearing Dates:

04/23/2024 Senate Second Reading File



PUBLIC_RETIREMENT

| No tags, commentary, or attachment applied

30.

California Senate Bill 1260 (2023-2024)

CAS 1260 | [Roger W. Niello \(R-006\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (No) |
Senate Transportation Committee

High-Speed Rail: Independent Review: High-Speed Rail

Provides that the High-Speed Rail Act creates the High-Speed Rail Authority to develop and implement a high-speed train system in the State. Provides that existing law creates the High-Speed Rail Authority Office of the Inspector General. Requires the Inspector to conduct an independent review of the economic and financial justification for the high-speed rail project, including a review and assessment of a specified benefit-cost analysis submitted by the Authority to the U.S. Department of Transportation.

Code:

An act to add Section ~~2704.79 to the Streets and Highways Code~~, 187039 to the Public Utilities Code, relating to high-speed rail.

Status:

Apr 10, 2024: In SENATE. Read second time and amended. Re-referred to Committee on TRANSPORTATION.

Apr 10, 2024: From SENATE Committee on TRANSPORTATION with author's amendments.

[+ Show full status history](#)

Hearing Dates:

04/23/2024 Transportation



RETIREMENT_PERSONNEL

| No tags, commentary, or attachment applied

31.

California Senate Bill 1379 (2023-2024)

CAS 1379 | [Bill Dodd \(D-003\)](#) | Pending | Fiscal Committee (Yes) | Urgency Clause (Yes) | Senate Labor, Public Employment and Retirement...

Public Employees' Retirement Law: Reinstatement

Relates to existing law under which a retired member of PERS is generally subject to a limit of 960 hours of employment within a calendar or fiscal year for specified employers without reinstating in the system. Creates an exception to the limit for retired members hired by the City of Vallejo or the County of Solano to perform a function or functions regularly performed by a peace officer, any evidence or dispatch personnel, or any administrative or records personnel.

Code:

An act to amend, repeal, and add Sections 7522.56, 21221, and 21224 of the Government Code, relating to public retirement, and declaring the urgency thereof, to take effect immediately.

Status:

Apr 10, 2024: In SENATE Committee on LABOR, PUBLIC EMPLOYMENT AND RETIREMENT: Not heard.
[+ Show full status history](#)

Hearing Dates:

04/24/2024 Labor, Public Employment and Retirement

 PUBLIC_EMPLOYMENT

| No tags, commentary, or attachment applied

32.

California Senate Bill 1441 (2023-2024)

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

Examination of Petitions: Time Limitations

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

Code:

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

Status:

Apr 16, 2024: From SENATE Committee on ELECTIONS AND CONSTITUTIONAL AMENDMENTS: Do pass to Committee on APPROPRIATIONS.

[+ Show full status history](#)



PUBLIC_RECORDS_ACT

| No tags, commentary, or attachment applied

33.

California Proposition TBD (2024)

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

Taxpayer Protection and Government Accountability Act

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



BALLOT_INITIATIVES

| No tags, commentary, or attachment applied

34.

United States House Bill 82 (2023-2024)

US H 82 | [Garret Graves \(R-LA 06\)](#) and 318 Co-sponsors | Pending | House Ways and Means Committee

Pension Offset and Windfall Elimination Repeal

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

Status:

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

Jan 9, 2023: INTRODUCED.

[+ Show full status history](#)

Related:

[US H 4583](#) |

[US S 597](#) |

[US S 2280](#)

SOCIAL_SECURITY

Tags:

Staff_Recommendation: Support

IBLC_Recommendation: Support

BOR_Position: Support

35.

United States House Bill 957 (2023-2024)

US H 957 | [Abigail A. Spanberger \(D-VA 07\)](#) and 15 Co-sponsors | Pending | House Ways and Means Committee

Internal Revenue Code Retirement Plan Exclusion

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

Status:

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

Feb 9, 2023: INTRODUCED.

[+ Show full status history](#)

HEALTHCARE

Tags:

Staff_Recommendation:

IBLC_Recommendation:

BOR_Position:

36.

United States House Bill 4260 (2023-2024)

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

Equitable Social Security Formula

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

Status:

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

June 21, 2023: INTRODUCED.

[+ Show full status history](#)

SOCIAL_SECURITY

Tags:

Staff_Recommendation:

IBLC_Recommendation:

BOR_Position:

37.

United States House Bill 5342 (2023-2024)

US H 5342 | [Jodey Cook Arrington \(R-TX 19\)](#) and 33 Co-sponsors | Pending |
House Ways and Means Committee

Windfall Elimination Provision Replacement

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

Status:

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

Sep 5, 2023: INTRODUCED.

[+ Show full status history](#)

SOCIAL_SECURITY

Tags:

Staff_Recommendation: Support

IBLC_Recommendation: Support

BOR_Position: Support

38.

United States Senate Bill 597 (2023-2024)

US S 597 | [Sherrod Brown \(D-OH\)](#) and 52 Co-sponsors | Pending | Senate Finance Committee

Government Pension Offset Repeal

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

Status:

Mar 1, 2023: To SENATE Committee on FINANCE.

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

Mar 1, 2023: INTRODUCED.

[+ Show full status history](#)

Related:

[US H 82](#) |

[US H 4583](#) |

[US S 2280](#)

SOCIAL_SECURITY

Tags:

Staff_Recommendation:

IBLC_Recommendation:

BOR_Position:

**FOR INFORMATION ONLY**

April 19, 2024

TO: Each Trustee
Board of Retirement
Board of Investments

FROM: Ted Granger 
Chief Financial Officer

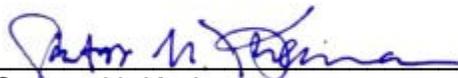
FOR: May 1, 2024 Board of Retirement Meeting
May 8, 2024 Board of Investments Meeting

SUBJECT : MONTHLY TRUSTEE TRAVEL & EDUCATION REPORT – MARCH 2024

Attached for your review is the Trustee Travel & Education Report. This report includes all events (i.e., attended and canceled) from the beginning of the fiscal year through March 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 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 2023 - 2024
MARCH 2024**

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Alan Bernstein			
A	1 Edu - PREA's 33rd Annual Institutional Investor Conference - Boston MA	10/18/2023 - 10/20/2023	Attended
B	- Edu - NACD DE&I Deep Dive: A Road Map for Becoming an Inclusion-Focused Board - Laguna Beach CA	08/22/2023 - 08/23/2023	Attended
Trevor Fay			
B	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
Mike Gatto			
A	1 Edu - PPI 2024 Winter Roundtable - Napa CA	03/06/2024 - 03/07/2024	Attended
Vivian Gray			
A	1 Edu - Prosper Africa U.S. Institutional Investors Delegation Trip & GEBF Thought Leadership Conference - Johannesburg and Cape Town South Africa	09/30/2023 - 10/06/2023	Attended
	2 Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
	3 Edu - NIRS 15th Annual Retirement Policy Conference - Washington, DC	02/26/2024 - 02/27/2024	Attended
B	- Admin - SACRS Board of Directors and Committee Meeting - San Mateo CA	08/07/2023 - 08/08/2023	Attended
	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
	- Admin - TLF Trustee Peer Coaching Program - Boston MA	10/26/2023 - 10/27/2023	Attended
	- Admin - CALAPRS Intermediate Course in Retirement Plan Administration - Burbank CA	11/01/2023 - 11/03/2023	Attended
	- Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
	- Admin - NASP New York Symposium - New York City NY	11/14/2023 - 11/15/2023	Attended
	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
	- Admin - SACRS Board of Directors and Committee Meeting - Santa Barbara CA	03/25/2024 - 03/26/2024	Attended
X	- Edu - Pension Bridge Private Credit Conference - San Diego CA	02/26/2024 - 02/27/2024	Canceled
David Green			
A	1 Edu - 2023 SuperInvestor International - Zürich Switzerland	11/14/2023 - 11/17/2023	Attended
Jason Green			
A	1 Edu - 2023 SuperInvestor International - Zürich Switzerland	11/14/2023 - 11/17/2023	Attended
B	- Edu - CII 2023 Fall Conference Next Frontier in Governance - Long Beach CA	09/11/2023 - 09/13/2023	Attended
James Harris			
B	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
Onyx Jones			
X	- Edu - NCPERS 2023 Fall Conference - Las Vegas NV	10/21/2023 - 10/25/2023	Canceled

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

Attendee	Purpose of Travel - Location	Event Dates	Travel Status
Patrick Jones			
A	1 Edu - 2023 Investment Diversity Advisory Council (IDAC) Global Summit - Chicago IL	09/19/2023 - 09/20/2023	Attended
	2 Edu - NCPERS 2023 Fall Conference - Las Vegas NV	10/21/2023 - 10/25/2023	Attended
	3 Edu - 2024 Infrastructure Investor Global Summit - Berlin, Germany	03/18/2024 - 03/21/2024	Attended
B	- Edu - PPI 2023 Summer Roundtable - San Francisco CA	07/19/2023 - 07/21/2023	Attended
	- Edu - SACRS 2023 Fall Conference - Rancho Mirage CA	11/07/2023 - 11/10/2023	Attended
	- Edu - Los Angeles Black Heritage Real Estate Tour - Los Angeles CA	02/29/2024 - 02/29/2024	Attended
	- Edu - PPI 2024 Winter Roundtable - Napa CA	03/06/2024 - 03/07/2024	Attended
Shawn Kehoe			
B	- Admin - Professional Peace Officers Association (PPOA) Offsite - Carlsbad CA	01/27/2024 - 01/27/2024	Attended
Keith Knox			
A	1 Edu - 2023 PPI Executive Seminar and Asia Roundtable - Tokyo Japan	10/22/2023 - 10/27/2023	Attended
B	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended
Nicole Mi			
A	1 Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
	2 Edu - PPI 2024 Leadership Lab - Napa CA	03/05/2024 - 03/06/2024	Attended
	3 Edu - CALAPRS Advanced Principles of Pension Governance for Trustees - Pasadena CA	03/27/2024 - 03/29/2024	Attended
B	- Edu - UCLA Anderson Business School - The Global Economy (Monthly classes: 01/07, 02/04, 03/03) - Los Angeles CA	01/07/2024 - 03/03/2024	Attended
	- Edu - UCLA Anderson Business School - Decoding Today's Financial Markets (Weekly Tuesday classes except: 01/23, 03/05) - Los Angeles CA	01/09/2024 - 03/12/2024	Attended
	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
C	- Edu - PPI 2024 Winter Roundtable - Napa CA	03/06/2024 - 03/07/2024	Attended
Wayne Moore			
A	1 Edu - NCPERS 2024 Legislative Conference - Washington DC	01/22/2024 - 01/24/2024	Attended
B	- Edu - 2024 NASP Southern California "Day of Education in Private Equity Conference" - Los Angeles CA	03/20/2024 - 03/21/2024	Attended
Les Robbins			
B	- Admin - RELAC Annual Luncheon - Alhambra CA	08/10/2023 - 08/10/2023	Attended

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

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

Category Legend:

A - Pre-Approved/Board Approved Educational Conferences

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

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

V - Virtual Event

X - Canceled events for which expenses have been incurred.



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



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